LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

LEE & ASSOCIATES | PACIFIC NORTHWEST

INDUSTRIAL MARKET REPORT

Q3 2025

MSA MARKET (SNOHOMISH TO THURSTON)	I-5 CORRIDOR (BORDER TO BORDER)
(1,041,157) SF 12 Mo Net Absorption	**(300,130) SF** 12 Mo Net Absorption
8.79% Vacancy Rate	**6.29%** Vacancy Rate
5,487,421 SF Under Construction	**8,374,702 SF** Under Construction
365,023,177 SF Inventory SF	**427,177,531 SF** Inventory SF
$15.50 PSF Average Market Rent / SF (1.29/SF Average Monthly Rent)	**$11.55 PSF** Average Market Rent / SF (0.96/SF Average Monthly Rent)
$762,169,806 Sales Volume	**$797,648,637** Sales Volume

Lee & Associates is the largest broker-owned commercial real estate firm in North America with 1,750+ professionals in 80+ offices across 28 states and 3 provinces.

MSA MARKET OVERVIEW

The Pacific Northwest industrial market continued to face headwinds in Q3 2025, with vacancy climbing to 8.79% as sluggish tenant demand and a wave of second-generation space returned to the market. Net absorption remained negative, though at a slower pace than Q2, suggesting some stabilization. Average annual NNN rents held firm at $15.50/SF, as newer Class A assets kept pricing buoyant despite softer demand in older product. Investment sales volume increased, with pricing drifting lower and cap rates ticking upward. Tariff-driven cost pressures on construction and imported goods added another layer of uncertainty, affecting both development pipelines and tenants reliant on trade. Even so, Washington's strong trade corridors and export-driven user base provide a foundation for cautious optimism as the market looks to regain balance heading into 2026.

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8.79 %
Vacancy Rate

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Under Construction

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Inventory SF

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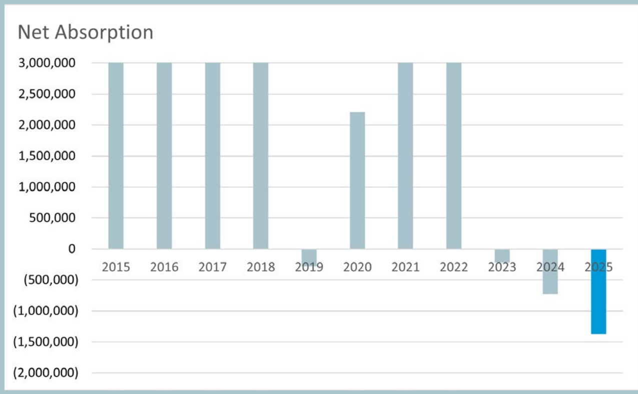
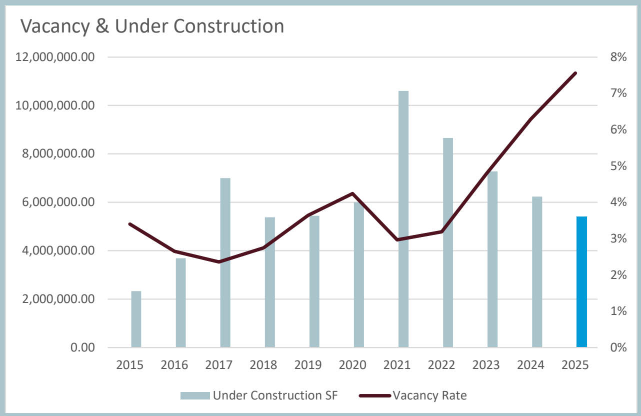
Average Market Rent / SF
(1.29/SF Average Monthly Rent)

$762,169,806
Sales Volume





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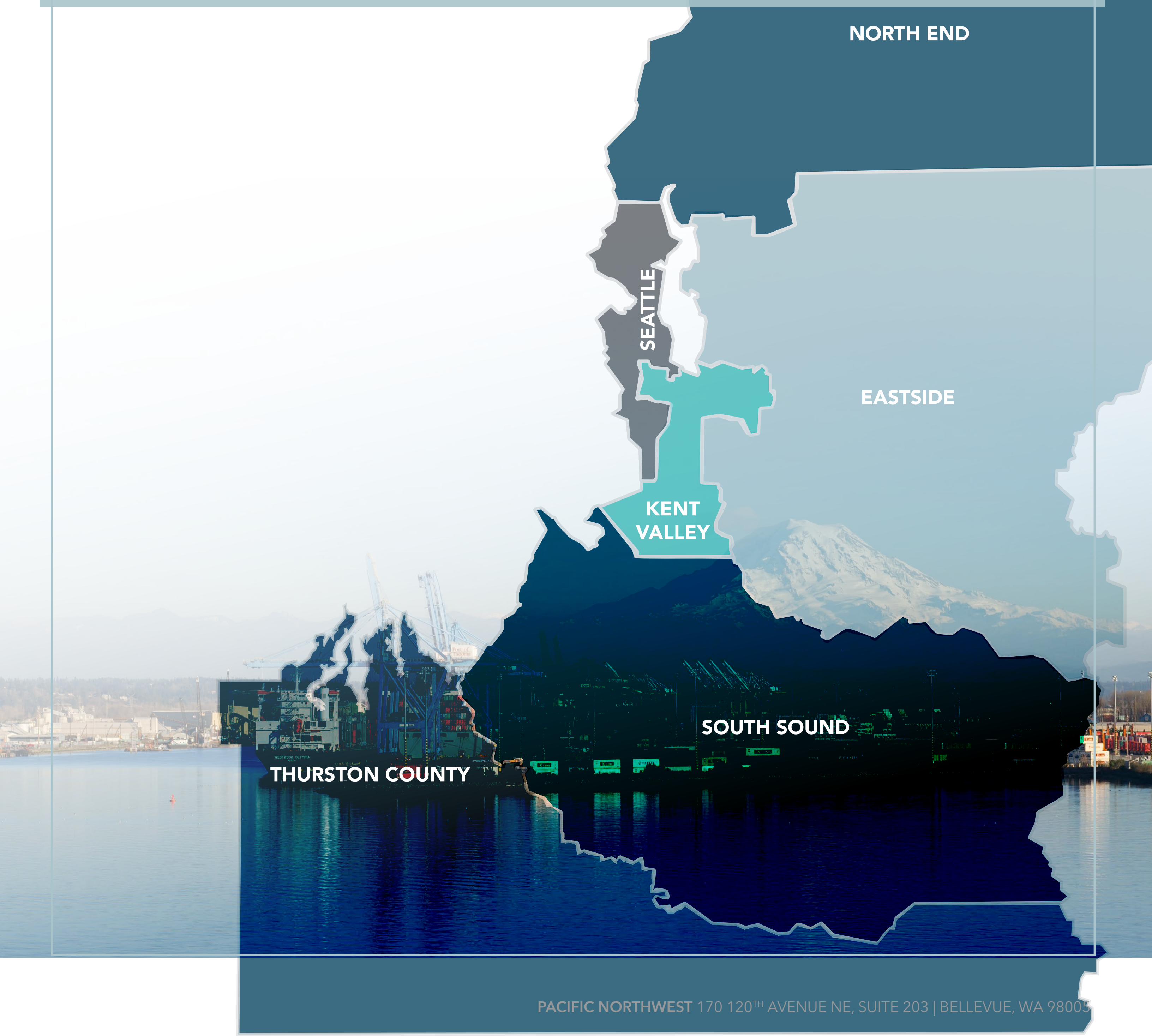
MSA MARKET DATA

SUBMARKETS	INVENTORY (SF)	VACANT (SF)	VACANCY RATE	12 MO NET ABSORPTION (SF)	12 MO NET DELIVERIES (SF)	UNDER CONSTRUCTION (SF)	AVG. ASKING RENT / YR (PSF)
North End	53,671,439	3,750,298	6.71%	678,042	938,670	161,346	$15.24
Eastside	34,441,383	1,840,986	5.21%	(210,071)	247,409	55,572	$20.57
Seattle	59,175,343	4,350,303	10.20%	109,528	670,334	505,680	$20.10
Kent Valley	114,482,727	8,762,754	8.75%	(1,786,306)	1,159,461	34,925	$13.54
South Sound	103,252,285	9,818,661	9.38%	167,650	1,674,033	4,729,898	$12.24
Thurston County	22,345,734	1,098,369	3.62%	79,107	57,900	36,000	$11.28



I-5 CORRIDOR OVERVIEW

Whatcom to Clark Counties

The I-5 Corridor industrial market from Whatcom to Clark County continued to stabilize through Q3 2025. Overall vacancy averaged 6.29%, down slightly from 6.39% the previous quarter. Net absorption improved compared to Q2, with the I-5 Corridor reporting (300,130) SF over the past 12 months, up from the negative (1.5M) SF recorded last quarter.

Construction activity increased, with 8.3 million square feet under development across the corridor, compared to 5.2 million square feet in Q2. Asking rents averaged $11.55/SF NNN, compared to $11.72/SF in the prior quarter.

At the county level, King County vacancy climbed to 8.9% as absorption remained negative at (1.6M) SF. Snohomish County recorded strong leasing momentum, with 682,567 SF of net absorption and over 520,000 SF in new deliveries. Pierce County vacancy increased to 9.3%, with (198,091) SF absorbed and more than 4.5M SF in the pipeline. Clark County continued to demonstrate relative strength, holding vacancy at 7.7% alongside nearly 500,000 SF of absorption and over 1M SF under construction.

Sales activity increased, with volume reaching $797.6 million compared to $284.6 million in Q2. With vacancy trending slightly lower and construction volume remaining elevated, market dynamics through the remainder of 2025 will be defined by selective tenant absorption patterns and a development pipeline that continues to test demand capacity.

(300,130) SF
12 Mo Net Absorption

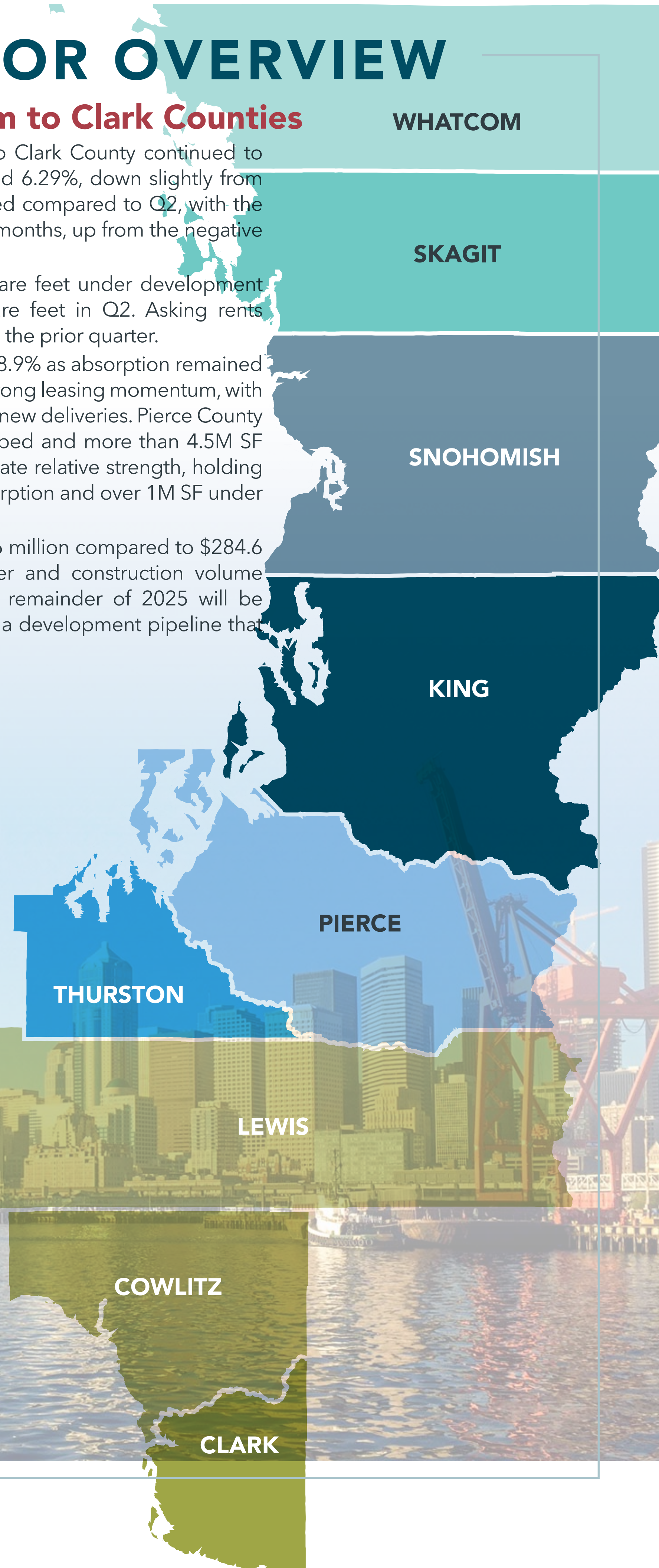
6.29%
Vacancy Rate

8,374,702 SF
Under Construction

427,177,531 SF
Inventory SF

$11.55 PSF
Average Market Rent / SF
(0.96/SF Average Monthly Rent)

$797,648,637
Sales Volume



I-5 CORRIDOR MARKET DATA

COUNTIES	INVENTORY (SF)	VACANT (SF)	VACANCY RATE	12 MO NET ABSORPTION (SF)	12 MO NET DELIVERIES (SF)	UNDER CONSTRUCTION (SF)	AVG. ASKING RENT / YR (PSF)
Whatcom County	15,098,816	237,782	1.5%	80,142	-	-	$11.43
Skagit County	5,746,563	35,036	0.6%	3,052	-	-	$11.63
Snohomish County	59,030,634	4,446,083	7.6%	682,567	521,149	179,481	$13.84
King County	205,451,722	18,309,370	8.9%	(1,602,922)	1,297,067	731,734	$15.24
Pierce County	100,900,193	9,340,224	9.3%	(198,091)	5,195,715	4,511,180	$10.04
Lewis County	8,771,440	259,045	3.0%	210,190	304,125	694,854	$9.12
Thurston County	22,381,256	1,195,762	5.3%	83,704	89,900	-	$9.45
Cowlitz County	10,480,254	1,389,852	13.2%	(54,715)	37,126	931,186	$11.52
Clark County	33,306,709	2,560,126	7.7%	495,943	1,457,209	1,326,267	$14.35
Full Region (I-5 Corridor)	461,173,869	37,786,133	8.2%	(300,130)	8,902,291	8,374,807	$12.74

NORTHWEST SEAPORT ALLIANCE CARGO VOLUMES: CONTAINERIZED VOLUMES (TEUs)

	YTD AUG 2024	YTD AUG 2025	% CHANGE Y-O-Y
International Import Full TEUs	819,172	794,956	-3.0%
International Export Full TEUs	402,325	389,492	-3.2%
Total International TEUs	***1,643,054***	***1,636,706***	***-0.4%***
Total Domestic TEUs	494,849	505,391	2.1%
Grand Total TEUs	***2,137,902***	***2,142,097***	***0.2%***

Source: Northwest Seaport Alliance

WEEKLY OVERVIEW

According to the Weekly NWSA Volumes & Metrics Report Overview and Market Intel, for the week ending September 12, 2026, numbers were up compared to the week before but down year over year for all categories.

Monthly numbers were also released last week, showing an overall decline YoY of 18.7% from August 2024. This drop continues to be in part likely due to tariff impacts but also is still within the timeframe that saw increased cargo based on the disruptions at Canadian's ports last year, leading to inflated metrics.

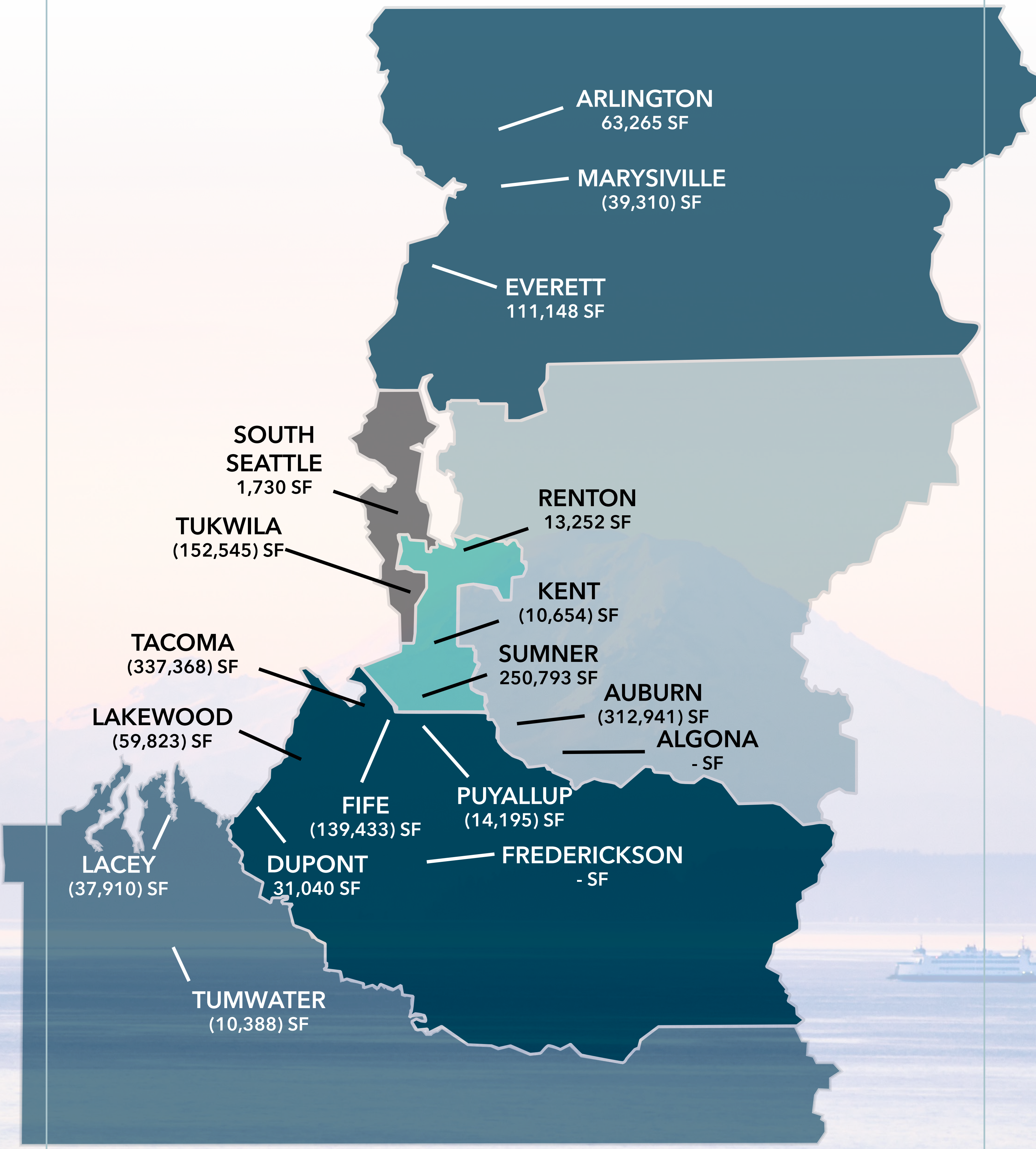
International imports were up 27.2% from the week before, but down 23% compared to the September 2024 weekly average. Truck transactions were up 22.2% compared the week before and down 23.6% compared to the September 2024 weekly average. Vessel lifts were up 11.4% and down 16.6% for those respective metrics.

September is typically supply chain peak season, as stores and BCO's bring in holiday related merchandise. This makes lower September numbers notable, as it is usually the NWSA's largest month and was our largest month in 2024.

Market intel suggests that while some cargo is not coming in, Peak Season mostly occurred outside its usual time frame this year, happening in July and earlier in the year, as shippers looked to advance cargo in the face of tariffs.

There is no expectation for a typical Peak Season this year, which usually lasts into October. The largest trend has been deviation from standard shipping trends, making it difficult to track overall volumes. This also impacts exports, which were down 18.1% in August, as they rely on vessel and rail availability driven in part by imports.

Q3 NET ABSORPTION



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NOTABLE TRANSACTIONS

TOP SALES

Commodore Works
2600 W Commodore Way
Seattle, WA

Submarket	**Seattle**
Buyer	**CAT Investments**
Seller	**Unico Properties**
Sale Price	**$9,800,000**
Size	**58,281 SF**
Price / SF	**$168.15**

Bridge Point Lakewood 90
7402 150th St SW
Lakewood, WA

Submarket	**Tacoma-Lakewood**
Buyer	**SJ Distributors**
Seller	**Bridge Industrial**
Sale Price	**$21,086,500**
Size	**92,740 SF**
Price / SF	**$227.37**

Olympic Industrial Park
19111 Des Moines Memorial Dr
SeaTac, WA

Submarket	**South Seattle**
Buyer	**BKM Capital Partners**
Seller	**Seattle Olympic Park LLC**
Sale Price	**$17,700,000**
Size	**74,783 SF**
Price / SF	**$236.68**

TOP LEASES

Baker View Logistics Center
1215 80th St SW
Everett, WA

Submarket	**Northend**
Landlord	**SMARTCAP**
Tenant	**Confidential**
Industry	**Engineering & Life Sciences**
Size	**166,590 SF**

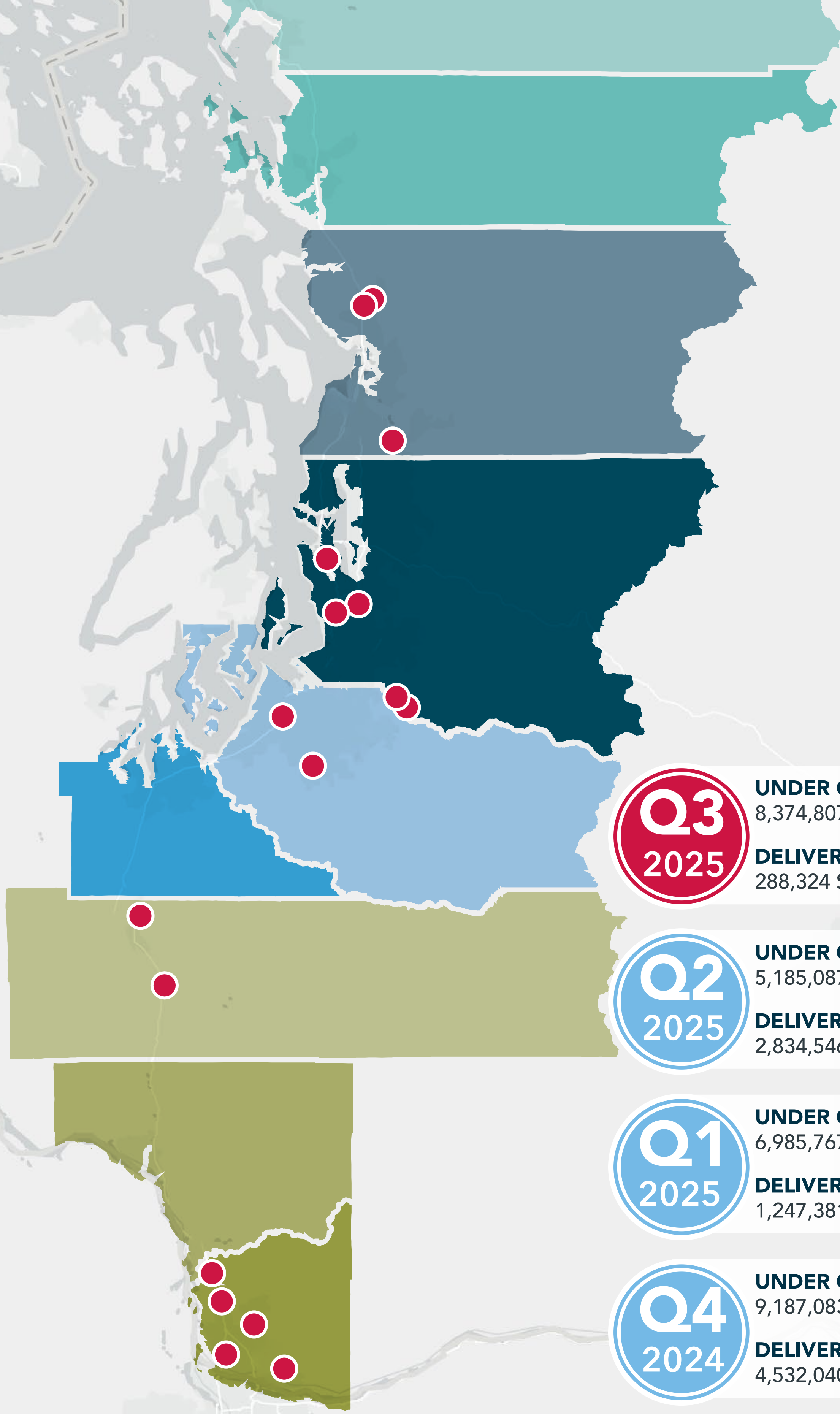
Prologis Emerald Gateway
Bldg 4 10300 E Marginal Wy S
Tukwila, WA

Submarket	**South Seattle**
Landlord	**Prologis**
Tenant	**Amazon**
Industry	**E-Commerce**
Size	**230,131 SF**

Former Red Dot Building
495 Andover Park E
Tukwila, WA

Submarket	**North Kent Valley**
Landlord	**Brookfield Properties**
Tenant	**Surf Soccer Club**
Industry	**Recreation**
Size	**148,565 SF**

UNDER CONSTRUCTION



Q3 2025

UNDER CONSTRUCTION
8,374,807 SF

DELIVERED
288,324 SF

Q2 2025

UNDER CONSTRUCTION
5,185,087 SF

DELIVERED
2,834,546 SF

Q1 2025

UNDER CONSTRUCTION
6,985,767 SF

DELIVERED
1,247,381 SF

Q4 2024

UNDER CONSTRUCTION
9,187,083 SF

DELIVERED
4,532,040 SF

UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE	SUBMARKET	DELIVERY
Fords Prairie Industrial Park	2717 Harrison Ave, Centralia	604,854	Lewis County	Q3 2026
Hamilton Road Business Park, Bldg 3	213 Hamilton Rd N, Chehalis	90,000	Lewis County	Q4 2026
Des Moines Creek Business Park West	1432 S 216th St , Des Moines	405,680	South Seattle	Q3 2026
LogistiCenter at Frederickson, Bldg A	17027-17028 Canyon Pkwy E, Frederickson	443,460	South Pierce	Q3 2026
LogistiCenter at Frederickson, Bldg B	17027-17028 Canyon Pkwy E, Frederickson	91,728	South Pierce	Q3 2026
Bridge Point Kent 180	7730 S 202nd St, Kent	181,702	North Valley	Q4 2025
SAIA LTL Freight	12801 State Ave, Marysville	85,000	Northend	Q4 2025
Leifer Industrial Park	13051 41st Ave NE, Marysville	18,135	Northend	Q4 2025
Ridgefield Corporate Park	701-803 Discovery Dr, Ridgefield	233,895	Clark County	Q2 2026
Prologis Emerald Gateway, Bldg 3	10320 E Marginal Way, Seattle	144,352	South Seattle	Q1 2026
Maltby 212	8323 Maltby Rd, Snohomish	76,346	Northend	Q1 2026
Pacific NW Logistics Center, Bldg. A	14504 Stewart Rd SE, Sumner	476,362	South Valley	Q1 2026
Pacific NW Logistics Center, Bldg. B	14504 Stewart Rd SE, Sumner	705,680	South Valley	Q1 2026
SeaPORT Logistics Center, Bldg. 6	14515 SE Stewart Rd, Sumner	324,843	South Valley	Q1 2026
Bridge Point Tacoma 2MM, Bldg. A	5802 Burlington Way, Tacoma	517,042	South Tacoma	Q4 2025
Bridge Point Tacoma 2MM, Bldg. B	5802 Burlington Way, Tacoma	957,726	South Tacoma	Q4 2025
Bridge Point Tacoma 2MM, Bldg. C	5802 Burlington Way, Tacoma	662,044	South Tacoma	Q1 2026
Bridge Point Tacoma 2MM, Bldg. D	5802 Burlington Way, Tacoma	332,295	South Tacoma	Q1 2026
Mt Vista Logistics	16713 NE 50th Ave, Vancouver, WA	583,278	Clark County	Q2 2026
Harmony Industrial Center, Bldg A	18712 SE 1st St, Vancouver, WA	324,273	Clark County	Q4 2025
Harmony Industrial Center, Bldg B	18712 SE 1st St, Vancouver, WA	121,606	Clark County	Q4 2025
Fruit Valley Logistics Center, Bldg A	6112 NW Fruit Valley Rd, Vancouver, WA	63,215	Clark County	Q2 2026
Woodland Industrial Project West	345 N Peking Rd, Woodland	655,094	Cowlitz County	Q3 2026
Woodland Industrial Project East	345 N Peking Rd, Woodland	276,092	Cowlitz County	Q3 2026

ABOUT LEE & ASSOCIATES

LOCAL MARKET EXPERTS REIMAGINING COMMERCIAL REAL ESTATE

Lee & Associates delivers world-class results.

Lee & Associates, the largest broker-owned firm in North America, has been providing seamless, consistent execution and value-driven market-to-market services for our clients since 1979.

Our real estate services are tailored to exceed the needs of our local, national, and international clients by combining the latest technology, resources, and market intelligence with over 40 years of expertise to optimize results.

Lee & Associates has been recognized as 5th in Lipsey's Top 2025 Commercial Real Estate Brand Survey.

ORGANIZATIONS WE ARE INVOLVED IN

NAIOP · SIOR · CREW NETWORK · IAMC · Urban Land Institute · NMHC · CoreNet Global · CCIM · CSCMP · ICSC

BROKERAGE SERVICES

- Capital Markets
- Data Centers
- Healthcare
- Hotels
- Industrial
- Logistics & Supply Chain
- Land
- Multifamily
- Office
- Retail
- Self-Storage
- Senior Housing
- Corporate Solutions

INTEGRATED SERVICES

- Property Management
- Facilities Management
- Lease Accounting
- Lease Administration
- Portfolio Management
- Treasury Services

CONSTRUCTION SERVICES

- Ground-Up Development
- Project Management
- Tenant Improvements

LEE & ASSOCIATES EXPANSION 1979-2025

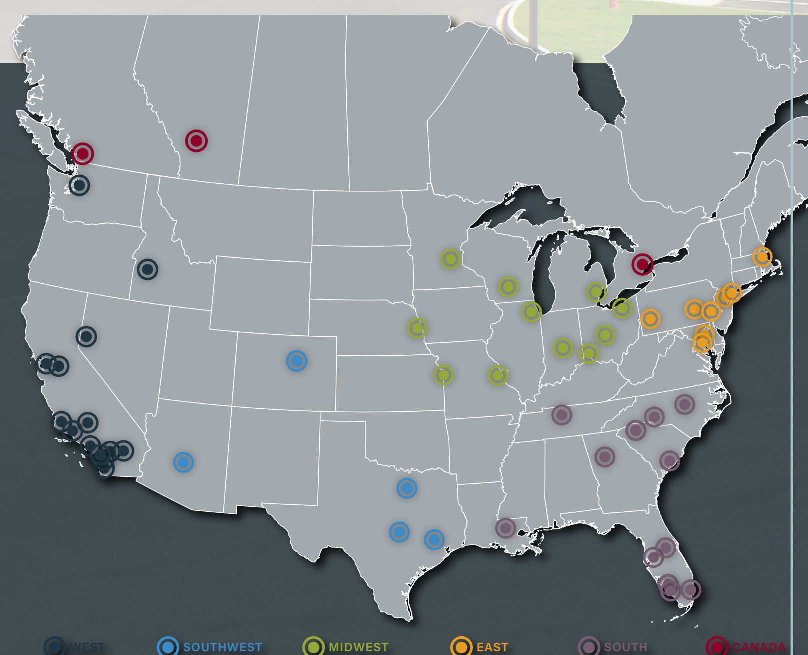
2025 - New Orleans, LA
2025 - Las Vegas, NV
2025 - Wilmington, NC
2024 - Austin, TX
2024 - Charlotte, NC
2023 - Tampa Bay, FL
2023 - Lincoln, NE
2023 - Western Pennsylvania
2023 - Central California
2023 - Kansas City, KS
2022 - Baton Rouge, LA
2022 - Calgary, AB
2022 - Nashville, TN
2022 - Los Angeles - Downtown
2022 - San Francisco, CA
2022 - Omaha, NE
2020 - Naples, FL
2020 - Washington, DC
2020 - Boston, MA
2019 - Toronto, ON Canada
2018 - Cincinnati, OH
2018 - Raleigh, NC
2018 - Miami, FL
2017 - Seattle, WA
2016 - Walnut Creek, CA
2016 - Vancouver, BC Canada
2016 - Twin Cities, MN
2016 - Pasadena, CA
2015 - Eastern Pennsylvania
2015 - Columbus, OH
2015 - Houston, TX
2014 - Denver, CO
2014 - Cleveland, OH
2013 - Long Island-Queens, NY
2013 - Chesapeake Region, MD
2012 - Edison, NJ
2012 - Orlando, FL
2012 - Charleston, SC
2011 - Fort Myers, FL
2011 - Manhattan, NY
2011 - Greenville, SC
2010 - Atlanta, GA
2010 - Greenwood, IN
2010 - Indianapolis, IN
2009 - Long Beach, CA
2009 - Elmwood Park, NJ
2008 - Boise, ID
2008 - ISG, LA, CA
2008 - Palm Desert, CA
2008 - Santa Barbara, CA
2006 - Antelope Valley, CA
2006 - Dallas, TX
2006 - Madison, WI
2006 - Oakland, CA
2006 - Reno, NV
2006 - San Diego - UTC, CA
2006 - Ventura, CA
2006 - San Luis Obispo, CA
2005 - Southfield, MI
2005 - Los Olivos, CA
2004 - Calabasas, CA
2004 - St. Louis, MO
2002 - Chicago, IL
2001 - Victorville, CA
1999 - Temecula Valley, CA
1996 - Central LA, CA
1994 - Sherman Oaks, CA
1994 - West LA, CA
1993 - Pleasanton, CA
1993 - Stockton, CA
1991 - Phoenix, AZ
1990 - Carlsbad, CA
1990 - Industry, CA
1989 - LA - Long Beach, CA
1989 - Riverside, CA
1987 - Ontario, CA
1984 - Newport Beach, CA
1983 - Orange, CA
1979 - Irvine, CA

1,750+
PROFEESIONALS
AND GROWING INTERNATIONALLY

80+
OFFICES
ACROSS NORTH AMERICA

$120+
BILLION IN
TRANSACTION VALUE OVER 5 YEARS

2+
BILLION SF
BROKERED SALE & LEASE SF OVER 5 YEARS



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