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## Santa Barbara and Goleta Industrial Space: 3rd Quarter Recap

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Santa Barbara's Industrial market saw little activity during the 3rd quarter. The Santa Barbara vacancy rate ended the quarter down at 1.2% and asking rates hovered at \$1.25 per square foot gross, down \$.09 from the 2nd quarter. Even though there is very little on the market, there are still quite a few industrial tenants looking for space in the marketplace. One issue that has plagued the sector has been office and retail commercial tenants looking at industrial spaces in order to get cheaper rents. There is still a continued demand for industrial spaces under 4,000 square feet. Notable new leases in the 3rd quarter were ActiveGroup, Inc. securing 3,200 SF at 126 Powers Avenue, and Cobalt 27, LLC who locked in a deal at 12 W. Cota Street on 3,000 SF.

The Goleta Industrial market sector saw a slight rise in vacancy

rates, up from 6.3% to 7.3% at the end of the 3rd quarter. This is the result of lackluster leasing and the continual addition of larger sized industrial tenants vacating or downsizing. There are more than fifteen properties available of 7,000 SF or greater and fewer than eight properties under 4,000 SF available.

***...rates hovering at \$1.25 per SF...***

This shows the disproportionate amount of large space that is currently available. Average asking rates at quarter end were idle at \$1.16 per SF gross.

The most noteworthy lease in the Goleta Industrial market was Deployable Space Systems who signed on for 5,900 SF at 75 Robin Hill Road.

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