

Industrial Market Update

Los Angeles County

3rd 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	82,451,977	\$0.512	5.00%	-282,126	0
Vernon	90,544,224	\$0.546	3.61%	-1,069,925	0
Central LA	114,487,282	\$0.773	3.74%	-769,642	0
Mid-Counties	100,845,621	\$0.563	5.40%	-1,676,363	0
San Gabriel Valley	177,328,839	\$0.574	6.40%	-3,152,734	0
San Fernando Valley	143,763,085	\$0.811	3.12%	-633,278	241,230
South Bay	238,219,274	\$0.652	5.26%	-2,186,175	196,928
Westside	23,007,682	\$1.489	5.26%	-152,139	0
Los Angeles County	970,647,984	\$0.664	4.81%	-9,922,382	438,158
Change from Last Qtr.		↓	↑	↓	↓
Change from Last Year		↓	↑	↓	↓



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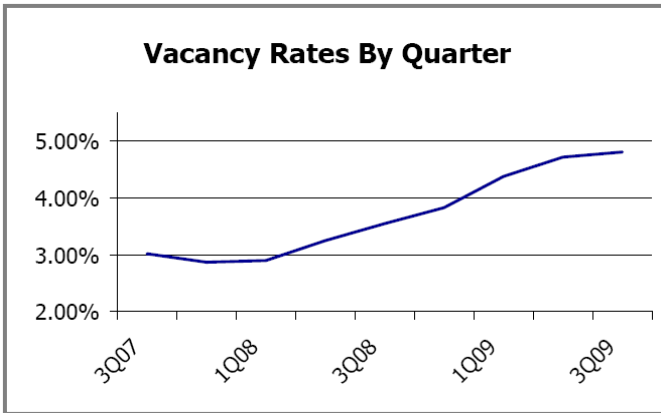
Market Overview

The Los Angeles Industrial market ended the third quarter 2009 with a vacancy rate of 4.72%. The vacancy rate was up 1.9% over the previous quarter, with net absorption totaling negative 1,586,85 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 4,576,383 square feet. Rental rates ended the fourth quarter at \$0.664, a decrease of 3.6% over the previous quarter. A total of six buildings were delivered to the market in the quarter totaling 195,050 square feet, with 438,158 square feet still under construction at the end of the quarter.



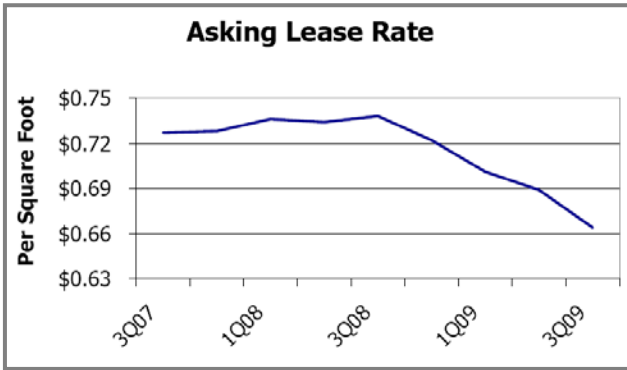
Vacancy

The Industrial vacancy rate in the Los Angeles market area increased for the 7th straight quarter to 4.81%.



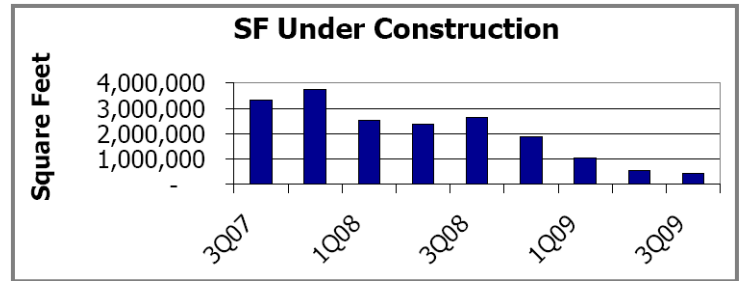
Lease Rates

The average quoted asking rental rate for available Industrial space is down 9.2% from the same time last year.



Deliveries & Construction

The building square footage under construction has declined by 83% since the 3rd quarter of 2009.



Absorption

Net absorption for the overall Los Angeles Industrial market was negative 1,586,85 square feet in the third quarter of 2009. That compares to negative 3,117,909 square feet in the second quarter, negative 5,217,618 square feet in the first quarter and negative 2,649,343 square feet in the fourth quarter of 2008.



Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Los Angeles industrial sales figures fell 17.1% in terms of value in the second quarter of 2009 and rose 105% in terms of deal volume in comparison to the first quarter of 2009. In the second quarter, 44 industrial transactions closed with an average sale price of \$86.98. Cap rates have been higher in 2009, averaging 6.87%, compared to the first six months of last year when they averaged 5.55%.

Featured Deals:



5793 Martin Rd, Irwindale, CA 91706

We successfully leased this 295,000 square foot facility for our client, LBA Realty. The property has undergone a complete refurbishment and features 30' ceilings and 84 dock high doors in a cross dock configuration. To date, this transaction is the second largest (SF) lease signed in 2009 in the LA County Industrial market.



5999 Bandini Blvd, Bell, CA 90040

We are currently marketing this 122,260 square foot distribution and manufacturing building for sublease. This property features 10,138 square feet of two story office space, is available in sizes as small as 30,000 SF and is in immaculate condition. Other features include, 15 DH positions, 4,000 Amps of power and 24' ceilings.