



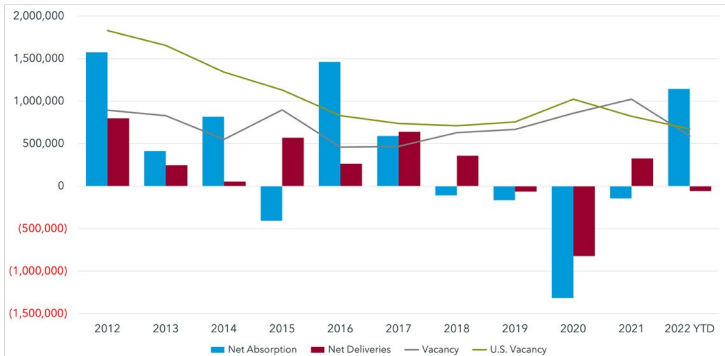
RETAIL MARKET OVERVIEW

VICTOR AQUILINA, *Principal*

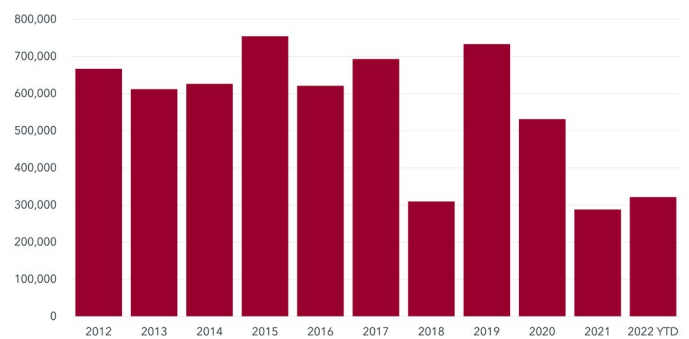
Net absorption was positive during the past six quarters through 22Q3, which has been the longest consecutive quarterly streak in the past 10 years. That has resulted in a year-over-year vacancy change of -0.9% to 4.2%, which is in line with historical norms, after a net of 1.2 million SF was absorbed in the past 12 months. New leasing activity has slipped over the past two quarters as occupancy has recovered. Even prior to that, leasing behavior among retailers since 2020 has shifted relative to pre-pandemic norms. The average new retail lease is trending at its smallest size in nearly 10 years as many adapt to shifting consumer preferences toward e-commerce, a shift that accelerated due to the pandemic.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	1,225,129	1,382,634	905,688	(144,445)	(329,138)
▼ Vacancy Rate	4.2%	4.4%	4.8%	5.0%	5.1%
▲ Avg NNN Asking Rate PSF	\$32.63	\$32.48	\$32.05	\$31.53	\$31.33
▼ SF Under Construction	523,365	571,976	581,114	564,424	576,989
▲ Inventory SF	138,592,861	138,544,850	138,561,750	138,650,000	138,655,276

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
2017-2041 Mission Avenue Oceanside, CA	114,546 SF	\$29,641,016 \$258.77 PSF	MSM Global Ventures, LLC Missino Oceanside LLC	Multi-Tenant
1855 Main Street Ramona, CA	86,989 SF	\$6,236,600 \$71.67 PSF	Tourmaline Capital Seritage Growth Properties	Multi-Tenant
770 Denny Road San Diego, CA	61,005 SF	\$21,301,006 \$349.17 PSF	Lake 1925 LP Citivest, Inc.	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7480 Miramar Road San Diego, CA	42,318 SF	Omninet Capital	Undisclosed	Undisclosed
8400 Miramar Road San Diego, CA	10,368 SF	Ann Glynn	Luxury Outdoor Solutions Inc	Services
8105 Mira Mesa Boulevard San Diego, CA	8,000 SF	Mesa Centers	Undisclosed	Undisclosed

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