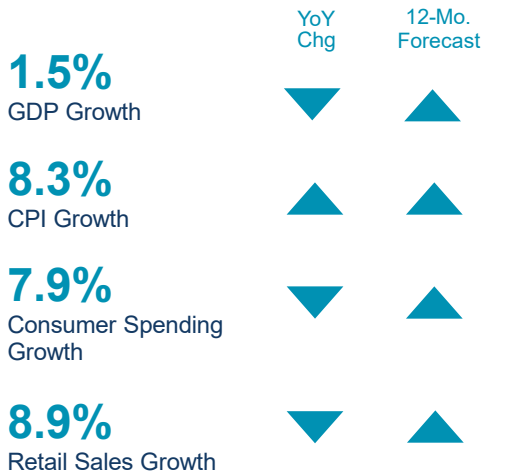


U.S. ECONOMIC INDICATORS Q3 2022



Source: BLS, BOC, Moody's Analytics  
Q3 2022 data are based on latest available data.  
Growth rates are year-over-year.

**ECONOMY: Positive Economic Indicators**

San Francisco/North Bay Metro, comprised of San Francisco/San Mateo counties and each of the four counties in the North Bay area, continued to record positive job growth. The unemployment rate in North Bay (Marin, Napa, Sonoma and Solano counties) was recorded at 3.0%, down 260 basis points (bps) from 5.6% last year. Meanwhile, San Mateo and San Francisco counties continued to record the lowest unemployment rate in the state at 2.0% and 2.1%, respectively. The median household income in the region was recorded at \$104,500, up 1.8% year-on-year (YOY) and the population grew steadily by 0.2%.

**SUPPLY & DEMAND: Vacancy Rate Continues to Decrease**

In the third quarter of 2022, the shopping center vacancy through the region was recorded at 5.3%, down 40 bps from last quarter's figure of 5.7% and down 110 bps from the 6.4% rate a year ago. The vacancy rate has been trending down for six consecutive quarters since the first quarter of 2021 and has reached the same level as the pre-pandemic rate at the end of 2019.

Although it was higher than last quarter's figure, Napa County continued to record the lowest vacancy rate in the region at 2.0%, followed by Sonoma and Marin counties at 3.1% and 3.7%, respectively. Almost all counties had lower vacancy rates than last year, except Solano County with a 7.4% vacancy rate, up from 6.9% a year ago.

The total net absorption in the third quarter of 2022 was 114,800 square feet (sf), bringing the year-to-date (YTD) absorption to 235,300 sf. San Francisco County contributed the most take-up at 153,500 sf, followed by Marin County at 18,200 sf.

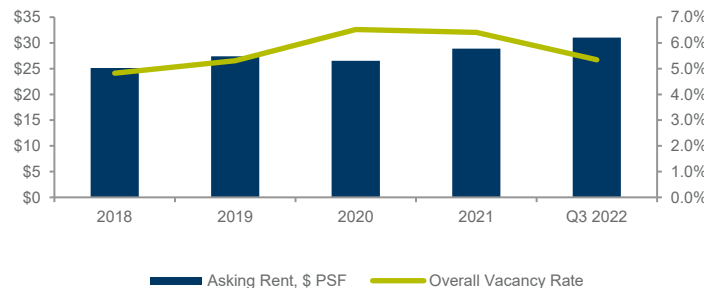
With no new retail constructions in the region, the total retail inventory remained at 40.2 million square feet (msf), leaving almost 2.2 msf of vacant retail space. Most of the vacant space at 2.1 msf (98.6%) was direct space, while only 29,300 sf (1.4%) was sublet space.

One notable shopping center transaction in the third quarter of 2022 was the sale of Heritage Park Shopping Center in Suisun City, Solano County. The 167,100-sf retail center anchored by Raley's supermarket was sold by First National Realty Partners to C-III Capital Partners, LLC for \$24.5 million or \$147 per square foot (psf).

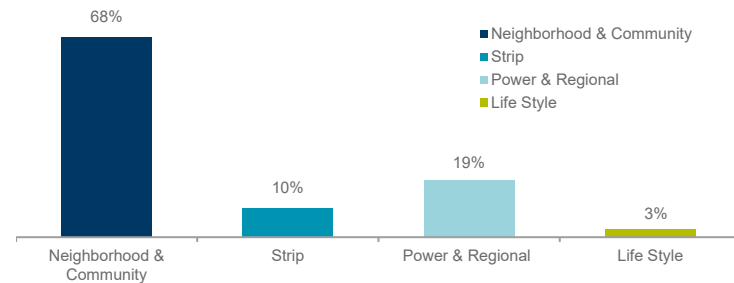
**PRICING: Average Asking Rents Increases**

The average asking rent for the region in the third quarter of 2022 was \$31.03 psf on an annual triple net basis, up 7.4% from \$28.90 psf one year ago. The rental rates ranged from \$20.57 psf in Solano County to \$68.09 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	5,868,566	0	216,661	3.7%	18,163	36,074	0	\$36.06
Napa County	2,633,752	0	52,796	2.0%	-8,511	265	0	\$37.72
Sonoma County	10,648,100	11,574	315,901	3.1%	-17,253	67,079	0	\$21.46
Solano County	8,059,144	0	592,744	7.4%	-20,665	-74,038	0	\$20.57
San Francisco County	2,350,152	0	339,181	14.4%	153,465	206,113	0	\$68.09
San Mateo County	10,685,269	17,711	604,494	5.8%	-10,394	-153	0	\$36.87
<b>SF / NORTH BAY METRO TOTALS</b>	<b>40,244,983</b>	<b>29,285</b>	<b>2,121,777</b>	<b>5.3%</b>	<b>114,805</b>	<b>235,340</b>	<b>0</b>	<b>\$31.03</b>

\*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1300 El Camino Real (Springline)	San Mateo County	Wells Fargo	42,100	New Lease
145 Jefferson Street	San Francisco	The Escape Game	24,200	New Lease
2705 Santa Rosa Avenue (Santa Rosa Southside SC)	Sonoma County	Total Wine	22,000	New Lease
1529 Van Ness Avenue	San Francisco	SF European	20,900	New Lease
5800 Northgate Drive (Northgate Mall)	Marin County	Flying Dutchman Gymnastics	7,400	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
250-288 Sunset Avenue (Heritage Park Shopping Center)	Solano County	C-III Asset Management OBO MS 2007-IQ14 / First National Realty Partners	167,100	\$24.5M / \$147
1301 Broadway	San Mateo County	N/A / Sobrato Development	43,700	\$7.8M / \$178
855-875 El Camino Real (Wells Fargo & Big 5)	San Mateo County	Bayhill Plaza, LLC / Elevated Aptitude Center, LLC	15,100	\$10.5M / \$692
2503 Cleveland Avenue (Big 5 Sporting Group)	Sonoma County	NJ & CM Athens 1996 Trust / Allan A Henderson & Kimberly L Henderson	15,100	\$4.8M / \$319
1901-1905 Ocean Avenue	San Francisco	Panessi Partners, LLC / Bonroy Investments, LLC	11,200	\$4.5M / \$401

KEY CONSTRUCTION COMPLETIONS YTD 2022

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

SOANY GUNAWAN

Senior Research Analyst

+1 415 658 3665 / [soany.gunawan@cushwake.com](mailto:soany.gunawan@cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.