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**Office, Retail and Industrial Vacancy Rates Increased:**

The Bradley Scott, Inc. "Office, Retail and Industrial Vacancy Survey" shows a small increase in office, retail and industrial vacancies over the last six months. Office vacancies increased by 1.06%. Retail vacancies increased 2.21%. Industrial vacancies increased by 2.72%. The biggest change was on Bainbridge Island where the industrial vacancy increased from 0% to 14.68%. The most significant change over the last two years is the retail vacancy rate in Silverdale, which has increased from 1.82% to 11.03%. Most of this increase is the result of large box stores going dark (Home Base, Homelife and Good Guys - 144,349 square feet).

**Office Vacancy Rate Increased:**

The Bradley Scott, Inc. survey of over 2.4 million square feet of office space indicates vacancies increased from 9.22% to 10.28% (see TABLE #1).

TABLE 1

KITSAP COUNTY OFFICE VACANCY SURVEY (AS OF APRIL 2002)			
Area	Office Space (sq. ft.)		Percent Vacant
	Surveyed	Vacant	
Bainbridge Island	227,758	37,881	16.63%
Downtown Bremerton*	419,908	38,973	9.28%
East Bremerton	311,651	41,156	13.221%
West Bremerton	238,362	12,144	5.09%
Poulsbo	501,193	41,789	8.34%
Port Orchard	186,887	22,441	12.01%
Silverdale	547,399	55,753	10.19%
<b>Total</b>	<b>2,433,158</b>	<b>250,137</b>	<b>10.28%</b>
<i>*Does not include Bremer Dept. Store or Place Two (65,840 sq. ft.) Source: Bradley Scott, Inc.</i>			

As can be seen in TABLE #2, all areas, except West Bremerton and Port Orchard, experienced an increase in office vacancy. The most significant increase occurred on Bainbridge Island. The 8.03% increase reflects the Island's close ties to the Seattle office market, which has experienced a substantial increase in vacancy. Bainbridge now has the highest vacancy rate in the County and West Bremerton has the lowest. The 4.75% decrease in vacancy in West Bremerton resulted from the leasing of two large vacancies. There is a very limited amount of office space available in West Bremerton.

TABLE 2

KITSAP COUNTY OFFICE VACANCY RATES (AS OF APRIL 2002)			
Office Space Location	April 01	Sep 01	Apr 02
Bainbridge Island	12.25%	8.60%	16.63%
Downtown Bremerton	6.19%	8.65%	9.28%
East Bremerton	8.79%	10.94%	13.21%
West Bremerton	11.31%	9.84%	5.09%
Poulsbo	5.72%	5.81%	8.34%
Port Orchard	20.75%	16.90%	12.01%
Silverdale	9.83%	8.07%	10.19%
<b>Kitsap County</b>	<b>9.36%</b>	<b>9.22%</b>	<b>10.28%</b>

**Retail Vacancy Space Increased by 139,110 Sq. Ft.:**

The Bradley Scott, Inc. survey of almost 5.6 million square feet of retail space indicates the amount of vacant space increased by 139,110 square feet. Almost all of this is attributed to the closing of the K-Mart store in Port Orchard and the Homelife and good guy stores in Silverdale. TABLE #3 shows the retail space available by area within Kitsap County.

TABLE 3

KITSAP COUNTY RETAIL VACANCY SURVEY (AS OF APRIL 2002)			
Area	Office Space (sq. ft.)		Percent Vacant
	Surveyed	Vacant	
Bainbridge Island	153,195	850	0.55%
Downtown Bremerton*	176,171	25,100	14.25%
East Bremerton	1,003,716	90,734	8.78%
West Bremerton	332,893	10,552	3.17%
Poulsbo	304,463	4,453	1.46%
Port Orchard	1,206,607	133,002	11.02%
Silverdale	2,420,714	266,989	11.03%
<b>Total</b>	<b>5,628,559</b>	<b>531,680</b>	<b>9.45%</b>
<p><i>*Does not include Penneys, Payless &amp; Sears Buildings (55,055 sf)</i>  <i>Source: Bradley Scott, Inc.</i></p>			

**Port Orchard Experienced the Highest Increase in Their Retail Vacancy Rate:**

The biggest increase was in Port Orchard where the retail vacancy rate increased by 4.20% (see TABLE #4). Most of the increase was due to the closing of the K-Mart store in Port Orchard. West Bremerton and Bainbridge Island are the only areas in the County that showed a decrease in retail vacancy rate. The vacancy rate on Bainbridge Island is now only 0.55%. Downtown Bremerton continues to have the highest vacancy rate in Kitsap County, 14.25%.

TABLE 4

KITSAP COUNTY RETAIL VACANCY RATES (AS OF APRIL 2002)			
Office Space Location	Apr 01	Sep 01	Apr 02
Bainbridge Island	1.83%	2.01%	0.55%
Downtown Bremerton	13.30%	14.02%	14.25%
East Bremerton	5.40%	5.74%	8.78%
West Bremerton	4.81%	4.81%	3.17%
Poulsbo	0.90%	1.27%	1.46%
Port Orchard	7.80%	6.82%	11.02%
Silverdale	3.61%	8.75%	11.03%
<b>Kitsap County</b>	<b>5.08%</b>	<b>7.24%</b>	<b>9.45%</b>

**Industrial/ Warehouse Vacancy Rates:**

The Bradley Scott, Inc. survey of almost 1.2 million square feet of industrial space indicates the vacancy rate has increased to 6.50% (see TABLE #5). This is a increase over the last six months of 2.72% (see TABLE #6). This increase is in part due to additional warehouse space being built throughout the county. The large vacancy in the Bainbridge Island Day Road area was created when Watson Furniture moved to their new building in Poulsbo.

TABLE 5

KITSAP COUNTY INDUSTRIAL VACANCY SURVEY (AS OF APRIL 2002)				
		Industrial Space (Sq. ft.)		Percent Vacant
Industrial Park	Area	Surveyed	Vacant	
Day Road	Bainbridge	109,000	16,000	14.68%
North Kitsap	Poulsbo	342,538	13,000	3.80%
Olympic View	Port Orchard	369,384	35,384	9.58%
Auto Center Area	Bremerton	385,055	14,000	3.64%
<b>Total</b>		<b>1,205,977</b>	<b>78,384</b>	<b>6.50%</b>
<i>Source: Bradley Scott, Inc.</i>				

TABLE 6

