

MIDQUARTER SNAPSHOT

Office Q1 2022 Ventura County



MARKET ACTIVITY

KEY TAKE AWAYS

ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Declined by 3 BPS since Q4.
- **Net Absorption:** Positive start to Q1, but minimal amount of net absorption totaling just over 7K SF.
- **Gross Absorption:** So far in Q1 has totaled 331K SF.
- **Office Supply:** No new supply in the market.
- **Sales:** Two transactions in Q1. Volume has totaled \$43.5M so far. The median price PSF was \$591.89.
- **Asking Rents:** Up by \$0.01 PSF to \$2.51 in Q1.

ECONOMIC OUTLOOK

- **GDP:** The U.S. economy in Q4 grew at a rate of 6.9%.
- **Inflation:** The latest January CPI showed an increase of 7.53%. This represents the highest inflation rate since 1982.
- **Interest Rates:** The 10-Year Treasury has increased 53 BPS since the end of 2021. The 10 Yr. - 2 Yr. spread has fallen to the lowest level since Aug. 2020.
- **Supply Chain:** The historic backlog off the Ports of LA & Long Beach continues to ease in Q1. Since the close of Q4, shipping rates have increased 8% according to the Freightos Baltic Index. The cost to ship a container from China/East Asia to North America West Coast is now \$15,218 per container.

Direct Vacancy
↓ 14.0%

Net Absorption
↑ 7,168 SF

Overall Vacancy
↓ 16.0%

Gross Absorption
↑ 331,517 SF

Under Construction
↓ 0 SF

Rental Rates (FSG)
↑ \$2.51

Median Sale \$/SF
\$591.89

Deal Volume
\$43.5M

U.S. Employment
↓ 4.0%

U6 Rate
↓ 7.1%

Interest Rate
↑ 3.7%
(30 year fixed)

Changing GDP
↑ 6.9%

Port Traffic Y/Y Δ
↓ 7.1%

NYSE Performance
↓ 6.5%

Inflation Change
↑ 7.53%

10 Yr. - 2 Yr. Spread
↓ 47 BPS

EXPERIENCE IN A CHANGING MARKET

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