Southend historical vacancy & absorption

- Historical vacancy & absorption rates:
  - 2006: 8.2%
  - 2018: 2.8%

- Total net absorption for the year:
  - 2018: 2,948,497

- Graph showing total net absorption, total vacancy, and average net annual absorption from 2006 to 2018.
Southend median sales pricing

*Industrial properties over 30K SF, sold between 1/1/2008 – 9/10/2018 with sales price over $3M
Southend year-over-year rent increases

Properties over 30K SF

Y-o-Y rent (%)

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Construction

Supply & Demand

Deliveries are catching up to demand and market is seeing new large blocks come to market.

Preleasing is common in current market.

Pipeline

Pierce County, where much of the remaining developable land is located, is seeing the majority of construction activity.

Tight market conditions are pushing tenants and developers further south to Pierce and Thurston Counties.
Puget Sound population by county

- Regional population of 4.1M
- 444K added since 2010 (12.0% growth)
- 859K added since 2000 (26.2% growth)
Annual job growth

- 41.1K jobs added to region last year (2.5% increase)
- 36.6K new jobs YTD.
- 332K jobs added since 2010.
- Seattle metro area current unemployment rate: 3.6%

*2017 – 2018 numbers include jobs added between 1/1/2018 and 7/31/2018
Population Growth Correlation

*Correlation is displayed between -1 and 1. +1 is a positive correlation which means if one variable increases, the other also increases and if one variable decreases, other variable also decreases. -1 is a negative correlation, which means if one variable increases, the other decreases, and vice versa. A correlation of above 0.50 or below -0.50 is considered an area where the correlation is strong. Zero means there is no correlation.

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Ground Leases – 2008 & 2018 sites
Unlocking Value (private sector view)

» Long enough term
» Constant and collars
» Conditions and restrictions
» Selection process

» Benefits
  » Surrounding properties
  » Tax payers