

INDUSTRIAL MARKET REPORT

SECOND
QUARTER
2004

Compared to
last quarter:

VACANCY



ABSORPTION



ACTIVITY



LEASE RATES



CONSTRUCTION



To view available properties,
please visit:
www.voitco.com



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



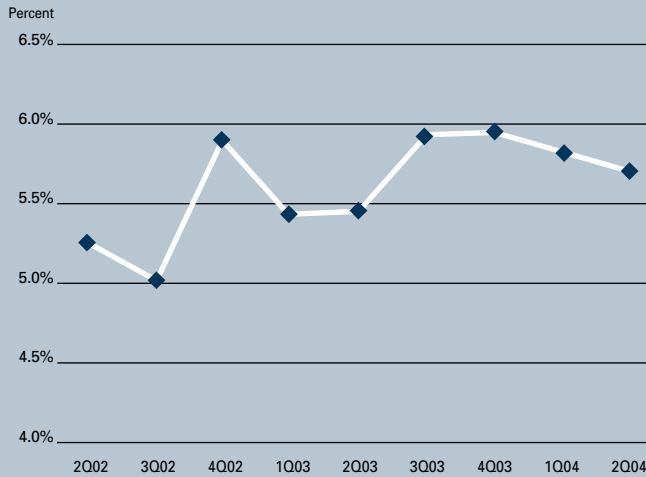
MARKET HIGHLIGHTS

- ◆ Unemployment for the second quarter of 2004 in Orange County is 3.2%, which is a decrease of .3% when compared to the first quarter of 2004, and is .4% lower than it was during the second quarter of 2003.
- ◆ According to Chapman University it is estimated that Orange County will add 27,000 new jobs in 2004. Furthermore, they are forecasting 30,000 new jobs will be added to the county in 2005 as the Orange County economy continues to expand.
- ◆ Total space under construction checked in at just over 300,000 square feet this quarter, which is less than the 1,268,105 million square feet that was under construction a year ago.
- ◆ The Industrial vacancy rate checked in at a rate of 5.66%, which is about the same as it was a year ago.
- ◆ The Industrial availability rate checked in at a rate of 8.18%, which almost the same as what was on the market a year ago.
- ◆ The average asking triple net lease rate checked in at .53 cents per square foot per month this quarter. This is an increase of almost 2% when compared to a year ago, and one cent higher than last quarter. Lease rates are beginning to trend upward.
- ◆ The level of activity was about the same during the second quarter of 2004 when compared to last quarter, checking in at 4.9 million square feet of activity. This is a sign of a healthy market.
- ◆ Net absorption for the county during the second quarter of 2004 posted a positive number of 422,479 square feet, giving the Industrial Market in Orange County a total of just over one million square feet of positive absorption for the first half of 2004.

INDUSTRIAL MARKET STATISTICS

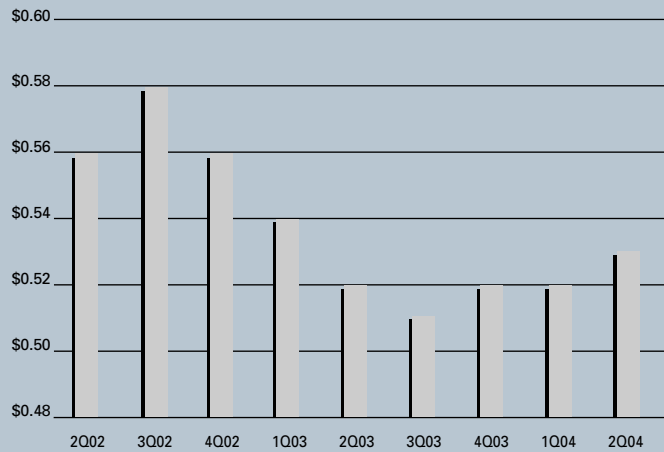
| | 2Q2004 | 1Q2004 | 2Q2003 | % CHANGE VS. 2003 |
|----------------------|-----------|-----------|-----------|-------------------|
| Under Construction | 314,072 | 537,322 | 1,268,105 | -75.23% |
| Planned Construction | 1,173,584 | 1,117,507 | 3,484,197 | -66.32% |
| Vacancy | 5.66% | 5.82% | 5.46% | 3.66% |
| Availability | 8.18% | 8.51% | 8.10% | 0.99% |
| Pricing | \$0.53 | \$0.52 | \$0.52 | 1.92% |
| Activity | 4,910,442 | 5,283,054 | 5,287,577 | -7.13% |
| Absorption | 422,479 | 598,712 | -42,805 | N/A |

VACANCY RATE

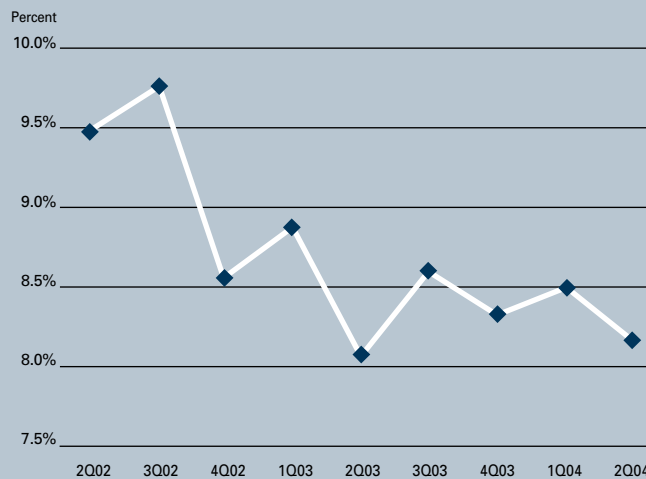


WEIGHTED AVERAGE ASKING LEASE RATES

ON A TRIPLE NET BASIS FOR MANUFACTURING & DISTRIBUTION PRODUCT

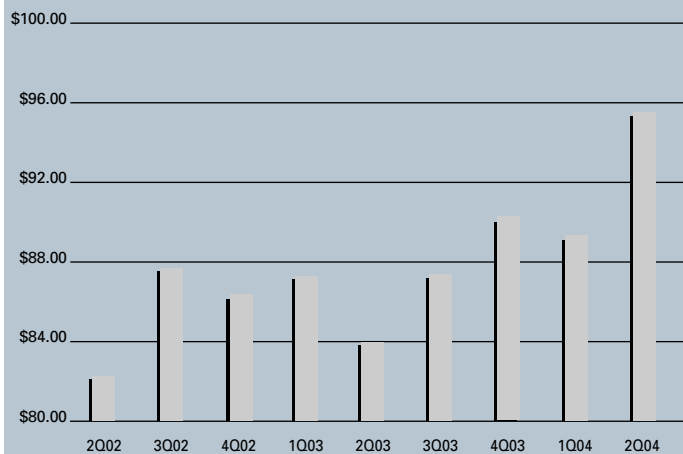


AVAILABILITY RATE

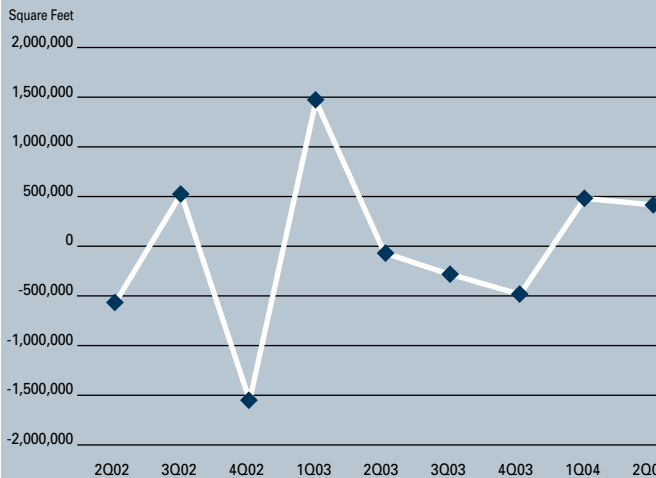


WEIGHTED AVERAGE ASKING SALES RATES

PER SQUARE FOOT FOR MANUFACTURING & DISTRIBUTION PRODUCT

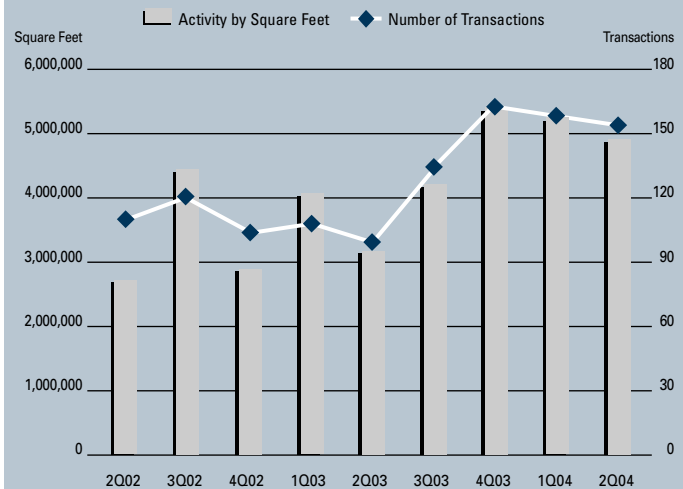


NET ABSORPTION



LEASE/SALE ACTIVITY & NUMBER OF TRANSACTIONS

MANUFACTURING & DISTRIBUTION PRODUCT



ORANGE COUNTY

INVENTORY

VACANCY & PRICING

ABSORPTION

| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2004 | Number of Transactions | Gross Absorption 2Q2004 |
|----------------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| North County | | | | | | | | | | | | | | |
| Anaheim | 1,240 | 44,197,285 | 88,580 | 18,000 | 2,457,031 | 5.56% | 3,010,871 | 6.81% | \$0.54 | \$98.47 | (215,253) | (285,182) | 23 | 590,128 |
| Brea | 231 | 10,782,661 | 0 | 0 | 874,973 | 8.11% | 1,371,672 | 12.72% | \$0.46 | \$90.53 | 75,234 | 259,787 | 6 | 143,145 |
| Buena Park | 172 | 13,340,773 | 0 | 0 | 1,110,724 | 8.33% | 1,528,370 | 11.46% | \$0.45 | \$78.04 | 150,630 | (227,894) | 4 | 355,339 |
| Fullerton | 284 | 16,142,993 | 0 | 0 | 1,530,860 | 9.48% | 2,272,517 | 14.08% | \$0.46 | \$58.37 | 156,025 | 415,033 | 5 | 365,584 |
| La Habra | 85 | 2,299,449 | 0 | 0 | 204,244 | 8.88% | 209,228 | 9.10% | \$0.48 | \$0.00 | (55,817) | (90,008) | 1 | 17,600 |
| Orange | 428 | 11,825,999 | 0 | 0 | 380,142 | 3.21% | 432,191 | 3.65% | \$0.55 | \$131.31 | 3,215 | 89,308 | 12 | 265,765 |
| Placentia | 145 | 3,640,656 | 0 | 0 | 184,922 | 5.08% | 233,326 | 6.41% | \$0.50 | \$120.03 | (48,121) | (45,829) | 3 | 56,756 |
| Yorba Linda | 29 | 911,906 | 0 | 0 | 130,218 | 14.28% | 140,241 | 15.38% | \$0.00 | \$0.00 | (2,211) | 4,599 | 3 | 46,954 |
| North County Total | 2,614 | 103,141,722 | 88,580 | 18,000 | 6,873,114 | 6.66% | 9,198,416 | 8.92% | \$0.48 | \$78.78 | 63,702 | 119,814 | 57 | 1,841,271 |
| West County | | | | | | | | | | | | | | |
| Cypress | 47 | 3,256,334 | 0 | 0 | 80,948 | 2.49% | 371,599 | 11.41% | \$0.68 | \$99.79 | (6,823) | (50,396) | 0 | 0 |
| Garden Grove | 289 | 10,807,735 | 0 | 0 | 481,021 | 4.45% | 708,389 | 6.55% | \$0.53 | \$113.41 | 28,496 | (69,117) | 13 | 504,319 |
| Huntington Beach | 432 | 11,861,551 | 109,650 | 214,037 | 219,156 | 1.85% | 397,061 | 3.35% | \$0.50 | \$126.00 | (14,404) | 37,418 | 12 | 256,392 |
| La Palma | 15 | 1,784,621 | 0 | 0 | 126,119 | 7.07% | 401,250 | 22.48% | \$0.59 | \$0.00 | 0 | 0 | 1 | 131,280 |
| Los Alamitos | 73 | 1,976,752 | 0 | 0 | 46,127 | 2.33% | 46,127 | 2.33% | \$0.58 | \$0.00 | 9,110 | 31,708 | 0 | 0 |
| Stanton | 57 | 1,102,501 | 0 | 10,200 | 30,008 | 2.72% | 30,008 | 2.72% | \$0.00 | \$0.00 | (6,840) | (20,740) | 1 | 10,600 |
| Westminster | 58 | 1,815,851 | 0 | 0 | 167,923 | 9.25% | 167,923 | 9.25% | \$0.48 | \$92.91 | (124,140) | (103,666) | 0 | 0 |
| West County Total | 971 | 32,605,345 | 109,650 | 224,237 | 1,151,302 | 3.53% | 2,122,357 | 6.51% | \$0.58 | \$106.93 | (114,601) | (174,793) | 27 | 902,591 |
| Airport Area | | | | | | | | | | | | | | |
| Costa Mesa | 206 | 6,420,436 | 0 | 0 | 184,827 | 2.88% | 397,445 | 6.19% | \$0.69 | \$100.96 | (23,310) | 60,566 | 8 | 128,209 |
| Fountain Valley | 138 | 3,276,487 | 0 | 212,000 | 104,465 | 3.19% | 104,465 | 3.19% | \$0.61 | \$0.00 | (52,243) | 65,599 | 6 | 111,491 |
| Irvine | 318 | 14,126,787 | 0 | 0 | 795,488 | 5.63% | 1,160,556 | 8.22% | \$0.63 | \$113.13 | 162,802 | 229,172 | 15 | 335,848 |
| Newport Beach | 20 | 676,009 | 0 | 0 | 0 | 0.00% | 10,791 | 1.60% | \$0.00 | \$0.00 | 2,900 | 7,600 | 0 | 0 |
| Santa Ana | 880 | 26,801,275 | 0 | 0 | 1,336,064 | 4.99% | 1,747,295 | 6.52% | \$0.55 | \$90.79 | 314,615 | 378,836 | 23 | 939,117 |
| Tustin | 85 | 4,289,138 | 0 | 306,933 | 221,689 | 5.17% | 361,464 | 8.43% | \$0.58 | \$112.76 | 70,493 | 379,617 | 9 | 424,380 |
| Airport Area Total | 1,647 | 55,590,132 | 0 | 518,933 | 2,642,533 | 4.75% | 3,782,016 | 6.80% | \$0.59 | \$103.18 | 474,957 | 1,121,390 | 61 | 1,939,045 |
| South County | | | | | | | | | | | | | | |
| Aliso Viejo | 11 | 696,725 | 0 | 0 | 13,136 | 1.89% | 26,816 | 3.85% | \$0.95 | \$0.00 | (2,000) | 15,186 | 0 | 0 |
| Foothill Ranch | 38 | 2,858,200 | 0 | 136,616 | 174,173 | 6.09% | 416,079 | 14.56% | \$0.46 | \$0.00 | 74,660 | 207,983 | 1 | 25,138 |
| Irvine Spectrum | 138 | 7,008,842 | 50,207 | 216,659 | 536,515 | 7.65% | 967,201 | 13.80% | \$0.53 | \$135.39 | (13,612) | (98,050) | 4 | 78,253 |
| Laguna Hills | 69 | 1,273,664 | 0 | 0 | 80,173 | 6.29% | 88,073 | 6.91% | \$0.00 | \$0.00 | (8,882) | 8,169 | 1 | 12,156 |
| Laguna Niguel | 19 | 516,609 | 0 | 0 | 5,260 | 1.02% | 5,260 | 1.02% | \$0.00 | \$0.00 | 3,620 | (1,180) | 0 | 0 |
| Lake Forest | 128 | 3,553,568 | 0 | 0 | 271,328 | 7.64% | 398,014 | 11.20% | \$0.73 | \$132.25 | (20,261) | (39,415) | 1 | 20,176 |
| Mission Viejo | 25 | 955,116 | 0 | 0 | 43,398 | 4.54% | 91,398 | 9.57% | \$0.00 | \$0.00 | (51,859) | (192,569) | 0 | 0 |
| Rancho Santa Margarita | 35 | 1,049,737 | 0 | 0 | 53,465 | 5.09% | 65,549 | 6.24% | \$0.94 | \$129.00 | (30,117) | (8,933) | 1 | 18,362 |
| San Clemente | 47 | 1,208,454 | 65,635 | 59,139 | 80,885 | 6.69% | 89,784 | 7.43% | \$0.65 | \$141.52 | 33,074 | 38,091 | 2 | 63,400 |
| San Juan Capistrano | 32 | 838,184 | 0 | 0 | 25,080 | 2.99% | 25,080 | 2.99% | \$0.00 | \$0.00 | 13,798 | 25,498 | 1 | 10,050 |
| South County Total | 542 | 19,959,099 | 115,842 | 412,414 | 1,283,413 | 6.43% | 2,173,254 | 10.89% | \$0.56 | \$135.02 | (1,579) | (45,220) | 11 | 227,535 |
| Orange County Total | 5,774 | 211,296,298 | 314,072 | 1,173,584 | 11,950,362 | 5.66% | 17,276,043 | 8.18% | \$0.53 | \$95.19 | 422,479 | 1,021,191 | 156 | 4,910,442 |

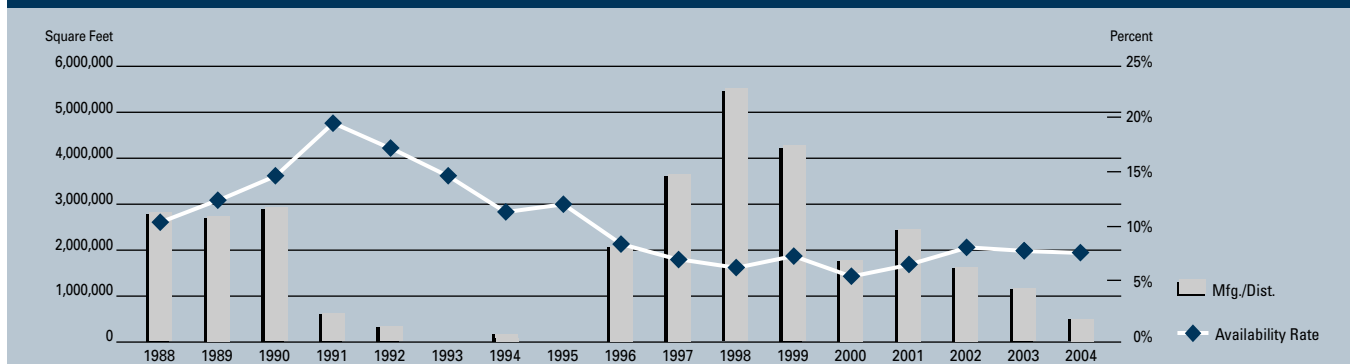
INVENTORY

VACANCY & PRICING

ABSORPTION

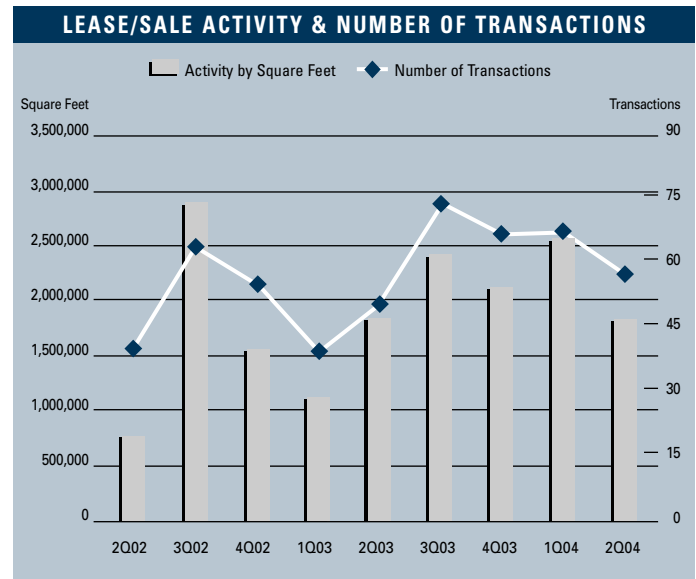
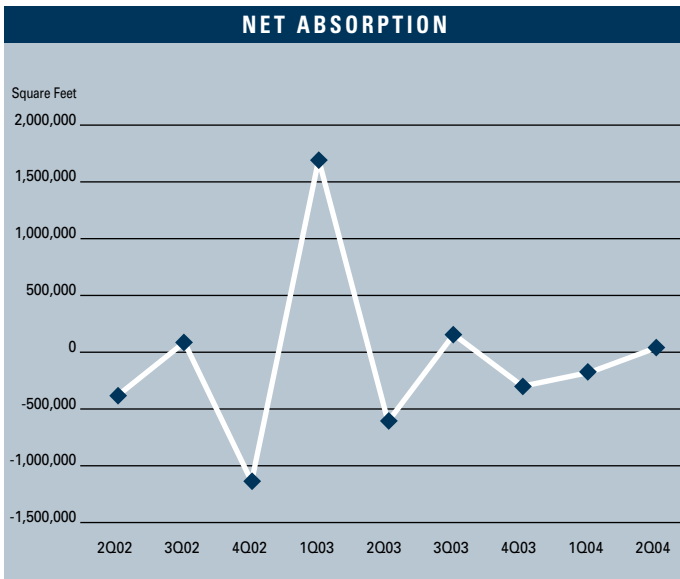
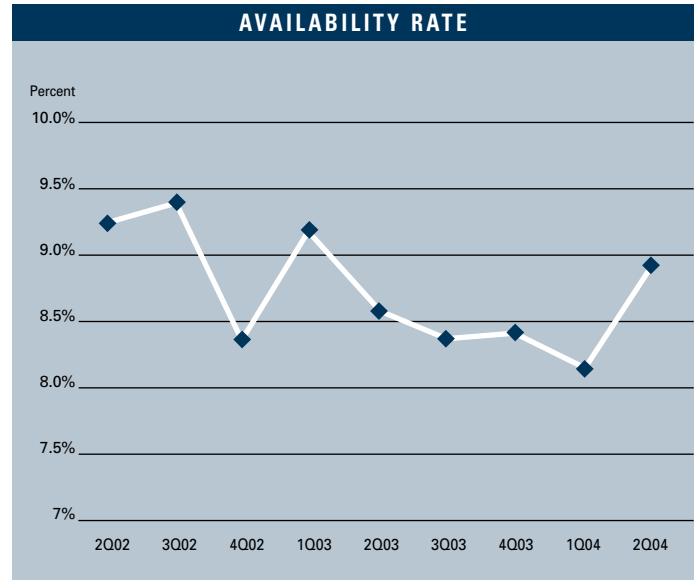
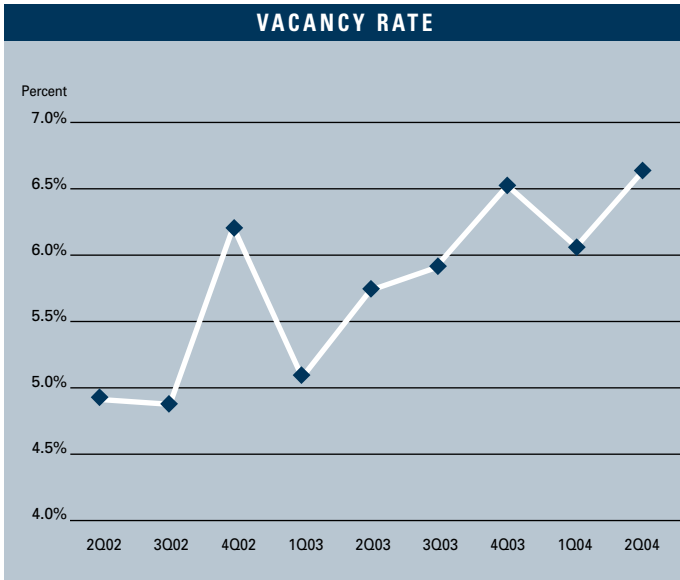
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2004 | Number of Transactions | Gross Absorption 2Q2004 |
|--------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| O.C. Totals | | | | | | | | | | | | | | |
| 10,000-19,999 | 2,910 | 40,115,687 | 149,942 | 161,042 | 1,591,739 | 3.97% | 2,044,438 | 5.10% | \$0.71 | \$124.19 | (4,158) | 147,916 | 83 | 1,133,027 |
| 20,000-29,999 | 1,154 | 27,282,660 | 20,677 | 164,416 | 1,667,951 | 6.11% | 1,809,793 | 6.63% | \$0.60 | \$112.42 | (111,337) | (5,821) | 34 | 831,077 |
| 30,000-39,999 | 474 | 16,009,341 | 33,803 | 238,428 | 878,484 | 5.49% | 1,080,693 | 6.75% | \$0.58 | \$109.94 | 262,240 | 194,279 | 13 | 449,540 |
| 40,000-49,999 | 309 | 13,841,138 | 0 | 0 | 593,564 | 4.29% | 772,383 | 5.58% | \$0.56 | \$96.40 | 121,306 | 419,105 | 5 | 185,217 |
| 50,000-74,999 | 369 | 22,149,219 | 0 | 104,527 | 798,686 | 3.61% | 1,535,217 | 6.93% | \$0.54 | \$83.40 | 44,525 | 205,853 | 10 | 621,150 |
| 75,000-99,999 | 179 | 15,186,373 | 0 | 0 | 907,570 | 5.98% | 1,457,530 | 9.60% | \$0.49 | \$87.47 | 155,056 | 2,012 | 5 | 414,115 |
| 100,000-149,999 | 190 | 22,284,978 | 109,650 | 114,500 | 1,572,530 | 7.06% | 2,213,095 | 9.93% | \$0.48 | \$77.71 | 155,815 | 147,741 | 2 | 394,580 |
| 150,000-199,999 | 63 | 10,786,093 | 0 | 178,671 | 976,901 | 9.06% | 1,483,315 | 13.75% | \$0.46 | \$77.00 | (331,565) | (311,574) | 3 | 509,640 |
| 200,000-299,999 | 70 | 16,675,153 | 0 | 212,000 | 1,714,589 | 10.28% | 2,586,868 | 15.51% | \$0.42 | \$53.00 | (35,475) | 33,838 | 0 | 0 |
| 300,000+ | 56 | 26,965,656 | 0 | 0 | 1,248,348 | 4.63% | 2,292,711 | 8.50% | \$0.45 | \$0.00 | 166,072 | 187,842 | 1 | 372,096 |
| Total | 5,774 | 211,296,298 | 314,072 | 1,173,584 | 11,950,362 | 5.66% | 17,276,043 | 8.18% | \$0.53 | \$95.19 | 422,479 | 1,021,191 | 156 | 4,910,442 |

ANNUAL INDUSTRIAL NEW CONSTRUCTION VS. AVAILABILITY RATE



N O R T H O R A N G E C O U N T Y

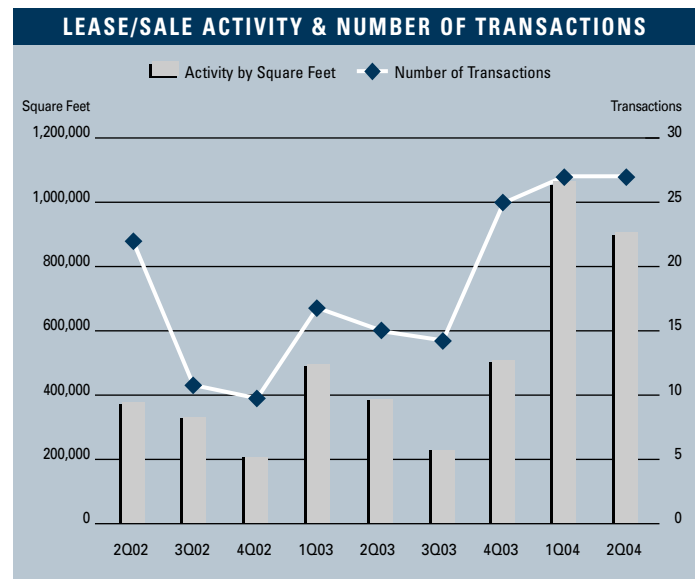
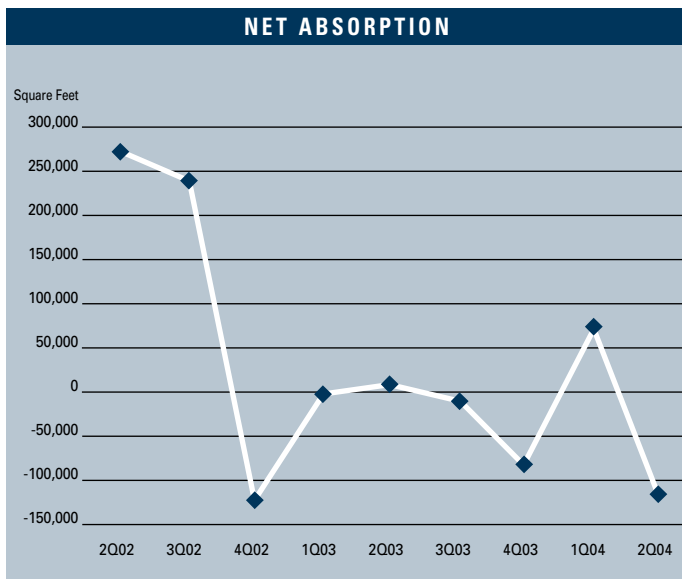
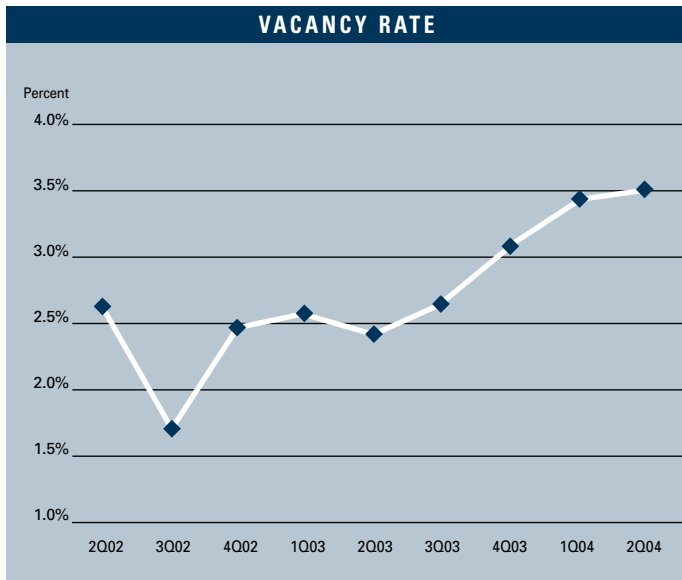
The North Orange County Industrial Market consists of 2,614 buildings totaling 103,141,722 square feet, and currently has an availability rate of 8.92%, which shows an increase from last quarter's 8.17% figure.



| | INVENTORY | | | | | VACANCY & PRICING | | | | | ABSORPTION | | | |
|---------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2004 | Number of Transactions | Gross Absorption 2Q2004 |
| North Totals | | | | | | | | | | | | | | |
| 10,000-19,999 | 1,281 | 17,687,605 | 88,580 | 18,000 | 640,915 | 3.62% | 809,068 | 4.57% | \$0.67 | \$115.23 | (7,317) | 38,633 | 31 | 435,669 |
| 20,000-29,999 | 511 | 12,054,427 | 0 | 0 | 805,700 | 6.68% | 864,894 | 7.17% | \$0.54 | \$89.58 | 22,455 | 65,072 | 15 | 373,145 |
| 30,000-39,999 | 227 | 7,681,540 | 0 | 0 | 396,060 | 5.16% | 512,509 | 6.67% | \$0.52 | \$91.19 | 74,060 | 85,295 | 2 | 66,357 |
| 40,000-49,999 | 142 | 6,527,255 | 0 | 0 | 238,098 | 3.65% | 244,298 | 3.74% | \$0.47 | \$91.38 | 39,919 | 265,901 | 1 | 43,200 |
| 50,000-74,999 | 173 | 10,390,942 | 0 | 0 | 403,350 | 3.88% | 660,689 | 6.36% | \$0.48 | \$72.02 | 105,144 | 222,535 | 2 | 106,605 |
| 75,000-99,999 | 80 | 6,808,324 | 0 | 0 | 560,531 | 8.23% | 677,466 | 9.95% | \$0.43 | \$0.00 | 58,377 | 19,175 | 4 | 336,615 |
| 100,000-149,999 | 97 | 11,401,524 | 0 | 0 | 779,376 | 6.84% | 934,236 | 8.19% | \$0.43 | \$59.00 | 176,434 | 43,479 | 0 | 122,300 |
| 150,000-199,999 | 32 | 5,544,694 | 0 | 0 | 811,744 | 14.64% | 1,006,353 | 18.15% | \$0.45 | \$77.00 | (294,970) | (292,698) | 2 | 357,380 |
| 200,000-299,999 | 40 | 9,533,719 | 0 | 0 | 1,293,507 | 13.57% | 1,548,707 | 16.24% | \$0.44 | \$0.00 | 82,375 | 251,888 | 0 | 0 |
| 300,000+ | 31 | 15,511,692 | 0 | 0 | 943,833 | 6.08% | 1,940,196 | 12.51% | \$0.45 | \$0.00 | (192,775) | (579,466) | 0 | 0 |
| Total | 2,614 | 103,141,722 | 88,580 | 18,000 | 6,873,114 | 6.66% | 9,198,416 | 8.92% | \$0.48 | \$78.78 | 63,702 | 119,814 | 57 | 1,841,271 |

WEST ORANGE COUNTY

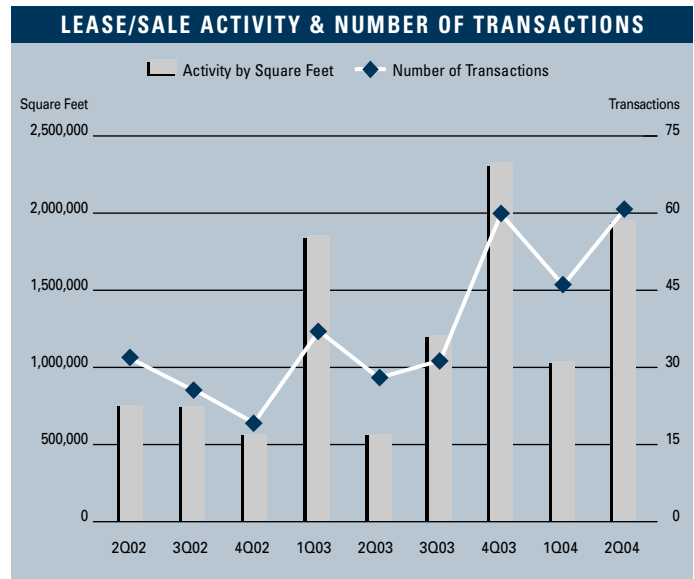
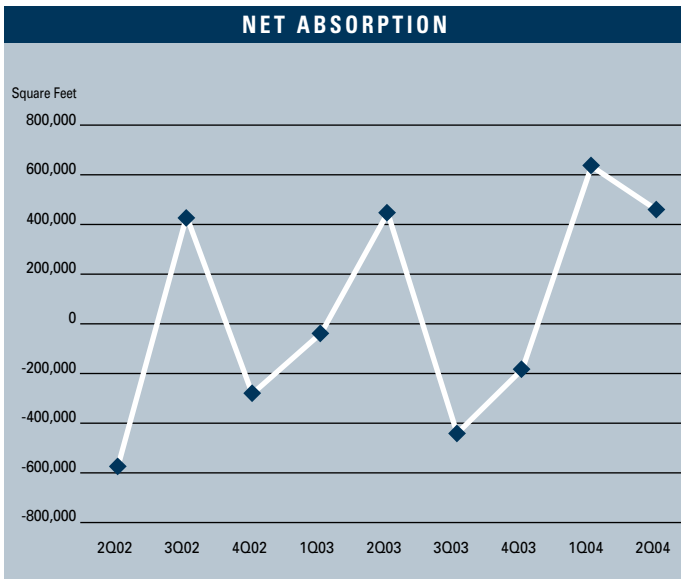
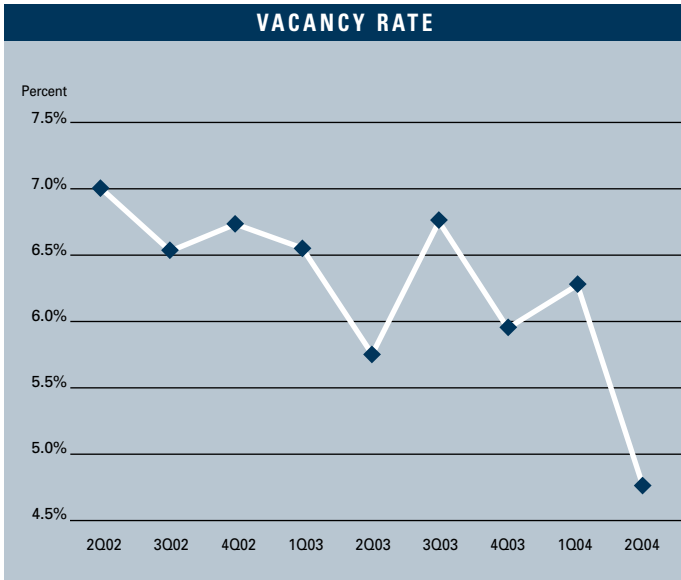
The West Orange County Industrial Market consists of 971 buildings totaling 32,605,345 square feet, and currently has an availability rate of 6.51%, which shows a decrease from last quarter's 6.61% figure.



| | INVENTORY | | | | | | VACANCY & PRICING | | | | ABSORPTION | | | |
|--------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2004 | Number of Transactions | Gross Absorption 2Q2004 |
| West Totals | | | | | | | | | | | | | | |
| 10,000-19,999 | 552 | 7,349,705 | 0 | 10,200 | 229,317 | 3.12% | 291,429 | 3.97% | \$0.84 | \$124.33 | 22,237 | 23,964 | 12 | 149,262 |
| 20,000-29,999 | 180 | 4,254,512 | 0 | 0 | 188,582 | 4.43% | 231,755 | 5.45% | \$0.67 | \$105.00 | (461) | 11,351 | 4 | 90,177 |
| 30,000-39,999 | 53 | 1,801,935 | 0 | 35,366 | 158,728 | 8.81% | 193,653 | 10.75% | \$0.65 | \$110.14 | 6,960 | (14,999) | 4 | 140,346 |
| 40,000-49,999 | 53 | 2,330,205 | 0 | 0 | 103,335 | 4.43% | 143,885 | 6.17% | \$0.59 | \$110.42 | 65,362 | 70,732 | 3 | 94,593 |
| 50,000-74,999 | 54 | 3,193,227 | 0 | 0 | 35,925 | 1.13% | 133,567 | 4.18% | \$0.64 | \$94.92 | (38,196) | 7,575 | 1 | 67,173 |
| 75,000-99,999 | 28 | 2,335,210 | 0 | 0 | 97,640 | 4.18% | 419,119 | 17.95% | \$0.53 | \$0.00 | 116 | (124,857) | 1 | 77,500 |
| 100,000-149,999 | 22 | 2,565,108 | 109,650 | 0 | 136,656 | 5.33% | 261,550 | 10.20% | \$0.41 | \$0.00 | (50,619) | (28,559) | 1 | 131,280 |
| 150,000-199,999 | 12 | 1,979,529 | 0 | 178,671 | 0 | 0.00% | 115,000 | 5.81% | \$0.00 | \$0.00 | 0 | 0 | 1 | 152,260 |
| 200,000-299,999 | 11 | 2,709,094 | 0 | 0 | 201,119 | 7.42% | 332,399 | 12.27% | \$0.00 | \$0.00 | (120,000) | (120,000) | 0 | 0 |
| 300,000+ | 6 | 4,086,820 | 0 | 0 | 0 | 0.00% | 0 | 0.00% | \$0.00 | \$0.00 | 0 | 0 | 0 | 0 |
| Total | 971 | 32,605,345 | 109,650 | 224,237 | 1,151,302 | 3.53% | 2,122,357 | 6.51% | \$0.58 | \$106.93 | (114,601) | (174,793) | 27 | 902,591 |

AIRPORT AREA

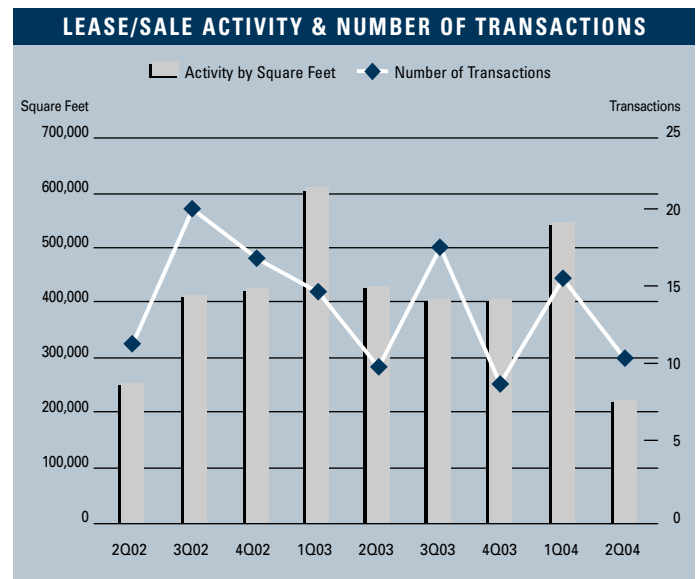
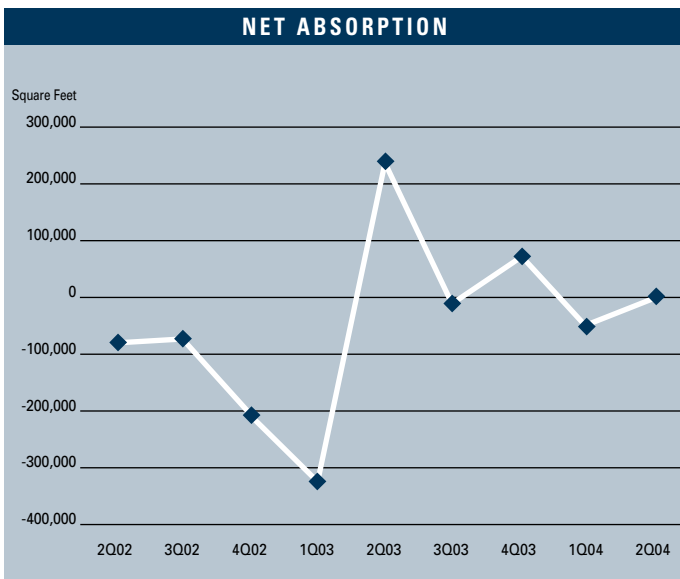
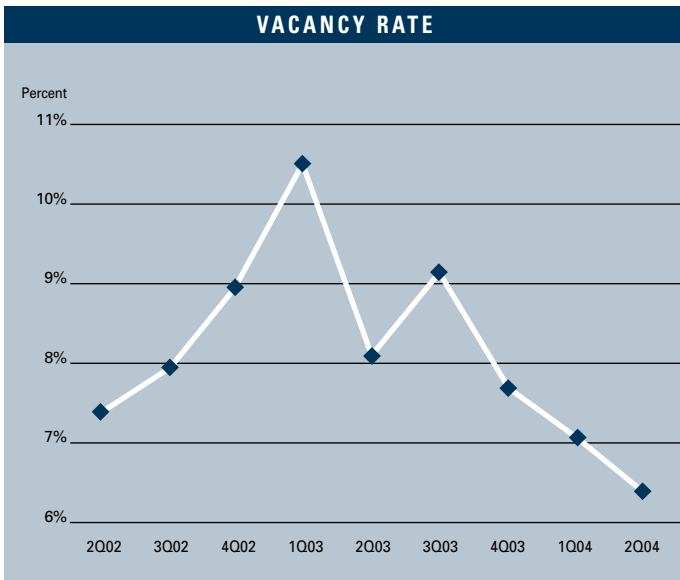
The Airport Area of the Orange County Industrial Market consists of 1,647 buildings totaling 55,590,132 square feet, and currently has an availability rate of 6.80%, which shows a decrease from last quarter's 8.97% figure.



| | INVENTORY | | | | | | VACANCY & PRICING | | | | ABSORPTION | | | |
|-----------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2Q04 | Number of Transactions | Gross Absorption 2Q2004 |
| Airport Totals | 802 | 11,153,166 | 0 | 10,200 | 410,668 | 3.68% | 539,609 | 4.84% | \$0.73 | \$132.11 | (9,915) | 52,019 | 35 | 487,702 |
| 10,000-19,999 | 349 | 8,263,337 | 0 | 44,110 | 411,930 | 4.99% | 443,223 | 5.36% | \$0.64 | \$128.17 | (117,136) | (58,236) | 10 | 252,614 |
| 20,000-29,999 | 154 | 5,186,462 | 0 | 138,123 | 214,970 | 4.14% | 264,365 | 5.10% | \$0.59 | \$119.37 | 95,083 | 31,102 | 7 | 242,837 |
| 30,000-39,999 | 87 | 3,789,884 | 0 | 0 | 222,950 | 5.88% | 340,076 | 8.97% | \$0.57 | \$80.84 | 21,461 | 96,623 | 1 | 47,424 |
| 40,000-49,999 | 112 | 6,738,530 | 0 | 0 | 280,690 | 4.17% | 541,249 | 8.03% | \$0.59 | \$76.97 | (27,551) | 16,013 | 6 | 395,372 |
| 50,000-74,999 | 55 | 4,701,796 | 0 | 0 | 126,647 | 2.69% | 238,193 | 5.07% | \$0.00 | \$87.47 | 97,621 | 191,674 | 0 | 0 |
| 75,000-99,999 | 48 | 5,594,931 | 0 | 114,500 | 596,025 | 10.65% | 824,836 | 14.74% | \$0.55 | \$86.92 | 30,000 | 139,987 | 1 | 141,000 |
| 100,000-149,999 | 14 | 2,397,545 | 0 | 0 | 84,467 | 3.52% | 256,272 | 10.69% | \$0.49 | \$0.00 | 0 | 86,814 | 0 | 0 |
| 150,000-199,999 | 14 | 3,375,191 | 0 | 212,000 | 138,706 | 4.11% | 178,713 | 5.29% | \$0.00 | \$0.00 | 53,207 | (16,793) | 0 | 0 |
| 200,000-299,999 | 12 | 4,389,290 | 0 | 0 | 155,480 | 3.54% | 155,480 | 3.54% | \$0.00 | \$0.00 | 332,187 | 582,187 | 1 | 372,096 |
| Total | 1,647 | 55,590,132 | 0 | 518,933 | 2,642,533 | 4.75% | 3,782,016 | 6.80% | \$0.59 | \$103.18 | 474,957 | 1,121,390 | 61 | 1,939,045 |

SOUTH ORANGE COUNTY

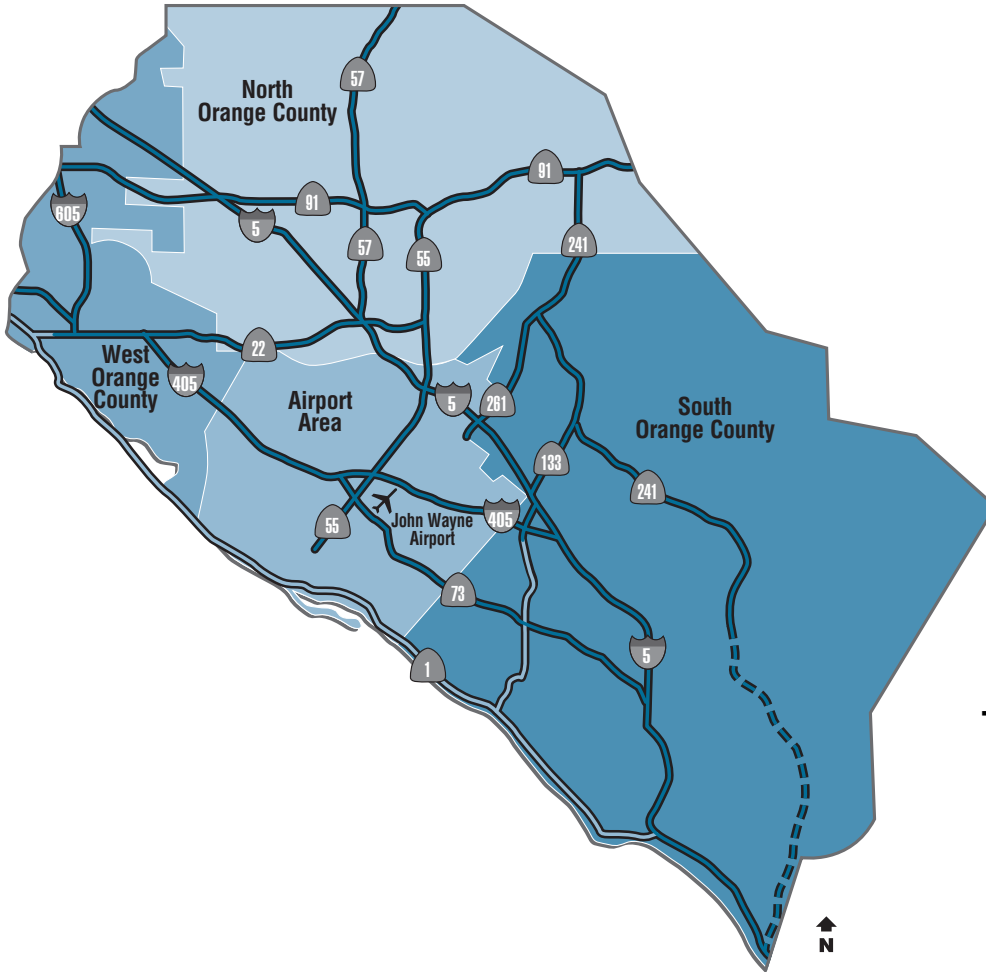
The South Orange County Industrial Market consists of 542 buildings totaling 19,959,099 square feet, and currently has an availability rate of 10.89%, which shows a decrease from last quarter's 12.09% figure.



| | INVENTORY | | | | | | VACANCY & PRICING | | | | ABSORPTION | | | |
|---------------------|------------------|--------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|--------------------------|---------------------------|----------------------------|-----------------------|---------------------|------------------------|-------------------------|
| | Number Of Bldgs. | Net Rentable Square Feet | Square Feet U / C | Square Feet Planned | Square Feet Vacant | Vacancy Rate 2Q2004 | Square Feet Available | Availability Rate 2Q2004 | Average Asking Lease Rate | Average Asking Sales Price | Net Absorption 2Q2004 | Net Absorption 2004 | Number of Transactions | Gross Absorption 2Q2004 |
| South Totals | | | | | | | | | | | | | | |
| 10,000-19,999 | 275 | 3,925,211 | 61,362 | 122,642 | 310,839 | 7.92% | 404,332 | 10.30% | \$0.75 | \$136.46 | (9,163) | 33,300 | 5 | 60,394 |
| 20,000-29,999 | 114 | 2,710,384 | 20,677 | 120,306 | 261,739 | 9.66% | 269,921 | 9.96% | \$0.68 | \$134.65 | (16,195) | (24,008) | 5 | 115,141 |
| 30,000-39,999 | 40 | 1,339,404 | 33,803 | 64,939 | 108,726 | 8.12% | 110,166 | 8.23% | \$0.62 | \$0.00 | 86,137 | 92,881 | 0 | 0 |
| 40,000-49,999 | 27 | 1,193,794 | 0 | 0 | 29,181 | 2.44% | 44,124 | 3.70% | \$0.73 | \$134.15 | (5,436) | (14,151) | 0 | 0 |
| 50,000-74,999 | 30 | 1,826,520 | 0 | 104,527 | 78,721 | 4.31% | 199,712 | 10.93% | \$0.51 | \$0.00 | 5,128 | (40,270) | 1 | 52,000 |
| 75,000-99,999 | 16 | 1,341,043 | 0 | 0 | 122,752 | 9.15% | 122,752 | 9.15% | \$0.52 | \$0.00 | (1,058) | (83,980) | 0 | 0 |
| 100,000-149,999 | 23 | 2,723,415 | 0 | 0 | 60,473 | 2.22% | 192,473 | 7.07% | \$0.53 | \$0.00 | 0 | (7,166) | 0 | 0 |
| 150,000-199,999 | 5 | 864,325 | 0 | 0 | 80,690 | 9.34% | 105,690 | 12.23% | \$0.00 | \$0.00 | (36,595) | (105,690) | 0 | 0 |
| 200,000-299,999 | 5 | 1,057,149 | 0 | 0 | 81,257 | 7.69% | 527,049 | 49.86% | \$0.39 | \$0.00 | (51,057) | (81,257) | 0 | 0 |
| 300,000+ | 7 | 2,977,854 | 0 | 0 | 149,035 | 5.00% | 197,035 | 6.62% | \$0.00 | \$0.00 | 26,660 | 185,121 | 0 | 0 |
| Total | 542 | 19,959,099 | 115,842 | 412,414 | 1,283,413 | 6.43% | 2,173,254 | 10.89% | \$0.56 | \$135.02 | (1,579) | (45,220) | 11 | 227,535 |

INDUSTRIAL MARKET REPORT

SECOND QUARTER 2004



SUBMARKETS

NORTH

Anaheim, Brea, Buena Park, Fullerton, La Habra, Orange, Placentia and Yorba Linda

WEST

Cypress, Garden Grove, Huntington Beach, La Palma, Los Alamitos, Stanton and Westminster

AIRPORT

Costa Mesa, Fountain Valley, Irvine, Newport Beach, Santa Ana and Tustin

SOUTH

Aliso Viejo, Foothill Ranch, Irvine Spectrum, Laguna Hills, Laguna Niguel, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente and San Juan Capistrano

PRODUCT TYPE

MFG./DIST.

Manufacturing/Distribution/Warehouse facilities with up to 29.9% office space.

To view available properties,
please visit:
www.voidco.com

For Further Information:

ANAHEIM METRO OFFICE IRVINE OFFICE

3500 W. Orangewood Ave.
Orange, California 92868-1642
TEL: 714.978.7880
FAX: 714.978.9431

18500 Von Karman Ave., Suite 150
Irvine, California 92612-0508
TEL: 949.851.5100
FAX: 949.261.9092



Real People. Real Solutions.

This survey consists of properties 10,000 square feet and larger in size, representing both single tenant and multi-tenant buildings. 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.