



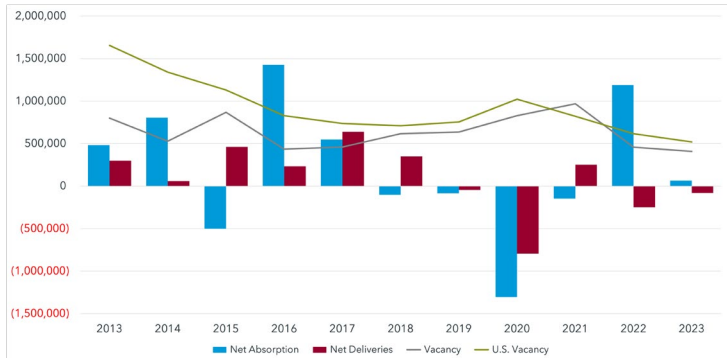
RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

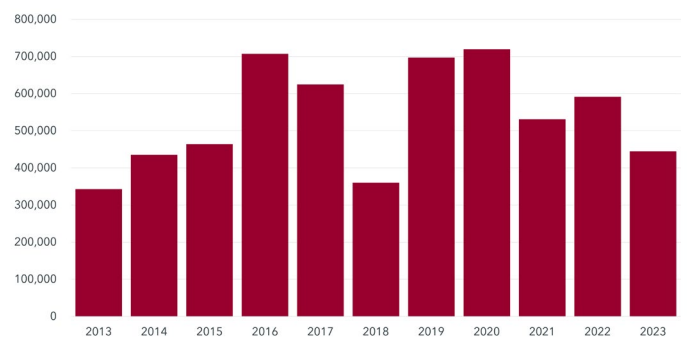
The retail market in San Diego is one of its strongest position in years, with low vacancy and strong demand. The lack of new retail development, with older retail being redeveloped into housing, there is less brick and mortar retail space available. This has allowed landlords to gain leverage in negotiations with tenants. Concessions and tenant improvement allowances are minimal. The average new lease size has dropped by 20% with leasing activity being driven by quick-serve restaurants and service tenants. The investment market continues to adapt to the higher interest rates and economic concerns with many sellers holding onto their properties until the debt market stabilizes.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	65,949	(1,738)	(9,196)	557,647	1,188,866
▼ Vacancy Rate	3.8%	3.9%	4.3%	4.2%	3.9%
▲ Avg NNN Asking Rate PSF	\$2.86	\$2.84	\$2.84	\$2.80	\$2.75
▼ SF Under Construction	444,516	511,713	538,447	575,256	591,315
▲ Inventory SF	139,666,943	139,599,746	139,823,012	139,793,687	139,743,841

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1640 - 1750 Camino Del Rio North San Diego, CA	474,324 SF	\$64,392,052 \$136.00 PSF	Lowe & Real Capital Solutions MVC Buyer, LLC	Multi-Tenant
1702 Camino Del Rio North San Diego, CA	385,000 SF	\$52,265,835 \$136.00 PSF	Lowe & Real Capital Solutions MVC Buyer, LLC	Multi-Tenant
575 Fletcher Parkway El Cajon, CA	223,950 SF	\$26,773,266 \$120.00 PSF	CVSA El Cajon LLC Seritage SRC Finance	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2160 Vista Way Oceanside, CA	41,375 SF	PREP Property Group	Dick's	Sporting Goods
1715 Hacienda Drive Vista, CA	32,045 SF	City of Vista	BMW of Vista	Auto Dealer
9910-9938 Mission Gorge Road Santee, CA	30,000 SF	Kimco	Macy's	Retailer

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