



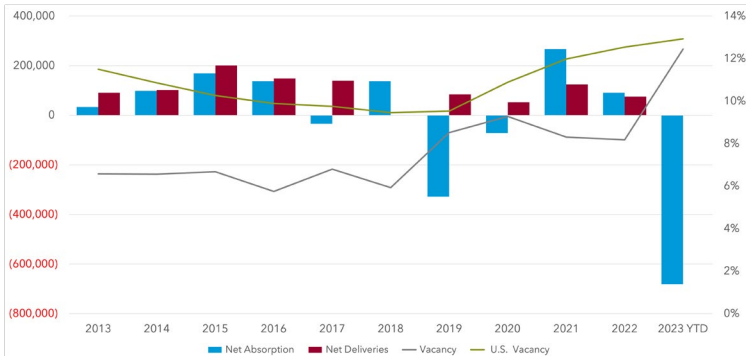
OFFICE MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

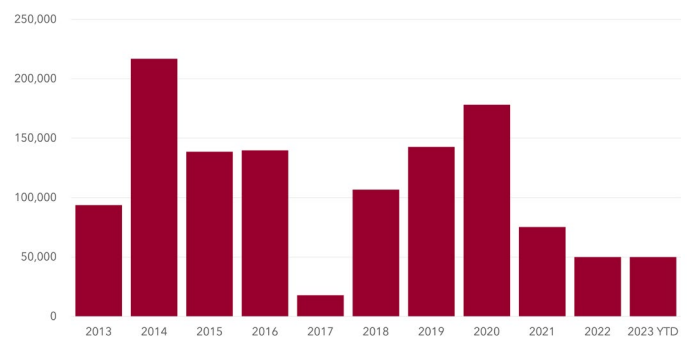
Office rents in the Bakersfield market were rising at a 2.7% annual rate during the second quarter of 2023, and have posted an average annual gain of 3.6% over the past three years. In addition to 220,000 SF that has delivered over the past three years (a cumulative inventory expansion of 1.4%), there is 50,000 SF currently underway. Vacancies were substantially above the 10-year average as of Q1 2023, and trended upward over the past four quarters. Employment in the metro was recently increasing at solid clip of 3.2% year-over-year, or a gain of about 8,900 jobs.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	(681,241)	(108,993)	(16,413)	44,170	172,288
▼ Vacancy Rate	14.06%	5.99%	6.34%	6.55%	5.95%
▲ Avg NNN Asking Rate PSF	\$1.97	\$1.96	\$1.96	\$1.94	\$1.92
◀ ▶ SF Under Construction	50,000	50,000	-	-	15,277
◀ ▶ Inventory SF	15,966,788	15,966,788	15,966,788	15,966,788	15,951,511

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9450-9500 Stockdale Hwy Bakersfield, CA	60,423 SF	\$20,707,000 \$342.70 PSF	Kagr2 Binghamton LLC Binhamton Medical Props, LLC	Class B
1300 18th Street Bakersfield, CA	105,513 SF	\$20,000,000 \$189.55 PSF	County of Kern Assessor Lee Development Group LLC	Class A
900 Old River Road Bakersfield, CA	572,414 SF	\$14,000,000 \$24.46 PSF	Lee Development Group LLC California Resources Corp	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1430 Truxtun Avenue Bakersfield, CA	6,164 SF	David Shoshan	Undisclosed	Undisclosed
5500 Ming Avenue Bakersfield, CA	8,802 SF	Abbey Company	Undisclosed	Undisclosed
8337 Brimhall Road Bakersfield, CA	9,285 SF	Undisclosed	Undisclosed	Undisclosed

