



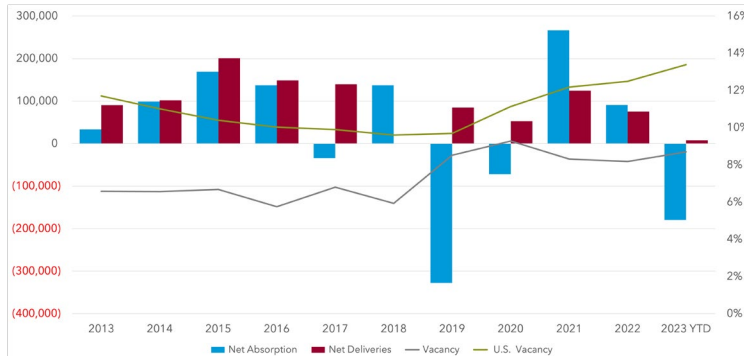
OFFICE MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

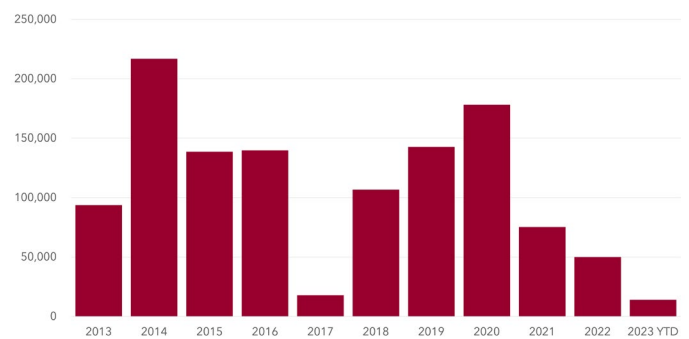
In the Bakersfield office market, vacancy stands at 8.7%, up 1.2% in the last year, matching the national average. Negative absorption reached 180,000 SF with 7,800 SF of new deliveries, resulting in total availability at 12.8% of inventory. Rents have risen 2.0% to \$24.00 per square foot over the past year, totaling a 14.6% increase in three years, however, still below the national average of \$35.00 per square foot. Construction amounts to 14,000 square feet, a 0.1% inventory expansion. In the last year, 57 sales averaged \$174 per square foot, valuing the market at \$160 per square foot. Over a three year period, 240 sales amounted to approximately \$316 million, with a market cap rate of 9.6%, moderately above the three-year average of 9.0%.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	(179,000)	(247,000)	(681,241)	(108,993)	(16,413)
▼ Vacancy Rate	8.70%	9.20%	14.06%	5.99%	6.34%
▼ Avg NNN Asking Rate PSF	\$24.12	\$24.36	\$23.64	\$23.64	\$23.64
▲ SF Under Construction	13,993	9,611	50,000	50,000	0
▲ Inventory SF	16,082,343	16,037,568	15,966,788	15,966,788	15,966,788

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1400 Forum Way Bakersfield, CA	45,306 SF	\$8,300,000 \$183.20 PSF	KC Electrical Jrnymn & App/Bellows Chevron	Class A
5558 California Ave (Catalina Bus Ctr) Bakersfield, CA	20,924 SF	\$3,000,000 \$143.38 PSF	Jose A. Terraquiz Big Sack Properties LLC	Class B
8501 Camino Media Bakersfield, CA	10,144 SF	\$3,250,000 \$320.39 PSF	Elmer F. Karpe, Inc. Bakersfield Land & Cattle	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
California Corporate Center Bakersfield, CA	19,757 SF	DP Cal Corporate Plaza LP	Undisclosed	Undisclosed
Seven Oaks Business Park Bakersfield, CA	14,914 SF	Bolthouse Properties	Undisclosed	Medical
Fountain Court Plaza Bakersfield, CA	10,750 SF	James C. Eckmann Living Family Trust	Undisclosed	Undisclosed

