

CORONA-NORCO INDUSTRIAL MARKET

Manufacturing/Distribution

Fourth Quarter 2009 Report

Prepared By:



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Industrial Market

Corona/Norco

Area Maps & Terminology

Terminology

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

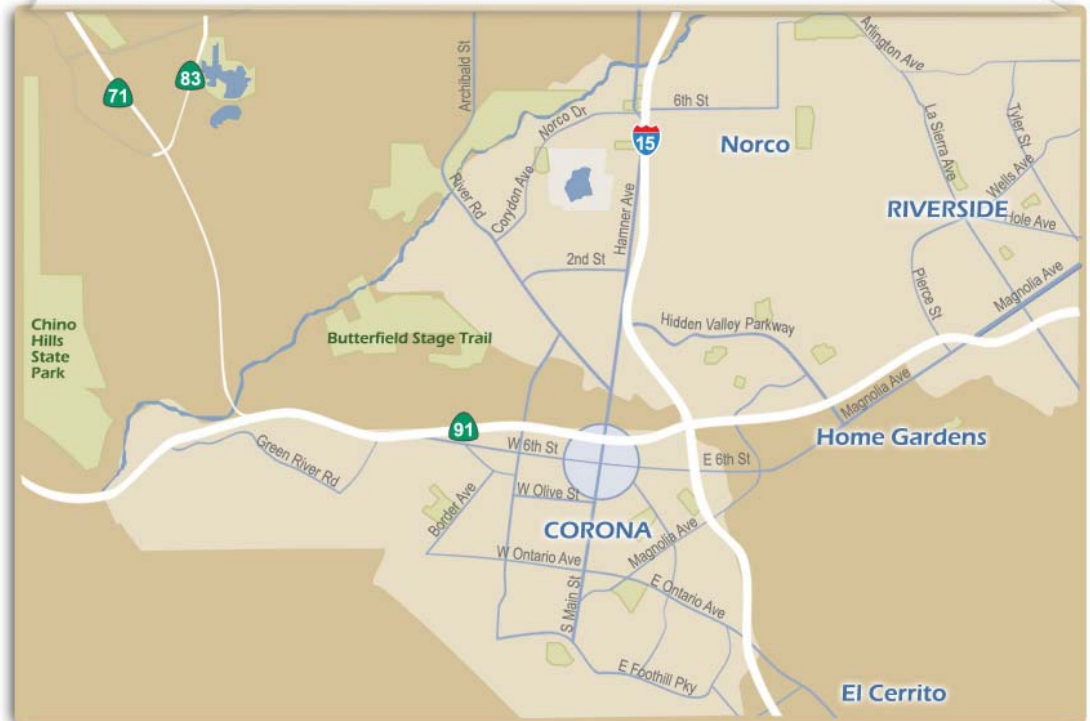
- Base:**
 Total square feet excluding: possible divisibility, planned buildings and build to suits.

- 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



Industrial Market

Corona/Norco

Fourth Quarter 2009 - At A Glance

2009 FOURTH QUARTER

Absorption

Gross absorption for fourth quarter 2009 was 550,585 SF. The previous quarter there was 590,786 SF of gross absorption. Fourth quarter's gross absorption represents a 6.80% decrease from the previous quarter.

Total absorption for fourth quarter 2009 within the Corona/Norco area was represented by 323,800 SF of leasing activity and 226,785 SF of sales activity. Total absorption for 2009 was represented by 1,340,447 SF of leasing activity and 453,383 SF of sales activity, an increase of 23.54% over total absorption in 2008.

Vacancy

Vacancy rates increased by 0.72% over the previous quarter. The lowest vacancy rates were in the 10,000-24,999 SF range, and the highest vacancy rates were found in the 50,000-99,999 SF range.

Rate Trend

Asking sales prices per SF decreased by 2.64% over third quarter 2009 and represented a 15.33% decrease over fourth quarter 2008. Asking lease rates averaged \$0.575 GRS and \$0.45 NNN in fourth quarter 2009.

The average asking NNN rates were \$0.53 per SF in the 10,000-24,999 SF range, \$0.45 per SF in the 25,000-49,999 SF range, \$0.46 per SF in the 50,000-99,999 SF range and \$0.39 per SF for the 100,000+ SF range. There were no asking NNN rates in the 5,000-9,999 SF range.

The average asking GRS rates were \$0.62 per SF in the 5,000-9,999 SF range, \$0.62 per SF in the 10,000-24,999 SF range, \$0.48 per SF in the 25,000-49,999 SF range, \$0.40 per SF in the 50,000-99,999 SF range and \$0.35 per SF in the 100,000+ SF range.

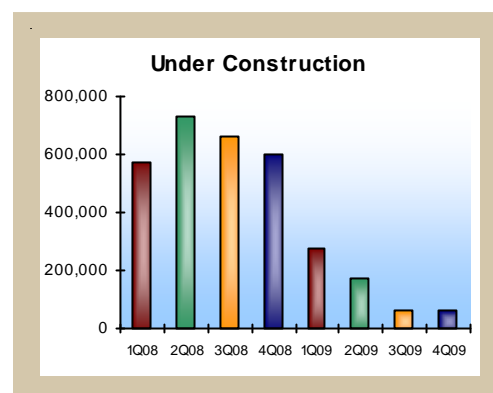
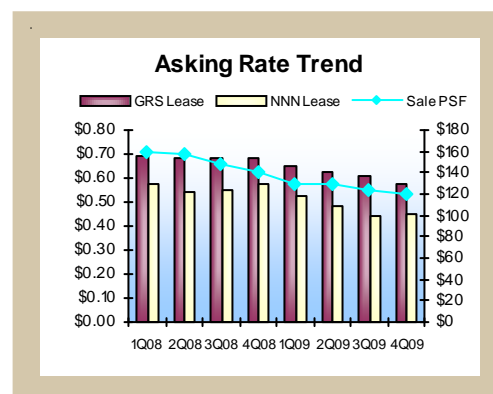
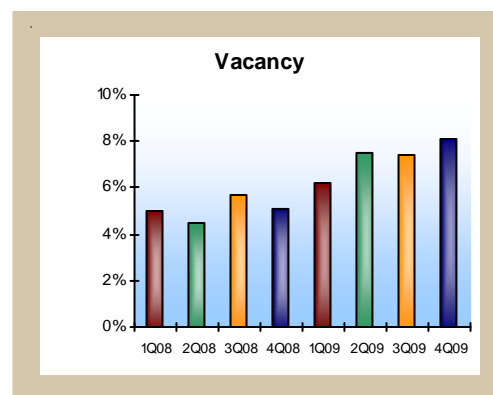
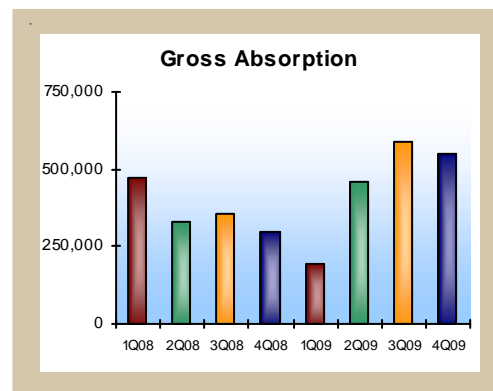
Under Construction

The manufacturing/distribution base for the fourth quarter of 2009 represented 62,707 SF under construction, of which 38,255 SF (61.01%) was available, while the third quarter of 2009 represented 62,184 SF under construction, of which 9,438 SF (15.2%) was available.

The fourth quarter of 2009 saw an increase of 0.84% in under construction SF compared to the third quarter of 2009.

Base Inventory

There was no change to the base inventory in fourth quarter 2009.



Industrial Summary Report

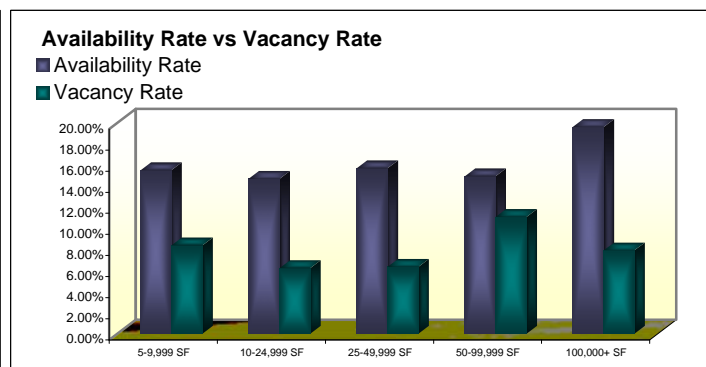
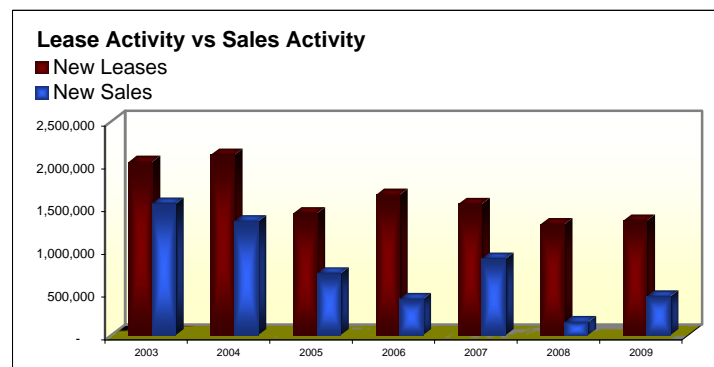
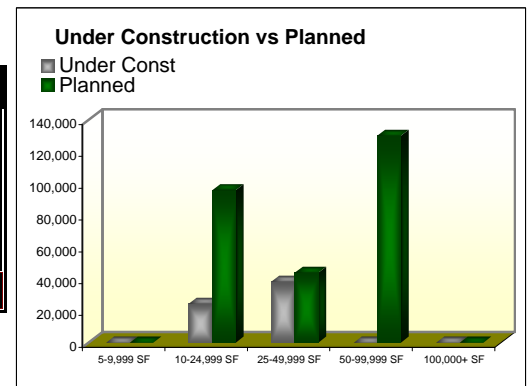
Corona/Norco Manufacturing/Distribution Fourth Quarter 2009 Market Summary



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	281	2,082,126	322,712	15.50%	174,335	8.37%	66,479
10-24,999 SF	331	5,154,239	757,328	14.69%	320,064	6.21%	86,795
25-49,999 SF	157	5,411,370	849,799	15.70%	343,661	6.35%	25,707
50-99,999 SF	102	7,000,492	1,045,886	14.94%	775,750	11.08%	132,983
100,000+ SF	53	9,912,597	1,943,820	19.61%	783,555	7.90%	238,621
Totals	924	29,560,824	4,919,545	16.64%	2,397,365	8.11%	550,585

Gross Absorption*	2003	2004	2005	2006	2007	2008	2009
New Leases	2,029,158	2,112,519	1,426,782	1,643,346	1,535,248	1,299,460	1,340,447
New Sales	1,539,396	1,333,776	724,192	424,945	895,078	152,534	453,383
Totals	3,568,554	3,446,295	2,150,974	2,068,291	2,430,326	1,451,994	1,793,830

Size	Under Const	Count	Planned	Count
5-9,999 SF	0	0	0	0
10-24,999 SF	24,452	1	95,829	7
25-49,999 SF	38,255	1	43,928	1
50-99,999 SF	0	0	130,000	2
100,000+ SF	0	0	0	0
Totals	62,707	2	269,757	10



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

*Gross Absorption represents all activity excluding investments, lease options & renewals from 10/1/09-12/31/09.

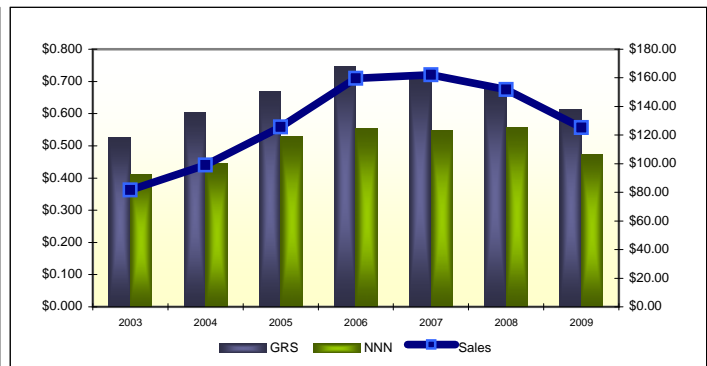
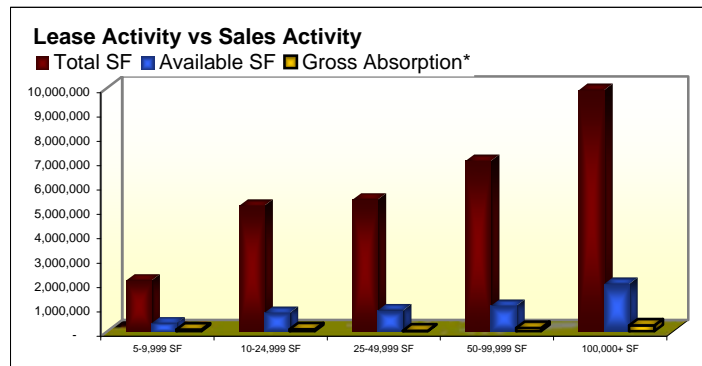
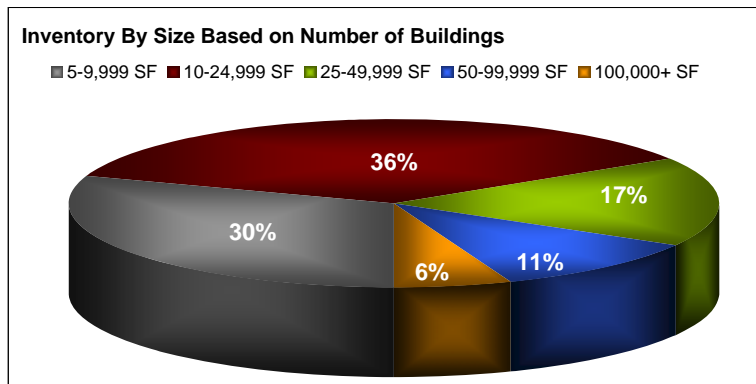
Industrial Summary Report

Corona/Norco Manufacturing/Distribution Fourth Quarter 2009 Rate Summary



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	281	2,082,126	322,712	15.50%	174,335	8.37%	66,479
10-24,999 SF	331	5,154,239	757,328	14.69%	320,064	6.21%	86,795
25-49,999 SF	157	5,411,370	849,799	15.70%	343,661	6.35%	25,707
50-99,999 SF	102	7,000,492	1,045,886	14.94%	775,750	11.08%	132,983
100,000+ SF	53	9,912,597	1,943,820	19.61%	783,555	7.90%	238,621
Totals	924	29,560,824	4,919,545	16.64%	2,397,365	8.11%	550,585

Avg. Asking Rates	2003	2004	2005	2006	2007	2008	2009
GRS	\$0.527	\$0.603	\$0.669	\$0.746	\$0.726	\$0.680	\$0.613
NNN	\$0.411	\$0.446	\$0.528	\$0.555	\$0.548	\$0.559	\$0.475
Sales	\$81.69	\$98.95	\$125.72	\$159.56	\$162.11	\$151.79	\$125.31



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

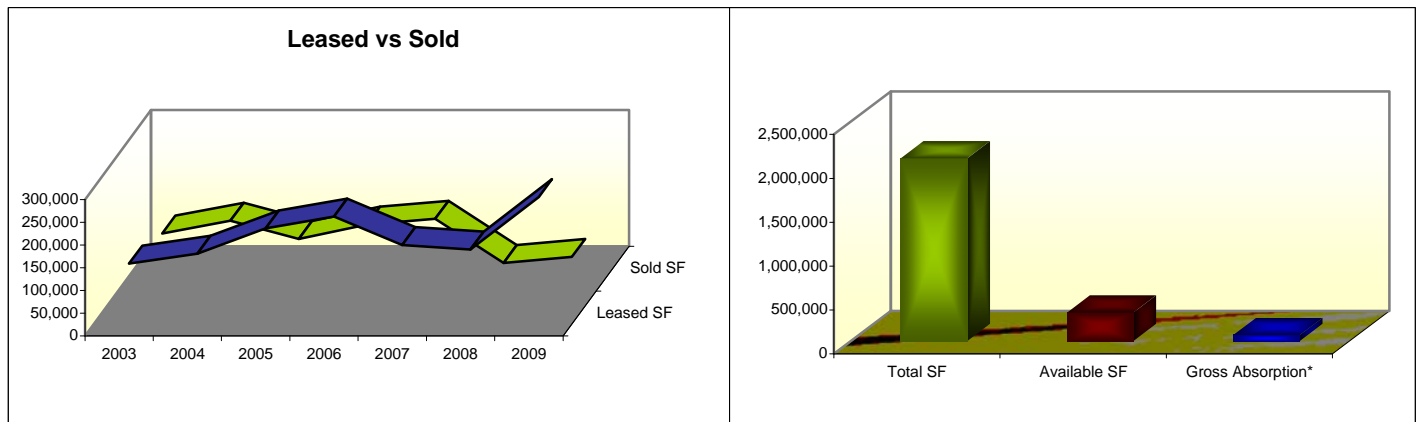
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Industrial Summary Report

Corona/Norco
 Manufacturing/Distribution
 Fourth Quarter 2009
5,000-9,999 SF



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
5-9,999 SF	281	2,082,126	322,712	15.50%	174,335	8.37%	66,479



Absorption Figures*

	2003	2004	2005	2006	2007	2008	2009
Leased SF	129,475	151,407	206,990	232,953	170,293	160,846	275,492
Number Leases	17	23	27	31	25	21	36
Sold SF	97,339	125,344	85,044	117,062	129,916	32,798	46,169
Number Sales	13	16	10	15	18	4	6
Total SF	226,814	276,751	292,034	350,015	300,209	193,644	321,661

Current Average Asking Rates and Sales Prices

GRS	\$0.62
NNN	N/A
PSF	\$126.73

Current Average Actual Lease Rates and Sales Prices

GRS	\$0.54
NNN	N/A
PSF	\$100.00

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

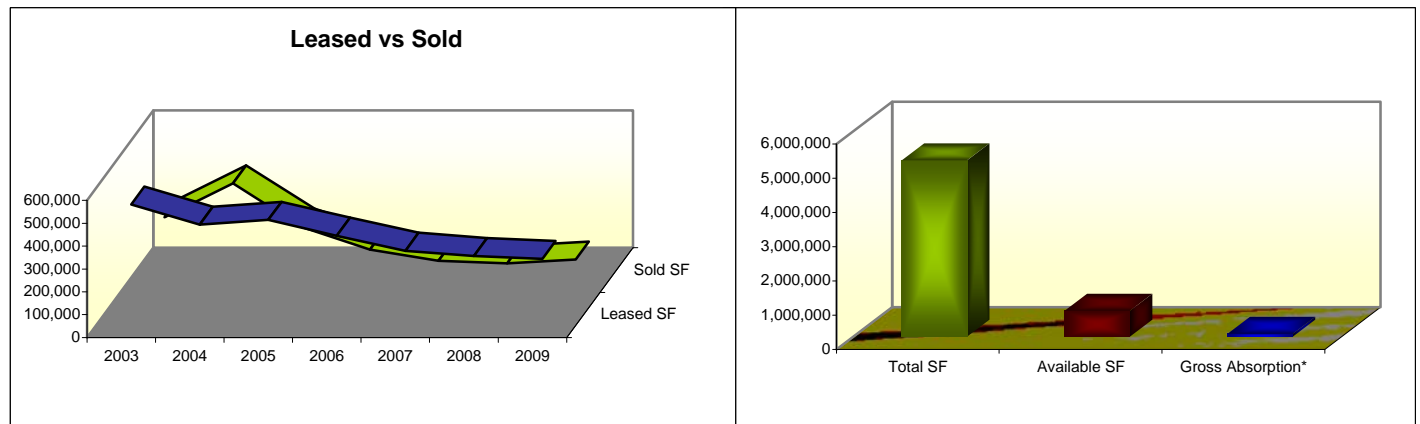
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Industrial Summary Report

Corona/Norco
 Manufacturing/Distribution
 Fourth Quarter 2009
10,000-24,999 SF



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
10-24,999 SF	331	5,154,239	757,328	14.69%	320,064	6.21%	86,795



Absorption Figures*

	2003	2004	2005	2006	2007	2008	2009
Leased SF	522,655	435,115	455,700	386,523	320,801	297,491	285,384
Number Leases	33	29	32	26	22	20	20
Sold SF	270,425	418,780	229,046	128,844	79,210	68,827	85,031
Number Sales	15	27	14	8	6	5	6
Total SF	793,080	853,895	684,746	515,367	400,011	366,318	370,415

Current Average Asking Rates and Sales Prices

GRS	\$0.62
NNN	\$0.53
PSF	\$127.13

Current Average Actual Lease Rates and Sales Prices

GRS	\$0.47
NNN	N/A
PSF	\$110.00

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

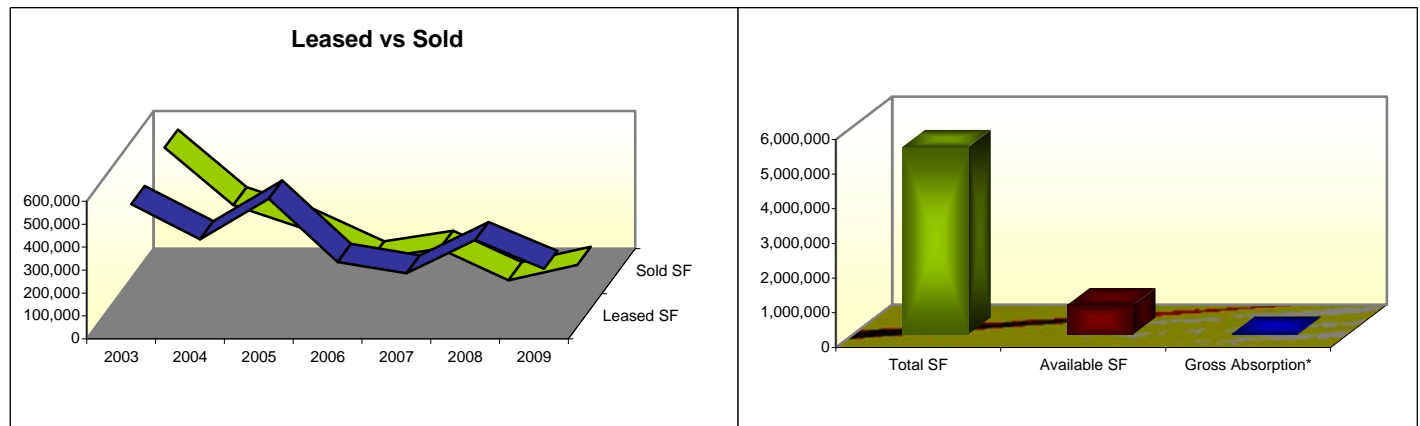
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Industrial Summary Report

Corona/Norco
 Manufacturing/Distribution
 Fourth Quarter 2009
25,000-49,999 SF



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
25-49,999 SF	157	5,411,370	849,799	15.70%	343,661	6.35%	25,707



Absorption Figures*

	2003	2004	2005	2006	2007	2008	2009
Leased SF	529,072	375,148	552,750	276,133	226,962	371,631	246,165
Number Leases	16	11	17	8	7	10	8
Sold SF	578,281	327,324	227,650	91,739	137,115	0	66,836
Number Sales	13	9	7	3	4	0	2
Total SF	1,107,353	702,472	780,400	367,872	364,077	371,631	313,001

Current Average Asking Rates and Sales Prices

GRS	\$0.48
NNN	\$0.45
PSF	\$113.17

Current Average Actual Lease Rates and Sales Prices

GRS	\$0.37
NNN	N/A
PSF	N/A

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

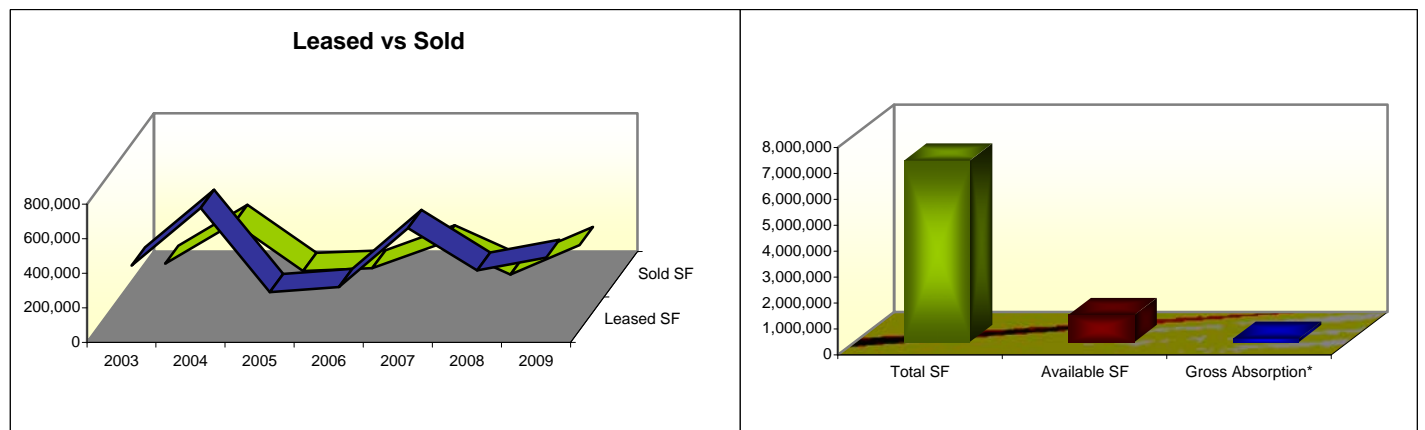
*Gross Absorption represents all activity excluding investments, lease options & renewals from 10/1/09-12/31/09.

Industrial Summary Report

Corona/Norco
 Manufacturing/Distribution
 Fourth Quarter 2009
50,000-99,999 SF



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
50-99,999 SF	102	7,000,492	1,045,886	14.94%	775,750	11.08%	132,983



Absorption Figures*

	2003	2004	2005	2006	2007	2008	2009
Leased SF	365,085	698,774	211,342	241,022	581,600	336,492	410,768
Number Leases	5	10	4	4	8	4	7
Sold SF	113,467	349,876	71,700	87,300	230,667	50,909	221,743
Number Sales	2	5	1	1	3	1	3
Total SF	478,552	1,048,650	283,042	328,322	812,267	387,401	632,511

Current Average Asking Rates and Sales Prices

GRS	\$0.40
NNN	\$0.46
PSF	\$97.02

Current Average Actual Lease Rates and Sales Prices

GRS	\$0.40
NNN	N/A
PSF	\$69.80

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

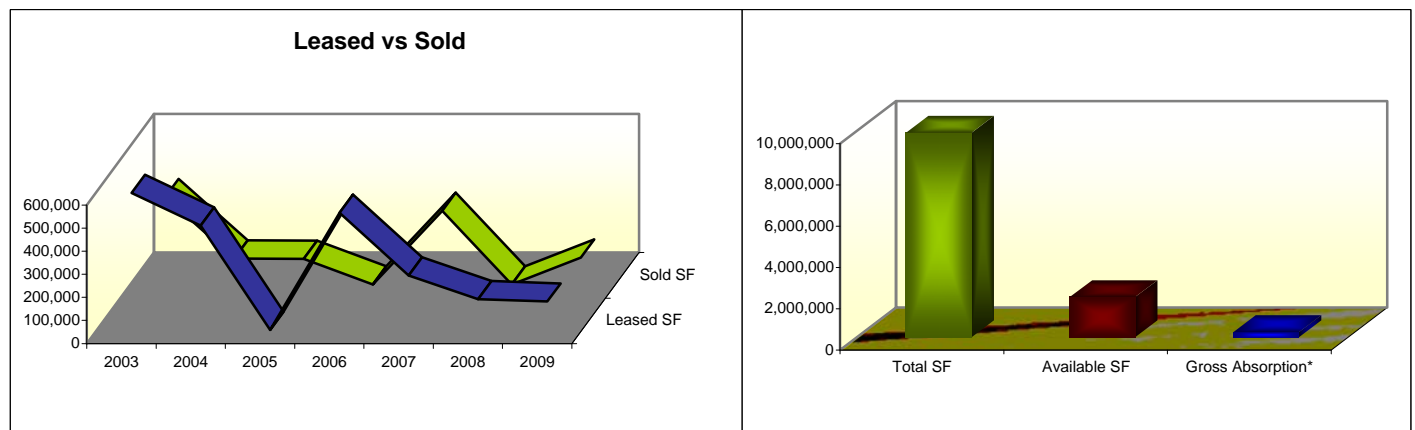
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Industrial Summary Report

Corona/Norco
 Manufacturing/Distribution
 Fourth Quarter 2009
100,000+ SF



Size	Bldgs	Total SF	Available SF	Availability Rate	Vacant Available	Vacancy Rate	Gross Absorption*
100,000+ SF	53	9,912,597	1,943,820	19.61%	783,555	7.90%	238,621



Absorption Figures*

	2003	2004	2005	2006	2007	2008	2009
Leased SF	593,030	452,129	0	506,715	235,592	133,000	122,638
Number Leases	4	2	0	2	2	1	1
Sold SF	378,475	112,452	110,752	0	318,170	0	115,983
Number Sales	3	1	1	0	2	0	1
Total SF	971,505	564,581	110,752	506,715	553,762	133,000	238,621

Current Average Asking Rates and Sales Prices

GRS	\$0.35
NNN	\$0.39
PSF	\$96.85

Current Average Actual Lease Rates and Sales Prices

GRS	N/A
NNN	\$0.30
PSF	\$58.20

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

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