



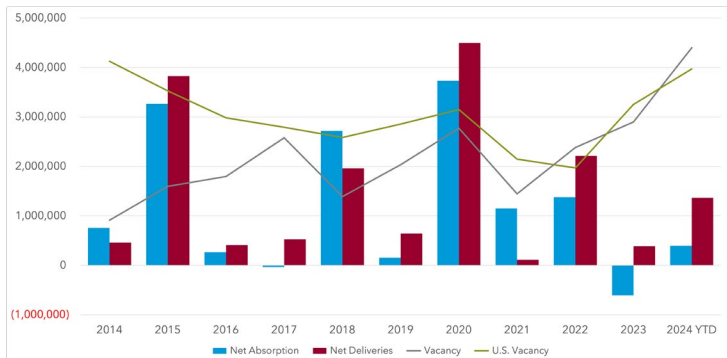
### INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

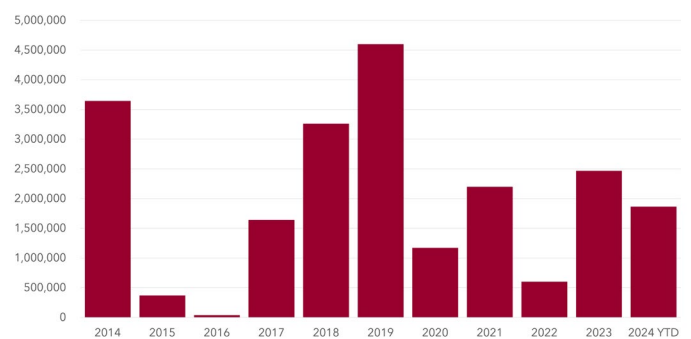
The Industrial vacancy rate increased by over 200 basis points in the past year to 7.2%, the highest in a decade, driven by 400,000 SF of net move-outs. Construction activity remains robust, with 1.9 million SF underway and 1.4 million SF delivered in the past 12 months. Weak demand and rising vacancies are expected to push rent growth into negative territory by the end of 2024. Elevated interest rates and sluggish demand, not expected to recover until late 2025, will likely delay a return to pre-2020 investment levels. Sales activity in 2023 totaled \$137 million, a 50% drop from 2022, with cap rates rising 30-50 basis points to 6.3%. The average YTD sale price is \$140 PSF across 58 transactions.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	375,235	(384,000)	(570,775)	(605,000)	418,000
▼ Vacancy Rate	7.30%	7.98%	8.30%	5.20%	5.90%
▼ Avg NNN Asking Rate PSF	\$9.92	\$10.01	\$10.04	\$9.84	\$9.96
▼ Sale Price PSF	\$107.00	\$108.00	\$108.00	\$108.00	\$108.00
▲ Cap Rate	7.38%	7.35%	7.28%	7.18%	7.03%
▲ Under Construction SF	1,865,090	1,864,490	1,864,490	2,468,000	2,468,000
▲ Inventory SF	65,097,554	64,307,365	64,307,365	62,109,708	61,920,728

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2501 Gateway Avenue Bakersfield, CA	9,750 SF	\$1,750,000 \$179.49 PSF	James Barlow Lee Shaw	Class C
7101 Downing Avenue Bakersfield, CA	9,391 SF	\$2,300,000 \$244.92 PSF	Watkins Family Trust Sukhvir Singh Sidhu	Class C
2825 Standard Street Bakersfield, CA	8,500 SF	\$2,000,000 \$235.29 PSF	Ogden Living Trust Michael J. Porter Trust	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5408 Express Avenue Shafter, CA	1,058,373 SF	Rexco Norco LLC	Undisclosed	Distribution
6001 Snow Road Bakersfield, CA	102,000 SF	Titan Real Estate Investments Group, Inc.	Country Sweet Produce	Produce
21728 Rosedale Highway Bakersfield, CA	18,750 SF	Patterson Rosedale Highway LLC	Aggreko LLC	Oil & Gas

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