

# Seattle, Washington

Tenant's Guide ■ North American Markets ■ Third Quarter 2011

## Overview

Consistent vacancy rates have been an overarching theme this year in Seattle. This quarter, direct vacancy has seen a small increase of 0.08%, ending the quarter at 14.19%, while sublease vacancy decreased by 0.5% to 2.25%, rounding out the quarter with 16.44% overall vacancy rate. Net deliveries continue to rise as the year progresses, adding approximately 70,000 SF to the estimated 1.3 million SF of deliveries that are still awaiting completion. Net absorption continues to rise as the year progresses with South Lake Union, Pioneer Square, Waterfront, and Lower Queen Anne all seeing positive net absorption growth.

## Market Trends

- Revitalization of the Pioneer Square market has enticed several new tenants. Net absorption over the third quarter increased by approximately 300,000 SF.
- Slight decreases in class A overall vacancy in the CBD and Denny Regrade shows the progressive trend of tenants moving towards higher-end class A buildings in the heart of downtown Seattle.

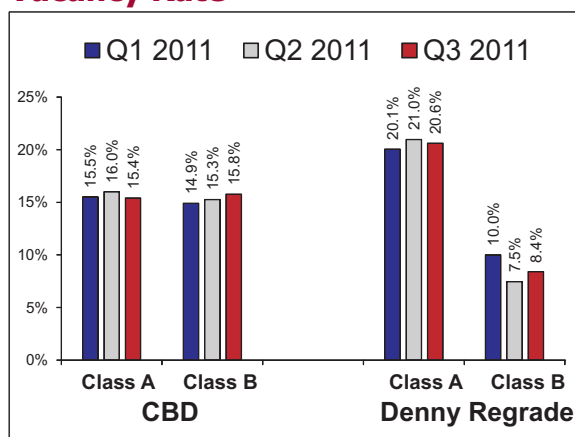
## Tenant's Perspective

Deliveries to the Seattle market continue to grow. Overall vacancy rates have not seen much movement over the course of this year, proving that the majority of tenants in Seattle's market are here to stay. Rates and concessions should continue to stay competitive as the market has not seen a strong increase in the number of tenants.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Quorum Review	30,000	Renewal	Lease
National Semiconductor	16,000	Renewal	Lease
Double Down Interactive	13,600	New	Lease
Trupanion	12,000	New	Lease
AccessVia	11,000	Renewal	Lease
Envision	11,000	New	Lease
Imperium Renewables	10,000	New	Lease
Interior Architects	9,400	New	Lease
Aspect Consulting	8,800	Renewal	Lease
Yachtworld	6,900	New	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q1 2011	Q2 2011	Q3 2011
Class A Office	\$28.56	\$28.04	\$28.23
Class B Office	\$22.19	\$23.79	\$24.09

Denny Regrade	Q1 2011	Q2 2011	Q3 2011
Class A Office	\$28.67	\$29.15	\$29.15
Class B Office	\$21.32	\$21.14	\$21.34

Prepared By CresaPartners

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