

MID-COUNTIES MARKET REPORT

SECOND QUARTER 2004

Compared to last quarter:

VACANCY



AVAILABILITY



ABSORPTION



LEASE RATES



CONSTRUCTION



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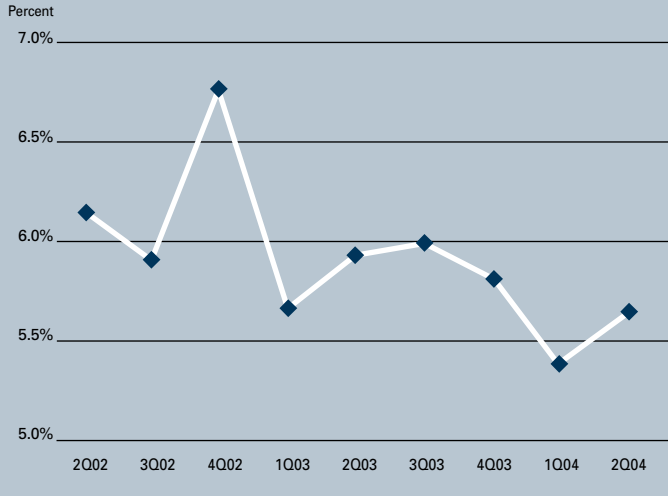
MARKET HIGHLIGHTS

- ◆ Unemployment in the second quarter of 2004 in Los Angeles County is 6.2%, which is up 0.1% from the first quarter of 2004 and down 0.6% since the second quarter of 2003.
- ◆ According to the Los Angeles County Economic Development Corporation it is estimated that Los Angeles County gained 17,200 non-farm 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 half of 2004 was 350,885 square feet. This slow down is due to the lack of available land for development.
- ◆ Currently there is 322,661 square feet of construction underway; this is up from last quarter when there was 294,652 square feet under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 244,032 square feet on the slate as being planned, compared to last year's figure of 1,645,197.
- ◆ The Industrial availability rate checked in at 6.32%, which is 14.13% lower then it was a year ago when it was 7.36%. Flat supply coupled with a slower economy would explain the flat rental rates since the fourth quarter of 2002. Rental rates should improve during the second half of 2004 as the economy expands.
- ◆ The Industrial vacancy rate checked in at a low 5.66%. This represents a decrease in vacant space of just under 5% compared to this same time last year.

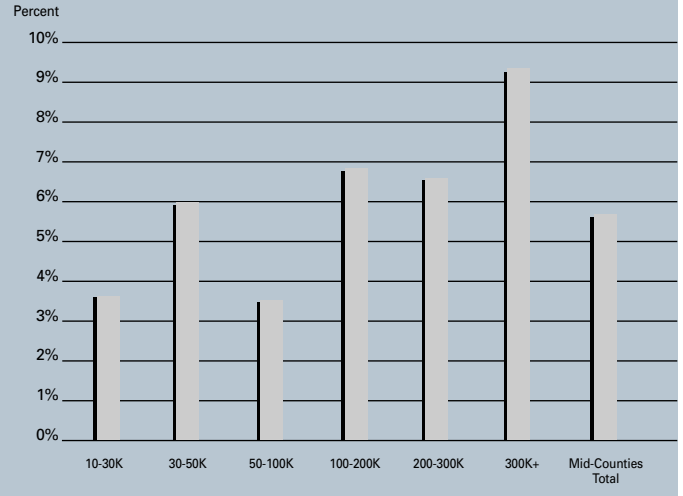
MID-COUNTIES MARKET STATISTICS

	2Q2004	1Q2004	2Q2003	% CHANGE VS. 2003
Under Construction	322,661	294,652	1,644,974	-80.39%
Planned Construction	244,032	2,209,877	1,645,197	-85.17%
Vacancy	5.66%	5.39%	5.93%	-4.55%
Availability	6.32%	7.53%	7.36%	-14.13%
Pricing	\$0.48	\$0.48	\$0.49	-2.04%
Net Absorption	-152,161	-473,084	220,742	N/A

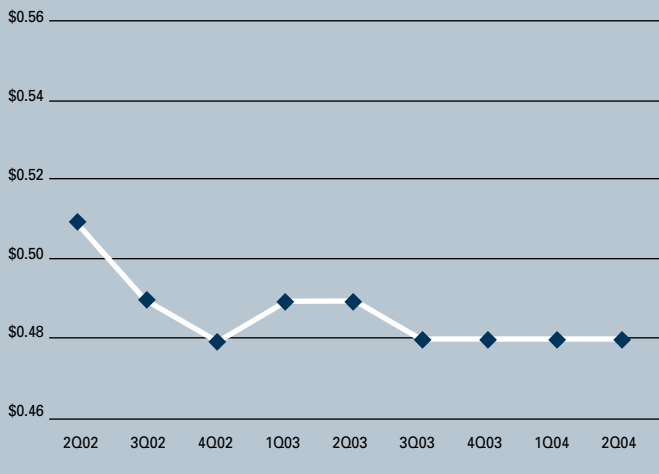
VACANCY RATE



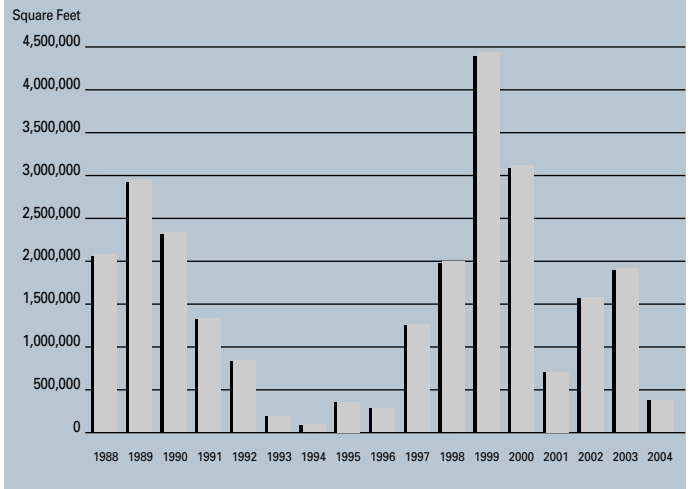
AVAILABILITY RATE BY SIZE



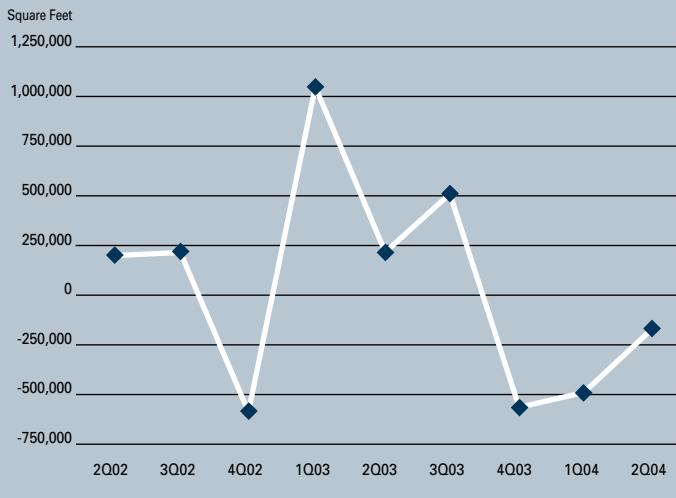
AVERAGE ASKING TRIPLE NET LEASE RATE



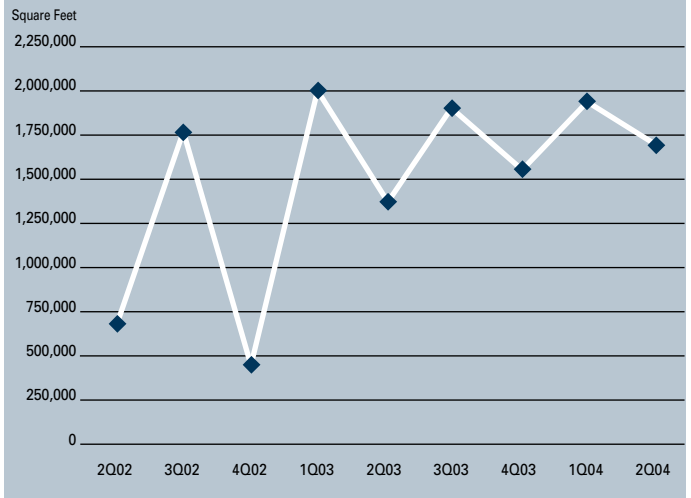
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



SECOND QUARTER 2004

MID-COUNTIES

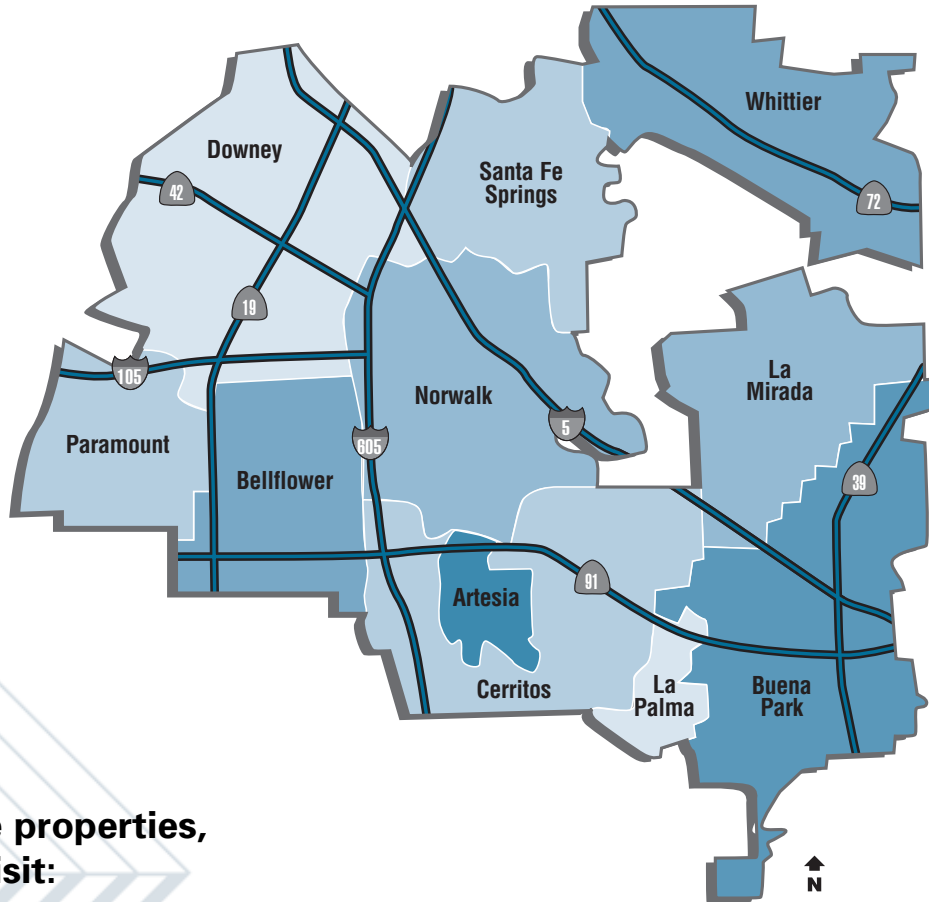
	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2004	Square Feet Available	Availability Rate 2Q2004	Average Asking Lease Rate	Net Absorption 2Q2004	Net Absorption 2004	Net Absorption 2003	Net Absorption 2002
Artesia / Cerritos													
10,000 - 29,999	97	1,804,223	0	0	95,029	5.27%	110,299	6.11%	\$0.48	(11,864)	(40,244)	58,817	(56,801)
30,000 - 49,999	61	2,421,096	0	0	72,919	3.01%	72,919	3.01%	\$0.45	22,878	53,422	68,008	(11,774)
50,000 - 99,999	52	3,547,125	0	0	106,520	3.00%	115,480	3.26%	\$0.51	(22,800)	(11,280)	14,633	83,343
100,000 - 199,999	31	4,309,940	0	0	104,821	2.43%	114,754	2.66%	\$0.47	9,228	(57,385)	333,611	(123,366)
200,000 - 299,999	4	979,948	0	0	0	0.00%	0	0.00%	\$0.00	0	3,080	3,080	(3,080)
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	245	13,062,332	0	0	379,289	2.90%	413,452	3.17%	\$0.47	(2,558)	(52,407)	478,149	(111,678)
Bellflower / Downey													
10,000 - 29,999	98	1,689,731	0	0	23,600	1.40%	23,600	1.40%	\$0.65	0	2,108	7,952	17,327
30,000 - 49,999	17	652,164	0	0	17,600	2.70%	26,600	4.08%	\$0.59	(3,377)	11,386	(37,986)	44,355
50,000 - 99,999	16	1,094,565	0	0	67,258	6.14%	67,258	6.14%	\$0.00	0	9,524	101,800	(113,016)
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	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Bellflower / Downey Total	143	5,621,590	0	0	108,458	1.93%	262,458	4.67%	\$0.66	(3,377)	23,018	71,766	(51,334)
Buena Park / La Palma													
10,000 - 29,999	87	1,619,889	0	0	53,707	3.32%	71,886	4.44%	\$0.57	22,415	10,449	(13,090)	26,754
30,000 - 49,999	29	1,094,638	0	0	41,397	3.78%	41,397	3.78%	\$0.53	81,715	88,110	1,080	41,265
50,000 - 99,999	34	2,358,578	0	0	92,395	3.92%	126,053	5.34%	\$0.57	109,068	142,700	0	6,070
100,000 - 199,999	19	2,495,782	0	0	279,242	11.19%	279,242	11.19%	\$0.44	(73,147)	(121,137)	155,600	56,120
200,000 - 299,999	11	2,865,827	0	0	133,241	4.65%	133,241	4.65%	\$0.42	0	(82,122)	(133,241)	189,445
300,000+	10	5,037,358	0	0	572,440	11.36%	572,440	11.36%	\$0.47	0	(276,473)	(34,040)	(661,400)
Buena Park / La Palma Total	190	15,472,072	0	0	1,172,422	7.58%	1,224,259	7.91%	\$0.46	140,051	(238,473)	(24,231)	(341,746)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	15,853	1.56%	15,853	1.56%	\$0.58	13,965	3,498	(19,351)	23,722
30,000 - 49,999	34	1,293,118	31,028	0	93,043	7.20%	140,411	10.86%	\$0.48	(62,499)	(57,339)	(23,211)	34,269
50,000 - 99,999	34	2,448,790	53,770	0	90,800	3.71%	90,800	3.71%	\$0.00	97,632	113,139	(13,416)	(79,844)
100,000 - 199,999	29	3,806,315	0	0	172,974	4.54%	223,468	5.87%	\$0.42	(185,068)	(25,196)	20,328	(218,600)
200,000 - 299,999	12	2,774,717	0	0	10,418	0.38%	135,418	4.88%	\$0.00	(10,418)	(135,418)	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	167	11,835,071	84,798	0	383,088	3.24%	605,950	5.12%	\$0.42	(146,388)	79,653	207,534	121,013
Norwalk													
10,000 - 29,999	29	499,956	0	0	2,592	0.52%	32,696	6.54%	\$0.50	12,840	(5,359)	(33,557)	(17,780)
30,000 - 49,999	5	201,985	0	0	91,026	45.07%	91,026	45.07%	\$0.60	(35,200)	(43,026)	(48,000)	0
50,000 - 99,999	12	805,833	0	0	49,078	6.09%	49,078	6.09%	\$0.55	0	(49,078)	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	2,682,878	0	0	142,696	5.32%	172,800	6.44%	\$0.60	(22,360)	(97,463)	(32,457)	15,967
Paramount													
10,000 - 29,999	215	3,723,472	0	0	61,512	1.65%	61,512	1.65%	\$0.54	46,312	43,814	(60,287)	47,690
30,000 - 49,999	43	1,637,983	0	0	57,852	3.53%	97,852	5.97%	\$0.52	(61,852)	(61,852)	37,689	(70,169)
50,000 - 99,999	19	1,345,634	0	0	0	0.00%	0	0.00%	\$0.00	0	0	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%	\$0.45	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	8,315,257	0	0	119,364	1.44%	159,364	1.92%	\$0.45	(15,540)	(18,038)	54,836	(99,913)
Santa Fe Springs													
10,000 - 29,999	533	9,196,131	196,458	40,650	480,609	5.23%	524,246	5.70%	\$0.54	(60,539)	(102,324)	211,987	(1,998)
30,000 - 49,999	170	6,643,394	41,405	44,994	464,849	7.00%	496,849	7.48%	\$0.53	(97,608)	(62,855)	219,674	(247,888)
50,000 - 99,999	139	9,567,435	0	53,480	345,207	3.61%	431,687	4.51%	\$0.60	21,066	(49,689)	69,456	192,188
100,000 - 199,999	82	10,750,190	0	104,908	1,101,029	10.24%	1,112,595	10.35%	\$0.48	233,656	464,020	(356,858)	(138,883)
200,000 - 299,999	26	6,414,630	0	0	771,035	12.02%	771,035	12.02%	\$0.49	(202,411)	(202,411)	664,944	54,434
300,000+	8	3,872,300	0	0	395,204	10.21%	395,204	10.21%	\$0.49	(593)	(395,204)	0	396,095
Santa Fe Springs Total	958	46,444,080	237,863	244,032	3,557,933	7.66%	3,731,616	8.03%	\$0.51	(106,429)	(348,463)	809,203	253,948
Whittier													
10,000 - 29,999	40	665,164	0	0	0	0.00%	0	0.00%	\$0.00	21,030	21,030	(74,166)	9,874
30,000 - 49,999	14	548,007	0	0	35,040	6.39%	35,040	6.39%	\$0.49	0	0	(31,328)	5,820
50,000 - 99,999	7	476,897	0	0	0	0.00%	0	0.00%	\$0.00	26,741	26,741	(26,741)	8,781
100,000 - 199,999	4	480,828	0	0	43,625	9.07%	43,625	9.07%	\$0.39	43,955	54,295	(34,420)	(70,700)
200,000 - 299,999	4	915,823	0	0	87,286	9.53%	87,286	9.53%	\$0.39	(87,286)	(87,286)	0	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	69	3,086,719	0	0	165,951	5.38%	165,951	5.38%	\$0.40	4,440	14,780	(166,655)	(46,225)
Mid Counties Total													
10,000 - 29,999	1,156	20,212,067	196,458	40,650	732,902	3.63%	840,092	4.16%	\$0.54	44,159	(67,028)	78,305	48,788
30,000 - 49,999	373	14,492,385	72,433	44,994	873,726	6.03%	1,002,094	6.91%	\$0.51	(155,943)	(72,154)	185,926	(204,122)
50,000 - 99,999	313	21,644,857	53,770	53,480	751,258	3.47%	880,356	4.07%	\$0.59	231,707	182,057	272,266	20,088
100,000 - 199,999	187	24,827,023	0	104,908	1,701,891	6.85%	1,918,684	7.73%	\$0.45	28,624	314,597	117,721	(461,682)
200,000 - 299,999	61	14,992,666	0	0	1,001,980	6.68%	1,126,980	7.52%	\$0.45	(300,115)	(504,157)	777,967	284,604
300,000+	22	10,351,001	0	0	967,644	9.35%	967,644	9.35%	\$0.48	(593)	(490,708)	(34,040)	52,356
Total	2,112	106,519,999	322,661	244,032	6,029,201	5.66%	6,735,850	6.32%	\$0.48	(152,161)	(637,393)	1,398,145	(259,968)



MID-COUNTIES

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SECOND QUARTER 2004



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