

May 2005 Market Update & Space Available from Schuler Properties

In last month's issue, the big news was that Northwest Door and a concrete products company had each agreed to buy about thirty acres from the Port of Tacoma at Frederickson. This was news because it had been several years since vacant industrial land was sold at Frederickson in significant quantity.

This issue, the big news is big tenants taking big buildings. American City Logistics has agreed to take all of the just-completed Building 5 at Panattoni's Rainier Park of Industry. What we have been expecting all year is now happening; tenants are stepping up and taking large chunks of new speculative warehouse product.

Also at Rainier Park of Industry, Kent's Pacific Crest Cabinets has signed up for a 180,000 square foot build-to-suit. Pacific Crest will use about 130,000 square feet and lease the rest to others. They will be relocating from their 57,000 square foot plant next to the Midway Drive In. The Midway, incidentally, is to be redeveloped for a Lowe's Store.

OPUS is rumored to have more tenant offers than space for its 400,000 sq ft Sumner Landing North Building. If OPUS signs one or more of those tenants, look for them to start construction of the oft delayed Pacific Coast Commerce Center on 70th Ave. in Fife. That 20-acre site is entitled for up to 450,000 sq ft, so new space could be ready as early as the first quarter of '06.

Principal's 500 Milwaukee project in Algona is now full, having just secured Broder Brothers for 150,000 square feet and Central Garden and Pet for 130,000 square feet.

Speaking of Principal, they and partner Northwest Building Corporation, developers of the Fife Commerce Center, are reportedly very close to a deal with a full building user (rumored to be a Coca-Cola bottling operation) for their just-completed 380,000-foot warehouse on 70th Avenue. If that deal sticks, they will immediately break ground on the adjacent 480,000-foot building and would expect to complete that around year-end.

Pierce County's industrial market vacancy was a scant 2.8% at the beginning of the year. There was no change at the end of the quarter. At the half, there could still be no change, or even a dip if the new buildings continue to be taken upon completion. We will keep you posted.

Meanwhile, in the more mundane world of smaller deals, one of the Narrows Bridge contractors has taken the 35,000 sq ft on Portland Avenue, recently vacated when Bennett Machine moved to Thorne Rd. However, this space will be available again when that portion of the project is finished. ABC Cabinets has agreed to lease 6,000 ft at 3323 Lawrence, bringing this building to 82% occupancy. Ducolon Furnace leased 12,000 ft at 1674 Lincoln Ave, bringing this 32,000 ft building to 92% occupancy. This Port-area building might now make an attractive investment at 1.3MM, as it is definitely in the path of progress.

As usual, we thank you for reading this far, and remain hopeful you were entertained & enlightened.

We have some new listings to report:

[NEW] Liberty Distributing property at 6527 Pacific Highway East, Fife/Milton, FOR SALE \$750,000.00, for lease \$4,500.00/month, NNN.

Property features:

- Approximately 11,035 sq ft with 1,000 feet of office on approximately 35,000 sq ft land
- 3,700 sq ft of coolers & 1,900 sq ft of freezers
- 2 grade levels & 6 dock high doors
- easy access to I-5

[NEW] Retail land, corner of South 82nd and Hosmer Street (next to Valu Village) 48,000 square feet, Southbound I-5 visibility, zoned C-2, \$15.00 per square foot.

[NEW] Saybr Construction property at 12115 Canyon Road, 2.5 acre mixed-use site, corner of Canyon Road & 122nd Street, cleared and graded development site, \$10.00 per square foot.

[NEW] Woodland Trade at 7625 McKinley Avenue, 4,000 sq ft building with 750 sq ft of office FOR LEASE \$1,990.00/month, NNN.

[available] 16,000 square feet of Lakewood Industrial Park sublease space available for lease at \$5,250.00/month NNN with 2 dock high and 1 grade level door. Please call for details and tour information.

[available] 1801 Taylor Way, Tacoma, 98421: 30,000 square foot, rail served, loading dock and outside storage, zoned heavy industrial, handyman special available for \$8,800.00/month, NNN.

[newly available] 3301-3323 South Lawrence Street, Tacoma, 98409: For Sale (\$2,150,000.00) sprinkled, has excellent truck loading and plenty of extra room for parking. 17,800 square feet available for lease. Great investment opportunity with 70% leased! [lease/sale]

[CHANGE] 2521 Pacific Highway E, Fife, 98424: 15,000 sq ft for lease, Price reduced to \$5,500.00/month blended. [lease]

[CHANGE] 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 for \$2,400,000.00. Site has been de-listed by DOE! [lease/sale]

[CHANGE] NW Collision at 6240 South Tacoma Way, Tacoma, 98409: 11,000 square feet body shop/retail location, 15,000 square foot lot, zoned C-2. Offered for sale for \$550,000.00 or for lease at \$4,180.00/mth. Adjoining 8,000 foot storage lot available too! This former auto body shop includes a spray booth, air line distribution, 3 roll up doors, 10-12' ceiling height, small office, 100' frontage on South Tacoma Way and has an illuminated sign on South Tacoma Way. [lease/sale]

[available] 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.

[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/month NNN). [lease/sale]

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

[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] Woodworth Gravel Pit, Spanaway, 98387: 44 acres, EC zoning, Sale Price (\$3,250,000.00). Permit for gravel mining and crushing is in place. Great soils, rail and sewer adjacent to site. [sale]

[pending] 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.

[leased] 2519 Pacific Highway E, Fife, 98424: 3,300 sq ft available for lease in a great location close to freeways, \$1,500.00/month, NNN.

[leased] 1662 Lincoln Avenue, Tacoma: 3.25 acre industrial yard with 22,000 sq ft in 2 buildings (\$13,000.00/month). [lease]

[leased] 1904 Stewart Street, Tacoma, 98421: 5,800 sq ft building for lease (\$3,200.00/mth NNN). [lease]

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

[leased] 8202 Durango, 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]

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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 Ray Schuler or Theron Meier about it until further notice. Thank you.

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