



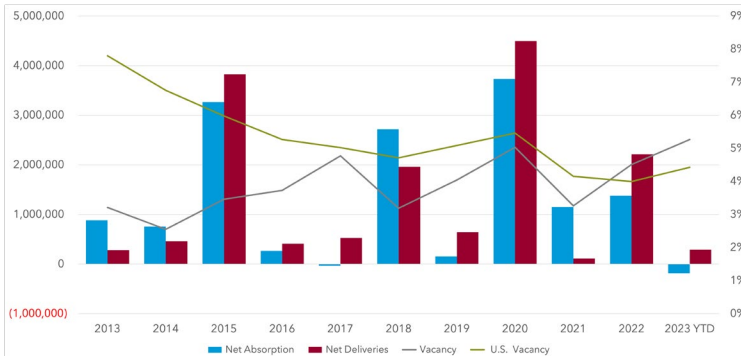
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

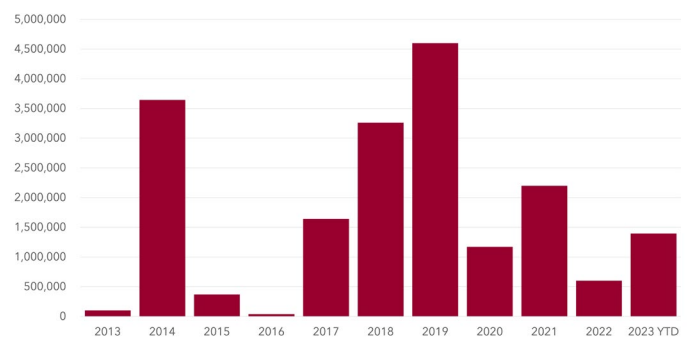
Central California industrial remains strong with logistics leading the way. The rise of e-commerce has increased demand for distribution facilities looking for proximity to southern California markets seeking lower rents and labor costs. Trucks can reach up to 40 million consumers within a four-hour drive. It's ideally located along I-5 & Hwy 99 with easy east/west corridors in Hwy 46 and Hwy 58. Vacancy is trending up at 5.3% and absorption rebounded in late 2022. New spec development at Tejon Ranch show increases in vacancy are more a function of increased supply than weak demand. Rents have grown by 6.5% YOY. Asking rents in Bakersfield are the highest in Central California, due in part to the metro's wealth of modern inventory and two-hour drive to the Port of LA/Long Beach.

| MARKET INDICATORS | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | 1,600,000 | 320,760 | 1,712,725 | 38,820 | 141,949 |
| ▲ Vacancy Rate | 5.3% | 4.5% | 5.6% | 4.9% | 4.1% |
| ▲ Avg NNN Asking Rate PSF | \$9.72 | \$9.60 | \$9.36 | \$9.24 | \$9.12 |
| ▲ SF Under Construction | 1,395,932 | 601,354 | 922,144 | 2,397,492 | 2,368,927 |
| ▲ Inventory SF | 61,800,000 | 61,200,000 | 60,900,000 | 61,500,000 | 61,500,000 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---------------------------------------|-----------|-----------------------------|--|----------------|
| 3747 Standard Road Bakersfield, CA | 61,260 SF | \$4,618,000 \$75.38 PSF | Tomlin Scientific Consolidated Fiberglass Productas | Class B |
| 4401 Stine Road Bakersfield, CA | 43,962 SF | \$5,275,500 \$120.00 PSF | Latitude Business Park, LLC Townsend Industries, Inc. | Class B |
| 810 Derby Street Arvin, CA | 42,770 SF | \$6,900,000 \$161.33 PSF | Derby Arvin, LLC CSP Properties, LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|------------|-------------------|----------------|--------------------|
| 5337 N Wheeler Ridge Tejon Ranch, CA | 240,730 SF | Tejon Ranch | Sunrise Brands | Wholesaler |
| 561 N American Street Shafter, CA | 33,750 SF | Undisclosed | Undisclosed | General Contractor |
| 4201 Armour Avenue Bakersfield, CA | 13,700 SF | James Boylan Inc. | Clean Sleep | Services |

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