



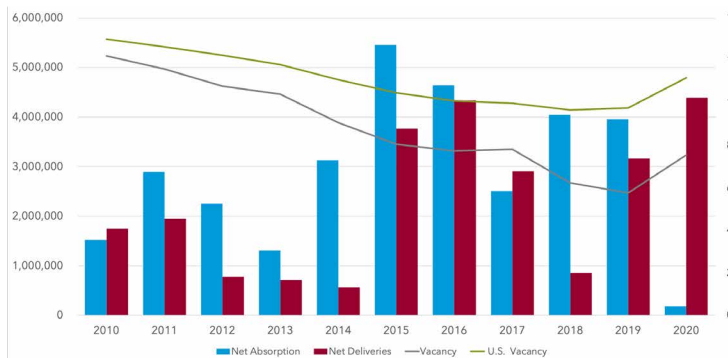
### OFFICE MARKET OVERVIEW

ALEX MUIR, *Vice President*

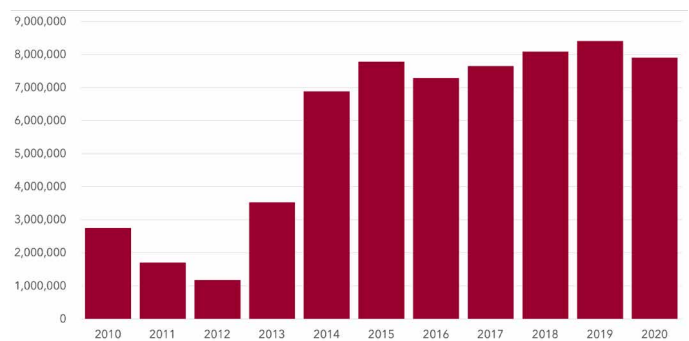
Despite an increase in sublease space, vacancy ended Q4 in single-digits for the seventh consecutive year. Leasing activity continued to primarily involve short-term renewals. Persistent demand from technology tenants looking to grow on the Eastside - Amazon, Facebook, Oculus and Google - has given developers the confidence to continue breaking ground on office projects. More than 25 million SF has been added in the last decade as vacancy has stayed well below the national average. Investment sales activity resumed, posting nearly \$3 billion in Q4 sales. The year-end total of \$4.6 billion matched Seattle's 10-year average. The Terry Thomas Building sold in December for \$1,172 per SF, setting a market record.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▼ Net Absorption	6,505 SF	2,244,903 SF	4,396,417 SF	5,548,047 SF	3,853,432 SF
▼ Vacancy Rate	7.6%	6.9%	6.2%	6.0%	5.8%
▼ Avg NNN Asking Rate	\$38.99 PSF	\$39.34 PSF	\$39.64 PSF	\$40.26 PSF	\$40.05 PSF
▼ Under Construction	7,908,609 SF	7,946,292 SF	6,637,787 SF	7,460,971 SF	8,411,651 SF
▲ Inventory	214,585,357 SF	214,175,674 SF	213,421,019 SF	212,618,362 SF	210,192,526 SF

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1201 2nd Avenue Seattle, WA	686,908 SF	\$704,000,000.00 \$1,024.88 PSF	Hana Alternative Asset Mgmt Skanska	Class A
1918 8th Avenue Seattle, WA	668,886 SF	\$625,000,000.00 \$934.39 PSF	Hudson Pacific Prop/Canada Pension Plan Inv J.P. Morgan Asset Management	Class A
18200-18700 NE Union Hill Rd Redmond, WA	536,958 SF	\$217,000,000.00 \$404.13 PSF	Vanbarton Group TPG Global	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
550 106th Avenue NE Bellevue, WA	166,132 SF	Unico Properties	Bungie	Gaming
1201 2nd Avenue Seattle, WA	60,947 SF	Hana Alternative Asset Management	Skanska	Construction
15395 SE 30th Pl Bellevue, WA	32,394 SF	Kennedy Wilson Properties	Wizards of the Coast	Gaming

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