



Q3 TRENDS AT A GLANCE

	Change from prior quarter
Absorption	(107,257) SF
Vacancy	+10 basis points (bps) to 3.1%
Leasing Activity	626,262 SF
Direct Lease Rate	+\$0.01 to \$0.73 PSF
Under Construction	775,558 SF
Completed Construction	79,752 SF
Industrial Buildings Sold	25
Median Sale Price	\$134 PSF
Unemployment Rate	
Ventura County:	5.3% (Aug)
California:	5.1% (Sept)
U.S.:	4.2% (Sept)



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Leasing Activity Slows Leading to Slight Uptick in Vacancies and Weaker Absorption

Vacancies bumped up 10 basis points (bps) in the quarter to 3.1 percent, as leasing activity slowed and absorption weakened.

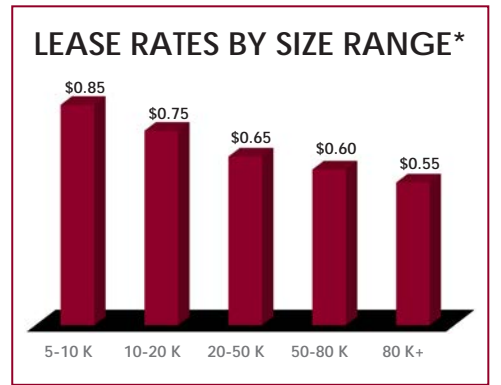
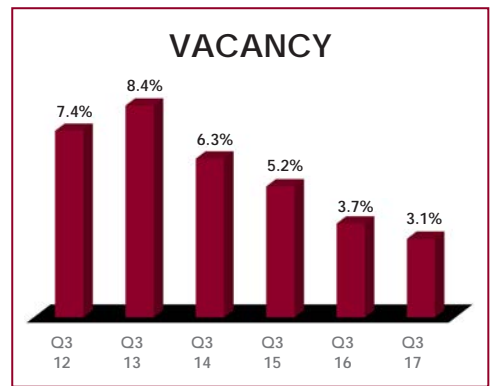
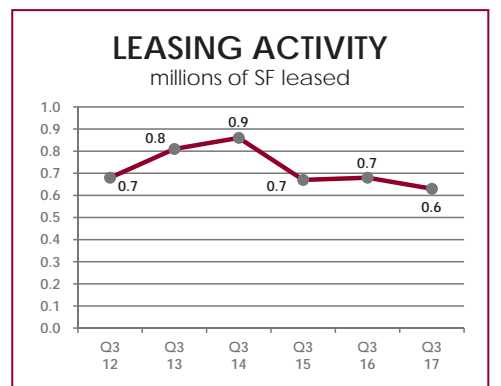
Although leasing activity declined by approximately 200,000 square feet to 626,262 square feet versus the prior quarter, it was just off slightly from the 681,096 square feet of gross leasing activity in the year ago period.

Along with vacancy rates, absorption was impacted by the slowdown and 107,257 fewer square feet were leased than were vacated. But year-to-date, the Ventura County industrial market is still showing considerable strength. A total of 350,285 square feet was leased on a net basis since the beginning of 2017.

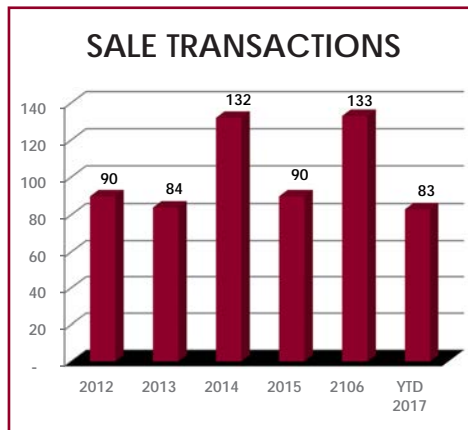
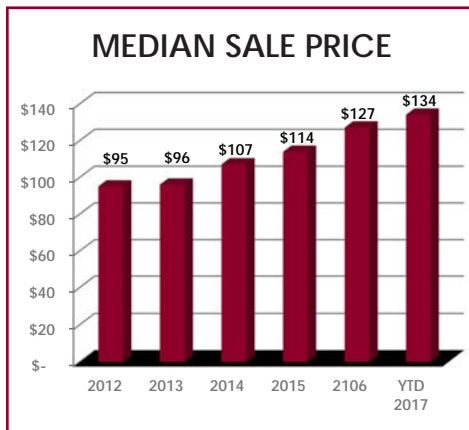
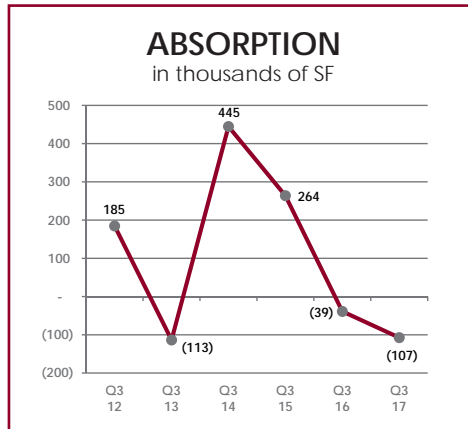
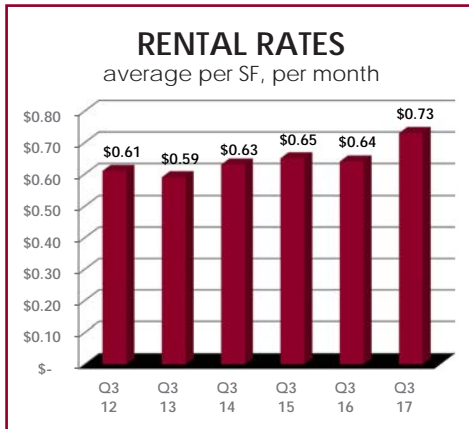
As a result, Ventura County's industrial market remains tight. With few options available to tenants, rental rates have soared \$0.09 per square foot or 14 percent since the third quarter of 2016 and are now on par with pre-recession rates which fluctuated between \$0.66 per square foot and \$0.76 per square foot.

The broader Ventura County economy is not faring as well, and it remains to be seen whether commercial real estate will eventually be impacted. Ventura County Star reported on a recently released study by the Bureau of Economic Analysis of the U.S. Department of Commerce that noted Ventura County's GDP fell by 2.7 percent in 2016 following two years with virtually no growth at all. The county's GDP growth ranked among the worst of the California metropolitan areas cited in the report.

The Star's story quoted Matthew Fienup, an economist and executive director at California Lutheran University's Center for Economic Research and Forecasting in Thousand Oaks, who noted that Ventura County has not seen a significant return of biotech jobs after the recession and pointed to the



*Assumes NNN of min. \$0.14 PSF
industry's failure to recover as a key reason for the county's economic woes. He called biotech "the single most productive sector" and noted that it produces jobs with the highest average salary.



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

Economy at a Glance

DOLE: Dole Food Co., with nearly \$1.3 billion in debt, plans to sell its 10-acre corporate headquarters campus in Westlake Village, according to a report in the Los Angeles Times. Dole also said it is closing its strawberry packing and cooling facility in Oxnard, laying off 172 workers.

OXNARD: The Marketplace shopping center in Oxnard has signed on Restoration Hardware Outlet and Design Within Reach Outlet for a total of about 50,000 SF of leases, according to a report in Rentv. The stores will occupy space previously leased to Home Depot and Sports Chalet respectively.

THOUSAND OAKS: A study published by the Brookings Institution, a Washington, D.C.-based think tank, stated that of the 100 largest metropolitan areas in the U.S., the Thousand Oaks statistical area ranked 90th in post-recession growth.

CAMARILLO: Two buildings occupied by the Ventura County Star have sold to a NY-based investment company, according to a report in the San Fernando Valley Business Journal. The sale includes a 54,000-square-foot office building and a 75,000-square foot industrial building that housed the newspaper's printing operation until it closed earlier this year. The sale follows Gannett Co.'s purchase of the Star in 2016. The Business Journal reported that the Star is leasing back its offices.

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.

ABOUT LEE & ASSOCIATES®

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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	%	Q3 2017	YTD 2017	Underway Q3 2017	Completed 2017 Q3	Completed YTD	
Agoura Hills / Westlake Village	3,218,383	106,069	3.3%	(13,079)	22,632	52,690	0	0	\$1.20
Calabasas	851,508	75,654	8.9%	(35,138)	(36,419)	0	0	0	\$1.25
Camarillo	11,396,770	486,329	4.3%	(46,804)	219,342	0	0	0	\$0.70
Fillmore / Santa Paula	2,409,180	69,881	2.9%	(14,519)	33,389	0	0	0	\$0.60
Newbury Park / Thousand Oaks	7,023,822	64,363	0.9%	(18,556)	(105,950)	582,132	0	0	\$0.90
Oxnard / Port Hueneme	23,510,938	661,359	2.8%	(20,522)	17,459	0	0	0	\$0.65
Simi Valley / Moorpark	12,190,238	353,363	2.9%	82,806	311,634	140,766	79,752	79,752	\$0.70
Ventura	11,220,897	384,253	3.4%	(18,800)	(67,774)	0	0	0	\$0.70
Total	71,821,736	2,201,271	3.1%	(107,257)	350,285	775,588	79,752	79,752	\$0.73

Q3 2017 LARGEST LEASES

Property Name/Address	Square Feet	Tenant	Type
4175 Guardian St, Simi Valley	88,707	N/A	New
3233 E. Mission Oaks Blvd, Camarillo	43,927	Custom Packaging Supply	New
5397 N. Commerce Ave, Moorpark*	30,061	A Rental Connection	New
1201 N. Rice Ave, Oxnard	27,895	AluPack Industries	Sublease/ Expansion

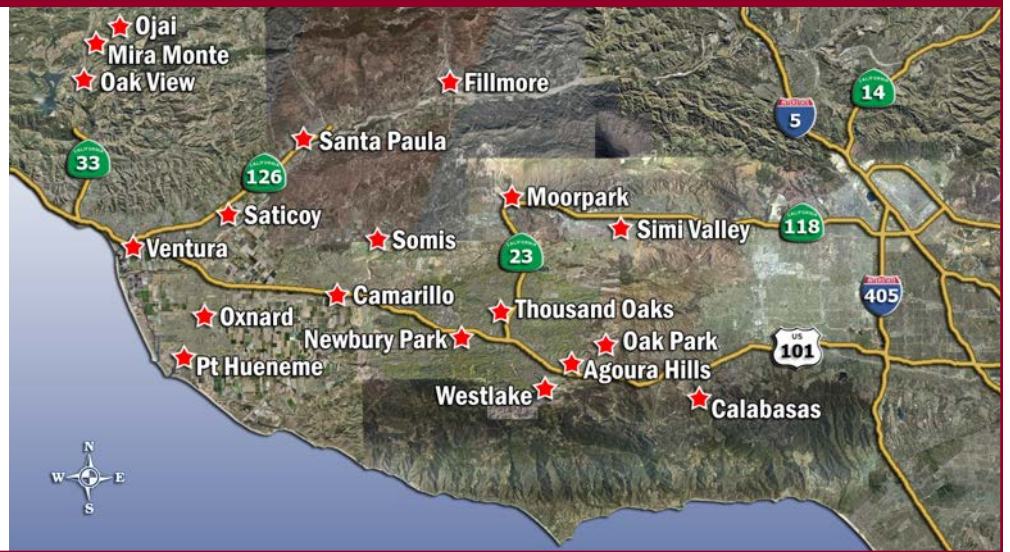
Q3 2017 LARGEST SALES

Property Address	Square Feet	Seller Buyer	Sale Price	PSF
101 W. Cochran St, Simi Valley*	120,075	Kids from the Valley XIII, LLC Simi Valley Unified School District	\$13,500,000	\$112.43
151 Factory Stores Dr, Camarillo	74,786	Scripps NP Operating, LLC Twenty Lake Holdings	\$8,025,000	\$107.30
405 Science Dr, Moorpark	38,954	Fiserv, Inc. Nexark, Inc.	\$7,000,000	\$179.70
625 Cochran St, Simi Valley	50,200	DCH Investments, Inc. Lapides Family Holdings, LLC	\$4,550,000	\$90.64

*Denotes Lee & Associates Transaction

VENTURA COUNTY OFFICE SUBMARKETS

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



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