



Thousand Oaks

DEMOGRAPHIC & ECONOMIC PROFILE

Existing Conditions | January 2020

CHAPTER 1: CONTEXT

The City of Thousand Oaks (the “City”) is located at the southeastern edge of Ventura County, bordering Los Angeles County. Since the City’s founding in 1964, Thousand Oaks has become one of the primary population centers of Ventura County. In 2017, the City’s population reached 128,909¹; approximately 65 percent of Conejo Valley’s population, which also includes the unincorporated areas of Lake Sherwood and Oak Park in Ventura County, and the cities of Agoura Hills, Calabasas, and Westlake Village in Los Angeles County. Historically, residents and employers have cited the City’s geographic location between Santa Barbara and Los Angeles, proximity to nature, family-oriented lifestyle, safety, and high paying jobs, as its most desirable characteristics. As one of the primary employment centers of high paying jobs, accessibility to regional talent and amenities is crucial to Thousand Oaks’ competitive edge. Highway 101 (Ventura Freeway) and State Route 118 (Ronald Reagan Freeway), provide access to the rest of Ventura County, Santa Barbara, the San Fernando Valley, and into the rest of Greater Los Angeles.

In recent years, the region has experienced shifts in demographic and economic activity. For example, more-recently incorporated communities to the east, namely Agoura Hills, Westlake Village, and Calabasas, have successfully attracted a greater volume of commercial development, strengthening their status as affluent competitors to Thousand Oaks.

Since the early 2000s, communities to the north and west, particularly Simi Valley, Moorpark, and Camarillo, have been experiencing faster population growth than Thousand Oaks; albeit catering to households with slightly different income characteristics. Despite changing regional dynamics, Thousand Oaks still occupies an important role in the Conejo Valley. The land use and economic development policy actions and vision the City chooses to adopt will determine Thousand Oaks’ future role in comparison to these neighboring communities.

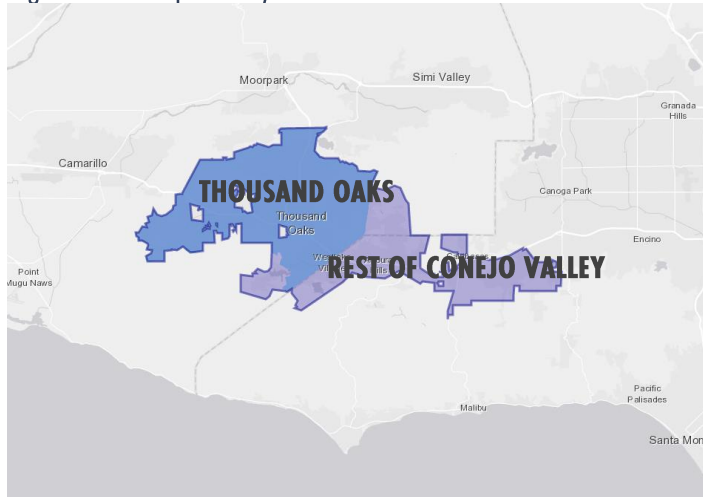
Figure 1: Thousand Oaks in relation to Ventura and Los Angeles Counties



Source: ESRI Business Analyst

¹ American Community Survey 2017 5-Year Estimates.

Figure 2: Conejo Valley



Source: ESRI Business Analyst

Analysis Approach

The existing conditions analysis, a component of the Thousand Oaks General Plan Update process which began in early 2019, provides context for key socioeconomic, demographic, and market indicators and trends. This document builds on Thousand Oaks’ 2017 Economic Development Strategic Plan and associated market analysis. It evaluates current market conditions, contextualizes current performance, and illustrates potential implications for the future of Thousand Oaks. The analysis contained herein does not speculatively project future market conditions, which largely depend on current zoning and

development standards, but rather contextualizes current performance and identifies potential opportunities and barriers to success.

On July 17, 2019, HR&A Advisors, Inc. (“HR&A”) convened an economic development focus group consisting of business and real estate stakeholders to further inform the General Plan Update process. Discussion centered around the City’s economic development conditions, including challenges and potential opportunities (see Appendix A for more details). Stakeholder feedback, together with primary research, helped to identify key issues, and advantages and disadvantages relating to the City’s economic competitiveness and resilience.

The market report consists of three main sections:

1. **Demographic and Socio-Economic Profile:** This profile summarizes socio-demographic and economic characteristics as compared to the region. This includes information about population trends, growth projections, household income, educational attainment, and business composition, among others.
2. **Real Estate Market Scan:** The market scan offers an overview of the characteristics and scale of the existing development inventory, as well as historic trends relating to development, rental prices, and vacancy rates for major land use categories. These major land uses include office, residential, retail, hospitality, industrial, and flex.² This section also identifies success factors and presents potential opportunities for

² HR&A defines “Flex” as buildings designed to be versatile and multi-tenanted; they may be used in combination with office, research and development and quasi-

retail sales. No more than 50% of rentable area is typically used as office space. Flex floorplates are typically smaller than standard industrial buildings.

capturing market demand in the coming decades by major land use category.

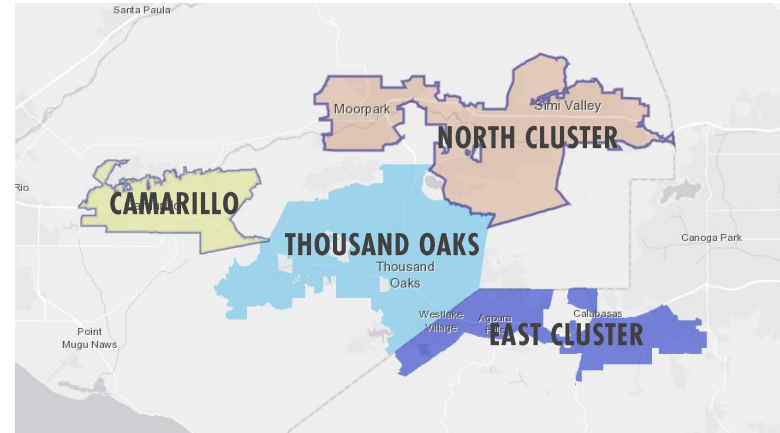
3. **Focus Group Summary:** Included as Appendix A, this summary includes overarching themes emerging from the aforementioned economic development focus group discussion held on July 17, 2019.

Neighboring Areas

To benchmark Thousand Oaks’ market performance, City data is compared to ‘clusters’ of neighboring cities. The aggregated city cluster methodology is common in market reports and was selected to aggregate data for neighboring communities of similar geographic size and featuring relevant socio-demographic and economic characteristics, as economies and their submarkets transverse jurisdictional boundaries. While each of these cities are unique in terms of their size, demographics and physical characteristics, for the most part they function within the same market and economic context, and to a large extent their development patterns are a function of local policies responding to these market conditions. The North Cluster of cities consists of Simi Valley and Moorpark, while the East Cluster consists of Westlake Village, Agoura Hills, and Calabasas. Camarillo is additionally included as a stand-alone example of a nearby city that is capturing much of the growth not being captured in Thousand Oaks. The substantial growth has been supported by the large amount of residential development in Camarillo over the last 10 years. Thousand Oaks, Camarillo, and both clusters are well-educated, affluent, predominately non-Hispanic White communities. However, a gradient exists between the different areas. The East Cluster is the most affluent, well-educated, and is largely non-Hispanic White. The North Cluster has the lowest

educational attainment, while Camarillo is generally the least affluent.

Figure 3: Thousand Oaks and Neighboring City Clusters



Source: ESRI Business Analyst

Key Takeaways

The following paragraphs summarize key findings and implications from HR&A's analysis.

Demographic and Socio-Economic Profile

Thousand Oaks geographic proximity to high-paying jobs, nature, and the exemplary schools makes it a desirable community to live in. The high median income, employment rates, and level of educational attainment reflect this fact. Historically, Thousand Oaks has been a community that experienced rapid growth, but since 2000 the population has slowed as the City nears full build-out under the current General Plan. For example, in 2017, Camarillo's population was about 67,000.³ Although both cities have added a similar number of new residents since 2000 (about 13,000),⁴ Thousand Oaks' population only increased by about 11 percent, while Camarillo's population increased by 24 percent.

Thousand Oaks is home to roughly 64,000 jobs, per 2017 U.S. Census LEHD data. The City has a healthy ratio of 1.3 jobs to housing units, and many residents are able to find employment nearby. The bioscience industry is a key anchor of the City's economy and has seen favorable regional growth trends. However, this industry and other high-paying technical jobs have stagnated since the Great Recession. While substantial job growth is projected for the City through 2045 (+20,600 jobs), a lack of

new housing production and residential growth limits, could curtail the realization of these employment gains.

Real Estate Market Scan

Office

Thousand Oaks' office market has largely recovered from the Great Recession, but the market for new Class A office space remains untested, with little to no recent development. For Thousand Oaks to sufficiently accommodate the projected job growth through 2045, the City may require several million square feet of new office, flex and industrial space.

Retail

Consistent with broader regional trends, Thousand Oaks appears to have an oversupply of retail space as traditional retailers face a changing retail landscape and increased regional competition. The City's current reliance on auto sales exposes the City to the potentially negative effects of changing consumption patterns. However, recent local retail development projects featuring strong Food and Beverage (F&B) components and branding/placemaking present an opportunity for a higher performing and more diversified retail industry.

Multifamily

The City's multifamily housing stock is old with little to no construction since the recession. Market fundamentals suggest strong demand for all housing types in the City and for increasing

³ American Community Survey 2017 5-Year Estimates.

⁴ Ibid.

the diversity of housing options, including multifamily, which will be critical to attracting and retaining top talent for Thousand Oaks' employers. Considering job growth projections, the City would need to produce roughly twelve times the City's current housing projections to maintain its current jobs to housing ratio, or approximately 550 new housing units annually through 2045.

Industrial and Flex

Vacant industrial and flex space is severely limited with any new construction filling up quickly. Demand is particularly high for logistics space, which is less compatible with the City's current industrial ecosystem. Most successful industrial spaces feature relatively smaller or flexible floorplates and stated business priorities signal strong potential for flex/industrial development geared toward the bioscience industry.

Hotel

Despite the current hotel stock being both old and of low quality, Thousand Oaks and neighboring cities boast healthy occupancy rates and average daily rates that are the highest in the region. Based on the ratio of hotel rooms to jobs, Thousand Oaks' current hotel offerings may be insufficient to meet the needs of its business community, as compared to Ventura County. Adding to the hotel inventory could further strengthen the presence of business travelers in the City. Despite strong market fundamentals, no new hotels have been built in the City since the recession, and none are currently in the planning pipeline.

CHAPTER 2: DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE

Population and Households

Thousand Oaks was a rural community before experiencing exponential growth starting in the 1960s. This growth was fueled by residents leaving Los Angeles in search of a more suburban, family-oriented lifestyle, and the emergence of Thousand Oaks' bioscience and technology industries. In 2017, Thousand Oaks' population reached 128,909, and consisted of 46,136 households.⁵⁶

All four clusters examined have experienced strong population and household growth over the last several decades averaging 3.27 percent from 1980 to 2000.⁷ As the region has matured, growth has slowed regionwide, however, in certain areas this growth has slowed considerably. For example, between 2000 and 2017, Thousand Oaks' annual growth rate slowed to roughly 0.55

percent, and the East Cluster's growth rate decreased to 0.37 percent.⁸

The North Cluster and Camarillo have significantly outpaced Thousand Oaks with annual growth rates of 0.77 percent and 0.93 percent, respectively, over the same period. As shown in Figures 4 and 5 at right, Thousand Oaks has added roughly 13,000 residents since 2000, or about 10% of the 110,000 new residents county-wide. This amounts to an annual growth rate of roughly 0.55 percent for Thousand Oaks, compared to 0.67 percent for Ventura County overall.⁹ The North Cluster, which is the largest in terms of population, had 162,606 residents and 53,203 households as of 2017, while Camarillo had 67,116 residents and 24,640 households.¹⁰ The East Cluster, which has experienced slower population growth yet higher household growth than Thousand Oaks is the smallest of the clusters with 53,355 residents and 19,605 households as of 2017. Population growth has outpaced household growth in all clusters indicating a declining household size; however, Thousand Oaks has had a significantly slower household growth rate since 2000 compared to the other areas.

Housing tenure is similar across the clusters. As shown in Figure 6, all areas have relatively high proportions of owner-occupied housing units, and their housing stock is largely comprised of single-family homes. Roughly 15 percent of Thousand Oaks' housing stock is multifamily units, a slightly higher percentage than the East Cluster, and even greater than in the Camarillo and North Clusters.¹¹

⁵ American Community Survey 2017 5-Year Estimates.

⁶ US Census Quick Facts.

⁷ US Census 1980, 1990, 2000

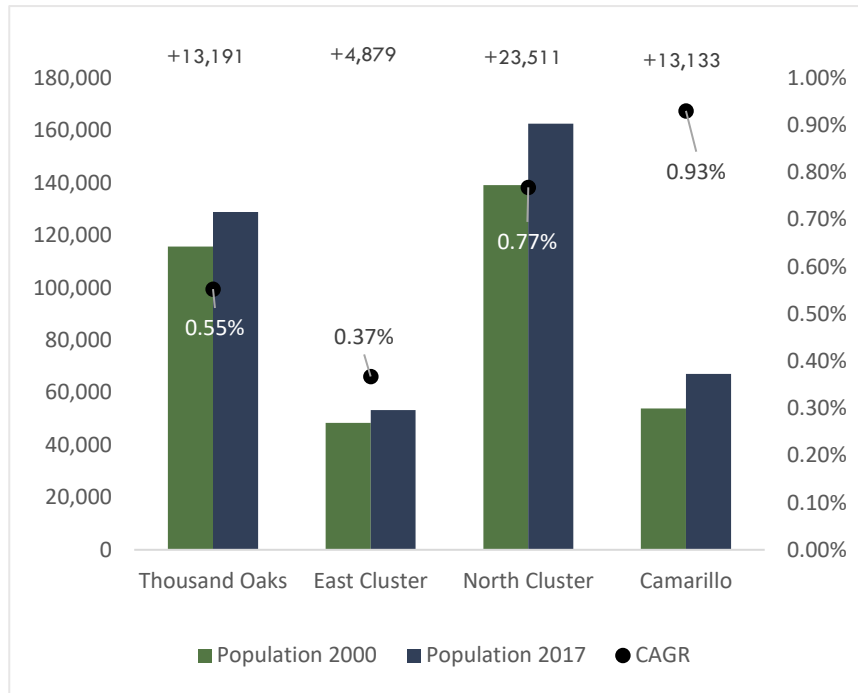
⁸ American Community Survey 2017 5-Year Estimates.

⁹ Ibid.

¹⁰ Ibid.

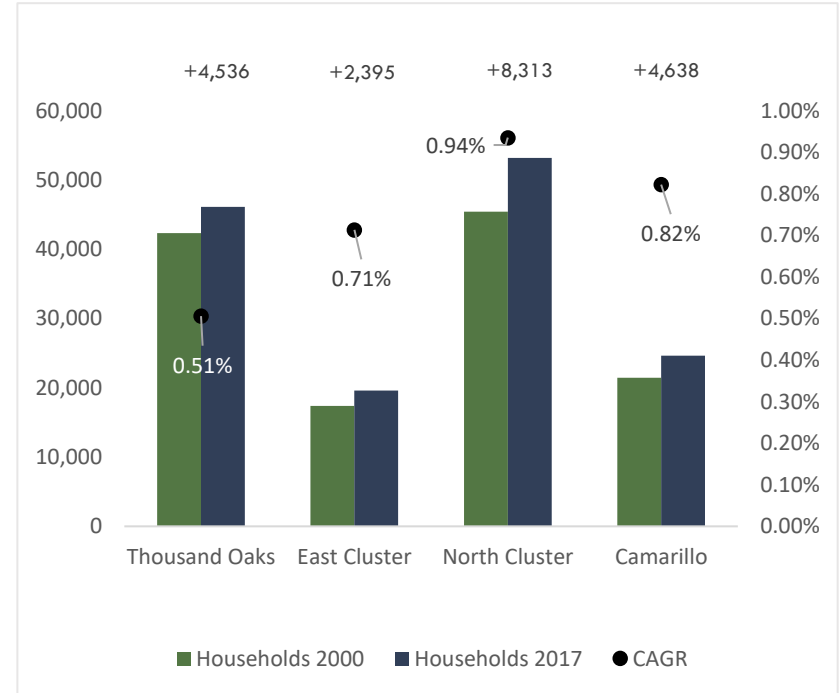
¹¹ American Community Survey 5-Year Estimates Table B25033.

Figure 4: Historical Population Change (2000-2017)



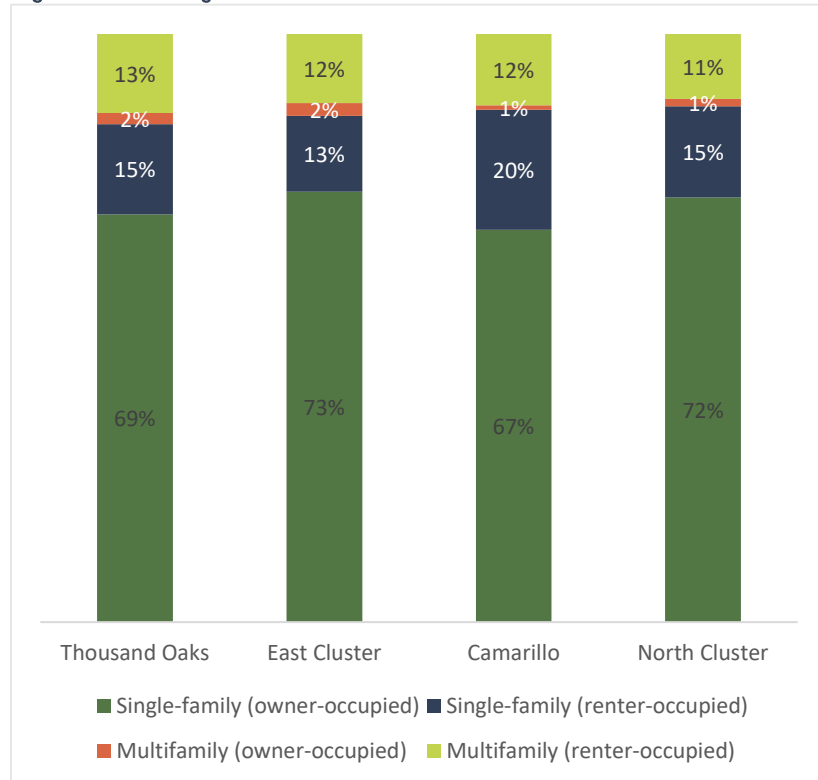
Source: ACS 2017 (5 Year Estimates)

Figure 5: Historical Household Growth (2000-2017)



Source: ACS 2017 (5 Year Estimates)

Figure 6: Housing Tenure



Source: ACS 2017 (5 Year Estimates)

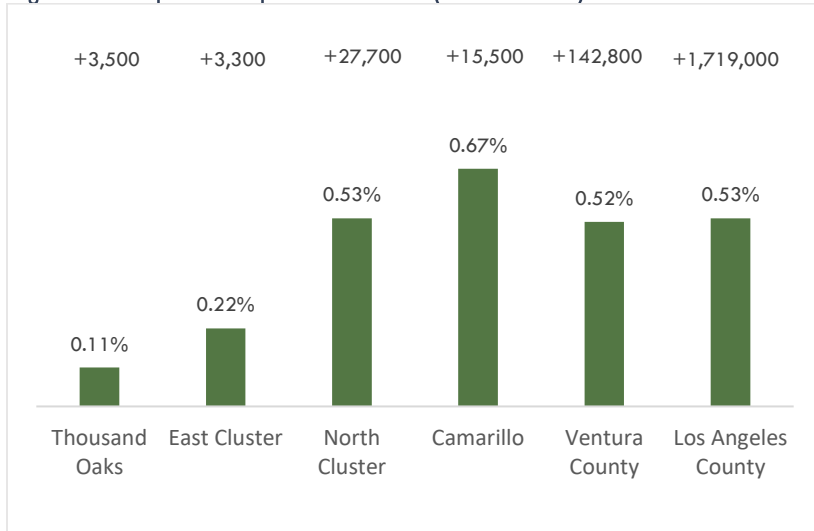
Projected Growth

The Southern California Association of Governments (SCAG) projects Thousand Oaks’ will continue to grow at a significantly slower rate than both Ventura and Los Angeles counties, as well as the cluster areas (See Figures 7 and 8).¹²

Growth is expected to be highest in the North Cluster and Camarillo between 2017 and 2045, with projected compound annual growth rates (CAGRs) for population at 0.53 percent and 0.67 percent, respectively. Projected CAGRs for Thousand Oaks and the East Cluster are significantly lower over the same time frame, 0.11 percent and 0.22 percent, respectively. Part of this lower CAGR can be explained by Thousand Oaks’ and the East Clusters communities relatively built-out nature. While the North Cluster’s CAGR is on par with Ventura County, Camarillo’s growth is significantly higher. It is important to note that these projections are based on zoned capacity rather than local demand for housing. Since the passage of Measure E, Thousand Oaks is nearly built out in relation to its current zoning. Any increase in zoned capacity through this General Plan update could significantly change these projections, and the City’s ability to accommodate the growth projected to come to the region.

¹² Demographics & Growth Forecast 2016–2040, SCAG, December 2015.

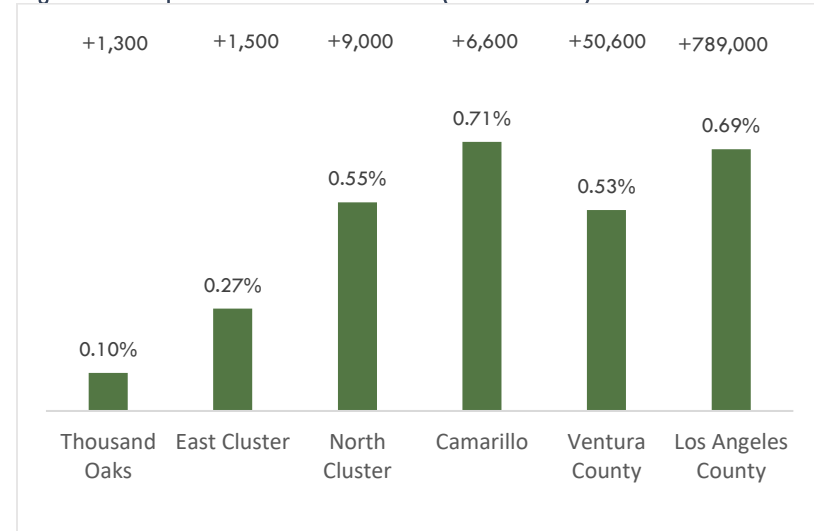
Figure 7: Projected Population CAGR (2017-2045)



Source: Southern California Association of Governments

Household growth projections between 2017 and 2045 suggest demand for housing units which will significantly add to current supply. The figures suggest a need for approximately 1,300 new housing units to satisfy demand. Over the last 10 years in both Ventura and Los Angeles Counties 84 percent of new housing units has disproportionately been constructed as multifamily projects with buildings consisting of two or more units. Assuming a similar housing split, these household growth projections suggest a need for approximately 1,100 multifamily units and 200 single-family homes through 2045. However, to maintain Thousand Oaks' current jobs-housing balance, a key indicator informing housing affordability and commute patterns, Thousand Oaks would need to instead produce 15,500 homes, including as many as 13,000 multifamily units. These figures were derived based on employment projections, which significantly outpace projected household growth through 2045.

Figure 8: Projected Household CAGR (2017-2045)



Source: Southern California Association of Governments

Income and Wealth

As shown in Figure 9, Thousand Oaks is an affluent community with a median household income of roughly \$109,000, 1.3 times that of Ventura County (roughly \$84,500) and over 1.6 times that of Los Angeles County (about \$66,000). While there is a difference in household income between the clusters, the gap becomes larger when measuring by median household net worth. The median net worth of East Cluster households is roughly 75 percent greater than of Thousand Oaks and more than triple that of the North Cluster and Camarillo.

Figure 9: Other Demographic Data (2018)

	Median Household Income	Median Home Value	Median Household Net Worth
Thousand Oaks	\$108,979	\$663,600	\$568,949
East Cluster	\$133,184	\$1,045,935	\$1,008,801
North Cluster	\$96,711	\$603,337	\$328,350
Camarillo	\$94,179	\$614,130	\$316,615
Ventura County	\$84,551	\$609,408	\$199,216

Source: ESRI Business Analyst

Demographic Characteristics

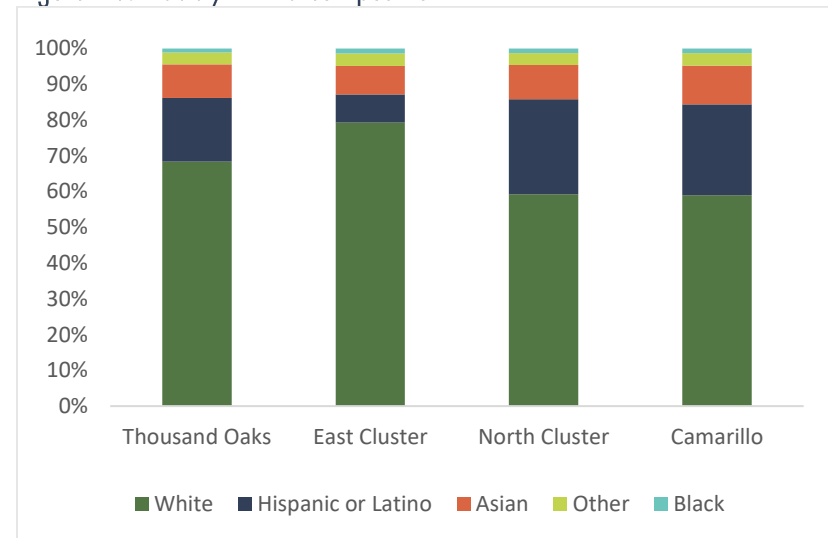
Thousand Oaks is similar to its surrounding areas with most of its population comprised of non-Hispanic White residents. The City is slightly more diverse than the East Cluster and less diverse than the North Cluster and Camarillo (See Figure 10). Asian and Hispanic or Latino residents comprise the two most statistically significant minority groups, accounting for slightly more than a quarter of the City’s population. Roughly 77 percent of residents speak only English, and roughly 12 percent of residents speak Spanish. Less than 8 percent of Thousand Oaks residents speak English less than “very well.”¹³

Historically, the distribution of age groups in Thousand Oaks has been relatively similar to that of its neighboring counterparts. In

many ways, the demographic changes Thousand Oaks has experienced in recent decades continues occurring in the broader region, albeit to a milder degree.

Between 1990 and 2017, Thousand Oaks saw its greatest age demographic shifts among the 65 and older cohort, which essentially doubled in size (from 9 percent to 18 percent of the City population). The City’s 55-64 population also increased by 75 percent (from 8 percent to 14 percent). The City’s largest age demographic decreases were among the 25-34-year-old age group, which dropped by 37.5 percent; and its 35-54 and Under 18 populations, which decreased by 12.5 percent and 12 percent, respectively.¹⁴

Figure 10: Racial/Ethnic Composition

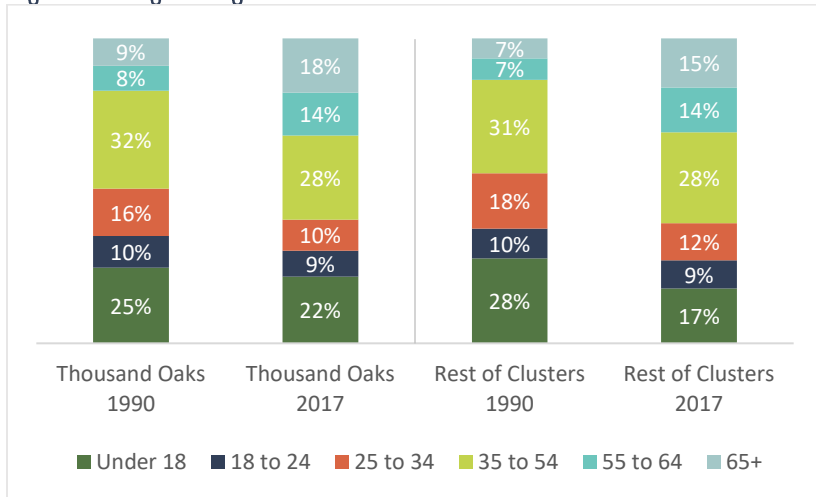


Source: ACS 2017 (5 Year Estimates)

¹³ American Community Survey 2017 5-Year Estimates Table C16002.

¹⁴ American Community Survey 2017 5-Year Estimates.

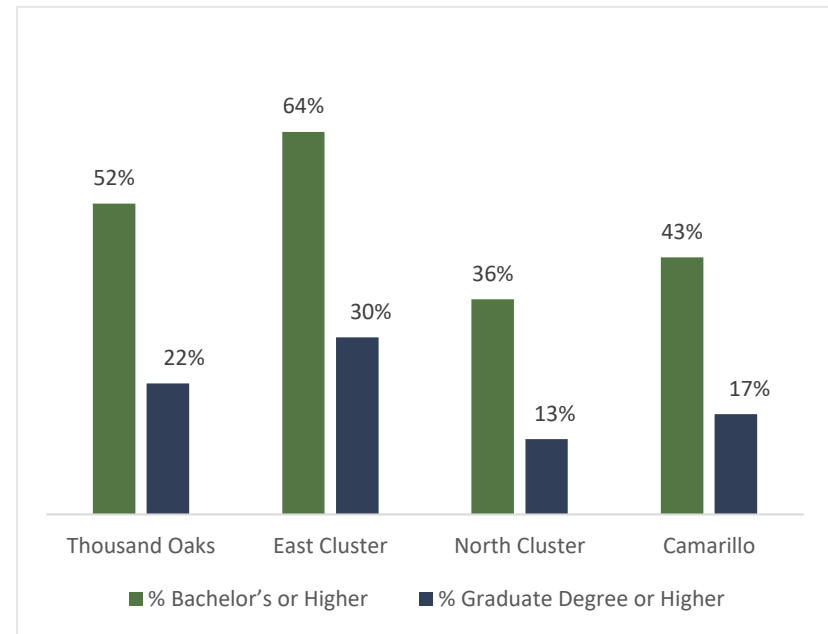
Figure 11: Age Ranges



Source: ACS 2017 (5 Year Estimates)

As shown in Figure 12, Thousand Oaks consists of a highly educated population, with 52 percent of residents holding at least a bachelor’s degree, and 22 percent holding a graduate degree or higher. Comparatively, 43 percent of Camarillo residents, and 36 percent of North Cluster residents hold a bachelor’s degree or higher. Only 17 percent of Camarillo residents, and 13 percent of North Cluster residents hold more than a bachelor’s degree. Thousand Oaks education attainment levels are only eclipsed by the East Cluster, where 64 percent of residents hold a bachelor’s degree or higher, and 30 percent hold a graduate degree or higher.¹⁵

Figure 12: Educational Attainment



Source: ACS 2017 (5 Year Estimates)

¹⁵ Ibid.

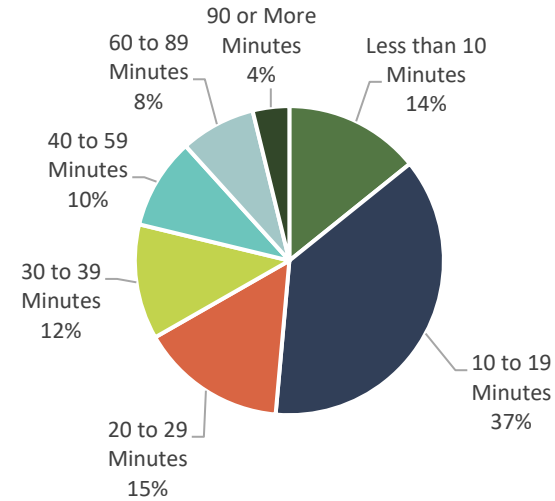
Employment and Key Industry Sectors

There is a high level of employment across the region, with unemployment rates at 4.4 percent or less. Thousand Oaks is home to roughly 64,000 jobs, per 2017 U.S. Census LEHD data.¹⁶ As an employment center, Thousand Oaks provides a substantial number of jobs for its own residents, with a quarter living and working in the City. Figure 13 illustrates Thousand Oaks resident commute times. It shows nearly half of Thousand Oaks residents (47 percent) commute to work in less than 20 minutes, which compares to 37 percent of Ventura County residents.¹⁷

Thousand Oaks is net importer of jobs, with roughly 44,000 employees commuting into the city to work, while 36,400 residents leave to work elsewhere. The East Cluster is the only area of those studied with a higher net import of jobs than Thousand Oaks; approximately 16,530 workers compared to Thousand Oaks' 7,600. Other areas either import fewer net workers (i.e., Camarillo) or export workers overall (i.e., the North Cluster).¹⁸

Thousand Oaks benefits from a very high proportion of residents who live and work in the City (14,103 workers) compared to the other net importing communities. Additionally, many of those who work in Thousand Oaks live in surrounding communities, particularly in the City of Los Angeles (13.8 percent) and the North Cluster (13.1 percent).

Figure 13: Thousand Oaks Resident Commute Times



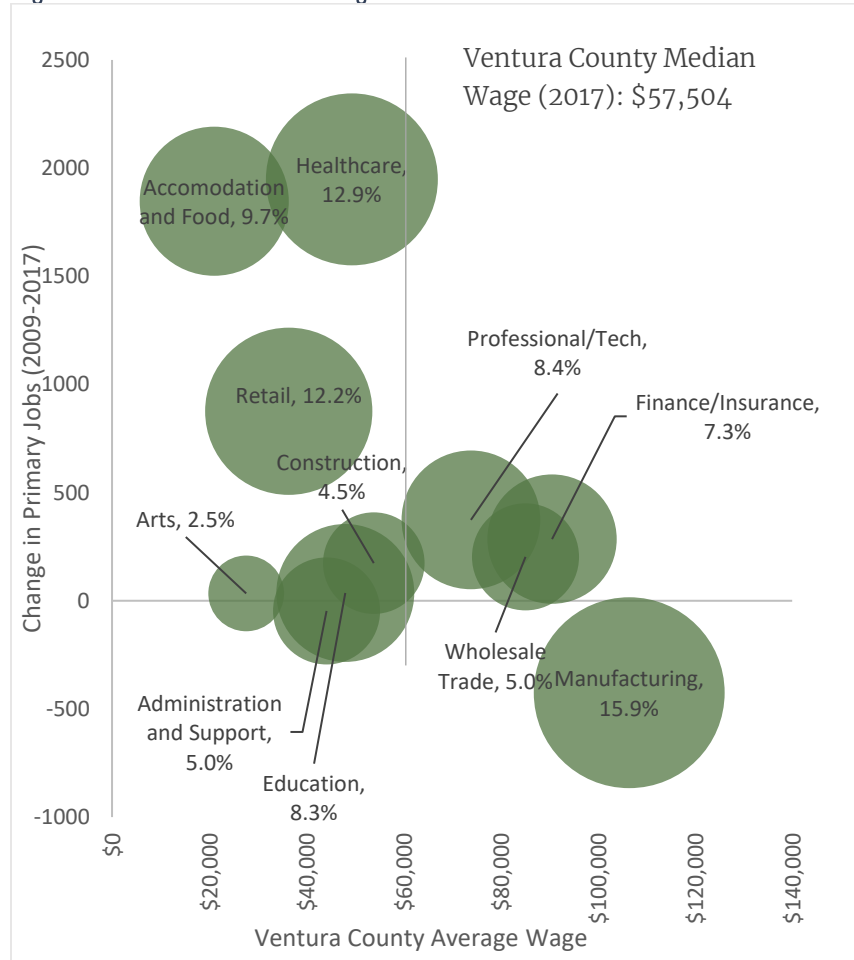
Source: Longitudinal Employer-Household Dynamics (LEHD).

¹⁶ US Census Longitudinal Employer-Household Dynamics 2017.

¹⁷ Ibid.

¹⁸ Ibid.

Figure 14: Thousand Oaks Wages and Job Growth



Source: Longitudinal Employer-Household Dynamics (LEHD), Quarterly Workforce Indicators (QWI).

Although the main employment drivers in Thousand Oaks are perceived to be bioscience and health, Thousand Oaks has a relatively diversified economy with large portions of jobs in Manufacturing, Healthcare, and Retail, among other sectors. Average wages citywide are relatively high compared to Ventura and Los Angeles Counties (approximately \$58,000 and \$60,000 respectively). A large proportion of jobs (22,000) have annual wages exceeding \$75,000.¹⁹

Figure 14 shows the composition of jobs in Thousand Oaks by industry sector. The size of the bubbles represents the number of jobs in Thousand Oaks. For context, the Manufacturing bubble in Figure 14 represents roughly 9,300 jobs, while the Construction bubble represents roughly 2,600 jobs. The horizontal axis shows each industries' average annual wage, and the vertical axis shows how much the industry grew or shrunk between 2009 and 2017. The data shows several prominent industry sectors have contracted slightly during and since the recession. Manufacturing, which still makes up the largest individual share of jobs (15.9 percent), has seen the greatest decline in employment, decreasing by 425 jobs since 2009. Amgen, one of the largest biotech companies in the world and Thousand Oaks' largest employer, has its jobs recorded under the manufacturing NAICS codes.²⁰ Ventura County's biopharmaceutical industry, which is anchored by Amgen, is one of the strongest in the country, providing average wages of \$328,000 per year.²¹

¹⁹ US Census Quarterly Workforce Indicators 2017.
²⁰ County of Ventura Economic Strategic Plan 2017.

²¹ Average wages indicate a central point between the high and low ends of the wage spectrum. Some workers make above the average, and some make less. Ibid.

The educational services, administration, construction, and wholesale trade sectors, as well as the high-paying professional/scientific/technical services and finance/insurance sectors, have only grown modestly since the recession. In parallel with regional trends, the health care/social assistance, retail trade, and accommodation/food sectors, which make up the second, third and fourth largest individual shares of jobs at 12.9 percent, 12.2 percent, and 9.7 percent, have grown significantly since the recession. However, these sectors offer relatively low wages, as compared to the Ventura County average. As the number of higher-paying jobs in Thousand Oaks have either stagnated or fallen since the recession, a fact reiterated in discussion with business leaders, the number of lower paying jobs, such as retail and accommodation/food services, have grown.²²

Several of the largest top employers in Thousand Oaks are affiliated with the bioscience and healthcare industry sectors (Amgen, Los Robles Hospital, Anthem, and Takeda), as shown in Figure 15.²³ Thousand Oaks has a relatively diversified employment base, with these employers accounting for only 25 percent of overall jobs in Thousand Oaks.

Figure 15: Top Employers in Thousand Oaks

Top Employers ²⁴	# Of Employees
Amgen	5,000 (Approximate) ²⁵
Conejo Valley School District	3,200
Los Robles Hospital/Medical Center	1,543
Anthem Blue Cross	1,002
Cal Lutheran University	1,117
Takeda	700
Skyworks Solutions, Inc.	670

Source: City of Thousand Oaks

²² Smaller industry sectors have been aggregated into the other category, which together make up 26.1 percent of jobs. The other category has fallen 1.8 percent since the recession.

²³ City of Thousand Oaks.

²⁴ Roughly 2,100 people work at The Oaks Mall, but are employed by various tenants, in addition to mall ownership.

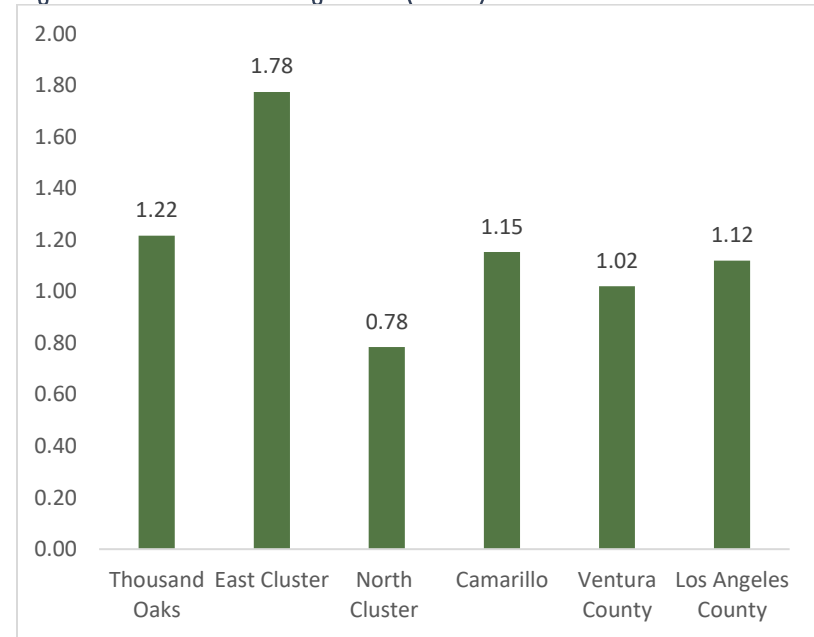
²⁵ Amgen's number of employees does not include subcontractors and consultants.

Jobs to housing ratios help to illustrate how many resident are commuting within and outside of the City for work. Cities with low levels of employment and commercial businesses versus housing can be vulnerable to economic shifts that threaten the continuity of its tax base and ability to maintain the City services residents demand.

On the other hand, when employment levels are significantly higher than the number of housing options within a city, the city can face greater traffic and stress on its local roadways relating to commuters from outside the city. However, it also provides the city with a greater tax base.

Thousand Oaks' ratio of jobs to housing units indicates a relatively healthy balance between employment and residential uses in the City, particularly compared to the North Cluster cities and Ventura County as a whole, as shown in Figure 16. However, future job growth may create pressures on housing prices without parallel housing growth. Ratios in these areas, where the number of jobs per household is close to or below one, suggest that residents may need to commute to other areas. The East Cluster has an imbalance where the number of jobs is substantially greater than the number of households. As a result, it has larger volumes commuter traffic originating outside of the city impacting its roadways, but also benefits from the greater tax base the jobs help to produce, which supports enhanced City services.

Figure 16: Jobs to Housing Ratio (2017)



Source: Longitudinal Employment-Household Dynamics (LEHD), ACS 2017 (5-Year Estimates)

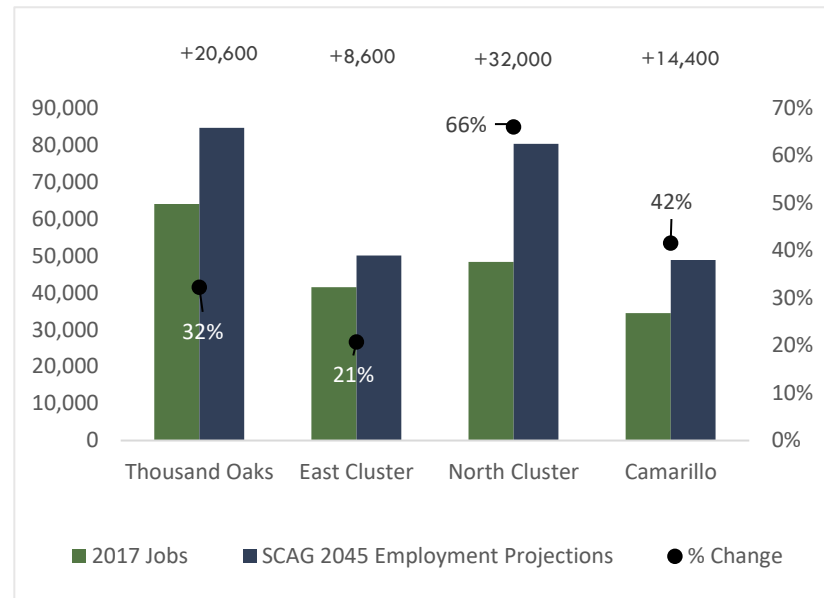
Projected Employment Growth

In parallel with population growth, SCAG projects substantial growth in Thousand Oaks employment, with an increase of 32 percent or 20,600 jobs between 2017 and 2045. This growth rate is substantially higher than that of Ventura and Los Angeles Counties, where employment is expected to grow about 42 percent and 22 percent by 2045, respectively.²⁶ The mix of jobs comprising the growth is uncertain, although is likely to parallel recent trends with a modest but steady decline in higher-paid jobs barring interventions.²⁷

Using a conservative planning formula estimating 400 square feet per employee (a relatively low figure that assumes more jobs are office using instead of flex or industrial), the projected 20,600 new jobs translates to a demand for as much as 8,250,000 square feet of new office, flex or industrial space.

Again, it is important to reiterate, if the City is to fully realize these jobs and associated economic benefits, it will also need to consider how to meet the anticipated demand for suitable housing to accommodate the talent that employers will be looking to recruit.

Figure 17: SCAG Employment Projections (2017-2045)



Source: Longitudinal Employer-Household Dynamics (LEHD), Southern California Association of Governments

²⁶ Demographics & Growth Forecast 2016-2040, SCAG, December 2015.

²⁷ It is important to note that these projections are based on SCAG methodology that computes employment comprised of 20 broad NAICS sectors at a future point in

time using a regional share of the nation's employment. Regional employment forecasts are based on a set of national employment forecasts. Ibid.

Life Sciences

Generally, the Los Angeles region has a competitive advantage in the life sciences industry. The industry is well represented in the region, with a location quotient of 1.25.²⁸

Ventura and Santa Barbara counties have the highest average wages for the bioscience industry in California (on par with the Bay Area). Collectively, the two counties employ over 12,000 bioscience workers, accounting for 4 percent of the total number of bioscience jobs statewide.

In Ventura County specifically, the biopharmaceutical segment of the life science industry is especially strong. Despite a loss of 1,200 jobs between 2010–2015, the County’s biopharmaceutical industry alone continues to employ 5,415 people and maintains a location quotient of 8.45.^{29 30}

Amgen, headquartered in Thousand Oaks since 1980, is the dominant biopharmaceutical employer in the area. Indeed, Amgen is one of the largest biotech companies in the world (with over 60 locations across the globe), one of the largest employers in Ventura County, and the largest private employer in Thousand Oaks. Amgen alone has significantly contributed to and supported the economic ecosystem of Thousand Oaks for almost 40 years, supporting spin off businesses and roughly 7,000 employees, including subcontractors and consultants.

Amgen has cited Thousand Oaks’ relative proximity to the University of California campuses in Santa Barbara and Los Angeles, as well as proximity to the California Institute of Technology in Pasadena as key drivers for locating its headquarters in the City.³¹ In addition, at least historically, Thousand Oaks’ high-quality school district and quality of life has also played a role.

Still, Thousand Oaks faces substantial competition in California and must continue attracting high-quality talent to remain competitive. Employers in the City indicate that limited housing options (especially for attracting younger talent) and amenities for businesses (i.e., high-quality space and support services) and workers (i.e., food and entertainment options) present recruitment challenges.³²

²⁸ A location quotient is derived by taking the percentage of jobs in a specific industry in the region and dividing it by the percentage of that same industry’s jobs in the nation. A location quotient quantifies how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation, with location quotients greater than 1.00 indicating a uniquely high concentration.

²⁹ County of Ventura Economic Vitality Strategic Plan, October 2017.

³⁰ 2017 Biocom California Economic Impact Report Databook.

³¹ Amgen.

³² Economic Development Focus Group.

CHAPTER 3: REAL ESTATE MARKET SCAN

Commercial Office

Office rents in Thousand Oaks and in most neighboring areas have not fully recovered to pre-recession levels and in recent years have stagnated, signaling a generally tepid office market. Rents have come closer to pre-recession levels in Thousand Oaks than Camarillo and the North Cluster, and Thousand Oaks rents now command a roughly \$5 per square foot premium over office in Camarillo and the North Cluster. Rents in the East Cluster have far outpaced Thousand Oaks’ rates post-recession and now command a \$4 per square foot premium on average over Thousand Oaks. Prior to 2010 rents were similar between the two areas.³³

There has not been substantial inventory change in most of the areas since 2010, with little to no construction of new office space (including less than 27,000 square feet in Thousand Oaks).³⁴ The market has been slowly absorbing space constructed right before the recession and only now are vacancies nearing healthy levels around 10 percent. Generally, the East Cluster is an exception to this trend, having seen the construction of approximately 260,000 square feet since 2010 (+2.5 percent).³⁵ With an absorption pace faster than other clusters, the East Cluster has

been able to maintain a steady vacancy rate as new deliveries come online. Vacancies are relatively low in both Thousand Oaks and the East Cluster, compared to the other areas studied.

Figure 18: Office Performance Metrics 2018YE

	Rent (PSF Annually)	Vacancy	Inventory (SF)	Inventory Change 2008-2018 (SF)
Thousand Oaks	\$26.10	11.1%	3,926,325	+82,444
East Cluster	\$30.00	12.0%	10,720,108	+517,857
Camarillo	\$21.27	14.5%	2,958,914	+61,577
North Cluster	\$21.59	19.5%	3,184,676	+103,530
Total	\$26.73	13.3%	20,790,023	+765,408

Source: CoStar

³³ CoStar.

³⁴ Ibid.

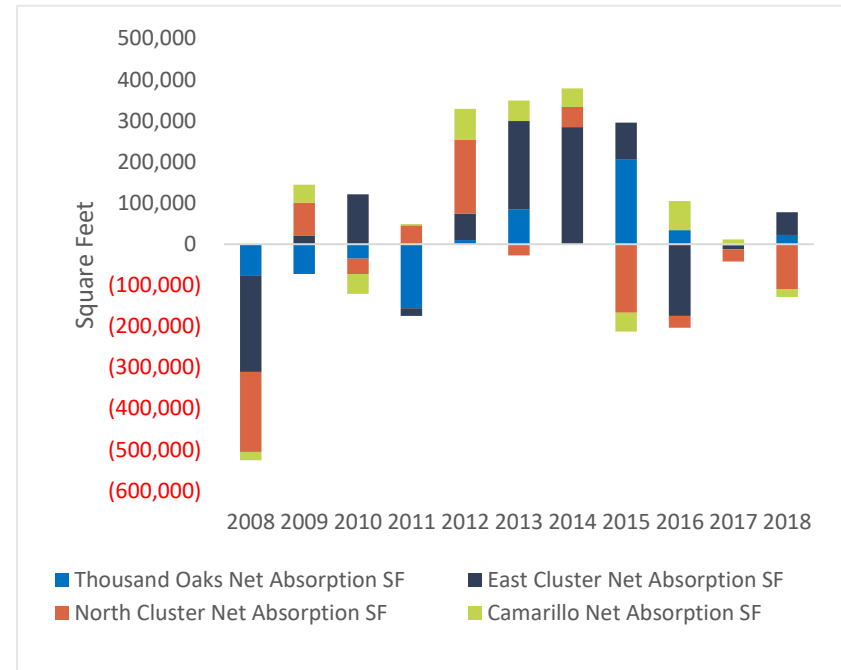
³⁵ Ibid.

Reflecting the lack of investment in office in the Conejo Valley, apart from communities closest to Los Angeles, most office buildings are classified a Class B or C, reflective of older and/or low-quality space.³⁶ According to CoStar, as of 2018 there were no listed Class A office properties in Thousand Oaks. Therefore, the market for Class A office is largely untested in the post-recession economy.³⁷

Nevertheless, more office space is likely needed given SCAG projections that Thousand Oaks will add 20,600 new jobs by 2045, and relatively low vacancies for commercial office and almost zero vacancy for other commercial uses. These conditions suggest there is a market for this space. At 400 square feet per employee these 20,600 new jobs could mean demand for as much as 8,250,000 square feet of new office, flex or industrial. It should be noted that the capture of these jobs gains relies on employers' abilities to access talent who require suitable housing within reasonable commuting distance to their job to fill these open positions.

Furthermore, economic development focus group attendees indicated there is substantial interest from the development and investment community in creating new space.

Figure 19: Office Net Absorption (SF)



Source: CoStar

³⁶ Class A generally consists of the newest properties, while Classes B and C generally consist of older or less recently renovated properties.

³⁷ CoStar data does not include private, purpose-built office space (i.e., Amgen).

Office Success Factors

While there has been little office development in the region, newer and renovated office buildings incorporate new features and adjacent amenities that are critical for attracting tenants. Discussions with business leaders emphasize that successful office products must have strong access to amenities, such as walkable lunch options, and mixed-tenant office complexes where services are easily accessible.

Westlake North Phase 1 Building 1 is a Class A office building located in Westlake Village. The approximately 140,000 square foot building, completed in 2001, is achieving rents around \$36.60 per square foot, more than \$10 per square foot (or about 33.5 percent) than Thousand Oaks' average per square foot rental rate, and \$6.60 (or roughly 20 percent) greater than averages within the East Cluster. This building is performing much better in terms of vacancy (4.6 percent) than Thousand Oaks' market, which has an office vacancy rate of 11 percent. Westlake North's strong performance compared to other office buildings can be attributed to its relative age, freeway access, and location adjacent to the popular Shoppes at Westlake Village retail center. The Shoppes at Westlake Village are walkable from this office building and provide the area with 240,000 square feet of dining and retail options, including burgers, sushi, cafés, and a brewery. The center is anchored by a Target store, which offers a range of convenience goods. These amenities have also helped attract companies which value a high quality of life for their employees.

Westlake North Phase 1 Building 1



Location
30700 Russell Ranch Rd, Westlake Village, CA

Year built
2001

Building Area
139,000 SF

Rents
\$36.60 PSF

Vacancy
4.6%

Retail

Retail rents in Thousand Oaks have nearly returned to pre-recession levels, at roughly \$32 per square foot annually, compared to roughly \$33 per square foot annually in 2007. Retail rents in the East Cluster are currently the highest of the clusters (i.e. \$34.50 per square foot) and have essentially recovered from the recession. The North Cluster retail rents remain the lowest at about \$20 per square foot.

Despite several retail deliveries prior to the recession, the retail inventory in Thousand Oaks remained mostly unchanged over the past decade; increasing by just 114,775 square feet between 2008 and 2018. Most of this increase can be attributed to a multimillion-dollar renovation of the 1.3 million square foot Oaks Mall amidst the recession.³⁸

Between 2017 and 2018, Thousand Oaks saw retail vacancies increase from 5.1 percent in 2017 to 6.2 percent in 2018. Thousand Oak's retail vacancy rate is the second highest among the neighboring clusters. The North Cluster was the only area with a higher retail vacancy rate at 7.7 percent, which has increased 2.7 percent compared to 2017. The East Cluster's vacancy rate remained unchanged between 2017 and 2018, at 4.3 percent, while Camarillo's vacancy rate, which is currently the lowest of the clusters, decreased from 4.2 percent to 2.8 percent between 2017 and 2018.

Figure 20: Retail Performance Metrics 2018YE

	Rent (PSF Annually)	Vacancy	Inventory (SF)	Inventory Change 2008-2018 (SF)
Thousand Oaks	\$31.90	6.20%	5,773,684	+114,775
East Cluster	\$34.50	4.30%	3,830,779	+429,637
Camarillo	\$25.72	2.80%	3,772,392	+27,835
North Cluster	\$20.80	7.70%	7,826,752	+83,973
Total	\$27.17	5.81%	21,203,607	+656,220

Source: CoStar

The majority of retail inventory growth over the past decade has occurred in the East Cluster (roughly 430,000 square feet). At that same time, the East Cluster has managed to keep vacancy rates lower than Thousand Oaks. The Shoppes at Westlake Village retail center was completed in 2014, and 205,000 square feet of the roughly 243,000 square foot center were absorbed in the same year. This is consistent with statements from economic development focus group participants, who stated that Thousand Oaks' position as the retail center for the region has begun to decline as newer, more in-demand retailers locate to the south and east of the City.

³⁸ City of Thousand Oaks.

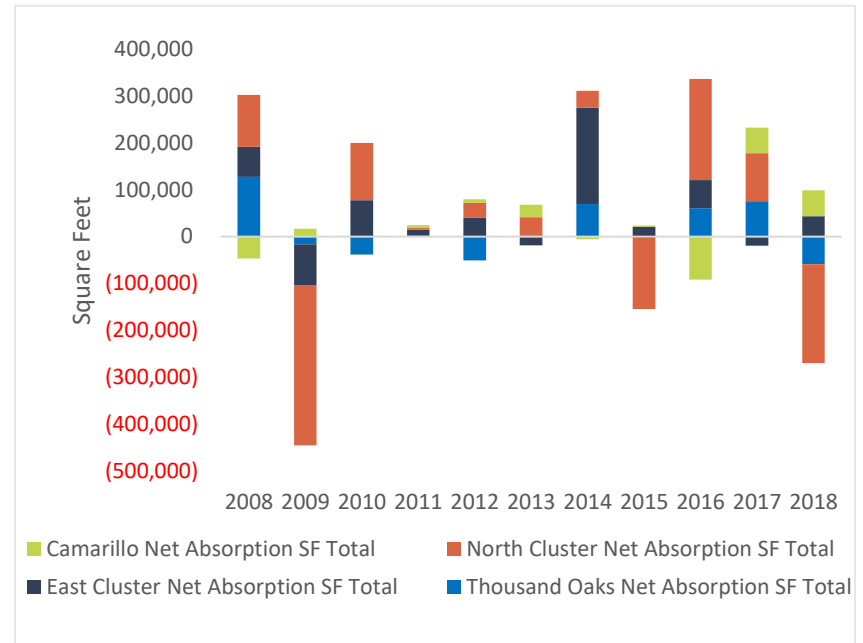
Economic development focus group participants noted that the vitality of traditional retail has declined in Thousand Oaks and there is an oversupply of aging retail centers, in particular along Thousand Oaks Boulevard. Relatively slow population growth, and strong but less significant household wealth than the East Cluster has made it hard for Thousand Oaks to attract new retail tenants. Retailers feel constrained to locations with easy freeway access to improve sales.

Despite current retail vacancy rates and its aging supply, Thousand Oaks continues to command relatively high rents for retail space, bolstered by established retail centers such as The Oaks mall. However, competition is growing in the neighboring communities, and generally retail consumer goods expenditures across the City appear to be stagnating overall.

Still, Thousand Oaks reached a record high of \$3.3 million in taxable sales in 2019 (up 19 percent since 2008). However, a disproportionate amount of this increase came from auto sales (up 54% since 2008). Taxable sales among traditional retail categories have remained virtually flat over the past decade.

Moreover, national auto industry retail sales have flattened since 2017; a trend industry experts believe will continue through the early 2020s.³⁹ Should this trend manifest itself in Thousand Oaks, it would pose a threat to the current retail landscape and a key revenue stream to the City, as auto sales make up nearly one third of all taxable sales in the City.⁴⁰

Figure 21: Retail Net Absorption (SF)



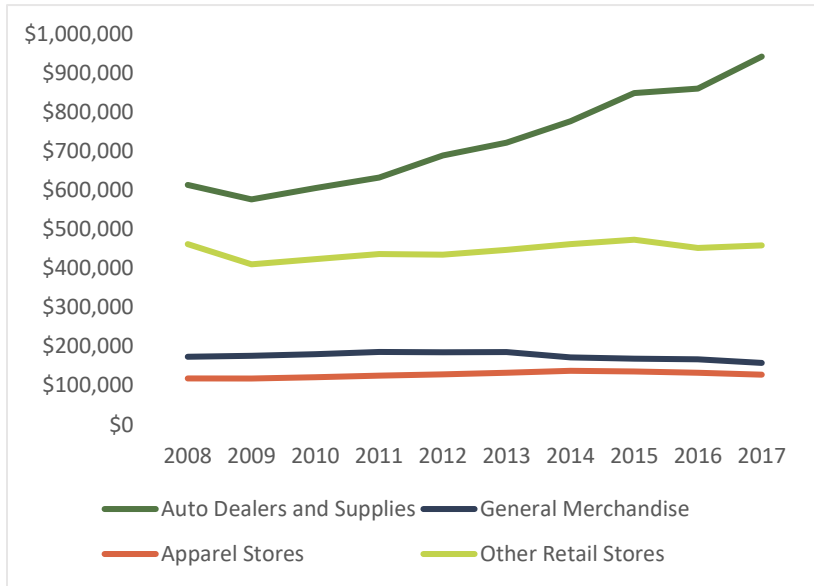
Source: CoStar

³⁹ Eisenstein, Paul A. "Edmunds Warns of a Tough 2019 for US Auto Industry as Sales Slide for Second Time since Great Recession and Profits Shrink." CNBC, CNBC,

26 June 2019, www.cnbc.com/2019/06/26/edmunds-warns-of-a-tough-2019-for-us-auto-industry-as-sales-slide.html.

⁴⁰ City of Thousand Oaks, *Comprehensive Annual Financial Report (2018)*.

Figure 22: Thousand Oaks Taxable Sales by Key Categories



Source: City of Thousand Oaks

Retail Success Factors

Economic development focus group discussions emphasized the importance of retail success in Thousand Oaks. In general, retailers and shopping centers will need to focus on creating an enhanced consumer experience through the curation of tenants, likely with a heavy focus on food and beverage and placemaking. Furthermore, retail with strong visibility to major transportation corridors and proximity to other land uses is likely have greater resiliency.

The Shoppes at Westlake Village is a 240,000-square foot retail center located in Westlake Village which embodies many of these

success factors. This center is located adjacent to the Westlake North office complex and offers convenient freeway accessibility.

The site features generous landscaping, a dynamic design, and clearly defined public gathering spaces. Vacancy is low, and rents are high, at 2.1 percent and \$60 per square foot NNN respectively, based on available CoStar data. There are 32 retail spaces varying from 138,000 square feet, to spaces as small as 1,500 square feet. The development features a strong food and beverage component with 14 restaurants.

Shoppes at Westlake Village



Location	30770 Russell Ranch Rd, Westlake Village, CA
Year built	2014
Gross Leasable Area	243,313 SF
Rents	\$60 PSF NNN
Vacancy	2.1%

Multifamily Residential

Housing in Thousand Oaks and surrounding areas is mainly comprised of single-family unit dwellings, averaging 86 percent single-family units between the clusters.⁴¹ Despite the single-family nature of the region, multifamily housing is an important consideration for communities that are spatially constrained, such as Thousand Oaks.

Thousand Oaks has also established growth controls limiting development. These growth controls have significantly influenced the City’s development and unique character over the past several decades; including the preservation of open space and development density, among other factors. The City’s rural history and the aforementioned growth controls have contributed greatly to its current lack of diversity in housing stock. Based on 2017 data, Thousand Oaks’ single-family housing supply makes up approximately 84 percent of all of its housing.

As the City looks toward the future and considers population growth projections, the City must consider how best to address the need for additional housing and the appropriate composition of housing.

The City’s spatial limitations, relatively low-density development, and the lack of diversity in its housing supply composition are not only a challenge for managing housing affordability; the lack of housing diversity (namely multi-family options) can inhibit the City’s economic development. Economic development focus group attendees have already cited housing

affordability as a significant challenge for attracting a younger demographic of talented workforce.

Figure 23: Multifamily Performance Metrics 2018YE

	Rent (per unit)	Rent (PSF)	Vacancy	Inventory (units)	Inventory Change 2008-2018
Thousand Oaks	\$2,011	\$2.11	3.50%	4,666	+110
East Cluster	\$2,403	\$2.56	3.00%	2,773	+157
Camarillo	\$1,921	\$2.28	7.20%	4,772	+902
North Cluster	\$1,810	\$2.27	3.20%	7,123	+5
Total	\$1,971	\$2.28	4.23%	19,334	+1,174

Source: CoStar

Multifamily housing vacancy rates have decreased in recent years across the geographic areas studied, with the exception of Camarillo, which is the only area to have added significantly to its inventory in the last 10 years. Camarillo saw vacancy rates jump 4 percent in 2014 and 2018, due to roughly 400- and 450-unit deliveries in those respective years. All the units delivered in 2014 were absorbed by 2015, and it is expected that the same will occur in 2018. Thousand Oaks added just 110 units over the same ten-year period. The average age of its multifamily buildings is nearly 40 years old. The City has a 3.5 percent vacancy rate, which is

⁴¹ American Community Survey 2017 5-Year Estimates.

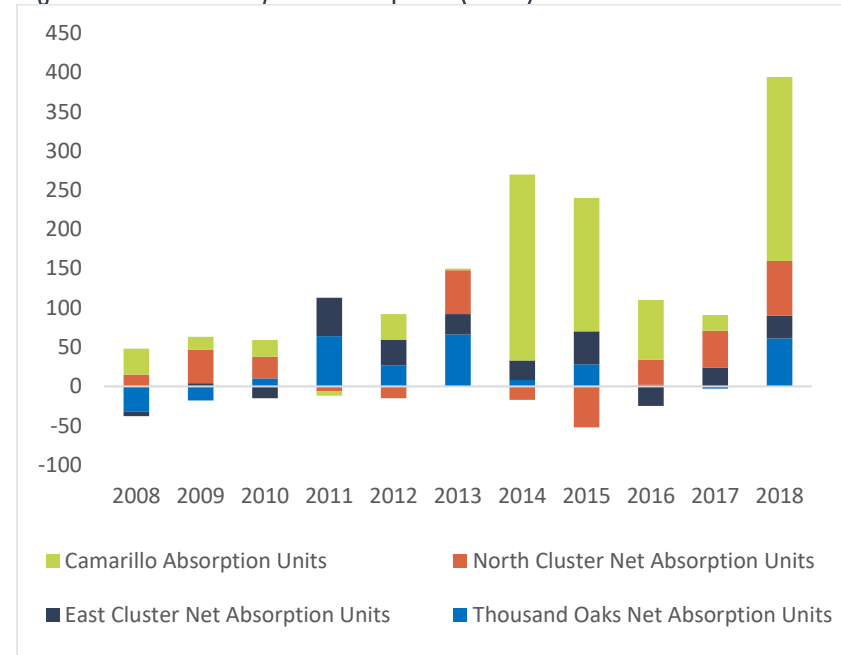
similar to the other areas (aside from Camarillo, as previously discussed).

Thousand Oaks has the second highest per unit multifamily rents between the clusters (partially explained by larger than average sized units), and while the East Cluster commands the highest rent premium, rents are rising in all areas. This trend carries across the broader region, as demand for multifamily continues to outpace supply.

Generally, a diversity of housing types has the potential to increase Thousand Oaks’ attractiveness to employers, allowing for proximity to workers of different ages and family structures. With a quick absorption pace illustrating regional demand for multifamily housing, Thousand Oaks has the ability to capture a substantial amount of housing (potentially in excess of the 1,300 units projected to be added by 2045 by SCAG, depending on changes to zoning capacity).

Though SCAG projects large employment gains through 2045, a failure to produce enough housing could curtail this growth. In the economic development focus group, HR&A heard concerns from employers regarding employees’ ability to find suitable housing nearby. To maintain Thousand Oaks’ current jobs to housing ratio, the City would need to produce roughly 15,500 additional housing units, 14,200 units in excess of SCAGs projected household growth through 2045. With the assumption that housing trends continue, if about 85 percent of new housing is delivered as multifamily, this translates into a need of approximately 460 new multifamily units per year.

Figure 24: Multifamily Net Absorption (Units)



Source: CoStar

Multifamily Success Factors

Despite the aging supply of multifamily housing, a growing population and minimal new construction has resulted in significant demand of such housing. As a result, multifamily housing developments have low vacancy and command relatively high rental prices. The insufficient supply is leading to inflated rents for consumers. According to the ACS 2017, Thousand Oaks renters are now on average spending 32% of total household income on rent, which is higher than the 30% that is typically advised.⁴²

Newer multifamily developments rich with amenities (e.g., gym, pool, high-end finishes, etc.) and that are within walking distance to entertainment or convenience establishments are likely to have a competitive edge over the older buildings, and thus command top-of-the-market rents.

YOLO Thousand Oaks is a luxury multifamily community located at 51 Maegan Place in Thousand Oaks. The 36-unit community was built in 2017 and is achieving unit rents of \$2,364 with an average unit size of 896 square feet. Vacancy here is currently 2.7%. The development mix consists of 36 two-bedroom units. Amenities here include a dog run, barbecue pits, and a picnic area. As one of the two Class A multifamily buildings in Thousand Oaks, and one of nine multifamily communities delivered since 2000, it can achieve rents above market averages in the clusters, excluding the East Cluster. This community provides a necessary diversity of housing types and tenure for young professionals

working in Thousand Oaks, who may prefer to rent or may not be ready to own a single-family home.

YOLO Thousand Oaks



Location

51-81 Maegan Pl, Thousand Oaks, CA

Year built

2017

Building Area

36,000 SF

Rents

(Unit/PSF)

\$2,364/\$2.64

Vacancy

2.7%

⁴² American Community Survey 2017 5-Year Estimates.

Industrial and Flex

Industrial

Thousand Oaks has a relatively small inventory of industrial space compared to the other clusters examined. At 1,282,754 square feet, Thousand Oaks’ traditional industrial inventory amounts to less than 10 percent of Camarillo’s and the North Cluster’s inventories. The City’s inventory is approximately the same as the East Cluster’s inventory. However, the data shows the East Cluster continues to shed space dedicated to industrial uses, while Thousand Oaks has significantly increased its inventory. The North Cluster and Camarillo have also added to their inventories, albeit to a lesser degree than Thousand Oaks. Camarillo and the North Cluster mostly have traditional industrial space that is used for distribution, warehouse storage, and manufacturing.

Industrial vacancy rates across all clusters have dramatically improved since the Great Recession and demand continues to increase. Currently, Thousand Oaks does show a greater vacancy rate than the neighboring clusters. This is largely due to the City’s recent introduction of 606,000 square feet of new space at the Conejo Spectrum Industrial Park in 2018, which is still being absorbed by the market. Absorption is occurring quickly, a sign that the market demand for such space is strong.

Despite the recent large-scale addition of Conejo Spectrum Industrial Park, Thousand Oaks continues to command regional average rents for such space. The East Cluster’s ability to

command a substantially higher rental premium compared to Thousand Oaks and other clusters, can be partially explained by the East Cluster’s closer proximity to the Los Angeles Basin, as well as its limited inventory of industrial square footage. The North Cluster’s proximity to Los Angeles also enables it to command slightly higher rent premiums than Thousand Oaks despite having a significantly larger inventory than Thousand Oaks.

Figure 25: Industrial Performance Metrics 2018YE

	Rent (PSF)	Vacancy	Inventory (SF)	Inventory Change 208-2018 (SF)
Thousand Oaks	\$10.44	11.70% ⁴³	1,282,754	+581,271 ⁴⁴
East Cluster	\$14.51	2.10%	1,236,845	-579,280
Camarillo	\$8.45	3.90%	10,724,140	+197,763
North Cluster	\$11.45	2.90%	11,440,438	+142,222
Total	\$10.25	3.75%	24,684,177	+341,976

Source: CoStar

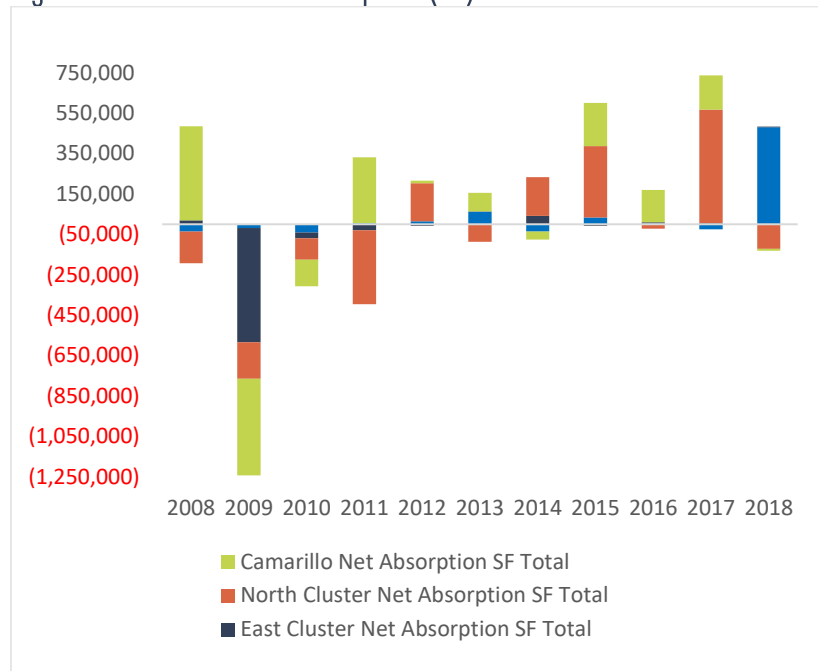
Thousand Oaks quickly absorbed most of the Conejo Spectrum space in the same year it was delivered (2018), indicating a strong and undersupplied market. One of the key tenants of this park is a 117,000 square foot Atara Biotherapeutics T-Cell Operations and Manufacturing center, which located to Conejo Spectrum in 2018.

⁴³ Vacancy is higher than in the other clusters due to a recent large delivery.

⁴⁴ The inventory change does not perfectly align with the 606,000 square foot delivery, as some industrial space was also shed between 2008-2018. CoStar.

This flex industrial space combines office using and industrial uses typical among biotech and biopharmaceutical companies. Economic development focus group attendees have expressed a desire for continued emphasis on flex space, which can accommodate local industries including biopharmaceuticals, as opposed to more traditional industrial spaces that are less agile to a range of uses and require a larger footprint.

Figure 26: Industrial Net Absorption (SF)



Source: CoStar

“Flex” Industrial

Flex buildings are typically smaller than standard industrial buildings and are designed to be versatile and multi-tenanted; these buildings can hold a combination of office, research and development and quasi-retail sales uses. Per CoStar’s definition, as much as 50% of rentable area can be used as office space to qualify as flex rather than industrial or office.⁴⁵

Currently, flex industrial space in Thousand Oaks is occupied in part by the bioscience industry and other technology companies.⁴⁶ Amgen’s campus accounts for all the owner-occupied flex research and development (R&D) space in Thousand Oaks (roughly 190,000 square feet) and 20 percent of all flex space in the City. Available CoStar data primarily tracks leasable space; thus, data likely understates Amgen’s utilization of flex space in the City.

Thousand Oaks flex industrial rents are generally similar to both Camarillo and the North Cluster. The East Cluster’s ability to command higher rental rates than Thousand Oaks is likely due to the City’s older and less desirable inventory. However, the City’s vacancy rates continue to be near zero, indicating tenants see a value proposition in the less-expensive space. Heading into the future, the City should evaluate and consider an appropriate flex space inventory to continue attracting businesses and high-paying jobs to the area while efficiently and effectively managing its valuable and limited land resources. However, similar to Class

⁴⁵ Flex properties are designed to give tenants flexibility in usage and are generally a mix of industrial and office uses. However, there are also more specialized types of flex buildings that serve more specific purposes for industrial tenants, such as

R&D, which is typically used by the biotechnology industry. <https://aquilacommercial.com/learning-center/types-of-industrial-buildings-defined-warehouse-flex-distribution-etc/>.

⁴⁶ CoStar.

A office space, the limited number of deliveries and relatively modest rents may present a barrier to entry for speculative development.

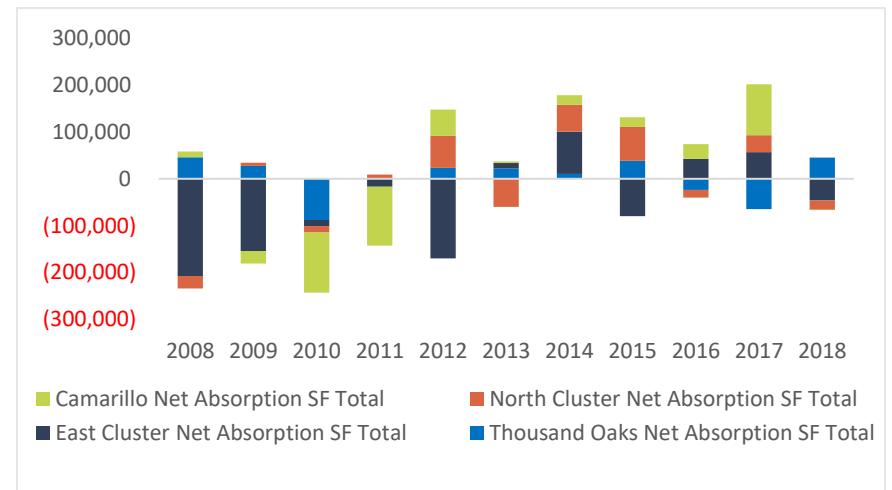
Figure 27: Flex Performance Metrics 2018YE

	Rent (PSF annually)	Vacancy	Inventory (SF)	Inventory Change 2018 (SF)
Thousand Oaks	\$13.20	0.40%	970,803 ⁴⁷	-88,000
East Cluster	\$20.33	4.00%	2,780,029	-492,687
Camarillo	\$14.56	9.90%	735,313	0
North Cluster	\$15.99	3.80%	910,248	+112,098
Total	\$17.53	4.12%	5,396,393	-468,589

Source: CoStar

⁴⁷ This inventory does not include the entirety of Amgen’s campus.

Figure 28: Flex Net Absorption (SF)



Source: CoStar

Industrial Success Factors

Significant demand and low vacancy rates across the region have resulted in rapid absorption of new space. This is especially true for industrial buildings offering a variety of floorplates for tenants of different sizes. Local business leaders have indicated strong demand for smaller industrial spaces to support smaller firms looking to incubate at relatively low costs and eventually grow into larger nearby spaces.

The Conejo Vista Business Center is a new industrial center located on 2600–2736 Conejo Center Drive in Thousand Oaks. Completed in 2018 and comprising of 74,500 square feet of rentable building area (with room to expand), the property is part of the Conejo Valley’s first industrial master-planned business park built in the last 15 years. The buildings offer a variety of space sizes, ranging from about 1,500 square feet to roughly 8,000 square feet. Options are also available for tenants to own their space as an industrial condo. The center quickly achieved a nearly 90 percent occupancy rate in a little over a year. Rents range from \$13.20 and \$19.80 per square foot, well above the regional average.

Conejo Vista Business Center



Location

2600–2736 Conejo Center Dr, Thousand Oaks, CA

Year built

2018

Building Area

74,500 SF

Rents

\$13.20–19.80 PSF NNN

Vacancy

11.6%

Flex Success Factors

Current flex space in Thousand Oaks largely caters to the bioscience industry. Recent flex space developments are following suit. Amenities, such as wet labs, are in high demand, as well as proximity to other bioscience firms, particularly Amgen. Also, as with traditional office space, proximity to other amenities are important in securing tenants with a younger workforce.

Lawrence Drive Building A is a flex R&D building located at 1445-1455 Lawrence Drive in Thousand Oaks, adjacent to the Conejo Vista Business Center. This facility is owned by Takeda Pharmaceutical Company, which owns Shire, Thousand Oaks' sixth largest employer. In addition to housing operations for Takeda and Shire, Baxter Pharmaceuticals is another major tenant in the building. This building's relatively new construction, easy freeway access, and proximity to other bioscience companies, including Amgen, has contributed to its attractiveness. It is currently fully occupied and is achieving \$23.40 per square foot rents, well above the \$13 per square foot generally achieved in Thousand Oaks for flex space.

Lawrence Drive Building A



Location	1455 Lawrence Dr, Thousand Oaks, CA
Year built	2002
Building Area	125,000 SF
Rents	\$23.40 PSF NNN
Vacancy	0%

Hospitality

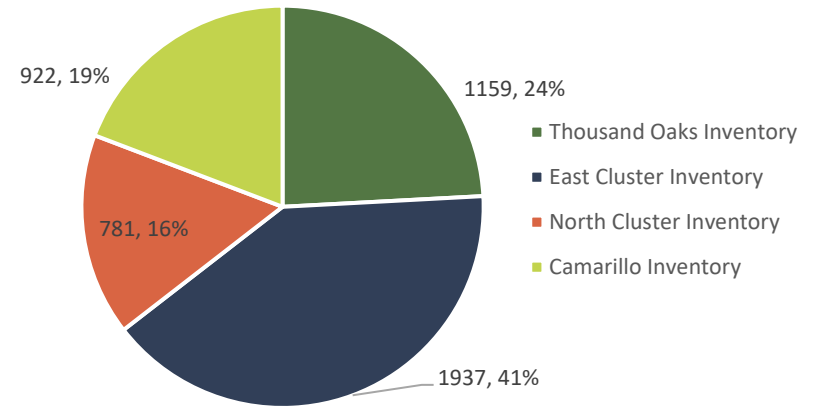
There are roughly 4,800 rooms in Thousand Oaks, the East Cluster, Camarillo and the North Cluster combined. Thousand Oaks accounts for approximately 24 percent of this total inventory. Area hotels are generally considered to be old; with most developed prior to 2000.⁴⁸ Most full-service and upscale hotels are in the East Cluster, while the inventory in Thousand Oaks, Camarillo, and the North Cluster is mostly comprised of economy and midscale hotels.⁴⁹

Despite an aging hotel stock, the Thousand Oaks and Agoura Hills submarket has the highest Average Daily Rate (ADR) of the clusters, at roughly \$180 per night compared to approximately \$120 per night for Camarillo and Simi Valley.⁵⁰ ADR has been growing faster in the Thousand Oaks-Agoura Hills submarket than in Camarillo and Simi Valley, increasing about 18 percent in the last 5 years compared to 13 percent in Camarillo and Simi Valley. Occupancy is high region-wide at over 75 percent for all clusters. These metrics indicate a healthy hotel market in the Thousand Oaks area, which can be leveraged to attract a higher end hotel to support Thousand Oaks' businesses and other travelers.

While the City's ADRs have steadily increased, there has not been any hotel development in Thousand Oaks since the recession. On the other hand, the East Cluster is pursuing two hotel

developments that will add 222 rooms to its inventory by November 2019.

Figure 29: Total Hotel Inventory (Rooms)



Source: STR Ventura County Participation List, STR Los Angeles County Participation List

⁴⁸ STR Ventura County Participation List.

⁴⁹ STR Los Angeles County Participation List.

⁵⁰ The hospitality section of this report employs ADR and occupancy data from the CBRE 2019 Southern California Lodging Forecast, which groups Thousand Oaks and

Agoura Hills as a submarket, as well as including Simi Valley and Camarillo each as individual submarkets. This section also cites STR data on the number of rooms by city, which HR&A was able to aggregate for consistency with the cluster methodology.

Business stays are a large driver of hotel demand. Figure 30 compares the hotel room nights to number of jobs in both Thousand Oaks and Ventura County. It illustrates that Ventura County has roughly twice as many rooms per job than Thousand Oaks. Though Ventura County is likely to see higher room night demand due to a larger tourism base, Thousand Oaks is likely to have a higher demand on average for room nights from its strong jobs base. Strong hotel performance suggests the City may benefit from an additional business-class hotel. Indeed, local business leaders have noted a desire for such facilities to accommodate business-related travelers and provide adequate space for them to host conferences and other business-related activities.

Figure 30: Hotel Performance Metrics 2018YE

Location	Hotel Rooms	Annual Room Nights	2017 Jobs	Room Night to Jobs Ratio
Thousand Oaks	956	219,984	63,980	3.4
Ventura County	8,096	2,293,111	310,992	7.4

Source: Longitudinal Employer-Household Dynamics (LEHD), STR

Hotel Success Factors

Strong demand, as illustrated by ADR data and local business leader input, and the City’s jobs-rich local economy suggests the addition of a business class hotel could be beneficial to the community. The success of business class hotels in the region can be illustrated by the Four Seasons Westlake Village. The development of this hotel, one of the few new hotels in the region, was directly supported by Dole Food Company.

This 5-star hotel located in Westlake Village is also owned by Dole Food Company but is operated by Four Seasons Hotel and Resorts. The hotel was developed in conjunction with a wellbeing center with state-of-the-art medical facilities, onsite physicians, a full-service spa and fitness center, and a conference center. In all, the hotel and wellbeing center employ roughly 600 employees and generate approximately \$1,000,000 annually for the City of Westlake Village.⁵² The ADR at the Four Seasons is roughly \$350,⁵³ which is much higher than current room rates in the Thousand Oaks and Agoura Hills submarket. The hotel is the only luxury hotel built in the area since 1968, driving its relatively higher room rates.

As the number one employment center of Ventura County, and with its several major employers, most notably Amgen, the City could benefit from the addition of a business class hotel. Furthermore, the presence of these major employers could

present a potential opportunity for similar direct industry support for the hotel development.

Four Seasons Westlake Village



Location	2 Dole Dr, Westlake Village, CA
Year built	2006
Number of Rooms	269 keys
Event Space	189,731 SF
Average Daily Rate⁵¹	\$365

⁵¹ This figure was calculated by averaging a nightly rate on a weekday, weekend, and a holiday.

⁵² “Dole Food Co. Selects Four Seasons Hotels and Resorts to Operate 270 room Hotel and Spa in Westlake Village, California,” Hotel Online, 2005.

⁵³ This figure was calculated by averaging nightly rates on a weekday, weekend, and a holiday.

APPENDIX A: ECONOMIC DEVELOPMENT FOCUS GROUP TAKEAWAYS

On July 18th, 2019, HR&A Advisors, Inc. (HR&A) led a focus group meeting on economic development as part of the City of Thousand Oaks General Plan Update. The event focused on soliciting feedback from key stakeholders on existing conditions and identifying local economic strengths, weaknesses, opportunities and threats, as well as sought to begin a conversation on necessary incentives or partnerships to produce the scale of development that is desirable to Thousand Oaks. Below, HR&A has provided a summary of overarching themes that emerged as a result from the discussion.

Summary of Key Takeaways

Assets

- Location
 - Proximity between universities like UCSB, UCLA, and Caltech
 - Near Los Angeles amenities, without urban nuisances
- Open Space
- Managed growth
- High quality of life

- Quality public schools
- High level of safety
- Bioscience industry
 - Diverse
 - Connected in region
- Availability of venture capital

Issues

- Retail
 - Aging retail centers
 - Oversupply of retail market
 - Competition from neighboring cities
 - Decline in traditional retail
 - Auto Mall is key revenue generator for city
 - Different consumption patterns for younger generations
- Jobs
 - Decline in bioscience jobs
 - Decline in overall high-quality jobs
 - Supplemented with lower paying jobs
 - Employers choosing to locate in other communities
- Housing
- Lack of affordable housing options
 - Neighboring cities have pursued multi-family development
 - Unmet demand in Thousand Oaks

- Need to attract young families
 - Decline in Thousand Oaks school enrollment
- Community apprehension about multi-family housing/new housing development
- Laborious entitlement process
 - Pre-application process for new development is costly and time intensive
 - Measure E
 - Results in cumbersome discretionary approval process
 - Lack of quality industrial space
 - Small format buildings are needed
 - Support companies as they grow

Opportunities

- Desire for more amenities on Thousand Oaks Boulevard
 - Success of Tarantula Hill Brewing Company as evidence
- Attract young families and maintain high-quality public schools
- Attract new technology and (bio)science companies or startups
- Synergy between neighboring bioscience companies
- City aid in support for business expansion
- Reposition and revitalize former or declining retail centers
- Increase industrial space to support rising demand
- Streamline entitlement process

- Incentivize private employers to offer shuttles for workers commuting into Thousand Oaks
- Cultivate new identity for Thousand Oaks
 - Attract newcomers
 - Clear vision for the future
 - Promote Thousand Oaks

Enhance

- Building stock of wet lab space
- Diversify housing stock
 - Help fill open jobs
 - Attract recent college graduate/young professionals
 - Attract young families
 - Provide housing options for service workers
- Regional transit
 - Enhance transit options between nearby communities to help elevate commuting
- Diversity city revenue base
 - Over-reliance on retail sales
- Create a Downtown as central focal point
 - Central node of activity
 - Provides entertainment and amenities
 - Attract younger generations
 - Strengthen retail
- Make doing business easier