



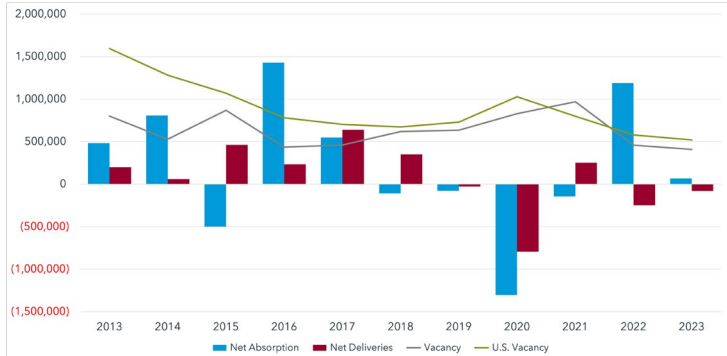
RETAIL MARKET OVERVIEW

VICTOR AQUILINA, *Principal*

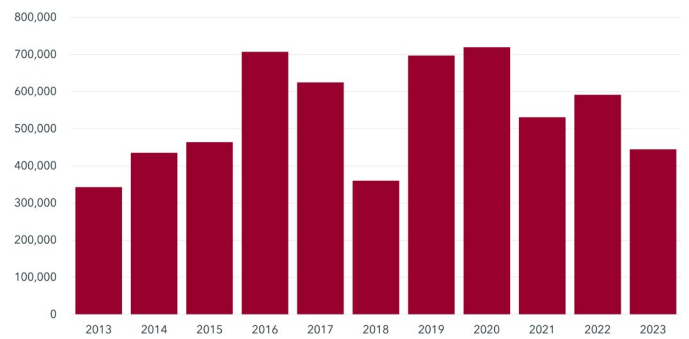
San Diego's retail market ends 2023 on a high note with the most amount of leasing activity since the first half of 2022. Current vacancy rate is 3.8% and is at its lowest level in a decade and has trended down year over year. Part of the low vacancy rate is due to the lack of new inventory and high demand in the retail sector. With such a low vacancy rate, San Diego has seen a 3.6% rent growth, compared to the long-term average of 3%. As a result, many retailers are renewing at their current locations rather than competing in the tight market.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	66,977	(810)	(10,896)	557,747	1,188,866
▼ Vacancy Rate	3.82%	3.95%	4.26%	4.23%	3.92%
▲ Avg NNN Asking Rate PSF	\$34.30	\$34.10	\$34.03	\$33.55	\$33.04
▼ SF Under Construction	444,516	511,713	538,447	575,256	591,315
▲ Inventory SF	139,696,060	139,628,863	139,852,129	139,822,804	139,772,958

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
162 S Rancho Santa Fe Road Encinitas, CA	57,092 SF	Undisclosed	Space Investment Partners P&G Company	Multi-Tenant
1410 E. Plaza Boulevard National City, CA	52,308 SF	\$5,279,000 \$100.92 PSF	Robhana Group Big NCCA Owner LLC	Multi-Tenant
100 N. Rancho Santa Fe Road San Marcos, CA	49,177 SF	\$6,300,000 \$128.11 PSF	Mohammad S. Elhomysy Paul Douglas King	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1715 Hacienda Drive Vista, CA	32,045 SF	City of Vista	Undisclosed	Undisclosed
1527 Mission Avenue Oceanside, CA	17,000 SF	Milan Capital Management	Amvets	Thrift Store
1529 E. Valley Parkway Escondido, CA	14,700 SF	Armony Family 1998 Trust	Wheelhouse Athletics	Training Facility

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