

INDUSTRIAL MARKET REPORT

THIRD
QUARTER
2004

Compared to
last quarter:

VACANCY



AVAILABILITY



ABSORPTION



LEASE RATES



CONSTRUCTION



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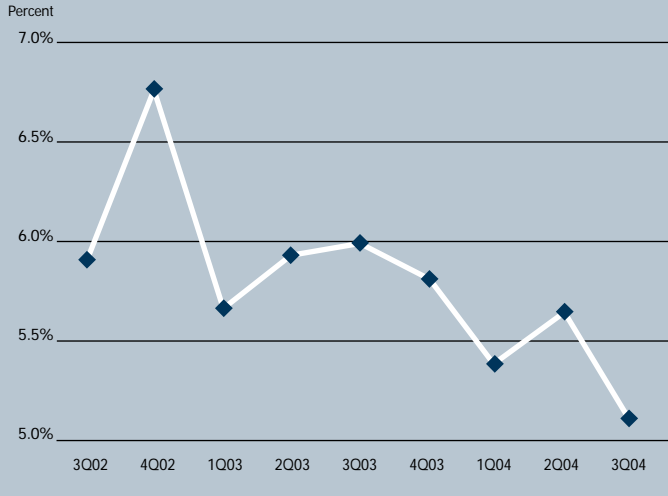
MARKET HIGHLIGHTS

- ◆ Unemployment in the third quarter of 2004 in Los Angeles County is 6.2%, which is the same as it was in the second quarter of 2004 and down 0.6% since the third quarter of 2003.
- ◆ According to 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 three quarters of 2004 was 381,913 square feet. This slow down is due to the lack of available land for development.
- ◆ Currently there is 491,678 square feet of construction under way; this is up from last quarter when there was 322,661 square feet under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 591,357 square feet on the slate as being planned, compared to last year's figure of 1,418,108.
- ◆ The Industrial vacancy rate checked in at a low 5.11%. This represents a decrease in vacant space of just under 15% compared to this same time last year.
- ◆ The Industrial availability rate checked in at 6.87%, which is 18.70% lower than it was a year ago when it was 8.45%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ Rental rates are expected to increase at moderate levels in the short run and concessions will lessen as the economy continues to improve.
- ◆ Net absorption for the Mid Counties this quarter posted a positive number of 1,291,336 square feet, for a total of 718,514 square feet of positive absorption for the year.

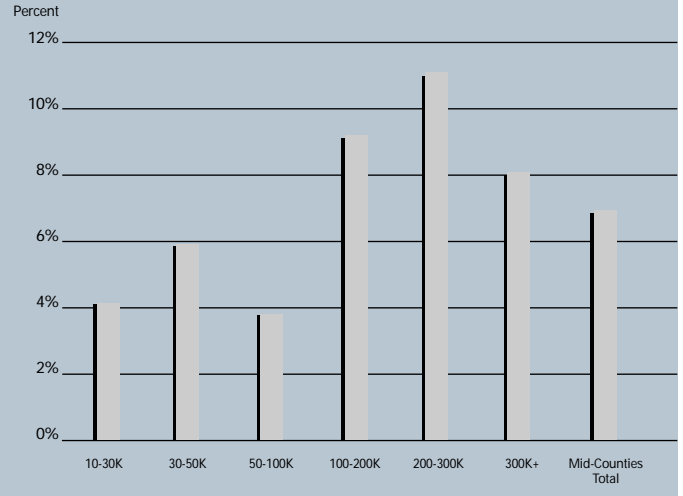
MID-COUNTIES MARKET STATISTICS

	3Q2004	2Q2004	3Q2003	% CHANGE VS. 3Q03
Under Construction	491,678	322,661	1,505,322	-67.34%
Planned Construction	591,357	244,032	1,418,108	-58.30%
Vacancy	5.11%	5.66%	6.00%	-14.83%
Availability	6.87%	6.32%	8.45%	-18.70%
Pricing	\$0.48	\$0.48	\$0.48	0.00%
Net Absorption	1,291,336	-152,161	521,595	147.57%

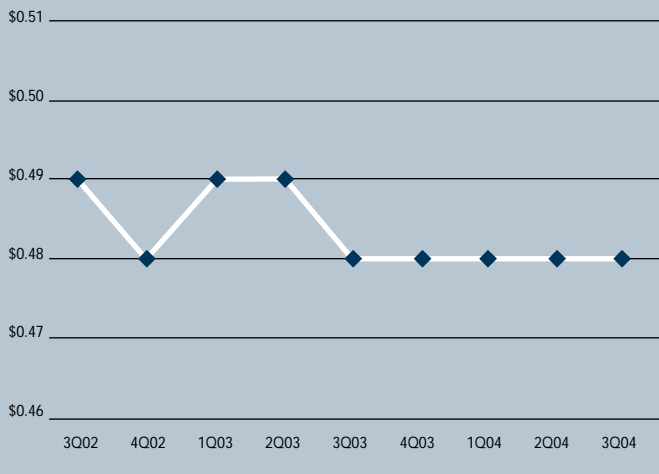
VACANCY RATE



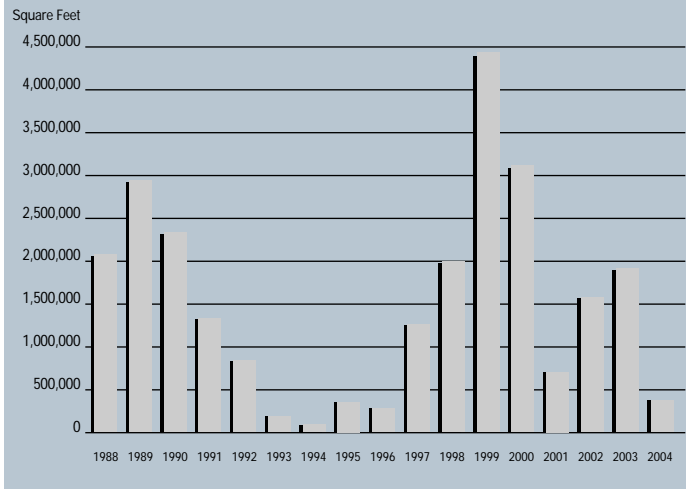
AVAILABILITY RATE BY SIZE



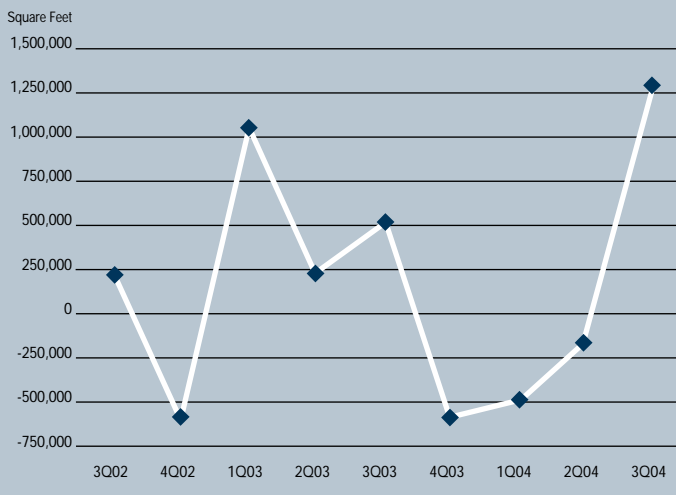
AVERAGE ASKING TRIPLE NET LEASE RATE



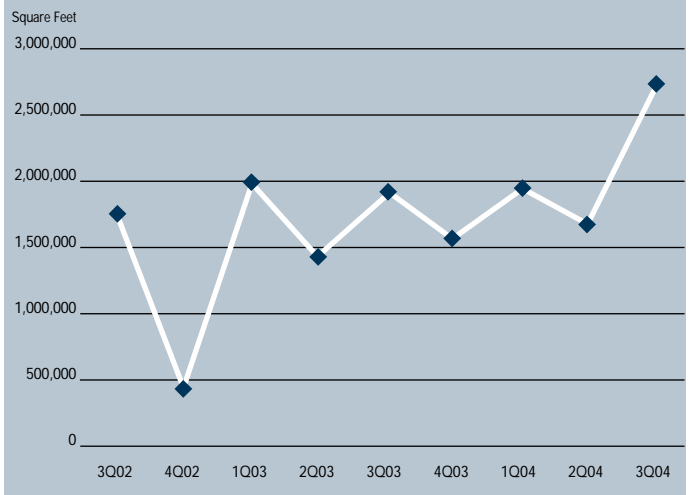
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



THIRD QUARTER 2004

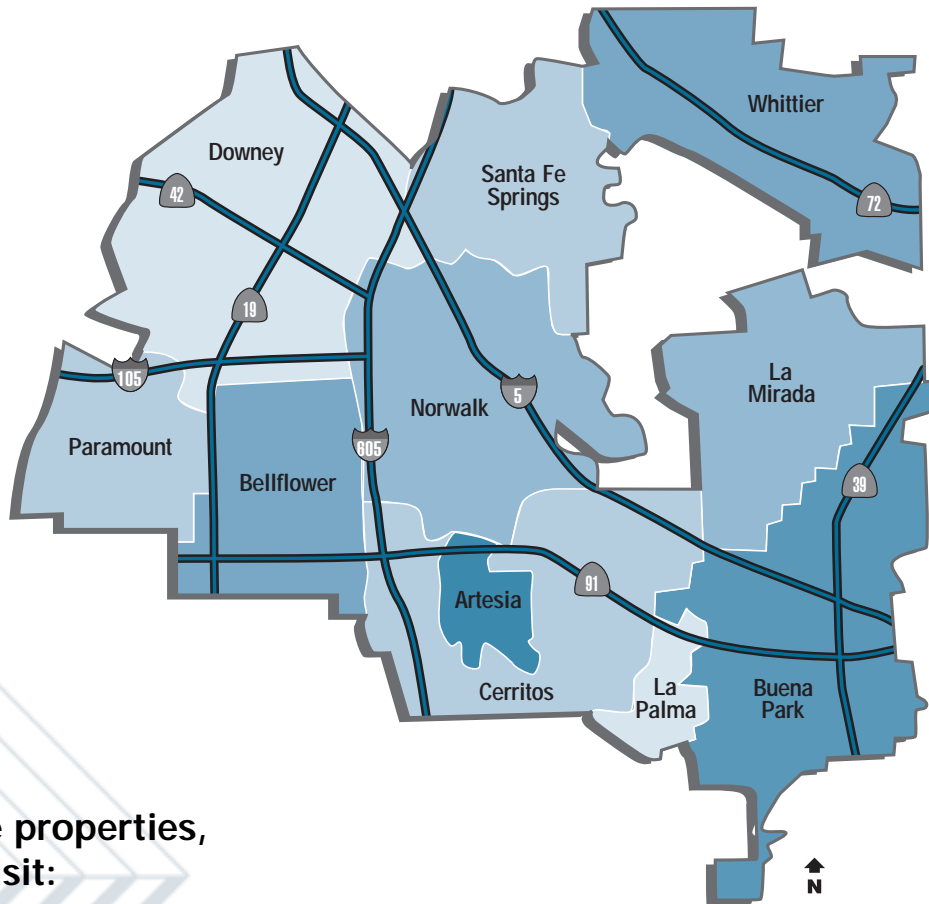
MID-COUNTIES

	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2004	Square Feet Available	Availability Rate 3Q2004	Average Asking Lease Rate	Net Absorption 3Q2004	Net Absorption 2004	Net Absorption 2003	Net Absorption 2002
Artesia / Cerritos													
10,000 - 29,999	98	1,816,283	0	0	94,156	5.18%	94,156	5.18%	\$0.49	16,143	(24,101)	58,817	(56,801)
30,000 - 49,999	61	2,421,096	0	0	140,101	5.79%	259,093	10.70%	\$0.44	(27,150)	26,272	68,008	(11,774)
50,000 - 99,999	52	3,547,125	0	0	83,448	2.35%	83,448	2.35%	\$0.00	32,032	20,752	14,633	83,343
100,000 - 199,999	31	4,309,940	0	0	105,154	2.44%	253,544	5.88%	\$0.48	9,600	(47,785)	333,611	(123,366)
200,000 - 299,999	4	979,948	0	0	0	0.00%	0	0.00%	\$0.00	0	0	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	246	13,074,392	0	0	422,859	3.23%	690,241	5.28%	\$0.47	30,625	(24,862)	478,149	(111,678)
Bellflower / Downey													
10,000 - 29,999	99	1,707,931	0	0	39,765	2.33%	46,174	2.70%	\$0.62	(16,165)	(14,057)	7,952	17,327
30,000 - 49,999	17	652,164	0	0	1,800	0.28%	8,065	1.24%	\$0.59	24,800	36,186	(37,986)	44,355
50,000 - 99,999	16	1,094,565	0	0	8,388	0.77%	8,670	0.79%	\$0.55	58,870	68,394	101,800	(113,016)
100,000 - 199,999	8	1,037,272	0	0	145,000	13.98%	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	144	5,639,790	0	0	194,953	3.46%	207,909	3.69%	\$0.60	67,505	90,523	71,766	(51,334)
Buena Park / La Palma													
10,000 - 29,999	71	1,348,652	0	0	40,973	3.04%	40,973	3.04%	\$0.55	17,813	25,372	(13,090)	26,754
30,000 - 49,999	28	1,064,638	0	0	7,105	0.67%	7,105	0.67%	\$0.00	34,292	122,402	1,080	41,265
50,000 - 99,999	31	2,126,048	0	0	121,246	5.70%	126,053	5.93%	\$0.57	4,807	147,507	0	6,070
100,000 - 199,999	19	2,495,782	0	0	392,551	15.73%	555,657	22.26%	\$0.45	(113,309)	(234,446)	155,060	56,120
200,000 - 299,999	11	2,865,827	0	0	82,122	2.87%	255,200	8.90%	\$0.44	51,119	(31,003)	(133,241)	189,445
300,000+	10	5,037,358	0	0	172,967	3.43%	172,967	3.43%	\$0.00	399,473	123,000	(34,040)	(661,400)
Buena Park / La Palma Total	170	14,938,305	0	0	816,964	5.47%	1,157,955	7.75%	\$0.45	394,195	152,832	(24,231)	(341,746)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	15,853	1.56%	29,785	2.94%	\$0.55	0	3,498	(19,351)	23,722
30,000 - 49,999	35	1,324,146	0	0	74,640	5.64%	83,728	6.32%	\$0.00	87,711	30,372	(23,211)	34,269
50,000 - 99,999	35	2,533,916	53,770	0	0	0.00%	145,971	5.76%	\$0.75	90,800	203,939	(13,416)	(79,844)
100,000 - 199,999	28	3,671,046	0	0	243,480	6.63%	243,480	6.63%	\$0.42	(20,012)	(45,208)	20,328	(218,600)
200,000 - 299,999	12	2,774,717	0	0	135,418	4.88%	280,825	10.12%	\$0.48	0	(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	168	11,815,956	53,770	0	469,391	3.97%	783,789	6.63%	\$0.49	158,499	238,152	207,534	121,013
Norwalk													
10,000 - 29,999	29	499,956	0	0	55,288	11.06%	104,153	20.83%	\$0.55	(22,592)	(27,951)	(33,557)	(17,780)
30,000 - 49,999	5	201,985	0	0	91,026	45.07%	91,026	45.07%	\$0.60	0	(43,026)	(48,000)	0
50,000 - 99,999	12	805,833	0	0	0	0.00%	0	0.00%	\$0.00	49,078	0	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	146,314	5.45%	195,179	7.27%	\$0.59	26,486	(70,977)	(32,457)	15,967
Paramount													
10,000 - 29,999	216	3,743,440	0	0	49,728	1.33%	97,959	2.62%	\$0.52	11,784	55,598	(60,287)	47,690
30,000 - 49,999	43	1,637,983	0	0	73,464	4.49%	73,464	4.49%	\$0.52	24,388	(37,464)	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%	\$0.00	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	286	8,335,225	0	0	123,192	1.48%	171,423	2.06%	\$0.52	36,172	18,134	54,836	(99,913)
Santa Fe Springs													
10,000 - 29,999	535	9,244,638	161,649	110,820	347,184	3.76%	421,471	4.56%	\$0.52	177,062	74,738	211,987	(1,998)
30,000 - 49,999	169	6,611,284	115,259	44,994	277,714	4.20%	299,170	4.53%	\$0.52	166,574	134,824	219,674	(247,888)
50,000 - 99,999	139	9,577,520	0	53,480	266,134	2.78%	451,111	4.71%	\$0.48	165,553	88,440	69,456	192,188
100,000 - 199,999	81	10,674,589	0	382,063	1,093,113	10.24%	1,093,113	10.24%	\$0.45	19,482	483,502	(356,858)	(138,883)
200,000 - 299,999	27	6,688,842	0	0	486,455	7.27%	1,045,247	15.63%	\$0.48	284,580	82,169	664,944	54,434
300,000+	8	3,872,893	0	0	669,416	17.28%	669,416	17.28%	\$0.49	(274,212)	(669,416)	0	396,095
Santa Fe Springs Total	959	46,669,766	276,908	591,357	3,140,016	6.73%	3,979,528	8.53%	\$0.49	539,039	194,257	809,203	253,948
Whittier													
10,000 - 29,999	42	693,164	0	0	1,450	0.21%	1,450	0.21%	\$0.00	(1,450)	19,580	(74,166)	9,874
30,000 - 49,999	16	632,037	0	0	38,400	6.08%	38,400	6.08%	\$0.00	(3,360)	0	(31,328)	5,820
50,000 - 99,999	8	540,397	0	0	0	0.00%	0	0.00%	\$0.00	0	90,241	(26,741)	8,781
100,000 - 199,999	5	584,563	161,000	0	0	0.00%	0	0.00%	\$0.00	43,625	97,920	(34,420)	(70,700)
200,000 - 299,999	4	915,823	0	0	87,286	9.53%	87,286	9.53%	\$0.43	0	(87,286)	0	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	75	3,365,984	161,000	0	127,136	3.78%	127,136	3.78%	\$0.43	38,815	120,455	(166,655)	(46,225)
Mid Counties Total													
10,000 - 29,999	1,147	20,067,565	161,649	110,820	644,397	3.21%	836,121	4.17%	\$0.52	182,595	112,677	78,305	48,788
30,000 - 49,999	374	14,545,333	115,259	44,994	704,250	4.84%	860,051	5.91%	\$0.48	307,255	269,566	185,926	(204,122)
50,000 - 99,999	312	21,571,038	53,770	53,480	479,216	2.22%	815,253	3.78%	\$0.54	401,140	619,273	272,266	20,088
100,000 - 199,999	186	24,719,888	161,000	382,063	1,979,298	8.01%	2,290,794	9.27%	\$0.44	(60,614)	253,983	117,721	(461,682)
200,000 - 299,999	62	15,266,878	0	0	791,281	5.18%	1,668,558	10.93%	\$0.47	335,699	(171,538)	777,967	284,604
300,000+	22	10,351,594	0	0	842,383	8.14%	842,383	8.14%	\$0.49	125,261	(365,447)	(34,040)	52,356
Total	2,103	106,522,296	491,678	591,357	5,440,825	5.11%	7,313,160	6.87%	\$0.48	1,291,336	718,514	1,398,145	(259,968)

MID-COUNTIES

INDUSTRIAL MARKET REPORT

THIRD QUARTER 2004



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