Availability increases amid declining absorption and sales

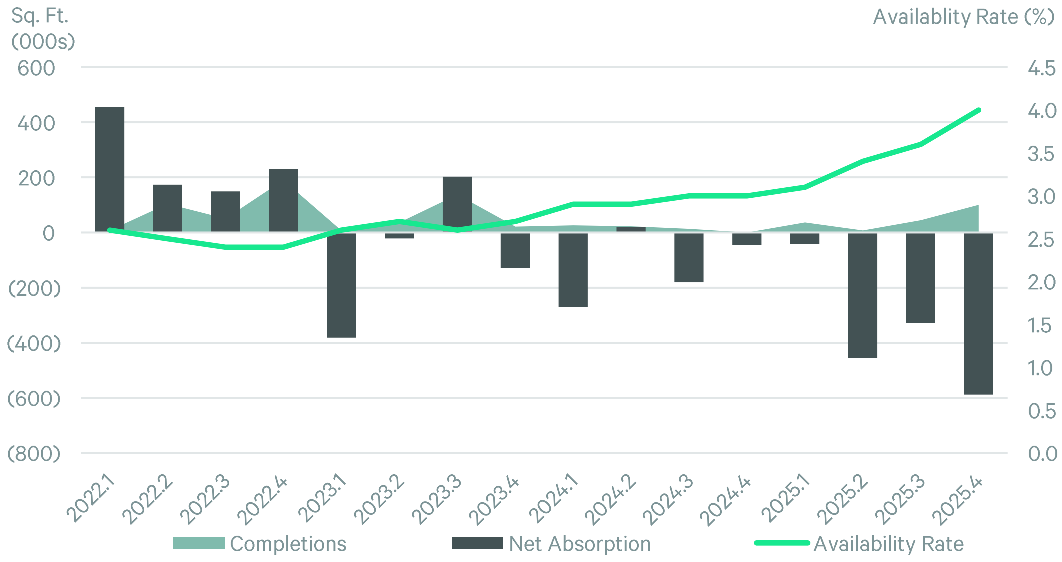
▲ 4.0%	▼ (588K)	▲ 100K	▼ $24.46
Availability Rate	SF Net Absorption	SF Completed	Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The Seattle retail market ended Q4 2025 with an availability rate of 4.0%, a 0.4% increase from Q3, as store closures and slower tenant expansions added supply to the market.
- Net absorption declined further, totaling negative 588,000 sq. ft. in Q4, compared to negative 328,000 sq. ft. in Q3. This trend reflects a broader period of recalibration in the retail sector, as slowing consumer activity and moderating employment growth has begun to impact leasing velocity.
- New deliveries saw a sharp uptick, with over 100,000 sq. ft. added to the market in Q4.The quarter's largest completion was the 74,000-sq.-ft. Floor & Décor in Woodinville, marking the largest delivery in the past three years.
- The average net asking rent declined slightly to $24.46, down $0.24 from the prior quarter, as concessions rose in select submarkets.
- Retail investment sales totaled $170.1 million, down from $292.7 million in Q3, amid elevated borrowing costs and lighter deal flow. Investor sentiment remains cautious, although select well-located assets (such as grocery-anchored centers) continue to attract interest.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q4 2025.

Market Performance

FIGURE 2: Market Statistics by Product Type

Market	Inventory (SF, 000s)	Availablity Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Lifestyle & Mall	12,018	4.7	(109)		$30.76
Neighborhood, Community & Strip	56,870	6.1	(586)	16	$24.35
Power Center	7,721	3.3	(15)	-	$50.00
Street, Freestanding, Other	77,878	2.4	122	84	-
Total Market	154,487	4.0	(588)	100	$24.46

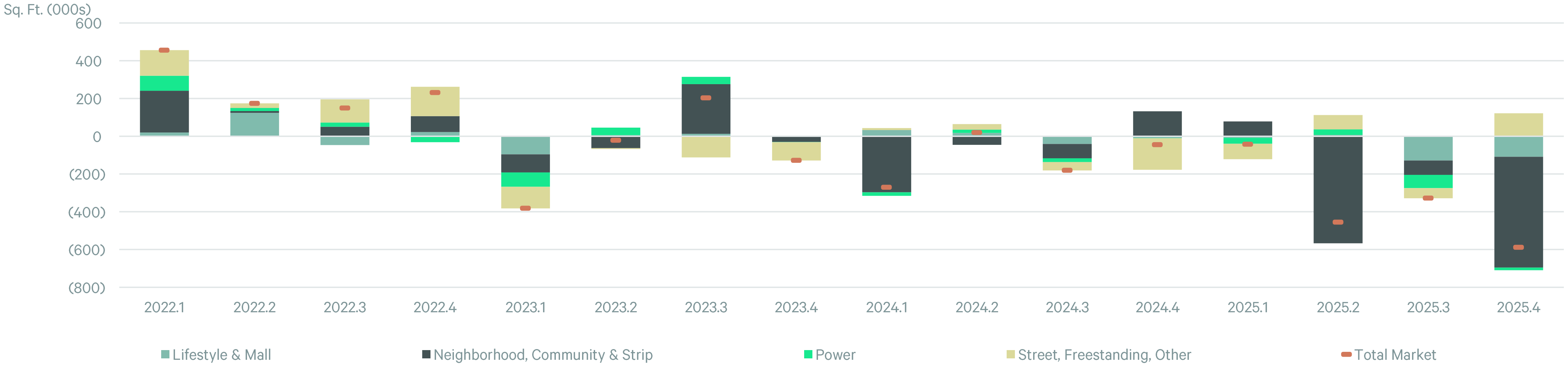
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 3: Market Statistics by Submarket

Market	Inventory (SF 000s)	Availability Rate (%)	Net Absorption (SF 000s)	Completions (SF 000s)	Net Rent
Downtown Seattle	4,470	9.4	(58)	-	$21.44
Eastside	24,642	3.2	(85)	74	$40.63
Northend	45,799	3.5	(49)	-	$22.87
Southend	40,745	4.0	(124)	7	$24.37
Tacoma	38,831	4.5	(272)	19	$21.32
Total Market	154,487	4.0	(588)	100	$24.46

Source: CBRE Econometric Advisors, Q4 2025.

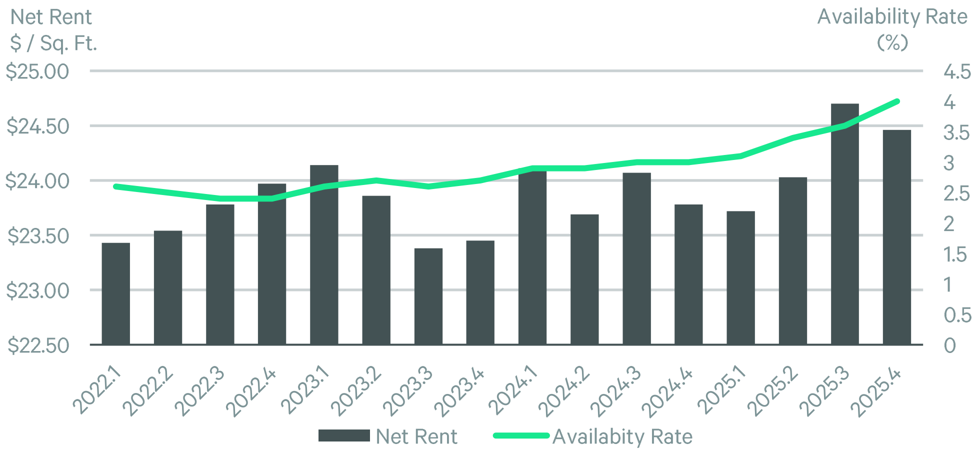
FIGURE 4: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q4 2025.

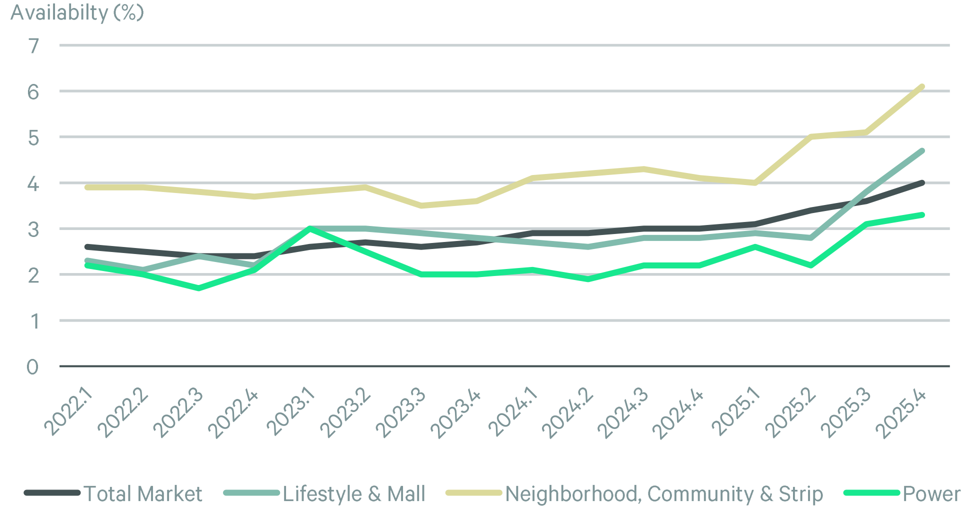
Asking Rents & Availability

FIGURE 5: Net Asking Rent ($) and Availability Rate (%)



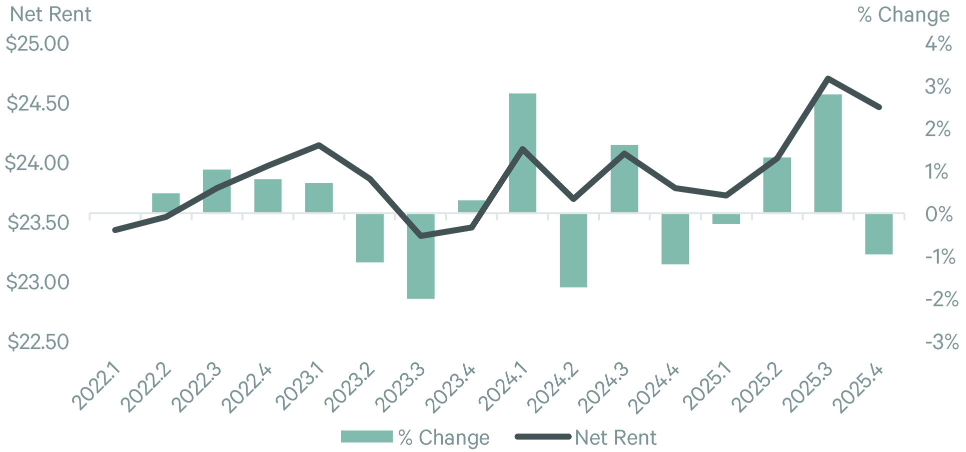
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 6: Total Availability by Center Type (%)



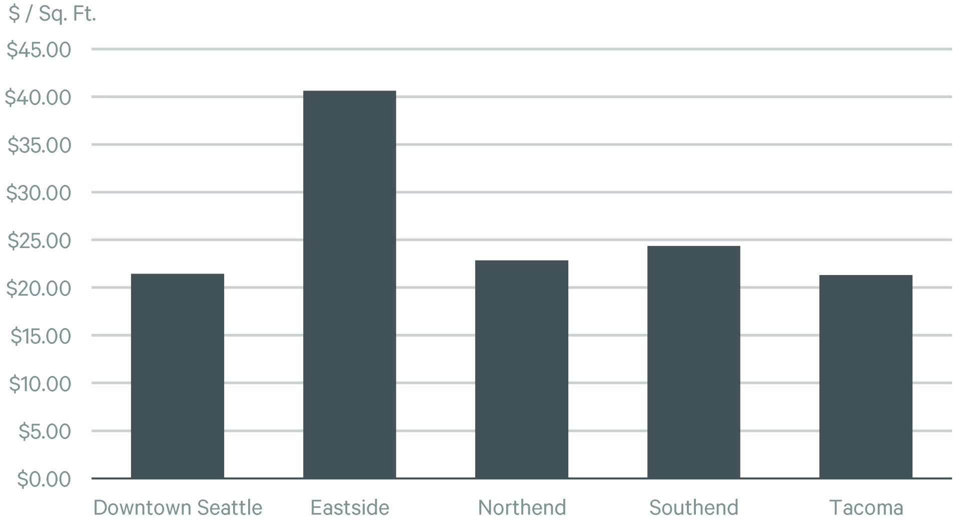
Source: CBRE Econometric Advisors, Q4 2025.

FIGURE 7: Net Asking Rent and % Change



Source: CBRE Econometric Advisors, Q4 2025.

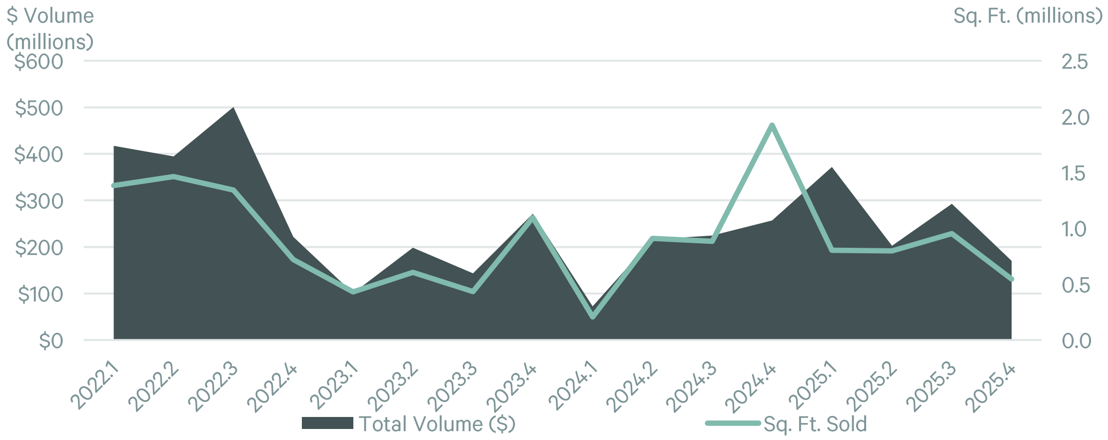
FIGURE 8: Top 5 Submarket by Net Asking Rent ($/SF/Yr NNN)



Source: CBRE Econometric Advisors, Q4 2025.

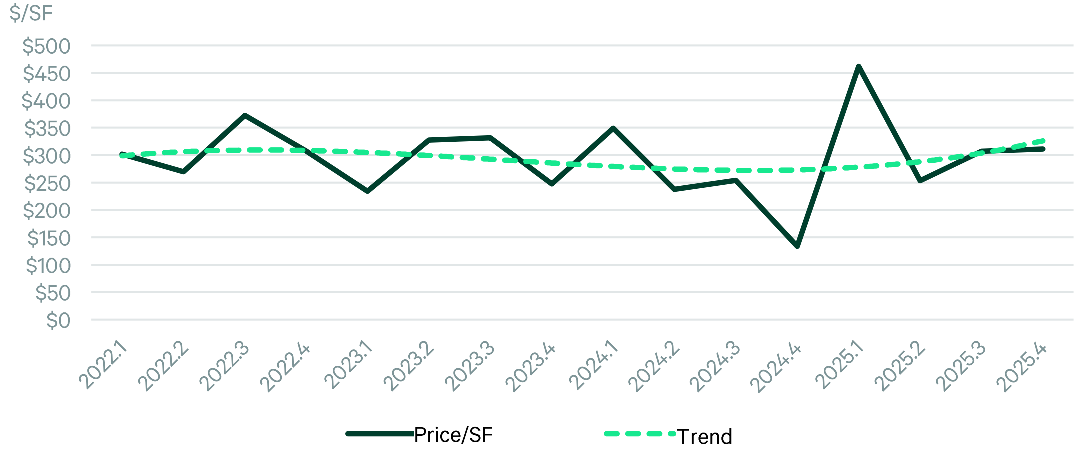
Investment Sales

FIGURE 9: Retail Investment Sale Volume



Source: MSCI Real Capital Analytics, Q4 2025.

FIGURE 10: Retail Investment Sale Price Per Sq. Ft. ($/Sq. Ft.)



Source: MSCI Real Capital Analytics, Q4 2025.

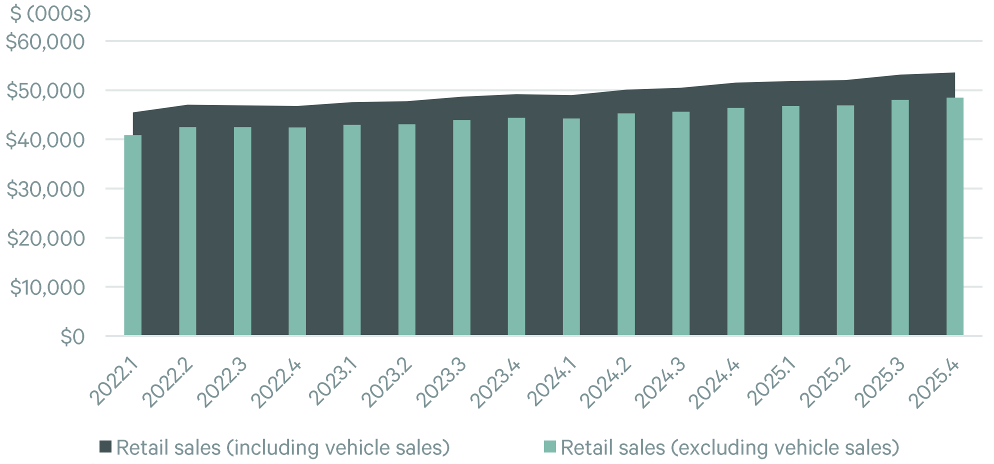
FIGURE 11: Q4 2025 Notable Sale Transactions

Buyer	Property Name	City	Building SF	Sale Price
Phillips Edison & Co (REIT)	Surprise Lake Square	Milton	125,672	$41,040,000
Sagard Real Estate	Market at Lake Stevens	Lake Stevens	74,130	$29,250,000
Christopher Taylor	Lake Serene Center	Lynnwood	29,983	$13,700,000
AutoZone	Office Max	Seattle	23,500	$7,800,000
Emmaus Capital LLC	Big Lots	Olympia	35,776	$5,587,000
Murso Properties LLC	Value Village	Kent	29,410	$4,350,000
William B Belknap	5308 112th Street East	Tacoma	16,750	$4,000,000
Surjit Singh	Browns Point Town Center	Browns Point	39,974	$3,788,221
Jae H Han	Grocery Outlet - Federal Way	Federal Way	18,870	$3,587,500
Iyengo Andrew-Jaja	4020 S Steele St	Tacoma	12,960	$3,500,000

Source: MSCI Real Capital Analytics & CoStar, Q4 2025.

Economic Overview

FIGURE 12: Total Retail Sales ($, 000s)

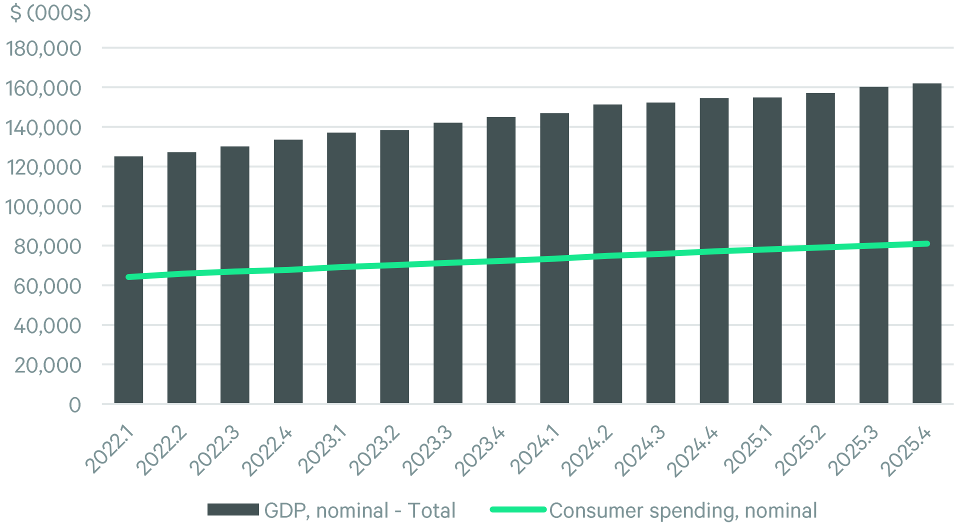


Source: Oxford Economics, Q4 2025.

FIGURE 13: Retail Employment vs. Unemployment

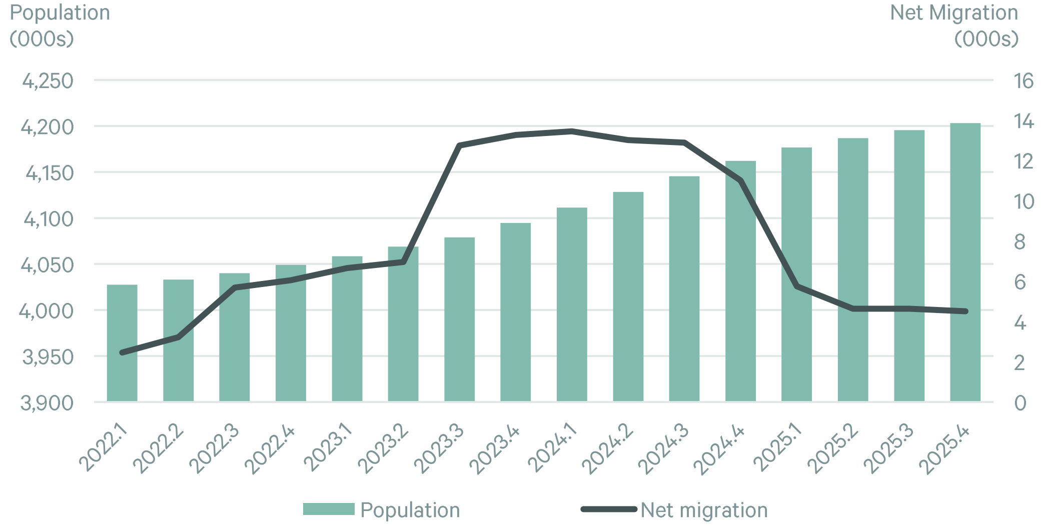
Source: Oxford Economics, Q4 2025.

FIGURE 14: GDP & Consumer Spending ($, 000s)



Source: Oxford Economics, Q4 2025.

FIGURE 15: Total Population & Net Migration



Source: Oxford Economics, Q4 2025.

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Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The Seattle market consists of King County, Pierce County, and Snohomish County.