



COLUMBIA, SOUTH CAROLINA RESEARCH & FORECAST REPORT



Big Boxes See New Life.

The Columbia, South Carolina, retail market performed well during the first six months of 2010, absorbing 324,587 square feet of space, which resulted in a decline in market vacancy from 11.66% at year-end 2009 to 9.13% at mid-year 2010. The amount of absorption experienced during this six month period can largely be attributed to a decline in big box vacancy that was created during the most recent economic downturn.

Twelve months prior to mid-year 2010, the market was in the midst of massive closures in big box stores as national retailers such as Circuit City, Linens N' Things, Goody's and Sofa Express declared bankruptcy. These vacancies created opportunity for retailers to locate in prime retail corridors at rental rates that were lower than those garnered 12 to 24 months prior. Thus, a repositioning of big box retailers has started in the local market. In the Northeast submarket, Gold's Gym has located in the former Ashley Home Furniture Store in the Village at Sandhill, Best Buy has located in Sparkleberry Square, and Joanne Fabrics has relocated to the former Goody's Space in the Walmart Center on Two Notch Road. Additionally, the former Circuit City Store on Harbison Boulevard has been leased to

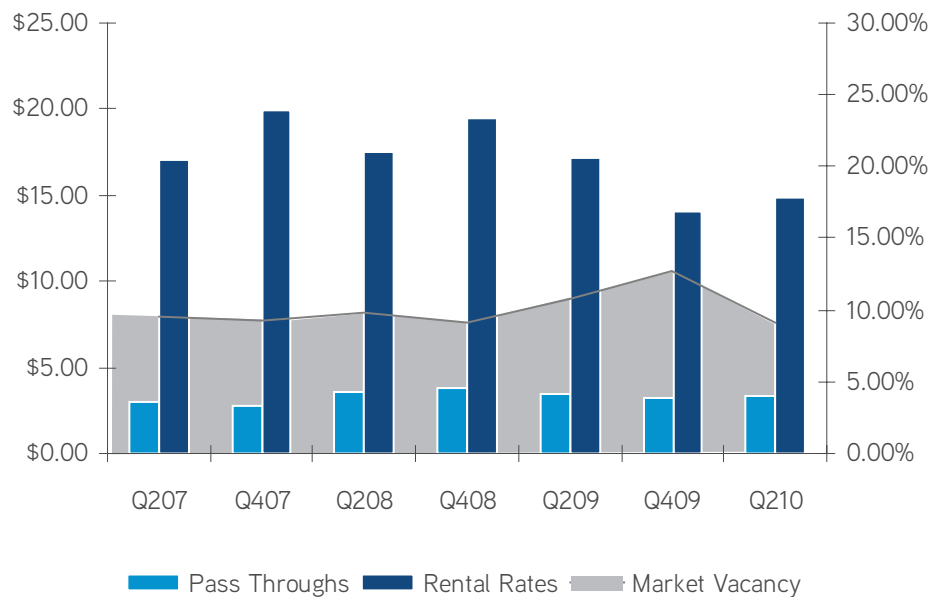
MARKET INDICATORS

	Q1/Q2 2010	Forecast
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	—	—
RENTAL RATE	—	—

QUICK UPDATES

- Big Box Spaces In Prime Retail Locations Get New Tenants
- Market Vacancy Drops Below 10%
- Rental Rates Have Stabilized and Increases Were Experienced In Certain Submarkets

2007 - 2010 Vacancy, Small Shop Rental Rates and Pass Throughs



	Market Size	Vacancy	Pass Throughs	Anchor		Junior Anchor		Shop	
				Available	Asking Rent	Available	Asking Rent	Available	Asking Rent
Cayce/ West Columbia	1,075,954	13.44%	\$2.23	62,009	\$8.90	21,509	\$9.02	61,040	\$11.21
Downtown	269,075	2.23%	\$3.82	0		0		6,000	\$16.00
Forest Acres	775,469	2.39%	\$4.72	0		0		18,550	\$22.63
Harbison/ St. Andrews	2,944,492	13.31%	\$3.15	88,500	\$7.54	64,196	\$7.81	239,339	\$12.27
Lexington	1,437,170	2.47%	\$3.57	0		0		35,486	\$10.34
North Columbia	380,849	12.98%	\$2.41	0		12,200	\$6.00	37,250	\$10.66
Northeast	4,343,706	9.15%	\$3.79	229,815	\$7.13	18,000	\$7.00	149,785	\$15.57
Southeast	1,245,281	7.64%	\$3.28	50,080	\$5.00	12,000	\$8.00	33,065	\$13.62
Market	12,471,996	9.13%	\$3.37	430,404	\$7.24	127,905	\$7.75	580,515	\$14.85

Buy Buy Baby and Big Lots absorbed a portion of the former Food Lion on St. Andrews Road.

Rental rates remained stable across the market during the first six months of 2010, although there were fluctuations among product type and submarkets based upon demand. As the market absorbed 235,417 square feet of big box space from year-end 2009 to mid-year 2010, average asking rental rates for this product type increased by \$0.22 per square foot. Asking rental rates for Junior Anchor space increased across all submarkets with the exception of the Harbison/St. Andrews submarket. This submarket experienced a negative absorption of 23,827 square feet, which resulted in a decline in asking rental rates from \$10.00 per square foot at year-end 2009 to \$7.81 per square foot at mid-year 2010. Shop space experienced a decline in rental rates across most markets as "mom and pops" continued to face hardships. The exception to this was the Forest Acres submarket, which, due to a lack of available product, experienced an increase in average asking rental rates of \$2.20 per square foot during the first six months of 2010.

Construction remained limited during the first six months of 2010 as financing and available capital remained difficult to attain. There was some growth however, as construction commenced on a new Publix-anchored center on Highway 378 in Lexington and renovations began on Garners Ferry Plaza in the Southeast submarket. Garners Ferry Plaza is located within the same retail corridor as high-traffic tenants Lowe's and Walmart; renovations are expected to draw the attention of additional tenants to the market that will capitalize on the high-traffic volume of the area.

Forecast

During the next twelve months the market will likely see continued stability in occupancy and rental rates, although landlords may face additional financing issues as shorter-term mortgages issued prior to the recession come due. Higher loan-to-value ratios required by lenders may require that landlords have increased equity in order to refinance. Growth among tenants will likely be among value-oriented retailers. Remaining big box space in Class A locations will likely be leased by tenants that previously have not located in prime retail corridors. Big box space outside of major thoroughfares will likely take longer to lease and experience a decline in asking rental rates over the next twelve months.

480 offices in 61 countries on 6 continents

United States: 135
Canada: 39
Latin America: 17
Asia Pacific: 194
EMEA: 95

- \$1.6 billion in annual revenue
- 672.9 million square feet under management
- Over 15,000 professionals

FOR MORE INFORMATION:

Rox Pollard, Jr.
Retail Services Manager
South Carolina
1301 Gervais Street
Suite 600
Columbia, South Carolina 29201
TEL +1 803 401 4211
FAX +1 803 401 4211

Ryan Hyler
Research & Marketing Director
South Carolina
1301 Gervais Street
Suite 600
Columbia, South Carolina 29201
TEL +1 803 401 4269
FAX +1 803 401 4269

This market report is a research document of Colliers International. Information herein has been deemed reliable and no representation is made as to the accuracy thereof. Colliers International South Carolina, Inc., and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 480 offices throughout more than 61 countries worldwide.



Accelerating success.