

Industrial Market Update

Los Angeles County

3rd 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	75,072,249	\$0.480	5.91%	-1,041,924	0
Vernon	82,047,940	\$0.496	3.32%	-834,438	0
Central LA	97,466,510	\$0.804	4.58%	-970,856	99,800
Mid-Counties	94,570,292	\$0.517	4.99%	328,949	0
San Gabriel Valley	166,026,682	\$0.521	6.01%	1,141,716	82,051
San Fernando Valley	132,993,373	\$0.710	4.77%	-60,021	230,000
South Bay	217,270,227	\$0.584	5.64%	480,176	1,026,905
Westside	20,431,958	\$1.510	4.24%	84,114	160,000
Los Angeles County	885,879,231	\$0.613	5.17%	-872,284	1,598,756
Change from Last Qtr.		↑	↑	↓	↓
Change from Last Year		↑	↑	↑	↑

Market Movers – Significant Transactions in LA County in The 3rd Quarter

Property Address	Trans. Type	Size SF	Price / Rate	Buyer/Lessee	Seller/Lessor
21749 Baker Pkwy, Industry	Lease	799,910	Confidential	JAKKS Pacific	Majestic Realty
15930 E Valley Blvd, Industry	Lease	619,200	\$0.36 G PSF	South Bay Logistics	Private
16400 Knott Ave, La Mirada	Sale	278,000	\$99 PSF	Invesco Realty	Shaw Industries
730 Baldwin Park Blvd, Industry	Sale	108,000	\$76 PSF	HHC Investment	OMP



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Market Overview

The Los Angeles Industrial market ended the third quarter 2012 with a vacancy rate of 4.96%, which represents an increase of 4.2% from the previous quarter. Meanwhile net absorption totaled negative 2,449,751 square feet in the third quarter. Vacant sublease space increased by 7.3% in the quarter, ending at 2,542,594 square feet. Rental rates ended the third quarter at \$0.613 PSF, which was an increase of 1.3% over the previous quarter. A total of twelve buildings were delivered to the market in the quarter totaling 619,516 square feet, with 1,598,756 square feet under construction at the end of the quarter.

*Statistics compiled with the support of the CoStar Group. While the information herein has been obtained from sources we deem reliable, no representation or warranty of any kind is made with respect to its accuracy, completeness or suitability for use in any transaction.

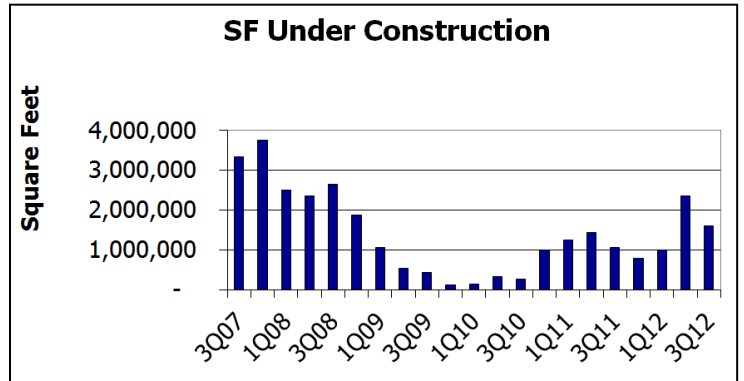


Vacancy The Industrial vacancy rate in the Los Angeles market area has increased to 5.17%, which was the second consecutive quarter with an increase, but has remained relatively flat over the last three years.



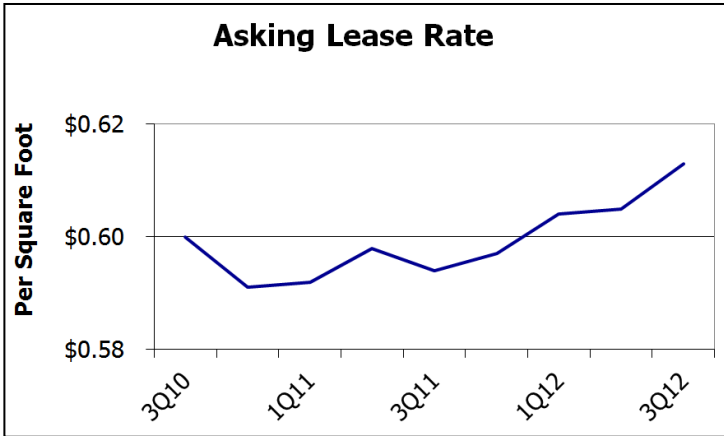
Deliveries & Construction

There were 1,598,756 SF under construction at the end of the third quarter.



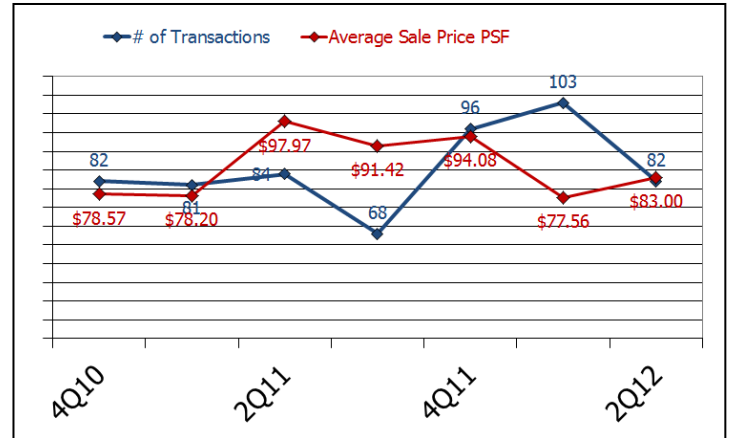
Lease Rates

The average quoted asking rate for available Industrial space is now at \$0.613 PSF and has increased each of the last four quarters.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales rose in terms of average sale price, but fell in terms of deal volume in the last quarter. Cap rates have increased to 7.73%.



Featured Deals:

Available



8531 Loch Lomond Dr, Pico Rivera

We are currently marketing this 32,296 SF, Class "A" distribution facility in the Central Market. The property was built in 2004 and features 5 DH doors, 28' ceilings and was built in 2004.

Sold



583 Monterey Pass Rd, Monterey Park

We represented the Buyer of this Industrial facility in Monterey Park. The property has over 14,000 SF of office space and is located in the middle of the most desirable Industrial street in the City of Monterey Park.