



RETAIL MARKET OVERVIEW

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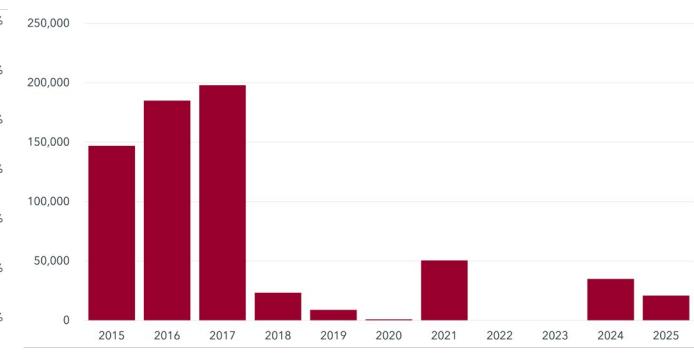
Santa Barbara's retail market remains tight with overall availability declining to 3.5% in Q4 2025, below the long-term average. Single-tenant availability increased to a decade high driven by a handful of large-format vacancies, while multi-tenant space remains extremely limited near 4%. Leasing activity has remained steady and total available space declined by roughly 100,000 SF over the past year. Development remains constrained, with just 42,000 SF under construction and minimal inventory growth in recent years. Asking rents increased 1.3% year over year, with strong cumulative gains over the past five years. Looking ahead, limited availability and supply constraints are expected to support stable retail fundamentals despite near-term consumer uncertainty.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(19,935)	(29,300)	84,995	200,245	(55,590)
▼ Vacancy Rate	4.58%	4.60%	4.25%	3.90%	4.30%
▲ Avg NNN Asking Rate PSF	\$31.58	\$31.42	\$31.14	\$31.23	\$31.05
▼ Sale Price PSF	\$314.00	\$318.00	\$421.00	\$342.00	\$341.00
▲ Cap Rate	6.81%	6.80%	6.88%	6.44%	6.37%
▼ Under Construction SF	42,356	48,606	61,356	60,500	35,000
▲ Inventory SF	25,204,334	25,163,939	25,356,707	25,441,882	25,132,763

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1600 N. H Street Lompoc, CA	62,523 SF	\$7,773,000 \$124.30 PSF	Tony Coelho STNL Development	Supply Store
515 McMurray Road Buellton, CA	11,062 SF	\$3,150,000 \$284.76 PSF	Matthew Morgan Ed St. George	Movie Theatre
1618 Copenhagen Drive Solvang, CA	7,108 SF	\$3,500,000 \$492.40 PSF	Adam Firestone Robert Cameron Benson	Mixed Use

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
191 N. Fairview Avenue Santa Barbara, CA	23,992 SF	Financial Management Group	Picklr	Sports
1423 S. Bradley Road Santa Maria, CA	7,000 SF	Tower Investments	Undisclosed	Undisclosed
419 State Street Santa Barbara, CA	7,092 SF	Hammer Properties LLC	Undisclosed	Undisclosed



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