



## Industrial Market Report

Compared to 2010:

Vacancy

DOWN

Net Absorption

POSITIVE

Sales Price

UP

Lease Rates

UP

Transactions

DOWN

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### Market Highlights

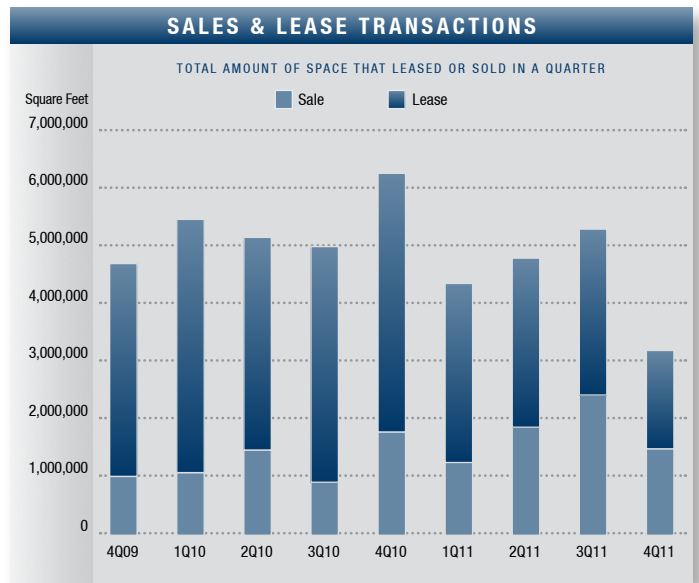
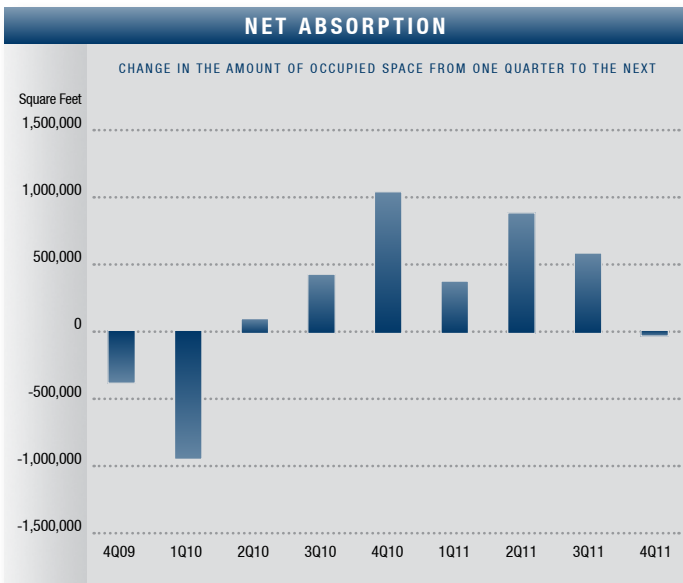
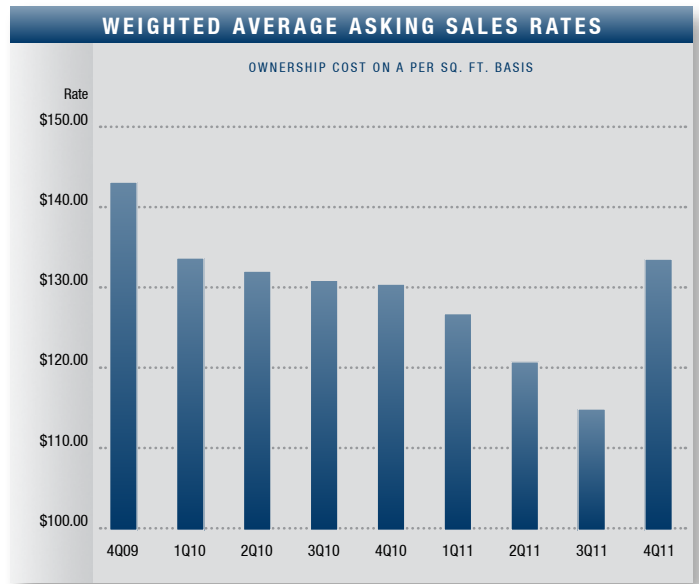
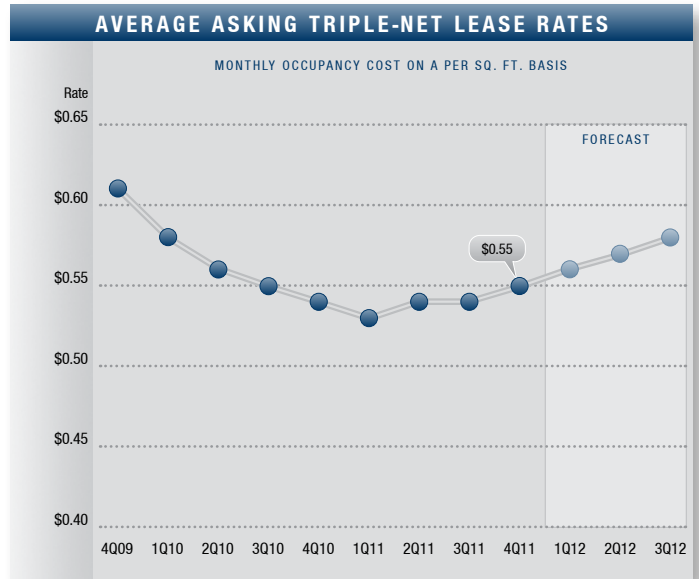
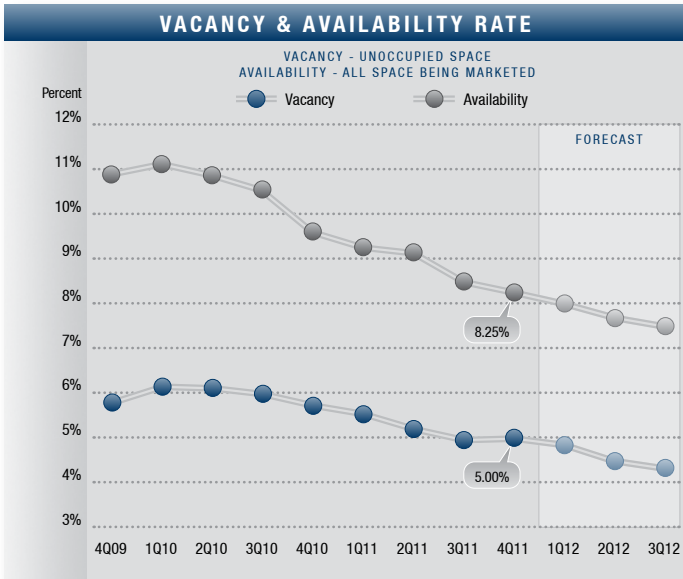
- Encouraging Numbers** - The Orange County industrial market continued its path to recovery at the end of 2011, posting a modest 5% vacancy rate. Both vacancy and availability remained stable compared to the previous quarter and displayed double-digit percentage drops from 2010. Net absorption posted nearly 3.4 million square feet of positive absorption from the second quarter of 2010 to the fourth quarter of 2011, creating an even greater positive streak than seen in the height of the market, from the fourth quarter of 2006 to the fourth quarter of 2007, which totaled only 2.3 million square feet. While these are positive indicators, we are keeping a close eye on demand, which, being ultimately influenced by employment and overall economic stability, will need to be sustained in coming quarters for the Orange County industrial market to continue its pace of recovery.
- Vacancy** - Direct/sublease space (unoccupied) finished the year at 5%, one of the lowest figures seen in over two and a half years and a decrease of 12.6% when compared to the fourth quarter of 2010. The West County submarket presented the lowest vacancy rate in the county at 3.96%. We are forecasting that vacancy will continue its downward trend in 2012, ending the year at around 4.2%.
- Availability** - Direct/sublease space being marketed came in at 8.25% for the fourth quarter of 2011, a drop from the 8.5% seen in the previous quarter and a decrease of over 14% from 2010's rate of 9.61%.
- Lease Rates** - The average asking triple-net lease rate checked in at \$.55 per square foot per month, an increase of one cent from the previous quarter and the second increase in average asking lease rates since the Great-Recession low of \$.53 seen in the first quarter of 2008. The South County submarket posted the highest average asking lease rate in the county at \$.65. The record high rate of \$.80 was established in the first and second quarters of 2008. We are forecasting that lease rates will continue to rise, ending the year at \$.59.
- Sales Pricing** - The average asking sales price in the fourth quarter of 2011 was \$133.37 per square foot, a 16.2% increase from the previous quarter's price of \$114.78 and 2010's fourth quarter price of \$130.15. This recent increase can be attributed to a lack of supply of product for sale in many size ranges; currently, only 3.08% of the inventory

in the Orange County industrial market is available for sale. This lack of supply will put upward pressure on pricing going forward. The record high asking rate of \$181.23 was established in the third quarter of 2007.

- Absorption** - The Orange County industrial market posted over 1.8 million square feet of positive net absorption for 2011, giving the industrial market the most positive absorption its seen since 2005 when we registered 2.6 million square feet. We are forecasting that net absorption will continue its positive trend in 2012, ending the year around two million square feet.
- Transaction Activity** - Leasing activity for 2011 checked in at 10.7 million square feet, a decrease from the prior year's number of 16.7 million square feet. Sales activity increased, posting 6.9 million square feet for 2011 compared to the 5 million square feet we saw in 2010. Details of the largest transactions for 2011 can be found on the back page of this report.
- Employment** - The unemployment rate in Orange County was 8.1% in November 2011 — down from a revised 8.5% in October 2011 and below the previous year's estimate of 9.4%. This compares with an unadjusted unemployment rate of 10.9% for California and 8.2% for the nation during the same period. According to the State of California Employment Development Department, Orange County saw a net increase of 13,000 payroll jobs from November 2010 to November 2011. The largest gains were 7,200 in leisure and hospitality and 6,200 in professional and business services; however, Orange County lost 1,600 government jobs, 1,200 financial activities jobs and 1,100 construction jobs during that same period.
- Overall** - We are seeing a continued decrease in vacancy and a subsequent increase in net occupancy, which is contributing to an increase in asking lease rates. We're also seeing an increase in sale transactions. A lack of product available for sale in many size ranges (particularly in the 30,000 to 100,000 square-foot range) is causing an increase in sale prices. While these are certainly positive indicators, cautious optimism still prevails, as job creation will need to continue in order to drive the demand needed to sustain growth in the Orange County industrial market.

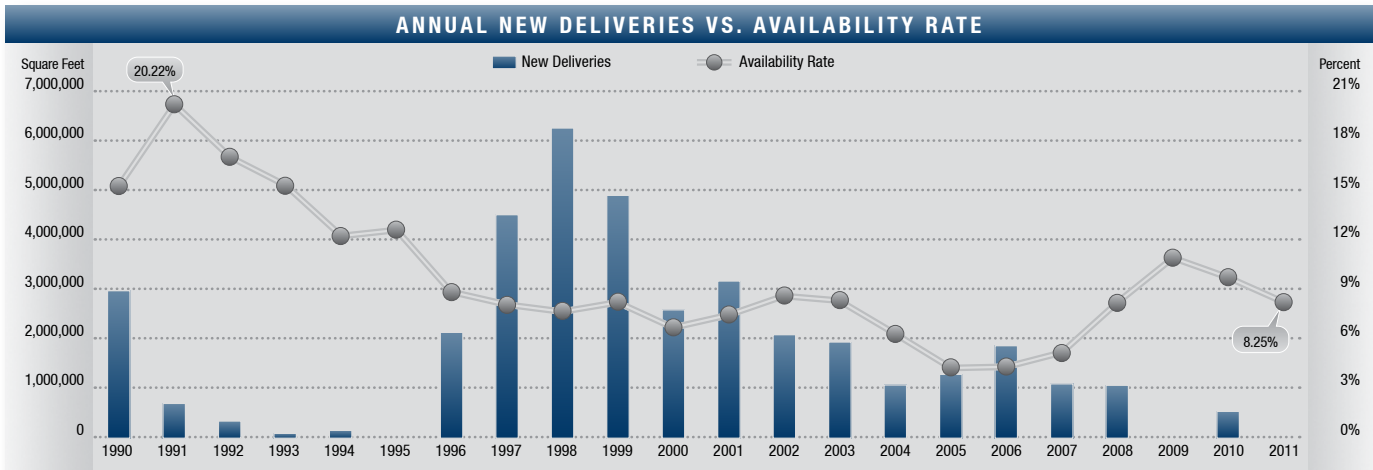
### INDUSTRIAL MARKET OVERVIEW

	2011	2010	2009	% of Change vs. 2010
Vacancy Rate	5.00%	5.72%	5.76%	(12.59%)
Availability Rate	8.25%	9.61%	10.85%	(14.15%)
Average Asking Lease Rate	\$0.55	\$0.54	\$0.61	1.85%
Average Asking Sale Price	\$133.37	\$130.15	\$142.94	2.47%
Sale & Lease Transactions	17,524,806	21,753,841	14,286,591	(19.44%)
Gross Absorption	13,658,372	15,134,948	12,069,519	(9.76%)
Net Absorption	1,832,245	601,330	(5,308,162)	N/A



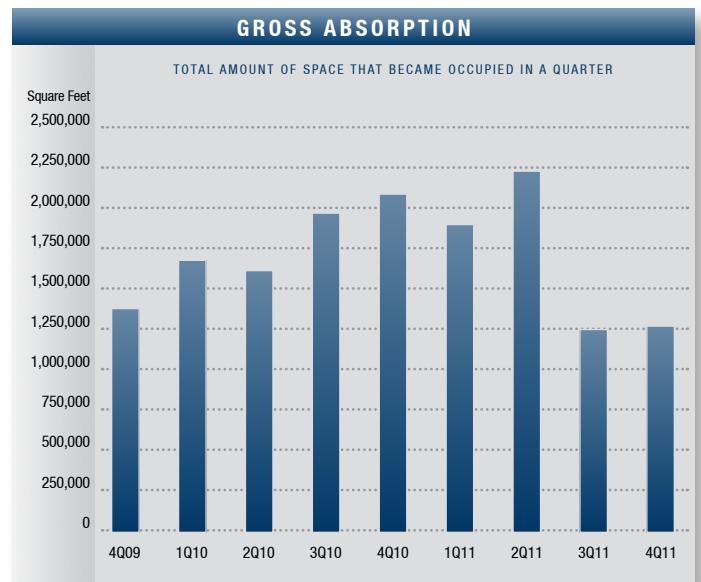
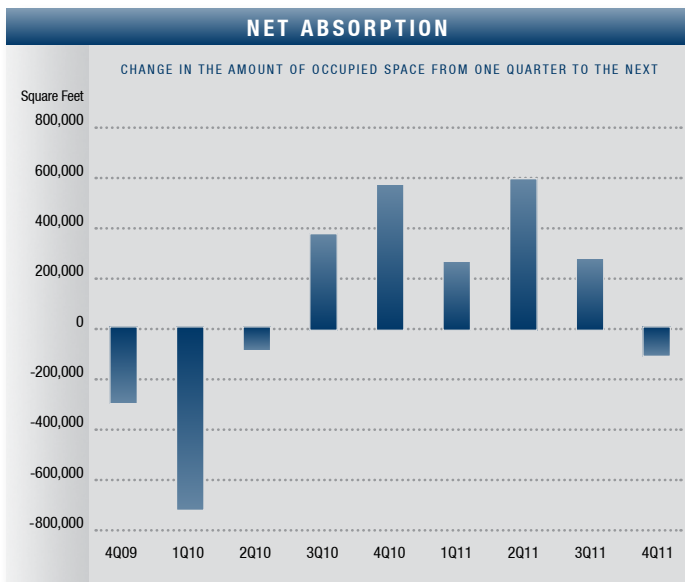
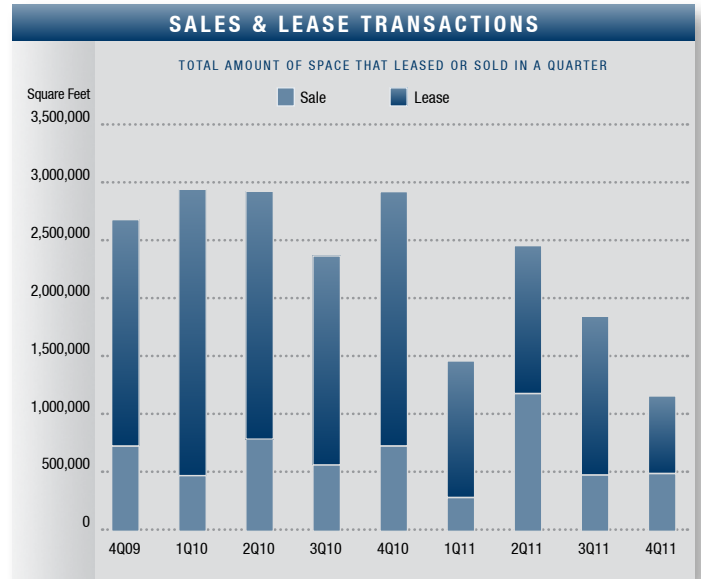
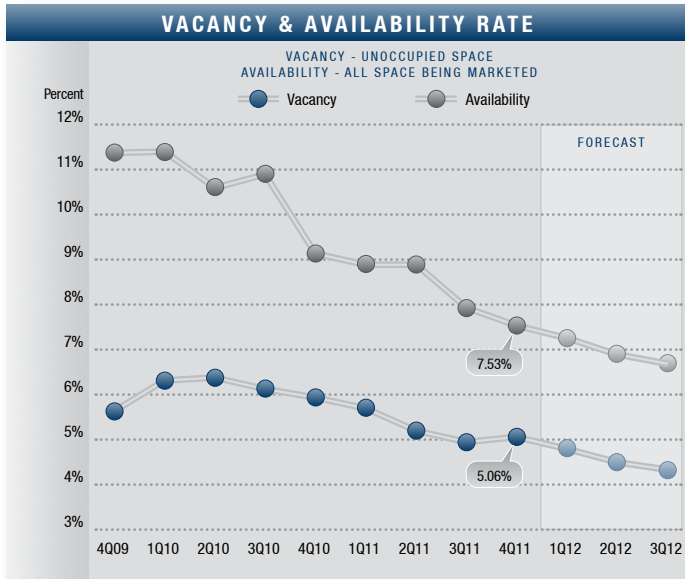
	INVENTORY				VACANCY & LEASE RATES						ABSORPTION			
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2011	Square Feet Available	Availability Rate 4Q2011	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 4Q2011	Net Absorption 2011	Gross Absorption 4Q2011	Gross Absorption 2011
<b>North County</b>														
Anaheim	1,864	45,159,856	0	240,300	1,785,411	3.95%	2,838,445	6.29%	\$0.46	\$118.46	(42,908)	556,393	446,739	3,133,857
Brea	337	12,321,475	0	0	518,885	4.21%	715,810	5.81%	\$0.48	\$112.63	(6,499)	130,705	138,860	561,720
Buena Park	253	13,908,020	0	0	553,266	3.98%	740,216	5.32%	\$0.49	\$88.62	(6,990)	205,646	85,495	850,046
Fullerton	440	17,410,446	0	100,000	1,307,184	7.51%	1,748,131	10.04%	\$0.46	\$121.41	(87,312)	90,297	309,082	905,572
La Habra	215	4,707,107	0	0	751,287	15.96%	869,282	18.47%	\$0.57	\$122.72	(8,788)	33,651	28,493	127,725
Orange	791	15,082,797	0	0	615,567	4.08%	962,918	6.38%	\$0.59	\$129.57	(11,129)	(50,450)	142,159	638,989
Placentia	227	4,360,384	0	0	199,058	4.57%	600,268	13.77%	\$0.53	\$96.65	52,577	74,852	92,422	360,153
Yorba Linda	56	1,108,442	0	0	36,924	3.33%	117,412	10.59%	\$0.00	\$122.29	9,624	(1,729)	9,624	49,500
<b>North County Total</b>	<b>4,183</b>	<b>114,058,527</b>	<b>0</b>	<b>340,300</b>	<b>5,767,582</b>	<b>5.06%</b>	<b>8,592,482</b>	<b>7.53%</b>	<b>\$0.48</b>	<b>\$116.11</b>	<b>(101,425)</b>	<b>1,039,365</b>	<b>1,252,874</b>	<b>6,627,562</b>
<b>West County</b>														
Cypress	104	4,310,345	0	0	313,344	7.27%	881,350	20.45%	\$0.59	\$173.92	(78,195)	(58,828)	78,006	186,340
Garden Grove	488	12,469,612	0	0	389,557	3.12%	702,260	5.63%	\$0.49	\$137.44	155,450	175,770	253,016	597,796
Huntington Beach	699	15,837,347	0	0	614,977	3.88%	1,736,903	10.97%	\$0.51	\$118.20	(70,331)	(19,631)	58,751	467,621
La Palma	16	1,777,797	0	0	131,280	7.38%	174,499	9.82%	\$0.39	\$0.00	0	0	0	0
Los Alamitos	103	2,599,324	0	0	50,983	1.96%	47,150	1.81%	\$0.00	\$187.13	(7,283)	1,709	1,485	74,883
Seal Beach	14	1,037,459	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	0	0	0	0
Stanton	169	2,111,091	0	0	67,183	3.18%	97,780	4.63%	\$0.66	\$115.30	(1,107)	17,946	22,247	106,694
Westminster	147	2,813,923	0	0	132,910	4.72%	151,691	5.39%	\$0.80	\$107.10	(51,043)	87,527	22,436	211,158
<b>West County Total</b>	<b>1,740</b>	<b>42,956,898</b>	<b>0</b>	<b>0</b>	<b>1,700,234</b>	<b>3.96%</b>	<b>3,791,633</b>	<b>8.83%</b>	<b>\$0.53</b>	<b>\$124.18</b>	<b>(52,509)</b>	<b>204,493</b>	<b>435,941</b>	<b>1,644,492</b>
<b>Airport Area</b>														
Costa Mesa	465	8,669,458	0	0	188,746	2.18%	582,711	6.72%	\$0.62	\$186.31	23,142	67,735	71,461	355,590
Fountain Valley	188	4,095,606	0	655,000	186,388	4.55%	189,674	4.63%	\$0.71	\$169.95	(58,363)	125,808	45,021	320,382
Irvine	430	15,924,677	0	33,250	1,184,069	7.44%	1,849,782	11.62%	\$0.58	\$144.13	(32,303)	(199,995)	144,031	935,931
Newport Beach	71	1,304,083	0	0	6,000	0.46%	9,500	0.73%	\$0.00	\$0.00	5,500	1,000	5,500	26,600
Santa Ana	1,633	32,219,956	0	0	1,520,049	4.72%	2,275,351	7.06%	\$0.56	\$124.14	257,670	716,046	473,166	1,971,630
Tustin	123	5,252,003	0	0	296,195	5.64%	366,381	6.98%	\$0.51	\$158.21	4,332	(35,119)	85,455	233,300
<b>Airport Area Total</b>	<b>2,910</b>	<b>67,465,783</b>	<b>0</b>	<b>688,250</b>	<b>3,381,447</b>	<b>5.01%</b>	<b>5,273,399</b>	<b>7.82%</b>	<b>\$0.58</b>	<b>\$139.30</b>	<b>199,978</b>	<b>675,475</b>	<b>824,634</b>	<b>3,843,433</b>
<b>South County</b>														
Aliso Viejo	22	964,812	0	0	26,177	2.71%	46,357	4.80%	\$0.00	\$156.26	0	34,536	0	47,672
Foothill Ranch	66	3,646,247	0	53,264	212,122	5.82%	358,107	9.82%	\$0.58	\$128.84	(78,605)	(48,879)	103,405	158,516
Irvine Spectrum	164	7,868,031	26,000	26,000	550,984	7.00%	1,054,449	13.40%	\$0.61	\$154.62	90,528	37,141	149,671	437,501
Laguna Hills	101	1,571,742	0	7,000	72,414	4.61%	108,267	6.89%	\$0.84	\$0.00	(9,312)	(1,745)	37,747	99,488
Laguna Niguel	29	600,745	0	0	24,730	4.12%	48,730	8.11%	\$0.74	\$158.33	0	470	0	800
Lake Forest	212	5,027,386	0	0	309,743	6.16%	617,810	12.29%	\$0.71	\$141.99	(46,558)	(61,500)	67,396	308,546
Mission Viejo	39	838,076	0	0	17,554	2.09%	58,616	6.99%	\$1.25	\$196.20	2,826	6,420	5,472	26,477
Rancho Santa Margarita	104	1,695,666	0	0	113,171	6.67%	234,594	13.83%	\$0.71	\$142.51	(29,715)	(13,026)	42,922	110,934
San Clemente	175	2,357,227	0	0	255,426	10.84%	370,776	15.73%	\$0.74	\$163.46	27,818	(37,387)	56,679	226,516
San Juan Capistrano	52	1,234,186	0	0	76,226	6.18%	93,908	7.61%	\$0.88	\$205.30	(26,305)	(3,118)	12,799	126,435
<b>South County Total</b>	<b>964</b>	<b>25,804,118</b>	<b>26,000</b>	<b>86,264</b>	<b>1,658,547</b>	<b>6.43%</b>	<b>2,991,614</b>	<b>11.59%</b>	<b>\$0.65</b>	<b>\$151.86</b>	<b>(69,323)</b>	<b>(87,088)</b>	<b>476,091</b>	<b>1,542,885</b>
<b>Total</b>	<b>9,797</b>	<b>250,285,326</b>	<b>26,000</b>	<b>1,114,814</b>	<b>12,507,810</b>	<b>5.00%</b>	<b>20,649,128</b>	<b>8.25%</b>	<b>\$0.55</b>	<b>\$133.37</b>	<b>(23,279)</b>	<b>1,832,245</b>	<b>2,989,540</b>	<b>13,658,372</b>
Less than 9,999	3,432	20,583,582	0	7,000	708,231	3.44%	1,150,636	5.59%	\$0.76	\$173.12	(17,884)	196,490	289,555	1,276,274
10,000-19,999	3,238	44,958,819	0	0	2,218,671	4.93%	3,429,365	7.63%	\$0.71	\$148.84	87,548	464,152	860,026	3,191,374
20,000-29,999	1,226	29,191,981	26,000	26,000	1,677,330	5.75%	2,616,247	8.96%	\$0.62	\$134.01	166,192	220,623	524,238	1,989,364
30,000-39,999	515	17,520,000	0	68,250	694,643	3.96%	1,323,270	7.55%	\$0.62	\$123.95	739	460,700	244,022	1,022,431
40,000-49,999	325	14,291,379	0	46,300	727,663	5.09%	1,346,695	9.42%	\$0.60	\$147.72	112,198	132,643	277,945	812,981
50,000-74,999	453	27,378,246	0	172,064	996,645	3.64%	2,180,256	7.96%	\$0.54	\$123.99	(41,054)	62,161	183,501	1,019,615
75,000-99,999	214	18,327,689	0	75,200	865,441	4.72%	1,415,140	7.72%	\$0.57	\$120.12	36,116	(184,184)	63,197	688,595
100,000-149,999	197	23,127,963	0	220,000	1,276,691	5.52%	2,333,281	10.09%	\$0.54	\$106.34	(119,364)	205,956	270,310	1,259,482
150,000-199,999	74	12,742,452	0	0	795,328	6.24%	1,559,459	12.24%	\$0.54	\$147.75	51,363	137,832	51,363	476,047
200,000-299,999	69	16,610,011	0	0	1,044,558	6.29%	1,023,512	6.16%	\$0.43	\$95.28	(88,753)	(127,954)	185,383	1,094,103
300,000 Plus	54	25,553,204	0	500,000	1,502,609	5.88%	2,271,267	8.89%	\$0.50	\$128.12	(210,380)	263,826	40,000	828,106
<b>Total</b>	<b>9,797</b>	<b>250,285,326</b>	<b>26,000</b>	<b>1,114,814</b>	<b>12,507,810</b>	<b>5.00%</b>	<b>20,649,128</b>	<b>8.25%</b>	<b>\$0.55</b>	<b>\$133.37</b>	<b>(23,279)</b>	<b>1,832,245</b>	<b>2,989,540</b>	<b>13,658,372</b>

Lease rates are on a triple-net basis.



NORTH ORANGE COUNTY

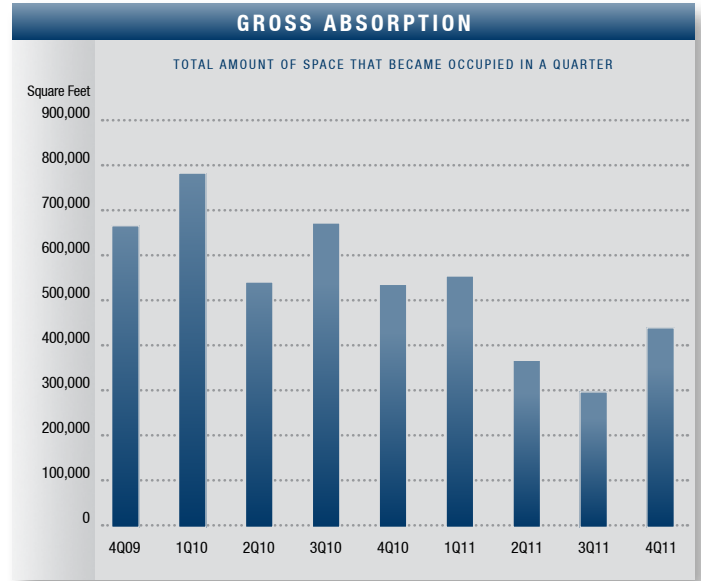
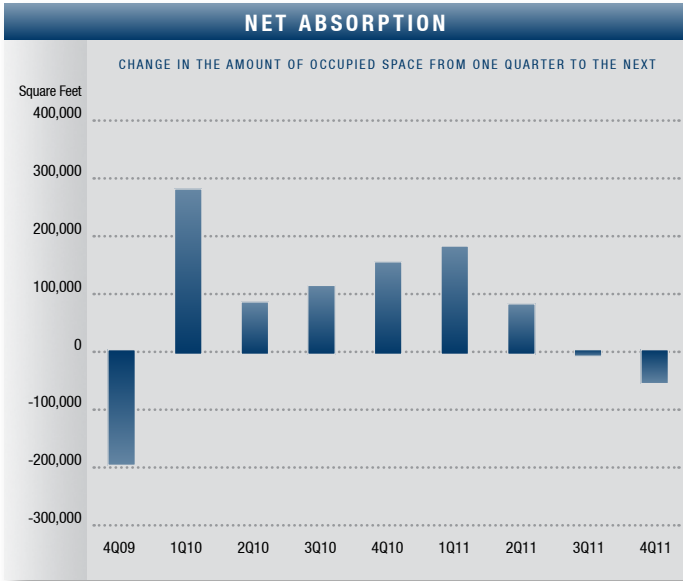
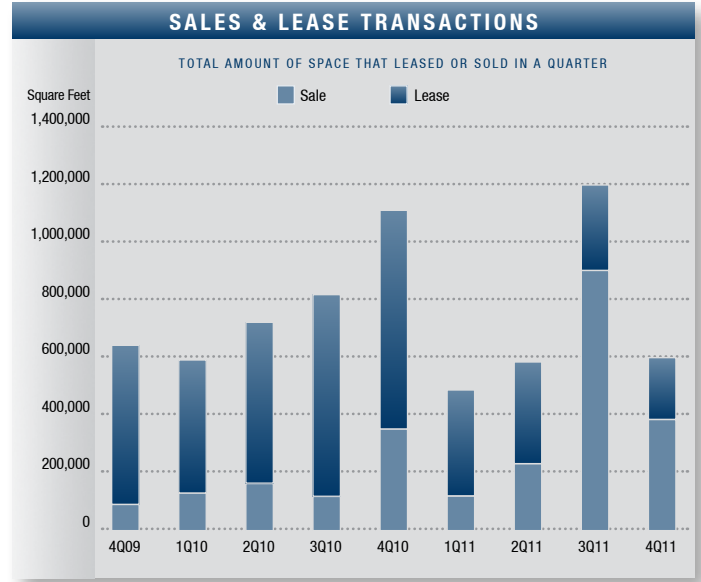
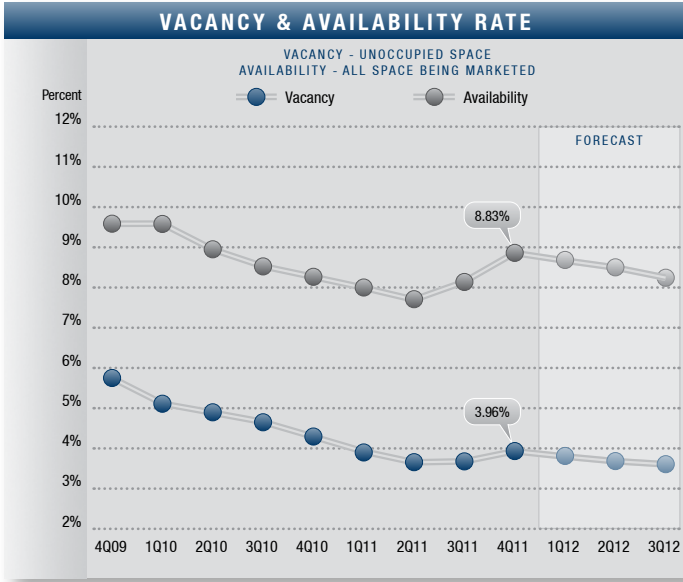
In the fourth quarter of 2011, the North Orange County industrial market consisted of 4,183 buildings totaling 114,058,527 square feet and had an availability rate of 7.53%, which shows a decrease from the previous quarter's figure of 7.91%



	INVENTORY				VACANCY & LEASE RATES					ABSORPTION				
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2011	Square Feet Available	Availability Rate 4Q2011	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 4Q2011	Net Absorption 2011	Gross Absorption 4Q2011	Gross Absorption 2011
<b>North Totals</b>														
Less than 9,999	1,365	8,529,030	0	0	285,133	3.34%	431,828	5.06%	\$0.49	\$156.76	(19,708)	132,865	122,225	594,645
10,000-19,999	1,429	19,719,953	0	0	968,223	4.91%	1,422,143	7.21%	\$0.58	\$132.81	(6,318)	164,482	348,028	1,375,676
20,000-29,999	536	12,762,823	0	0	609,912	4.78%	1,006,904	7.89%	\$0.57	\$118.86	110,182	235,468	274,582	940,826
30,000-39,999	237	8,026,059	0	0	201,032	2.50%	385,904	4.81%	\$0.61	\$72.27	73,958	166,430	125,680	403,222
40,000-49,999	134	5,884,058	0	46,300	251,975	4.28%	571,000	9.70%	\$0.59	\$106.82	52,921	(3,304)	99,869	283,941
50,000-74,999	202	12,217,423	0	118,800	378,637	3.10%	1,008,734	8.26%	\$0.48	\$95.44	(24,335)	51,312	77,671	537,052
75,000-99,999	90	7,713,845	0	75,200	306,599	3.97%	447,267	5.80%	\$0.44	\$107.05	0	(82,274)	0	84,048
100,000-149,999	92	10,878,200	0	100,000	533,976	4.91%	909,386	8.36%	\$0.45	\$78.80	(36,982)	172,720	113,456	720,954
150,000-199,999	35	6,086,814	0	0	505,186	8.30%	726,547	11.94%	\$0.47	\$0.00	51,363	257,798	51,363	425,547
200,000-299,999	36	8,693,536	0	0	669,534	7.70%	625,394	7.19%	\$0.44	\$0.00	(170,731)	(85,878)	0	760,230
300,000 Plus	27	13,546,786	0	0	1,057,375	7.81%	1,057,375	7.81%	\$0.45	\$0.00	(131,775)	29,746	40,000	501,421
<b>Total</b>	<b>4,183</b>	<b>114,058,527</b>	<b>0</b>	<b>340,300</b>	<b>5,767,582</b>	<b>5.06%</b>	<b>8,592,482</b>	<b>7.53%</b>	<b>\$0.48</b>	<b>\$116.11</b>	<b>(101,425)</b>	<b>1,039,365</b>	<b>1,252,874</b>	<b>6,627,562</b>

**WEST ORANGE COUNTY**

In the fourth quarter of 2011, the West Orange County industrial market consisted of 1,740 buildings totaling 42,956,898 square feet and had an availability rate of 8.83%, which shows an increase from the previous quarter's figure of 8.17%.

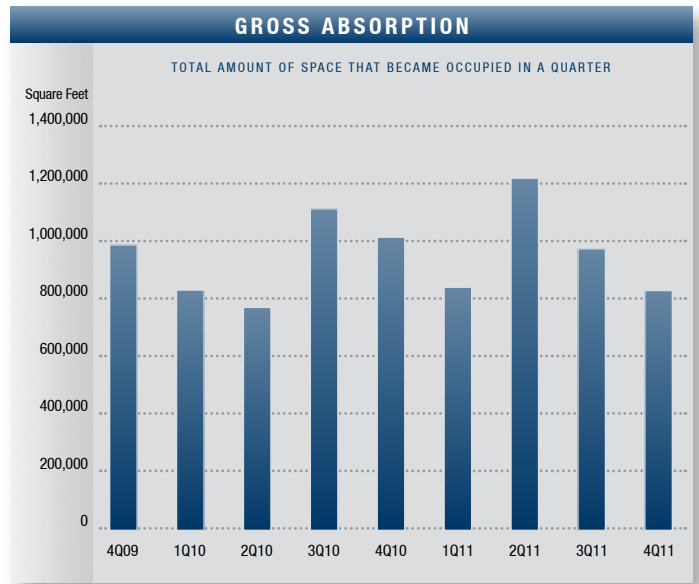
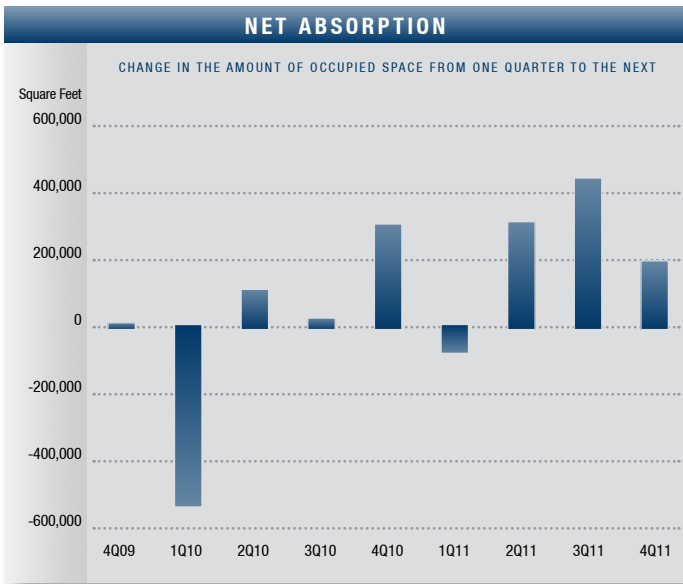
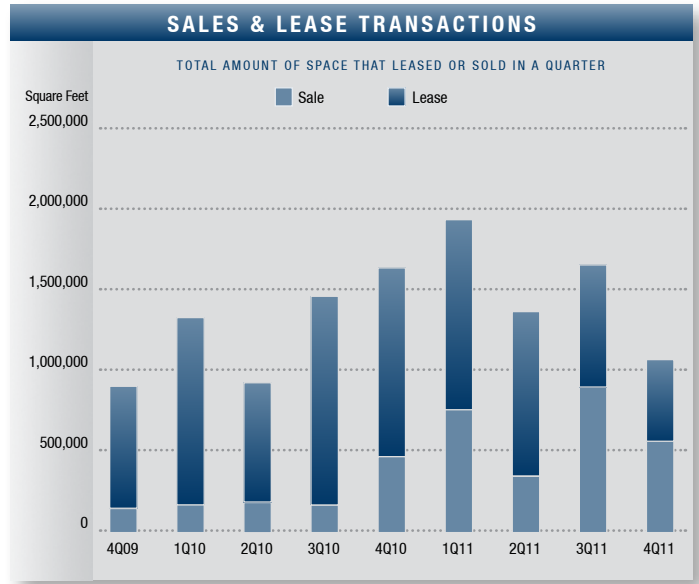
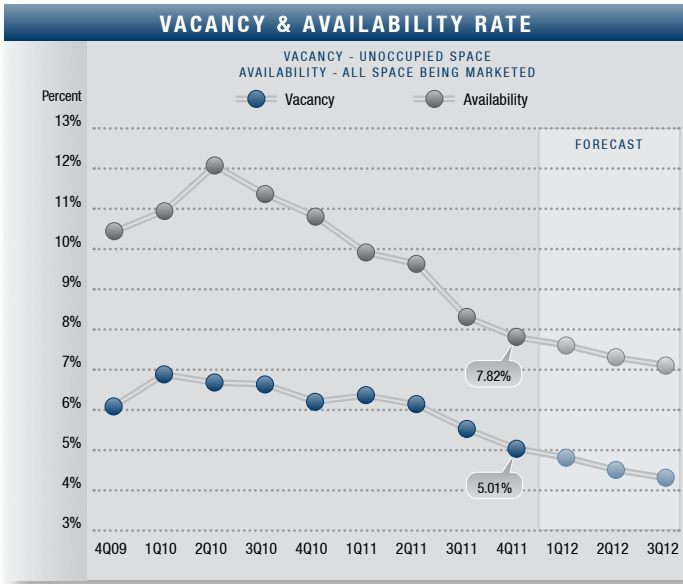


	INVENTORY				VACANCY & LEASE RATES					ABSORPTION				
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2011	Square Feet Available	Availability Rate 4Q2011	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 4Q2011	Net Absorption 2011	Gross Absorption 4Q2011	Gross Absorption 2011
<b>West Totals</b>														
Less than 9,999	691	4,061,086	0	0	145,779	3.59%	211,736	5.21%	\$0.72	\$171.82	(7,953)	(10,285)	18,810	141,391
10,000-19,999	561	7,453,359	0	0	375,831	5.04%	562,436	7.55%	\$0.68	\$137.86	(13,647)	49,127	86,212	359,365
20,000-29,999	180	4,289,642	0	0	175,559	4.09%	277,363	6.47%	\$0.55	\$134.88	49,149	30,089	79,859	272,761
30,000-39,999	61	2,118,827	0	0	48,649	2.30%	137,949	6.51%	\$0.47	\$0.00	7,000	31,771	43,236	96,525
40,000-49,999	57	2,504,248	0	0	66,180	2.64%	134,394	5.37%	\$0.50	\$148.11	18,865	67,663	65,045	133,202
50,000-74,999	86	5,169,882	0	0	104,106	2.01%	213,311	4.13%	\$0.55	\$124.26	(36,846)	(40,146)	0	8,872
75,000-99,999	37	3,157,602	0	0	117,268	3.71%	378,987	12.00%	\$0.77	\$0.00	18,944	22,403	35,925	93,423
100,000-149,999	29	3,426,395	0	0	299,031	8.73%	693,430	20.24%	\$0.54	\$122.00	(88,021)	(48,677)	106,854	270,354
150,000-199,999	17	2,895,670	0	0	68,500	2.37%	389,377	13.45%	\$0.59	\$0.00	0	40,900	0	40,900
200,000-299,999	13	3,166,485	0	0	299,331	9.45%	299,331	9.45%	\$0.34	\$95.28	0	(86,446)	0	81,605
300,000 Plus	8	4,713,702	0	0	0	0.00%	493,319	10.47%	\$0.00	\$0.00	0	148,094	0	146,094
<b>Total</b>	<b>1,740</b>	<b>42,956,898</b>	<b>0</b>	<b>0</b>	<b>1,700,234</b>	<b>3.96%</b>	<b>3,791,633</b>	<b>8.83%</b>	<b>\$0.53</b>	<b>\$124.18</b>	<b>(52,509)</b>	<b>204,493</b>	<b>435,941</b>	<b>1,644,492</b>



AIRPORT AREA

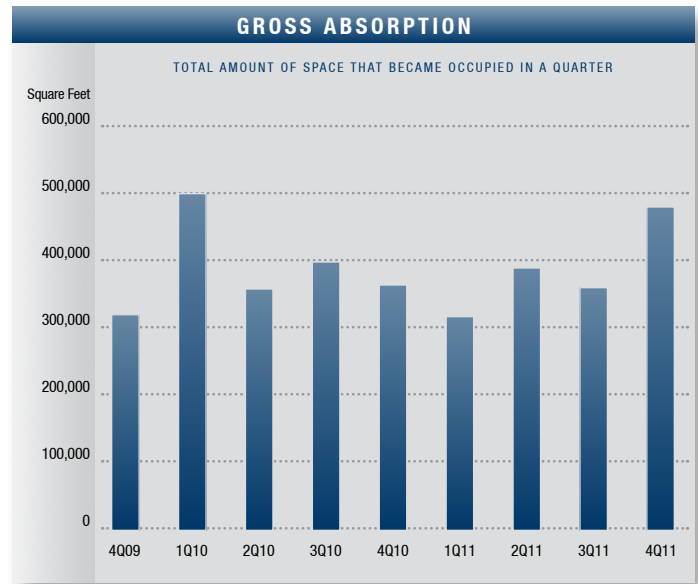
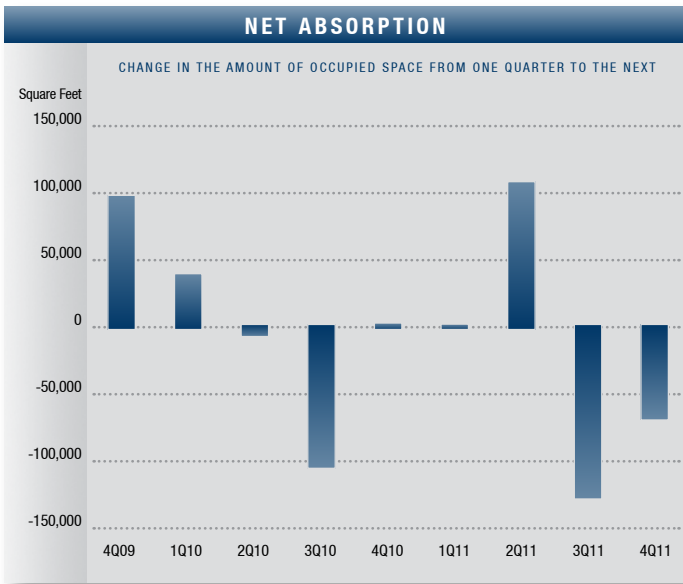
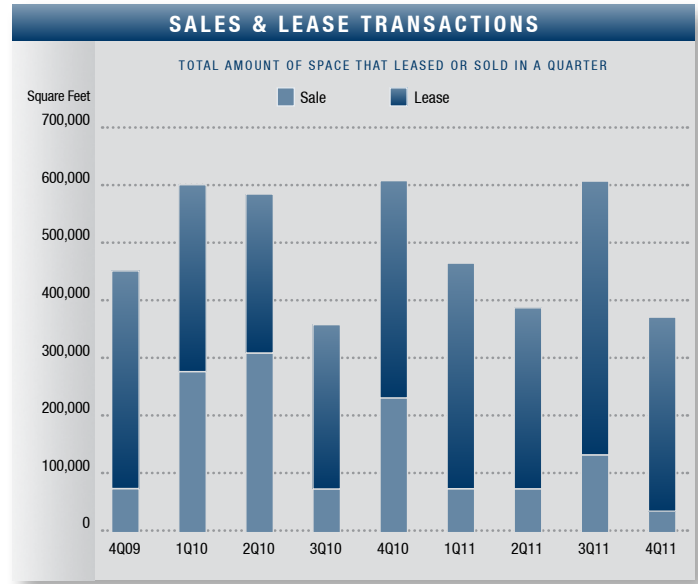
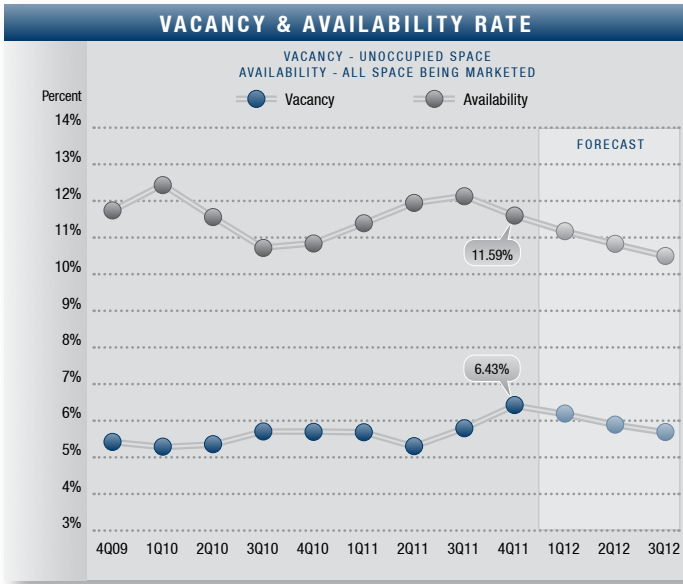
In the fourth quarter of 2011, the Airport Orange County industrial market consisted of 2,910 buildings totaling 67,465,783 square feet and had an availability rate of 7.82%, which shows a decrease from the previous quarter's figure of 8.30%.



	INVENTORY				VACANCY & LEASE RATES				ABSORPTION					
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2011	Square Feet Available	Availability Rate 4Q2011	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 4Q2011	Net Absorption 2011	Gross Absorption 4Q2011	Gross Absorption 2011
<b>Airport Totals</b>	<b>2,910</b>	<b>67,465,783</b>	<b>0</b>	<b>688,250</b>	<b>3,381,447</b>	<b>5.01%</b>	<b>5,273,399</b>	<b>7.82%</b>	<b>\$0.58</b>	<b>\$139.30</b>	<b>199,978</b>	<b>675,475</b>	<b>824,634</b>	<b>3,843,433</b>
Less than 9,999	1,023	5,758,785	0	0	142,845	2.48%	269,016	4.67%	\$0.81	\$169.81	39,246	67,858	103,186	371,651
10,000-19,999	951	13,301,362	0	0	592,413	4.45%	954,431	7.18%	\$0.73	\$163.44	75,721	190,191	275,469	939,820
20,000-29,999	386	9,234,651	0	0	568,592	6.16%	840,861	9.11%	\$0.57	\$124.22	19,651	14,175	151,829	563,889
30,000-39,999	169	5,757,532	0	68,250	321,803	5.59%	636,762	11.06%	\$0.62	\$132.85	(46,739)	230,822	75,106	403,983
40,000-49,999	100	4,382,695	0	0	206,534	4.71%	348,361	7.95%	\$0.50	\$172.87	27,113	121,095	30,583	292,865
50,000-74,999	125	7,536,509	0	0	356,175	4.73%	497,635	6.60%	\$0.57	\$137.84	20,127	31,138	79,211	409,715
75,000-99,999	63	5,407,572	0	0	383,404	7.09%	530,716	9.81%	\$0.59	\$136.27	27,242	(144,070)	27,272	371,167
100,000-149,999	53	6,126,625	0	120,000	221,410	3.61%	297,020	4.85%	\$0.59	\$108.18	(44,361)	94,163	0	218,174
150,000-199,999	15	2,575,077	0	0	221,642	8.61%	256,629	9.97%	\$0.56	\$196.56	0	(160,866)	0	9,600
200,000-299,999	13	3,211,133	0	0	0	0.00%	0	0.00%	\$0.00	\$0.00	81,978	66,378	81,978	81,978
300,000 Plus	12	4,173,842	0	500,000	366,629	8.78%	641,968	15.38%	\$0.54	\$128.12	0	164,591	0	180,591

**SOUTH ORANGE COUNTY**

In the fourth quarter of 2011, the South Orange County industrial market consisted of 964 buildings totaling 25,804,118 square feet and had an availability rate of 11.59%, which shows a decrease from the previous quarter's figure of 12.23%.



	INVENTORY				VACANCY & LEASE RATES					ABSORPTION				
	Number of Bldgs.	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 4Q2011	Square Feet Available	Availability Rate 4Q2011	Average Asking Lease Rate	Average Asking Sales Price	Net Absorption 4Q2011	Net Absorption 2011	Gross Absorption 4Q2011	Gross Absorption 2011
<b>South Totals</b>														
Less than 9,999	353	2,234,681	0	7,000	134,474	6.02%	238,056	10.65%	\$0.78	\$191.43	(29,469)	6,052	45,334	168,587
10,000-19,999	297	4,484,145	0	0	282,204	6.29%	490,355	10.94%	\$0.81	\$171.16	31,792	60,352	150,317	516,513
20,000-29,999	124	2,904,865	26,000	26,000	323,267	11.13%	491,119	16.91%	\$0.69	\$169.93	(12,790)	(59,109)	17,968	211,888
30,000-39,999	48	1,617,582	0	0	123,159	7.61%	162,655	10.06%	\$0.70	\$124.29	(33,480)	31,677	0	118,701
40,000-49,999	34	1,520,378	0	0	202,974	13.35%	292,940	19.27%	\$0.75	\$166.92	13,299	(52,811)	82,448	102,973
50,000-74,999	40	2,454,432	0	53,264	157,727	6.43%	460,576	18.77%	\$0.61	\$150.96	0	19,857	26,619	63,976
75,000-99,999	24	2,048,670	0	0	58,170	2.84%	58,170	2.84%	\$0.60	\$145.00	(10,070)	19,757	0	139,957
100,000-149,999	23	2,696,743	0	0	222,274	8.24%	433,445	16.07%	\$0.58	\$111.00	50,000	(12,250)	50,000	50,000
150,000-199,999	7	1,184,891	0	0	0	0.00%	186,906	15.77%	\$0.53	\$98.98	0	0	0	0
200,000-299,999	7	1,538,857	0	0	75,693	4.92%	98,787	6.42%	\$0.58	\$0.00	0	(22,008)	103,405	170,290
300,000 Plus	7	3,118,874	0	0	78,605	2.52%	78,605	2.52%	\$0.55	\$0.00	(78,605)	(78,605)	0	0
<b>Total</b>	<b>964</b>	<b>25,804,118</b>	<b>26,000</b>	<b>86,264</b>	<b>1,658,547</b>	<b>6.43%</b>	<b>2,991,614</b>	<b>11.59%</b>	<b>\$0.65</b>	<b>\$151.86</b>	<b>(69,323)</b>	<b>(87,088)</b>	<b>476,091</b>	<b>1,542,885</b>

LARGEST TRANSACTIONS OF 2011

Sales Transactions

Property Address	City	Square Feet	Sale Price Per SF	Buyer	Seller
5901 Bolsa Ave.	Huntington Beach	493,319	\$77.03	LBA RIV-CO XV, LLC	Sharp Electronic's Corporation
17871 Von Karman / 17836 Gillette	Irvine	415,000	\$113.25	Menlo Equities	Voit/Buchanan
3454 E. Miraloma Ave.	Anaheim	300,000	\$100.00	TCAM Core Property Fund Operating, LP	East Miraloma DC, LLC
5911-5915 Fresca Dr.	La Palma	292,080	\$62.65	Dexus Acquirer, LLC	Fresca Industrial Park, LP
4633 E. La Palma Ave.	Anaheim	281,548	\$149.18	Pfizer, Inc.	La Palma Industrial Center
200 Boysenberry Ln.	Placentia	198,275	\$82.89	Industrial Income Trust	Western Realco

Lease Transactions

Property Address	City	Square Feet	Transaction Date	Tenant	Owner
3454 E. Miraloma Ave.	Anaheim	300,000	11-Jan	Panasonic Corp. of N. America	Panattoni Development Company
6400 Valley View St. - Renewal	Buena Park	238,270	11-Jun	PepsiCo, Inc.	ProLogis
1500 S. Anaheim Blvd. - Renewal	Anaheim	242,000	11-Sep	American Sports Centers	BlackRock, Inc.
444-458 E. Lambert Rd.	Fullerton	161,440	11-Jun	FEDEX Ground Package Systems	CP/IPERS Fullerton District Center
1800 E. Saint Andrew - Renewal	Santa Ana	118,224	11-Jun	Fabrication Concept Corporation	AEW
701 S. Salley Pl.	Fullerton	117,857	11-Oct	Berry Plastics Corporation	AEW

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

**WEST**

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**AIRPORT**

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**SOUTH**

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