

## MARKET TRENDS

# VENTURA COUNTY INDUSTRIAL

### MARKET DRIVERS

Direct net absorption in the third quarter reported negative 215,750 SF, this is the first time this region reported negative net absorption since Q3 2020 (This means that more industrial space was vacated and put on the market than was leased). Despite the negative net absorption, 2022's year-to-date direct net absorption is positive 1.8 million SF. Although vacancy rates rose by 40 basis points (bps) quarter-over-quarter to 2%, that figure is still quite low when compared to 2020 and early 2021. Even before the pandemic, the Ventura County Industrial market reported direct vacancy rates between 2.1% and 4.7% over the last 5 years.

Sublease vacancy in Ventura County was a low 0.1%, 10 bps lower than the previous quarter.

Rental rates concluded the quarter at an all-time high of \$1.04/SF on a triple net basis, a 15.41% increase year-over-year.

Leasing activity decreased by 53.65% year-over-year to 354,142 SF for the quarter. This is likely due to a combination of higher rents and the low vacancy rate.

Currently Ventura County has 562,967 SF of industrial space under construction and year-to-date deliveries that total 2,394,879 SF. Several projects are expected to be delivered in early 4Q 2022 such as the Tapo Canyon Commerce Center (3 buildings totaling 279,792 SF) and 1489 Lawrence Dr (83,570 SF). The largest delivery of 2022 was the Amazon Fulfillment Center in Oxnard which totaled 1.5 million SF.

### ECONOMIC REVIEW

Ventura County continues to benefit from the influx of biotechnology companies.

Port Hueneme continues to alleviate supply chain issues.

SOAR (Save Open Space & Agricultural Resources) keeps most agricultural zones from being developed.

continued on page 4

### MARKET SUMMARY

	3Q22	2Q22	3Q21	Annual Change
Direct Vacancy Rate	2.0%	1.6%	1.7%	<b>17.65%</b>
Availability Rate	3.6%	3.4%	3.1%	<b>16.13%</b>
Asking Lease Rate	\$1.04	\$1.02	\$0.90	<b>15.41%</b>
Lease Transactions	354,142	495,969	763,985	<b>-53.65%</b>
Sale Transactions	306,284	1,053,515	1,209,697	<b>-74.68%</b>
Net Absorption	(215,750)	1,453,370	716,599	<b>N/A</b>

↓ **354K SF**  
LEASING ACTIVITY

↓ **-216K SF**  
NET ABSORPTION

↑ **2.0%**  
VACANCY RATE

↑ **\$1.04**  
ASKING RENT (AVG)

↓ **69K SF**  
NEW DELIVERIES

Year-Over-Year Trend

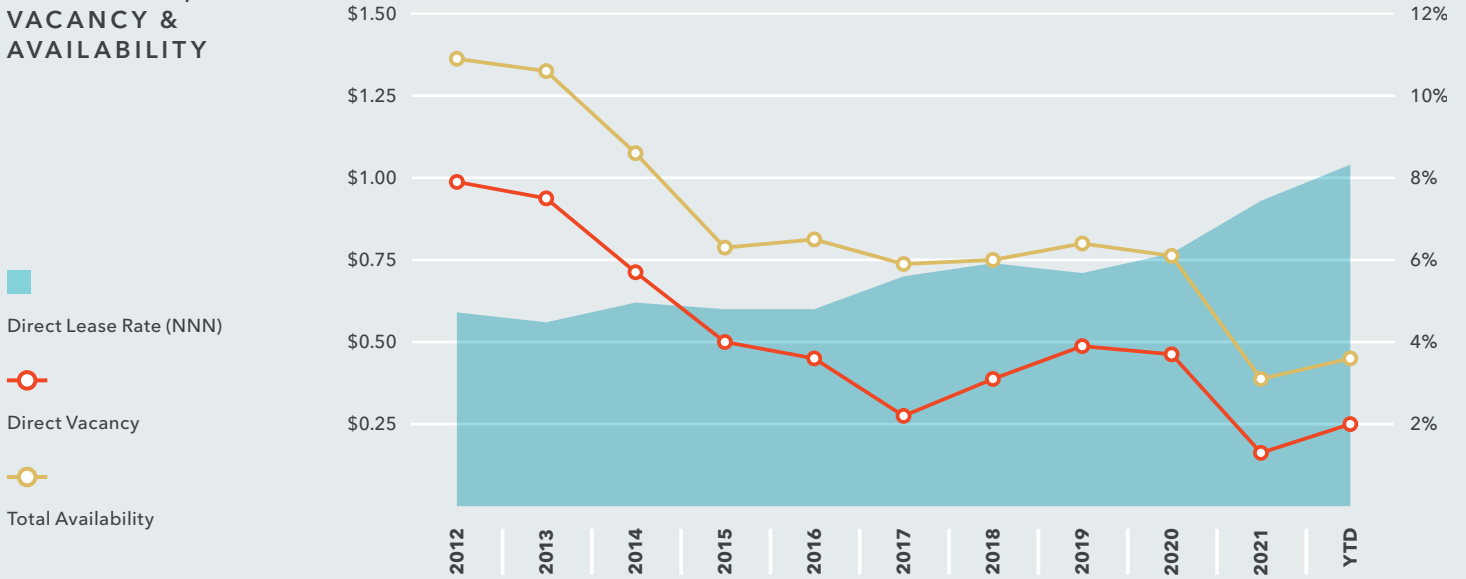
### MARKET HIGHLIGHTS

Direct vacancies slightly rose to 2%, a 17.65% increase year-over-year.

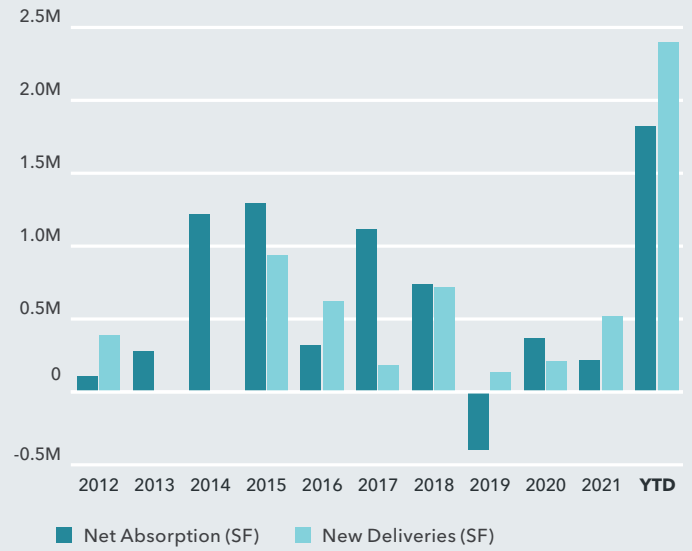
Direct asking lease rates rose slightly to \$1.04 on a triple net basis from \$0.90 this time last year.

Average sales price was \$247.68 per SF, with a year-to-date average cap rate of 5.5%

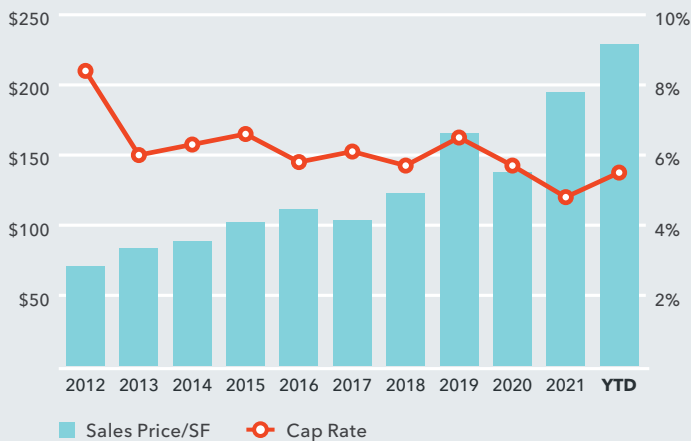
## LEASE RATE, VACANCY & AVAILABILITY



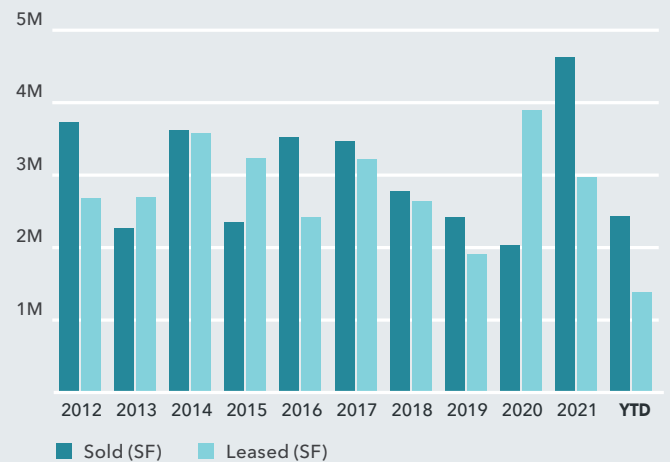
## NET ABSORPTION & NEW DELIVERIES



## AVERAGE SALES PRICE/SF & CAP RATE



## SALE VOLUME & LEASING ACTIVITY



**SUBMARKET STATISTICS**

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	3Q Direct Net Absorption	YTD Direct Net Absorption	3Q 2022 Leasing Activity	YTD 2022 Leasing Activity	SF Under Construction	2022 Construction Completions	Average NNN Rental Rate
Camarillo, Santa Paula, and Fillmore	14,053,787	2.6%	2.8%	(19,390)	(82,650)	37,871	158,758	-	-	\$0.99
Moorpark/Simi Valley	13,192,528	1.2%	1.5%	65,439	95,240	174,241	501,769	464,397	133,753	\$0.95
Oxnard/Pt Hueneme	25,463,291	1.4%	1.5%	(111,422)	1,939,591	56,187	308,726	-	2,172,180	\$0.84
Thousand Oaks	8,572,061	5.1%	5.2%	(118,063)	(92,673)	54,049	232,987	98,570	88,946	\$1.48
Ventura/Ojai	11,145,266	1.2%	1.2%	(32,314)	(41,512)	31,794	180,552	-	-	\$0.69
<b>Ventura County Total</b>	<b>72,426,933</b>	<b>2.0%</b>	<b>2.2%</b>	<b>(215,750)</b>	<b>1,817,996</b>	<b>354,142</b>	<b>1,382,792</b>	<b>562,967</b>	<b>2,394,879</b>	<b>\$1.04</b>

**TOP SALE TRANSACTIONS 3Q 2022**

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
2640 Sturgis Rd	Oxnard	63,000	\$16,500,000	\$261.90	Western Precooling Systems	Frozsun Inc.
2125 Madera Rd	Simi Valley	70,194	\$16,400,000	\$233.64	Dedeaux Properties LLC	Cortech Systems Inc.
935 E Front St	Ventura	22,112	\$6,000,000	\$271.35	Commune Capital	Tilly Trust
2560 Calcite Circ	Newbury Park	17,195	\$4,825,000	\$280.60	Invest Capital LLC	Carie Nora Sahagian Trust
1501-1521 Palma Dr	Ventura	14,783	\$2,950,000	\$199.55	Camarillo Industrial Investments LLC	Ray Bypass Trust

**TOP LEASE TRANSACTIONS 3Q 2022**

Property	Submarket	SF	Transaction Date	Landlord	Tenant
2151 Anchor Ct	Thousand Oaks	19,982	Jul-22	Anchor Cooper Group, LLC	HK Lighting
530 E 3rd St	Oxnard	15,400	Jul-22	Marcus Adams Properties, LLC	National Graphics
5120-5126 Ralston St	Ventura	14,440	Aug-22	Bruce Gordon	Advanced PPE Company
1250 Commercial Ave	Oxnard	13,175	Sep-22	Vicente & Lilia Martinez Trust	Agaso Outdoor LLC
701 Del Norte Blvd	Oxnard	9,358	Jul-22	Rexford Industrial Realty, Inc.	Advanced Structural Technologies

**BIGGEST LEASE OF THE QUARTER**

*2151 Anchor Ct, Thousand Oaks*



**NEAR TERM OUTLOOK**

Industrial vacancy is expected to remain low, due to the demand for space by local and regional business owners.

CAP rates will increase, and investment pricing will decrease as interest rates continue to climb.

Developers will be tempted to pursue speculative construction redevelopment prospects as they continue to see the pressure of pent-up demand diminishing industrial space and bidding up pricing.

**TOP UNDER CONSTRUCTION**

Property	Address	Submarket	SF	Owner	Delivery
Tapo Canyon Commerce Center	4130 E Los Angeles Ave- Bldg 5	Moorpark/Simi Valley	135,579	Stream Realty Partners	Oct-22
Conejo Spectrum Gateway	1489 Lawrence Dr	Thousand Oaks	83,570	Vogel Properties, Inc.	Oct-22
Tapo Canyon Commerce Center	1850 Tapo Canyon Rd- Bldg 4	Moorpark/Simi Valley	76,445	Stream Realty Partners	Oct-22
Tapo Canyon Commerce Center	1860 Tapo Canyon Rd- Bldg 3	Moorpark/Simi Valley	67,768	Stream Realty Partners	Oct-22
Guardian Ridge	4180 Guardian St	Moorpark/Simi Valley	49,980	Jeff Cooper Architects	Nov-22

**RECENTLY DELIVERED**

Property	Address	Submarket	SF	Owner	Delivery
Amazon Fulfillment Center	3100 Sakioka Dr	Oxnard	1,527,505	Amazon	Apr-22
Arctic Cold Storage	1101 Del Norte Blvd	Oxnard	576,025	Lineage Logistics	Mar-22
Conejo Spectrum Gateway	1515 Rancho Conejo Blvd	Thousand Oaks	88,946	Vogel Properties, Inc.	Mar-22
875 Cochran St- Bldg 2	875 Cochran St- Bldg 2	Moorpark/Simi Valley	72,453	Darling Development Group	Jan-22
500 N Elevar St.	500 N Elevar St.	Oxnard	68,650	Erwin Essie Appel Family Trust of 1975	Sep-22

Data Source: EDD, CoStar



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The information in this report was composed by the Kidder Mathews Research Group.

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<b>COMMERCIAL BROKERAGE</b>	<b>\$10.9B</b> TRANSACTION VOLUME ANNUALLY	<b>49.7M</b> ANNUAL SALES SF	<b>43.7M</b> ANNUAL LEASING SF
<b>ASSET SERVICES</b>	<b>52M</b> MANAGEMENT PORTFOLIO SF	<b>875+</b> ASSETS UNDER MANAGEMENT	<b>270+</b> ASSET SERVICES CLIENTS
<b>VALUATION ADVISORY</b>	<b>2,600+</b> ASSIGNMENTS ANNUALLY	<b>47</b> TOTAL APPRAISERS	<b>24</b> WITH MAI DESIGNATIONS

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