

MARKET ROUNDUP!

Eastside Office Space – 3rd Quarter, 2014

SARATOGA

Equities, LLC

Corporate Real Estate Advisory and Investments

Eastside - Market Statistics

Submarket	# Bldgs.	Total Sq. Ft.	Vacant Sq. Ft.	Vacancy Rate	Sublease Available	Vacancy with Sublet	Future Available	Avg. Rental Rate	Absorption (YTD)
520/Overlake	134	3,883,267	503,286	12.96%	165,210	17.21%	52,981	\$24.21	(71,584)
Bellevue CBD	64	9,340,339	716,666	7.67%	442,630	12.41%	45,850	\$37.51	13,402
Bellevue Suburban	211	4,824,054	919,354	19.06%	57,128	20.24%	118,872	\$27.71	52,777
Bothell/Woodinville	76	3,253,276	320,799	9.86%	9,268	10.15%	30,382	\$22.98	244,559
I-90 Corridor	168	7,863,497	949,101	12.07%	172,618	14.26%	257,263	\$31.86	307,685
Kirkland/Totem Lake	111	3,325,953	291,324	8.76%	52,771	10.35%	238,825	\$28.72	90,149
Redmond/Willows	76	3,688,164	581,962	15.78%	221,086	21.77%	9,993	\$24.27	(67,598)
Grand Total	840	36,178,550	4,282,492	11.84%	1,120,711	14.93%	754,166	\$29.90	569,390

FOR SALE: Walton Street Capital is rumored to be selling One Bellevue Center and Symetra Financial Center in Bellevue CBD. These represent two of nine buildings owned in Seattle/Bellevue consisting of 2M/SF. Other properties being sold in the portfolio are Bellevue Gateway I&II, Gateway 405 and Island Corporate Center on Mercer Island. Bellefield Office Park and the 10700 building are reportedly not included in the sale. Additionally, The Summit office complex owned by Ivanhoe Cambridge is for sale. This includes the two existing buildings with PSE as anchor tenant, and the Summit III development site (854K/SF total when complete). The Red Lion hotel located at 11211 Main Street is also for sale. There are only 6 available spaces in the entire Eastside market that can accommodate a 100k/sf tenant.

Eastside - New Office Projects

Building	Submarket	Total	Available	Percent	Asking Rate	
		RSF*	RSF	Preleased	Min	Max
Esterra Park	520/Overlake	1,109,500	1,109,500	0.00%	\$36.00N	\$38.00 N
929 Office Tower (Trammell)	Bellevue CBD	462,000	462,000	0.00%	N/A	N/A
400 Lincoln Square Expansion (Freeman)	Bellevue CBD	712,000	712,000	0.00%	\$36.00N	\$42.00N
Summit III (Bentall)	Bellevue CBD	332,303	332,303	0.00%	\$28.00N	\$35.00N
*Sterling Center (Rockefeller)	Bellevue CBD	465,000	465,000	0.00%	N/A	N/A
Centre 425 (Schnitzer West)	Bellevue CBD	300,000	300,000	0.00%	N/A	N/A
116th Medical Development	Bellevue Suburban	35,000	35,000	0.00%	\$33.00N	\$33.00N
The Spring District - Block 16	Bellevue Suburban	325,000	327,670	-0.82%	\$32.00N	\$35.00N
The Spring District - Block 24	Bellevue Suburban	165,000	165,000	0.00%	\$32.00N	\$35.00N
Woodlands Tech Center @ Canyon Park II	Bothell/Woodinville	621,798	621,798	0.00%	N/A	N/A
Nexus Snoqualmie II	I-90 Corridor	76,000	76,000	0.00%	N/A	N/A
Snoqualmie Ridge Business Park - Mt. Si Bldg	I-90 Corridor	100,000	100,000	0.00%	\$20.50N	\$20.50N
Talus Corporate Center	I-90 Corridor	612,568	612,568	0.00%	N/A	N/A
Kirkland Park Place II (Prudential RE)	Kirkland/Totem Lake	350,000	350,000	0.00%	\$35.00N	\$35.00N
Park Place North (Prudential RE)	Kirkland/Totem Lake	59,689	59,689	0.00%	\$30.00N	\$32.00N
Redmond Ridge Corporate Center (16)	Redmond/Willows	41,850	41,850	0.00%	\$18.00N	\$18.00N
Redmond Ridge Corporate Center (17)	Redmond/Willows	36,000	36,000	0.00%	\$19.00N	\$19.00N
TOTAL	17 Buildings	5,803,708	5,806,378	-0.05%		

*The above table represents space available or being marketed for lease. Does not include build-to-suit development(s). RED indicates the project has broken ground.

New office product is on the horizon with four projects breaking ground as depicted above. We will see how far these go past infrastructure and utilities without a pre-lease. The Sound Transit board approved the location of the controversial 25-acre light yard. The yard will be located on high-rise zoned land located at the old International paper site across from the new Spring District development.

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ABOUT SARATOGA EQUITIES

Saratoga Equities, LLC was founded in 2007 with the goal of providing exceptional corporate real estate advisory services by way of:

- **KNOWING THE MARKET**
- **IDENTIFYING OBJECTIVES**
- **UNDERSTANDING THE DEAL**
- **REPRESENTING CLIENTS AND INVESTORS WITH INTEGRITY**
- **HARD WORK**

Brent Nelson is the founder and designated broker of Saratoga Equities, LLC. Brent has been in the commercial real estate industry for over 15 year and has successfully represented a vast multitude of companies.

The principles above are achieved through a myriad of experience and through the utilization of the following tools and services:

- Strategic Planning/Needs Analysis
- Market Surveys
- Site Selection
- Lease/Sales Comps
- Request for Proposal "RFP"
- Letter of Intent to Lease and/or Purchase (binding/nonbinding)
- Lease Drafting
- Sublease Drafting
- Operating Expense Review/Audits
- Investment Analysis incl. Lease vs. Purchase
- REPSA Drafting (Real Estate Purchase and Sale Agreement)
- Earnest Money Note
- Amending/Addendum Documentation
- Title Exception Letters
- Contingency Deadline Letters
- Title Review Services
- Lease Abstract Services
- Legal Review (w/ Disclaimer and Recommendation of Counsel)
- Tenant Improvement Analysis (Allowance, Shell, Bid Process)

TOTAL PROCESS MANAGMENT

We direct all of our resources to meet the needs of our corporate clients, from the first meeting to well beyond contract execution. In so doing, we approach each project from the client's perspective, providing due diligence, employing sophisticated management tools and assistance with making informed decisions to help improve the bottom line.

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