

SEATTLE



OVERVIEW

Seattle's office market continues to expand as tech giants Amazon and Apple ink massive leases throughout the region. Seattle remains a market of choice for both start-ups and established tech firms, with top talent and lower average rents than competing metros like San Francisco and New York. An explosion of investment and R&D in Artificial Intelligence is the result of local dominance in cloud computing. Office sales volume in Q1 was second in the nation at \$2B, while rent growth of 5.7% remains above the national average.

The region's unemployment rate was steady at 3.4% in May, with more than 47,000 jobs created YTD through June. With notable large corporate expansions, dozens of growing engineering centers and low vacancies, the Seattle office market is poised for growth into 2020.

FUNDAMENTALS

Forecast

YTD net absorption	4.3M SF ▲
Under construction	5.3M SF ►
Average asking rent (gross)	\$36.50/SF ▲
Concessions	Decreasing ►

Market Size	Largest Office Deal	Total Vacancy
207M SF	715,000 SF	5.8%

TOTAL VACANCY



AVERAGE ASKING RENTS



OUTLOOK

- South Lake Union is as hot as ever, with Apple leasing 630,000 SF, Google moving into 607,000 SF and Facebook leasing 389,000 SF in the tech-heavy submarket.
- Large tech leases combined with WeWork's continued expansion have left few large contiguous spaces available. Low supply and strong demand will likely result in continued growth for the remainder of 2019.
- The Eastside is garnering attention as Microsoft plans a 2.5M SF campus expansion along with the renovation of 6.7M SF of existing space. Amazon is also expanding its footprint on the Eastside with plans to build Bellevue's tallest tower at 600 feet. We expect office rates to continue to grow as vacancy remains low.

For more information, please contact:



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



global tenant representation

exisglobal.com | info@exisglobal.com