

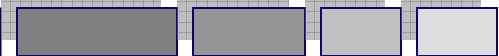
LA North Industrial Update

2nd 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	25,667,974	\$0.789	7.47%	-113,411	0
SCV/Palmdale/Lancaster	23,789,643	\$0.583	6.67%	-104,038	0
San Fernando Valley East	92,166,352	\$0.763	3.69%	-238,802	6,438
San Fernando Valley West	48,054,131	\$0.717	5.05%	-648,566	29,901
Ventura County	50,522,374	\$0.618	6.19%	-396,468	13,316
Industrial Submarket Trends	240,200,474	\$0.694	5.19%	-1,501,285	49,655
Change from Last Quarter		▼	▲	▲	▲
Change from Last Year		▼	▲	▼	▼



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Market Overview

The entire Los Angeles Industrial market ended the second quarter 2010 with a vacancy rate of 5.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative 738,482 square feet in the second quarter. Vacant sublease space increased in the quarter, ending the quarter at 4,536,761 square feet.

Los Angeles Industrial rental rates ended the second quarter at \$0.596, a decrease over the previous quarter. A total of 10 buildings delivered to the market in the quarter totaling 187,704 square feet, with 361,357 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 fell during the first quarter 2010 in terms of dollar volume compared to the fourth quarter of 2009.

In the first quarter, 47 industrial transactions closed with a total volume of \$154,298,022. The 47 buildings totaled 2,433,723 square feet and the average price per square foot equated to \$76.26 per square foot. That compares to 68 transactions totaling \$259,370,395 in the fourth quarter. The total square footage was 3,712,861 for an average price per square foot of \$79.25.

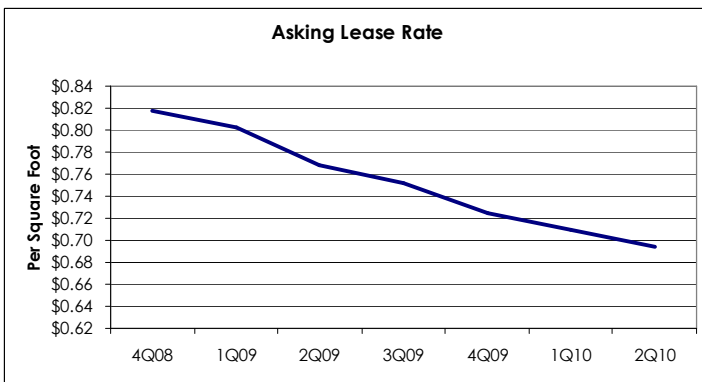
Total year-to-date industrial building sales activity in 2010 is up compared to the previous year. In the first three months of 2010, the market saw 47 industrial sales transactions with a total volume of \$154,298,022. The price per square foot has averaged \$76.26 this year. In the first three months of 2009, the market posted 33 transactions with a total volume of \$243,082,548. The price per square foot averaged \$107.95.

Cap rates have been higher in 2010, averaging 8.38%, compared to the first three months of last year when they averaged 6.50%.



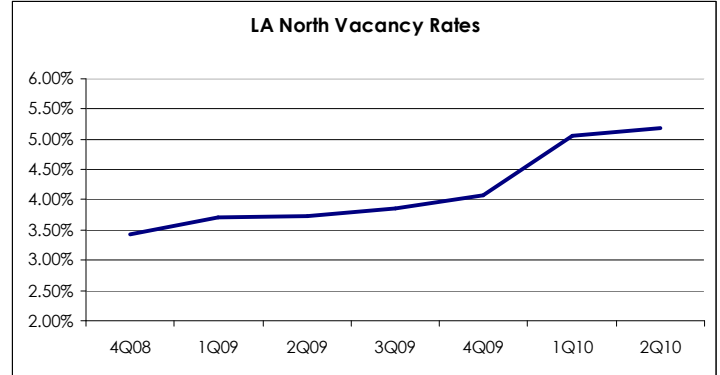
Lease Rates

The average quoted asking rental rate for available Industrial space was \$0.694 per square foot per year at the end of the second quarter 2010 in the North Los Angeles market area. This represented a 2.0% decrease in quoted rental rates from the end of the first quarter 2010, when rents were reported at \$0.710 per square foot.



Vacancy

The Industrial vacancy rate in the North Los Angeles market area increased to 5.19% at the end of the second quarter 2010. The vacancy rate was 5.06% at the end of the first quarter 2009, 4.08% at the end of the fourth quarter 2009, and 3.86% at the end of the third quarter 2009.



Absorption

Net absorption for the overall Los Angeles Industrial market was negative (738,482) square feet in the second quarter 2010. That compares to negative (4,303,000) square feet in the first quarter 2010, positive 740,117 square feet in the fourth quarter 2009, and negative (990,246) square feet in the third quarter 2009.



Deliveries & Construction

During the second quarter 2010, 10 buildings totaling 187,704 square feet were completed in the Los Angeles market area. This compares to five buildings totaling 24,400 square feet that were completed in the first quarter 2010, 17 buildings totaling 739,333 square feet completed in the fourth quarter 2009, and 228,066 square feet in nine buildings completed in the third quarter 2009.

There were 361,357 square feet of Industrial space under construction at the end of the second quarter 2010.

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