



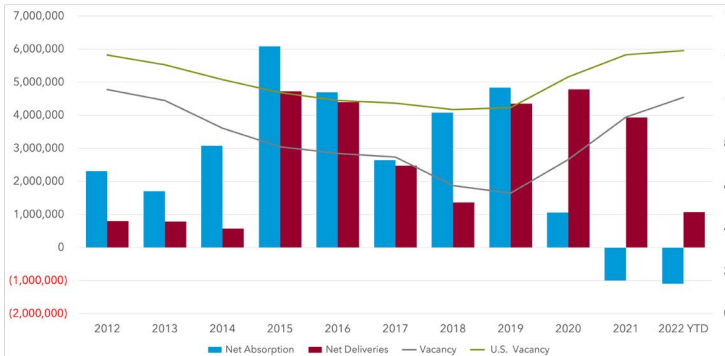
OFFICE MARKET OVERVIEW

HARRISON LAIRD, *Principal*

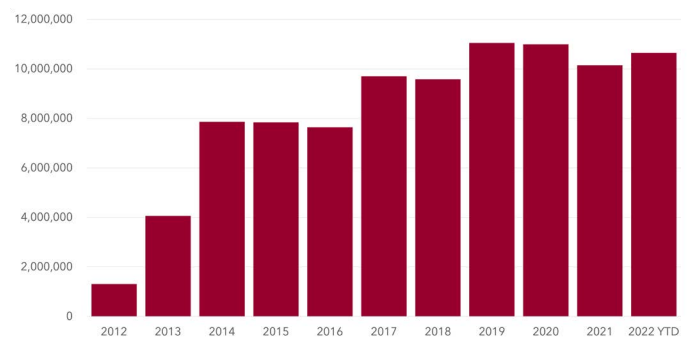
The Eastside as a hotspot for new construction is proven, with multiple preleased buildings in development for Amazon, Facebook, Microsoft, and Costco. Investment activity continues with large sales across the region; 12-month sale volume was \$6.4B compared to the historical average of \$3.2B. Boston Properties' acquisition of Madison Centre for \$730M (\$959 PSF) was one of the nation's largest multi-tenant office deals this year. Microsoft announced it will not be renewing its 585K SF lease in Bellevue, although Amazon has expressly reaffirmed its commitment to the Eastside. Work-from-home and sublease trends still are softening office demand and tempering rental rate growth, which is still below its early 2020 peak.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	132,416	156,551	(994,130)	(2,504,671)	(3,575,267)
▲ Vacancy Rate	10.17%	9.88%	9.25%	9.23%	9.18%
▲ Avg NNN Asking Rate PSF	\$38.55	\$38.43	\$38.46	\$38.40	\$38.09
▼ SF Under Construction	10,647,860	10,739,475	10,148,086	10,860,924	10,341,498
▲ Inventory SF	223,091,513	222,697,273	222,020,360	221,037,337	220,279,336

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1001 4th Avenue Seattle, WA	810,493 SF	\$465,000,000 \$573.72 PSF	Boston Properties, Inc +1 GLL Real Estate Partners +1	Class A
300 Pine Street Seattle, WA	770,000 SF	\$580,000,000 \$753.25 PSF	Urban Renaissance Group +1 Starwood Capital Group	Class B
920 5th Street Seattle, WA	760,971 SF	\$730,000,000 \$959.30 PSF	Boston Properties, Inc. Schnitzer West, Barings	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
101 Elliott Avenue W Seattle, WA	88,000 SF	Credit Suisse Asset Management	Undisclosed	Undisclosed
3555 Monte Villa Parkway Bothell, WA	78,000 SF	Alexandria Real Estate Equities	Sana Biotechnology, Inc.	Biotechnology
110 110th Avenue NE Bellevue, WA	46,448 SF	Unico Properties	Egencia	Entertainment

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