



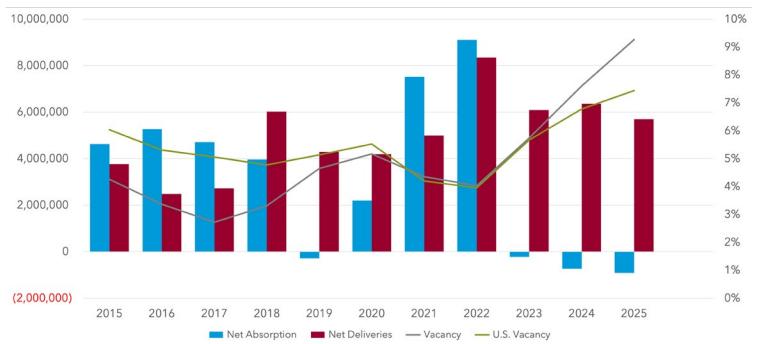
INDUSTRIAL MARKET OVERVIEW

 BILLY MOULTRIE, *Principal*

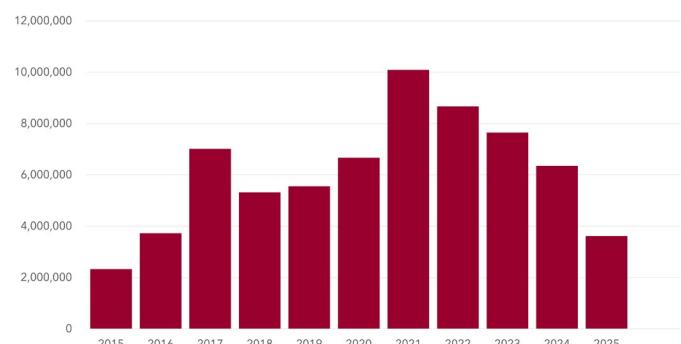
Puget Sound's fourth quarter industrial market reflected a cautious equilibrium. Rental rate growth remained largely flat as demand focused on existing occupancies rather than expansion. Approximately 80% of executed deal volume consisted of renewals, driven by landlords aggressively pursuing early extensions to proactively manage rising vacancy. Tenants continued to leverage elevated availability and intense competition to secure meaningful concessions, including eight to twelve months of base rent abatement on 60-month renewals, often structured within the deal term. Big-box sublease space continues to slowly burn off, yet provides compelling short-term solutions for contract-driven 3PL users. Meanwhile, developers delivering the newest Class A product remain firm on rate expectations, competing for a shrinking pool of tenant requirements.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(910,374)	(1,041,157)	(1,377,305)	2,096,803	(2,287,759)
▲ Vacancy Rate	9.30%	8.79%	8.60%	7.60%	8.00%
▲ Avg NNN Asking Rate PSF	\$14.67	\$14.29	\$14.47	\$14.30	\$14.36
▲ Sale Price PSF	\$246.00	\$237.00	\$224.45	\$233.00	\$215.11
▼ Cap Rate	5.80%	5.85%	5.60%	5.80%	6.20%
▼ Under Construction SF	3,616,267	5,487,421	5,413,360	5,741,878	5,817,103
▲ Inventory SF	367,996,015	365,023,177	365,958,421	364,699,678	363,502,423

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8131 W. Bostian Road Woodinville, WA	412,444 SF	\$115,250,000 \$279.43 PSF	Ares Real Estate Income Trust Link Logistics Real Estate	Class A
1201 S. 140th Street Burien, WA	325,494 SF	\$67,200,000 \$206.46 PSF	LaSelle Invesment Management MetLife	Class A
6001 36th Avenue, W Everett, WA	319,148 SF	\$54,000,000 \$169.20 PSF	Boeing ARKA Properties Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7323 Valley Avenue, E Fife, WA	114,988 SF	Xebec	Volvo	Automotive
2509 C Street, SW Auburn, WA	609,268 SF	IRG	Home Depot	Home Improvement
3012 142nd Avenue, E Sumner, WA	131,483 SF	Prologis	STG Logistics	Trucking



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com