



# Quarterly Market Report

Q4 – 2023

# Quarterly Highlights

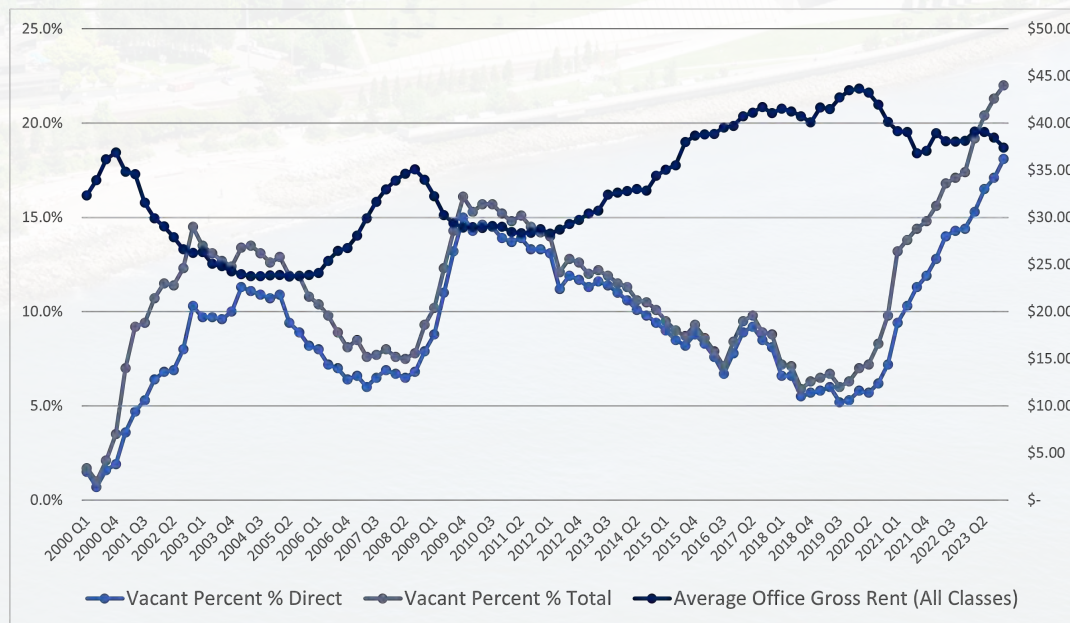
## General Overview

In Q4 2023 the Downtown Seattle Office Market vacancy increased again to 22.0% (up from 21.3% in Q3, 2023), including 18.1% of direct vacancy and 3.8% of sublease vacancy. The 12-month net absorption for the Downtown Seattle Office Market at the end of Q4 2023 was at (2,973,640) RSF. The amount of office space under construction is approximately 1,582,742 RSF. It should be expected that office vacancy will continue to increase in the new year, which will soften the market further in favor of tenants.

## Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.0% slightly above the nationwide rate of 3.7%. In Seattle/Tacoma/Bellevue, the unemployment rate grew from 3.7% in September 2023 to 4.0% in November 2023.

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



# 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	10.12%	(31,443)	\$25.00 – \$45.00
Belltown / Denny Regrade	26.77%	(571,631)	\$25.00 – \$50.00
Capitol Hill / Central District	4.14%	6,570	\$25.00 – \$50.00
Lake Union	12.29%	(158,350)	\$40.00 – \$70.00
Pioneer Square / Waterfront	21.07%	(216,891)	\$25.00 – \$55.00
Queen Anne	29.93%	(266,021)	\$22.00 – \$35.00
Central Business District	26.27%	(1,729,874)	\$30.00 – \$65.00

# 22.0%

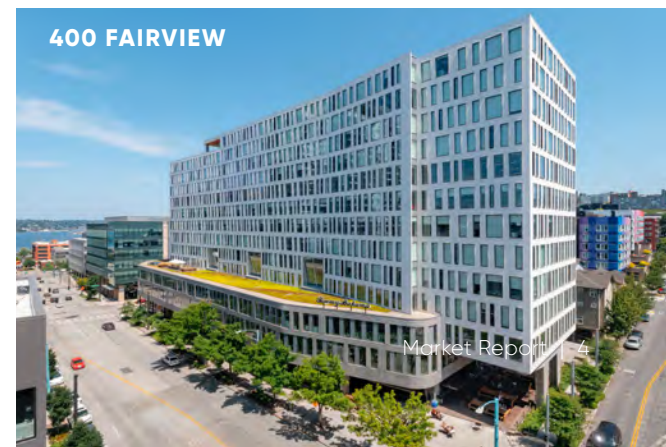
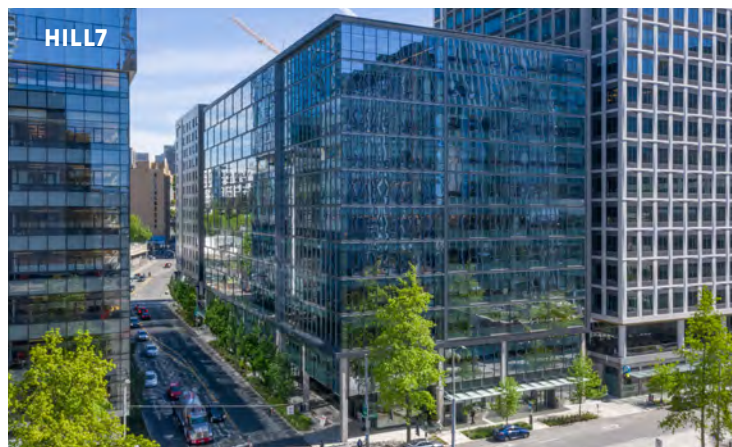
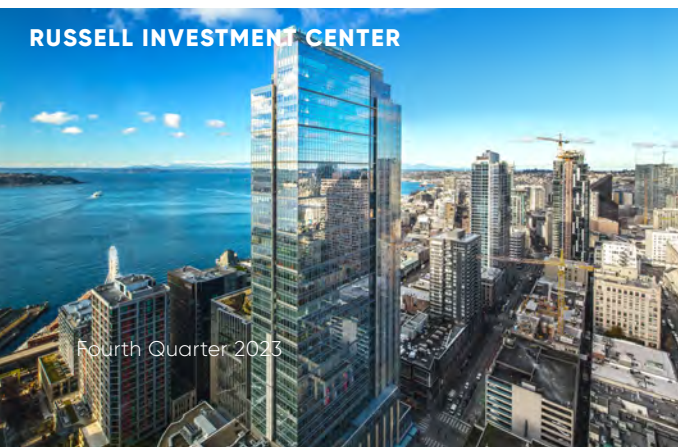
TOTAL VACANCY RATE FOR SEATTLE








# Q4 2023 Leases

Office leasing in the fourth quarter of 2023

Tenant	Building	Address	Square Foot
Perkins Coie	Russell Investments Center	1301 2nd Avenue	150,962 RSF
ABC Legal	Hill7	1099 Stewart Street	27,979 RSF
Group14 Technologies	400 Fairview	400 Fairview Avenue North	26,286 RSF
KPMG	Rainier Square	401 Union Street	21,004 RSF



# Top Q4 2023 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 <p>4001 Aurora Ave N Seattle, WA</p>	Haas Development & Construction/ Dowbuilt	20,093 RSF	\$7.43 M / \$369.53
 <p>4027 21st Ave W Seattle, WA</p>	Northwest Euro/David M Yuchasz	9,260 RSF	\$3.85 M / \$415.77
 <p>220 S Findlay St Seattle, WA</p>	Bo Chen/Gary Pollastro	3,000 RSF	\$1.3 M / \$433.33
 <p>105 NE 56th St Seattle, WA</p>	BUILD, LLC/Bryan Ford Inc	2,144 RSF	\$1.1 M / \$513.06
 <p>4526 15th Ave NE Seattle, WA</p>	Kiran Nallabothula/University Dental Associates	4,700 RSF	\$1.07 M / \$226.60

# 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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