

FIGURES | SOUTH CENTRAL VALLEY INDUSTRIAL | Q3 2026

Second Consecutive Quarter of Positive Absorption pulls Vacancy Lower

▼ 8.2%

Vacancy Rate

▼ 281K

SF Net Absorption

▲ 1.5M

SF Under Construction

▼ \$0.66

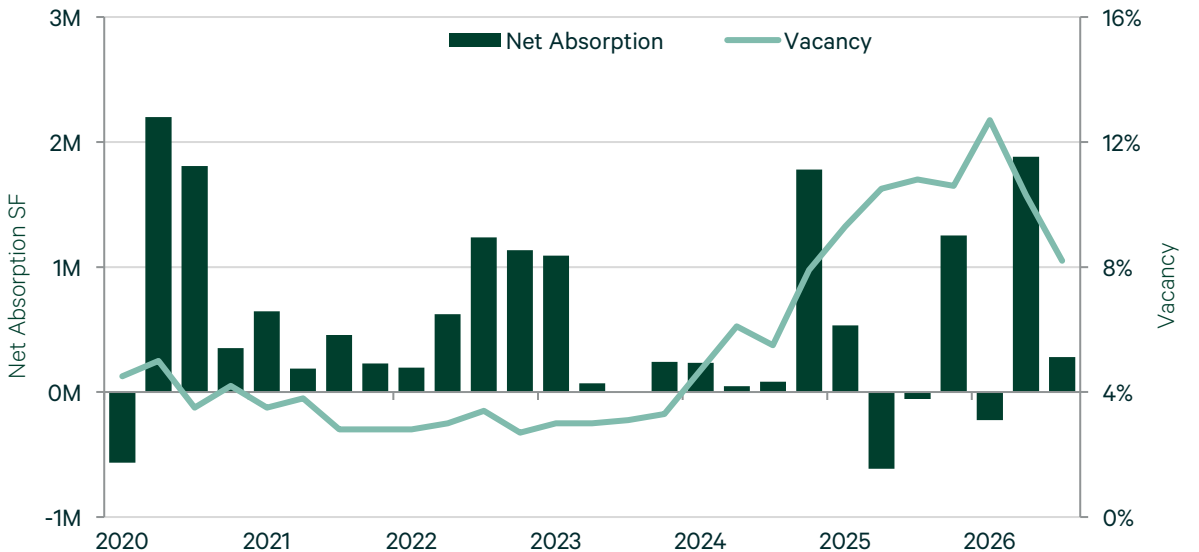
NNN / Lease Rate
Existing Properties

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The South Central Valley industrial market closed Q3 2026 with positive net absorption of 280,606 sq. ft., a decrease from the previous quarter's positive 1.9 million sq. ft., though still the second consecutive quarter of positive net absorption.
- Average asking rates decreased by \$0.02 to \$0.66 per sq. ft. on a monthly triple-net (NNN) basis from Q2 2026.
- Amazon's 1.1 million sq. ft. owner-user acquisition in Shafter led capital markets activity, along with two notable sales in Fresno.
- Renewals made up most of the leasing activity. The largest renewal was done by Sunrun for 300,560 sq ft. in Visalia.
- There were a total of 19 tenants in the market totaling 5.8 million sq. ft. of activity.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2026

INDUSTRIAL OVERVIEW

The South Central Valley industrial market closed Q3 2026 with a market base inventory of 112.4 million sq. ft. With no new projects delivered this quarter. The South Central Valley Industrial market has 1.5 million sq. ft. under construction, split between a 1 million sq. ft. speculative project at 2902 Express Avenue in Shafter which broke ground this quarter, and a 510,385 sq. ft. speculative project in Tejon Ranch.

Vacancy and availability continued to decline quarter-over-quarter, as product was leased, and no new spaces or construction were delivered to the market. Vacancy decreased from 10.3% to 8.2%, while availability decreased from 11.3% to 9.5%. Despite tightening conditions, average asking rates declined by \$0.02 in Q3 2026 to \$0.66 NNN.

Industrial tenant demand remained positive in the South Central Valley in Q3 2026, marking the second consecutive quarter of positive net absorption and bringing year-to-date absorption to 1.94 million sq. ft. Leasing activity was led by renewals, including Sunrun (300,560 sq. ft.) in Visalia, Berrett Logistics (113,600 sq. ft.) and Comcast (58,920 sq. ft.) in Fresno, and Ferguson Enterprises (43,419 sq. ft.) in Bakersfield. The quarter's only notable new lease was a 90,959 sq. ft. lease by an undisclosed tenant in Bakersfield.

The South Central Valley industrial market enters the final quarter of 2026 on firmer footing, with vacancy at its lowest level of the year and net absorption positive for two consecutive quarters. Active tenant requirements across the market should continue to support leasing, while new supply remains limited through early 2027. Overall conditions are expected to hold steady through year-end.

FIGURE 2: Submarket Statistics

Market	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q3 Net Absorption	2026 Net Absorption	Average Lease Rate NNN
Merced	4,255,671	5.3%	5.3%	(137,590)	(406,211)	\$0.48
Madera	3,573,998	1.2%	1.2%	0	58,250	\$0.85
Fresno	39,160,832	5.2%	5.7%	30,300	(325,909)	\$0.68
Visalia	25,528,215	13.4%	14.3%	(740,151)	229,785	\$0.81
Hanford	3,765,119	1.0%	4.5%	0	(138,282)	\$0.40
Bakersfield	36,157,468	8.5%	11.1%	1,128,047	2,522,087	\$0.58
Market Totals	112,441,303	8.2%	9.5%	280,606	1,939,720	\$0.66

Source: CBRE Research, Q3 2026

FIGURE 3: Notable Lease Transactions

Tenant	Size SF	Address
Sunrun	300,560	8029 W Riggin Ave, Visalia
Berrett Logistics	113,600	480 E N Ave, Fresno
Undisclosed	90,959	2204 Coffee Rd, Bakersfield

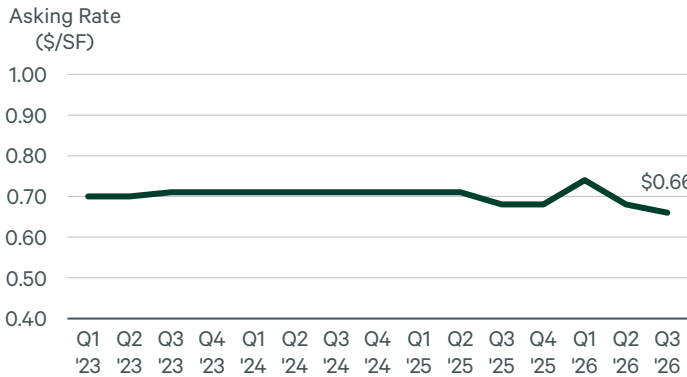
Source: CBRE Research, Q3 2026

FIGURE 4: Notable Sale Transactions

Buyer	Size SF	Address
Amazon	1,088,047	5104 Express Pkwy, Shafter
PYE Barker Fire & Safety	23,328	2048 N Fine Ave, Fresno
Ferguson Enterprises	12,724	2812 S Orange Ave, Fresno

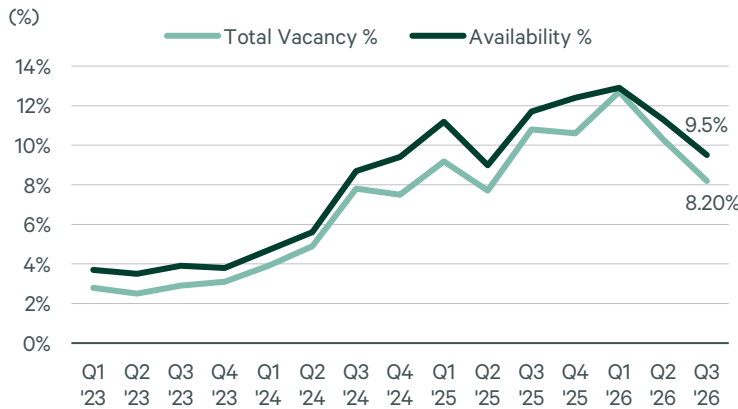
Source: CBRE Research, Q3 2026

FIGURE 5: Lease Rates



Source: CBRE Research, Q3 2026

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q3 2026

FIGURE 7: Construction Activity



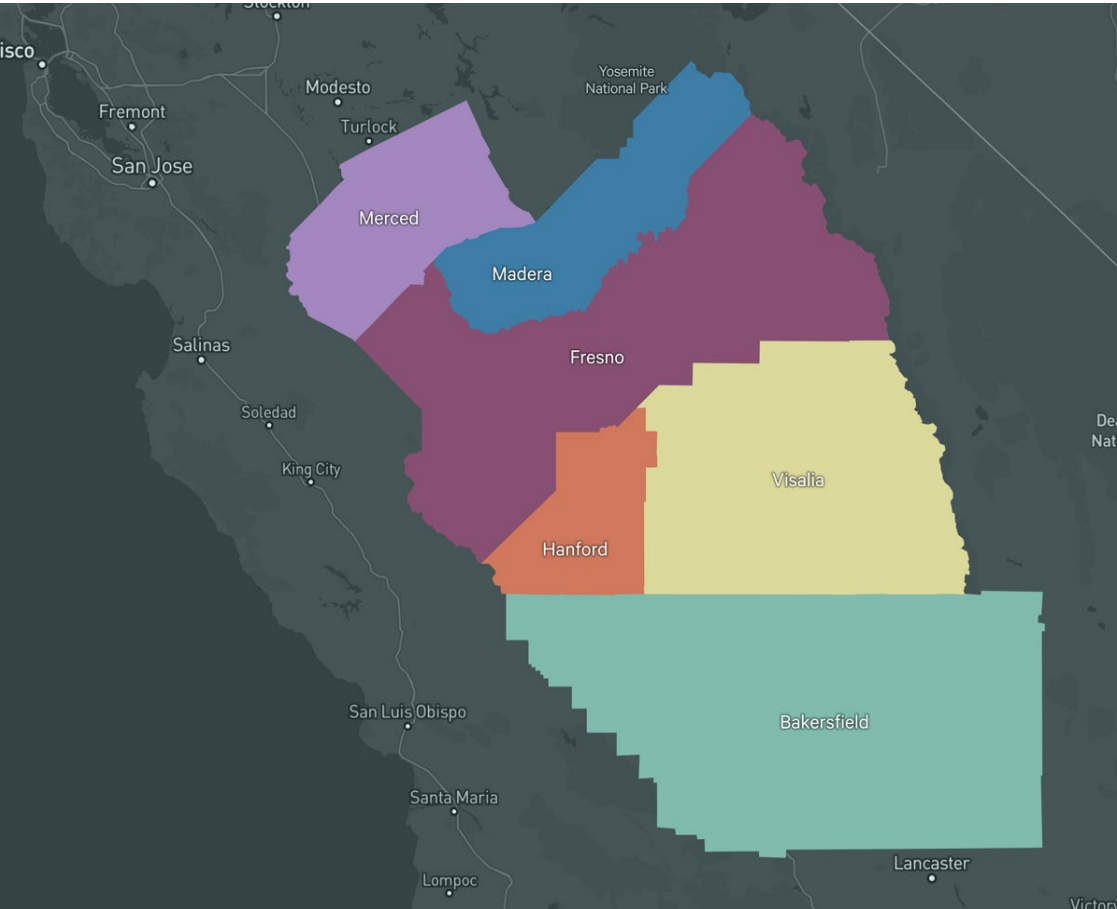
Source: CBRE Research, Q3 2026

FIGURE 8: Projects Under Construction

Address	Size SF	Developer	Delivery Date
2902 Express Ave	1,016,997	Wonderful	Q2 2027
Tejon Ranch, Tejon	510,385	Dedeaux	Q1 2027

Source: CBRE Research, Q3 2026

Submarket Map



Source: CBRE Research, Location Intelligence

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 50,000+ 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

Kyle Lodovico
Research Analyst
kyle.lodovico@cbre.com

Brandon Wilkinson
Sr. Research Analyst
brandon.wilkinson@cbre.com

Stephen Delgado
Research Analyst
stephen.delgado@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