

FIGURES | SACRAMENTO RETAIL | Q4 2025

Retail demand holds firm as new supply neutralizes growth

▲ 5.7%
Vacancy Rate

▼ 10.2K
SF Net Absorption

▼ 297K
SF Under Construction

▲ \$1.68
NNN / Lease Rate
Existing Properties

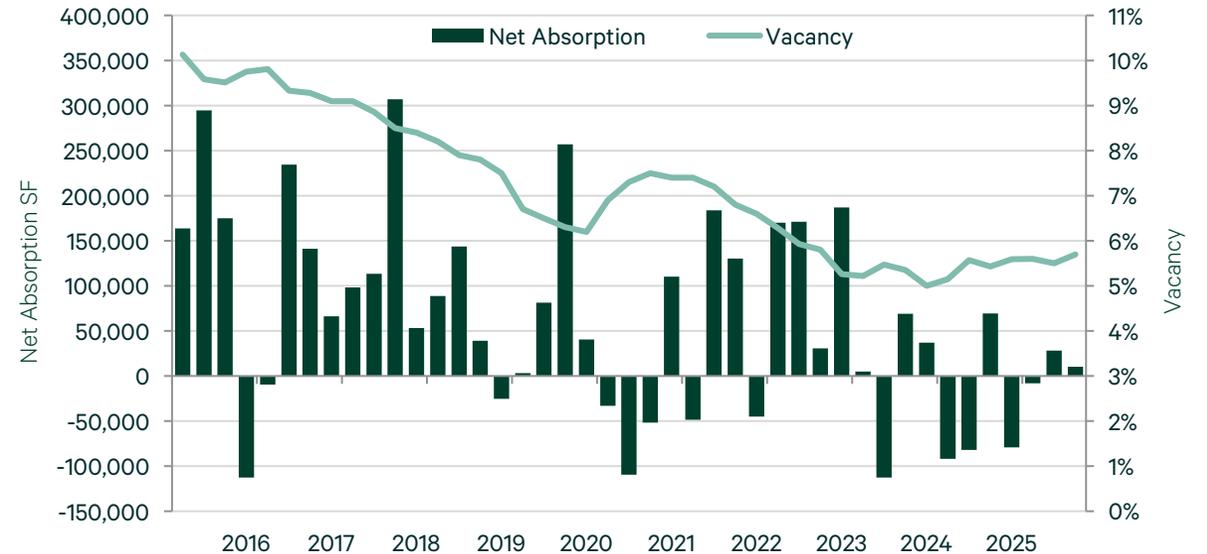
▲ 217.1K
Retail Using Employment
Greater Sacramento Region

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The Greater Sacramento Region's labor force stood at 1.2 million employed at the close of Q4 2025. The unemployment rate closed the quarter at 5.4%, a 20-basis-point (bps) increase year-over-year (YoY). Retail using employment ended at 217,050 in Q4 2025.
- The overall net absorption in the Sacramento retail market ended Q4 2025 at positive 10,200 sq. ft. compared to positive 28,225 sq. ft. in Q3 2025.
- The overall average direct asking lease rate in Sacramento increased to \$1.68 per sq. ft. on a monthly NNN basis (NNN).
- At the close of Q4 2025 there was 297,274 sq. ft. under construction down from 118,274 sq. ft. under construction in Q3 2025.
- A key driver of the relatively positive net absorption observed in Q4 2025 were two major anchor spaces being leased in desirable spaces.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025

RETAIL OVERVIEW

At the close of Q4 2025, the Sacramento retail market totaled approximately 49.4 million sq. ft. Construction was ongoing at the 744,000-sq.-ft. Baseline Marketplace in West Roseville, where a 165,000-sq.-ft. Costco was underway. Upon completion, Costco will represent the first tenant to deliver within the project. Additionally, the remainder of The Crossings at El Dorado in Placerville was completed during the quarter, with notable tenants including Boot Barn, Michaels, and ULTA.

The overall vacancy rate increased modestly quarter over quarter, rising to 5.7% in Q4 2025. Average overall asking lease rates continued to trend upward, increasing from \$1.64 NNN in Q3 2025 to \$1.68 NNN in Q4 2025. The Roseville submarket recorded the most significant rent growth, with average asking rates rising \$0.48 quarter over quarter, from \$1.85 NNN to \$2.33 NNN.

Leasing activity was healthy during the quarter, with gross absorption totaling 131,500 sq. ft. However, net absorption slowed to 10,200 sq. ft. as several large vacant spaces returned to the market. These vacancies were largely attributable to retailer closures tied to the bankruptcies of That’s Cheap and Falling Prices, which offset a portion of the quarter’s leasing demand.

Overall, the Sacramento retail market demonstrated resilience despite emerging headwinds. Rents for Class A properties increased, driven in part by elevated construction costs that pushed required pricing higher for new developments. While several major store closures introduced larger blocks of vacancy—primarily within Class B and C centers—transaction volume remained solid. Leasing activity was particularly strong in growth submarkets such as Elk Grove, Folsom, and Natomas, where retail supply has not kept pace with rapid residential development. As a result, vacancy levels in these areas compressed further, intensifying competition.

National retailers continued to prioritize top-tier centers, with tenant selection becoming increasingly selective. Demand also persisted from non-traditional retail users, including fitness, food, and service operators, reflecting a continuation of the trends observed in the prior quarter.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate (\$)	Q3 Net Absorption	2025 Net Absorption
Arden / Watt / Howe	3,643,210	9.7	12.1	1.66	17,098	-9,732
Auburn / Loomis	1,158,690	11.6	13.0	2.21	-25,119	-31,742
Carmichael	1,071,163	12.4	17.6	1.33	10,113	-1,808
Citrus Heights/ Fair Oaks	4,868,920	7.3	8.9	1.47	-18,599	27,177
Folsom / El Dorado Hills	5,341,789	4.2	5.3	2.33	30,817	5,283
Greenhaven / Pocket	429,018	5.0	7.3	1.89	0	8,111
Hwy 50 / Rancho Cordova	2,901,512	8.6	12.2	1.41	-28,879	-12,796
Laguna / Elk Grove	5,991,317	4.5	5.7	2.02	24,398	-12,182
Lincoln	1,168,982	1.5	1.6	2.47	0	0
Natomas	3,204,685	4.0	7.6	2.03	-23,571	7,637
North Highlands	2,583,559	3.9	8.9	1.28	-7,823	15,167
Rocklin	2,579,959	2.9	4.5	1.64	7,655	2,910
Roseville	6,416,935	4.2	5.8	2.33	35,779	-23,515
South Natomas	656,257	6.0	12.6	1.38	-6,434	8,718
South Sacramento	4,617,124	6.9	8.0	1.36	-3,961	-61,414
West Sacramento / Davis	2,743,937	4.8	7.0	1.84	-1,320	19,044
Sacramento	49,377,057	5.7	7.8	1.68	10,154	(49,142)

Source: CBRE Research, Q4 2025

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
Haus Gym & Recovery	212 Harding Blvd, Roseville	24,000	New Lease
Barnes & Noble	8120 Elk Grove Blvd, Elk Grove	20,000	New Lease
Five Below	3611 3637 Elkhorn Blvd, North Highlands	6,600	New Lease

Source: CBRE Research, Q4 2025

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Address	SF Sold	Sale Price
Jim Pattison Group	10635 Folsom Blvd, Rancho Cordova	55,255	\$15.7M
Jim Pattison Group	3291 Truxel Rd Sacramento	50,433	\$12.3M
DLC Management	400-449 Howe, Sacramento	45,686	\$9.3M

Source: CBRE Research, Q4 2025

FIGURE 5: Lease Rates



Source: CBRE Research, Q4 2025

FIGURE 7: Construction Completions



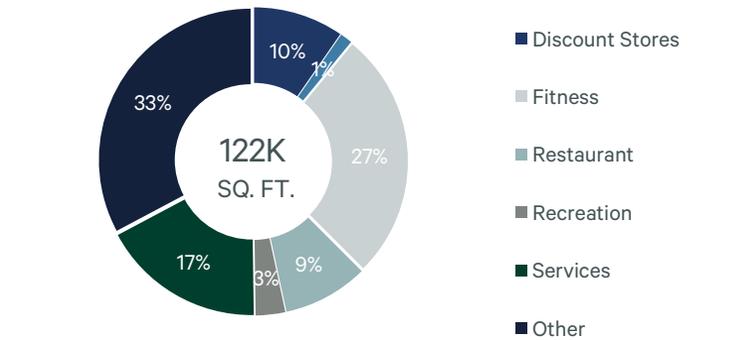
Source: CBRE Research, Q4 2025

FIGURE 6: Vacancy & Availability



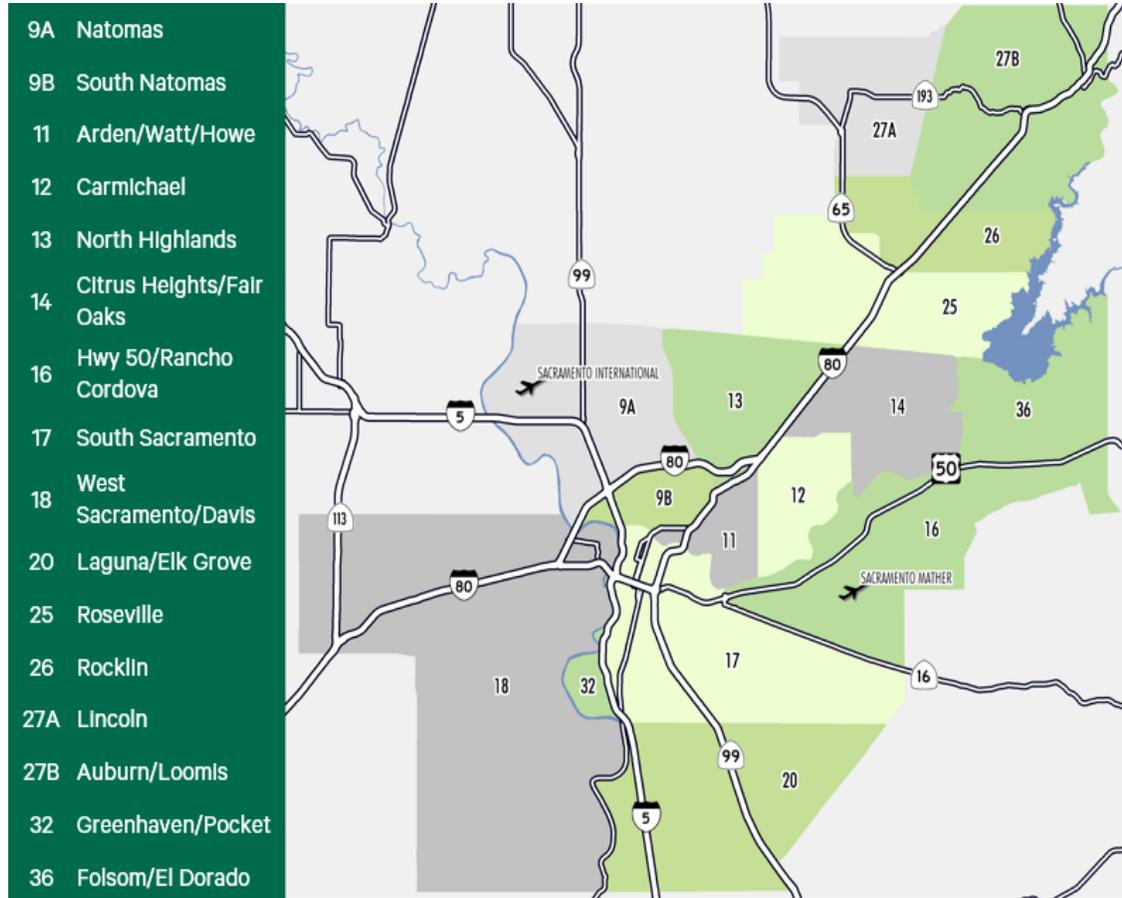
Source: CBRE Research, Q4 2025

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2025

Submarket Map



Source: CBRE Research, 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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