



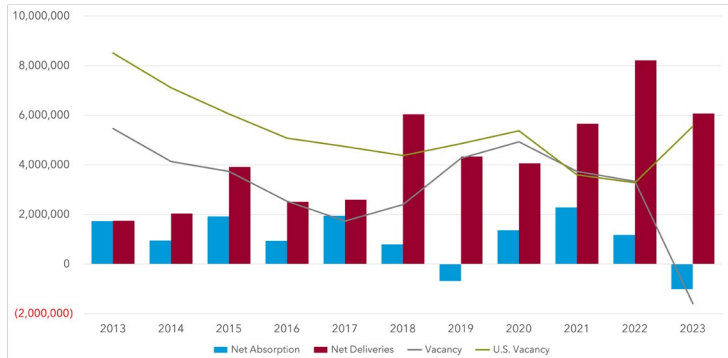
INDUSTRIAL MARKET OVERVIEW

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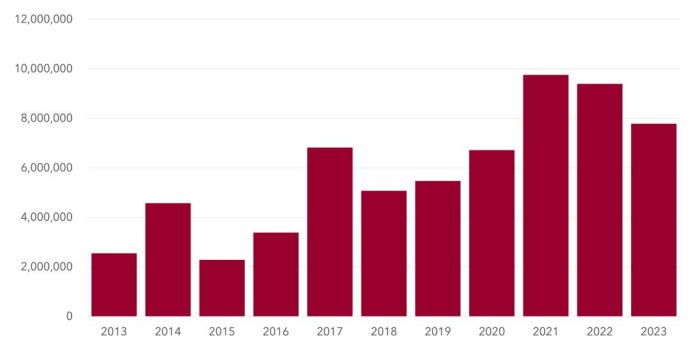
Seattle MSA industrial Occupancy decreased approximately 3.8M SF, with Pierce County shouldering around 1.5M SF of negative absorption for the year. Industrial market vacancy is now estimated around 6.3%, up from 4.7% in Q3'23, increasing about 3% YOY. Large leases, including Boeing and Harbor Freight, will positively affect vacancy rates. Boeing leased 1.2M SF in Q4, totaling around 2M SF since Q1'23. Manufacturers are driving absorption, prioritizing controlling supply chains and hedging against uncertainty in global trade. Sales have slowed while investors seek common ground on cap rates resulting from higher interest rates threatening yields. Cap rates should stabilize in the near term, around 6% and 50 bps below that for well-located, class A property.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(2,232,454)	(692,294)	2,803,844	5,598,049	8,812,466
▲ Vacancy Rate	6.3%	5.7%	5.3%	4.7%	4.0%
▼ Avg NNN Asking Rate PSF	\$14.83	\$14.84	\$14.60	\$14.26	\$13.88
▲ SF Under Construction	7,786,821	6,787,358	8,634,108	7,060,446	8,829,551
▲ Inventory SF	354,650,713	352,343,906	350,487,030	349,231,583	347,875,814

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2330 Port of Tacoma Road Tacoma, WA	90,270 SF	\$16,000,000 \$177.25 PSF	JM Eagle W.P. Carey	Class B
12530 135th Avenue NE Kirkland, WA	30,000 SF	\$10,000,000 \$333.00 PSF	LMJ Enterprises Loyal Stewards LLC	Class B
19713 58th Place S Kent, WA	27,525 SF	\$7,600,000 \$276.11 PSF	Hu Investments Nite-Hawk Sweepers	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
17819 Canyon Road E Puyallup, WA	782,875 SF	Panattoni	Harbor Freight Tools	Retail Tool Distribution
20436 34th Avenue E Spanaway, WA	533,393 SF	LPC	Boeing	Aerospace
17819 Canyon Road E Puyallup, WA	435,791 SF	Panattoni	General Electric	Appliance Division

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