

Seattle Office Market Summary

FIRST QUARTER 2022

Seattle Market Forecast

The Seattle office market is continuing to experience positive signs that will assist with the trends needed for a recovery. The most significant pieces occurring include:

- Office occupancies have been trending upward into the 30 to 40% range. Amazon and other large Seattle tenants will be part of the driving force behind companies occupying their offices sooner that they may have previously planned. The strong belief in the value of in-person exchanges is paramount to successfully running the businesses of most companies.
- Our sublease market is steadily decreasing as sublease space comes off the market this quarter be it by an incoming subtenant and/or the sublandlord pulling their space off the sublease market as they would like to resume their occupancy in their lease throughout the duration of their remaining term. Spaces that include furniture and are closer to a plug-and-play format appear to be currently experiencing the most interest from the tenants shopping in our market.

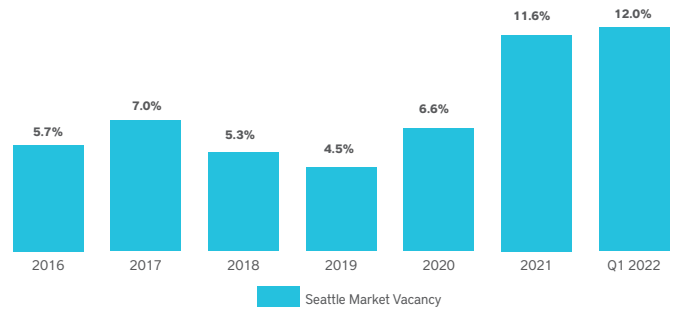
Q1 2022 NOTABLE SEATTLE TRANSACTIONS

TENANT NAME	BUILDING	SUBMARKET	SF
CBRE	US Bank Centre	CBD	41,000
Oculus VR	Stadium Innovation Center	SoDo	39,000
Fenwick & West	Rainier Square (Sublease)	CBD	33,000
Stokes Lawrence	US Bank Centre	CBD	35,850
Brooks	Lake View Building (Sublease)	Fremont/Ballard	32,000
Orrick & Harrington	Rainier Square (Sublease)	CBD	16,100

CLASS A RENTAL RATES BY SUBMARKET

Overall Class A:	\$45.91/RSF, Full Service +0.2% (Q1 2022)
Seattle CBD:	\$48.55/RSF, Full Service +2.4% (Q1 2022)
Denny Regrade:	\$44.22/RSF, Full Service -0.2% (Q1 2022)
Lake Union:	\$47.70/RSF, Full Service +4.7% (Q1 2022)
Fremont / Ballard / U-District:	\$43.22/RSF, Full Service +0.3% (Q1 2022)
Pioneer Square:	\$43.42/RSF, Full Service +2.6% (Q1 2022)
Waterfront:	\$37.97/RSF, Full Service +0.3% (Q1 2022)

SEATTLE MARKET VACANCY



SEATTLE ENTIRE SUBMARKET STATISTICS

SUBMARKET	TOTAL SF INVENTORY	VACANCY RATE	VACANCY RATE QUARTERLY CHANGE	RENTAL RATES	RENTAL RATES QUARTERLY CHANGE	RENTAL RATES YTD CHANGE	ABSORPTION (QTR)
CBD	28,258,510	14.42%	1.06%	\$45.29	\$0.11	\$0.11	-300,594
Denny Regrade	7,102,246	14.98%	0.41%	\$40.68	\$0.10	\$0.10	-29,160
Lake Union	11,940,134	2.91%	0.13%	\$43.82	\$0.11	\$0.11	-15,961
Fremont/Ballard/U-District	2,371,306	3.92%	-2.32%	\$37.63	\$0.09	\$0.09	55,129
Pioneer Square	5,533,070	20.12%	1.34%	\$36.76	\$0.09	\$0.09	-74,264
Waterfront	5,349,472	17.17%	-1.44%	\$36.04	\$0.09	\$0.09	76,942

ENTIRE SEATTLE MARKET

12.02% Direct Vacancy

Total SF: 63,312,787
Vacant SF: 7,612,921
Asking Rates: \$39.83, Gross
YTD Absorption: (287,908)

4.69% Sublease Availability

Total SF: 63,312,787
Sublease SF: 2,968,167

RENTAL RATE FORECAST

1.8% **3.2%** **3.5%**

annual growth
in 2022

annual growth
in 2023

annual growth
in 2024