Office & Retail Vacancy Rates Increased Over Last Year:

The Bradley Scott, Inc. "Office, Retail and Industrial Vacancy Survey" shows small increases in both office and retail vacancies over the last six months. Office vacancies increased by 1.54% and retail vacancies increased by only 0.32%. Almost 350,000 square feet was added to the office and retail space surveyed. Much of this was new construction. The biggest change was in downtown Bremerton where the office vacancy rate dropped by 22%.

Office Vacancy Rate:

The Bradley Scott, Inc. survey of almost 2.4 Million square feet of office space indicates vacancies increased to 13.0%. Most of the increase in office space surveyed is the result of new construction, primarily on Bainbridge Island and in Poulsbo. There were major differences within the county. While downtown Bremerton's vacancy rate decreased by 5.61%. Bainbridge Island's vacancy rate increased by 10.62%. Most of Bainbridge's increase was due to new construction; it is still the strongest office market in the county. Poulsbo has also seen a substantial increase in new construction. Both of these communities appear to be benefiting from the growth in Seattle.

KITSAP COUNTY OFFICE VACANCY SURVEY AS OF APRIL 2001

Area	Office Space (sq. ft.)		*Percent Vacant*
	Surveyed	*Vacant*	
Bainbridge Island	208,258	26,739	12.84%
Downtown Bremerton*	470,461	95,885	20.38%
East Bremerton	322,399	27,379	8.49%
West Bremerton	236,588	26,752	11.31%
Poulsbo	471,144	26,942	5.72%
Port Orchard	161,887	33,587	20.75%
Silverdale	513,653	59,298	11.54%
Total	**2,384,390**	**296,582**	**12.44%**

Source: Bradley Scott, Inc.

KITSAP COUNTY OFFICE VACANCY RATES

Office Space Location	Sep 99	Sep 00	Apr 01
Bainbridge Island	1.55%	2.22%	12.84%
Downtown Bremerton	26.89%	25.99%	20.38%
East Bremerton	7.34%	7.91%	8.49%
West Bremerton	7.46%	12.09%	11.31%
Poulsbo	3.00%	4.36%	5.72%
Port Orchard	9.45%	13.24%	20.75%
Silverdale	12.01%	14.45%	11.54%
Kitsap County	**11.43%**	**12.70%**	**12.44%**

Retail Vacancy Rate:

The Bradley Scott, Inc. survey of almost 5.4 million square feet of retail space indicates the amount of vacant space increased by only 8,573 square feet. At the same time, due to new construction, the amount of space occupied increased by 376,435 square feet or 7.92%.

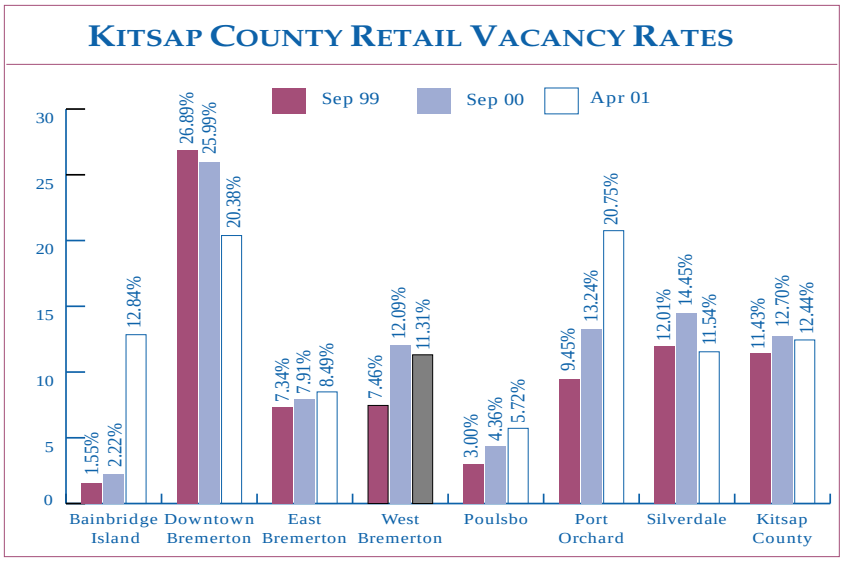
KITSAP COUNTY RETAIL VACANCY SURVEY AS OF APRIL 2000

Area	Office Space (sq. ft.)		*Percent Vacant*
	Surveyed	*Vacant*	
Bainbridge Island	153,195	2,800	1.83%
Downtown Bremerton*	208,693	27,750	13.3%
East Bremerton	986,355	53,228	5.40%
West Bremerton	183,515	5,889	3.22%
Poulsbo	249,354	8,827	4.81%
Port Orchard	1,175,607	92,799	7.89%
Silverdale	2,394,455	86,498	3.61%
Total	**5,406,283**	**274,655**	**5.08%**

**Does not include Penneys, Payless & Sears Buildings (197,102 sf)*

Source: Bradley Scott, Inc.

The biggest increase was in Silverdale where the vacancy rate doubled. The increase was due mainly to one large vacancy. Port Orchard's vacancy rate dropped by 4.83%. Bainbridge Island now has the lowest retail vacancy rate in the county, only 1.83%. Downtown Bremerton continues to have the highest vacancy rate in the county, 13.30%. It is interesting that at the same time downtown experienced a major increase in office leasing, the retail vacancy increased to the highest level in several years.



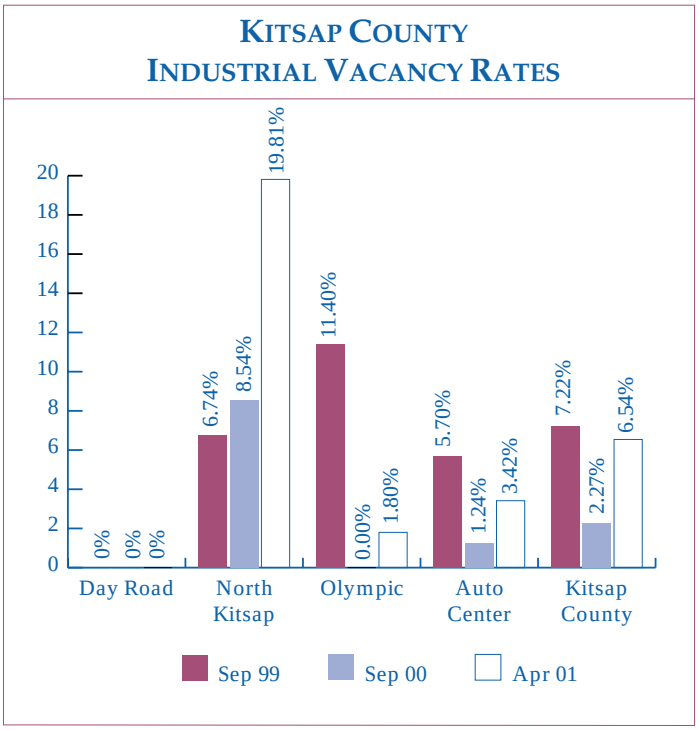
Industrial/ Warehouse Vacancy Rates:

The Bradley Scott, Inc. survey of a little over 1 million square feet of industrial space indicates the vacancy rate has increased to 6.54%. This increase is in part due to new construction and in part due to the existing space not meeting the needs of prospective tenants. There still appears to be a demand for quality industrial space. Kitsap County is currently limited to three major industrial parks. Olympic View (Port of Bremerton), North Kitsap and Day Road on Bainbridge Island. The vast majority of the available industrial space is in North Kitsap and is the result of new construction.

KITSAP COUNTY
INDUSTRIAL VACANCY SURVEY
AS OF APRIL 2001

		Industrial Space (Sq. ft.)		Percent Vacant
Industrial Park	*Area*	*Surveyed*	*Vacant*	
Day Road	Bainbridge	109,000	0	0.00%
North Kitsap	Poulsbo	262,538	52,000	19.81%
Olympic View	Port Orchard	334,095	6,000	1.80%
Auto Center Area	Bremerton	378,255	12,892	3.41%
Total		**1,083,888**	**70,892**	**6.54%**

Source: Bradley Scott, Inc.



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