



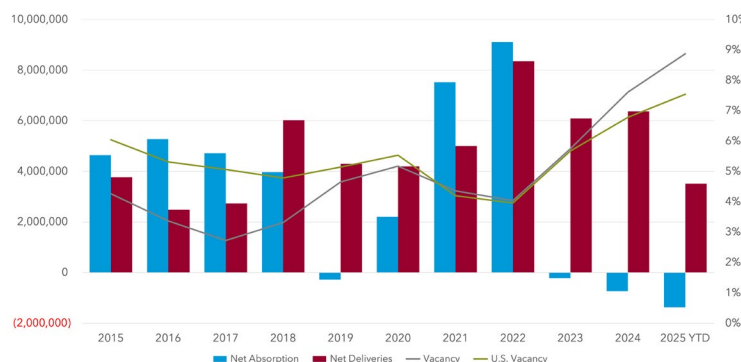
INDUSTRIAL MARKET OVERVIEW

ANDREW HULL, *Principal*

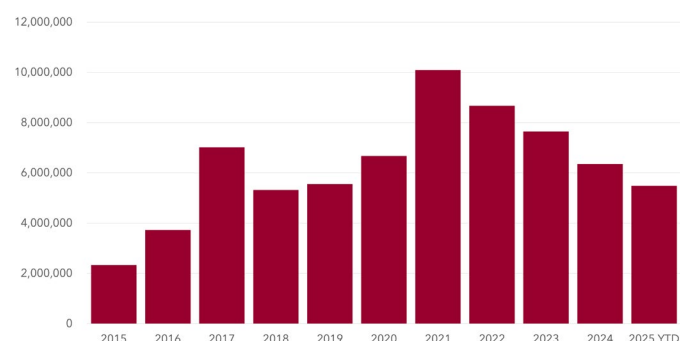
The Pacific Northwest industrial market continued to face headwinds in Q3 2025, with vacancy climbing to 8.79% as sluggish tenant demand and a wave of second-generation space returned to the market. Net absorption remained negative, though at a slower pace than Q2, suggesting some stabilization. Average 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.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(1,041,157)	(1,377,305)	2,096,803	(2,287,759)	(3,243,430)
▲ Vacancy Rate	8.79%	8.60%	7.6%	8.00%	7.80%
▼ Avg NNN Asking Rate PSF	\$15.50	\$14.47	\$14.30	\$14.36	\$14.26
▲ Sale Price PSF	\$237.00	\$224.45	\$233.00	\$215.11	\$238.00
▲ Cap Rate	5.85%	5.60%	5.80%	6.20%	5.72%
▲ Under Construction SF	5,487,421	5,413,360	5,741,878	5,817,103	10,910,795 SF
▼ Inventory SF	365,023,177	365,958,421	364,699,678	363,502,423	362,293,871

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7402 150th Street SW Lakewood, WA	92,740 SF	\$21,086,500 \$227.37 PSF	SJ Distributors Bridge Industrial	Class A
19111 Des Moines Memorial Drive SeaTac, WA	74,783 SF	\$17,700,000 \$236.68 PSF	BKM Capital Partners Seattle Olympic Park LLC	Class B
2600 W. Commodore Way Seattle, WA	58,281 SF	\$9,800,000 \$168.15 PSF	CAT Investments Unico Properties	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10300 E. Marginal Way S Tukwila, WA	230,131 SF	Prologis	Amazon	E-Commerce
1215 80th Street SW Everett, WA	166,590 SF	SMARTCAP	Undisclosed	Undisclosed
495 Andover Park E Tukwila, WA	148,565 SF	Brookfield Properties	Surf Soccer Club	Recreation

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