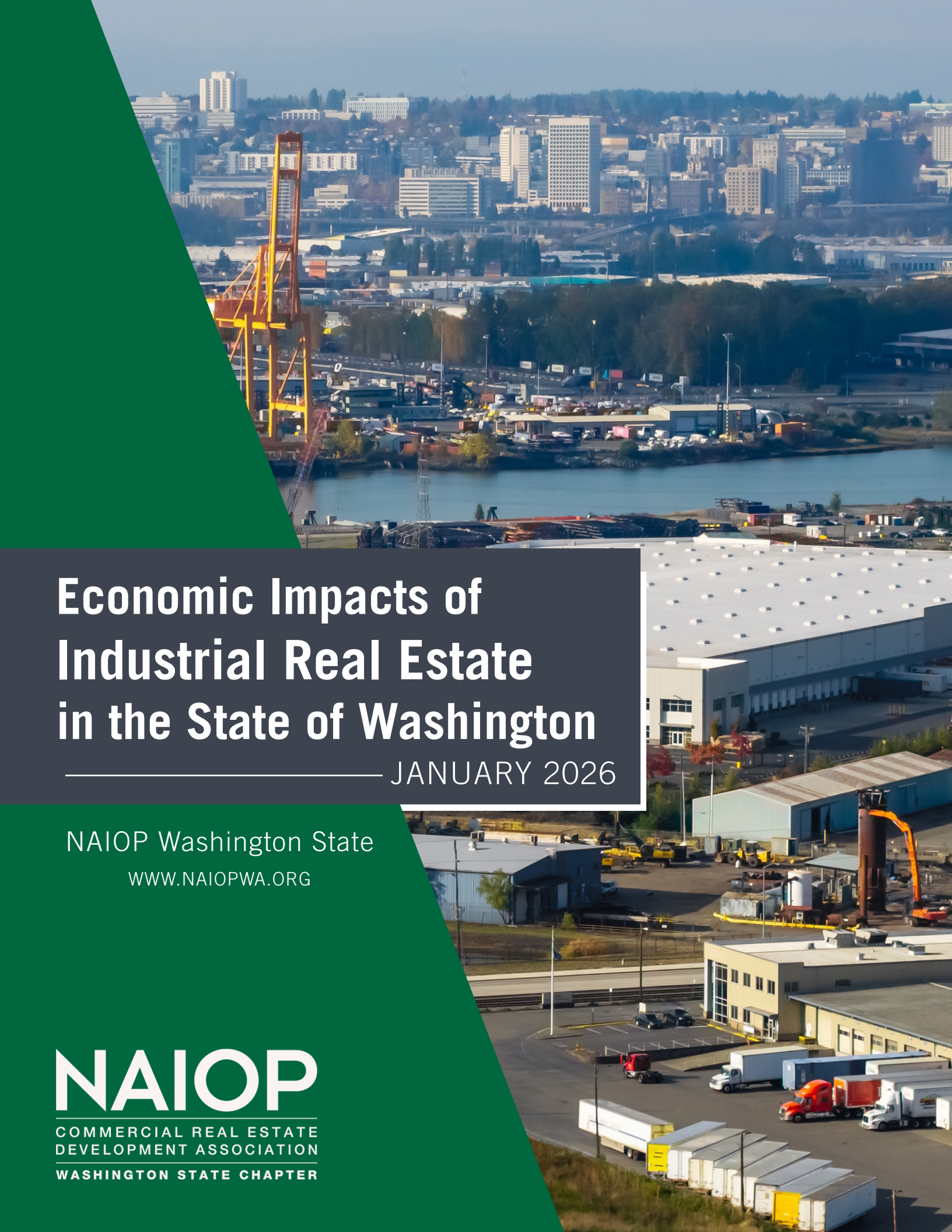

Economic Impacts of Industrial Real Estate in the State of Washington

JANUARY 2026

NAIOP Washington State

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COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION

WASHINGTON STATE CHAPTER

Acknowledgments

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That assistance notwithstanding, ECOnorthwest is responsible for the content of this report. The staff at ECOnorthwest prepared this report based on their general knowledge of the economics of recreation, amenities, and regional economies. ECOnorthwest staff contributing to this study included **Morgan Shook, Nate Trull, Ryan Knapp, Sam Schroeder, Ella Marrero, Kelsey Johnson, Marty Marquis, and Kath Nester**. ECOnorthwest also relied on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECOnorthwest has not independently verified the accuracy of all such information and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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Table of Contents

Executive Summary

Industrial Real Estate: The Backbone of Washington's Economy

Industrial real estate is the physical infrastructure that allows Washington's economy to function. The buildings that produce, store, and move goods are not remnants of an "old economy", they are the operating platform for clean tech, aerospace, food systems, logistics, e-commerce, and advanced manufacturing. Together, these facilities underpin over one quarter of Washington's GDP, support more than one million jobs, and generate billions in public revenue every year.

Washington's Growth Management Act (GMA) establishes statewide goals that emphasize directing growth to appropriate urban areas, reducing sprawl, coordinating land use and transportation, and supporting economic development through local comprehensive plans. In port-centered jurisdictions, RCW 36.70A.085 goes further by requiring a port element that defines and protects core industrial and port functions, ensures efficient freight access, and minimizes land-use conflicts.

Together, these statutes point to a practical conclusion: industrial real estate is a form of economic infrastructure that must be planned, protected, and connected—because it is the physical space where manufacturing, logistics, warehousing, and freight-dependent businesses operate. When industrial sites are well-located near ports, freight corridors, and workforce centers—and when plans and regulations allow them to be built and modernized—Washington can advance the GMA's goals by supporting trade competitiveness, sustaining family-wage jobs, and making efficient use of public infrastructure investments.

This report demonstrates that industrial real estate is not simply a land-use category—it is strategic economic infrastructure. Its value to Washington can be understood through five core reasons.

Five Reasons Industrial Real Estate Is Essential to Washington's Economy

1. It Is the Land Infrastructure of Washington's Supply Chains

Industrial real estate is the physical network that enables production, storage, and delivery of goods. From ports to warehouses to manufacturers to last-mile delivery, these facilities are the fixed nodes that make supply chains function. When industrial space is constrained or displaced, supply chains slow, costs rise for consumers, and Washington's competitiveness erodes. Washington's economy is among the most trade-dependent in the United States. Roughly 40% of all jobs are linked directly or indirectly to trade through manufacturing, aerospace, logistics, and port-related activity. Currently, Washington is home to The Northwest Seaport Alliance which is the fourth-largest gateway for containerized cargo from Asia.[1]

2. It Drives a Large Share of the State's Economy

Industrial real estate supports one of the most powerful economic engines in Washington:

$1 ▶ $0.67
INDUSTRIAL OUTPUT

$230B+
ANNUAL VALUE ADD

$400B+
ANNUAL GROSS BUSINESS INCOME

$1.2M+
JOBS

1 in 3
JOBS DIRECT/INDIRECT

These impacts are only possible because firms have access to the specialized industrial buildings on industrial zoned land that allow them to operate.

[1] The Northwest Seaport Alliance. (2025). "Who We Are." https://www.nwseaportalliance.com/about-us/our-organization/who-we-are.

3. It Creates Accessible, Family-Wage Jobs

Industrial jobs offer strong wages, career pathways, and access to middle-class stability—often without requiring four-year degrees. Average wages exceed state living-wage benchmarks and provide opportunities across urban and rural communities alike. Industrial employers anchor local labor markets and support long-term economic mobility.

4. It Is One of the State's Most Efficient Tax Bases

Industrial land uses generate substantial public revenue while placing relatively low demands on public services. Across pre-development, construction, and long-term operations, industrial facilities produce:

- Sales, B&O, property, utility, and personal property taxes
- Stable funding streams for schools, transportation, ports, and public services
- High fiscal yield per acre compared to residential or commercial uses

Every 100,000-square-foot of industrial building space generates over $6.7 million in public revenue across from construction and 10 years of building occupation.

5. It Advances Sustainability and Community Well-Being

Modern industrial facilities are increasingly clean, efficient, and compact. Urban and regional fulfillment centers reduce vehicle miles traveled and emissions to otherwise further located facilities. As of 2025, newly constructed warehouses must include solar-ready roofs, EV infrastructure, and high-efficiency building systems to support Washington's climate goals. Locating industrial jobs near communities shortens commutes, improves equity, and strengthens local supply chain resilience.

What Washington's Industrial System Needs to Keep Delivering These Benefits

Washington's economic strength depends on whether it can continue to plan, entitle, and connect industrial real estate effectively. The system requires:

1. Industrial Land to Be Treated as Critical Economic Infrastructure

Comprehensive plans must intentionally protect, size, and locate industrial lands to meet the needs of modern supply chains, workforce access, port container volumes, and long-term economic productivity.

2. Entitlement and Permitting Systems That Allow Planned Industrial Land to Be Built

Planned land must be buildable. Predictable, modern entitlement processes are necessary to prevent loss of investment, jobs, and tax base to competing states and ports. Since the COVID-19 pandemic, China-Origin port volumes have decreased on the West Coast but have increased on the East Coast.[2]

3. Alignment Between Industrial Land and Freight & Transportation Infrastructure

Industrial real estate and freight mobility must be planned as a unified system. Well-connected sites reduce congestion, emissions, and delivery costs while strengthening competitiveness.

[2] Descartes. (2025). "August 2025 U.S. Container Imports Remain Strong Amid Pullback in China Volumes and Trade Policy Turmoil." https://www.descartes.com/resources/knowledge-center/global-shipping-report-august-us-imports-remain-strong-amid-china-pullback.

1 Introduction & Purpose

Industrial Real Estate: The Backbone of Washington's Future

Washington's economy is among the most trade-dependent in the United States. Roughly 40% of all jobs are linked directly or indirectly to trade through manufacturing, aerospace, logistics, and port-related activity.

The Washington Port System: Gateways to Growth at Home and Abroad

A comprehensive look at how Washington's extensive port network underpins the state's economy by facilitating trade, freight movement, and supply-chain connections. It emphasizes the role of ports in enabling economic activity across industries and regions, illustrating why port infrastructure and industrial real estate are vital economic assets.

174,300
JOBS

The Economic Impacts of Washington's Maritime Industry

Commissioned by the Washington Maritime Federation, this report quantifies the statewide economic contribution of the maritime sector—including logistics, shipping, shipbuilding, and related services—showing nearly 174,300 jobs, $14.4 billion in labor income, and $45.9 billion in business revenues in 2022, as well as significant tax impacts.

$14.4B
LABOR INCOME

Positioning Washington State for Economic Growth in the Next Decade

Prepared by the Washington Council on International Trade, this strategic study highlights Washington's geographic and infrastructure advantages (especially its port system and export capacity), documents the role of trade in supporting jobs and GDP (with trade supporting roughly one in five jobs in the state), and outlines policy priorities to strengthen global competitiveness. .

Crosswinds Ahead: The Turbulent Tariff Toll on Washingtonians

Produced by the Washington State Office of Financial Management, this report examines how trade disruptions (e.g., tariffs) could slow Washington's economic growth, threaten jobs in trade-sensitive sectors like aerospace and agriculture, and reduce state and local revenues—underscoring the importance of maintaining robust trade and industrial infrastructure.

$45.9B
BUSINESS REVENUE

How Washington's Economy Benefits from International Trade

A Business Roundtable report showing the deep connection between international trade and state employment, with more than one in five jobs tied to international trade and trade-related employment growing faster than total employment. This type of broad trade analysis helps frame the economic context in which industrial and port sectors operate.

Industrial real estate—warehouses, distribution hubs, logistics centers, and specialized production facilities—is the physical infrastructure that underpins this economy. Without it, the supply chain grinds to a halt. Despite this, industrial land is often undervalued in planning and policy discussions. Competing land uses, regulatory pressures, and cost escalations are threatening the state's ability to maintain a sufficient and diverse portfolio of industrial sites. Industrial real estate is not "old economy." It is where clean-tech companies, advanced manufacturers, and logistics innovators are investing and growing. Industrial real estate is also deeply connected to community well-being.

Reduced Commutes

Locating jobs closer to where people live reduces long commutes and supports social and economic equity.

Local Tax Revenue

Industrial projects generate significant local tax revenues—from permits and inspections to ongoing property and B&O taxes.

Sustainable Practices

Modern industrial facilities increasingly embody sustainable practices—solar-ready roofs, EV infrastructure, and reduced emissions through efficient supply chains.

What This Report Aims to Show and Why It Matters Now

This report quantifies the economic impact of industrial real estate in Washington and reframes it as 21st Century Industrial—a high-tech, sustainable, and indispensable part of the state's economic infrastructure. It combines data-driven analysis (employment, GDP, revenue, tax contributions, and supply-chain multiplier effects) with narrative case studies to clearly illustrate how small, medium, and large industrial facilities function as critical nodes in Washington's supply chain. The report documents the full spectrum of economic, community, and environmental benefits that industrial development provides; highlights how industrial facilities support local jobs, equity, and sustainability; and offers evidence-based policy recommendations to help legislators and local jurisdictions preserve, strengthen, and strategically grow Washington's competitive industrial base.

2 Industrial Real Estate as Supply Chain Infrastructure

Washington needs a portfolio of sites across scales to support a competitive and resilient economy.

Why Industrial Real Estate is Critical Infrastructure

Industrial real estate is the operating system of the economy. It is the physical platform that allows production, storage, and movement of goods. Without it, supply chains don't function.

It is as essential as highways, ports, and utilities because nothing moves, is manufactured, or delivered without the right industrial space in the right location.

Modern industrial facilities enable everything from aerospace components to clean-tech innovation to groceries to last-mile delivery. It supports both global trade and everyday community needs.

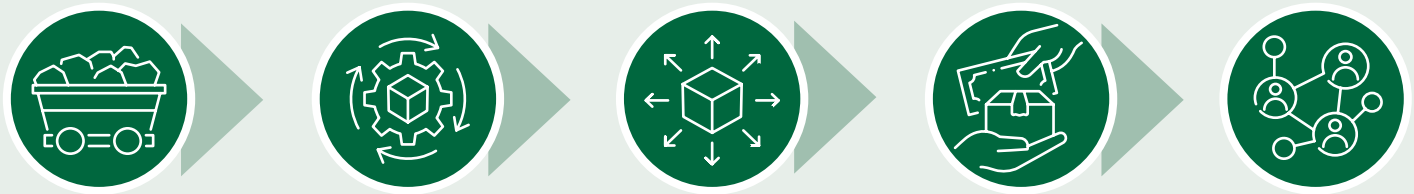
When industrial space is constrained or displaced, businesses can't expand, supply chains slow, costs rise for consumers, and Washington's competitiveness erodes.

The Full Spectrum of Industrial Activity

Industrial isn't one thing, it's a continuum of spaces that support very different economic functions.

- At one end, small shops and specialty producers anchor community employment and supply other local businesses.
- In the middle, regional distribution and mid-size manufacturing sites keep goods and materials moving efficiently.
- At the global end, port-adjacent facilities, aerospace manufacturing, and warehouses make Washington competitive in international markets.

This diversity demands a range of locations, site sizes, infrastructure investments, and workforce access.



Why Industrial Space Determines Trade Flow

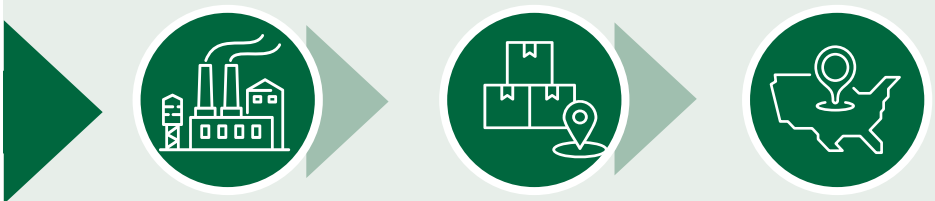
- Imported goods arrive at a port.
- Containers must move immediately into near-port warehouse and transload facilities.
- Goods are staged, sorted, and sent to regional retailers and last-mile hubs.
- Consumers receive products quickly and affordably.

Why Industrial Real Estate Is the Infrastructure

If large, well-located warehouse space is unavailable near ports:

- Containers sit longer at docks.
- Truck congestion increases.
- Shipping costs rise.
- Retail shelves experience delays and shortages.

Industrial real estate is the pressure-release valve for ports. Without nearby warehouse capacity, the entire port system slows down.



Why Facility Size & Infrastructure Matter for Growth

A manufacturer produces components used by other builders or producers. They rely on:

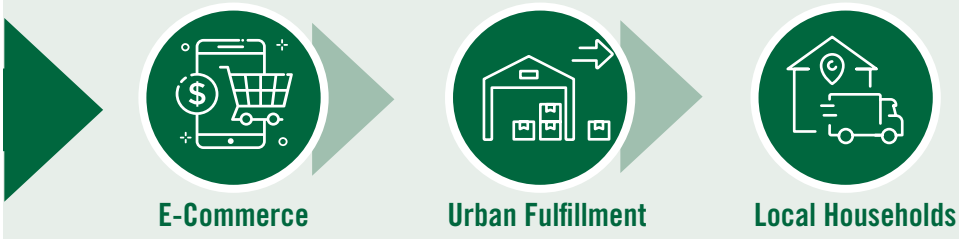
- Nearby machine shops
- Packaging and parts suppliers
- Regional distribution centers
- Finished components are shipped to national markets.

Why Industrial Real Estate Is the Infrastructure

Manufacturers require:

- Great locations
- Access to transportation corridors
- Utilities
- Expansion room

Without modern industrial facilities, firms can't scale production or meet customer demand & will relocate to other states. Industrial real estate determines whether Washington can keep & grow its producers.



Why Location Drives Consumer Cost & Emissions

- Retail store goods in urban fulfillment centers.
- Orders are dispatched to local delivery fleets.
- Consumers receive next-day or same-day delivery.

Why Industrial Real Estate Is the Infrastructure

Urban-located warehouses:

- ☐ Reduce truck miles
- ☐ Lower shipping costs
- ☐ Cut emissions

Without local industrial space:

- ☐ Delivery routes lengthen
- ☐ Shipping prices increase
- ☐ Carbon emissions rise

Industrial space is what makes modern e-commerce efficient, affordable, and environmentally responsible.

EAST BAY LOGISTICS

A storage and logistics company with facilities in California, Washington, and Minnesota.

DO YOU LIKE COFFEE?

A huge share of the Pacific Northwest's coffee supply has passed through an East Bay Logistics warehouse long before reaching your cup.

The company stores, processes, and ships products such as coffee beans, cocoa, sugar, and other commodities—supporting 12-20 employees at each site and fueling a broader network of truck drivers, technicians, and trades.

While warehousing is the backbone of the business, East Bay Logistics also provides higher-margin services like sugar and butter melting, coffee cleaning, and labeling. These capabilities rely on earning client trust—trust that begins with reliable, well-located industrial real estate.

"The real estate is what allows us to be in business. If we don't have the industrial warehouse or the industrial property, then we can't offer the other services that our customers need."

— John Visbal, Founder

12-20
EMPLOYEES PER SITE

East Bay Logistics sites must be located near major ports to receive imports efficiently and minimize outbound trucking costs. Scarcity or high prices for industrial space limit the company's ability to grow and expand value-added services. Through nonprofit partnerships and local equipment sourcing, the company keeps community connection at the core of its operations.

KEY TAKEAWAY Industrial real estate is not just a warehouse—it is the foundation enabling storage, trust, and long-term profitability.

PATHFINDER MANUFACTURING

A nonprofit manufacturer where airplane parts and future careers are built side by side.

TRAINING THE NEXT GENERATION IN AEROSPACE

Pathfinder Manufacturing, based in Everett, Washington, is a nonprofit aerospace parts producer with a mission that extends well beyond fabrication. Pathfinder blends real-world manufacturing with workforce development by training at-risk youth across the Puget Sound region in technical, professional, and life skills. Students complete 4-6 weeks of classroom instruction before rotating through every stage of production for a full year—working alongside employees, earning wages, and gaining pathways into long-term careers.

Pathfinder supplies airplane parts annually to Boeing, using locally sourced aluminum to reinforce a strong regional supply chain. But the cost and availability of industrial real estate remain major barriers. As a nonprofit serving high-school-aged students, Pathfinder must be centrally located and have room to grow—conditions threatened by the rising cost of suitable industrial space.

~65
EMPLOYEES

30
STUDENTS

"There wasn't a lot of space available, we had to start getting further out from where we wanted to be, and it was beyond our means as a non- profit."

— David Trader, CEO

KEY TAKEAWAY Industrial buildings can be more than production floors—they can be classrooms shaping the next generation of skilled workers.

Washington's Industrial Footprint: Scale, Diversity, and Strategic Location

550M SF
INDUSTRIAL SPACE

Washington's industrial base is both extensive and economically essential. With nearly 550 million square feet of industrial space distributed across more than 14,000 properties, this sector supports a wide range of activities from manufacturing and logistics to food processing and equipment repair. These facilities form the backbone of the State's goods movement and production economy.

14,000
PROPERTIES

Industrial buildings cluster where supply chains converge. The concentration of sites around ports, intermodal hubs, and the I-5 corridor signals how tightly industrial activity is tied to Washington's trade infrastructure. These locations minimize freight costs, support just-in-time delivery systems, and enable businesses to access both regional and global markets.

ADAPTABLE WORKSPACES

"Warehousing" is not just storage—it's a flexible platform for value-added work. Many buildings labeled as warehouse space house light manufacturing, assembly lines, packaging, processing, and specialty trades. This reflects the modern industrial reality: firms blend logistics with production, and the buildings themselves function as adaptable workspaces rather than single-use storage boxes.

PROPERTY DIVERSITY & SPECULATIVE BUILDS

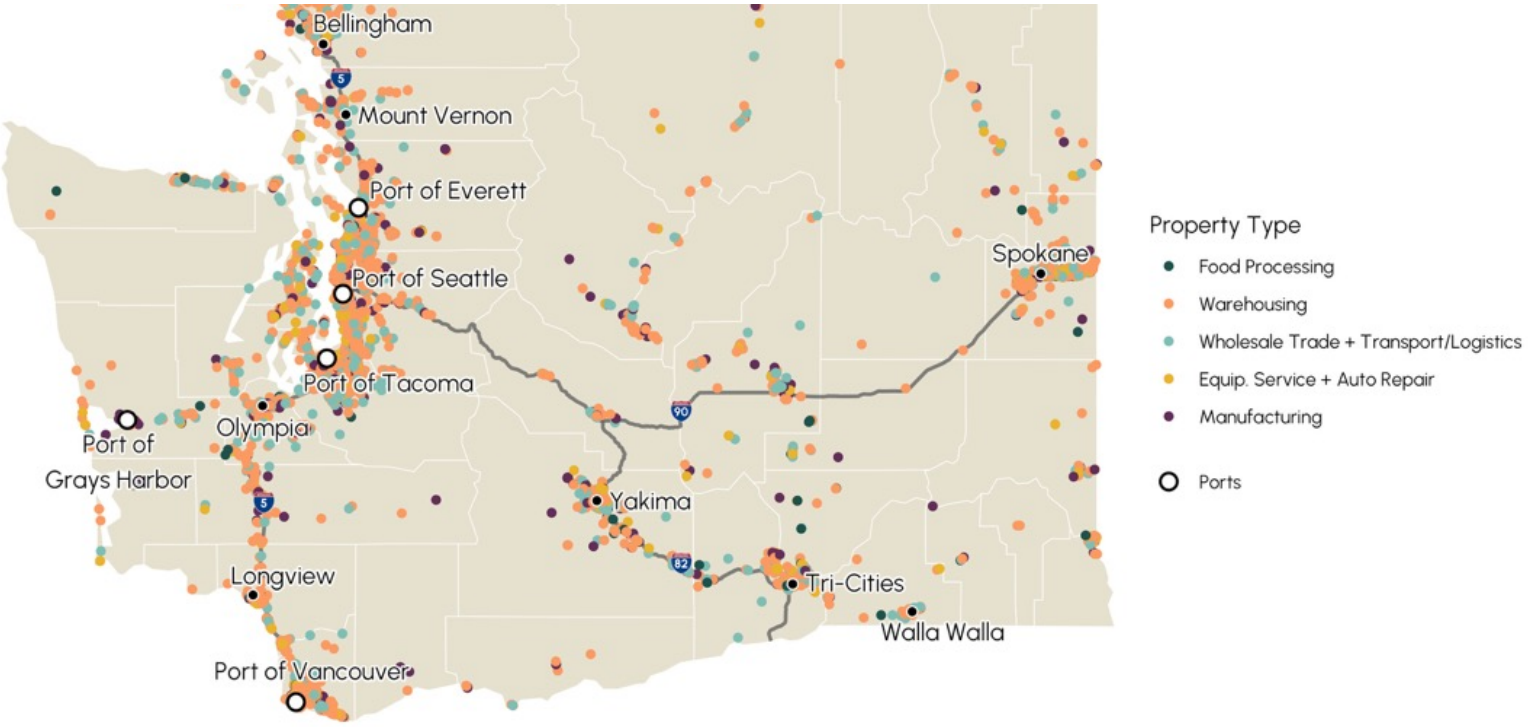
Property type diversity demonstrates a resilient ecosystem. While warehousing accounts for the largest share of square footage, Washington's industrial landscape includes substantial manufacturing, wholesaling, transport/logistics, auto and equipment repair, and food processing. This mix makes the sector more resilient to economic cycles and supports a broad range of jobs and skill levels.

Location and availability of space remain a critical constraint. Businesses consistently report that limited supply and rising industrial rents restrict their ability to grow or modernize. Because industrial operations depend on very specific locational attributes, suitable space is not easily replaced or relocated elsewhere in the region.

LOCATION & AVAILABILITY

Industrial facilities are often built "speculative" without a tenant. Due to continued lengthy permitting and construction timelines, end users often cannot make business or real estate decisions multiple years in advance. Therefore, industrial facilities need to be built "speculative" and designed to accommodate a wide array of industrial uses such as manufacturing, distribution, etc.

EXHIBIT 1 Industrial Properties are in Every Community in the State



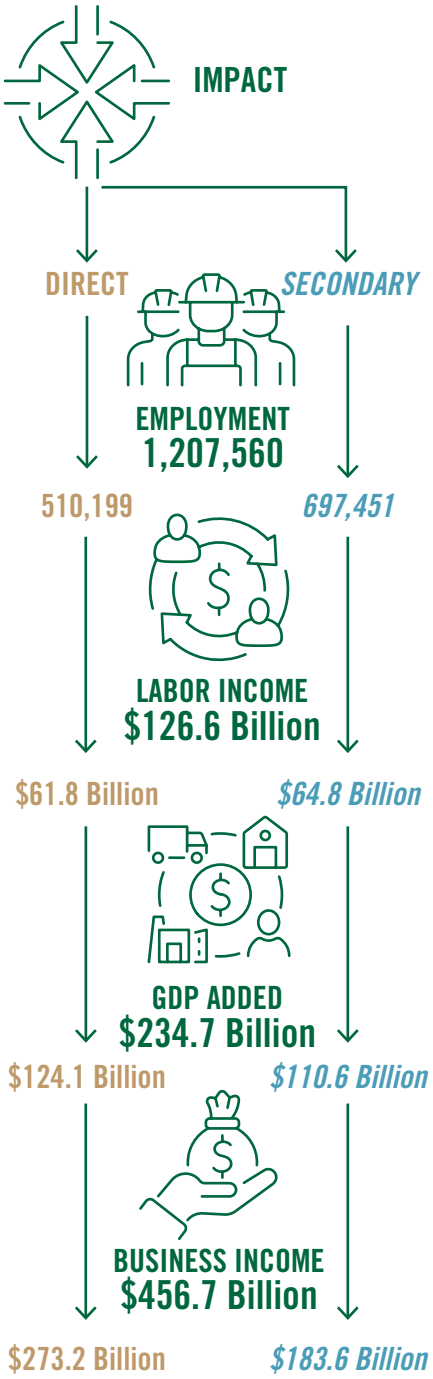
SOURCE(s): CoStar (2025) and ECOnorthwest

EXHIBIT 2 Number of Properties and Rentable Building Area by Property Type

CATEGORY	NUMBER OF PROPERTIES	RBA (SQUARE FEET)
Warehousing	9,238	291,600,000
Manufacturing	2,171	114,380,000
Wholesale Trade & Transport/Logistics	1,758	115,380,000
Equipment Service & Auto Repair	1,333	14,110,000
Food Processing	170	13,450,000
TOTAL	14,670	548,920,000

SOURCE(s): CoStar (2025) and ECOnorthwest

3 Economic Contributions



Why Washington's Industrial Land Matters to the State's Economic Future

Washington's industrial sector—together with the real estate that houses it—functions as one of the State's most powerful economic engines. Few other sectors generate as much employment, income, and production, or ripple so widely across the rest of the economy.

A Half-Million Jobs—Before Ripple Effects. The industrial sector directly employs more than 510,000 workers in Washington, paying out $62 billion in wages and producing $273 billion in goods and services. These are foundational jobs across logistics, manufacturing, food systems, repairs, and trades.

A Full One Million Jobs When Ripple Effects Are Counted. Once supplier purchases (indirect effects) and household spending (induced effects) are included, the sector supports over 1.2 million jobs statewide. That means roughly one in three workers in Washington is tied, directly or indirectly, to industrial activity.

Every Industrial Dollar Multiplies. For every $1 of industrial output, the Washington economy generates an additional $0.67 elsewhere. This multiplier reflects the deep integration of industrial businesses in supply chains from trucking and fabrication to utilities, construction, retail, and housing.

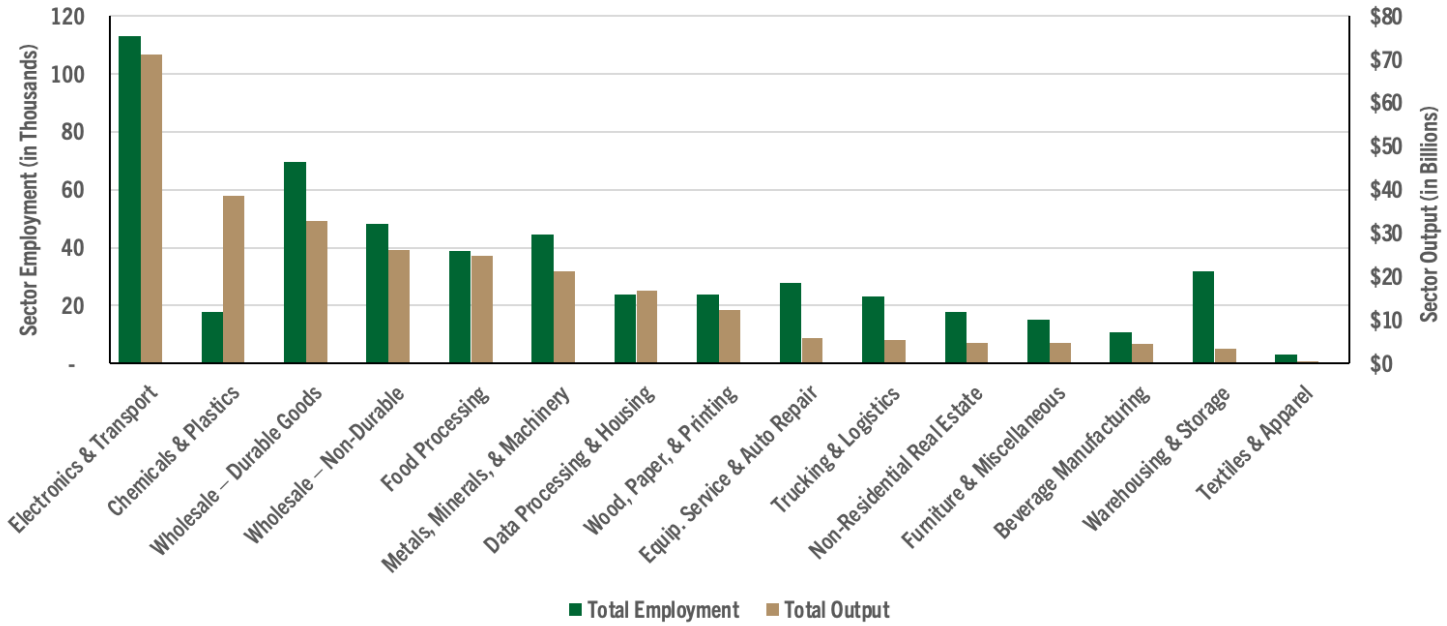
Industrial Real Estate Is the Platform for This Economic Engine. These impacts occur because firms have access to the buildings that let them operate: warehouses, production floors, logistics hubs, cold storage, repair shops, and specialized manufacturing space. Without these facilities, the jobs, wages, and output shown above could not exist.

EXHIBIT 3 Economic Contributions of Washington's Industrial Sector (including Real Estate)

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Direct	510,199	$61.8 Billion	$124.1 Billion	$273.2 Billion
Secondary	*697,451*	*$64.8 Billion*	*$110.6 Billion*	*$183.6 Billion*
TOTAL	1,207,650	$126.6 BILLION	$234.7 BILLION	$456.7 BILLION

SOURCE(s): IMPLAN (2024), Washington State Employment Security Department (2024), and ECOnorthwest
Note: "Secondary" impacts are the sum of both indirect and induced impacts.

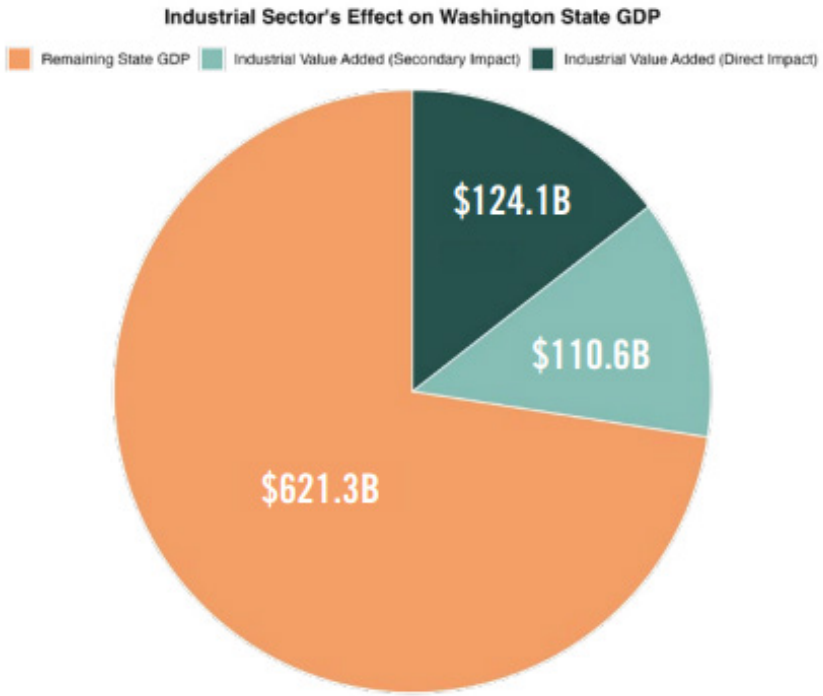
EXHIBIT 4 Aggregated Industrial Sector Economic Breakout



SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

Industrial Real Estate Drives Over One-Quarter of Washington's Economy. Industrial real estate directly and indirectly generates more than $230 billion in annual value added, representing over one-quarter of Washington's total GDP. These facilities are the physical backbone of manufacturing, logistics, trade, and clean-tech industries that sustain jobs, tax revenues, and long-term economic competitiveness statewide.

EXHIBIT 5 Industrial Real Estate Enables Economic Value for Washington (2024)



Industrial Real Estate Has Driven a Major Share of Washington's Economic Growth. Industrial real estate–supported activity consistently generates over $400 billion in gross business income each year, representing roughly one-third of all economic activity statewide. Even through economic cycles, industrial uses remain one of Washington's most stable and productive economic engines supporting trade, logistics, manufacturing, and clean-tech industries that sustain jobs, tax revenues, and long-term competitiveness.

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

EXHIBIT 6 Industrial Sector GBI compared to Washington GDP by Year

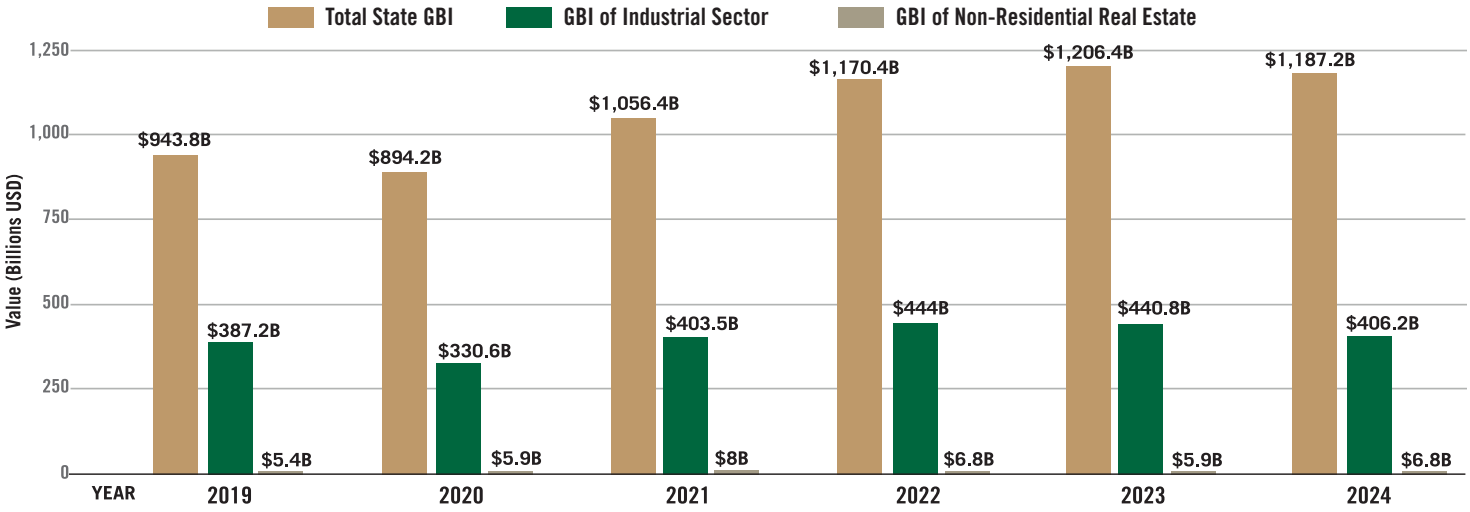
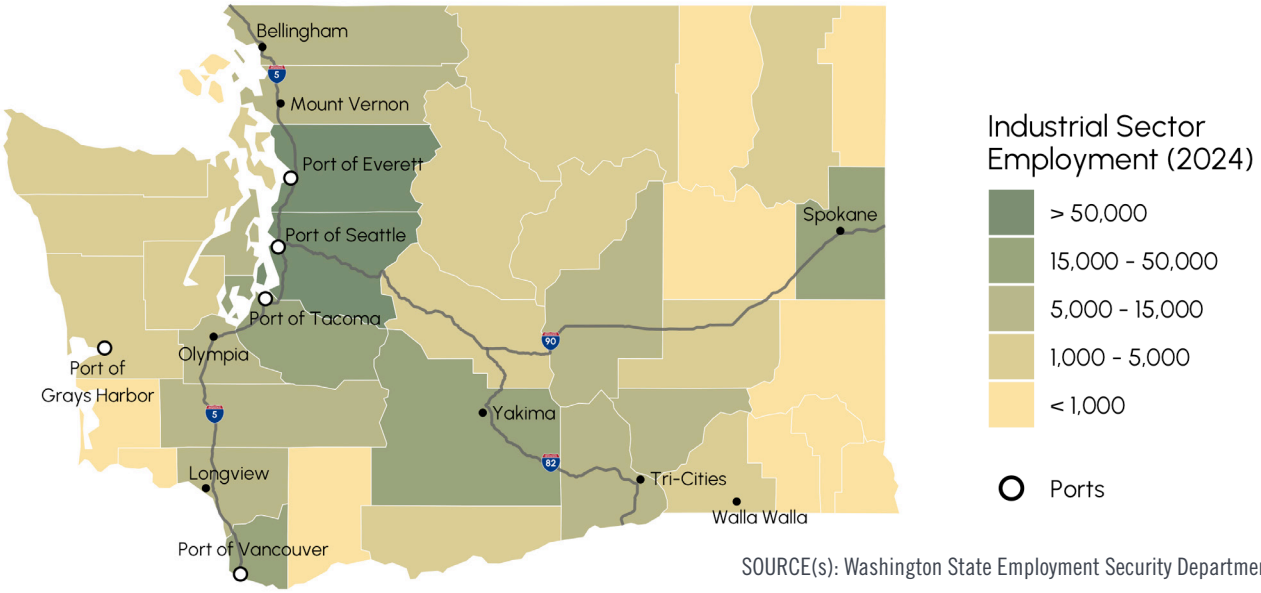
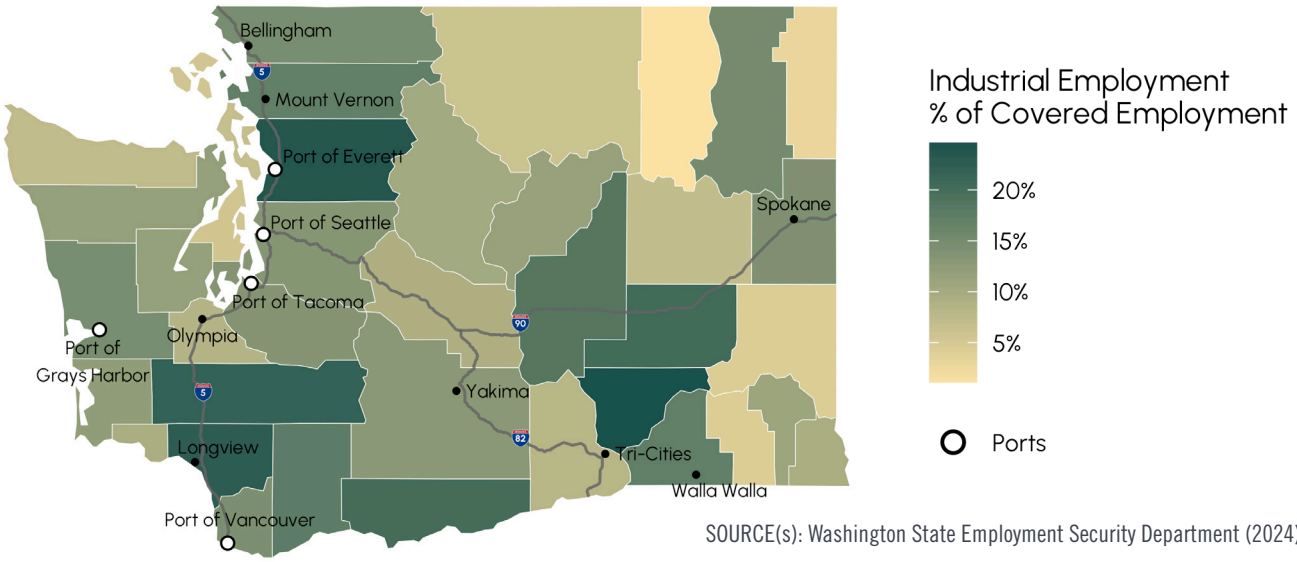


EXHIBIT 7 Covered Industrial Sector Employment by County



SOURCE(s): Washington State Employment Security Department (2024).

EXHIBIT 8 Industrial Employment as a Percent of Covered Employment



SOURCE(s): Washington State Employment Security Department (2024).

Real Estate Professionals Provide the Infrastructure That Makes This GDP Possible. Siting, entitling, financing, and constructing industrial buildings is not just a real estate function it is foundational economic development. The ability of manufacturers, freight operators, food processors, energy suppliers, and logistics firms to contribute nearly half the State's GDP depends on the work of real estate professionals who deliver functional, compliant, and strategically located facilities. While a small part of the economy, its impact is extremely large.

Ongoing Operation of Industrial Properties Sustains the State's Core Economic Output. Once built, industrial facilities must be managed, maintained, modernized, and kept operational. Property managers, brokers, and operators ensure that these assets remain productive over decades. Their work enables firms inside these buildings to sustain jobs, production, and supply-chain reliability which collectively represent one of the largest economic contributors in Washington's economy.

The Industrial Jobs Powering Washington's Middle Class

Industrial jobs are concentrated in Washington's urban centers, but they represent a larger share of employment in rural and smaller communities. The map shows the dual footprint of Washington's industrial economy: large absolute numbers of jobs in metro areas, and high job-share dependence in counties outside the urban core. For many communities, industrial employers are among the most important—and irreplaceable—sources of stable work.

Industrial jobs pay strong, family-supporting wages—well above typical living-wage benchmarks in Washington. The industrial sector directly supports 510,199 jobs with $61.8 billion in labor income. That equates to an average annual wage of about $121,000:

- When indirect and induced jobs are included, total labor income reaches $126.6 billion across 1.2 million jobs, an average of roughly $105,000 per job statewide.
- These wages compare very favorably to Washington's cost of living according to MIT:[3]
  - The statewide living wage for a single adult is roughly $55,000/year.
  - For a household with two working adults and one child, a combined living wage is about $110,000/year.
  - Washington's median household is around $95,000 (in 2023 dollars).[4]

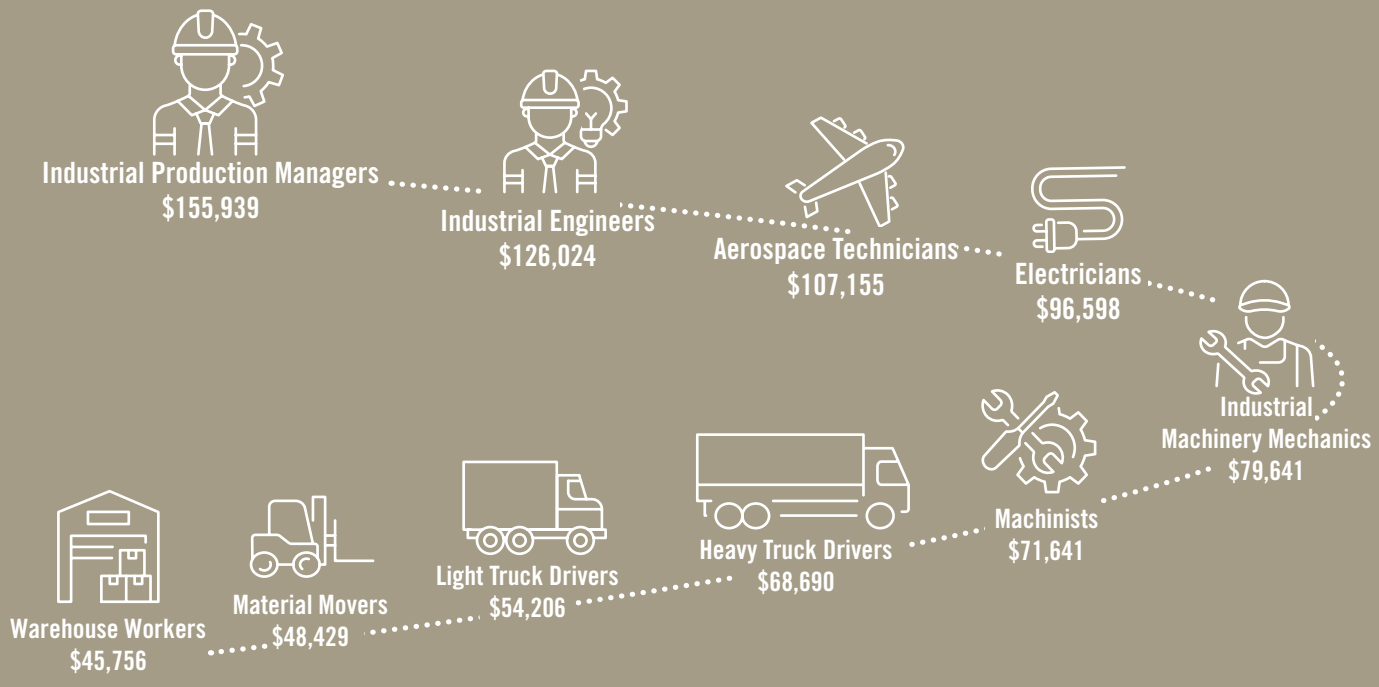
Industrial jobs exceed all of these benchmarks, demonstrating that the sector provides family-wage careers that can support housing, transportation, childcare, and long-term stability. And unlike many high-paying industries, industrial employers offer career pathways that do not require four-year degrees, expanding access to middle-income opportunity across urban and rural communities alike. Across direct and spillover employment, the industrial sector supports over 1.2 million jobs and $126.6 billion in labor income. These jobs often pay family-sustaining wages without requiring advanced degrees, offering career ladders that expand economic opportunity across the state.

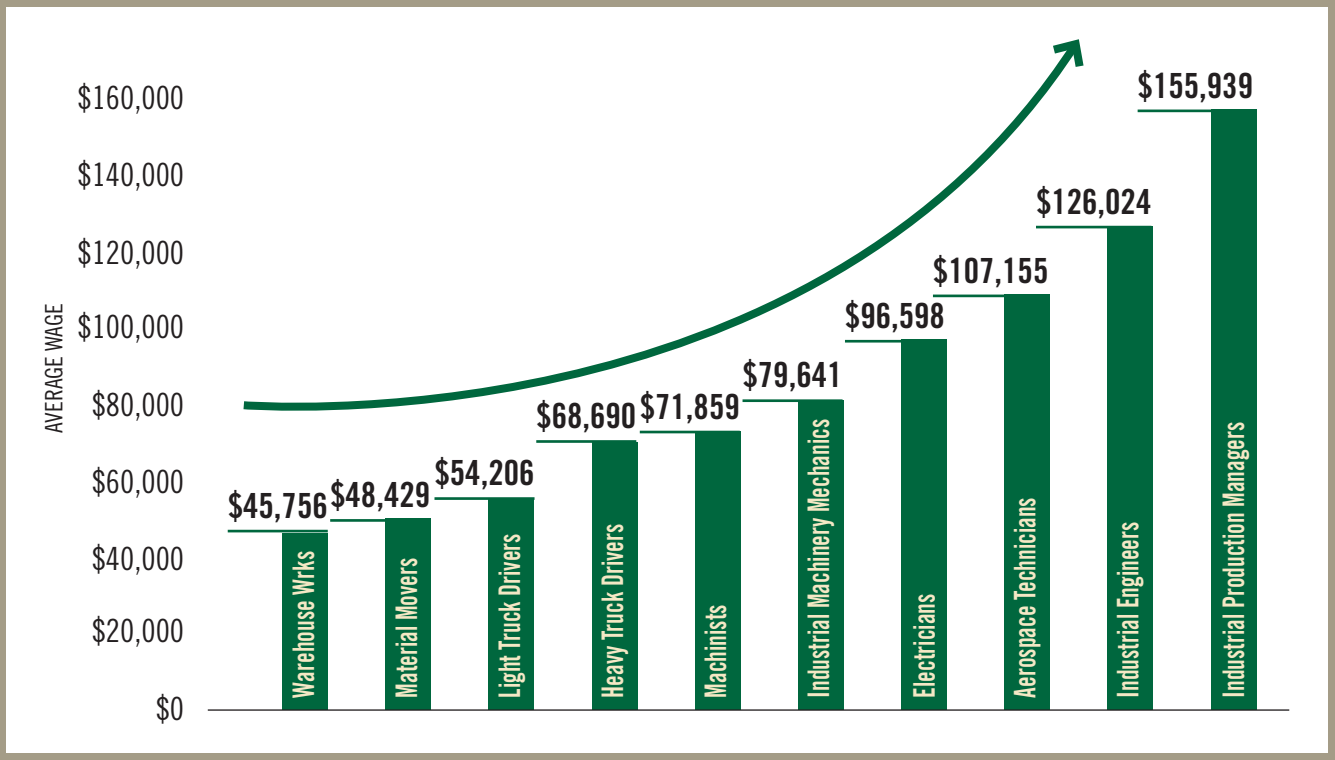
Each industrial job supports additional jobs and spending throughout local economies. Industrial wages circulate through the communities where workers live—supporting small businesses, services, and household spending across Washington. Because of the sector's strong employment multiplier, industrial activity not only anchors local job markets but also amplifies economic vitality far beyond the buildings themselves.

[3] Massachusetts Institute of Technology. 2025. Living Wage Calculation for Washington. https://livingwage.mit.edu/states/53.
[4] United States Census Bureau. 2025. Quick Facts "Median Household Income (in 2023 dollars), 2019-2023. https://www.census.gov/quickfacts/fact/table/WA,US/INC110223.

Industrial jobs create pathways to the middle class

It includes entry-level warehouse and logistics roles, skilled trades, technicians, supervisors, and highly specialized engineers. This wage ladder shows that industrial real estate supports a wide spectrum of jobs—creating clear pathways to higher earnings through experience, training, and apprenticeships while anchoring well-paying employment in local communities.





SOURCE(s): Washington Employment Security Department. Occupational Employment and Wage Statistics (OEWS), latest annual estimates of employment and wages by occupation. Washington State Labor Market & Economic Analysis. ESD

4 Public Revenues for Community Services

How Industrial Real Estate Generates Tax Revenue at Every Stage

Industrial real estate generates significant public revenue, but what often goes unrecognized is that these benefits occur in three distinct phases, each affecting different taxing jurisdictions and each tied to a different type of economic activity. Understanding this lifecycle is critical for policymakers evaluating the full fiscal contribution of industrial projects.

1. Pre-Development & Entitlement Phase: Local Services, Professional Fees, and Regulatory Revenue

Before a project can break ground, developers and businesses must secure land, complete due diligence, and navigate complex entitlement processes. This phase often includes substantial spending on:

- Legal, engineering, and permitting services
- Environmental review
- Traffic, infrastructure, and utilities analysis
- Application fees, permit fees, and other regulatory charges

These activities generate immediate local revenue—particularly to cities and counties—through professional service activity, entitlement fees, utility connection charges, and other regulatory payments. Importantly, this is also the phase where projects face the most friction, complexity, and cost, making these revenues simultaneously significant and hard-won.

2. Construction Phase: Property Value Creation and Broad-Based Tax Revenue

Once permitted, industrial development triggers one of the most tax-intensive periods of the lifecycle. The construction phase involves:

- Site preparation and grading
- Utility extensions and infrastructure improvements
- Road construction or upgrades
- Vertical construction of the building shell and interior systems

The fiscal impacts during construction are wide-reaching:

- Sales taxes on materials and construction services (benefiting cities, counties, and the state)
- Use taxes on equipment and specialized construction inputs
- Permit and inspection revenues for local jurisdictions
- New construction added to the property tax base, which permanently increases assessed value for schools, counties, cities, fire districts, ports, and other taxing districts

Because construction spending is typically large and heavily taxable, this phase produces immediate and distributed tax benefits across many different jurisdictions.

3. Occupancy & Operations Phase: Long-Term, Recurring Tax Value

When a business moves into an industrial facility, the building becomes an active economic asset. This stage produces recurring; long-term tax revenues tied directly to the operations of the tenant or business:

Property-Based Revenues

- Ongoing real property taxes on the building itself
- Personal property taxes on equipment, machinery, automation systems, racking, production tools, and other taxable business assets—often significant in manufacturing or fulfillment operations

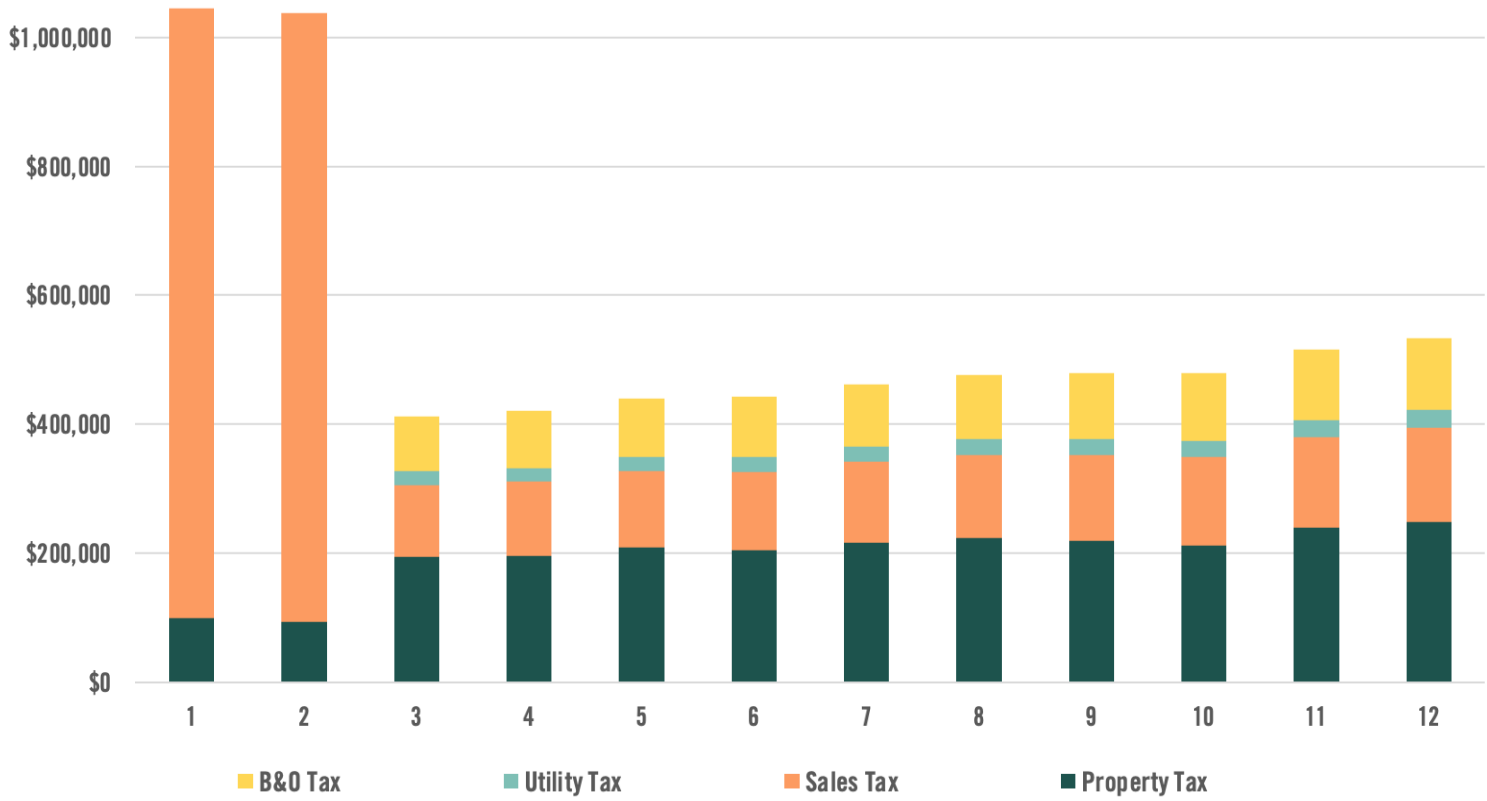
Business Activity Revenues

- State and local Business & Occupation (B&O) taxes on gross receipts
- Utility taxes on electricity, water, sewer, natural gas, or telecommunications—especially meaningful for manufacturing or logistics operations
- Local industrial or warehouse-specific fees or taxes (e.g., square footage taxes, employee-based taxes, transportation impact fees), where adopted

Across these categories, the operations phase typically produces the largest cumulative revenue stream over the life of an industrial building, supporting schools, cities, counties, ports, fire districts, and the state general fund.

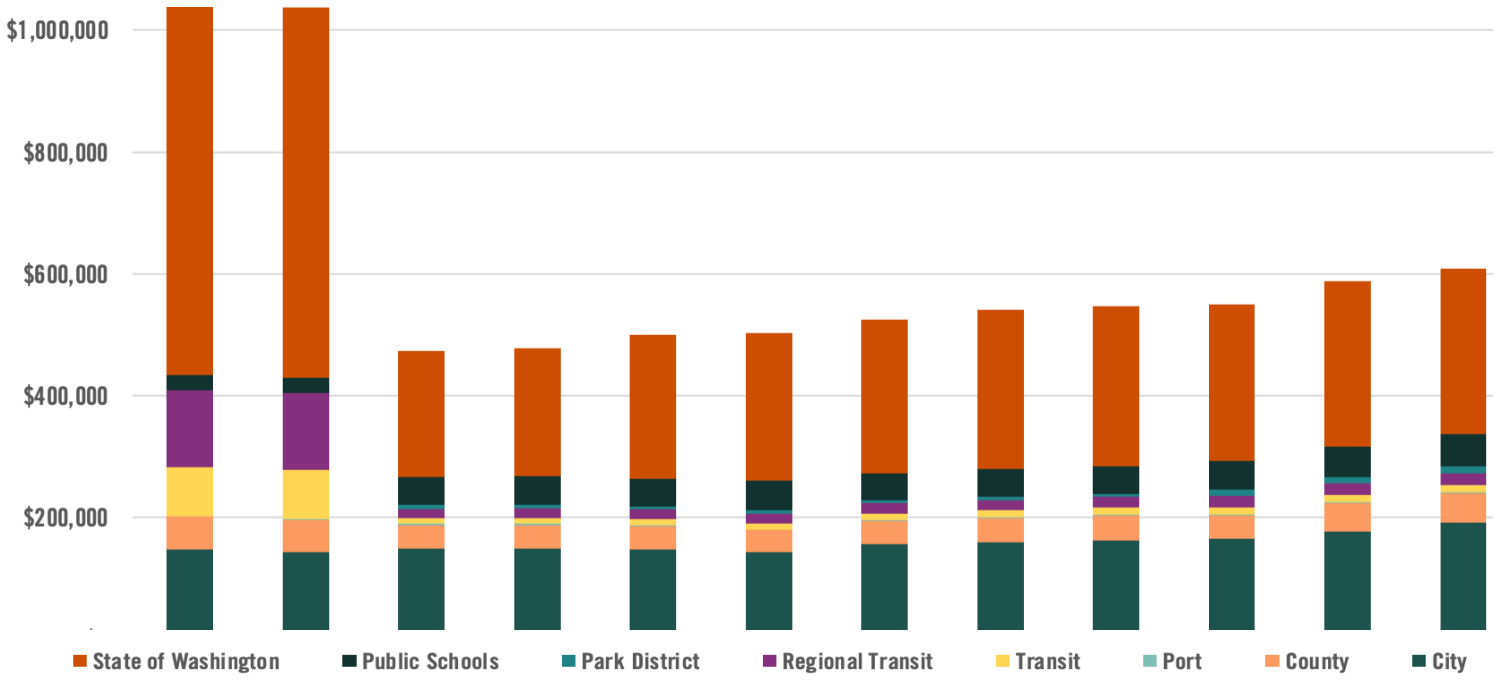
Industrial Land Uses Deliver High Fiscal Value with Relatively Low Service Demands. Industrial land uses generate substantial tax revenues—through property taxes, personal property taxes, sales taxes, and excise taxes—while generally placing lower demands on public services such as police, fire, parks, libraries, and schools compared to residential or commercial uses. Industrial facilities tend to have predictable operating patterns, limited on-site populations, and fewer service calls per acre, making them fiscally efficient land uses for local governments.

EXHIBIT 9 Tax Base and Revenue Creation by Industrial Real Estate



SOURCE(s): ECOnorthwest calculations, 2025

EXHIBIT 10 State and Local Government Benefits from Industrial Real Estate



SOURCE(s): ECOnorthwest calculations, 2025

At the same time, industrial activity does contribute to road wear and infrastructure needs, particularly from heavy truck traffic. However, these impacts are well understood and largely concentrated on designated freight corridors, which are already engineered for higher loads and are often funded through fuel taxes, weight fees, freight programs, traffic impact fees, and state and federal transportation investments. In effect, industrial uses pair high, stable revenue generation with targeted, manageable infrastructure costs, making them one of the most fiscally productive and resilient land uses over the long term.

A Single Industrial Building Generates Millions in Public Revenue. For every 100,000 square feet of new industrial development, approximately $6,713,634 in tax revenues are generated over the full lifecycle—combining the two-year construction phase with ten years of ongoing operations. This shows how even modest-sized industrial projects deliver substantial, enduring fiscal benefits to state and local governments.

Construction Phase: A Short-Term Revenue Surge Driven by Sales Taxes. During construction, industrial projects generate a large, upfront spike in tax revenue, primarily through sales taxes on materials and contracting activity. This phase delivers the highest single-year fiscal return of the entire lifecycle. State and local governments—especially the State of Washington—receive a significant one-time boost that helps fund schools, transportation, and general government services.

Operational Phase: Stable, Long-Term Property and Excise Tax Revenues. Once the facility is built and operating, tax revenues stabilize into a predictable annual stream composed of property taxes, B&O taxes, utility taxes, and sales taxes from ongoing business activity.

Although these contributions are smaller than the construction spike, they are continuous and grow over time, supporting local government budgets, regional transit districts, ports, and school districts year after year.

Tax Distribution Across Jurisdictions: Broad Benefits Across the Public Sector. Industrial development does not benefit a single jurisdiction—its tax impacts are distributed across the public finance system. Cities receive reliable property and utility taxes; counties and transit agencies gain ongoing excise revenues; ports capture activity-related revenues; and the State of Washington remains the largest beneficiary, particularly through sales and B&O tax collections. This broad distribution shows that industrial projects strengthen multiple layers of government, reinforcing why siting and retaining industrial land is a statewide—not just local—economic priority.

B&O taxes dominate industrial tax collections and drive year-to-year swings. Across all years shown, Business & Occupation (B&O) taxes consistently account for the majority of total industrial tax liabilities, and fluctuations in B&O receipts explain nearly all of the variation—especially the rebound from 2020 to 2022. Industrial B&O taxes make up between 25 and 29 percent of all state B&O tax collections over the 2019 to 2024 timeframe.

Sales and use taxes form a stable, predictable baseline. Despite economic shifts, state sales and use taxes remain relatively consistent year-to-year, providing a reliable source of state revenue from industrial activity.

EXHIBIT 11 Industrial Sector Tax Liabilities

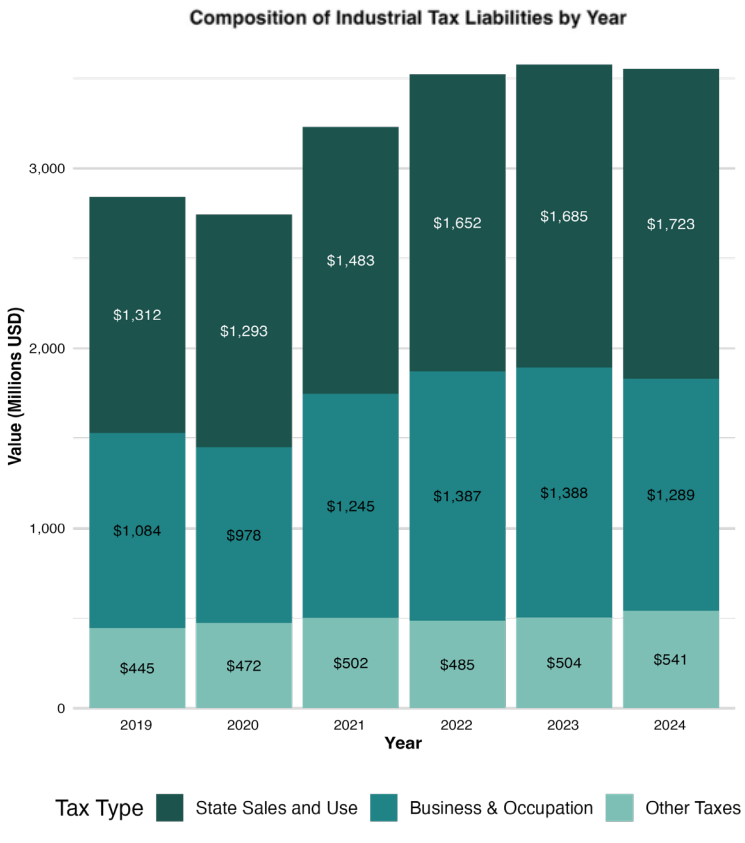
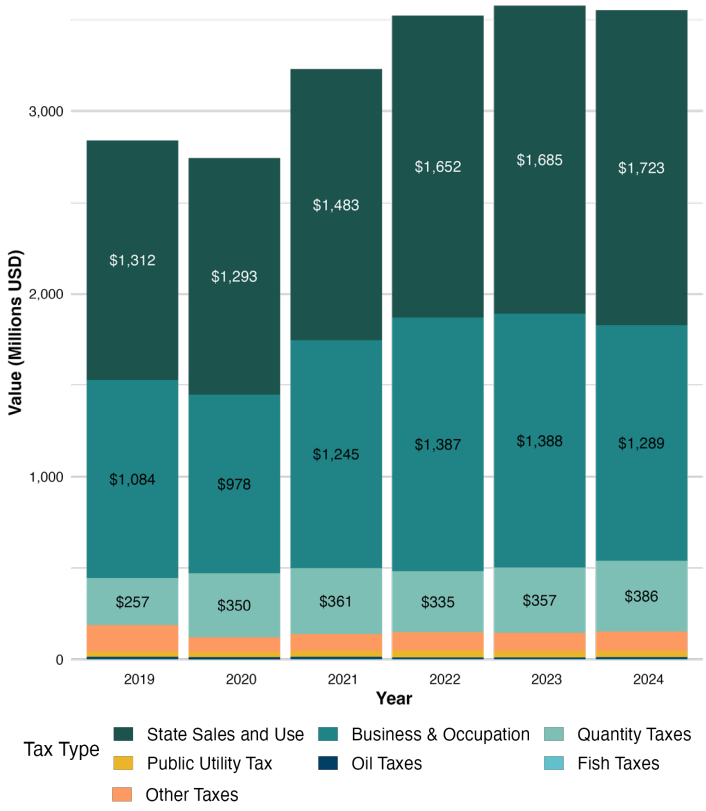


EXHIBIT 12 Industrial Sector Tax Liabilities



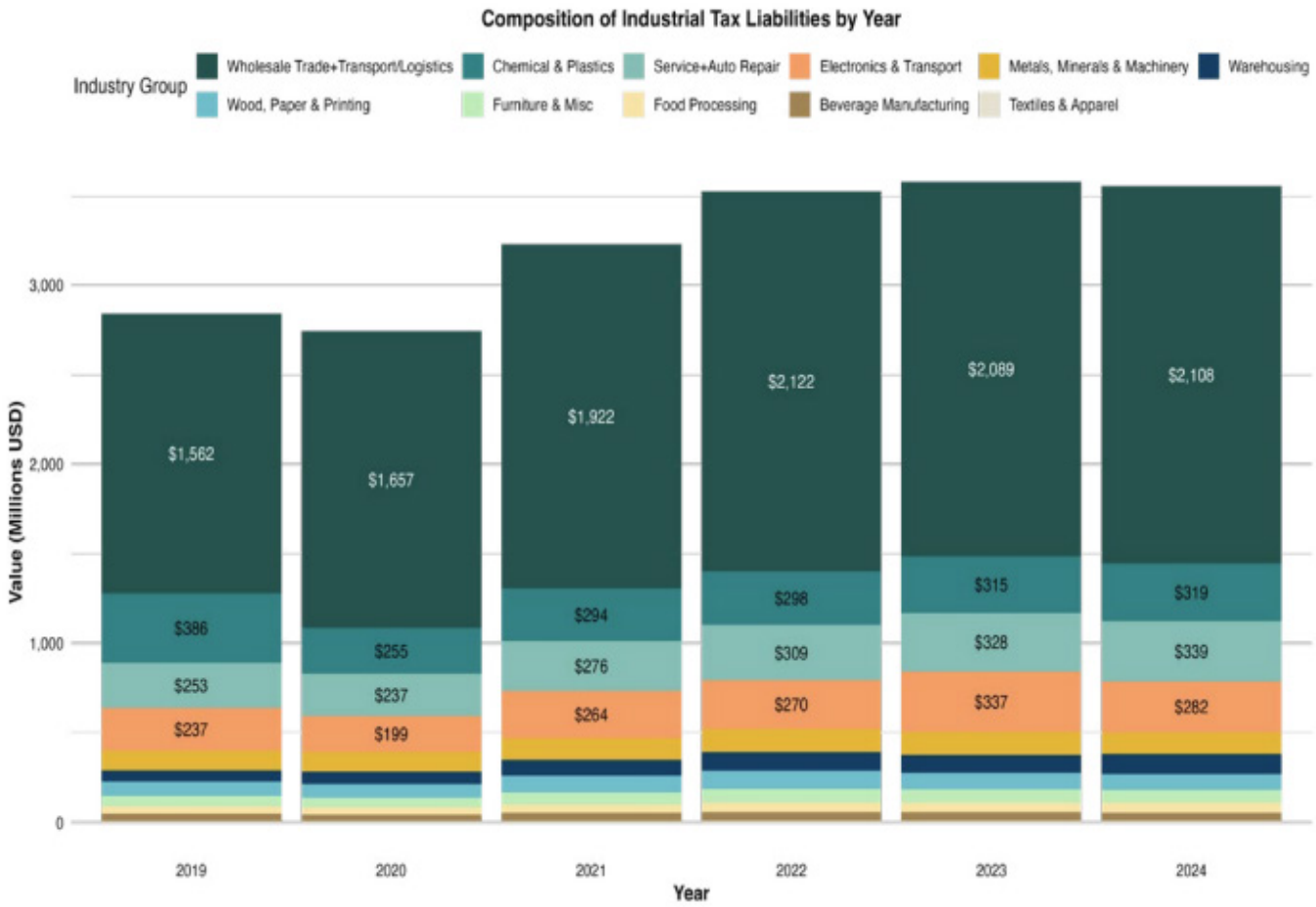
SOURCE(s): ECOnorthwest calculations, 2025

Industrial activity generates significant specialty tax revenues that fund essential statewide services. The chart shows that, beyond general sales and B&O taxes, the industrial sector contributes hundreds of millions of dollars annually through public utility, quantity, oil, and fish taxes. These earmarked revenues directly support infrastructure, environmental management, transportation, and natural resource programs across Washington. The public utility tax primarily supports the state general fund, with a portion dedicated to local public works assistance, while fish and oil taxes fund fish and wildlife conservation as well as oil spill prevention, cleanup, and habitat restoration.[5,6,7]

Wholesale Trade, Transportation, and Logistics Function as the Fiscal Backbone of the Industrial Economy. Wholesale trade and transportation/logistics consistently generate the largest share of industrial tax liabilities, far exceeding any single manufacturing subsector. This reflects not just the size of the sector, but its central role as connective tissue across Washington's economy. These firms sit at the intersection of ports, highways, rail, and distribution networks—meaning their tax contributions scale with all upstream and downstream economic activity.

From a policy perspective, this underscores why industrial land near ports and freight corridors is uniquely valuable: when logistics capacity is constrained or displaced, the fiscal impact is magnified well beyond the loss of a single employer. Protecting and expanding space for these uses protects one of the state's most reliable and scalable tax bases.

EXHIBIT 13 Industrial Sector Tax Liabilities



SOURCE(s): ECOnorthwest calculations, 2025

5. Washington State Department of Revenue. (n.d.). Public Utility Tax. https://dor.wa.gov/taxes-rates/other-taxes/public-utility-tax.
6. Washington State Department of Revenue. (n.d.). Enhanced Food Fish Tax. https://dor.wa.gov/taxes-rates/other-taxes/enhanced-food-fish-tax.
7. Washington State Department of Revenue. (n.d.). Oil Spill Response Tax and Oil Spill Administration Tax. https://dor.wa.gov/taxes-rates/other-taxes/oil-spill-response-tax-and-oil-spill-administration-tax.

Manufacturing Sectors Deliver Disproportionately High Tax Value Relative to Their Footprint. While manufacturing sectors such as electronics and transportation equipment, chemicals and plastics, and metals and machinery occupy less total space than logistics, they generate high tax yields per square foot and per worker. These industries are capital-intensive, energy-intensive, and export-oriented—characteristics that translate into higher B&O, utility, and specialty tax contributions.

This pattern highlights an important economic reality: industrial land is not interchangeable. Space that supports advanced manufacturing delivers outsized fiscal and economic returns compared to lower-intensity uses. Losing these sites to non-industrial conversion risks eroding long-term tax capacity that cannot be easily replaced elsewhere.

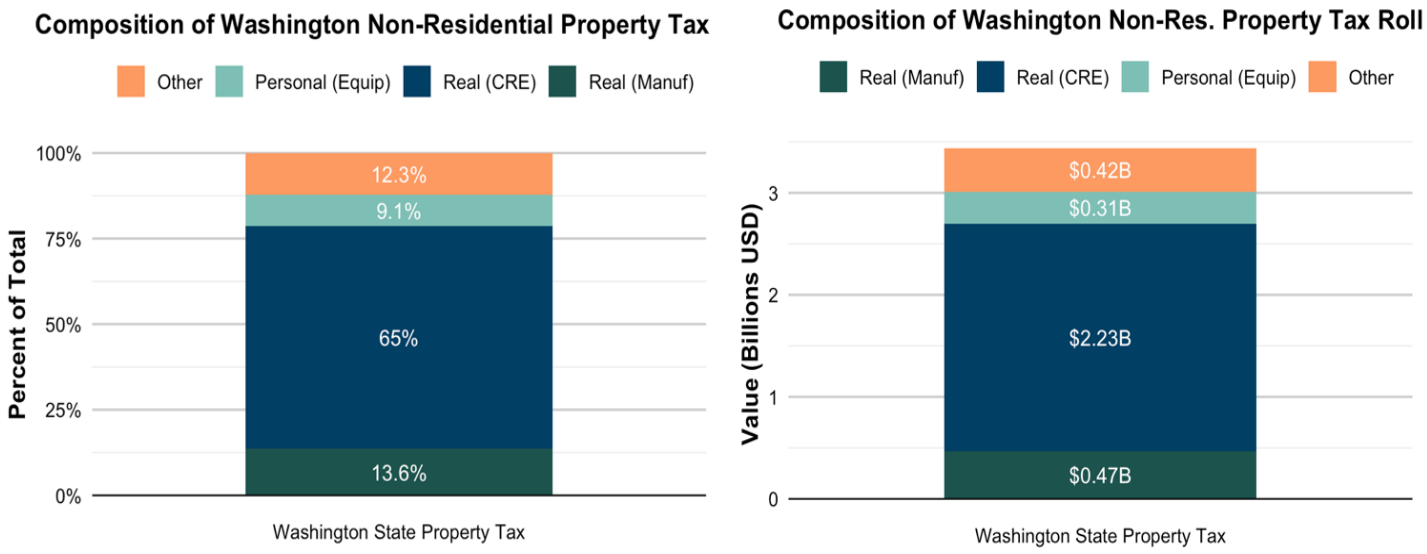
The Diversity of Industrial Tax Contributors Strengthens Fiscal Resilience. The chart shows that Washington's industrial tax base is not dependent on a single industry. Food processing, wood and paper products, auto repair and services, warehousing, and beverage manufacturing all contribute meaningful and persistent tax revenues. This diversity cushions the state against sector-specific downturns—when one industry softens, others continue to perform.

From a fiscal resilience standpoint, this argues strongly for maintaining a broad and flexible industrial land base. Zoning, infrastructure, and permitting policies that allow multiple industrial uses to coexist help preserve a stable, diversified tax structure that supports public services across economic cycles.

Manufacturing Properties Generate Disproportionately High Property Tax Revenues. Manufacturing real estate represents a relatively modest share of the non-residential tax roll, yet it generates a substantial portion of total property tax value. This reflects the capital-intensive nature of manufacturing facilities—large buildings, specialized improvements, and long-lived infrastructure—which translate into high assessed values and durable tax contributions over time.

Industrial Uses Account for Nearly All Taxable Personal Property. The chart shows that almost all taxable personal property—equipment, machinery, and fixtures—is associated with industrial activity, not office or retail uses. This means industrial businesses are the primary contributors to personal property tax revenues, which are critical for funding schools, counties, ports, and other local services. When industrial uses are displaced, this tax base is often lost entirely, not replaced.

EXHIBIT 14 Sources of Property Taxes in Washington State



5 Other Community & Environmental Benefits Industrial Real Estate

4 Reasons to Locate Industrial Jobs Close to Where People Live

1. Shorter Commutes, Better Access to Good Jobs

Placing industrial jobs within or near communities reduces long commutes, fuel costs, and daily stress for workers. Proximity improves equitable access to employment, especially for workers who rely on nearby opportunities rather than long-distance travel. Lower commute distances also reduce household transportation costs—one of the largest expenses for working families.

2. Healthier Communities and Better Quality of Life

When jobs are closer to home, workers rely less on single-occupant vehicles. This reduces congestion and supports transit use, biking, and carpooling. Shorter commutes free up time for family, education, and community engagement, improving overall work-life balance and public health outcomes.

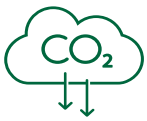
3. Stronger Local Economies and Community Investment

Industrial employers generate significant local tax revenues that support schools, parks, infrastructure, and public services. Many also reinvest directly in their communities through workforce training, school partnerships, and facility improvements. Keeping industrial jobs local helps anchor communities economically and supports long-term business retention.

4. More Resilient, Local Supply Chains

Locating manufacturing, warehousing, and fulfillment near communities improves access to essential goods and services. Localized supply chains are more resilient, less vulnerable to disruption, and better able to respond to changing conditions—benefiting households, businesses, and the broader regional economy.

5 Reasons Industrial Real Estate Drives Sustainability & Positive Environmental Outcomes



1. Shorter Supply Chains Mean Lower Emissions

Locating industrial facilities closer to markets and communities reduces the distance goods must travel. Shorter delivery routes lower vehicle miles traveled, fuel consumption, and greenhouse gas emissions. Built-out urban logistics networks can reduce transportation-related emissions by as much as 50 percent.[8]

2. Modern Industrial Facilities Are Energy-Efficient by Design

Today's "21st Century Industrial" buildings must incorporate solar-ready roofs, LED lighting, smart sensors, high-efficiency HVAC systems, and energy-efficient materials to comply with State building codes. These improvements reduce long-term energy use while lowering operating costs and supporting Washington's clean-energy goals.

[8] MIT Center for Transportation & Logistics. (2020). Examining the role of urban fulfillment centers and last-mile delivery efficiency. Massachusetts Institute of Technology.

3. Cleaner Transportation Fleets Are Easier to Deploy Locally

Industrial users increasingly rely on electric vehicles, alternative-fuel trucks, and charging infrastructure. Locating facilities within urban and regional centers makes it easier to deploy clean fleets, reducing diesel emissions and improving air quality in nearby communities.

4. Sustainable Site Design Improves Local Environmental Health

Modern industrial developments incorporate recycled construction materials, drought-resistant landscaping, stormwater treatment systems, and expanded buffer areas. These design practices reduce water use, improve runoff management, and enhance surrounding environmental conditions.

5. Efficient Industrial Space Uses Land More Productively

E-commerce and modern logistics facilities support high employment densities, often 600-700 square feet per worker. This efficient use of land allows communities to support more jobs and economic activity with less land consumption, helping limit sprawl and preserve open space.

6 Strategic Implications for Washington's Competitiveness

Industrial real estate must be treated as strategic infrastructure or Washington risks losing its competitive edge in the global economy.

Washington's Trade Advantage

- With its ports and aerospace cluster, Washington is among the most trade-dependent states in the nation.
- Industrial real estate is the "quiet partner" that makes this possible, housing suppliers, logistics hubs, and advanced manufacturing.

Risks of Inaction

- Loss of industrial land reduces supply and raises costs, pushing firms out of state, including valuable manufacturing and aerospace companies.
- Zoning restrictions and permitting delays erode competitiveness, making Washington less attractive for expansion and capital investment from national and global investors.
- Without sufficient facilities, cargo and investment could shift to competing regions like California, British Columbia, the Gulf Coast, and East Coast.

Human Stakes

- If industrial users leave, the state doesn't just lose tax revenue—it loses family-wage jobs, apprenticeships, and community anchors.
- Shrinking local supply chains mean higher costs for businesses and consumers, and fewer opportunities for young workers to find careers near home.

Following are three crisp, high-impact policy priorities that translate your narrative into clear guidance for Washington State—framed so they are actionable, defensible, and resonate with both economic and land-use audiences.

Three Policy Priorities for Washington's Industrial Future

Industrial real estate is not just a land-use category, it is economic infrastructure. Protecting, entitling, and strategically connecting industrial land is essential to keeping Washington competitive, supporting family-wage jobs, and maintaining resilient, sustainable supply chains statewide.

1. Treat Industrial Land as Critical Economic Infrastructure in Comprehensive Planning

Washington should formally recognize industrial land as strategic economic infrastructure within the Growth Management Act and local comprehensive plans.

Local land-use planning must move beyond simply "designating" industrial zones and instead actively plan for the quantity, location, and quality of industrial land needed to sustain the state's trade-dependent economy. This includes ensuring that industrial lands are:

- Protected from displacement by incompatible uses,
- Adequately sized and located for modern production and logistics,
- Planned to maximize long-term economic, workforce, and community benefit.

Without intentional planning for industrial capacity, Washington risks eroding its global trade advantage and losing family-wage jobs, innovation clusters, and local supply chain resilience.

2. Align Entitlement, Permitting, and Development Processes with Modern Industrial Needs

Planning alone is not sufficient. Once industrial land is planned, the state must ensure that entitlement and permitting systems actually allow projects to be built.

Washington should modernize development review and entitlement processes to:

- Reduce unnecessary delays and uncertainty for industrial projects,
- Create clear, predictable pathways for approvals,
- Improve permitting predictability by calibrating appeal processes to ensure they are timely, transparent, and focused on substantive issues,
- Support redevelopment and intensification of existing industrial sites,
- Recognize that modern industrial facilities require specialized infrastructure, power capacity, site design, and logistics access.

When entitlement systems fail to function, planned industrial land remains theoretical—pushing employers, investment, and jobs out of state.

3. Coordinate Industrial Land Use with Transportation and Freight Infrastructure Planning

Industrial real estate and freight mobility must be planned as a single, integrated system. Washington should strengthen coordination between:

- Industrial land planning,
- Freight corridors and port access,
- Highway, rail, and last-mile logistics networks.

Modern supply chains depend on well-located industrial sites that can efficiently connect to ports, highways, and regional markets. Misalignment between land use and transportation planning increases congestion, emissions, delivery costs, and weakens competitiveness. Integrated planning will allow Washington to:

- Support clean and efficient logistics,
- Improve supply chain resilience,
- Reduce emissions while strengthening economic productivity.

PHOTO CREDITS: Cover: Panoramic aerial view of Port of Tacoma, WA, with several industries and warehouses; SNEHIT PHOTO/Shutterstock. Page 6: Porto of Tacoma, WA.; IVAN KUZIN/Shutterstock. Page 7: Tacoma, WA, aerial; Cascade Creatives/Shutterstock. Page 10: Coffee beans; Jeerawat Somsopin/Shutterstock. Aircraft factory; Shutterstock AI. Boeing's Everett factory, Everett, WA; First Class Photography/Shutterstock. Page 11: Panoramic aerial view of Port of Tacoma, WA, with several industries and warehouses; SNEHIT PHOTO/Shutterstock; Page 25: East 21st Street Bridge and the Port of Tacoma, Tacoma, WA; Photo Spirit/Shutterstock. Page 42: Port of Seattle, Seattle, WA. Druid007/Shutterstock.

Bellingham MSA

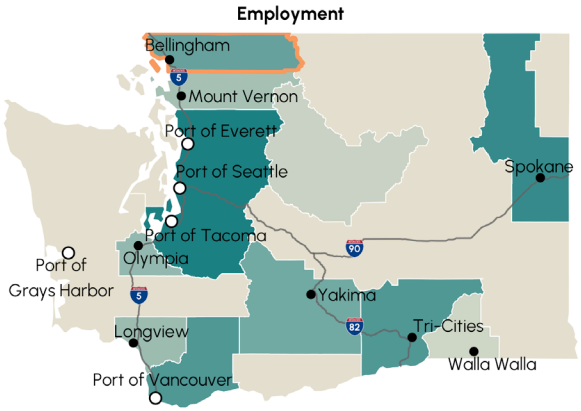
Industrial Sector Profile

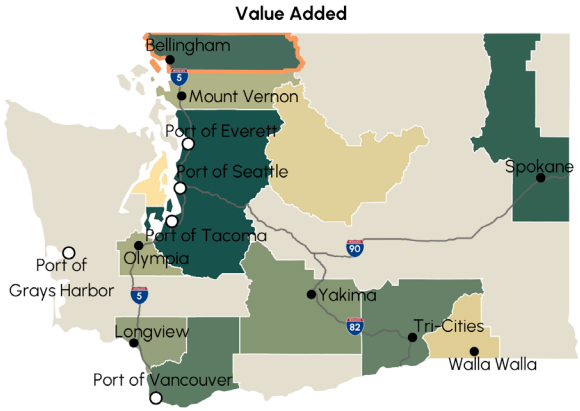
527
Industrial Properties
(4% of properties in WA)

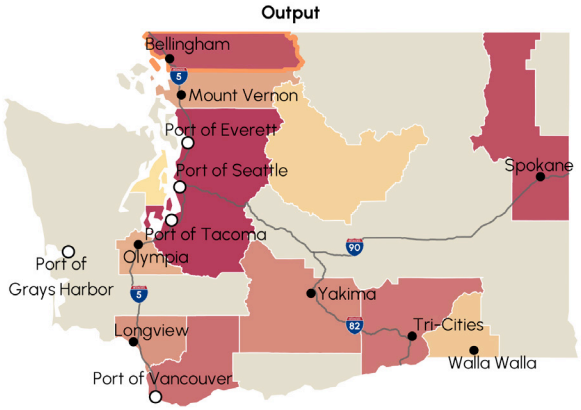
14.5M
Total RBA SF
(3% of WA RBA)

13,717
Industrial Sector Employment
(3% of WA Industrial Employment)

Total Economic Contributions within MSA







Employment: 41,983.67
(Rank 5 of 12)

Value Added: $9,538,700,000
(Rank 3 of 12)

Output: $27,278,640,000
(Rank 3 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.39 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	10,425	$1,156,810,000	$1,768,790,000	$3,021,230,000

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 10,425 jobs, $1.2 billion in labor income, and $3 billion in economic output in the rest of Washington State.

Bremerton-Silverdale-Port Orchard MSA

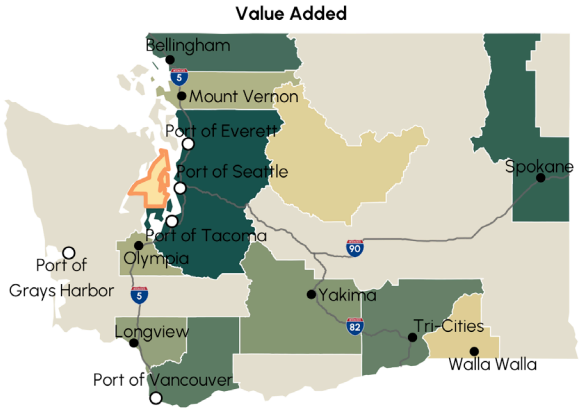
Industrial Sector Profile

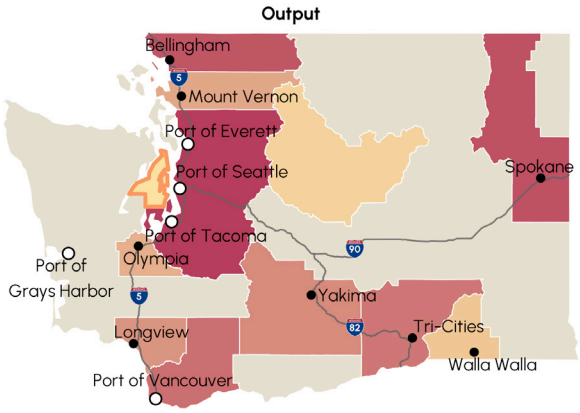
286
Industrial Properties
(2% of properties in WA)

3.3M
Total RBA SF
(<1% of WA RBA)

5,133
Industrial Sector Employment
(1% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 10,797.37
(Rank 12 of 12)

Value Added: $1,517,680,000
(Rank 12 of 12)

Output: $3,065,480,000
(Rank 12 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.69 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	1,792	$225,360,000	$318,130,000	$529,320,000

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 1,792 jobs, $225.4 million in labor income, and $529.3 million in economic output in the rest of Washington State.

Kennewick-Richland MSA

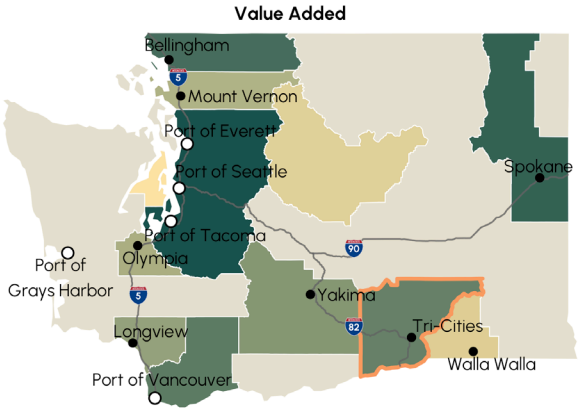
Industrial Sector Profile

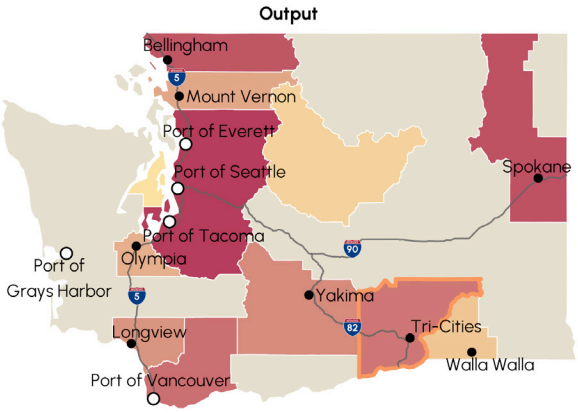
428
Industrial Properties
(3% of properties in WA)

12.3M
Total RBA SF
(2% of WA RBA)

17,268
Industrial Sector Employment
(3% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 47,936.66
(Rank 4 of 12)

Value Added: $7,583,390,000
(Rank 5 of 12)

Output: $16,421,960,000
(Rank 5 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.80 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**10,237**	**$1,113,630,000**	**$1,608,060,000**	**$2,929,440,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 10,237 jobs, $1.1 billion in labor income, and $2.9 billion in economic output in the rest of Washington State.

Longview-Kelso MSA

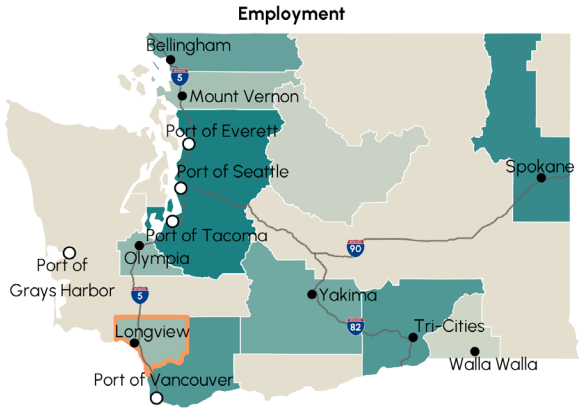
Industrial Sector Profile

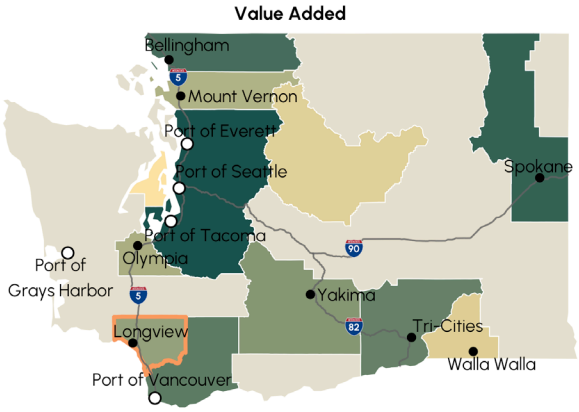
329
Industrial Properties
(2% of properties in WA)

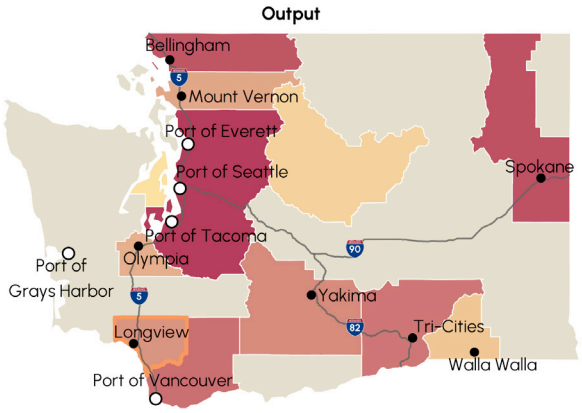
10.3M
Total RBA SF
(2% of WA RBA)

9,346
Industrial Sector Employment
(2% of WA Industrial Employment)

Total Economic Contributions within MSA







Employment: 23,757.32
(Rank 8 of 12)

Value Added: $4,430,490,000
(Rank 7 of 12)

Output: $10,815,400,000
(Rank 7 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.60 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**6,262**	**$490,700,000**	**$883,430,000**	**$1,794,550,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 6,262 jobs, $490.7 million in labor income, and $1.8 billion in economic output in the rest of Washington State.

Mount Vernon-Anacortes MSA

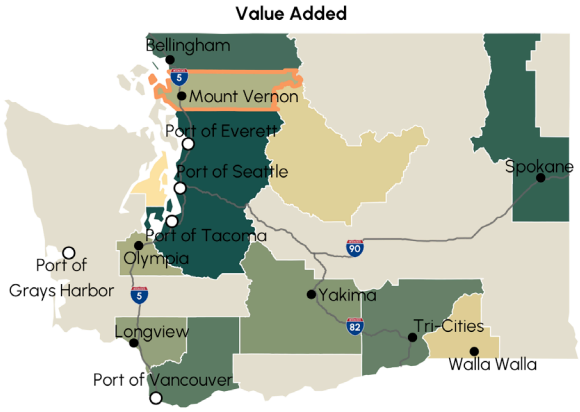
Industrial Sector Profile

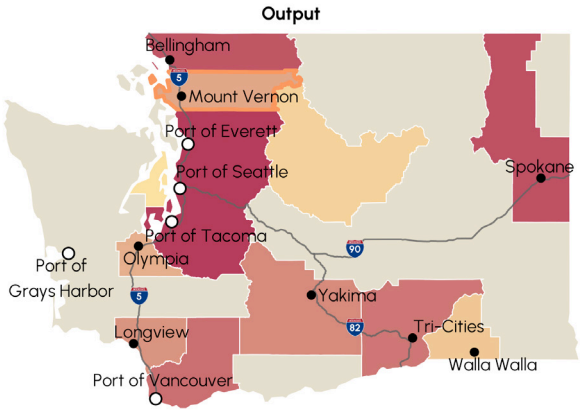
211
Industrial Properties
(1% of properties in WA)

5.4M
Total RBA SF
(1% of WA RBA)

9,210
Industrial Sector Employment
(2% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 21,556.36
(Rank 9 of 12)

Value Added: $3,603,100,000
(Rank 9 of 12)

Output: $7,948,960,000
(Rank 8 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.67 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**7,665**	**$854,580,000**	**$1,257,290,000**	**$2,144,320,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 7,665 jobs, $854.6 million in labor income, and $2.1 billion in economic output in the rest of Washington State.

Olympia-Lacey-Tumwater MSA

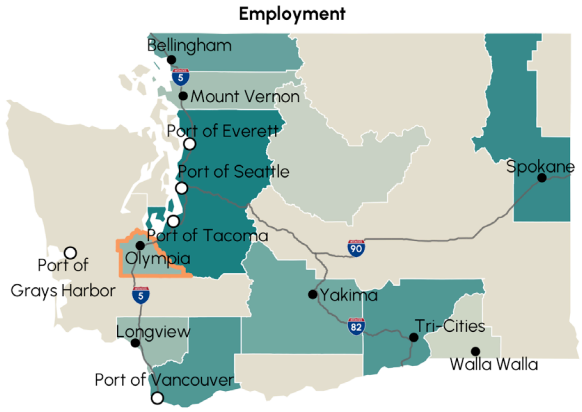
Industrial Sector Profile

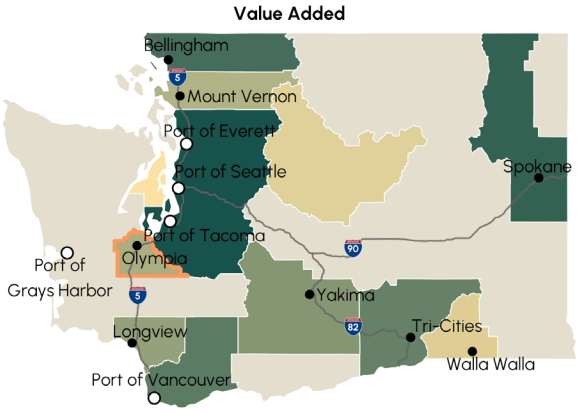
469
Industrial Properties
(3% of properties in WA)

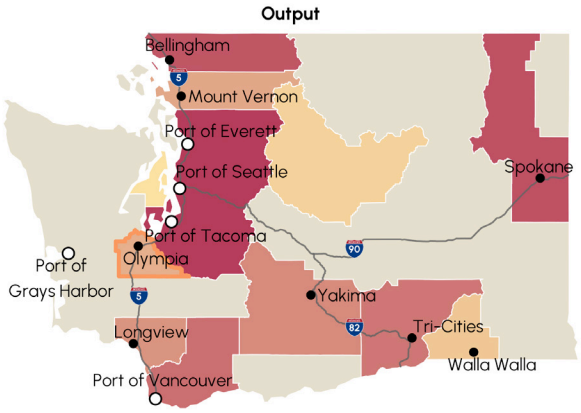
21.8M
Total RBA SF
(4% of WA RBA)

10,795
Industrial Sector Employment
(2% of WA Industrial Employment)

Total Economic Contributions within MSA







Employment: 25,388.15
(Rank 7 of 12)

Value Added: $3,823,770,000
(Rank 8 of 12)

Output: $7,363,870,000
(Rank 9 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.81 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**4,540**	**$464,540,000**	**$735,490,000**	**$1,300,990,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 4,540 jobs, $464.5 million in labor income, and $1.3 billion in economic output in the rest of Washington State.

Portland-Vancouver-Hillsboro MSA

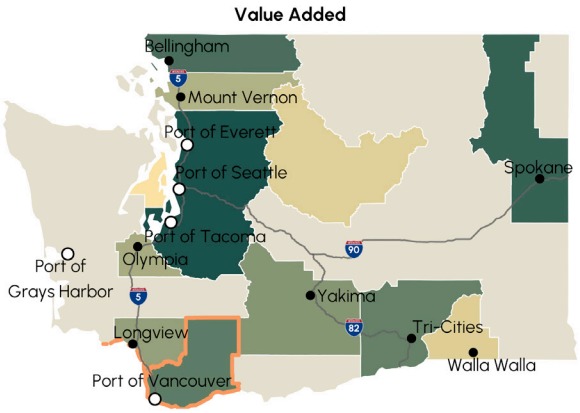
Industrial Sector Profile

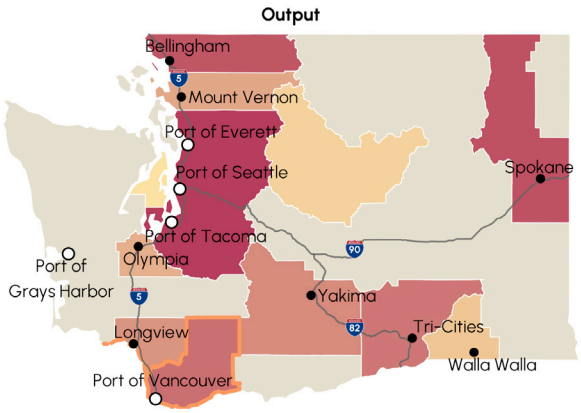
888
Industrial Properties
(6% of properties in WA)

30.8M
Total RBA SF
(6% of WA RBA)

26,055
Industrial Sector Employment
(5% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 49,197.88
(Rank 3 of 12)

Value Added: $7,806,240,000
(Rank 4 of 12)

Output: $18,327,280,000
(Rank 4 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.38 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**2,507**	**$237,780,000**	**$489,030,000**	**$1,122,750,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 2,507 jobs, $237.8 million in labor income, and $1.1 billion in economic output in the rest of Washington State.

Seattle-Tacoma-Bellevue MSA

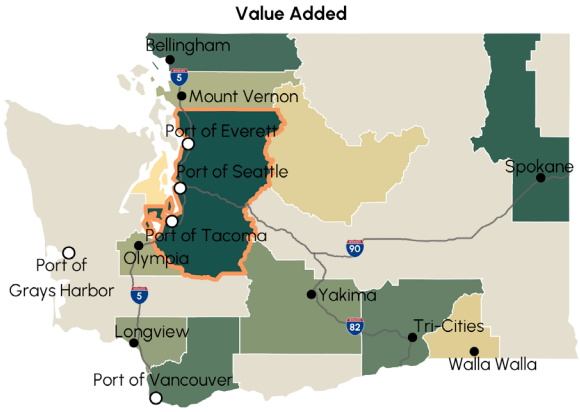
Industrial Sector Profile

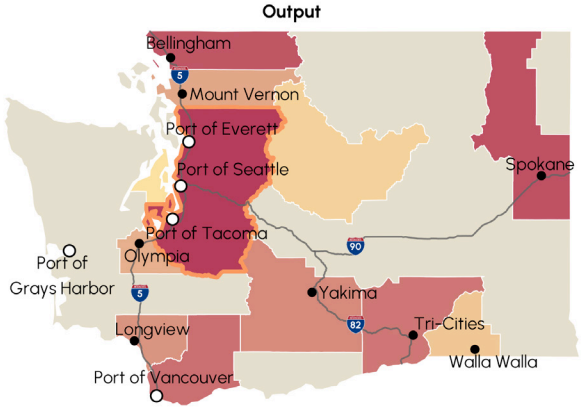
7,862
Industrial Properties
(54% of properties in WA)

335.9M
Total RBA SF
(61% of WA RBA)

306,739
Industrial Sector Employment
(60% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 689,003.9
(Rank 1 of 12)

Value Added: $152,074,360,000
(Rank 1 of 12)

Output: $265,687,390,000
(Rank 1 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in Seattle-Tacoma-Bellevue MSA, an additional $0.66 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**25,828**	**$1,573,800,000**	**$3,410,740,000**	**$8,034,440,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 25,828 jobs, $1.6 billion in labor income, and $8.0 billion in economic output in the rest of Washington State.

Spokane-Spokane Valley MSA

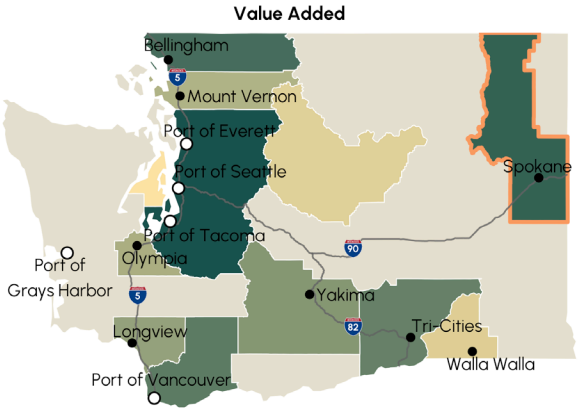
Industrial Sector Profile

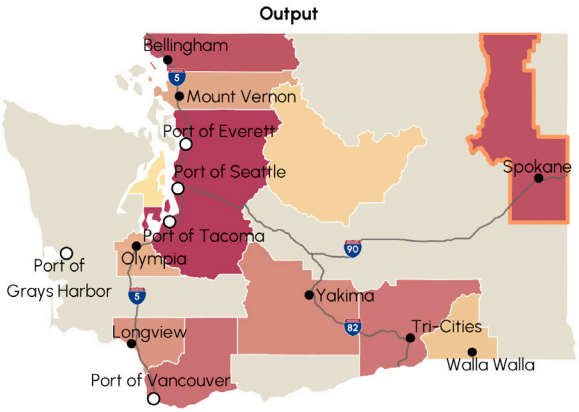
2,014
Industrial Properties
(14% of properties in WA)

51.0M
Total RBA SF
(9% of WA RBA)

35,937
Industrial Sector Employment
(7% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 89,634.85
(Rank 2 of 12)

Value Added: $13,599,720,000
(Rank 2 of 12)

Output: $30,654,160,000
(Rank 2 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.69 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**8,116**	**$1,144,330,000**	**$1,451,860,000**	**$2,483,610,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 8,116 jobs, $1.1 billion in labor income, and $2.5 billion in economic output in the rest of Washington State.

Walla Walla MSA

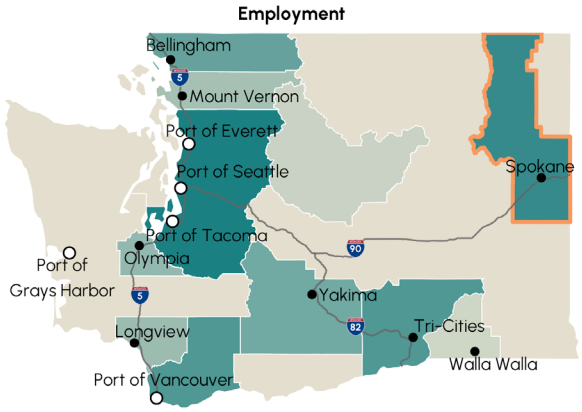
Industrial Sector Profile

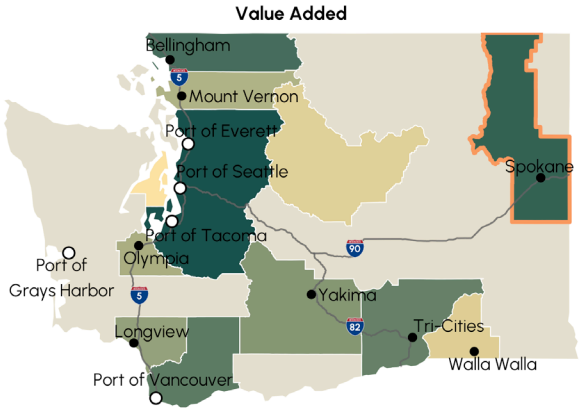
84
Industrial Properties
(<1% of properties in WA)

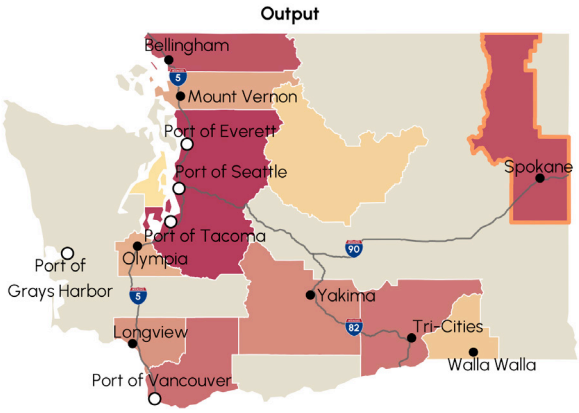
4.9M
Total RBA SF
(1% of WA RBA)

4,992
Industrial Sector Employment
5% of WA Industrial Employment)

Total Economic Contributions within MSA







Employment: 12,468.15
(Rank 11 of 12)

Value Added: $1,879,650,000
(Rank 10 of 12)

Output: $4,796,390,000
(Rank 10 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.61 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	2,734	$244,100,000	$397,400,000	$825,410,000

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 2,734 jobs, $244.1 million in labor income, and $825.4 million in economic output in the rest of Washington State.

Wenatchee MSA

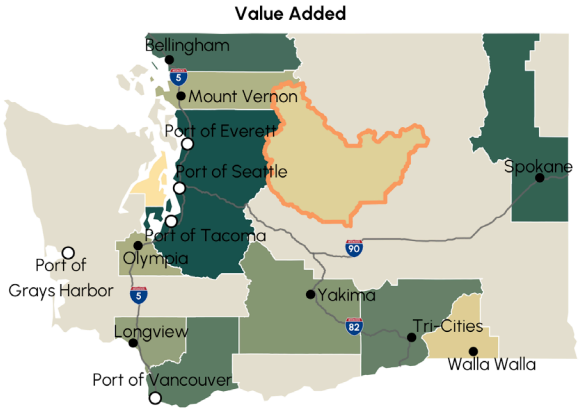
Industrial Sector Profile

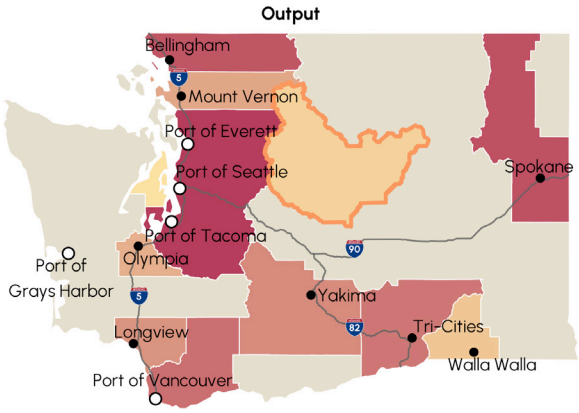
113
Industrial Properties
(1% of properties in WA)

4.6M
Total RBA SF
(1% of WA RBA)

6,004
Industrial Sector Employment
1% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 12,873.89
(Rank 10 of 12)

Value Added: $1,842,040,000
(Rank 11 of 12)

Output: $3,919,750,000
(Rank 11 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.68 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**2,342**	**$313,830,000**	**$403,940,000**	**$679,680,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 2,342 jobs, $313.8 million in labor income, and $679.7 million in economic output in the rest of Washington State.

Yakima MSA

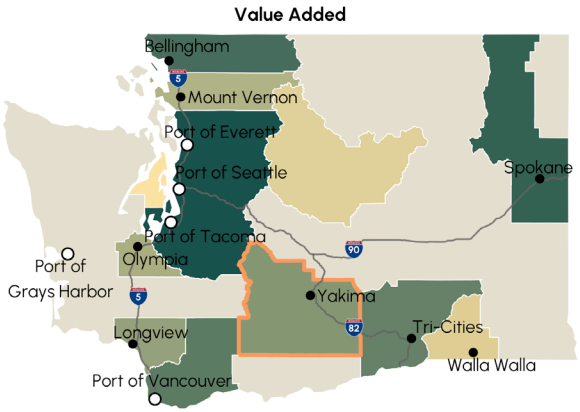
Industrial Sector Profile

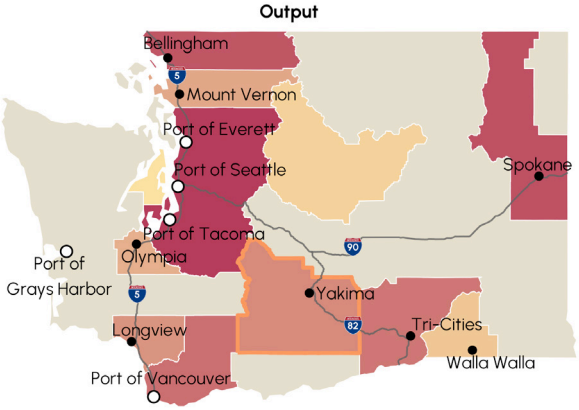
670
Industrial Properties
(5% of properties in WA)

25.4M
Total RBA SF
(5% of WA RBA)

15,016
Industrial Sector Employment
(3% of WA Industrial Employment)

Total Economic Contributions within MSA





Employment: 37,147.34
(Rank 6 of 12)

Value Added: $5,150,940,000
(Rank 6 of 12)

Output: $12,548,490,000
(Rank 6 of 12)

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

For every $1 spent by the industrial sector in the MSA, an additional $0.84 is generated in economic output.

Economic Contributions to the Rest of State

IMPACT	EMPLOYMENT	LABOR INCOME	GDP ADDED	BUSINESS INCOME
Secondary (Rest of State)	**8,823**	**$887,150,000**	**$1,354,180,000**	**$2,815,590,000**

SOURCE(s): IMPLAN (2024), Washington State ESD (2024), and ECOnorthwest

The industrial sector in the MSA supports 8,823 jobs, $887.2 million in labor income, and $2.8 billion in economic output in the rest of Washington State.

B Technical Approach

Data Sources and Integration

The primary dataset for industrial real estate characteristics was derived from CoStar. This dataset included observations at the county level with information on rentable building area (RBA) and secondary building types. To align the CoStar building inventory with economic activity, we developed a systematic approach that mapped CoStar secondary types to appropriate three-digit NAICS codes. Several building types mapped cleanly to standard industry sectors such as Warehousing (NAICS 493), Wholesale and Transport related activities (primarily NAICS 423, 424, and 484), data hosting (NAICS 518), service and repair activities (NAICS 811), and food processing (NAICS 311). Manufacturing categories required more extensive work because CoStar does not distinguish among the specific manufacturing subsectors. For this reason, we assigned all manufacturing related buildings to the full range of three-digit manufacturing NAICS codes and created subgroups that aligned with IMPLAN manufacturing families.

To validate and benchmark the CoStar based industry assignments, we incorporated Washington State QCEW data from the Employment Security Department. The QCEW data provided annual employment, firm counts, and wage information by county and NAICS code. Several QCEW records include suppressed values. In these cases, we used statewide industry shares to allocate missing values proportionally across the suppressed subsectors. This helped create a balanced and internally consistent dataset for all counties. After cleaning the QCEW data and resolving suppressed values, we joined it to the CoStar based dataset using county and three-digit NAICS codes.

All tax data presented in this analysis came from the Washington Department of Revenue. Washington State GDP data came from the Federal Reserve Bank of St. Louis.

Geographic Assignments

MSA definitions for this analysis follow IMPLAN specifications. IMPLAN assigns counties to MSAs based on consistent geographic and economic criteria. We adopted those same designations to maintain alignment with the IMPLAN modeling structure used later in the analysis.

IMPLAN Modeling

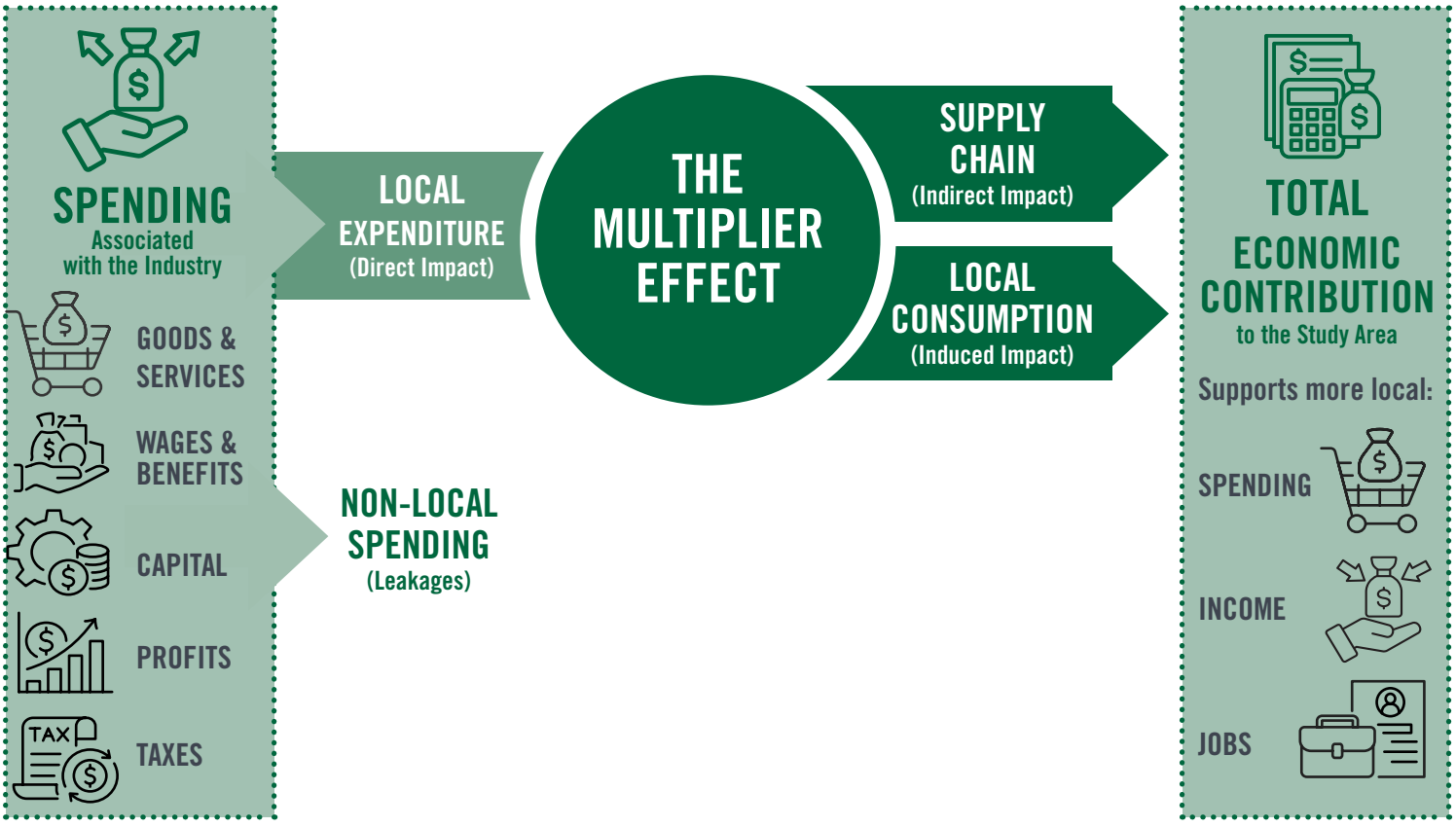
Once the CoStar data were linked to NAICS codes and the QCEW data were fully curated, we prepared a unified dataset for economic modeling in IMPLAN. The combined dataset provided estimates of building square footage by sector, employment levels, wage levels, and industry distributions for each county and MSA. These inputs were used to develop industry specific and region-specific impact models within IMPLAN. The results of these models form the basis for the economic contributions described in the main body of this report.

C IMPLAN Explainer

IMPLAN is a regional input-output model widely used to assess the economic contributions of a business' or an organization's operations, capital developments and many other types of projects or policies. The IMPLAN model divides the economy into 528 sectors, and models the linkages between the various sectors, including accounting for government and household spending. Using national industry and county-level economic data from the U.S. Bureau of Economic Analysis, U.S. Census, and other government sources, IMPLAN models how spending in one sector of the economy is spent and re-spent in other sectors of the economy. The linkages are modeled through input-output tables that account for all dollar flows between different sectors of the economy.

The economic relationships modeled by IMPLAN allow the user to estimate the overall change in the economy that would result from the specified economic activity (see Figure 1). The dollars spent on operations and construction are analyzed to determine the total economic contribution within the selected geography. The direct investments from a project, policy, or organization's operations support successive rounds of spending can be traced to employment, labor income, and value added in the local economy. The summation of these contributions is referred to as the economic output.

FIGURE 1 Overview of Economic Contributions Analysis Framework



SOURCE(s): ECOnorthwest (2025)

Contribution Types

Economic multipliers derived from the model are used to estimate total economic contributions. Total economic contributions consist of three components: direct, indirect, and induced effects.

Contribution Measures

Contributions are assessed using the following measures that are reported by the IMPLAN model:

- **Jobs** are measured as the average number of employees engaged in full- or part-time work.
- **Labor income** is expressed as the sum of employee compensation and proprietor income.
  - **Employee compensation** (wages) includes workers' wages and salaries, as well as other benefits such as health, disability, and life insurance; retirement payments; and non-cash compensation; expressed as total cost to the employer.
  - **Proprietor income** (business income) represents the payments received by small-business owners or self-employed workers.
- **Value added** represents the value of all final goods and services produced (i.e., the sum of intermediate stages of production). Value added is a subset of Output and accounts for the increase in value that the producer adds to the inputs because of the production process. Value added can be conceptualized as the economic contribution to Gross Regional Product (GRP) for the study area.
- **Output** is the total value of an industry's production and includes all components of the production function: labor income, taxes, profit, and intermediate inputs.

Limitations of Input-Output Models

Input-output models are static models used to measure an economy's inputs and outputs based on data that represents the relationships within an economy at a specific point in time. This analysis uses data from the 2024 model year, which is the most recent year for which data is available. The model then estimates how specific changes in inputs to an economy result in changes throughout the economy. This approach, known as a "partial equilibrium analysis", works well when the modeled changes do not radically reshape the relationships within an economy or affect the fundamental characteristics of labor markets, prices, or property values.

Economic contributions analyses, as opposed to economic impact analyses, do not consider how an investment or ongoing operations creates new spending in a regional economy. As such, the estimates should be interpreted as gross contributions rather than net new impacts. With the exception of non-local visitor impacts, which we consider as new spending within the region.

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