



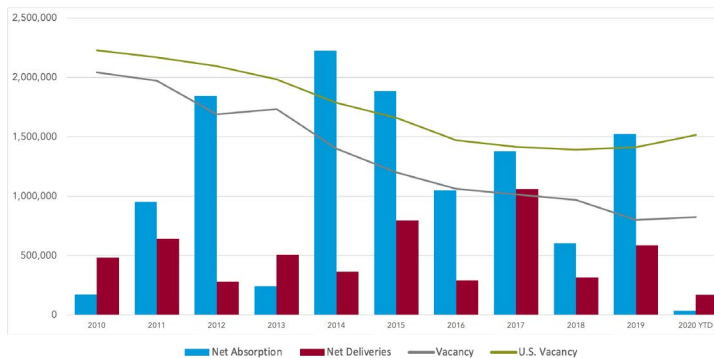
RETAIL MARKET OVERVIEW

KYLE PROSSER, *Vice President*

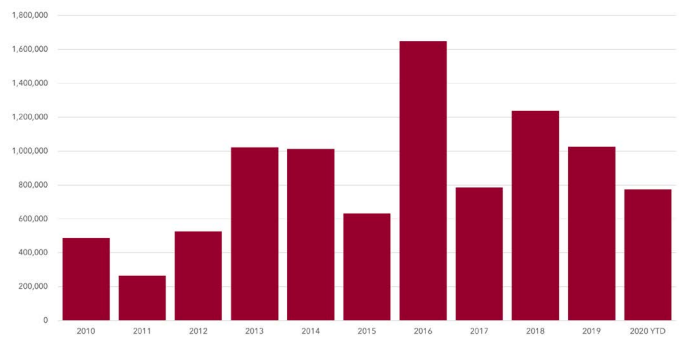
Q2 of 2020 found us in the new normal of COVID 19. Vacancy rates remained low despite the entire quarter being affected. The retail sector was the hardest hit. Restaurants struggled to remain open. Rent was paid for the first few months but then renegotiated where and when possible. Discussions centered around negotiating retail deals while including COVID language to offset rent scenarios where they were forced to shut down or operate at 50-75% capacity. In the end, most restaurants and retailers agreed that if they were able, a percentage rent deal of 6-7% was the most fair for all parties. There has been very little shakeout as of yet compared to the downturn 10-12 years ago.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	1,403,574 SF	1,844,902 SF	1,523,175 SF	1,055,832 SF	1,253,992 SF
▲ Vacancy Rate	2.6%	2.5%	2.6%	2.9%	3.0%
▼ Avg NNN Asking Rate	\$25.95 PSF	\$26.28 PSF	\$26.11 PSF	\$25.93 PSF	\$25.49 PSF
▼ Under Construction	774,044 SF	790,935 SF	1,026,552 SF	1,237,370 SF	1,607,815 SF
▲ Inventory	179,719,670 SF	179,680,379 SF	179,459,395 SF	179,293,700 SF	178,942,999 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
901 South Grady Way Renton, WA	138,439 SF	Undisclosed	Undisclosed Undisclosed	-
8102 Evergreen Way Everett, WA	126,000 SF	\$18,000,000 \$142.86 PSF	DevCo, LLC Arthur Walker	-
24800 West Valley Highway South Kent, WA	84,280 SF	Undisclosed	Undisclosed Undisclosed	-

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
416 Occidental Avenue S Seattle, WA	33,000 SF	Clise Agency, Inc.	King County Print Shop	Business Services
14903-14907 4th Street SW Burien, WA	24,261 SF	Merlone Geier Management, Inc.	Big Lots!	Retailers/Wholesalers
25015 Pacific Highway S Kent, WA	8,948 SF	Scott & Christina Hensrude	Undisclosed	Undisclosed