



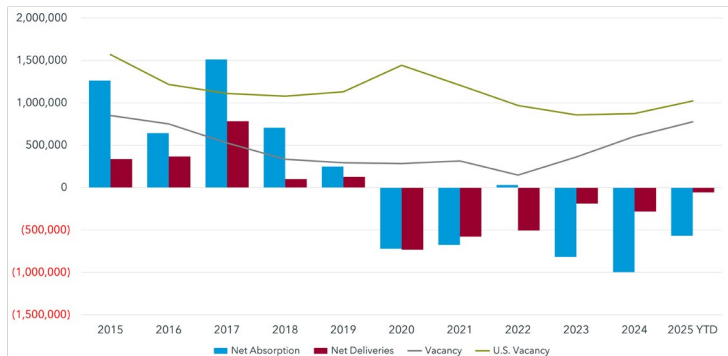
### RETAIL MARKET OVERVIEW

KYLE PROSSER, *Principal*

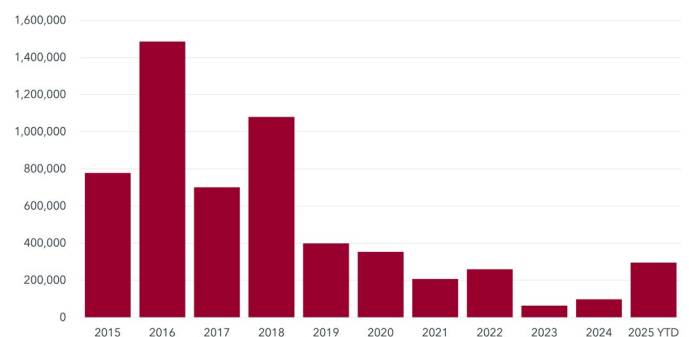
Retail in Washington stayed fairly stagnant for Q3. Vacancy rates continued to rise. Mortgage rates dropped momentarily and then increased as a surprise to most of us and cap rates hovered right above 6%. Sales activity was slow as rumors of rate drops have been pushed out months or potentially longer. Brokers are optimistic about a strong finish to 2025 and a super active 2026. As rates drop, we feel that interest in buying will shoot up as there is a lot of money currently sitting on the sideline.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(1,028,173)	(528,138)	(152,385)	(829,551)	(429,189)
▲ Vacancy Rate	4.0%	3.8%	3.40%	3.40%	3.30%
▲ Avg NNN Asking Rate PSF	\$30.94	\$30.09	\$29.41	\$29.35	\$29.34
▼ Sale Price PSF	\$344.60	\$394.51	\$282.82	\$164.37	\$337.00
▼ Cap Rate	6.1%	6.6%	5.50%	6.70%	5.94%
▲ Under Construction SF	295,243	266,118	460,713	402,096	-
▼ Inventory SF	173,930,109	175,075,101	181,802,871	182,335,556	182,396,180

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1200-1240 Marvin Road NE Lacey, WA	93,319 SF	\$21,000,000 \$225.03 PSF	Agree Realty Corporation First Western Development	Single-Tenant
730 Edvard Street Poulsbo, WA	35,835 SF	\$3,500,000 \$97.67 PSF	Doug Nelson Realty Income Corporation	Single-Tenant
5319 NE 94th Vancouver, WA	27,224 SF	\$6,443,969 \$236.70 PSF	City of Vancouver Michael Lynch	Redevelopment

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
120 N. Fair Avenue Yakima, WA	36,003 SF	Wallace Properties	Undisclosed	Undisclosed
44 Bellevue Way Bellevue, WA	35,000 SF	Bosa Development	Bellevue Pickleball Club	Athletics
3023 E. 28th Avenue Spokane, WA	30,735 SF	Vandervert Developments & Hotels	Bowling Alley	Athletics

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 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com