

# Industrial Market Trends Visalia/Tulare

Grubb & Ellis Research

First Quarter 2008



## Tulare Hits the Radar Screen

Tulare County has hit the radar screen as an option for new distribution center locations. There are currently several companies with one million plus square foot requirements looking in Tulare County for sites. This mid-state location benefits businesses needing same-day delivery and overnight access to key California markets and is an excellent site for large industrial users or distribution centers that can benefit from quick access to Highway 99 and reduced fuel costs for truck delivery.

*This mid-state location benefits businesses needing same-day delivery and overnight access to key California markets...*

### Tulare

With a current vacancy rate of 1.5 percent the 272± acre planned Tulare Business Park will be a welcome addition to the City of Tulare. Being adjacent to Highway 99, it has excellent visibility for business name recognition and signage. Both annexation and zoning is projected to be completed in the fall of 2008. All city utilities will be available at the site. The City of Tulare is business friendly and will expedite projects when needed.

### Visalia

The 10.2 percent vacancy rate in Visalia is down 150 basis points from last quarter. With the addition of the Allen Group's two new 140,000 square foot buildings the Visalia industrial inventory will top 10.2 million square feet. Continued demand for distribution centers has fueled city officials to annex an additional 480 acres for Industrial development. An additional 157± acres on the northwest corner of Plaza and Riggan is currently being marketed and is in the process of annexation for industrial development. Lou Ginise and Michael Porte are leading the marketing efforts on this project as well as the Tulare Business Park.

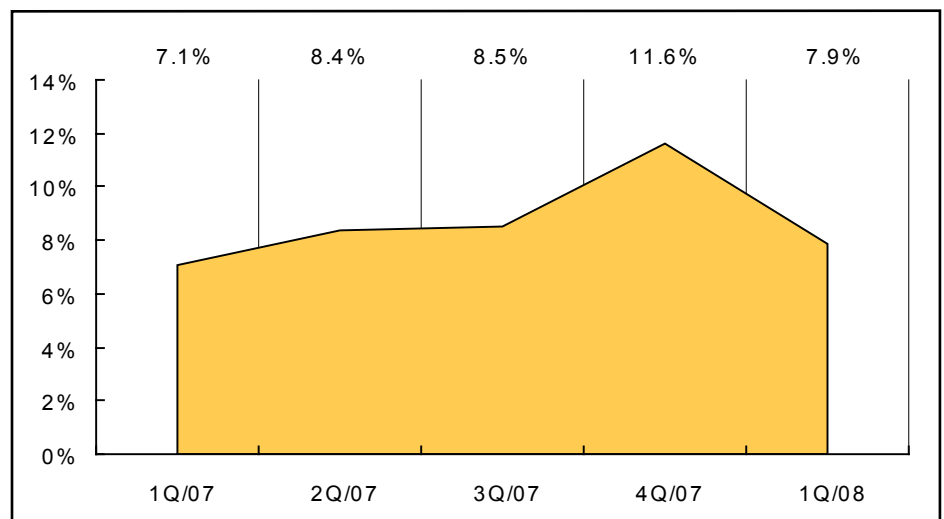
### Visalia-Tulare Industrial Market Trends

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Industrial Vacancy Rate\*

\*All Product Types

## Industrial Market Snapshot Visalia/Tulare First Quarter 2008

By Submarket (All Property Types)	Total (1)	Vacant (2)	Vacant %	Net Absorption		Under Const. (3)	Asking Rent (4)	
	SF	SF		Current Qtr	Year To Date	SF	WH/Dist	R&D/Flex
Tulare	3,417,826	51,890	1.5%	80,640	80,640	20,000	-	-
Visalia	9,831,415	996,922	10.1%	26,208	26,208	389,790	\$0.32	-
<b>Suburban Total</b>	<b>13,249,241</b>	<b>1,048,812</b>	<b>7.9%</b>	<b>106,848</b>	<b>106,848</b>	<b>409,790</b>	<b>\$0.32</b>	<b>-</b>
<b>Totals</b>	<b>13,249,241</b>	<b>1,048,812</b>	<b>7.9%</b>	<b>106,848</b>	<b>106,848</b>	<b>409,790</b>	<b>\$0.32</b>	<b>-</b>

By Property Type (All Submarkets)	Asking Rent							
General Industrial	11,175,833	281,860	2.5%	80,640	80,640	409,790	\$0.33	
R&D/Flex	15,000	-	-	-	-	-	-	
Warehouse/Distribution	2,058,408	766,952	37.3%	26,208	26,208	-	\$0.32	
<b>Totals</b>	<b>13,249,241</b>	<b>1,048,812</b>	<b>7.9%</b>	<b>106,848</b>	<b>106,848</b>	<b>409,790</b>	<b>\$0.32</b>	

(1) Inventory includes multi-tenant and single tenant buildings with at least 5,000 sq. ft.

(2) Vacant space includes both vacant direct and vacant sublease space.

(3) Space under construction includes speculative and build-to-suit for lease projects.

(4) Asking rates are per square foot per month, triple net. Rates for each building are weighted by the amount of available space within the building.

\*Grubb & Ellis statistics are audited annually and may result in revisions previously reported quarterly and final year-end figures.

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