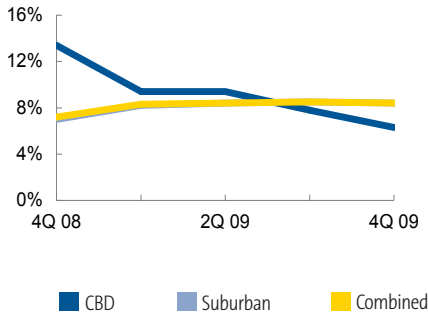


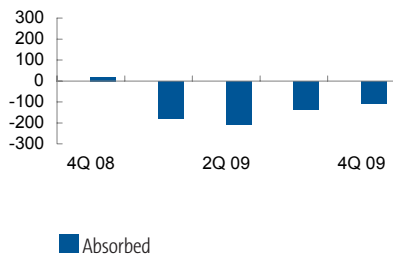
Vacancy Rate

Quarterly



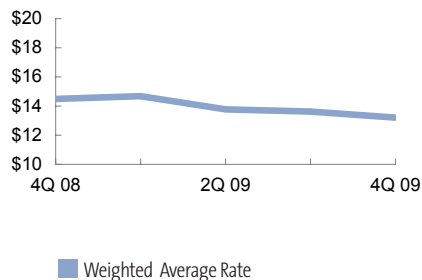
Completions vs. Absorption

Quarterly (in Thousands of SF)



Asking Rental Rates

Quarterly (\$/SF/Yr. NNN)



The Charleston Retail Market Remains Steady

Overall market conditions remained relatively unchanged in the fourth quarter of 2009 compared to third quarter. Vacancy rates in the Charleston MSA crept down slightly 10 basis points to 8.4 percent. While that number is not positive, it shows that the market is heading in the right direction. However, compared with the fourth quarter of 2008 where vacancy was at 7.2 percent, it has a long way to go.

The announcement of Boeing selecting North Charleston, SC for its assembly plant for the 787 Dreamliner was welcome news to the low country and to the entire state of South Carolina. Reports have stated that the direct economic impact reaches into the billions of dollars and Boeing plans to employ close to 3,800 people.

Leasing activity was slow during the third quarter of 2009 however very few vacant spaces were added to the market compared to the first quarter of 2009. Tenants are beginning to have a positive outlook on the future with the reduction in competition as a result of attrition among retailers. An increase in leasing activity is expected during the first quarter of 2010 and throughout 2010 and 2011.

Landlords with existing properties are poised to do well in the upcoming quarters due to the fact there are few retail developments planned that have not already broken ground. Difficulty finding financing will continue to slow the development of new retail centers allowing landlords with existing availabilities to capture those tenants with expansion plans.

The sale of retail properties continues to remain slow due to the unavailability of financing and low demand. According to the Charleston Commercial Multiple Listing Service only two retail sales transactions occurred during the fourth quarter of 2009 compared to 12 transactions during the same quarter two years ago.

FORECAST

- Very few (if any) new developments will break ground in 2010 as banks are still struggling with tightened credit and the possibility of pending foreclosures.
- Tenants that fared well over the last several quarters may thrive with the lack of competing retail businesses.
- The Charleston market will recover faster than the national average.

Retail Trends Report—Fourth Quarter 2009

Charleston, SC



By Submarket	Total SF	Vacant SF	Total Vacancy %	NET ABSORPTION		ASKING RENT		
				Current	Year To Date	Under Construction	Neighborhood	Power
Downtown Charleston	473,652	29,718	6.3%	7,329	33,696	-	-	-
East Cooper	3,246,617	263,210	8.1%	(45,309)	(96,985)	99,932	\$17.41	-
Goose Creek	931,333	90,920	9.8%	(19,588)	(5,307)	-	\$10.03	-
Moncks Corner	419,614	3,000	0.7%	-	-	-	-	-
North Charleston	5,567,436	599,517	10.8%	59,829	(130,744)	42,437	\$15.26	-
Summerville	2,503,374	83,575	3.3%	4,797	120,497	-	\$9.42	-
West Ashley	4,447,920	355,702	8.0%	9,977	(31,424)	-	\$11.74	-
West Islands	1,334,246	156,202	11.7%	13,616	4,745	-	\$9.23	-
Totals	18,924,192	1,581,844	8.4%	30,651	(105,522)	142,369	\$13.02	-

By Property Type	Total SF	Vacant SF	Total Vacancy %	Current	Year To Date	ASKING RENT	
						Under Construction	Neighborhood
Community	2,991,626	517,564	17.3%	21,361	(129,145)	-	\$12.19
Free-standing	3,454,445	-	-	-	100,000	-	-
Neighborhood	6,381,046	752,167	11.8%	(57,485)	(124,533)	99,932	\$13.02
Outlet	384,084	4,500	1.2%	-	(4,500)	-	\$22.28
Regional	1,253,280	59,693	4.8%	5,565	(16,693)	-	\$23.62
Specialty/Theme	625,000	34,764	5.6%	13,616	14,576	-	\$28.00
Strip	1,522,127	147,962	9.7%	37,943	11,763	42,437	\$15.69
Super-regional	1,971,569	35,476	1.8%	2,322	9,314	-	\$16.47
Urban Retail	341,015	29,718	8.7%	7,329	33,696	-	\$22.64
Totals	18,924,192	1,581,844	8.4%	30,651	(105,522)	142,369	\$15.57

Grubb & Ellis Office Locations

as of 3rd Quarter 2009



Grubb & Ellis | WRS Real Estate Advisors

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843-709-9292
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RETAIL TERMS AND DEFINITIONS

Inventory: Retail inventory includes all multi-tenant and single tenant buildings at least 50,000 square feet. Shopping malls are not included in calculations.

Retail Building Classifications: Super Regional Centers are properties with greater than two million square feet of space, drawing from a trade area encompassing multiple smaller submarkets. Sub Regional centers include centers of 500,000 square feet or greater that service one main submarket exclusively. Single Tenant retail includes power center tenants in free-standing centers as well as stand-alone retailers. Large Strip Centers are car oriented strip retail centers of 150,000 square feet or greater. Small Strip Centers are centers of 50,000 to

150,000 square feet, and include many local and grocery anchored centers.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Retail rents are reported on a triple net basis where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.