

# Retail Market Trends Greenville

Grubb & Ellis Research  
First Quarter 2007

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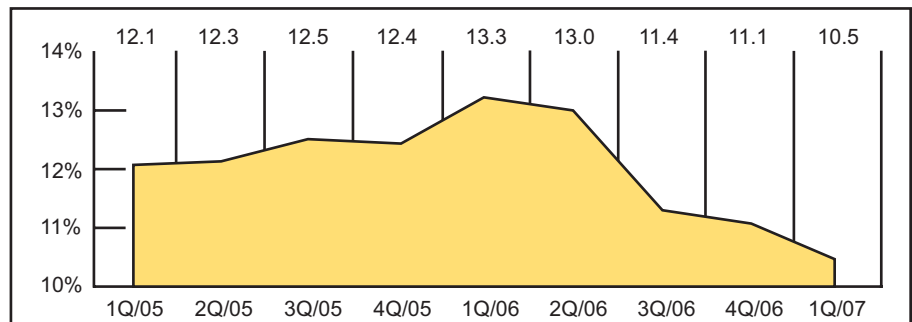
## Old Greenville Mall Site Trades Hands Again

Retail activity was slow during the first quarter of 2007, but vacancy dropped from 11.1 to 10.5 percent, largely due to the demolition of 115,000 square feet of space at the Westgate Mall to make room for wholesale retailer Costco. This is the second Costco that will be built locally after the partial demolition of a conventional mall, with the other being the former Greenville Mall.

Making headlines this quarter was the announcement of the transfer of the Greenville Mall for the second time in the past sixteen months. Amid ongoing demolition, the old Greenville Mall now has a new developer with new plans.

In December of 2005, the struggling Greenville Mall and its 64 acres were sold for \$37 million for redevelopment purposes to a partnership between Florida-based Gulfside Development Company and California-based Canyon Capital Realty Advisors. According to tax records, the group resold the property in April in separate deals to Costco (15 acres for \$6.3 million) and Florida-based Menin Development (49 acres for \$52 million.) The Menin deal represents one of the largest real estate transaction in the history of the Upstate.

This deal is exceptionally notable, not only due to its size, but because it represents a major transaction between two outside investors. Amid the real estate slowdown in many other markets, the Greenville market is still considered strong for investment, especially for retail. As a result, more speculative investment from outside investors can be expected for entitled land and shopping centers. If speculative investment were to slow, it could present a challenge to new retail development, as owners of well-positioned land wait for comparable payouts.



**Retail Vacancy Rate\***

\* All Classes of Space

## Retail Market Snapshot Greenville First Quarter 2007

By Submarket(1) (All Classes)	Total SF(1)	Vacant SF(2)	Vacant %	Net Absorption		Under Construction (3)
				Current Qtr.	Year-to-date	
Anderson	3,978,639	526,084	13.2%	2,250	2,250	43,400
Easley	787,226	67,168	8.5%	-	-	-
Augusta	857,830	98,333	11.5%	(5,429)	(5,429)	-
Berea	1,131,456	42,440	3.8%	10,825	10,825	-
Cherrydale Area	893,081	157,198	17.6%	-	-	50,000
Eastside	667,697	93,430	14.0%	27,956	27,956	154,000
Haywood/Laurens	2,783,762	346,391	12.4%	(4,910)	(4,910)	-
I-385 South	1,758,453	67,941	3.9%	(7,000)	(7,000)	119,000
Pleasantburg	554,505	9,000	1.6%	8,989	8,989	-
Wade Hampton	1,452,344	190,086	13.1%	(12,945)	(12,945)	-
Woodruff Road	3,032,293	27,760	0.9%	(1,200)	(1,200)	-
<b>Greenville</b>	<b>13,693,337</b>	<b>1,109,241</b>	<b>8.1%</b>	<b>16,286</b>	<b>16,286</b>	<b>406,000</b>
Blackstock	3,730,311	521,020	14.0%	-	-	-
Duncan/Lyman	787,226	71,538	8.3%	35,000	35,000	-
Hillcrest	1,132,689	129,233	11.4%	-	-	-
Spartanburg North	881,729	96,290	10.9%	-	-	-
<b>Spartanburg</b>	<b>7,338,390</b>	<b>1,000,124</b>	<b>13.6%</b>	<b>67,950</b>	<b>67,950</b>	<b>-</b>
<b>Totals</b>	<b>25,797,592</b>	<b>2,702,617</b>	<b>10.5%</b>	<b>86,486</b>	<b>86,486</b>	<b>449,400</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.

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