



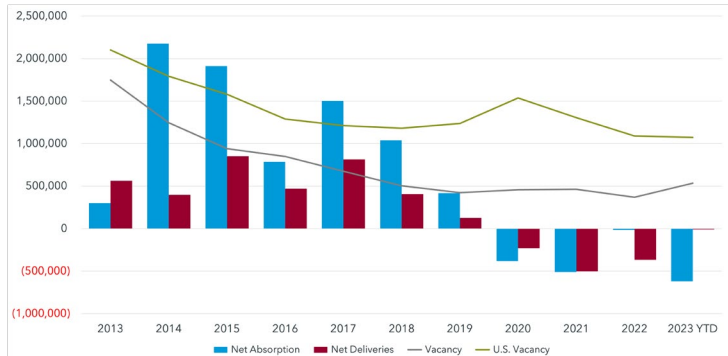
### RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

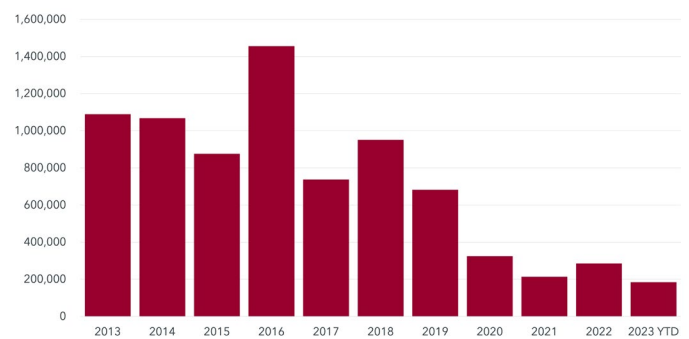
The greater Seattle area's retail real estate market subtly shifts, with vacancy rates gently ascending and retail rates steadfastly unmoving. The once reliable employee pool now presents unpredictability, prompting unexpected closures and a reshuffling of business hours. Banks, casting a more discerning eye, scrutinize projects from 2018-19, and a cautious resurgence of foreclosures emerges, unseen in recent years. The evolving economic landscape necessitates a delicate balancing act from stakeholders, who must navigate through these nuanced changes with strategic foresight and adaptability to maintain stability and foster future opportunities. Despite these challenges, consumer confidence surprisingly remains high, offering a glimmer of optimism as the holiday season approaches.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(358,344)	(163,407)	(564,459)	(14,586)	(408,809)
▲ Vacancy Rate	3.04%	3.01%	2.94%	2.74%	2.75%
▲ Avg NNN Asking Rate PSF	\$29.61	\$29.33	\$29.07	\$28.69	\$28.32
▼ SF Under Construction	184,278	329,347	338,965	285,178	456,839
▲ Inventory SF	180,990,477	180,963,268	181,026,841	181,000,864	180,827,026

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
20115 74th Avenue, NE Arlington, WA	64,375 SF	\$6,500,000 \$100.97 PSF	Undisclosed Merlone Geier Management	Single-Tenant
2616-2638 Bellevue Way NE Bellevue, WA	49,767 SF	\$14,500,000 \$291.36 PSF	Northstream Development Co. Azose Commercial Properties	Multi-Tenant
12505 Pacific Avenue, South Tacoma, WA	38,979 SF	\$4,030,000 \$103.39 PSF	Bowlero Corporation Gary A. Glein	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
303 91st Avenue, NE Lake Stevens, WA	24,875 SF	Saar Properties LLC	Planet Fitness	Recreation
19701-19723 Highway 99 Lynnwood, WA	21,636 SF	BlackRock, Inc.	ACE Hardware	Retailer
555 108th Avenue, NE Bellevue, WA	21,200 SF	Vulcan	Undisclosed	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com