



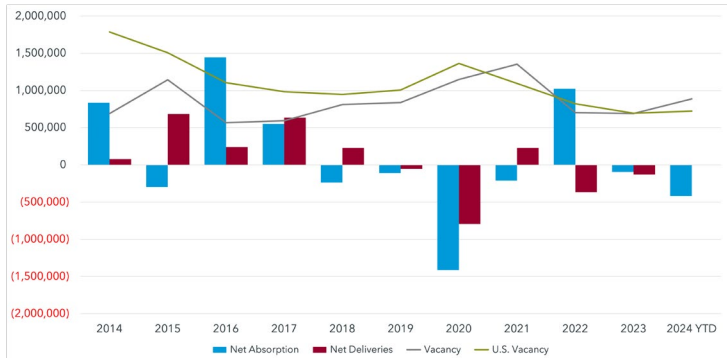
RETAIL MARKET OVERVIEW

VICTOR AQUILINA, *Principal*

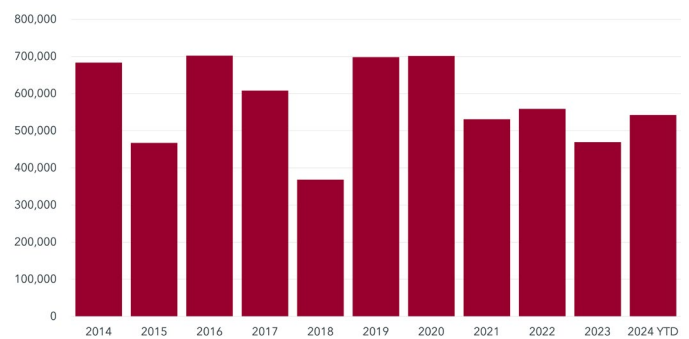
The San Diego retail market continues to thrive as availability rate trends towards a 15 year low. Small box leasing (<3,000) continues to drive leasing activity. The major driving force behind the Q2 retail leasing in San Diego was due to the 250,000 SF of Dollar Tree acquisition of 12 99 Cents Only locations. This helped leasing SF for Q2 reach over 800,000 SF, the first time to exceed 700,000 SF in one quarter since 2022. While leasing has been the driving factor for the San Diego retail market over the first half of 2024, sales volumes have been 25% below the cycle peak of \$650 million in early 2022. We expect to see low transaction levels as long as rates remain high and the pricing expectation gap between buyers and sellers is wide.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(31,608)	(135,754)	(94,779)	(90,935)	(166,758)
▼ Vacancy Rate	4.3%	4.4%	4.0%	4.1%	4.4%
▲ Avg NNN Asking Rate PSF	\$35.44	\$35.21	\$34.99	\$34.69	\$34.44
▼ SF Under Construction	542,798	566,898	469,235	512,732	521,502
▲ Inventory SF	140,164,656	140,164,314	140,169,923	140,120,410	140,349,645

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1640-1750 Camino Del Rio N San Diego, CA	474,324 SF	\$64,392,052 \$135.76 PSF	Lowe Unibail-Rodamco-Westfield	Multi-Tenant
200-272 E. Via Rancho Parkway N Escondido, CA	387,550 SF	\$20,511,842 \$52.93 PSF	Steerpoint Capital\ Unibail-Rodamco-Westfield	Multi-Tenant
1702 N. Camino Del Rio Riv San Diego, CA	385,000 SF	\$52,265,835 \$135.76 PSF	Lowe 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	Variety Store
7900 El Cajon Boulevard La Mesa, CA	32,463 SF	Euston Management Corporation	Dollar Tree	Variety Store
121 Louisiana Avenue San Diego, CA	29,222 SF	The Langfan Company	Dollar Tree	Variety Store

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