

Eastside Office

MARKET OVERVIEW



The Return to In-Person Work

DRIVING TENANT DEMAND

During the third quarter, tenant demand remained relatively strong for large tech tenants in the Bellevue CBD. However, despite the tenant activity, supply in the Eastside office market is significantly outstripping demand. The result is a favorable tenant office market that is likely to remain in place for the next 24 months.

The recent announcement by Amazon to require ALL employees to be in the office at assigned desks five days a week beginning in January 2025 could shorten this 24-month period as other tech tenants follow suit.

Entire Eastside Market

SNAPSHOT

20.21%

VACANCY

\$38.78

**ASKING RATE
(GROSS)**

(630,326)

ABSORPTION SF

42,903,418

TOTAL SF

8,669,634

VACANT SF



Q3 2024 Significant Lease Transactions

TENANT	BUILDING	SUBMARKET	RSF / DEAL
Undisclosed	Key Center	Bellevue CBD	120,000 / Renewal
Clark Nuber	City Center Plaza	Bellevue CBD	49,142 / New
Undisclosed	Lincoln Square North	Bellevue CBD	43,223 / Renewal
HDR Engineering	City Center Plaza	Bellevue CBD	42,000 / New
Sono Bello	Corporate Campus East	520 Corridor	30,949 / New

Transaction volume is expected to remain subdued into the fourth quarter compared to the brisk pace in the first half of the year. **At the close of the third quarter, there are five Bellevue CBD leases pending that comprise 10 floors and a total of 214,000 SF. These five transactions equate to 63,000 SF in positive net absorption.**

Analyzing Recovery Timelines and Investment Opportunities

AMID VARIED LEASING TRENDS

The office market recovery is unfolding on different timelines across Bellevue and the Eastside suburbs. While trophy assets in the Bellevue CBD will see earlier stabilization, mid-tier buildings and suburban submarkets are facing longer, more difficult recoveries.

Demand is still light relative to supply, but a trend toward more in office work, and an expectation that more large tech tenants will continue to seek the safety and stability of Bellevue as preferred regional headquarters, will continue to make the Eastside one for the better recovery stories in the country.

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