

Seattle



The Seattle Skyline is defined as assets that have a significant impact due to their size, quality of space or iconic status. Averaging more than 800,000 square feet, all buildings included offer Class A space and are situated in the most prominent, highly desired locations. Rent levels and/or value levels are the key inclusion; the current threshold requires that buildings consistently garner rents higher than \$35.00 full-service gross and achieve the highest sales price in Seattle.



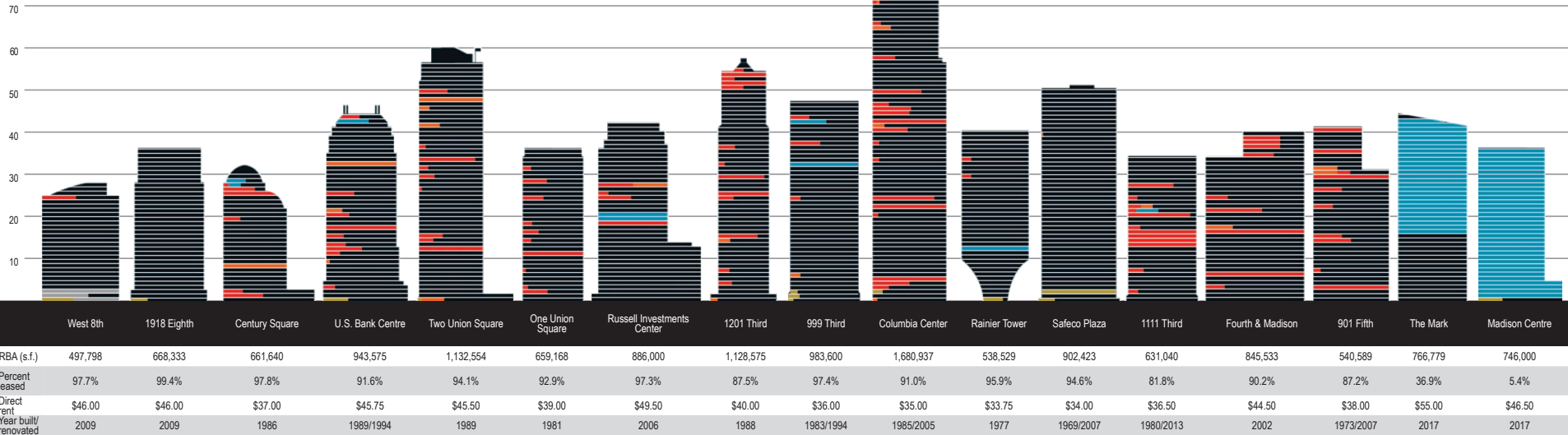
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Seattle SKYLINE

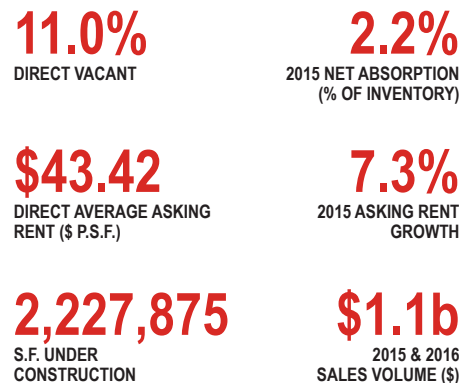
Technology tenants are embracing the CBD and contributing to the decline of Skyline vacancy rates

Top-tier space continues to dwindle with strong leasing activity coming from technology tenants. Companies like DocuSign, Groupon, Dropbox and Apple have recently taken down large blocks of space in the CBD, helping push Skyline vacancy down 13.6 percentage points since the recession. Although rental rates have increased by 7.9 percent in the last two years, tenants have not hesitated to expand in the area primarily for the ease of access to public transportation and the availability of state-of-the-art amenity packages. There are currently over 2.2 million square feet under construction in the Seattle CBD, with The Mark and Madison Centre adding 1.5 million square feet of Trophy space to the Seattle Skyline set. Investment activity has been prevalent in the last 12 months, with the transactions of the Columbia Center and West 8th totaling nearly \$1.1 billion. Significant sales activity is expected to continue as several premier properties, such as Safeco Plaza and 901 5th, are currently on the market.

Skyline leverage



Skyline analysis



Direct vacancy (%) vs. direct average asking rent (\$ p.s.f.)

