

FIGURES | SOUTH CENTRAL VALLEY INDUSTRIAL | Q4 2024

South Central Valley continues positive net absorption trend

▼ 7.5%

Vacancy Rate

▲ 1.8M

SF Net Absorption

► 1.5M

SF Under Construction

► \$0.71

NNN / Lease Rate
Existing Properties

▲ 219K

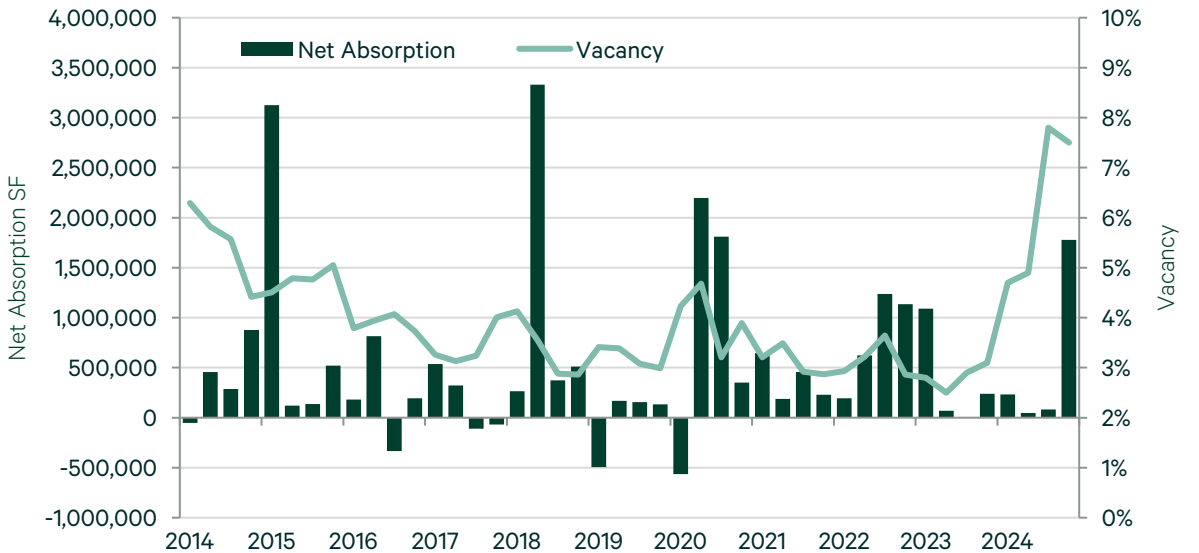
Industrial Using Employment

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- At the close of Q4 2024, the South Central Valley region was home to 3.0 million residents with a labor force of 1.3 million. The industrial sector accounted for 219,000 jobs or 21% of the total employment in the region. The unemployment rate ended Q4 2024 at 9.0%.
- The South Central Valley industrial market closed Q4 2024 with 1.8 million sq. ft. of net absorption bringing the yearly total to 2.1 million sq. ft.
- Occupiers continued to focus on the South Central Valley as a key logistics hub to reach the West Coast population efficiently with same-day, next-day, and two-day delivery times.
- Investment sales transactions and offerings were limited during Q4 2024 as both sellers and buyers observed the market in anticipation of rate cuts. Sale activity is expected to remain moderate through the first half of 2025.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2024

INDUSTRIAL OVERVIEW

The South Central Valley industrial market closed Q4 2024 with a market base inventory of 109 million sq. ft. The construction pipeline remained abundant, with 1.5 million sq. ft. under construction and over 2.4 million sq. ft. remained in planning stages. The developments underway were a mixture of both speculative and build-to-suit projects ranging in size from 300,000 sq. ft. to as large as 700,000 sq. ft. During Q4 2024, there were no construction deliveries.

The overall average asking lease rate remained steady quarter-over-quarter (QoQ) at \$0.71 per sq. ft. on a monthly, NNN basis. Additionally, the vacancy rate decreased slightly, while the availability rate increased marginally quarter-over-quarter to 7.5% and 9.4%, respectively.

Industrial tenant demand remained limited. The Bakersfield market received the most activity with over 1.1 million sq. ft. of positive absorption. This trend is expected to continue as the 1.1 million sq. ft. of new build-to-suit construction delivers in 2025.

There were no notable investment sales in the South Central Valley in Q4 2024. Lack of investment offerings and elevated interest rates have kept both buyers and sellers on the sidelines.

Looking forward, the South Central Valley industrial market will continue to attract sizeable occupier requirements, which will lead to increased development and investment activity from both local and national groups. The entire 1.4 million sq. ft. of new product under construction is set to deliver in 2025.

FIGURE 2: Submarket Statistics

Market	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q4 Net Absorption	2024 Net Absorption	Average Lease Rate NNN
Merced	3,972,820	5.4	5.7	0	0	\$0.57
Madera	3,904,850	0.3	0.5	600,000	600,000	\$0.63
Fresno	38,843,329	5.2	7.7	0	0	\$0.72
Visalia	22,945,531	10.3	10.3	46,560	176,765	\$0.74
Hanford	3,843,114	0.9	2.7	0	0	\$0.60
Bakersfield	35,954,522	10.0	12.8	1,131,973	1,365,190	\$0.74
Market Totals	109,464,166	7.5	9.4	1,778,533	2,141,955	\$0.71

Source: CBRE Research, Q4 2024

FIGURE 3: Notable Absorption Contributors

Tenant	Size SF	Address
Amazon	1,058,373	5408 Express Ave, Shafter
AutoZone	600,000	Highway 99, Visalia
Dr. Pepper	73,600	1447 James Rd, Chowchilla
MWV	46,560	2500 N American St, Visalia

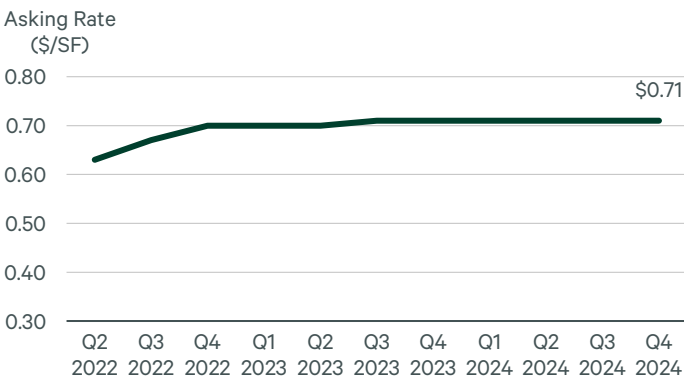
Source: CBRE Research, Q4 2024

FIGURE 4: Notable Sale Transactions

Address	Size SF	Developer/ Owner	Delivery Date
---------	---------	------------------	---------------

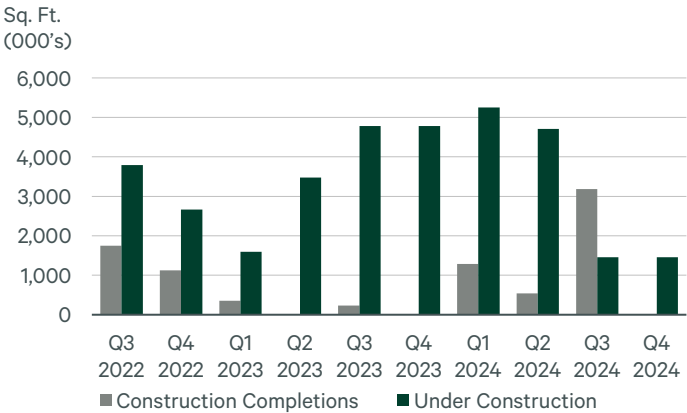
Source: CBRE Research, Q4 2024

FIGURE 5: Lease Rates



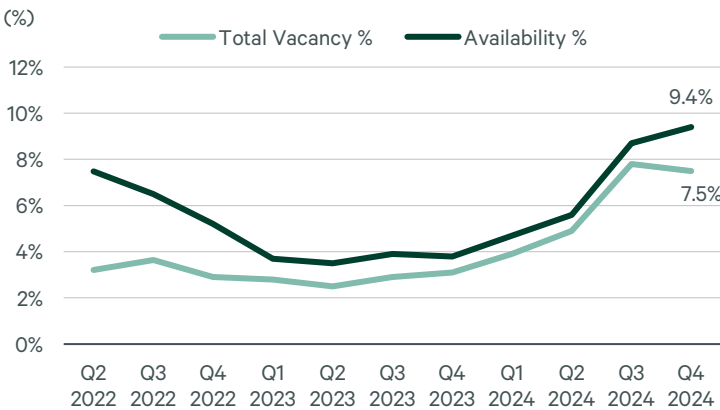
Source: CBRE Research, Q4 2024

FIGURE 7: Construction Activity



Source: CBRE Research, Q4 2024

FIGURE 6: Vacancy & Availability



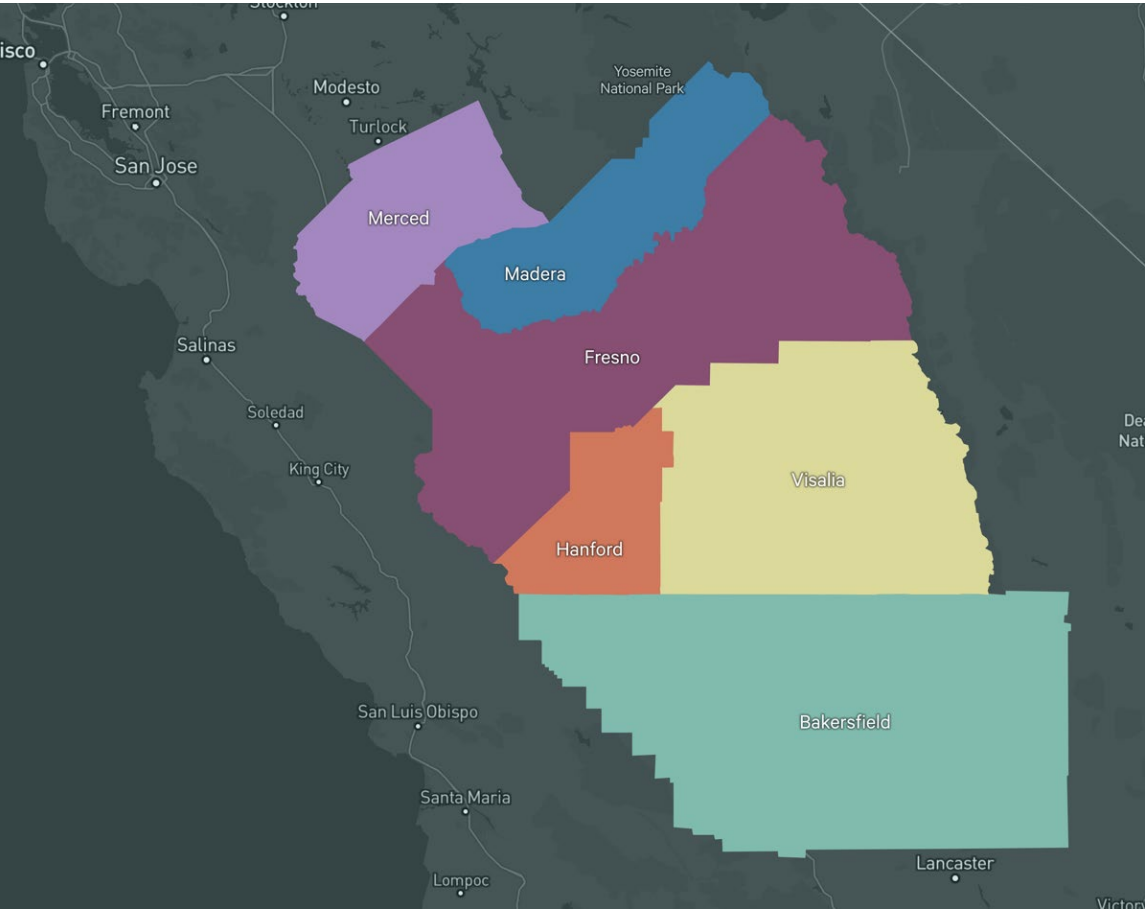
Source: CBRE Research, Q4 2024

FIGURE 8: Projects Under Construction

Address	Size SF	Developer	Delivery Date
30512 Road 84, Visalia, CA (Spec)	310,030	G3 Dev	Q4 2024
Wheeler Ridge Rd, Wheeler Ridge, CA (BTS)	700,000	Tejon Ranch Co	Q2 2025
5101 Wheeler Ridge Rd, Wheeler Ridge, CA (BTS)	446,000	Majestic	Q4 2024

Source: CBRE Research, Q4 2024

Submarket Map



Source: CBRE Research, Location Intelligence

© Copyright 2025 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE’s Global Chief Economist.

Definitions

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE’s market report analyzes existing single- and multi-tenant industrial buildings that total 25,000+ sq. ft. within defined submarkets, including owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

Contacts

Angel Orozco
Research Analyst
+1 916 446 8787
angel.orozco@cbre.com

Brandon Wilkinson
Research Analyst
+1 916 446 8281
brandon.wilkinson@cbre.com

Grant Bollinger
Field Research Analyst
+1 916 806 0064
grant.bollinger@cbre.com

Konrad Knutsen
Research Director
Northern CA, Greater Los Angeles
+1 916 446 8292
konrad.knutsen@cbre.com

Central Valley Office
3247 W. March Lane #100
Stockton, CA 95219