

Q4 2025

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# SOUTH PUGET SOUND HEALTHCARE INSIGHTS





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*Prepared by*

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Mathews**

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*03* FEDERAL WAY/AUBURN

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*04* TACOMA

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# 2025 HEALTHCARE REAL ESTATE TRENDS REFLECT *CONSISTENCY, GROWTH, AND LONG TERM DEMAND*

## SOUTH PUGET SOUND Q4 INSIGHTS

TOTAL SF	8,690,241
VACANCY	2.43%
VACANT SF	216,350
AVERAGE CLASS A ASKING RENT PSF NNN	\$33.00
AVERAGE CLASS B ASKING RENT PSF NNN	\$27.00
AVERAGE MONTHS TO LEASE	3 - 9 Months
AVERAGE MARKET SALE PRICE PSF	\$320 PSF
AVERAGE MARKET CAP RATE	6.75%
AVERAGE MONTHS TO SALE	4 - 9 Months

## FEATURED LISTINGS



**THREE TREE MEDICAL ARTS**  
16259 Sylvester Rd SW  
Burien, WA

LEASE



**MERIDIAN PROF CENTER**  
2910 S Meridian  
Puyallup, WA

LEASE



**SUNRISE MEDICAL CENTER**  
11102 Sunrise Blvd E  
Puyallup, WA

LEASE

## *What The Frame Team saw across 102 transactions in 2025*

Based on 102 transactions completed by The Frame Team in 2025, the takeaway was consistency. While other property types worked through uncertainty, healthcare real estate remained active and steady. Providers stayed focused on growth, access, and long-term positioning, keeping vacancy low across most submarkets and reinforcing the sector's stability.

Tenant demand throughout the year centered on medical office buildings that support outpatient care. Well located properties near hospitals, dense residential areas, and major corridors consistently outperformed. Practices prioritized functional layouts, strong parking ratios, and spaces that support patient experience and operational efficiency, while outdated or poorly configured buildings saw less interest.

Healthcare groups approached real estate decisions with confidence. Many practices expanded or relocated to better serve growing patient volumes, while larger systems focused on strengthening their regional presence. Lease terms continued to trend longer, reflecting a desire for stability and control in an evolving healthcare landscape.

On the investment side, healthcare continued to attract strong interest. Pricing remained firm as investors favored the sector's durable demand and credit quality. Private buyers and owner users were especially active, targeting well maintained assets with stable tenancy and long-term upside.

By year end, healthcare real estate stood out as one of the most reliable asset classes. Steady demand, resilient occupancy, and long-term fundamentals position the market well heading into 2026.

**1.9M**

INVENTORY SF

**74,066**

VACANT SF

**4.76%**

ANNUAL RENT GROWTH

**3.94%**

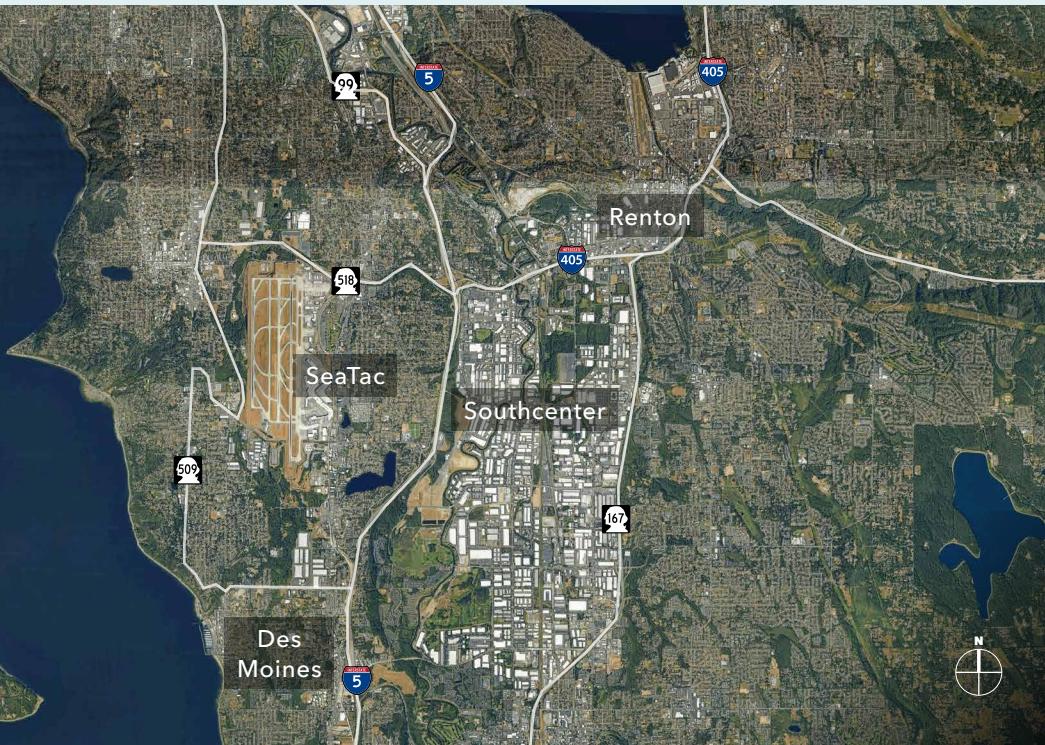
VACANCY RATE

**6.75%**

MARKET CAP RATE

**\$310**

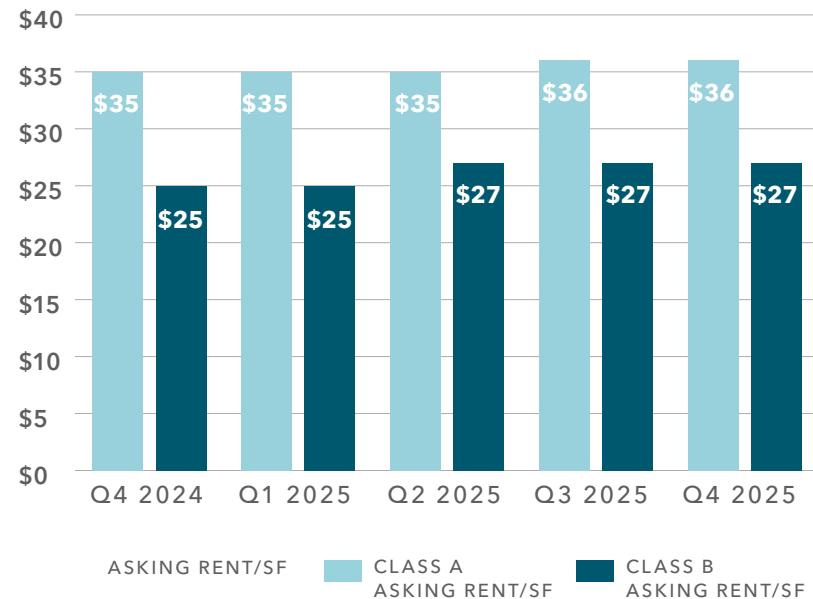
MARKET SALE PSF



#### VACANCY RATE



#### AVERAGE ASKING RENT PSF NNN



840K  
INVENTORY SF

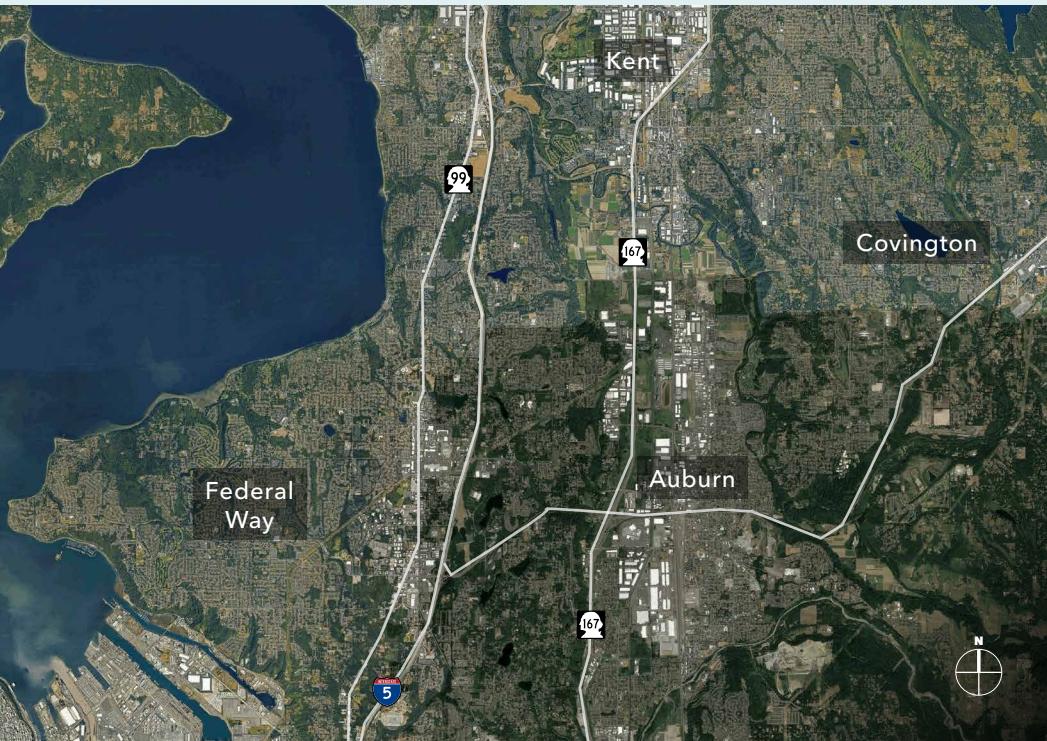
42,314  
VACANT SF

0.00%  
ANNUAL RENT GROWTH

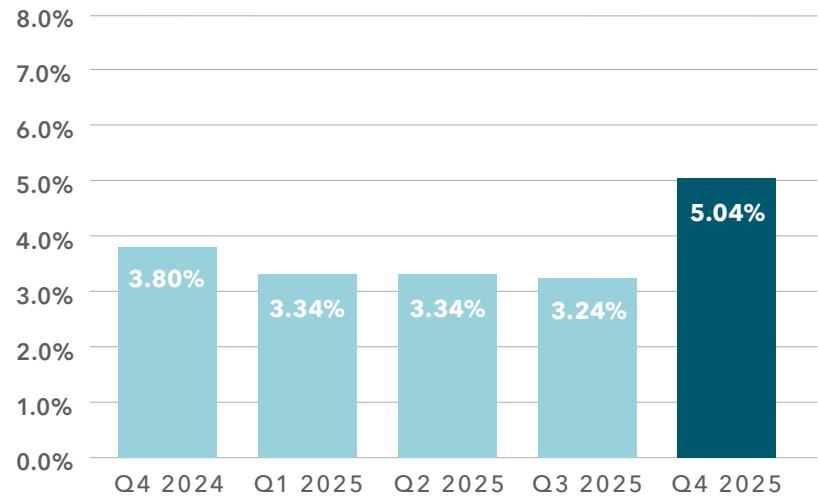
5.04%  
VACANCY RATE

6.75%  
MARKET CAP RATE

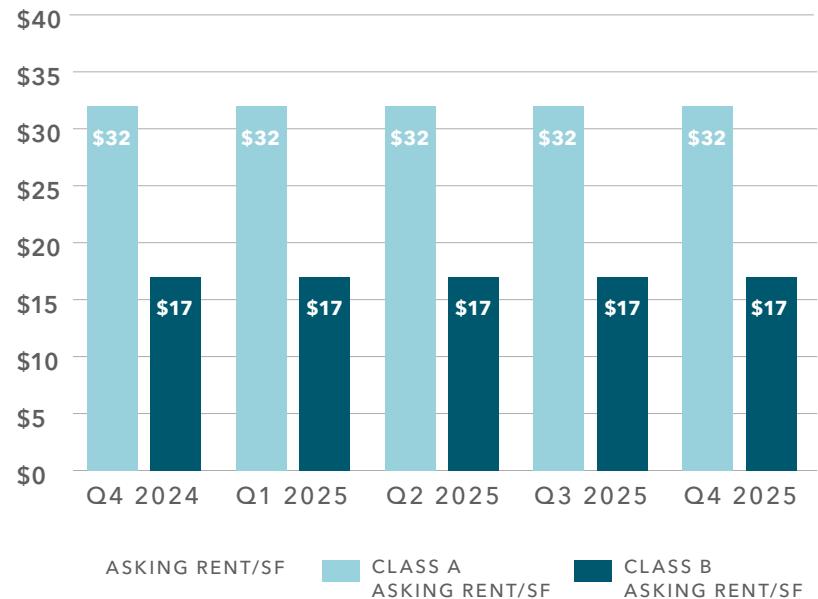
\$237  
MARKET SALE PSF



#### VACANCY RATE



#### AVERAGE ASKING RENT PSF NNN



3.6M

INVENTORY SF

59,964

VACANT SF

8.50%

ANNUAL RENT GROWTH

1.67%

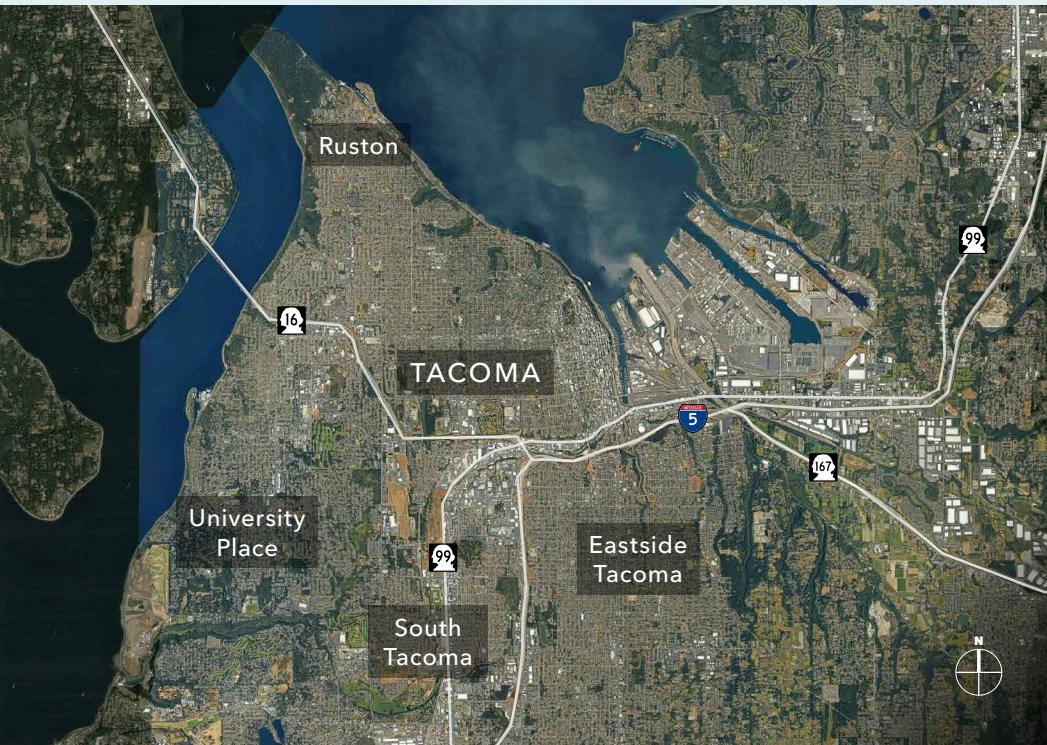
VACANCY RATE

6.75%

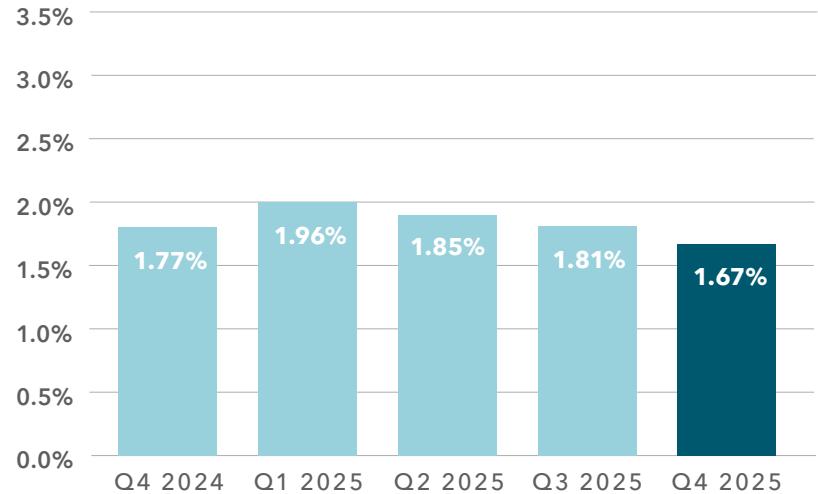
MARKET CAP RATE

\$315

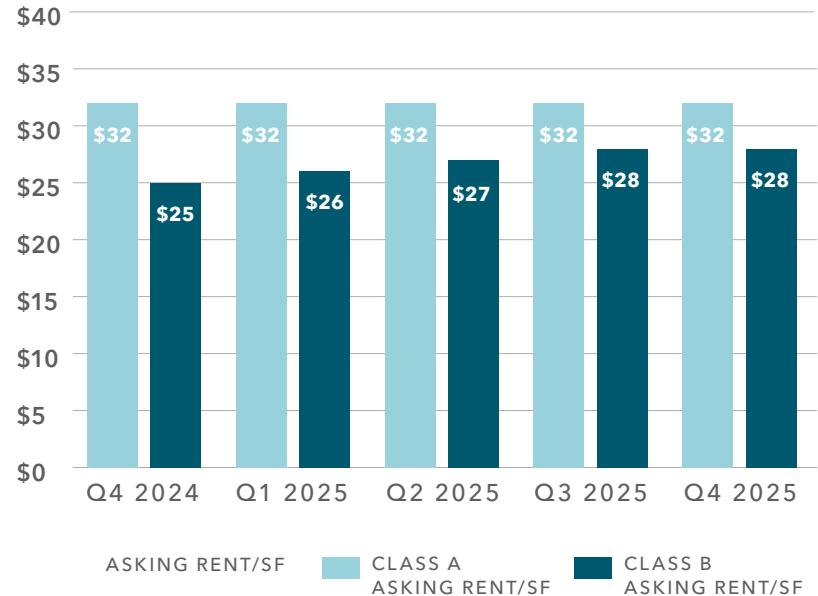
MARKET SALE PSF



## VACANCY RATE



## AVERAGE ASKING RENT PSF NNN



## PUYALLUP

**1.3M**  
INVENTORY SF

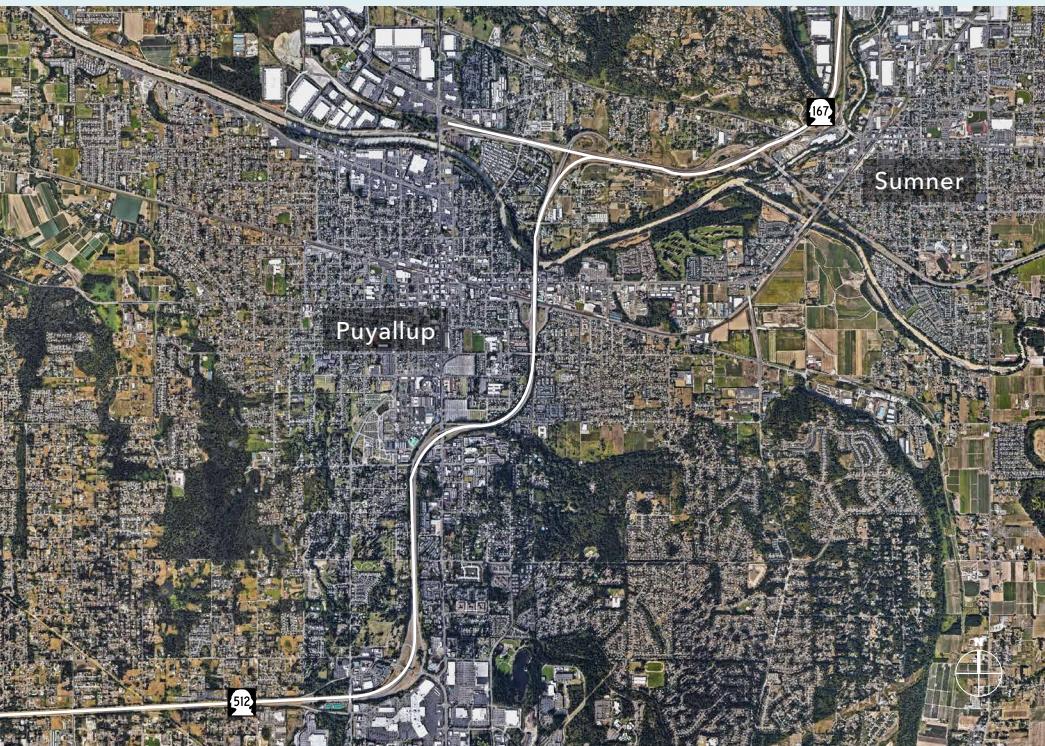
**28,687**  
VACANT SF

**8.50%**  
ANNUAL RENT GROWTH

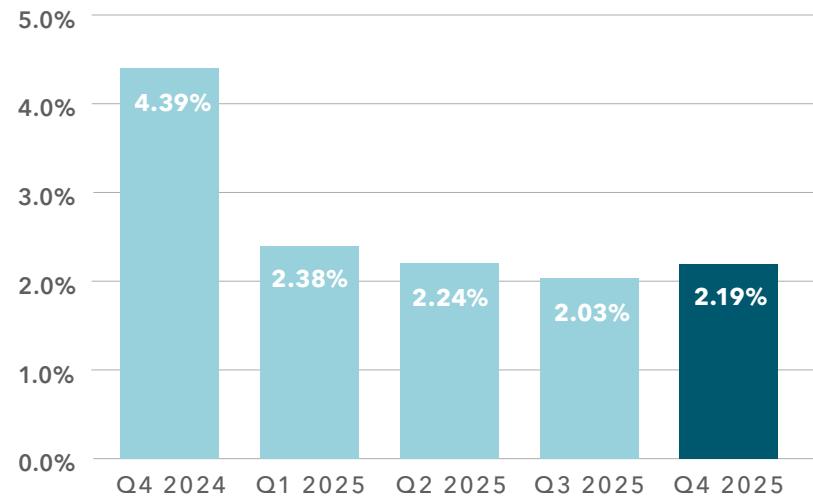
**2.19%**  
VACANCY RATE

**6.75%**  
MARKET CAP RATE

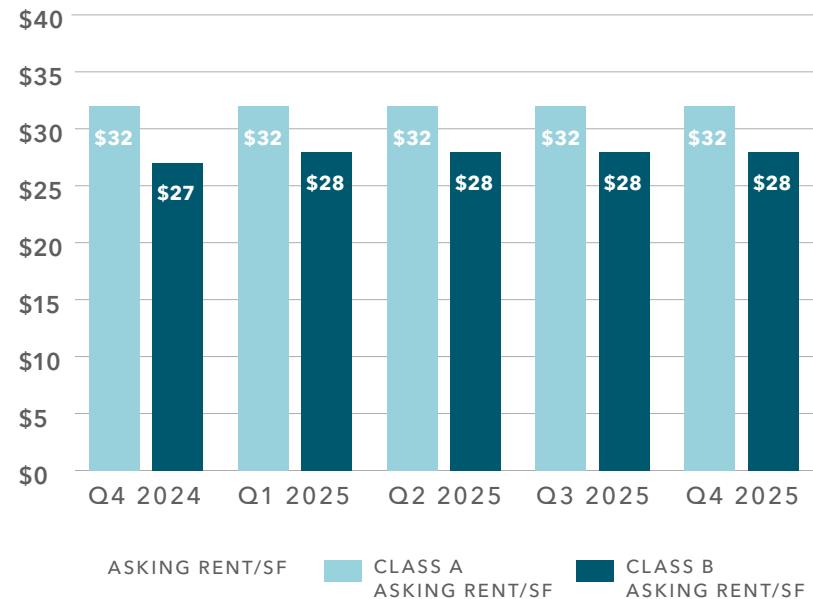
**\$315**  
MARKET SALE PSF



### VACANCY RATE



### AVERAGE ASKING RENT PSF NNN



1.1M

INVENTORY SF

11,319

VACANT SF

0.00%

ANNUAL RENT GROWTH

1.03%

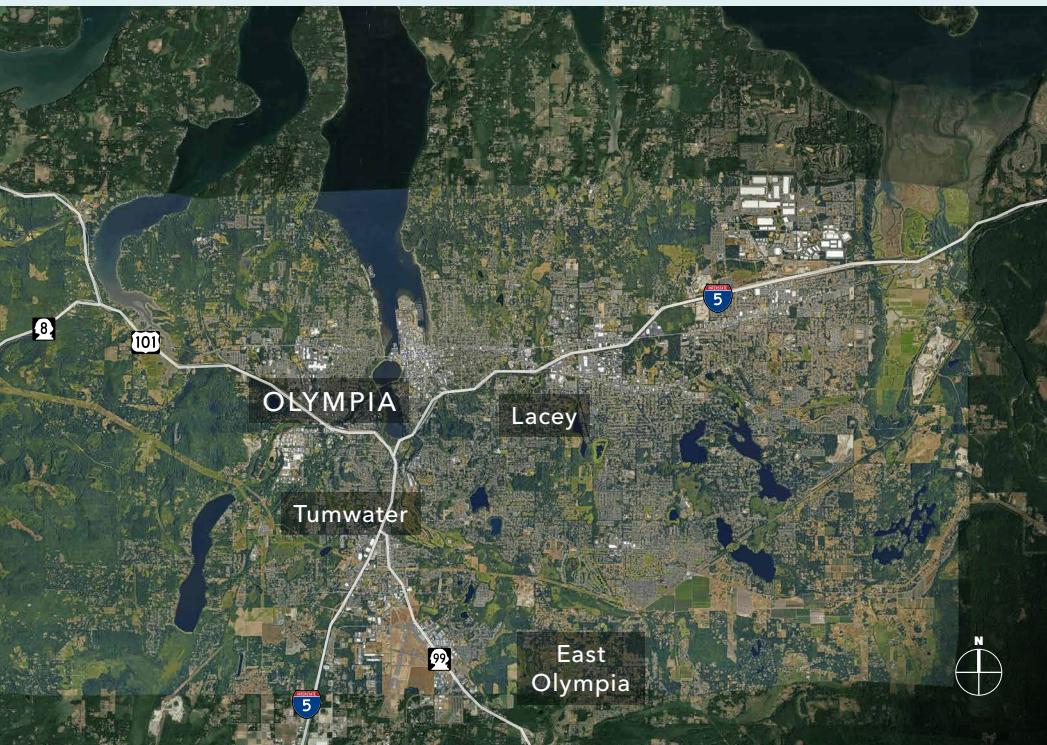
VACANCY RATE

7.25%

MARKET CAP RATE

\$245

MARKET SALE PSF



## VACANCY RATE



## AVERAGE ASKING RENT PSF FULL SERVICE



# 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 3 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, California, Nevada, and Arizona.

**600+**

TRANSACTIONS

**\$900M**

TOTAL VOLUME

**8M+**

TOTAL SF

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

## DREW FRAME, SIOR

Senior Vice President,  
Shareholder

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



## RYAN KERSHAW

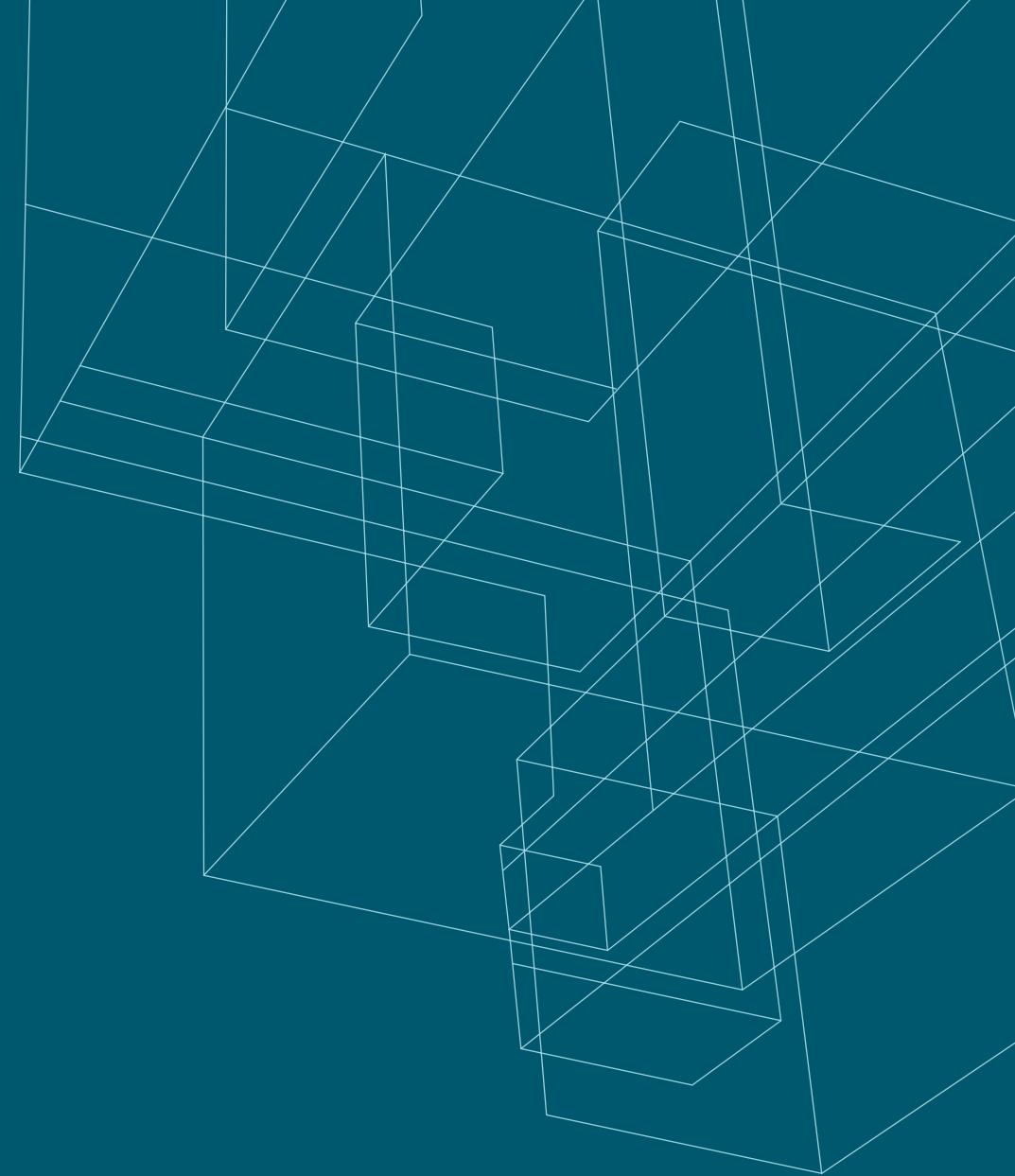
Associate



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Client Services Coordinator





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