



# Mid Counties Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

**Vacancy  
DOWN**

**Availibility  
DOWN**

**Absorption  
UP**

**Lease Rates  
DOWN**

**Construction  
UP**

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Prepared by:  
**Jerry J. Holdner, Jr.**  
Vice President of Market Research  
e-mail: [jholdner@voitco.com](mailto:jholdner@voitco.com)

## Market Highlights

- ◆ The Industrial vacancy rate registered at a low 2.06% this quarter. This represents a decrease in vacant space of over 32% compared to this same time last year. The Santa Fe Springs submarket has a lower vacancy rate of 1.75% this quarter and is the largest of all the submarkets in the Mid-counties, representing almost half of the Industrial buildings in the Mid-Counties. These low rates will continue to put upward pressure on lease rates going forward.
- ◆ The Industrial availability rate checked in at 3.12%, which is 28.77% lower than it was a year ago when it was 4.38%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ The average asking triple net lease rate is .63 cents per square foot per month this quarter. This is an increase of 18.87% when compared to a year ago.
- ◆ Total new construction added to the Mid Counties Industrial market during the first three quarters of 2007 was 333,619 square feet. This decline is due to the lack of available land for development along with increasing construction and land costs.
- ◆ Currently there is 395.695 square feet of construction underway, up from last year when there was 286,883 square feet under construction. The shrinking availability of land is only allowing for the development of primarily small, for-sale industrial buildings. This lack of available land, coupled with the high land prices and rising construction costs, has lead to few mid-size buildings and distribution centers being developed in this infill market.
- ◆ Planned construction for this area is up compared to last year. Currently there is 619,741 square feet, on the slate as being planned, compared to last year's figure of 343,128. The largest part of that 619,741 square feet is comprised of a project in Paramount, Paramount Distribution Center, that consists of 594,061 square feet.
- ◆ Net absorption for the Mid Counties this quarter posted a positive number of 286,653 square feet, giving the Mid Counties a total of 320,410 square feet of positive absorption for 2007.
- ◆ Unemployment in the third quarter of 2007 in Los Angeles County is 5.2%, which is up 0.8% since the second quarter of 2007 and up 0.1% since the third 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, 5% to 10% in the short run, and concessions will continue to lessen as the economy continues to improve.
- ◆ Looking ahead to 2008, the industrial market will exhibit many similar characteristics of 2007. Limited opportunities for new development will open with land and sales prices remaining high. Multi-tenant, manufacturing and distribution buildings will probably not undergo development, as few large land parcels will become available. Industrial buildings for both sale and lease will remain viable options for those looking to enter the Mid-Counties Industrial market.

### MID COUNTIES MARKET OVERVIEW

	3Q2007	2Q2007	3Q2006	% CHANGE VS. 3Q06
Under Construction	395,695	365,488	286,883	37.93%
Planned Construction	619,741	25,680	343,128	80.62%
Vacancy	2.06%	2.16%	3.03%	-32.01%
Availability	3.12%	3.56%	4.38%	-28.77%
Pricing	\$0.63	\$0.67	\$0.53	18.87%
Net Absorption	286,653	-368,624	1,313,790	N/A
Gross Absorption	2,117,586	886,645	2,480,672	-14.64%

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RECENT TRANSACTIONS

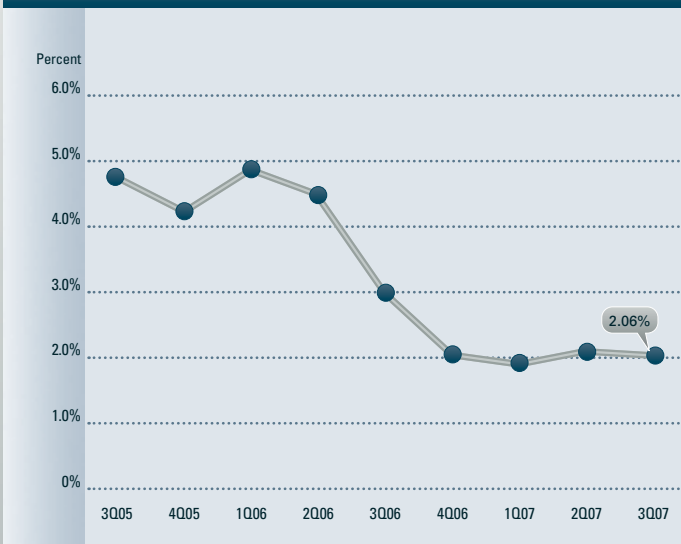
Sales Activity

Property Address	City	Square Feet	Sale Price	Buyer	Seller
18021 Valley View Ave.	Cerritos	309,934	\$32,100,000	Realty Associates Fund VIII	Weyerhaeuser Company
6600 Valley View Street	Buena Park	278,371	\$26,550,000	First Industrial Realty Trust	Ancor Sunclipse NA Inc.
12007 Los Nietos Road	Santa Fe Springs	141,826	\$17,250,000	AMB Property Corporation	T-Pac Investments Inc.
17817 Valley View Ave	Cerritos	145,977	\$15,911,493	Adma Associates LP	Valley View Cerritos Investors, LLC

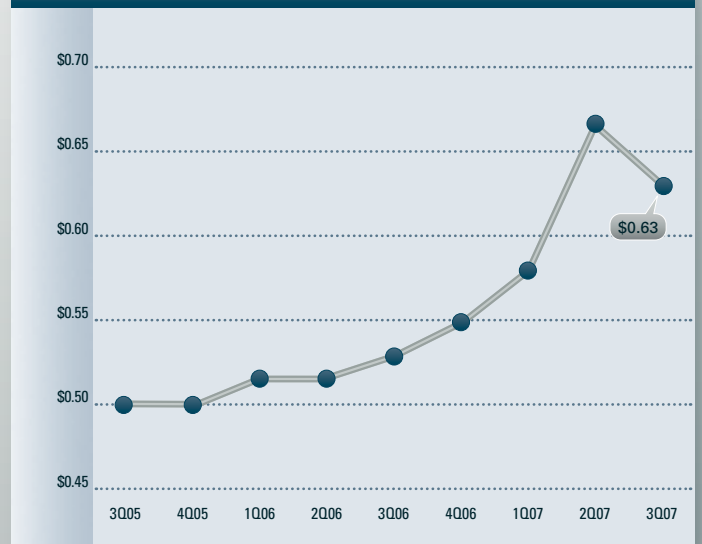
Lease Activity

Property Address	City	Square Feet	Transaction Date	Buyer	Seller
12434 Lakeland Road	Santa Fe Springs	284,580	July-07	Coaster Company	Carson Dominguez Properties
6700-6750 Artesia Blvd.	Buena Park	274,088	August-07	Home Depot	ProLogis
15614-15700 Shoemaker Ave.	Cerritos	136,198	September-07	Van's Shoes	Prudential Real Estate Investors
16290-16310 Shoemaker Ave.	Cerritos	115,520	July-07	Hanes Geo Compoments	Laskey-Weil Company

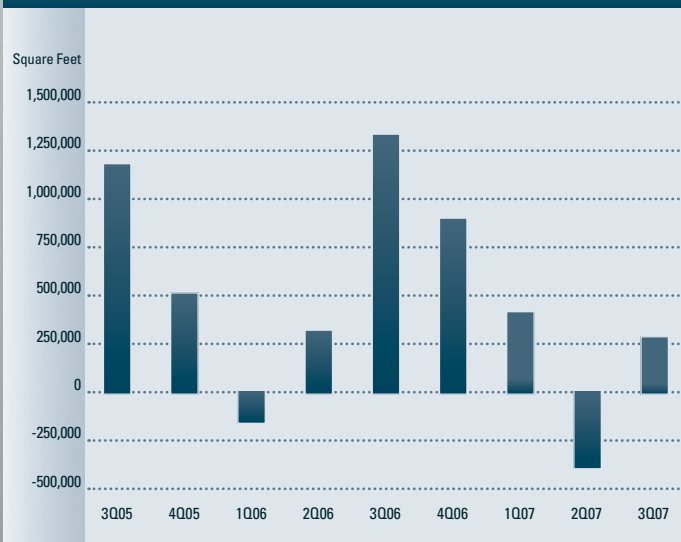
VACANCY RATE



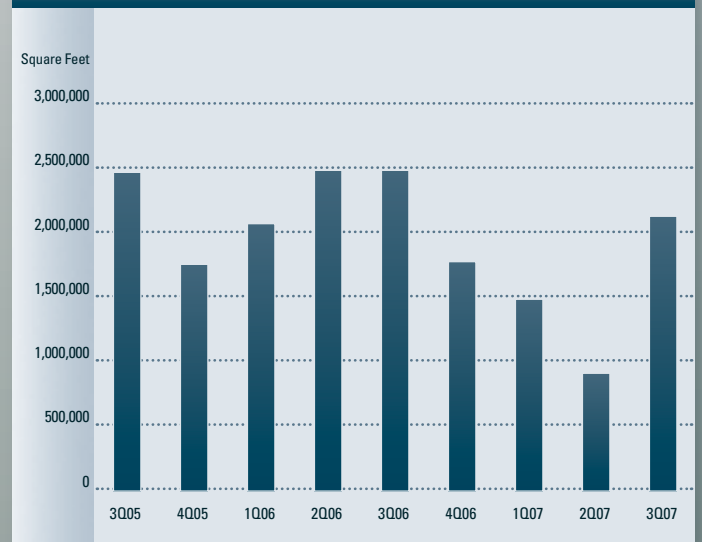
AVERAGE ASKING TRIPLE NET LEASE RATE



NET ABSORPTION



GROSS ABSORPTION



INVENTORY					VACANCY & LEASE RATES					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U/C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2007	Square Feet Available	Availability Rate 3Q2007	Average Asking Lease Rate	Net Absorption 3Q2007	Net Absorption 2007	Net Absorption 2006	Net Absorption 2005
<b>Artesia / Cerritos</b>													
10,000 - 29,999	108	2,048,548	0	0	47,141	2.30%	75,411	3.68%	\$0.68	10,746	47,774	36,116	(24,774)
30,000 - 49,999	65	2,560,618	0	0	69,109	2.70%	254,855	9.95%	\$0.60	(106,437)	(179,163)	152,936	66,907
50,000 - 99,999	58	3,939,101	0	0	266,652	6.77%	501,714	12.74%	\$0.58	(49,177)	(70,376)	(247,194)	29,866
100,000 - 199,999	31	4,212,930	178,454	0	255,640	6.07%	255,640	6.07%	\$0.49	122,395	111,572	551	(321,250)
200,000 - 299,999	5	1,199,948	0	0	0	0.00%	220,000	18.33%	\$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
<b>Artesia / Cerritos Total</b>	<b>268</b>	<b>14,271,079</b>	<b>178,454</b>	<b>0</b>	<b>638,542</b>	<b>4.47%</b>	<b>1,307,620</b>	<b>9.16%</b>	<b>\$0.54</b>	<b>(22,473)</b>	<b>(90,193)</b>	<b>(57,591)</b>	<b>(249,251)</b>
<b>Bellflower / Downey</b>													
10,000 - 29,999	106	1,817,397	0	0	18,522	1.02%	61,656	3.39%	\$0.59	(2,602)	5,751	(2,603)	45,036
30,000 - 49,999	17	663,202	0	0	13,505	2.04%	35,000	5.28%	\$0.00	0	0	39,746	(52,351)
50,000 - 99,999	13	904,716	0	0	31,270	3.46%	0	0.00%	\$0.00	0	10,730	11,055	(25,890)
100,000 - 199,999	7	935,152	194,834	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
<b>Bellflower / Downey Total</b>	<b>146</b>	<b>5,164,325</b>	<b>194,834</b>	<b>0</b>	<b>63,297</b>	<b>1.23%</b>	<b>96,656</b>	<b>1.87%</b>	<b>\$0.59</b>	<b>(2,602)</b>	<b>16,481</b>	<b>195,758</b>	<b>(35,765)</b>
<b>Buena Park / La Palma</b>													
10,000 - 29,999	85	1,535,002	0	25,680	20,433	1.33%	49,599	3.23%	\$0.00	39,601	19,642	(11,078)	25,015
30,000 - 49,999	29	1,068,981	0	0	12,600	1.18%	43,715	4.09%	\$0.00	42,283	(5,900)	(6,400)	7,105
50,000 - 99,999	37	2,572,684	0	0	0	0.00%	93,351	3.63%	\$0.00	0	0	19,360	29,410
100,000 - 199,999	19	2,560,134	0	0	0	0.00%	101,000	3.95%	\$0.00	0	0	26,000	318,561
200,000 - 299,999	13	3,381,452	0	0	0	0.00%	0	0.00%	\$0.00	471,672	340,392	(85,642)	4,245
300,000+	9	4,866,644	0	0	306,022	6.29%	16,434	0.34%	\$0.00	(290,522)	(306,022)	0	0
<b>Buena Park / La Palma Total</b>	<b>192</b>	<b>15,984,897</b>	<b>0</b>	<b>25,680</b>	<b>339,055</b>	<b>2.12%</b>	<b>304,099</b>	<b>1.90%</b>	<b>\$0.63</b>	<b>263,034</b>	<b>48,112</b>	<b>(57,760)</b>	<b>384,336</b>
<b>La Mirada</b>													
10,000 - 29,999	65	1,153,698	0	0	0	0.00%	41,821	3.62%	\$0.55	0	7,500	(4,068)	27,453
30,000 - 49,999	38	1,448,795	0	0	0	0.00%	3,220	0.22%	\$0.00	46,700	78,620	(17,883)	(20,621)
50,000 - 99,999	46	3,303,604	0	0	165,869	5.02%	316,488	9.58%	\$0.58	(4,312)	51,207	118,609	32,425
100,000 - 199,999	24	3,205,730	0	0	0	0.00%	150,552	4.70%	\$0.56	0	111,200	263,873	(242,965)
200,000 - 299,999	16	3,712,831	0	0	0	0.00%	0	0.00%	\$0.00	96,000	462,033	17,565	(85,997)
300,000+	2	857,901	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>La Mirada Total</b>	<b>191</b>	<b>13,682,559</b>	<b>0</b>	<b>0</b>	<b>165,869</b>	<b>1.21%</b>	<b>512,081</b>	<b>3.74%</b>	<b>\$0.53</b>	<b>138,388</b>	<b>710,560</b>	<b>378,096</b>	<b>(289,705)</b>
<b>Norwalk</b>													
10,000 - 29,999	30	535,290	22,407	0	24,991	4.67%	27,991	5.23%	\$0.00	46,278	27,975	(16,253)	51,805
30,000 - 49,999	8	321,178	0	0	35,997	11.21%	35,997	11.21%	\$0.00	4,900	600	43,026	0
50,000 - 99,999	13	889,657	0	0	0	0.00%	0	0.00%	\$0.00	71,994	0	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
<b>Norwalk Total</b>	<b>61</b>	<b>3,137,497</b>	<b>22,407</b>	<b>0</b>	<b>60,988</b>	<b>1.94%</b>	<b>63,988</b>	<b>2.04%</b>	<b>\$0.00</b>	<b>123,172</b>	<b>28,575</b>	<b>243,041</b>	<b>(164,463)</b>
<b>Paramount</b>													
10,000 - 29,999	219	3,746,668	0	0	70,750	1.89%	104,564	2.79%	\$0.00	8,144	(29,935)	37,951	65,710
30,000 - 49,999	42	1,609,226	0	0	8,800	0.55%	0	0.00%	\$0.00	(8,800)	(8,300)	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+	0	0	0	594,061	0	#DIV/0!	0	#DIV/0!	\$0.00	0	0	0	0
<b>Paramount Total</b>	<b>286</b>	<b>7,990,177</b>	<b>0</b>	<b>594,061</b>	<b>79,550</b>	<b>1.00%</b>	<b>104,564</b>	<b>1.31%</b>	<b>\$0.52</b>	<b>(656)</b>	<b>(38,235)</b>	<b>90,302</b>	<b>108,353</b>
<b>Santa Fe Springs</b>													
10,000 - 29,999	636	10,936,238	0	0	170,069	1.56%	328,638	3.01%	\$0.75	13,043	(40,172)	311,324	289,879
30,000 - 49,999	184	7,184,048	0	0	245,562	3.42%	168,413	2.34%	\$0.72	(37,743)	(171,549)	41,695	312,499
50,000 - 99,999	155	10,822,747	0	0	197,088	1.82%	221,826	2.05%	\$0.63	229,929	266,023	(12,383)	245,062
100,000 - 199,999	94	12,370,366	0	0	105,104	0.85%	432,201	3.49%	\$0.62	(39,527)	(108,652)	436,851	1,071,232
200,000 - 299,999	27	6,629,431	0	0	82,238	1.24%	0	0.00%	\$0.82	(213,232)	(58,483)	31,365	116,077
300,000+	12	5,415,573	0	0	136,198	2.51%	0	0.00%	\$0.00	0	(136,198)	671,094	453,148
<b>Santa Fe Springs Total</b>	<b>1,108</b>	<b>53,358,403</b>	<b>0</b>	<b>0</b>	<b>936,259</b>	<b>1.75%</b>	<b>1,151,078</b>	<b>2.16%</b>	<b>\$0.67</b>	<b>(47,530)</b>	<b>(249,031)</b>	<b>1,479,946</b>	<b>2,487,897</b>
<b>Whittier</b>													
10,000 - 29,999	84	1,337,800	0	0	1,442	0.11%	4,268	0.32%	\$0.00	0	43,398	(24,240)	(11,600)
30,000 - 49,999	19	732,854	0	0	5,920	0.81%	4,000	0.55%	\$0.00	(4,000)	4,223	(9,343)	0
50,000 - 99,999	15	974,702	0	0	0	0.00%	0	0.00%	\$0.00	800	3,200	0	0
100,000 - 199,999	9	1,115,067	0	0	161,480	14.48%	161,480	14.48%	\$0.52	(161,480)	(156,680)	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
<b>Whittier Total</b>	<b>132</b>	<b>5,286,343</b>	<b>0</b>	<b>0</b>	<b>168,842</b>	<b>3.19%</b>	<b>169,748</b>	<b>3.21%</b>	<b>\$0.59</b>	<b>(164,680)</b>	<b>(105,859)</b>	<b>(15,392)</b>	<b>57,495</b>
<b>Mid Counties Total</b>													
10,000 - 29,999	1,333	23,110,641	22,407	25,680	353,348	1.53%	693,948	3.00%	\$0.67	115,210	81,933	327,149	468,524
30,000 - 49,999	402	15,588,902	0	0	391,493	2.51%	545,200	3.50%	\$0.67	(63,037)	(281,469)	294,878	335,902
50,000 - 99,999	354	24,637,057	0	0	660,879	2.68%	1,133,379	4.60%	\$0.60	249,234	260,784	(110,553)	331,153
100,000 - 199,999	199	26,465,352	373,288	0	522,224	1.97%	1,100,873	4.16%	\$0.53	(78,612)	(42,560)	876,085	823,018
200,000 - 299,999	71	17,307,571	0	0	82,238	0.48%	220,000	1.27%	\$0.82	354,440	743,942	197,747	(112,848)
300,000+	25	11,765,757	0	594,061	442,220	3.76%	16,434	0.14%	\$0.00	(290,522)	(442,220)	671,094	453,148
<b>Total</b>	<b>2,384</b>	<b>118,875,280</b>	<b>395,695</b>	<b>619,741</b>	<b>2,452,402</b>	<b>2.06%</b>	<b>3,709,834</b>	<b>3.12%</b>	<b>\$0.63</b>	<b>286,653</b>	<b>320,410</b>	<b>2,256,400</b>	<b>2,298,897</b>

This survey consists of properties 10,000 square feet and larger in size, representing both single tenant and multi-tenant buildings. The lease rates are based on a triple net basis.

CONSTRUCTION UPDATE

Under Construction

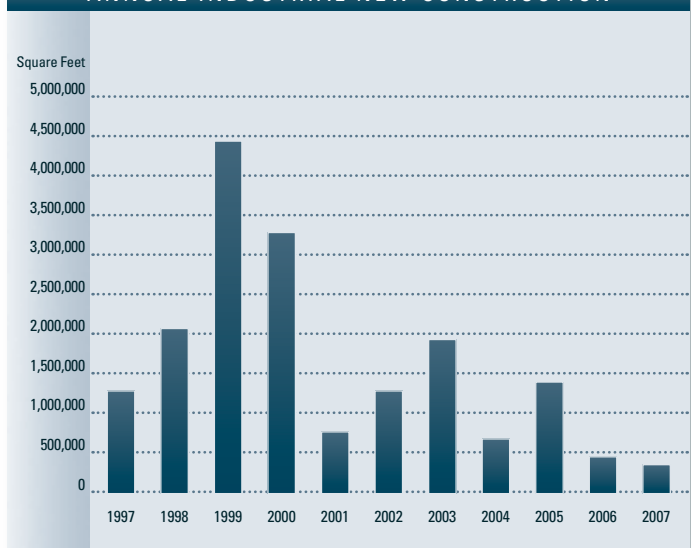
Property Address	City	Description	Square Feet	Estimate Delivery	Recorded Owner
Hall Road	Downey	Class B MFG Condos	194,834	December-07	Shaw Properties
15959 Piuma	Cerritos	Class A Warehouse	178,454	January-08	Piuma Properties, Ltd.
13035 Rosecrans Ave	Norwalk	Class B Warehouse	11,315	November-08	Fiprosecrans I & II
14114 Shoemaker	Norwalk	Class B Warehouse	11,092	June-08	Fiprosecrans I & II

Recent Deliveries

Property Address	City	Description	Square Feet	Estimate Delivery	Recorded Owner
12600 Telegraph Road	Santa Fe Springs	Class A Warehouse	95,717	July-07	McGranahan Carlson & Company
12895 Telegraph Road	Santa Fe Springs	Class B Warehouse	55,088	January-07	FeLyBy Associates, LLC
12855 Telegraph Road	Santa Fe Springs	Class B Warehouse	52,722	February-07	FeLyBy Associates, LLC
12803-12851 Telegraph Road	Santa Fe Springs	Class B Warehouse	50,090	February-07	FeLyBy Associates, LLC



ANNUAL INDUSTRIAL NEW CONSTRUCTION



For further information, please contact:

**ANAHEIM METRO OFFICE**

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

**TEL: 714.978.7880**  
**FAX: 714.978.9431**

**CHULA VISTA OFFICE**

660 Bay Blvd., Suite 210  
Chula Vista, CA 91910

**TEL: 619.498.4560**  
**FAX: 619.498.4567**

**IRVINE OFFICE**

2020 Main St., Suite 100  
Irvine, CA 92614

**TEL: 949.851.5100**  
**FAX: 949.261.9092**

**LAS VEGAS OFFICE**

10100 W. Charleston Blvd.,  
Suite 200  
Las Vegas, NV 89135

**TEL: 702.734.4500**  
**FAX: 702.733.7690**

**SAN DIEGO OFFICE**

4370 La Jolla Village Dr.,  
Suite 990  
San Diego, CA 92122-1233

**TEL: 858.453.0505**  
**FAX: 858.453.1981**



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