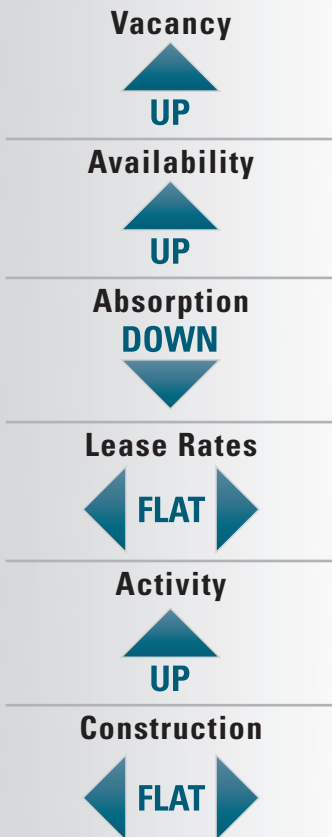




Mid Counties Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:



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Commercial Brokerage



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Market Highlights

- ◆ The Industrial vacancy rate registered a low 2.93% this quarter, the record low being 1.89% back in the first quarter of 2007. This represents an increase in vacant space over last year's rate of 2.06%. The Santa Fe Springs submarket has a lower vacancy rate of 1.92% this quarter and is the largest of all the submarkets in the Mid Counties. It represents almost half of the Industrial buildings in the Mid Counties. These low rates will help keep lease rates at current levels going forward.
- ◆ The Industrial availability rate checked in at 5.37%, which is higher than last quarter's rate of 5.15% and higher than it was a year ago at 3.12%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ The average asking triple net lease rate is .59 cents per square foot per month this quarter. This is the same as last quarter and down from last year's record high rate of .63 cents.
- ◆ During the first three quarters of 2008, total new construction added to the Mid Counties Industrial market was 802,743 square feet. Over the next two quarters we expect approximately another 620,000 square feet of new space to be completed.
- ◆ Currently there are two projects under construction totaling 619,257 square feet, up from last year when there was 395,695 square feet under construction. The Paramount Distribution Center project, which consists of 551,897 square feet, comprises the largest portion.
- ◆ 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 led to few mid-size buildings and distribution centers being developed in this infill market.
- ◆ Planned construction for this area is lower than this same time last year. Currently there is only 73,112 square feet on the slate as being planned with some other projects being discussed.
- ◆ Net absorption for the Mid Counties this quarter posted a negative number of 165,988 square feet, for a total of 200,420 square feet of negative absorption for 2008.
- ◆ According to the State of California Employment Development Department, Los Angeles County lost 16,800 payroll jobs over the last twelve months, most of which were in construction, trade, transportation, and utilities. However, between July 2008 and August 2008 Los Angeles County gained 800 jobs overall, most of the gains were in motion picture & sound recording industries, professional and business services sectors.
- ◆ The unemployment rate in Los Angeles County was 7.9% in August 2008, up from the revised 7.5% percent in July 2008, and above the year ago estimate of 5.0%. This compares with an unadjusted unemployment rate of 7.7 percent for California and 6.1 percent for the nation during the same period.
- ◆ Rental rates are expected to remain at current levels in the short run as the financial markets correct.
- ◆ Looking ahead to the last quarter of 2008, the industrial market will exhibit many similar characteristics to the past few quarters. 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

	3Q2008	2Q2008	3Q2007	% CHANGE VS. 3Q07
Under Construction	619,257	619,257	395,695	56.50%
Planned Construction	73,112	62,416	619,741	-88.20%
Vacancy	2.93%	2.86%	2.06%	42.23%
Availability	5.37%	5.15%	3.12%	72.12%
Pricing	\$0.59	\$0.59	\$0.63	-6.35%
Net Absorption	-165,988	19,059	286,653	-157.91%
Gross Absorption	1,362,867	1,179,343	2,117,586	-35.64%

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RECENT TRANSACTIONS

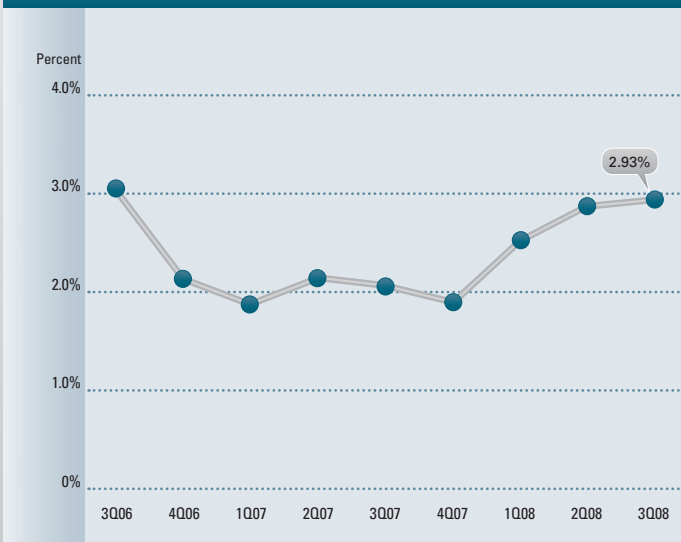
Sales Activity

Property Address	City	Square Feet	Sale Price	Buyer	Seller
9400 Santa Fe Springs Road	Santa Fe Springs	608,220	\$68,035,572	Birtcher Development	Northwestern Mutual
6230-6246 Descanso Ave.	Buena Park	169,739	\$19,250,000	Pepsi Bottling Group	Granite Exchange Services
6250 Caballero Blvd.	Buena Park	143,760	\$15,597,960	Investco	6250 Caballero, LLC
13341 Cambridge Street	Santa Fe Springs	135,344	N/A	Thrifty Oil Company	Cenveo Corporation

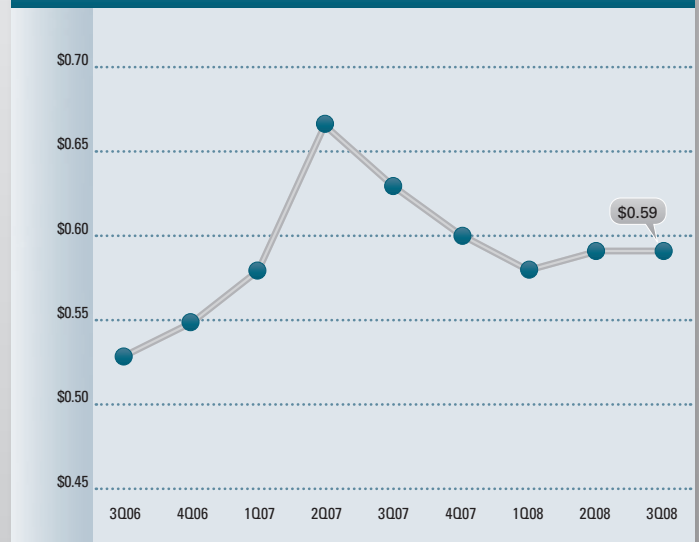
Lease Activity

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
3735 Workman Mill Road	Whittier	260,911	February-08	Kuehne & Nagel	Southwest Carpenters Pension
15959 Piuma Ave.	Cerritos	178,454	May-08	Bunzl Distribution	Piuma Properties, Ltd.
17817 Valley View Ave.	Cerritos	146,640	January-08	Marathon	Adma Associates LP
13226 Alondra Blvd.	Cerritos	128,000	August-08	PDSI	Carpenter-Scope Investment LLC

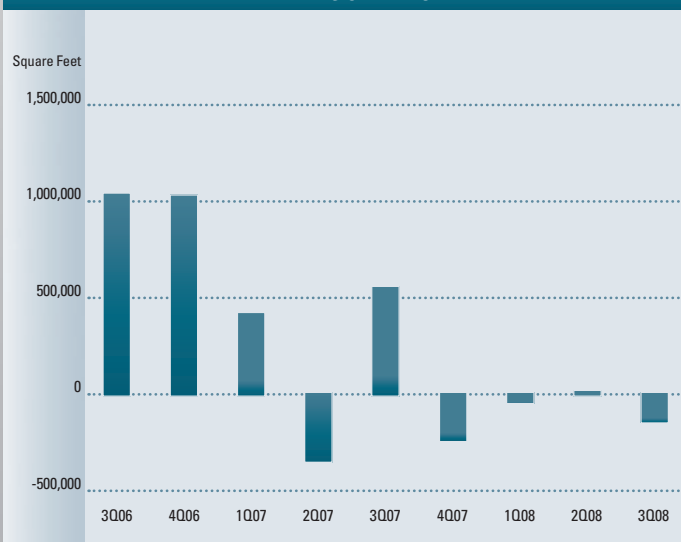
VACANCY RATE



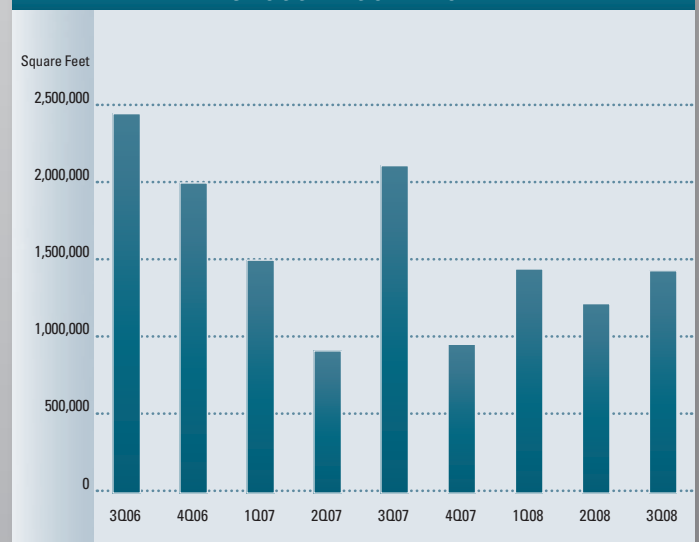
AVERAGE ASKING TRIPLE NET LEASE RATE



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 3Q2008	Square Feet Available	Availability Rate 3Q2008	Average Asking Lease Rate	Net Absorption 3Q2008	Net Absorption 2008	Net Absorption 2007	Net Absorption 2006
Artesia / Cerritos													
10,000 - 29,999	109	2,074,804	0	0	130,328	6.28%	155,235	7.48%	\$0.65	(60,193)	(120,972)	63,479	36,116
30,000 - 49,999	65	2,571,060	0	0	193,878	7.54%	350,676	13.64%	\$0.56	(7,375)	41,698	(168,537)	152,936
50,000 - 99,999	55	3,622,477	0	0	362,686	10.01%	394,522	10.89%	\$0.59	(65,720)	(86,114)	(7,044)	(247,194)
100,000 - 199,999	33	4,532,074	0	0	196,100	4.33%	244,229	5.39%	\$0.58	237,494	237,494	149,712	551
200,000 - 299,999	4	991,766	0	0	220,000	22.18%	220,000	22.18%	\$0.55	0	(220,000)	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	14,102,115	0	0	1,102,992	7.82%	1,364,662	9.68%	\$0.57	104,206	(147,894)	37,610	(57,591)
Bellflower / Downey													
10,000 - 29,999	110	1,855,253	0	0	28,384	1.53%	30,424	1.64%	\$0.00	13,500	(5,762)	6,251	(2,603)
30,000 - 49,999	17	663,202	0	0	16,240	2.45%	16,240	2.45%	\$0.68	35,355	(16,240)	13,505	39,746
50,000 - 99,999	15	1,022,748	0	0	8,064	0.79%	8,064	0.79%	\$0.00	(8,064)	33,786	650	11,055
100,000 - 199,999	8	1,104,861	0	0	0	0.00%	230,937	20.90%	\$0.00	0	193,709	0	147,560
200,000 - 299,999	2	528,153	0	0	0	0.00%	250,643	47.46%	\$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	153	5,489,922	0	0	52,688	0.96%	536,308	9.77%	\$0.68	40,791	205,493	20,406	195,758
Buena Park / La Palma													
10,000 - 29,999	81	1,480,035	0	0	22,260	1.50%	66,270	4.48%	\$0.00	(5,772)	5,606	12,709	(11,078)
30,000 - 49,999	28	1,053,900	0	36,376	6,600	0.63%	37,715	3.58%	\$0.69	44,320	6,000	(5,900)	(6,400)
50,000 - 99,999	41	2,859,425	0	0	103,931	3.63%	85,080	2.98%	\$0.00	40,322	(75,080)	(28,851)	19,360
100,000 - 199,999	19	2,560,134	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	26,000
200,000 - 299,999	12	3,122,757	0	0	0	0.00%	218,640	7.00%	\$0.00	0	0	340,392	(85,642)
300,000+	9	4,534,998	0	0	274,088	6.04%	0	0.00%	\$0.00	16,434	16,434	(290,522)	0
Buena Park / La Palma Total	190	15,611,249	0	36,376	406,879	2.61%	407,705	2.61%	\$0.65	95,904	(47,040)	27,828	(57,760)
La Mirada													
10,000 - 29,999	66	1,189,353	0	0	22,378	1.88%	32,378	2.72%	\$0.90	(13,378)	7,122	7,500	(4,068)
30,000 - 49,999	35	1,342,431	0	0	9,088	0.68%	21,688	1.62%	\$0.00	(9,088)	(9,088)	78,620	(17,883)
50,000 - 99,999	47	3,377,335	0	0	102,805	3.04%	403,966	11.96%	\$0.58	22,847	83,187	(65,994)	118,609
100,000 - 199,999	25	3,247,980	0	0	162,646	5.01%	412,441	12.70%	\$0.62	0	0	79,013	263,873
200,000 - 299,999	15	3,483,706	0	0	47,667	1.37%	47,667	1.37%	\$0.00	(47,667)	(47,667)	462,033	17,565
300,000+	2	935,369	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
La Mirada Total	190	13,576,174	0	0	344,584	2.54%	918,140	6.76%	\$0.60	(47,286)	33,554	561,172	378,096
Norwalk													
10,000 - 29,999	33	570,493	0	0	18,580	3.26%	46,660	8.18%	\$0.67	(17,140)	24,043	21,658	(16,253)
30,000 - 49,999	6	253,561	0	0	60,660	23.92%	20,660	8.15%	\$0.55	(20,660)	(60,660)	600	43,026
50,000 - 99,999	13	898,007	0	0	0	0.00%	83,802	9.33%	\$0.00	35,997	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	0	216,268
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Norwalk Total	62	3,113,433	0	0	79,240	2.55%	151,122	4.85%	\$0.62	(1,803)	(36,617)	22,258	243,041
Paramount													
10,000 - 29,999	226	3,895,631	0	0	232,906	5.98%	185,004	4.75%	\$0.45	(39,836)	(150,772)	(40,819)	37,951
30,000 - 49,999	42	1,601,904	0	0	21,364	1.33%	56,158	3.51%	\$0.61	442	(21,364)	500	51,101
50,000 - 99,999	19	1,366,579	0	0	0	0.00%	59,740	4.37%	\$0.00	3,114	0	0	0
100,000 - 199,999	6	890,869	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	1,250
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	551,897	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Paramount Total	295	8,268,551	551,897	0	254,270	3.08%	300,902	3.64%	\$0.54	(36,280)	(172,136)	(40,319)	90,302
Santa Fe Springs													
10,000 - 29,999	646	11,085,899	0	0	196,019	1.77%	340,147	3.07%	\$0.67	37,041	32,205	(135,630)	311,324
30,000 - 49,999	182	7,127,669	0	36,736	167,019	2.34%	305,741	4.29%	\$0.71	(14,719)	49,090	(106,767)	41,695
50,000 - 99,999	152	10,654,770	67,360	0	217,131	2.04%	636,078	5.97%	\$0.57	(25,496)	11,365	306,197	(12,383)
100,000 - 199,999	96	12,694,903	0	0	323,214	2.55%	753,558	5.94%	\$0.61	(180,151)	(193,507)	(94,734)	436,851
200,000 - 299,999	28	6,857,834	0	0	127,725	1.86%	396,261	5.78%	\$0.58	(127,725)	(35,377)	23,755	31,365
300,000+	12	5,415,793	0	0	0	0.00%	0	0.00%	\$0.00	0	136,198	0	671,094
Santa Fe Springs Total	1,116	53,836,868	67,360	36,736	1,031,108	1.92%	2,431,785	4.52%	\$0.61	(311,050)	(26)	(7,179)	1,479,946
Whittier													
10,000 - 29,999	83	1,359,074	0	0	38,919	2.86%	38,475	2.83%	\$0.00	(14,120)	(36,309)	40,788	(24,240)
30,000 - 49,999	20	779,052	0	0	36,905	4.74%	1,865	0.24%	\$0.00	0	2,135	(28,897)	(9,343)
50,000 - 99,999	16	1,027,916	0	0	0	0.00%	0	0.00%	\$0.00	0	0	3,200	0
100,000 - 199,999	9	1,122,162	0	0	153,080	13.64%	258,720	23.06%	\$0.49	3,650	(1,580)	(146,700)	0
200,000 - 299,999	5	1,125,920	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	18,191
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Whittier Total	133	5,414,124	0	0	228,904	4.23%	299,060	5.52%	\$0.52	(10,470)	(35,754)	(131,609)	(15,392)
Mid Counties Total													
10,000 - 29,999	1,354	23,510,542	0	0	689,774	2.93%	894,593	3.81%	\$0.64	(99,898)	(244,839)	(24,064)	327,149
30,000 - 49,999	395	15,392,779	0	73,112	511,754	3.32%	810,743	5.27%	\$0.62	28,275	(8,429)	(216,876)	294,878
50,000 - 99,999	358	24,829,257	67,360	0	794,617	3.20%	1,671,252	6.73%	\$0.58	3,600	(32,856)	208,158	(110,553)
100,000 - 199,999	205	27,328,087	0	0	835,040	3.06%	1,899,885	6.95%	\$0.59	60,993	236,116	(12,709)	876,085
200,000 - 299,999	69	16,839,972	0	0	395,392	2.35%	1,133,211	6.73%	\$0.56	(175,392)	(303,044)	826,180	197,747
300,000+	25	11,511,799	551,897	0	274,088	2.38%	0	0.00%	\$0.00	16,434	152,632	(290,522)	671,094
Total	2,406	119,412,436	619,257	73,112	3,500,665	2.93%	6,409,684	5.37%	\$0.59	(165,988)	(200,420)	490,167	2,256,400

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

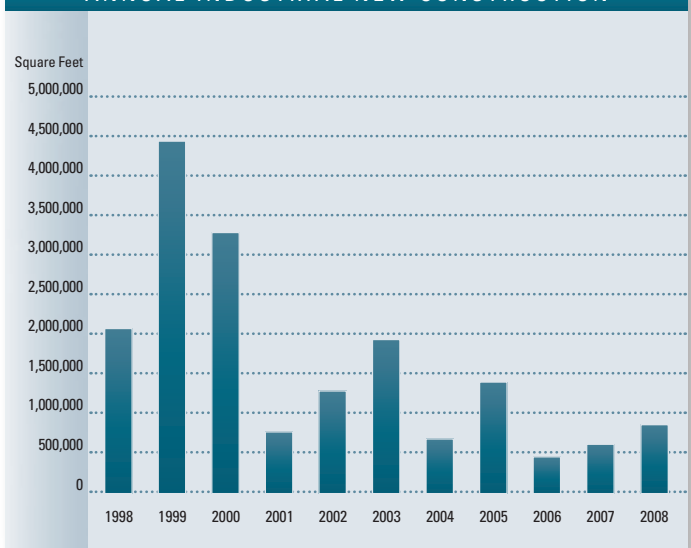
Property Address	City	Description	Square Feet	Estimate Delivery	Recorded Owner
14900 Garfield Ave	Paramount	Class A Distribution	551,897	October-08	Birtcher Development
9653 Santa Fe Springs Road	Santa Fe Springs	Class A Warehouse	67,360	January-09	Rexford

Recent Deliveries

Property Address	City	Description	Square Feet	Date Delivered	Recorded Owner
9220-9268 Hall Road	Downey	Class B MFG Condos	193,709	April-08	Shaw Properties
15959 Piuma Ave	Cerritos	Class A Warehouse	178,454	December-07	Piuma Properties, LLC
12600 Telegraph Road	Santa Fe Springs	Class A Warehouse	95,717	July-07	McGranahan Carlson & Company
12979 Sandoval St	Santa Fe Springs	Class A Manufacturing	57,137	February-08	Rockview Daires



ANNUAL INDUSTRIAL NEW CONSTRUCTION



For further information, please contact:

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