

SEATTLE OFFICE

MARKET OVERVIEW

SEATTLE DOWNTURN LEVELING OFF

Q1 2024 posted major negative absorption for the entire Seattle market consistent with prior quarters. This large negative absorption observed in the quarter was primarily the result of two new large office buildings delivering 100% vacant – Washington 1000 (531K SF in the CBD) and Northlake Commons (158K SF in South Lake Union). However, we were encouraged to see Class A+ assets post positive absorption for Q1 2024 of roughly 70K SF. This was driven by the ongoing ‘flight to quality’ observed throughout the country as many office users in the market are taking advantage of well located and highly amenitized buildings offering competitive lease rates with aggressive concession packages. We note, this positive absorption of Class A+ assets was specific to smaller office users (e.g. 15K SF or less) in the market.



Entire Seattle Market

SNAPSHOT

20.95%

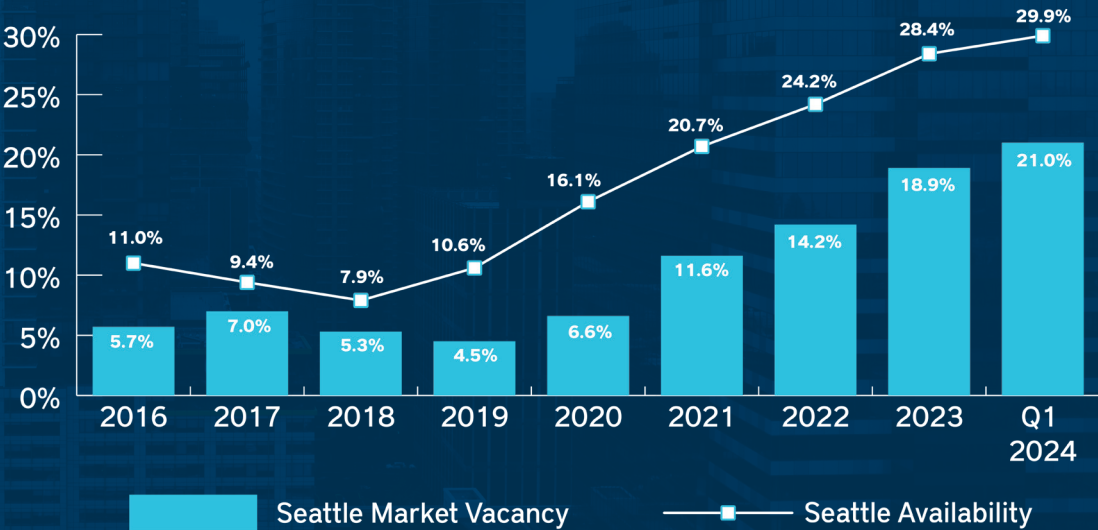
Vacancy

Total SF: 65,499,440

Vacant SF: 13,724,667

Asking Rates: \$32.44, Gross

YTD Absorption: (1,152,637)



CLASS A VACANCY & RENTAL RATES

20.9%

Q1 2024 Market Vacancy

\$39.03

Average Gross Rental Rate



SEATTLE OFFICE MARKET FORECAST

As Tenants continue to grapple with office space needs going forward, office building owners are struggling to fill vacancies. With this limited tenant demand, we anticipate more buildings will go to market for sale this year into next year.

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