

Report

**FIRST
 QUARTER
 2003**


Market Highlights

- Unemployment in the first quarter of 2003 in Los Angeles County is 6.6%, which is up 0.8% from the fourth quarter of 2002 and up 0.1% since the first quarter of 2002.
- According to Los Angeles County Economic Development Corporation it is estimated that Los Angeles County added 13,100 new jobs in 2001, and they are forecasting 5,600 new jobs with a 2.4% increase in total personal income for 2002.
- Total new construction added to the Mid-Counties Industrial market in 2002 was 1,245,948 square feet, which is almost double of last year's figure of 649,496 square feet. This is expected to slow down due to the lack of available land for development.
- Currently there is 1,293,504 square feet of construction under way; this is up from last quarter when there was 715,854 square feet under construction.
- Planned construction for this area is up compared to last year. Currently there is 1,730,029 square feet on the slate as being planned, compared to last year's figure of 1,082,740.
- The Industrial availability rate checked in at 7.02%, which is 18.18% higher then it was a year ago when it was 5.94%. This increase of supply, coupled with a slower economy, would explain the 7.55% decrease in rental rates since the first quarter of 2002.
- The Industrial vacancy rate checked in at a low 5.68%. This represents an increase in vacant space of about 29.09% compared to this same time last year.

MID-COUNTIES MARKET STATISTICS

	1Q2003	4Q2002	1Q2002	% CHANGE VS. 1Q02
Under Construction	1,293,504	715,854	1,000,292	29.31%
Planned Construction	1,730,029	2,340,923	1,082,740	59.78%
Vacancy	5.68%	6.75%	4.40%	29.09%
Availability	7.02%	8.14%	5.94%	18.18%
Pricing	\$0.49	\$0.48	\$0.53	-7.55%
Net Absorption	1,058,184	-577,490	190,082	556.70%

Compared to last quarter:

Vacancy

Availability

Absorption

Lease Rates

Construction


Mid-Counties

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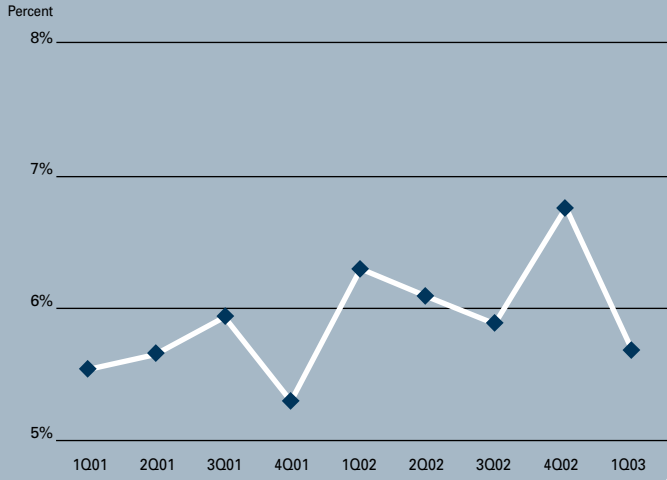
of Market Research

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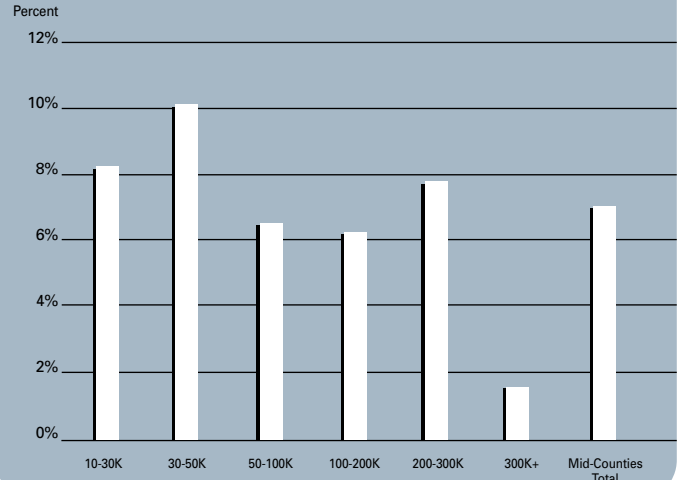
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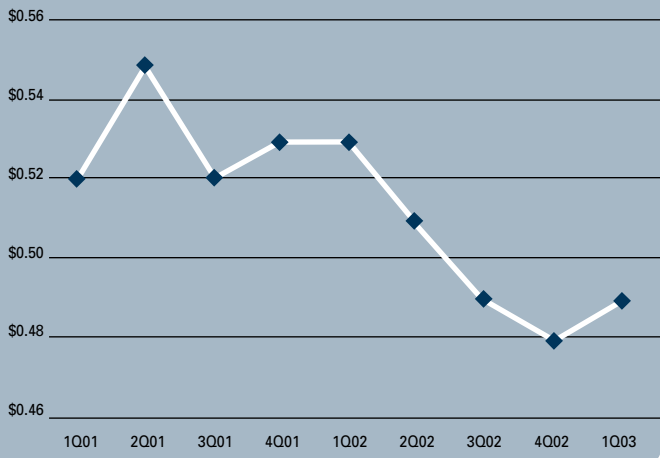
VACANCY RATE



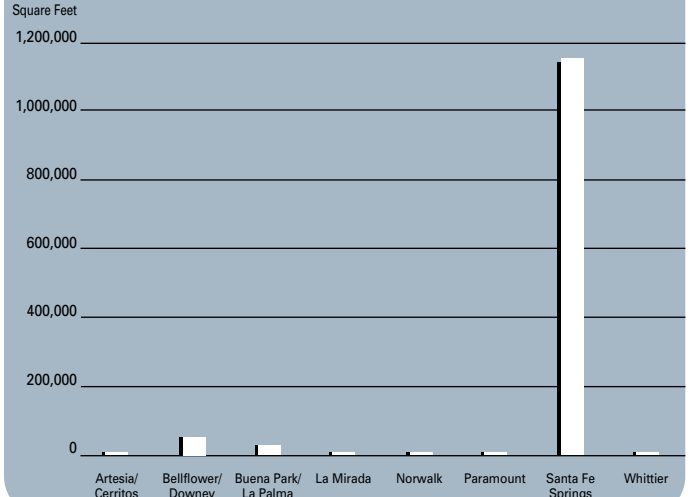
AVAILABILITY RATE BY SIZE



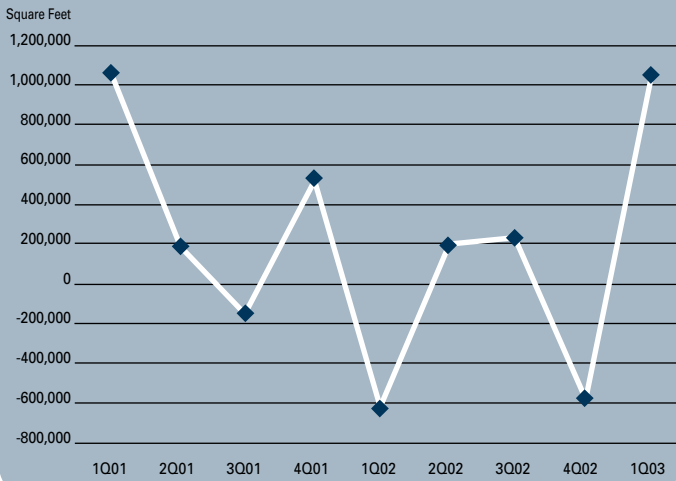
AVERAGE ASKING TRIPLE NET LEASE RATE



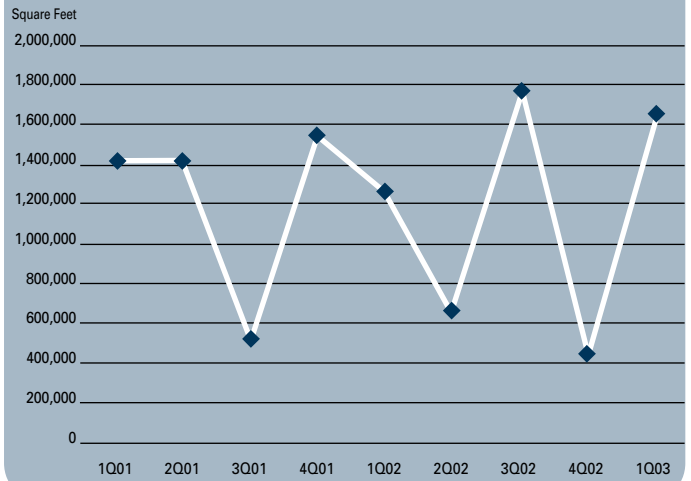
CONSTRUCTION ACTIVITY



NET ABSORPTION

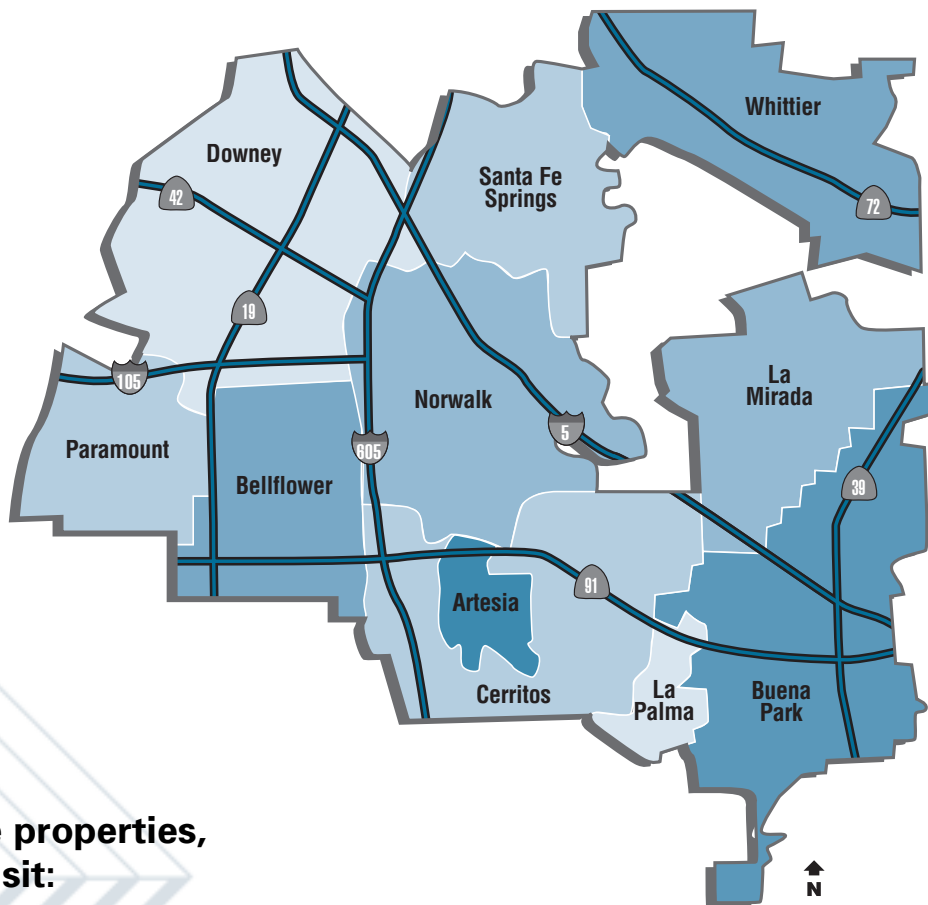


GROSS ABSORPTION



MID-COUNTIES
MARKET
Report

1ST QUARTER 2003



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