

Snohomish County Industrial Market

In Fall 2001, more than five million square feet of industrial space were added to the Puget Sound market area, and industrial vacancies increased to 4.87% for the region. The Seattle Close-in market accounts for over 68.7 million square feet of industrial space with a 1.28% vacancy rate. The Eastside has over 21 million square feet with 6.96% vacant. By comparison, Snohomish County has over 6.9 million square feet with 15.05% vacant, the highest vacancy rate in the region. The vacancy rate for high-tech industrial facilities in Snohomish County is over 55%.

Lease rates in a typical new shell (non-high tech) in the Seattle Close-in and the Eastside markets range from \$.50 to \$.60 per square foot, per month. In Snohomish County comparable lease rates average \$.55 per square foot.

Table 9. Industrial Market Trends*

Quarter	Inventory	Vacancy Rate	Avg. Lease Rate (Net Lease/month)**
Snohomish Co.			
Fall 1997	5.5 million SF (114 bldgs)	12.8%	\$0.50-1.05/SF
Fall 1999	6 million SF (130 bldgs)	10.5%	\$0.50-1.10/SF
Fall 2000	6.6 million SF	18.5%	\$0.55-1.10/SF
Fall 2001	6.9 million SF	15.1%	\$0.55-1.10/SF
Seattle, downtown			
Fall 1997	66.6 million SF (2,237 bldgs)	3.4%	N/A
Fall 1999	69.7 million SF	1.8%	\$0.45-0.82/SF
Fall 2000	69.8 million SF	3.1%	\$0.45-0.85/SF
Fall 2001	68.7 million SF	1.3%	\$0.60-0.85/SF
Bellevue/Eastside			
Fall 1997	18.8 million SF (331 bldgs)	5.0%	\$0.50-1.20/SF
Fall 1999	15.9 million SF	5.7%	\$0.55-1.20/SF
Fall 2000	20.7 million SF	3.4%	\$0.60-1.30/SF
Fall 2001	21.0 million SF	7.0%	\$0.55-1.25/SF
Puget Sound Region***			
Fall 1997	181.2 million SF (3,935 bldgs)	5.7%	N/A
Fall 1999	190.0 million SF	4.6%	N/A
Fall 2000	195.7 million SF	3.8%	N/A
Fall 2001	201.3 million SF	4.9%	N/A

* Source: CB Richard Ellis, *Central Puget Sound Real Estate Research Report*

** Average rent of non-high-tech space (low end) and high-tech space (high end).

***Includes Snohomish, King and Pierce counties.

Many industrial developers in the Puget Sound region are renovating their facilities to accommodate telecommunications and other high-tech companies moving into the region.