

Q1 2025

SOUTH PUGET SOUND HEALTHCARE INSIGHTS

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01 MARKET TAKEAWAYS

02 RENTON/TUKWILA

03 FEDERAL WAY/AUBURN

04 TACOMA

05 PUYALLUP

06 OLYMPIA/LACEY

07 TEAM OVERVIEW

TENANT DEMAND CONTINUES TO RISE, PROMOTING POSITIVE MOMENTUM

Expansion into new markets is fueling a tremendous amount of leasing activity.

SOUTH PUGET SOUND Q1 INSIGHTS

TOTAL SF	8,753,858
VACANCY	2.97%
VACANT SF	260,204
AVERAGE CLASS A ASKING RENT PSF NNN	\$32.00
AVERAGE CLASS B ASKING RENT PSF NNN	\$25.00
AVERAGE MONTHS TO LEASE	6-9 Months
AVERAGE MARKET SALE PRICE PSF	\$300.00 PSF
AVERAGE MARKET CAP RATE	6.75%
AVERAGE MONTHS TO SALE	4 - 9 Months

Leasing activity continues to gain momentum as health systems aggressively expand into new markets following years of pandemic-related stagnation. With a renewed focus on growth and patient outreach, healthcare providers are actively pursuing strategic locations to enhance their service delivery. At the same time, private equity investment remains strong, injecting capital into the marketplace and accelerating expansion efforts across multiple sectors. This influx of demand is driving competition for quality space and placing upward pressure on occupancy levels.

This elevated level of leasing activity is directly fueling a surge in investor demand, as owners and investors can now approach these markets with greater confidence. Strong tenant activity, coupled with rising rental rates, has created a more predictable and attractive investment environment. Investors are increasingly targeting assets in high-demand submarkets where stabilized occupancy and positive absorption trends provide strong underwriting fundamentals. The combination of steady tenant expansion, limited new supply, and upward rent pressure is enhancing asset valuations and compressing cap rates in select areas. As market fundamentals continue to improve, investor competition is expected to intensify throughout the remainder of 2025.

FEATURED LISTINGS



SUNRISE MEDICAL CAMPUS
11102 Sunrise Boulevard E
Puyallup, WA

LEASE



ALLENMORE B MOB
1901 S Union Ave
Tacoma, WA

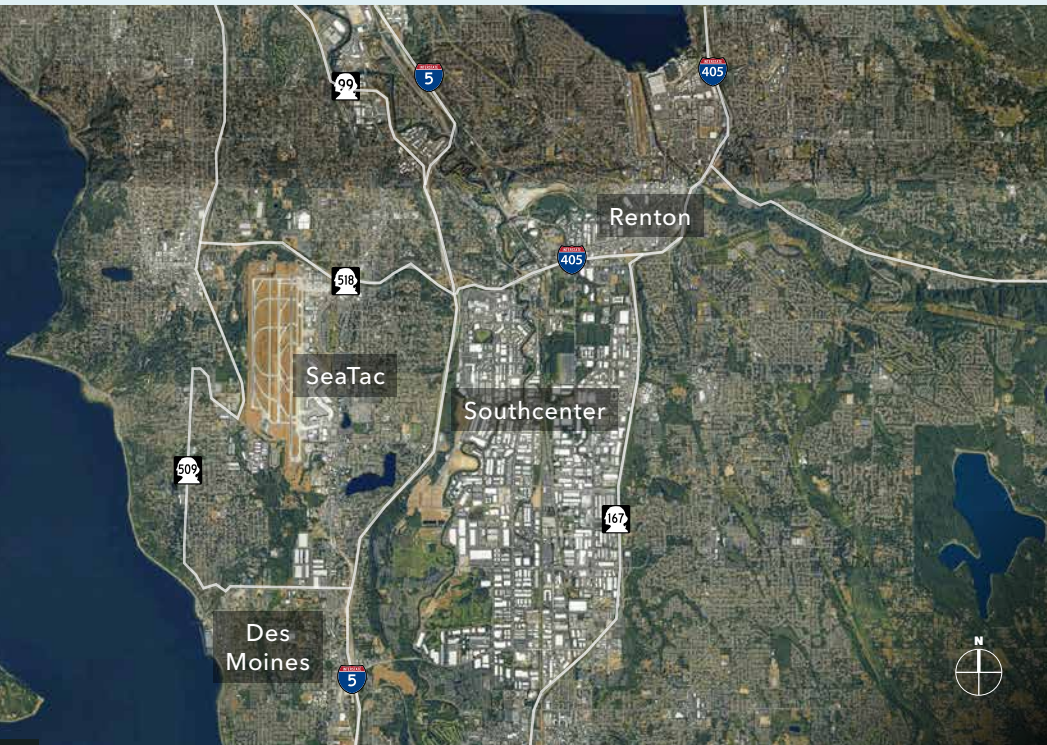
LEASE



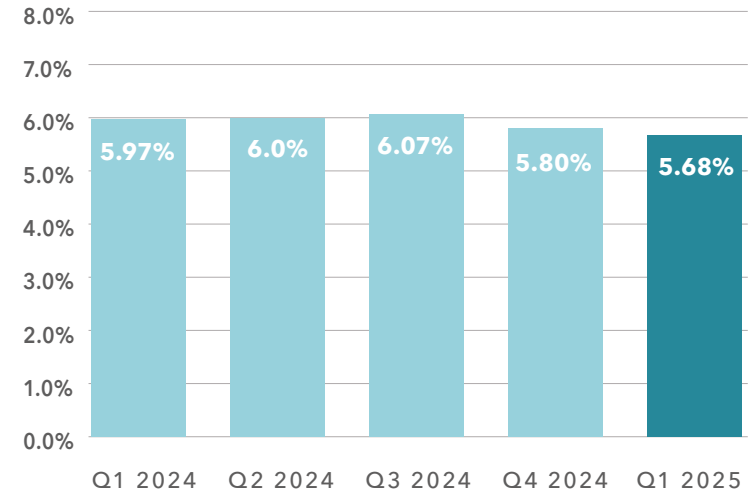
MILGARD MEDICAL PAVILION
11511 Canterwood Blvd NW
Gig Harbor, WA

LEASE

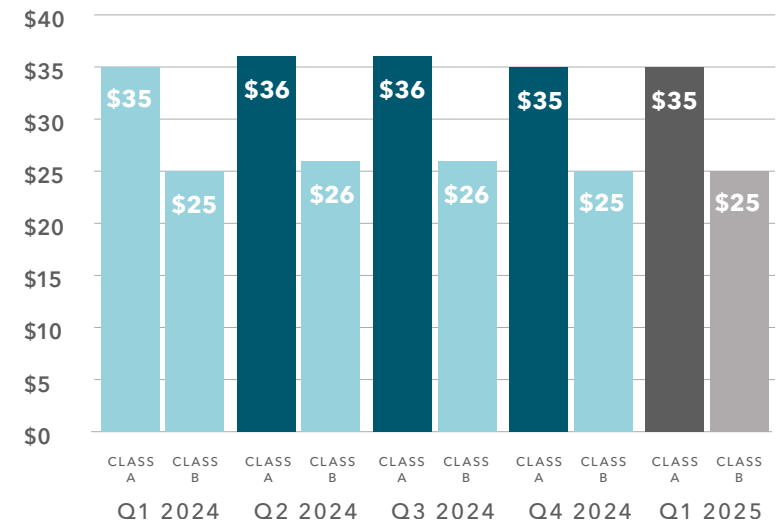
1.9M INVENTORY SF	107,090 VACANT SF	0.00% ANNUAL RENT GROWTH
5.68% VACANCY RATE	6.75% MARKET CAP RATE	\$314 MARKET SALE PSF



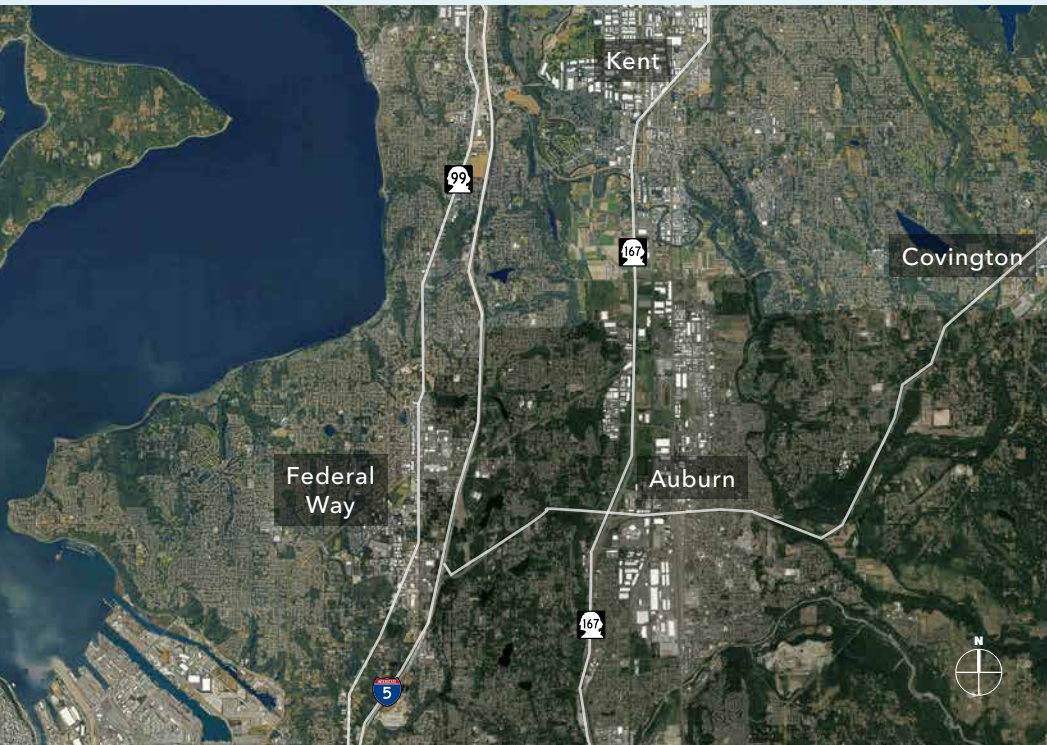
Vacancy Rate



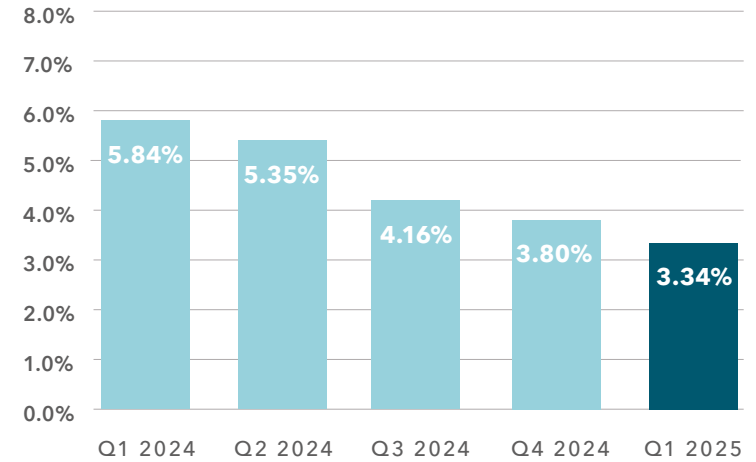
Average Asking Rent PSF NNN



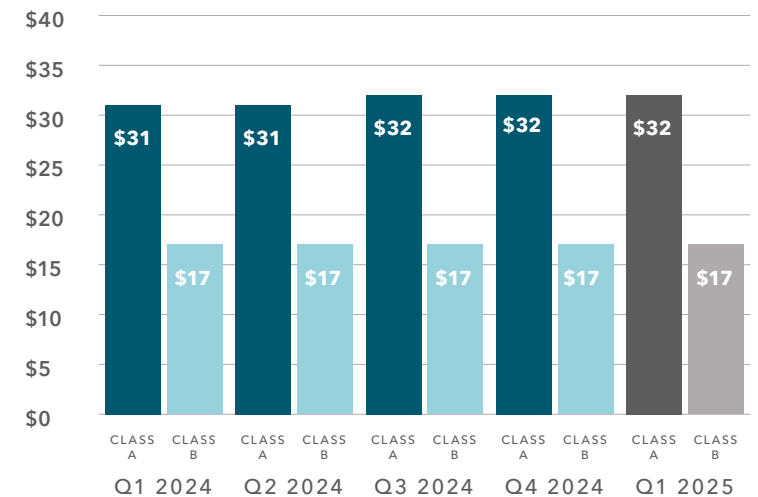
840K INVENTORY SF	28,048 VACANT SF	0.00% ANNUAL RENT GROWTH
3.34% VACANCY RATE	6.75% MARKET CAP RATE	\$285 MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



3.6M
INVENTORY SF

70,618
VACANT SF

6.25%
ANNUAL RENT
GROWTH

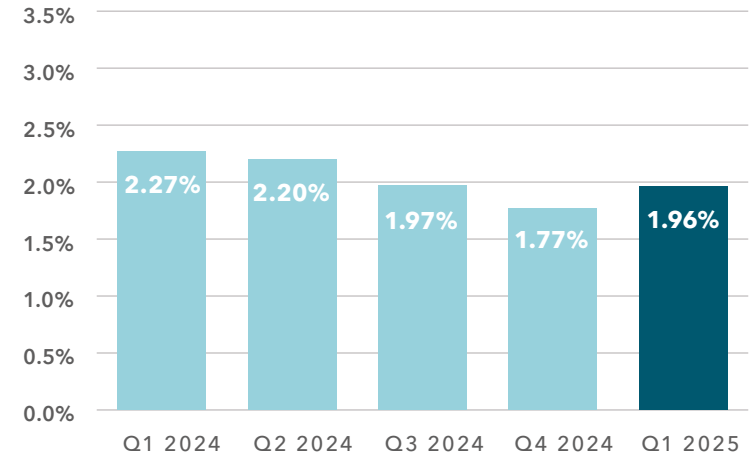
1.96%
VACANCY RATE

6.50%
MARKET CAP RATE

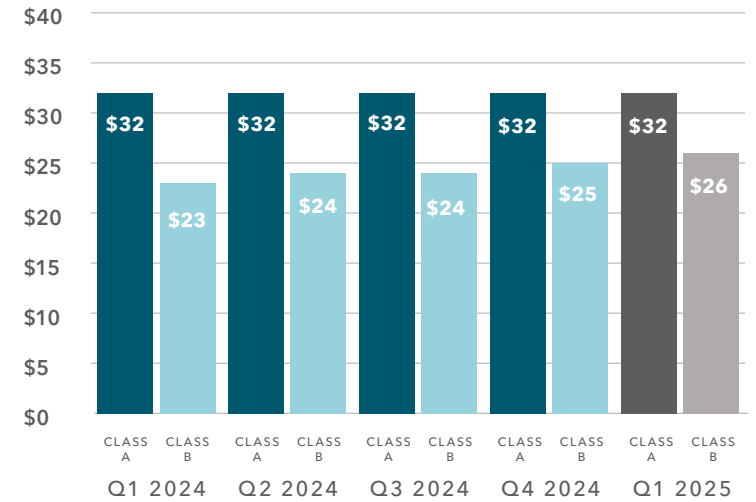
\$315
MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



1.3M
INVENTORY SF

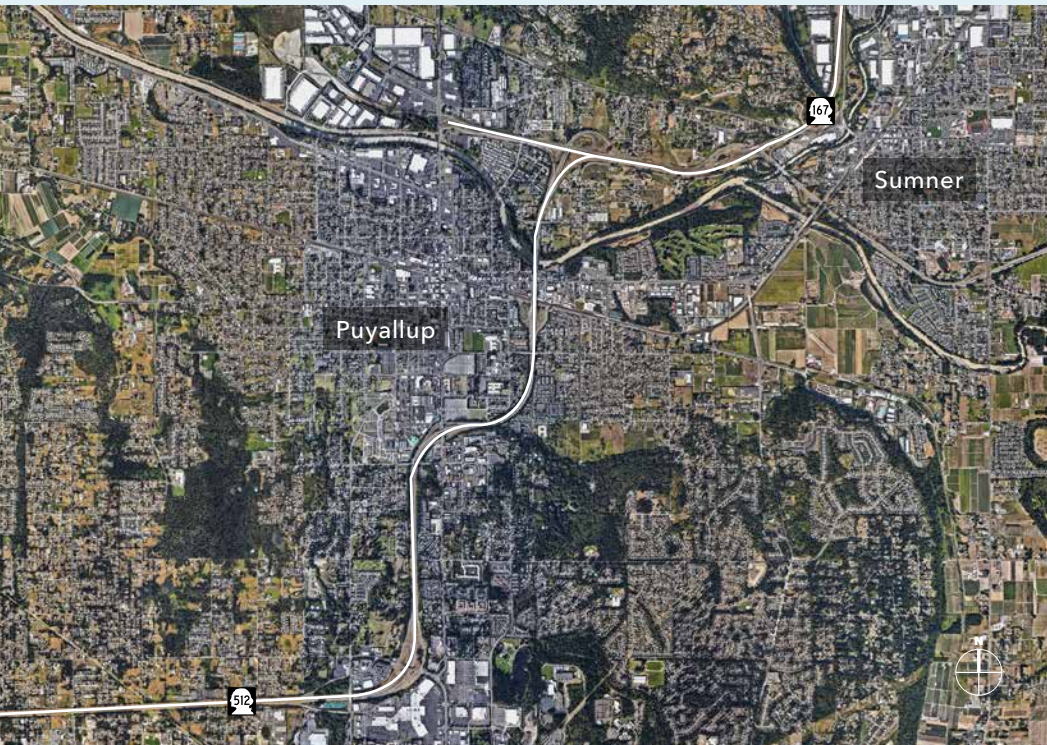
31,349
VACANT SF

9.30%
ANNUAL RENT
GROWTH

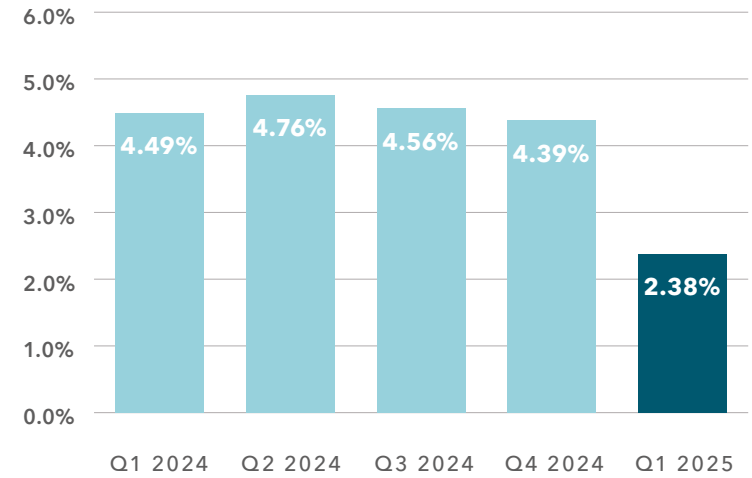
2.38%
VACANCY RATE

6.50%
MARKET CAP RATE

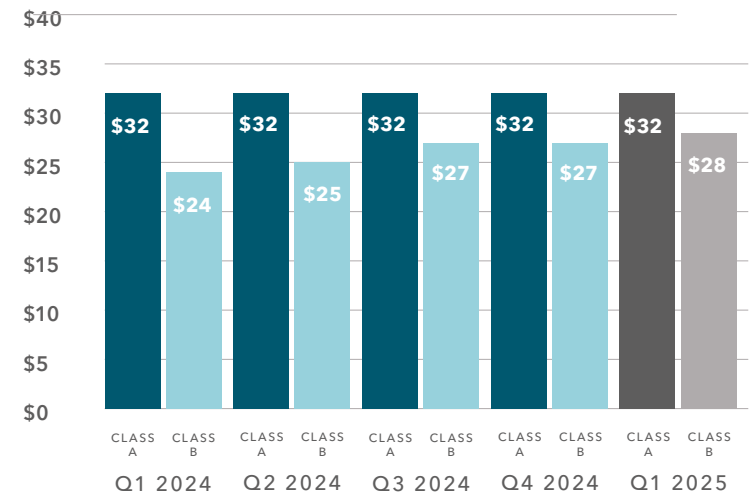
\$320
MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



1.1M
INVENTORY SF

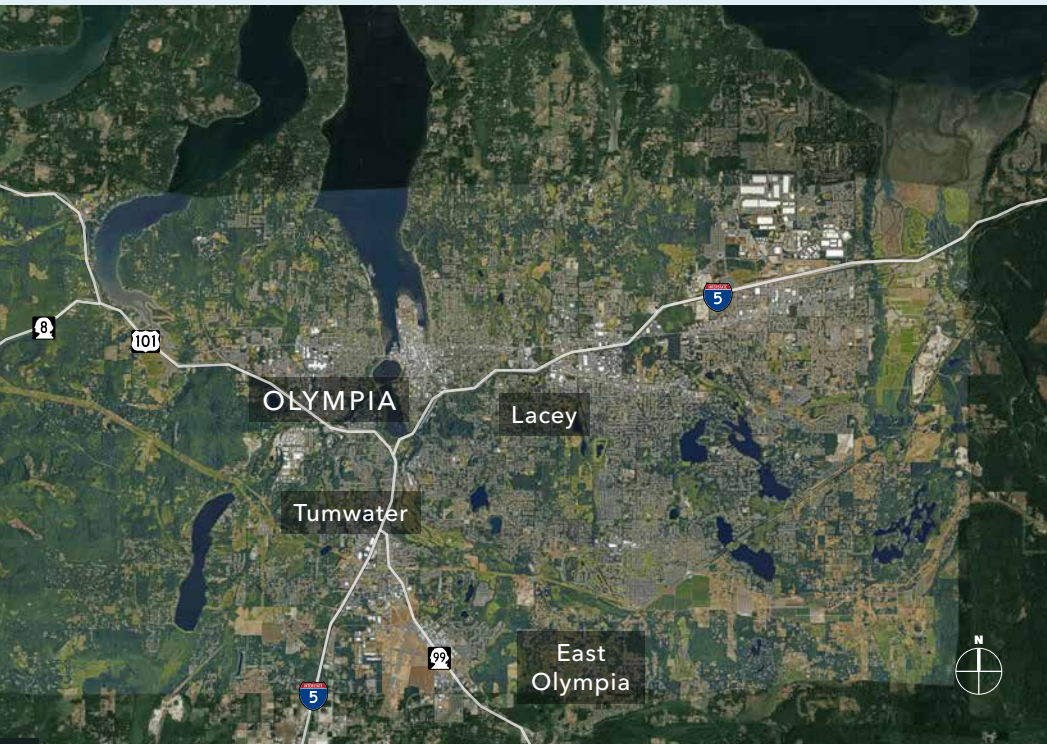
23,099
VACANT SF

6.50%
ANNUAL RENT
GROWTH

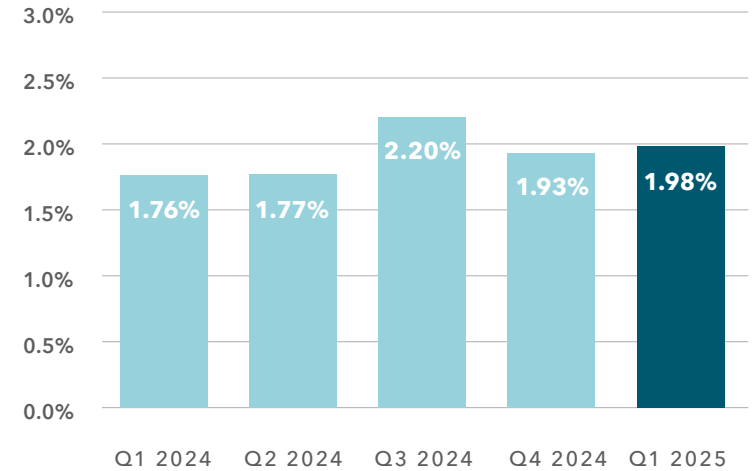
1.98%
VACANCY RATE

7.00%
MARKET CAP RATE

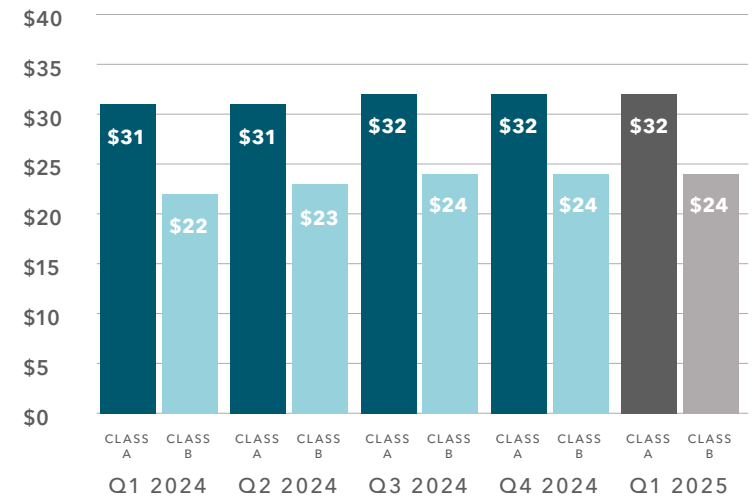
\$245
MARKET SALE PSF



Vacancy Rate



Average Asking Rent PSF NNN



MEET THE *TEAM*

Office & healthcare experts specializing in landlord and tenant representation, as well as sales, including investment and owner/user.

As members of the Kidder Mathews Healthcare and Office groups, we have completed over \$243,000,000 in sales in the last 24 months and actively represent more than 7 million square feet of property that we pride ourselves on keeping leased. We care deeply about our clients and always strive to go above and beyond to create successful long-term partnerships.

Kidder Mathews is the largest independent commercial real estate firm in the Western U.S., with 900 real estate professionals and staff in 19 offices in Washington, Oregon, Idaho, California, Arizona, and Nevada

482

TRANSACTIONS

\$800M

TOTAL VOLUME

7M+

TOTAL SF

\$243M *transactions within the last 24 months*

WILL FRAME

Executive Vice President,
Shareholder

2018-2019 & 2021-2022
KM "Big Hitter" award winner
and Top Producer



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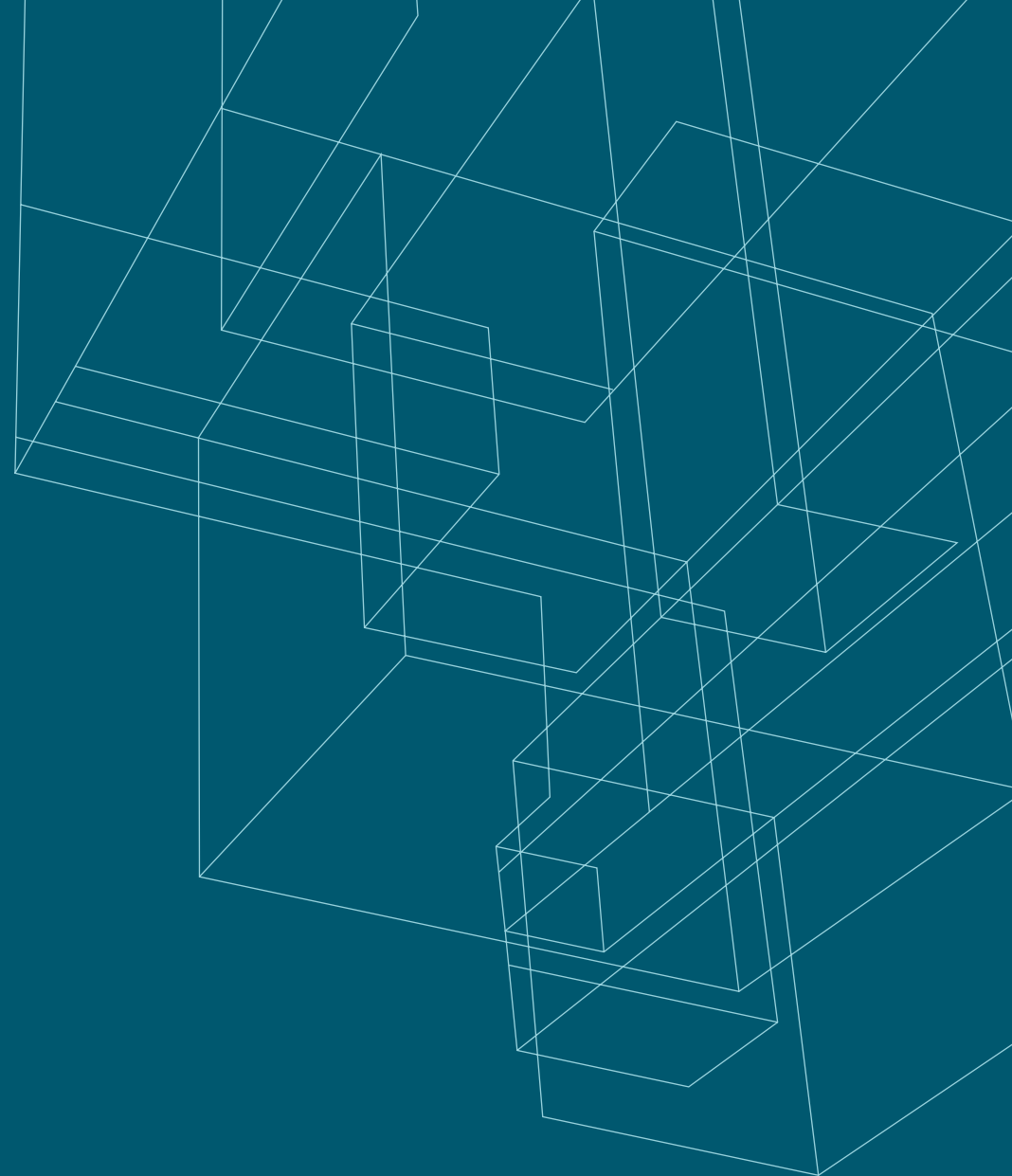
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