



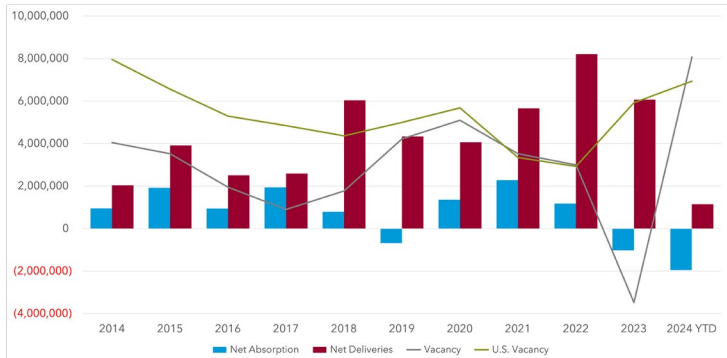
INDUSTRIAL MARKET OVERVIEW

VANESSA HERZOG, *Principal*

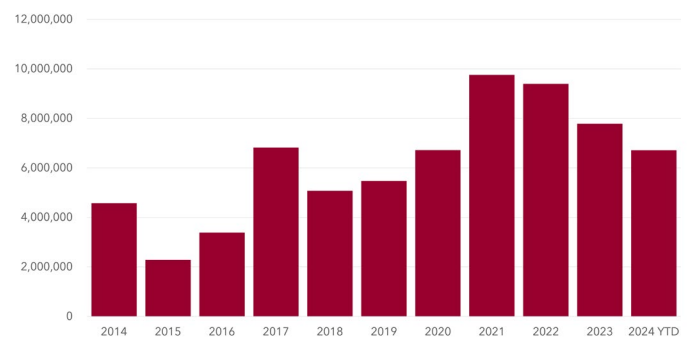
After a fairly rough end to 2023 Q1 continues to present problems for the general market recovery that was anticipated to begin in 2024. We have continued to see the contraction of companies that grew during Covid as well as deliveries of new construction. Combined, the overall vacancy rates climbed nearly 3% year over year. There is a silver lining in that we continue to see rents increase overall with some increased concessions, but general market growth remains intact. Leasing velocity has experienced little change from last year but should improve as interest rates begin to decline, allowing both owners and occupiers to access more capital.

| MARKET INDICATORS | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▼ 12 Mo. Net Absorption SF | (2,688,054) | (2,232,454) | (692,294) | 2,803,844 | 5,598,049 |
| ▲ Vacancy Rate | 7.2% | 6.3% | 5.7% | 5.3% | 4.7% |
| ▲ Avg NNN Asking Rate PSF | \$14.85 | \$14.83 | \$14.84 | \$14.60 | \$14.26 |
| ▼ SF Under Construction | 6,713,709 | 7,786,821 | 6,787,358 | 8,634,108 | 7,060,446 |
| ▲ Inventory SF | 355,266,605 | 354,650,713 | 352,343,906 | 350,487,030 | 249,231,583 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|------------|------------------------------|--|----------------|
| Cascade Building, 9713 233rd Ave E Bonney Lake, WA | 202,000 SF | \$41,000,000 \$202.97 PSF | Walter E. Nelson Company Cascade RCL LLC | Class B |
| Commerce Business Park Olympia, WA | 59,549 SF | \$9,600,000 \$161.21 PSF | CMG Port of Olympia | Class B |
| 25329 74th Avenue S Kent, WA | 24,175 SF | \$7,250,000 \$299.90 PSF | Pacific Western Agencies, Inc. Segard Real Estate | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|------------|------------|-------------------------|-----------------|
| 16015 51st Avenue NE Marysville, WA | 307,860 SF | Northpoint | Pepsi Frito Lay | Manufacturing |
| 745 Andover Park E Tukwila, WA | 114,002 SF | LBA | Krafters Land Cabinetry | Supplier |
| 9127 Polaris Lane NE Lacey, WA | 93,696 SF | Blackston | Wesco | Wholesaler |

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