

Eastside Office Market

2024 Year End Market Report

General Overview

While vacancy and availability rates were on the rise in most area submarkets in 2024, Bellevue saw some of the largest leases of the year with Bellevue CBD outperforming all other office submarkets in Puget Sound. Even though the Bellevue CBD submarket still boasts an availability rate over 25%, as former Microsoft buildings have been vacated, flight to quality has driven Bellevue CBD rents to historic highs for its best buildings. Bellevue began the year with large Class A lease and sublease transactions on behalf of Pokemon (374k SF at The Eight), Snowflake (373k SF at Spring District) and TikTok (287k SF at Lincoln Square North) then finished with sizeable leases for HDR (49k SF at City Center Plaza), The Trade Desk (47k SF at The Eight) and Walmart (98k SF at Skyline Tower), among others. For the first time since 2020, there's been a notable uptick in tech-sector office activity which is expected to continue into 2025 as companies pursue Puget Sound's highly regarded Artificial Intelligence talent pool. In addition, Amazon's 5-day, per week, in-office mandate is now effective as of January 2025 which is expected to push occupancy rates higher across the Eastside as other tech companies follow suit.

Eastside's suburban markets, notably Bellevue I-90, Redmond and Bothell are relatively quiet with market rents and concession packages mostly stable while area landlords remain slow to correct lease rates even as vacancy levels increase. Despite the flight to quality in Bellevue CBD, market activity remains well below pre-pandemic levels and vacancies continue to rise providing opportunities for value if you know where to look.

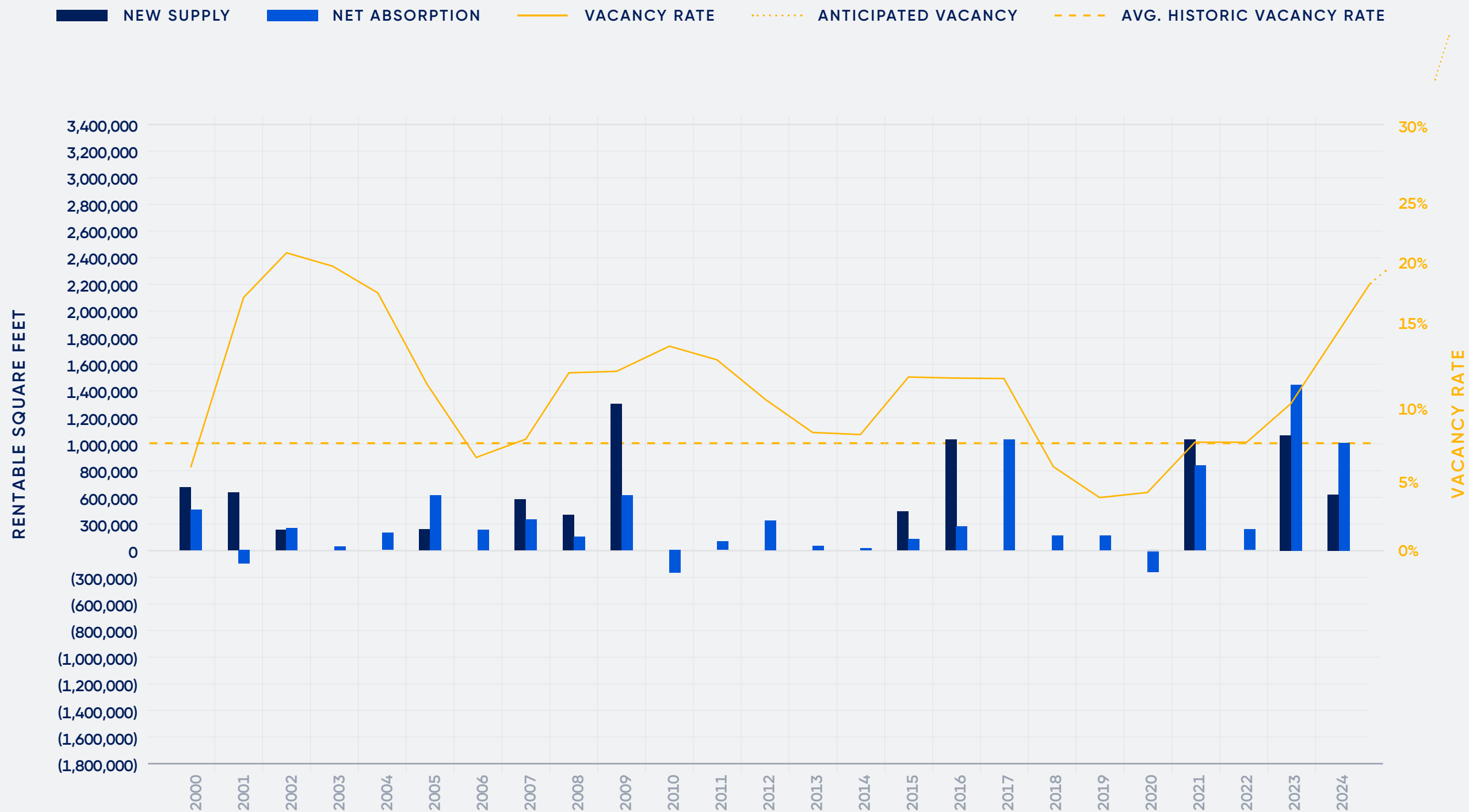
Economy

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 4.2%. In Seattle/Tacoma/Bellevue, the unemployment rate decreased from 5% in July 2024 to 4.4% in October 2024.



Historical Availability

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



Market Overview Greater Eastside

Market Size (SF)
Greater Eastside

47.81M

*INCLUSIVE OF 485K UNDER CONSTRUCTION

Net Absorption

12-Month

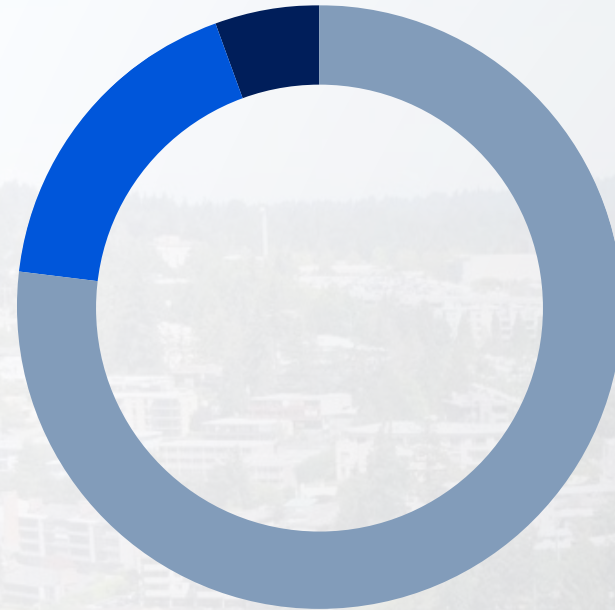
950K

Q4 2024

333K

Availability

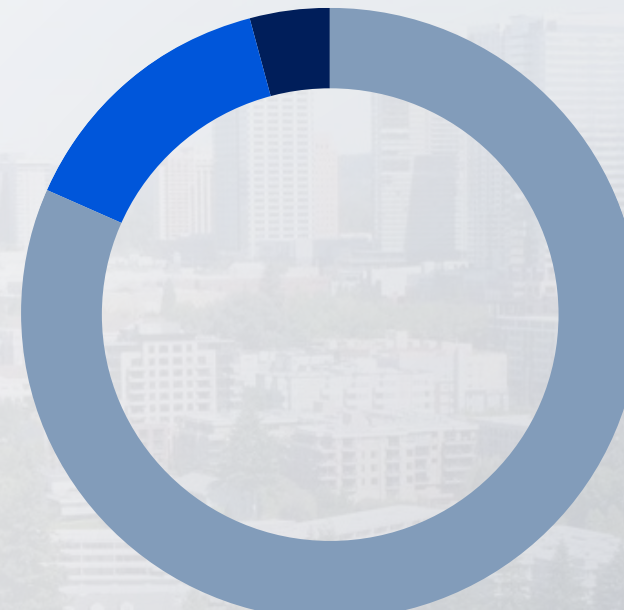
22.2%



- DIRECT AVAILABILITY: 18.8% | 9.06M
- SUBLEASE AVAILABILITY: 4.8% | 2.32M
- OCCUPANCY: 76.4% | 36.5M

Vacancy

18.0%



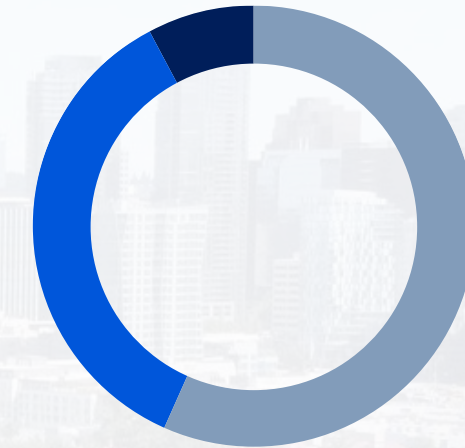
- DIRECT VACANCY: 14.8% | 7.1M
- SUBLEASE VACANCY: 3.2% | 1.5M
- OCCUPANCY: 82% | 39.2M

*EXCLUDES 485K UNDER CONSTRUCTION

Market Overview I-90 Corridor

Availability

42.0%



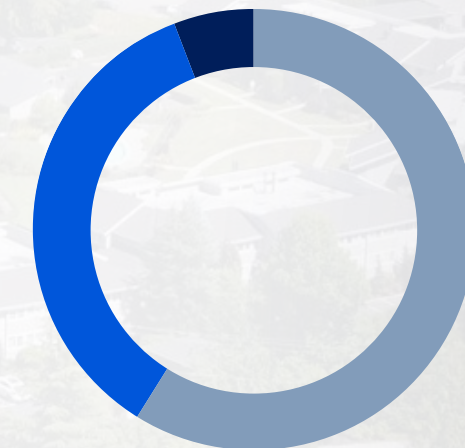
- DIRECT AVAILABILITY: 35.4% | 1.98M
- SUBLEASE AVAILABILITY: 7.7% | 428K
- OCCUPANCY: 56.9% | 3.2M

Market Size (SF)
I-90 Corridor

5.56M

Vacancy

41.2%



- DIRECT VACANCY: 35.6% | 1.99M
- SUBLEASE VACANCY: 5.5% | 308K
- OCCUPANCY: 58.9% | 3.28M

Net Absorption

12-Month

(266K)

2024 YTD

(212K)

Market Trends



ASKING RENTS



T. I. ALLOWANCES



RENT ABATEMENT



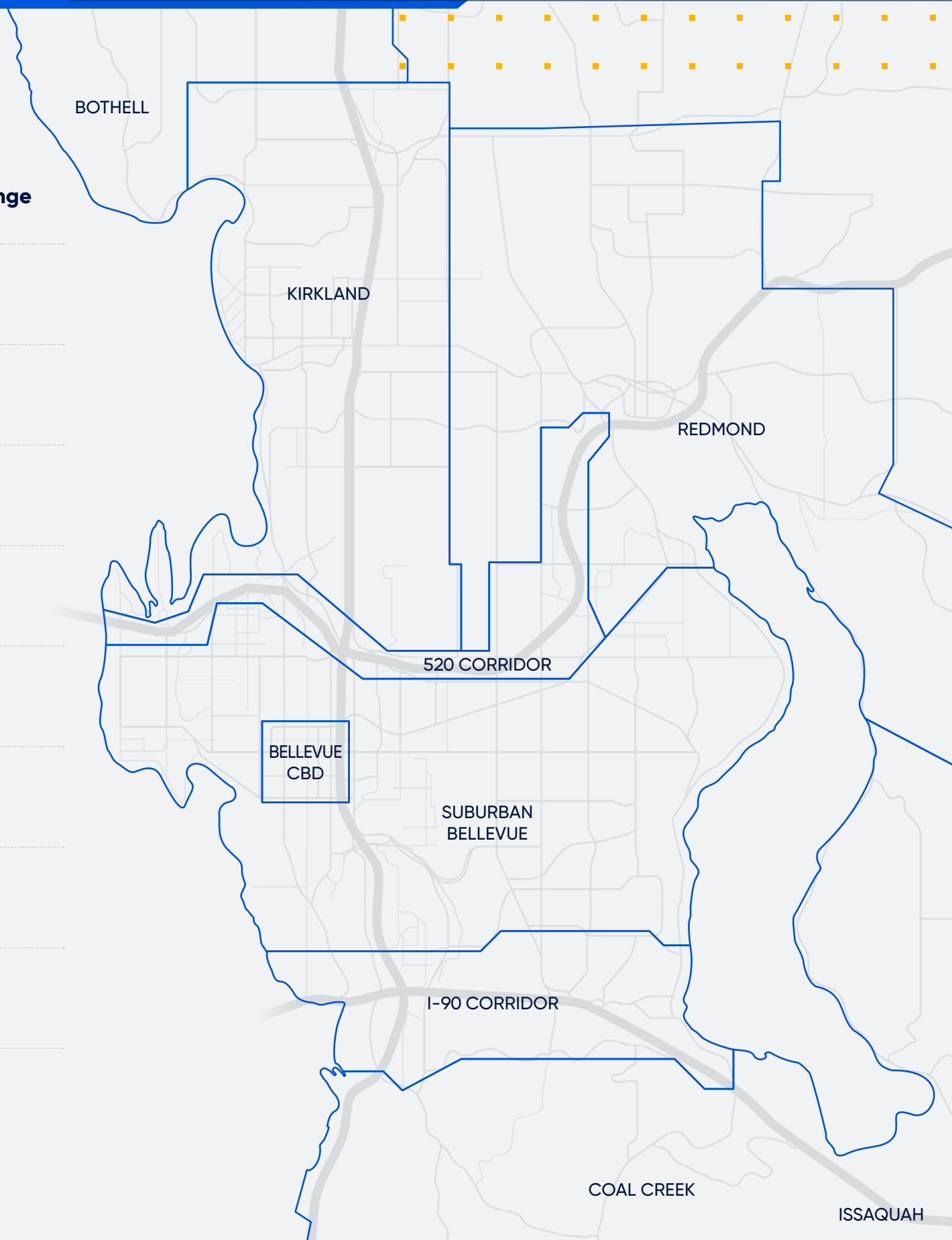
CONSTRUCTION COSTS



CONSTRUCTION TIMELINE






Eastside Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
520 Corridor	18.1%	(39.4K)	\$42.00 - \$47.00
Bellevue CBD	16.7%	845K	\$55.00 - \$75.00
Bothell	19.1%	479K	\$35.00 - \$40.00
Coal Creek / Issaquah	23.3%	(48.9K)	\$32.00 - \$45.00
I-90 Corridor	41.2%	(266K)	\$35.00 - \$45.00
Kirkland	6.0%	(26.2K)	\$50.00 - \$65.00
Redmond	15.7%	(36K)	\$40.00 - \$47.00
Suburban Bellevue	10.6%	474K	\$40.00 - \$47.00







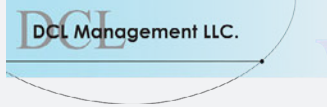





18.0%
TOTAL VACANCY RATE FOR
THE GREATER EASTSIDE

Notable Office Leases for Q4 2024

Tenant	Building	Address	Footprint
	Skyline Tower	10900 NE 4th St Bellevue, WA	98,000 RSF
 Agentic automation	Plaza Center	10900 NE 8th St Bellevue, WA	39,120 RSF
	90 North Building 10	3255 160th Ave SE Bellevue, WA	31,298 RSF
	Symetra Financial Center	777 108th Ave NE Bellevue, WA	27,980 RSF
	Symetra Financial Center	777 108th Ave NE Bellevue, WA	19,085 RSF



Notable Office Sales for 2024

	Project / Address	Quarter	Buyer / Seller	Building Size	Sale Price / Price PSF
	Block 6 Spring District 1646 123rd Ave NE Bellevue, WA	Q4		WRIGHT RUNSTAD & COMPANY	329,470 RSF \$270 M / \$819.5
	Redmond Town Center 7400 166th Ave NE Redmond, WA	Q4	PREYLOCK	FAIRBOURNE <small>PROPERTIES</small>	111,368 RSF \$58 M / \$520.80
	Plaza Yarrow Bay Building 4 3933 Lake Washington Blvd NE Kirkland, WA	Q3			44,884 RSF \$16.33 M / \$348.26
	Parkland Building 875 140th Ave NE Bellevue, WA	Q2	Xin Huang (Pisces Holdings, LLC)	Shen & Company PS	14,582 RSF \$6.5 M / 445.76
	The ParQ Building E 21930 SE 51st St Issaquah, WA	Q1			176,656 RSF \$61.8 M / \$349.98

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

420,938 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

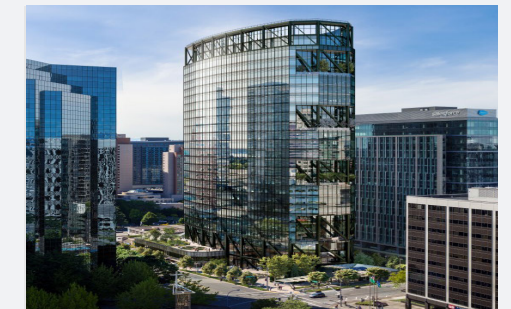
AVAILABLE NOW/Q2 2025



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

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