

Landlords Look to Accommodate Businesses Without Raising Rents

The operative word for the Conejo Valley office market is “creative,” as tenants, landlords and brokers try to match properties with business requirements – without raising rents.

Data from **Colliers International** indicates a gradually improving market, with tenants taking only 15,400 square feet off during the third quarter. Asking rents for Class A office space remained flat at \$2.19 compared with the previous quarter and have risen only 2 cents in the last year.

One creative deal during the quarter involved **Martin Properties Inc.**, a Westlake Village real estate investor that bought a Thousand Oaks industrial building for \$10.4 million. The company then turned around and leased the building to **Easton Baseball/Softball** for its headquarters. Easton was previously located in Van Nuys.

Grant Fulkerson, managing director at **Lee & Associates** and one of the brokers on the deal, said Martin originally planned to make the building a small storage facility. Easton would have preferred to stay in the San Fernando Valley, but lack of options prompted a search elsewhere.

“The market is so tight, we were forced to look at Moorpark, Calabasas and Simi (Valley),” Fulkerson said.

The building will include space for administrative offices, distribution and fabricating wooden bats as well as an indoor testing and training facility to host athletes and teams.

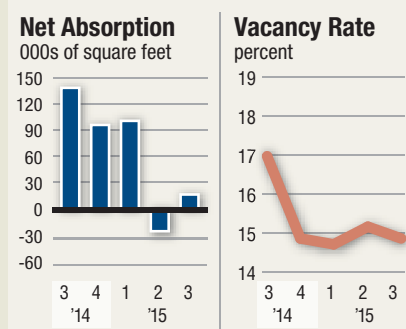
Gary Seaton, executive vice president at brokerage **NAI Capital Inc.** in Westlake Village, said tenants want to relocate to lower their rent, and there’s enough office space on the market for them to do it. In retail, however, rents are rising.

“In both office and retail leases, small ten-

CONEJO VALLEY

OFFICE MARKET AT A GLANCE

INVENTORY655 million square feet
UNDER CONSTRUCTION	120,900 square feet
CLASS A ASKING RENTS	\$2.19



ants are leasing up space and there is a lot more confidence in the market right now,” he said. “Retail is holding up well but there is more of a vacancy factor in office.”

According to Colliers, the vacancy rate in the third quarter was 14.9 percent, down from 15.1 percent the previous quarter.

Fulkerson agreed that retail is strong, as evidenced by **Selleck Development Group’s** Shoppes at Westfield center, which opened last year.

“They are 100 percent leased with quality tenants at significant rates,” he said. “Core retail is doing extremely well.”

Bill Hagelis, owner of Ventura retail brokerage **Hagelis Group**, said retail has picked up this year, spurring interest from developers. For example, Amara Camarillo, a project from **Selleck Development Group** in Westlake Village and **Primestor**

Main Events

► **Martin Properties Inc.** purchased a Thousand Oaks industrial building at 3500 Willow Lane for \$10.4 million and leased it to **Easton Baseball/Softball** for its headquarters. The property has 111,700 square feet and represents a 40 percent expansion compared with Easton’s former home in Van Nuys.

► **Rising Realty Partners** and **Mount Kellett Capital Management** have sold two Simi Valley office buildings for \$57 million, or about \$119 a square foot. The 206,917-square-foot building at 450 American St. changed hands for \$28.4 million while the 273,241-square-foot property at 1800 Tapo Canyon Road went for \$28.6 million. **Griffin Capital Essential Asset REIT II Inc.** in El Segundo was the buyer.

► The office building at 2000 Corporate Center Drive in Newbury Park sold to a private Chinese investor for \$19.1 million, or about \$178 a square foot. The 106,560-square-foot property is completely leased to **Anthem Blue Cross of California** until 2022. The seller was New York-based **Gramercy Property**.

► **County Commerce Bank** has purchased a branch location in the Westlake Corporate



New HQ: Easton’s 3500 Willow Lane

Center for \$3 million from **Westlake Gateway Properties**. The 4,183-square-foot standalone building is located at 2663 Townsgate Road in Westlake Village. It was previously leased to **Rabobank**.

► **J.D. Power & Associates** plans to move from its current headquarters at 2625 Townsgate Road in Westlake Village to 30870 Russell Ranch Road, also in Westlake Village, by the end of the year, with roughly the same footprint. A spokesman for the marketing services firm said its current lease is expiring, and the Russell Ranch location best meets its needs. The company has about 200 employees in Westlake Village.

Development Inc. in Los Angeles, is in early planning to add 500,000 square feet of retail adjacent to the Camarillo Town Center by 2017.

Haggen Food & Pharmacy’s Chapter 11 bankruptcy proved to be a disruptive element during the quarter. The Bellingham, Wash., chain announced the closure of all its stores in California, and after the quarter ended it agreed to sell its Thousand Oaks store to **Gelson’s** and

outposts in Newbury Park, Simi Valley and Westlake Village to **Smart & Final**.

Hagelis said other Haggen sites in the Conejo Valley are valuable properties and regional supermarket chains are looking to move into those locations.

“There will be quality grocers who will take a part or all of the remaining Haggen space,” he said.

– Joel Russell



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