



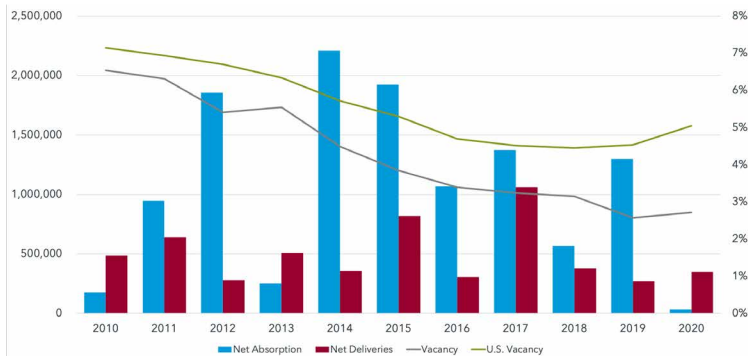
### RETAIL MARKET OVERVIEW

KYLE PROSSER, *Vice President*

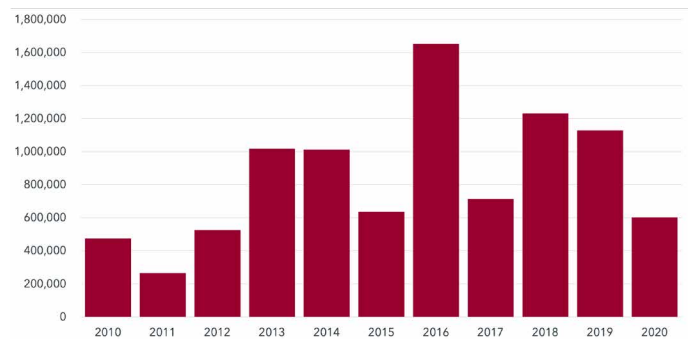
With everyone excited to move on from 2020, the year did end with some positive news. Vacancy rates dropped while absorption continued, albeit at a slower pace. With over 200 restaurants closing in Seattle, the retail sector and small businesses in general were dealt a tough hand. A resulting positive from this was the shift south to Tacoma and surrounding South Sound areas, as housing continues to boom in the region with multiple areas leading the country in activity. Still considered an underbuilt market in the retail sector, the South Sound is still in quick proximity to tech giants such as Amazon, Microsoft, Facebook and many others, which allows for the continuing trend of resiliency, providing hope that the region can bounce back more quickly than many other cities across the country.

| MARKET INDICATORS     | Q4 2020        | Q3 2020        | Q2 2020        | Q1 2020        | Q4 2019        |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| ▼ Net Absorption      | 43,756 SF      | 486,024 SF     | 1,375,614 SF   | 1,667,458 SF   | 1,300,271 SF   |
| ▼ Vacancy Rate        | 2.7%           | 2.9%           | 2.6%           | 2.5%           | 2.6%           |
| ▲ Avg NNN Asking Rate | \$26.33 PSF    | \$26.17 PSF    | \$26.14 PSF    | \$26.13 PSF    | \$25.91 PSF    |
| ▼ Under Construction  | 584,466 SF     | 592,175 SF     | 804,577 SF     | 820,946 SF     | 1,111,163 SF   |
| ▼ Inventory           | 179,890,717 SF | 179,943,783 SF | 179,837,683 SF | 179,824,722 SF | 179,542,176 SF |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF      | SIZE       | SALE PRICE                      | BUYER / SELLER   | TENANCY TYPE  |
|----------------------------------|------------|---------------------------------|--|---------------|
| 18601 33rd Ave W<br>Lynnwood, WA | 148,949 SF | Undisclosed                     | Simon Prop Grp; Brookfield Asset Mgmt<br>JC Penney Company, Inc. | Multi-Tenant  |
| 21900 Highway 99<br>Edmonds, WA  | 86,800 SF  | \$23,500,000.00<br>\$270.74 PSF | Winco Foods<br>Undisclosed                                       | Single-Tenant |
| 24800 W Valley Hwy S<br>Kent, WA | 84,280 SF  | \$15,000,000.00<br>\$177.98 PSF | Kaiser Permanente<br>Undisclosed                                 | Single-Tenant |

| TOP LEASE TRANSACTIONS BY SF        | SIZE      | LANDLORD                                | TENANT                | TENANT INDUSTRY                       |
|-------------------------------------|-----------|---|-----------------------|---------------------------------------|
| 1222 164th St SW<br>Lynnwood, WA    | 36,219 SF | iStar Inc., BW Bowling<br>Properties LP | Bowlero               | Arts, Entertainment<br>and Recreation |
| 16716 Aurora Ave N<br>Shoreline, WA | 22,647 SF | Shaun C W Leiser                        | Club Hollywood Casino | Arts, Entertainment<br>and Recreation |
| 4716 Rainier Ave S<br>Seattle, WA   | 14,505 SF | Wood Partners, City of<br>Seattle       | Undisclosed           | Undisclosed                           |

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