



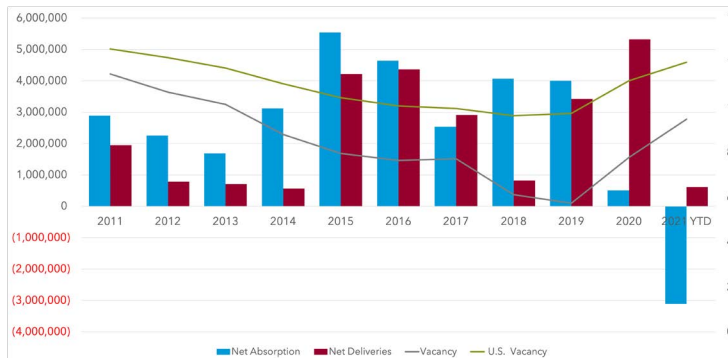
### OFFICE MARKET OVERVIEW

ALEX MUIR, *Vice President*

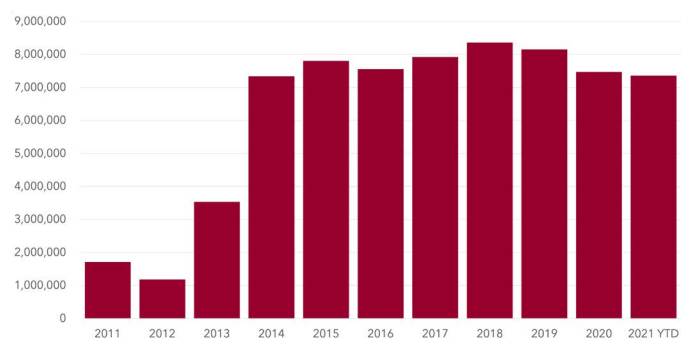
Leasing activity remains slow, sublease vacancy seems to have leveled off, and more than \$1.5B in sales closed in Q1. Amazon announced it will embrace an “office-centric culture” as we reach the end of the pandemic. URG & KKR acquired 300 Pine, the former Macy’s Building occupied by Amazon, for \$580M. On the eastside, Amazon signed 600K SF in new development Artise, and Microsoft employees began returning to Redmond headquarters. Bothell, a regional biotech hub, has seen more than \$500M in sales YTD, more than the last three years combined. Investor and tenant demand persist throughout the region, and we are projecting a strong recovery for Seattle in 2021.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(3,964,425)	509,161	2,565,694	4,635,099	5,658,363
▲ Vacancy Rate	9.2%	7.8%	6.7%	6.0%	5.9%
◀▶ Avg NNN Asking Rate	\$39.47 PSF	\$39.47 PSF	\$39.93 PSF	\$40.37 PSF	\$41.10 PSF
▼ SF Under Construction	7,353,928	7,466,679	8,434,579	7,126,074	7,946,258
▲ Inventory SF	215,609,441	214,996,121	213,663,499	212,908,844	212,098,987

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
300 Pine Street Seattle, WA	777,000 SF	\$580,000,000 \$746.46 PSF	URG / KKR Starwood Capital Group	Class A
220th St, 17th Ave, 20th Ave, 29th St (multi-building portfolio), Bothell, WA	672,404 SF	\$200,000,000 \$297.44 PSF	Alexandria Real Estate Equities PCCP / SteelWave	Class B
3003-3009 160th Avenue SE Bellevue, WA	610,000 SF	\$169,000,000 \$277.05 PSF	Talon Private Capital / PGIM The Shidler Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10627 NE 8th Street Bellevue, WA	600,000 SF	Schnitzer West	Amazon	Retailer
2005 NW Poplar Way Issaquah, WA	68,765 SF	Rowley Agency, Portemons LLC	REI	Arts, Entertainment
700 Bellevue Way NE Bellevue, WA	65,768 SF	Kemper Development Company	Undisclosed	Undisclosed

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