

Quarterly Market Report

Q2 – 2022

Quarterly Highlights

General Overview

At the close of Q2, 2022, the overall vacancy rate for the Downtown Seattle Office Market was 17%, including 14.1% of direct vacancy and 2.9% of sublease vacancy. The trend of rising vacancy continues and there are no signs of the market strengthening anytime soon. The 12-month net absorption for the Downtown Seattle Office Market at the end of Q2 2022 was (1,558,933) and there is currently 1,024,940 square feet under construction.

Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 3.9%. The Seattle/Tacoma/Bellevue unemployment rate at the end of May 2022 was even lower at 2.8%.

Despite labor market strength and many industries continuing to thrive, the potential of a longer-term recession is looming given high inflation, rising interest rates, geopolitical uncertainty, stock market corrections, and the lingering COVID-19 pandemic.

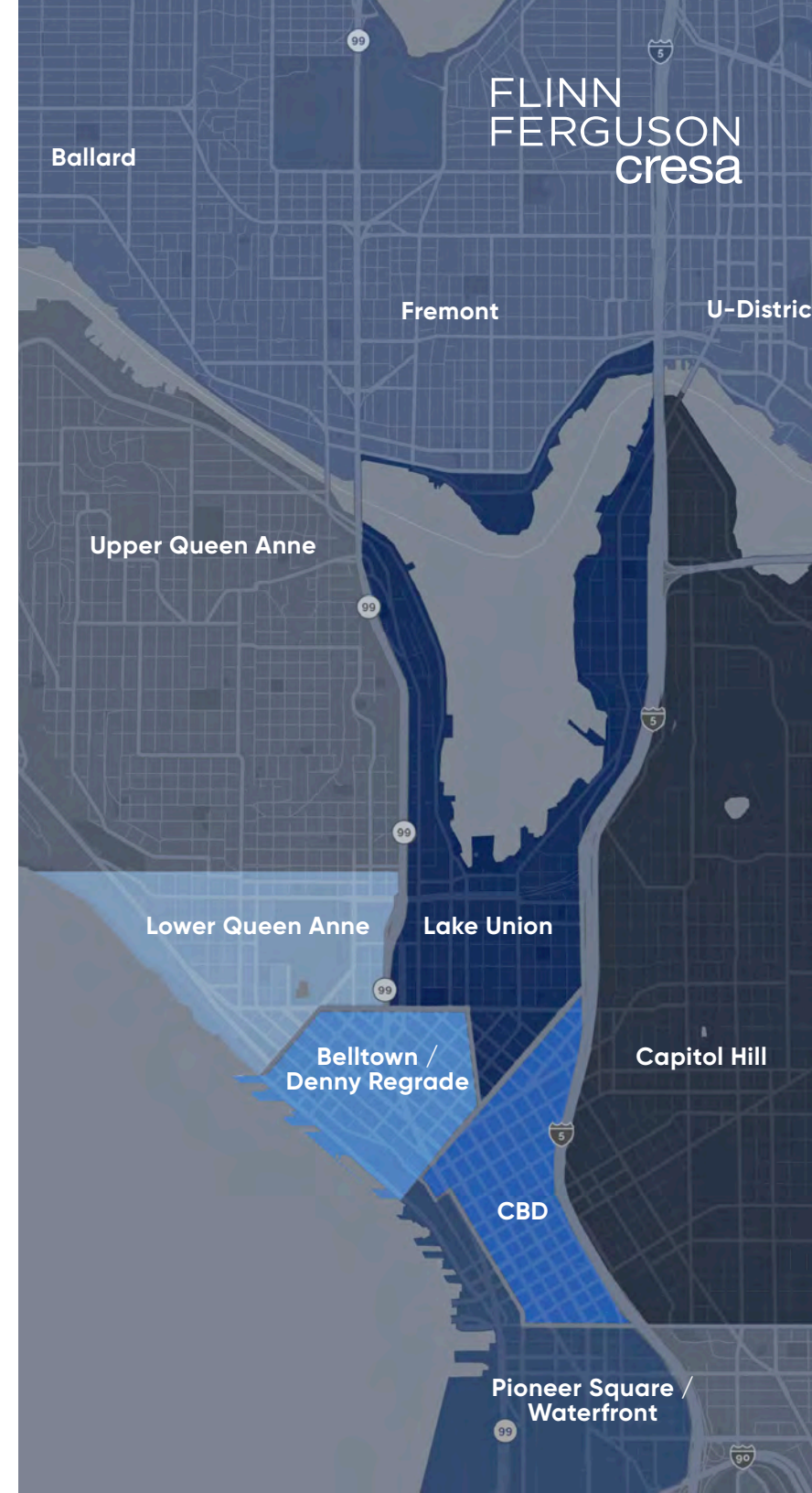
Submarket Data

To summarize, below is a table providing information for the major submarkets of Seattle:

Market	Vacancy Rate	YTD Absorption (SF)	FS Class A Rental Range
Ballard / U-District	8.1%	86,882	\$30.00 – \$50.00
Belltown / Denny Regrade	17.5%	(39,043)	\$30.00 – \$50.00
Capitol Hill / Central District	3.2%	11,237	\$35.00 – \$55.00
Lake Union	6.8%	349,672	\$50.00 – \$70.00
Pioneer Square / Waterfront	18.9%	(342,818)	\$30.00 – \$65.00
Queen Anne	26.2%	(118,090)	\$28.00 – \$40.00
Central Business District	21.0%	(1,401,648)	\$40.00 – \$65.00

17%

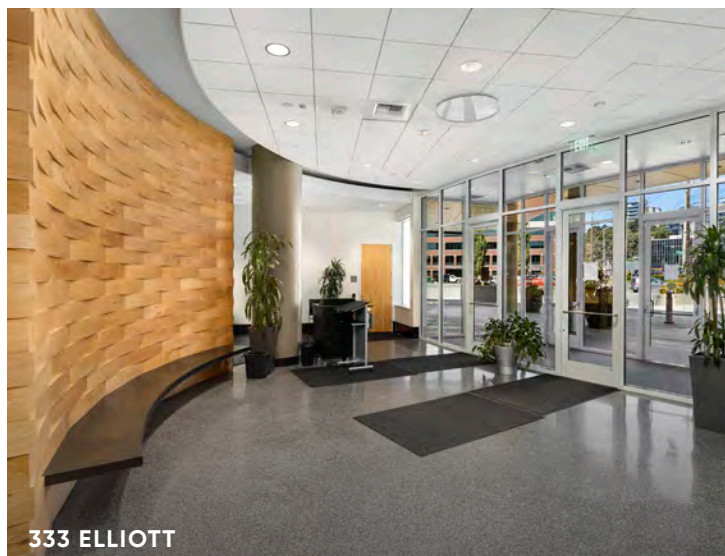
TOTAL VACANCY RATE FOR SEATTLE (APPX.)



Q2 2022 Leases

Office leasing in the second quarter of 2022

Tenant	Building	Address	Square Feet
CBRE	U.S. Bank Center	1420 5th Avenue	42,000 RSF
Brooks	Lake View Building	837 North 34th Street	32,000 RSF
Eagle Harbor Technologies	333 Elliott	333 Elliott Ave West	20,710 RSF
Anduril	Qualtrics Tower at 2+U	1201 2nd Avenue	18,352 RSF
Meredith	Safeco Plaza	1001 4th Avenue	17,569 RSF



Top Q2 2022 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 <p>Madison Centre 920 5th Avenue Seattle, WA</p>	<p>Boston Properties / Madison Center LLC & Schnitzer West</p>	<p>760,971 RSF</p>	<p>\$730 M / \$959.30</p>
 <p>Juno Therapeutics Building 400 Dexter Avenue N Seattle, WA</p>	<p>Clarion Partners / Alexandria Real Estate Equities</p>	<p>290,111 RSF</p>	<p>\$255 M / \$1,255.68</p>
 <p>Eleven01 Westlake 1101 Westlake Avenue N Seattle, WA</p>	<p>BioMed Realty / Invesco Ltd.</p>	<p>153,708 RSF</p>	<p>\$151.5M / \$985.64</p>
 <p>425 Pontius Avenue N Seattle, WA</p>	<p>Swift Real Estate Partners / Seattle Pacific University Foundation</p>	<p>75,267 RSF</p>	<p>\$39.9 M / \$530.11</p>

Office Construction



The Jack
74 S Jackson St
Developer: Urban Visions
Comments: 162,843 square feet of office space



Washington 1000
1000 Olive Way
Developer: Hudson Pacific Properties
Comments: 531,000 square foot office tower



Dexter Yard
700 Dexter Ave N
Developer: BioMed Realty
Comments: 515,000 square foot 2-tower office and laboratory project with 14 stories, ground retail and 520 parking stalls



Firestone Tire Center
400 Westlake Ave N
Developer: Martin Selig Real Estate
Comments: 226,876 square feet of office and biotech space



7th & Battery
2301 7th Ave
Developer: Onni Development
Comments: 310,000 square feet of office, 600 residential units



Chapter Buildings
4536 Brooklyn Ave NE /4530 12th Ave NE
Developer: Touchstone
Comments: 394,500 square feet of office space, 21,000 square feet of outdoor space.



701 Dexter
701 Dexter Ave N
Developer: Alexandria Real Estate Equities
Comments: 10-story, 242,460 square foot building



Northlake Commons
3800 Latona Ave NE
Developer: Spear Street Capital, Hess Callahan Grey Group & Weber Thompson Architects
Comments: 158,000 square feet of office and life science space. First mass timber commercial building of its size in Seattle.

Proposed Development



Fourth and Columbia

701 4h Ave

Developer: Crescent Heights
Comments: 151,650 square feet of office, 1,200 residences, 150 hotel rooms, 15,500 square feet retail, 101 stories



SLU Streetcar Barn

318 Fairview Ave N

Developer: Skanska
Comments: 11 story office tower built over a new streetcar barn. Size unknown



401 Queen Anne Ave N

Developer: Martin Selig
Comments: 240,000 square feet of office space



Block 18

2205 7th Ave

Developer: Graphite Design Group
Comments: 388,000 square feet of office. 100% leased to Amazon



Former Seattle Times HQ

1120 John St

Developer: Onni Group
Comments: 940,160 square feet of office with 54,000 square feet of retail



760 Aloha Street

Developer: Nitze-Stagen
Comments: 44,481 square feet of office



The Net

801 3rd Ave

Developer: Urban Visions
Comments: 807,580 square feet of office with two floors of "open market" retail



Windermere Building

815-825 Wetern Ave

Developer: Martin Selig
Comments: 300,000 square feet of office, 10 floors of apartments



Northgate Mall Redevelopment

Developer: Simon Property Group
Comments: 978,500 square foot redevelopment project



5 Parcels

5th & 7th & Stewart St & Olive Way

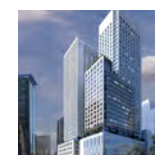
Developer: Kilroy Realty
Comments: Plans not immediately known



Block 48

111 Westlake Ave N

Developer: Vulcan
Comments: Project will feature 0.5 acres of open spaces, and 420,000 square feet of office space



9th & Howell

876 Howell Street

Developer: RC. HeDreen Co.
Comments: 23 story building - 371,500 square feet of office, 8,000 square feet retail



601 Dexter

601 Dexter Ave N

Developer: Alexandria Real Estate
Comments: Removal of old warehouse, and 11-story office tower, 186,264 square feet, 187 vehicles



1916 Boren Avenue

Developer: Trammel Crow

Comments: 115,000 square foot office project



Lloyd Building Preservation + Office Tower

1818 6th Ave

Developer: Kilroy Realty Corporation
Comments: 18-story 325,000 square feet of office.

Proposed Development



University District Station Building
4300 Brooklyn Ave N
Developer: Lincoln Property Co.
Comments: Size of building yet to be determined. University of Washington has agreed to lease 175,000 SF



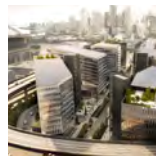
570 Mercer Street
Developer: Schnitzer West
Comments: 100,000 square foot office building



Block 37
Developer: Vulcan
Comments: ±300,000 square feet of office space, 6 stories.



SCCA Expansion
I-5 & Valley Street
Developer: SCCA
Comments: 240,000 square feet of lab and office space



"S"
1001 6th Ave S
Developer: Urban Visions
Comments: 1,620,000 square feet of office



312 9th Ave N
Developer: Vulcan
Comments: ±224,000 square feet of office space, 11 stories.



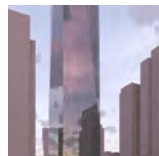
222 5th Ave N
Developer: Da Li Properties
Comments: 200,000 square foot office building, ground floor retail



Metropole Building
423 2nd Ave Ext. S
Developer: Satterberg Foundation
Comments: 27,645 square foot office renovation



Block 57W
Developer: Vulcan
Comments: ±199,000 square feet of office space, 11 stories.



800 Stewart St
Developer: Per Day LLC
Comments: 53 stories, 37,240 square feet of office, 568 residences, ground-floor retail



219 Terry Ave
Developer: Alexandria Real Estate, Hess Callahan Partners, Stephen C Grey & Assoc.
Comments: 612-story building project, size and use unknown



Block 77N
Developer: Vulcan
Comments: ±170,000 rentable square feet.



75 Marion St
Developer: Martin Selig Real Estate
Comments: 209,000 square feet of office space, plus retail, 106 residential units, 278 underground parking stalls



Block 55N
Developer: Vulcan
Comments: ±190,000 rentable square feet



Block 79E
Developer: Vulcan
Comments: ±370,000 rentable square feet

Proposed Development



4536 Brooklyn Ave

Developer: Touchstone
Comments: 345,000 square feet of office



Fremont North Shore 1326 North Northlake Way

Developer: Kevin Conroy & Jim Neuberger
Comments: 30,000 square foot office project. Set to break ground this quarter, but unlikely.



816 Mercer Street

Developer: Alexandria Real Estate
Comments: Two 13-story office buildings with recreation center and conference center; parking for 600 vehicles. Early design guidance; temporary change from full design review to administrative design review due to the COVID-19 pandemic



Washington Park Building Redevelopment

Developer: Unico Properties
Comments: 48,000 square feet of office and 6,000 square feet of restaurant and retail space



Mercer Mega-Block

Developer: Alexandria Real Estate
Comments: 800,000 square foot life science campus

An aerial photograph of Seattle, Washington, showing the city skyline, the waterfront, and surrounding areas. The image is overlaid with a semi-transparent blue filter. The text "Thank you." is centered in the middle of the image in a large, white, sans-serif font.

Thank you.

FLINN
FERGUSON
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