

SEATTLE



Market Insights for Tenants: At Exis, our loyalties aren't compromised; because we do not represent landlords, we are 100% focused on providing market conditions and strategies that can benefit tenants in each marketplace – leveraging this information for your economic advantage. We're pleased to provide the below in-depth information; contact us for ways we can help you get the BEST deal on your commercial space needs.

OVERVIEW

If the Seattle region in 2020 were to be described by the title of a classic novel, it would be a combination between Dickens' "Tale of Two Cities" and "Great Expectations". The region's unemployment rate moved back towards 4.5% in November, after recovering from a COVID-19 high of 14.4% in May*. There are completely different narratives in Bellevue/Redmond and Seattle.

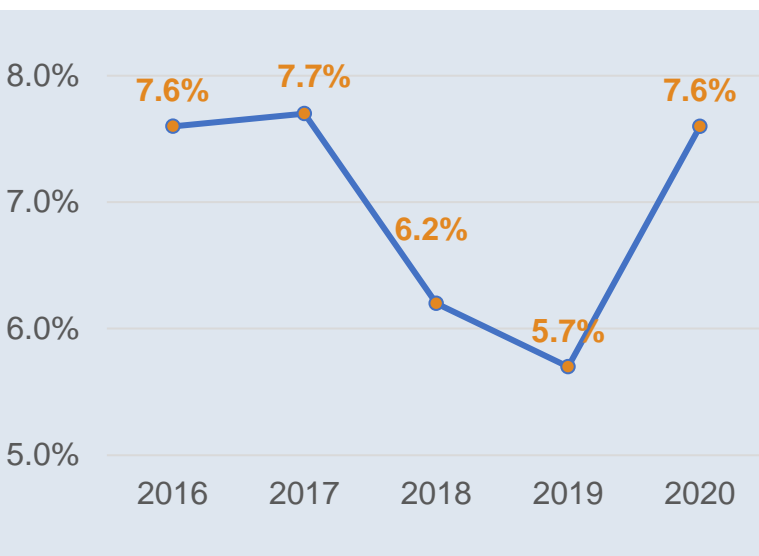
In Bellevue/Redmond, large tech continues to absorb full buildings at a strong pace, however full floors are being dumped onto the sublease market. In Seattle, large tech demand has evaporated, leaving a handful of newly constructed buildings sitting empty and many of those under construction unleased. Add in the challenging city politics and physical property damage during civil unrest in 2020 and it is clear Seattle is in a much different position. That said, as the city returns to work and investment is made to "clean up" the city, Seattle should be well poised to capture future demand as Bellevue/Redmond tightens.

FUNDAMENTALS

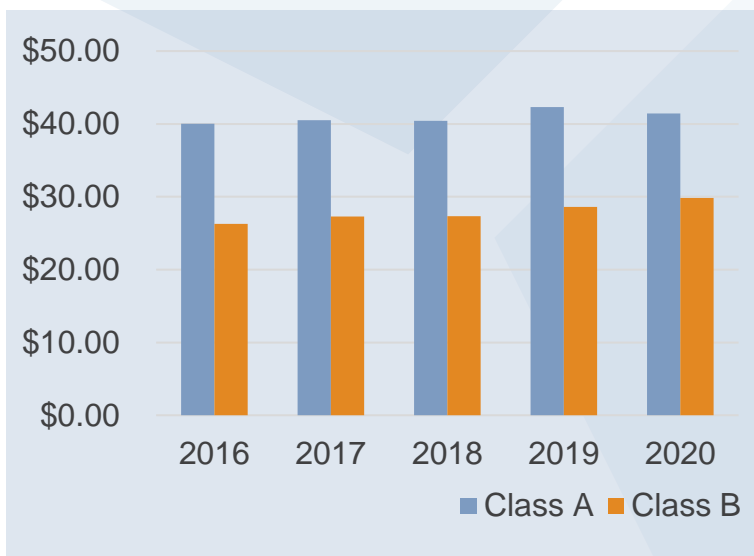
Forecast

YTD net absorption	1.8M SF	▼
Under construction	7.9M SF	▼
Average asking rent (gross)	\$41.43/SF	▶
Concessions	Increase	▲
Market Size	Largest Office Deal	Total Vacancy
214M SF**	2.0M SF	7.6%

TOTAL VACANCY



AVERAGE ASKING RENTS



Figures are stated in square feet and US Dollars.
 * Data per Washington State Employment Security Department.
 ** Data encompasses the larger Puget Sound market.

For more information, please contact:

KINZER PARTNERS

Shelley Gill | shelley@kinzer.com | 206.628.3333 | Kinzer.com

exis

global tenant representation

exisglobal.com | info@exisglobal.com

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LOOKING FORWARD: WHAT THIS MEANS FOR TENANTS

Following a long bull cycle of strong absorption and low vacancy, large and small space opportunities are materializing in Seattle and should be accompanied by a rise in concessions and dip in rental rates (depending on the owner/sublandlord profile). With Amazon shifting its recent growth to Bellevue and the larger Eastside markets and several large companies downsizing (or rightsizing) due to newfound abilities to leverage the home office, a significant amount of space has become available in the Seattle market. Despite the new "job tax" introduced in Seattle, many

companies will still appreciate the access to transportation networks, culture, arts, sports and amenities that downtown Seattle offers.

The Eastside is experiencing significant growth and new construction with over 3M SF of new Amazon commitments in Bellevue, Google expansion in Kirkland, a large Social Media company growing in Bellevue's Spring District, and the continued revamp of Microsoft's campus in Redmond. While full floors are in abundance on the sublease market, smaller options remain scarce for the time being.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Amazon	Bellevue Plaza, Phase I-III 117 106 th Ave NE	Bellevue CBD	Direct	1,030,000 SF
Amazon	555 Tower 555 108 th Ave NE	Bellevue CBD	Direct	970,000 SF
Microsoft	One Esterra Park 15550 NE Turing St	520 Corridor	Direct	247,000 SF
Google	Google Kirkland Expansion 503 6th St S	Kirkland	Direct	136,000 SF
Bank of America	Rainier Square Tower 1301-1333 5th Ave	Seattle CBD	Direct	115,000 SF
Amazon	Redmond Town Center 7400 166th Ave NE	Redmond	Direct	111,000 SF
Northeastern University	The Terry Thomas Building 225 Terry Ave N	Seattle CBD	Direct	44,000 SF
Altius Institute	WTC East 2211 Elliott Ave	Seattle CBD	Direct	37,000 SF
Ansira	US Bank Centre 1420 5 th Ave	Seattle CBD	Direct	23,000 SF
Van Ness Feldman	Second & Seneca Building 1191 2 nd Ave	Seattle CBD	Direct	23,000 SF

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