



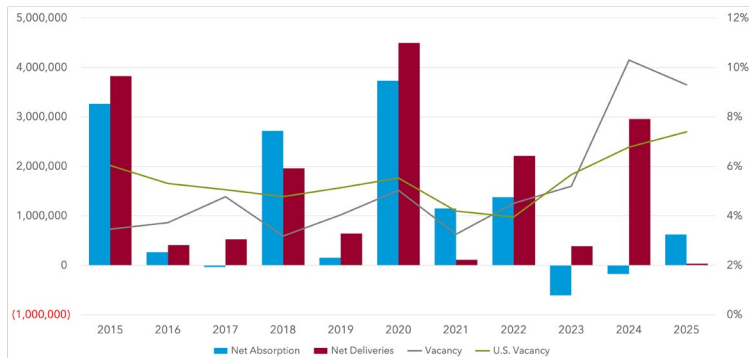
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

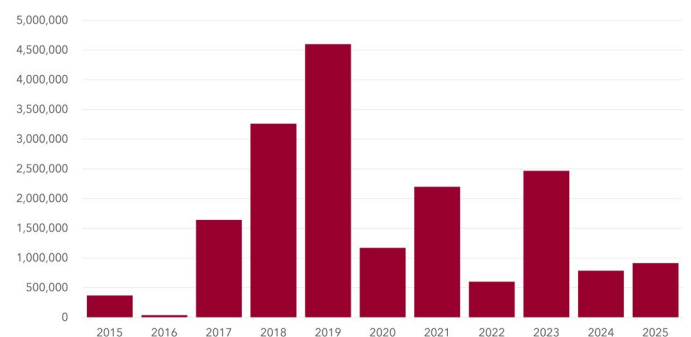
Bakersfield's industrial market remains under pressure as new supply continues to outpace tenant demand. Vacancy rose to 9.7% in Q4 2025, well above the national average, while the market recorded negative net absorption over the past year amid tenant move-outs and muted leasing activity. Asking rents remain among the lowest in California at approximately \$0.80/SF monthly, with rent growth essentially flat. Performance varies by subtype, with logistics properties facing higher vacancy and lower rents while specialized and flex assets remain comparatively tight. Construction activity remains elevated, led by the Nestlé distribution center in Arvin. While rent growth may stabilize in 2026 as development slows, elevated vacancy is expected to temper recovery relative to peer markets.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	624,889	(946,300)	(419,089)	121,551	(174,977)
▼ Vacancy Rate	9.30%	10.50%	10.50%	10.00%	10.30%
▲ Avg NNN Asking Rate PSF	\$9.77	\$9.69	\$10.04	\$9.96	\$10.03
▲ Sale Price PSF	\$117.00	\$115.00	\$111.00	\$110.00	\$108.00
▲ Cap Rate	7.27%	7.26%	7.40%	7.40%	7.47%
▼ Under Construction SF	914,902	1,092,443	1,237,678	1,169,678	788,000
▲ Inventory SF	67,248,762	67,219,780	66,913,883	66,890,640	66,962,856

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
681 Pepper Drive Bakersfield, CA	23,040 SF	\$4,000,000 \$173.61 PSF	Heritage Logistics, Inc. Roadies, Inc.	Class C
21208 Snow Road Bakersfield, CA	16,000 SF	\$3,500,000 \$218.75 PSF	Jonathan Ramirez Ron Burgess	Class C
2481 Deaver Lane Mojave, CA	7,269 SF	\$2,350,000 \$323.29 PSF	Frank E. Sullivan Scott M. Strong	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3800 Fanucchi Way Shafter, CA	536,073 SF	The Wonderful Company	Undisclosed	Undisclosed
6001 Snow Road Bakersfield, CA	37,500 SF	Titan Real Estate Investment Group, Inc.	Undisclosed	Undisclosed
13649 Weedpatch Highway Bakersfield, CA	22,500 SF	Shinda Upple	Hydra-Point Plant Growers	Agriculture

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