CORONA-NORCO INDUSTRIAL MARKET

Manufacturing/Distribution

Fourth Quarter 2011 Report

Prepared By:

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COMMERCIAL REAL ESTATE SERVICES

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Industrial Market

Corona/Norco

Area Maps & Terminology

Terminology

- **Gross Absorption:**
  All lease and sale activity excluding: investments, options and renewals.

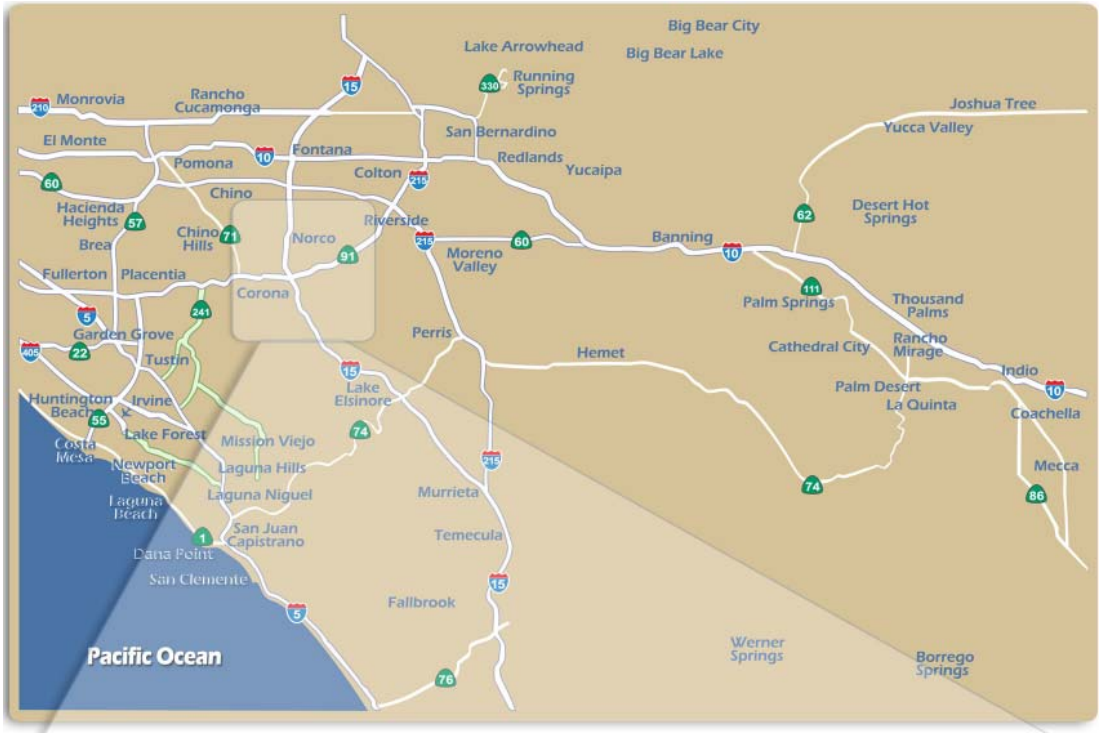
- **Base:**
  Total square feet excluding: possible divisibility, planned buildings and build to suits.

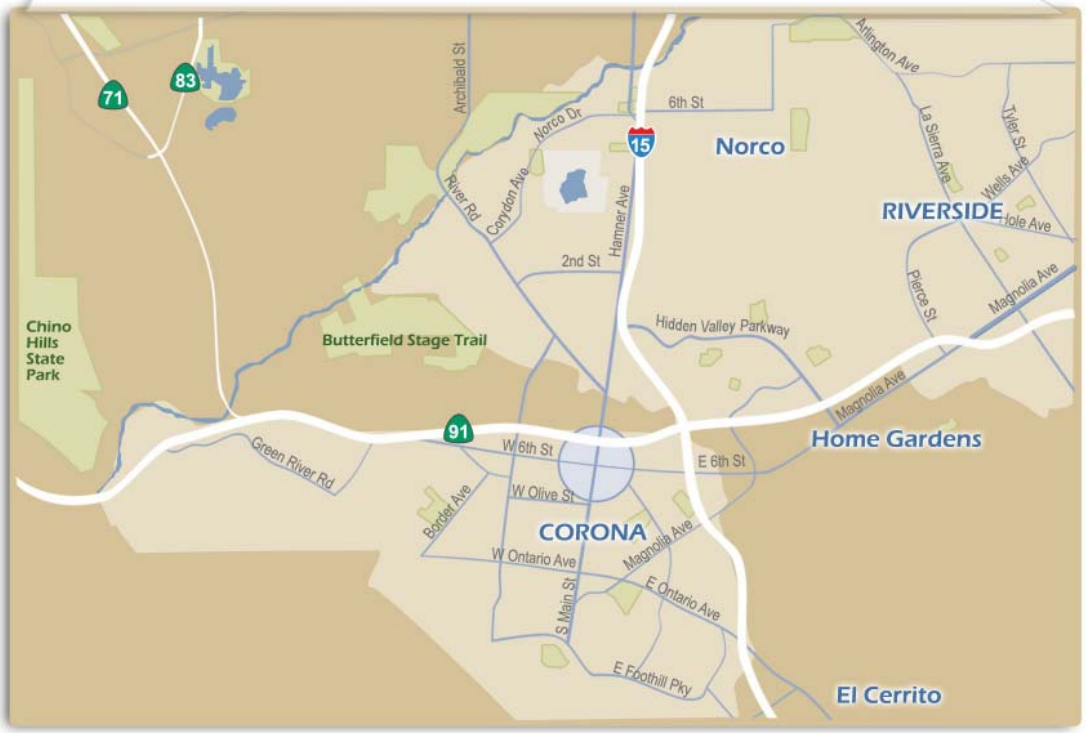
- **Availability Rate:**
  Total existing available square feet divided by the base square feet.

- **Under Construction:**
  Buildings that are or have become under construction throughout the current quarter that are not yet complete.

- **Submarket:**
  A trade area comprised of one or more cities. Submarkets in the Corona/Norco area are as follows:

  - City of Corona
  - City of Norco





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Industrial Market

Corona/Norco

Fourth Quarter 2011 - At A Glance

2011 FOURTH QUARTER

Absorption

Gross absorption for fourth quarter 2011 was 512,438 SF representing a 17% increase over the previous quarter's absorption of 438,132 SF. Total gross absorption for 2011 of 2,373,182 SF represents a 15% increase over 2010 and a 63% increase over 2008, which was the low point of the market for absorption. The Corona/Norco market stabilized in 2011 and is expected to remain stable throughout 2012.

Total absorption for fourth quarter 2011 within the Corona/Norco market was represented by 355,823 SF of leasing activity and 156,615 SF of sales activity. Total absorption for 2011 was represented by 1,901,717 SF of leasing activity and 471,465 SF of sales activity.

Vacancy

Vacancy rates continued their downward trend in fourth quarter, declining to 4.65%, representing the 5th consecutive quarter of declining vacancy rates. Vacancy rates in Corona/Norco have not been below the 5% level since 2008. The lowest vacancy rates were in the 100,000+ SF range, and the highest rates were found in the 25,000-49,999 SF range.

Rate Trend

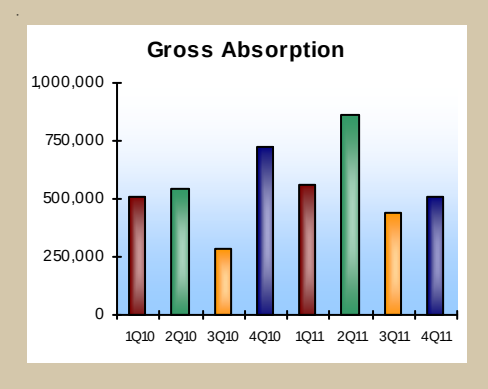
Asking sales prices per SF averaged $107.95, increasing 3% over third quarter 2011, representing the first quarter of increasing asking sales prices in over a year. Though asking sales prices are down approximately 33% from their peak in 2007, they are expected to remain stable, if not rise in 2012 as distressed sales become less frequent. Asking lease rates averaged $0.56 GRS and $0.44 NNN in fourth quarter 2011, increasing slightly over the previous quarter. Asking lease rates are expected to increase in 2012 due to the supply constrained market.

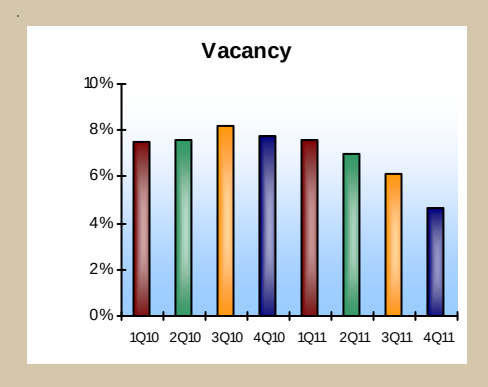
The average asking NNN rates were $0.42 per SF in the 5,000-9,999 SF range, $0.42 per SF in the 10,000-24,999 SF range, $0.46 per SF in the 25,000-49,999 SF range, $0.42 per SF in the 50,000-99,999 SF range and $0.39 per SF for the 100,000+ SF range.

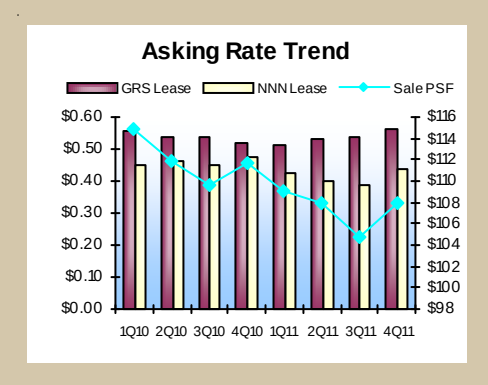
The average asking GRS rates were $0.59 per SF in the 5,000-9,999 SF range, $0.57 per SF in the 10,000-24,999 SF range, $0.48 per SF in the 25,000-49,999 SF range and $0.36 per SF in the 50,000-99,999 SF range. There were no asking GRS rates in the 100,000+ SF range.

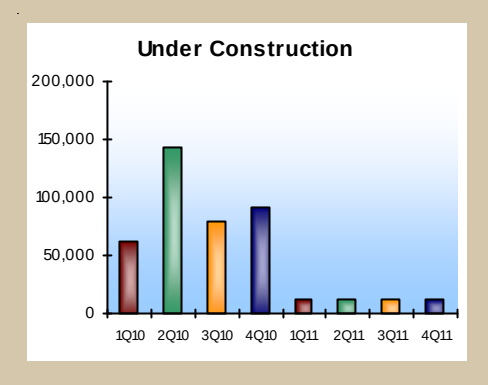
Under Construction

The manufacturing/distribution base for the fourth quarter of 2011 represented 11,352 SF under construction in one building. New construction in 2012 will be limited with only one planned building potentially breaking ground.









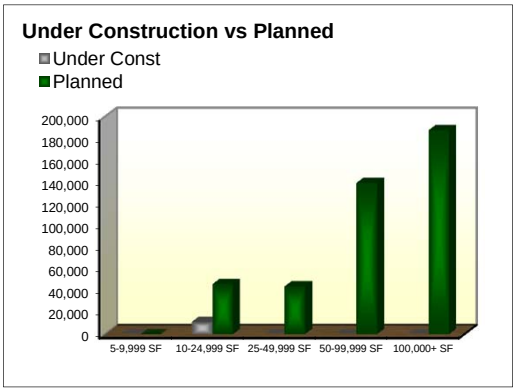
Industrial Summary Report

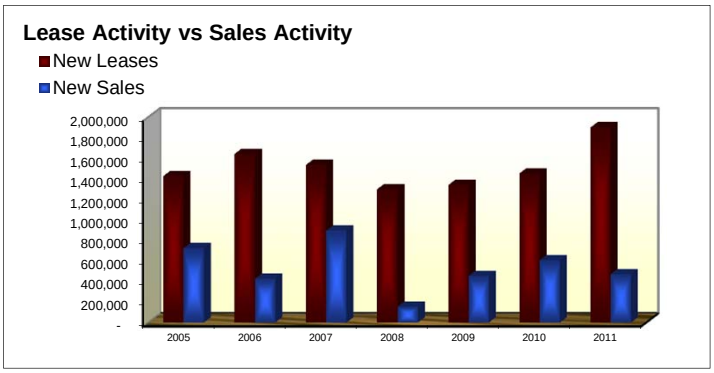
Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
Market Summary

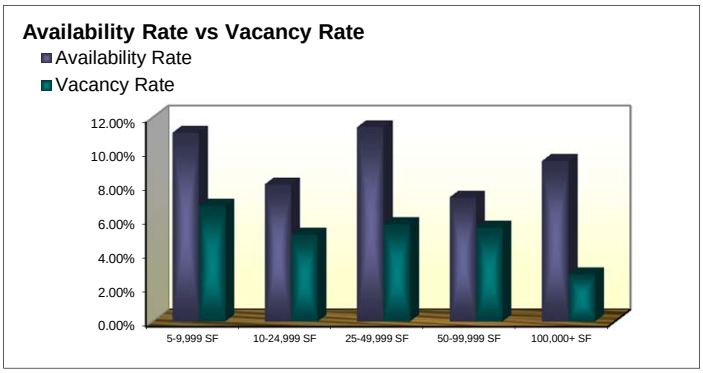
Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	282	2,091,750	232,156	11.10%	142,364	6.81%	33,546
10-24,999 SF	332	5,171,452	417,350	8.07%	264,646	5.12%	215,314
25-49,999 SF	155	5,326,011	608,947	11.43%	305,041	5.73%	62,275
50-99,999 SF	101	6,954,713	507,835	7.30%	384,466	5.53%	85,303
100,000+ SF	53	9,988,597	943,315	9.44%	276,904	2.77%	116,000
Totals	923	29,532,523	2,709,603	9.17%	1,373,421	4.65%	512,438

Gross Absorption*	2005	2006	2007	2008	2009	2010	2011
New Leases	1,426,782	1,643,346	1,535,248	1,299,460	1,340,447	1,453,728	1,901,717
New Sales	724,192	424,945	895,078	152,534	453,383	608,215	471,465
Totals	2,150,974	2,068,291	2,430,326	1,451,994	1,793,830	2,061,943	2,373,182

Size	Under Const	Count	Planned	Count
5-9,999 SF	0	0	0	0
10-24,999 SF	11,352	1	46,056	4
25-49,999 SF	0	0	43,928	1
50-99,999 SF	0	0	139,336	2
100,000+ SF	0	0	187,788	1
Totals	11,352	1	417,108	8







Total available square feet includes available existing, under construction and vacant.

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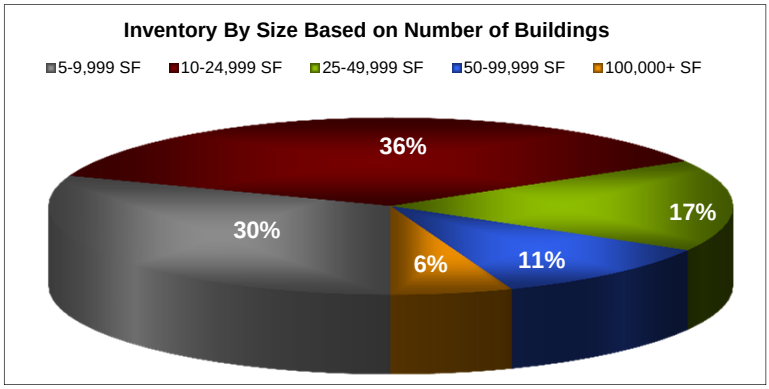
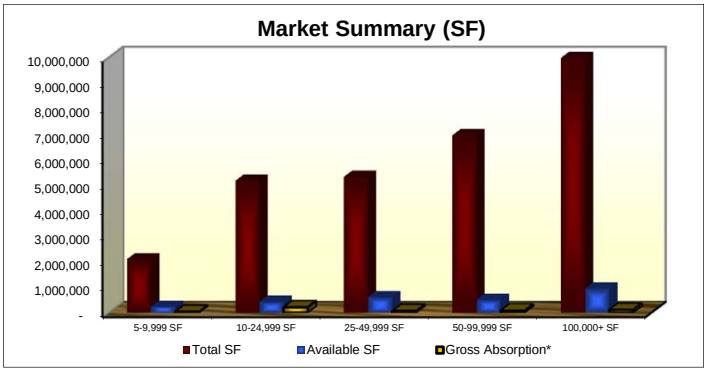
Industrial Summary Report

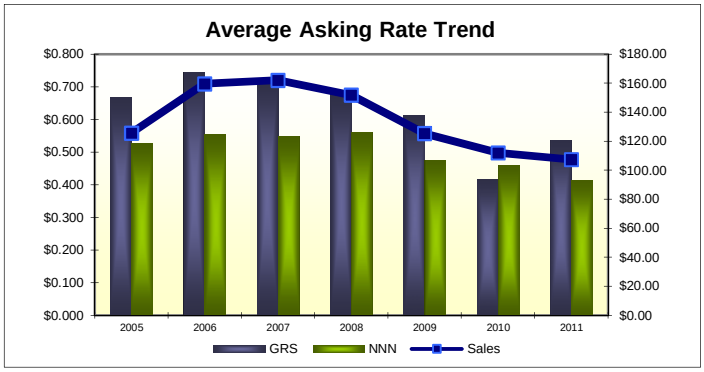
Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
Rate Summary

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	282	2,091,750	232,156	11.10%	142,364	6.81%	33,546
10-24,999 SF	332	5,171,452	417,350	8.07%	264,646	5.12%	215,314
25-49,999 SF	155	5,326,011	608,947	11.43%	305,041	5.73%	62,275
50-99,999 SF	101	6,954,713	507,835	7.30%	384,466	5.53%	85,303
100,000+ SF	53	9,988,597	943,315	9.44%	276,904	2.77%	116,000
Totals	923	29,532,523	2,709,603	9.17%	1,373,421	4.65%	512,438

Avg. Asking Rates	2005	2006	2007	2008	2009	2010	2011
GRS	$0.669	$0.746	$0.726	$0.680	$0.613	$0.417	$0.536
NNN	$0.528	$0.555	$0.548	$0.559	$0.475	$0.459	$0.413
Sales	$125.72	$159.56	$162.11	$151.79	$125.31	$112.06	$107.42







Total available square feet includes available existing, under construction and vacant.

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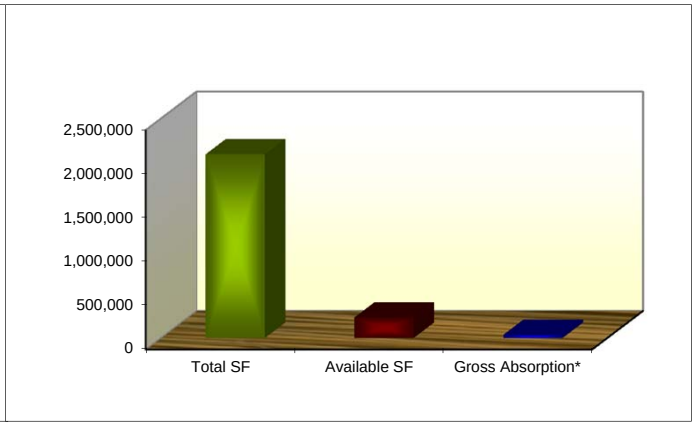
Industrial Summary Report

Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
5,000-9,999 SF

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	282	2,091,750	232,156	11.10%	142,364	6.81%	33,546



Absorption Figures*

	2005	2006	2007	2008	2009	2010	2011
Leased SF	206,990	232,953	170,293	160,846	275,492	204,144	190,434
Number Leases	27	31	25	21	36	28	26
Sold SF	85,044	117,062	129,916	32,798	46,169	61,051	52,253
Number Sales	10	15	18	4	6	7	6
Total SF	292,034	350,015	300,209	193,644	321,661	265,195	242,687

Current Average Asking Rates and Sales Prices

GRS	$0.59
NNN	$0.42
PSF	$117.29

Current Average Actual Lease Rates and Sales Prices

GRS	$0.48
NNN	N/A
PSF	$90.00

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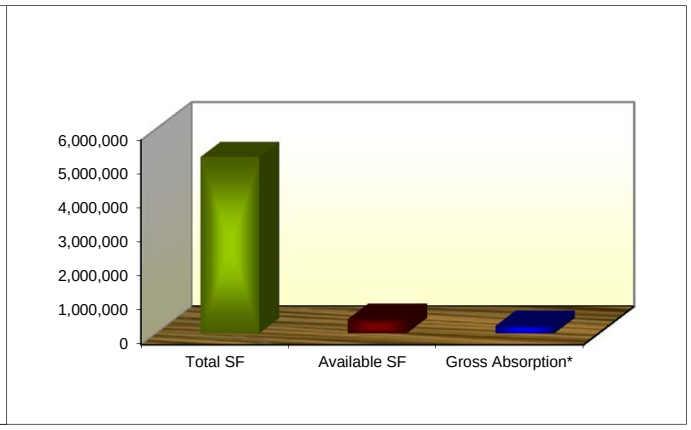
Industrial Summary Report

Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
10,000-24,999 SF

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
10-24,999 SF	332	5,171,452	417,350	8.07%	264,646	5.12%	215,314



Absorption Figures*

	2005	2006	2007	2008	2009	2010	2011
Leased SF	455,700	386,523	320,801	297,491	285,384	314,123	584,902
Number Leases	32	26	22	20	20	22	36
Sold SF	229,046	128,844	79,210	68,827	85,031	119,152	136,635
Number Sales	14	8	6	5	6	7	8
Total SF	684,746	515,367	400,011	366,318	370,415	433,275	721,537

Current Average Asking Rates and Sales Prices

GRS	$0.57
NNN	$0.42
PSF	$106.72

Current Average Actual Lease Rates and Sales Prices

GRS	$0.41
NNN	$0.36
PSF	$82.86

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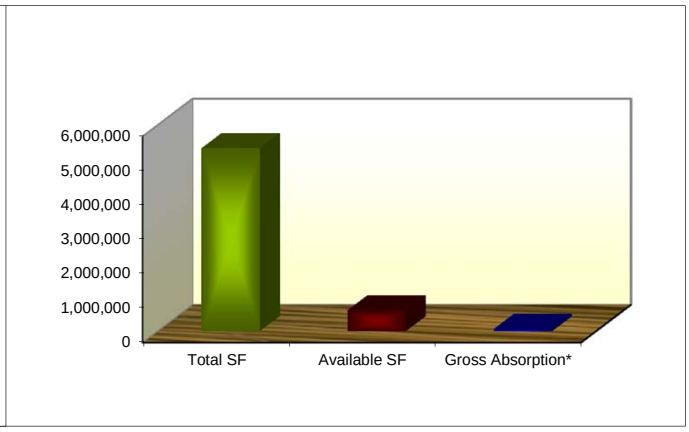
Industrial Summary Report

Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
25,000-49,999 SF

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
25-49,999 SF	155	5,326,011	608,947	11.43%	305,041	5.73%	62,275



Absorption Figures*

	2005	2006	2007	2008	2009	2010	2011
Leased SF	552,750	276,133	226,962	371,631	246,165	320,331	282,093
Number Leases	17	8	7	10	8	9	8
Sold SF	227,650	91,739	137,115	0	66,836	130,228	79,400
Number Sales	7	3	4	0	2	4	3
Total SF	780,400	367,872	364,077	371,631	313,001	450,559	361,493

Current Average Asking Rates and Sales Prices

GRS	$0.48
NNN	$0.46
PSF	$100.00

Current Average Actual Lease Rates and Sales Prices

GRS	N/A
NNN	$0.32
PSF	$74.00

Total available square feet includes available existing, under construction and vacant.

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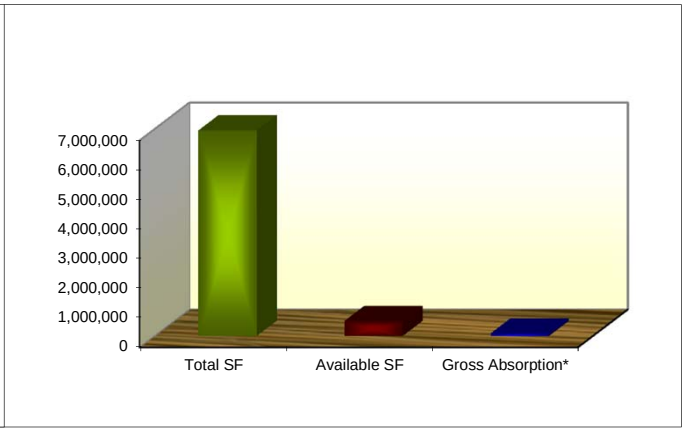
Industrial Summary Report

Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
50,000-99,999 SF

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
50-99,999 SF	101	6,954,713	507,835	7.30%	384,466	5.53%	85,303



Absorption Figures*

	2005	2006	2007	2008	2009	2010	2011
Leased SF	211,342	241,022	581,600	336,492	410,768	394,489	155,459
Number Leases	4	4	8	4	7	6	3
Sold SF	71,700	87,300	230,667	50,909	221,743	129,334	203,177
Number Sales	1	1	3	1	3	2	3
Total SF	283,042	328,322	812,267	387,401	632,511	523,823	358,636

Current Average Asking Rates and Sales Prices

GRS	$0.36
NNN	$0.42
PSF	$90.00

Current Average Actual Lease Rates and Sales Prices

GRS	N/A
NNN	N/A
PSF	$68.50

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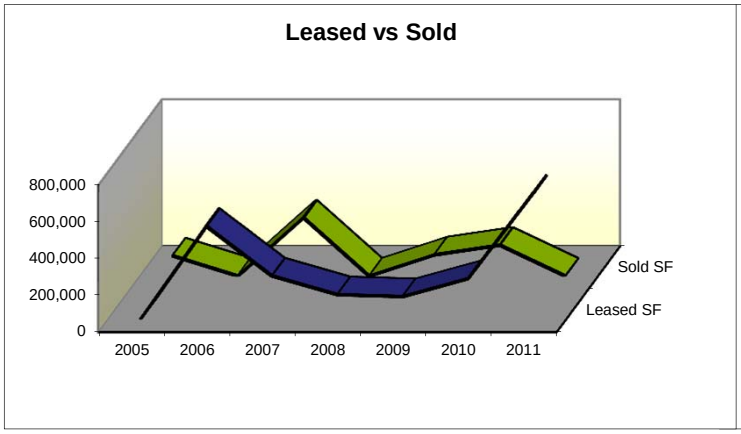
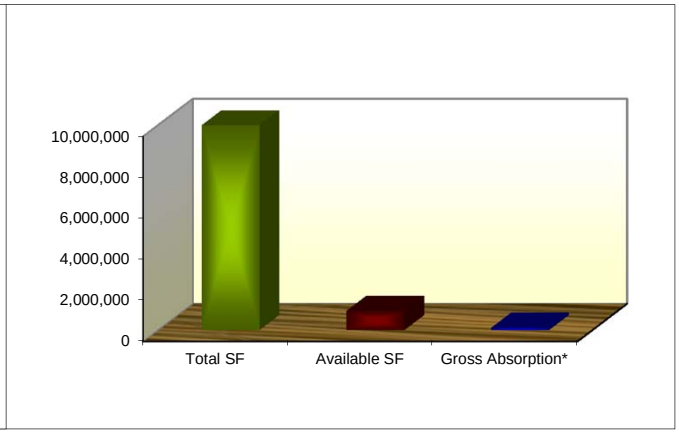
Industrial Summary Report

Corona/Norco
Manufacturing/Distribution
Fourth Quarter 2011
100,000+ SF

Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
100,000+ SF	53	9,988,597	943,315	9.44%	276,904	2.77%	116,000





Absorption Figures*

	2005	2006	2007	2008	2009	2010	2011
Leased SF	0	506,715	235,592	133,000	122,638	220,641	688,829
Number Leases	0	2	2	1	1	2	3
Sold SF	110,752	0	318,170	0	115,983	168,450	0
Number Sales	1	0	2	0	1	1	0
Total SF	110,752	506,715	553,762	133,000	238,621	389,091	688,829

Current Average Asking Rates and Sales Prices

GRS	N/A
NNN	$0.39
PSF	$102.62

Current Average Actual Lease Rates and Sales Prices

GRS	N/A
NNN	$0.30
PSF	N/A

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