

GREENVILLE, SC

Year-End 2002 Industrial Market

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, Bosch, and BASF anchor the region's industrial base.

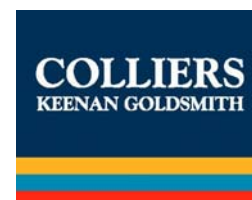
Market Survey

The recently completed Colliers Keenan Goldsmith 2002 survey of industrial, warehouse, flex-space and manufacturing properties in Greenville, Spartanburg and Anderson Counties identified approximately 35,000,000 square feet of space. The survey focused on general use, competitive properties 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 20%. This historically high vacancy rate is the result of a numerous plant closings, downsizing of ongoing manufacturing operations and significant reductions in inventories, a reflection of the adverse national economic climate of recent months.

Industrial Market Statistical Overview		
	2002 Industrial	3 Month Forecast
Surveyed Inventory (SF)	35,319,382	Stable
Surveyed Vacant Space (SF)	7,255,188	Stable
Surveyed Vacancy Rate (%)	20.5%	Stable
Average Rental Rates (\$ / SF / YR – Net of expenses)		
Class "A" Distribution Space	\$3.25	Stable
General Industrial Space	\$2.95	Stable
Flexspace	\$5.75	Stable
Average Sales Prices		
Class "A" Industrial Land (\$ / acre)	\$35,000	Stable
General Industrial Space (\$ / SF)	\$23.00	Stable

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INDUSTRIAL MARKET



GREENVILLE, SC



234 Offices Worldwide

134 Americas

- 102 United States
- 17 Canada
- 15 Latin America

- 57 Europe, Middle East & Africa
- 43 Greater Asia

United States Cities

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

Market Trends

There have been several positive sectors of the local economy, including BMW, its suppliers, and Lockheed Martin. Some small businesses are expanding, by 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.

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.

The most recent business park development in the Upstate has been *The Matrix – A Business & Technology Park*. A 1,000 - acre industrial tract located along I-185 in southern Greenville County, *The Matrix* is owned by Greenville County. It is the result of a public-private initiative to increase the inventory of developed industrial land, having in place both zoning and infrastructure. The initial anchor tenants in *The Matrix* are Toyota – Koki Automotive and Grammer Industries, a BMW supplier.

2002 Significant Industrial Property Transactions		
New Industrial Property Leases		
Company	Size (SF)	Location
Horizon Forest Products	40,000	39 Ellwood Ct.
Blevins Inc.	40,000	White Horse Industrial Park
CSI International	70,000	415 Old Pelzer Rd. (former Rhodia facility)
Innovative Container	80,000	White Horse Industrial Park
Watermark Paddle Sports	100,000	Piedmont Hwy. Industrial Park
Sally Beauty Supply	100,000	Fairforest Business Center
Grammer Industries	155,000	The Matrix
Industrial Property User Sales		
Company	Size (SF)	Location
Cans Unlimited	60,000	852 S. Buncombe Rd.
Buy Low Beauty Supply	60,000	600 S. FL Ave.
The Wright Sundee Co.	87,000	1702 Piedmont Hwy. (former Greenville Metalcraft)
Horizon CNC	98,435	18 Page Ct. (former Curtron)
IPS Packaging	103,000	10 Jack Casey Ct. (former GDS Seating)
Divatex	135,000	280 Griffin Rd. (former Greenville Glass)

