

INDUSTRIAL MARKET REPORT

FOURTH
QUARTER
2005

Compared to
last quarter:

VACANCY



AVAILABILITY



ABSORPTION



LEASE RATES



CONSTRUCTION



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Prepared by:
Jerry J. Holdner, Jr.
Vice President
of Market Research
e-mail: jholdner@voitco.com



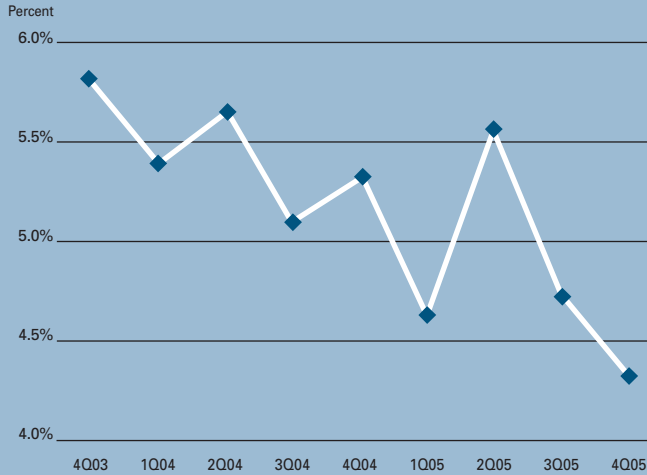
MARKET HIGHLIGHTS

- ◆ Unemployment in the fourth quarter of 2005 in Los Angeles County is 5.1%, which is up .04 since the third quarter of 2005 and down 1.4% since the fourth quarter of 2004.
- ◆ According to Los Angeles County Economic Development Corporation it is estimated that Los Angeles County gained 41,600 non-farm jobs in 2005, and they are forecasting 44,500 new jobs with a 6.5% increase in total personal income for 2006.
- ◆ Total new construction added to the Mid-Counties Industrial market during 2005 thus far is 965,790 square feet. This slow down is due to the lack of available land for development and increasing construction and land costs.
- ◆ Currently there is 521,996 square feet of construction under way; this is up from last year when there was 285,058 square feet under construction.
- ◆ Planned construction for this area is down compared to last year. Currently there is 301,894 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 4.34%. This represents a decrease in vacant space of almost 18.57% 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 5.38%, which is almost 23.8% lower than it was a year ago when it was 7.06%. 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.
- ◆ Net absorption for the Mid Counties this quarter posted a positive number of 519,218 square feet, giving the Industrial Market in the Mid Counties a total of 2,298,897 of positive absorption for 2005.
- ◆ Rental rates are expected to increase at moderate levels, 5% to 10%, in the short run and concessions will lessen as the economy continues to improve.

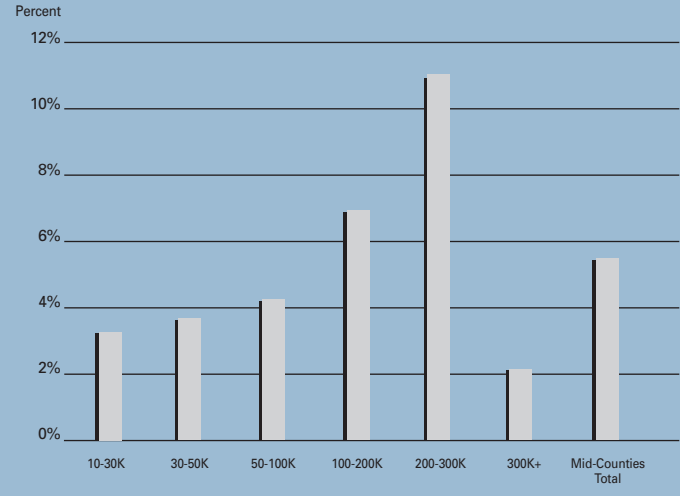
MID-COUNTIES MARKET STATISTICS

	2005	2004	2003	% CHANGE VS. 2004
Inventory Added	965,790	685,703	1,933,314	40.85%
Under Construction	521,996	285,058	521,191	83.12%
Vacancy Rate	4.34%	5.33%	5.81%	-18.57%
Availability Rate	5.38%	7.06%	8.24%	-23.80%
Average Asking Lease Rate	\$0.50	\$0.48	\$0.48	4.17%
Net Absorption	2,298,897	211,969	1,398,145	984.54%
Gross Absorption	8,896,896	7,593,904	6,708,462	17.16%

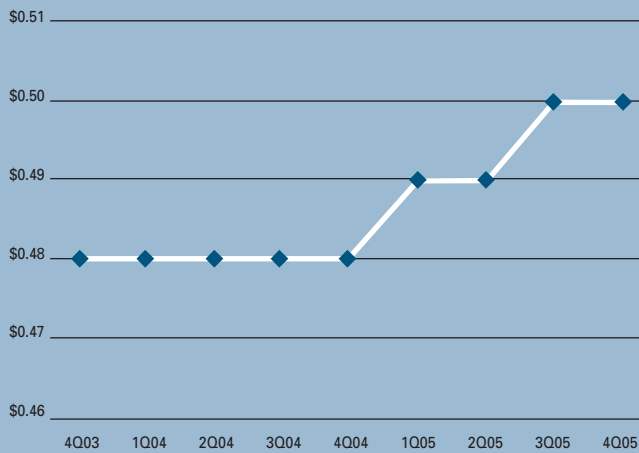
VACANCY RATE



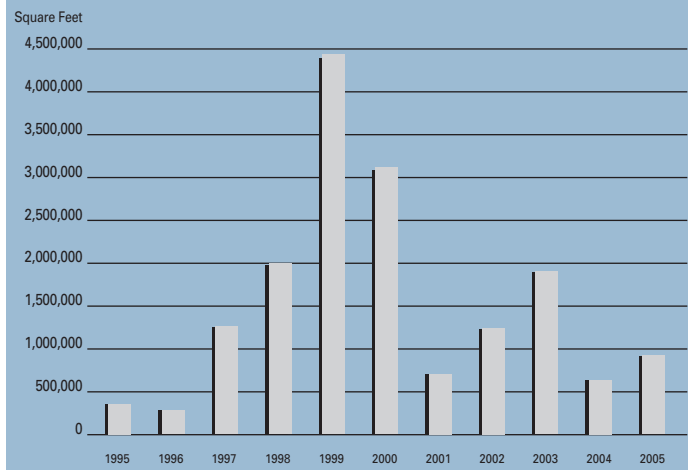
AVAILABILITY RATE BY SIZE



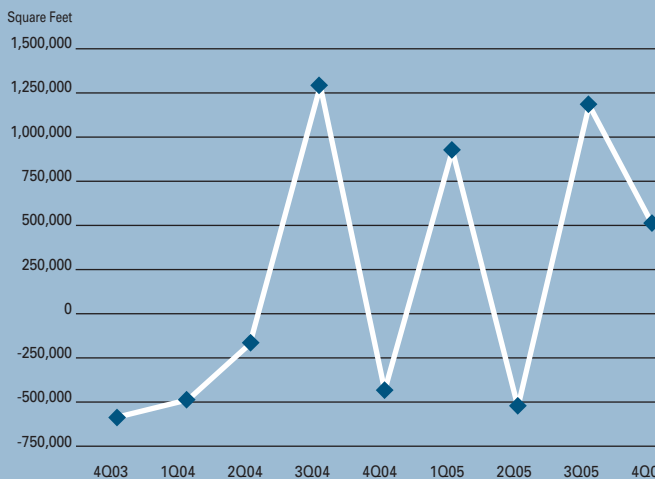
AVERAGE ASKING TRIPLE NET LEASE RATE



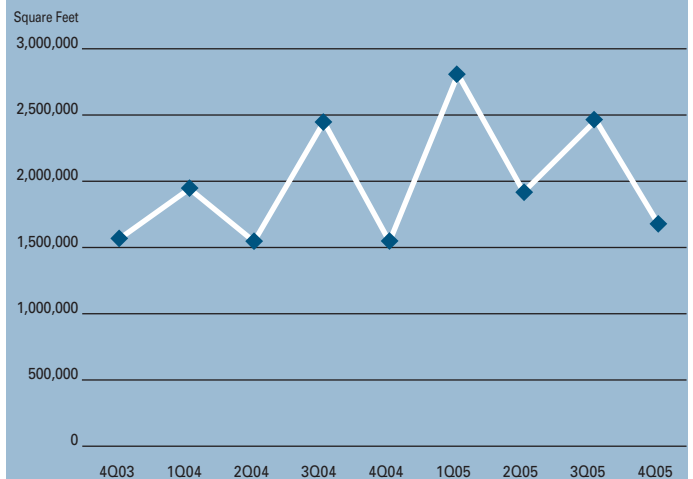
ANNUAL INDUSTRIAL NEW CONSTRUCTION



NET ABSORPTION



GROSS ABSORPTION



FOURTH QUARTER 2005

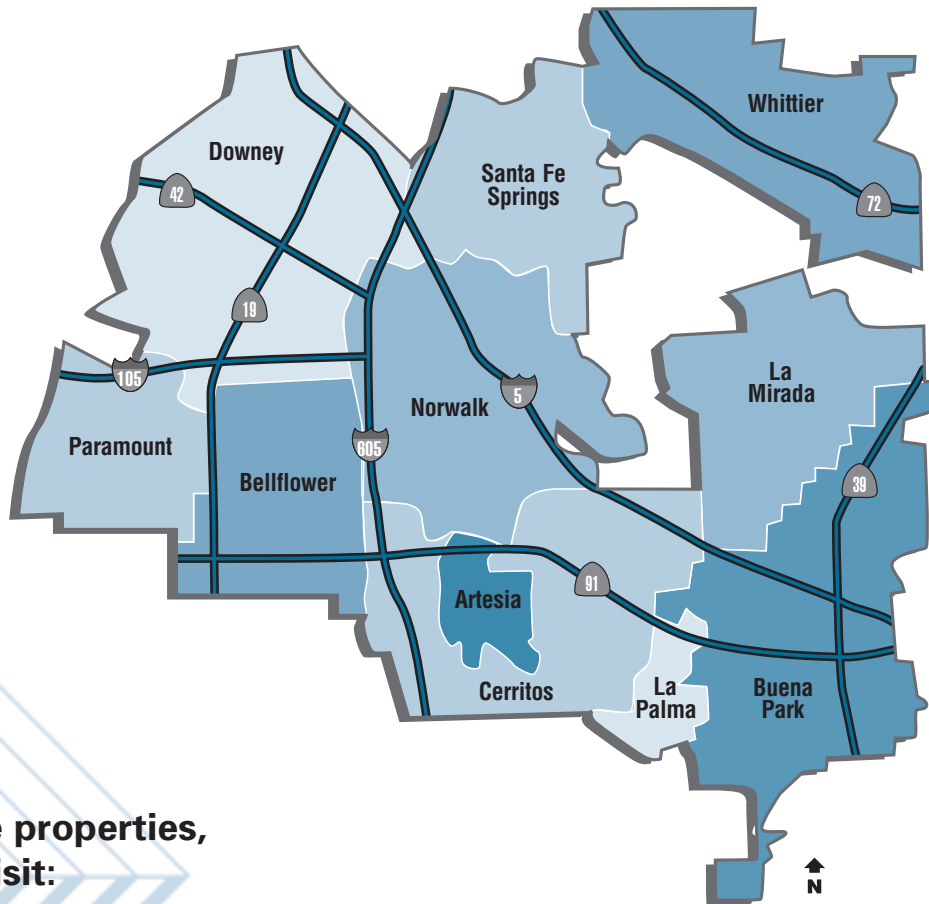
M I D - C O U N T I E S

	INVENTORY				VACANCY & RENT					ABSORPTION			
	Number Of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2005	Square Feet Available	Availability Rate 4Q2005	Average Asking Lease Rate	Net Absorption 4Q2005	Net Absorption 2005	Net Absorption 2004	Net Absorption 2003
Artesia / Cerritos													
10,000 - 29,999	104	1,947,732	0	0	106,651	5.48%	119,138	6.12%	\$0.53	60,274	(24,774)	(16,582)	58,817
30,000 - 49,999	60	2,388,570	0	0	112,840	4.72%	170,578	7.14%	\$0.51	88,631	66,907	(53,406)	68,008
50,000 - 99,999	52	3,547,125	0	0	6,934	0.20%	93,934	2.65%	\$0.54	24,185	29,866	67,400	14,633
100,000 - 199,999	30	4,143,558	0	0	464,861	11.22%	623,338	15.04%	\$0.49	(93,176)	(321,250)	(86,242)	333,611
200,000 - 299,999	5	1,199,948	0	0	0	0.00%	0	0.00%	\$0.00	104,600	0	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	13,546,933	0	0	691,286	5.10%	1,006,988	7.43%	\$0.51	184,514	(249,251)	(88,830)	478,149
Bellflower / Downey													
10,000 - 29,999	101	1,749,375	0	0	0	0.00%	30,000	1.71%	\$0.00	15,700	45,036	2,771	7,952
30,000 - 49,999	19	734,949	0	0	54,151	7.37%	54,151	7.37%	\$0.60	(9,000)	(52,351)	36,186	(37,986)
50,000 - 99,999	13	892,985	0	0	53,055	5.94%	70,461	7.89%	\$0.54	(34,560)	(25,890)	49,617	101,800
100,000 - 199,999	7	910,152	0	0	147,560	16.21%	147,560	16.21%	\$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	143	5,131,319	0	0	254,766	4.96%	302,172	5.89%	\$0.55	(27,860)	(35,765)	88,574	71,766
Buena Park / La Palma													
10,000 - 29,999	87	1,604,692	0	25,680	27,997	1.74%	50,095	3.12%	\$0.65	1,800	25,015	16,790	(13,090)
30,000 - 49,999	29	1,094,638	0	0	0	0.00%	0	0.00%	\$0.00	0	7,105	122,402	1,080
50,000 - 99,999	36	2,495,088	0	0	59,360	2.38%	59,360	2.38%	\$0.00	(11,370)	29,410	331,613	0
100,000 - 199,999	19	2,551,022	0	0	26,000	1.02%	26,000	1.02%	\$0.00	137,220	318,561	(215,086)	155,060
200,000 - 299,999	12	3,126,891	0	0	256,400	8.20%	360,492	11.53%	\$0.53	(1,200)	4,245	(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	15,738,975	0	25,680	369,757	2.35%	495,947	3.15%	\$0.56	126,450	384,336	(227,845)	(24,231)
La Mirada													
10,000 - 29,999	57	1,013,501	0	0	2,332	0.23%	2,332	0.23%	\$0.00	28,652	27,453	(10,434)	(19,351)
30,000 - 49,999	35	1,322,896	0	0	60,737	4.59%	142,281	10.76%	\$0.52	(13,498)	(20,621)	73,984	(23,211)
50,000 - 99,999	40	2,796,921	0	0	238,609	8.53%	238,609	8.53%	\$0.56	198,030	32,425	62,646	(13,416)
100,000 - 199,999	26	3,341,460	0	0	437,140	13.08%	470,190	14.07%	\$0.39	9,408	(242,965)	4,097	20,328
200,000 - 299,999	13	3,020,522	0	0	669,578	22.17%	669,578	22.17%	\$0.50	(197,400)	(85,997)	(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	11,993,930	0	0	1,408,396	11.74%	1,522,990	12.70%	\$0.45	25,192	(289,705)	13,661	207,534
Norwalk													
10,000 - 29,999	30	532,410	0	0	36,713	6.90%	88,026	16.53%	\$0.55	(2,200)	51,805	(25,935)	(33,557)
30,000 - 49,999	6	238,985	0	0	43,026	18.00%	43,026	18.00%	\$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	1	216,268	0	0	216,268	100.00%	216,268	100.00%	\$0.49	(216,268)	(216,268)	0	0
300,000+	0	0	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
Norwalk Total	58	2,968,600	0	0	296,007	9.97%	347,320	11.70%	\$0.49	(218,468)	(164,463)	(20,961)	(32,457)
Paramount													
10,000 - 29,999	223	3,832,875	0	0	59,662	1.56%	59,662	1.56%	\$0.00	10,213	65,710	(20,046)	(60,287)
30,000 - 49,999	43	1,638,155	0	0	51,101	3.12%	51,101	3.12%	\$0.00	12,382	22,363	(37,464)	37,689
50,000 - 99,999	19	1,361,230	0	0	0	0.00%	0	0.00%	\$0.00	7,168	20,280	(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	293	8,440,428	0	0	110,763	1.31%	110,763	1.31%	\$0.00	29,763	108,353	(70,622)	54,836
Santa Fe Springs													
10,000 - 29,999	570	9,847,029	67,170	20,250	295,219	3.00%	326,224	3.31%	\$0.59	89,738	289,879	80,982	211,987
30,000 - 49,999	171	6,675,363	0	0	65,269	0.98%	79,262	1.19%	\$0.63	104,491	312,499	162,678	219,674
50,000 - 99,999	137	9,453,744	0	95,717	209,284	2.21%	474,773	5.02%	\$0.49	197,320	245,062	(62,505)	69,456
100,000 - 199,999	85	11,224,365	0	160,247	333,529	2.97%	456,660	4.07%	\$0.50	19,893	1,071,232	736,018	(356,858)
200,000 - 299,999	26	6,414,630	0	0	445,307	6.94%	445,307	6.94%	\$0.49	(65,995)	116,077	7,240	664,944
300,000+	8	3,850,893	454,826	0	216,268	5.62%	216,268	5.62%	\$0.50	57,944	453,148	(669,416)	0
Santa Fe Springs Total	997	47,466,024	521,996	276,214	1,564,876	3.30%	1,998,494	4.21%	\$0.51	403,391	2,487,897	264,997	809,203
Whittier													
10,000 - 29,999	44	721,963	0	0	11,600	1.61%	12,800	1.77%	\$0.00	(11,600)	(11,600)	19,580	(74,166)
30,000 - 49,999	17	665,444	0	0	0	0.00%	0	0.00%	\$0.00	3,456	0	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	0	0.00%	0	0.00%	\$0.00	4,380	0	258,920	(34,420)
200,000 - 299,999	4	915,823	0	0	18,191	1.99%	61,840	6.75%	\$0.00	0	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	80	3,649,266	0	0	29,791	0.82%	74,640	2.05%	\$0.00	(3,764)	57,495	252,995	(166,655)
Mid Counties Total													
10,000 - 29,999	1,216	21,249,577	67,170	45,930	540,174	2.54%	688,277	3.24%	\$0.59	192,577	468,524	47,126	78,305
30,000 - 49,999	380	14,759,000	0	0	387,124	2.62%	540,399	3.66%	\$0.53	186,462	335,902	344,394	185,926
50,000 - 99,999	318	21,953,399	0	95,717	567,242	2.58%	937,137	4.27%	\$0.52	380,773	331,153	472,400	272,266
100,000 - 199,999	187	24,862,816	0	160,247	1,409,090	5.67%	1,723,748	6.93%	\$0.44	77,725	823,018	697,707	117,721
200,000 - 299,999	65	15,935,803	0	0	1,605,744	10.08%	1,753,485	11.00%	\$0.50	(376,263)	(112,848)	(587,173)	777,967
300,000+	21	10,174,880	454,826	0	216,268	2.13%	216,268	2.13%	\$0.50	57,944	453,148	(762,485)	(34,040)
Total	2,187	108,935,475	521,996	301,894	4,725,642	4.34%	5,859,314	5.38%	\$0.50	519,218	2,298,897	211,969	1,398,145

MID-COUNTIES

INDUSTRIAL MARKET REPORT

FOURTH QUARTER 2005



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FAX: 714.978.9431

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18500 Von Karman Ave., Suite 150
Irvine, California 92612-0508

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