Ventura County

Multifamily Market Outlook 4Q 2016

NAI Capital
Commercial Real Estate Services, Worldwide.

MARKET OVERVIEW

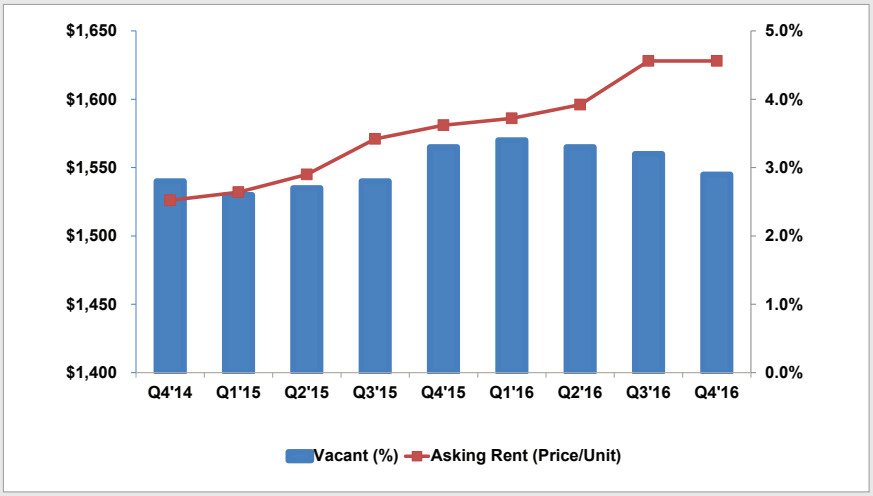
The Ventura County multifamily housing market remained steady in the fourth quarter of 2016. There was no completed construction this quarter. However, there are 779 units under construction, with an additional 3,783 units in the planning stages. In the fourth quarter vacancy registered 2.9%. Vacancy has continued on a downward trend since the first quarter of 2016, with the vacancy rate dropping 30 basis points over the third quarter and 40 basis points from last year at this time. Rents have held steady over the quarter, but have grown 3% over the past year to $1,628/unit. This is one of the largest annual rental rate increases since 2006. This year the number of units sold increased 14%, bringing the year to date total to 1,891. More than 829 units were sold in 12 transactions this quarter. The average sale price per unit was $172,606, showing an increase of 36% over last year at this time. Cap rates remained steady over last year at 5.06%.

TRENDS TO WATCH

Since the burst of the housing sales bubble, there has been an increased preference for renting amongst residents in Ventura County. Rising home ownership prices are keeping people in the rental market for longer periods, sustaining the demand for the multifamily rental market. Home prices are expected to increase 5% in 2017, according to a forecast put out by Los Angeles Economic Development Corporation. Population growth is expected to increase 3.4% and exceed 885,000 residents by 2020, according to Moody's Analytics. The Ventura County unemployment rate as of December 2016 was a low 5.0%. Population growth and a tight labor market signal sustained demand for housing. Low vacancies and rising rents are encouraging developers to break ground on new projects. The bulk of new construction and proposals are in Ventura. However, there are 2,094 units planned in the Oxnard area.

Average Asking Rent and Vacancy Rate

All Unit Sizes



Source: NAI Capital Research, REIS

MARKET OUTLOOK

Asking Rental Rates

Vacancy Rates

New Construction

Sales Volume

Sales Prices

Cap Rates

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Market Statistics:

SUBMARKET	Inventory (Units)	Under Construction (Units)	Asking Rent $	Vacancy %
SOUTH	**48,908**	**152**	**$1,617**	**3.2%**
Camarillo	6,678	0	$1,617	3.4%
Oxnard	18,895	116	$1,483	3.5%
Thousand Oaks	23,335	36	$1,752	2.8%
NORTH	**25,005**	**627**	**$1,624**	**2.5%**
Simi Vly/Moorpark	12,740	0	$1,720	2.5%
Ventura	12,265	627	$1,528	2.5%

Total	Inventory (Units)	Under Construction (Units)	Asking Rent $	Vacancy %
Ventura County	**73,913**	**779**	**$1,628**	**2.9%**

Select Sales Transactions:

Complex	Submarket	Units	Cap Rate	Sale Price	Price/Unit	Price/SF
Club Pacifica	Oxnard	170	6.04%	$29,350,000	$172,647	$173
Rancho Solana	Oxnard	168	5.50%	$30,675,000	$182,589	$213
Harmony Terrace Apartment Homes	Simi Vly/Moorpark	136	N/A	$19,000,000	$139,706	$215
Shadow Hills Apartments	Thousand Oaks	100	3.62%	$17,700,000	$177,000	$219
Capistrano	Camarillo	44	4.54%	$10,525,000	$239,205	$297

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- North
- South

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NAI Capital Research

J.C. Casillas
Vice President
Research, Marketing and Communications
818 905 2400 office
jcasillas@naicapital.com

Jillian Olivas
Research and Communications Assistant
818 905 2400 office
jolivas@naicapital.com

Kevin de Bree
Research Analyst
818 905 2400 office
kdebree@naicapital.com

NAI Capital Southern California Office Locations

Headquarters

Encino
16001 Ventura Blvd., Ste. 200
Encino, CA 91436
(818) 905-2400

Los Angeles County

Commerce
500 Citadel Dr., Ste. 100
Los Angeles, CA 90040
(323) 201-3600

Diamond Bar
21660 E. Copley Dr., Ste. 320
Diamond Bar, CA 91765
(909) 348-0600

Pasadena
225 S. Lake Ave., Ste. 1170
Pasadena, CA 91101
(626) 564-4800

Torrance
970 W. 190th St. Dr., Ste. 100
Torrance, CA 90502
(310) 532-9080

Valencia
27451 Tourney Rd., Ste. 200
Valencia, CA 91355
(661) 705-3550

West Los Angeles
11835 Olympic Blvd., Ste. 700E
Los Angeles, CA 90064
(310) 440-8500

Ventura County

Oxnard
300 Esplanade Dr., Ste. 1660
Oxnard, CA 93036
(805) 278-1400

Westlake Village
2555 Townsgate Rd., Ste. 320
Westlake Village, CA 91361
(805) 446-2400

Simi Valley
2655 First St., Ste. 250
Simi Valley, CA 93065
(805) 522-7132

Orange County

Irvine
1920 Main St., Ste. 100
Irvine, CA 92614
(949) 854-6600

San Clemente
120 1/2 South El Camino Real, Ste. 210
San Clemente, CA 92674
(949) 874-0415

Inland Empire

Ontario
800 N. Haven Dr., Ste. 400
Ontario, CA 91764
(909) 945-2339

Temecula
27720 Jefferson Ave., Ste. 330
Temecula, CA 92590
(951) 491-7590

Victorville
13911 Park Avenure, Ste. 206
Victorville, CA 92392
(760) 780-4200

Coachella Valley

Palm Desert
75-410 Gerald Ford Dr., Ste. 200
Palm Desert, CA 92211
(760) 346-1566

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