

# INDUSTRIAL MARKET REPORT

SECOND  
QUARTER  
2005

Compared to  
last quarter:

## VACANCY



UP

## AVAILABILITY



UP

## ABSORPTION



DOWN

## LEASE RATES



FLAT

## CONSTRUCTION



DOWN

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## MARKET HIGHLIGHTS

- ◆ Unemployment in the first quarter of 2005 in Los Angeles County is 5.8%, which is down 0.3% from the first quarter of 2005 and down 0.7% since the second 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-Counties 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 502,117 square feet of construction under way; this is down from last quarter when there was 628,498 square feet under construction.
- ◆ Planned construction for this area is up compared to last year. Currently there is 315,985 square feet on the slate as being planned, compared to last year's figure of 244,032.
- ◆ The Industrial vacancy rate checked in at a low 5.57%. This represents a decrease in vacant space of almost 1.6% 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 7.2%, which is almost 14% higher than it was a year ago when it was 6.32%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ Net absorption for the Mid Counties this quarter posted a negative number of 523,302 square feet, giving the Industrial Market in the Mid Counties a total of 353,998 of positive absorption for 2005.
- ◆ Rental rates are expected to increase at moderate levels in the short run and concessions will lessen as the economy continues to improve.

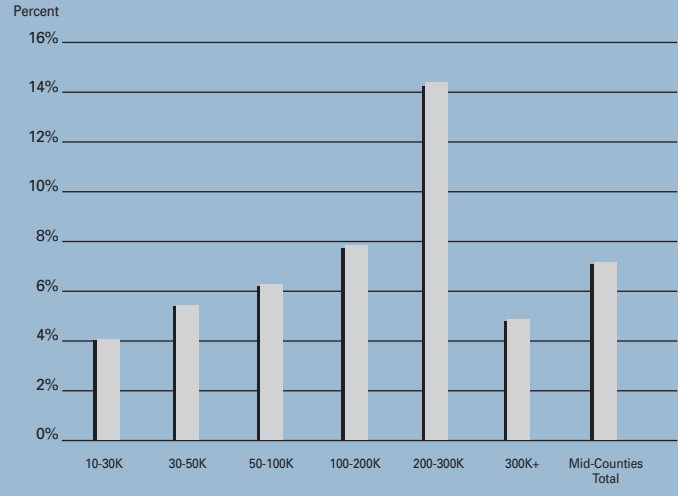
## MID-COUNTIES MARKET STATISTICS

	2Q2005	1Q2005	2Q2004	% CHANGE VS. 2004
Under Construction	502,117	628,498	322,661	55.62%
Planned Construction	315,985	513,432	244,032	29.49%
Vacancy	5.57%	4.65%	5.66%	-1.59%
Availability	7.20%	6.40%	6.32%	13.92%
Pricing	\$0.49	\$0.49	\$0.48	2.08%
Net Absorption	-523,302	909,061	-152,161	N/A
Gross Absorption	1,892,977	2,817,090	1,543,806	22.62%

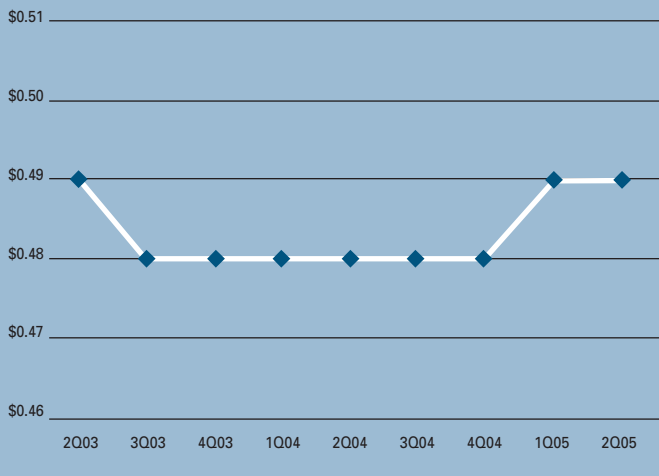
## VACANCY RATE



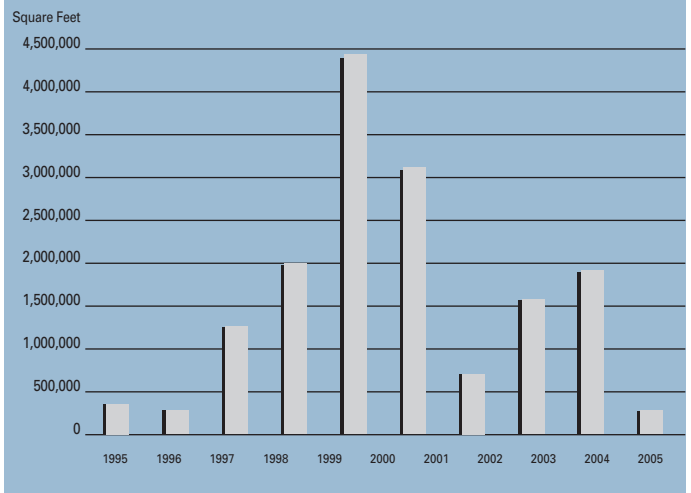
## AVAILABILITY RATE BY SIZE



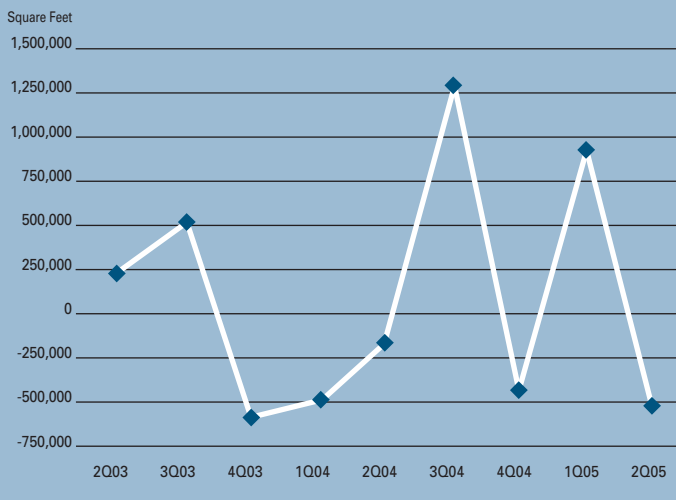
## AVERAGE ASKING TRIPLE NET LEASE RATE



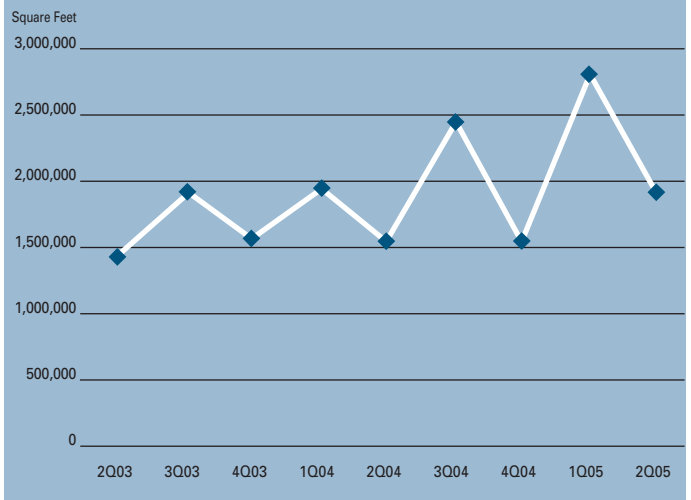
## ANNUAL INDUSTRIAL NEW CONSTRUCTION



## NET ABSORPTION



## GROSS ABSORPTION



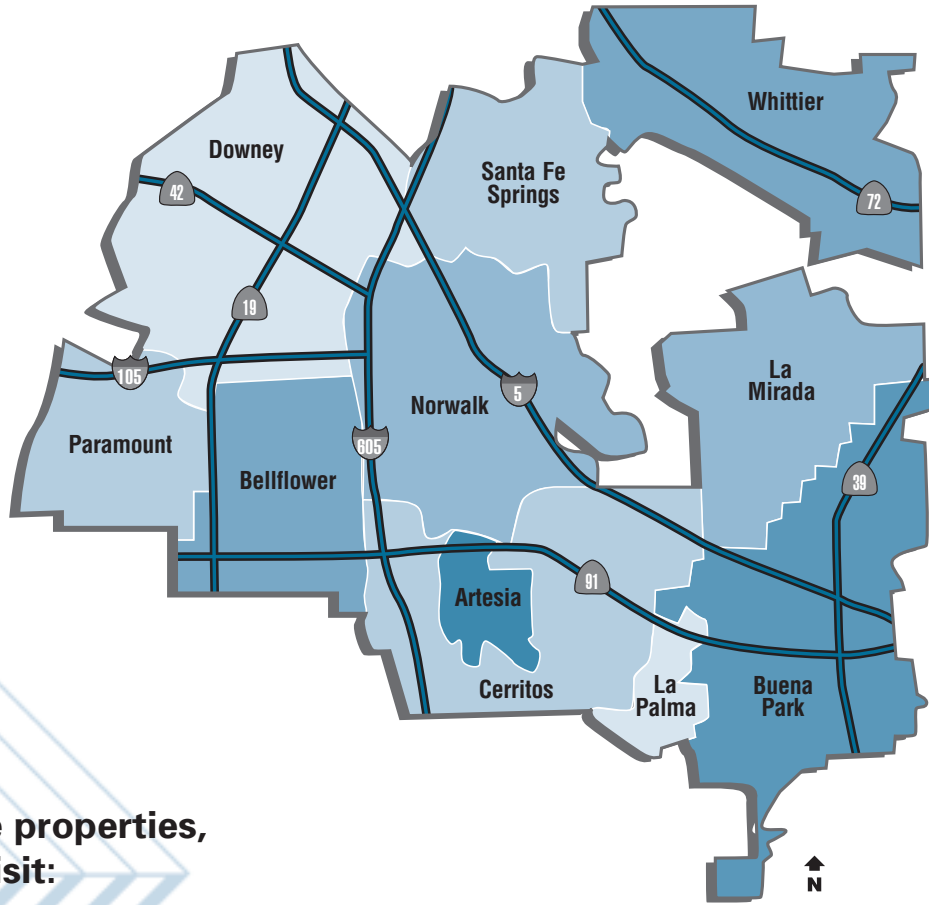
# SECOND QUARTER 2005

## MID - 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 2Q2005	Square Feet Available	Availability Rate 2Q2005	Average Asking Lease Rate	Net Absorption 2Q2005	Net Absorption 2005	Net Absorption 2004	Net Absorption 2003
<b>Artesia / Cerritos</b>													
10,000 - 29,999	103	1,924,486	0	0	178,480	9.27%	178,570	9.28%	\$0.52	(73,549)	(120,323)	(16,582)	58,817
30,000 - 49,999	61	2,419,770	0	0	221,485	9.15%	221,485	9.15%	\$0.45	(11,238)	(41,738)	(53,406)	68,008
50,000 - 99,999	52	3,547,125	0	0	37,055	1.04%	37,055	1.04%	\$0.43	0	(255)	67,400	14,633
100,000 - 199,999	31	4,309,958	0	0	238,341	5.53%	460,630	10.69%	\$0.49	(143,120)	(94,730)	(86,242)	333,611
200,000 - 299,999	4	979,948	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	3,080
300,000+	1	320,000	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>Artesia / Cerritos Total</b>	<b>252</b>	<b>13,501,287</b>	<b>0</b>	<b>0</b>	<b>675,361</b>	<b>5.00%</b>	<b>897,740</b>	<b>6.65%</b>	<b>\$0.48</b>	<b>(227,907)</b>	<b>(257,046)</b>	<b>(88,830)</b>	<b>478,149</b>
<b>Bellflower / Downey</b>													
10,000 - 29,999	101	1,734,771	0	0	74,448	4.29%	74,448	4.29%	\$0.56	(52,384)	(43,311)	2,771	7,952
30,000 - 49,999	18	700,902	0	48,455	7,765	1.11%	14,030	2.00%	\$0.65	300	(5,965)	36,186	(37,986)
50,000 - 99,999	15	1,019,565	0	0	0	0.00%	18,495	1.81%	\$0.52	28,575	27,165	49,617	101,800
100,000 - 199,999	7	909,152	0	0	147,560	16.23%	147,560	16.23%	\$0.00	(147,560)	(2,560)	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+	1	315,705	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>Bellflower / Downey Total</b>	<b>144</b>	<b>5,208,248</b>	<b>0</b>	<b>48,455</b>	<b>229,773</b>	<b>4.41%</b>	<b>254,533</b>	<b>4.89%</b>	<b>\$0.57</b>	<b>(171,069)</b>	<b>(24,671)</b>	<b>88,574</b>	<b>71,766</b>
<b>Buena Park / La Palma</b>													
10,000 - 29,999	89	1,652,655	0	0	42,056	2.54%	94,860	5.74%	\$0.61	13,396	23,489	16,790	(13,090)
30,000 - 49,999	29	1,094,638	0	0	3,970	0.36%	3,970	0.36%	\$0.00	3,135	3,135	122,402	1,080
50,000 - 99,999	36	2,522,420	0	0	78,900	3.13%	78,900	3.13%	\$0.00	29,230	9,870	331,613	0
100,000 - 199,999	19	2,551,022	0	0	307,036	12.04%	307,036	12.04%	\$0.42	(126,120)	37,525	(215,086)	155,060
200,000 - 299,999	12	3,126,891	0	0	260,645	8.34%	510,645	16.33%	\$0.47	0	0	(209,526)	(133,241)
300,000+	9	4,866,644	0	0	0	0.00%	0	0.00%	\$0.00	0	447,005	(274,038)	(34,040)
<b>Buena Park / La Palma Total</b>	<b>194</b>	<b>15,814,270</b>	<b>0</b>	<b>0</b>	<b>692,607</b>	<b>4.38%</b>	<b>995,411</b>	<b>6.29%</b>	<b>\$0.48</b>	<b>(80,359)</b>	<b>521,024</b>	<b>(227,845)</b>	<b>(24,231)</b>
<b>La Mirada</b>													
10,000 - 29,999	57	1,013,501	0	0	14,687	1.45%	14,687	1.45%	\$0.59	16,264	15,098	(10,434)	(19,351)
30,000 - 49,999	35	1,322,896	0	0	51,344	3.88%	88,739	6.71%	\$0.49	(1,011)	(11,228)	73,984	(23,211)
50,000 - 99,999	40	2,796,921	0	0	357,881	12.80%	650,251	23.25%	\$0.47	(86,541)	(162,818)	62,646	(13,416)
100,000 - 199,999	26	3,341,460	0	0	441,328	13.21%	522,739	15.64%	\$0.44	(279,807)	(247,153)	4,097	20,328
200,000 - 299,999	13	3,019,672	0	0	572,178	18.95%	1,004,362	33.26%	\$0.45	(399,577)	(274,577)	(297,601)	243,184
300,000+	1	498,630	0	0	0	0.00%	0	0.00%	\$0.00	0	0	180,969	0
<b>La Mirada Total</b>	<b>172</b>	<b>11,993,080</b>	<b>0</b>	<b>0</b>	<b>1,437,418</b>	<b>11.99%</b>	<b>2,280,778</b>	<b>19.02%</b>	<b>\$0.46</b>	<b>(750,672)</b>	<b>(680,678)</b>	<b>13,661</b>	<b>207,534</b>
<b>Norwalk</b>													
10,000 - 29,999	30	532,410	0	0	24,713	4.64%	47,338	8.89%	\$0.55	21,429	57,205	(25,935)	(33,557)
30,000 - 49,999	6	238,985	0	0	43,026	18.00%	63,686	26.65%	\$0.48	0	0	4,974	(48,000)
50,000 - 99,999	12	805,833	0	0	0	0.00%	0	0.00%	\$0.00	35,997	0	0	49,100
100,000 - 199,999	9	1,175,104	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
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
<b>Norwalk Total</b>	<b>57</b>	<b>2,752,332</b>	<b>0</b>	<b>0</b>	<b>67,739</b>	<b>2.46%</b>	<b>111,024</b>	<b>4.03%</b>	<b>\$0.52</b>	<b>57,426</b>	<b>57,205</b>	<b>(20,961)</b>	<b>(32,457)</b>
<b>Paramount</b>													
10,000 - 29,999	218	3,758,417	0	0	79,929	2.13%	101,931	2.71%	\$0.00	37,418	45,443	(20,046)	(60,287)
30,000 - 49,999	43	1,637,983	0	0	63,483	3.88%	98,571	6.02%	\$0.55	(13,563)	9,981	(37,464)	37,689
50,000 - 99,999	19	1,361,230	0	0	7,168	0.53%	7,168	0.53%	\$0.55	(162)	5,944	(13,112)	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
<b>Paramount Total</b>	<b>288</b>	<b>8,365,798</b>	<b>0</b>	<b>0</b>	<b>150,580</b>	<b>1.80%</b>	<b>207,670</b>	<b>2.48%</b>	<b>\$0.56</b>	<b>23,693</b>	<b>61,368</b>	<b>(70,622)</b>	<b>54,836</b>
<b>Santa Fe Springs</b>													
10,000 - 29,999	556	9,582,457	228,576	20,250	358,019	3.74%	359,662	3.75%	\$0.59	19,090	69,721	80,982	211,987
30,000 - 49,999	171	6,683,229	0	48,455	300,359	4.49%	310,215	4.64%	\$0.55	71,864	80,631	162,678	219,674
50,000 - 99,999	138	9,495,989	99,494	95,717	422,980	4.45%	606,510	6.39%	\$0.50	(22,262)	(68,128)	(52,505)	69,456
100,000 - 199,999	83	10,894,625	174,047	103,108	438,580	4.03%	501,329	4.60%	\$0.48	172,886	547,675	736,018	(356,858)
200,000 - 299,999	27	6,688,842	0	0	880,304	13.16%	676,443	10.11%	\$0.48	0	(318,920)	7,240	664,944
300,000+	8	3,850,893	0	0	274,212	7.12%	490,480	12.74%	\$0.50	395,204	395,204	(669,416)	0
<b>Santa Fe Springs Total</b>	<b>983</b>	<b>47,196,035</b>	<b>502,117</b>	<b>267,530</b>	<b>2,674,454</b>	<b>5.67%</b>	<b>2,944,639</b>	<b>6.24%</b>	<b>\$0.51</b>	<b>636,782</b>	<b>706,183</b>	<b>264,997</b>	<b>809,203</b>
<b>Whittier</b>													
10,000 - 29,999	43	710,707	0	0	0	0.00%	0	0.00%	\$0.00	0	0	19,580	(74,166)
30,000 - 49,999	17	665,444	0	0	5,376	0.81%	5,376	0.81%	\$0.00	(5,376)	(5,376)	35,040	(31,328)
50,000 - 99,999	9	600,473	0	0	0	0.00%	0	0.00%	\$0.00	0	0	26,741	(26,741)
100,000 - 199,999	6	745,563	0	0	5,820	0.78%	5,820	0.78%	\$0.00	(5,820)	(5,820)	258,920	(34,420)
200,000 - 299,999	4	915,823	0	0	105,477	11.52%	105,477	11.52%	\$0.46	0	(18,191)	(87,286)	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>Whittier Total</b>	<b>79</b>	<b>3,638,010</b>	<b>0</b>	<b>0</b>	<b>116,673</b>	<b>3.21%</b>	<b>116,673</b>	<b>3.21%</b>	<b>\$0.46</b>	<b>(11,196)</b>	<b>(29,387)</b>	<b>252,995</b>	<b>(166,655)</b>
<b>Mid Counties Total</b>													
10,000 - 29,999	1,197	20,909,404	228,576	20,250	772,332	3.69%	871,496	4.17%	\$0.57	(18,336)	47,322	47,126	78,305
30,000 - 49,999	380	14,763,847	0	96,910	696,808	4.72%	806,072	5.46%	\$0.50	44,111	29,440	344,394	185,926
50,000 - 99,999	321	22,149,556	99,494	95,717	903,984	4.08%	1,398,379	6.31%	\$0.49	(15,163)	(188,222)	472,400	272,266
100,000 - 199,999	186	24,698,476	174,047	103,108	1,578,665	6.39%	1,945,114	7.88%	\$0.47	(529,541)	234,937	697,707	117,721
200,000 - 299,999	64	15,772,897	0	0	1,818,604	11.53%	2,296,927	14.56%	\$0.47	(399,577)	(611,688)	(587,173)	777,967
300,000+	21	10,174,880	0	0	274,212	2.69%	490,480	4.82%	\$0.50	395,204	842,209	(762,485)	(34,040)
<b>Total</b>	<b>2,169</b>	<b>108,469,060</b>	<b>502,117</b>	<b>315,985</b>	<b>6,044,605</b>	<b>5.57%</b>	<b>7,808,468</b>	<b>7.20%</b>	<b>\$0.49</b>	<b>(523,302)</b>	<b>353,998</b>	<b>211,969</b>	<b>1,398,145</b>

# INDUSTRIAL MARKET REPORT

SECOND QUARTER 2005



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