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Santa Barbara Office

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During the second quarter of 2010 there were 11 new office leases larger than 3,000 square feet completed in the City of Santa Barbara accounting for 53,000 square feet of absorption. Add to this the 29,500 square feet of space that was removed from the market by Santa Barbara Bank and Trust and one would think that the Santa Barbara office market would have experienced a major reduction in vacancy since the 1st quarter of 2010.

Unfortunately, this was not the case as vacancy fell only slightly (from 5.9% to its current rate of 5.6%).

The decline in vacancy was mitigated by the addition of new vacancy coming to the market.

In order for the Santa Barbara office market to experience a more pronounced reduction in the office vacancy rate we will need to see continued leasing activity among the smaller office spaces coupled with a decline in new office space coming to market. Currently

office tenants seeking space under 2,000 square feet in the City of Santa Barbara have quite a few options.

Most major office markets throughout the country are experiencing 10 year highs in office vacancy.

The City of Santa Barbara can take some comfort in the fact that the current office vacancy of 5.6% is well off the 10 year high of approximately 8% office vacancy experienced in mid 2003.

***...Santa Barbara office
vacancy is well off
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The resiliency of our Santa B a r b a r a office market can be traced to a lack of

new product and the high concentration of wealth in South Santa Barbara County. Companies which service that wealth (financial services, accounting, legal, etc.) are the businesses which drive and sustain the Santa Barbara office leasing market.

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