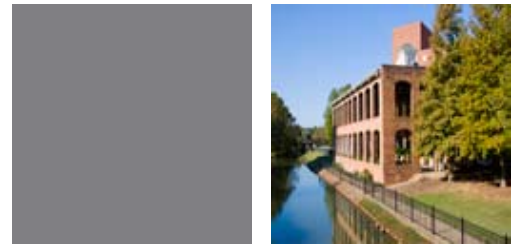


# NAI Earle Furman, LLC

Retail Report | Fourth Quarter 2010

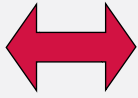


# Upstate Market



## TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



## UPSTATE STATISTICS:

Number of Buildings.....	8,474
Market Size (SF).....	77,996,210
Overall Vacancy Space (SF).....	5,893,283
Overall Vacancy (%).....	7.6%
Direct Vacancy (SF).....	5,754,078
Sublease Vacancy (SF).....	139,205
Net Absorption.....	18,777
Average Asking Rental Rate (\$/SF/YR).....	\$9.95

## FOURTH QUARTER MARKET OVERVIEW:

By: Jake Van Gieson

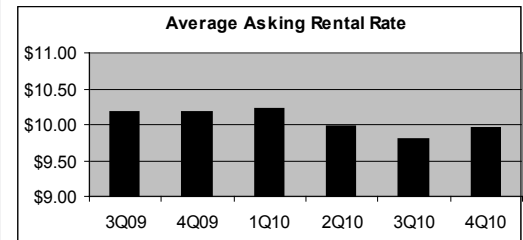
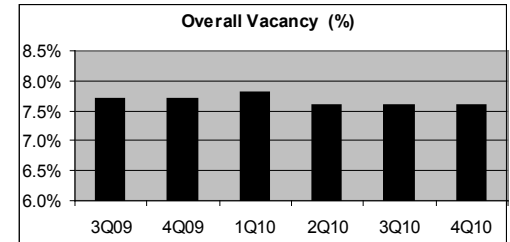
NAI Earle Furman Retail Division Broker

As 2010 comes to a close, the retail sector has seen some positive changes. We are seeing rental rates slowly creep up and vacancy is staying pretty flat. Landlords are still very aggressive to make deals on the leasing side.

Although rental rates are slightly increasing, tenants are negotiating longer free rent periods. There is still very little ground up construction in the Upstate, although we are seeing a few rehabs and renovations. Contrary to 2009, we are seeing an increase in the national tenants expanding to our market. There has been a big push from some major gas chains, as well as fast food operators.

On the investment side cap rates are still much higher than a few years ago. Most investors are all cash buyers looking for bank foreclosures or single tenant deals with long term leases. Thus the amount of retail sales are much lower than years prior.

With the increase in rental rates and the number of tenants expanding, 2011 looks to be a promising year for the retail sector.



## Top Lease Transactions

Tenant:	Property Type:	Size (SF):	Address:
Ross Dress for Less	Community Center	24,938 SF	Rolling Hills Circle (Easley Town Center), Easley
Bed, Bath and Beyond	Community Center	23,020 SF	Rolling Hills Circle (Easley Town Center), Easley
Piedmont Health & Fitness	Strip Center	19,572 SF	219 E. Blackstock Road, Spartanburg
Planet Fitness	Power Center	18,173 SF	101 Verdae Blvd, Greenville
Trader Joe's	Freestanding (Strip Center)	15,000 SF	59 Woodruff Industrial Lane, Greenville

## Top Sale Transactions

Buyer:	Property Type:	Size (SF):	Address:
Kimco Realty	Freestanding (Strip Center)	116,000 SF	59 Woodruff Industrial Lane, Greenville
QuikTrip Corporation	Freestanding	5,613 SF	4123 Clemson Blvd, Anderson

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

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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	1,667	17,284,268	1,953,093	11.3%	(51,184)	\$8.29	184,070
Greenville	3,608	33,775,455	3,302,534	7.1%	57,093	\$10.82	11,049
Travelers Rest/ Cherrydale	391	3,277,538	392,462	8.4%	(8,869)	\$7.47	0
Wade Hampton	446	4,192,067	632,712	12.4%	(21,810)	\$8.58	0
West Greenville	602	3,977,888	200,077	4.5%	(32,293)	\$9.22	0
Pelham Rd.	144	1,495,221	189,742	10.9%	6,727	\$12.54	0
I-385/Woodruff Rd.	287	3,617,083	288,546	5.6%	45,430	\$12.86	11,049
Mauldin	192	1,801,159	147,810	2.9%	(6,925)	\$9.59	0
Fairview Rd.	251	2,411,556	154,750	4.9%	4,560	\$11.80	0
South Greenville	251	1,414,968	128,654	8.0%	480	\$6.59	0
Stone Ave/ E. North St.	142	706,721	99,573	11.6%	(1,000)	\$8.03	0
Greenville CBD	94	694,161	54,962	6.6%	(1,207)	\$16.12	0
Pleasantburg Dr.	152	1,180,039	148,168	10.2%	(7,193)	\$9.82	0
Augusta Rd.	244	1,676,933	187,581	7.8%	(297)	\$11.55	0
Haywood/Congaree & Woodruff Corridor	412	7,330,121	677,497	5.6%	(2,849)	\$14.18	0
Spartanburg	2,855	23,151,170	2,158,078	7.3%	104,108	\$10.12	0
Upper Spartanburg	733	4,250,519	343,304	7.1%	(17,972)	\$6.20	0
East Side	1,104	9,143,044	811,890	7.1%	75,205	\$11.77	0
West Side	612	7,106,561	750,824	7.8%	46,395	\$10.47	0
Lower Spartanburg	406	2,651,046	252,060	6.5%	480	\$7.23	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

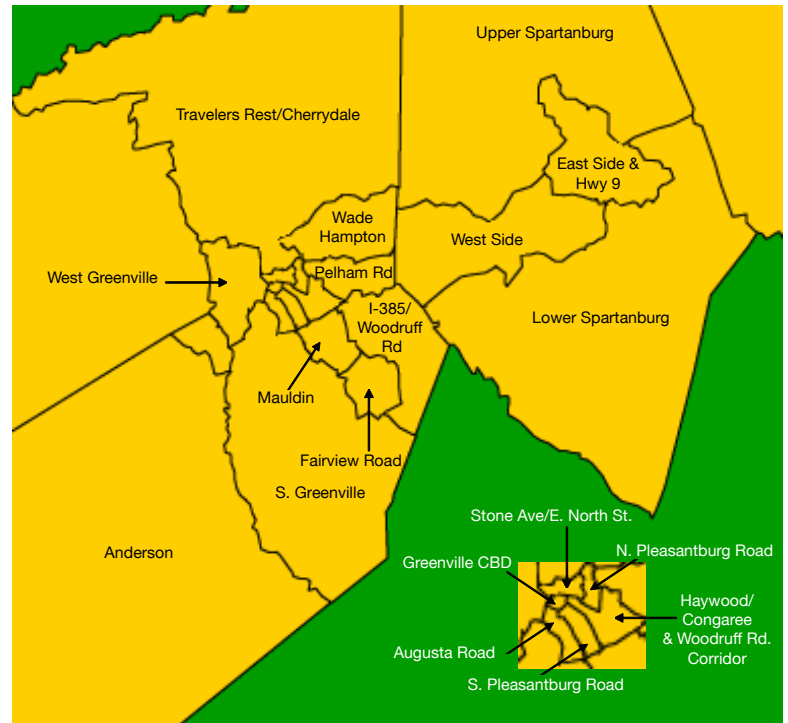
Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

## 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

## Greenville Retailer Opens 400th Location

GSA Daily Staff Report  
Published Dec. 16, 2010

Greenville-based Southern Tide opened its 400th location. The apparel manufacturer opened a store at the John Craig Marriott in Orlando, Fla. on Wednesday.

Now with locations in 38 states, Puerto Rico and the Caribbean, Southern Tide amassed the 400 retail locations in less than four years.

In addition to adding new retailers, Southern Tide also expanded its product line, which includes men's and women's Skipjack Polos, Channel Marker khaki pants and shorts; RT-7 pants, men's sport shirts; Skipjack boxers; swimwear; sleepwear; hats; and short- and long-sleeve t-shirts.

"We are thrilled to announce the addition of John Craig, Marriott Orlando as our 400th retail location," said Jim Twining, CEO of Southern Tide. "The consumers spoke and we listened. We have steadily expanded our collection to include the products they have asked for, while never sacrificing quality or service. Reaching 400 retail locations is just the beginning for us. We look forward to continue expanding both our line and our retail locations and thank our loyal consumers for their patronage."

# Upstate in the News

## Trader Joe's To Open

GSA Daily Staff Report  
Published Oct. 18, 2010

Trader Joe's will open this Friday, occupying the last 15,000 square feet of a former BJ's Wholesale Club in Greenville.

Located at 59 Woodruff Industrial Lane, Trader Joe's specializes in unconventional products not offered at other grocery stores. Employees wear Hawaiian shirts as "traders on the culinary seas," according to the company.

The Greenville location is the first for Trader Joe's in South Carolina, with a store in Charlotte, N.C., being the next closest location to Greenville. The privately held chain of 345 stores is headquartered in Monrovia, Calif.

Also inside the former BJ's Wholesale Club are Academy Sports & Outdoors and Eyes in Motion USA. The shopping center also includes The Home Depot and a smaller shopping strip under construction.

# Upstate in the News

## Rite Aid Pharmacies Co-Branded with Save-A-Lot Food Stores Open in Greer, Simpsonville & Travelers Rest, SC

Stores are Part of 10-Store Test in Greenville, S.C. Market

CAMP HILL, Pa.--(BUSINESS WIRE)--Stores co-branded Save-A-Lot Food Stores/Rite Aid Pharmacy have opened in Greer, Simpsonville and Travelers Rest, South Carolina. Two of the stores are located in Simpsonville. The stores continue to be owned and operated by Rite Aid (NYSE: RAD), and the Rite Aid pharmacies are operating as usual.

“Our new co-branded concept has been very well received in the Greenville area, and we are pleased to bring the value and convenience of this new store to more locations”

.The stores are part of 10-store test adding the Save-A-Lot discount, limited assortment grocery store concept to Rite Aid health and beauty products and Rite Aid pharmacies in the Greenville, S.C. market. The first co-branded store opened in Easley, SC. on September 27 with five more co-branded stores opening on October 11 in Greenville. Rite Aid has entered into a licensing agreement with Save-A-Lot, a subsidiary of SUPERVALU (NYSE: SVU), to add the discount, limited assortment grocery store concept to 10 existing Rite Aid stores in the Greenville market.

About 75 percent of the non-pharmacy part of each store is devoted to Save-A-Lot. Grocery products offered by Save-A-Lot include a limited selection of fresh USDA inspected meat, processed smoked and packaged meat, fresh produce, frozen food, dairy and dry groceries at prices up to 40 percent lower than conventional grocery stores. Grocery products include both Save-A-Lot exclusive brands and national brands.

Rite Aid continues to offer a wide variety of health and beauty products, including national and Rite Aid private brands.

The stores just opened this week are located at:

- 1100 W. Wade Hampton Blvd., Greer
- 930 North East Main Street, Simpsonville
- 202 Scuffletown Road, Simpsonville
- 6414 State Park Road, Travelers Rest

“Our new co-branded concept has been very well received in the Greenville area, and we are pleased to bring the value and convenience of this new store to more locations,” said Ken Martindale, Rite Aid Chief Operating Officer. “Customers comment how great it is to be able to get high quality grocery products at great prices at the same time they shop for Rite Aid health and beauty aids and visit their neighborhood Rite Aid pharmacist.”

“This exciting new format, featuring aspects of both a traditional Rite Aid pharmacy and Save-A-Lot food store, provides added convenience and value to our consumers in the Greenville area,” said Bill Shaner, Save-A-Lot President and CEO. “Save-A-lot is committed to offering local shoppers an easy way to save, with high-quality groceries at everyday low prices – typically up to 40 percent less than traditional grocers.”

*Rite Aid Corporation is one of the nation's leading drugstore chains with more than 4,700 stores in 31 states and the District of Columbia and fiscal 2010 annual revenues of \$25.7 billion. Information about Rite Aid, including corporate background and press releases, is available through the company's website at [www.riteaid.com](http://www.riteaid.com).*

*Save-A-Lot, a SUPERVALU INC (NYSE: SVU) company, is one of the nation's leading hard discount carefully selected assortment grocery chains, operating nearly 1,200 stores in 39 states from Maine to California. Serving more than five million shoppers each week, Save-A-Lot offers a savings of up to 40 percent on groceries when compared to conventional stores. Customers enjoy savings on exclusive Save-A-Lot brands and national brands, plus fresh meat and farm-fresh fruits, vegetables and dairy, along with the most popular grocery and household items. Save-A-Lot helps its customers live richer, fuller lives by saving them money and time through a smart, convenient shopping experience featuring great food, great prices and great people every day. For more information on Save-A-Lot or to locate a store, please visit [www.save-a-lot.com](http://www.save-a-lot.com).*

# Contact Us

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



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# Additional Resources

**[www.naiearlefurman.com](http://www.naiearlefurman.com)** – Complete listings of NAI Earle Furman’s available properties

**[www.greenvilleeconomicdevelopment.com](http://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](http://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](http://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](http://www.spartanburgcounty.org)** – Official website of Spartanburg County government

**[www.greenvillecounty.org](http://www.greenvillecounty.org)** – Official website of Greenville County government

**[www.andersonsccounty.org](http://www.andersonsccounty.org)** - Official website of Anderson county government

**[www.sccommerce.com](http://www.sccommerce.com)** - Provides information on trade, grants, rural development, and recycling. Includes databases of community profiles, labor market information, etc..

**[www.sciway.net](http://www.sciway.net)** - South Carolina's Information Highway is the largest directory of South Carolina information on the Internet.