



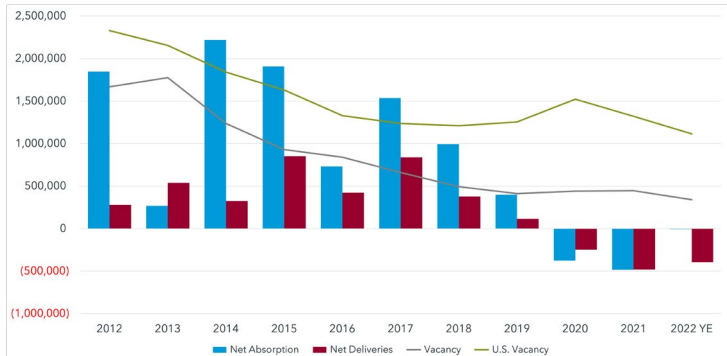
RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

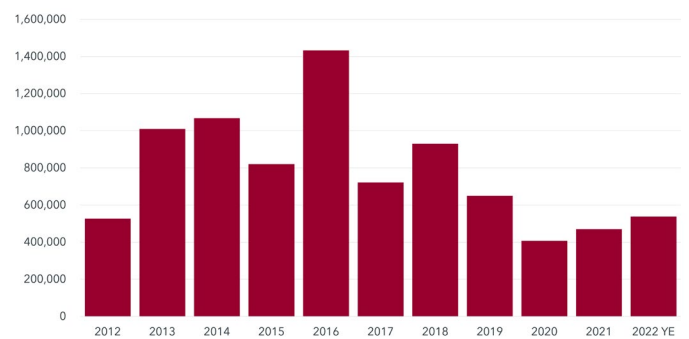
Inflation and higher interest rates are here to stay! Although interest rates hover around 7%, people are still spending money. Prices remain level. Inventory remains low. Many investors recall rates at 13% in the late 1980's and 7% doesn't seem to be enough of a barrier to stop people from buying. Retail continues to take hits. Just this week in Tacoma, two long time retailers announced that they were forced to close. The biggest problem continues to be our labor market - retailers are struggling to have enough employees to keep their businesses open and are constantly adapting to new and better ways to serve customers.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	(6,873)	(242,851)	(207,765)	58,005	(484,103)
▼ Vacancy Rate	2.68%	2.70%	2.84%	2.63%	2.89%
▲ Avg NNN Asking Rate PSF	\$28.25	\$27.91	\$27.83	\$27.68	\$27.46
▼ SF Under Construction	538,279	562,007	613,283	636,495	470,399
▲ Inventory SF	178,893,352	178,859,377	178,950,893	179,014,727	179,287,696

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
505 SE Everett Mall Way* Everett, WA	83,035 SF	Undisclosed	Transnational Investments ACF Property Management, Inc.	Single-Tenant
31 Montana Avenue Tacoma, WA	67,862 SF	\$11,000,000 \$162.09 PSF	Islamic Center of Tacoma Fitness Evolution Corp Office	Multi-Tenant
26015 14th Avenue SE Kent, WA	67,240 SF	\$5,000,000 \$74.36 PSF	Undisclosed Merlone Geier Management, Inc.	Single-Tenant

*Part of 4-property Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
31 Montana Avenue Everett, WA	57,546 SF	Islamic Center of Tacoma	Zenith West Academy	Arts, Entertainment and Recreation
7601 - 7625 Evergreen Way Tacoma, WA	22,800 SF	Oregon Public Employees Retirement	Big Box Outlet	Retailer
710 SE Everett Mall Way Everett, WA	21,118 SF	Undisclosed	Brooks Running Shoes	Retailer

