



COLLIERS KEENAN | COLUMBIA, SOUTH CAROLINA

INDUSTRIAL MARKET

FIRST QUARTER UPDATE | 2008

COLLIERS INTERNATIONAL

266 OFFICES IN 56 COUNTRIES
ON 6 CONTINENTS

USA 98
Canada 18
Latin America 14

Asia Pacific 46
EMEA 65

\$54B in annual transaction volume
828M SF under management
10,171 Professionals

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The Columbia, South Carolina, industrial market experienced a slight increase in vacancy during the first quarter of 2008. The industrial market, which was the tightest on record at year-end 2007 with a vacancy rate of 2.4%, posted a vacancy rate of 2.82% at the end of the first quarter.

The upswing in market vacancy was primarily due to Lamson Sessions Building coming available for sublease because of a merger with Thomas and Betts. This 350,000 square feet, combined with an additional 32,000 square feet of new vacancy, counteracted the 273,800 square feet of new leasing activity experienced during the first three months of 2008, resulting in negative absorption of 138,200 square feet.

Rental rates continued on an upward trend. The average lease rate for new leases in the first quarter was \$4.27 per square foot, 32% higher than the overall average rate of \$3.66 recorded at the end of 2007. This increase is attributed to the fact that most of the leases were done in newer buildings commanding a higher rental rate.

While the first quarter of 2008 experienced high lease velocity, we expect to see a slowdown in the market over the second quarter of 2008, with the possibility of additional negative absorption. This should not hinder the long-term robustness of the market, due to the lack of space currently available. There is still a good bit of pent up demand that has been looking for expansion options

in the market. We believe these companies will move quickly to take advantage of new space in the market and that third and fourth quarter leasing activity will be back on tract with new lease volumes being similar to those seen in the first quarter of 2008.

INDUSTRIAL HIGHLIGHTS

Space Vacated	382,000 SF
New Construction	30,000 SF
Space Leased	273,800 SF
Net Absorption	-138,200 SF
Total Market	34,378,608 SF
Total Vacant	970,314 SF
Vacancy	2.82%
Under Construction	168,750 SF



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