

Ventura County

Multifamily Market Outlook 1Q 2018

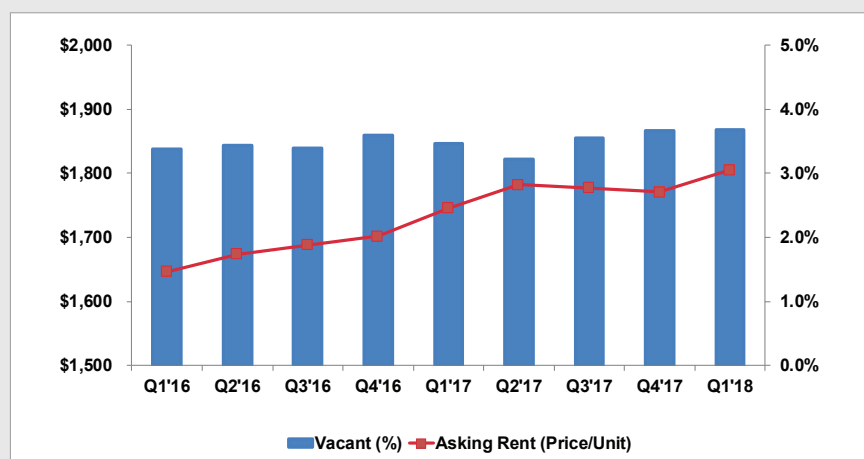
MARKET OVERVIEW

The Ventura County multifamily housing market remained exceptionally tight in 1Q 2018. The asking rent averaged \$1,805 per unit, the highest on record. This was an increase of 1.9% over 4Q 2017 and 3.4% over 1Q 2017. The vacancy rate remained at one of the lowest levels seen since 2000. The vacancy rate was 3.7%, steady over 4Q 2017 and up 20 basis points from 1Q 2017 due to new construction. High asking rents continued to drive investment sales in 1Q 2018. Sale volume totaled 525 units sold in 5 transactions. Cap rates averaged 4.2%, down 45 basis points from 1Q 2017. At the close of the quarter, there were 3,161 units under construction across 17 projects. The largest project under construction is the 537-unit Village Gateway in Camarillo, which is expected to deliver in July 2018. The 103-unit Andorra Apartments project in Camarillo, developed by Fairfield Residential Company, was delivered to the market this quarter.

TRENDS TO WATCH

A combination of high single-family housing prices, a lack of affordable housing, and low vacancies have continued to push residents into the multifamily housing market. This, in turn, has consistently pushed asking rents upwards. According to the California Association of Realtor's Housing Affordability Index, just 26% of Ventura County residents can afford to purchase a home at the median price of \$640,000. This is the second lowest affordability index in Southern California, behind Orange County, and one of the lowest in the country. Due to tight building regulations, housing permits are expected to remain low and new supply will remain limited, keeping prices high. The Los Angeles Economic Development Corporation forecasts 1,138 building permits in 2018, well below the peak of 4,516 permits issued prior to the recession. As of 2018, approximately 35% of Ventura County's 278,118 households rent their homes. However, this number is expected to rise as virtually all of the projected 10,269 new households that will be formed over the next five years will be renters. This will keep demand for multifamily housing strong throughout 2018.

Average Asking Rent and Vacancy Rate



Source: NAI Capital Research, CoStar

MARKET OUTLOOK

Asking Rental Rates



Vacancy Rates



New Construction



Sales Volume



Sales Prices



Cap Rates



NAI Capital Research
www.naicapital.com

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Market Statistics:

SUBMARKET	Inventory (Units)	Under Construction (Units)	Asking Rent \$	Vacancy %
SOUTH	28,174	2,456	\$1,825	3.6%
Camarillo	4,419	1,418	\$1,855	5.1%
Oxnard	15,750	1,038	\$1,667	2.9%
Thousand Oaks	8,005	0	\$1,972	4.1%
NORTH	15,180	705	\$1,769	3.7%
Simi Valley/Moorpark	6,517	0	\$1,806	3.6%
Ventura	8,663	705	\$1,729	3.9%

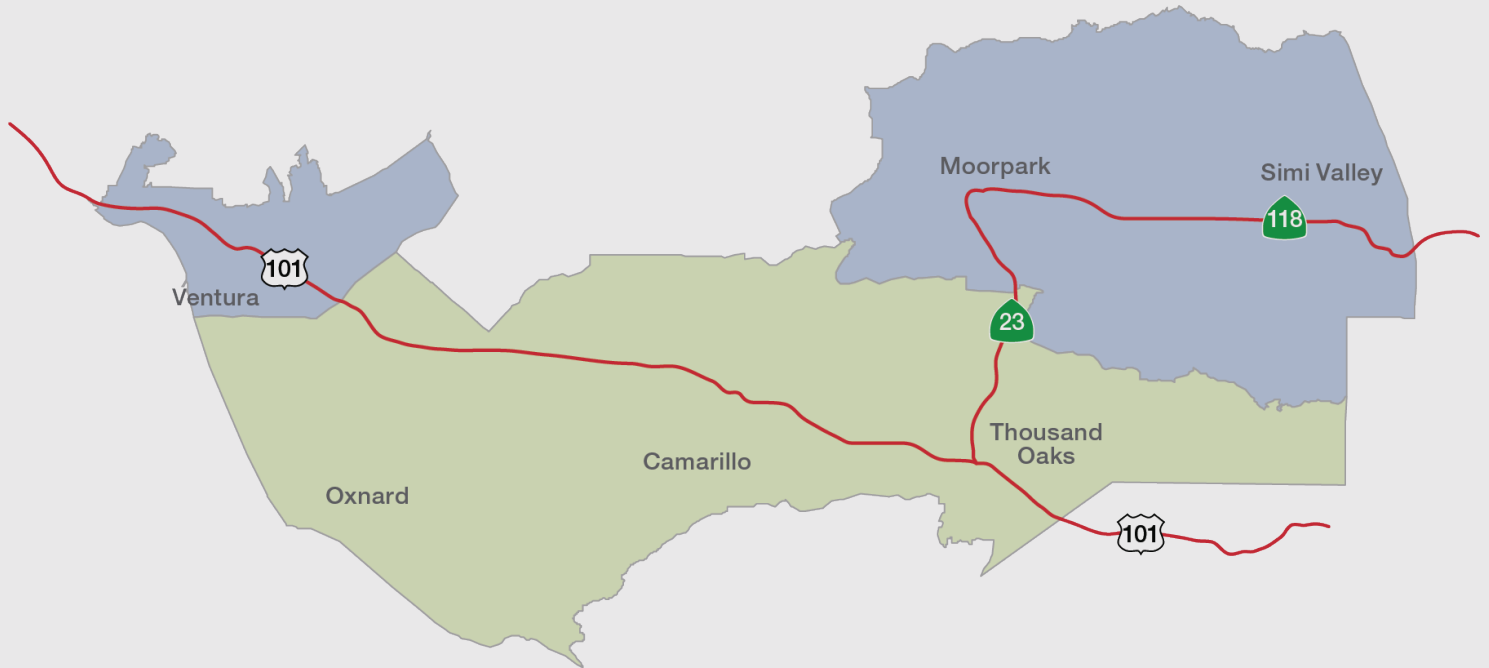
Total	Inventory (Units)	Under Construction (Units)	Asking Rent \$	Vacancy %
Ventura County	43,354	3,161	\$1,805	3.7%

Select Sales Transactions:

Complex	Submarket	Units	Cap Rate	Sale Price	Price/Unit	Price/SF
Tempo Riverpark	Oxnard	235	-	\$75,250,000	\$320,212	\$289
Via Ventura Apartments	Ventura	192	4.64%	\$74,000,000	\$385,416	\$419
Oxnard Village Apartments	Oxnard	56	-	-	-	-
Portfolio Apartment Homes	Oxnard	32	-	\$6,100,000	\$190,625	\$259
5246 Driftwood St	Oxnard	16	2.96%	\$3,500,000	\$218,750	\$387

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- North
- South

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Commercial Real Estate Services, Worldwide.

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