



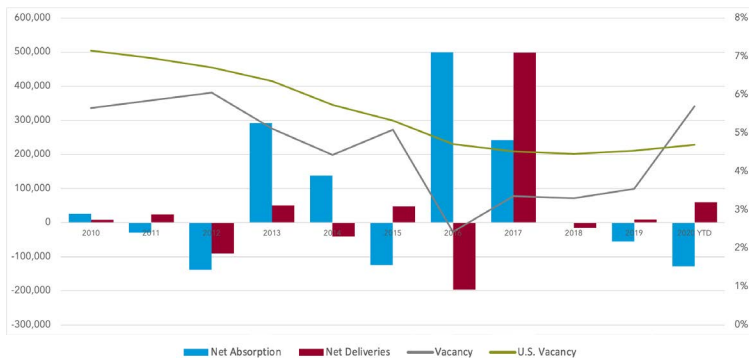
RETAIL MARKET OVERVIEW

JODI SHOEMAKE, *Founding Principal*

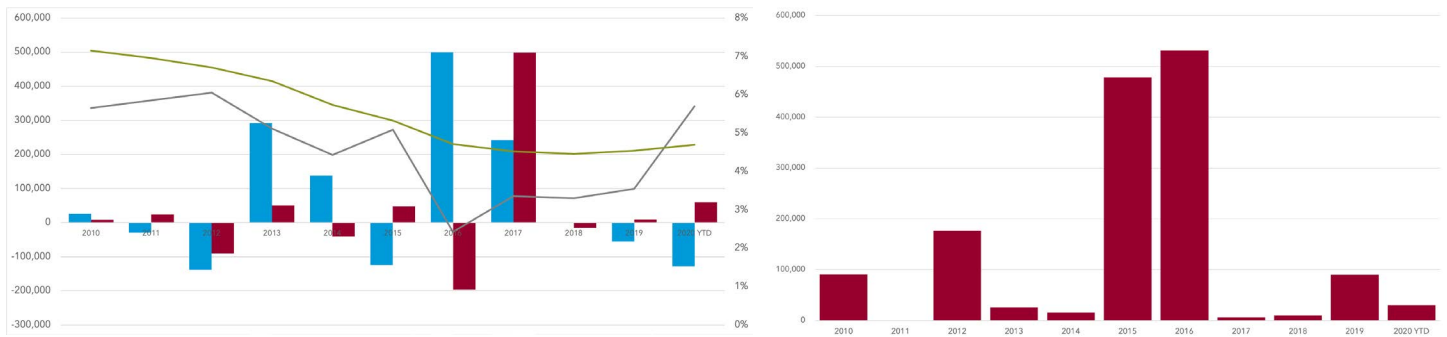
Overall vacancy in the Tri-Cities retail market increased slightly to 4.2% in the 2nd Quarter of 2020. Lease transaction volume was down 30% from the 1st Quarter 2020; however, average lease rates held steady at \$3.07 per month on a triple net basis. Although some commercial properties have recently sold at discounts between 10%-30% in other US metropolitan markets since the pandemic began, Tri-Cities has yet to see a significant downward pressure on rental rates or sale prices.

| MARKET INDICATORS | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| ▲ Net Absorption | (45,077) SF | (70,392) SF | (30,217) SF | 44,965 SF | (11,873) SF |
| ▲ Vacancy Rate | 4.2% | 4.0% | 3.5% | 3.4% | 3.6% |
| ▲ Avg NNN Asking Rate | \$36.84 PSF | \$36.48 PSF | \$36.60 PSF | \$34.32 PSF | \$34.20 PSF |
| ◀ ▶ Under Construction | 30,000 SF | 30,000 SF | 90,000 SF | 60,000 SF | 65,121 SF |
| ▲ Inventory | 26,318,906 SF | 26,308,842 SF | 26,248,842 SF | 26,248,842 SF | 26,243,721 SF |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---------------------------------------|-----------|------------------------------|---|---|
| 14 N. Fair Oaks Blvd Pasadena, CA | 30,955 SF | \$16,100,000 \$520.00 PSF | Frank Chen Federal Realty Investment Trust | Mixed-Use; Grnd Flr leased to Pottery Barn |
| 219-221 N Central Ave Glendale, CA | 23,657 SF | \$4,800,000 \$202.90 PSF | Gevorg Khachatryan Red Mountain Retail Group | Conversion to Multifamily |
| 1202 E Green St Pasadena, CA | 4,061 SF | \$2,680,000 \$659.94 PSF | Grace H. Huang Marcus Johns | Improved Spa/Salon |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|-----------|-----------------------|---------------------|-----------------------------|
| 1410 Huntington Dr South Pasadena, CA | 23,361 SF | BH Partnership | Grocery Outlet | Supermarkets |
| 901 Fair Oaks Ave South Pasadena, CA | 3,847 SF | The Kuzter Company | Proposed Restaurant | Restaurant |
| 102 S. Lake Ave Pasadena, CA | 3,066 SF | Pasadena Pacific, LLC | Casper | Digital Native/ Mattress |