



# Southern California retail market report

Q4 2024

**AVISON  
YOUNG**

# Southern California retail market trends

41.2 msf

## Direct Availabilities

Tenants in the market for brick-and-mortar retail space have steadily risen over the past six consecutive quarters, which has translated into leasing activity as net absorption sits at positive 151k sf for all of Southern California. This is the first positive quarter after three straight quarters of negative absorption.

Direct availabilities have decreased in Q4 with 41.2 msf, showing empty spaces are slowly being leased. As more construction projects continue to be completed, we see an additional 2.0 msf of available space that was added from Q2 2024, causing availability to remain historically high.

5.7%

## Direct Vacancy Rate

As more construction has been completed, there is more direct vacant space across the market. Direct vacancies for Q4 2024 showed a slight decrease across all Southern California markets, coming in at 5.7% for the region. The retail under-construction pipeline for Southern California totaled 2.3 msf across 56 properties.

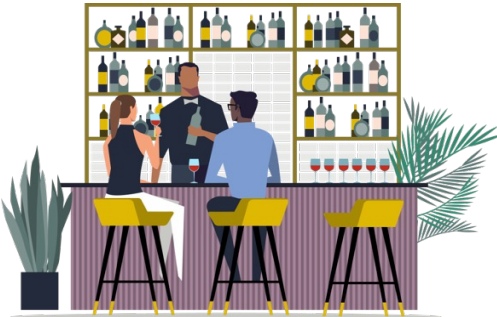
Despite the additional inventory and availability, lease rates continue to increase across Southern California, posting an average asking triple net lease rate of \$28.20/SF on an annual basis in Q4 2024. This represents over a 15% increase since Q1 2021.

\$336

## Sales Price Per Foot

Even though 2022 was a pinnacle year with four straight quarters of sales volumes above \$2B, rising interest rates and lending restrictions have created a slowdown in investment sales throughout 2023 and 2024.

The average sales price per square foot for retail properties across Southern California came in at \$336/SF. Retail sales volume for Q4 2024 was \$764M, which was about \$90M more than the prior quarter.



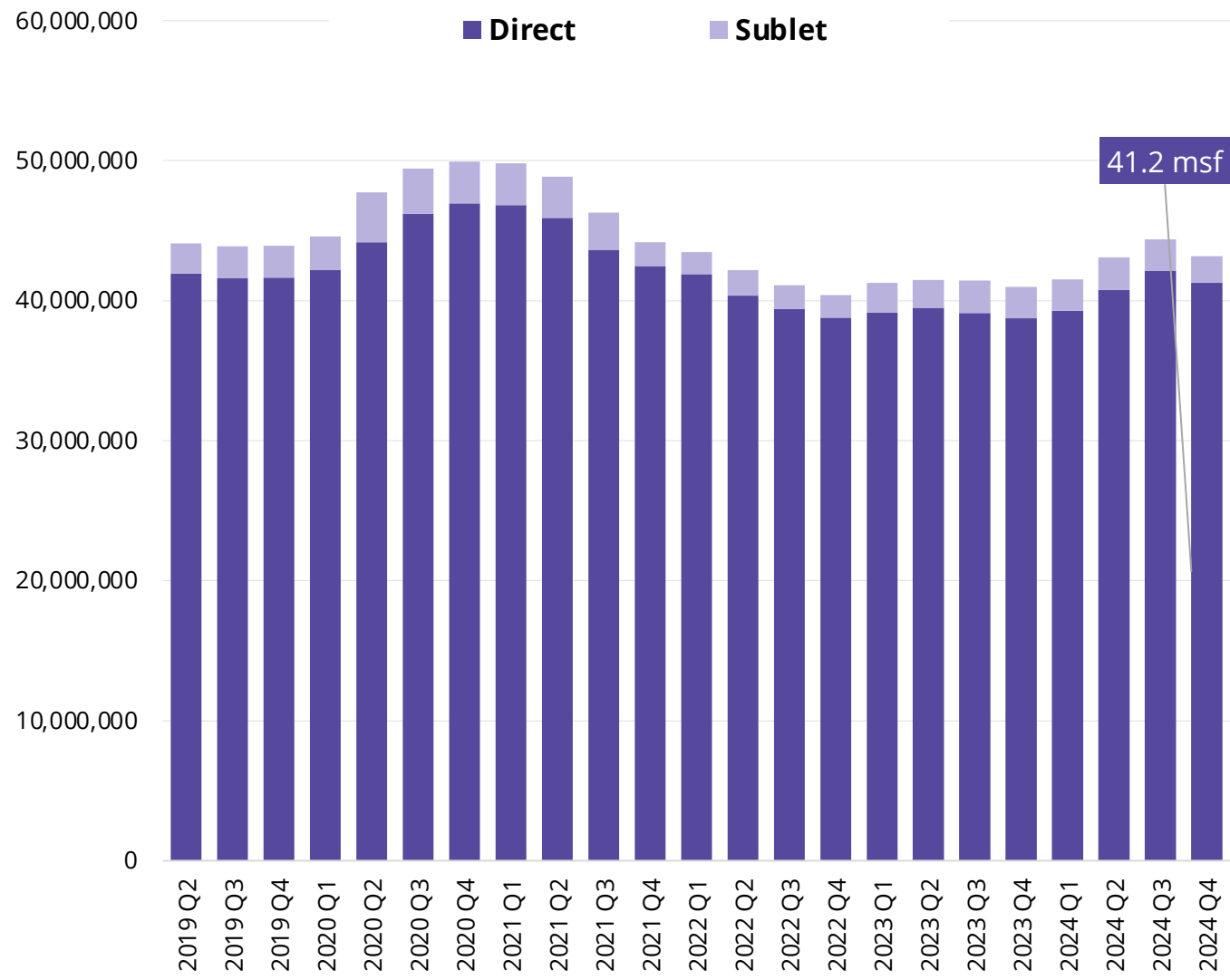
# Southern California availabilities

# 41.2 msf

At the end of Q4 2024 there was 41.2 msf of direct available retail space and 1.9 msf of sublet space in Southern California.

Southern California inventory totaled 19,905 buildings totaling 698.0 msf at the end of Q4 2024. Deliveries checked in at 105,745 square feet for the final quarter of 2024, giving a total of 10.7 msf delivered to the market over the past five years.

Direct availabilities have decreased in Q4 with 41.2 msf square feet, marking the first quarter of availabilities decreasing throughout the Southern California retail market this year.



Source: AVANT by Avison Young, CoStar  
Note: Southern California survey is Los Angeles, Orange County, San Diego, and the Inland Empire, retail buildings 10k+ sf

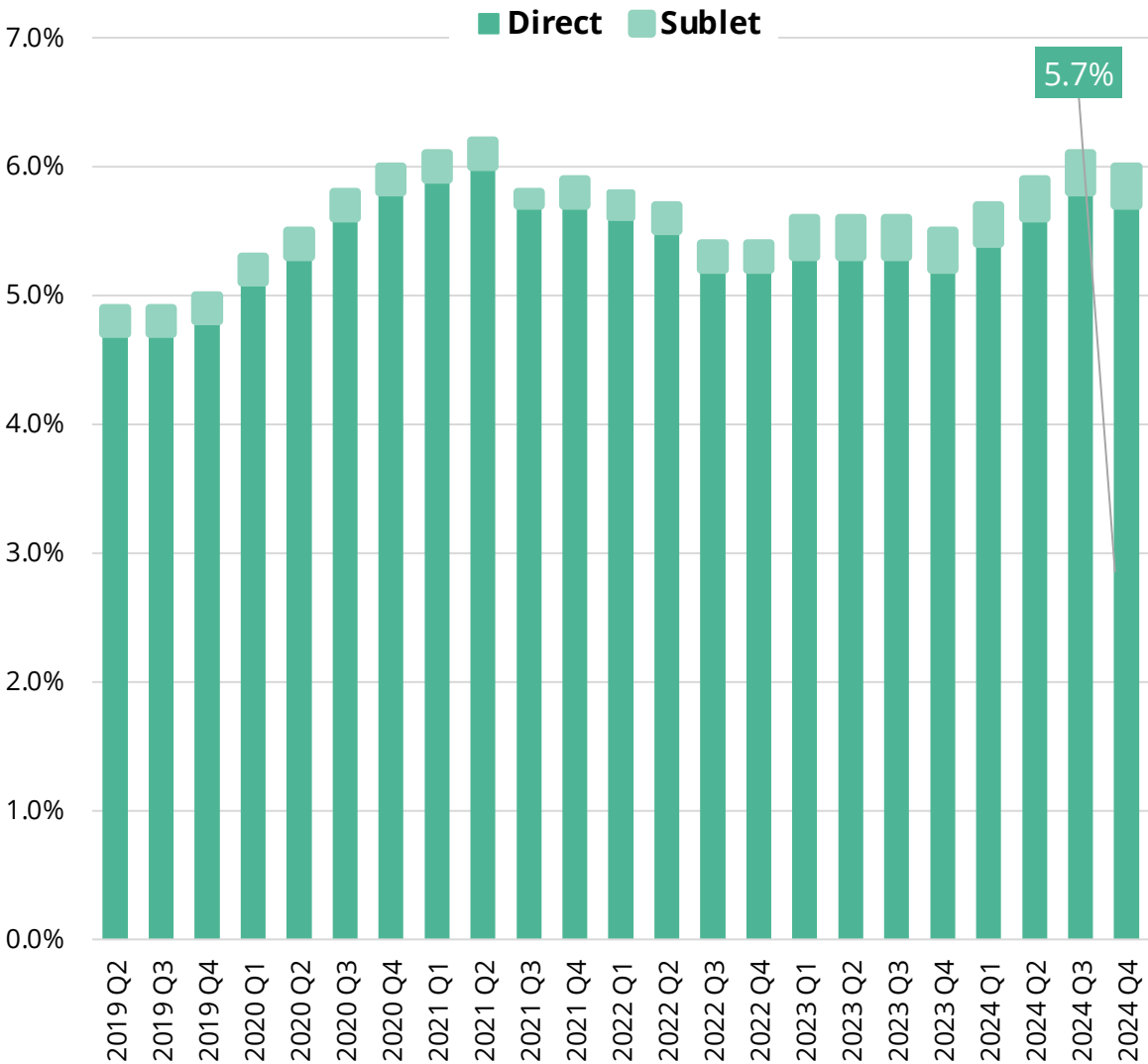
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# Southern California vacancy

5.7%

The direct vacancy rate for Southern California sits at 5.7%.

As more construction has been completed there is more direct vacant space across the market. Direct vacancies for Q4 2024 showed a slight decrease across all Southern California markets, coming in at 5.7% for the region. The retail under-construction pipeline for Southern California totaled 2.3 msf across 56 properties.



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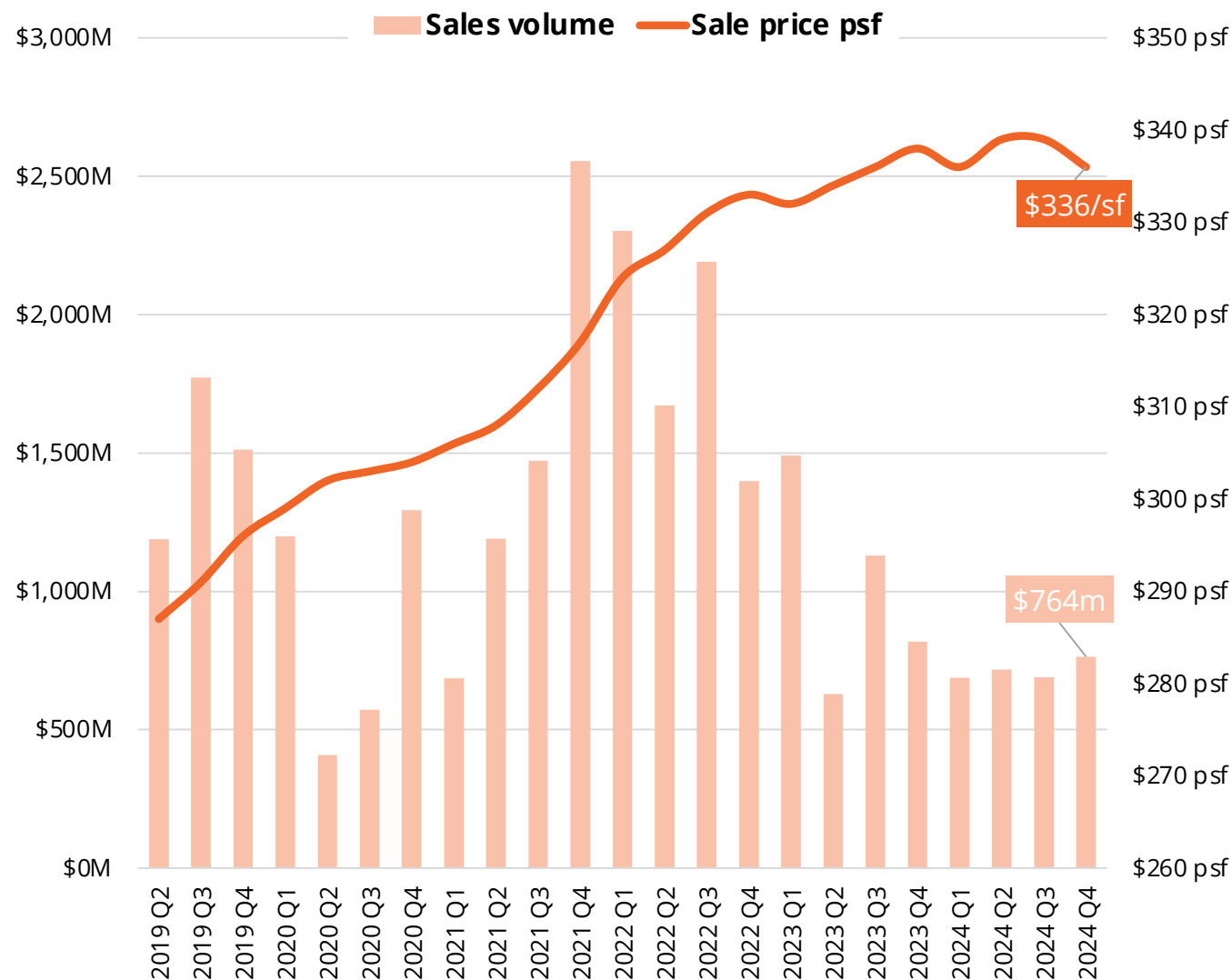


# Southern California investment sales activity and price

## \$336/SF

The average price paid for retail buildings in Southern California came in at \$336/SF in Q4 2024.

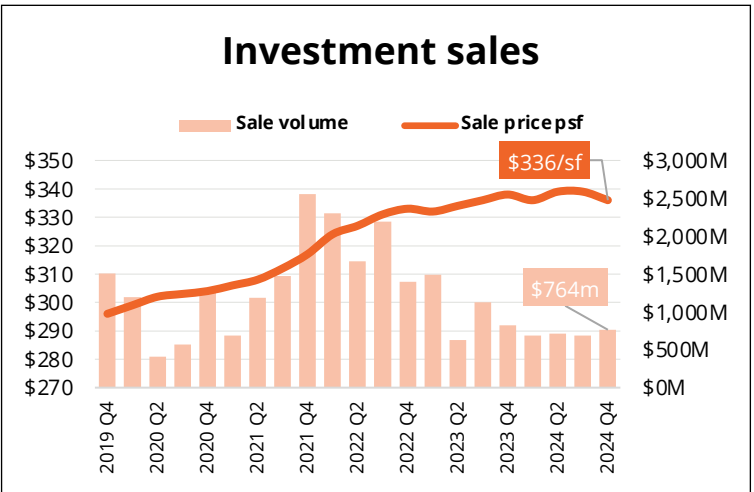
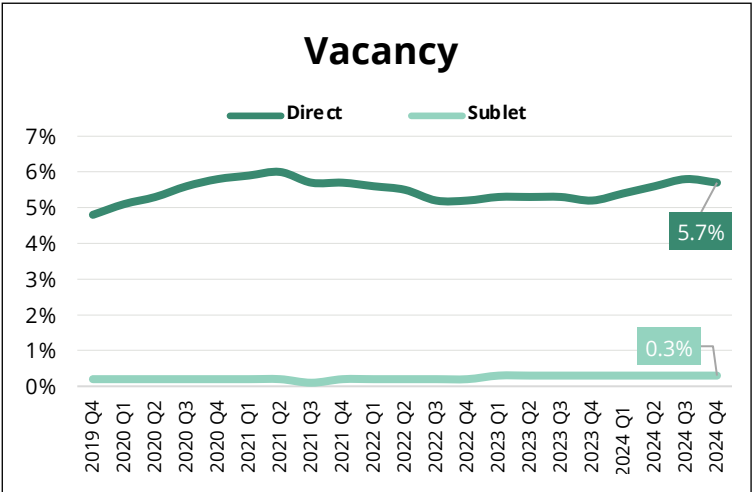
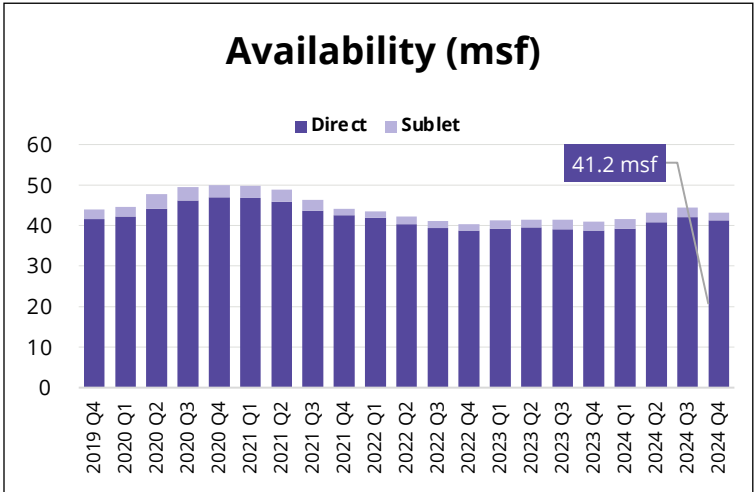
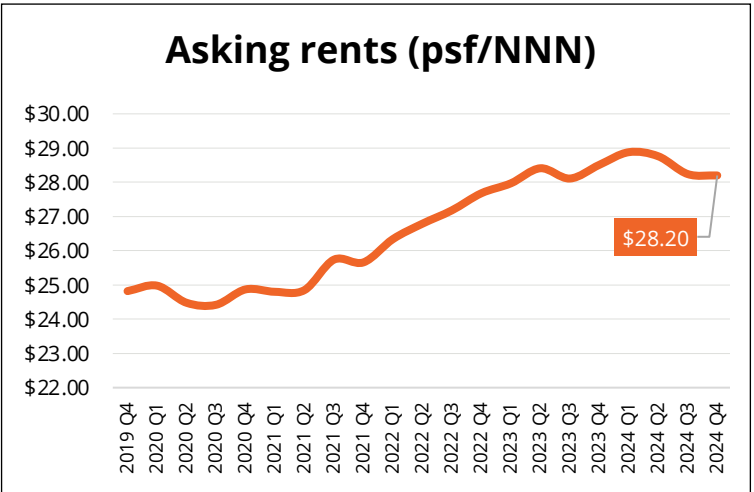
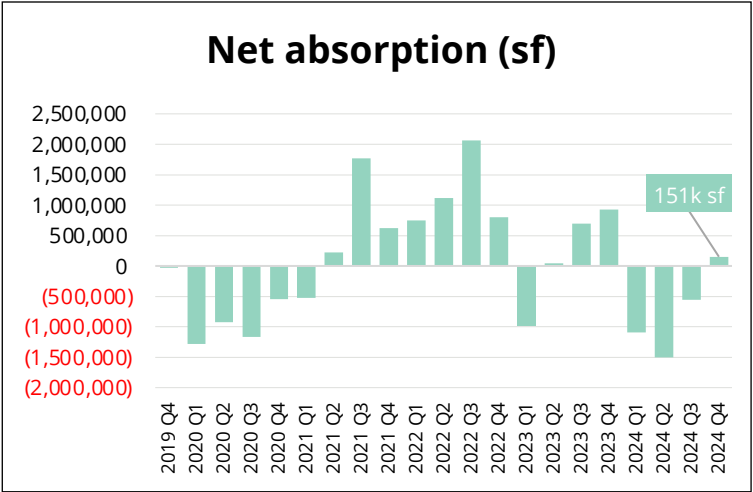
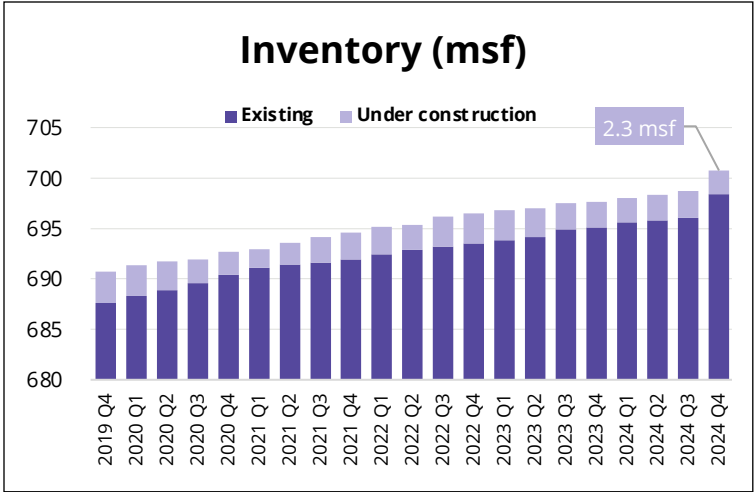
Total sales volume in Q4 2024 was \$764M, a slight increase from the Q3 2024 sales volume of \$689M. Although sales volume remains historically low, sales price per square foot continues to sit near a record high, where an average of \$336 is one of the highest quarterly price per square foots seen in the last 20 years.



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# Southern California retail market indicators



Note: Southern California survey is Los Angeles, Orange County, San Diego, and the Inland Empire, retail buildings 10k+ sf

# Southern California retail under construction pipeline

## 59 properties

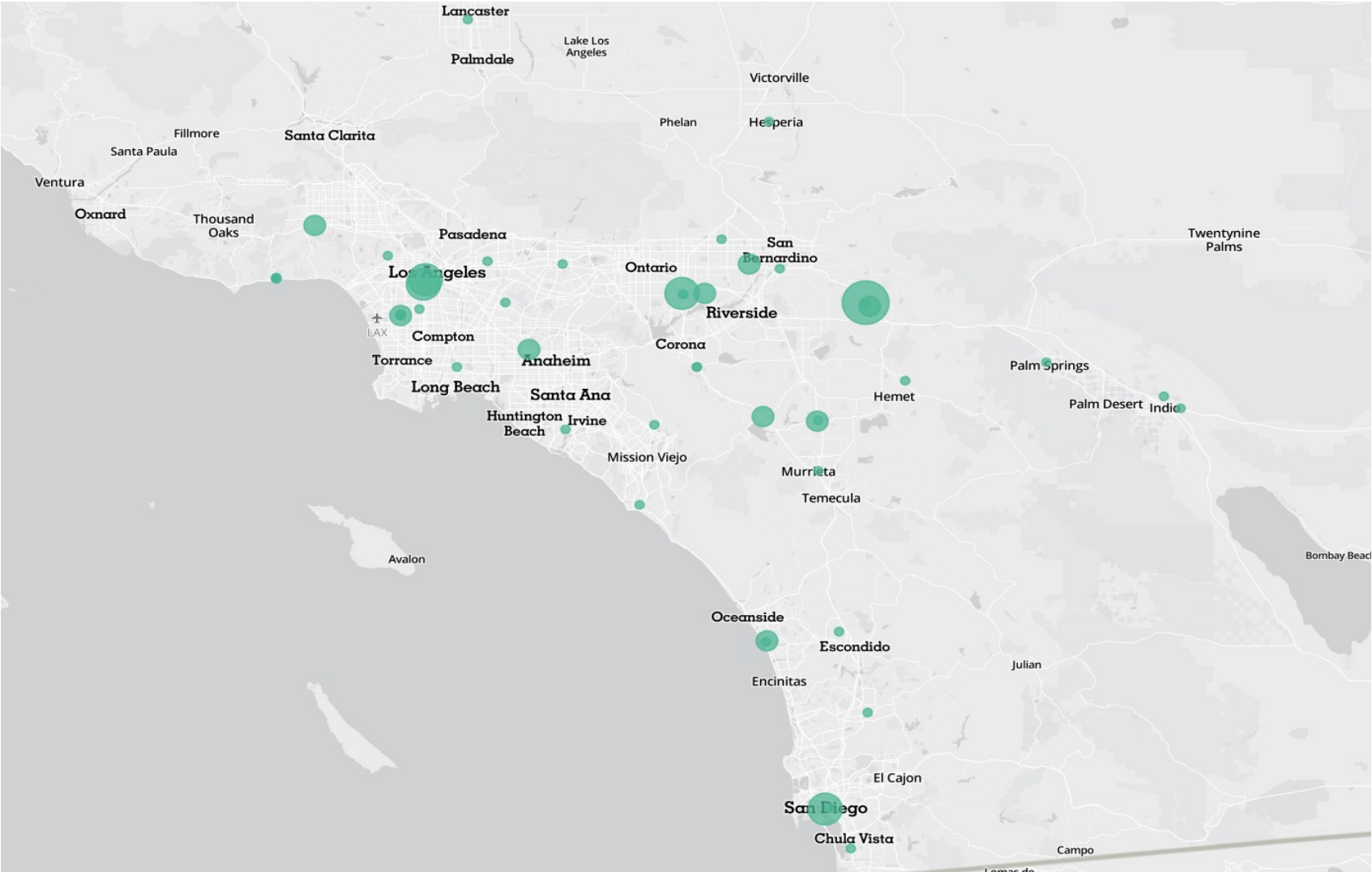
- 30 Los Angeles
- 6 Orange County
- 18 Inland Empire
- 5 San Diego

## 2,337,657 sf

- 1,322,773 sf Los Angeles
- 151,669 sf Orange County
- 496,467 sf Inland Empire
- 366,748 sf San Diego

## Major developments

- 400,000 sf *Del Amo Blvd, Carson*  
Los Angeles
- 107,891 sf *27724 Clinton Keith Rd, Riverside*  
Inland Empire
- 300,000 sf *324 Horton Plz, San Diego*  
San Diego



\*Survey consists of retail buildings greater than 10,000 sf.

# Southern California retail proposed construction pipeline

## 368 properties

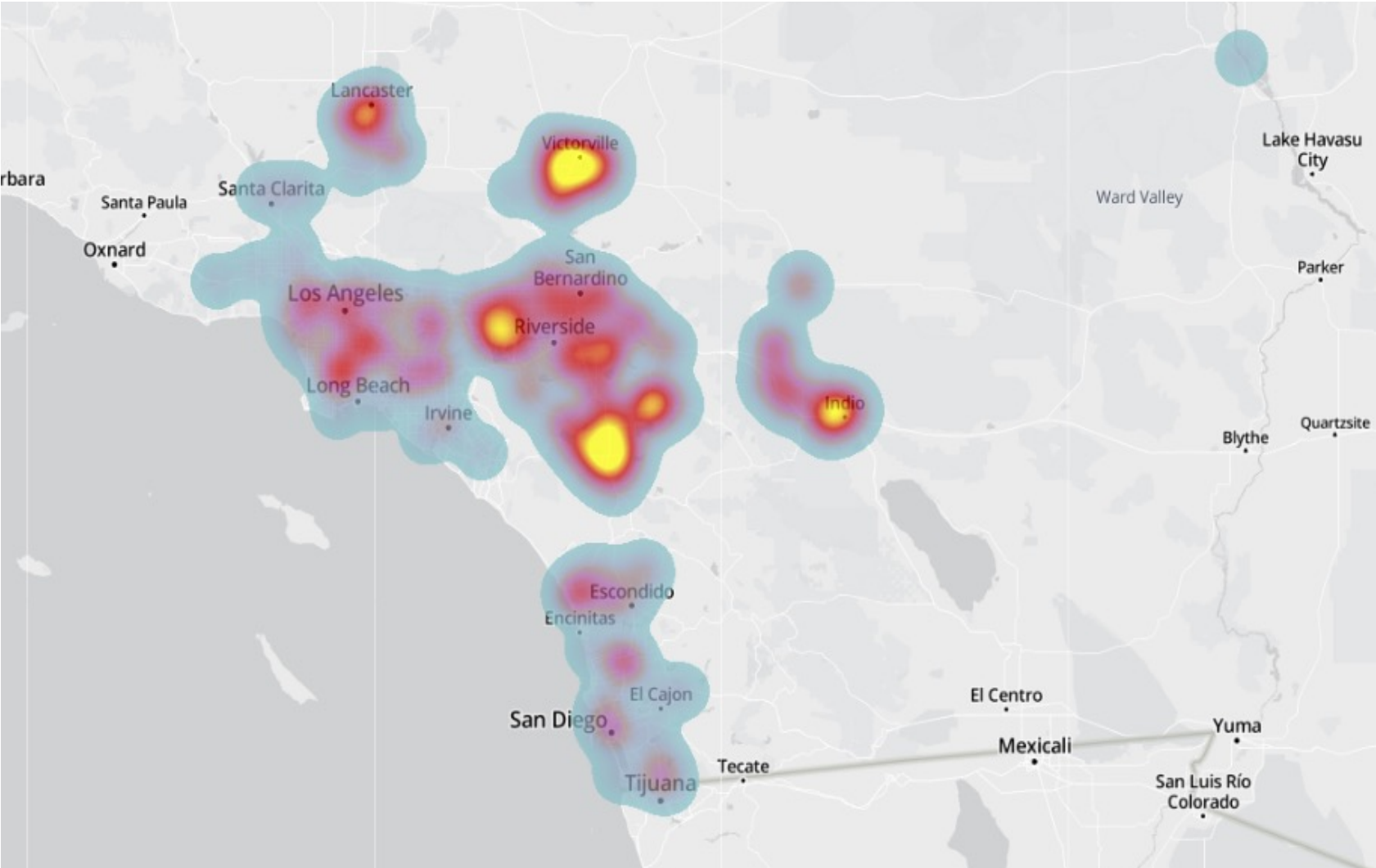
82	Los Angeles
9	Orange County
244	Inland Empire
33	San Diego

## 19,016,536 sf

4,580,751 sf	Los Angeles
393,238 sf	Orange County
12,180,494 sf	Inland Empire
1,862,053 sf	San Diego

## Major developments

543,400 sf	Palmdale Crossroads, Palmdale Los Angeles
174,800 sf	Los Patrones Pkwy & Chiquita Canyon Dr, Rancho Mission Viejo Orange County
581,148 sf	Roberts Rd, Calimesa Inland Empire
250,000 sf	3500 Sports Arena Blvd, San Diego San Diego



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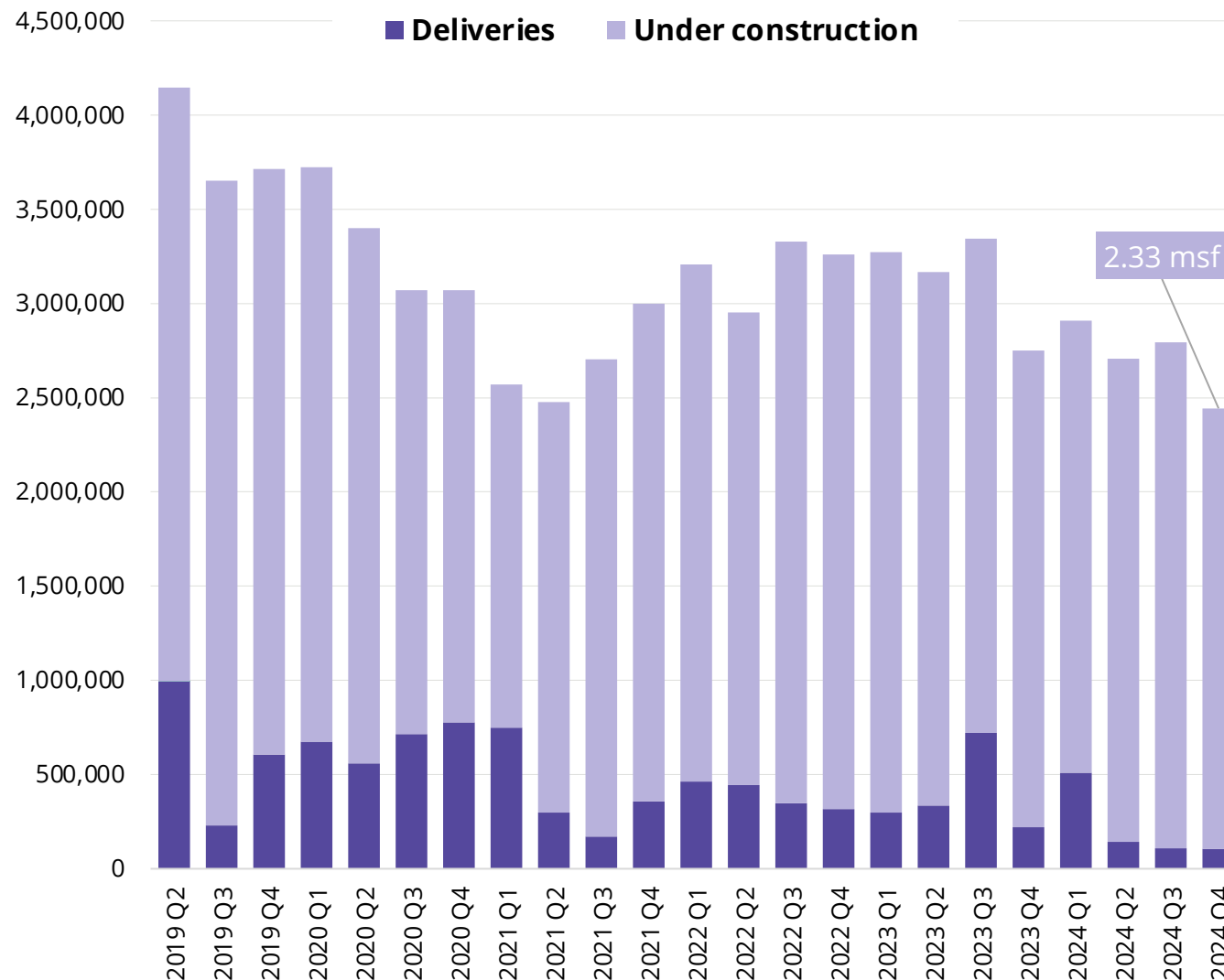
# Southern California development activity

# 2.33 msf

At the end of Q4 2024 there was 2.3 msf of retail space under construction.

Southern California has seen a slight decrease in retail buildings under construction, with 300,000 square feet being completed in the previous quarter. Additionally, there were deliveries, totaled at 105,745 square feet.

New developments have begun to slowdown due to higher interest rates and higher construction costs, but we still see projects being delivered as more owners are looking to utilize retail product types over office and industrial.



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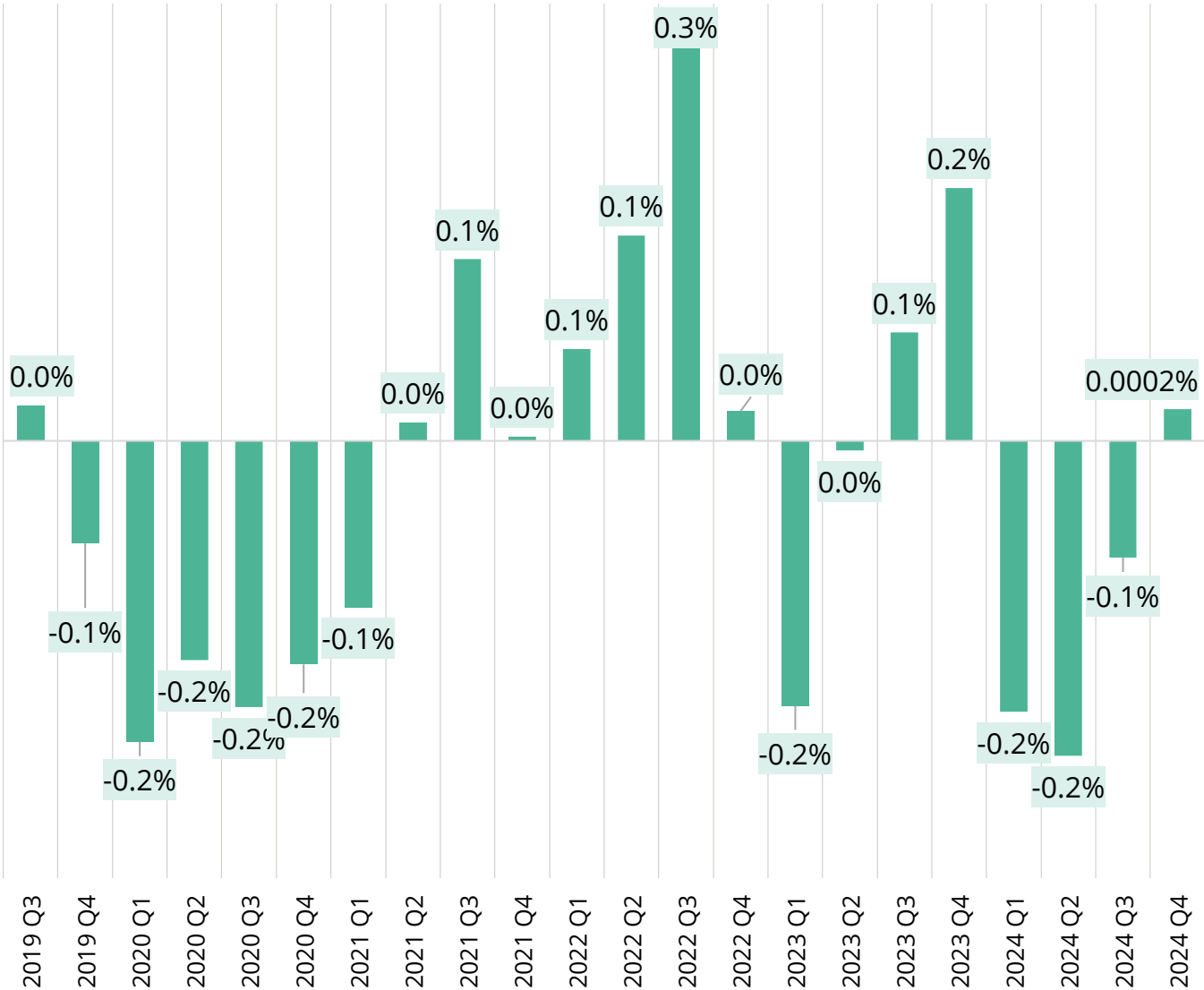
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# Southern California net absorption as a share of inventory

-0.1%

The Southern California retail market has had 151,312 square feet of positive absorption in Q4 2024.

There was 151,312 square feet of positive absorption in Q4 2024, a major increase from Q2 2024 with a negative value of 1,576,486 square feet.



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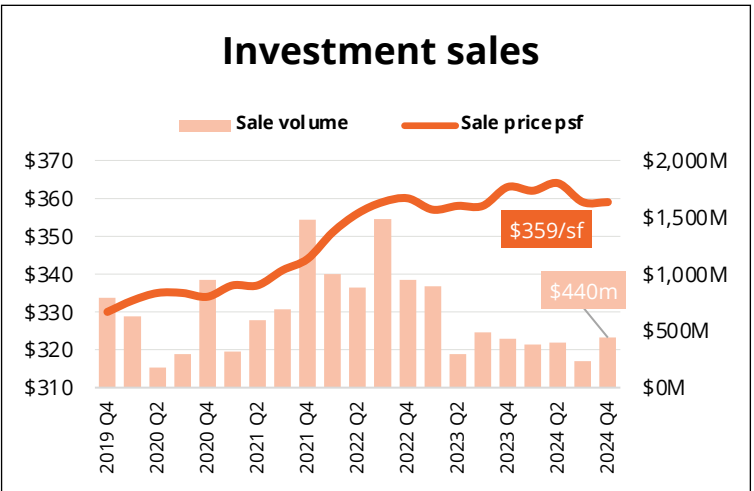
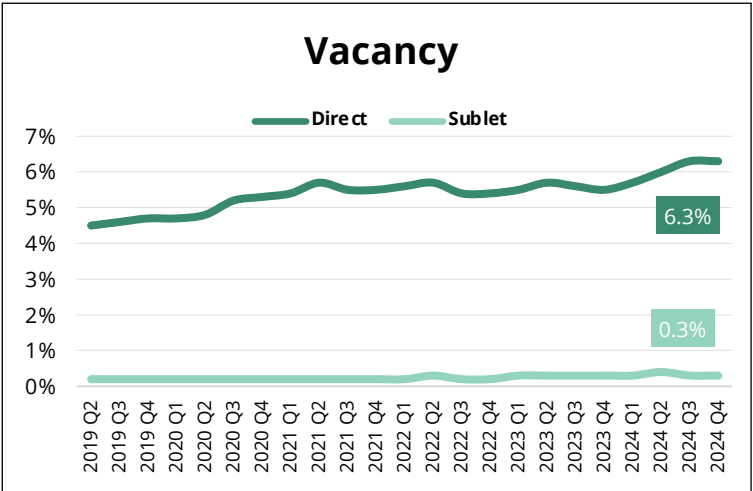
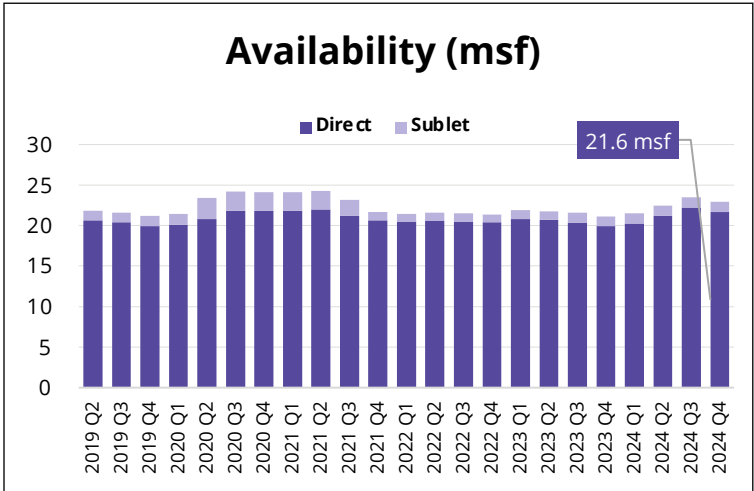
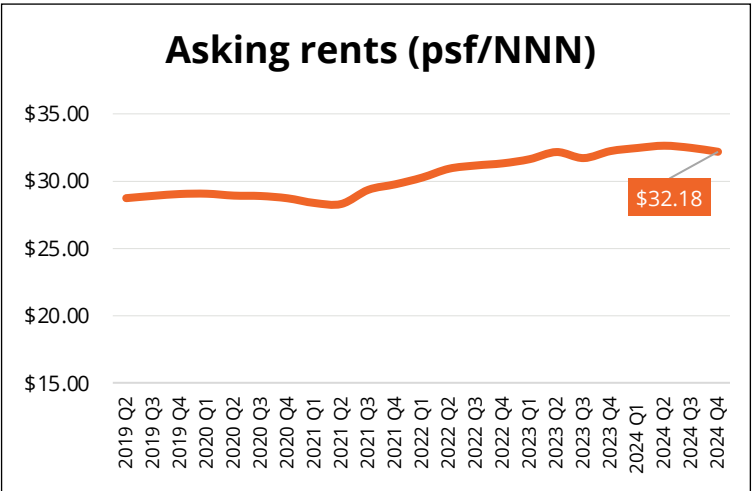
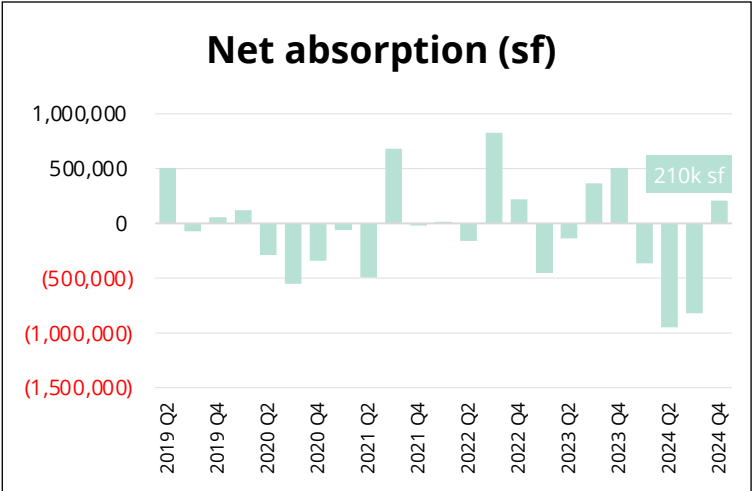
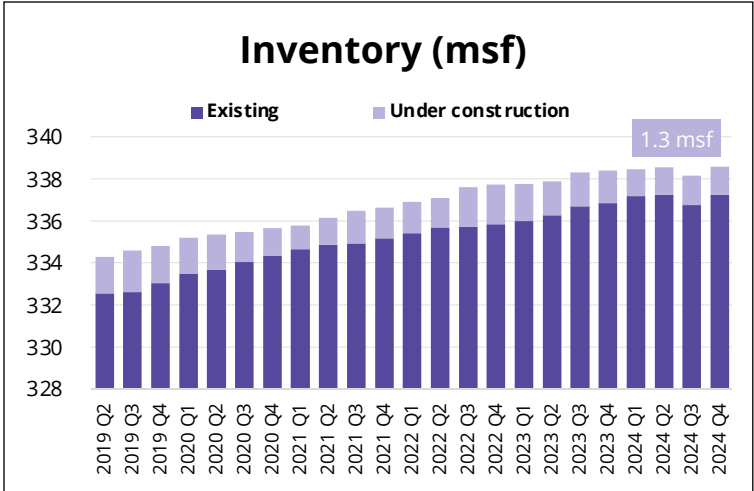
# Southern California retail market activity

## 2024 Q3 Retail Single Sales Transactions

Buyer	Address	Sale date	Size (sf)	Sale price	Sale price psf	Seller
Stockdale Capital Parnters	152-452 W Hillcrest Dr, Thousands Oaks	12/13/2024	314,778	\$157,000,000	\$498.76	The Macerich Company
Paragon Commercial Group	18601-18659 Yorba Linda, Yorba Linda	10/25/2024	230,000	\$59,684,333	\$259.50	Stanley Gribble
Home Ranch Center	38995 Sky Canyon Dr, Murrieta	12/17/2024	60,737	\$34,650,000	\$570.49	Greenbridge Management Corp
Undisclosed	8030 Dale St, Buena Park	12/03/2024	48,305	\$27,221,500	\$563.53	JH Real Estate
TPG Angelo Gordon & Co. LLP	11069 Sepulveda Blvd, Mission Blvd	12/20/2024	44,064	\$25,100,000	\$569.63	Icon Stone, Inc

\*Survey consists of retail buildings greater than 10,000 sf.

# Los Angeles retail market indicators



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# Los Angeles retail market activity

## Recent leasing activity

Tenant name	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type
The King of Padel	North Park 3	Palos Verdes	10/15/2024	50,000	New Lease	Direct
AAA Plating and Inspection	410-424 E Dixon St	Compton	11/01/2024	43,167	New Lease	Direct
Burlington	955-961 Sepulveda Blvd	Torrance	11/01/2024	26,367	New Lease	Direct
Erewhon	8550 Santa Monica Blvd	West Hollywood	11/02/2024	25,000	New Lease	Sublease
Vons	710 Broadway	Santa Monica	10/01/2024	25,000	New Lease	Direct

## Recent ales activity

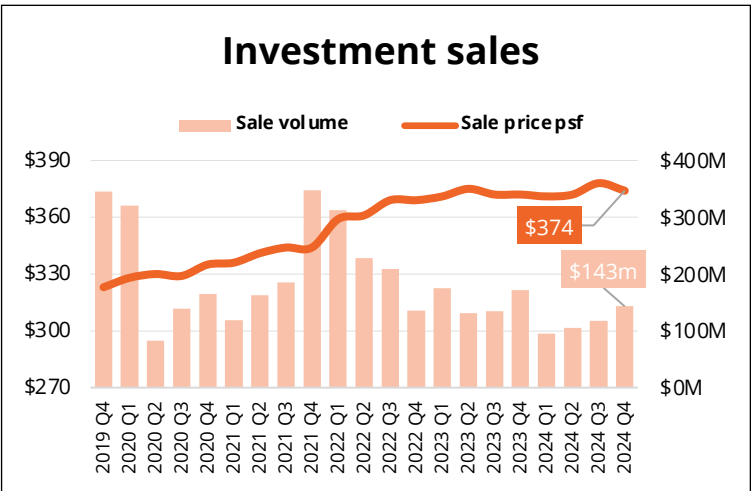
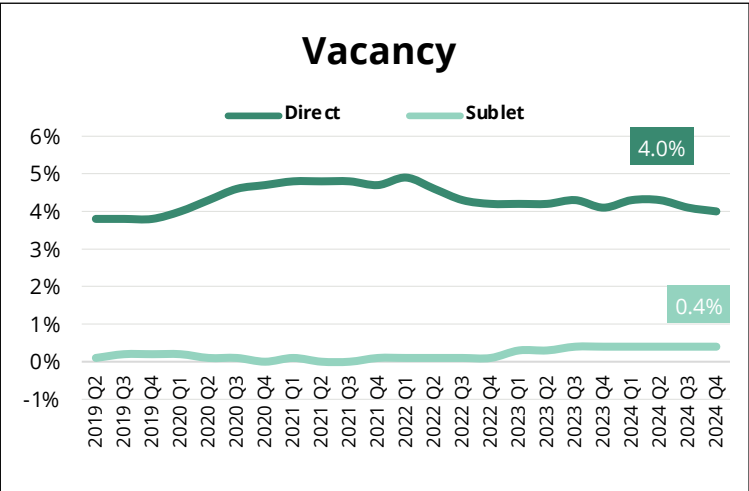
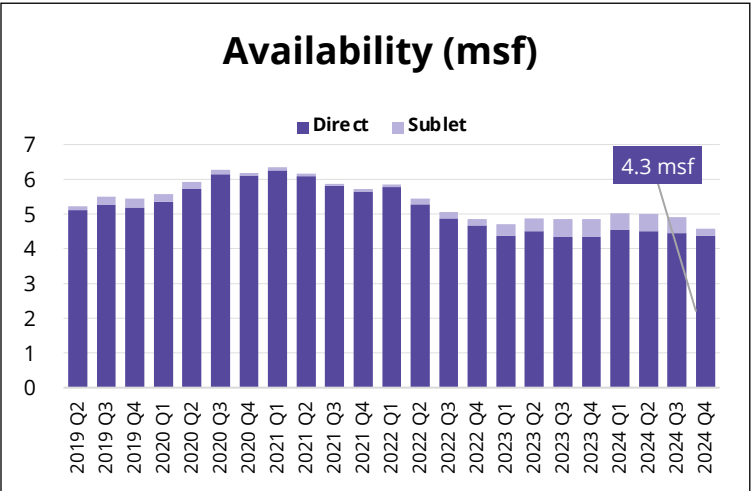
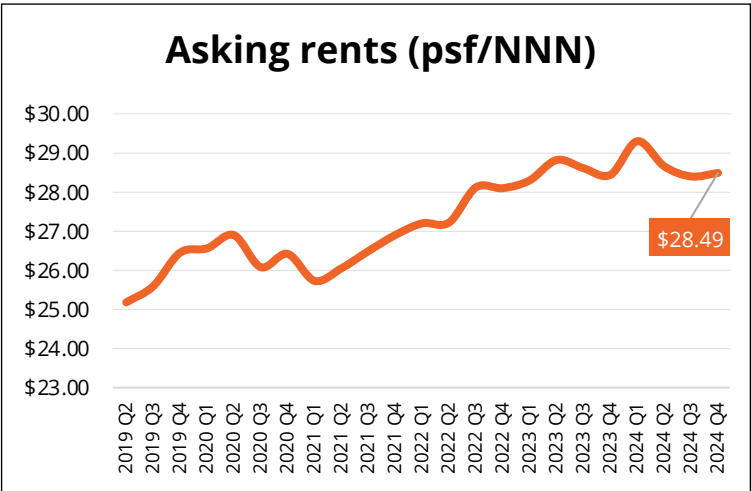
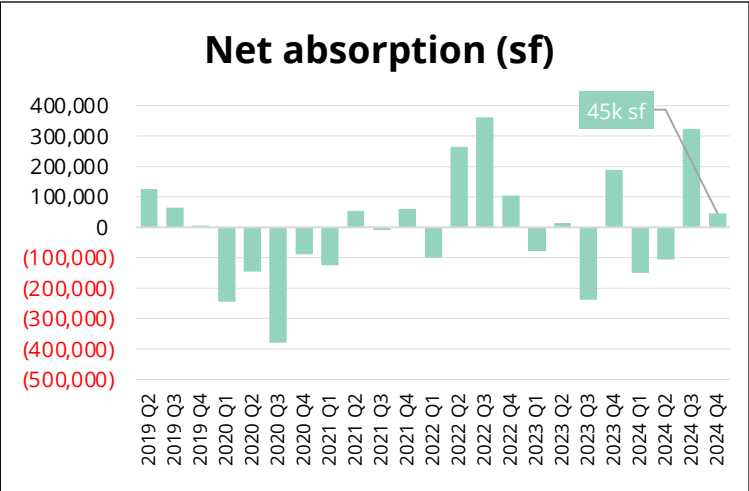
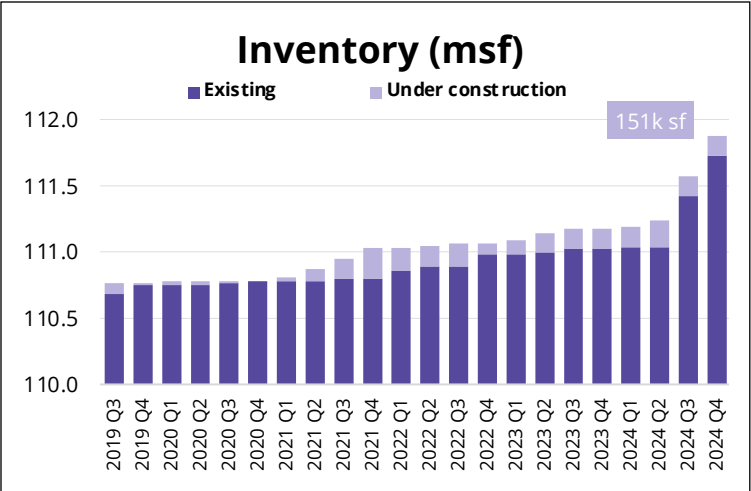
Buyer	Address	Sale date	Size (sf)	Sale price	Sale price psf	Seller
Stockdale Capital Partners	152-452 W Hillcrest Dr, Thousand Oaks	12/13/2024	314,778	\$157,000,000	\$498.76	The Macerich Company
Ken Garff Auto Group	11069 Sepulveda Blvd, Mission Hills	11/13/2024	63,292	\$22,700,000	\$358.66	Valerie Hamer
Welltower Inc.	1150 W Colorado Blvd, Arcadia	10/17/2024	13,088	\$12,750,000	\$974.17	Artis Senior Living
Cyrus Etemad	1501 Main St, Venice	12/10/2024	13,582	\$8,900,000	\$655.28	Perloff-Webster

## Notable construction projects

Owner	Address	Submarket	Size (sf)	Est. Delivery	Asking rent
City of Carson	Del Amo Blvd	Torrance	400,000	Jan 2026	Undisclosed
Regency Centers Corp.	6324 W 3 <sup>rd</sup> St	Miracle Mile	80,966	Jun 2026	\$33.00/sf
Primestor	8500 S Vermont Ave	Inglewood/South LA	65,868	Jan 2025	\$25.00/sf



# Orange County retail market indicators



\*Survey consists of retail buildings greater than 10,000 sf.

# Orange County retail market activity

## Recent leasing activity

Tenant name	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type
Hobby Lobby	26732 Portola Pkwy	Foothill Ranch	11/04/2024	78,683	New Lease	Direct
Ole City Markets	1619-1629 W 17 <sup>th</sup> St	Santa Ana	11/22/2024	20,800	New Lease	Direct
Burlington	901-939 S Brookhurst St	Anaheim	11/12/2024	18,235	New Lease	Direct

## Recent sales activity

Buyer	Address	Sale date	Size (sf)	Sale price	Sale price psf	Seller
Optimus Properties	18601-18659 Yorba Linda Blvd, Yorba Linda	12/17/2024	60,737	\$34,650,000	\$570.49	Greenbridge Management Co
TPG Angelo Gordon & Co LLP	8030 Dale St, Buena Park	12/20/2024	44,064	\$25,100,000	\$569.63	Icon Stone Inc.
Woodbridge Interiors	3089 Bristol St, Costa Mesa	12/16/2024	40,000	\$12,800,000	\$320	Soderstrom Family Trust

## Notable construction projects

Owner	Address	Submarket	Size (sf)	Est. Delivery	Asking rent
Undisclosed Owner	24821 Alicia Pkwy	Laguna Hills	53,365	June 2025	\$35.00/sf
Undisclosed Owner	14120 Culver Dr	Irvine	28,000	March 2025	\$50.00/sf

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For more market insights  
and information visit  
**avisonyoung.com**

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