



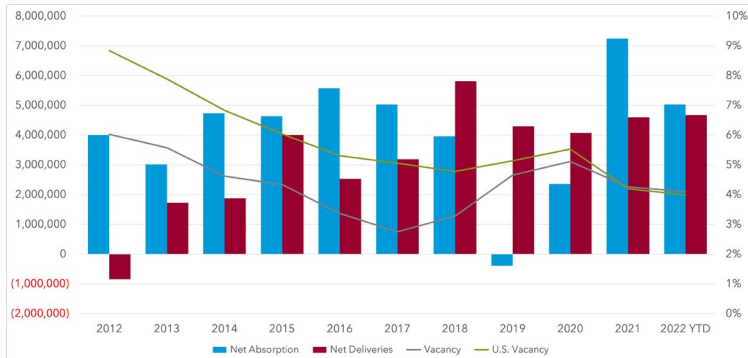
INDUSTRIAL MARKET OVERVIEW

VANESSA HERZOG, SIOR, CCIM, *Principal*

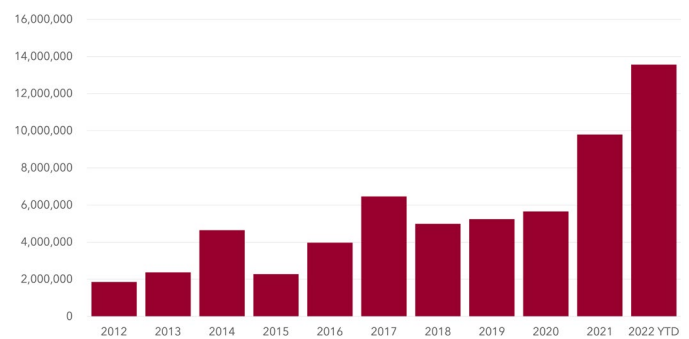
Changes continue, most notably the demand for land from Industrial developers. Rental rate increases are shadowed by increases in interest rates and project costs for new construction. Combined with investor hesitation, this reversed the land value growth we have experienced over the past three years. Several new projects will still come to market, but behind this will be a gap in new construction. Developing trends include hesitation from tenants, a slowdown in demand from 500+ SF tenants, increased sublease space, land coming back to the market. Investment sales slowed, as some owners pull back offerings to wait out unstable and upward moving cap rates. On the sidelines, the cash buyer looking for the deal.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	6,779,824	8,434,701	7,957,579	7,242,144	6,395,776
▼ Vacancy Rate	4.2%	4.3%	4.0%	4.3%	4.7%
▲ Avg NNN Asking Rate PSF	\$13.09	\$13.02	\$12.76	\$12.44	\$12.19
▲ SF Under Construction	13,560,736	10,497,262	9,616,709	9,797,431	9,960,496
▲ Inventory SF	343,765,303	342,094,333	340,164,416	339,092,823	338,303,063

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
22408 76th Ave S (P/O Portfolio Sale) Kent, WA	207,744 SF	\$59,376,850 285.82 PSF	Lift Partners Holman Logistics Ctr/Clark Family	Class B
22434 76th Ave S (P/O Portfolio Sale) Kent, WA	178,064 SF	\$46,723,150 \$262.40 PSF	Lift Partners Holman Logistics Ctr/Clark Family	Class B
8002 S 208th St (P/O Portfolio Sale) Kent, WA	145,204 SF	\$22,383,110 \$154.15 PSF	Blackstone, Inc. PS Business Parks, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9205 Airport Road Everett, WA	475,903 SF	Bosa Development, Bosa Bomarc LLC	GXO	Professional, Scientific & Technical Services
4301 W Valley Hwy E Sumner, WA	257,775 SF	CenterPoint Properties, Rainier Land Holdings	NFI Industries	Logistics Services
3451 84th St Sreet Lakewood, WA	245,987 SF	LBA Realty	Damco Distribution Services	Logistics Services

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