



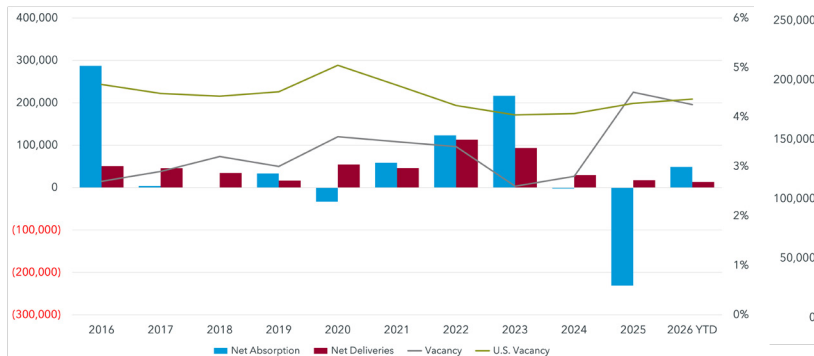
RETAIL MARKET OVERVIEW

JEFF ALLEN, *Broker Associate*

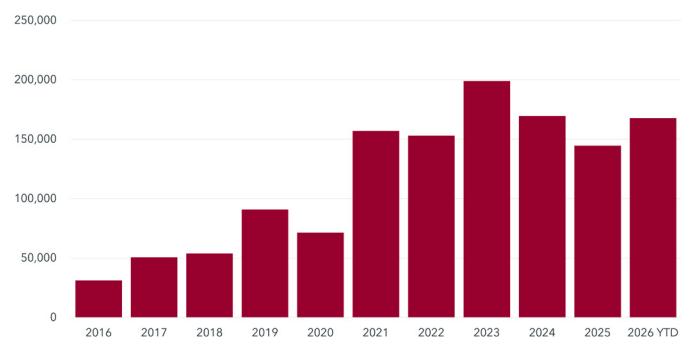
San Luis Obispo's retail market remained relatively stable through Q3 2026, with vacancy near 4.3%, slightly above historical averages. Positive net absorption of 20,000 SF over the trailing 12 months, combined with no new deliveries, helped maintain steady occupancy levels. Availability stands at 4.7%, representing approximately 750,000 SF of available space. Performance varies across retail subtypes, with neighborhood and power centers experiencing elevated vacancy, while strip centers and general retail remain relatively tight. Construction activity totals 170,000 SF, modestly above historical norms. Average asking rents reached \$29.00/SF, reflecting 0.5% annual growth. Looking ahead, limited demand growth and ongoing development activity are expected to support stable vacancy and modest rent appreciation.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	20,562	(46,434)	(261,074)	(240,637)	(175,773)
▼ Vacancy Rate	4.25%	4.35%	4.76%	4.50%	4.27%
▲ Avg NNN Asking Rate PSF	\$28.78	\$28.70	\$28.48	\$28.40	\$28.18
▼ Sale Price PSF	\$313.00	\$315.00	\$321.00	\$313.00	\$306.00
▲ Cap Rate	6.44%	6.38%	6.29%	6.36%	6.36%
▼ Under Construction SF	167,737	170,487	159,793	144,550	150,824
▲ Inventory SF	15,649,595	15,623,566	15,626,389	15,623,167	15,538,594

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3900 Broad Street San Luis Obispo, CA	174,429 SF	\$58,200,000 \$333.66 PSF	Nuveen Real Estate First Washington Realty	Multi-Tenant
6917 El Camino Real Atascadero, CA	47,555 SF	\$2,940,000 \$61.82 PSF	HR Property Group CW Capital	Multi-Tenant
6905 Capistrano Avenue Atascadero, CA	13,800 SF	\$2,700,000 \$195.65 PSF	Malli Family Trust Bank of America	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1575 Calle Joaquin San Luis Obispo, CA	5,940 SF	Justin Wickersham	Undisclosed	Undisclosed
3991 South Higuera Street San Luis Obispo, CA	4,500 SF	Cobb Hauber Higuera1 LLC	Undisclosed	Undisclosed
767 Higuera Street San Luis Obispo, CA	3,900 SF	Maino Brothers Corp	Undisclosed	Undisclosed

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