



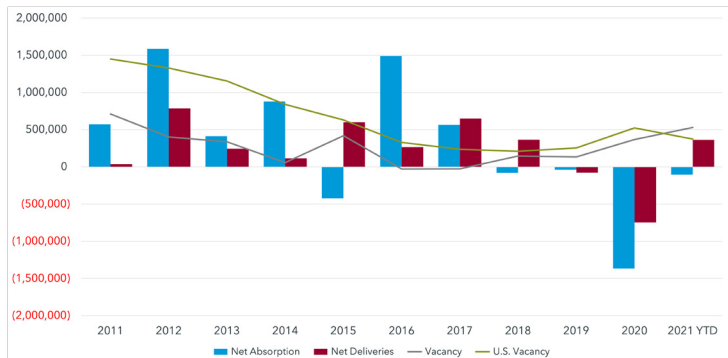
RETAIL MARKET OVERVIEW

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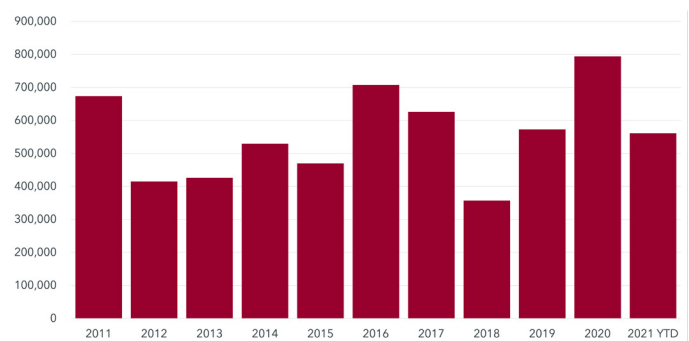
The retail landscape in San Diego has improved over the past few months after significant disruption caused by the pandemic. Consumer demand for home improvement, grocery, sporting goods and hobby stores has been on the increase. Drive-thru restaurant and coffee operators have also seen increases and many restaurants are looking to make outdoor dining permanent. Major challenges for today's retailers is finding employees. Help wanted signs are commonplace. The backlogged supply chain is also a looming threat for retailers as the holidays are approaching. Retailers are being cautious with their expansion plans and space needs, the average new retail lease is 15% smaller than the average four years ago.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	(266,695)	(1,356,124)	(1,785,936)	(1,366,170)	(1,231,699)
▼ Vacancy Rate	5.1%	5.4%	5.5%	4.7%	4.6%
▲ Avg NNN Asking Rate PSF	\$30.84	\$30.72	\$30.48	\$30.48	\$30.48
▼ SF Under Construction	560,848	601,110	630,982	794,069	813,342
▲ Inventory SF	139,103,383	139,055,669	139,008,172	138,739,557	138,711,180

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Macy's at Parkway Plaza El Cajon, CA	115,612 SF	\$10,500,000 \$90.82 PSF	Tourmaline Capital Macy's	Vacant
The Forum at Carlsbad Carlsbad, CA	108,741 SF	\$70,391,726 \$647.33 PSF	Northwood Investors Nuveen	Multi-Tenant
Kohl's - 12880 Gregg Court Poway, CA	88,248 SF	\$22,611,248 \$256.22 PSF	Julian & Amy Piccioni AVR Realty Company	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
153-197 Las Posas Road San Marcos, CA	40,000 SF	World Premier Investments	Joann	Arts & Crafts
1527 Mission Avenue Oceanside, CA	25,000 SF	Milan Capital Management	Grocery Outlet	Grocery Stores
9910-9938 Mission Gorge Road Santee, CA	22,500 SF	Kimco	Barnes & Noble	Book Stores

