



Industrial Market Report

Compared to the Previous Quarter:

Vacancy

DOWN

Net Absorption

POSITIVE

Lease Rates

FLAT

Transactions

DOWN

Deliveries

DOWN

To view available properties or electronic versions of current or past market reports, please visit:

www.voitco.com

Market Highlights

- Encouraging Numbers** - The Los Angeles industrial market continued on the path to recovery during the first quarter of 2013. Both vacancy and availability trended downward compared to the previous quarter and the same quarter of 2012, and net absorption posted a positive number of over 600,000 square feet for the first quarter of 2013. Lease rates increased in the second quarter of 2012 — the first increase in years — and increased again in the fourth quarter of 2012, a pattern that indicates stability. While these are generally positive signs, we are keeping a close eye on demand, which, being ultimately influenced by employment and overall economic stability, will need to be sustained in coming quarters for the Los Angeles industrial market to continue its pace of recovery.
- Construction** - There was just over one and a half million square feet of industrial projects under construction in Los Angeles in the first quarter of 2013. The slowdown in construction is a result of a lack of demand, scarce financing, and rising construction costs.
- Vacancy** - Direct/sublease space (unoccupied) finished the quarter at 4.43%, down from the previous quarter and from 2012's first quarter rate of 4.62%. This is a strong indication that the vacancy rate has stabilized; we are forecasting that vacancy will continue its descent, ending 2013 at around 4.0%.
- Availability** - Direct/sublease space being marketed was 7.24% in the first quarter of 2013, 39 basis points lower than the previous quarter's rate of 7.63% and a 12.56% decrease from the 8.28% we saw in the first quarter of 2012. The overall decrease in space being marketed is a positive sign, as more space is coming off the market than is going onto the market.
- Lease Rates** - The average asking lease rate came in at \$.56 per square foot per month, the same as the previous quarter's rate and up two cents from 2012's first quarter rate of \$.54.
- Absorption** - The Los Angeles industrial market posted 604,575 square feet of positive net absorption in the

first quarter of 2013, giving the market a total of over 9 million square feet of positive absorption over the last eight quarters.

- Transaction Activity** - Leasing activity checked in at just over 6.3 million square feet for the first quarter of 2013 — a decrease from the 11.8 million square feet seen in the first quarter of 2012. Sales activity showed a decrease, posting a total of 2.5 million square feet of activity for the first quarter of 2013 compared to the 5.1 million square feet transacted in the first quarter of 2012. Details of the largest transactions can be found on the back page of this report.
- Employment** - The unemployment rate in Los Angeles County was 10.3% in February 2013 — down from a revised 10.4% in January 2013 and below the previous year's estimate of 11.4%. This compares with an unadjusted unemployment rate of 9.7% for California and 8.1% for the nation during the same period. According to the State of California Employment Development Department, Los Angeles County saw the largest year-over-year growth in more than ten years, a net increase of 89,400 payroll jobs from February 2012 to February 2013. The largest gains were 25,300 in professional & business services and 21,000 in leisure & hospitality trade; Los Angeles County's only loss was 9,600 government jobs during that same period.
- Overall** - We are seeing stabilization in vacancy and availability coupled with overall increases in net occupancy, which is contributing to the increases in average asking lease rates. With few new deliveries to apply more upward pressure on vacancy, the market should continue to improve. We expect to see an increase in investment activity in the coming quarters. We should also see an increase in leasing activity as many short-term deals come up for renewal. While these are certainly positive indicators, cautious optimism still prevails, as job creation will need to continue in order to drive the demand needed to sustain growth in the Los Angeles industrial market.

Prepared by:

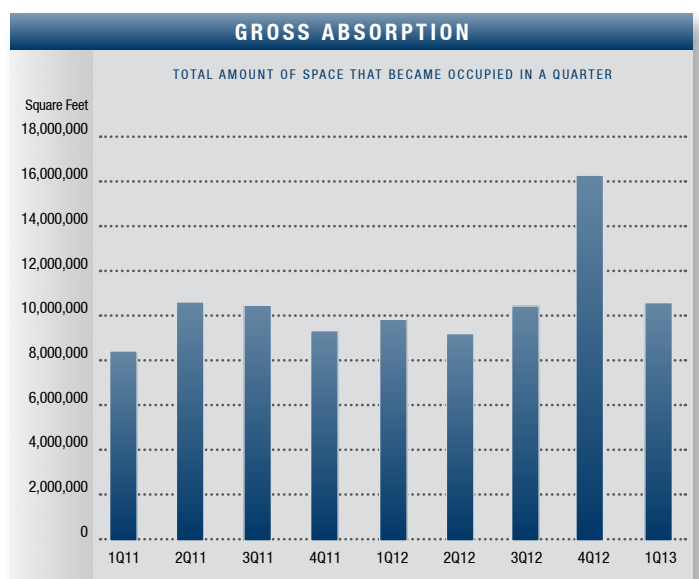
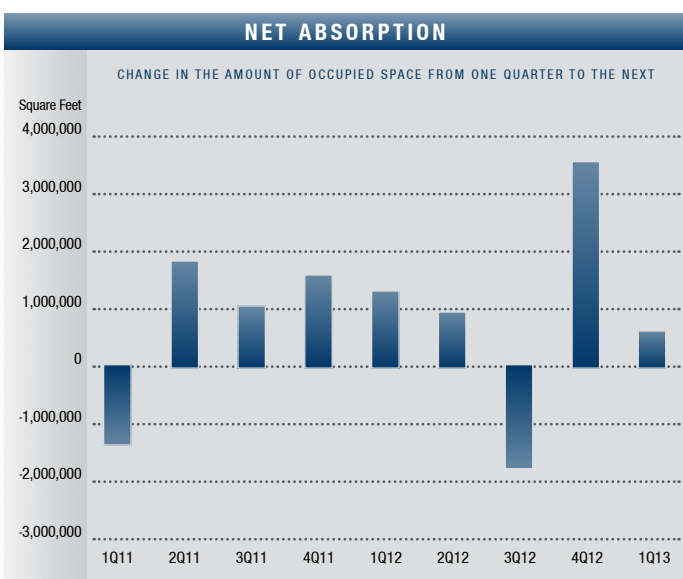
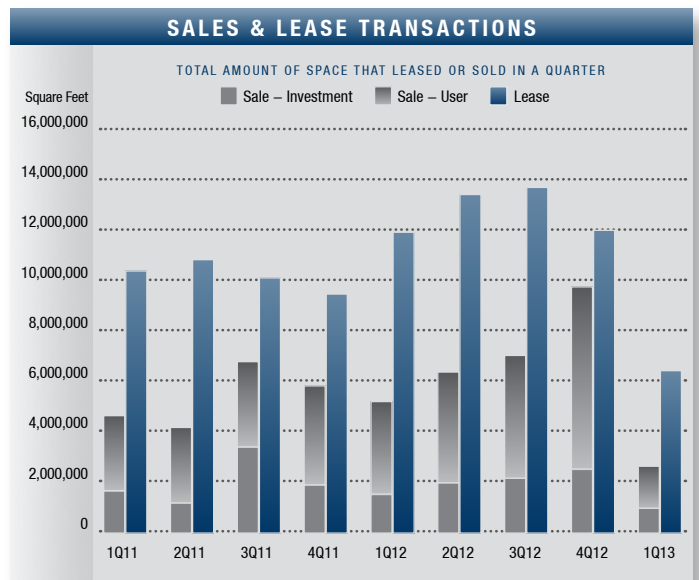
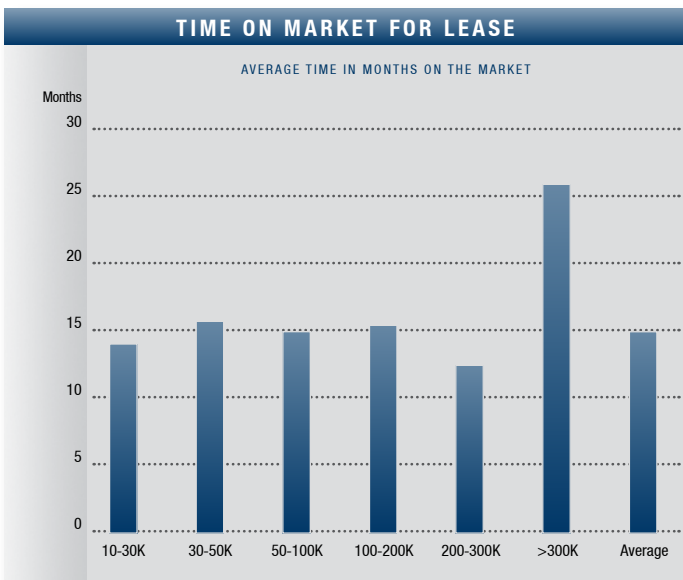
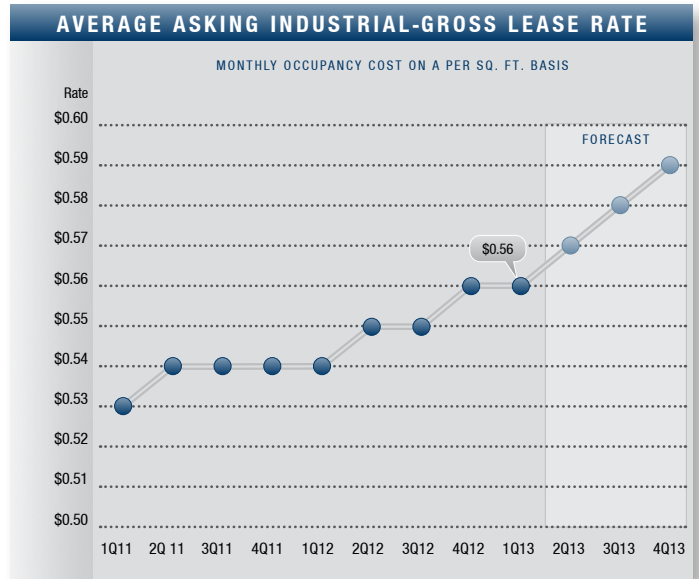
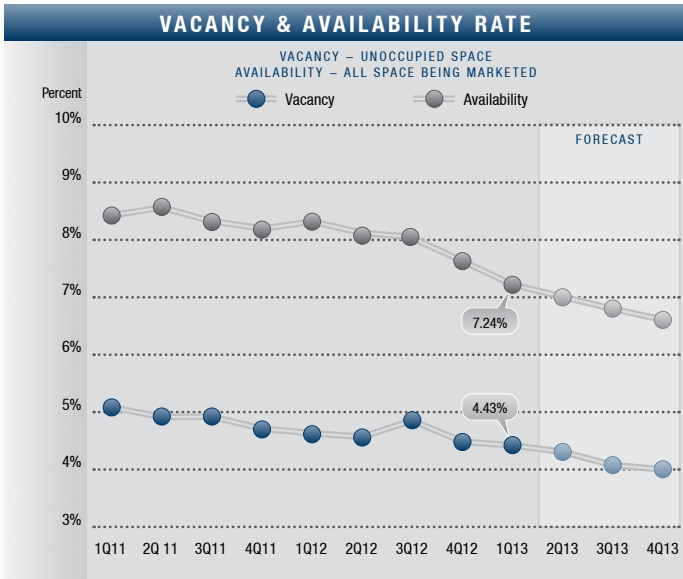
Jerry J. Holdner, Jr. — Lic.#01145748
 Vice President of Market Research
 e-mail: jholdner@voitco.com

Tony Tran
 Market Research Analyst
 e-mail: ttran@voitco.com

VOIT Real Estate Services — Lic.#01333376

GREATER LOS ANGELES MARKET OVERVIEW

	1Q13	4Q12	1Q12	% of Change vs. 1Q12
Total Vacancy Rate	4.43%	4.49%	4.62%	(4.11%)
Availability Rate	7.24%	7.63%	8.28%	(12.56%)
Average Asking Lease Rate	\$0.56	\$0.56	\$0.54	3.70%
Sale & Lease Transactions	8,829,982	21,654,159	16,946,194	(47.89%)
Gross Absorption	10,503,769	16,138,453	9,799,540	7.19%
Net Absorption	604,575	3,544,740	1,280,379	N/A



	INVENTORY			VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2013	Square Feet Available	Availability Rate 1Q2013	Average Asking Lease Rate	Net Absorption 1Q2013	Net Absorption 2012	Gross Absorption 1Q2013	Gross Absorption 2012
Central													
Bell/Bell Gardens/Maywood	183	6,299,281	0	585,000	432,364	6.86%	679,733	10.79%	\$0.62	(61,229)	(182,686)	93,767	194,647
City of Commerce	645	37,031,147	0	620,000	1,443,714	3.90%	2,258,125	6.10%	\$0.45	(114,042)	512,560	326,145	2,179,828
Huntington Park/Cudahy	205	4,924,133	0	5,782	292,796	5.95%	309,962	6.29%	\$0.46	(61,297)	(90,882)	100,890	208,765
Downtown	5,407	155,318,612	0	520,676	4,773,752	3.07%	10,296,797	6.63%	\$0.61	452,755	(15,415)	1,707,172	5,284,983
Montebello/Monterey Park	316	12,611,387	0	0	281,105	2.23%	509,523	4.04%	\$0.49	60,912	162,319	161,689	404,609
Pico Rivera	196	10,069,347	0	25,670	575,317	5.71%	1,010,052	10.03%	\$0.50	(11,219)	(181,312)	41,486	292,539
South Gate	231	10,809,343	0	0	206,055	1.91%	409,000	3.78%	\$0.41	174,764	213,126	180,739	444,544
Vernon	737	39,361,201	0	221,887	1,236,924	3.14%	2,650,138	6.73%	\$0.46	123,050	(551,936)	662,439	1,894,576
Total	7,920	276,424,451	0	1,979,015	9,242,027	3.34%	18,123,330	6.56%	\$0.56	563,694	(134,226)	3,274,327	10,904,491
Mid Counties													
Artesia/Cerritos	287	13,613,191	0	0	759,601	5.58%	1,216,718	8.94%	\$0.61	(123,476)	248,062	125,554	1,003,704
Bellflower/Downey	209	6,181,411	0	0	282,958	4.58%	457,790	7.41%	\$0.56	(14,350)	(107,735)	43,774	184,071
Buena Park/La Palma	241	15,508,305	0	0	456,052	2.94%	915,491	5.90%	\$0.62	149,653	(105,370)	187,333	592,000
La Mirada	188	12,808,732	0	270,000	1,172,280	9.15%	1,806,312	14.10%	\$0.53	(169,711)	(20,394)	377,973	1,302,034
Norwalk	82	3,105,802	0	0	305,157	9.83%	418,027	13.46%	\$0.61	(121,480)	(47,155)	7,100	39,192
Paramount	369	9,152,713	0	0	415,370	4.54%	585,065	6.39%	\$0.58	(61,983)	(222,515)	66,757	227,817
Santa Fe Springs	1,315	51,076,079	776,438	131,838	1,919,936	3.76%	3,689,029	7.22%	\$0.54	336,462	27,670	818,053	2,454,751
Whittier	196	4,890,759	0	0	47,585	0.97%	354,623	7.25%	\$0.67	1,741	229,160	21,793	190,640
Total	2,887	116,336,992	776,438	401,838	5,358,939	4.61%	9,443,055	8.12%	\$0.58	(3,144)	1,723	1,648,337	5,994,209
San Gabriel Valley													
Alhambra	117	2,811,415	0	104,000	60,963	2.17%	94,803	3.37%	\$0.76	(9,404)	87,890	3,915	38,595
Arcadia/Temple City	137	2,393,139	0	0	100,068	4.18%	163,395	6.83%	\$0.80	16,130	(13,512)	40,351	73,111
Azusa	232	5,931,426	0	0	171,830	2.90%	369,188	6.22%	\$0.49	(116,475)	79,434	44,910	184,385
Baldwin Park	246	4,784,363	0	0	149,574	3.13%	192,946	4.03%	\$0.64	26,329	31,486	50,514	244,594
City of Industry/DB/HH/RH	1,099	70,103,430	0	363,768	4,461,228	6.36%	5,887,760	8.40%	\$0.59	(598,440)	1,197,525	820,073	5,984,348
Covina/West Covina	188	3,510,066	0	0	126,666	3.61%	207,002	5.90%	\$0.59	7,607	(4,935)	18,722	146,150
Duarte	87	2,020,406	0	0	113,533	5.62%	138,930	6.88%	\$0.63	7,601	(69,172)	16,585	83,560
El Monte	291	8,244,686	0	75,873	667,917	8.10%	706,803	8.57%	\$0.31	54,575	(464)	68,425	668,786
Irwindale	241	10,642,236	0	294,500	388,945	3.65%	414,160	3.89%	\$0.53	(176,725)	362,132	89,313	488,799
La Puente	89	2,161,214	0	37,500	124,001	5.74%	177,273	8.20%	\$0.63	6,875	(112,702)	42,883	81,794
La Verne/San Dimas/Glendora	334	7,825,336	0	424,361	500,291	6.39%	584,364	7.47%	\$0.62	17,891	(13,821)	209,438	405,211
Monrovia	207	3,434,690	0	0	65,712	1.91%	123,231	3.59%	\$0.91	6,399	(7,540)	25,403	120,735
Pomona/Ciarament	679	19,195,603	0	727,904	943,927	4.92%	1,994,561	10.39%	\$0.50	(4,310)	571,814	386,363	1,423,960
Rosemead/San Gabriel	120	2,715,111	0	0	60,807	2.24%	366,909	13.51%	\$0.41	(27,253)	(13,204)	16,310	30,939
South El Monte	728	10,095,886	8,000	0	225,330	2.23%	378,546	3.75%	\$0.58	(15,591)	189,502	137,344	618,717
Walnut	207	6,629,312	0	0	115,994	1.75%	283,188	4.27%	\$0.67	12,387	110,656	56,206	291,245
Total	5,002	162,498,319	8,000	2,027,906	8,276,786	5.09%	12,083,059	7.44%	\$0.56	(792,404)	2,395,089	2,026,755	10,884,929
South Bay													
Carson	542	36,250,813	0	50,000	1,759,541	4.85%	3,003,796	8.29%	\$0.61	(538,679)	1,161,882	404,607	2,804,546
Compton	470	23,986,379	0	0	1,131,282	4.72%	1,745,563	7.28%	\$0.48	367,240	5,687	704,505	2,000,527
El Segundo	195	10,819,553	16,260	0	245,066	2.27%	398,860	3.69%	\$0.97	21,038	(741)	31,649	120,495
Gardena	1,194	28,703,364	91,320	0	1,116,393	3.89%	1,404,995	4.89%	\$0.62	78,274	(105,120)	342,403	1,544,232
Harbor City	90	2,024,596	0	0	14,279	0.71%	28,408	1.40%	\$0.68	109,548	27,894	116,156	163,662
Hawthorne	249	8,098,723	0	0	565,307	6.98%	835,331	10.31%	\$0.69	(90,506)	755	343,475	627,352
Inglewood	232	5,072,797	0	0	127,284	2.51%	186,863	3.68%	\$0.94	66,323	24,142	117,798	300,649
Lakewood/Hawaiian Gardens	22	770,596	0	0	500	0.06%	24,816	3.22%	\$0.69	41,084	500	41,084	41,584
Lawndale	27	323,054	0	0	4,000	1.24%	14,000	4.33%	\$1.10	1,855	(55)	6,655	12,555
Long Beach/Terminal Island	776	22,101,667	409,309	41,984	1,898,689	8.59%	2,229,363	10.09%	\$0.50	306,565	574,798	372,654	1,159,758
Lynwood	84	4,221,265	0	0	49,236	1.17%	141,462	3.35%	\$0.34	15,504	11,975	20,740	64,555
Rancho Dominguez	247	15,733,726	0	0	1,003,732	6.38%	1,478,502	9.40%	\$0.53	247,303	(264,319)	398,573	1,160,375
Redondo & Hermosa Beach	43	2,280,471	0	0	79,330	3.48%	81,825	3.59%	\$0.95	(1,120)	90,129	34,650	165,766
San Pedro	45	2,879,361	0	0	484,746	16.84%	494,246	17.17%	\$0.82	(66,580)	(399,994)	1,490	18,380
Signal Hill	188	3,417,009	0	0	103,865	3.04%	141,836	4.15%	\$0.78	59,977	147,502	153,298	377,365
Torrance	640	27,225,827	264,900	142,053	1,843,918	6.77%	2,567,834	9.43%	\$0.62	22,138	(271,876)	240,748	826,676
Wilmingon	146	4,257,594	0	0	75,970	1.78%	153,552	3.61%	\$0.45	196,465	(201,453)	223,865	262,133
Total	5,190	198,166,795	781,789	234,037	10,503,138	5.30%	14,931,252	7.53%	\$0.57	836,429	801,706	3,554,350	11,650,610
Los Angeles Total	20,999	753,426,557	1,566,227	4,642,796	33,380,890	4.43%	54,580,696	7.24%	\$0.56	604,575	3,064,292	10,503,769	39,434,239
5,000-24,999	13,505	166,758,132	24,260	54,959	6,264,728	3.76%	10,362,134	6.21%	\$0.67	208,735	(49,993)	2,341,031	8,651,839
25,000-49,999	3,734	129,653,283	0	774,745	4,856,173	3.75%	6,385,302	4.92%	\$0.60	3,140	554,968	1,718,881	6,432,015
50,000-99,999	2,215	150,771,531	91,320	658,346	6,109,975	4.05%	10,013,952	6.64%	\$0.54	124,169	671,199	2,033,157	8,075,841
100,000-249,999	1,243	182,400,280	409,309	1,496,322	9,104,164	4.99%	16,132,299	8.84%	\$0.51	403,806	1,479,822	3,550,347	11,376,481
250,000-499,999	248	80,355,166	1,041,338	1,038,424	3,332,259	4.15%	6,238,609	7.76%	\$0.42	58,229	490,289	860,353	2,643,490
500,000 plus	54	43,488,165	0	620,000	3,713,591	8.54%	5,448,400	12.53%	\$0.48	(193,504)	(81,993)	0	2,254,573
Los Angeles Total	20,999	753,426,557	1,566,227	4,642,796	33,380,890	4.43%	54,580,696	7.24%	\$0.56	604,575	3,064,292	10,503,769	39,434,239

This survey consists of buildings greater than 5,000 square feet. Lease rates are on an industrial-gross basis.

RECENT TRANSACTIONS

Sales Transactions

Property Address	City	Square Feet	Sale Price	Buyer	Seller
500 Crenshaw Blvd.	Los Angeles	171,300	\$137.77	Stanford 1050, LLC	Maxxam Enterprises
5008 Boyle Ave.	Vernon	129,269	\$60.15	Y & N Apparel	Barilev Properties, LP
20250 S. Alameda St.	Compton	115,376	\$105.62	Centerpoint Properties Trust	YSK & HYK, LLC
1515 W. 178th St.	Gardena	95,000	\$72.42	Opfiniti, LLC	Jma Logistics, LLC
3833 McGowen St.	Long Beach	86,772	\$139.00	Providence Apparel	Sares Regis

Lease Transactions

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
108-288 S. Mayo Ave.	City of Industry	775,000	Mar-13	N/A	Majestic Realty Company
14450 Industry Cir.	La Mirada	194,481	Jan-13	Marathon Distribution	Blatt Realty
3250 E. 28th St. - Renewal	Vernon	141,464	Feb-13	7-up Snapple	Prudential
14647 Northam St.	La Mirada	140,000	Jan-13	Paramount Can	Majestic Realty Company
5361 Alexander St.	Commerce	133,510	Mar-13	Fungyun, Inc.	AMB Institutional Alliance
14503 Artesia Blvd. - Sublease	La Mirada	118,002	Jan-13	ADL Logistics	Dexus SoCal

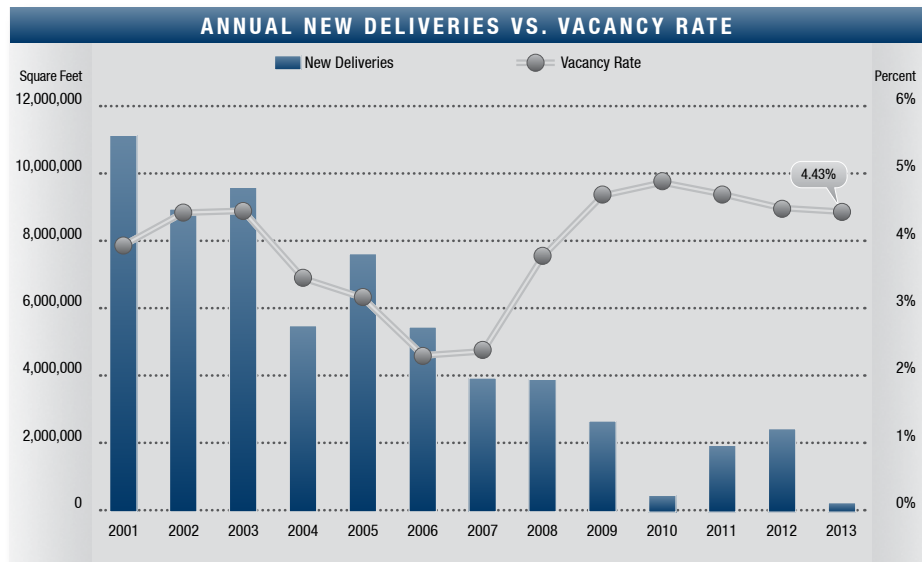
Product Type

MFG./DIST.

Manufacturing/Distribution/Warehouse facilities with up to 29.9% office space.

To view available properties, please visit:

www.voitco.com



Please Contact Us for Further Information

Anaheim, CA
714.978.7880

Commerce, CA
323.201.4494

Inland Empire, CA
909.545.8000

Irvine, CA
949.851.5100

Las Vegas, NV
702.734.4500

Newport Beach, CA
949.644.8648

Phoenix, AZ
602.952.8648

Reno, NV
775.309.0782

Sacramento, CA
916.772.8648

San Diego, CA
858.453.0505

Voit

REAL ESTATE SERVICES

101 Shipyard Way
Newport Beach, CA 92663

949.644.8648
www.voitco.com
Lic.#01333376

This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on an industrial-gross basis. The information contained in this report is gathered from sources that are deemed reliable, but no guarantees are made as to its accuracy. This information is for Voit Real Estate Services' use only and cannot legally be reproduced without prior written consent from the management of Voit Real Estate Services.