



INLAND EMPIRE



SAN BERNARDINO AND RIVERSIDE COUNTIES

INDUSTRIAL MARKET OVERVIEW 2010 – 2011



Presented By

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DAUM Commercial Real Estate Services

SIOR Inland Empire/Orange County Chapter Meeting

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Inland Empire East / West Absorption 2010

2010 Absorption over 100,000 SF

- 73 transactions (West End 48 deals, East End, 25 deals) Total 20,152,352 SF

<u>Historical 100,000 Square Foot and Larger Summary</u>				
	Total	West	East	Gross Absorption
2009	62	39	23	15,377,407
2008	35	19	16	10,731,823
2007	57	37	20	18,661,174

2011 Available Buildings Over 100,000 SF

- 131 As of January 1, 2011
- 8 Transactions completed, 6 pending,
We started January 1, 2010 with 148 buildings available

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Senior Vice President





Inland Empire - East / West Absorption 2010

<u>Submarket</u>	<u>Rentable Area</u>	<u>Vacancy Rate %</u>	<u>Under Construction SF</u>
Inland Empire East	151,692,185	8.8%	201,352
<u>Inland Empire West</u>	<u>241,735,785</u>	<u>5.6%</u>	<u>53,000</u>
Market Total	393,427,970	6.9%	254,352

(Stole From Walt – CBRE)

“There is no longer much reason to doubt it: The Economy is Shifting into High Gear”

*The Kiplinger Letter February 11, 2011

Port Activity

- Los Angeles/Long Beach Up – Largest increase of TEUs of the Major Ports, almost 25% jump from 2009

Unemployment

- Inland Empire 13.9%, California 12.5%, National 9.0%
- Good News the Inland Empire is expected to lead the state in job growth through 2016 (2.45% annually)

Notable Deals

- LBA/Patton 1.6M SF Investment Sale – Mira Loma
- Alere / CBREI 3.2M SF Investment Sale
- Living Spaces – Lease 796,841 SF
- Restoration Hardware – Lease 866,055 SF
- CT Realty – Two building purchase – San Bernardino

Market Shifting

- “Forwards” are back
- Consolidation – AMB/Prologis \$14B Giant
- Who’s Next?

100,000 Sq. Ft. and Larger 2010 Absorption Overview Inland Empire Marketplace (By Quarter)

Quarter	Transaction Count	Gross Sq. Ft.	Space Vacated in Market Sq. Ft.	Net Sq. Ft. Absorption
1Q10	19	5,514,732	799,552	4,715,180
2Q10	21	4,533,701	250,000	4,283,701
3Q10	14	4,197,897	2,178,508	2,019,389

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100,000 Sq. Ft. and Larger 2010 Absorption Overview Inland Empire Marketplace

4Q10 (See Detailed Summary Below)								
Tenant	City	Trans. Size Ft.	Sq. Space Vacated in Market Sq. Ft.	Space Vacated in Market City	Net Sq. Ft. Absorption	Transaction Type	Date	
55	Interline Brands	San Bernardino	102,060	0	San Bernardino	102,060	Lease	10/10
56	Lowe's	Moreno Valley	405,115	0	Moreno Valley	405,115	Lease	10/10
57	Komar Logistics	Mira Loma	656,611	300,000	San Bernardino	356,611	Lease	10/10
58	Living Spaces	Rialto	796,841	0	Out of Area	796,841	Lease	10/10
59	Allied Fitting	Mira Loma	122,213	60,000	Ontario	62,213	Sale	10/10
60	Home Meridian Int.	Redlands	327,790	0	Out of Area	327,790	Lease	11/10
61	American Building Supply	Rialto	734,240	600,000	Rancho Cucamonga	134,240	Lease	11/10
62	Harbor Freight	Moreno Valley	779,016	0	Out of Area	779,016	Lease	11/10
63	A.M.A. Plastics	Riverside	150,109	85,000	Corona	65,109	Sale	11/10
64	Bissell	Rialto	247,226	0	Out of Area	247,226	Sale	11/10
65	Crystal Windows & Doors	Riverside	111,316	0	New York	111,316	Sale	11/10
66	Berry Direct	Riverside	125,000	0	Out of Area	125,000	Lease	11/10
67	Carbonite, Inc.	Riverside	221,224	0	Out of Area	221,224	Lease	11/10
68	Ingram Micro	Mira Loma	239,121	0	Mira Loma	239,121	Lease	11/10
69	Shamrock Foods	Mira Loma	208,000	0	Mira Loma	208,000	Lease	11/10
70	Yankon	Chino	100,627	0	Chino	100,627	Sale	11/10
71	Innova	Ontario	175,000	50,000	Rancho Cucamonga	125,000	Lease	12/10
72	Maersk	Chino	301,513	0	Out of Area	301,513	Lease	12/10
73	Menlo Logistics	Ontario	103,000	0	Ontario	103,000	Lease	12/10
Total Gross Absorption		20,051,725						
Total Vacated Space			4,323,060					
Total Net Absorption						15,829,292		
*Does Not Include Pending Deals								

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Industrial Market Forecast










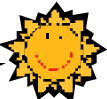




796,841 SF
Distribution Building
Rialto, California

Presented By

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Executive Vice President



Thank You

- Lease Rate  
- Sale Prices   
- Land Prices 
- Construction Prices  
- Interest Rates  
- CAP Rates 
- Entitlement Process 
- Activity Level 