

LA Mid Counties Industrial Update

4th Quarter

2012

L.A. MID COUNTIES INDUSTRIAL SUBMARKETS SNAPSHOT

Southeast Los Angeles Industrial Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Cerritos	14,249,242	\$0.499	5.30%	318,187	0
Downey	7,556,579	\$0.549	3.30%	-51,409	0
La Mirada	13,943,681	\$0.487	7.90%	3,524	0
Norwalk/Bellflower	7,305,857	\$0.597	3.80%	-78,659	0
Santa Fe Springs	51,810,509	\$0.519	4.80%	300,126	0
Mid Counties Submarkets Summary	94,865,868	\$0.530	13.59%	491,769	0
Change from Last Quarter		▼	▼	◀	▼
Change from Last Year		▲	▼	▲	◀



REALTY ADVISORY GROUP, INC.
YOUR REAL ESTATE TEAM

ID - 01301202

Downtown Office

545 S. Figueroa Street, Suite 1209
Los Angeles, CA 90017
T: (213) 627-3338 F: (213) 627-6526

LA North Office

28338 Constellation Road, Unit 950
Valencia, CA 91355
T: (661) 702-8880 F: (661) 702-8882



Market Overview

The LA Mid Counties Industrial markets ended the fourth quarter 2012 with a vacancy rate of 5.1%. The vacancy rate stayed even over the previous quarter, with net absorption totaling positive 491,769 square feet in the fourth quarter.

Rental rates ended the fourth quarter at \$0.51/psf, showing a consistently positive growth trend over the past two years.

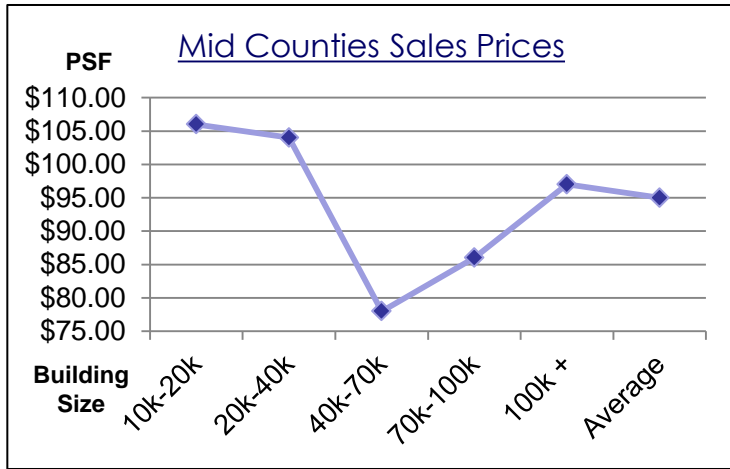
With no significant industrial projects under construction in the Mid Counties market while demand stays positive, vacancy rates will surely decrease, while rental rates increase.



Sales Activity – Mid Counties

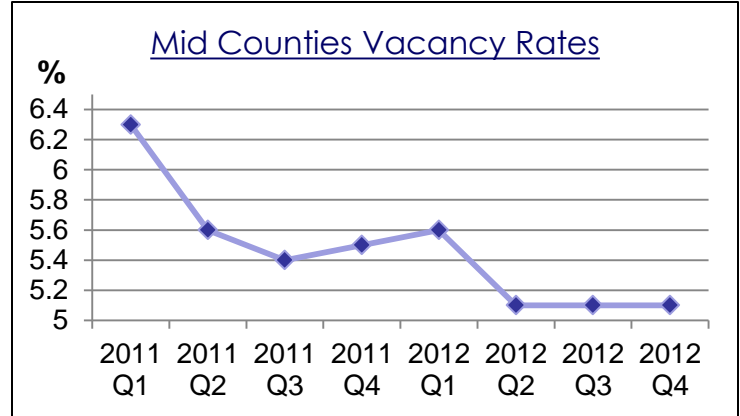
Sales prices continue the upward positive growth. The increase has been \$4 over the previous quarter and up \$13 since the fourth quarter of 2011. The average asking sales price after the fourth quarter of 2012 is \$95 per square foot.

Cap rates have been higher in 2012, averaging 7.82%, compared to the first nine months of last year when they averaged 7.29%.



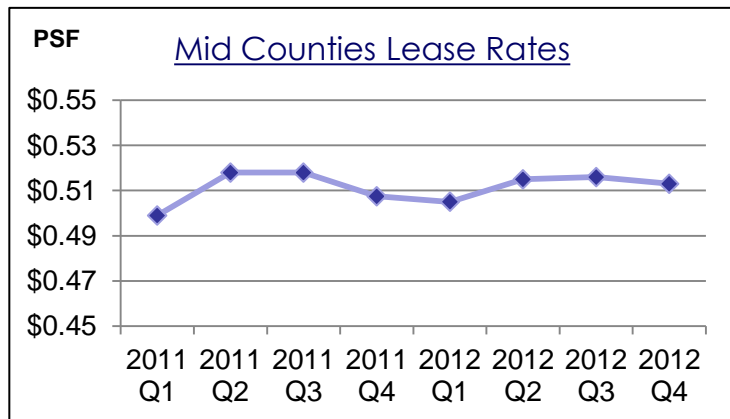
Vacancy – Mid Counties

The Industrial vacancy rate in the LA Mid Counties Industrial market stayed even keel at a steady 5.1% at the end of the fourth quarter 2012. The vacancy rate has stayed even for the past three quarters, coming down from 5.6% in the first quarter of 2012.



Lease Rates – Mid Counties

The average quoted asking rental rate for available Industrial space was \$0.513 per square foot at the end of the fourth quarter 2012 in the L.A. Mid Counties market area. This represented a very minor decrease in quoted rental rates from the end of the third quarter 2012, when rents were reported at \$0.516 per square foot.



Absorption – Greater LA

Net absorption for the overall Los Angeles Industrial market was positive 2,938,136 square feet in the fourth quarter 2012. That compares to negative (2,325,566) square feet in the third quarter 2012, positive 420,792 square feet in the second quarter 2012, and positive 1,750,415 square feet in the first quarter 2012.



Deliveries & Construction – Greater LA

During the fourth quarter 2012, 12 buildings totaling 1,457,796 square feet were completed in the Los Angeles market area. This compares to 13 buildings totaling 790,559 square feet that were completed in the third quarter 2012, five buildings totaling 287,807 square feet completed in the second quarter 2012, and 543,104 square feet in four buildings completed in the first quarter 2012.

There were 484,539 square feet of Industrial space under construction at the end of the fourth quarter 2012.

The Los Angeles Mid Counties Industrial Market Report is Prepared by:

Daniel Reaume
Associate – ID 01901656
(213) 627-3338 ex. 388
danny@raginc.com

Jim Abbott, Jr.
Associate – ID 01870203
(213) 627-3338 ex. 368
jwabbott@raginc.com

Hunter McDonald
Associate – ID01879029
(213) 627-3338 ex. 386
hunter@raginc.com



REALTY ADVISORY GROUP, INC.
YOUR REAL ESTATE TEAM