



QUARTERLY REAL ESTATE REVIEW | Q2 2020

# INDUSTRIAL MARKET OVERVIEW

## A Brave New World - Navigating Through a Global Pandemic

Who knew that in a matter of weeks (or days depending on who you ask), our market would completely turn on its head due to the global pandemic that is COVID-19. A virus of this scale has never been seen in the modern day and naturally, anyone and everyone is still learning exactly how to handle the situation. Call me bold but I feel confident in saying this will not last forever. We eventually will go back to business as usual sooner rather than later. The markets are more or less "on hold" at the moment. Once the pandemic shows improvement and/or subsides, doors will open again, recovery will begin, and everyone will work hard to get back to a new normal. The industrial market and general economic fundamentals are not broken and remain strong. How soon we will bounce back is anyone's guess at this point; however, I think it's safe to say we are all rallying for the same cause at the moment.

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**



**11,041 SF (925 SF OFFICE)**

Industrial Lease Renewal (Kent)

\$0.87 PSF shell | \$1.00 PSF office add-on, NNN  
Early renewal. TI's: LED lights on exterior of building.



**175,723 SF (4,000 SF OFFICE)**

Industrial Lease (Sumner)

\$0.61 PSF shell | \$0.95 PSF office add-on, NNN  
New lease. 3 months free. \$0.80 PSF TI allowance.



**31,859 SF (1,650 SF OFFICE)**

Industrial Lease (Sumner)

\$0.78 PSF shell | \$1.25 PSF office add-on, NNN  
123 month term. New deal. New construction. Turn-key office build-out including 1,500 SF structural mezz. storage.



**97,413 SF (2,999 SF OFFICE)**

Industrial Sale (Kent)

\$19,800,000 (\$203/SF)  
New construction. 100% leased to one tenant at time of sale. Reported 4.67% cap rate.

**Market Forecast Trends**

VACANCY	
Current	Projection
4.6%	◀▶

CONSTRUCTION	
Current	Projection
\$7.1M	▲

RENTAL RATE (SF, NNN)	
Current	Projection
\$0.90	◀▶

ABSORPTION	
Current	Projection
-\$943K	▼

