



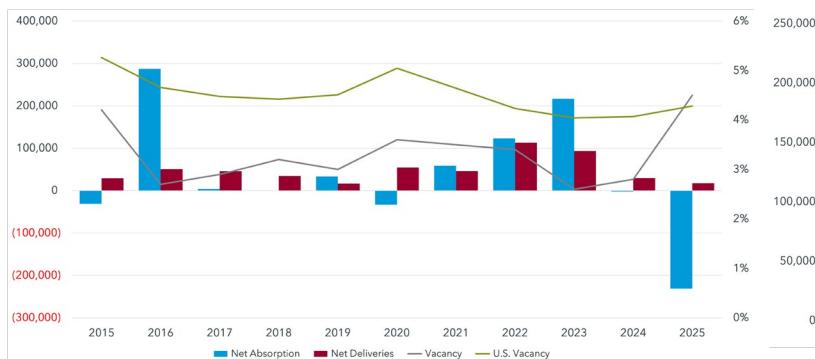
### RETAIL MARKET OVERVIEW

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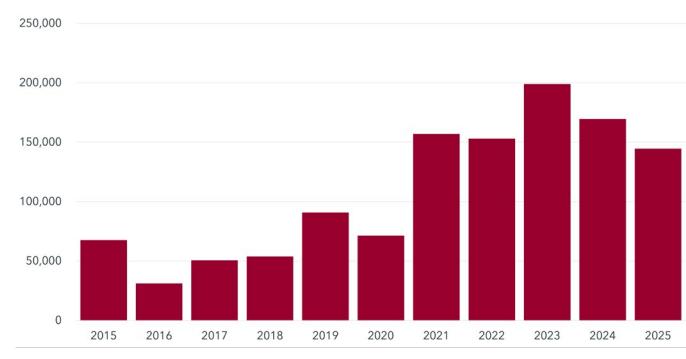
San Luis Obispo's retail market softened in late 2025 with vacancy increasing to 4.5% in Q4, above both five- and ten-year averages. The rise reflects negative net absorption of 240,000 SF over the past year despite limited new deliveries. Availability stands at 5.1%, with neighborhood and power centers posting the highest vacancy rates while strip and general retail remain relatively tight. Construction activity totals 140,000 SF underway, consistent with historical norms. Average asking rents are \$28.00/SF and grew 0.8% year over year, trailing national growth. While long-term fundamentals remain supported by a supply-constrained environment, near-term demand softness is expected to limit rent upside.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▼ 12 Mo. Net Absorption SF	(240,637)	(175,773)	(81,488)	90,874	(1,927)
▲ Vacancy Rate	4.50%	4.27%	3.90%	2.80%	2.80%
▲ Avg NNN Asking Rate PSF	\$28.40	\$28.18	\$28.20	\$28.60	\$28.22
▲ Sale Price PSF	\$313.00	\$306.00	\$306.00	\$311.00	\$310.00
◀ ▶ Cap Rate	6.36%	6.36%	6.30%	6.18%	6.14%
▼ Under Construction SF	144,550	150,824	150,431	150,431	169,534
▲ Inventory SF	15,623,167	15,538,594	15,592,043	15,698,984	15,678,912

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
6576 Moonstone Beach Drive Cambria, CA	4,780 SF	\$2,250,000 \$470.71 PSF	Stephanie Wolff Lois Shaw	Single-Tenant
786 Main Street Cambria, CA	2,970 SF	\$790,000 \$265.99 PSF	Eric Charles Dyer Franceska Alexander	Single-Tenant
2110 Spring Street Paso Robles, CA	2,120 SF	\$5,800,000 \$2,735.85 PSF	Travis Fuentez Rod & Hammer LLC	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
212 Madonna Road San Luis Obispo, CA	5,340 SF	Royal Oak Motor Hotel	Undisclosed	Restaurant
2790-2796 S. Halcyon Road Arroyo Grande, CA	3,375 SF	Jeffrey K. Craig	Undisclosed	Undisclosed
176 Niblick Road Paso Robles, CA	2,940 SF	Woodland Plaza II, A California GP	Paso Robles Furniture Outlet LLC	Home Furnishings



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