

# Owners Rejigger Space to Meet The Needs of Incoming Tenants

By DAVID GREENBERG  
Staff Reporter

**T**HE Ventura County office sector saw vacancy rates rise slightly in the second quarter, even as developers bring new product to the market.

"The activity is tremendous, especially for the summertime when things tend to slow down because people are on vacation," said Michael Slater, senior vice president for the office sector at **CB Richard Ellis Group Inc.** "There seem to be a lot of entrepreneurial companies out there starting up new businesses."

Vacancies for the April-June period were

8.6 percent, compared with 8.3 percent in the previous three months and 12.4 percent for the like period a year earlier. Rates are expected to drop during the third and fourth quarters, about the time a significant amount of new construction will come into the market.

One example: A 24,000-square-foot, single-tenant office building at 301 Science Drive in Moorpark that **Martin Properties Inc.** is converting into 19 small office suites.

The company invested \$800,000 to create the suites, which will be ready in mid-August and range from 700 to 1,500 square feet. Martin has already leased 20 percent of the space at \$2.20 to \$2.40 per square foot.

"The demand for office space in Moorpark is very high and there is no supply," said Rob Martin, company president. "We're the only one that has space in that size."

Los Angeles-based **IDS Real Estate Group** is set to make a bigger splash next July when it completes two premium office buildings totaling 180,000 square feet in Westlake Village. The property will be visible from the Ventura (101) Freeway and features three-story, steel-frame construction and sandstone slabs on the entrance. Many office buildings in the area are two-story tilt-ups.

Brokers said the development company will ask for \$2.85 per square foot — well above the \$1.75 to \$2.45 landlords are currently charging in the East County.

"This is definitely a higher quality project than what the area has now," said David Saeta, a principle of IDS. "It's the calling card for the city of Westlake Village."

Oxnard developer John Rosenthal will break ground soon on a 45,000-square-foot office condominium at 555 Marin St. in Thousand Oaks. The building, which will be marketed to insurance companies, attorneys and other professionals, is the first of its kind in that city in two decades.

"We think there is a market for it," said Rosenthal. "The vacancy factor has been declining. There doesn't appear to be any small office space for sale in our marketplace."

Such faith is supported by Santa Barbara real estate investor Charles Logue, who increased his presence in the county in April with two large purchases in Ventura. He paid \$6.3 million for a 31,600-square-foot building at 200 East Santa Clara St. and \$2.3 million for a 15,500-square-foot building at 5850 Thille St.

In a major lease deal, **Kendle International Inc.**, a Cincinnati biotech and pharmaceutical company, signed a five-year lease for 16,900 square feet of space in Thousand Oak's Conejo Spectrum office park in May. The deal was valued at \$1.9 million.

Activity in the industrial sector held firm with the vacancy rate dipping a tenth of a point, to 9.5 percent.

**Felsenthal Property Management** paid \$3.6 million for a 65,000-square-foot building at 460 Calle San Pablo in Camarillo. The building had been occupied by **CalAmp Corp.**

When the Oxnard satellite, cable and broadband components maker left the facility late last year, brokers couldn't sell the mid-size building to a single tenant. Finally, Felsenthal bought the property in May with plans to invest \$1 million in renovations to create 12 multi-tenant units.

"We just never found the perfect tenant," said John DeGrinnis, senior vice president of **Colliers Seeley International.**

In other industrial deals, **Deckers Outdoor Corp.**, which makes Ugg boots for women, signed a five-year lease for 127,000 square feet of space in the Mission Oaks Business Center in Camarillo. The deal was valued at \$4.2 million.

And sports nutritional products distributor **SAN Corp.** bought a 26,577-square-foot building in the Northfield Business Park at 2400 Sturgis Road in Oxnard for \$2.6 million.