



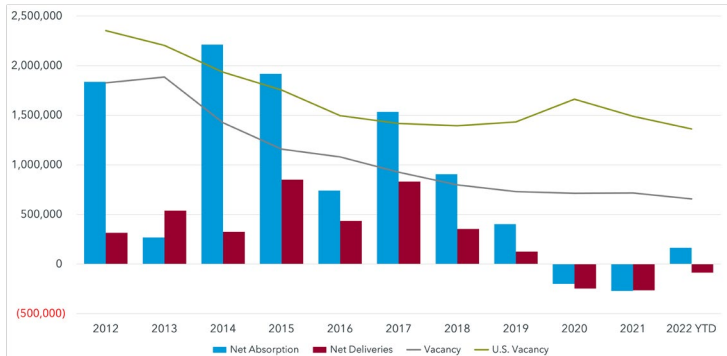
RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

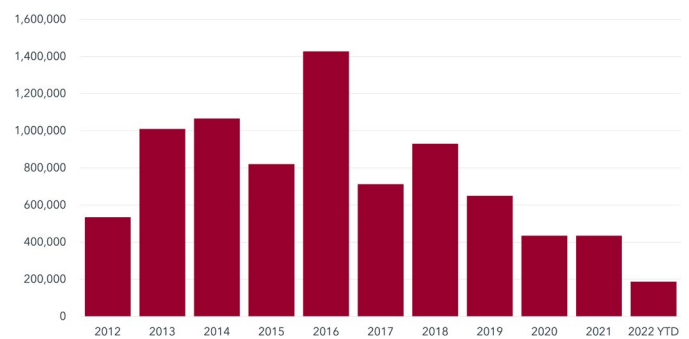
As inflation rises along with the cost of goods, retailers continue to adapt to market issues. The lack of available employees is a persistent challenge that has resulted in a shrunken workforce. Restaurants have raised wages and enhanced their benefit offerings yet still, according to a recent Puget Sound Business Journal article, the regional workforce is 3,000 people short of the pre-pandemic mark of 256,000. Some establishments continue to only offer the drive-thru or pick-up services they adopted in 2021-2022. Washington will see a minimum wage increase of 8.66% in 2023 which may drive more employees to return to service work, and the upcoming midterm election could also impact these trends in coming months.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▲ 12 Mo. Net Absorption SF	162,551	121,171	283,130	(269,993)	(221,303)
◀▶ Vacancy Rate	2.7%	2.7%	2.6%	2.8%	2.9%
▲ Avg NNN Asking Rate PSF	\$27.83	\$27.68	\$27.54	\$27.33	\$27.23
▼ SF Under Construction	187,260	357,517	413,370	434,851	374,091
▲ Inventory SF	179,357,844	179,179,507	179,244,057	179,443,567	179,580,282

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
17171-17535 Bothell Way NE (Part of Portfolio Sale), Lake Forest Park, WA	209,182 SF	\$48,091,290 \$510.89 PSF	Merlone Geier Management, Inc. CBRE Inv Mgmt/Merlone Geier Mgmt	Multi-Tenant
1175 NW Gilman Blvd (Part of Portfolio Sale), Issaquah, WA	115,093 SF	\$38,025,033 \$330.39 PSF	Mehran Rafizadeh Sato Corporation	Multi-Tenant
20120-20336 Ballinger Way NE Shoreline, WA	94,157 SF	\$22,986,891 \$244.13 PSF	Retail Opportunity Investments Corp CBRE Inv Mgmt/Merlone Geier Mgmt	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1302 SE Everett Mall Way Everett, WA	114,406 SF	Brixton Capital AC LLC	At Home	Retailer
2559 172nd Street NE Marysville, WA	24,144 SF	Evans Wakefield	Planet Fitness	Services
710 SE Everett Mall Way Everett, WA	21,118 SF	Kennewick Center LLC	Spirit Halloween	Retailer

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