



**Q1 TRENDS AT A GLANCE**

*Change from prior quarter*

- ↑ **Absorption**  
404,800 SF
- ↓ **Vacancy**  
-50 basis points (bps) to 3.1%
- ↑ **Leasing Activity**  
528,489 SF
- ↑ **Direct Lease Rate**  
+\$0.04 to \$0.68 PSF
- ↑ **Under Construction**  
855,340 SF
- ↓ **Completed Construction**  
0 SF
- ↓ **Industrial Buildings Sold**  
27
- ↓ **Median Sale Price**  
\$128 PSF
- Unemployment Rate**
- ↓ **Ventura County:** 4.7% (Feb)
- ↓ **California:** 5.0% (Feb)
- ↓ **U.S.:** 4.7% (Feb)

**Market Tightens to Record Low Vacancy Levels, Impacting Leasing Activity and the Ability of Tenants to Find Space**

As is occurring around the country, the Ventura County industrial market is seeing record low vacancy levels, and challenges are mounting for tenants seeking space for expansion or re-location.

Leasing activity is slowing commensurate with vacancy levels, meaning that as vacancies decline and space gets harder to find, fewer transactions are taking place.

In Q1 vacancies declined 50 basis points (bps) to a record 3.1 percent versus Q4 2016. The previous record vacancy level was 3.8 percent in the first quarter of 2016, and vacancies have declined about 200 bps compared to levels in 2015.

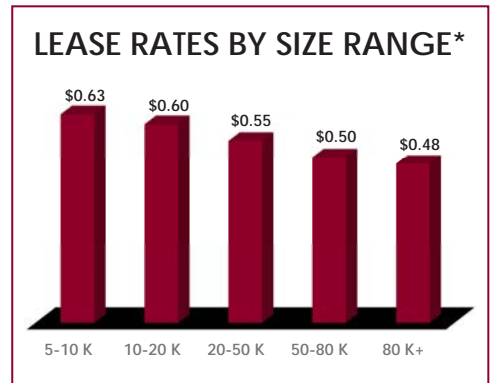
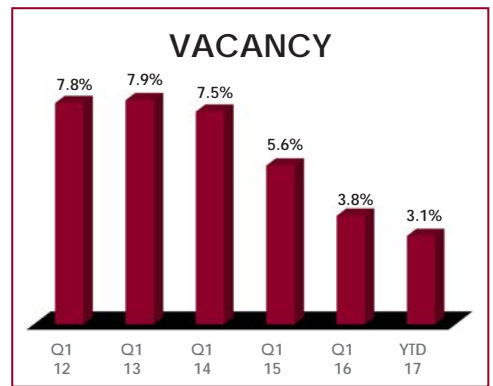
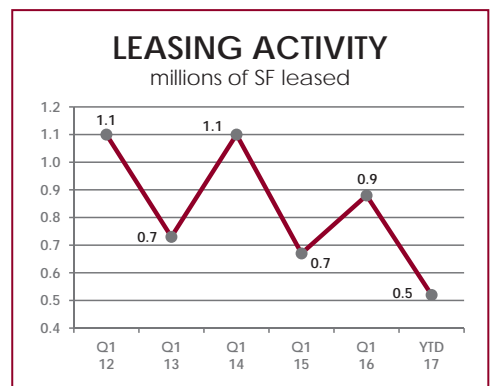
Leasing activity, which stood at 528,489 square feet in Q1, has fallen about 120,000 square feet versus the average in 2016 and approximately 230,000 square feet versus the average in 2015.

Absorption, which lags leasing and vacancy changes because space is not counted as absorbed until tenants move in, was still relatively strong in Q1 at 404,800 square feet, but with fewer options available to tenants, it is likely that we will see much weaker absorption going forward

Average asking rates rose \$0.04 per square foot to \$0.68 per square foot in the quarter compared to Q4, and are now at the highest levels we have seen since Q4 2008.

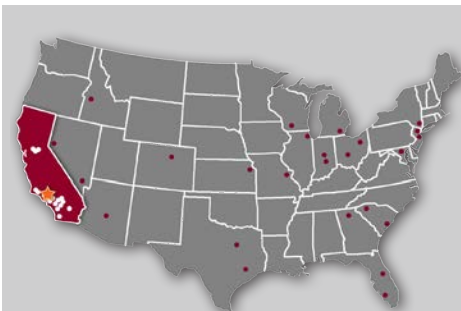
Industrial markets across the country have been tightening to record-low levels, largely due to the growth of e-commerce and consequent demand for warehouse space. Although the Ventura market is less dependent upon e-commerce tenants, we are nonetheless seeing a range of users in the market for industrial space.

Building sales transactions are similarly impacted by the supply-demand imbalance. However, due to the variety of building sizes and types in the market, the price change trends are not as clear cut. There were 27 industrial building sales transacted in Ventura County in Q1 at a median price of \$128 per square foot. Prices were off by \$1.00 per square foot compared to Q4, however year-ago compar-



\*Assumes NNN of min. \$0.14 PSF

sons show the upward trend more clearly. The median price of buildings sold has increased 8 percent to \$10 per square foot compared to Q1 2016 when the median price of buildings sold was \$118 per square foot.

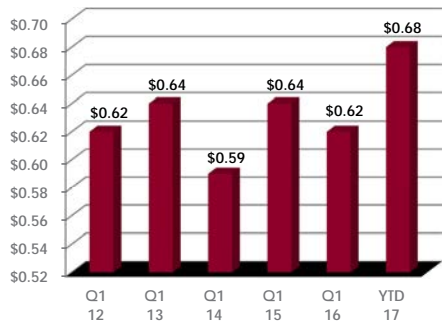


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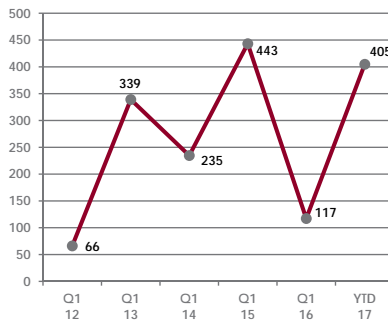
**RENTAL RATES**

average per SF, per month

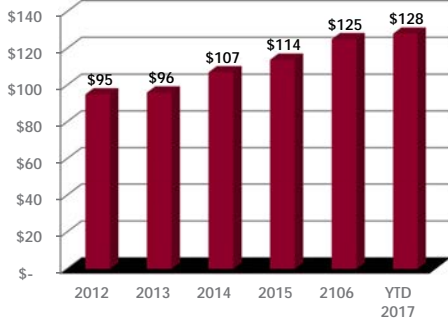


**ABSORPTION**

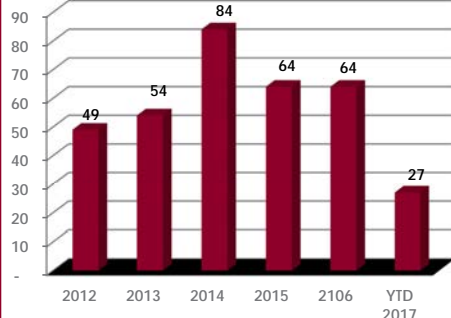
in thousands of SF



**MEDIAN SALE PRICE**



**SALE TRANSACTIONS**



Median sale price and number of sale transactions excludes distressed sales and those where no price information was recorded.

**Economy at a Glance**

**GROUNDBREAKING:** Atara Biotherapeutics Inc. broke ground on its new build to suit in the Conejo Spectrum Business Park, according to a report in the San Fernando Valley Business Journal. The company, which is relocating from Westlake Village, will occupy a 91,000-square-foot facility on a 15-year lease. The building will be the second largest of nine industrial facilities under construction at the business park.

**AMGEN:** The biopharma announced a restructuring that will eliminate 500 positions at its Thousand Oaks headquarters, according to a report in the San Fernando Valley Business Journal. Amgen said it will either relocate, reassign or lay off the workers. Some are slated to be relocated to a newly completed 136,000-square-foot facility in Tampa, Fla and others will be relocated to facilities in Cambridge, Mass. or San Francisco with some remaining in different positions in Thousand Oaks. The company employs approximately 5,500 workers in Thousand Oaks.

**OUTDOORS:** Outdoor apparel and equipment manufacturer Patagonia has put on hold plans to expand its Ventura headquarters, according to a report in the Pacific Coast Business Times. The company had proposed a remodel or replacement of its 15,558 square foot building with a four-story facility totaling 48,781 square feet.

**MARKET DEFINITIONS**

**RENTABLE AREA**

Includes all Class A, B and C multi-tenant and single-tenant industrial buildings of 5,000 SF and greater. Excludes buildings under construction, planned or under renovation.

**DIRECT VACANCY**

Space in existing buildings that is not occupied and is available for direct lease.

**TOTAL VACANCY**

Space in existing buildings that is not occupied and is available for direct lease and/or sub-lease.

**TOTAL NET ABSORPTION**

The square feet leased after deducting space vacated.

**DIRECT ASKING LEASE RATE**

Calculated for direct available space using NNN rents. Rents are weighted by total square feet available for direct lease.

**UNDER CONSTRUCTION**

Buildings in the process of construction. A building is considered complete when issued a certificate of occupancy.

**MEDIAN SALE PRICE**

Based on actual prices of sold buildings as reported in public records and by CoStar. Includes all industrial buildings 5,000 SF and more sold at \$500,000 or more.

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**Lee & Associates-LA North/Ventura, Inc.** is a full service commercial brokerage company serving the San Fernando Valley, Conejo Valley, Simi Valley/Moorpark and Ventura County markets. Founded in 1994, Lee LA North/Ventura has grown to become one of the largest commercial brokerage companies in the Los Angeles North and Ventura regions with four offices and 45 agents.

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Submarkets	Total Inventory	Total Vacancy		Net Absorption	Construction		Asking NNN Rate
		Total SF	%	Q1 2017	Underway	Completed Q1 2017	
Agoura Hills / Westlake Village	3,218,383	108,278	3.4%	14,800	52,690	0	\$1.20
Calabasas	875,968	42,966	4.9%	(4,700)	0	0	\$1.35
Camarillo	11,549,885	460,077	4.0%	281,700	0	0	\$0.61
Fillmore / Santa Paula	2,392,852	73,185	3.1%	30,000	0	0	\$0.54
Newbury Park / Thousand Oaks	7,111,638	19,444	0.3%	27,000	582,132	0	\$0.91
Oxnard / Port Hueneme	23,469,299	732,987	3.1%	(115,900)	0	0	\$0.64
Simi Valley / Moorpark	12,217,333	390,435	3.2%	224,700	220,518	0	\$0.70
Ventura	11,219,713	382,898	3.4%	(52,900)	0	0	\$0.62
<b>Total</b>	<b>72,055,071</b>	<b>2,210,270</b>	<b>3.1%</b>	<b>404,800</b>	<b>855,340</b>	<b>0</b>	<b>\$0.68</b>

### Q1 2017 LARGEST LEASES

Property Name/Address	Square Feet	Tenant	Type
701 W. Ventura Blvd, Camarillo	93,398	Landsberg Orora	New
2325 Statham Blvd, Oxnard	64,800	Pratt	New
2280 Ward Ave, Simi Valley*	53,760	Revolution Lighting	New
741-747 Calle Plano, Camarillo	33,720	Hanson Lab Furniture	New

\*Denotes Lee & Associates Transaction

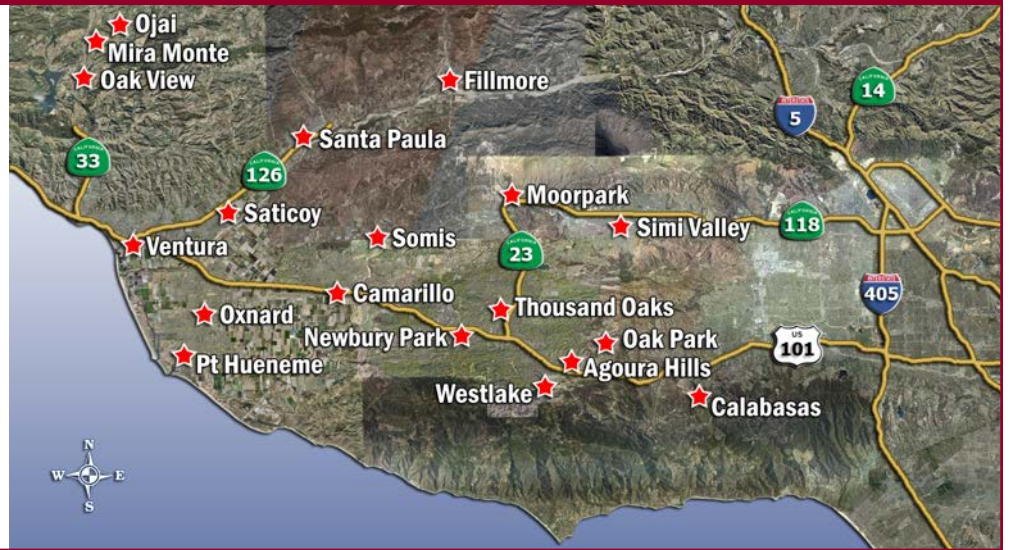
### Q1 2017 LARGEST SALES

Property Address	Square Feet	Seller Buyer	Sale Price	PSF
709 Science Dr, Bldg 2, Moorpark	253,478	G & S Investments, LLC 709 Science Drive, LLC	\$23,000,000	\$90.74
700 Science Dr, Bldg 1, Moorpark	152,786	G & S Investments, LLC EMRY Investment, LLC	\$13,674,500	\$89.50
750 W. Ventura Blvd, Camarillo	113,000	Sybil Storz Lady's Slipper 1031, LLC	\$12,875,000	\$113.94
<b>Northfield Business Park</b> 1901 Eastman Ave, Oxnard	49,564	Eastman Abulafia, LLC Westfalia Fruit Asset Holding, LLC	\$6,000,100	\$121.06



VENTURA COUNTY OFFICE SUBMARKETS

<b>Agoura Hills/ Westlake</b> Agoura Hills Oak Park Westlake Village	<b>Newbury Park/ Thousand Oaks</b>
<b>Calabasas</b>	<b>Oxnard/ Pt Hueneme</b> Oxnard Pt Hueneme Saticoy
<b>Camarillo</b> Camarillo Somis	<b>Ventura</b> Mira Monte Oak View
<b>Fillmore/ Santa Paula</b>	Ojai Ventura
<b>Moorpark/Simi Valley</b>	



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