

Office Vacancy Rates Decreased & Retail Vacancy Rates Increased:

The Bradley Scott, Inc. "Office, Retail and Industrial Vacancy Survey" shows a small decrease in office vacancy and a substantial increase in retail vacancy over the last six months. Office vacancies decreased by 0.66% and retail vacancies increased 2.2%. The biggest change was in Silverdale where the retail vacancy increased by over 123,000 square feet. Over the last year, the retail vacancy rate in Silverdale has increased from 1.82% to 8.75%. Most of the increase is the result of one large box store going dark.

Office Vacancy Rate:

The Bradley Scott, Inc. survey of over 2.4 Million square feet of office space indicates vacancies decreased to 11.42%. Most of the increase in office space surveyed is the result of improved identification of existing buildings and new construction, primarily in Poulsbo. There were substantial differences within the County. While Bainbridge Island and Port Orchard decreased their office vacancy by close to 4% and Silverdale vacancy rates decreased by almost 2%, East Bremerton saw an increase in vacancy rates of over 2%. The increase in East Bremerton was mainly due to medical users moving to the area around the new Harrison Silverdale Campus. The vacancy rate in Silverdale should continue to decrease because there has not been any new construction in the last few years other than medical office space.

KITSAP COUNTY OFFICE VACANCY SURVEY AS OF SEPTEMBER 2001			
<i>Area</i>	<i>Office Space (sq. ft.)</i>		<i>Percent Vacant</i>
	<i>Surveyed</i>	<i>Vacant</i>	
Bainbridge Island	218,258	18,769	8.60%
Downtown Bremerton*	470,461	100,846	21.44%
East Bremerton	311,651	34,106	10.94%
West Bremerton	242,588	23,873	9.84%
Poulsbo	496,593	28,870	5.81%
Port Orchard	186,887	31,586	16.90%
Silverdale	541,951	43,749	8.07%
Total	2,468,389	281,799	11.42%
<i>Source: Bradley Scott, Inc.</i>			

KITSAP COUNTY OFFICE VACANCY RATES			
Office Space Location	Sep 00	April 01	Sep 01
Bainbridge Island	2.22%	12.84%	8.60%
Downtown Bremerton	25.99%	20.38%	21.44%
East Bremerton	7.91%	8.49%	10.94%
West Bremerton	12.09%	11.31%	9.84%
Poulsbo	4.36%	5.72%	5.81%
Port Orchard	13.24%	20.75%	16.90%
Silverdale	14.45%	9.83%	8.07%
Kitsap County	12.70%	12.07%	11.42%

Retail Vacancy Rate:

The Bradley Scott, Inc. survey of over 5.4 million square feet of retail space indicates the amount of vacant space increased by 117,915 square feet. Almost all of this is attributed to the closing of the 100,000-square-foot Home Base Store.

KITSAP COUNTY RETAIL VACANCY SURVEY AS OF SEPTEMBER 2001			
Area	Office Space (sq. ft.)		Percent Vacant
	Surveyed	Vacant	
Bainbridge Island	153,195	3,220	2.10%
Downtown Bremerton*	208,693	29,250	14.02%
East Bremerton	1,005,355	57,706	5.74%
West Bremerton	183,515	8,827	4.81%
Poulsbo	304,463	3,853	1.27%
Port Orchard	1,175,607	80,164	6.82%
Silverdale	2,394,455	206,550	8.75%
Total	5,425,283	392,570	7.24%
<p><i>*Does not include Penneys, Payless & Sears Buildings (197,102 sf)</i> <i>Source: Bradley Scott, Inc.</i></p>			

Silverdale Vacancy Rate More Than Doubled:

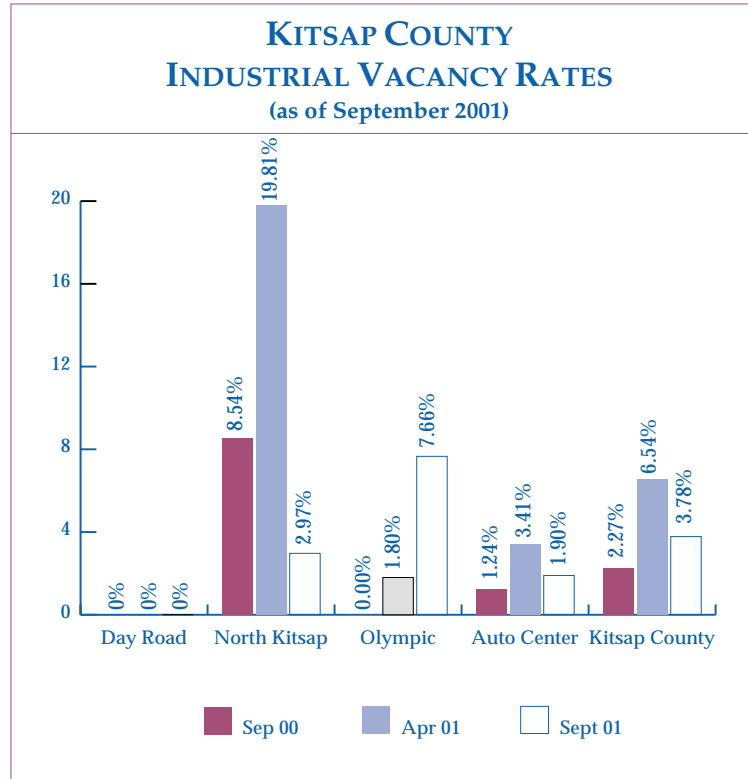
The biggest increase was again in Silverdale where the vacancy rate more than doubled. As noted above, most of the increase was due to one large vacancy. Port Orchard is the only area in the County that had a decrease in vacancy rate. Poulsbo has surpassed Bainbridge Island and now has the lowest retail vacancy rate in the County, only 1.27%. Downtown Bremerton continues to have the highest vacancy rate in the County, 14.02%.

KITSAP COUNTY RETAIL VACANCY RATES (AS OF SEPTEMBER 2001)			
Office Space Location	Sep 00	Apr 01	Sep 01
Bainbridge Island	2.69%	1.83%	2.01%
Downtown Bremerton	11.91%	13.30%	14.02%
East Bremerton	4.13%	5.40%	5.74%
West Bremerton	3.22%	4.81%	4.81%
Poulsbo	3.35%	0.90%	1.27%
Port Orchard	12.72%	7.80%	6.82%
Silverdale	1.82%	3.61%	8.75%
Kitsap County	5.38%	5.08%	7.24%

Industrial/ Warehouse Vacancy Rates:

The Bradley Scott, Inc. survey of almost 1.2 million square feet of industrial space indicates the vacancy rate has decreased to 3.78%. This is a decrease over the last six months of 2.76%. This decrease is in part due primarily to the absorption of over 35,000 square feet in North Kitsap. Over 100,000 square feet of new industrial space has been added to the survey. Most of the new space is in North Kitsap and South Kitsap. Several new industrial areas are being planned for the County.

KITSAP COUNTY INDUSTRIAL VACANCY SURVEY AS OF SEPTEMBER 2001				
		Industrial Space (Sq. ft.)		<i>Percent Vacant</i>
<i>Industrial Park</i>	<i>Area</i>	<i>Surveyed</i>	<i>Vacant</i>	
Day Road	Bainbridge	109,000	0	0.00%
North Kitsap	Poulsbo	329,538	9,800	2.97%
Olympic View	Port Orchard	357,384	27,384	7.66%
Auto Center Area	Bremerton	378,255	7,200	1.90%
Total		1,174,177	44,384	3.78%
<i>Source: Bradley Scott, Inc.</i>				



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