

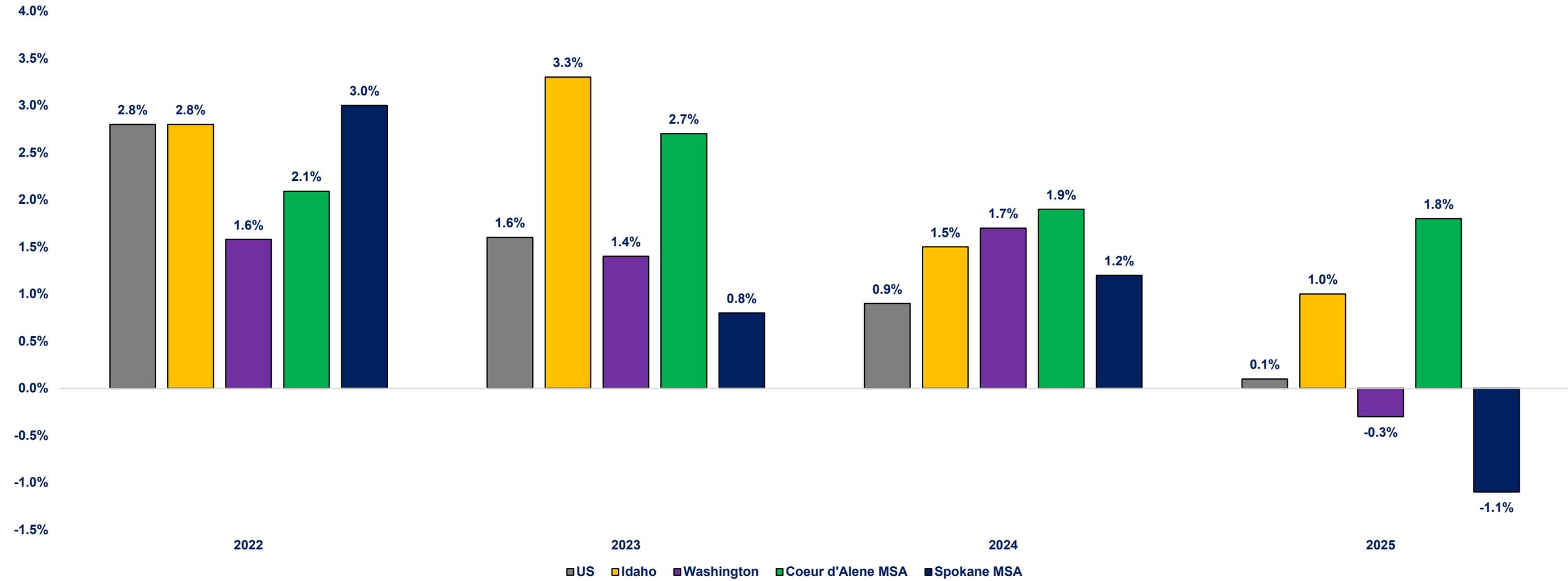
Regional Economic Summary

Matthew Clarke, VP
Senior Client Portfolio Manager

Jobs

Idaho and Coeur d'Alene Outperform Over Time

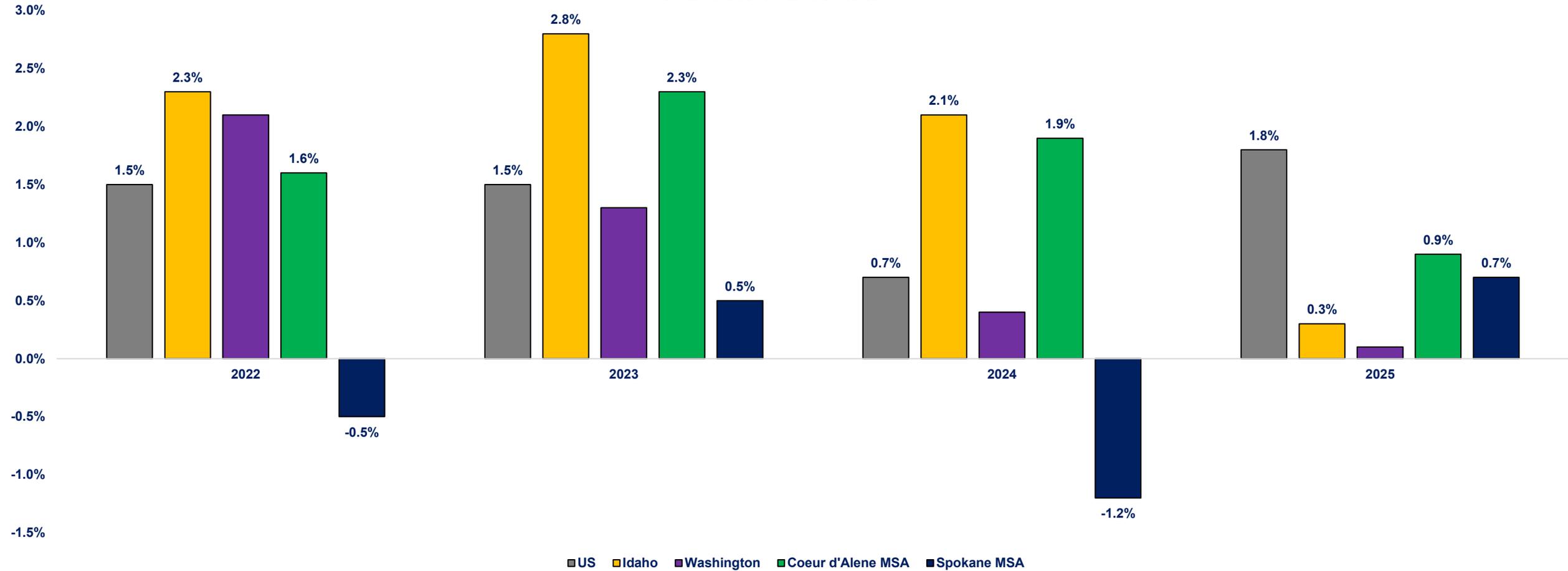
Year-Over-Year Growth



Labor Force Growth

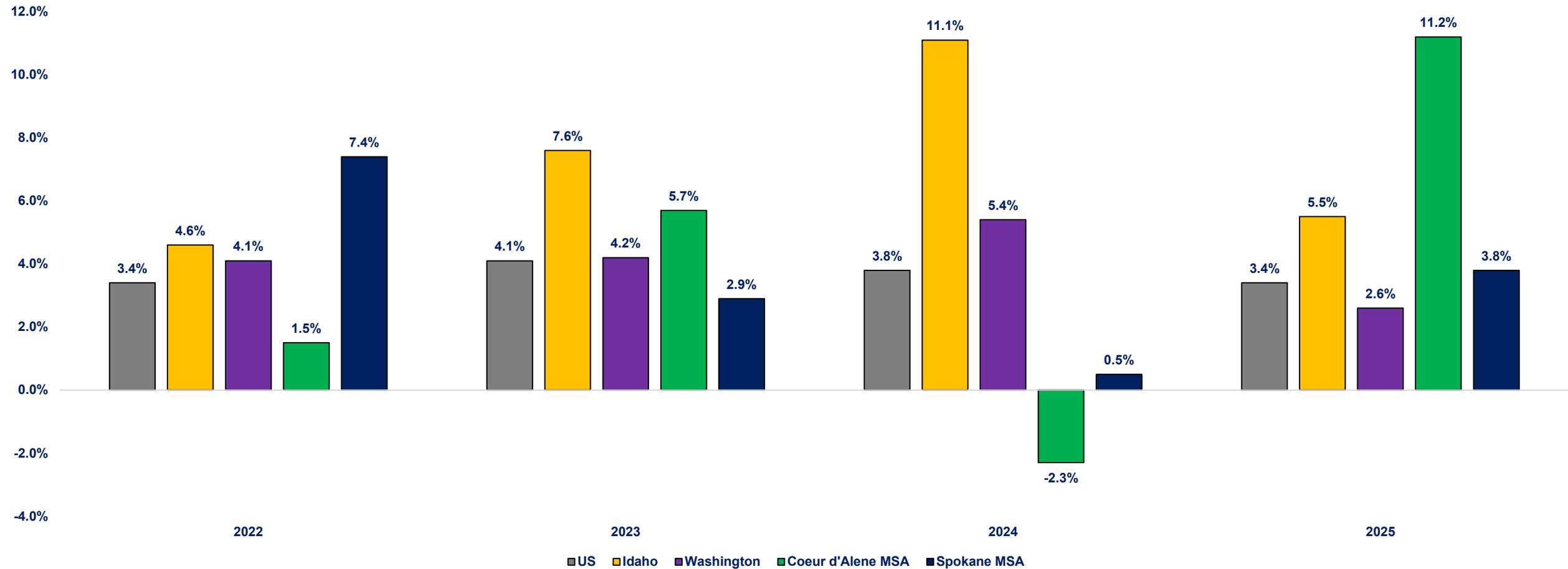
Is the Migration to Idaho Ending?

Year-Over-Year Growth



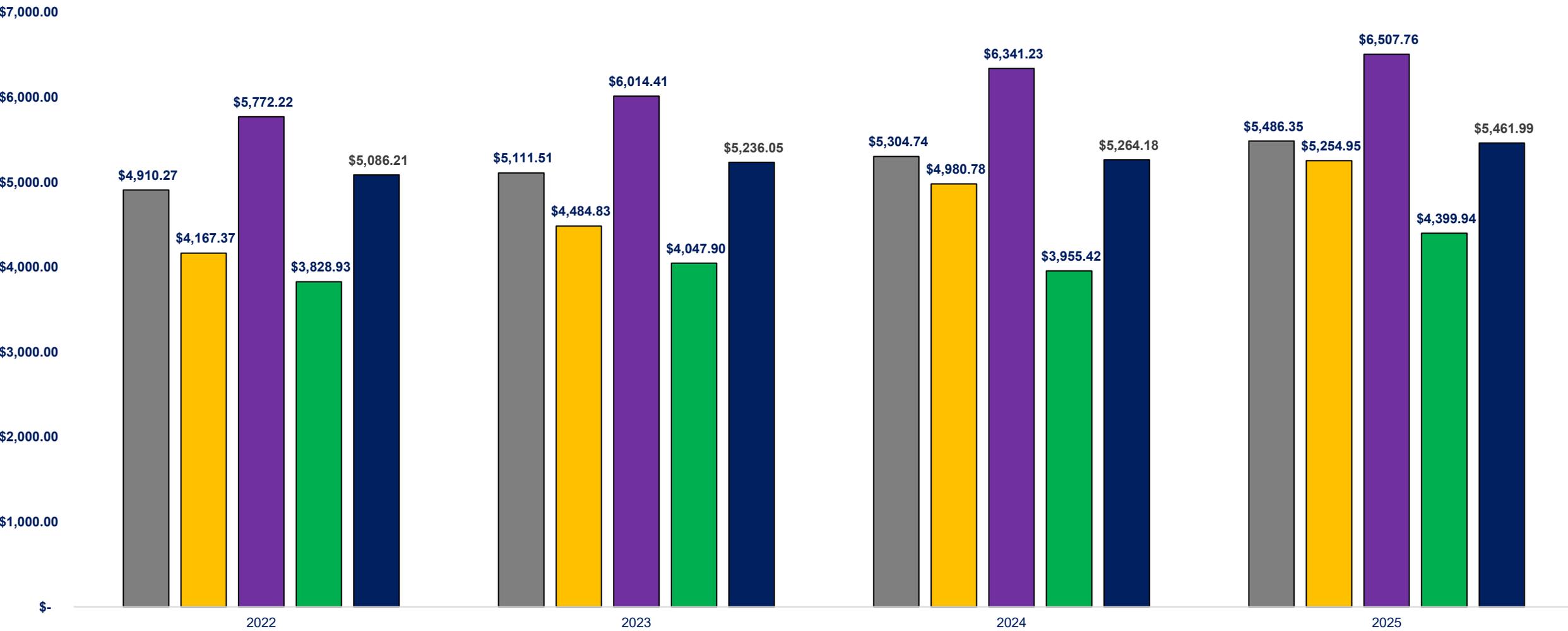
Average Monthly Earnings Idaho May Lead for Earnings Growth...

Year-Over-Growth



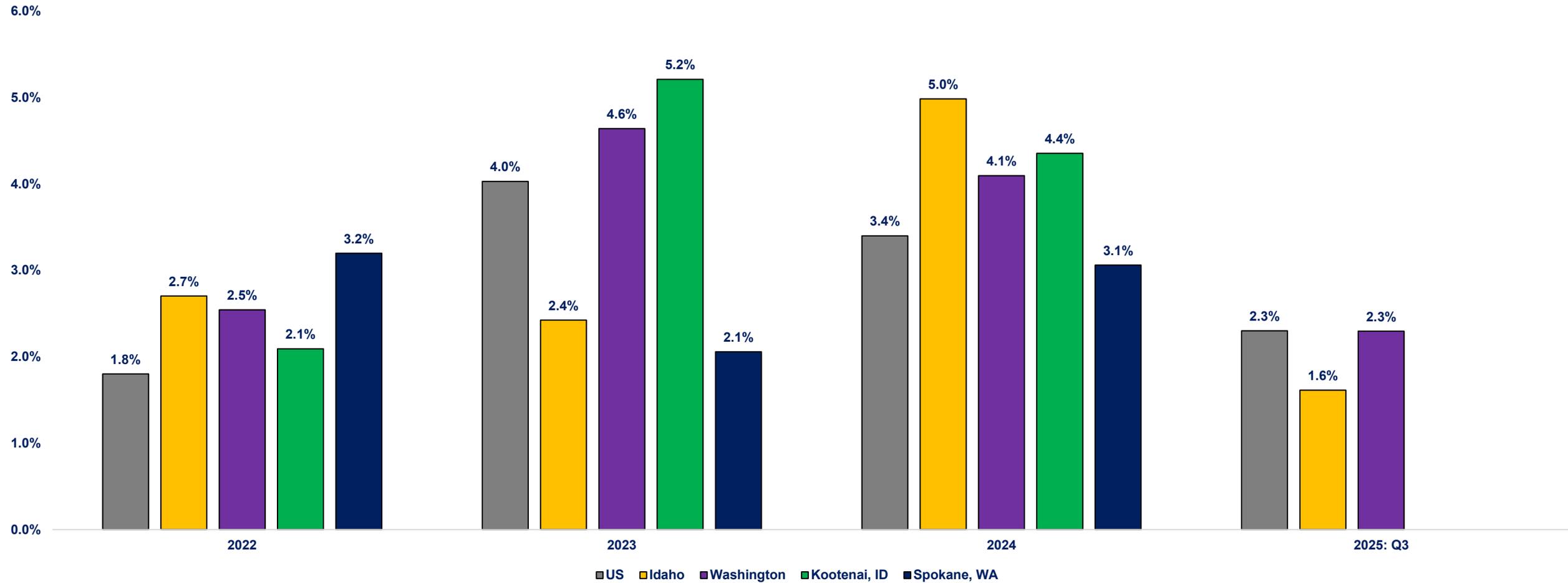
Average Monthly Earnings

But Idaho and Coeur d'Alene Lag for Earnings Level



Economies Are All Still Growing

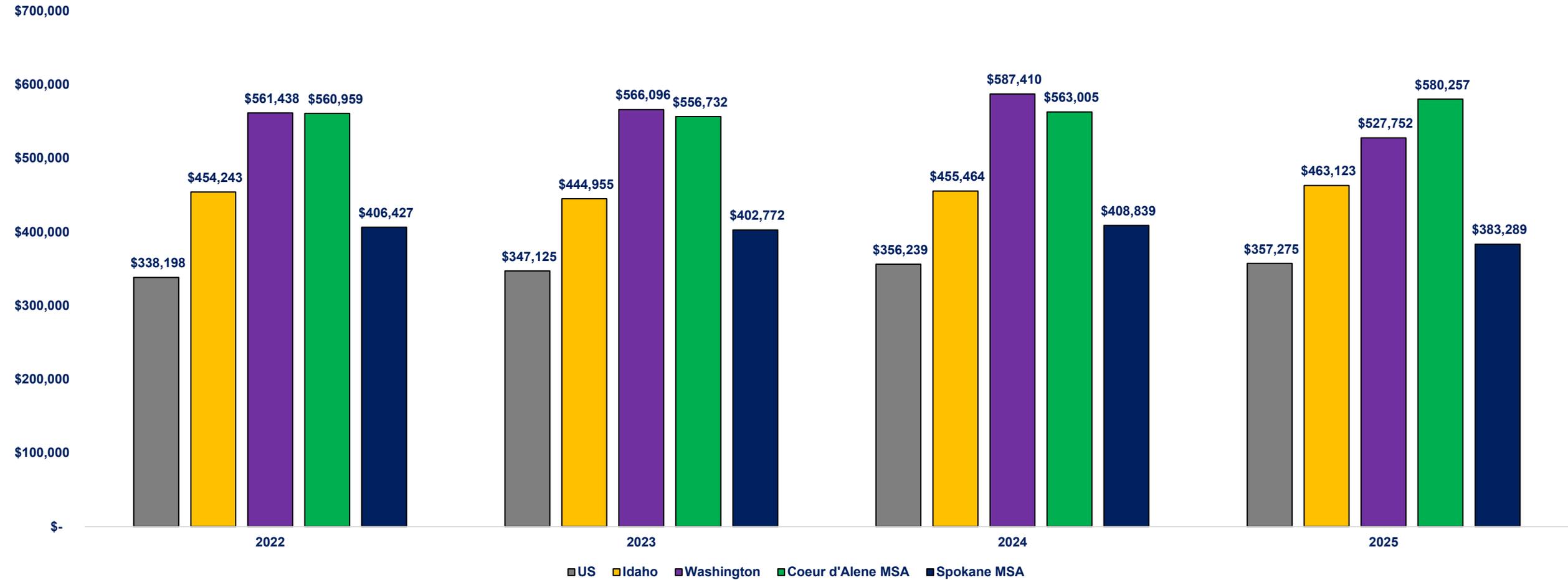
Real GDP Year-Over-Year Growth



Average Home Prices

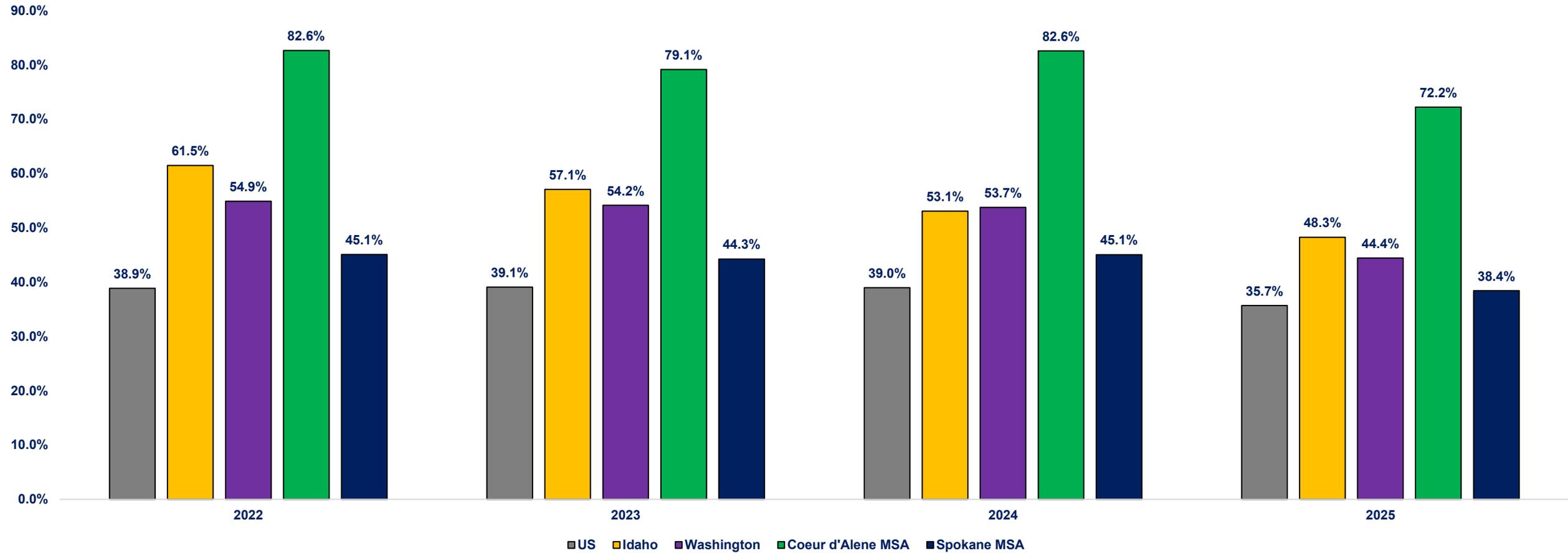
Spokane is Most Affordable

Average Home Price



None of the Areas Would Qualify for a Mortgage It Takes Two Incomes to Qualify

Mortgage Payment as Percent of Wages
(One Wage Earner)



Outlook for 2026

- Continued positive but slowing as the year progresses.
- 1st Half Tailwinds
 - OBBBA
 - Tax Refunds
 - Corporate Spending
 - FIFA World Cup
 - 250th Birthday Party
- 2nd Half Tailwinds
 - OBBBA
 - Corporate Spending
- Consumer is a wild card

Regional Real Estate Economy

Steve Scranton
Chief Investment Officer

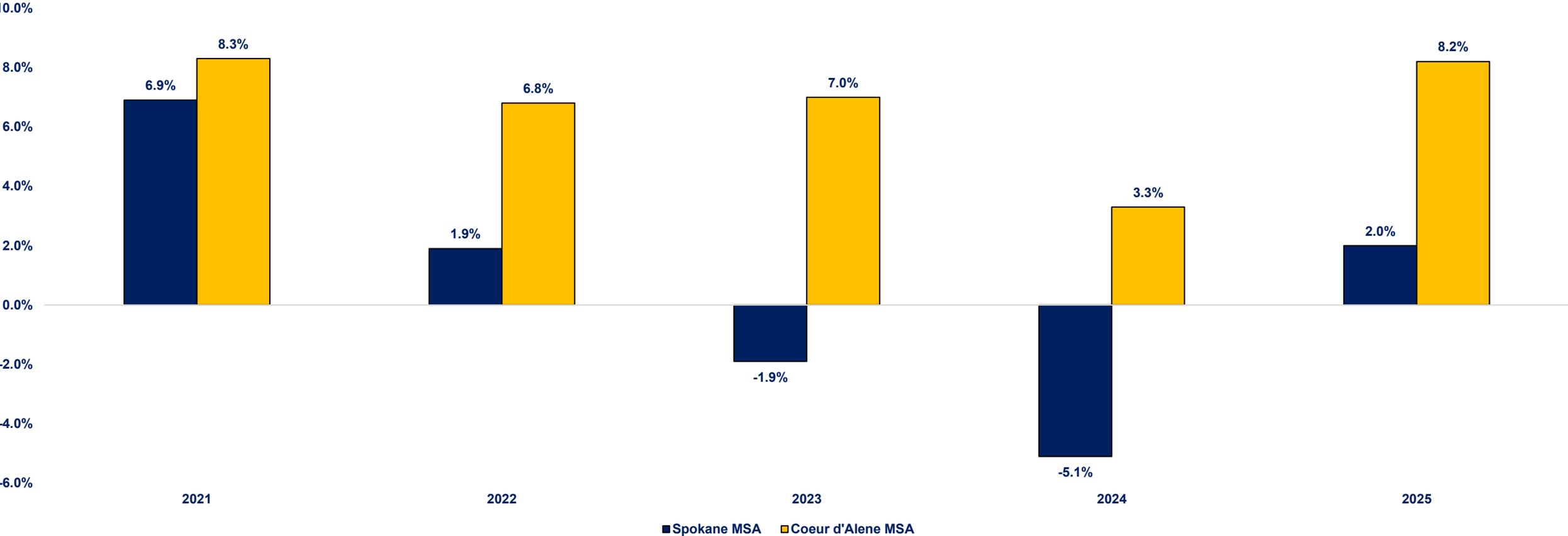
Rate Forecast

- **Short-term rates**
 - If the economy or labor market deteriorates more than expected, then additional rate cuts are possible.
- **Long-term rates**
 - Expect 10-year Treasury to be volatile between 3.50% to 5.00%.
 - Expect 30-year mortgage rate to be between 6%-7.5%.
 - **Dependent on three factors**
 - Progress on inflation
 - Economic growth
 - Buyers of long-term debt

Construction Jobs A Tale of Two Counties

Year-Over-Change as of 12/31/25

Sources: Washington State Employment Security Department and Bureau of Labor Statistics

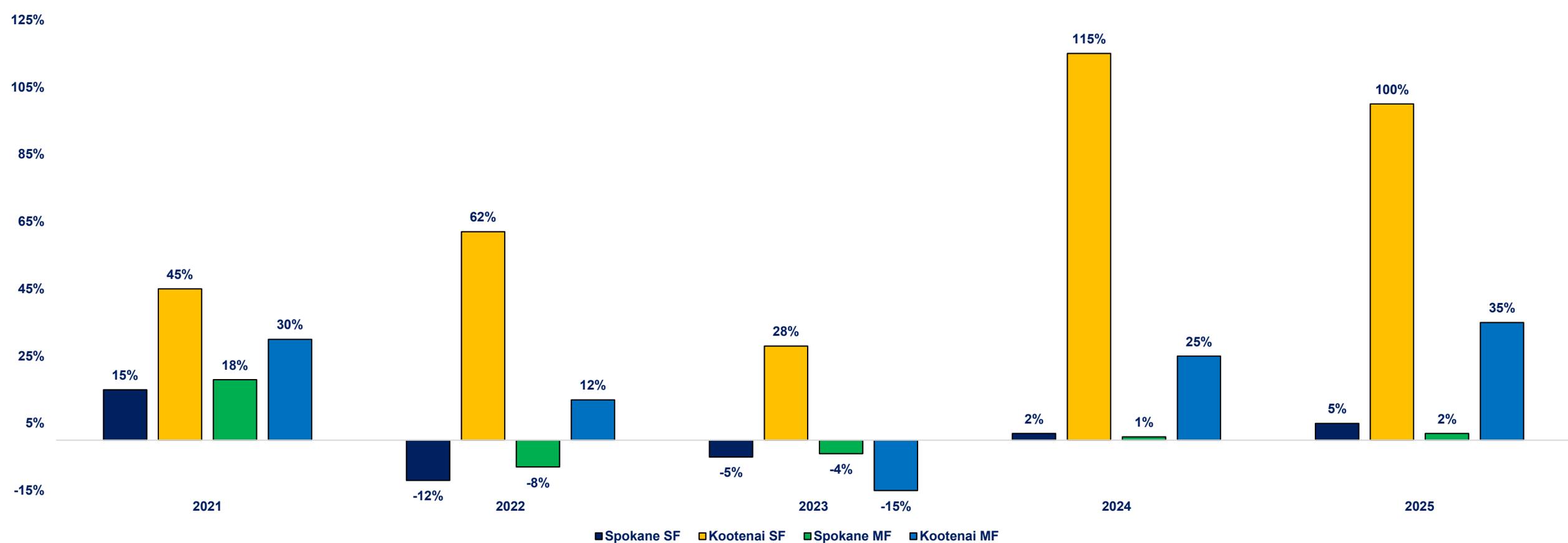


Residential Building Permits

Spokane County is all About Multi-Family

Year-Over-Year Change as of 12/31/25

Sources: WA Dept. of Commerce (HB 1110/1220 Reporting), US Census Bureau

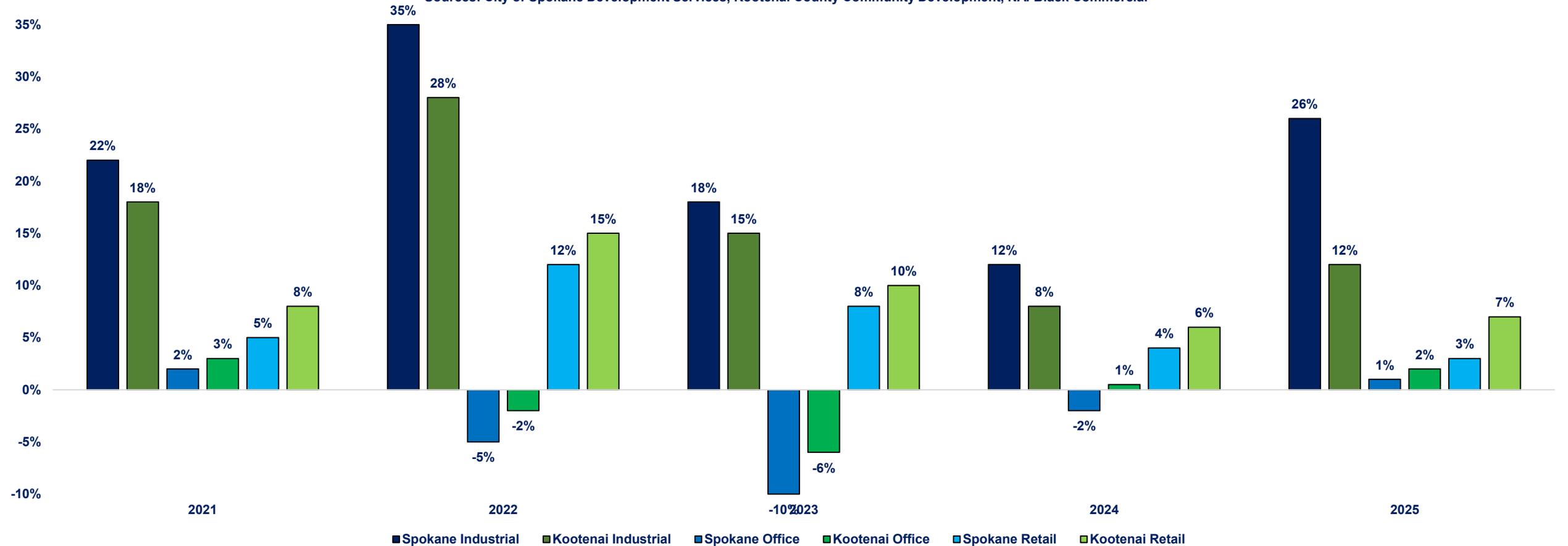


Commercial Building Permits

Industrial Has Shown the Strength for Both Counties

Year-Over-Year Growth as of 12/31/25

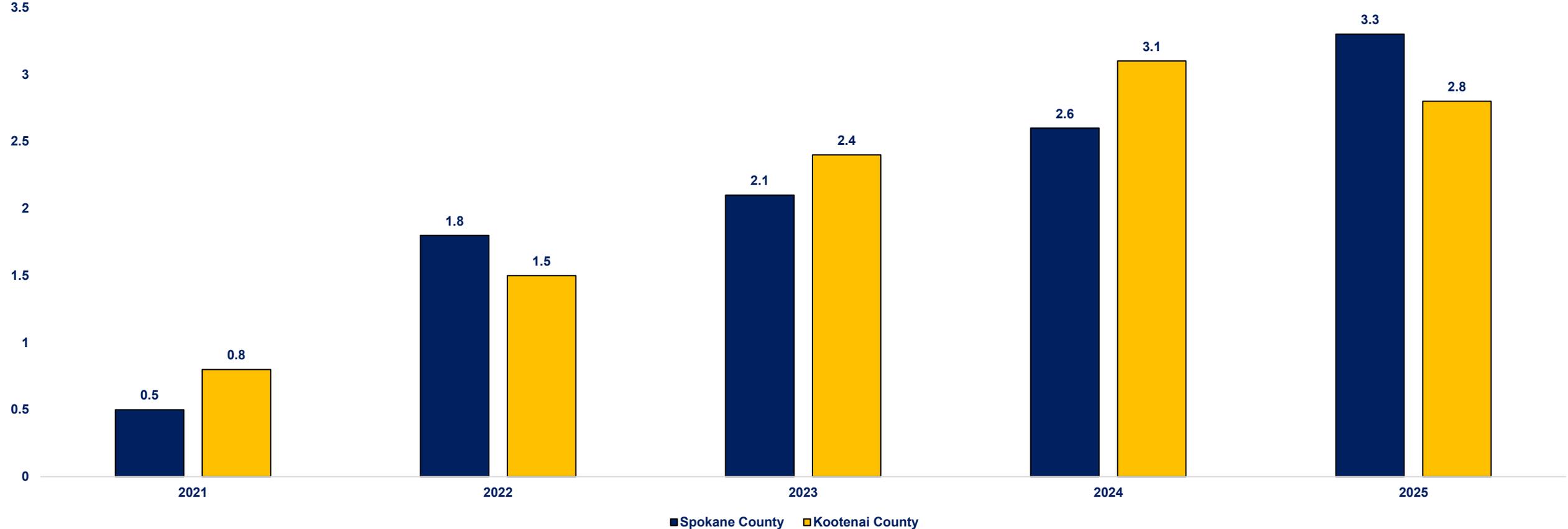
Sources: City of Spokane Development Services, Kootenai County Community Development, NAI Black Commercial



Residential Inventory Supply

Month's Supply of Inventory as of 12/31/25

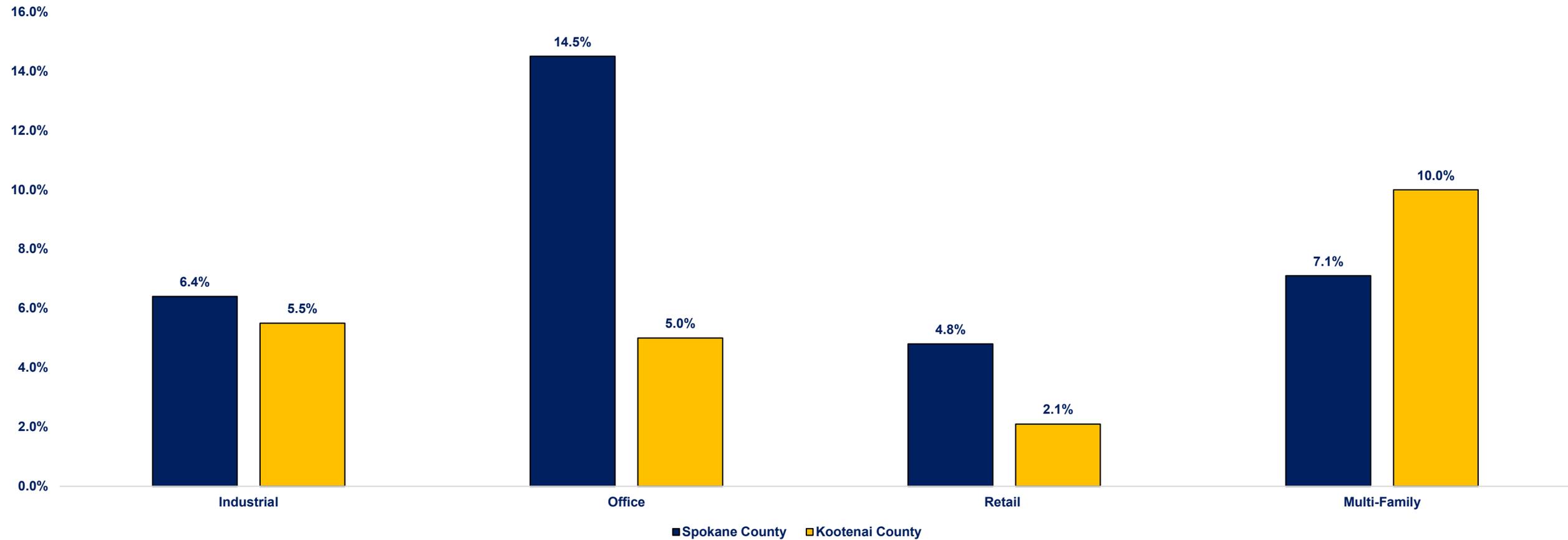
Sources: SAR & CRR Realtor Statistics, Redfin Data Center



Commercial Vacancy Rates

Vacancy Rates as of 12/31/25

Sources: Cushman & Wakefield, Costar Group, Kiemle Hagood



Growth Management Hearing Board's Decisions Last August Futurewise vs Mercer Island

- Moved affordable housing compliance from “encouraging” density to “requiring.”**
- Cannot rely on speculative subsidies anymore.**
- Must show planning for every income bracket.**
- Mandatory anti-displacement policies.**
- Builder's Remedy shifts power from the city to the builder.**

Builder's Remedy

- **Trigger mechanism:**
 - If city's Comprehensive Plan is found non-compliant the Builder's Remedy is triggered.
- **Builders impact:**
 - Builders can bypass local zoning density limits in non-compliant cities for projects meeting affordability thresholds.
- **Sanctions:**
 - State will withhold Motor Vehicle Fuel Tax and Sales Tax revenue
- **Local risk:**
 - Spokane Valley and Liberty Lake must demonstrate a “realistic plan” for low income housing by late 2026 or lose the power to deny high-density residential permits in single-family homes.