

Retail & Industrial Vacancy Rates Increased, While Office Vacancies Declined:

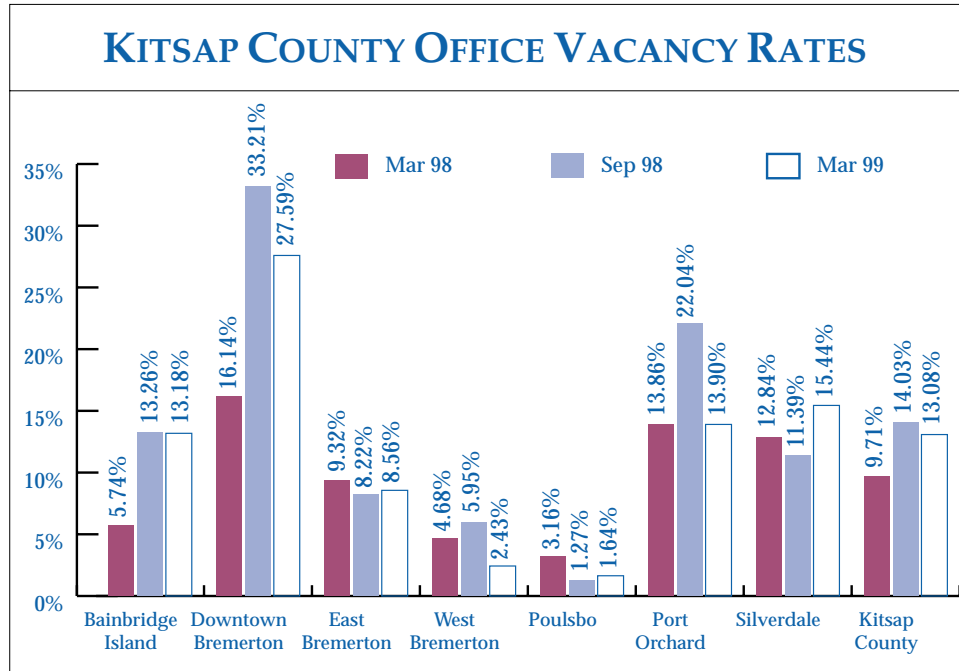
The surveys taken by the Bradley Scott Commercial Real Estate Office on retail and industrial vacancies showed some mixed results. Retail and industrial vacancies increased, while the office sector showed occupancy improvement.

Office Space:

The Bradley Scott survey of over two million square feet of office space showed that vacancies in the office market have decreased.

KITSAP COUNTY OFFICE VACANCY SURVEY AS OF MARCH 1999			
<i>Area</i>	<i>Office Space (sq. ft.)</i>		<i>Percent Vacant</i>
	<i>Surveyed</i>	<i>Vacant</i>	
Bainbridge Island	165,874	21,859	13.18%
Downtown Bremerton*	486,682	134,349	27.59%
East Bremerton	229,785	19,669	8.56%
West Bremerton	210,216	5,099	2.43%
Poulsbo	432,909	7,086	1.64%
Port Orchard	104,866	14,578	13.90%
Silverdale	452,985	69,937	15.44%
Total	2,083,497	272,577	13.08%
<i>Source: Bradley Scott, Inc.</i>			

Downtown Bremerton showed some improvement with vacancies dropping nearly 6%. Port Orchard also experienced a drop in vacancies of over 8%. West Bremerton vacancies dropped nearly 3.5%.



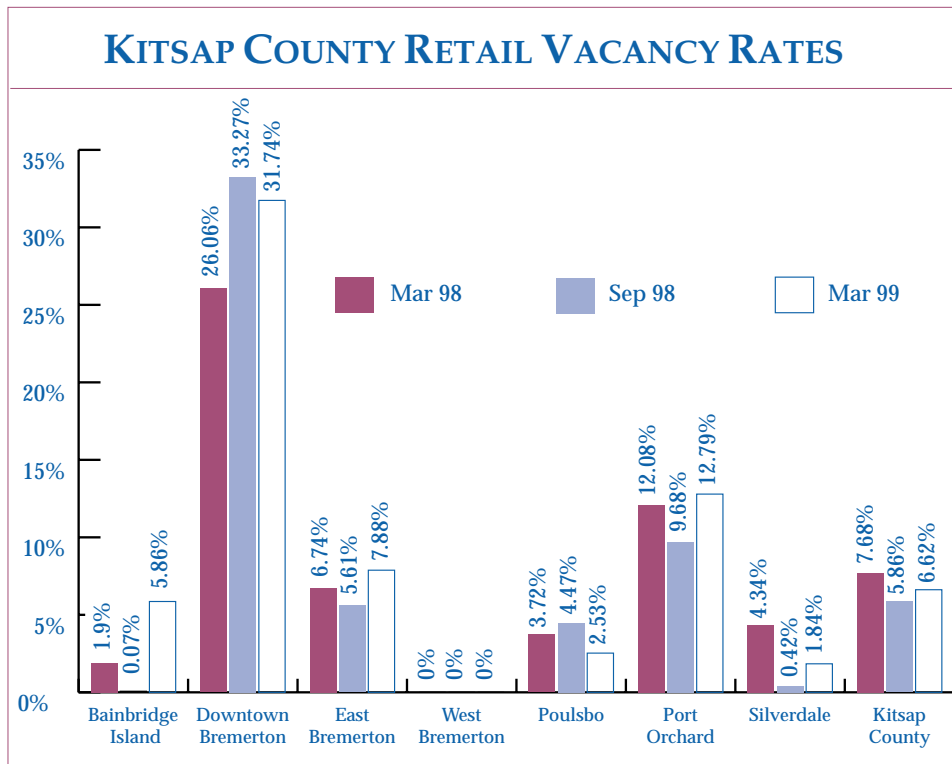
Retail Space:

Bradley Scott surveyed over 4.6 million square feet of retail space throughout Kitsap County. Vacancies in the retail market climbed nearly 1% to 6.62%.

Area	Office Space (sq. ft.)		Percent Vacant
	Surveyed	Vacant	
Bainbridge Island	144,795	8,489	5.86%
Downtown Bremerton*	227,267	72,138	31.74%
East Bremerton	976,332	76,908	7.88%
West Bremerton	120,428	0	0.00%
Poulsbo	249,354	6,302	2.53%
Port Orchard	866,932	110,874	12.79%
Silverdale	2,191,419	40,239	1.84%
Total	4,631,732	306,461	6.62%

**Does not include 173,102 sf of the Penney's & Sears Bldgs.
Source: Bradley Scott, Inc.*

Major moves in the retail market came in Bainbridge where vacancies increased from 1.07% to 5.86%. Port Orchard experienced a 3% increase in their retail market vacancies. Poulsbo bucked the trend with vacancies declining by 2%.

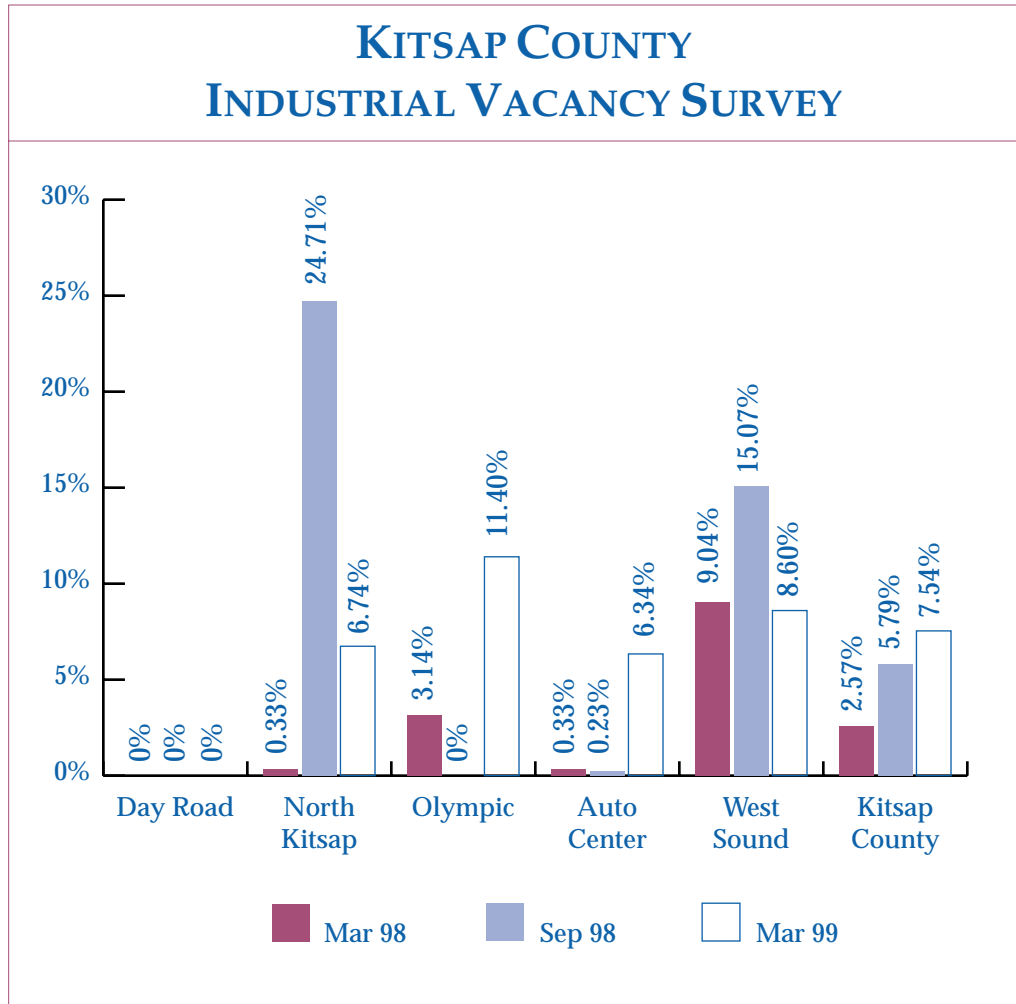


Industrial:

Kitsap County is currently limited to three major industrial parks (Port of Bremerton’s Olympic View, North Kitsap and Day Road on Bainbridge Island). The Auto Center area of Bremerton has the largest concentration of industrial space in the county. The West Sound Business Park was included in the survey to provide a look at the East Bremerton market.

Industrial Park	Area	Industrial Space (Sq. ft.)		Percent Vacant
		Surveyed	Vacant	
Day Road	Bainbridge	109,000	0	0.00%
North Kitsap	Poulsbo	222,538	15,000	6.74%
Olympic View	Port Orchard	350,800	40,000	11.40%
Auto Center Area	Bremerton	339,755	21,547	6.34%
West Sound BP	East Bremerton	46,500	4,000	8.60%
Total		1,068,593	80,547	7.54%

Source: Bradley Scott, Inc.



By
Tim Arnold, President
 and **Gary Gartin**
Bradley Scott, Inc. Commercial Real Estate
 360.479.6900 / fax 360.479.5499