

Rent and sales growth is slowing but interest in Upstate industrial remains strong

Here's our take on some of the most noteworthy real estate trends in South Greenville County industrial market this quarter.



Overview

Interest in the Upstate region remains strong due to the strategic location along the I-85 corridor connecting Atlanta and Charlotte. The delivery of over a million sf of class A industrial space in 2023 has led to higher vacancies. While developers have paused new projects, anticipate a resurgence of demand as interest rates decline. Rent and sales growth, although still above the national average, have slowed significantly in 2024.



Leasing

Leasing activity slowed at the end of 2023. This has led to longer lease-up times for landlords, while tenants have enjoyed greater negotiation power. In buildings less than 30K sf, vacancy rates continue to decrease, with vacancies hovering at 0.6% in the South Greenville County submarket.

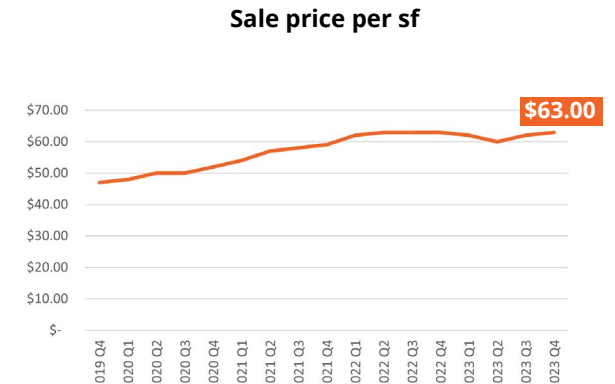
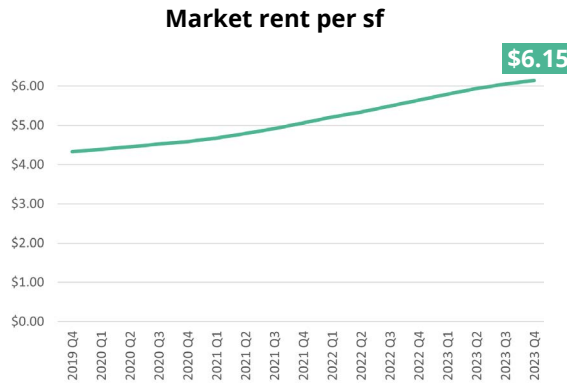


Sales

At the close of 2023, the sale price per square foot began to plateau due to the 15 month run up in interest rates. In anticipation of interest rates declining, expect an increase in activity by mid-2024. There is still a shortage of buildings for sale on the market, keeping prices stable and making it a challenge for occupiers who want to become owner-occupants.

Key Stats

Submarket	Inventory (sf)	Vacancy total %	Net Absorption Q4 2023	Price/sf	Average Asking Rent
Fountain Inn	9,342,849	8.2%	2,320	\$61	\$5.81
Mauldin	1,951,975	21.2%	-79,947	\$51	\$6.43
Simpsonville	9,232,417	2.9%	-112,808	\$68	\$6.43
Market Total	20,527,241	6.8%	-192,755	\$63	\$6.15



Market News



[Tesla will open a regional](#) distribution center in Fountain Inn in 2024. The facility will be located in Fox Hill Business Park. Tesla will focus strictly on distribution of vehicle parts regionally and will not include manufacturing.



ZF group will invest \$500 million to [expand its Gray Court manufacturing](#) facility. The investment is expected to add 400 jobs as the company begins to build next generation propulsion systems for cars and commercial vehicles.

Flame Spray, a thermal spray coatings manufacturer, [will invest \\$2.5 million](#) to expand operations in Fountain Inn. The investments will create 40 jobs and will add advanced thermal spray coating technologies.

For more market info and insights, visit [avisonyoung.com](https://www.avisonyoung.com)

Upstate industrial market trends / Q4 2023

What's on the market?

Submarket	Lease/sale	Available (sf)	Warehouse (sf)	Office (sf)	Clear height	Dock doors/ Drive-ins	Year built
Simpsonville	Under contract	80,000	680,000	-	26'	4/7	1991
Fountain Inn	Under contract	69,770	68,720	1,500	32'	6/1	2022
Simpsonville	Lease	60,000	60,000	-	22'	6/1	1990
Simpsonville	Lease	73,500	72,000	1,500	22'	6/1	1995
Simpsonville	Lease	70,000	70,000	-	26'	4/7	1991
Simpsonville	Lease	8,000	5,450	2,550	17'	2/2	1965
Mauldin	Lease	150,004	131,481	18,523	30'	6/1	1971
Fountain Inn	Lease	28,320	28,320	-	23'	4/0	2008
Fountain Inn	Lease	25,000	25,000	-	20'	0/0	1962
Fountain Inn	Lease	201,972	199,324	2,648	36'	19/1	2023
Simpsonville	Lease	1,525	900	625	14'	0/1	2016
Mauldin	Lease	304,500	304,500	-	12'	9/3	1980
Fountain Inn	Sublease	306,600	306,600	-	36'	46/2	2023
Fountain Inn	Sublease	22,680	20,680	2,000	32'	3/0	2021
Simpsonville	Lease	46,763	44,763	2,000	32'	10/0	2021

Recent transactions

Address	Sale/Lease	Date	SF	Price/sf
101 Wilson Bridge Road	Lease	December 2023	57,500	\$5.25
350 Old Laurens Rd	Lease	November 2023	82,305	\$5.69
687 Andrews Rd	Sale	December 2023	25,000	\$50.00



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