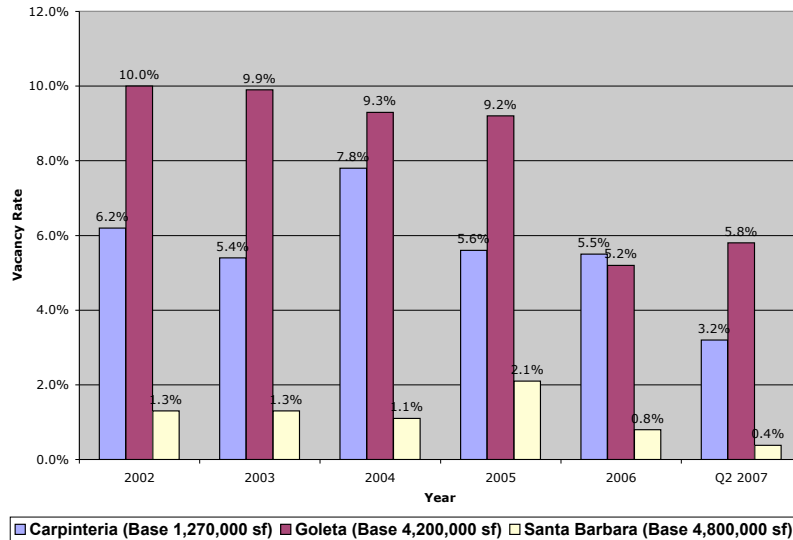




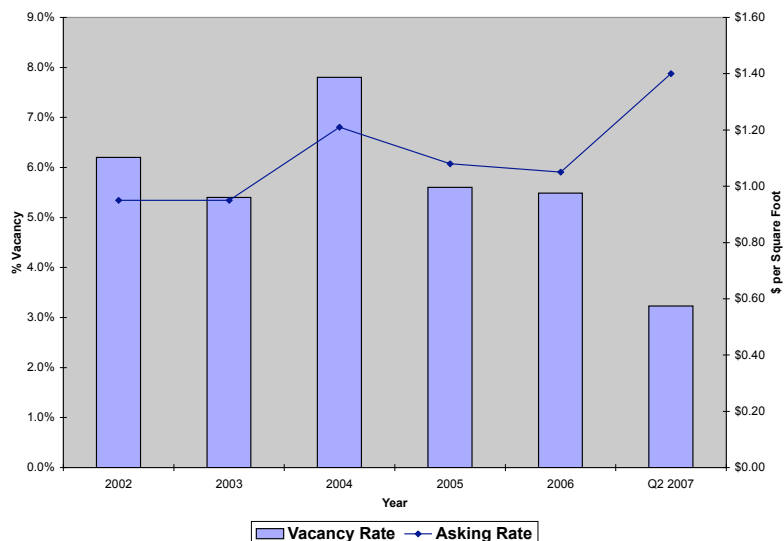
**SOUTH COUNTY INDUSTRIAL MARKET  
VACANCY RATES**



**Carpinteria**

The Industrial market in Carpinteria consists of approximately 1,270,000 square feet (SF) with roughly 41,043SF currently available for lease. This equates to a vacancy rate of 3.23%, down from year-end 2006 (5.5%) but up from the first quarter (2.2%). The current asking rate of \$1.40 (Gross) is the highest in five years, which can be attributed to the low vacancy rate. At year-end 2006 the average rate was only \$1.05 (Gross), so we have seen a 35% increase in the Industrial lease rate in a very brief period of time. There were two significant transactions completed during the first half of the year, which led to the increase in vacancy from the first quarter. Both 1005 Mark Avenue and 1105-1135 Mark Avenue were sold which added industrial space to the lease market.

**Vacancy vs. Asking Rate**



**QUICK STATS**

Arrows indicate change from 2006

**Industrial Vacancy**

- Carpinteria 3.23% ▼
- Goleta 5.75% ▲
- Santa Barbara 0.36% ▼

**Office/R&D Vacancy**

- Carpinteria 10.33% ▼
- Goleta 6.39% ▲
- Santa Barbara 2.50% ▼

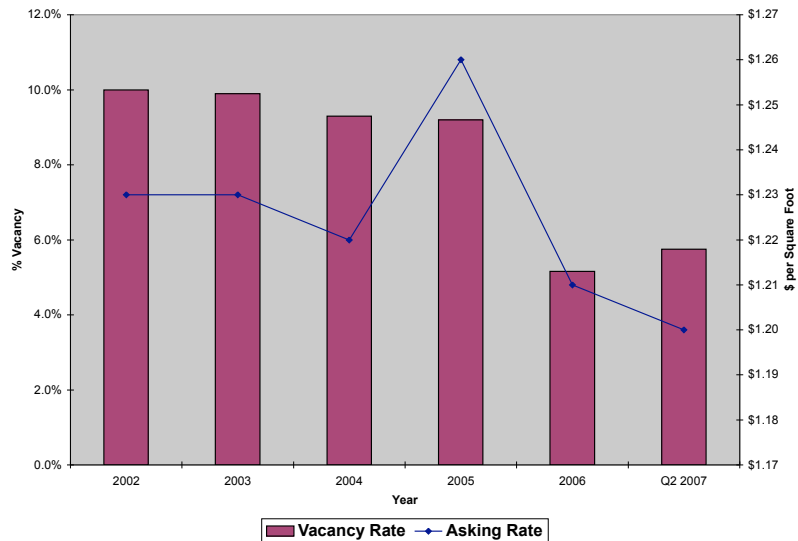
222 E. Carrillo Street, Suite 101  
Santa Barbara, California 93101  
805/899-2400  
805/899-2424 FAX  
www.pacificacommercialrealty.com



## Goleta

Of the 4.2 million square foot Industrial base in Goleta, roughly 241,584 square feet are currently for lease. Over half of this available square footage is attributable to Dupont's desire to sublease a 98,141 SF portion of their space in the Cabrillo Business Park and the 57,600 SF available at 82 Coromar. The current vacancy rate for the Goleta Industrial market is 5.75%, slightly above year end 2006 as well as first quarter 2007 (5.2%), yet well below the year-end 2005 rate of 9.2%. The current average asking rate for this sector is \$1.20 (Gross), which is nearly identical to year-end 2006 which was \$1.21.

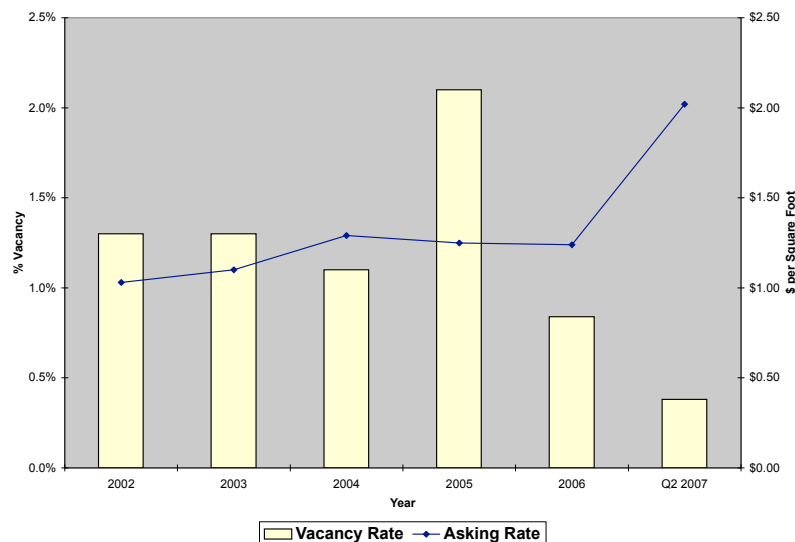
Vacancy vs. Asking Rate



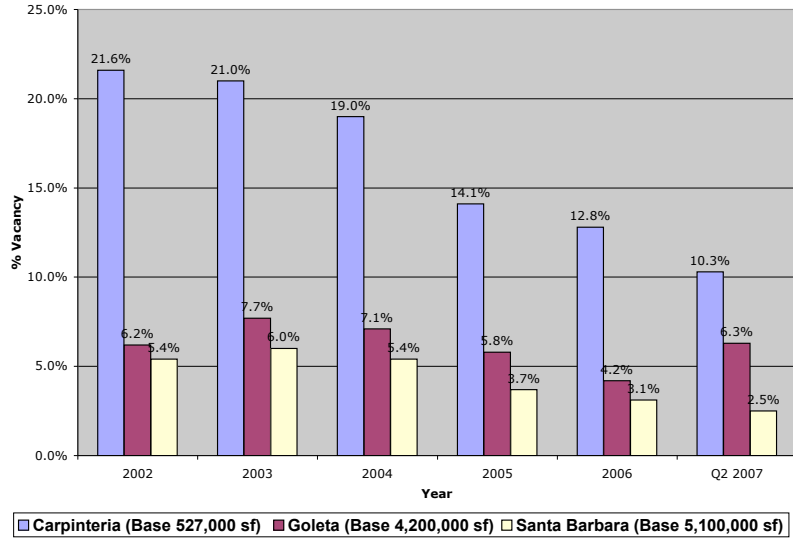
## Santa Barbara

The Santa Barbara Industrial market continues the long established trend having the lowest vacancy rate of the South County. There is approximately 4.8 million square feet of existing industrial space in Santa Barbara, and there is only 18,368 square feet available which equates to a vacancy rate of 0.4%. This is down from last year (0.8%). One deal completed by Pacifica Commercial Realty in the month of February caused the vacancy rate to drop significantly. The largest transaction of the quarter was completed by Pacifica Commercial Realty when they leased 6000 square feet at 726 Cacique street to Cortan Construction. The current average asking rate is \$2.02 (Gross) up from last quarter (\$1.46). This can be a little misleading because of the higher than average asking rates for 201 West Montecito Street at \$1.92 gross and 203 Chapala at \$2.11 gross. Without this property the asking rate is \$1.66. All of this points to the fact that there is little industrial space available in the Santa Barbara market.

Vacancy vs. Asking Rate



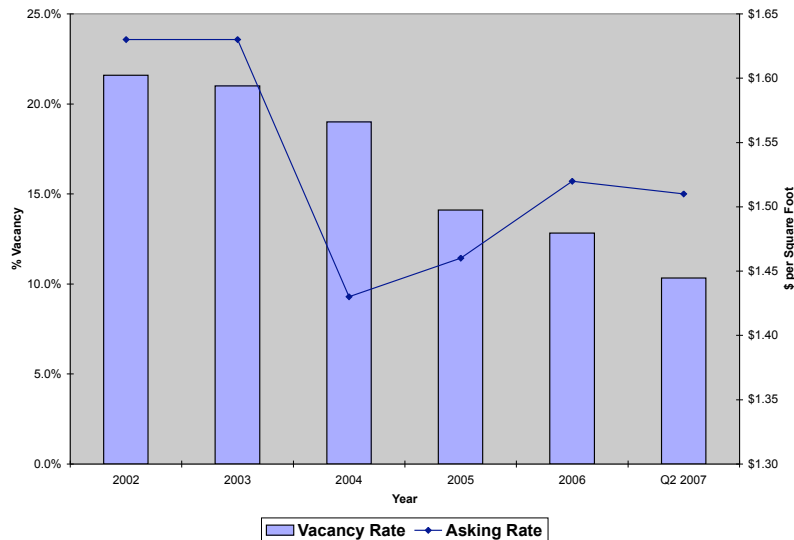
## SOUTH COUNTY OFFICE/ R&D MARKET VACANY RATES



### Carpinteria

There is roughly 525,000 square feet of office and R&D space in Carpinteria with approximately 54,445 square feet currently available. This equates to a vacancy rate of 10.33%, which is down from 12.4% at the year-end 2006. Approximately 37% this space is available for sublease and a significant transaction is pending for the majority of the space. Due to Carpinteria having only 525,000 total square feet of office space, a few small transactions can have a substantial impact on the vacancy rate. The average asking rate for Carpinteria is \$1.51 (Gross), which is similar to the \$1.52 average asking rate seen the previous year. The largest transaction of the quarter was a Pacifica Commercial Realty lease in which 8,073 SF at 1145 Eugenia Place was leased to Pacific

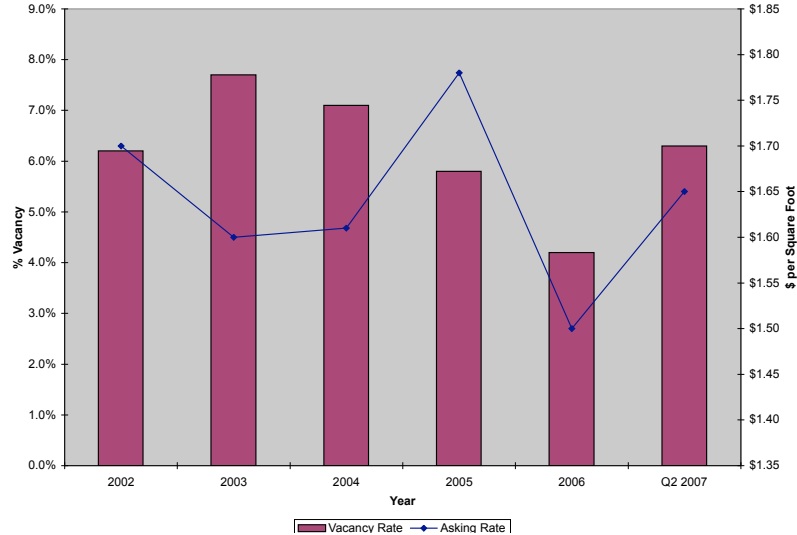
### Vacancy vs. Asking Rate



## Goleta

The Office/R&D market in Goleta consists of approximately 4.2 million square feet with roughly 268,375 square feet currently available. Of this availability, nearly 29% is for sublease. Over 27,700 SF are available for sublease at 6500 Hollister Avenue with a transaction pending. There was only one large transaction of the quarter when ATK Space Systems Inc leased 11,829 SF at 475 Pine Avenue. The vacancy rate of 6.39% has increased significantly from year-end 2006 when it stood at (4.2%) but considering pending transactions this rate will decrease significantly during the upcoming Third Quarter 2007. The current average asking rate of \$1.65 (Gross) is significantly above last year's rate of \$1.50 and much closer to the average rate of the last 5 years.

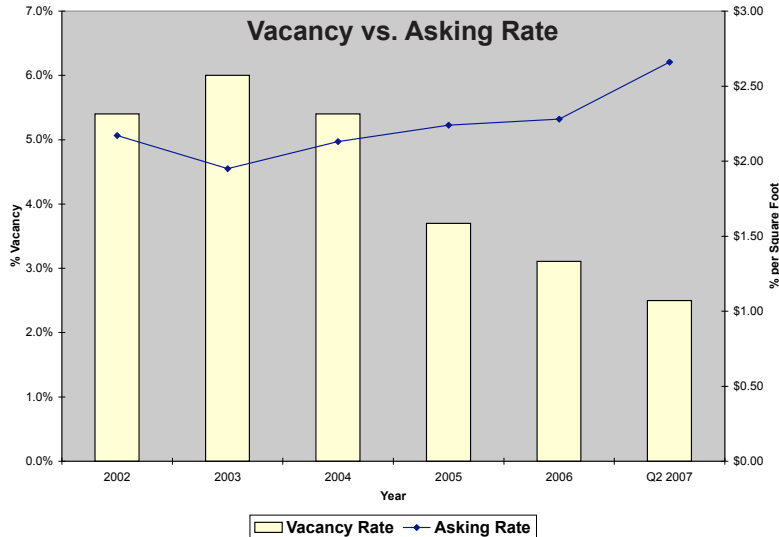
Vacancy vs. Asking Rate



## Santa Barbara

The Santa Barbara Office market continued its trend of decreasing vacancy rates over the last 5 years. The current vacancy rate of 2.5% is down from year-end 2006 (3.1%) and is the lowest since 2000. The vacancy rate is dropping closer to that at the beginning of 2000 when the rate was below 2%. The average asking rate is currently \$2.66 (Gross), which is up significantly from the asking rate at the end of last year (\$2.28 Gross). The second quarter of 2007 marks the fourth straight year of increasing asking rates for Santa Barbara office space. We expect lease rates to continue in this direction for the foreseeable future with the higher quality space (Class "A") demanding rates significantly higher than lower quality space. Class "A" properties are leasing in the range of \$3.00 (Gross) which is 23% higher than the average for all classes of office space..

Vacancy vs. Asking Rate



## About Pacifica

Pacifica Commercial Realty is the Central Coast's largest, full-service commercial, industrial, and investment real estate company. Founded in 1969, the firm's business has been exclusively oriented to the needs of commercial and investment property owners and tenants.

For over 35 years, Pacifica Commercial Realty has been servicing Santa Barbara, Ventura, and San Luis Obispo Counties. The company is headquartered in Santa Barbara and has had an office in Santa Maria since 1989.

Pacifica Commercial Realty's success is built upon a reputation for integrity, superior market knowledge, and commitment to client satisfaction. Pacific Commercial Realty has represented many of the area's largest corporations, while maintaining a personal level of service for the community's own independent businesses.

For further information contact us at:



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