Contact:
Jen Olewinski/James MacGregor
Brower, Miller & Cole
(949) 509-6551
jolewinski@browermillercole.com

REDUCED CONSTRUCTION SIGNALS A SLOW DOWN FOR HIGH VACANCY RATES IN THE ORANGE COUNTY OFFICE MARKET

ORANGE COUNTY, Calif., (July 8, 2008) – The first half of 2008 has been characterized by a significant reduction in office development in Orange County. According to Voit Commercial Brokerage's second quarter office market reports, this reduction in office construction signals a slow down for the steady rising vacancy rates the county has seen over the last seven quarters.

"The total space under construction in Orange County at the end of the second quarter is 325,276 square feet," said Jerry Holdner, vice president of market research for Voit Commercial Brokerage. "The total amount of construction is 90 percent lower than what was under construction at the same time last year."

The vacancy rate is at 14.46 percent this quarter, which is significantly higher than the 8.95 percent vacancy rate recorded in the second quarter of 2007. However, this rate is still noticeably lower than the 17.2 percent vacancy rate recorded in the first quarter of 2002, which was the last time a large amount of new construction was added to the market.

While vacancy rates have continued to increase, Holdner predicts that in the second half of 2008 and going into 2009, Orange County could start to see an increase in activity.

"Orange County's strong local economy and high quality of life continues to attract new businesses in the fields of biotechnology, high technology and healthcare," explained Holdner. "The increase in new types of business, combined with reduced construction, will cut vacancy rates and hopefully begin creating more pent-up demand."

According to the State of California Employment Development Department, Orange County lost 21,000 payroll jobs over the last 12 months, most of which were in financial services. However, between April 2008 and May 2008 Orange County gained 3,300 jobs, mostly in government, leisure and hospitality sector. Going forward, Chapman University is forecasting 18,000 additional payroll jobs will be lost in 2008 in Orange County with a gain of 14,000 in 2009.

The unemployment rate in Orange County was 4.8 percent in May 2008, up from a revised 4.4 percent in April 2008 and above the year ago estimates of 3.5 percent. This compares with an unadjusted unemployment rate of 6.5 percent for California and 5.2 percent for the nation during the same period.

Voit Commercial Brokerage currently publishes quarterly office market reports for the company's major markets: Orange County, Mid-Counties, San Diego and Las Vegas. Voit's market reports can be accessed at www.voitco.com or by contacting jholdner@voitco.com.

Voit Commercial Brokerage, a member of CORFAC International, is a full-service brokerage firm that specializes in the sales and leasing of office, industrial and

retail properties, in addition to investment property sales. Since the firm's inception, it has completed sales and lease transactions valued in excess of $14 billion. A subsidiary of The Voit Companies, Voit Commercial Brokerage has offices in Irvine, Anaheim, Chula Vista, San Diego and Las Vegas. The Voit Companies can be reached at www.voitco.com.

# # #