

SEATTLE OFFICE MARKET OVERVIEW

THE LIGHT AT THE END OF THE TUNNEL

Total overall office demand has remained stagnate at ~1M SF of true demand while total Seattle availability (direct vacancy + sublease vacancy + future availability) saw no change, QoQ, at ~28%. With most known large-scale vacancies accounted for, we are optimistic that Seattle total availability will remain at this 28% number until we see larger tenant demand resurface downtown.



Entire Seattle Market

SNAPSHOT

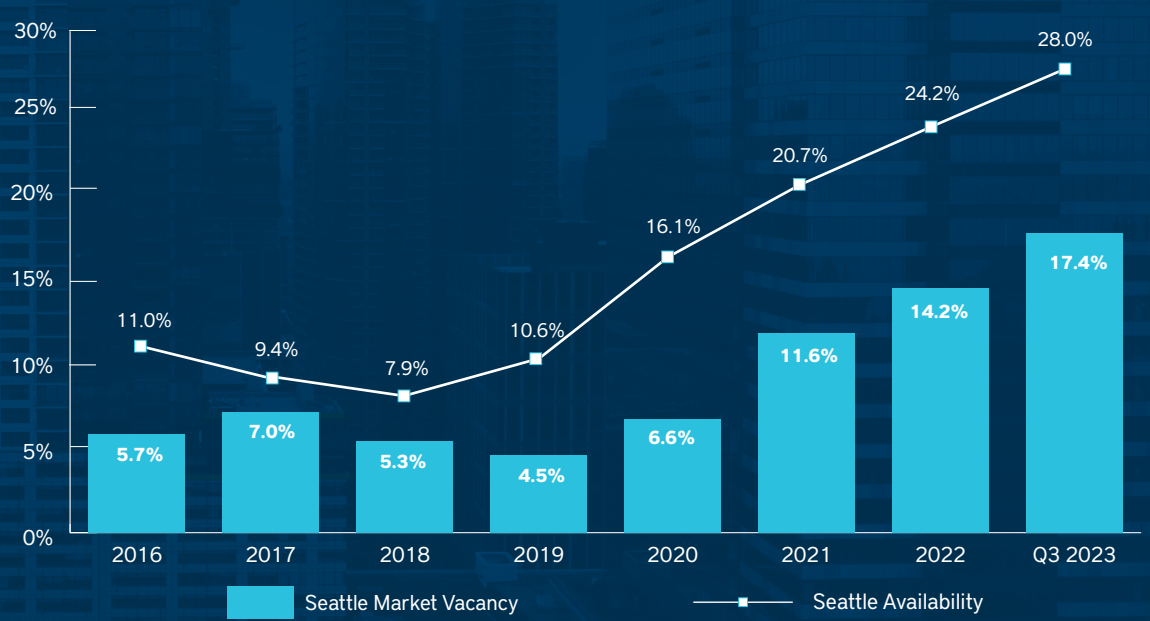
17.41% Vacancy

Total SF: 64,498,642

Vacant SF: 11,229,692

Asking Rates: \$33.27, Gross

YTD Absorption: (2,113,269)



Driven by Amazon's May 1st, 2023 return to the office mandate, utilization of Bellevue office space has increased significantly. Technology users undoubtedly are gaining confidence in their ability to compel more employees to the office. While remote work will remain common for some tech tenants, hybrid work is the established norm where employees come in for three or more days per week. Q3 2023 observed a short-term Amazon renewal of 100% of their office space in Metropolitan Park North – an encouraging sign that the company still sees value in their Seattle leases.

VACANCY & RENTAL RATES

18.20% **\$40.03**

Q3 2023 Market Vacancy

Average Gross Rental Rate

*Values represent Class A stats

SEATTLE OFFICE MARKET FORECAST



We continue to see tenants in the market taking advantage of Class A plug & play availabilities in the market place. This 'flight to quality' will be the prevailing trend in the market as tenants begin to re-lease space throughout the Seattle area. We anticipate a leveling out in negative absorption as tenants return to the marketplace by late 2024/early 2025 resulting in overall rental rates leveling out by late 2025

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