



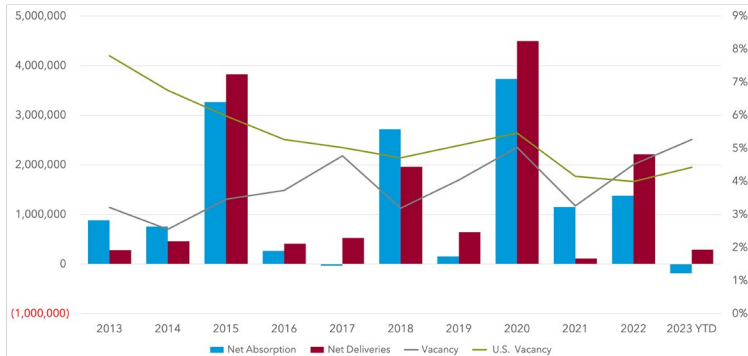
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

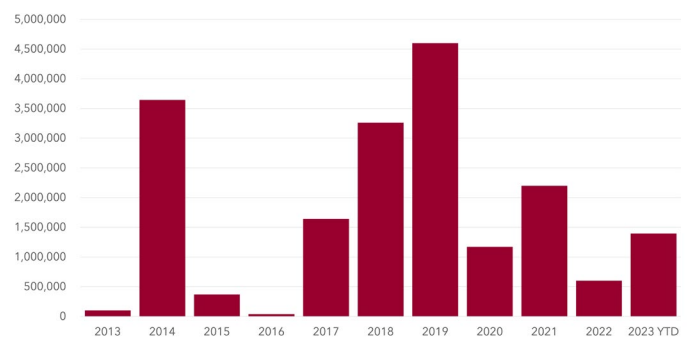
Central California industrial remains strong with logistics leading the way. The rise of e-commerce has increased demand for distribution facilities looking for proximity to southern California markets seeking lower rents and labor costs. Trucks can reach up to 40 million consumers within a four-hour 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

