

Q1 2024

Eastside Office Market Report

General Overview

2024 started out on a high note as Pokémon signed its long awaited 374k SF lease at The Eight in downtown Bellevue, marking the largest office lease signed on the Eastside since 2021. Recently completed leasing activity along with continued expansion requirements for TikTok, Snowflake and others have provided a sense of momentum for the Eastside now that technology companies are once again making sizeable real estate decisions. Even with this new-found momentum, however, current availability levels will inevitably lead to further market corrections, most notably along the I-90 Corridor where vacancy and availability rates are at historic highs.

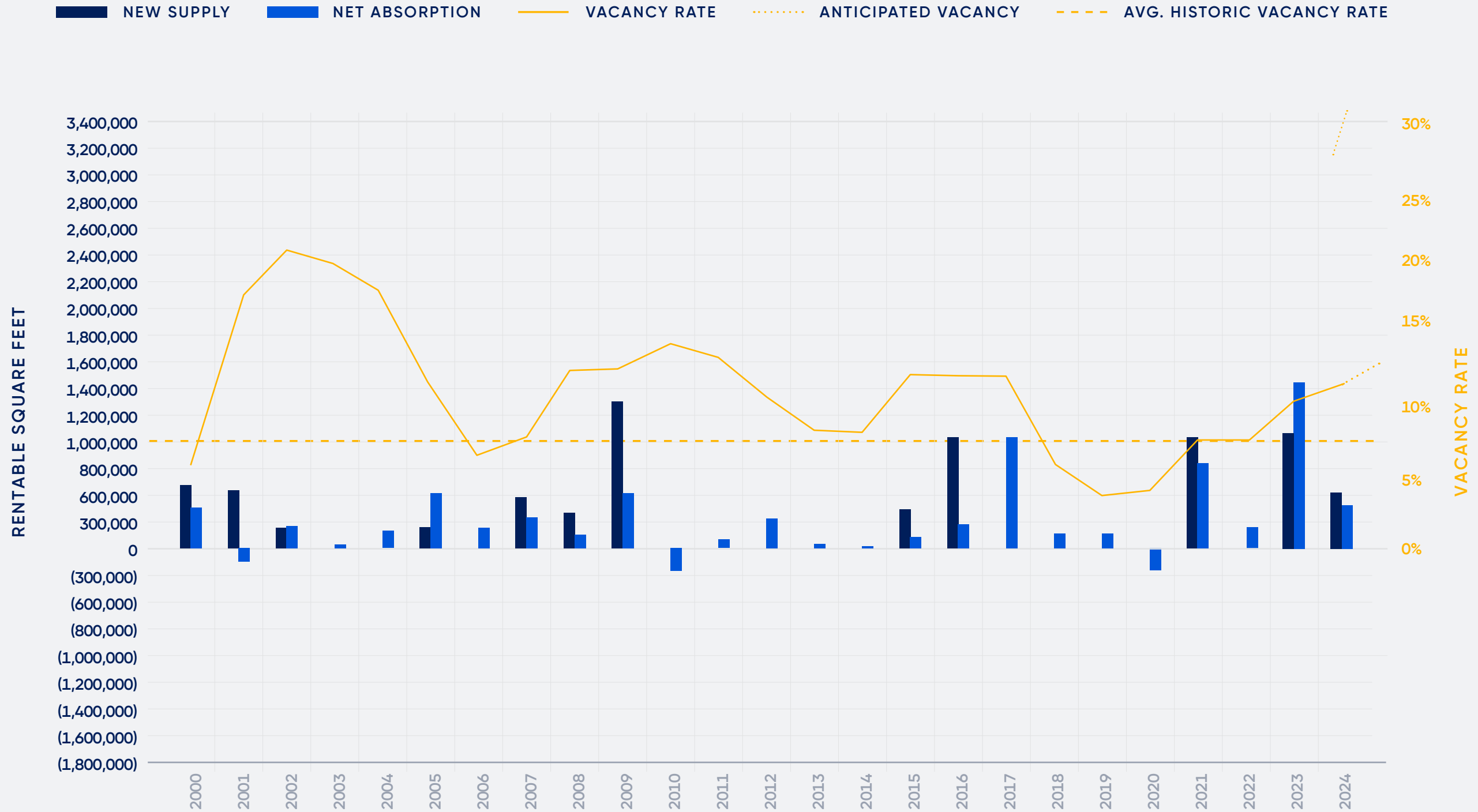
Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.7% slightly above the nationwide rate of 3.9%. In Seattle/Tacoma/Bellevue, the unemployment rate grew from 4.0% in November 2023 to 4.8% in January 2024.



Historical Availability

Bellevue CBD Office Availability, Supply & Absorption Rates
2000-2024



Market Overview Greater Eastside

Market Size (SF)
Greater Eastside

45.5M

Net Absorption
12-Month

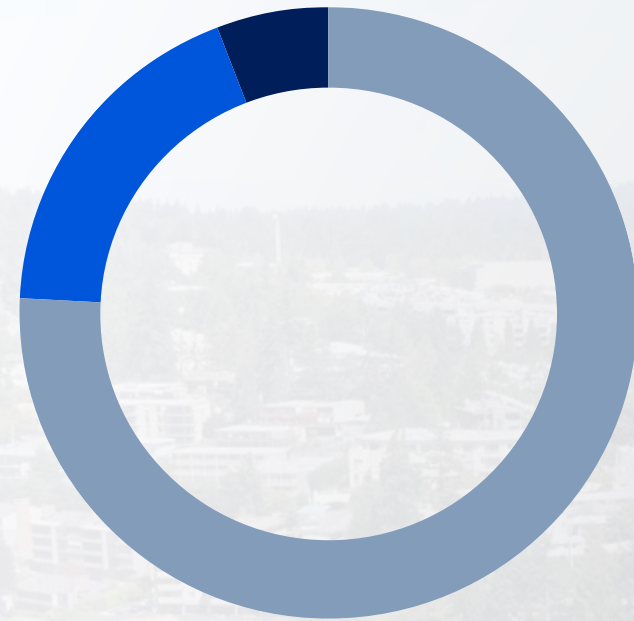
256.8K

2024 YTD

317.6K

Availability

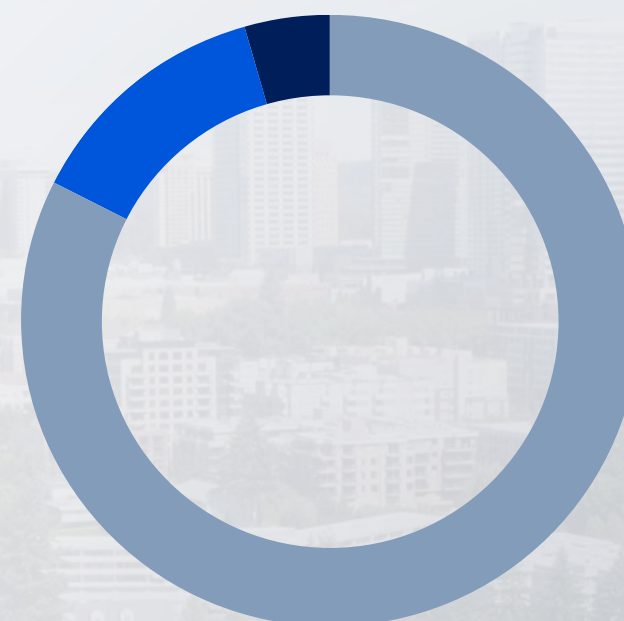
23.6%



- DIRECT AVAILABILITY: 18.1% | 8.4M
- SUBLEASE AVAILABILITY: 5.8% | 2.7M
- OCCUPANCY: 76.1% | 34.4M

Vacancy

17.3%

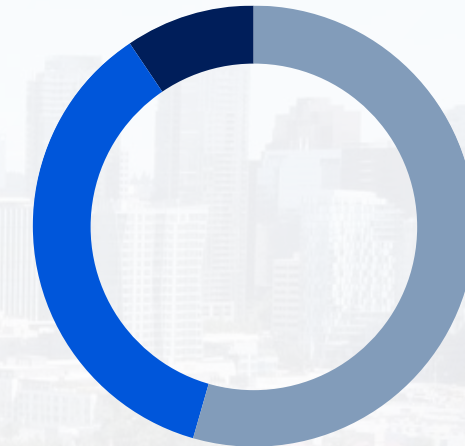


- DIRECT VACANCY: 12.9% | 5.9M
- SUBLEASE VACANCY: 4.4% | 2.0M
- OCCUPANCY: 82.7% | 37.6M

Market Overview I-90 Corridor

Availability

44.1%



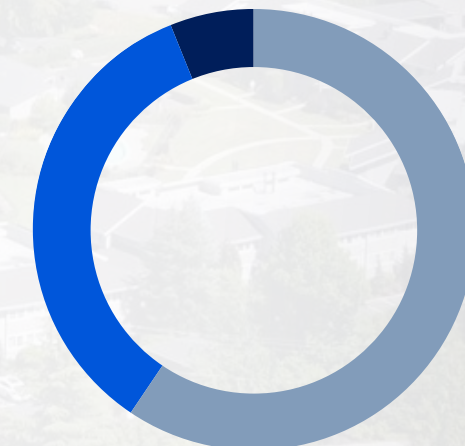
- DIRECT AVAILABILITY: 36.1% | 2.0M
- SUBLEASE AVAILABILITY: 9.2% | 505K
- OCCUPANCY: 54.6% | 3.01M

Market Size (SF)
I-90 Corridor

5.51M

Vacancy

40.5%



- DIRECT VACANCY: 34.6% | 1.9M
- SUBLEASE VACANCY: 5.9% | 327K
- OCCUPANCY: 59.5% | 3.28M

Net Absorption

12-Month

-47.0K

2024 YTD

-105K

Market Trends



ASKING RENTS



T. I. ALLOWANCES



RENT ABATEMENT



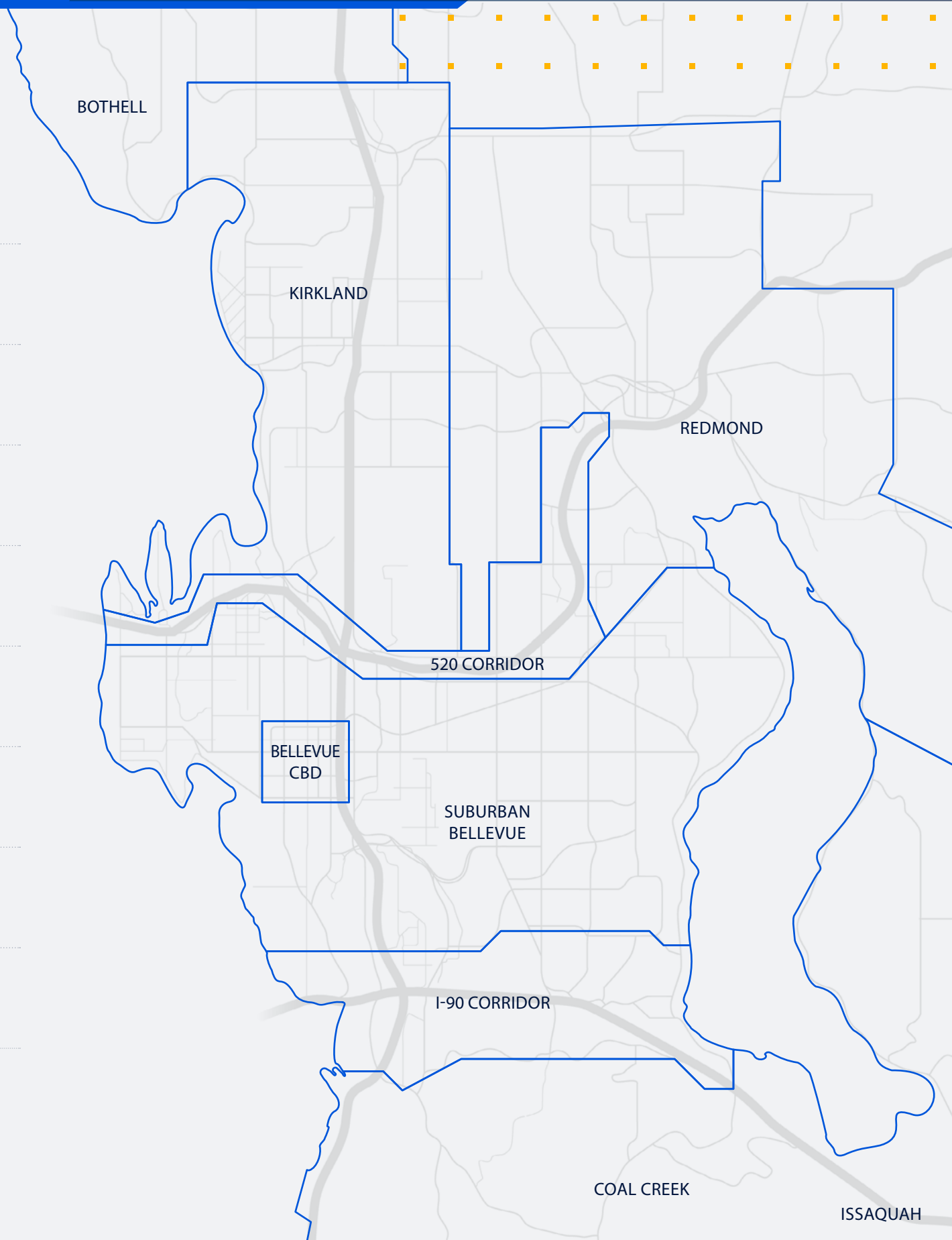
CONSTRUCTION COSTS



CONSTRUCTION TIMELINE






Eastside Submarket Vacancy Data

Market	Vacancy rate	YTD Absorption (SF)	FS Class A Rental Range
520 Corridor	17.40%	-7,744	\$42.00 - \$47.00
Bellevue CBD	11.00%	491,043	\$55.00 - \$75.00
Bothell	20.50%	43,011	\$35.00 - \$40.00
Coal Creek / Issaquah	23.00%	16,289	\$32.00 - \$45.00
I-90 Corridor	40.5%	-104,996	\$35.00 - \$45.00
Kirkland	5.80%	-52,943	\$50.00 - \$65.00
Redmond	16.1%	-6,882	\$40.00 - \$47.00
Suburban Bellevue	15.80%	-60,220	\$40.00 - \$47.00







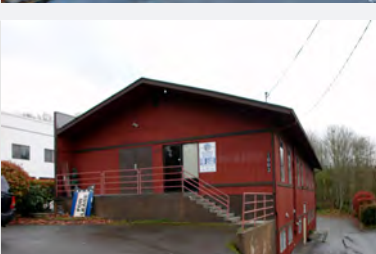


17.3%
TOTAL VACANCY RATE FOR
THE GREATER EASTSIDE

Office Leases This Quarter

Tenant	Building	Address	Footprint
	The Eight	10660 NE 8th Street	374,000 RSF
	Lincoln Square North Tower	700 Bellevue Way NE	132,621 RSF
	Lincoln Square North Tower	700 Bellevue Way NE	44,735 RSF
	Lincoln Square North Tower	700 Bellevue Way NE	44,677 RSF
	Key Center	601 108th Ave NE	43,420 RSF

Office Sales This Quarter

	Project / Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	The ParQ- Building E 21930 SE 51st St Issaquah, WA			176,656 RSF	\$61.8 M / \$349.98
	Uplake Bldg 5701 Bothell Way NE Kenmore, WA	Sheng-yen Lu & Li-Hsiang Lu David M Yuchasz		10,588 RSF	\$4.0 M / \$377.79
	Bellevue Forest 1 2105 112th Ave NE Bellevue, WA		Gregory H Petersen	6,776 RSF	\$3.52 M / \$519.85
	1003 7th Ave Kirkland, WA	Qiong Lin	Maureen Sammons	6,000 RSF	\$2.6 M / \$433.33

Notable Availability



The Bravern
BELLEVUE CBD

752,171 RSF
OFFICE SPACE

AVAILABLE NOW



Woodlands @ Bellevue
I-90 CORRIDOR

704,421 RSF
OFFICE SPACE

AVAILABLE NOW



Advanta Office Commons
I-90 CORRIDOR

617,424 RSF
OFFICE SPACE

AVAILABLE NOW



City Center Bellevue
BELLEVUE CBD

571,849 RSF
OFFICE SPACE

Q2 2024



Millennium Corporate Park
REDMOND

497,193 RSF
OFFICE SPACE

AVAILABLE NOW



Four 106
BELLEVUE CBD

483,300 RSF
OFFICE SPACE

Q2 2025



The ParQ
I-90 CORRIDOR

396,344 RSF
OFFICE SPACE

AVAILABLE NOW



Spring District - Block 6
SUBURBAN BELLEVUE

326,731 RSF
OFFICE SPACE

AVAILABLE NOW



Lincoln Square North
BELLEVUE CBD

207,971 RSF
OFFICE SPACE

AVAILABLE NOW



The Eight
BELLEVUE CBD

158,900 RSF
OFFICE SPACE

Q1 2025



Our company

Flinn Ferguson Cresa has established itself as Seattle and Bellevue's most active and experienced Tenant Advisory Firm.

Our mission is to listen to the client's core objectives, customize a complimentary real estate strategy, and leverage our shared experience to ensure that the most favorable real estate outcome is achieved.

Dan Foster

Managing Principal

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