

Q2 2024

# Office Market Report

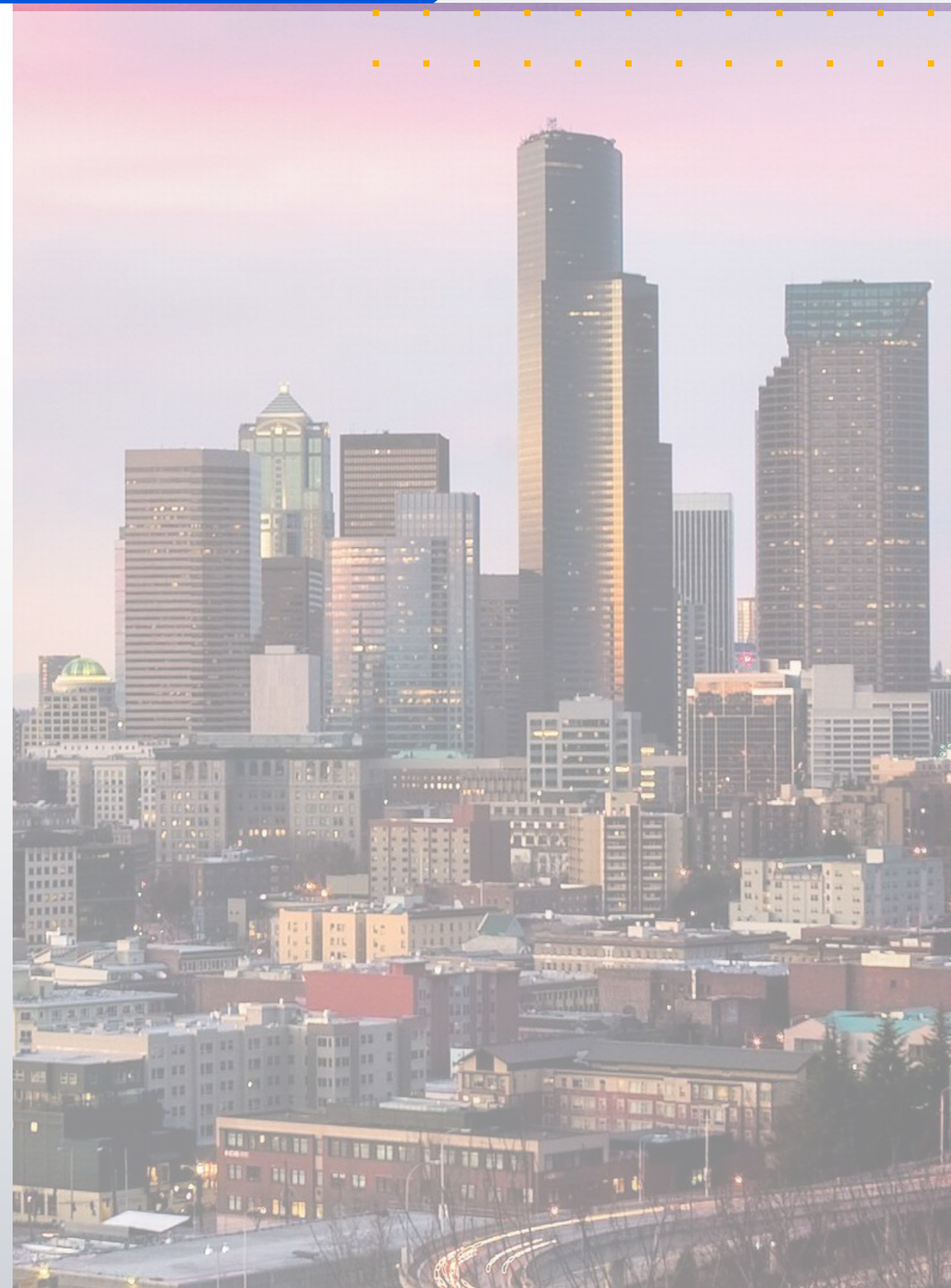


### General Overview

Vacancy in the Downtown Seattle Office Market continued rising up to 25.6%, almost a full percentage point higher than in Q1 2024. The 25.6% vacancy rate includes 22.2% of direct vacancy and 3.4% of sublease vacancy. The trailing 12-month net absorption for the Downtown Seattle Office Market at the end of Q2 2024 is (2,529,975) RSF. The amount of office space under construction is approximately 2,221,684 RSF. The market will remain favorable for tenants into the foreseeable future as vacancy will continue rising and more buildings will reposition to the new market.

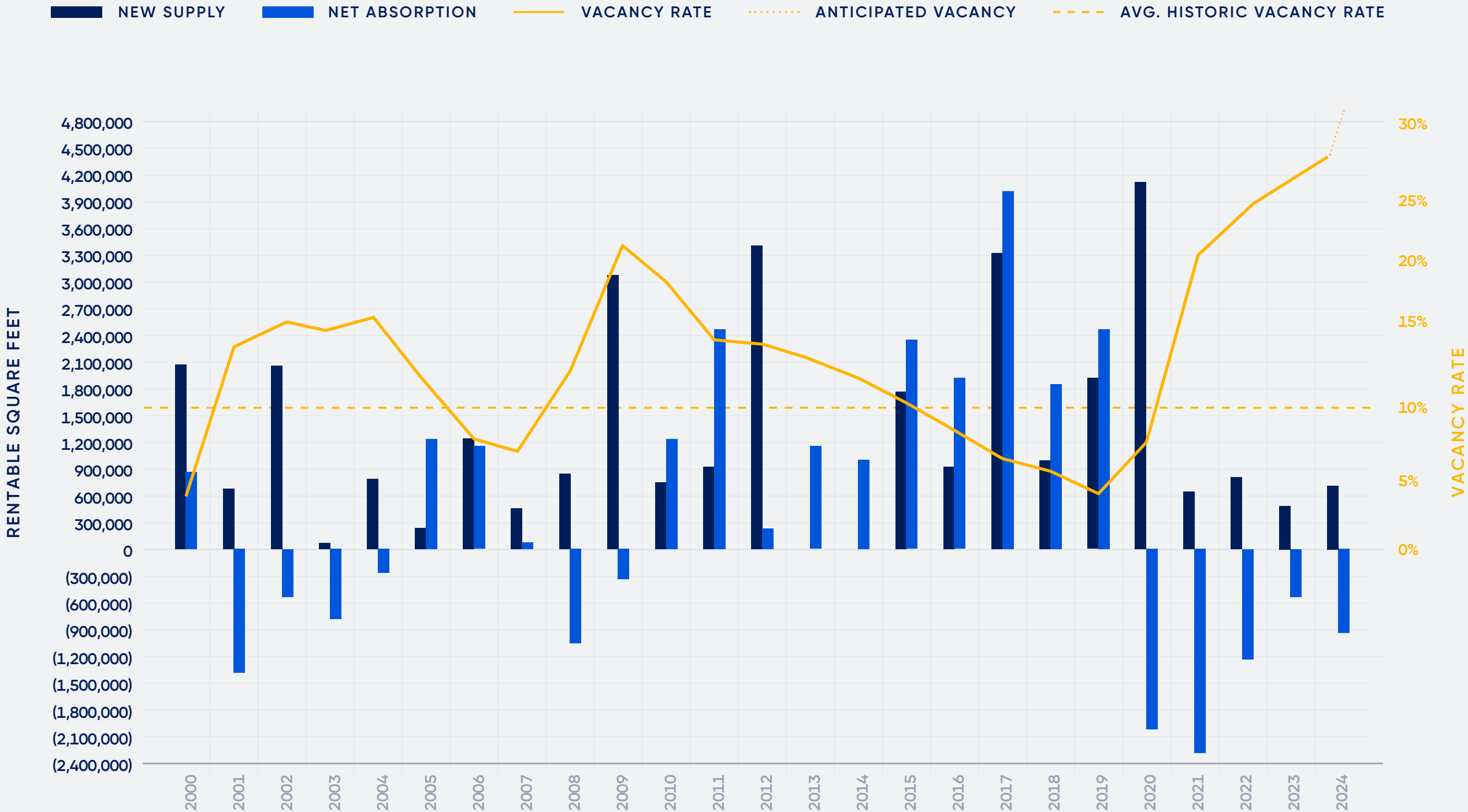
### Economy

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

Seattle Overall Office Availability, Supply & Absorption Rates  
2000-2024



Market Overview

Market Size (SF)  
Ship Canal to Pioneer Square

66.9M

\*INCLUSIVE OF 2.2M UNDER CONSTRUCTION

Net Absorption

12-Month

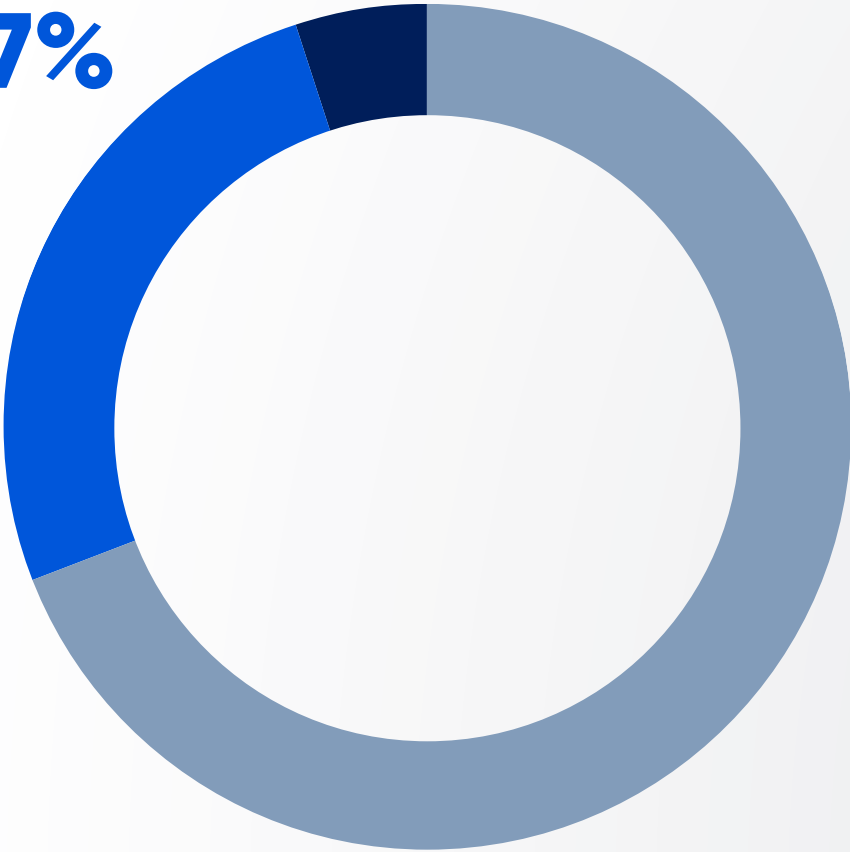
(2.5M)

2024 YTD

(242K)

Availability

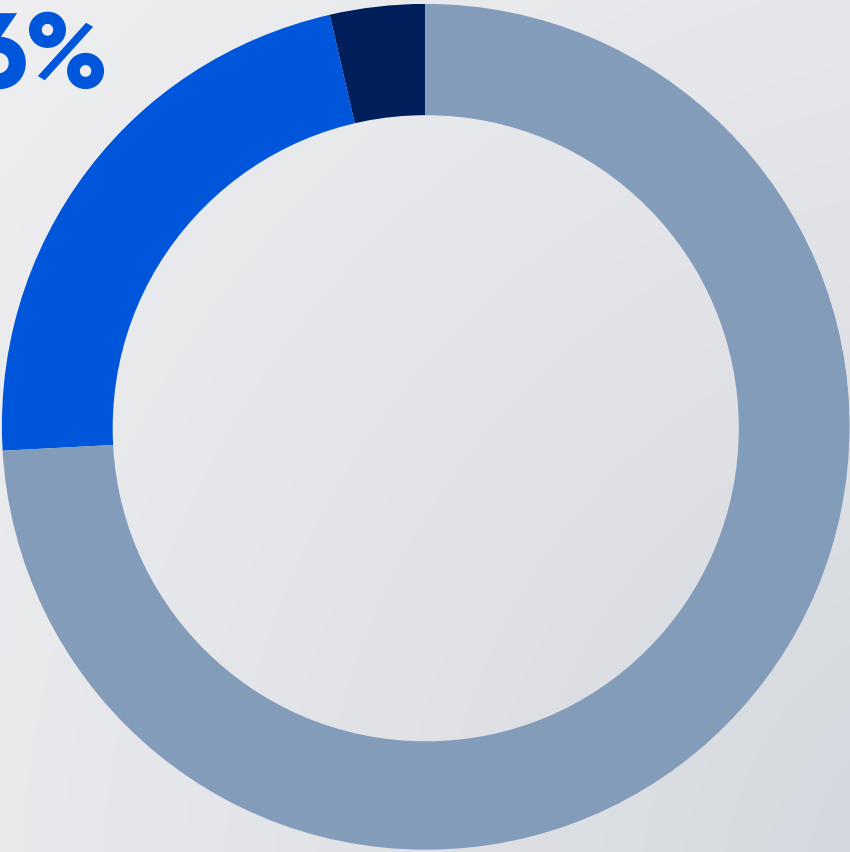
30.7%



- DIRECT AVAILABILITY: 25.7% | 17.2M
- SUBLEASE AVAILABILITY: 5.0% | 3.4M
- OCCUPANCY: 69.3% | 46.3M

Vacancy

25.6%



- DIRECT VACANCY: 22.2% | 14.3M
- SUBLEASE VACANCY: 3.4% | 2.2M
- OCCUPANCY: 74.4% | 48.1M

\*EXCLUDES 2.2M UNDER CONSTRUCTION

Market Trends

ASKING RENTS

T. I. ALLOWANCES

RENT ABATEMENT

CONSTRUCTION COSTS

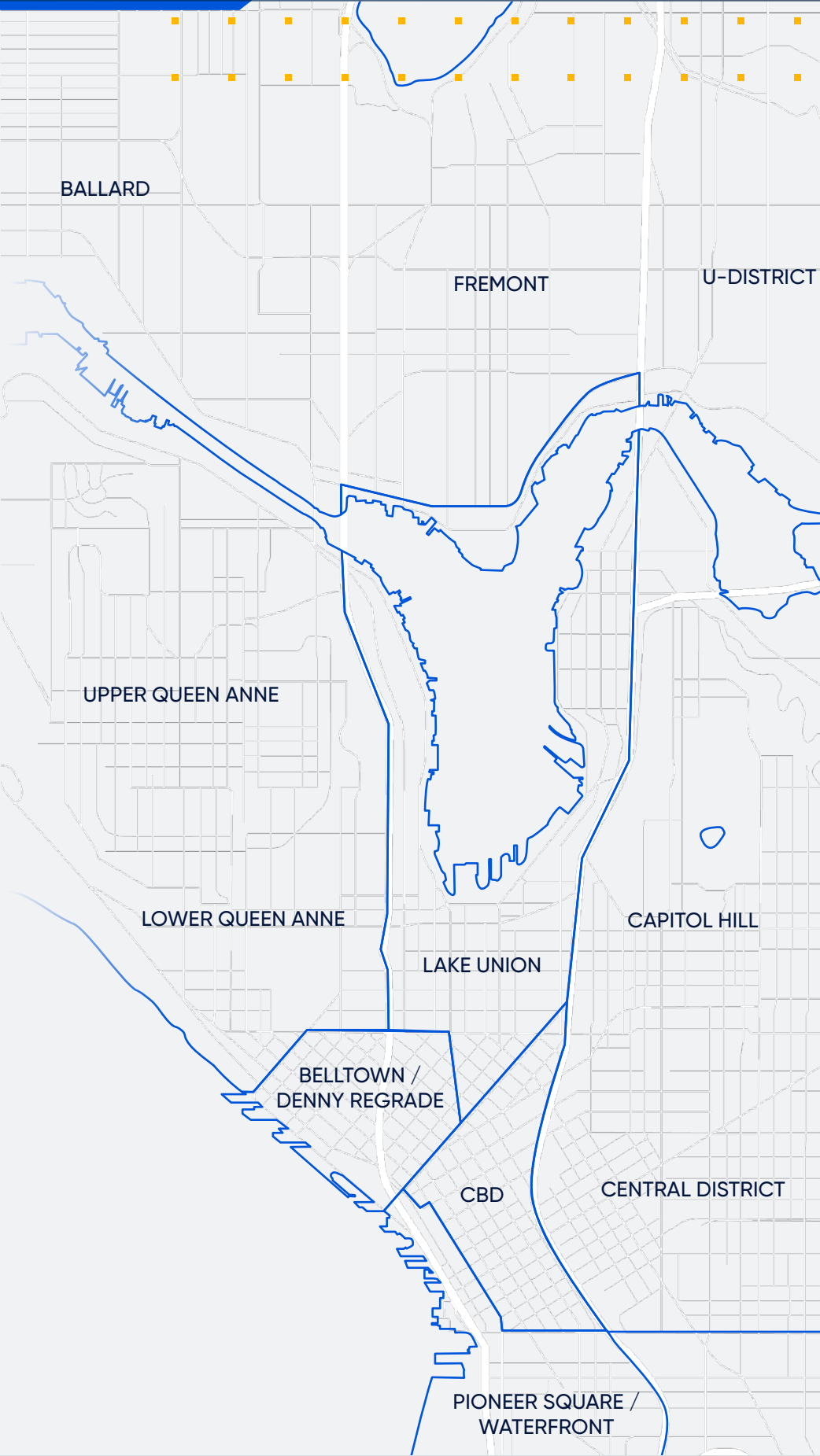
CONSTRUCTION TIMELINE



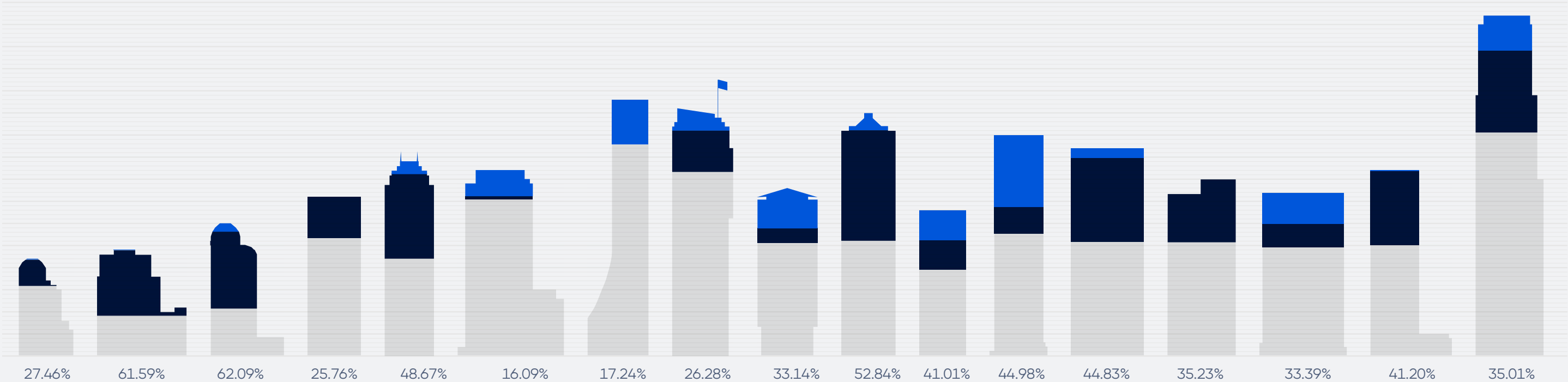
Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
Ballard / Fremont / U-District	10.2%	(28.5K)	\$25.00 – \$45.00
Belltown / Denny Regrade	25.6%	(442K)	\$25.00 – \$50.00
Capitol Hill / Central District	5.7%	(54.3K)	\$25.00 – \$50.00
Lake Union	15.4%	(22K)	\$40.00 – \$70.00
Pioneer Square / Waterfront	25.5%	(274.5K)	\$25.00 – \$55.00
Queen Anne	32.7%	(149K)	\$22.00 – \$35.00
Central Business District	31.4%	(1.5M)	\$30.00 – \$65.00

25.6%  
TOTAL VACANCY RATE FOR SEATTLE







Skyline Availability



Bldg. Name	Second & Seneca	1700 Seventh	Century Square	One Union	US Bank Center	Russell Investment Center	Rainier Square	Two Union Square	2+U	1201 Third	1111 Third	1001 Fourth	999 Third	Fourth & Madison	Madison Center	800 Fifth	Columbia Center
LL/Broker	JLL	Newmark	CBRE	Washington Holdings	CBRE	Colliers	JLL (Sublandlord)	Washington Holdings	Newmark	JLL	JLL	CBRE	JLL	Newmark	Broderick Group	CBRE	CBRE
Direct Avail. (%)	26.67%	61.28%	58.33%	25.76%	41.81%	1.51%	0%	16.73%	8.87%	45.36%	20.77%	12.46%	40.23%	35.23%	14.58%	40.74%	24.45%
Direct Avail. (SF)	144,761 RSF	358,914 RSF	385,904 RSF	173,212 RSF	394,464 RSF	13,379 RSF	0 RSF	195,034 RSF	60,947 RSF	517,269 RSF	161,312 RSF	97,082 RSF	398,232 RSF	279,910 RSF	110,063 RSF	411,242 RSF	378,680 RSF
Sublease Avail. (%)	0.79%	0.32%	7.48%	0%	6.87%	14.58%	17.24%	9.54%	24.27%	7.48%	20.24%	32.51%	4.61%	0%	18.81%	0.46%	10.56%
Sublease Avail. (SF)	4,300 RSF	1,850 RSF	49,515 RSF	0 RSF	64,797 RSF	129,207 RSF	138,422 RSF	111,204 RSF	168,849 RSF	85,288 RSF	157,247 RSF	253,259 RSF	45,615 RSF	0 RSF	142,029 RSF	4,603 RSF	163,532 RSF











Office Leases This Quarter

Tenant	Building	Address	Footprint
 Remitly	Rainier Square	401 Union St	86,519 RSF
 SOUNDTRANSIT	705 Union Station	705 5th Ave S	79,799 RSF
 LANE POWELL	Russell Investments Center	1301 2nd Ave	66,094 RSF
 Russell Investments	Rainier Square	401 Union St	55,286 RSF



Office Sales This Quarter

	Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	710 2nd Ave			335,000 RSF	\$36.6 M / \$109.37
	1265 Republican St.		Stack House Holdco LLC	36,663 RSF	\$11 M / \$300.03
	105 S Main St	Abadan Holdings LLC	Post 611 LLC	55,268 RSF	\$8.13 M / \$147.01
	4541 Union Bay Pl NE	Qmc Uv Holdings LLC	Union Bay Veterinary Properties LLC	3,332 RSF	\$3.4 M / \$1,020.41
	14 Boston St	Reschenthaler & Reschenthaler Properties LLC	14 Boston LLC	3,600 RSF	\$2.98 M / \$827.78



Current Office Construction



**Chapter Buildings**  
4536 BROOKLYN AVE NE  
4530 12TH AVE NE

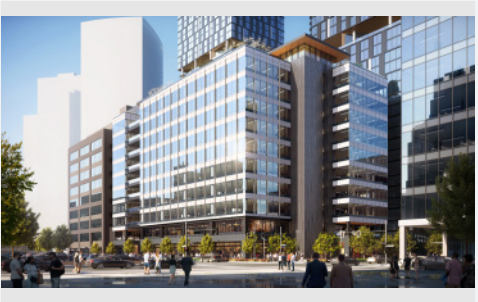
**394,500 SF**  
OFFICE SPACE  
**21,000 SF**  
OUTDOOR SPACE



**Block V**  
2301 7TH AVENUE

**310,000 SF**  
OFFICE SPACE

**600**  
RESIDENTIAL UNITS



**1916 Boren**  
1916 BOREN AVENUE

**282,741 SF**  
OFFICE AND BIOTECH SPACE

Trammell Crow Company



**701 Dexter**  
701 DEXTER AVE N

**266,898 SF**  
OFFICE AND BIOTECH SPACE



**222 Fifth**  
222 5TH AVE N

**196,888 SF**  
OFFICE AND BIOTECH SPACE



**1120 SLU**  
1120 JOHN ST

**935,951 SF**  
OFFICE SPACE

**2**  
TOWERS



Office Development Proposals



**S Campus**  
1000 – 1001 6TH AVE S

**Office | Retail**  
TYPE  
**1,286,219 RSF**  
SPACE AVAILABLE

URBAN  
VISIONS



**The Net**  
875 3RD AVE

**Office**  
TYPE  
**807,580 RSF**  
SPACE AVAILABLE

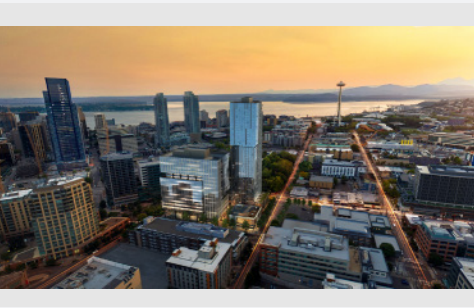
URBAN  
VISIONS



**Mercer Mega Block**  
714 – 800 MERCER ST

**Life Science**  
TYPE  
**±864,000 RSF**  
SPACE AVAILABLE

ALEXANDRIA



**111 Westlake**  
111 WESTLAKE AVE N

**Office | Life Science**  
TYPE  
**403,000 RSF**  
SPACE AVAILABLE

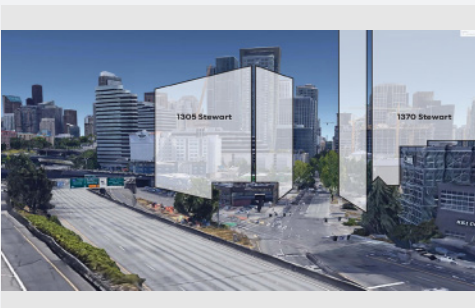
Vulcan  
Real Estate



**401 Queen Anne**  
401 QUEEN ANNE AVE N

**Office**  
SPACE  
**±155,000 RSF**  
SPACE AVAILABLE

MARTIN SELIG  
REAL ESTATE



**1305 Stewart**  
1305 STEWART ST

**Office**  
SPACE  
**±280,000 RSF**  
SPACE AVAILABLE

R BUTUS  
PROPERTIES



**Innov8**  
2300 7TH AVE

**Life Science | Technology**  
TYPE  
**684,000 RSF**  
SPACE AVAILABLE

BioMed Realty  
Discover here



**601 Dexter**  
601 DEXTER AVE N

**Life Science**  
TYPE  
**188,400 RSF**  
SPACE AVAILABLE

ALEXANDRIA





## 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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