

INDUSTRIAL MARKET REPORT

FIRST
QUARTER
2005

Compared to
last quarter:

VACANCY



AVAILABILITY



ABSORPTION



LEASE RATES



CONSTRUCTION



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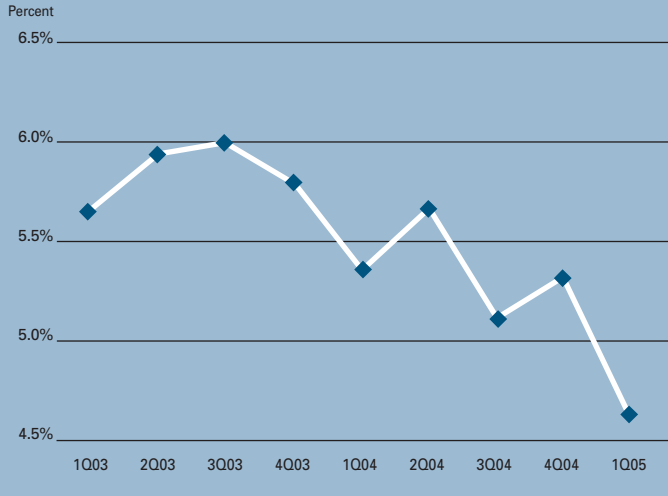
MARKET HIGHLIGHTS

- ◆ Unemployment in the first quarter of 2005 in Los Angeles County is 6.1%, which is up 0.1% from the fourth quarter of 2004 and down 0.5% since the first quarter of 2004.
- ◆ According to Los Angeles County Economic Development Corporation it is estimated that Los Angeles County gained 26,100 non-farm jobs in 2004, and they are forecasting 66,000 new jobs with a 6.2% increase in total personal income for 2005.
- ◆ Total new construction added to the Mid-Countries Industrial market during 2004 was 685,703 square feet. This slow down is due to the lack of available land for development and increasing construction costs.
- ◆ Currently there is 628,498 square feet of construction under way; this is up from last quarter when there was 285,058 square feet under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 513,432 square feet on the slate as being planned, compared to last year's figure of 1,209,877.
- ◆ The Industrial vacancy rate checked in at a low 4.65%. This represents a decrease in vacant space of almost 14% compared to this same time last year. These conditions will put upward pressure on lease rates going forward.
- ◆ The Industrial availability rate checked in at 6.40%, which is 15% lower than it was a year ago when it was 7.53%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ Net absorption for the Mid Countries this quarter posted a positive number of 909,064 square feet, giving the Industrial Market in the Mid Counties a great start.
- ◆ Rental rates are expected to increase at moderate levels in the short run and concessions will lessen as the economy continues to improve.

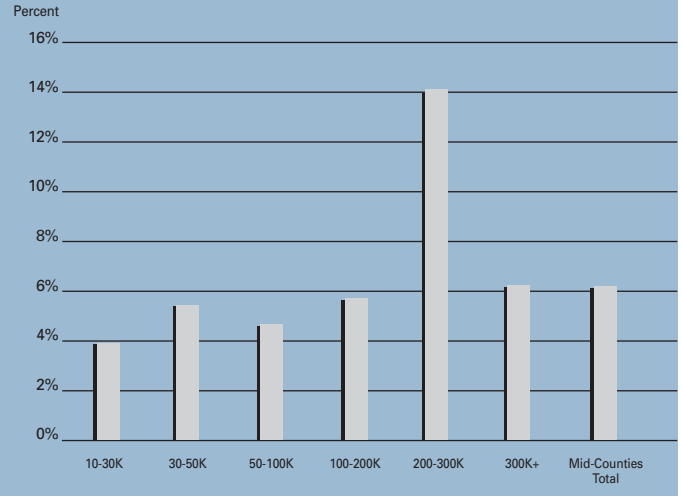
MID-COUNTIES MARKET STATISTICS

	1Q2005	4Q2004	1Q2004	% CHANGE VS. 1Q04
Under Construction	628,498	285,058	294,652	113.30%
Planned Construction	513,432	524,187	1,209,877	-57.56%
Vacancy	4.65%	5.33%	5.39%	-13.73%
Availability	6.40%	7.06%	7.53%	-15.01%
Pricing	\$0.49	\$0.48	\$0.48	2.08%
Net Absorption	909,061	-407,131	-473,084	N/A
Gross Absorption	2,817,090	1,535,754	1,981,029	42.20%

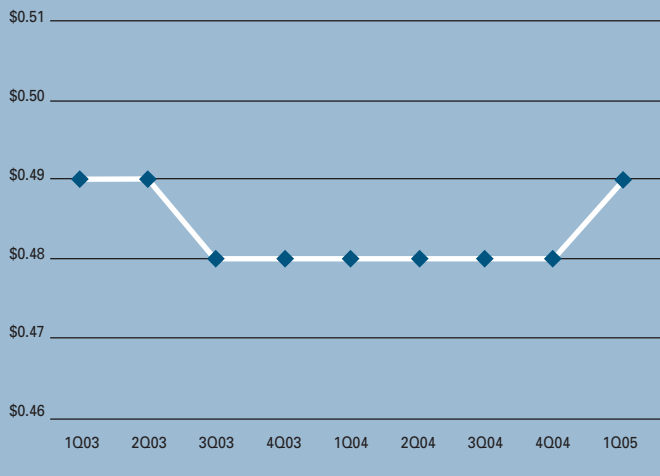
VACANCY RATE



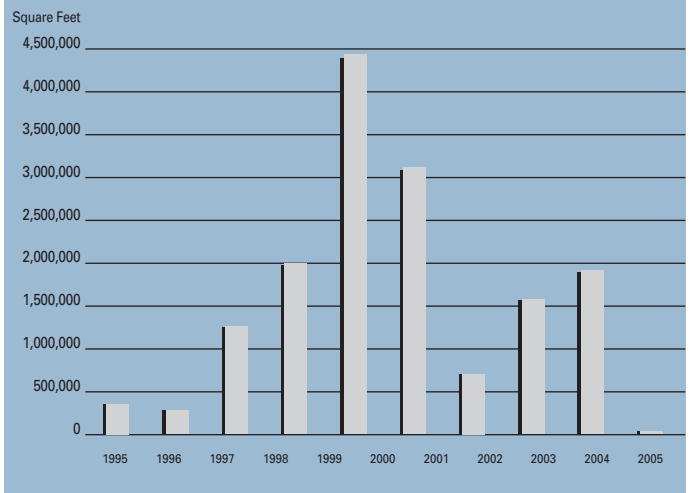
AVAILABILITY RATE BY SIZE



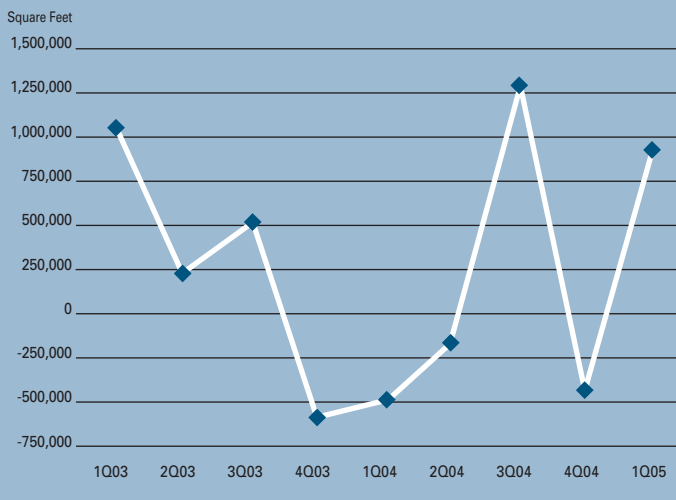
AVERAGE ASKING TRIPLE NET LEASE RATE



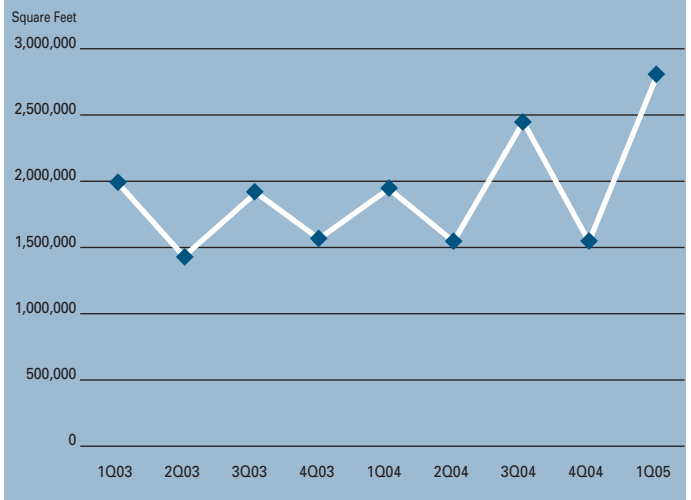
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



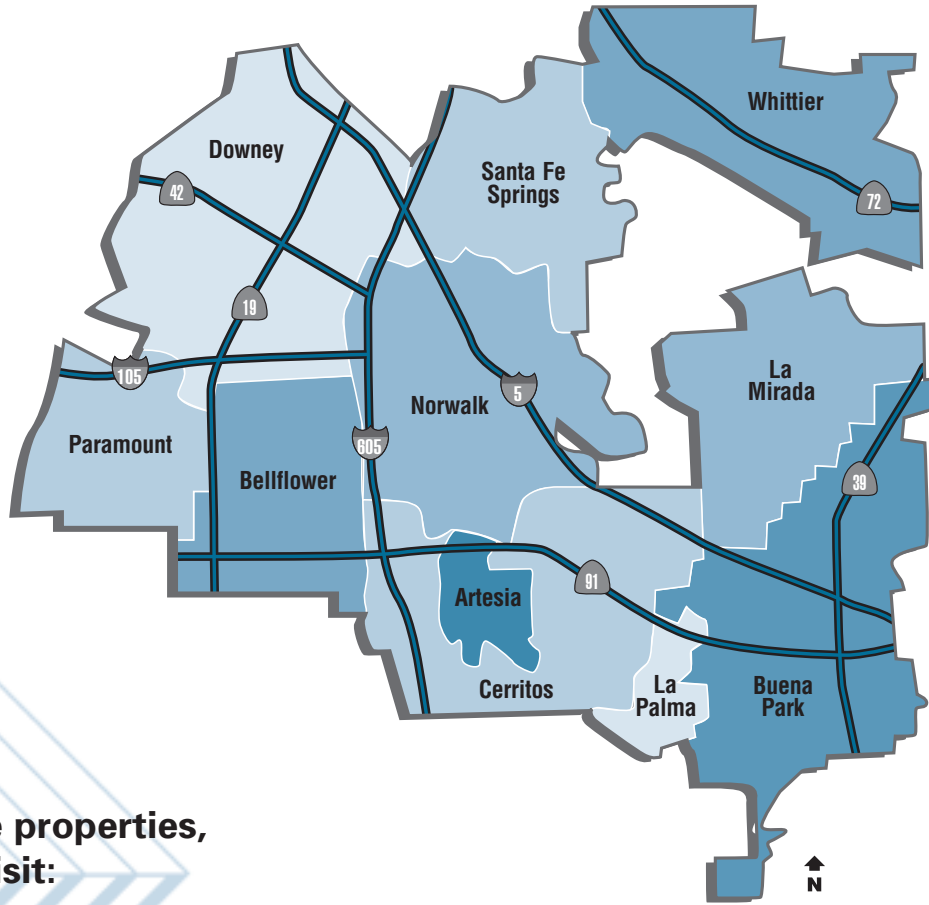
FIRST QUARTER 2005

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 1Q2005	Square Feet Available	Availability Rate 1Q2005	Average Asking Lease Rate	Net Absorption 1Q2005	Net Absorption 2004	Net Absorption 2003	Net Absorption 2002
Artesia / Cerritos													
10,000 - 29,999	101	1,883,195	0	0	78,179	4.15%	150,267	7.98%	\$0.47	(46,774)	(16,582)	58,817	(56,801)
30,000 - 49,999	61	2,419,770	0	0	150,202	6.21%	301,957	12.48%	\$0.45	(30,500)	(53,406)	68,008	(11,774)
50,000 - 99,999	52	3,547,125	0	0	37,055	1.04%	51,686	1.46%	\$0.47	(255)	67,400	14,633	83,343
100,000 - 199,999	31	4,309,958	0	0	95,221	2.21%	396,664	9.20%	\$0.49	48,390	(86,242)	333,611	(123,366)
200,000 - 299,999	4	979,948	0	0	0	0.00%	104,600	10.67%	\$0.00	0	0	3,080	(3,080)
300,000+	1	320,000	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	250	13,459,996	0	0	360,657	2.68%	1,005,174	7.47%	\$0.48	(29,139)	(88,830)	478,149	(111,678)
Bellflower / Downey													
10,000 - 29,999	101	1,736,931	0	0	22,064	1.27%	38,717	2.23%	\$0.00	873	2,771	7,952	17,327
30,000 - 49,999	18	700,902	0	48,455	8,065	1.15%	14,330	2.04%	\$0.65	(6,265)	36,186	(37,986)	44,355
50,000 - 99,999	15	1,019,565	0	0	28,575	2.80%	28,575	2.80%	\$0.52	(1,410)	49,617	101,800	(113,016)
100,000 - 199,999	8	1,037,272	0	0	0	0.00%	0	0.00%	\$0.00	145,000	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	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Bellflower / Downey Total	146	5,642,528	0	48,455	58,704	1.04%	81,622	1.45%	\$0.57	138,198	88,574	71,766	(51,334)
Buena Park / La Palma													
10,000 - 29,999	89	1,669,591	0	0	55,452	3.32%	63,586	3.81%	\$0.67	10,093	16,790	(13,090)	26,754
30,000 - 49,999	29	1,094,638	0	0	7,105	0.65%	7,105	0.65%	\$0.00	0	122,402	1,080	41,265
50,000 - 99,999	36	2,522,420	0	0	108,130	4.29%	108,130	4.29%	\$0.00	(19,360)	331,613	0	6,070
100,000 - 199,999	19	2,551,022	0	0	180,916	7.09%	180,916	7.09%	\$0.42	163,645	(215,086)	155,060	56,120
200,000 - 299,999	12	3,126,891	0	0	260,645	8.34%	260,645	8.34%	\$0.47	0	(209,526)	(133,241)	189,445
300,000+	9	4,866,644	0	0	0	0.00%	0	0.00%	\$0.00	447,005	(274,038)	(34,040)	(661,400)
Buena Park / La Palma Total	194	15,831,206	0	0	612,248	3.87%	620,382	3.92%	\$0.48	601,383	(227,845)	(24,231)	(341,746)
La Mirada													
10,000 - 29,999	57	1,013,721	0	0	30,951	3.05%	30,951	3.05%	\$0.59	(1,166)	(10,434)	(19,351)	23,722
30,000 - 49,999	35	1,322,896	0	0	50,333	3.80%	93,201	7.05%	\$0.49	(10,217)	73,984	(23,211)	34,269
50,000 - 99,999	41	2,863,716	0	0	271,340	9.41%	390,661	13.55%	\$0.50	(76,277)	62,646	(13,416)	(79,844)
100,000 - 199,999	28	3,671,046	0	0	161,521	4.40%	299,221	8.15%	\$0.40	32,654	4,097	20,328	(218,600)
200,000 - 299,999	12	2,797,112	0	0	172,601	6.17%	788,220	28.18%	\$0.45	125,000	(297,601)	243,184	43,805
300,000+	1	498,630	0	0	0	0.00%	0	0.00%	\$0.00	0	180,969	0	317,661
La Mirada Total	174	12,187,121	0	0	686,746	5.64%	1,602,254	13.15%	\$0.46	69,994	13,661	207,534	121,013
Norwalk													
10,000 - 29,999	28	479,296	0	0	17,496	3.65%	64,161	13.39%	\$0.55	35,776	(25,935)	(33,557)	(17,780)
30,000 - 49,999	6	238,985	0	0	43,026	18.00%	63,686	26.65%	\$0.48	0	4,974	(48,000)	0
50,000 - 99,999	12	805,833	0	0	35,997	4.47%	35,997	4.47%	\$0.55	(35,997)	0	49,100	0
100,000 - 199,999	9	1,175,104	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	33,747
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	2,699,218	0	0	96,519	3.58%	163,844	6.07%	\$0.52	(221)	(20,961)	(32,457)	15,967
Paramount													
10,000 - 29,999	217	3,747,127	0	0	117,347	3.13%	117,347	3.13%	\$0.58	8,025	(20,046)	(60,287)	47,690
30,000 - 49,999	43	1,637,983	0	0	49,920	3.05%	49,920	3.05%	\$0.55	23,544	(37,464)	37,689	(70,169)
50,000 - 99,999	19	1,345,634	0	0	7,006	0.52%	33,800	2.51%	\$0.55	6,106	(13,112)	77,434	(77,434)
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%	0	0.00%	\$0.00	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	287	8,338,912	0	0	174,273	2.09%	201,067	2.41%	\$0.56	37,675	(70,622)	54,836	(99,913)
Santa Fe Springs													
10,000 - 29,999	549	9,499,173	289,152	43,650	328,934	3.46%	359,470	3.78%	\$0.58	72,401	80,982	211,987	(1,998)
30,000 - 49,999	169	6,593,664	126,194	48,455	246,029	3.73%	272,816	4.14%	\$0.54	8,767	162,678	219,674	(247,888)
50,000 - 99,999	140	9,629,476	99,494	95,717	400,718	4.16%	400,718	4.16%	\$0.51	(45,866)	(52,505)	69,456	192,188
100,000 - 199,999	82	10,781,421	113,658	277,155	439,922	4.08%	520,081	4.82%	\$0.49	374,789	736,018	(356,858)	(138,883)
200,000 - 299,999	27	6,688,842	0	0	880,304	13.16%	961,023	14.37%	\$0.48	(318,920)	7,240	664,944	54,434
300,000+	8	3,850,893	0	0	669,416	17.38%	669,416	17.38%	\$0.00	0	(669,416)	0	396,095
Santa Fe Springs Total	975	47,043,469	628,498	464,977	2,965,323	6.30%	3,183,524	6.77%	\$0.51	91,171	264,997	809,203	253,948
Whittier													
10,000 - 29,999	43	702,707	0	0	1,450	0.21%	1,450	0.21%	\$0.00	0	19,580	(74,166)	9,874
30,000 - 49,999	14	548,007	0	0	0	0.00%	0	0.00%	\$0.00	0	35,040	(31,328)	5,820
50,000 - 99,999	7	476,897	0	0	0	0.00%	0	0.00%	\$0.00	0	26,741	(26,741)	8,781
100,000 - 199,999	5	641,828	0	0	0	0.00%	0	0.00%	\$0.00	0	258,920	(34,420)	(70,700)
200,000 - 299,999	4	915,823	0	0	87,286	9.53%	87,286	9.53%	\$0.46	0	(87,286)	0	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	73	3,285,262	0	0	88,736	2.70%	88,736	2.70%	\$0.46	0	252,995	(166,655)	(46,225)
Mid Counties Total													
10,000 - 29,999	1,185	20,731,741	289,152	43,650	651,873	3.14%	825,949	3.98%	\$0.56	79,228	47,126	78,305	48,788
30,000 - 49,999	375	14,556,845	126,194	96,910	554,680	3.81%	803,015	5.52%	\$0.49	(14,671)	344,394	185,926	(204,122)
50,000 - 99,999	322	22,230,666	99,494	95,717	888,821	4.00%	1,049,567	4.72%	\$0.50	(173,059)	472,400	272,266	20,088
100,000 - 199,999	187	24,939,243	113,658	277,155	877,580	3.52%	1,396,882	5.60%	\$0.46	764,478	697,707	117,721	(461,682)
200,000 - 299,999	63	15,550,337	0	0	1,400,836	9.01%	2,201,774	14.16%	\$0.46	(193,920)	(587,173)	777,967	284,604
300,000+	22	10,478,880	0	0	669,416	6.39%	669,416	6.39%	\$0.00	447,005	(762,485)	(34,040)	52,356
Total	2,154	108,487,712	628,498	513,432	5,043,206	4.65%	6,946,603	6.40%	\$0.49	909,061	211,969	1,398,145	(259,968)

INDUSTRIAL MARKET REPORT

FIRST QUARTER 2005



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