

Report

**THIRD
 QUARTER
 2003**


Market Highlights

- Unemployment in the third quarter of 2003 in San Diego County is 4.3%, which is an increase of 0.2% since the second quarter of 2003 and down from the 4.1% we saw a year ago.
- According to The Greater San Diego Commerce Economic Research Bureau, it is estimated that San Diego County added 25,000 new jobs in 2002, and is forecasting 23,000 new jobs to be added to the county in 2003.
- Currently there is 1,048,859 square feet of Industrial construction underway, and total construction is down by 12.72% compared to a year ago.
- Planned Industrial construction in San Diego County is down compared to last year. Currently there is 1,742,501 square feet of Industrial space on the slate as being planned, compared to last year's figure of 2,070,134.
- The Industrial vacancy rate is checking in at 6.51%, which is up from the 6.23% rate during the second quarter of 2003. This lack of supply is creating a lot of constrained demand for Industrial space in the San Diego County area, and would explain the increase in rental rates in the market place today.
- Industrial absorption checked in at 163,380 square feet of negative net absorption during third quarter of 2003. This gives the San Diego Industrial market a total of 1,405,939 square feet of positive absorption for the first three quarters of 2003.

INDUSTRIAL MARKET STATISTICS

	3Q2003	2Q2003	3Q2002	% CHANGE VS. 3Q02
Under Construction	1,048,859	940,002	1,201,755	-12.72%
Planned Construction	1,724,501	1,590,465	2,070,134	-16.70%
Vacancy	6.51%	6.23%	4.94%	31.78%
Availability	9.30%	8.54%	6.48%	43.52%
Pricing	\$0.65	\$0.63	\$0.65	0.00%
Net Absorption	-163,380	349,571	366,395	-144.59%

 Compared to
 last quarter:

Vacancy

Absorption

Lease Rates

Construction


San Diego County

Prepared by:

Jerry J. Holdner, Jr.

Vice President

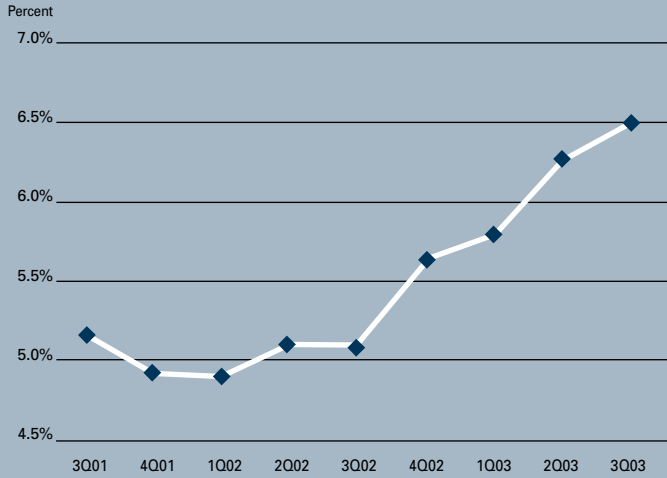
of Market Research

 e-mail: jholdner@voitco.com

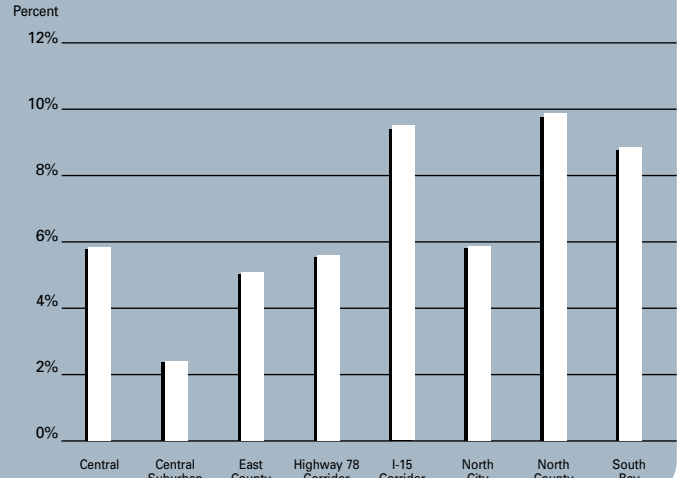
To view available properties, please visit:

www.voitco.com

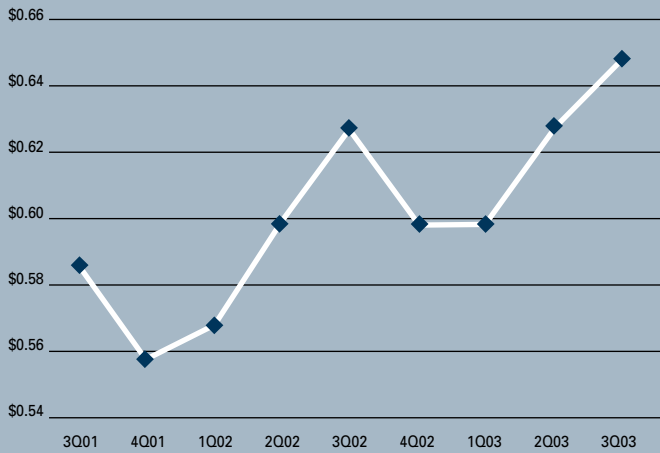
VACANCY RATE



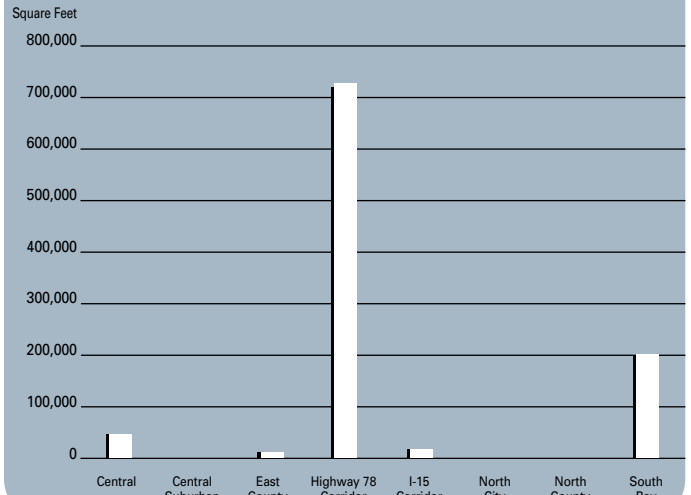
VACANCY RATE BY SUBMARKET



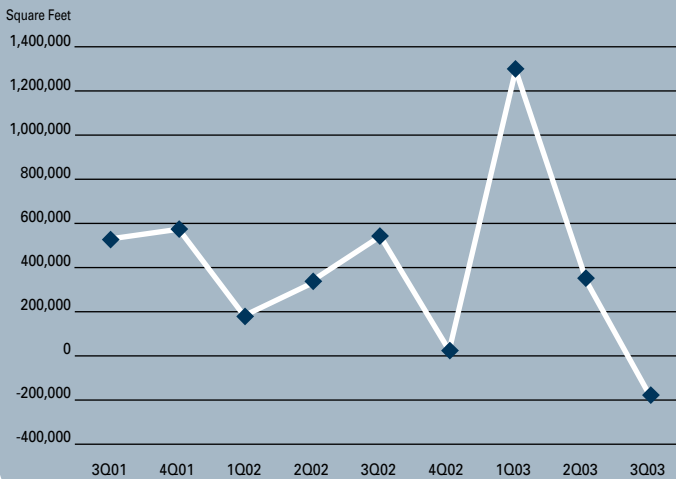
AVERAGE ASKING TRIPLE NET LEASE RATE



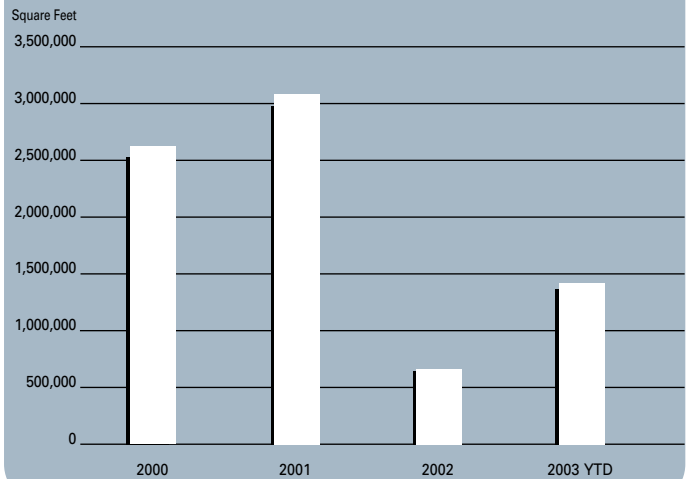
CONSTRUCTION ACTIVITY



QUARTERLY NET ABSORPTION



ANNUAL NET ABSORPTION



S A N D I E G O C O U N T Y

Industrial product consists of commercial buildings that feature the following: loading docks, ceiling heights greater than 16 feet, less than 30% of the building built-out as office space, and primary use of the building is manufacturing, distribution and/or warehousing.

INVENTORY

VACANCY & ABSORPTION

	Number Of Buildings	Net Rentable Square Feet	Square Feet U / C	Square Feet Planned	Square Feet Vacant	Vacancy Rate 3Q2003	Total Availability 3Q2003	Average Asking Lease Rate	Net Absorption 3Q2003	Net Absorption 2003
Central										
Downtown	78	3,350,795	51,672	0	164,666	4.91%	193,666	\$0.75	0	40,278
East City	84	3,108,032	0	0	217,630	7.00%	225,230	\$0.55	(41,500)	(38,222)
Central Total	162	6,458,827	51,672	0	382,296	5.92%	418,896	\$0.69	(41,500)	2,056
Central Suburban										
Airport/Sports Arena	100	3,384,725	0	0	95,300	2.82%	165,300	\$0.65	24,942	30,205
Kearny Mesa	303	9,671,097	0	0	312,812	3.23%	635,690	\$0.90	(114,862)	13,652
Mission Gorge	41	1,109,377	0	0	6,266	0.56%	22,530	\$0.75	7,844	78,593
Rose Canyon/Morena	79	3,081,147	0	0	24,800	0.80%	31,350	\$0.00	(1,800)	44,214
Central Suburban Total	523	17,246,346	0	0	439,178	2.55%	854,870	\$0.80	(83,876)	166,664
East County										
El Cajon	252	8,092,259	17,580	27,438	560,489	6.93%	946,593	\$0.56	(76,159)	(18,406)
La Mesa/Spring Valley	49	1,546,439	6,000	0	11,350	0.73%	159,160	\$0.75	129,185	151,714
Santee/Lakeside	151	3,597,630	0	12,680	108,270	3.01%	19,376	\$0.00	44,690	52,610
East County Total	452	13,236,328	23,580	40,118	680,109	5.14%	1,125,129	\$0.58	97,716	185,918
Highway 78 Corridor										
Oceanside	175	4,618,162	0	532,154	280,084	6.06%	335,661	\$0.47	24,939	(64,442)
San Marcos	253	7,594,556	101,896	20,000	367,563	4.84%	416,015	\$0.57	19,970	447,191
Vista/Fallbrook	253	10,359,613	633,646	183,992	617,701	5.96%	801,490	\$0.57	153,734	380,295
Highway 78 Corridor Total	681	22,572,331	735,542	736,146	1,265,348	5.61%	1,553,166	\$0.55	198,643	763,044
I-15 Corridor										
Escondido	232	5,330,376	33,020	0	309,130	5.80%	343,503	\$0.78	22,800	216,425
Poway/Rancho Penasquitos	149	5,899,489	0	0	519,456	8.81%	712,658	\$0.68	5,614	(85,558)
Rancho Bernardo	48	4,102,422	0	0	602,603	14.69%	1,040,949	\$0.75	(313,660)	(490,088)
Scripps Ranch	20	496,347	0	0	72,291	14.56%	72,291	\$0.74	(11,434)	(9,925)
I-15 Corridor Total	449	15,828,634	33,020	0	1,503,480	9.50%	2,169,401	\$0.71	(296,680)	(369,146)
North City										
Miramar	338	12,098,216	0	65,010	656,812	5.43%	961,879	\$0.58	61,478	189,492
Sorrento Mesa	85	3,136,457	0	0	268,317	8.55%	440,657	\$0.97	(14,719)	(9,889)
Sorrento Valley	38	956,376	0	0	36,970	3.87%	42,330	\$0.00	15,494	65,339
North City Total	461	16,191,049	0	65,010	962,099	5.94%	1,444,866	\$0.84	62,253	244,942
North County										
Carlsbad	176	7,342,648	0	218,392	733,332	9.99%	848,715	\$0.70	75,566	(18,293)
North Beach Cities	4	119,000	0	0	6,000	5.04%	6,000	\$0.00	9,000	12,026
North County Total	180	7,461,648	0	218,392	739,332	9.91%	854,715	\$0.70	84,566	(6,267)
South Bay										
Chula Vista	143	5,142,387	205,045	0	356,090	6.92%	550,280	\$0.55	(13,474)	(97,043)
National City	61	2,581,986	0	74,000	106,064	4.11%	108,774	\$0.59	5,374	(45,384)
Otay Mesa	166	9,294,318	0	590,835	1,152,915	12.40%	1,715,744	\$0.53	(172,402)	557,904
San Ysidro	47	1,342,863	0	0	56,621	4.22%	120,221	\$0.72	(4,000)	3,251
South Bay Total	417	18,361,554	205,045	664,835	1,671,690	9.10%	2,495,019	\$0.54	(184,502)	418,728
San Diego County Total	3,325	117,356,717	1,048,859	1,724,501	7,643,532	6.51%	10,916,062	\$0.65	-163,380	1,405,939

This survey consist of buildings greater than 10,000 square feet. Lease rates are on a triple net basis.

**INDUSTRIAL
MARKET
Report**

3RD QUARTER 2003

SUBMARKETS

CENTRAL

Downtown
East City

CENTRAL SUBURBAN

Airport/Sports Arena
Kearny Mesa
Mission Gorge
Rose Canyon/Morena

EAST COUNTY

El Cajon
La Mesa/Spring Valley
Santee/Lakeside

HIGHWAY 78 CORRIDOR

Oceanside
San Marcos
Vista/Fallbrook

I-15 CORRIDOR

Escondido
Poway/Rancho Penasquitos
Rancho Bernardo
Scripps Ranch

NORTH CITY

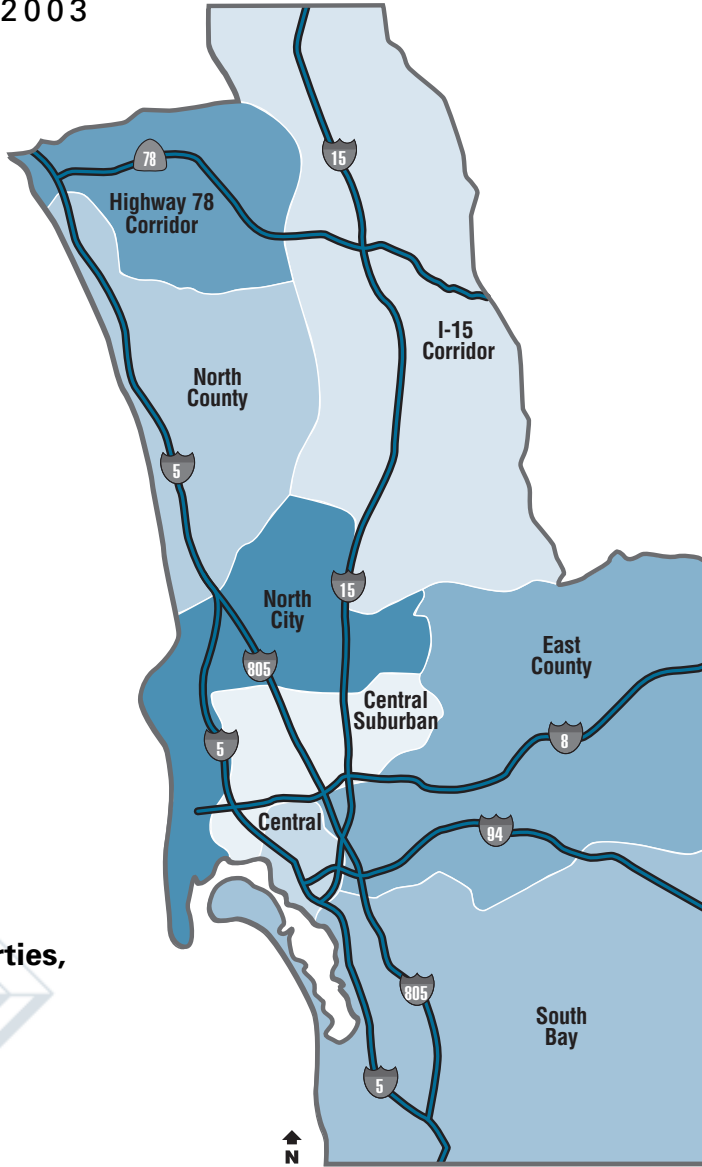
Miramar
Sorrento Mesa
Sorrento Valley

NORTH COUNTY

Carlsbad
North Beach Cities

SOUTH BAY

Chula Vista
National City
Otay Mesa
San Ysidro



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

For Further Information:

SAN DIEGO OFFICE

4370 La Jolla Village Drive, Suite 990
San Diego, California 92122
TEL: 858.453.0505
FAX: 858.453.1981

CHULA VISTA OFFICE

660 Bay Boulevard, Suite 210
Chula Vista, California 91910
TEL: 619.498.4560
FAX: 619.495.4567



Real People. Real Solutions.

This survey consists of properties located in San Diego County, 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.