



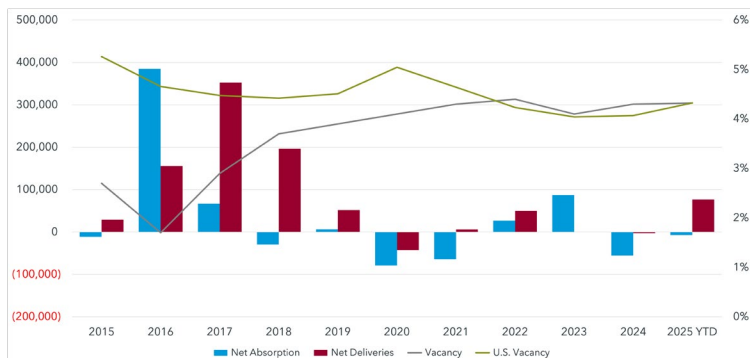
RETAIL MARKET OVERVIEW

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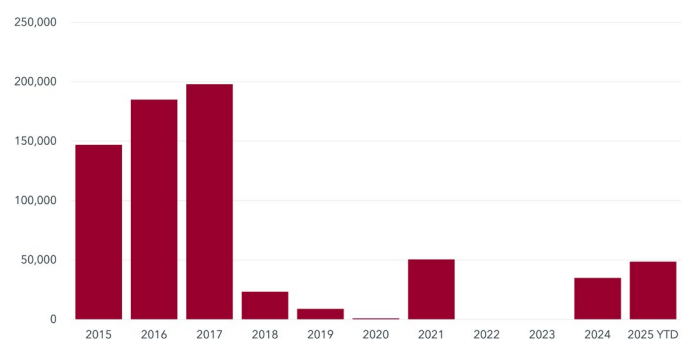
Santa Barbara's retail market benefits from its coastal charm, outdoor lifestyle, and steady tourism, with strong local demand supported by aerospace, defense, and university employment. As of Q3 2025, availability trends at 3.5%, down over 50 basis points in the first half of the year and below the long-term 4.0% average. Single-tenant availability sits slightly above 2.5%, driven by large vacancies such as the former 55,000-SF Sears in Santa Maria and a World Market on State Street. Multi-tenant availability remains near a decade low of 4%. With only 49,000 SF under construction and limited new supply, rent growth measured 1.3% ver-year and 15.1% over five years. Retail fundamentals remain stable, though rent growth may moderate ahead.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(29,300)	84,995	200,245	(55,590)	(9,174)
▲ Vacancy Rate	4.60%	4.25%	3.90%	4.30%	4.23%
▲ Avg NNN Asking Rate PSF	\$31.42	\$31.14	\$31.23	\$31.05	\$30.86
▼ Sale Price PSF	\$318.00	\$421.00	\$342.00	\$341.00	\$346.00
▼ Cap Rate	6.80%	6.88%	6.44%	6.37%	6.30%
▼ Under Construction SF	48,606	61,356	60,500	35,000	35,000
▼ Inventory SF	25,163,939	25,356,707	25,441,882	25,132,763	25,095,254

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
800 W. Main Street Santa Maria, CA	12,080 SF	\$2,950,000 \$244.00 PSF	Undisclosed Jay R. Patel	Single-Tenant
100 E. Clark Avenue Santa Maria, CA	3,422 SF	\$2,500,000 \$730.57 PSF	Nouman Hannoun Old Orcutt Fuel LLC	Single-Tenant
402 N. Milpas Street Santa Barbara, CA	2,149 SF	\$3,700,000 \$1,722 PSF	Madrone Ventures Farid Pakravan	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
703 S. Broadway Santa Maria, CA	12,000 SF	Sima Corporation	Thrifty Beaches	Clothing Store
1930 S. Broadway Santa Maria, CA	3,811 SF	Newlove LLC	Appliance Shack	Electronics Store
3519 Mercury Drive Santa Maria, CA	3,537 SF	Skyway Santa Maria LLC	Undisclosed	Undisclosed

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