



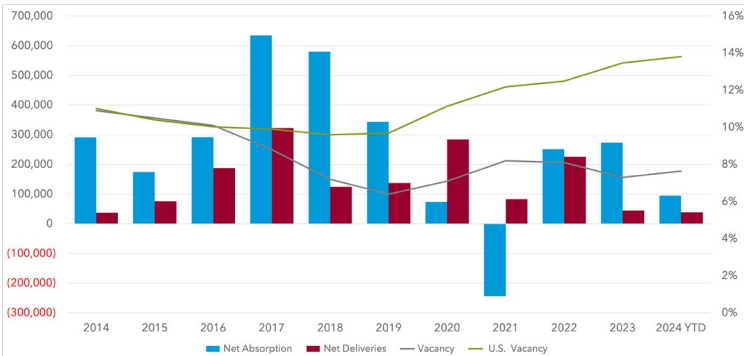
OFFICE MARKET OVERVIEW

ROSS PUSKARICH, Associate

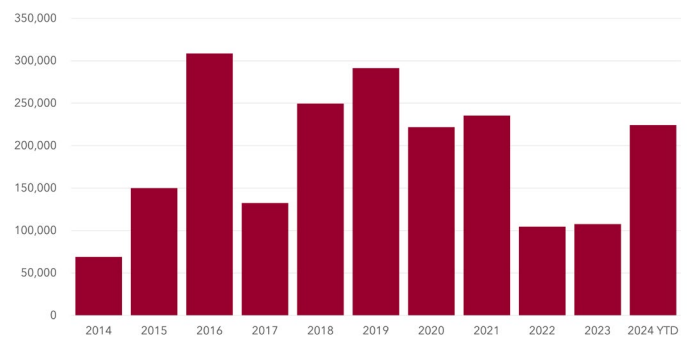
Fresno is the largest office market in California's Central Valley, with over double the inventory of Bakersfield, located 100 miles south. The vacancy rate stands at 7.6%. Strong demand over the past two years has facilitated a modest increase in average rents, which now sit at \$23.00 per square foot. This upward trend has persisted since Q1 2022 and continues into Q2 2024. In the past year, total transaction volume reached \$68.1 million across 69 deals, significantly below the 2017-2019 average of \$115 million. User sales have surged, accounting for nearly 40% of transactions, up from 16% over the previous five years, with an average price per square foot of \$133. Average market cap rates are estimated at over 7.1%.

| MARKET INDICATORS | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 94,900 | 183,000 | 221,454 | 273,346 | 90,766 |
| ▲ Vacancy Rate | 7.64% | 7.60% | 7.70% | 7.30% | 7.80% |
| ▲ Avg NNN Asking Rate PSF | \$23.24 | \$22.47 | \$22.43 | \$22.38 | \$22.38 |
| ◀ ▶ Sale Price PSF | \$173.00 | \$173.00 | \$173.00 | \$175.00 | \$179.00 |
| ▼ Cap Rate | 9.67% | 9.70% | 9.70% | 9.60% | 9.40% |
| ▲ Under Construction SF | 224,343 | 136,111 | 101,000 | 108,000 | 88,800 |
| ▼ Inventory SF | 29,117,428 | 29,111,613 | 29,100,000 | 29,100,000 | 29,100,000 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|-----------|-----------------------------|--|----------------|
| 1821 Fulton Street Fresno, CA | 20,560 SF | \$2,200,000 \$107.00 PSF | United Health Ctrs San Joaquin Vly BH Properties LLC | Class C |
| 5135 N. Blackstone Avenue Fresno, CA | 12,667 SF | \$1,630,000 \$128.68 PSF | TJK Properties LLC Robert E. Boyajian Revocable Trust | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|-------------------------------------|----------|-------------------------------------|---|--------------------|
| 7589 N. Wilson Avenue Fresno, CA | 6,810 SF | Hallaian Properties | Xobee Networks LLC | Technical Services |
| 155 E. Shaw Avenue Fresno, CA | 6,593 SF | LV Silver 7 LLC | Vitalize Behavioral Health Shaw & 41 | Health Care |
| 7485 N. Palm Avenue Fresno, CA | 4,748 SF | Hammerman Capital Management LLC | Academy Mortgage | Mortgage Services |

