

MARKET TRENDS

VENTURA COUNTY INDUSTRIAL

MARKET DRIVERS

DIRECT NET ABSORPTION 2Q 2023 was positive 11,166 SF, after the region's two consecutive quarters of negative net absorption. Direct vacancy rates remained steady quarter-over-quarter at 2.7% -- 130 bps higher than the direct vacancy rate reported this time last year. Despite the uptick in vacancy, it remains low compared to pre-pandemic figures of 3.8% in 2019.

SUBLEASE VACANCY in Ventura County was a low 0.5%-- 20 bps higher than the previous quarter.

THE MOORPARK/SIMI VALLEY AND THOUSAND OAKS SUBMARKETS are reporting total vacancy rates of 5.6% and 8.3% respectively. Both submarkets have had a significant increase in vacancy since the start of 2022, most notably Moorpark/ Simi Valley's jump from the 1.2% reported in 1Q 2022. Of the 701,850 SF of new industrial space delivered since the start of 2022 in these submarkets, roughly 46% of the space remains vacant.

AVERAGE RENTAL RATES continue to rise to an all-time high of \$1.23/SF NNN, a 20.3% increase year-over-year while leasing activity totaled 1,126,760 SF in the second quarter, an 86.2% increase year-over-year. Year-to-date leasing activity totals 1,555,316 SF.

CURRENTLY, VENTURA COUNTY has 659,763 SF of industrial space under construction with year-to-date deliveries totaling 382,342 SF. No properties were delivered in the second quarter.

ECONOMIC REVIEW

IN MAY VENTURA COUNTY'S unemployment rate decreased slightly to 3.7%, down from the 4.2% reported in January. The region's unemployment rate topped out at 14.3% at the height of the COVID-19 pandemic layoffs.

THE TRADE, transportation, and utilities sector remains strong throughout Ventura County reporting over 56,000 jobs in May.

SOAR (SAVE OPEN SPACE & AGRICULTURAL RESOURCES) will continue to hinder new development and keep prices high.

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Market Summary

	2Q23	1Q23	2Q22	Annual Change
Direct Vacancy Rate	2.7%	2.7%	1.6%	68.8%
Availability Rate	4.1%	4.0%	3.0%	36.7%
Asking Lease Rate	\$1.23	\$1.24	\$1.02	20.3%
Leasing Activity (SF)	1,126,760	428,556	605,101	86.2%
Sale Volume (SF)	175,627	69,625	1,072,375	-83.6%
Direct Net Absorption (SF)	11,166	(26,489)	1,478,830	N/A

↑ **1.13M SF**
LEASING ACTIVITY

↓ **11K SF**
DIRECT NET ABSORPTION

↑ **2.7%**
VACANCY RATE

↑ **\$1.23**
ASKING RENT (AVG)

↓ **0 SF**
NEW DELIVERIES

Year-Over-Year Trend

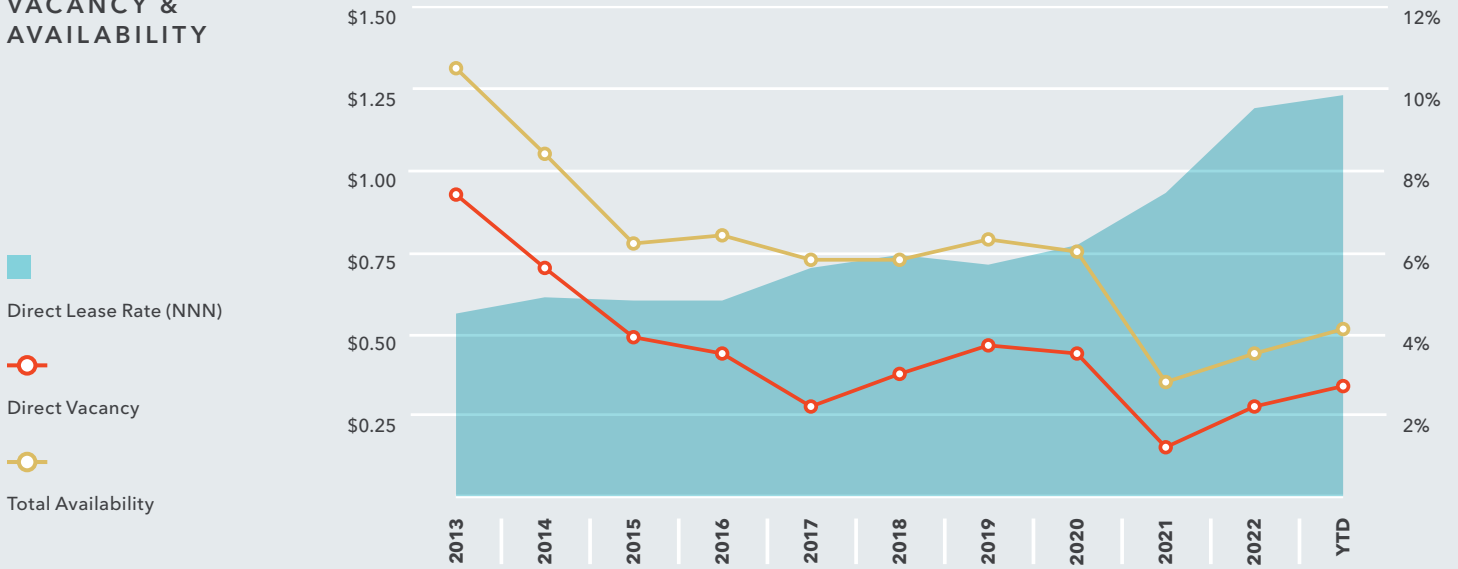
Market Highlights

DIRECT VACANCIES rose to 2.7%, steady quarter-over-quarter.

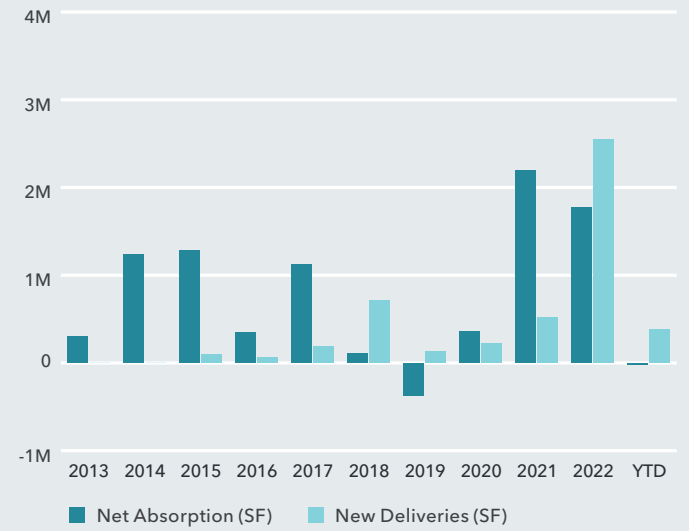
DIRECT ASKING LEASE RATES increased to \$1.23/sf NNN from \$1.02/sf NNN this time last year.

AVERAGE SALES PRICE was \$251.37/sf.

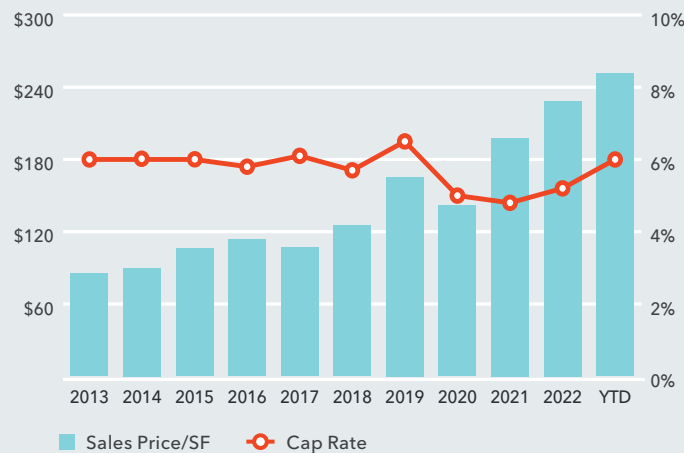
LEASE RATE, VACANCY & AVAILABILITY



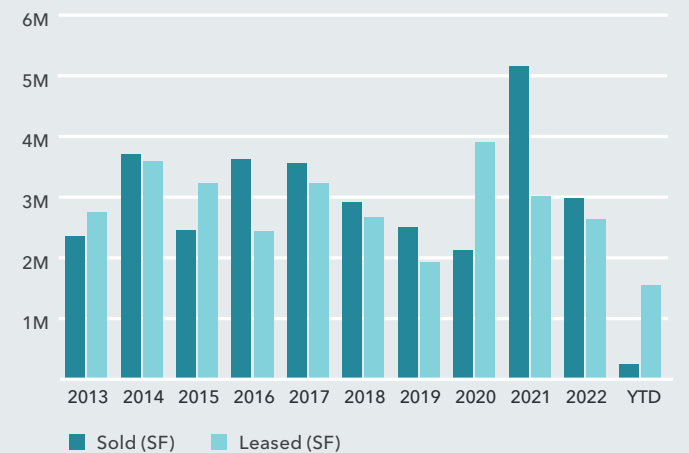
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	2Q 2023 Direct Net Absorption	YTD 2023 Direct Net Absorption	2Q 2023 Leasing Activity	YTD 2023 Leasing Activity	SF Under Construction	2023 Construction Completions	Average NNN Rental Rate
Central Ventura	14,444,421	2.7%	2.9%	(5,549)	12,492	96,989	166,457	10,000	-	\$0.98
Moorpark/Simi Valley	13,616,290	3.9%	5.6%	(25,839)	99,376	139,979	210,843	550,482	382,342	\$1.32
Oxnard/Pt Hueneme	26,479,223	1.2%	1.2%	38,572	3,602	800,954	910,148	74,281	-	\$0.92
Thousand Oaks	8,668,479	7.0%	8.3%	(23,178)	(72,820)	47,935	143,682	25,000	-	\$1.49
Ventura	11,790,520	1.5%	1.7%	27,160	(57,973)	40,903	124,186	0	-	\$0.95
Ventura County Total	74,998,933	2.7%	3.2%	11,166	(15,323)	1,126,760	1,555,316	659,763	382,342	\$1.23

NEAR-TERM OUTLOOK

INDUSTRIAL DEMAND will remain high, due to desirability of doing business in Ventura County, maintaining a low direct vacancy rate of 2.7%.

RECESSION CONCERNS and rising construction costs will hinder new developments.

INDUSTRIAL SALE VOLUME fell 83.6% year-over-year throughout the County, following the nationwide trend of investment sales activity decreasing. Quarter-over-quarter sales activity more than doubled from 69,625 SF to 175,627 SF.

SECOND LARGEST SALE OF THE QUARTER
3615 Old Conejo Rd, Newbury Park

See page 4 for sale details



MAJOR SALE TRANSACTIONS 2Q 2023

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
550 Camarillo Center Dr	Central Ventura	54,038	\$10,250,000	\$189.68	Magnuson Products Inc	Clinicas Del Camino Real, Inc.
3615 Old Conejo Rd - Bldg 16	Thousand Oaks	23,919	\$6,200,000	\$259.21	NexGen Properties, LLC	Dao Bui Holdings LLC
600 Via Alondra	Central Ventura	23,309	\$5,897,500	\$253.01	Clm Via Alondra Llc	Myr Llc

MAJOR LEASE TRANSACTIONS 2Q 2023

Property	Submarket	SF	Transaction Date	Landlord	Tenant
6135 N Rose Ave	Oxnard/ Pt Hueneme	707,984	April 2023	STORE Capital Corporation	Hollandia Produce
741 Flynn Rd	Central Ventura	48,176	April 2023	Lackey Family Ltd Partnership	ISI
829 Via Alondra	Central Ventura	25,564	April 2023	Advanced Imaging, Inc.	Burloak Technologies

TOP UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
Easy Street Industrial Center, Building 2	NEC Madera Rd & Easy St, Simi Valley	Moorpark/Simi Valley	175,035	Undisclosed	4Q 2023
Easy Street Industrial Center, Building 1	NEC Madera Rd & Easy St, Simi Valley	Moorpark/Simi Valley	144,965	Undisclosed	4Q 2023
Easy Street Industrial Center, Building 3	NEC Madera Rd & Easy St, Simi Valley	Moorpark/Simi Valley	65,003	Undisclosed	1Q 2024
Guardian Ridge	4180 Guardian St, Simi Valley	Moorpark/Simi Valley	49,980	Guardian Street LLC	3Q 2023
Easy Street Industrial Center, Building 5	NEC Madera Rd, Simi Valley	Moorpark/Simi Valley	46,305	Undisclosed	1Q 2024

RECENTLY DELIVERED

Property	Address	Submarket	SF	Owner	Delivery
Tapo Canyon Commerce Center, Bldg 5	4130 E Los Angeles Ave	Moorpark/Simi Valley	135,579	Stream Realty Partners, LP	January 2023
Tapo Canyon Commerce Center, Bldg 4	1850 Tapo Canyon Rd	Moorpark/Simi Valley	76,445	Stream Realty Partners, LP	January 2023
Tapo Canyon Commerce Center, Bldg 3	1860 Tapo Canyon Rd	Moorpark/Simi Valley	67,768	Stream Realty Partners, LP	January 2023

Data Source: Kidder Mathews Research, CoStar, United States Bureau of Labor Statistics



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

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COMMERCIAL BROKERAGE	<i>\$12B</i> TRANSACTION VOLUME ANNUALLY	<i>32.1M</i> ANNUAL SALES SF	<i>41.2M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>53M</i> MANAGEMENT PORTFOLIO SF	<i>771+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> ASSET SERVICES CLIENTS
VALUATION ADVISORY	<i>2,600+</i> ASSIGNMENTS ANNUALLY	<i>46</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS

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