The CoStar Industrial Report

MID-YEAR 2007

Orange County Industrial Market

Stop Searching. Start Finding.™

Orange County Industrial Market

Table of Contents

METHODOLOGY

The CoStar Industrial Report calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 33.6 billion square feet of coverage in 1.2 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Orange County Industrial Market

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Orange County's Vacancy Decreases to 3.8%

Net Absorption Positive 936,212 SF in the Quarter

The Orange County Industrial market ended the second quarter 2007 with a vacancy rate of 3.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 936,212 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 1,284,551 square feet. Rental rates ended the second quarter at $10.47, an increase over the previous quarter. A total of 28 buildings delivered to the market in the quarter totaling 352,723 square feet, with 806,424 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Orange County Industrial market was positive 936,212 square feet in the second quarter 2007. That compares to negative (15,995) square feet in the first quarter 2007, positive 444,263 square feet in the fourth quarter 2006, and positive 137,599 square feet in the third quarter 2006.

Tenants moving into large blocks of space in 2007 include: Coast Composites Inc. moving into 114,882 square feet at 1395 S Lyon St, Idearc Media moving into 112,944 square feet at 701 Burning Tree Rd, and Mice Display Works moving into 100,004 square feet at Oak Canyon/San Canyon – Bldg 2.

The Flex building market recorded net absorption of positive 528,216 square feet in the second quarter 2007, compared to negative (111,945) square feet in the first quarter 2007, positive 141,824 in the fourth quarter 2006, and positive 285,181 in the third quarter 2006.

The Warehouse building market recorded net absorption of positive 407,996 square feet in the second quarter 2007 compared to positive 95,950 square feet in the first quarter 2007, positive 302,439 in the fourth quarter 2006, and negative (147,582) in the third quarter 2006.

Vacancy

The Industrial vacancy rate in the Orange County market area decreased to 3.8% at the end of the second quarter 2007. The vacancy rate was 4.0% at the end of the first quarter 2007, 3.9% at the end of the fourth quarter 2006, and 4.0% at the end of the third quarter 2006.

Flex projects reported a vacancy rate of 4.3% at the end of the second quarter 2007, 5.0% at the end of the first quarter 2007, 4.7% at the end of the fourth quarter 2006, and 4.9% at the end of the third quarter 2006.

Warehouse projects reported a vacancy rate of 3.6% at the end of the second quarter 2007, 3.7% at the end of first quarter 2007, 3.6% at the end of the fourth quarter 2006, and 3.7% at the end of the third quarter 2006.

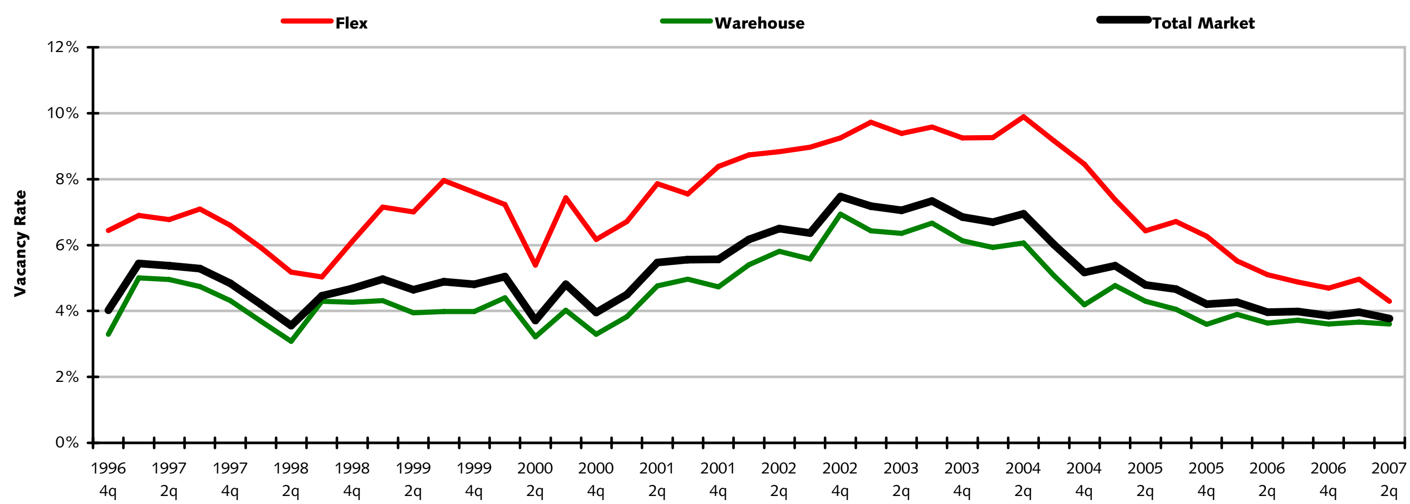
Largest Lease Signings

The largest lease signings occurring in 2007 included: the 238,720-square-foot lease signed by Quaker Oates Distribution at 6400 Valley View St. in the North County market; the 166,868-square-foot deal signed by Sybron Dental Specialties at 1515 S. Manchester Ave. in the Central County market; and the 131,280-square-foot lease signed by Faro Services at 5911 Fresca Dr. in the North County market.

Sublease Vacancy

The amount of vacant sublease space in the Orange County market decreased to 1,284,551 square feet by the end of the second quarter 2007, from 1,495,885 square feet at the end of the first quarter 2007. There was 1,217,365 square feet vacant at the

Vacancy Rates by Building Type 1996-2007



Source: CoStar Property®

Orange County Industrial Market

OVERVIEW

end of the fourth quarter 2006 and 1,443,526 square feet at the end of the third quarter 2006.

Orange County's Flex projects reported vacant sublease space of 287,110 square feet at the end of second quarter 2007, down from the 349,152 square feet reported at the end of the first quarter 2007. There was 295,578 square feet of sublease space vacant at the end of the fourth quarter 2006, and 229,811 square feet at the end of the third quarter 2006.

Warehouse projects reported decreased vacant sublease space from the first quarter 2007 to the second quarter 2007. Sublease vacancy went from 1,146,733 square feet to 997,441 square feet during that time. There was 921,787 square feet at the end of the fourth quarter 2006, and 1,213,715 square feet at the end of the third quarter 2006.

Rental Rates

The average quoted asking rental rate for available Industrial space was $10.47 per square foot per year at the end of the second quarter 2007 in the Orange County market area. This represented a 2.7% increase in quoted rental rates from the end of the first quarter 2007, when rents were reported at $10.19 per square foot.

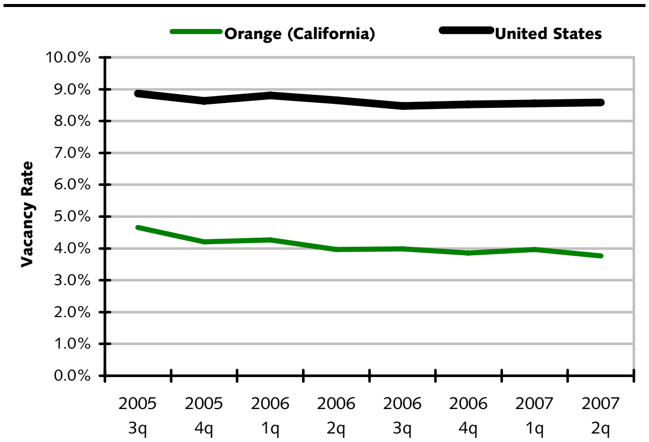
The average quoted rate within the Flex sector was $15.09 per square foot at the end of the second quarter 2007, while Warehouse rates stood at $9.06. At the end of the first quarter 2007, Flex rates were $14.47 per square foot, and Warehouse rates were $8.82.

Deliveries and Construction

During the second quarter 2007, 28 buildings totaling 352,723 square feet were completed in the Orange County market area. This compares to 21 buildings totaling 324,995 square feet that were completed in the first quarter 2007, 14 buildings totaling 303,148 square feet completed in the fourth quarter 2006, and 193,654 square feet in 11 buildings completed in the third quarter 2006.

U.S. Vacancy Comparison

Past 8 Quarters



Source: CoStar Property•

There was 806,424 square feet of Industrial space under construction at the end of the second quarter 2007.

Some of the notable 2007 deliveries include: Southpark Business Center - Bldg 10, a 77,095-square-foot facility that delivered in first quarter 2007 and is now 100% occupied, and Southpark Business Center - Bldg 12, a 59,662-square-foot building that delivered in first quarter 2007 and is also now 100% occupied.

The largest projects underway at the end of second quarter 2007 were 236 Avenida Fabricante, a 60,173-square-foot building with 0% of its space pre-leased, and Valencia Business Center - Bldgs 18-21 & 24-25, a 46,309-square-foot facility that is 0% pre-leased.

Inventory

Total Industrial inventory in the Orange County market area amounted to 305,749,272 square feet in 11,567 buildings as of the end of the second quarter 2007. The Flex sector consisted of 70,395,497 square feet in 3,061 projects. The Warehouse sector consisted of 235,353,775 square feet in 8,506 buildings. Within the Industrial market there were 2,035 owner-occupied buildings accounting for 66,625,662 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, Orange (California) industrial sales figures fell during the first quarter 2007 in terms of dollar volume compared to the fourth quarter of 2006.

In the first quarter, 17 industrial transactions closed with a total volume of $122,264,348. The 17 buildings totaled 899,624 square feet and the average price per square foot equated to $135.91 per square foot. That compares to 22 transactions totaling $234,902,515 in the fourth quarter. The total square footage was 1,993,093 for an average price per square foot of $117.86.

Total year-to-date industrial building sales activity in 2007 is down compared to the previous year. In the first three months of 2007, the market saw 17 industrial sales transactions with a total volume of $122,264,348. The price per square foot has averaged $135.91 this year. In the first three months of 2006, the market posted 29 transactions with a total volume of $170,904,325. The price per square foot averaged $123.60.

Cap rates have been lower in 2007, averaging 4.75%, compared to the first three months of last year when they averaged 5.91%.

One of the largest transactions that has occurred within the last 4 quarters in the Orange (California) market is the sale of Fullerton Distribution Ctr in Fullerton. This 406,261 square foot industrial building sold for $40,000,000, or $98.46 per square foot. The property sold on 3/21/2007, at a 5.20% cap rate.

Reports compiled by: Jan Rasmussen, CoStar Senior Research Manager, and Josh Ohl, CoStar **Senior Research Associate**

CoStar Markets & Submarkets

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

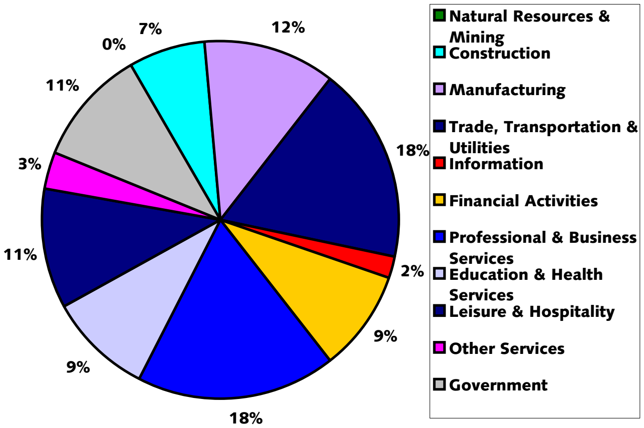
Markets	Submarkets
Airport Area Ind	Airport Complex East Ind Airport Complex South Ind Costa Mesa Ind Fountain Valley Ind Irvine Business Ctr Ind North Irvine Ind South Santa Ana East Ind South Santa Ana West Ind Tustin Ind
Central County Ind	Anaheim Stadium Area Ind Chapman Ave Corridor Ind Disneyland Area Ind Eastern Central Cnty Ind Garden Grove Ind Katella North Ind Lincoln Ave Corridor Ind Park Center Ind Santa Ana Civic Ctr Ind
North County Ind	Anaheim Hills Ind Brea Ind Buena Park Ind Fullerton Complex Ind Placentia East Ind Placentia West Ind
South County Ind	Irvine Spectrum Ind Laguna Ind Mission Viejo Ind North Laguna Hills Ind Outlying Orange Cnty Ind San Clemente Ind San Juan Capistrano Ind
West County Ind	Cypress/Los Alamitos Ind Huntington Beach Ind West Huntington Beach Ind

Orange County Industrial Market

EMPLOYMENT AND TENANT

Total Employment by Industry

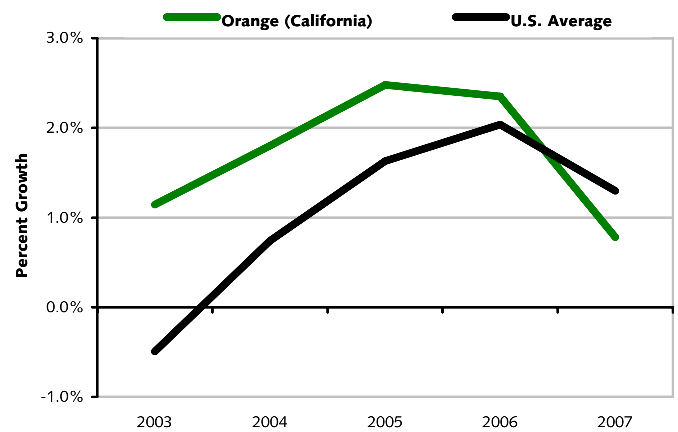
Percent of Total Employment by Industry



Source: Department of Labor, Bureau of Labor Statistics

Total Employment Growth

Total Number of Jobs Added Per Year



Source: Department of Labor, Bureau of Labor Statistics

Total Employment Growth

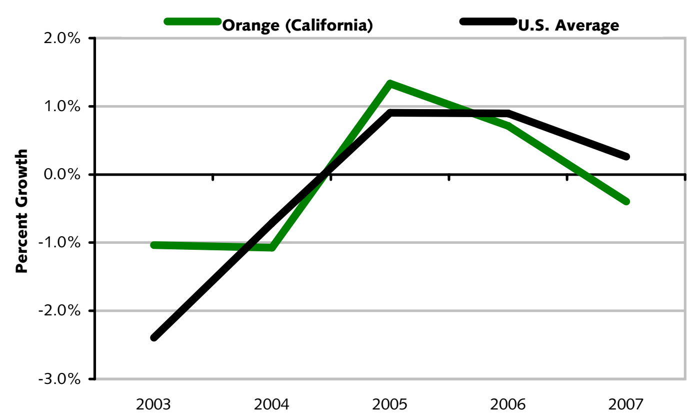
Cumulative Growth in Jobs Over the Past 5 Years

Market	Employment Growth	Inventory Growth	Difference
Atlanta	11.90%	8.50%	3.40%
Chicago	6.60%	5.20%	1.40%
Dallas/Ft Worth	9.40%	5.70%	3.70%
Denver	10.10%	3.10%	7.00%
Detroit	-1.30%	1.80%	-3.10%
Houston	9.30%	5.50%	3.80%
Inland Empire (California)	17.10%	21.40%	-4.30%
Los Angeles	3.70%	2.30%	1.40%
Northern New Jersey	4.80%	2.70%	2.10%
Pittsburgh	0.60%	1.80%	-1.20%
Orange (California)	7.10%	1.80%	5.30%

Source: Department of Labor, Bureau of Labor Statistics

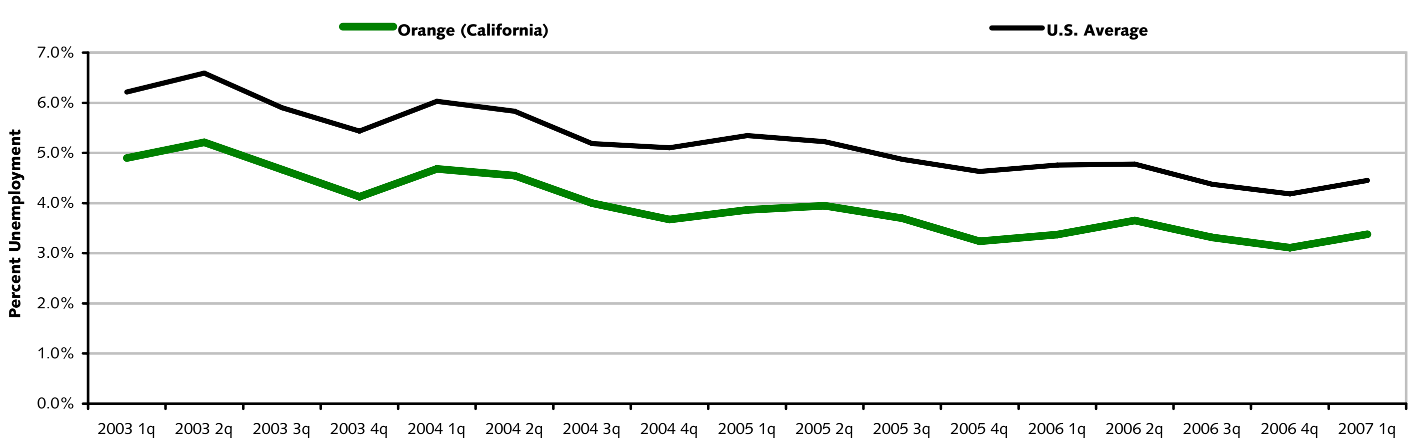
Industrial* Employment Growth

Number of Industrial* Jobs Added Per Year



*Source: Department of Labor, Bureau of Labor Statistics. * Industrial employment is defined as jobs in the Manufacturing, and Trade, Transportation & Utilities industries*

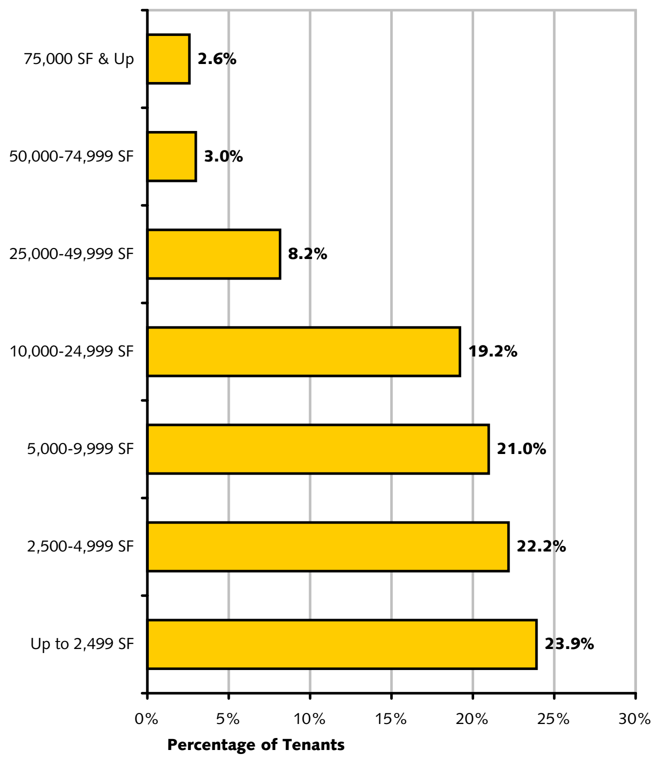
Historical Unemployment Rates



Source: Department of Labor, Bureau of Labor Statistics

Flex Tenants by Size Range

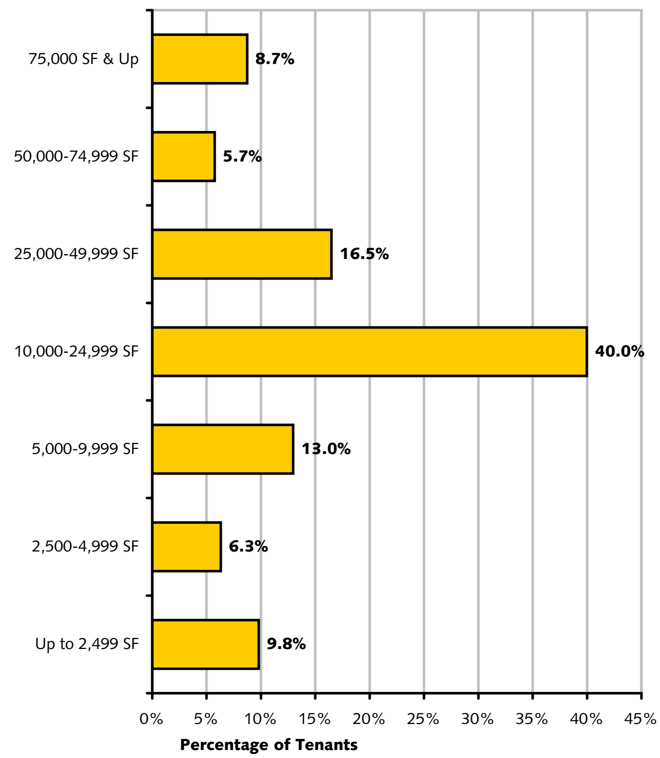
Based on Total Number of Tenants



Source: CoStar Tenant®

Warehouse Tenants by Size Range

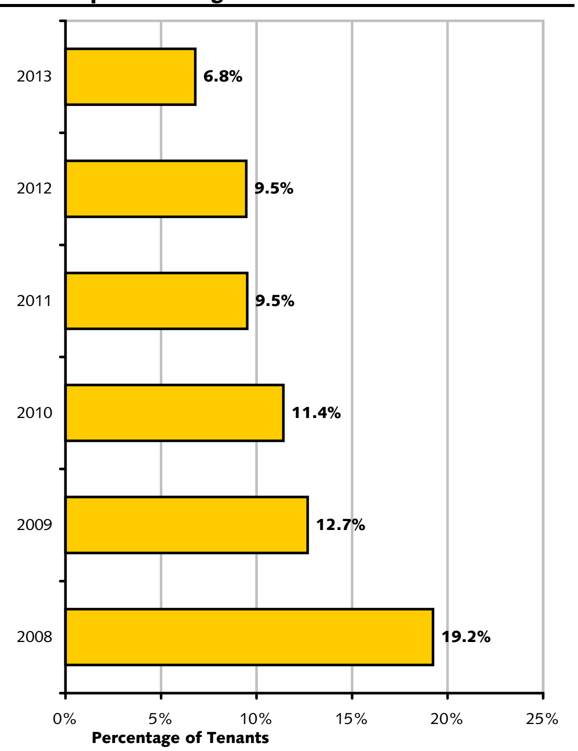
Based on Total Number of Tenants



Source: CoStar Tenant®

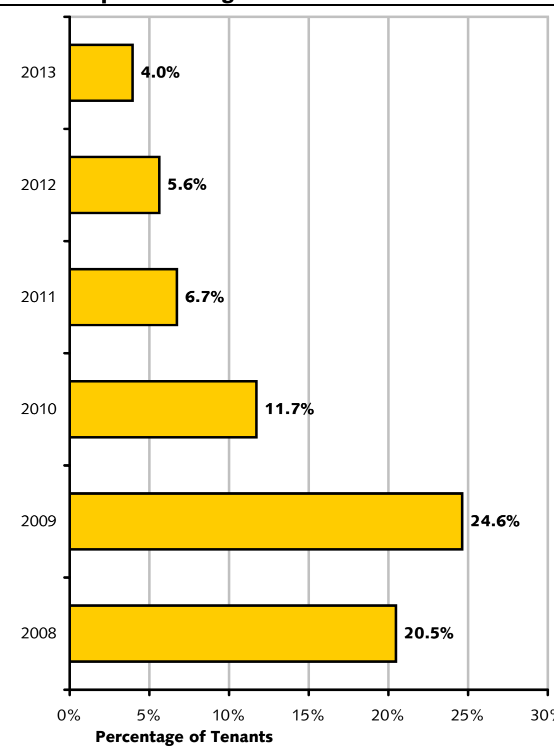
Flex Tenants by Lease Expiration

Based on Total Square Footage of Tenants



Warehouse Lease Expiration

Based on Total Square Footage of Tenants

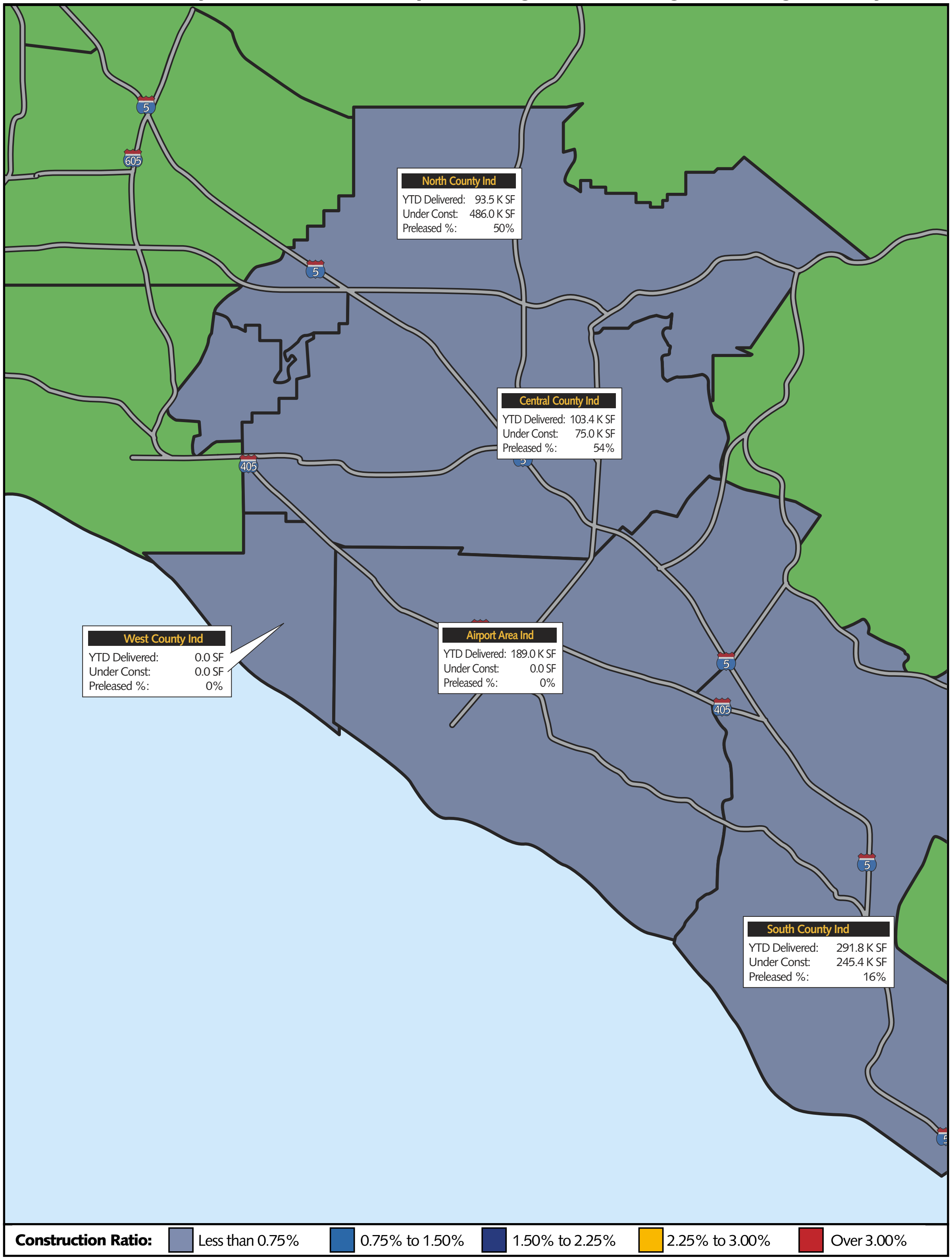


Orange County Industrial Market

INVENTORY & DEVELOPMENT

Construction Highlights in Select CoStar Markets

Color Coded by Under Construction Square Footage as a Percentage of Existing Inventory

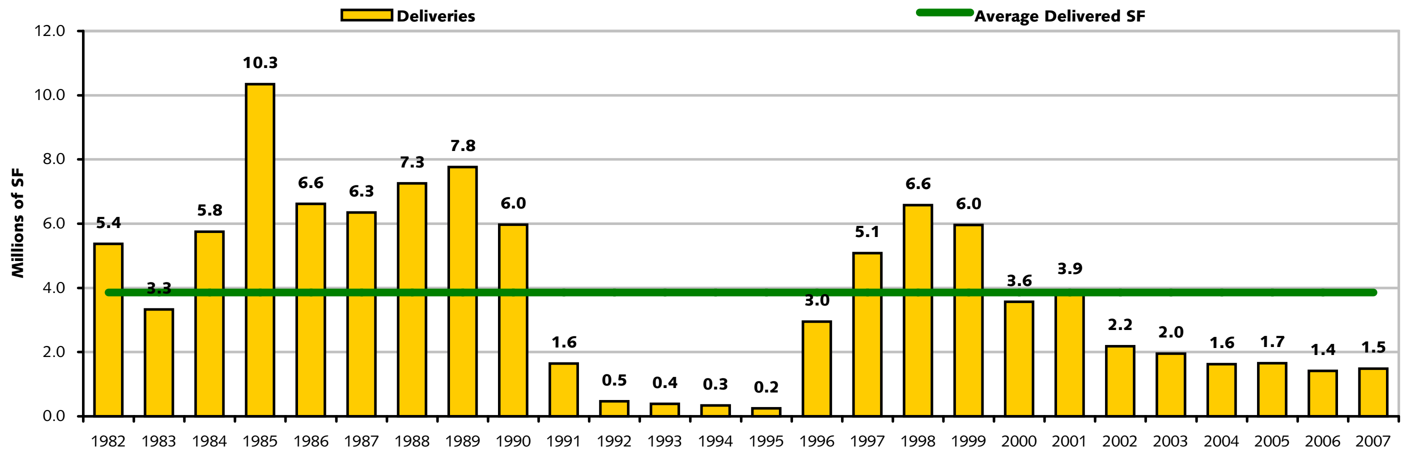


Source: CoStar Property®

Orange County Industrial Market

INVENTORY & DEVELOPMENT

Historical Deliveries 1982 - 2007



Source: CoStar Property® ** Future deliveries based on current under construction buildings.*

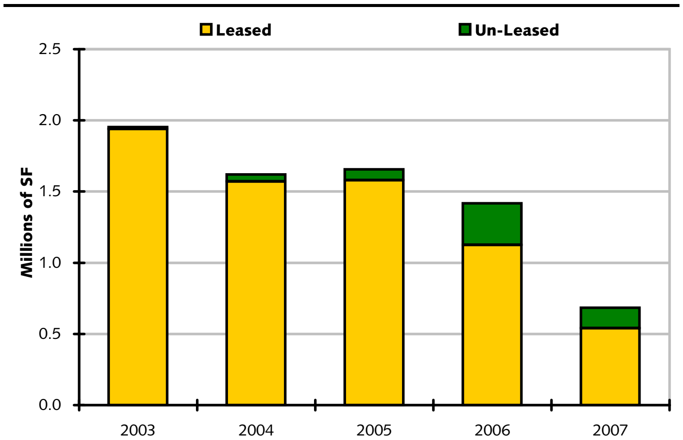
Construction Activity Markets Ranked by Under Construction RBA

Market	Under Construction Inventory: # Bldgs	Total RBA	Preleased SF	Preleased %	Average Bldg Size: All Existing	U/C
North County Ind	28	486,029	242,432	49.9%	33,553	17,358
South County Ind	9	245,358	40,045	16.3%	25,089	27,262
Central County Ind	5	75,037	40,888	54.5%	22,844	15,007
West County Ind	0	0	0	0.0%	23,604	0
Airport Area Ind	0	0	0	0.0%	25,598	0
Totals	**42**	**806,424**	**323,365**	**40.1%**	**26,433**	**19,201**

Source: CoStar Property®

Recent Deliveries

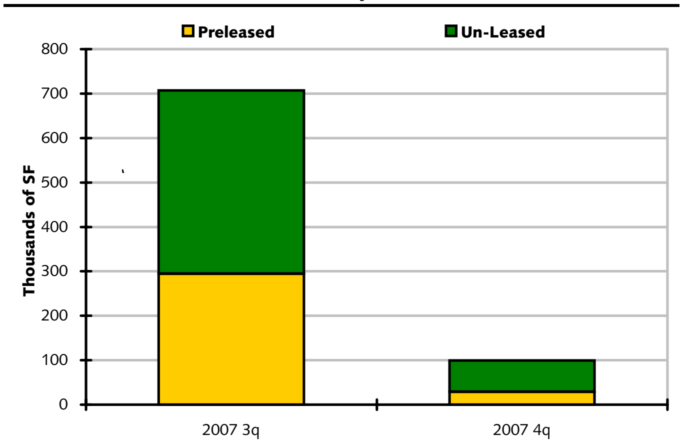
Leased & Un-Leased SF in Deliveries Since 2003



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



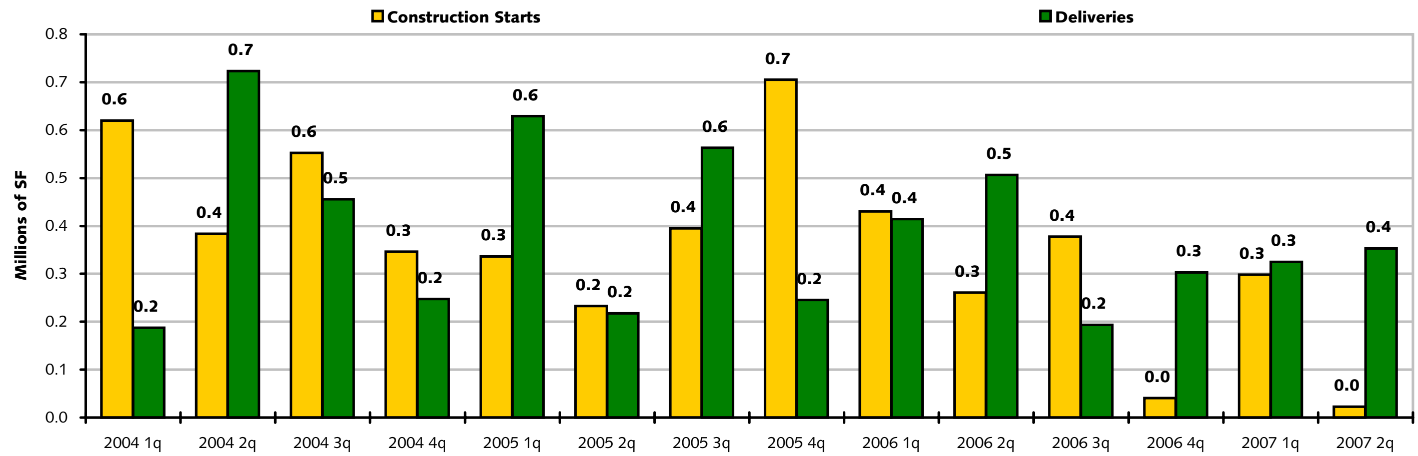
Source: CoStar Property®

Orange County Industrial Market

INVENTORY & DEVELOPMENT

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size

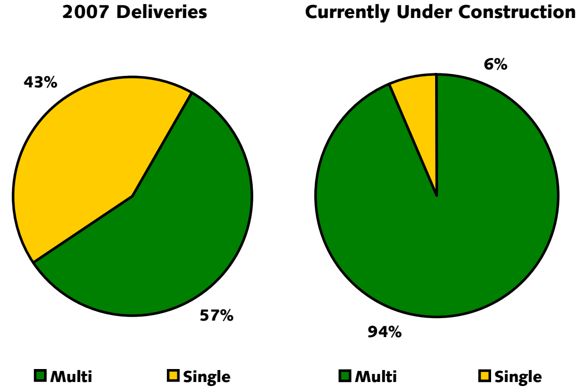
Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	48	546,721	403,901	73.9%	$16.42	158,718	388,003
50,000 SF - 99,999 SF	2	136,757	136,757	100.0%	$8.88	136,757	0
100,000 SF - 249,999 SF	0	0	0	0.0%	$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	$0.00	0	0

Source: CoStar Property®

Recent Development by Tenancy

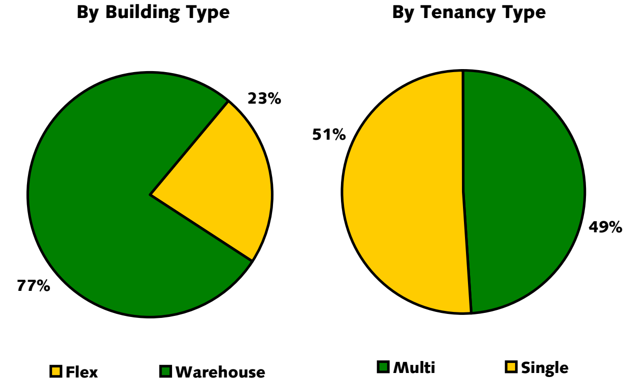
Based on RBA Developed for Single & Multi-Tenant Use



Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA



Source: CoStar Property®

Orange County Industrial Market

INVENTORY & DEVELOPMENT

Select Year-to-Date Deliveries

Based on Project Square Footage

1. Southpark Business Center - Bldg 10
Submarket: **Airport Area Industrial Market**
RBA: **77,095**
Occupied: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Fourth Quarter 2005**
Deliv Date: **First Quarter 2007**
Leasing Co: **CB Richard Ellis**
Developer: **Operon Group**

2. Southpark Business Center - Bldg 12
Submarket: **Airport Area Industrial Market**
RBA: **59,662**
Occupied: **100%**
Quoted Rate: **$8.88**
Grnd Brk Date: **First Quarter 2006**
Deliv Date: **First Quarter 2007**
Leasing Co: **CB Richard Ellis**
Developer: **Operon Group**

3. Koll Center 2 - Bldg 5
Submarket: **South County Industrial Market**
RBA: **39,250**
Occupied: **91%**
Quoted Rate: **$27.60**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **The Koll Company**

4. Koll Center 2 - Bldg 3
Submarket: **South County Industrial Market**
RBA: **28,606**
Occupied: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **N/A**
Developer: **The Koll Company**

5. Bake Commerce Center - Bldg. A
Submarket: **South County Industrial Market**
RBA: **28,204**
Occupied: **12%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2005**
Deliv Date: **Second Quarter 2007**
Leasing Co: **CB Richard Ellis**
Developer: **Panattoni Construction Inc**

6. Bake Commerce Center - Bldg. B
Submarket: **South County Industrial Market**
RBA: **24,675**
Occupied: **72%**
Quoted Rate: **$16.20**
Grnd Brk Date: **Third Quarter 2005**
Deliv Date: **First Quarter 2007**
Leasing Co: **Grubb & Ellis**
Developer: **Panattoni Construction Inc**

7. Koll Center 2 - Bldg 4
Submarket: **South County Industrial Market**
RBA: **24,670**
Occupied: **40%**
Quoted Rate: **$27.60**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **Lee & Associates**
Developer: **The Koll Company**

8. BKM-Lampson Business Park - Bldg 2
Submarket: **Central County Industrial Market**
RBA: **20,588**
Occupied: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Fourth Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **Grubb & Ellis**
Developer: **N/A**

9. BKM-Lampson Business Park - Bldg 3
Submarket: **Central County Industrial Market**
RBA: **20,100**
Occupied: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Fourth Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **Grubb & Ellis**
Developer: **N/A**

10. 9551 Irvine Center Dr
Submarket: **South County Industrial Market**
RBA: **20,000**
Occupied: **100%**
Quoted Rate: **$19.20**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **First Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **N/A**

11. Empresa
Submarket: **South County Industrial Market**
RBA: **18,420**
Occupied: **100%**
Quoted Rate: **$24.00**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **First Quarter 2007**
Leasing Co: **Cushman & Wakefield Inc.**
Developer: **Empresa LLC**

12. Koll Center 2 - Bldg 9
Submarket: **South County Industrial Market**
RBA: **18,069**
Occupied: **83%**
Quoted Rate: **$27.60**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **N/A**
Developer: **The Koll Company**

13. Koll Center 2 - Bldg 2
Submarket: **South County Industrial Market**
RBA: **17,935**
Occupied: **93%**
Quoted Rate: **$25.20**
Grnd Brk Date: **Second Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **N/A**
Developer: **The Koll Company**

14. BKM-Lampson Business Park - Bldg 4
Submarket: **Central County Industrial Market**
RBA: **16,407**
Occupied: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Second Quarter 2007**
Leasing Co: **Grubb & Ellis**
Developer: **N/A**

15. Southpark Business Center - Bldg 11
Submarket: **Airport Area Industrial Market**
RBA: **16,144**
Occupied: **67%**
Quoted Rate: **$10.68**
Grnd Brk Date: **First Quarter 2006**
Deliv Date: **First Quarter 2007**
Leasing Co: **CB Richard Ellis**
Developer: **N/A**

Source: CoStar Property®

Orange County Industrial Market

INVENTORY & DEVELOPMENT

Select Top Under Construction Properties

Based on Project Square Footage

1. 236 Avenida Fabricante

Submarket: **South County Industrial Market**
RBA: **60,173**
Preleased: **0%**
Quoted Rate: **$11.40**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Fourth Quarter 2007**
Leasing Co: **CB Richard Ellis**
Developer: **N/A**

2. Valencia Business Center - Bldgs 18-21 & 24-2

Submarket: **North County Industrial Market**
RBA: **46,309**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Magellan Group, Inc.**

3. 16 Goodyear

Submarket: **South County Industrial Market**
RBA: **37,716**
Preleased: **47%**
Quoted Rate: **$16.80**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Panattoni Development Company**

4. Valencia Business Center - Bldgs 8 & 9, 12-15

Submarket: **North County Industrial Market**
RBA: **37,470**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Magellan Group, Inc.**

5. 11258 Monarch St

Submarket: **Central County Industrial Market**
RBA: **29,254**
Preleased: **74%**
Quoted Rate: **$14.50**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Collins Commercial Corporation**
Developer: **Burke Commercial Development**

6. 10 Goodyear

Submarket: **South County Industrial Market**
RBA: **26,314**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Panattoni Development Company**

7. 12 Goodyear

Submarket: **South County Industrial Market**
RBA: **25,712**
Preleased: **0%**
Quoted Rate: **$16.98**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Panattoni Development Company**

8. Guthrie-Lambert Business Center - Bldgs 24-28

Submarket: **North County Industrial Market**
RBA: **24,741**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **N/A**
Developer: **Guthrie Development Company**

9. Valencia Business Center - Bldg 10 & 16

Submarket: **North County Industrial Market**
RBA: **23,816**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Magellan Group, Inc.**

10. Valencia Business Center - Bldg 17 & 23

Submarket: **North County Industrial Market**
RBA: **23,674**
Preleased: **0%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Magellan Group, Inc.**

11. Guthrie-Lambert Business Center - Bldgs 13-18

Submarket: **North County Industrial Market**
RBA: **23,516**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **N/A**
Developer: **Guthrie Development Company**

12. 18 Goodyear

Submarket: **South County Industrial Market**
RBA: **22,978**
Preleased: **0%**
Quoted Rate: **$17.00**
Grnd Brk Date: **First Quarter 2007**
Deliv Date: **Third Quarter 2007**
Leasing Co: **Voit Commercial Brokerage**
Developer: **Panattoni Development Company**

13. Guthrie-Lambert Business Center - Bldgs 1-4

Submarket: **North County Industrial Market**
RBA: **22,476**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Third Quarter 2006**
Deliv Date: **Third Quarter 2007**
Leasing Co: **N/A**
Developer: **Guthrie Development Company**

14. 30 Muller

Submarket: **South County Industrial Market**
RBA: **22,397**
Preleased: **55%**
Quoted Rate: **Negotiable**
Grnd Brk Date: **Second Quarter 2007**
Deliv Date: **Fourth Quarter 2007**
Leasing Co: **Grubb & Ellis**
Developer: **RHI Investments LLC**

15. The Citrus - Bldgs 6 & 7

Submarket: **North County Industrial Market**
RBA: **21,767**
Preleased: **100%**
Quoted Rate: **N/A**
Grnd Brk Date: **Third Quarter 2005**
Deliv Date: **Third Quarter 2007**
Leasing Co: **N/A**
Developer: **Burke Commercial Development**

Source: CoStar Property®

Orange County Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Area Ind	1,057	23,460,735	1,076,602	1,132,467	4.8%	29,571	22,393	0	$15.31
Central County Ind	495	9,884,763	242,734	255,172	2.6%	295,540	33,740	0	$13.65
North County Ind	374	9,566,606	324,927	437,173	4.6%	(91,728)	16,388	36,107	$12.89
South County Ind	897	21,382,797	1,036,018	1,117,304	5.2%	87,637	71,299	22,397	$16.11
West County Ind	238	6,100,596	58,162	83,437	1.4%	95,251	0	0	$13.27
Totals	**3,061**	**70,395,497**	**2,738,443**	**3,025,553**	**4.3%**	**416,271**	**143,820**	**58,504**	**$15.09**

Source: CoStar Property®

Warehouse Market Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Area Ind	2,038	55,765,310	1,857,342	2,054,603	3.7%	69,194	166,648	0	$9.29
Central County Ind	2,487	58,235,030	2,036,239	2,285,626	3.9%	683,132	69,685	75,037	$8.18
North County Ind	2,252	78,544,456	2,263,651	2,503,683	3.2%	(154,096)	77,082	449,922	$8.38
South County Ind	915	24,078,612	931,135	1,130,793	4.7%	(14,434)	220,483	222,961	$12.10
West County Ind	814	18,730,367	406,033	517,136	2.8%	(79,850)	0	0	$8.84
Totals	**8,506**	**235,353,775**	**7,494,400**	**8,491,841**	**3.6%**	**503,946**	**533,898**	**747,920**	**$9.06**

Source: CoStar Property®

Total Industrial Market Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Area Ind	3,095	79,226,045	2,933,944	3,187,070	4.0%	98,765	189,041	0	$11.17
Central County Ind	2,982	68,119,793	2,278,973	2,540,798	3.7%	978,672	103,425	75,037	$8.74
North County Ind	2,626	88,111,062	2,588,578	2,940,856	3.3%	(245,824)	93,470	486,029	$8.90
South County Ind	1,812	45,461,409	1,967,153	2,248,097	4.9%	73,203	291,782	245,358	$14.02
West County Ind	1,052	24,830,963	464,195	600,573	2.4%	15,401	0	0	$9.32
Totals	**11,567**	**305,749,272**	**10,232,843**	**11,517,394**	**3.8%**	**920,217**	**677,718**	**806,424**	**$10.47**

Source: CoStar Property®

Orange County Industrial Market

FIGURES AT A GLANCE

Flex Submarket Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Complex East Ind	42	1,834,113	35,707	35,707	1.9%	94,279	0	0	$20.31
Airport Complex South Ind	146	2,158,592	118,826	122,976	5.7%	71,588	13,899	0	$15.02
Anaheim Hills Ind	74	1,582,076	74,758	74,758	4.7%	35,663	0	0	$11.48
Anaheim Stadium Area Ind	52	812,957	41,907	41,907	5.2%	16,042	0	0	$17.06
Brea Ind	69	2,086,196	30,795	43,295	2.1%	6,117	0	36,107	$11.34
Buena Park Ind	32	1,118,241	93,075	93,075	8.3%	(42,057)	0	0	$17.50
Chapman Ave Corridor Ind	126	2,070,075	38,795	38,945	1.9%	(5,043)	0	0	$15.15
Costa Mesa Ind	143	1,955,905	43,837	43,837	2.2%	(7,010)	0	0	$13.57
Cypress/Los Alamitos Ind	90	3,421,119	35,170	60,445	1.8%	32,437	0	0	$15.56
Disneyland Area Ind	20	529,073	1,760	4,160	0.8%	(1,880)	0	0	$9.60
Eastern Central Cnty Ind	9	239,311	0	0	0.0%	0	0	0	$0.00
Fountain Valley Ind	55	1,449,427	21,384	21,384	1.5%	40,334	0	0	$11.64
Fullerton Complex Ind	64	1,206,021	28,836	28,836	2.4%	8,630	0	0	$11.30
Garden Grove Ind	140	3,451,980	76,825	76,825	2.2%	289,912	0	0	$12.25
Huntington Beach Ind	106	1,566,144	13,584	13,584	0.9%	3,336	0	0	$12.20
Irvine Business Ctr Ind	293	6,761,963	341,818	341,818	5.1%	(17,520)	0	0	$14.95
Irvine Spectrum Ind	308	10,461,010	764,587	824,264	7.9%	(81,087)	52,879	22,397	$14.93
Katella North Ind	39	620,360	28,487	38,375	6.2%	23,223	33,740	0	$13.63
Laguna Ind	63	1,554,330	15,044	25,493	1.6%	11,121	0	0	$17.33
Lincoln Ave Corridor Ind	36	679,814	18,373	18,373	2.7%	2,338	0	0	$12.91
Mission Viejo Ind	255	4,898,833	140,007	141,287	2.9%	(21,319)	0	0	$15.35
North Irvine Ind	32	658,532	14,816	14,816	2.2%	5,115	8,494	0	$15.67
North Laguna Hills Ind	146	2,508,350	43,299	53,179	2.1%	167,357	18,420	0	$22.98
Outlying Orange Cnty Ind	2	60,391	0	0	0.0%	0	0	0	$0.00
Park Center Ind	61	1,388,844	36,587	36,587	2.6%	(30,567)	0	0	$14.65
Placentia East Ind	92	2,522,967	93,393	102,393	4.1%	(26,229)	0	0	$12.95
Placentia West Ind	43	1,051,105	4,070	94,816	9.0%	(73,852)	16,388	0	$13.10
San Clemente Ind	72	1,344,048	58,243	58,243	4.3%	12,113	0	0	$13.98
San Juan Capistrano Ind	51	555,835	14,838	14,838	2.7%	(548)	0	0	$21.78
Santa Ana Civic Ctr Ind	12	92,349	0	0	0.0%	1,515	0	0	$0.00
South Santa Ana East Ind	77	1,783,729	47,342	47,342	2.7%	(9,111)	0	0	$10.31
South Santa Ana West Ind	108	2,383,750	193,342	193,342	8.1%	(54,825)	0	0	$14.00
Tustin Ind	161	4,474,724	259,530	311,245	7.0%	(93,279)	0	0	$17.58
West Huntington Beach Ind	42	1,113,333	9,408	9,408	0.8%	59,478	0	0	$11.70
Totals	**3,061**	**70,395,497**	**2,738,443**	**3,025,553**	**4.3%**	**416,271**	**143,820**	**58,504**	**$15.09**

Source: CoStar Property®

Orange County Industrial Market

FIGURES AT A GLANCE

Warehouse Submarket Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Complex East Ind	12	618,284	132,750	132,750	21.5%	(11,150)	0	0	$13.11
Airport Complex South Ind	76	2,526,493	121,172	139,067	5.5%	(42,961)	0	0	$10.60
Anaheim Hills Ind	54	1,084,880	56,780	56,780	5.2%	(2,234)	0	0	$10.52
Anaheim Stadium Area Ind	344	9,430,458	179,810	179,810	1.9%	269,108	0	0	$8.37
Brea Ind	459	16,787,099	392,948	392,948	2.3%	(88,915)	0	228,669	$7.96
Buena Park Ind	197	15,826,804	422,205	568,985	3.6%	(198,134)	0	0	$6.99
Chapman Ave Corridor Ind	392	8,158,288	89,096	89,096	1.1%	149,693	0	0	$8.64
Costa Mesa Ind	233	3,244,397	33,256	33,256	1.0%	12,625	0	0	$12.70
Cypress/Los Alamitos Ind	187	5,852,104	226,343	312,116	5.3%	(96,674)	0	0	$8.56
Disneyland Area Ind	167	5,127,540	242,631	242,631	4.7%	(203,709)	6,018	0	$9.42
Eastern Central Cnty Ind	4	83,653	18,000	18,000	21.5%	(18,000)	0	0	$14.28
Fountain Valley Ind	200	4,392,588	192,855	192,855	4.4%	165,499	152,901	0	$11.21
Fullerton Complex Ind	537	19,606,770	575,360	575,360	2.9%	80,624	0	221,253	$8.08
Garden Grove Ind	621	16,731,226	1,178,612	1,332,999	8.0%	215,587	57,095	68,457	$7.92
Huntington Beach Ind	277	3,410,608	96,181	121,511	3.6%	3,116	0	0	$8.96
Irvine Business Ctr Ind	312	13,545,115	584,214	588,514	4.3%	(29,120)	0	0	$9.77
Irvine Spectrum Ind	191	7,818,259	267,922	279,551	3.6%	(16,399)	0	162,788	$11.71
Katella North Ind	168	3,720,777	36,252	36,252	1.0%	56,985	6,572	0	$9.32
Laguna Ind	21	770,754	0	0	0.0%	0	0	0	$14.91
Lincoln Ave Corridor Ind	317	8,154,931	121,587	121,587	1.5%	195,610	0	0	$7.77
Mission Viejo Ind	368	8,472,426	242,551	303,696	3.6%	677	0	0	$11.35
North Irvine Ind	24	771,080	7,809	7,809	1.0%	6,738	13,747	0	$27.60
North Laguna Hills Ind	130	2,096,084	247,005	269,079	12.8%	13,205	195,110	0	$17.01
Outlying Orange Cnty Ind	16	2,132,831	78,613	181,613	8.5%	(7,378)	0	0	$9.33
Park Center Ind	378	5,733,718	159,999	254,999	4.4%	9,580	0	6,580	$8.30
Placentia East Ind	461	11,528,159	73,063	75,088	0.7%	70,813	0	0	$10.02
Placentia West Ind	544	13,710,744	743,295	834,522	6.1%	(16,250)	77,082	0	$9.21
San Clemente Ind	181	2,479,407	95,044	96,854	3.9%	(4,539)	25,373	60,173	$11.97
San Juan Capistrano Ind	8	308,851	0	0	0.0%	0	0	0	$0.00
Santa Ana Civic Ctr Ind	96	1,094,439	10,252	10,252	0.9%	8,278	0	0	$8.99
South Santa Ana East Ind	599	11,921,267	231,349	231,349	1.9%	120,184	0	0	$8.42
South Santa Ana West Ind	427	11,838,084	322,491	475,197	4.0%	(26,249)	0	0	$8.97
Tustin Ind	155	6,908,002	231,446	253,806	3.7%	(126,372)	0	0	$7.89
West Huntington Beach Ind	350	9,467,655	83,509	83,509	0.9%	13,708	0	0	$9.44
Totals	**8,506**	**235,353,775**	**7,494,400**	**8,491,841**	**3.6%**	**503,946**	**533,898**	**747,920**	**$9.06**

Source: CoStar Property®

Orange County Industrial Market

FIGURES AT A GLANCE

Total Industrial Submarket Statistics

Mid-Year 2007

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Airport Complex East Ind	54	2,452,397	168,457	168,457	6.9%	83,129	0	0	$18.39
Airport Complex South Ind	222	4,685,085	239,998	262,043	5.6%	28,627	13,899	0	$13.11
Anaheim Hills Ind	128	2,666,956	131,538	131,538	4.9%	33,429	0	0	$11.19
Anaheim Stadium Area Ind	396	10,243,415	221,717	221,717	2.2%	285,150	0	0	$9.38
Brea Ind	528	18,873,295	423,743	436,243	2.3%	(82,798)	0	264,776	$8.23
Buena Park Ind	229	16,945,045	515,280	662,060	3.9%	(240,191)	0	0	$8.26
Chapman Ave Corridor Ind	518	10,228,363	127,891	128,041	1.3%	144,650	0	0	$9.39
Costa Mesa Ind	376	5,200,302	77,093	77,093	1.5%	5,615	0	0	$13.08
Cypress/Los Alamitos Ind	277	9,273,223	261,513	372,561	4.0%	(64,237)	0	0	$9.10
Disneyland Area Ind	187	5,656,613	244,391	246,791	4.4%	(205,589)	6,018	0	$9.42
Eastern Central Cnty Ind	13	322,964	18,000	18,000	5.6%	(18,000)	0	0	$14.28
Fountain Valley Ind	255	5,842,015	214,239	214,239	3.7%	205,833	152,901	0	$11.25
Fullerton Complex Ind	601	20,812,791	604,196	604,196	2.9%	89,254	0	221,253	$8.14
Garden Grove Ind	761	20,183,206	1,255,437	1,409,824	7.0%	505,499	57,095	68,457	$8.35
Huntington Beach Ind	383	4,976,752	109,765	135,095	2.7%	6,452	0	0	$9.22
Irvine Business Ctr Ind	605	20,307,078	926,032	930,332	4.6%	(46,640)	0	0	$11.66
Irvine Spectrum Ind	499	18,279,269	1,032,509	1,103,815	6.0%	(97,486)	52,879	185,185	$13.86
Katella North Ind	207	4,341,137	64,739	74,627	1.7%	80,208	40,312	0	$10.85
Laguna Ind	84	2,325,084	15,044	25,493	1.1%	11,121	0	0	$16.62
Lincoln Ave Corridor Ind	353	8,834,745	139,960	139,960	1.6%	197,948	0	0	$8.08
Mission Viejo Ind	623	13,371,259	382,558	444,983	3.3%	(20,642)	0	0	$12.23
North Irvine Ind	56	1,429,612	22,625	22,625	1.6%	11,853	22,241	0	$16.49
North Laguna Hills Ind	276	4,604,434	290,304	322,258	7.0%	180,562	213,530	0	$20.16
Outlying Orange Cnty Ind	18	2,193,222	78,613	181,613	8.3%	(7,378)	0	0	$9.33
Park Center Ind	439	7,122,562	196,586	291,586	4.1%	(20,987)	0	6,580	$8.80
Placentia East Ind	553	14,051,126	166,456	177,481	1.3%	44,584	0	0	$10.69
Placentia West Ind	587	14,761,849	747,365	929,338	6.3%	(90,102)	93,470	0	$9.32
San Clemente Ind	253	3,823,455	153,287	155,097	4.1%	7,574	25,373	60,173	$12.32
San Juan Capistrano Ind	59	864,686	14,838	14,838	1.7%	(548)	0	0	$21.78
Santa Ana Civic Ctr Ind	108	1,186,788	10,252	10,252	0.9%	9,793	0	0	$8.99
South Santa Ana East Ind	676	13,704,996	278,691	278,691	2.0%	111,073	0	0	$8.65
South Santa Ana West Ind	535	14,221,834	515,833	668,539	4.7%	(81,074)	0	0	$10.00
Tustin Ind	316	11,382,726	490,976	565,051	5.0%	(219,651)	0	0	$10.93
West Huntington Beach Ind	392	10,580,988	92,917	92,917	0.9%	73,186	0	0	$9.90
Totals	**11,567**	**305,749,272**	**10,232,843**	**11,517,394**	**3.8%**	**920,217**	**677,718**	**806,424**	**$10.47**

Source: CoStar Property®

Orange County Industrial Market

FIGURES AT A GLANCE

Flex Market Statistics

Mid-Year 2007

Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2007 2q	3,061	70,395,497	2,738,443	3,025,553	4.3%	528,216	5	60,578	3	58,504	$15.09
2007 1q	3,056	70,334,919	3,144,039	3,493,191	5.0%	(111,945)	6	83,242	7	96,685	$14.47
2006 4q	3,050	70,251,677	3,002,426	3,298,004	4.7%	141,824	1	22,269	13	179,927	$13.97
2006 3q	3,050	70,235,408	3,193,748	3,423,559	4.9%	285,181	6	136,114	14	202,196	$13.50
2006 2q	3,044	70,099,294	3,342,318	3,572,626	5.1%	408,566	6	118,590	18	302,203	$13.31
2006 1q	3,038	69,980,704	3,587,337	3,862,602	5.5%	428,494	0	0	22	388,474	$12.79
2005 4q	3,047	70,084,138	4,096,371	4,394,530	6.3%	308,335	0	0	15	329,852	$12.23
2005 3q	3,047	70,084,138	4,310,172	4,702,865	6.7%	(128,264)	2	69,875	11	197,866	$12.24
2005 2q	3,045	70,014,263	4,218,688	4,504,726	6.4%	693,813	1	39,564	3	83,159	$12.08
2005 1q	3,044	69,974,699	4,883,700	5,158,975	7.4%	872,028	43	253,379	4	122,723	$11.90
2004	3,004	69,847,154	5,280,054	5,903,458	8.5%	1,077,456	40	598,359	46	367,102	$11.80
2003	2,965	69,270,795	5,512,026	6,404,555	9.2%	233,398	17	482,044	55	580,783	$11.11
2002	2,950	69,013,911	5,430,820	6,381,069	9.2%	(249,777)	23	416,666	12	288,118	$10.46
2001	2,929	68,635,245	4,817,691	5,752,626	8.4%	(640,112)	65	1,066,006	19	388,157	$11.20
2000	2,867	67,698,865	3,975,045	4,176,134	6.2%	2,044,417	49	1,176,799	45	965,272	$11.48
1999	2,819	66,535,066	4,428,716	5,056,752	7.6%	383,423	67	1,478,968	49	1,176,799	$10.33

Source: CoStar Property®

Warehouse Market Statistics

Mid-Year 2007

Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2007 2q	8,506	235,353,775	7,494,400	8,491,841	3.6%	407,996	23	292,145	39	747,920	$9.06
2007 1q	8,483	235,061,630	7,460,959	8,607,692	3.7%	95,950	15	241,753	62	1,040,065	$8.82
2006 4q	8,468	234,819,877	7,540,102	8,461,889	3.6%	302,439	13	280,879	64	983,820	$8.39
2006 3q	8,456	234,785,363	7,516,099	8,729,814	3.7%	(147,582)	5	57,540	75	1,224,011	$8.25
2006 2q	8,451	234,727,823	7,473,529	8,524,692	3.6%	989,944	12	388,115	62	939,797	$8.12
2006 1q	8,439	234,339,708	8,080,194	9,126,521	3.9%	(473,686)	17	414,081	63	1,099,452	$7.93
2005 4q	8,423	234,098,909	7,577,520	8,412,036	3.6%	1,229,942	22	245,607	51	1,141,690	$7.78
2005 3q	8,404	233,923,762	8,310,417	9,466,831	4.0%	1,046,985	28	493,014	51	814,182	$7.65
2005 2q	8,376	233,430,748	8,611,491	10,020,802	4.3%	1,160,043	3	178,052	62	1,097,081	$7.38
2005 1q	8,374	233,384,696	9,596,034	11,134,793	4.8%	(1,067,387)	39	375,814	54	1,042,195	$7.48
2004	8,336	233,068,382	8,678,648	9,751,092	4.2%	5,462,579	60	1,015,364	79	1,090,955	$7.09
2003	8,279	232,088,016	13,331,116	14,233,305	6.1%	2,634,013	64	1,471,798	48	589,109	$6.88
2002	8,219	231,274,257	14,334,987	16,053,559	6.9%	(3,460,761)	48	1,763,402	31	713,585	$6.89
2001	8,173	229,536,818	9,225,583	10,855,359	4.7%	(944,639)	78	2,628,956	46	1,689,208	$7.34
2000	8,100	227,099,347	6,504,958	7,473,249	3.3%	3,512,502	49	2,135,202	76	2,141,013	$7.49
1999	8,057	225,079,305	8,099,682	8,965,709	4.0%	4,816,896	113	4,485,359	45	1,894,570	$6.29

Source: CoStar Property®

Total Industrial Market Statistics

Mid-Year 2007

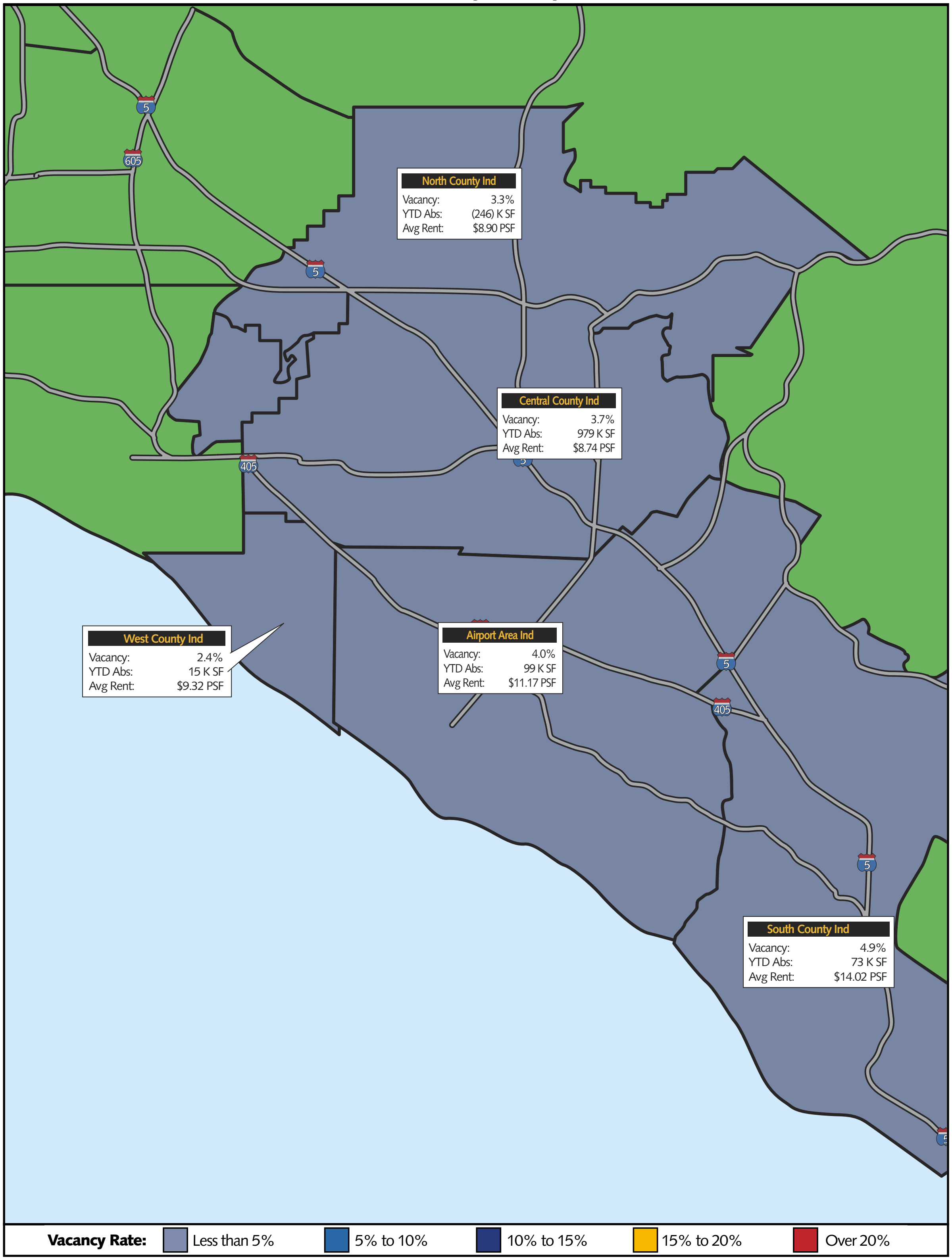
Period	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	Net Absorption	Deliveries # Blds	Deliveries Total RBA	UC Inventory # Blds	UC Inventory Total RBA	Quoted Rates
2007 2q	11,567	305,749,272	10,232,843	11,517,394	3.8%	936,212	28	352,723	42	806,424	$10.47
2007 1q	11,539	305,396,549	10,604,998	12,100,883	4.0%	(15,995)	21	324,995	69	1,136,750	$10.19
2006 4q	11,518	305,071,554	10,542,528	11,759,893	3.9%	444,263	14	303,148	77	1,163,747	$9.83
2006 3q	11,506	305,020,771	10,709,847	12,153,373	4.0%	137,599	11	193,654	89	1,426,207	$9.59
2006 2q	11,495	304,827,117	10,815,847	12,097,318	4.0%	1,398,510	18	506,705	80	1,242,000	$9.58
2006 1q	11,477	304,320,412	11,667,531	12,989,123	4.3%	(45,192)	17	414,081	85	1,487,926	$9.30
2005 4q	11,470	304,183,047	11,673,891	12,806,566	4.2%	1,538,277	22	245,607	66	1,471,542	$9.08
2005 3q	11,451	304,007,900	12,620,589	14,169,696	4.7%	918,721	30	562,889	62	1,012,048	$9.06
2005 2q	11,421	303,445,011	12,830,179	14,525,528	4.8%	1,853,856	4	217,616	65	1,180,240	$8.76
2005 1q	11,418	303,359,395	14,479,734	16,293,768	5.4%	(195,359)	82	629,193	58	1,164,918	$8.86
2004	11,340	302,915,536	13,958,702	15,654,550	5.2%	6,540,035	100	1,613,723	125	1,458,057	$8.58
2003	11,244	301,358,811	18,843,142	20,637,860	6.8%	2,867,411	81	1,953,842	103	1,169,892	$8.24
2002	11,169	300,288,168	19,765,807	22,434,628	7.5%	(3,710,538)	71	2,180,068	43	1,001,703	$7.32
2001	11,102	298,172,063	14,043,274	16,607,985	5.6%	(1,584,751)	143	3,694,962	65	2,077,365	$7.97
2000	10,967	294,798,212	10,480,003	11,649,383	4.0%	5,556,919	98	3,312,001	121	3,106,285	$8.44
1999	10,876	291,614,371	12,528,398	14,022,461	4.8%	5,200,319	180	5,964,327	94	3,071,369	$7.17

Source: CoStar Property®

Orange County Industrial Market

Leasing Highlights in Select CoStar Markets

Color Coded by Vacancy Rate



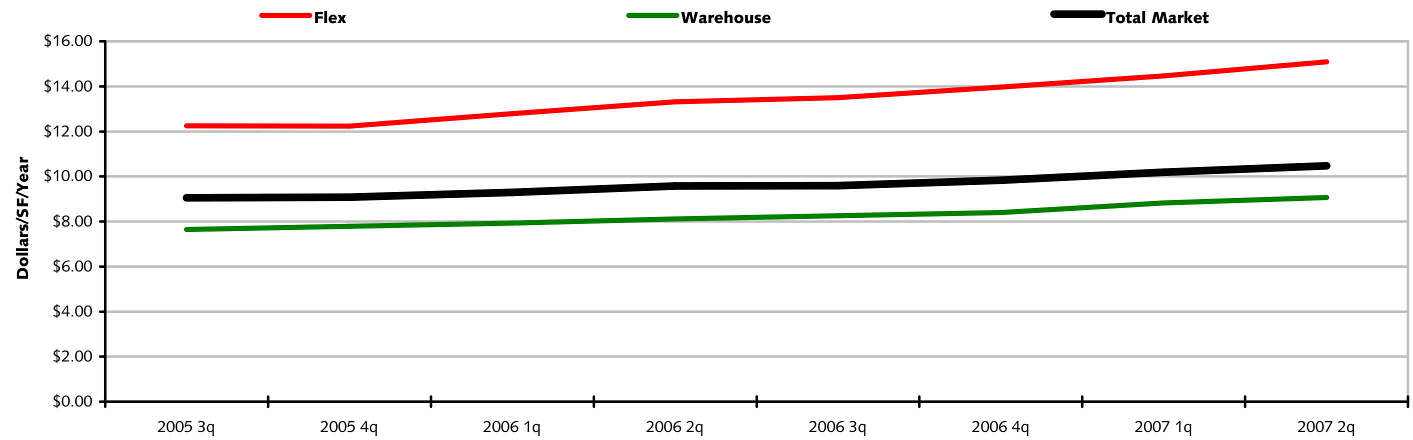
Source: CoStar Property®

Orange County Industrial Market

LEASING ACTIVITY

Historical Rental Rates

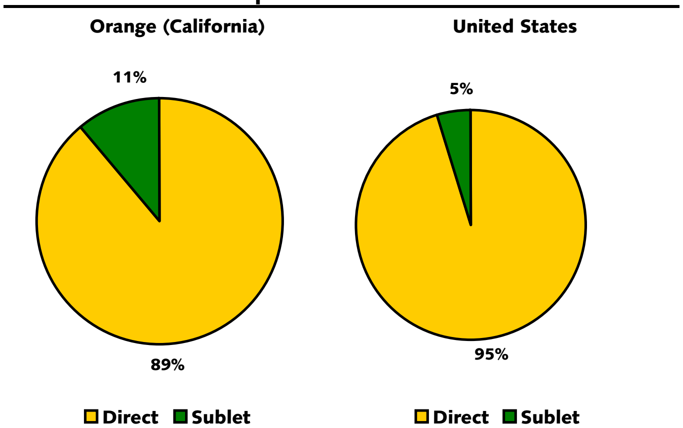
Based on Quoted Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

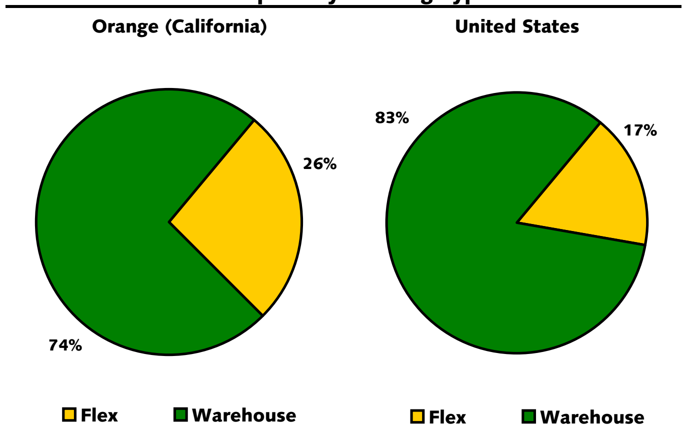
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

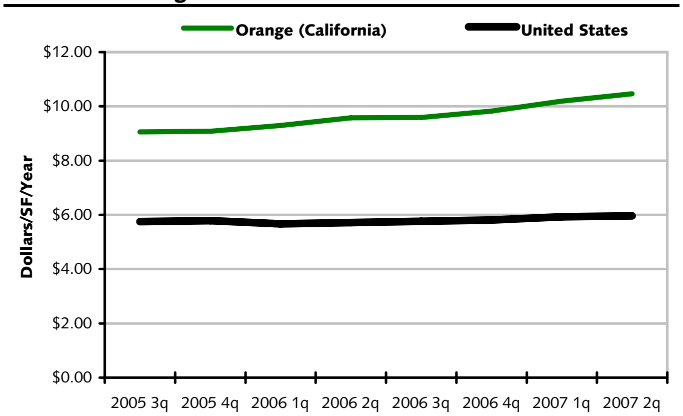
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. Rental Rate Comparison

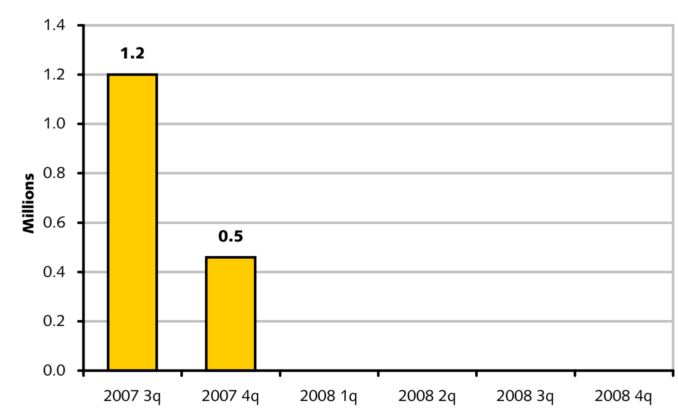
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

** Includes Under Construction Space*

Orange County Industrial Market

LEASING ACTIVITY

Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2007

	Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1	6400 Valley View St	Buena Park Ind	238,720	1st	Quaker Oates Distribution	Staubach Commercial Services - SoCa	Jones Lang LaSalle Americas, Inc.
2	1515 S Manchester Ave	Disneyland Area Ind	166,868	2nd	Sybron Dental Specialties	Grubb & Ellis	Voit Commercial Brokerage
3	5 Pasteur	Irvine Spectrum Ind	164,000	1st	N/A	N/A	The Irvine Company
4	5911 Fresca Dr	Buena Park Ind	131,280	1st	Faro Services	Voit Commercial Brokerage	Voit Commercial Brokerage
5	Savi Tech Center*	Anaheim Hills Ind	122,361	2nd	Nobel Biocare USA, Inc.	Studley	The Shidler Group
6	Garden Grove Center*	Garden Grove Ind	100,800	2nd	Linder's Furniture Corporate HQ	N/A	N/A
7	4101 Bonita Pl	Brea Ind	85,480	1st	N/A	N/A	Lee & Associates
8	6590 Darin Way	Garden Grove Ind	63,792	1st	Hanjiro Corp	NAI Capital	CB Richard Ellis
9	445 W Freedom Way	Lincoln Ave Corridor Ind	60,647	2nd	N/A	N/A	Lee & Associates
10	1000 N Edward Ct	Placentia West Ind	58,780	2nd	N/A	N/A	CB Richard Ellis
11	1700 E Carnegie Ave	Tustin Ind	52,116	2nd	Iteris, Inc.	Cushman & Wakefield Inc.	Grubb & Ellis
12	Pacific Business Center - Bldg 3	Mission Viejo Ind	50,518	2nd	Pacific World Corporation	CB Richard Ellis	ProLogis
13	14370 Myford Rd	Tustin Ind	49,834	1st	N/A	N/A	The Irvine Company
14	6262 Katella Ave	Cypress/Los Alamitos Ind	49,334	2nd	Shercon	CB Richard Ellis	CB Richard Ellis
15	601 W Dyer Rd	South Santa Ana East Ind	48,000	1st	Logomark	N/A	Colliers International
16	2815 Warner Ave	Tustin Ind	47,424	1st	N/A	N/A	Lee & Associates
17	1641 S Sunkist St	Anaheim Stadium Area Ind	42,383	1st	Verizon Wireless	Grubb & Ellis	Voit Commercial Brokerage
18	6245 Descanso Cir	Buena Park Ind	42,283	2nd	N/A	N/A	Colliers International
19	67 Fairbanks	Irvine Spectrum Ind	41,448	1st	N/A	N/A	CB Richard Ellis
20	23695 Via Del Rio	Anaheim Hills Ind	40,112	1st	Vycon	N/A	Cushman & Wakefield Inc.
21	Fullerton Crossroads - Bldg B*	Fullerton Complex Ind	39,257	1st	Hexcel Schwebel	Direct Deal	RREEF
22	2331 Pullman St	Tustin Ind	37,171	1st	Synchronous Aerospace	Colliers International	Colliers International
23	2350 W Artesia Ave	Fullerton Complex Ind	34,966	1st	N/A	N/A	Voit Commercial Brokerage
24	15201 Woodlawn Ave	Tustin Ind	34,000	2nd	N/A	N/A	Lee & Associates
25	Turner Lake Forest Bus Pk - Bldg 3	Mission Viejo Ind	33,804	1st	On The Edge Marketing	Lee & Associates	Grubb & Ellis
26	2990 Airway Ave	Airport Complex South Ind	33,520	1st	N/A	N/A	CB Richard Ellis
27	17500 Gillette Ave	Irvine Business Ctr Ind	33,400	1st	N/A	N/A	Lee & Associates
28	3183 Red Hill Ave	Airport Complex South Ind	32,845	2nd	Prime Technologies, Inc.	N/A	N/A
29	60 Parker	Irvine Spectrum Ind	32,103	2nd	Lifted Research Group	Lee & Associates	Cushman & Wakefield Inc.
30	210 W Taft Ave	Chapman Ave Corridor Ind	31,700	2nd	N/A	N/A	Lee & Associates
31	15272 Bolsa Chica St	West Huntington Beach Ind	30,830	1st	N/A	N/A	CB Richard Ellis
32	1830 E Warner Ave	Tustin Ind	30,000	2nd	N/A	N/A	Lee & Associates
33	Skylab Corporate Center - Bldg 2	Garden Grove Ind	28,900	1st	Airtech International	Colliers International	Colliers International
34	51 Discovery	Irvine Spectrum Ind	28,672	2nd	N/A	N/A	The Irvine Company
35	7321 Lincoln Way	Garden Grove Ind	27,857	2nd	N/A	N/A	Lee & Associates
36	39 Tesla	North Laguna Hills Ind	27,300	1st	Vizio	N/A	Grubb & Ellis
37	3641 Sausalito St	Cypress/Los Alamitos Ind	27,162	1st	Bigger, Farther, Faster	N/A	Lee & Associates
38	1818 E Rosslynn Ave	Fullerton Complex Ind	27,124	1st	Metalclad	CB Richard Ellis	Colliers International
39	5142 Argosy Ave	West Huntington Beach Ind	27,055	1st	N/A	N/A	CB Richard Ellis
40	51 Discovery	Irvine Spectrum Ind	26,745	2nd	N/A	N/A	The Irvine Company

Source: CoStar Property®

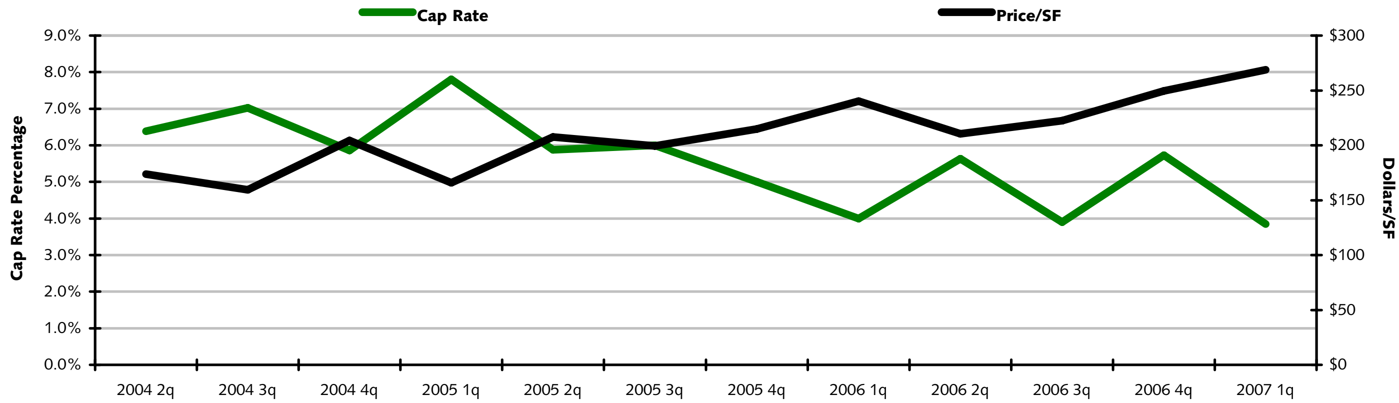
* Renewal

Orange County Industrial Market

SALES ACTIVITY

The Optimist Sales Index

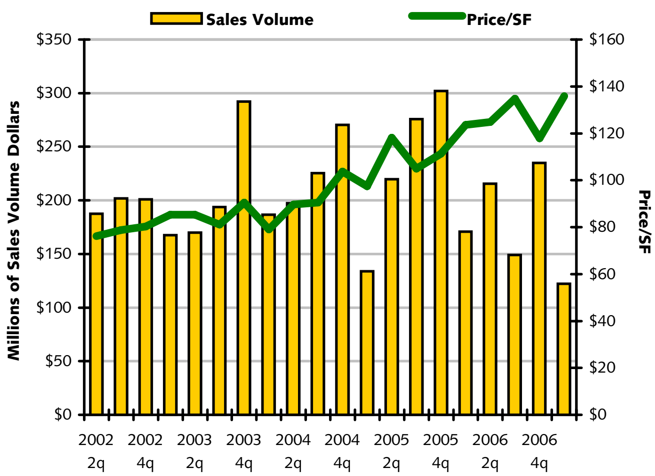
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

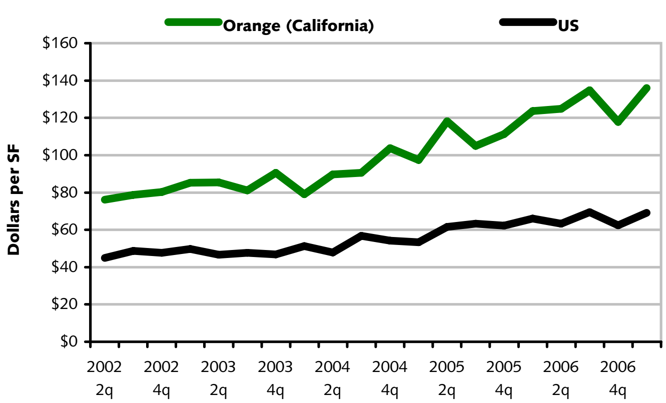
Based on Industrial Bldg Sales From April 2006 - March 2007

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 25,000 SF	214	1,779,624	$ 367,304,506	$ 206.39	5.86%
25K-99K SF	52	2,479,168	$ 362,743,571	$ 146.32	5.55%
100K-249K SF	7	960,935	$ 103,785,808	$ 108.01	6.08%
>250K SF	5	1,738,311	$ 166,100,000	$ 95.55	5.20%

Source: CoStar COMPS®

U.S. Price/SF Comparison

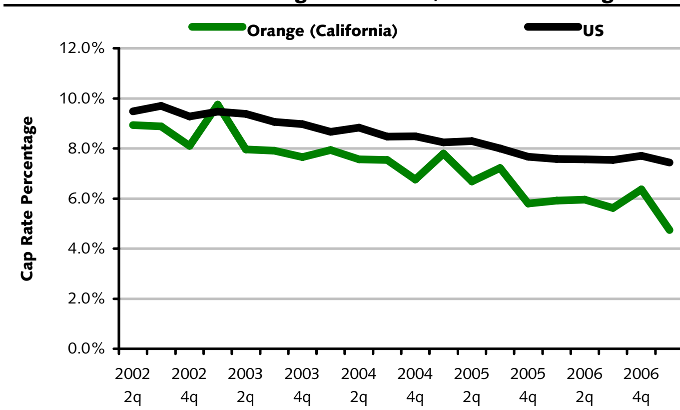
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Orange County Industrial Market

SALES ACTIVITY

Select Top Sales

Based on Sales from April 2006 Through March 2007

1. 458-486 E Lambert Rd

Fullerton

Price:	**$40,000,000**
Price/SF:	**$98.46**
Cap Rate:	**5.2%**
RBA:	**406,261**
Date:	**3/21/2007**
Year Built:	**1974**
Buyer:	**CP/IPERS Fullerton Distribution Center LLC**
Seller:	**Fullerton Distribution Center, Inc.**

2. 2001-2007 E Dyer Rd

Santa Ana

Price:	**$38,000,000**
Price/SF:	**$103.83**
Cap Rate:	**N/A**
RBA:	**366,000**
Date:	**12/5/2006**
Year Built:	**1978**
Buyer:	**FR/CAL Dyer Road, LLC**
Seller:	**Rock-Valencia, LLC**

3. 610 S Olive St

Anaheim

Price:	**$30,600,000**
Price/SF:	**$75.06**
Cap Rate:	**N/A**
RBA:	**407,677**
Date:	**11/13/2006**
Year Built:	**1965**
Buyer:	**Brookfield Olive Street Llc**
Seller:	**Anaheim Redevelopment Agency**

4. 1650 N Kraemer Blvd

Anaheim

Price:	**$29,000,000**
Price/SF:	**$104.76**
Cap Rate:	**N/A**
RBA:	**276,825**
Date:	**12/28/2006**
Year Built:	**1973**
Buyer:	**Crossroads Investors**
Seller:	**Hart Realty Advisors**

5. 4633 La Palma Avenue

Anaheim

Price:	**$28,500,000**
Price/SF:	**$101.23**
Cap Rate:	**N/A**
RBA:	**281,548**
Date:	**6/7/2006**
Year Built:	**2002**
Buyer:	**Rialto Phase II LLC**
Seller:	**CTG Properties, LLC**

6. 12131 Western Ave

Garden Grove

Price:	**$21,660,808**
Price/SF:	**$112.46**
Cap Rate:	**N/A**
RBA:	**192,609**
Date:	**5/2/2006**
Year Built:	**1987**
Buyer:	**12131 Western LLC**
Seller:	**LBA Realty Fund-Holding Company I**

7. 2050 S State College Blvd

Anaheim

Price:	**$20,400,000**
Price/SF:	**$198.06**
Cap Rate:	**N/A**
RBA:	**103,000**
Date:	**6/29/2006**
Year Built:	**N/A**
Buyer:	**Platinum Triangle Partners LLC**
Seller:	**Whittle Investors-State College LP**

8. 2051 Raymer Ave

Fullerton

Price:	**$16,975,000**
Price/SF:	**$101.19**
Cap Rate:	**5.3%**
RBA:	**167,754**
Date:	**7/21/2006**
Year Built:	**1998**
Buyer:	**Raymer Avenue LLC**
Seller:	**K-II Fullerton LLC**

9. 26111 Enterprise Way

Lake Forest

Price:	**$14,300,000**
Price/SF:	**$199.56**
Cap Rate:	**5.25%**
RBA:	**71,656**
Date:	**11/2/2006**
Year Built:	**1999**
Buyer:	**Lake Forest Associate, Inc**
Seller:	**Lake Street Advisors LLC**

Source: CoStar COMPS®

Orange County Industrial Market

SALES ACTIVITY

Select Same Building Sales

Based On Recent Building Sales Compared to Prior Sale

20 Morgan		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	20 Morgan	Price:	$3,925,000	Price:	$2,500,000
City:	Irvine	Price/SF:	$208.33	Price/SF:	$132.70
RBA:	18,840	Cap Rate:	6.84%	Cap Rate:	N/A
Year Built:	1986	Date:	4/6/2005	Date:	2/19/2003
Tot $ Return:	$1,425,000	Buyer:	Julie Celeste Montgomery Tru	Buyer:	20 Morgan Investment
Tot % Return:	57%	Seller:	20 Morgan Investments LLC	Seller:	Eugene D. & Janet Miscione
Ann.Return:	26%	Brokers:	Jeff Montgomery	Brokers:	Voit Commercial Brokerage
Months Held:	26		Voit Commercial Brokerage		CB Richard Ellis

30412 Esperanza		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	30412 Esperanza	Price:	$3,587,500	Price:	$2,300,000
City:	Rancho Santa Margarita	Price/SF:	$175.00	Price/SF:	$112.20
RBA:	20,500	Cap Rate:	5.76%	Cap Rate:	N/A
Year Built:	2001	Date:	4/26/2007	Date:	11/20/2003
Tot $ Return:	$1,287,500	Buyer:	CRT One LLC	Buyer:	Meyers & Roy
Tot % Return:	56%	Seller:	Meyers & Roy LLC	Seller:	Connecticut General Life Ins
Ann.Return:	16%	Brokers:	Lee & Associates	Brokers:	Lee & Associates
Months Held:	41				CB Richard Ellis

30 Rancho CicleBldg #30		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	30 Rancho Cir	Price:	$2,548,000	Price:	$1,500,000
City:	Lake Forest	Price/SF:	$271.99	Price/SF:	$160.12
RBA:	9,368	Cap Rate:	5.45%	Cap Rate:	N/A
Year Built:	2004	Date:	1/5/2007	Date:	7/14/2004
Tot $ Return:	$1,048,000	Buyer:	Heitman Holdings, Inc.	Buyer:	Randy & Donna Raus
Tot % Return:	70%	Seller:	Randy & Donna Raus	Seller:	Centra/AB Commerce Center Ho
Ann.Return:	28%	Brokers:	Lee & Associates	Brokers:	Colliers International
Months Held:	30				

22502 Avenida Empresa		Most Recent Sale		Sale Prior to Most Recent Sale	
Address:	22502 Avenida Empresa	Price:	$1,567,875	Price:	$770,000
City:	Rancho Santa Margarita	Price/SF:	$277.50	Price/SF:	$136.28
RBA:	5,650	Cap Rate:	5.8%	Cap Rate:	N/A
Year Built:	1998	Date:	10/24/2006	Date:	9/23/2004
Tot $ Return:	$797,875	Buyer:	Chad & Cari Peets	Buyer:	Barrons Family Trust, et al
Tot % Return:	104%	Seller:	Barrons Family Trust	Seller:	Nordberg & Neuland, G.P.
Ann.Return:	50%	Brokers:	Voit Commercial Brokerage	Brokers:	N/A
Months Held:	25		Lee & Associates		

Select Land Sales

Based on Industrial Zoned Land Sales Occurring From April 2006 - March 2007

34650 Pacific Coast Hwy, Dana Point	
Sale Price:	$2,600,000
Acres:	0.51
Price/SF:	$117.64
Closing Date:	05/24/2006
Zoning:	VRC, Dana Point
Intended Use:	Hold for Development
Buyer:	Kamran & Jila Khoobehi
Seller:	Capistrano Beach Villas, LLC

207 Avenida De La Estrella, San Clemente	
Sale Price:	$1,530,000
Acres:	0.18
Price/SF:	$191.23
Closing Date:	07/19/2006
Zoning:	N/Av, San Clemente
Intended Use:	Unknown
Buyer:	Corner Lot Partners LP
Seller:	Crystal Development LLC

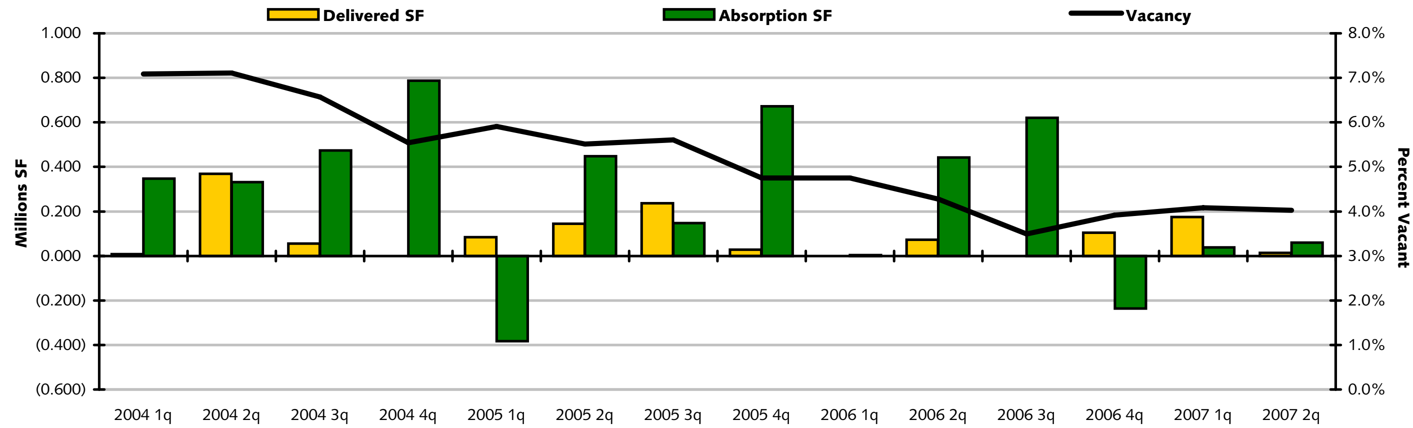
Source: CoStar COMPS®

Orange County Industrial Market

AIRPORT AREA MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

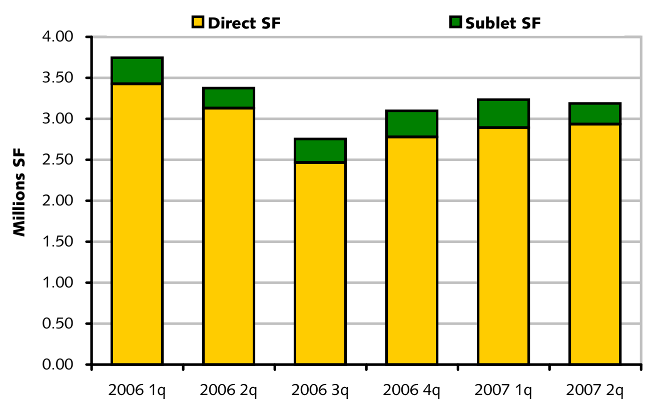
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

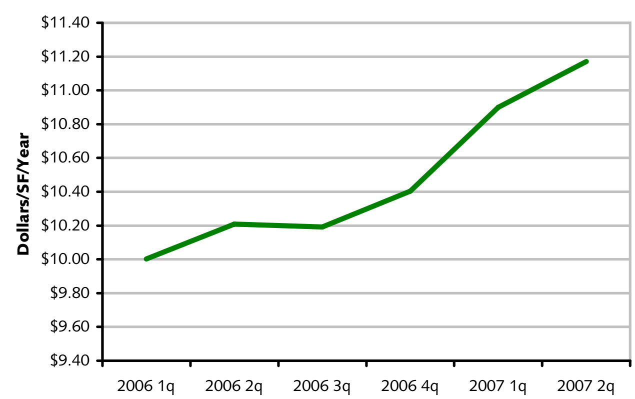
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2007 2q	3,095	79,226,045	3,187,070	4.0%	60,435	1	13,747	0	0	$11.17
2007 1q	3,094	79,212,298	3,233,758	4.1%	38,330	5	175,294	1	13,747	$10.90
2006 4q	3,089	79,037,004	3,096,794	3.9%	(236,564)	3	104,931	6	189,041	$10.40
2006 3q	3,086	78,932,073	2,755,299	3.5%	620,837	0	0	9	293,972	$10.19
2006 2q	3,086	78,932,073	3,376,136	4.3%	442,167	5	72,938	9	293,972	$10.21
2006 1q	3,081	78,859,135	3,745,365	4.7%	4,067	0	0	12	339,264	$10.00
2005 4q	3,081	78,859,135	3,749,432	4.8%	671,775	2	27,987	7	172,302	$9.58
2005 3q	3,080	78,858,802	4,420,874	5.6%	147,117	18	236,176	7	100,925	$9.63
2005 2q	3,062	78,622,626	4,331,815	5.5%	448,667	2	145,202	20	264,163	$9.32
2005 1q	3,060	78,477,424	4,635,280	5.9%	(382,530)	15	84,962	20	381,378	$9.34
2004 4q	3,049	78,577,796	4,353,122	5.5%	787,460	0	0	33	394,918	$9.04
2004 3q	3,050	78,599,796	5,162,582	6.6%	473,797	11	55,535	33	394,918	$9.29
2004 2q	3,039	78,544,261	5,580,844	7.1%	331,817	10	369,497	25	126,327	$9.26
2004 1q	3,029	78,174,764	5,543,164	7.1%	346,982	1	7,616	35	495,824	$8.76
2003 4q	3,028	78,167,148	5,882,530	7.5%	531,799	6	64,512	22	432,648	$9.19
2003 3q	3,022	78,102,636	6,349,817	8.1%	(651,060)	1	7,302	17	441,625	$9.06

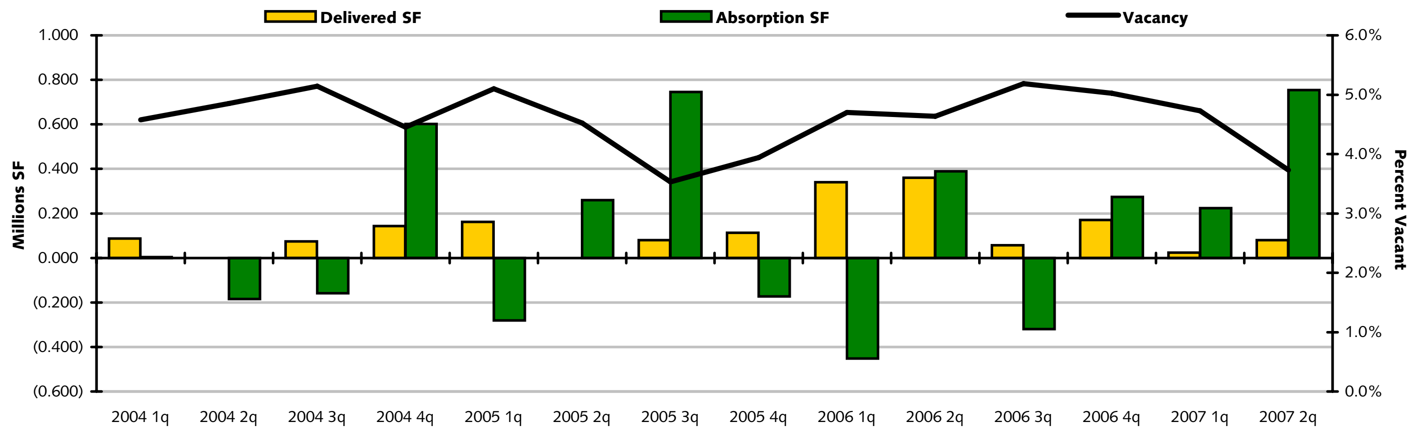
Source: CoStar Property®

Orange County Industrial Market

CENTRAL COUNTY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

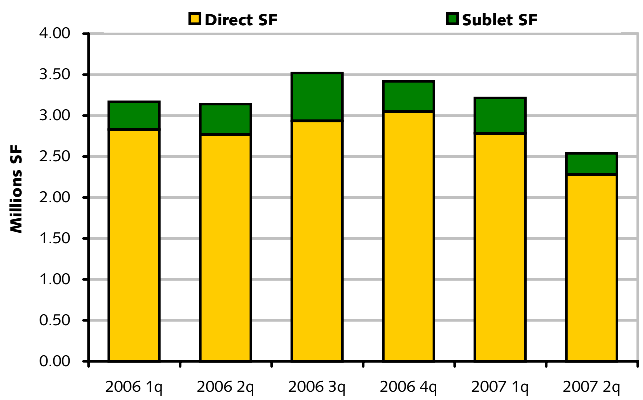
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

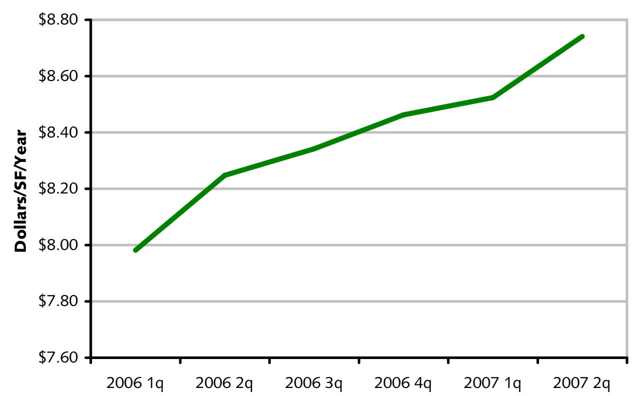
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2007 2q	2,982	68,119,793	2,540,798	3.7%	754,442	6	79,653	5	75,037	$8.74
2007 1q	2,976	68,040,140	3,215,587	4.7%	224,230	3	23,772	11	154,690	$8.52
2006 4q	2,973	68,016,368	3,416,045	5.0%	274,312	10	171,055	9	103,425	$8.46
2006 3q	2,963	67,845,313	3,519,302	5.2%	(319,861)	5	57,540	17	233,792	$8.34
2006 2q	2,958	67,787,773	3,141,901	4.6%	388,604	9	360,805	21	274,925	$8.25
2006 1q	2,949	67,426,968	3,169,700	4.7%	(451,847)	11	339,810	30	635,730	$7.98
2005 4q	2,948	67,363,874	2,654,759	3.9%	(172,802)	9	112,589	31	830,880	$7.87
2005 3q	2,940	67,256,885	2,374,968	3.5%	744,858	1	80,000	20	452,399	$7.68
2005 2q	2,939	67,176,885	3,039,826	4.5%	259,035	0	0	16	476,778	$7.78
2005 1q	2,940	67,308,885	3,430,861	5.1%	(280,519)	16	161,886	15	411,778	$8.37
2004 4q	2,924	67,146,999	2,988,456	4.5%	601,152	1	142,895	20	353,441	$7.58
2004 3q	2,923	67,004,104	3,446,713	5.1%	(158,829)	1	74,500	17	304,781	$7.07
2004 2q	2,925	66,964,602	3,248,382	4.9%	(184,263)	0	0	18	379,281	$7.48
2004 1q	2,925	66,964,602	3,064,119	4.6%	3,873	6	86,673	2	217,395	$7.46
2003 4q	2,919	66,877,929	2,981,319	4.5%	216,732	0	0	7	161,173	$7.10
2003 3q	2,919	66,877,929	3,198,051	4.8%	167,681	0	0	7	161,173	$7.20

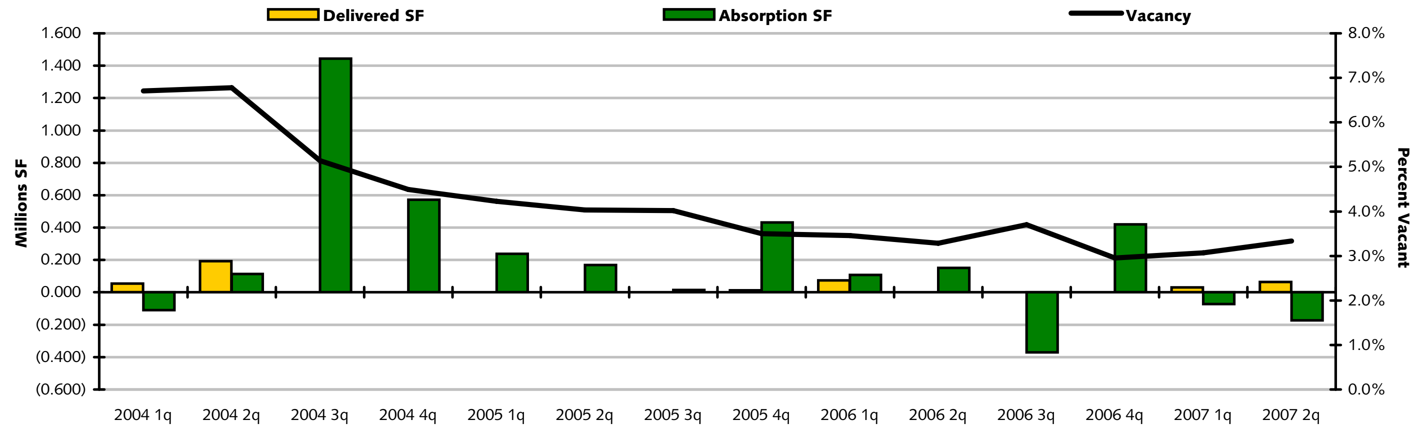
Source: CoStar Property®

Orange County Industrial Market

NORTH COUNTY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

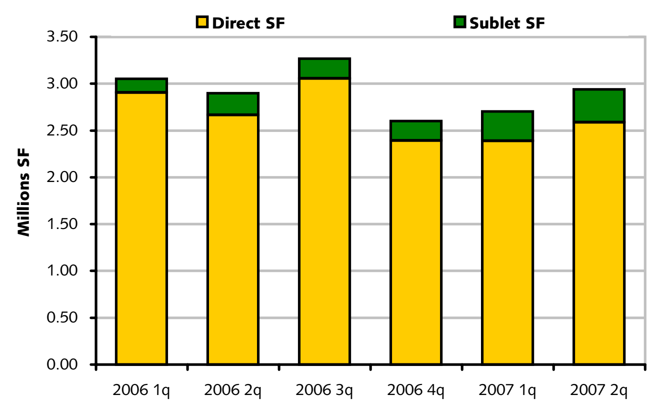
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

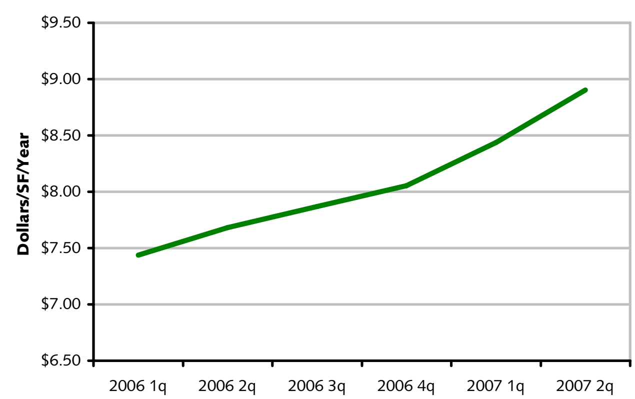
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
Period	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2007 2q	2,626	88,111,062	2,940,856	3.3%	(172,852)	12	63,568	28	486,029	$8.90
2007 1q	2,614	88,047,494	2,704,436	3.1%	(72,972)	4	29,902	40	549,597	$8.44
2006 4q	2,610	88,017,592	2,601,562	3.0%	420,658	0	0	44	579,499	$8.05
2006 3q	2,611	88,263,957	3,268,585	3.7%	(369,745)	0	0	44	579,499	$7.87
2006 2q	2,611	88,263,957	2,898,840	3.3%	151,718	0	0	26	225,604	$7.68
2006 1q	2,611	88,263,957	3,050,558	3.5%	108,472	6	74,271	26	225,604	$7.44
2005 4q	2,605	88,189,686	3,084,759	3.5%	432,193	1	12,772	16	206,405	$7.11
2005 3q	2,605	88,214,120	3,541,386	4.0%	15,687	0	0	17	219,177	$7.16
2005 2q	2,605	88,214,120	3,557,073	4.0%	169,352	0	0	7	87,043	$6.94
2005 1q	2,605	88,214,120	3,726,425	4.2%	238,444	0	0	0	0	$6.69
2004 4q	2,605	88,214,120	3,964,869	4.5%	571,356	0	0	0	0	$6.56
2004 3q	2,605	88,214,120	4,536,225	5.1%	1,443,258	0	0	0	0	$6.50
2004 2q	2,605	88,214,120	5,979,483	6.8%	113,536	8	191,992	0	0	$6.17
2004 1q	2,597	88,022,128	5,901,027	6.7%	(109,622)	2	53,477	8	191,992	$6.44
2003 4q	2,595	87,968,651	5,737,928	6.5%	700,531	10	528,941	8	205,104	$6.58
2003 3q	2,585	87,439,710	5,909,518	6.8%	64,537	2	69,260	18	734,045	$6.71

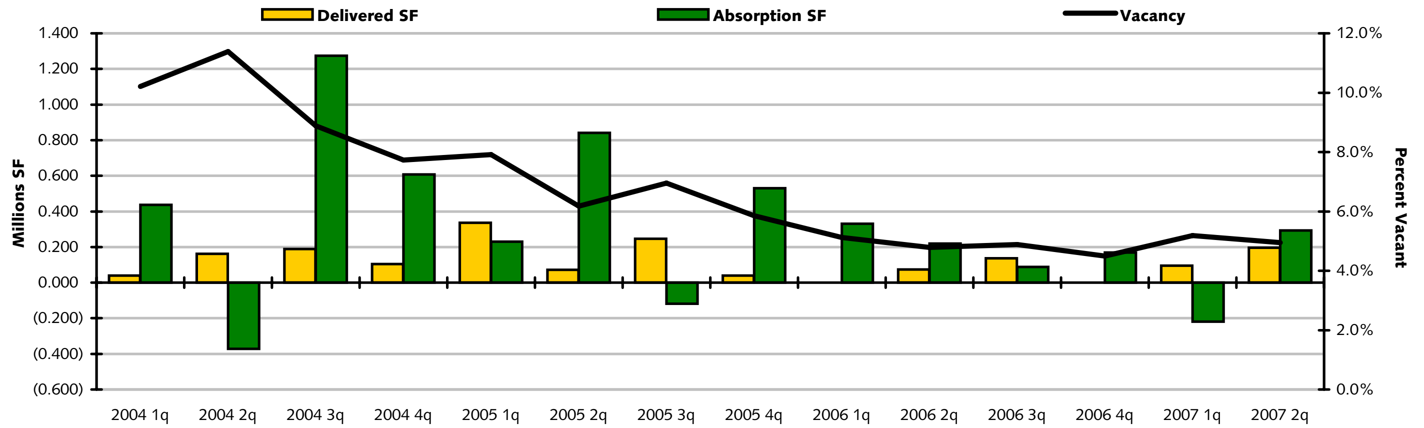
Source: CoStar Property®

Orange County Industrial Market

SOUTH COUNTY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

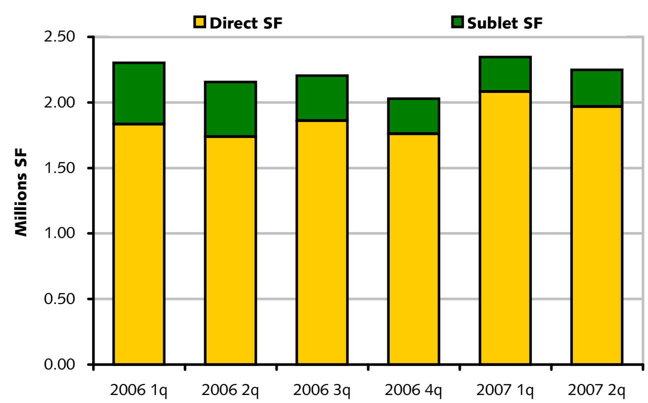
Deliveries, Absorption & Vacancy **Historical Analysis, Flex and Warehouse**



Source: CoStar Property®

Vacant Space

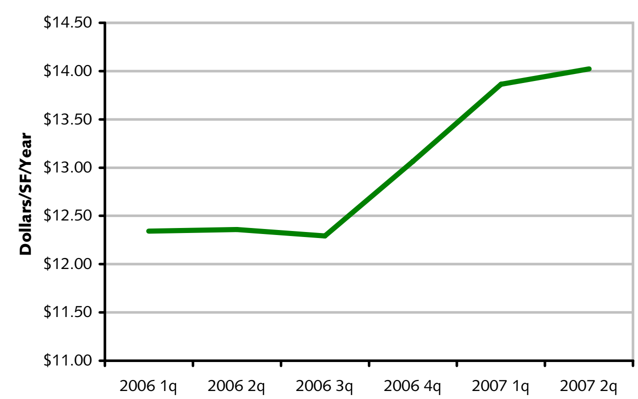
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2007 2q	1,812	45,461,409	2,248,097	4.9%	292,779	9	195,755	9	245,358	$14.02
2007 1q	1,803	45,265,654	2,345,121	5.2%	(219,576)	9	96,027	17	418,716	$13.86
2006 4q	1,794	45,169,627	2,029,518	4.5%	168,617	0	0	18	291,782	$13.07
2006 3q	1,795	45,175,627	2,204,135	4.9%	87,632	6	136,114	18	291,782	$12.29
2006 2q	1,789	45,039,513	2,155,653	4.8%	218,646	4	72,962	23	420,337	$12.36
2006 1q	1,785	44,966,551	2,301,337	5.1%	331,345	0	0	17	287,328	$12.34
2005 4q	1,785	44,966,551	2,632,682	5.9%	531,028	9	39,351	12	261,955	$12.04
2005 3q	1,776	44,927,200	3,124,359	7.0%	(118,416)	11	246,713	17	186,639	$11.89
2005 2q	1,765	44,680,487	2,759,230	6.2%	841,237	2	72,414	21	299,348	$11.17
2005 1q	1,763	44,608,073	3,528,053	7.9%	229,713	42	337,093	23	371,762	$11.21
2004 4q	1,721	44,270,980	3,420,673	7.7%	606,757	8	104,890	63	664,446	$10.94
2004 3q	1,713	44,166,090	3,922,540	8.9%	1,273,911	20	189,052	62	614,623	$10.63
2004 2q	1,693	43,977,038	5,007,399	11.4%	(371,147)	28	161,807	65	575,629	$10.30
2004 1q	1,665	43,815,231	4,474,445	10.2%	437,382	1	39,450	88	561,069	$10.22
2003 4q	1,664	43,775,781	4,872,377	11.1%	655,123	9	129,728	66	370,967	$10.12
2003 3q	1,655	43,646,053	5,397,772	12.4%	(24,140)	22	250,392	10	169,178	$10.07

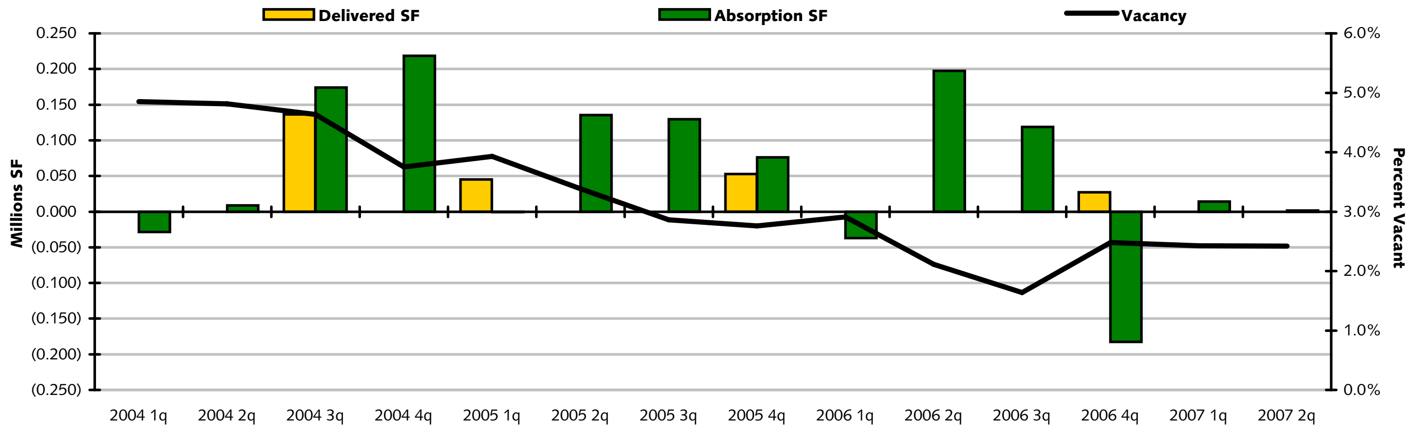
Source: CoStar Property®

Orange County Industrial Market

WEST COUNTY MARKET

MARKET HIGHLIGHTS - FLEX & WAREHOUSE

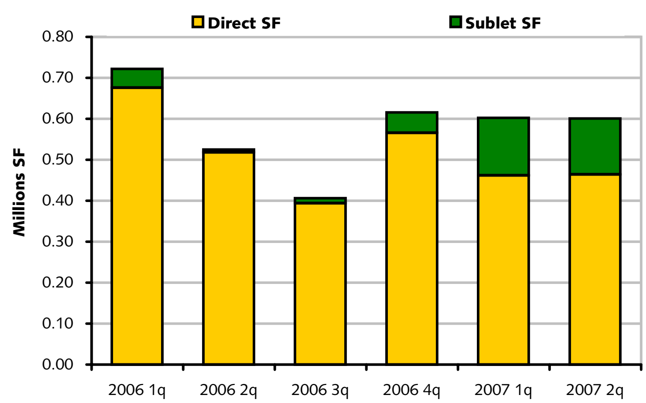
Deliveries, Absorption & Vacancy Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

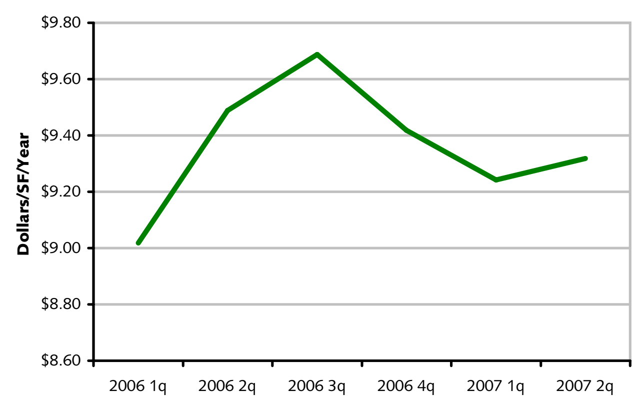
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2007 2q	1,052	24,830,963	600,573	2.4%	1,408	0	0	0	0	$9.32
2007 1q	1,052	24,830,963	601,981	2.4%	13,993	0	0	0	0	$9.24
2006 4q	1,052	24,830,963	615,974	2.5%	(182,760)	1	27,162	0	0	$9.42
2006 3q	1,051	24,803,801	406,052	1.6%	118,736	0	0	1	27,162	$9.69
2006 2q	1,051	24,803,801	524,788	2.1%	197,375	0	0	1	27,162	$9.49
2006 1q	1,051	24,803,801	722,163	2.9%	(37,229)	0	0	0	0	$9.02
2005 4q	1,051	24,803,801	684,934	2.8%	76,083	1	52,908	0	0	$8.89
2005 3q	1,050	24,750,893	708,109	2.9%	129,475	0	0	1	52,908	$8.71
2005 2q	1,050	24,750,893	837,584	3.4%	135,565	0	0	1	52,908	$8.56
2005 1q	1,050	24,750,893	973,149	3.9%	(467)	9	45,252	0	0	$8.32
2004 4q	1,041	24,705,641	927,430	3.8%	218,339	0	0	9	45,252	$8.25
2004 3q	1,041	24,705,641	1,145,769	4.6%	173,998	3	136,339	9	45,252	$8.30
2004 2q	1,038	24,569,302	1,183,428	4.8%	8,668	0	0	12	181,591	$8.06
2004 1q	1,038	24,569,302	1,192,096	4.9%	(28,390)	0	0	3	136,339	$7.92
2003 4q	1,038	24,569,302	1,163,706	4.7%	83,159	7	58,186	0	0	$8.28
2003 3q	1,032	24,526,476	1,204,039	4.9%	(158,833)	0	0	7	58,186	$8.49

Source: CoStar Property®