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As demand for industrial properties continues to elevate so does their design

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Industrial real estate was one of the few winners of the pandemic and in Washington demand for industrial buildings shows no signs of slowing down.

A recent JLL report revealed that industrial development in the Puget Sound remains at its highest level on record. Moreover, 2022 marked the fifth straight year that industrial sale volumes were above \$1 billion.

In addition to this demand is a growing diversity in the types of industrial buildings rising in the state, from storage warehouses to laboratory and light manufacturing spaces. The market is also seeing a subsequent elevation in design.

“We’re seeing that aesthetics are increasingly important in this market,” Balmiki Bhattacharya, industrial practice leader with architectural firm Nelson Worldwide, shared with me during a recent call. “It’s true that function drives this typology perhaps more than most, but that doesn’t mean these buildings can’t be attractive or even beautiful,” he continued. “Washington’s industrial buildings are far more than utilitarian spaces.”

Bhattacharya shared some of the trends he is seeing in the industrial market. The main developmental shift he highlighted was a move away from speculative industrial buildings towards more built-to-suit spaces. As he explained, this has been a major driver of elevated design and more unique and customized projects.

He highlighted one group of clients in particular that have been pushing the envelope of industrial design, the tech industry. Tech companies often require industrial spaces for both storage and light manufacturing but they are also increasingly using portions of industrial buildings as office space. This has led to an increased awareness and focus on human-centered design elements, such as residential-type furnishings and more attention to lighting design. The market is also seeing more diverse and unique interior and exterior color schemes that reflect the brands of specific clients.

In general, Bhattacharya has also noticed a rising demand for punctuated openings and more windows, geared towards improving occupant health and well-being, and more of a desire to break up large floor areas to make them more interesting and human scaled. “We are seeing that clients are increasingly wanting spaces designed for people as much as for function,” he explained. “The result is buildings with flair as well as function and places where you want to be.”

Nelson’s design of printing company DCG One’s headquarters, at 4401 E. Marginal Way S., is a germane example of this blend. The project transformed a speculative warehouse building into a new office/administration and production headquarters for the firm. Work included the addition of a 20,000 square foot mezzanine level with a signature wood and steel feature stair and residential-style furnishings. The building is punctuated by glass on all sides which floods both the office and production spaces with natural light.

Bhattacharya added that increased attention is also being paid to landscape design and to spaces surrounding industrial properties. This is especially true when it comes to large scale industrial complexes such as the sprawling six-building Fred310 development currently under construction in Fredrickson, which Nelson designed for long-time client Panattoni. “When we design in-between spaces we see them as carriers of meaning and intent for the larger development,” he explained. “It’s all about place-making.”

Because of the strength of the market, Bhattacharya also noted that new developers, often with backgrounds in multi-family and/or commercial projects, are now entering this space for the first time which is another factor impacting the kinds of spaces being created and the types of aesthetics being sought.

Another big design trend he expects to see more of in 2023 is taller and more multi-level industrial buildings. Nelson is a pioneer in this field having designed the first multi-story warehouse in the United States; the approximately 600,000-square-foot, three-level, Georgetown Crossroads at 6050 E. Marginal Way S., which the firm designed for Prologis. The development opened in 2019 and is fully leased by Amazon and the Home Depot.

The first level of the warehouse is designed as a double-loaded, last-mile distribution space, while the second level is single-loaded and served by two truck ramps. The third story houses manufacturing and research and development, with three freight elevators, and the entire facility is supported by a detached, three-story parking structure.

Nelson has also designed a new two-story 692,752-square-foot logistics building for Trammell Crow and the Port of Seattle at Terminal 106. That project is expected to open next year.

Bhattacharya noted that with single-story properties too the trend is to build taller with a 40-foot ceiling clearance height now typical. With these taller projects comes more interest in facade design leading to exteriors with broken up facades and more dynamic color schemes. For example, at Crossroads Georgetown the facade is multi-faceted and includes balcony areas on each side of the building differentiated by their own color scheme and statement lighting.

In 2023 and beyond, Bhattacharya expects that built-to-suit developments will remain favored over speculative buildings and that there will also be a steady increase in tenant improvement projects, which will continue to bolster the trend towards more customized and unique spaces.



Photos courtesy of Nelson Worldwide [\[enlarge\]](#)

Human-centered and residential design elements are becoming increasingly common in industrial buildings. The lobby of printing company DCG One’s Seattle headquarters is pictured.



[\[enlarge\]](#)

Bhattacharya expects to see more multi-level industrial buildings in 2023 and beyond. Georgetown Crossroads, the first multi-level warehouse building in Washington and in the U.S., is pictured.

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