

COLUMBIA, SC

JANUARY 2004

YEAR-END 2003 INDUSTRIAL MARKET

MARKET OVERVIEW

	2003 YEAR-END	2004 FORECAST
Total Inventory	29,979,084	Stable
Vacant SF	4,616,498	Decrease
Vacancy Rate	15.4%	Decrease
YTD New Product	- 0 -	Decrease
SF Under Construction	- 0 -	Increase
2002 Net Absorption	-995,144	N/A
2003 Net Absorption	-1,082,726	Increase
Average Rental Rate	\$3.25	Increase
Average Sales Price/SF	\$26.50	Increase

MARKET SURVEY

The Midlands Region witnessed a downturn in the industrial and distribution sector for the second consecutive year. Heavy losses in the local manufacturing and transportation/warehousing sectors led to the closing of several large manufacturing and distribution facilities in the Columbia area. Combined these sectors lost 2,300 jobs over the previous 12-month period ending in November.

As a result, vacancies rose to 15.4% in the fourth quarter, from 13.4% a year ago, resulting in negative absorption of more than one million SF. This was in spite of the fact that there was virtually no new industrial construction or development activity during 2003.

Significant contributors to this year's vacancy rate and negative absorption were the closing of ReturnBuy.com (253,000 SF) and Pirelli Cable (263,000 SF) in Lexington County. Also in Lexington, Michelin vacated 110,000 SF of leased warehouse space. In Kershaw County, Howden Fan vacated its 78,000 SF manufacturing plant. On the plus side, in Calhoun County, the former 84,600 SF Thomas and Betts plant has been acquired and Trane Corp. purchased and occupied the 322,000 SF AMBAC facility in northeast Richland County. Most lease transactions that took place over the past year were for small deals totaling less than 20,000 SF.

FORECAST

While the market has endured two consecutive years of negative absorption, a potentially recovering national economy could spur stronger demand throughout the nation, and more importantly in the local industrial market. As such, vacancies are likely to level off in 2004 and may start to fall as companies look for new space throughout the Midlands Region.

Rental rates for Class A distribution space have held steady at just under \$4.00/SF, but will likely increase slightly throughout 2004 as demand increases. While there was no significant speculative construction in 2003, Miller-Valentine Group has plans to break ground during the first quarter on a new 170,000 SF distribution facility fronting on I-77 in the northeast area of Richland County.

The I-77 Corridor in Richland County and the I-20 Corridor in Kershaw County should continue to host a significant portion of any new growth or new development, particularly in light of Richland County's continued efforts to develop a regional technology park in the I-77/Blythewood area of Richland County.

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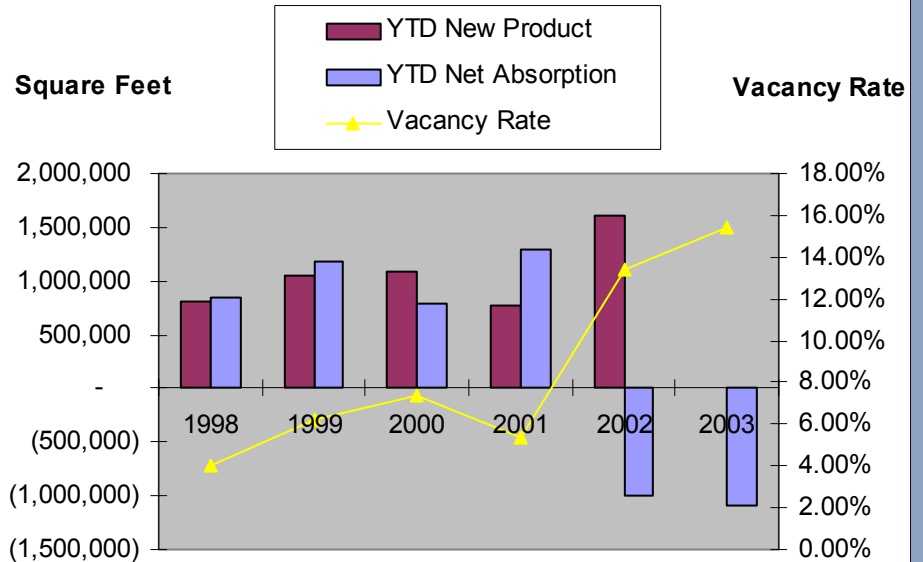
Akron, OH	Milwaukee, WI
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Boise, ID	Palo Alto, CA
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Charleston, SC	Phoenix, AZ
Charlotte, NC	Pittsburgh, PA
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Ft. Myers, FL	Salt Lake City, UT
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Houston, 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
Miami, FL	

SURVEY METHODOLOGY

Colliers Keenan's Industrial Market Report surveys warehouse, distribution and light industrial properties located in the Midlands area of South Carolina, that are in excess of 10,000 square feet. For purposes of this survey, the Midlands area includes Richland and Lexington Counties, together with portions of Newberry, Fairfield, Kershaw and

Calhoun Counties. Absorption and individual rental rates are based only on the buildings surveyed. Colliers Keenan greatly acknowledges those who provide us with information about their properties. The accuracy of this report is a reflection of the participation and cooperation of those individuals and companies.

Columbia Industrial Market Trends



Note: Permission is granted to quote from this publication only when Colliers Keenan Inc. is credited as the source. All information contained herein was compiled utilizing data from sources deemed reliable. It is submitted without warranty. Statistical data was collected as of December 31, 2003. December 31, 2003.

For further information on the
 Columbia, SC industrial market
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