

Economic Overview

According to the Bureau of Labor Statistics, the California unemployment rate dropped 0.7 percentage points from 5.5% in April 2016 to 4.8% in April 2017. Unemployment rate for the US was reported at 4.4% down from 5.0% over the same time period. The Oxnard-Thousand Oaks-Ventura metropolitan statistical area job creation totaled 6,400 over the past year. Industrial using jobs (industries include manufacturing, construction and trade transportation and utilities) increased by 1,200 jobs from April 2016 to April 2017.

Market Overview

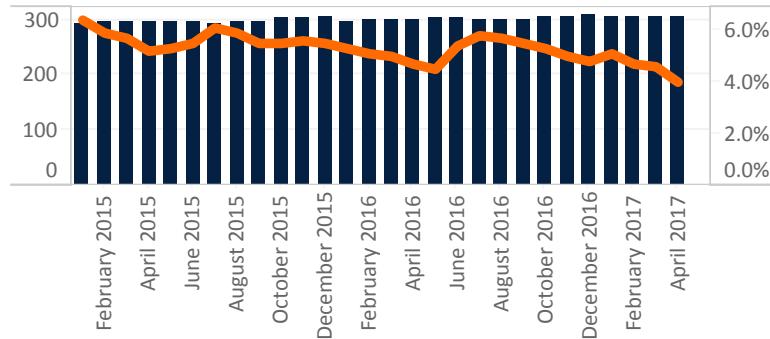
The Ventura County industrial market recorded 117,657 square feet of positive net absorption during 2Q 2017, bringing year to date net absorption to 791,865 sf. The total vacancy rate has decreased from 2.8% in 1Q 2017 to 2.6% at the close of 2Q 2017. Total Available rates decreased 0.5 percentage points from 5.2% to 4.7% during the same time period. Weighted average rent growth continued to climb closing out the quarter at \$0.78 NNN.

Market Highlights

Ventura County continues to see healthy activity with strong net gains in occupancy and increasing asking rates. Construction activity continues to flourish with 863,266 sf under development. The Oxnard/Port Hueneme submarket recorded the largest net change in occupancy with 97,754 sf, lowering the submarkets vacancy rate to 1.9%. With a shortage of modern industrial buildings, the county will begin to catch some overflow of tenants from the San Fernando Valley due to the lack of expansion options throughout Greater Los Angeles.

Ventura County Employment

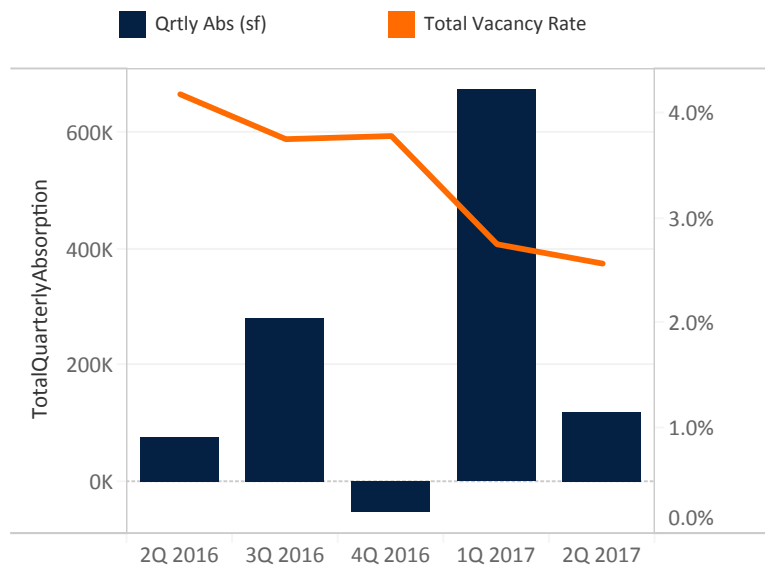
Source: BLS



Market Recap

Inventory (sf)	65,555,714
# of Bldgs	1,814
Qrtly Abs (sf)	117,657
Total Avail Rate	4.7%
Total Vacancy Rate	2.6%
U/C Inventory (sf)	863,266
Delivered (sf)	
Weighted Average Asking Rate (NNN)	\$0.78

Absorption and Vacancy Rate



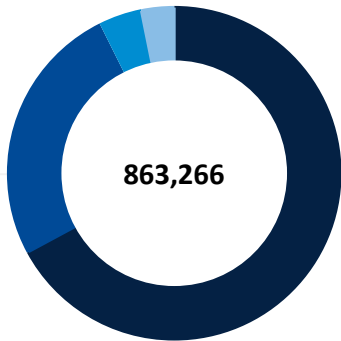
Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	14,215,655	960,778	631,540	4.4%	-31,994	-89,191
Whse/Dist	51,340,059	2,127,243	1,052,757	2.1%	149,651	881,056
Overall	65,555,714	3,088,021	1,684,297	2.6%	117,657	791,865

Overview by Market (Total)

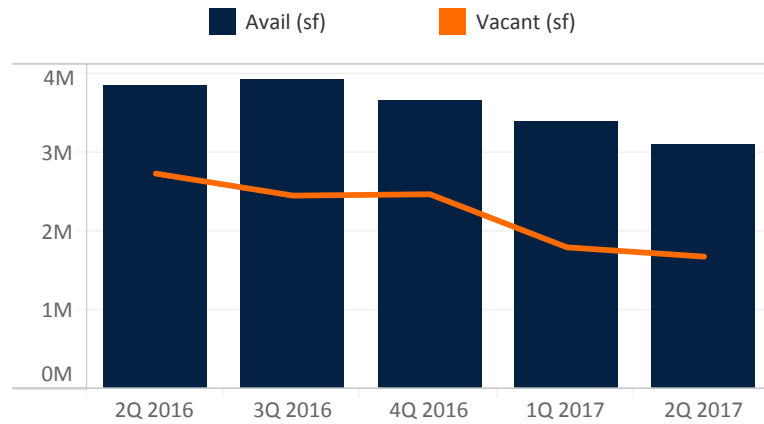
Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Camarillo	Flex	3,605,221	344,314	215,501	6.0%	-19,283	-10,755
	Whse/Dist	6,890,277	500,018	344,351	5.0%	-50,911	89,821
	<i>Subtotal</i>	10,495,498	844,332	559,852	5.3%	-70,194	79,066
Conejo Valley	Flex	3,441,149	192,619	73,538	2.1%	-9,590	-31,601
	Whse/Dist	6,450,205	275,929	101,557	1.6%	10,192	-3,025
	<i>Subtotal</i>	9,891,354	468,548	175,095	1.8%	602	-34,626
Fillmore/Santa Paula	Flex	96,915	11,856	0	0.0%	0	0
	Whse/Dist	2,276,708	26,656	15,374	0.7%	0	0
	<i>Subtotal</i>	2,373,623	38,512	15,374	0.6%	0	0
Moorpark/Simi Valley	Flex	3,442,936	367,293	307,503	8.9%	-4,409	-39,668
	Whse/Dist	7,759,798	422,949	17,762	0.2%	47,156	483,615
	<i>Subtotal</i>	11,202,734	790,242	325,265	2.9%	42,747	443,947
Oxnard/Port Hueneme	Flex	2,499,083	31,207	24,388	1.0%	-3,849	-6,369
	Whse/Dist	19,796,544	583,508	390,586	2.0%	101,603	227,348
	<i>Subtotal</i>	22,295,627	614,715	414,974	1.9%	97,754	220,979
Ventura	Flex	1,130,351	13,489	10,610	0.9%	5,137	-798
	Whse/Dist	8,166,527	318,183	183,127	2.2%	41,611	83,297
	<i>Subtotal</i>	9,296,878	331,672	193,737	2.1%	46,748	82,499
Overall		65,555,714	3,088,021	1,684,297	2.6%	117,657	791,865

Construction by Market

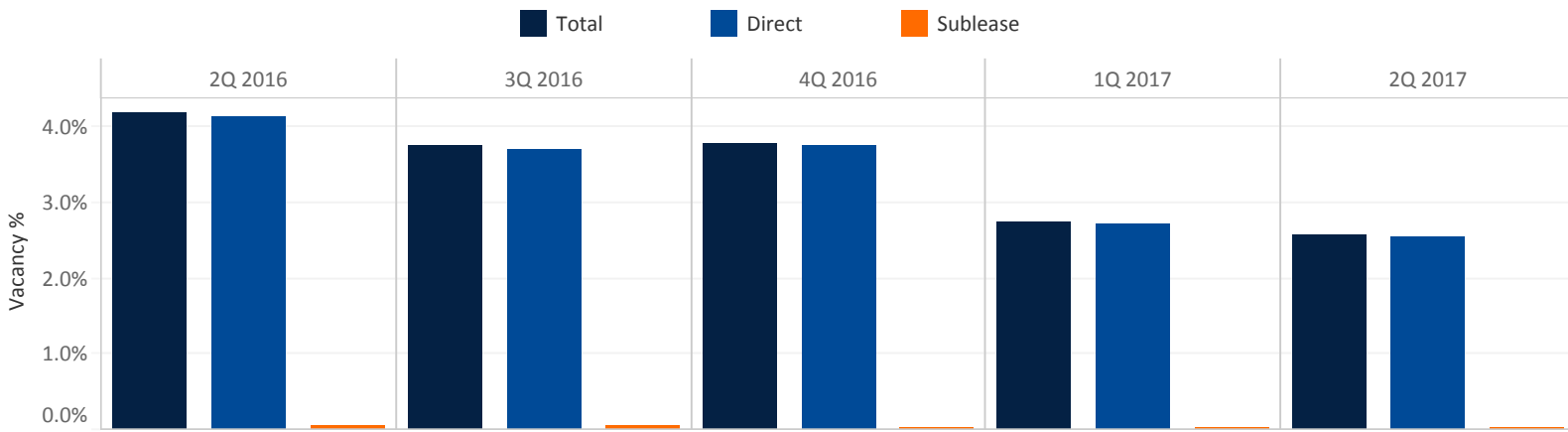


- Conejo Valley
- Moorpark/Simi Valley
- Ventura
- Camarillo

Total Available and Vacant



Vacancy Rate



Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	14,215,655	946,989	624,241	4.4%	-24,695	-81,892
Whse/Dist	51,340,059	1,839,232	1,044,691	2.0%	157,717	889,122
Overall	65,555,714	2,786,221	1,668,932	2.5%	133,022	807,230

Overview by Specific Use (Sublease)

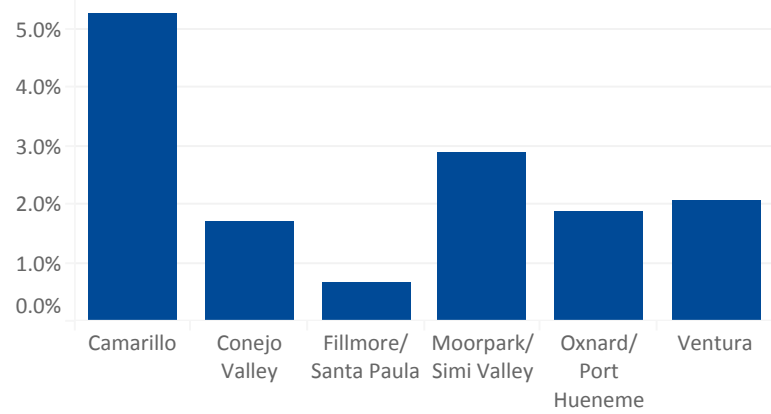
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	14,215,655	13,789	7,299	0.1%	-7,299	-7,299
Whse/Dist	51,340,059	288,011	8,066	0.0%	-8,066	-8,066
Overall	65,555,714	301,800	15,365	0.0%	-15,365	-15,365

Direct Vacancy Rates

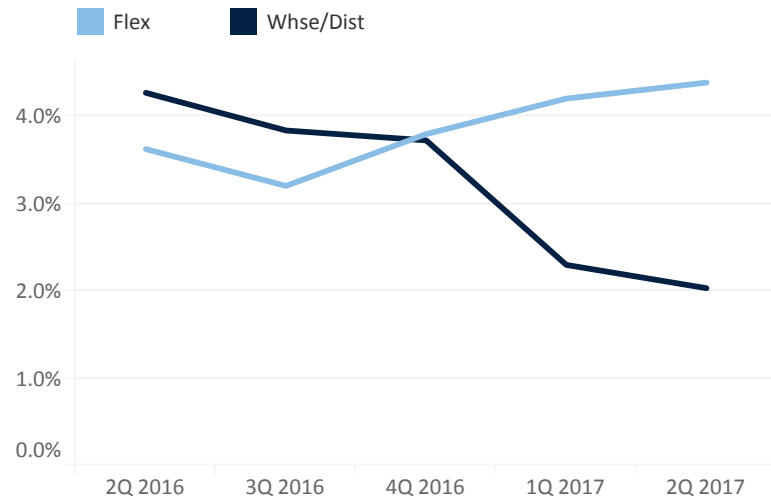
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Camarillo	Flex	5.6%	5.7%	5.6%	5.4%	6.0%
	Whse/Dist	8.8%	6.9%	6.3%	4.3%	4.9%
Conejo Valley	Flex	1.9%	1.3%	1.2%	1.9%	1.9%
	Whse/Dist	2.1%	1.8%	1.5%	1.7%	1.6%
Fillmore/Santa Paula	Flex	0.0%	0.0%	0.0%	0.0%	0.0%
	Whse/Dist	1.2%	1.1%	0.7%	0.7%	0.7%
Moorpark/Simi Valley	Flex	5.0%	4.4%	7.7%	8.8%	8.9%
	Whse/Dist	8.2%	7.6%	6.5%	0.8%	0.2%
Oxnard/Port Hueneme	Flex	1.8%	1.4%	0.7%	0.8%	1.0%
	Whse/Dist	3.0%	3.0%	3.0%	2.4%	2.0%
Ventura	Flex	2.5%	1.7%	0.9%	1.4%	0.9%
	Whse/Dist	2.3%	2.3%	3.3%	2.8%	2.2%
Overall		4.1%	3.7%	3.7%	2.7%	2.5%

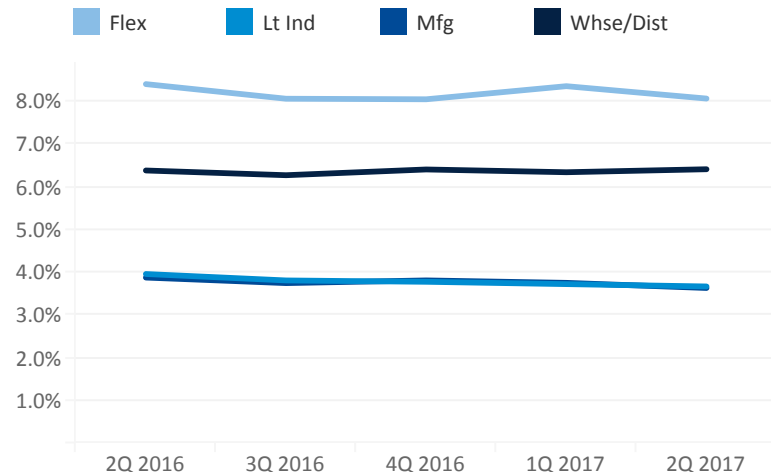
By Market



Ventura County By Specific Use



National by Specific Use

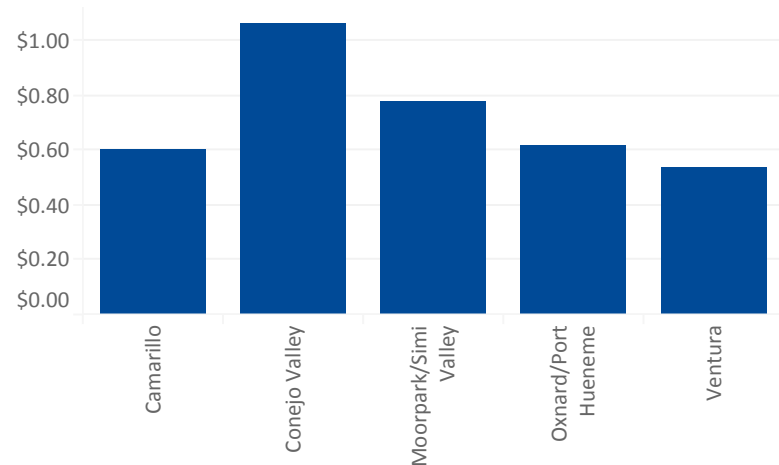


Direct Weighted Average Asking Rates (NNN)

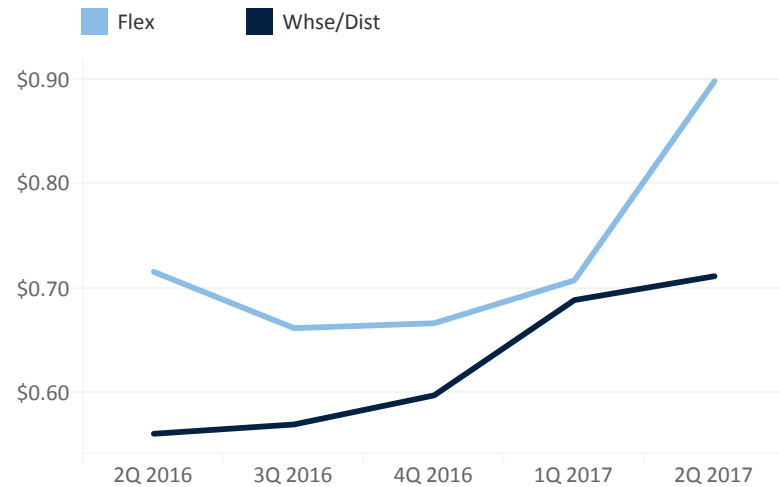
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Camarillo	Flex	\$0.55	\$0.51	\$0.51	\$0.50	\$0.64
	Whse/Dist	\$0.61	\$0.60	\$0.62	\$0.60	\$0.57
Conejo Valley	Flex	\$0.98	\$1.33	\$1.33	\$1.34	\$1.24
	Whse/Dist	\$1.01	\$1.00	\$0.95	\$0.96	\$0.97
Fillmore/Santa Paula	Flex	\$0.75	-	-	-	-
	Whse/Dist	-	-	-	-	-
Moorpark/Simi Valley	Flex	\$0.79	\$0.72	\$0.70	\$0.80	\$0.78
	Whse/Dist	\$0.54	\$0.54	\$0.49	\$0.76	\$1.05
Oxnard/Port Hueneme	Flex	-	-	-	-	-
	Whse/Dist	\$0.55	\$0.52	\$0.57	\$0.57	\$0.62
Ventura	Flex	-	-	-	-	-
	Whse/Dist	\$0.53	\$0.54	\$0.55	\$0.55	\$0.54
Overall		\$0.59	\$0.58	\$0.61	\$0.69	\$0.78

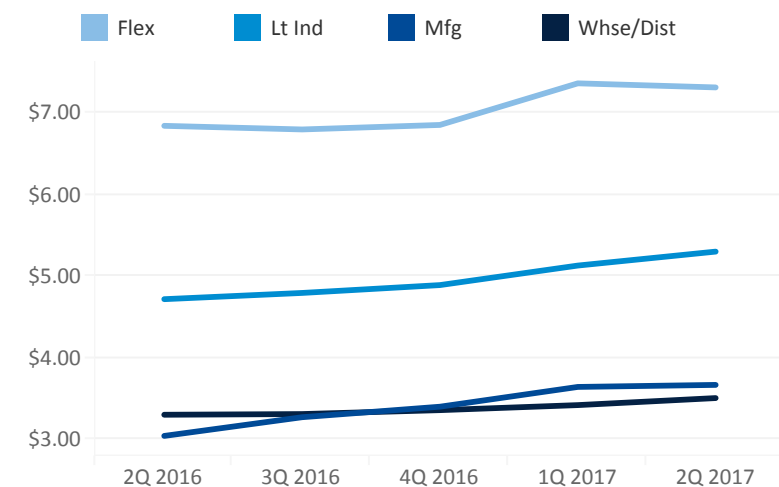
By Market



Ventura County by Specific Use

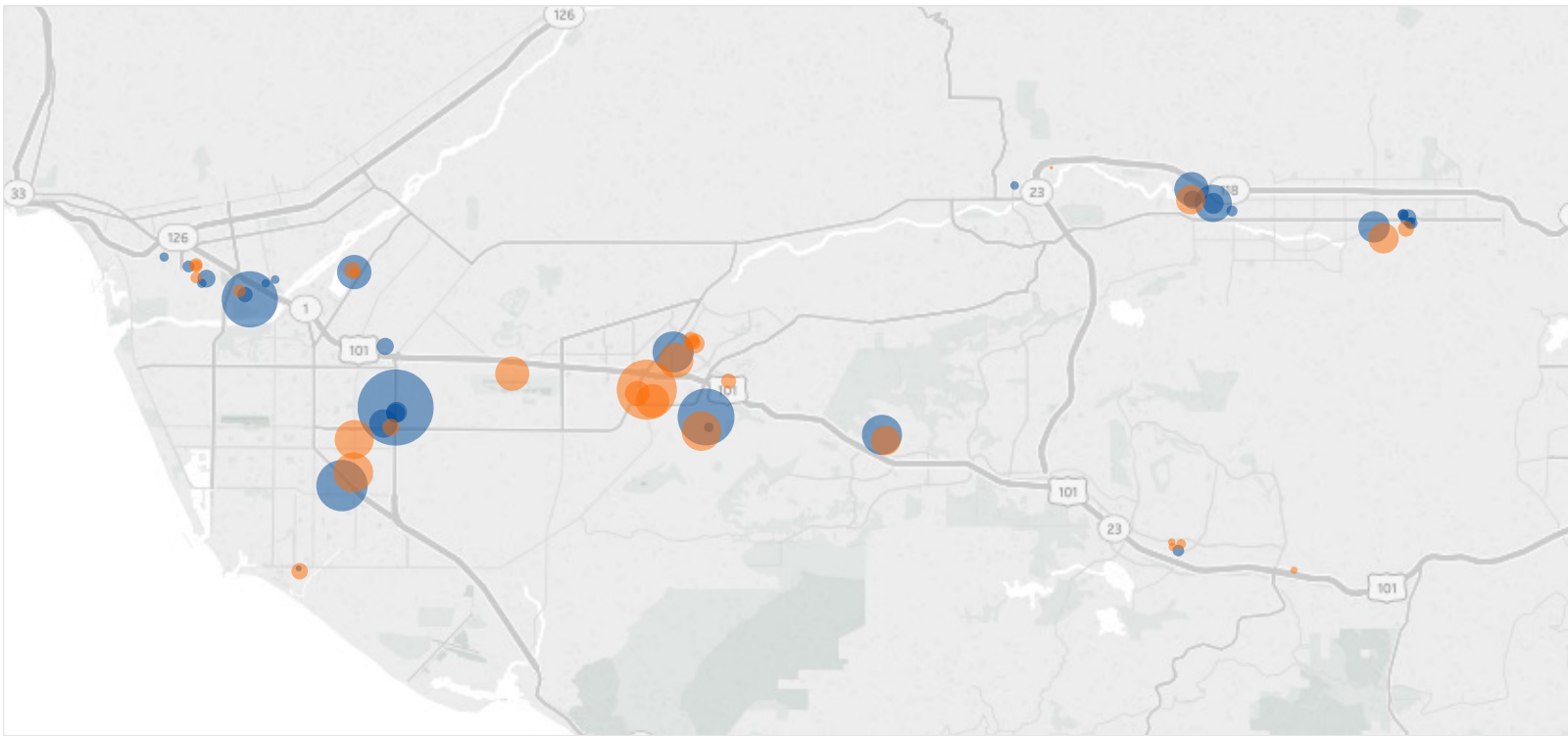


National by Specific Use



Absorption Map

● Negative
 ● Positive



Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
401 N Rice Ave	CoolPak, LLC	Oxnard/Port Hueneme	Whse/Dist	75,899
Camarillo Industrial Park	Hanson Lab Furniture	Camarillo	Whse/Dist	42,372
3200 Golf Course Dr	Aesthetic Ambassadors	Ventura	Whse/Dist	41,446
2345 Statham Blvd	Iron Mountain	Oxnard/Port Hueneme	Whse/Dist	34,560
829-833 Flynn Rd	Technicolor Inc.	Camarillo	Whse/Dist	22,311
2551 Azurite Cir	Refrigeration Supplies Distributor	Conejo Valley	Whse/Dist	21,069
2350 Shasta Way	Undisclosed	Moorpark/Simi Valley	Whse/Dist	18,300
Simi Valley Business Center	Servpro	Moorpark/Simi Valley	Whse/Dist	15,565

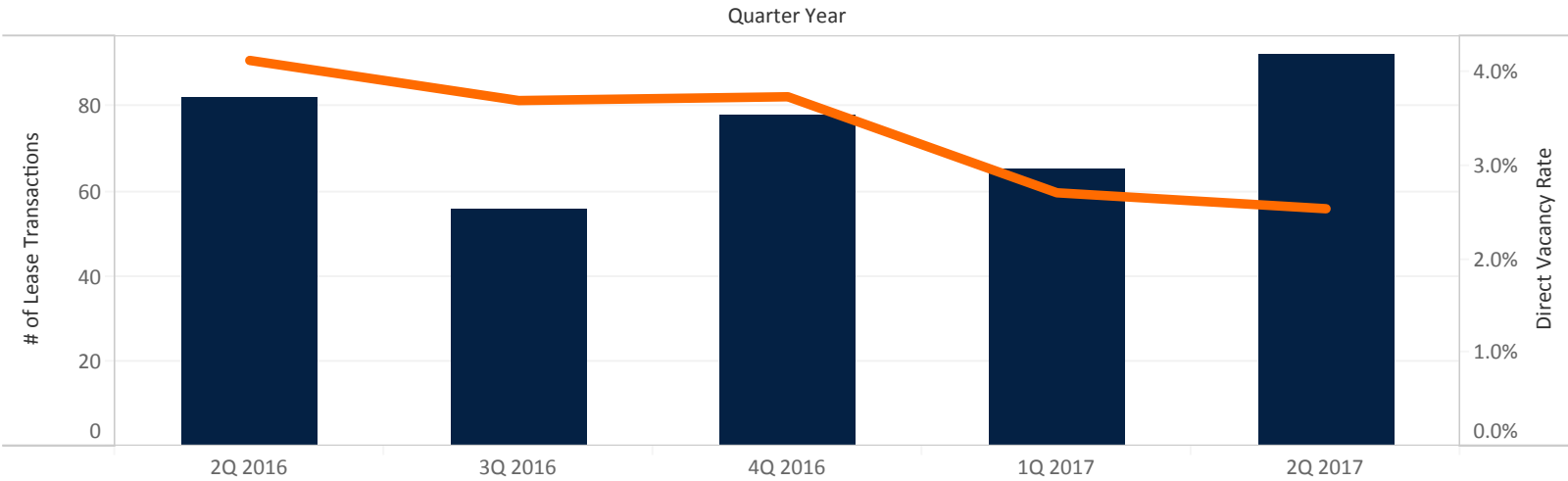
Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Rexford Industrial Center Camarillo	Uncle Milton, Inc.	Camarillo	Whse/Dist	-47,438
Channel Islands Business Park	Rostar Filter	Oxnard/Port Hueneme	Whse/Dist	-20,735
4690 Calle Quetzal	Bownet	Camarillo	Whse/Dist	-20,526
1641 Mountain View Ave	AG RX	Oxnard/Port Hueneme	Whse/Dist	-20,000
Lincoln Technology Center	MAAP Technologies	Camarillo	Flex	-15,916
20 N Aviador St	Flow Motion, Inc. -8,491 sf; Cassidy Designs -6,827 sf	Camarillo	Whse/Dist	-15,318
553 Constitution Ave	Designer Choice Delivery	Camarillo	Whse/Dist	-14,957
4139 Guardian St	Revolution Lighting Technologies	Moorpark/Simi Valley	Flex	-12,200

Leasing Activity Trends

Direct Vacancy Rate

Lease Transactions



Leasing Activity (# of New Deals)

Size Range (sf)

<2.5K

2.5K - 5K

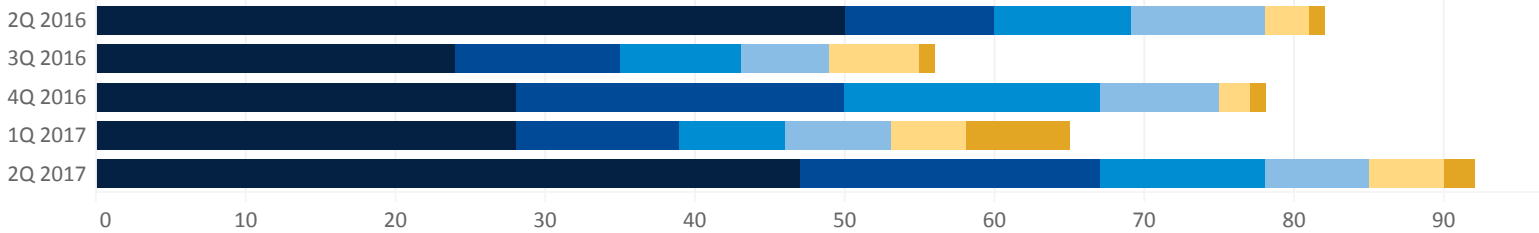
5K - 10K

10K - 25K

25K - 50K

>50K SF

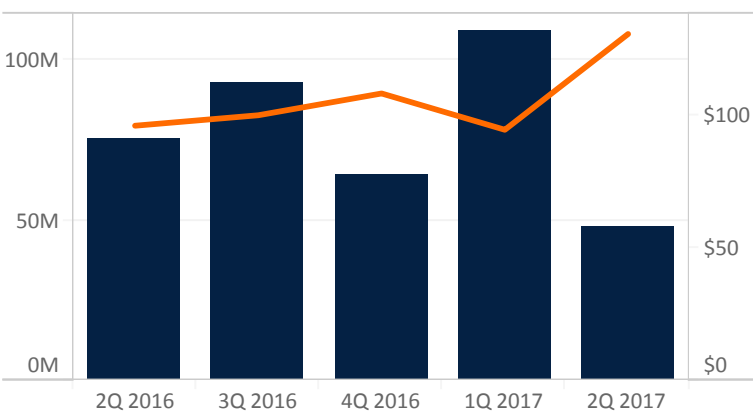
Quarter Year



Sales Volume vs. Price/SF

Aggregate Sales Volume

Avg Price/sf



Top Sales

Property	Sale Date	Buyer	Sale Price
2390 Ward Ave	04/27/2017	Rexford Industrial Realty Inc	\$16,499,000
5301 N Ventura Ave	05/12/2017	Patagonia Inc	\$7,500,000
2259 Ward Ave	04/06/2017	Clifton E Chason	\$5,600,000
5600 Everglades St	05/09/2017	Wolhaupter Trust	\$4,892,500
2551 Azurite Cir	04/25/2017	Refrigeration Supplies Distributor	\$3,771,351

Terminology

Term	Definition
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Inventory	The total square feet (sf) of all existing single and multi tenant industrial properties greater than 10,000 sf.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.
Sublease (sf)	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space.
Total Vacant (sf)	The total of all of the vacant square footage within a building, including both direct and sublease space.
Xceligent Partner	AIR CRE

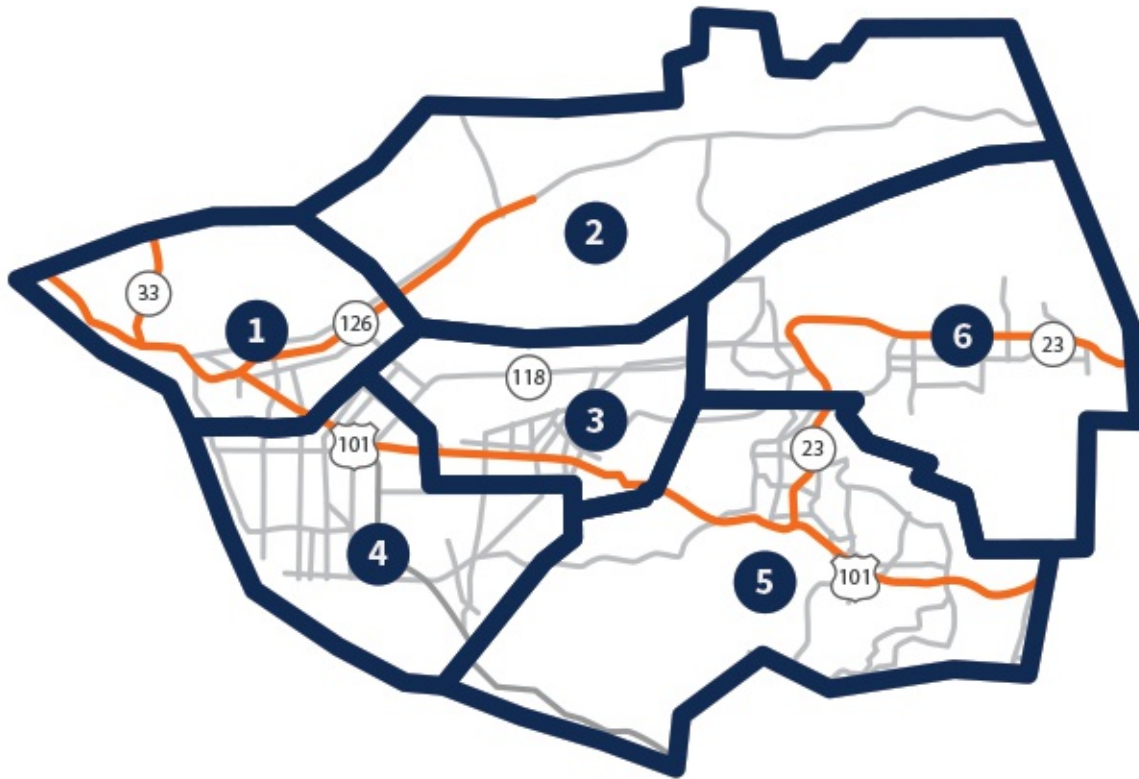
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Advisory Board Members

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1 Ventura

2 Fillmore / Santa Paula

3 Camarillo

4 Oxnard / Ort Hueneme

5 Conejo Valley

6 Moorpark / Simi Valley