



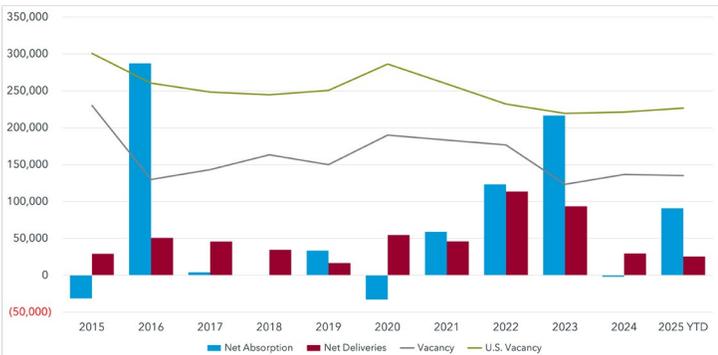
RETAIL MARKET OVERVIEW

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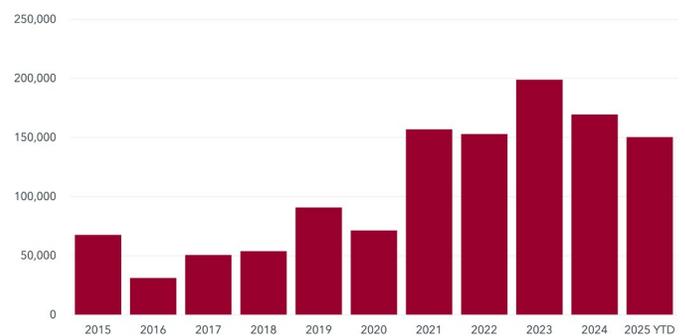
At the end of 2024 single-tenant retail availability in San Luis Obispo dropped below 3% while multi-tenant availability rose to 5%, influenced by closures of five 99 Cent Only stores and a Kohl's in early 2025. Despite these vacancies, overall availability remained stable at 4.2%, near a decade low. Rent growth measured 2.2% year over year and 18.9% over five years, moderating from a 4.7% peak in mid-2023. With only 150,000 SF under construction, less than 20,000 SF available, rent growth is expected to exceed historical norms. However, rising labor costs, inflation, and weak consumer spending could challenge smaller tenants and new business formation throughout 2025.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ 12 Mo. Net Absorption SF	90,874	(1,927)	11,860	(16,102)	24,782
◀ ▶ Vacancy Rate	2.80%	2.80%	3.03%	3.1%	3.0%
▲ Avg NNN Asking Rate PSF	\$28.60	\$28.22	\$27.95	\$27.86	\$27.71
▲ Sale Price PSF	\$311	\$310	\$306	\$305	\$304
▲ Cap Rate	6.18%	6.14%	6.16%	6.15%	6.13%
▼ Under Construction SF	150,431	169,534	164,834	201,000	201,000
▲ Inventory SF	15,698,984	15,678,912	-	15,569,987	15,569,987

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1251 Johnson Avenue San Luis Obispo, CA	25,500 SF	\$6,125,000 \$240.20 PSF	NKT Holdings LLC H&J Holdings LLC	Multi-Tenant
202 Tank Farm Road San Luis Obispo, CA	4,500 SF	\$1,545,000 \$343.33 PSF	Thoma Electric Ian Foster	Single-Tenant
510 W. Tefft Street Nipomo, CA	2,127 SF	\$2,250,000 \$1,057.83 PSF	Tabitha Dias Daniel Freitas	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1030 Railroad Street Paso Robles, CA	5,272 SF	Peter J Felthousen	Undisclosed	Undisclosed
1050-1130 Los Osos Valley Road Los Osos, CA	2,835 SF	Gambril Development	Undisclosed	Undisclosed
1401 Park Street Paso Robles, CA	1,900 SF	Fair Sky Properties	Undisclosed	Undisclosed

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