

Quarterly Market Report

Q3 – 2022

Quarterly Highlights

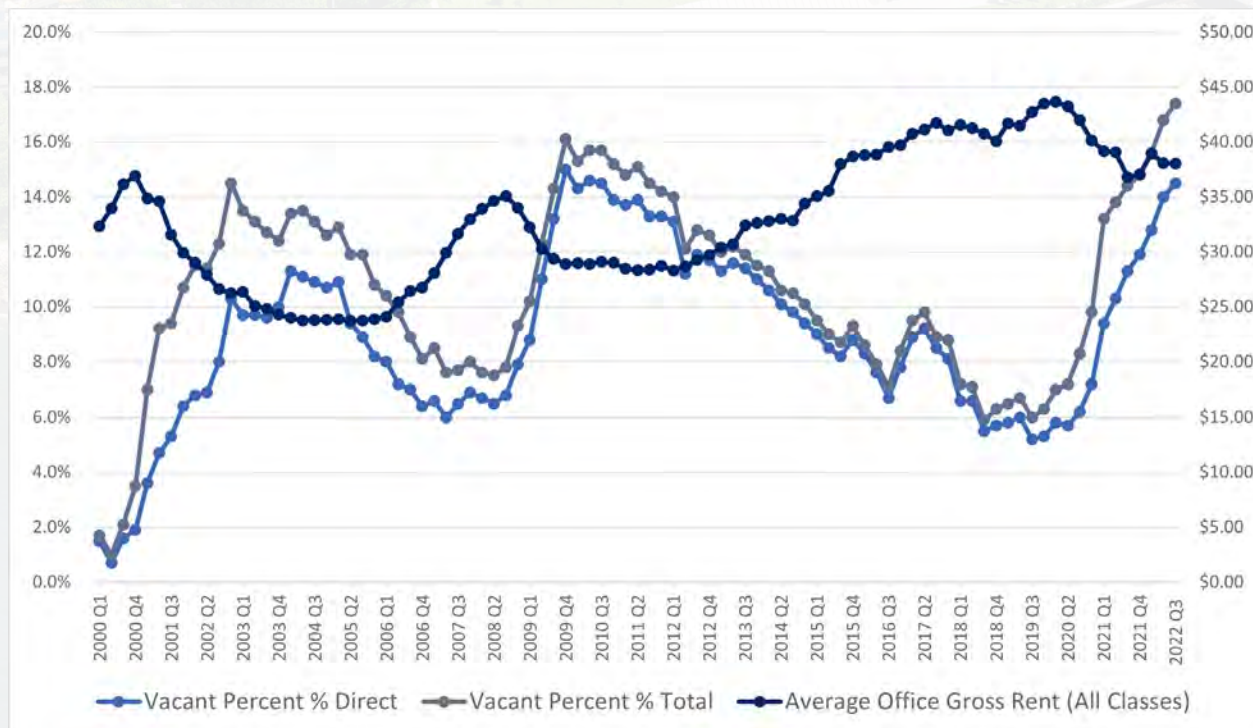
General Overview

The overall Downtown Seattle Office Market vacancy rate at the end of Q3 2022 landed at 17.3%, comprised of 14.4% of direct vacancy and 2.9% of sublease vacancy. The 12-month net absorption is (1,563,821) RSF for the end of Q3 2022 and there is approximately 1,024,940 RSF under construction. There is plenty of evidence signaling that the market will continue to soften and we expect the market to be in favor of tenants for the foreseeable future.

Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 3.7% slightly above the nationwide rate of 3.5%. In Seattle/Bellevue/Everett, unemployment rate for August 2022 was 3.1% up from 2.8% in June 2022. While the labor markets remain strong, high inflation and struggling financial markets coupled with geopolitical friction provide indicators that economic challenges are on the horizon.

Below is a graph starting in the year 2000 tracking direct vacancy, sublease vacancy and average asking rental rate:

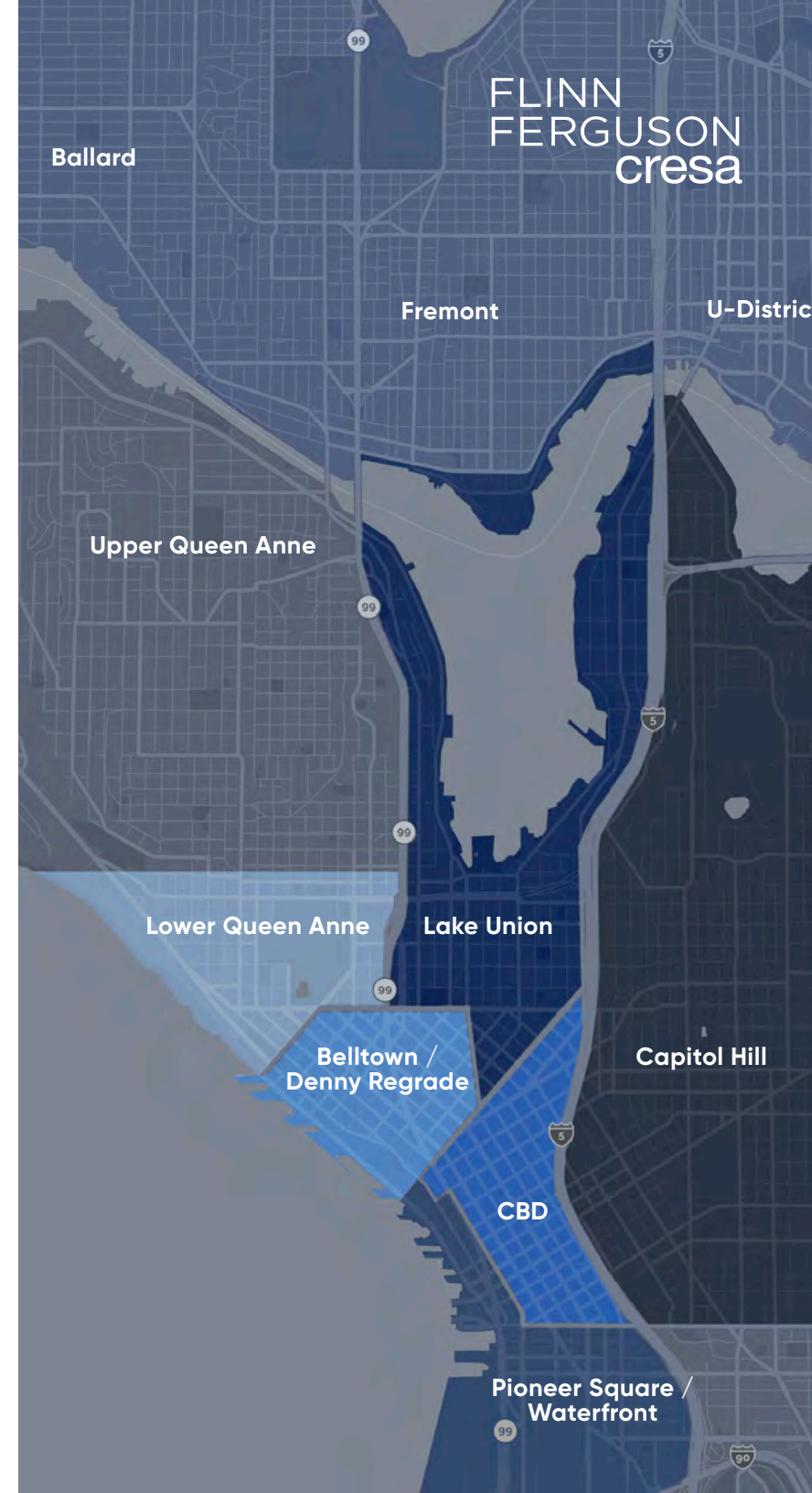


Submarket Data

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	7.75%	121,819	\$30.00 – \$50.00
Belltown / Denny Regrade	17.95%	(15,774)	\$30.00 – \$50.00
Capitol Hill / Central District	3.95%	(38,089)	\$35.00 – \$55.00
Lake Union	7.11%	30,162	\$50.00 – \$70.00
Pioneer Square / Waterfront	20.03%	(226,436)	\$30.00 – \$65.00
Queen Anne	23.08%	19,423	\$28.00 – \$40.00
Central Business District	21.43%	(1,406,336)	\$40.00 – \$65.00

17.3% TOTAL VACANCY RATE FOR SEATTLE



Q3 2022 Leases

Office leasing in the third quarter of 2022

Tenant	Building	Address	Square Feet
Sonoma Biotherapeutics	Unison Elliott Bay Complex	501 Elliott Ave W	83,000 RSF
Stackline	800 5th Avenue	800 5th Avenue	58,024 RSF
Knotel	400 Westlake	400 Westlake Avenue	49,379 RSF
Publicis	15th & Market	1448 NW Market	42,685 RSF
Industrious	400 University @ Rainier Square	400 University St	35,100 RSF
King County	Columbia Center	701 5th Avenue	34,738 RSF
Undisclosed	Eleven 50	1150 Eastlake Avenue E	31,270 RSF
Miller Nash	605 Union Station	605 5th Avenue	29,601 RSF
BTTN	West Tower	400 2nd Avenue W	29,542 RSF
Undisclosed	701 Dexter Ave N	701 Dexter Avenue N	21,124 RSF
Undisclosed	Eleven 50	1150 Eastlake Avenue E	18,917 RSF
Blacksky	1000 Dexter	1000 Dexter Avenue N	14,503 RSF
The Pioneer Collective	Tommer Building	5101 14th Avenue NW	14,000 RSF



Top Q3 2022 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 <p>Cascade Public Media 316 Broadway Seattle, WA</p>	Cascade Public Meida / Childhaven	52,620 RSF	\$23 M / \$437
 <p>112 5th Avenue N Seattle, WA</p>	Intercontinental Real Estate Corporation / Da Li Properties	7,000 RSF	\$17 M / \$2,445
 <p>Fourth & Union 1401 4th Avenue Seattle, WA</p>	Matthew R.K. Rosauer / David Pringle	21,802 RSF	\$10.6 M / \$486
 <p>Bridgeway Building 3876 Bridge Way N Seattle, WA</p>	Prometheus Real Estate Group / Real Assets Contractor Service Inc	16,147 RSF	\$7.85 M / \$546
 <p>Windermere 2636 Market Street Seattle, WA</p>	Windermere K-2 Realty / Eastlake Metro LLC	24,050 RSF	\$5 M / \$207
 <p>2329 E Madison Street Seattle, WA</p>	Intentinoal Futures / Mark Alan Weisman	4,369 RSF	\$2.35 M / \$537

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



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.



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



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



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

Below is a description of the largest proposed developments in Seattle. A full list of proposed developments is available upon request.



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



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



Former Seattle Times HQ
1120 John St
Developer: Onni Group
Comments: 940,160 square feet of office with 54,000 square feet of retail



The Net
801 3rd Ave
Developer: Urban Visions
Comments: 807,580 square feet of office with two floors of "open market" retail



9th & Howell
876 Howell Street
Developer: RC. HeDreen Co.
Comments: 23 story building - 371,500 square feet of office, 8,000 square feet retail



Mercer Mega-Block
Developer: Alexandria Real Estate
Comments: 800,000 square foot life science campus



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



Block 18
2205 7th Ave
Developer: Graphite Design Group
Comments: 388,000 square feet of office. 100% leased to Amazon



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



4536 Brooklyn Ave
Developer: Touchstone
Comments: 345,000 square feet of office



Lloyd Building Preservation + Office Tower
1818 6th Ave
Developer: Kilroy Realty Corporation
Comments: 18-story 325,000 square feet of office.



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



Windermere Building
815-825 Western Ave
Developer: Martin Selig
Comments: 300,000 square feet of office, 10 floors of apartments



401 Queen Anne Ave N
Developer: Martin Selig
Comments: 240,000 square feet of office space



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

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.

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cresa

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