

INDUSTRIAL MARKET REPORT

THIRD
QUARTER
2005

Compared to
last quarter:

VACANCY



AVAILABILITY



ABSORPTION



LEASE RATES



CONSTRUCTION



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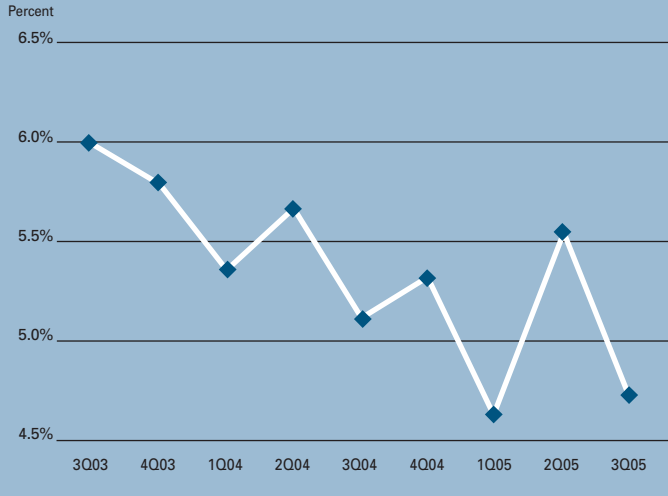
MARKET HIGHLIGHTS

- ◆ Unemployment in the third quarter of 2005 in Los Angeles County is 4.7%, which is down 1.1% from the second quarter of 2005 and down 1.5% since the third 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 2005 thus far is 724,945 square feet. This slow down is due to the lack of available land for development and increasing construction and land costs.
- ◆ Currently there is 322,059 square feet of construction under way; this is down from last quarter when there was 502,117 square feet under construction.
- ◆ Planned construction for this area is up compared to last year. Currently there is 779,495 square feet on the slate as being planned, compared to last year's figure of 591,357.
- ◆ The Industrial vacancy rate checked in at a low 4.73%. This represents a decrease in vacant space of almost 7.5% 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 5.93%, which is almost 14% lower than it was a year ago when it was 6.87%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ The average asking triple net lease rate is .50 cents per square foot per month this quarter. This is an increase of 4.17% when compared to a year ago and one cent higher than last quarter.
- ◆ Net absorption for the Mid Counties this quarter posted a positive number of 1,172,765 square feet, giving the Industrial Market in the Mid Counties a total of 1,023,847 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.

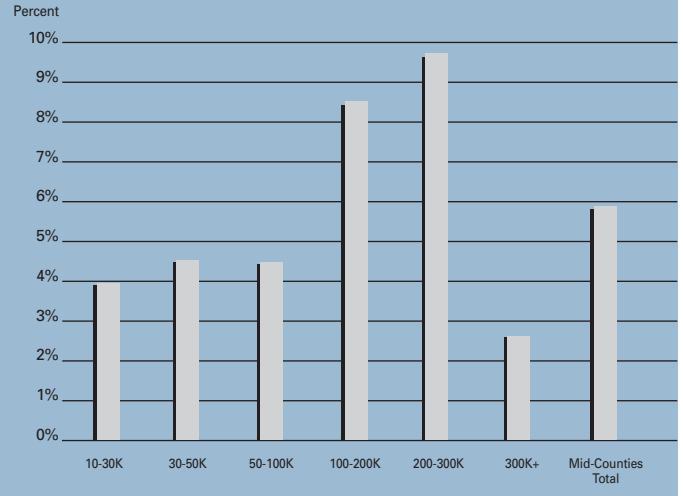
MID-COUNTIES MARKET STATISTICS

	3Q2005	2Q2005	3Q2004	% CHANGE VS. 3Q04
Under Construction	322,059	502,117	491,678	-34.50%
Planned Construction	779,495	315,985	591,357	31.81%
Vacancy	4.73%	5.57%	5.11%	-7.44%
Availability	5.93%	7.20%	6.87%	-13.68%
Pricing	\$0.50	\$0.49	\$0.48	4.17%
Net Absorption	1,172,765	-523,302	1,291,336	N/A
Gross Absorption	2,464,689	1,892,977	2,455,056	0.39%

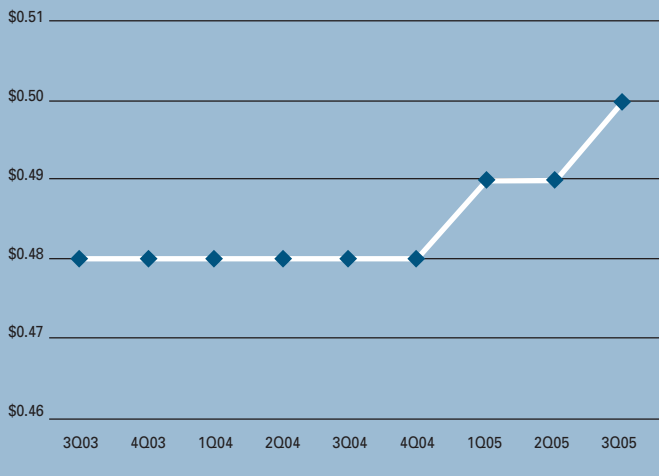
VACANCY RATE



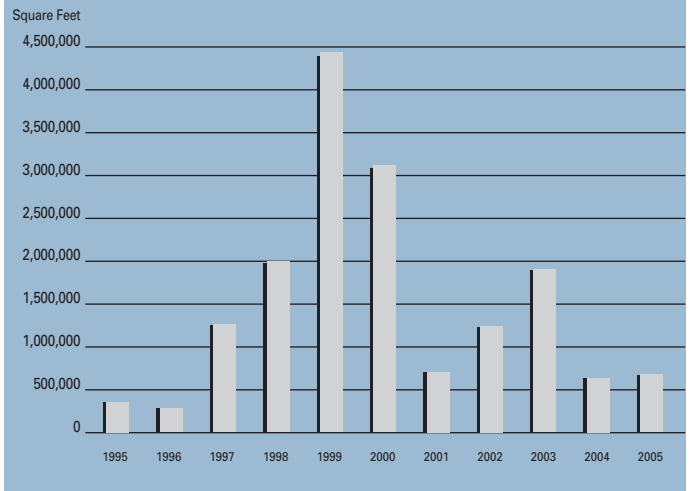
AVAILABILITY RATE BY SIZE



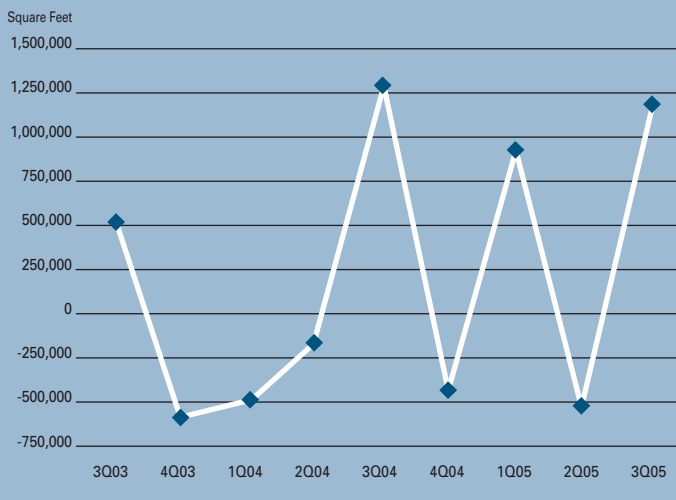
AVERAGE ASKING TRIPLE NET LEASE RATE



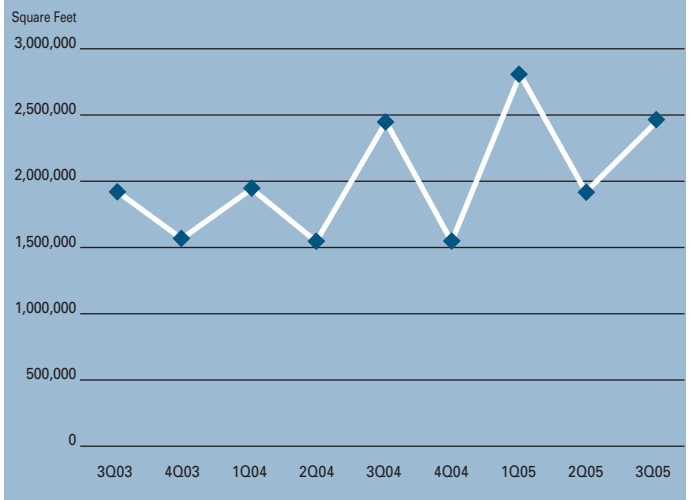
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



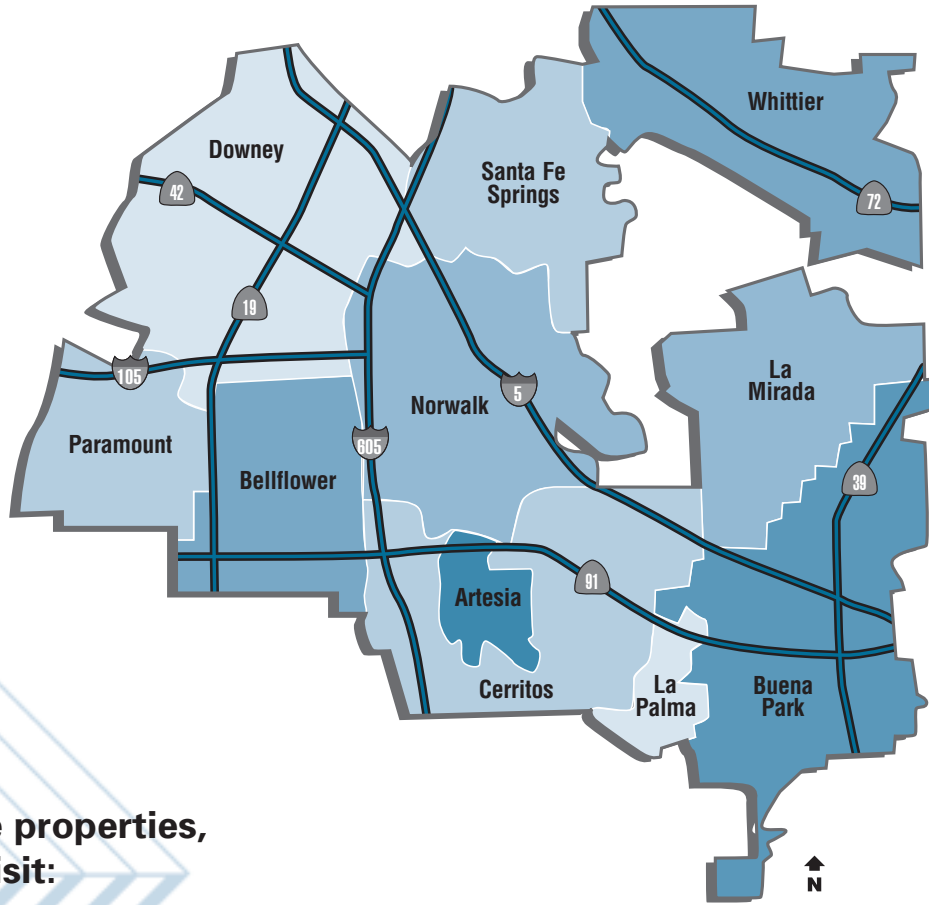
THIRD QUARTER 2005

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 3Q2005	Square Feet Available	Availability Rate 3Q2005	Average Asking Lease Rate	Net Absorption 3Q2005	Net Absorption 2005	Net Absorption 2004	Net Absorption 2003
Artesia / Cerritos													
10,000 - 29,999	104	1,947,732	0	0	166,925	8.57%	166,925	8.57%	\$0.51	11,555	(85,048)	(16,582)	58,817
30,000 - 49,999	60	2,387,770	0	0	201,468	8.44%	201,468	8.44%	\$0.50	65,647	(21,721)	(53,406)	68,008
50,000 - 99,999	52	3,547,125	0	0	31,119	0.88%	31,119	0.88%	\$0.39	5,936	5,681	67,400	14,633
100,000 - 199,999	30	4,143,558	0	0	371,685	8.97%	608,441	14.68%	\$0.49	(133,344)	(228,074)	(86,242)	333,611
200,000 - 299,999	5	1,199,948	0	0	104,600	8.72%	104,600	8.72%	\$0.00	(104,600)	(104,600)	0	3,080
300,000+	1	320,000	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	252	13,546,133	0	0	875,797	6.47%	1,112,553	8.21%	\$0.49	(154,806)	(433,762)	(88,830)	478,149
Bellflower / Downey													
10,000 - 29,999	102	1,764,601	0	0	29,599	1.68%	59,530	3.37%	\$0.55	44,849	1,538	2,771	7,952
30,000 - 49,999	18	700,902	0	48,455	45,151	6.44%	92,137	13.15%	\$0.60	(37,386)	(43,351)	36,186	(37,986)
50,000 - 99,999	14	952,985	0	0	18,495	1.94%	58,941	6.18%	\$0.54	(18,495)	8,670	49,617	101,800
100,000 - 199,999	7	909,152	0	0	147,560	16.23%	147,560	16.23%	\$0.00	0	(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
Bellflower / Downey Total	144	5,171,498	0	48,455	240,805	4.66%	358,168	6.93%	\$0.55	(11,032)	(35,703)	88,574	71,766
Buena Park / La Palma													
10,000 - 29,999	87	1,604,692	0	0	20,233	1.26%	54,899	3.42%	\$0.65	21,823	43,358	16,790	(13,090)
30,000 - 49,999	29	1,094,638	0	0	0	0.00%	0	0.00%	\$0.00	3,970	7,105	122,402	1,080
50,000 - 99,999	36	2,522,420	0	0	47,990	1.90%	47,990	1.90%	\$0.00	30,910	(7,210)	331,613	0
100,000 - 199,999	19	2,551,022	0	0	210,940	8.27%	260,940	10.23%	\$0.42	48,376	(50,135)	(215,086)	155,060
200,000 - 299,999	12	3,126,891	0	0	261,845	8.37%	345,448	11.05%	\$0.45	(1,200)	(1,200)	(209,526)	(133,241)
300,000+	9	4,866,644	0	0	0	0.00%	0	0.00%	\$0.00	0	0	(274,038)	(34,040)
Buena Park / La Palma Total	192	15,766,307	0	0	541,008	3.43%	709,277	4.50%	\$0.48	103,879	(8,082)	(227,845)	(24,231)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	30,984	3.06%	30,984	3.06%	\$0.58	(16,297)	(1,199)	(10,434)	(19,351)
30,000 - 49,999	35	1,322,896	0	0	47,239	3.57%	88,739	6.71%	\$0.49	4,105	(7,123)	73,984	(23,211)
50,000 - 99,999	40	2,796,921	0	0	436,639	15.61%	436,639	15.61%	\$0.59	(78,758)	(149,855)	62,646	(13,416)
100,000 - 199,999	26	3,341,460	0	0	446,548	13.36%	658,418	19.70%	\$0.44	(9,408)	(252,373)	4,097	20,328
200,000 - 299,999	13	3,019,672	0	0	568,178	18.82%	659,387	21.84%	\$0.47	4,000	(270,577)	(297,601)	243,184
300,000+	1	498,630	0	0	0	0.00%	0	0.00%	\$0.00	0	0	180,969	0
La Mirada Total	172	11,993,080	0	0	1,529,588	12.75%	1,874,167	15.63%	\$0.48	(96,358)	(681,127)	13,661	207,534
Norwalk													
10,000 - 29,999	30	532,410	0	0	34,513	6.48%	47,498	8.92%	\$0.54	(9,800)	54,005	(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	0	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
Norwalk Total	57	2,752,332	0	0	77,539	2.82%	111,184	4.04%	\$0.49	(9,800)	54,005	(20,961)	(32,457)
Paramount													
10,000 - 29,999	221	3,804,718	0	0	43,375	1.14%	61,442	1.61%	\$0.56	36,554	81,997	(20,046)	(60,287)
30,000 - 49,999	43	1,638,155	0	0	63,483	3.88%	63,483	3.88%	\$0.00	0	9,981	(37,464)	37,689
50,000 - 99,999	19	1,361,230	0	0	7,168	0.53%	7,168	0.53%	\$0.00	0	13,112	(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
Paramount Total	291	8,412,271	0	0	114,026	1.36%	132,093	1.57%	\$0.56	36,554	105,090	(70,622)	54,836
Santa Fe Springs													
10,000 - 29,999	565	9,729,807	81,214	20,250	392,588	4.03%	396,312	4.07%	\$0.59	112,487	192,510	80,982	211,987
30,000 - 49,999	172	6,724,539	0	0	169,760	2.52%	169,760	2.52%	\$0.64	95,377	208,008	162,678	219,674
50,000 - 99,999	136	9,351,850	99,494	95,717	307,110	3.28%	425,565	4.55%	\$0.50	115,870	47,742	(62,505)	69,456
100,000 - 199,999	85	11,181,740	141,351	160,247	212,071	1.90%	426,551	3.81%	\$0.50	400,556	948,231	736,018	(356,858)
200,000 - 299,999	27	6,688,967	0	0	379,312	5.67%	379,312	5.67%	\$0.48	500,992	182,072	7,240	664,944
300,000+	8	3,850,893	0	454,826	274,212	7.12%	274,212	7.12%	\$0.50	0	395,204	(669,416)	0
Santa Fe Springs Total	993	47,527,796	322,059	731,040	1,735,053	3.65%	2,071,712	4.36%	\$0.51	1,225,282	1,973,767	264,997	809,203
Whittier													
10,000 - 29,999	43	710,707	0	0	11,600	1.63%	11,600	1.63%	\$0.00	(11,600)	(11,600)	19,580	(74,166)
30,000 - 49,999	17	665,444	0	0	3,456	0.52%	3,456	0.52%	\$0.00	1,920	(3,456)	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	4,380	0.59%	4,380	0.59%	\$0.00	1,440	(4,380)	258,920	(34,420)
200,000 - 299,999	4	915,823	0	0	18,191	1.99%	61,840	6.75%	\$0.46	87,286	69,095	(87,286)	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	79	3,638,010	0	0	37,627	1.03%	81,276	2.23%	\$0.46	79,046	49,659	252,995	(166,655)
Mid Counties Total													
10,000 - 29,999	1,209	21,108,168	81,214	20,250	729,817	3.46%	829,190	3.93%	\$0.58	189,571	275,561	47,126	78,305
30,000 - 49,999	380	14,773,329	0	48,455	573,583	3.88%	682,729	4.62%	\$0.53	133,633	149,443	344,394	185,926
50,000 - 99,999	318	21,938,837	99,494	95,717	848,521	3.87%	1,007,422	4.59%	\$0.52	55,463	(81,860)	472,400	272,266
100,000 - 199,999	187	24,819,191	141,351	160,247	1,393,184	5.61%	2,106,290	8.49%	\$0.46	307,620	410,709	697,707	117,721
200,000 - 299,999	65	15,993,022	0	0	1,332,126	8.33%	1,550,587	9.70%	\$0.47	486,478	(125,210)	(587,173)	777,967
300,000+	21	10,174,880	0	454,826	274,212	2.69%	274,212	2.69%	\$0.50	0	395,204	(762,485)	(34,040)
Total	2,180	108,807,427	322,059	779,495	5,151,443	4.73%	6,450,430	5.93%	\$0.50	1,172,765	1,023,847	211,969	1,398,145

INDUSTRIAL MARKET REPORT

THIRD QUARTER 2005



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