



RETAIL MARKET OVERVIEW

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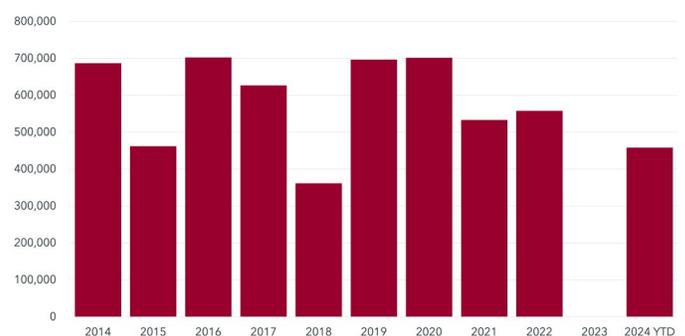
The retail market in San Diego continues to be in a strong position. The availability of nearly every retail subtype seeing a tick down in the first half of 2024. Spaces under 3,000 SF continue to see the most leasing activity with service-related and food and beverage businesses accounting for nearly 45% of the leasing volume in the past year. Outside of downtown, there is approximately 50,000 Sf of retail construction in the pipeline and with little supply-side pressure, rent growth is expected to continue. Landlords have become more selective in choosing their tenants, looking for strong credit and offering fewer concessions. Overall, cap rates remain steady between 5% and 6.5%, with some smaller triple-net properties trading at sub 5% cap rates.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(158,488)	(33,118)	(129,184)	(67,766)	(76,462)
▼ Vacancy Rate	4.2%	4.3%	4.3%	4.0%	4.0%
▲ Avg NNN Asking Rate PSF	\$3.03	\$3.01	\$2.97	\$2.94	\$2.91
▲ Sale Price PSF	\$414.00	\$409.00	\$405.00	\$404.00	\$403.00
◀▶ Cap Rate	5.5%	5.5%	5.5%	5.5%	5.5%
▲ Under Construction SF	589,303	559,103	563,203	471	518,612
▲ Inventory SF	140,481,699	140,463,558	140,463,216	140,463,410	140,413,897

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Marketplace del Rio Oceanside, CA	133,739 SF	\$33,599,875 \$251 PSF	1st Commercial Realty Group Retail Opportunity Investments Corp	Multi-Tenant
Hazard Center San Diego, CA	126,000 SF	\$22,292,635 \$177 PSF	BH Properties Principal Real Estate Investors	Multi-Tenant
2121 E. Imperial Avenue San Diego, CA	45,800 SF	\$22,500 \$491 PSF	Family Health Centers of San Diego Alex Zirpolo	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4241 Oceanside Boulevard Oceanside, CA	28,700 SF	Developer's Resource Co.	Aldi	Grocer
165 S. Las Posas Road San Marcos, CA	28,305 SF	World Premier Investments, Inc.	Home Goods and J. Crew	Home Furnishing and Clothing
2800 Roosevelt Street Carlsbad, CA	15,083 SF	Yelland Properties	Baron's Market	Grocer

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