



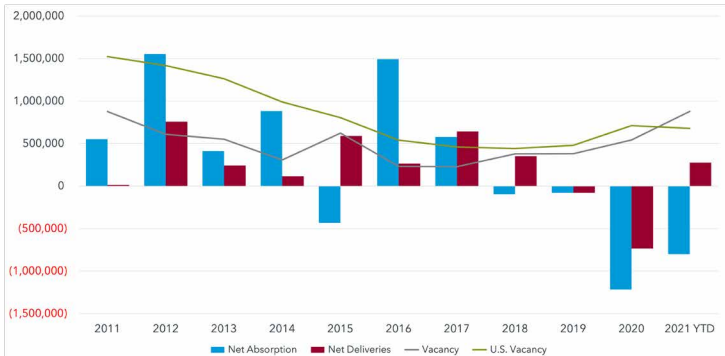
### RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President, Retail Advisor*

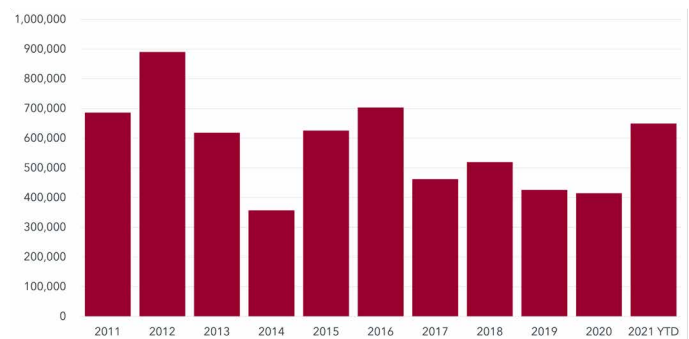
There are signs of optimism for the retail market as we hit mid-year 2021 as more of the economy opens up and things return to "normal". During the pandemic, consumers relied heavily on e-commerce and retail businesses pivoted toward online ordering and curbside pickup. Foot traffic is improving as stores reopen and people look to get back out to enjoy the in-store shopping experience. Retail concepts are finding ways to deliver to consumers with both the the online and in-store experience. The federal stimulus checks consumers received also helped to fuel the turnaround we have seen in the retail sector. The core assets in San Diego remain strong as rents remain at or near pre-pandemic levels.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	(1,201,713)	(1,631,345)	(1,216,433)	(1,137,564)	(616,631)
▼ Vacancy Rate	5.30%	5.40%	4.70%	4.60%	4.20%
▲ Avg NNN Asking Rate PSF	\$2.55	\$2.54	\$2.53	\$2.54	\$2.55
▼ SF Under Construction	681,330	718,842	890,069	853,342	944,672
▲ Inventory SF	139,058,158	139,010,661	138,775,131	138,746,754	138,630,386

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
5500 Grossmont Center Drive La Mesa, CA	853,975 SF	\$162,304,906 \$316 PSF	Federal Realty Investment Trust Lawrence Cushman	Regional Mall
Torrey Hills Center San Diego, CA	85,834 SF	\$44,430,657 \$517 PSF	First Washington Realty Sea Breeze Properties	Neighborhood Center
Convoy Village San Diego, CA	42,338 SF	\$16,200,000 \$382 PSF	CEG Capital Partners The G. Harbaugh Foundation	Neighborhood Center

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2750 Dewey Road San Diego, CA	15,724 SF	City of San Diego	Sea Hive	Retail
8990-8998 Miramar Road San Diego, CA	10,048 SF	Mira Investments	SD Motorwerks	Vehicle Sales
7551 Broadway Lemon Grove, CA	8,500 SF	Private	Elite Home Furnishing	Home Furniture

*The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.*

*The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©*

*© Copyright 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com*