LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

LEE & ASSOCIATES | PACIFIC NORTHWEST

# INDUSTRIAL MARKET REPORT

## Q4 2025

| MSA MARKET (SNOHOMISH TO THURSTON) | I-5 CORRIDOR (BORDER TO BORDER) |
|---|---|
| **(910,374) SF** 12 Mo Net Absorption | **(313,020) SF** 12 Mo Net Absorption |
| **9.30%** Vacancy Rate | **6.73%** Vacancy Rate |
| **3,616,267 SF** Under Construction | **6,825,826 SF** Under Construction |
| **367,996,015 SF** Inventory SF | **462,617,470 SF** Inventory SF |
| **$14.67 PSF** Average Market Rent / SF (1.22/SF Average Monthly Rent) | **$11.82 PSF** Average Market Rent / SF (0.99/SF Average Monthly Rent) |
| **$680,889,561** Sales Volume | **$729,142,465** 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.*

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# MSA MARKET OVERVIEW

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.

**(910,374) SF**
12 Mo Net Absorption

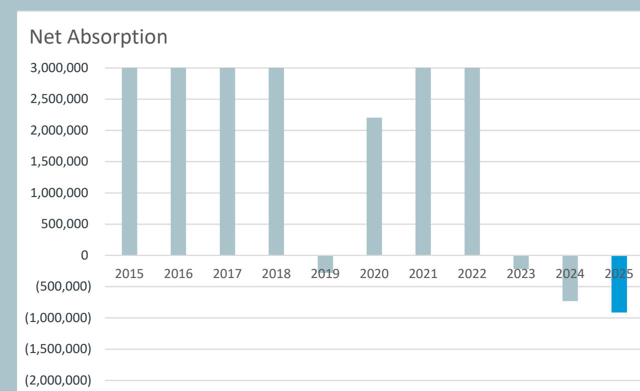
**9.30%**
Vacancy Rate

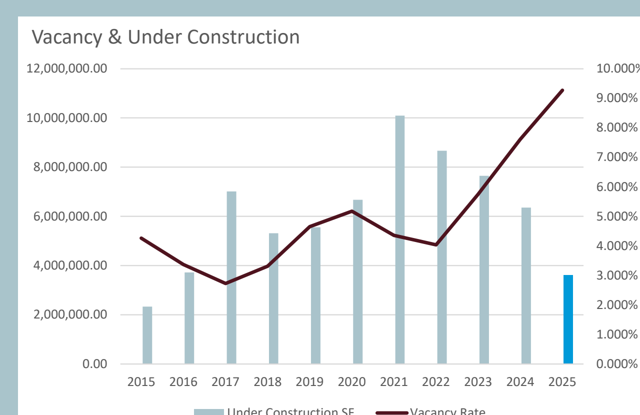
**3,616,267 SF**
Under Construction

**367,996,015 SF**
Inventory SF

**$14.67 PSF**
Average Market Rent / SF
(1.22/SF Average Monthly Rent)

**$680,889,561**
Sales Volume




# 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 | 53,943,188 | 3,644,264 | 6.36% | 732,737 | 938,670 | 161,346 | $15.63 |
| Eastside | 34,646,730 | 1,813,858 | 5.51% | (196,414) | 247,409 | 55,572 | $21.07 |
| Seattle | 59,469,332 | 4,417,239 | 9.89% | 100,885 | 5,358,991 | 650,032 | $20.41 |
| Kent Valley | 114,623,739 | 8,960,084 | 8.93% | (1,801,543) | 1,159,461 | 181,702 | $13.85 |
| South Sound | 105,313,026 | 10,900,065 | 10.25% | 253,961 | 3,417,854 | 2,567,615 | $12.60 |
| Thurston County | 22,345,861 | 1,173,355 | 2.15% | 52,769 | 57,900 | 36,000 | $11.39 |




PACIFIC NORTHWEST 170 120TH AVENUE NE, SUITE 203 | BELLEVUE, WA 98004

# I-5 CORRIDOR OVERVIEW

## Whatcom to Clark Counties

The I-5 Corridor industrial market from Whatcom to Clark County is showing some positive indicators as of Q4 2025. Overall vacancy averaged 6.73%, increasing slightly from 6.29% the previous quarter. Net absorption was relatively flat, with the I-5 Corridor reporting negative 313,020 SF over the past 12 months, compared to the negative 300,130 SF recorded last quarter.

Construction activity decreases, with 6.8 million square feet under development across the corridor, compared to 8.1 million square feet in Q3. Asking rents averaged $11.82/SF NNN, compared to $11.55/SF in the prior quarter.

At the county level, King County vacancy dropped to 8.8% as absorption remained negative at (1.57M) SF. Snohomish County recorded another quarter of strong leasing momentum, with 707,685 SF of net absorption and over 680,000 SF in new deliveries. Pierce County vacancy increased to 11.4%, with 18,765 SF absorbed and more than 2.5M SF in the pipeline. Clark County vacancy increased to 8.9% alongside nearly 500,000 SF of absorption and over 1.1M SF under construction.

Sales activity decreased slightly, with a volume of $729 million compared to $797 million in Q3. Although vacancy has increased marginally and both construction activity and net absorption have softened slightly, the magnitude of these movements remains immaterial relative to historical quarterly volatility. Continued rental rate growth and sustained market momentum underpin a constructive outlook for 2026.

**(313,020) SF**
12 Mo Net Absorption

**6.73%**
Vacancy Rate

**6,825,826 SF**
Under Construction

**462,617,470 SF**
Inventory SF

**$11.82 PSF**
Average Market Rent / SF
(0.99/SF Average Monthly Rent)

**$729,142,465**
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 | 15,332,485 | 313,686 | 2.00% | (48,857) | - | - | $9.47 |
| Skagit County | 5,815,409 | 40,776 | 0.70% | 372 | - | - | $11.67 |
| Snohomish County | 59,187,485 | 4,324,478 | 7.30% | 707,685 | 606,149 | 450,053 | $13.85 |
| King County | 204,404,354 | 18,055,508 | 8.80% | (1,577,552) | 277,784 | 731,734 | $15.17 |
| Pierce County | 102,678,437 | 11,697,905 | 11.40% | 18,765 | 3,810,197 | 3,329,138 | $10.08 |
| Lewis County | 8,788,578 | 315,959 | 3.60% | 22,861 | 197,125 | 704,854 | $9.16 |
| Thurston County | 22,188,753 | 1,188,458 | 5.40% | 52,769 | 61,150 | - | $9.50 |
| Cowlitz County | 10,401,605 | 1,302,636 | 12.50% | 14,994 | 37,126 | 931,186 | $13.26 |
| Clark County | 33,820,364 | 3,007,955 | 8.90% | 495,943 | 1,093,641 | 678,861 | $14.26 |
| Full Region (I-5 Corridor) | 462,617,470 | 40,247,361 | 6.73% | (313,020) | 6,083,172 | 6,825,826 | $11.82 |

### NORTHWEST SEAPORT ALLIANCE CARGO VOLUMES: CONTAINERIZED VOLUMES (TEUs)

| | YTD NOV 2024 | YTD NOV 2025 | % CHANGE Y-O-Y |
|---|---|---|---|
| International Import Full TEUs | 1,170,842 | 1,086,605 | -8.7% |
| International Export Full TEUs | 571,111 | 549,416 | -3.8% |
| ***Total International TEUs*** | ***2,363,746*** | ***2,229,904*** | ***-5.7%*** |
| Total Domestic TEUs | 672,240 | 688,772 | 2.5% |
| ***Grand Total TEUs*** | ***3,035,986*** | ***2,918,676*** | ***-3.9%*** |

*Source: Northwest Seaport Alliance*

**OVERVIEW**

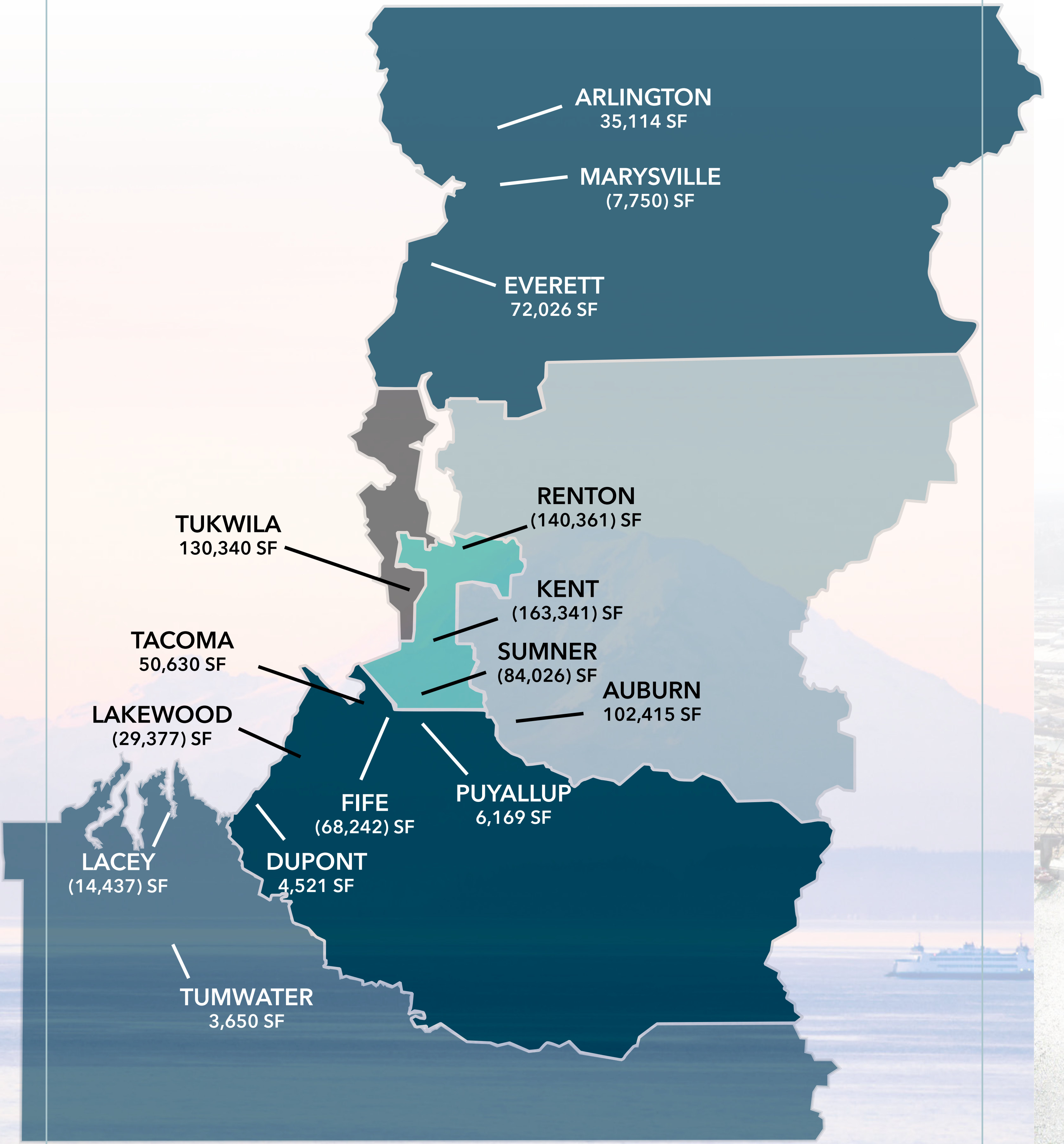
November 2025 total container volume (international and domestic) reached 253,532 twenty-foot equivalent units (TEUs), down 12.6% compared to November 2024 and up 8.4% compared to October 2025. Tariffs and elevated retail inventories continue to weigh on container volumes. Full international imports decreased 19.4% versus last November and are up 8.8% compared to October 2025, while full exports decreased 16.9% and are up 6.1% compared to October 2025. YTD volumes at 2,918,676 TEUs are down 3.9%, with full imports declining 8.7% and full exports declining 3.8%.

Domestic container volumes increased 2.5% compared to YTD 2024. Alaska increased 1.5%, and Hawaii volumes increased 7.7%.

**Other cargo stats:**

- Month-over-month breakbulk volumes grew 10.2%. YTD volumes, 303,162 metric tons, decreased 16.6% due to the impact of high interest rates and tariffs on this segment.
- Month-over-month auto units grew 2.6%. YTD volumes, 249,251 units, were down 20.3% due to slow auto sales nationwide due to high interest rates and tariffs.

# Q4 NET ABSORPTION




# NOTABLE TRANSACTIONS

## TOP SALES

Woodinville Distribution Center Bldg A & B
8131 W Bostian Rd, Woodinville, WA

| | |
|---|---|
| Submarket | Eastside |
| Buyer | Ares Real Estate Income Trust |
| Seller | Link Logistics Real Estate |
| Sale Price | $115,250,000 |
| Size | 412,444 SF |
| Price / SF | $279.43 |

Seattle Gateway Center 1
1201 S 140th St
Burien, WA

| | |
|---|---|
| Submarket | Seattle |
| Buyer | LaSelle Investment Management |
| Seller | MetLife |
| Sale Price | $67,200,000 |
| Size | 325,494 SF |
| Price / SF | $206.46 |

6001 36th Ave W
Everett, WA

| | |
|---|---|
| Submarket | Northend |
| Buyer | Boeing |
| Seller | ARKA Properties Group |
| Sale Price | $54,000,000 |
| Size | 319,148 SF |
| Price / SF | $169.20 |

## TOP LEASES

7323 Valley Ave E
Fife, WA

| | |
|---|---|
| Submarket | South Valley |
| Landlord | Xebec |
| Tenant | Volvo |
| Industry | Automotive |
| Size | 114,988 SF |

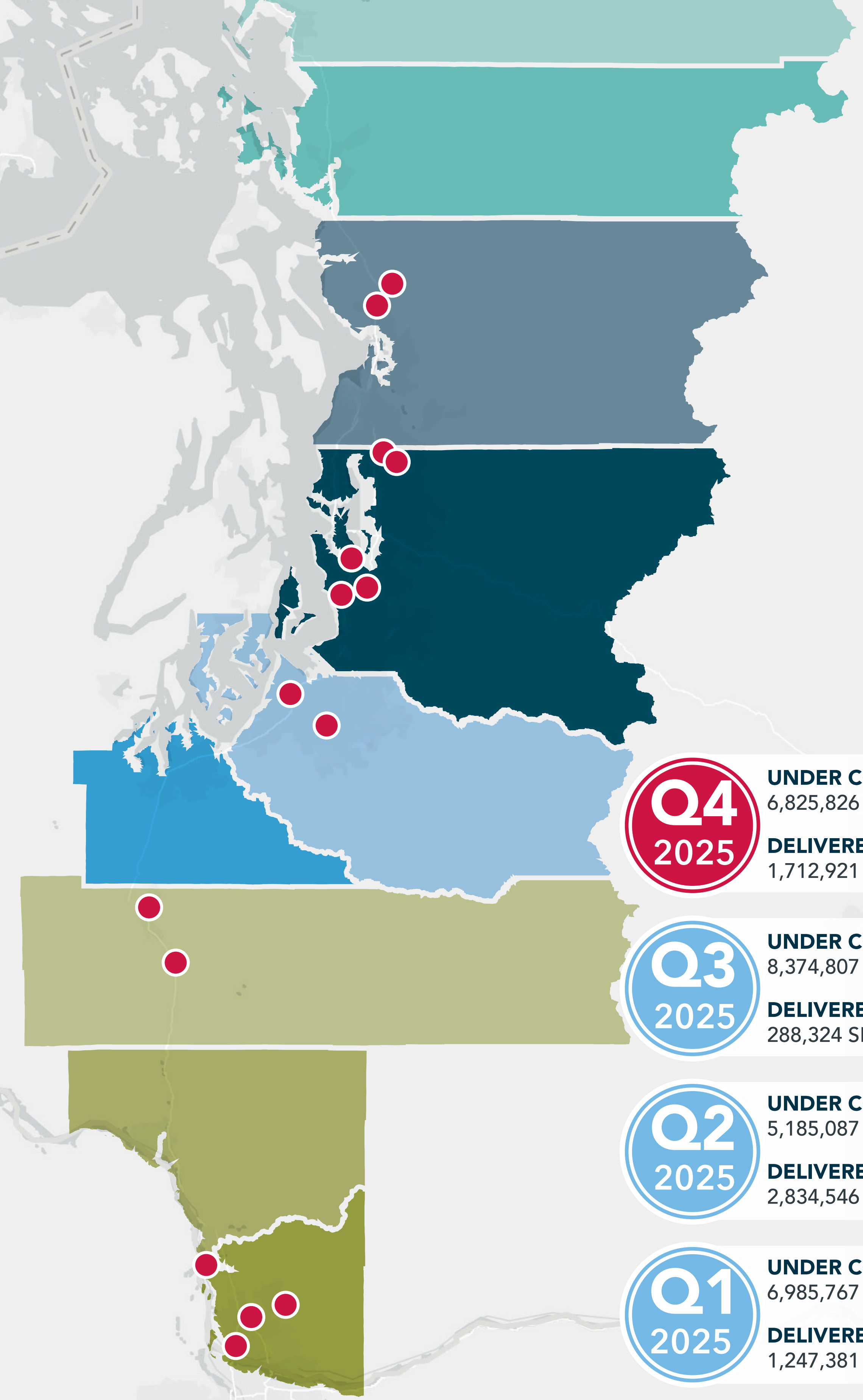
Auburn 18
2509 C St SW
Auburn, WA

| | |
|---|---|
| Submarket | Southend |
| Landlord | IRG |
| Tenant | Home Depot |
| Industry | Home Improvement |
| Size | 609,268 SF |

Prologis Park Sumner Bldg 1
3012 142nd Ave E
Sumner, WA

| | |
|---|---|
| Submarket | Southend |
| Landlord | Prologis |
| Tenant | STG Logistics |
| Industry | Trucking |
| Size | 131,483 SF |

# UNDER CONSTRUCTION



**Q4 2025**
**UNDER CONSTRUCTION**
6,825,826 SF
**DELIVERED**
1,712,921 SF

**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



# UNDER CONSTRUCTION

| PROJECT NAME | LOCATION | BUILDING SIZE | SUBMARKET | DELIVERY |
|---|---|---|---|---|
| Bridge Point Kent 180 | 7730 S 202nd St, Kent | 181,702 | North Valley | Q1 2026 |
| Leifer Industrial Park | 13059 41st Ave NE, Marysville | 18,135 | Northend | Q2 2026 |
| Bridge Point Tacoma 2MM, Bldg. A | 5802 Burlington Way, Tacoma | 517,042 | South Tacoma | Q1 2026 |
| Bridge Point Tacoma 2MM, Bldg. B | 5802 Burlington Way, Tacoma | 957,726 | South Tacoma | Q1 2026 |
| Progress Industrial Annex | 1915 SE 6th Pl, Battle Ground | 32,368 | Clark County | 2026 |
| 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 | 100,000 | Lewis County | Q4 2026 |
| Des Moines Creek Business Park West | 1432 S 216th St , Des Moines | 405,680 | South Seattle | Q3 2026 |
| Cascade Business Park Bldg. 2 | 16015 51st Ave NE, Marysville | 300,000 | Northend | Q3 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 |
| SeaPORT Logistics Center, Bldg. 6 | 14515 SE Stewart Rd, Sumner | 324,843 | South Valley | Q1 2026 |
| 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 |
| LogistiCenter at Frederickson, Bldg A | 17027-17028 Canyon Pkwy E, Tacoma | 443,460 | South Pierce | Q3 2026 |
| LogistiCenter at Frederickson, Bldg B | 17027-17028 Canyon Pkwy E, Tacoma | 91,728 | South Pierce | Q3 2026 |
| Mt Vista Logistics | 16713 NE 50th Ave, Vancouver, WA | 583,278 | Clark County | Q2 2026 |
| Fruit Valley Logistics Center, Bldg A | 6112 NW Fruit Valley Rd, Vancouver, WA | 63,215 | Clark County | Q2 2026 |
| Maltby Commerce Center | 8724 Maltby Rd, Woodinville | 55,572 | Northend | Q3 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.

### LEE & ASSOCIATES EXPANSION 1979-2026

***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

### 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

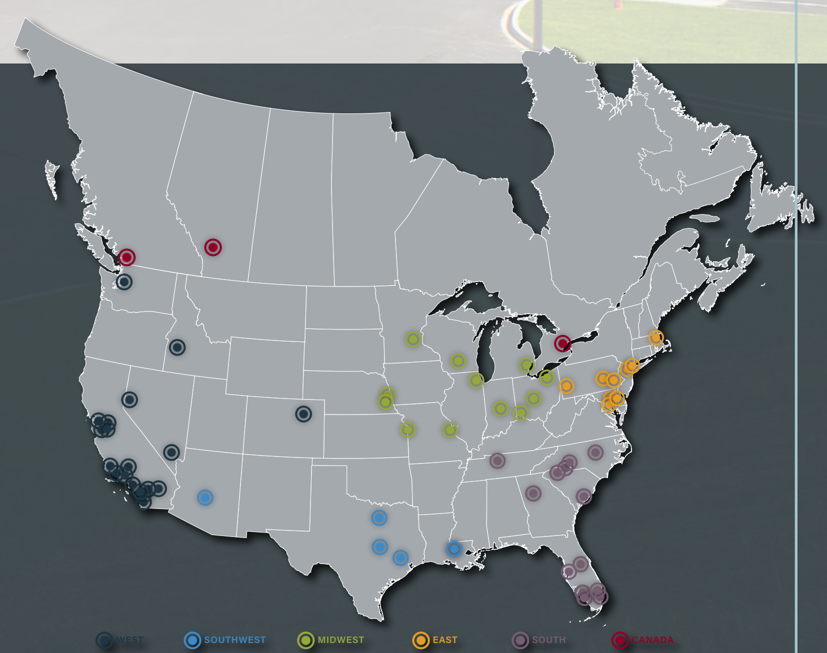
Ground-Up Development
Project Management
Tenant Improvements

**1,750+**
**PROFESSIONALS**
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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