

	YoY Chg	12-Mo. Forecast
<b>10.2%</b> Vacancy Rate	▼	▼
<b>-23.3K</b> Net Absorption, SF	▲	▲
<b>\$22.06</b> Asking Rent, PSF	▼	▲

*(Overall, All Property Classes)*

**ECONOMIC INDICATORS Q3 2022**

	YoY Chg	12-Mo. Forecast
<b>610.5K</b> Greenville-Spartanburg Employment	▲	▲
<b>2.9%</b> Greenville-Spartanburg Unemployment Rate	▼	▲
<b>3.5%</b> U.S. Unemployment Rate	▼	▲

Source: BLS

**ECONOMY: Economic Indicators Display Strength**

The Greenville-Spartanburg economy recorded another stout performance in the third quarter according to key economic indicators. Total employment in the market increased by nearly 5,000 jobs, driving down the unemployment rate to 2.9% which is 60 basis points (bps) below the national average. Expectations of an unemployment rate increase within the next 12 months exist as global economic uncertainty continues to proliferate; however, total employment is also forecasted to increase as the Upstate is often characterized as a relatively insulated market to economic headwinds when compared to larger metros.

**SUPPLY and DEMAND: Sublet Vacancies Hit Market, Leasing Activity Remains Healthy**

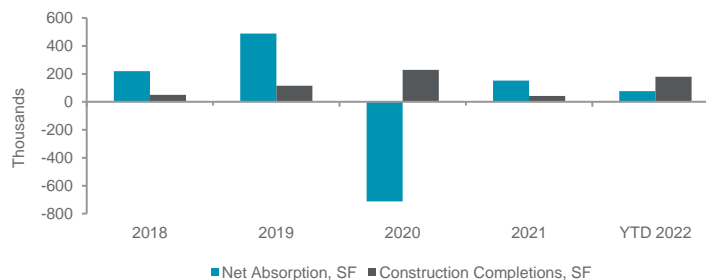
Office supply in the Greenville-Spartanburg Metro increased during the third quarter as 23,300 square feet (sf) of available space was added back to the market resulting in a slight increase in the overall vacancy rate to 10.2%. The main contributor to the uptick in vacancy rate was Class B sublet space as organizations have continued to make decisions on their future employment models, whether it be a consolidation to align with a hybrid work schedule or a migration to a more attractive workspace to support in-office expectations. The “flight to quality” trend became more apparent in Q3 as Class A space in the Greenville Central Business District (CBD), the second-largest submarket by inventory square footage, recorded a year-to-date (YTD) vacancy rate low of 12.6% which marks a 160 basis-point decrease since March of this year. Despite economic uncertainties, demand for office space increased slightly in Q3 with more than 138,000 sf of new leasing activity elevating the overall leasing figure to above 400,000 sf YTD.

A newly constructed office property of 20,000 sf was delivered to the market on a build-to-suit basis for Gastroenterology Associates, pushing the YTD delivery figure to 180,000 sf in total. Construction on an additional 797,000 sf of highly anticipated office product is underway with progress being made on key projects such as the Greenville County Square redevelopment and Mauldin’s Bridgeway Station, both with a phase one delivery set for early 2023.

**PRICING: Asking Rents Rebound**

The average asking rental rate for the market increased by 1.1%, quarter-over-quarter, to \$22.06 per square foot (psf). This is the third-highest average asking rent recorded for the market as the average surpasses the \$22.00 psf mark again. Average direct asking rates for key submarkets such as the Greenville CBD, Southeast Greenville, and the Spartanburg CBD were measured at \$24.68 psf, \$22.19 psf, and \$21.45 psf, respectively. Pricing is expected to increase, albeit modestly, in the coming 12 months due to new Class A space deliveries balanced with desired high-dollar availabilities leased and taken off market.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**





## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Greenville CBD	5,752,194	701,865	55,024	13.2%	14,157	101,753	107,062	368,843	\$24.70	\$27.35
Southeast Greenville	8,613,541	868,255	274,432	13.3%	-43	43,953	213,900	150,000	\$21.47	\$23.96
Northeast Greenville	2,122,203	102,039	6,152	5.1%	5,695	-1,344	14,103	0	\$18.24	-
Southwest Greenville	550,722	136,309	6,500	25.9%	5,138	-17,768	5,112	211,644	\$15.00	-
Northwest Greenville	363,721	0	0	0.0%	0	0	8,630	0	-	-
Spartanburg CBD	1,630,186	63,234	0	3.9%	-36,731	-31,721	25,508	0	\$21.45	\$24.00
Spartanburg Suburban	1,573,494	36,801	0	2.3%	715	5,853	12,556	67,000	\$20.00	-
Anderson County	1,280,232	5,111	0	0.4%	0	0	0	0	-	-
Cherokee County	102,730	0	0	0.0%	0	0	0	0	-	-
Laurens County	137,920	0	0	0.0%	0	0	0	0	-	-
Pickens County	502,863	44,220	0	8.8%	-12,267	-24,249	13,348	0	\$16.54	-
<b>MARKET TOTALS</b>	<b>22,629,806</b>	<b>1,957,834</b>	<b>342,108</b>	<b>10.2%</b>	<b>-23,336</b>	<b>76,477</b>	<b>400,219</b>	<b>797,487</b>	<b>\$22.06</b>	<b>\$25.36</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
150 Executive Center Dr	Southeast Greenville	Confidential	23,439	New Lease
80 International Dr	Southeast Greenville	Burns & McDonnell	21,408	New Lease
3 Independence Pt	Southeast Greenville	Prosource, LLC	12,921	New Lease
201 Brookfield Pky	Southeast Greenville	Undisclosed	9,467	New Lease
531 S Main St	Greenville CBD	Alarm.com	5,111	New Lease

## KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	Seller   Buyer	SF	Price   \$ PSF
22 S Main St	Greenville CBD	Lincoln Energy Solutions   Richard Lynch & Stephen Spinks	41,494	\$4,800,000   \$115.68
741-745 N Pleasantburg Dr	Southeast Greenville	C. Dan Joyner Realtors   Guest & Brady	23,918	\$3,800,000   \$158.88

## KEY METRIC YOY COMPARISON

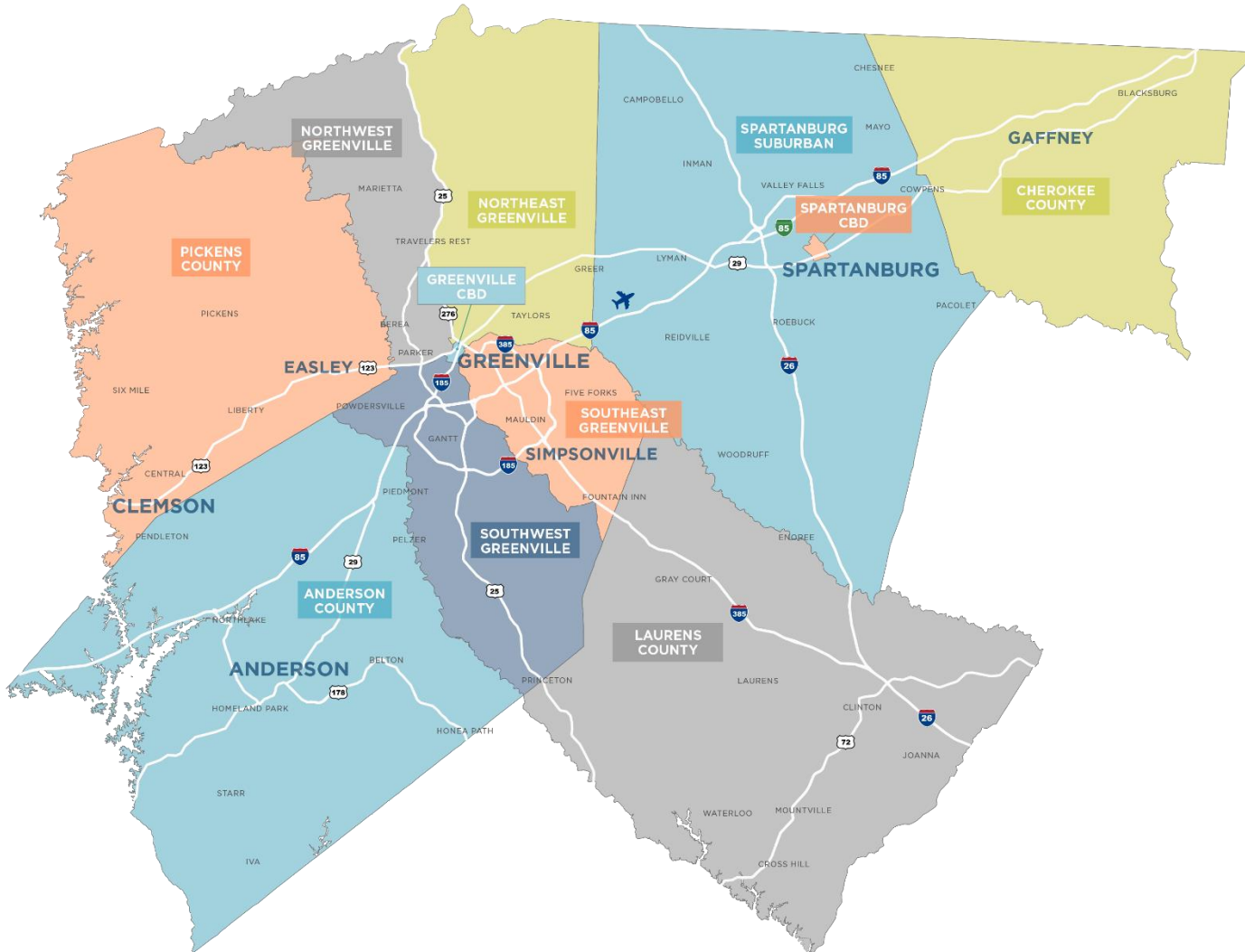
QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	OVERALL NET ABSORPTION (SF)	LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q3 2021	22,554,289	12.0%	\$22.09	-70,662	250,057	0	781,062
Q3 2022	22,629,806	10.2%	\$22.06	-23,336	138,264	20,000	797,487

# GREENVILLE, SC

Office Q3 2022



OFFICE SUBMARKETS



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