



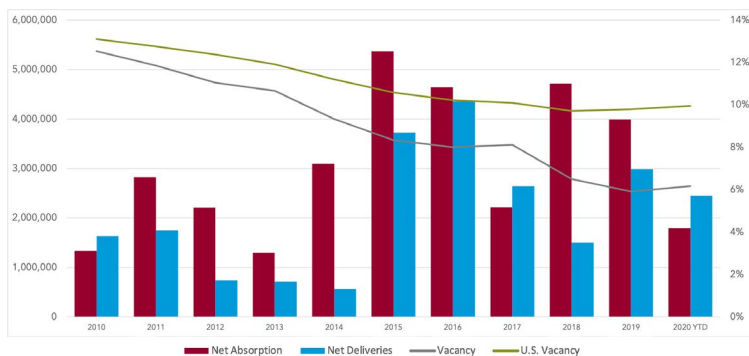
OFFICE MARKET OVERVIEW

GREGOR MILLER, *Principal*

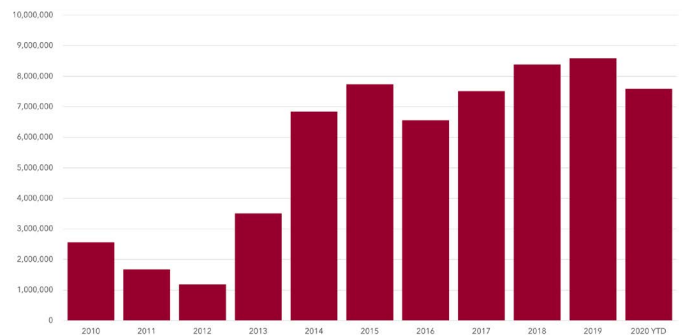
The first quarter of 2020 saw mixed results in the Puget Sound Market. Large tech, e-commerce, and other tenants continued to fuel leasing activity, but the early arrival of the Covid-19 outbreak and the uncertainty created by the restrictions and possible duration put a damper on activity in the second half of the quarter. Strong growth and construction activity continued in Seattle and Bellevue driven by Amazon, Google, Facebook and others. Anticipation remains that strong growth will return as the market absorbs the issues surrounding the virus as we return to a "new normal."

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▲ Net Absorption	5,903,601 SF	3,988,226 SF	4,395,530 SF	3,889,926 SF	2,489,940 SF
▲ Vacancy Rate	6.10%	5.90%	5.90%	6.20%	6.60%
▲ Avg NNN Asking Rate	\$38.13/SF	\$37.77/SF	\$37.52/SF	\$36.97/SF	\$36.44/SF
▼ Under Construction	7,587,825 SF	8,588,167 SF	7,682,044 SF	7,252,796 SF	8,103,134 SF
▲ Inventory	211,233,538 SF	208,779,514 SF	207,813,873 SF	207,270,982 SF	206,091,035 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
333 108th Ave, SE Bellevue, WA	435,406 SF	\$401,500,000 \$922.13/SF	KKR & Co Equity Commonwealth	Class A
14725 SE 36th St Bellevue, WA	74,442 SF	\$23,575,000 \$316.69/SF	Swift Real Estate Partners Shih Family LP	Class A
14240 Interurban Ave South Tukwila, WA	63,063 SF	\$10,276,571 \$162.96/SF	June Yoo Shelby Company	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
15550 NE Turing St Redmond, WA	246,638 SF	PGIM, Inc.	Microsoft	Computer/Software
503 6th St South Kirkland, WA	136,000 SF	Undisclosed	Google	Computer/Software
1301 5th Ave Seattle, WA	115,000 SF	Amazon	Bank of America	Banking