



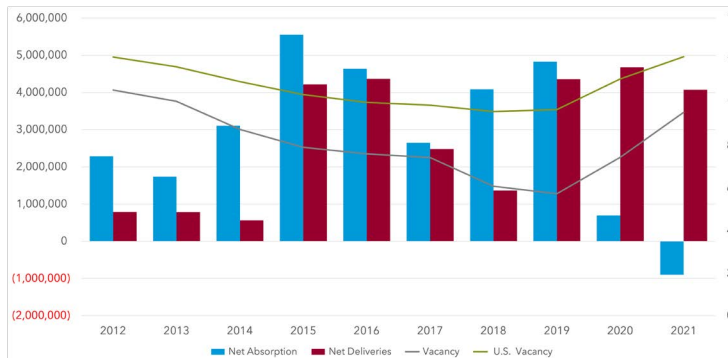
OFFICE MARKET OVERVIEW

ALEX MUIR, *Vice President*

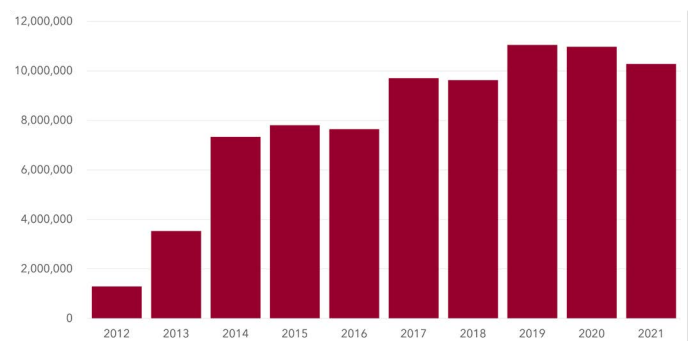
While leasing activity was slow due in part to concerns over the Omicron variant, vacancy held flat quarter-over-quarter and ended in the single-digits for the eighth consecutive year. Technology tenants continue to drive the market, with some of the largest leases in the quarter coming from Meta, Amazon and PitchBook. Riot Games, a Los Angeles-based video game developer, paid \$114.1M for a building in Mercer Island that it plans to occupy. Another thriving industry propelling the office market is life sciences. Shape Therapeutics, a biotech company that recently raised \$112M in Series B funding, leased 120,000 SF in South Lake Union. More than \$5.5B of sales closed in 2021 and investor interest remains high in Seattle.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	(899,851)	(2,899,530)	(4,000,295)	(3,155,010)	694,638
◀▶ Vacancy Rate	9.6%	9.6%	9.4%	8.9%	7.5%
▲ Avg NNN Asking Rate PSF	\$38.23	\$38.22	\$37.89	\$37.74	\$37.83
▼ SF Under Construction	10,282,322	10,965,960	10,425,129	10,067,669	10,974,314
▲ Inventory SF	221,196,132	220,210,138	219,349,542	218,367,795	217,120,462

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3301 Densmore Avenue N Seattle, WA	214,544 SF	\$220,000,000 \$1,025.43 PSF	BioMed Realty Trust Clarion Partners	Class A
330 Yale Avenue N Seattle, WA	211,066 SF	\$164,500,000 \$779.38 PSF	Lincoln Property Company / Invesco Unico/Partners Group	Class A
801 2nd Avenue Seattle, WA	269,755 SF	\$147,250,000 \$545.87 PSF	Hines Matthew G. Norton Company	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1325 123rd Avenue NE Bellevue, WA	217,998 SF	Wright Runstad/Shorenstein/J.P. Morgan	Meta	Professional, Scientific & Tech Services
700 Dexter Avenue N Seattle, WA	129,063 SF	BioMed Realty	Shape Therapeutics	Life Sciences
32275 32nd Avenue Federal Way, WA	84,532 SF	City of Federal Way	DaVita	Health Care and Social Assistance

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