



Industrial Market Report

Spokane, Washington Fall 2020



Annual Comparison	Fall 2018		Fall 2019		Fall 2020
Overall Market Vacancy	2.42%	▲	3.02%	▲	3.23%
Average Asking Rent (per sq. ft.) (Warehouse)	0.42	=	0.42	=	0.42
Vacant Inventory Available (sq. ft.)	711,041	▲	898,575	▲	1,104,280

Actual	Forecast
▲ Vacancy	= Flat Vacancy
= Rents	▲ Flat Rents

Please note: Actual-Compared to the preceding quarter. Forecast—Next 12 months compared to last 12 months.

Key Findings and Trends

- Overall vacancy increased to 3.23%; an increase of 205,705 square feet.
- Survey reflects rental rates staying flat at \$0.42 per square foot.
- Valley reflects a 232,505 square foot increase in vacancy (1.31% vacancy).
- East showed good growth by reducing vacancy 12,559 square feet with a vacancy rate of 0.28%.
- Overall market has shown an increase of 21 basis points in vacancy over a one year period.



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	Feb-16	Oct-16	Feb-17	Oct-17	Feb-18	Oct-18	Feb-19	Oct-19	Oct-20
North									
Vacant Sq. Ft.	171,867	162,058	30,721	40,046	42,713	57,541	64,993	12,967	85,136
Vacant %	5.82%	5.39%	1.05%	1.36%	1.44%	1.94%	2.17%	0.43%	2.74%
Avg. Rental Rate per sq. ft. office	\$ 0.67	\$ 0.67	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.54	\$ 0.57	\$ 0.57	\$ 0.65
Avg. Rental Rate per sq. ft. whse	\$ 0.46	\$ 0.44	\$ 0.42	\$ 0.50	\$ 0.50	\$ 0.49	\$ 0.46	\$ 0.46	\$ 0.48
East									
Vacant Sq. Ft.	308,290	249,242	213,103	99,250	100,850	236,688	232,975	290,443	277,884
Vacant %	7.13%	5.60%	4.75%	2.18%	2.18%	4.91%	4.90%	5.87%	5.59%
Avg. Rental Rate per sq. ft. office	\$ 0.55	\$ 0.56	\$ 0.85	\$ 0.75	\$ 0.74	\$ 0.74	\$ 0.72	\$ 0.66	\$ 0.67
Avg. Rental Rate per sq. ft. whse	\$ 0.31	\$ 0.33	\$ 0.42	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.34	\$ 0.34	\$ 0.35
West									
Vacant Sq. Ft.	83,301	142,795	188,009	155,798	153,960	195,088	258,063	256,469	158,559
Vacant %	2.00%	3.00%	4.28%	3.44%	3.42%	4.34%	5.73%	5.65%	1.96%
Avg. Rental Rate per sq. ft. office	\$ 0.64	\$ 0.65	\$ 0.73	\$ 0.75	\$ 0.75	\$ 0.71	\$ 0.73	\$ 0.73	\$ 0.75
Avg. Rental Rate per sq. ft. whse	\$ 0.30	\$ 0.30	\$ 0.27	\$ 0.35	\$ 0.41	\$ 0.41	\$ 0.40	\$ 0.42	\$ 0.42
Valley									
Vacant Sq. Ft.	672,128	606,683	481,961	300,980	237,773	175,761	136,007	321,821	554,326
Vacant %	4.42%	3.98%	3.15%	1.95%	1.55%	1.14%	0.88%	2.08%	3.39%
Avg. Rental Rate per sq. ft. office	\$ 0.65	\$ 0.68	\$ 0.95	\$ 0.89	\$ 0.86	\$ 0.92	\$ 0.92	\$ 0.89	\$ 0.91
Avg. Rental Rate per sq. ft. whse	\$ 0.30	\$ 0.31	\$ 0.27	\$ 0.36	\$ 0.33	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.45
Liberty Lake									
Vacant Sq. Ft.	54,500	54,500	70,000	30,000	28,000	28,000	3,300	500	26,500
Vacant %	3.24%	3.67%	4.71%	2.09%	1.95%	1.89%	2.22%	0.34%	1.76%
Avg. Rental Rate per sq. ft. office	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.68	\$ 0.72	\$ 0.72	\$ 0.70
Avg. Rental Rate per sq. ft. whse	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.41	\$ 0.31	\$ 0.31	\$ 0.35
CBD									
Vacant Sq. Ft.	52,038	27,038	17,538	1,875	9,861	17,963	9,864	11,875	1,875
Vacant %	15.01%	11.95%	7.75%	0.74%	3.90%	6.69%	3.67%	4.42%	0.68%
Avg. Rental Rate per sq. ft. office	\$ 0.67	\$ 0.55	\$ 0.55	\$ 0.55	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
Avg. Rental Rate per sq. ft. whse	\$ 0.33	\$ 0.28	\$ 0.28	\$ 0.28	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
Totals									
Vacant Sq. Ft.	1,342,124	1,242,316	1,001,332	627,949	573,157	711,041	734,899	898,575	1,104,280
Vacant %	4.67%	4.33%	3.47%	2.16%	1.97%	2.42%	2.50%	3.02%	3.23%
Avg. Rental Rate per sq. ft. office	\$ 0.64	\$ 0.66	\$ 0.89	\$ 0.75	\$ 0.79	\$ 0.81	\$ 0.82	\$ 0.79	\$ 0.80
Avg. Rental Rate per sq. ft. whse	\$ 0.32	\$ 0.32	\$ 0.38	\$ 0.32	\$ 0.37	\$ 0.42	\$ 0.41	\$ 0.42	\$ 0.42

Methodology:

This survey includes industrial space broken down by geographic area (Periphery of CBD, East, Liberty Lake, North, Valley, and West). This survey covers the majority of industrial space in Spokane giving the reader a concise picture of market trends. This is a proprietary survey by Valbridge and Black Realty Management, Inc., et al.

Black Realty Management, Inc. is a leading Inland Northwest manager of industrial parks, shopping centers, conventional and governmentally assisted apartments, CBD, suburban and medical office buildings, business and industrial parks, corporate and governmental facilities, and common interest associations; as well as a leading commercial brokerage in Spokane, Eastern Washington, and Northern Idaho.

Survey Quadrants

CBD: Bounded by Indiana Street, Division Street, Interstate 90, and Spokane River/Latah Creek

East: East of Division Street to Havana Street

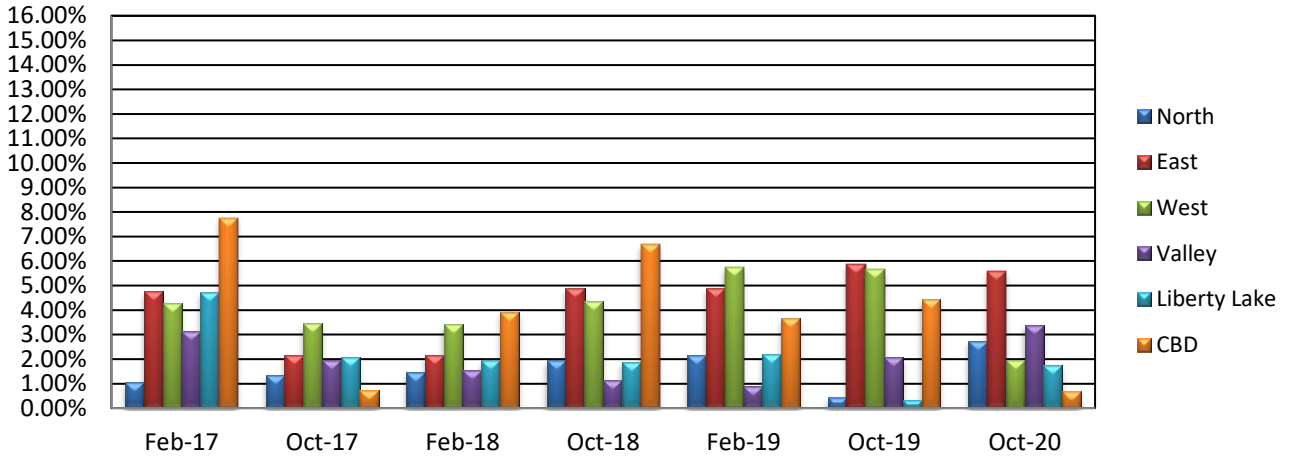
North: North of Indiana Street

Valley: East of Havana Street to Barker Road

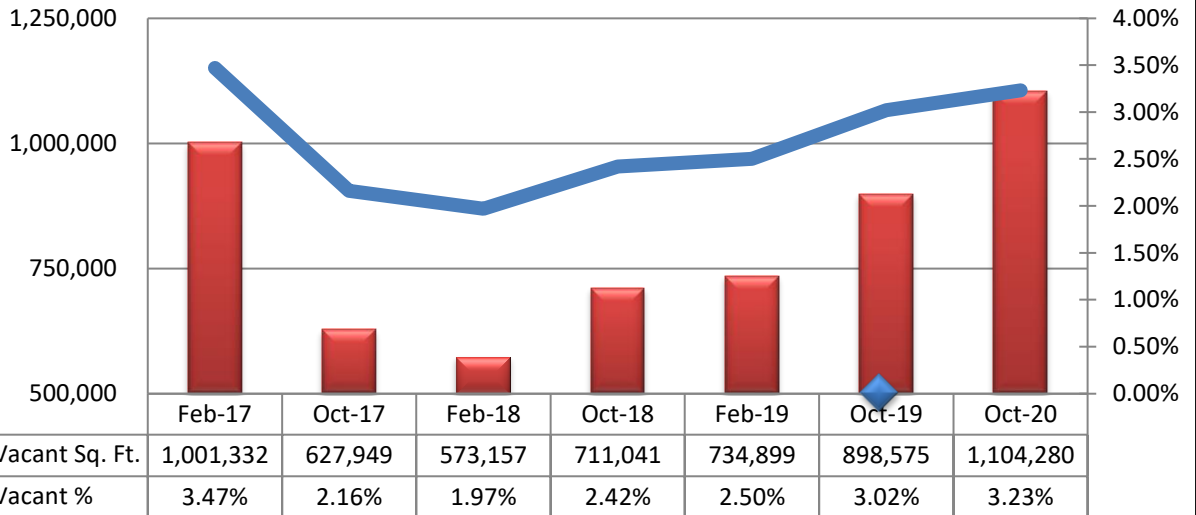
West: West of Spokane River/Latah Creek

Liberty Lake: East of Barker Road to Stateline

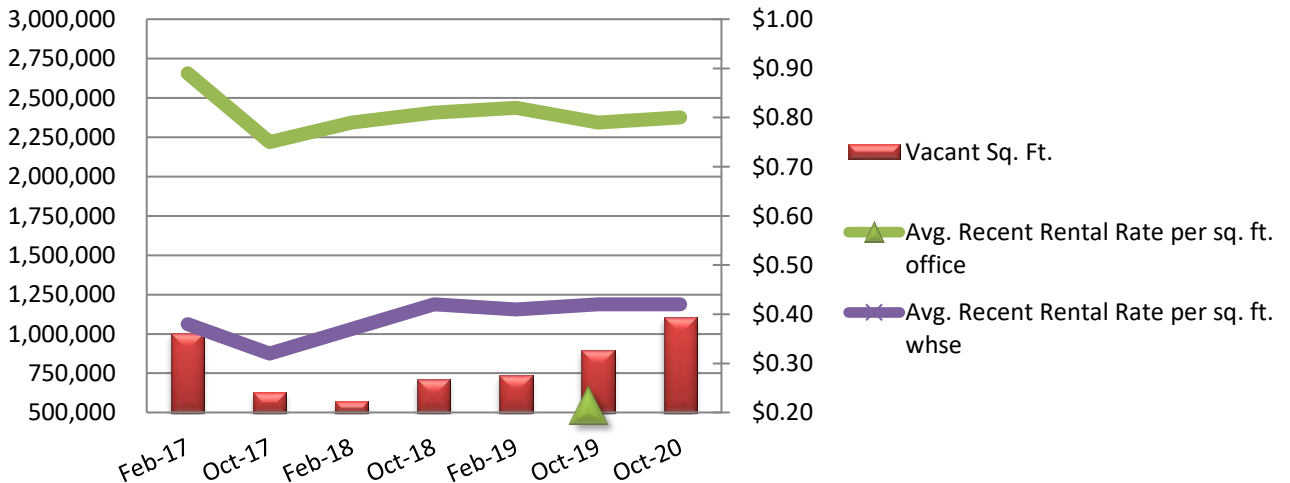
Industrial Vacancy Percentages by Market



Total Industrial Vacancy



Total Vacant Sq. Ft. and Rental Rates



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