

FIGURES | SACRAMENTO RETAIL | Q1 2026

Retail Absorption Softened Amid Stable Fundamentals

▲ 6.5%
Availability Rate

▼ -319K
SF Net Absorption

▼ 7K
SF Completions

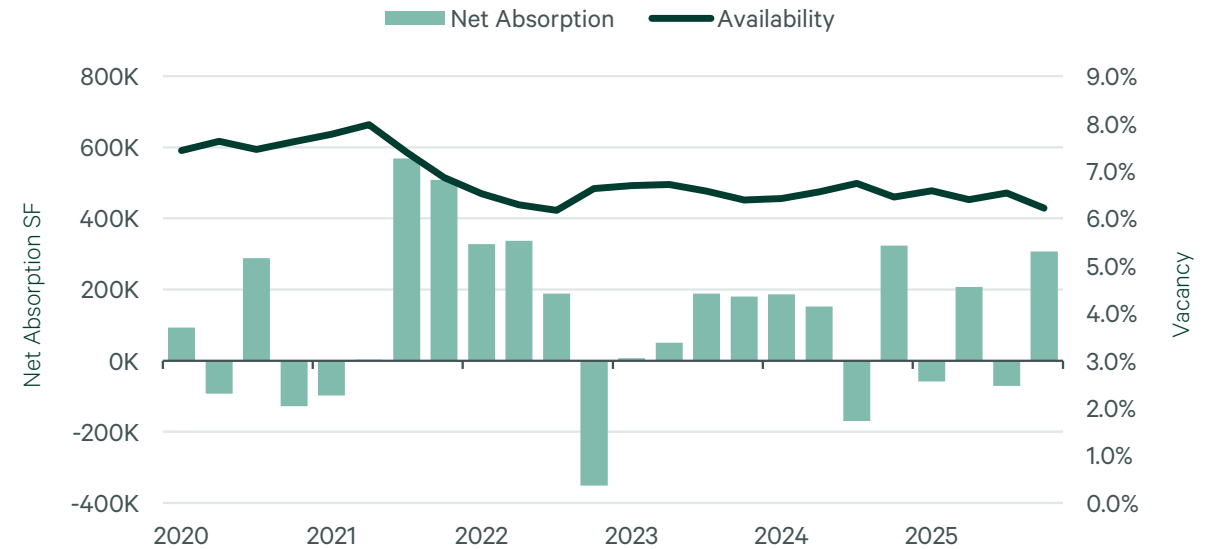
▼ \$1.52
NNN / Lease Rate
Existing Properties

▶ 96.2K
Retail Using Employment
Greater Sacramento Region

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- Sacramento’s retail inventory reached 93.2 million sq. ft. in Q1 2026, with new construction limited and a significant uptick in space added during the quarter.
- Market availability rose to 6.5% driven by 319,000 sq. ft. of negative net absorption.
- The overall average asking rate declined \$0.03 from the previous quarter to \$1.52 per sq. ft. on a monthly NNN basis (NNN). This was driven by the rising tide of availability in more economical submarkets.
- Retail investment sales held steady at \$108 million in 11 trades during Q1 2026.
- Despite the notable occupancy loss market-wide, fundamentals remained balanced, supported by restrained development, stable demand, and continued divergence in performance between core suburban submarkets and higher-vacancy corridors.



Source: CBRE Research, Q4 2025

RETAIL OVERVIEW

The Sacramento retail market totaled 93.2 million sq. ft. of inventory at the close of Q1 2026, reflecting a modest increase from year-end as incremental space additions continued. Development activity remained restrained. Approximately 7,000 sq. ft. of new retail space delivered during the first quarter, underscoring the continued absence of meaningful speculative construction and a disciplined supply environment entering the year.

Overall market availability measured 6.5% in Q1 2026, increasing slightly from the prior quarter but remaining within a historically balanced range. Availability conditions varied notably by submarket. The lowest availability rates were recorded in Rocklin (2.8%), Folsom / El Dorado Hills (3.1%), and Laguna / Elk Grove (3.1%), where limited vacancy and well-performing neighborhood and grocery-anchored centers continued to support occupancy. In contrast, the highest availability levels were observed in Orangevale (17.2%), Hwy 50 / Rancho Cordova (12.3%), and Carmichael (10.2%), reflecting older retail inventories, repositioning activity, and ongoing tenant turnover in select corridors.

Average net asking rents across Sacramento softened slightly to \$1.52 NNN in Q1 2026. Despite the quarter-over-quarter moderation, asking rents remained higher on a year-over-year basis, increasing from \$1.45 NNN in Q1 2025. Rent performance continued to vary by submarket, with tighter suburban locations maintaining stronger pricing.

Net absorption totaled -319,000 sq. ft. in Q1 2026, reversing the positive leasing momentum recorded at the end of 2025. The quarterly contraction reflected tenant rightsizing and move-outs within select submarkets, partially offset by ongoing backfilling activity in necessity-based retail centers. Leasing demand remained focused on well-located assets with stable traffic drivers.

Looking ahead, Sacramento retail fundamentals entered 2026 on stable footing despite near-term softness in absorption. Limited new construction and steady tenant interest supported balanced market conditions. While availability remained elevated in select submarkets, well-positioned centers will continue to demonstrate resilient occupancy and comparatively stronger leasing performance.

FIGURE 2: Submarket Statistics

Submarket/Market	NRA	Completions	Net Absorption	Availability	Avg. Asking NNN	Completions YTD	Net Abs. YTD
Arden / Watt / Howe	9.4M	3.0K	-92.0K	8.7%	\$1.85	3.0K	-92.0K
Auburn	4.3M	0.0K	-4.0K	5.1%	\$1.49	0.0K	-4.0K
Carmichael	3.3M	0.0K	70.0K	10.2%	\$1.40	0.0K	70.0K
Citrus Heights	5.6M	0.0K	-32.0K	4.6%	\$1.58	0.0K	-32.0K
Downtown	3.2M	0.0K	14.0K	6.5%	\$2.10	0.0K	14.0K
Folsom / El Dorado Hills	6.8M	0.0K	11.0K	3.1%	\$2.19	0.0K	11.0K
Greenhaven / Pocket	0.6M	0.0K	5.0K	6.8%	\$2.00	0.0K	5.0K
Hwy 50 / Rancho Cordova	5.7M	0.0K	-83.0K	12.3%	\$1.44	0.0K	-83.0K
Laguna / Elk Grove	8.9M	0.0K	-7.0K	3.1%	\$2.35	0.0K	-7.0K
Midtown	1.1M	0.0K	-8.0K	4.8%	\$2.77	0.0K	-8.0K
North Highlands	3.7M	0.0K	45.0K	5.3%	\$1.59	0.0K	45.0K
Northgate / Natomas	5.0M	0.0K	-35.0K	5.6%	\$1.22	0.0K	-35.0K
Orangevale	3.9M	0.0K	-22.0K	17.2%	\$1.06	0.0K	-22.0K
Rocklin	4.1M	0.0K	-20.0K	2.8%	\$1.67	0.0K	-20.0K
Roseville	12.1M	0.0K	-69.0K	4.7%	\$1.93	0.0K	-69.0K
South Sacramento	11.0M	0.0K	-78.0K	7.8%	\$1.42	0.0K	-78.0K
West Sacramento / Davis	4.6M	4.0K	-14.0K	6.1%	\$1.43	4.0K	-14.0K
Sacramento	93.2M	7.0K	-319.0K	6.5%	\$1.52	7.0K	-319.0K

Center Type	NRA	Completions	Net Absorption	Availability	Avg. Asking NNN	Completions YTD	Net Abs. YTD
Lifestyle & Mall	6.7M	3.0K	-4.0K	8.6%	\$1.11	3.0K	-4.0K
Neighborhood, Community & Strip	44.5M	0.0K	-111.0K	8.5%	\$1.58	0.0K	-111.0K
Power	10.5M	0.0K	-153.0K	5.2%	\$1.38	0.0K	-153.0K
Free Standing/Other	31.6M	4.0K	-51.0K	3.8%	\$1.57	4.0K	-51.0K

Source: CBRE Research, Q1 2026

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
Club Studio	NWC Twelve Bridge Dr, Lincoln	35,000	New Lease
Burlington	4708-4794 Manzanita Ave, Carmichael	20,879	New Lease
Walmart	3110 Arden Way, Sacramento	19,500	New Lease

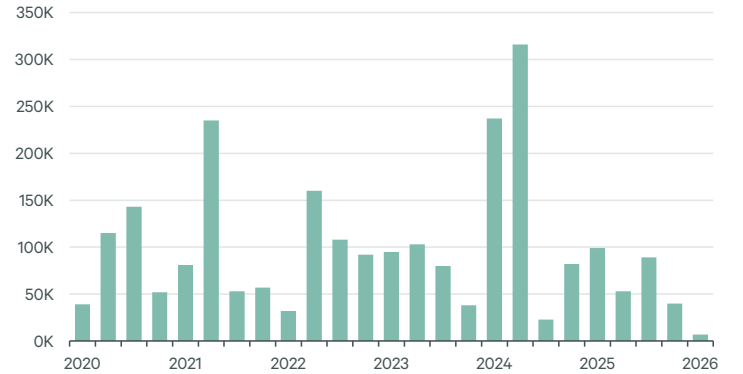
Source: CBRE Research, Q1 2026

FIGURE 5: Lease Rates



Source: CBRE Research, Econometric Advisors, Q1 2026

FIGURE 7: Construction Completions



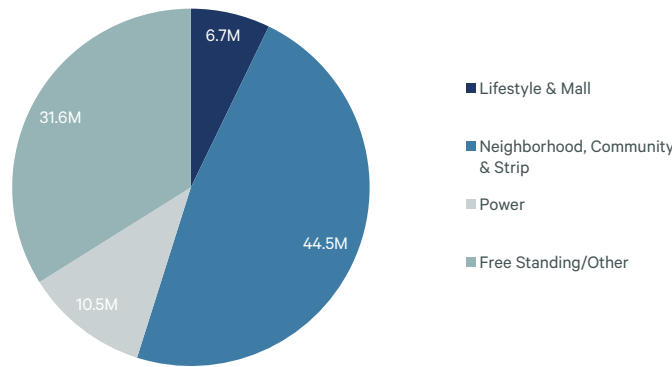
Source: CBRE Research, Econometric Advisors, Q1 2026

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Address	SF Sold	Sale Price
TPG RE Finance Trust	9624 Bruceville Rd, Elk Grove	241,911	\$67.9M
Gregory & Marianne Sutter	1617 Douglas Blvd, Roseville	36,000	\$8.5M
Matthew Fales	3555 El Camino Ave, Sacramento	43,450	\$6.6M

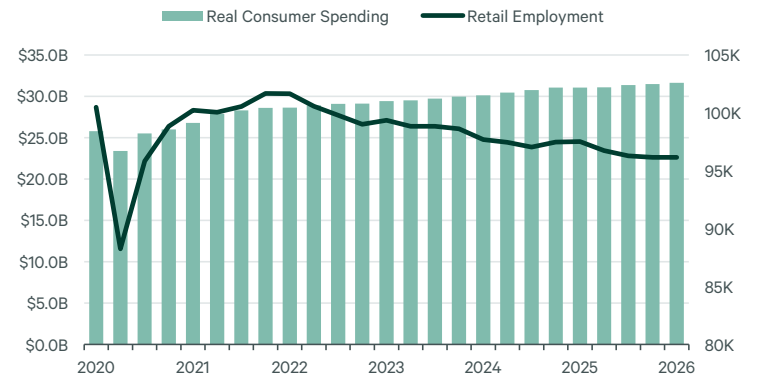
Source: CBRE Research, Q1 2026

FIGURE 6: Retail Stock by Center Type



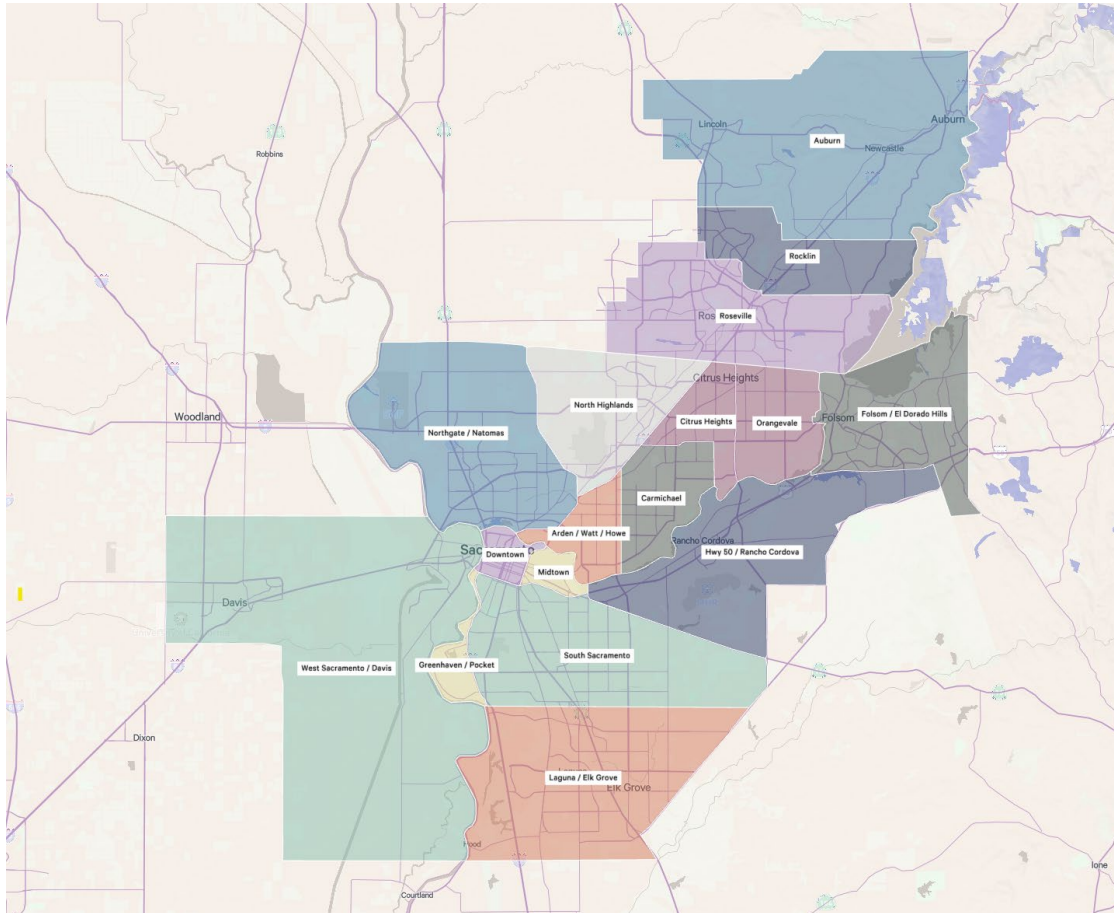
Source: CBRE Research, Econometric Advisors, Q1 2026

FIGURE 8: Consumer Spending & Retail Employment Sacramento MSA



Source: CBRE Research, Oxford Economics, Q1 2026

Submarket Map



Source: CBRE Research, Econometric Advisors, Location Intelligence

Definitions

Average Asking Rate Direct Monthly Lease Rates, NNN. Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant retail buildings that total 20,000+ sq. ft., excluding malls. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

Contacts

Stephen Delgado

Field Research Analyst
stephen.delgado@cbre.com

Brandon Wilkinson

Field Research Analyst
+1 916 446 8281
brandon.wilkinson@cbre.com

Kyle Lodovico

Field Research Analyst
kyle.lodovico@cbre.com

Konrad Knutsen

Director, Northern CA & Greater LA
+1 916 446 8292
konrad.knutsen@cbre.com

Sacramento Office

500 Capitol Mall, 24th floor
Sacramento, CA 95814

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