BAKERSFIELD

Office Market Trends

2025
MID-YEAR REPORT

"The Bakersfield office market is getting tighter by the day as our overall vacancy rate has fallen below 8% for the first time since before the Covid-19 Pandemic."

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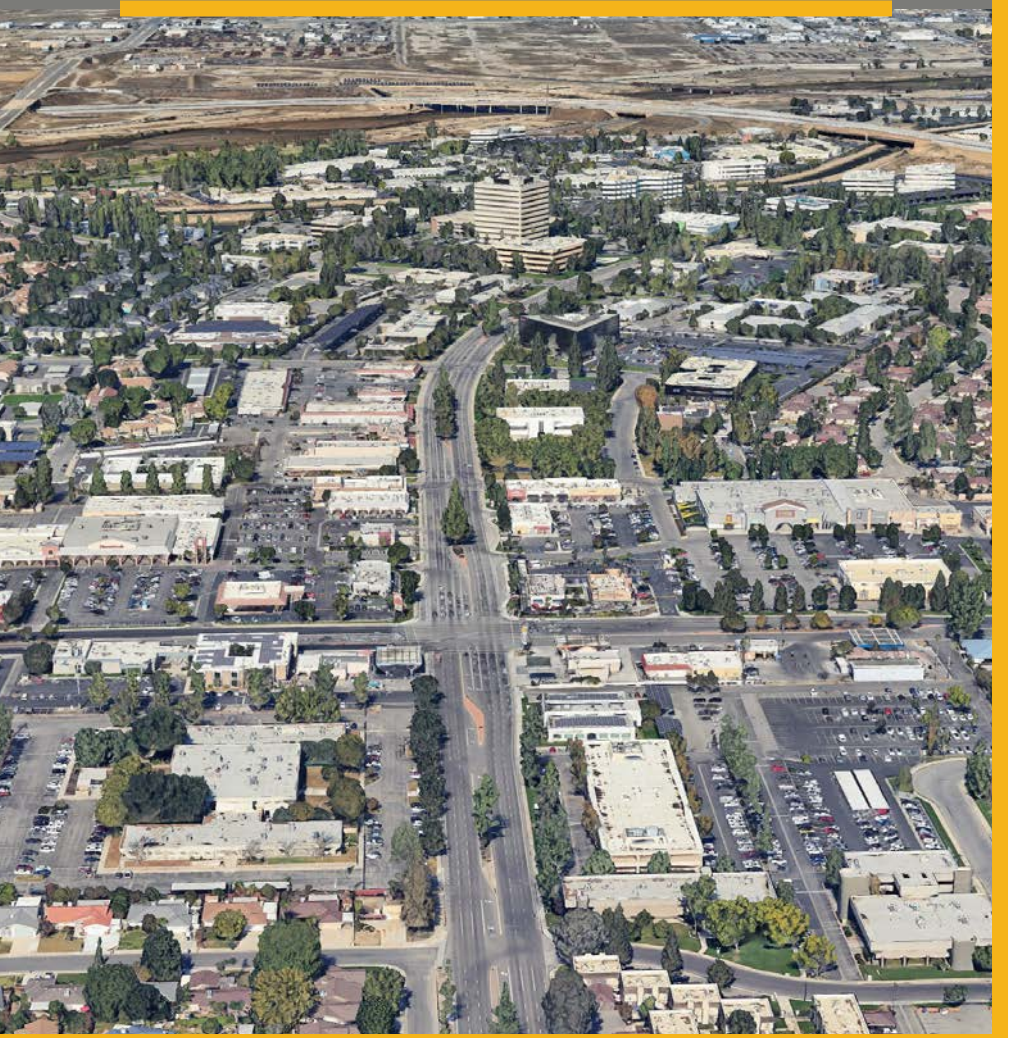
2025

MID-YEAR In Review



California Avenue Office Corridor

The Bakersfield office market is getting tighter by the day as our overall vacancy rate has fallen below 8% for the first time since before the Covid-19 Pandemic. As of the end of the second quarter of 2025, all classes of office space in all submarkets combined have a total vacancy rate of 7.62%. This adjustment reflects a decrease of 10 basis points from January 2025. As is our policy, this survey excludes the functionally obsolete building at 900 Old River Road. If we include 900 Old River, the adjusted vacancy rate would be 13.08%, still a healthy overall market. We experienced net positive absorption of 53,849 square feet during the first half of the year.

Activity for stabilized office building sales has been scarce. Both stabilized and value-add Class B multi-tenant office buildings in the California Avenue office corridor have been offered for sale from late summer 2024 through the middle of 2025. The interest level and market demand have been modest. Pricing does not appear to be the issue as most of the buildings have either been priced well initially or adjusted down to pricing levels that would typically be attractive to investment focused buyers. None of the buildings actively marketed during this timeframe have sold. We believe the reasons for the lack of investment sales activity are multiple, although we think that the most significant are the cost of tenant improvement construction, rising operating expenses associated with utilities and insurance expenses, and lack of substantial rent increases and interest rates. Sales of smaller owner/user type product continue to be sparse due to lack of supply to the market, however demand for this product type remains steady.

The way the market is situated, both with current low vacancy slowly decreasing vacancy since the end of the pandemic, where are tenants going to go when their space needs change? There is little to no new construction office product on the market either for lease or for sale. We understand the barriers to new construction as costs associated with new builds will lead to a new normal for leasing rental rates and tenant participation in finishing tenant improvement buildouts. At some point in the near future, the dam will break and the space needs of tenants, whether it be a desire for larger footprint or an upgrade of quality, will lead to new construction.

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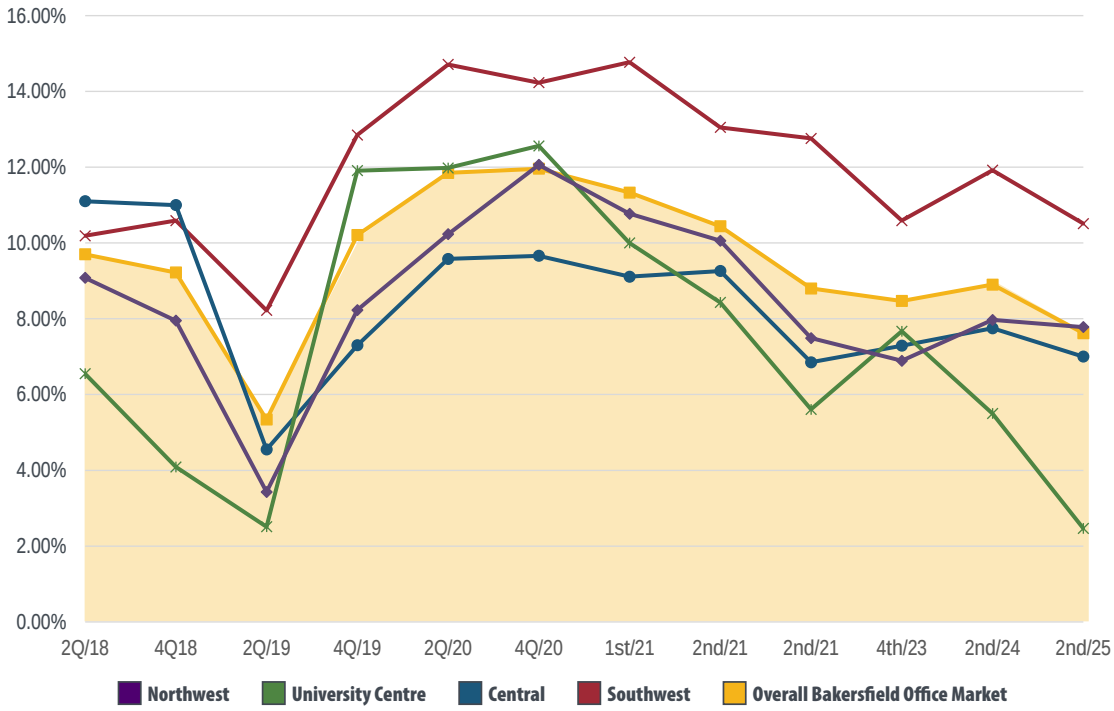
BAKERSFIELD
2025 Office Market Trends

CURRENT CONDITIONS

VACANCY	Lowest vacancy in the Bakersfield Office Market since 2019
COST	Stabilized but high construction and material costs
	High demand for owner/user buyers with little supply
	Increasing utilities and insurance costs
NORMAL	Interest rates have adjusted to a new normal level
$	Low sales activity for Class B multi-tenant office

VACANCY STATISTICS CHART



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Transactions

LEASE TRANSACTIONS

- Assisted Owens Valley Career Development Center in leasing 10,707 square feet of office space at **4300 Stine Road**.
- Represented both the Kern County Superintendent of Schools and Harrell Holdings in leasing 2,800 square feet at **1707 Eye Street**.
- Represented the Landlord in the leasing of 27,657 square feet to the County of Kern at **401 34th Street**.
- Represented the Landlord in leasing **700 Majors Court** to CR England.
- Leased 3,816 square feet for the Landlord at **200 New Stine Road**.
- Extended the lease term for the Landlord of a 52,173 square foot tenant at **1200 Discovery Drive**.
- Represented the Landlord in leasing 3,107 square feet on the ground floor at **5055 California Avenue**.
- Leased 6,322 square feet on the second floor of **5201 California Avenue** for the Landlord.
- Represented the Kern County Superintendent of Schools in leasing 5,700 square feet of space at **1830 F Street**.
- Assisted the Landlord in renewing a tenant that occupied 3,830 square feet at **1500 Haggin Oaks Boulevard**.
- Represented both parties in the sublease of 2,500 square feet to loanDepot at **9100 Ming Avenue**.
- Represented the landlord in the renewal of a lease for 9,590 square feet at **2130 Chester Avenue**.
- Leased 5,535 square feet of medical space at **325 S. Lexington Avenue in Delano, CA**.
- Leased 2,784 square feet of general office space at **5055 California Avenue**.

1707 Eye Street

200 New Stine Road

1500 Haggin Oaks Boulevard

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Transactions

SALES TRANSACTIONS

- Represented the Buyer and Seller in the sale of **4500 Rudnick Court**.
- Represented Bolthouse Properties, LLC in the sale of 1.05 acres of land in the **Seven Oaks Business Park**.
- Represented the Seller in the disposition of **674 Oak Avenue in Wasco, CA**.
- Represented the Seller in the sale of a medical building at **2325 17th Street**.
- Sold the medical office building for the Seller of **3543 San Dimas Street**.
- Represented the Seller in the sale of **801 18th Street** in downtown Bakersfield to Moo Creamery.
- Sold the medical office building at **2317 17th Street**.
- Represented the Seller in the disposition of **2575 Haley Street** occupied by the Social Security Administration.
- Represented the Seller in the sale of **2131 G Street**.
- Sold the multi-tenant office building at **8302 Espresso Drive** for the Seller.
- Represented the seller in the disposition of a stand-alone commercial building in **Hanford, CA**, consisting of approximately 12,000 square feet.
- Sold **2200 Columbus Street**, a stand-alone commercial building of 1,759 square feet.
- Negotiated the purchase on behalf of the buyer for an office facility in **Ventura, CA** consisting of approximately 6,840 square feet.
- Sold **801 Bear Mountain Blvd in Arvin, CA**, a 12,304 SF multi-tenant commercial building.
- Represented the Seller in the sale of the multi-tenant office building at **2000 18th Street**.
- Represented the Buyer and Seller in the sale of the medical office building at **1805 27th Street**.

4500 Rudnick Court

2575 Haley Street

8302 Espresso Drive

Submarket Aerial Map

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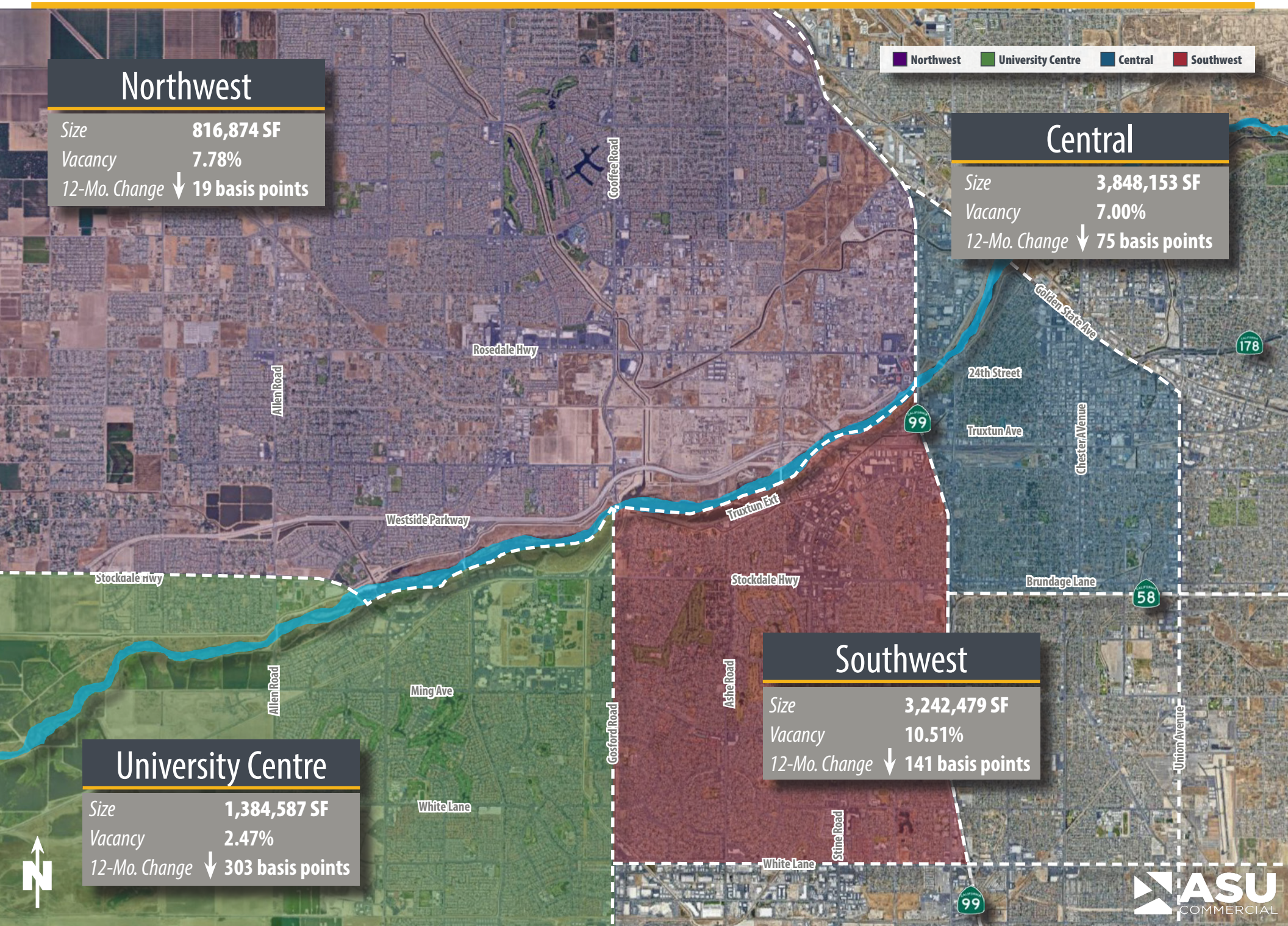
2025 Office Market Trends



Northwest

Size	**816,874 SF**
Vacancy	**7.78%**
12-Mo. Change	**↓ 19 basis points**

Central

Size	**3,848,153 SF**
Vacancy	**7.00%**
12-Mo. Change	**↓ 75 basis points**

Southwest

Size	**3,242,479 SF**
Vacancy	**10.51%**
12-Mo. Change	**↓ 141 basis points**

University Centre

Size	**1,384,587 SF**
Vacancy	**2.47%**
12-Mo. Change	**↓ 303 basis points**

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Submarket Summary

Submarkets	RBA	Avail SF	Vac %	Avg Rent	Absorption
Southwest A	1,153,736	166,649	14.44%	2.01	6,611
Southwest B	1,282,723	133,037	10.37%	1.97	25,892
Southwest C	806,000	40,947	5.08%	1.70	(8,433)
Southwest Totals	**3,242,479**	**340,633**	**10.51%**	**1.92**	**24,070**
Central A	1,524,371	109,602	7.19%	2.05	(9,340)
Central B	1,229,840	54,392	4.42%	1.91	20,689
Central C	1,094,942	105,588	9.64%	1.56	4,672
Central Totals	**3,849,153**	**269,582**	**7.00%**	**1.90**	**16,021**
University Centre A	1,114,026	13,124	1.18%	2.56	6,152
University Centre B	270,561	21,108	7.80%	2.45	5,771
Uni. Centre Totals	**1,384,587**	**34,232**	**2.47%**	**2.55**	**11,923**
Northwest	816,874	63,526	7.78%	2.32	1,835
Northwest Totals	**816,874**	**63,526**	**7.78%**	**2.32**	**1,835**
Grand Total	**9,293,093**	**707,973**	**7.62%**	**2.08**	**53,849**
Overall A	4,609,007	352,901	7.66%	2.25	5,258
Overall B	2,783,124	208,537	7.49%	1.99	52,352
Overall C	1,900,962	146,535	7.71%	1.64	(3,761)

** Absorption square footage and percentage are compared to previous quarter*
***Average Rent is Full Service Gross*

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- ASU Commercial is a full services office brokerage team with more than 90 years of combined experience in the local Bakersfield market to assist you with your real estate needs. Our group provides representation and consultation services for both landlords and tenants. We also actively represent buyers and sellers of both commercial office investment properties and owner/user office facilities.

- Success can be measured by many things, however, we believe the best measurement is the duration of our relationships with our clients. Ultimately, our success can only come through their success.

  ASU Commercial is dedicated to establishing long-lasting client relationships and maintaining a strong commitment to our growing community.

- For more information regarding our services, please contact the Office Services Group at 661.862.5454.

- The information contained herein may have been obtained from sources other than ASU Commercial. We have not verified such information and make no guarantees, warranties or representations about such information. It is your responsibility to independently confirm its accuracy and completeness prior to purchasing/leasing the property.

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