



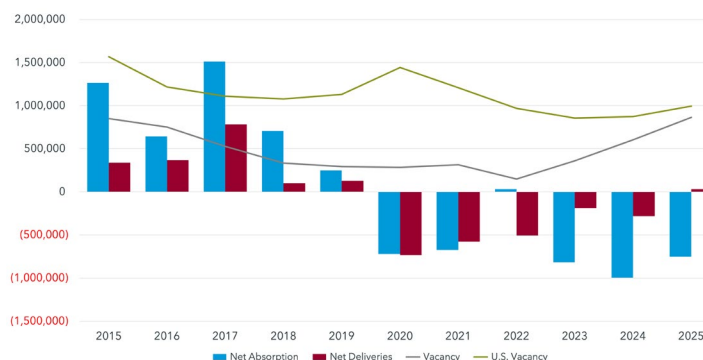
### RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

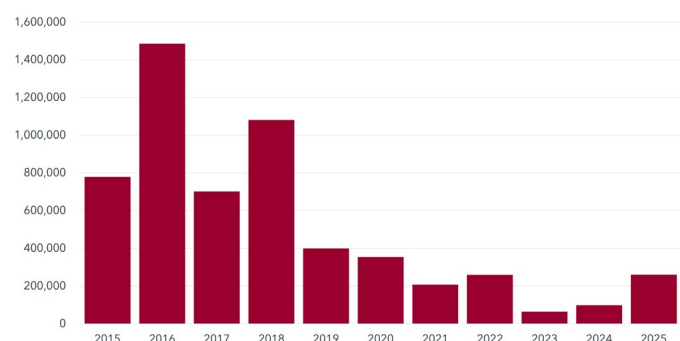
Quarter 4 pushed more of the same narrative from the prior year. Cap rates rose slightly to average about 6.3%. On a dollar per square foot basis, prices dropped slightly for the 2nd quarter in a row. Vacancy continued to rise slightly for the 5th quarter in a row but still stayed under the national average of 4.28%. New retail construction was slow but steady. We are excited to see what 2026 brings and hope a drop in interest rates will continue to spur growth.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(752,929)	(1,028,173)	(528,138)	(152,385)	(829,551)
▲ Vacancy Rate	4.10%	4.0%	3.8%	3.40%	3.40%
▼ Avg NNN Asking Rate PSF	\$30.30	\$30.94	\$30.09	\$29.41	\$29.35
▼ Sale Price PSF	\$337.00	\$344.60	\$394.51	\$282.82	\$164.37
▲ Cap Rate	6.30%	6.10%	6.60%	5.50%	6.70%
▼ Under Construction SF	259,885	295,243	266,118	460,713	402,096
▲ Inventory SF	174,594,704	173,930,109	175,075,101	181,802,871	182,335,556

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
17171-17535 Bothell Way, NE Lake Forest Park, WA	203,087 SF	\$28,896,737 \$142.78 PSF	DRA Advisors Merlone Geier	Multi-Tenant
7411 W. Canal Drive Kennewick, WA	158,333 SF	\$7,505,911 \$47.41 PSF	BPG Investments Sierra Financial	Multi-Tenant
5830 N. Division Street Spokane, WA	146,000 SF	\$6,980,861 \$47.81 PSF	Ben Hawkins Burlington Stores, Inc.	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3500 S. Meridian Puyallup, WA	115,045 SF	Cafaro	Discount Collection Depot	Overstock/Liquidation
4730 N. Division Spokane, WA	101,445 SF	Summit Properties	Undisclosed	Undisclosed
2500 Union Gap Union Gap, WA	63,443 SF	Morris G. Shore	Burlington Coat Factory	Department Store

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