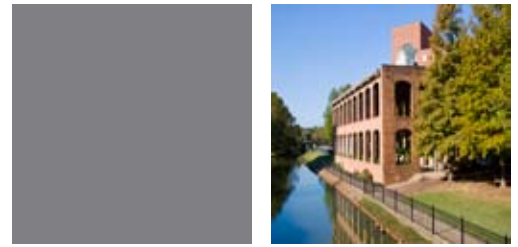


NAI Earle Furman, LLC

Retail Report | Second Quarter 2010



Upstate Market



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



UPSTATE STATISTICS:

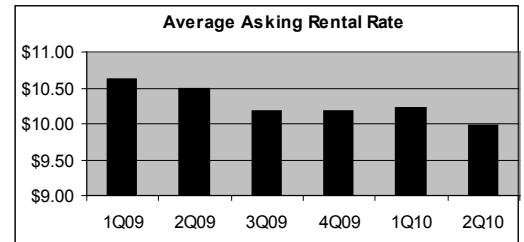
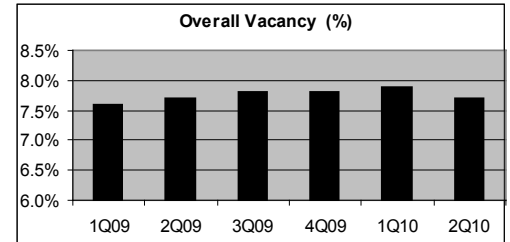
Number of Buildings.....	8,252
Market Size (SF).....	77,318,342
Overall Vacancy Space (SF).....	5,970,980
Overall Vacancy (%).....	7.7%
Direct Vacancy (SF).....	5,790,095
Sublease Vacancy (SF).....	180,785
Net Absorption.....	143,283
Average Asking Rental Rate (\$/SF/YR).....	\$9.98

OVERVIEW:

Vacancy and rental rates declined slightly this quarter, but overall market conditions were widely similar to first quarter.

Several projects were delivered this quarter including the 142,688 SF Lowe's in Pickens and the 35,693 SF location for Century BMW and Century Mini in Greenville. Also this quarter Pizza Hut and Bridgestone Tires broke ground on new Woodruff Road locations. Construction will begin next quarter on the Carolina Ale House in downtown Greenville. The sports-themed restaurant will occupy the former Kimbrell furniture building on South Main Street.

Second quarter saw many exciting openings in Greenville such as Nantucket Seafood Grill in downtown's Main at Broad development. Other new retailers include: Buffalo Wild Wings, Papas & Beer, Pandora Jewelry and The Great Escape Movie Theater.



Major Lease Transactions

Tenant:	Property Type:	Size (SF):	Submarket:
Goodwill	Free Standing	8,000 SF	Upper Spartanburg
America Mattress	Community Center	4,094 SF	East Side Spartanburg
Guadalajara Mexican Restaurant	Neighborhood Center	3,934 SF	Pelham Road
Dancer's Edge	Strip Center	3,600 SF	I-385/Wodruff Road
Artistic Kitchen & Bath	Strip Center	3,000 SF	I-385 Woodruff Road

Some of the data in this report has been gathered from third party sources including CoStar Group, Inc. and has not been independently verified by NAI Earle Furman, LLC. NAI Earle Furman, LLC makes no warranties or representations as to the completeness or accuracy thereof. All rents are per SF/per YR unless otherwise noted. Construction is defined as total RBA under construction. The Upstate Market is defined by: Greenville, Anderson, Spartanburg, Cherokee and Pickens counties.

NAI Earle Furman, LLC

Retail Report | Second Quarter 2010



SUBMARKET/ CLASS	# BLDGS.	TOTAL RBA (SF)	TOTAL AVAIL. (SF)	TOTAL VACANT AVAIL (%)	TOTAL NET Absorption (SF)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Anderson	976	11,456,956	1,275,416	8.9%	61,356	\$8.56	0
Greenville	3,429	32,588,797	3,202,007	7.4%	57,093	\$10.82	55,736
Travelers Rest/ Cherrydale	378	3,211,947	384,021	9.0%	2,792	\$7.31	0
Wade Hampton	441	4,154,922	659,146	11.5%	(2,719)	\$8.51	0
West Greenville	505	3,505,275	169,317	4.4%	(12,100)	\$11.05	0
Pelham Rd.	147	1,509,795	217,144	12.2%	(34,441)	\$12.97	0
I-385/Woodruff Rd.	285	3,651,193	305,480	6.8%	(10,382)	\$14.27	20,736
Mauldin	189	1,645,412	80,801	2.9%	46,869	\$8.51	0
Fairview Rd.	250	2,470,718	166,637	5.2%	21,940	\$11.17	0
South Greenville	218	1,242,973	109,731	8.5%	(640)	\$6.83	0
Stone Ave/ E. North St.	139	697,446	94,355	10.6%	7,640	\$7.80	0
Greenville CBD	95	704,710	54,322	6.2%	2,974	\$16.23	0
Pleasantburg Dr.	148	1,155,521	167,436	10.8%	(7,464)	\$9.84	0
Augusta Rd.	223	1,559,164	170,482	7.7%	(7,098)	\$11.82	0
Haywood/Congaree & Woodruff Corridor	411	7,079,721	613,448	5.7%	49,722	\$13.47	35,000
Spartanburg	2,854	23,841,267	2,282,211	7.7%	70	\$10.38	0
Upper Spartanburg	731	4,253,350	325,895	6.8%	9,934	\$6.71	0
East Side	1,106	9,164,480	863,464	7.8%	(4,378)	\$11.58	0
West Side	612	7,765,901	844,083	8.6%	(8,022)	\$11.05	0
Lower Spartanburg	405	2,657,536	248,769	6.2%	2,536	\$7.57	0

NAI Earle Furman, LLC

Methodology / Definitions / Submarket Map

Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company, For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a triple net basis.

Building Class

Class A Product is office Space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

Market Size

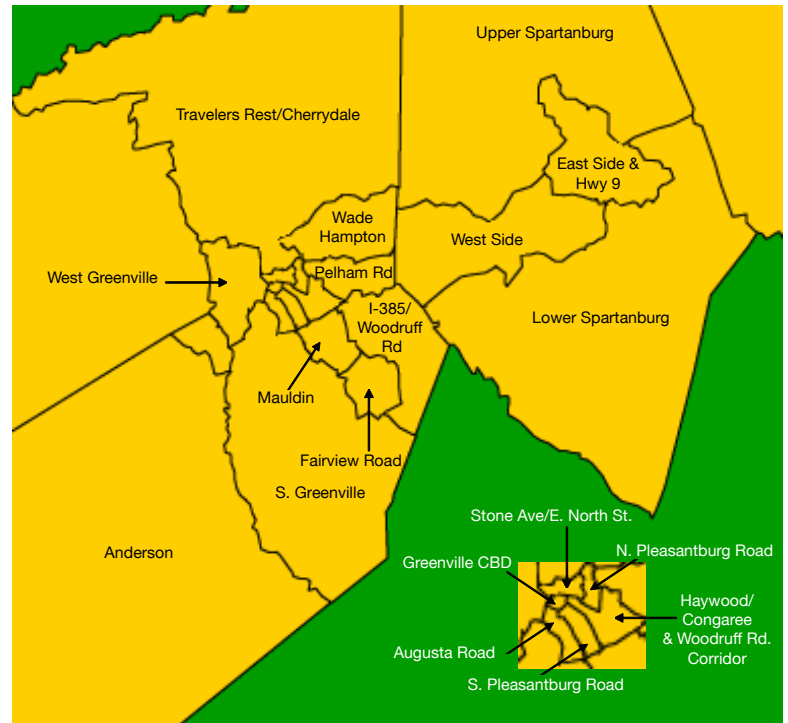
Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

All unoccupied lease space, either direct or sublease.

SF/PSF

Square foot/per square foot, used as a unit of measurement.



Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.

Upstate in the News

Main @ Broad Courtyard Marriot Hotel to Open

GSA Business

By James T. Hammond, jhammond@scbiznews.com

Published April 29, 2010

General Manager Glenn Williams, a Clemson graduate with 20 years experience in hotel management, says opening a week ahead of graduations at Clemson and Furman University is good timing for the new hotel. The hotel already is about 50% booked for its opening week, as he says business generally in the hotel sector has been seeing an uptick.

“Hotels are seeing an upturn in bookings; this may turn out to be fortunate timing,” Williams said.

Bo Aughtry, principal of Windsor/Aughtry Co., the developer of the new hotel and office building, said the company has experienced fortunate timing since the inception of the project to build a showcase hotel on what he describes as the best commercial property in South Carolina.

“When the horse is out of the barn, you have to ride it,” Aughtry said as he stood in the busy lobby of a hotel getting ready to open its doors.

Built in the midst of one of the worst recessions in a generation, the building has had its challenges in attracting office tenants as every business sector in the nation slumped.

“If we’d started 90 days later, we probably would not have gotten financing,” Aughtry admitted to journalists gathered to see the interior of the hotel for the first time. And attracting corporate tenants for the office spaces has also been a challenge as the recession produced a glut of empty office space across the Upstate.

But Windsor/Aughtry scored a coup when it signed Fidelity Investments as a marquee tenant. It is the first office for Fidelity in South Carolina, on one of the most prominent commercial corners in the state.

Aughtry said he is in the final stages of signing another major tenant, is close to agreement with two other potential tenants, and expects to have three to four floors leased in 45 to 60 days.

“The energy of this project will bring people downtown,” Aughtry said. “It will also make us more attractive to more groups. The Convention and Visitors Bureau will now have more than 850 rooms downtown to offer to groups.”

The new hotel has 135 rooms, and four meeting rooms, the largest of which can hold 135 people.

Michael Bonasia, sales manager for the Courtyard Marriott, said the hotel’s design incorporates Marriott’s latest thinking on design, and meeting the needs of modern travelers. The large, intimidating front desk has been replaced with a much smaller check-in station, while hotel staff are outside the station to be more accessible to hotel guests.

“The lobby is designed for people to get out of their room and hang out,” Bonasia said. “This lobby is going to be full of energy. People don’t want to hide out in their rooms anymore.”

A bistro is a central feature of the lobby, to serve breakfast, and it switches to “Nantucket lite” in the evenings for people who don’t want a sit down in the main Nantucket Grill dining room for a meal. The lobby also features ample business stations, with computers, and free wireless access for people with their own computing devices.

continued on next page

Upstate in the News

Main @ Broad Courtyard Marriot Hotel to Open

The emphasis of the design is on the public spaces, Bonasia said.

Some of the rooms have panorama views of the mountains and the cityscape. Bonasia said he's already had a reservation request for a room with a mountain view.

In addition to large standard rooms, the hotel has five two-room suites that allow for small business meetings in a room separate from the sleeping area. And a fitness center overlooks the Peace Center for the Performing Arts.

Bonasia said the location across the street from the Peace Center is a plus for the hotel. A major show weekend could account for as many as 20 rooms, he said.

One of the office tenants will be the Rick Erwin Dining Group's headquarters. Erwin owns the Nantucket Grill, the fine dining venue in the Main@Broad Courtyard Marriott. Erwin, also owns the West End Grill, which he said has just experienced its best year ever, despite the recession.

"Certainly, our economy has seen better times," Erwin said. "But when this opportunity presented itself to me three years ago, I jumped at it. We feel very fortunate in Greenville that we have weathered the storm. We're off to a fabulous start."

Copyright GSA Business

Upstate in the News

Books-A-Million opens in Anderson Mall

GSA Daily Staff Report
Published June 8, 2010

The new Books-A-Million store has opened in Anderson Mall. It occupies 17,000-square-foot of retail space near the mall's main entrance between JCPenney and Dillard's.

Books-A-Million presently operates more than 200 stores in 23 states, including 11 in South Carolina and a Greenville location on Laurens Road.

Anderson Mall, owned by Simon Property Group Inc., is a one-level, 691,537-square-foot development situated on 75 acres. Anderson Mall is anchored by Belk, JCPenney, Sears and Dillard's and has more than 80 specialty shops.

On June 17-19, a weekend of activities will be planned to celebrate the opening of Books-A-Million, including a visit by Curious George for young readers.

Copyright (c) GSA Business. All rights reserved.

Contact Us

For more information on the Upstate Retail market please contact one of our specialists:



Jimmy Wright
Principal and Broker
jwright@naiearlefurman.com



Harry Croxton
Broker
hcroxton@naiearlefurman.com



Renee Dunlap
Broker
rdunlap@naiearlefurman.com



Ted Lyerly, CCIM
Broker
tlyerly@naiearlefurman.com



Tim Roller
Broker
tim@naiearlefurman.com



Bill Sims
Broker
bsims@naiearlefurman.com



Jake Van Gieson
Broker
jakev@naiearlefurman.com

Additional Resources

www.naiearlefurman.com – Complete listings of NAI Earle Furman’s available properties

www.greenvilleeconomicdevelopment.com – Greenville Economic Development’s goal is to promote and enhance the economic growth of Greenville County by serving as the single source contact for economic development in the greater Greenville area.

www.upstatealliance.com – Upstate Alliance is a public/private regional economic development organization designed to market the dynamic 10-county Upstate region to the world.

www.greenvillechamber.org - The Greater Greenville Chamber at its core is dedicated to promoting quality development of Upstate South Carolina through managed growth, service to members and the public, and a community-wide approach to issues shaping the region's future.

www.spartanburgcounty.org – Official website of Spartanburg County government

www.greenvillecounty.org – Official website of Greenville County government

www.andersonsccounty.org - Official website of Anderson county government

www.sccommerce.com - Provides information on trade, grants, rural development, and recycling. Includes databases of community profiles, labor market information, etc..

www.sciway.net - South Carolina's Information Highway is the largest directory of South Carolina information on the Internet.