

Offering Memorandum

200 New Stine Road • Bakersfield, CA
Two-Story, Multi-Tenant Office Building

200 NEW STINE

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The enclosed Offering Memorandum package has been prepared solely for informational purposes to assist a prospective purchaser in determining whether it wishes to proceed with an in-depth investigation of the property described herein. It is intended solely for your limited use and benefit in determining whether you desire to express any further interest in the purchase of herein the "Property".

Prospective purchasers are expected to review independently all documents related to the Property as to the accuracy and completeness of the information contained herein. All financial projections are provided for general reference purposes only. These projections have been based upon various assumptions relating to the general economy, competition and other factors beyond the reasonable control of ASU Commercial, and, therefore, are subject to material variation.

ASU Commercial, and its respective officers, employees or agent representatives do not make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Offering Memorandum package or any of its contents. In this Offering Memorandum package, certain documents, are described in summary form. These summaries do not purport to be complete, nor, necessarily, accurate descriptions of the full agreements involved, nor do they purport to constitute a legal analysis of the provisions of the documents. Interested parties are expected to review independently such documents.

By receipt of this Offering Memorandum package, you agree that its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose directly or indirectly this Offering Memorandum package or any of its contents to any other entity (except affiliates or prospective purchasers) without the prior written authorization of the owner and ASU Commercial. You also agree that you will not use this Offering Memorandum package or any of its contents in any manner detrimental to the interest of the Owner and ASU Commercial. Photocopying or other mass duplication of this Offering Memorandum package without the permission of ASU Commercial is prohibited.

The information contained in this Offering Memorandum package was obtained from third parties and/or directly from the owner, and it has not been independently verified by ASU Commercial or its agents. Prospective purchasers should have the experts of their choice inspect the Property and verify all information. Real estate brokers are not qualified to act as or select experts with respect to legal, tax, environment, building construction, soils-drainage, or other such matters. Additional information and an opportunity to inspect the property will be made available to any interested and qualified prospective purchasers.

If prior to or upon your review of this Offering Memorandum package you no longer have any further interest or you do not wish to pursue negotiations leading to this acquisition, please return this Offering Memorandum package in its original form to this submitting agent at:

ASU Commercial • 11601 Bolthouse Drive Suite 110 • Bakersfield, California 93311

The Property described in this Offering Memorandum package may be subject to prior sale, modification and/or withdrawal from the market by the owner at any time without prior notice. Owner and ASU Commercial each expressly reserves the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the property unless and until a written agreement for the purchase of the Property owner's obligations thereunder have been satisfied or waived. The terms and conditions stated in this "Confidentiality and Disclaimer" page will relate to all of the sections contained in this Offering Memorandum package as if stated independently therein.



Property Summary

ASU Commercial is pleased to present for sale 200 New Stine Road, located within one of Bakersfield's most vibrant and active commercial office areas, the California Avenue Corridor. 200 New Stine Road is a two story, multi-tenant office building, constructed in 1975 which has undergone consistent upgrading and remodeling throughout the years. Current ownership has owned and operated the property for more than 25 years. A unique value add opportunity is created by an increase in current vacancy due to a large nearly half building occupant relocating and downsizing to an alternative submarket. This creates the potential for repositioning of the vacancy to capitalize on the increasing rental rate environment of Bakersfield's office market.

Property Details

Address	200 New Stine Road, Bakersfield, CA 93309
APN	194-450-15 (1.71 Acres) 194-450-16 (0.14 Acres) 194-450-24 (0.09 Acres)
Size	Per Rent Roll - 49,244 Square Feet Per Public Record - 53,934 Square Feet
Land Area	1.94 Acres
Year Built	1975
Parking	179 on-site parking stalls
Zoning	C-0, Commercial Office, City of Bakersfield
Submarket	Southwest/California Avenue Corridor

Offering



**Value Add,
Multi-Tenant,
Two Story Office
Building**



**\$4,850,000.00
Fee Simple-All
Cash**



**Building Size
49,244 SF**

- Value Add Multi-Tenant office investment opportunity priced at a deep discount to replacement cost and stabilized market values.
- Owner-user opportunity – With the availability of more than 12,500 square feet of contiguous space on the second floor and flexible leases which could allow for larger owner-user occupancy.
- Irreplaceable location near one of the most heavily trafficked intersections in all of Bakersfield – California Ave/New Stine Road and Stockdale Hwy.
- Located in the geographic center of Bakersfield in the largest office submarket with more than 3.2 million square feet of rentable office space.
- Interior common area remodel recently completed, which included the installation of LED lighting upgrades throughout the common area and the occupied suites.
- Prominent location and visibility along New Stine Road with AADT of 25,143 vehicles (2023). The building features four highly visible monument signs for tenant exposure as well as the opportunity for building signage for a large occupant.
- Located in walking distance from daily needs including gas, banks, grocery, restaurants, etc. Neighbors in the immediate area include: San Joaquin Valley College, Stockdale Podiatry, Daniells, Phillips, Vaugan & Bock, CPAs, Mechanics Bank, In N Out, Chick fil A, Starbucks, USPS, McDonald's, CVS, Vons, Home Goods, Smart & Final Extra, Office Depot and many more.



Occupancy

- 49.14% Occupied by twenty-one tenants. Average suite size of 1,152 square feet.
- 25,046 square feet of current vacancy within eleven vacant suites which are divisible for smaller users or able to be combined for up to 12,553 square feet of contiguous suites.
- Current leases average lease rate of \$1.51 per square foot monthly modified gross. Below market average rental rates allow for growth of income. Most recent leases contracted at \$1.60 per square foot modified gross.



Opportunities

- Conservative existing rents allow for substantial rent growth.
- The recently completed Phase I of model suite construction was well received by the tenant community will all five model suites leased with no additional modifications. Opportunity for further model suite construction yield the quickest path to absorption of vacancy.
- Public record indicates the building is 53,934 square feet, much higher than the rent roll square footage of 49,244 square feet. The seller has artificially capped the load factor at 10%, which is below market and allows for growth of the rentable square footage calculations in the future.
- In-place income covers approximately 97% of budgeted expenses with little variable increase in expenses expected as occupancy increases, allowing for an increasing return projections.

Bakersfield Office Market

- Total market size of approximately 9,250,000 rentable SF.
- 200 New Stine Road is located within the Southwest Bakersfield / California Corridor submarket. This submarket totals approximately 35% of the Bakersfield office market.
- Current citywide vacancy rate of 8.9%, down 106 basis points from mid-year 2023 with consistent vacancy of less than 10% market-wide since early 2022.
- Submarket vacancy rate of 11.92% in all classes of space, down 120 basis points year over year.
- Upward pressure on rental rates market-wide due to declining vacancy rates and high construction costs.

Northwest

Size **816,874 SF**
 Vacancy **7.97%**
 12-Mo. Change **↑ 36 basis points**

Central

Size **3,808,781 SF**
 Vacancy **7.75%**
 12-Mo. Change **↔**

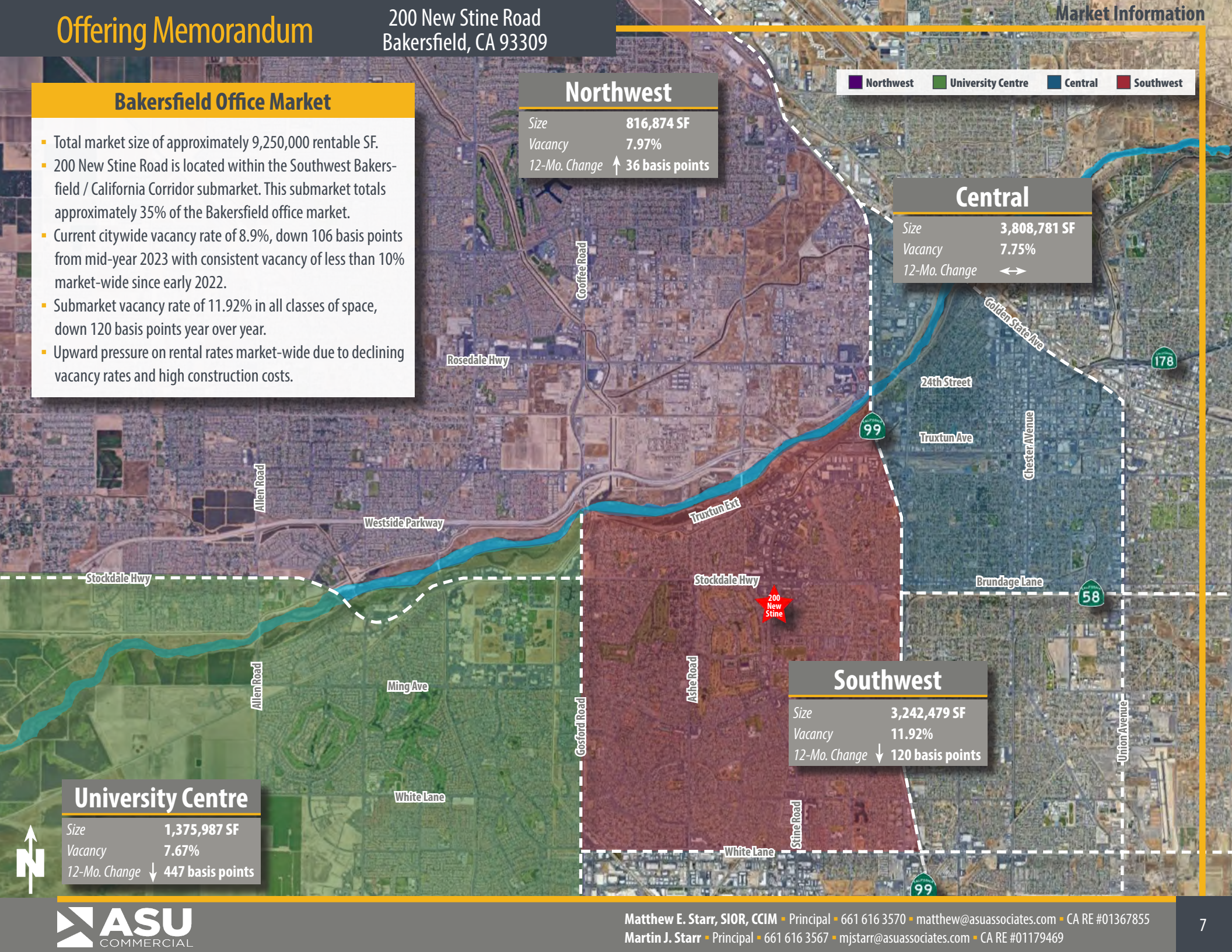
Southwest

Size **3,242,479 SF**
 Vacancy **11.92%**
 12-Mo. Change **↓ 120 basis points**

University Centre

Size **1,375,987 SF**
 Vacancy **7.67%**
 12-Mo. Change **↓ 447 basis points**

Northwest University Centre Central Southwest

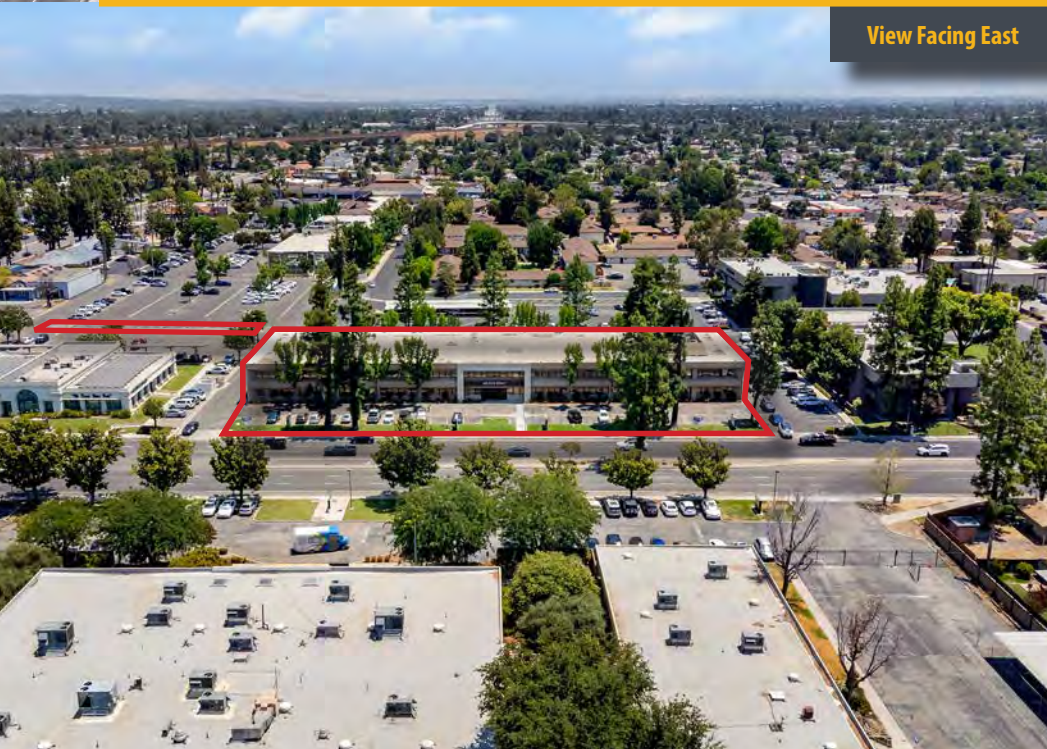




View Facing North



View Facing South



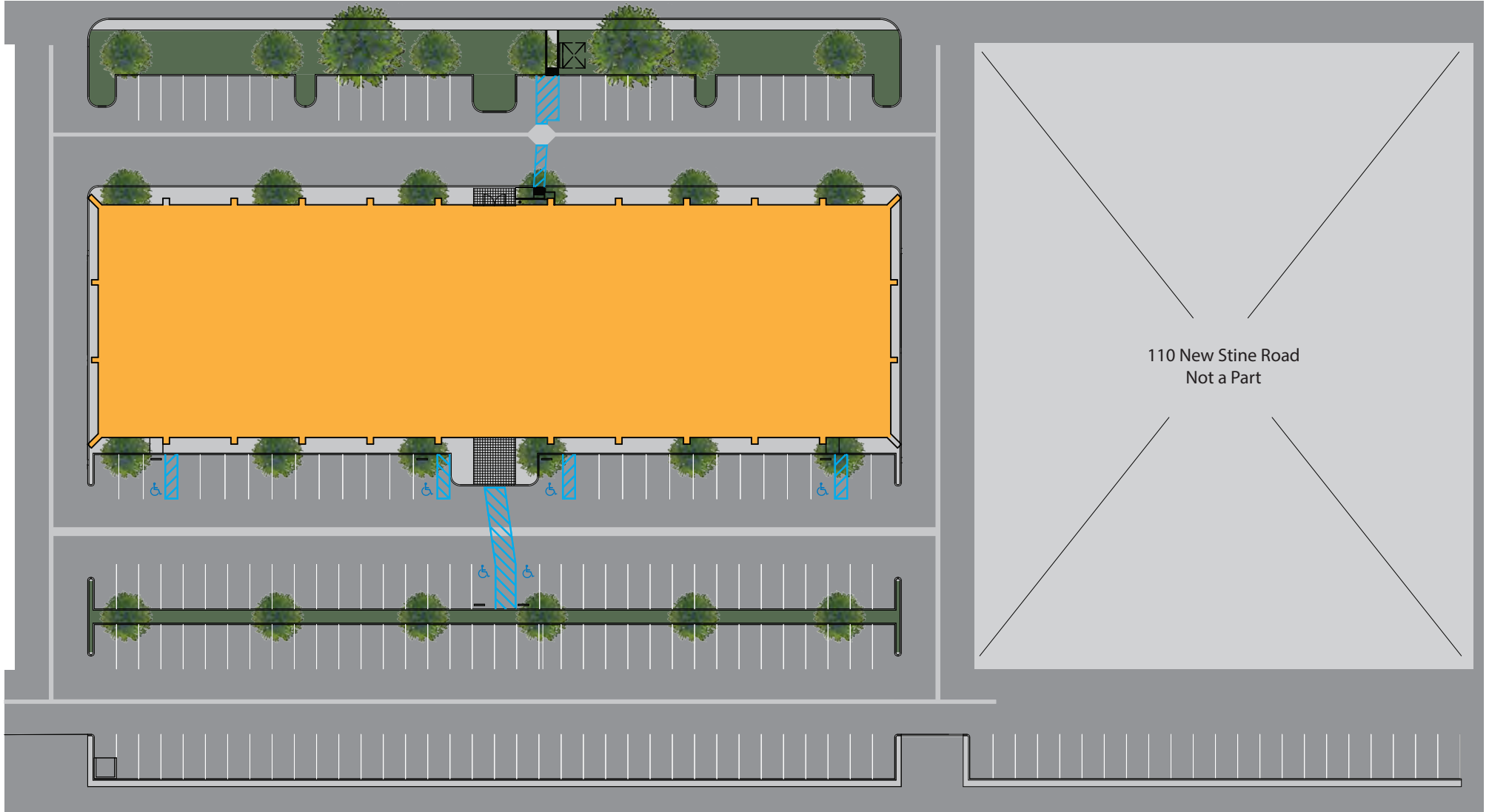
View Facing East



View Facing West



New Stine Road

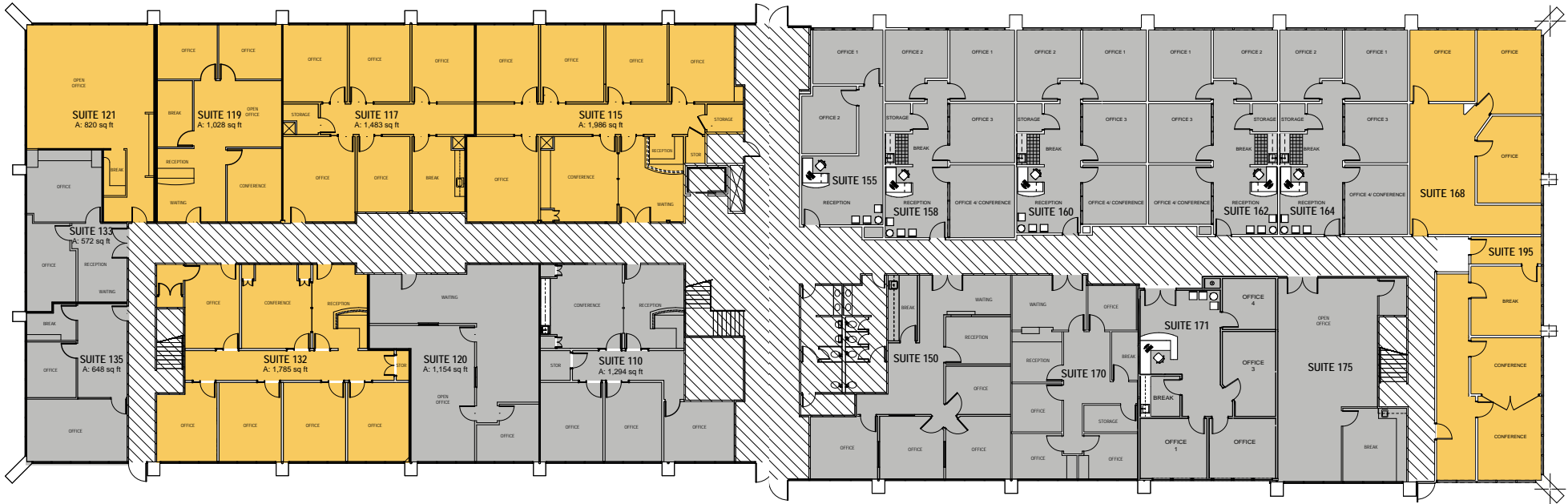


*Plans deemed to be accurate, but not guaranteed. Plan not to scale.

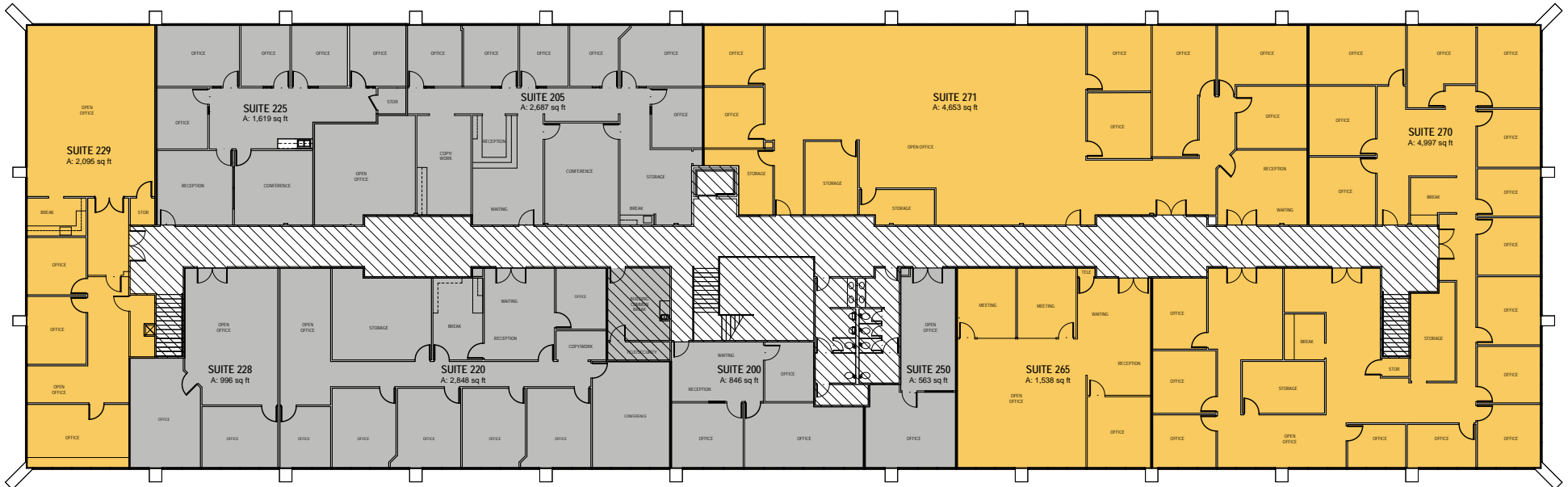


Ground Floor

■ Leased
■ Available



Second Floor



*Plans deemed to be accurate, but not guaranteed. Plan not to scale.



Subject Property - 200 New Stine Road

Submarket	Southwest/California Corridor
Sale Price	\$4,850,000.00
Size	49,244 SF
Price PSF	\$98.49
Sale Date	On Market
Comments	- Approximately 49.14 % occupied. Value add, multi-tenant office investment opportunity.



5005 Business Park N

Submarket	Southwest/California Corridor
Sale Price	\$2,350,000.00
Size	23,128 SF
Price PSF	\$101.61
Sale Date	02/19/2024
Comments	- Fully vacant building sold to a user. 1983 Construction and in need of cosmetic improvements throughout.



901 Tower Way

Submarket	Southwest/California Corridor
Sale Price	\$3,860,000.00
Size	26,602 SF
Price PSF	\$145.10
Sale Date	10/19/2023
Comments	- Fully vacant except for the seller lease back of 3,896 SF upon sale. Motivated user purchase with plans to convert for an educational use.



4560 California Avenue

Submarket	Southwest/California Corridor
Sale Price	\$2,500,000.00
Size	22,934 SF
Price PSF	\$109.01
Sale Date	03/17/2020
Comments	- Approx. 50% occupied at time of sale. Buyer moved into 28% of the building SF after purchase realizing immediate stabilization of the rent roll.



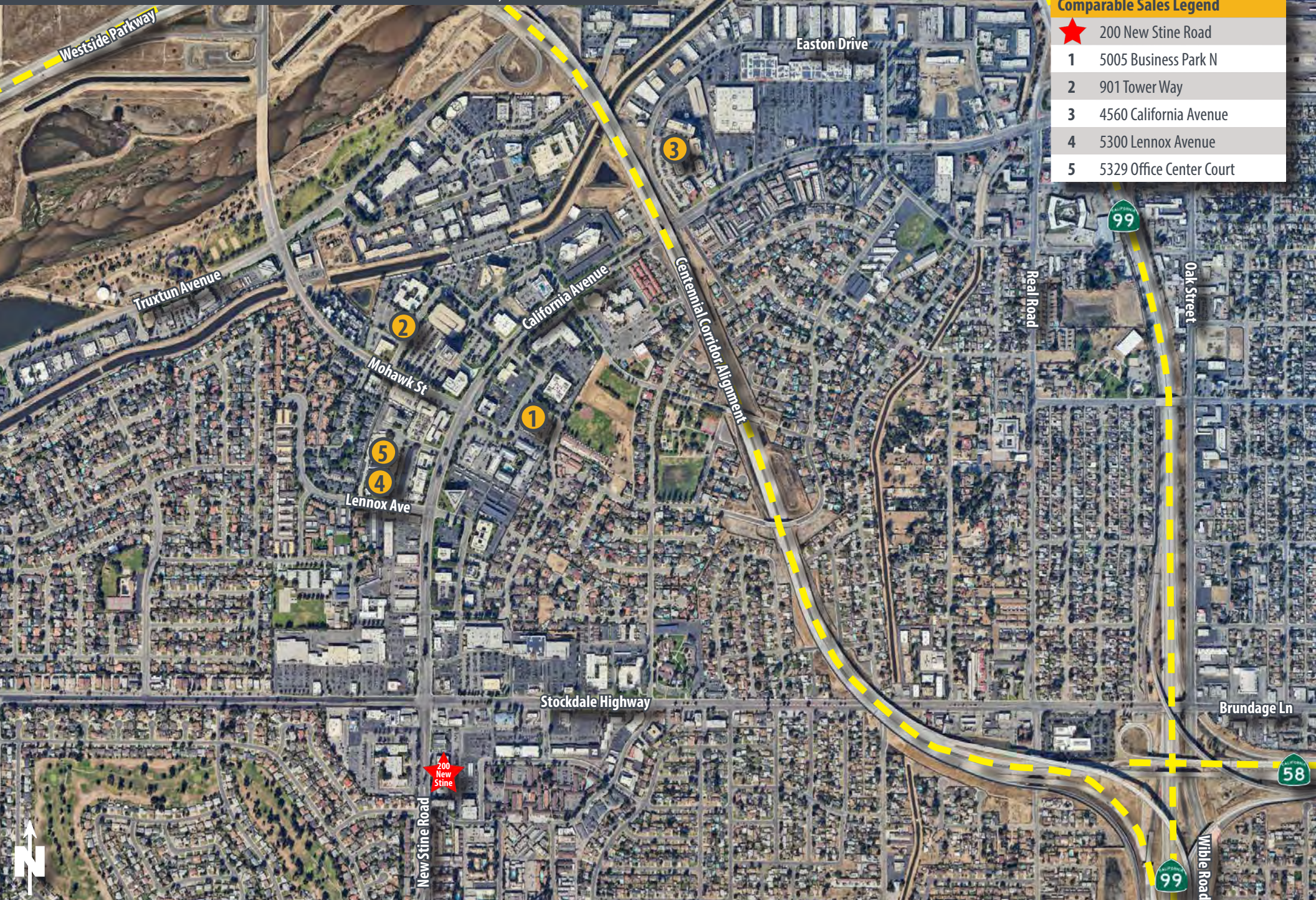
5300 Lennox Avenue

Submarket	Southwest/California Corridor
Sale Price	\$1,758,279.00
Size	19,399 SF
Price PSF	\$90.64
Sale Date	03/05/2020
Comments	- Approx. 68.5% leased at time of sale. Value add investment purchase along with the neighboring 5329 Office Center Court.



5329 Office Center Court

Submarket	Southwest/California Corridor
Sale Price	\$2,591,721.00
Size	27,813 SF
Price PSF	\$93.18
Sale Date	03/02/2020
Comments	- Approx. 60.5% leased at time of sale. Value add investment purchase along with the neighboring 5300 Lennox Avenue.



Comparable Sales Legend

- ★ 200 New Stine Road
- 1 5005 Business Park N
- 2 901 Tower Way
- 3 4560 California Avenue
- 4 5300 Lennox Avenue
- 5 5329 Office Center Court

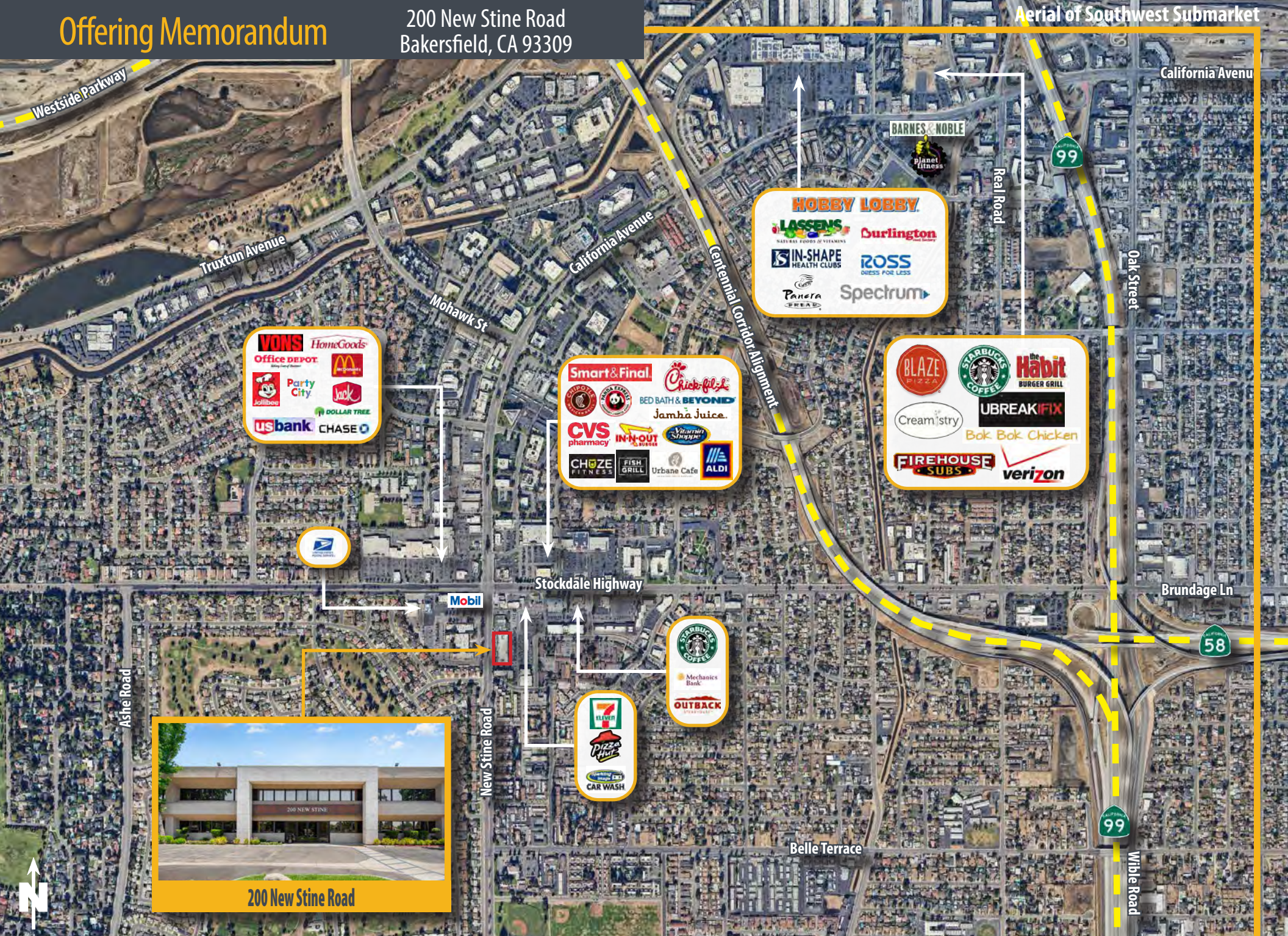




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200 New Stine Road
Bakersfield, CA 93309

Aerial of Southwest Submarket



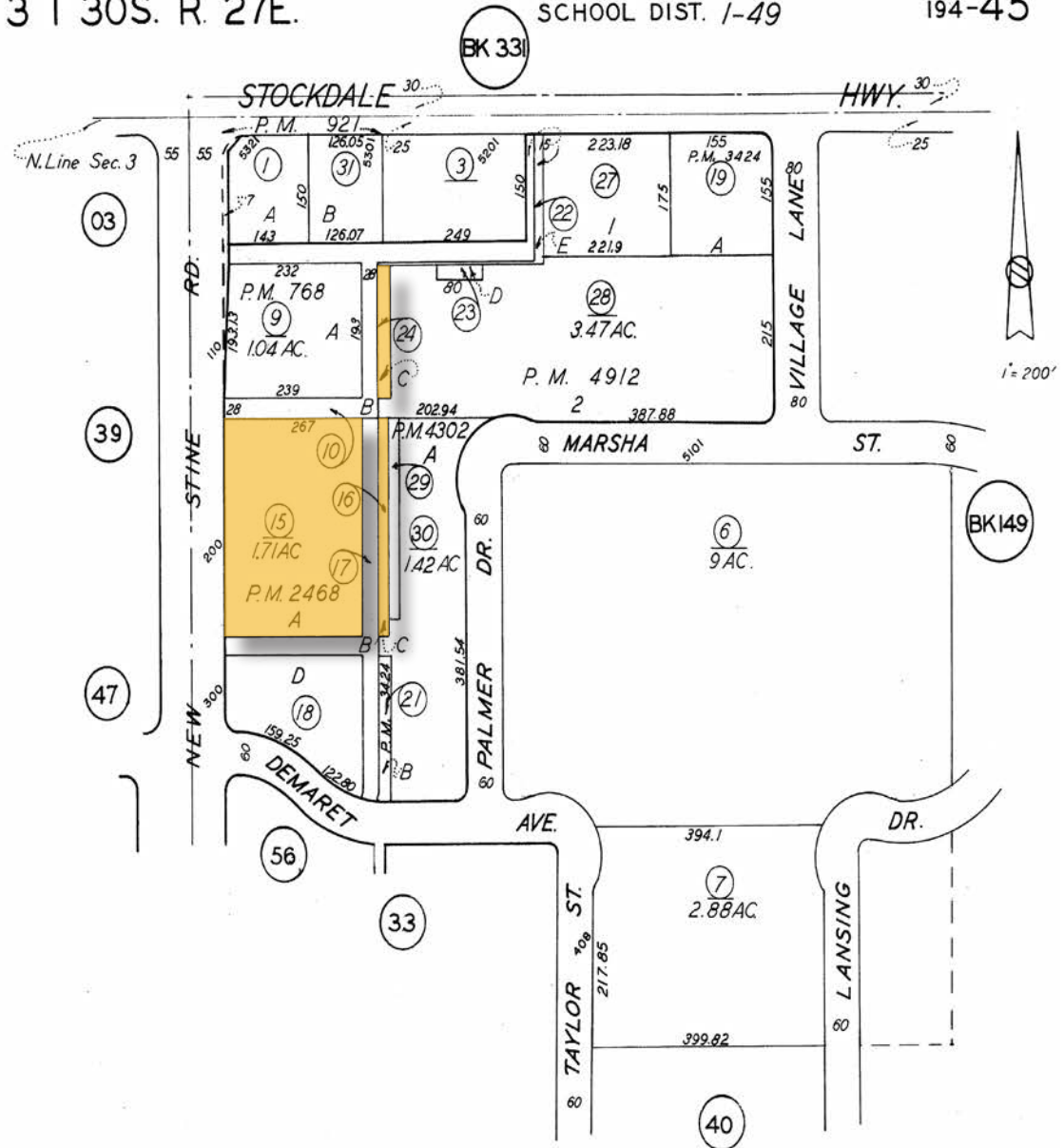
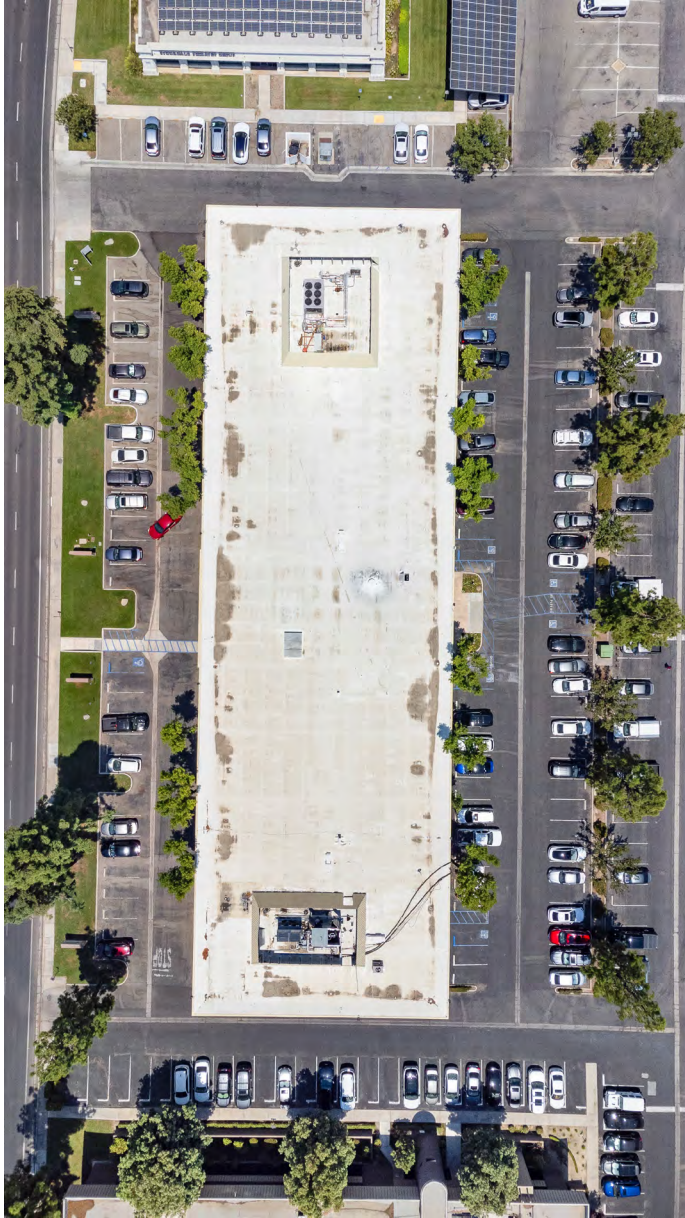
200 New Stine Road

194-45

PTN. NE1/4 SEC 3 T 30S. R. 27E.

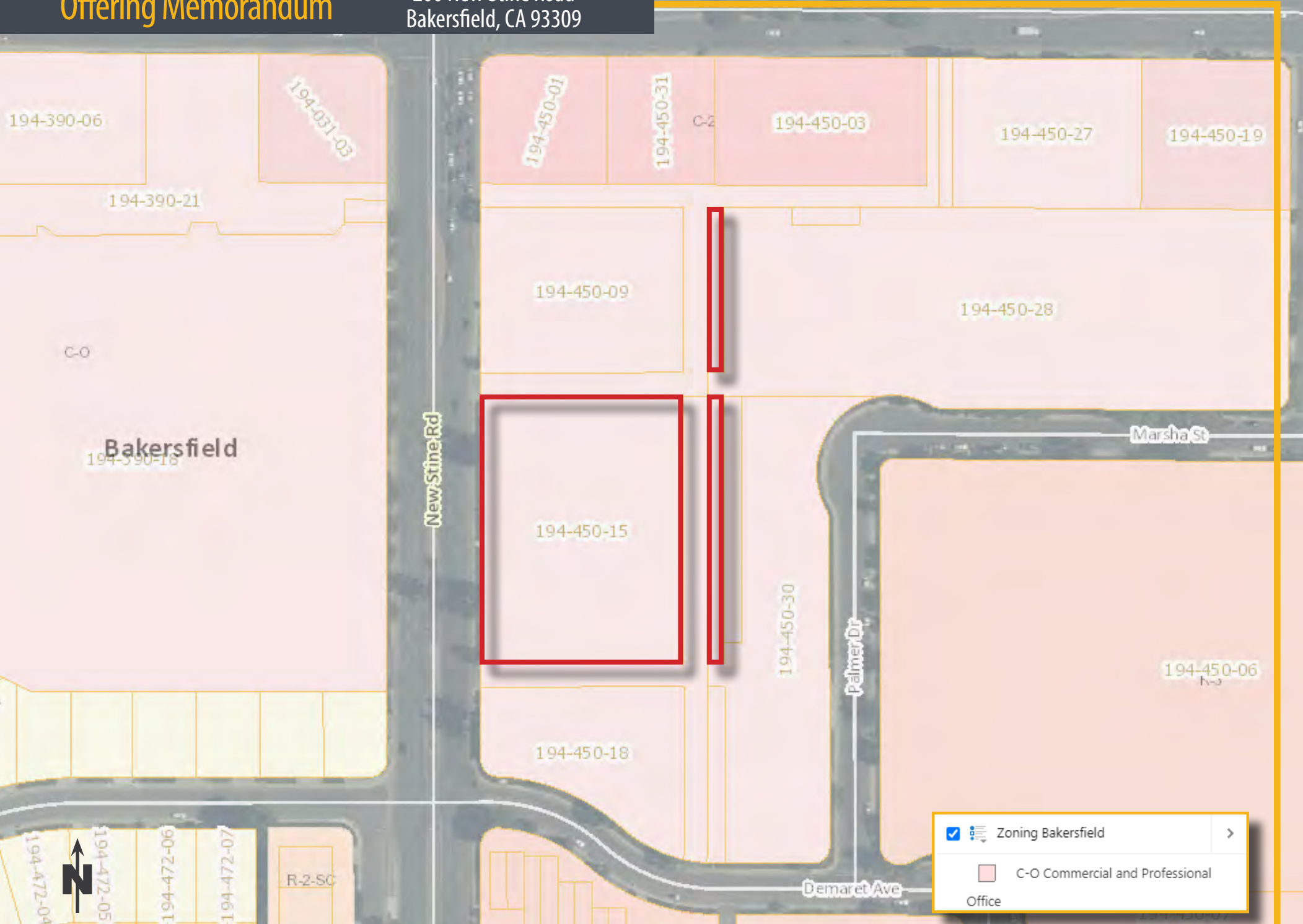
SCHOOL DIST. 1-49

194-45



Revised: 6/11/02

Note: This map is for assessment purposes only. It is not to be construed as portraying legal ownership or divisions of land for purposes of zoning or subdivision law.



Zoning Bakersfield >

C-O Commercial and Professional Office

1 mile

2 miles

3 miles

INCOME



\$52,688

Median Household Income



\$29,192

Per Capita Income



\$50,608

Median Net Worth

INCOME



\$61,433

Median Household Income



\$32,213

Per Capita Income



\$82,099

Median Net Worth

INCOME



\$61,033

Median Household Income



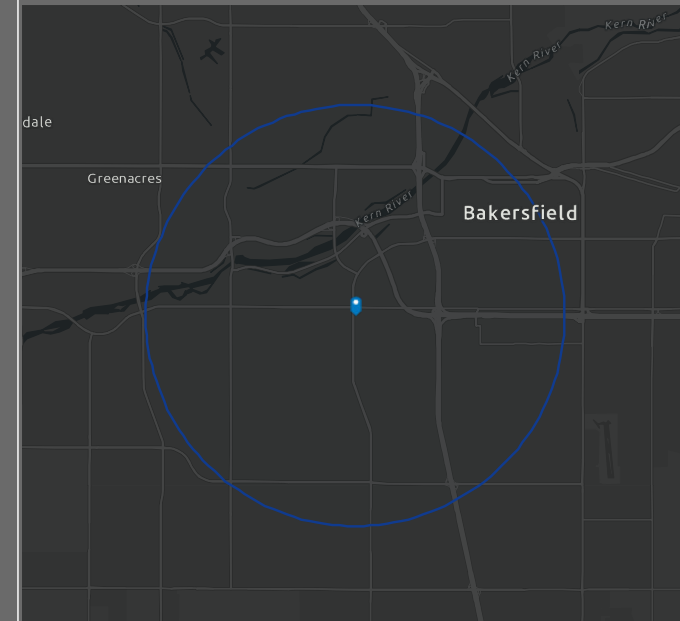
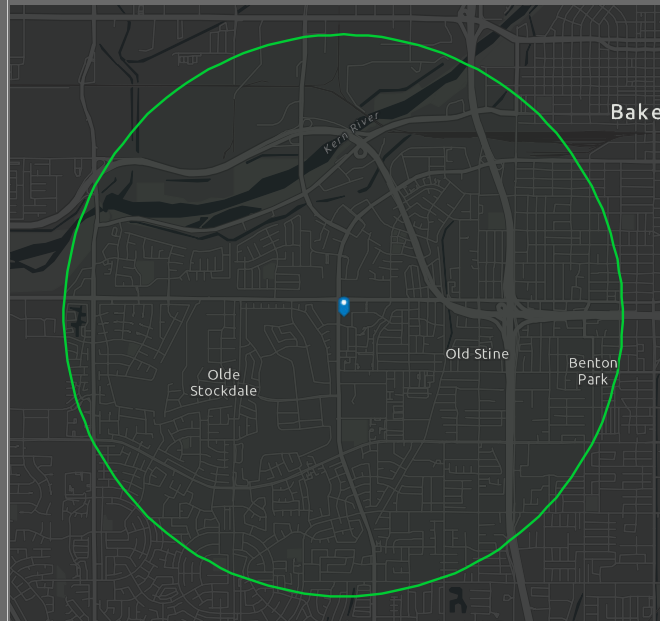
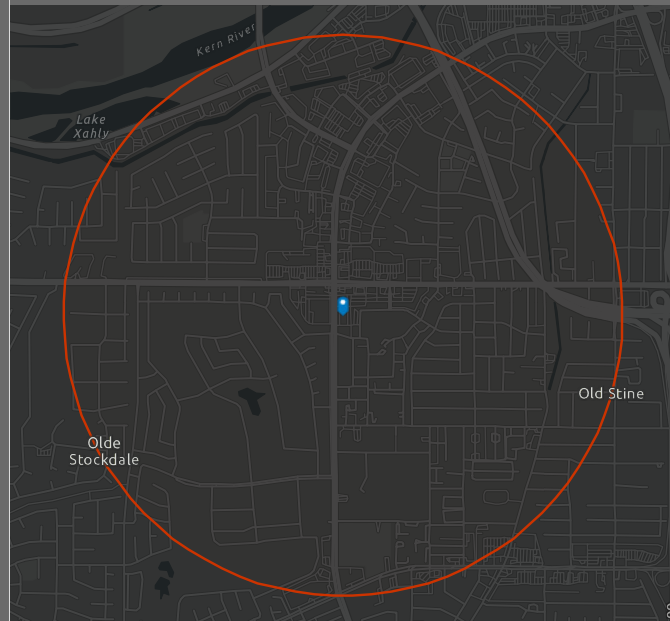
\$31,469

Per Capita Income



\$79,103

Median Net Worth



KEY FACTS

16,705

Population

34.5

Median Age



6,700

Households

\$44,259

Median Disposable Income

KEY FACTS

55,984

Population

34.3

Median Age



21,054

Households

\$51,689

Median Disposable Income

KEY FACTS

114,392

Population

34.0

Median Age

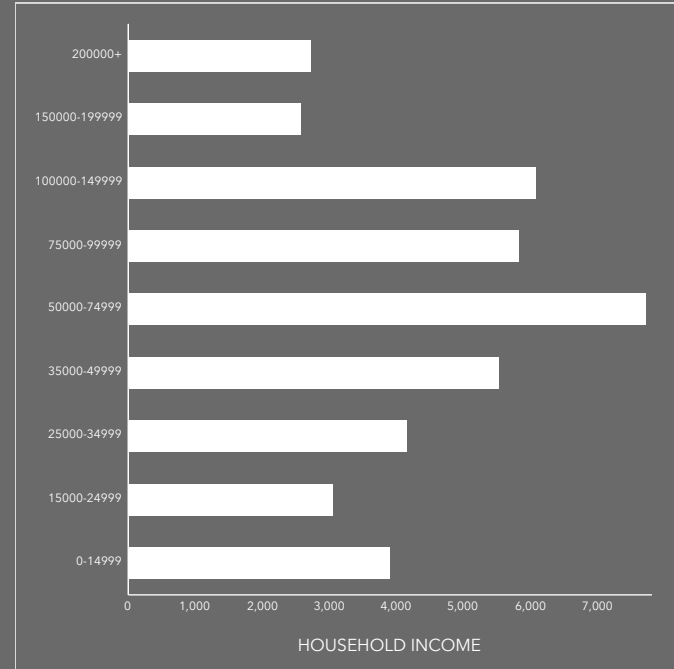
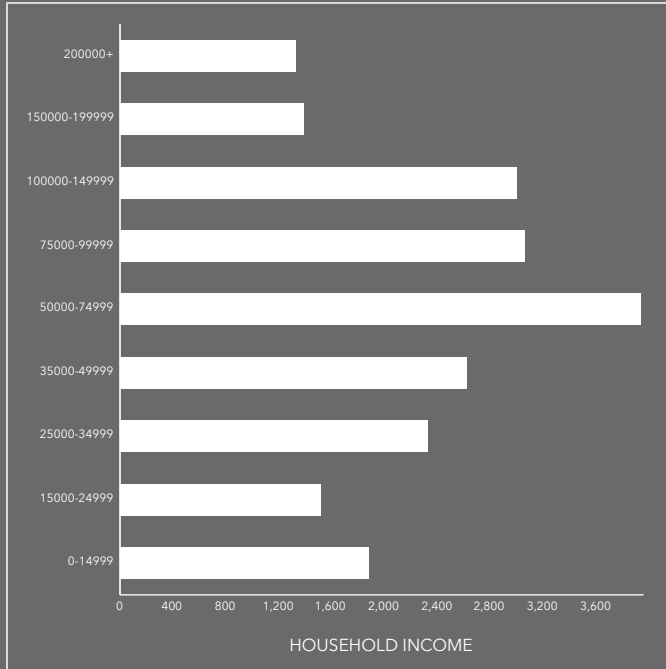
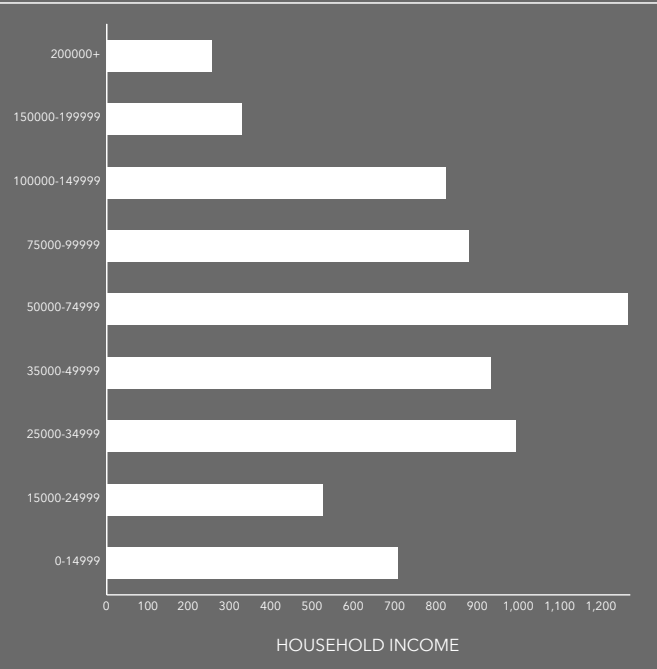


41,487

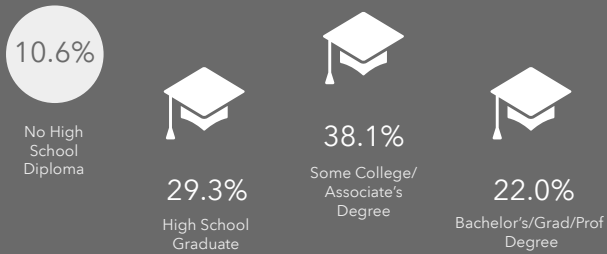
Households

\$51,476

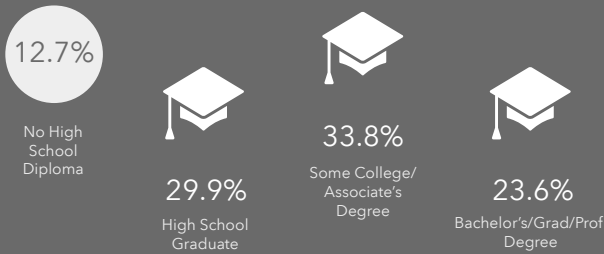
Median Disposable Income



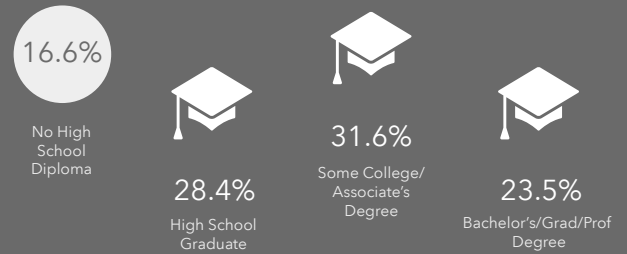
EDUCATION



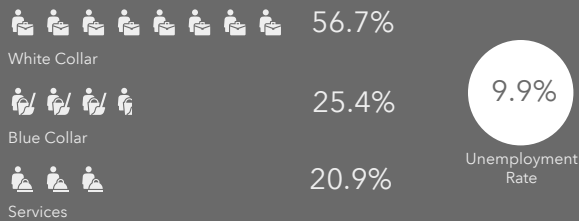
EDUCATION



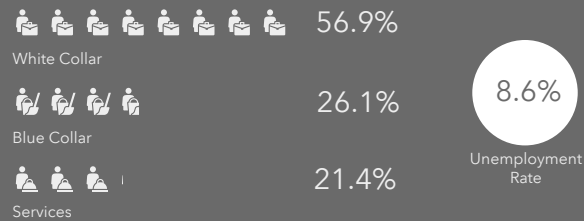
EDUCATION



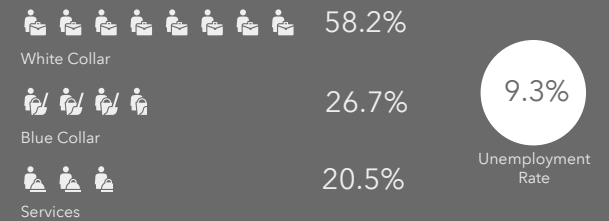
EMPLOYMENT



EMPLOYMENT



EMPLOYMENT



Location

Bakersfield and Kern County is the geographic center of California's weighted population. Located at the southern end of the San Joaquin Valley, Bakersfield is within four hours driving distance from 90 percent of the California Population. Located approximately 100 miles north of Los Angeles and 251 miles south of San Francisco, Bakersfield is easily accessible, just 15 minutes east of Interstate 5 and positioned at the crossroads of State Highways 99 and 58.

Population & Demographic

The City of Bakersfield has seen a population increase of 57.64% between 2000 and 2019 and now stands at just over 389,000 residents within the city limits. Affordability of housing compared to other parts of California has caused the influx of residents and growth of population. Continued growth is expected with a projected 2030 population of 566,000 residents. The median age in Kern County 31.7, considerably younger when compared to California at 36.1 years of age and the nation at 37.7 year of age. Bakersfield is the ninth largest metropolitan area in California and the 52nd largest in the US.

Economy

Energy/Oil and Agriculture are the two industries that have historically driven the Bakersfield and Kern County economies. Kern County is the #5 oil producing county in the United States accounting for approximately 72% of total California production. Kern leads the nation in production of almonds and pistachios and other leading commodities include grapes, citrus, milk and carrots. Government and military employment are strong in the county with Edwards Air Force Base and China Lake Naval Weapons Center ranking as two of the top employers in Kern County. Logistics, transportation and warehousing are rapidly expanding industries in the area given Kern's central location and broad reach to as many as 14% of the US population within 300 miles.

Housing

The median home value of approximately \$272,000 (2020), making Kern County is the second most affordable housing market in California. Compared to the median home value in California at approximately \$712,000, affordability is a key to growth of the market. This has led to 61% of households owning their home. More than 50% of households are able to afford a median priced home compared with only 33% in California. The average household size of 3.16 persons.

Climate

Bakersfield covers approximately 110 square miles and is 492 feet above sea level. It is partially surrounded by three mountain ranges: The Temblor range to the west, the Tehachapi range to the south and the Sierra Nevada range to the east. The Kern River flows through the valley; the fastest falling river in the United States. Bakersfield is centrally located about 100 miles north of Los Angeles, 90 miles south of Fresno, and 90 miles east of the Pacific Ocean, which puts Bakersfield close to a variety of recreational and business resources. Generally, temperatures are mild year-round. Summers are warm and dry, winters are cool with mild rainfall, and snow about once every 30 years!





Photo courtesy Bakersfield CVB



1 | Location, Location, Location!

KERN COUNTY IS GEOGRAPHICALLY THE CENTER OF CALIFORNIA'S POPULATION, making it accessible to nearly 40 million consumers.

2 | #2 in the Nation for Agriculture Production (2019 Kern County Crop Report)

The county leads the nation in pistachio and almond production, with grapes, citrus, and milk being some of the other top commodities.

3 | #3 in Job Creation (Surge Cities 2020)

Bakersfield was ranked #3 in job creation for attracting more entrepreneurs and providing an opportunity for businesses to stand out.

4 | Fastest-growing City in California (California Department of Finance, Demographic Research Unit)

Bakersfield's population grew by 1.7% in 2019, which was more than eight times greater than California's growth rate.

5 | Economic Resiliency (Chmura Economics & Analytics, JobsEQ)

Bakersfield MSA ranked among top 15 metro areas in the U.S. for economic resiliency during the COVID-19 pandemic. Rankings were based on news reports for key industries, unemployment claims data, job postings, and other data.



Photo courtesy Michael McCloskey



Photo courtesy The Bakersfield Californian



6 | #5 Housing Market in the Nation (RealtyHop)

Bakersfield is ranked the fifth most affordable housing market in the nation.

7 | #7 Oil-producing County in the U.S. (Drilling Edge)

Kern County is the No. 7 oil-producing county in the nation, yielding 111 million barrels of oil annually. This amount represents 71% of California's total oil production and a daily production of 326,000 barrels of oil.

8 | #1 in the U.S. for Engineering Salaries (Live Career)

9 | Kern County Jobs Pay More than the U.S. Average (Bureau of Labor Statistics)

Employees in 29 different occupations earn more in the Bakersfield area compared to the national average.

10 | #3 in Nation for Human Capital Availability (WalletHub)

The Bakersfield MSA ranked #3 in the U.S. for human capital availability, defined as the economic value of an employee's skill set. 💎

Source: Kern Economic Development Corporation - <https://kernedc.com/market-overview/>

KERN COUNTY At A GLANCE

LARGEST ECONOMY IN THE SAN JOAQUIN VALLEY

#2 in Agricultural
Production
Nationwide



#3 in Economic
Diversity
Nationwide

#4 in STEM
Jobs
Nationwide

OVER 50 MAJOR DISTRIBUTION
CENTERS



THE ENERGY CAPITAL OF CALIFORNIA Largest Provider of Oil & Renewable Energy in the State

70%



60%



#1 Largest
Wind Farm
in the U.S.

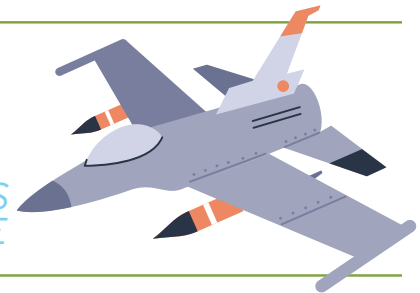


2ND Largest
Solar Farm
in the U.S.



#7 Oil-Producing
County in
the Nation

OVER 50 WORLD TECH
"FIRSTS"
NAVAL AIR WEAPONS
STATION CHINA LAKE



1ST COMMERCIAL SPACE
PORT IN U.S.
MOJAVE AIR &
SPACE PORT



1ST SPACE SHUTTLE
LANDING
EDWARDS AIR
FORCE BASE



KERN COUNTY, *California*. WHERE BUSINESS IS BOUNDLESS



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661-862-5150 | kernedc.com



- ASU Commercial is a full services office brokerage team with more than 70 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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