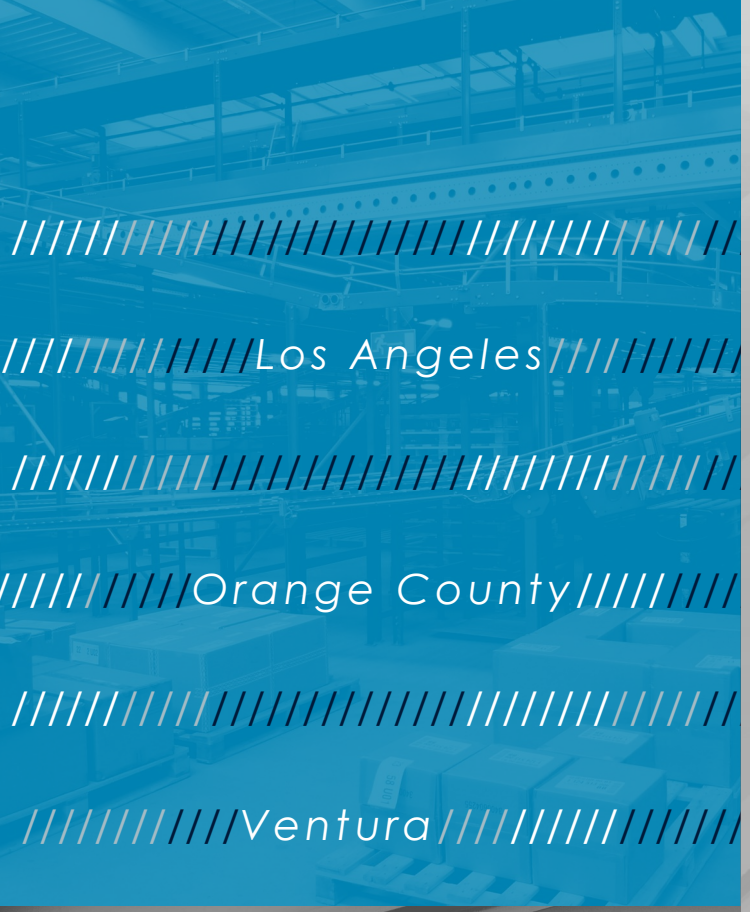

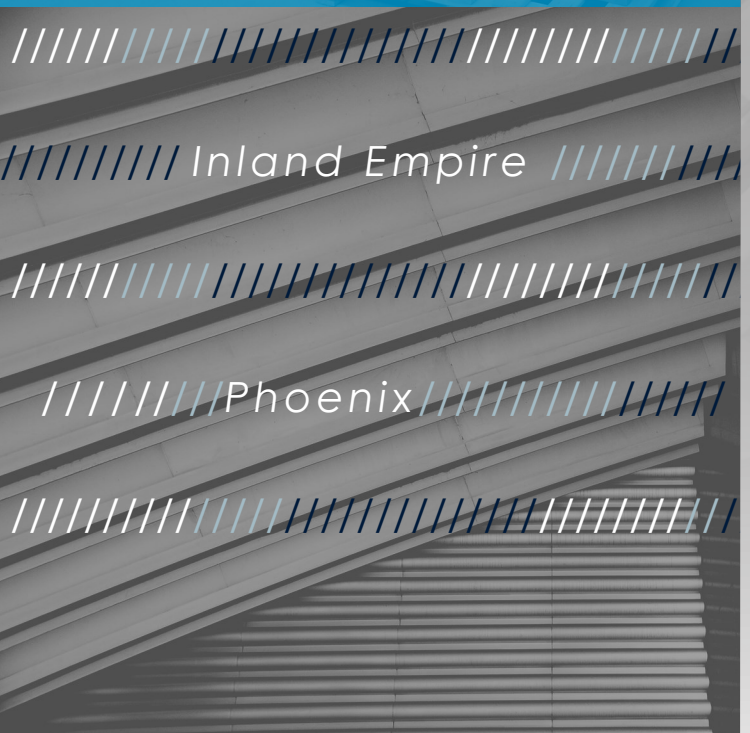

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Q4 | 2020 Market Report

Ventura County Industrial

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MARKET REPORT Q4

Industrial 2020 Ventura County

DAUM COMMERCIAL REAL ESTATE SERVICES

MARKET ACTIVITY

Direct Vacancy ⩔ 3.5%	Net Absorption ⩓ 1,019,382 SF
Overall Vacancy ⩔ 3.8%	Gross Absorption ⩓ 1,679,633 SF
Under Construction ⩔ 511,223 SF	Rental Rates (NNN) ⩓ $0.76
Sale Price Change ⩓ 3.6%	Deal Volume ⩓ 61.6%

KEY TAKE AWAYS

MARKET

- **Vacancy Rate**: Overall vacancy declined by 120 BPS from Q3 to 3.8% in Q4.
- **Net Absorption**: Increased to over 1M SF in Q4.
- **Gross Absorption**: Q4 was the 3rd best quarter on record totaling 1.68M SF.
- **Sales**: Volume increased by 61.6% from Q3. The median price PSF was up by 3.6% to $148.00 in Q4.

ECONOMIC OUTLOOK

- **GDP**: After a record low contraction in Q2 of -31.4%, the U.S. economy rebounded in Q3 with a growth rate of 33.4%. With COVID-19 continuing to spread, Q4 GDP is estimated to grow at 5.7%.
- **Employment**: The unemployment rate continues to decline, but the employment situation is bleak for millions of Americans as thousands of business are permanently closing, leaving more than 10M jobless.
- **Economic Relief** : In late December, Congress passed a $900B relief package. Included in it is $284B for a 2nd round of PPP funding for businesses. With the election of Joe Biden & Democrats securing the Senate majority, additional economic stimulus is more likely to occur.

ECONOMIC OUTLOOK

U.S. Employment ⩔ 6.7%	U6 Rate ⩔ 11.7%
Interest Rate ⩔ 2.7% (30 year fixed)	Changing GDP ⩓ 5.7%
Port Traffic Y/Y Δ ⩓ 9.5%	NYSE Performance ⩓ 12.4%
Inflation Change ⩔ 1.16%	10 Yr. - 2 Yr. Spread ⩓ 80 BPS

EXPERIENCE IN A CHANGING MARKET

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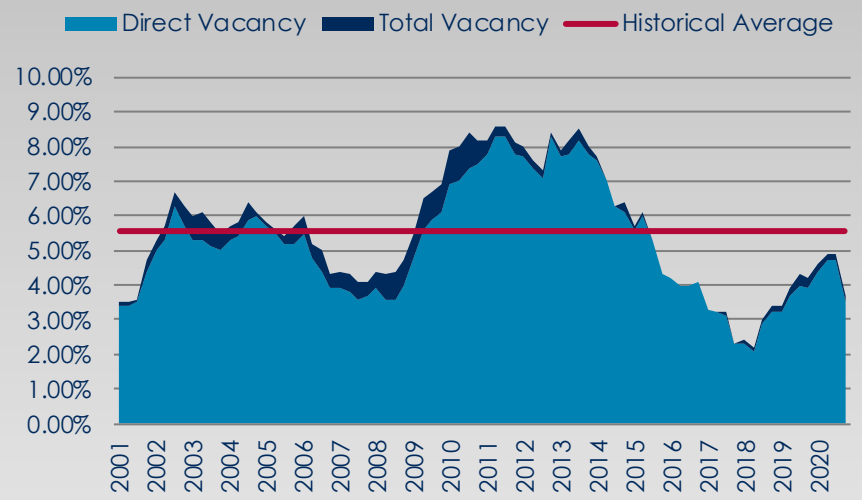
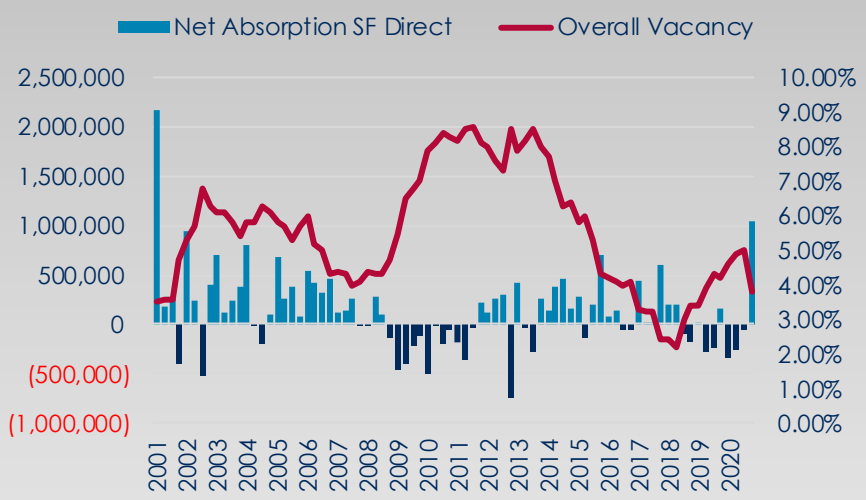
Q4 Market Report

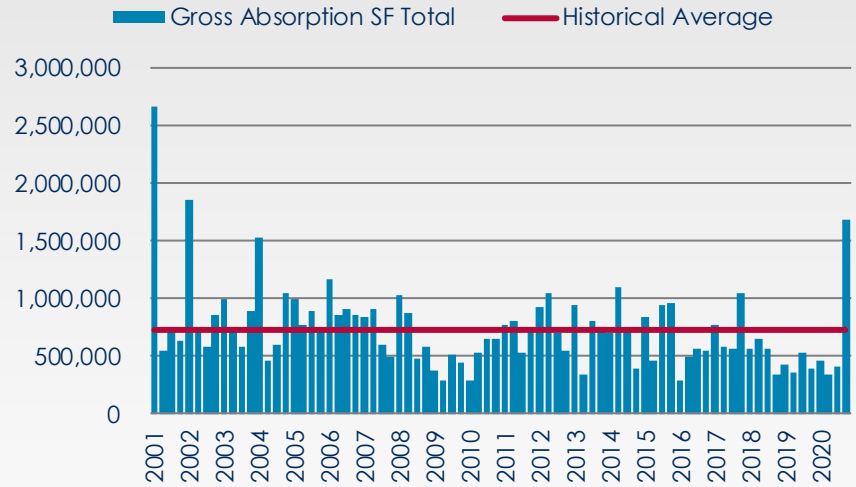
OVERALL VACANCY
FELL BY 120 BPS FROM Q3 TO 3.8%



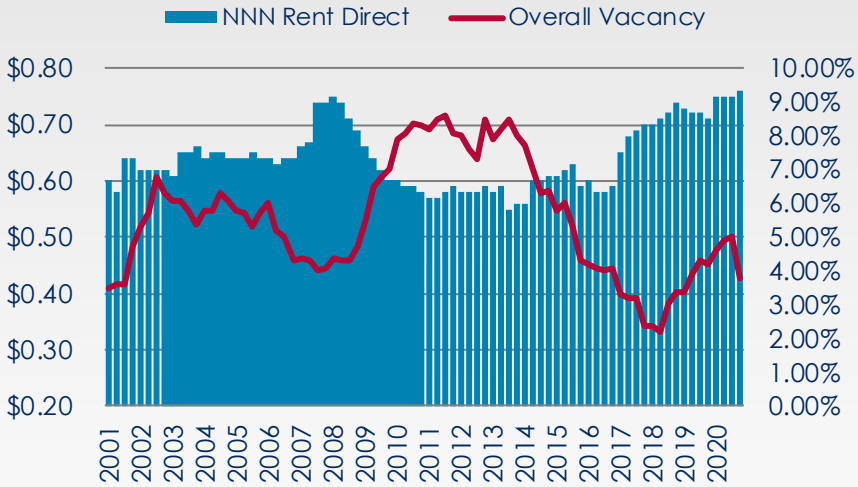
NET ABSORPTION
SPIKED IN Q4 TO OVER 1M SF



GROSS ABORPTION
Q4 WAS THE 3RD BEST QUARTER ON RECORD TOTALING 1.68M SF



ASKING RENTS
SLIGHT INCREASE OF $0.01 PSF IN Q4 TO $0.76 PSF



Ventura County | Industrial //// Q4 2020

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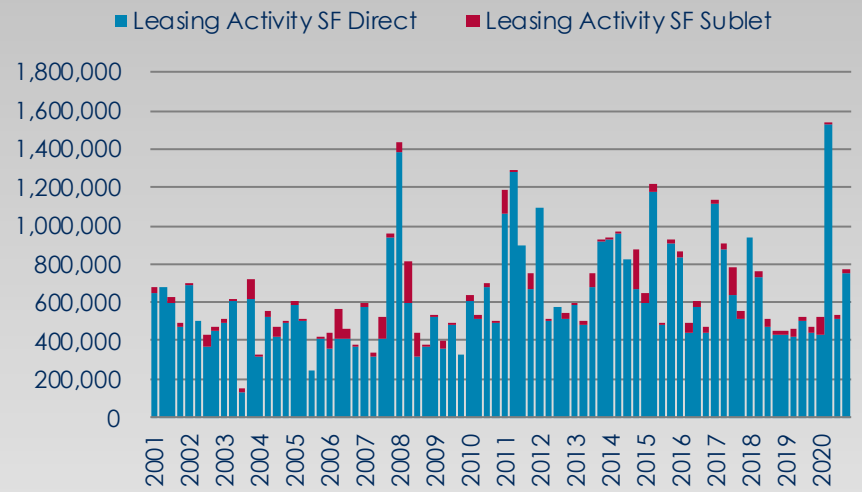
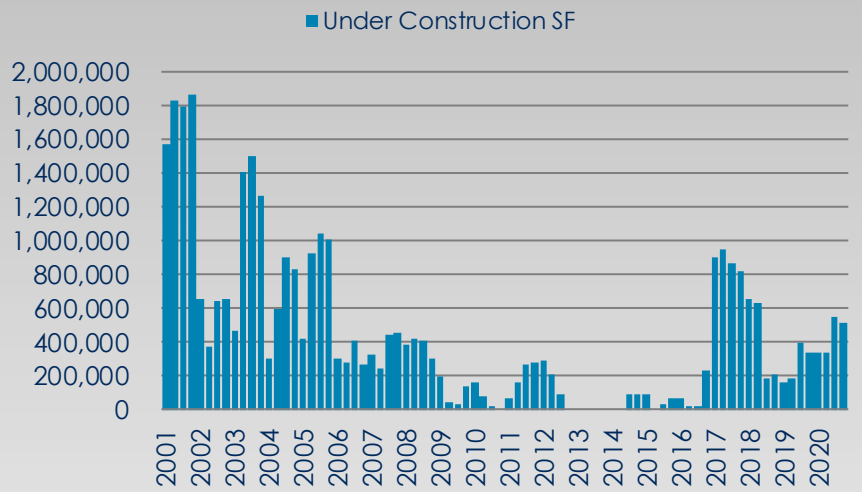
Q4 //////// Market Report

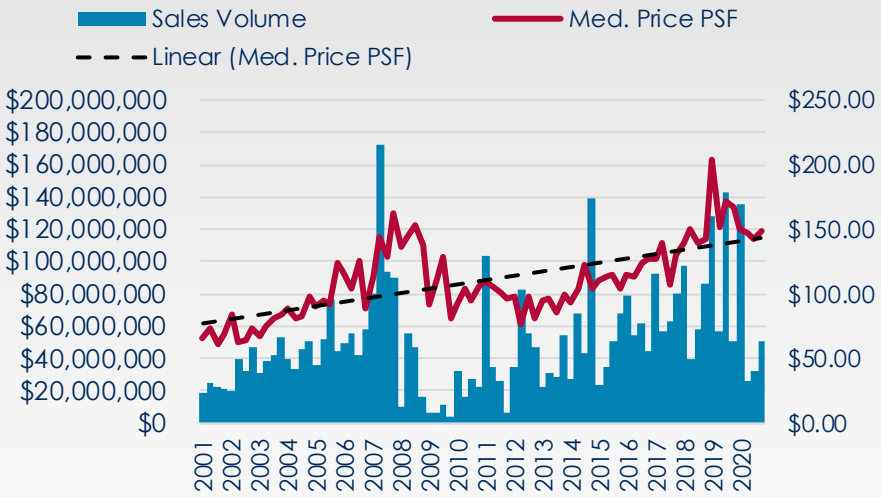
LEASING ACTIVITY
INCREASED BY 44% FROM Q2 TOTALING 773K SF IN Q4

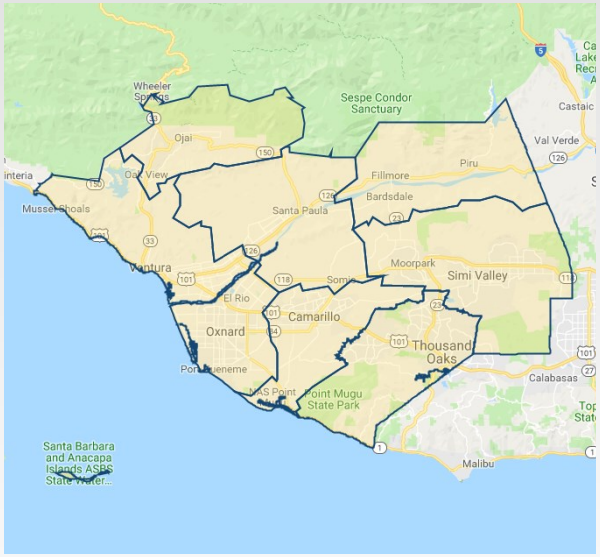


CONSTRUCTION ACTIVITY
1 NEW DELIVERY IN Q4. UC NOW 511K SF



SALES
VOLUME UP 61.6% FROM Q3. MEDIAN PRICE PSF IN Q4 WAS $148.00.





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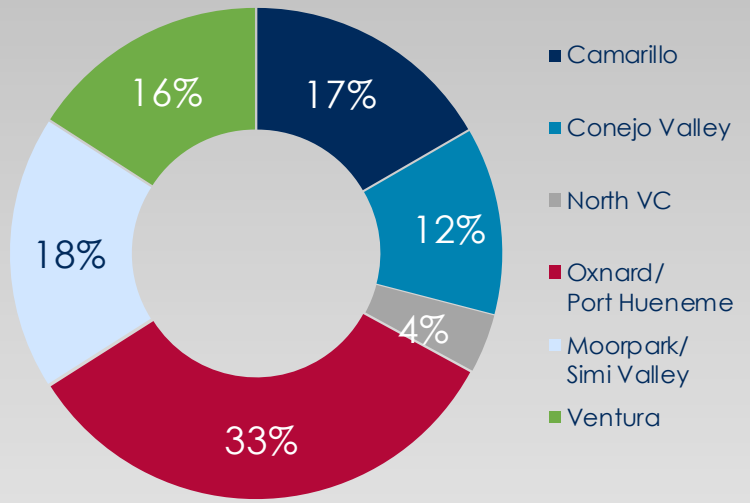
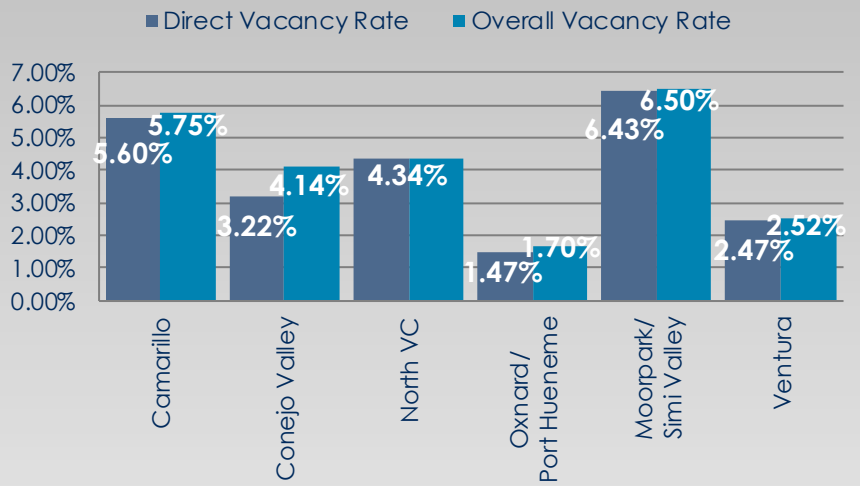
Q4 Market Report

Ventura County | Industrial //// Q4 2020

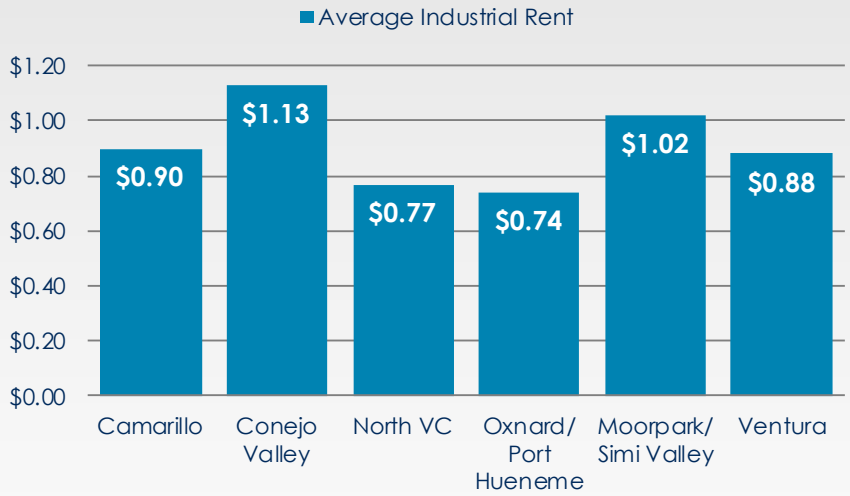
SQUARE FOOT BREAKDOWN– 69,754,121 SF MARKET SIZE



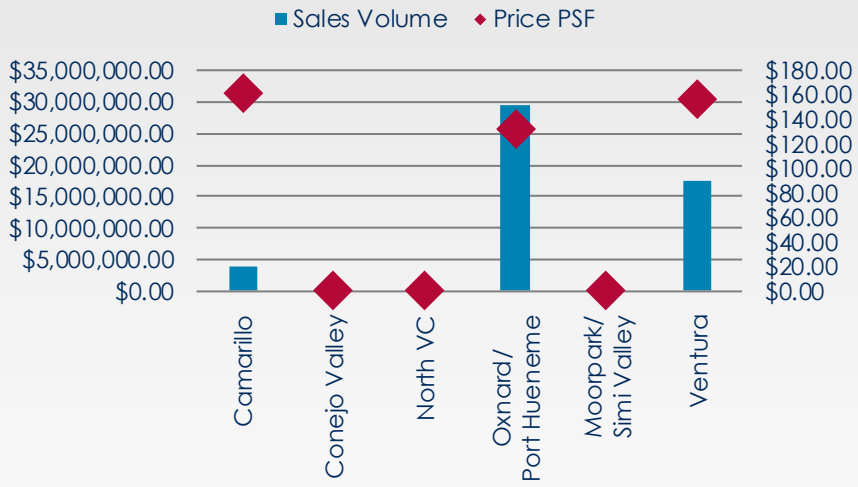
VACANCY BREAKDOWN



AVERAGE ASKING RENT PSF NNN AT CLOSE OF QUARTER



VOLUME BREAKDOWN



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Q4 Market Report

METHODOLOGY & TERMINOLOGY

Methodology
Industrial and flex (R & D) buildings that are 5,000 square feet and greater.

Direct Vacant SF
Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale directly from the landlord.

Total Vacant W/ Sublet SF
Space that is vacant and ready for occupancy by a user. The space is being offered for lease or sale by the landlord or for sublease by the current tenant.

Direct Vacancy Rate
Total vacant direct space (vacant space for lease or sale from the landlord or owner) divided by the total rentable square footage for existing buildings only.

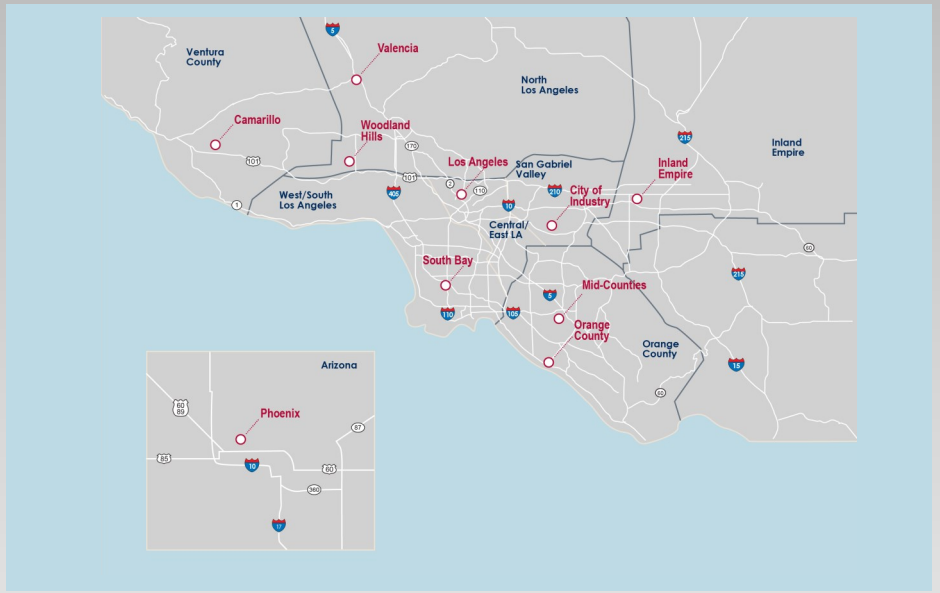
Vacancy W/ Sublet Rate
Total vacant direct space and sublease space divided by the total rentable square footage for existing buildings only.

Gross Absorption
The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing activity, which is the sum of all space leased over a certain period of time.

Net Absorption
The net change in occupied space over a given period of time, calculated by summing all the positive changes in occupancy (move ins) and subtracting all the negative changes in occupancy (move outs).

Under Construction
Planned buildings for which construction has started but have not yet been granted a Certificate of Occupancy. Planned buildings are not included.

Completed in 2020
New buildings with original construction completed in the year 2020 and granted a Certificate of Occupancy. Renovated buildings are not included



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Valencia, CA 91355
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SAN GABRIEL VALLEY, CALIFORNIA
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Ontario, CA 91764
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Ventura County | Industrial //// Q4 2020

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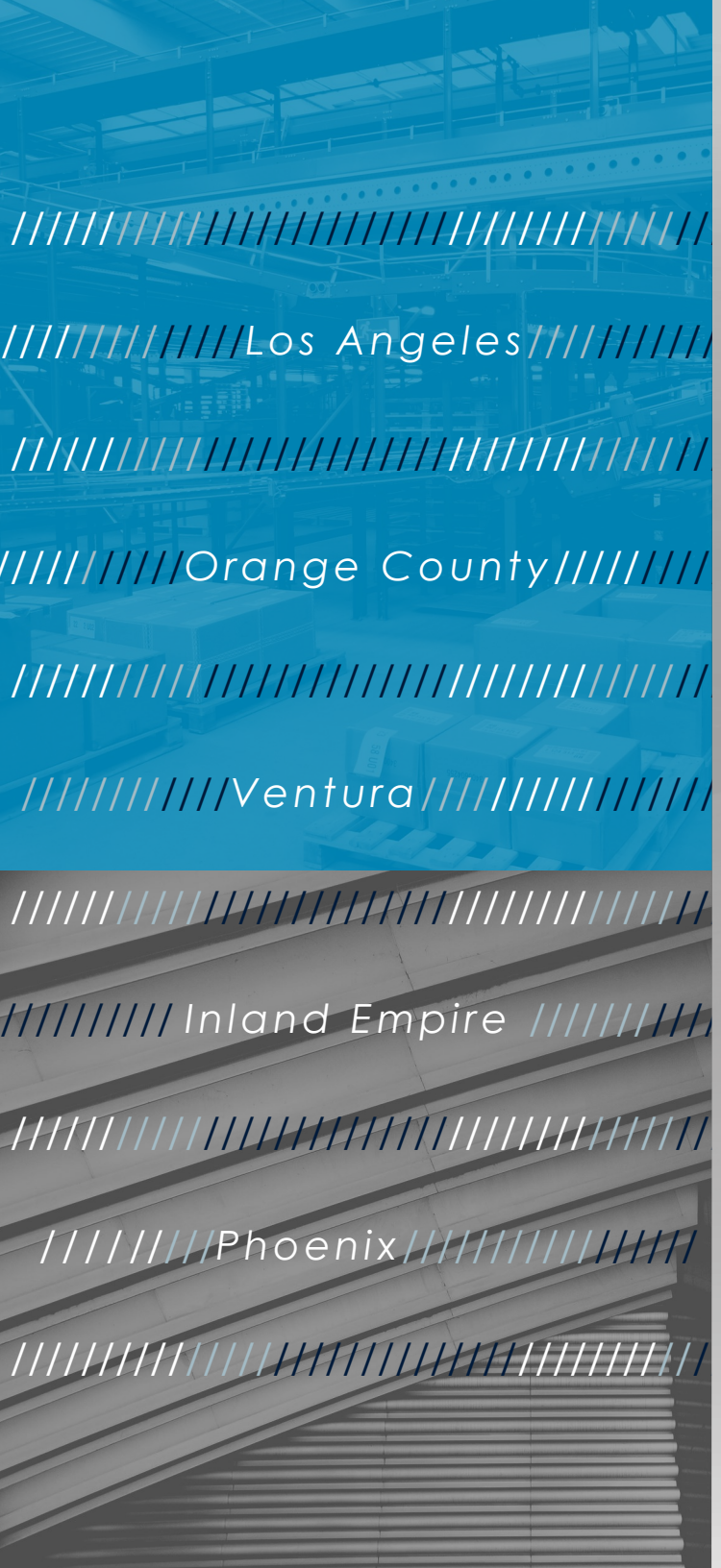

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Economic Overview

Q4 2020

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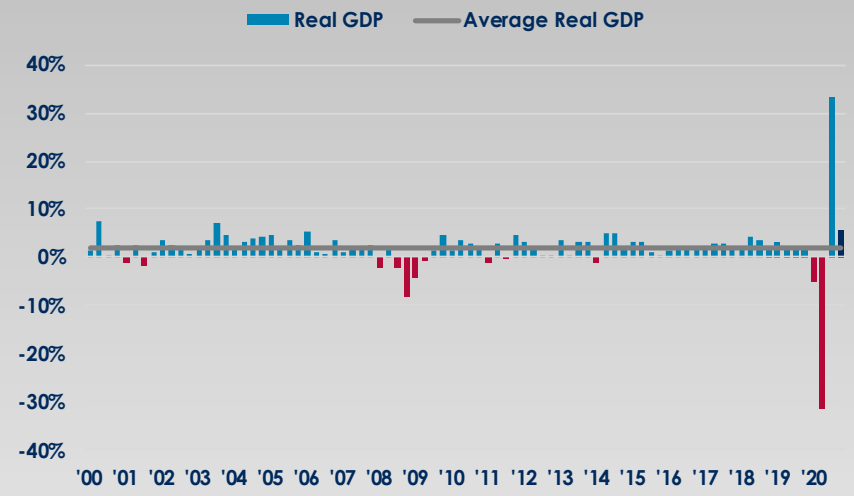
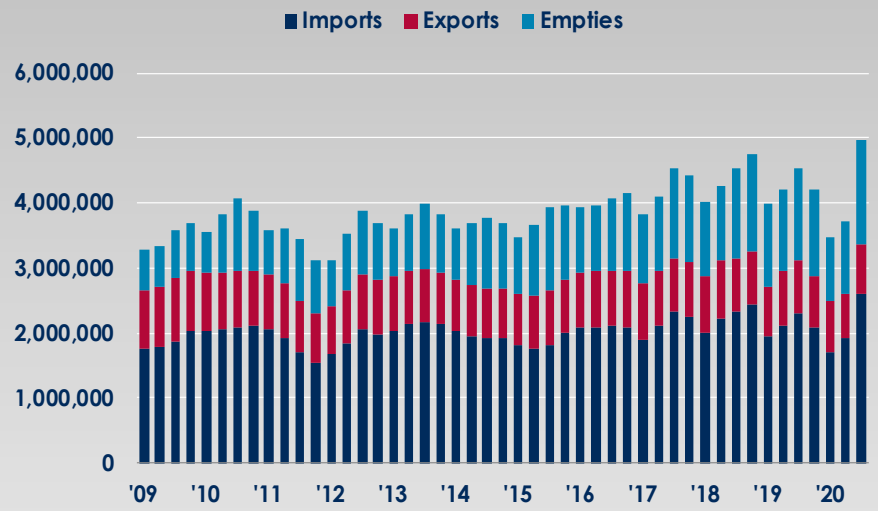
Q4

GDP IN Q3 FINISHED AT 33.4%. Q4 EST. TO GROW AT 5.7%

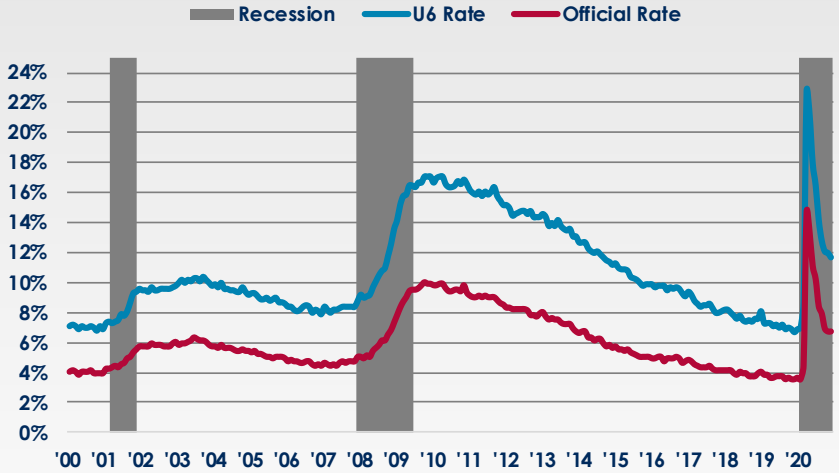


*5.7% for 4Q20 based on CNBC/Moody's Analytics Rapid Update Survey

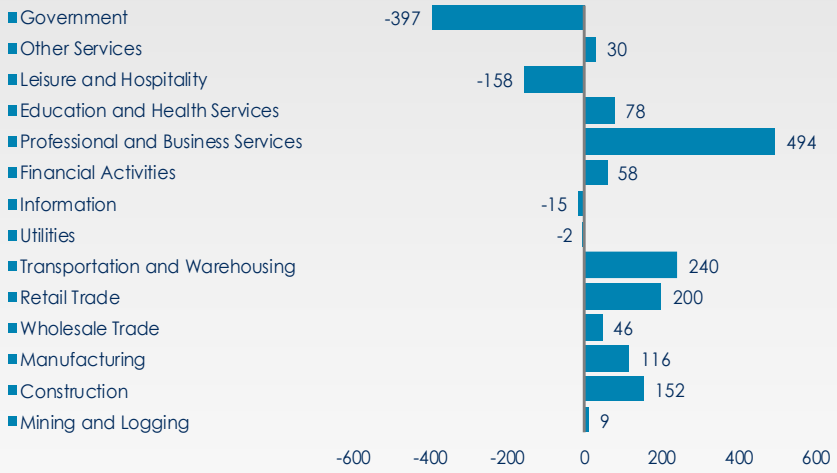
PORT ACTIVITY INCREASED 34% IN Q3 FROM Q2



THE IMPACT FROM COVID-19 SHOWING SLOW SIGNS OF JOB RECOVERY



TRANSPORTATION AND WAREHOUSING SHOWED STRONG GAINS IN Q4



National Economic Overview //// Q4 2020

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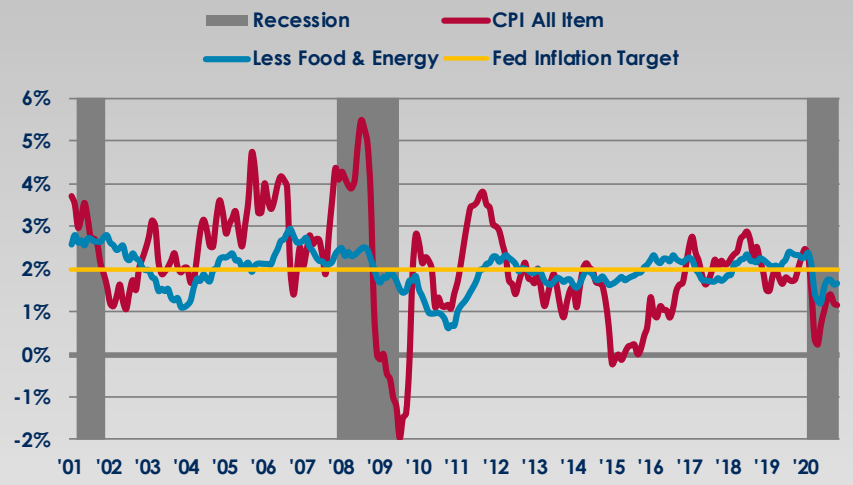
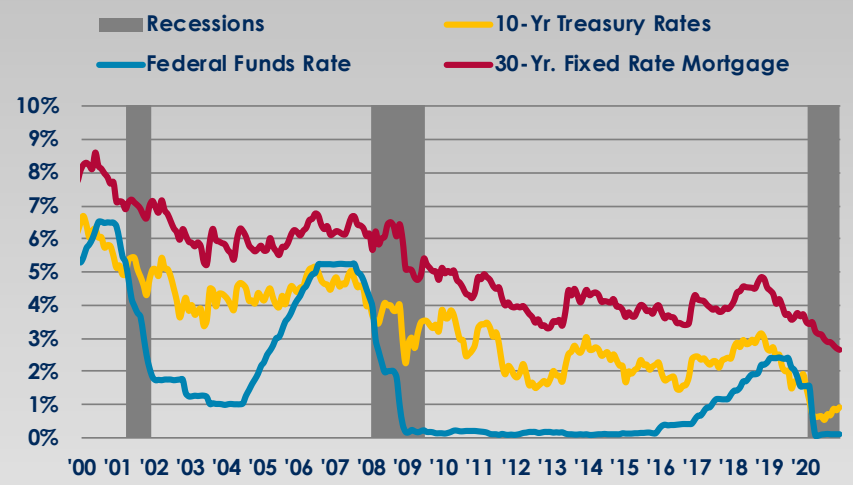
Q4

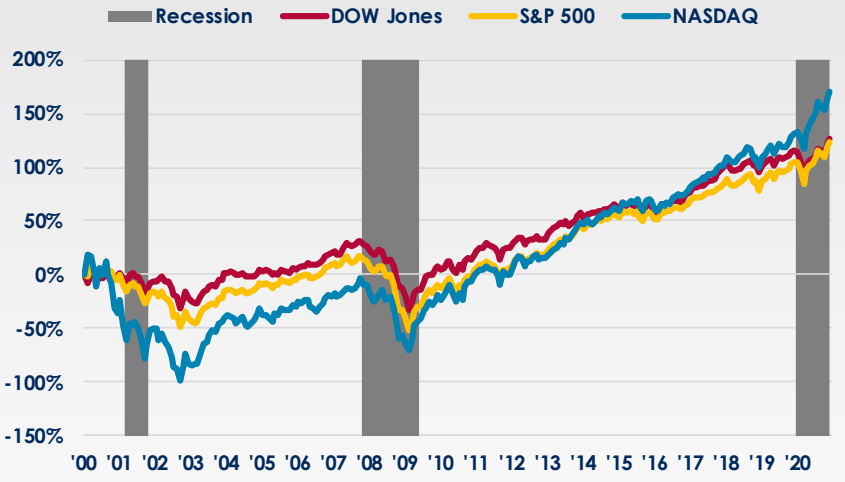
CPI REMAINS BELOW TARGET BUT PICKING UP



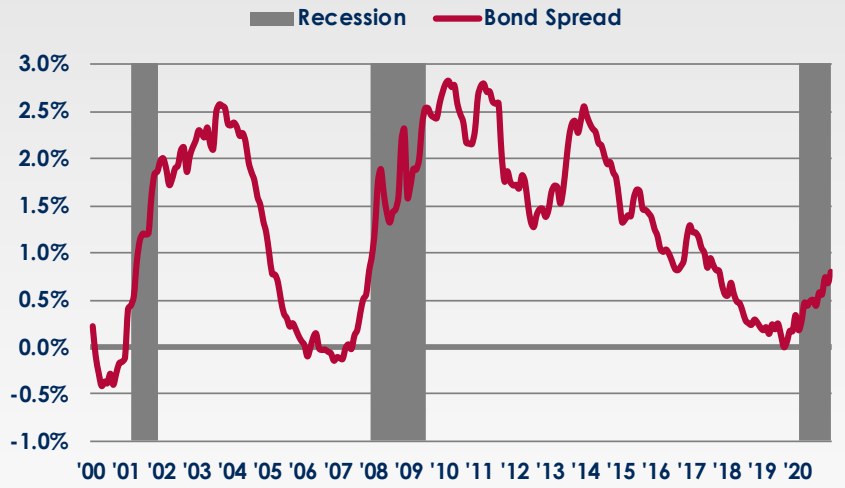
THE FEDERAL RESERVE CUT THE FED FUNDS RATE TO 0.0-0.25%



THE STOCK MARKET CONTINUES TO RISE



10-2 YEAR BOND SPREAD INCREASED AGAIN IN Q4



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