



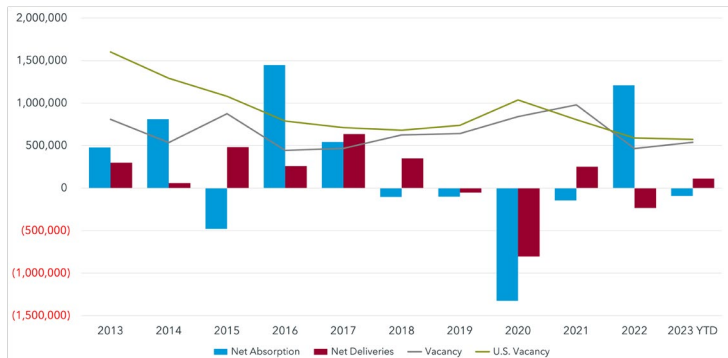
RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

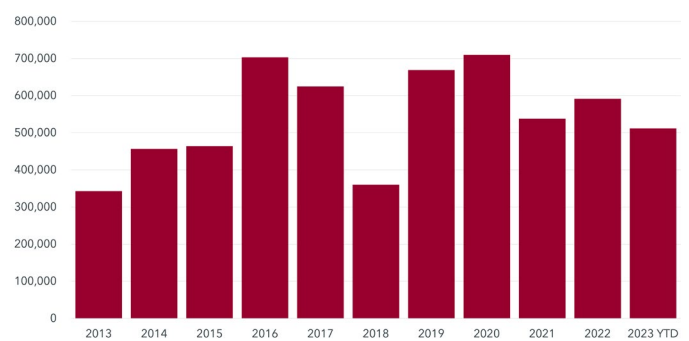
Retail tenants in San Diego are finding it increasingly difficult to find space as the availability of quality sites has diminished. There has been little new inventory added in recent years, combined with some of the big box sites and car dealerships that are being tapped for redevelopment into housing. Landlords are holding firm on their asking rates while offering little in the form of concessions. With the rise in interest rates, buyers are becoming more selective and cautious. The market is seeing more multifamily investors seeking to invest in retail properties as the cap rates are higher in the retail market.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	81,681	82,042	594,269	1,209,760	1,123,644
▼ Vacancy Rate	4.1%	4.2%	4.2%	3.9%	4.2%
▲ Avg NNN Asking Rate PSF	\$34.32	\$34.20	\$33.72	\$33.12	\$32.76
▼ SF Under Construction	511,713	533,378	570,187	591,315	541,348
▲ Inventory SF	139,271,386	139,249,721	139,205,114	139,155,268	139,310,450

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1640-1750 Camino Del Rio North San Diego, CA	474,324 SF	\$64,392,052 \$135.76 PSF	Real Capital Solutions Unibail-Rodamco-Westfield	Multi-Tenant
1702 Camino Del Rio North San Diego, CA	385,000 SF	\$52,265,835 \$135.76 PSF	Real Capital Solutions Unibail-Rodamco-Westfield	Multi-Tenant
1288 Camino Del Rio North San Diego, CA	199,774 SF	\$27,120,402 \$135.76 PSF	Real Capital Solutions Unibail-Rodamco-Westfield	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10511-10543 S. Commons Drive San Diego, CA	27,045 SF	Regency Centers	RH Outlet	Home Furnishings
9340-9396 Mira Mesa Boulevard San Diego, CA	24,473 SF	Asset Management Group	Aldi	Grocer
1410 E. Plaza Drive National City, CA	15,780 SF	Blue Owl	Big Lots	Discount Retailer

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