



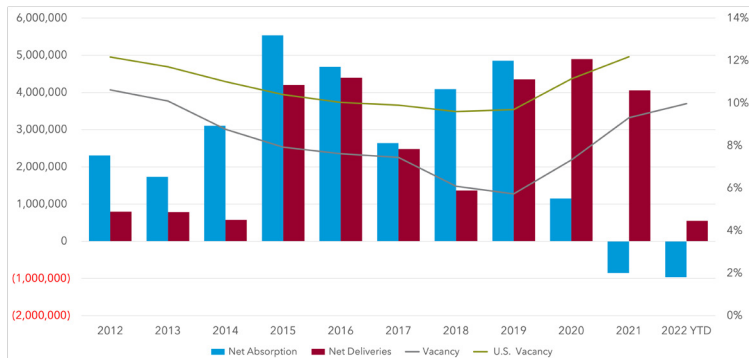
OFFICE MARKET OVERVIEW

CHRIS REID, *Senior Vice President*

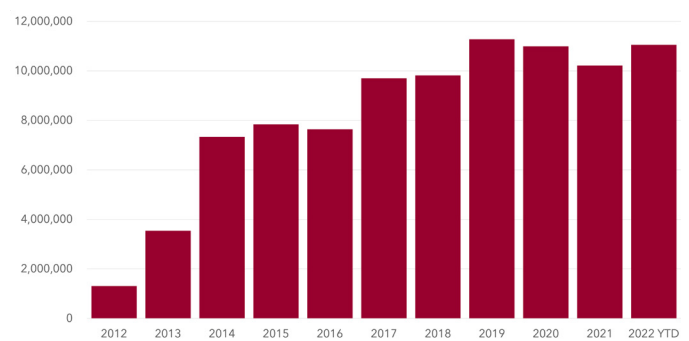
With the return to work well underway, the health of this market sector continues to improve and the Eastside continues to dominate. In Downtown Bellevue, Snapchat recently announced their new 76,847 SF lease while ByteDance, TikTok's parent company, announced its new 44,000 SF lease of the top two floors of Key Center. Class A average lease rates now exceed \$60/SF/Yr FS, thought to be unachievable until the recent wave of new construction. Schnitzer West recently signed a land lease to build an 18 story 452k SF office building, adding to the growing number of new developments slated for downtown. Meta/Oculus continues to add square footage in the Redmond Willows area, recently leasing an additional 100,000 SF.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	283,475	(853,328)	(2,517,318)	(3,589,612)	(2,904,154)
▲ Vacancy Rate	9.9%	9.3%	9.3%	9.2%	8.7%
▲ Avg NNN Asking Rate PSF	\$38.40	\$38.38	\$38.33	\$37.99	\$37.85
▲ SF Under Construction	11,050,810	10,218,286	10,901,924	10,341,498	10,084,038
▲ Inventory SF	221,665,177	221,115,039	220,132,016	219,250,015	218,306,554

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1191 2nd Avenue (2 Property Sale) Seattle, WA	439,016 SF	\$320,200,000 \$729.36 PSF	Northwood Investors LLC Rockwood Capital, LLC	Class A
609 Fairview Avenue (4 Property Sale) Seattle, WA	178,724 SF	\$227,274,928 \$1,271.65 PSF	Deka Immobilien Vulcan	Class A
1301 A Street Tacoma, WA	171,375 SF	\$58,300,000 \$340.19 PSF	Boyd Watterson Asset Management The Haub Family Revocable Trust	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1601 Lind Avenue SW Renton, WA	119,499 SF	BH Properties, LLC	Undisclosed	Educational Services
635 Elliott Avenue W Seattle, WA	95,556 SF	Martin Selig Real Estate	Undisclosed	Retailer
3150 139th Avenue SE Bellevue, WA	57,911 SF	Kennedy Wilson, Inc.	Undisclosed	Undisclosed

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com