

LEE & ASSOCIATES | PACIFIC NORTHWEST

INDUSTRIAL MARKET REPORT

**Q3
2024**

MSA MARKET

(7,359,466) SF
12 Month Net Absorption

6.44%
Vacancy Rate

7,490,567 SF
Under Construction

383,827,820 SF
Inventory SF

\$16.73 PSF
Average Market Rent / SF

\$417,622,882
12 Month Sales Volume

I-5 CORRIDOR

(2,728,155) SF
12 Month Net Absorption

7.00%
Vacancy Rate

12,135,033 SF
Under Construction

419,671,639 SF
Inventory SF

\$12.37 PSF
Average Market Rent / SF

\$1,200,000,000
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.

MSA MARKET OVERVIEW

In Q3 2024, the Puget Sound industrial market saw a net absorption decline to -3.2 million square feet, down from -2.1 million square feet in the previous quarter, reflecting a continued softening in demand. The vacancy rate rose slightly to 7.8%, up from 7.4% in Q2, indicating increased space availability. Additionally, the average annual NNN asking rent decreased to \$14.26 per square foot, down from \$14.82. These trends suggest ongoing adjustments in the market as tenant requirements evolve in response to broader economic conditions.



(7,359,466) SF
12 Month Net Absorption



6.44%
Vacancy Rate



7,490,567 SF
Under Construction



383,827,820 SF
Inventory SF

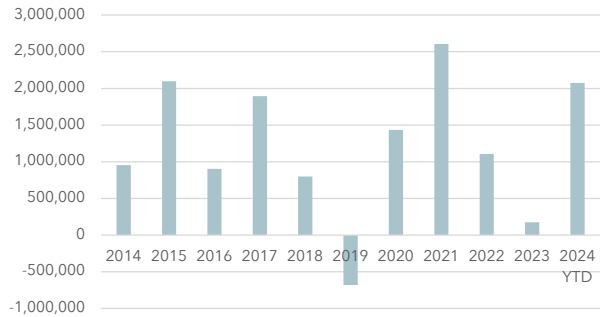


\$16.73 PSF
Average Market Rent / SF

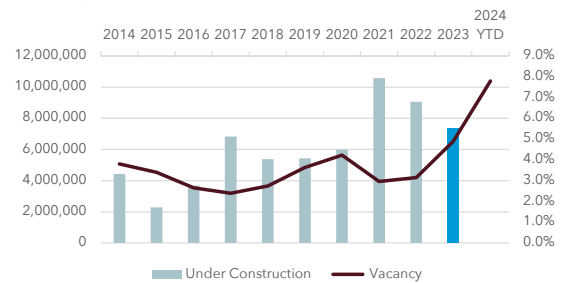


\$417,622,882
12 Month Sales Volume

Net Absorption

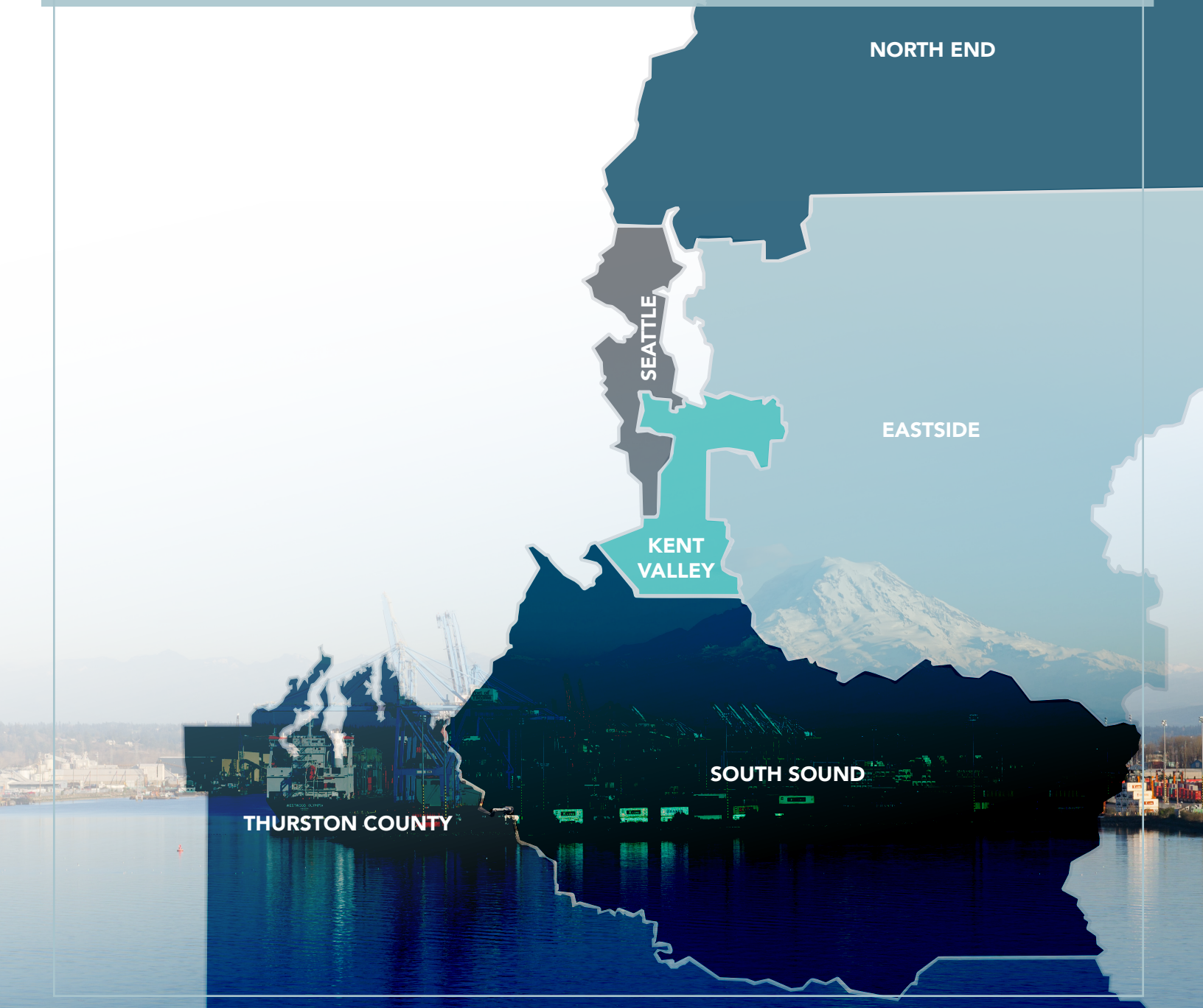


Vacancy & Under Construction



MSA 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	52,876,543	3,053,776	5.18%	(774,726)	752,336	348,024	\$15.46
Eastside	34,179,422	1,220,599	4.12%	(70,701)	130,775	247,409	\$21.11
Seattle	59,202,431	4,311,202	7.10%	(3,262,590)	343,899	702,429	\$22.02
Kent Valley	113,978,814	5,756,607	6.79%	(9,375)	1,123,195	698,215	\$13.53
South Sound	101,870,247	7,779,296	9.16%	(3,209,843)	2,085,075	5,436,590	\$12.31
Thurston County	21,720,363	1,098,991	2.89%	(32,231)	153,200	57,900	\$11.07



I-5 CORRIDOR OVERVIEW

Whatcom to Clark Counties

WHATCOM

The I-5 Corridor industrial market, spanning Whatcom to Clark counties, is experiencing a period of adjustment. Vacancy rates have risen to 7%, up from the five-year average of 4.3%. Leasing activity has slowed, with net absorption showing a negative figure of over 2 million square feet. Despite this, construction remains active, with over 12 million square feet under development, although the volume of new construction starts is decreasing. High land costs, stabilized rental rates, and rising construction expenses are limiting new project pipelines. This trend may continue, particularly affecting developers and land sellers.



(2,494,602) SF
12 Month Net Absorption



7.00%
Vacancy Rate



12,135,033 SF
Under Construction



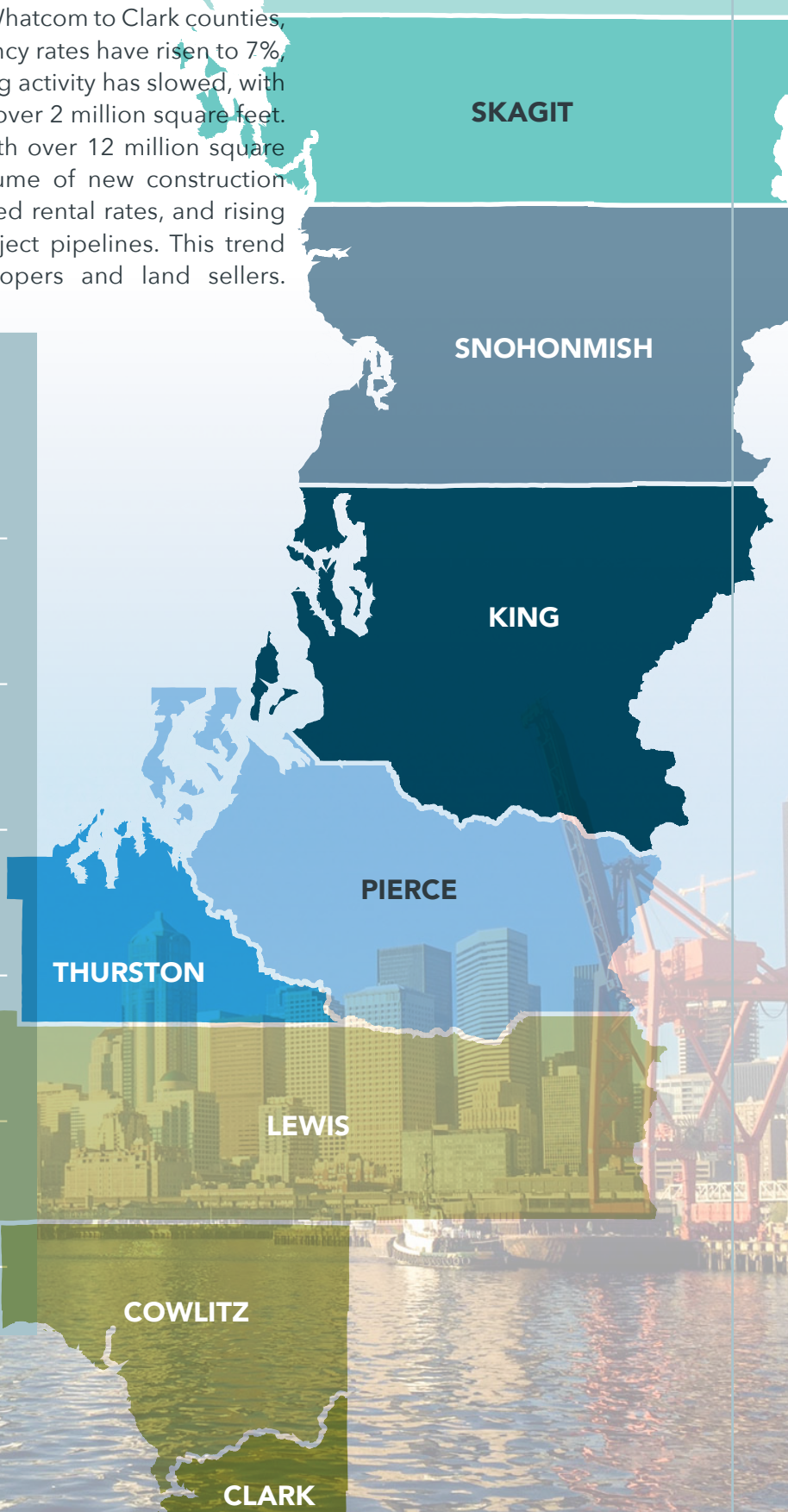
419,671,639 SF
Inventory SF



\$12.37 PSF
Average Market Rent / SF



\$1,200,000,000
12 Month Sales Volume

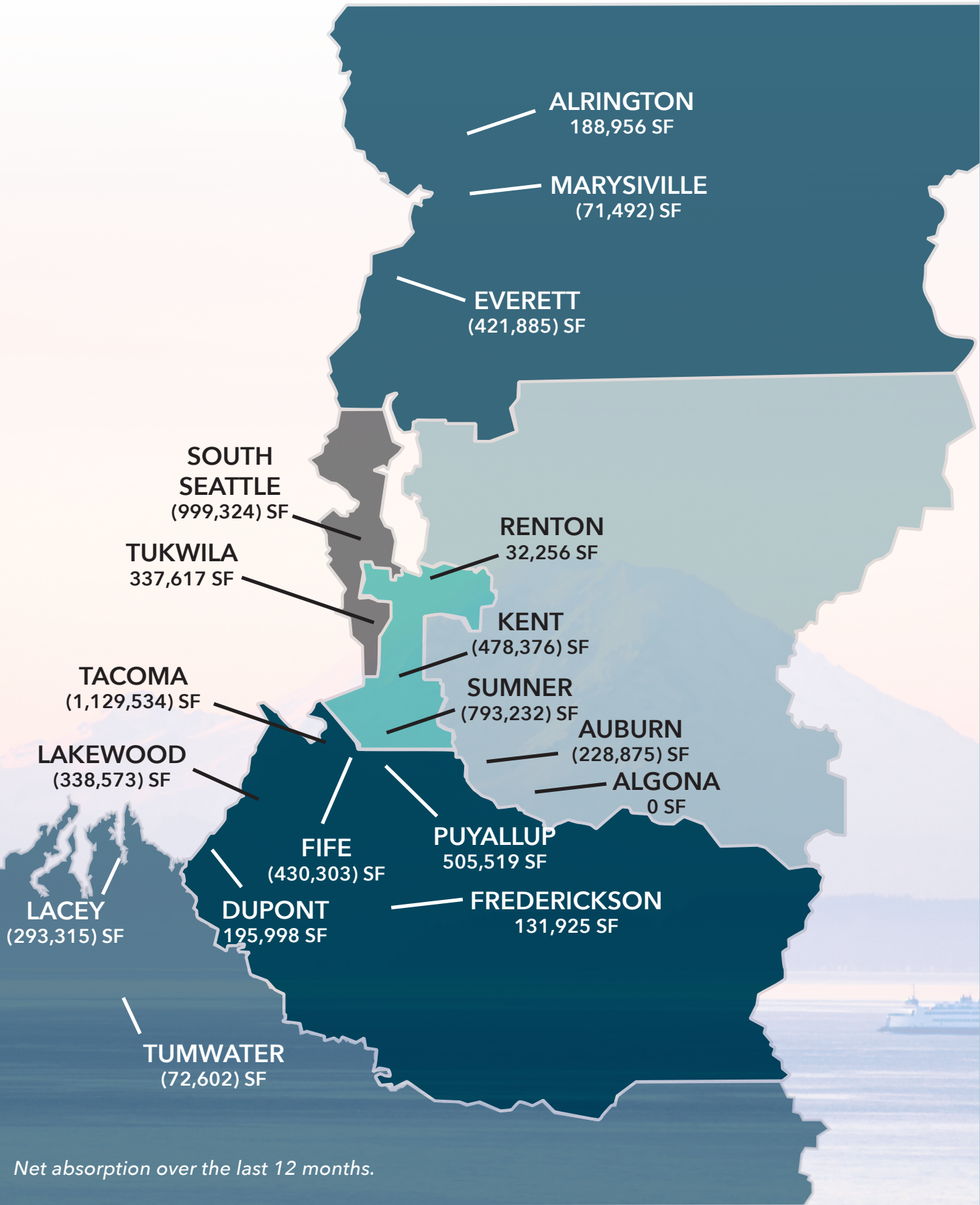


I-5 CORRIDOR MARKET DATA

COUNTIES	INVENTORY (SF)	VACANT (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	YTD NET DELIVERIES (SF)	UNDER CONSTRUCTION (SF)	AVG. ASKING RENT / YR (PSF)
Full Region (I-5 Corridor)	419,671,639	29,583,200	7.00%	(2,048,470)	5,403,908	4,734,345	\$12.37
Whatcom County	13,963,396	305,607	2.20%	(120,069)	18,700	209,700	\$11.86
Skagit County	5,211,311	13,500	-	(5,215)	-	3,339,796	-
Snohomish County	51,585,436	3,539,446	6.90%	(119,837)	805,736	230,131	\$12.57
King County	183,520,123	7,002,803	4.00%	2,136,349	891,890	7,098,946	\$14.57
Pierce County	97,985,063	8,366,838	8.50%	(1,412,300)	2,094,675	6,664,309	\$10.19
Lewis County	7,722,167	272,110	3.50%	(129,741)	67,500	3,339,796	\$7.83
Thurston County	21,314,188	1,208,674	5.70%	(9,139)	113,250	230,131	\$11.20
Cowlitz County	8,890,385	107,934	1.20%	62,511	121,690	-	\$11.14
Clark County	29,479,570	1,685,945	5.70%	508,841	525,825	20,000	\$13.81



NET ABSORPTION



Net absorption over the last 12 months.

NOTABLE TRANSACTIONS

TOP SALES



Pacific West Business Center
18852-18872 72nd Ave S
Kent, WA



600 Israel Rd SE
Tumwater, WA



Submarket	Southend	Submarket	Kent Valley	Submarket	Southend
Buyer	TIAA	Buyer	Nuveen	Buyer	A-1 Pallets, Inc.
Seller	Cabot Properties Inc	Seller	TA Realty	Seller	Dart Container Corporation
Sale Price	\$83,100,000	Sale Price	\$14,800,000	Sale Price	\$9,050,000
Size	385,986 SF	Size	60,530 SF	Size	109,660 SF
Price / SF	\$215.29	Price / SF	\$244.51	Price / SF	\$82.53

TOP LEASES



Bridge Point I5 Seattle Building 1
80 5th Ave, Seattle

Burnt Creek Logistics Ctr.
5920 NE 162nd Ave
Vancouver, WA



Portside Industrial Ctr.
6546 20th St E
Fife, WA (Sublease)



Submarket	Southend	Submarket	Clark County	Submarket	Southend
Landlord	Bridge Development	Landlord	Panattoni	Landlord	LBA - Curt Manufacturing
Tenant	Boeing	Tenant	Grocery Outler	Tenant	MyDepot, Inc.
Industry	Aerospace	Industry	Grocery Retailer	Industry	Distribution
Size	1,026,959 SF	Size	681,780 SF	Size	251,100 SF

THE TOP SALE

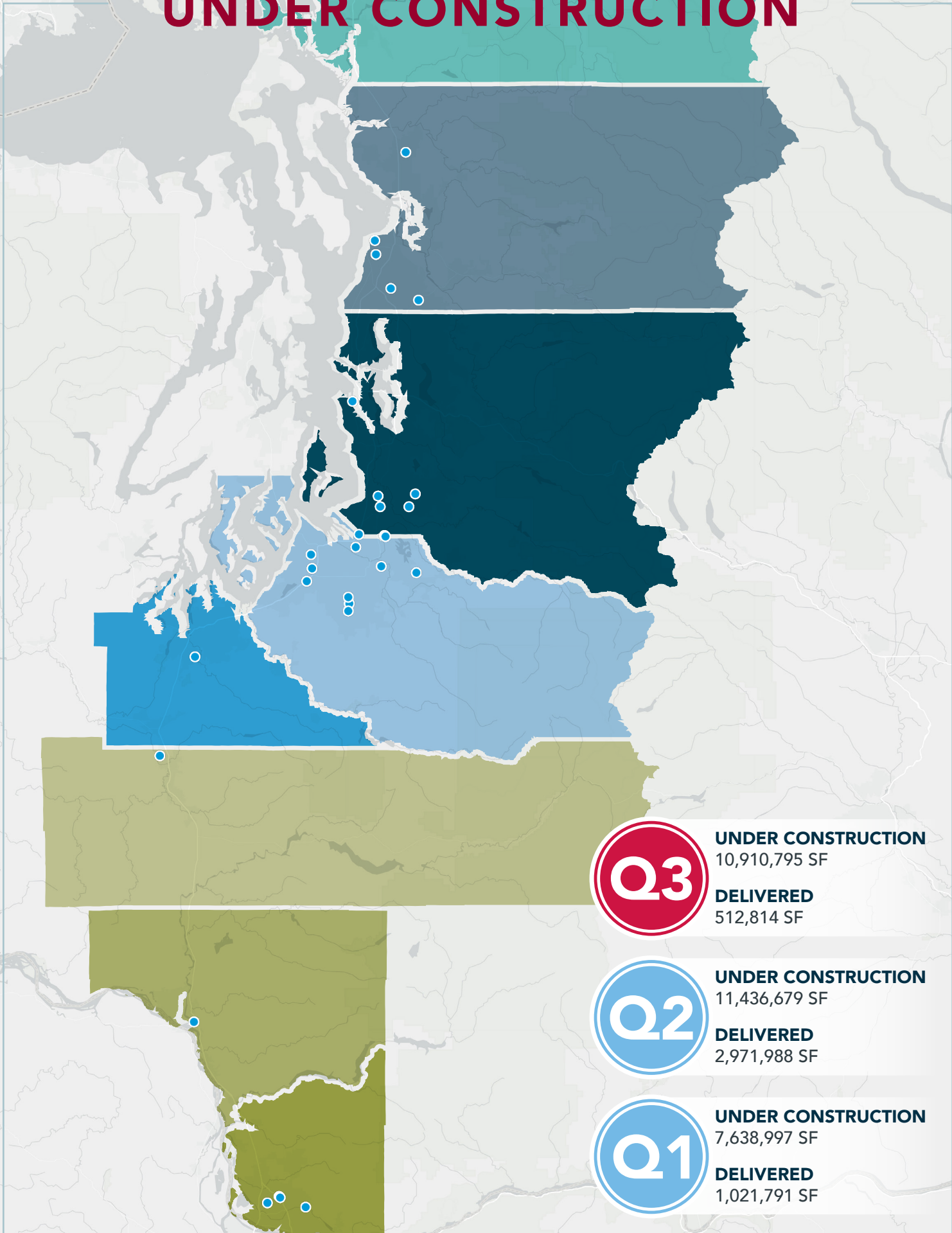


228th Manufacturing Campus
8825-8835 S 228th St
Kent, WA

Submarket	Kent Valley
Buyer	CAT Investments, LLC
Seller	LPSL Corporate Services, Inc.
Sale Price	\$3,200,000
Size	43,936 SF
Price / SF	\$72.83

5 building manufacturing campus totaling 24,543 SF on 1.32-acres; with significant building improvements and abundant power. CAT Investments purchased the Former Cascade Gasket & Manufacturing Campus at a foreclosure auction for \$3,200,000. The former owner purchased it for \$5,250,000 in 2021. The new owners plan to improve the property and list it for sale or lease.

UNDER CONSTRUCTION



Q3

UNDER CONSTRUCTION

10,910,795 SF

DELIVERED

512,814 SF

Q2

UNDER CONSTRUCTION

11,436,679 SF

DELIVERED

2,971,988 SF

Q1

UNDER CONSTRUCTION

7,638,997 SF

DELIVERED

1,021,791 SF

UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE	SUBMARKET	DELIVERY
Emerald Logistics	6214 S 287th St, Auburn	192,000	Southend	2024
Avenue 55 West Valley Highway	1381 W Valley Hwy N, Auburn	51,000	Southend	2025
Peak 410, Bldg. 5	22911 State Route 410 E, Bonney Lake	69,425	Southend	2024
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	28,800	Eastside	2025
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	95,680	Eastside	2025
North Creek Commerce Center	18712 Bothell Everett Hwy, Bothell	119,000	Eastside	2025
Camas Meadows	NE Goodwin St, Camas	187,106	Clark County	2024
Centralia Northpark One	3709 N Park Drive, Centralia	107,125	Lewis County	2025
Covington 18	28009 Covington Way SE, Covington	247,409	Covington	2024
Seaway Tech Center	6801 Seaway Blvd, Everett	200,000	Northend	2025
Supersonic Industrial Center	2200 100th St SW, Everett	125,048	Northend	2025
Valley Avenue Industrial Center	7215 Valley Ave E, Fife	114,988	South Valley	2024
Fred 310 bldg. C	17819 Canyon Rd E, Frederickson	1,118,480	South Pierce	2024
Canyon 160	15720 Canyon Rd, Frederickson	162,400	Tacoma	2024
Mid I-5 Industrial Park	2700 Talley Way, Kelso	1,185,600	Cowlitz County	2025
Ryan Companies, Pacific Raceways	31216 144th Ave SE, Kent	40,000	North Valley	2024
Lakewood One Industrial	4901 123rd St SW, Lakewood	140,000	Pierce	2024
Cascade Business Park Bldg. 3	16015 51st Ave NE, Marysville	308,000	Northend	2024
Bridge Point i5 Milton Bldg. 2	80 5th Ave, Milton	478,542	Southend	2024
Bridge Point i5 Milton Bldg. 3	80 5th Ave, Milton	333,448	Southend	2025
Bridge Point i5 Milton Bldg. 4	80 5th Ave, Milton	127,798	Southend	2025
Rose Way Industrial Park, Bldg E	1570 Rose Way, Woodland	16,500	Cowlitz County	2024
Rose Way Industrial Park, Bldg F	1570 Rose Way, Woodland	23,000	Cowlitz County	2024
Pioneer Logistics	14021 E Pioneer, Puyallup	211,153	East Pierce County	2025
Seattle Metro Logistics (Two Stories)	44 S Nevada St, Seattle	351,826	Downtown	2024
Prologis Emerald Gateway, Bldg 3	10320 E Marginal Way	144,352	Downtown	2024
Prologis Emerald Gateway, Bldg 4	10300 E Marginal Way S	230,131	Downtown	2024
Summit Center	13306 Canyon Rd E, Spanaway	94,221	Tacoma	2024
SeaPORT Logistics Center	14545 SE Stewart Rd, Sumner	324,843	South Valley	2025
Pacific NW Logistics Center, Bldg. A	14802 Stewart Rd SE, Sumner	476,362	South Valley	2025
Pacific NW Logistics Center, Bldg. B	14802 Stewart Rd SE, Sumner	702,480	South Valley	2025
Mountain Industrial Center	3411 90th St S, Tacoma	20,988	Pierce	2024
Bridge Point Tacoma 2MM, Bldg. A	5802 Burlington Way, Tacoma	560,613	South Tacoma	2025
Bridge Point Tacoma 2MM, Bldg. B	5802 Burlington Way, Tacoma	1,156,762	South Tacoma	2025
Bridge Point Tacoma 2MM, Bldg. C	5802 Burlington Way, Tacoma	334,176	South Tacoma	2025
Warehouse 40	8208 River, Tumwater	28,750	South Olympia	2025
Vancouver Logistics, Phase II, North	9213 NE 72nd Ave, Vancouver	163,675	Clark County	2024
Vancouver Logistics, Phase II, East Bldg	7704 NE 88th St, Vancouver	175,044	Clark County	2024
Bridge Point Vancouver 600	5500 NE 162nd Ave, Vancouver	647,762	Clark County	2024
Hidden Glen Industrial Center	6920 & 7000 NE St Johns Rd, Vancouver	283,622	Clark County	2024
Woodinville 216th SE street	8727 216th St, Woodinville	24,000	Eastside	2024
Woodinville 216th SE street	8727 216th St, Woodinville	21,500	Eastside	2024

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.



ORGANIZATIONS WE ARE INVOLVED IN



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

LEE & ASSOCIATES EXPANSION 1979-2024

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

1,600+

PROFESSIONALS

AND GROWING
INTERNATIONALLY

75+

OFFICES

ACROSS NORTH AMERICA

\$115+

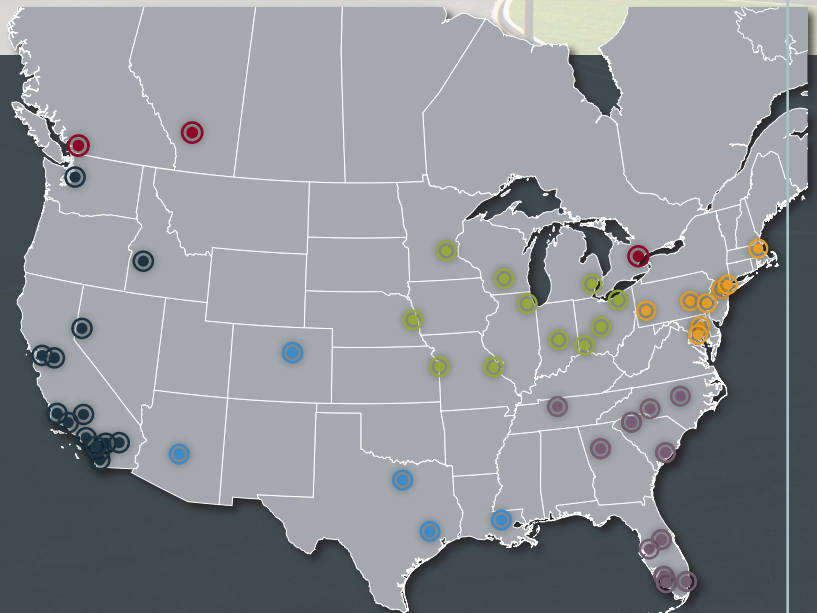
BILLION IN

TRANSACTION VALUE
OVER 5 YEARS

\$2+

BILLION IN

BROKERED SALE & LEASE
SF OVER 5 YEARS



WEST SOUTHWEST MIDWEST EAST SOUTH CANADA



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