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The Goleta Office Market: 3rd Quarter Recap

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Like the Santa Barbara office market, the Goleta office market has remained relatively stable during the 3rd quarter of 2011. The vacancy rate is unchanged from last quarter currently poised at 10.3%. The Goleta office market did see a slight drop in asking rates down from \$1.68 per SF to \$1.63 per SF.

Additionally, the Goleta office market had a pronounced decrease in leasing

activity as compared to the 2nd quarter. Only 42,000 SF of office space was leased by Goleta office tenants in the 3rd quarter (down from approximately 94,000 SF leased in the 2nd quarter of 2011).

Noteworthy leases secured by Goleta office tenants during the 3rd quarter were 5LINX Enterprises leasing 8,300 SF at 5383 Hollister Avenue, Sientra's

lease of 7,276 SF at 55 Castilian and CIO Solutions lease of 5,431 SF at 150 Castilian. With no new notable vacancies coming on the market, no major office leases imminent and a decrease in market activity (which can be customary during the final months to the year) the vacancy rate and

average lease rates will likely remain stable for this market segment during the 4th quarter of 2011.

***vacancy rate is
unchanged at
10.3%***

Because the vacancy rate continues to be at a higher level than is typical for the Goleta office market expect Landlords to offer competitive rental packages hoping to entice those tenants that are in the marketplace seeking space.

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