



# COLUMBIA, SOUTH CAROLINA RESEARCH & FORECAST REPORT



## Retail Developments Rising Up

### KEY TAKEAWAYS

- > New retail developments planned and under construction in major submarkets.
- > National retailers continue to enter the market.
- > Downtown Columbia continues to grow. New hotels are announced for the Vista.
- > Vacancy rate is holding steady. Rental rates are on the rise.

### CURRENT CONDITIONS

The Columbia, SC retail market ended the third quarter of 2014 with a vacancy rate of 8.85%, slightly higher than the mid-year 2014 vacancy rate of 8.68%. Overall asking rental rates for anchor, junior anchor and shop space averaged \$6.98 NNN, \$8.22 NNN and \$13.86 NNN, respectively, at the end of the third quarter of 2014. The highest asking rental rates for shop space were found in the Northeast, Forest Acres and Downtown submarkets, which had average asking rates of \$17.28 NNN, \$17.11 NNN and \$16.00 NNN, respectively. Some tenants in the Congaree Vista are paying rents in the \$30s.

Despite a stable vacancy rate over recent quarters, the market is experiencing significant growth with new big box anchored retail centers being developed throughout major submarkets.

- > Plans for Killian's Crossing in the Northeast Columbia submarket are underway and gaining momentum. The development, to be located at the intersection of Clemson Road and Farrow Road, will offer multifamily and single family residential units, hotel space along with retail space and outparcels. McDonald's is currently under construction and nearing completion.
- > Academy Sports, which opened earlier this year in the Harbison/St. Andrews submarket, will anchor a redevelopment along Park Terrace Drive at the former Staples and Hudson Smokehouse site. Guitar Center plans to enter the Columbia market and occupy space adjacent to Academy Sports. The development, which is under construction behind Columbiana on Park, will offer approximately 31,500 square feet of shop space in two buildings. Sport Clips and Salsaritas plan to locate in the center.

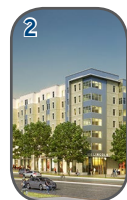
### MARKET INDICATORS

	Q3 2014	Forecast
VACANCY	↑	↓
NET ABSORPTION	↓	↑
RENTAL RATES	↑	↑
CONSTRUCTION	↑	↑



### DOWNTOWN RESIDENTIAL UPDATE

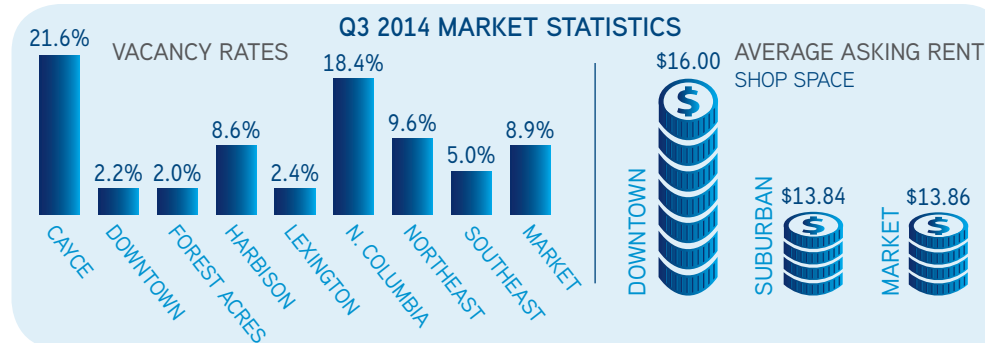
Downtown Columbia has the potential to gain an additional 4,200 residents in the next several years.



Developments currently under construction can accommodate more than 1,300 individuals within the next year. The developments will offer approximately 36,000 square feet of retail space.



1. Olympia Apartments is nearing completion and will offer 182 one and two-bedroom units.
2. 650 Lincoln will accommodate 919 students.
3. Greene Crossing will accommodate 177 students.



	Building Count	Market Size	Vacancy Rate	Anchor Space		Junior Anchor Space		Shop Space	
				Available	Asking Rent	Available	Asking Rent	Available	Asking Rent
Cayce/West Columbia	15	1,208,665	21.56%	96,854	\$6.99	65,889	\$7.90	97,795	\$11.89
Downtown Columbia	5	304,475	2.23%	-	-	-	-	6,800	\$16.00
Forest Acres/East Columbia	3	775,469	2.02%	-	-	-	-	15,688	\$17.11
Harbison/St. Andrews	33	3,441,558	8.63%	41,388	\$6.00	73,400	\$8.53	182,124	\$12.82
Lexington	14	1,569,510	2.42%	-	-	-	-	37,993	\$15.67
North Columbia	6	389,774	18.37%	36,000	\$8.00	-	-	35,605	\$9.67
Northeast Columbia	23	3,867,113	9.62%	185,131	\$7.00	39,074	\$7.30	147,675	\$17.28
Southeast Columbia	8	1,011,605	4.97%	-	-	15,000	\$10.00	35,300	\$12.23
Market	107	12,568,169	8.85%	359,373	\$6.98	193,363	\$8.22	558,980	\$13.86

- > Rosewood Crossing in the Downtown submarket is currently under construction. The approximately 98,000 square foot center will be home to Marshalls, Michael's and Petsmart. The project is a redevelopment of the former K-Mart at the intersection of Devine Street and Ft. Jackson Boulevard.
- > Student housing and multi-family residential developments are on the rise throughout Downtown Columbia. Recently, plans were revealed for the former Kline Iron & Steel Co. location at the corner of Gervais and Huger streets. Plans include 280 apartment units, as well as retail and office space. Construction is expected to begin early in 2015.
- > Redevelopment plans for the City Market at 705, 707 and 711 Gervais Street were recently announced. The building will likely be repurposed to include space for a restaurant, microbrewery and retail shops, and may include residential or office space.

**RECENT ANNOUNCEMENTS**

- > J. Crew is open at Trenholm Plaza. Anthropologie is nearing completion and anticipated to open early in the fourth quarter of 2014.
- > Nordstrom Rack, at Harbison Court, is welcoming its first customers.
- > Kroger may be opening several stores throughout the Midlands. In addition to Killian's Crossing, Kroger is likely to anchor the Capital City Stadium redevelopment Downtown. Atlanta-based Bright-Meyers expects to begin the new project in early spring 2015. The grocer is believed to be eyeing other locations in the region.
- > Construction is underway on the Clarion Hotel along Gervais Street in Downtown Columbia. The hotel is being converted into a Hilton Garden Inn and Home 2 Suites facility, which will provide 230 guest rooms.
- > Aloft hotel is coming to the Vista at the corner of Lady and Lincoln streets. The planned 5-story hotel will include 108 rooms, a bar called WXYZ and ground-floor retail space.
- > The Hyatt Place hotel, which is under construction at 823 Gervais Street, is nearing completion and expected to open by year-end 2014.
- > Captain D's plans to expand its footprint with 10 new locations throughout Columbia.
- > A 3,500 square foot building is under construction at Cross Hill Market and will be home to AT&T, which expects to open during the fourth quarter of 2014.
- > Belk at Dutch Square Mall announced that it is closing its doors. Belk is expanding its presence at Columbiana Centre, occupying space recently vacated by Sears. The department store is spending \$6.1 million to expand its men's apparel and shoe departments into the former Sears space.

**KILLIAN'S CROSSING** | Northeast Columbia



**281 PARK TERRACE DRIVE** | Harbison/St. Andrews



Source: Atlantic Retail Properties

**ROSEWOOD CROSSING** | Downtown Columbia



Source: Fletcher Bright

**KLINE CITY CENTER** | Downtown Columbia

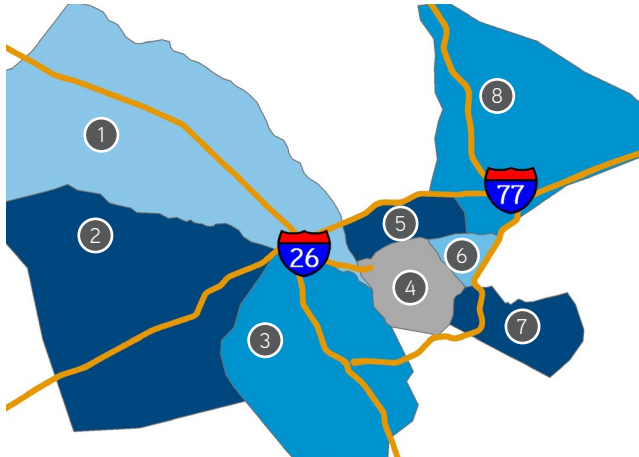


Source: Upstate Business Journal

**IN THE MONTHS AHEAD**

The remainder of 2014 and into 2015 is likely to bring further growth for Columbia, SC. The market will continue to see redevelopments and repurposing of older buildings with new construction of anchored shopping centers. Downtown Columbia has potential to attract national retailers and new restaurants to the growing entertainment district. Rental rates will continue to increase along highly attractive retail corridors. Vacancy rates are anticipated to steadily decline throughout the remainder of the year and into 2015 as recently vacated grocery spaces are absorbed and repurposed.

**COLUMBIA RETAIL SUBMARKETS**



- 1 HARBISON/ST. ANDREWS
- 2 LEXINGTON
- 3 CAYCE/WEST COLUMBIA
- 4 DOWNTOWN COLUMBIA
- 5 NORTH COLUMBIA
- 6 FOREST ACRES/EAST COLUMBIA
- 7 SOUTHEAST COLUMBIA
- 8 NORTHEAST COLUMBIA

**AROUND THE STATE**

South Carolina's growing population and economy continue to draw new retailers to the market while providing a healthy business environment for the growth of existing retailers.

**CHARLESTON, SOUTH CAROLINA**

- > Tourism and residential growth continues to drive the retail market.
- > Gander Mountain, outdoor gear and apparel retail shop, opened their first South Carolina store in North Charleston. The store will be located in a redeveloped 40,000 square foot space at the Promenade at Northwoods.
- > Earth Fare is currently under construction in Summerville and will anchor Horizon Square, a planned 63,000 square foot shopping center, which will also house Petco.
- > Summerville Towne Centre, a planned 230,000 square foot center for Summerville, will be anchored by Academy Sports, Hobby Lobby and Aldi.

**GREENVILLE, SOUTH CAROLINA**

- > Nordstrom Rack at Magnolia Park in Greenville is the first to open in South Carolina. The Columbia location will be opening in October and the Charleston location will open in 2015.
- > Pier 1 Imports is open at Magnolia Park. The retailer relocated from a Haywood Mall outparcel.
- > Freddy's on Woodruff Road is under construction at the site of the former Metro Burger across from Magnolia Park.
- > Fresh To Order (f2o) is opening its first South Carolina location at Magnolia Park.
- > Wal-Mart Neighborhood Market is growing its presence in the Upstate and announced plans to open a Spartanburg location. The new 41,000 square foot store will anchor a planned 55,000 square foot shopping center in Cedar Springs.



Horizon Square, Charleston, SC



Magnolia Park Site Plan, Greenville, SC

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485 offices in  
63 countries on  
6 continents

- \$2.1 billion in annual revenue
- 1.46 billion square feet under management
- Over 15,800 professionals
- 80,000 Lease/Sale Transactions
- \$75 Billion Total Transaction Value

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Sources: Bureau of Labor Statistics, Colliers International Research, CoStar Group

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