

Q3 2024

Eastside Office Market Report

General Overview

After large transactions in the first half of 2024 on behalf of Pokemon (374k SF at The Eight), Snowflake (373k SF at Spring District) and TikTok (287k SF at Lincoln Square North), the Eastside office market experienced a slightly slower 3rd Quarter. That said, there was still notable activity within Bellevue CBD, as leases for HDR (49k SF at Citty Center Plaza) and The Trade Desk (47k SF at The Eight) were finalized. While more suburban markets such as Bellevue I-90, Redmond and Bothell remain mostly quiet, Bellevue CBD continues to see ongoing demand with active high-tech expansion requirements that include Walmart (~150k SF) and OpenAI (~100k SF). As result, there remains a notable disparity in economics between newer, class A office projects in Bellevue proper and their older counterparts and more suburban submarkets. In September, Amazon announced its 5-day, per week, in-office mandate effective January 2025 which should push occupancy rates higher across the Eastside as other notable tech companies eventually follow suit. While market rents and concession packages across the Eastside have mostly settled for now, 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.

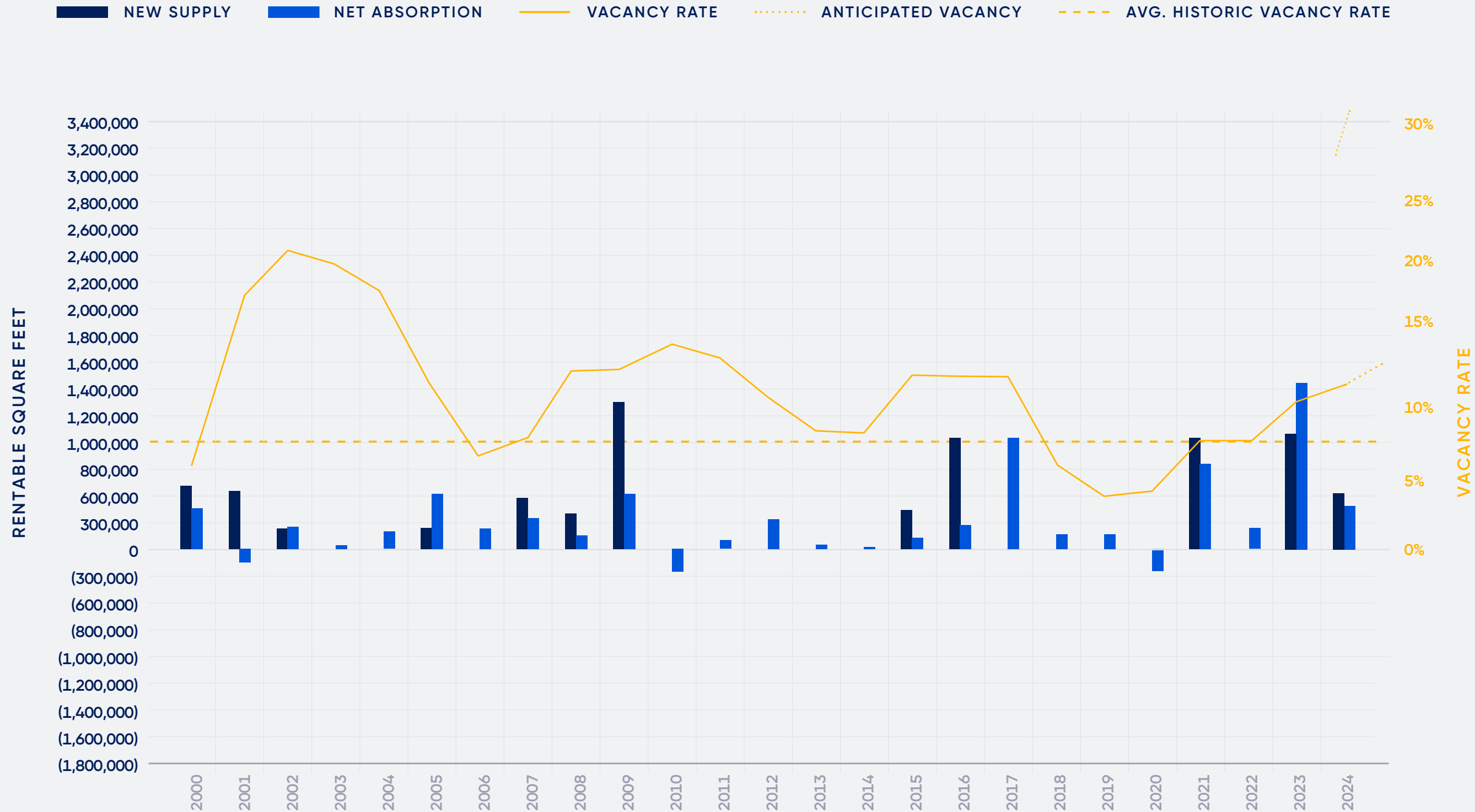
Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.8% slightly above the nationwide rate of 4.2%. In Seattle/Tacoma/Bellevue, the unemployment rate increased from 4.5% in May 2024 to 5% by the end of July 2024.



Historical Availability

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



Market Overview Greater Eastside

Market Size (SF)
Greater Eastside

46.03M

*INCLUSIVE OF 495K UNDER CONSTRUCTION

Net Absorption

12-Month

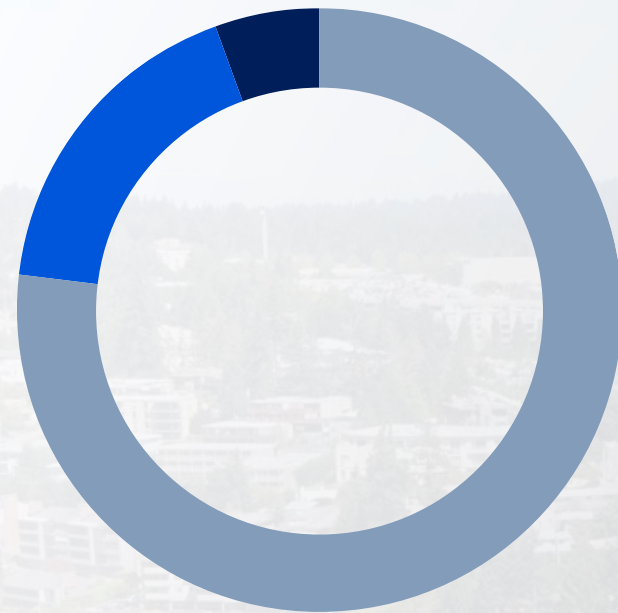
421K

2024 YTD

624K

Availability

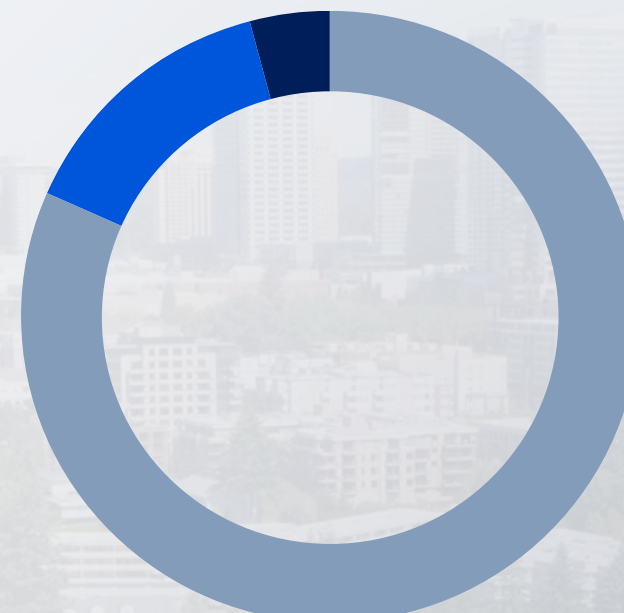
22.4%



- DIRECT AVAILABILITY: 17.4% | 8.1M
- SUBLEASE AVAILABILITY: 5.4% | 2.5M
- OCCUPANCY: 77.2% | 35.6M

Vacancy

18.1%



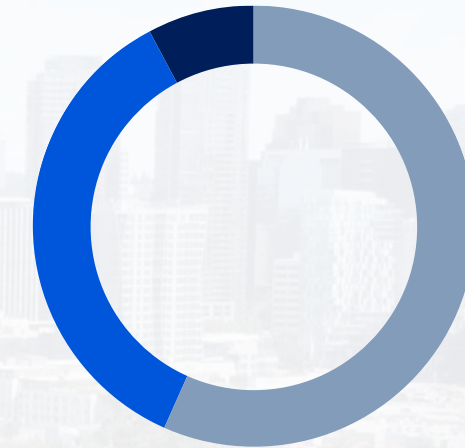
- DIRECT VACANCY: 14.0% | 6.5M
- SUBLEASE VACANCY: 4.1% | 1.9M
- OCCUPANCY: 81.9% | 37.9M

*EXCLUDES 495K UNDER CONSTRUCTION

Market Overview I-90 Corridor

Availability

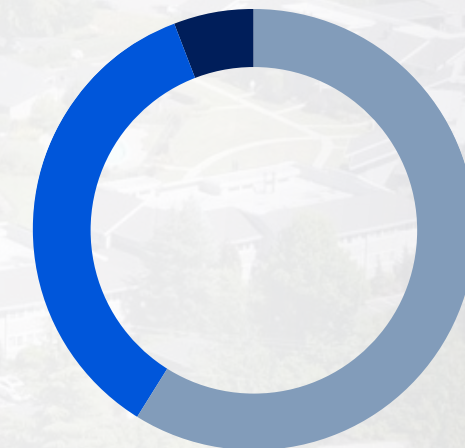
42.2%



- DIRECT AVAILABILITY: 35.6% | 1.99M
- SUBLEASE AVAILABILITY: 7.7% | 430K
- OCCUPANCY: 56.7% | 3.21M

Vacancy

41.0%



- DIRECT VACANCY: 35.3% | 1.96M
- SUBLEASE VACANCY: 5.8% | 320K
- OCCUPANCY: 58.9% | 3.28M

Market Size (SF)
I-90 Corridor

5.56M

Net Absorption

12-Month

(760K)

2024 YTD

(197K)

Market Trends



ASKING RENTS



T. I. ALLOWANCES



RENT ABATEMENT



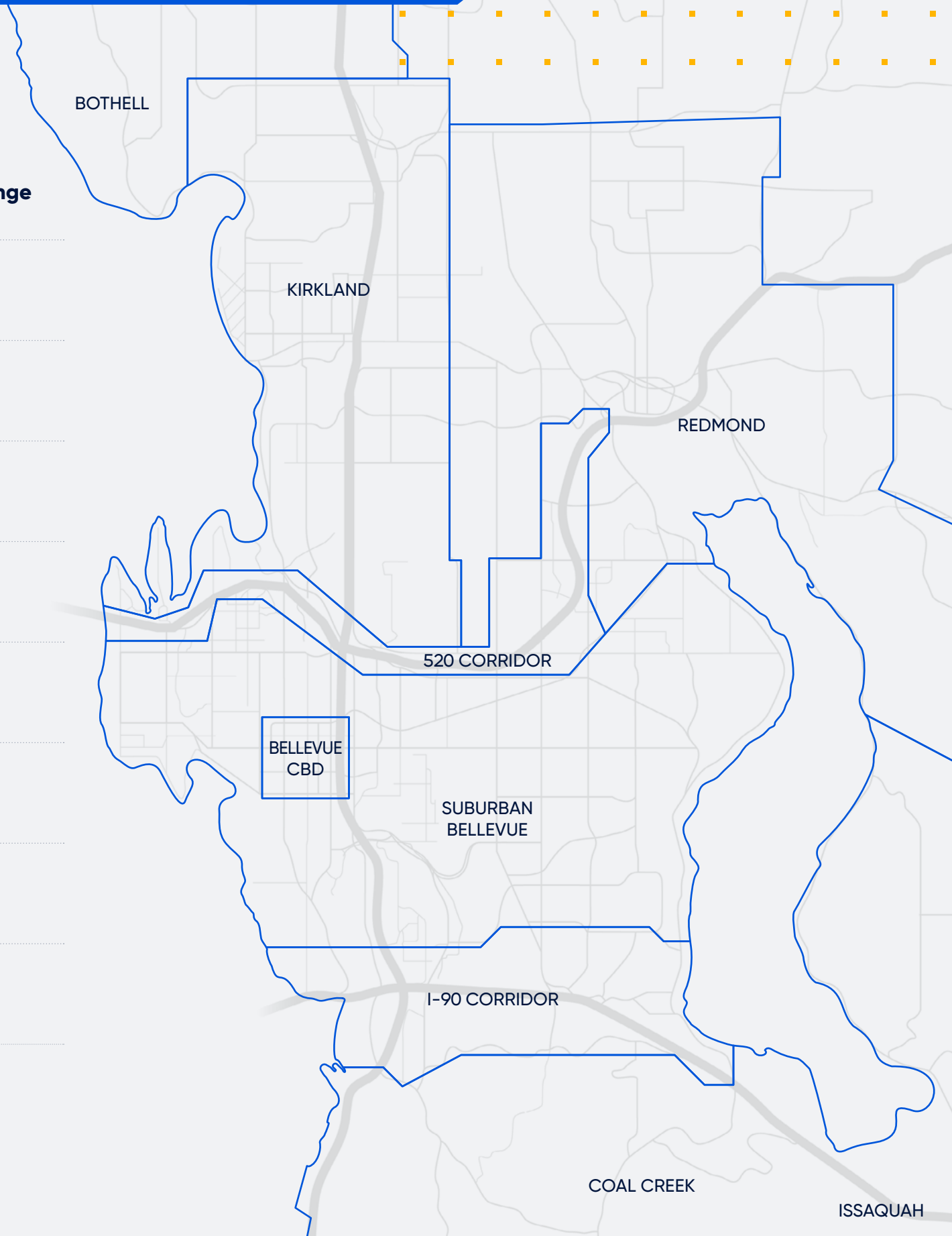
CONSTRUCTION COSTS



CONSTRUCTION TIMELINE















Eastside Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
520 Corridor	16.7%	(17.6K)	\$42.00 - \$47.00
Bellevue CBD	13.4%	1.7M	\$55.00 - \$75.00
Bothell	20.1%	52.6K	\$35.00 - \$40.00
Coal Creek / Issaquah	24.0%	(388K)	\$32.00 - \$45.00
I-90 Corridor	41.0%	(842K)	\$35.00 - \$45.00
Kirkland	6.7%	(56.2K)	\$50.00 - \$65.00
Redmond	18.0%	(59.7K)	\$40.00 - \$47.00
Suburban Bellevue	15.1%	157K	\$40.00 - \$47.00











18.1%
TOTAL VACANCY RATE FOR
THE GREATER EASTSIDE

Notable Office Leases This Quarter

	Tenant	Building	Address	Footprint
		City Center Plaza	555 110th Ave NE Bellevue, WA	48,896 RSF
		The Eight	10660 NE 8th St Bellevue, WA	47,126 RSF
		Corporate Campus East	3075 112th Ave NE Bellevue, WA	30,949 RSF
		Kirkland Ascent	620 5th Ave S Kirkland, WA	26,073 RSF
		Cascade Yard	3310 146th PI SE Bellevue, WA	23,608 RSF
		14 Acres Bellevue	15325 SE 30th PI Bellevue, WA	20,471 RSF
		U.S. Bank Plaza	10800 NE 8th St Bellevue, WA	14,953 RSF



Notable Office Sales This Quarter

	Project / Address	Buyer / Seller	Building Size	Sale Price / Price PSF
	Plaza Yarrow Bay Building 4 3933 Lake Washington Blvd NE Kirkland, WA			46,884 RSF \$16.33 M / \$348.26
	Eye Clinic of Bellevue 1300 116th Ave NE Bellevue, WA		Kent L & Elaine Bassett (Eye Clinic Property, LLC)	3,496 RSF \$6.75 M / \$1,930.78
	Linbrook Office Park Building 6 10422 NE 37th St Kirkland, WA	Eastside Preparatory School	Quality In Motion, Inc	6,064 RSF \$4.5 M / \$742.08
	820 Market 820 Market St Kirkland, WA	Calmont Properties, LLC	Kd Martin Properties, LLC	2,377 RSF \$3.1 M / \$1,304.16
	710 5th 710 5th Ave NW Issaquah, WA	Iron Senergy	Allen Ressler	7,671 RSF \$1.7 M / \$221.51



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

473,811 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 South
BELLEVUE CBD

119,898 RSF
OFFICE SPACE

Q1 2026



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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