

### Currently Active Segments



Several of the office buildings currently under construction are proceeding on a speculative basis, without significant preleasing.

### SMARTER SOLUTIONS

At Washington Partners, you don't get just one broker working for you – you get the entire team. Client projects are presented to the group for collaboration, leading to some of our most creative solutions.

Every solution begins with a thorough understanding of each client's needs, from space requirements and financial objectives to the image a company hopes to project. Washington Partners' collaborative approach results in a broader range of unbiased options tailored to each client's unique situation.

By delivering Smarter Solutions, Washington Partners' clients benefit from a proven process of diligence, market intelligence and team collaboration. This results in a lease with the right terms, in the right location, designed to match our client's short and long-term goals.

## SEATTLE MARKET OVERVIEW

The pace of new development continued strong in downtown Seattle during Third Quarter 2015. Construction of office, residential and civic projects – both underway or planned – is occurring throughout the market. There is no denying that all of this activity has made getting around more than a little challenging.

Increased traffic, difficulty finding parking or just figuring out a new way to navigate around is now part of our everyday landscape, and it is not just in the CBD but also in submarkets around downtown. Parking prices and even availability seem to be of particular concern to tenants.

Tenant demand showed the majority of the quarterly leasing activity was for spaces in the 5,000 to 20,000 square foot range, with less demand for spaces in the 30,000 to 70,000 square foot range. Additionally, we are seeing an increasing amount of interest and often multiple offers for some of the more creative spaces currently available in the market.

In terms of asking rental rates, the market is going through a resetting period, with lower-end rates now in the \$25-28 per square foot range as opposed to the lower \$20's. It is also not uncommon now to see asking rates in the \$40 per square foot range for some of the more cool/creative spaces, particularly around Pioneer Square.

As downtown rental rates continue to trend upward across the board, we are also seeing more interest in some of the “up and coming” areas such as SODO, Georgetown and even Northgate as an alternate location for some tenants. Conversely, however, we are also seeing some typical Eastside tenants looking at options in Seattle, where access to talent and lower rates can still be found.

## SIGNIFICANT LEASE TRANSACTIONS

Tenant	Size (SF)	Submarket
Tableau	208,000	Ship Canal
Trupanion	108,000	Southend
URS	75,000	CBD
Uber	60,000	CBD
Nordstrom	45,000	CBD
Aerotex	40,000	Southend
Groupon	35,000	CBD
Hillis Clark	30,000	CBD
Charity USA	25,000	CBD
Extrahop Networks	13,000	CBD

## AVERAGE RENTAL RATES (SF/YR)

	Q4 2014	Q1 2015	Q2 2015	Q3 2015
CBD	\$32.42	\$32.64	\$33.27	\$34.58
Denny Regrade	\$31.34	\$31.44	\$31.69	\$31.74
Lake Union	\$26.71	\$27.87	\$28.48	\$28.63
Waterfront	\$27.93	\$28.15	\$28.13	\$28.20
Pioneer Square	\$25.46	\$25.75	\$25.88	\$26.00
Lower Queen Anne	\$23.44	\$23.44	\$23.44	\$24.29
Ship Canal	\$25.50	\$25.50	\$25.50	\$26.31

### Leasing Activity in Seattle

Significant leasing from the Ship Canal on the north to Georgetown on the south shows that tenants are willing to look beyond the traditional boundaries of the market to find the spaces that best suit their needs. Quarterly leasing in the CBD was also strong. As a result, absorption in the CBD reports the highest submarket total at over 200,000 square feet YTD.

### Trends & Opportunities

New construction currently presents a great opportunity for larger tenants wanting to establish a presence in the market. With a handful of new projects being built on a speculative basis, some of those landlords may be willing to be creative in negotiating the right deal to secure a marquee tenant.

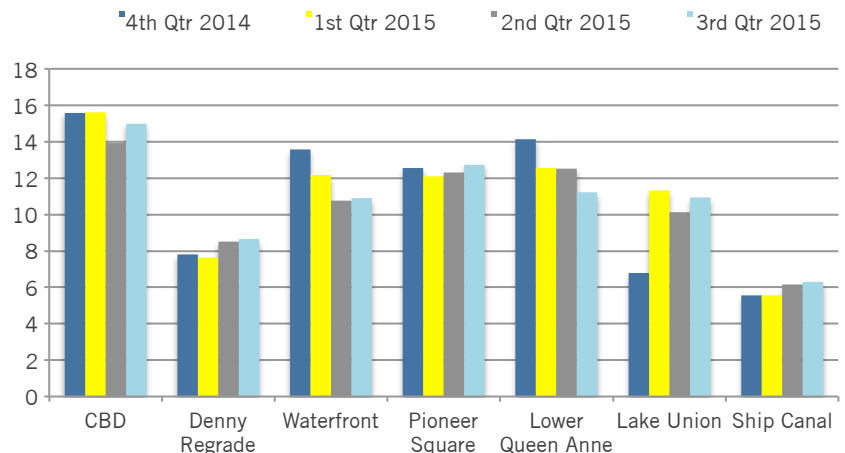
### We Are Tenant Focused

Washington Partners advises companies on all matters related to real estate and facilities. Our collaborative culture pools resources and approaches every assignment with long-term client satisfaction in mind. As a result, you get more creative solutions and a partnership approach that is focused on helping your business.

## VACANCY RATES BY SUBMARKET

Submarket	Vacancy %
Central Business District	15.00%
Denny Regrade	8.64%
Waterfront	10.90%
Pioneer Square	12.73%
Lower Queen Anne	11.22%
Lake Union	10.94%
Ship Canal	6.30%

\* includes sublease space



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