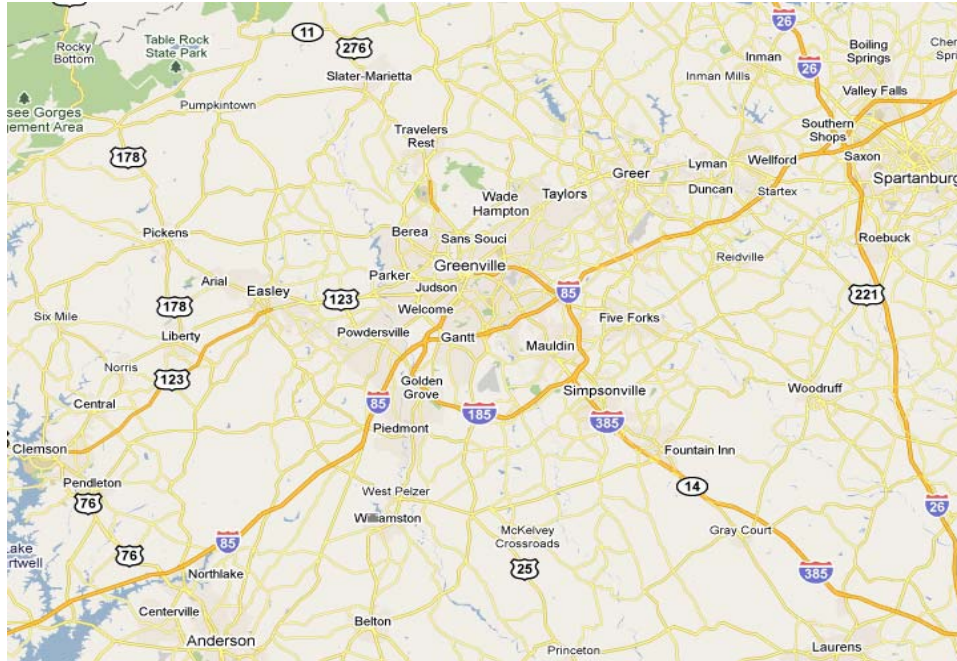
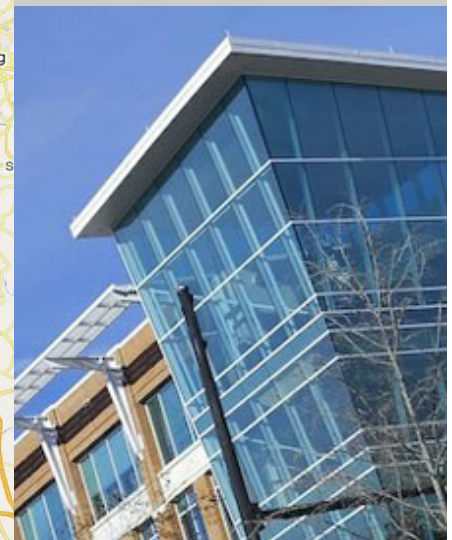


**OUR MARKET DEFINED**

We define our retail market in the Greenville/Spartanburg area to include all cities in the following counties: Greenville, Spartanburg, Anderson, Laurens, Pickens, and Cherokee. Within these counties, at the end of 2nd quarter 2011, there is a retail inventory of:



**79,364,008 SF**  
**8,797 Buildings**  
**938 Centers**



**AT A GLANCE**

VACANCY RATE    NET ABSORPTION    RENTAL RATES



Source: 2011 CoStar Group, Inc.

**VACANCY:** At the end of 2nd quarter 2011, vacancy is 7.1%, a steady decrease from previous quarters, falling from 7.5% at end of 3rd quarter 2010.

**NET ABSORPTION:** Net absorption ended at a positive 227,952 square feet for 2nd quarter 2011, a very strong position and the fourth consecutive quarter of positive absorption.

**RENTAL RATES:** 2nd quarter 2011 experienced a “bottom” for rental rates. At \$9.70/SF, that is the lowest rate we have seen in the recession, steadily falling from over \$11/SF in 2007.

**EXPERT ANALYSIS**

This year has been an overall positive year for the Greenville/Spartanburg retail market. The statistics show that we began the recovery period from the recession somewhere around Q1 2010. Vacancy is already back to pre-recession figures at 7.1%, although vacancy stayed somewhat consistent throughout the downturn, with the peak at 7.8% in Q4 2009.

In terms of retail types, power centers have seen the biggest recovery with a steady, but solid increase in rental rates, and are down to only 5% vacancy. The Shopping center market also has a decreased vacancy, but rental rates are down. Malls and specialty centers have remained unchanged in 2011. In comparing the different submarkets, Greenville County is by far the “healthiest” market, powered by the activity on Woodruff Road, and Pickens County is strong due to the new Easley Town Center. Anderson, Laurens, and Cherokee Counties are seeing slight improvement; however, Spartanburg County took somewhat of a “hit” with new inventory added in Q2 2011 that remains vacant.

During Q2 2011, we had three new buildings, 21,515 square feet, delivered to the market, adding to the four buildings, 196,071 square feet, delivered in Q1 2011, and nearly 100,000 square feet delivered at the end of 2010. It speaks volumes that net absorption is positive with that much new inventory. Everything delivered so far in 2011 is 100% occupied. It doesn’t end there; we have 122,235 square feet currently under construction. One of the major retail projects that began construction in 2011 is the Easley Town Center, which makes up 108,350 square feet of the 122,235 under construction.

With all the new activity and improving statistics, business owners, developers, banks... are feeling more comfortable with the market, which will continue to improve conditions and allow for full recovery and a profitable, healthy business environment.



Contact us today to speak to one of our experts about the retail market or our retail properties.

*Local expertise. National reach. World class.*

**GREENVILLE MSA**  
 TOP 100 BEST PLACES FOR BUSINESS  
 2011  
*Forbes Magazine*

Since the beginning of 2011, more than 14 new retailers and restaurants have opened in downtown Greenville. A few of the top ones include: Carolina Ale House, Ford’s Oyster House & Cajun Kitchen, Hoops & Hops, The Art Bar on Main, Delux Guitar Exchange, Natural Baby, Pedal Chic, The Chocolate Moose, Ult Divan Luxury Sleep Boutique, The Cigar Boxx, and Design with Wine.

Mayor Knox comments, “In 2011 we’re going to see an enormous amount of renovation and new construction on Main Street, really a record amount. No time in history have we had so much.”

**2011 SELECT TOP RETAIL SALE TRANSACTIONS** as of June 30, 2011

ADDRESS	SUB-MARKET	BUYER	SALE DATE	SQ. FT.	SALE PRICE
*5 Cateechee Ave. Greenville	Augusta Rd.	Miller & Spainhour LLC	4/15/11	4,784 SF	\$450,000
575 Haywood Road Greenville Chick-fil-A	Haywood Rd.	Greenchick LLC	5/3/11	3,838 SF	\$1,375,000
1290 S. Pleasantburg Dr. Greenville Ashmore Crossing Shopping Center	S. Pleasantburg	Houser Investments	3/11/11	34,000 SF	\$2250,000
14011 E. Wade Hampton Blvd. Greer Jack in the Box	Wade Hampton	Sunnyvale Industries	6/7/11	2,816 SF	\$1,995,000
955 W. Wade Hampton Blvd. Greenville Palmetto Bank	Wade Hampton	Palmetto Bank	1/5/11	11,144 SF	\$3,024,000

**2011 SELECT TOP RETAIL LEASE TRANSACTIONS** as of June 30, 2011

ADDRESS	SUB-MARKET	TENANT	SQ. FT.	LEASE DATE
The Point- 1140 Woodruff Rd. Suite 15 Greenville	Woodruff Rd.	REI	21,139 SF	4/27/11
*38 Ray E. Talley Ct. Simpsonville	Simpsonville	El Tejano Mexican Restaurant	9,670 SF	4/22/11
The Point– 1140 Woodruff Rd. Suite 11 Greenville	Woodruff Rd.	Southern Om Yoga	4,150 SF	4/27/11
1010 Laurens Rd. Greenville	Laurens Rd.	Atlantic Bedding & Furniture	7,000 SF	1/18/11
*1212 N. Harper St. Laurens	Laurens County	Dipstick Fast Lube	4,800 SF	5/23/11

**HOT TOPICS IN RETAIL**

\* Lee & Associates Deals

- Magnolia Park on Woodruff Road is still under construction. Plans are moving along and tenants are being secured. So far, the ~900,000 SF retail center that is replacing the former Greenville Mall will be the home of Regal Cinemas, Sports Authority, Rooms to Go, Costco Wholesale, Bed, Bath & Beyond, Old Navy, Cheddar’s Causal Café, La Parrilla Mexican Restaurant, and Superplay USA.
- The ONE, a \$100 million project on the corner of Main Street & Washington Street in downtown Greenville was announced in May. The mixed-use center is being constructed by Hughes Development and will feature 40,000-50,000 square feet of retail storefronts on the ground level. Two secured tenants include Barnes & Noble and Anthropologie.
- Phase II of the Bookends development was purchased by Davis Property Group who plans to develop a \$6 million mixed-use facility with 6,000 square feet of retail space on the ground floor and nine floors of high-end residential, 48 units, above. Construction is scheduled to begin in March of 2012 and be completed by the end of 2013.
- Voodoo BBQ out of New Orleans, LA has been granted eight licenses to open new locations in our market. The first location will open this winter at 1717 Woodruff Road. This will be their very first expansion outside of New Orleans.
- Quick Trip Corporation, a \$9 billion national company is coming to the Greenville area. Quick Trip convenience stores are known for their convenience, selection, quality, and customer service and have over 580 locations in the US. There are currently four stores in the works, and plans for several more throughout the Upstate.