

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

The onset of the COVID-19 pandemic has pushed the Puget Sound region's unemployment rate from a low of 2.6% in February to 14.4% in May. While the full impact of COVID-19 has yet to play out, the Seattle office market is poised to remain resilient with continued interest from notable large corporate expansions, particularly in the technology sector.

With pre-COVID-19 vacancy at an all-time low, the market is primed to quickly absorb much of the new sublease space being added to the market. The big technology companies in Seattle are well positioned and are handling the financial and workplace impacts of COVID better than more traditional non-tech companies. These tech companies are eager to retain talent and are willing to provide the option of work-from-home on a more long-term basis. However, most studies are showing that this is a fleeting sentiment and that employees want to ensure they have the option to work from home in the future.

FUNDAMENTALS

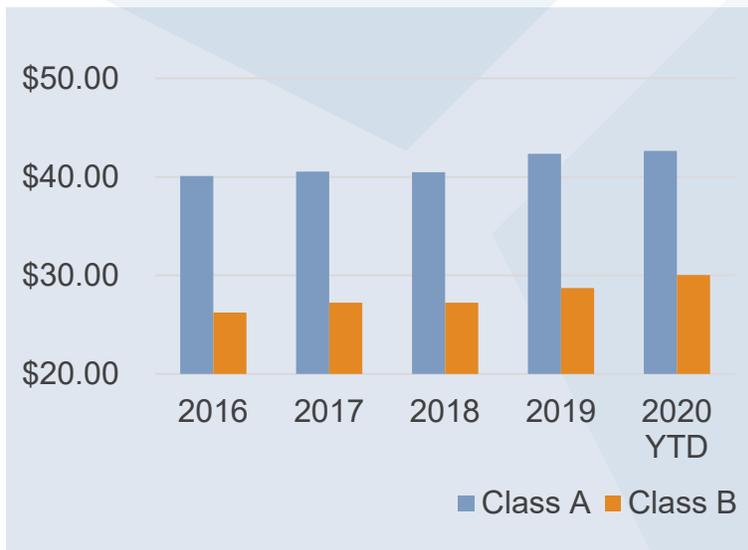
Forecast

YTD net absorption	2.2M SF	▼
Under construction	6.8M SF	▶
Average asking rent (gross)	\$42.63/SF	▶
Concessions	Flat	▶
Market Size	Largest Office Deal	Total Vacancy
213M SF	325K SF	6.3%

TOTAL VACANCY



AVERAGE ASKING RENTS



Figures are stated in square feet and US Dollars.

For more information, please contact:



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WHAT THIS MEANS FOR TENANTS

Much like the rest of the country, office tenants are avoiding any long-term decisions in hopes that there will be more certainty in the next couple of months.

Seattle landlords are holding on to their pre-COVID-19 asking rates but are more willing to provide concessions such as free rent.

Improvement allowances are shrinking in some cases as landlords are becoming more conservative in their capital budgeting.

In cases where tenants are being forced into a decision as a result of an upcoming lease expiration, other more flexible options are being considered. This may include short-term subleases or coworking space.

KEY LEASE TRANSACTIONS

Tenant	Building Address	Submarket	Type	Sq Feet
Social Media Company	Spring District – Block 6 124th Ave NE	Bellevue Suburban	Direct	325,000 SF
Qualtrics	2+U (Qualtrics Tower) 1201 2nd Ave	Seattle CBD	Direct	275,000 SF
Microsoft	One Esterra Park 15550 NE Turing St	520 Corridor	Direct	247,000 SF
Social Media Company	Spring District – Block 24 1229 124th Ave NE	Bellevue Suburban	Direct	167,000 SF
Google	Google Kirkland Expansion 503 6th St S	Kirkland	Direct	136,000 SF
Federal Bureau of Investigation	Abraham Lincoln Bldg 1110 3rd Ave	Seattle CBD	Direct	131,000 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
Oracle	Century Square 1501 4th Ave	Seattle CBD	Direct	107,000 SF
Adaptive Biotechnologies Corp	1165 Eastlake Building 1165 Eastlake Ave E	South Lake Union	Direct	100,000 SF

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