



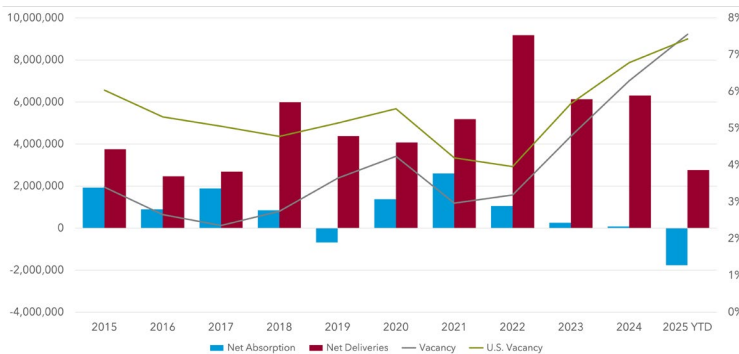
INDUSTRIAL MARKET OVERVIEW

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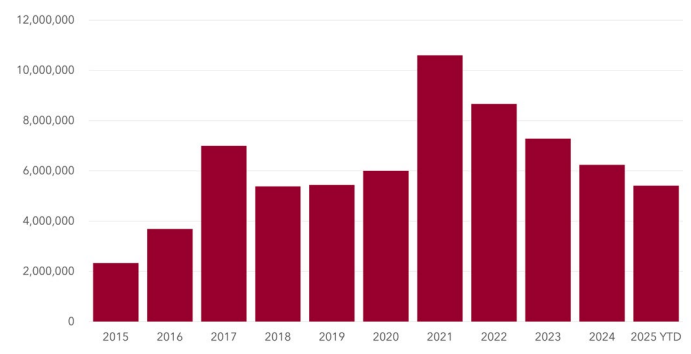
The Pacific Northwest industrial market saw renewed volatility in Q2, with net absorption turning negative at -1.38 million SF and vacancy rising to 8.6%-a one-year high. Despite weaker tenant demand, average annual NNN rents increased to \$14.47/SF, reflecting landlord confidence or pricing discipline for newer assets. Sale prices declined to \$224.45/SF from \$233.00 in Q1, indicating recalibrated investor expectations. While macroeconomic uncertainty and rising vacancies persist, long-term industrial fundamentals remain strong. Overlaying this is a historic U.S. trade deficit contraction, driven by falling imports and record exports. This shift complicates logistics but may benefit the region's export-driven base and support industrial leasing in the year's second half.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	(1,377,305)	2,096,803	(2,287,759)	(3,243,430)	(2,142,214)
▲ Vacancy Rate	8.60%	7.60%	8.00%	7.80%	7.38%
▲ Avg NNN Asking Rate PSF	\$14.47	\$14.30	\$14.36	\$14.26	\$14.82
▼ Sale Price PSF	\$224.45	\$233.00	\$215.11	\$238.00	\$224.11
▼ Cap Rate	5.60%	5.80%	6.20%	5.72%	5.50%
▼ Under Construction SF	5,413,360	5,741,878	5,817,103	10,910,795 SF	7,754,035
▲ Inventory SF	365,958,421	364,699,678	363,502,423	362,293,871	360,036,235

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3120 South Pine Street Tacoma, WA	198,568 SF	\$41,000,000 \$206.00 PSF	Goodwill Industries CenterPoint	Class C
Canyon Road and 176th Street E Frederickson, WA	41 Acres	45,500,000 \$25.00 PLSF	Dermody Properties Palace Properties	N/A
507 N. Levee Road Puyallup, WA	110,089 SF	\$18,250,000 \$165.77 PSF	Nu-Ray Metals Link Logistics	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
917 E. 11th Street Tacoma, WA	612,612 SF	Ares	Estes Forwarding Worldwide	Logistics
6921 S. 192nd Street Frederickson, WA	320,294 SF	Panattoni/ Crow Holdings	Kowa Company LTD	Manufacturing
14515 SE Stewart Road Sumner, WA	249,137 SF	Terragon	The Odom Corporation	Distributor

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