



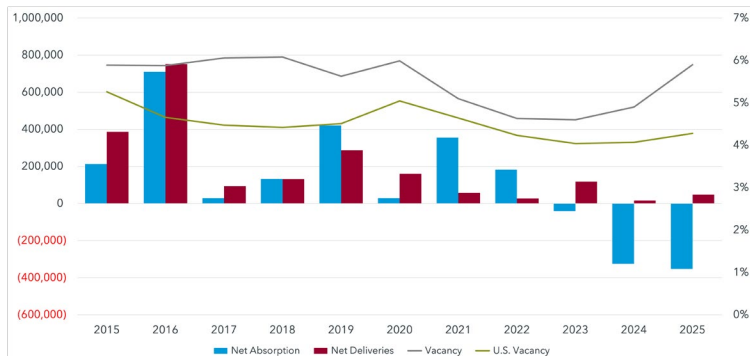
RETAIL MARKET OVERVIEW

AMANDA BROCK, Senior Executive Vice President, Principal

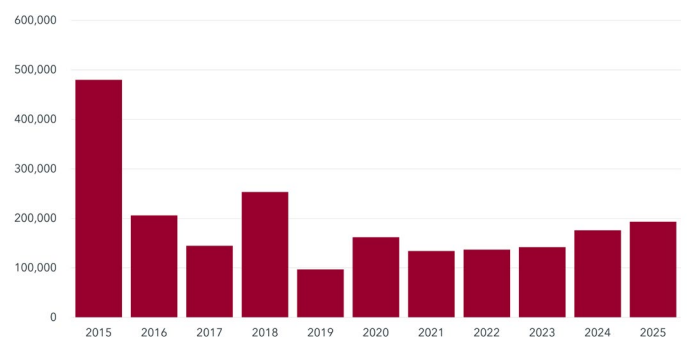
Bakersfield's retail market weakened through 2024 and early 2025 as availability climbed to 5.8% in Q4 2025, exceeding the national average. The market posted negative net absorption of 370,000 SF over the past year, driven in part by large-format move-outs such as Kmart's former 84,600 SF location on West Tehachapi Boulevard. Leasing activity has skewed toward smaller spaces with fitness, discount retail, and healthcare users driving demand, though not enough to offset broader vacancy increases. Construction remains active but largely build-to-suit, totaling 190,000 SF. Softer demand has limited annual rent growth to 1.2%, with further availability increases expected through 2026 amid modest local income growth.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(352,806)	(410,852)	(317,136)	(275,496)	(324,922)
▼ Vacancy Rate	5.90%	6.10%	5.54%	5.00%	4.90%
▲ Avg NNN Asking Rate PSF	\$19.92	\$19.87	\$19.91	\$19.94	\$19.80
▼ Sale Price PSF	\$216.00	\$219.00	\$218.00	\$220.00	\$219.00
▲ Cap Rate	7.00%	6.90%	6.90%	6.75%	6.70%
◀ ▶ Under Construction SF	193,353	193,353	184,534	279,353	176,175
▲ Inventory SF	35,845,889	35,682,873	35,873,178	35,709,154	35,574,080

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1201 24th Street Bakersfield, CA	38,654 SF	\$8,500,000 \$219.90 PSF	SRK Investment, Inc. C&C Acquisition Group	Multi-Tenant
3500 Stine Road Bakersfield, CA	25,739 SF	\$3,225,000 \$125.30 PSF	STORE Capital Corporation Kar/Basu Family Trust	Single-Tenant
1450 S. Union Avenue Bakersfield, CA	24,200 SF	\$3,567,500 \$147.42 PSF	The Jim Pattison Group Morris A. & Carol Tharp 1990 Trust	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12830 Rosedale Highway Bakersfield, CA	16,320 SF	Thrifty Payless, Inc.	Undisclosed	Undisclosed
1125 Olive Drive Bakersfield, CA	8,302 SF	Girl Partners LLC	Autozone	Automotive
10800 Rosedale Highway Bakersfield, CA	6,000 SF	Elmer Karpe	Undisclosed	Undisclosed

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