



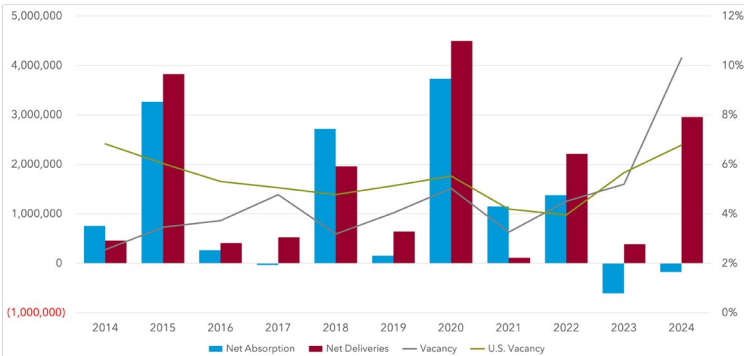
INDUSTRIAL MARKET OVERVIEW

CHAD BROCK, *Managing Principal*

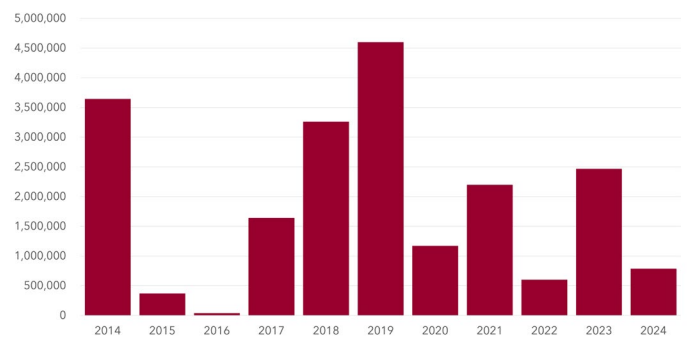
The vacancy rate has risen over 200 basis points year-over-year to 9.9%, marking a decade high. This increase reflects 110,000 SF of negative net absorption due to elevated moveouts and slowing demand in recent quarters. Coupled with a surge in construction completions-2.8 million SF delivered in the past year and 790,000 SF currently underway-the market is experiencing upward pressure on vacancies. Sales activity in 2024 remained consistent with 2023 levels at approximately \$70M, largely user-driven. Looking ahead, we anticipate a boost in sales during 2025, supported by the expiration of committed capital in investment funds requiring deployment within the next 6 to 12 months.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(174,977)	375,235	(384,000)	(570,775)	(605,000)
▲ Vacancy Rate	10.30%	7.30%	7.98%	8.30%	5.20%
▲ Avg NNN Asking Rate PSF	\$10.03	\$9.92	\$10.01	\$10.04	\$9.84
▲ Sale Price PSF	\$108	\$107	\$108	\$108	\$108
▲ Cap Rate	7.47%	7.38%	7.35%	7.28%	7.18%
▼ Under Construction SF	788,000	1,865,090	1,864,490	1,864,490	2,468,000
▲ Inventory SF	66,962,856	65,097,554	64,307,365	64,307,365	62,109,708

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2113 Taft Highway Bakersfield, CA	12,000 SF	\$3,820,000 \$318.33 PSF	Alterra Property Group LLC DFA Holdings	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6001 Snow Road Bakersfield, CA	95,000 SF	Tital Real Estate Investment Group, Inc.	Country Sweet	Produce
2295 Gibson Street Bakersfield, CA	13,612 SF	Willy Reyneveld	Undisclosed	Undisclosed
34967 Imperial Street Bakersfield, CA	12,200 SF	Wonderful Real Estate	H&E Equipment Services	Construction & Equipment Rental

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