Boeing Company's Kent Land Sales Drawing Record Prices

The Boeing Company has just 7 acres of surplus industrial land left in the Kent Valley out of 33 acres it recently offered for sale, as a shortage of developable land in the area continues to drive up prices.

Sales of surplus land in the Kent Valley by Boeing have drawn record prices. A Company official predicts land prices in the area will continue to increase substantially in the near future.

Boeing Realty Corporation (BRC), a wholly owned subsidiary of Boeing, put 33 acres of land near the Boeing Space Center in Kent up for sale last year. BRC sold about 20 acres in two sales in 1999 to Carpenter's Trust and MCI WorldCom. Those two sales averaged about $7.37 per square foot. That average reflects a 44 percent increase over the 1998 average land sale price in the area of $5.10, according to Phil Cyburt, president of BRC.

Boeing is selling another 6 acres near the Space Center in Kent to an undisclosed buyer. Of the 33 acres put on the market by Boeing, only 7 acres remain for sale.

The land being sold by Boeing is adjacent to the company's Space Center, near South 196th Street and the West Valley Highway. It is near Seattle-Tacoma International Airport and the Interstate 5 freeway, making it a prime location for commercial development.

Boeing is selling surplus land at a number of sites around the country to increase the company's financial returns by reducing its real estate footprint.

Ed Hogan, a commercial real estate broker for CB Richard Ellis, said the Boeing sales "reflect not only the quality location of the parcels sold but also how the demand is outstripping the supply for building sites." Hogan, who represented Boeing in the two land sales in 1999, said the sales garnered higher prices than have ever been seen in that area.

"We obviously are pleased with the increasing land prices in the Kent Valley," said Cyburt. "The substantial increase in prices reflects a diminishing supply of land suitable for development in the Puget Sound area. There are few land parcels available to buy and build, so we believe land prices in the Kent Valley will continue to increase in the near term."

Boeing Realty Corporation manages all aspects of real estate strategies, acquisitions, dispositions and leasing worldwide for The Boeing Company.

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