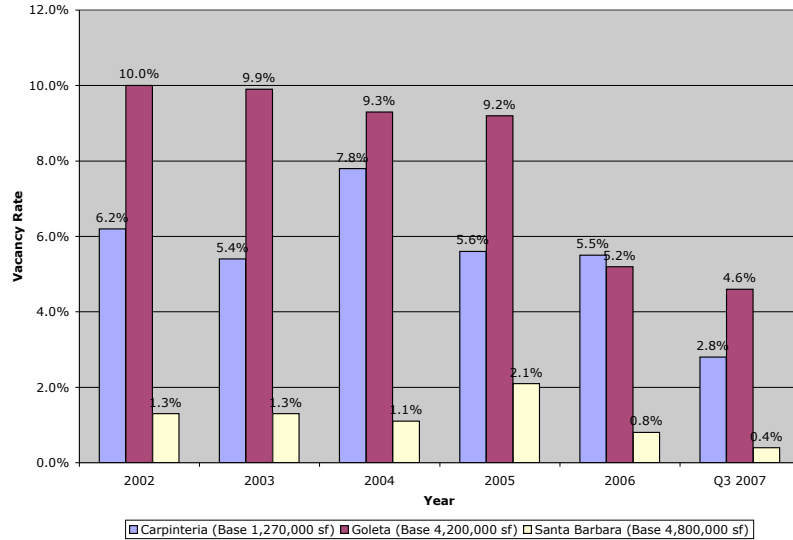




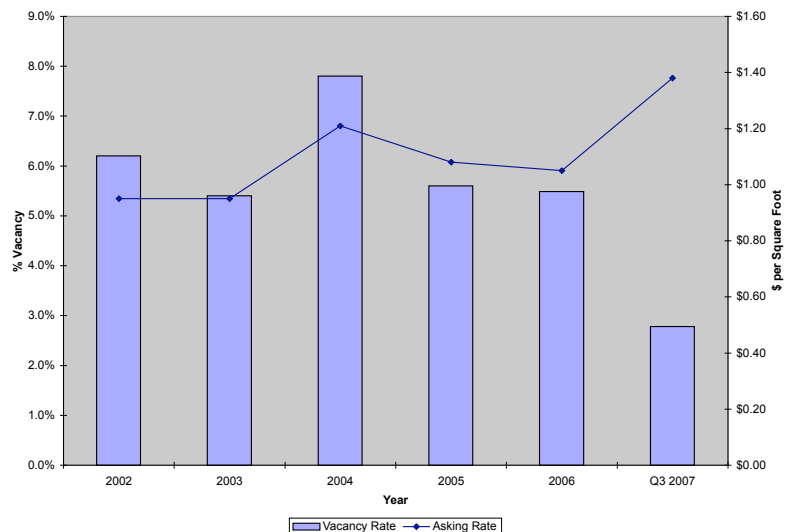
**SOUTH COUNTY INDUSTRIAL MARKET
VACANRY RATES**



Carpinteria

Of the nearly 1,270,000 square feet of industrial property in Carpinteria, roughly 35,306 SF are currently for lease. This equates to a vacancy rate of 2.78% which is down not only from year-end 2006 (5.5%) but is also down since mid-year when vacancy stood at 3.23%. The current asking rate of \$1.46 (Gross) has risen slightly from the second quarter rate of \$1.40 and as a result has continued its upward trend over the past five years. The most notable transaction that occurred this quarter was the lease of 6410 Via Real which consists of 5,700 SF of industrial space along with 20,939 SF of office space in a free standing building. This led to the further decline in the vacancy rate of Carpinteria's industrial market.

Vacancy vs. Asking Rate



QUICK STATS

Arrows indicate change from 2006

Industrial Vacancy

- Carpinteria 2.78% ▼
- Goleta 4.57% ▼
- Santa Barbara 0.44% ▼

Office/R&D Vacancy

- Carpinteria 7.80% ▼
- Goleta 5.30% ▲
- Santa Barbara 2.78% ▼

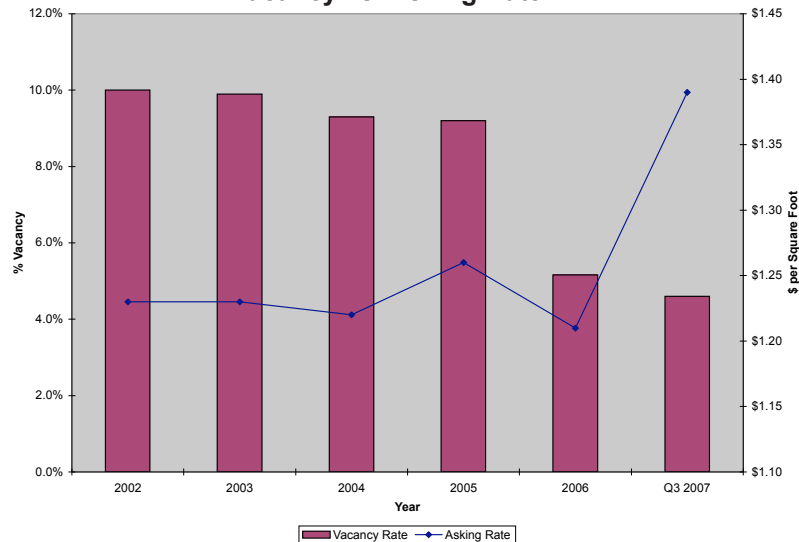
222 E. Carrillo Street, Suite 101
Santa Barbara, California 93101
805/899-2400
805/899-2424 FAX
www.pacificacommercialrealty.com



Goleta

The industrial market in Goleta consists of approximately 4.2 million square feet. Of this, 191,940 SF are available for lease which equates to a 4.57% vacancy rate. The current vacancy rate is lower than both of the previous quarters this year (5.2%) as well as year end 2006. It is nearly half of what it was in 2005 (9.0%). Furthermore, a large portion (63,759 SF) of the available space is a sublease from space currently leased to Dupont. The bulk of the remaining vacant buildings is 57,000 SF in a large warehouse building. The average asking price is currently \$1.39 (Gross) which is up significantly from the year-end 2006 rate of \$1.21. We expect this trend to continue.

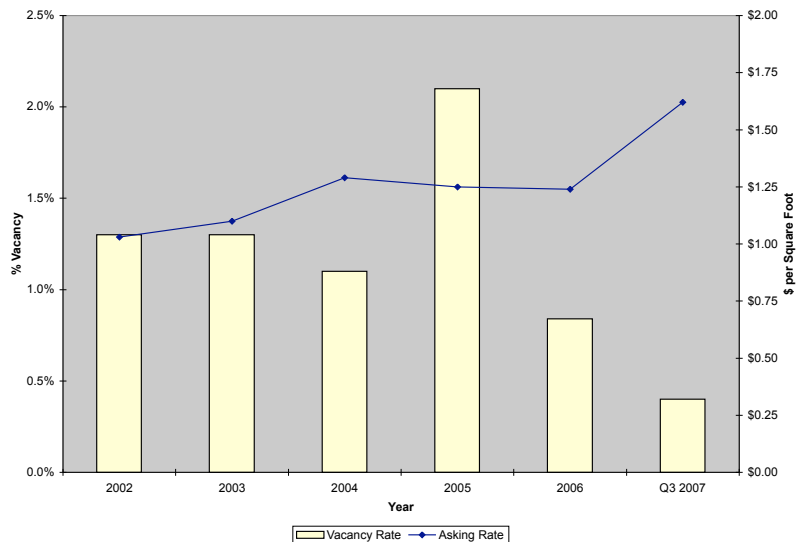
Vacancy vs. Asking Rate



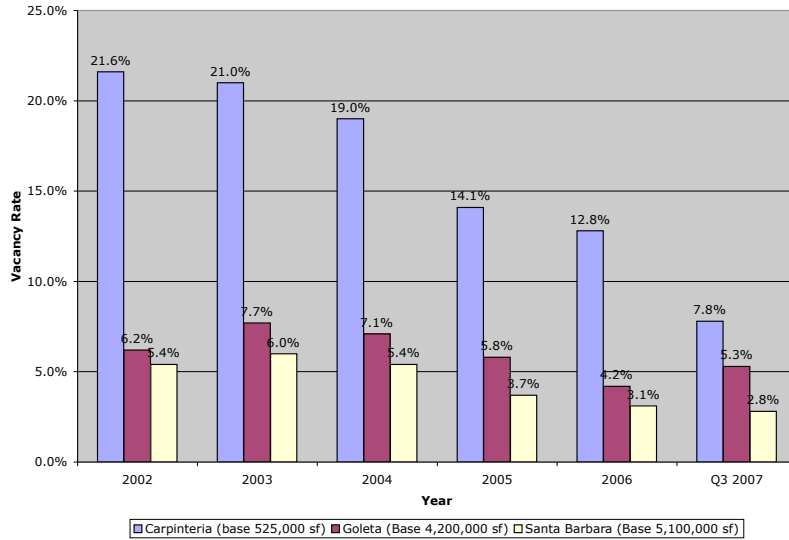
Santa Barbara

The Santa Barbara Industrial market continues its negligible vacancy rate at .4% which is the same as last quarter. There are approximately 4.8 million square feet of industrial space in Santa Barbara yet only 21,072 square feet are available for lease. The average asking rate of \$1.62 (Gross) is a misleading statistic, since one 12,700 SF industrial building inflates the rental rate above market. Although other properties have come and gone, the fact that the vacancy rate remains the same reinforces the fact that there is little industrial space available in the Santa Barbara market.

Vacancy vs. Asking Rate



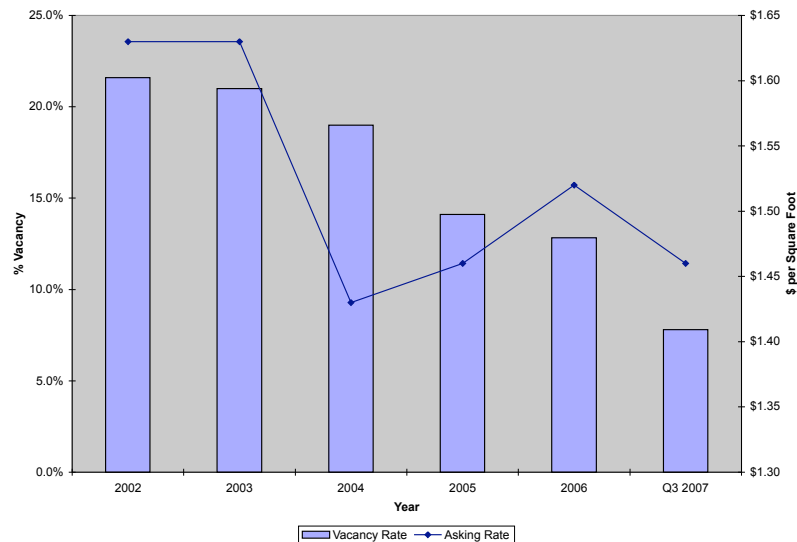
SOUTH COUNTY OFFICE/ R&D MARKET VACANCY RATES



Carpinteria

Of the approximate 525,000 square foot base in the Carpinteria Office and R&D market, only 41,143 square feet are available for lease. This equates to a 7.8% vacancy rate, which is down significantly from year-end 2006 (12.4%). This is the lowest it has been in over five years. Because Carpinteria has such a small Office and R&D market, the lease of 6410 Via Real resulted in a near 25% decrease in the available square feet for lease as compared with the second quarter of 2007. The average asking rate of \$1.46 (Gross) has fallen from the three year high of \$1.52 in 2006.

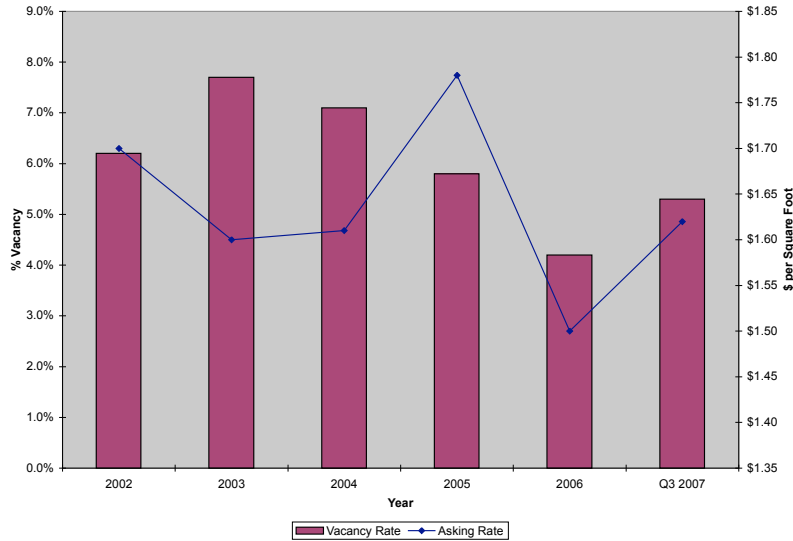
Vacancy vs. Asking Rate



Goleta

There are roughly 4.2 million square feet that make up the Goleta Office/R&D market and approximately 223,672 SF are available for lease. The 1.1% rise in vacancy rate to 5.3% marks a change in the trend of declining vacancy rates over the past three years. Approximately 33% of the available square footage is currently available at 75 Robin Hill Road where there are over 75,000 square feet available for lease. Nearly 50% of the 100,000 SF that were leased this quarter were leased by Pacifica Commercial Realty, the largest of which was the leasing of 425 Pine Avenue (23,064 SF) to Hispanic Business Inc. Pacifica also represented FLIR Systems in their lease of approximately 20,000 SF at 55 Castilian Drive. The asking rate has fallen from the previous quarter's rate of \$1.65 (Gross) to \$1.62 yet is still well above the rate of \$1.50 at the end of 2006.

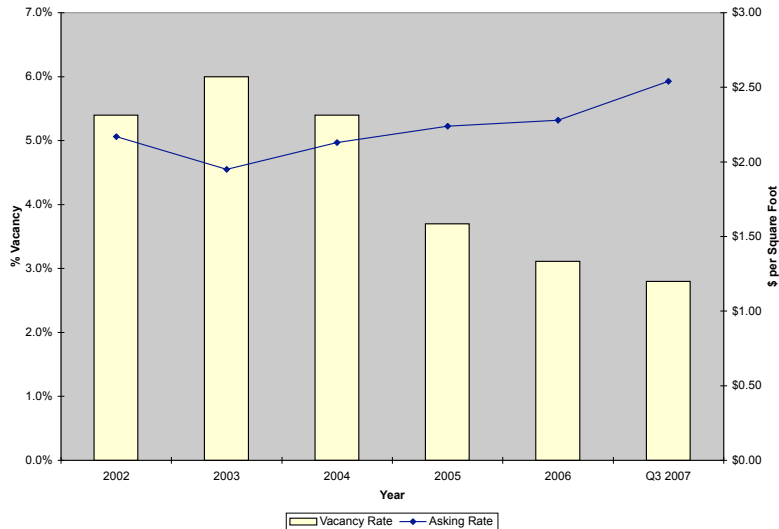
Vacancy vs. Asking Rate



Santa Barbara

Santa Barbara, is the South County's largest office and R&D market (5.1 million square feet) and has continued its long established trend of increasing asking rates and decreasing vacancy rates. The asking rate has increased by \$.26 to an average rate of \$2.54 (Gross) which is lower than the second quarter asking rate yet still higher than any other year in the past seven. The vacancy rate of 2.78% is down slightly from the year-end vacancy rate of 3.1% however, as with the asking rate, it is not quite as extreme as the previous quarter when the vacancy rate was at a five year low of 2.5%. The significant transactions of this quarter were the Pacifica Commercial Realty leases at 101 E Victoria Street.

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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