



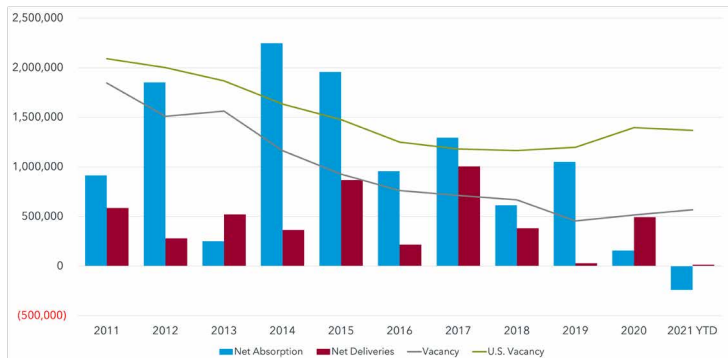
### RETAIL MARKET OVERVIEW

KYLE PROSSER, *Vice President*

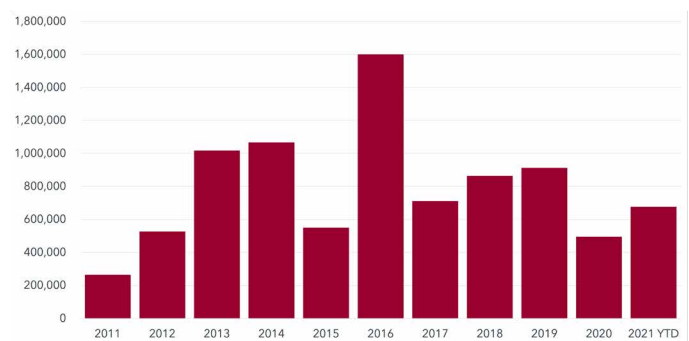
Retail across the Puget Sound is finding glimpses of hope as the return-to-office migration begins. In the South Sound, Tacoma affirms its hotspot reputation. Capitalizing on trends set by its housing market and Gen Z transplants, Tacoma's retail sector is seeing a mix of low-key cool and big-name retailers alike. Local and out-of-state roasters, artisans, retailers and restaurateurs are snapping up first floor vacancies. Major projects like downtown's Brewery Blocks are finalizing both new and pre-Covid negotiations, with grand openings slated for late summer. Heavy economic investment in transit and capital improvements will soon begin to payoff for businesses, as the city's Link Light Rail system ramps up toward its opening in 2022.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	(298,318)	(614,550)	157,018	588,701	1,201,112
▼ Vacancy Rate	2.84%	2.95%	2.71%	2.88%	2.61%
▲ Avg NNN Asking Rate PSF	\$27.65	\$27.15	\$26.81	\$26.60	\$26.44
▼ SF Under Construction	676,490	694,469	494,798	413,658	561,950
▼ Inventory SF	181,564,438	181,607,303	181,549,320	181,604,784	181,409,150

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
10600 NE 9th Plaza Bellevue, WA	301,121 SF	\$5,300,000 \$17.60 PSF	Undisclosed Washington Square One Parking	Multi-Tenant
4615 196th St SW (Portfolio Sale) Lynnwood, WA	198,706 SF	\$31,790,512 \$159.99 PSF	Benderson Development Company The Kroger Co	Multi-Tenant
8530 Evergreen Way (Portfolio Sale) Everett, WA	182,203 SF	\$32,571,970	Benderson Development Company The Kroger Co	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
20025 410th Hwy E Bonney Lake, WA	55,335 SF	Albertsons Stores Sub LLC	Kohl's	Retailer
12900-12960 SE Kent Kangley Road Kent, WA	46,090 SF	City of Kent, Lakha Kent Properties LLC	LA Fitness	Arts, Entertainment
4786-4790 1st Avenue S Seattle, WA	31,687 SF	Terreno Realty Corp	Undisclosed	Undisclosed