



QUARTERLY REAL ESTATE REVIEW | Q3 2019

INDUSTRIAL MARKET OVERVIEW

The big question everyone is asking. Is a recession coming?

I speak with one of my clients almost daily about the current state of the economy and what that means for our marketplace relative to a coming "recession". We're currently in the longest period of economic growth in history. The commercial real estate market in Seattle is reflecting that. Rental rates and property values continue to rise - sometimes at alarming rates. Does this really mean that a recession is inevitable? Some would argue yes, and while I don't necessarily disagree, I don't believe we're going to see the big drop that everyone fears. The industrial real estate market is fairly well insulated by the continuing e-commerce boom, increasing demands for instant delivery, and evolution of traditional services (i.e. online grocery, furniture, etc.). My recommendation - buckle the

seatbelt and continue to enjoy the ride! I believe we have more time left than most of us would like to believe.

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

MATT MCLENNAN
253.722.1458
matt.mclennan@kidder.com

[VCARD](#) [BIO](#) [LINKEDIN](#)



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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RECENT MARKET TRANSACTIONS



124,878 SF (7,717 SF OFFICE)

Industrial Lease (Auburn)

\$0.54 PSF Shell | \$0.85 PSF office add-on

New lease. 63 month term. 3 months of free rent. Office discounted to 5,000 SF. New carpet/paint.



15,000 SF (1,059 SF OFFICE)

Industrial Lease (Kent)

\$0.69 PSF Shell | \$0.85 PSF office add-on

Renewal. 60 month term. 0 months of free rent.



4.93 AC

Industrial Yard Lease (Sumner)

\$0.195 PSF

36 month term. Tenant not using on-site building. Trailer storage only.



14,722 SF MANUFACTURING BUILDING

Industrial Sale (Kent)

\$2,250,000 | \$152 PSF

Owner/user purchase. Class C building.

Market Forecast Trends

VACANCY	
Current	Projection
4.24%	◀▶

CONSTRUCTION	
Current	Projection
4.1M	▼

RENTAL RATE (SF, NNN)	
Current	Projection
\$0.85	▲

ABSORPTION	
Current	Projection
1.8M	▲

