



**Eastside – Market Statistics**

Submarket	# Bldgs.	Total Square Feet	Vacant Square Feet	Vacancy Rate	Sublease Available	Vacant w/ Sublease	Future Available	Average Rental Rate	Absorption (YTD)
520/Overlake	120	3,580,933	525,551	14.68%	174,822	19.56%	61,907	\$28.27	(8,902)
Bellevue CBD	74	9,711,532	473,167	4.87%	626,483	11.32%	360,851	\$38.45	582,359
Bellevue Suburban	249	5,703,762	506,634	8.88%	148,494	11.49%	71,305	\$32.02	390,819
Bothell/Woodinville	126	5,487,334	872,864	15.91%	120,204	18.10%	141,491	\$26.27	(31,490)
I-90 Corridor	238	9,062,925	1,078,440	11.90%	219,508	14.32%	235,038	\$30.02	(163,413)
Kirkland/Totem	148	4,431,626	417,550	9.42%	183,715	13.57%	149,239	\$31.77	(26,844)
Redmond/Willows	142	6,385,530	754,635	11.82%	241,243	15.60%	142,146	\$24.91	(14,696)
<b>GRAND TOTAL</b>	<b>1,097</b>	<b>44,363,642</b>	<b>4,628,841</b>	<b>10.43%</b>	<b>1,714,469</b>	<b>14.30%</b>	<b>1,161,977</b>	<b>\$31.49</b>	<b>727,833</b>

**LEASING MARKET** - We have suggested for a year that significant absorption is needed for new projects in the Bellevue CBD in order to prevent a market space glut. This flight to quality absorption has definitely taken shape. Amazon has leased all of Center 425 (354K/SF), and Lincoln Square continues to corral large tenants. Positive net absorption in Seattle/Bellevue markets have reached record levels of approx. 2.5M/SF in 2016. As a result, average asking rates have climbed to a record of almost \$35.00psf, fully serviced. The largest leases inked have been in new projects including from technology oriented tenants such as Amazon (multiple bldgs.), Google (Lakefront Blocks), Facebook (Arbor Blocks) and Valve (Lincoln Square).

**Eastside – New Office Projects**

Building	Submarket	Total	Available	Percent	Asking Rate	
		RSF*	RSF	Preleased	Min	Max
400 Lincoln Square	Bellevue CBD	719,623	253,303	64.80%	N/A	N/A
Summit III	Bellevue CBD	332,303	332,303	0.00%	\$2.33N	\$2.92N
Center 425	Bellevue CBD	354,000	0	0.00%	N/A	N/A
The Spring District - Block 16	Bellevue Suburban	325,000	94,461	70.94%	\$2.67N	\$2.92N
The Spring District - Block 24	Bellevue Suburban	165,000	26,405	84.00%	\$2.67N	\$2.92N
1229 124th Ave N.E.	Bellevue Suburban	166,614	166,614	0.00%	N/A	N/A
Esterra Park	Bothell/Woodinville	1,030,000	1,030,000	0.00%	\$3.00N	\$3.17N
CP XVIII	Bothell/Woodinville	116,400	116,400	0.00%	N/A	N/A
North Creek Office Plaza	Bothell/Woodinville	101,000	101,000	0.00%	\$2.08N	\$2.08N
Woodlands Technology Center @ Canyon Park	Bothell/Woodinville	602,000	602,000	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%	\$1.71N	\$1.71N
Talus Corporate Center	I-90 Corridor	612,568	612,568	0.00%	N/A	N/A
Sammamish Village Medical Pavilion	I-90 Corridor	30,819	16,642	46.00%	\$3.33N	\$3.33N
Kirkland Park Place (Office) II	Kirkland/Totem Lake	350,000	350,000	0.00%	\$2.92N	\$2.92N
Kirkland Urban	Kirkland/Totem Lake	1,200,000	1,025,000	14.58%	\$3.17N	\$3.17N
Lakeview Lane	Kirkland/Totem Lake	20,363	20,363	0.00%	\$2.92N	\$2.92N
112 Lake Street	Kirkland/Totem Lake	105,000	105,000	0.00%	N/A	N/A
621 7th Ave	Kirkland/Totem Lake	20,363	20,363	0.00%	\$2.50N	\$2.67N
<b>Subtotal</b>	<b>19 Buildings</b>	<b>6,427,053</b>	<b>5,048,422</b>	<b>21.45%</b>		

\*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.

**SALES MARKET AND TIDBITS** – Sales of office product exceeded \$4 billion in 2016. KOMO Plaza was sold by Hines to GI Partners for \$276M or a record benchmark \$940 psf. Seattle was ranked as the top market for investor demand by the Urban Land Institute. BECU purchased 8 buildings in Tukwila for \$78M. Amazon paid Clise Properties \$19.2M for a parcel off 7<sup>th</sup> and Blanchard that may lead to a 5<sup>th</sup> tower. Gemini Rosemont of New Mexico in partnership with Hong Kong Gemini Investments bought Bellevue's One Twelfth @ Twelfth three building campus for \$202M. Prologis is paying \$136M for a 62-acre site adjacent south to Boeing Field. WeWork will occupy 80K/SF at Lincoln Square office tower in Bellevue.

## 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 (dba Saratoga Corporate Real Estate Advisory). Brent has been in the commercial real estate industry for 20 years 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 MANAGEMENT

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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