

Quick Stats

	Current	Change from last	
		Yr	Qtr
Vacancy Rate	6.2%	↓	↓
Lease Rate	\$2.06	↓	↓
Net Absorption	142,117	↑	↑
Construction	750,000	↓	→

* 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 second quarter 2011, the overall vacancy rate in Greater Los Angeles decreased to 6.2%, compared to 6.3% at the end of last quarter.
- The weighted average asking lease rate for retail space in Greater Los Angeles decreased during the quarter to \$2.06, a 2-cent drop compared to last quarter.
- Net absorption during the second quarter of 2011 totaled positive 142,000 square feet in Greater Los Angeles.

During the first half of 2011, the Greater Los Angeles region showed signs of recovery. However, the housing market continues to drag down the local economy and overall employment figures remain weak. There is still an elevated gap in the job market as Los Angeles County's unemployment rate is currently 11.9%, more than 280 basis points above the nation.

Retail sales fell in May for the first time in 11 months as auto sales took a hit from the damage wrought by Japan's earthquake. Overall, sales slipped 0.2%, after a 0.3% rise in April. However, economists' initial predictions for a 0.4% decline in retail sales turned out to not be so severe. Excluding motor vehicles, retail sales actually rose 0.3%.

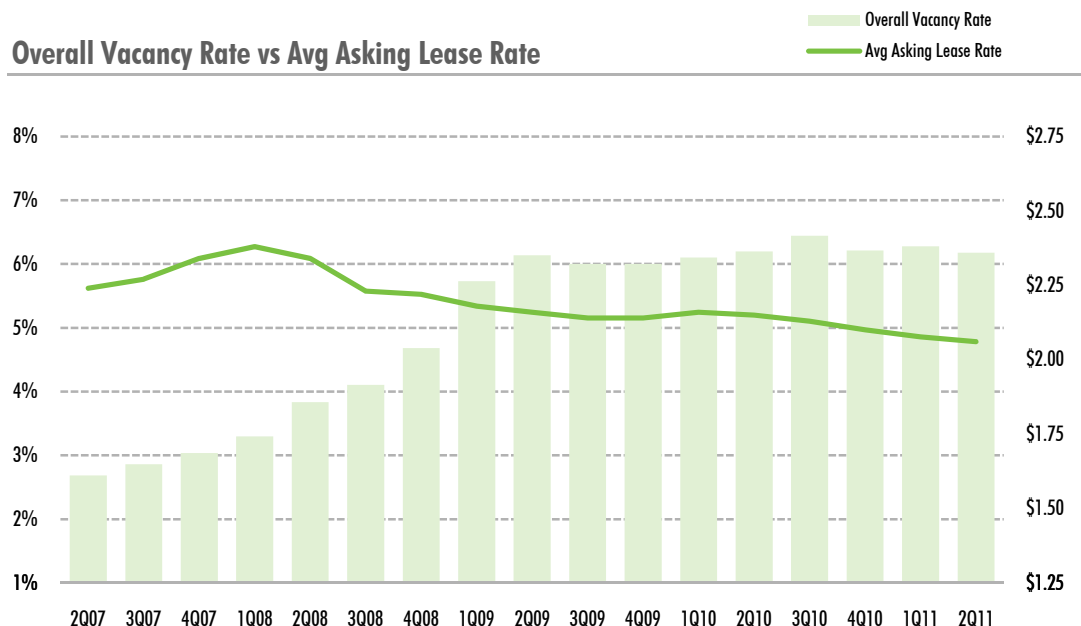
Early estimates for June show that major U.S. chain stores are expected to post a 6.5% year-over-year increase in sales, better than initially predicted. This was helped in large part by lower gas prices and recent summer discounts. Every retail category, including discounters, department stores and apparel merchants, posted gains that beat estimates.

According to a recent article in the LA Times, the top retail performers in June include Costco who's sales rose 14%, Limited Brands which posted a 12% gain and Zumiez where reported sales were up 9.8%. Luxury retailers also had a standout month, with sales up 12.5% at Neiman Marcus, 11.9% at Saks Fifth Avenue and 7.9% at Nordstrom.

During the second quarter, the retail market experienced an overall vacancy rate decrease to 6.2%. As a result, eight of the twelve submarkets witnessed positive net absorption figures for the quarter with two totaling more than 50,000 square feet. Of the submarkets with negative net absorption, only one was greater than negative 30,000 square feet.

Since last quarter, the retail market has become more stable as power centers continue to lead the way. Forecasts predict retail sales for Los Angeles will continue to grow at an annual rate of 4.8% over the next 5 years. However, contrary to expectations, consumers are still uncertain about the long-term sustainability of the economic recovery.

Overall Vacancy Rate vs Avg Asking Lease Rate



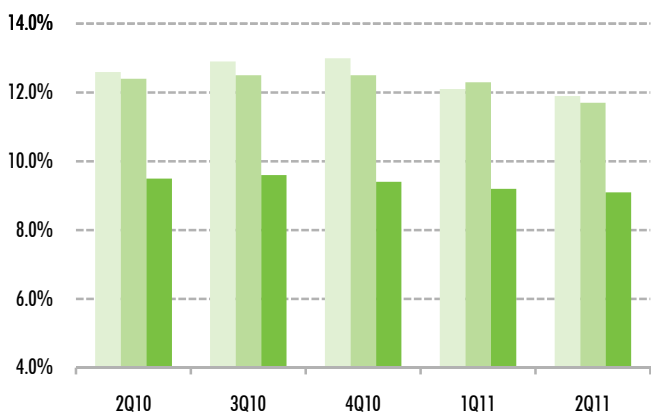
Market Statistics

Submarket	Total GLA*	Direct Vacancy Rate	Overall Vacancy Rate	Net Absorption SF	Under Construction SF	Construction Deliveries SF	Avg Asking Lease rate \$/SF/Mo.
Antelope Valley	7,887,321	10.0%	10.0%	9,653	0	0	\$1.47
DTLA	2,387,100	6.6%	6.6%	(7,228)	0	0	\$2.45
Mid-Cities	12,073,430	5.9%	6.4%	2,906	0	0	\$1.74
Mid-Wilshire	3,925,029	4.4%	4.4%	(10,382)	0	0	\$3.79
San Fernando Valley	14,887,733	4.8%	5.6%	25,327	0	0	\$1.85
San Gabriel Valley	20,677,557	7.4%	7.7%	58,381	0	0	\$1.67
Santa Clarita	6,157,971	8.5%	8.7%	52,541	0	0	\$1.99
South Bay	19,890,361	3.3%	3.4%	(34,075)	0	0	\$2.36
Southeast Los Angeles	7,145,068	4.0%	4.4%	4,458	0	0	\$1.99
Tri-Cities	9,286,851	3.7%	3.7%	7,361	0	0	\$2.22
Ventura	22,991,509	7.3%	7.8%	38,803	750,000	0	\$2.21
West Los Angeles	4,616,731	3.5%	3.9%	(5,628)	0	0	\$4.67
Greater Los Angeles Area	131,926,661	5.9%	6.2%	142,117	750,000	0	\$2.06

* The GLA was redefined in 3Q 2010 to exclude regional malls

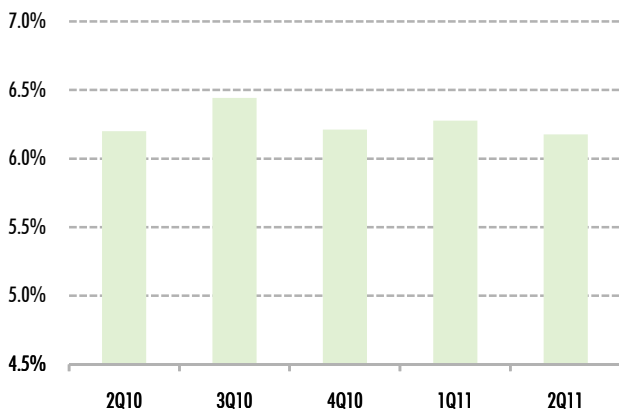
Los Angeles
California
United States

Unemployment Rate



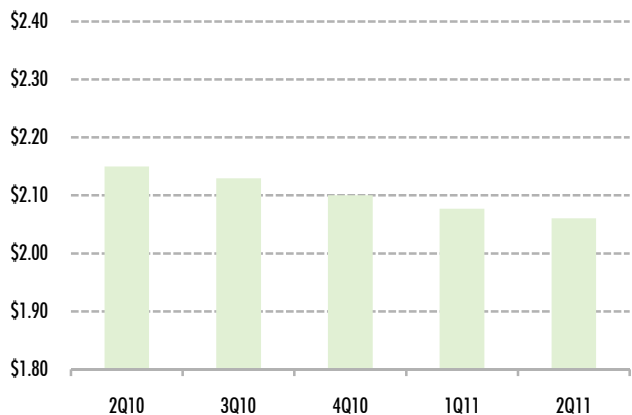
The seasonally adjusted unemployment rate in Los Angeles County was 11.9% in May 2011, compared to a rate of 11.7% for California and 9.1% for the nation. Total employment decreased during the past 12 months by approximately 10,600 jobs (0.3%). The largest year-over employment decrease was in government (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.

Overall Vacancy Rate



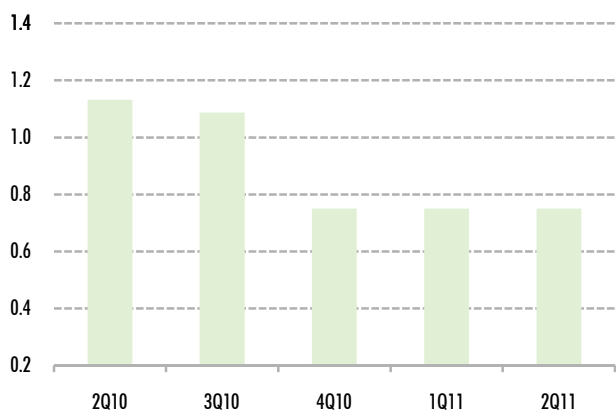
At the end of the second quarter 2011, the overall vacancy rate in Greater Los Angeles decreased slightly to 6.2%, compared to 6.3% at the end of last quarter. The highest rate was in the Antelope Valley submarket (10.0%) followed by Santa Clarita (8.7%) and Ventura (7.8%). The county's direct vacancy rate was 5.9% at the end of the quarter. The largest decrease was seen in the San Fernando Valley as the overall vacancy rate dropped from 6.3% at the end of the first quarter to 5.6% at the end of the second quarter, representing an 11.1% quarterly decrease.

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



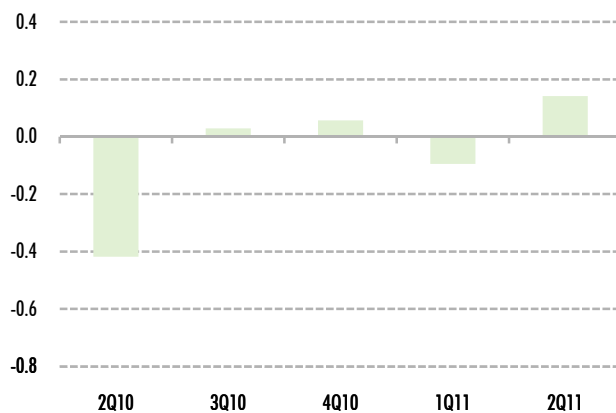
The weighted average asking lease rate for retail space in Greater Los Angeles decreased during the quarter to \$2.06, a 2-cent drop compared to last quarter's rate of \$2.08 and a 9-cent decrease compared to the same time last year. The latest 12-month growth rate was negative 4.2%, while the latest 3-year growth rate averaged negative 4.0% per year. The submarket with the highest asking rate was West Los Angeles at \$4.67, followed by Mid-Wilshire at \$3.79. The San Fernando Valley experienced the largest quarterly decrease from \$2.03 to \$1.85, representing a 8.9% drop compared to last quarter.

Under Construction (SF in Millions)



Over the past year, retail construction was the most active product type in Greater Los Angeles as the market area totaled nearly 1.1 million square feet during the middle of 2010. Currently, there is approximately 750,000 square feet of projects under construction, all of which are located in Ventura. The largest project under construction is the Collection at River Park, a 668,000-square foot Lifestyle Center in Oxnard, scheduled for delivery in the second quarter 2011. Additionally, there were no new deliveries during the first half of the year.

Net Absorption (SF in Millions)

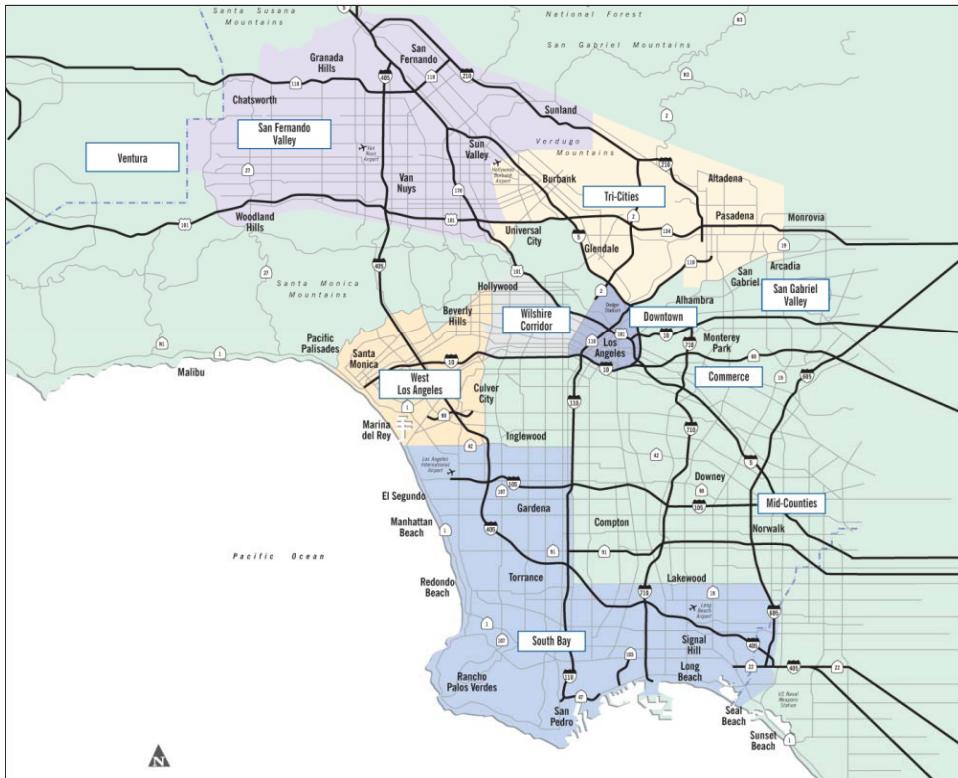


Net absorption during the second quarter of 2011 totaled positive 142,000 square feet in Greater Los Angeles, bringing the year-to-date total to approximately 47,000 square feet. In total, eight of the twelve submarkets in the region witnessed positive net absorption led by San Gabriel Valley (58,000 square feet) and Santa Clarita (52,000 square feet). By contrast, four submarkets totaled negative net absorption, only one of which was above 30,000 square feet as the South Bay submarket totaled negative 34,000 square feet. The next closest submarket was Mid-Wilshire with negative 10,000 square feet.

Top Lease Transactions

Tenant	Location	Size (SF)
LA Fitness	Long Beach	39,000
Equinox Fitness	Beverly Hills	38,416
Equinox Fitness	Marina Del Rey	28,881
PetSmart, Inc	Monrovia	25,035
Sprout's Farmers Market	Redondo Beach	25,011

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
Commer, 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

EL SEGUNDO

2041 Rosecrans Ave, Ste 300
El Segundo, CA 90245
310.765.2600

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 retail shopping center projects 50,000 square feet and greater in size for the Greater Los Angeles market, excluding regional malls.

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:
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