

Seattle/Puget Sound

Industrial - Q3 2026



Industrial market shows early signs of stabilization

Seattle/Puget Sound's industrial vacancy rate rose to 12.7% in Q3, up 260 basis points (bps) year over year and reaching its highest level in five years. However, the quarterly increase slowed to just 10 bps, suggesting vacancy growth may be moderating. Year-to-date net absorption totaled negative 1.7 million square feet (msf), compared with positive 1.1 msf during the same period last year. Quarterly net absorption improved to negative 12,947 square feet (sf), following negative 959,144 sf in Q2, indicating signs of stabilization in occupier demand despite continued market softness.

Large industrial leases highlight pockets of occupier demand

Leasing activity in Q3 included several large commitments despite elevated vacancy and uneven demand across the region. Holman Logistics led activity with a 427,253-sf renewal and expansion in Puyallup/Sumner, followed by Shield AI's 405,680-sf new lease in SeaTac and Cowboy Space's 291,035-sf new lease in Kent. Kent recorded the market's largest occupancy losses, with negative 419,069 sf of net absorption, while Puyallup/Sumner and East Pierce County posted the strongest gains at 272,794 sf and 258,950 sf, respectively. These mixed absorption trends show that large leasing commitments have not yet resulted in consistent occupancy gains across the region.

Asking rents hold steady as construction pipeline contracts

Average asking rents remained stable at \$1.05 per square foot in Q3, up 1.1% year over year despite rising vacancy. The construction pipeline contracted to 1.4 msf from 5.6 msf a year earlier, while year-to-date deliveries reached 4.9 msf. Major projects underway include Industrial Realty Group's 609,368-sf build-to-suit development for The Home Depot in Federal Way/Auburn and Panattoni's 405,680-sf pre-leased development for Shield AI in SeaTac. Meanwhile, Rockefeller Group delivered 186,873 sf of speculative space in Snohomish County. Elevated vacancy and recent deliveries are maintaining supply pressure despite reduced construction activity.

KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	246.6 msf	253.4 msf	+6.8 msf
Vacancy rate	10.1%	12.7%	+260 bps
Asking rental rate (monthly)	\$1.04	\$1.05	+1.1%
Net absorption YTD	1.1 msf	-1.7 msf	-2.8 msf
Deliveries YTD	3.4 msf	4.9 msf	+1.5 msf
Under construction	5.6 msf	1.4 msf	-4.2 msf

Outlook

01

Slower vacancy growth and improving quarterly absorption may indicate that industrial market conditions are beginning to stabilize.

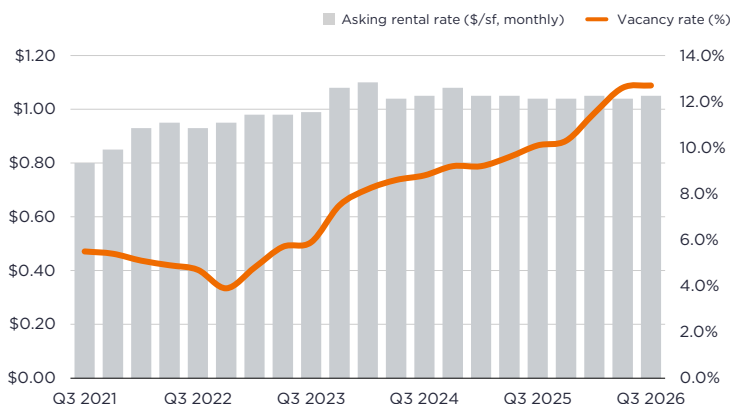
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Market conditions could gradually become more balanced as the gap between new supply and occupied space narrows.

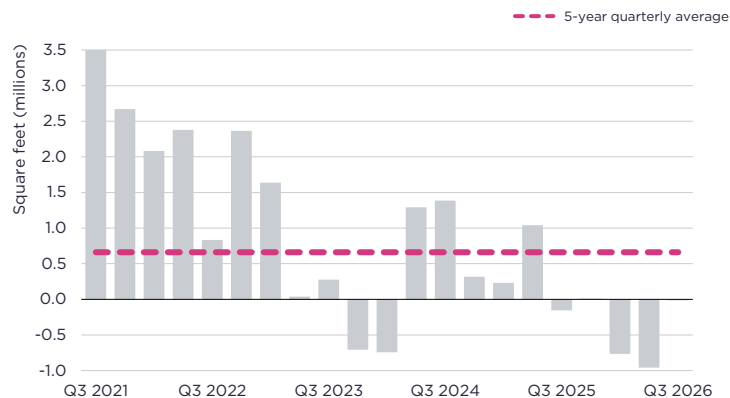
03

Asking rents may remain relatively stable as landlords increasingly rely on concessions and flexible lease terms to attract tenants amid elevated vacancy.

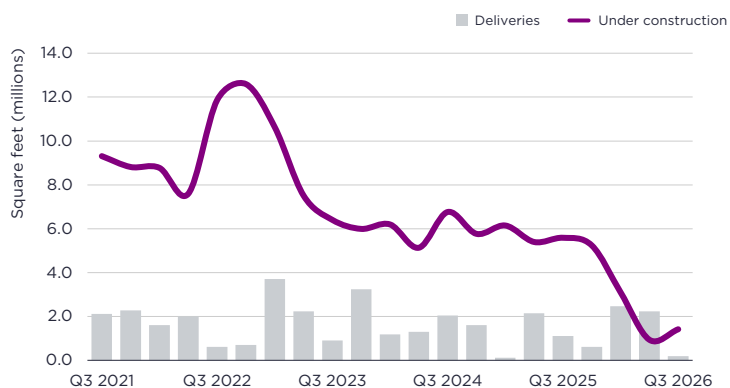
ASKING RENT AND VACANCY



NET ABSORPTION



DELIVERIES AND CONSTRUCTION



NOTABLE LEASES

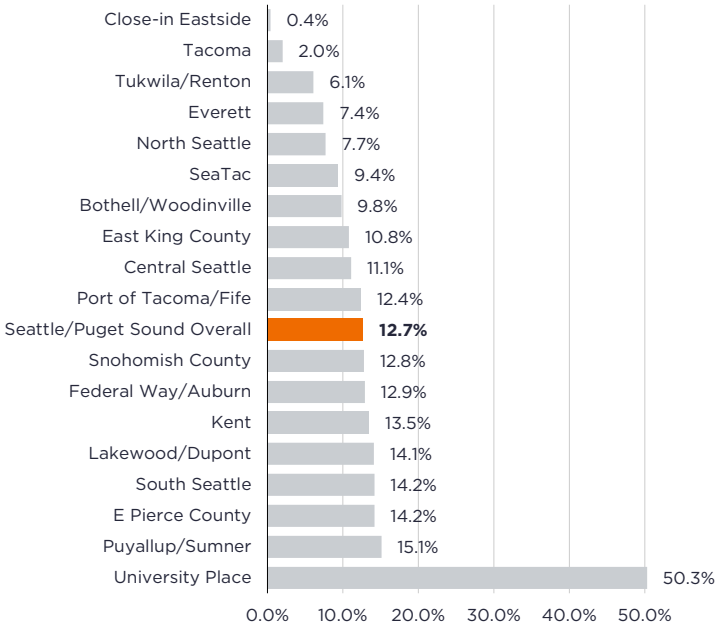
*Expansion Source: Savills Research

Tenant	Size (SF)	Submarket	Address	Transaction type	Industry
Holman Logistics	427,253	Puyallup/Sumner	2701 142nd Avenue E	Renewal*	Logistics & Distribution/3PLs
Shield AI	405,680	SeaTac	1800 S 216th Street	New Lease	Aviation & Aerospace
Cowboy Space	291,035	Kent	7650 S 228th Street	New Lease	Manufacturing
Propet Footwear	162,000	Federal Way/Auburn	2415 W Valley Highway N	Renewal	Consumer Goods
National Tire Wholesale	133,417	Tukwila/Renton	1021-1039 S 146th Street	Renewal*	Automotive

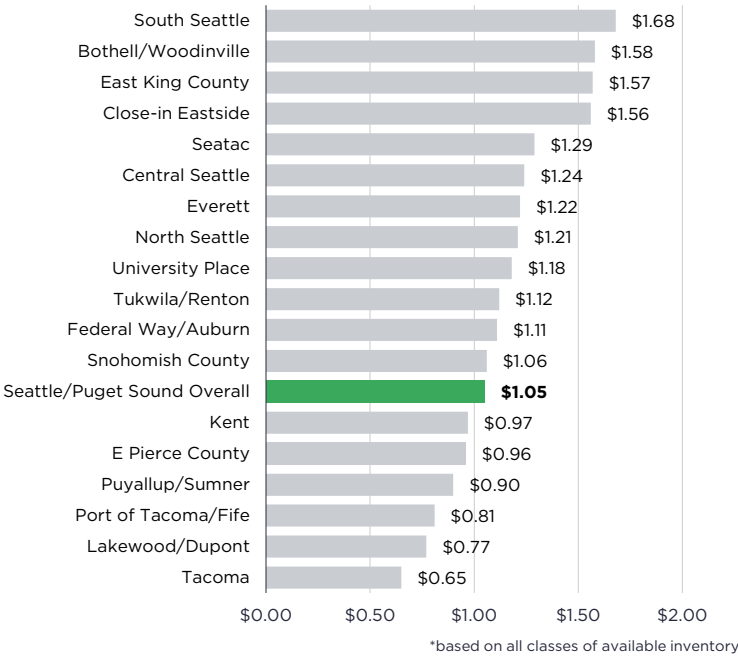
NEW DEVELOPMENTS

Developer / Tenant	Size (SF)	Submarket	Address	Development type	Status
Industrial Realty Group / The Home Depot	609,368	Federal Way/Auburn	2509 C Street SW	Build-to-suit	Under Construction
Panattoni / Shield AI	405,680	SeaTac	1800 S 216 th Street	Speculative (pre-leased)	Under Construction
Rockefeller Group	186,873	Snohomish County	16512 51st Avenue NE	Speculative (available)	Delivered Q3 2026
Amtrak	100,000	Central Seattle	187 S Holgate Street	Build-to-suit	Under Construction
Portal Space Systems	85,000	Snohomish County	12801 State Avenue	Build-to-suit	Under Construction

VACANCY RATE COMPARISON (%)
SEATTLE/PUGET SOUND SUBMARKETS



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



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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