

Industrial Market Update

Los Angeles County

2nd 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	75,401,310	\$0.472	5.37%	-655,184	0
Vernon	82,767,538	\$0.480	2.50%	-186,785	0
Central LA	98,142,823	\$0.768	3.91%	-404,622	105,800
Mid-Counties	94,930,787	\$0.514	5.20%	168,496	328,378
San Gabriel Valley	166,852,862	\$0.523	5.95%	1,300,763	82,051
San Fernando Valley	133,834,631	\$0.709	4.68%	15,146	230,000
South Bay	218,803,130	\$0.581	5.64%	-256,040	1,604,272
Westside	21,000,517	\$1.462	3.90%	167,172	0
Los Angeles County	891,733,598	\$0.605	4.96%	148,946	2,350,501
Change from Last Qtr.		↑	↑	↓	↑
Change from Last Year		↑	↑	↑	↑

Market Movers – Significant Transactions in LA County in The 2nd Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
3416 S Garfield Ave, Commerce	Sale	545,300	\$96 PSF	Terreno Realty	Westcore Properties
16501-16509 Trojan Way, La Mirada	Sale	497,620	\$127 PSF	Duke Realty	Dune - Westcore
5959 Randolph St, Commerce	Lease	403,444	\$0.48 NNN PSF	OnTrac	Western Realco
4700-4719 S Boyle Ave, Vernon	Sale	401,587	\$39 PSF	Bruce Gabbai	Fortune Fashions



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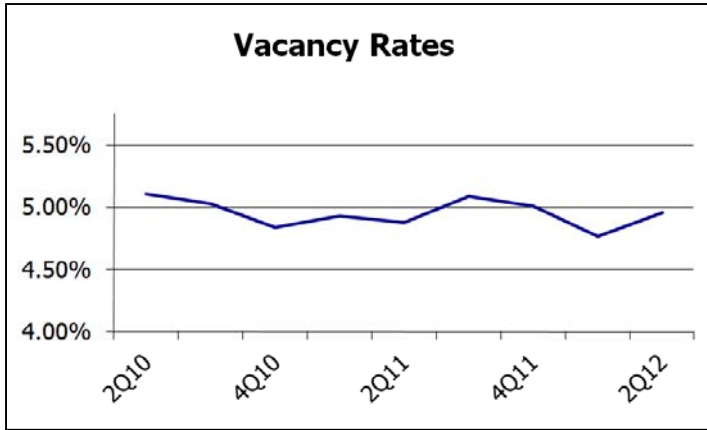


Market Overview

The Los Angeles Industrial market ended the second quarter 2012 with a vacancy rate of 4.96%, which represents an increase of 4.0% from the previous quarter. Meanwhile net absorption totaled negative 925,656 square feet in the second quarter. Vacant sublease space increased by 16.6% in the quarter, ending at 2,368,835 square feet. Rental rates ended the second quarter at \$0.605 PSF, which was an increase of 0.2% over the previous quarter. A total of four buildings were delivered to the market in the quarter totaling 109,159 square feet, with 2,350,501 square feet under construction at the end of the quarter.



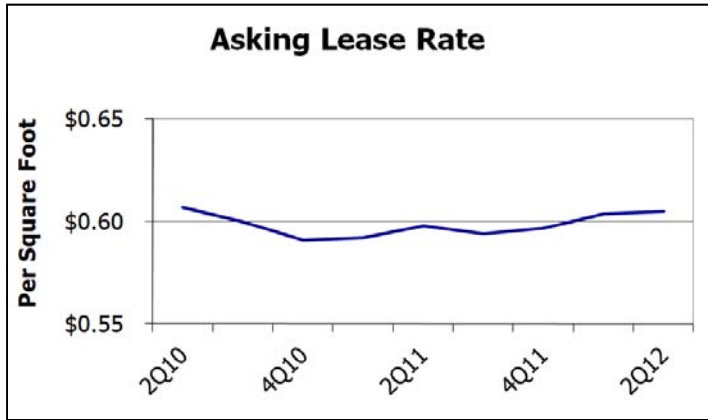
Vacancy The Industrial vacancy rate in the Los Angeles market area has increased to 4.96%.



Lease Rates

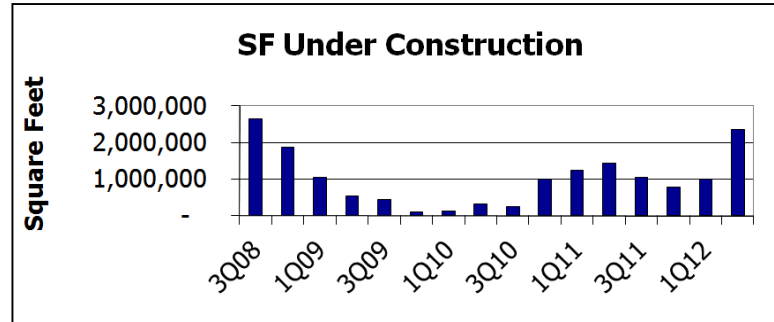


The average quoted asking rate for available Industrial space is now at \$0.605 PSF. Rental rates are at virtually the same level as two years ago.



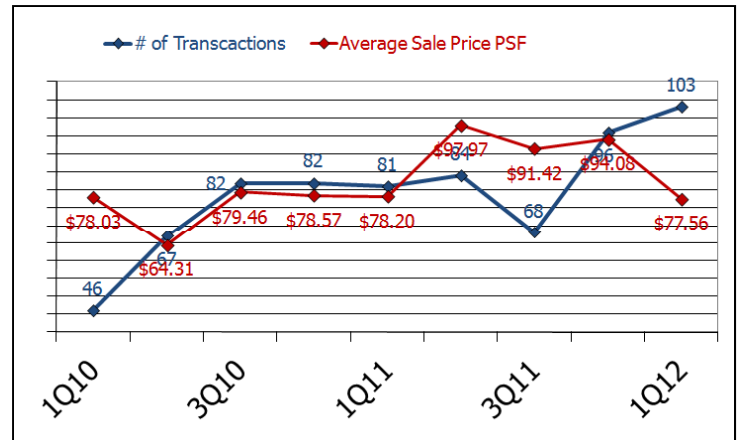
Deliveries & Construction

There were 2,350,501 SF under construction at the end of the first quarter, the highest level since the third quarter of 2008 and an increase of 135% over the first quarter.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales fell in terms of average sale price, but rose in terms of deal volume in the last quarter. Cap rates remained relatively flat at 7.05%.



Featured Deals:

Sold



24760 S Main St, Carson



10511 E Valley Blvd, El Monte



12252 Whittier Blvd, Whittier

We are currently marketing this 231,008 SF distribution facility in the South Bay. The property is available for Lease and is located just 5 Miles from the Ports of Los Angeles and Long Beach. Features include 48 DH doors and 30' ceilings.

We represented the Seller of 10511 E Valley Boulevard in El Monte and the Buyer of 12252 Whittier Boulevard in Whittier. The transactions totaled over 350,000 square feet and nearly \$30 Million dollars in considerations.