



January Update

Consolidation continues in the industrial real estate world as big players like Dermody, Colony Capital, GLP and IPT all sold funds to the ever-growing behemoths, Link Industrial Properties and Prologis. Link and Prologis are the two largest industrial owners in the world now and continue to shop for the largest sites in traditional port markets. They also vie to be finalists for any industrial fund over \$1 billion. They are the largest 2 owners in the Puget Sound market as well. Both Link and Prologis, along with Clarion Partners are pushing rents to uncomfortable levels. Spaces with unique characteristics such as a higher than average dock count or preferred location will continue to see success while manufacturing buildings and those with limited parking or poor truck maneuverability will sit longer than their competitors. Tenants are also looking harder at operating expenses as landlords are starting to pass through more items now than ever before (roof reserves, HVAC maintenance and replacement, etc.). Additional new speculative development product is also hitting the market in the next few quarters so we'll see just how much rent appreciation the market can take. We'll report our findings in the next TILT Report!