



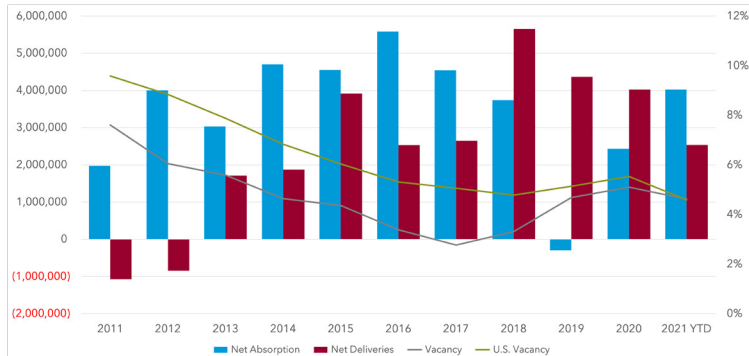
INDUSTRIAL MARKET OVERVIEW

CHRIS PETERSON, CCIM, SIOR, *Principal*

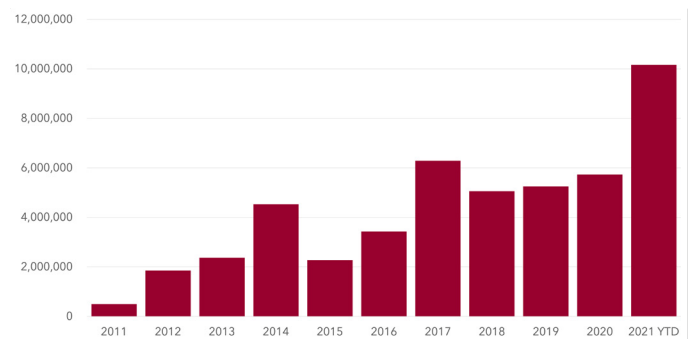
Moving into Q4, the booming industrial trends of 2020 continue with vacancy rates still declining. For the first time in years, the PNW vacancy rate is above the national average, but this is largely due to the massive output from developers with over 10M square feet of inventory under construction in 2021, nearly doubling the average of the last few years. The average rental rates in the market pushed up to a high of \$11.98 per square foot. The outlook remains strong locally with predictions of a very tight market and continued fast paced rent growth largely being realized regionally, even in the face of an extremely active construction cycle.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	5,599,046	2,419,036	2,422,469	2,430,950	285,114
▼ Vacancy Rate	4.6%	5.0%	4.9%	5.1%	5.4%
▲ Avg NNN Asking Rate PSF	\$11.98	\$11.66	\$11.43	\$11.31	\$11.18
▼ SF Under Construction	10,161,605	10,457,592	6,454,367	5,731,733	4,990,477
▲ Inventory SF	336,271,872	335,083,962	334,326,858	333,738,787	333,260,232

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4911 180th Street E Tacoma, WA	303,866 SF	\$48,833,340 \$160.71 PSF	Dalfen Industrial Panattoni Development Company	Class A
3303 S 35th Street Tacoma, WA	302,190 SF	\$42,750,000 \$141.47 PSF	Post Investment Group Kalyx Development Inc.	Class C
3102 W Valley Hwy N Auburn, WA	268,770 SF	\$52,670,980 \$195.97 PSF	Fortress Investment Group Teutsch Partners Reel Estate Serv	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8th St E Sumner, WA	499,910 SF	Undisclosed	Nordstrom	Retailer
4417 1925nd Street E Tacoma, WA	281,181 SF	Logistics Property Company, LLC	Spreetail	Professional, Scientific and Technical Services
12005 Steele Street S Tacoma, WA	273,816 SF	Undisclosed	UNIS	Manufacturing

