



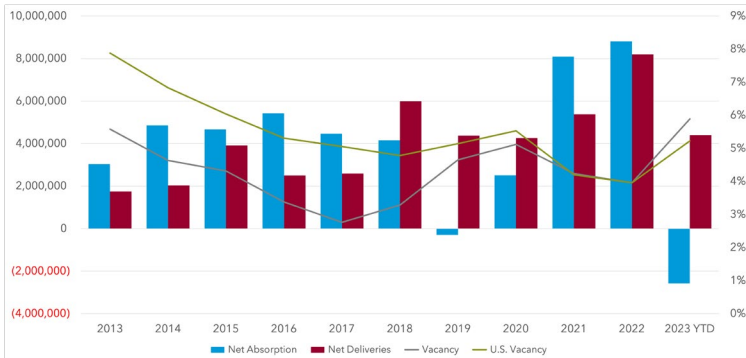
### INDUSTRIAL MARKET OVERVIEW

ANDREW HULL, Associate Vice President

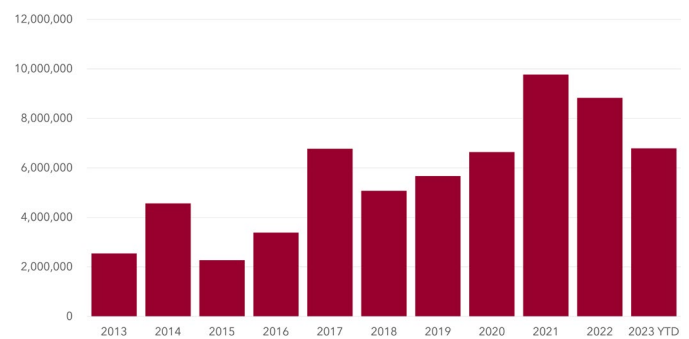
Leasing activity and market rent growth are cooling, while economic uncertainty and rising interest rates have decelerated the investment sales market. It's not all bad news, as owner-users and local investors now have an opportunity to outbid institutional buyers on purchase opportunities. Buyers and sellers remain in the price discovery stage, with cap rates trending upward and sale prices adjusting downward. Lease industrial inventory is plentiful and the market is shifting in favor of Tenants, giving flexibility with time and lease terms. 3PL occupiers capitalize sublease and short-term opportunities plus favorable rates to land contracts. Boeing leads leasing activity in the market, demonstrating the growth of the aerospace industry.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(692,294)	2,803,844	5,598,049	8,812,466	9,813,287
▲ Vacancy Rate	5.7%	5.3%	4.7%	4.0%	4.0%
▲ Avg NNN Asking Rate PSF	\$14.84	\$14.60	\$14.26	\$13.88	\$13.53
▼ SF Under Construction	6,787,358	8,634,108	7,060,446	8,829,551	7,524,285
▲ Inventory SF	352,343,906	350,487,030	349,231,583	347,875,814	346,862,180

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3200 35th Avenue, NE Everett, WA	110,698 SF	\$14,710,000 \$132.88 PSF	Scott Galvanizing Company Builders FirstSource, Inc.	Class C
1017-1045 Andover Park* Tukwila, WA	76,128 SF	\$14,404,151 \$189.21 PSF	Lift Partners Michael Smooke	Class B
4301 78th Street, SW Mukilteo, WA	67,595 SF	\$20,200,000 \$298.84 PSF	Kalani Packaging Mosaic Homes	Class A

\*Part of portfolio sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6616 S. 199th Place Kent, WA	111,062 SF	Dermody	Architectural Surfaces	Wholesale
2120 Milwaukee Way Tacoma, WA	131,588 SF	Port of Tacoma	TNT	Retailer
6605 Hardeson Road Everett, WA	111,172 SF	PGIM	Hogland Transfer	Transportation

