



Colliers Keenan Goldsmith Market Report Greenville, South Carolina



January 2005

Upstate Market's Paradigm Shift

- **Rapid Move to High-Tech / Automotive**
- **Ample Supply of Available, High Quality Industrial Space and Land**
- **ICAR and Millennium Campus Now Under-Construction**
- **BMW's Expansion Draws New Suppliers to the Area**
- **Walgreen's Breaks Ground on a 750,000 SF Distribution Center**
- **Sterlite Corporation Occupying 2.8 Million SF of Manufacturing and Distribution in Laurens County.**

Market Overview

The Upstate South Carolina market is strategically located on the I-85 corridor 100 miles south of Charlotte, NC and 150 miles north of Atlanta, GA. This region has approximately one million people in ten counties. In recent years, the Upstate has led the state and nation in per capita investments and job growth. Over the past thirty years, this region has transformed from the textile capital of the world, into a diverse economy of headquarters operations, world class manufacturing facilities and distribution centers.

The Upstate's diverse economic base includes numerous Fortune 500 companies and more international investment per capita than any community in the United States. International giants such as General Electric, Lockheed Martin, Michelin, 3M, Caterpillar, BMW, Hitachi and Honeywell anchor the region's foreign investment.

The recently announced ***International Center for Automotive Research (ICAR)***, which is now under construction at I-85 (Exit 48) and U. S. Hwy. 276. ICAR will be the home for *Clemson University's Graduate School of Automotive Engineering*, as well as *BMW's Information Technology Center*. Adjacent to the ICAR facility is the *Millennium Campus*, a private development designed for corporate headquarters facilities and technology-oriented operations. Hubbell Lighting has recently announced the relocation of its headquarters to *Millennium*, and it is expected that numerous automotive-related R & D facilities will locate here to benefit from the proximity to ICAR.

Industrial Market Statistical Overview		
	2003 Industrial	2004 Industrial
Surveyed Inventory (SF)	43,433,893	46,095,615
Surveyed Vacant Space (SF)	10,202,555	13,199,745
Surveyed Vacancy Rate	23.5%	28.6%
Average Rental Rates (\$ / SF / YR – Net of expenses)		
Class "A" Distribution Space	\$3.15	\$3.15
General Industrial Space	\$2.85	\$2.85
Average Sales Prices		
Class "A" Industrial Land (\$ / acre)	\$35,000	\$35,000
General Industrial Space (\$ / SF)	\$20.00	\$20.00

The Upstate has seen a significant economic upturn in the last year, with BMW and its suppliers expanding their businesses.



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Additionally, local industrial businesses are expanding, many of which have purchased properties in order to take advantage of depressed real estate prices and favorable loan interest rates. One sector of the industrial market which remains soft is occupancy of big box distribution space, and reutilization of larger, older manufacturing properties.

It has been reported that corporations, currently located in larger metropolitan areas, are considering smaller metro areas in which to relocate divisions of their operations. Because of the Upstate's excellent interstate highway system that connects the southeastern United States to the Midwest and the Northeastern corridor, it is believed this area will benefit from these new corporate strategies.

It is expected that with improvement of the national economic situation, the Upstate South Carolina area will continue to thrive, as it has in recent years, as a result of the excellent labor force, outstanding quality of life, positive business environment and availability of competitively priced real estate.

2004 Significant Industrial Transactions

Industrial Land Sales and Construction Projects

Company	Size (Acres)	Location
Sukano Polymers	19	Hillside Commerce Park, Spartanburg County, Constructed a 30,000 SF Manufacturing Facility that opened August 2004
Walgreen Company	110	Anderson County—Constructing a 750,000 SF distribution center scheduled to open 2007
Poly-Med Inc.	10	Clemson Research Park, Anderson County—constructing an 8,000 SF Manufacturing Facility scheduled to open 1 st quarter 2005
Lindstrom Metrics	4.2	Hwy 14 & I-85, Greenville County—170,000 SF Distribution Center (Currently under construction)

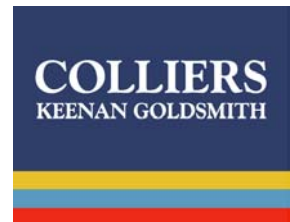
Industrial Property User Sales

Company	Size (SF)	Location
Continental Engines	23,880	Pelham Davis Cir., Greenville County
Winder Products, LLC	25,000	Pelham Court, Greenville County
Bradco Realty Corp.	29,260	100 Bi-Lo Blvd., Greenville County
JPCR, LLC	30,000	120 McDougall Ct., Greenville County
Research Technologies	30,566	Antioch Church Rd., Greenville County
Air Products Polymers	30,800	Old Pelzer Rd., Greenville County
Candace Air, Inc.	35,200	Interstate Blvd., Greenville County
Verdin Properties, LLC	40,170	Verdin Rd., Greenville County
Brockman, James P.	48,869	Industrial Dr., Greenville County
Van Dorn Demag	52,000	Laurens County
Bruckner	55,000	Spartanburg County
Alliance Associates	56,000	Alliance Road, Anderson County
Amstar Foods, LLC	60,000	600 S. Florida Ave. Greenville
Velta, LTD	73,363	Wall St., Fountain Inn, Greenville County
Warehouse Services	126,325	Slazenger Rd., Greenville County
Sterlite Corporation	2,800,000	(8) Buildings, Laurens County

Industrial Property Lease Transactions

Ridge Road Distribution	63,600	Greenville County
Reeves Brothers	64,375	Spartanburg County
Bosch Rexroth—Renewal	77,000	Greenville County
Graco Building 2	100,000	Greenville County
Landmark Warehouse 3	103,000	Spartanburg County
Calvin Klein	124,000	Spartanburg County
EPI--Renewal	197,200	Spartanburg County

For further information on the
 Greenville, SC
 Industrial Market
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