



SIGNIFICANT LEASE DEALS

| Address | Submarket/City | Square Feet | Tenant |
|-----------------|----------------|-------------|------------|
| 708 Shaw Rd | Puyallup | 50,000 | Safeway |
| 3610 S. Edmunds | Seattle CBD | 20,000 | PCC Market |
| 15th & Market | Ballard/U Dist | 36,400 | Target |

SIGNIFICANT BUILDING SALES

| Address City | Sale Value Type of Sale | PPSF Cap Rate | SF Class | Buyer Seller |
|-----------------------------|--------------------------------|------------------|--------------|--------------------------------|
| 106th Ave NE Bellevue | \$116,000,000 Redevelopment | \$1,702.00 - | 68,155 - | Omni Group Undisclosed |
| 15230 NE 24th St Redmond | \$41,000,000 Redevelopment | \$450.00 - | 91,100 - | Merlone Geier G Group |
| 27027 185th SE Kent | \$37,400,000 Investment | \$202.00 6.0% | 185,000 - | Weingarten Clarion Partners |

LARGEST DELIVERIES

| Address | Submarket/City | SF | Developer |
|---------------------|----------------|---------|-----------------|
| Point Ruston | Tacoma | 250,000 | MC Construction |
| Pioneer Crossing | Puyallup | 100,000 | PMF Investments |
| Olympic Town Center | Gig Harbor | 100,000 | WWR Properties |


LARGEST UNDER CONSTRUCTION

| Address | Submarket/City | SF | Delivery Date |
|--------------------|----------------|----------|---------------|
| Totem Lake Mall | Kirkland | 400,000 | 2020 |
| Tacoma Town Center | Tacoma CBD | 250,000+ | 2023 |
| - | - | - | - |

TOTAL RETAIL MARKET STATISTICS

| | Vacancy Rate | Avg. SF Rental Rates GRS | Net SF Absorption | SF Inventory | SF Under Construction |
|---------|--------------|--------------------------|-------------------|--------------|-----------------------|
| Q4 2019 | 2.60% | \$20.70 | 629,967 | 178,101,056 | 720,953 |
| Q3 2019 | 2.90% | \$20.56 | 337,897 | 177,978,553 | 825,913 |
| Q2 2019 | 3.00% | \$20.44 | 301,615 | 177,827,503 | 982,185 |
| Q1 2019 | 3.20% | \$19.98 | (120,303) | 177,886,934 | 945,404 |
| Q4 2018 | 3.10% | \$19.98 | 283,884 | 177,850,850 | 865,447 |

 **629,967** NET ABSORPTION SF

 **2.6%** VACANCY
4,625,270 SF

 **\$20.70** AVG. ASKING RATE PSF GROSS

 **142,422** DELIVERIES
8 Buildings

 **720,953** UNDER CONSTRUCTION
25 Buildings

KYLE PROSSER, Vice President

Construction prices have stabilized. Cap rates are staying below the National Index. With absorption happening at a steady pace and the pipeline being relatively light, the rents are increasing at a record pace and vacancies are at a record low. With redevelopment happening everywhere, sales prices are up as builds are razed to allow for vertical growth. We can attribute a lot of the growth to the tech companies continuing to expand and pop up in the region. Large mall users continue to go away - JCPenney's, Macy's, Sears and Toys R Us are closing nationwide including here and malls are repurposing their spaces into multi-tenant users or tearing them down to add more compatible space.