



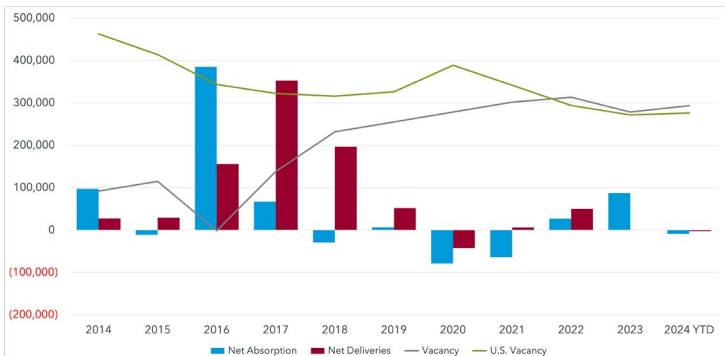
### RETAIL MARKET OVERVIEW

STEPHEN LEIDER, *Broker Associate*

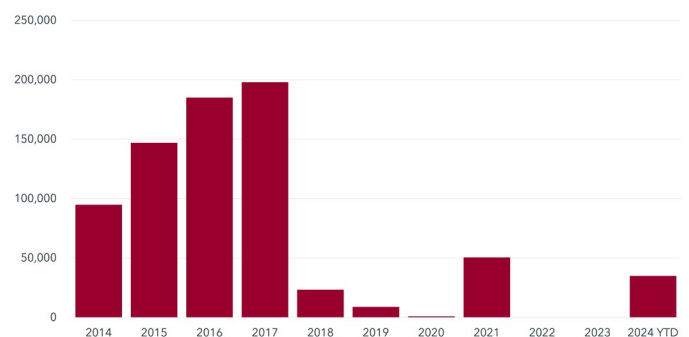
Santa Barbara's coastal appeal and strong aerospace and defense sectors, supported by Vandenberg AFB and Raytheon, bolster the local economy. In Q3 2024, availability rose to 3.4%, and vacancy edged up to 4.2%, with net absorption at -9,200 SF over the past year. Single-tenant availability increased to 3%, driven by the 55,000 SF Sears vacancy in Santa Maria, while multi-tenant availability is over 4%. Despite development hurdles, 35,000 SF is under construction. Rents grew 2.5% in the past year and 15.7% over 5 years, with further growth expected. Sales volume peaked above \$140 million in 2021 but has since slowed, with 2023 marking the lowest transaction count in a decade. Private investors control 2/3 of the market. The average sale price is \$340 PSF and expected to bottom in late 2025.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(9,174)	86,004	67,867	87,313	24,087
▼ Vacancy Rate	4.23%	4.0%	4.1%	4.1%	4.2%
▲ Avg NNN Asking Rate PSF	\$30.86	\$30.61	\$30.39	\$30.25	\$30.08
◀ ▶ Sale Price PSF	\$346.00	\$346.00	\$343.00	\$342.00	\$340.00
▲ Cap Rate	6.30%	6.28%	6.27%	6.25%	6.23%
▲ Under Construction SF	35,000	-	-	-	-
▲ Inventory SF	25,095,254	25,081,166	25,081,166	25,083,838	25,083,838

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
515 McMurray Road Buellton, CA	11,062 SF	\$2,500,000 \$226.00 PSF	St. George & Associates Cal Gran Properties LLC	Single-Tenant
1697 Copenhagen Drive Solvang, CA	8,160 SF	\$3,000,000 \$367.65 PSF	George Edward David Rasmussen	Multi-Tenant
1525 S. Bradley Road Santa Maria, CA	5,000 SF	\$2,075,000 \$415.00 PSF	Stephen Marks Jr. David L. Williams	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2404 S. Broadway Santa Maria, CA	13,676 SF	Broadway Petroleum LLC	Undisclosed	Undisclosed
418 State Street Santa Barbara, CA	2,670 SF	Hughes Lan Holding Trust	Undisclosed	Undisclosed
3-11 W. Carrillo Street Santa Barbara, CA	2,587 SF	Investec Real Estate Companies	Undisclosed	Undisclosed

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