

GREENVILLE, SC

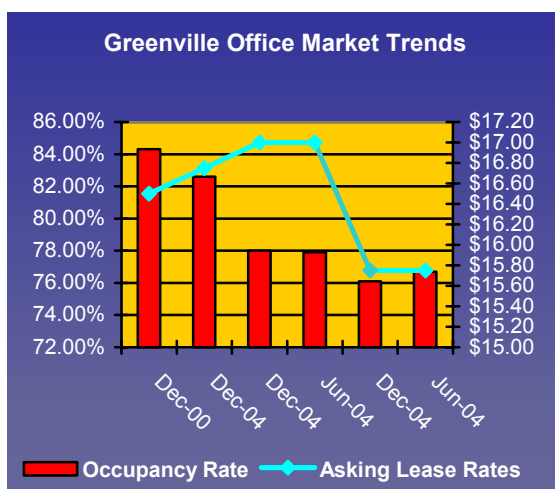
July 2004

MID-YEAR 2004 OFFICE MARKET

Market Summary

The Greenville Office Market improved slightly during the first six-months of the year, fueled primarily by a strong performance by the Suburban Market. Overall market occupancy was 76.7% at mid-year 2004, up slightly from 76.1% at year-end 2003. The availability rate (availability rate is vacant space added to sub-lease space) was 25.1%, down from the year-end 2003 availability rate of 25.8%. Net absorption is strong at 86,062 SF due mainly to strong absorption in the suburban market. It is important to note that net absorption for 2003 was a negative 75,700 SF, so the strong positive net absorption for the first six months of 2004 is much needed good news for the Greenville Office Market.

OFFICE INVENTORY & PERCENT VACANT - MID YEAR 2004					
	CBD		SUBURBAN		TOTAL MARKET
	CLASS A	TOTAL	CLASS A	TOTAL	
Total Inventory	1,329,099	2,671,315	1,935,879	3,536,465	6,207,780
Direct Vacant SF	154,989	430,248	577,302	1,016,552	1,446,800
Sublease SF	10,852	34,270	0	78,080	112,350
Direct Vacancy Rate	12%	16.1%	29.8%	28.7%	23.3%
Availability Rate (direct & sublease)	12.5%	17%	29.8%	31%	25.1%
YTD New Product	61,500	61,500	0	0	61,500
YTD Net Absorption	53,250	15,886	79,361	70,176	86,062
SF Under Construction	87,000	87,000	30,000	30,000	117,000
Average Asking Rental Rate	\$18.25	\$16.75	\$16.00	\$15.50	\$15.75
Occupancy Rate 6/30/2004	88.0%	83.9%	70.2%	71.3%	76.7%
FORECAST—12 MONTH					
Vacancy Rate	Decrease	Decrease	Decrease	Decrease	Decrease
Net Absorption Rate	Increase	Increase	Increase	Increase	Increase
Rental Rates	Stable	Stable	Stable	Stable	Stable



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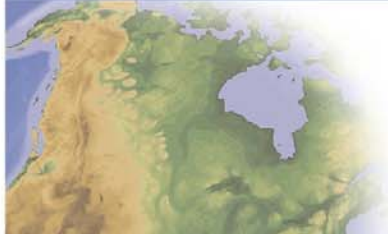
COLLIERS
KEENAN GOLDSMITH

OFFICE MARKET



GREENVILLE, SC

July 2004



247 Offices Worldwide

- 137 Americas
 - 105 United States
 - 17 Canada
 - 15 Latin America
- 72 Europe, Middle East & Africa
- 38 Greater Asia

US Locations

- Akron, OH
- Allentown, PA
- Atlanta, GA
- Austin, TX
- Bakersfield, CA
- Baltimore, MD
- Beachwood, OH
- Bellevue, WA
- Boise, ID
- Boston, MA
- Carlsbad, CA
- Charleston, SC
- Charlotte, NC
- Chicago, IL
- Cincinnati, OH
- Clearwater, FL
- Cleveland, OH
- Columbia, SC
- Dallas/Ft. Worth, TX
- Dayton, OH
- Denver, CO
- Detroit, MI
- Fairfield, CA
- Ft. Lauderdale, FL
- Ft. Myers, FL
- Fresno, CA
- Gilroy, CA
- Greenville, SC
- Hartford, CT
- Honolulu, HI
- Houston, TX
- Indianapolis, IN
- Jacksonville, FL
- Kansas City, MO
- Las Vegas, NV
- Los Angeles, CA
- Louisville, KY
- Memphis, TN
- Miami, FL
- Milwaukee, WI
- Minneapolis, MN
- Nashville, TN
- New Haven, CT
- New Jersey
- New York, NY
- Oakland, CA
- Orlando, FL
- Palo Alto, CA
- Park City / Ogden, UT
- Philadelphia, PA
- Phoenix, AZ
- Pittsburgh, PA
- Pleasanton, CA
- Plymouth Meeting, PA
- Portland, OR
- Provo, UT
- Raleigh, NC
- Reno, NV
- Roseville, CA
- Sacramento, CA
- St. Charles, MO
- St. Louis, MO
- St. Paul, MN
- Salt Lake City, UT
- San Diego, CA
- San Francisco, CA
- San Jose, CA
- San Mateo, CA
- Scottsdale, AZ
- Seattle, WA
- Stamford, CT
- Stockton, CA
- Sun Valley, ID
- Tacoma, WA
- Tampa, FL
- Walnut Creek, CA
- Washington, DC
- Wilmington, DE

Central Business District

The Central Business District (CBD) market weakened slightly with the occupancy rate at 83.9%, down from 85.3% at year-end 2003. The class 'A' occupancy rate also dropped slightly to 83.9%. Developer Bob Hughes started construction on the first office building of the Riverplace Development in early 2004. The 87,000 SF building is scheduled for completion in the first quarter of 2005 and is across the Reedy River from the Peace Center.

Suburban Market

The Suburban Market turned in a solid performance during the period. Occupancy improved to 71.3% from 69.3% at year-end 2003. This was due to positive net absorption of 70,176 SF as several firms expanded. Liberty Property Trust began construction on a 30,000 SF built to suit office building at Independence Pointe Office Park. ITT occupy the entire building upon its completion in late 2005.

Selected Building Sales						
Date	Address	SF	Price	\$/SF	Location	Comments
7/03	701 Brookfield Pwy	192,000	\$21,500,000	\$112	Suburb	Verizon Bldg
2/03	201 Brookfield Pwy.	79,872	\$10,700,000	\$134	Suburb	Former Carolina Phone Bldg
7/03	325 W. McBee Ave.	61,000	\$ 6,750,000	\$111	CBD	Former Duke Power Bldg
12/03	330 E. Coffee St.	22,400	\$ 1,825,000	\$ 81	CBD	Former Offices of Gallivan, White & Boyd
11/03	1400 Cleveland St.	30,633	\$ 1,800,000	\$ 59	Suburb	Former Suitt Construction Office-Two Story
2/03	856 S. Pleasantburg	16,948	\$ 1,620,000	\$ 96	Suburb	Two Story
9/03	105 E. Coffee St.	4,760	\$ 1,250,000	\$263	CBD	Hillard Lyon's Bldg
7/03	669 N Academy St.	8,000	\$ 1,110,000	\$139	CBD	Former Offices of Earle Furman & Ass. Two Story
10/03	3441 Pelham Rd.	8,192	\$ 986,000	\$120	Suburb	Two-Story
9/02	1225 S. Church St.	8,350	\$ 830,000	\$ 99	Suburb	Two-Story
10/03	305 Ashby Park Ln.	4,634	\$ 825,097	\$178	Suburb	Medical Office
7/03	18 S. Laurens St.	13,530	\$ 750,000	\$ 55	CBD	Three-Story

Survey Methodology--The Colliers Keenan Goldsmith, LLC Office Market Review surveys multi-tenant office buildings greater than 20,000 SF in the Greenville, SC Metropolitan area. Absorption rates are based only on the buildings surveyed. Colliers Keenan Goldsmith greatly appreciates and acknowledges those individuals who provided us with information about their properties. The accuracy of this report is a reflection of the participation and cooperation of those individuals and companies.

For more information on the Greenville, SC Office Market contact:
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