

# Southern California



## Commercial Property Sales Trend Analysis 1998 - 2007

Southern California (5-County Area)

### Counties Surveyed:

Los Angeles  
Orange  
Riverside  
San Bernardino  
Ventura

### Property Types Surveyed:

Industrial  
Multi-Family  
Office  
Retail



- The multi-family sector has led the way in the total number of sales transactions for each year of the analysis, averaging 3,487 confirmed transactions during the past ten years.
- During 2004, more than 10,500 confirmed sales occurred, reaching its highest level during the analysis, and finished well above its annual average of 8,212 transactions. In 2007, the total number of sales transactions declined to its lowest level in 10-years with 6,366.
- During 2007, the total sales transaction dollar volume exceeded \$26.0 billion, representing a 16% decline from 2006. In 2005, the total sales transaction dollar volume totaled over \$32.6 billion.
- Average Annual Square Footage Sold from 1998 to 2007 for each category:
  - Industrial: 58,712,698 Sq. Ft.
  - Multi-Family: 61,920,489 Sq. Ft.
  - Office: 29,511,159 Sq. Ft.
  - Retail: 25,349,381 Sq. Ft.
- Median Price Growth / Sq. Ft. from 1998 to 2007 for each category:
  - Industrial: 117.0% (Annual Average= 13.0%)
  - Multi-Family: 195.3% (Annual Average= 21.7%)
  - Office: 152.6% (Annual Average= 17.0%)
  - Retail: 167.1% (Annual Average= 18.6%)
- Average Cap Rate Declines from 1998 to 2007 for each category:
  - Industrial: 34.1% (Annual Average= 3.8%)
  - Multi-Family: 41.3% (Annual Average= 4.6%)
  - Office: 37.9% (Annual Average= 4.2%)
  - Retail: 40.8% (Annual Average= 4.5%)

## HISTORICAL INDUSTRIAL / MULTI-FAMILY / OFFICE / RETAIL SALES TRANSACTION ANALYSIS

## SOUTHERN CALIFORNIA (5-COUNTY AREA)

COUNTIES OF: LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO &amp; VENTURA

	TOTAL SALES TRANSACTIONS									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	1,800	1,789	1,682	1,519	1,994	2,165	2,456	2,143	2,161	1,795
Multi-Family	3,201	3,803	3,448	3,437	4,345	4,271	4,408	3,289	2,672	2,000
Office	877	858	831	766	1,106	1,152	1,352	1,144	946	1,047
Retail	1,517	1,577	1,560	1,411	1,923	2,134	2,373	1,755	1,884	1,524
<b>Totals</b>	<b>7,395</b>	<b>8,027</b>	<b>7,521</b>	<b>7,133</b>	<b>9,368</b>	<b>9,722</b>	<b>10,589</b>	<b>8,331</b>	<b>7,663</b>	<b>6,366</b>

	TOTAL TRANSACTION DOLLAR VALUE (\$1,000's)									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$3,069,265	\$2,768,299	\$2,738,890	\$2,675,049	\$3,785,000	\$4,984,578	\$5,765,593	\$6,581,146	\$6,863,170	\$5,958,233
Multi-Family	\$3,806,806	\$4,075,565	\$4,499,401	\$4,574,290	\$7,270,768	\$8,664,689	\$10,599,650	\$9,821,757	\$9,694,188	\$6,900,696
Office	\$2,924,594	\$3,445,728	\$3,237,905	\$3,316,915	\$4,292,587	\$5,840,712	\$8,309,133	\$9,395,486	\$7,761,443	\$7,886,744
Retail	\$2,467,616	\$2,362,287	\$2,177,179	\$2,260,137	\$4,193,473	\$5,211,987	\$6,263,336	\$6,879,062	\$6,662,224	\$5,298,803
<b>Totals</b>	<b>\$12,268,281</b>	<b>\$12,651,879</b>	<b>\$12,653,375</b>	<b>\$12,826,391</b>	<b>\$19,541,828</b>	<b>\$24,701,966</b>	<b>\$30,937,712</b>	<b>\$32,677,451</b>	<b>\$30,981,025</b>	<b>\$26,044,476</b>

	TOTAL SQUARE FEET SOLD									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	54,726,740	49,248,521	45,522,319	44,566,832	60,407,488	72,272,001	74,576,137	72,998,547	63,838,137	48,970,261
Multi-Family	61,959,143	63,630,408	61,788,075	57,387,653	74,329,370	74,720,579	74,053,101	59,058,244	54,247,257	38,031,055
Office	2,528,188	31,709,015	23,463,555	22,322,103	30,719,116	39,289,252	42,266,964	45,698,491	30,138,471	26,976,438
Retail	22,026,337	22,340,356	19,024,572	17,138,938	29,053,590	34,451,567	35,038,999	28,516,534	28,194,834	17,708,086
<b>Totals</b>	<b>141,240,408</b>	<b>166,928,300</b>	<b>149,798,521</b>	<b>141,415,526</b>	<b>194,509,564</b>	<b>220,733,399</b>	<b>225,935,201</b>	<b>206,271,816</b>	<b>176,418,699</b>	<b>131,685,840</b>

	AVERAGE PRICE / SF									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$56.08	\$56.21	\$60.17	\$60.02	\$62.66	\$68.97	\$77.31	\$90.15	\$107.51	\$121.67
Multi-Family	\$61.44	\$64.05	\$72.82	\$79.71	\$97.82	\$115.96	\$143.14	\$166.31	\$178.70	\$181.45
Office	\$115.73	\$108.67	\$138.00	\$148.59	\$139.74	\$148.66	\$196.59	\$205.60	\$257.53	\$292.36
Retail	\$112.03	\$105.74	\$114.44	\$131.87	\$144.34	\$151.28	\$178.75	\$241.23	\$236.29	\$299.23
<b>Wt. Average</b>	<b>\$68.22</b>	<b>\$75.79</b>	<b>\$84.47</b>	<b>\$90.70</b>	<b>\$100.47</b>	<b>\$111.91</b>	<b>\$136.93</b>	<b>\$158.42</b>	<b>\$175.61</b>	<b>\$197.78</b>

	MEDIAN PRICE / SQUARE FOOT									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	\$55.00	\$61.00	\$65.12	\$69.82	\$73.11	\$82.15	\$95.01	\$112.28	\$137.36	\$155.61
Multi-Family	\$53.66	\$61.11	\$69.29	\$76.75	\$91.23	\$114.87	\$141.67	\$171.27	\$182.48	\$175.73
Office	\$94.75	\$99.56	\$106.35	\$110.69	\$123.66	\$138.70	\$167.54	\$211.93	\$249.12	\$282.50
Retail	\$106.35	\$112.61	\$125.56	\$139.81	\$139.21	\$171.98	\$219.94	\$290.82	\$298.94	\$326.30
<b>Wt. Average</b>	<b>\$63.13</b>	<b>\$75.27</b>	<b>\$80.97</b>	<b>\$87.57</b>	<b>\$97.89</b>	<b>\$117.31</b>	<b>\$143.25</b>	<b>\$175.93</b>	<b>\$196.15</b>	<b>\$210.37</b>

	AVERAGE CAPITALIZATION RATE									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industrial	9.1%	8.9%	8.9%	8.7%	8.4%	7.9%	7.3%	6.3%	6.1%	6.0%
Multi-Family	9.2%	8.9%	8.7%	8.4%	7.5%	6.4%	5.6%	5.0%	5.1%	5.4%
Office	9.5%	9.6%	9.5%	9.4%	8.9%	8.2%	7.3%	6.6%	6.1%	5.9%
Retail	9.8%	9.7%	9.4%	9.2%	8.7%	7.9%	6.8%	6.1%	5.7%	5.8%
<b>Wt. Average</b>	<b>9.3%</b>	<b>9.1%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>6.0%</b>	<b>5.7%</b>	<b>5.8%</b>

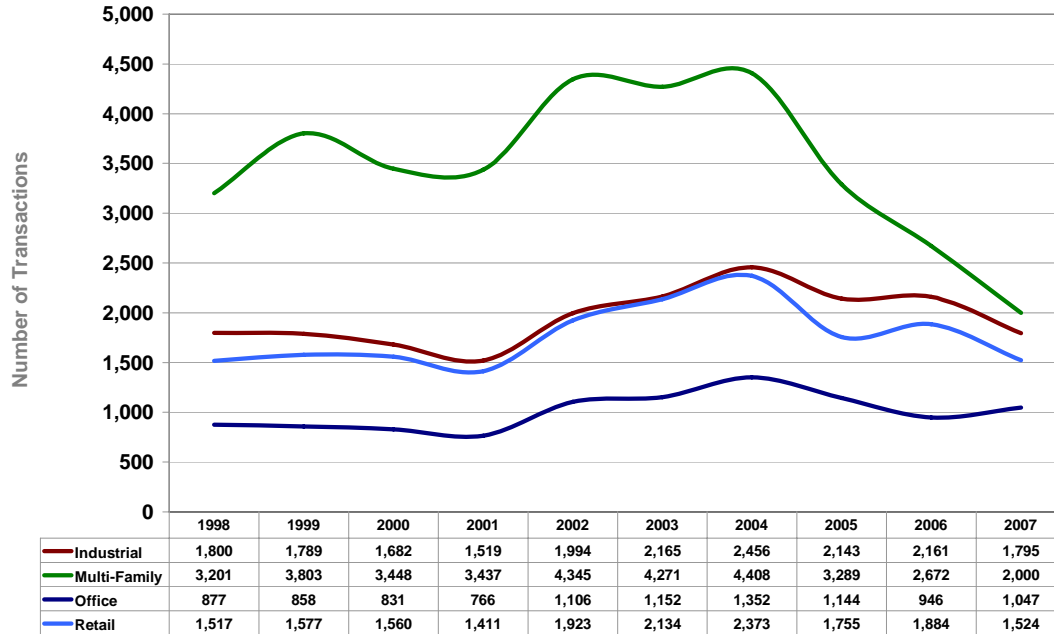
Note: Bulk Portfolio Sales have been excluded from this survey sample.

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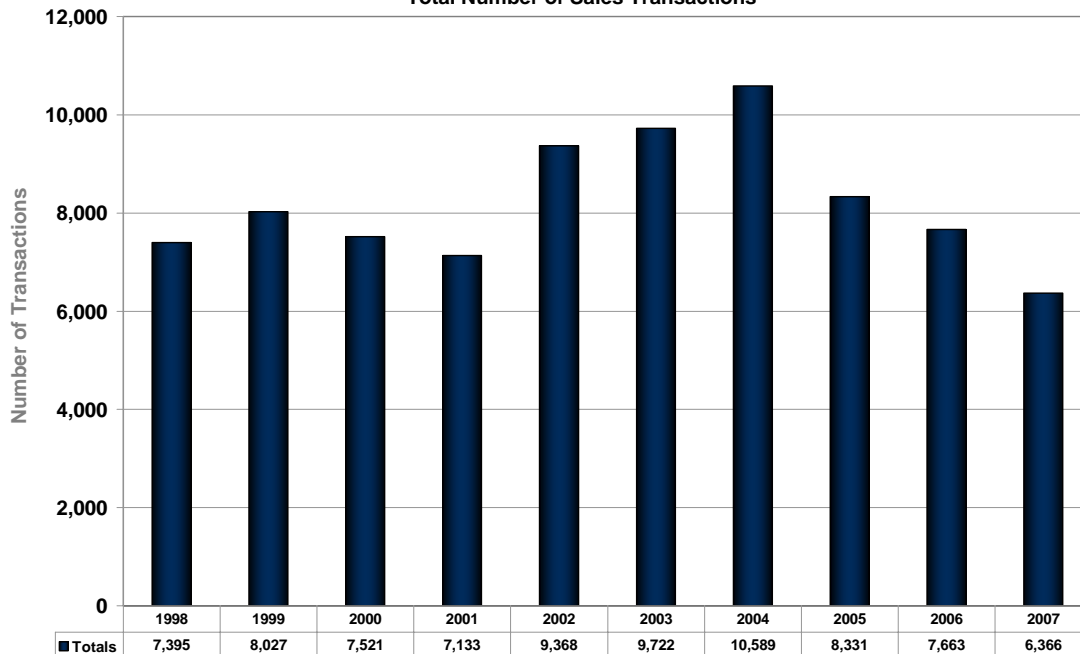
### Southern California Market

Total Number of Sales Transactions



### Southern California Market

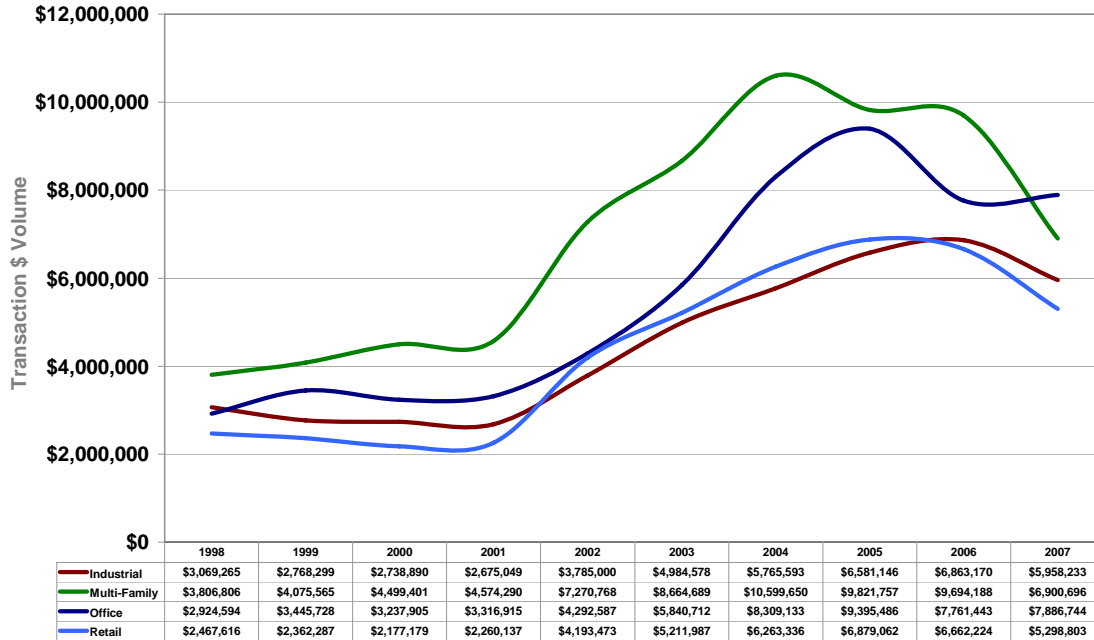
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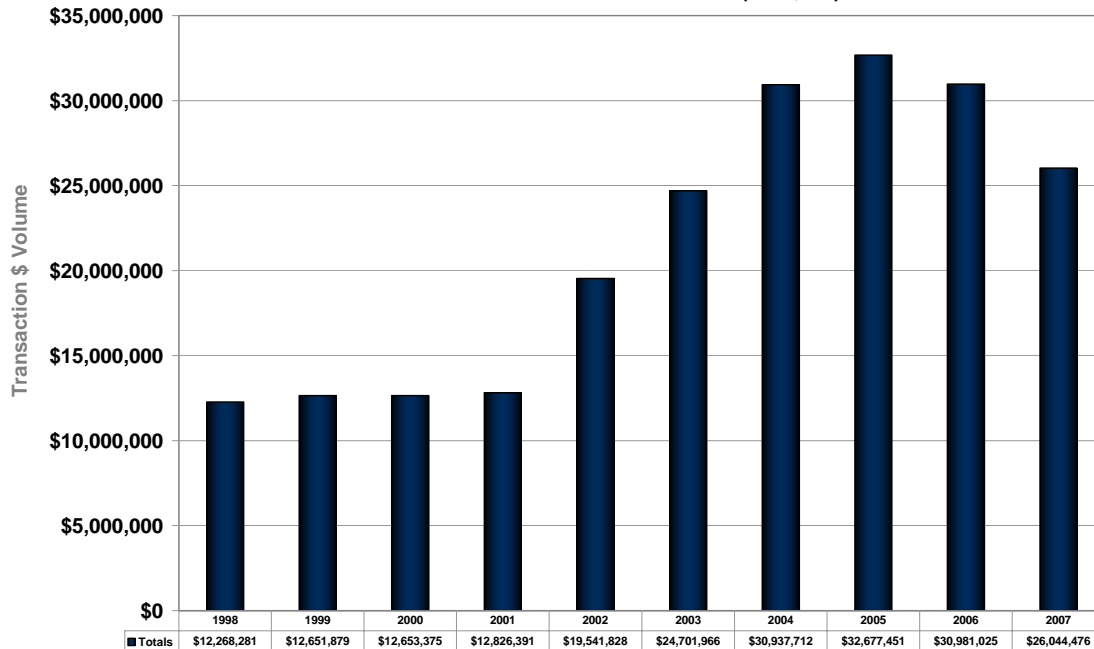
**Southern California Market**

Total Sales Transaction Dollar Volume (In \$1,000)



**Southern California Market**

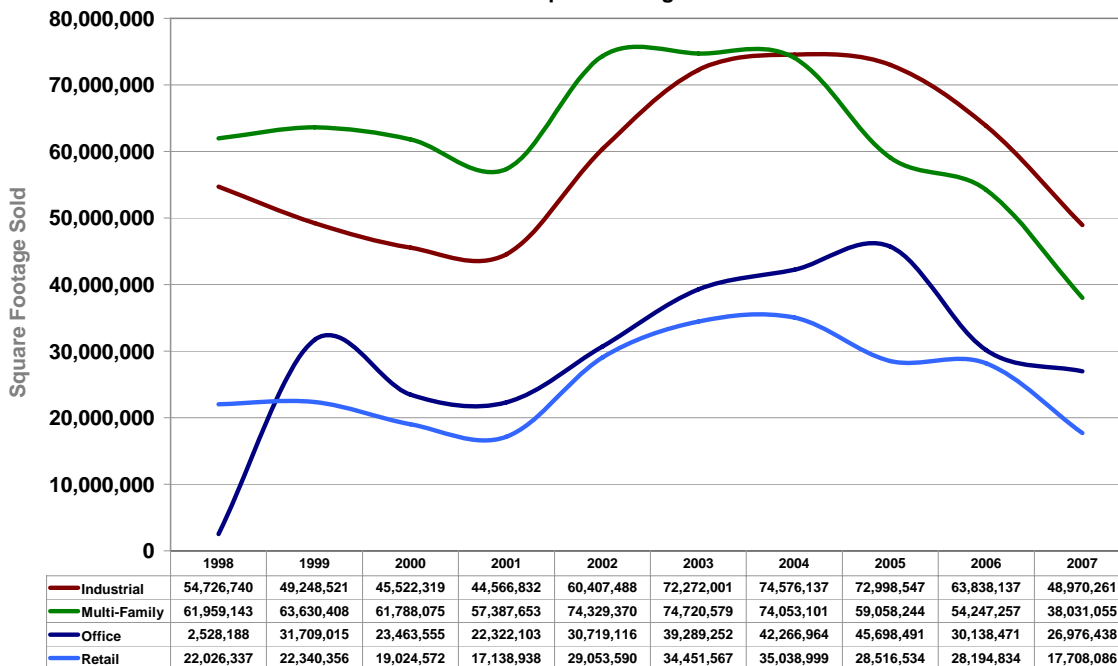
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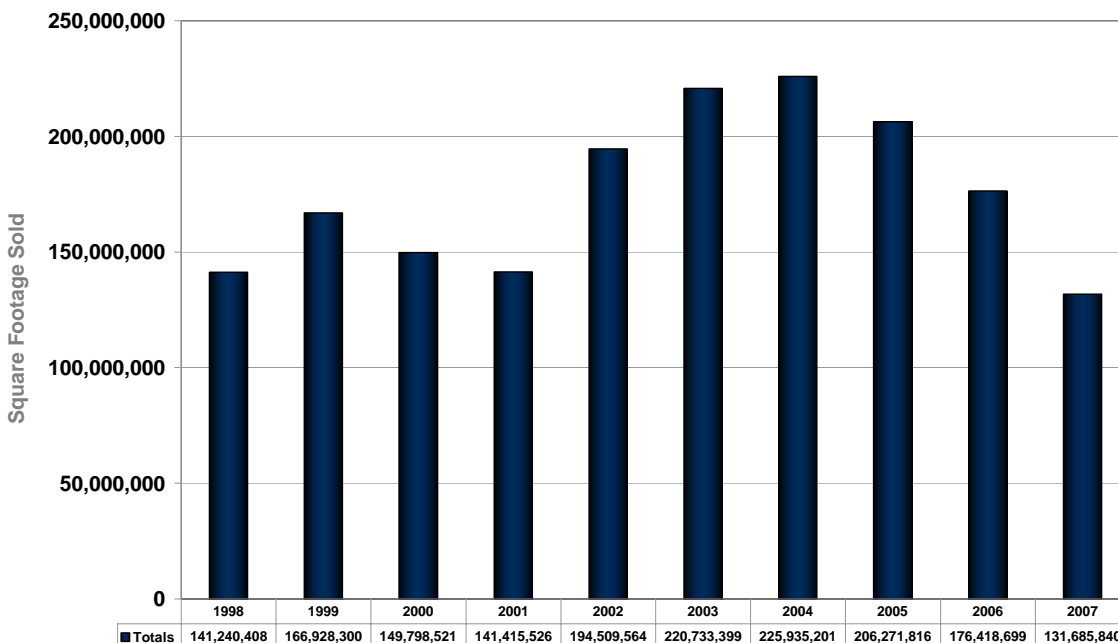
### Southern California Market

Total Square Footage Sold



### Southern California Market

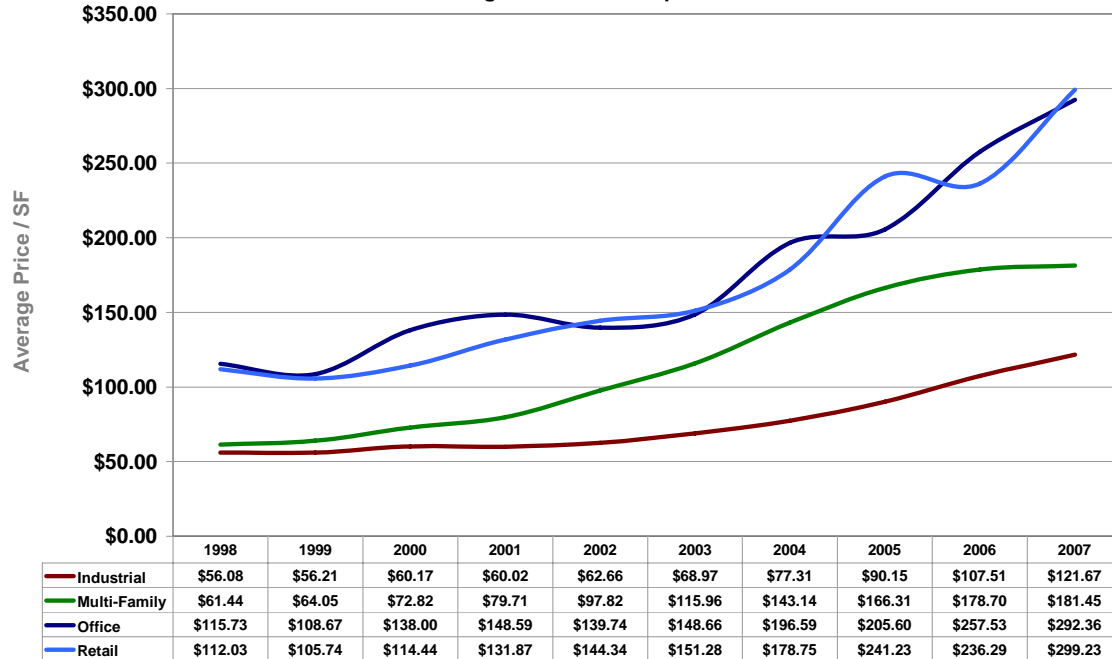
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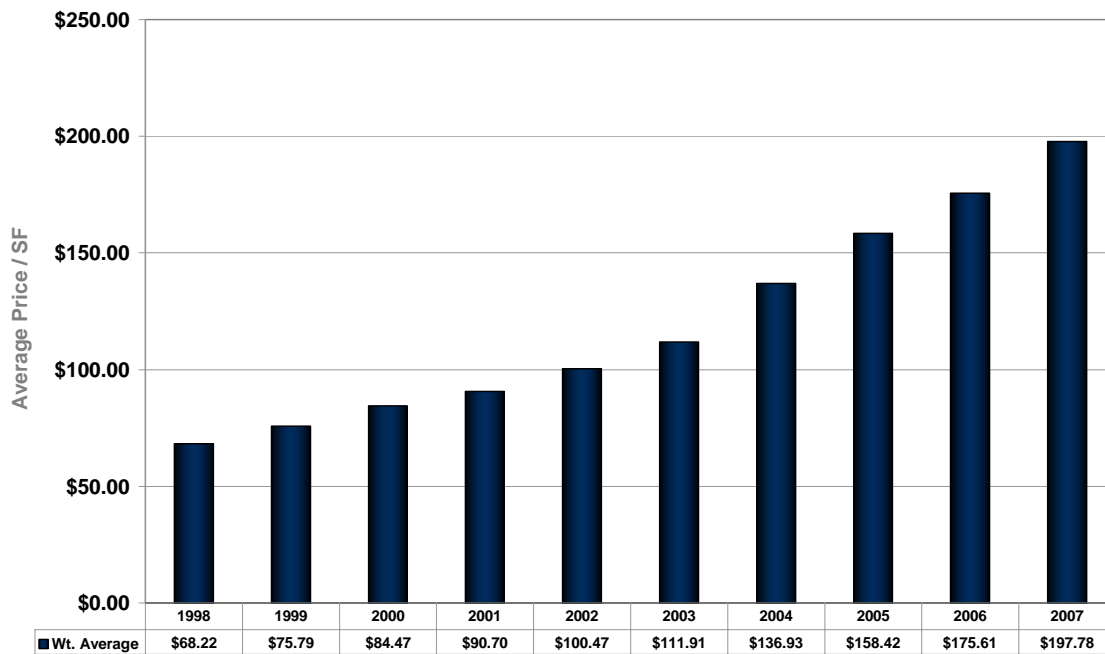
### Southern California Market

Average Sales Price / Square Foot



### Southern California Market

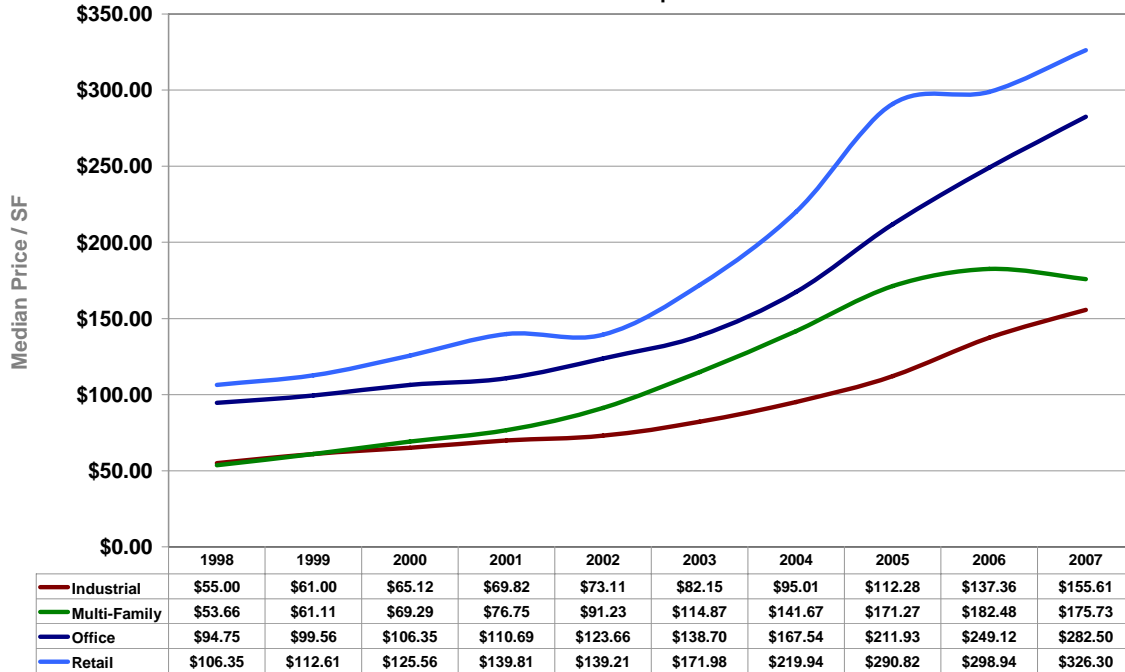
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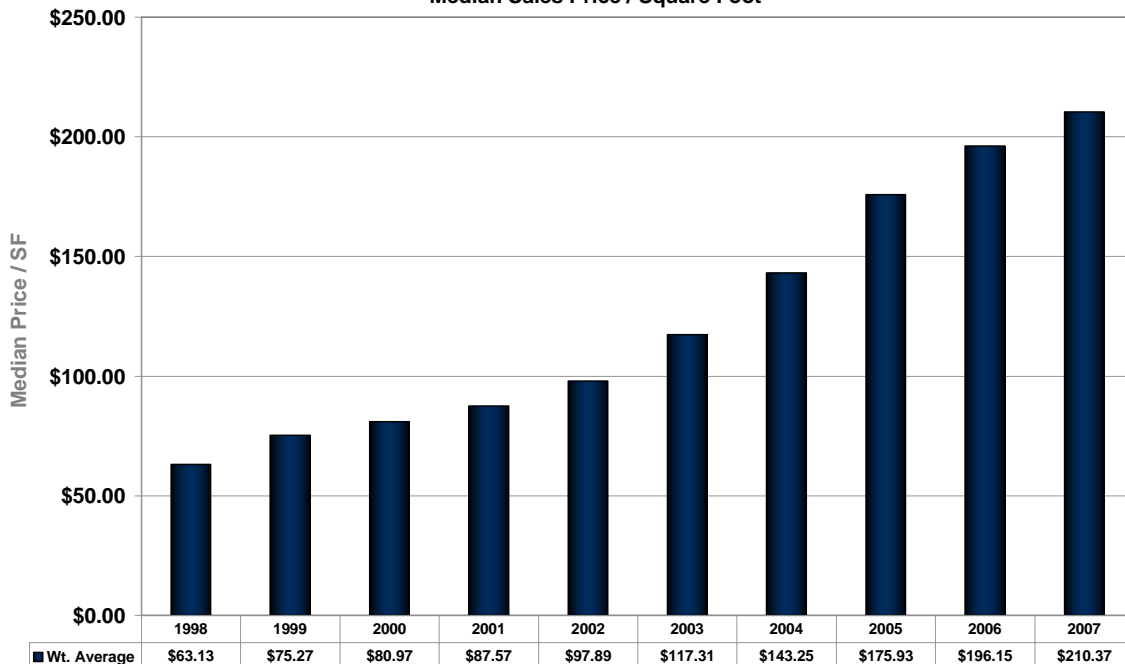
### Southern California Market

Median Sales Price / Square Foot



### Southern California Market

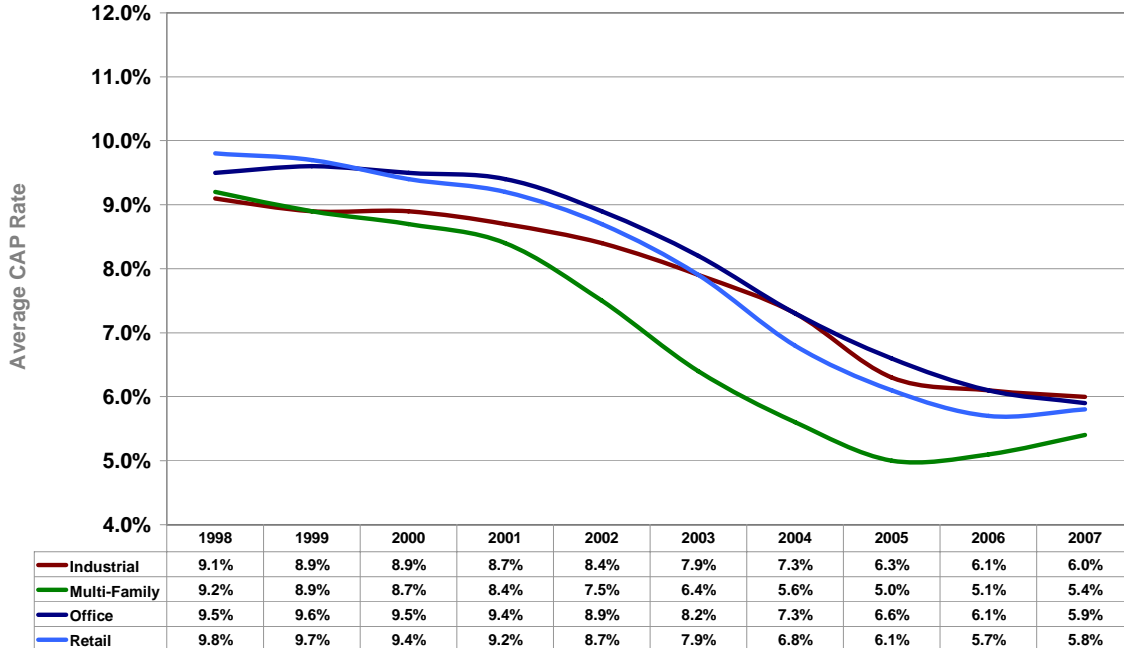
Median Sales Price / Square Foot



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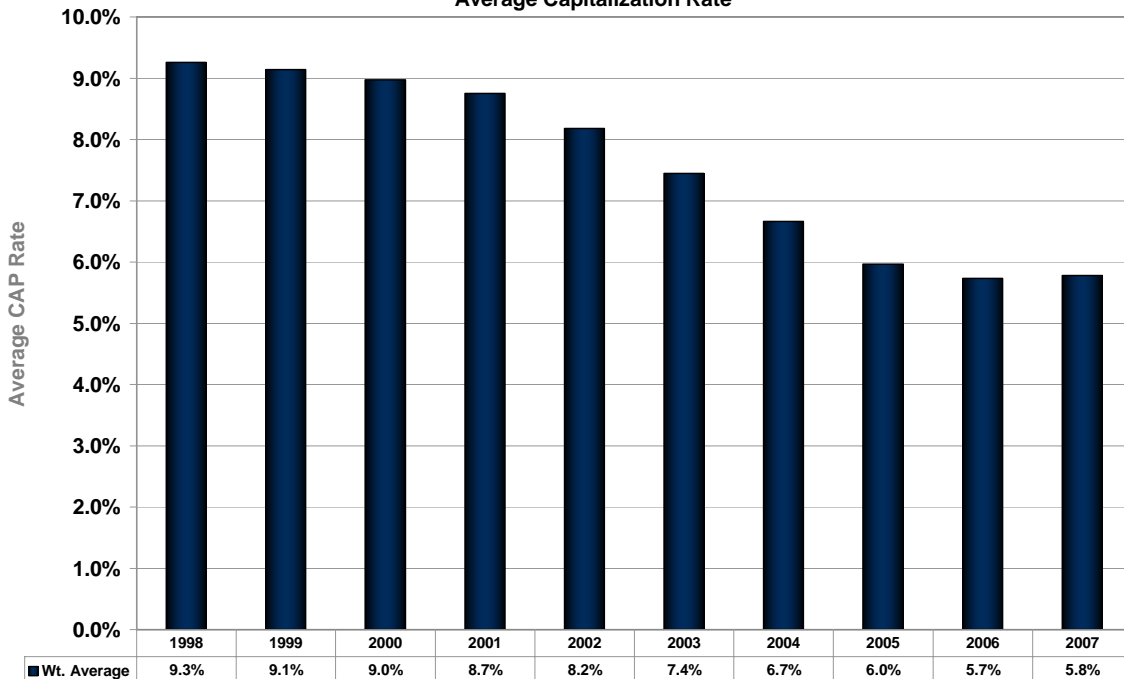
### Southern California Market

Average Capitalization Rate



### Southern California Market

Average Capitalization Rate



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**LOS ANGELES / CORPORATE**  
 801 S. Figueroa Street, Suite 600  
 Los Angeles, CA 90017  
 213-626-9101  
 888-659-DAUM  
 www.daumcommercial.com



**BURBANK**  
 3400 W. Olive Avenue, Suite 330  
 Burbank, CA 91505  
 818-333-2200



**LOS ANGELES NORTH**  
 21820 Burbank Boulevard, Suite 270  
 Woodland Hills, CA 91367  
 818-887-3600



**SANTA CLARITA VALLEY**  
 28494 Westinghouse Place, Suite 206  
 Valencia, CA 91355  
 661-705-2299



**SAN GABRIEL VALLEY**  
 13191 Crossroads Pkwy. N, Suite 175  
 City of Industry, CA 91746  
 562-695-7244



**SOUTH BAY**  
 1025 W. 190th Street, Suite 100  
 Gardena, CA 90248  
 310-538-6700



**ORANGE COUNTY NORTH**  
 2300 E. Katella Avenue, Suite 100  
 Anaheim, CA 92806  
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**ORANGE COUNTY SOUTH**  
 4675 MacArthur Court, Suite 725  
 Newport Beach, CA 92660  
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**VENTURA & SANTA BARBARA**  
 751 Daily Drive, Suite 105  
 Camarillo, CA 93010  
 805-987-8866



**INLAND EMPIRE**  
 3998 Inland Empire Boulevard, Suite 400  
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 909-980-1234



**PHOENIX ARIZONA**  
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