

Seattle/Puget Sound

Industrial - Q2 2026



Vacancy reaches a cycle high as occupier demand turns negative

Seattle/Puget Sound's industrial market softened further in Q2, with vacancy climbing to 12.6%, up 300 basis points year over year and the highest level in five years. Net absorption turned negative for a second straight quarter, pushing year-to-date net absorption to negative 1.7 million square feet (msf) compared with positive 1.3 msf over the same period last year. Developers pulled back sharply on new construction as vacancy climbed, even as speculative deliveries already underway continued to add unleased space to the market.

Occupiers renew in place as big-box demand cools

Leasing activity in Q2 leaned toward renewals rather than new commitments, as most large occupiers opted to stay in place rather than compete for space in a softening market. Serta-Simmons led activity with a 272,834 square feet (sf) renewal in Puyallup/Sumner, followed by American Tire Distributors' 126,036 sf renewal in Federal Way/Auburn and Tiger Mountain Services' 125,000 sf renewal in Kent. Kent posted the market's steepest occupancy losses, with net absorption of negative 848,619 sf, while Tukwila/Renton and Puyallup/Sumner recorded the strongest gains.

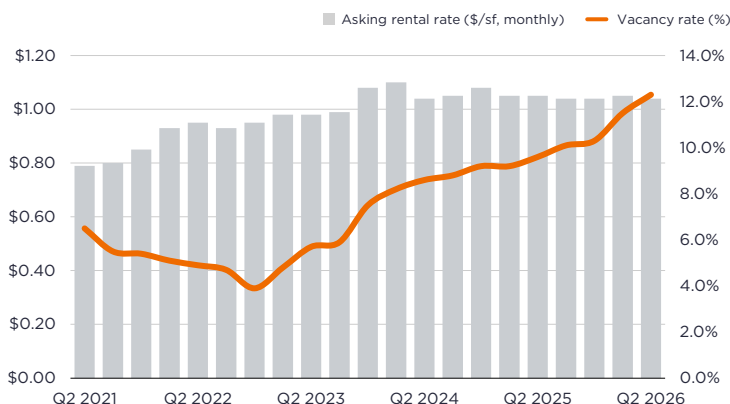
Rents hold steady as construction pipeline shrinks

Asking rents held largely flat at \$1.04 per square foot (psf), down slightly from \$1.05 psf in Q2 2025 despite climbing vacancy. Rents varied widely by submarket, ranging from \$0.65 psf in Tacoma to \$1.69 psf in South Seattle. Developers pulled back sharply on new starts, with the under-construction pipeline falling to 0.9 msf from 5.4 msf a year earlier, down 92.6% from its 2022 peak. The largest quarterly deliveries occurred in the University Place and E Pierce County submarkets, where Kurv Industrial's speculative project, Kurv Tacoma, delivered 994,339 square feet (sf) across Buildings C and D and Dermody's LogistiCenter at Frederickson delivered 535,148 sf of speculative space across Buildings A and B. Unleased speculative deliveries, elevated vacancy and a sizeable sublease pipeline totaling more than 4.0 msf suggest elevated vacancy will persist in the near term.

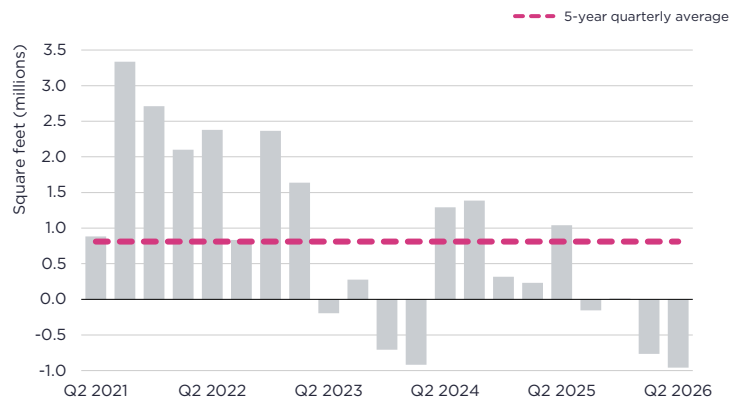
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	246.6 msf	253.1 msf	+6.5 msf
Vacancy rate	9.6%	12.6%	+300 bps
Asking rental rate (monthly)	\$1.05	\$1.04	-0.9%
Net absorption YTD	1.3 msf	-1.7 msf	-3.0 msf
Deliveries YTD	2.3 msf	4.7 msf	+2.4 msf
Under construction	5.4 msf	0.9 msf	-4.5 msf

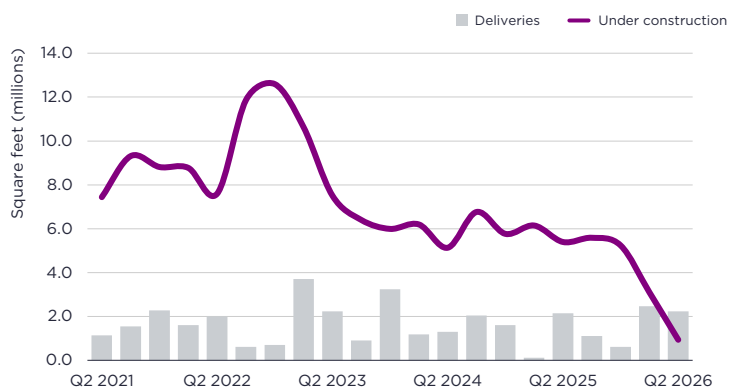
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



Outlook

01

Despite the declining construction pipeline, vacancy will remain elevated in the near term as deliveries have outpaced absorption by more than 8.0 msf over the last four quarters.

02

Development activity will stay constrained, with limited new starts as developers respond to softer fundamentals and higher vacancy.

03

Generous concession packages will become an increasingly important tool for landlords to attract tenants, giving cost-conscious occupiers greater negotiating leverage.

NOTABLE LEASES

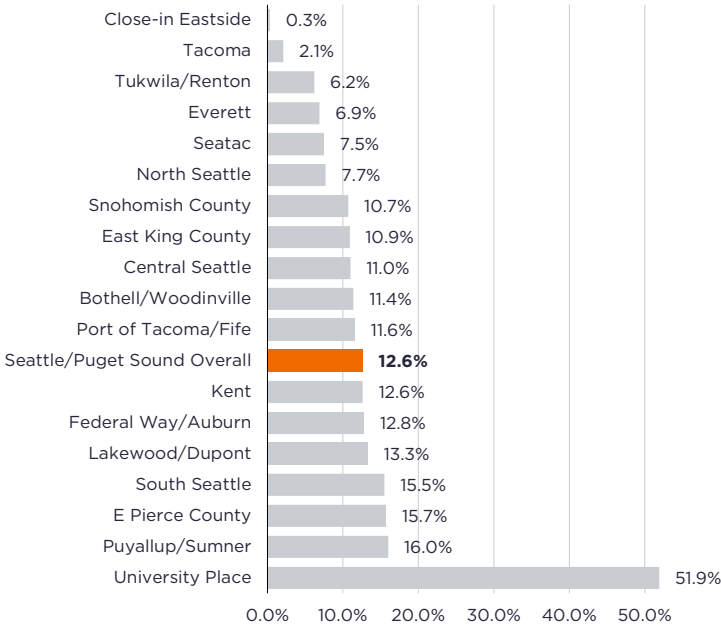
*Expansion Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Serta-Simmons	272,834	Puyallup/Sumner	1414 Valley Avenue NW	Renewal	Consumer Goods
American Tire Distributors	126,036	Federal Way/Auburn	521 8 th Street SW	Renewal	Automotive
Capital Lumber	125,837	Puyallup/Sumner	6933 176 th Street E	New Lease	Construction Materials & Building Fixtures
Tiger Mountain Services	125,000	Kent	7030-7050 S 216 th Street	Renewal	Logistics & Distribution/3PLs
Metropolitan Hardwoods	107,000	Kent	8030-8106 S 216 th Street	Renewal	Construction Materials & Building Fixtures

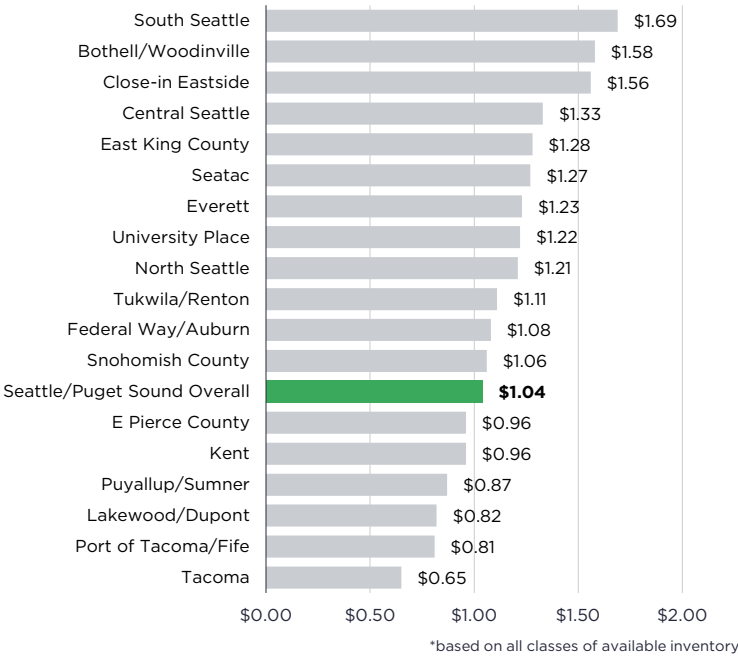
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Kurv Industrial	994,339	University Place	Kurv Tacoma - C & D	Speculative (available)	Delivered Q2 2026
Dermody	535,148	E Pierce County	LogistiCenter at Frederickson - A & B	Speculative (available)	Delivered Q2 2026
Panattoni	405,680	Seatac	1800 S 216 th Street	Speculative (available)	Under Construction
Tarragon / Odom Corporation	324,843	Puyallup/Sumner	14515 SE Stewart Road - 6	Speculative (pre-leased)	Delivered Q2 2026
Rockefeller Group	186,873	Snohomish County	16512 51 st Avenue NE	Speculative (available)	Under Construction

VACANCY RATE COMPARISON (%)
SEATTLE/PUGET SOUND SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)*
SEATTLE/PUGET SOUND SUBMARKETS



*based on all classes of available inventory

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills