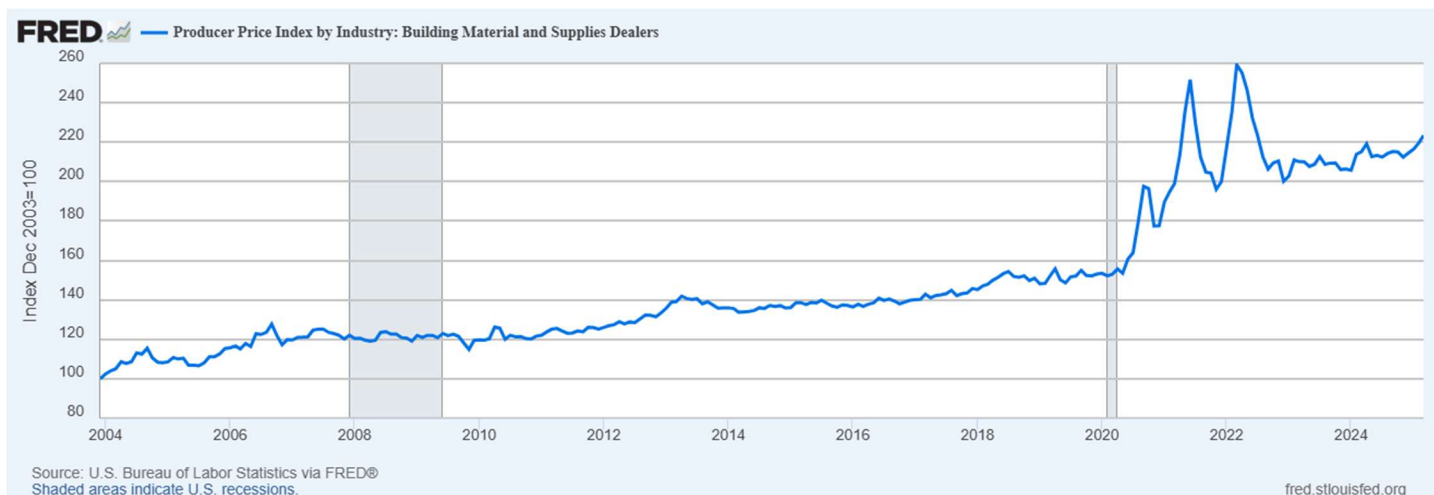


Members of PWL-managed investments attended our annual meeting earlier this month, in person or via Zoom. We discussed the audited 2024 results and our outlook for the year. We usually host three such large meetings each year in the Seattle area, and these are usually live-streamed via Zoom for those who can't attend in person. These events are held in April, July, and December, with the location bouncing back and forth between Seattle and the East Side. We also host smaller Member meetings in Boise, Portland, the San Francisco Bay Area, Silicon Valley, Whidbey Island, and occasionally other places on a less predictable schedule.

One thing that we discussed at the annual meeting was this chart, which does a lot to explain the drop in new construction. While we went through an inflationary period, there are few categories that have a chart as ugly as this one for the cost of construction materials. The higher costs of materials, labor, and regulation, all of which are through the roof over the last 5 years, can't be supported with rents in most places. This is why we see new retail construction at a 25-year low.



*How many graphs will bring a tear to your eye?*

As I have done for many years, I offer this rock-solid advice to all of our investors: **“Don’t do your own taxes.”** Every year, at least one investor tells me, *“I finally followed your advice; I paid a tax accountant. I had not wanted to pay the expense, but it turns out they are saving me a lot of money. Also, my spouse is much happier with me without those 2 or 3 weeks when I would have been grumbling/gripping/complaining/swearing about taxes.”* Taxes today are impossibly complex. While

strongly in favor of tax simplification, we have to play the hand we are dealt. If you have not done so already, hire a tax accountant. You'll probably save money, and your spouse may thank me.

## Club Deals

As you can see from our recent investments and sales, we continue to source high-quality, tax-advantaged real estate investments even in this restricted market. If you're interested in participating, please give me a call. The terms for club deals are very similar to those underlying PWRE1 & PWRE2. We charge a 1% one-time acquisition fee and 1% per year of asset value. We split the profits 80/20 in favor of investors. The minimum investment is normally \$250K. **Typically, Club Deals are only circulated to past PWL investors who ask about participating.**

## 1031 Exchanges

In the last three years, PWL helped facilitate **more than a half-dozen 1031 exchanges** for investors, including the very recent [Sunset Place](#) to [Kings Lake Center](#) exchange. The tight 45-day property identification period is the biggest challenge of the 1031 exchange process. Unlike most of us, Josh and his team analyze every single property that comes onto the market, which is critical to not miss a potentially excellent investment in the current, challenging market. This wide-net view of the current offerings, along with our thorough and conservative evaluations, means we only put opportunities in front of potential investors that we feel will make for truly high-quality investments.

We do not reduce the rigorousness of our evaluation process on properties simply because we have an investor needing to make a 1031 exchange, so the more advance notice we have, the higher the likelihood you will make a successful exchange.

### **PWL signed one new lease and two lease extensions in March:**



[Heights Finance](#), a national loan provider, exercised their option to renew their 1,200 sq. ft. lease for 3 years at [Gateway Center](#).

Lumiere Haus of Beauty signed a new 3-year, 1,760 Sq. ft. lease at [Main Street Commons](#).

Also at [Main Street Commons](#), Vivid Nails exercised their option to renew their 1,300 sq. ft. lease for 5 years.

If you'd like to meet for breakfast or lunch, please give Martin a shout so we can get something on the calendar.



**Save the Date! The 16th Annual Bertha L. Johnson Memorial Golf Tournament** returns to the beautiful [Port Ludlow Golf Course](#) on July 24, 2025. More details will be announced in the next monthly update.

## Final thought:

**Only of interest to Washington State residents:** Last month Sean and I attended an educational breakfast seminar hosted by BDO. The topic was a recent expansive change in the Washington State B&O tax. This story has received very little coverage in *The Seattle Times* and *The Puget Sound Business Journal*, which is why we note it here. A recent court case known as [The Antio Decision](#) means that investment firms, LLCs, trusts, and other legal entities domiciled in Washington State are likely subject to the state B&O tax on investment gains.

Since the surprise ruling, the State has not done an adequate job of advising Washington residents and businesses how expansive this tax is, exactly how it should be calculated, or how far backward taxpayers are expected to be looking in time. The court ruled that everyone has been doing it wrong for decades. That's not enough information. The state needs to fill in the blanks. Any person or firm subject to the tax, despite being previously advised no B&O tax was owed to the state, is now a tax scofflaw, subject to fines and penalties. Based on several conversations, I know that many investors who are now subject to the tax through their legal entities are unaware of the change. If you have any sort of personal legal entity, such as an investment LLC or a trust, and you're in Washington State, please talk to your tax advisor about "Antio" right away.

Ending this "final thought" on a high note: **income from real estate investments is not subject to the newly discovered tax.**

**\*whew\***

Get out there and enjoy the sun –

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# PWREI Scorecard

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Approximate investment by PWREI  
Data as of 2/28/25

## Willow Hill Center

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The 21,082 sq. ft. center located in Puyallup, WA, was purchased in May 2014 with an 83% stake by PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 8 tenants, the most recognizable being F45 Fitness, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$5,625,000	\$2,943,228	66%	\$302,878

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## Gulf Breeze

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PWREI purchased this 27,739 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow-anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's tenants include Edward Jones, World Finance, Super Cuts, Republic Finance, Flagship Mail Room, Pizza Hut, and a Wells Fargo ATM. A new lease with Iron Edge Nutrition was signed in December 2024.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$2,677,500	\$2,889,380	91%	\$367,155

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## Log Pond Plaza

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Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow-anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 12 local and national tenants, which include Any Lab Test Now, Cheng's Chinese, Fiesta Salon, CX Staffing, and CATO.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$1,850,000	\$2,179,603	90%	\$270,926

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## Massard Farms

This large shopping complex in Fort Smith, AR was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. of leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$13,415,287	\$7,401,127	98%	\$518,871

## Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net, with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 63,048 sq. ft. of leasable space that includes 11 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$8,618,667	\$2,502,750	87%	\$363,130

## Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 87,581 sq. ft. shopping center is located at the intersection of I-74 and State Rd. 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 14 local and national tenants. The most recognizable tenants are Jimmy John's, Great Clips, Rent-A-Center, Feeder's Pet Supply, Goodwill, and Bath & Body Works. Marshalls recently opened on October 31st, 2024.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$12,512,000	\$3,884,907	87%	\$370,945

## Gateway Center

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PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow-anchored by a Walmart. With 10 tenants, the center's most notable occupants include Quick Credit, Nexien, Shoe Show, CATO and T-Mobile.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$2,030,055	\$2,233,215	92%	\$365,422

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## Powder Springs

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Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchasing the property, we also acquired a vacant pad that we sold in February 2016 for ~\$280K net. Powder Springs is shadow-anchored by a Home Depot and has 8 tenants total, including Hanger Prosthetics, Premier Martial Arts, Esteem Dental Studio and the newly signed Crystal Rivers Massage and Day Spa.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$1,100,000	\$745,182	100%	\$223,500

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## Sugarcreek Crossing

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Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a ground leased Cracker Barrel pad that was eventually sold in May 2016 for ~\$2.28M net; a Tire Discounters pad that was sold in December 2016 for ~\$2.96M net; and a multi-tenant retail building containing a UPS store, a Chiropractic office, and Five Guys burgers, among others.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$5,117,333	\$2,161,342	96%	\$322,418

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## East West Market

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Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,017 sq. ft. property in February 2016. East West Market is located along the East-West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Health Imaging, and Thumbs Up Diner.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$2,660,000	\$2,206,308	100%	\$322,596

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## Castleberry Promenade

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PWREI acquired this 26,651 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 12 tenants, among them Kumon Learning, Castleberry Ale House, and Ovo Salon.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$2,906,000	\$3,237,237	100%	\$393,835

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## Village at Las Sendas

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PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, Jimmy John's, and Smashburger. A new lease was signed with a specialty footwear company in December 2024.

Initial Investment	Net Investment	Occupancy	2024 Q4 NOI
\$2,922,500	\$3,030,034	100%	\$252,998

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## Benjamin Square – SOLD September 2024

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PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off of I-5 in Woodland, WA. The property has 7 tenants and is now 100% leased; the national tenants include Starbucks (drive-thru), Subway, Papa Murphy's, T-Mobile, and H&R Block. Benjamin Square Sold in September 2024 for \$3.46M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,900,000	\$3,876,230	2.68x	12.8%

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## Auburn Road – SOLD August 2023

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Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 4 tenants include State Farm, Intracore Healthcare, Georgia Veterinary, and Center Stripe Golf. Auburn Road sold in August 2023 for \$2.2M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,000,000	\$2,457,306	3.1x	16.3%

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## Oak Creek Commons– SOLD June 2022

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This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons sold in June 2022 for \$2.5M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,191,750	\$2,499,248	2.81x	18.4%

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## Shoppes at Buford – SOLD June 2022

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This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The center's location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. Shoppes at Buford sold in June 2022 for \$5.7M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,740,600	\$5,699,583	2.68x	15.1%

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## Roosevelt Place – SOLD November 2021

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This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ, by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold in November 2021 for \$5.02M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,960,000	\$4,620,030	2.55x	19.9%

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## Dail Center – SOLD August 2020

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PWREI purchased Dail Center in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,522,500	\$1,990,807	2.08x	16%

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## Little Corona – SOLD August 2020

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Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.57M. At the time of sale, Little Corona held 100% occupancy.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,010,000	\$1,170,646	1.82x	13%

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Note: 2024 NOI numbers reflect the PWREI's portion of the total. All profit, NOI, Gross IRR, and Deal Multiple calculations presented are unaudited gross estimates. All numbers within this report are unaudited and should be considered as close approximations. Members receive audited results on an annual basis from a PCAOB-registered public accounting firm.

Pacific West Land, LLC • 403 Madison Ave N, Ste 230 • Bainbridge Is, WA 98110 • April 28, 2025

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