

# Ventura County

## Office Market Outlook 1Q 2017

### MARKET OVERVIEW

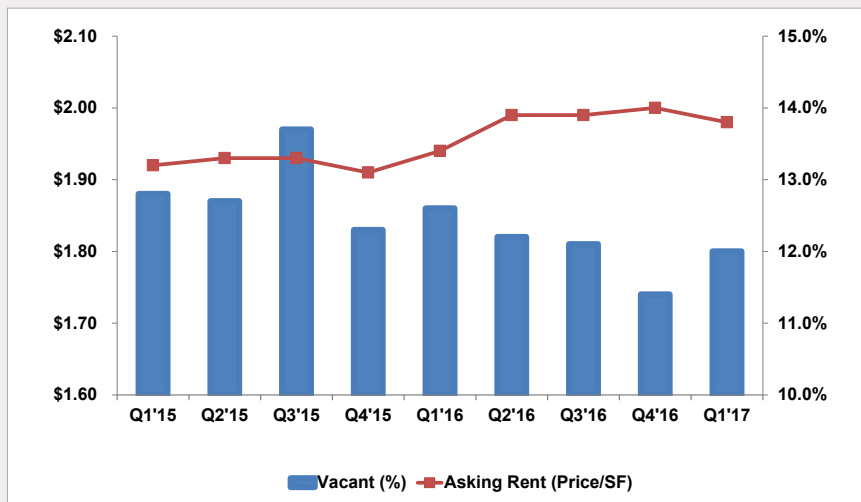
In the first quarter of 2017, the Ventura County office market vacancy ticked up slightly from last quarter to 12%. Despite this small increase, the vacancy rate remains 60 basis points below last year at this time. The average asking rent dropped \$0.02/SF from the previous quarter, but is up 2.0% over last year. Lease and sale activity is being driven by steady economic growth and employment. In Ventura County, nonfarm employment was up 3.1% over the year. From March 2016 to March 2017, office occupying sectors added 4,400 new jobs. Educational & Health Services posted the greatest increase in employment, up 8.4% with the addition of 3,700 jobs. Real Estate & Rental & Leasing grew by 7.1%, while Professional, Scientific & Technical Services was up 3.8%. A further indication of the strength in the local economy, Construction jobs have grown 9.2% over the past year. This shows Ventura County's fundamentals remain in place to drive demand for office space.

### TRENDS TO WATCH

Going into 2017, the Ventura office market is expected to hold its own as employment drives demand for office space. Sakioka Farms Business Park has entered the planning phase and is expected to break ground in September 2017. When completed, this project will bring 400,000 square feet of new office space to the market and create as many as 15,500 jobs. This quarter, Thousand Oaks-based pharmaceutical company Amgen announced that it is planning to restructure and consolidate in an effort to remain competitive with its industry. Nearly 500 Amgen Inc. employees in Thousand Oaks are expected to be reassigned, relocated or laid off throughout the next year and a half. Ventura County's comparatively attractive asking rents should help draw tenants from the neighboring to San Fernando Valley where asking rents are 19.7% higher on average.

### Average Asking Rent and Vacancy Rate

All Unit Sizes



Source: NAI Capital Research, CoStar

### MARKET OUTLOOK

#### Asking Rental Rates



#### Sale Prices



#### Availability/Vacancy Rates



#### Landlord Concessions



#### Sales/Leasing Volume



#### New Construction



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### Market Statistics

SUBMARKET	EXISTING TOTAL RBA (SF)	UNDER CONSTRUCTION (SF)	TOTAL AVAILABLE (%)	TOTAL VACANCY (%)	1Q17 LEASING VOLUME (SF)	YTD LEASING VOLUME (SF)	1Q17 SALES VOLUME (SF)	YTD SALES VOLUME (SF)	AVERAGE ASKING RENT \$/PSF FSG	AVERAGE SALE PRICE \$/PSF
North	8,179,365	0	16.9%	12.1%	96,439	96,439	112,710	112,710	\$1.73	\$122
South	13,691,489	0	17.2%	11.9%	125,998	125,998	216,187	216,187	\$2.11	\$182
<b>Total</b>	<b>21,870,854</b>	<b>0</b>	<b>17.1%</b>	<b>12.0%</b>	<b>222,437</b>	<b>222,437</b>	<b>328,897</b>	<b>328,897</b>	<b>\$1.98</b>	<b>\$147</b>

RBA includes office buildings of all sizes and classes. Rents reflect buildings of at least 20,000 square feet.

### Leasing

This quarter, leasing activity totaled 222,437 square feet representing a 50% increase over the prior quarter and is about even with lease volume from the first quarter of 2016. Average asking rents declined 1.0% from the previous quarter but are 2.0% higher than the rents seen last year at this time. Rent have moved up 6% from lowest point in the recession, but have room to grow as they remain 13.9% below the peak of \$2.30/SF. Sectors seeing employment growth year over year, including Education & Healthcare and Financial Activities are driving the demand for office space as seen in the leasing activity this quarter. In March, Buena Vista Healthcare leased 8,687 square feet for a medical facility in Thousand Oaks. Financial Consultants leased 6,090 square feet for their office, also in Thousand Oaks.

### Sales

Sales activity in the first quarter of 2017, totaling 328,897 square feet, represented an increase of 51% over the prior quarter and was about even with the total from a year ago. Average sale prices registered \$147/SF this quarter, with more sales occurring in the northern part of the county. This quarter, the Korda Group purchased the 71,922 square foot Camarillo Business Center in Camarillo from The Blackstone Group LP, for \$146/SF. The Church of Scientology purchased the 60,662 square foot Seaward Center in Ventura for \$103/SF to serve as religious center for their organization.

### Select Lease Transactions

TENANT	ADDRESS	SUBMARKET	ASKING RENT \$/PSF*	SQUARE FEET
Buena Vista Healthcare	2545 Hillcrest Dr	South	\$2.25	8,687
Summit Financial Consultants	3075 Townsgate Road	South	N/A	6,090
Fickewirth Insurance	2575 Vista Del Mar Dr	North	N/A	5,783
Infocus 5	1300 Eastman Ave	North	\$1.75	5,315
Card	1900 E Los Angeles Ave	North	\$2.05	2,976

\*All rents are FSG unless otherwise noted

### Select Sales Transactions

BUYER	ADDRESS	SUBMARKET	SALE PRICE \$/PSF	SQUARE FEET
Korda Group	760 Paseo Camarillo	South	\$146	71,922
Church of Scientology	2151 Alessandro Dr	North	\$103	60,662
Parvis Kashfian	1889 N Rice Ave	North	\$187	39,028
Buyer Not Listed	141 Triunfo Canyon Rd	South	\$276	19,200
Camarillo GI Properties, LLC	4005 Mission Oaks Blvd	South	\$182	7,318

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● **North**

- Fillmore
- Moorpark
- Oak View
- Ojai
- Piru
- Santa Paula
- Saticoy
- Simi Valley
- Ventura

● **South**

- Camarillo
- Casa Conejo
- El Rio
- Oxnard
- Port Hueneme
- Santa Rosa Valley
- Thousand Oaks

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#### Headquarters

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**Diamond Bar**  
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Diamond Bar, CA 91765  
(909) 348-0600

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

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

#### Coachella Valley

**Palm Desert**  
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Palm Desert, CA 92211  
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