



# COLUMBIA, SOUTH CAROLINA RESEARCH & FORECAST REPORT



## Retail Repositioning Continues.

The Columbia, South Carolina, retail market remained stable during the first half of the year with a vacancy of 9.45% at mid-year 2011. While vacancy rates remained relatively unchanged during the first two quarters, there was substantial activity occurring in the market including the repositioning of many tenants and several announcements that new tenants were entering the market.

As noted at year-end 2010, vacancies in retail corridors created by the previous economic downturn have allowed large users to relocate to space that would previously have been outside of their economic reach. New examples of this trend in 2011 include the expansion of Goodwill into anchor space at Fashion Place on Decker Boulevard, SteinMart executing an agreement on the former Goody's space on Bower Parkway (Harbison) and the relocation of the Radio Shack in Cayce/West Columbia.

The most significant activity occurring during the first six months of the year was among big box users, with 140,000 square feet of large vacant space being absorbed. This activity can be attributed to both the adaptive reuse of big boxes and the

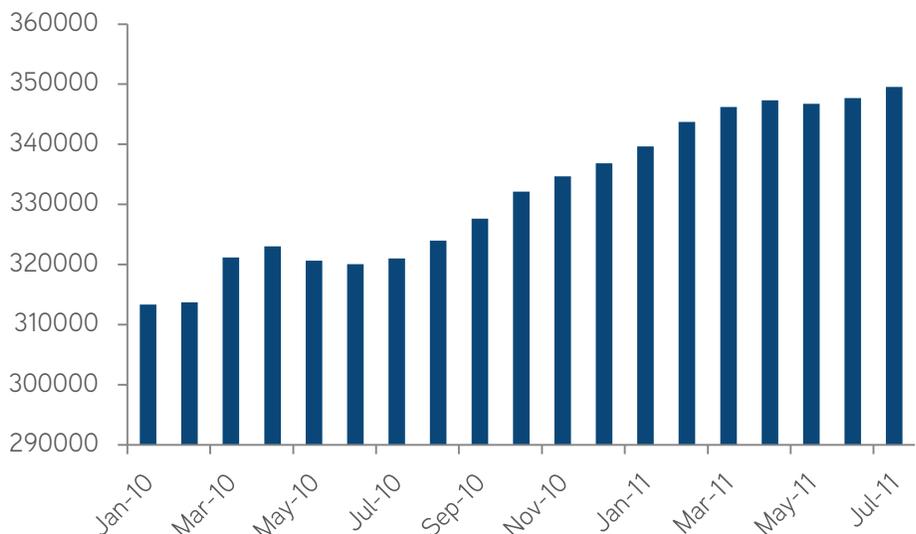
### MARKET INDICATORS

	Q1/Q2 2011	Forecast
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	↑	↑
RENTAL RATE	—	—

### QUICK UPDATES

- New Construction Commences on Harbison Boulevard
- Tenants Continue to Take Advantage of Prime Real Estate
- Growth in Anchor Centers Will Be Slowing Moving
- Free Standing Growth Will Drive Retail Market in Q3 and Q4

National Retail Sales: January 2010 - July 2011 (in thousands)



	Building Count	Market Size	Vacancy Rate	Pass Throughs	Anchor Space		Junior Anchor Space		Shop Space	
					Available	Asking Rent	Available	Asking Rent	Available	Asking Rent
Cayce/West Columbia	13	1,075,954	13.00%	\$2.81	65,600	\$7.02	11,000	\$10.00	63,327	\$10.75
Downtown	5	269,075	2.23%	\$1.90	0	-	0	-	6,000	\$16.00
Forest Acres	3	775,469	1.67%	\$3.95	0	-	0	-	12,942	\$20.27
Harbison/St. Andrews	28	2,944,492	12.86%	\$3.20	84,814	\$6.49	72,823	\$11.11	221,023	\$13.71
Lexington	15	1,498,895	3.09%	\$3.29	0	-	0	-	46,291	\$13.16
North Columbia	6	380,849	6.19%	\$3.04	0	-	0	-	23,588	\$11.10
Northeast	22	3,877,293	10.90%	\$3.31	201,241	\$6.32	50,000	\$11.60	171,447	\$11.88
Southeast	9	1,156,765	8.80%	\$3.46	50,050	\$5.00	0	-	51,701	\$10.96
Market	101	11,978,792	9.45%	\$3.12	401,705	\$14.45	133,823	\$9.39	596,319	\$13.08

previously mentioned absorption of big box space in prime retail corridors. In Northeast Columbia, Richland County purchased Decker Mall for conversion to an administration annex. This bodes well for future health of the Decker Corridor, which has struggled in recent years, as it not only removes vacant space from the market but the purchase will also increase the daytime population in the area.

Harbison Boulevard, the largest retail corridor in Columbia and predominant entry point for new retailers into the Columbia market, experienced an abundance of retail activity during the first six months of the year. A new development is under construction at the intersection of Harbison Boulevard and Park Terrace Drive. A former medical complex was demolished to make room for a DSW Shoe Store, T.J. Maxx HomeGoods, ULTA, Firestone, Staples and McDonald's. Additionally, a second and smaller development was underway on Harbison at mid-year. This retail center, which is closer to St. Andrews Road, will include a Jimmy John's and Mattress Firm.

Restaurant activity occurred at a steady pace during the first half of 2011. Buffalo Wild Wings Grill & Bar continued to expand its Columbia presence; the casual dining chain will open in the former O'Charley's building on Harbison Boulevard later this year. Krispy Kreme also opened two new locations thus far in 2011, one on Garners Ferry Road and one on Clemson Road. Additional growth

among restaurants will likely occur during the rest of year, particularly among the casual dining chains that have experienced a great deal of growth over the past year.

Vacancy rates among shop space continued to increase although the market started to experience a renewed interest in shop space activity in prime retail corridors. Current shop space vacancies in less-than-stellar retail locations will likely remain vacant until overall economic conditions improve.

The remainder of 2011 will likely be slow moving in anchored centers as much of the prime retail locations vacancy have been absorbed. While national retailers have entered expansion mode, they remain extremely cautious in making real estate decisions. These retailers are predominately focused on "A" locations and are willing to wait for the right opportunities to appear. The majority of activity expected for the rest of the year will be among free-standing users such as discount retailers, restaurants and service providers such as banks and pharmacies.

## 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

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