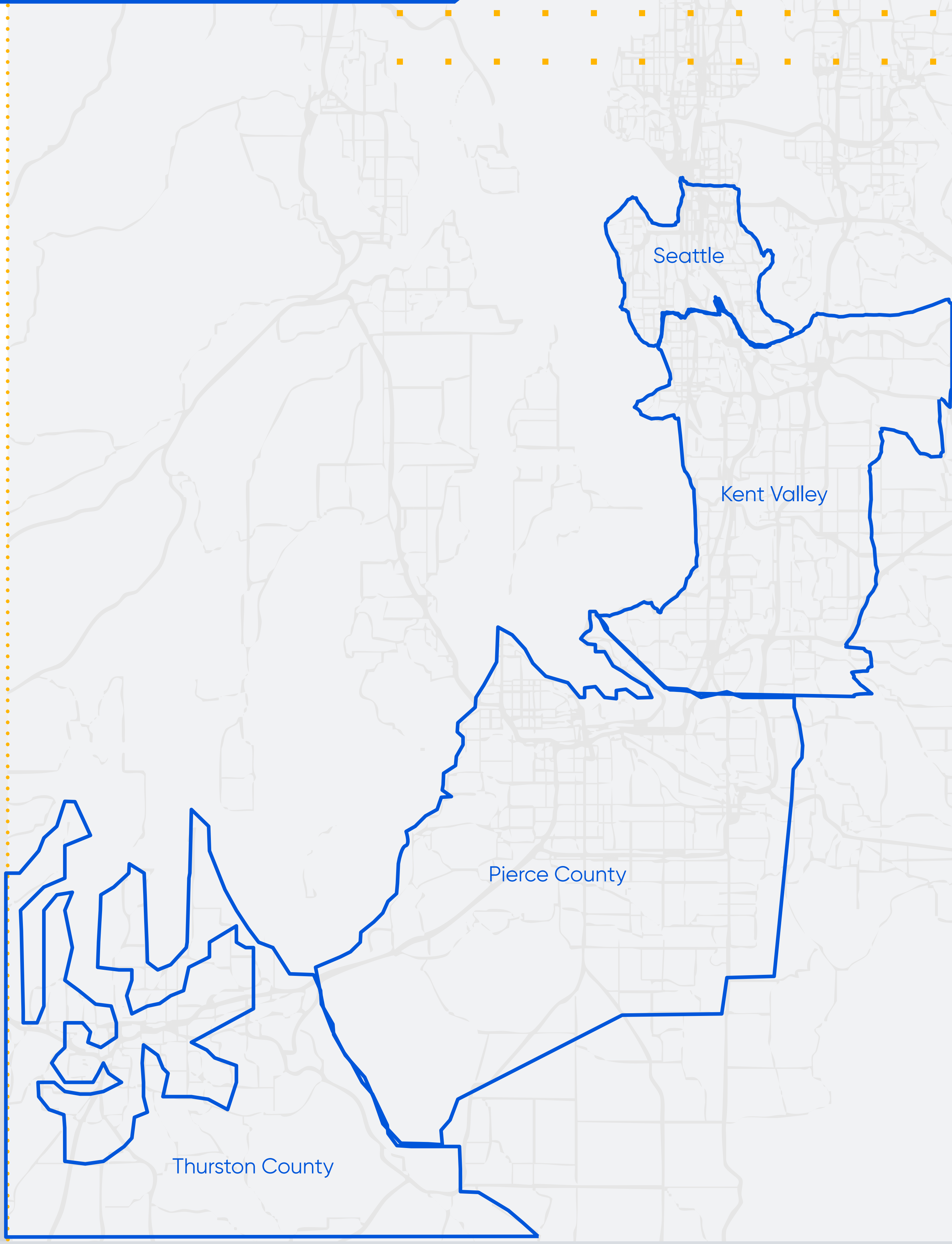
FLINN FERGUSON cresa

Q1 2026

Industrial Market Report

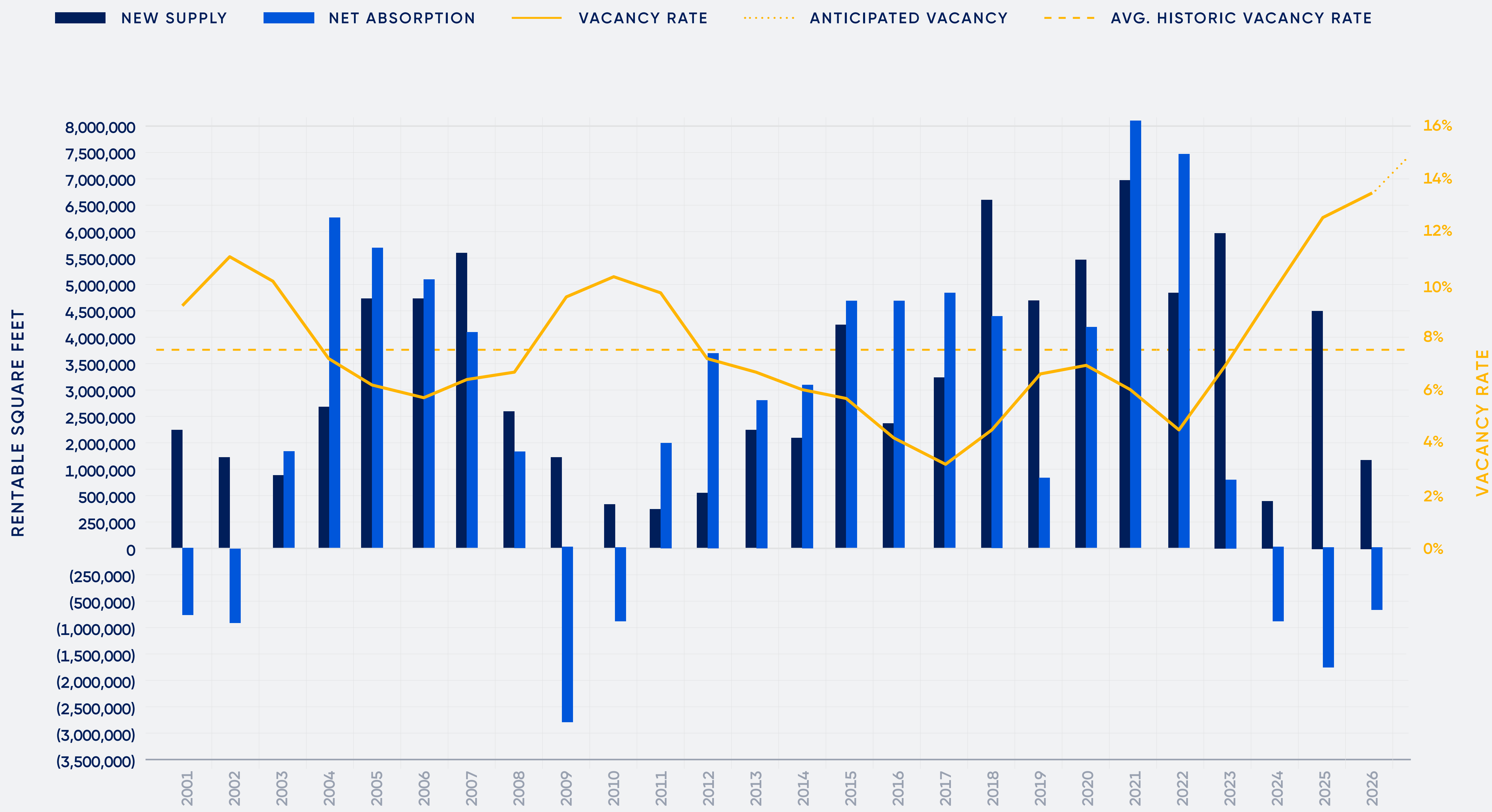
General Overview

Recent tariff driven shifts—particularly elevated U.S. tariffs on Chinese imports and ongoing policy uncertainty—have materially reduced container volumes through the Seattle–Tacoma gateway, with early 2026 data showing notable year-over-year declines following a 2025 pull-forward of imports. This drop in cargo has softened warehouse demand across South Seattle, Kent Valley, and Tacoma, contributing to rising vacancy. At the same time, importers are slowing expansion and diversifying supply chains (including nearshoring), further dampening leasing activity. For landlords, the effects of softening demand have been exacerbated by oversupply. If absorption continues to follow last year's average, it will take nearly 6 years for tenants to absorb the last 5 years of speculative construction. Space givebacks also continue to outpace new move-ins. Compared to every other major logistics market in the U.S., Seattle posted the weakest 12-month absorption of industrial space. Vacancy remains at a 10 year high. For tenants, this creates a near-term window of leverage, with landlords more willing to offer concessions, flexible terms, and competitive pricing, even as the long-term fundamentals of the region's port and logistics infrastructure remain strong.



Historical Availability

Industrial Availability, Supply & Absorption Rates
2001-2026



South Seattle Close-In

Market Size (SF)
South Seattle Close-In
24.9M

Net Absorption
12-Month: **(93.1K)**
Q1 2026: **(150K)**

Construction
12-Month Deliveries: **(0)**
Under Construction: **(144K)**

Average Rates
Shell: **$1.23**
Office: **$1.35**
Yard: **$0.50**

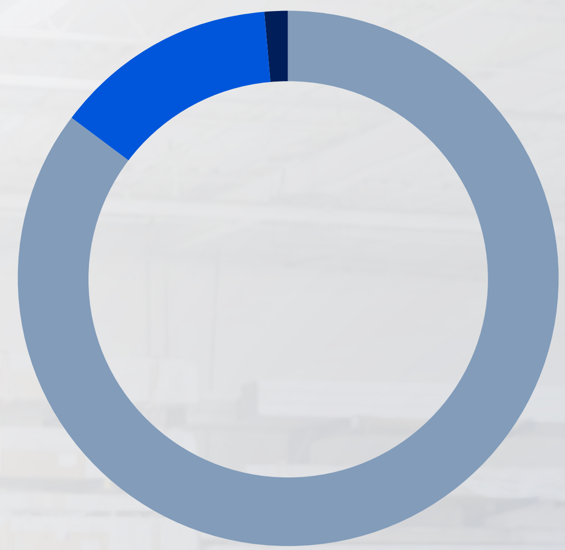
Availability

16.2%

- DIRECT AVAILABILITY: 14.6% | 3.67M
- SUBLEASE AVAILABILITY: 1.5% | 380K
- OCCUPANCY: 83.8% | 20.9M

Vacancy

14.6%



- DIRECT VACANCY: 13.4% | 3.34M
- SUBLEASE VACANCY: 1.2% | 305K
- OCCUPANCY: 85.4% | 21.3M

Notable Leases

	Tenant	Building	Address	Footprint
	Undisclosed	Sodo Row	4786-4790 1st Ave S Seattle, WA	56,941 RSF
	R90 LIGHTING	NW Corporate Park Seattle Building G	411 S Fidalgo St, Seattle, WA	37,720 RSF

Notable Sales

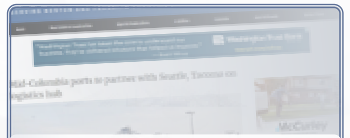
	Project / Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	Commodore Interbay Industry Center Building 1 2421 W Commodore Way Seattle, WA	ROSEN HARBOTTLE	SKB	129,436 RSF	$28.4 M / $219
	5801 E Marginal Way S Seattle, WA	GREENDOCK PARTNERS	ArdaghGroup	435,863 RSF	$23 M / $53

Submarket Overview

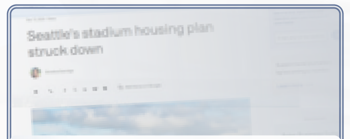
Submarket	Inventory	Total Vacant (SF)	Total Vacancy Rate (%)	Total Availability Rate (%)	Q1 2026 Net Absorption (SF)	12-Month Absorption (SF)	Under Construction (SF)	Average Asking Rent (Blended/SF)
Georgetown/ Duwamish N	10,687,372	1,928,167	18%	20.1%	(87K)	28.2K	0	±$1.27
Sodo	6,240,130	763,357	12.2%	11.7%	(88.6K)	(59.4K)	0	±$1.29
Georgetown/ Duwamish S	3,447,262	491,484	14.3%	16.5%	(32.3K)	(144K)	0	±$1.45
Rainer/Beacon Hill	1,750,190	117,269	6.7%	13.9%	239K	236K	144,352	±$1.06
W Seattle	2,258,126	322,992	14.3%	14.3%	(190K)	(150K)	0	±$1.26
Waterfront	541,510	17,152	3.2%	2.5%	10.2K	(3.7K)	0	±$1.13
Seattle Close-In	**24,924,590**	**3,640,421**	**14.6%**	**16.2%**	**(150K)**	**(93.1K)**	**144,352**	**±$1.27**

Relevant News

NWSA Full Exports up 2.2% YTD

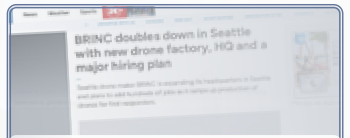


Mid-Columbia ports to partner with Seattle, Tacoma



Seattle's Stadium Housing Plan Struck Down

Tariff Uncertainty Expected to Drag Container Imports Down



BRINC Doubles Down in Seattle

Greater Kent Valley

Market Size (SF)
Greater Kent Valley
87.86M

Net Absorption
12-Month: **(1.8M)**
Q1 2026: **(176K)**

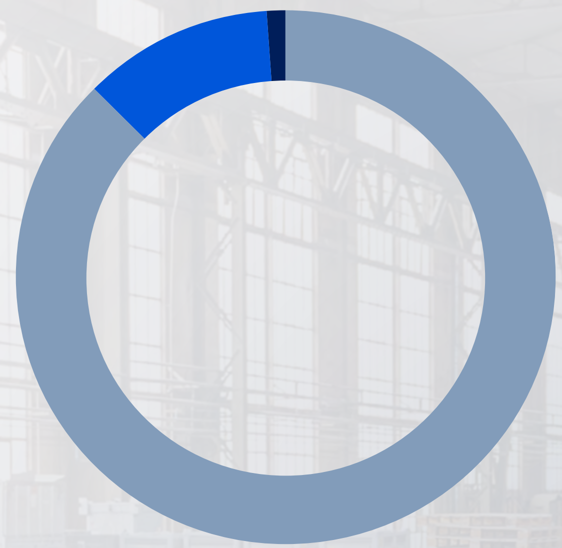
Construction
12-Month Deliveries: **(1.2M)**
Under Construction: **(406K)**

Average Rates
Shell: **$1.00**
Office: **$1.35**
Yard: **$0.35**

Availability
15.3%

- DIRECT AVAILABILITY: **13.6% | 12.02M**
- SUBLEASE AVAILABILITY: **1.8% | 1.60M**
- OCCUPANCY: **84.7% | 74.4M**

Vacancy
12.3%



- DIRECT VACANCY: **11.2% | 9.86M**
- SUBLEASE VACANCY: **1.1% | 942K**
- OCCUPANCY: **87.7% | 77.1M**

Notable Leases

	Tenant	Building	Address	Footprint
	The Home Depot	Auburn 18	400 SW 15th St, Auburn, WA	609,368 RSF
	amazon	Prologis Emerald Gateway Building 4	10300 East Marginal Way S Tukwila, WA	230,131 RSF
	Western Washington Surf Soccer Club	Former Red Dot Building	495 Andover Park E Tukwila, WA	159,586 RSF

Notable Sales

	Project / Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	Seattle Gateway Center I & 2 1201 S 140th St Burien, WA	LaSalle	MetLife	458,911 RSF	$88.1 M / $191.98
	2402 R St NW Auburn, WA	Sagard	Laskey Family Trust	162,400 RSF	$27 M / $166.26
	United Warehouse Building 6013 S 194th St Kent, WA	IIP	United	132,567 RSF	$22.5 M / $169.73

Submarket Overview

Submarket	Inventory	Total Vacant (SF)	Total Vacancy Rate (%)	Total Availability Rate (%)	Q1 2026 Net Absorption (SF)	12-Month Absorption (SF)	Under Construction (SF)	Average Asking Rent (Blended/SF)
Auburn	23,586,685	3,027,254	12.8%	13.8%	(12.15K)	(595K)	0	±$0.90
Federal Way	1,207,566	279,506	23.1%	23.1%	(13.6K)	166K	0	±$1.30
Kent Valley (N&S)	41,790,716	5,536,818	13.2%	16.3%	(228K)	(973K)	0	±$1.01
Renton	6,697,786	842,786	12.6%	16.4%	(28.6K)	(316K)	0	±$1.58
SeaTac/Burien	5,420,507	375,181	6.9%	17.6%	(55.9K)	19.4K	405,680	±$1.04
Tukwila	9,156,050	741,487	8.1%	11.1%	163K	(134K)	0	±$1.37
Greater Kent Valley	**87,859,310**	**10,803,032**	**12.3%**	**15.3%**	**(176K)**	**(1.8M)**	**405,680**	**±$1.03**

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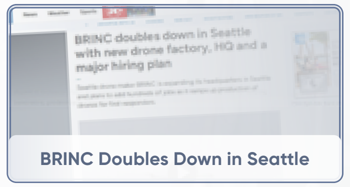

BRINC Doubles Down in Seattle

Pierce County

Market Size (SF)
Pierce County

84.4M

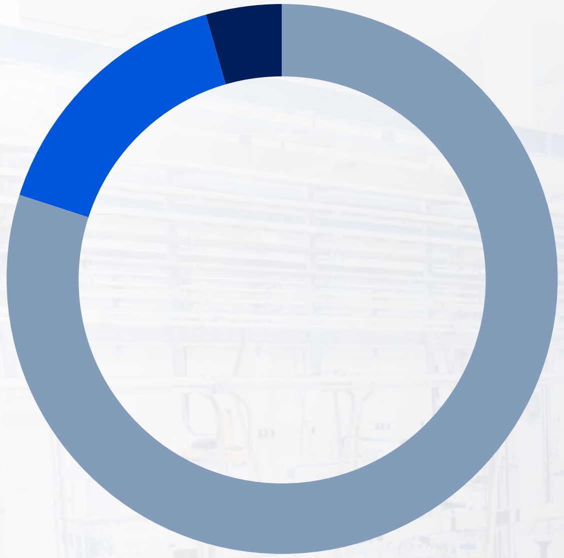
Net Absorption
12-Month: **(799K)**
Q1 2026: **(229K)**

Construction
12-Month Deliveries:
(3.7M)

Under Construction:
(1.0M)

Average Rates
Shell: **$0.90**
Office: **$1.35**
Yard: **$0.27**

Availability
19.6%

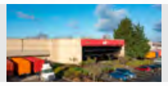


- DIRECT AVAILABILITY: **15.6% | 8.78M**
- SUBLEASE AVAILABILITY: **4.2% | 3.63M**
- OCCUPANCY: **80.4% | 67.9M**

Vacancy
14.9%

- DIRECT VACANCY: **19.0% | 10.9M**
- SUBLEASE VACANCY: **1.7% | 1.74M**
- OCCUPANCY: **85.1% | 71.8M**

Notable Leases

	Tenant	Building	Address	Footprint
	STG Logistics	Prologis Park Sumner Building 1	3012 142nd Ave E Sumner, WA	147,289 RSF
	Undisclosed	Tacoma Logistics Center Building A	927 E 11th St Tacoma, WA	136,724 RSF
	Stryder	Port Commerce Center Building 1 USG	2102 Milwaukee Way Tacoma, WA	102,368 RSF
		Tacoma Fixture Building	1815 E D St Tacoma, WA	98,200 RSF

Notable Sales

	Project / Address	Buyer / Seller	Building Size	Sale Price / Price PSF
	Frederickson West 281 4417 192nd St E Tacoma, WA	nuveen / CABOT	281,181 RSF	$44 M / $157.72
	4401 S Orchard St Tacoma, WA	TACOMA PUBLIC SCHOOLS / BROADSTONE NET LEASE, INC.	52,000 RSF	$6.4 M / $125.25
	4407 S Orchard St Tacoma, WA	TACOMA PUBLIC SCHOOLS / BROADSTONE NET LEASE, INC.	33,856 RSF	$5.7 M / $167.92

Submarket Overview

Submarket	Inventory	Total Vacant (SF)	Total Vacancy Rate (%)	Total Availability Rate (%)	Q1 2026 Net Absorption (SF)	12-Month Absorption (SF)	Under Construction (SF)	Average Asking Rent (Blended/SF)
Dupont	4,516,915	689,637	15.3%	15.3%	(216K)	(180K)	0	-
E. Pierce County	899,691	130,151	14.5%	14.9%	24.6K	135K	0	±$0.92
Tacoma	27,933,458	3,938,426	14.1%	18.7%	(238K)	(742K)	1,005,668	±$0.82
Fort Lewis	1,783,276	223,529	12.5%	12.8%	-	(78.3K)	0	±$1.15
Lakewood	4,698,345	698,223	14.9%	15.7%	(92.1K)	(13K)	0	±$0.96
Parkland/Spanaway	13,216,083	1,913,080	14.5%	26.4%	370	546K	4,992	±$0.95
Puyallup/S. Hill	31,364,384	5,017,974	16.0%	19.3%	292K	(467K)	0	±$0.87
Pierce County	**84,412,152**	**12,611,020**	**14.9%**	**19.6%**	**(229K)**	**(799K)**	**1,010,660**	**±$0.92**

Relevant News

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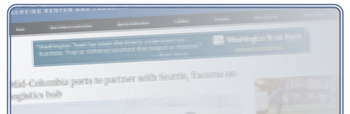

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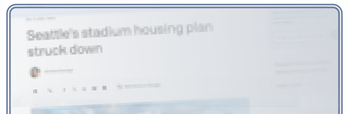

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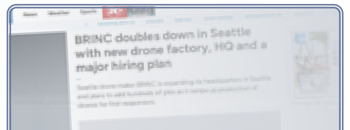


BRINC Doubles Down in Seattle

Thurston County

Market Size (SF)

Thurston County

14.3M

Net Absorption

12-Month: **(168K)**

Q1 2026: **(1.7K)**

Construction

12-Month Deliveries: **(29.1K)**

Under Construction: **(0)**

Average Rates

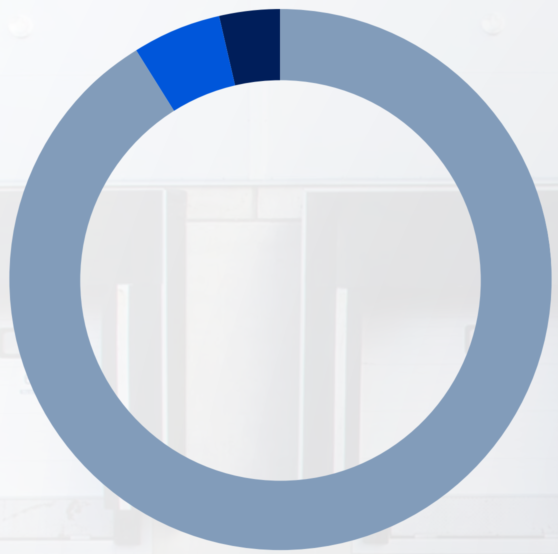
Shell: **$0.75**

Office: **$1.35**

Yard: **$0.19**

Availability

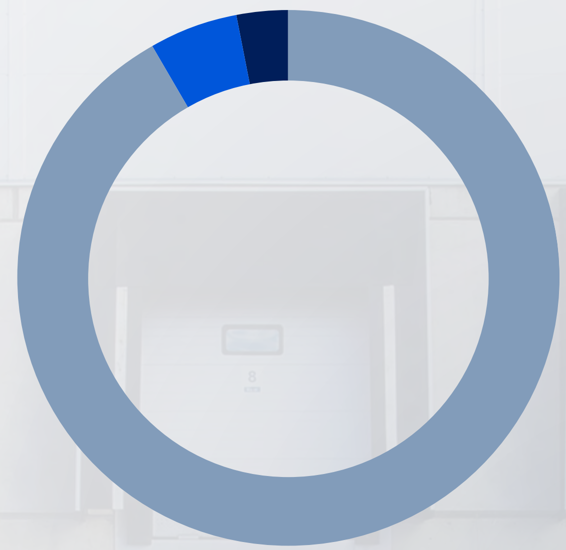
8.8%



- DIRECT AVAILABILITY: 5.3% | 764K
- SUBLEASE AVAILABILITY: 3.4% | 488K
- OCCUPANCY: 91.2% | 13.03M

Vacancy

8.2%



- DIRECT VACANCY: 5.3% | 761K
- SUBLEASE VACANCY: 2.9% | 410K
- OCCUPANCY: 91.8% | 13.12M

Notable Sales

	Project / Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	5300-5320 Lacey Blvd SE Lacey, WA	ACG	Individual	29,406 RSF	$2.55 M / $86.72
	5323 Joppa St SW Olympia, WA	MEGA	Individual	19,013 RSF	$1.9 M / $99.93

Submarket Overview

Submarket	Inventory	Total Vacant (SF)	Total Vacancy Rate (%)	Total Availability Rate (%)	Q1 2026 Net Absorption (SF)	12-Month Absorption (SF)	Under Construction (SF)	Average Asking Rent (Blended/SF)
Lacey	8,142,263	864,700	10.6%	11.4%	23.2K	(158K)	0	±$0.90
Tumwater/S. Olympia	4,277,234	77,145	1.8%	2.2%	(20.9K)	(27.5K)	0	±$0.62
Outlying Thurston County	1,635,032	228,561	14.0%	14.0%	(4,026)	17.7K	0	-
Thurston County	**14,292,761**	**1,170,406**	**8.2%**	**8.8%**	**(1,682)**	**(168K)**	**0**	**±$0.78**

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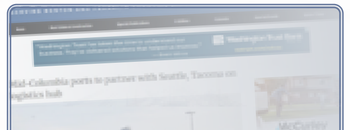

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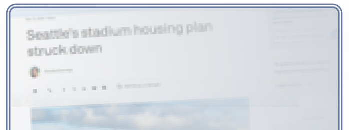

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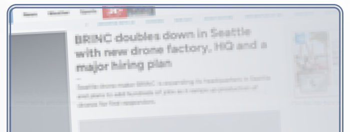

BRINC Doubles Down in Seattle

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Our company

Flinn Ferguson Cresa has established itself as Seattle and Bellevue's most active and experienced Tenant Advisory Firm.

Our mission is to listen to the client's core objectives, customize a complimentary real estate strategy, and leverage our shared experience to ensure that the most favorable real estate outcome is achieved.

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