



Industrial Market Report Seattle - WA

PREPARED BY



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INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

5.4 M

12 Mo Net Absorption in SF

(710 K)

Vacancy Rate

5.2%

12 Mo Rent Growth

5.6%

Seattle's industrial market is one of the most active in the country, thanks to a bustling economy and one of the largest ports on the west coast. Subsequently, the most active submarkets for development are in proximity to the ports, especially the Port of Tacoma.

Despite a busy delivery schedule recently and an onslaught of move-outs in recent quarters, vacancies are still lower than the historical average and rent growth is well above the historical average. The combination of

these large availabilities and a highly speculative pipeline could have an adverse effect on vacancy and rent growth in the near term though.

Investment activity has been strong over the past several quarters, and much of it can be attributed to large institutional deals and a recently passed graduated real estate excise tax (REET) in 2019. Investors rushed to get deals done before January 2020, when the tax took effect.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	210,384,994	6.6%	\$9.97	7.8%	(1,364,654)	248,943	3,023,716
Specialized Industrial	87,705,490	2.4%	\$11.12	3.0%	(170,576)	0	266,892
Flex	31,047,384	4.0%	\$18.09	4.9%	94,068	0	0
Market	329,137,868	5.2%	\$11.03	6.2%	(1,441,162)	248,943	3,290,608
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.7%	6.2%	6.2%	9.5%	2003 Q2	2.8%	2017 Q4
Net Absorption SF	(710 K)	2,420,146	1,801,950	8,636,189	2007 Q1	(6,445,759)	2009 Q4
Deliveries SF	5.4 M	3,658,977	3,785,188	7,673,193	2007 Q1	133,370	2012 Q1
Rent Growth	5.6%	3.2%	2.3%	9.1%	2017 Q1	-2.6%	2002 Q3
Sales Volume	\$3.4 B	\$1.1B	N/A	\$3.1B	2019 Q3	\$211.8M	2010 Q2

Strong local consumption and regional trade with Asia have helped keep industrial demand robust this cycle. Net absorption has met or exceeded 3 million SF every year since 2012, but there are some causes for concern in the near term. A looming trade war with China, a spec pipeline and large availabilities are all yellow flags for the Puget Sound region.

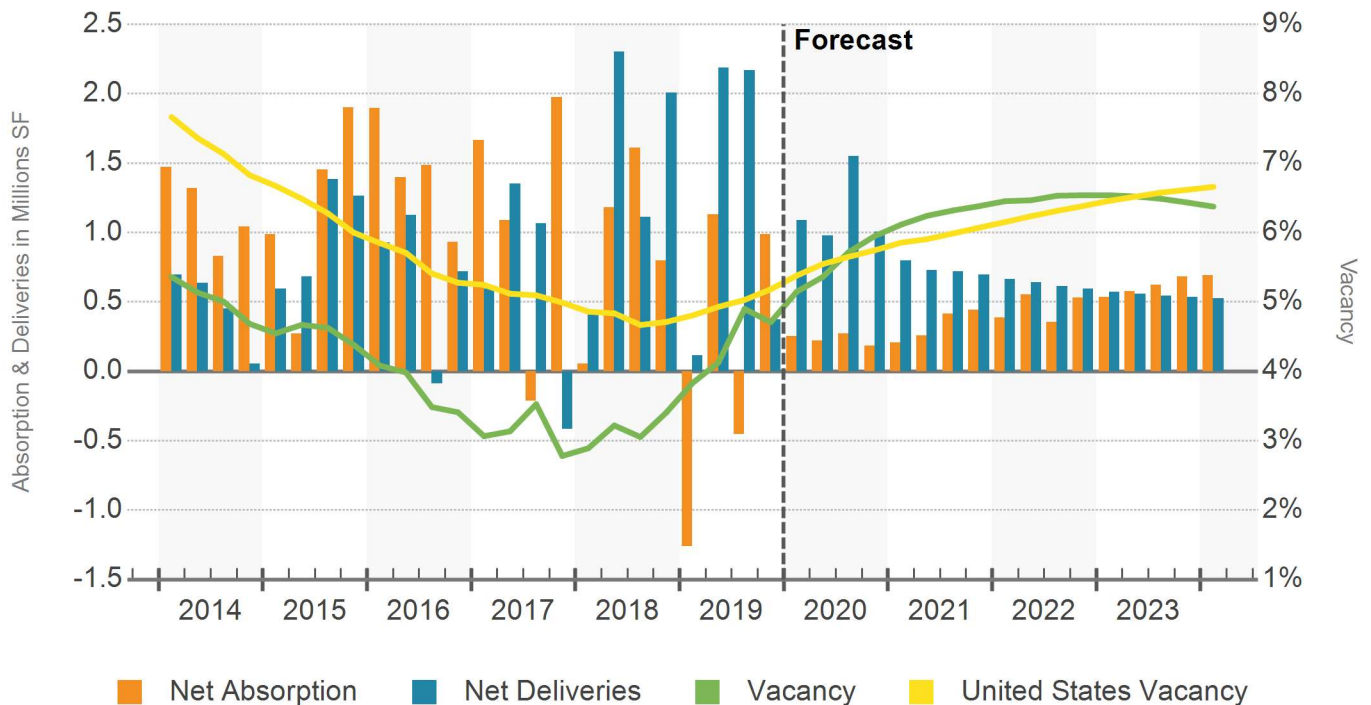
An onslaught of logistics move-outs across the metro contributed to an uptick in the vacancy rate starting in 19Q1, and a highly speculative pipeline adds supply pressures. Around half of the space under construction is still available for lease, and most of it is logistics space concentrated in South King and Pierce counties. Vacancies in flex and specialized space remain tighter than logistics space, as demand abounds and development is limited.

Development activity has been especially dynamic near the ports. The alliance of the ports of Seattle and Tacoma in 2015 was established in part to fight off fierce competition from Canadian ports, and it has paid dividends. Container volume is on the rise, and this has spurred logistics demand in the area, especially near the Port of Tacoma. Developers continue to inundate these areas with new inventory, which should have an outsized effect on logistics vacancies specifically.

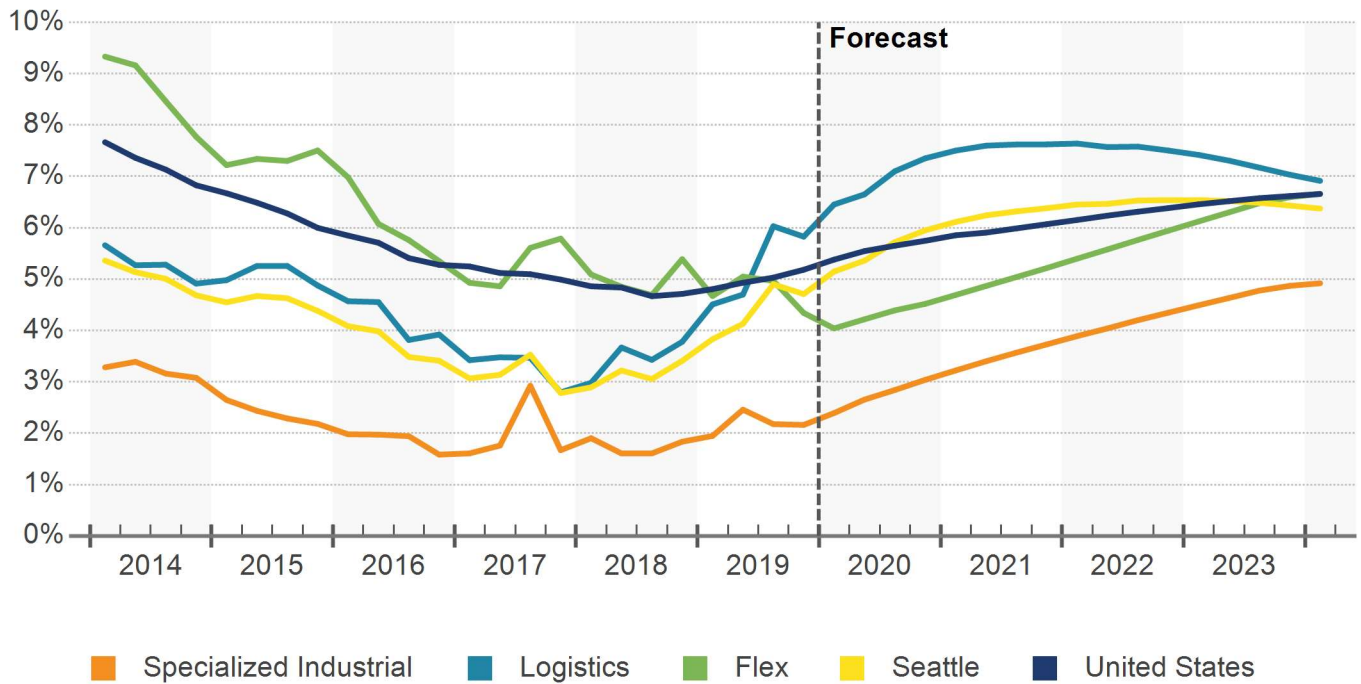
Submarkets like Dupont, Port of Tacoma/Fife, and Puyallup/S Hill offer developers lower land costs and tenants a discount to close-in submarkets. Net absorption has been among the highest in the metro in these areas over the past five years, and most new leases were in large distribution centers or warehouses. One example was Samsung's 340,000-SF move-in at DCT Blair Distribution Center in 19Q2. Absorption remains strong in these submarkets, but large availabilities in new product alter the outlook. For example, the 1.1-million-SF IPT Tacoma Logistics Center opened in 18Q2, and it remained nearly 50% available for lease as of 19Q4.

Last-mile distribution hubs in more central areas are also seeing a lot of construction activity and tenant demand this cycle. Submarkets like Auburn, Kent Valley N, and Seatac/Burien offer strategic locations roughly halfway between both ports and close to the airport. In the Kent Valley N Submarket, Wilmar Corporation signed on for 246,000 SF of space at Pacific Gateway Business Park in 19Q1. The performance tool maker is slated to move into the space by the end of 19Q4. In Auburn, third-party logistics company Holman Logistics signed on for 92,000 SF of space at North Auburn Logistics Center in 19Q2. The company has several other facilities in Kent, as well.

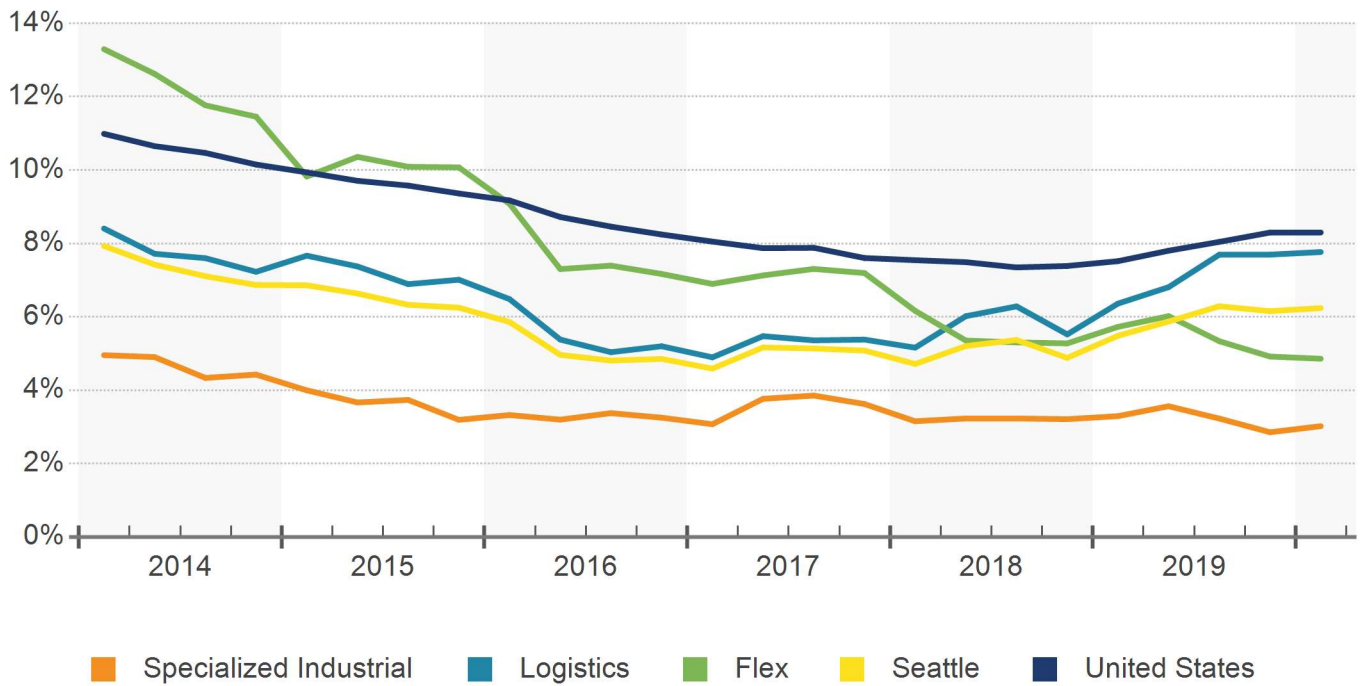
NET ABSORPTION, NET DELIVERIES & VACANCY



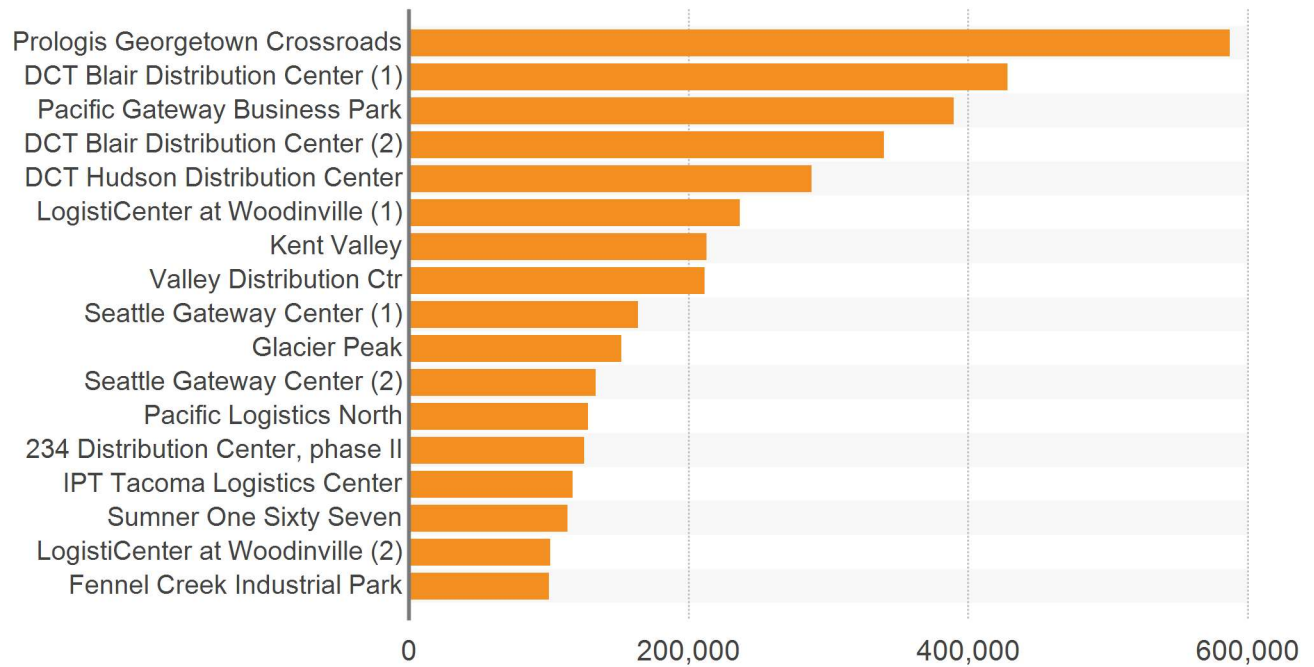
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Prologis Georgetown Crossroads	Gtown/Duwamish N I...	589,615	0	0	0	0	0	587,280
DCT Blair Distribution Center (1)	Port of Tacoma/Fife Ind	428,228	0	0	0	0	0	428,228
Pacific Gateway Business Park	Kent Valley N Ind	389,670	0	245,670	0	0	0	389,670
DCT Blair Distribution Center (2)	Port of Tacoma/Fife Ind	542,750	0	0	0	0	0	340,000
DCT Hudson Distribution Center	Auburn Ind	287,832	0	0	0	0	0	287,832
LogistiCenter at Woodinville (1)	Woodinville Ind	275,710	39,000	0	0	0	0	236,710
Kent Valley	Kent Valley S Ind	270,772	57,892	66,761	0	0	0	212,879
Valley Distribution Ctr	Puyallup/S Hill Ind	228,256	0	0	0	0	0	211,689
Seattle Gateway Center (1)	Tukwila Ind	325,290	0	0	0	0	0	163,717
Glacier Peak	Everett CBD Ind	204,498	52,375	0	0	0	0	152,123
Seattle Gateway Center (2)	Tukwila Ind	133,417	0	0	0	0	0	133,417
Pacific Logistics North	Puyallup/S Hill Ind	128,262	0	0	0	0	0	128,262
234 Distribution Center, phase II	Kent Valley S Ind	125,400	0	0	0	0	0	125,400
IPT Tacoma Logistics Center	Port of Tacoma/Fife Ind	280,525	136,724	0	0	0	0	117,313
Sumner One Sixty Seven	Puyallup/S Hill Ind	234,750	0	0	0	0	0	113,384
LogistiCenter at Woodinville (2)	Woodinville Ind	134,000	32,861	0	0	0	0	101,139
Fennel Creek Industrial Park	E Pierce County Ind	202,000	0	0	0	0	0	100,000
Subtotal Primary Competitors		4,780,975	318,852	312,431	0	0	0	3,829,043
Remaining Seattle Market		324,356,893	16,856,958	(1,753,593)	0	0	0	(4,538,699)
Total Seattle Market		329,137,868	17,175,810	(1,441,162)	0	0	0	(709,656)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
2800 Center Dr	Dupont	747,488	Q2 19	Kimberly Clark	-	Washington Real Estat...
6050 E Marginal Way S	Gtown/Duwamish N	493,615	Q2 19	Amazon	KBC Advisors, Inc.	Washington Real Estat...
2600 Taylor Way	Port of Tacoma/Fife	428,228	Q2 19	Ashley HomeStore	Kidder Mathews	Kidder Mathews
3401 W Valley Hwy E	Puyallup/S Hill	263,168	Q3 19	Port Logistics Group	-	Neil Walter Company
20413 59th Pl S	Kent Valley N	245,670	Q1 19	Wilmar Corporation	The Andover Compa...	CBRE
2500 142nd Ave E	Puyallup/S Hill	175,723	Q4 19	-	-	JLL
6617 Associated Blvd	S Everett/Harbor Pt	167,600	Q4 19	-	-	Colliers International
14237 Des Moines Memorial Dr	Tukwila	161,573	Q1 19	Mercer Distribution	-	Kidder Mathews
3514 142nd Ave E *	Puyallup/S Hill	161,200	Q3 19	Progressive	CBRE	CBRE
20413 59th Pl S	Kent Valley N	144,000	Q3 19	Crane Worldwide Logistics	CBRE	CBRE
4123 142nd Ave E	Puyallup/S Hill	142,825	Q2 19	Progressive	-	Colliers International
18340 NE 76th St	Redmond	142,000	Q4 19	Amazon	-	Broderick Group, Inc.
1601 Industrial Park Way	Puyallup/S Hill	141,500	Q3 19	-	-	Savills
2501 E Valley Rd *	Renton	137,520	Q4 19	Graybar Electric Supply	-	-
1601 Industrial Park Way	Puyallup/S Hill	132,500	Q4 19	Funco	JLL	Colliers International
22 30th St NE	Auburn	132,316	Q3 19	-	-	NAI Puget Sound Prop...
10800 231st Way NE	E King County	130,000	Q3 19	Just Biotherapeutics	-	Kidder Mathews
942-1045 Valentine Ave SE	Puyallup/S Hill	128,262	Q3 19	Jazwares	-	The Andover Company...
7024 S 234th St	Kent Valley S	125,400	Q2 19	E.B. Bradley Co.	-	JLL
2601 W Valley Hwy N	Auburn	124,878	Q1 19	Pacific Plumbing Supply Co.	-	Neil Walter Company
3602 Freeman Rd E	Puyallup/S Hill	119,911	Q2 19	Greensource Brand Apparel	The Andover Compa...	Colliers International
5015 8th St E	Port of Tacoma/Fife	119,425	Q3 19	-	-	Savills
20529 24th Ave S	Seatac/Burien	115,273	Q4 19	Alaska Air Group	-	CBRE
600 Riverside Rd	Everett CBD	102,607	Q2 19	Amazon	-	JLL; Washington Real E...
22619-22731 54th Ave S	Kent Valley S	102,002	Q2 19	Western Glove	-	JLL
820 SW 41st St *	Renton	101,332	Q3 19	T&A Supply	-	-
3324 Lind Ave SW	Renton	100,520	Q4 19	-	-	Colliers International
927 E 11th St	Port of Tacoma/Fife	100,432	Q1 19	Stryder Motorfreight Ltd	-	Cushman & Wakefield
9713 233rd Ave E	E Pierce County	100,000	Q2 19	Teeter Engineered Fitnes...	-	Teeter
3011 70th Ave E	Puyallup/S Hill	100,000	Q3 19	-	-	The Andover Company...
7400 45th St Ct E	Puyallup/S Hill	98,351	Q4 19	American Fast Freight	-	-
1212 Valley Ave NW	Puyallup/S Hill	95,672	Q4 19	Gruma Foods	-	NAI Puget Sound Prop...
6607 S 287th St	Auburn	92,293	Q2 19	Holman	-	Kidder Mathews
20730-20844 72nd Ave S	Kent Valley N	90,876	Q2 19	-	-	Colliers International
22414-22714 Russell Rd	Kent Valley S	89,900	Q1 19	Innerline Brands	-	Cushman & Wakefield
2980 Center Dr	Dupont	86,000	Q4 19	-	-	CBRE
7812 S 186th Pl	Kent Valley N	84,000	Q3 19	Griffith Industries	-	JLL
18460 NE 76th St	Redmond	77,000	Q4 19	Amazon	-	Broderick Group, Inc.
21422-21520 84th Ave S	Kent Valley S	70,925	Q2 19	Seko Worldwide	Newmark Knight Frank	CBRE
3209 W Valley Hwy E	Puyallup/S Hill	64,749	Q2 19	Homecare Products	Colliers International	NAI Puget Sound Prop...

*Renewal

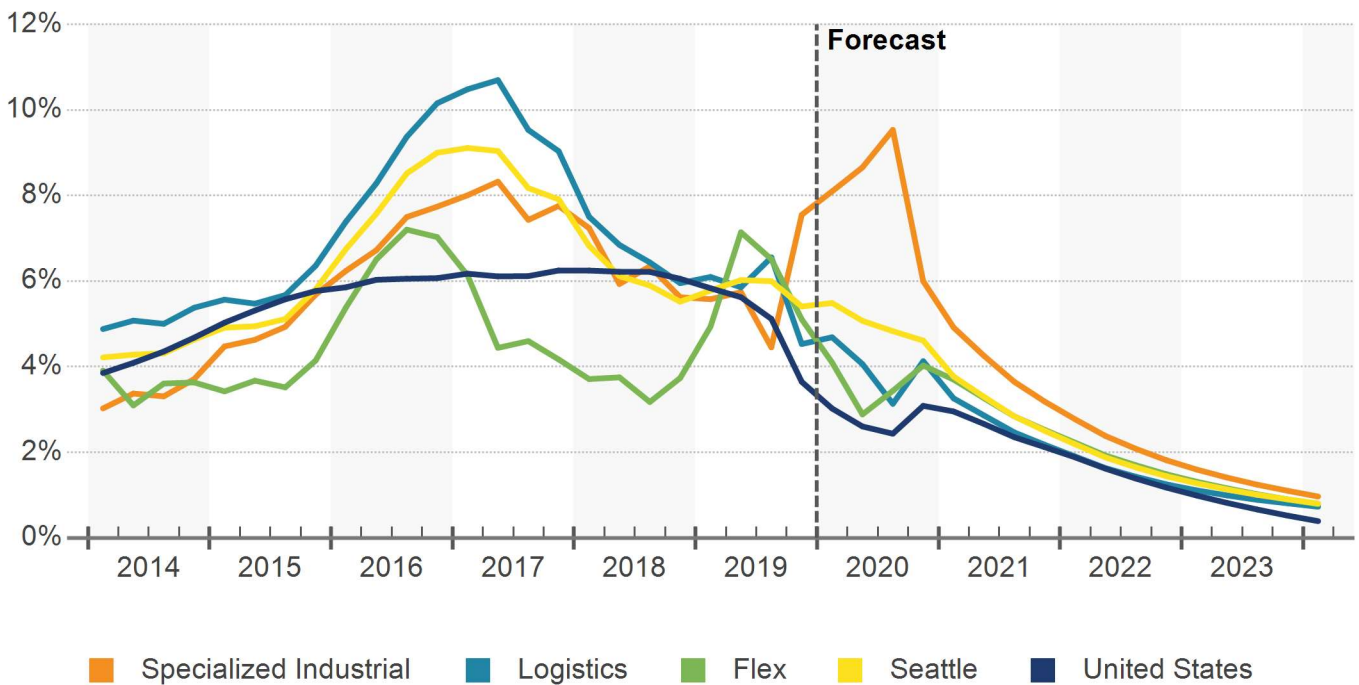
Rents in all industrial property types have grown robustly this cycle, but most property subtypes reached a peak in the first half of 2017. Annual rent growth is still higher than the national and historical averages, and average rent is well above the national index.

Logistics properties have maintained the strongest cumulative rent growth this cycle, but flex and specialized properties have seen substantial growth as well. With more properties making their way through the pipeline (especially logistics), supply pressures are

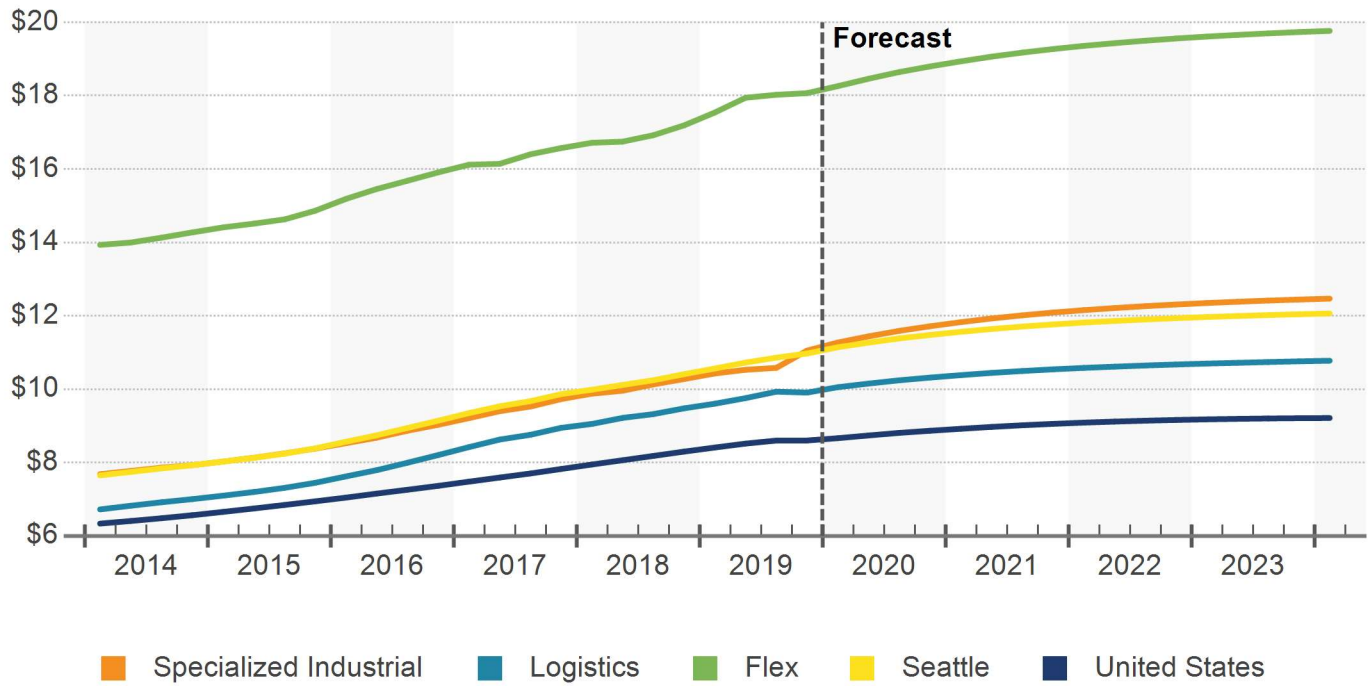
evident and rent gains could continue to slow in the near term.

Rent growth in submarkets throughout Pierce County has ticked up substantially in recent quarters. These areas have been targeted by developers this cycle, leading to supply pressures, but rent gains have rebounded as many of these properties have stabilized. Areas like Port of Tacoma/Fife and Puyallup/S Hill have maintained some of the strongest cumulative rent growth in the metro all cycle.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



Development activity is robust this cycle, but it has slowed recently. Roughly 20 million SF of industrial space delivered here from 2010–18, including 19 million SF of logistics space and around 1 million SF of specialized space. Flex space actually had a net loss, since some properties were demolished. More than 3 million SF is under construction, adding supply pressures in the near term, but the level has dropped compared with recent years.

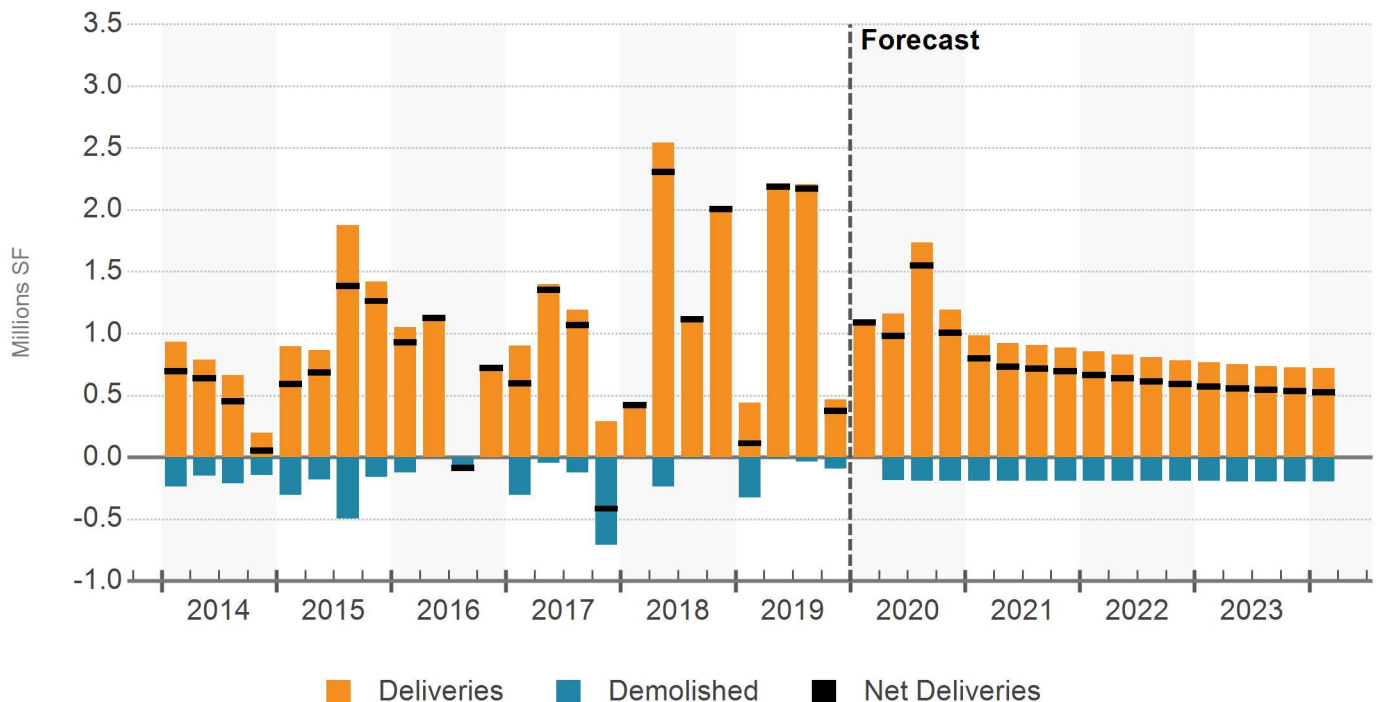
While projects have delivered across the metro, Pierce County has received the most attention this cycle. The area is close to the Port of Tacoma, and land costs and rents are well below the metro average. Recently delivered projects are a mixed bag between speculative and build-to-suit developments. On the speculative side, Avenue 55 opened a 221,000-SF building at Portside 55 in 19Q3. The property features 30-foot ceilings, 33 exterior docks and two drive-in bays and is within minutes of the port. The property was mostly available for lease as of 19Q4. Burkhart Dental is the only confirmed tenant, with 43,000 SF of space leased in 19Q2.

Major projects underway are concentrated in South King

and Pierce counties. Examples include Michelson's 438,000-SF Viking in Puyallup, which features 36-foot ceilings, 120 exterior docks and eight drive-in bays. The project is set to deliver by the end of the year and remains fully available for lease as of the beginning of 19Q4. A handful of buildings are also under construction and in planning in Snohomish County. For example, roughly 1 million SF of industrial and manufacturing space is underway or planned at Gayteway Business Park in Arlington. The project was mostly available for lease as of the middle of 19Q4 and it is expected to start opening in 2020.

Some developers are trading low land costs for proximity to the city. Prologis announced in 2016 that it would build the first multistory warehouse in the U.S. just outside downtown Seattle, in the Georgetown area. Construction started in 2017 on the 590,000-SF Georgetown Crossroads, and it opened in December 2018. The project was able to secure a 96,000-SF lease with Home Depot in 18Q4 and Amazon took the remaining space in 19Q2. The project will serve as a case study for future multistory developments, as there are already several in planning in nearby areas.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Puyallup/S Hill	8	1,364	409	30.0%	3	59,064	170,495	3
2	Dupont	1	495	0	0%	5	276,121	494,900	1
3	N Snohomish County	5	388	49	12.7%	4	19,764	77,683	7
4	Lakewood	2	306	0	0%	5	32,515	152,839	5
5	Parkland/Spanaway	1	301	0	0%	5	49,761	300,942	2
6	Renton	1	164	0	0%	5	66,902	164,480	4
7	E King County	1	140	140	100%	1	31,670	140,000	6
8	Federal Way	1	77	47	61.2%	2	25,878	77,233	8
9	Port of Tacoma/Fife	1	55	0	0%	5	54,509	55,000	9
10	520 Corridor	0	-	-	-	-	20,286	-	-
	All Other	0	-	-	-		35,964	-	
Totals		21	3,291	645	19.6%		38,533	156,696	

Under Construction Properties

Seattle Industrial

Properties

Square Feet

Percent of Inventory

Released

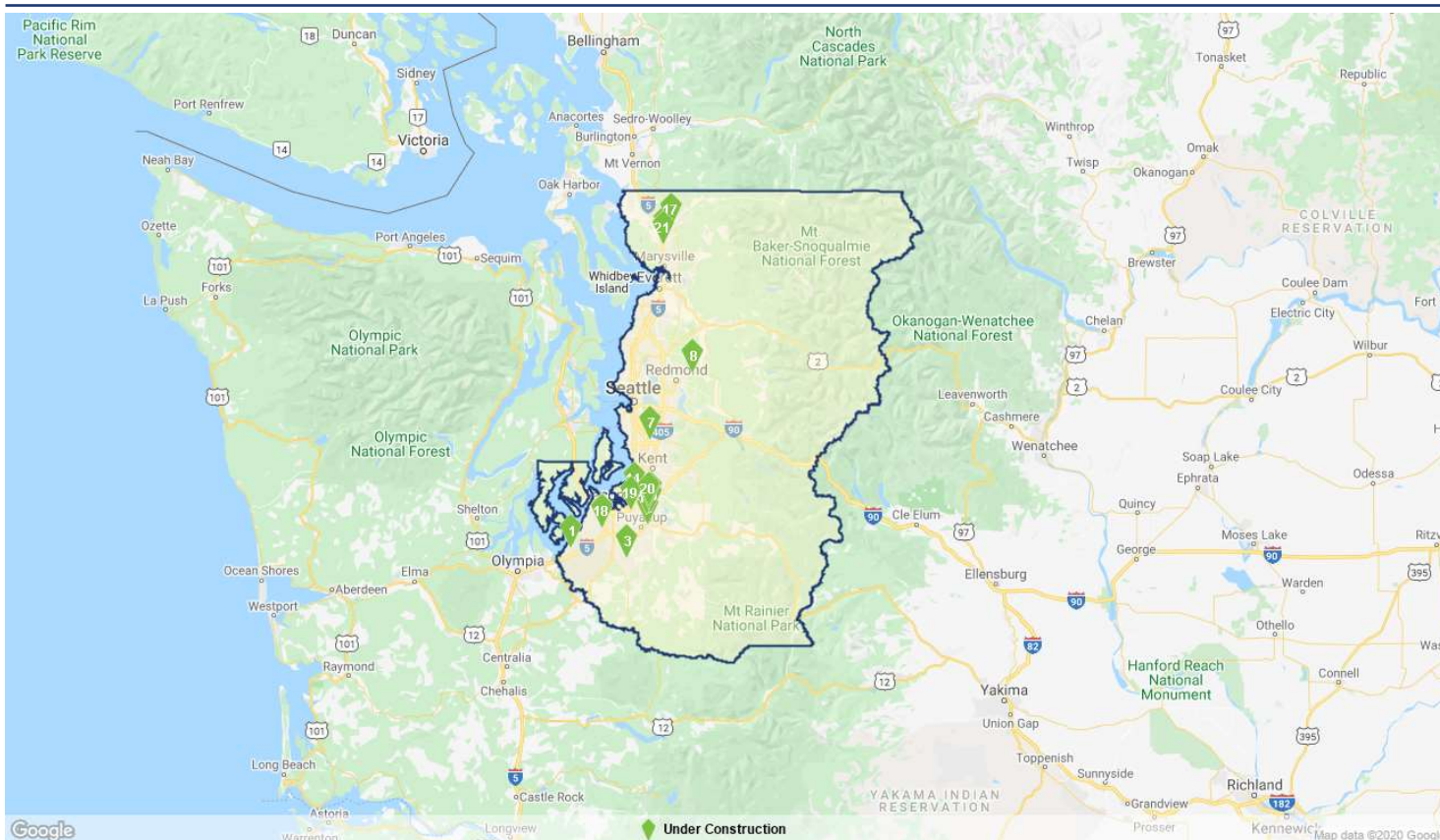
21

3,290,608

1.1%

19.6%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 The Cubes at DuPont Co... 2800 Center Dr	★★★★☆	494,900	1	Aug-2019	Jun-2020	CRG Clayco Inc.
2 The Viking Shaw Rd E & 5th Ave SE	★★★★☆	438,065	1	Apr-2019	Feb-2020	The Michelson Organization Washington Capital Management...
3 Canyon Road Logistics 19804 Canyon Rd	★★★★☆	300,942	1	Nov-2019	Oct-2020	-
4 SeaPORT Logistics Cent... 8th St E	★★★★☆	268,575	1	Oct-2019	Jun-2020	Taragon LLC Taragon LLC
5 Prologis Park Sumner 3401 W Valley Hwy E	★★★★☆	263,168	1	Jan-2019	Feb-2020	Prologis, Inc. Prologis, Inc.
6 Starlite Distribution Center 8327 S Tacoma Way	★★★★★	245,987	1	Aug-2019	Jun-2020	Davis Property & Investment AIG Global Asset Management H...
7 Prologis Park Renton 601 Monster Rd SW	★★★★☆	164,480	1	Feb-2019	Mar-2020	Prologis, Inc. Prologis, Inc.

Under Construction Properties

Seattle Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Redmond Ridge Busines... 10800 231st Way NE	★★★★☆	140,000	1	Jul-2019	May-2020	PacTrust PacTrust
9 Marysville I-5 Industrial... 4000 156th St NE	★★★★★	137,275	1	Aug-2019	Mar-2020	Vector Development Company Connie Hart
10 Sumner Ridge Building B 3440 W Valley Hwy E	★★★☆☆	113,493	1	Aug-2019	Mar-2020	Bertch Capital Partners -
11 Sumner Ridge Building A 3400 W Valley Hwy E	★★★☆☆	113,493	1	Aug-2019	Mar-2020	Bertch Capital Partners -
12 Marysville I-5 Industrial... 4000 156th St NE	★★★★★	109,345	1	Aug-2019	Mar-2020	Vector Development Company Connie Hart
13 Bridge Point Sumner So... 3113 142nd Ave E	★★★★☆	82,591	1	Dec-2019	Dec-2020	- Harjinder Pal Singh
14 Pacific Highway 1019 S 351st St	★★★☆☆	77,233	1	Jul-2019	Jul-2020	- Neumeier Engineering
15 Gayteway Business Park... 19927 67th Ave NE	★★★★☆	66,625	1	Sep-2019	May-2020	- GS Venture Partners
16 Bridge Point Sumner 60 1710 136th Ave E	★★★☆☆	64,574	1	Jun-2019	Feb-2020	- Maura Noska
17 Gayteway Business Park... 20101 67th Ave NE	★★★★☆	62,992	1	Sep-2019	May-2020	- GS Venture Partners
18 3230 85th St S	★★★★☆	59,690	1	Aug-2019	Sep-2020	- Clover Park School District
19 Davis 70 70th Ave E	★★★☆☆	55,000	1	Jul-2019	Feb-2020	- -
20 828 Valentine Ave SE	★★★☆☆	20,000	1	Aug-2019	Feb-2020	- -
21 4009 136th St	★★★☆☆	12,180	1	Aug-2019	Mar-2020	- -

Seattle attracts a great deal of interest from institutional investors. While the cap rate on the average asset is in the 5% range, the best-quality assets are garnering even lower cap rates. These yields are some of the lowest in the country, and most markets that trade in this range (Los Angeles, New York) have more established ports.

Sales activity in 2020 was kicked off with the sale of dozens of assets as part of Prologis's nationwide acquisition of more than 250 assets from Industrial Property Trust and its affiliates. More than 20 properties were in the Seattle area, including assets in Auburn, Renton and Tacoma.

Sales volume in 2019 was well above the historical average thanks to an increase in volume in the second half of the year. Much of the boost was due to investors trying to close deals before the statewide graduated real estate excise tax (REET) took effect in 2020. The change was passed in April 2019, which effectively increases the tax bill for deals greater than \$1.5 million.

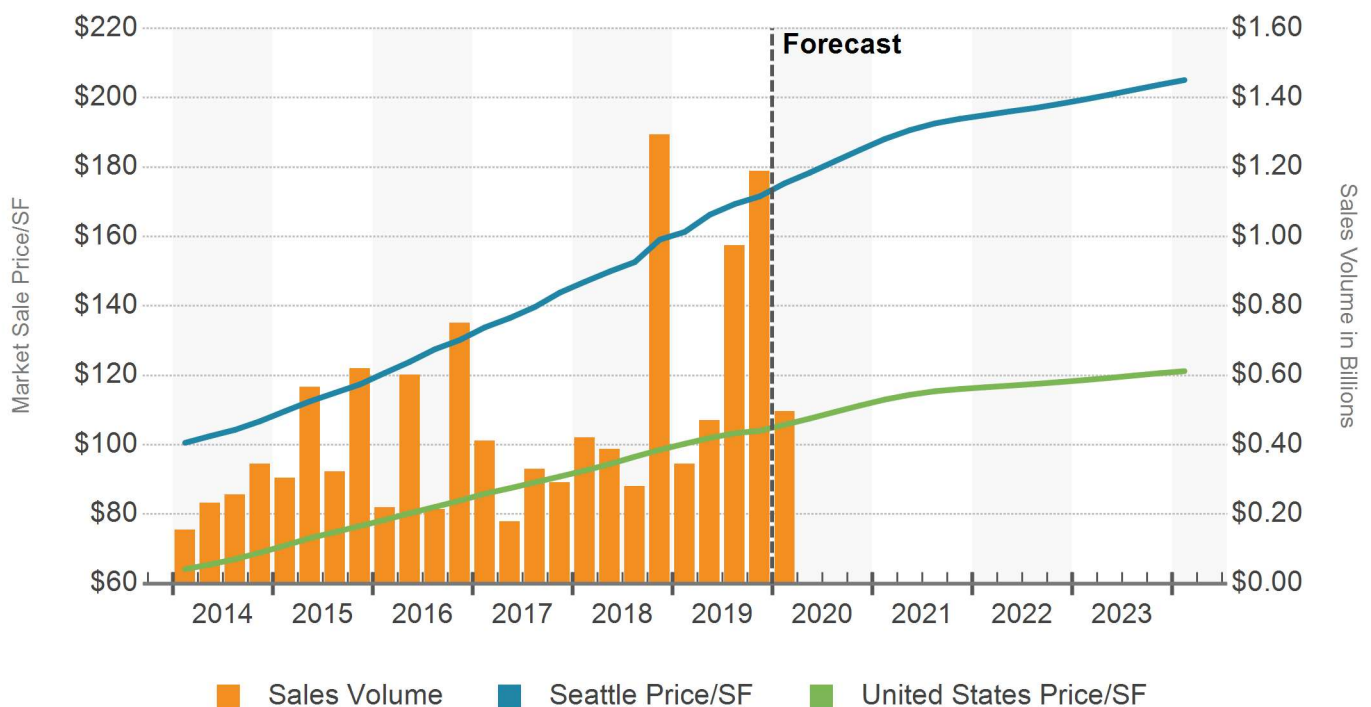
The average total transaction price in 2019 was well above any year this cycle, indicative of a high number of larger deals. One of the largest deals of 2019 was Colony Capital's acquisition of four properties from Dermody Properties in February. The assets are in Fife,

Lakewood, and Woodinville and were part of a national portfolio that sold for \$1.2 billion. The Seattle-area assets were estimated to be worth more than \$130 million, based on allocated pricing.

Other large transactions were not part of national portfolio trades but included major corporate tenants. In December, RREEF paid Bellevue-based PMF Investments \$81.5 million (\$388/SF) for the FedEx Distribution Center in Redmond. The property was purchased by the seller for \$60.6 million (\$288/SF) shortly after it delivered in 2013. Clarion Partners' acquisition of three buildings at Des Moines Creek Business Park - Phase I for \$81.1 million (\$162/SF) at a 4% cap rate in June. The property was reportedly fully occupied by tenants like Hearthside Food Solutions, K-2 Corporation, Kardiel, Meiko America, and PODS.

A more typical trade for the year was BKM Capital's purchase of 19 buildings at West Valley Business Park from Entera Management for \$30.5 million (\$148/SF) in October. The complex was 92% leased to 164 tenants at the time of sale, and the buyer was able to get the property at a 35% discount to value. The property is located in Kent Valley, one of the most sought after areas of the metro due to its centrality and relatively low rents.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Seattle Industrial

Sale Comparables

420

Avg. Cap Rate

5.4%

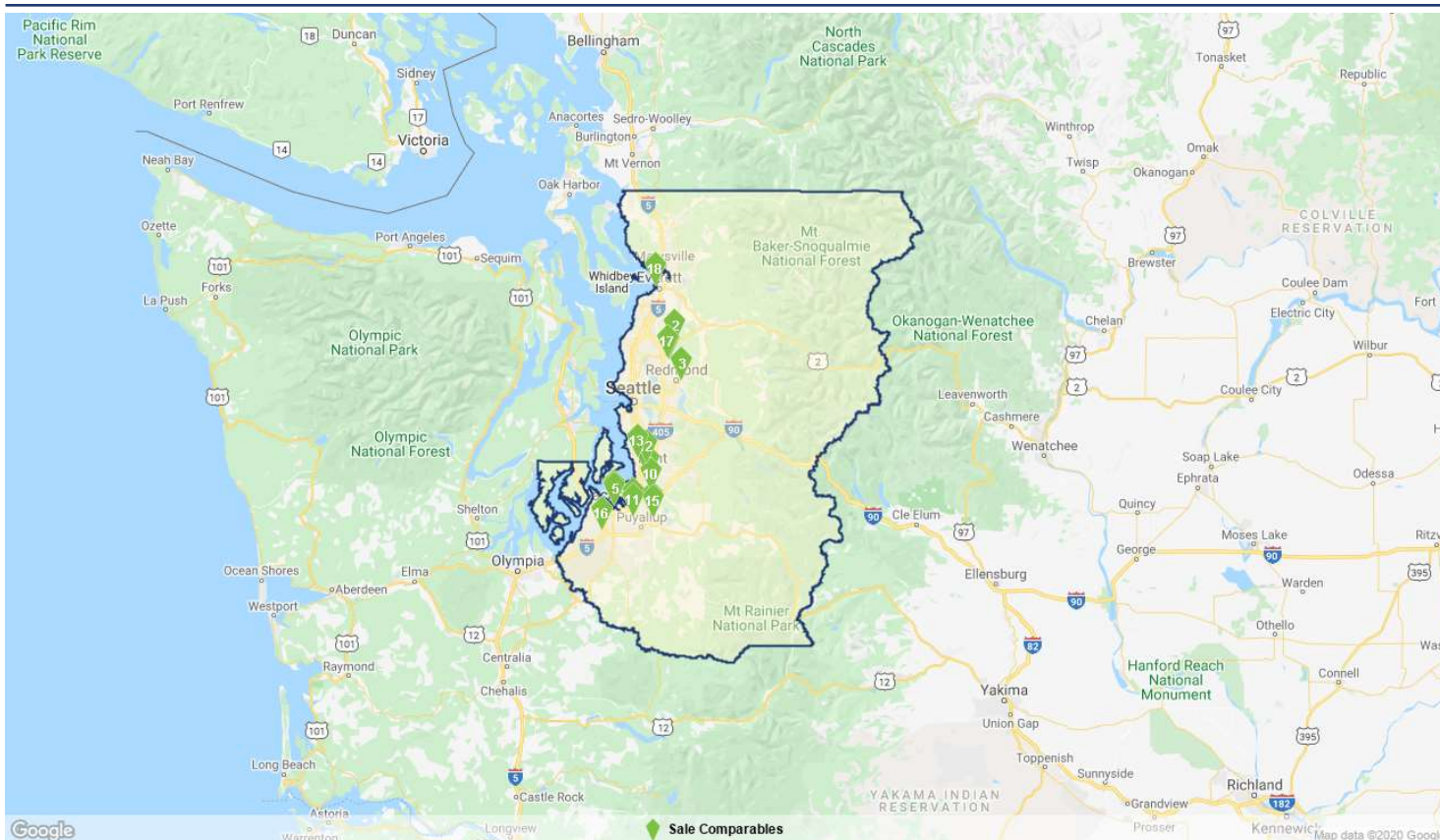
Avg. Price/SF

\$190

Avg. Vacancy At Sale

11.6%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$75,405	\$9,124,110	\$4,242,933	\$195,861,764
Price Per SF	\$5.65	\$190	\$175	\$2,198
Cap Rate	3.0%	5.4%	5.0%	8.0%
Time Since Sale in Months	0.1	4.9	3.9	11.8
Property Attributes	Low	Average	Median	High
Building SF	1,041	46,470	21,061	828,620
Ceiling Height	9'	20'6"	20'	36'
Docks	0	8	1	159
Vacancy Rate At Sale	0%	11.6%	0%	100%
Year Built	1900	1979	1982	2019
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.4	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Seattle Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Building B 917 E 11th St	★★★★★	2018	828,620	46.4%	1/8/2020	\$195,861,764	\$236	5.0%
2 LogistiCenter at Woodin... 7720 W Bostian Rd	★★★★★	2019	275,710	14.1%	12/10/2019	\$122,020,326	\$443	-
3 FedEx Distribution Center 18795 NE 73rd St	★★★★★	2013	210,321	0%	12/17/2019	\$81,500,000	\$388	4.7%
4 Building A 927 E 11th St	★★★★★	2018	280,525	48.7%	1/8/2020	\$66,307,983	\$236	5.0%
5 1401 St. Paul Ave	★★★★★	2007	416,050	48.9%	9/26/2019	\$62,751,308	\$151	-
6 Sumner Distribution Cen... 3700 150th Ave Ct E	★★★★★	2013	441,358	0%	9/26/2019	\$59,367,277	\$135	-
7 LogistiCenter at Woodin... 8131 W Bostian Rd	★★★★★	2019	134,000	24.5%	12/10/2019	\$59,304,065	\$443	-
8 North Auburn Logistics 6607 S 287th St	★★★★★	2018	265,000	0%	12/17/2019	\$53,075,000	\$200	-
9 LogistiCenter at 167 7402-7490 26th St E	★★★★★	2016	225,800	0%	12/10/2019	\$52,257,067	\$231	-
10 Auburn 18 Distribution C... 521 8th St SW	★★★★★	1999	283,450	0%	9/26/2019	\$50,203,171	\$177	-
11 American Fast Freight 7400 45th St Ct E	★★★★★	2010	98,351	0%	12/27/2019	\$46,515,015	\$473	4.5%
12 Van Doren's @228th 6111 S 228th St	★★★★★	1995	228,907	100%	9/26/2019	\$40,481,843	\$177	-
13 Bldg 1C 2021 S 208th St	★★★★★	2015	233,703	0%	6/4/2019	\$37,785,927	\$162	4.0%
14 Woodinville Corp Ctr IV 15300 Woodinville-Redmo...	★★★★★	1979	142,000	11.5%	9/26/2019	\$37,214,458	\$262	-
15 4800 E Valley Hwy	★★★★★	2004	228,256	72.8%	3/4/2019	\$36,100,000	\$158	-
16 LogistiCenter at I-5 3401 96th St S	★★★★★	2017	210,700	0%	12/10/2019	\$35,724,818	\$170	-
2 LogistiCenter at Woodin... 7720 W Bostian Rd	★★★★★	2019	275,710	14.2%	2/25/2019	\$35,601,280	\$129	-
17 The Reserve at Woodinvi... 15902 Woodinville-Redmo...	★★★★★	2017	158,725	0%	12/17/2019	\$34,525,000	\$218	-
16 LogistiCenter at I-5 3401 96th St S	★★★★★	2017	210,700	0%	2/25/2019	\$33,975,042	\$161	-
18 Former Kimberly-Clark B... 2600 Federal Ave	★★★★★	1960	360,000	0%	10/31/2019	\$33,000,000	\$92	-

Seattle's economic success remains broad based, and the unemployment rate has contracted significantly this cycle. Employment growth has outpaced the national average since 2010 and will likely remain strong in the near term. Nonfarm job growth remains above 2% annually, and this robust growth is well diversified among various sectors. A strong job market translates to dynamic income growth: The metro's median household income is around \$88,000, nearly 40% higher than the national median and more than 30% higher than the metro level at the beginning of the cycle.

The largest sector in the Seattle area remains trade, transportation, and utilities, and it has grown exponentially this cycle. This includes retail trade, which Amazon technically falls under. Other trade companies rely on strong connections to Asian markets, as does leisure and hospitality, bolstered by increasing international business travel and tourism.

Trade wars with China pose a risk to trade, with the Northwest Seaport Alliance (Seattle and Tacoma ports combined) reporting international imports down 3.8% year-to-date as of November, and international exports down 3.5% year-to-date in November based on container volume. Year-over-year numbers in November were even more pronounced for international imports, down 20%, with international exports down 1.3%. China/Hong Kong account for more than 40% of all international trade at the ports.

The education and health services sector remains one of the staple industries in the region. It benefits from the presence of the University of Washington, which in addition to being one of the metro's largest employers, has spawned a cluster of life sciences and biotech companies in nearby South Lake Union. Its main campus is in Seattle, but the university also has smaller campuses in Bothell and Tacoma, and both have seen significant enrollment increases in recent years.

Amid a well-diversified job base, tech is clearly the toast of the town. As a result, the information sector has exhibited impressive growth this cycle. The presence of companies like Facebook, Google, and Microsoft contributes to making Seattle an international center of technology, but Amazon seals the deal. The e-commerce giant continues to expand rapidly in the

region, even with the addition of tens of thousands of jobs at its second headquarters (HQ2) in Crystal City, Virginia. The company employs more than 50,000 people in the Seattle metro and could realistically add tens of thousands more over the next several years.

Other tech companies have been expanding, too, including well-known Bay Area firms. Facebook's metro headcount surpassed 5,000 in September 2019, up from 3,000 in May. The company has signed several leases in the urban core and Eastside recently. Google has roughly 6,000 employees in the metro and is expanding in South Lake Union and Kirkland. Last but not least, Apple announced that it would expand by 2,000 employees in the city of Seattle and leased 640,000 SF of space at 333 Dexter in South Lake Union. Such expansions continue to add highly paid workers to the region—the metro's population growth far outpaces the national average.

The aura of stagnation has lifted at Microsoft, the Eastside's major tech employer. CEO Satya Nadella's push to cloud computing has pleased analysts and shareholders alike. The software giant is in the midst of expanding its Redmond campus, which will have room for 8,000 additional employees. The estimated completion date of the project is 2024, just in time for light rail expansion to downtown Redmond.

Although tech has become the predominant industry in Seattle, Boeing remains the largest private employer in the region. Boeing's pivot to other countries and to the southern United States is one of the biggest potential threats to the Puget Sound area's economy, but the grounding of the 737 Max has proven to be disastrous for the company, as well.

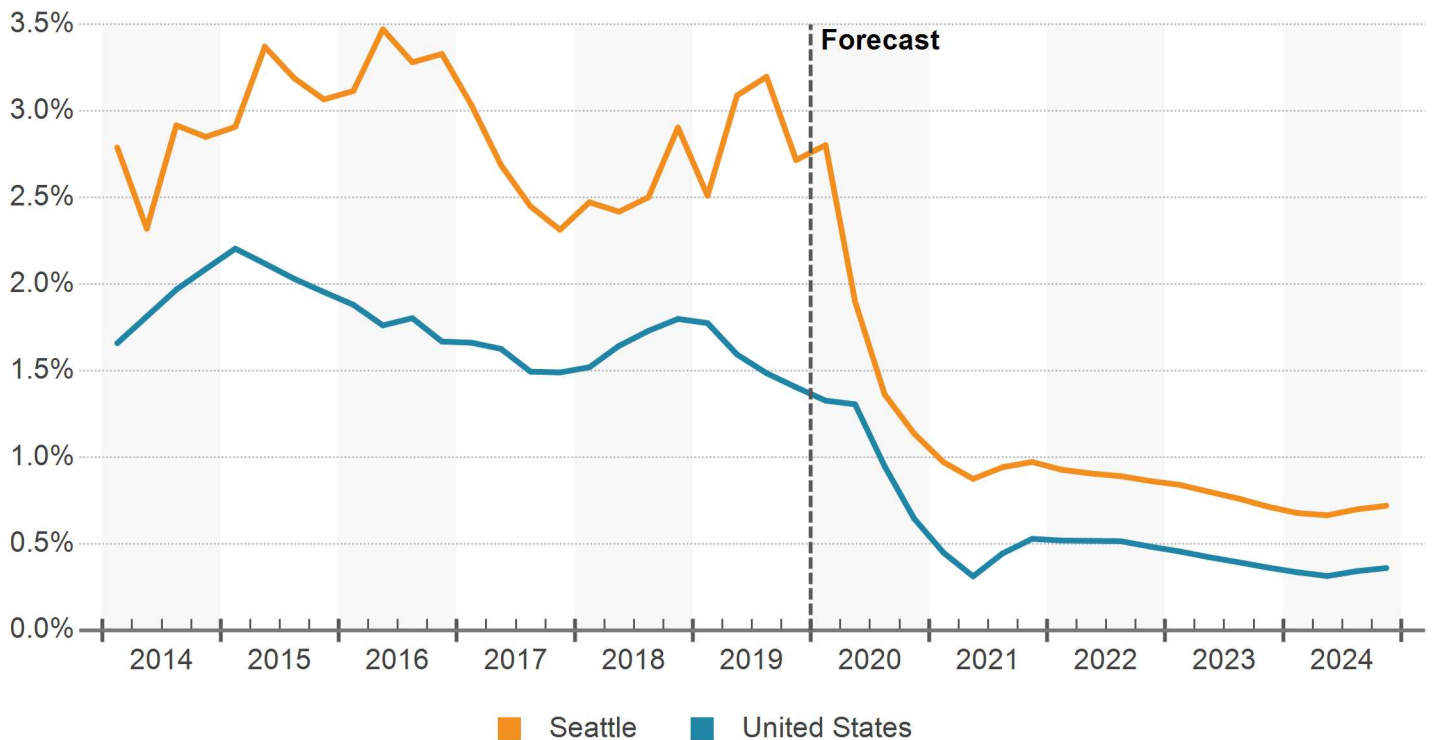
The aerospace giant set delivery records in 2017 and 2018, but 2019 fell short, and the future is bleak due to the undetermined fate of the 737 Max. It is estimated that the Max's woes cost the company at least \$9 billion, and the ramifications will likely extend beyond 2020. The jet is manufactured in Renton and accounts for a large part of the company's business. Roughly 12,000 workers are employed at the Renton facility, and any layoffs could have an adverse effect on commercial real estate demand.

SEATTLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	189	1.1	3.29%	0.41%	1.23%	1.12%	0.17%	-0.30%
Trade, Transportation and Utilities	397	1.0	0.76%	0.42%	2.82%	1.31%	0.55%	0.28%
Retail Trade	227	1.0	0.03%	-0.15%	3.28%	0.94%	0.90%	0.22%
Financial Activities	109	0.9	5.10%	1.38%	1.38%	1.21%	0.33%	0.34%
Government	274	0.9	1.17%	0.68%	0.48%	0.06%	1.24%	0.63%
Natural Resources, Mining and Construction	136	1.2	2.74%	1.75%	4.58%	2.77%	1.67%	0.27%
Education and Health Services	292	0.9	4.06%	2.60%	2.50%	2.17%	0.59%	0.60%
Professional and Business Services	314	1.0	4.35%	1.96%	3.68%	2.73%	1.21%	0.89%
Information	127	3.2	5.06%	0.49%	3.84%	0.33%	1.75%	0.52%
Leisure and Hospitality	216	0.9	1.64%	2.16%	3.37%	2.69%	0.60%	0.56%
Other Services	78	0.9	2.15%	1.41%	2.02%	1.14%	1.05%	0.31%
Total Employment	2,131	1.0	2.74%	1.38%	2.51%	1.60%	0.87%	0.46%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



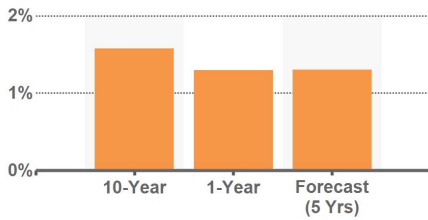
Source: Oxford Economics

DEMOGRAPHIC TRENDS

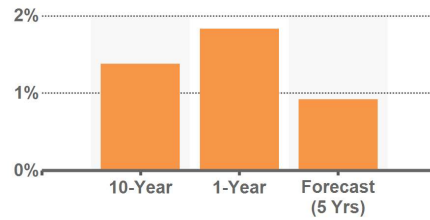
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	4,009,186	330,206,094	1.3%	0.7%	1.6%	0.7%	1.3%	0.7%
Households	1,551,274	122,470,336	1.2%	0.5%	1.5%	0.7%	1.2%	0.6%
Median Household Income	\$92,451	\$64,237	4.8%	3.5%	3.8%	2.5%	3.9%	3.7%
Labor Force	2,178,426	164,433,922	1.8%	0.9%	1.4%	0.7%	0.9%	0.5%
Unemployment	3.4%	3.5%	-0.5%	-0.3%	-0.7%	-0.7%	-	-

Source: Oxford Economics

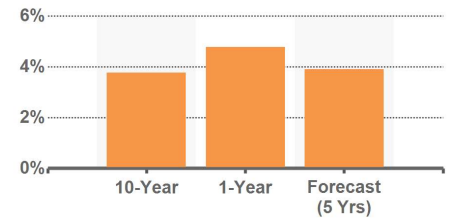
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

Submarkets

Seattle Industrial

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	520 Corridor	54	1,095	0.3%	43	0	0	0%	-	0	-	-	-
2	Auburn	443	27,917	8.5%	3	1	288	1.0%	8	0	-	-	-
3	Ballard	235	2,703	0.8%	30	1	53	1.9%	14	0	-	-	-
4	Bellevue	123	2,905	0.9%	29	0	0	0%	-	0	-	-	-
5	Belltnw/Denny Regrade	11	186	0.1%	49	0	0	0%	-	0	-	-	-
6	Bothell/Kenmore	155	5,623	1.7%	16	1	10	0.2%	17	0	-	-	-
7	Capitol Hill/Ctrl Dist In	34	768	0.2%	45	0	0	0%	-	0	-	-	-
8	Dupont	15	4,142	1.3%	20	4	1,452	35.1%	1	1	495	11.9%	2
9	E King County	121	3,832	1.2%	22	1	60	1.6%	13	1	140	3.7%	7
10	E Pierce County	46	792	0.2%	44	1	19	2.4%	16	0	-	-	-
11	E Tacoma	229	3,521	1.1%	24	1	77	2.2%	12	0	-	-	-
12	Edmonds/Lynnwood	187	3,305	1.0%	27	0	0	0%	-	0	-	-	-
13	Everett CBD	168	3,570	1.1%	23	1	204	5.7%	9	0	-	-	-
14	Federal Way	61	1,579	0.5%	37	0	0	0%	-	1	77	4.9%	8
15	Fort Lewis	13	601	0.2%	47	0	0	0%	-	0	-	-	-
16	Gig Harbor/W Pierce	73	693	0.2%	46	0	0	0%	-	0	-	-	-
17	Greenwood/Fremont	111	1,210	0.4%	40	0	0	0%	-	0	-	-	-
18	Gtown/Duwamish N	385	14,647	4.5%	8	0	0	0%	-	0	-	-	-
19	Gtown/Duwamish S	264	12,351	3.8%	9	0	0	0%	-	0	-	-	-
20	Kent Valley N	406	31,154	9.5%	1	3	320	1.0%	7	0	-	-	-
21	Kent Valley S	437	20,701	6.3%	5	3	204	1.0%	10	0	-	-	-
22	Kirkland	132	3,342	1.0%	25	0	0	0%	-	0	-	-	-
23	Lake Union	90	1,520	0.5%	38	0	0	0%	-	0	-	-	-
24	Lakewood	153	4,975	1.5%	19	1	9	0.2%	18	2	306	6.1%	4
25	Magnolia	158	2,694	0.8%	31	0	0	0%	-	0	-	-	-
26	Mill Creek/N Creek	72	1,645	0.5%	35	0	0	0%	-	0	-	-	-
27	N Snohomish County	316	6,245	1.9%	15	1	95	1.5%	11	5	388	6.2%	3
28	Newport/Issaquah	83	1,936	0.6%	34	0	0	0%	-	0	-	-	-
29	North End Tacoma	119	2,360	0.7%	32	1	7	0.3%	19	0	-	-	-
30	Northgate/N Seattle	147	1,579	0.5%	36	0	0	0%	-	0	-	-	-
31	Parkland/Spanaway	141	7,016	2.1%	14	1	450	6.4%	5	1	301	4.3%	5
32	Port of Tacoma/Fife	402	21,912	6.7%	4	4	802	3.7%	2	1	55	0.3%	9
33	Puyallup/S Hill	499	29,473	9.0%	2	4	447	1.5%	6	8	1,364	4.6%	1
34	Queen Anne	92	2,105	0.6%	33	0	0	0%	-	0	-	-	-
35	Rainier/Beacon Hill	139	3,258	1.0%	28	0	0	0%	-	0	-	-	-
36	Redmond	271	8,289	2.5%	12	0	0	0%	-	0	-	-	-
37	Renton	163	10,905	3.3%	11	0	0	0%	-	1	164	1.5%	6
38	S Everett/Harbor Pt	349	20,059	6.1%	6	1	5	0%	20	0	-	-	-
39	S Snohomish County	131	3,339	1.0%	26	1	21	0.6%	15	0	-	-	-
40	Seatac/Burien	137	5,520	1.7%	17	1	457	8.3%	4	0	-	-	-
41	Seattle CBD	1	6	0%	50	0	0	0%	-	0	-	-	-
42	SoDo	294	11,185	3.4%	10	0	0	0%	-	0	-	-	-

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Tacoma CBD	63	1,374	0.4%	39	0	0	0%	-	0	-	-	-
44	Tukwila	347	15,871	4.8%	7	0	0	0%	-	0	-	-	-
45	U. District/Ravenna	40	1,184	0.4%	41	0	0	0%	-	0	-	-	-
46	University Place	262	5,367	1.6%	18	0	0	0%	-	0	-	-	-
47	Vashon/Maury Isl	8	332	0.1%	48	0	0	0%	-	0	-	-	-
48	W Seattle	113	4,074	1.2%	21	0	0	0%	-	0	-	-	-
49	Waterfront	33	1,151	0.3%	42	0	0	0%	-	0	-	-	-
50	Woodinville	215	7,096	2.2%	13	5	458	6.5%	3	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	520 Corridor	\$18.64	4	5.0%	42	3.7%	49
2	Auburn	\$8.97	42	5.9%	7	9.2%	10
3	Ballard	\$16.64	12	5.0%	41	6.2%	36
4	Bellevue	\$16.83	11	5.2%	31	5.6%	41
5	Belltnw/Denny Regrade	\$18.62	5	4.5%	49	4.1%	46
6	Bothell/Kenmore	\$17.80	7	5.6%	14	3.7%	48
7	Capitol Hill/Ctrl Dist In	\$29.80	1	4.8%	46	3.9%	47
8	Dupont	\$7.93	50	5.5%	16	11.3%	1
9	E King County	\$14.04	17	5.3%	23	7.0%	31
10	E Pierce County	\$8.11	49	7.2%	1	8.6%	14
11	E Tacoma	\$8.40	45	5.2%	32	7.9%	21
12	Edmonds/Lynnwood	\$13.53	21	5.2%	29	6.7%	32
13	Everett CBD	\$10.57	34	5.4%	21	7.8%	22
14	Federal Way	\$12.52	28	5.2%	28	6.1%	37
15	Fort Lewis	\$8.17	48	5.0%	38	10.2%	2
16	Gig Harbor/W Pierce	\$13.85	18	4.8%	47	5.0%	45
17	Greenwood/Fremont	\$17.26	9	5.5%	18	7.1%	30
18	Gtown/Duwamish N	\$12.99	23	5.7%	10	8.3%	16
19	Gtown/Duwamish S	\$12.70	26	6.9%	2	8.7%	12
20	Kent Valley N	\$8.59	43	5.5%	17	9.6%	5
21	Kent Valley S	\$9.10	40	5.2%	26	9.2%	9
22	Kirkland	\$15.06	14	4.6%	48	2.6%	50
23	Lake Union	\$25.84	2	4.9%	45	5.1%	44
24	Lakewood	\$9.09	41	5.5%	15	9.5%	6
25	Magnolia	\$14.80	16	5.3%	24	7.3%	28
26	Mill Creek/N Creek	\$13.74	20	5.1%	34	8.0%	18
27	N Snohomish County	\$10.22	36	5.8%	9	7.5%	24
28	Newport/Issaquah	\$18.33	6	5.1%	33	6.0%	39
29	North End Tacoma	\$9.99	37	5.9%	8	7.4%	26
30	Northgate/N Seattle	\$14.94	15	5.0%	40	6.6%	35
31	Parkland/Spanaway	\$9.18	39	6.2%	3	9.5%	7
32	Port of Tacoma/Fife	\$8.42	44	5.6%	13	10.0%	3
33	Puyallup/S Hill	\$8.39	46	5.5%	19	9.6%	4
34	Queen Anne	\$17.16	10	5.2%	27	5.7%	40
35	Rainier/Beacon Hill	\$12.77	25	5.7%	12	8.0%	19
36	Redmond	\$15.47	13	5.1%	36	6.0%	38
37	Renton	\$10.52	35	6.0%	6	9.4%	8
38	S Everett/Harbor Pt	\$11.52	31	6.0%	5	8.4%	15
39	S Snohomish County	\$11.08	32	5.2%	30	5.5%	42
40	Seatac/Burien	\$12.27	29	5.4%	20	9.1%	11
41	Seattle CBD	\$20.87	3	4.3%	50	6.6%	33
42	SoDo	\$13.37	22	4.9%	43	6.6%	34

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	Tacoma CBD	\$8.22	47	5.1%	35	8.1%	17
44	Tukwila	\$12.07	30	5.7%	11	7.7%	23
45	U. District/Ravenna	\$17.40	8	4.9%	44	5.3%	43
46	University Place	\$9.35	38	5.4%	22	7.4%	25
47	Vashon/Maury Isl	\$10.94	33	5.0%	39	7.3%	27
48	W Seattle	\$12.90	24	6.2%	4	8.6%	13
49	Waterfront	\$13.75	19	5.1%	37	7.2%	29
50	Woodinville	\$12.68	27	5.2%	25	7.9%	20

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	520 Corridor	12,890	1.2%	9	11,633	1.1%	19	-
2	Auburn	1,332,012	4.8%	30	(533,221)	-1.9%	48	-
3	Ballard	80,618	3.0%	22	27,448	1.0%	16	-
4	Bellevue	49,400	1.7%	16	81,524	2.8%	6	-
5	Belltnw/Denny Regrade	7,895	4.2%	27	(7,895)	-4.2%	35	-
6	Bothell/Kenmore	368,257	6.5%	39	(68,297)	-1.2%	43	-
7	Capitol Hill/Ctrl Dist In	-	-	-	0	0%	-	-
8	Dupont	1,462,128	35.3%	46	(10,015)	-0.2%	37	-
9	E King County	102,720	2.7%	20	29,959	0.8%	14	2.0
10	E Pierce County	46,652	5.9%	36	115,645	14.6%	5	0.2
11	E Tacoma	152,366	4.3%	28	8,340	0.2%	22	9.3
12	Edmonds/Lynnwood	37,605	1.1%	8	(14,394)	-0.4%	38	-
13	Everett CBD	53,095	1.5%	14	205,809	5.8%	3	1.0
14	Federal Way	191,513	12.1%	45	7,828	0.5%	23	-
15	Fort Lewis	-	-	-	60,436	10.1%	7	-
16	Gig Harbor/W Pierce	1,600	0.2%	2	0	0%	-	-
17	Greenwood/Fremont	17,901	1.5%	13	(422)	0%	33	-
18	Gtown/Duwamish N	674,674	4.6%	29	146,145	1.0%	4	-
19	Gtown/Duwamish S	129,674	1.0%	7	(40,512)	-0.3%	41	-
20	Kent Valley N	1,666,348	5.3%	33	28,586	0.1%	15	11.2
21	Kent Valley S	1,870,508	9.0%	43	(664,410)	-3.2%	49	-
22	Kirkland	46,212	1.4%	11	3,956	0.1%	26	-
23	Lake Union	12,294	0.8%	4	(85,312)	-5.6%	45	-
24	Lakewood	127,107	2.6%	19	(63,716)	-1.3%	42	-
25	Magnolia	46,865	1.7%	17	(35,743)	-1.3%	40	-
26	Mill Creek/N Creek	20,837	1.3%	10	(8,188)	-0.5%	36	-
27	N Snohomish County	231,731	3.7%	24	31,502	0.5%	13	3.0
28	Newport/Issaquah	29,504	1.5%	15	(6,250)	-0.3%	34	-
29	North End Tacoma	46,390	2.0%	18	41,157	1.7%	10	-
30	Northgate/N Seattle	14,844	0.9%	6	8,539	0.5%	21	-
31	Parkland/Spanaway	417,470	6.0%	37	49,302	0.7%	9	9.1
32	Port of Tacoma/Fife	1,454,045	6.6%	41	836,624	3.8%	1	0.8
33	Puyallup/S Hill	2,036,790	6.9%	42	(812,356)	-2.8%	50	-
34	Queen Anne	29,373	1.4%	12	36,717	1.7%	12	-
35	Rainier/Beacon Hill	9,662	0.3%	3	22,099	0.7%	17	-
36	Redmond	321,289	3.9%	25	8,984	0.1%	20	-
37	Renton	371,167	3.4%	23	(83,143)	-0.8%	44	-
38	S Everett/Harbor Pt	553,685	2.8%	21	(176,167)	-0.9%	46	-
39	S Snohomish County	193,220	5.8%	34	49,529	1.5%	8	0.4
40	Seatac/Burien	652,423	11.8%	44	4,773	0.1%	24	95.8
41	Seattle CBD	-	-	-	0	0%	-	-
42	SoDo	658,723	5.9%	35	(328,059)	-2.9%	47	-

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
43	Tacoma CBD	90,966	6.6%	40	21,851	1.6%	18	-
44	Tukwila	626,672	3.9%	26	38,025	0.2%	11	-
45	U. District/Ravenna	1,410	0.1%	1	(199)	0%	32	-
46	University Place	277,311	5.2%	32	4,436	0.1%	25	-
47	Vashon/Maury Isl	175,000	52.7%	47	0	0%	-	-
48	W Seattle	35,292	0.9%	5	3,546	0.1%	27	-
49	Waterfront	73,125	6.4%	38	(34,069)	-3.0%	39	-
50	Woodinville	351,624	5.0%	31	378,317	5.3%	2	1.2

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	343,236,541	2,078,153	0.6%	2,793,320	0.8%	0.7
2023	341,158,388	2,204,110	0.7%	2,410,766	0.7%	0.9
2022	338,954,278	2,509,169	0.7%	1,817,215	0.5%	1.4
2021	336,445,109	2,936,853	0.9%	1,320,278	0.4%	2.2
2020	333,508,256	4,619,331	1.4%	928,089	0.3%	5.0
YTD	329,137,868	248,943	0.1%	(1,441,162)	-0.4%	-
2019	328,888,925	4,860,233	1.5%	398,773	0.1%	12.2
2018	324,028,692	5,838,597	1.8%	3,641,870	1.1%	1.6
2017	318,190,095	2,595,043	0.8%	4,509,737	1.4%	0.6
2016	315,595,052	2,685,549	0.9%	5,703,955	1.8%	0.5
2015	312,909,503	3,918,413	1.3%	4,611,056	1.5%	0.8
2014	308,991,090	1,839,039	0.6%	4,663,705	1.5%	0.4
2013	307,152,051	1,662,118	0.5%	2,977,334	1.0%	0.6
2012	305,489,933	(901,482)	-0.3%	4,065,583	1.3%	-
2011	306,391,415	(1,123,452)	-0.4%	1,895,490	0.6%	-
2010	307,514,867	(1,136,582)	-0.4%	(1,595,696)	-0.5%	-
2009	308,651,449	522,194	0.2%	(6,445,759)	-2.1%	-
2008	308,129,255	4,080,505	1.3%	2,606,328	0.8%	1.6

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	88,518,840	105,059	0.1%	66,989	0.1%	1.6
2023	88,413,781	111,425	0.1%	(356,932)	-0.4%	-
2022	88,302,356	126,836	0.1%	(422,631)	-0.5%	-
2021	88,175,520	144,218	0.2%	(467,421)	-0.5%	-
2020	88,031,302	325,812	0.4%	(453,605)	-0.5%	-
YTD	87,705,490	0	0%	(170,576)	-0.2%	-
2019	87,705,490	78,125	0.1%	(209,754)	-0.2%	-
2018	87,627,365	186,732	0.2%	38,890	0%	4.8
2017	87,440,633	(548,426)	-0.6%	(615,573)	-0.7%	-
2016	87,989,059	(40,014)	0%	487,476	0.6%	-
2015	88,029,073	521,150	0.6%	1,294,936	1.5%	0.4
2014	87,507,923	149,153	0.2%	377,303	0.4%	0.4
2013	87,358,770	(50,706)	-0.1%	(14,870)	0%	-
2012	87,409,476	(335,596)	-0.4%	(199,618)	-0.2%	-
2011	87,745,072	(525,268)	-0.6%	727,633	0.8%	-
2010	88,270,340	(179,590)	-0.2%	(166,929)	-0.2%	-
2009	88,449,930	52,324	0.1%	(1,069,368)	-1.2%	-
2008	88,397,606	(126,120)	-0.1%	(13,312)	0%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	223,619,755	1,963,357	0.9%	2,747,347	1.2%	0.7
2023	221,656,398	2,082,366	0.9%	2,960,725	1.3%	0.7
2022	219,574,032	2,370,580	1.1%	2,454,812	1.1%	1.0
2021	217,203,452	2,779,278	1.3%	1,991,475	0.9%	1.4
2020	214,424,174	4,288,123	2.0%	1,464,561	0.7%	2.9
YTD	210,384,994	248,943	0.1%	(1,364,654)	-0.6%	-
2019	210,136,051	5,048,750	2.5%	535,238	0.3%	9.4
2018	205,087,301	5,700,750	2.9%	3,523,999	1.7%	1.6
2017	199,386,551	3,117,437	1.6%	5,238,077	2.6%	0.6
2016	196,269,114	2,805,640	1.5%	4,543,157	2.3%	0.6
2015	193,463,474	3,501,055	1.8%	3,400,335	1.8%	1.0
2014	189,962,419	1,983,984	1.1%	3,830,477	2.0%	0.5
2013	187,978,435	1,742,561	0.9%	3,111,597	1.7%	0.6
2012	186,235,874	(443,115)	-0.2%	3,356,973	1.8%	-
2011	186,678,989	(540,246)	-0.3%	1,202,696	0.6%	-
2010	187,219,235	(972,807)	-0.5%	(1,133,627)	-0.6%	-
2009	188,192,042	742,660	0.4%	(4,415,196)	-2.3%	-
2008	187,449,382	3,837,709	2.1%	2,804,368	1.5%	1.4

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	31,097,946	9,737	0%	(21,016)	-0.1%	-
2023	31,088,209	10,319	0%	(193,027)	-0.6%	-
2022	31,077,890	11,753	0%	(214,966)	-0.7%	-
2021	31,066,137	13,357	0%	(203,776)	-0.7%	-
2020	31,052,780	5,396	0%	(82,867)	-0.3%	-
YTD	31,047,384	0	0%	94,068	0.3%	0
2019	31,047,384	(266,642)	-0.9%	73,289	0.2%	-
2018	31,314,026	(48,885)	-0.2%	78,981	0.3%	-
2017	31,362,911	26,032	0.1%	(112,767)	-0.4%	-
2016	31,336,879	(80,077)	-0.3%	673,322	2.1%	-
2015	31,416,956	(103,792)	-0.3%	(84,215)	-0.3%	-
2014	31,520,748	(294,098)	-0.9%	455,925	1.4%	-
2013	31,814,846	(29,737)	-0.1%	(119,393)	-0.4%	-
2012	31,844,583	(122,771)	-0.4%	908,228	2.9%	-
2011	31,967,354	(57,938)	-0.2%	(34,839)	-0.1%	-
2010	32,025,292	15,815	0%	(295,140)	-0.9%	-
2009	32,009,477	(272,790)	-0.8%	(961,195)	-3.0%	-
2008	32,282,267	368,916	1.2%	(184,728)	-0.6%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$12.12	166	0.6%	10.4%	21,228,277	6.2%	-0.2%
2023	\$12.04	165	0.9%	9.8%	21,942,793	6.4%	-0.1%
2022	\$11.93	164	1.4%	8.8%	22,158,960	6.5%	0.2%
2021	\$11.77	161	2.5%	7.2%	21,465,681	6.4%	0.4%
2020	\$11.48	157	4.6%	4.6%	19,841,221	5.9%	1.2%
YTD	\$11.03	151	0.5%	0.5%	17,175,810	5.2%	0.5%
2019	\$10.97	150	5.4%	0%	15,485,705	4.7%	1.3%
2018	\$10.41	143	5.5%	-5.1%	11,045,445	3.4%	0.6%
2017	\$9.86	135	7.9%	-10.1%	8,848,718	2.8%	-0.6%
2016	\$9.14	125	9.0%	-16.7%	10,763,412	3.4%	-1.0%
2015	\$8.39	115	5.8%	-23.6%	13,709,496	4.4%	-0.3%
2014	\$7.93	109	4.6%	-27.8%	14,474,461	4.7%	-0.9%
2013	\$7.58	104	3.6%	-31.0%	17,299,127	5.6%	-0.5%
2012	\$7.31	100	1.7%	-33.4%	18,614,343	6.1%	-1.6%
2011	\$7.19	99	2.2%	-34.5%	23,581,408	7.7%	-1.0%
2010	\$7.03	96	-1.3%	-35.9%	26,600,350	8.7%	0.2%
2009	\$7.12	98	-2.4%	-35.1%	26,133,511	8.5%	2.2%
2008	\$7.29	100	3.0%	-33.5%	19,165,558	6.2%	0.4%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$12.53	169	0.7%	13.4%	4,342,856	4.9%	0%
2023	\$12.44	167	1.1%	12.6%	4,304,715	4.9%	0.5%
2022	\$12.31	166	1.8%	11.4%	3,837,409	4.3%	0.6%
2021	\$12.09	163	3.2%	9.4%	3,287,602	3.7%	0.7%
2020	\$11.71	158	6.0%	6.0%	2,674,891	3.0%	0.9%
YTD	\$11.12	150	0.6%	0.6%	2,065,815	2.4%	0.2%
2019	\$11.05	149	7.5%	0%	1,895,239	2.2%	0.3%
2018	\$10.28	138	5.6%	-7.0%	1,607,360	1.8%	0.2%
2017	\$9.73	131	7.8%	-12.0%	1,459,518	1.7%	0.1%
2016	\$9.03	122	7.7%	-18.3%	1,392,371	1.6%	-0.6%
2015	\$8.38	113	5.7%	-24.2%	1,919,861	2.2%	-0.9%
2014	\$7.93	107	3.7%	-28.3%	2,693,647	3.1%	-0.3%
2013	\$7.65	103	2.7%	-30.8%	2,921,797	3.3%	0%
2012	\$7.44	100	2.3%	-32.7%	2,957,633	3.4%	-0.1%
2011	\$7.28	98	1.8%	-34.2%	3,093,611	3.5%	-1.4%
2010	\$7.14	96	-1.7%	-35.4%	4,346,512	4.9%	0%
2009	\$7.27	98	-2.1%	-34.2%	4,359,173	4.9%	1.3%
2008	\$7.43	100	3.1%	-32.8%	3,237,481	3.7%	-0.1%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$10.82	171	0.6%	9.2%	14,805,055	6.6%	-0.4%
2023	\$10.76	170	0.8%	8.6%	15,588,340	7.0%	-0.5%
2022	\$10.67	169	1.3%	7.7%	16,474,935	7.5%	-0.1%
2021	\$10.54	167	2.2%	6.4%	16,558,042	7.6%	0.3%
2020	\$10.32	163	4.1%	4.1%	15,763,425	7.4%	1.5%
YTD	\$9.97	158	0.6%	0.6%	13,856,475	6.6%	0.8%
2019	\$9.91	157	4.5%	0%	12,242,878	5.8%	2.0%
2018	\$9.48	150	6.0%	-4.3%	7,750,566	3.8%	1.0%
2017	\$8.95	142	9.0%	-9.7%	5,573,815	2.8%	-1.1%
2016	\$8.20	130	10.2%	-17.2%	7,694,455	3.9%	-1.0%
2015	\$7.45	118	6.4%	-24.8%	9,431,972	4.9%	0%
2014	\$7.00	111	5.4%	-29.3%	9,331,252	4.9%	-1.0%
2013	\$6.65	105	4.0%	-32.9%	11,177,745	5.9%	-0.8%
2012	\$6.39	101	1.3%	-35.5%	12,546,781	6.7%	-2.0%
2011	\$6.31	100	3.0%	-36.3%	16,346,869	8.8%	-0.9%
2010	\$6.13	97	-1.0%	-38.2%	18,089,811	9.7%	0.1%
2009	\$6.19	98	-1.9%	-37.5%	17,921,266	9.5%	2.7%
2008	\$6.31	100	3.0%	-36.3%	12,763,410	6.8%	0.4%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$19.85	146	0.6%	9.8%	2,080,366	6.7%	0.1%
2023	\$19.73	145	0.9%	9.2%	2,049,738	6.6%	0.7%
2022	\$19.56	143	1.5%	8.2%	1,846,616	5.9%	0.7%
2021	\$19.27	141	2.5%	6.7%	1,620,037	5.2%	0.7%
2020	\$18.80	138	4.0%	4.0%	1,402,905	4.5%	0.2%
YTD	\$18.09	133	0.1%	0.1%	1,253,520	4.0%	-0.3%
2019	\$18.07	132	5.1%	0%	1,347,588	4.3%	-1.0%
2018	\$17.19	126	3.7%	-4.9%	1,687,519	5.4%	-0.4%
2017	\$16.57	122	4.2%	-8.3%	1,815,385	5.8%	0.4%
2016	\$15.91	117	7.0%	-12.0%	1,676,586	5.4%	-2.2%
2015	\$14.86	109	4.1%	-17.7%	2,357,663	7.5%	-0.3%
2014	\$14.27	105	3.6%	-21.0%	2,449,562	7.8%	-2.3%
2013	\$13.77	101	3.8%	-23.8%	3,199,585	10.1%	0.3%
2012	\$13.27	97	2.3%	-26.6%	3,109,929	9.8%	-3.2%
2011	\$12.97	95	0.5%	-28.2%	4,140,928	13.0%	0%
2010	\$12.91	95	-1.3%	-28.5%	4,164,027	13.0%	1.0%
2009	\$13.09	96	-4.0%	-27.6%	3,853,072	12.0%	2.2%
2008	\$13.64	100	3.0%	-24.5%	3,164,667	9.8%	1.6%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	\$208.62	242	5.3%
2023	-	-	-	-	-	-	\$203.73	236	5.3%
2022	-	-	-	-	-	-	\$198.21	230	5.3%
2021	-	-	-	-	-	-	\$193.90	225	5.2%
2020	-	-	-	-	-	-	\$184.91	214	5.1%
YTD	36	\$496.4 M	0.9%	\$15,043,319	\$175.39	5.0%	\$173.13	201	5.2%
2019	393	\$2,976 M	5.1%	\$8,500,431	\$191.00	5.5%	\$171.57	199	5.2%
2018	409	\$2,378 M	6.8%	\$7,140,925	\$155.69	5.6%	\$159.11	184	5.3%
2017	304	\$1,210 M	2.7%	\$4,921,506	\$168.77	5.9%	\$143.84	167	5.4%
2016	409	\$1,784 M	4.7%	\$4,642,265	\$126.52	6.2%	\$130.21	151	5.6%
2015	435	\$1,814 M	6.7%	\$6,119,243	\$125.48	6.1%	\$117.41	136	5.8%
2014	312	\$988.3 M	3.4%	\$3,311,076	\$93.37	6.8%	\$106.79	124	6.0%
2013	287	\$1,143 M	4.3%	\$4,583,222	\$91.20	6.4%	\$98.48	114	6.2%
2012	279	\$991.8 M	4.0%	\$4,133,841	\$83.21	6.5%	\$92.35	107	6.4%
2011	162	\$614.5 M	2.7%	\$4,118,245	\$75.54	7.9%	\$87.96	102	6.6%
2010	153	\$475.4 M	1.9%	\$3,337,619	\$83.13	7.8%	\$82.50	96	6.9%
2009	116	\$314.9 M	1.4%	\$2,976,999	\$82.48	8.6%	\$78.92	91	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	\$203.65	246	5.3%
2023	-	-	-	-	-	-	\$198.66	240	5.2%
2022	-	-	-	-	-	-	\$192.91	233	5.2%
2021	-	-	-	-	-	-	\$188.08	227	5.1%
2020	-	-	-	-	-	-	\$178.18	215	5.1%
YTD	10	\$49.2 M	0.7%	\$7,022,950	\$126.05	5.0%	\$164.68	199	5.1%
2019	72	\$489.6 M	3.3%	\$8,441,032	\$195.24	5.4%	\$163.19	197	5.1%
2018	95	\$428.4 M	5.1%	\$5,422,436	\$137.15	5.3%	\$149.46	180	5.2%
2017	67	\$279.7 M	2.3%	\$4,822,961	\$171.70	5.6%	\$136.25	164	5.3%
2016	74	\$265.0 M	2.9%	\$3,581,681	\$105.32	6.6%	\$122.69	148	5.5%
2015	67	\$258.7 M	3.2%	\$4,790,048	\$110.77	6.5%	\$111.03	134	5.7%
2014	89	\$371.3 M	4.6%	\$4,267,885	\$92.20	6.8%	\$101.07	122	6.0%
2013	54	\$174.4 M	2.4%	\$3,875,972	\$92.79	6.4%	\$93.81	113	6.1%
2012	52	\$141.8 M	1.9%	\$3,016,262	\$93.24	7.9%	\$88.48	107	6.3%
2011	43	\$157.0 M	2.6%	\$3,830,329	\$68.95	7.6%	\$84.19	102	6.5%
2010	27	\$41.2 M	0.7%	\$1,646,873	\$71.23	7.8%	\$79.03	95	6.8%
2009	34	\$87.8 M	0.8%	\$2,580,931	\$117.92	10.7%	\$75.57	91	7.1%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	\$194.02	242	5.4%
2023	-	-	-	-	-	-	\$189.53	236	5.3%
2022	-	-	-	-	-	-	\$184.55	230	5.3%
2021	-	-	-	-	-	-	\$180.84	225	5.2%
2020	-	-	-	-	-	-	\$172.96	216	5.1%
YTD	26	\$447.3 M	1.2%	\$17,202,650	\$183.27	5.0%	\$162.77	203	5.2%
2019	262	\$2,146 M	5.8%	\$9,085,588	\$185.51	5.8%	\$161.28	201	5.2%
2018	230	\$1,351 M	7.0%	\$7,805,118	\$150.72	5.2%	\$150.23	187	5.3%
2017	189	\$714.1 M	2.6%	\$4,831,940	\$167.81	5.6%	\$134.44	168	5.4%
2016	233	\$1,106 M	4.5%	\$5,144,277	\$128.36	5.9%	\$121.48	151	5.6%
2015	248	\$1,009 M	7.5%	\$5,719,762	\$105.17	5.9%	\$109.56	137	5.8%
2014	192	\$520.3 M	3.0%	\$2,853,375	\$92.39	6.8%	\$99.74	124	6.1%
2013	178	\$754.6 M	4.9%	\$4,616,196	\$82.93	5.8%	\$91.83	114	6.3%
2012	176	\$725.5 M	5.1%	\$4,519,149	\$77.52	6.0%	\$86.00	107	6.5%
2011	95	\$375.0 M	2.7%	\$4,117,459	\$74.29	7.6%	\$81.98	102	6.7%
2010	96	\$325.2 M	2.5%	\$3,642,922	\$73.41	7.8%	\$76.80	96	7.0%
2009	70	\$203.4 M	1.8%	\$3,202,960	\$69.97	7.9%	\$73.47	92	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	\$323.26	234	5.4%
2023	-	-	-	-	-	-	\$315.92	229	5.4%
2022	-	-	-	-	-	-	\$307.30	223	5.4%
2021	-	-	-	-	-	-	\$300.31	217	5.2%
2020	-	-	-	-	-	-	\$286.29	207	5.2%
YTD	-	-	-	-	-	-	\$268.48	194	5.3%
2019	59	\$341.4 M	4.9%	\$6,095,934	\$225.93	5.0%	\$266.24	193	5.3%
2018	84	\$599.3 M	10.2%	\$7,398,400	\$187.76	6.9%	\$247.67	179	5.4%
2017	48	\$216.4 M	4.5%	\$5,393,552	\$168.25	6.6%	\$230.16	167	5.4%
2016	102	\$413.0 M	10.6%	\$4,337,556	\$139.18	6.4%	\$211.68	153	5.5%
2015	120	\$546.3 M	11.5%	\$8,272,052	\$216.12	6.2%	\$189.62	137	5.8%
2014	31	\$96.7 M	2.9%	\$3,313,122	\$104.38	7.1%	\$171.57	124	6.1%
2013	55	\$214.4 M	5.8%	\$5,228,380	\$137.54	7.7%	\$157.57	114	6.3%
2012	51	\$124.5 M	3.5%	\$3,848,748	\$119.73	7.7%	\$147.07	107	6.5%
2011	24	\$82.4 M	2.8%	\$4,816,834	\$101.90	8.7%	\$139.87	101	6.7%
2010	30	\$109.1 M	2.2%	\$3,876,790	\$153.41	7.7%	\$131.59	95	7.0%
2009	12	\$23.8 M	0.5%	\$2,880,844	\$142.29	-	\$125.97	91	7.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.