

# EASTSIDE OFFICE MARKET OVERVIEW

## A SOFT LANDING IN THE BELLEVUE CBD WITH TURBULENCE FOR THE BALANCE OF THE EASTSIDE

Positive momentum and optimism are growing as we turn to 2024. After a painfully sluggish start to the year tenant demand has reemerged, and *there are approximately 1M SF of leases pending*. Is a soft landing in store?

That may be the case for downtown Bellevue. Nearly all of the pending leases are concentrated in the Bellevue CBD, which by no coincidence offers amenity and transit rich Class A office space, often with striking views. We are now witnessing firsthand a flight to quality by tenants in the Bellevue CBD.



## Entire Eastside Market

### SNAPSHOT

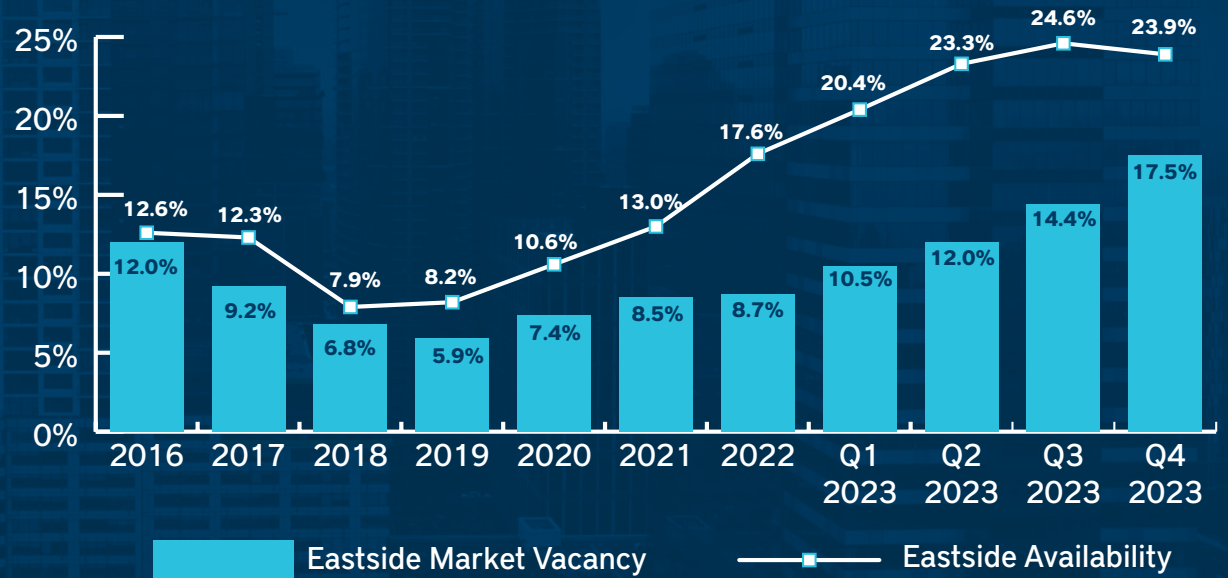
**17.5%** Vacancy

Total SF: 41,703,176

Vacant SF: 7,280,497

Asking Rates: \$40.62, Gross

Q4 2023 Absorption: (70,555)



AFFIRMING ITS  
**COMMITMENT  
TO THE EASTSIDE**

**The new driver:** Amazon currently has over 11,000 employees in Bellevue and maintains it will grow that headcount to 25,000 in the next several years.

Amazon has committed to just under 5.5M SF of office space in downtown Bellevue. 4M SF of that total has completed construction with just two projects still under construction; The Artise and Bellevue 600 Phase I.

## EASTSIDE OFFICE MARKET TAKEAWAYS

The Eastside office market is still working to find its footing as the much-anticipated supply of available space rolls over to vacant. The delta between supply and vacancy narrowed at the end of 2023, which is signaling *we are near a peak of vacancy should tenant demand increase from current levels*.

This recovery will take time, but the results will mirror those in past cycles.

Class A office product will lease first, rents will increase as inventory decreases, and price-conscious tenants will migrate to lower cost options. A soft landing may be in store for the Bellevue CBD, but several of the suburban submarkets have a longer road ahead.

**CONTACT BROKER FOR FULL REPORT**