

Report



**S E C O N D
Q U A R T E R
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Market Highlights

- Unemployment in the second quarter of 2003 in Los Angeles County is 6.3%, which down 0.3% from the first quarter of 2003 and up 0.2% since the second quarter of 2002.
- According to Los Angeles County Economic Development Corporation it is estimated that Los Angeles County lost 26,600 nonfarm jobs in 2002, and they are forecasting 39,500 new jobs with a 3.9% increase in total personal income for 2003.
- Total new construction added to the Mid-Counties Industrial market in 2002 was 1,245,948 square feet, which almost doubles 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 1,644,974 square feet of construction underway; this is up from last quarter when there was 1,293,504 square feet under construction.
- Planned construction for this area is down compared to last year. Currently there is 1,645,197 square feet on the slate as being planned, compared to last year's figure of 2,373,304.
- The Industrial availability rate checked in at 7.36%, which is 7.45% higher than it was a year ago at 6.85%. Flat supply with more sublease space, coupled with a slower economy, would explain the 3.92% decrease in rental rates since the second quarter of 2002.
- The Industrial vacancy rate checked in at a low 5.93%. This represents a decrease in vacant space of about 3.42% compared to this same time last year.

MID-COUNTIES MARKET STATISTICS

	2Q2003	1Q2003	2Q2002	% CHANGE VS. 2002
Under Construction	1,644,974	1,293,504	796,050	106.64%
Planned Construction	1,645,197	1,730,029	2,373,304	-30.68%
Vacancy	5.93%	5.68%	6.14%	-3.42%
Availability	7.36%	7.02%	6.85%	7.45%
Pricing	\$0.49	\$0.49	\$0.51	-3.92%
Net Absorption	220,742	1,058,184	190,082	16.13%

Compared to last quarter:

Vacancy



Availability



Absorption



Lease Rates



Construction



Mid-Counties

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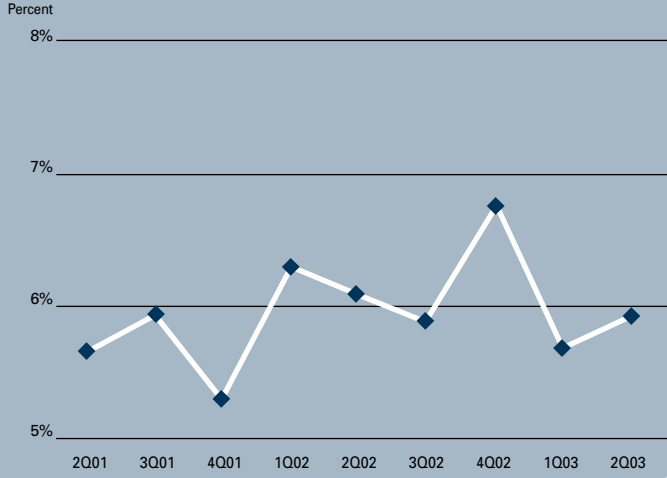
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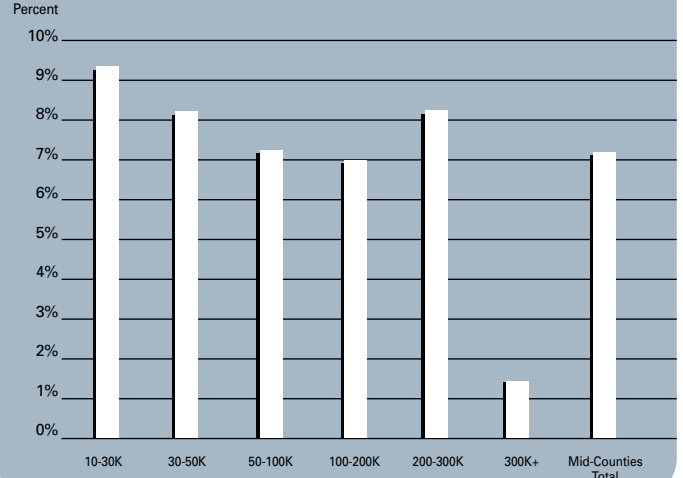
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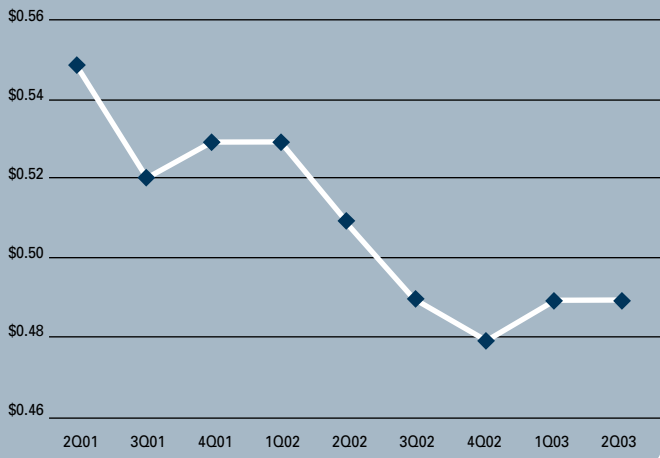
VACANCY RATE



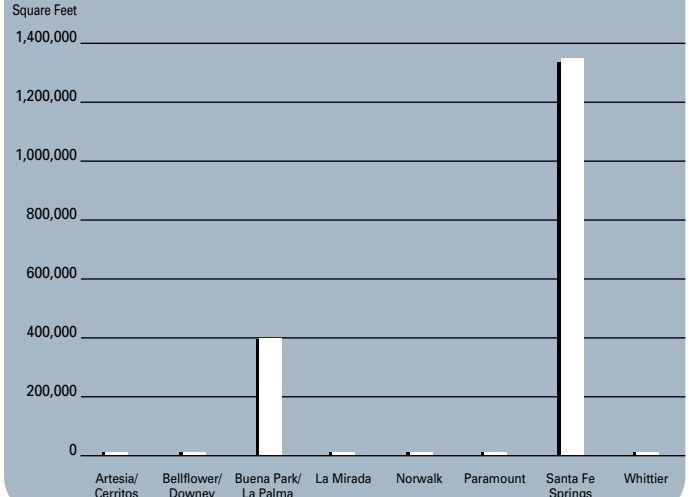
AVAILABILITY RATE BY SIZE



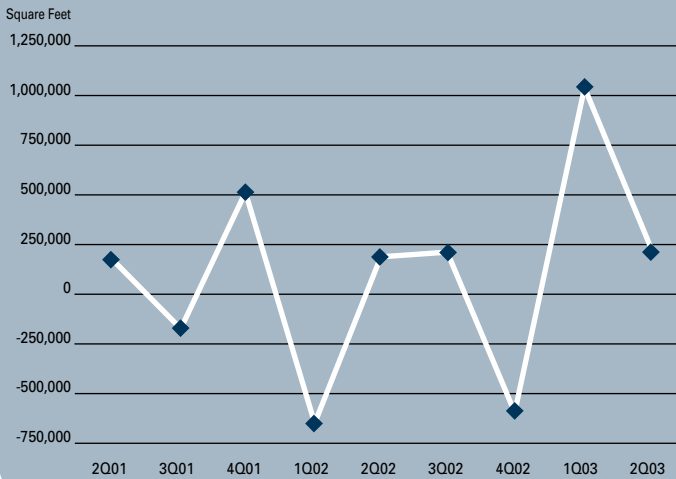
AVERAGE ASKING TRIPLE NET LEASE RATE



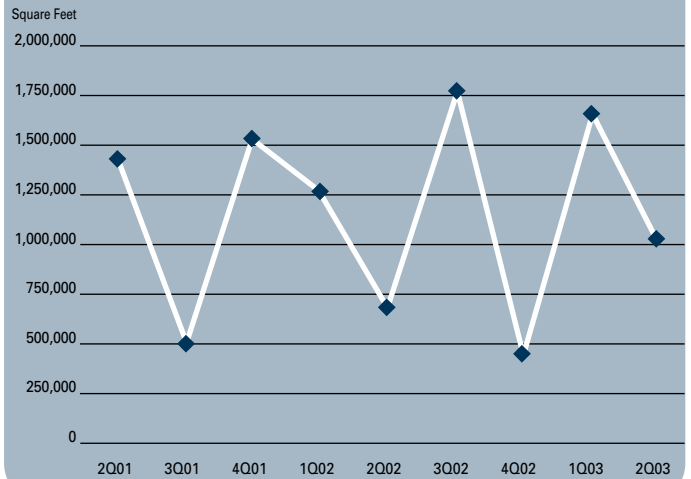
CONSTRUCTION ACTIVITY



NET ABSORPTION



GROSS ABSORPTION



S E C O N D Q U A R T E R 2 0 0 3

M I D - C O U N T I E S

INVENTORY

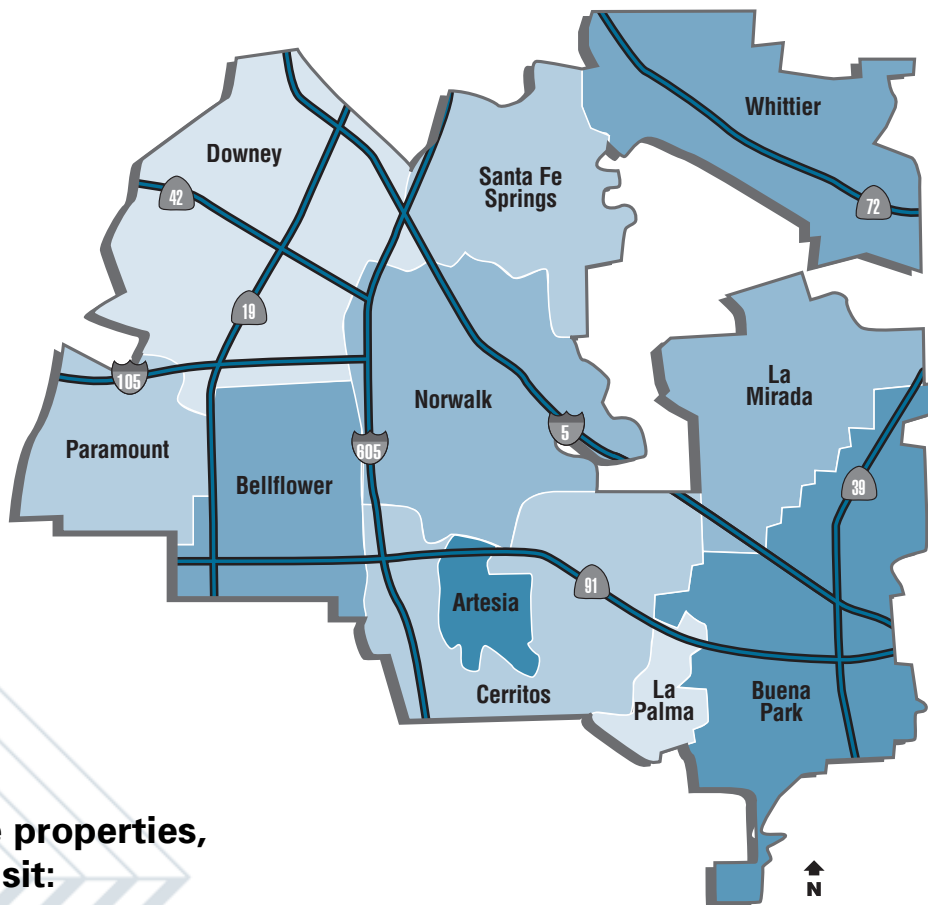
VACANCY & RENT

ABSORPTION

	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2003	Square Feet Available	Availability Rate 2Q2003	Average Asking Lease Rate	Net Absorption 2Q2003	Net Absorption 2003	Net Absorption 2002	Net Absorption 2001
Artesia / Cerritos													
10,000 - 29,999	92	1,744,664	0	0	167,147	9.58%	238,016	13.64%	\$0.54	54,140	61,460	(56,801)	4,830
30,000 - 49,999	60	2,380,992	0	0	185,246	7.78%	185,246	7.78%	\$0.47	(29,962)	(59,701)	(11,774)	(60,053)
50,000 - 99,999	52	3,547,125	0	0	312,774	8.82%	324,087	9.14%	\$0.49	(108,956)	(134,206)	83,343	13,926
100,000 - 199,999	31	4,310,510	0	0	111,129	2.58%	111,129	2.58%	\$0.48	163,290	279,851	(123,366)	168,765
200,000 - 299,999	4	979,948	0	0	0	0.00%	0	0.00%	\$0.48	0	3,080	(3,080)	0
300,000+	1	320,000	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	240	13,283,239	0	0	776,296	5.84%	858,478	6.46%	\$0.49	78,512	150,484	(111,678)	127,468
Bellflower / Downey													
10,000 - 29,999	90	1,513,440	0	0	79,450	5.25%	133,914	8.85%	\$0.60	(11,718)	(24,762)	17,327	60,353
30,000 - 49,999	17	656,977	0	0	37,986	5.78%	37,986	5.78%	\$0.48	(37,986)	(37,986)	44,355	(31,825)
50,000 - 99,999	17	1,154,565	0	0	88,822	7.69%	88,822	7.69%	\$0.49	89,760	89,760	(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+	3	1,582,630	0	500,000	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Bellflower / Downey Total	137	6,473,037	0	500,000	206,258	3.19%	405,722	6.27%	\$0.50	40,056	27,012	(51,334)	38,204
Buena Park / La Palma													
10,000 - 29,999	87	1,605,875	0	0	92,428	5.76%	159,284	9.92%	\$0.60	4,804	(9,341)	26,754	63,695
30,000 - 49,999	26	985,631	71,810	0	57,210	5.80%	103,145	10.46%	\$0.35	(13,500)	(13,500)	41,265	(77,063)
50,000 - 99,999	31	2,147,885	201,463	0	147,910	6.88%	221,057	10.23%	\$0.47	0	0	6,070	3,370
100,000 - 199,999	17	2,164,530	158,105	0	0	0.00%	0	0.00%	\$0.00	0	155,060	56,120	(71,120)
200,000 - 299,999	11	2,865,827	0	0	260,000	9.07%	342,122	11.94%	\$0.50	0	0	189,445	(30,665)
300,000+	9	4,590,353	0	0	0	0.00%	0	0.00%	\$0.00	0	661,400	(661,400)	0
Buena Park / La Palma Total	181	14,360,101	431,378	0	557,548	3.88%	825,608	5.75%	\$0.45	(8,696)	793,619	(341,746)	(111,783)
La Mirada													
10,000 - 29,999	56	996,832	0	0	14,247	1.43%	65,754	6.60%	\$0.58	(13,521)	(14,247)	23,722	(20,224)
30,000 - 49,999	34	1,288,854	0	74,640	52,019	4.04%	52,019	4.04%	\$0.60	(3,247)	(5,241)	34,269	39,094
50,000 - 99,999	38	2,676,398	0	53,770	216,937	8.11%	340,907	12.74%	\$0.51	20,090	24,493	(79,844)	310,273
100,000 - 199,999	29	3,806,315	0	0	178,400	4.69%	178,400	4.69%	\$0.44	0	40,200	(218,600)	131,632
200,000 - 299,999	12	2,774,717	0	0	247,184	8.91%	247,184	8.91%	\$0.48	0	0	43,805	42,548
300,000+	1	498,630	0	0	180,969	36.29%	180,969	36.29%	\$0.52	0	0	317,661	0
La Mirada Total	170	12,041,746	0	128,410	889,756	7.39%	1,065,233	8.85%	\$0.49	3,322	45,205	121,013	503,323
Norwalk													
10,000 - 29,999	28	475,956	0	0	33,563	7.05%	33,563	7.05%	\$0.53	(2,083)	14,257	(17,780)	0
30,000 - 49,999	5	201,985	0	0	72,000	35.65%	72,000	35.65%	\$0.49	(8,000)	(8,000)	0	0
50,000 - 99,999	12	805,833	0	0	60,000	7.45%	120,000	14.89%	\$0.00	0	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	54	2,658,878	0	0	165,563	6.23%	225,563	8.48%	\$0.50	(10,083)	55,357	15,967	70,415
Paramount													
10,000 - 29,999	217	3,728,999	0	0	178,789	4.79%	178,789	4.79%	\$0.65	(3,993)	(26,634)	47,690	25,050
30,000 - 49,999	45	1,708,783	0	0	77,156	4.52%	77,156	4.52%	\$0.59	12,551	32,533	(70,169)	(3,520)
50,000 - 99,999	18	1,289,309	0	0	64,090	4.97%	64,090	4.97%	\$0.59	21,968	21,968	(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	450,000	0	0	263,568	58.57%	263,568	58.57%	\$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	288	8,271,691	0	0	583,603	7.06%	583,603	7.06%	\$0.61	30,526	27,867	(99,913)	21,530
Santa Fe Springs													
10,000 - 29,999	514	8,846,557	101,911	113,139	568,351	6.42%	982,356	11.10%	\$0.55	90,636	62,681	(1,998)	46,852
30,000 - 49,999	167	6,525,647	46,793	217,277	633,984	9.72%	673,584	10.32%	\$0.48	(40,374)	(24,815)	(247,888)	655
50,000 - 99,999	139	9,500,917	155,876	437,463	357,377	3.76%	357,377	3.76%	\$0.54	(41,523)	(3,063)	192,188	(82,270)
100,000 - 199,999	80	10,401,156	399,158	248,908	1,073,201	10.32%	1,203,225	11.57%	\$0.47	(51,165)	43,307	(138,883)	70,584
200,000 - 299,999	23	5,668,182	509,858	0	219,759	3.88%	329,909	5.82%	\$0.00	148,305	148,305	54,434	711,558
300,000+	8	3,873,784	0	0	0	0.00%	0	0.00%	\$0.00	0	0	396,095	0
Santa Fe Springs Total	931	44,816,243	1,213,596	1,016,787	2,852,672	6.37%	3,546,451	7.91%	\$0.50	105,879	226,415	253,948	747,379
Whittier													
10,000 - 29,999	39	638,665	0	0	45,858	7.18%	67,258	10.53%	\$0.00	2,456	3,956	9,874	(10,800)
30,000 - 49,999	17	676,037	0	0	0	0.00%	0	0.00%	\$0.00	5,511	3,712	5,820	32,580
50,000 - 99,999	8	540,397	0	0	90,241	16.70%	90,241	16.70%	\$0.46	(26,741)	(26,741)	8,781	0
100,000 - 199,999	5	584,563	0	0	76,520	13.09%	76,520	13.09%	\$0.47	0	(5,820)	(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	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	73	3,355,485	0	0	212,619	6.34%	234,019	6.97%	\$0.46	(18,774)	(24,893)	(46,225)	203,705
Mid Counties Total													
10,000 - 29,999	1,123	19,550,988	101,911	113,139	1,179,833	6.03%	1,858,934	9.51%	\$0.56	120,721	67,370	48,788	169,756
30,000 - 49,999	371	14,424,906	118,603	291,917	1,115,601	7.73%	1,201,136	8.33%	\$0.48	(115,007)	(112,998)	(204,122)	(100,132)
50,000 - 99,999	315	21,662,429	357,339	491,233	1,338,151	6.18%	1,606,581	7.42%	\$0.51	(45,402)	21,311	20,088	254,975
100,000 - 199,999	184	24,251,042	557,263	248,908	1,439,250	5.93%	1,714,274	7.07%	\$0.46	112,125	512,598	(461,682)	552,201
200,000 - 299,999	58	14,182,650	509,858	0	990,511	6.98%	1,182,783	8.34%	\$0.44	148,305	151,385	284,604	723,441
300,000+	23	11,188,405	0	500,000	180,969	1.62%	180,969	1.62%	\$0.47	0	661,400	52,356	0
Total	2,074	105,260,420	1,644,974	1,645,197	6,244,315	5.93%	7,744,677	7.36%	\$0.49	220,742	1,301,066	(259,968)	1,600,241

MID-COUNTIES
MARKET
Report

2ND QUARTER 2003



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