



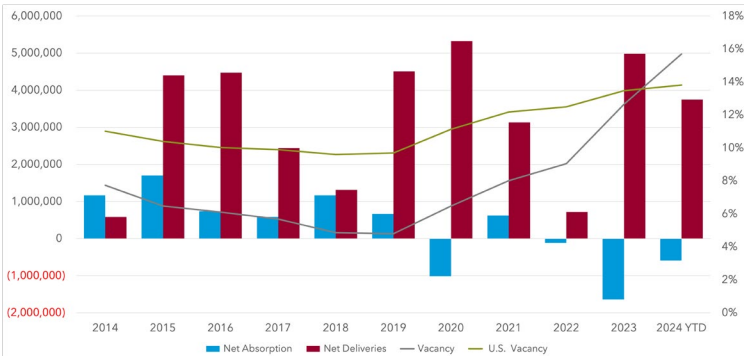
OFFICE MARKET OVERVIEW

SCOTTY ROWE, Associate

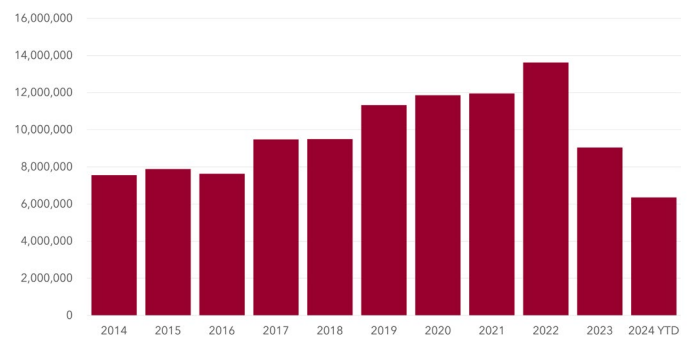
The Seattle office market continues to struggle, with net absorption reaching -2.7 million square feet in Q3 2024, a decline from Q2's -2.5 million square feet. The vacancy rate increased to 15.7%, up from 15.1% in the previous quarter, indicating persistent challenges. The average asking rent decreased slightly to \$36.82 per square foot annually, offering tenants softening rents and increased concessions. High availability and slow leasing momentum exert pressure on landlords, while trends like remote work and high interest rates impact sales and valuations. Demand remains for higher-quality spaces and coworking growth, reflecting a market in flux.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(2,668,668)	(2,471,216)	(3,317,171)	(4,338,236)	(3,588,382)
▲ Vacancy Rate	15.70%	15.10%	15.21%	14.33%	13.29%
▼ Avg NNN Asking Rate PSF	\$36.82	\$36.96	\$37.14	\$37.12	\$37.37
▲ Sale Price PSF	\$407.00	\$200.33	\$284.92	\$302.80	\$260.69
▲ Cap Rate	7.09%	6.80%	6.20%	7.30%	4.90%
▼ Under Construction SF	6,358,372	8,178,013	7,727,192	9,239,358	11,073,748
▲ Inventory SF	237,611,080	235,628,884	234,238,978	232,748,983	230,917,207

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
710 2nd Avenue Seattle, WA	335,000 SF	\$36,640,000 \$109.37 PSF	King County CIM Group LP	Class B
1165 Eastlake Avenue E Seattle, WA	100,086 SF	\$149,985,000 \$1,498.56 PSF	Fred Hutchinson Cancer Center Alexandria Real Estate Equities, Inc.	Class A
3933 Lake Washington Boulevard NE Kirkland, WA	46,884 SF	\$16,330,000 \$348.31 PSF	DCL Management LLC Clarion Partners	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
555 110th Avenue NE Bellevue, WA	49,142 SF	CommonWealth Partners	Clark Nuber	Accounting
3800 Latona Avenue NE Seattle, WA	48,900 SF	HessCallahanGrey	Allen Institute for Artificial Intelligence	Research and Development
925 4th Avenue Seattle, WA	33,662 SF	Clarion Partners	UBS Wealth Management	Finance

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