

Q4 2024

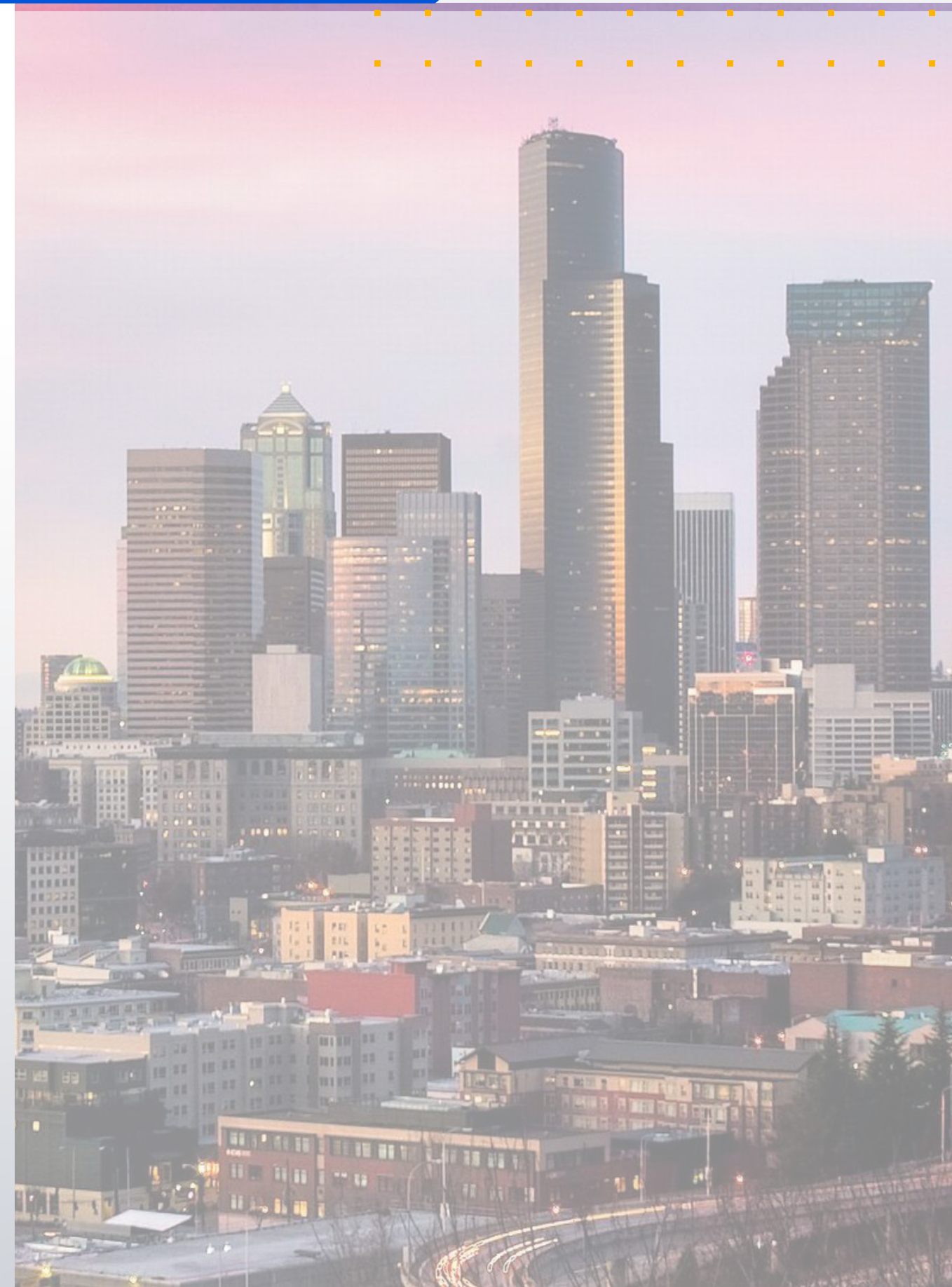
Office Market Report

General Overview

Vacancy in the Downtown Seattle office market increased from 26.9% in Q3 2024 to 27.2% in Q4 2024. This total comprises 23.6% direct vacancy and 3.3% sublease vacancy. The net absorption for the Downtown Seattle office market over the past 12 months, as of the end of Q4 2024, stands at (2,118,190) RSF. Currently, approximately 815,639 RSF of office space is under construction. The market is expected to remain tenant-friendly through 2025 and beyond, with vacancies likely to continue rising and more buildings being repositioned.

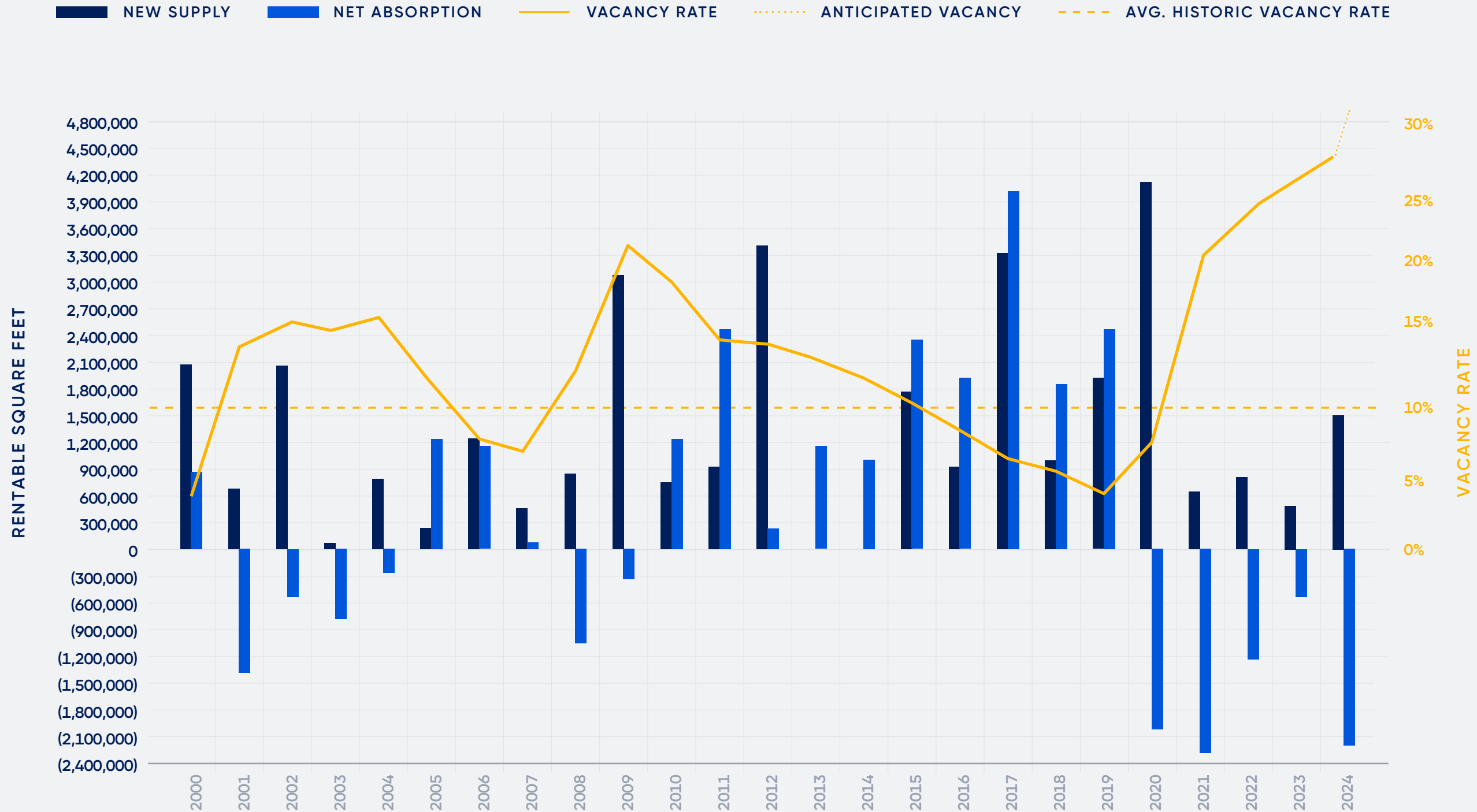
Economy

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

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



Market Overview

Market Size (SF)
Ship Canal to Pioneer Square

73.3M

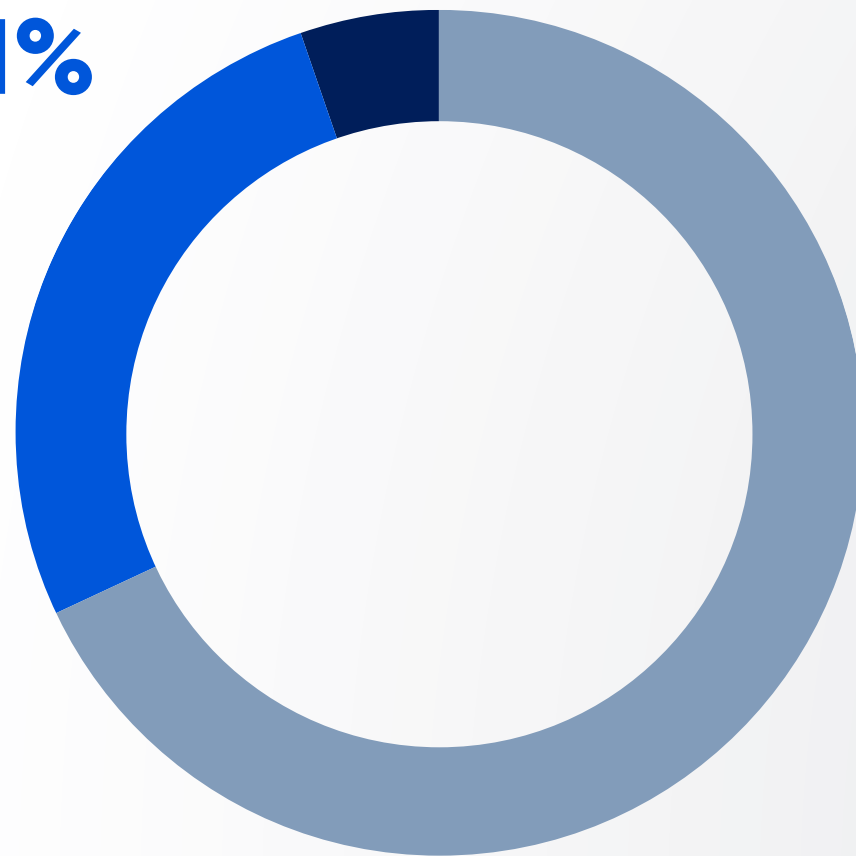
**INCLUSIVE OF 816K UNDER CONSTRUCTION*

Net Absorption

12-Month
(2.1M)

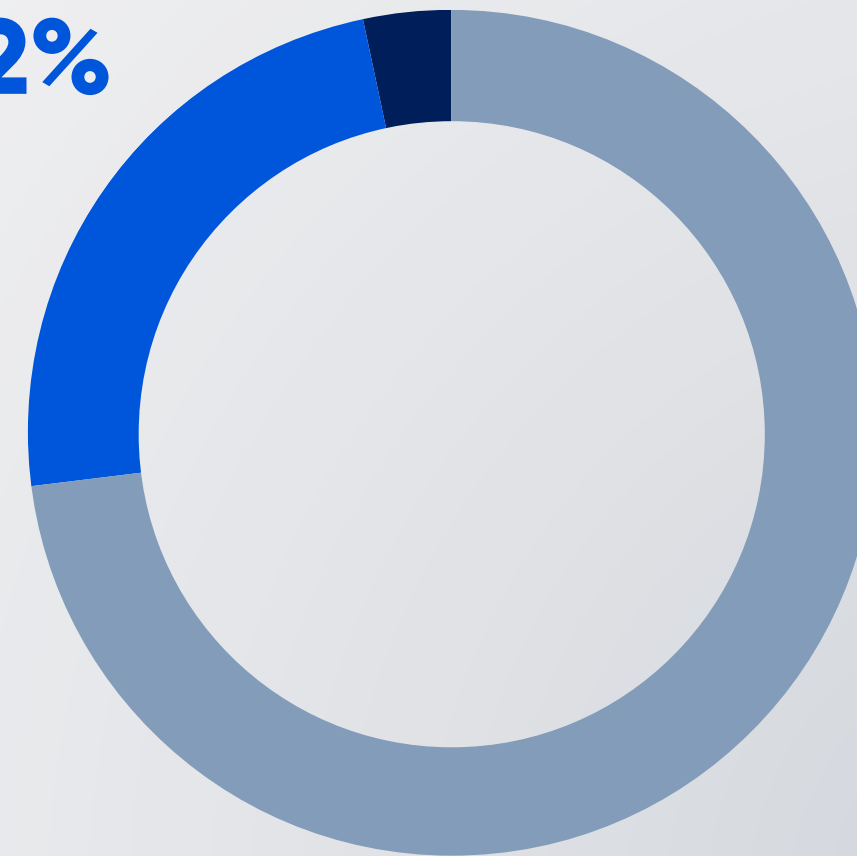
Q4 2024
(479K)

Availability
31.1%



- DIRECT AVAILABILITY: 26.5% | 19.6M
- SUBLEASE AVAILABILITY: 4.6% | 3.4M
- OCCUPANCY: 68.9% | 50.3M

Vacancy
27.2%



- DIRECT VACANCY: 23.6% | 17.4M
- SUBLEASE VACANCY: 3.3% | 2.5M
- OCCUPANCY: 73.1% | 53.4M

**EXCLUDES 816K UNDER CONSTRUCTION*

Market Trends



ASKING RENTS



T. I. ALLOWANCES



RENT ABATEMENT



CONSTRUCTION COSTS

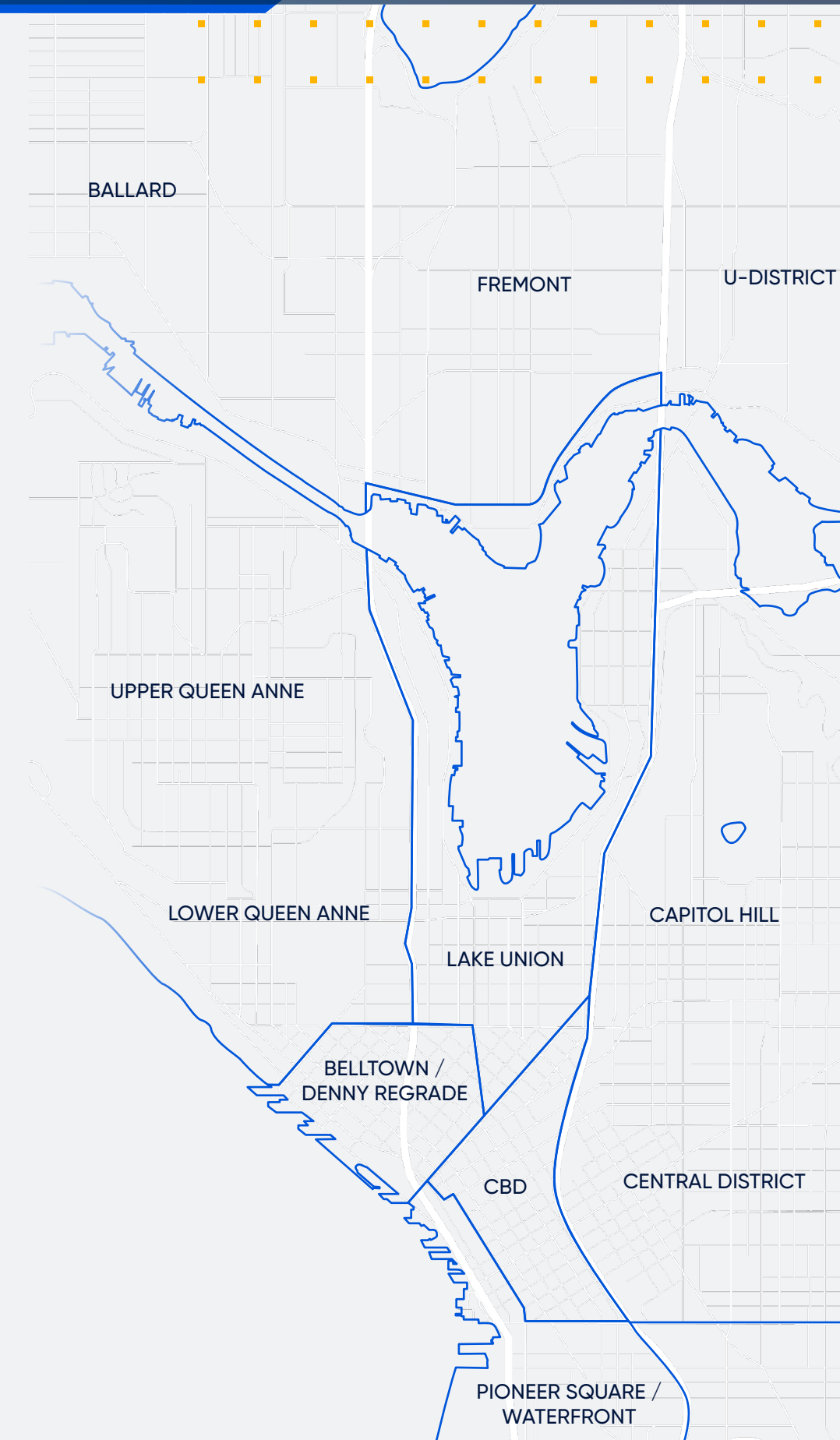


CONSTRUCTION TIMELINE

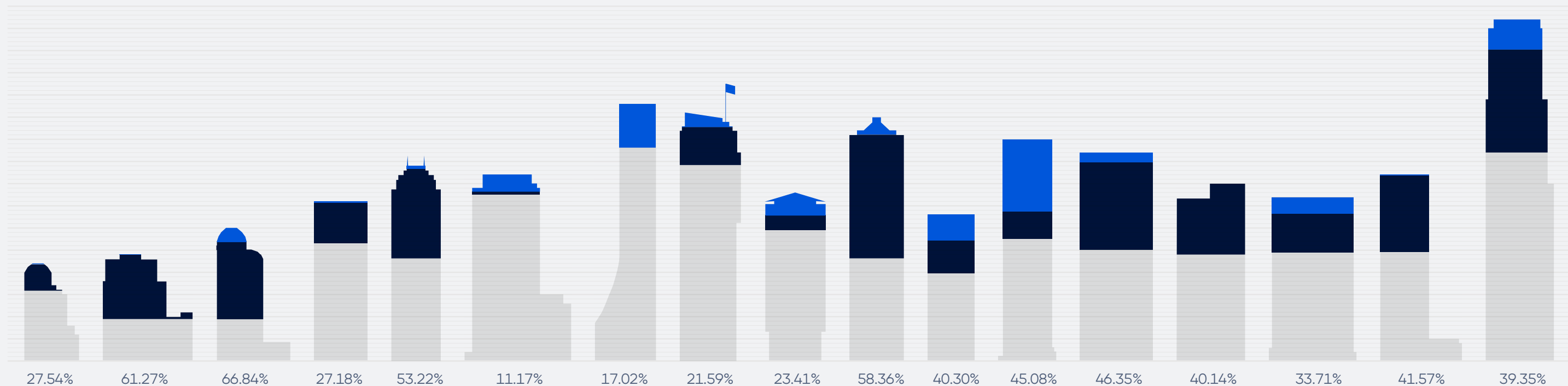
Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
Ballard / Fremont / U-District	20.4%	101K	\$25.00 – \$55.00
Belltown / Denny Regrade	24.1%	(130K)	\$25.00 – \$50.00
Capitol Hill / Central District	9.0%	(173K)	\$25.00 – \$50.00
Lake Union	17.7%	(274K)	\$40.00 – \$70.00
Pioneer Square / Waterfront	28.9%	(325K)	\$25.00 – \$55.00
Queen Anne	33%	(69.8K)	\$22.00 – \$35.00
Central Business District	32.8%	(1.3M)	\$30.00 – \$65.00

27.2%
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. (%)	26.75%	60.96%	58.33%	26.05%	46.39%	1.62%	0%	15.37%	8.87%	50.88%	22.43%	12.57%	41.74%	40.14%	23.71%	41.11%	30.26%
Direct Avail. (SF)	145,217 RSF	357,037 RSF	385,904 RSF	175,149 RSF	437,747 RSF	14,355 RSF	0 RSF	179,116 RSF	60,947 RSF	580,236 RSF	174,226 RSF	97,900 RSF	413,242 RSF	339,438 RSF	176,888 RSF	415,007 RSF	468,597 RSF
Sublease Avail. (%)	0.79%	0.32%	10.67%	1.13%	6.83%	9.55%	17.02%	6.22%	14.54%	7.48%	17.87%	32.51%	4.61%	0%	10%	0.46%	9.10%
Sublease Avail. (SF)	4,300 RSF	1,850 RSF	70,570 RSF	7,620 RSF	64,445 RSF	84,576 RSF	136,685 RSF	72,524 RSF	99,968 RSF	85,288 RSF	138,830 RSF	253,259 RSF	45,615 RSF	0 RSF	74,589 RSF	4,603 RSF	140,891 RSF

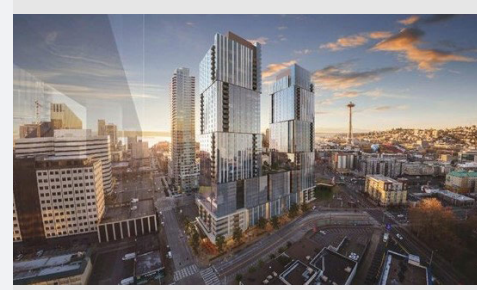
Office Leases This Quarter

Tenant	Building	Address	Footprint
	Arbor Blocks West	333 8th Ave N	192,703 RSF
	Met Park East	1730 Minor Ave	21,520 RSF
	1601 Second	1601-1611 2nd Ave	20,568 RSF
	Third & Harrison	450 3rd Ave W	19,227 RSF

Office Sales This Quarter

	Address	Buyer / Seller		Building Size	Sale Price / Price PSF
	428 Westlake Ave N	 ALEXANDRIA	Karigo LLC	88,514 RSF	\$47.6 M / \$537.77
	2505 2nd Ave			73,603	\$11.0 M / \$149.45
	4444 Woodland Park Ave N	Pacific Engineering Technologies	4444 LLC (Charles R Moriarty & Connie J Wagner)	12,644	\$3.23 M / \$255.06
	5907 Martin Luther Jr Way S			10,359	\$9.5 M / \$917.08

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



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

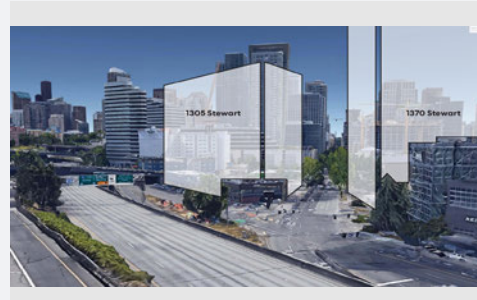


The Net
875 3RD AVE

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.

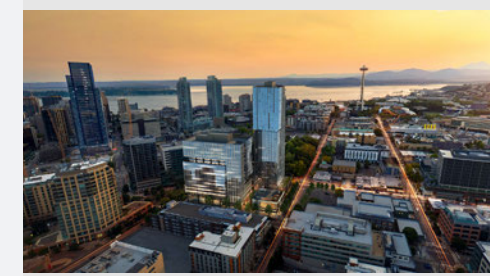


Innov8
2300 7TH AVE

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.

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