



Q3 TRENDS AT A GLANCE

Change from prior quarter

- Absorption**
225,500 SF
 - Vacancy**
-30 basis points (bps) to 5.6%
 - Leasing Activity**
555,725 SF
 - Direct Lease Rate**
+\$0.03 to \$0.65 PSF
 - Under Construction**
28,000 SF
 - Completed Construction**
0 SF
 - Industrial Buildings Sold**
22
 - Median Sale Price**
\$115 PSF
 - Unemployment Rate**
- | | |
|-----------------|-------------|
| Ventura County: | 5.3% (Sept) |
| California: | 5.9% (Sept) |
| U.S.: | 5.1% (Sept) |



Lee & Associates LA North/Ventura

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Industrial Vacancy Rates Reached Their Lowest Levels Since Q2 2009 in Ventura County

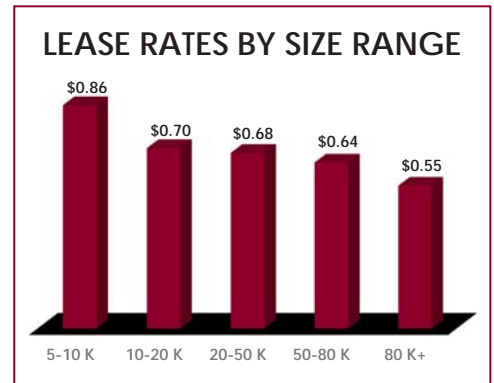
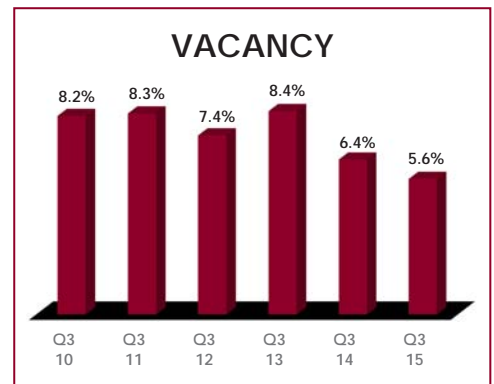
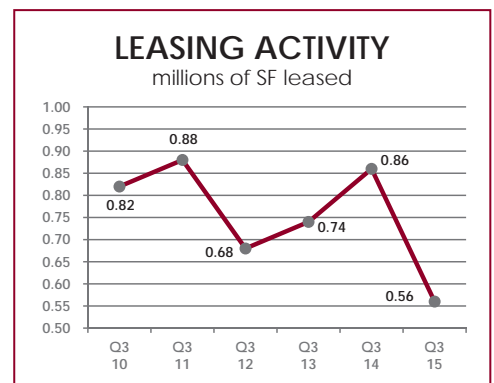
After holding steady for two consecutive quarters, vacancy rates declined 30 basis points (bps) to 5.6 percent in the third quarter, the lowest levels since the first quarter of 2009 and an improvement of 80 bps over the year ago period.

Space has been filling at a steady pace for a number of quarters now, and absorption has also shown steady gains. In the third quarter, 225,000 square feet of space was absorbed, more than 130 percent more than the prior quarter but well below the 424,694 square feet of absorption in the year-ago period. A similar pattern is found in year-to-date absorption which registered 734,200 square feet for the first three quarters of 2015 compared to 1,239,900 square feet in the first three quarters of 2014. However, it's important to note that the most recent patterns compare very favorably to 2013 when the first three quarters of the year saw negative absorption of 271,000 square feet.

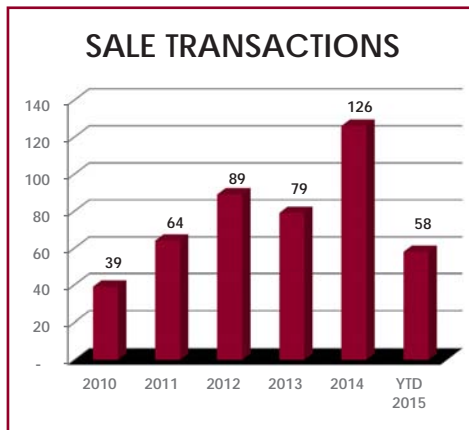
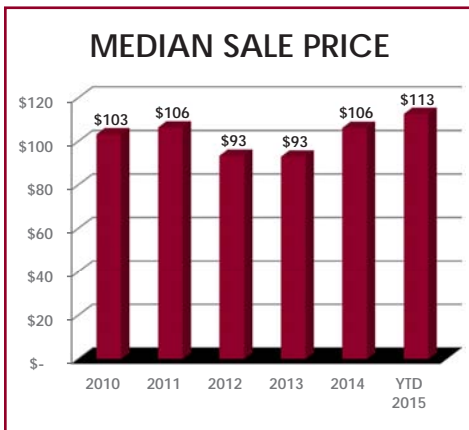
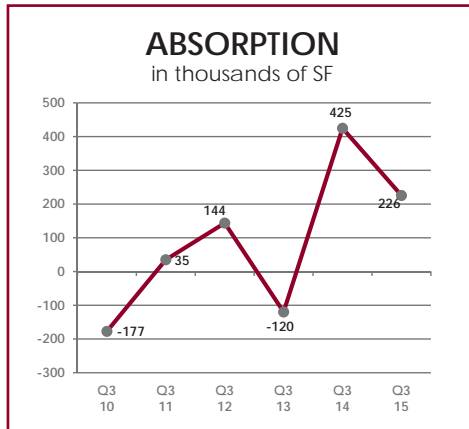
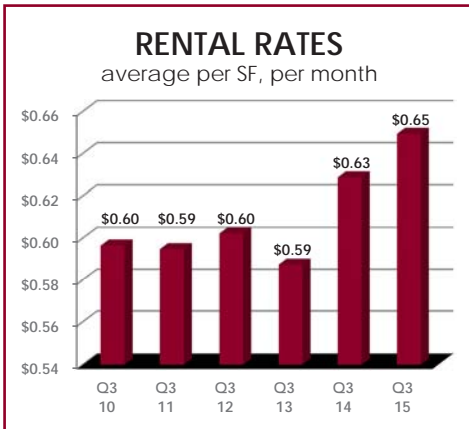
The relatively small size of Ventura's industrial market has traditionally led to fluctuations in leasing activity, although each quarter has brought a steady flow of new leases. A total of 555,725 square feet of space was leased in the third quarter, down from 908,111 square feet in the second quarter of the year and from the 863,247 square feet of space leased in the third quarter of 2014.

Average lease rates have also seen similarly inconsistent increases. The average lease rate for the third quarter was \$0.65 per square foot, \$0.03 lower on a per square foot basis than the average in the prior quarter but \$0.02 more than the average of \$0.63 per square foot a year ago. Nevertheless, at \$0.65 per square foot, the region's lease rate reached its highest level since Q1 2009.

As is the case in other industrial markets, sales activity has continued to rebound along with sale prices. Year-to-date there were 58 industrial building sales at a median price of \$113 per square foot compared with a median price of \$106 per square foot in 2014.



Quarter-to-quarter, median sale prices have been ticking up for the past four quarters. In Q3 there were 22 buildings sold at a median price of \$115 per square foot, up from \$94 per square foot in Q4 2014.



Median sale price and number of sale transactions excludes distressed sales and those where no price information was recorded.

Economy at a Glance

FORECLOSURES: Home foreclosure activity in Ventura County dropped 25 percent in August vs. July, according to data from RealtyTrac reported in the Ventura County Star. Bank repossessions rose 31 percent leading RealtyTrac economists to project that more bank-owned homes will be coming on the housing market in the next three to 12 months as lenders list these properties for sale.

LAYOFFS: Kythera Biopharmaceuticals Inc. in Westlake Village is laying off 117 employees following the company's acquisition by Dublin-based Allergan plc. Kythera recently won FDA approval for an injection that promises to shrink double chins and was acquired shortly after. According to the San Fernando Valley Business Journal report, the layoffs will be effective Nov. 30.

RAIN: The 6,000 roofing companies in California are prepping for their best year ever with expectations that an El Nino year is on the way, according to a story in the San Gabriel Valley Tribune. One roofing company professional in Pomona reported his company is backed up into December.

ELECTRIC CARS: Californians own about half the 330,000 electric vehicles operating in the country, but right now, there is only one public charger for every 10 vehicles, according to a report in the New York Times. State officials have pledged to increase the number of charging stations from 15,000 to 1.5 million by 2025.

MARKET DEFINITIONS

RENTABLE AREA

Includes all Class A, B and C multi-tenant and single-tenant industrial buildings of 5,000 SF and greater. Excludes buildings under construction, planned or under renovation.

DIRECT VACANCY

Space in existing buildings that is not occupied and is available for direct lease.

TOTAL VACANCY

Space in existing buildings that is not occupied and is available for direct lease and/or sub-lease.

TOTAL NET ABSORPTION

The square feet leased after deducting space vacated.

DIRECT ASKING LEASE RATE

Calculated for direct available space using NNN rents. Rents are weighted by total square feet available for direct lease.

UNDER CONSTRUCTION

Buildings in the process of construction. A building is considered complete when issued a certificate of occupancy.

MEDIAN SALE PRICE

Based on actual prices of sold buildings as reported in public records and by CoStar. Includes all industrial buildings 5,000 SF and more sold at \$500,000 or more.

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Lee & Associates-LA North/Ventura, Inc., a member of the Lee & Associates Group of Companies, is a full service commercial brokerage company with offices in Sherman Oaks, Calabasas, Ventura and Antelope Valley. LA North is celebrating its 20th anniversary this year. Additional information is available at www.lee-associates.com.

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Submarkets	Total Inventory	Total Vacancy		Net Absorption		Construction			Asking NNN Rate
		Total SF	%	Q3 2015	YTD 2015	Underway	Completed		
							Q3 2015	YTD 2015	
Agoura Hills / Westlake Village	2,683,900	114,300	4.3%	82,300	99,400	0	0	0	\$0.93
Calabasas	632,600	135,400	21.4%	16,800	6,400	0	0	0	\$1.35
Camarillo	11,535,000	1,198,700	10.4%	119,700	37,400	0	0	92,700	\$0.58
Fillmore / Santa Paula	2,369,900	95,700	4.0%	(17,800)	2,600	0	0	0	\$0.54
Newbury Park / Thousand Oaks	7,953,000	257,600	3.2%	14,900	216,200	0	0	0	\$0.76
Oxnard / Port Hueneme	23,383,700	1,221,800	5.2%	16,100	51,500	28,000	0	0	\$0.63
Simi Valley / Moorpark	12,081,600	644,100	5.3%	65,400	377,000	0	0	0	\$0.60
Ventura	11,219,800	334,900	3.0%	(71,900)	(56,300)	0	0	0	\$0.63
Total	71,859,500	4,002,500	5.6%	225,500	734,200	28,000	0	92,700	\$0.65

Source: CoStar and Lee & Associates

Q3 2015 LARGEST LEASES

Property Name/Address	Class	Square Feet	Tenant	Type
26750 Agoura Rd, Calabasas*	A	107,169	Pepperdine University	New
3500 Willow Ln, Thousand Oaks Blvd*	B	91,703	Easton Baseball/Softball, Inc.	New
2385 Pleasant Valley Rd, Camarillo	B	60,000	Artisan Vehicle Systems, Inc.	New
2290 Agate Ct, #B, C, Simi Valley*	B	50,246	Aerovironment	New

*Denotes Lee & Associates Transaction

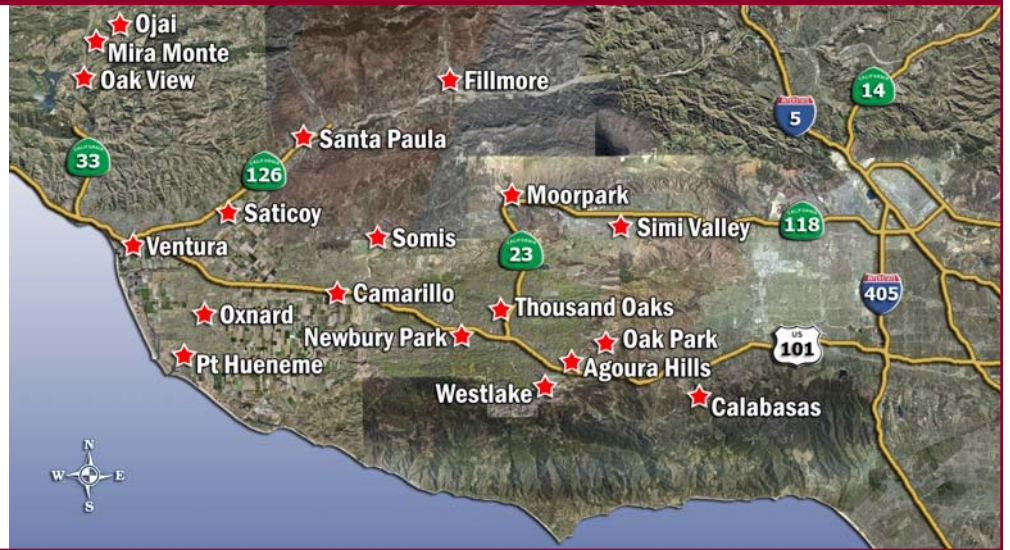
Q3 2015 LARGEST SALES

Property Address	Class	Square Feet	Seller Buyer	Sale Price	PSF
3500 Willow Ln, Thousand Oaks*	B	111,703	PEGH Investments, LLC Storage Express Temecula	\$10,400,000	\$93.10
610-760 W. Hueneme Rd 5651-5721 Perkins St, Oxnard	B	Two Bldgs Totaling 86,904	Walter & Sally Hartman Rexford Industrial	\$9,607,000	\$110.55
Conejo Spectrum 2610 Conejo Spectrum St, Thousand Oaks	B	36,042	Chase Conejo, LLC Lehrer Family Trust	\$5,400,000	\$149.83
750 Mitchell Rd, Newbury Park*	B	37,224	3K Properties, LLC Conejo Valley Unified School District	\$4,150,000	\$111.49

*Denotes Lee & Associates Transaction

VENTURA COUNTY OFFICE SUBMARKETS

Agoura Hills/ Westlake Agoura Hills Oak Park Westlake Village	Newbury Park/ Thousand Oaks
Calabasas	Oxnard/ Pt Hueneme Oxnard Pt Hueneme Saticoy
Camarillo Camarillo Somis	Ventura Mira Monte Oak View
Fillmore/ Santa Paula	Ventura
Moorpark/Simi Valley	



Ventura County Office
1000 Town Center Drive, #310
Oxnard, CA 93036
Office: 805.626.1200 | Fax: 805.413.7000

Paul Capra, Retail
805.626.1264
Grant Fulkerson
Managing Director, Industrial
818.449.4401
Grant Harris, Industrial
805.626.1212

Joe Jusko, Industrial
818.223.4397
David Kim, Office
805.626.1234
John Ochoa, SIOR, Industrial
805.626.1208

Mike Tingus, Industrial
818.223.4380
Cheri Blessing, Retail
805.626.1240
Bruce Milton, Retail
805.626.1281

Brian Barasch, Investment
818.933.0308
John Battle, SIOR
Managing Director, Investment
818.444.4908
Matt Benwitt, Investment
818.444.4964
Warren Berzack, Investment
818.933.0350
Darren Casamassima, Office
818.933.0303
Justin Cusumano, Investment
818.933.0312
Jennifer Donaldson, Office
818.933.0347
Jim Fisher
Managing Director, Investment
818.933.0339

Stephen Geiger, Investment
818.933.0340
Travis Hamway, Office
818.933.0316
Patrick Jameson, Investment
818.933.0326
Joel Kirschenstein, Investment
818.444.4961
Randy Kobata, Industrial
818.223.4383
Mark Leonard, Office
818.449.4414
Cole Martens, Investment
818.444.4909
Jeff McGuire, Investment
818.444.4960
Eric Nishimoto, Investment
818.444.4984

Ryan O'Connor, Investment
818.444.4965
Phyllis Palin, Office
818.933.0319
Patrick Reddy, Industrial
818.933.0348
Cory Richmond, Office
818.444.4915
Scott Romick, Office
818.933.0305
Jay Rubin, Office
818.223.4385
Scott Silverstein, Office
818.223.4391
Mike Smith, Investment
818.933.0334
Jared Smits, Office
818.444.4986

Tom Specker, Office
818.223.4381
Marc Spellman, Office
818.223.4392
Cory Stehr, Investment
818.933.0304
Paulette Toumazos, Office
818.933.0346
Lane Wade, Office
818.444.4962
Gary Wagmeister, Office Tenant Rep
818.444.4925
Brett Warner, Industrial
818.933.0302
George Yessaie, CCIM, Investment
818.933.0324
Slavic Zlatkin, Investment
818.933.0325

