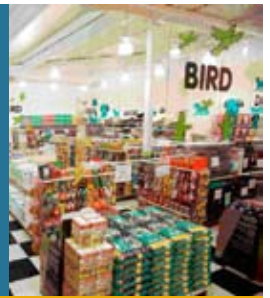




Colliers Keenan 2006 Mid-Year Retail Market Columbia, South Carolina



July 2006

Market Overview

- **Addition of new Wal-Marts will change retail landscape**
- **Village at Sandhill continues to expand**
- **Lexington retail expanding over next twelve to eighteen months**
- **All major submarkets remain stable**
- **Average quoted rents increase**
- **Tenant pro rata expenses increase**

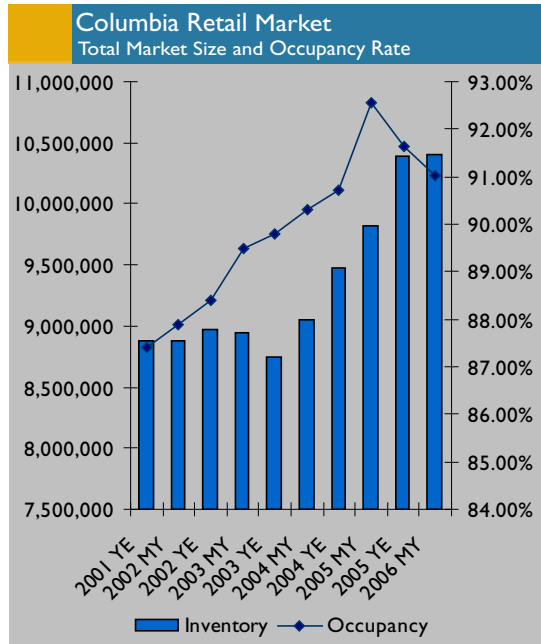
The Columbia, South Carolina retail market remained strong over the first half of 2006, posting a mid-year occupancy of 91.01%. Over the first six months of the year, the market managed to absorb 167,521 square feet, surpassing absorption levels at year-end 2005 of 116,200 square feet. The overall occupancy rate decreased slightly from 91.65% at year-end 2005 due to new space added to the market that has not yet leased. Over the past twelve months, the majority of the 283,721 square

feet of absorption has come from new leases executed at the Village at Sandhill, which has quickly claimed the title as one of Columbia's premier retail locations by attracting new, high-end, nationally recognized tenants to the Columbia market.

As Columbia's retail economy continues to grow, job growth in the trade sector continues to expand as well. From June 2005 to June 2006, employment in the retail trade sector grew by 2.40%, wholesale trade grew by 3.20% while food, beverage and general merchandise stores experienced an increase in employment of 1.40%

Rental rates in Columbia increased from an average of \$12.86 per square foot at year-end 2005, to an average of \$13.64 per square foot at mid-year 2006. This significant increase in average rental costs can be largely attributed to new product introduced to the market. Pass through expenses, defined as the tenant's pro rata share of common area maintenance, real estate taxes and insurance, also increased slightly from \$2.61 per square foot to \$2.73 per square foot over the previous six months. Rising tenant expenses in a stable market provide evidence that landlord expenses and utility costs are ever increasing.

Three of Columbia's retail submarkets experienced major absorption in the first half of 2006. North Columbia, which absorbed 47,363 square feet, had an increase in occupancy from 73.22% at year-end 2005 to 83.44% at mid-year 2006. This submarket has historically posted the lowest asking rents in the Columbia re-



Colliers Keenan
1301 Gervais Street
Suite 600
Columbia, SC 29201 USA
Tel: (803) 254-2300
Fax: (803) 252-4532



retail

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United States Locations

- Akron, OH
- Allentown, PA
- Atlanta, GA
- Austin, TX
- Bakersfield, CA
- Baltimore, MD
- Bellevue, WA
- Bentonville, AR
- Boca Raton, FL
- Boise, ID
- Boston HQ, MA
- Carlsbad, CA
- Charleston, SC
- Charlotte, NC
- Chicago, IL
- Cincinnati, OH
- Clearwater, FL
- Cleveland, OH
- Columbia, SC
- Columbus, OH
- Conshohocken, PA
- Dallas, TX
- Dayton, OH
- Denver, CO
- Detroit - DT, MI
- Fairfield, CA
- Fort Meyers, FL
- Fresno, CA
- Ft. Lauderdale, FL
- Gilroy, CA
- Greenville, SC
- Hartford, CT
- Honolulu, HI
- Houston, TX
- Indianapolis, IN
- Jacksonville, FL
- Kansas City, MO
- Los Angeles, CA
- Las Vegas, NV
- Little Rock, AR
- Louisville, KY
- Memphis, TN
- Miami, FL
- Milwaukee, WI
- Minneapolis, MN
- Nashville, TN
- New Haven, CT
- New Jersey
- New York, NY
- Oakland, CA
- Orlando, FL
- Palo Alto, CA
- Pepper Pike, OH
- Philadelphia, PA
- Phoenix, AZ
- Pittsburgh, PA
- Pleasanton, CA
- Portland, OR
- Raleigh NC
- Reno, NV
- Roseville, CA
- Sacramento, CA
- San Diego CA
- San Francisco, CA
- San Jose, CA
- Scottsdale, AZ
- Seattle, WA
- St. Louis, MO
- St. Paul, MN
- Stamford, CT
- Stockton, CA
- Sun Valley, ID
- Tacoma, WA
- Tampa, FL
- Walnut Creek, CA
- Washington, DC
- Wilmington, DE

	Market Size	Occupied	Vacant	Occupancy Rate	Absorption (Six Month)	Average Rent	Average Pass Throughs
Market	10,405,119	9,469,672	872312	91.01%	167,521	\$13.64	\$2.73
Downtown	231,075	226,175	4,900	97.88%	0	\$13.90	\$2.64
Cayce/West Columbia	1,063,004	952,102	132,102	89.57%	1,529	\$10.04	\$1.40
Forest Acres	791,869	785,769	7,829	99.23%	1,729	\$15.63	\$2.79
Harbison/St Andrews	2,798,663	2,600,080	180,492	92.90%	-18,091	\$14.95	\$3.08
Lexington	992,620	922,058	73,422	92.89%	2,860	\$12.34	\$2.48
North Columbia	424,514	354,194	117,683	83.44%	47,363	\$7.63	\$1.49
Northeast Columbia	2,942,774	2,549,094	253,084	86.62%	90,060	\$14.84	\$3.38
Southeast Columbia	1,160,600	1,080,200	102,800	93.07%	22,400	\$12.79	\$2.22

gion. At mid-year 2006 quoted rents averaged \$7.63 per square foot, up from \$7.31 per square foot at year-end 2005. The Northeast submarket, with the continued expansion of the Village at Sandhill, added new retailers such as Ashley Home Furniture and Coldwater Creek, contributing to its 90,060 square feet of absorption. Southeast Columbia, along Garners Ferry Road, experienced 22,400 square feet of absorption, bringing mid-year occupancy to 93.07%, up from 91.67% at year-end 2005.

Forecast

Although the Columbia retail market continues to be stable in the present, rapid growth is projected as several upcoming projects are expected to change the landscape in the months and years to come. Wal-Mart has begun construction, or is expected to begin construction in the next few months, on supercenters in Batesburg-Leesville, on Bush River Road and on Killian Road. A new Target-anchored center and Home Depot are expected to open in Lexington in 2007, adding to the growing retail hub that feeds the western portion of the Columbia region. As national tenants continue to announce expansion, following residential development, a healthy and stable market is expected through the next twelve to eighteen months.

Survey Methodology

The Colliers Keenan Retail Market Report surveys grocery-anchored and neighborhood power centers in the Columbia, South Carolina metropolitan area. Colliers Keenan gratefully acknowledges those individuals who provided us with information about their properties. The accuracy of this report is a reflection of the participation and cooperation of those individuals and companies. Permission is granted to quote from this publication only when Colliers Keenan Inc. is credited as the source. All information herein was compiled utilizing data from sources deemed reliable. It is submitted without warranty. Statistical data was collected as of June 2006.

For further information on the
Columbia, South Carolina Retail Market
Contact
Rox Pollard at (803) 401-4242
or rpollard@collierskeen.com

Colliers Keenan
1301 Gervais Street
Suite 600
Columbia, SC 29201 USA
Tel: (803) 254-2300
Fax: (803) 252-4532

