

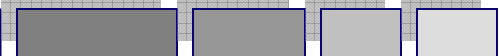
LA North Industrial Update

2nd Quarter

2012

LA NORTH INDUSTRIAL SUBMARKETS SNAPSHOT

North Los Angeles Industrial Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Conejo Valley	24,862,307	\$0.694	9.01%	73,891	41,962
SCV/Palmdale/Lancaster	22,922,800	\$0.585	4.94%	364,105	0
San Fernando Valley East	86,990,410	\$0.740	3.63%	225,425	230,000
San Fernando Valley West	46,844,221	\$0.652	6.63%	-210,279	0
Ventura County	49,781,389	\$0.575	5.28%	264,972	125,048
Industrial Submarket Trends	231,401,127	\$0.649	5.30%	718,114	397,010
Change from Last Quarter		▼	▲	▼	▲
Change from Last Year		▲	▼	▲	▲



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Market Overview

The LA North Industrial markets ended the second quarter 2012 with a vacancy rate of 5.30%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 718,114 square feet in the second quarter.

Rental rates ended the second quarter at \$0.65/sf, which is the same as the previous quarter.

There was a total of 397,010 square feet of Industrial space under construction in the LA North markets at the end of the second quarter 2012.

Lease rates and vacancy factors have shown a stabilizing trend in the first 6 months of 2012.



Sales Activity – Greater LA

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales figures fell during the first quarter 2012 in terms of dollar volume compared to the fourth quarter of 2011.

In the first quarter, 103 industrial transactions closed with a total volume of \$392,122,880. The 103 buildings totaled 5,055,606 square feet and the average price per square foot equated to \$77.56 per square foot. That compares to 96 transactions totaling \$483,668,660 in the fourth quarter. The total square footage was 5,141,303 for an average price per square foot of \$94.08.

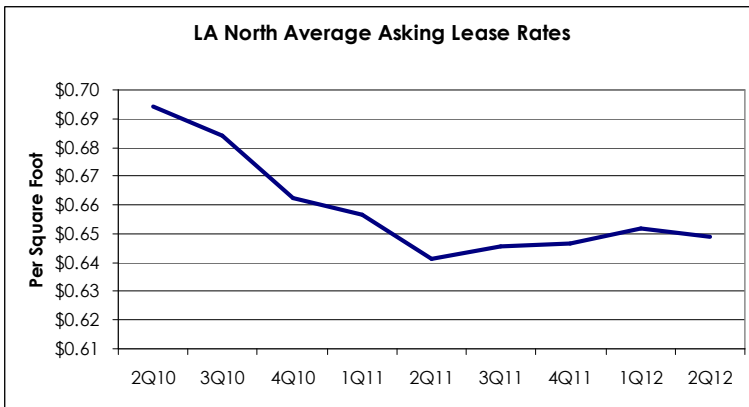
Total year-to-date industrial building sales activity in 2012 is up compared to the previous year. In the first three months of 2012, the market saw 103 industrial sales transactions with a total volume of \$392,122,880. The price per square foot has averaged \$77.56 this year. In the first three months of 2011, the market posted 94 transactions with a total volume of \$380,666,377. The price per square foot averaged \$79.00.

Cap rates have been lower in 2012, averaging 7.05%, compared to the first three months of last year when they averaged 7.49%.



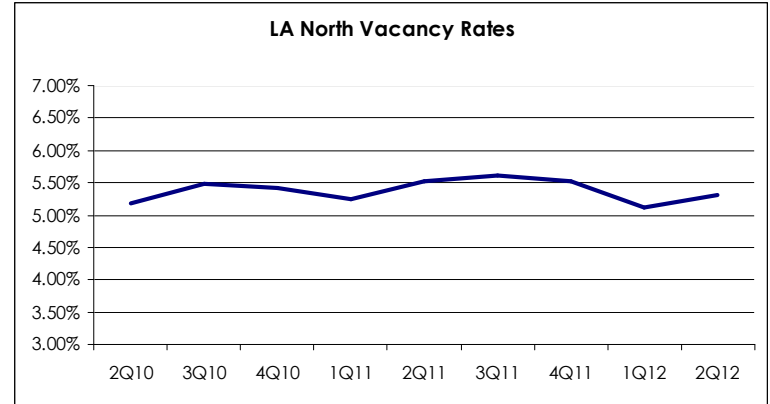
Lease Rates – LA North

The average quoted asking rental rate for available Industrial space was \$0.649 per square foot per year at the end of the second quarter 2012 in the North Los Angeles market area. This represented a negligible change in quoted rental rates from the end of the first quarter 2012, when rents were reported at \$0.652 per square foot.



Vacancy – LA North

The Industrial vacancy rate in the LA North Industrial market area increased slightly to 5.30% at the end of the second quarter 2012. The vacancy rate was 5.12% at the end of the first quarter 2012, 5.51% at the end of the fourth quarter 2011, and 5.62% at the end of the third quarter 2011.



Absorption – Greater LA

Net absorption for the overall Los Angeles Industrial market was negative (925,656) square feet in the second quarter 2012. That compares to positive 1,815,916 square feet in the first quarter 2012, positive 1,617,419 square feet in the fourth quarter 2011, and negative (460,940) square feet in the third quarter 2011.



Deliveries & Construction – Greater LA

During the second quarter 2012, four buildings totaling 109,159 square feet were completed in the Los Angeles market area. This compares to four buildings totaling 551,204 square feet that were completed in the first quarter 2012, three buildings totaling 138,653 square feet completed in the fourth quarter 2011, and 1,095,221 square feet in 10 buildings completed in the third quarter 2011.

There were 2,517,511 square feet of Industrial space under construction at the end of the second quarter 2012.

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