



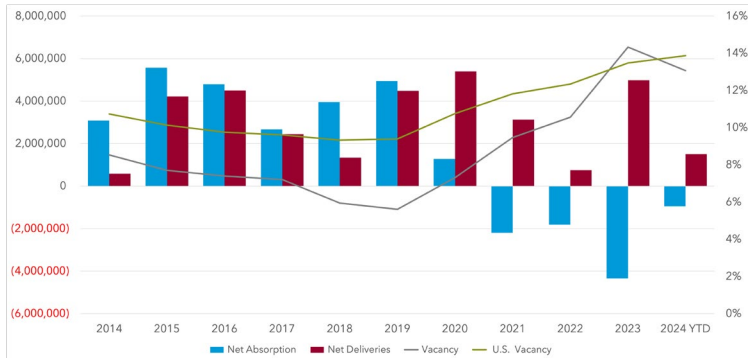
OFFICE MARKET OVERVIEW

HARRISON LAIRD, *Principal*

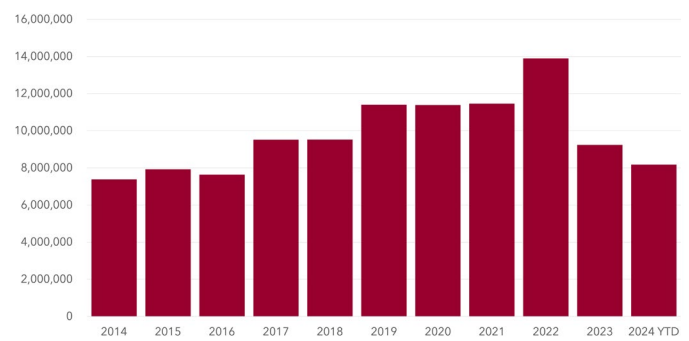
The Seattle office market faces its worst downturn in over 40 years, in part due to remote work and tech company exposure. While leasing velocity improved slightly in early 2024, absorption remains negative, and the regional vacancy rate is projected to rise as companies continue to adjust post-Covid. High availability, slower leasing, softening rents, and significant concessions favor tenants. Despite some positive absorption in Bellevue, regional office utilization remains low. Office valuations and sales volume have dropped sharply due to high interest rates and office hesitancy. Key trends to watch include coworking growth, flight to quality, and return-to-work mandates.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(2,471,216)	(3,317,171)	(4,338,236)	(3,588,382)	(2,965,608)
▼ Vacancy Rate	15.1%	15.21%	14.33%	13.29%	12.45%
▼ Avg FS Asking Rate PSF	\$36.96	\$37.14	\$37.12	\$37.37	\$37.52
▲ SF Under Construction	8,178,013	7,727,192	9,239,358	11,073,748	12,385,380
▲ Inventory SF	235,628,884	234,238,978	232,748,983	230,917,207	229,618,036

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1717 S. J Street Tacoma, WA	655,742 SF	Undisclosed	Healthpeak Properties, Inc. Physicians Realty Trust	Class B
1301 SW 16th Street Renton, WA	617,238 SF	\$85,750,000 \$138.93 PSF	Alaska Air Group, Inc. Unico Properties	Class B
710 2nd Avenue Seattle, WA	335,000 SF	\$36,640,000 \$109.37 PSF	King County CIM Group LP	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1646 123rd Avenue NE Bellevue, WA	326,731 SF	Wright Runstad & Co.	Snowflake	Information
700 Bellevue Way NE Bellevue, WA	153,610 SF	Kemper Development Company	TikTok	Information
401 Union Street Seattle WA	86,519 SF	Wright Runstad & Co.	Remitly	Finance and Insurance

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