



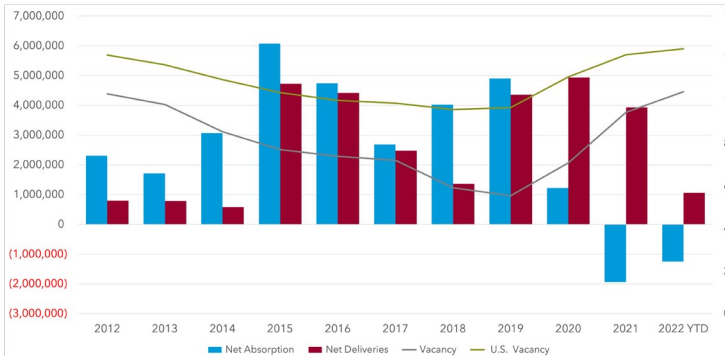
OFFICE MARKET OVERVIEW

HARRISON LAIRD, *Principal*

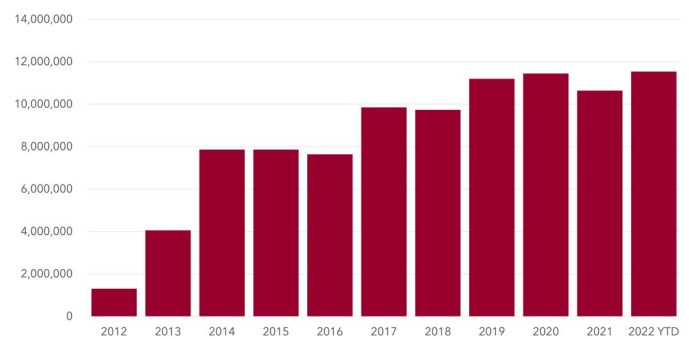
Demand continues to shift to the Eastside submarket with Meta recently signing a 220,000 SF lease in Redmond; conversely, large blocks of office space remain unleased in the Seattle CBD. Regional vacancy continues to hover at a 10-year high, over 10.4% for the greater Seattle Metro, though still below the national average which has ticked up to 12.5%. While absorption of new office space has slowed, dropping to ±380,000 SF for Q3, construction of new space remains at an all-time high, ±11.5 million SF. Increasing availability of space, in conjunction with downward economic pressure from international tensions, interest rate growth, and inflationary pressure has dampened rental rate growth and sales volume throughout the region.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	(389,392)	23,481	150,177	(1,935,551)	(3,414,485)
◀▶ Vacancy Rate	10.4%	10.4%	10.1%	9.5%	9.4%
▲ Avg NNN Asking Rate PSF	\$38.50	\$38.45	\$38.24	\$38.28	\$38.17
▲ SF Under Construction	11,542,742	10,864,944	10,578,389	10,641,427	11,340,700
▼ Inventory SF	227,264,528	227,296,036	226,901,796	226,202,883	225,219,860

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
20700 44th Avenue W Lynwood, WA	179,987 SF	\$46,000,000 \$255.58 PSF	Nitze-Stagen & Co, Inc. Hudson Pacific Properties, Inc.	Class B
15815 25th Ave W (Part of Portfolio Sale), Lynwood, WA	87,385 SF	\$17,559,723 \$200.95 PSF	GIC R.E. Workspace Property Trust Griffin Realty Trust	Class B
6464 185th Ave NE (Part of Portfolio Sale), Redmond, WA	85,737 SF	\$43,211,651 \$504.00 PSF	LCN Capital Partners Acento Real Estate Partners	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12034 134th Ct NE Redmond, WA	208,221 SF	PAR5 Investments, Reez Properties Inc	Meta	Information
1101 Lake Washington Blvd N Renton, WA	112,947 SF	SECO Development, Inc.	Hasbro	Manufacturing
501 Elliott Avenue W Seattle, WA	82,938 SF	Office Properties Income Trust +1	Sonoma Bio	Life Sciences

