

OFFERING MEMORANDUM

THE SHOPS AT CEDAR CREEK

*Mud Bay-Anchored Retail
Located in Sherwood, OR*



16784 SW EDY RD, SHERWOOD, OR 97140

km Kidder
Mathews

INVESTMENT HIGHLIGHTS

PREMIER SUBURBAN RETAIL LOCATION

Cedar Creek Pad sits at the signalized intersection of Pacific Highway 99W (38,600 ADT) and SW Edy Road (10,689 ADT) within Cedar Creek Plaza, one of Sherwood's premier mixed-use destinations. Co-tenancy includes Providence Medical, Planet Fitness, Starbucks, IHOP, and The Ackerly Senior Living.

STABILIZED 100% OCCUPANCY

Three high-quality tenants—Mud Bay, Guardian Veterinary Care, and Didi's Café—deliver an ideal blend of credit-like specialty retail, recession-resistant medical, and daily-needs food service. The center delivered in 2018 with Phase II of the larger (NAP) center completed in 2025.

DURABLE, GROWING INCOME STREAM

All three tenants operate under NNN structures with personal guarantees on Didi's Café and Guardian Veterinary Care. Built-in annual escalations of 2% to 2.5% (plus a 10% option bump on Mud Bay) provide income growth and inflation hedge.

PREMIER DEMOGRAPHICS & TRADE AREA

Sherwood is one of Oregon's fastest-growing and highest-income cities, with average household incomes of \$158K-\$167K within three miles and pet-spending and retail-demand indices ranging from MPI 105 to SPI 140.



ADDRESS	16784 SW Edy Rd Sherwood, OR 97140
TOTAL BUILDING SIZE	8,563 SF
LAND AREA	44,011 SF
YEAR BUILT	2018
OCCUPANCY	100%
PARKING	232 shared spaces (cross-easement)

PROPERTY OVERVIEW

TOTAL BUILDING SIZE	8,563 SF
LAND AREA	44,011 SF (1.01 AC)
YEAR BUILT	2018
OCCUPANCY	100%
PARKING	232 shared spaces (cross-easement)
TENANTS	Mud Bay, Guardian Veterinary Care, Didi's Café
TRAFFIC COUNTS	99W 38,600 ADT SW Edy Rd 10,689 ADT
LEASE STRUCTURE	All NNN (Mud Bay NNN + 15% admin fee)
OFFERING PRICE	\$5,290,000
CAP RATE	6.25%
IN-PLACE NOI	\$330,773

\$5.29M
OFFERING PRICE

6.25%
CAP RATE

8,563
TOTAL BUILDING SF

\$330,773
IN-PLACE NOI

The Shops at Cedar Creek is a 8,563 SF, three-tenant retail asset positioned within Cedar Creek Plaza, a 59,000 SF mixed-use destination at the signalized corner of Pacific Highway 99W and SW Edy Road in Sherwood, Oregon.

The property was constructed in 2018 with Phase II of the broader Cedar Creek Plaza delivering in 2025 and now nearly fully leased, reinforcing tenant demand and center vitality.

The building is fully occupied by three complementary tenants—Mud Bay (specialty pet anchor), Guardian Veterinary Care (medical), and Didi's Café (daily-needs restaurant)—each operating under NNN lease structures. The blended tenancy provides a rare combination of credit-like specialty retail, recession-resistant medical, and food service in one stabilized asset.

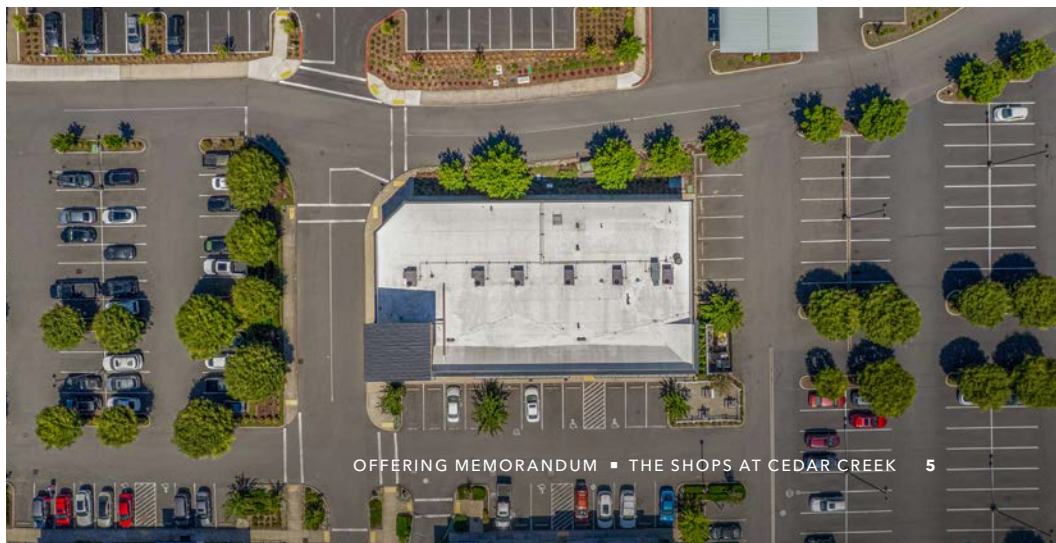
Surrounding co-tenancy at Cedar Creek Plaza includes Providence Medical, Planet Fitness, Starbucks, IHOP, The Ackerly Senior Living, and Scenthound, a dog grooming retailer. The 232-space cross-easement parking field provides ample customer access, and the property benefits from direct visibility and signage along 99W.



PROPERTY OVERVIEW



PROPERTY OVERVIEW



RENT ROLL

Tenant	SF	\$/SF/Year	Monthly Base Rent	Current Annual	Lease Term	Escalations	Options
Mud Bay (Anchor)	3,718	\$37.84	\$11,724	\$140,688	12/30/19 - 12/30/29	10% / option	Three 5-Year
Guardian Veterinary Care	3,641	\$37.87	\$11,491	\$137,891	5/1/21 - 4/30/31	2% annually	Personal Gty
Didi's Café	1,204	\$39.15	\$3,928	\$47,142	4/9/21 - 4/30/28	2.5% annually	Personal Gty
Total / Weighted Average	8,563	\$38.04	\$27,143	\$325,721			



Lease Structure

All leases are NNN

Mud Bay's NNN structure includes a 15% administrative fee on common area expenses and requires annual sales reporting

Didi's Café and Guardian Veterinary Care both carry personal guarantees

FINANCIAL ANALYSIS

INCOME	\$/SF/Year	% EGI	Annual
Base Rental Revenue	\$38.04		\$325,721
CAM Reimbursements	\$12.98		\$111,111
Total Income	\$51.01		\$436,832
Less: Vacancy & Collection Loss Factor		5.00%	(\$21,842)
Effective Gross Income (EGI)	\$48.46		\$414,990

EXPENSES	\$/SF/Year	% EGI	Annual
Property Taxes	\$4.28	8.82%	\$36,622
Insurance	\$0.59	1.23%	\$5,093
Repairs & Maintenance	\$0.94	1.94%	\$8,046
Utilities	\$0.97	2.01%	\$8,335
Administrative	\$0.03	0.05%	\$225
Management	\$5.32	10.99%	\$45,597
Reserves for Replacement	\$0.25	0.52%	\$2,141
Total Operating Expenses	\$12.39	25.56%	\$106,059
Net Operating Income (NOI)	\$38.63	79.71%	\$330,773

6.25%

CAP RATE

\$5,290,000

OFFERING PRICE



TENANT PROFILES



Specialty Anchor - Pet Retail

Mud Bay is the Pacific Northwest's largest independent natural pet retailer with 60+ stores across Washington and Oregon. Founded in Olympia, WA in 1988, the company operates as a 100% employee-owned business, which has translated into low employee turnover, strong store-level consistency, and elevated brand loyalty among regional pet owners.

The pet category continues to outperform broader retail, with the U.S. pet industry projected to grow steadily as pet ownership and per-pet spending both expand. Mud Bay's specialty positioning, focused on natural, high-quality pet nutrition and accessories, targets the demographic profile of the Sherwood trade area (MPI 105-121 for pet-related categories).

Credit-like income with stable long-term performance, high renewal probability, and contractual sales reporting. Mud Bay's 12/30/2019 lease commencement provides nearly four remaining years of primary term plus three 5-year options at 10% escalations with a very high renewal probability.



Medical Anchor - Veterinary Care

Guardian Veterinary Care operates a full-service veterinary clinic at Cedar Creek Plaza, offering primary care, surgical services, dental care, and preventive wellness for companion animals. The clinic serves the Sherwood and broader Tualatin Valley pet-owning population, drawing from a 1-mile trade area with 1,680 dog-owning households (MPI 112) and elevated veterinary spending indices.

Veterinary tenancy ranks among the most coveted categories in retail investment underwriting due to (i) recession-resistant demand—pet medical spending is largely non-discretionary, (ii) significant tenant build-out investment (typically \$200-\$400/SF in medical equipment, plumbing, and exam-room infrastructure) that creates very high relocation costs and tenant 'stickiness,' and (iii) annual rental escalations of 2% providing inflation-protected income growth.

The tenant expanded its footprint by 1,200 SF in 2026. The lease runs through April 2031 with a personal guarantee. Medical users command premium underwriting and are among the most sought-after tenants in suburban retail.



Daily-Needs Restaurant - Mediterranean

Didi's Café is a successful Mediterranean restaurant operator with multiple Portland-area locations. The Cedar Creek Plaza location complements the center's tenancy mix by drawing daytime and evening traffic, creating cross-shopping synergy with Mud Bay and Guardian Veterinary Care.

Local restaurant operators with regional presence offer attractive credit characteristics relative to single-location independents while providing the authenticity and community engagement that anchored suburban retail centers increasingly compete on. The lease runs through April 2028 with 2.5% annual escalations and a personal guarantee.

Local operators with multi-unit presence provide stability, daily traffic, and community engagement—qualities that protect against the commoditization risk affecting chain restaurant credit.

PORTLAND

RETAIL MARKET

The Portland metro retail market closed 4Q 2025 with vacancy of 4.5%, asking rents up 6.44% year-over-year, and construction deliveries down 49.41%—a constrained-supply backdrop favorable to in-place stabilized retail product. Average sales price held at \$306/SF with metro-wide average cap rates at 7.5% across all retail product types (suburban grocery- and medical-anchored neighborhood retail consistently trades inside this metro average).

PORTLAND RETAIL - 4Q2025

	4Q25	3Q25	4Q24	YOY CHANGE
VACANCY RATE	4.5%	4.4%	3.9%	60 bps
AVERAGE ASKING RENTS/SF/YR	\$2.01	\$1.98	\$1.89	6.44%
UNDER CONSTRUCTION (SF)	272,507	276,549	538,686	-49.41%
AVERAGE SALES PRICE/SF	\$306	\$374	\$140	118.66%
AVERAGE CAP RATE	7.5%	11.8%	6.5%	100 bps

Sherwood Submarket

Sherwood is one of Oregon's fastest-growing and highest-income cities, located in southwest Washington County along the Pacific Highway 99W corridor. The city benefits from limited new retail supply due to a constrained UGB, strong municipal planning oversight, and high barriers to entry for ground-up retail development. Notable nearby construction includes 15561 SW Thrasher Way (102,000 SF, delivering 1Q 2026), as well as another pad building within the larger Cedar Creek Shopping Center, which has experienced good leasing momentum, including the complimentary tenant Scenthound, which recently opened for business.

Within a 3-mile radius of the subject property, average household income is \$166,880, median household income is \$126,439, and the Esri Wealth Index registers at 157 (versus 100 U.S. average). The trade area's retail demand SPI ranges from 135-140 across most major categories, indicating significant spending capacity relative to existing retail supply.

The demographic profile—affluent, family-oriented, high pet-ownership rates, and growing—is a precise match for the existing tenant mix at Cedar Creek Pad.

DEMOGRAPHICS

2025 EST. POPULATION

11,496

1 MILE

30,487

3 MILES

114,569

5 MILES

2025 EST. HH INCOME

\$118,989

1 MILE - MEDIAN

\$126,439

3 MILES - MEDIAN

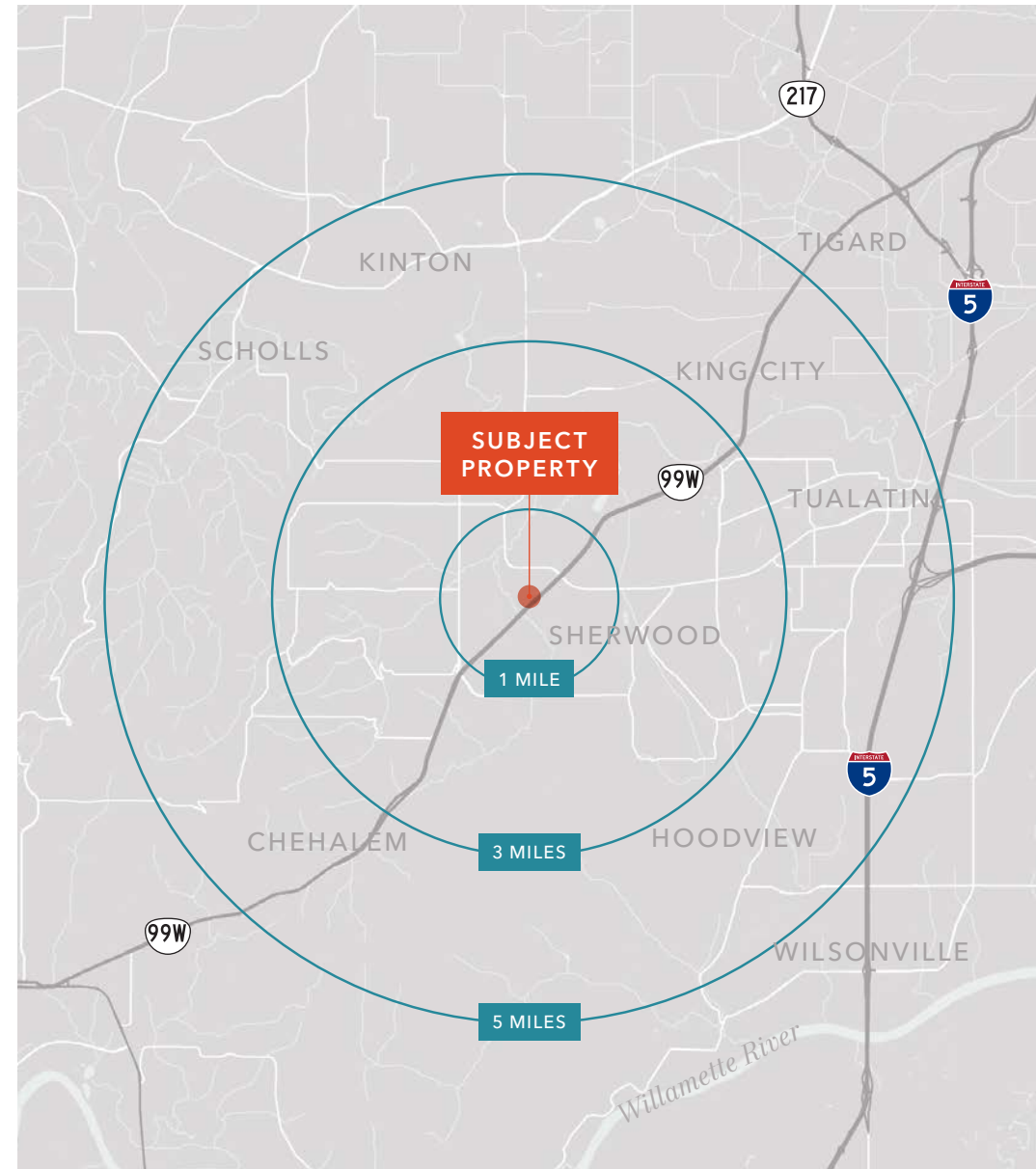
\$166,880

5 MILES - AVERAGE

RETAIL DEMAND & ANNUAL PET SPENDING INDICES

	1 Mile	3 Miles	5 Miles
RETAIL TRADE, FOOD SERVICES & DRINKING (SPI)	135	140	130
HH OWNS 1+ DOGS (MPI)	112	109	97
HH SPENT \$500+ ON PET FOOD (MPI)	115	113	102
HH SPENT \$800+ ON VET CARE (MPI)	123	123	111
HH USED PROF. PET SERVICE (MPI)	123	122	113
HH HAS PET INSURANCE (MPI)	114	119	119
RESTAURANTS & OTHER EATING PLACES (SPI)	137	143	134

Data source: Esri 2025/2030 forecasts. An index of 100 represents the U.S. average; values above 100 indicate elevated spending or behavior relative to the national norm.





THE SHOPS AT CEDAR CREEK

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