

# EASTSIDE OFFICE

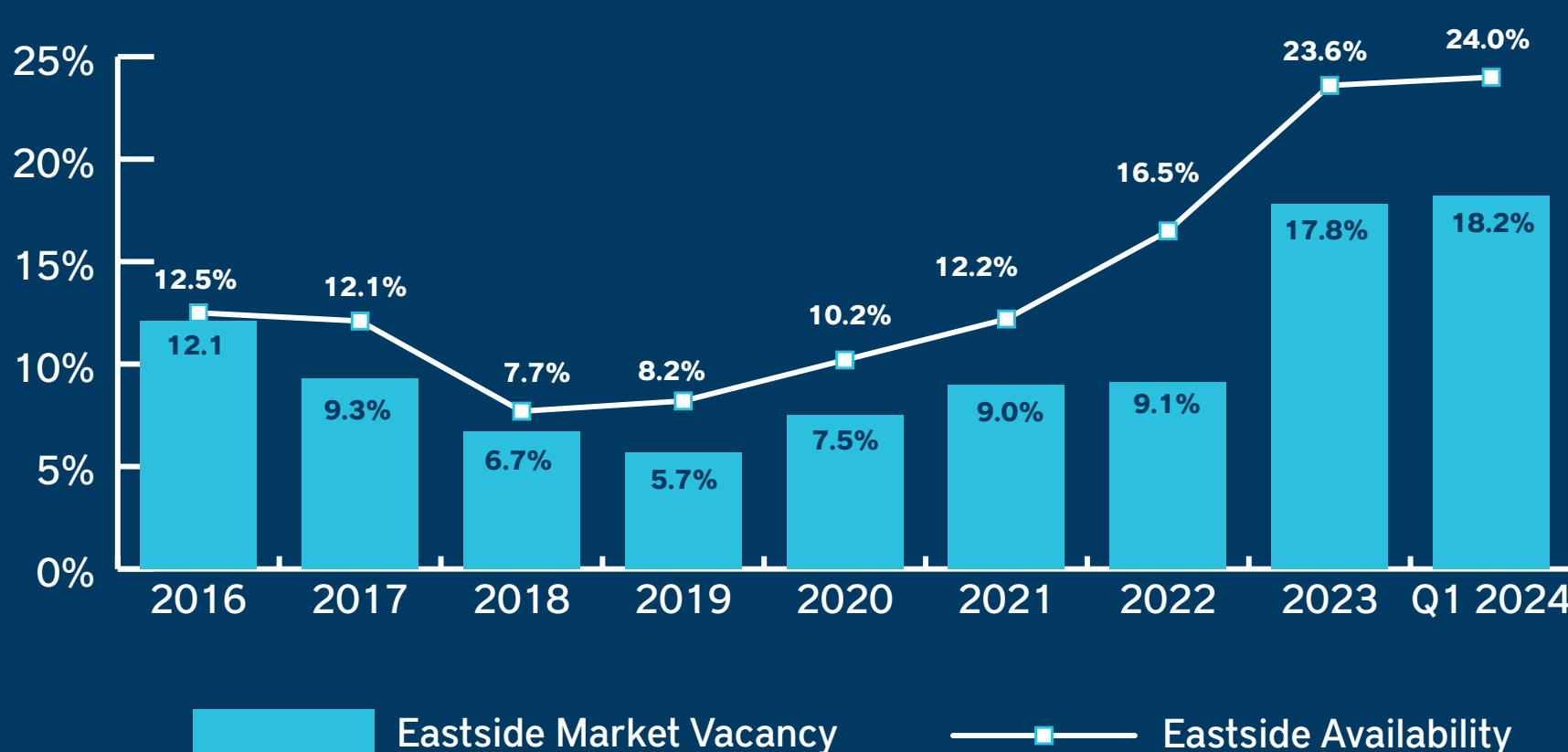
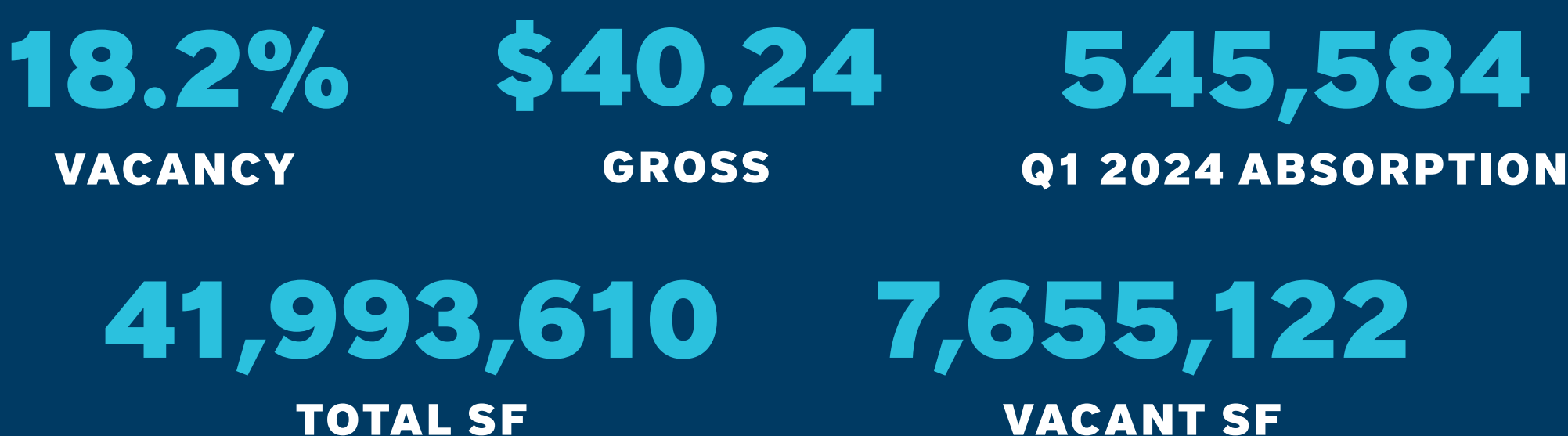
## MARKET OVERVIEW

### The Haves and the Have Nots

2024 welcomed tenant demand exceeding the historical norm for much of the first quarter. That demand so far is hyper focused on best-in-class, well located, amenitized assets. Premier CBD assets have not suffered a measurable drop in rental rates even as vacancy rates across the Eastside have shot to 18.2%

Conversely, mid-tier Bellevue CBD assets have experienced a 13-15% drop in rental rates, and many Class A properties in the suburbs have been hammered with an over 35% drop in rental rates.

### Entire Eastside Market SNAPSHOT



### Big Tech Update



Amazon has now taken possession of all leased projects on the Eastside which totals 5.5M SF. 5M SF of that total is located in the Bellevue CBD with the remainder in Redmond.



Of the original 4M SF of leased space across the Eastside, all space has been vacated or put on the sublease market except Redmond Town Center (396,000 SF) and Esterra (247,000 SF).



Meta took possession of its sixth and final building (Block 13) at The Spring District. This raises Meta’s Spring District footprint to 1.8M SF.



Google recently terminated Tableau from 120,000 SF within Kirkland Urban that Tableau was attempting to sublease. To date, Google has opted not to build out that space or the recently completed South Building at Kirkland Urban.



After several years of robust growth up and down the I-90 corridor, T-Mobile has retrenched back to the main campus in Factoria. Several leased buildings in Eastgate have been vacated and/or placed on the sublease market.

### Takeaways

#### EASTSIDE’S NEW DEVELOPMENT FORECAST

With previously leased space now becoming vacant after being marketed as available, the gap between vacancy and availability has significantly diminished. Broderick Group projects that we have reached the apex of availability. Should current tenant demand sustain or even expand, the headline vacancy and availability statistics should begin to improve by mid 2025.