

Seattle Office Market Summary

SECOND QUARTER 2022

Seattle's Future

Throughout Q2 2022, Seattle continued to realize some of the lasting impacts from a combination of macroeconomic slowdowns, looming concerns around CV-19 and the resulting work-from-home movement, as well as public safety concerns. These issues are not specific to Seattle and have instead been experienced across major office markets across the nation. History has shown our recurring ability to overcome these external threats to office space (e.g., Great Recession in '08/'09). The question is not 'if' the office market will return but 'when'.

Large Fortune 500 companies continue to see the value in office space and have committed to maintaining an office space presence to accommodate their employee needs in Seattle (e.g. Amazon). Furthermore, Seattle continues to exhibit long-term fundamentals that will enable a strong recovery. These fundamentals will enable Seattle to be amongst some of the first major markets to see a market recovery.

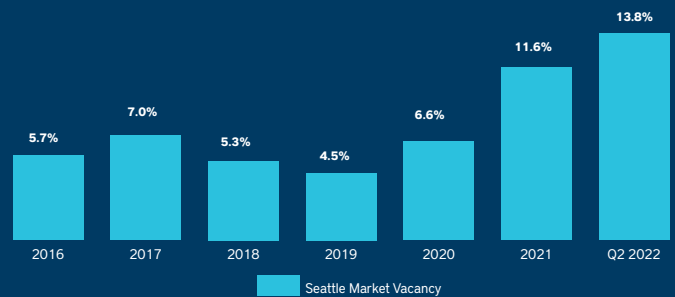
CLASS A RENTAL RATES BY SUBMARKET

Overall Class A:	\$45.95/RSF, Full Service +0.1% (Q2 2022)
Seattle CBD:	\$48.59/RSF, Full Service +0.1% (Q2 2022)
Denny Regrade:	\$44.46/RSF, Full Service +0.5% (Q2 2022)
Lake Union:	\$47.73/RSF, Full Service +0.1% (Q2 2022)
Fremont / Ballard / U-District:	\$43.25/RSF, Full Service +0.1% (Q2 2022)
Pioneer Square:	\$43.45/RSF, Full Service +0.1% (Q2 2022)
Waterfront:	\$38.00/RSF, Full Service +0.1% (Q2 2022)

Q2 2022 NOTABLE SEATTLE TRANSACTIONS

TENANT NAME	BUILDING	SUBMARKET	SF
Undisclosed	901 5th	CBD	125,000
Seattle Housing Authority	101 Elliott	Waterfront	85,000
Undisclosed (Life Science)	Unison Elliott Bay Building 2	Waterfront	85,000
Eddie Bauer	2201 1st Ave S	Pioneer Square	50,000
JLL Coworking	Westlake Tower	CBD	35,000

SEATTLE MARKET VACANCY



SEATTLE ENTIRE SUBMARKET STATISTICS (CLASS A & B)

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	17.64%	2.44%	\$44.95	-\$0.34	-\$0.23	-690,032
Denny Regrade	7,102,246	15.31%	0.33%	\$40.37	-\$0.31	-\$0.20	-23,107
Lake Union	12,865,134	5.78%	0.73%	\$43.49	-\$0.33	-\$0.22	-93,756
Fremont/Ballard/U-District	2,253,113	6.04%	1.91%	\$37.35	-\$0.28	-\$0.19	-43,136
Pioneer Square	5,533,070	21.34%	1.22%	\$36.49	-\$0.28	-\$0.18	-67,327
Waterfront	5,349,472	14.13%	-3.05%	\$35.77	-\$0.27	-\$0.18	162,968

ENTIRE SEATTLE MARKET

13.84% Direct Vacancy

Total SF: 65,237,787
Vacant SF: 8,887,546
Asking Rates: \$39.53, Gross
YTD Absorption: (1,190,533)

4.69% Sublease Availability

Total SF: 64,237,707
Sublease SF: 3,011,627

RENTAL RATE FORECAST

0.8% **1.5%** **3.5%**

annual growth in 2022

annual growth in 2023

annual growth in 2024