

# Retail Market Trends Greenville-Spartanburg

Grubb & Ellis Research  
First Quarter 2008

 **The Furman Co.**  
Property Solutions Worldwide

*With financing presenting more and more of a challenge through the end of 2008, the risk inherent in speculative construction will loom even larger for developers of retail projects.*

## New Wal-Marts bound for Eastside and Easley

With vacancy declining to 10.2 percent, the Greenville-Spartanburg retail market posted its second consecutive positive quarter amid a sluggish national economy. Despite sound local market fundamentals, continuing residential growth, declining unemployment rates and positive home appreciation, multiple large projects remain mired in the preliminary stage. National economic woes are undoubtedly a factor with the delays, as tenant commitment and financing become more challenging.

Despite the delay in large speculative construction projects, build-to-suit projects are attempting to fill the void. A new Office Depot was completed in Greer, while projects currently under construction include Midtown Center in Anderson, a new Wal-Mart on Pelham Road and a Fresh Market on Pleasantburg Drive. The only speculative space included in these projects is a small portion attached to Fresh Market. With financing presenting more and more of a challenge through the end of 2008, the risk inherent in speculative construction will loom even larger for developers of retail projects.

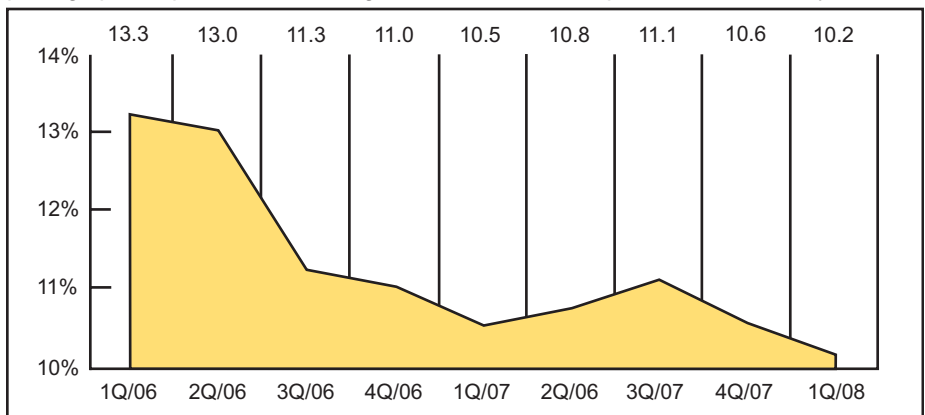
Major projects on the horizon include Magnolia Park Town Center (the Greenville Mall redevelopment) on Woodruff Road, Easton Marketplace in Spartanburg and Easley Town Center. The latter project appears destined to begin construction in the second quarter. At over 500,000 square feet, the center will be the largest in Easley. Retailers Wal-Mart and Kohls will occupy more than half of the space at the new center. The project is being developed by Cedarwood Developments, an Ohio-based developer.

While new construction is declining, retail growth is expected to continue its slow and steady pace. This, in turn, will further tighten the market for existing retail space, putting upward pressure on asking rates and downward pressure on vacancy rates.

**Greenville-Spartanburg Retail Market Trends** is a newsletter published quarterly by Grubb & Ellis|The Furman Co. To obtain additional copies or other Grubb & Ellis|The Furman Co. publications, please contact:

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**Retail Vacancy Rate\***

\* All Classes of Space

## Retail Market Snapshot Greenville First Quarter 2008

By Submarket(1) (All Classes)	Total SF(1)	Vacant SF(2)	Vacant %	Net Absorption		Under Construction (3)
				Current Qtr.	Year-to-date	
Anderson	3,972,039	535,199	13.5%	-	-	290,000
Easley	787,226	74,224	9.4%	-	-	-
Augusta	901,830	94,925	10.5%	44,673	44,673	-
Berea	1,131,456	115,925	10.2%	-	-	-
Cherrydale Area	943,081	157,198	16.7%	-	-	-
Eastside	735,037	107,317	14.6%	16,355	16,355	135,000
Haywood/Laurens	2,896,291	320,330	11.1%	68,502	68,502	-
I-385 South	1,891,179	117,405	6.2%	3,593	3,593	-
Pleasantburg	554,505	15,125	2.7%	-	-	60,000
Wade Hampton	1,473,273	172,435	11.7%	28,429	28,429	-
Woodruff Road	3,096,218	97,141	3.1%	1,600	1,600	-
<b>Greenville</b>	<b>14,267,876</b>	<b>1,313,541</b>	<b>9.2%</b>	<b>163,152</b>	<b>163,152</b>	<b>195,000</b>
Blackstock	3,880,311	310,960	8.0%	70,004	70,004	-
Duncan/Lyman	864,611	71,538	8.3%	-	-	-
Hillcrest	1,132,689	130,401	11.5%	-	-	-
Spartanburg North	881,729	90,290	10.2%	1,600	1,600	-
<b>Spartanburg</b>	<b>7,488,390</b>	<b>779,351</b>	<b>10.4%</b>	<b>71,604</b>	<b>71,604</b>	<b>-</b>
<b>Totals</b>	<b>26,515,441</b>	<b>2,702,315</b>	<b>10.2%</b>	<b>237,956</b>	<b>237,956</b>	<b>485,000</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.

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