



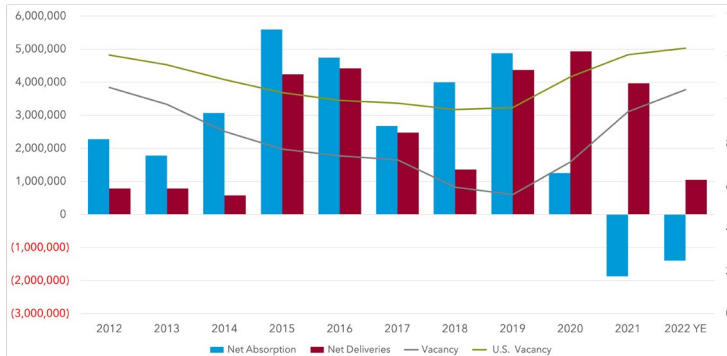
OFFICE MARKET OVERVIEW

HARRISON LAIRD, *Principal*

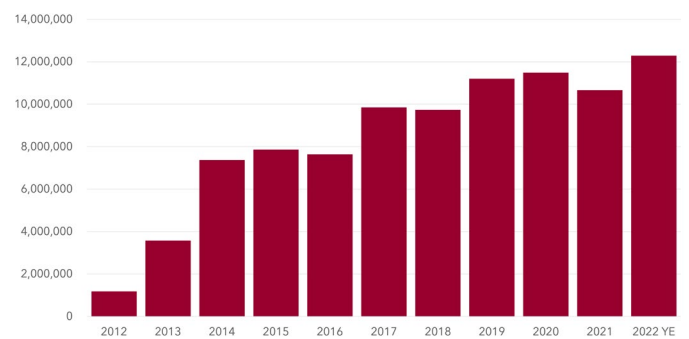
Increasing vacancy rates continue as a common trend in the local office market. Layoffs, led by the tech sector, in conjunction with space utilization efficiencies and hybrid work schedules, have pushed the vacancy rate to a 10-year high. This comes on the heels of two years of negative absorption across the market. Construction projects are at an all-time high, led by the Eastside with Microsoft's Redmond campus adding 2.5M SF; Amazon adding over 1.6M SF in West Main, the 555 Tower and The Artise; and Costco will complete its 600K SF addition in 2023. Variations in overall headcount and space utilization among tech companies will have a meaningful impact on the greater Seattle office market in 2023.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(1,397,678)	(513,260)	99,162	142,771	(1,871,259)
▲ Vacancy Rate	10.54%	10.47%	10.44%	10.14%	9.50%
▼ Avg NNN Asking Rate PSF	\$38.62	\$38.63	\$38.57	\$38.37	\$38.40
▲ SF Under Construction	12,288,799	11,792,051	10,890,109	10,603,554	10,666,592
▲ Inventory SF	226,889,869	226,858,326	226,889,834	226,502,235	225,842,841

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2001 Lind Avenue SW* Renton, WA	160,853 SF	\$31,146,193 \$193.63 PSF	Seattle Children's Hospital Providence Health & Services	Class A
906 SE Everett Mall Way** Everett, WA	115,736 SF	\$14,300,000 \$123.56 PSF	Pietromonaco Jackson Properties Pflueger Everett Holdings, LLC	Class B
2201 Lind Avenue* Renton, WA	114,116 SF	\$19,317,554 \$169.28 PSF	Seattle Children's Hospital Providence Health & Services	Class A

*Part of 6-property sale; ** Part of 2-property sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10301 Willows Road NE Redmond, WA	349,998 SF	Meta Platforms, Inc.	Meta	Professional, Scientific and Technical Services
31 Montana Avenue Tacoma, WA	57,546 SF	Islamic Center of Tacoma	Undisclosed	Arts, Entertainment and Recreation
1201 3rd Avenue Seattle, WA	46,466 SF	Clarion Partners, 1201 TAB Owner LLC	Undisclosed	Undisclosed

