

Industrial Market Update

Los Angeles County

1st Quarter 2012

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	77,183,719	\$0.461	4.80%	-278,033	0
Vernon	83,660,165	\$0.480	2.56%	-259,248	0
Central LA	101,790,322	\$0.743	3.43%	-19,039	6,000
Mid-Counties	96,912,481	\$0.501	5.64%	-138,944	0
San Gabriel Valley	168,314,427	\$0.531	5.96%	1,073,123	80,102
San Fernando Valley	136,576,082	\$0.709	4.29%	475,627	0
South Bay	223,024,345	\$0.595	5.24%	424,587	913,300
Westside	21,311,182	\$1.431	4.66%	17,677	0
Los Angeles County	908,772,723	\$0.604	4.77%	1,295,750	999,402
Change from Last Qtr.		↑	↓	↑	↑
Change from Last Year		↑	↑	↑	↓

Market Movers – Significant Transactions in LA County in The 1st Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
5301-5305 Rivergrade Rd, Irwindale	Sale	650,000	\$67 PSF	LBA Realty	TA Associates
20002 Business Pkwy, Industry	Lease	500,000	\$0.40 NNN PSF	ACME Furniture	Majestic Realty
6018-6188 Peachtree, Commerce	Sale	222,400	\$59 PSF	Ryzman Family Trust	Wohl Property Group
5233 Alcoa Ave, Vernon	Lease	136,700	\$0.48 NNN PSF	True Religion	Guardian Life Ins.



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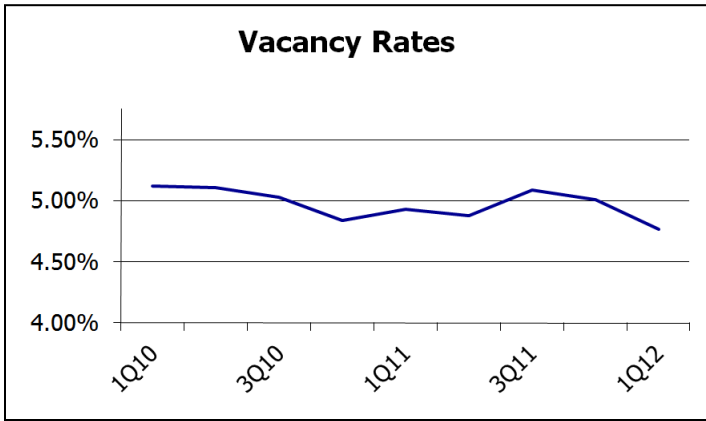
Market Overview

The Los Angeles Industrial market ended the first quarter 2012 with a vacancy rate of 4.77%, which represents a decrease of 4.8% from the previous quarter. Meanwhile net absorption totaled positive 1,295,750 square feet in the first quarter. Vacant sublease space decreased by 6.0% in the quarter, ending at 2,031,053 square feet. Rental rates ended the first quarter at \$0.604 PSF, which was an increase of 1.2% over the previous quarter. A total of three buildings were delivered to the market in the quarter totaling 540,704 square feet, with 999,402 square feet under construction at the end of the quarter.



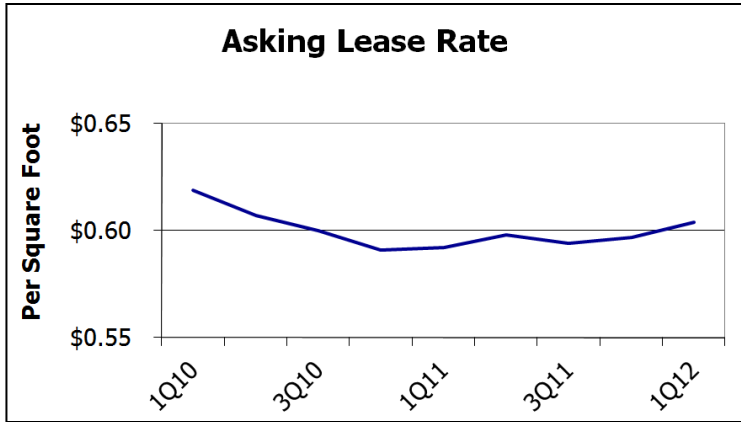
Vacancy

The Industrial vacancy rate in the Los Angeles market area has decreased to 4.77%, the second straight quarter it has declined.



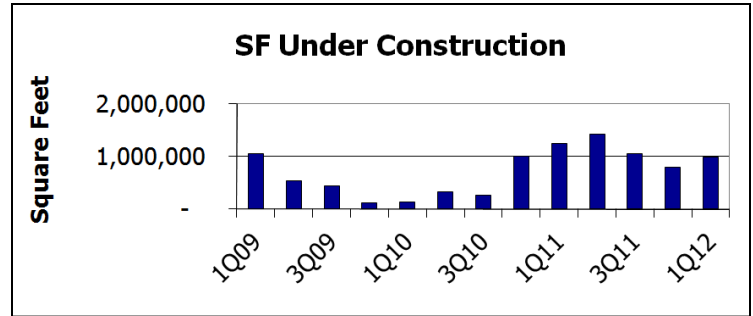
Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.604 PSF. Rental rates are 2.03 % higher then one year ago.



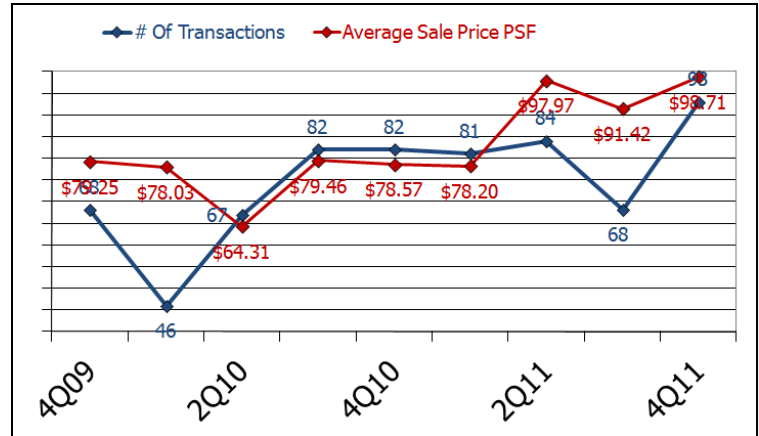
Deliveries & Construction

There were 999,402 SF under construction at the end of the first quarter, and still down 30% from the three year peak experienced in the 2nd quarter of 2011.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales rose in the fourth quarter of 2011 in terms of average sale price and by deal volume. Cap rates have remained relatively flat at 7.10%.



Featured Deals:



*** Available ***

1715 – 1725 W Rosecrans Ave, Gardena, CA

We are currently marketing this 52,400 SF distribution facility in the South Bay. The property is available for Lease and is located 8 Miles from LAX and 16 Miles from the Ports. Building features include 8 DH doors and 26' ceilings.



*** Sold ***

181 S Larch Ave, Rialto, CA

We represented both the Seller and the Buyer in this sale / leaseback transaction. The 247,226 SF distribution facility was completed in 2008 and features 30' ceilings, 32 DH doors and trailer parking for 57 containers.

The Los Angeles County
Industrial Market
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