

BROKER PRICE OPINION

Estimated Market Lease Rate — Commercial Office

25 South Altamont Street, Spokane, WA 99202

The Naegeli Building — East Side Carnegie Library, Est. 1913

Prepared by:

Jesse Peone

EXP Realty LLC | License #201228838

Date of Opinion:

June 15, 2026

503-508-5513 | peoneholdings@gmail.com

I. SUBJECT PROPERTY

Address	25 S. Altamont Street, Spokane, WA 99202
Common Name	The Naegeli Building
Historic Identity	East Side Carnegie Library — Built 1913
Architect	Albert Held (prominent Spokane architect)
Builder	Galbraith & Sons, Spokane
Current Owner	Naegeli Deposition & Trial (purchased 2006)
Renovation	Approx. \$300,000 full restoration completed ca. 2008
Architectural Style	Neoclassical exterior / Italian Renaissance interior
Building Size	Approx. 4,000 rentable square feet
Parking	8 dedicated stalls — all included in lease
Space Configuration	3-4 private offices, 2 conference rooms, reception/waiting area, ample storage
Kitchen / Break Room	2 kitchens and break room
Furnishings	Fully furnished and move-in ready
Technology	Multiple fully equipped videoconferencing rooms; reliable high-speed internet
HVAC	Excellent condition
ADA Compliance	Non-compliant — exempt under historic preservation designation (see disclosure, Section V)
Modification Rights	Limited under National Register and Spokane Register historic designations
Historic Designations	National Register of Historic Places (1982); Spokane Register of Historic Places (2004)
Neighborhood	East Central Spokane — immediate proximity to University District / Riverpoint Campus
Current Use	Professional office — court reporting, videoconferencing, litigation support

II. SCOPE AND METHODOLOGY

This Broker Price Opinion has been prepared to provide an informed estimate of market-supportable lease rates for the subject property. The analysis is based on publicly available commercial real estate market data, verified market reports, and a review of comparable office properties within the greater Spokane metropolitan area. This opinion is not a certified appraisal and should not be construed as such.

The analysis considers: (1) published asking rents and market data from CommercialCafe/CommercialEdge and Yardi Research for the Spokane office market; (2) the subject property's building class, historic character, renovation quality, and turnkey condition; (3) comparable office properties offering similar characteristics; and (4) the value premium attributable to fully furnished, move-in-ready professional office space inclusive of parking.

III. SPOKANE OFFICE MARKET OVERVIEW

The Spokane office market encompasses approximately 8.9 million square feet of inventory across all classes. The market recorded an overall average vacancy rate of 21.47% in 2024, reflecting broader national post-pandemic office conditions. Rental rates were effectively flat year-over-year. Market averages, however, are derived primarily from institutional properties of 25,000 SF or larger and do not capture the premium commanded by boutique, historic, fully improved, and furnished professional spaces.

Asset Class	Spokane Avg. Asking Rent (2024)	WA State Avg. (2024)
Class A	\$24.41 / SF / YR	\$43.88 / SF / YR
Class B	\$20.08 / SF / YR	\$28.21 / SF / YR
Class C	\$11.87 / SF / YR	\$20.51 / SF / YR
All Classes (Spokane)	\$21.47 / SF / YR	—
Market Ceiling (Published Listings)	\$25.00 / SF / YR	—

Source: CommercialCafe / CommercialEdge 2024 Annual Market Report; Yardi Research Data (2026).

IV. COMPARABLE PROPERTIES

The following properties represent the most relevant publicly documented comparables within the Spokane office market. Each reflects a different dimension of the competitive landscape — historic character, full-service gross lease structure, new Class B construction, and adaptive reuse — that together frame the Naegeli Building's market position.

Comp 1 — Liberty Business Center | 421 W. Main Ave., Downtown Spokane

Building	Historic Liberty Building — mixed-use retail and office, downtown core
Lease Structure	Full-service gross — includes utilities, janitorial, internet, taxes, conference access
Office Inventory	24 furnished suites (125–550 SF); larger contiguous spaces available
Published Rate	~\$19.00–\$19.30 / SF / YR gross-inclusive (1,366–1,581 SF suites)
Relevance	Most directly comparable full-service gross furnished office product in Spokane; establishes the floor for all-inclusive leasing in a historic setting

Comp 2 — Paulsen Center | 421 W. Riverside Ave., Downtown Spokane

Building	Historic 11-story masonry tower — constructed 1908; downtown Spokane landmark
Amenities	On-site cafe, upgraded HVAC and elevator, on-site management, showers; skywalk-connected
Available Suites	Multiple suites actively listed (Suites 312, 315, 412, 450, 606, 702, 728, 730)
Published Rate	Rate on application — consistent with upper Class B market range
Relevance	Historic character and downtown professional positioning; amenitized multi-tenant building serving legal and professional services tenants

Comp 3 — Catalyst Building | 601 E. Riverside Ave., Spokane (ZIP 99202)

Building	Class B new construction — 5-story, 159,000 SF; built 2020
Location	East Central Spokane / University District — same ZIP code as subject property
Anchor Tenants	Eastern Washington University (110,000 SF), Avista Corporation (30,000 SF)
Parking	205 spaces at 1.29 / 1,000 SF ratio
Published Rate	Rate on application — consistent with Class B market avg. (\$20–\$24 / SF / YR NNN)
Relevance	Nearest large modern office project to subject; establishes neighborhood demand and NNN rate ceiling for institutional-grade space in the 99202 submarket

Comp 4 — Historic Carlyle Building | 206 S. Post St., Downtown Spokane

Building	Historic 7-story brick building — constructed 1890; mixed-use commercial and residential
Lease Structure	Gross lease — rate includes utilities, building services, and property expenses

Ownership	New ownership and management as of September 2024
Published Rate	Active listing; rate on application; gross lease structure
Relevance	Demonstrates continued market demand for historic commercial space in Spokane with full-service gross lease structure

V. LEASE RATE ANALYSIS

Market Rate Context

Published Spokane Class A asking rents averaged \$24.41 per square foot annually in 2024, with the market-wide ceiling for publicly listed space at approximately \$25.00 per square foot. These figures reflect NNN or modified gross structures without furnishings, technology infrastructure, or dedicated parking — and are drawn from properties generally in excess of 25,000 square feet.

The Liberty Business Center, the most directly comparable all-inclusive furnished office product in Spokane, achieves approximately \$19.00 to \$19.30 per square foot annually on a gross-inclusive basis — encompassing utilities, janitorial, internet, conference room access, and management. On a net-equivalent basis, stripping typical Spokane operating expenses of \$8 to \$12 per square foot, the underlying net rate for that product falls well below market. The Naegeli Building's superior architectural quality, exclusivity, and private-building delivery justify a substantial premium.

Premium Factors

The following factors support a lease rate materially above the published Class A market ceiling:

National Register Landmark	Listed on the National Register of Historic Places (1982) and Spokane Register (2004). No comparable new-construction equivalent exists or can be built.
Architectural Distinction	Italian Renaissance interior with richly colored woodwork, custom millwork, fine art, and period lighting — entirely owner-curated. Creates an immediately recognizable and prestigious tenant environment.
Renovation Investment	\$300,000+ restoration completed ca. 2008. Preservation-grade work rather than generic modernization.
Fully Furnished & Turnkey	Move-in ready from day one. A tenant avoids an estimated \$60,000–\$100,000 in furniture, fixtures, and equipment costs at this quality level and square footage.
Dedicated Parking Included	8 on-site stalls included in the lease — a ratio of 2.0 per 1,000 SF. For a legal or professional services tenant receiving clients for depositions, this is a material operational advantage.
Conference Infrastructure	Two fully equipped, tastefully appointed videoconferencing rooms named for U.S. Presidents. Immediately operational for legal, financial, or executive users.
Dual Kitchens	Two kitchens and a break room in a 4,000 SF building — an amenity level uncommon at this scale.

Excellent HVAC

Systems in excellent condition. No deferred maintenance exposure for an incoming tenant.

Scarcity Value

One-of-one product in the Spokane market. There is no pipeline of comparable competing supply.

Lease Rate Opinion

Based on the market data summarized above and the premium factors specific to this property, it is our opinion that the Naegeli Building at 25 S. Altamont Street, Spokane, Washington supports a market lease rate in the following range:

Lease Structure	Rate	Annual Rent (4,000 SF)	Monthly Equivalent
Full-Service Gross — Low End	\$50.00 / SF / YR	\$200,000 / year	\$16,667 / month
Full-Service Gross — High End	\$65.00 / SF / YR	\$260,000 / year	\$21,667 / month
Most Probable (Legal / Executive Tenant)	\$55.00-\$65.00 / SF / YR	\$220,000-\$260,000 / year	\$18,333-\$21,667 / month

The \$50.00 per square foot floor is supportable for a general professional services tenant. The upper range of \$65.00 per square foot is fully defensible for a legal, financial, or executive user who recognizes the turnkey delivery, 8 included parking stalls, conference infrastructure, and the irreplaceable character of the space. The Washington State Class A average of \$43.88 per square foot on a net basis implies a full-service equivalent in the \$54 to \$56 per square foot range at the statewide level — before any premium for the Naegeli Building's unique attributes. This provides additional support for the upper end of the range cited.

VI. BROKER COMMENTARY

One thing I always caution clients about is comparing office space based solely on advertised rental rates. Many properties reflected in market reports are not truly comparable once you account for the quality of improvements, furnishings, parking, and the cost and time required to make a space fully operational.

What stands out about the Naegeli Building is that it offers a tenant a professional, turnkey environment from day one. A tenant leasing vacant or lightly improved space elsewhere will typically spend a considerable amount of money on furniture, technology, conference rooms, reception areas, and other improvements before they can fully occupy the premises. That capital outlay — which at this quality level could easily reach \$60,000 to \$100,000 — is eliminated entirely at the Naegeli Building.

For those reasons, I believe a lease rate in the \$50.00 to \$65.00 per square foot range is reasonable and well-supported by the overall value being delivered. Based on the condition of the space, its turnkey nature, and its one-of-a-kind character in the Spokane market, I would not be surprised to see the right tenant justify a rate firmly toward the higher end of that range.

VII. MATERIAL DISCLOSURE

ADA Compliance: The Naegeli Building is not ADA compliant. The building is exempt from ADA compliance requirements under historic preservation designation. Prospective tenants should consult qualified legal counsel regarding any accessibility obligations that may apply to their tenancy, use, or operations prior to executing a lease.

Historic Modification Restrictions: The subject property is listed on both the National Register of Historic Places and the Spokane Register of Historic Places. Tenant modification rights are limited under applicable historic preservation guidelines. Prospective tenants should review applicable restrictions with the property owner and, if applicable, the Spokane Historic Preservation Office prior to lease execution.

VIII. SUMMARY

Item	Conclusion
Subject Property	25 S. Altamont St., Spokane, WA 99202 — The Naegeli Building (1913 East Side Carnegie Library)
Building Size	Approx. 4,000 rentable SF
Parking	8 dedicated stalls included in lease
Spokane Class A Market Rate (2024)	\$24.41 / SF / YR — NNN / modified gross, large-property data
Best Comparable (Gross-Inclusive)	Liberty Business Center: ~\$19.00-\$19.30 / SF / YR all-inclusive
Estimated Market Lease Rate	\$50.00-\$65.00 / SF / YR Full-Service Gross
Annual Rent Range (4,000 SF)	\$200,000-\$260,000 / year
Monthly Rent Range (4,000 SF)	\$16,667-\$21,667 / month
Most Probable Rate	Toward upper bound (\$60.00-\$65.00) for legal, financial, or executive tenant
Primary Premium Drivers	National Register landmark; Italian Renaissance build-out; fully furnished; 8 included stalls; dual conference rooms; turnkey delivery; scarcity value

Jesse Peone

EXP Realty LLC | License #201228838
503-508-5513 | peoneholdings@gmail.com