



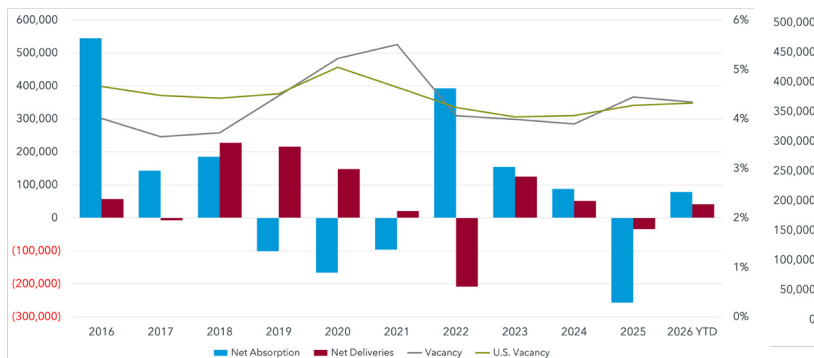
RETAIL MARKET OVERVIEW

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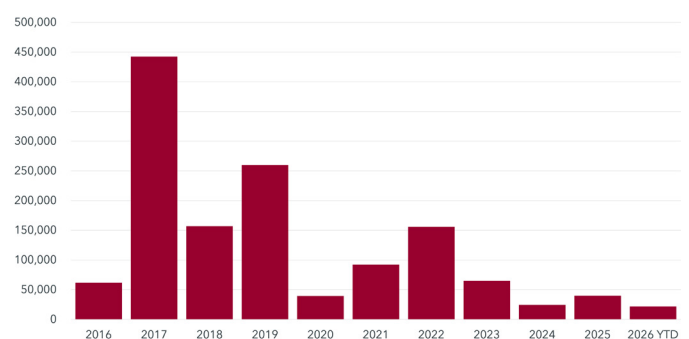
North County's retail market tightened further in Q3 2026. Vacancy fell 10 basis points to 4.4%, and 12-month net absorption stayed positive at 51,458 SF. Average NNN asking rents rose to \$27.36/SF annually, up 5.6% year over year. Grocers led leasing, with Trader Joe's taking 8,630 SF in San Marcos and a Halal grocery store taking 11,458 SF in Escondido. Sales activity was strong, driven by Edens' \$280M acquisition of The Forum at Carlsbad. The average sale price climbed \$341 to \$872/SF, and cap rates compressed 42 basis points to 5.1%. New supply remains limited, with only 21,885 SF under construction, the lowest level in a decade.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	51,458	40,524	(52,561)	51,992	(84,995)
▼ Vacancy Rate	4.40%	4.50%	4.60%	4.40%	4.60%
▲ Avg NNN Asking Rate PSF	\$27.36	\$27.24	\$27.36	\$26.88	\$25.92
▲ Sale Price PSF	\$872.00	\$531.00	\$251.00	\$406.00	\$612.00
▼ Cap Rate	5.10%	5.52%	6.06%	5.60%	4.82%
▼ Under Construction SF	21,885	54,016	47,532	39,932	39,346
▲ Inventory SF	41,204,748	41,172,617	41,165,666	41,163,266	41,168,675

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
The Forum at Carlsbad (Calle Barcelona)* Carlsbad, CA	264,987 SF	\$280,000,000 \$1,056.66	Carlsbad (Edens) LLC Trea Nw Forum at Carlsbad Owner LLC	Multi-Tenant
940 S Santa Fe Ave Vista, CA	27,300 SF	\$5,200,000 \$190.48	Badrani Investments Corp SK Vista LLC	Multi-Tenant
263 S Coast Hwy Oceanside, CA	10,000 SF	\$2,996,968 \$299.70	McEniry Holdings, LLC Mils & Matthews General Partnership	Single-Tenant

*Part of a portfolio sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
611-627 N Broadway Escondido, CA	11,458 SF	Parkstone companies	Halal Grocery Store	Grocery store
222 N City Dr San Marcos, CA	8,630 SF	Sea Breeze Properties	Trader Joes	Grocery store
2177 Vista Way Oceanside, CA	6,777 SF	Benjamin W White Esq.	Former Mimi's Bistro	Restaurant

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