ERA

Economics Research Associates

Memorandum

Date: August 21, 2006

To: **Donald Brackenbush, Public Private Ventures**

From: Austin Anderson, ERA
Amitabh Barthakur, ERA

RE: Bakersfield Community College Site Development Potential
ERA Project No. 16673

Introduction

Public Private Ventures (PPV) retained Economics Research Associates (ERA) to prepare a preliminary market analysis for a proposed master planned development in Bakersfield, California. PPV is working on behalf of Bakersfield Community College (BCC), which has control of a 230-acre property in eastern metropolitan Bakersfield, several miles outside the current municipal boundary, to assist in the development of a new community college campus. The proposed campus will require approximately 80 acres of land, leaving the remaining 150 acres potentially available for other uses. PPV is assisting BCC in the preparation of an efficient and market sensitive strategy for the use of the entire site that can leverage BCC's excess land assets to generate value to offset the development costs of the new campus.

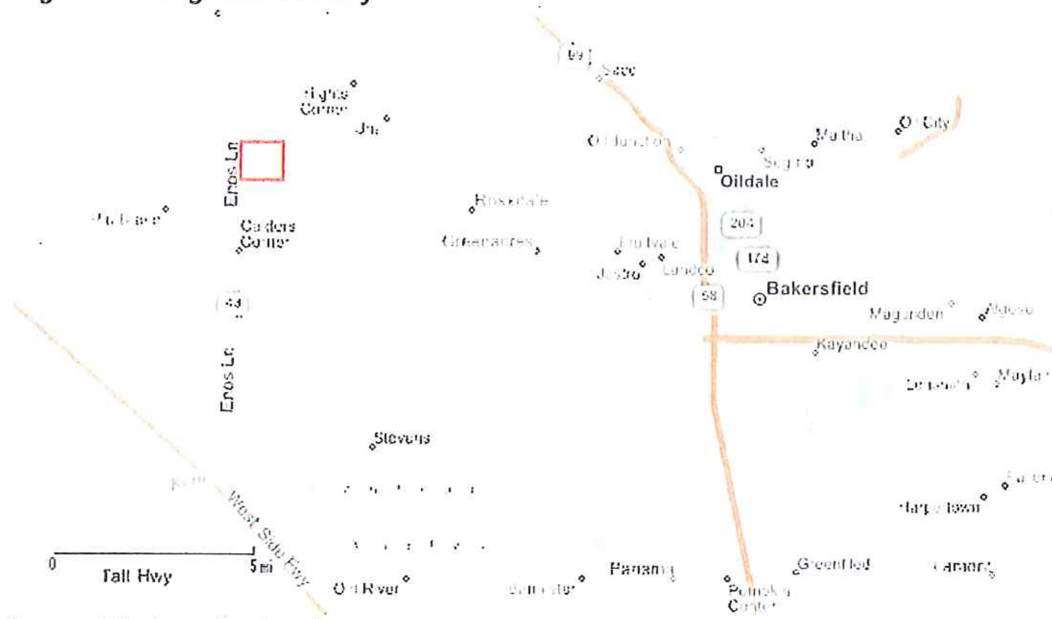
ERA's analysis will specifically examine the development potential for approximately 150 acres of 'excess' land, focusing on market opportunities for residential, retail, and active adult related land uses. Data regarding population, housing and employment is analyzed in the following sections to provide context for the potential uses of the site and to develop reasonable projections for future growth scenarios.

Site Location

As shown in Figure 1, the 230 acre site is located on Enos Lane (Highway 43), approximately 2 miles to the north of Highway 58, a primary transportation corridor between downtown Bakersfield and its western subdivisions. The site is located approximately 6 miles by road from the newest subdivision developments west of Bakersfield, and is approximately 7 miles by road from the westernmost municipal boundary of the City of Bakersfield.

The site is approximately 11 miles to the west of Highway 99, the primary north-south transportation corridor through California's Central Valley, and is approximately 9 miles to the east of Interstate 5, the primary north-south transportation corridor between the metropolitan areas of coastal California.

Figure 1 – Regional Vicinity



Source: Windows Live Local

Figure 2 presents an aerial view of the roughly L-shaped property with approximate site boundaries. The site is bounded on the south by Sullivan Road, on the west by Highway 43/Enos Lane, on the north by Kratzmeyer Road, and on the east by Superior Road. Highway 43 is a high speed two-lane rural highway. Sullivan Road is an unpaved access road for surrounding fields and groves.

A modest, isolated farmhouse occupies the northwest corner of the site, while the rest of the property consists of mature almond groves. Adjacent land uses include agricultural on three sides. A small agglomeration of residential and light industrial properties abut the northeast edge of the property at the intersection of Kratzmeyer and Superior Road. The Rio Bravo-Greely Elementary and Middle Schools occupy approximately 35 acres to the immediate northwest of the property.

The site is currently located within a solidly agricultural context. There is some rural residential sparsely distributed in the area. Retail is virtually nonexistent – within a several-mile radius there is a gas station and a few farm stands selling fresh produce. Traffic flows predominantly along major arterials including Highway 58, Highway 43, and 7th Standard Road. Vehicle speed is high along both two-lane highways.

Figure 2 – Approximate Site Boundaries

Source: Google Earth

There is no significant change in grade across the property. Traveling west from the BCC site, land use remains predominantly agricultural. Land use transitions from agricultural to residential approximately 7 miles to the east of the site, which coincides with the municipal boundary of the City of Bakersfield.

Population and Housing

According to estimates by the California Department of Finance, the January 2006 population of the City of Bakersfield was 311,824 persons, and the City contained 108,242 dwelling units. This represents 40.0% and 41.2% of Kern County's population and dwelling units respectively. Approximately 70% of the City of Bakersfield's housing consists of detached single family residences, equivalent to the county average. The California DOF measures population within municipal boundaries, and so does not capture potential population growth in the greater metropolitan areas outside city limits.

As shown in Table 1, the population of Kern County grew by 119,669 persons between January 2000 and January 2006. The City of Bakersfield, at a compound annual growth rate of 4.0%, accounted for 65,324 of these new residents, or 54.6% of the county's growth. The majority of the remaining growth in the county occurred in unincorporated areas. Compared to the state of California as a whole, both Bakersfield and Kern County experienced substantially higher annual rates of growth than were seen statewide.

Table 1 – Historic Population Growth

	Population 2000	2001	2002	2003	2004	2005	2006	Numeric Change 2000-06	% Change 2000-06	CAGR 2000-06	Share of County Growth 2000-06	Percent of County 2006
Arvin	12,850	13,183	13,581	14,185	14,655	15,064	15,027	2,177	17%	2.6%	1.8%	1.9%
Bakersfield	246,500	249,919	258,941	269,577	282,671	297,845	311,824	65,324	27%	4.0%	54.6%	40.0%
Delano	38,450	40,039	41,078	42,410	43,588	45,317	49,359	10,909	28%	4.3%	9.1%	6.3%
Maricopa	890	1,124	1,134	1,139	1,151	1,155	1,137	247	28%	4.2%	0.2%	0.1%
McFarland	9,850	9,875	10,059	10,737	11,258	12,254	12,538	2,688	27%	4.1%	2.2%	1.6%
Shafter	12,800	12,903	13,098	13,475	13,834	14,210	14,501	1,701	13%	2.1%	1.4%	1.9%
Taft	8,775	8,900	8,956	9,042	9,027	9,093	9,147	372	4%	0.7%	0.3%	1.2%
Tehachapi	11,400	11,425	11,095	11,461	11,783	11,954	12,610	1,210	11%	1.7%	1.0%	
Wasco	20,550	21,452	21,730	22,441	23,037	23,824	24,288	3,738	18%	2.8%	3.1%	3.1%
Balance of County	298,135	304,805	310,927	315,597	321,397	327,166	329,438	31,303	10%	1.7%	26.2%	42.2%
Kern County Total	660,200	673,625	690,599	710,064	732,401	757,882	779,869	119,669	18%	2.8%	100.0%	100.0%
California	33,871,648	34,441,561	35,088,671	35,691,442	36,271,091	36,728,196	37,172,015	3,300,367	10%	1.6%		

Source: California Department of Finance, Economic Sciences Corporation

Table 2 presents the growth in dwelling units across Kern County from 2000 to 2006. As of January 2006, Bakersfield had 108,242 units of housing, representing 41.2% of total dwelling units in the county. Bakersfield added 20,423 dwelling units from 2000 to 2006, accounting for 71.8% of the housing growth in Kern County during this time period. The 3.5% annual rate of housing growth in Bakersfield was substantially higher than the rate in either the county or state.

Table 3 presents the number of residents per dwelling unit for various municipalities in Kern County. Despite significant population increases, Bakersfield maintained a relatively steady average of 2.8 to 2.9 residents per unit from 2000 to 2006. This indicates that the increase in population kept pace with the increase in supply of housing units. The demographics of Bakersfield are also reflected in the relatively low ratio of residents to housing units in the city. Typically, Hispanic households have significantly higher average household sizes than non-Hispanic households. Approximately 32% of the population in Bakersfield identifies as Latino or Hispanic, compared to 69% in Delano, 68% in Shafter, 38% in Kern County, and 32% in California (See Appendix for detailed demographic information).

Table 2 – Historic Dwelling Unit Growth

	Dwelling Units 2000	2001	2002	2003	2004	2005	2006	Numeric Change 2000-06	% Change 2000-06	CAGR 2000-06	Share of County Growth 2000-06	Percent of County 2006
Arvin	3,110	3,179	3,247	3,362	3,443	3,513	3,530	420	14%	2.1%	1.5%	1.3%
Bakersfield	87,819	88,761	91,203	94,175	98,043	102,584	108,242	20,423	23%	3.5%	71.8%	41.2%
Delano	8,801	8,937	9,123	9,375	9,611	9,866	10,153	1,352	15%	2.4%	4.8%	3.9%
Maricopa	460	462	462	460	461	459	459	(1)	0%	0.0%	0.0%	0.2%
McFarland	2,025	2,036	2,044	2,191	2,341	2,543	2,579	554	27%	4.1%	1.9%	1.0%
Shafter	3,625	3,643	3,678	3,746	3,819	3,900	4,007	382	11%	1.7%	1.3%	1.5%
Taft	2,473	2,493	2,499	2,514	2,511	2,515	2,525	52	2%	0.3%	0.2%	1.0%
Tehachapi	2,911	2,933	2,949	2,967	3,023	3,059	3,275	364	13%	2.0%	1.3%	
Wasco	4,203	4,304	4,386	4,496	4,564	4,720	4,893	690	16%	2.6%	2.4%	1.9%
Balance of County	119,060	117,311	118,059	118,945	120,102	121,258	123,271	4,211	4%	0.6%	14.8%	46.9%
Kern County Total	234,487	234,059	237,650	242,231	247,918	254,417	262,934	28,447	12%	1.9%	100.0%	100.0%
California	12,214,549	12,308,038	12,450,188	12,600,144	12,760,326	12,942,414	13,138,670	924,121	8%	1.2%		

Source: California Department of Finance, Economic Sciences Corporation

Table 3 – Residents per Dwelling Unit

	2000	2001	2002	2003	2004	2005	2006	Numeric Change 2000-06
Arvin	4.13	4.15	4.18	4.22	4.26	4.29	4.26	0.13
Bakersfield	2.81	2.82	2.84	2.86	2.88	2.90	2.88	0.07
Delano	4.37	4.48	4.50	4.52	4.54	4.59	4.86	0.49
Maricopa	1.93	2.43	2.45	2.48	2.50	2.52	2.48	0.54
McFarland	4.86	4.85	4.92	4.90	4.81	4.82	4.86	(0.00)
Shafter	3.53	3.54	3.56	3.60	3.62	3.64	3.62	0.09
Taft	3.55	3.57	3.58	3.60	3.59	3.62	3.62	0.07
Tehachapi	3.92	3.90	3.76	3.86	3.90	3.91	3.85	(0.07)
Wasco	4.89	4.98	4.95	4.99	5.05	5.05	4.96	0.07
Balance of County	2.50	2.60	2.63	2.65	2.68	2.70	2.67	0.17
Kern County Total	2.82	2.88	2.91	2.93	2.95	2.98	2.97	0.15
California	2.77	2.80	2.82	2.83	2.84	2.84	2.83	0.06

Source: ERA

The rapid growth in Bakersfield can generally be explained by two reasons. First, the relative price of housing in Bakersfield and throughout the Central Valley is substantially lower than in the major metropolitan areas of California, especially the Los Angeles Basin. Bakersfield's proximity to economic activity in Los Angeles and the Inland Empire makes it a feasible location for so-called 'super commuters' (commuters who travel several hours per day to/from place of work) and telecommuters to reside while working elsewhere. Bakersfield's relatively low cost of housing in California's heated housing market also means that moderate-income householders, such as younger couples and/or retirees, may be relocating to this area from higher cost areas of the state. Additionally, investors may be or may have been purchasing units as potential investment properties, with the intention of selling the units at appreciated prices in the near term. Second, the majority of unincorporated land in Kern County is zoned agricultural. New housing development therefore generally occurs by means of a General Plan amendment and concurrent annexation into an existing municipality, which enables the provision of utilities and other infrastructure through existing service systems or extensions.

Table 4 presents long-term population growth projections for the county estimated by the Kern County Association of Governments (Kern COG). Kern COG bases its projections on existing general plans, general plan amendments, and related municipal and county policies. Furthermore, Kern COG looks beyond municipal boundaries and into the surrounding unincorporated areas of the county to develop projections for the entire metropolitan area. Their estimates show that metropolitan Bakersfield is expected to add 277,054 people in the next twenty-five years, yielding an annual growth rate of 1.8%. However, the North of River sub-region (NOR), the area in which the BCC site is located, is expected to add 94,308 people, leading to a significantly higher 2.4% annual growth rate compared to the greater Bakersfield metropolitan area over the same time period. This generally indicates that much of the growth in the metropolitan area is expected to occur in the NOR sub-region.

Table 4 – Population Projections

	2005	2010	2015	2020	2025	2030	Abs. Change 2005-2030	CAGR 2005-2030
Arvin	16,184	24,507	26,617	28,978	32,712	32,803	16,619	2.9%
Greater Cal City/Mojave	21,362	23,189	25,365	28,537	32,493	37,743	16,381	2.3%
Greater Delano/McFarland	57,988	66,870	72,449	77,124	82,877	88,353	30,365	1.7%
Greater Frazier Park	9,178	9,991	10,953	12,323	13,625	15,634	6,456	2.2%
Greater Lake Isabella	17,750	17,899	18,164	18,924	19,714	20,546	2,796	0.6%
Greater Ridgecrest	34,263	37,051	37,673	39,421	41,426	41,464	7,201	0.8%
Greater Rosamond	22,589	24,184	26,023	28,254	30,967	34,470	11,881	1.7%
Greater Shafter	22,840	32,115	36,986	41,494	46,527	48,975	26,135	3.1%
Greater Taft/Maricopa	19,069	19,191	19,514	20,378	21,529	23,165	4,096	0.8%
Greater Tehachapi	35,438	39,037	44,594	49,949	56,101	62,322	26,884	2.3%
Greater Wasco	27,700	31,453	33,317	35,333	38,876	44,429	16,729	1.9%
Bakersfield - Central	22,491	21,998	21,642	21,773	21,924	22,100	(391)	-0.1%
Bakersfield - North of River	114,197	130,240	146,484	166,792	187,554	208,505	94,308	2.4%
Bakersfield - Northeast	91,146	98,716	110,115	120,765	132,848	147,466	56,320	1.9%
Bakersfield - Southeast	123,263	127,772	132,693	136,874	142,968	156,283	33,020	1.0%
Bakersfield - Southwest	130,154	141,378	161,943	183,904	202,954	223,951	93,797	2.2%
Metropolitan Bakersfield	*481,251*	*520,104*	*572,877*	*630,108*	*688,248*	*758,305*	*277,054*	*1.8%*
Kern County Total	765,612	845,591	924,532	1,010,823	1,105,095	1,208,209	442,597	1.8%

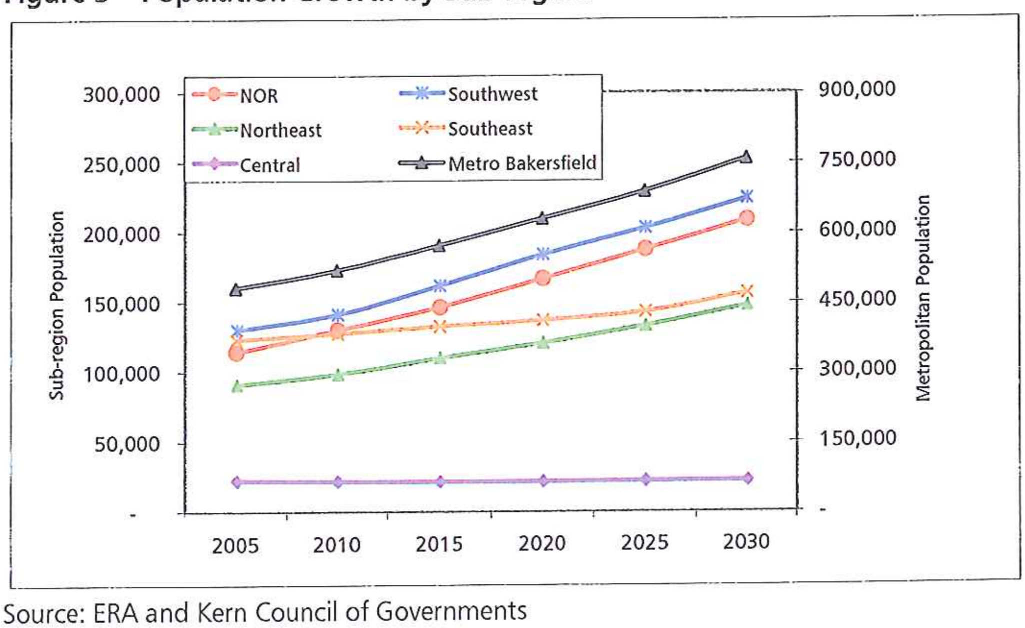
CAGR: Compound Annual Growth Rate

Source: Kern Council of Governments

Figure 3 provides a graphical representation of expected population growth by different sub-regions of the metropolitan Bakersfield region. Kern COG expects most of the growth to occur at a relatively even pace in the NOR and Southwest sub-regions, with smaller increases expected in the Northeast, and relatively flat growth in the Southeast and Central areas.

Dividing the projected absolute change in population from 2005 to 2030 by the current ratio of residents per dwelling unit, 2.88 persons/unit, yields an estimate of approximately 96,000 housing units across metropolitan Bakersfield, with approximately 33,000 of those units located in the NOR sub-region. Adjusting the residents per dwelling unit factor upwards at the rate of growth between the 2000 to 2006 period results in an estimate of 85,000 additional housing units by 2030. Thus, an average annual demand for 3400 to 3800 units is suggested.

Figure 3 – Population Growth by Sub-region



Source: ERA and Kern Council of Governments

Employment Growth

Table 5 presents employment information for Kern County. The first section of the table describes the characteristics of the resident labor force size, including employment and unemployment figures. The second section presents information for wage and salary jobs (by place of work) broken out by industry categories. As of 2005, Kern County had a civilian labor force of 328,860 employees, of which 310,620 or 91.7% were employed. The primary employment sectors in 2005 were state and local government (15.4%), farm (14.2%), self employment (12.6%), and retail trade (9.0%), accounting for more than half of total civilian employment. From 2000 to 2005, several industries experienced a net loss of employment, including farm (5,490 jobs), information (300 jobs), and federal government (900 jobs). Sectors experiencing substantial annual growth during this same time period include construction (9.3%), self employment (6.3%), and leisure and hospitality (3.8%).

Table 5 – Employment (in 000s): Kern County, CA

	2000	2001	2002	2003	2004	2005	Numeric Change 2000-05	% Change 2000-05	CAGR 2000-05	Share of County Growth 2000-05	Percent of Civilian Empl. 2005
Total Civilian Labor Force	294.66	298.6	307.37	314.37	317.25	328.86	34.2	11.6%	2.2%	100.0%	
Total Civilian Employment	270.32	272.97	277.18	281.87	285.89	301.62	31.3	11.6%	2.2%	91.5%	100.0%
Self Employment	27.94	28.98	31.67	32.89	34.62	37.9	9.96	35.6%	6.3%	29.1%	12.6%
Total Unemployment	24.34	25.62	30.21	32.47	31.37	27.24	2.9	11.9%	2.3%	8.5%	
Unemployment Rate (%)	8.29	8.57	9.82	10.33	9.9	8.31	0.02	0.2%	0.0%		
Wage and Salary Employment by Industry (in 000s)											
Total Wage and Salary	242.38	243.99	245.51	248.98	251.27	263.72	21.34	8.8%	1.7%	62.4%	87.4%
Farm	48.28	41.75	40.42	41.87	39.52	42.79	-5.49	-11.4%	-2.4%	-16.1%	14.2%
Nonfarm	194.1	202.24	205.09	207.11	211.75	220.93	26.83	13.8%	2.6%	78.5%	73.2%
Goods Producing	30.62	32.66	32.79	34.17	36.3	39.14	8.52	27.8%	5.0%	24.9%	13.0%
Service Producing	163.48	169.58	172.3	172.94	175.45	181.79	18.31	11.2%	2.1%	53.5%	60.3%
Natural Resources & Mining	8.21	8.62	7.9	7.99	8.14	8.43	0.22	2.7%	0.5%	0.6%	2.8%
Construction	11.59	12.97	13.33	13.57	15.42	18.06	6.47	55.8%	9.3%	18.9%	6.0%
Manufacturing	10.82	11.06	11.56	12.6	12.74	12.65	1.83	16.9%	3.2%	5.4%	4.2%
Wholesale Trade	5.68	5.88	6.11	6.18	6.47	6.74	1.06	18.7%	3.5%	3.1%	2.2%
Retail Trade	23.17	24.18	24.58	24.75	25.82	27.25	4.08	17.6%	3.3%	11.9%	9.0%
Transport, Warehousing & Utilities	8.38	8.33	8.3	8.73	8.77	9.18	0.8	9.5%	1.8%	2.3%	3.0%
Information	2.51	2.54	2.53	2.54	2.52	2.47	-0.04	-1.6%	-0.3%	-0.1%	0.8%
Financial Activities	7.57	7.75	7.97	8.32	8.59	8.67	1.1	14.5%	2.8%	3.2%	2.9%
Profess and Business Svcs	22.17	23.02	22.36	21.67	21.72	22.67	0.5	2.3%	0.4%	1.5%	7.5%
Educational and Health Svcs	19.19	20.22	20.72	21.29	21.58	22.11	2.92	15.2%	2.9%	8.5%	7.3%
Leisure and Hospitality	16.52	17.22	17.62	18.03	18.97	19.93	3.41	20.6%	3.8%	10.0%	6.6%
Other Services	6.66	6.81	6.87	6.88	6.99	7.07	0.41	6.2%	1.2%	1.2%	2.3%
Federal Government	9.67	9.42	9.62	9.77	9.52	9.22	-0.45	-4.7%	-0.9%	-1.3%	3.1%
State and Local Government	41.95	44.2	45.61	44.76	44.49	46.45	4.5	10.7%	2.1%	13.2%	15.4%

Source: Economic Sciences Corporation

Since 2001, rapid job growth in Kern County has occurred in construction-related sectors, both directly in the construction industry as well as indirectly through service industries related to construction and servicing growing populations. This job growth is directly linked to the rise in residential building projects. According to the Center for the Continuing Study of the California Economy, the volume of recent new home construction seems reasonable given underlying employment and demographic trends throughout California. Part of the volume may also be due to 'catch-up' construction from the low building levels of the 1990s. It also seems likely that some of the new construction is speculative, spurred on by high demand and rising prices in many markets. However, it is unlikely that recent construction levels will continue at such high rates unless there is a significant price correction, given rising interest rates combined with the already low affordability of new product to much of the population. Thus, future economic growth in the region depends in large part on what happens in the housing market, which is itself impacted by energy prices and national monetary policy.

Table 6 presents long term projected employment growth for Kern County as estimated by Kern COG. Data for the year 2005 shows that Bakersfield provided 186,163 jobs, representing 63% of countywide employment. Over the next twenty-five years, Kern COG projects 32,413 new jobs in the NOR sub-region of Bakersfield, which yields an annual growth rate of 2.3%, well above the expected metropolitan growth rate of 1.3% per year, as shown in Figure 4. Employment in the county as a whole is projected to grow by 143,990 jobs, equivalent to an annual rate of 1.6%.

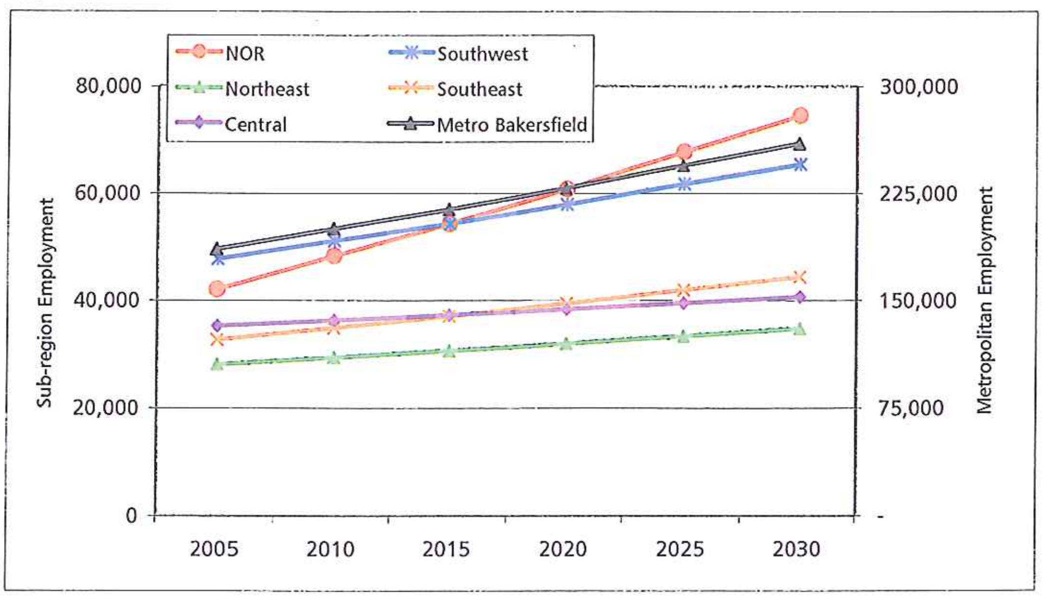
Table 6 – Employment Projections

	2005	2010	2015	2020	2025	2030	Abs. Change 2005-2030	CAGR 2005-2030
Arvin	3,736	4,106	4,462	4,846	5,264	5,666	1,930	1.7%
Greater Cal City/Mojave	7,469	8,891	10,252	11,734	13,344	14,893	7,424	2.8%
Greater Delano/McFarland	16,379	17,891	19,330	20,899	22,597	24,241	7,862	1.6%
Greater Frazier Park	1,976	2,597	3,195	3,843	4,544	5,223	3,247	4.0%
Greater Lake Isabella	3,104	3,605	4,087	4,609	5,171	5,717	2,613	2.5%
Greater Ridgecrest	15,800	17,237	18,609	20,100	21,719	23,276	7,476	1.6%
Greater Rosamond	23,762	25,031	26,242	27,559	28,992	30,376	6,614	1.0%
Greater Shafter	12,361	15,464	18,426	21,653	25,146	28,525	16,164	3.4%
Greater Taft/Maricopa	8,288	9,095	9,865	10,704	11,616	12,496	4,208	1.7%
Greater Tehachapi	8,071	9,607	11,079	12,680	14,412	16,089	8,018	2.8%
Greater Wasco	7,889	8,768	9,606	10,515	11,504	12,459	4,570	1.8%
Bakersfield - Central	35,338	36,367	37,364	38,438	39,602	40,726	5,388	0.6%
Bakersfield - North of River	42,102	48,319	54,282	60,739	67,734	74,515	32,413	2.3%
Bakersfield - Northeast	28,178	29,460	30,692	32,017	33,455	34,845	6,667	0.9%
Bakersfield - Southeast	32,788	35,016	37,160	39,489	42,012	44,448	11,660	1.2%
Bakersfield - Southwest	47,757	51,151	54,414	57,949	61,788	65,493	17,736	1.3%
Metropolitan Bakersfield	*186,163*	*200,313*	*213,912*	*228,632*	*244,591*	*260,027*	*73,864*	1.3%
Kern County Total	294,998	322,605	349,065	377,774	408,900	438,988	143,990	1.6%

CAGR: Compound Annual Growth Rate

Source: Kern Council of Governments

Figure 4



Source: ERA and Kern Council of Governments

The 2005 employment to housing ratio for Kern County is 1.00 jobs per unit (based on employment figures from Table 5 and housing figures from Table 2). Applying this ratio to Kern COG's projected employment provides an alternative method of calculating potential demand for new housing units. This yields a demand for approximately 74,000 additional units in metropolitan Bakersfield, and approximately 32,000 additional units in the NOR sub-region. The housing demand estimates are roughly equivalent for the NOR sub-region, although the estimates vary by 22,000 units, or 23%, for the greater metropolitan Bakersfield area.

Residential Market Overview

The competitive residential market area in the context of the BCC site broadly includes the City of Bakersfield and surrounding unincorporated areas. The following sections provide a brief overview of the market.

Residential Permit Activity

Table 7 presents residential permit activity in these communities from 1995 to 2005, with averages for the period 200 to 2005. Figure 5 presents total residential permit activity in those same jurisdictions indexed to base year 2000.

In 2005, 5,325 residential permits were issued in the City of Bakersfield. Of these, 95% were for single family homes. During the same year, 119 permits were issued in the nearby city of Shafter and 472 in the nearby city of Delano. As per the California Department of Finance's January 2006 estimates (see Table 2), the City of Bakersfield had a total of 87,819 dwelling units. Since Bakersfield issued 19,204 permits during the 2000 to 2005 time period, approximately 17 to 20%[1] of the City's housing inventory was added during the last six years. The permit issuance trends in Figure 5 show a continuing escalation of permit issuances in the county and selected municipalities, excluding Shafter where permit issuance declined slightly in 2005.

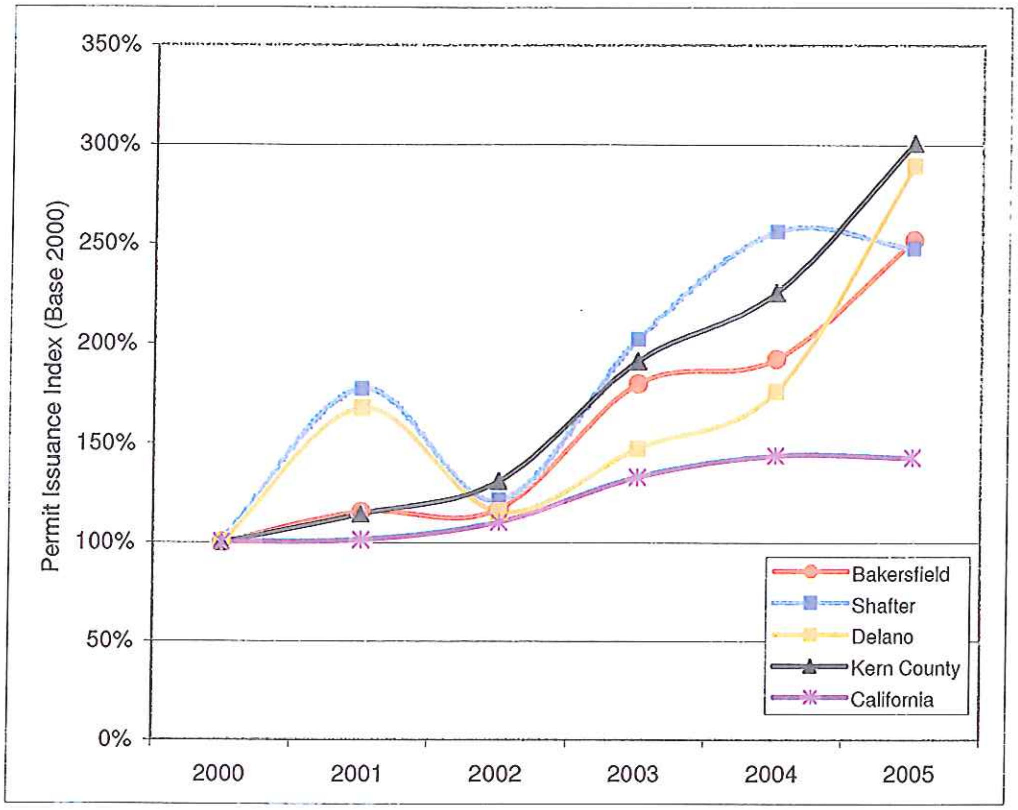
Table 7 – Residential Permit Activity

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total 2000-05	Average 2000-05	Share
Bakersfield														
Single unit	1,567	1,331	1,409	1,740	1,871	1,982	2,432	2,462	3,664	3,766	4,898	19,204	3,201	95%
2 or more units	383	141	141	364	65	129	0	0	131	293	428	981	164	5%
Total	1,950	1,472	1,550	2,104	1,936	2,111	2,432	2,462	3,795	4,059	5,326	20,185	3,364	100%
Shafter														
Single unit	n/a	na/	89	107	68	48	83	58	97	119	119	524	87	99%
2 or more units	n/a	n/a	3	0	0	0	2	0	0	4	0	6	1	1%
Total	0	0	92	107	68	48	85	58	97	123	119	530	88	100%
Delano														
Single unit	274	236	203	213	145	159	193	185	228	260	372	1397	233	86%
2 or more units	28	135	0	90	8	4	80	3	12	27	100	226	38	14%
Total	302	371	203	303	153	163	273	188	240	287	472	1,623	271	100%
Kern County														
Single unit	2,613	2,237	2,397	2,687	2,704	2,735	3,279	3,839	5,362	6,023	7,666	28904	4,817	92%
2 or more units	666	341	262	462	222	206	86	11	265	618	1191	2377	396	8%
Total	3,279	2,578	2,659	3,149	2,926	2,941	3,365	3,850	5,627	6,641	8,857	31,281	5,214	100%
California														
Single unit	67,499	73,391	83,969	92,651	99,896	104,015	106,365	121,723	139,055	149,428	154,346	774,932	129,155	74%
2 or more units	15,499	18,327	25,618	30,482	35,009	39,901	39,071	36,483	51,953	57,176	51,065	275649	45,942	26%
Total	82,998	91,718	109,587	123,133	134,905	143,916	145,436	158,206	191,008	206,604	205,411	1,050,581	175,097	100%

Source: Economic Sciences Corporation and ERA

[1] Assuming not all permits were for new units and accounting for non-completions.

Figure 5 – Permit Issuance Indices



Source: Economic Sciences Corporation and ERA

Active Projects

Table 8 presents characteristics of 89 active single family residential projects in the competitive metropolitan Bakersfield area. New single family product types in the North Bakersfield area (as defined by Meyers Group) are generally two to four bedroom ranch homes on 6,000 to 7,000 square foot lots in subdivisions of 150 to 200 units. The units typically have floor areas ranging between 1,600 and 2,600 square feet and sell for approximately $155 to $160 per square foot. The average lot size suggests a density yield of approximately 4 to 5 units per acre. Average absorption rates vary significantly from project to project but generally fall between 5.0 to 7.5 units per month.

Table 8 – Active Residential Projects (New Homes)

Project Name	Builder	Market/ Type	Planned Units	Market Entry	Units Sold	Avg. Monthly Sales Rate	Home Price Min.	Home Price Max.	Floor Area (SF) Min.	Floor Area (SF) Max.	Min. Lot Size (SF)	Avg. Price/SF
Submarket: North Bakersfield												
CONTESSAS VINEYARD	D.R. Horton	Couples, Young Families/First Move Up	194	3/1/2006	19	6.3	$355,810	$441,800	2,152	3,502	7,150	$141.07
LAVENDER TRAILS	D.R. Horton	Couples, Young Families/Entry Level	206	3/1/2006	19	6.3	$354,990	$394,990	2,187	2,771	6,050	$151.27
LANTANA'S EDGE	K. Hovnanian Homes	Couples, Young Families/Entry Level	117	2/11/2006	32	8.8	$293,400	$381,490	1,639	2,404	4,000	$166.93
ROSEMARY ARBOR	K. Hovnanian Homes	Couples, Young Families/First Move Up	204	2/11/2006	10	2.8	$353,000	$399,490	2,155	2,726	5,000	$154.17
FOUR SEASONS/CARRERA	K. Hovnanian Homes	Empty Nesters, Retirees/First Move Up	229	1/28/2006	36	8.7	$347,200	$378,200	2,472	2,775	8,000	$133.25
FOUR SEASONS/FRESCO	K. Hovnanian Homes		203	1/28/2006	28	6.8	$323,250	$343,250	1,900	2,102	7,000	$166.54
WESTLAKE 4	Lennar Homes	Young Families Growing/First Move Up	387	1/14/2006	18	3.9	$304,990	$396,990	1,580	2,800	6,800	$160.27
CASITAS VERACRUZ	HomeCrete Homes	Couples, Young Families/Entry Level	116	1/10/2006	84	17.8	$221,500	$289,500	1,087	1,620	5,170	$188.77
FOUR SEASONS/PATINA	K. Hovnanian Homes		218	1/8/2006	32	6.7	$298,190	$317,190	1,444	1,556	8,706	$205.13
ASHTON FALLS/EI	Lennar Homes	Singles, Couples/First Move Up	112	11/5/2005	57	8.3	$307,975	$320,975	1,647	1,856	7,000	$179.55
ASHTON FALLS/DS	Lennar Homes		214	10/22/2005	78	10.7	$297,990	$309,990	1,647	1,856	0	$173.56
LOS PORTALES NORTH	Lenox Homes		120	9/18/2005	41	4.9	$217,100	$243,250	1,000	1,571	0	$179.05
STOCKDALE RANCH VILLAS	Lennar Homes	Young Families Growing/First Move Up	179	9/17/2005	23	2.7	$350,000	$425,750	1,900	2,680	8,500	$169.38
CAPELLA	McMillin Homes	Couples, Young Families/Entry Level	174	7/16/2005	66	6.3	$311,750	$384,990	1,561	2,455	6,000	$173.49
EVANSPORT	Lennar Homes		71	7/7/2005	51	4.7	$521,990	$540,990	3,095	3,246	10,000	$167.64
TUSCAN HILLS (H)	Mike & Bob Wattenbarger Homes	Growing Families, Maturing/First Move Up	18	7/2/2005	18	2.0	$323,000	$418,000	2,205	2,878	17,300	$145.78
RIO VISTA	Pulte Homes	Couples, Professionals/Luxury	94	6/16/2005	94	7.5	$420,000	$465,000	2,613	2,988	12,000	$158.01
BRIGHTON VILLAGE	Castle & Cooke California, Inc	Young Families/First Move Up	90	6/11/2005	89	7.6	$292,990	$404,990	1,422	2,580	7,000	$174.41
MEADOWBROOK	KB Home	First Move Up	114	5/7/2005	113	8.8	$320,090	$401,950	1,652	3,070	6,000	$146.70
MONTELENA	Lennar Homes	Young Families/Entry Level	120	4/16/2005	88	6.5	$331,990	$429,175	1,804	2,862	7,000	$163.13
TYNER RANCH II	Advantage Homes	Couples, Young Families/Entry Level	352	4/1/2005	211	15.1	$203,950	$263,960	1,053	1,925	0	$157.12
HOMESTEAD (THE)	Beazer Homes	Singles, Couples, Young	211	3/26/2005	114	8.0	$330,990	$430,990	1,894	3,194	5,500	$149.76
BRIGHTON PARKS/GARDEN SERIES	Castle & Cooke California, Inc	Empty Nesters, Retirees/Move Down Luxury	213	3/19/2005	83	5.8	$271,555	$307,950	1,255	1,745	5,000	$193.17
BRIGHTON PARKS/PARK SERIES	Castle & Cooke California, Inc	Empty Nesters/Second Move Up	212	3/19/2005	88	6.1	$353,950	$431,950	1,877	2,455	6,600	$181.42
VENECIA AT TUSCANY	McMillin Homes	Young Families Growing/First Move Up	122	3/5/2005	79	5.3	$502,990	$585,990	2,773	3,628	8,800	$170.13
SOLERA	Pulte Homes	Empty Nesters, Retirees/Luxury	558	11/27/2004	248	13.7	$312,365	$355,300	1,687	2,374	6,000	$164.41
BRIARWOOD	Centex Homes	Young Families/Entry, First Move Up	238	8/28/2004	143	6.8	$319,990	$389,490	1,821	2,722	8,400	$156.17
PORTOLA	McMillin Homes	Young Families/Luxury First Move Up	144	7/31/2004	96	4.4	$434,190	$499,190	2,367	3,057	11,000	$172.08
HAMPTON WOODS	McMillin Homes	Young Families/Entry Level	122	7/24/2004	122	6.0	$241,990	$429,836	1,812	2,782	6,200	$145.24
VISTA VERDE	Pulte Homes	Couples, Young Families/Entry Level	39	7/17/2004	39	4.1	$445,000	$446,000	2,517	2,988	10,000	$161.85
MASTERPIECE ESTATES	Froelich Signature Homes	Young Families, Retirees/Luxury	122	6/15/2004	114	4.8	$523,900	$698,900	2,945	4,338	13,500	$167.90
POLO FIELDS	Lennar Homes	Young Families/Entry Level	140	6/15/2004	140	8.5	$245,990	$270,990	1,600	1,838	6,000	$150.37
NOTTINGHAM ESTATES	Lennar Homes	Couples, Young Families/First Move Up	66	4/17/2004	66	3.6	$324,555	$432,555	1,900	2,969	10,500	$155.50
BRIGHTON PLACE	Castle & Cooke California, Inc	Young Families/First Move Up	176	3/27/2004	176	7.9	$298,990	$319,990	1,307	1,812	5,000	$198.45
NORTH POINT	Towery Homes	Couples, Young Families/Entry Level	82	3/15/2004	82	3.0	$247,990	$319,990	1,243	2,138	6,022	$167.99
BRIGHTON ESTATES (H)/BH	Brandt Homes	Young Families, Retirees	57	2/1/2004	47	1.7	$391,980	$599,980	2,407	3,472	10,000	$168.73
BRIGHTON ESTATES (H)/BS	Barbara Smith Homes	Young Families, Retirees	53	2/1/2004	49	1.8	$395,900	$578,800	2,116	3,391	10,000	$176.99
BRIGHTON ESTATES (H)/CHM	California Home Builders, Inc.	Young Families, Retirees	57	2/1/2004	38	1.4	$379,800	$501,750	2,243	3,265	10,000	$160.05
BRIGHTON ESTATES (H)/JBH	John Balfanz Homes	Young Families, Retirees	35	2/1/2004	35	1.6	$401,950	$587,950	2,300	4,000	10,000	$157.13
BRIGHTON ESTATES (H)/LH	Legacy Homes	Young Families, Retirees	37	2/1/2004	37	1.5	$363,500	$479,900	2,420	3,518	10,000	$142.03
FOX RUN	Centex Homes	Couples, Young Families	262	1/15/2004	192	6.7	$280,990	$417,950	1,445	2,870	6,000	$161.93
TYNER RANCH	Probuilt Homes	Young Families/Entry Level	357	1/1/2004	357	21.0	$156,950	$214,900	1,053	1,925	0	$124.87
SAN TROPE	McMillin Homes	Couples, Young Families/Entry Level	61	12/20/2003	61	4.0	$475,990	$629,990	2,380	3,121	8,500	$201.05
EAGLE RANCH EXECUTIVE	Ennis Homes	Singles, Couples/Entry, First Move Up	169	10/15/2003	166	5.3	$320,850	$498,250	1,742	3,043	7,000	$171.18
EAGLE RANCH SIERRA	Ennis Homes	Singles, Couples/Entry, First Move Up	214	10/15/2003	151	4.8	$263,900	$379,900	1,307	2,184	6,000	$184.42
CRYSTAL RANCH	McMillin Homes	Singles, Couples/Entry, First Move Up	107	7/19/2003	107	4.6	$251,990	$310,990	1,357	2,359	10,000	$151.50
EMERALD ESTATES	McMillin Homes	Singles, Couples/Entry, First Move Up	104	7/19/2003	104	4.6	$339,990	$429,990	2,354	3,588	8,569	$129.58
AVALON	Probuilt Homes	Singles, Couples/First Move Up	337	6/15/2003	333	9.4	$278,750	$382,990	1,248	2,006	7,500	$203.36
TRENTON VILLAGE	Castle & Cooke California, Inc	Singles, Couples, Young/Entry Level	170	4/12/2003	170	6.4	$187,990	$243,990	1,452	2,580	7,150	$107.14
CELEBRATIONS AT WESTLAKE	Lennar Homes	Couples, Young Families/Entry Level	586	2/1/2003	447	11.2	$189,990	$398,990	1,440	2,800	7,200	$133.91
LEGENDS	D.R. Horton	Singles, Couples, Young	200	1/15/2003	200	7.3	$379,230	$448,670	2,175	2,998	7,435	$160.04
TUSCANY	Kyle Carter Homes	Young Families Growing/Second Move Up	32	12/1/2002	32	1.5	$255,950	$361,950	2,000	3,050	10,455	$122.36
SOUTH SAN LAUREN	McMillin Homes	Couples, Young Families/Entry Level	563	9/1/2001	431	7.6	$111,950	$364,980	1,000	2,600	5,175	$132.48
MOUNTAIN MEADOWS AT RIO BRAVO	Martin Homes	Couples, Young Families/Entry Level	102	9/15/2000	102	1.7	$150,990	$555,000	1,589	2,750	8,000	$162.71
WILLOW GLEN	Jim Murphy	Young Families/Entry Level	162	9/1/1999	162	2.4	$90,490	$150,990	1,054	1,864	6,500	$ 82.76
MADISON GROVE	Kyle Carter Homes	Young Families/First Move Up	621	7/15/1999	621	10.6	$158,990	$294,990	1,225	3,050	7,123	$106.19
North Bakersfield Subtotal/Weighted Averages			10,263		6,639		$278,122	$375,993	1,633	2,577	6,597	$155.97
Submarket: South Bakersfield												
ENCANTO	Centex Homes	Couples, Young Families/Entry Level	100	4/29/2006	18	16.9	$264,990	$372,990	1,445	2,870	5,500	$147.85
CARDONA CROSSING	McMillin Homes	Young Families, Growing/First Move Up	35	3/20/2006	6	2.5	$299,990	$372,990	1,600	2,462	6,600	$165.68
WESTON SPRINGS	Lennar Homes	Young Families Growing/Entry Level	108	2/23/2006	49	15.2	$287,990	$298,990	1,647	1,856	6,600	$167.56
WESTON CREEK	Lennar Homes		107	2/8/2006	12	3.2	$385,555	$455,555	2,422	2,987	6,800	$155.50
MEDALLION	Beazer Homes	Young Families/First Move Up	176	1/14/2006	22	4.8	$386,490	$429,490	2,319	2,961	7,200	$154.54
WINDERMERE	Castle & Cooke California, Inc	Singles, Couples, Young/Luxury	248	12/17/2005	55	10.0	$438,580	$898,950	2,330	5,225	10,000	$177.04
TESORO	Centex Homes		420	10/29/2005	58	8.2	$341,000	$483,000	1,821	3,518	7,000	$154.34
MAYFAIRE	D.R. Horton	Young Families, Growing/Entry Level	252	10/23/2005	57	7.8	$331,000	$437,000	1,846	3,393	7,000	$145.59
SHIRE VILLAGE	Lenox Homes		35	9/17/2005	27	3.2	$280,750	$296,050	1,000	1,571	7,800	$224.35
TIERRA DEL SOL	S&S Homes of the Central Coast		133	8/18/2005	72	7.6	$221,500	$305,500	1,088	1,774	6,800	$184.14
LIBERTY II	McMillin Homes	Couples, Young Families/Entry Level	107	7/23/2005	5	0.5	$283,500	$334,990	1,458	2,051	5,500	$176.26
TRADEWINDS	Lennar Homes	Young Families/Entry Level	98	6/11/2005	94	8.1	$281,555	$307,555	1,600	1,833	6,000	$171.35
OAKMONT	Pulte Homes	Young Families/Entry Level	104	5/14/2005	104	8.3	$444,850	$492,880	2,387	3,082	6,000	$171.46
SYCAMORE II	Freedom Homes	Young Families/Entry Level	350	4/23/2005	146	11.0	$149,000	$225,000	1,490	2,280	5,600	$ 99.20
PARK AVENUE	McMillin Homes	Young Families/First Move Up	125	3/19/2005	108	7.5	$389,990	$483,990	2,354	3,057	10,000	$161.52
ARTISAN	Lennar Homes	Young Families/First Move Up	240	2/28/2005	141	9.4	$357,000	$451,000	2,148	2,969	7,000	$157.91
42ND ST	McMillin Homes	Young Families/First Move Up	240	2/26/2005	89	5.9	$305,900	$427,999	1,357	2,391	6,000	$195.81
AUTUMN CREEK	Ennis Homes	Young Families/Entry Level	99	12/1/2004	87	4.8	$231,500	$319,750	1,017	1,875	6,160	$190.61
CHERRY HILL ESTATES	Berry Bernstein and The Bahena	Young Families/Entry Level	74	11/1/2004	74	5.7	$340,000	$401,990	2,000	2,650	0	$159.57
CASA BELLA	Lennar Homes	Couples, Young Families/Entry Level	84	10/16/2004	84	11.2	$181,990	$214,990	1,167	1,479	6,050	$150.03
GRANITE POINTE	S&S Homes of the Central Coast	Young Families/First Move Up	422	8/1/2004	233	10.6	$280,790	$372,790	1,320	2,072	6,600	$192.68
STOCKDALE RANCH	Lennar Homes	Couples, Young Families/First Move Up	178	4/17/2004	178	7.0	$343,990	$426,990	1,900	2,680	8,500	$168.34
LIBERTY AT SILVER CREEK	Castle & Cooke California, Inc	Couples, Young Families/Entry Level	154	2/21/2004	154	7.6	$160,990	$316,990	1,043	2,051	4,512	$154.49
CELEBRATIONS AT TERRA VISTA	Lennar Homes	Couples, Young Families/First Move Up	270	12/6/2003	269	9.0	$298,990	$398,999	1,580	2,800	7,200	$159.36
GREYSTONE	Centex Homes	Singles, Couples/Entry, First Move Up	195	6/15/2003	195	8.0	$304,490	$412,490	1,642	3,013	8,000	$154.02
HIDDEN OAK	Centex Homes	Singles, Couples/Entry, First Move Up	294	6/15/2003	293	8.3	$191,990	$417,990	1,432	2,842	6,500	$142.72
STONE CREEK	Lenox Homes	Singles, Couples/Entry, First Move Up	200	3/12/2003	200	5.2	$253,990	$514,990	1,900	2,453	7,000	$176.66
STONE MEADOWS	Lenox Homes	Singles, Couples/Entry, First Move Up	140	3/12/2003	140	3.6	$219,990	$258,990	1,540	1,900	7,000	$139.24
SOUTHERN OAKS (H)/DP	Dave Packer Custom Homes	Couples, Young Families/First Move Up	29	2/1/2003	29	0.8	$289,990	$555,990	2,538	3,252	10,300	$146.11
SOUTHERN OAKS (H)/MIKE&BOB	Mike & Bob Wattenbarger Homes	Couples, Young Families/First Move Up	17	2/1/2003	17	1.1	$242,600	$310,800	2,205	2,702	10,300	$112.78
SOUTHERN OAKS (H)/PH	Petrini Homes	Couples, Young Families/Entry Level	19	2/1/2003	19	0.7	$329,990	$433,990	2,220	3,092	10,300	$143.82
SOUTHERN OAKS (H)/CH	California Home Builders, Inc.	Couples, Young Families/First Move Up	42	1/1/2003	42	1.4	$210,950	$462,950	1,966	3,265	10,300	$128.83
FESTIVAL AT CAMPUS PARK	Coleman Homes	Couples, Young Families/Entry Level	273	8/18/2001	273	7.1	$181,990	$234,940	1,160	1,833	6,050	$139.07
South Bakersfield Subtotal/Weighted Averages			5,368		3,350		$286,815	$407,320	1,671	2,695		$159.14

Source: ERA and Meyers Group

Table 9 presents characteristics of 38 recent re-sales of single family homes on lots under 10,000 square feet built since 2000 in the NOR sub-region. Sales prices range from $275,000 to $470,000 depending on number of bedrooms, lot size, and other amenities. Price per square foot ranges from $170 to $240, with an average price of approximately

$200 per square foot. The market appears very active, with available product spanning the gamut of entry level to luxury retiree homes.

Table 9 – Recent Re-Sales, NOR sub-region

Address	Sale Price	Date Sold	Year Built	BR	BA	Home (sq ft)	Lot (sq ft)	Price/SF Home
9913 Manhattan Dr	$ 338,000	7/10/2006	2002	3	2	1,741	7,840	$ 194.14
9709 Bossa Nova Ct	287,000	6/22/2006	2001	3	2	1,249	6,534	229.78
12816 Marradi Ave	330,000	6/14/2006	2001	3	2	1,531	9,147	215.55
10603 Panther Falls Ave	320,000	6/13/2006	2004	3	2	1,436	7,405	222.84
11716 Darlington Ave	340,000	5/26/2006	2005	3	2	2,041	7,840	166.59
12814 Spoleto Ave	330,000	5/10/2006	2001	3	2	1,652	9,583	199.76
9807 Autumn Serenade Ct	325,000	5/5/2006	2000	3	2	1,563	7,840	207.93
9901 Rain Check Dr	325,000	4/27/2006	2002	3	2	1,745	6,969	186.25
11418 Valley Forge Way	339,000	4/13/2006	2005	3	1.75	1,382	6,969	245.30
9807 Bossa Nova Ct	306,000	4/5/2006	2001	3	2	1,333	6,534	229.56
12303 Verdelho Ave	323,000	1/13/2006	2003	3	2	1,536	7,840	210.29
12601 Lavina Ave	314,000	1/13/2006	2002	3	2	1,652	7,840	190.07
6705 Radio Flyer Dr	340,000	1/6/2006	2003	3	2	1,600	8,276	212.50
9803 Bossa Nova Ct	310,000	12/16/2005	2001	3	2	1,310	6,534	236.64
5200 Constitution Ave	354,000	12/9/2005	2005	3	2	1,546	6,534	228.98
11326 Pacific Shores Dr	282,500	11/3/2005	2005	3	1.75	1,531	6,534	184.52
12313 Lavina Ave	320,000	10/28/2005	2004	3	2	1,536	8,712	208.33
11316 Sand Bridge Ct	275,000	9/28/2005	2005	3	1.75	1,603	6,098	171.55
11801 Cherry Valley Ave	390,000	6/27/2006	2005	4	2	2,041	7,840	191.08
11913 Darlington Ave	345,000	6/23/2006	2005	4	2	1,699	7,840	203.06
12415 Lavina Ave	385,000	5/10/2006	2004	4	2	1,887	7,840	204.03
12114 Verdelho Ave	351,000	5/1/2006	2003	4	2	1,887	6,969	186.01
11811 Mantova Ave	392,000	3/29/2006	2003	4	2	2,241	7,840	174.92
6712 Pompadour Ct	327,500	3/21/2006	2002	4	2	1,474	9,583	222.18
11515 Pacific Shores Dr	351,500	3/16/2006	2005	4	2	2,015	6,534	174.44
12805 Valentano Ave	356,000	3/15/2006	2002	4	2	1,870	7,840	190.37
12006 Darlington Ave	299,000	1/31/2006	2005	4	2	1,489	7,405	200.81
11300 Sand Bridge Ct	395,000	1/19/2006	2005	4	2.5	2,156	9,147	183.21
11704 Darlington Ave	365,000	12/22/2005	2005	4	2	1,855	7,840	196.77
12623 Valentano Ave	360,000	12/19/2005	2002	4	2	1,870	8,276	192.51
11310 Mercatello Ave	470,000	11/30/2005	2000	4	2.5	2,571	9,583	182.81
11521 San Miniato Ave	465,000	11/30/2005	2001	4	2.5	2,571	8,276	180.86
6403 Arciero St	315,500	10/18/2005	2004	4	2	1,660	6,969	190.06
12732 Valentano Ave	298,000	9/20/2005	2002	4	2	1,522	7,840	195.80
11413 Mezzadro Ave	440,000	9/1/2005	2003	4	2	2,330	9,583	188.84
11900 Montague Ave	355,000	3/24/2006	2004	5	2	2,241	7,840	158.41
11817 Cherry Valley Ave	380,000	11/23/2005	2005	5	2	2,065	8,276	184.02
11811 Darlington Ave	340,000	10/14/2005	2005	5	2	1,893	7,840	179.61
Average	**$ 345,763**			**4**	**2**	**1,772**	**7,794**	**$ 197.90**

Source: ERA and Zillow.com

Active Adult Market

The market for 'senior' and active adult residential development is not as distinct as other market segments in Bakersfield. As presented in Table 10, most for-sale product targeted to the active adult community is also marketed to at least one other market segment. As shown in the table, Brighton Parks by Castle and Cooke, Four Seasons by K. Hovnanian Homes, and Solera by Pulte Homes are the three major active projects targeted at retirees. Majority of 'active adult' projects are located in the Northeast Submarket. Note that the average prices for adult oriented product are substantially above those of the entire market, and the average prices per square foot are more than five percent higher than for the total sample. Pulte Home's Solera Development, for example, has an average price per square foot of $164 and an average selling price of $334,000, and is being rapidly absorbed at a sales rate of over 160 units per year.

Table 10 – Active Residential Projects: 'Active Adult' Segment (data extracted from Table 8)

Project Name	Builder	Market/ Type	Planned Units	Market Entry	Units Sold	Avg. Monthly Sales Rate	Home Price Min.	Home Price Max.	Floor Area (SF) Min.	Floor Area (SF) Max.	Min. Lot Size (SF)	Avg. Price/SF
Submarket: North Bakersfield												
FOUR SEASONS/CARRERA	K. Hovnanian Homes	Empty Nesters, Retirees/First Move Up	229	1/28/2006	36	8.7	$347,200	$378,200	2,472	2,775	8,000	$138.25
BRIGHTON PARKS/PARK SERIES	Castle & Cooke California, Inc	Empty Nesters/Second Move Up	212	3/19/2005	88	6.1	$353,950	$431,950	1,877	2,455	6,600	$181.42
BRIGHTON PARKS/GARDEN SERIES	Castle & Cooke California, Inc	Empty Nesters, Retirees/Move Down Luxu	213	3/19/2005	83	5.8	$271,555	$307,950	1,255	1,745	5,000	$193.17
SOLERA	Pulte Homes	Empty Nesters, Retirees/Luxury	558	11/17/2004	248	13.7	$312,365	$355,300	1,687	2,374	6,000	$164.41
MASTERPIECE ESTATES	Froelich Signature Homes	Young Families, Retirees/Luxury	122	6/15/2004	114	4.8	$523,900	$698,900	2,945	4,338	13,500	$167.90
BRIGHTON ESTATES (H)/LH	Legacy Homes	Young Families, Retirees	37	2/1/2004	37	1.5	$363,500	$479,900	2,420	3,518	10,000	$142.03
BRIGHTON ESTATES (H)/JBH	John Balfanz Homes	Young Families, Retirees	35	2/1/2004	35	1.6	$401,950	$587,950	2,300	4,000	10,000	$157.13
BRIGHTON ESTATES (H)/CHM	California Home Builders, Inc.	Young Families, Retirees	57	2/1/2004	38	1.4	$379,800	$501,750	2,243	3,265	10,000	$160.05
BRIGHTON ESTATES (H)/BS	Barbara Smith Homes	Young Families, Retirees	53	2/1/2004	49	1.8	$395,900	$578,800	2,116	3,391	10,000	$176.99
BRIGHTON ESTATES (H)/BH	Brandt Homes	Young Families, Retirees	57	2/1/2004	47	1.7	$391,980	$599,980	2,407	3,472	10,000	$168.73
North Bakersfield Subtotal/Weighted Averages			1,573				$345,261	$419,013	1,958	2,680		$166.79

Source: ERA and Meyers Group

The rental market for senior and active adult housing is substantially more developed than the for-sale market in Bakersfield. As detailed in Table 11, there are more than 700 units of unsubsidized age-restricted rental units currently in existence in Bakersfield, with at least 360 more subsidized or income-restricted units (these figures exclude facilities such as nursing homes). Research indicates that there are short waiting lists at a number of the unsubsidized properties.

Table 11 – 'Active Adult' Rental Properties

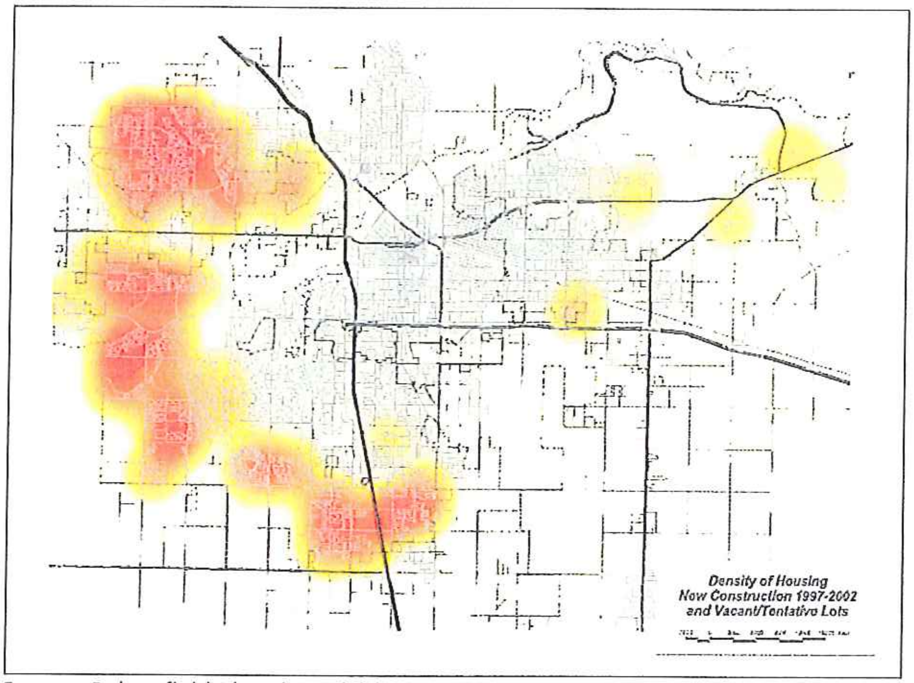
Facility	Address	# of Units	Rents	Unit Size (SF)	Monthly Rent	Amenities
Independent Living/Congregate Care		727				
Carriage House Estates	8200 Westwold Dr, Bakersfield 661.663.8393	48	Studio		$1,250 - $1,750	3 meals daily, housekeeping, second person $425, 406 acres
		51	1-bedroom		$1,895 - $2,395	
		13	2-bedroom		$2,695	
		6	Cottages		$2,895	Full kitchen, one meal, garage, 2 bed
		6	Garden Apt.		$2,395 - $2,675	Full kitchen, one meal, 1 or 2 bed, laundry, second person $225
Columbus Estates	3201 Columbus St, Bakersfield 661.872.5855	110	Studio	418	$1,575	3 meals, kitchenette, balconies, cable, housekeeping, AC, laundry, second person $395
			1-bedroom	550 - 858	$1,970 - $2,225	
			2-bedroom	889	$2,245	
		14	Cottage	910 - 1060	$2,175 - $2,275	1 meal, second person $225
Castlewood Retirement Apartments	2221 S. Real Rd, Bakersfield 661.834.4222	98	Studio		$1,090	3 meals, housekeeping, activities, cable
			1-bedroom		$1,330 - $1,670	
Glenwood Gardens Independent Living	350 Calloway Drive, Bakersfield 661.587.0221	147	Studio	460	$1,550	Kitchenettes, 2 meals, cable, patio, housekeeping, second person $425/mo, 20 acres of grounds, pool, spa, theatre.
			1-bedroom	695	$2,195	
			2-bedroom	1021	$3,075	
		19	Cottage		$2,825	Kitchen, 1 meal, cable, housekeeping, second person $275/mo
Brookside Senior Apartments	2605 Brookside Dr, Bakersfield 661.833.8833		1-bedroom			Clubhouse, pool
			2-bedroom			
Rosewood Retirement Community Independent Living	1301 New Stine Rd, Bakersfield 661.834.0620	99	Studio	332 - 408	$1,380 - $1,463	1 meal, cable, kitchenette, utilities, housekeeping, laundry, balcony, activities. Entrance fee $20,300, extra fees and rents for second person
			1-bedroom	634 - 740	$1,884 - $1,978	Kitchen. Entrance fee $45,900
			2-bedroom	1150	$2,287	Kitchen. Entrance fee $81,500
		18	Garden Apt.		$2,348	Kitchen. Entrance fee $96,800
Shafter Senior Manor and Skyway Apartments?	524 Pacific Ave, Shafter 661.746.0255		1-bedroom			
			2-bedroom			
Castlewood Retirement Apts	2221 S Real Rd, Bakersfield 661.834.4222	98	Studio	387	$1,090	Independent living, utilities included, unfurnished. 3 meals. Kitchenette, activities, laundry, housekeeping, patios, second person $200/mo
			1-bedroom	462 - 764	$1,330 - $1,670	
Age-Restricted Subsidized Units		369				
California Avenue Senior Housing	1015 O Street, Bakersfield 661-324-5088	170	1-bedroom		$441	55 years+, income restricted by IRS Tax Credit program. library, club house, bbq area for all residents
Park Place Apartments Kern County	2250 R St, Bakersfield 661.634.0931 - Angela	64	1-bedroom	608	$323 -$363	62+ years, funded by Low-Income Housing Tax Credits. Max annual income: $19,080
		16	2-bedroom	792	$433 - $417	
Lowell Place	500 R Street, Bakersfield 661.863.6850	79	1-bedroom			62 years+, HUD income restrictions Full kitchen, one bathroom, community kitchen, arts room, computer room
Terrace Apartments	1119 Cottonwood Rd 661.834.2728		1-bedroom			55 years+, income restricted one bed/bath, kitchen, AC, laundry and computer room on premises.
Heritage Park	201 8th St, Bakersfield 661.765.2190		1-bedroom 2-bedroom			
Sunny Lane	Bakersfield 661.872.9567	40	1-bedroom	500		62+, Section 8, max annual income: $14,000 for one, $22,550 for two, kitchen, A/C, community center
St. John's Senior Manor	900 4th St, Bakersfield 661.325.3551		Studio 1-bedroom 2-bedroom			Affordable housing, HUD assisted, Independent Living. Variable-30%. Meet income, Age or disablity guidelines.

Source: Kern Senior Collaborative, Housing Authority of Kern County, KernCountyRetirement.com

Oncoming Development Context

Construction of single family homes is occurring at a rapid pace in Bakersfield. According the Bakersfield Planning Division, as indicated in Figure 6, the fastest growth is occurring in the northwest and southwest areas of the city.

Figure 6 – Growth 'Hot Spots'



Source: Bakersfield Planning Division

Table 12 presents information on City of Bakersfield projects currently in the planning pipeline. There are 26,436 potentially entitled units within the municipal boundaries of the city. Of these, 3,203 units are currently under review by the Bakersfield Planning Division but have yet to receive tract maps. The remaining 23,228 units have received tentative tract maps from the city. Of these, 4,878 units occur in subdivisions where at least one unit has been recorded, indicating that construction has begun and there is a high probability of the development being completed. The remaining 18,355 units occur in subdivisions that have completed the entitlement process but where construction has yet to occur. These units have no regulatory barriers preventing the start of construction, but their actual development depends on a multitude of factors including market demand and construction costs.

The NOR sub-region encompasses 3,289 potentially entitled units, with 1,350 units currently under development and another 1,652 units ready to begin construction if demand warrants. At current absorption rates of approximately 3,400 units per year (based on residential permit averages in Table 7), it could take from six to eight years for the market to absorb the current pipeline of potential residential units.

Table 12 – Potentially Entitled Units

	Total	NOR	Southwest	Northeast	Southeast
Potentially Entitled Units	26,436	3,289	9,101	11,310	2,736
Units under review, no tract map	3,203	287	915	1,819	182
Entitled Units, approved tract maps	23,233	3,002	8,186	9,491	2,554
0 recorded units	18,355	1,652	6,122	8,180	2,401
1 or more recorded units	4,878	1,350	2,064	1,311	153

Source: Bakersfield Planning Division

Large tracts of agricultural land in unincorporated metropolitan Bakersfield have been and continue to be purchased by developers. These tracts are then annexed into the city and rezoned, subdivided, and developed into single family product. More than 7,100 acres have been annexed by the City of Bakersfield in the last year, accounting for almost 13,000 of the 26,436 units currently under review or recently entitled by the city.

Development in unincorporated areas surrounding the City of Bakersfield also continues apace. According to data provided by the County of Kern and presented in Table 13, 2,784 housing units have come online from 2000 to 2005 outside the city boundaries in the metropolitan Bakersfield area. Another 4,500 units are expected over the next four years, and approximately 2,400 additional units were proposed but never made it through the planning and entitlement process.

Table 13 – Development in Unincorporated Kern County

	Tracts	Acres	Lots	TM Expires
Total	231	14,152	23,889	81
Bear Valley Subtotal	1	105	10	-
East of Taft Subtotal	4	33	72	1
Keene Subtotal	2	637	86	-
Lamont Subtotal	2	12	57	1
Lebec Subtotal	1	22	33	-
Bakersfield Subtotal	138	8,057	10,062	50
2000	1	21	44	-
2001	2	81	241	-
2002	17	197	679	-
2003	12	292	623	-
2004	18	408	619	-
2005	8	168	578	-
2006	15	382	1,017	10
2007	9	2,285	705	9
2008	21	2,583	2,202	21
2009	9	266	537	9
Incomplete	25	1,214	2,402	-
Mojave Subtotal	7	636	2,215	2
Ridgecrest Subtotal	2	103	71	-
Rosamond Subtotal	62	1,976	7,873	26
Stallion Springs Subto	1	1	12	-
Tehachapi Subtotal	4	1,611	1,249	-
Walker Basin Subtotal	2	174	51	-
Willow Springs Subto	5	784	2,098	1

Source: County of Kern

Residential Land

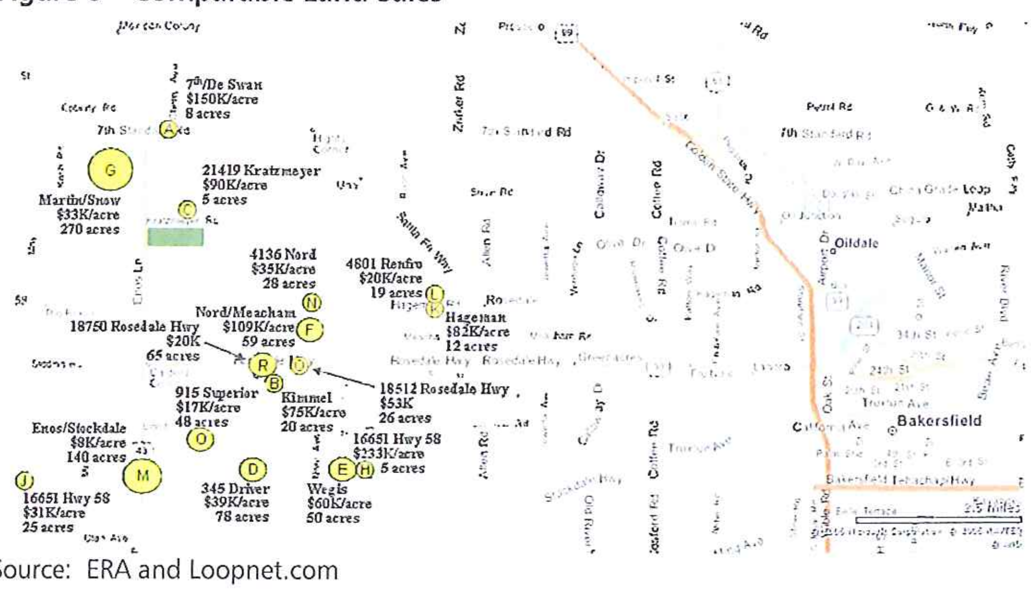
Table 14 provides information on comparable land sales in the NOR and Southwest sub-regions of metropolitan Bakersfield. Figure 6 presents this information graphically.

Table 14 – Comparable Land Sales

ID	Address	Sale Date:	Sale Price:	Lot Size (acres)	Price/Acre	$ PSF	Property Type:
A	7th Standard Rd & DeSwan Ct	Jun-06	$1,250,000	8.36	$ 149,522	$ 3.43	Industrial (land)
B	Kimmel St & Apachia Ave	Jun-06	$1,500,000	20.00	75,000	1.72	Agricultural
C	21419 Kratzmeyer Road	Jun-05	$450,000	5.00	90,000	2.07	Commercial/Other (land)
D	345 Driver Rd	Apr-06	$3,034,500	78.18	38,814	0.89	Agricultural
E	Wegis & Stockdale Hwy	Feb-06	$3,000,000	50.00	60,000	1.38	Residential (land)
F	Nord & Meacham	Jan-06	$6,350,000	58.50	108,547	2.49	Residential (land)
G	NE Corner Of Martin & Snow Rd	Oct-05	$8,825,000	270.28	32,651	0.75	Residential (land)
H	16651 Hwy 58	Nov-05	$4,550,000	19.55	232,737	5.34	Agricultural
J	1001 Plumwood St	Sep-05	$772,000	25.00	30,880	0.71	Agricultural
K	14800 Hageman Rd	May-05	$1,001,000	12.22	81,915	1.88	Agricultural
L	4801 Renfro Rd	May-05	$375,500	18.64	20,145	0.46	Agricultural
M	Enos Lane And Stockdale Hwy	Apr-05	$1,175,000	140.00	8,393	0.19	Agricultural
N	4136 Nord Ave	Jan-05	$973,000	27.79	35,013	0.80	Agricultural
O	915 Superior Rd	May-04	$784,500	47.54	16,502	0.38	Agricultural
P	1001 Plumwood St	Nov-04	$350,000	20.00	17,500	0.40	Agricultural
Q	18512 Rosedale Hwy	Nov-04	$1,400,000	26.32	53,191	1.22	Commercial/Other (land)
R	18750 Rosedale Hwy	Nov-04	$1,300,000	64.89	20,034	0.46	Agricultural
			Average	52.49	$ 62,991	$ 1.45	
			Weighted Average	-	$ 41,569	$ 0.95	
			Median	26.32	$ 38,814	$ 0.89	

Source: Loopnet.com

Figure 6 – Comparable Land Sales



Source: ERA and Loopnet.com

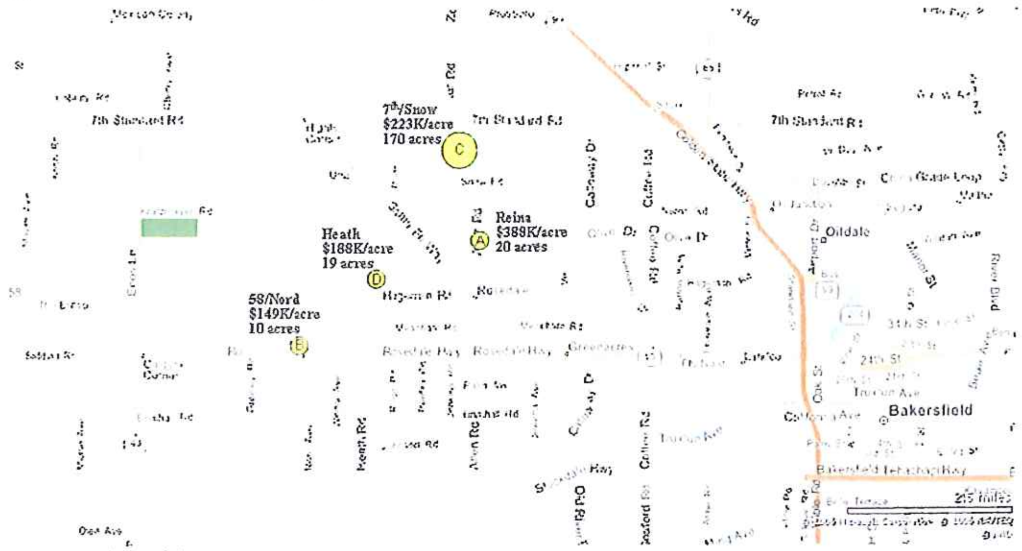
Table 15 provides information on land that is currently for sale in the NOR and Southwest sub-regions of metropolitan Bakersfield. Figure 7 presents this information graphically.

Table 15 – For Sale Listing

ID	Address	City/ZIP	Sale Price:	Lot Size (acres)	Price/Acre:	$ PSF	Prop. Type:
A	12899 Reina Road	Bakersfield 93312	$7,750,000	20.00	$387,500.00	$8.90	Multifamily (land)
B	Rosedale Hwy & Nord	Bakersfield 93314	$1,500,000	10.04	$149,402.39	$3.43	Residential (land)
C	Allen / Seventh Standard / Snow	Bakersfield93389	$38,000,000	170.29	$223,148.76	$5.12	Residential (land)
D	5609 Heath Rd	Bakersfield	$3,500,000	18.64	$187,768.24	$4.31	Commercial/Other (land)

Source: Loopnet.com

Figure 7 – For Sale Listings



Source: ERA and Loopnet.com

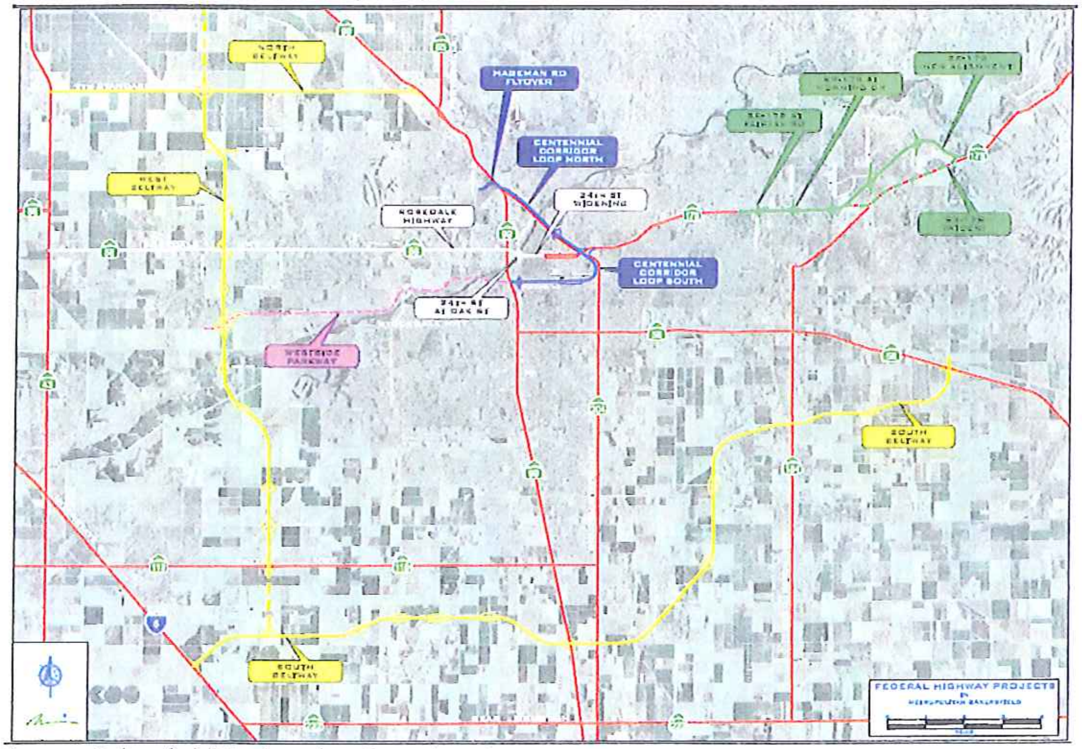
Other Growth Factors

Transportation

Several large highway projects for the region are currently in planning and development stages. These projects, outlined in yellow in Figure 8, will eventually create a beltway loop around west, south, and parts of east Bakersfield, providing congestion relief for the area's major arterials. ERA believes that the prospect of these highways is influencing the siting of new housing development to the NOR and southwest sub-regions of the city. Completion of each of the major road segments will enhance the development potential of the BCC site.

The North Beltway project is an expansion of 7th Standard Road from two lanes to six between SR-99 and SR-43. This project is currently entering the engineering design phase and officials from the county estimate that construction could be completed by mid 2009. The West Beltway project is a proposed 12-mile, 6-lane north-south freeway running from 7th Standard Road in the north to Taft Freeway/SR-119 in the south. The project is currently in the early stages of scoping and environmental review, and county officials estimate a project timeline of at least seven years to completion. Federal funding has been secured for both the majority of costs associated with both the North and West Beltway. The South Beltway project is envisioned as a 23-mile, 8-lane freeway running east-west from Interstate 5 on the east to SR-58 on the west. County officials suggested that this project is many years from realization.

Figure 8 – Federal Highway Projects



Source: Bakersfield Engineering Department

Interest rates

Low interest rates have fueled housing construction by both lowering the cost of construction financing and allowing buyers to finance more expensive purchases. In a situation of rising interest rates, such as is currently occurring, we may expect to see more restraint in the housing market in terms of both new construction starts and price appreciation.

Infrastructure Costs

Typically the burden of providing most public infrastructure enabling new development has been on the individual jurisdictions. However, considering the financial risks involved with a slowdown in building activity – where the City may have built infrastructure for newly mapped subdivisions, but development does not occur due to a market slowdown, the City is still responsible for all of the capital and maintenance costs of the new infrastructure. Bakersfield and a number of other cities in the Central Valley are considering the adoption of new policies to encourage public facility financing tools such as Mello Roos Community Facilities Districts (CFD) to pay for new infrastructure, in a manner that new development pays for itself. CFDs allow for the cost burden of new infrastructure to be pushed to the new homeowners to via parcel assessments. In areas where CFDs are not the norm, there may be some short term slowdowns once Mello Roos is introduced as it typically results in higher effective costs to the homeowner.

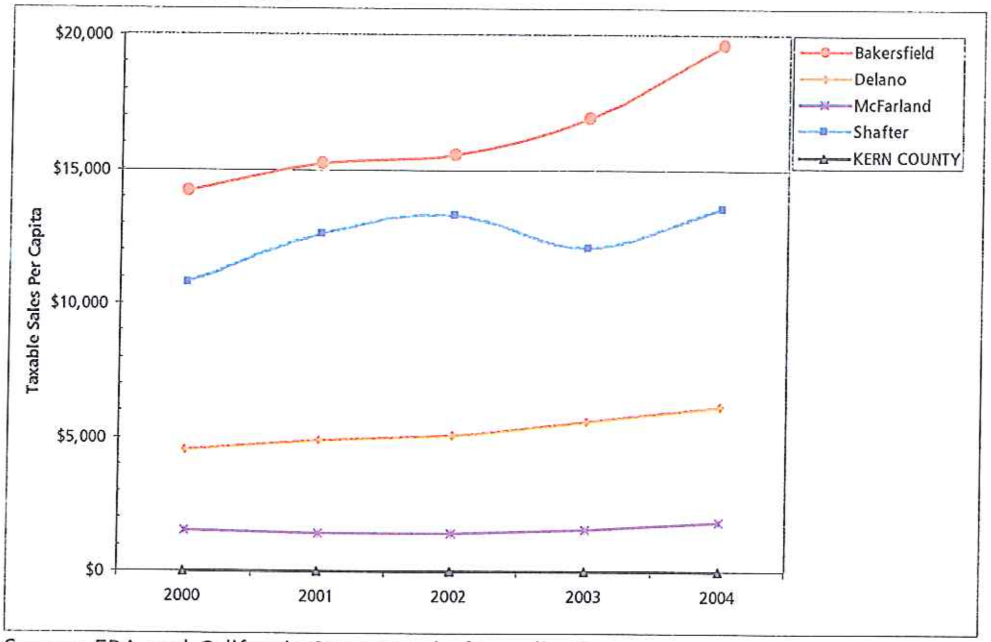
Retail Market Overview

ERA analyzed the existing retail market based on the current competitive inventory, available market segments, and potential retail center and use types.

Taxable Retail Sales

Figure 9 presents recent trends in taxable retail sales per capita in the City of Bakersfield compared to select other municipalities and Kern County as a whole from 2000 to 2004 (the last full year of available data). Bakersfield had the highest per capita retail sales of any city in the county during this period, indicating that Bakersfield is probably capturing more than its fair share of retail sales from other parts of the county. As shown in the graph, growth in per capita sales increased for all municipalities from 2003 to 2004, and followed the same general upward trend from 2000 to 2004. Shafter was the exception to this trend, experiencing a decline from 2002 to 2003.

Figure 9 – Retail Sales



Source: ERA and California State Board of Equalization

Table 16 presents taxable sales information for the City of Bakersfield. Approximately 25% of the City's taxable retail sales are attributed to Automotive (excluding service stations) sales, followed by approximately 19% to General Merchandise. Total retail sales in Bakersfield grew at a compound annual rate of approximately 8.5% over the 2000 to 2004. Apparel was the fasted growing category at 11.7%, automotive sales growth remained steady at 8.5%, while General Merchandise lagged considerably at a rate of 5.6%.

Table 16 – Taxable Sales (in 000s)

	2000	2001	2002	2003	2004	% Change 2000-04	CAGR 2000-04	% Total Retail Sales 2004
Apparel Stores	$ 109,847	$ 117,059	$ 126,267	$ 129,457	$ 171,095	156%	11.7%	4%
General Merchandise Stores	598,519	633,892	667,344	699,810	743,859	124%	5.6%	19%
Food Stores	176,986	181,300	196,060	215,506	234,243	132%	7.3%	6%
Eating & Drinking Places	287,815	309,643	330,061	362,907	400,570	139%	8.6%	10%
Building Mtrls. & Farm Impl.	244,146	256,506	286,088	340,528	349,196	143%	9.4%	9%
Automotive (excl. Service Stations)	716,804	845,904	850,364	913,717	994,342	139%	8.5%	25%
Service Stations	209,649	187,497	178,716	210,459	244,317	117%	3.9%	6%
Other Retail Stores (incl. Liquor)	372,930	384,538	413,285	464,338	534,379	143%	9.4%	14%
Total Retail Stores	$2,840,206	$3,043,180	$3,190,204	$3,491,453	$3,934,804	139%	8.5%	100%
All Other Outlets	657,574	701,212	637,989	672,614	807,481	123%	5.3%	
Total All Outlets	$3,497,780	$3,744,392	$3,828,193	$4,164,067	$4,832,285	138%	8.4%	

Source: ERA and Economic Sciences Corporation

Competitive Retail Market

A proximity analysis of nearby shopping centers reveals that the closest shopping center developments lie seven to ten miles from the BCC site, as shown in Table 17. This is unsurprising considering the site's location in an agricultural zone, outside the municipal boundary and approximately 6 miles from the nearest western suburb of Bakersfield. Approximately 11 shopping centers lie in this 7-10 mile ring. Five of these centers are sited directly on or adjacent to Highway 58/Rosedale Highway. As the municipal boundary extends westward and agricultural land converts to residential, one can reasonably expect shopping center development to continue to occur along major east/west routes, including Highway 58, Stockdale Highway, and 7th Standard Road. Additionally, some center development along well-traveled north/south thoroughfares can also be expected.

Table 17 – Shopping Centers

Radius	PropertyType		Building Address	Rentable Building Area	Land Area (acres)	Rent/ Mo.	Percent Leased	Anchor Tenants	Year Built/ Renovated	Parking Spaces
0-7 miles	none	-	-	-	-	-	-	-	-	-
7-10 miles	Shopping Center	Neighborhood Center	9440-9680 Hageman Rd	102,836	15.0	$0.00	98.8	Ralphs Grocery (58,000SF)	2001	734
7-10 miles	Shopping Center	Power Center	8400 Rosedale Hwy	990,000	54.0		100	Babies "R" Us, Best Buy, Foods Co., Kohl's, Linens-N-Things, Michaels, Office Depot, Wal-Mart, World Market	2000	
7-10 miles	Shopping Center	Neighborhood Center	4400-4560 Coffee Rd	119,226	13.0		100	Long's Drugs, Vons, 20 others	1996	672
7-10 miles	Shopping Center	Community Center	9000 Ming Ave	298,619			100	Regal Cinemas, Vons, 44 others	1996	
7-10 miles	Shopping Center	Neighborhood Center	S Allen Rd @ SWC S Allen Rd & Stockdale Hwy	47,000			100	El Patio Mexican Grill, Plumberry's Ice Cream, 6 others	1993	
7-10 miles	Shopping Center	Community Center	2665 Calloway Dr at Rosedale Hwy	217,026	20.0		100	Save Mart Foods (60,OOOSF), 15 others	1992	1050
7-10 miles	Shopping Center	Strip Center	600 Coffee Rd	25,573	3.0		100	12 stores	1990	
7-10 miles	Shopping Center	Power Center	9100 Rosedale Hwy	257,964			100	Ross Dress for Less, Target	1988	
7-10 miles	Shopping Center	Community Center	8200 Stockdale Hwy	173,772	17.7		100	Action Sports, Albertsons, Longs Drug, Trader Joe's	1987	
7-10 miles	Shopping Center	Neighborhood Center	7825 Rosedale Hwy	84,185	13.0		100	Ralph's Grocery, 6 others	1986	821
7-10 miles	Shopping Center	Strip Center	10595 Rosedale Hwy					Ace Hardware, 12 others	1976	

Source: CoStar Property

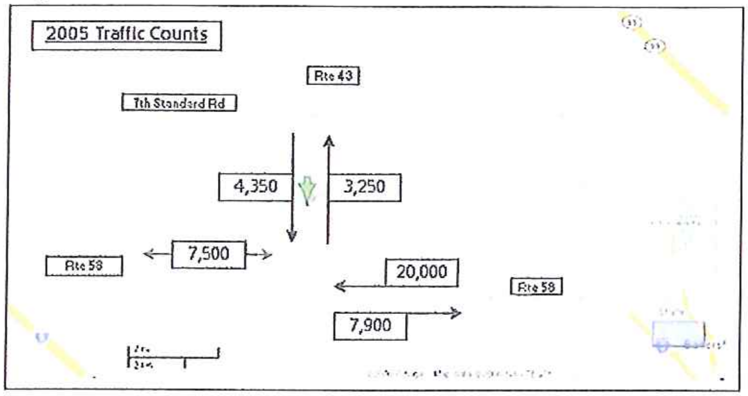
Table 18 presents average daily traffic (ADT) counts at the intersections of Highways 58 and 43. As shown in Figure 10, the California Department of Transportation reports 2005 in front of the BCC site to be 7,600 trips. Traffic along Highway 58 heading west from Bakersfield is substantial at 20,000 trips per day, but it appears that the majority of those vehicles then turn south on Highway 43 and away from the site.

Table 18 – Traffic Volume

Route	Segment	2003 ADT	2004 ADT	2005 ADT
Hwy 43	NB from Rte 58 W to 7th Standard Rd	3,100	3,150	3,250
	SB from 7th Standard Rd to Rte 58 W	4,200	4,250	4,350
Hwy 58	EB from Tracey Ave to Rte 43	7,300	7,400	7,500
	WB from Rte 43 to Tracey Ave	7,300	7,400	7,500
	EB from Rte 43 to Allen Rd	7,700	7,800	7,900
	WB from Allen Rd to Rte 43	19,400	19,500	20,000

Source: ERA and California Department of Transportation

Figure 10 - Traffic



Source: ERA

Development Potential at the BCC Site

Since the BCC site is a significant distance away from the current urban edge of Bakersfield, a key issue related to private development opportunity is timing of development and value appreciation given the regional market dynamics. As shown in the preceding sections, it is evident that the Central Valley, and especially the Bakersfield Metro area has been experiencing robust growth over the past 5 or 6 years. There are a number of factors attributing to this growth, including –

- Increasing pressure on land and steep price increases in the Los Angeles basin and the coast – turning Kern County into the next frontier of growth
- Low interest rates
- 'Pent up demand' for housing as a result of slow development activity during the 90s
- The effect of growth itself spurring new growth in the form of – construction related jobs and services, retail activity, public sector expansion such as general government, schools, healthcare, courts, and public works, resulting in demand for housing
- Modest impact from creation of primary jobs

Future growth in the area will be impacted by overall market dynamics, infrastructure improvements, policy decisions, and creation of primary employment. In terms of market dynamics, there are a number of critical over-encompassing trends that are going to attribute to a slowdown in the national housing market – as mentioned earlier these include rising interest rates and rising costs of construction and energy. On the other hand, as land pressures on the Los Angeles Basin and coastal California continue, most demographers project that the Central Valley is the obvious location to absorb future growth in the state. In the near term this growth will be driven by low cost and affordability – which carries a higher risk in terms responding to recessionary cycles. But as the region adds enough people during growth spurts, the larger metropolitan areas in the Valley are anticipated to become thriving and self sustaining urban economies by attracting new jobs.

ERA's discussion and opinions on the development mix are based on current and anticipated growth patterns, but revolves more around the issue of timing than on specific product types that may be developed on the site.

Residential Development

As per KernCOG estimates, the 'North of River' area (that includes the BCC site) is anticipated to experience the strongest growth within the Bakersfield metropolitan region during the 2005-2030 period. KernCOG projects that the NOR area will add approximately 94,300 people during 2005-2030, accounting for 34 percent of metropolitan area growth and 21 percent of countywide growth. As discussed in the previous sections, the City of Bakersfield currently has a total development 'pipeline' of 23,200+/- dwelling units in terms of entitled units and approved tract maps. An additional 3,200+/- units are under review or close to approval. Of this entitled inventory, only 13 percent of approved units are located within the NOR submarket. The Northeast submarket contains 41 percent of the entitled capacity, the largest share among the metropolitan quadrants. As mentioned in the earlier sections, based on historic growth and anticipated market slowdowns, the currently entitled growth capacity can be absorbed within 6 to 8 years.

Although there is a large pipeline of entitlements already in place or under review, it is not unjustified to assume that not all of the existing entitlements will actually be realized into built dwelling units at the same pace. It is important to note that strongest building activity currently is in the Southwest and North of River areas. Building activity in the Northeast area is modest, compared to its inventory of entitlements. This is most likely due to the fact that developers are currently responding to affordability driven demand in the low lying western areas. There are a number of projects proposed or under construction in the Northeast submarket, that are targeted towards retirees, taking advantage of e of location attributes (such as mountain views).

The proposed infrastructure improvements in terms of new freeways, and expansion of existing highways and arterials, are going to be a key factor in directing growth regionally. The completion of the North Beltway (7th Standard Rd.) in three years, and the West Beltway in approximately seven years, is going to be a major driver of growth in the western areas. These transportation corridors are likely to speed up the pace of absorption in master planned developments in their vicinity that are already approved or are close to being approved. These corridors will also create significant new frontage for retail activity, especially for community serving and limited regional retail. ERA believes that the north and west beltways are going to have significant impact on development opportunity at the BCC site. However, considering the fact that most new development will occur only post annexation into the City of Bakersfield, it is important to recognize that there are still significant amounts of agricultural land between the City's existing boundary and the site, which have to be annexed into the City before development can occur there.

Considering all of the above factors, we anticipate continued demand for residential land in the region into the near future. The pace of absorption, however, may cool down relative to the past couple of years. As the pent up demand gap closes, interest rates and construction costs continue to rise, growth has to rely on more fundamental drivers such as creation of primary jobs and resultant household formation. Without a recession attributed to structural changes in the economy (as opposed to one that merely follows growth cycles), we anticipate that the region will still continue to grow, and will gradually attract new jobs by virtue of the critical mass in terms of size created by residential growth over the last few years and the near future.

Based on ERA's analysis residential use is the most likely and viable use for the BCC site. Given the relative distance of the site from the City's current urban growth fringe, and its relative location with respect to the proposed transportation corridors, we believe that the most likely residential product to be developed here will be a moderate density product, at approximately 4 to 5 dwelling units per gross acre, following current trends. In terms of timing, the earliest development opportunity may be at least 3 years away. This coincides with the completion of the North Beltway, as well as the expiry of the existing agricultural lease. Note that any policy changes adopted by the City of Bakersfield, such as the establishment of urban growth boundaries or other growth management measures may change the current market dynamics and the timing of development. ERA has not assumed any significant change in policy at this time.

Active Adult Product Potential

There are a number of niche markets that can be tapped into at this site, given the unique adjacency to the Community College. The most important of these is the senior 'active adult' market, which may call for a denser development program. It is a well established fact that aging baby boomers (the oldest of who are 60 years of age now), are going to be a key consumer of residential product in the coming years. Although the trend in senior oriented residential development has been in the form of large amenitized communities, the evolving market is expected to create demand for a diversity of senior oriented products. Given the competitive locations still available in the region, ERA does not believe that the BCC site is ideally suited for a conventional 'active adult' development. One of the opportunity areas, however, is the concept of 'lifelong learning' communities. These are smaller 'active adult' communities that are directly or indirectly affiliated with educational institutions, and offer a range of practical as well as intellectually stimulating education activities to their residents via the institution's resources. These developments include between 100 to 300 units, and rely on a niche market of seniors who would not want to be a part of a larger conventional 'active adult' community. Given the expectation of a Community College Campus at the site, this is an appropriate concept for the BCC to explore. Some of the issues to keep in mind relative to Active Adult development at the BCC site are:

- Although Kern County is likely to emerge as an attractive retiree market in the near future, the point of attraction is going to be lower costs.
- Developers targeting niche markets have to be experienced in delivering similar products in order to successfully market and sell the units.
- In general, there are a number of competitive locations/sites in Kern County and other areas in the Central valley, which may be better suited to attract retirees – in terms of natural setting and access.

Retail Development

The scale of retail development opportunity on the BCC site depends largely on the future development in the area. However, ERA believes that larger community and regional retail centers serving the new growth in the North of River area is likely to locate along the north and west beltways, capitalizing on freeway access and visibility. Although the West Beltway may relieve Highway 48 of a portion of its north south traffic volume, we do anticipate a net increase in traffic flow on Highway 43 by virtue of new development in the future.

Based on a preliminary analysis of retail demand generated from new homes on site, college students and staff, ERA estimates gross supportable retail space of approximately 21,000 s.f. as presented in Table 19.

Table 19 – Estimated Supportable Retail Space

Estimated yield of new retail space	$ 375	/square foot

Estimated supportable s.f. from new residential development at site buildout

Buildout households	600	150 acres x 4 DU/acre
Average home price	$ 350,000	
Buildout Median Income	$ 64,000	

	Expenditure as % of Gross HH Income	Potential Market Area Expenditures ($000s)	Projected Capture	Projected Supportable Retail (rounded)
Food at home	6.0%	$ 2,318	85%	5,300
Food away from home	4.7%	1,804	35%	1,700
Alcoholic beverages	1.0%	365	80%	800
Apparel & services	3.3%	1,275	5%	200
Health care (Drugs)	1.1%	431	85%	1,000
Entertainment	1.2%	453	15%	200
Personal care & services	1.1%	404	65%	700
Reading	0.2%	90	10%	-
Misc.	0.8%	299	10%	100
Sub-Total		$ 7,438		10,000 s.f.

Support from College Students and Faculty/Staff

Student Full Time Equivalents (FTE)		10,000
1/3 @ 2.5 times/week for 36 weeks		300,000
2/3 @ 3.2 times/week for 36 weeks		768,000
Annual FTE Students		1,068,000
Faculty/staff		500
1/3 @ 2.5 times/week for 36 weeks		15,000
1/3 @ 5 times/week for 36 weeks		30,000
1/3 @ 5 times/week for 47 weeks		39,167
Annual FTE Faculty/Staff		84,167
Estimated Captured Expenditures	Exp./day	Annual Exp.
FTE Students*	$ 3.50	3,738,000
FTE Faculty/Staff*	$ 3.50	295,000
Total Annual Expenditures		4,033,000
Supportable Retail (rounded)		11,000 s.f.

Total Supportable Retail Space (rounded)	21,000 s.f.

Note:
* In addition to on-campus bookstore, cafeteria, food kiosks, and vending machines
Source: Economics Research Associates, CACI Inc., Bureau of Labor Statistics

This supportable retail space is likely to be complemented with additional support from traffic on Highway 43 and new households in the general vicinity. Based on our preliminary estimates, overall retail demand is likely to support approximately 35,000s.f. to 40,000s.f. of retail space requiring about 4 to 5 acres of land. We anticipate the retail mix to be dominated by food service, personal services, and limited business services (for the college). A higher density development on site is likely to increase the scale of supportable development.

Summary of Development Mix

ERA believes that residential development would yield the highest value at the BCC site. As described previously, although the most likely development opportunity is for a single family product at approximately 4 DUs per acre, there are some opportunities for a unique senior oriented development. ERA recommends that the overall development program allow for both types of uses along with the possibility of some neighborhood serving retail, for master planning purposes. We anticipate that the gross unit yield from the 150 acres site will be in the scale of 650 units. This will allow for a number of permutations and combinations from the planning perspective.

As an illustrative example, approximately 100 acres can be planned as medium density residential use at ~4 DUs per acre, approximately 40 acres can be planned at a higher density allowing for a potential senior oriented development, and the remaining 5 acres can be planned for retail use. ERA anticipates that this Active Adult component would include approximately 225-250 units, yielding an approximate gross density of 5.5-6.5 DUs per acre. Although the units themselves may be developed as a higher density product of 8-10 DUs per acre, this would leave enough room for community serving amenities. If the campus / educational inter-relationship is not established, or if other competing developments accommodate the potential for a niche Active Adult community, this area would be adjusted to accommodate conventional housing at a lower density.

Depending on future growth patterns, there may be opportunity for a grocery anchored retail center requiring approximately 8 to 10 acres, however, from the land value perspective; residential land is likely to yield higher values than retail land.

Growth Dynamics and Future Land Value

Based on the fact that actual development on the site is further away in the time horizon, it is more appropriate to evaluate land value in gross terms than for each proposed land use component. ERA's evaluation of land value appreciation is based on a number of growth scenarios for the Bakersfield metropolitan area. In theory, as developable land in the current urban boundary of Bakersfield approaches build out, land value in the outer fringes will rise in response to increasing demand. The rate of this appreciation is dependent upon the pace of growth, and the time at which the BCC site will be considered for development, as well as location specific amenities that may be offered at the site relative to other competitive locations. The development timing, in turn, is dependent upon the numerous market issues discussed in the preceding sections. Enhanced access to the western areas and the BCC site via the proposed freeway network is perhaps one of the key determinants of development timing. On the other hand, potential price appreciation should be appropriately discounted for risks associated with general market downturn, increasing interest rates, and cost of construction.

ERA believes that there are a number of advantages with respect to the BCC site that may positively impact potential development timing and appreciation. These include but are not limited to:

- The development of the new Community College campus will add visibility and location recognition in the regional market. This is likely to put the BCC site at an advantage in terms of attracting new development compared to competing locations in the unincorporated County area.

- The site is 'developable' as soon as the entitlements are in place. Availability of utility infrastructure hook-ups at a modest cost, and enhancement of access infrastructure are an advantage.

- Although the surrounding areas are undeveloped at this time, the site is located within the 'Enos Lane Corridor' – the portion of Enos Lane stretching from 7th Standard Road to State Hwy. 58, where at least three other large land holdings are being for master planned community development.

- Adoption of a Specific Plan for the BCC site with vested development rights is a key element in enabling development. The co-location of the college as an integral part of the specific plan, with physical and/or programmatic relationships with the surrounding land uses, further enhances development opportunities.

As shown in Tables 14 and 15, ERA looked at recent land sales and current listings in the vicinity of the site. Our research reveals that raw land for residential development at the current urban edge of Bakersfield is valued at approximately $162,000+/-, taking weighted averages of (adjusted) large parcel listings and transactions at the urban edge. ERA then looked at the various growth related issues in the region and examined a number of scenarios comparing development timing of the urban fringe.

Our preliminary estimates indicated that land values in the vicinity of the BCC site will experience appreciation rates in the range of 12 to 16 percent on an average over the next 10 years (including 3 percent monetary inflation and assuming that there are no structural changes in the economy). We believe a likely average appreciation rate will be in the range of 14 percent annually. This average appreciation factor suggests that the purchase value of $55,000 per acre is likely to appreciate to approximately $87,000 per acre by 2009 (in 3 years) when the existing agricultural lease expires, and to over $128,000 per acre in six years.

Currently entitlements within the Metro area appear to be relatively easy to obtain. Should public policy change and entitlements become more difficult to achieve, entitled property would be expected to appreciate at a significantly higher rate than raw, un-entitled land. Additional appreciation would most likely result from property that was integrated into a master planned community which was anchored by a new college campus. This would likely require some level of commitment by the college to develop facilities in synch with the overall project development.

Appendix

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Population and Household Trends

City of Bakersfield

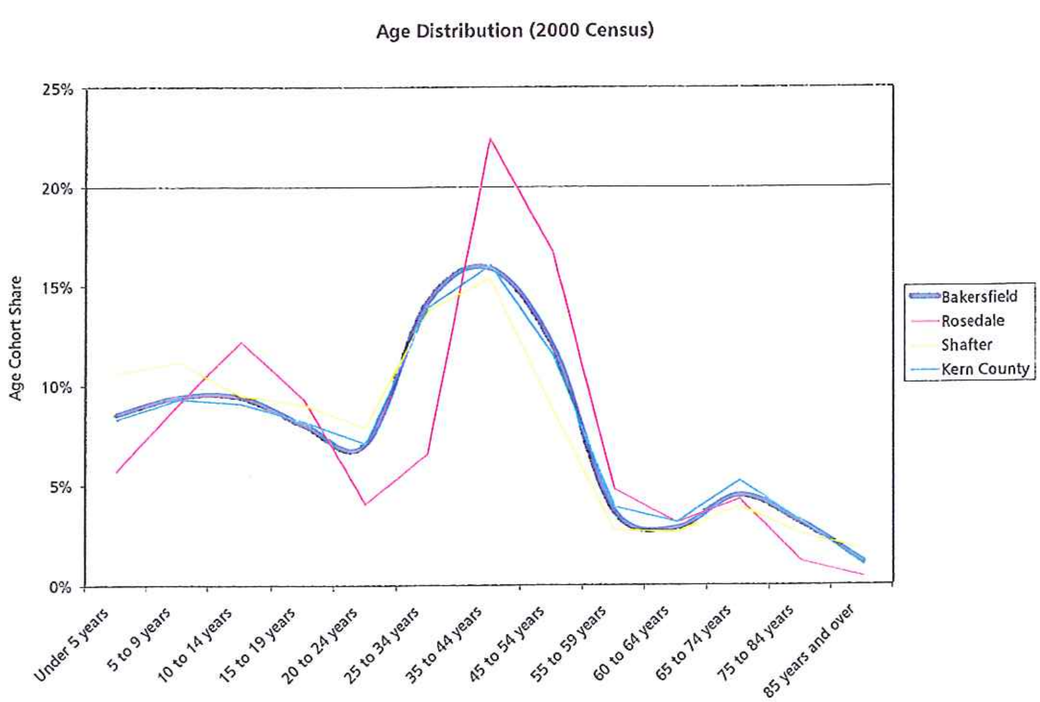
	Population	Population Growth	% Growth	Households	Household Growth	% Growth
1995	207,472			72,219		
1996	211,209	3,737	1.8%	73,672	1,453	2.01%
1997	214,908	3,699	1.8%	75,065	1,393	1.89%
1998	220,771	5,863	2.7%	77,299	2,233	2.98%
1999	230,004	9,233	4.2%	80,685	3,386	4.38%
2000	246,899	16,895	7.3%	83,449	2,764	3.43%
2001	249,922	3,023	1.2%	83,910	461	0.55%
2002	258,930	9,008	3.6%	86,212	2,302	2.74%
2003	269,554	10,624	4.1%	90,273	4,061	4.71%
2004	283,060	13,506	5.0%	93,791	3,518	3.90%
2005	297,845	14,785	5.2%	98,104	4,314	4.60%
2006	311,824	13,979	4.7%	103,459	5,354	5.46%

Source: Source: California Department of Finance E-5 Tables and ERA

Age, Race, and Ethnicity (part 1)

	Bakersfield	Rosedale	Shafter	Kern County	Bakersfield as % of Kern Co.
Total Population					
2000	247,385	8,516	12,757	661,645	37%
Population by Age, 2000					
Under 5 years	21211	488	1355	55,012	39%
5 to 9 years	23355	776	1430	61,683	38%
10 to 14 years	23322	1040	1214	60,125	39%
15 to 19 years	19943	796	1156	54,193	37%
20 to 24 years	17494	349	1008	46,965	37%
25 to 34 years	35068	561	1758	92,114	38%
35 to 44 years	39356	1905	1966	106,332	37%
45 to 54 years	29753	1423	1128	76,470	39%
55 to 59 years	9124	409	349	25,793	35%
60 to 64 years	7110	266	337	20,783	34%
65 to 74 years	11129	366	504	34,504	32%
75 to 84 years	7701	101	325	21,064	37%
85 years and over	2819	36	227	6,607	43%
Median age (years)	30.6	30.1	36.8	26.1	117%
Age Distribution, 2000					
Under 5 years	9%	6%	11%	8%	103%
5 to 9 years	9%	9%	11%	9%	101%
10 to 14 years	9%	12%	10%	9%	104%
15 to 19 years	8%	9%	9%	8%	98%
20 to 24 years	7%	4%	8%	7%	100%
25 to 34 years	14%	7%	14%	14%	102%
35 to 44 years	16%	22%	15%	16%	99%
45 to 54 years	12%	17%	9%	12%	104%
55 to 59 years	4%	5%	3%	4%	95%
60 to 64 years	3%	3%	3%	3%	91%
65 to 74 years	4%	4%	4%	5%	86%
75 to 84 years	3%	1%	3%	3%	98%
85 years and over	1%	0%	2%	1%	114%

Source: US Census and ERA



Age, Race, and Ethnicity (part 2)

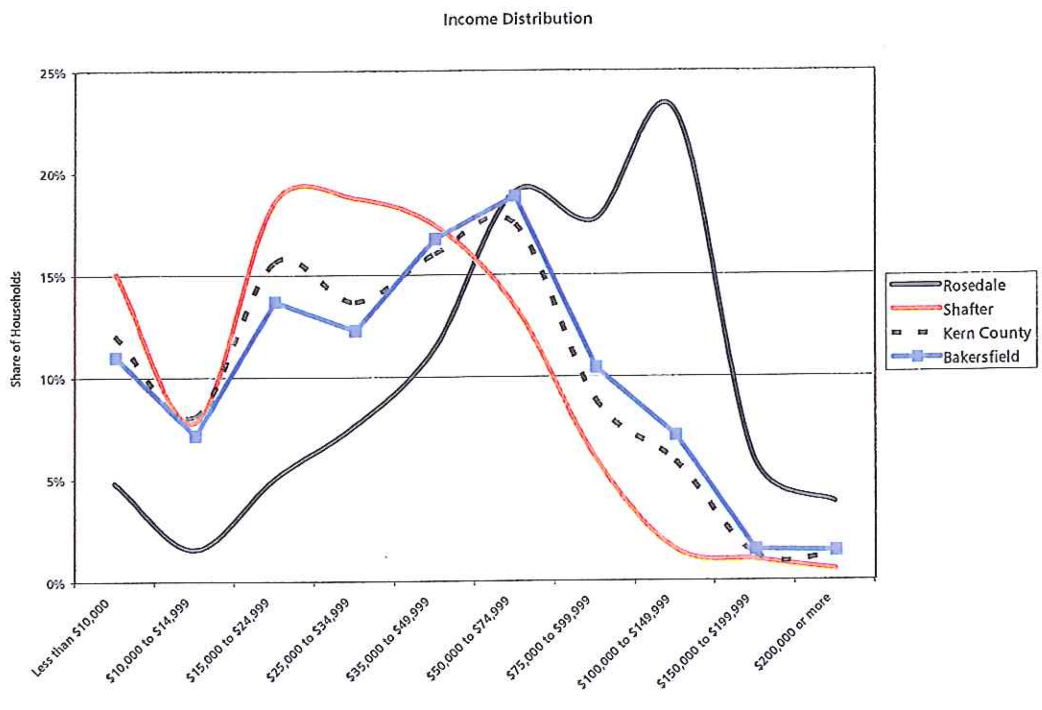
	Bakersfield	Rosedale	Shafter	Kern County	Bakersfield as % of Kern Co.
Race and Ethnicity, 2000					
Not Hispanic or Latino:	167,471	7,651	4,038	407,586	41%
White	125,829	7,222	3,678	326,523	39%
African American	21,811	106	97	37,040	59%
American Indian/Alaska Native	2089	28	118	5,760	36%
Asian/Pacific Islander	10400	82	28	21495	48%
Some other race alone	539	30	0	1246	43%
Two or more races	6,803	183	117	15,522	44%
Hispanic or Latino:	79,914	865	8,719	254,059	31%
White alone	26,275	525	2,099	79,869	33%
African American	375	0	51	1,764	21%
American Indian/Alaska Native	1,116	17	8	3,254	34%
Asian/Pacific Islander	567	8	0	845	67%
Some other race alone	46,031	235	6,279	154,349	30%
Two or more races	5,550	80	282	13,978	40%
Distribution of Race and Ethnicity, 2000					
Not Hispanic or Latino:	67.7%	89.8%	31.7%	61.6%	110%
White	50.9%	84.8%	28.8%	49.4%	103%
African American	8.8%	1.2%	0.8%	5.6%	157%
American Indian/Alaska Native	0.8%	0.3%	0.9%	0.9%	97%
Asian/Pacific Islander	4.2%	1.0%	0.2%	3.2%	129%
Some other race alone	0.2%	0.4%	0.0%	0.2%	116%
Two or more races	2.7%	2.1%	0.9%	2.3%	117%
Hispanic or Latino:	32.3%	10.2%	68.3%	38.4%	84%
White alone	10.6%	6.2%	16.5%	12.1%	88%
African American	0.2%	0.0%	0.4%	0.3%	57%
American Indian/Alaska Native	0.5%	0.2%	0.1%	0.5%	92%
Asian/Pacific Islander	0.2%	0.1%	0.0%	0.1%	179%
Some other race alone	18.6%	2.8%	49.2%	23.3%	80%
Two or more races	2.2%	0.9%	2.2%	2.1%	106%

Source: US Census and ERA

Household Income

	Bakersfield	Rosedale	Shafter	Kern County	Bakersfield as % of Kern Co.
Median Household Income					
1999	39,982	76,277	29,515	35,446	113%
Household Income, 1999					
Less than $10,000	9,154	125	497	25,140	36%
$10,000 to $14,999	5,960	41	256	16,865	35%
$15,000 to $24,999	11,430	130	611	32,600	35%
$25,000 to $34,999	10,236	197	616	28,529	36%
$35,000 to $49,999	13,985	294	572	33,381	42%
$50,000 to $74,999	15,748	493	441	36,457	43%
$75,000 to $99,999	8,704	458	196	18,459	47%
$100,000 to $149,999	5,931	596	50	12,181	49%
$150,000 to $199,999	1,258	153	33	2,674	47%
$200,000 or more	1,195	99	17	2,500	48%
Household Income, 1999 (Distribution)					
Less than $10,000	11%	5%	15%	12%	91%
$10,000 to $14,999	7%	2%	8%	8%	88%
$15,000 to $24,999	14%	5%	19%	16%	88%
$25,000 to $34,999	12%	8%	19%	14%	90%
$35,000 to $49,999	17%	11%	17%	16%	105%
$50,000 to $74,999	19%	19%	13%	17%	108%
$75,000 to $99,999	10%	18%	6%	9%	118%
$100,000 to $149,999	7%	23%	2%	6%	122%
$150,000 to $199,999	2%	6%	1%	1%	117%
$200,000 or more	1%	4%	1%	1%	119%

Source: US Census and ERA



Income and Employment

	Bakersfield	Rosedale	Shafter	Kern County	Bakersfield as % of Kern Co.
Median Household Income					
1999	39,982	76,277	29,515	35,446	135%
Industry					
Agriculture, forestry, and mining	8,003	522	828	28,664	28%
Construction	6,810	399	206	16,095	42%
Manufacturing	5,412	177	215	13,937	39%
Wholesale trade	5,063	160	345	11,228	45%
Retail trade	11,593	417	292	24,888	47%
Transportation and warehousing	5,164	174	342	12,287	42%
Information	2,336	30	37	4,139	56%
Finance, insurance, and real estate	6,009	254	93	11,057	54%
Professional, scientific, management, and admin.	8,163	315	176	17,561	46%
Educational, health and social services	23,993	889	441	45,483	53%
Arts, entertainment, and recreation	7,484	192	186	16,558	45%
Other services	5,046	140	121	11,605	43%
Public administration	6,925	320	156	18,959	37%
Industry (Distribution)					
Agriculture, forestry, and mining	8%	13%	24%	12%	64%
Construction	7%	10%	6%	7%	96%
Manufacturing	5%	4%	6%	6%	88%
Wholesale trade	5%	4%	10%	5%	103%
Retail trade	11%	10%	8%	11%	106%
Transportation and warehousing	5%	4%	10%	5%	96%
Information	2%	1%	1%	2%	129%
Finance, insurance, and real estate	6%	6%	3%	5%	124%
Professional, scientific, management, and admin.	8%	8%	5%	8%	106%
Educational, health and social services	24%	22%	13%	20%	120%
Arts, entertainment, and recreation	7%	5%	5%	7%	103%
Other services	5%	4%	4%	5%	99%
Public administration	7%	8%	5%	8%	83%

Source: US Census and ERA

Dwelling Units

	City of Bakersfield			
	Single Family Units	Multi-Family Units	Total Dwelling Units	Persons per HH
1995	50,375	26,185	76,560	2.824
1996	51,730	26,368	78,098	2.819
1997	53,057	26,515	79,572	2.815
1998	55,124	26,808	81,932	2.810
1999	58,468	27,012	85,480	2.806
2000	60,856	27,410	88,266	2.915
2001	88,761	-27,638	61,123	2.935
2002	63,516	27,687	91,203	2.961
2003	66,281	27,894	94,175	2.986
2004	69,876	28,167	98,043	3.018
2005	74,071	28,513	102,584	3.036
2006	79,339	28,903	108,242	3.014

Source: California Department of Finance Table E-5 and ERA

Housing Tenure

	Bakersfield	Rosedale	Shafter	Kern County	Bakersfield as % of Kern Co.
Tenure					
Total	83,428	2,586	3,296	208,652	40%
Owner-occupied	50,394	2,355	1,983	129,661	39%
Renter-occupied	33,034	231	1,313	78,991	42%
Tenure (percent)					
Owner-occupied	60%	91%	60%	62%	97%
Renter-occupied	40%	9%	40%	38%	105%
Median Home Value, 2000					
Specified Owner-Occupied	106,500	192,500	78,900	93,300	114%
Owner-Occupied	103,500	191,000	77,900	89,400	116%
Median Contract Rent, 2000					
Median contract rent	470	525	360	429	110%

Source: US Census and ERA

Residential Permit Trends

Permits Issued

	Bakersfield			Kern County			City as % of County		
	SF	MF	Total	SF	MF	Total	SF	MF	Total
1995	1,567	383	1,950	2,613	666	3,279	60.0%	57.5%	59.5%
1996	1,331	141	1,472	2,237	341	2,578	59.5%	41.3%	57.1%
1997	1,409	141	1,550	2,397	262	2,659	58.8%	53.8%	58.3%
1998	1,740	364	2,104	2,687	462	3,149	64.8%	78.8%	66.8%
1999	1,871	65	1,936	2,704	222	2,926	69.2%	29.3%	66.2%
2000	1,982	129	2,111	2,735	206	2,941	72.5%	62.6%	71.8%
2001	2,432	-	2,432	3,279	86	3,365	74.2%	0.0%	72.3%
2002	2,462	-	2,462	3,839	11	3,850	64.1%	0.0%	63.9%
2003	3,664	131	3,795	5,362	265	5,627	68.3%	49.4%	67.4%
2004	3,766	293	4,059	6,023	618	6,641	62.5%	47.4%	61.1%
2005	4,898	428	5,326	7,666	1,191	8,857	63.9%	35.9%	60.1%

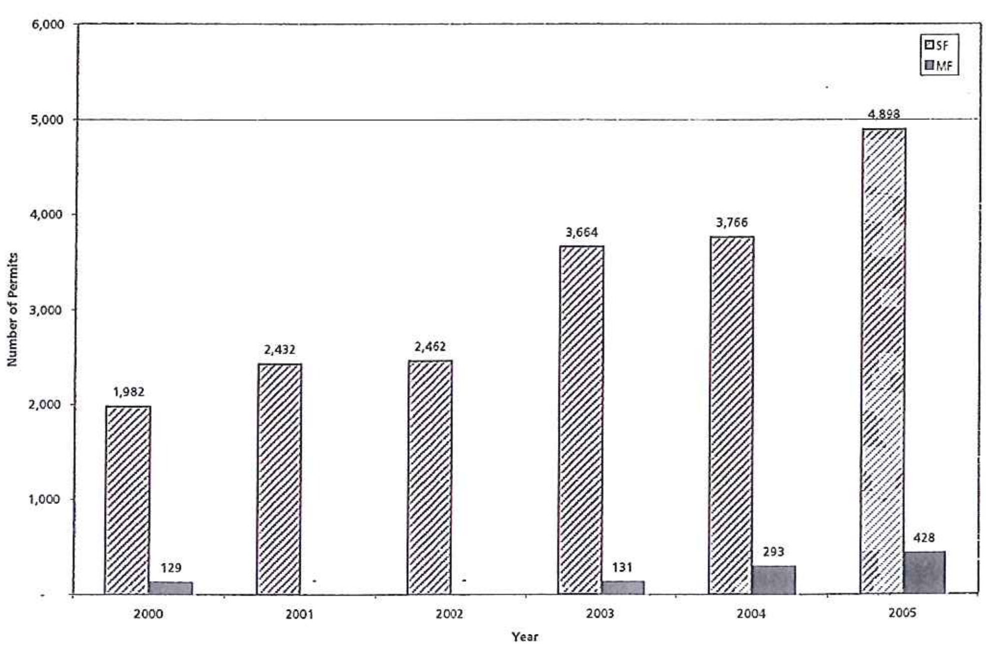
Valuation ($000)

	Bakersfield			Kern County			City as % of County		
	SF	MF	Total	SF	MF	Total	SF	MF	Total
1995	$161,880	$ 21,559	$ 183,439	$ 268,236	$ 43,796	$ 327,549	60.3%	49.2%	56.0%
1996	133,287	8,396	141,683	233,299	19,790	253,089	57.1%	42.4%	56.0%
1997	142,323	6,236	148,559	244,715	11,149	255,864	58.2%	55.9%	58.1%
1998	177,694	23,610	201,304	285,531	28,792	314,323	62.2%	82.0%	64.0%
1999	214,448	3,819	218,267	310,136	12,381	322,517	69.1%	30.8%	67.7%
2000	251,316	8,670	259,986	346,800	13,208	360,008	72.5%	65.6%	72.2%
2001	310,410	-	310,410	426,679	5,230	431,909	72.8%	0.0%	71.9%
2002	326,639	-	326,639	488,855	503	489,358	66.8%	0.0%	66.7%
2003	560,511	7,610	568,121	767,218	14,856	782,075	73.1%	51.2%	72.6%
2004	582,554	19,925	602,479	859,474	41,867	901,341	67.8%	47.6%	66.8%
2005	759,048	27,076	786,124	1,106,035	65,021	1,171,056	68.6%	41.6%	67.1%

Note:
1. SFU = Single Family Unit
2. MFU = Multi Family Unit

Source: ERA and Economics Science Corporation

Bakersfield - Building Permits Issued



Kern County Taxable Sales

	1999	2000	2001	2002	2003	2004
Retail Stores						
Apparel Stores	$97,207	$109,847	$117,059	$126,267	$129,457	$171,095
General Merchandise Stores	$564,971	$598,519	$633,892	$667,344	$699,810	$743,859
Food Stores	$162,505	$176,986	$181,300	$196,060	$215,506	$234,243
Eating and Drinking Places	$266,476	$287,815	$309,643	$330,061	$362,907	$400,570
Building Material and Farm Implements	$217,197	$244,146	$256,506	$286,088	$340,528	$349,196
Automotive (ex. Service Stations)	$623,868	$716,804	$845,904	$850,364	$913,717	$994,342
Service Stations	$179,011	$209,649	$187,497	$178,716	$210,459	$244,317
Other Retail Stores	$342,586	$372,930	$384,538	$413,285	$464,338	$534,379
Retail Stores Totals	$2,567,256	$2,840,206	$3,043,180	$3,190,204	$3,491,453	$3,934,804
All Other Outlets	$629,476	$657,574	$701,212	$637,989	$672,614	$807,481
Total All Outlets	$3,196,732	$3,497,780	$3,744,392	$3,828,193	$4,164,067	$4,742,285

Kern Co. Taxable Sales (in $000s)

	1999	2000	2001	2002	2003	2004
Retail Stores						
Apparel Stores	$115,405	$129,257	$137,127	$147,836	$151,985	$193,597
General Merchandise Stores	$724,333	$765,638	$812,697	$854,466	$899,479	$952,154
Food Stores	$379,426	$420,279	$462,232	$469,378	$516,728	$549,695
Eating and Drinking Places	$452,132	$484,123	$514,061	$547,753	$589,186	$651,907
Building Material and Farm Implements	NA	$504,469	$519,123	NA	$654,202	NA
Automotive (ex. Service Stations)	NA	$956,874	$1,128,482	NA	$1,202,628	NA
Service Stations	$474,105	$550,175	$529,896	$564,079	$656,905	$779,597
Other Retail Stores	$290,120	$309,325	$316,480	$337,867	$387,080	$445,493
Retail Stores Totals	$4,027,302	$4,456,001	$4,784,338	$5,042,742	$5,477,154	$6,192,813
All Other Outlets	$2,041,927	$2,203,666	$2,544,341	$2,230,860	$2,240,837	$2,606,388
Total All Outlets	$6,324,261	$6,938,238	$7,626,392	$7,565,892	$8,021,143	$9,129,915

Bakersfield as Percent of Kern Co Taxable Sales

	1999	2000	2001	2002	2003	2004
Retail Stores						
Apparel Stores	84%	85%	85%	85%	85%	88%
General Merchandise Stores	78%	78%	78%	78%	78%	78%
Food Stores	43%	42%	39%	42%	42%	43%
Eating and Drinking Places	59%	59%	60%	60%	62%	61%
Building Material and Farm Implements		48%	49%		52%	
Automotive (ex. Service Stations)		75%	75%		76%	
Service Stations	38%	38%	35%	32%	32%	31%
Other Retail Stores	118%	121%	122%	122%	120%	120%
Retail Stores Totals	64%	64%	64%	63%	64%	64%
All Other Outlets	31%	30%	28%	29%	30%	31%
Total All Outlets	51%	50%	49%	51%	52%	52%

Source: California State Board of Equalization, Economic Sciences Corporation, ERA