



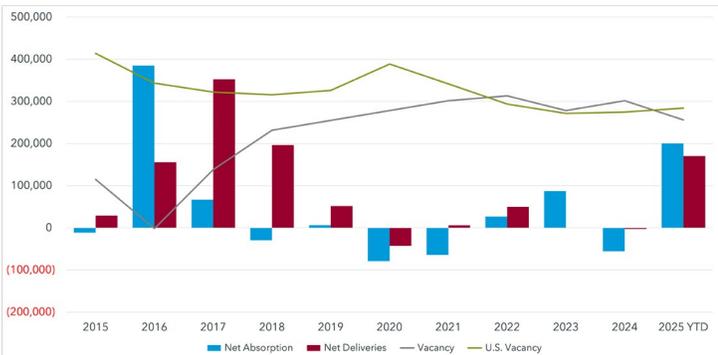
### RETAIL MARKET OVERVIEW

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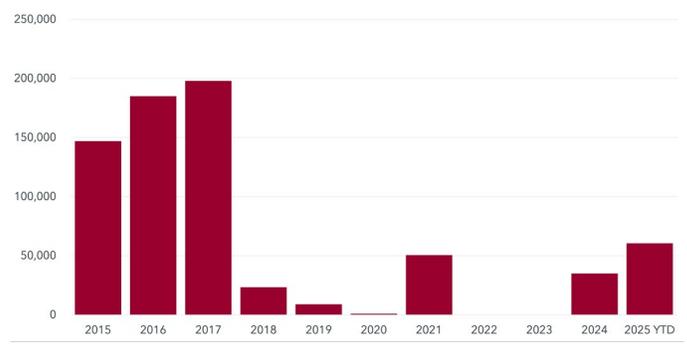
Since mid-2024, single-tenant availability in Santa Barbara has declined toward 2.5% following a temporary spike caused by the former 55,000-SF Sears vacancy. Multi-tenant availability is near 4%, among the lowest in a decade. Leasing volume remains steady but below pre-pandemic levels due to limited available space. Development remains challenging, with only 60,000 SF under construction-most still available. Over the past five years, inventory has grown by 180,000 SF. Rents rose 2.0% over the past year and 15.7% over five years. Though rent growth may ease in 2025, it's projected to exceed long-term trends amid tight availability and limited new supply.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ 12 Mo. Net Absorption SF	200,245	(55,590)	(9,174)	86,004	67,867
▼ Vacancy Rate	3.90%	4.30%	4.23%	4.0%	4.1%
▲ Avg NNN Asking Rate PSF	\$31.23	\$31.05	\$30.86	\$30.61	\$30.39
▲ Sale Price PSF	\$342	\$341	\$346	\$346	\$343
▲ Cap Rate	6.44%	6.37%	6.30%	6.28%	6.27%
▲ Under Construction SF	60,500	35,000	35,000	-	-
▲ Inventory SF	25,441,882	25,132,763	25,095,254	25,081,166	25,081,166

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
330 State Street Santa Barbara, CA	13,791 SF	\$2,403,500 \$174.28 PSF	Jeffrey Wilkins Kenneth Hart	Multi-Tenant
2345 Lillie Avenue Santa Barbara, CA	3,676 SF	\$2,300,000 \$625.68 PSF	Summerland Oriental Rugs LLC Margo P. Sinclair	Single-Tenant
512 Laguna Street Santa Barbara, CA	2,744 SF	\$2,370,000 \$863.70 PSF	Laguna 512 LLC Ursula G. O'Neill Trust	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1335 S. Bradley Road Santa Barbara, CA	105,000 SF		Undisclosed	Undisclosed
602-612 Anacapa Street Santa Barbara, CA	7,212 SF	Hutton Parker Foundation	Undisclosed	Restaurant
621 Paseo Nuevo Santa Barbara, CA	3,603 SF	Pacific Retail Capital Partners	Undisclosed	Undisclosed

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