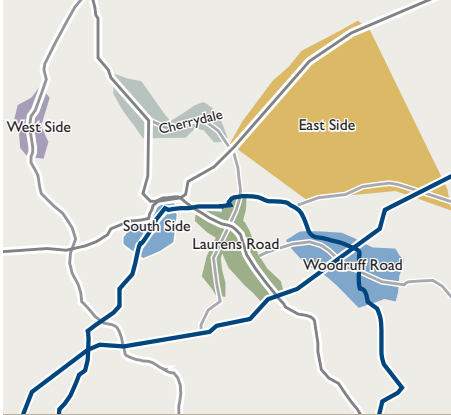




Year-End Retail Market

Q4 | 2007



MARKET INDICATORS

	Q3	Q4
OCCUPANCY	↓	↓
ABSORPTION	↑	↑
RENTAL RATE	↑	↑
CONSTRUCTION	↑	↑

QUICK UPDATES

- DEVELOPMENT OF GROCERY-ANCHORED CENTERS FUELS GROWTH
- MARKET ABSORBS OVER 300,000 SQUARE FEET OF SPACE
- SUBURBAN MARKETS EXPECTED TO CONTINUE EXPANSION IN 2008

Market Overview

The retail market in Greenville, South Carolina, has remained strong over the past several years, with occupancy rate ranging from 92.00% to 93.00% year after year. In 2007, the market posted a year-end occupancy rate of 92.26%. Although this is a slight decrease from the 92.89% occupancy rate posted at year-end 2006, market growth over this twelve-month period was substantiated by 396,350 square feet of new space and 327,113 square feet of absorption.

The large majority of growth that occurred in the Greenville retail market can be attributed to the development of grocery-anchored shopping centers. The Delhaize Group opened six grocery-anchored centers in the area, including five Bloom-anchored locations, as well as the first Food Lion-anchored center in Greenville. Publix opened in August 2007 at McBee station, joining Staples as an anchor in this downtown mixed-use project. In June 2007, Bi-Lo unveiled two new Super Bi-Lo models. Bi-Lo markets this concept as offering a greater selection of grocery items, more natural and organic foods, a greater wine selection, and a cozier atmosphere than their previous stores.

Retail Markets

Woodruff Road:

McChesney Investment Advisors failed to close on the purchase of 75 acres for a mixed-use development at Woodruff Road and I-85. The initial site plan included 500,000 square feet of retail space. McChesney's desire was to have the development resemble Greenville's downtown area, without the large office towers. As of year-end 2007, no retailers have been announced as being committed to the project.

In March 2007, Menin Development Companies Inc. out of Palm Beach Gardens, Florida purchased the former 66-acre Greenville Mall site from Canyon Gulfside Development for \$52 million. Menin sold part of the property for a 150,000 square foot Costco, which opened in August 2007. The remaining property is slated to become a high-end mixed-use center. As of year-end 2007, Rooms To Go was the only tenant that had committed to this new development.

Laurens Road/Pleasantburg Drive:

Construction has started on a Fresh Market-anchored center that will include an additional 30,000 square feet of retail space. The new center is scheduled to open in June 2008. The project has been a "shot-in-the-arm" for the once-prominent Pleasantburg Drive and Laurens Road corridors. Situated between the 1,200 acre master-planned Verdae Development, the Clemson University International Center for Automotive Research (CU-ICAR), and Greenville's dynamic downtown, this is fast-becoming the Mid-Town destination predicted as many as ten years ago.

Walgreen's purchased a site at the intersection of Parkins Mill Road and Laurens Road, and is expected to open a new store in the latter part of 2008.

Demand for retail space in this corridor is expected to grow significantly as new residential developments come online. In July 2007, the city approved re-zoning of 26 acres near the I-385 and Haywood Road interchange which will allow for a mixed-use development known as Crescent Place., which is planned as over 200,000 square feet of retail space. Construction is also expected to begin on the 1,200-acre Verdae Development in 2008.



	Total Feet	Occupied	Vacant	Occupancy Rate	Average Weighted High Rent	Average Weighted Low Rent	Average Weighted Rental Rate	Average Weighted Pass-Throughs
Total Market	6,545,890	6,039,465	531,955	92.26%	\$15.78	\$8.71	\$12.25	\$2.40
Cherrydale	514,161	478,301	35,860	93.03%	\$14.21	\$11.88	\$13.05	\$2.51
East Side	1,618,976	1,380,046	260,460	85.24%	\$14.78	\$9.14	\$11.96	\$2.37
Laurens Road	1,376,995	1,255,661	121,334	91.19%	\$14.99	\$7.50	\$11.24	\$2.38
South Side	327,998	289,192	38,806	88.17%	\$9.33	\$5.94	\$7.64	\$1.25
West Side	413,470	407,740	10,000	98.55%	\$11.72	\$7.02	\$9.37	\$1.63
Woodruff Road	2,294,290	2,228,794	65,495	97.15%	\$18.97	\$9.12	\$14.05	\$2.70
Malls	1,300,000	1,285,000	15,000	98.85%	\$50.00	\$30.00	\$40.00	\$20.00

East Side:

Construction has begun on the new Wal-Mart, which will be located near the Pelham Road and I-85 interchange. The 135,000 square foot center is at least 40,000 square foot smaller than any of their current stores in the area. This new development is expected to be much more attractive than the traditional Wal-Mart, with plans for brick construction and extensive landscaping. Walgreens, CVS, Starbucks, and FedEx/Kinko's have already opened stores in the immediate vicinity of the upcoming Wal-Mart.

The North Hampton Market has continued to be the center of growth along the Wade Hampton corridor, with Discount Tire, Bank of Travelers Rest, and CVS under construction at year-end 2007. Additional retail development has been proposed across from this site at Town Center Drive, as well as at Suber Road, but no anchor tenants have been announced for either project.

Over the next 12 to 18 months, retail growth in Greer is expected to continue. This area has been recognized as the fastest-growing municipality in the state.

North Greenville:

New stores continued to open in the Cherrydale area, including Olive Garden, Petco, Staples, KFC, Starbucks, and FedEx/Kinko's.

Failed rezoning efforts stalled additional development in the area, but growth is expected to resume in 2008. In February 2007, Centennial American Properties closed on a 60-acre site on Poinsett Hwy. A power center is planned for the site, with Super Target being the most-likely anchor. Additional developments expected over 2008 include a Walgreens in Travelers Rest and the relocation of Kevin Whitaker Chevrolet from Cherrydale to Travelers Rest.

Forecast

Greenville will continue to benefit from its close proximity to Atlanta and Charlotte. As these cities continue to grow and more attention is drawn to the Southeast, Greenville will continue to grow as a valid competitor for new business and industry. The impact of Clemson University's ICAR campus is certain to attract more automotive industry to the area, and give Greenville the opportunity to become an innovation-centric environment.

The demand for retail will inevitably increase, as more residents flock to the area. A good local economy, job availability, affordable housing, and a temperate climate are bringing many residents in from the northeastern United States and Florida.

In 2008, we expect to see Greenville continue the steady pattern of growth that it has traditionally experienced. The "credit crunch" that has impacted some regions of the U.S. will have very minimal impact on the Greenville area, as our market displays good fundamentals and untapped potential.

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