



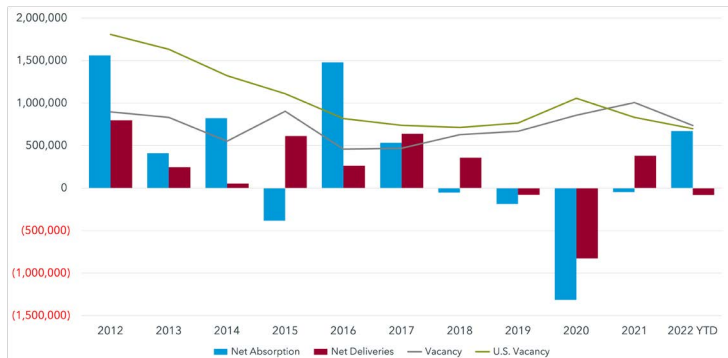
RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

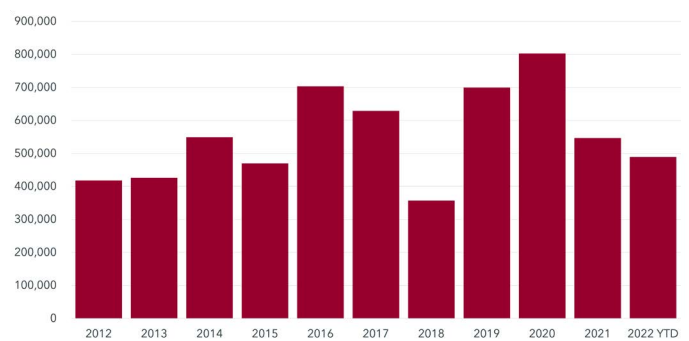
With the pandemic subsiding, San Diego has finally recovered all of the lost jobs from the start of the pandemic. Retail leasing has improved considerably. Even with the high inflation, consumers are out and about with stores and restaurants as busy as ever. Among the major challenges for retailers is the continued struggle to find workers to fill open positions. Leasing activity has increased with retailers signing new leases and ticking up rent growth. Net absorption has rebounded over the past year to see its longest run of positive net absorption in over five years.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	1,387,654	988,365	(46,864)	(256,133)	(1,321,796)
▼ Vacancy Rate	4.4%	4.8%	5.0%	5.1%	5.4%
▲ Avg NNN Asking Rate PSF	\$2.74	\$2.64	\$2.63	\$2.61	\$2.56
▼ SF Under Construction	489,425	493,743	546,542	564,050	569,949
▼ Inventory SF	138,776,379	138,798,454	138,857,070	138,862,643	138,822,079

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4840 Shawline Drive San Diego, CA	130,531 SF	\$56,200,000 \$429.17 PSF	KMPC, LLC Clarion Partners	Multi-Tenant
4995 Shawline Drive San Diego, CA	51,268 SF	\$26,810,000 \$522.19 PSF	KMPC, LLC Clarion Partners	Multi-Tenant
1745-1765 Euclid Avenue San Diego, CA	62,368 SF	\$10,580,00 \$169.68 PSF	K-Town Property, LLC Hooman Dayani	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12900 Gregg Court Poway, CA	19,080 SF	Julian Piccioni	Undisclosed	Undisclosed
4220 Balboa Avenue San Diego, CA	16,000 SF	Balboa Property Rental	Goodwill	
3893-3993 4th Avenue San Diego, CA	15,272 SF	Sears	Undisclosed	Undisclosed

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 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com