



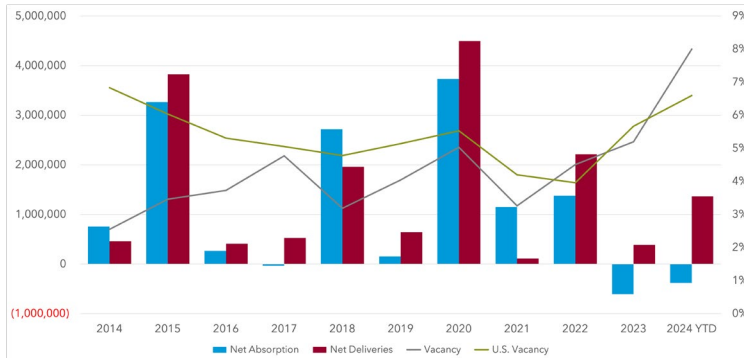
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

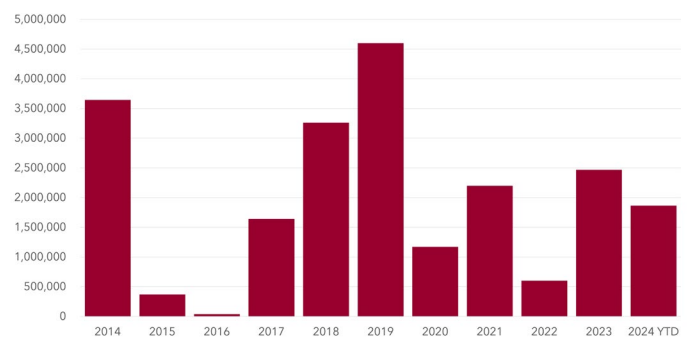
Demand for industrial space in Bakersfield has slowed, with vacancy increasing by 300 basis points over the past year to 8%, the highest in a decade. Rent growth slowed to 1.1% YOY. This trend is expected to accelerate through 2024. New development is a major theme in the market with 1.9M SF underway and 1.4M in deliveries over last 12 months. Investment sales reached \$137M in 2023, a 50% decrease from the record set in 2022. Cap rates rose up to 50 basis points in 2023 and have continued their rise in the first two quarters of 2024. We expect increased activity for the remainder of 2024 with anticipated cuts to interest rates and lower property values bringing more buyers back to the table.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ Qtrly Net Absorption SF	(384,000)	(570,775)	(605,000)	418,000	356,875
▼ Vacancy Rate	7.98%	8.30%	5.20%	5.90%	4.60%
▼ Avg NNN Asking Rate PSF	\$10.01	\$10.04	\$9.84	\$9.96	\$9.84
◀ ▶ SF Under Construction	1,864,490	1,864,490	2,468,000	2,468,000	1,385,975
◀ ▶ Inventory SF	64,307,365	64,307,365	62,109,708	61,920,728	61,639,996

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
15509 70th Street W Mojave, CA	50,400 SF	\$6,000,000 \$119.05 PSF	Oak Creek Industrial Properties LLC Roberts Investments LLC	Class B
11009 Central Valley Highway Delano, CA	48,048 SF	\$3,700,000 \$77.01 PSF	Richard B. Sandrini Living Trust R. B. Sandrini Farms	Class C
2700 Auto Mall Drive Bakersfield, CA	15,000 SF	\$3,200,000 \$213.33 PSF	KMS Mechanics, Inc. Daniel B. & Helene L. Frainer	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4128 Chester Avenue Bakersfield, CA	18,000 SF	Mushmel Properties Corporation	Mila-Tile, Kitchen, Bath	Industrials
5401 Gasoline Alley Drive Bakersfield, CA	12,000 SF	Frank H. Pell	Motor City Sales and Service	Automotive
3700 Pegasus Drive Bakersfield, CA	10,000 SF	Pro Safety and Rescue, Inc.	Outlet Wholesale Distributors	Durable Goods Wholesale

