



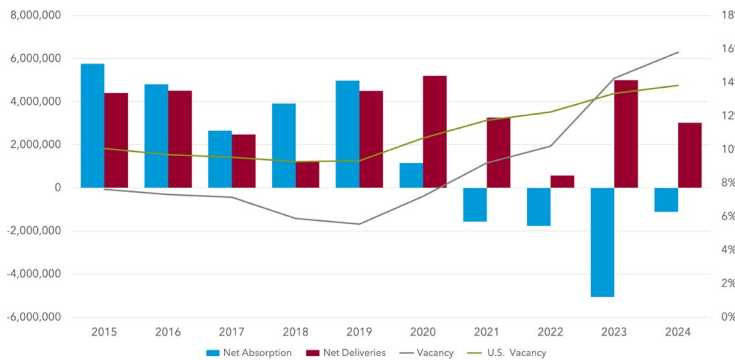
OFFICE MARKET OVERVIEW

ALEX MUIR, Senior Vice President

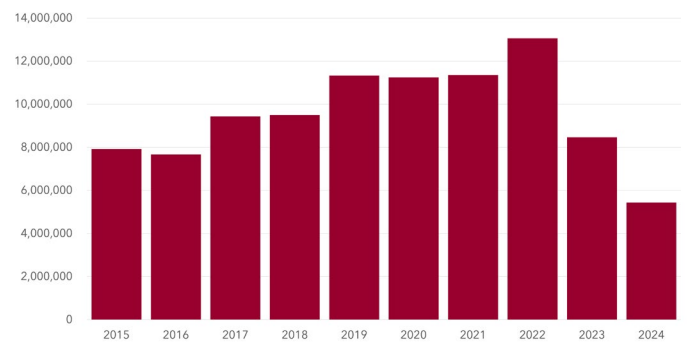
While vacancy and cap rates remain elevated in the Seattle office market, transactional activity is increasing. More than \$1.5 billion in office sales closed in 2024, which is more than 3X what occurred in 2023. Q4 was highlighted by Apple's lease of approximately 193,000 SF in Arbor Blocks West. This backfilled space previously occupied by Meta and was the largest lease in the city of Seattle since 2019. Other tenants growing in Seattle include Pinterest and Brex, while OpenAI, Flexport, Auger and Zoom have all recently leased space in Bellevue. Amazon returned to the office for the first five-day workweek in nearly five years. Major tenants returning to the office, along with cautious optimism about the economy could propel further improvements in the office market in 2025.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(1,108,479)	(2,699,189)	(3,377,793)	(4,148,375)	(5,058,226)
▲ Vacancy Rate	15.81%	15.71%	15.40%	15.19%	14.26%
▲ Avg FSG Asking Rent PSF	\$36.87	\$36.85	\$36.84	\$36.77	\$36.96
▼ Sale Price PSF	\$374.92	\$383.25	\$380.54	\$391.97	\$409.23
▲ Cap Rate	7.66%	7.57%	7.48%	7.29%	7.06%
▼ Under Construction	5,438,739	5,682,088	6,347,748	6,926,853	8,469,019
▲ Inventory	238,161,997	237,918,648	237,252,988	236,656,518	235,140,583

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1615 123rd Avenue Bellevue, WA	343,172 SF	\$261,000,000 \$760.55 PSF	Shorenstein Properties Wright Runstad & Co.	Class A
7400 166th Avenue NE Redmond, WA	111,368 SF	\$58,000,000 \$520.80 PSF	Preylock Holdings Harbert Mgmt/Fairbourne Prop.	Class B
428 Westlake Avenue N Seattle, WA	88,514 SF	\$47,600,000 \$537.77 PSF	Alexandria Real Estate Equities CommonWealth Partners	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
333 8th Avenue N Seattle, WA	192,703 SF	Ponte Gadea USA	Apple	Technology
601 108th Avenue NE Bellevue, WA	114,000 SF	Kilroy Realty	SAP Concur	Technology
10900 NE 4th Street Bellevue, WA	98,000 SF	Kilroy Realty	Walmart	Retail

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