

LEE & ASSOCIATES | PACIFIC NORTHWEST

INDUSTRIAL MARKET REPORT

**Q2
2024**

(2,139,154) SF
12 Month Net Absorption

5.96%
Vacancy Rate

11,436,679 SF
Under Construction
(Details on Page 7)

368,605,988 SF
Inventory SF

\$16.19 PSF
Average Market Rent / SF

\$549,944,193
12 Month Sales Volume

Lee & Associates is the largest broker-owned commercial real estate firm in North America with 1,600+ professionals in 75+ offices across 28 states and 3 provinces.

MARKET OVERVIEW

This report covers the primary developed areas of Snohomish through Thurston County. Industrial markets in the Pacific NW are adjusting to new parameters but remaining steady. Vacancy rates are hovering around 6% in the 4-county region. Leasing activity slowed in the first quarter but started picking up as we progress through the second quarter. New construction is active with permitted projects, but the regional project pipeline is diminishing, not due to demand, but due to high land price expectation, stabilized rental rates and continued high costs of new construction. We think this trend will continue well into 2025 leaving Developers and Land Sellers frustrated. Regionally, large land parcels are difficult to find or assemble, leaving Developers looking at infill assemblages, land use changes or full site redevelopment. IOS specialized properties are slowing in demand from Tenants. Finally, we are seeing the small owner user facilities for sale or lease, and the demand from this user group level off.



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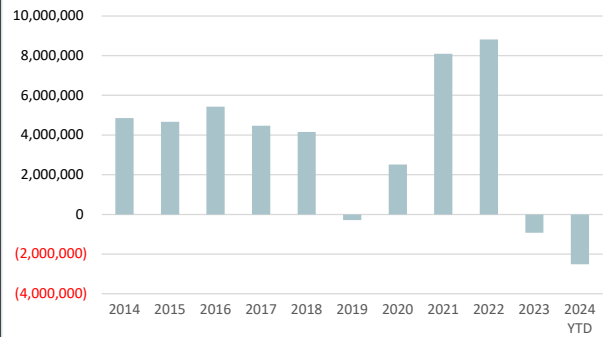


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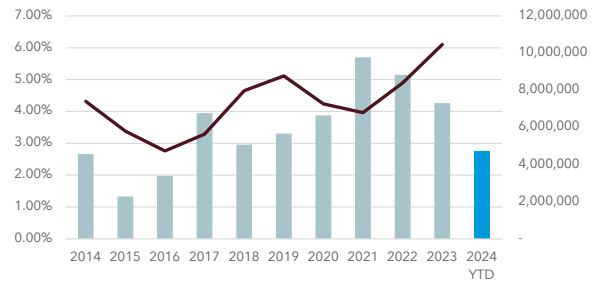


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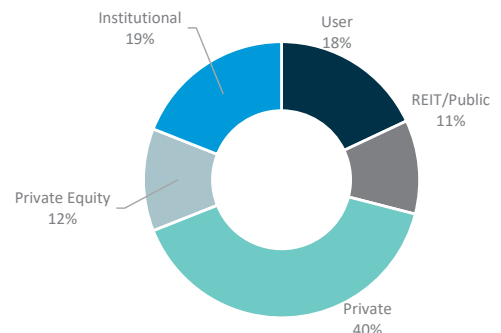
12 MONTH NET ABSORPTION



VACANCY & UNDER CONSTRUCTION



SALES BY BUYER TYPE



MARKET DATA

SUBMARKETS	INVENTORY (SF)	VACANT (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	YTD NET DELIVERIES (SF)	UNDER CONSTRUCTION (SF)	AVG. ASKING RENT / YR (PSF)
North End	124,728,410	5,839,829	5.86%	363,415	1,364,409	2,369,799	\$19.58
Eastside	182,070,515	5,148,717	4.61%	181,019	0	0	\$16.65
Seattle	321,617,850	12,091,815	5.78%	(419,497)	528,149	1,510,468	\$15.60
Kent Valley	48,816,928	2,519,519	8.34%	(92,557)	0	0	\$22.58
South Sound	409,252,614	16,855,072	7.97%	(438,873)	202,590	1,259,239	\$15.58
Thurston County	68,035,431	1,795,622	3.00%	(102,603)	0	28,750	\$10.90

FLEX

INVENTORY (SF)	25,981,417 SF
VACANT (SF)	1,661,754 SF
VACANCY RATE	5.23%
YTD NET ABSORPTION	(163,255) SF
YTD DELIVERIES (SF)	46,094 SF
SF UNDER CONSTRUCTION	186,024 SF
AVG ASKING RENT / YR (SF)	\$22.96



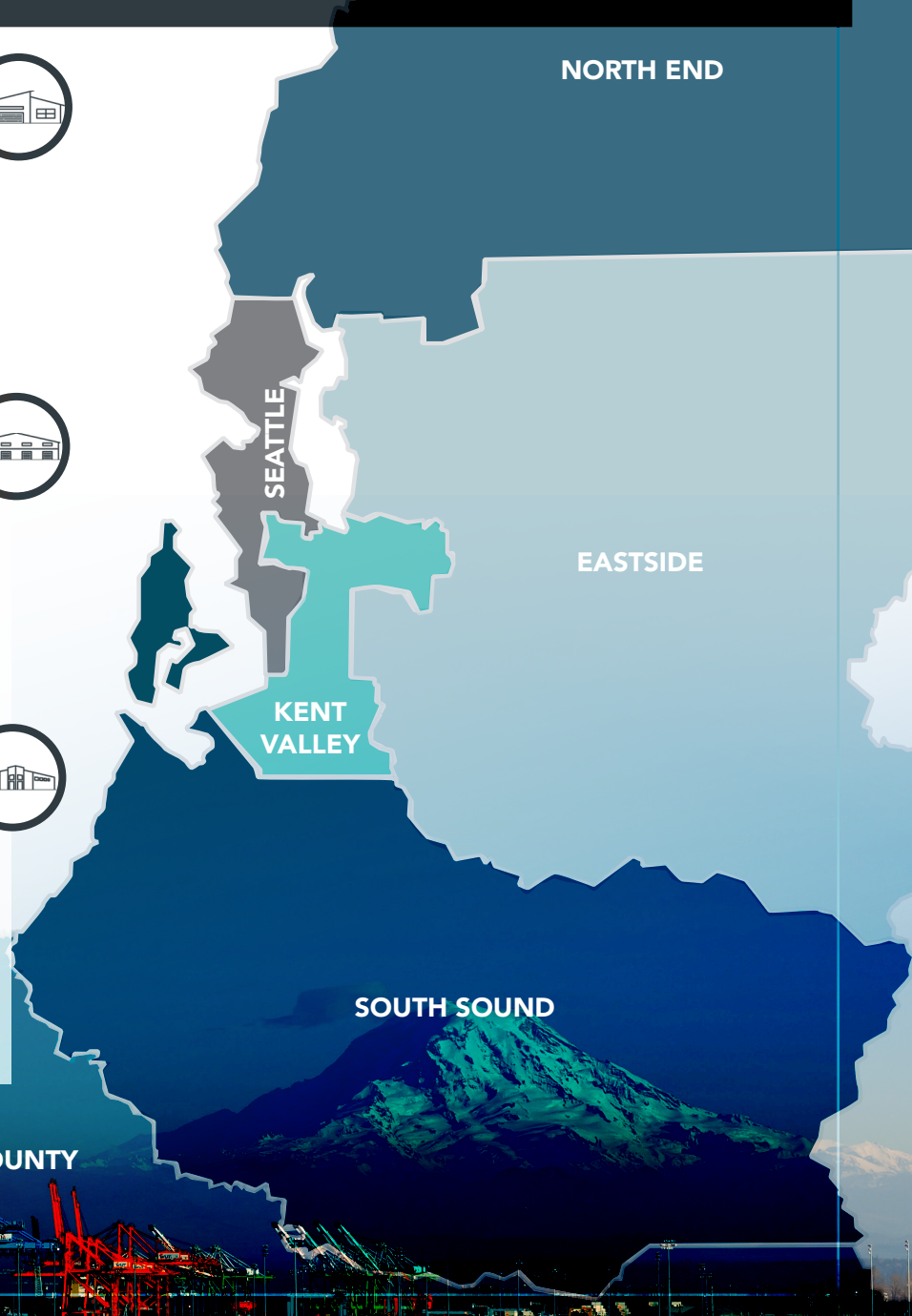
LOGISTICS

INVENTORY (SF)	263,006,106 SF
VACANT (SF)	18,762,022 SF
VACANCY RATE	6.36%
YTD NET ABSORPTION	(3,567,200) SF
YTD DELIVERIES (SF)	5,490,618 SF
SF UNDER CONSTRUCTION	4,970,232 SF
AVG ASKING RENT / YR (SF)	\$15.21



SPECIALIZED

INVENTORY (SF)	79,618,465 SF
VACANT (SF)	2,196,172 SF
VACANCY RATE	3.40%
YTD NET ABSORPTION	(310,073) SF
YTD DELIVERIES (SF)	142,527 SF
SF UNDER CONSTRUCTION	12,000 SF
AVG ASKING RENT / YR (SF)	\$14.06



NET ABSORPTION

Net absorption over the last 12 months.

EVERETT

(421,885 SF)

MARYSVILLE

(71,492 SF)

ARLINGTON

118,956 SF

SOUTH SEATTLE

(999,324 SF)

TUKWILA

337,617 SF

RENTON

32,256 SF

KENT

(478,376 SF)

AUBURN

(228,875 SF)

ALGONA

0 SF

FIFE

(430,303 SF)

PUYALLUP

505,519 SF

SUMNER

(793,232 SF)

TACOMA

(1,129,534 SF)

FREDERICKSON

131,925 SF

LAKWOOD

(338,573 SF)

TUMWATER

(72,602 SF)

DUPONT

195,998 SF


LACEY

(293,315 SF)



NOTABLE TRANSACTIONS

TOP SALES



Southcenter South Industrial Park
18435 Olympia Ave S, Tukwila

Submarket	South Valley
Buyer	Olympic Ave Holding LLC
Seller	Cascade Engine Center
Sale Price	\$14,595,000
Size	71,900
Price / SF	\$202.99



Frye Distribution
660 S Othelloe St &
7101 8th Ave S, Seattle


Submarket	South Seattle
Buyer	Fortress Invest. Group
Seller	Frye Art Museum
Sale Price	\$23,000,000
Size	139,857
Price / SF	\$164.45



Dayton Building
7748 S 200th
Kent

Submarket	Kent Valley
Buyer	Bridge Investment Group
Seller	Henry H. Ketcham Lumber Co.
Sale Price	\$7,650,000
Size	41,500
Price / SF	\$184.34

TOP LEASES




506 44th St NE
Auburn

Submarket	South Valley
Landlord	4JC Investments
Tenant	Fluid Motion
Industry	Manufacturing
Size	82,420 SF



First Steele
10920 Steele St S
Lakewood


Submarket	Tacoma-Lakewood
Landlord	First Industrial
Tenant	Navistar
Industry	Manufacturing
Size	64,341 SF



Northwest Corporate Park
Kent 19
8610 212th St, Kent

Submarket	Kent Valley
Landlord	Prologis
Tenant	Cosmos Granite
Industry	Wholesaler
Size	108,000 SF

THE TOP SALE

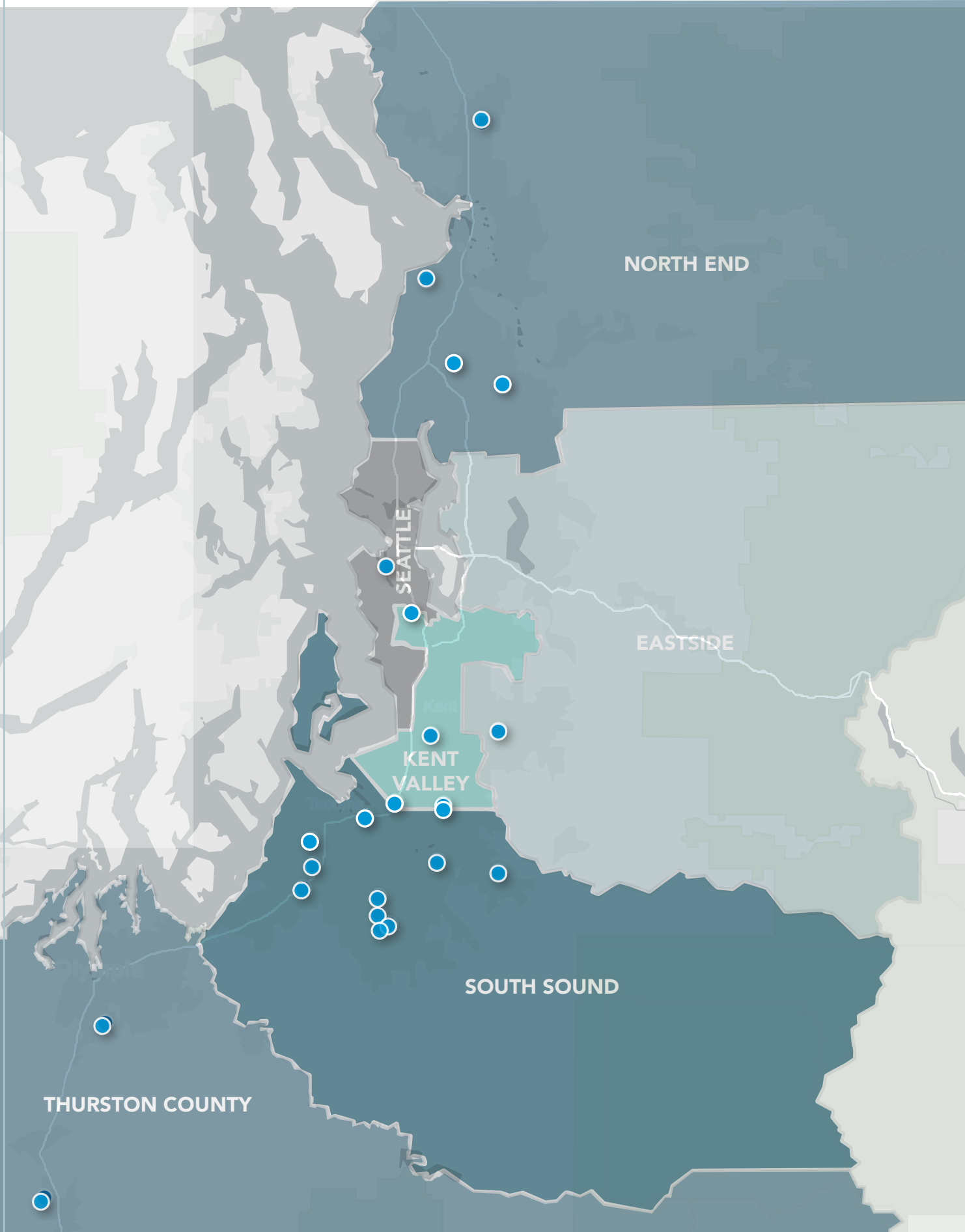


Sumner Meadows Golf Course
14802 8th St E
Sumner

Submarket	South Valley
Buyer	KGCAL Sumner Meadows LLC (Principal)
Seller	City of Sumner
Sale Price	\$46,779,382
Size	3,596,749
Price / SF	\$13.01

KGCAL, LLC (Principal) finally closed on the Pacific NW Logistics Center site (former Sumner Meadows Golf Course) after receiving Sumner City Council sale approval in 2013 - 11 years ago. Over that time, the gross site area of 130 acres was reduced to 82.5 net developable acres due to wetlands mitigation. The remainder of the site (frontage of the White River) will be retained by the City of Sumner. Three buildings totaling 1.3+ MM SF are planned, all with capabilities for 40' clear height and dedicated trailer parking at each building. Long awaited and due to be a fantastic development.

UNDER CONSTRUCTION



UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE	SUBMARKET	DELIVERY
Mid I-5 Industrial Park	2700 Talley Way, Kelso	1,185,000	Cowlitz County	2024
Bridge Point Tacoma 2MM, Bldg. B	5802 Burlington Way, Tacoma	1,156,762	South Tacoma	2025
Fred 310 bldg. C	17819 Canyon Road East, Frederickson	1,118,480	South Pierce	2024
Pacific NW Logistics Center, Bldg. B	14802 Stewart Rd SE, Sumner	702,480	South Valley	2025
Seattle Metro Logistics (Two Stories)	44 S Nevada St, Seattle	702,429	Downtown	2024
Bridge Point Tacoma 2MM, Bldg. A	5802 Burlington Way, Tacoma	560,613	South Tacoma	2025
Pacific NW Logistics Center, Bldg. A	14802 Stewart Rd SE, Sumner	476,362	South Valley	2025
Bridge Point i5 Milton Bldg. 2	80 5th Avenue, Milton	474,424	Southend	2024
Bridge Point Tacoma 2MM, Bldg. C	5802 Burlington Way, Tacoma	334,176	South Tacoma	2025
Bridge Point i5 Milton Bldg. 3	80 5th Avenue, Milton	327,824	Southend	2025
SeaPORT Logistics Center Building 6	14545 SE Stewart Rd, Sumner	324,843	South Valley	2025
Cascade Business Park Bldg. 3	16015 51st Ave NE, Marysville	308,000	Northend	2024
Covington 18	28009 Covington Way SE, Covington	247,409	Covington	2024
Prologis Emerald Gateway, Bldg 4	Building 4 10300 E Marginal Way, S, Seattle	230,131	Downtown	2024
Clover Creek Logistics Center	6933 176th Street East, Frederickson	220,250	South Pierce	2025
Pioneer Logistics	14021 E Pioneer, Puyallup	211,253	East Pierce County	2025
Seaway Tech Center	6801 Seaway Blvd, Everett	200,000	Northend	2025
Emerald Logistics	6214 S 287th Street, Auburn	192,000	Southend	2024
Canyon 160	15720 Canyon Rd E, Puyallup	162,400	Tacoma	2024
Prologis Emerald Gateway, Bldg 3	Building 3 10320 E Marginal Way, S, Seattle	144,352	Downtown	2024
Lakewood One	4901 123rd St SW, Lakewood	140,000	Tacoma	2024
Peak 410, Bldg. 5	22911 State Route 410 E, Bonney Lake	134,313	Southend	2024
Bridge Point i5 Milton Bldg. 4	80 5th Avenue, Milton	119,022	Southend	2025
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	119,000	Eastside	2025
Valley Avenue Industrial Center	7323 Valley Ave E, Fife	114,988	South Valley	2024
Centralia Northpark One	3709 North Park Drive, Centralia	107,125	Lewis County	2024
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	95,680	Eastside	2025
Summit Center	13306 Canyon Road East, Puyallup	94,221	Tacoma	2024
Mountain Industrial Center	3411 90th St S, Tacoma	30,092	Tacoma	2024
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	28,800	Eastside	2025
Warehouse 40	8208 River Road, Tumwater	28,750	South Olympia	2025

Q2 UNDER CONSTRUCTION
11,436,679 SF

DELIVERED
2,971,988 SF

Q1 UNDER CONSTRUCTION
7,638,997 SF

DELIVERED
1,021,791 SF



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