


SIGNIFICANT LEASE DEALS

| Property | Submarket/City | SF | Tenant |
|----------------------|----------------|---------|------------------|
| Expedia Building | Bellevue CBD | 413,100 | Amazon.com, Inc. |
| The Summit II | Bellevue CBD | 118,556 | WeWork |
| 90 North, Building 2 | I-90 Corridor | 93,840 | Mind Tree |

SIGNIFICANT BUILDING SALES

| Address City | Sale Value Type of Sale | PPSF Cap Rate | SF Class | Buyer Seller |
|----------------------------------|----------------------------|------------------|--------------------|---|
| Metropolitan Park E&W Seattle | \$435,000,000 Fee | \$613.45 4.4% | 709,108 Class A | Beacon Capital Ptnrs CBRE Global Inv. |
| 400 Fairview Ave N. Seattle | \$338,425,250 Fee | \$969.28 4.2% | 341,876 Class A | Pembroke Real Estate TIAA-CREF Inv. Mgmt |
| Maritime Building Seattle | \$186,000,000 Fee | \$878.85 4.1% | 211,640 Class B | Strs Ohio Beacon Capital Ptnrs |

LARGEST DELIVERIES


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


LARGEST UNDER CONSTRUCTION

| Property | Submarket/City | SF | Delivery Date |
|---------------------|------------------|-----------|---------------|
| Block 20 | Downtown Seattle | 1,100,000 | Q2 2019 |
| Rainier Square Dev. | Downtown Seattle | 994,567 | Q2 2020 |
| 1201 2nd Ave. | Downtown Seattle | 683,030 | Q3 2019 |

TOTAL OFFICE MARKET STATISTICS

| | Vacancy Rate | Avg. SF Rental Rates | Net SF Absorption | SF Inventory | SF Under Construction |
|---------|--------------|----------------------|-------------------|--------------|-----------------------|
| Q3 2018 | 6.7% | \$33.00 | 668,728 | 202,501,910 | 7,254,367 |
| Q2 2018 | 7.0% | \$32.70 | 293,283 | 202,471,693 | 6,951,873 |
| Q1 2018 | 7.1% | \$31.99 | 1,929,944 | 202,405,376 | 6,833,550 |
| Q4 2017 | 7.8% | \$32.11 | 568,855 | 201,792,284 | 7,501,588 |
| Q3 2017 | 7.4% | \$31.08 | 1,688,454 | 200,300,673 | 5,785,837 |


**NET
ABSORPTION SF**
668,728

VACANCY
13,581,602 SF
6.7%

**AVG. ASKING
RATE PSF**
\$33.00

DELIVERIES
4 Buildings
30,217

**UNDER
CONSTRUCTION**
29 Buildings
7,254,367
GREGOR MILLER

Principal

The Puget Sound office market continued its remarkable performance in the third quarter of 2018. The market was driven by tech activity in the Seattle and Eastside markets with Amazon (surprise!) accounting for much of the absorption - including 475,000 SF in the top six floors of a 1930's Macy's Building. But absorption was not confined simply to the tech sector - the FAA recently moved into its new 483,000 square foot Northwest Regional offices in Des Moines and Costco has announced that it will be expanding its presence in Issaquah by over 620,000 SF. All indicators point to a continuation of a very strong market.