

# Quarterly Market Report

Q2 – 2022

# Quarterly Highlights

## General Overview

At the close of Q2, 2022, the overall vacancy rate for the Downtown Seattle Office Market was 17%, including 14.1% of direct vacancy and 2.9% of sublease vacancy. The trend of rising vacancy continues and there are no signs of the market strengthening anytime soon. The 12-month net absorption for the Downtown Seattle Office Market at the end of Q2 2022 was (1,558,933) and there is currently 1,024,940 square feet under construction.

## Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 3.9%. The Seattle/Tacoma/Bellevue unemployment rate at the end of May 2022 was even lower at 2.8%.

Despite labor market strength and many industries continuing to thrive, the potential of a longer-term recession is looming given high inflation, rising interest rates, geopolitical uncertainty, stock market corrections, and the lingering COVID-19 pandemic.

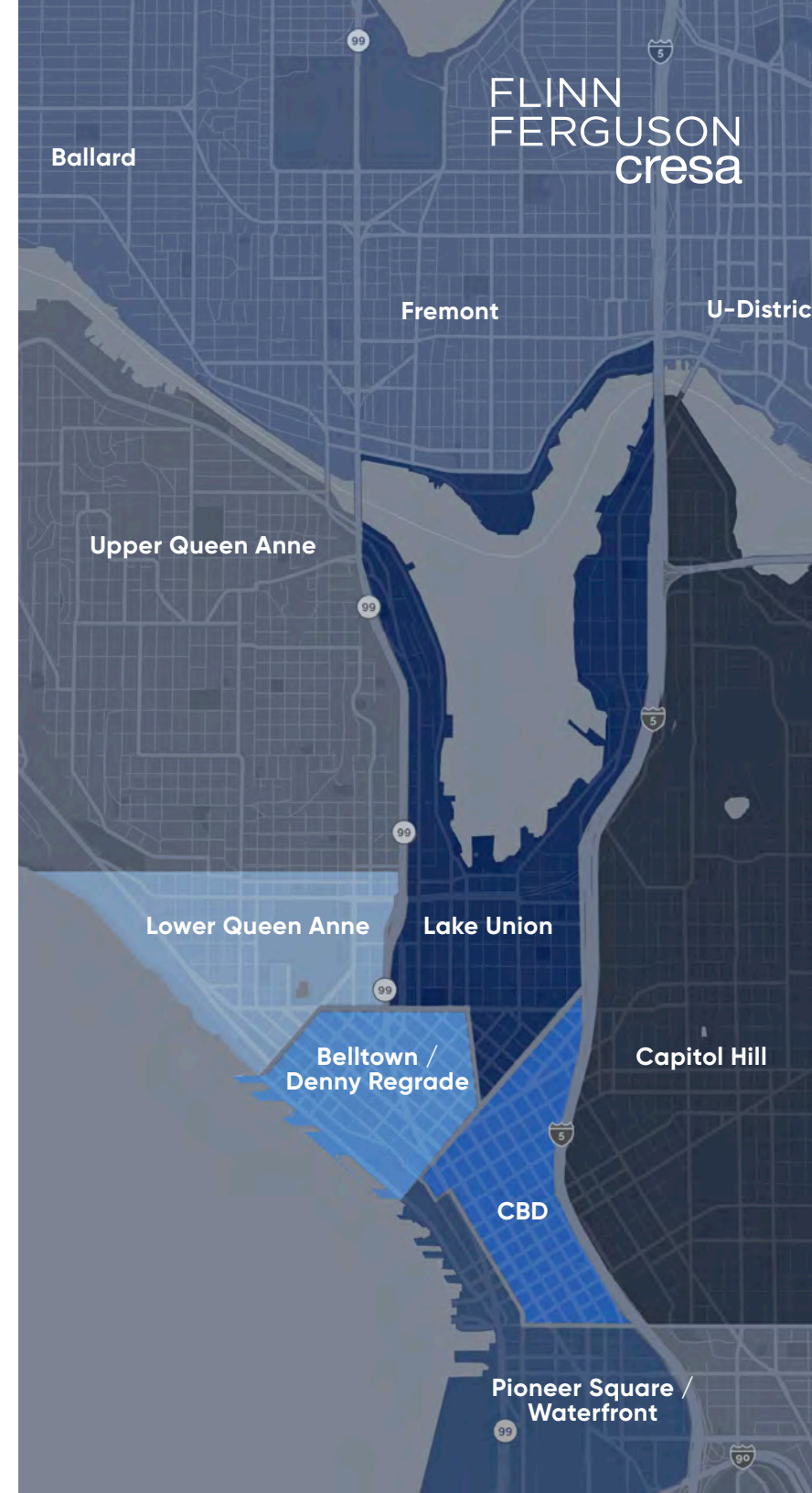
# Submarket Data

To summarize, below is a table providing information for the major submarkets of Seattle:

Market	Vacancy Rate	YTD Absorption (SF)	FS Class A Rental Range
Ballard / U-District	8.1%	86,882	\$30.00 – \$50.00
Belltown / Denny Regrade	17.5%	(39,043)	\$30.00 – \$50.00
Capitol Hill / Central District	3.2%	11,237	\$35.00 – \$55.00
Lake Union	6.8%	349,672	\$50.00 – \$70.00
Pioneer Square / Waterfront	18.9%	(342,818)	\$30.00 – \$65.00
Queen Anne	26.2%	(118,090)	\$28.00 – \$40.00
Central Business District	21.0%	(1,401,648)	\$40.00 – \$65.00

# 17%

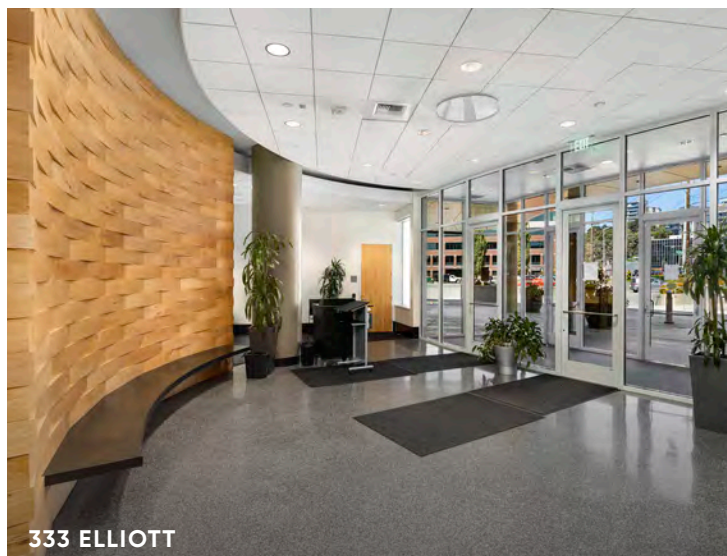
TOTAL VACANCY RATE FOR SEATTLE (APPX.)



# Q2 2022 Leases

Office leasing in the second quarter of 2022

Tenant	Building	Address	Square Feet
CBRE	U.S. Bank Center	1420 5th Avenue	42,000 RSF
Brooks	Lake View Building	837 North 34th Street	32,000 RSF
Eagle Harbor Technologies	333 Elliott	333 Elliott Ave West	20,710 RSF
Anduril	Qualtrics Tower at 2+U	1201 2nd Avenue	18,352 RSF
Meredith	Safeco Plaza	1001 4th Avenue	17,569 RSF



# Top Q2 2022 Office Sales

Building & Address	Buyer / Seller	Building Size	Sale Price / Price PSF
 <p data-bbox="373 367 527 456">Madison Centre 920 5th Avenue Seattle, WA</p>	<p data-bbox="695 383 1026 436">Boston Properties / Madison Center LLC &amp; Schnitzer West</p>	<p data-bbox="1182 399 1297 418">760,971 RSF</p>	<p data-bbox="1598 399 1759 418">\$730 M / \$959.30</p>
 <p data-bbox="373 529 632 618">Juno Therapeutics Building 400 Dexter Avenue N Seattle, WA</p>	<p data-bbox="695 545 1010 599">Clarion Partners / Alexandria Real Estate Equities</p>	<p data-bbox="1182 561 1297 581">290,111 RSF</p>	<p data-bbox="1591 561 1766 581">\$255 M / \$1,255.68</p>
 <p data-bbox="373 691 606 781">Eleven01 Westlake 1101 Westlake Avenue N Seattle, WA</p>	<p data-bbox="695 724 957 743">BioMed Realty / Invesco Ltd.</p>	<p data-bbox="1182 724 1297 743">153,708 RSF</p>	<p data-bbox="1591 724 1766 743">\$151.5M / \$985.64</p>
 <p data-bbox="373 854 579 924">425 Pontius Avenue N Seattle, WA</p>	<p data-bbox="695 870 1010 924">Swift Real Estate Partners / Seattle Pacific University Foundation</p>	<p data-bbox="1182 886 1297 906">75,267 RSF</p>	<p data-bbox="1598 886 1759 906">\$39.9 M / \$530.11</p>

# Office Construction



**The Jack**  
74 S Jackson St  
Developer: Urban Visions  
Comments: 162,843 square feet of office space



**Washington 1000**  
1000 Olive Way  
Developer: Hudson Pacific Properties  
Comments: 531,000 square foot office tower



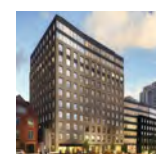
**Dexter Yard**  
700 Dexter Ave N  
Developer: BioMed Realty  
Comments: 515,000 square foot 2-tower office and laboratory project with 14 stories, ground retail and 520 parking stalls



**Firestone Tire Center**  
400 Westlake Ave N  
Developer: Martin Selig Real Estate  
Comments: 226,876 square feet of office and biotech space



**7th & Battery**  
2301 7th Ave  
Developer: Onni Development  
Comments: 310,000 square feet of office, 600 residential units



**Chapter Buildings**  
4536 Brooklyn Ave NE /4530 12th Ave NE  
Developer: Touchstone  
Comments: 394,500 square feet of office space, 21,000 square feet of outdoor space.



**701 Dexter**  
701 Dexter Ave N  
Developer: Alexandria Real Estate Equities  
Comments: 10-story, 242,460 square foot building



**Northlake Commons**  
3800 Latona Ave NE  
Developer: Spear Street Capital, Hess Callahan Grey Group & Weber Thompson Architects  
Comments: 158,000 square feet of office and life science space. First mass timber commercial building of its size in Seattle.

# Proposed Development



## Fourth and Columbia

701 4h Ave

Developer: Crescent Heights  
Comments: 151,650 square feet of office, 1,200 residences, 150 hotel rooms, 15,500 square feet retail, 101 stories



## SLU Streetcar Barn

318 Fairview Ave N

Developer: Skanska  
Comments: 11 story office tower built over a new streetcar barn. Size unknown



## 401 Queen Anne Ave N

Developer: Martin Selig  
Comments: 240,000 square feet of office space



## Block 18

2205 7th Ave

Developer: Graphite Design Group  
Comments: 388,000 square feet of office. 100% leased to Amazon



## Former Seattle Times HQ

1120 John St

Developer: Onni Group  
Comments: 940,160 square feet of office with 54,000 square feet of retail



## 760 Aloha Street

Developer: Nitze-Stagen  
Comments: 44,481 square feet of office



## The Net

801 3rd Ave

Developer: Urban Visions  
Comments: 807,580 square feet of office with two floors of "open market" retail



## Windermere Building

815-825 Wetern Ave

Developer: Martin Selig  
Comments: 300,000 square feet of office, 10 floors of apartments



## Northgate Mall Redevelopment

Developer: Simon Property Group  
Comments: 978,500 square foot redevelopment project



## 5 Parcels

5th & 7th & Stewart St & Olive Way

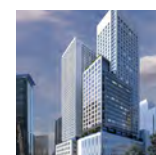
Developer: Kilroy Realty  
Comments: Plans not immediately known



## Block 48

111 Westlake Ave N

Developer: Vulcan  
Comments: Project will feature 0.5 acres of open spaces, and 420,000 square feet of office space



## 9th & Howell

876 Howell Street

Developer: RC. HeDreen Co.  
Comments: 23 story building - 371,500 square feet of office, 8,000 square feet retail



## 601 Dexter

601 Dexter Ave N

Developer: Alexandria Real Estate  
Comments: Removal of old warehouse, and 11-story office tower, 186,264 square feet, 187 vehicles



## 1916 Boren Avenue

Developer: Trammel Crow  
Comments: 115,000 square foot office project



## Lloyd Building Preservation + Office Tower

1818 6th Ave

Developer: Kilroy Realty Corporation  
Comments: 18-story 325,000 square feet of office.

# Proposed Development



## University District Station Building

4300 Brooklyn Ave N

Developer: Lincoln Property Co.  
Comments: Size of building yet to be determined. University of Washington has agreed to lease 175,000 SF



## 570 Mercer Street

Developer: Schnitzer West  
Comments: 100,000 square foot office building



## Block 37

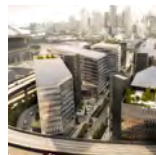
Developer: Vulcan  
Comments: ±300,000 square feet of office space, 6 stories.



## SCCA Expansion

I-5 & Valley Street

Developer: SCCA  
Comments: 240,000 square feet of lab and office space



## "S"

1001 6th Ave S

Developer: Urban Visions  
Comments: 1,620,000 square feet of office



## 312 9th Ave N

Developer: Vulcan  
Comments: ±224,000 square feet of office space, 11 stories.



## 222 5th Ave N

Developer: Da Li Properties  
Comments: 200,000 square foot office building, ground floor retail



## Metropole Building

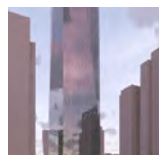
423 2nd Ave Ext. S

Developer: Satterberg Foundation  
Comments: 27,645 square foot office renovation



## Block 57W

Developer: Vulcan  
Comments: ±199,000 square feet of office space, 11 stories.



## 800 Stewart St

Developer: Per Day LLC  
Comments: 53 stories, 37,240 square feet of office, 568 residences, ground-floor retail



## 219 Terry Ave

Developer: Alexandria Real Estate, Hess Callahan Partners, Stephen C Grey & Assoc.  
Comments: 612-story building project, size and use unknown



## Block 77N

Developer: Vulcan  
Comments: ±170,000 rentable square feet.



## 75 Marion St

Developer: Martin Selig Real Estate  
Comments: 209,000 square feet of office space, plus retail, 106 residential units, 278 underground parking stalls



## Block 55N

Developer: Vulcan  
Comments: ±190,000 rentable square feet



## Block 79E

Developer: Vulcan  
Comments: ±370,000 rentable square feet



# Proposed Development



## 4536 Brooklyn Ave

Developer: Touchstone

Comments: 345,000 square feet of office



## Fremont North Shore 1326 North Northlake Way

Developer: Kevin Conroy & Jim Neuberger

Comments: 30,000 square foot office project. Set to break ground this quarter, but unlikely.



## 816 Mercer Street

Developer: Alexandria Real Estate

Comments: Two 13-story office buildings with recreation center and conference center; parking for 600 vehicles. Early design guidance; temporary change from full design review to administrative design review due to the COVID-19 pandemic



## Washington Park Building Redevelopment

Developer: Unico Properties

Comments: 48,000 square feet of office and 6,000 square feet of restaurant and retail space



## Mercer Mega-Block

Developer: Alexandria Real Estate

Comments: 800,000 square foot life science campus

An aerial photograph of Seattle, Washington, showing the city skyline, the waterfront, and surrounding areas. The image is overlaid with a semi-transparent blue filter. The text "Thank you." is centered in the middle of the image in a large, white, sans-serif font.

**Thank you.**

FLINN  
FERGUSON  
cresa

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