



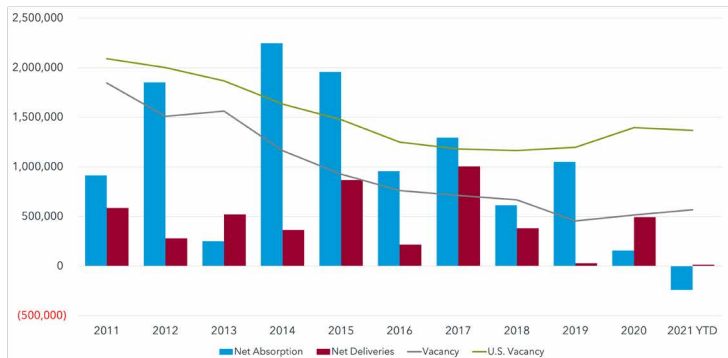
RETAIL MARKET OVERVIEW

KYLE PROSSER, *Vice President*

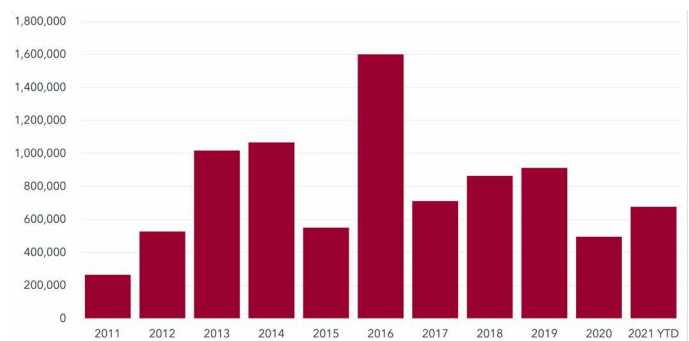
Retail across the Puget Sound is finding glimpses of hope as the return-to-office migration begins. In the South Sound, Tacoma affirms its hotspot reputation. Capitalizing on trends set by its housing market and Gen Z transplants, Tacoma's retail sector is seeing a mix of low-key cool and big-name retailers alike. Local and out-of-state roasters, artisans, retailers and restaurateurs are snapping up first floor vacancies. Major projects like downtown's Brewery Blocks are finalizing both new and pre-Covid negotiations, with grand openings slated for late summer. Heavy economic investment in transit and capital improvements will soon begin to payoff for businesses, as the city's Link Light Rail system ramps up toward its opening in 2022.

| MARKET INDICATORS | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | (298,318) | (614,550) | 157,018 | 588,701 | 1,201,112 |
| ▼ Vacancy Rate | 2.84% | 2.95% | 2.71% | 2.88% | 2.61% |
| ▲ Avg NNN Asking Rate PSF | \$27.65 | \$27.15 | \$26.81 | \$26.60 | \$26.44 |
| ▼ SF Under Construction | 676,490 | 694,469 | 494,798 | 413,658 | 561,950 |
| ▼ Inventory SF | 181,564,438 | 181,607,303 | 181,549,320 | 181,604,784 | 181,409,150 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|--|------------|------------------------------|--|--------------|
| 10600 NE 9th Plaza Bellevue, WA | 301,121 SF | \$5,300,000 \$17.60 PSF | Undisclosed Washington Square One Parking | Multi-Tenant |
| 4615 196th St SW (Portfolio Sale) Lynnwood, WA | 198,706 SF | \$31,790,512 \$159.99 PSF | Benderson Development Company The Kroger Co | Multi-Tenant |
| 8530 Evergreen Way (Portfolio Sale) Everett, WA | 182,203 SF | \$32,571,970 | Benderson Development Company The Kroger Co | Multi-Tenant |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|-----------|--|-------------|---------------------|
| 20025 410th Hwy E Bonney Lake, WA | 55,335 SF | Albertsons Stores Sub LLC | Kohl's | Retailer |
| 12900-12960 SE Kent Kangley Road Kent, WA | 46,090 SF | City of Kent, Lakha Kent Properties LLC | LA Fitness | Arts, Entertainment |
| 4786-4790 1st Avenue S Seattle, WA | 31,687 SF | Terreno Realty Corp | Undisclosed | Undisclosed |

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