

We hope the new year is treating you well, that your football team has made the playoffs, and that your holiday season was relaxing and joyful. We appreciate all the cards, notes, and treats that came our way. It's fun and a highlight to see your family photos and hear what everyone has been up to. Thank you for sending them.

Jason Zweig is one of our favorite columnists at the Wall Street Journal. We especially appreciated his recent column, [When Your Private Fund Turns \\$1 Into 60 Cents](#).



Last month's book recommendations received the most feedback we've yet received for the annual inclusion. I heaped high praise on the novel, *Five Decembers*, and already a couple of people have written that they have read it following the recommendation and loved it. I also received a correction. When I was given *Five Decembers* by a friend, I was told, "*you won't believe this is a first-time novelist.*" I took that at face value. Last month, I wrote, "*It isn't easy to believe this is the author's first book.*" After reading last month's update, another friend wrote to tell me that it had been written under a pseudonym, and it was not the author's first book. Sneaky mystery writers, correction noted and appreciated.

The Mayor of Seattle has announced she plans to levy a new tax on vacant commercial property within the city. While PWL does not have any Seattle properties currently in its portfolio, we do have a property in King County. Seattle lies within King County. We hope King County officials do not choose to replicate the mayor's truly terrible idea. When a property is vacant, the owner is already taking a loss on the taxes, insurance, and maintenance of the building; therefore, the mayor is proposing taxing losses—that's a new one on us. She has also failed to consider that property taxes are calculated based on the property's value. If there is a tax on vacancy, in other words, a loss multiplier, built into the tax code, this will make ownership less attractive and certainly drive down property values. This will, in turn, drive down basic property tax collections, negatively affecting city, county, and state coffers. Villainizing and further penalizing commercial property owners for Seattle's downtown vacancy challenge is naïve and will, ultimately, make matters worse by pushing owners who are barely hanging on out of business.

Our accounting staff is hard at work closing the books on 2025. We expect **K-1s** to go out to investors on the same schedule as in past years.

Club Deals

Our recent investments, such as [Cooper Village](#), demonstrate that we continue to source high-quality, tax-advantaged real estate investments even in this challenging market. If you are interested in participating, please don't hesitate to call me. The terms for club deals are very similar to those underlying PWREI & PWRE2. We charge a one-time acquisition fee of 1% and an annual management fee of 1% of the asset value. We split the profits 80/20 in favor of investors. The minimum investment is typically \$250,000. **Usually, Club Deals are only circulated to past PWL investors who inquire directly about participating.**

1031 Exchanges

In the last three years, PWL has facilitated **more than a half-dozen 1031 exchanges** for investors. Our newest acquisition, Cooper Village, adds another property to our growing list of Investment Vehicles that include 1031 exchange dollars.

The tight 45-day property identification period is the biggest challenge of the 1031 exchange process. Josh and his team analyze every single property that comes onto the market in the states and sectors we follow, which is critical for finding potentially excellent investments in the current challenging market. This wide-net view of current offerings, combined with our thorough and conservative evaluations, means we only present opportunities to potential investors that we believe are genuinely high-quality investments.

We do not reduce the rigorousness of our evaluation process for properties simply because we have an investor on a tight deadline to complete a 1031 exchange. The more advanced notice we have, the higher the likelihood you will make a successful exchange.

PWL signed four new leases and three lease extensions in December!



[Mathnasium](#) signed a new 1,750 sq. ft. lease for 5 years at [Powder Springs](#).



[Cookie Plug](#) signed a new 1,000 sq. ft. lease for 5 years at [Sugar Creek Crossing](#).

Jasmine Nails and Beauty Spa signed a new 1,700 sq. ft. lease for 5 years at [Village at Las Sendas](#).

Hair Line signed a new 1,300 sq. ft. lease for 5 years at [Main Street Commons](#).

Burdette Tax Services exercised its option to renew its 1,050 sq. ft. lease for 3 years at [Massillon Commons](#).

Diamond Nails renewed their 1,300 sq. ft. lease for 5 years at [Cooper Village](#).

[Big Chile Taqueria](#) exercised its option to renew its 2,008 sq. ft. lease for 5 years at [Lexington Commons](#).

Final thought:

All government, indeed every human benefit and enjoyment, every virtue, and every prudent act is founded on compromise and barter. — Edmund Burke, speech to Parliament on conciliation with America, March 1775.

Wishing you a prosperous new year –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 11/30/2025

Willow Hill Center

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	2025 Q3 NOI
\$5,625,000	\$2,943,228	66%	\$217,033

Gulf Breeze

PWREI purchased this 27,736 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 has 18 tenants including: Edward Jones, World Finance, Super Cuts, Republic Finance, Flagship Mail Room, Pizza Hut, and a Wells Fargo ATM.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,677,500	\$2,889,380	96%	\$312,555

Log Pond Plaza

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 13 local and national tenants, which include Any Lab Test Now, Cheng's Chinese, Fiesta Salon, CX Staffing, and CATO.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$1,850,000	\$2,179,603	94%	\$283,983

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	2025 Q3 NOI
\$13,415,287	\$7,401,127	98%	\$431,216

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 62,235 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	2025 Q3 NOI
\$8,618,667	\$2,502,750	87%	\$268,977

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 15 local and national tenants. The most recognizable tenants are Marshalls, Jimmy John's, Great Clips, Rent-A-Center, Feeder's Pet Supply, Goodwill, and Bath & Body Works.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$12,512,000	\$3,884,907	90%	\$430,093

Powder Springs

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 7 tenants total, including Benchmark Therapy, Premier Martial Arts, and Esteem Dental Studio.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$1,100,000	\$745,182	88%	\$214,902

Sugarcreek Crossing

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	2025 Q3 NOI
\$5,117,333	\$2,161,342	96%	\$236,133

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,018 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	2025 Q3 NOI
\$2,660,000	\$2,206,308	100%	\$282,179

Castleberry Promenade

PWREI acquired this 26,675 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 West Mane Hair Co. A new lease was signed with Fyzical Therapy and Balance Center in Q3 2025.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,906,000	\$3,237,237	100%	\$434,243

Village at Las Sendas

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, Fedex and Smashburger.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,922,500	\$3,030,034	96%	\$191,468

Gateway Center – SOLD July 2025

PWREI purchased this 28,056 sq. ft. mixed retail space in Newberry, SC, in October 2015. Gateway Center is shadow-anchored by a Walmart at the intersection of US 76 and Main St.. With 10 tenants, the center's most notable occupants include Heights Finance, Nexien, Shoe Show, CATO and T-Mobile. Gateway Center sold in July 2025 for \$4.55M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,030,055	\$5,850,481	3.49x	18.42%

Benjamin Square – SOLD September 2024

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%

Auburn Road – SOLD August 2023

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%

Oak Creek Commons– SOLD June 2022

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%

Shoppes at Buford – SOLD June 2022

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%

Roosevelt Place – SOLD November 2021

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%

Dail Center – SOLD August 2020

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%

Little Corona – SOLD August 2020

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%

Note: 2025 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.