



QUARTERLY REAL ESTATE REVIEW | Q1 2020

INDUSTRIAL MARKET OVERVIEW

New year, same hot market!

2020 has arrived and along with it comes a slew of questions - Will trends continue? What are the capital markets doing? Are rental rates and property values continuing to lift? How do I find opportunities? Simply put we're predicting a lot of the same activity and trends in 2020 that we saw in 2019 and prior. Our industrial market is still experiencing incredibly low vacancy and inventory. Industrial demand from users and investors remains insatiable as economic conditions continue to maintain/improve. There is an abundance of aggressive capital in the market ready to be placed. Many tenants are continuing to see their businesses improve but are consequently required to re-think their real estate operations due to increasing rental rates/occupancy costs. Buckle up and hold on because it's going to be another exciting year here in the Puget Sound industrial market!

Kidder Mathews offers an alternative to typical transaction-based real estate services, providing independent, third party commercial real estate services for both private and public-sector owners and investors. The firm's goal is to leverage its experience, relationships, and resources to empower its clients to successfully achieve their business objectives. By working with my team and I, you can feel safe knowing that your needs will be placed first and above all else. I am a firm believer that long-term relationships and doing what's in the best interest of my clients is what is best for my business. Transactions will come and go but adding value by reducing risk and doing the right thing guarantees healthy longevity for both of us.

Thank you for your consideration and continued business.

Provided by

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Matt is an industrial market specialist focused on adding value and negotiating on his clients' behalf. Matt's tireless work ethic and positive attitude allow him to maximize returns in all transactions he participates in. His ability to quickly build relationships enables him to move at a fast pace, ultimately saving his clients' time and money. To find more information on Matt's services, click here.

SERVICES

- Tenant Representation
- Landlord Representation
- Leasing/Sales
- Investment Offerings
- Industrial Valuation
- Market Information

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Kidder Mathews



RECENT MARKET TRANSACTIONS



21,652 SF (1,227 SF OFFICE)

Industrial Lease (Kent)

\$0.85 PSF shell | \$1.00 PSF office add-on, NNN

New lease. Existing tenant expansion. 42 month term to line up with existing lease. Space taken as-is.



33,476 SF (1,500 SF OFFICE)

Industrial Lease (Lacey)

\$0.48 PSF shell | \$1.10 PSF office add-on, NNN

New lease. New construction. 63 month term. 3 months of free rent. Turn-key office build-out and basic TI package.



94,225 SF INDUSTRIAL BUILDING

Industrial Lease (Kent)

\$17,755,000 | \$188 PSF

Off-market institutional investment purchase. Building fully leased at time of sale.



23,360 SF INDUSTRIAL BUILDING

Industrial Sale (Kent)

\$4,030,000 | \$173 PSF

Off-market institutional investment purchase. Building fully leased at time of sale.

Market Forecast Trends

VACANCY	
Current	Projection
4.9%	◀▶

CONSTRUCTION	
Current	Projection
\$3.6M	▼

RENTAL RATE (SF, NNN)	
Current	Projection
\$0.91	▲

ABSORPTION	
Current	Projection
-\$169K	▼

