



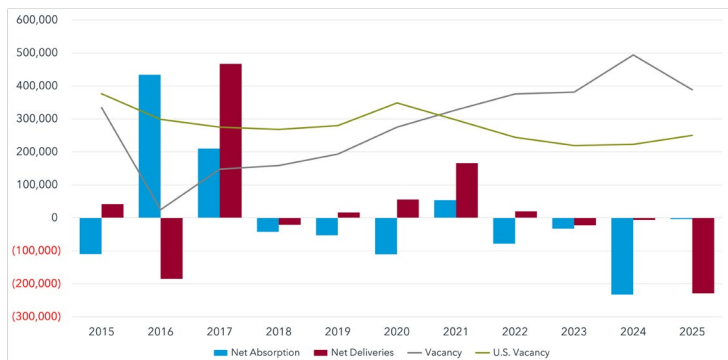
### RETAIL MARKET OVERVIEW

JODI SHOEMAKE, *Founding Principal*

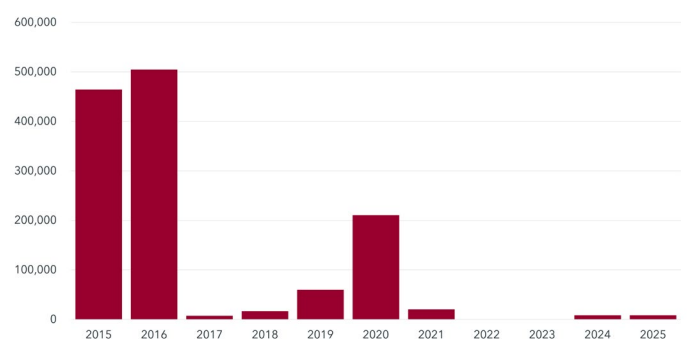
With fewer store closings and strong leasing activity, the retail property sector enters 2026 on firmer footing than many anticipated just months ago. The Tri-Cities retail market demand benefits from strong local demographics and daytime employment, particularly in Pasadena's lifestyle corridors and Burbank's media/entertainment employment base. Absorption remains positive and average rental rates are stable. Still, caution is warranted. While large national chains remain in relatively strong financial shape, smaller operators and franchisees are feeling the squeeze from higher operating and occupancy costs, elevated input prices and intensifying competition. Despite broader economic pressure, experiential entertainment, F&B and wellness concepts with more than one revenue stream continue to support rent growth in core retail corridors.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	10,700	21,174	(26,001)	(157,568)	(189,182)
▼ Vacancy Rate	5.30%	5.70%	5.70%	6.00%	6.20%
▼ Avg NNN Asking Rate PSF	\$41.36	\$41.71	\$40.87	\$39.09	\$38.36
▼ Sale Price PSF	\$407.00	\$412.00	\$516	\$520	\$540
▲ Cap Rate	5.80%	5.70%	4.32%	0.00%	6.33%
◀ ▶ Under Construction SF	8,500	8,500	8,500	8,500	8,500
▲ Inventory SF	25,700,000	25,223,301	25,559,345	25,660,911	25,899,421

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3714-3830 W. Verdugo Avenue Burbank, CA	85,777 SF	\$62,400,000 \$727.47 PSF	Gaska, Inc. Balboa Retail Advisors, LLC	Multi-Tenant
695 Colorado Boulevard Pasadena, CA	53,413 SF	\$15,550,000 \$291.13 PSF	GD Realty Group Vroman's Bookstore	Multi-Tenant
815 Fremont Avenue South Pasadena, CA	4,415 SF	\$7,000,000 \$1,585.50 PSF	Missak S. Balian Golden Oaks Apartments	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
25 E. Colorado Boulevard Pasadena, CA	14,956 SF	Norair Amirkhanian	Haidelao	Restaurant
100 W. Green Street Pasadena, CA	7,142 SF	Peter Lien	Contractor/Developer	Office/Service
4100 W. Riverside Drive Burbank, CA	6,637 SF	Matt Cooper	Equinox	Fitness and Recreational

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