

MARKET TRENDS

PENINSULA RETAIL

↑ VACANCY ↓ UNEMPLOYMENT
↑ RENTAL RATES ↔ CONSTRUCTION DELIVERIES
Year-Over-Year Change

SIGNIFICANT SALE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Villa Plaza	San Mateo	13,639	\$8,900,000	\$652.54	Kwuan And Chung 2022 Family Trust	Villa Plaza LMSFF LLC

SIGNIFICANT LEASE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Transaction Date	Tenant
Bayhill Shopping Center	San Bruno/Millbrae	4,003	April 2026	Undisclosed
2285 El Camino Real	San Mateo	1,500	April 2026	Undisclosed
267 Baldwin Ave	San Mateo	1,195	May 2026	Mini Market Marys Tipocos GT

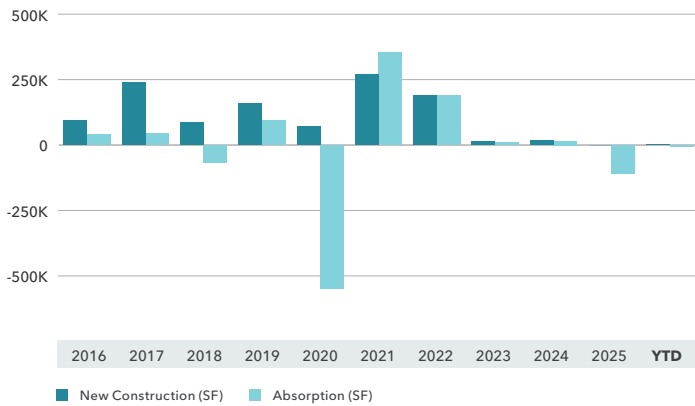
SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery
VillaSport Athletic Club	Redwood City	97,101	4Q 2026
79 Saint Francis Sq	Daly City	16,247	3Q 2026
399-127 Airport St	Moss Beach	8,500	3Q 2026

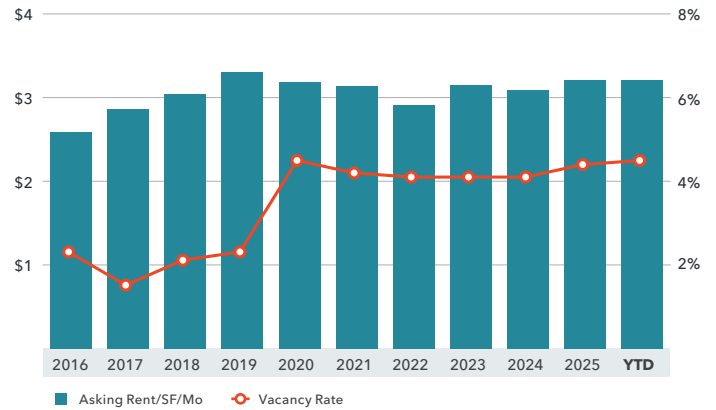
MARKET BREAKDOWN

	2Q26	1Q26	2Q25	YOY Change
Vacancy Rate	4.5%	4.6%	4.2%	30 bps
Average Asking Rents/SF/Mo	\$3.21	\$3.24	\$3.15	1.85%
Under Construction (SF)	295,848	295,848	186,601	58.55%
Average Sales Price/SF	\$470	\$524	\$536	-12.22%
Average Cap Rate	5.0%	5.0%	3.1%	190 bps
	2Q26	2026 YTD	2025 YTD	YOY Change
Construction Deliveries (SF)	0	2,630	0	N/A
Net Absorption (SF)	35,282	-7,403	-72,655	N/A

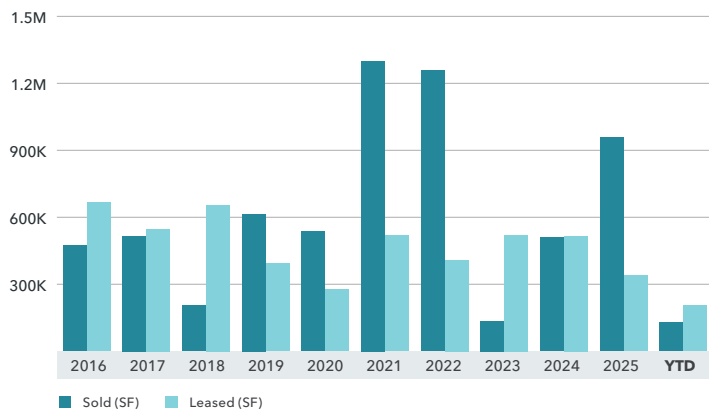
NEW CONSTRUCTION & ABSORPTION



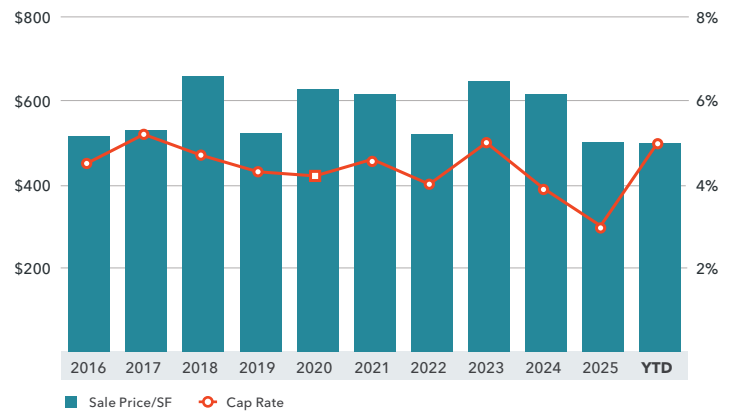
AVERAGE ASKING RENT/SF & VACANCY RATE



SALE VOLUME & LEASE VOLUME



AVERAGE SALE PRICE/SF & CAP RATES



Data Source: CoStar



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The information in this report was composed by the Kidder Mathews Research Group.

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COMMERCIAL BROKERAGE	<i>\$9B</i> AVERAGE ANNUAL TRANSACTION VOLUME	<i>32.4M</i> ANNUAL SALES SF	<i>32.5M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>54M SF</i> MANAGEMENT PORTFOLIO SIZE	<i>800+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> CLIENTS SERVED
VALUATION ADVISORY	<i>2,700+</i> AVERAGE ASSIGNMENTS	<i>42</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS