

Quarterly Market Report

Q1 – 2023

Quarterly Highlights

General Overview

In Q1 2023 the Downtown Seattle Office Market vacancy grew to 19.1%, up from 17.3% in Q4 2022. The vacancy rate consists of 15.1% of direct vacancy and 4% of sublease vacancy. The 12-month net absorption at the end of Q1 2023 was (2,403,711) RSF and the Seattle market currently has 1,530,940 RSF of office space under construction.

Demand for office space in Seattle remains extremely soft as companies reduce their office footprints in reaction to the turbulent economy and employees who prefer to work from home. While some companies are getting more serious about forcing people back to the office, we retain cautious optimism knowing that many of downtown Seattle's safety problems remain unsolved. Our forecast is that vacancy will continue to rise throughout 2023, which will put increasing pressure on landlords to compete for the few tenants in the market.

Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.6% above the nationwide rate of 3.6%. In Seattle/Tacoma/Bellevue, unemployment rate for February 2023 remained at 3.4%.

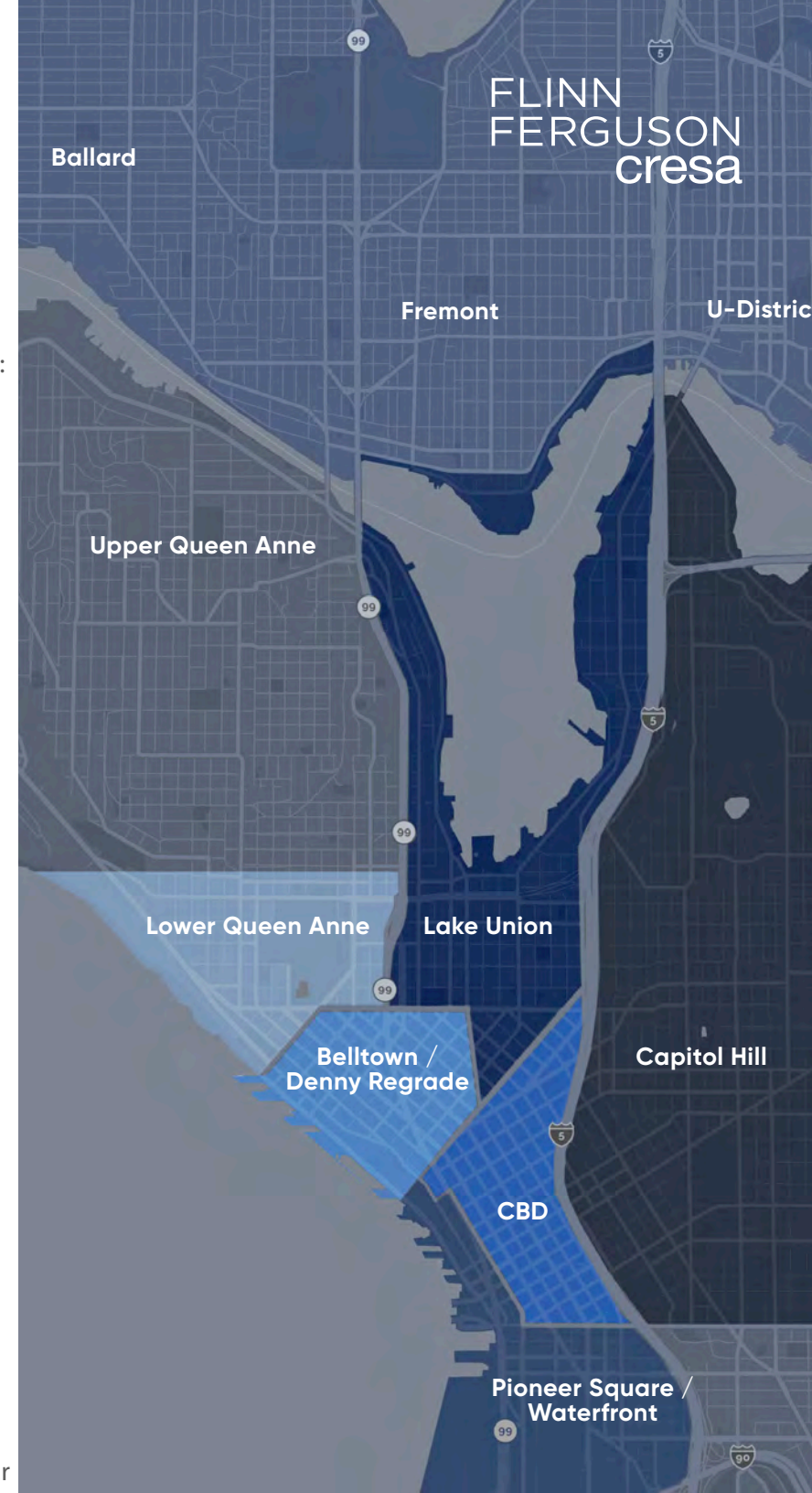
Submarket Data

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	8.04%	(12,380)	\$25.00 – \$45.00
Belltown / Denny Regrade	19.13%	(123,577)	\$25.00 – \$50.00
Capitol Hill / Central District	4.35%	(35,012)	\$25.00 – \$50.00
Lake Union	9.06%	(277,554)	\$40.00 – \$70.00
Pioneer Square / Waterfront	20.00%	(83,753)	\$25.00 – \$55.00
Queen Anne	24.08%	44,150	\$22.00 – \$35.00
Central Business District	23.75%	(1,885,554)	\$30.00 – \$65.00

19.1%

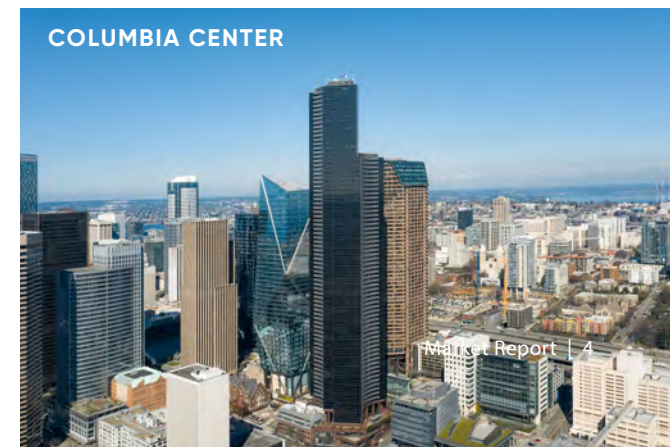
TOTAL VACANCY RATE FOR SEATTLE






Q1 2023 Leases

Office leasing in the first quarter of 2023

Tenant	Building	Address	Square Foot
University of Washington	U-District Station Building	4300 Brooklyn	133,002 RSF
Morgan Lewis	Russell Investments	1301 2nd Avenue	44,582 RSF
Karr Tuttle Campbell	Columbia Center	701 5th Avenue	40,437 RSF
Moderna	Hill7	1099 Stewart Street	28,479 RSF
West Monroe Partners	F5 Tower	801 5th Avenue	18,636 RSF
Badgley Phelps	U.S. Bank Centre	1420 5th Avenue	18,092 RSF
Alliant	Rainier Square	401 Union Street	17,026 RSF



Top Q1 2023 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 408 N 35th St Seattle, WA	Fremont Dock Company / Fremont Development Products	6,942 RSF	\$4.5 M / \$648
 4000 Aurora Ave N Seattle, WA	Ed Kim / Randy Mather	16,214 RSF	\$4.05 M / \$249
 1313 E Pine St Seattle, WA	Meriwether Partners / GBK Realtors	5,192 RSF	\$3.8 M / \$731



Office Construction

A full list of current buildings under construction is available upon request.



The Jack
74 S Jackson St
Developer: Urban Visions
Comments: 162,843 square foot 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 foot of office space, 21,000 square foot of outdoor space.



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



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



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



701 Dexter
701 Dexter Ave N
Developer: Alexandria Real Estate Equities
Comments: 11-story, 266,898 square foot building



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



1916 Boren
1916 Boren Ave
Developer: Trammell Crow Company
Comments: 11-story, ±320,000 square foot life science building,.



222 Fifth
222 5th Ave N
Developer: Lincoln Property Company
Comments: 9-story, ±200,000 square foot office and life science building.



Unison Elliott Campus
401 & 501 Elliott Ave W
Developer: Koehler McFadyen & Company
Comments: Unison Elliott Bay buildings 401 & 501 under renovations in 2023.



Eleven50
1150 Eastlake Ave E
Developer: Alexandria Real Estate Equities, Inc.
Comments: ±300,000 square foot life science building

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 foot 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 foot of office with 54,000 square foot of retail



The Net
801 3rd Ave
Developer: Urban Visions
Comments: 807,580 square foot 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 foot of office, 8,000 square foot retail



Mercer Mega-Block
Developer: Alexandria Real Estate
Comments: ±864,000 square foot life science campus



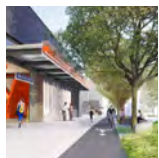
Block 48
111 Westlake Ave N
Developer: Vulcan
Comments: Project will feature 0.5 acres of open spaces, and 420,000 square foot of office space



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



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



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



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



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

Proposed Development

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



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



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



SCCA Expansion
I-5 & Valley Street
Developer: SCCA
Comments: ±600,000 square foot of lab and office space



South Lake Union Development
1305 Stewart
Developer: PMB Real Estate Services
Comments: 14-story, ±280,000 square foot life science building.



Denny Park South
2300 7th Ave
Developer: BioMed Realty
Comments: ±616,000 square foot life science building.



601 Dexter
601 Dexter Ave N
Developer: Alexandria Real Estate
Comments: 12-story, ±188,400 square foot life science building.



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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FERGUSON
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