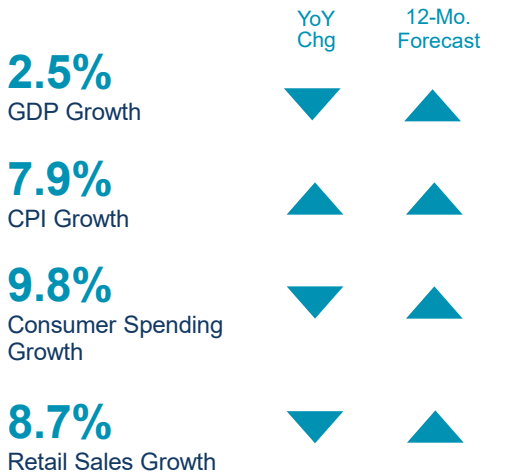


U.S. ECONOMIC INDICATORS
Q2 2022



Source: BLS, BOC, Moody's Analytics
Q2 2022 data are based on latest available data.
Growth rates are year-over-year.

ECONOMY: Unemployment Rate Declines

In the second quarter of 2022, the total unemployment rate in North Bay (Marin, Napa, Sonoma and Solano counties) was 3.5%, significantly down from 6.4% one year ago. San Mateo and Marin counties continued to record the lowest unemployment rate in the state at 1.7% and 1.8%, respectively. The median household income in the region was recorded at \$102,800 and the population grew steadily by 0.2%

SUPPLY & DEMAND: Vacancy Rate Continues to Decrease

The shopping center vacancy rate in San Francisco / North Bay Metro continued the downward trend for five consecutive quarters after reaching the highest vacancy rate (7.0%) in early 2021. At the second quarter of 2022, the overall vacancy rate was recorded at 5.7%, down 30 basis points (bps) from last quarter's figure of 6.0% and 100 bps from last year's figure of 6.7%. The supply growth has been minimal and the total retail inventory in the region remained at 40.1 million square feet (msf). There was also no under construction shopping center project in the pipeline.

Almost all counties in the region experienced positive net take-up, except Napa and Solano counties, bringing the total quarterly net take-up to 156,400 square feet (sf). San Francisco County contributed the most take-up at 89,100 sf, followed by San Mateo County at 50,300 sf. In addition, Sonoma and Marin counties recorded 16,300 sf and 10,300 sf quarterly net take-up, respectively; while Napa and Solano counties were in red at -3,430 sf and -6,100 sf, respectively.

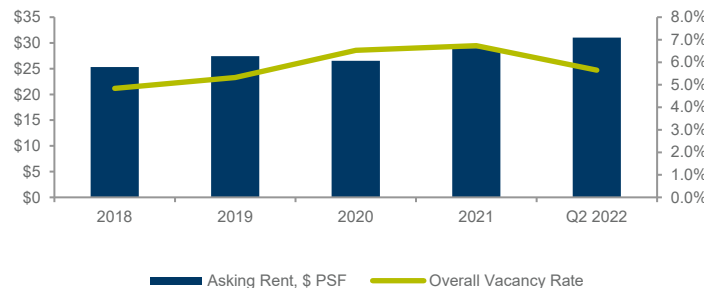
Despite the negative take-up, the vacancy rate in Napa County remained the lowest in the region at 1.7%, slightly up from 1.6% last quarter but down from 2.1% last year. Sonoma and Marin counties also had the vacancy rate of less than 5.0% at 2.9% and 4.0%, respectively. Limited retail availability has kept the vacancies rate low in these counties. Meanwhile, the vacancy rate in San Mateo, Solano and San Francisco counties were 5.7%, 7.2% and 21%, respectively.

The largest shopping center transaction was the sale of 370,000-sf Nut Tree Plaza in Vacaville, Solano County, from Dunhill Partners to Tower Investments for \$124.5 million. The retail property is anchored by Nordstrom Rack, Best Buy and HomeGoods.

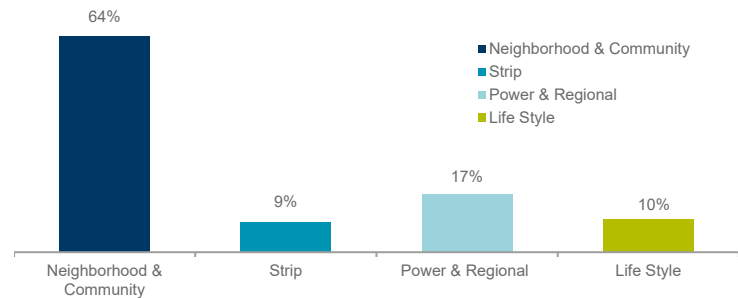
PRICING: Average Asking Rents Increases

In the second quarter of 2022, the San Francisco / North Bay metro retail market recorded an average asking rent of \$31.03 per square foot (psf) on an annual triple net basis, up 7.0% from \$28.99 psf one year ago. The rental rates ranged from \$19.69 psf in Solano County to \$59.49 psf in San Francisco County.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Marin County	5,881,845	1,948	232,876	4.0%	10,310	15,517	0	\$35.04
Napa County	2,633,752	0	44,285	1.7%	-3,432	8,776	0	\$38.85
Sonoma County	10,664,391	12,759	297,463	2.9%	16,254	84,332	0	\$20.07
Solano County	7,899,490	14,000	558,079	7.2%	-6,097	-53,373	0	\$19.69
San Francisco County	2,356,414	11,877	483,509	21.0%	89,058	52,648	0	\$59.49
San Mateo County	10,699,119	16,461	595,350	5.7%	50,279	20,016	0	\$34.93
SF / NORTH BAY METRO TOTALS	40,135,011	57,045	2,211,562	5.7%	156,372	127,916	0	\$31.03

*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
901 Market Street	San Francisco	Ross Dress for Less	40,300	New Lease
555 9 th Street	San Francisco	N/A	22,800	New Lease
1955 W Texas Street (Winery Square)	Solano County	Falling Prices	14,000	New Lease
1-65 Colma Boulevard (280 Metro Center)	San Mateo County	Boot Barn	10,900	New Lease
1305-1350 Gateway Boulevard (Gateway Plaza)	Solano County	Hibachi Grill Buffet	10,100	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1621-1679 E Monte Vista Avenue (Nut Tree Plaza)	Solano County	Dunhill Partners / Tower Investments JV Richard Teske	369,900	\$124.5M / \$337
311 Rohnert Park Expy W (Burlington Coat)	Sonoma County	Milestone Holdings / EV Holdings	85,300	\$14.0M / \$164
250 Walnut Street	San Mateo County	Balboa Retail / Menlo Equities	79,800	\$11.3M / \$141
366 Ignacio Boulevard (Pacheco Plaza Shopping Center)	Marin County	Crow Holdings / Balboa Retail Fund	66,600	\$42.7M / \$641
6595 Commerce Boulevard (Commerce Corners)	Sonoma County	Steven Shapiro / N/A	49,800	\$8.5M / \$171

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
N/A	N/A	N/A	N/A	N/A

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