



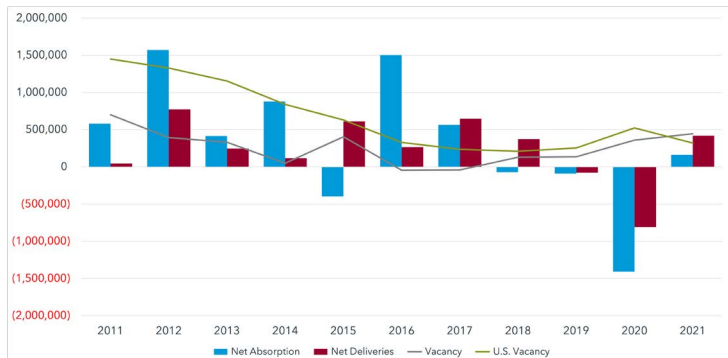
### RETAIL MARKET OVERVIEW

VICTOR AQUILINA, *Principal*

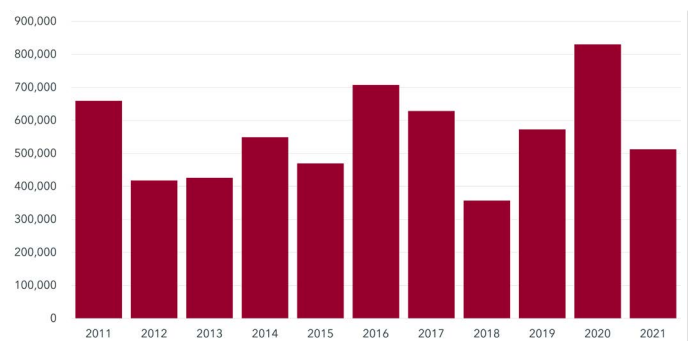
The pandemic and current labor/supply shortage has created a challenging landscape for retailers. However, consumers are starting to feel comfortable returning to retail centers, which has subsequently lowered vacancy rates throughout 2021. The vacancy rate was 5.5% in Q1 2021 and went down throughout the year, resulting in a 4.9% vacancy rate in Q4 2021. Additionally, net absorption in Q4 2021 was 162,431 SF, which is the first time net absorption has been positive over the past year, signaling a 2022 comeback for the San Diego retail market. As demand for retail space increases, rental rates have also increased with average asking rates going from \$2.55/SF in Q1 2021 to \$2.60/SF in Q4 2021.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	162,431	(199,829)	(1,289,615)	(1,759,023)	(1,407,835)
▼ Vacancy Rate	4.90%	5.10%	5.40%	5.50%	4.70%
▲ Avg NNN Asking Rate PSF	\$2.60	\$2.59	\$2.57	\$2.55	\$2.55
▼ SF Under Construction	512,444	546,978	580,750	639,262	830,349
▲ Inventory SF	139,639,159	139,623,157	139,573,281	139,488,144	139,220,383

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
565 Broadway Chula Vista, CA	250,000 SF	\$19,300,000 \$77.20 PSF	Brookfield Properties Retail Group Seritage Growth Properties	Single-Tenant
2100-2160 Vista Way Oceanside, CA	193,163 SF	\$1,800,000 \$9.32 PSF	Pacific Riviera Properties Inc Pacific Coast Plaza LLC	Multi-Tenant
291 Fletcher Parkway El Cajon, CA	115,612 SF	\$10,500,000 \$90.82 PSF	Tourmaline Capital Macy's Inc.	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
150 S Bent Avenue San Marcos, CA	144,013 SF	Richard Singer	Costco Business Center	Retailer
3409-3427 Via Montebello Carlsbad, CA	40,022 SF	TRC Retail	24 Hour Fitness	Services
153-197 Las Posas Road San Marcos, CA	40,000 SF	World Premier Investments	Joann Fabric and Crafts	Retailer

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