

FIGURES | GREENVILLE-SPARTANBURG – INDUSTRIAL MARKET | Q1 2025

GSP Industrial Market turns the corner, poised for a strong year of net absorption

▼8.5%

*Direct Vacancy Rate

▲12.26%

**Total Availability Rate

▼1M sq. ft.

Net Direct Absorption

▼2.2M sq. ft.

Under Construction

Note: Arrows indicate change from previous quarter.

Key Takeaways

- Greenville-Spartanburg’s “GSP” industrial market continues to reflect strong market fundamentals by continuing the momentum from 2024’s third best year of net absorption by adding 1-million in direct positive net absorption for the first quarter of 2025.
- Vacancy remains relatively flat at 8.5%, despite the addition of a 1-million sq. ft. vacant delivery. The positive absorption offset any rise in vacancy that would’ve been added and looks to continue its downward trend from its high of 9.1% in Q3 2024.
- The GSP market has limited construction starts, totaling just over 601,000 sq. ft. of the sub-375k sq. ft. product size. The current pipeline is sitting at just under 2.3-million sq. ft., which is comprised of roughly 1.3-million sq. ft of BTS space & 900,000 sq. ft. of SPEC, is set to deliver by the end of 2025.

*Direct Vacancy Rate does not include sublease square feet in the calculation.

**Total Availability Rate includes sublease square feet in the calculation.

FIGURE 1: Historical Supply & Demand Dynamics



Source: CBRE Research, Q1 2025

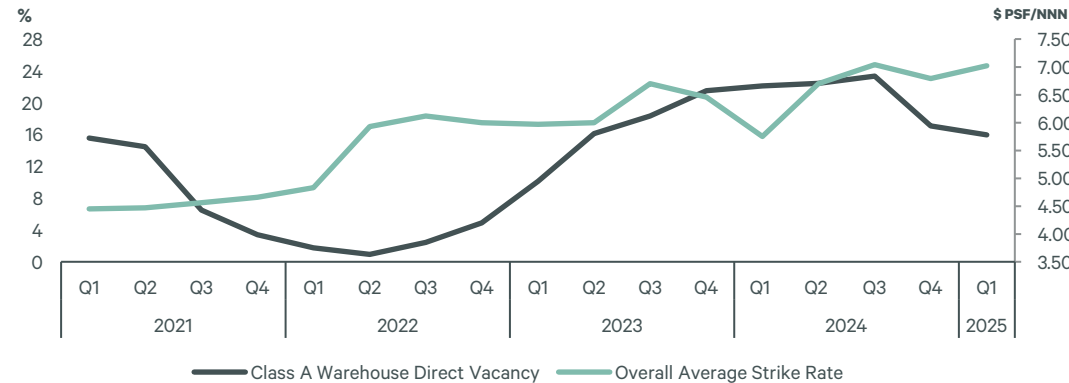
Development Activity

The full year of 2024 saw over 10 million sq. ft. of construction deliveries, with Q4 delivering the largest amount at 3.2 million sq. ft. across six projects. As we move into Q1 2025, we observe a decrease in delivery volume, totaling just over 1.1 million sq. ft. from two deliveries. The larger of these is Spartanburg 221, a speculative (SPEC) new construction project in the Spartanburg East submarket, measuring 1,020,195 sq. ft. The second building, located in the Anderson submarket, is the fully leased 80,000 sq. ft. Building 1 of Hampton Rd Industrial Park. While this represents a decline from Q4 2024's 3.2 million sq. ft., it adds upward pressure to the vacancy rate in Spartanburg East, which has risen to 11.7% from the previous 8.84%. Construction starts increased compared to the previous quarter, however still limited, with three new projects adding another 601,160 sq. ft. to the under-construction pipeline. The Spartan Tradeport, comprising of Buildings 1 and 2, was started by RealtyLink and will total a combined 459,680 sq. ft., while the Hillside Commerce Center Building 2 has begun construction on a smaller 141,480 sq. ft. building. This brings the total of projects under construction to 2,286,664 sq. ft., with all buildings slated for completion by the end of 2025. which is comprised of roughly 1.3-million sq. ft of BTS space & 900,000 sq. ft. of SPEC space, is set to deliver by the end of 2025.

Strike Rates

The average strike rate has seen significant fluctuations over the past three years, peaking in 2022 with a nearly 40% increase over seven quarters due to rising construction costs and new Class A deliveries. As construction slows and cost inflation stabilizes, the rate is starting to normalize at a higher level. For the first quarter of 2025, the overall market strike rate was \$6.17 per sq. ft. Rates vary by property subtype, with Q1 2025 averages at \$7.63 per sq. ft. for manufacturing, \$7.14 per sq. ft. for R&D/Flex, and \$6.09 per sq. ft. for warehouses.

FIGURE 4: Class A Warehouse Vacancy Rate and Overall Average Strike Rate



Sources: CBRE Research, CoStar, Q1 2025

FIGURE 3: New and Anticipated Speculative Deliveries 2025

Building Size Range	# of Buildings	Total SF	Average SF	Pre-leased SF	Pre-leased %	% of Total Spec Deliveries
<375K SF	6	989,600	197,920	1,421,672	0%	49.24%
375,001 – 600K SF	0	0	0	0	0%	0%
+600K SF	1	1,020,195	1,020,195	0	0%	50.76%
TOTAL	7	2,009,795	287,113	0	0%	100%

FIGURE 5: New Speculative Deliveries in 2024

Building Size Range	# of Buildings	Total SF	Average SF	Pre-leased SF	Pre-leased %	% of Total Spec Deliveries
<375K SF	34	7,860,318	224,779	5,887,250	23.2%	44.7%
375,001 – 600K SF	8	3,165,650	446,706	2,214,050	0.00%	18%
+600K SF	6	6,563,708	1,093,951	3,435,768	47.7%	37.3%
TOTAL	48	17,779,860	370,414	11,537,068	35.1%	100%

FIGURE 6: New Speculative Deliveries in 2023

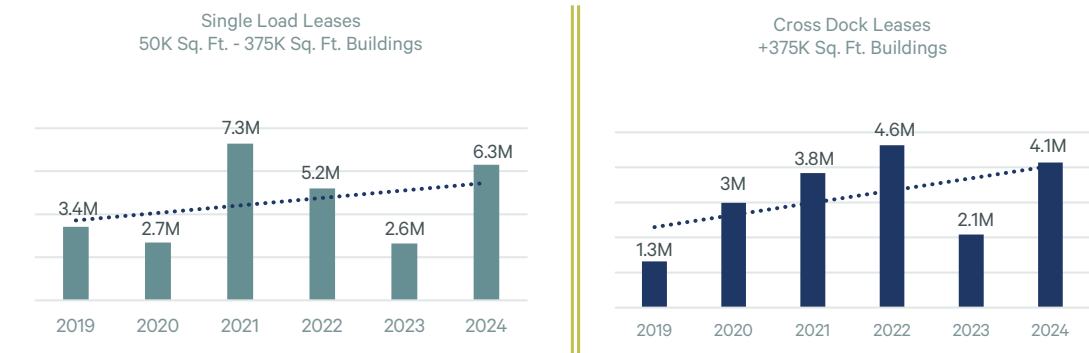
Building Size Range	# of Buildings	Total SF	Average SF	Pre-leased SF	Pre-leased %	% of Total Spec Deliveries
<375K SF	8	1,688,821	211,103	0	0.00%	25.8%
375,001 – 600K SF	2	1,115,760	557,880	0	0.00%	17.1%
+600K SF	5	4,412,484	882,497	0	0.00%	57.1%
TOTAL	14	6,543,145	467,368	0	0%	100%

Source: CBRE Research, Q1 2025

Absorption & Leasing Activity

GSP's industrial market, following its third-best year for absorption, continues to thrive in 2025 with over 1 million sq. ft. of direct net absorption, primarily due to new leases. This growth was supported by 2 million sq. ft. of direct leasing activity in Q1. The Spartanburg West submarket led gains with over 1 million sq. ft. of leasing, resulting in 727,001 sq. ft. of direct Class-A absorption, highlighted by PL Development's lease of 474,240 sq. ft. at 1817 E Poinsett St Ext. Negative absorption of -226,332 sq. ft. was primarily due to Class-C space move-outs. The market is stabilizing after delivering over 40 million sq. ft. of construction in the past five years, leading to a declining development pipeline in 2025. Properties sized between 50,000 and 375,000 sq. ft. absorbed over 515,000 sq. ft. in Q1 2024, reflecting the preference for this building size. Noticeably, as absorption/leasing volume looks to make an impact in the vacancy rate, none of the absorption in Q1 2025 came from Asian 3PL.

FIGURE 2: Historical Lease Velocity: Single Load versus Cross Dock**



- 2021 was led by single load leases followed by cross-dock leasing increasing in 2022 to meet logistic and warehouse demand.
- Activity in 2023 slowed due to economic uncertainty and high interest rates; however, 2024 ended with record activity during the last quarter.

***Note: These charts have been updated to enhance accuracy by excluding all deals under 50,000 square feet from the Single Load category.*

Source: CBRE Research, CoStar Q1 2025

Market Appeal

- **Inland Port in Greer:** Over 43% of the U.S. population lives within a 1-day truck drive of the Inland Port in Greer; therefore, this region is attractive for both manufacturing and consumer goods distribution. The rail served inland port terminal handled the 24/7 schedule and overnight access to the Port of Charleston adding tremendous value to users in the market. Per the SCPA figures, more people can be reached from the location in Greer than either Atlanta or Charlotte in a one-day drive time. In fiscal year 2024, the port managed 187,638 rail moves, a 28% increase from the previous year, emphasizing its growing importance in supply chains and regional economic activity. Recent rail expansions and ongoing construction will further enhance its cargo capacity by expanding the container yard by 15 acres.
- **Population:** Greenville-Spartanburg's CMSA's population grew 1.4% from 2020 through 2024 and is expected to have an annual growth rate of 0.96% through 2029.
- **Labor Market:** Greenville-Spartanburg has become an attractive destination for those seeking improved quality of life and affordability. This migration trend has alleviated some of the labor market pressures seen in larger neighboring areas. Over the past two years, Greenville has added 3,460 jobs, and the current unemployment rate in the Greenville-Spartanburg Combined Metropolitan Statistical Areas (CMSAs) is 4.7% as of July 2024, slightly above the national average. Despite this, the region's labor force has grown, maintaining robust employment levels.
- **Infrastructure:** The Greenville-Spartanburg International airport, the major interstates, such as I-85 and I-26, and utilities are slated for upgrades to help continue to support the growth of the Upstate.

Outlook

The Greenville-Spartanburg industrial markets strong fundamentals are expected to keep uncertainty in the political and economic markets at bay and post another strong year of both absorption and major investments. This is reflected in continued investment in the area including Eaton's recent announcement of acquiring a 861,000 SF facility in Union County for a total investment of \$340 million creating 700 new jobs. With the lack of speculative development starts and 2-million leasing velocity it is anticipated the vacancy rate will decline through the remainder of the year.

FIGURE 5: Historical Statistics

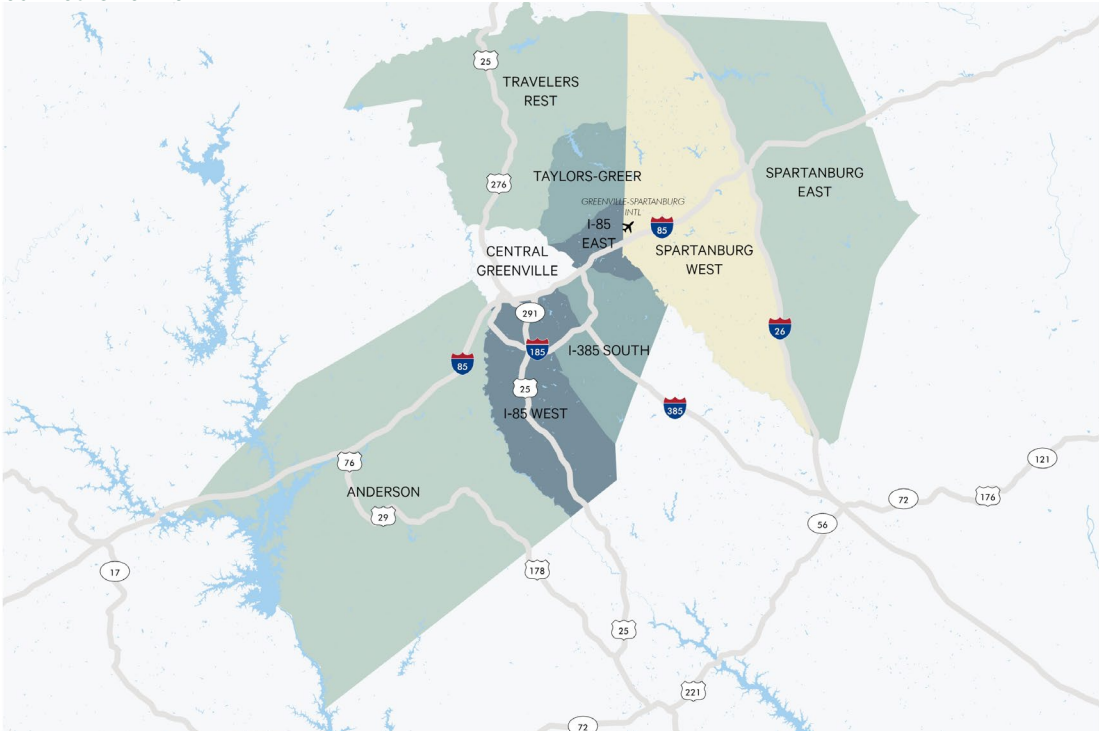
Submarket	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction	YTD 2025 Total Direct Absorption	Q1 2025 Direct Net Absorption (SF)
Anderson County	29,464,615	7.1	0.0	7.6	\$5.28	0	(3,817)	(3,817)
Cherokee County	2,752,353	20.2	0.0	20.2	-	0	0	0
Central Greenville	15,855,237	6.5	0.8	9.1	\$5.80	0	69,119	69,119
I-385 South	23,106,510	4.9	0.7	8.3	\$6.58	0	10,519	10,519
I-85 East	10,246,409	5.2	2.0	8.9	\$5.71	0	(41,542)	(41,542)
I-85 West	25,688,956	3.7	1.1	6.6	\$6.14	40,600	59,470	59,470
Taylors-Greer	16,719,065	2.9	0.0	2.9	\$3.93	0	(27,666)	(27,666)
Travelers Rest	3,593,330	0.5	0.0	0.5	\$7.25	0	0	0
Greenville County*	95,209,507	4.3	0.8	6.8	\$5.83	40,600	69,900	69,900
Laurens County	14,207,883	5.3	0.1	8.6	-	0	70,000	70,000
Pickens	2,077,871	2.2	0	2.2	-	1,295,060	0	0
Spartanburg East	25,679,929	11.3	0.4	12.1	\$5.44	0	199,264	199,264
Spartanburg West	77,322,284	13.59	6.4	21.4	\$6.05	809,524	701,021	701,021
Spartanburg County*	103,002,213	13.2	4.9	19.1	\$5.87	809,524	900,285	900,285
MARKET TOTAL	246,714,442	8.5	2.6	12.26	\$5.78	2,286,664	1,036,368	1,036,368

*NOTE: These two counties are meant for summation and not included in totaling submarkets

Property Subtype	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction	YTD 2025 Total Direct Absorption	Q1 2025 Direct Net Absorption (SF)
Manufacturing	103,056,484	2.3	0.3	3.7	\$4.21	-	(175,336)	(175,336)
R&D/Flex	7,571,563	7.9	0.2	10.9	\$7.45	-	1,595	1,595
Warehouse/Distribution	136,086,395	13.2	3.5	18.9	\$5.97	2,286,664	1,195,109	1,195,109
Class	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction	YTD 2025Total Direct Absorption	Q1 2025 Direct Net Absorption (SF)
Class A Warehouse	72,379,336	20.5	6.6	28.1	\$6.19	2,286,664	1,098,974	1,098,974
Class B Warehouse	34,060,586	2.8	1.9	8.0	\$5.37	0	167,120	167,120

Source: CBRE Research, Q1 2025

Market Area Overview



Survey Criteria

The CBRE, Inc. Industrial MarketView report provides statistics based on a revised set of inventory consisting of industrial properties in the following submarkets: Anderson, Central Greenville, I-385 South, I-85 East, I-85 West, Laurens County, Pickens, Spartanburg East, Spartanburg West, Taylors-Greer and Travelers Rest. All properties are industrial properties greater than 10,000 sq. ft. Absorption is counted when the lease is signed and is not based on physical occupancy; when a building delivers, preleases are counted as absorption in the quarter of delivery. Historical data is reflective of the current set of inventory rather than previously published report figures and is subject to revision as additional information becomes available.

CBRE | Greenville

355 S. Main Street
Suite 701
Greenville, SC 29601

Contact

Audrey Frey	Joseph Velazquez	Trey Pennington, SIOR	Campbell Lewis, SIOR	Marcus Cornelius, SIOR	Jeff Benedict, SIOR	Tripp Speaks
Senior Managing Director	Field Research Analyst	Executive Vice President	Senior Vice President	Senior Vice President	First Vice President	Associate
+1 864 720 6200	+1 843 720 3556	+1 864 527 6095	+1 864 527 6041	+1 864 527 6081	+1 864 235 1961	+1 864 235 6169
Audrey.frey@cbre.com	Joseph.velazquez@cbre.com	Trey.pennington@cbre.com	Campbell.lewis@cbre.com	Marcus.cornelius@cbre.com	Jeff.benedict@cbre.com	Tripp.speaks@cbre.com