



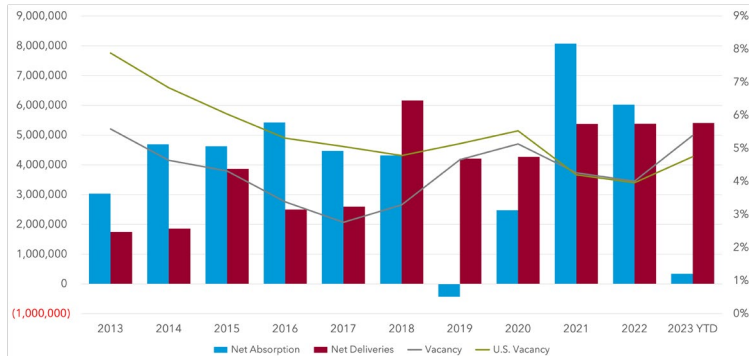
INDUSTRIAL MARKET OVERVIEW

VANESSA HERZOG, SIOR, CCIM, *Principal*

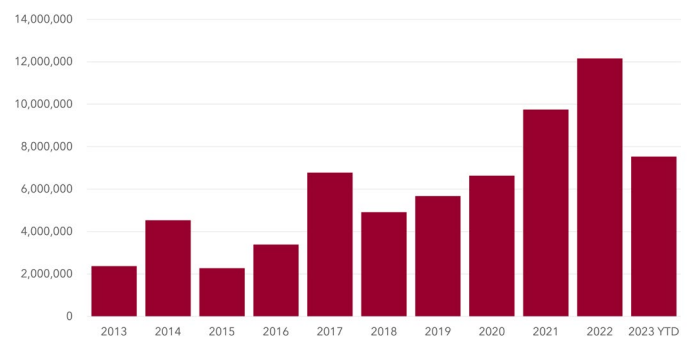
Sublease space is always available, however, the first five months of 2023 nearly doubled the amount of square feet available for sublease, from 1.5M SF in December 2022 to over 2.7M SF today, in 77 available spaces. This type of activity has not been seen in the Seattle metro market since 2009-2010 when sublease space reached over 3M SF. This doesn't appear to be affecting the overall lease rates, yet, as lease rates are holding steady and, in some places, still increasing. The sudden increase could be due to the slowdown in freight movement as Ports on the west coast struggle with labor negotiations. While Covid demand levels are likely over, tenant demand continues for larger and newer facilities.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	147,770	2,797,676	6,021,850	7,172,929	10,353,353
▲ Vacancy Rate	5.3%	4.7%	4.0%	4.0%	3.9%
▲ Avg NNN Asking Rate PSF	\$14.34	\$14.11	\$13.77	\$13.46	\$13.24
▼ SF Under Construction	10,332,690	10,388,209	12,157,314	10,522,892	9,427,649
▲ Inventory SF	346,884,288	345,631,466	344,275,697	343,262,063	341,796,693

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2925 70th Avenue E Tacoma, WA	111,824 SF	\$22,800,000 \$203.89 PSF	Invesco Principal Financial Group, Inc.	Class B
7622 S. 188th Street Kent, WA	66,230 SF	\$15,000,000 \$226.48 PSF	Kyokuyo America Corp American Foods Group	Class B
9229 10th Avenue South Seattle, WA	31,300 SF	\$8,000,000 \$255.59 PSF	National Products, Inc. Scharhon Family LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
14545 SE Stewart Road Sumner, WA	293,172 SF	Investco LLC	Allen Distribution	Transportation and Warehousing
1950 S. State Street Tacoma, WA	248,033 SF	Davis Property & Investment	Infinity Global Logistics	Logistics
16015 51st Avenue Marysville, CA	245,000 SF	NorthPoint	Tesla	Manufacturing

