



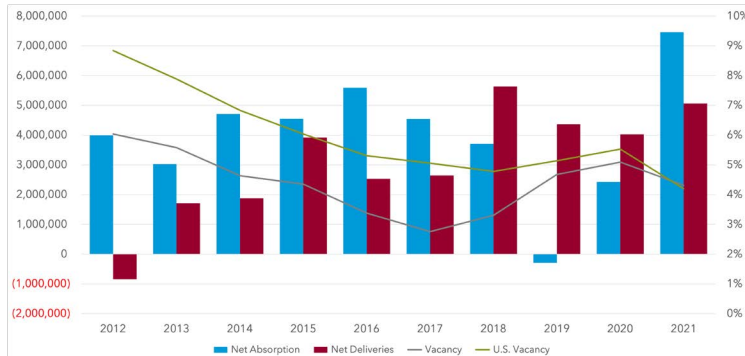
INDUSTRIAL MARKET OVERVIEW

BILLY MOULTRIE, *Principal*

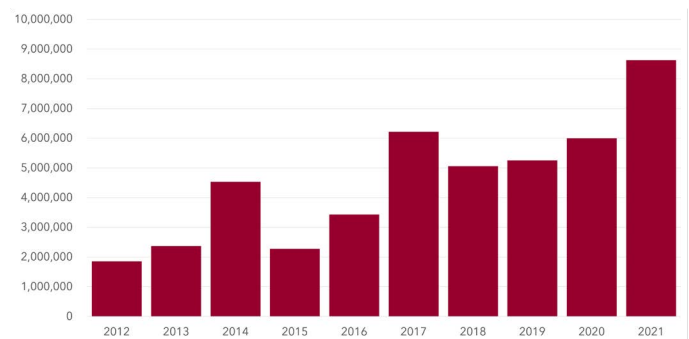
2021 went out with a flurry of industrial sales (48 sales/\$794MM). Competition from institutional/venture capital buyers for quality assets drove cap rates into sub 4%, which have become the norm. Q4 experienced rent growth in all building size ranges. The north Kent Valley broke the \$10.80/SF annual rate for Class A industrial of ±100K+ SF. Strong demand for large distribution space also pushed rents in Pierce County (Port of Tacoma) into the \$9/SF annual rate. Rent growth has held at 7%-8% annually. Renewals are facing 40%-50% increases in base rent. Developers are seizing any developable land to meet the predicted demand, specifically large sites (50+ acres) for large box tenants without closer-in options.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	7,458,878	6,403,917	2,535,790	2,427,745	2,430,886
▼ Vacancy Rate	4.3%	4.6%	5.0%	4.9%	5.0%
▲ Avg NNN Asking Rate PSF	\$12.37	\$12.16	\$11.80	\$11.53	\$11.38
▼ SF Under Construction	8,627,801	9,709,956	11,147,561	6,599,404	5,995,245
▲ Inventory SF	339,235,851	337,892,901	335,519,304	334,762,199	334,174,128

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8220 S 212th St (Part of Portfolio Sale) Kent, WA	446,850 SF	\$61,450,780 \$137.52 PSF	Dermody Properties, Inc. Olympic Steamship Co, Inc.	Class B
302 33rd Street SE Puyallup, WA	438,065 SF	\$105,000,000 \$239.69 PSF	Clarion Partners Washington Capital Management	Class A
12005 Steele Street S Tacoma, WA	273,816 SF	\$87,000,000 \$317.73 PSF	Realterm US, Inc. Panattoni Development Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4911 180th Street E Tacoma, WA	266,683 SF	Dalfen Industrial	LG Electronics	Consumer Electronics
701 15th Street SW Auburn, WA	206,155 SF	Bridge Industrial	Victory Packaging	Packaging
West Valley Highway Kent, WA	171,510 SF	Panattoni Development Group	Blue Origin	Aerospace

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