



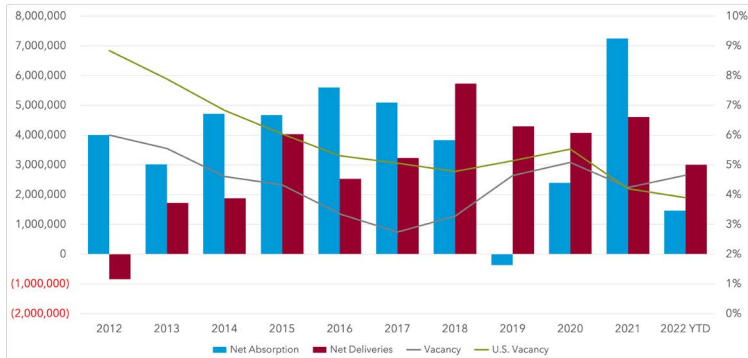
INDUSTRIAL MARKET OVERVIEW

BILLY MOULTRIE, *Principal*

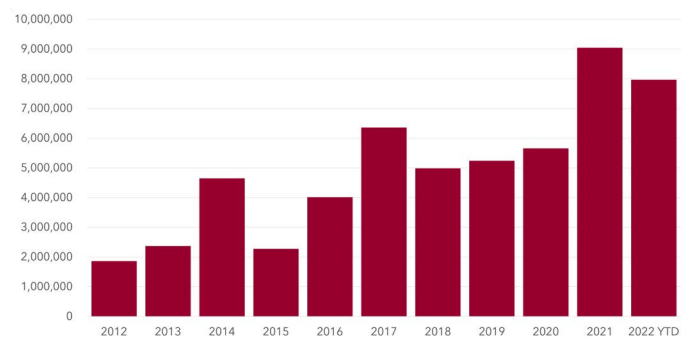
Q2 industrial deal activity remained strong. Rent growth ticked up, continuing the strong trend from the past eight quarters. Low vacancy for quality box space created extra pressure on rates as well. Currently, there are only two (2) Class-A spaces over 200K SF existing/available in the industrial market south of Seattle, both with deals in negotiation. Developers are delighted with this demand environment. It gives them confidence that the roughly 8MM SF of industrial product planned or under construction will be absorbed. The end of Q2 brought negative news about the national economy and while Institutional buyers might have their pens down, tenants are pressing forward confidently.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	8,429,848	7,959,172	7,244,757	6,403,999	2,544,266
▲ Vacancy Rate	4.2%	3.9%	4.2%	4.7%	5.0%
▲ Avg NNN Asking Rate PSF	\$13.26	\$12.94	\$12.58	\$12.28	\$11.93
▼ SF Under Construction	7,967,060	8,631,219	9,043,416	9,326,321	10,585,244
▲ Inventory SF	344,006,711	342,076,794	340,999,201	340,209,441	337,842,901

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
400 SW 15th Street (2 Property Sale) Auburn, WA	1,418,716 SF	\$80,000,000 \$52.00 PSF	Industrial Realty Group, LLC US General Services Administration	Class C
2900 Center Drive (3 Property Sale) Dupont, WA	747,488 SF	\$104,448,329 \$139.73 PSF	Duke Realty Corporation CRG	Class B
2800 Center Drive (3 Property Sale) Dupont, WA	494,900 SF	\$73,178,564 \$147.87 PSF	Duke Realty Corporation CRG	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2600 Taylor Way Tacoma, WA	416,492 SF	Prologis, LP	Unis	Transportation Warehousing
4663 196th Street, E Tacoma, WA	352,801 SF	Logistics Property Company	Holman Distribution Center	Transportation Warehousing
4911 180th Street, E Tacoma, WA	303,866 SF	Dalfen Industrial	World Distribution Services	Transportation Warehousing

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com