

# Mid Counties Market Report

VOIT COMMERCIAL BROKERAGE

Compared to last quarter:

**Vacancy**  
**DOWN**

**Availability**  
**DOWN**

**Absorption**  
**UP**

**Lease Rates**  
**DOWN**

**Construction**  
**UP**

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## Market Highlights

- ◆ The Industrial vacancy rate registered a low 1.90% this quarter, the record low was 1.89% back in the first quarter of 2007. This represents a decrease in vacant space of over 14% compared to this same time last year. The Santa Fe Springs submarket has a lower vacancy rate of 1.83% 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 2.78%, which is 16.77% lower than it was a year ago when it was 3.34%. This includes vacant space, sublease space and occupied space that is being marketed.
- ◆ The average asking triple net lease rate is .60 cents per square foot per month this quarter. This is an increase of 9.09% when compared to a year ago.
- ◆ Total new construction added to the Mid Counties Industrial market during 2007 was 356,934 square feet. This decline is due to the lack of available land for development along with increasing construction and land costs. Although, next year we expect approximately one million square feet of new space to be built.
- ◆ Currently there is 993,427 square feet of construction underway, up from last year when there was 512,073 square feet under construction. The Paramount Distribution Center project comprises the largest part of the 993,427 square feet, which consists of 557,897 square feet.
- ◆ 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 the same as last year. Currently there is only 25,680 square feet, on the slate as being planned.
- ◆ Net absorption for the Mid Counties this quarter posted a positive number of 24,153 square feet, giving the Mid Counties a total of 490,167 square feet of positive absorption for 2007.
- ◆ Unemployment in the fourth quarter of 2007 in Los Angeles County is 5.2%, which is the same as the third quarter of 2007 and up 1.0% since the fourth quarter of 2006.
- ◆ According to Los Angeles County Economic Development Corporation, it is estimated that Los Angeles County will gain 50,100 non-farm jobs with a 5.7% increase in total personal income in 2007, and they are forecasting 61,300 new jobs for 2008.
- ◆ Rental rates are expected to increase at moderate levels, 3% to 5%, in the short run and concessions will continue to lessen.
- ◆ 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

	2007	2006	2005	% CHANGE VS. 2006
Inventory Added	356,934	441,529	965,790	-19.16%
Under Construction	993,427	512,073	521,996	94.00%
Vacancy Rate	1.90%	2.21%	4.34%	-14.03%
Availability Rate	2.78%	3.34%	5.38%	-16.77%
Average Asking Lease Rate	\$0.60	\$0.55	\$0.50	9.09%
Net Absorption	490,167	2,256,400	2,298,897	-78.28%
Gross Absorption	5,390,005	8,373,269	8,896,896	-35.63%

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RECENT TRANSACTIONS

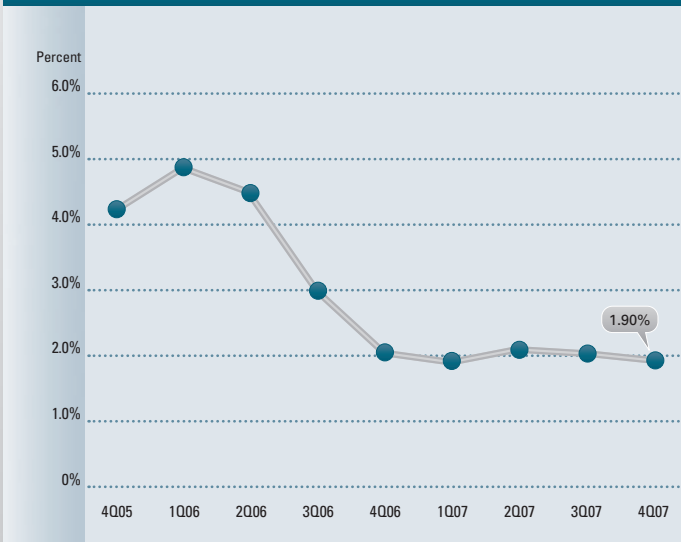
Sales Activity

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

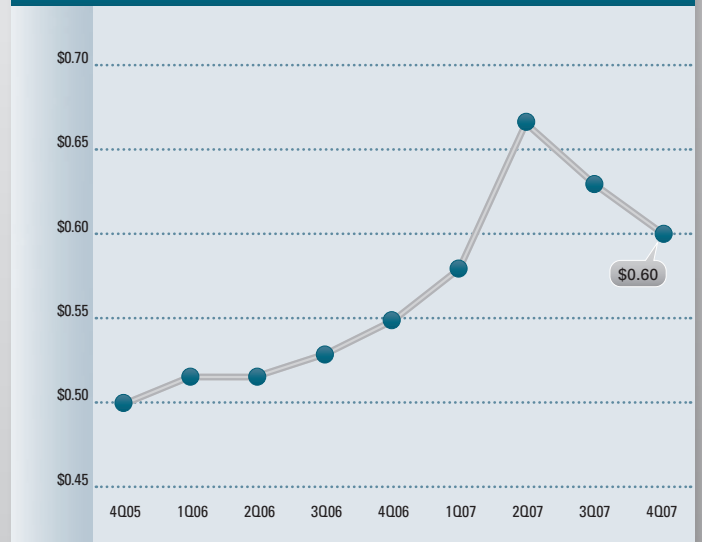
Lease Activity

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

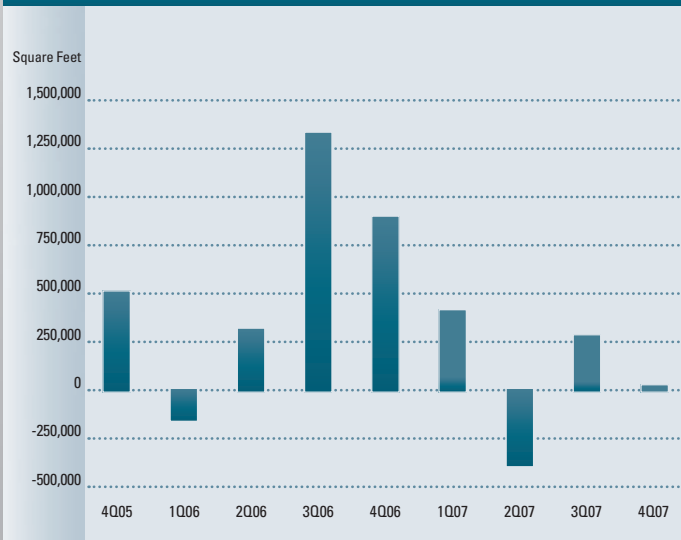
VACANCY RATE



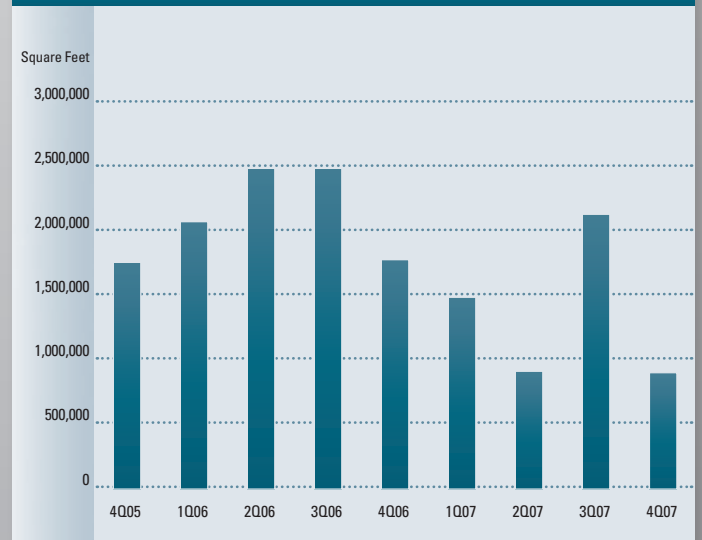
AVERAGE ASKING TRIPLE NET LEASE RATE



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 4Q2007	Square Feet Available	Availability Rate 4Q2007	Average Asking Lease Rate	Net Absorption 4Q2007	Net Absorption 2007	Net Absorption 2006	Net Absorption 2005
<b>Artesia / Cerritos</b>													
10,000 - 29,999	106	2,002,321	0	0	9,356	0.47%	49,662	2.48%	\$0.68	180	63,479	36,116	(24,774)
30,000 - 49,999	66	2,606,296	0	0	170,873	6.56%	233,639	8.96%	\$0.56	(43,289)	(168,537)	152,936	66,907
50,000 - 99,999	58	3,939,101	0	0	276,572	7.02%	346,192	8.79%	\$0.58	41,252	(7,044)	(247,194)	29,866
100,000 - 199,999	31	4,213,430	178,454	0	108,500	2.58%	208,500	4.95%	\$0.54	38,140	149,712	551	(321,250)
200,000 - 299,999	5	1,199,948	0	0	0	0.00%	220,000	18.33%	\$0.55	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>267</b>	<b>14,271,030</b>	<b>178,454</b>	<b>0</b>	<b>565,301</b>	<b>3.96%</b>	<b>1,057,993</b>	<b>7.41%</b>	<b>\$0.54</b>	<b>36,283</b>	<b>37,610</b>	<b>(57,591)</b>	<b>(249,251)</b>
<b>Bellflower / Downey</b>													
10,000 - 29,999	107	1,817,397	0	0	18,522	1.02%	43,134	2.37%	\$0.00	500	6,251	(2,603)	45,036
30,000 - 49,999	17	663,202	0	0	0	0.00%	44,355	6.69%	\$0.00	13,505	13,505	39,746	(52,351)
50,000 - 99,999	13	904,716	0	0	41,350	4.57%	27,354	3.02%	\$0.70	(10,080)	650	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>147</b>	<b>5,164,325</b>	<b>194,834</b>	<b>0</b>	<b>59,872</b>	<b>1.16%</b>	<b>114,843</b>	<b>2.22%</b>	<b>\$0.70</b>	<b>3,925</b>	<b>20,406</b>	<b>195,758</b>	<b>(35,765)</b>
<b>Buena Park / La Palma</b>													
10,000 - 29,999	84	1,531,939	0	25,680	27,866	1.82%	44,316	2.89%	\$0.00	(6,933)	12,709	(11,078)	25,015
30,000 - 49,999	29	1,083,900	0	0	12,600	1.16%	82,035	7.57%	\$0.00	0	(5,900)	(6,400)	7,105
50,000 - 99,999	37	2,572,684	0	0	28,851	1.12%	38,851	1.51%	\$0.00	(28,851)	(28,851)	19,360	29,410
100,000 - 199,999	19	2,560,134	0	0	0	0.00%	75,000	2.93%	\$0.52	0	0	26,000	318,561
200,000 - 299,999	13	3,381,452	0	0	0	0.00%	0	0.00%	\$0.00	0	340,392	(85,642)	4,245
300,000+	9	4,866,644	0	0	16,434	0.34%	16,434	0.34%	\$0.00	15,500	(290,522)	0	0
<b>Buena Park / La Palma Total</b>	<b>191</b>	<b>15,996,753</b>	<b>0</b>	<b>25,680</b>	<b>85,751</b>	<b>0.54%</b>	<b>256,636</b>	<b>1.60%</b>	<b>\$0.52</b>	<b>(20,284)</b>	<b>27,828</b>	<b>(57,760)</b>	<b>384,336</b>
<b>La Mirada</b>													
10,000 - 29,999	64	1,141,045	0	0	0	0.00%	24,929	2.18%	\$0.00	0	7,500	(4,068)	27,453
30,000 - 49,999	36	1,383,538	0	0	0	0.00%	0	0.00%	\$0.00	0	78,620	(17,883)	(20,621)
50,000 - 99,999	46	3,303,604	0	0	89,992	2.72%	89,992	2.72%	\$0.66	(117,201)	(65,994)	118,609	32,425
100,000 - 199,999	24	3,205,730	0	0	162,646	5.07%	201,046	6.27%	\$0.55	(32,187)	79,013	263,873	(242,965)
200,000 - 299,999	16	3,712,831	0	0	0	0.00%	0	0.00%	\$0.00	0	462,033	17,565	(85,997)
300,000+	2	935,369	0	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>La Mirada Total</b>	<b>188</b>	<b>13,682,117</b>	<b>0</b>	<b>0</b>	<b>252,638</b>	<b>1.85%</b>	<b>315,967</b>	<b>2.31%</b>	<b>\$0.59</b>	<b>(149,388)</b>	<b>561,172</b>	<b>378,096</b>	<b>(289,705)</b>
<b>Norwalk</b>													
10,000 - 29,999	31	546,605	11,105	0	42,623	7.80%	77,751	14.22%	\$0.85	(6,317)	21,658	(16,253)	51,805
30,000 - 49,999	8	321,178	0	0	0	0.00%	0	0.00%	\$0.00	0	600	43,026	0
50,000 - 99,999	13	889,657	0	0	0	0.00%	0	0.00%	\$0.00	0	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>62</b>	<b>3,148,812</b>	<b>11,105</b>	<b>0</b>	<b>42,623</b>	<b>1.35%</b>	<b>77,751</b>	<b>2.47%</b>	<b>\$0.85</b>	<b>(6,317)</b>	<b>22,258</b>	<b>243,041</b>	<b>(164,463)</b>
<b>Paramount</b>													
10,000 - 29,999	219	3,763,514	0	0	81,634	2.17%	117,643	3.13%	\$0.69	(10,884)	(40,819)	37,951	65,710
30,000 - 49,999	42	1,609,226	0	0	0	0.00%	0	0.00%	\$0.00	8,800	500	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	551,897	0	0	0.00%	0	0.00%	\$0.00	0	0	0	0
<b>Paramount Total</b>	<b>286</b>	<b>8,007,023</b>	<b>551,897</b>	<b>0</b>	<b>81,634</b>	<b>1.02%</b>	<b>117,643</b>	<b>1.47%</b>	<b>\$0.69</b>	<b>(2,084)</b>	<b>(40,319)</b>	<b>90,302</b>	<b>108,353</b>
<b>Santa Fe Springs</b>													
10,000 - 29,999	640	11,018,509	0	0	251,667	2.28%	397,473	3.61%	\$0.73	(113,035)	(135,630)	311,324	289,879
30,000 - 49,999	185	7,228,994	0	0	216,843	3.00%	180,423	2.50%	\$0.74	31,839	(106,767)	41,695	312,499
50,000 - 99,999	156	10,893,331	57,137	0	113,213	1.04%	222,308	2.04%	\$0.64	38,530	306,197	(12,383)	245,062
100,000 - 199,999	93	12,269,274	0	0	227,384	1.85%	187,915	1.53%	\$0.64	13,918	(94,734)	436,851	1,071,232
200,000 - 299,999	27	6,629,431	0	0	168,434	2.54%	168,434	2.54%	\$0.00	82,238	23,755	31,365	116,077
300,000+	12	5,415,573	0	0	0	0.00%	0	0.00%	\$0.00	136,198	0	671,094	453,148
<b>Santa Fe Springs Total</b>	<b>1,113</b>	<b>53,455,112</b>	<b>57,137</b>	<b>0</b>	<b>977,541</b>	<b>1.83%</b>	<b>1,156,553</b>	<b>2.16%</b>	<b>\$0.69</b>	<b>189,688</b>	<b>(7,179)</b>	<b>1,479,946</b>	<b>2,487,897</b>
<b>Whittier</b>													
10,000 - 29,999	84	1,337,800	0	0	4,052	0.30%	22,977	1.72%	\$0.00	(2,610)	40,788	(24,240)	(11,600)
30,000 - 49,999	19	732,854	0	0	39,040	5.33%	39,040	5.33%	\$0.00	(35,040)	(28,897)	(9,343)	0
50,000 - 99,999	15	974,702	0	0	0	0.00%	0	0.00%	\$0.00	0	3,200	0	0
100,000 - 199,999	9	1,115,067	0	0	151,500	13.59%	151,500	13.59%	\$0.52	9,980	(146,700)	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>194,592</b>	<b>3.68%</b>	<b>213,517</b>	<b>4.04%</b>	<b>\$0.52</b>	<b>(27,670)</b>	<b>(131,609)</b>	<b>(15,392)</b>	<b>57,495</b>
<b>Mid Counties Total</b>													
10,000 - 29,999	1,335	23,159,130	11,105	25,680	435,720	1.88%	777,885	3.36%	\$0.71	(139,099)	(24,064)	327,149	468,524
30,000 - 49,999	402	15,629,188	0	0	439,356	2.81%	579,492	3.71%	\$0.65	(24,185)	(216,876)	294,878	335,902
50,000 - 99,999	355	24,707,641	57,137	0	549,978	2.23%	724,697	2.93%	\$0.62	(76,350)	208,158	(110,553)	331,153
100,000 - 199,999	198	26,364,760	373,288	0	650,030	2.47%	823,961	3.13%	\$0.55	29,851	(12,709)	876,085	823,018
200,000 - 299,999	71	17,307,571	0	0	168,434	0.97%	388,434	2.24%	\$0.55	82,238	826,180	197,747	(112,848)
300,000+	25	11,843,225	551,897	0	16,434	0.14%	16,434	0.14%	\$0.00	151,698	(290,522)	671,094	453,148
<b>Total</b>	<b>2,386</b>	<b>119,011,515</b>	<b>993,427</b>	<b>25,680</b>	<b>2,259,952</b>	<b>1.90%</b>	<b>3,310,903</b>	<b>2.78%</b>	<b>\$0.60</b>	<b>24,153</b>	<b>490,167</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

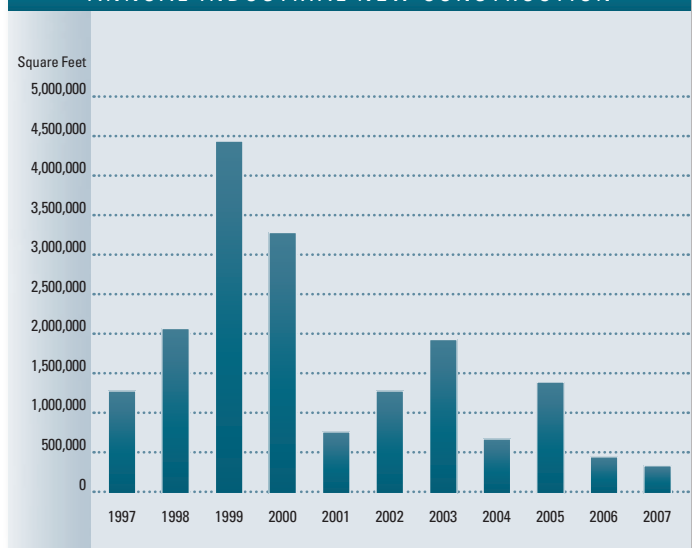
Property Address	City	Description	Square Feet	Estimate Delivery	Recorded Owner
Hall Road	Downey	Class B MFG Condos	194,834	March-08	Shaw Properties
15959 Piuma	Cerritos	Class A Warehouse	178,454	January-08	Piuma Properties, Ltd.
13035 Rosecrans Ave	Norwalk	Class B Warehouse	11,315	November-08	Fiprosecrans 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	ClassB Warehouse	55,088	January-07	FeLyBy Associates, LLC
12855 Telegraph Road	Santa Fe Springs	ClassB Warehouse	52,722	February-07	FeLyBy Associates, LLC
12803-12851 Telegraph Road	Santa Fe Springs	ClassB Warehouse	50,090	February-07	FeLyBy Associates, LLC



ANNUAL INDUSTRIAL NEW CONSTRUCTION



For further information, please contact:

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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. The information contained in this report is gathered from sources that are deemed reliable but no guarantees are made as to its accuracy. This information is for Voit Commercial Brokerage use only, and cannot legally be reproduced without prior written consent from the management of Voit Commercial Brokerage.