

## INDUSTRIAL REAL ESTATE

# INDEX

A survey and analysis of major industrial facility closings announced during the period:  
July 1, 1977-December 31, 1983

### New England

15 facilities  
5,512,750 sq. ft.  
19% available

### Pacific

36 facilities  
17,971,811 sq. ft.  
52% available

### Mountain

12 facilities  
3,877,564 sq. ft.  
53% available

### West North Central

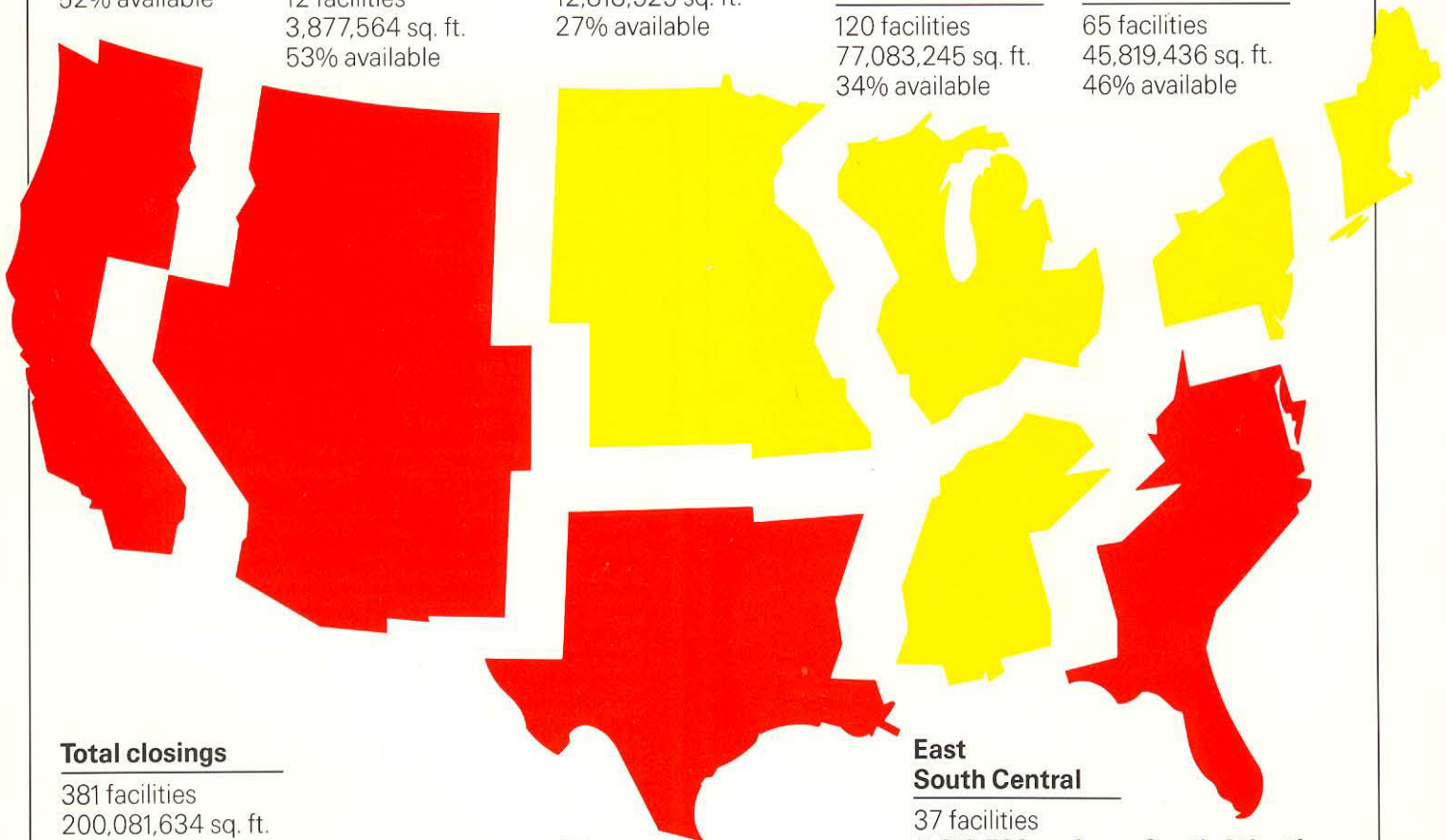
28 facilities  
12,818,525 sq. ft.  
27% available

### East North Central

120 facilities  
77,083,245 sq. ft.  
34% available

### Mid Atlantic

65 facilities  
45,819,436 sq. ft.  
46% available



### Total closings

381 facilities  
200,081,634 sq. ft.

● Over 50% of closed facilities still available

### East South Central

37 facilities  
11,319,782 sq. ft.  
40% available

### South Atlantic

48 facilities  
19,978,009 sq. ft.  
53% available

### West South Central

20 facilities  
5,700,512 sq. ft.  
62% available

## THE INDEX AT A GLANCE

	Number of facilities	Square footage	Employees
<b>Last half 1983</b>	<b>22</b>	<b>17,805,086</b>	<b>47,399</b>
First half 1983	49	18,802,359	35,912
Last half 1982	49	36,744,736	78,950
Change from First half '83	-55%	-0.5%	+32%
Change from Last half '82	-55%	-51%	-39%
Total '83	71	36,607,445	83,311
Total '82	88	61,537,017	107,111
Change '83 vs. '82	-23%	-68%	-28%

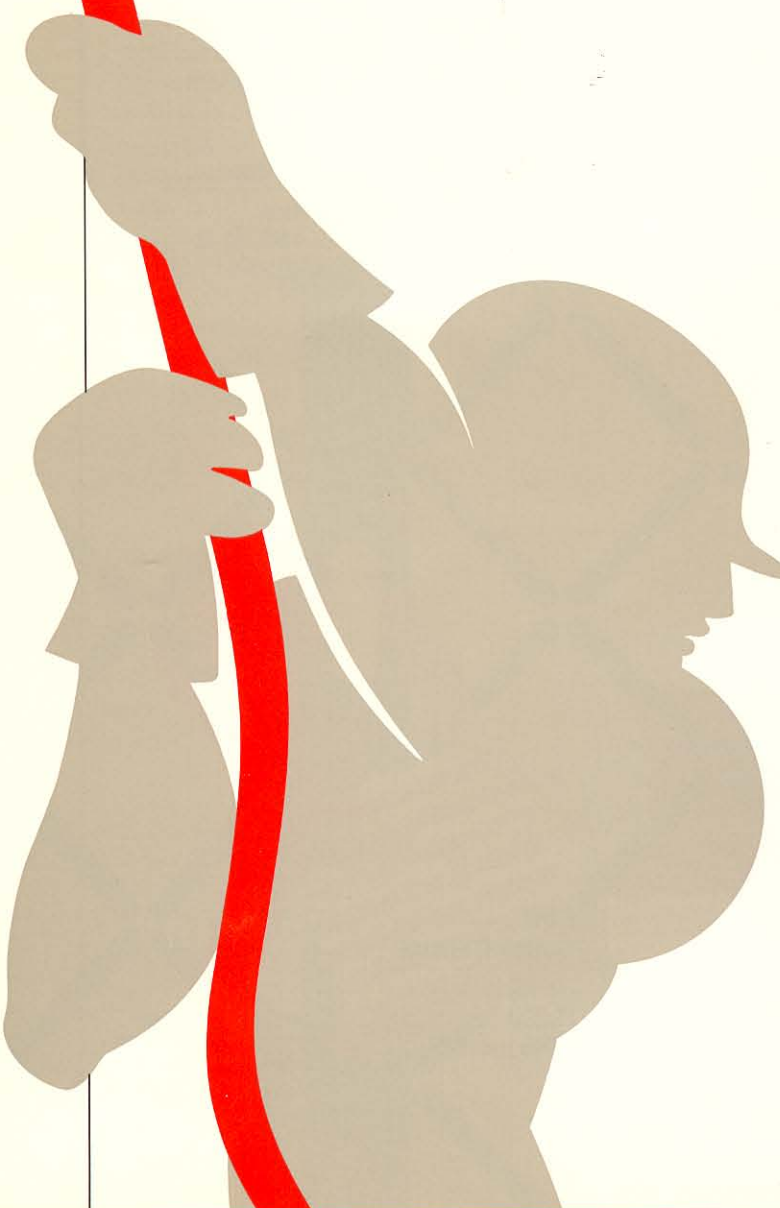
The purpose of the INDEX is two-fold:

1. To provide a valuable tool to corporate executives in evaluating the dynamics of the market-place for major industrial facilities, and;
2. To determine what correlation exists between the closing of major industrial facilities and Regional & National economic trends in general.

To ensure consistency, accuracy & reliability, our base data is drawn from the daily Dow Jones News Service "broad tapes," which provide the independent editorial judgment required. The selection process thus is controlled by a recognized authority independent of Security Pacific Bank.

Each "broad tape" announcement has been verified with an executive at the corporation involved, immediately after the announcement, and is checked every 90 days thereafter. Only facilities of 100,000 square feet, or more will be included.

Comments from our readers regarding the scope or content of the INDEX are invited.



## NUMBER OF FACILITIES BY REGION, SIZE AND AGE

Region	Last half '83	First '83	Last '82
East North Central	9	17	16
East South Central	1	5	2
Mid Atlantic	4	9	11
Mountain	0	3	1
New England	2	1	3
Pacific	2	5	3
South Atlantic	2	1	9
West North Central	1	4	4
West South Central	1	4	0
<b>Size</b>			
100,000-199,000	4	22	19
200,000-299,000	7	7	2
300,000-499,000	1	9	6
500,000-999,000	3	7	10
1,000,000+	7	4	12
<b>Age</b>			
Prior 1900	0	1	6
1901-1920	5	12	13
1921-1940	4	14	11
1941-1947	3	2	2
1948-1960	4	5	7
1961-Present	6	15	10

The results from the past 6 months of Index tracking clearly mirror the revived economy. The number of major plant closings announced during the second half of 1983 was off 55% from those announced both in the first half of 1983 and the year earlier period.

However, these closings represented an increase of 35% in lost jobs from the plants' peak employment over the similar peak employment level for the facilities closed in the first half of the year.

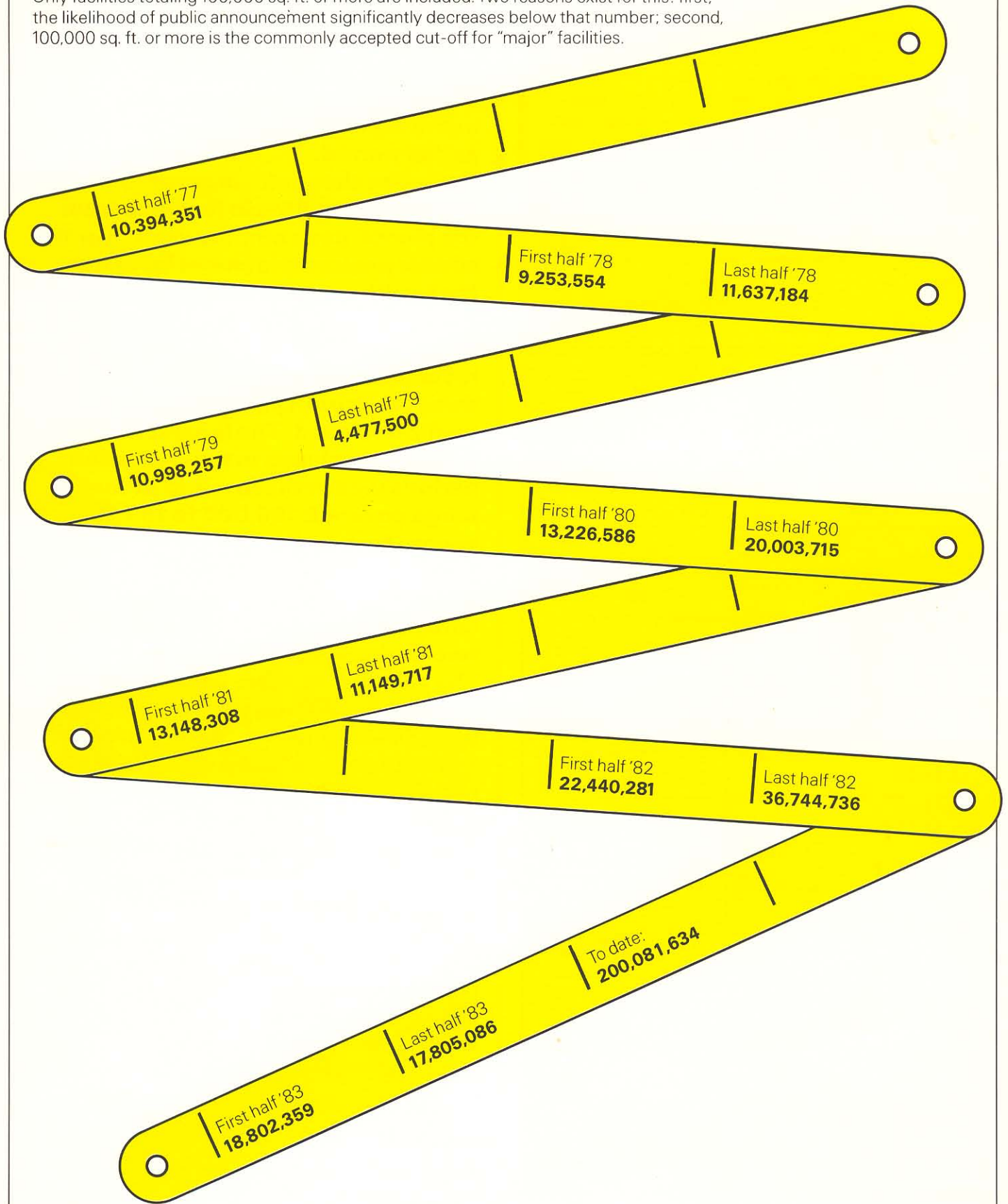
The second half closings also reversed a trend from the previous three six-month periods in the size of facilities closed. The largest number of facilities closed in these previous periods was at the low end of the range covered, 100,000 to 199,000 square feet. In the last half of 1983, closings in this category declined 80% below the closings in this category in each of the previous two periods.

The greatest number of building closings in the most recent period were in the largest category of over 1 million square feet and the 200,000 to 299,000 category. The change substantiates a continuing trend in downsizing as the distribution of buildings closed was pretty evenly spread across the building age categories.

Once again the East North Central region was hit the hardest with 40% of the building closings announced in that midwest area. The mid Atlantic region was second with 20%.

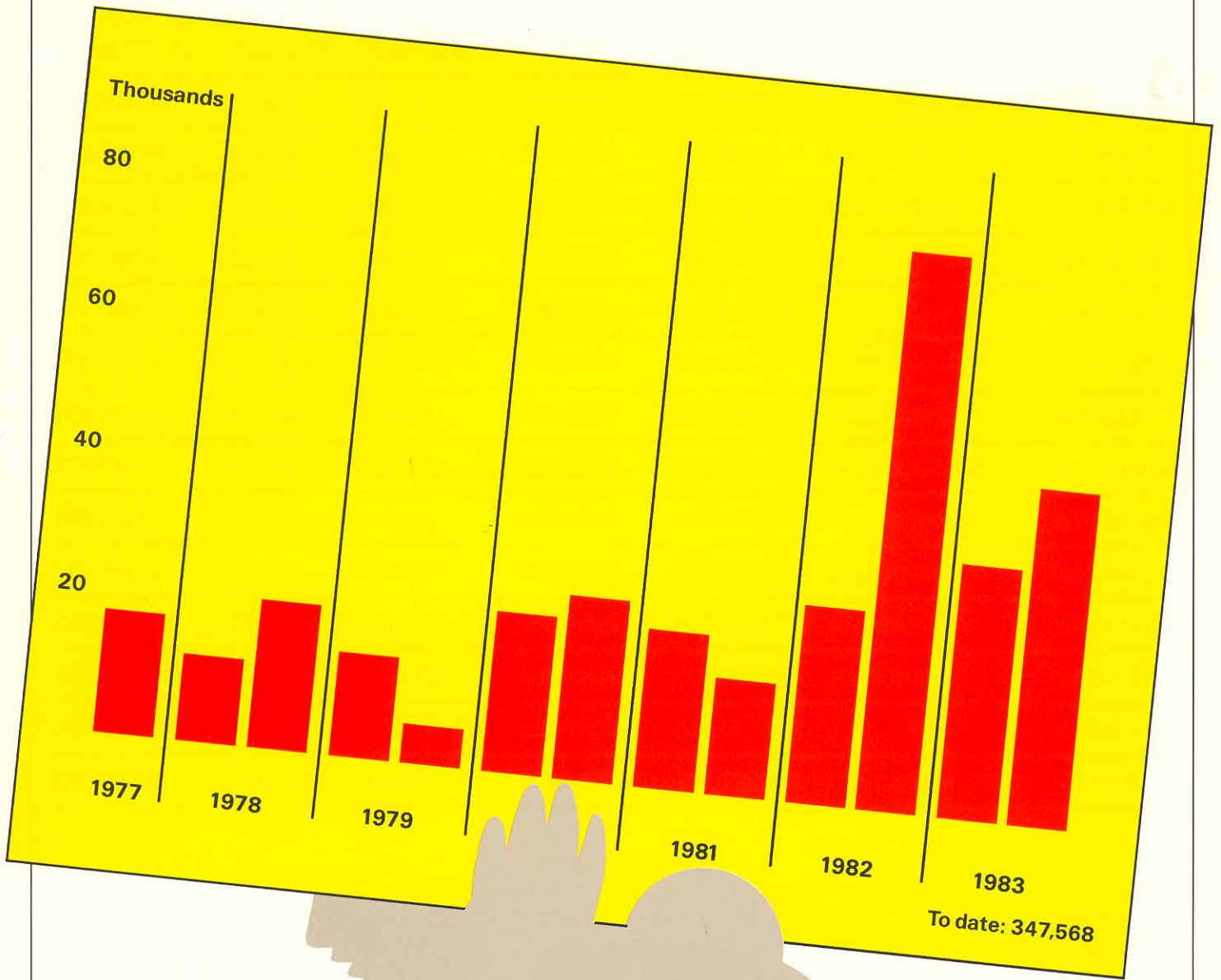
# SQUARE FOOTAGE OF ANNOUNCED CLOSINGS

Only facilities totaling 100,000 sq. ft. or more are included. Two reasons exist for this: first, the likelihood of public announcement significantly decreases below that number; second, 100,000 sq. ft. or more is the commonly accepted cut-off for "major" facilities.



# EMPLOYEES

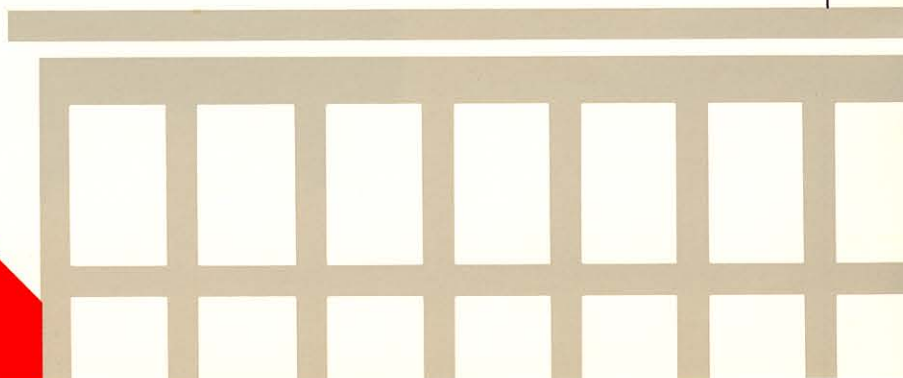
"Peak" employment figures have been used in each instance, to avoid "phase-down" distortion. "Peak" figures more accurately reflect facilities' employment potential.



## BY AGE

For consistency, date of first construction is used in each instance. The time periods selected reflect not only age, but location (inner-city/suburban/rural), work flow (vertical/horizontal), and manufacturing technology (hand-work/automation).

	Prior to 1900	1901-1920	1921-1940	1941-1947	1948-1960	1961-Present
'77, last half	0	6,504,611	1,230,000	0	783,000	1,876,740
'78, first half	3,045,262	2,296,889	1,577,803	385,000	500,000	1,448,600
'78, last half	2,956,657	2,828,000	1,361,300	1,403,600	1,275,281	1,812,346
'79, first half	0	5,000,000	2,109,289	0	1,231,907	2,657,061
'79, last half	0	1,736,000	120,000	180,000	790,000	1,651,500
'80, first half	400,000	1,500,000	3,396,635	460,000	4,488,000	2,981,951
'80, last half	2,333,000	7,324,548	1,992,000	712,667	2,813,100	4,828,400
'81, first half	2,719,800	1,331,000	4,233,508	800,000	3,507,000	557,000
'81, last half	5,316,484	3,240,233	450,000	0	819,000	1,324,000
'82, first half	5,616,513	6,526,305	3,935,000	518,000	533,523	5,310,940
'82, last half	9,429,191	9,759,250	6,608,589	662,000	6,536,566	3,749,140
'83, first half	1,500,000	4,071,979	7,271,052	473,613	1,568,000	3,917,715
'83, last half	0	5,681,360	949,026	4,646,000	915,000	5,613,700
To date	33,316,907	57,800,175	35,234,202	10,240,880	25,760,377	37,729,093



## BY SIZE

Experience has shown that there is a direct relationship between the various "size classes" and the length of time required to dispose of the facility. Each facility will be "tracked" through to eventual disposition allowing us, for the first time, to provide accurate statistics to this concept.

Plant size, sq. ft.	100-199,000	200-299,000	300-499,000	500-999,000	1,000,000+
'77, last half	877,740	470,000	1,262,000	1,280,000	6,504,611
'78, first half	877,855	1,333,600	1,886,889	2,773,262	2,381,948
'78, last half	2,371,915	663,657	1,690,000	2,638,312	4,273,300
'79, first half	2,046,181	893,200	1,282,876	776,000	6,000,000
'79, last half	1,297,000	970,500	0	610,000	1,600,000
'80, first half	662,290	677,000	1,531,185	1,860,000	8,496,111
'80, last half	1,817,048	2,756,667	1,154,000	3,304,000	10,972,000
'81, first half	1,877,000	1,188,000	2,256,000	3,385,008	4,442,300
'81, last half	673,337	1,432,896	1,540,000	2,080,000	5,423,484
'82, first half	1,621,790	1,209,463	2,975,000	4,974,728	11,659,300
'82, last half	2,430,196	490,000	2,485,000	7,908,391	23,431,149
'83, first half	3,183,369	1,730,250	3,408,780	5,063,320	5,416,640
'83, last half	593,726	1,706,360	300,000	1,906,000	13,299,000
To date	20,329,447	15,521,593	21,771,730	38,559,021	103,899,843



## DISPOSITION SUMMARY FACILITIES CLOSED 24 MONTHS OR MORE

Sold as a business	8
Sold to former employees	3
Sold to a similar user	46
Sold to a dissimilar single user	37
Sold to a speculator	40
Sold at auction	2
Sub-divided & leased	12
Sub-divided, leased & sold	12
Donated	9
Demolished	5
Available	50
<b>Total</b>	<b>224</b>

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