

Q3 2024

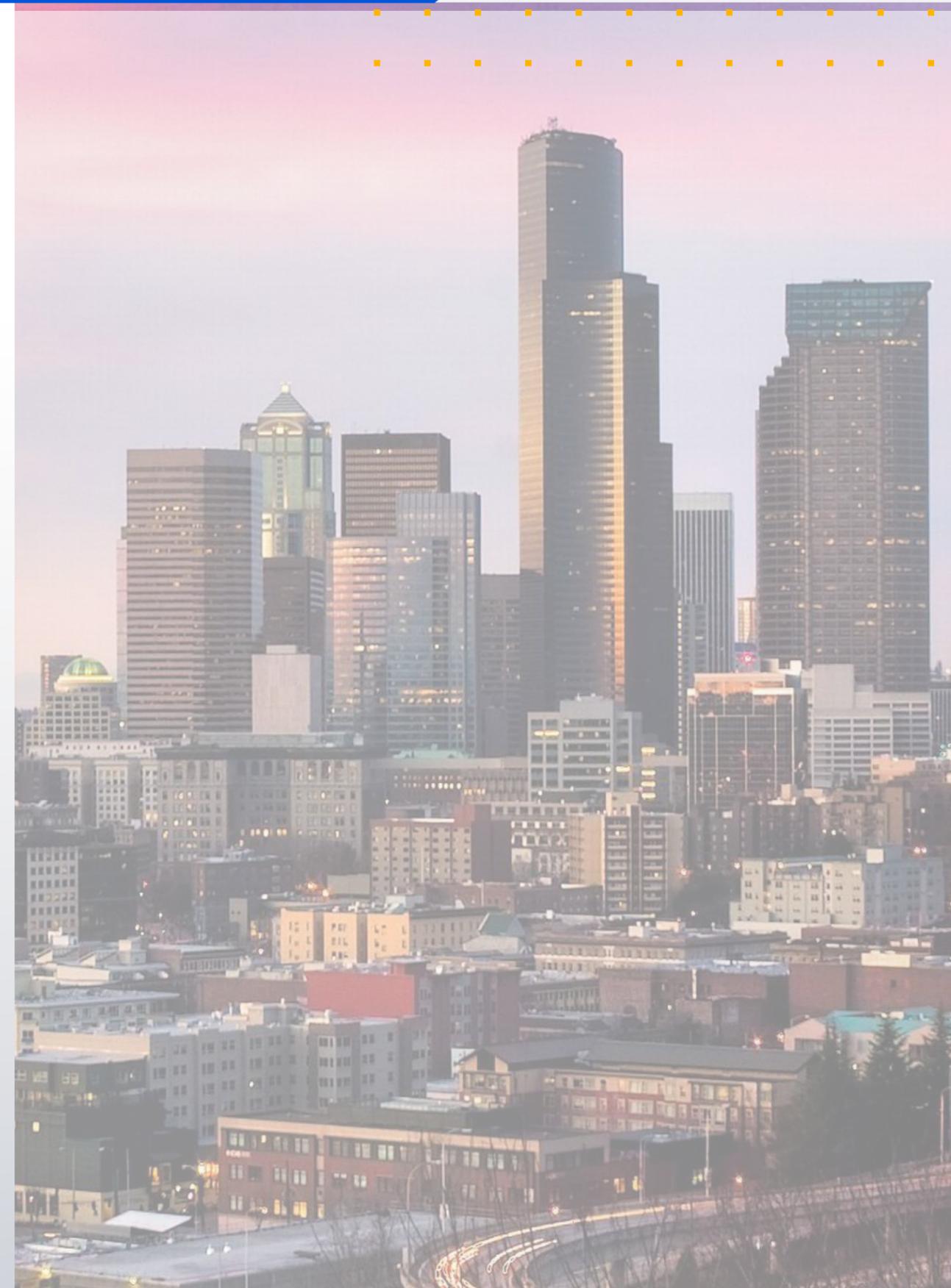
Office Market Report

General Overview

Vacancy in the Downtown Seattle Office Market rose a full percentage point between Q2 2024 and Q3 2024 up to 26.9%. This includes 23.6% of direct vacancy and 3.3% of sublease vacancy. The trailing 12-month net absorption for the Downtown Seattle Office Market at the end of Q3 2024 is (2,519,694) RSF. The amount of office space under construction is approximately 1,725,530 RSF. The market will remain favorable for tenants into 2025 and beyond with vacancy expected to continue rising and more buildings repositioning to the new market.

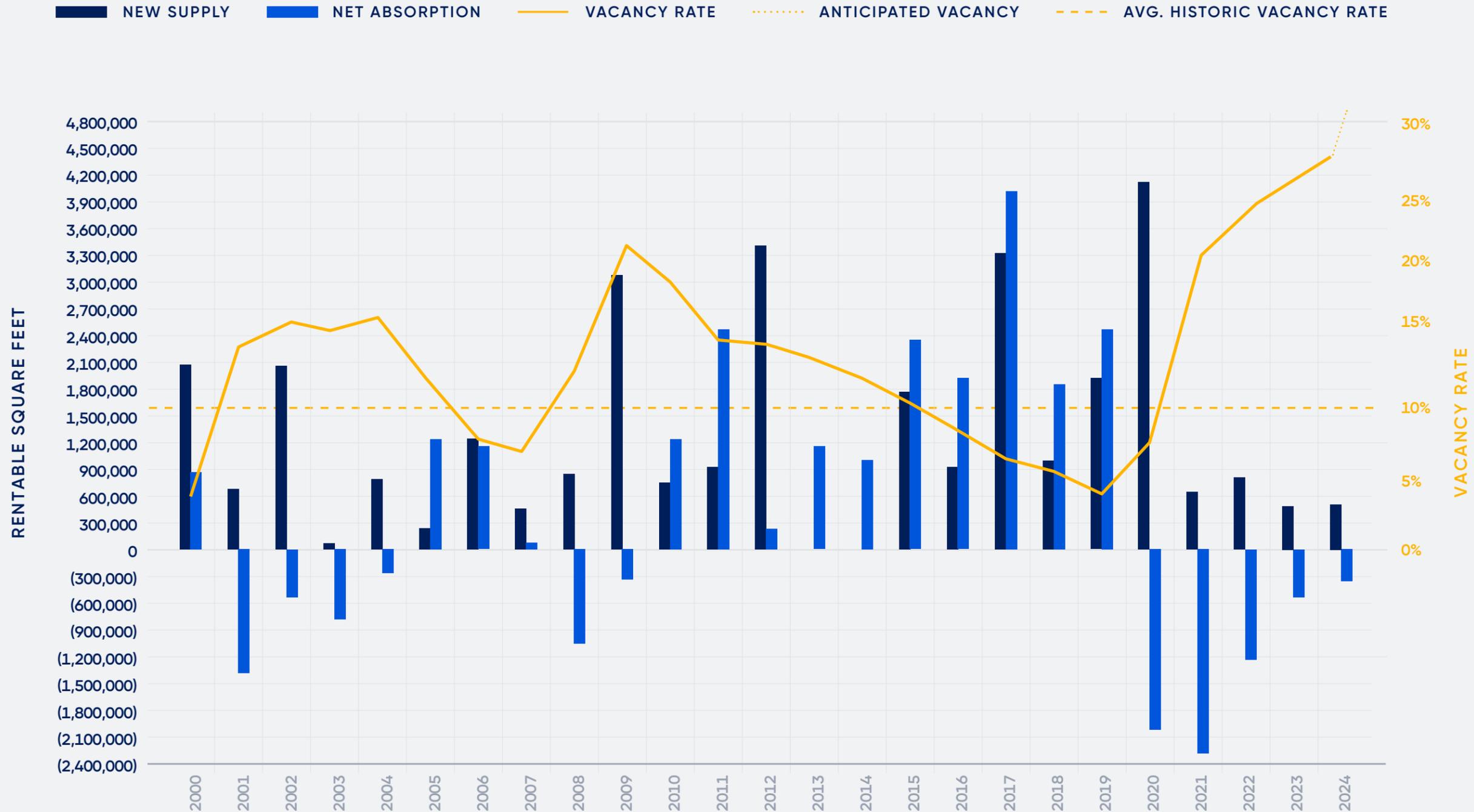
Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.8% 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

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



Market Overview

Market Size (SF)
Ship Canal to Pioneer Square

66.7M

**INCLUSIVE OF 1.7M UNDER CONSTRUCTION*

Net Absorption

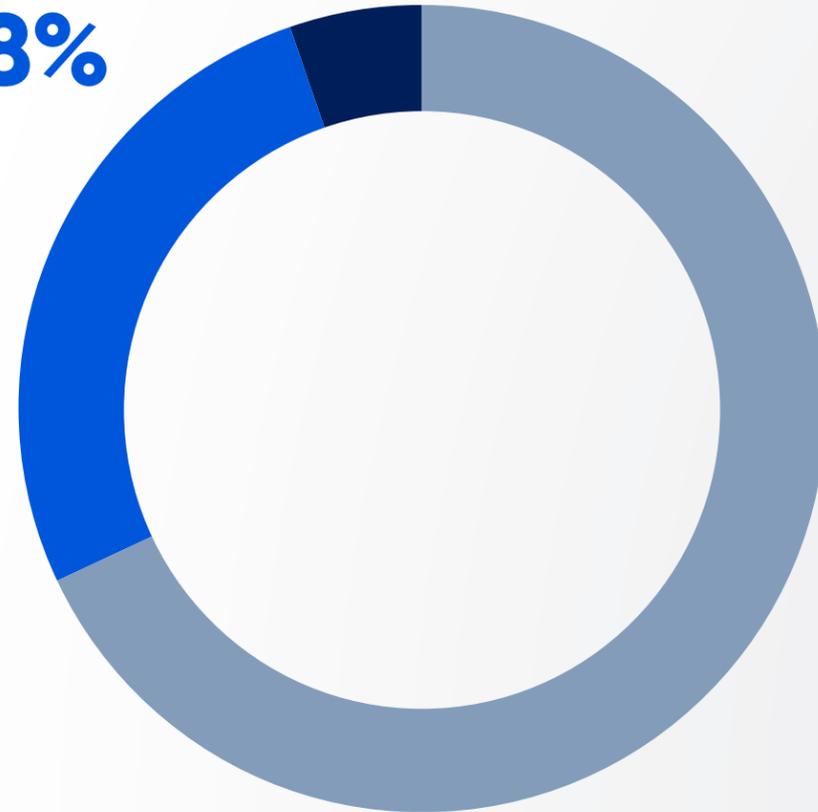
12-Month
(2.5M)

2024 YTD

(310K)

Availability

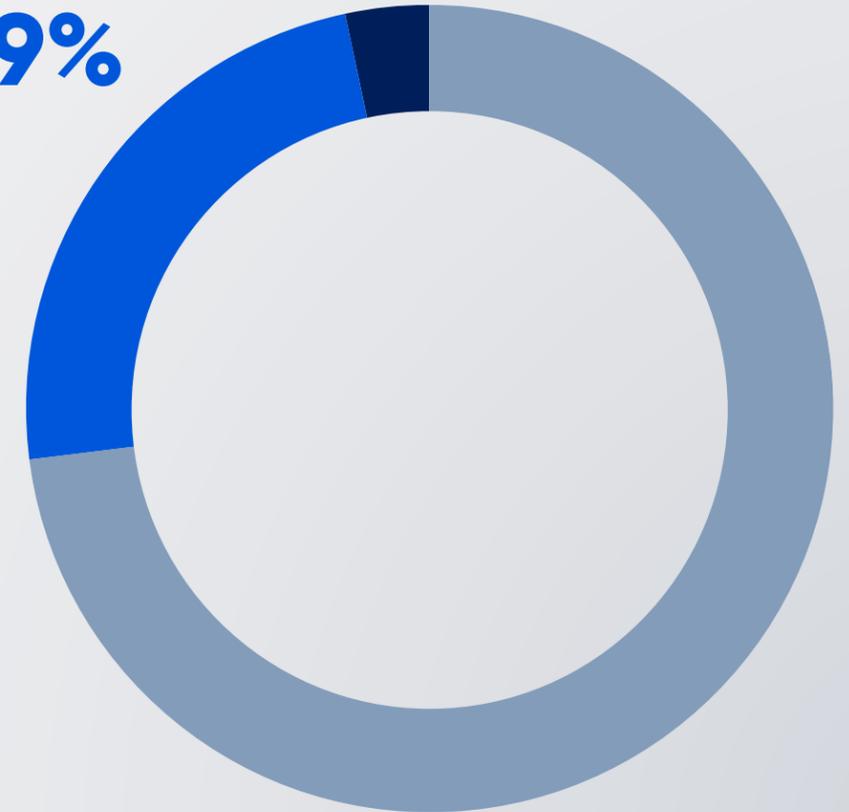
31.8%



- DIRECT AVAILABILITY: 26.8% | 18.3M
- SUBLEASE AVAILABILITY: 5.1% | 3.5M
- OCCUPANCY: 68.1% | 45.4M

Vacancy

26.9%



- DIRECT VACANCY: 23.6% | 15.8M
- SUBLEASE VACANCY: 3.3% | 2.2M
- OCCUPANCY: 73.1% | 48.2M

**EXCLUDES 1.7M UNDER CONSTRUCTION*

Market Trends



ASKING RENTS



T. I. ALLOWANCES



RENT ABATEMENT



CONSTRUCTION COSTS

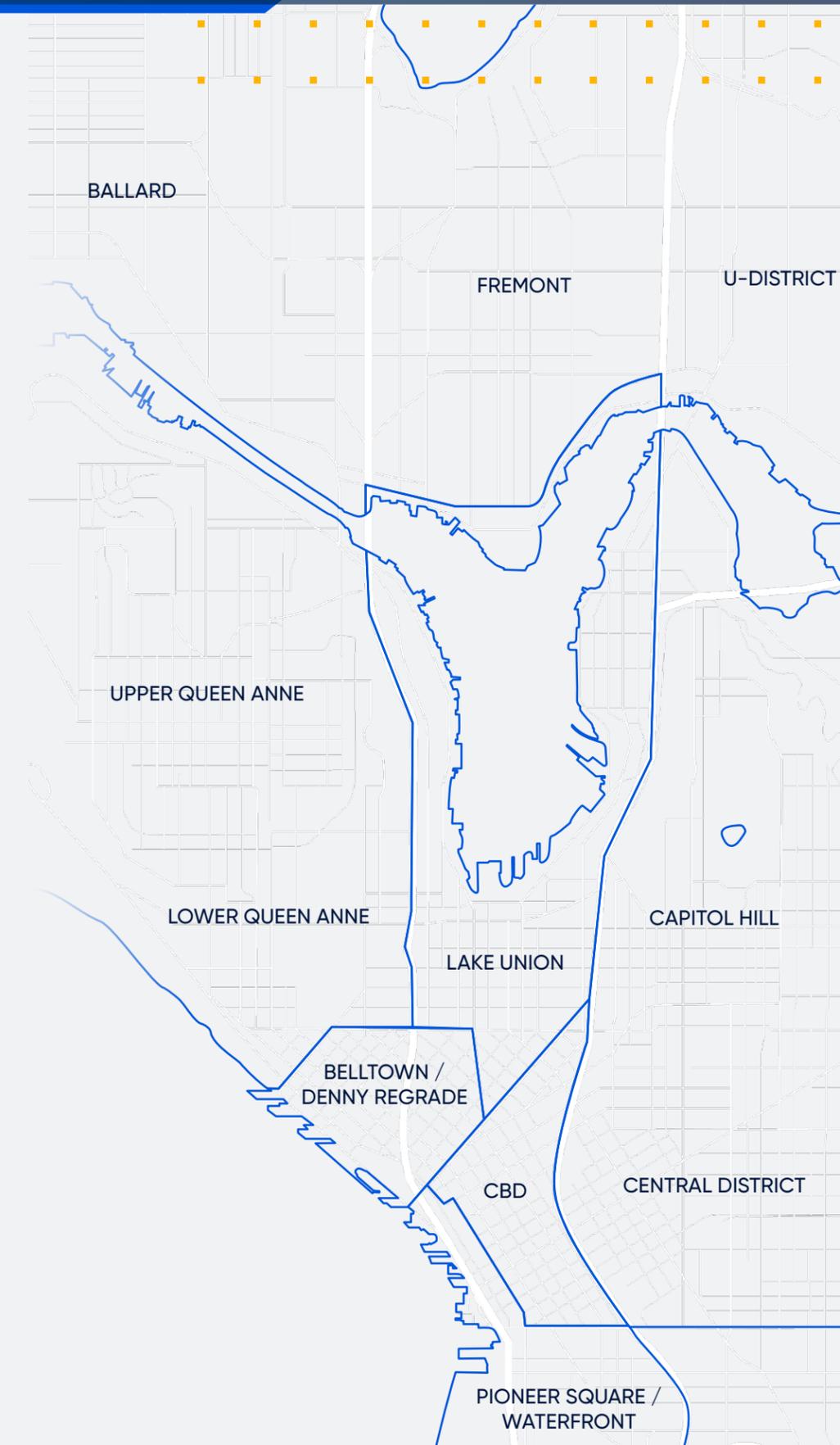


CONSTRUCTION TIMELINE

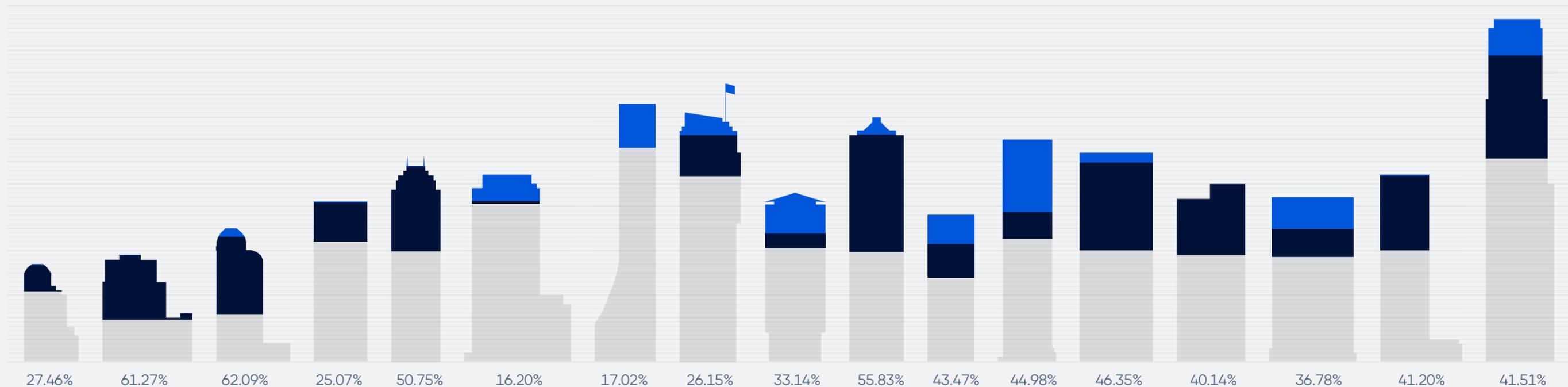
Submarket Vacancy Data

| Market | Vacancy rate | 12-Month Net Absorption (SF) | FS Class A Rental Range |
|---------------------------------|--------------|------------------------------|-------------------------|
| Ballard / Fremont / U-District | 21.1% | 33.6K | \$25.00 – \$45.00 |
| Belltown / Denny Regrade | 26.3% | (433K) | \$25.00 – \$50.00 |
| Capitol Hill / Central District | 7.5% | (115K) | \$25.00 – \$50.00 |
| Lake Union | 16.4% | (213K) | \$40.00 – \$70.00 |
| Pioneer Square / Waterfront | 27.0% | (290K) | \$25.00 – \$55.00 |
| Queen Anne | 34.5% | (207K) | \$22.00 – \$35.00 |
| Central Business District | 32.7% | (1.3M) | \$30.00 – \$65.00 |

26.9%
TOTAL VACANCY RATE FOR SEATTLE

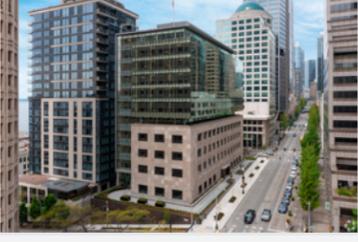


Skyline Availability



| 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 | CBRE | JLL (Sublandlord) | Washington Holdings | Newmark | JLL | JLL | CBRE | JLL | Newmark | Broderick Group | CBRE | CBRE |
| Direct Avail. (%) | 26.67% | 60.96% | 58.33% | 24.63% | 43.86% | 1.62% | 0% | 16.75% | 8.87% | 48.35% | 23.16% | 12.46% | 41.74% | 40.14% | 17.75% | 40.74% | 30.57% |
| Direct Avail. (SF) | 144,761 RSF | 357,037 RSF | 385,904 RSF | 165,607 RSF | 413,807 RSF | 14,355 RSF | 0 RSF | 195,156 RSF | 60,947 RSF | 551,376 RSF | 179,891 RSF | 97,082 RSF | 413,242 RSF | 339,438 RSF | 132,380 RSF | 411,242 RSF | 473,486 RSF |
| Sublease Avail. (%) | 0.79% | 0.32% | 7.48% | 0.44% | 6.89% | 14.58% | 17.02% | 9.40% | 24.27% | 7.48% | 20.31% | 32.51% | 4.61% | 0% | 19.04% | 0.46% | 10.93% |
| Sublease Avail. (SF) | 4,300 RSF | 1,850 RSF | 49,515 RSF | 2,962 RSF | 65,045 RSF | 129,207 RSF | 136,684 RSF | 109,551 RSF | 168,849 RSF | 85,288 RSF | 157,789 RSF | 253,259 RSF | 45,615 RSF | 0 RSF | 142,029 RSF | 4,603 RSF | 169,333 RSF |

Office Leases This Quarter

| | Tenant | Building | Address | Footprint |
|---|--|--------------------------|---------------------|-------------|
|  |  | Northlake Commons | 3800 Latona Ave NE | 48,900 RSF |
|  |  | Eleven50 | 1150 Eastlake Ave E | 31,270 RSF |
|  |  सत्यमेव जयते Consulate General of India | Federal Reserve Building | 1015 2nd Ave | 24,818 RSF |
|  |  | Harold Poll Building | 110 Union St | 22,000 RSF |
|  |  | King Street Crossing | 411 1st Ave S | ±19,000 RSF |
|  |  | 201 Elliott | 201 Elliott Ave W | 13,942 RSF |

Office Sales This Quarter

| | Address | Buyer / Seller | Building Size | Sale Price / Price PSF |
|---|----------------------|---|---------------|------------------------|
|  | 330 Yale Ave |    | 211,066 RSF | \$162 M / \$766 |
|  | 506 2nd Ave |     | 304,346 RSF | Not Dsclosed |
|  | 1165 Eastlake Ave E |   | 100,086 RSF | \$150 M / \$1,150 |
|  | 118 Alaskan Way S | <p>Awbs 1 LLC (Individual)</p>  | 53,000 RSF | \$6.6 M / \$124.53 |
|  | 311 Occidental Ave S |   | 23,086 RSF | \$3.5 M / \$151.61 |

Current Office Construction



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



ALEXANDRIA.



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

Below is a sample of office projects ready for development with pre-lease.



S Campus
1000 - 1001 6TH AVE S

Office | Retail
TYPE

1,286,219 RSF
SPACE AVAILABLE

URBAN
VISIONS



401 Queen Anne
401 QUEEN ANNE AVE N

Office
SPACE

±155,000 RSF
SPACE AVAILABLE

 **MARTIN SELIG**
REAL ESTATE

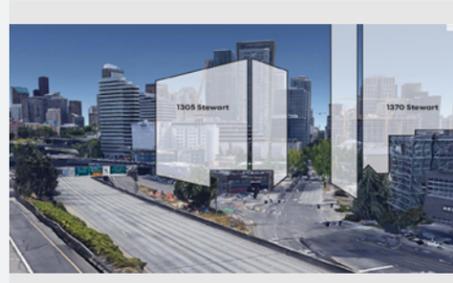


The Net
875 3RD AVE

Office
TYPE

807,580 RSF
SPACE AVAILABLE

URBAN
VISIONS



1305 Stewart
1305 STEWART ST

Office
SPACE

±280,000 RSF
SPACE AVAILABLE

 **ARBUTUS**
PROPERTIES



Mercer Mega Block
714 - 800 MERCER ST

Life Science
TYPE

±864,000 RSF
SPACE AVAILABLE


ALEXANDRIA

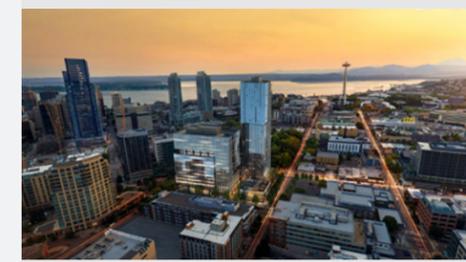


Innov8
2300 7TH AVE

Life Science | Technology
TYPE

684,000 RSF
SPACE AVAILABLE


BioMed Realty
Discover here



111 Westlake
111 WESTLAKE AVE N

Office | Life Science
TYPE

403,000 RSF
SPACE AVAILABLE

 **Vulcan**
Real Estate



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.

601 Union St #4900, Seattle, WA 98101 | (206) 224-3500