

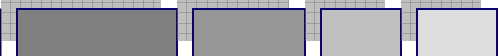
LA North Industrial Update

3rd 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	24,899,888	\$0.683	8.61%	205,603	0
SCV/Palmdale/Lancaster	22,954,751	\$0.624	5.70%	184,255	0
San Fernando Valley East	86,287,993	\$0.738	3.75%	159,856	230,000
San Fernando Valley West	46,705,380	\$0.659	6.64%	-219,877	0
Ventura County	49,863,186	\$0.600	5.32%	279,136	61,548
Industrial Submarket Trends	230,711,198	\$0.661	5.39%	608,973	291,548
Change from Last Quarter		▲	▲	▲	▼
Change from Last Year		▲	▼	▲	▲



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Market Overview

The LA North Industrial markets ended the third quarter 2012 with a vacancy rate of 5.39%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 608,973 square feet in the third quarter.

Rental rates ended the second quarter at \$0.66/sf, which was a slight increase of 2% over the previous quarter's reported rates.

There was a total of 291,548 square feet of Industrial space under construction in the LA North markets at the end of the third quarter 2012.



Sales Activity – Greater LA

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

In the second quarter, 82 industrial transactions closed with a total volume of \$480,054,862. The 82 buildings totaled 5,783,844 square feet and the average price per square foot equated to \$83.00 per square foot. That compares to 102 transactions totaling \$388,522,880 in the first quarter. The total square footage was 5,010,385 for an average price per square foot of \$77.54.

Total year-to-date industrial building sales activity in 2012 is up compared to the previous year. In the first six months of 2012, the market saw 184 industrial sales transactions with a total volume of \$868,577,742. The price per square foot has averaged \$80.47 this year. In the first six months of 2011, the market posted 178 transactions with a total volume of \$772,943,421. The price per square foot averaged \$86.85.

Cap rates have been higher in 2012, averaging 7.73%, compared to the first six months of last year when they averaged 7.45%.



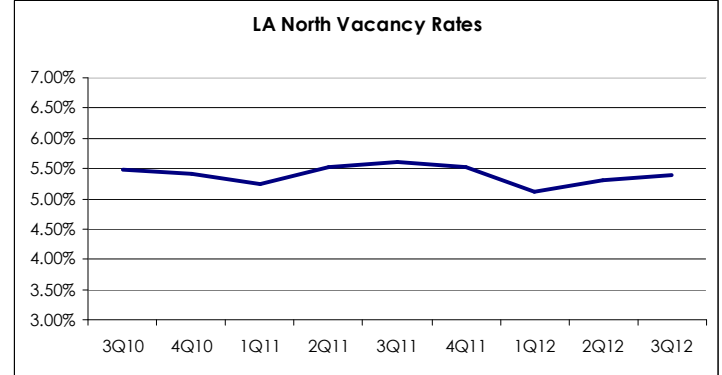
Lease Rates – LA North

The average quoted asking rental rate for available Industrial space was \$0.661 per square foot per year at the end of the third quarter 2012 in the North Los Angeles market area. This represented a 2% increase in quoted rental rates from the end of the first second quarter 2012, when rents were reported at \$0.649 per square foot.



Vacancy – LA North

The Industrial vacancy rate in the LA North Industrial market area increased slightly to 5.39% at the end of the third quarter 2012. The vacancy rate was 5.30% at the end of the second quarter 2012, 5.12% at the end of the first quarter 2012, and 5.51% at the end of the fourth quarter 2011.



Absorption – Greater LA

Net absorption for the overall Los Angeles Industrial market was negative (2,449,751) square feet in the third quarter 2012. That compares to positive 466,721 square feet in the second quarter 2012, positive 1,775,938 square feet in the first quarter 2012, and positive 1,645,377 square feet in the fourth quarter 2011.



Deliveries & Construction – Greater LA

During the third quarter 2012, 12 buildings totaling 619,516 square feet were completed in the Los Angeles market area. This compares to four buildings totaling 212,014 square feet that were completed in the second quarter 2012, three buildings totaling 540,704 square feet completed in the first quarter 2012, and 138,653 square feet in three buildings completed in the fourth quarter 2011.

There were 1,660,304 square feet of Industrial space under construction at the end of the third quarter 2012.

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