

Market Data and Occupancy Statistics for Distribution and Light Industrial properties in the Fayetteville SMA as of 2002

a. Total Inventory:

Our firm has research for all industrial buildings in the Fayetteville SMA and in an industrial zone. For buildings greater than 50,000 square feet our research discovered a total of 64 buildings having a total area of 10,509,115 square feet. For those buildings less than 50,000 square feet we found 509 buildings having a combined area of 4,386,964 square feet. This total combined area of all 573 buildings amounts to 14,896,079 square feet.

	Total Buildings	Total Area
> 50,000 SF	64	10,509,115
<50,000 SF	509	4,386,964
TOTAL	573	14,896,079

b. Total Available Space:

Based on the space for lease or for sale in Cumberland County, as reported on the FAEDC web site and the NC Department of Commerce, our research and records indicate a total amount of available space of 816,681 square feet or 5.483% as a percentage of the 14,896,079.

Historically the Fayetteville area market will not support the construction of buildings for speculation either for sale or for rent due to the slow absorption rate. Typically industrial buildings are constructed for a particular tenant on a build-to-suit bases or sell-lease back basis.

The absorption of new space varies from time to time and as of 2003 our industrial economy in the state is somewhat weak, as we have lost many textile and furniture manufacturing facilities and jobs. Therefore until this available space is absorbed, we do not anticipate an increased demand for industrial space in this particular market. The lower interest rates have also driven rental rates down to some extent.

K:\word\4\faedc\Industrial vacancy rate