



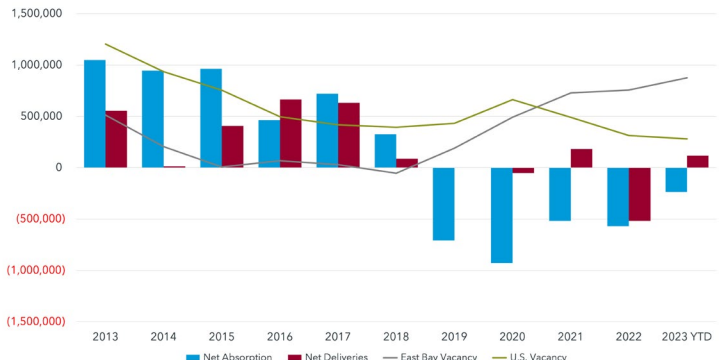
RETAIL MARKET OVERVIEW

JESSICA MAUSER, *President*

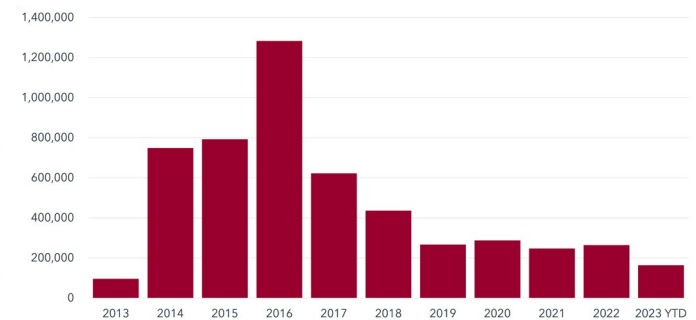
Retail saw negative absorption in San Francisco East Bay Area, with a slight increase in the vacancy rate to 5.5%. Despite these changes, the market remains stable and attractive due to thriving suburbs and lack of new inventory. The San Francisco Bay Area's retail investment market has seen a 62% year-over-year drop in sales volume. Retail assets maintain low cap rates of 4.5% to 6.2%, indicating investor confidence. Opportunities have grown to acquire secondary retail centers and mixed-use properties at discounted prices, allowing portfolio diversification and new buyers to enter a marketplace with a historically high barrier of entry. Rents will likely soften slightly in Q4 as we recede from the 2022 peak.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(147,377)	13,506	(331,386)	(570,304)	(627,455)
▲ Vacancy Rate	5.5%	5.1%	5.2%	5.3%	5.3%
▼ Avg NNN Asking Rate PSF	\$31.96	\$32.33	\$32.79	\$33.00	\$32.79
▼ SF Under Construction	164,094	246,608	268,565	264,005	170,395
▲ Inventory SF	124,716,634	124,630,620	124,609,547	124,600,102	124,579,517

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
170-230 Alamo Plaza Alamo, CA	119,886 SF	\$49,663,974 \$414.26 PSF	WC Properties Edens LLC DS Properties 17LP	Multi-Tenant
40525 Albrae Street Fremont, CA	79,664 SF	\$39,718,080 \$498.57 PSF	Ares Management Corporation Scannell Properties 483 LLC	Multi-Tenant
3585-3597 Mt. Diablo Boulevard Lafayette, CA	56,214 SF	\$42,275,176 \$752.04 PSF	Site Centers Cortese Investment Company	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6000-6050 El Cerrito Plaza El Cerrito, CA	30,000 SF	Regency Centersn Corporation	Marshalls	Retail
2515 Somersville Road Antioch, CA	28,375 SF	Leigh Chamberlain	99 Cents Only Store	Discount, Variety Store
14845 E. 14th Street San Leandro, CA	26,241 SF	Michael N. Musieh & Samar H. Musieh	Advanced AutoParts	Automotive

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