



EL SEGUNDO: COMMERCIAL REAL ESTATE

With very attractive space, rents significantly lower than the competing West Los Angeles submarket and a reputation for being truly business-friendly, El Segundo is well-positioned and poised to show healthy gains in its office, industrial, and retail market sectors.

> OFFICE MARKET PROFILE > BY THE NUMBERS (3RD QTR. 2007)

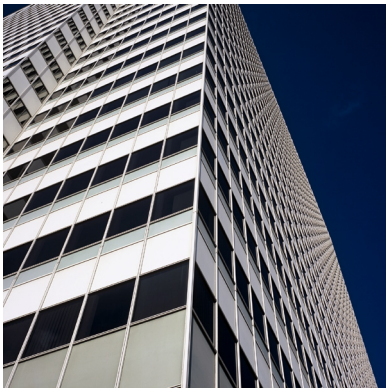
- **INVENTORY: THE EL SEGUNDO SUBMARKET EXISTING INVENTORY CONTAINS 118 BUILDINGS WITH A TOTAL OF 10,053,742 SQUARE FEET OF RENTABLE BUILDING AREA.**
- **VACANCY & AVAILABILITY: 1 MILLION SQUARE FEET EQUATING TO ROUGH 10% OF EXISTING INVENTORY IS VACANT, QUITE A TURNAROUND FROM A 20+% RATE OF TWO YEARS AGO.**
- **RENTAL RATES: \$2.43/SQUARE FOOT**

El Segundo's Class A office market includes Continental Park—the 86-acre campus on the Rosecrans Corridor owned by Continental Development Corporation that is home to more than two dozen nationally renowned firms, among other tenants - is the largest contiguous office park in all of Southern California.; and Pacific Corporate Towers, a beautiful 1.5 million square foot, 10-acre complex that anchors the Sepulveda Superblock. Both developments have considerable available space for large corporate tenants.

> OFFICE MARKET

The recent entry into the El Segundo market by Tishman Speyer (the global real estate owner, developer, and investment firm) and J.H. Snyder Company (with a proven track record for building over 41,000 residential units, 4 million square feet of office and 2 million of retail development), is affirmation the city has the product and key attributes companies and investors seek.

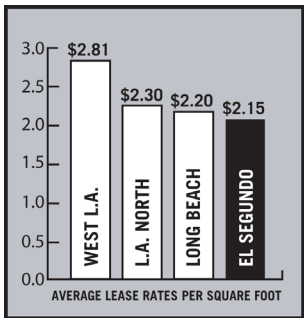
Several new and notable office complexes present exciting growth opportunities for relocating firms and the realization of a dream for start-ups. The much anticipated first phase of the 46-acre, 2.1 million square foot Campus El Segundo, developed by Thomas Properties Group, is well underway. The state-of-the-art mixed used project is set in an urban park environment along Nash Street. The Edge at Campus El Segundo, 14 acres at the northerly end of the site, is currently being developed by Mar Ventures, Inc. and AMB Property Corporation and will feature over 200,000 square feet of high-quality, low density office, research and development, and retail space over 17 buildings in a lushly landscaped business park. Additionally, the 330,000 square foot Xerox Centre is undergoing redevelopment by Barker Pacific Group and will be renamed IOI Continental.



Artist Rendering of Proposed Campus El Segundo by Thomas Properties

FAST FACTS:

- > Commercial office vacancy rates have dropped from a high of 23 percent just a few years ago to under 10 percent, as firms from all over the region recognize El Segundo's numerous advantages and great lease values.
- > Between 2005 and 2006 the number of building permits increased 63% (to 2,726), and yearly building improvement valuation increased by 55% (to \$147,210,610).



YOU DID KNOW?

El Segundo's Continental Park is the largest contiguous office park in all of Southern California.

> **INDUSTRIAL MARKET PROFILE > BY THE NUMBERS (3RD QTR. 2007)**

- **INVENTORY: THE EL SEGUNDO SUBMARKET EXISTING INVENTORY CONTAINS 306 BUILDINGS WITH A TOTAL OF 12,236,456 SQUARE FEET OF RENTABLE BUILDING AREA.**
- **VACANCY & AVAILABILITY: 1.5 MILLION SQUARE FEET EQUATING TO 6.2% OF EXISTING INVENTORY IS VACANT**
- **RENTAL RATES: \$1.14/SQUARE FOOT**

> **NEW INDUSTRIAL MARKET ENTRANTS**

The most prominent activity in the industrial sector has been and continues to be in the data center development arena. CoStar Group featured 365 Main as one of its Select Top Industrial deals for the year, as well as, Douglas Technology Center for one of its Select Top Sales at \$49 million for Equinix's second El Segundo-based data center. Base Partners, a nationally recognized data center constructor, recently purchased the former Gate Gourmet airline food service property for its new data center facility.

The pending completion of the Douglas Street Gap Connector public improvement has helped to accelerate interest in redevelopment of properties along the corridor. Primary Color - an industry-leading, comprehensive provider of graphic arts services - occupied their new LA County facility early in the quarter; while COM DEV - the largest Canadian-based designer and manufacturer of space hardware subsystems - is completing their new US headquarters with occupancy expected by year end.

> **RETAIL MARKET PROFILE > BY THE NUMBERS (3RD QTR. 2007)**

- **INVENTORY: THE EL SEGUNDO SUBMARKET EXISTING INVENTORY CONTAINS 76 BUILDINGS WITH A TOTAL OF 1,592,946 SQUARE FEET OF GROSS LEASEABLE AREA.**
- **RENTAL RATES: \$2.15/SQUARE FOOT**

> **NEW RETAIL MARKET ENTRANTS**

The most dramatic change to El Segundo's retail sector has been the recent development of Plaza El Segundo. The center is a joint venture of Comstock, Crosser & Associates, Continental Development Corporation, and Mar Ventures, Inc. Plaza El Segundo, capturing the South Bay's celebrated, casual lifestyle, offers more than 380,000 square feet of specialty and promotional retail. Its primary trade area encompasses a thriving and affluent market that includes the coastal communities between Marina del Rey to the north and Palos Verdes to the south. The Plaza is anchored by Whole Foods Market and Best Buy.

> **COMMERCIAL REAL ESTATE COMMUNITY**

A number of key largest commercial real estate and investment firms have heavily deployed resources in the community include: CB Richard Ellis, Colliers International, Continental Development Corporation, Cushman & Wakefield, Grubb and Ellis, Kearny Real Estate, Kilroy, Mar Ventures, Snyder Partners, Thomas Properties Group and Tishman Speyer.