

LA North Industrial Update

1st Quarter

2010

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	25,819,857	\$0.802	7.08%	-21,750	0
SCV/Palmdale/Lancaster	23,798,161	\$0.606	6.61%	-91,691	0
San Fernando Valley East	92,706,209	\$0.783	3.70%	-186,026	21,000
San Fernando Valley West	48,712,963	\$0.727	4.64%	-511,596	0
Ventura County	50,607,000	\$0.633	6.18%	-427,890	14,444
Industrial Submarket Trends	241,644,190	\$0.710	5.06%	-1,238,953	35,444
Change from Last Quarter		▼	▲	▲	▼
Change from Last Year		▼	▲	▼	▼



REALTY ADVISORY GROUP, INC.
YOUR REAL ESTATE TEAM

ID - 01301202

LA North Office

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

Downtown Office

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



Market Overview

The entire Los Angeles Industrial market ended the first quarter 2010 with a vacancy rate of 5.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative 4,549,575 square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 5,497,777 square feet.

Los Angeles Industrial rental rates ended the first quarter at \$0.607, a decrease over the previous quarter. A total of 6 buildings delivered to the market in the quarter totaling 38,844 square feet, with 256,443 square feet still under construction at the end of the quarter.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales figures rose during the fourth quarter 2009 in terms of dollar volume compared to the third quarter of 2009.

In the fourth quarter, 63 industrial transactions closed with a total volume of \$252,966,566. The 63 buildings totaled 3,362,544 square feet and the average price per square foot equated to \$75.23 per square foot. That compares to 46 transactions totaling \$177,151,800 in the third quarter. The total square footage was 2,316,860 for an average price per square foot of \$76.46.

Total year-to-date industrial building sales activity in 2009 is down compared to the previous year. In the twelve months of 2009, the market saw 176 industrial sales transactions with a total volume of \$710,562,132.

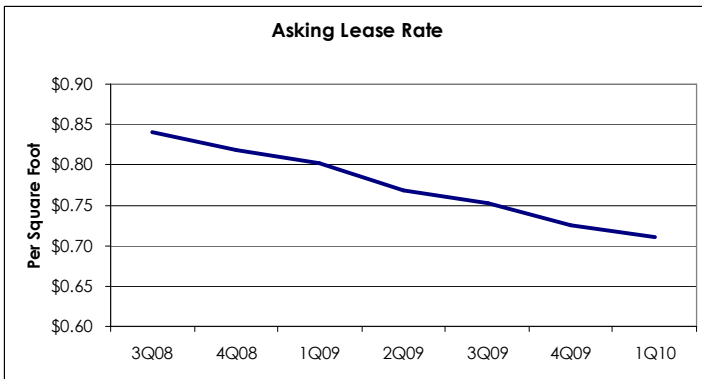
The price per square foot has averaged \$80.85 this year. In the twelve months of 2008, the market posted 278 transactions with a total volume of \$1,822,418,502. The price per square foot averaged \$115.45.

Cap rates have been higher in 2009, averaging 7.36%, compared to the twelve months of last year when they averaged 6.07%.



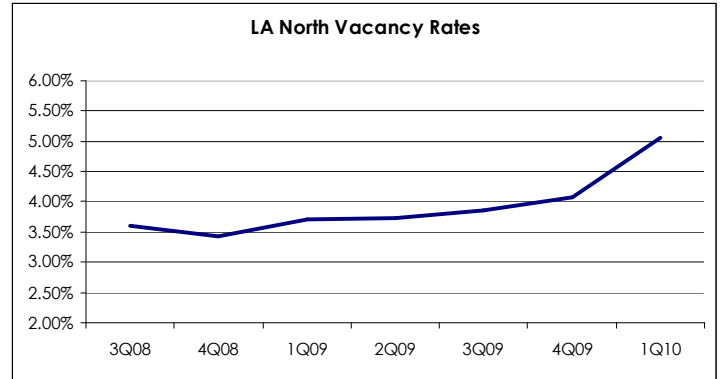
Lease Rates

The average quoted asking rental rate for available Industrial space was \$0.710 per square foot per year at the end of the first quarter 2010 in the North Los Angeles market area. This represented a 2.0% decrease in quoted rental rates from the end of the fourth quarter 2009, when rents were reported at \$0.725 per square foot.



Vacancy

The Industrial vacancy rate in the North Los Angeles market area increased to 5.06% at the end of the first quarter 2010. The vacancy rate was 4.08% at the end of the fourth quarter 2009, 3.86% at the end of the third quarter 2009, and 3.72% at the end of the second quarter 2009.



Absorption

Net absorption for the overall Los Angeles Industrial market was negative (4,549,575) square feet in the first quarter 2010. That compares to positive 511,122 square feet in the fourth quarter 2009, negative (1,252,661) square feet in the third quarter 2009, and negative (4,334,410) square feet in the second quarter 2009.



Deliveries & Construction

During the first quarter 2010, three buildings totaling 35,444 square feet were completed in the Los Angeles market area. This compares to 17 buildings totaling 739,333 square feet that were completed in the fourth quarter 2009, seven buildings totaling 201,622 square feet completed in the third quarter 2009, and 961,382 square feet in 17 buildings completed in the second quarter 2009.

There were 256,443 square feet of Industrial space under construction at the end of the first quarter 2010.

The North Los Angeles Industrial Market Report is Prepared by:

Jim Ebanks
Senior Director – ID 00880338
(661) 702-8880 x 12
jebanks@raginc.com

Lauren Ebanks
Associate – ID 01820732
(661) 702-8880 x 18
lauren@raginc.com

Andrew Starnes
Associate – ID 01799801
(661) 702-8880 x 10
starnes@raginc.com