



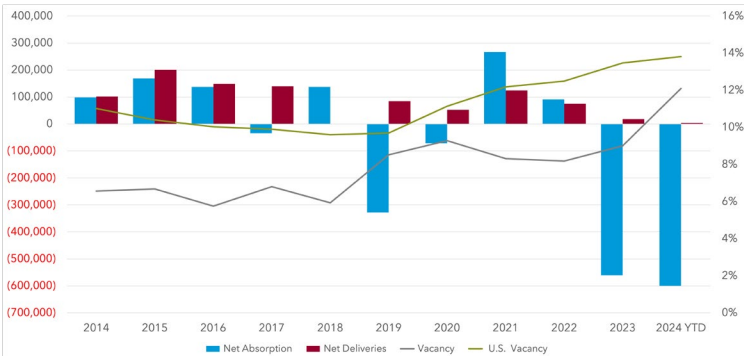
### OFFICE MARKET OVERVIEW

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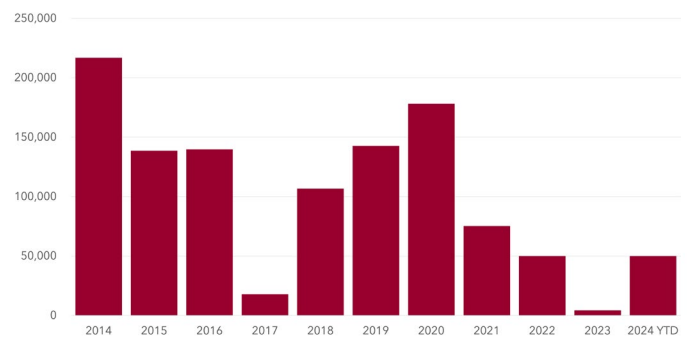
Office vacancy rate has risen by nearly 400 bps over the past year, reaching 12.1%, though below the national average of 13.9%. New construction activity is minimal, with only one 50,000-square-foot property added on a BTS. Bakersfield remains a low-cost market, with average office rents at \$24.00 PSF. In the past year, 64 office transactions totaled \$85.7 million, maintaining steady transaction velocity despite a challenging lending environment. Over the past five years, the market has averaged \$96.8 million in annual sales volume. As of Q3 24, the average PSF is just under \$192 and with an average cap rate of 7.4%.

| MARKET INDICATORS          | Q3 2024    | Q2 2024    | Q1 2024    | Q4 2023    | Q3 2023    |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | (600,000)  | (606,000)  | (472,898)  | (561,000)  | (179,000)  |
| ▼ Vacancy Rate             | 12.0%      | 12.4%      | 11.2%      | 9.0%       | 8.7%       |
| ▲ Avg NNN Asking Rate PSF  | \$24.07    | \$23.48    | \$23.44    | \$23.40    | \$24.12    |
| ◀ ▶ Sale Price PSF         | \$154.00   | \$154.00   | \$154.00   | \$155.00   | \$157.00   |
| ▼ Cap Rate                 | 9.99%      | 10.00%     | 9.99%      | 9.92%      | 9.77%      |
| ▲ Under Construction SF    | 50,000     | 20,000     | 20,000     | 4,382      | 13,993     |
| ▲ Inventory SF             | 16,274,488 | 16,232,479 | 16,232,479 | 16,246,282 | 16,082,343 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF                     | SIZE      | SALE PRICE                  | BUYER / SELLER   | BUILDING CLASS |
|---|-----------|-----------------------------|--|----------------|
| 2575 Haley Street<br>Bakersfield, CA            | 14,000 SF | \$2,000,000<br>\$142.86 PSF | NRB Properties LLC<br>The Wanlass Trust                                | Class B        |
| 8302 Espresso Drive<br>Bakersfield, CA          | 12,632 SF | \$3,250,000<br>\$257.28 PSF | Mohammed Hugais<br>Roger Allred  | Class B        |
| 4909 Calloway Drive, Bldg. D<br>Bakersfield, CA | 9,248 SF  | \$2,500,000<br>\$270.33 PSF | Infinity Real Estate Holdings LLC<br>Communications & Consulting, Inc. | Class B        |

| TOP LEASE TRANSACTIONS BY SF                   | SIZE      | LANDLORD                               | TENANT                    | TENANT INDUSTRY |
|--|-----------|--|---------------------------|-----------------|
| 9801 Camino Media<br>Bakersfield, CA           | 42,635 SF | State Compensation<br>Insurance Fund   | Undisclosed               | Undisclosed     |
| 4700 Stockdale Highway<br>Bakersfield, CA      | 5,947 SF  | Barbara & Richard L.<br>Ackerman Trust | Laurel Ag & Water         | Wholesaler      |
| 9450-9500 Stockdale Highway<br>Bakersfield, CA | 5,754 SF  | Remedy Medical<br>Properties           | United Neuroscience, Inc. | Medical         |

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