

COLUMBIA, SC

JANUARY 2003

YEAR-END 2002 INDUSTRIAL MARKET

MARKET OVERVIEW

	2002 YEAR-END	2003 FORECAST
Total Inventory	30,825,350	Stable
Vacant SF	3,255,750	Decrease
Vacancy Rate	10.6%	Decrease
YTD New Product	1,605,000	Decrease
SF Under Construction	- 0 -	Increase
2001 Net Absorption	1,298,000	N/A
2002 Net Absorption	-143,300	Increase
Average Rental Rate	\$3.25	Increase
Average Sales Price/SF	\$26.50	Increase

MARKET SURVEY

Contrary to our 2001 year-end forecast, the overall Midlands Region industrial market remained soft throughout 2002 with limited new activity being experienced. The majority of transactions witnessed during the year were from either expansions or contraction from entities already within the marketplace, with the exception of several heavy industrial announcements.

No significant new construction or development was commenced during 2002, although previously announced projects for both Target and Sysco, totaling 1,605,000 square feet, were completed and occupied.

Vacancy increased significantly during the year to a year-end high of 10.6%, twice the prior year's rate. A total of 3.25 MM square feet were reported vacant, an increase of 1.75 MM square feet over the prior year. Vacancy was fueled by a number of factors to include the reintroduction into the marketplace of the 430,000 square foot F G Wilson facility, located in Newberry County. For the year, the market reported a negative 143,000 square foot absorption for 2002. This is the first negative absorption witnessed by the Columbia area market in many years.

FORECAST

Activity in 2003 will continue to be significantly impacted by the overall national economy, as well as the success of state and regional economic development activities.

Rental rates, which have decreased slightly over the past year, should remain stable or increase slightly in 2003, as the market rebounds. Little, if any, new speculative construction should be expected until vacancies decrease and rental rates stabilize.

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 efforts to develop a regional technology park in the I-77/Blythewood area of Richland County.

INDUSTRIAL MARKET

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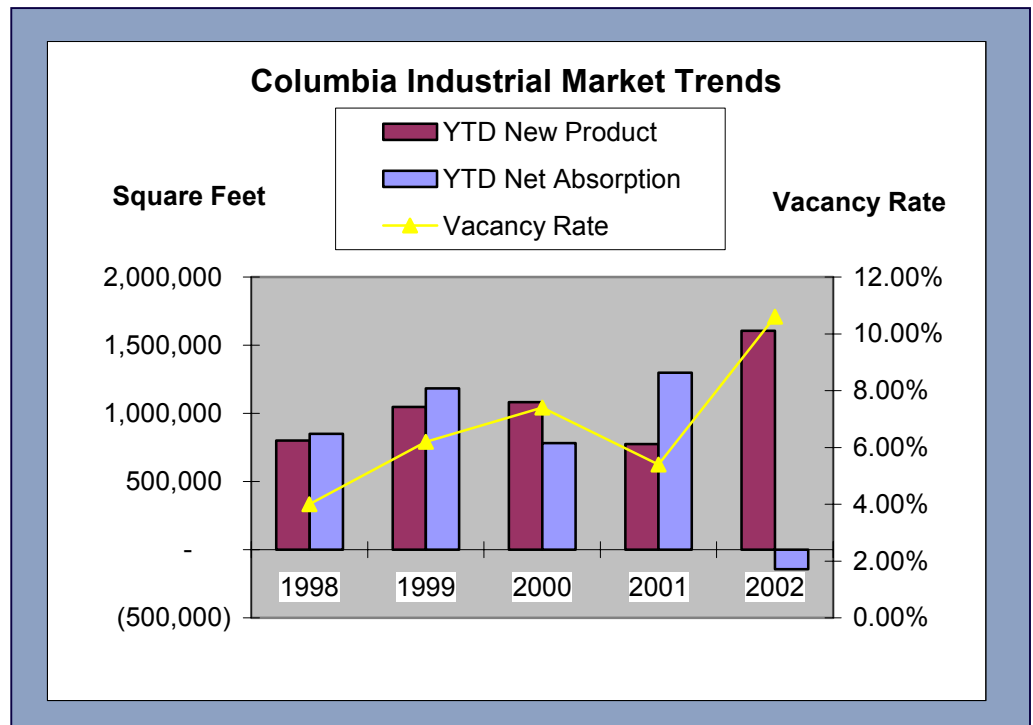
United States Cities

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, MN
Bellevue, WA	Nashville, TN
Boise, ID	New York, NY
Boston, MA	Oakland, CA
Carlsbad, CA	Orlando, FL
Charleston, SC	Palo Alto, CA
Charlotte, NC	Philadelphia, PA
Cherry Hill, NJ	Phoenix, AZ
Chicago, IL	Pittsburgh, PA
Cincinnati/Dayton, OH	Pleasanton, CA
Cleveland, OH	Portland, OR
Columbia, SC	Provo, UT
Dallas/Ft. Worth, TX	Raleigh, NC
Denver, CO	Reno, NV
Detroit, MI	Sacramento, CA
Fairfield, CA	St. Louis, MO
Ft. Lauderdale, FL	Salt Lake City, UT
Ft. Myers/Naples, FL	San Diego, CA
Fresno, CA	San Francisco, CA
Gilroy, CA	San Jose, CA
Greenville, SC	Seattle, WA
Hartford, CT	Somerset, NJ
Honolulu, HI	St. Paul, MN
Houston, TX	Stamford, CT
Indianapolis, IN	Tampa/Clearwater, FL
Irvine, CA	Walnut Creek, CA
Jacksonville, FL	Washington, DC
Kansas City, MO	

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 rental rates are based only on the buildings surveyed. Colliers Keenan greatly acknowledges those individuals

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.



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, 2002.

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