

# Retail Market Trends Greenville

Grubb & Ellis Research  
Third Quarter 2007



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#### Greenville Retail Market Trends

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## Retail redevelopments

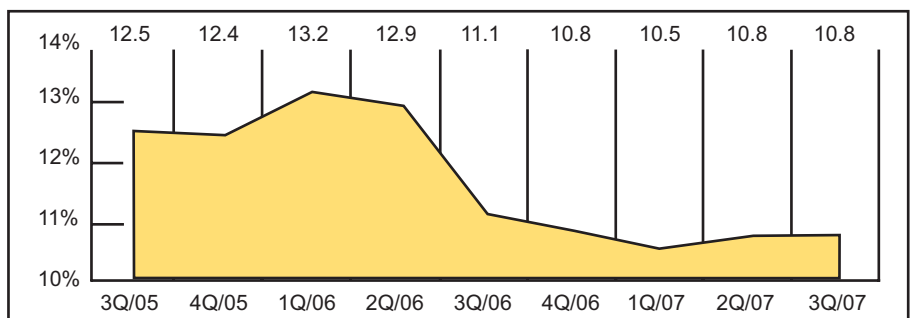
The third quarter of 2007 marked the entry into the market of national wholesale retailer, Costco, which opened stores in Greenville and Spartanburg. In addition, the completion of McBee Station delivered a tenant type new to downtown Greenville and speculative space that played a significant role in offsetting gains in the market, keeping vacancy practically unchanged at 10.8 percent.

Costco is just the latest high-end national retailer to test the Upstate retail waters. In the two years prior to Costco's entry, several other major retailers typically confined to larger markets also established a local presence, such as Whole Foods and PF Chang's. All three tenants have selected Woodruff Road as their submarket of choice.

The size of McBee Station makes it the largest retail property in downtown Greenville and the first built in over twenty years, with the last being the construction of the 500 North Main in the 1980s, anchored by Bi-Lo. McBee Station brings with it Publix, an upscale regional grocer, and Staples, which represents the return of a national retailer to the downtown market. If successful, other national retailers may be inspired to look for Greenville CBD locations.

Another significant event in the Upstate is the expansion of the Anderson Mall to accommodate a larger tenant. The space previously occupied by Belk's is being demolished in favor of Dillard's. The expansion will result in an increase in the property's square footage by 76,000 square feet.

The common thread among the projects is redevelopment. McBee Station involved the redevelopment of outdated apartments, the two new Costcos involved the partial demolition of the Greenville Mall in Greenville and the Westgate Mall in Spartanburg, and the new Dillard's involved the demolition of the Belk's space. While a redevelopment often results in a higher cost for a developer, the success of higher-end retail has rendered the additional costs bearable.



Retail Vacancy Rate\*

\* All Classes of Space

## Retail Market Snapshot Greenville Third Quarter 2007

By Submarket(1) (All Classes)	Total SF(1)	Vacant SF(2)	Vacant %	Net Absorption		Under Construction (3)	WTD Asking Rent
				Current Qtr.	Year-to-date		
Anderson	3,972,039	535,199	13.5%	34,150	31,535	290,000	\$6.94
Easley	787,226	74,224	9.4%	(7,056)	(7,056)	-	\$8.26
Augusta	857,830	97,300	11.3%	1,033	(4,396)	44,000	\$8.70
Berea	1,131,456	52,272	4.6%	(5,832)	993	-	\$6.66
Cherrydale Area	943,081	157,198	16.7%	50,000	50,000	-	\$17.00
Eastside	689,827	95,372	13.8%	(4,842)	48,144	25,000	\$11.67
Haywood/Laurens	2,783,762	303,404	10.9%	(5,618)	38,077	-	\$13.37
I-385 South	1,887,453	120,593	6.4%	6,200	66,976	40,000	\$8.92
Pleasantburg	554,505	15,125	2.7%	(6,125)	2,864	60,000	\$11.07
Wade Hampton	1,452,344	173,635	12.0%	15,951	5,006	-	\$7.95
Woodruff Road	3,182,928	96,716	3.0%	147,749	79,979	-	\$11.79
Greenville	13,483,186	1,111,615	8.2%	198,516	287,643	169,000	\$10.40
Blackstock	3,880,311	521,020	13.4%	150,000	150,000	-	\$9.01
Duncan/Lyman	864,611	71,538	8.3%	-	35,000	-	\$8.21
Hillcrest	1,132,689	130,401	11.5%	-	(1,168)	-	\$10.74
Spartanburg North	881,729	99,090	11.2%	-	(2,800)	-	\$11.36
Spartanburg	6,759,340	822,049	12.2%	150,000	181,032	-	\$9.45
Totals	26,375,757	2,848,716	10.8%	420,469	573,644	459,000	\$9.31

(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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