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**COMMERCIAL REAL ESTATE**

# Newly enlarged logistics company to fill up Everett warehouse



The under-construction Baywood Park project in Everett has been leased to OnTrac Logistics.

COURTESY OF BRODERICK GROUP

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**Shipping & Logistics**

Topic

**Broderick Group Inc.**

Company

**Steve Henderson**

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**Connor Gilchrist**

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**Rawley Holmberg**

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OnTrac Logistics is expanding from the South Puget Sound region to Everett, where it has leased an under-construction building on the waterfront.

Project developer Latitude Development, an Auburn company, announced Tuesday the nearly 234,500-square-foot deal at Baywood Park. The building is near Amazon and FedEx delivery centers, with access to the north and south via Interstate 5 and state Route 529.

The expansion comes as OnTrac merges with last-mile delivery giant LaserShip. LaserShip last year agreed to buy Arizona-headquartered OnTrac for approximately \$1.3 billion.

The Wall Street Journal reported [the deal extends Virginia-based LaserShip's reach](#) across a wider swath of the U.S. at a time when e-commerce demand is surging.

LaserShip is the largest regional e-commerce parcel carrier in the U.S., and the merger makes "the first pure-play, transcontinental last-mile delivery network for e-commerce deliveries," states the announcement by OnTrac/LaserShip and Broderick Group.

Steve Henderson, [Connor Gilchrist](#) and [Rawley Holmberg](#) at Broderick Group marketed the property for lease.

The Everett distribution center is expected to be done before the year-end holiday season. OnTrac said the center will have more than 400 jobs when the building is at full capacity.

OnTrac's two South Sound facilities, in Kent and Fife, serve the entire Puget Sound region. With the growth in e-commerce delivery demand, the company sought a North End location.

Latitude Development bought the approximately 12.5-acre Baywood site from the Port of Everett in May 2021 after

working with the port "for an extended period of time" to entitle the project, according to the release OnTrac issued with the Broderick Group.

Latitude Development has two equity partners in the Baywood Park development: Onward Investors of Edina, Minnesota, and Oakwood Real Estate Partners of Denver.

The Puget Sound industrial market saw average asking rents increase 10.4% over the last year, according to a recent JLL report, which states demand for modern warehouse space remains at record highs.

Around 7.5 million square feet of industrial product is scheduled for completion by year's end. JLL's report says large block leasing is keeping up with the new supply and that while there was record absorption in 2021, demand has dropped back down to more average levels.

The region's total vacancy last quarter was 3.8%. In Everett, it was 1.8%.

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