

Industrial Market Update

Los Angeles County

1st Quarter 2010

LOS ANGELES COUNTY INDUSTRIAL SUBMARKETS SNAPSHOT

Submarket	Total Building SF	Average Asking Lease Rate	Vacancy Rate	YTD Net Absorption SF	SF Under Construction
Commerce	82,027,758	\$0.473	5.09%	-268,557	0
Vernon	88,933,717	\$0.488	3.71%	69,674	0
Central LA	111,807,902	\$0.723	3.59%	71,268	0
Mid-Counties	99,814,404	\$0.507	6.19%	-1,077,903	0
San Gabriel Valley	175,574,501	\$0.538	5.98%	-672,299	60,463
San Fernando Valley	141,419,172	\$0.764	4.02%	-697,622	51,539
South Bay	237,291,060	\$0.614	5.83%	-1,254,542	18,112
Westside	23,128,699	\$1.416	6.24%	-78,437	0
Los Angeles County	959,997,213	\$0.619	5.12%	-3,908,418	130,114
Change from Last Qtr.		↓	↑	↓	↑
Change from Last Year		↓	↑	↓	↓



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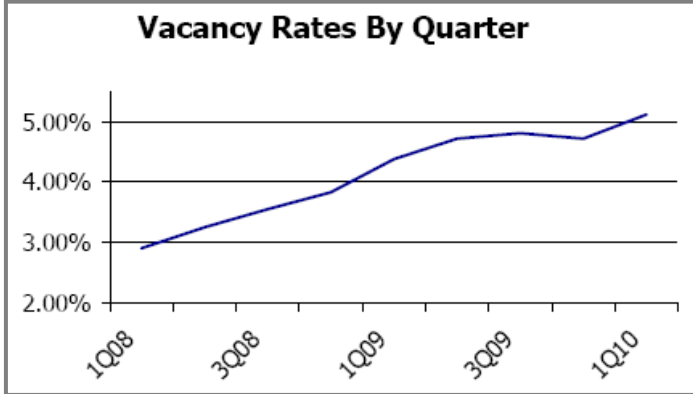
Market Overview

The Los Angeles Industrial market ended the first quarter 2010 with a vacancy rate of 5.12%. The vacancy rate was up 8.5% over the previous quarter, with net absorption totaling negative 3,908,418 square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 4,648,087 square feet. Rental rates ended the fourth quarter at \$0.619, a decrease of 2.4% over the previous quarter. A total of six buildings were delivered to the market in the quarter totaling 38,844 square feet, with 130,114 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 eighth time in the last nine quarters to 5.12%.



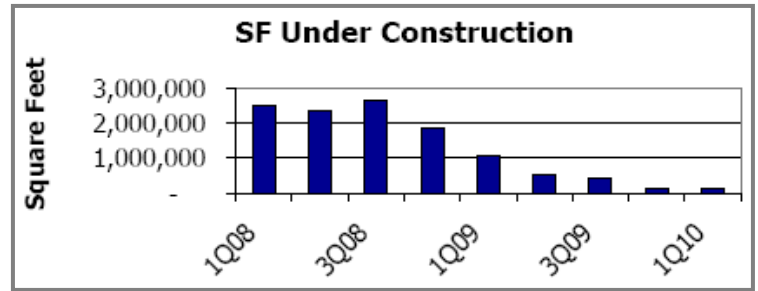
Lease Rates

The average quoted asking rental rate for available Industrial space decreased for the sixth straight quarter.



Deliveries & Construction

The building square footage under construction has declined by 95% since the 1st quarter of 2008.



Absorption

Net absorption for the overall Los Angeles Industrial market was negative 3,908,418 square feet in the first quarter of 2010. That compares to 511,122 square feet in the fourth quarter, negative 1,252,661 square feet in the third quarter and negative 4,334,410 square feet in the second quarter of 2009.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales figures rose 27.0% in the fourth quarter of 2009 in terms of deal volume in comparison to the third quarter of 2009 and remained relatively flat in terms of average sale price, however when comparing closed transactions in 2009 with the twelve months of 2008, sale prices were down 30.0% to an average of \$80.85 PSF. Cap rates have continued higher in 2009, averaging 7.36%, compared to the twelve months of 2008 when they averaged 6.07%.

Featured Deals:



JUST LISTED

2500 Santa Fe Ave, Redondo Beach, CA

We have listed this 71,374 square foot facility just 3.6 miles from LAX for sale or lease. The facility is ideal for freight forwarding or many other distribution uses and features 24' ceilings with 6 DH positions.



SOLD

19885 Harrison Ave, City of Industry, CA

We assisted a client in their acquisition of this 66,281 square foot distribution facility. This Class "A" property was built in 2003 and featured eight DH positions, 26'+ ceilings, and an oversized 170,320 SF parcel.