

EASTSIDE OFFICE MARKET OVERVIEW

THE RETURN OF TENANT DEMAND

Over the last 60 days, the Eastside has experienced an eruption of tenant demand, focused primarily in the Bellevue CBD. **There are over 20 requirements from tenants needing a full floor or greater in downtown Bellevue.**

Across the Eastside, in person office utilization rates have increased to post-COVID highs. Following Amazon, **a steady stream of technology tenants continue to roll back remote work policies in favor of hybrid models** after determining working in the office is more productive, collaborative and cost effective.



Entire Eastside Market

SNAPSHOT

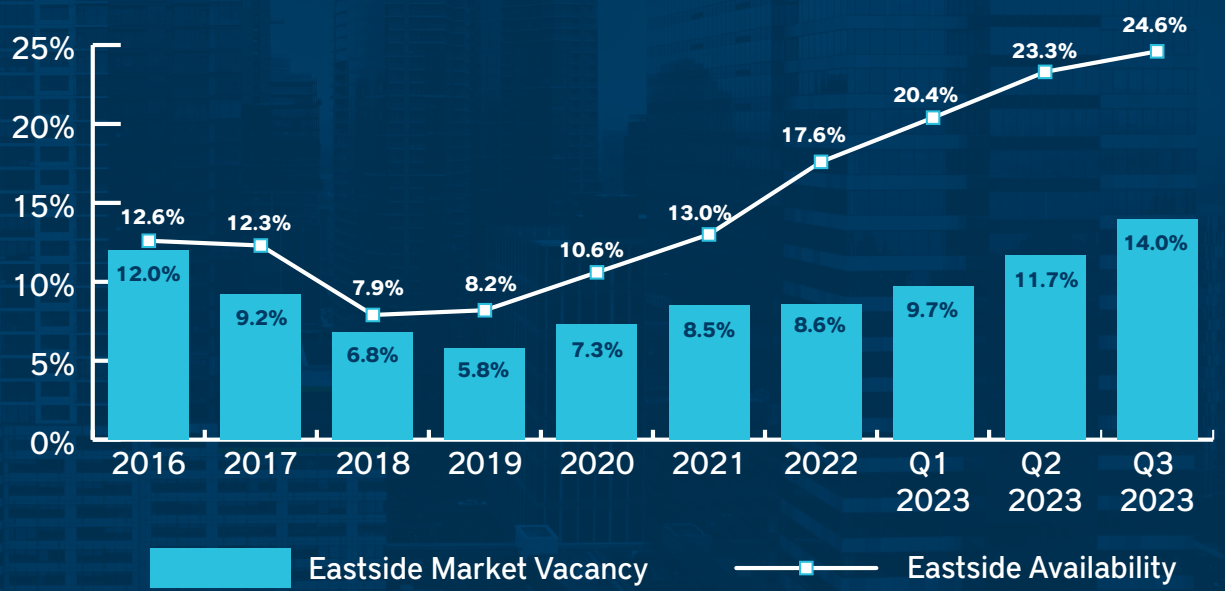
14.00% Vacancy

Total SF: 40,032,628

Vacant SF: 5,602,827

Asking Rates: \$40.67, Gross

Q3 2023 Absorption: (36,141)



Microsoft has vacated most of their leased buildings with leases expiring in the next two years, which includes an astounding 2.7M SF in the Bellevue CBD and I-90 Corridor.

Their focus is now on consolidating employees to its Redmond Campus to create an active sense of place.

EASTSIDE OFFICE MARKET FORECAST



As demonstrated by the breadth of Bellevue CBD demand versus the lack of activity in the suburbs, Tenant demand in this recovery will migrate more so than ever to amenity-rich Class-A buildings. Every down cycle experiences a flight to quality. **Class A office product will lease first, rents will increase as inventory decreases, and price-conscious tenants will migrate to lower cost options.**

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