

# Seattle Office Market Summary

THIRD QUARTER 2022

## Seattle's Future

Well-located office buildings offering a host of amenities and collaborative workplace designs have led the pack in leasing activity while still preserving pre-pandemic level leasing rates. That said, dated office buildings with minimal amenity offerings and hard-to-get-to locations have been drastically impacted by the new leasing environment. We can point to a Microsoft work trend study noting why these well located and amenitized buildings have leased: 85% of employees would be motivated to go into the office to rebuild team bonds. This sentiment has a real correlation to the actual leasing activity that has occurred throughout Q3 2022. Ultimately, companies will settle on an RTO in the coming 1-2 years which will dictate the office leasing environment going forward.

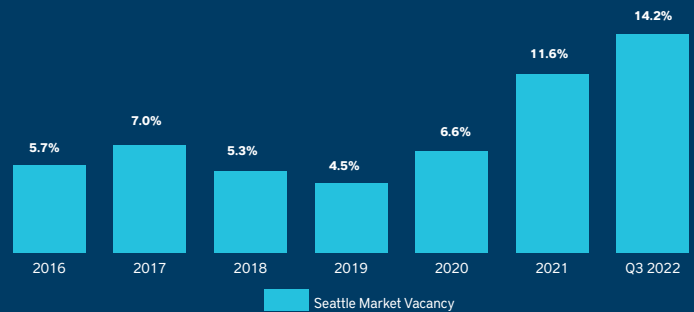
## CLASS A RENTAL RATES BY SUBMARKET

Overall Class A:	<b>\$45.72/RSF, Full Service</b> -0.5% (Q3 2022)
Seattle CBD:	<b>\$48.34/RSF, Full Service</b> -0.5% (Q3 2022)
Denny Regrade:	<b>\$44.23/RSF, Full Service</b> -0.5% (Q3 2022)
Lake Union:	<b>\$47.50/RSF, Full Service</b> -0.5% (Q3 2022)
Fremont / Ballard / U-District:	<b>\$43.03/RSF, Full Service</b> -0.5% (Q3 2022)
Pioneer Square:	<b>\$43.24/RSF, Full Service</b> -0.5% (Q3 2022)
Waterfront:	<b>\$37.81/RSF, Full Service</b> -0.5% (Q3 2022)

## Q3 2022 NOTABLE SEATTLE TRANSACTIONS

TENANT NAME	BUILDING	SUBMARKET	SF
Undisclosed	SafeCo Plaza	CBD	60,774
Tasso	West Harrison Building	Queen Anne	42,267
Industrious	400 University	CBD	35,600
Parse Biosciences	Dexter Yard	Lake Union	34,364
Miller Nash Graham & Dunn	605 Union Station	Pioneer Square	29,601

## 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)	NET ABSORPTION (YTD)
CBD	28,258,510	18.45%	0.59%	\$44.61	-\$0.34	-\$0.56	-167,745	-1,223,522
Denny Regrade	7,102,246	15.44%	0.71%	\$40.07	-\$0.30	-\$0.51	-50,707	-98,060
Lake Union	12,865,134	5.64%	-0.57%	\$43.17	-\$0.33	-\$0.55	73,295	96,849
Fremont/Ballard/U-District	2,253,113	6.37%	-1.93%	\$37.07	-\$0.28	-\$0.47	43,403	51,301
Pioneer Square	5,533,070	21.38%	-0.39%	\$36.21	-\$0.27	-\$0.46	21,365	-123,242
Waterfront	5,349,472	14.37%	1.37%	\$35.50	-\$0.27	-\$0.45	-73,274	143,352

## ENTIRE SEATTLE MARKET

**14.21%** Direct Vacancy

Total SF: 64,237,787  
Vacant SF: 9,130,047  
Asking Rates: \$39.23, Gross  
YTD Absorption: (1,344,196)

**4.67%** Sublease Availability

Total SF: 64,237,787  
Sublease SF: 3,000,660

## RENTAL RATE FORECAST

**-0.4%** **-1.5%** **1.0%**

annual growth in 2022      annual growth in 2023      annual growth in 2024