

## Q3 2021 | OFFICE MARKET REPORT



★ UPSTATE, SC

INVENTORY

41,927,075 SF

\*ANDERSON, CHEROKEE, GREENVILLE, LAURENS,  
PICKENS, & SPARTANBURG COUNTIES

VACANCY

8.4% ↑

AVAILABILITY

4,064,897 SF ↓  
9.5%

BUILDINGS DELIVERED

1 ↑

NET ABSORPTION

(46,305) SF ↓

BUILDINGS UNDER CONSTRUCTION

11  
947,265 SF

GROSS RENT OVERALL

\$21.83 ↑

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## SPARTANBURG CBD

INVENTORY: 2.41 M SF

VACANCY	▼	Q3: 7.8% Q2: 9.7%
ABSORPTION <small>12 Month Net Absorption SF</small>	▲	Q3: 45.6 K SF Q2: 9.1 K SF
RENTAL RATE <small>Gross Rent</small>	▼	Q3: \$23.05 Q2: \$23.08

## GREENVILLE CBD + WEST END

INVENTORY: 6.3 M SF

VACANCY	▲	Q3: 12.9% Q2: 12.1%
ABSORPTION <small>12 Month Net Absorption SF</small>	▼	Q3: (46 K) SF Q2: (15 K) SF
RENTAL RATE <small>Gross Rent</small>	▼	Q3: \$24.54 Q2: \$24.83

## UPSTATE MARKET REVIEW

While vacancy rates in the Upstate remain well below the national average, several quarters of negative net absorption have softened rent growth recently. Major office occupiers have worked remotely during the coronavirus crisis and held off on making major decisions until the outlook on vaccination rates and the delta variant becomes clearer.

Construction is on the rise in Greenville, driven by a few large adaptive reuse and conversion projects. About 900,000 SF of office space is currently under construction in Greenville. Combined with recent deliveries of more than 200,000 SF over the past year and remaining uncertainty in the office market, rent growth is likely to remain soft in the coming quarters.

Office rents in the Spartanburg market were rising at a 2.6% annual rate during the third quarter of 2021. There is 44,000 SF currently underway, representing the largest under construction pipeline in over three years. Vacancies were basically in line with the 10-year average as of 2021Q3, but moved up slightly over the past four quarters.

Source:  CoStar

## NOTABLE Q3 TRANSACTIONS



### LEASED

Hunter Garrett, CCIM, SIOR, Keith Jones, SIOR, CCIM, and McNeil Epps, CCIM leased ±21,572 SF in The Field House located at 935 S Main St, Greenville, SC



### LEASED

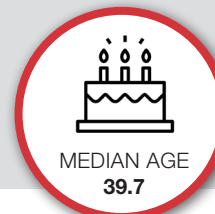
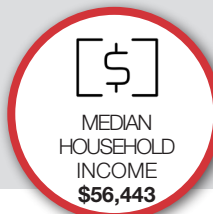
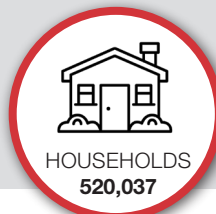
John Bauknight and Andrew Babb leased ±13,027 SF in The Montgomery Building located at 187 N Church St, Spartanburg, SC



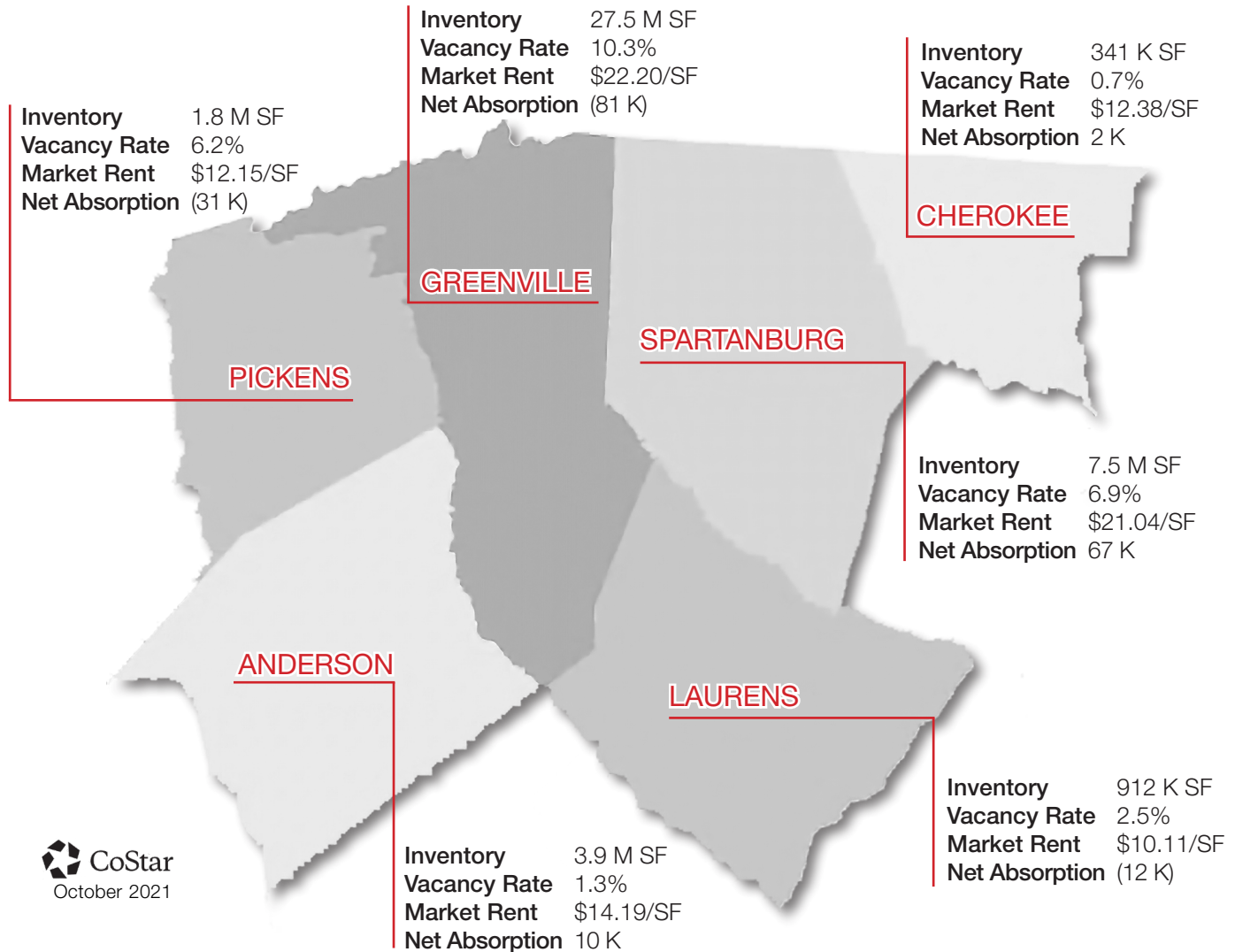
### SOLD

Keith Jones, SIOR, CCIM and McNeil Epps, CCIM sold the ±15,000 SF Gregory Pest Control office building located at 200 Smith Hines Rd, Greenville, SC

## UPSTATE SC DEMOGRAPHICS



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## ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is the Upstate's largest commercial real estate brokerage and property management firm and has been providing superior results to its clients for over thirty years. With three Upstate offices, NAIEF delivers creative solutions to ensure client success while promoting a culture of collaboration, drive, and innovation. The company's unique shareholder-owned structure creates an engaging environment which thrives on mentorship and common goals. Invested in the community and its people, the NAIEF team is committed to being experts in the field of commercial real estate and improving the Upstate market through its wide range of quality client services.

In 2017, NAI Earle Furman, serving the Upstate of South Carolina, and North Carolina's NAI Piedmont Triad joined forces to form a creative commercial real estate collaboration across state lines. The teams expanded their market footprint in 2019 by partnering with the newly rebranded NAI Columbia (formerly Avant) group operating in the South Carolina Midlands. This strategic alliance equally benefits all three firms with additional manpower, expanded resources, and ever-evolving cross-market projects fueled by combined expertise. Learn more at [www.naief.com](http://www.naief.com)