



## **OFFERING MEMORANDUM**

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110 KENTUCKY ST  
Bakersfield, CA

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110 KENTUCKY ST  
Bakersfield, CA  
ACT ID Y0890004

Marcus & Millichap

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# INVESTMENT OVERVIEW



**EXECUTIVE SUMMARY**

VITAL DATA				
Price	\$755,000		CURRENT	PRO FORMA
Down Payment	30% / \$226,500	CAP Rate	5.97%	6.43%
Loan Amount	\$528,500	GRM	9.53	9.12
Loan Type	Proposed New	Net Operating Income	\$45,065	\$48,557
Interest Rate / Amortization	4.80% / 30 Years	Net Cash Flow After Debt Service	5.21% / \$11,791	6.75% / \$15,283
Price/Unit	\$62,917	Total Return	8.77% / \$19,873	10.49% / \$23,762
Price/SF	\$140.65			
Number of Units	12			
Rentable Square Feet	5,368			
Year Built	1925			
Lot Size	22651 acre(s)			

UNIT MIX		
NUMBER OF UNITS	UNIT TYPE	APPROX. SQUARE FEET
12	1 Bedroom/ 1 Bath	
12	Total	5,368



**MAJOR EMPLOYERS**

EMPLOYER	# OF EMPLOYEES
Bolthouse Farms	4,550
BCSD	1,449
Esparza Enterprises Inc	1,357
C H W	1,100
Human Services Dept	1,058
Kern County Supt of Schools	1,001
County of Kern	948
Linnco LLC	896
SAN JOAQUIN COMMUNITY HOSPITAL	850
Kpc Healthcare Inc	849
Public Health Dept	833
Sherriffs Department	800

**DEMOGRAPHICS**

	1-Miles	3-Miles	5-Miles
2016 Estimate Pop	15,012	132,010	283,533
2010 Census Pop	14,412	127,129	271,121
2016 Estimate HH	4,780	41,930	91,854
2010 Census HH	4,484	39,917	87,016
Median HH Income	\$28,247	\$31,426	\$37,626
Per Capita Income	\$12,608	\$14,663	\$17,337
Average HH Income	\$37,316	\$45,244	\$52,952

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to have been chosen to Exclusively Represent for Sale this 12-Unit Apartment complex located at 110 Kentucky Street, Bakersfield, Ca. Originally built in 1925 and upgraded and maintained through the years. This properties unit mix consists of 12 one-bedroom/one-bath units. The common area on this property is somewhat private for leisure use. There is ample off street parking also.

There has been quite a bit of velocity in the B and C Class properties selling along with increasing values based upon demand and availability. This property is centrally located near most all downtown services, shopping and Highways.

This property presents an excellent opportunity to own a well maintained apartment building in a convenient area of Bakersfield. Although this property offers very solid returns there appears from research to still have the opportunity for additional rental upside in a growing market.

## INVESTMENT HIGHLIGHTS

- Medium Sized Manageable Property with Excellent Units
- Class C Quality Apartments
- Great Returns with some Upside Rent Increases
- Convenient Central Location in Town - Minutes from Shopping and Major Highways
- Close to Downtown and most City Services, Near Public Schools



## PROPERTY OVERVIEW

Marcus & Millichap is pleased to have been chosen to Exclusively Represent for Sale this 12-Unit Apartment complex located at 110 Kentucky Street, Bakersfield, Ca. Originally built in 1925 and upgraded and maintained through the years. This properties unit mix consists of 12 one-bedroom/one-bath units. The common area on this property is somewhat private for leisure use. There is ample off street parking also.

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This property presents an excellent opportunity to own a well maintained apartment building in a convenient area of Bakersfield. Although this property offers very solid returns there appears from research to still have the opportunity for additional rental upside in a growing market.



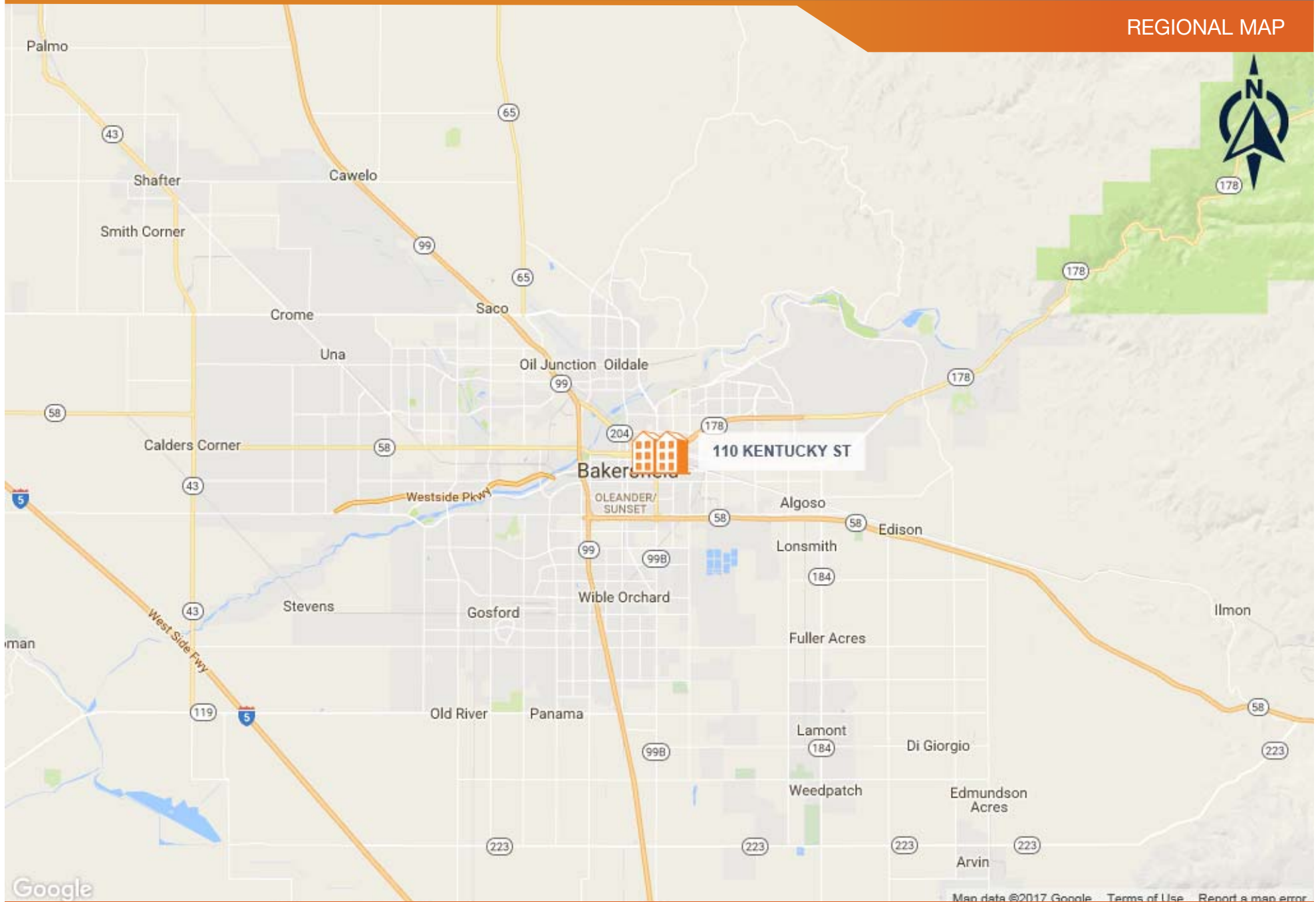
**PROPERTY SUMMARY**

THE OFFERING	
Price	\$755,000
Property Address	110 Kentucky St, Bakersfield, CA
SITE DESCRIPTION	
Year Built/Renovated	1925
Rentable Square Feet	5368
Lot Size	0.52 acre(s)

EXISTING FINANCING	
Loan Type	Conventional

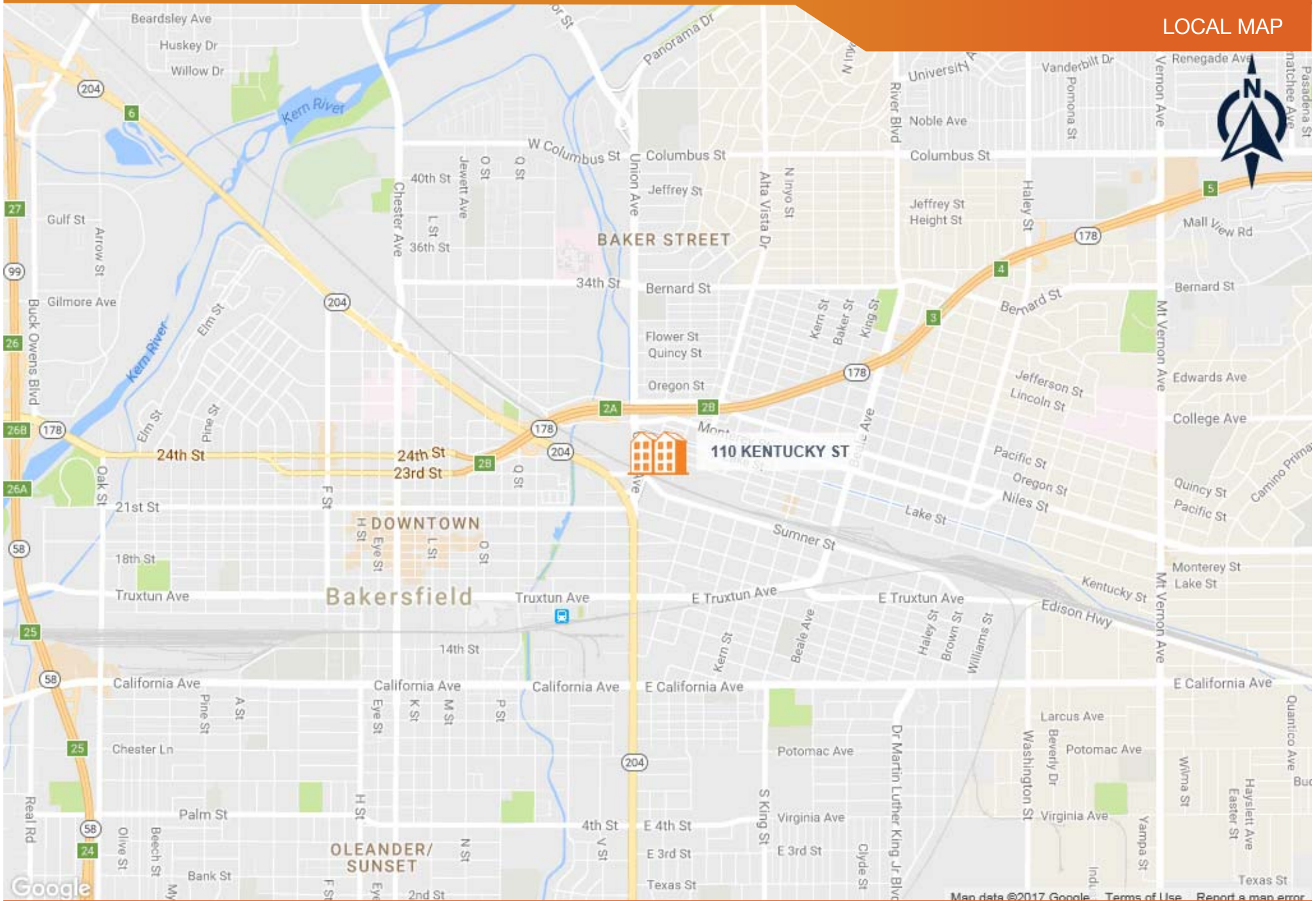
PROPOSED FINANCING	
<b>First Trust Deed</b>	
Loan Amount	\$528,500
Loan Type	Proposed New
Interest Rate	4.80%
Amortization	30 Years
Loan Term	20 Years
Loan to Value	70%
Debt Coverage Ratio	1.35





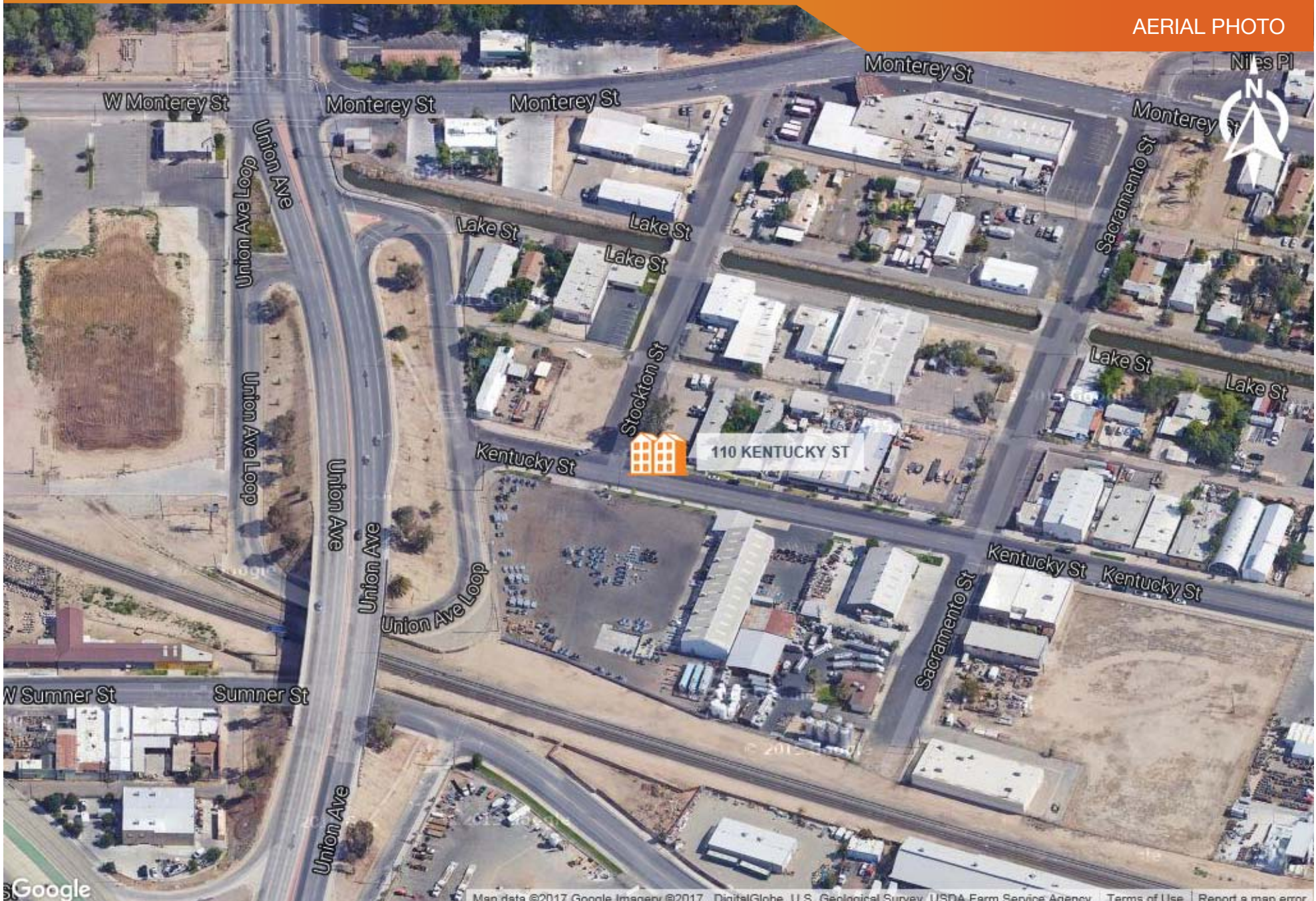
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# FINANCIAL ANALYSIS



### RENT ROLL SUMMARY

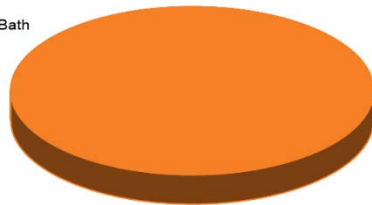
As of January, 2017

Unit Type	# of Units	Avg Sq Feet	Rental Range	Current			Scheduled		
				Average Rent	Average Rent / SF	Monthly Income	Average Rent	Average Rent / SF	Monthly Income
1 Bed/1 Bath	12	N/A	\$6,600 - \$6,600	\$6,600	N/A	\$6,600	\$6,600	N/A	\$6,600
<b>Totals/Weighted Averages</b>	<b>12</b>	<b>447</b>		<b>\$6,600</b>	<b>\$14.75</b>	<b>\$6,600</b>	<b>\$6,600</b>	<b>\$14.75</b>	<b>\$6,600</b>
<b>Gross Annualized Rents</b>				<b>\$79,200</b>			<b>\$79,200</b>		

Notes:

Unit Distribution

1 Bedroom/ 1 Bath  
100%



Unit Rent



## RENT ROLL DETAIL

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month	Potential Rent / Month	Potential Rent/ SF/ Month
1	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
2	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
3	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
4	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
5	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
6	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
7	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
8	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
9	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
10	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
11	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
12	1 Bed/1 Bath	N/A	\$550	N/A	\$550	N/A	\$575	N/A
<b>Total</b>		<b>5,368</b>	<b>\$6,600</b>	<b>\$1.23</b>	<b>\$6,600</b>	<b>\$1.23</b>	<b>\$6,900</b>	<b>\$1.29</b>

## OPERATING STATEMENT

Income	Current		Pro Forma	Notes	Per Unit	Per SF
Gross Scheduled Rent	79,200		82,800		6,900	15.42
Physical Vacancy	(2,376)	3.0%	(2,484)	3.0%	(207)	(0.46)
Total Vacancy	(\$2,376)	3.0%	(\$2,484)	3.0%	(\$207)	(\$0)
Effective Gross Income	\$76,824		\$80,316		\$6,693	\$14.96

Expenses	Current		Pro Forma	Notes	Per Unit	Per SF
Real Estate Taxes	7,920		7,920		660	1.48
Insurance	1,879		1,879		157	0.35
Utilities - Electric	7,200		7,200		600	1.34
Utilities - Water & Sewer	2,880		2,880		240	0.54
Utilities - Gas	2,880		2,880		240	0.54
Repairs & Maintenance	3,600		3,600		300	0.67
Landscaping	1,800		1,800		150	0.34
Operating Reserves	3,600		3,600		300	0.67
Total Expenses	\$31,759		\$31,759		\$2,647	\$5.92
Expenses as % of EGI	41.3%		39.5%			
Net Operating Income	\$45,065		\$48,557		\$4,046	\$9.05

Notes and assumptions to the above analysis are on the following page.

**NOTES****Notes to Operating Statement**

- [1] Utilities are paid for by the Landlord. They are currently NOT reimbursed as RUBS.
  - [2] Electric useage is paid by the seller. \$50/mo./unit was used as exposure.
  - [3] Water & Gas service useage was estimated at \$20/mo./unit for the year each.
  - [4] Trash removal and landfill charges are collected on the property tax bills.
  - [5] The units are fully occupied therefore a 3% vacancy factor has been used for underwriting purposes.
  - [6]
  - [7]
  - [8]
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## PRICING DETAIL

Summary		
<b>Price</b>	<b>\$755,000</b>	
Down Payment	\$226,500	30%
Number of Units	12	
Price Per Unit	\$62,917	
Price Per SqFt	\$140.65	
Gross SqFt	5,368	
Lot Size	22,651.00 Acres	
Approx. Year Built	1925	

Returns	Current	Pro Forma
<b>CAP Rate</b>	<b>5.97%</b>	<b>6.43%</b>
GRM	9.53	9.12
Cash-on-Cash	5.21%	6.75%
Debt Coverage Ratio	1.35	1.46

Financing	1st Loan
Loan Amount	\$528,500
Loan Type	New
Interest Rate	4.80%
Amortization	30 Years
Year Due	2036

Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

# Of Units	Unit Type	SqFt/Unit	Current Rents	Market Rents
12	1 Bedroom/ 1 Bath	0	\$550	\$575

## Operating Data

Income		Current		Pro Forma
<b>Gross Scheduled Rent</b>		<b>\$79,200</b>		<b>\$82,800</b>
Less: Vacancy/Deductions (GPR)	3.0%	\$2,376	3.0%	\$2,484
Total Effective Rental Income		\$76,824		\$80,316
Other Income		\$0		\$0
Effective Gross Income		\$76,824		\$80,316
Less: Expenses	41.3%	\$31,759	39.5%	\$31,759
<b>Net Operating Income</b>		<b>\$45,065</b>		<b>\$48,557</b>
Cash Flow		\$45,065		\$48,557
Debt Service		\$33,274		\$33,274
Net Cash Flow After Debt Service	5.21%	\$11,791	6.75%	\$15,283
Principal Reduction		\$8,083		\$8,479
<b>Total Return</b>	<b>8.77%</b>	<b>\$19,873</b>	<b>10.49%</b>	<b>\$23,762</b>

Expenses	Current	Pro Forma
Real Estate Taxes	\$7,920	\$7,920
Insurance	\$1,879	\$1,879
Utilities - Electric	\$7,200	\$7,200
Utilities - Water & Sewer	\$2,880	\$2,880
Utilities - Gas	\$2,880	\$2,880
Repairs & Maintenance	\$3,600	\$3,600
Landscaping	\$1,800	\$1,800
Operating Reserves	\$3,600	\$3,600
<b>Total Expenses</b>	<b>\$31,759</b>	<b>\$31,759</b>
<b>Expenses/Unit</b>	<b>\$2,647</b>	<b>\$2,647</b>
<b>Expenses/SF</b>	<b>\$5.92</b>	<b>\$5.92</b>

## MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,601  
debt and equity  
financings  
in 2015**



**National platform  
operating  
within the firm's  
brokerage  
offices**



**\$4.9 billion  
total national  
volume in 2015**



**Access to  
more capital  
sources than  
any other firm  
in the industry**

## WHY MMCC?

**Optimum financing solutions  
to enhance value**

**Our ability to enhance  
buyer pool by expanding  
finance options**

**Our ability to enhance  
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

# MARKET COMPARABLES

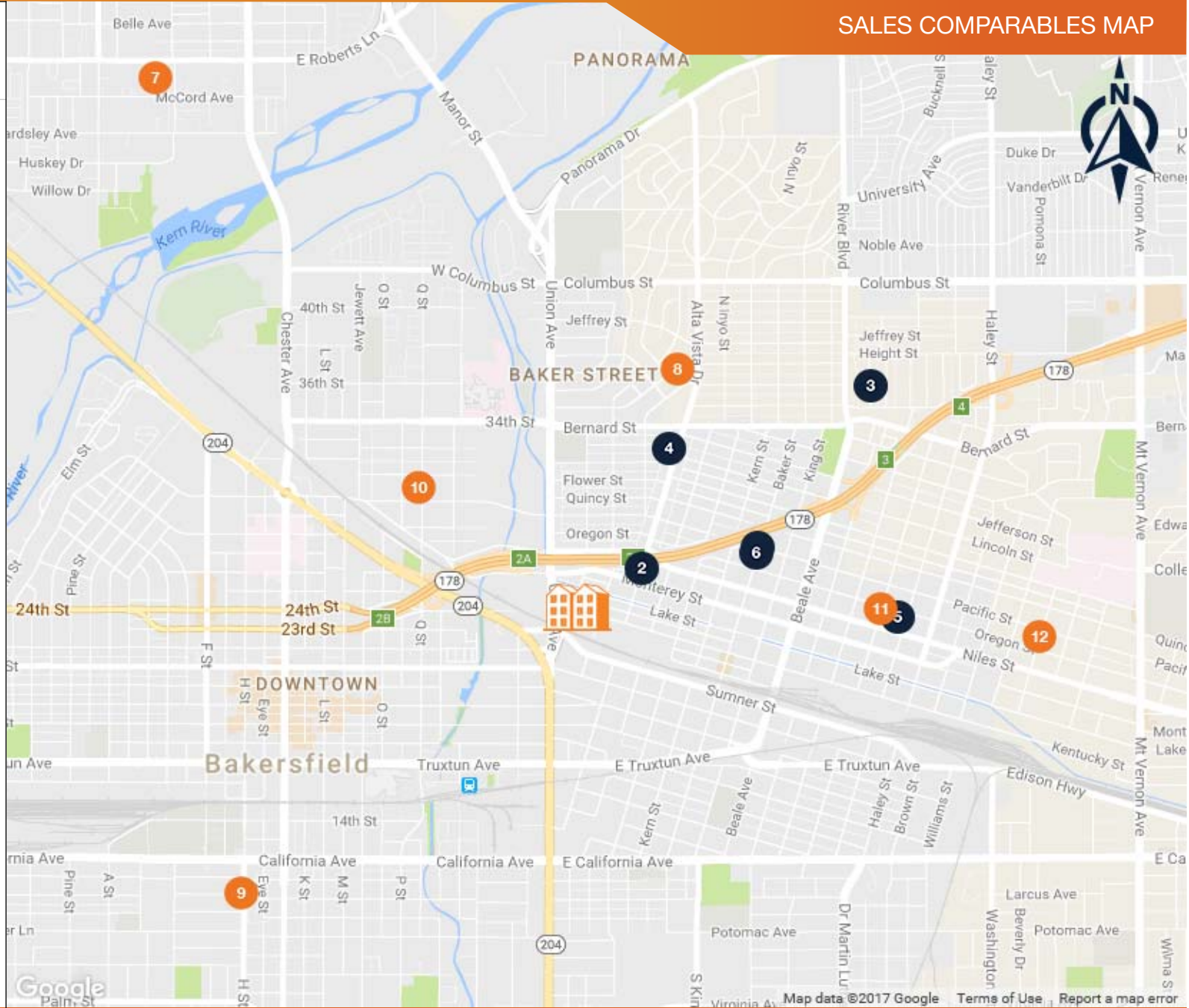




**110 KENTUCKY ST  
(SUBJECT)**

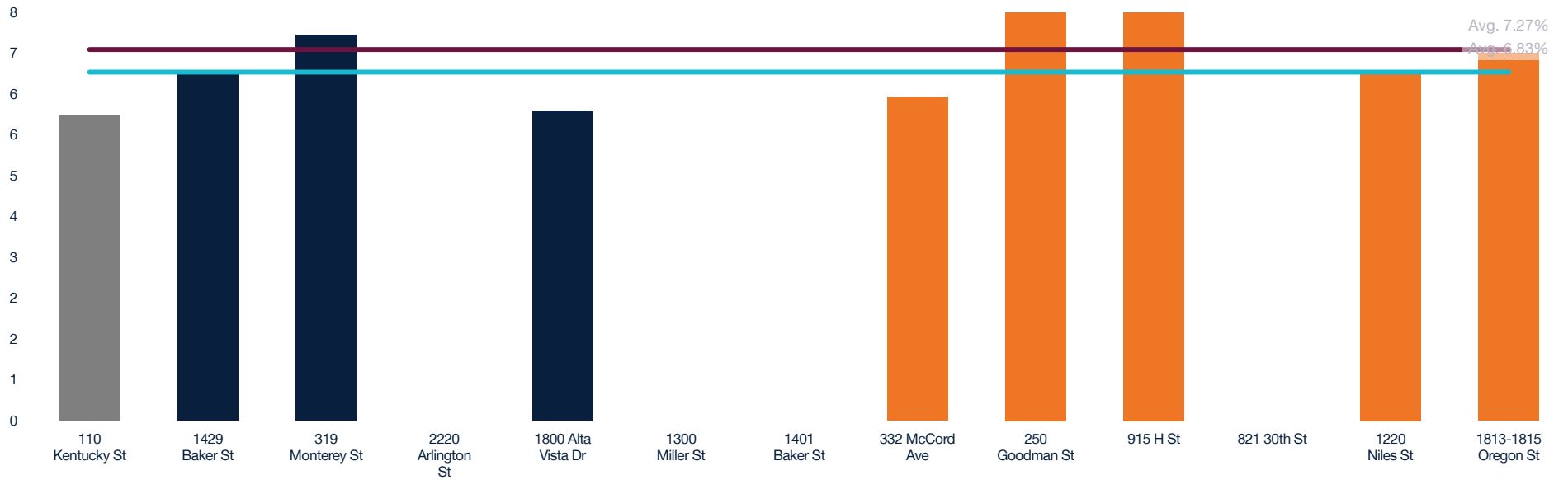
- 1 1429 Baker St
- 2 319 Monterey St
- 3 2220 Arlington St
- 4 1800 Alta Vista Dr
- 5 1300 Miller St
- 6 1401 Baker St
- 7 332 McCord Ave
- 8 250 Goodman St
- 9 915 H St
- 10 821 30th St
- 11 1220 Niles St
- 12 1813-1815 Oregon St

- SALES COMPARABLES
- ON MARKET COMPARABLES



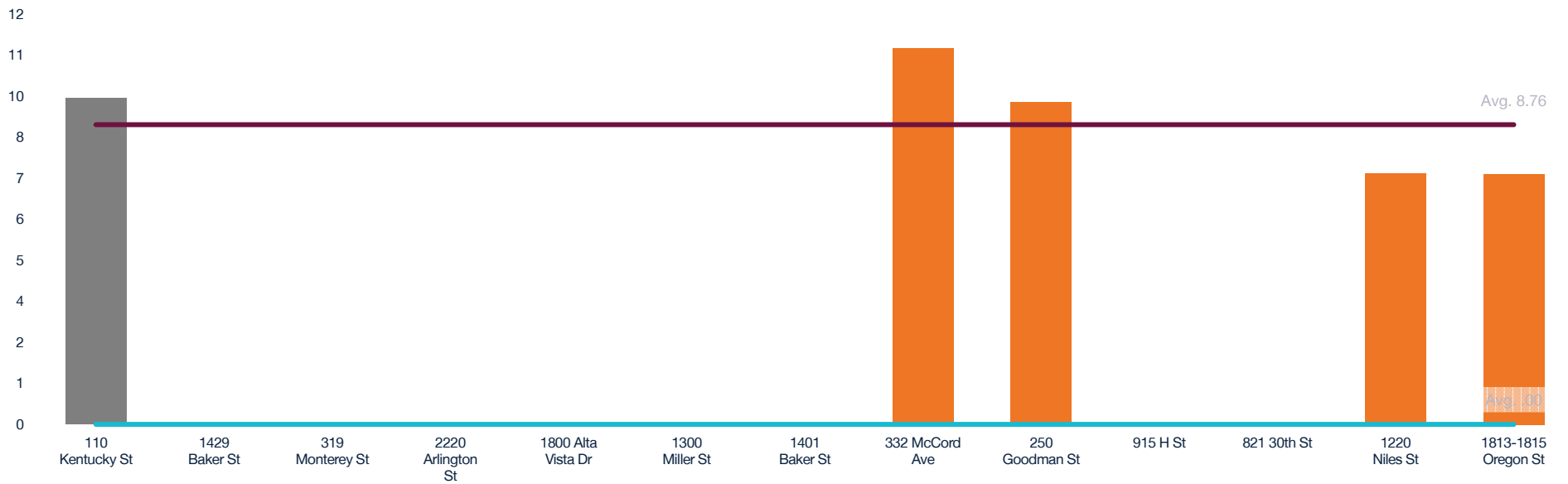


Average Cap Rate



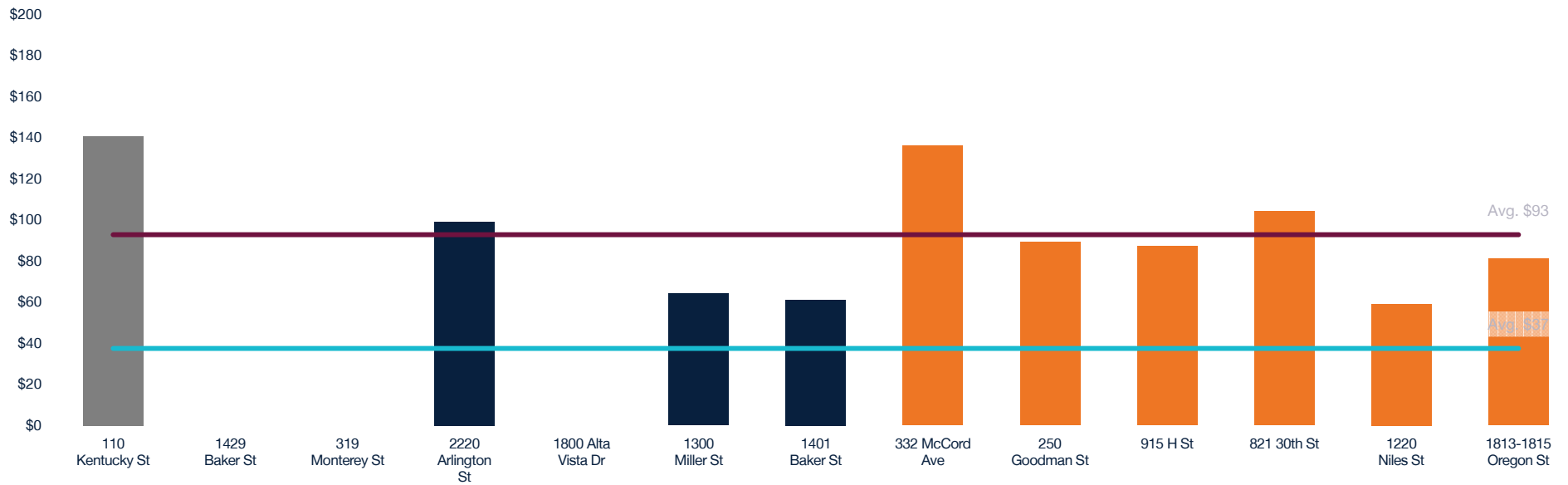


### Average GRM



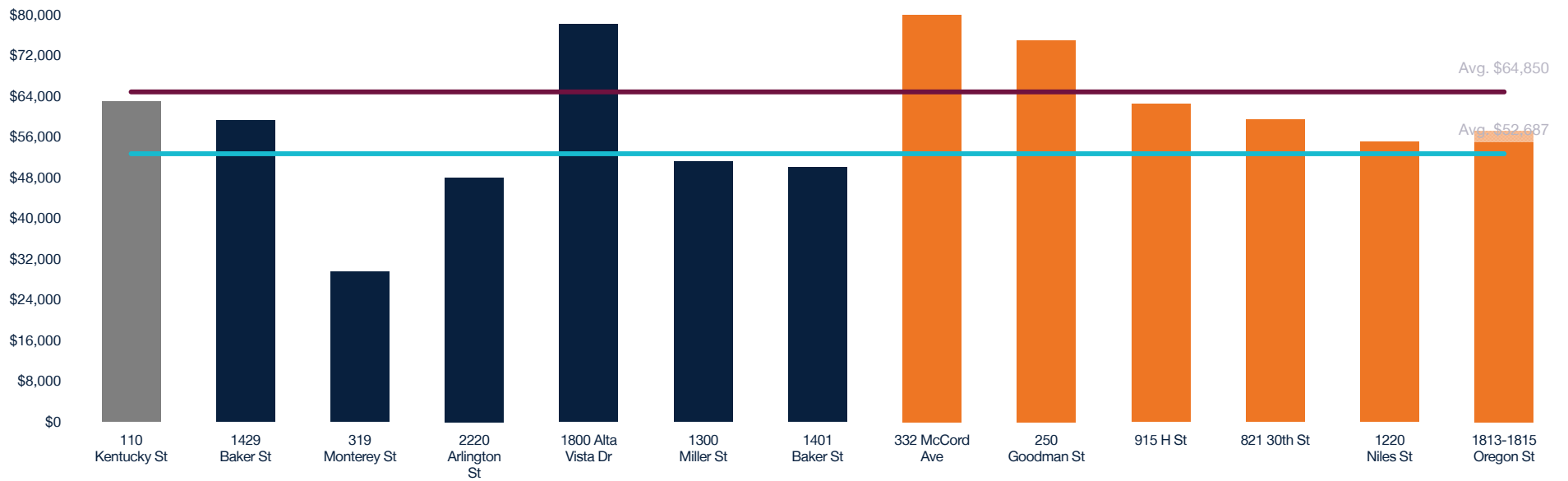


### Average Price Per Square Foot





### Average Price Per Unit



SALES COMPARABLES

ON MARKET COMPARABLES

**110 KENTUCKY ST**

110 KENTUCKY ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
Offering Price:	\$755,000	12
Price/Unit:	\$62,917	1 Bdr 1 Bath
Price/SF:	\$140.65	
CAP Rate:	5.97%	
GRM:	9.53	
Total No. of Units:	12	
Year Built:	1925	

**Underwriting Criteria**

Income	\$76,824	Expenses	\$31,759
NOI	\$45,065	Vacancy	(\$2,376)

**1429 BAKER ST**

1429 BAKER ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
Close Of Escrow:	11/29/2016	1
Sales Price:	\$415,000	2 Bdr 1.5 Bath
Price/Unit:	\$59,286	6
CAP Rate:	6.85%	2 Bdr 2 Bath
Total No. of Units:	7	
Year Built:	1973	

**319 MONTEREY ST**

319 MONTEREY ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
Close Of Escrow:	11/23/2016	6
Sales Price:	\$177,000	2 Bdr 1 Bath
Price/Unit:	\$29,500	
CAP Rate:	7.56%	
Total No. of Units:	6	
Year Built:	1974	

SALES COMPARABLES

ON MARKET COMPARABLES

**2220 ARLINGTON ST**

2220 ARLINGTON ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
Close Of Escrow:	9/14/2016	5
Sales Price:	\$240,000	1 Bdr 1 Bath
Price/Unit:	\$48,000	
Price/SF:	\$99.00	
Total No. of Units:	5	
Year Built:	1960	

**1800 ALTA VISTA DR**

1800 ALTA VISTA DR, BAKERSFIELD, CA, 93305



	Units	Unit Type
Close Of Escrow:	8/24/2016	6
Sales Price:	\$469,000	2 Bdr 1.5 Bath
Price/Unit:	\$78,167	
CAP Rate:	6.07%	
Total No. of Units:	6	
Year Built:	1974	

**1300 MILLER ST**

1300 MILLER ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
Close Of Escrow:	6/1/2016	6
Sales Price:	\$307,000	2 Bdr 1 Bath
Price/Unit:	\$51,167	
Price/SF:	\$64.00	
Total No. of Units:	6	
Year Built:	1969	

SALES COMPARABLES

ON MARKET COMPARABLES

**1401 BAKER ST**

1401 BAKER ST, BAKERSFIELD, CA, 93305



	Units	Unit Type	
Close Of Escrow:	1/15/2016	6	2 Bdr 1 Bath
Sales Price:	\$300,000		
Price/Unit:	\$50,000		
Price/SF:	\$61.00		
Total No. of Units:	6		
Year Built:	1971		

**332 MCCORD AVE**

332 MCCORD AVE, BAKERSFIELD, CA, 93308



	Units	Unit Type	
On Market	8	1 Bdr 1 Bath	
List Price:	\$640,000		
Price/Unit:	\$80,000		
Price/SF:	\$136.00		
CAP Rate:	6.33%		
GRM:	10.99		
Total No. of Units:	8		
Year Built:	1932		

**250 GOODMAN ST**

250 GOODMAN ST, BAKERSFIELD, CA, 93305



	Units	Unit Type	
On Market	6	1 Bdr 1 Bath	
List Price:	\$525,000	1	1 Bdr 1.5 Bath
Price/Unit:	\$75,000		
Price/SF:	\$89.00		
CAP Rate:	8.00%		
GRM:	9.41		
Total No. of Units:	7		
Year Built:	1957		

SALES COMPARABLES

ON MARKET COMPARABLES

**915 H ST**

915 H ST, BAKERSFIELD, CA, 93304



	Units	Unit Type
On Market	6	2 Bdr 1 Bath
List Price:	\$375,000	
Price/Unit:	\$62,500	
Price/SF:	\$87.00	
CAP Rate:	8.00%	
Total No. of Units:	6	
Year Built:	1957	

**821 30TH ST**

821 30TH ST, BAKERSFIELD, CA, 93301



	Units	Unit Type
On Market	8	1 Bdr 1 Bath
List Price:	\$475,000	
Price/Unit:	\$59,375	
Price/SF:	\$104.00	
Total No. of Units:	8	
Year Built:	1947	

**1220 NILES ST**

1220 NILES ST, BAKERSFIELD, CA, 93305



	Units	Unit Type
On Market	5	2 Bdr 1.5 Bath
List Price:	\$275,000	
Price/Unit:	\$55,000	
Price/SF:	\$59.00	
CAP Rate:	6.82%	
GRM:	7.33	
Total No. of Units:	5	
Year Built:	1978	

SALES COMPARABLES

ON MARKET COMPARABLES

**1813-1815 OREGON ST**

1813-1815 OREGON ST, BAKERSFIELD, CA, 93305

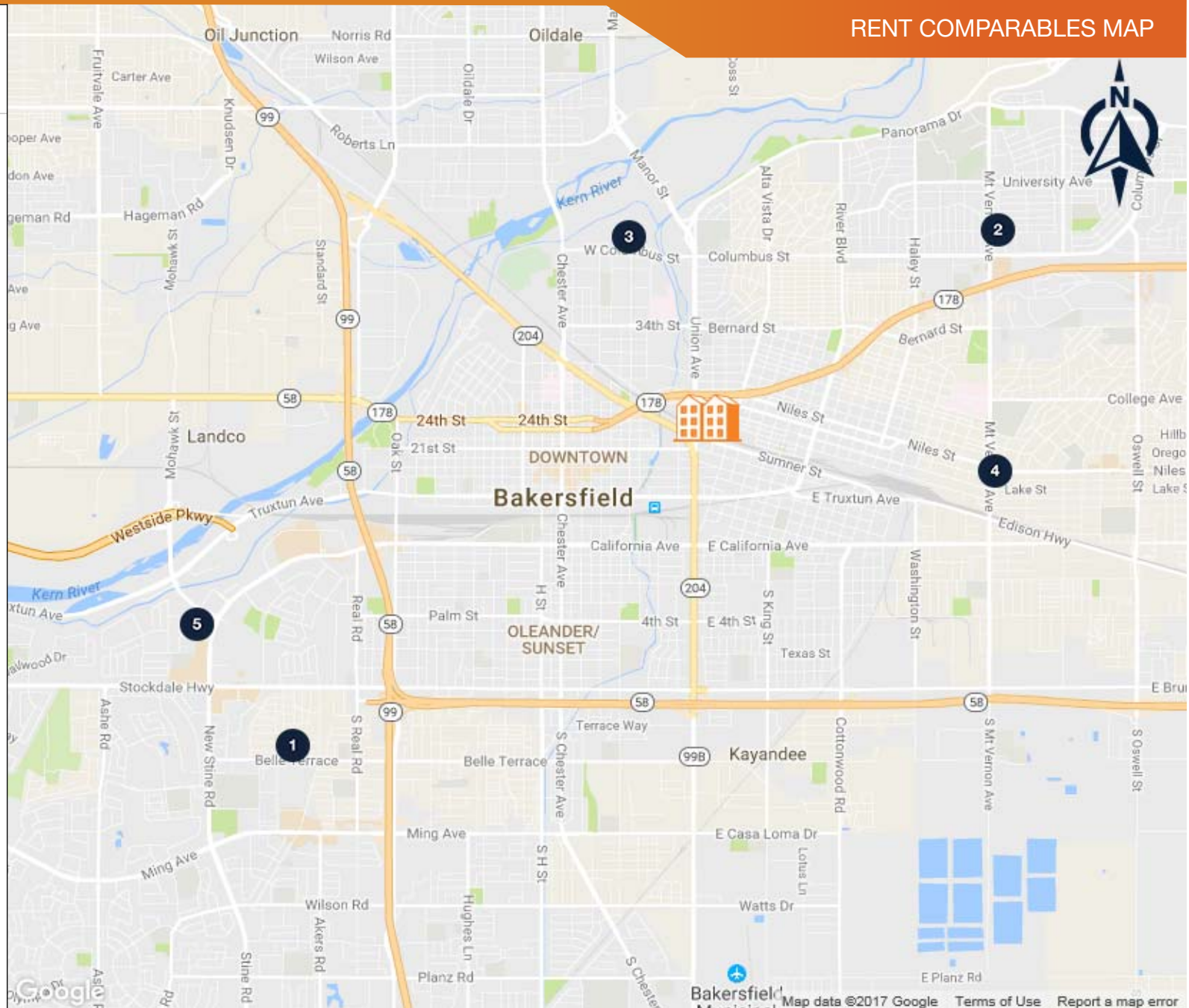


	Units	Unit Type
On Market	1	1 Bdr 1 Bath
List Price:	\$515,000	8
Price/Unit:	\$57,222	
Price/SF:	\$81.00	
CAP Rate:	7.20%	
GRM:	7.32	
Total No. of Units:	9	
Year Built:	1965	



110 KENTUCKY ST  
(SUBJECT)

- 1 4419 Belle Ter
- 2 2401 Eric Way
- 3 Santa Rosa
- 4 2212 Lake St
- 5 Stockdale Pines Apartments

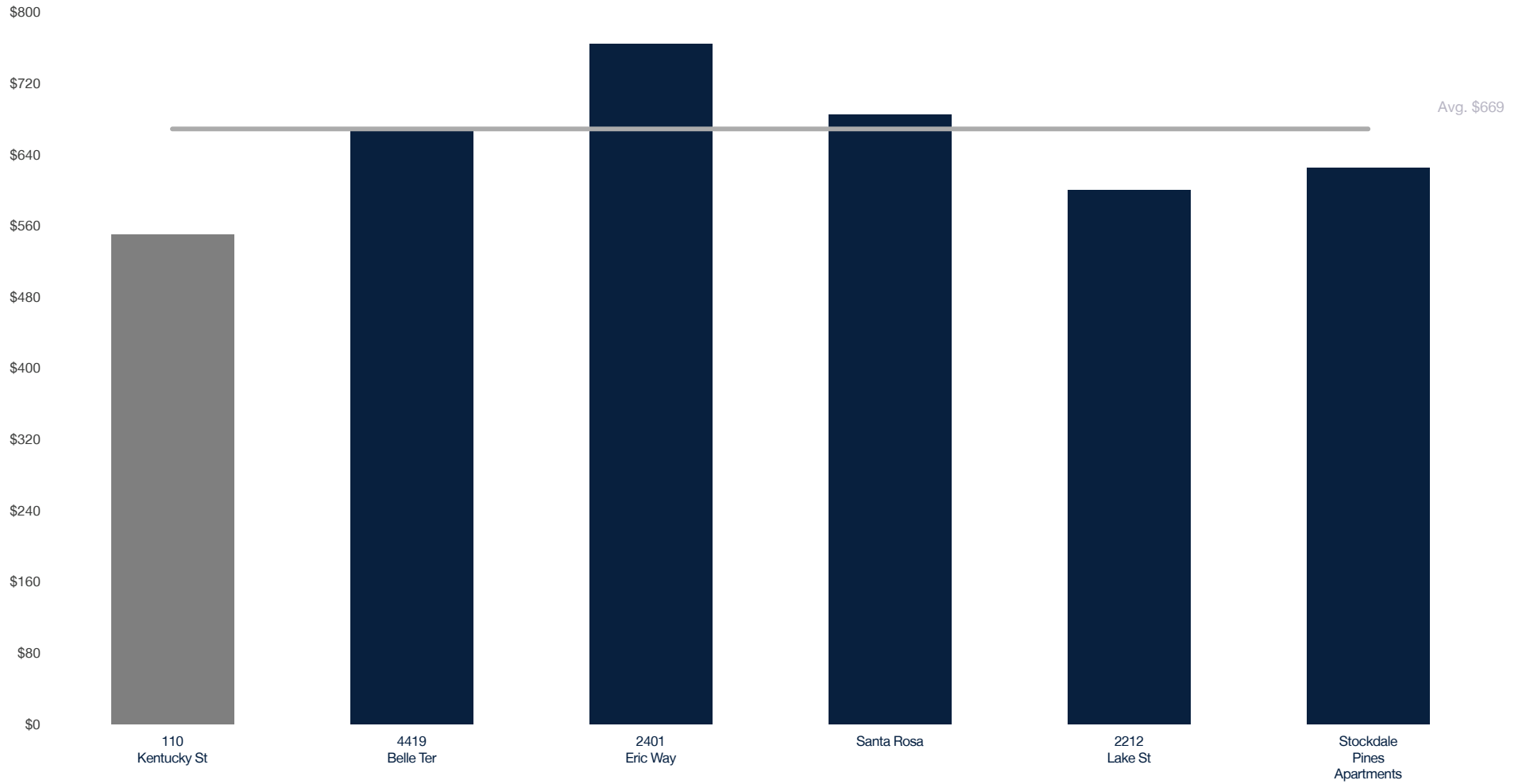


### AVERAGE OCCUPANCY



### AVERAGE RENT - MULTIFAMILY

#### 1 Bedroom



**110 KENTUCKY ST**

110 KENTUCKY ST, BAKERSFIELD, CA, 93305



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	12		\$550.00	\$0.00
Total/Avg.	12			

YEAR BUILT: 1925

**4419 BELLE TER**

4419 BELLE TER, BAKERSFIELD, CA, 93309



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	50	530	\$670	\$1.27
Total/Avg.	50	530	\$670	\$1.26

YEAR BUILT: 1978

**2401 ERIC WAY**

2401 ERIC WAY, BAKERSFIELD, CA, 93306



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	25	704	\$765	\$1.09
Total/Avg.	25	704	\$765	\$1.09

YEAR BUILT: 1973

**SANTA ROSA**

901 WEST COLUMBUS STREET,  
BAKERSFIELD, CA, 93301

3



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	30	750	\$685	\$0.92
Total/Avg.	30	750	\$685	\$0.91

YEAR BUILT: 1976

**2212 LAKE ST**

2212 LAKE ST, BAKERSFIELD, CA, 93306

4



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	4		\$600	
Total/Avg.	4		\$600	

YEAR BUILT: 1938

**STOCKDALE PINES APARTMENTS**

5301 LENNOX AVE, BAKERSFIELD, CA, 93309

5



Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	26	625	\$625	\$1.00
Total/Avg.	26	625	\$625	\$1.00

YEAR BUILT: 1975

# MARKET OVERVIEW



## BAKERSFIELD

### Market Highlights

#### Central location

- Expanding transportation network provides convenient access to ports, major cities and recreation areas.

#### Increasing employment quality

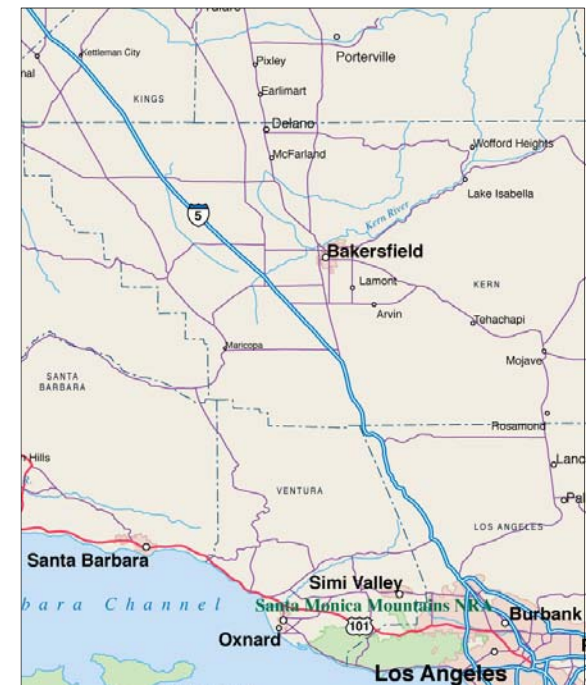
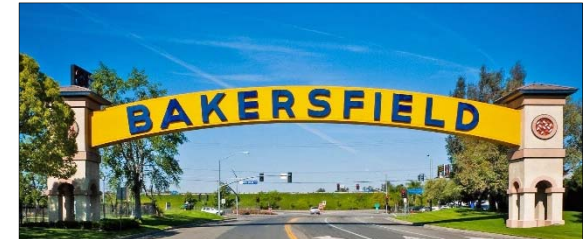
- Office-using employment growth is expected to outpace the national growth rate this year.

#### Low costs of living, doing business

- Favorable home prices and a pro-business environment attract employers and residents.

### Geography

The Bakersfield metro lies near the southern end of the San Joaquin Valley in Kern County. The county covers 8,161 square miles. The Kern River flows through the region, which includes parts of three mountain ranges: the Sierra Nevadas to the east, the Tehachapis to the south and the Tremblor to the west. The city of Bakersfield, which is the county seat, is located at the foot of the Greenhorn Mountain Range.



Bakersfield Metro

 **BAKERSFIELD**

**Metro**

The Bakersfield metro encompasses all of Kern County in the southern portion of the San Joaquin Valley in California and contains a population of nearly 877,600 people. Bakersfield is the most populated city in the county with 365,000 residents, followed by Delano, Ridgecrest and Wasco.

**Infrastructure**

Three freeways bisect the metro. State Route 99 runs north to south, state Route 58 heads southeast and state Route 178 runs northeast. Future extensions are planned for SR 58 and SR 178. Also, two beltways are being considered for Bakersfield, as well as a station for the proposed California High Speed Rail system.

Meadows Field Airport delivers commercial air flights while the Bakersfield Municipal Airport offers charter and executive aviation services.

The area is served by two Class 1 railroads and Amtrak’s San Joaquin line provides passenger rail between Bakersfield and the San Francisco and Sacramento areas. Amtrak also runs a bus connection service to the Los Angeles area.

Public transit services in the county are offered through Golden Empire Transit and Kern Regional Transit.

**Bakersfield is:**

- 110 miles from Los Angeles
- 110 miles from Fresno
- 280 miles from San Francisco
- 300 miles from Sacramento

**Airports**

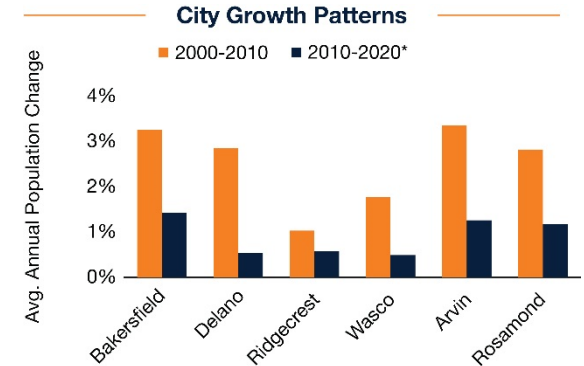
- Meadows Field Airport
- Bakersfield Municipal Airport

**Major Roadways**

- Interstate 5
- U.S. 395
- State Routes 14, 58, 99 and 178

**Rail**

- Freight – Union Pacific and BNSF
- Passenger – Amtrak



Largest Cities in Metro by Population	
Bakersfield	365,000
Delano	63,600
Ridgecrest	28,800
Wasco	25,700
Arvin	20,200
Rosamond	19,000

\* Forecast  
Sources: Marcus & Millichap Research Services; U.S. Census Bureau; Experian

**BAKERSFIELD**

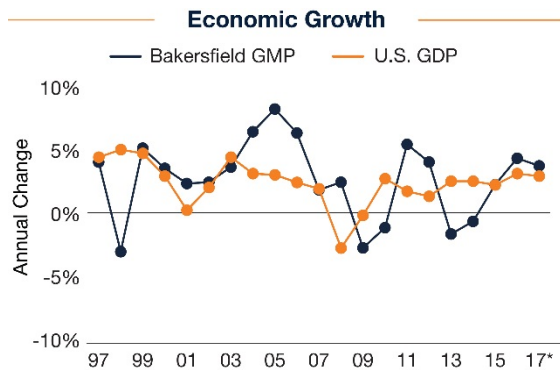
**Economy**

The metro’s main industries are energy and agriculture. Kern County is one of the most oil productive counties in the nation and the Elk Hills field is the state’s top natural gas producer. The alternative-energy sector is growing; the largest wind farm and solar array in the state are located in the county. The U.S. government’s carbon reduction goals should benefit this sector. Bakersfield is also a part of the agriculturally intensive San Joaquin Valley, and agriculture still constitutes a major portion of the local economic base. Other industries include petroleum refining, mining, manufacturing, food processing, distribution and aerospace; many of the companies in these industries are headquartered locally.

rest of country, are making the metro particularly attractive to the manufacturing and distribution sectors. The metro also has a strong aviation, space and military presence with Edwards Air Force Base, Halliburton and the China Lake Naval Air Weapons Station located within the county.

The area’s business-friendly policies, such as no local inventory or utility taxes, and Bakersfield’s minimum sales tax, are helping to attract companies to establish offices in the region.

Bakersfield’s relatively inexpensive land and accessibility to the international ports in both Los Angeles and Oakland, as well as transportation access to the



Top Agricultural Commodities Produced	
Grapes	
Almonds	
Milk	
Citrus	
Cattle	
Pistachios	
Carrots	
Alfalfa Hay	
Cotton	
Pomegranates	

\* Forecast  
Sources: Marcus & Millichap Research Services; Bureau of Economic Analysis; Moody’s Analytics; U.S. Census Bureau; Experian

**BAKERSFIELD**

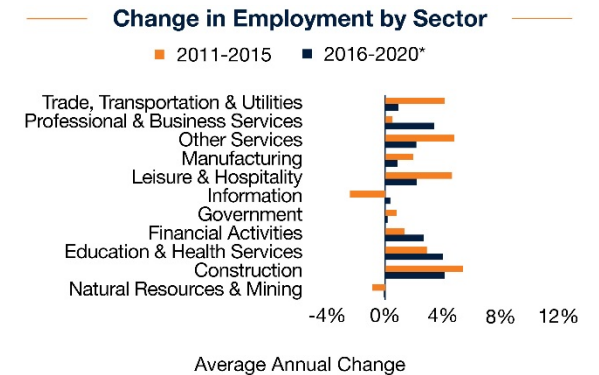
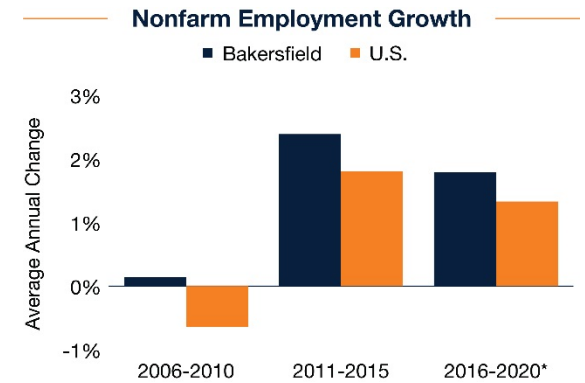
**Labor**

After posting strong nonfarm employment growth at an average annual pace of 2.4 percent during the previous five years, job growth in Bakersfield is now expected to expand at a more modest rate. Over the coming five years, the metro is forecast to boost its current 259,700 jobs by an average of 1.8 percent annually, still outpacing the national rate.

The government sector dominates employment in the county, accounting for nearly one-fourth of all jobs. In addition to city staffs, this sector encompasses the county’s three largest employers: Edwards Air Force Base, Kern County and China Lakes Navel Weapons Center. The sector is poised to grow 0.2 percent annually through 2020.

The trade, transportation and utilities sector accounts for 20 percent of total employment, with the largest portion of workers in retail trade. The sector is currently forecast to expand at an average annual pace of 0.9 percent in the coming five years. Bakersfield’s strategic position between Los Angeles and San Francisco and its access to a large consumer base will translate to a stronger transportation and shipping industry in the future.

Employment gains are widespread. The fastest payroll expansion in the coming five years is forecast to be registered in the construction sector at 4.1 percent annually. The education and health services sector, third in the percentage of metro employees, follows close behind with 4 percent annual growth through 2020.



\* Forecast  
Sources: Marcus & Millichap Research Services; BLS; Moody's Analytics

**BAKERSFIELD**

**Employers**

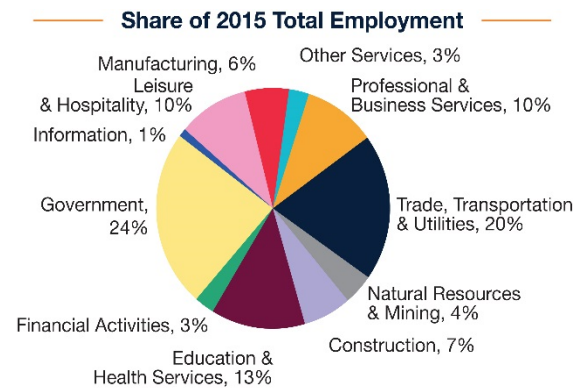
Kern County’s employment base was founded on agriculture and oil. Today, agricultural producers are still a major component to the local economy. Some of the bigger businesses include Giumarra Cos., Grimmway Farms and Bolthouse Farms. The large agriculture sector has attracted a growing list of food production facilities, including Frito Lay, Nestlé Ice Cream and Sun Pacific, to locate in the area.

Oil and gas historically provided a boost to the economy; however, if oil prices remain low for an extended period of time, production may slow. Local businesses include Aera Energy, Chevron, Ensign United States Drilling and Pacific Gas and Electric.

Many of the area’s largest employers are in the education and health services sector, which provides 33,000 local jobs. This includes positions in the local school districts and area hospitals, such as Bakersfield Memorial Hospital, Mercy Hospital, Kern Medical Center and San Joaquin Community Hospital.

Due to its strategic location and access to roughly 36 million consumers within a four-hour drive of the county, the metro serves as a logistics and distribution hub. Ross Dress for Less, Target, Ikea and Caterpillar are among the companies that maintain warehouses in the area. Many are located in the Tejon Ranch Commerce Center and Paramount Logistics Park.

In the less-populated far eastern portion of the county, Edwards Air Force Base and the China Lake Naval Weapons Center contribute approximately 19,500 jobs.



Major Employers
Edwards Air Force Base
Kern County
China Lake Naval Weapons Center
Giumarra Cos.
Grimmway Farms
Wm. Bolthouse Farms Inc.
Bakersfield Memorial Hospital
City of Bakersfield
Mercy Hospitals of Bakersfield
ARB Inc.



\* Forecast  
 Sources: Marcus & Millichap Research Services; BLS; Moody’s Analytics; Experian

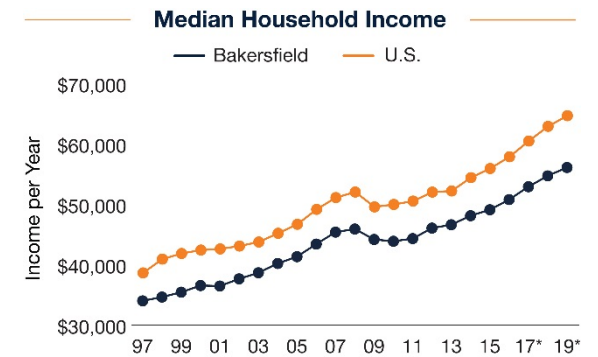
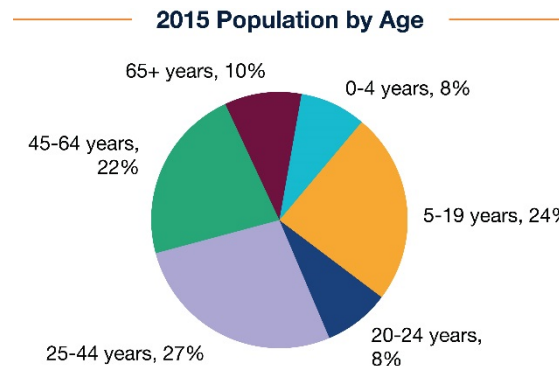
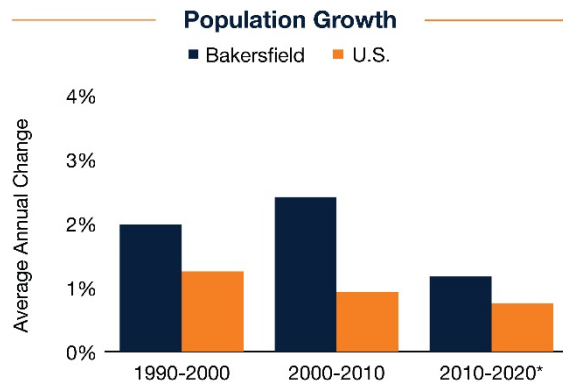


### Demographics

The overall population shift to Sun Belt areas and the comparatively lower cost of housing drives population growth in Bakersfield. The population grew more than 32 percent since 2000, and it is now expected to slow to a 1.2 percent annual growth rate through 2020. This equates to nearly 66,000 new residents in the coming five years.

Many people move to the area for jobs, as approximately half of the residents are between 25 and 64 years old, with seniors comprising 10 percent of the population. Young families are also attracted to the relatively affordable cost of housing. As such, 32 percent of the population is younger than 20 years old. This has lowered the median age to 31 years, which is well below the U.S. median of 38 years.

Although the median housing price in Kern County, at roughly \$222,700, is much more affordable than the median in the LA basin, home prices are still out of reach for many residents. The median household income of \$49,600 per year is below the national median at \$56,500 per year. Homeownership rates at approximately 57 percent are below the national rate of 64 percent. Over the next five years, the rise in home prices will outpace income, making the potential for homeownership more difficult to residents.



\* Forecast  
Sources: Marcus & Millichap Research Services; AGS; Experian; Moody's Analytics; U.S. Census Bureau

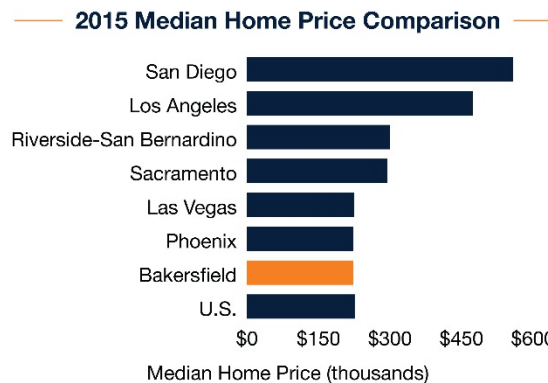
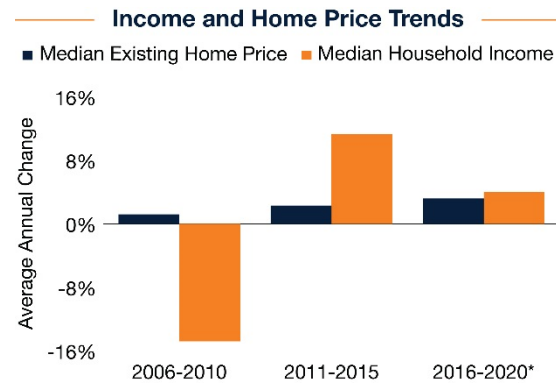
 **BAKERSFIELD**

**Quality of Life**

Outdoor enthusiasts can always find something to do near Bakersfield, whether it is whitewater rafting, jet skiing or kayaking in Kern River Canyon or downhill and cross-country skiing in the mountains during the winter. Just minutes away from the city are the Buena Vista Aquatic Recreation Area, Lake Ming and the Kern River. These areas also provide biking and hiking trails. Those who like indoor sports may enjoy the Bakersfield Ice Sports Center or the McMurtrey Aquatics Center. Bakersfield is also home to the Bakersfield Blaze (baseball), the Bakersfield Jam (basketball) and the Bakersfield Condors (professional ice hockey) teams.

A variety of entertainment can be enjoyed at the Rabobank Arena Theater & Convention Center, which is home to the Bakersfield Symphony Orchestra and Bakersfield Masterworks Chorale. The Buck Owens’ Crystal Palace provides local dinner theater, and museums include the Kern County Museum & Lori Brock Children’s Discovery Center, California Living Museum, Bakersfield Museum of Art and the Buena Vista Museum of Natural History.

Bakersfield College, National University and California State University, Bakersfield are among the institutions of higher learning in the metro.



\* Forecast  
Sources: Marcus & Millichap Research Services; National Association of Realtors; Moody’s Analytics; U.S. Census Bureau

Created on March 2017

POPULATION	1 Miles	3 Miles	5 Miles
<b>2021 Projection</b>			
Total Population	15,244	134,543	292,712
<b>2016 Estimate</b>			
Total Population	15,012	132,010	283,533
<b>2010 Census</b>			
Total Population	14,412	127,129	271,121
<b>2000 Census</b>			
Total Population	13,775	119,850	241,650
<b>Daytime Population</b>			
2016 Estimate	33,611	161,630	323,928
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
<b>2021 Projection</b>			
Total Households	4,940	42,768	94,793
<b>2016 Estimate</b>			
Total Households	4,780	41,930	91,854
Average (Mean) Household Size	2.91	3.09	3.04
<b>2010 Census</b>			
Total Households	4,484	39,917	87,016
<b>2000 Census</b>			
Total Households	4,205	38,860	81,519
Growth 2015-2020	3.35%	2.00%	3.20%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
<b>Occupied Units</b>			
2021 Projection	4,940	42,768	94,793
2016 Estimate	5,186	45,164	97,813
Owner Occupied	1,181	15,437	39,627
Renter Occupied	3,599	26,494	52,227
Vacant	406	3,234	5,959
<b>Persons In Units</b>			
2016 Estimate Total Occupied Units	4,780	41,930	91,854
1 Person Units	30.67%	24.77%	23.72%
2 Person Units	22.41%	24.23%	25.86%
3 Person Units	13.91%	15.20%	15.78%
4 Person Units	13.16%	13.61%	13.91%
5 Person Units	9.21%	9.91%	9.78%
6+ Person Units	10.63%	12.28%	10.95%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
<b>2016 Estimate</b>			
\$200,000 or More	0.32%	1.11%	1.56%
\$150,000 - \$199,000	0.85%	1.40%	2.18%
\$100,000 - \$149,000	2.91%	5.78%	7.71%
\$75,000 - \$99,999	7.44%	7.86%	9.30%
\$50,000 - \$74,999	12.45%	14.39%	17.29%
\$35,000 - \$49,999	15.17%	15.02%	15.02%
\$25,000 - \$34,999	16.41%	13.19%	12.57%
\$15,000 - \$24,999	18.10%	17.29%	15.48%
Under \$15,000	26.34%	23.98%	18.90%
Average Household Income	\$37,316	\$45,244	\$52,952
Median Household Income	\$28,247	\$31,426	\$37,626
Per Capita Income	\$12,608	\$14,663	\$17,337
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
<b>Population By Age</b>			
2016 Estimate Total Population	15,012	132,010	283,533
Under 20	33.99%	34.94%	33.98%
20 to 34 Years	25.30%	24.54%	24.02%
35 to 39 Years	6.18%	6.10%	6.07%
40 to 49 Years	11.72%	11.12%	10.99%
50 to 64 Years	13.99%	14.47%	14.97%
Age 65+	8.83%	8.83%	9.97%
Median Age	29.06	28.78	29.56
<b>Population 25+ by Education Level</b>			
2016 Estimate Population Age 25+	8,576	74,548	163,439
Elementary (0-8)	16.53%	16.11%	12.60%
Some High School (9-11)	18.75%	16.66%	14.46%
High School Graduate (12)	28.79%	27.40%	28.07%
Some College (13-15)	22.60%	22.59%	24.26%
Associate Degree Only	4.32%	5.10%	6.38%
Bachelors Degree Only	5.00%	5.71%	7.34%
Graduate Degree	1.27%	2.77%	3.70%
<b>Population by Gender</b>			
2016 Estimate Total Population	15,012	132,010	283,533
Male Population	51.23%	49.52%	48.97%
Female Population	48.77%	50.48%	51.03%

Source: © 2016 Experian



### Population

In 2016, the population in your selected geography is 15,012. The population has changed by 8.98% since 2000. It is estimated that the population in your area will be 15,244.00 five years from now, which represents a change of 1.55% from the current year. The current population is 51.23% male and 48.77% female. The median age of the population in your area is 29.06, compare this to the US average which is 37.68. The population density in your area is 4,776.24 people per square mile.



### Households

There are currently 4,780 households in your selected geography. The number of households has changed by 13.67% since 2000. It is estimated that the number of households in your area will be 4,940 five years from now, which represents a change of 3.35% from the current year. The average household size in your area is 2.91 persons.



### Income

In 2016, the median household income for your selected geography is \$28,247, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 30.53% since 2000. It is estimated that the median household income in your area will be \$31,012 five years from now, which represents a change of 9.79% from the current year.

The current year per capita income in your area is \$12,608, compare this to the US average, which is \$29,962. The current year average household income in your area is \$37,316, compare this to the US average which is \$78,425.



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 48.85% White, 9.13% Black, 0.12% Native American and 1.39% Asian/Pacific Islander. Compare these to US averages which are: 70.77% White, 12.80% Black, 0.19% Native American and 5.36% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 68.41% of the current year population in your selected area. Compare this to the US average of 17.65%.



### Housing

The median housing value in your area was \$116,866 in 2016, compare this to the US average of \$187,181. In 2000, there were 1,430 owner occupied housing units in your area and there were 2,775 renter occupied housing units in your area. The median rent at the time was \$379.



### Employment

In 2016, there are 15,113 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 42.58% of employees are employed in white-collar occupations in this geography, and 58.77% are employed in blue-collar occupations. In 2016, unemployment in this area is 24.71%. In 2000, the average time traveled to work was 23.00 minutes.