Absorption Remains Positive Amid Limited Market Changes

▼ 4.7%	▼ 307K	▲ 146K	▼ $2.35
Availability Rate	SF Net Absorption (000s)	SF Completed (000s)	Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.

Source: CBRE Econometric Advisors, Q3 2026.

MARKET HIGHLIGHTS

— The San Diego retail market closed Q3 with an availability rate of 4.7%, 10 basis points (bps) lower than Q2, and 30 bps below Q3 2025.

— The county realized its second consecutive quarter of positive demand with net absorption totaling 307,000 sq. ft., less than Q2's 480,000 sq. ft., but well above the three-year average of negative 54,000 sq. ft.

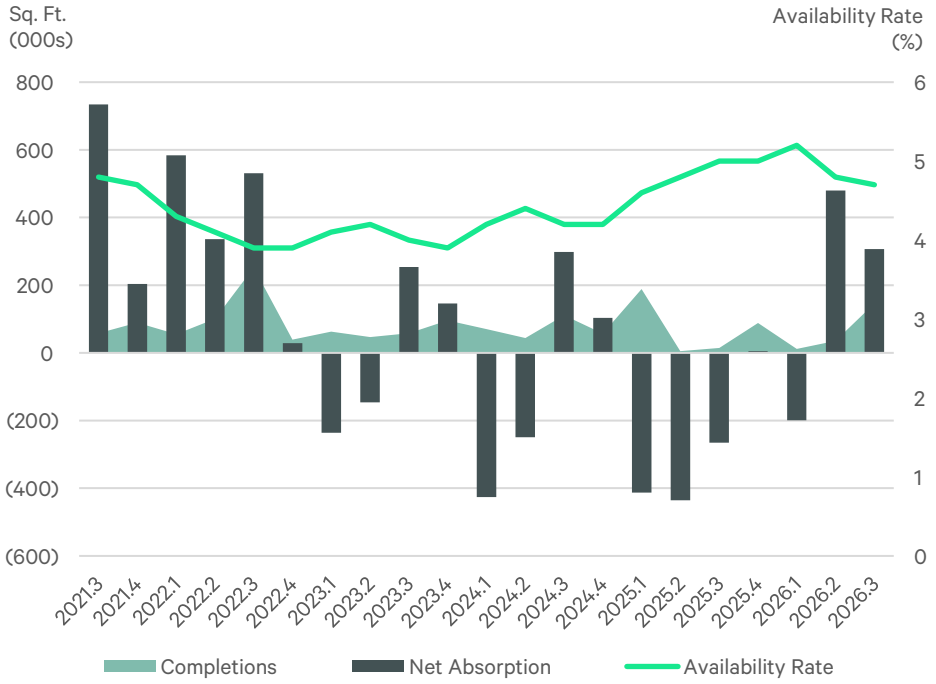
— Demand was positive in 17 of San Diego's 31 submarkets, with El Cajon (251,000 sq. ft.), Chula Vista/Bonita (100,000 sq. ft.), and Mission Valley (99,000 sq. ft.) leading the way.

— Completions rose to 146,000 sq. ft., easily exceeding the year's first half total of 47,000 sq. ft. and the highest quarterly figure since Q1 2025, when 189,000 sq. ft. of new product was delivered.

— Asking rents have been relatively stable since the start of 2025 and that trend continued in Q3 – the average net asking rent was $2.35 per sq. ft. per month, or $0.01 below the Q2 average and unchanged from one year ago.

— Retail investment failed to match Q2's outsized sum of $1.88 billion but nonetheless topped nearly all recent periods, with $728 million of assets changing hands.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q3 2026.

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Market Overview

FIGURE 2: Market Statistics by Product Type

Product Type	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	14,016	5.3	85	-	$1.54
Neighborhood, Community & Strip	63,799	5.9	139	-	$2.33
Power	12,744	4.5	21	-	$2.80
Street, Freestanding, Other	51,449	3.1	62	146	-
Total Market	142,008	4.7	307	146	$2.35

Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 4: Net Absorption by Product Type



Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 3: Market Statistics by Submarket

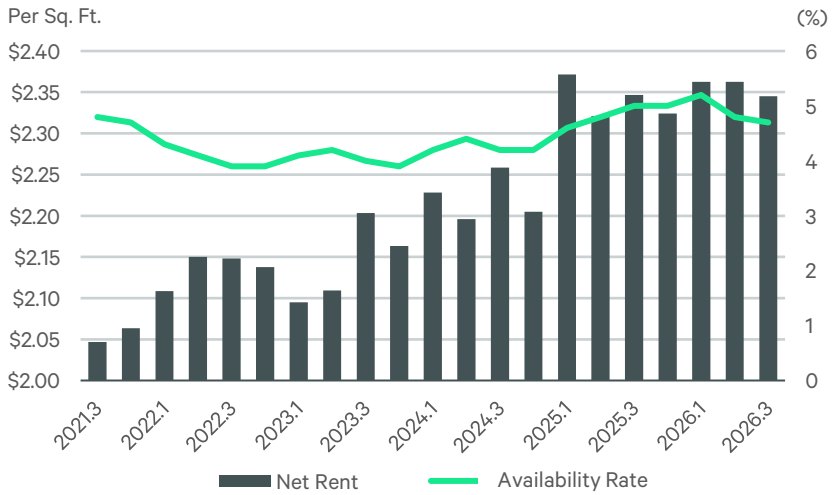
Submarket	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Carlsbad/La Costa	5,565	4.0	(31)	-	$4.53
Carmel Mountain Ranch	1,272	0.6	(2)	-	
Chula Vista/Bonita	10,285	3.6	100	25	$3.02
Del Mar/Solana Beach/RSF	2,890	5.5	28	14	$3.66
DT/OT/Hillcrest/Coronado	3,870	5.7	(31)	-	$3.13
El Cajon	7,544	4.9	251	-	$2.04
Encinitas/Cardiff	5,209	3.4	27	-	$3.53
Escondido	8,857	5.5	(70)	-	$1.93
Fallbrook	1,496	1.7	(1)	-	$2.80
Imperial Beach/S San Diego	4,205	4.9	9	-	$2.18
KM/Clairemont/Tierrasanta	7,172	4.1	(22)	-	$2.49
La Jolla	1,302	2.7	1	-	$6.33
La Mesa/San Carlos	5,003	5.7	(30)	-	$2.17
Lem Grove/Spr Vly/Rcho SD	3,126	4.1	21	-	$1.48
Mid City/EC Blvd/Univ Ave	9,481	3.8	12	-	$2.21
Mira Mesa/Scripps Ranch	2,703	4.2	5	-	$3.54
Miramar	1,541	11.9	12	-	$1.87
Mission Valley	4,959	4.7	99	107	
National City/Paradise Hills	4,428	2.8	(16)	-	$2.75
Oceanside	7,233	8.1	(40)	-	$2.43
Pacific Beach/Morena	2,749	5.2	(40)	-	$2.43
Rancho Bernardo	1,570	5.4	(16)	-	$3.95
Rancho Penasquitos/Poway	3,575	4.1	(12)	-	$3.21
San Marcos	4,554	4.1	-	-	$2.22
Santee/Lakeside	3,460	2.0	1	-	$2.02
Sports Arena/Point Loma	4,116	4.2	21	-	$2.41
UTC/Golden Triangle	2,776	7.1	4	-	
Vista	5,122	5.8	32	-	$1.75

Source: CBRE Econometric Advisors, Q3 2026.

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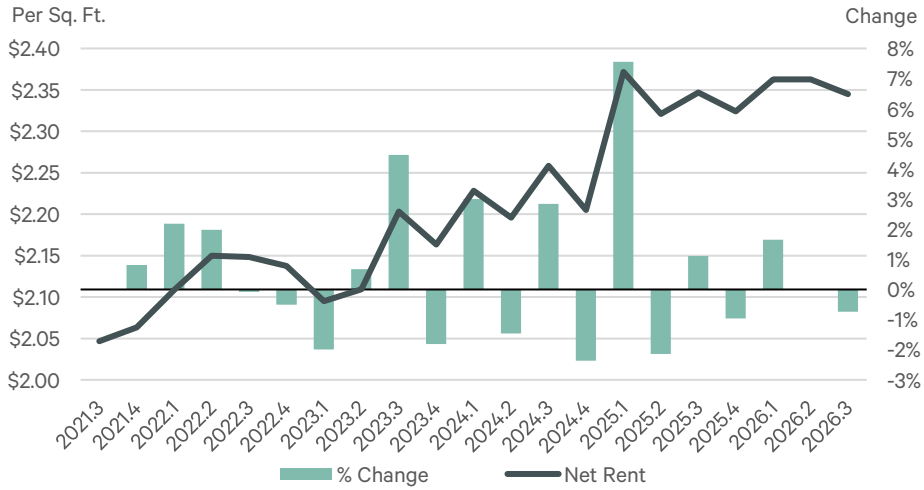
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



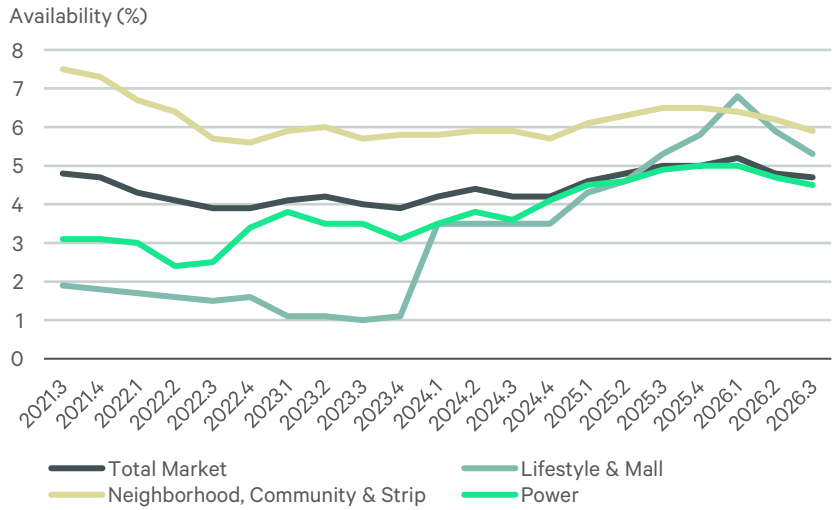
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 6: Net Rent and % Change



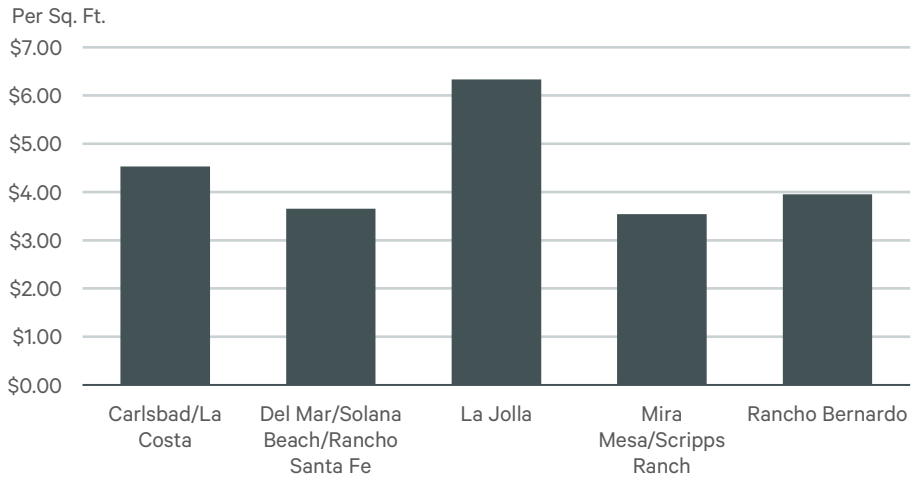
Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 7: Availability by Center Type



Source: CBRE Econometric Advisors, Q3 2026.

FIGURE 8: Top 5 Submarket by Net Rent

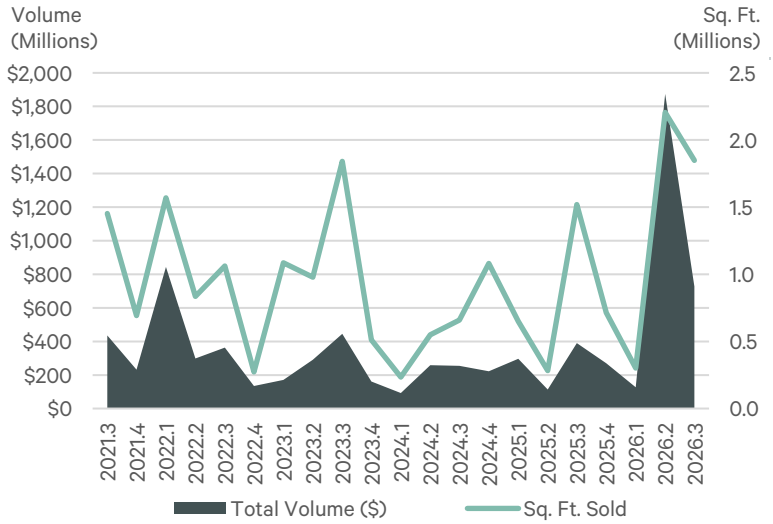


Source: CBRE Econometric Advisors, Q3 2026.

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Investment Sales

FIGURE 9: Retail Investment Sales Volume



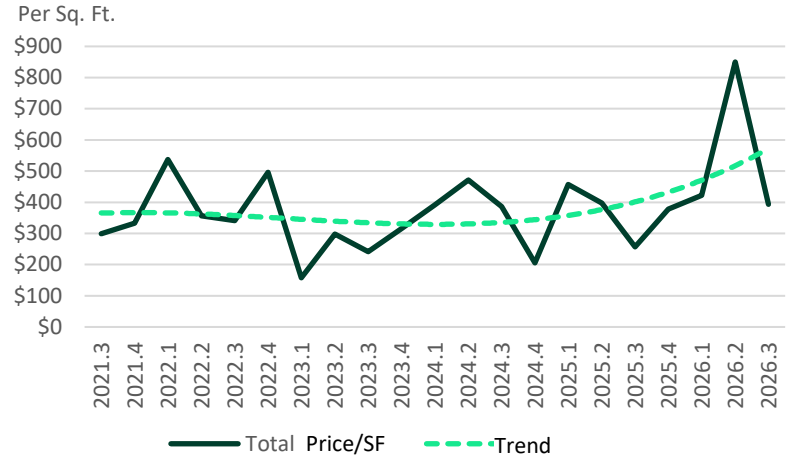
Source: MSCI Real Capital Analytics, Q3 2026.

FIGURE 10: Top 10 Sales Transactions by Building SF

Buyer	Property Name	City	Building SF	Sale Price	Price / SF
Henderson Park	Plaza Bonita	National City	1,032,928	$202,500,000	$196
EDENS	The Forum at Carlsbad	Carlsbad	264,805	$280,000,000	$1,057
Realty Income Corp	Terra Nova Plaza	Chula Vista	95,996	$30,550,000	$318
First Corner LLC	Main Street Marketplace	El Cajon	76,756	$17,500,000	$228
Sundance Financial Inc.	Terra Nova Plaza	Chula Vista	64,115	$30,400,000	$474
Ascentris	Carlsbad Village Plaza (leasehold)	Carlsbad	60,068	$32,500,000	$541
Pacifica Cos	7675 Broadway	Lemon Grove	41,600	$8,640,000	$208
Costco	Carmel Mountain Ranch	San Diego	35,000	$30,647,000	$876
Thomas M Funke	Midway Village Center	San Diego	29,365	$12,500,000	$426
Logan H Mceniry	Oceanside Ace Hardware	Oceanside	25,200	$3,550,000	$141

Source: MSCI Real Capital Analytics, Q3 2026.

FIGURE 11: Retail Investment Pricing

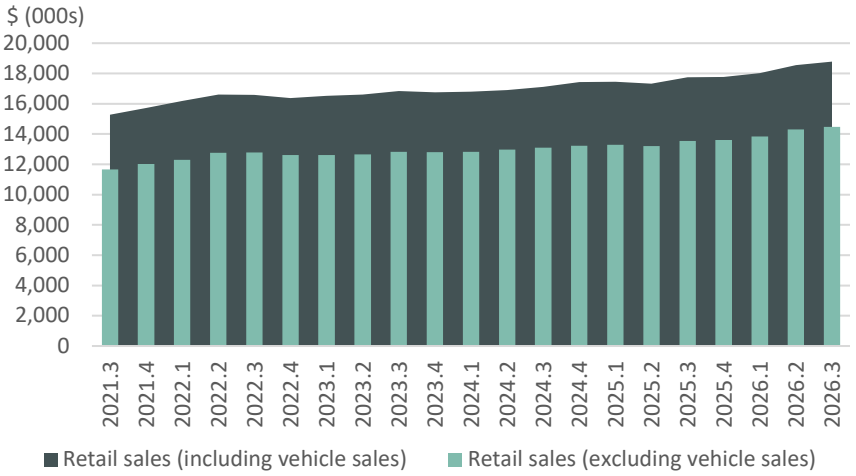


Source: MSCI Real Capital Analytics, Q3 2026.

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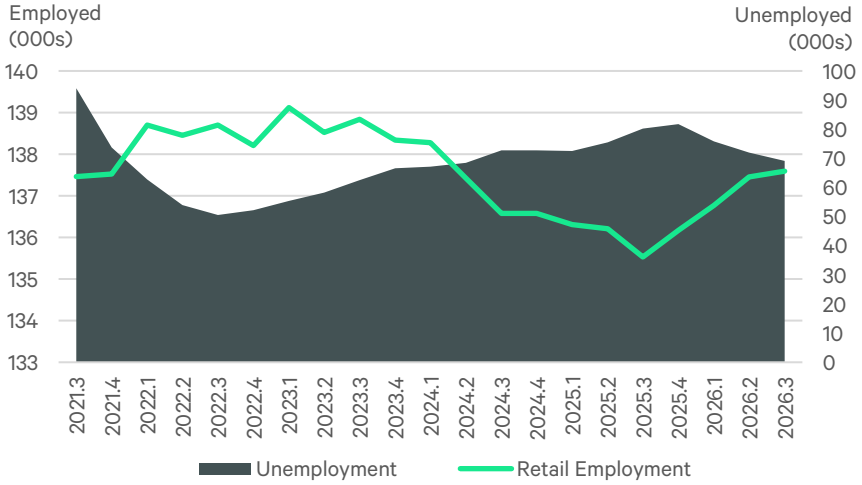
Economic Overview

FIGURE 12: Total Retail Sales



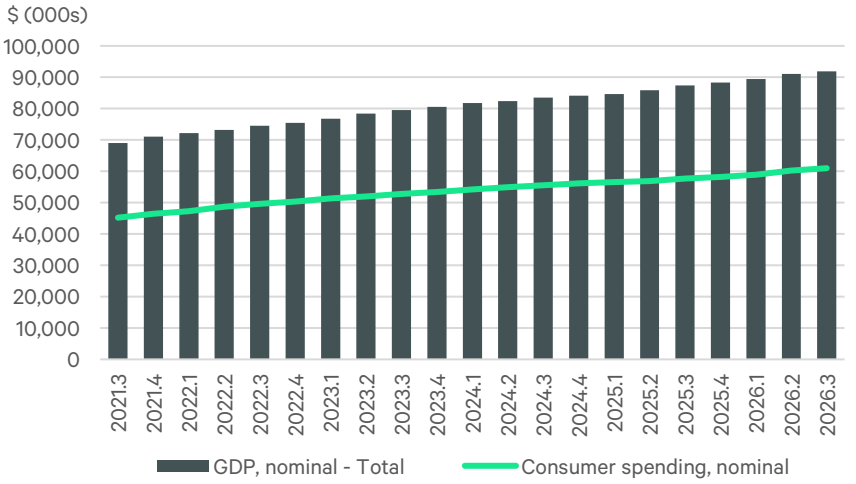
Source: Oxford Economics, Q3 2026.

FIGURE 13: Retail Employment vs. Unemployment



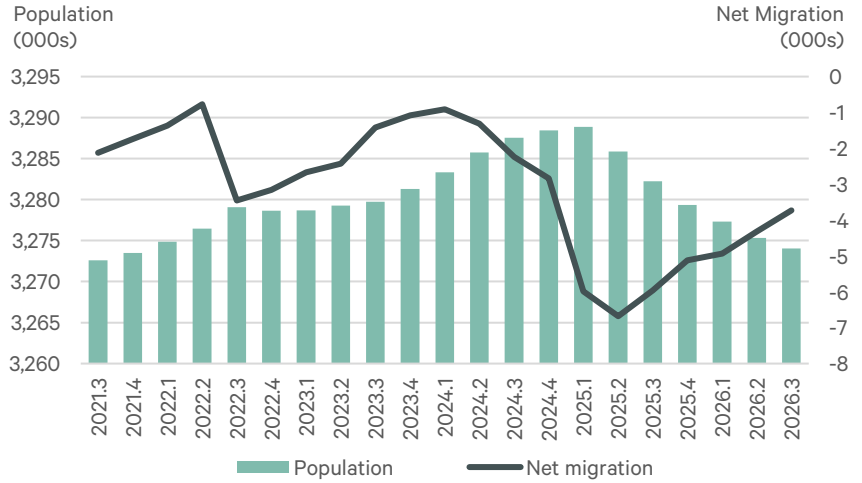
Source: Oxford Economics, Q3 2026.

FIGURE 14: GDP & Consumer Spending



Source: Oxford Economics, Q3 2026.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q3 2026.

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Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The San Diego market consists of San Diego County.

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