

Industrial Market Update

Los Angeles County

2nd Quarter 2009

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	83,515,598	\$0.536	4.36%	179,546	0
Vernon	91,334,244	\$0.562	3.65%	-1,065,531	0
Central LA	115,245,709	\$0.768	3.78%	-835,863	0
Mid-Counties	100,858,984	\$0.634	4.86%	-1,192,308	89,057
San Gabriel Valley	178,077,006	\$0.601	6.57%	-3,085,295	58,755
San Fernando Valley	144,467,714	\$0.822	3.06%	-465,453	197,697
South Bay	238,850,176	\$0.681	5.27%	-1,858,292	196,928
Westside	23,191,425	\$1.522	4.65%	-12,331	0
Los Angeles County	975,540,856	\$0.689	4.72%	-8,335,527	542,437
Change from Last Quarter		↓	↑	↓	↓
Change from Last Year		↓	↑	↓	↓



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Market Overview

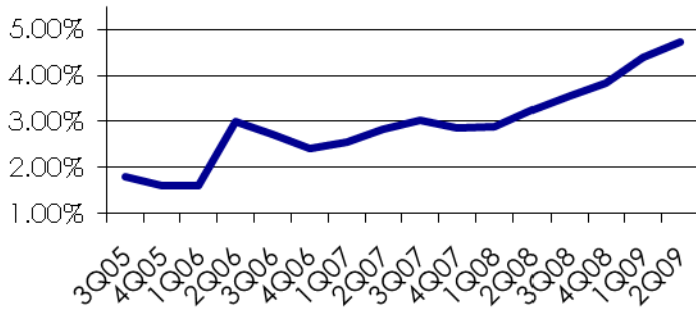
The Los Angeles Industrial market ended the second quarter 2009 with a vacancy rate of 4.72%. The vacancy rate was up 8.4% over the previous quarter, with net absorption totaling negative 3,117,909 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 4,613,166 square feet. Rental rates ended the fourth quarter at \$0.689, a decrease of 1.7% over the previous quarter. A total of 18 buildings were delivered to the market in the quarter totaling 771,086 square feet, with 542,437 square feet still under construction at the end of the quarter.



Vacancy

The Industrial vacancy rate in the Los Angeles market area increased for the 6th straight quarter to 4.72%.

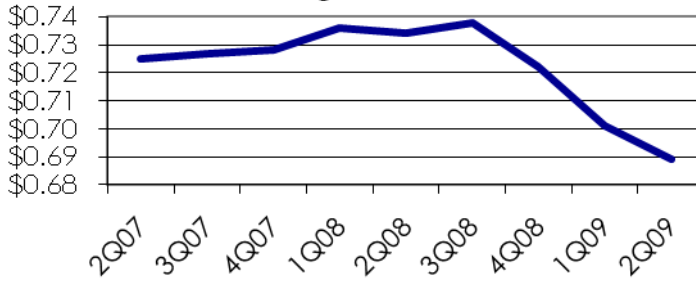
Vacancy Rates By Quarter



Lease Rates

The average quoted asking rental rate for available Industrial space is down 6.1% from the same time last year.

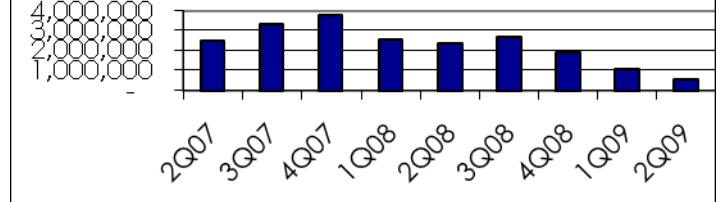
Asking Lease Rate



Deliveries & Construction

The number of facilities under construction declined for the 6th straight quarter with deliveries also down 40% from the first quarter of 2009.

SF Under Construction



Absorption

Net absorption for the overall Los Angeles Industrial market was negative 3,117,909 square feet in the second quarter of 2009. That compares to negative 5,217,618 square feet in the first quarter of 2009, negative 2,649,343 square feet in the fourth quarter of 2008 and negative 1,573,332 square feet in the third quarter 2008.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales figures fell 39% during the first quarter 2009 in terms of the number of transactions and 8.4% in terms of value in comparison to the fourth quarter of 2008. In the first quarter, 22 industrial transactions closed with an average sale price of \$104.97. Cap rates have been higher in 2009, averaging 6.50%, compared to the first three months of last year when they averaged 5.40%.

Featured Deals:



13511 5th St, Chino, CA 91710

We assisted a client in purchasing this 23,329 square foot facility that is one of four, state of the art, industrial buildings at the recently completed 5th Street Industrial Park. Features include 24' ceilings, dock high and ground level loading and two-story office space.



4265 Charter St, Vernon, CA 90058

We have just listed this 34,777 square foot distribution and manufacturing building for sale. This property features a large secure yard and has been very well maintained. Other features include possible LAJ rail service, 8 DH positions, 800 Amps of power and great access to downtown or the 5, 10, 60, 101, 110 and 710 freeways.