

Ventura County

Multifamily Market Outlook Q1 2020

MARKET OVERVIEW

Ventura County's multifamily softened slightly but remained near the peak reached in 2019 prior to the COVID-19 outbreak. Rent growth showed signs of a cooldown, as the average asking rent declined from the previous quarter and ended Q1 2020 at \$1,971/unit, up 0.7% year over year, but below the all-time peak of \$1,995/unit reached in Q2 2019. The vacancy rate was 5.2% in Q1 2020, down 30 bps from the prior quarter and 80 bps higher than Q1 2019. From 2018 to 2020, 2,524 units were delivered in Ventura County. As of the first quarter, 24% of these new units remained vacant, which has contributed to the increased vacancy rate. Just 431 units remained under construction at the end of the quarter — the lowest level since Q2 2016.

Investment sales activity declined sharply in Q1 2020, totaling just \$7.4M- down 93.6% in dollar volume from Q4 2019. Just 32 units were sold in six transactions across the County, averaging a sales price of \$231,406/unit. The average cap rate fell 10 bps year over year to 4.6%.

TRENDS TO WATCH

Ventura County's proximity to the Greater Los Angeles job market make the area an ideal location for commuters across Southern California. Changes in work trends because of the COVID-19 pandemic could also spur demand for housing in Ventura County as immediate access to the office becomes less important to the workforce. The average unit in Ventura County is 880 square feet compared to 860 square feet in Los Angeles' Westside submarket and rents for about 21% less. If remote working becomes the norm, many LA residents might prefer the lower rent, larger unit, and access to open space prioritized by Ventura County that is not available in places like Downtown LA or the Westside.

Limited construction of apartments and the high cost of homeownership will sustain the rental market in Ventura County despite a shaky employment outlook. The unemployment rate shot up to 14% in April due to the coronavirus shutdown, up from 3.2% this time last year. Experts are hopeful that reopening the economy could bring back many of the jobs lost in the pandemic, but many renters who managed to save enough to buy their first homes may wait until stability is reached.

Average Asking Rent* and Vacancy Rate



MARKET OUTLOOK

Asking Rental Rates



Vacancy Rate



New Construction



Sales Volume



Sales Prices



Cap Rates



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Market Statistics:

SUBMARKET	Inventory (Units)	Under Construction	Asking Rent \$/Unit	Vacancy %
SOUTH	28,662	112	\$1,996	4.7%
Camarillo	4,960	0	\$2,080	5.3%
Oxnard	16,610	72	\$1,859	4.2%
Thousand Oaks	7,092	40	\$2,130	5.2%
NORTH	16,089	319	\$1,925	6.2%
Simi Valley/Moorpark	6,634	0	\$1,971	3.6%
Ventura	9,455	319	\$1,893	7.9%

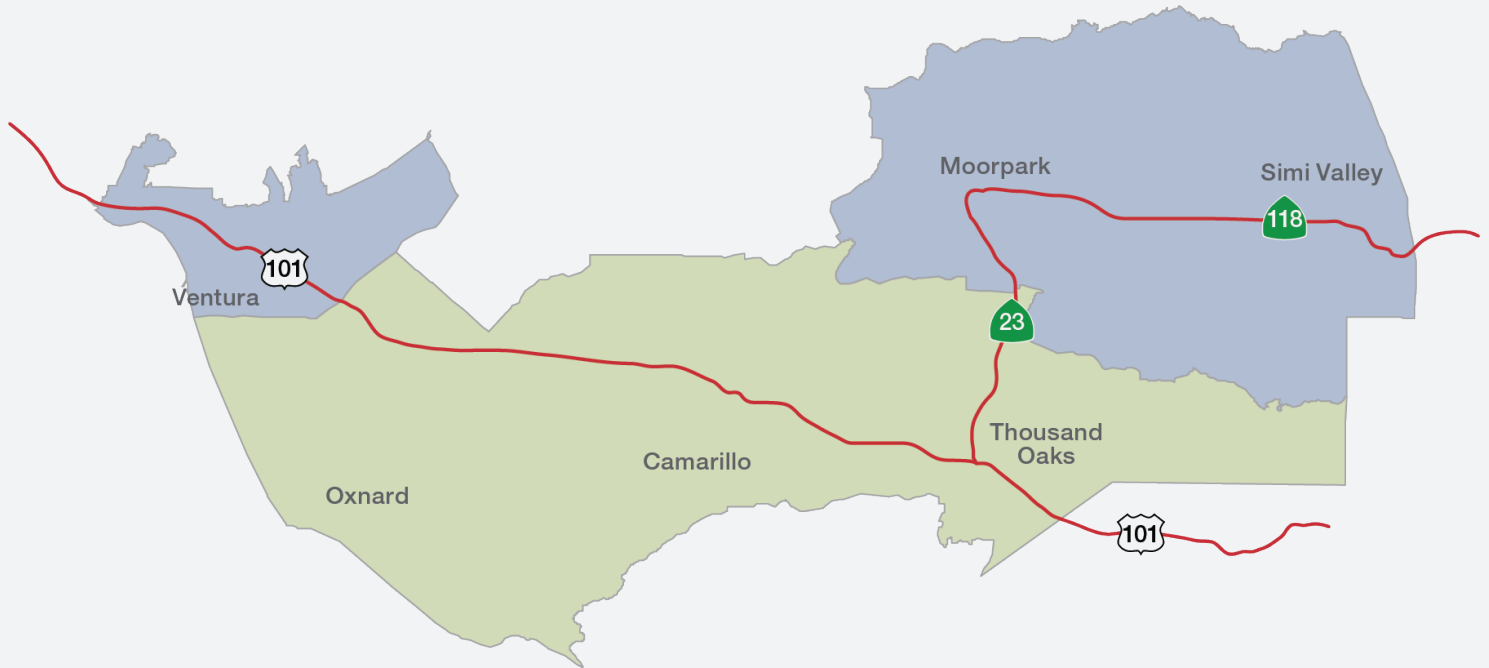
	Inventory (Units)	Under Construction (Units)	Asking Rent \$	Vacancy %
Ventura County	44,751	431	\$1,971	5.2%

Select Sales Transactions:

Complex	Submarket	Units	Cap Rate	Sale Price	Price/Unit	Price/SF
6327 Whipporwill St.	North	8	4.3%	\$1,925,000	\$240,625	\$332
1829-1857 Ocean Ave.	North	7	-	\$2,550,000	\$364,285	\$468
1231 W. 7th St.	South	4	4.3%	\$895,000	\$223,750	\$230
1300 Glenwood Dr.	North	4	4.9%	\$965,000	\$241,250	\$227
347-349 353 Poli St.	North	3	4.8%	\$775,000	\$258,333	\$391

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- North
- South

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