



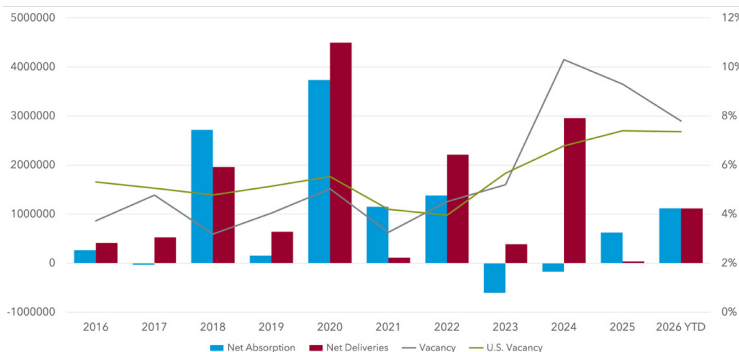
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

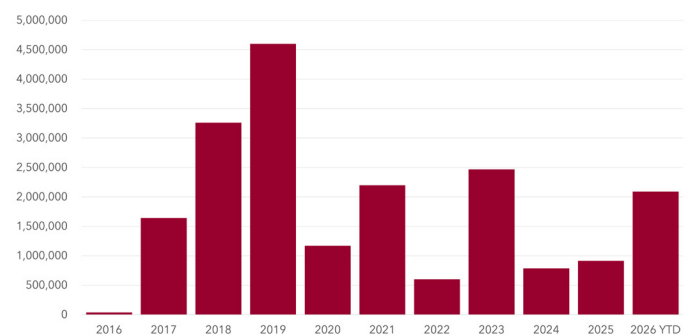
Bakersfield's industrial market showed signs of stabilization in Q3 2026, with vacancy remaining elevated near 8.0% following several years of new supply and softer tenant demand. Leasing momentum has improved, supported by major occupancies including Nestlé's 711,000 SF facility in Arvin and Olde Thompson's 500,000+ SF lease in Shafter. Logistics vacancy has compressed, while specialized manufacturing and flex properties continue to outperform. Average asking rents increased 2.1% year over year, reflecting improving market conditions. Construction activity has moderated significantly, although major developments at Tejon Ranch and Wonderful Logistics Center provide substantial expansion opportunities. Looking ahead, improving demand & limited speculative development should support declining vacancy and modest rent growth.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	1,623,479	1,489,196	(385,265)	624,889	(946,300)
▼ Vacancy Rate	7.80%	9.55%	10.90%	9.30%	10.50%
▼ Avg NNN Asking Rate PSF	\$10.04	\$10.05	\$9.91	\$9.77	\$9.69
▼ Sale Price PSF	\$121.00	\$123.00	\$120.00	\$117.00	\$115.00
▲ Cap Rate	7.45%	7.23%	7.30%	7.27%	7.26%
▲ Under Construction SF	2,090,385	510,385	742,683	914,902	1,092,443
▲ Inventory SF	69,741,228	69,442,139	68,636,008	67,248,762	67,219,780

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5104 Express Ave Shafter, CA	1,088,047 SF	\$152,330,000 \$140 PSF	Amazon Wonderful Company	Class A
3401 N Sillect Ave Bakersfield, CA	67,200 SF	\$8,698,500 \$129.44 PSF	Dirty Bird Industries 3 G Sillect Partners	Class B
205 Quantico Ave Bakersfield, CA	9,316 SF	\$2,300,000 \$246.89 PSF	Clarksean LLC D & S Investment LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5104 Express Ave Shafter, CA	1,088,047 SF	Wonderful Company	Amazon	Distribution
6303 Seven Seas Ave Bakersfield, CA	8,900 SF	Al Thomas Champness	Undisclosed	Undisclosed
4500 New Horizon Blvd Bakersfield, CA	8,400 SF	BRAM Investments LLC	Undisclosed	Undisclosed

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