



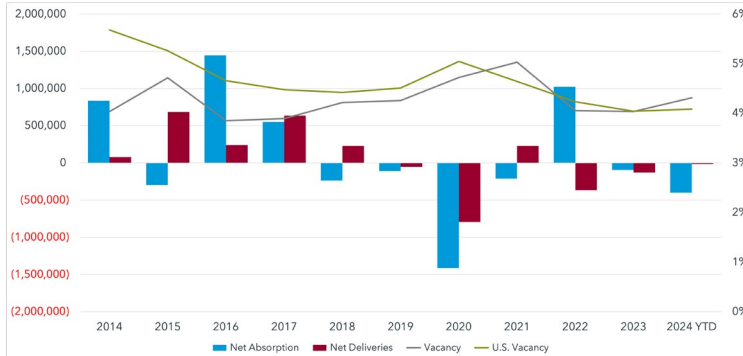
RETAIL MARKET OVERVIEW

ERIK FAUCETT, *Vice President*

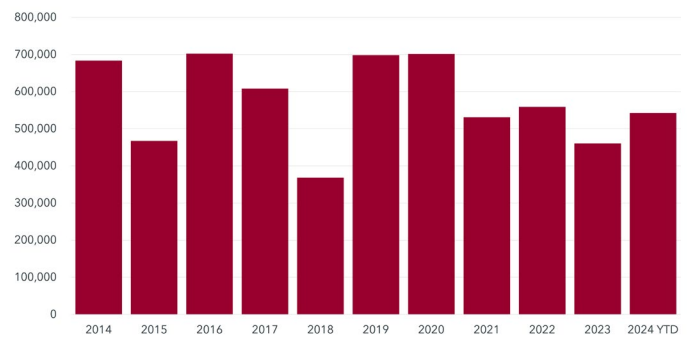
San Diego's retail market continues to be in a strong position. The lack of new inventory, combined with the redevelopment of some retail into other property types is likely to keep existing tenants in their current spaces. 99 Cents Only closed roughly 20 locations and Dollar Tree acquired the leases in at least 10 of them. Landlords have become much more selective in choosing of tenants and typically have the leverage in negotiations and are offering fewer concessions. Most new retail space will likely be part of a mixed-use development, as the City of San Diego is typically requiring new apartment buildings to have ground floor retail. Elevated interest rates, economic uncertainty and the pricing expectation gap between buyers and sellers are weighing on the transaction volume.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(40,260)	(144,406)	(94,779)	(90,935)	(166,758)
▼ Vacancy Rate	4.3%	4.4%	4.0%	4.1%	4.4%
▲ Avg NNN Asking Rate PSF	\$2.95	\$2.93	\$2.92	\$2.89	\$2.87
▼ SF Under Construction	542,798	566,898	460,583	504,080	521,502
▲ Inventory SF	140,143,020	140,142,678	140,156,939	140,107,426	140,336,661

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 \$135.76 PSF	Lowe/Real Capital Solutions Unibail-Rodamco-Westfield	Multi-Tenant
200-272 E. Valley Parkway Escondido, CA	387,550 SF	\$20,511,842 \$52.93 PSF	Steerpoint Capital Unibail-Rodamco-Westfield	Multi-Tenant
1702 N. El Camino Real San Diego, CA	385,000 SF	\$52,265,835 \$135.76 PSF	MVV Owner LLC Unibail-Rodamco-Westfield	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1766 E. Main Street EL Cajon, CA	32,800 SF	Leoni Grinberg	Dollar Tree	Discount Retail
7900-7938 El Cajon Boulevard Escondido, CA	32,463 SF	Euston Management	Dollar Tree	Discount Retail
121 Louisiana Avenue San Diego, CA	29,222 SF	The Langfan Company	Dollar Tree	Discount Retail

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