

Quick Stats / GLA

	Current	Change from last	
		Yr	Qtr
Direct Vacancy	3.1%	↓	↓
Lease Rate	\$0.54	→	↓
Net Absorption	475,107	↓	↑
Construction	1,927,599	↑	↑

* 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 November 2011, compared to a rate of 11.3% for California and 8.6% for the nation.
- At the end of the quarter, the direct vacancy rate in the Greater Los Angeles marketplace remained at approximately 3.1%.
- The weighted average asking lease rate for industrial space in Greater Los Angeles decreased slightly during the quarter to \$0.54 psf.
- Net absorption in Greater Los Angeles totaled positive 475,000 square feet during the quarter.

The Greater Los Angeles industrial market has performed relatively well coming out of the recession. Tenant demand returned to the market in 2010 and 2011, while the availability rate fell 150 basis points from its recessionary peak.

Unemployment remained high at 11.9% in November, 60 basis points higher than the state average and 330 basis points higher than the national average. Both the overall job growth and industrial-using job growth has remained flat over the past year. However, international trade and traditional manufacturing activity are both expanding.

Port activity has recently slowed as roughly 586,000 loaded inbound containers passed through the combined Ports of Los Angeles and Long Beach in the month of November, representing a 3.6% drop in loaded inbound container traffic compared to November of 2010. Additionally, year to-date total container traffic has declined by roughly 1% compared to 2010.

Fourth quarter gross activity totaled approximately 9.1 million square feet in Greater Los Angeles, down slightly when compared to last quarter. Net absorption experienced a slight increase compared to

last quarter, totaling more than 500,000 square feet.

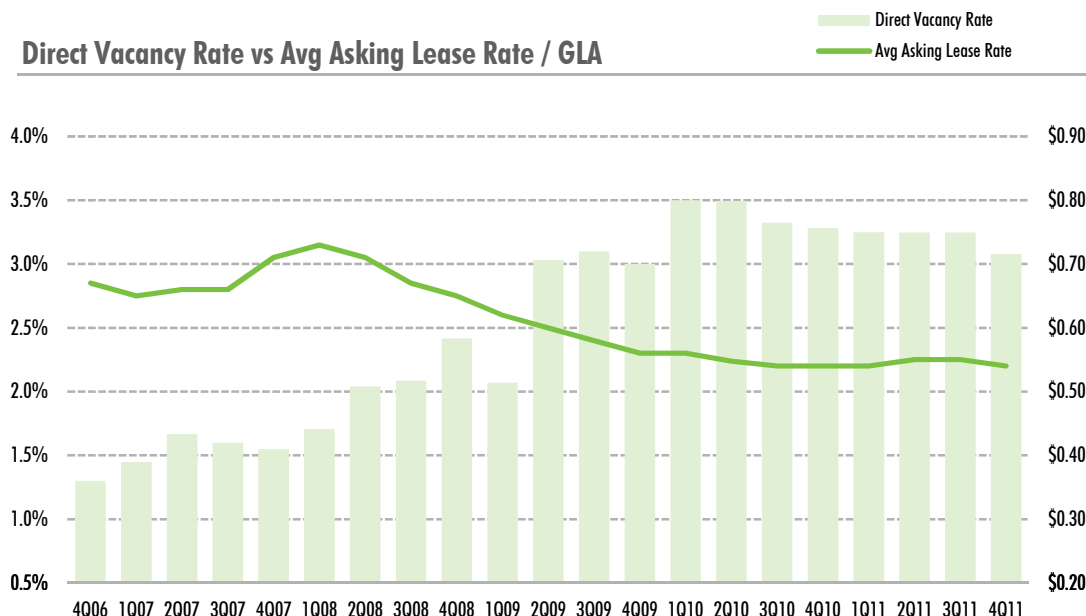
As a result, the vacancy rate in the Greater Los Angeles market stayed the same during the fourth quarter at 3.1%, 30 basis points lower than the end of last year.

Total gross activity for the quarter was approximately 9.1 million square feet in Greater Los Angeles, while net absorption was not quite as strong, totaling positive 475,000 square feet.

Tenant activity is expected to be relatively flat during the next 3-6 months before demand for space increases again in mid-2012. Combined with a lack of new development, the availability rate will likely trend down during 2012.

According to CBRE-Econometric Advisors, "Although construction has rebounded somewhat during 2011, it still remains low by historical standards, and, when combined with positive absorption, is continuing to fuel the recovery in availability. The market is expected to experience modest rental growth for 2012 as the availability rate declines and demand continues to rebound."

Direct Vacancy Rate vs Avg Asking Lease Rate / GLA



Market Statistics

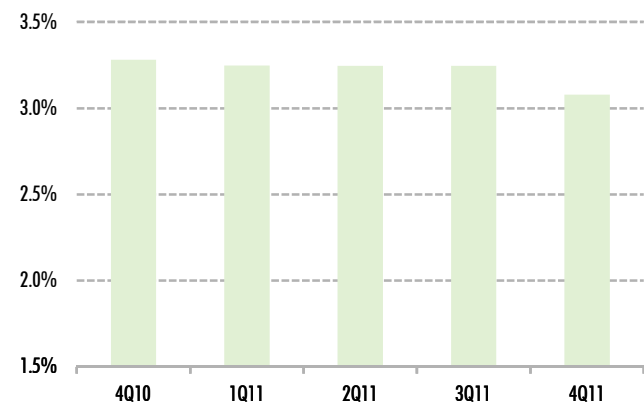
Submarket	Rentable Building Area	Direct Vacancy Rate	Total Availability Rate	Net Absorption SF	Under Construction SF	Construction Deliveries SF	Avg Asking Lease rate \$/SF/Mo.
Commerce	84,924,771	3.3%	6.6%	92,952	0	0	\$0.43
Vernon	75,357,716	2.6%	6.9%	(80,211)	0	0	\$0.45
Los Angeles	129,799,555	1.9%	4.0%	320,697	0	0	\$0.56
Mid-Counties	107,328,216	4.0%	7.5%	299,790	0	106,110	\$0.51
Greater San Fernando Valley	172,470,654	2.5%	7.3%	472,717	0	0	\$0.68
San Gabriel Valley	143,844,732	2.9%	7.4%	(482,221)	1,004,051	0	\$0.48
South Bay	217,312,154	3.4%	6.6%	(583,924)	583,500	95,000	\$0.55
Los Angeles County Total	931,037,798	3.0%	6.6%	39,800	1,587,551	201,110	\$0.54
Ventura	62,795,635	4.8%	9.8%	435,307	340,048	0	\$0.61
Greater Los Angeles Total	993,833,433	3.1%	6.8%	475,107	1,927,599	201,110	\$0.54

Unemployment Rate



The seasonally adjusted unemployment rate in Los Angeles County was 11.9% in November 2011, compared to a rate of 11.3% for California and 8.6% for the nation. Total employment increased during the past 12 months by approximately 12,500 jobs (0.3%). Industries reporting year over gains were: educational and health services (up 9,800); information (up 6,600); leisure and hospitality (up 5,700); and trade, transportation and utilities (up 4,100). The largest year-over-year employment decrease was in government (down 5,100 jobs). Manufacturing also lost 4,100 jobs while financial service and professional and business services shed 1,700 and 1,500 jobs, respectively.

Direct Vacancy Rates / GLA



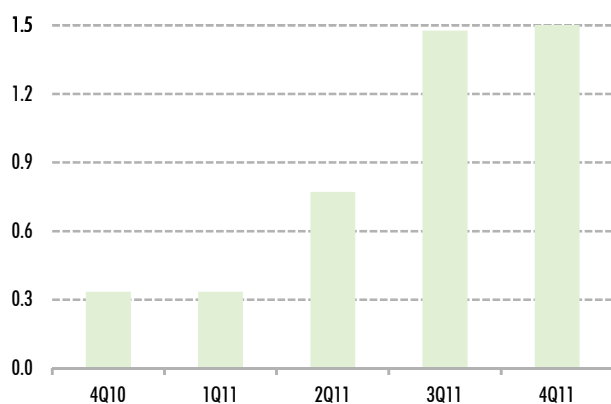
At the end of the fourth quarter 2011, the direct vacancy rate in the Greater Los Angeles market remained at 3.1% compared to a revised third quarter rate. This was an annual drop of 20 basis points compared to the rate of 3.3% the same time last year. The highest direct vacancy rate was in the Ventura submarket (4.8%), followed by Mid-Counties (4.0%) and South Bay (3.4%). The Los Angeles market had the lowest direct vacancy rate, finishing the quarter at 1.9%. Additionally, the overall availability rate in Greater Los Angeles was 6.8% at the end of the quarter, a decrease of 30 basis points compared to last quarter, and 70 basis points compared to the same time last year.

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



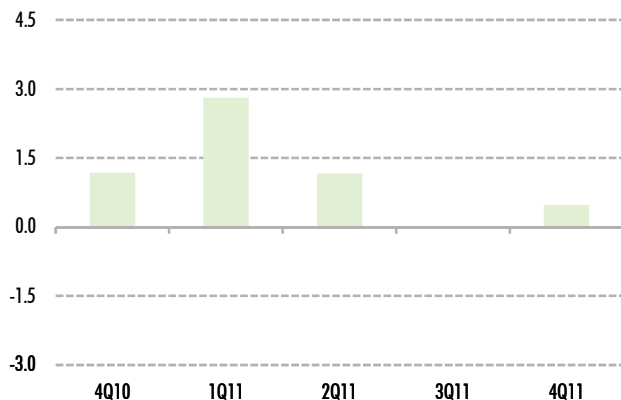
The weighted average asking lease rate for industrial space in the Greater Los Angeles market decreased slightly to \$.54 per square foot. The latest 12-month growth rate was 0.0% as the rate has been the same 4 of the past 5 quarters. However, the latest 3-year growth rate averaged negative 5.6% per year. The rate is also 19 cents lower than the market high of \$0.73 experienced in first quarter 2008. The largest quarterly drop occurred in Los Angeles and Greater San Fernando Valley with a 8.9% and 7.4% decrease, respectively. Conversely, the largest increase in average asking lease rates occurred in the San Gabriel Valley and Ventura with a 12.5% and 4.9% drop, respectively.

Under Construction / GLA (SF in Millions)



During 2009 and 2010, industrial construction slowed as the economic conditions in Greater Los Angeles caused demand to all but halt. However, development activity increased substantially in 2011 as the economy showed signs toward recovery. Current projects under construction total nearly 2.0 million square feet, which is above last quarter's under construction total of 1.5 million square feet, and considerably higher than the fourth quarter 2010 total when construction projects totaled roughly 335,000 square feet. Approximately 52% of the new construction is occurring in the San Gabriel Valley market area with roughly 1.0 million square feet of activity.

Net Absorption / GLA (SF in Millions)

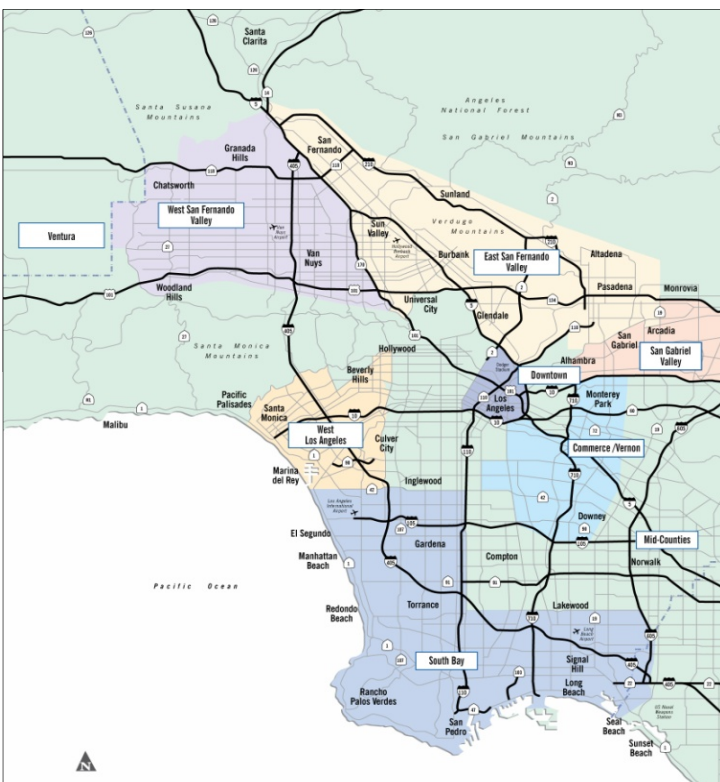


Net absorption during the fourth quarter totaled positive 475,000 square feet in Greater Los Angeles. Five of the eight market areas experienced positive net absorption with the highest total occurring in the Greater San Fernando Valley with 472,000 square feet followed by Ventura with 435,000 square feet. Of the rest that experienced negative net absorption, only two submarkets totaled more than negative 100,000 square feet - South Bay with negative 584,000 square feet and the San Gabriel Valley with negative 482,000 square feet. Gross activity was fairly strong during the fourth quarter totaling nearly 9.1 million square feet, 73% of which occurred between the 10,000 square feet and 100,000 square feet size range.

Top Lease Transactions

Tenant	Location	Size (SF)
AP Express	Buena Park	169,206
Schneider Resources	Rancho Dominguez	163,499
Aherns Equipment Rental	La Mirada	125,000
Murray's Iron Works	Commerce	97,960
Nexicore	Simi Valley	82,997

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
Commerce, 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

VENTURA COUNTY

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

SOUTH BAY/MID-COUNTIES

2221 Rosecrans Ave, Ste 100
El Segundo, CA 90245
310-363-4900

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:
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