

Greetings,

Welcome to February 2005. It's hard for me to believe 1/12th of the year is gone already. Things have been fast and furious in this office and seem to be the same with the other brokers in the market.

Speaking of the market, while awaiting completion of two million square feet of new big boxes, the rest of the market is squeaky tight. The 1.5 million foot Trans Pacific Park is about 2% vacant. Neighboring Rainier Corporate Park has 9,000 square feet vacant in its 300,000+ feet. Its sister, Rainier Corporate Park East, 600,000+ square feet is 100% occupied. Lakewood Industrial Park is at 94% occupancy, the highest I can remember.

The only significant immediately available spaces in the market are the 120,000 foot Q-Media building in Fife, the 140,000 square foot Graybar Distribution building in Puyallup, and 70,000 square feet of sublease space at Valley South in Sumner. Our year-end vacancy figure is a decades low 2.8% which should leave Landlords smiling for the next couple of months.

We expect the market to return to balance this summer. The 2,000,000 square feet of new space should provide a welcome respite for Tenants who are frustrated, unable to expand or consolidate during the past year without having to leave the local market.

Recent Deals:

Milgard Manufacturing (Vinyl division) subleased an additional 40,000 square feet of space from Dynea at 2144 Milwaukee Way.

Fred Tebb & Sons leased 15,000 square feet at 1674 Lincoln Avenue, needing just a little extra space after building a 30,000 square foot warehouse across the street at Lincoln Avenue and Marc Street.

Fiberglass, LLC leased 5,800 square feet of space at 1904 Stewart Street, replacing Tacoma Hydraulics, which recently moved to 16,000 square feet of space on Porter Way in Milton. Fiberglass, LLC is a manufacturer of one-piece greenhouses.

City University took 30,000 square feet of space in the 62,000 square foot Trans Pacific Trade Center at 3700 Pacific Highway. They will also get the signage on the building, as Rainier Pacific Bank is moving to its new headquarters downtown.

Liberty Distributing and Inderbitzin Distributing have entered into a build-to-suit purchase arrangement with BPCI at its Valley Avenue property in Puyallup for a 50,000 square foot shared building. This is on the same site where Dollar Stores is having its 350,000 foot distribution building erected. Dollar Stores will be offering 100,000 square feet for sublease until they need it. Liberty is being prudent by moving now, before its building is paved over by the SR-167 connection.

Praxair closed on the largest of the Supervalu properties offered for sale. The price is rumored at \$2,600,000.00 for the 44,000 square foot tilt-up building on 3.5 acres. There were three bidders (that we know of) for this property. The winning bidder was one who was willing to buy with no financing contingency and close within thirty days. While the market remains tight, this is the type of transaction that is taking place.

The Supervalu produce building also closed last Thursday, purchased by the owners of Colonial Fruit and Produce. They got into a bidding war with two other buyers and wound up paying above asking for this 31,000 square foot building. One might think this was view residential property on Prospect Hill.

Action Furniture, who recently moved to 38th and Cedar, reduced its warehouse, leaving 31,000 square feet for lease at 35th & Lawrence, moving to a nearby 8,000 square foot warehouse. The Lawrence Street building is offered through Schuler Properties at \$0.27 per square foot, the best bang for the buck in this size range currently available.

On the Thea Foss, the Tacoma Chamber of Commerce is pushing the City to prohibit residential uses on the east side in the Shoreline 8 (S-8) zone. The chamber and its industrial members are hopeful this will stave off proposed development of a residential condominium complex at 3rd and East D Street, surrounded by oil company tank farms, clearly incompatible uses. Meanwhile, a moratorium on residential uses is being proposed until this incompatibility can be resolved.

Derrick Urquhart of our office is expected to be gone for the next couple of months, working on a contract assignment with the Port of Tacoma. If you are interested in one of Derrick's listings, please call Theron Meier or me about it until further notice.

We also have a new associate joining us on February 15th. Kit Mattson is a University of Washington graduate who brings to us several years of sales experience working in international freight forwarding.

New Listings:

Ideal Pottery on 117th and Pacific Avenue: 2,200 square feet of buildings on a 10,500 square foot lot offered for sale at \$325,000.00.

NW Collision at 6240 South Tacoma Way: 11,000 square feet body shop/retail location, 15,000 square foot lot, zoned C-2. Offered for sale for \$550,000.00.

1036 S. Sprague: Free-standing two story building, lofts or offices. High traffic at corner, 2,800 square foot building on a small lot offered for sale for \$275,000.00.

Schuler Properties
1109 'A' Street, Suite 6
PO Box 2015
Tacoma, WA 98401-2015
Phone: 253-383-6000
Fax: 253-383-4820
www.schulerproperties.com

Raymond C. Schuler, SIOR, CCIM
President
Cell: 253-691-6900
Ray@schulerproperties.com

Theron Meier

Sales Associate
Cell: 253-988-2649
Theron@schulerproperties.com

[available] 1674 Lincoln Avenue, Tacoma, 98421: 1.8 acres of land, 32,000 sq ft warehouse, for sale (\$1,300,000.00), for lease (\$9,000.00/mth NNN). [lease/sale]

[available] 20102 Mountain Highway, Spanaway, 98387: 10+ acres for sale (\$1,800,000.00), 100' frontage, zoned MUD/MSF. [sale]

[available] 2521 Pacific Highway E, Fife, 98424: 15,000 sq ft for lease (\$6,000.00 blended). [lease]

[available] 2523 Pacific Highway E, Fife, 98424: Great location near I-5, Port of Tacoma, SR-509 visibility, 8,350 sq ft with dock high & grade level loading, 16' clear height, for lease (\$0.40 psf). [lease]

[available] RAI property/6708 Pacific Highway E, Tacoma, 98424: 1.88 acres, 560' frontage (+/-), development permits in place for 12,000 sq ft of building, zoned MUD, for sale (\$995,000.00). [sale]

[available] 5202 S. Proctor/South Tacoma Industrial Park, Tacoma, 98409: 6,279 sq ft manufacturing space, 1,500 +/- sq ft office, \$0.29 psf NNN, additional yard available. [lease/sale]

[available] South Tacoma Industrial Park/5202 South Proctor, Tacoma, 98409: 5 acres for lease(\$5,000.00/mth), BNSF rail available. 15 acres total. For sale (\$2,400,000.00). [lease/sale]

[available] 1904 Stewart St., Tacoma, 98421: Sale (\$450,000.00) or Lease (\$3,200.00/mth NNN). 5,800 sq ft bldg. [lease/sale]

[available] 6240 South Tacoma Way, 98409: Former auto body shop, includes a spray booth, air line distribution, small office and has an illuminated sign on South Tacoma Way. 11,000 sq ft for lease. (\$4,180.00/mth) or sale (\$550,000.00). 3 roll up doors, 10-12' ceiling height, 100' frontage on South Tacoma Way. [lease/sale]

[available] 8202 South Tacoma Way, Tacoma, 98408: 6,000 sq ft available for sublease (\$3,400.00/mth NNN). One dock high door, three dock high positions and one grade level door, this facility provides a good space for industrial or manufacturing use. [lease]

[available] 1515 Taylor Way, Tacoma, 98421: 5.82 acres, industrial waterfront, Waterfront industrial land environmental clean-up completed, M3 & S10 zoning, Lease (\$15,000.00/mth NNN) or Sale (\$2,100,000.00), site has been de-listed by DOE! [lease/sale]

[available] 1801 Taylor Way, Tacoma, 98421: 27,000 sq ft, 1-acre yard, heavy industrial zoning, cross-dock, 50-foot exterior covered dock. For Lease (\$6,500.00/mth) Up to 3 acres of yard/parking available for additional charge. [lease]

[available] Woodworth Gravel Pit, Spanaway, 98387: 44 acres, EC zoning, Sale price (\$3,250,000). Permit for gravel mining and crushing is in place. Great soils, rail & sewer adjacent to site. [sale]

[in contract] 3301-3323 South Lawrence St., Tacoma, 98409: For Sale (\$2,150,000.00), approx 60,000 sq ft currently fully leased; up to 30,000 sq ft is available for lease in 2005. Sprinkled, has excellent truck loading and plenty of extra room for parking. [lease/sale]

[sold] 38th STREET OUTBACK PLAZA 3121 S. 38th St, Tacoma, 98409.: For Sale, fully-leased retail center, offered for \$3,400,000.00. Easy access to I-5, close proximity to Tacoma Mall, 4.5 acres, 46,000 sq ft of buildings. (Goodwill Store is not included in sale). [sale]

[leased] 2519 Pacific Highway E, Fife, 98424: 3,200 sq ft, \$1,400.00 blended.

[leased] 407 Porter Way, Milton, 98354: Graveled yard, two office trailers, zoned M-1, 3 acres for lease (\$4,500.00/mth NNN).

[leased] 1801 Taylor Way, Tacoma, 98421: 10,000 sq ft truck shop, \$4,000.00/month.

[leased] 1401 Thorne Road land, Tacoma, 98421: 2.75 acres for lease(\$4,500.00/month NNN), Port of Tacoma area, fenced, graveled yard, small office trailer, zoned M-3..

[sold] 4109 192nd Street East, Tacoma, 98446: 110,000 total sq ft on 30 acres, for sale (\$5,300,000.00) or lease (\$30,000.00/month). & Scheiwe property Frederickson: 13 acres, EC zoning, \$2.06 psf sale price, Tacoma Rail service available.

[sold] Woodworth Industrial Park, Lots 21 & 22: 1-2 acres available, EC zoning, \$3.50 psf sale price.

[sold] Dunayski/Anderson property, Fife: 11 +/- acres, Community Commercial zoning (apartment site), \$1.1 million.

[sold] 2105 – 116th Street S., Tacoma: 20 +/- available acres, divisible, \$1,900,000.00 sale price.

If you would like your name removed from our future space available mailings, please send an email to Rebecca@schulerproperties.com with REMOVE in the subject line. We will remove you. Thank you.