

INDUSTRIAL MARKET REPORT

FOURTH
QUARTER
2004

Compared to
last quarter:

VACANCY



UP

AVAILABILITY



UP

ABSORPTION



DOWN

LEASE RATES



FLAT

CONSTRUCTION



DOWN

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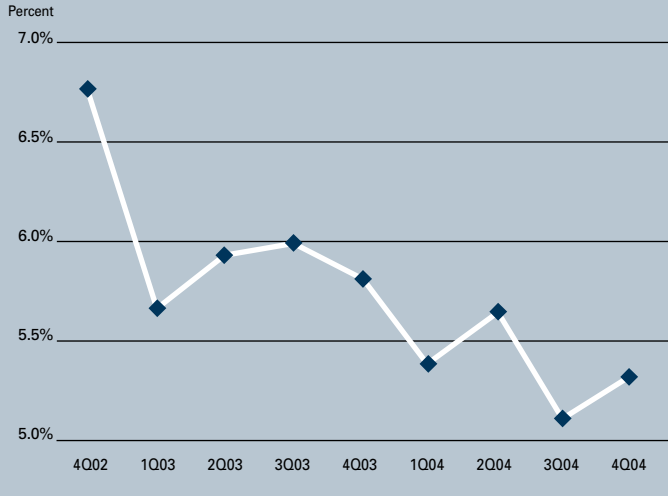
MARKET HIGHLIGHTS

- ◆ Unemployment in the fourth quarter of 2004 in Los Angeles County is 5.9%, which is down 0.3% from the third quarter of 2004 and down 0.6% since the fourth 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 2004 was 685,703 square feet. This slow down is due to the lack of available land for development and increasing construction costs.
- ◆ Currently there is 285,058 square feet of construction under way; this is down from last quarter when there was 491,678 square feet under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 524,187 square feet on the slate as being planned, compared to last year's figure of 2,263,647.
- ◆ The Industrial vacancy rate checked in at a low 5.33%. This represents a decrease in vacant space of just over 8% compared to this same time last year.
- ◆ The Industrial availability rate checked in at 7.06%, which is 14.32% lower than it was a year ago when it was 8.24%. 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 negative number of 407,131 square feet, for a total of 211,969 square feet of positive absorption for the year.

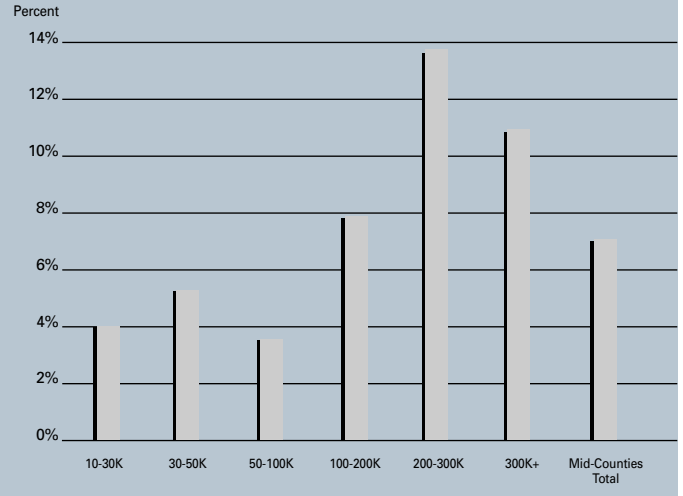
MID-COUNTIES MARKET STATISTICS

	2004	2003	2002	% CHANGE VS. 2003
Inventory Added	685,703	1,933,314	1,236,076	-64.53%
Under Construction	285,058	521,191	715,854	-45.31%
Vacancy Rate	5.33%	5.81%	6.75%	-8.26%
Availability Rate	7.06%	8.24%	8.57%	-14.32%
Average Asking Lease Rate	\$0.48	\$0.48	\$0.56	0.00%
Net Absorption	211,969	1,398,145	(259,968)	-84.84%
Gross Absorption	7,593,904	6,708,462	6,491,589	13.20%

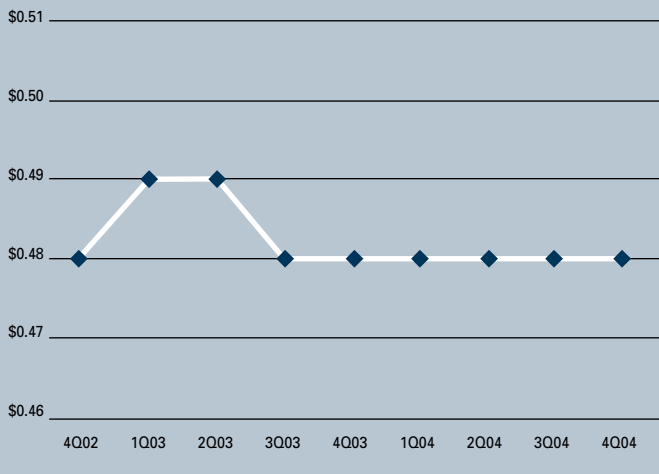
VACANCY RATE



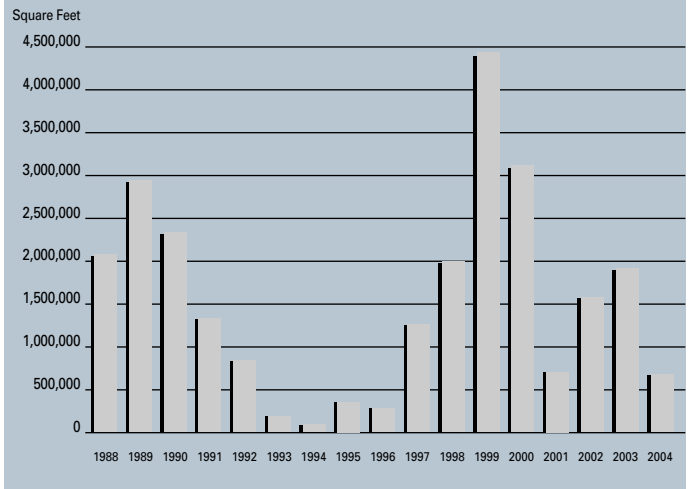
AVAILABILITY RATE BY SIZE



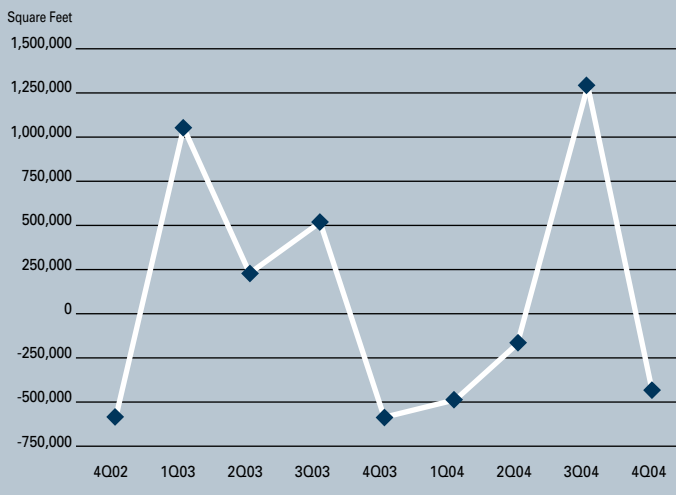
AVERAGE ASKING TRIPLE NET LEASE RATE



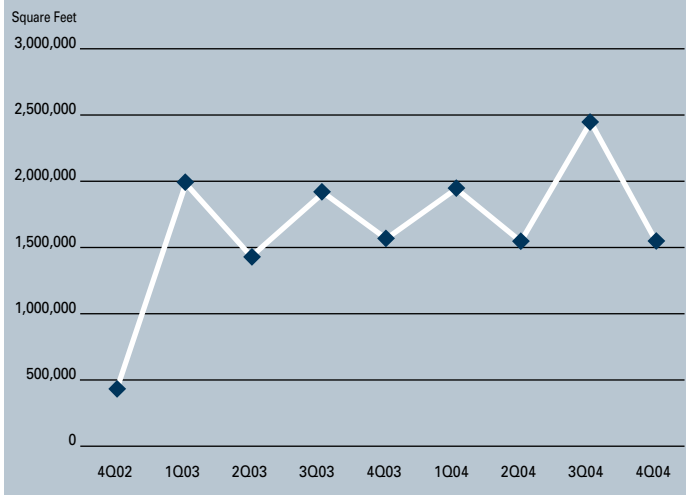
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



FOURTH QUARTER 2004

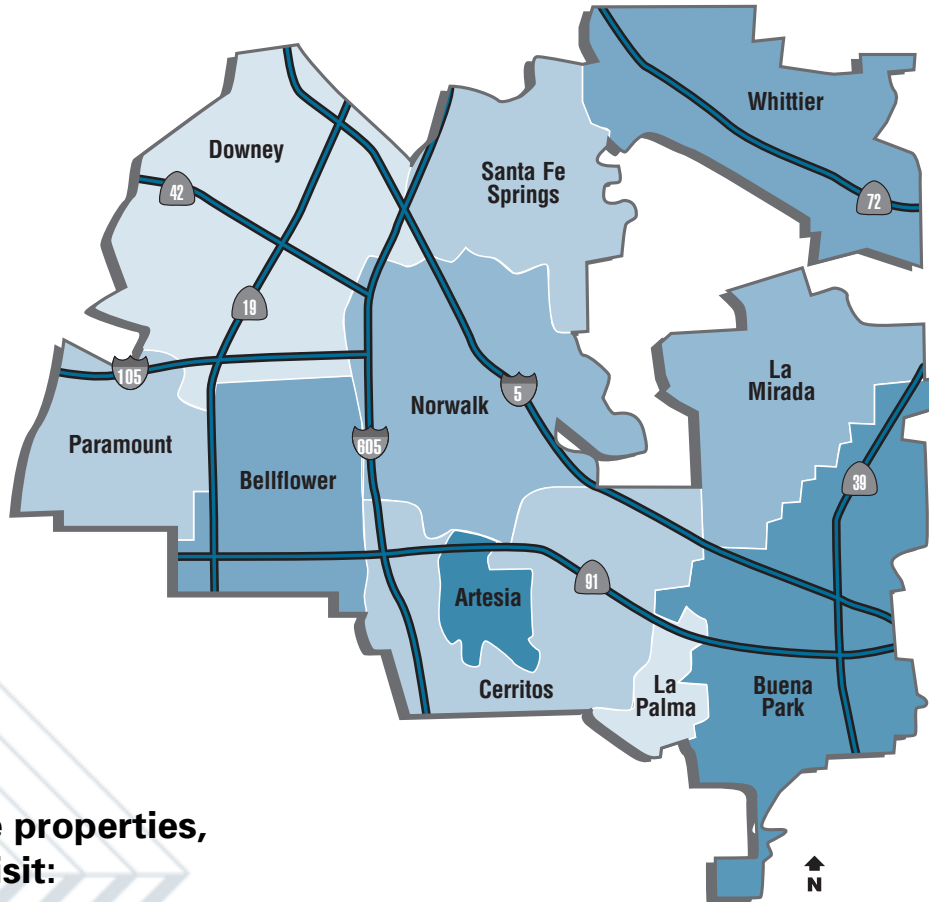
M I D - C O U N T I E S

	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2004	Square Feet Available	Availability Rate 4Q2004	Average Asking Lease Rate	Net Absorption 4Q2004	Net Absorption 2004	Net Absorption 2003	Net Absorption 2002
Artesia / Cerritos													
10,000 - 29,999	101	1,883,195	0	0	62,925	3.34%	86,637	4.60%	\$0.47	7,519	(16,582)	58,817	(56,801)
30,000 - 49,999	60	2,379,764	0	0	139,705	5.87%	277,719	11.67%	\$0.45	(79,678)	(53,406)	68,008	(11,774)
50,000 - 99,999	52	3,547,125	0	0	36,800	1.04%	36,800	1.04%	\$0.56	46,648	67,400	14,633	83,343
100,000 - 199,999	31	4,309,958	0	0	143,611	3.33%	331,247	7.69%	\$0.49	(38,457)	(86,242)	333,611	(123,366)
200,000 - 299,999	4	979,948	0	0	0	0.00%	104,600	10.67%	\$0.47	0	0	3,080	(3,080)
300,000+	1	320,000	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Artesia / Cerritos Total	249	13,419,990	0	0	383,041	2.85%	837,003	6.24%	\$0.47	(63,968)	(88,830)	478,149	(111,678)
Bellflower / Downey													
10,000 - 29,999	100	1,726,931	0	0	22,937	1.33%	36,276	2.10%	\$0.62	16,828	2,771	7,952	17,327
30,000 - 49,999	18	700,902	0	0	1,800	0.26%	8,065	1.15%	\$0.59	0	36,186	(37,986)	44,355
50,000 - 99,999	15	1,019,565	0	0	27,165	2.66%	27,165	2.66%	\$0.52	(18,777)	49,617	101,800	(113,016)
100,000 - 199,999	8	1,037,272	0	0	0	0.00%	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	145	5,632,528	0	0	51,902	0.92%	216,506	3.84%	\$0.60	(1,949)	88,574	71,766	(51,334)
Buena Park / La Palma													
10,000 - 29,999	87	1,619,889	0	0	65,545	4.05%	65,545	4.05%	\$0.57	(10,555)	16,790	(13,090)	26,754
30,000 - 49,999	29	1,094,638	0	0	7,105	0.65%	7,105	0.65%	\$0.49	0	122,402	1,080	41,265
50,000 - 99,999	35	2,425,088	0	0	60,140	2.48%	60,140	2.48%	\$0.48	61,106	331,613	0	6,070
100,000 - 199,999	20	2,651,022	0	0	373,191	14.08%	373,191	14.08%	\$0.45	19,360	(215,086)	155,600	56,120
200,000 - 299,999	12	3,126,891	0	0	260,645	8.34%	260,645	8.34%	\$0.44	(178,523)	(209,526)	(133,241)	189,445
300,000+	9	4,528,044	0	0	447,005	9.87%	447,005	9.87%	\$0.00	(274,038)	(274,038)	(34,040)	(661,400)
Buena Park / La Palma Total	192	15,445,572	0	0	1,213,631	7.86%	1,213,631	7.86%	\$0.45	(382,650)	(227,845)	(24,231)	(341,746)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	29,785	2.94%	29,785	2.94%	\$0.55	(13,932)	(10,434)	(19,351)	23,722
30,000 - 49,999	35	1,322,896	0	0	31,028	2.35%	55,316	4.18%	\$0.00	43,612	73,984	(23,211)	34,269
50,000 - 99,999	41	2,883,716	0	0	195,063	6.76%	293,583	10.18%	\$0.53	(141,293)	62,646	(13,416)	(79,844)
100,000 - 199,999	28	3,671,046	0	0	194,175	5.29%	264,354	7.20%	\$0.40	49,305	4,097	20,328	(218,600)
200,000 - 299,999	12	2,756,132	0	0	172,601	6.26%	297,601	10.80%	\$0.45	(162,183)	(297,601)	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	174	12,145,921	0	0	622,652	5.13%	940,639	7.74%	\$0.47	(224,491)	13,661	207,534	121,013
Norwalk													
10,000 - 29,999	29	499,956	0	0	53,272	10.66%	99,937	19.99%	\$0.55	2,016	(25,935)	(33,557)	(17,780)
30,000 - 49,999	5	201,985	0	0	43,026	21.30%	43,026	21.30%	\$0.60	48,000	4,974	(48,000)	0
50,000 - 99,999	12	805,833	0	0	0	0.00%	0	0.00%	\$0.00	0	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	96,298	3.59%	142,963	5.33%	\$0.59	50,016	(20,961)	(32,457)	15,967
Paramount													
10,000 - 29,999	216	3,733,205	0	0	125,372	3.36%	125,372	3.36%	\$0.61	(75,644)	(20,046)	(60,287)	47,690
30,000 - 49,999	43	1,637,983	0	0	73,464	4.49%	60,035	3.67%	\$0.55	0	(37,464)	37,689	(70,169)
50,000 - 99,999	19	1,345,634	0	0	13,112	0.97%	13,112	0.97%	\$0.55	(13,112)	(13,112)	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	8,324,990	0	0	211,948	2.55%	198,519	2.38%	\$0.56	(88,756)	(70,622)	54,836	(99,913)
Santa Fe Springs													
10,000 - 29,999	541	9,354,985	201,049	43,650	355,565	3.80%	371,810	3.97%	\$0.58	13,544	80,982	211,987	(1,998)
30,000 - 49,999	170	6,633,544	84,009	44,994	300,566	4.53%	317,236	4.78%	\$0.54	(2,146)	162,678	219,674	(247,888)
50,000 - 99,999	139	9,577,520	0	53,480	322,741	3.37%	349,852	3.65%	\$0.49	(83,718)	(52,505)	69,456	192,188
100,000 - 199,999	82	10,781,421	0	382,063	872,597	8.09%	872,597	8.09%	\$0.48	252,516	736,018	(356,858)	(138,883)
200,000 - 299,999	27	6,688,842	0	0	561,384	8.39%	1,388,712	20.76%	\$0.48	(74,929)	7,240	664,944	54,434
300,000+	8	3,850,893	0	0	669,416	17.38%	669,416	17.38%	\$0.00	0	(669,416)	0	396,095
Santa Fe Springs Total	967	46,887,205	285,058	524,187	3,082,269	6.57%	3,969,623	8.47%	\$0.50	105,267	264,997	809,203	253,948
Whittier													
10,000 - 29,999	41	675,308	0	0	1,450	0.21%	1,450	0.21%	\$0.00	0	19,580	(74,166)	9,874
30,000 - 49,999	14	548,007	0	0	0	0.00%	0	0.00%	\$0.00	38,400	35,040	(31,328)	5,820
50,000 - 99,999	7	476,897	0	0	0	0.00%	0	0.00%	\$0.00	0	26,741	(26,741)	8,781
100,000 - 199,999	5	641,828	0	0	0	0.00%	0	0.00%	\$0.00	161,000	258,920	(34,420)	(70,700)
200,000 - 299,999	4	915,823	0	0	87,286	9.53%	87,286	9.53%	\$0.39	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	71	3,257,863	0	0	88,736	2.72%	88,736	2.72%	\$0.39	199,400	252,995	(166,655)	(46,225)
Mid Counties Total													
10,000 - 29,999	1,172	20,506,970	201,049	43,650	716,851	3.50%	816,812	3.98%	\$0.55	(60,224)	47,126	78,305	48,788
30,000 - 49,999	374	14,519,719	84,009	44,994	596,694	4.11%	768,502	5.29%	\$0.51	48,188	344,394	185,926	(204,122)
50,000 - 99,999	320	22,081,378	0	53,480	655,021	2.97%	780,652	3.54%	\$0.51	(149,146)	472,400	272,266	20,088
100,000 - 199,999	188	25,039,243	0	382,063	1,583,574	6.32%	1,986,389	7.93%	\$0.45	443,724	697,707	117,721	(461,682)
200,000 - 299,999	63	15,509,357	0	0	1,081,916	6.98%	2,138,844	13.79%	\$0.46	(415,635)	(587,173)	777,967	284,604
300,000+	22	10,140,280	0	0	1,116,421	11.01%	1,116,421	11.01%	\$0.00	(274,038)	(762,485)	(34,040)	52,356
Total	2,139	107,796,947	285,058	524,187	5,750,477	5.33%	7,607,620	7.06%	\$0.48	(407,131)	211,969	1,398,145	(259,968)

MID-COUNTIES

INDUSTRIAL MARKET REPORT

FOURTH QUARTER 2004



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