

MARKET TRENDS

VENTURA COUNTY INDUSTRIAL

MARKET DRIVERS

For the fifth consecutive quarter, Ventura County's industrial market posted negative direct net absorption. Totalling negative 98,727 SF throughout 3Q24. The Moorpark/Simi Valley submarket contributed majority of the region's negative absorption with 184k SF throughout the quarter, and negative 333k SF year-to-date (YTD). The Thousand Oaks submarket reported 120k SF in positive direct net absorption throughout the quarter.

Year-over-year (YOY), direct vacancy rates grew by 50 basis points (bps) to 3.5%. Total availabilities gained 30 bps quarter-over-quarter (QOQ) and 70 bps YOY. Despite Ventura's growing availability rates, it is much lower than other major industrial markets throughout the state.

Sublease vacancy remained low at 0.5%, 10 bps higher both QOQ and YOY. Since the start of 2023, sublease vacancy has ranged from 0.3%-0.5%.

YTD leasing activity is down 30.9%, currently at 1.3M SF, compared to the first three quarters of 2023. In the same period, sales activity on a square footage basis has gained 235.8% and has surpassed the entirety of 2023's sales volume.

Average asking rental rates have experienced moderated growth since the end of 2022. YOY average direct asking rates increased by 3.5% to \$1.17/sf NNN and growth has remained relatively flat throughout 2024. Since the start of 2020, Ventura County's industrial rental rates have grown by 53.9%.

The investment sales market has seen an uptick in activity following the extremely limited investment market seen throughout 2023 due to economic uncertainty and the high-interest rate environment. YTD sales volume increased on both a square footage basis (235.8%) and on a dollar basis (36.1%) compared to the same period last year.

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Market Summary

	3Q24	2Q24	2Q23	YOY Change
Direct Vacancy Rate	3.5%	3.4%	3.0%	50 bps
Availability Rate	5.4%	5.1%	4.7%	70 bps
Asking Lease Rate	\$1.17	\$1.19	\$1.13	3.5%
	3Q24	2024 YTD	2023 YTD	YOY Change
Leasing Activity (SF)	331,931	1,337,719	1,934,651	-30.9%
Sales Volume (SF)	486,416	2,154,918	641,754	235.8%
Direct Net Absorption (SF)	(98,727)	(194,302)	(391,831)	N/A

↓ **332K SF**
LEASING ACTIVITY

↓ **-99K SF**
NET ABSORPTION

↑ **3.5%**
VACANCY RATE

↑ **\$1.17**
ASKING RENT (AVG)

↔ **0 SF**
NEW DELIVERIES

Year-Over-Year Trend

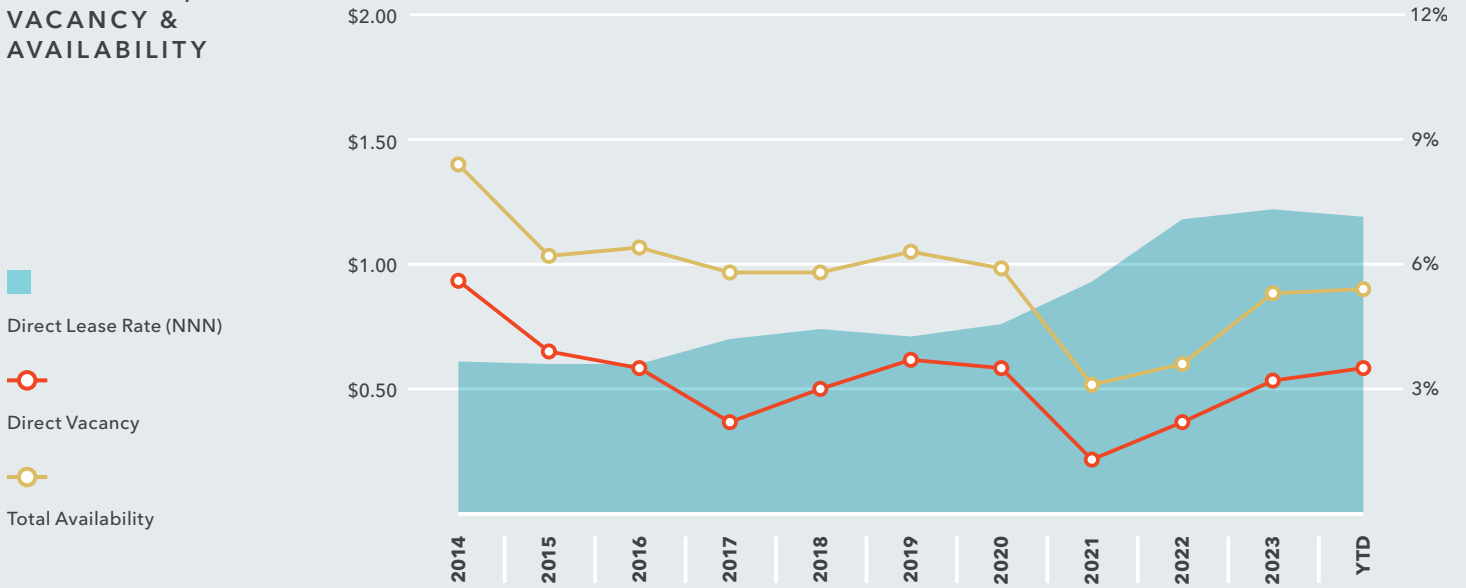
Market Highlights

DIRECT VACANCIES increased YOY by 50 bps to 3.5%.

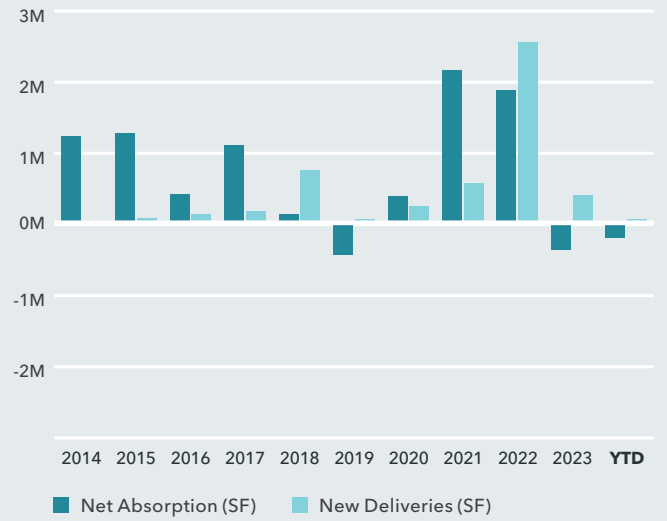
DIRECT ASKING LEASE RATES remained steady QOQ and grew slightly YOY to \$1.17/sf NNN.

YTD SALE VOLUME (SF) gained 235.8% compared to the first three quarters of 2023.

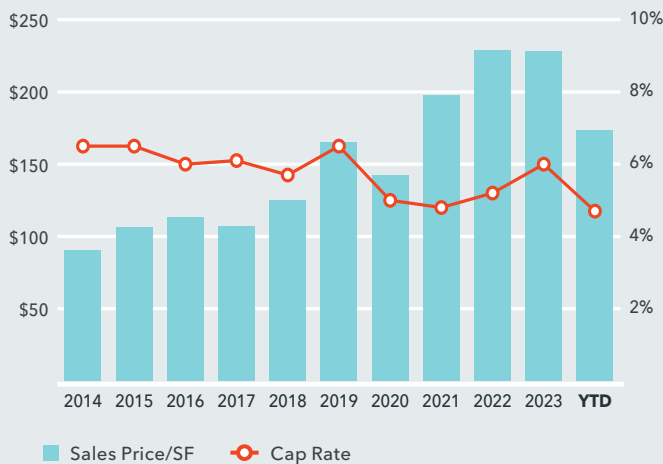
LEASE RATE, VACANCY & AVAILABILITY



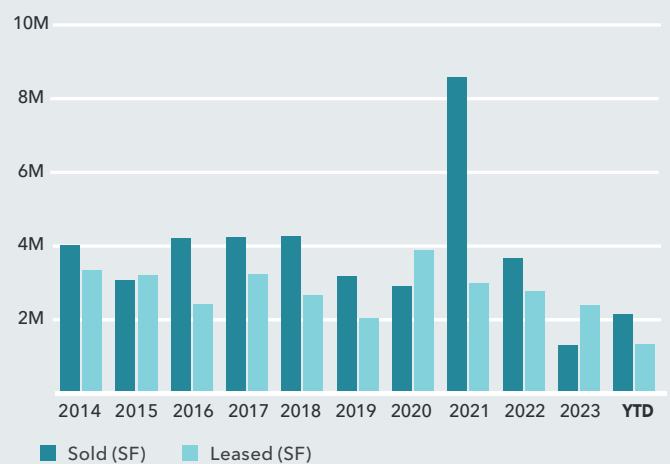
NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	3Q 2024 Direct Net Absorption	YTD Direct Net Absorption	3Q 2024 Leasing Activity	YTD Leasing Activity	SF Under Construction	YTD Construction Completions	Avg NNN Rental Rate
Central Ventura	14,491,185	3.7%	4.1%	48,543	122,510	39,034	256,878	126,852	-	\$1.01
Moorpark/Simi Valley	13,716,864	6.3%	7.6%	(183,663)	(333,273)	98,939	386,213	583,459	-	\$1.27
Oxnard/Pt Hueneme	26,424,335	2.0%	2.1%	(105,438)	(27,152)	59,569	253,026	-	74,281	\$1.12
Thousand Oaks	8,930,459	5.0%	6.0%	120,396	32,996	48,016	238,310	145,290	-	\$1.25
Ventura	11,881,022	2.5%	2.5%	21,435	10,617	86,373	203,292	-	-	\$1.11
Ventura County Totals	75,443,865	3.5%	4.0%	(98,727)	(194,302)	331,931	1,337,719	855,601	74,281	\$1.17

ECONOMIC REVIEW

In July, the Oxnard-Thousand Oaks- Ventura MSA reported an unemployment rate of 5.0%, an 80-bps increase from the 4.2% reported in April. The trade, transportation, and utilities sector continued to see growth, gaining 0.7% YOY. Total nonfarm employment throughout the region grew 1.5% YOY to 315.5k jobs.

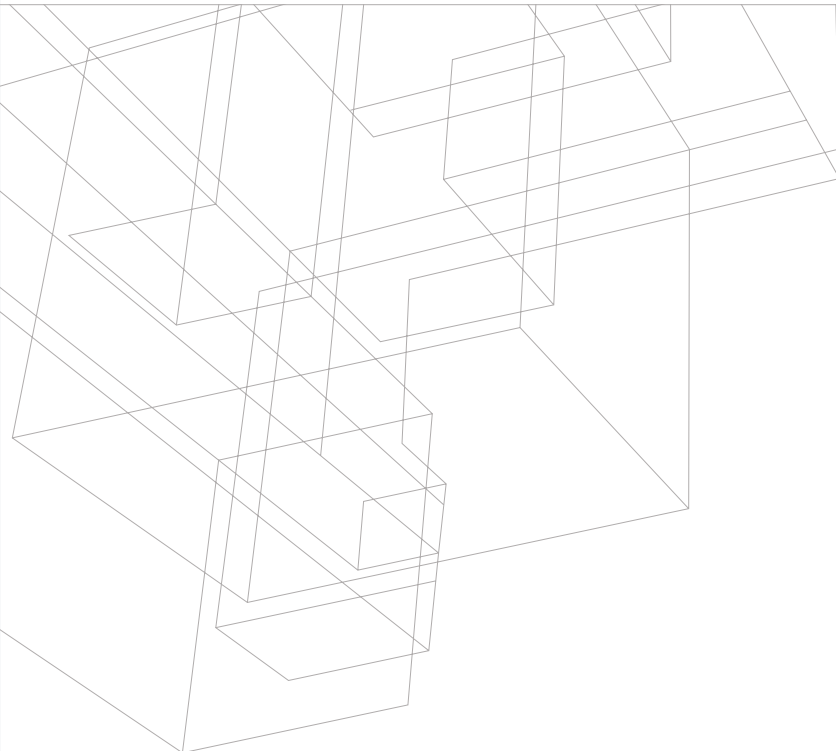
In Mid-September, the Federal Reserve cut interest rates with forecasts pointing to additional possible rate cuts before year's end.

NEAR-TERM OUTLOOK

Available space within industrial properties under 50k SF remains highly competitive, reporting low direct vacancy rates of 2.8%. Approximately 72% of the region's total leasing activity on the quarter came from this subset of properties. Limited new construction activity coupled with relatively low availability rates throughout Ventura County will directly contribute toward the continued moderation in the leasing market through the end of the year.

The Federal Reserve's recent interest rate cut will likely generate new demand in the investment sales market. Although due to the possibility of additional rate cuts over the next twelve months, sales activity may only begin to grow in mid-2025.

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



SIGNIFICANT SALE TRANSACTIONS 3Q 2024

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
406 Bryant Cir	Ventura	28,014	\$6,000,000	\$214.18	Xus Lp	Reingold Robert B
1622 Walter St & 1792 Callens Rd	Ventura	26,700	\$5,900,000	\$220.97	Coastal Living California Properties Inc	M&R Properties, LLC
2954 Seaborg Ave	Ventura	10,540	\$2,400,000	\$227.70	George E And Nancy N Barna Living Trust	Amiron Holdings LLC

SIGNIFICANT LEASE TRANSACTIONS 3Q 2024

Property	Submarket	SF	Transaction Date	Landlord	Tenant
6205 Ventura Blvd	Ventura	25,527	July 2024	Korman Center Enterprises, Inc	Channel Island Flowers
5725 Olivas Park Dr	Ventura	12,240	August 2024	MBL Properties	AG Millworks
4117-4127 Calle Tesoro	Central Ventura	10,550	August 2024	Tan and Green	Agile Global, Inc

SIGNIFICANT UNDER CONSTRUCTION

Property	Address	Submarket	SF	Owner	Delivery Date
Easy Street Industrial Center, Building 2	2400 N Chain Dr	Moorpark/Simi Valley	175,035	Xebec	2Q 2025
Easy Street Industrial Center, Building 1	2401 N Chain Dr	Moorpark/Simi Valley	140,508	ElmTree Funds	2Q 2025
1300 Lawrence	1300 Lawrence	Thousand Oaks	120,290	MP 1300 LAWRENCE DRIVE LLC	4Q 2024
Rexford Commerce Center Camarillo	3211 Mission Oaks Blvd	Central Ventura	116,852	Rexford Industrial	4Q 2024
Easy Street Industrial Center, Building 3	2400 Hook Dr	Moorpark/Simi Valley	65,003	Xebec	2Q 2025

RECENTLY DELIVERED

Property	Address	Submarket	SF	Owner	Delivery Date
Santiago Business Park	1400 Graves Ave	Oxnard	42,028	Santiago Investments OZ LP	1Q 2024
Santiago Business Park	2301 Santiago Ct	Oxnard	32,253	Santiago Investments OZ LP	1Q 2024

Data Sources: 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	\$10B 3-YEAR AVERAGE TRANSACTION VOLUME	31.7M ANNUAL SALES SF	42.4M ANNUAL LEASING SF
ASSET SERVICES	55M SF MANAGEMENT PORTFOLIO SIZE	800+ ASSETS UNDER MANAGEMENT	260+ CLIENTS SERVED
VALUATION ADVISORY	2,600+ 3-YEAR AVERAGE ASSIGNMENTS	43 TOTAL APPRAISERS	27 WITH MAI DESIGNATIONS

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