



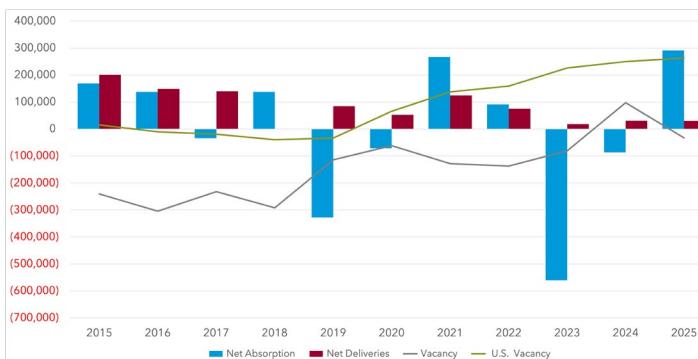
OFFICE MARKET OVERVIEW

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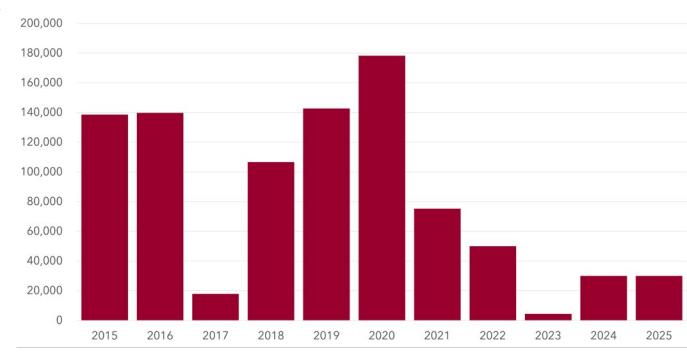
Bakersfield's office market has shown steady improvement over the past year, posting positive net absorption since mid-2024 and totaling approximately 280,000 SF over the trailing 12 months. Vacancy declined to 9.7% in Q4, down from a recent peak of 11.9%, signaling gradually strengthening demand. Construction activity remains minimal, with only one 30,000 SF build-to-suit project underway and preleased, reflecting a cautious development environment. Asking rents average \$25.00/SF and remain relatively stable, with negligible growth over the past year. While base rents have held firm since 2021, tenants continue to retain negotiating leverage through concessions and elevated tenant improvement allowances, keeping overall occupancy costs competitive.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	291,102	310,815	268,076	183,223	(86,934)
▼ Vacancy Rate	9.70%	10.00%	10.20%	10.50%	11.60%
▲ Avg NNN Asking Rent PSF	\$25.16	\$24.12	\$22.85	\$23.28	\$23.81
▼ Sale Price PSF	\$142.00	\$151.00	\$153.00	\$151.00	\$149.00
▲ Cap Rate	10.73%	10.40%	10.30%	10.31%	10.60%
◀ ▶ Under Construction	30,000	30,000	30,000	30,000	30,000
▲ Inventory	16,296,141	16,213,385	16,246,601	16,288,490	16,268,805

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9525 Camino Media Bakersfield, CA	89,253 SF	\$15,700,000 \$175.90 PSF	Clinica Sierra Vista Chevron Corporation	Class B
109 Adkisson Way Taft, CA	9,085 SF	\$2,095,000 \$230.60 PSF	West Side Health Care District Mushtaq Ahmed	Class C
1110 E. Lerdo Highway Shafter, CA	7,437 SF	\$3,345,000 \$449.78 PSF	Olivia Park Graham Commercial Properties LP	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5016 California Avenue Bakersfield, CA	8,202 SF	Steve Blumer	Undisclosed	Undisclosed
900 Truxtun Avenue Bakersfield, CA	5,676 SF	City Centre Plaza	Kern Medical Foundation	Health Care
11905 Bolthouse Drive Bakersfield, CA	4,954 SF	Purpose Driven Home Health	Clinica Sierra Vista	Health Care



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