



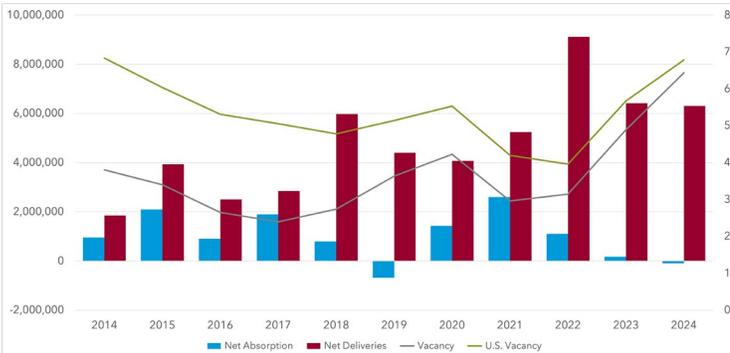
INDUSTRIAL MARKET OVERVIEW

VANESSA HERZOG, *Principal*

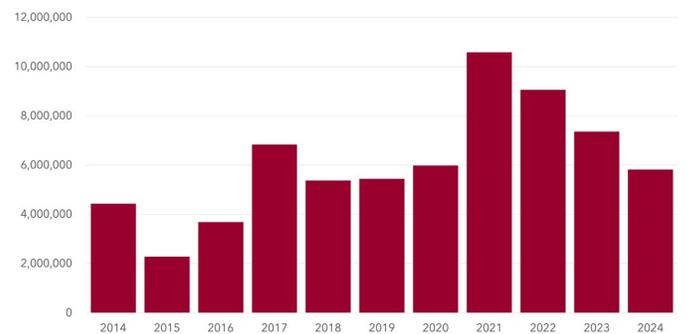
The Pacific Northwest industrial market is showing mixed performance in Q4 2024. Net absorption recorded a negative figure of -2,287,759 square feet, reflecting sustained challenges in tenant demand. The vacancy rate saw a slight increase to 8%, up from 7.8% in Q3 2024. However, average annual NNN asking rates remain strong at \$14.36 per square foot, suggesting landlords are maintaining pricing power despite headwinds. These trends highlight a dynamic market where vacancy increases, and declining absorption are partially offset by stable rental rates. This signals a need for cautious optimism as the market adapts to shifting economic conditions.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	(2,287,759)	(3,243,430)	(2,142,214)	(2,688,054)	(2,232,454)
▲ Vacancy Rate	8.0%	7.8%	7.4%	7.2%	6.3%
▲ Avg NNN Asking Rate PSF	\$14.36	\$14.26	\$14.82	\$14.85	\$14.83
▼ Sale Price PSF	\$215.11	\$238.00	\$224.11	\$289.67	\$212.72
▲ Cap Rate	6.20%	5.72%	5.50%	5.80%	5.10%
▼ Under Construction SF	5,817,103	10,910,795 SF	7,754,035	6,713,709	7,786,821
▲ Inventory SF	363,502,423	362,293,871	360,036,235	355,266,605	354,650,713

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1510 & 1616 St. Paul Avenue Tacoma, WA	138,789 SF	\$19,510,000 \$140.57 PSF	SMARTCAP 1616 St. Paul LLC	Class C
403 N. Levee Road Puyallup, WA	80,150 SF	\$12,550,000 \$156.68 PSF	Spacific Coast Building Products LBA Logistics	Class C
2781 S. 102nd Street Tukwila, WA	202,464 SF	\$81,500,000 \$402.54 PSF	EQT Exeter REIT Dermody Properties	Class ???

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2500 142nd Avenue, E Sumner, WA	350,075 SF	The Michaelson Organization	Southern Wine & Spirits	Wholesaler
2422 93rd Avenue, SW Tumwater, WA	149,340 SF	Crow Holdings	Daedong-USA, Inc.	Manufacturing
5900 36th Avenue, W Everett, WA	278,937 SF	Bridge Point	Boeing	Aerospace

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