



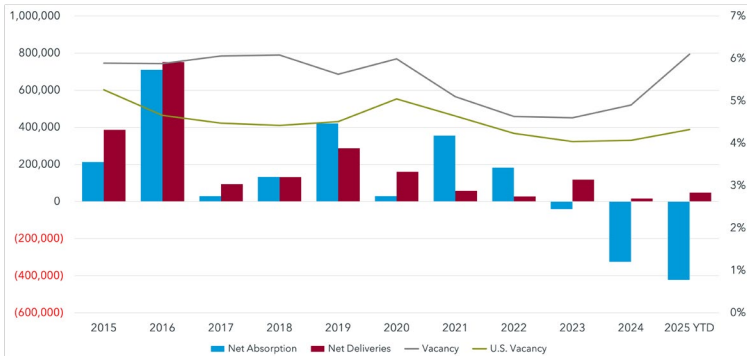
RETAIL MARKET OVERVIEW

AMANDA BROCK, Senior Executive Vice President, Principal

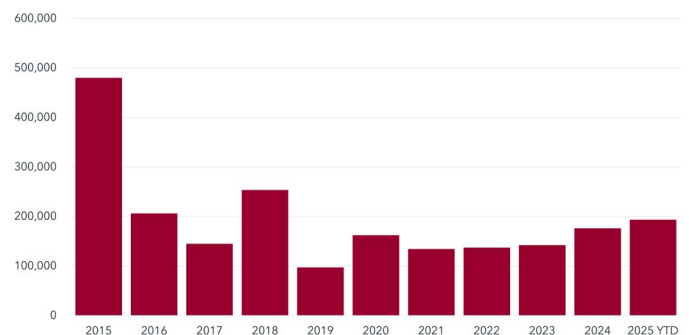
Bakersfield's retail market has expanded modestly over the past decade but faces rising availability, now at 6.2%-above the national average of 4.8%. The increase stems from -410,000 SF of net absorption over the past year, highlighted by KMart's 84,600-SF closure in Tehachapi, one of its final California stores. Demand has shifted toward smaller spaces, with 2024's largest lease being 24,000 SF at 1228 Main Street in Delano to Iron Valley Fitness. Fitness, discount, and healthcare tenants dominate recent activity. Despite weak demand, 190,000 SF is under construction, mostly build-to-suit projects. Rent growth reached 1.3%, led by gains near Bakersfield's south and southwest areas, but rising availability is expected to persist through 2025.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(410,852)	(317,136)	(275,496)	(324,922)	(443,000)
▲ Vacancy Rate	6.10%	5.54%	5.00%	4.90%	4.98%
▼ Avg NNN Asking Rate PSF	\$19.87	\$19.91	\$19.94	\$19.80	\$19.71
▲ Sale Price PSF	\$219.00	\$218.00	\$220.00	\$219.00	\$219.00
◀ ▶ Cap Rate	6.90%	6.90%	6.75%	6.70%	6.69%
▲ Under Construction SF	193,353	184,534	279,353	176,175	162,475
▼ Inventory SF	35,682,873	35,873,178	35,709,154	35,574,080	35,344,331

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
501 N. China Lake Boulevard Ridgecrest, CA	6,000 SF	\$2,070,000 \$345.00 PSF	DRZ Realty LLC JC Brown Family Investment Ptnrs	Multi-Tenant
850 S. China Lake Boulevard Ridgecrest, CA	4,000 SF	\$2,950,000 \$737.50 PSF	Benny & Associates LLC Lusaka Trust	Multi-Tenant
2600 White Lane Bakersfield, CA	3,425 SF	\$6,800,000 \$1,985.40 PSF	SSSB 61 Corp Ham Yam Jeffrey	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1701 30th Street Bakersfield, CA	17,000 SF	Tomas Deltoro-Diaz	NAPA Auto Parts	Automotive
655 Tucker Road & Conway Tehachapi, CA	9,825 SF	Shigehito Onimura	Goodwill	Retailer
9000 Ming Avenue Bakersfield, CA	4,285 SF	First Washington Realty, Inc.	DK Restaurants, Inc.	Food Services

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