

MARKET ROUNDUP!

Eastside Office Space – 4th Quarter, 2013



Corporate Real Estate Advisory and Investments

Eastside - Market Statistics

Submarket	# Bldgs.	Total Sq. Ft.	Vacant Sq. Ft.	Vacancy Rate	Sublease Available	Vacancy w/Sublet	Future Available	Average Rental Rate	Absorption (YTD)
520/Overlake	134	3,866,432	493,893	12.77%	66,220	14.49%	123,056	\$23.91	550
Bellevue CBD	65	9,181,113	717,030	7.81%	209,455	10.09%	216,156	\$35.66	101,946
Bellevue Suburban	212	4,699,894	896,687	19.08%	69,767	20.56%	85,938	\$27.31	35,399
Bothell/Woodinville	71	3,051,842	521,454	17.09%	31,729	18.13%	59,070	\$23.78	(36,118)
I-90 Corridor	166	7,849,036	1,086,008	13.84%	149,362	15.74%	460,355	\$28.23	323,945
Kirkland/Totem	108	3,167,688	386,361	12.20%	71,039	14.44%	45,153	\$29.69	(62,621)
Redmond/Willows	79	3,681,191	679,456	18.46%	122,398	21.78%	63,430	\$24.46	(27,461)
Eastside Totals	835	35,497,196	4,780,889	13.47%	719,970	15.50%	1,053,158	\$28.66	335,640

The downtown Bellevue submarket continues its tightening supply, especially for large users as the continuous Amazon and other “big tech” take downs across the lake give tenants less bargaining power. As a tenant, If you are seeking >30k/SF in downtown Bellevue, you will have 3 building options to consider. Several have absorbed space in Bellevue including **Apptio** (60k/sf @ Plaza East), **Blucora** (36k/sf @ Plaza Ctr.) **Concur** (122k/sf @ Key Ctr.) and **eBay** (53k/sf @ One Bellevue Ctr.) **Cisco** (29k/sf @ City Center Bellevue). Both Bellevue and Seattle downtown CBD markets have accounted for at least 65% of the office space absorption throughout the entire region in Q3.

Eastside – New Office Projects

Building	Submarket	Total RSF*	Available RSF	Percent Preleased	Asking Rate Min	Asking Rate Max
9th Street Medical Center	Bellevue CBD	100,000	100,000	0.00%	N/A	N/A
Lincoln Square Expansion	Bellevue CBD	712,000	712,000	0.00%	\$36.50N	\$40.00N
The Summit III	Bellevue CBD	332,303	332,303	0.00%	\$28.00N	\$35.00N
116th Medical Development	Bellevue Suburban	35,000	35,000	0.00%	\$34.00N	\$34.00N
Spring District Building 16	Bellevue Suburban	325,000	327,670	0.82%	N/A	N/A
Spring District Building 24	Bellevue Suburban	165,000	165,000	0.00%	N/A	N/A
Woodlands Tech Ctr @ Canyon Park	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 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 (Office) II	Kirkland/Totem Lake	350,000	350,000	0.00%	\$35.00N	\$35.00N
Park Place North	Kirkland/Totem Lake	59,689	59,689	0.00%	\$30.00N	\$32.00N
Redmond Ridge Corp Center (16)	Redmond/Willows	41,850	41,850	0.00%	\$18.00N	\$18.00N
Redmond Ridge Corp Center (17)	Redmond/Willows	36,000	36,000	0.00%	\$19.00N	\$19.00N
Subtotal	14 Buildings	3,567,208	3,569,878	-0.07%		

*The above table represents space available for lease. Does not include build-to-suit development(s).

Question remains: Who will build without a sizable pre-lease? Developer Wright Runstad began site work on the 2.3 billion dollar Spring Street project. They will commence building construction on the multi-family portion, and the office portion has seen strong interest from tenants. On Oct. 1st Trammel Crow paid \$24.1 million for the site located at 833 108th Ave N.E. It plans to build a 462,000 sq. ft. office tower with partner Principal Real Estate Investors and without a pre-lease (we will see). The Bellevue Galleria sold for \$86 million to its fourth owner since it was built in 1999. Schnitzer West has been busy with dispositions as of late including the sale of two of its core assets for \$475 million – the Bravern Signature Residences in Bellevue (\$308M - a record price for the region) and a collection of 11 office buildings in Bothell - North Creek office park 125 acre 712k/SF campus (\$167.5M).

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The above was obtained from sources we deem reliable, but is not guaranteed and you are advised to independently verify. A portion of the information was obtained from OfficeSpace.com.

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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