

# Quarterly Market Report

Q3 – 2023



# Quarterly Highlights

## General Overview

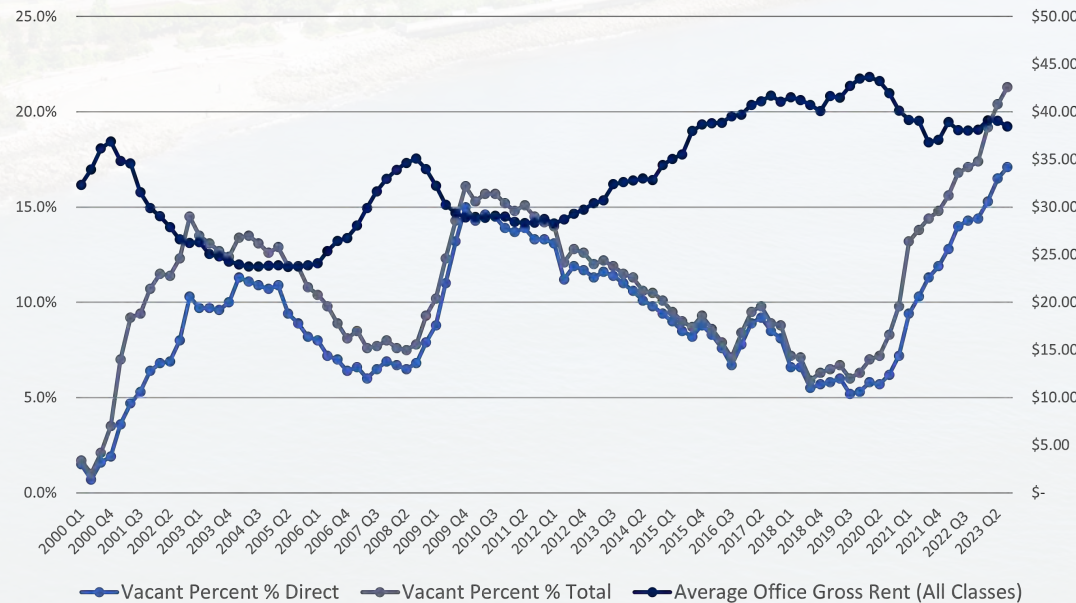
In Q3 2023 the Downtown Seattle Office Market vacancy jumped to 21.32% (up from 20.42% in Q2, 2023), including 17.1% of direct vacancy and 4.2% of sublease vacancy. The 12-month net absorption for the Downtown Seattle Office Market at the end of Q3 2023 was at (2,314,238) RSF. The amount of office space under construction is approximately 1,301,114 RSF. It should be expected that office vacancy will continue to increase for the rest of 2023 and beyond, which will soften the market further in favor of tenants. Many businesses are taking firmer stances on employee return-to-office policies, including the top 5 technology employers in

the Puget Sound: Amazon, Microsoft, Meta, Google, and T-Mobile. That said we still expect vacancy to increase for the foreseeable future, which will put downward pressure on office rents.

## Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 3.6% slightly below the nationwide rate of 3.8%. In Seattle/Tacoma/Bellevue, the unemployment rate grew from 3.3% in June 2023 to 3.8% in August 2023.

Below is a graph starting in the year 2000 tracking direct vacancy and overall office gross rental rates:



Data provided by Costar  
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# 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	8.38%	(31,371)	\$25.00 – \$45.00
Belltown / Denny Regrade	19.37%	(232,133)	\$25.00 – \$50.00
Capitol Hill / Central District	4.87%	(24,649)	\$25.00 – \$50.00
Lake Union	12.39%	(84,016)	\$40.00 – \$70.00
Pioneer Square / Waterfront	20.57%	(40,322)	\$25.00 – \$55.00
Queen Anne	26.70%	30,753	\$22.00 – \$35.00
Central Business District	26.76%	(1,933,791)	\$30.00 – \$65.00

**21.32%**  
TOTAL VACANCY RATE FOR SEATTLE

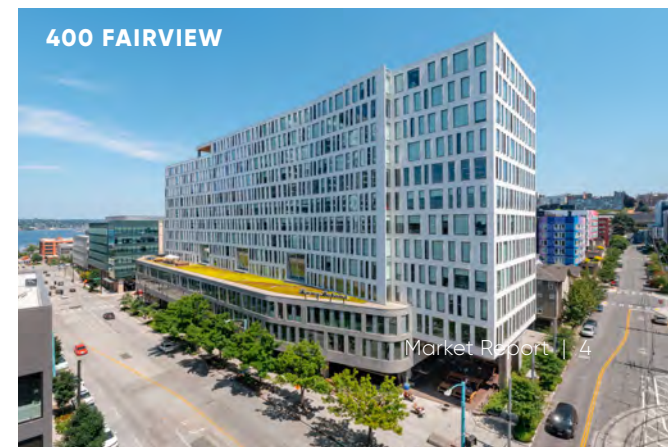




# Q3 2023 Leases

Office leasing in the third quarter of 2023

Tenant	Building	Address	Square Foot
Amazon	Met Park North	1220 Howell Street	137,362 RSF
Airbnb	8th & Olive	720 Olive Way	42,222 RSF
Undisclosed	400 Fairview	400 Fairview Ave N	26,278 RSF
Ogden Murphy Wallace	Columbia Center	701 5th Ave	21,559 RSF
Zonar Systems	Exchange Building	821 2nd Ave	16,766 RSF



# Top Q3 2023 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 633 Yesler Way Seattle, WA	Eric Hayashi / ABC Legal Services Inc	31,432 RSF	\$9.75 M / \$310.19
 2320 1st Ave Seattle, WA	Amalfi Investments / Brooke A Barnes	16,508 RSF	\$3.2M / \$193.85
 300 19th Ave Seattle, WA	Dodechaedron Enterprises / Whitman Garden Apartments	3,050 RSF	\$1.46 M / \$477.05



# 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



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



**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.



**Eleven50**  
1150 Eastlake Ave E  
Developer: Alexandria Real Estate Equities, Inc.  
Comments: ±300,000 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.



# 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.







**Thank you.**

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cresa

601 Union St #4900, Seattle, WA 98101 | (206) 224-3500