



QUARTERLY REAL ESTATE REVIEW | Q4 2020

INDUSTRIAL MARKET OVERVIEW

Wrapping up 2020 - what to expect in 2021

It's hard to recap 2020 and preview 2021 without discussing the two topics at the forefront of everyone's minds heading into Q4: COVID-19 and the upcoming Presidential Election. While both of these events have significantly impacted our nation, economy, and world, frankly, they have not had a significant impact on the Puget Sound Industrial market. Overall activity in the market has been slower than average but rental rates and property values have remained mostly static. Landlords are offering more concessions to get deals done but are doing their best to stick firm to their asking rents. Vacancy is quietly ticking up. Our market absorption isn't keeping up with spaces coming back online and the continued robust development pipeline. It's safe to assume that things may get a little worse

before they get better but hard to say so definitively. I anticipate we'll have a rapid fire race to the finish in 2020 with everyone looking forward to what will (hopefully) be a fresh start in 2021.

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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MY RECENT MARKET TRANSACTIONS



STRIP MASTERS PURCHASE

Industrial Purchase (Buckley)

10,000 SF industrial on 1.5 AC

\$1,470,000

Owner/user sale. Seller financed. Property includes 1.5 AC of graveled area with a 10,000 SF shop structure and residential home.



OFF-MARKET KENT INDUSTRIAL PURCHASE

Industrial Purchase (Kent)

6,000 SF industrial on 1 AC

\$1,650,000

Owner/user sale. Off-market transaction. Property includes 6,000 SF with excess yard/parking. Fully fenced and secure. Heavy power.



IDA BUILDING SALE

Industrial Sale (Kent)

15,000 SF (15,000 SF office)

\$2,500,000 (\$166.67 PSF)

Owner/user sale. Sale negotiated and closed during COVID, but did not affect price. Discount taken during feasibility for roof and other deferred maintenance.



NORTHWEST CORPORATE PARK LEASE

Industrial Lease (Kent)

11,700 SF (594 SF office)

New deal. 63 month term. 3 months free. TI's include new LED lighting in warehouse and new carpet/paint in office area.

Market Forecast Trends

VACANCY	
Current	Projection
↔	▲

CONSTRUCTION	
Current	Projection
▲	↔

RENTAL RATE (SF, NNN)	
Current	Projection
↔	↔

ABSORPTION	
Current	Projection
↔	▲

