

SEATTLE - PUGET SOUND



SIGNIFICANT LEASE DEALS

Address	Submarket/City	SF	Tenant
320 108th Ave NE	Bellevue CBD	377,000	Amazon
1227 124th Ave NE	Bellevue Suburban	338,000	Facebook
1201 2nd Ave, 2+U	Seattle CBD	121,000	Dropbox

SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
Troy Block - Boren Ave N	\$740,000,000	\$905.00	820,000	Ponte Gadea Seattle
South Lake Union/Seattle	Fee	-	Class A	USAA
800 5th Ave	\$540,352,000	\$542.00	996,130	Blackstone Group
Seattle CBD/Seattle	Fee	-	Class A	Hines
Lake Washington Park	\$53,000,000	\$612.88	86,000	Monolithic Power Sys
Kirkland	Fee	-	Class A	Clarion Partners

LARGEST DELIVERIES

Property	Submarket/City	SF	Developer
-	-	-	-
-	-	-	-
-	-	-	-

LARGEST UNDER CONSTRUCTION


Address	Submarket/City	SF	Delivery Date
1234 Westlake Ave Block 20	S. Lake Union/Seattle	1,100,000	Q2 2019
Rainier Square 401 Union St	CBD/Seattle	994,567	Q1 2020
1201 2nd Ave 2+U	CBD/Seattle	686,908	Q3 2019

TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates	Net SF Absorption	SF Inventory	SF Under Construction
Q1 2019	6.2%	\$35.91	498,038	204,888,815	8,011,487
Q4 2018	6.8%	\$32.99	712,546	203,351,002	7,659,803
Q3 2018	7.1%	\$32.72	305,997	203,254,035	7,424,059
Q2 2018	7.2%	\$32.01	1,942,535	203,187,718	7,345,736
Q1 2018	7.8%	\$32.12	641,782	202,513,796	8,023,336

 **498,038** NET ABSORPTION SF

 **6.2%** VACANCY
12,473,179 SF

 **\$35.91** AVG. ASKING RATE PSF

 **0** DELIVERIES
0 Buildings

 **8,011,487** UNDER CONSTRUCTION
31 Buildings

SCOTT ESHELMAN

Senior Managing Director

Technology tenants including Amazon, Facebook and Google continue to drive the exceptionally strong Seattle and Eastside office markets to low vacancy rates of 5.7% and 4.6% respectively. Absorption totaled 1.366 MM SF for the Puget Sound market area in the 1st quarter taking YTD absorption to 1.5 MM SF. Most remarkably, of the 7.88 MM SF of space that is announced or under construction, nearly 70% is pre-leased or rumored to be pre-leased. This continuing demand will undoubtedly launch several new projects that have been on the drawing board.