

FIGURES | GREENVILLE-SPARTANBURG – INDUSTRIAL MARKET | Q2 2025

GSP Industrial Market Momentum Continues in Q2

▼7.68%

*Direct Vacancy Rate

▼11.59%

**Total Availability Rate

▲2.2M sq. ft.

Net Direct Absorption

▼1.6M sq. ft.

Under Construction

Note: Arrows indicate change from previous quarter.

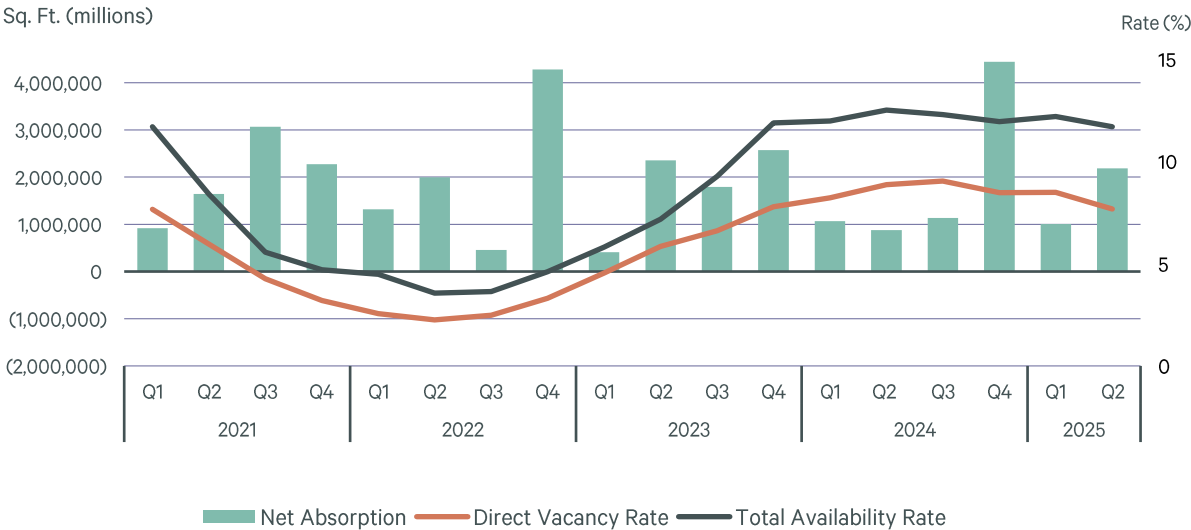
Key Takeaways

- The industrial market in the Greenville-Spartanburg area experienced significant direct net absorption of 2.2-million sq. ft. in Q2, driven by a near 1.1-million sq. ft. lease signed by DHL and direct leasing activity. This brings the YTD net absorption to nearly 3.2-million sq. ft.
- The second quarter of 2025 saw a slowdown in industrial development activity, with only one new building delivered and no new projects commencing construction, compared to nearly 750,000 sq. ft. of starts during the first quarter.
- The limited new supply has further tightened the market, leading to a decrease in the vacancy rate—from 8.5% in Q1 2025 to 7.68% in Q2—and a contraction in the development pipeline.
- Despite policy announcements and trade war rhetoric, the market is expected to remain positive, with CBRE increasing its 2025 GDP growth outlook to 1.3%, providing expected upside risk for hiring and positive absorption for many sectors and markets.

*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, Q2 2025

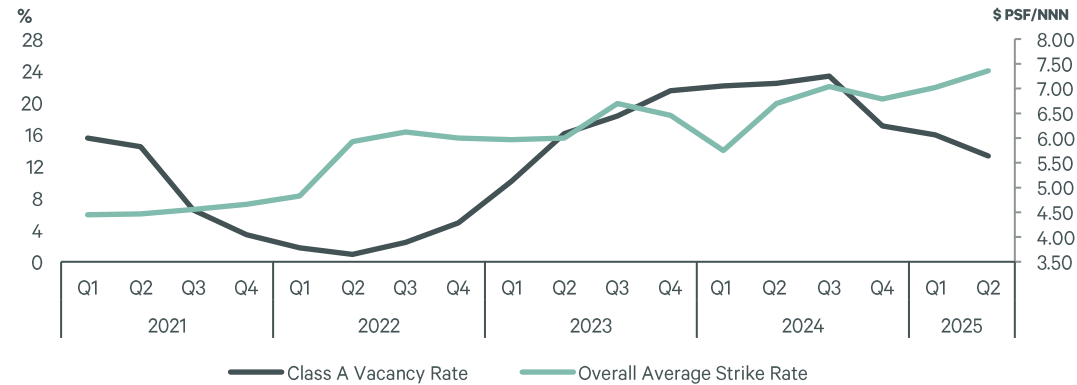
Development Activity

Following a strong Q1 2025, which saw the delivery of 1.1-million sq. ft. of industrial space and the commencement of construction on over 600,000 sq ft., Q2 2025 experienced a slowdown in activity. Only one new building, a 252,720-sq. ft. build-to-suit (BTS) project in the Speedway Business Park, was delivered during the quarter. This project, leased space by Carolina Handling, contributed to positive absorption. Construction starts were notably muted in Q2, with no new projects commencing. Despite the decrease in activity, market fundamentals remain positive. The limited new supply further tightened the market, leading to a decrease in vacancy. The vacancy rate fell to 7.68% from 8.5% in the previous quarter and has declined significantly from its peak of 9.0% in Q3 2024. The development pipeline has softened, currently consisting of 1,633,311 sq. ft. across eight buildings. All projects under construction are slated for completion by the end of 2025. The pipeline is composed of build-to-suit space, representing approximately 577,344 sq. ft, with the remaining 1,055,967 sq. ft. designated as speculative (SPEC) space.

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 second quarter of 2025, the overall market strike rate was \$7.36 per sq. ft., a 9% increase year-over-year. Rates vary by property subtype, with Q2 2025 averages at \$7.01 per sq. ft. for manufacturing, \$10.81 per sq. ft. for R&D/Flex, and \$6.96 per sq. ft. for warehouses.

FIGURE 2: Class A Warehouse Vacancy Rate and Overall Average Strike Rate



Note: Strike Rate is calculated as the average lease rate over the previous four quarters.

Sources: CBRE Research, Q2 2025

FIGURE 3: Completed and Under Construction Speculative Deliveries 2025

Building Size Range	# of Buildings	Total SF	Average SF	Leased SF	Leased %	% of Total Spec Deliveries
<375K SF	8	1,028,967	128,620	0	0%	50.21%
375,001 – 600K SF	0	0	0	0	0%	0%
+600K SF	1	1,020,195	1,020,195	0	0%	49.79%
TOTAL	9	2,049,162	227,684	0	0%	100%

FIGURE 4: New Speculative Deliveries in 2024

Building Size Range	# of Buildings	Total SF	Average SF	Leased SF	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 5: New Speculative Deliveries in 2023

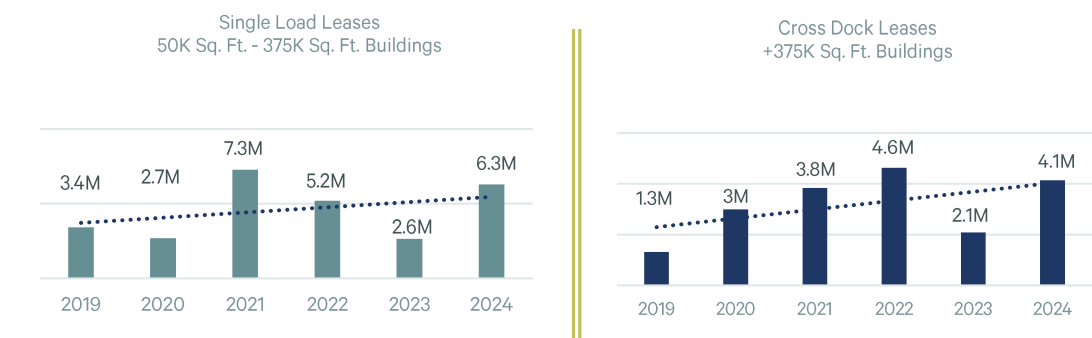
Building Size Range	# of Buildings	Total SF	Average SF	Leased SF	Leased %	% of Total Spec Deliveries
<375K SF	8	1,688,821	211,103	0	0.00%	25.8%
375,001 – 600K SF	2	1,115,760	557,880	0	0.00%	17.1%
+600K SF	5	4,412,484	882,497	0	0.00%	57.1%
TOTAL	14	6,543,145	467,368	0	0%	100%

Source: CBRE Research, Q2 2025

Absorption & Leasing Activity

Following a strong first quarter, the industrial market in the Greenville-Spartanburg (GSP) area continued its success in Q2 with nearly 2.2 million sq. ft. of direct net absorption. This growth was significantly driven by a nearly 1.1 million sq. ft. lease signed by DHL in Smith Farm Industrial Park, Building 3. Supplementing this activity was 2.9 million sq. ft. of direct leasing activity in Q2 and the delivery of the 252,720 sq. ft. Speedway Business Park, Building 2. Specifically, the 250,000 sq. ft.-and-up size category saw the most leasing activity, with nearly 2.4 million sq. ft. across eight leases and the majority of absorption at 2.65 million sq. ft. The Spartanburg West submarket continues to lead in absorption with over 1.5 million sq. ft., largely stemming from the DHL lease and ZF Properties Holding LLC signing a 336,960 sq. ft. lease in Crossroad Logistics Park. Furthermore, negative absorption of 870,839 sq. ft. occurred, primarily due to move-outs from Class-B space. The market is now stabilizing after the delivery of over 40 million sq. ft. of construction in the past five years, leading to a declining development pipeline in 2025.

FIGURE 6: 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 its 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, Q2 2025

Market Appeal

- **Inland Port 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 handles 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 its 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. From 2023 to 2024, Greenville has added 3,460 jobs, and the current unemployment rate in the Greenville-Spartanburg Combined Metropolitan Statistical Areas (CMSAs) is 3.5% as of May 2025, below the national average of 4.0%.
- **Infrastructure:** The Greenville-Spartanburg International Airport, the major interstates, such as I-85 and I-26, and utilities have been recently started to help continue to support the growth of the Upstate.

Economic Outlook

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a steadier economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions, this provides upside risk for hiring in coming quarters. Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

FIGURE 5: Q2 Industrial Statistics

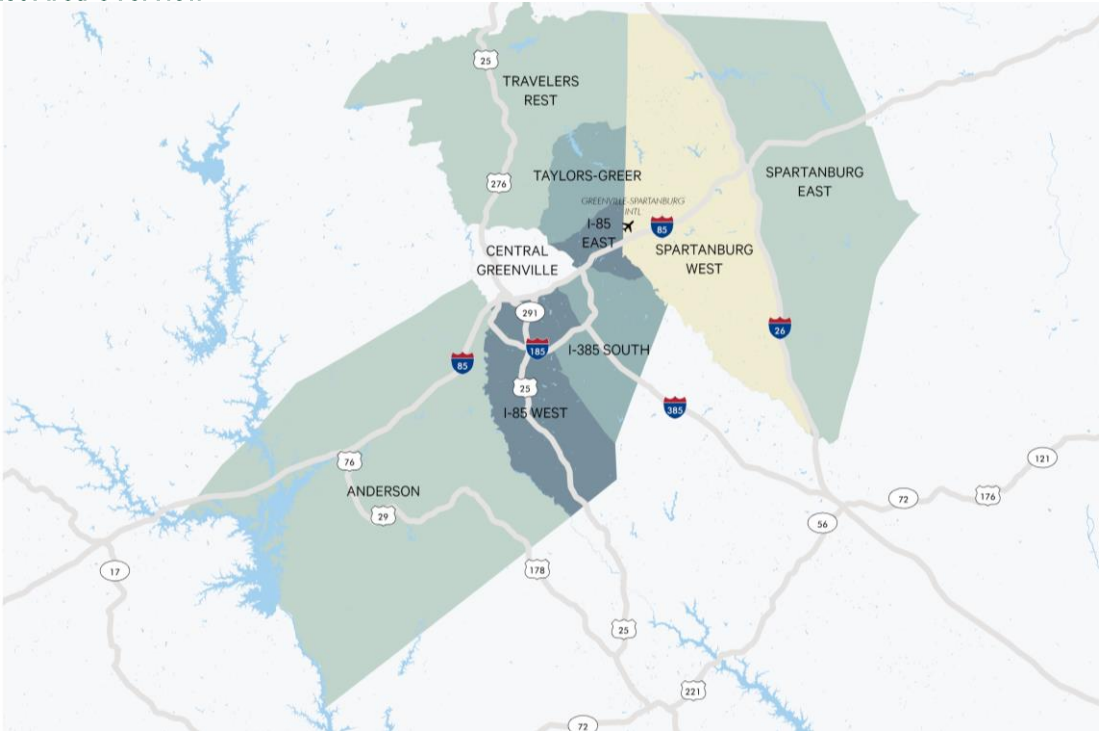
Submarket	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction (SF)	YTD 2025 Total Direct Absorption(SF)	Q2 2025 Direct Net Absorption (SF)
Anderson County	29,464,111	5.1	0.0	5.6	\$4.19	0	590,803	594,620
Cherokee County	2,752,353	20.2	0.0	20.2	-	0	0	0
Central Greenville	15,814,214	7.6	0.8	10.1	\$6.33	0	(100,475)	(167,156)
I-385 South	23,108,134	5.2	0.4	8.7	\$6.62	146,367	(118,117)	(120,937)
I-85 East	10,248,083	5.1	2.2	8.5	\$5.74	0	(41,487)	10,055
I-85 West	25,688,956	3.2	1.1	6.2	\$6.28	40,600	218,785	159,315
Taylors-Greer	16,719,065	2.8	0.0	2.9	\$3.93	0	(27,666)	0
Travelers Rest	3,593,330	0.5	0.0	0.5	\$7.25	0	0	0
Greenville County*	95,171,782	4.5	0.8	6.9	\$6.11	186,967	(68,960)	(118,723)
Laurens County	14,241,093	5.3	0.1	8.6	-	0	70,000	0
Pickens	2,330,591	2.4	0	2.2	\$9.00	495,340	0	0
Spartanburg East	25,679,929	11.6	0.4	12.5	\$5.42	0	118,224	(81,040)
Spartanburg West	77,365,875	11.5	6.9	20.2	\$6.13	951,004	2,241,065	1,551,204
Spartanburg County*	103,045,804	11.5	5.1	18.3	\$5.90	951,004	2,359,289	1,470,164
MARKET TOTAL	247,005,734	7.68	2.5	11.69	\$5.80	1,633,311	3,193,552	2,188,481

*NOTE: These two counties are subtotals.

Property Subtype	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction	YTD 2025 Total Direct Absorption(SF)	Q2 2025 Direct Net Absorption (SF)
Manufacturing	103,090,010	2.5	0.2	3.7	\$4.55	-	(365,033)	(189,697)
R&D/Flex	7,532,734	7.9	0.4	11.5	\$7.62	-	11,458	40,601
Warehouse/Distribution	136,382,990	11.6	4.4	17.7	\$5.96	1,633,311	3,547,127	2,337,577
Class	Building SF	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (PSF/NNN)	Under Construction	YTD 2025 Total Direct Absorption(SF)	Q2 2025 Direct Net Absorption (SF)
Class A Warehouse	72,636,272	17	6.6	25	\$6.11	1,633,311	3,800,684	2,701,710
Class B Warehouse	34,061,290	3.2	1.9	8.3	\$5.61	0	19,808	(147,312)

Source: CBRE Research, Q2 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.

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