

MARKET TRENDS

VENTURA COUNTY INDUSTRIAL

MARKET DRIVERS

Direct net absorption in 4Q 2023 was negative 77,817 SF, following the previous quarter's negative net absorption of 260,125 SF. Direct vacancy grew slightly quarter-over-quarter to 3.2% -- 100 basis points (bps) higher than the direct vacancy rate reported this time last year.

Majority of the region's negative net absorption is attributed to the Central Ventura submarket, totaling negative 179,405 SF on the quarter and negative 258,517 SF throughout the year. The submarket has experienced a significant uptick in direct vacancy of 190 bps since the start of 2023. Despite the dramatic increase in vacancy and negative net absorption, the submarket's average direct NNN asking rate has remained relatively unchanged at \$1.01/sf in the same time period.

Sublease vacancy in Ventura County was a low 0.5%-- 10 bps higher than the previous quarter and 30 bps higher than the same time last year.

Average rental rates remain firm and currently sit at \$1.22/SF NNN, a 2.7% increase year-over-year. Quarter-over-quarter direct asking rates grew on average by \$0.09/sf NNN.

Leasing activity totaled 399,319 SF in the fourth quarter, a 65.1% decrease year-over-year. Year-to-date leasing activity totals 2,364,700 SF, a slight decrease from 2022's 2,785,134 SF.

Currently, Ventura County has just over 1.2 million SF of industrial space under construction with year-to-date deliveries totaling 432,322 SF all of which is in the Moorpark/Simi Valley submarket.

Due to looming recession concerns and inflation, 2023 industrial sales volume (SF) fell for the second consecutive year to 1,280,738 SF, a significant drop in volume from the 3,678,130 SF trading hands in 2022. The average price per square foot only fell slightly from the year prior from \$228.80/sf to \$222.40/sf. Average cap rates increased by 80 bps year-over-year to 6%.

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Market Summary

	4Q23	3Q23	4Q22	Annual Change
Direct Vacancy Rate	3.2%	3.0%	2.2%	45.5%
Availability Rate	5.1%	4.5%	3.4%	50.0%
Asking Lease Rate	\$1.22	\$1.13	\$1.19	2.7%
Leasing Activity (SF)	399,319	356,132	1,144,178	-65.1%
Sale Volume (SF)	638,984	191,491	594,525	7.5%
Direct Net Absorption (SF)	(77,817)	(260,125)	(148,598)	N/A

↓ **399K SF**
LEASING ACTIVITY

↓ **-78K SF**
DIRECT NET
ABSORPTION

↑ **3.2%**
VACANCY RATE

↑ **\$1.22**
ASKING RENT (AVG)

↑ **50K SF**
NEW DELIVERIES

Year-Over-Year Trend

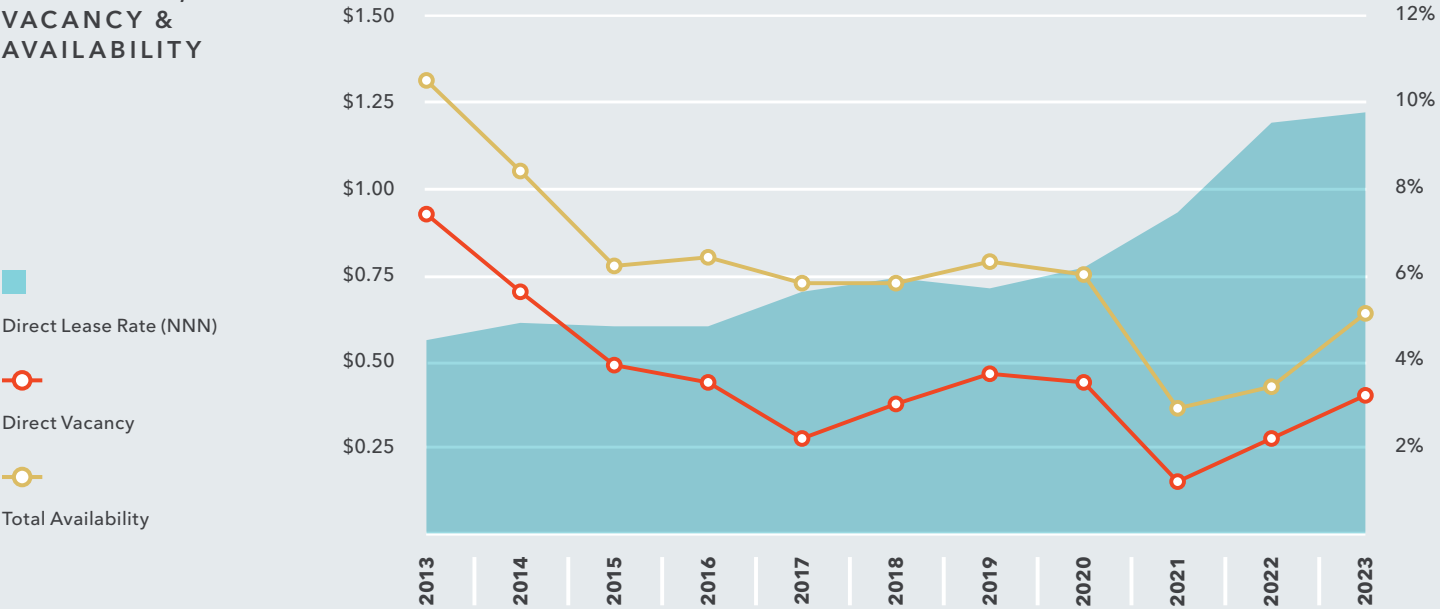
Market Highlights

DIRECT VACANCIES rose to 3.2%.

DIRECT ASKING LEASE RATES increased to \$1.22/sf NNN from \$1.19/sf NNN this time last year.

AVERAGE SALES PRICE was \$222.40/sf.

LEASE RATE, VACANCY & AVAILABILITY



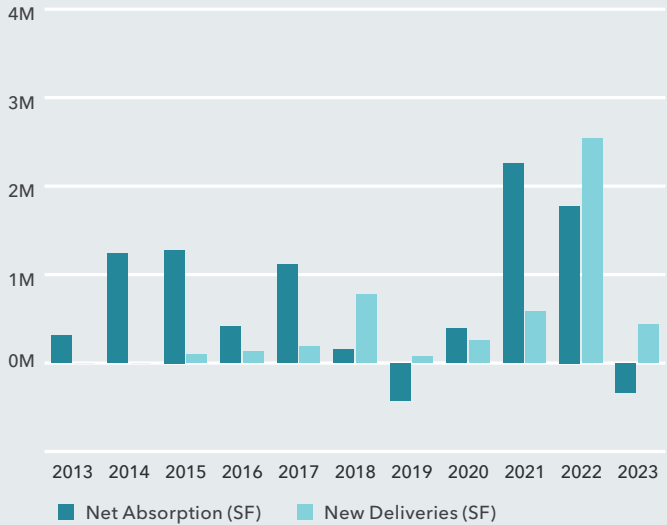
BIGGEST SALE OF THE QUARTER

609 Science Dr
Moorpark / Simi Valley

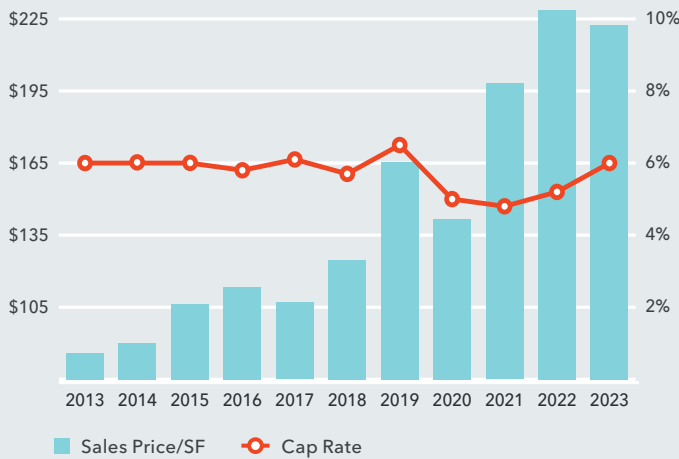


See page 4 for sale details

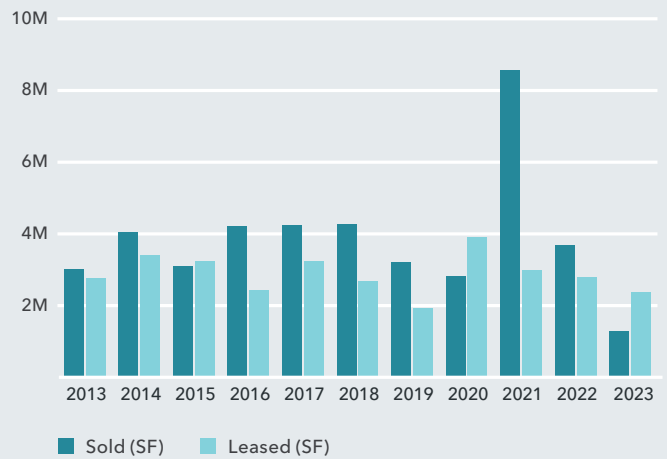
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



4Q 2023 | VENTURA COUNTY INDUSTRIAL

SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	4Q 2023 Direct Net Absorption	2023 Direct Net Absorption	4Q 2023 Leasing Activity	2023 Leasing Activity	SF Under Construction	2023 Construction Completions	Average NNN Rental Rate
Central Ventura	14,570,893	4.6%	4.7%	(179,405)	(258,517)	63,514	274,951	10,000	-	\$1.01
Moorpark/Simi Valley	13,671,851	3.8%	5.2%	109,077	149,622	76,918	390,030	975,502	432,322	\$1.40
Oxnard/Pt Hueneme	26,451,910	1.7%	1.8%	37,812	(117,702)	164,784	1,131,171	74,281	-	\$1.03
Thousand Oaks	8,710,035	5.5%	7.1%	27,571	53,241	26,968	286,022	145,290	-	\$1.24
Ventura	11,851,015	2.4%	2.4%	(72,872)	(158,291)	67,135	282,526	-	-	\$0.95
Ventura County Total	75,255,704	3.2%	3.7%	(77,817)	(331,647)	399,319	2,364,700	1,205,073	432,322	\$1.22

ECONOMIC REVIEW

In October, the Oxnard-Thousand Oaks-Ventura MSA reported an unemployment rate of 4.5%, an increase from the 3.6% reported in October of last year. The increase in unemployment for the region may be the labor market normalizing, as the region's pre-pandemic 5-year unemployment average is 4.6%.

In mid-2023, Port Hueneme was awarded \$79.8 million for its PACED (Port Action, Climate, and Environment Development) project. The project is expected to generate new employment opportunities, strengthen the regions supply chain, and improve air and water quality.

NEAR-TERM OUTLOOK

Industrial demand throughout Ventura County remains high, maintaining a relatively low direct vacancy rate of 3.2%. The region

will continue to be highly desirable for those seeking industrial space due to its proximity to the port and major industrial centers like Los Angeles.

Demand for industrial space, in particular spaces over 100,000 SF, is expected to remain strong. 101 Logistics Center, Oxnard is a 750,000 SF fully entitled proposed industrial complex that is expected to break ground in 2024.

Sales activity continues to be limited, as pricing continues to remain volatile. Amidst climbing interest rates and recession concerns, buyers and sellers have not yet found a middle ground on pricing. For example, this quarter 609 Science Dr sold for \$178.52/sf and the next largest sale of the quarter, 2560 Calcite Cir traded hands at \$351.85/sf. If interest rates begin to settle, activity is expected to accelerate in the second half of 2024.

SECOND LARGEST SALE OF THE QUARTER

2560 Calcite Cir
Thousand Oaks



See page 4 for sale details

MAJOR SALE TRANSACTIONS 4Q 2023

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
609 Science Dr	Moorpark/Simi Valley	135,000	\$24,100,000	\$178.52	Fortress Investment Group	TVP Asset, Inc
2560 Calcite Cir	Thousand Oaks	17,195	\$6,050,000	\$351.85	Penta Laboratories	Invest Capital LLC
2493 Portola Rd	Ventura	17,061	\$5,580,000	\$327.06	Penta Laboratories	Security Eat 727, Inc

MAJOR LEASE TRANSACTIONS 4Q 2023

Property	Submarket	SF	Transaction Date	Landlord	Tenant
1111 S Rose Ave	Oxnard/ Pt Hueneme	70,864	October 2023	Industrial Tools Incorporated	AST Forgetech
709 Via Alondra	Central Ventura	27,968	November 2023	Susquehanna Office Services	Centricity Labs
400 Lombard St	Oxnard/ Pt Hueneme	26,658	November 2023	Deardorff-Jackson Co	HERZOG

TOP UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery
250 W Cochran St	250 W Cochran St	Moorpark/Simi Valley	475,000	Xebec	1Q 2025
Easy Street Industrial Center, Building 2	NEC Madera Rd & Easy St	Moorpark/Simi Valley	175,035	Undisclosed	2Q 2024
Easy Street Industrial Center, Building 1	NEC Madera Rd & Easy St	Moorpark/Simi Valley	144,965	Undisclosed	2Q 2024
1300 Lawrence	1300 Lawrence	Thousand Oaks	120,290	Undisclosed	4Q 2024
Easy Street Industrial Center, Building 3	NEC Madera Rd & Easy St	Moorpark/Simi Valley	65,003	Undisclosed	2Q 2024

RECENTLY DELIVERED

Property	Address	Submarket	SF	Owner	Delivery
Guardian Ridge	4180 Guardian St	Moorpark/Simi Valley	49,980	Guardian Street LLC	4Q 2023

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



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

GARY BARAGONA
Vice President of Research
415.229.8925
gary.baragona@kidder.com

JIM KRUSE
Regional President, Brokerage
Greater Los Angeles
213.225.7249
jim.kruse@kidder.com
LIC N° 00678735

COMMERCIAL
BROKERAGE

\$12B

TRANSACTION
VOLUME ANNUALLY

32.1M

ANNUAL
SALES SF

41.2M

ANNUAL
LEASING SFASSET
SERVICES

53M

MANAGEMENT
PORTFOLIO SF

771+

ASSETS UNDER
MANAGEMENT

250+

ASSET SERVICES
CLIENTSVALUATION
ADVISORY

2,800+

ASSIGNMENTS
ANNUALLY

41

TOTAL
APPRAISERS

23

WITH MAI
DESIGNATIONS

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