

Q2 2024

Eastside Office Market Report

General Overview

Following Pokemon's 374k SF Q1 office lease at The Eight, Bellevue continued its strong 2024 performance with Snowflake's long awaited 329k SF sublease of Meta's Block 6 at Spring District and TikTok's added expansion of 154k SF at Lincoln Square North. The Pokemon and Snowflake deals mark the largest office lease/sublease signed on the Eastside since 2021. In addition, Clark Nuber executed the first lease signed at City Center Plaza, formerly occupied by Microsoft, taking 49k SF on two floors while HDR is expected to follow suit with its own 49k SF lease at City Center Plaza in the coming days. Such leasing activity combined with new-found tech expansion needs from the likes of OpenAI and others has continued a sense of momentum for the Eastside, specifically Bellevue. While there remains a notable disparity in economics between newer, class A office projects and their older counterparts in various submarkets, given that technology companies are once again making sizeable real estate decisions the Eastside market seems to have stabilized for now. For most tenants however, current availability levels still provide good opportunities for value, most notably along the I-90 Corridor where vacancy and availability rates remain at historic highs.

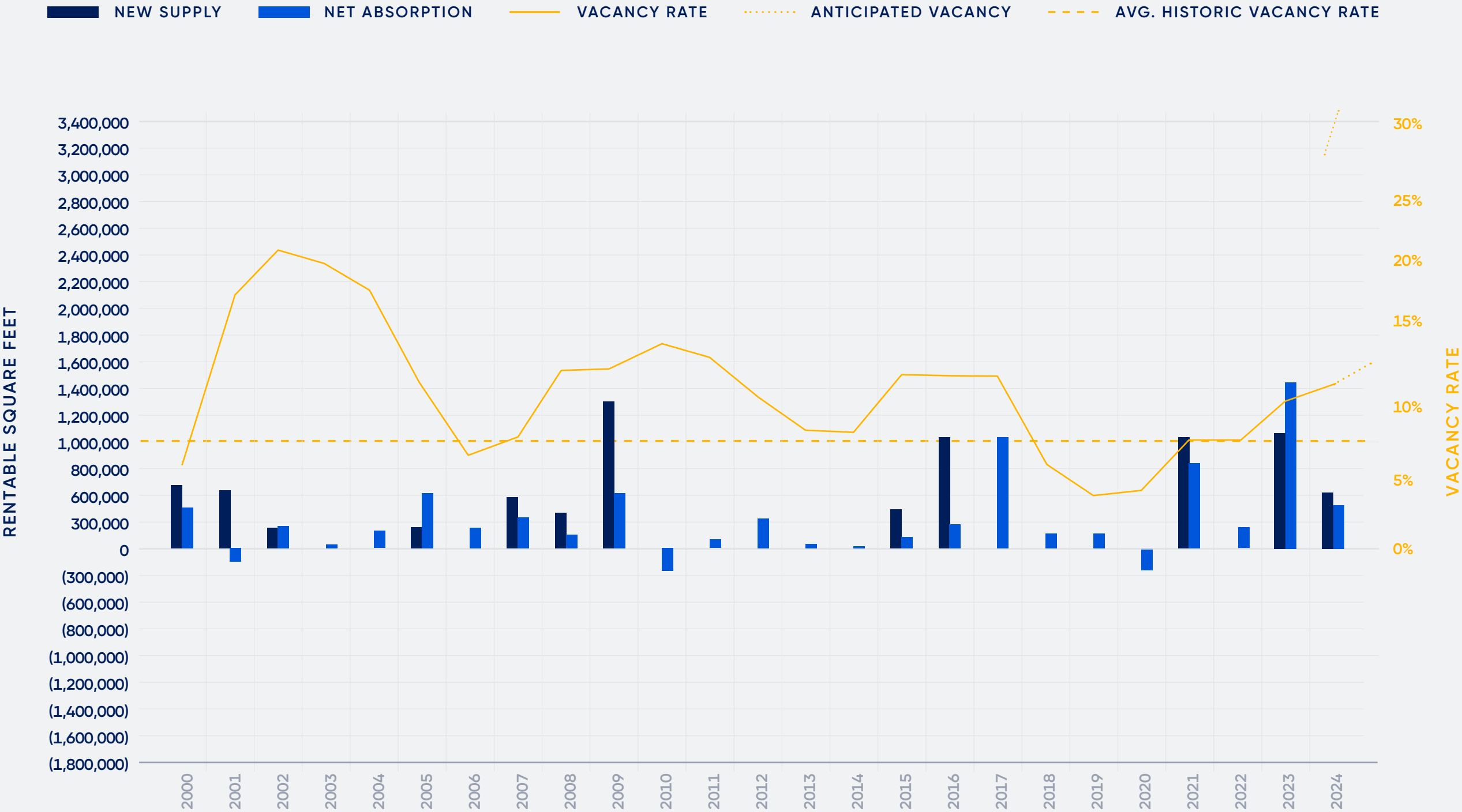
Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.9% slightly above the nationwide rate of 4.0%. In Seattle/Tacoma/Bellevue, the unemployment rate dropped from 4.8% in January 2024 to 4.5% in May 2024.



Historical Availability

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



Market Overview Greater Eastside

Market Size (SF)
Greater Eastside

46.16M

**INCLUSIVE OF 1.03M UNDER CONSTRUCTION*

Net Absorption

12-Month

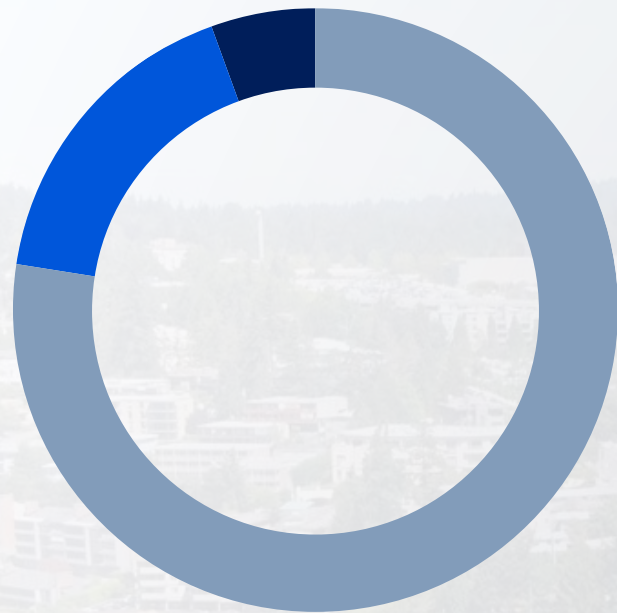
518K

2024 YTD

743K

Availability

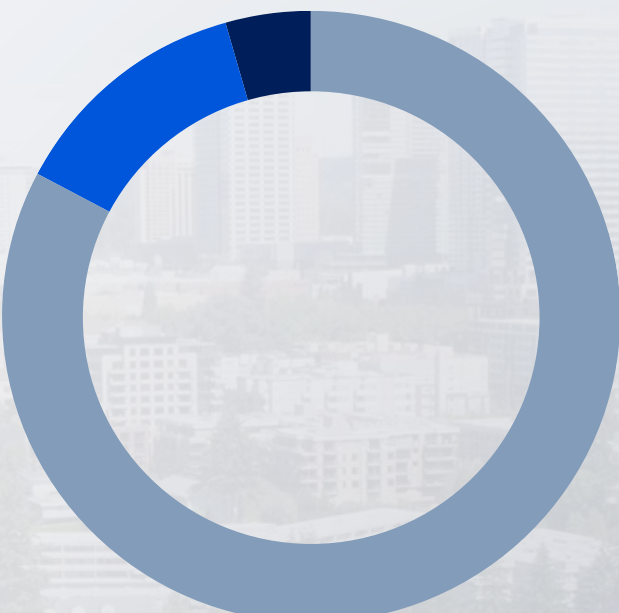
21.9%



- DIRECT AVAILABILITY: 17.1% | 7.9M
- SUBLEASE AVAILABILITY: 5.0% | 2.3M
- OCCUPANCY: 78.1% | 36.0M

Vacancy

17.0%



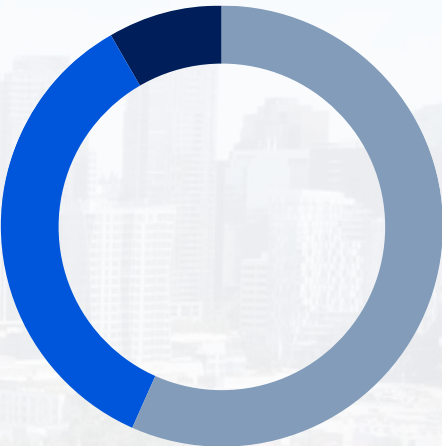
- DIRECT VACANCY: 12.9% | 5.8M
- SUBLEASE VACANCY: 4.2% | 1.9M
- OCCUPANCY: 83.0% | 37.4M

**EXCLUDES 1.03M UNDER CONSTRUCTION*

Market Overview I-90 Corridor

Availability

42.6%



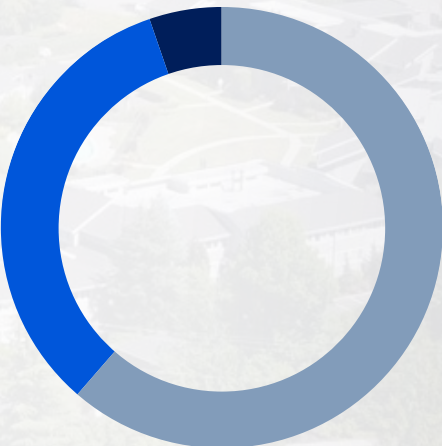
- DIRECT AVAILABILITY: 35.4% | 2.0M
- SUBLEASE AVAILABILITY: 8.4% | 466K
- OCCUPANCY: 57.4% | 3.17M

Market Size (SF)
I-90 Corridor

5.5M

Vacancy

39.4%



- DIRECT VACANCY: 34.2% | 1.9M
- SUBLEASE VACANCY: 5.2% | 288K
- OCCUPANCY: 63.3% | 3.35M

Net Absorption

12-Month

-1.3M

2024 YTD

13.1K

Market Trends

ASKING RENTS

T. I. ALLOWANCES

RENT ABATEMENT

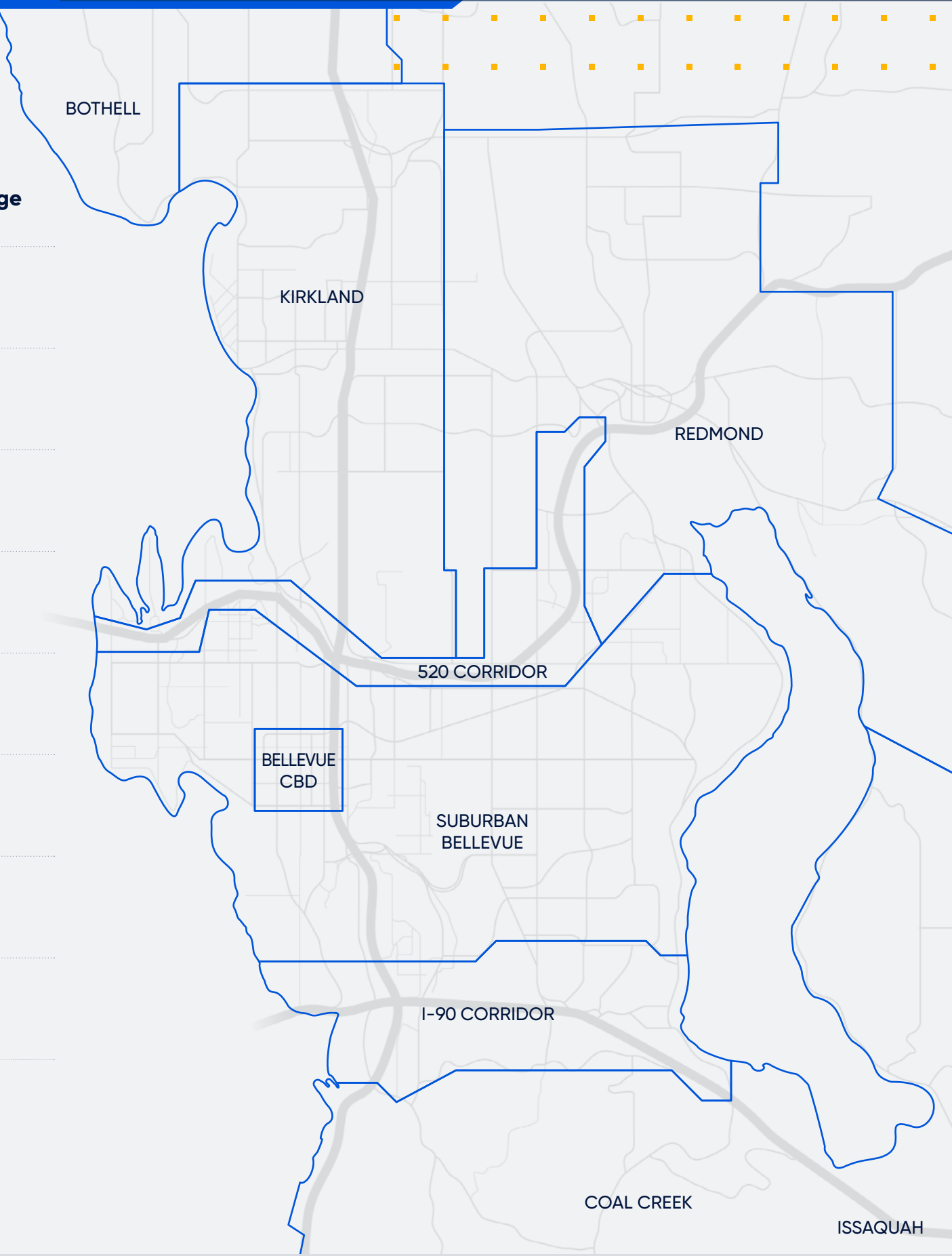
CONSTRUCTION COSTS

CONSTRUCTION TIMELINE









Eastside Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
520 Corridor	16.3%	(57.3K)	\$42.00 - \$47.00
Bellevue CBD	10.6%	2.2M	\$55.00 - \$75.00
Bothell	19.1%	(39.5K)	\$35.00 - \$40.00
Coal Creek / Issaquah	23.9%	(382K)	\$32.00 - \$45.00
I-90 Corridor	39.4%	(1.3M)	\$35.00 - \$45.00
Kirkland	6.9%	(479K)	\$50.00 - \$65.00
Redmond	16.8%	(83.1K)	\$40.00 - \$47.00
Suburban Bellevue	15.4%	214K	\$40.00 - \$47.00

17.0%
TOTAL VACANCY RATE FOR
THE GREATER EASTSIDE



Notable Office Leases This Quarter

	Tenant	Building	Address	Footprint
		Block 6 Spring District	1646 123rd Ave NE	326,731 RSF
		Lincoln Square North Tower	700 Bellevue Way NE	153,610 RSF
		City Center Plaza	555 110th Ave NE	48,000 RSF
		90 North	3255 160th Ave SE	32,682 RSF

Notable Office Sales This Quarter

	Project / Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	Parkland Building 875 140th Ave NE Bellevue, WA	Xin Huang (Pisces Holdings, LLC)	Shen & Company PS	14,582 RSF	\$6.5 M / \$445.76
	123 Bellevue 123 105th Ave SE Bellevue, WA	 Moji Corporation		6,490 RSF	\$4.8 M / \$739.60
	Redmond Office Center 7901 168th Ave NE Redmond, WA	Redmond Ridge Montessori, LLC	Troy Gessel (Roc Investors, LLC)	9,120 RSF	\$4.5 M / \$493.42
	Kylee Court 8309 165th Ave NE Redmond, WA	Kunal Narang (Narang Redmond Holdings, LLC)		6,328 RSF	\$4.0 M / \$632.11

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

493,849 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



Sunset North - Building IV
SUBURBAN BELLEVUE

154,326 RSF
OFFICE SPACE

AVAILABLE NOW/Q2 2025



Lincoln Square North
BELLEVUE CBD

54,361 RSF
OFFICE SPACE

AVAILABLE NOW



The Eight
BELLEVUE CBD

112,600 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.

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