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Industrial Market Report

Compared to the Previous Quarter:



Net Absorption



Construction



Lease Rates



Transactions DOWN

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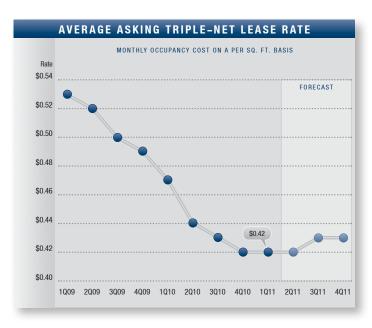
Market Highlights

- Encouraging Numbers The Mid-Counties industrial market conveyed more promise of recovery in the first quarter of 2011. Availability continued its descent from the high rates of 2009, vacancy rates trended downward, and net absorption was positive for two consecutive quarters. Demand picked up, with Labor Day of 2010 marking the beginning of a renewed interest in sales transactions, and tenants began signing longer lease commitments. While these are positive indications, stability and job growth will need to be sustained in coming quarters to be considered recovery.
- Construction There were no industrial projects under construction in the Mid-Counties in the first quarter of 2011, as a result of a lack of demand, shrinking availability of land, scarce financing, and rising construction costs.
- Vacancy Direct/sublease space (unoccupied) finished the quarter at 5.22%, less than the previous quarter's rate of 5.90% and lower than 2010's first quarter rate of 5.55%. The Santa Fe Springs submarket, which currently represents nearly half of all industrial buildings in the Mid-Counties, had a vacancy rate of 5.15% during the first quarter.
- Availability Direct/sublease space being marketed was 8.26% at the end of the first quarter of 2011, significantly down 25.72% from the 11.12% we saw in the same quarter of 2010 and lower than the previous quarter's rate of 5.9%.
- Lease Rates The average asking triple-net lease rate
 was \$.42 cents per square foot per month in the first
 quarter of 2011, the same as the previous quarter's rate
 and a decrease of 10.64% when compared to 2010's first
 quarter asking rate of \$.47.
- Absorption The Mid-Counties industrial market posted just over one million square feet of positive absorption in the first quarter. We saw nearly 300,000 square feet of

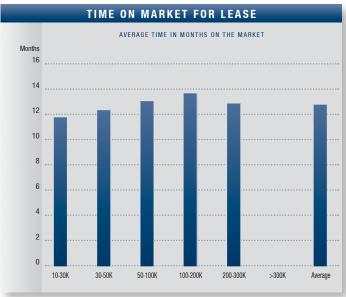
- positive absorption in the last quarter of 2010, making the past two quarters the strongest trend of positive net absorption seen since the third quarter of 2006.
- Transaction Activity In the first quarter of 2011, leasing activity checked in at almost one million square feet. Sales activity showed an increase over previous quarters, posting 1.3 million square feet of activity compared to all of 2010's 1.8 million square feet. Details of the largest transactions can be found on the back page of this report.
- Employment The unemployment rate in Los Angeles County was 12.6% in February 2011, down from a revised 12.9% in January 2011, but above the 2010 estimate of 12.3%. This compares with an unadjusted unemployment rate of 12.2% for California and 8.9% for the nation during the same period. According to the State of California Employment Development Department, Los Angeles County gained 40,200 payroll jobs between February 2010 and February 2011 22,900 of which were in professional and business services. However, government showed a year-over-year loss of 21,000 jobs. Between January 2011 and February 2011, Los Angeles County employment increased overall by 44,800 jobs to reach a total of 3,780,000 jobs.
- Overall We are beginning to see a decrease in the amount of available space being marketed, as well as an increase in investment sales activity. Positive absorption has begun, and with no new deliveries to apply upward pressure on vacancy, the market should continue to stabilize. We expect to see an increase in investment activity in the coming quarters as lenders continue to dispose of distressed assets. We should also see an increase in leasing activity as many short-term deals come up for renewal and as job creation occurs. As unemployment rates drop and consumer confidence stabilizes, the industrial market will continue to recover.

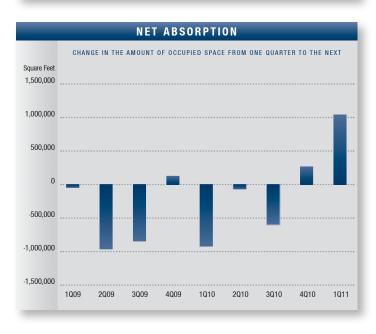
MID	COUNTIE	S MARK	ET OVERV	' I E W
	1Q2011	4Q2010	1Q2010	% Change vs. 1Q2010
Vacancy Rate	5.22%	5.90%	5.55%	(5.95%)
Availablity Rate	8.26%	8.79%	11.12%	(25.72%)
Average Asking Lease Rate	\$0.42	\$0.42	\$0.47	(10.64%)
Sale & Lease Transactions	2,268,580	2,748,419	2,578,279	(12.01%)
Gross Absorption	2,055,763	1,693,445	2,067,619	(0.57%)
Net Absorption	1,043,281	271,806	(927,256)	N/A

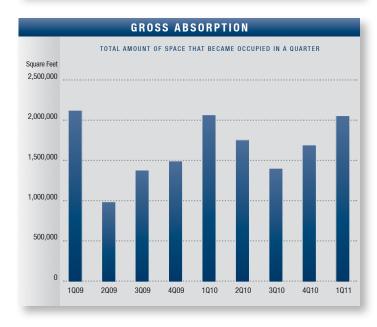












	INVENTORY			V	VACANCY & LEASE RATES				ABSORPTION				
	Number of	Net Rentable	Square Feet	Square Feet	Square Feet	Vacancy Rate	Square Feet	Availability Rate	Average Asking	Net Absorption	Net Absorption	Gross Absorption	Gross Absorption
Artesia / Cerritos	Bldgs.	Square Feet	U/C	Planned	Vacant	102011	Available	102011	Lease Rate	102011	2011	1Q2011	2011
10,000 – 29,999	114	2,108,265	0	0	65,893	3.13%	161,633	7.67%	\$0.71	39,918	39,918	64,186	64,186
30,000 - 49,999	59	2,337,554	0	0	251,650	10.77%	457,503	19.57%	\$0.43	63,958	63,958	139,907	139,907
50,000 - 99,999	50	3,295,787	0	0	462,722	14.04%	579,696	17.59%	\$0.39	151,272	151,272	0	, (
100,000 - 199,999	28	3,774,438	0	0	337,370	8.94%	684,799	18.14%	\$0.31	(63,890)	(63,890)	27,534	27,534
200,000 - 299,999	5	1,260,772	0	0	0	0.00%	0	0.00%	\$0.00	220,000	220,000	220,000	220,000
300,000 Plus	1	309,934	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	(
Total	257	13,086,750	0	0	1,117,635	8.54%	1,883,631	14.39%	\$0.40	411,258	411,258	451,627	451,627
Bellflower / Downey													
10,000 - 29,999	122	2,060,644	0	0	57,495	2.79%	158,747	7.70%	\$0.71	27,780	27,780	27,780	27,780
30,000 - 49,999	19	729,967	0	0	5,220	0.72%	24,990	3.42%	\$0.49	(3,480)	(3,480)	0	(
50,000 - 99,999	17	1,161,597	0	0	112,424	9.68%	121,028	10.42%	\$0.00	64,364	64,364	0	4.05
100,000 - 199,999 200,000 - 299,999	7	1,017,074 512,771	0	0	8,717 0	0.86% 0.00%	37,627 175,854	3.70% 34.29%	\$0.00 \$0.49	(8,717) 0	(8,717) 0	4,059 0	4,05
300,000 = 299,999 300,000 Plus	1	315,705	0	0	0	0.00%	173,634	0.00%	\$0.49	0	0	0	
Total	168	5,797,758	0	0	183,856	3.17%	518,246	8.94%	\$0.63	79,947	79,947	31,839	31,839
Buena Park / La Palma	100	0,707,700		•	100,000	0.1770	010,210	0.0170	ψ0.00	70,017	70,017	01,000	01,000
	00	1 004 005	0	0	70 701	4.700/	101.000	7.470/	Φ0. F1	00.510	00.510	00.050	00.050
10,000 – 29,999	90	1,624,685	0	0	76,781	4.73%	121,299	7.47%	\$0.51 \$0.45	23,516	23,516	30,252	30,252
30,000 - 49,999 50,000 - 99,999	32 37	1,210,546 2,499,657	0	0	49,446 151,310	4.08% 6.05%	92,665 146,800	7.65% 5.87%	\$0.45 \$0.35	18,650 0	18,650 0	18,650 67,350	18,650 67,350
100,000 - 199,999	20	2,499,657	0	0	170,608	6.39%	125,977	4.72%	\$0.00	0	0	07,330	67,330
200,000 - 299,999	12	3,122,650	0	0	375,566	12.03%	300,486	9.62%	\$0.39	0	0	0	(
300,000 Plus	8	4,159,629	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	(
Total	199	15,286,910	0	0	823,711	5.39%	787,227	5.15%	\$0.43	42,166	42,166	116,252	116,252
La Mirada													
10,000 - 29,999	63	1,138,148	0	0	21,829	1.92%	78,629	6.91%	\$0.65	3,059	3,059	5,011	5,011
30,000 – 49,999	35	1,348,657	0	0	6,500	0.48%	184,739	13.70%	\$0.53	(2,500)	(2,500)	0,011	(
50,000 - 99,999	43	3,075,736	0	0	291,186	9.47%	567,067	18.44%	\$0.45	56,798	56,798	66,779	66,779
100,000 - 199,999	25	3,322,531	0	0	269,154	8.10%	404,090	12.16%	\$0.48	142,986	142,986	154,746	154,74
200,000 - 299,999	14	3,278,811	0	0	60,783	1.85%	360,633	11.00%	\$0.37	0	0	0	(
300,000 Plus	2	934,359	0	0	0	0.00%	180,969	19.37%	\$0.54	0	0	0	(
Total	182	13,098,242	0	0	649,452	4.96%	1,776,127	13.56%	\$0.46	200,343	200,343	226,536	226,536
Norwalk													
10,000 - 29,999	36	620,198	0	0	58,733	9.47%	101,176	16.31%	\$0.49	(32,250)	(32,250)	0	0
30,000 - 49,999	8	326,649	0	0	55,860	17.10%	0	0.00%	\$0.00	(35,200)	(35,200)	0	0
50,000 - 99,999	11	738,912	0	0	60,000	8.12%	95,997	12.99%	\$0.46	0	0	0	(
100,000 – 199,999	9	1,165,739	0	0	0	0.00%	40,909	3.51%	\$0.00	5,100	5,100	5,100	5,100
200,000 – 299,999	0	0	0	0	0	#DIV/0!	0	#DIV/0!	\$0.00	0	0	0	(
300,000 Plus	0	0 051 400	0	0	174 500	0.00%	0	0.00%	\$0.00	(00.050)	(00.050)	0	C 100
Total	64	2,851,498	0	U	174,593	6.12%	238,082	8.35%	\$0.47	(62,350)	(62,350)	5,100	5,100
Paramount													
10,000 – 29,999	217	3,789,670	0	0	148,855	3.93%	189,687	5.01%	\$0.59	(2,915)	(2,915)	57,337	57,337
30,000 - 49,999	45	1,703,547	0	0	9,124	0.54%	59,138	3.47%	\$0.00	7,491	7,491	11,770 0	11,770
50,000 - 99,999 100,000 - 199,999	20 7	1,453,987 1,046,219	0	0	7,006 0	0.48% 0.00%	22,000	1.51% 0.00%	\$0.57 \$0.00	8,288 0	8,288 0	0	(
200,000 - 299,999	3	713,768	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	(
300,000 Plus	1	551,897	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	(
Total	293	9,259,088	0	0	164,985	1.78%	270,825	2.92%	\$0.65	12,864	12,864	69,107	69,107
Santa Fe Springs													
10,000 – 29,999	659	11,203,342	0	0	418,383	3.73%	737,464	6.58%	\$0.46	15,679	15,679	116,072	116,072
30,000 - 49,999	171	6,615,720	0	36,736	267,283	4.04%	518,155	7.83%	\$0.46	74,265	74,265	110,072	110,072
50,000 - 49,999	146	10,150,031	0	0	417,831	4.12%	569,059	5.61%	\$0.45	250,296	250,296	329,747	329,747
100,000 – 199,999	87	11,562,608	0	0	690,574	5.97%	722,047	6.24%	\$0.49	27,824	27,824	93,146	93,146
200,000 - 299,999	27	6,533,001	0	0	691,396	10.58%	958,359	14.67%	\$0.35	(508,408)	(508,408)	0	, (
300,000 Plus	13	6,058,543	0	0	196,940	3.25%	196,940	3.25%	\$0.00	481,530	481,530	481,530	481,530
Total	1,103	52,123,245	0	36,736	2,682,407	5.15%	3,702,024	7.10%	\$0.47	341,186	341,186	1,130,911	1,130,911
Whittier													
10,000 - 29,999	89	1,443,432	0	0	35,075	2.43%	55,782	3.86%	\$0.00	2,207	2,207	8,731	8,73
30,000 - 49,999	20	772,973	0	0	11,119	1.44%	11,119	1.44%	\$0.00	9,840	9,840	9,840	9,840
50,000 - 99,999	16	1,017,568	0	0	0	0.00%	142,322	13.99%	\$0.00	0	0	0	(
100,000 - 199,999	5	626,855	0	0	4,380	0.70%	0	0.00%	\$0.00	5,820	5,820	5,820	5,820
200,000 – 299,999	4	853,646	0	0	215,308	25.22%	215,308	25.22%	\$0.29	0	0	0	(
300,000 Plus	0	0	0	0	0	0.00%	0	0.00%	\$0.00	17.007	17.007	0	04.20:
	134	4,714,474	0	0	265,882	5.64%	424,531	9.00%	\$0.39	17,867	17,867	24,391	24,39 ⁻
Total													
Mid Counties Total		00 000 004	0	0	883,044	3.68%	1,604,417	6.69%	\$0.52	76,994	76,994	309,369	309,369
Mid Counties Total 10,000 – 29,999	1,390	23,988,384							00.47				000 500
Mid Counties Total 10,000 – 29,999 30,000 – 49,999	389	15,045,613	0	36,736	656,202	4.36%	1,348,309	8.96%	\$0.47	133,024	133,024	290,583	
Mid Counties Total 10,000 – 29,999 30,000 – 49,999 50,000 – 99,999	389 340	15,045,613 23,393,275	0 0	0	1,502,479	6.42%	2,243,969	9.59%	\$0.43	531,018	531,018	463,876	463,876
Mid Counties Total 10,000 – 29,999 30,000 – 49,999 50,000 – 99,999 100,000 – 199,999	389 340 188	15,045,613 23,393,275 25,185,207	0 0 0	0	1,502,479 1,480,803	6.42% 5.88%	2,243,969 2,015,449	9.59% 8.00%	\$0.43 \$0.43	531,018 109,123	531,018 109,123	463,876 290,405	290,583 463,876 290,405
Mid Counties Total 10,000 – 29,999 30,000 – 49,999 50,000 – 99,999	389 340	15,045,613 23,393,275	0 0	0	1,502,479	6.42%	2,243,969	9.59%	\$0.43	531,018	531,018	463,876	463,876

This survey consists of properties 10,000 square feet and larger in size, representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net basis.

RECENT TRANSACTIONS								
Sales Transactions Property Address	City	Square Feet	Sale Price Per SF	Buyer	Seller			
14501 Artesia Blvd.	La Mirada	277,564	\$94.57	Dexus Socal, LLC	LBA Realty Fund-Holding Co. II			
12252 Whittier Blvd.	Whittier	161,000	\$70.50	Sohnen Enterprises	Leggett & Platt, Inc.			
14100 Vine Pl.	Cerritos	121,232	\$63.00	Fairmont Designs	Domtar Paper			
16200 Trojan Way	La Mirada	106,926	\$99.13	Bixby Land Company	Met Life, Inc.			
12851 Midway Pl.	Cerritos	102,160	\$81.00	Polycell Packaging	Bechler Partners, LP			
8440 Kass Dr.	Buena Park	35,985	\$72.95	Frederick J Oshay Trust	Farrell Ronald E. Trust			
Lease Transactions Property Address	City	Square Feet	Transaction Date	Tenant	Owner			
15927 Distribution Way	Cerritos	220,000	Feb-11	Phoenix Warehouse	WCV Commercial			
14911 Valley View Ave.	Santa Fe Springs	155,408	Feb-11	Faro Services	Morgan Stanley Real Estate Advisors			
6535 Caballero Blvd. – Renewal	Buena Park	140,000	Feb-11	Fresh Food Concepts, Inc.	Westcore Properties			
12935 Leffingwell Ave.	Santa Fe Springs	60,000	Feb-11	Tru-Aire	Golden Springs Development Company			
12825 Alondra Blvd. – Renewal	Norwalk	35,200	Mar-11	SSR Motosports	Majestic Realty Company			
16031 Carmenita	Cerritos	28,112	Feb-11	NCLA, Inc.	The Barbara B. Herman Trust			

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This survey consists of properties representing both single tenant and multi-tenant buildings. The lease rates are based on a triple-net 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.