

MID-COUNTIES MARKET REPORT

FIRST
QUARTER
2004

Compared to
last quarter:

VACANCY

DOWN



AVAILABILITY

DOWN



ABSORPTION



UP

LEASE RATES



FLAT

CONSTRUCTION

DOWN



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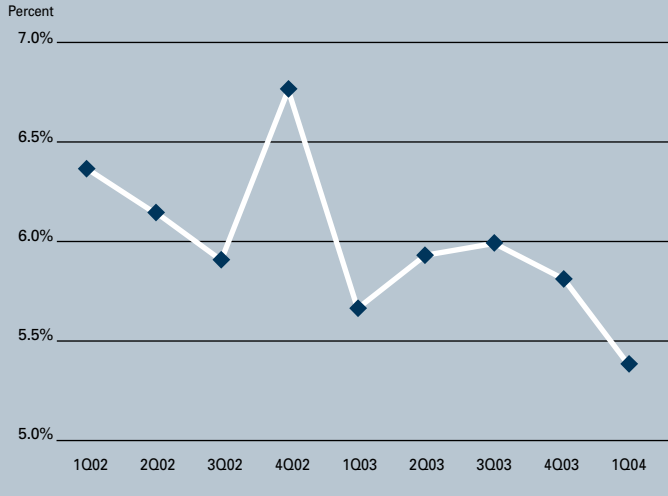
MARKET HIGHLIGHTS

- ◆ Unemployment in the first quarter of 2004 in Los Angeles County is 6.1%, which is down 0.4% from the fourth quarter of 2003 and down 0.5% since the first quarter of 2003.
- ◆ According to Los Angeles County Economic Development Corporation it is estimated that Los Angeles County gained 17,200 nonfarm jobs in 2003, and they are forecasting 47,700 new jobs with a 4.2% increase in total personal income for 2004.
- ◆ Total new construction added to the Mid-Counties Industrial market during the first quarter of 2004 was 181,331 square feet. This slow down is due to the lack of available land for development.
- ◆ Currently there is 294,652 square feet of construction under way; this is down from last quarter when there was 521,191 square feet under construction.
- ◆ Planned construction for this area is up compared to last year. Currently there is 2,209,877 square feet on the slate as being planned, compared to last year's figure of 1,730,029.
- ◆ The Industrial availability rate checked in at 7.53%, which is 7.26% higher than it was a year ago when it was 7.02%. Flat supply with more sublease space, coupled with a slower economy, would explain the flat rental rates since the fourth quarter of 2002. Rental rates should improve in 2004.
- ◆ The Industrial vacancy rate checked in at a low 5.39%. This represents a decrease in vacant space of just over 5% compared to this same time last year.

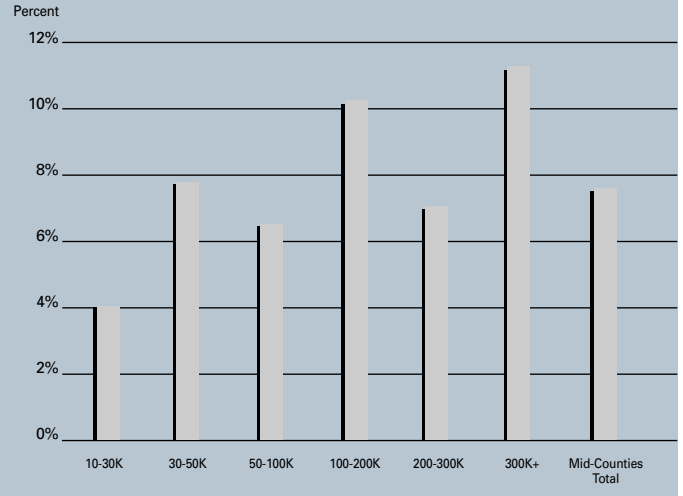
MID-COUNTIES MARKET STATISTICS

	1Q2004	4Q2003	1Q2003	% CHANGE VS. 1Q03
Under Construction	294,652	521,191	1,293,504	-77.22%
Planned Construction	2,209,877	2,263,647	1,730,029	27.74%
Vacancy	5.39%	5.81%	5.68%	-5.11%
Availability	7.53%	8.24%	7.02%	7.26%
Pricing	\$0.48	\$0.48	\$0.49	-2.04%
Net Absorption	-473,084	-570,320	1,058,184	N/A

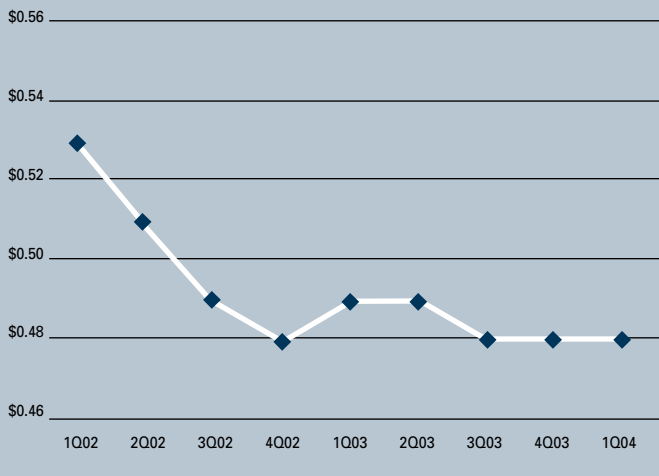
VACANCY RATE



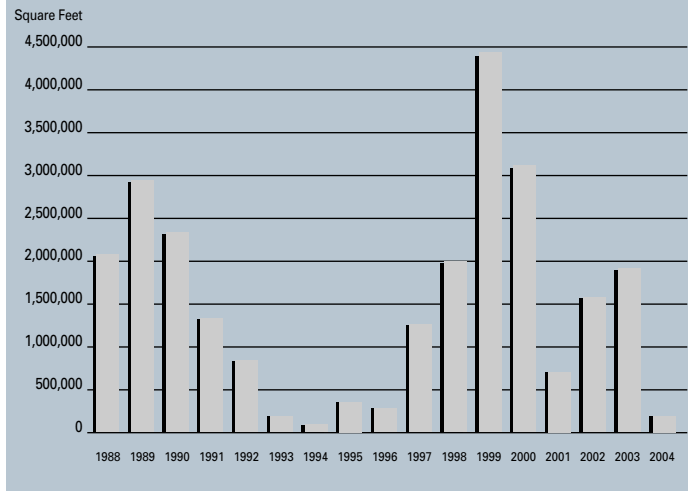
AVAILABILITY RATE BY SIZE



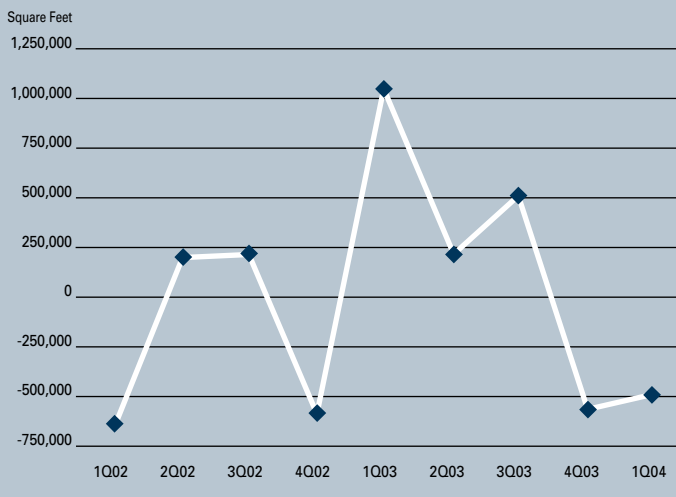
AVERAGE ASKING TRIPLE NET LEASE RATE



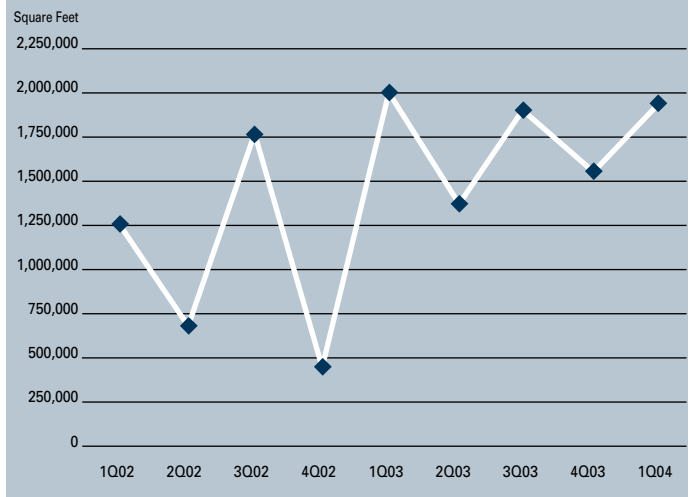
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



FIRST QUARTER 2004

MID-COUNTIES

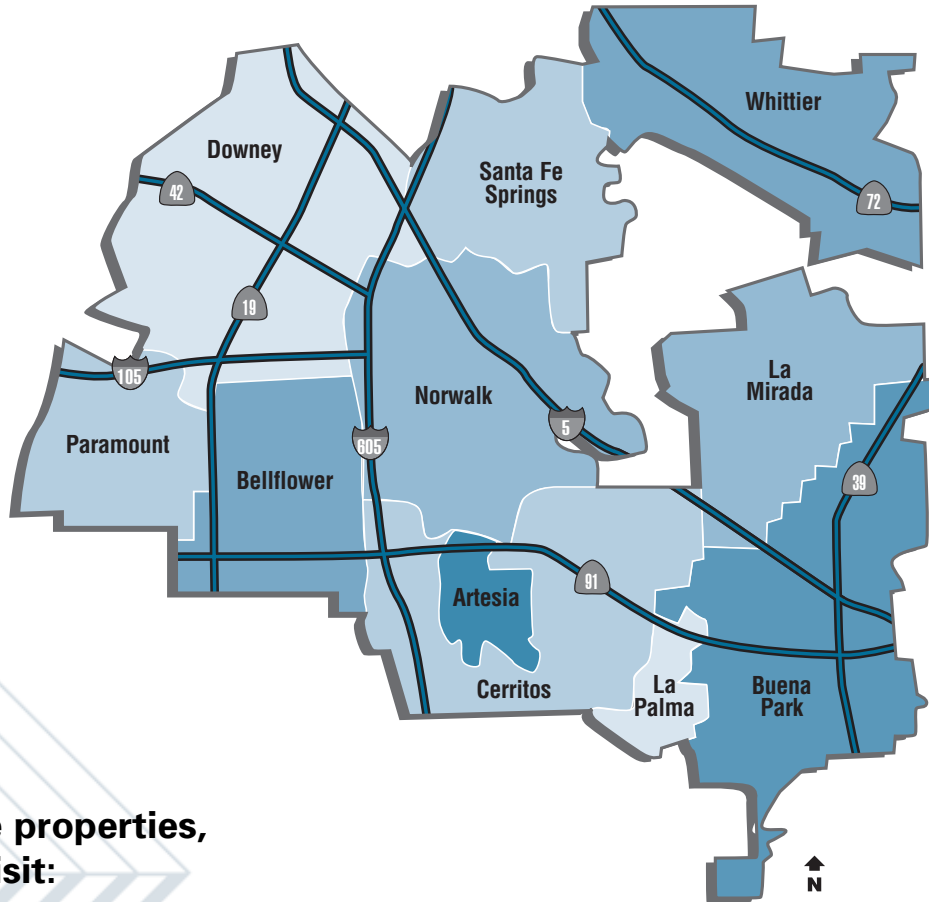
	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 1Q2004	Square Feet Available	Availability Rate 1Q2004	Average Asking Lease Rate	Net Absorption 1Q2004	Net Absorption 2003	Net Absorption 2002	Net Absorption 2001
Artesia / Cerritos													
10,000 - 29,999	95	1,775,497	0	0	60,664	3.42%	115,275	6.49%	\$0.48	(28,652)	58,817	(56,801)	4,830
30,000 - 49,999	61	2,421,096	0	0	98,297	4.06%	194,191	8.02%	\$0.45	30,544	68,008	(11,774)	(60,053)
50,000 - 99,999	52	3,547,125	0	0	92,680	2.61%	92,680	2.61%	\$0.52	11,520	14,633	83,343	13,926
100,000 - 199,999	31	4,309,940	0	0	123,982	2.88%	288,553	6.70%	\$0.48	(66,613)	333,611	(123,366)	168,765
200,000 - 299,999	4	979,948	0	0	0	0.00%	0	0.00%	\$0.00	0	3,080	(3,080)	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	243	13,033,606	0	0	375,623	2.88%	690,699	5.30%	\$0.47	(53,201)	478,149	(111,678)	127,468
Bellflower / Downey													
10,000 - 29,999	97	1,665,731	0	0	23,600	1.42%	36,125	2.17%	\$0.65	2,108	7,952	17,327	60,353
30,000 - 49,999	17	652,164	0	0	23,223	3.56%	23,223	3.56%	\$0.59	14,763	(37,986)	44,355	(31,825)
50,000 - 99,999	16	1,094,565	0	0	67,258	6.14%	67,258	6.14%	\$0.00	9,524	101,800	(113,016)	9,676
100,000 - 199,999	8	1,037,272	0	0	0	0.00%	145,000	13.98%	\$0.00	0	0	0	0
200,000 - 299,999	2	528,153	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
300,000+	2	619,705	0	500,000	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Bellflower / Downey Total	142	5,597,590	0	500,000	114,081	2.04%	271,606	4.85%	\$0.60	26,395	71,766	(51,334)	38,204
Buena Park / La Palma													
10,000 - 29,999	86	1,599,889	20,000	0	57,196	3.57%	75,375	4.71%	\$0.58	(11,966)	(13,090)	26,754	63,695
30,000 - 49,999	29	1,094,638	0	0	123,112	11.25%	123,112	11.25%	\$0.57	6,395	1,080	41,265	(77,063)
50,000 - 99,999	34	2,358,578	0	0	201,463	8.54%	263,972	11.19%	\$0.54	33,632	0	6,070	3,370
100,000 - 199,999	19	2,497,131	0	0	206,095	8.25%	504,851	20.22%	\$0.44	(47,990)	155,060	56,120	(71,120)
200,000 - 299,999	11	2,865,827	0	0	133,241	4.65%	264,521	9.23%	\$0.39	(82,122)	(133,241)	189,445	(30,665)
300,000+	10	5,037,358	0	0	572,440	11.36%	572,440	11.36%	\$0.47	(276,473)	(34,040)	(661,400)	0
Buena Park / La Palma Total	189	15,453,421	20,000	0	1,293,547	8.37%	1,804,271	11.68%	\$0.47	(378,524)	(24,231)	(341,746)	(111,783)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	14,687	1.45%	14,687	1.45%	\$0.58	(10,467)	(19,351)	23,722	(20,224)
30,000 - 49,999	32	1,214,506	74,640	0	37,550	3.09%	75,830	6.24%	\$0.48	5,160	(23,211)	34,269	39,094
50,000 - 99,999	34	2,448,790	53,770	0	188,432	7.69%	188,432	7.69%	\$0.46	15,507	(13,416)	(79,844)	310,273
100,000 - 199,999	29	3,806,315	0	0	38,400	1.01%	270,781	7.11%	\$0.41	159,872	20,328	(218,600)	131,632
200,000 - 299,999	12	2,774,717	0	0	0	0.00%	125,000	4.50%	\$0.00	(125,000)	243,184	43,805	42,548
300,000+	1	498,630	0	0	0	0.00%	0	0.00%	\$0.00	180,969	0	317,661	0
La Mirada Total	165	11,756,459	128,410	0	279,069	2.37%	674,730	5.74%	\$0.44	226,041	207,534	121,013	503,323
Norwalk													
10,000 - 29,999	29	499,956	0	0	29,482	5.90%	56,361	11.27%	\$0.50	(18,199)	(33,557)	(17,780)	0
30,000 - 49,999	5	201,985	0	0	91,026	45.07%	91,026	45.07%	\$0.60	(7,826)	(48,000)	0	0
50,000 - 99,999	12	805,833	0	0	49,078	6.09%	49,078	6.09%	\$0.55	(49,078)	49,100	0	0
100,000 - 199,999	9	1,175,104	0	0	0	0.00%	0	0.00%	\$0.00	0	0	33,747	70,415
200,000 - 299,999	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Norwalk Total	55	2,682,878	0	0	169,586	6.32%	196,465	7.32%	\$0.60	(75,103)	(32,457)	15,967	70,415
Paramount													
10,000 - 29,999	215	3,723,472	0	0	111,156	2.99%	111,156	2.99%	\$0.54	(2,498)	(60,287)	47,690	25,050
30,000 - 49,999	44	1,678,783	0	0	36,000	2.14%	76,000	4.53%	\$0.55	0	37,689	(70,169)	(3,520)
50,000 - 99,999	18	1,289,309	0	0	0	0.00%	0	0.00%	\$0.00	0	77,434	(77,434)	0
100,000 - 199,999	5	771,592	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
200,000 - 299,999	2	513,568	0	0	0	0.00%	118,981	23.17%	\$0.45	0	0	0	0
300,000+	1	323,008	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Paramount Total	285	8,299,732	0	0	147,156	1.77%	306,137	3.69%	\$0.45	(2,498)	54,836	(99,913)	21,530
Santa Fe Springs													
10,000 - 29,999	523	9,009,014	74,739	55,650	310,671	3.45%	381,676	4.24%	\$0.52	(26,285)	211,987	(1,998)	46,852
30,000 - 49,999	170	6,642,191	71,503	186,074	363,651	5.47%	468,095	7.05%	\$0.51	34,753	219,674	(247,888)	655
50,000 - 99,999	140	9,632,121	0	267,764	351,612	3.65%	779,340	8.09%	\$0.50	(70,755)	69,456	192,188	(82,270)
100,000 - 199,999	84	10,980,150	0	248,908	1,258,866	11.46%	1,279,704	11.65%	\$0.51	230,364	(356,858)	(138,883)	70,584
200,000 - 299,999	26	6,414,630	0	0	568,624	8.86%	591,725	9.22%	\$0.51	0	664,944	54,434	711,558
300,000+	8	3,872,300	0	0	394,611	10.19%	394,611	10.19%	\$0.49	(394,611)	0	396,095	0
Santa Fe Springs Total	951	46,550,406	146,242	758,396	3,248,035	6.98%	3,895,151	8.37%	\$0.50	(226,534)	809,203	253,948	747,379
Whittier													
10,000 - 29,999	40	665,164	0	0	21,030	3.16%	21,030	3.16%	\$0.45	(78,122)	(74,166)	9,874	(10,800)
30,000 - 49,999	14	548,007	0	0	0	0.00%	70,080	12.79%	\$0.49	(35,040)	(31,328)	5,820	32,580
50,000 - 99,999	7	476,897	0	0	96,366	20.21%	96,366	20.21%	\$0.00	0	(26,741)	8,781	0
100,000 - 199,999	4	480,828	0	0	97,920	20.36%	97,920	20.36%	\$0.39	(34,420)	(34,420)	(70,700)	181,925
200,000 - 299,999	4	915,823	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
300,000+	0	0	0	951,481	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	69	3,086,719	0	951,481	108,610	3.52%	182,050	5.90%	\$0.46	10,340	(166,655)	(46,225)	203,705
Mid Counties Total													
10,000 - 29,999	1,142	19,952,224	94,739	55,650	628,486	3.15%	811,685	4.07%	\$0.55	-95,959	78,305	48,788	169,756
30,000 - 49,999	372	14,453,370	146,143	186,074	772,859	5.35%	1,124,917	7.78%	\$0.51	83,789	185,926	-204,122	-100,132
50,000 - 99,999	313	21,653,218	53,770	267,764	950,523	4.39%	1,440,760	6.65%	\$0.50	-49,650	272,266	20,088	254,975
100,000 - 199,999	189	25,058,332	0	248,908	1,714,923	6.84%	2,576,469	10.28%	\$0.46	285,973	117,721	-461,682	552,201
200,000 - 299,999	61	14,992,666	0	0	701,865	4.68%	1,100,227	7.34%	\$0.46	-207,122	777,967	284,604	723,441
300,000+	22	10,351,001	0	1,451,481	967,051	9.34%	967,051	9.34%	\$0.48	-490,115	-34,040	52,356	0
Total	2,099	106,460,811	294,652	2,209,877	5,735,707	5.39%	8,021,109	7.53%	\$0.48	(473,084)	1,398,145	(259,968)	1,600,241



MID-COUNTIES

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FIRST QUARTER 2004



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