



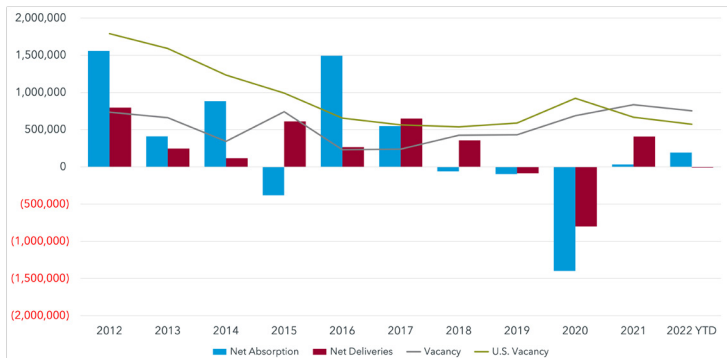
RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

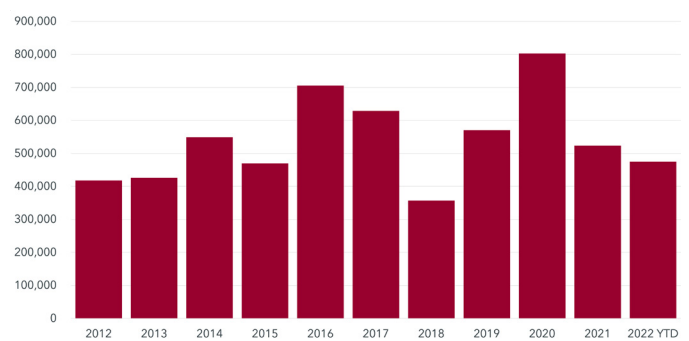
The past few quarters has seen the retail landscape improve as the occupancy losses from the first year of the pandemic have subsided. Net absorption was positive for the the past four quarters through the first quarter of 2022. Retailers and restaurants are facing the new challenge of finding enough workers to fill the job openings with many now forced to offer shorter business hours and scaled down menus. Retailers are signing new leases which has spurred rent growth. The remaining vacant anchor and big-box sites provide opportunities for redevelopment into multifamily or mixed-use projects, which will aid the local housing shortage.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	1,059,636	32,063	(219,514)	(1,297,981)	(1,748,285)
▼ Vacancy Rate	4.8%	5.0%	5.1%	5.4%	5.5%
▲ Avg NNN Asking Rate PSF	\$32.28	\$31.56	\$31.32	\$30.96	\$30.72
▼ SF Under Construction	464,932	523,622	555,356	567,789	610,790
▼ Inventory SF	139,316,165	139,325,302	139,311,963	139,271,399	139,186,262

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
5821-5975 University Ave University Square, San Diego, CA	178,311 SF	\$56,024,224 \$324.00 PSF	MSM Global Ventures Fortress Development	Multi-Tenant
732 Center Drive San Marcos, CA	135,924 SF	\$21,560,476 \$182.00 PSF	Miracle Day Investments United American Properties	Multi-Tenant
8508-8650 Genesee Ave Costa Verde Center, San Diego, CA	131,802 SF	\$72,089,279 \$699.00 PSF	Alexandria Regency Centers	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
909 Morena Boulevard San Diego, CA	20,500 SF	Harry Wosk Trust	Undisclosed	Retail
230-240 Town Center Parkway Santee, CA	18,594 SF	Cedar Realty Group	Sportsman's Warehouse	Outdoor Retail
7340 Miramar Road San Diego, CA	7,136 SF	Omninet Capital	Undisclosed	Home Furnishing

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