



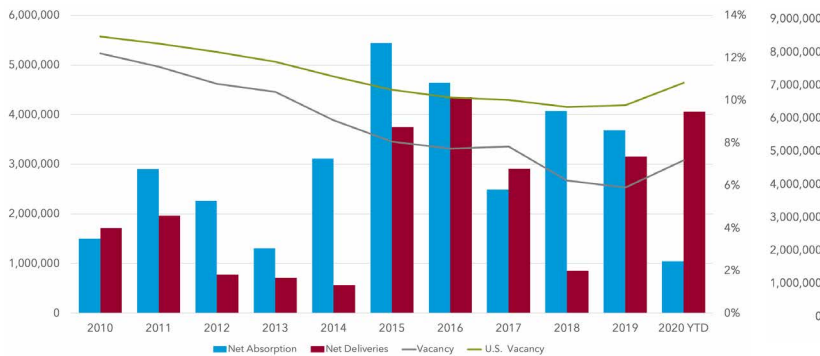
OFFICE MARKET OVERVIEW

GREGOR MILLER, *Principal*

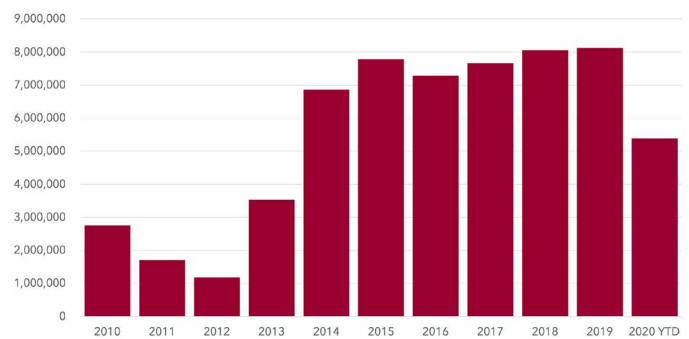
The tale of two cities playing out in Seattle's office market continues with significant new leases signed in the suburbs contrasted with dramatically less activity in Seattle's CBD. For space currently under construction, virtually all of ~3M SF in downtown Bellevue is released, compared with just 21% of ~1M SF in downtown Seattle. Amazon continues to shift their growth focus from Seattle, with two new Bellevue leases totaling 1.5M+ SF. This shift is representative of the same strong interest across many industries, as employers assess long-term workplace impacts of the pandemic and inner city challenges. Large blocks of newly available sublease space predominantly in Seattle, including multiple with 100K+ SF, is illustrative of this notable market dynamic.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	2,199,922 SF	4,395,469 SF	5,535,861 SF	3,681,356 SF	4,110,915 SF
▲ Vacancy Rate	7.0%	6.2%	6.1%	5.9%	5.8%
▼ Avg NNN Asking Rate	\$38.09 PSF	\$38.24 PSF	\$38.69 PSF	\$38.51 PSF	\$38.16 PSF
▼ Under Construction	5,446,672 SF	6,202,167 SF	7,025,351 SF	8,127,416 SF	7,479,040 SF
▲ Inventory	213,950,008 SF	213,195,353 SF	212,380,646 SF	209,960,342 SF	208,994,701 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1209 124th Ave NE Bellevue, WA	400,000 SF	\$367,600,000.00 \$919.00 PSF	Facebook, Inc. REI	Class B
155 108th Ave NE Bellevue, WA	150,000 SF	\$72,000,000.00 \$480.00 PSF	Swift Real Estate Partners Columbia West Properties	Class A
3005 1st Ave Seattle, WA	75,772 SF	\$50,700,000.00 \$669.11 PSF	CalSTRS / Beacon Capital Partners TPJ International, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
19015 66th Ave S Kent, WA	55,500 SF	Rainier Restaurant Supply	Baden Sports	Retailer
9911 Willows Rd (Sublease) Redmond, WA	28,265 SF	Kennedy Wilson Properties	Undisclosed	Undisclosed
2200 1st Ave S Seattle, WA	26,802 SF	Urban Renaissance Group	Undisclosed	Undisclosed

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