

GREENVILLE, SC

January 2004

YEAR END 2003 INDUSTRIAL

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. Over the past forty years, the Upstate region has grown 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. Major international corporations such as BMW, General Electric, Lockheed Martin, Michelin, 3M, Caterpillar, BMW, Kemet Electronics, Fuji, Hitachi and Bosch anchor the region's industrial base.

Market Survey

The Colliers Keenan Goldsmith 2003 year end survey of industrial, warehouse, flex-space and manufacturing properties in Greenville, Spartanburg and Anderson Counties includes approximately 43,000,000 square feet of space. The survey focused on general use, competitive properties greater than 20,000 SF and specifically excluded facilities that would be considered heavy manufacturing operations. Many of these properties are concentrated in business parks located along the Upstate's major thoroughfares, including I-85, I-26, I-385 and I-185.

The survey indicated a vacancy within the surveyed properties of approximately 23.5%, as compared to 20.5% for 2002 EOY survey. Both of these rates are historically high as a result of numerous plant closings, downsizing of ongoing manufacturing operations and significant reductions in inventories. This is a reflection of the adverse national economic climate of recent years.

2003 - INDUSTRIAL INVENTORY AND VACANCY RATE			
	2003	3 Month Forecast	
Surveyed Inventory (SF)	43,433,893	Moderate Increase	
Surveyed Vacant Space (SF)	10,202,555	Moderate Decrease	
Surveyed Vacancy Rate (%)	23.5%	Moderate Decrease	
INDUSTRIAL MARKET STATISTICAL OVERVIEW			
Average Rental Rates (\$ / SF / YR – Net of expenses)	2002	2003	3 Month Forecast
Class "A" Distribution Space	\$3.25	\$3.15	Stable
General Industrial Space	\$2.95	\$2.85	Stable
Flexspace	\$5.75	\$5.75	Stable
Average Sales Prices			
Class "A" Industrial Land (\$ / acre)	\$35,000	\$35,000	Stable
General Industrial Space (\$ / SF)	\$23.00	\$20.00	Stable

Market Trends

There have been several positive sectors of the local economy, including continued growth by BMW, its suppliers, as well as a recent announcement by G.E. that it will recall some employees due to increased business. As previously noted in our 2003 end of year report, small businesses are continuing to expand, thus taking advantage of low interest rates and depressed property prices that have resulted from motivated owners selling closed industrial operations at reduced prices.

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.

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INDUSTRIAL MARKET





238 Offices Worldwide

134	Americas
	102 United States
	17 Canada
	15 Latin America
58	Europe, Middle East & Africa
46	Greater Asia

US Locations

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

Market Trends (continued)

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.

A major economic development announcement in 2003 was that of the **International Center for Automotive Research (ICAR)**. The ICAR Park, currently under construction at I-85 (Exit 48) and U.S. Hwy. 276, will be the home for *Clemson University's Graduate School of Automotive Engineering*, as well as *BMW's Information Technology Center*. Other possible tenants in the Park include *Microsoft* and *IBM*. It is expected that this concentration of automotive-related technology will create a synergy for a major expansion of the well-established automotive industry and allied businesses in the Upstate Region of South Carolina.

2003 SIGNIFICANT INDUSTRIAL PROPERTY TRANSACTIONS

INDUSTRIAL PROPERTY LEASES			
Company	Size (SF)		Location
Blevins	40,000	New	White Horse Ct. - Greenville
Rosedale	40,000	New	Blackstock Rd. - Spartanburg
Keystone	40,000	New	I-26 @ Hwy 292
Iron Mountain	40,275	New	201 Brozzini Ct - Greenville
Fraenkische USA	41,400	New	416 A.M. Ellison Rd. - Anderson
Upstate Storage	48,000	New	Perkins Building - Greenville
Victory Packaging	60,000	New	171 Retlaw Ct. - Greer
Woodward FST	60,800	Renewal	201 Forrester Dr. - Greenville
Beverage Air	69,900	New	Blackstock Rd. - Spartanburg
Stankiewicz	70,000	New	1 Austrian Way - Spartanburg
Span	72,600	Renewal	4611 Dairy Rd. - Greenville
Cliffstar	80,000	Renewal	1631 S. Hwy. 14 - Greer
CWC Logistics	94,094	Renewal	560 Gilliam Rd. - Duncan
G & P Trucking	102,000	New	1201 Woods Chapel Rd. - Duncan
Wright Metal	80,000	New	378 Neely Ferry Rd. - Simpsonville
Jacobson Cos.	105,000	New	230 Commerce Ct. - Spartanburg
Beverage Air	114,500	Renewal	Blackstock Rd. - Spartanburg
WIS	143,000	New	104 Hidden Lake Cr. - Duncan
Springs Industries	150,000	Renewal	154 Metro Ct. - Greenville
Lockheed Martin	183,970	Renewal	120 Orion St. - Greenville
GlaxoSmithKline	262,000	New	200 Southchase Blvd. - Fountain Inn
Dreyfus Cotton	300,000	New	National Dr. - Spartanburg
BMW	434,000	Renewal	Batesville Rd - Greenville

INDUSTRIAL PROPERTY USER SALES		
Company	Size (SF)	Location
ChemCentral	43,000	Lowery Dr. - Greenville
Bommer Industries	51,000	Shamrock Dr.—Landrum
Siroflex	72,000	1320 Garlington Rd - Greenville
PCI	84,000	Blackstock Rd—Spartanburg
Divatex Home Fashions	146,000	49 Donkle Rd. - Greenville
Executive Kitchens	205,597	2838 Grandview Dr. - Greenville

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