



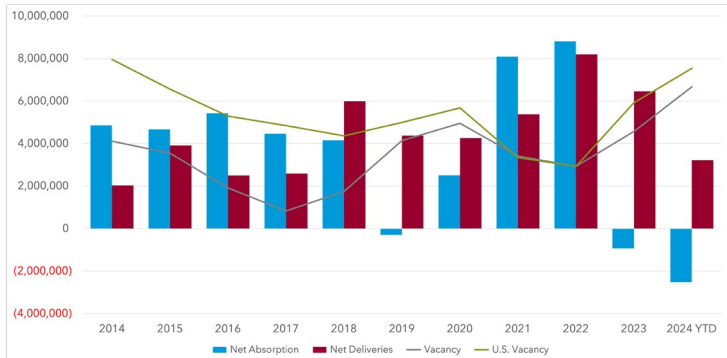
INDUSTRIAL MARKET OVERVIEW

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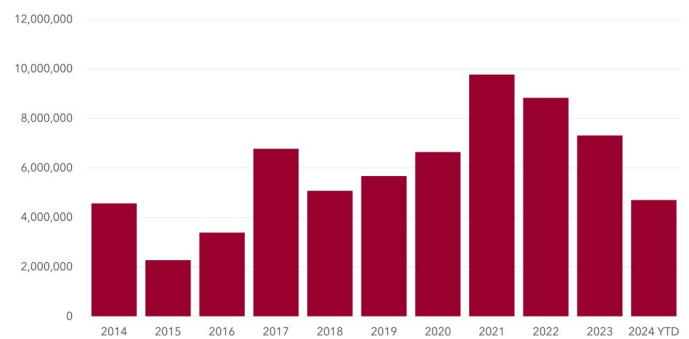
Industrial markets in the Pacific NW are adjusting but remaining steady. Vacancy rates are around 7% in the 6-county region along the I-5 corridor (Arlington to Vancouver, WA). Leasing activity slowed in the first quarter but is picking up in the second. New construction is active, but the project pipeline is diminishing due to high land price expectations, stabilized rental rates, and continued high construction costs. This trend is expected to continue into 2025, frustrating developers and land sellers. Large land parcels are hard to find, pushing developers toward infill assemblages, land use changes, or full site redevelopment. Demand for IOS properties is slowing, and small owner-user facilities' demand is leveling off.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(2,142,214)	(2,688,054)	(2,232,454)	(692,294)	2,803,844
▲ Vacancy Rate	7.38%	7.20%	6.30%	5.70%	5.30%
▼ Avg NNN Asking Rate PSF	\$14.82	\$14.85	\$14.83	\$14.84	\$14.60
▲ SF Under Construction	11,400,000	6,713,709	7,786,821	6,787,358	8,634,108
▲ Inventory SF	360,036,235	355,266,605	354,650,713	352,343,906	350,487,030

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
18435 Olympic Avenue, S Tukwila, WA	71,900 SF	\$14,595,000 \$202.99 PSF	Olympic Ave Holding LLC Cascade Engine Center LLC	Class B
660 S. Othello St. & 7101 8th Ave., S Seattle, WA	139,857 SF	\$23,000,000 \$164.45 PSF	Fortress Investment Group Frye Art Museum	Class B
Sumner Meadows Golf Course Sumner, WA	3,596,749 SF	\$46,779,382 \$13.01 PSF	KGCAL Sumner Meadows LLC City of Sumner	Land

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10920 Steele Street, S Lakewood, WA	64,341 SF	First Industrial	Navistar	Manufacturing
506 44th Street, NW Auburn, WA	82,420 SF	4JC Investments	Fluid Motion	Manufacturing
8610 212th Street Kent, WA	108,000 SF	Public REIT	Cosmos Granite	Wholesaler

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