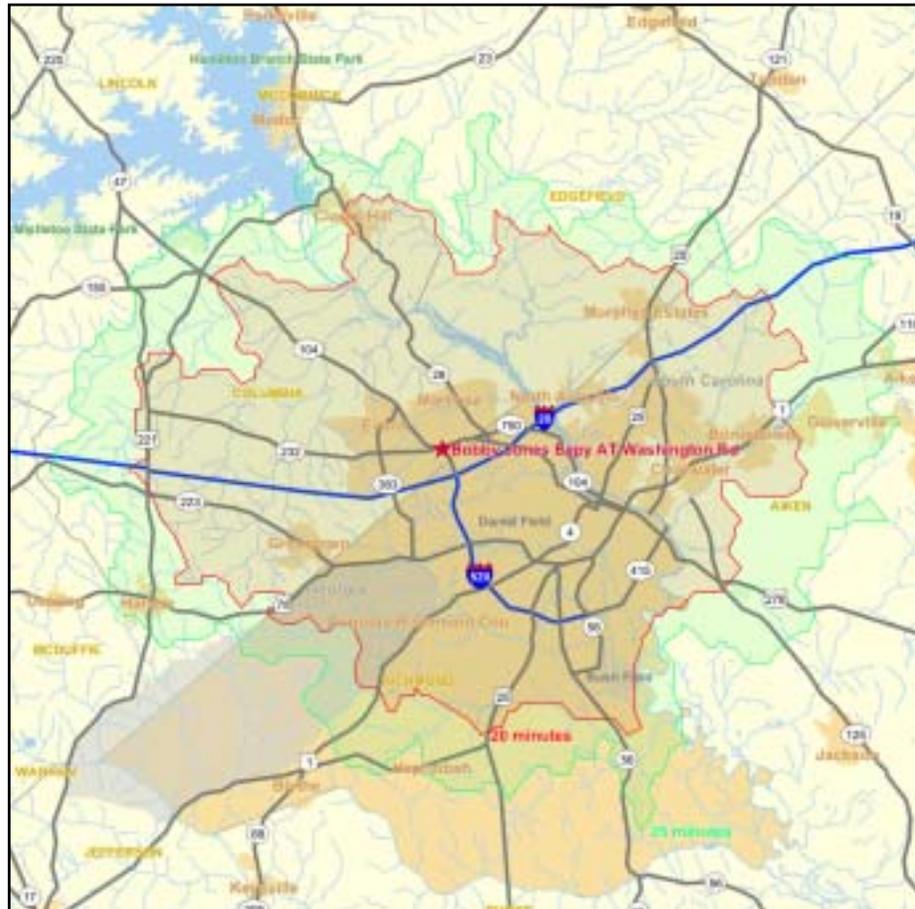


EXISTING CONDITIONS

DEMOGRAPHIC PROFILE

The demographic characteristics of the Martinez retail trade area and residential market area are provided in this section. The retail trade area is defined by a 20-minute drive from the intersection of Bobby Jones Expressway and Washington Road while the residential market area consists of a larger 25-minute drive area. Both areas are defined as the geographic area from which the large majority of potential customers or residents of new housing developed in the study area originate. The delineation of the trade and market areas (displayed on the map below) are not meant to suggest that prospective customers of study area businesses and residents of newly developed housing will be drawn solely from these geographic areas. Because of the study area's location and planned and proposed nearby development activity, it is expected that prospective customers and new residents will also be attracted to the study area from outside of the 20- and 25-minute areas.

Comparisons with Martinez, Columbia County, the Augusta MSA (which includes Columbia, Richmond and McDuffie Counties in Georgia and Aiken and Edgefield Counties in South Carolina) and the



state of Georgia are made where appropriate. Demographic and economic trends are analyzed for the 1990-2008 timeframe.

Population and Household Growth

Exhibit S-1 shows a decade of moderate growth within the retail trade and residential market areas. In 2003, the 20-minute drive area population is estimated at 309,188, representing an average annual increase of 3,198 persons or a 1.19% average annual rate of increase since 1990. Forecasts for 2003-2008 show a decrease in growth as the average annual population growth rate is projected to be 0.96%. Numerically, population growth is expected to increase by 2,969 persons per year from 2003-2008.

From 1990-2003, the household growth rate within the 20-minute drive trade area exceeded the population growth rate, increasing by 1.40% annually. The household growth rate is expected to continue to surpass the population growth rate during the 2003-2008 period, with a projected annual growth rate of 1.15%.

Population and household growth within the 25-minute drive area slightly surpassed growth rates within the 20-minute drive area during the 1990-2003 period. During this period, population increased at an average annual rate of 1.27%, or by 3,740 persons annually, while households increased by 1.51% annually, or by 1,638 households annually. Over the next five years, population growth is expected to slow to 0.99% annually and households to 1.19% annually.

Relative to the 20- and 25-minute drive areas, population within Martinez grew at a faster rate during the 1990s. From 1990-2003, Martinez's population grew at an average annual rate of 1.80%; numerically, population increased from 24,017 in 1990 to an estimated 29,642 in 2003 (433 persons per year). Between 2003 and 2008, Martinez's annual population growth rate is expected to increase to 2.19%, representing a numeric increase of 649 persons per year. Similar to the 20- and 25-minute drive areas, household growth outpaced population growth from 1990-2003 (2.33% annually), which is expected to continue during the 2003-2008 period (2.51% annually). Population and household growth projections for Martinez could exceed expected levels if a residential development program is implemented within the study area.

Population growth within Columbia County was extremely strong during the 1990-2003 period, increasing by 3.63% annually. In 1990 Columbia County's population was 66,031; in 2003 it is estimated at 97,220. By 2008, Columbia County's population is expected to reach 109,445, resulting in a 2.51% average annual growth rate from 2003-2008.

Within the Augusta-Aiken MSA, population and households growth was more in-line with growth levels within the 20- and 25-minute drive areas. The MSA population is estimated at 492,538, increasing by an average of 1.43% annually since 1990. Average annual household

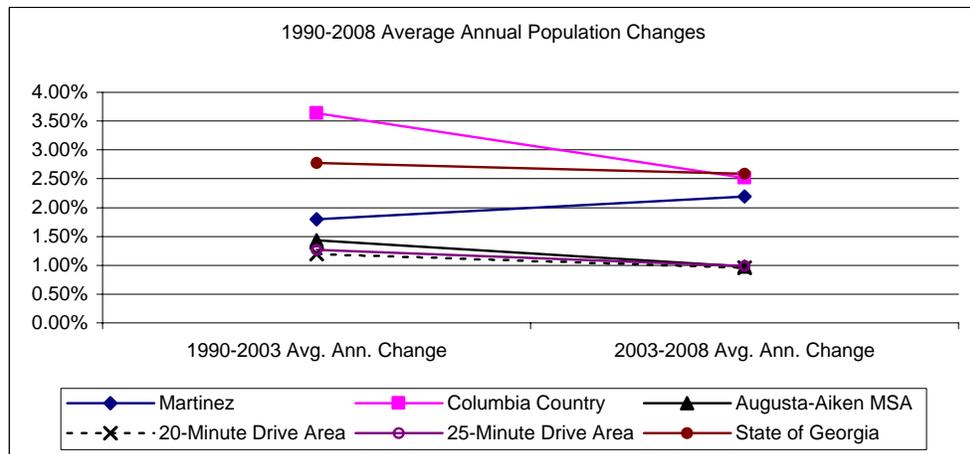
growth was 1.77% during the 1990-2003 period. Over the next five years, population within the MSA is expected to increase by an average of 0.98% annually while households are expected to increase by 1.24% annually.

EXHIBIT S-1

POPULATION GROWTH

City of Martinez, Columbia County, Augusta-Aiken MSA, 20-Minute Drive, 25-Minute Drive and State of Georgia 1990-2008

Geography	1990	Avg. Ann. Change 1990-2003		Avg. Ann. Change 2003-2008			
		2003 (Estimate)	Number	Percent	2008 (Forecast)	Number	Percent
Martinez							
Population	24,017	29,642	433	1.80%	32,888	649	2.19%
Households	8,153	10,627	190	2.33%	11,959	266	2.51%
Avg. Household Size	2.94	2.78	-0.012		2.74	-0.008	
Columbia County							
Population	66,031	97,220	2,399	3.63%	109,445	2,445	2.51%
Households	21,841	34,051	939	4.30%	38,840	958	2.81%
Avg. Household Size	2.97	2.83	-0.011		2.80	-0.006	
Augusta-Aiken MSA							
Population	415,184	492,538	5,950	1.43%	516,606	4,814	0.98%
Households	149,093	183,327	2,633	1.77%	194,662	2,267	1.24%
Avg. Household Size	2.69	2.60	-0.007		2.57	-0.006	
20-Minute Drive Area							
Population	267,618	309,188	3,198	1.19%	324,031	2,969	0.96%
Households	98,609	116,568	1,381	1.40%	123,270	1,340	1.15%
Avg. Household Size	2.67	2.59	-0.006		2.57	-0.004	
25-Minute Drive Area							
Population	295,376	343,998	3,740	1.27%	360,996	3,400	0.99%
Households	108,316	129,614	1,638	1.51%	137,345	1,546	1.19%
Avg. Household Size	2.67	2.59	-0.006		2.57	-0.004	
State of Georgia							
Population	6,478,216	8,813,345	179,625	2.77%	9,955,004	228,332	2.59%
Households	2,366,615	3,232,700	66,622	2.82%	3,672,185	87,897	2.72%
Avg. Household Size	2.66	2.65	-0.001		2.65	0.000	



Source: ESRI BIS

Population and household growth in the state of Georgia during the 1990s exceeded growth within the 20- and 25-minute drive areas and the MSA. In 2000, the state of Georgia ranked fourth nationally in terms of its numeric growth rate as its population increased 26.4% from 1990-2000; the national average was 13.2%. California, Texas and Florida experienced more total growth than Georgia, but much of the growth in those three states has been due to immigration. Projections for the state of Georgia for the next five years reveal some slowing in the average annual growth rate to 2.59%.

In the past few decades, household size declined nationally due to a decrease in fertility rates, increasing divorces and single person households and a rise in the elderly population. Exhibit S-1 shows a continuation of this trend in each of the five geographic areas as household size is expected to slightly decrease or remain constant over the next five years.

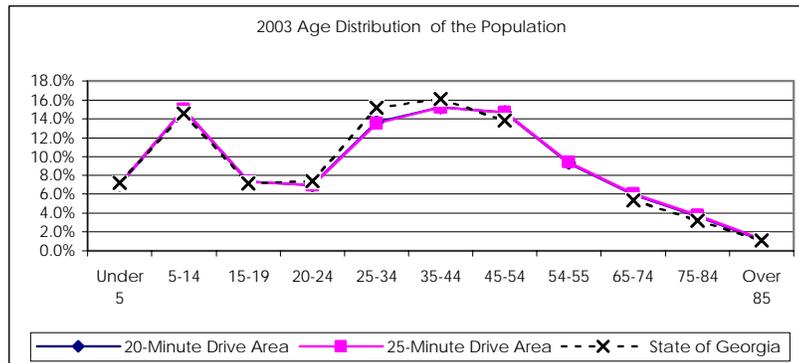
Age Distribution

The age distributions of the 20- and 25-minute drive area populations reveal a population similar to the state of Georgia. In 2003, the estimated median age within the 20-minute drive area is 35.6 years

EXHIBIT S-2

POPULATION BY AGE
20-Minute Drive Area, 25-Minute Drive Area and State of Georgia
2003

Age Category	20-Minute Drive Area		25-Minute Drive Area		State of Georgia	
	Number	Percent	Number	Percent	Number	Percent
Under 5	21,624	7.0%	24,002	7.0%	631,536	7.2%
5-14	46,351	15.0%	51,611	15.0%	1,283,917	14.6%
15-19	22,603	7.3%	25,187	7.3%	627,625	7.1%
20-24	21,548	7.0%	23,982	7.0%	651,006	7.4%
25-34	42,191	13.6%	46,485	13.5%	1,336,140	15.2%
35-44	47,045	15.2%	52,338	15.2%	1,420,147	16.1%
45-64	45,334	14.7%	50,404	14.7%	1,217,384	13.8%
45-64	28,899	9.3%	32,358	9.4%	794,355	9.0%
65-74	18,442	6.0%	20,662	6.0%	473,732	5.4%
75-84	11,459	3.7%	12,844	3.7%	279,508	3.2%
Over 85	3,692	1.2%	4,125	1.2%	97,995	1.1%
Total	309,188	100.0%	343,998	100.0%	8,813,345	100.0%
Median Age	35.6		35.1		34.6	

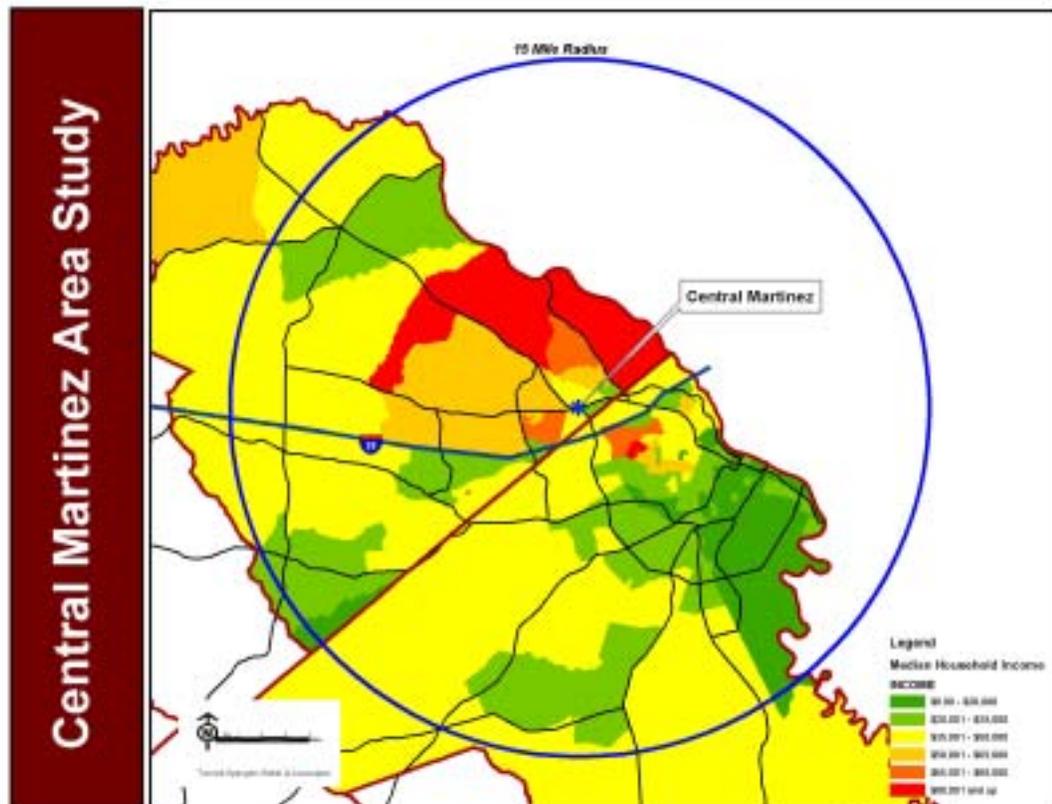


Source: ESRI BIS

drive area median household income is \$43,360, compared to \$42,999 within the 25-minute drive area and \$48,001 statewide (Exhibit S-3).

In 2003, the estimated income distributions for households residing within the 20- and 25-minute drive areas show that 28% and 29%, respectively, of households have annual incomes of less than \$25,000, compared to 24% in the state of Georgia. Twenty-nine percent (29%) of 20- and 25-minute drive area households have incomes from \$25,000 to \$49,999, above 27% statewide. Thirty percent (30%) of 20- and 25-minute drive area households have annual incomes between \$50,000 and \$99,999, below 32% statewide. An estimated 10% of 20- and 25-minute drive area households have incomes between \$100,000 and \$199,999, below 13% throughout the state. The proportion of households with incomes exceeding \$200,000 in the 20- and 25-minute drive areas is 2%, just below 3% in the state of Georgia.

Although household incomes levels within the 20- and 25-minute areas are below state levels, the 2003 median household income within Columbia County is estimated at \$62,370, \$65,551 within Martinez and \$77,871 within the 30809 Zip Code located just north of the study area, which includes Evans. The map below illustrates the level of affluence that exists within a short drive of the study area.



Racial Composition

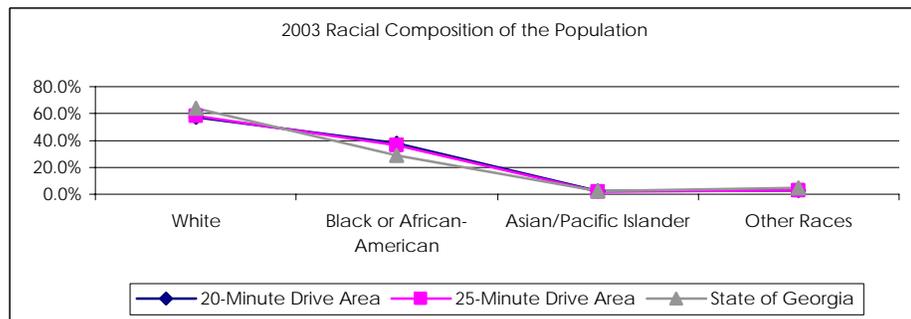
The 2003 estimated racial distributions for the 20- and 25-minute drive areas reveal populations that are slightly more diverse than the state. Within the 20- and 25-minute drive areas, an estimated 57% and 58% of the populations, respectively, are white, 38% and 37% are black or African-American, 2% are Asian/Pacific Islander and 3% are categorized within “other” racial groups (Exhibit S-4). However, only 3% of the 20- and 25-minute populations are Hispanic, half of 6% statewide.

At the state level the racial distribution of the population is slightly less diverse. In 2003, an estimated 64% of the population is white, 29% is black or African-American, 3% is Asian/Pacific and 5% fall into “other” racial or ethnic groups.

Exhibit S-4

RACIAL COMPOSITION
20-Minute Drive Area, 20-Mile Area and State of Georgia
2003

Race	20-Minute Drive Area		25-Minute Drive Area		State of Georgia	
	Number	Percent	Number	Percent	Number	Percent
White	176,443	57.1%	200,970	58.4%	5,620,599	63.8%
Black or African-American	116,515	37.7%	125,580	36.5%	2,559,822	29.0%
Asian/Pacific Islander	6,879	2.2%	7,104	2.1%	219,170	2.5%
Other Races	9,351	3.0%	10,344	3.0%	413,754	4.7%
Total	309,188	100.0%	343,998	100.0%	8,813,345	100.0%
Hispanic (any race)	8,749	2.8%	9,557	2.8%	566,371	6.4%



Source: ESRI BIS

Lifestyle Characteristics

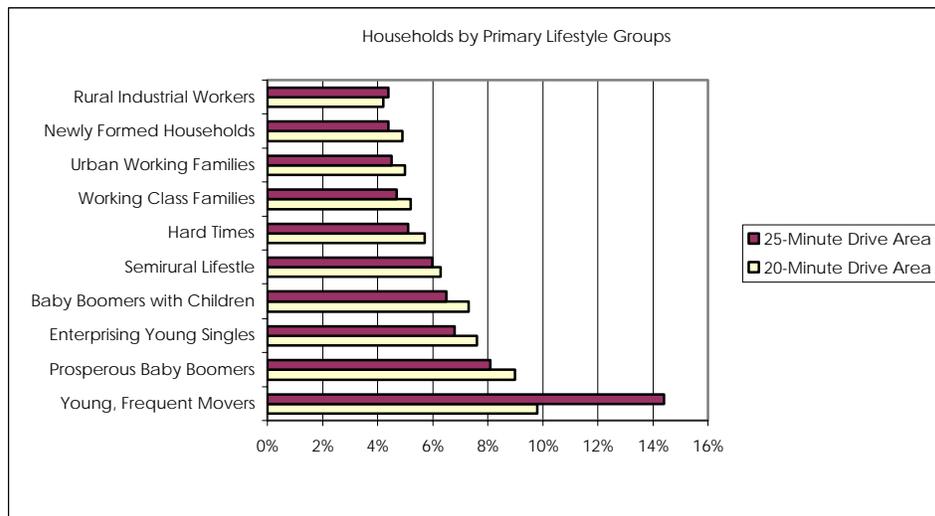
ACORN – A Classification of Residential Neighborhoods – categorizes neighborhoods throughout the nation into specific consumer groups or market segments. Neighborhoods are geographically defined by Census blocks, which are analyzed and sorted by over 60 characteristics including income, occupation, household type, age and other determinants of consumer behavior. People who share the same demographic characteristics may have widely divergent desires and preferences.

Households within the 20- and 25-minute drive areas have been grouped into clusters or segments that bear descriptive names meant to convey a type of neighborhood or lifestyle. Exhibit S-5 shows the primary lifestyle groups within which 20- and 25-minute area households fall, the characteristics of each are provided in the following summaries. ACORN Lifestyle Reports are provided by ESRI Business Information Solutions (ESRI BIS).

EXHIBIT S-5

HOUSEHOLDS BY PRIMARY LIFESTYLE GROUPS
20-Minute and 25-Minute Drive Areas
2003

Lifestyle Group	20-Minute Drive Area	25-Minute Drive Area
	Percent of Households	Percent of Households
Young, Frequent Movers	9.8%	14.4%
Prosperous Baby Boomers	9.0%	8.1%
Enterprising Young Singles	7.6%	6.8%
Baby Boomers with Children	7.3%	6.5%
Semirural Lifestyle	6.3%	6.0%
Hard Times	5.7%	5.1%
Working Class Families	5.2%	4.7%
Urban Working Families	5.0%	4.5%
Newly Formed Households	4.9%	4.4%
Rural Industrial Workers	4.2%	4.4%
Total	65.0%	64.9%



Source: ESRI BIS

Young Frequent Movers

Socioeconomic

- Young families with children.
- Tend to move frequently.
- Earn low to moderate incomes, with a median income 84% of the national median.

- High employment rates with many working in skilled and unskilled blue-collar jobs (farming, manufacturing, mining and construction).
- Racially diverse.

Residential

- Frequently live in mobile homes, six times the national average.
- Homes are valued below the national average and are usually newer and owner-occupied.

Preferences

- Enjoy outdoor activities such as hunting and fishing.
- Own trucks and SUVs.
- Top ranked for owning pets.
- Like to rent videos, listen to country music and read.

Prosperous Baby Boomers

Socioeconomic

- Mobile families headed by baby boomers.
- Have preschool and grade school age children.
- Median income is 50% above the national median.
- Typically double-income families.
- Two-thirds have earned a college degree.

Residential

- Own their home, most likely built after 1980.
- Median home value is 25% above the national median.
- Typically live in suburban communities and commute to work.

Preferences

- Enjoy physical activities such as lifting weights, tennis, racquetball, aerobics and golf.
- Use their PCs for playing games, finances and surfing the Internet.
- Buy electronics, camcorders, PCs, sports equipment, children's toys and home furnishings.
- Like to dine at family restaurants for dinner, order takeout pizza and go to the movies.

Enterprising Young Singles

Socioeconomic

- Young and mobile households.
- Live alone or share housing with a single roommate.
- Despite youth, incomes are slightly above average.
- High labor force participation.

Residential

- Almost two-thirds are renters compared to 30% nationwide.
- Prefer newer apartment complexes in urbanized areas.

Preferences

- Active lifestyles.
 - Play racquet sports, jog, go to the gym and lift weights.
-

- Go to nightclubs, museums and theme parks.
- Like to dine out and take out – including fast food.
- Since they are setting up their homes, buy furniture and appliances.
- Also buy apparel and electronic games.

Baby Boomers with Children

Socioeconomic

- Married with children and often mobile.
- Median age is 31.2 years although 35% are under the age of 20; 34% are between the ages of 25 and 44.
- Above average incomes, largely due to double-income families.
- Tend to be mobile, seeking the best jobs and locations.
- Well educated.

Residential

- Single-family homes predominate, many of which were built during the 1970s.
- Most are owner-occupied and are valued slightly below the national average.

Preferences

- Spend time and money on home and family-oriented activities and goods.
- Enjoy outdoor activities such as camping, fishing and hunting.
- Indoor activities include gardening, using their PC, renting videos and going to the museum.
- Like fast food, takeout and delivery.
- Own pets.
- Spend money on swimming pools, outdoor grills, campers and multiple vehicles.

Semirural Lifestyle

Socioeconomic

- Affluent, middle age (35 to 54) couples with and without children living at home.
- Approximately one-third (35%) of households are “empty-nester” and 40% have school-age children living at home.
- Median age is slightly above the national median
- Predominately white with above average incomes.
- While unemployment is low, many are self-employed and earn interest and dividend income.

Residential

- Often live in “semi-rural” communities just outside of metropolitan areas.
- Live in homes with above average values that are generally built after 1970.

Preferences

- Enjoy spending time around the house, working on home projects, gardening, reading and using their PCs.
-

- Also enjoy golf, going to the movies and participating in civic and political groups.
- Buy electronic gadgets, PCs, cameras, camcorders, home furnishings and tools.

Hard Times

Socioeconomic

- Young and old households – i.e., under 15 or over 65 years.
- Combination of single person, single parent and multigenerational, shared households.
- Low income, 60% below the national level.
- High unemployment and poverty rates.

Residential

- One-half are renters and slightly over one-half live in single family homes.
- Home values are below the national average.
- Live in neighborhoods with high vacancy rates.

Preferences

- Low incomes limit purchases to necessities such as rent and groceries.
- Watch a lot of television but do not rent videos.
- Splurge on lottery tickets

Working Class Families

Socioeconomic

- Slightly older, often with grade school age or teenage children at home.
- Above average proportion of single parents.
- Many work in service or government jobs.
- High unemployment.
- Most (90%) are black or African-American.

Residential

- Live in dense, urban neighborhoods.
- Medium and high density housing is common.
- Median home values are below average.

Preferences

- Spend heavily on apparel and TVs.
- While they own few cars, they buy luxury models.
- Like to play team sports, go to nightclubs, go to the movies and watch television.

Urban Working Families

Socioeconomic

- Young, active families with 40% under the age of 20.
 - High percentage of single-parent households.
 - Despite above average labor force participation rate, have low incomes – the “working poor.”
 - Median income is 25% below the national average.
-

- Predominately black.

Residential

- Frequently live in older townhouse or small multifamily developments.
- Majority are renters.
- Among those that own their home, homes are typically valued below average.

Preferences

- Buy lottery tickets, hair and skin products, infant and children's products and clothing.
- Enjoy team sports, such as football and basketball.
- Dine out at fast food establishments.

Newly Formed Households

Socioeconomic

- Young, newly formed households with a mix of single person, single parent and shared household types.
- Median age is low (33.9 years) with a large number of persons age 20 to 34.
- Slightly below average incomes.
- One-half of the workforce is employed in manufacturing and services jobs.

Residential

- Tend to live in older, single-family homes and duplexes.
- Homes are valued below the national average.
- Paying below average rents and mortgage payments.

Preferences

- Tastes and preferences are not extravagant.
- Enjoy visiting zoos, using tobacco products, playing cards, gambling (casino and lottery) and camping.
- Like bowling, billiards and fast food.
- Spending is centered around the home – home furnishings and improvements.

Rural Industrial Workers

Socioeconomic

- Stable, older families who have likely lived in the same state or even county their entire lives.
- Most have school age or adult children living at home.
- Median age of 36.6 years.
- While frequently employed in manufacturing and farming jobs, unemployment rates are above average.
- Almost one-half (45%) have not earned a high school diploma.
- Median income is low, 30% below the national median.
- Often commute long distances to work.

Residential

- Live in single-family and mobile homes.
-

- More than two-thirds (70%) own their home.
- Below-average home values.

Preferences

- Enjoy “country-living” activities such as hunting, fishing and listening to country and gospel music as well as more urban activities such as taking out fast food and renting videos.
- Own pets, satellite dishes, powerboats and chain saws.
- Buy household appliances, cameras, jewelry and toys.

The ten lifestyle groups summarized above account for almost two-thirds of households within both the 20- and 25-minute drive areas. While the characteristics of each of the groups vary, households within both areas are predominately young to middle age, range in income and most likely have children living at home. Single-family and mobile homes are the predominant housing type. Although incomes vary, many of these households are active consumers, frequently centering purchases on the home (e.g., furnishings, gardening, electronics), recreation (golf, dining out, exercise) and necessities.

To provide a snapshot of the characteristics of all households within the 20- and 25-minute drive areas, Exhibit S-6 on the following page summarizes the housing preferences and socioeconomic characteristics of the primary lifestyle groups within the two areas as well as those groups within which the remainder of households fall.

To further demonstrate the level of affluence that exists near the study area, ACORN data was generated for the three Columbia County Zip Codes that generally make up the portion of the county north of I-20 (30802, 30809 and 30907). Twenty-seven percent (27%) of these households fall into the Prosperous Baby Boomers group, 15% are within the Semirural Lifestyle group, Enterprising Young Singles represent 15% of households and 8% of households are categorized as Enterprising Young Singles. Clearly, these households are a valuable market for new retail and residential development within the study area.

Employment Trends

Nationwide

Following the nation’s longest and most aggressive expansion in history, the U.S. economy’s growth essentially halted in 2001 and was further weakened by the September 11 terrorist attacks. While there have been some signs of rebound, the economy continues to be unstable. In the first quarter of 2002, the Gross Domestic Product (GDP) increased by 5.0%, fell to 1.3% in the second quarter, rose to 4.0% in the third quarter, declined to 1.4% in the fourth quarter of 2002 and remained at 1.4% in the first quarter of 2003. The Selig Center for Economic Growth at the University of Georgia predicts that excluding another terrorist attack and a sharp increase in oil prices, the nation should be positioned for an economic recovery in 2004.

EXHIBIT S-6

HOUSEHOLDS BY LIFESTYLE GROUP AND TYPE
20-Minute Drive and 25-Minute Drive Areas
2003

Lifestyle Group	20-Minute Drive		25-Minute Drive		Socio-Econ Rank (1-40)	Housing Type	Household Type	Percent Living in Owner-Occupied Units	Median Age
	Number	Percent of HHS	Number	Percent of HHS					
Affluent Families	26,512	22.7%	27,235	21.0%					
Upper Income Empty Nesters	4,208	3.6%	4,465	3.4%	5	Single-Family	Married, No Children	87%	42.4
Successful Suburbanites	4,482	3.8%	4,482	3.5%	2	Single-Family	Married w/Children	87%	37.1
Prosperous Baby Boomers	10,520	9.0%	10,520	8.1%	6	Single-Family	Married w/Children	74%	31.1
Semirural Lifestyle	7,302	6.3%	7,768	6.0%	7	Single-Family	Married w/Children	84%	36.8
Upscale Households	16,455	14.1%	16,455	12.7%					
Urban Professional Couples	4,868	4.2%	4,868	3.8%	8	Single-Family	Married Couples	61%	37.8
Baby Boomers with Children	8,466	7.3%	8,466	6.5%	16	Single-Family	Married w/Children	69%	31.2
Older, Settled Married Couples	3,121	2.7%	3,121	2.4%	15	Single-Family	Married Couples	81%	37.2
Up and Coming Singles	8,838	7.6%	8,838	6.8%					
Enterprising, Young Singles	8,838	7.6%	8,838	6.8%	9	Multi-Unit	Single Person	24%	30.1
Retirement Styles	9,880	8.5%	10,412	8.0%					
Retirement Communities	2,863	2.5%	3,395	2.6%	12	High-Rise Units	Single Person	49%	40.0
Active Senior Singles	3,340	2.9%	3,340	2.6%	17	Multi-Unit	Single Person	43%	43.0
Prosperous Older Couples	3,478	3.0%	3,478	2.7%	11	Single-Family	Married, No Children	81%	43.2
Senior Sun Seekers	199	0.2%	199	0.2%	28	Mobile Homes	Married, No Children	65%	59.2
Young Mobile Adults	980	0.8%	980	0.8%					
Twentysomethings	980	0.8%	980	0.8%	27	Multi-Unit	Single Person	22%	30.0
City Dwellers	14,000	12.0%	14,000	10.8%					
Working Class Families	6,073	5.2%	6,073	4.7%	30	Single-Family	Family HH	69%	36.8
Newly Formed Households	5,751	4.9%	5,751	4.4%	19	Single-Family	Family HH	53%	33.9
Low Income: Young and Old	2,176	1.9%	2,176	1.7%	36	Duplex & Quad	Mixed Types	39%	31.8
Factory and Farm Communities	23,231	19.9%	34,445	26.6%					
Middle America	950	0.8%	950	0.7%	18	Single-Family	Married Couples	76%	36.8
Young, Frequent Movers	11,457	9.8%	18,645	14.4%	22	Mobile Homes	Married w/ Children	72%	33.0
Rural Industrial Workers	2,611	2.2%	5,679	4.4%	32	Mobile Homes	Married Couples	71%	36.2
Small Town Working Families	4,923	4.2%	4,923	3.8%	24	Single-Family	Married Couples	66%	35.8
Rustbelt Neighborhoods	1,820	1.6%	1,820	1.4%	26	Single-Family	Married Couples	68%	39.6
Heartland Communities	1,470	1.3%	2,428	1.9%	31	Single-Family	Family Households	62%	41.0
Downtown Residents	16,568	14.2%	17,145	13.2%					
Social Security Dependents	1,403	1.2%	1,403	1.1%	37	High-Rise Units	Single Person	20%	52.6
Distressed Neighborhoods	2,791	2.4%	3,368	2.6%	40	Garden Apartments	Single Person	17%	23.2
Hardtimes	6,589	5.7%	6,589	5.1%	39	Single Attached	Single Person	43%	34.4
Urban Working Families	5,785	5.0%	5,785	4.5%	35	Single Attached	Mixed Types	41%	29.4
Nonresidential Neighborhoods	104	0.1%	104	0.1%					
Total	116,568	100.0%	129,614	100.0%					

Source: ESRI BIS

According to Selig Center estimates, total U.S. nonfarm employment is expected to increase by 0.8% in 2003 or by approximately 1.1 million jobs. Although there was a net gain in jobs in the second half of 2002, this gain was small. Companies will likely continue to maximize worker productivity as well as hire temporary help rather than hire new full time workers in 2003, which will weigh down job growth. Limited venture capital will also contribute to slow job growth.

Augusta Area

The Selig Center predicts that employment within the Augusta MSA will increase moderately in 2003, by 1% or by 2,000 jobs. Although moderate, projected 2003 employment gains in the Augusta MSA are a welcome relief after non-farm employment shrank by 0.8% during

the first nine months of 2002. Increased employment should benefit the hospitality industry, as companies will likely be more willing to hold small meetings and corporate retreats in the area. In addition, tourism generated by travelers along I-20 will also contribute to the local hospitality industry. The Augusta MSA's access to Atlanta and South Carolina via I-20 should also help it draw distribution and manufacturing businesses, which could have a significant impact on the local economy. Also, the Georgia Medical Authority hopes to build upon resources at the Medical College of Georgia to establish Augusta as a center for biotechnology research and applications.

Although the service producing sector is the largest employer within the MSA, growth within this sector was below other Georgia MSAs in 2002. The services sector expanded at a healthy pace from 1998 to 2000 but dropped significantly in 2001. In the first nine months of 2002

Exhibit S-7

Employment Growth
Augusta-Aiken MSA
1996-2001

Industry	2001 Employment	
	Number	Percent
Goods Producing	25,021	19%
Agriculture	584	0%
Mining	200	0%
Construction	7,625	6%
Manufacturing	16,613	12%
Service Producing	78,423	59%
Wholesale Trade	2,767	2%
Retail Trade	16,926	13%
Transportation & Warehousing	2,503	2%
Utilities	373	0%
Information	2,834	2%
Finance and Insurance	3,045	2%
Real Estate & Rental and Leasing	1,944	1%
Professional, Scientific	4,040	3%
Management	458	0%
Waste Management & Remediation	9,882	7%
Educational Services	3,424	3%
Health Care & Social Services	14,432	11%
Arts, Entertainment and Rec	1,670	1%
Accommodation & Food Services	10,767	8%
Other Services	3,359	3%
Government	29,160	22%
State	10,371	8%
Local	12,837	10%
Federal	5,953	4%
NEC	417	0%
TOTAL	133,021	100%

Note: Historical comparisons are not provided due to the fact that 2001 employment is segmented according to the North American Industrial Classification System (NAICS).

Source: Georgia Department of Labor

the Augusta MSA lost service jobs. The government sector is the second largest employer with local government jobs holding the greatest share of jobs within the sector. Between 1991 and 2001 employment within the government sector remained fairly constant but experienced a loss in 2001 and in the first nine months of 2002. The trade sector (retail and wholesale) is third, and despite job losses in 2001, experienced gains in 2002. Manufacturing, another major employer, has undergone job losses almost every year since 1995 with the largest losses in 2001 and 2002. Exhibit S-7 on the previous page shows the distribution of MSA employment by major industrial category in 2001, at which time there were a total of 133,021 employees, up from 126,561 in 1996.

EXHIBIT S-8

BUSINESSES AND EMPLOYMENT WITHIN A 1-MILE AND 2-MILE RADIUS FROM BOBBY JONES EXPRESSWAY
AND WASHINGTON ROAD
2002

Industry	1-Mile Radius				2-Mile Radius			
	Businesses		Employees		Businesses		Employees	
	#	%	#	%	#	%	#	%
Agriculture & Mining	23	2.7%	99	1.1%	42	2.3%	176	0.8%
Construction	86	9.9%	556	6.2%	159	8.7%	1,015	4.8%
Manufacturing	47	5.4%	515	5.7%	82	4.5%	2,234	10.5%
Transportation, Communication, Utilities	20	2.3%	164	1.8%	51	2.8%	552	2.6%
Wholesale Trade	46	5.3%	1,018	11.3%	83	4.6%	1,328	6.2%
Finance, Insurance & Real Estate	95	11.0%	707	7.9%	217	11.9%	1,756	8.2%
Retail Trade								
Home Improvement & Mobile Homes	14	1.6%	446	5.0%	25	1.4%	496	2.3%
General Merchandise	7	0.8%	646	7.2%	12	0.7%	722	3.4%
Food	16	1.8%	359	4.0%	37	2.0%	805	3.8%
Auto Dealers & Gas Stations	21	2.4%	246	2.7%	39	2.1%	669	3.1%
Apparel & Accessories	18	2.1%	125	1.4%	26	1.4%	140	0.7%
Furniture & Home Furnishings	25	2.9%	214	2.4%	51	2.8%	360	1.7%
Eating & Drinking Establishments	46	5.3%	978	10.9%	81	4.5%	1,614	7.6%
Miscellaneous Retail	60	6.9%	326	3.6%	102	5.6%	569	2.7%
Subtotal	207	23.9%	3,340	37.2%	373	20.5%	5,375	25.2%
Services								
Personal	78	9.0%	318	3.5%	132	7.3%	571	2.7%
Business	60	6.9%	489	5.5%	131	7.2%	1,149	5.4%
Automotive Repair, Services, Parking	32	3.7%	207	2.3%	44	2.4%	246	1.2%
Miscellaneous Repair Services	16	1.8%	89	1.0%	28	1.5%	135	0.6%
Motion Picture	2	0.2%	11	0.1%	6	0.3%	47	0.2%
Amusement & Recreation	21	2.4%	119	1.3%	36	2.0%	231	1.1%
Health	35	4.0%	234	2.6%	168	9.2%	3,252	15.3%
Legal	20	2.3%	82	0.9%	41	2.3%	156	0.7%
Education	9	1.0%	193	2.2%	19	1.0%	685	3.2%
Social	8	0.9%	62	0.7%	37	2.0%	519	2.4%
Museums, Art Galleries, Botanical, Zoo	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Membership Organizations	26	3.0%	98	1.1%	54	3.0%	319	1.5%
Engineering, Accounting, Research, Mang't	24	2.8%	549	6.1%	86	4.7%	1,166	5.5%
Hotels and Lodging	1	0.1%	9	0.1%	5	0.3%	174	0.8%
Misc. Services	2	38.2%	4	0.0%	5	0.3%	10	0.0%
Subtotal	334	38.5%	2,464	27.5%	792	43.5%	8,660	40.7%
Public Administration	6	0.7%	90	1.0%	11	0.6%	149	0.7%
NonClassifiable Establishments	3	0.3%	18	0.2%	10	0.5%	56	0.3%
Total	867	100%	8,971	100%	1,820	100%	21,301	100%

Source: Claritas 2003

Unemployment within the Augusta MSA was above state levels in 2002 (5.8% compared to 5.1%), with the highest unemployment levels in Richmond and McDuffie Counties. However, Columbia County had the lowest unemployment rate in the MSA (3.4%) and among the lowest in the state.

Among Georgia counties, Richmond ranked 7th in total employment in 2001 (104,576 employees) and 23rd in wages (\$566 average weekly wages). Columbia County ranked 32nd in employment (20,491 employees) and 47th in wages (\$501 average weekly wages). In the third quarter of 2002, the largest employers within the Augusta MSA were: Augusta/Richmond County Government, Columbia County School System, Georgia Department of Human Resources, MCG Health, Inc., Medical College of Georgia, Richmond County Schools, U.S. Army (Fort Gordon), U.S. Veterans Administration, University Health Services and Wal-Mart Associates.

Employment within a one-mile and two-mile radius of study area (defined as the intersection of Bobby Jones Expressway and Washington Road) is displayed in Exhibit S-8 on the previous page. Almost than 9,000 workers are employed within a one-mile radius in 867 businesses; more than 21,000 workers are employed within a two-mile radius by 1,820 businesses. Of the workers that are within one-mile from downtown, 37% are employed in the retail trade sector, primarily by eating and drinking establishments. In terms of the number of businesses, service businesses within a one-mile radius of the study area outnumber retail trade businesses: 334 compared to 207.

Exhibit S-9 illustrates where Columbia and Richmond County residents work as well as where employees of businesses within the two counties live. In 2000, 51% of employed Columbia County residents age 16 and

Exhibit S-9

JOURNEY TO WORK
Columbia and Richmond Counties
2000

Columbia County Residents			Richmond County Residents		
County Employed	Number	Percent	County Employed	Number	Percent
Richmond	22,363	50.9%	Richmond	67,645	79.7%
Columbia	14,211	32.4%	Columbia	7,637	9.0%
Aiken	3,844	8.8%	Aiken	5,051	6.0%
McDuffie	879	2.0%	Burke	918	1.1%
Burke	432	1.0%	McDuffie	494	0.6%
Total Counted	43,907	95.0%	Total Counted	84,849	96.3%

Columbia County Employees			Richmond County Employees		
County of Residence	Number	Percent	County of Residence	Number	Percent
Columbia	14,211	54.9%	Richmond	67,645	61.9%
Richmond	7,637	29.5%	Columbia	22,363	20.5%
Aiken	1,522	5.9%	Aiken	10,262	9.4%
McDuffie	795	3.1%	Burke	1,987	1.8%
Burke	380	1.5%	Edgefield	1,476	1.4%
Total Counted	25,876	94.9%	Total Counted	109,221	95.0%

Source: 2000 Census

over worked at businesses located in Richmond County compared to 80% of Richmond County residents. Most of the remaining employed Columbia and Richmond County residents worked in Columbia, Aiken, McDuffie and Burke Counties. Exhibit S-9 also reveals that in 2000, 55% of Columbia County employees lived in Columbia County and 30% lived in Richmond County. Among Richmond County employees, 62% lived in Richmond County and 21% lived in Columbia County. Aiken County was another significant source of employment in both counties.

RETAIL PROFILE

Although the boundary of the study area is not coterminous with the Columbia and Richmond Counties, retail sales data for the counties for the years 1992 through 2002 provide an indication of the growth in retail activity during the past decade. By the year 2002, retail sales in Columbia County had reached \$935 million, increasing 176% from \$338 million in 1992. In Richmond County, retail sales increased by 72% during this period from \$1.7 billion to \$2.9 billion. Retail sales in the state of Georgia increased 118% during these years, from \$49.9 billion to \$108.7 billion.

The Augusta retail market is largely expanding to the northwest suburbs of Evans and Martinez, following population growth and relatively high income levels. As discussed in the *Demographic Profile*, household income levels north of the study area are significantly higher than those found throughout the area to the south. Retail development has been responsive to this reality as a once popular shopping center on Wrightsboro Road (Augusta West) and the area to the south are experiencing low vacancy rates and even closures (e.g., Regency Mall on Gordon Highway and Dean's Bridge Road). New development is pushing northward along Bobby Jones Expressway and Washington Road.

Augusta Mall (also located to the south) is the last remaining enclosed regional mall in Augusta following the closure of Regency Mall (800,000 square feet) on Gordonsville Road. Like so many enclosed malls throughout the nation, Augusta Mall is having difficulty in competing with town centers and open air power centers such as the Augusta Exchange and is becoming known as a "middle of the road" mall with Macys and Rich's as anchors. A range of stores that don't reflect the demand for higher end goods combined with increasing vacancies indicate that Augusta Mall may be facing near term trouble. However, commercial leasing professionals are relatively optimistic about the future of the mall, saying Augusta "needs a mall." Augusta West which is located directly west of Augusta Mall on the other side of Bobby Jones Expressway is also experiencing serious problems with only a 63% occupancy rate.

Within the study area, most retail and commercial uses – small convenience centers, larger shopping centers, free-standing retail service and fast food establishments, car dealerships, office/service – are concentrated on Washington Road and Bobby Jones Expressway.

There is less retail development along Martinez Boulevard, which has several light industrial establishments. For the most part, both commercial corridors presently lack a distinct identity, developed in an “Anywhere USA” commercial strip context. Fast moving traffic combined with a lack of sidewalks and landscaping necessitates the use of the automobile. Despite aesthetic drawbacks to existing retail development in the study area, several commercial agents interviewed are upbeat about demand for retail space in the Martinez/Evans area.

Augusta’s most recently developed regional shopping center or power center, Augusta Exchange, is located just south of I-20 on Bobby Jones Expressway. Augusta Exchange has become a major retail destination for area residents and is perceived as being a “better” retail format than the malls. Augusta Exchange has been successful at attracting high profile national discount retailers such as Target, Bed, Bad & Beyond and Old Navy and has persuaded big-box retailers to relocate northward (e.g., Best Buy which had been located at Augusta West).

Despite the fact that “you can find almost anything you need” at the Augusta Exchange, local residents reportedly travel to Atlanta or Charlotte to shop for higher end merchandise. While one neighborhood shopping center (Surry Center) located in the desirable “Hill District” on Berckmans Road at the intersection of Wheeler and Highland has several small, upscale specialty shops and restaurants, the demand for such goods and services appears to exceed supply. As a result, potential sales of more upscale merchandise – demand for which is growing north of the study area – are leaking out of the area.

Outside of Augusta in South Carolina, Aiken generally has higher end retail than Columbia County. Retail in North Augusta is considered somewhere “in between” Columbia County and Aiken.

Marketek conducted a survey of shopping centers to gain insight into the supply and quality of retail businesses in and within a short drive of the study area, as well as average rents and occupancy rates. Among the eighteen shopping centers surveyed, six are located within or immediately border the study area: Village Plaza, Anderson’s Plaza, Bobby Jones Plaza, Le Pavilion, West Town Market Square and Columbia Square¹. Occupancy rates among these centers are strong, averaging 98%, with lease rates that range from \$9 to \$16 per square foot. All of the centers were built prior to 1990, although one (West Town Market Square) was renovated and expanded in recent years.

Two shopping centers in Evans were included in the survey, with an average lease rate of \$11 per square foot and a 96% occupancy rate. An 11,050 square foot development (The Shoppes at Evans) is under

¹ Columbia Square is in the process of being converted to a car dealership and is therefore excluded from the description of occupancy and lease rates

construction on Washington Road in front of the Wal-Mart in Evans and is 42% leased, with an \$18.60 per square foot (triple net) lease rate. Two centers on Furys Ferry Road surveyed (also an affluent, high growth area) lease for approximately \$14 per square foot. One of the centers, the Centre at Furys Ferry, is in the initial lease-up phase and has a somewhat distinctive design which leasing agents hope will differentiate it from its competitors. Surrey Center, a successful and upscale neighborhood shopping center in the "Hill District," is 100% occupied with phase IV under construction and already 71% leased. Lease rates at Surrey Center are \$13 per square foot.

The following provides an overview of the each of the centers surveyed.

Retail Survey Results

1. Village Plaza

Bobby Jones Expressway & Scott Nixon Drive
Augusta, GA 30309



- GLA: 473,000 square feet
- Type: Regional Power Center
- Average Base Rent: \$14-\$16 square foot
- Occupancy: 91% (About 10,000 square feet is vacant but not available pending Wal-Mart's decision on whether or not to expand)
- Anchors:
 - Bi Low Supermarket
 - Oak Lovers Furniture
 - Office Max
 - Sam's Club
 - Sportsman's Link
 - Tractor Supply
 - Wal-Mart
- Tenants:
 - GNC
 - Check cashing
 - Nails
 - Sally's Beauty Supply
 - Voice Stream
 - Cato's
 - Friedman's Jewelers

- Cleaners
- Ink Boy
- Subway
- Year Opened: 1988

2. Anderson's Plaza

Bobby Jones Expressway & Scott Nixon Drive
Augusta, GA 30309



- GLA: 51,000 square feet
- Type: Neighborhood Shopping Center (in front of Village Plaza)
- Average Base Rent: \$10-\$12/square foot
- Occupancy: 100%
- Tenants:
 - A'Gaci (women's apparel)
 - Hobby Town
 - Creative framing
 - Konica (copiers)
 - Alterations
 - Party Dollar
 - West Marine
 - Nextel
 - Blueprints
 - Book Exchange
 - Women's apparel
 - Cash checking
 - Augusta Rug Mart
 - Computer Renaissance
 - Hair Salon
 - Pro-golf shop

3. Bobby Jones Plaza

Bobby Jones Expressway and Rose Lane
Augusta GA 30901



- GLA: 50,300 square feet
- Type: Community Shopping Center
- Average Base Rent: \$10/square foot
- Occupancy: 100%
- Tenants:
 - Babies R Us
 - Pizza
 - Dollar General
 - Super Pets
 - Krispy Kreme
 - Jiffy Lube
 - Lowes (Outparcel)
- Year Opened: 1986

4. Columbia Square

Washington & Columbia Roads
Augusta GA 30907



- GLA: 134,000 square feet
- Type: Community Shopping Center
- Year Opened: 1977
- The only tenants are Ci Ci's Pizza and a restaurant that relocated from Columbia Road to the former movie theater. The center is being redeveloped as a Car Mall.
- There is approximately 5,000 square feet vacant.
- Columbia Square Phase II is located across Columbia Road and includes:
 - Hawg Wild Ribs
 - Hair Salon
 - Framer
 - Dive Center
 - Barber

5. Washington's Corner

Washington Rd. & Cherry St.
Augusta, GA 30907

- GLA: 53,290 square feet
 - Type: Neighborhood Shopping Center
 - Average Base Rent: \$7-\$10 /square foot
-



- Occupancy: 96% (one vacancy)
- Anchors:
 - Badcock Furniture
 - Cellular One
- Tenants:
 - Lingerie
 - Nails
 - Tuesday Morning
 - Verizon
 - South Beach Tanning
- Outparcels:
 - Longhorn
 - California Dreaming
- Year Opened: 1985

6. Le Pavilion

Washington and Pleasant Home Roads
Augusta, GA 30907



- GLA: 38,620 square feet
- Type: Neighborhood Shopping Center
- Average Base Rent: \$9 to \$11/square foot
- Occupancy: 97%
- Tenants:
 - Southern Travel
 - Chiropractor
 - CT Nails
 - Alterations/Boutique
 - Insurance
 - Graceful Creations/gifts
 - Wireless Solutions
 - Cadillac's restaurant
 - Hearing aids
 - Herbal Remedies

- Hair Salon (2)
- Kirkland's Flooring
- Financial Services
- Reprographics
- Steak Out
- Wells Fargo
- Tanning
- Red Cross Blood Bank
- H&R Block
- Gifts
- Maxim Health
- Message
- Year Opened: 1987

7. National Hills Shopping Center

Washington Road and Berkman Road
Augusta, GA 30909



- GLA: 181,099 square feet
- Type: Community Shopping Center
- Average Base Rent: \$15/square foot
- Occupancy: 98%
- Anchors:
 - Dillard's
 - Dillard's Home Store
 - Fresh Market
- Tenants:
 - Classic Garden and Antiques
 - Café on the Green
 - Executive Marketing
 - Last Call (bar and club)
 - Gifts
 - Sprint
 - Shoe Studio
 - Merle Norman
 - Sportswear
 - Sally's
 - Powers pianos
 - Bar and Grill
- Year Opened: 1963

8. Furys Ferry Plaza

403 Furys Ferry Road
Martinez, GA 30907



- GLA: 83,000 square feet
- Type: Neighborhood Shopping Center
- Average Base Rent: \$14/square foot
- Occupancy: 96%
- Anchor: Publix
- Tenants:
 - Movie Gallery
 - Cleaners
 - Coffee
 - Nails
 - Post Net (postal and business services)
 - Wolf Camera
 - Sun Com
 - Chinese Restaurant
 - Edward Jones
 - Great Clips
 - Papa Johns
- Year Opened: 1994

9. Centre at Furys Ferry

Furys Ferry Road
Martinez, GA 30907



- GLA: 24,000 square feet (the center will be constructed in 3 phases of 8,000 square feet each. Phase I and II are open).
- Type: Neighborhood Shopping Center
- Average Base Rent: \$14.50/square foot (Gross)
- Occupancy: 75% (Phase II still in initial lease-up)
- Tenants:

- Kids and Moms
- Peachtree Boutique gifts
- Salon
- Jewelers
- Children's Toys
- Crafty Plaster
- Children's Shoes
- Subway (coming)
- Nails
- Travel Agency
- Brides and Blooms
- Wine and Spirits
- Year Opened: 2001

10. Evans Towne Centre

Washington Road and Belair Road
Evans, GA 30809



- GLA: 75,835 square feet
- Type: Neighborhood Shopping Center
- Average Base Rent: \$12/square foot
- Occupancy: 92%
- Anchor: Publix
- Tenants:
 - Cleaners
 - Sun Com
 - Gorin's
 - Salon
 - Thai Restaurant
 - Augusta Chronicle
 - Quisnos Subs
 - Physical Therapy
 - Framers
 - Bar and Grill
 - Movies
 - Applebees
- Outparcels:
 - McDonald's
 - Taco Bell
- Year Opened: 1971. Last Renovation 1996

11. Merchant's Village

Columbia Road and Washington
Martinez, GA 30907



- GLA: 70,130 square feet
- Type: Neighborhood Shopping Center
- Average Base Rent Range: \$12/square foot
- Occupancy: 94%
- Anchor: Kroger
- Tenants:
 - Best Deli
 - Christian Book Store
 - UPS
 - Kids Toys
 - Nails
 - Salon
 - Chinese Restaurant
 - Bath Tub Refinishing
 - Sporting Goods
 - Tax Preparation
- Outparcels:
 - Georgia Bank and Trust
 - Videos to Go
 - Gas Station
- Year Opened: 1980
- Comments: Kroger is currently negotiating to expand and remodel.

12. Evans Crossing

Washington Road and Washington West Road
Evans, GA 30809



- GLA: 92,051 square feet
- Type: Neighborhood Shopping Center
- Average Base Rent Range \$8-\$13/square foot
- Occupancy: 100%
- Anchor: Kroger
- Tenants:
 - Blockbusters
 - Subway
 - Chinese Restaurant
 - Hair Cutter
 - Chick-Fil-A
 - Dollar Tree
 - Post Net
 - Cingular
 - H&R Block
 - Dominos
 - Nails
 - Tires Plus
- Outparcels:
 - Gas
 - Wachovia
- Year Opened 1993

13. Augusta Mall

I-20 & Bobby Jones Expressway
Augusta, GA 30909



- GLA: 1,066,000 square feet
- Acres: 83
- Type: Super Regional Mall
- Average Base Rent Range \$20-\$24/square foot
- Occupancy: Not available
- Anchors:
 - Dillard's
 - JC Penney
 - Rich's-Macy's
 - Rich's-Macy's Furniture Showroom
 - Sears
- Tenants: Approximately 150 stores
- Year Opened: 1978
- Comments: Rich's- Macy's Furniture Showroom recently opened, occupying a former 156,000 square foot Macy's.

14. West Town Market Square**The Shoppes at WestTown**

Washington Road and Davis Road

Augusta, GA 30907



- GLA: 203,399 square feet
- Type: Community Shopping Center
- Average Base Rent Range \$14-\$16/square foot
- Occupancy: 100%
- Anchors:
 - Big Kmart
 - Florist & Gifts
- Tenants:
 - H&R Block
 - Formosa
 - Mexican Restaurant
 - Simon's Formal Wear
 - Photographer
 - Carpenter's Gallery
 - Nail Pizzaz
 - Hair Salon
 - SRP Federal Credit Union
 - Weight Watchers
 - PB Sports
 - Benefit Financial Services
 - Music Store
 - L'il Dutch Bakery
 - Beauty Salon
 - Fitness
 - Cingular
 - Wing Stop Café
- Year Opened: 1977. Renovated 1999. Expanded 2001 with the Shoppes at WestTown.
- Comments: The Shoppes at WestTown were constructed with "more desirable" materials to attract high quality tenants.

15. Village West Shopping Center

Washington Road and Furys Ferry Road

Augusta, GA 30907

- GLA: 79,000 square feet
- Type: Neighborhood Shopping Center



- Average Base Rent Range \$8.50/square foot
- Occupancy: 100%
- Anchors:
 - Antique Market
 - Weinberger’s Furniture
- Tenants:
 - Antique Shops (2)
 - Dance school
 - Physicians’ office
 - Dentists’ offices
 - Hair salons (2)
 - Laundromat
 - Insurance agency
 - Mailing service
 - Bridal Wear
 - Nails
 - Mexican grocery
 - Upholstery
- Outparcels:
 - Georgia Bank and Trust
 - Dairy Queen
- Year Opened: 1959. Last Renovations 1990 and 1995.

16. Augusta Exchange

Robert C. Daniel Pkwy. at Wheeler Road and Walton Way
Augusta, Georgia 30909



- GLA: 625,000 square feet
- Type: Regional Shopping Center or Power Center
- Average Rent Range: \$16.50 to \$17.50/square foot
- Occupancy: 96%
- Anchors:

-
- Bed, Bath & Beyond
 - Circuit City
 - Goody's Family Clothing
 - Mansour's
 - Michaels
 - Regal Cinemas (20 plex)
 - Sports Authority
 - Target
 - Winn-Dixie
 - Staples
 - Comp USA
 - PetSmart
 - Old Navy
 - Office Depot
 - Best Buy
 - Borders
 - Tenants:
 - Sun Com
 - Party City
 - Hallmark
 - Mattress Depot
 - Super Salad
 - Banfield Bank
 - Rack Room Shoes
 - David's Bridal
 - Friedman's Jewelers
 - Fashion Bug
 - Ice Cream
 - Jewelry
 - T Mobile
 - Jenny Craig
 - Day Spa
 - Orthodontist
 - Nail/Hair
 - Bath & Body Works
 - Knife & Cigar Store
 - Subway
 - Games
 - S & K Menswear
 - Outparcels:
 - Atlanta Bread Company
 - Chili's
 - Kinko's
 - Logan's Roadhouse
 - Macaroni Grill
 - O'Charley's
 - Tire Plus
 - Alltel Wireless
 - Stool Pigeons
 - Pearle Vision
 - Wolf Camera
 - Tony Ramas
-

- Chic-Fil-A
- Payless
- Hollywood Video
- Year Opened: 1997

17. Augusta West

Wrightsboro Road at Bobby Jones Expressway
Augusta, Georgia



- GLA: 207,951 square feet
- Type: Community Shopping Center
- Average Rent Range: Smaller space estimated at \$8-\$10/square foot.
- Occupancy: 63%
- Anchors:
 - Burlington
 - Regal Cinema
- Tenants:
 - Shoe Carnival
 - T-Shirts
 - Pizza
 - Credit Union
 - GQ Menswear
 - Bird Petshop
 - Nails
 - Gifts
 - Beepers
 - Salon
 - Hobby Shop
 - Verizon
 - Christian Bookstore
- Outparcel:
 - Computer City
- Year Opened: 1991
- Comments: Located west of Augusta Mall. Lost Best Buy when it relocated to Augusta Exchange. Barnes & Noble is located across the street, adjacent to a vacant Athlete's Foot.

18. Surrey Center

Berckmans Road at Highland Avenue and Wheeler Road
Augusta, Georgia



- GLA: 60,220 square feet
- Type: Neighborhood Shopping Center
- Average Rent Range \$13-\$13.50/square foot
- Occupancy: 100% (seven 1,460 spaces are currently under construction, three of which are leased. The remaining 50,000 square feet at Surrey Center is 100% occupied)
- Tenants:
 - Talbots
 - Bistro 491
 - Altogether Ladies Apparel
 - Chico's
 - Pharmacy
 - Calvert's Restaurant
 - Surrey Tavern
 - Hair Salon (2)
 - Gifts
 - Sweetbriar Fair Women's Accessories
 - French Market Grille
 - Joseph Banks
 - Travel Agency
 - Soho Women's Apparel
 - Fresh Thyme Café
 - Charleston Sweet Accessories
 - Village Women's Apparel
 - Susan's Women's Apparel
 - Fitness
 - Pickles and Ice Cream
 - PJ's Coffee and Tea
 - Rivers & Glenn (Orvis Menswear)
 - Ciao Italian Eatery
 - Payne Webber
 - Photography
 - Tanning Salon
 - Jancy's Children's apparel
 - Home Furnishings
 - Dentist
 - Lingerie
 - Jr. League
 - Children's Boutique
 - Rugs
 - Fetch Dog Treats

- Photography
- Women’s Apparel
- Outparcels:
 - Liquor Store
 - Vogue Drycleaners
- Year Built: 1969

RESIDENTIAL PROFILE

In addition to the statistical demand analysis, the supply-side of the rental and for-sale housing market in the Martinez area is reviewed and analyzed including: total residential sales in Columbia and Richmond Counties, characteristics and absorption histories of a sample of nearby active for-sale developments that are higher density (i.e. townhouses and cluster homes) and a survey of selected rental apartment projects. While few of the existing for-sale or rental communities are truly comparable to mixed-use development that would be appropriate for the study area, the supply-side analysis provides insight into the strength of the overall housing market.

Housing Characteristics

In an effort to enhance the housing profile of the residential market area (i.e., the 25-minute drive area), selected 2000 Census housing data for the market area, Columbia and Richmond Counties and Martinez are provided as follows:

- A large majority (73%) of occupied housing units in the market area are owner-occupied and 27% are renter occupied. Within the MSA, 70% of occupied housing units are owner-occupied, below 82% in Columbia County and 81% in the Martinez CDP (Census Designated Places).
- The estimated median value of specified owner-occupied units in the market area was \$97,760 in 2003 (Exhibit H-1), compared to \$95,676 in the MSA, \$131,606 in Columbia County and \$127,089 in the Martinez CDP. Almost two-thirds (63%) of homes are valued

Exhibit H-1
HOME VALUE OF SPECIFIED OWNER UNITS
25-Minute Drive Time
2001

Tenure	Housing Units	
	Number	Percent
Less than \$50,000	12,276	11.4%
\$50,000-\$99,999	32,986	53.0%
\$100,000-\$149,999	21,492	19.8%
\$150,000-\$199,999	10,010	7.9%
\$200,000-\$299,999	6,378	5.5%
\$300,000-\$399,999	1,872	1.2%
\$400,000-\$499,999	1,006	0.1%
\$500,000 and Above	1,046	1.1%
Total	87,066	100.0%
Median Home Value	\$97,760	

Source: ERSI BIS

between \$50,000 and \$149,999: 38% from \$50,000-\$99,999 and 25% from \$100,000 and \$149,000. An estimated 12% of owner-occupied homes are valued between \$150,000 and \$199,999. Ten percent (10%) of homes are valued at \$200,000 to \$399,999 and only 2% are valued at over \$400,000.

- Among owner-occupied homes in the Martinez CDP in 2000, 95% were single-family detached units, 4% were single-family attached units and only 1% were mobile homes (Exhibit H-2). A strong majority (82%) of renter occupied units in the Martinez CDP were low density (i.e., four units or less), 16% were medium to high density (i.e., 5 units or above) and 4% were mobile homes. Within Columbia-Richmond Counties, 86% of owner-occupied units were single-family detached, 10% were mobile homes and 3% were single-family attached. Renter units tend to be higher density in Columbia-Richmond Counties compared to the Martinez CDP as 59% were low density and 31% were medium to high density.

Exhibit H-2

TENURE BY TYPE OF UNIT
Martinez and Columbia-Richmond Counties
2000

Unit Type	Martinez CDP		Columbia-Richmond	
	Owner Occupied Units	Renter Occupied Units	Owner Occupied Units	Renter Occupied Units
1 Unit Detached	95%	46%	86%	34%
1 Unit Attached	4%	5%	3%	4%
2 Units	0%	5%	0%	7%
3 or 4 Units	0%	26%	0%	14%
5-9 Units	0%	7%	0%	17%
10-19 Units	0%	4%	0%	5%
20-49 Units	0%	0%	0%	2%
50+ Units	0%	5%	0%	7%
Mobile Home	1%	4%	10%	9%
Boat, RV, Van, etc.	0%	0%	0%	0%
Total	7,909	1,945	68,363	36,677

Source: 2000 Census

- Two- and three-person households were most popular in the Martinez CDP in 2000, accounting for 34% and 23% of owner-occupied units, respectively, and 27% and 27% of renter occupied units, respectively. One- and two- persons households were slightly more common in Columbia-Richmond Counties.
- According to the 2000 Census, housing development in the Martinez CDP boomed in the 1980's when 43% of all housing units were constructed (Exhibit H-3). While housing development has

remained more constant since 1970 in Columbia-Richmond Counties, housing development in Columbia County has been strongest over the last two decades when 68% of all housing units were built (37% during the 1990s and 31% during the 1980s). The median year all occupied housing units were built in the Martinez CDP was 1983; 1986 in Columbia County.

Exhibit H-3

TENURE BY YEAR STRUCTURE BUILT
Martinez and Columbia-Richmond Counties
2000

Unit Type	Martinez CDP		Columbia-Richmond	
	Owner Occupied Units	Renter Occupied Units	Owner Occupied Units	Renter Occupied Units
Built 1999 to March 2000	2%	0%	3%	1%
Built 1995 to 1998	8%	4%	11%	5%
Built 1990 to 1994	14%	11%	12%	8%
Built 1980 to 1989	41%	50%	22%	24%
Built 1970 to 1979	22%	19%	19%	22%
Built 1960 to 1969	11%	9%	13%	15%
Built 1950 to 1959	3%	5%	10%	12%
Built 1940 to 1949	0%	1%	4%	5%
Built 1939 or Earlier	0%	0%	5%	7%
Total	7,909	1,945	68,363	36,677

Source: 2000 Census

Housing Market Overview

Despite the recent recession and the corresponding tightening of the labor market, the national housing market did exceptionally well in 2002. Low mortgage rates played a major role in a continued strong housing market, which are expected to remain below 7% in 2003. Low interest rates have had a direct impact on homeownership rates, as renters are finding that mortgage payments are increasingly comparable to rents – especially in the entry-level market.

Nationwide, single-family new home sales were up 7.5% from 2001 while existing home sales increased by 5.0%. Single-family permits, construction starts and completions were all up in 2002, reaching levels not experienced in decades. As a result, the National Association of Home Builders Housing Market Index shows that builders were more optimistic about the current and future outlook of the housing industry in 2002 compared to 2001.

Reis reports that 2002 was a difficult year for the national multifamily market. Low interest rates combined with high priced Class A apartment rents directed typical renters to home ownership. The national vacancy rate jumped to 6.3%, the highest level since 1991.

For the second year, net absorption of rental units was negative (negative 9,400 units) which was partly fueled by existing renters opting for home ownership. Nationwide, construction completions moved ahead in 2002 despite slowing demand.

While rents increased by 0.4% in the fourth quarter of 2002 (1.1% for the year), high concessions offset this gain and actually resulted in a 0.2% drop in effective rents (-1.0% for the year). Nationwide, vacancy rates increased to 4%, still below the 5% threshold considered to reflect market equilibrium.

Exhibit H-4 shows permitting activity in unincorporated Columbia County and Augusta-Richmond County from 1999-2002. Among the 7,562 units permitted, 80% of permitted units were single family and 20% were in structures with five or more units. More than one-half of units permitted were in unincorporated Columbia County, indicating brisk development activity in this area.

Exhibit H-4

New Privately Owned Housing Units Permitted
Unincorporated Columbia County and Augusta-Richmond County
1999-2002

Year	1999		2000		2001		2002	
	#	%	#	%	#	%	#	%
1 Unit	1,497	67%	1,332	97%	1,501	88%	1,718	76%
2 Units	0	0%	0	0%	0	0%	8	0%
3-4 Units	0	0%	0	0%	0	0%	20	1%
5+ Units	733	33%	42	3%	196	12%	515	23%
Total	2,230	100%	1,374	100%	1,697	100%	2,261	100%

Source: US Bureau of the Census

Within the study area, residential areas range from established neighborhoods (west of Bobby Jones) to more recently developed starter homes (north of Martinez Boulevard and off Devant) to deteriorating neighborhoods weakened by encroaching development (between Davis and Bobby Jones).

For-Sale Housing Market

The for-sale residential market in Richmond-Columbia Counties is centered on homes priced in the \$80,000-\$140,000 range. Exhibit H-5 on the following page displays residential sales data in Columbia County (east and west) and Richmond County (northwest, northeast and south) in 2002. In 2002, a total of 3,123 homes were sold in the five geographic areas with the highest sales volume in east Columbia County (1,931 homes or 62%), followed by northwest Richmond County (614 homes or 20%). The median sales price of within the five geographic areas was highest in east Columbia County and lowest in northeast Richmond County (\$134,000 compared to \$69,900).

Exhibit H-5

SUMMARY OF SINGLE-FAMILY SALES
Columbia and Richmond Counties
2002

Area	Listings Sold	Median Sales Price	Average Sales Price	Median List Price	Median Sales/List Price	Average Days on Market
Columbia County						
East Columbia County	1,931	\$134,000	\$155,663	\$134,900	99%	135
West Columbia County	55	\$83,000	\$95,949	\$83,900	99%	123
Richmond County						
Northwest Richmond County	614	\$87,900	\$107,097	\$88,900	99%	129
Northeast Richmond County	274	\$69,900	\$100,988	\$72,000	97%	105
South Richmond County	249	\$100,900	\$113,906	\$102,400	99%	142

Note: Includes single-family residential sales between January 1, 2002 and December 12, 2002.

Source: Multiple Listing Service

Among the 1,931 homes sold in east Columbia County, the average number of days on the market was 135 and the ratio of median sales price to list price was 99%. Homes tended to stay on the market the longest in south Richmond County where the average number of days on the market was 142.

Several sales agents interviewed expressed the view that the demand for townhomes and higher density single-family markets is high: "Five years ago, you couldn't give this type of housing away. Now they sell faster than we can build them." Prices for this type of product range widely from \$69,000 as high as \$146,000. Generally, lower priced units do not have garages.

Within Columbia County, several new communities are in the process of being developed. Riverwood Plantation is approximately 2,000 acres located in north Evans off of Washington Road. Riverwood Plantation offers a variety of homes priced from approximately \$140,000 to over \$350,000 that connect to three schools located in the heart of the development (elementary, middle and high school) via sidewalks. Three nine-hole golf courses are planned as well as commercial and higher density uses near Washington Road. "Founders Village" is also planned at Riverwood Plantation, which will offer homes priced at \$800,000 and up. Other large-scale communities planned or under construction (with expected prices ranging from \$100,000 to \$250,000) in Columbia County include:

- Mill Branch: A 1,080-acre Planned Unit Development (PUD) located on Lewiston Chamblin Roads at the I-20 interchange that will have a combination of single-family attached and detached

units, 480 apartments, commercial and professional uses. Construction should begin by the end of 2003.

- Tudor Branch: A 330-acre PUD off of Columbia Road, primarily comprised of single-family homes. Development should be completed over the next five to six years.
- Bartram Trail: An 872-acre development with single-family homes, commercial uses, a golf course and an assisted living facility. Zoning for the golf course and Phase I of single-family residential development has been approved.

Higher density for-sale housing planned or under construction (generally in the \$80,000-\$100,000 price range) in Columbia County include:

- Villages at Greenbrier: 285 townhomes off of Washington Road across from Hardy-McManus.
- Ivy Falls Plantation: Approximately 200 townhomes in the rear portion of Ivy Falls Plantation.
- Belair and I-20 Area: Two projects under construction with approximately 180 units.

One of the drawbacks of most of the new large-scale housing developments in Columbia County is their suburban orientation. Although developments such as Riverwood Plantation plan to incorporate higher density housing and commercial space, residents are removed from jobs, shopping and cultural and entertainment activities.

In terms of higher density housing development, Bay Hill is considered the most upscale product. Record high absorptions have been reported in the lower priced market: Evans Lake, which sells for \$69,000 to \$80,000, has been selling at a monthly average of 8.3 units. Plans for another such project are being drawn up for a location close to Bay Hill.

1. Bay Hill

Snead Road, Evans

- One and two story attached
- Total Units: 240 at build-out. 76 completed
- Average sales per month: 4.2 units
- 2 bedroom/2 bathroom and 3 bedroom/2 bathroom units
- Price range: \$113,000 to \$146,000
- Size range: 1,248-1,955
- Association fee: \$360

2. Diamond Ridge

Diamond Ridge Way, Evans

- Townhomes/2 story

- Total units: 48
- Average sales per month: 4 units
- Price range: \$69,000 to \$80,000
- Size: 1,642 square feet.
- Association fee: \$360

3. **Applecross**

Hornhead Drive, Martinez

- Total units: 100
- Average sales per month: 2.8 units
- Price range: \$93,000 to \$122,000
- Average size: 1,410 square feet
- Association fee: \$240

4. **Evans Lake**

Grand Slam Drive, Evans

- Total units: 50
- Average sold per month: 8.3 units
- Price range: \$69,000 to \$80,000. Sold out
- Size: 2 bedroom/2 bathroom units, 1,100 square feet vinyl sided units with only one floor plan, no garage.
- Location: close to railroad tracks on Evans to Locks Road.

5. **Crawford Mill**

Creek Mill Court, Grovetown

- Total Units: 260
- Type: 1 and 2 story vinyl sided attached units. Also some single-family detached units.
- Average sold per month: 2.5 units
- Price range: \$70,000 to \$72,000
- Size: 1,118 square feet
- Association fee: \$240

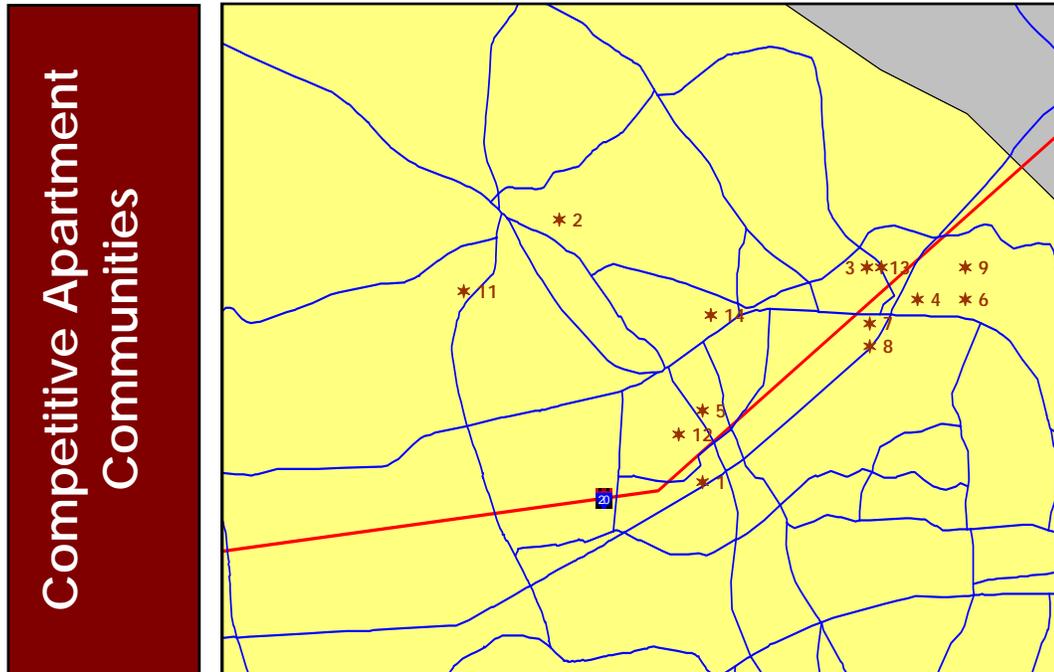
6. **Cammaron Townhomes**

Cammaron Way, Martinez

- Total Units: 83
- Average sold per month: 6
- Price range: \$70,000 to \$72,000
- Size: 1,176
- All 2 bedroom/2 bathroom

Rental Housing Market

To obtain an understanding of rents, sizes, occupancies, community/unit amenities of rental apartment projects in the Martinez area, Marketek conducted a survey of 14 nearby apartment projects in July 2003 which is presented in Exhibit H-6 on the following page and analyzed in this section. A map showing the locations of the projects surveyed follows Exhibit H-6.



The 14 projects surveyed include a total of 2,923 units. While all but two of the projects had occupancy rates of 90% and higher, most (nine) had occupancies of 95% and higher, indicating a tight market. The average (weighted) occupancy rate of all units surveyed is 94%.

On average, the communities surveyed were built 18 years ago. Only two of the projects surveyed (Walden Glen and Walden Hills) were built in the past five years. Most of the remaining projects surveyed were built in the 1970s and 1980s, demonstrating that a limited amount of new product has entered the area in recent years.

Among the apartment communities surveyed for which the unit mixes were available, two bedroom units are the dominant unit type, accounting for over one-half (61%) of units with an average monthly rent of \$641 and an average of 1,016 square feet in size. One bedroom units are the second most prevalent (35%), with an average monthly rent of \$512 and an average of 694 square feet in size. Three bedroom units account for only 3% of units in projects surveyed for which mixes were available, with rents averaging \$764 and unit sizes of 1,239 square feet. None of the projects surveyed offer efficiency units. Value ratios for one, two and three bedroom units are \$0.74, \$0.63 and \$0.62 per month, respectively.

Unit features and project amenities present in the communities surveyed generally include full kitchen with dishwasher, balcony or patio, cable-ready, pool, washer/dryer connections and on-site laundry. Upgrade features and amenities include: washer/dryer in unit, playground, clubhouse, fitness center and hot tub.

Renter profiles obtained from interviews with managers and on-site leasing agents confirm that while there is a mix of prospective tenants at the communities surveyed, tenants are typically young and older professionals, military personnel, hospital employees and medical students.

Despite strong population growth in Columbia County, there is only one apartment community currently under construction or planned for the immediate future in the county. Westwood Club Apartments, a 192-unit Low Income Housing Tax Credit project located on Washington Road near Owens Road, is currently under construction.
