

Quick Stats / GLA

	Current	Change from last	
		Yr	Qtr
Direct Vacancy	2.9%	↓	↓
Lease Rate	\$0.54	↓	→
Net Absorption	1,161,178	↑	↓
Construction	772,135	↑	↑

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.)

Hot Topics

- The unemployment rate in Los Angeles County was 11.9% in May 2011, compared to a rate of 11.7% for California and 9.1% for the Nation.
- At the end of the quarter, the direct vacancy rate in the Greater Los Angeles marketplace decreased to approximately 2.9%.
- The weighted average asking lease rate for industrial space in Greater Los Angeles stayed the same during the quarter at \$0.54 psf.
- Net absorption in Greater Los Angeles totaled more than 1.1 million square feet of positive activity during the quarter.

Traditional manufacturing activity, specifically centered on apparel, aerospace products/parts and metals products, appears to be expanding. Additionally, overall activity in high-technology, biomedical and information clusters are also picking up in Southern California.

However, the housing market continues to drag down the local economy and employment figures. There is still an elevated gap in the job market as the Los Angeles County's unemployment rate is currently 11.9%, more than 280 basis points above the nation.

In Greater Los Angeles, industrial demand has gradually increased over the past six months. As a result, the direct vacancy dropped from 3.3% at the end of 2010 to 2.9% at the end of the second quarter.

Total gross activity for the quarter was approximately 9.8 million square feet in Greater Los Angeles, while net absorption was also positive during the quarter totaling more than 1.1 million square feet. This was the fifth consecutive

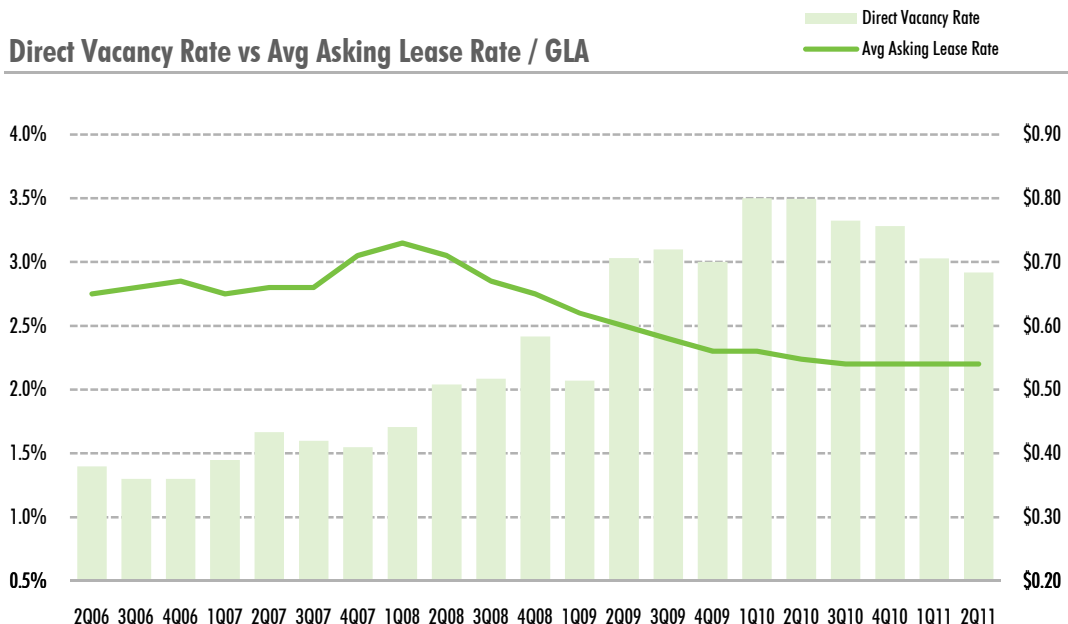
quarter, but only the fifth time since 2007, that the market experienced positive growth.

Demand is expected to remain strong during the remainder of the year, which, combined with a lack of new development, will allow both the vacancy rate and availability rate to trend down through the end of next year.

According to recent report from CBRE-Econometric Advisors, "Despite risks surrounding the Los Angeles industrial outlook, the pieces appear to be in place for the property market to continue its recovery. The metro area's job market has shown some signs of stabilization and increases in demand have started to draw availability down.

The U.S. economy is transitioning toward a self-sustaining expansion, which will have a positive impact on trade flows through the nation's warehouse markets, something that will allow Los Angeles' industrial market to strengthen and to return to its pre-recession form within our six-year forecast horizon."

Direct Vacancy Rate vs Avg Asking Lease Rate / GLA

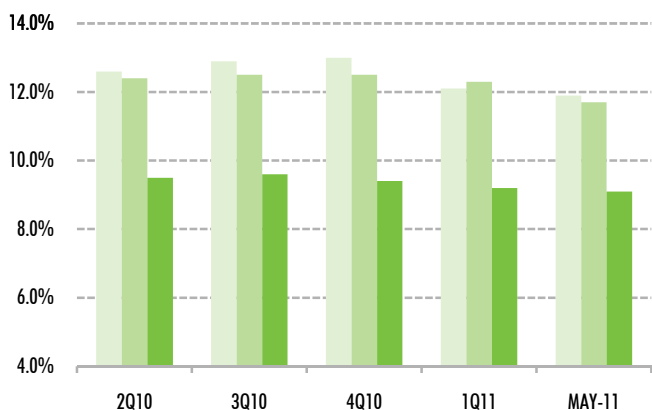


Market Statistics

Submarket	Rentable Building Area	Direct Vacancy Rate	Total Availability Rate	Net Absorption SF	Under Construction SF	Construction Deliveries SF	Avg Asking Lease rate \$/SF/Mo.
Commerce	84,402,527	3.1%	6.9%	(174,242)	0	0	\$0.41
Vernon	75,262,254	1.7%	5.4%	78,947	0	0	\$0.47
Los Angeles	129,598,972	2.1%	4.2%	135,332	0	0	\$0.59
Mid-Counties	107,275,247	3.9%	7.8%	(111,330)	106,110	0	\$0.51
Greater San Fernando Valley	172,162,873	3.0%	8.1%	(98,404)	75,830	0	\$0.65
San Gabriel Valley	143,733,570	2.1%	8.4%	460,231	0	0	\$0.49
South Bay	217,514,128	3.0%	7.9%	238,331	431,695	270,000	\$0.54
Los Angeles County Total	929,949,571	2.7%	7.2%	528,865	613,635	270,000	\$0.53
Ventura	62,811,249	5.6%	10.2%	632,313	158,500	0	\$0.62
Greater Los Angeles Total	992,760,820	2.9%	7.4%	1,161,178	772,135	270,000	\$0.54

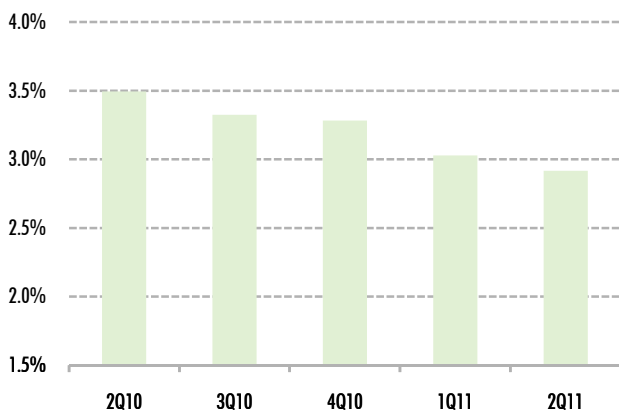
Unemployment Rate

Los Angeles
California
United States



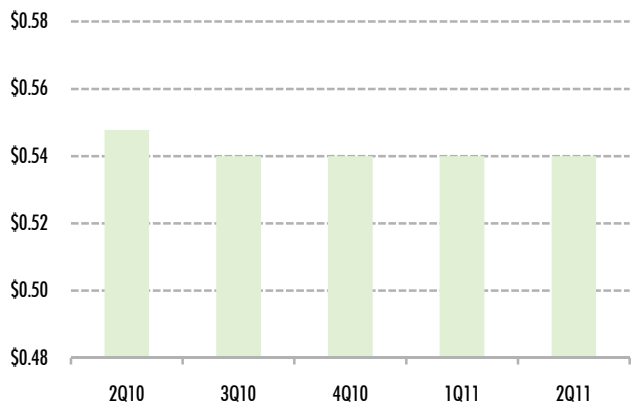
The seasonally adjusted unemployment rate in Los Angeles County was 11.9% in May 2011, compared to a rate of 11.7% for California and 9.1% for the nation. Total employment decreased during the past 12 months by approximately 10,600 jobs (0.3%). The largest year-over employment decrease was in government (down 26,000 jobs). Local government lost 16,200 jobs while federal government shed 12,900 jobs, against gains in state government (up 3,100 jobs). The information industry registered the largest yearly gain adding 17,900 jobs with motion picture and sound recording (up 17,300) accounting for almost all the gain. Additionally, educational and health services added 10,500 jobs over the past 12 months.

Direct Vacancy Rates / GLA



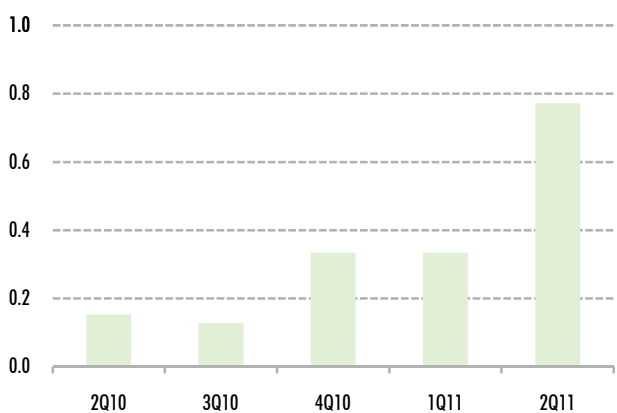
At the end of the second quarter 2011, the direct vacancy rate in the Greater Los Angeles market dropped to 2.9%. This was a quarterly decrease of 0.1 percentage points and an annual drop of 0.6 percentage points compared to the rate of 3.5% the same time last year. The highest direct vacancy rate was in the Ventura submarket (5.6%), followed by Mid-Counties (3.9%) and Commerce (3.1%). The Vernon market had the lowest direct vacancy rate, finishing the quarter at 1.7%. Additionally, the overall availability rate in Greater Los Angeles was 7.4% at the end of the quarter, equal to last quarter and 0.3 percentage points lower than the same time last year.

Average Asking Lease Rate / GLA (\$/SF/Month)



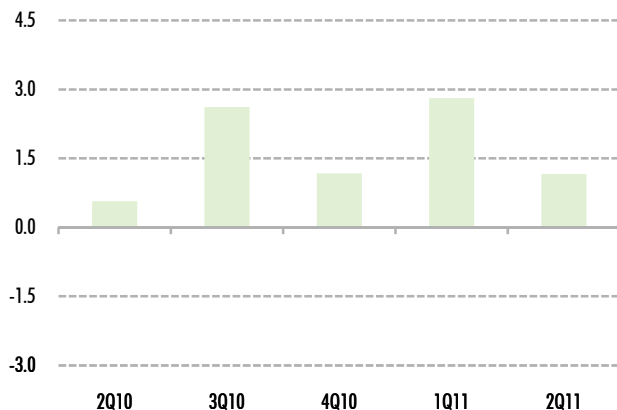
The weighted average asking lease rate for industrial space in the Greater Los Angeles market stayed the same during the second quarter at \$.54 per square foot. However, this was a 1-cent decrease compared to the same time last year when the rate was \$0.55 per square foot. The latest 12-month growth rate was negative 1.4%, while the latest 3-year growth rate averaged negative 8.0% per year. Due to the recent decline in the economic climate, the asking rate has steadily declined since the first quarter 2008 when the rate was \$0.73 per square foot, however the rate has been leveling out during the past year as the economic landscape continues to improve.

Under Construction / GLA (SF in Millions)



Industrial construction activity has been slowing for the past few years. Towards the end of 2009 and during 2010, the Greater Los Angeles market continued to see a similar pattern. However, development activity is on the rise as current projects under construction total approximately 772,000 square feet. This level was above last quarter's under construction total of 335,000 square feet, although it is still considerably lower than the fourth quarter 2008 when construction projects totaled roughly 1.9 million square feet. Approximately 56% of the new construction is occurring in the South Bay market area with roughly 432,000 square feet of activity. Additionally, 270,000 square feet of new deliveries occurred during the quarter.

Net Absorption / GLA (SF in Millions)

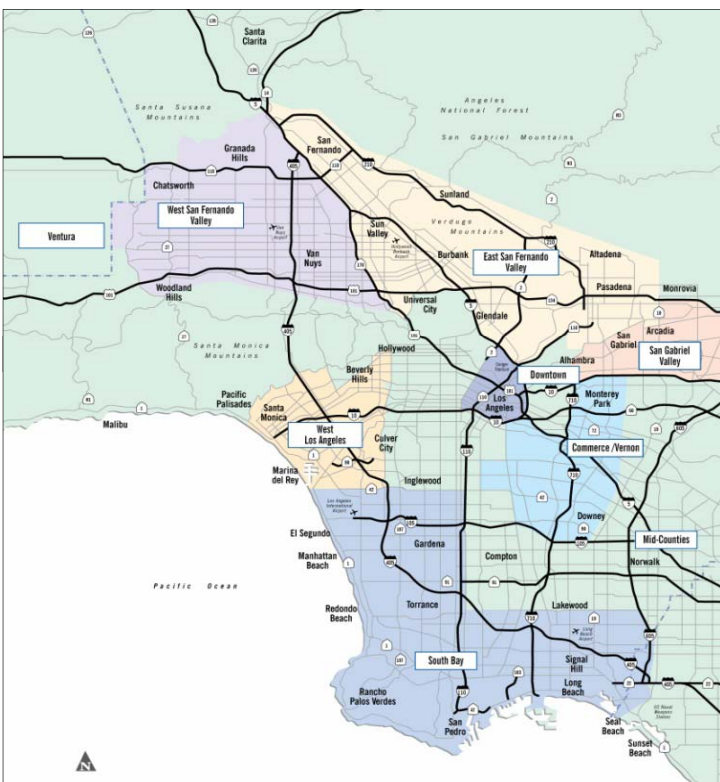


Net absorption during the second quarter totaled more than 1.1 million square feet of positive activity in Greater Los Angeles. Four of the eight submarket areas experienced positive net absorption greater than 100,000 square feet led by Ventura (632,000 square feet), San Gabriel Valley (460,000 square feet) and South Bay (238,000 square feet). Three of the market areas experienced negative net absorption with the lowest total occurring in Commerce (negative 174,000 square feet). Additionally, gross activity was strong during the second quarter totaling nearly 9.8 million square feet, 68% of which occurred between the 10,000 square feet and 100,000 square feet size range.

Top Lease Transactions

Tenant	Location	Size (SF)
Performance Team	Santa Fe Springs	306,890
AZ CFS West	Long Beach	302,400
KC Exclusive	Montebello	246,181
Herbalife	Carson	148,908
Sohen	Santa Fe Springs	131,642

Submarket Map



Local Offices

BEVERLY HILLS

1840 Century Park East, Ste 700
Los Angeles, CA 90067
310.550.2500

CORONA

391 North Main St, Ste 201
Corona, CA 92880
909.256.2020

INDIAN WELLS

74-770 Hwy 111, Ste 101
Indian Wells, CA 92210
760.341.5273

LOS ANGELES CENTRAL

500 Citadel Dr, Ste 301
Commerçe, CA 90040
323.838.3100

LOS ANGELES DOWNTOWN

355 South Grand Ave, Ste 2700
Los Angeles, CA 90071
213.613.3333

LOS ANGELES NORTH

111 Universal Hollywood Dr, Ste 2700
Universal City, CA 91608
818.502.6700

ONTARIO

4141 Inland Empire Blvd, Ste 100
Ontario, CA 91764
909.418.2000

SANTA FE SPRINGS

10350 Heritage Park Dr, Ste 100
Santa Fe Springs, CA 90670
562.946.1541

SOUTH BAY/MID-COUNTIES

990 West 190th St, Ste 100
Torrance, CA 90502
310.516.2300

VENTURA COUNTY

771 East Daily Dr, Ste 300
Camarillo, CA 93010
805.465.1600

AVERAGE ASKING LEASE RATE

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary (Blended Average).

NET LEASES

Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes all industrial buildings 10,000 square feet and greater in size in the Los Angeles & Ventura Counties.

NET ABSORPTION

The change in occupied square feet from one period to the next.

NET RENTABLE AREA (NRA)

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

VACANT AREA (SF)

Existing building area which is physically vacant.

VACANCY RATE

Vacant area divided by the net rentable area.

OCCUPIED AREA (SF)

Net rentable area minus vacant area.

AVAILABLE AREA (SF)

Existing building area which is either physically vacant or occupied and marketed for lease.

AVAILABILITY RATE

Available area divided by the net rentable area.

NORMALIZATION

Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.

For more information regarding the MarketView Report, please contact:
Gary Baragona, SoCal Research Manager
355 South Grand Avenue, Suite 2700
Los Angeles, CA 90071
T. 213.613.3130 F. 213.613.3005
gary.baragona@cbre.com

© Copyright 2011 CB Richard Ellis (CBRE) Statistics contained herein may represent a different data set than that used to generate National Vacancy and Availability Index statistics published by CB Richard Ellis' Corporate Communications Department or CB Richard Ellis' research and Econometric Forecasting unit, Torco Wheaton Research. Information herein has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the market. This information is designed exclusively for use by CB Richard Ellis clients, and cannot be reproduced without prior written permission of CB Richard Ellis.