

# Ventura County

## Industrial Market Outlook Q4 2022

### MARKET OVERVIEW

Ventura County's industrial market loosened up in the fourth quarter of 2022, as vacant space saw a 44.1 percent increase from Q4 2021. While the vacancy rate increased 30 basis points from last year it remained at an extremely low 1.3 percent. The average asking rent increased 8.2 percent year over year to \$0.92 per square foot triple net. Since 2020, there has been limited construction added to the supply of industrial space. As the economy picked up post-pandemic demand for warehouse-distribution space depleted the existing inventory, sending rent soaring. With record low vacancy, sparse development began to crop up in the region as 2,172,180 square feet of completed construction was added to the inventory year over year. Amazon's fulfillment center in Oxnard represented about 70 percent of the newly completed construction. The additional 30 percent of completed construction was also leased.

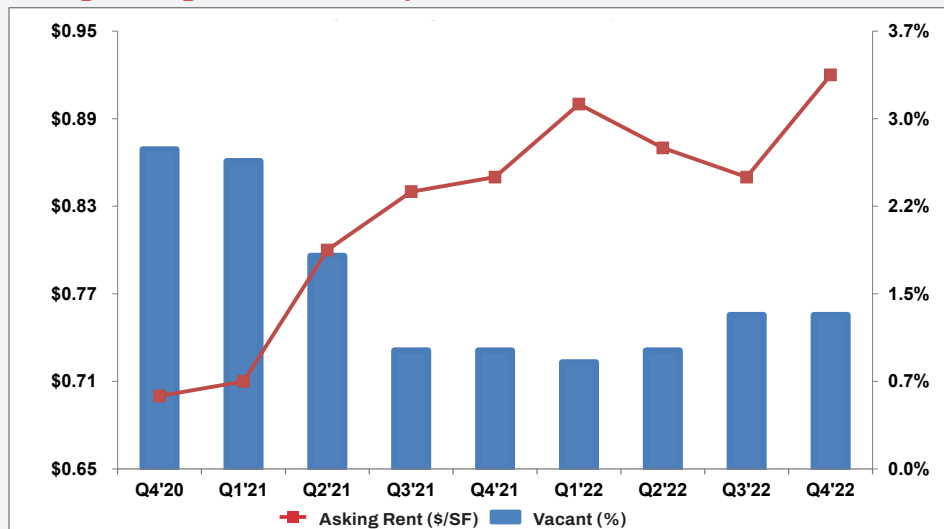
With 868,092 square feet of leasing volume year to date, 657,863 square feet of vacant space, and 50,000 space under construction Q4 showed industrial development not keeping pace with demand. Construction has not kept up as the pandemic accelerated ecommerce and boosted demand for last mile distribution facilities. The need remains constrained for large state of the art warehouse-distribution facilities.

### TRENDS TO WATCH

The absence of speculative construction in the market will continue to hold up rent and sale prices. Businesses looking for large state of the art facilities in Ventura County will need to pursue built to suit opportunities. Development has not kept up with rising demand for warehouse-distribution space. Year to date Central Ventura County experienced a 62.7 percent drop in leasing volume from 2021 as the vacancy rate registered a low 1.7 percent as of Q4. North Ventura County leasing volume dropped off 49.3 percent with an extremely low 0.7 percent vacancy rate. The same happened in the West region with a 15.4 percent year over year decrease in leasing volume and a vacancy rate of 1.4 percent. Overall, in the fourth quarter of 2022, Ventura County experienced a 42.1 percent drop in leasing volume from 2021. As developers continue to observe the pressure of pent-up demand depleting industrial space and bidding up pricing, they'll be motivated move forward with speculative construction and redevelopment opportunities.

Tenants looking purchase industrial space to control occupancy cost will weigh the impact of rising interest rates to their bottom line. Square footage sold decreased 64.6 percent year over year, as the cost of borrowing squeezed sale activity. With the median sale price up 17.5 percent year over year, sale prices will feel the effect of rising interest rates. Constrained construction and pressure from users to lease versus buy will remain a driving force behind pricing for warehouse-distribution space in 2023.

### Average Asking Rent and Vacancy Rate



### MARKET OUTLOOK

#### Asking Rental Rates



#### Sale Prices



#### Availability/Vacancy Rates



#### Landlord Concessions



#### Sales/Leasing Volume



#### New Construction



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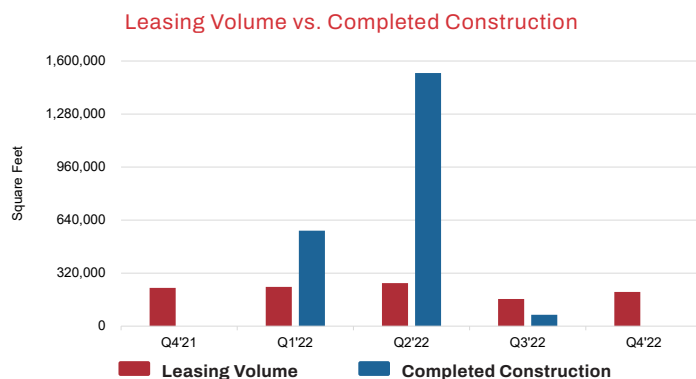
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### Market Statistics\*

SUBMARKET	EXISTING TOTAL RBA (SF)	UNDER CONSTRUCTION (SF)	TOTAL AVAILABLE (%)	TOTAL VACANCY (%)	LEASING VOLUME (SF)	YTD LEASING VOLUME (SF)	SALES VOLUME (SF)	YTD SALES VOLUME (SF)	AVERAGE ASKING RENT (\$/SF NNN)	AVERAGE SALE PRICE (\$/SF)
Central	13,489,673	50,000	2.0%	1.7%	64,523	198,166	23,927	147,219	\$1.00	\$176
North	11,031,297	0	1.5%	0.7%	36,761	223,405	27,264	240,557	\$0.94	\$247
West	25,045,544	0	1.8%	1.4%	105,403	446,521	250,836	517,187	\$0.86	\$103
<b>Ventura County</b>	<b>49,566,514</b>	<b>50,000</b>	<b>1.8%</b>	<b>1.3%</b>	<b>206,687</b>	<b>868,092</b>	<b>302,027</b>	<b>904,963</b>	<b>\$0.92</b>	<b>\$122</b>

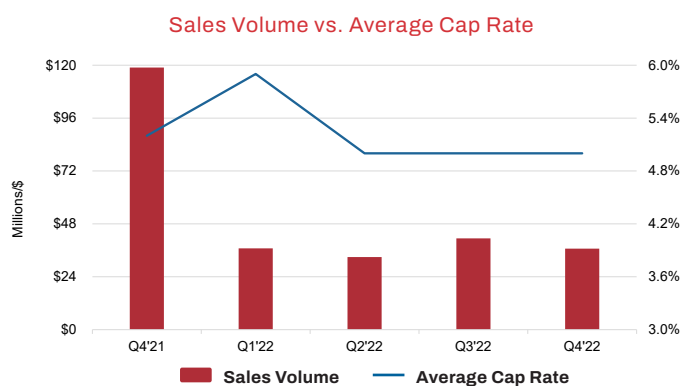
### Leasing Trends

Leasing volume per quarter followed a steady trend, averaging 219,799 square feet over the past five quarters. Construction has been limited to build-to-suits in the market. Amazon's 1.5M square foot fulfillment center was completed in Q2 2022. Construction continues to be constrained in the region, limiting the availability of industrial space on the market.



### Sales

Sales volume totaled \$148,085,366 year to date in 2022, down 64.1 percent from 2021 year to date figures. The average cap rate on investment sales held steady in 2022, down slightly from the fourth quarter of 2021 to 5 percent.



### Select Lease Transactions

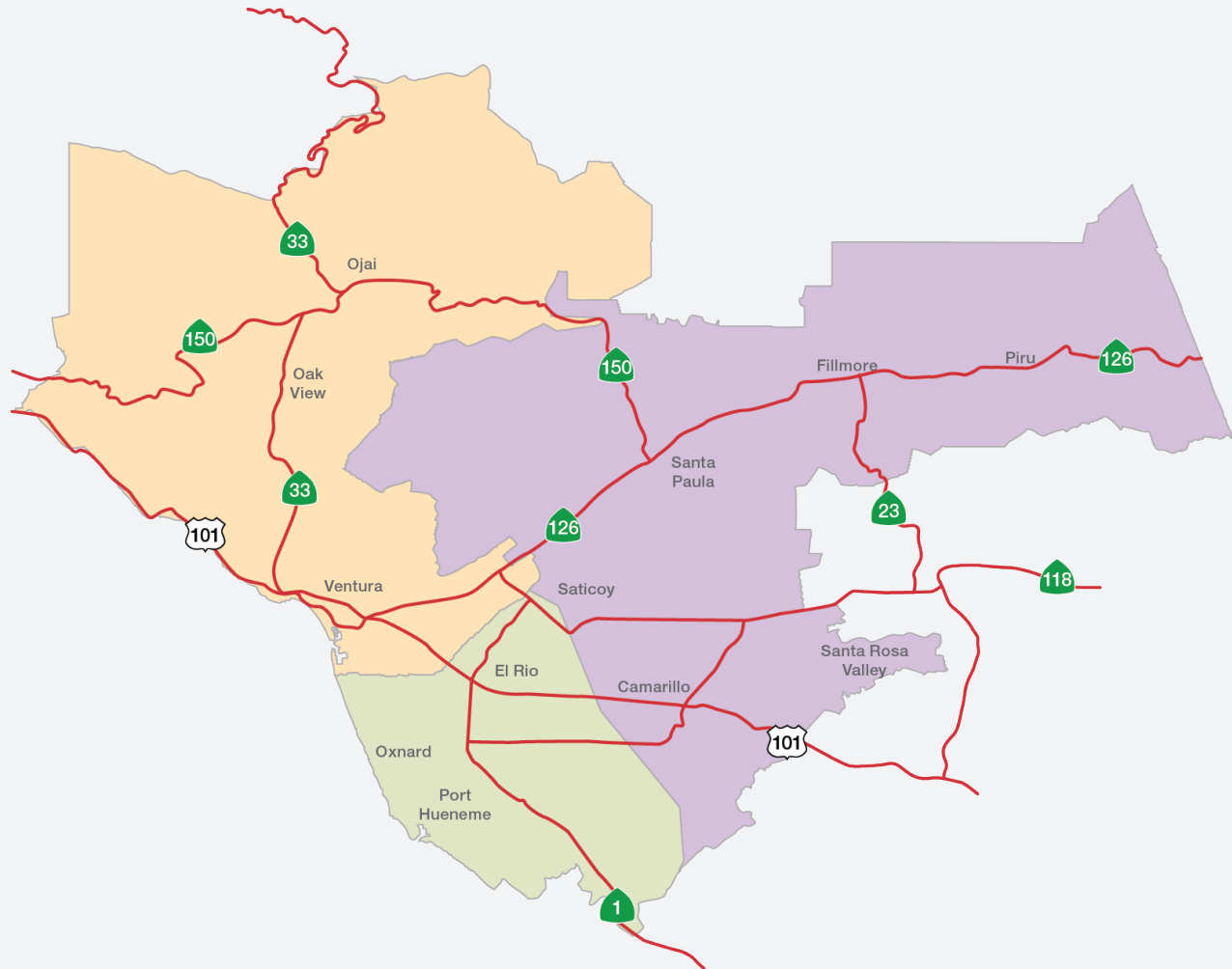
ADDRESS	CITY	SUBMARKET	SIZE SF
2001 Sunkist Cir	Oxnard	West	223,359
1000-1020 Del Norte Blvd	Oxnard	West	46,924
1051 S Rose Ave	Oxnard	West	31,500
300 S Lewis Rd	Camarillo	Central	14,772
3036 Seaborg Ave	Ventura	North	13,200

### Select Sales Transactions

ADDRESS	CITY	SUBMARKET	SIZE SF
2001 Sunkist Cir	Oxnard	West	223,359
3651 Via Pescador	Camarillo	Central	23,927
2907 Palma Dr	Ventura	North	18,464
707-709 E Hueneme Rd	Oxnard	West	12,577
1801 Sunkist Cir	Oxnard	West	8,000

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## Industrial Market Outlook Q4 2022



○ **North**

- Ojai
- Oak View
- Ventura

○ **West**

- Oxnard
- Port Hueneme
- El Rio

○ **Central**

- Camarillo
- Fillmore
- Piru
- Santa Paula
- Santa Rosa Valley
- Saticoy

# Ventura County

## Industrial Market Outlook Q4 2022



### NAI Capital Commercial Southern California Office Locations

#### Headquarters

15821 Ventura Blvd., Ste. 320  
Los Angeles, CA 91436  
818.905.2400

#### Los Angeles County

##### Downtown LA

707 Wilshire Blvd., Ste. 5125  
Los Angeles, CA 90017  
213.632.7700

##### West Los Angeles

11835 Olympic Blvd., Ste. 700E  
Los Angeles, CA 90064  
310.440.8500

##### Torrance

970 W. 190th St., Ste. 100  
Torrance, CA 90502  
310.532.9080

##### Pasadena

225 S. Lake Ave., Ste. 1170  
Pasadena, CA 91101  
626.564.4800

##### Valencia

25060 Avenue Stanford., Ste. 165  
Valencia, CA 91355  
661.705.3550

##### Diamond Bar

21660 E. Copley Dr., Ste. 320  
Diamond Bar, CA 91765  
909.348.0600

#### Ventura County

##### Oxnard

300 Esplanade Dr., Ste. 470  
Oxnard, CA 93036  
805.278.1400

##### Westlake Village

2555 Townsgate Rd., Ste. 320  
Westlake Village, CA 91361  
805.446.2400

#### Inland Empire

##### Ontario

800 N. Haven Dr., Ste. 400  
Ontario, CA 91764  
909.945.2339

##### Victorville

13911 Park Ave., Ste. 206  
Victorville, CA 92392  
760.780.4200

#### Orange County

##### Irvine

1920 Main St., Ste. 100  
Irvine, CA 92614  
949.854.6600

#### Coachella Valley

##### Palm Desert

75-410 Gerald Ford Dr., Ste. 200  
Palm Desert, CA 92211  
760.346.1566