

# Retail Market Trends Greenville

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 **The Furman Co.**  
Property Solutions Worldwide

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#### Greenville Retail Market Trends

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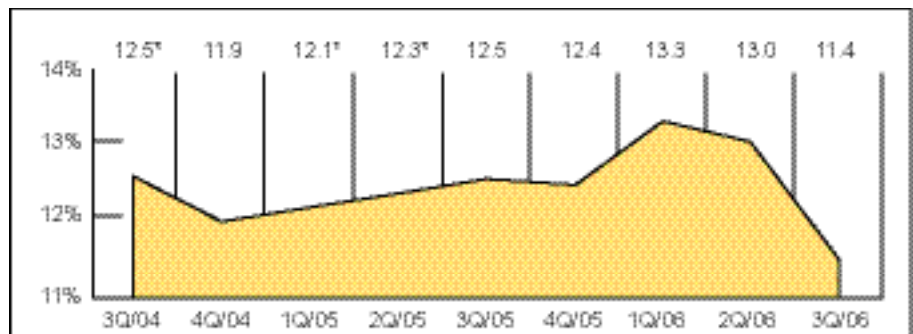
## Looming wrecking ball brings down vacancy

The lengthy struggle of the Greenville Mall is coming to an end. The mall will be redeveloped as Magnolia Park Town Center, a more competitive mixed-use retail center. The majority of the existing space will be demolished. When the dust clears, only The Sports Authority and Regal Cinemas will remain at the site. When the obsolete space was removed from the competitive inventory, it resulted in a vacancy rate drop of 153 basis points, down to 11.4 percent.

Due to the proximity of the larger and newly renovated Haywood Mall, the Greenville Mall struggled to find tenants. Ironically, the mall struggled to keep tenants at rates of \$7-10 per square foot, while the nearby Shops at Greenridge was able to lease spaces for more than \$30 per square foot. The Greenville Mall's days were numbered when an out-of-state group paid over \$500,000 per acre for the property, more than double the cost of the vacant land that became the Shops at Greenridge.

The development of Magnolia Park Town Center is part of a national trend of shoppers, and therefore developers and retailers, preferring lifestyle centers over more traditional, enclosed malls. The intimate layout of lifestyle centers is efficient, resulting in quicker trips for consumers, lower maintenance costs for owners, and more sales per square foot for retailers. In contrast to conventional malls, lifestyle centers have smaller footprints, which has allowed land previously deemed too small for high-end retail to see new development opportunities.

The new development is expected to be “mixed-use,” reflecting a mix of retail, office, and residential space throughout the 67-acre site, providing the site with a more urban feel than the surrounding retail developments. Considering the cost of purchase, the developers have a great deal riding on the success of this new project.



**Retail Vacancy Rate**

\* Estimated

## Retail Market Snapshot Greenville Third Quarter 2006

By Submarket (All Classes)	Total SF(1)	Vacant SF(2)	Vacant %	Net Absorption		Under Construction (3)
				Current Qtr.	Year-to-date	
Anderson	3,978,639	544,253	13.7%	11,960	118,359	-
Easley	787,226	18,820	2.4%	6,256	65,809	-
Greenville	14,307,393	1,255,802	8.8%	(262,662)	(170,406)	368,000
Spartanburg	6,716,115	1,130,974	16.8%	52,549	(66,594)	35,000
<b>Totals</b>	<b>25,789,373</b>	<b>2,949,849</b>	<b>11.4%</b>	<b>(191,897)</b>	<b>(52,832)</b>	<b>443,000</b>
<b>By Property Type</b>						
<b>(All Submarkets)</b>						
Strip	1,302,335	186,267	14.3%	4,302	(8,001)	78,000
Neighborhood	9,318,862	1,383,003	14.8%	51,662	5,116	175,000
Community	3,337,694	290,368	8.7%	13,140	210,021	50,000
Regional	4,467,473	205,786	4.6%	(261,314)	(415,242)	-
Power	2,321,168	254,985	11.0%	(3,427)	106,074	-
Free-standing	4,961,841	623,940	12.6%	3,740	49,200	140,000
<b>Totals</b>	<b>25,789,373</b>	<b>2,949,849</b>	<b>11.4%</b>	<b>(191,897)</b>	<b>(52,832)</b>	<b>443,000</b>

(1) Inventory includes multi-tenant, single tenant and owner-occupied buildings with at least 20,000 sq. ft.

(2) Vacant space includes both vacant direct and vacant sublease space.

(3) Space under construction includes speculative and build-to-suit for lease projects.

\*Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.

### Property type definitions

**Strip:** 5,000 to 50,000 square feet, constructed with common walls in a strip facing the street. No dominant anchor stores, convenience-oriented tenants.

**Neighborhood:** 50,000-200,000 square feet, at least one anchor store, usually two or more, typically including supermarket and drug store.

**Community:** 200,000-400,000 square feet, usually two or more anchor stores such as a discount department store or *category killer* such as home improvement, books, electronics, apparel, etc. May also include a grocery store or drug store anchor.

**Regional:** 400,000 square feet and more, three or more anchors such as full-line or junior department store, mass merchant, fashion apparel.

**Power:** 250,000-800,000 square feet, three or more anchors such as a discount department store or *category killer* such as home improvement, books, electronics, apparel, etc. Little or no in-line shop space.

**Free-standing:** Typically 20,000 square feet and up. Consists of one building occupied by one major tenant. Includes stand-alone suburban department stores as well as stand-alone department stores in downtown areas (not part of an integrated retail center or mixed-use project).

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