



Myrtle Beach

Retail

21Q2

Key Takeaways

- Most retail activity was concentrated in service-oriented establishments
- Shoppers return to in-store shopping
- Fast food and gas stations with convenience stores are aggressively expanding
- A trend new to South Carolina are ghost kitchens



Service-focused shops succeed

During the second quarter of 2021, most retail activity was concentrated in service-oriented establishments like day spas, waxing centers, insurance companies and salons. Quick service cookie or dessert shops like Insomnia, Crumbly and specialty coffee shops absorbed significant amounts of space. Medical, dental and vision centers also continue to be prevalent.

Local Market Indicators



Historic Comparison

	20Q2	21Q1	21Q2
Total Inventory (in Millions of SF)	11.5	11.6	11.6
New Supply (in Thousands of SF)	-	-	-
Net Absorption (in Thousands of SF)	-17.3	-6.2	22.6
Overall Vacancy	3.22%	4.55%	4.35%
Under Construction (in Thousands of SF)	-	103.7	108.7
Overall NNN Lease Rates (in \$/SF)	\$17.93	\$16.87	\$16.53

Absorption, New Supply & Vacancy Trends



Despite two consecutive quarters of construction deliveries, the Myrtle Beach retail market continues to post positive absorption.

Recent Transactions



Sale
Myrtle Ridge
Conway Submarket
59.2K SF



Sale
901 Church
Conway Submarket
38.9K SF



Lease
Tasty Crab
Hwy 17 /501 Submarket
6K SF



Lease
LAV3
N. Myrtle Beach
Submarket | 6K SF



Lease
Taste of Asia
International Dr.
Submarket | 5.9K SF



Lease
Shoe Show
S.C. 544 Submarket
4.5K SF

Consumers plan to shop in-person for the holidays

The pandemic accelerated e-commerce transactions but as the pandemic eased with vaccinations and warmer weather, retailers and restaurants reported substantial increases in customer visits. Although the recent surge in COVID cases may dampen the return to in-person shopping and dining until the surge passes, what has become evident is there remains a strong interest in consumers visiting stores and restaurants. While many products lend themselves quite well to e-commerce, it cannot replace the desire many consumers have to shop, dine and utilize services while enjoying being in the presence of other people.

According to a study by Shopkick, 43% of people surveyed plan to do their holiday shopping in-person and early. In addition, due to pressures on the overall supply chains and delivery times, consumers prefer curb-side pick-up and same day delivery from an actual store. Therefore, brick-and-mortar stores are here to stay, and will likely see an increase in holiday sales through year-end.

Ghost kitchens concept new to South Carolina

Ghost kitchen delivery services such as Reef Technologies and Go Puff is a trend new to South Carolina. Ghost kitchens are commercial kitchens that solely prepare delivery orders. They are called “ghost” kitchens because customers are unable to enter to order or sit down to eat there. According to Reef Technologies, ghost kitchens can be repurposed warehouses, retail stores or even shipping containers.

Emerging Trends

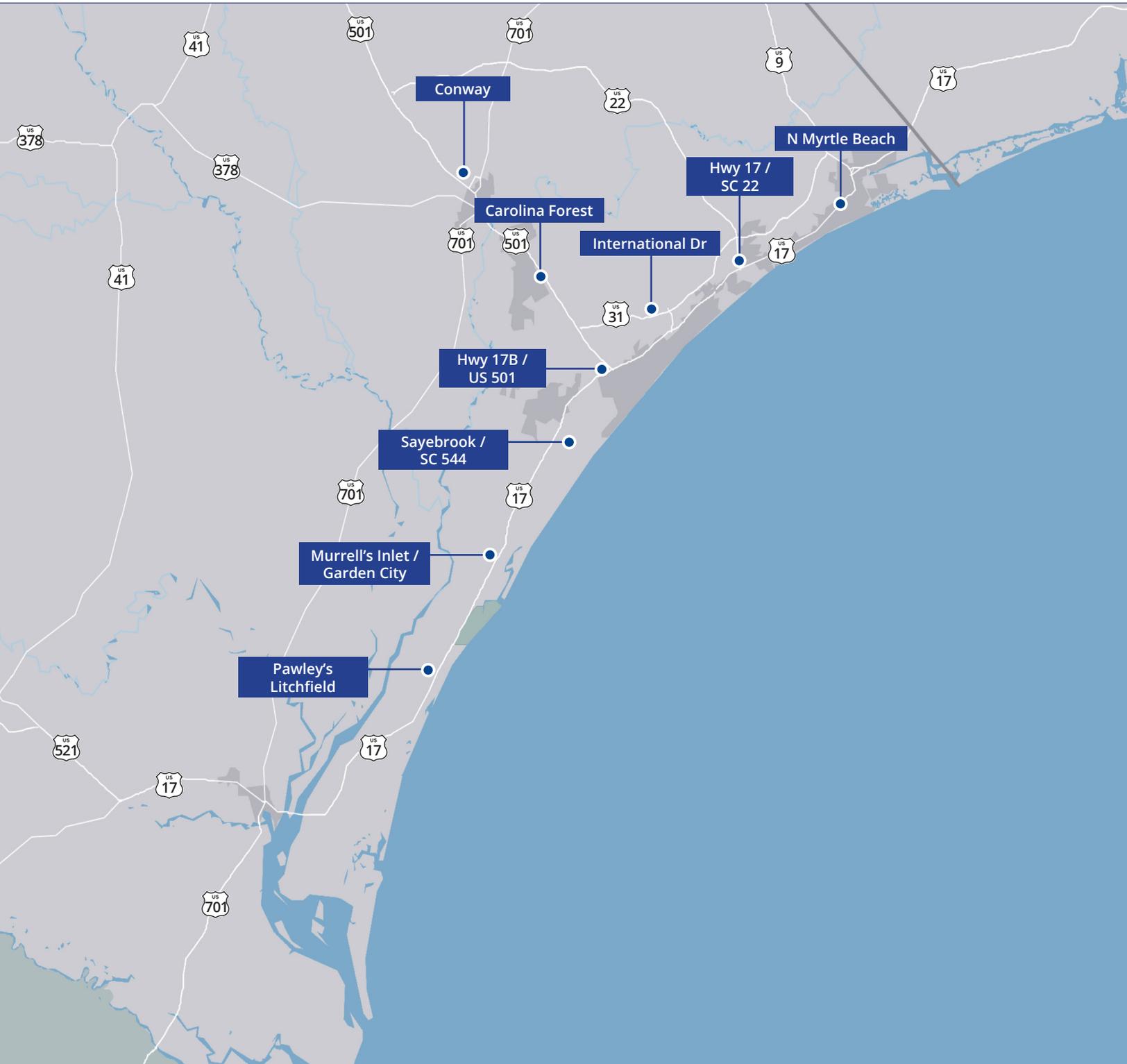
Quick service food retailers like Popeyes, Bojangles and Freddie's Burgers are rapidly expanding into new areas with no signs of slowing. In addition, convenience stores like 7-Eleven, Murphy Express and Quick Trip are also expanding throughout South Carolina. These new locations are differentiating themselves by offering more products and services, to-go options and sit-down dining.

Q2 2021 Retail Market Summary Statistics

Myrtle Beach

Shopping Center Market	Inventory (SF)	Vacancy Rate (%)	Anchor space greater than ± 25,000 SF		Jr. anchor space 10,000 SF to 25,000 SF		Shop space less than ±10,000 SF	
			Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)
Myrtle Beach								
Carolina Forest	1,254,155	5.51%	22,100-	-	-	-	46,996	\$16.40
Conway	1,185,310	18.65%	124,834	-	62,833	\$8.95	33,350	\$15.80
International Drive	204,475	0.12%	-	-	-	-	250	\$21.69
Murrells Inlet / Garden City	1,367,546	0.75%	-	-	-	-	10,305	\$14.55
North Myrtle Beach	1,502,074	0.54%	-	-	-	-	8,042	\$22.16
Pawleys / Litchfield	735,460	3.49%	-	-	-	-	17,635	\$16.44
Saybrook / SC 544	1,066,762	4.15%	31,000	-	-	-	13,300	\$15.84
US 17 / SC 22	1,545,405	6.59%	50,000	-	30,257	\$11.65	21,525	\$12.92
US 17B / US 501	2,741,314	1.19%	32,500	-	-	-	-	\$15.90
Myrtle Beach Total	11,602,501	4.35%	260,434	-	93,090	\$10.54	151,421	\$16.53

Submarket Map



396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



\$3.3B
in revenue



2B
square feet under management



17,000 +
professionals and staff

In 2021, Colliers changed its retail data collection methodology. Retail submarkets were identified where there was a large concentration of retail activity in traditional suburban and urban environments. Within these submarkets, all retail properties were included except freestanding restaurants, automotive dealerships, automotive repair, movie theatres and other special purpose buildings. Each property was then divided into three categories of space, anchor (25,000 s.f. or larger), junior anchor (10,000 s.f. to 25,000 s.f.) and shop space (10,000 s.f. or smaller) for the purpose of tracking vacancy and rental rate dating back to the beginning of 2017. Because of the changes to our methodology, users of the report should not compare data from reports published before May 2021.

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Colliers | South Carolina has over 150 staff members, including 62 licensed real estate professionals, covering the entire state with locations in Charleston, Columbia, Greenville and Spartanburg. Total 2020 brokerage volume exceeded \$533 million, which included over 456 sales and leasing transactions. In addition to traditional commercial real estate representation services for our clients, the company is actively engaged in Corporate Solutions and Healthcare Services. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina, with a portfolio of over 16 million square feet of office, industrial, retail and healthcare properties. Colliers International's staff hold 49 professional designations, the most of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

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