



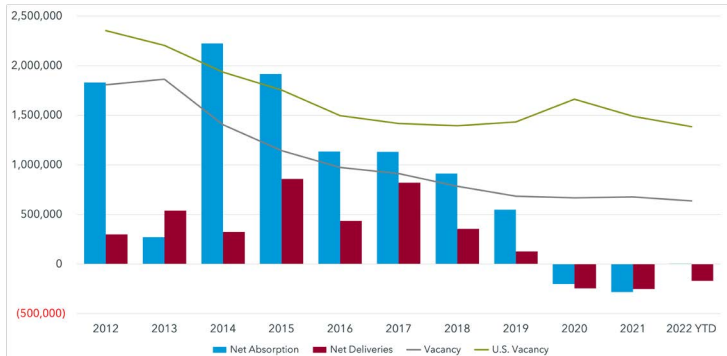
RETAIL MARKET OVERVIEW

KYLE PROSSER, *Vice President*

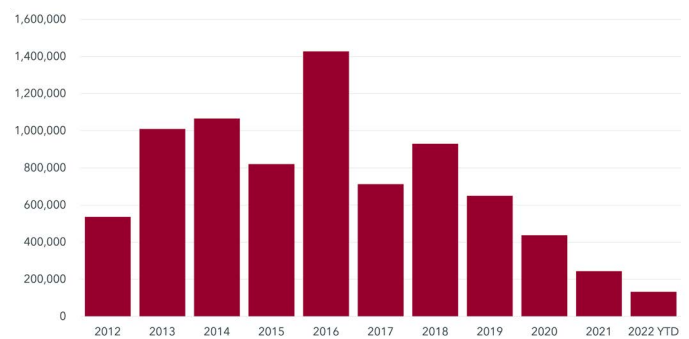
As retail continued a strong push and a quick recovery through Q2, only one thing could stop it - the Fed! As interest rates rose quickly, retail seemed to slow considerably. Add it to the fact that summer arrived, and with people returning to traveling, a slow down in activity was felt all around. Vacancy rates rose slightly from Q1's 2.5% to 2.6% in Q2. Inventory dropped only slightly as new product from prior quarters reached completion. Although submarkets vary, asking rates continue to hover between \$27-\$28/SF as an overall average around the Puget Sound.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	203,243	332,201	(282,050)	(242,122)	(807,870)
▲ Vacancy Rate	2.6%	2.5%	2.7%	2.8%	2.9%
▼ Avg NNN Asking Rate PSF	\$27.78	\$27.80	\$27.61	\$27.56	\$27.42
▼ SF Under Construction	132,314	222,392	243,921	257,161	365,213
▼ Inventory SF	180,805,287	180,813,779	180,973,103	181,096,538	181,149,011

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
300-330 NE Northgate Way (Portfolio Sale), Seattle, WA	303,679 SF	Undisclosed	Kite Realty Group Trust Retail Properties of America, Inc.	Multi-Tenant
10600 NE 9th Plaza Bellevue, WA	301,121 SF	\$5,300,000 \$1760 PSF	American Capital Group Washington Sq One Parking	Multi-Tenant
4615 196th St SW (Portfolio Sale) Lynnwood, WA	198,706 SF	\$32,408,548 \$163.10 PSF	Benderson Development Co The Kroger Company	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1414 72nd Street E Tacoma, WA	42,099 SF	PMF Investments LLC	Urban Air Adventure Park	Entertainment
2800 Milton Way Milton, WA	28,891 SF	Culligan Management Co	Ace Hardware	Retailer
1928 S Commons Federal Way, WA	28,775 SF	Merlone Geier Mgmt, Inc	Burlington	Retailer

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