

INDUSTRIAL MARKET REPORT

SECOND
QUARTER
2007

Compared to
last quarter:

VACANCY



UP

AVAILABILITY



UP

ABSORPTION



DOWN

LEASE RATES



UP

CONSTRUCTION



DOWN

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Prepared by:
Jerry J. Holdner, Jr.
Vice President
of Market Research
e-mail: jholdner@voitco.com



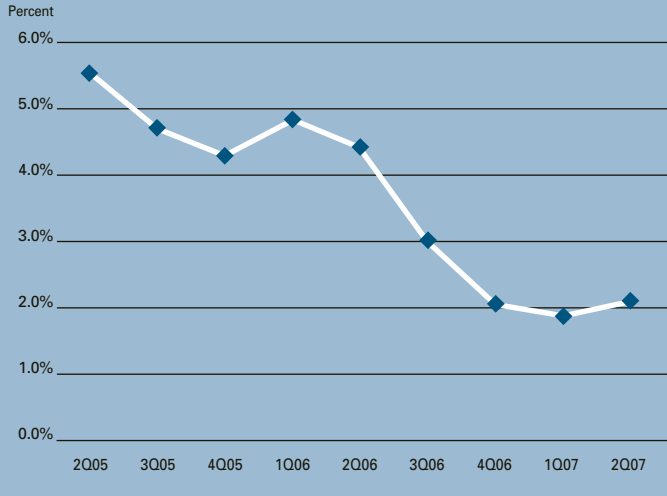
MARKET HIGHLIGHTS

- ◆ The Industrial vacancy rate registered at a low 2.16%. This represents a decrease in vacant space of over 50% compared to this same time last year. This low rate will continue to put upward pressure on lease rates going forward.
- ◆ The Industrial availability rate checked in at 3.56%, which is 32.58% lower than it was a year ago when it was 5.28%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ The average asking triple net lease rate is .67 cents per square foot per month this quarter. This is an increase of 28.85% when compared to a year ago and represents a new record high.
- ◆ Total new construction added to the Mid Counties Industrial market during the first half of 2007 was 194,625 square feet. This decline is due to the lack of available land for development along with increasing construction and land costs.
- ◆ Currently there is 365,488 square feet of construction underway, up from last year when there was nothing under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 25,680 square feet on the slate as being planned, compared to last year's figure of 164,674.
- ◆ Net absorption for the Mid Counties this quarter posted a negative number of 503,237 square feet, giving the Mid Counties a total of 90,419 square feet of negative absorption for 2007.
- ◆ Unemployment in the second quarter of 2007 in Los Angeles County is 4.4%, which is down 0.3% since the first quarter of 2007 and down 0.2% since the second quarter of 2006.
- ◆ According to Los Angeles County Economic Development Corporation, it is estimated that Los Angeles County will gain 43,700 non-farm jobs with a 4.9% increase in total personal income in 2007, and they are forecasting 51,800 new jobs for 2008.
- ◆ Rental rates are expected to increase at moderate levels, 7% to 10%, in the short run and concessions will continue to lessen as the economy continues to improve.

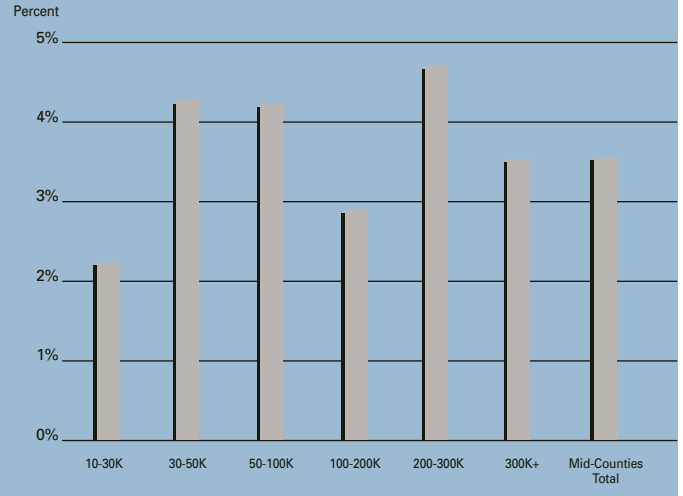
MID-COUNTIES MARKET STATISTICS

	2Q2007	1Q2007	2Q2006	% CHANGE VS. 2006
Under Construction	365,488	572,604	360,315	1.44%
Planned Construction	25,680	25,680	164,674	-84.41%
Vacancy	2.16%	1.89%	4.47%	-51.68%
Availability	3.56%	3.47%	5.28%	-32.58%
Pricing	\$0.67	\$0.58	\$0.52	28.85%
Net Absorption	-503,237	412,818	308,280	N/A
Gross Absorption	831,786	1,454,528	2,483,144	-66.50%

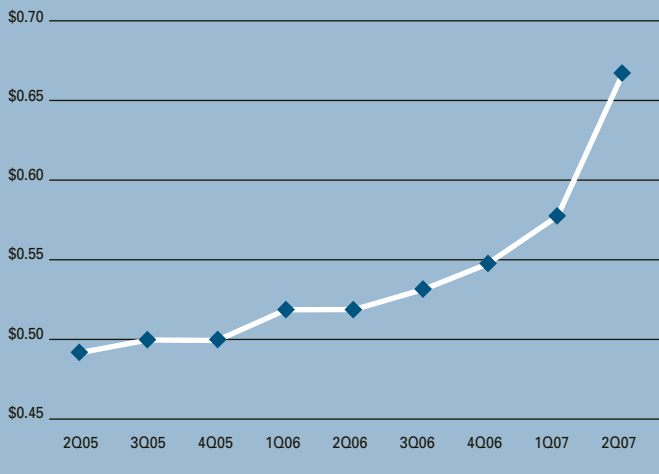
VACANCY RATE



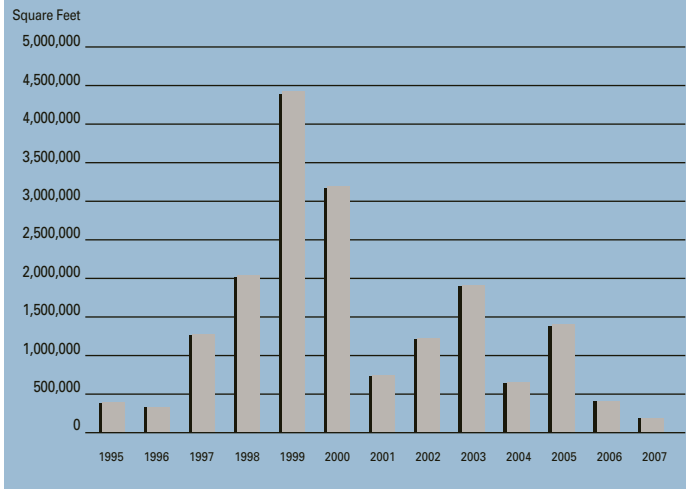
AVAILABILITY RATE BY SIZE



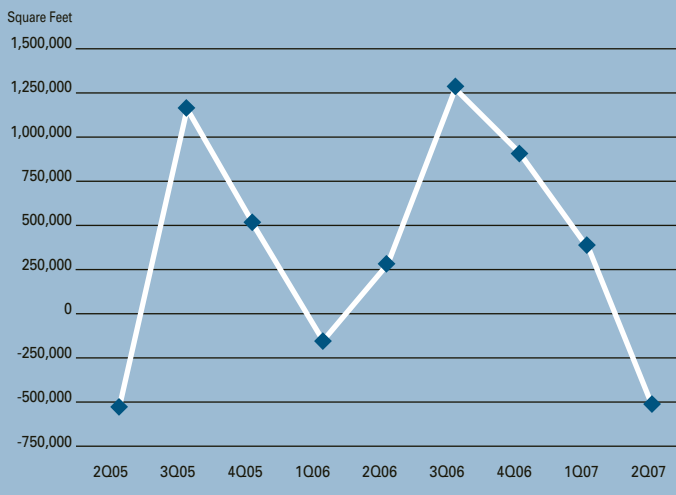
AVERAGE ASKING TRIPLE NET LEASE RATE



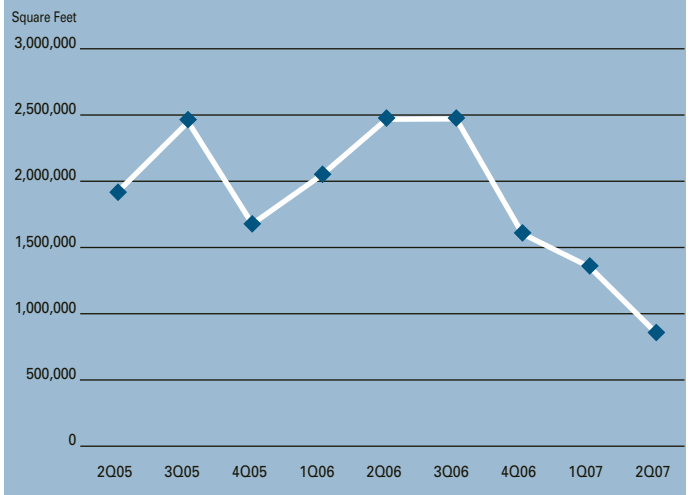
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



SECOND QUARTER 2007

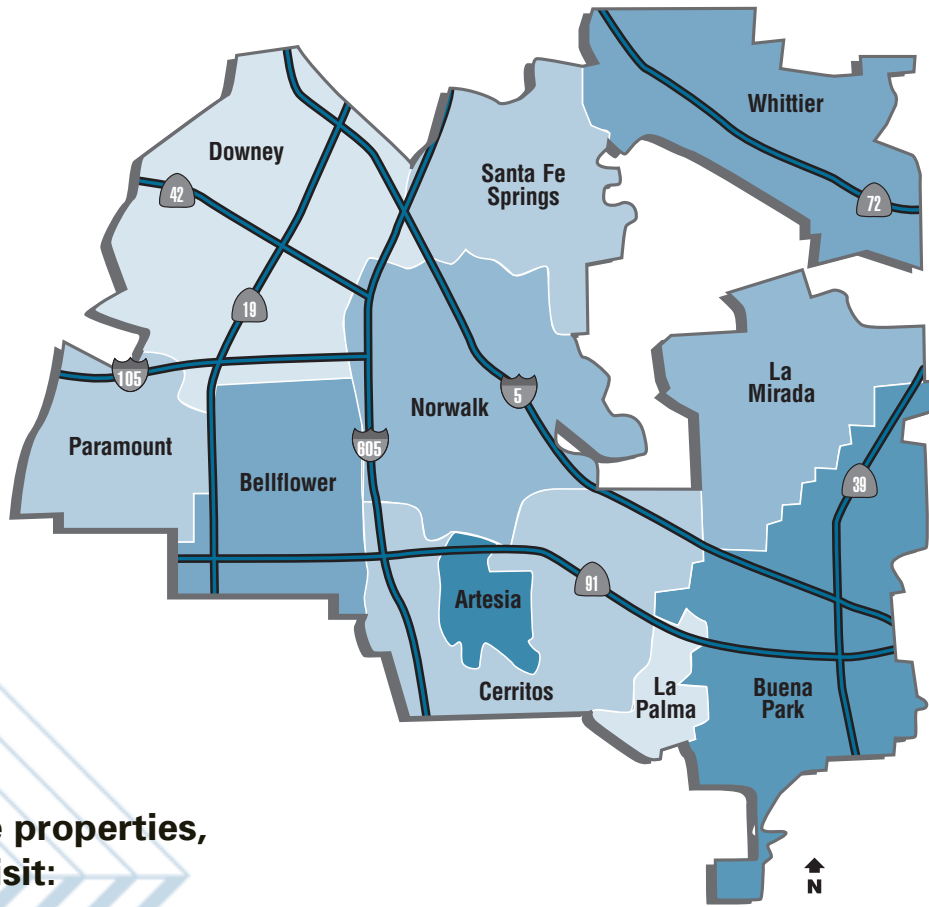
M I D - C O U N T I E S

	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 2Q2007	Square Feet Available	Availability Rate 2Q2007	Average Asking Lease Rate	Net Absorption 2Q2007	Net Absorption 2007	Net Absorption 2006	Net Absorption 2005
Artesia / Cerritos													
10,000 - 29,999	106	2,008,696	0	0	35,807	1.78%	94,386	4.70%	\$0.64	6,394	34,728	36,116	(24,774)
30,000 - 49,999	66	2,601,136	0	0	75,062	2.89%	327,249	12.58%	\$0.57	(75,062)	(72,726)	152,936	66,907
50,000 - 99,999	58	3,939,101	0	0	210,647	5.35%	254,588	6.46%	\$0.58	(92,981)	(21,199)	(247,194)	29,866
100,000 - 199,999	31	4,247,899	178,454	0	123,058	2.90%	235,320	5.54%	\$0.47	(59,615)	(4,486)	551	(321,250)
200,000 - 299,999	5	1,199,948	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
300,000+	1	309,934	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	267	14,306,714	178,454	0	444,574	3.11%	911,543	6.37%	\$0.55	(221,264)	(63,683)	(57,591)	(249,251)
Bellflower / Downey													
10,000 - 29,999	105	1,792,164	0	0	14,320	0.80%	11,153	0.62%	\$0.62	(14,320)	9,453	(2,603)	45,036
30,000 - 49,999	18	694,202	0	0	13,505	1.95%	13,505	1.95%	\$0.66	0	0	39,746	(52,351)
50,000 - 99,999	13	904,716	0	0	31,270	3.46%	31,270	3.46%	\$0.99	10,080	10,730	11,055	(25,890)
100,000 - 199,999	7	935,152	0	0	0	0.00%	0	0.00%	\$0.00	0	0	147,560	(2,560)
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
Bellflower / Downey Total	146	5,170,092	0	0	59,095	1.14%	55,928	1.08%	\$0.90	(4,240)	20,183	195,758	(35,765)
Buena Park / La Palma													
10,000 - 29,999	85	1,535,002	0	25,680	60,034	3.91%	73,959	4.82%	\$0.00	(33,768)	(19,959)	(11,078)	25,015
30,000 - 49,999	29	1,068,981	0	0	29,633	2.77%	56,785	5.31%	\$0.00	(5,900)	(48,183)	(6,400)	7,105
50,000 - 99,999	37	2,572,684	0	0	0	0.00%	10,000	0.39%	\$0.00	0	0	19,360	29,410
100,000 - 199,999	19	2,560,134	0	0	0	0.00%	0	0.00%	\$0.00	0	0	26,000	318,561
200,000 - 299,999	13	3,375,161	0	0	472,122	13.99%	189,206	5.61%	\$0.56	(131,730)	(131,730)	(85,642)	4,245
300,000+	9	4,866,644	0	0	15,500	0.32%	289,588	5.95%	\$0.00	0	(15,500)	0	0
Buena Park / La Palma Total	192	15,978,606	0	25,680	577,289	3.61%	619,538	3.88%	\$0.56	(171,398)	(215,372)	(57,760)	384,336
La Mirada													
10,000 - 29,999	65	1,154,848	0	0	0	0.00%	13,521	1.17%	\$0.00	22,750	7,500	(4,068)	27,453
30,000 - 49,999	38	1,448,795	0	0	46,700	3.22%	3,220	0.22%	\$0.00	0	31,920	(17,883)	(20,621)
50,000 - 99,999	46	3,302,436	0	0	64,479	1.95%	179,756	5.44%	\$0.56	78,072	55,519	118,609	32,425
100,000 - 199,999	24	3,203,478	0	0	0	0.00%	0	0.00%	\$0.00	(122,459)	(19,259)	263,873	(242,965)
200,000 - 299,999	16	3,712,831	0	0	0	0.00%	60,532	1.63%	\$0.00	153,750	366,033	17,565	(85,997)
300,000+	2	857,901	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
La Mirada Total	191	13,680,289	0	0	111,179	0.81%	257,029	1.88%	\$0.56	132,113	441,713	378,096	(289,705)
Norwalk													
10,000 - 29,999	31	552,086	11,315	0	71,269	12.91%	32,644	5.91%	\$0.67	(29,541)	(18,303)	(16,253)	51,805
30,000 - 49,999	7	271,442	0	0	0	0.00%	0	0.00%	\$0.00	0	0	43,026	0
50,000 - 99,999	13	889,657	0	0	71,994	8.09%	71,994	8.09%	\$0.00	(71,994)	(71,994)	0	0
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	1	216,268	0	0	0	0.00%	0	0.00%	\$0.00	0	0	216,268	(216,268)
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Norwalk Total	61	3,104,557	11,315	0	143,263	4.61%	104,638	3.37%	\$0.67	(101,535)	(90,297)	243,041	(164,463)
Paramount													
10,000 - 29,999	217	3,696,859	0	0	78,394	2.12%	73,670	1.99%	\$0.65	(42,903)	(38,079)	37,951	65,710
30,000 - 49,999	44	1,684,150	0	0	0	0.00%	14,850	0.88%	\$0.00	0	500	51,101	22,363
50,000 - 99,999	17	1,229,846	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	20,280
100,000 - 199,999	6	890,869	0	0	0	0.00%	0	0.00%	\$0.00	0	0	1,250	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	8,338,300	0	0	78,394	0.94%	88,520	1.06%	\$0.65	(42,903)	(37,579)	90,302	108,353
Santa Fe Springs													
10,000 - 29,999	638	10,971,628	0	0	155,552	1.42%	229,444	2.09%	\$0.83	26,413	(53,415)	311,324	289,879
30,000 - 49,999	180	7,012,199	80,002	0	200,609	2.86%	248,657	3.55%	\$0.64	(93,649)	(136,110)	41,695	312,499
50,000 - 99,999	155	10,788,062	95,717	0	322,573	2.99%	504,490	4.68%	\$0.80	24,783	36,094	(12,383)	245,062
100,000 - 199,999	93	12,228,540	0	0	201,775	1.65%	372,291	3.04%	\$0.61	(176,775)	(69,125)	436,851	1,071,232
200,000 - 299,999	27	6,629,431	0	0	129,788	1.96%	549,166	8.28%	\$0.82	110,150	154,749	31,365	116,077
300,000+	12	5,415,573	0	0	136,198	2.51%	136,198	2.51%	\$0.00	0	(136,198)	671,094	453,148
Santa Fe Springs Total	1,105	53,045,433	175,719	0	1,146,495	2.16%	2,040,246	3.85%	\$0.75	(109,078)	(204,005)	1,479,946	2,487,897
Whittier													
10,000 - 29,999	84	1,334,990	0	0	1,442	0.11%	1,442	0.11%	\$0.00	12,432	43,398	(24,240)	(11,600)
30,000 - 49,999	19	732,854	0	0	1,920	0.26%	1,920	0.26%	\$0.00	2,636	8,223	(9,343)	0
50,000 - 99,999	14	920,324	0	0	0	0.00%	0	0.00%	\$0.00	0	2,200	0	0
100,000 - 199,999	9	1,115,067	0	0	0	0.00%	151,500	13.59%	\$0.00	0	4,800	0	0
200,000 - 299,999	5	1,125,920	0	0	0	0.00%	0	0.00%	\$0.00	0	0	18,191	69,095
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	131	5,229,155	0	0	3,362	0.06%	154,862	2.96%	\$0.00	15,068	58,621	(15,392)	57,495
Mid Counties Total													
10,000 - 29,999	1,331	23,046,273	11,315	25,680	416,818	1.81%	530,219	2.30%	\$0.69	(52,543)	(34,677)	327,149	468,524
30,000 - 49,999	401	15,513,759	80,002	0	367,429	2.37%	666,186	4.29%	\$0.59	(171,975)	(216,376)	294,878	335,902
50,000 - 99,999	353	24,546,826	95,717	0	700,963	2.86%	1,052,098	4.29%	\$0.68	(52,040)	11,350	(110,553)	331,153
100,000 - 199,999	198	26,356,243	178,454	0	324,833	1.23%	759,111	2.88%	\$0.56	(358,849)	(88,070)	876,085	823,018
200,000 - 299,999	71	17,301,280	0	0	601,910	3.48%	798,904	4.62%	\$0.82	132,170	389,052	197,747	(112,848)
300,000+	26	12,088,765	0	0	151,698	1.25%	425,786	3.52%	\$0.00	0	(151,698)	671,094	453,148
Total	2,380	118,853,146	365,488	25,680	2,563,651	2.16%	4,232,304	3.56%	\$0.67	(503,237)	(90,419)	2,256,400	2,298,897



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SECOND QUARTER 2007



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3500 W. Orangewood Ave.
Orange, California 92868-1642

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FAX: 714.978.9431

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2020 Main St., Suite 100
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