

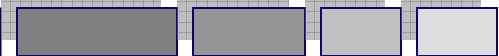
North LA Industrial Update

3rd Quarter

2009

NORTH LOS ANGELES 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	26,024,192	\$0.845	5.51%	-454,142	0
SCV/Palmdale/Lancaster	23,990,647	\$0.662	6.14%	-334,377	13,644
San Fernando Valley East	93,546,160	\$0.827	3.14%	-952,793	27,018
San Fernando Valley West	50,216,925	\$0.782	2.59%	319,515	214,212
Ventura County	50,696,382	\$0.646	4.50%	-714,230	186,115
Industrial Submarket Trends	244,474,306	\$0.752	3.86%	-2,136,027	440,989
Change from Last Quarter		▼	▲	▼	▲
Change from Last Year		▼	▲	▲	▲



REALTY ADVISORY GROUP, INC.
YOUR REAL ESTATE TEAM

ID - 01301202

Downtown Office

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

LA North Office

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



Market Overview

The entire Los Angeles Industrial market ended the third quarter 2009 with a vacancy rate of 4.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (3,010,100) square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 5,295,759 square feet.

Los Angeles Industrial rental rates ended the third quarter at \$0.652/sf, a decrease over the previous quarter. A total of 6 buildings delivered to the market in the quarter totaling 195,050 square feet, with 662,667 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 second quarter 2009 in terms of dollar volume compared to the first quarter of 2009.

In the second quarter, 44 industrial transactions closed with a total volume of \$174,972,768. The 43 buildings totaled 2,011,627 square feet and the average price per square foot equated to \$86.98 per square foot. That compares to 21 transactions totaling \$96,271,300 in the first quarter. The total square footage was 917,331 for an average price per square foot of \$104.95.

Total year-to-date industrial building sales activity in 2009 is down compared to the previous year. In the first six months of 2009, the market saw 65 industrial sales transactions with a total volume of \$271,244,068.

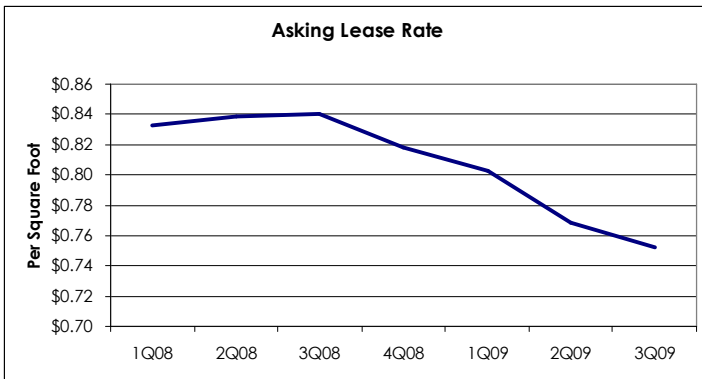
The price per square foot has averaged \$92.61 this year. In the first six months of 2008, the market posted 156 transactions with a total volume of \$1,122,588,245.

Cap rates have been higher in 2009, averaging 6.87%, compared to the first six months of last year when they averaged 5.55%.



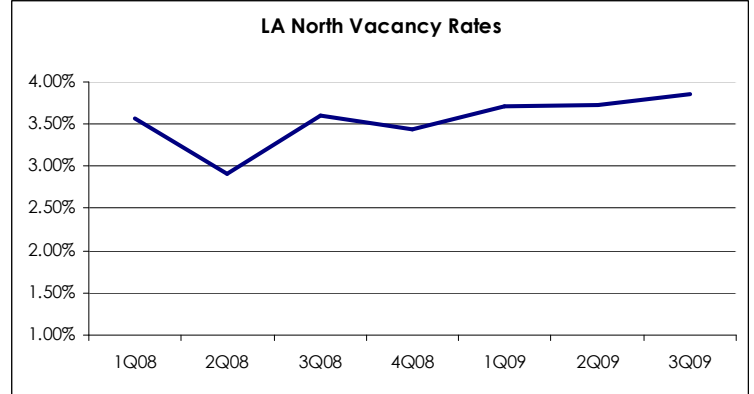
Lease Rates

The average quoted asking rental rate for available Industrial space was \$0.752 per square foot per year at the end of the 3rd quarter 2009 in the North Los Angeles market area. This represented a 2.3% decrease in quoted rental rates from the end of the second quarter 2009, when rents were reported at \$0.769 per square foot.



Vacancy

The Industrial vacancy rate in the North Los Angeles market area increased to 3.86% at the end of the third quarter 2009. The vacancy rate was 3.72% at the end of the second quarter 2009, 3.71% at the end of the first quarter 2009, and 3.44% at the end of the fourth quarter 2008.



Absorption

Net absorption for the overall Los Angeles Industrial market was negative (3,010,100) square feet in the third quarter 2009. That compares to negative (3,843,881) square feet in the second quarter 2009, negative (4,649,442) square feet in the first quarter 2009, and negative (2,091,721) square feet in the fourth quarter 2008.



Deliveries & Construction

During the third quarter 2009, six buildings totaling 195,050 square feet were completed in the Los Angeles market area. This compares to 16 buildings totaling 953,516 square feet that were completed in the second quarter 2009, 30 buildings totaling 1,084,423 square feet completed in the first quarter 2009, and 984,178 square feet in 23 buildings completed in the fourth quarter 2008.

There were 662,667 square feet of Industrial space under construction at the end of the third quarter 2009.

The North Los Angeles Industrial Market Report is Prepared by:

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

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

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