

The CoStar Office Report

Mid-Year 2014

Seattle/Puget Sound Office Market



Seattle/Puget Sound Office Market

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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • www.costar.com • NASDAQ: CSGP

Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Seattle/Puget Sound Office Market



Overview

Seattle/Puget Sound's Vacancy Decreases to 9.5%

Net Absorption Positive 773,718 SF in the Quarter

The Seattle/Puget Sound Office market ended the second quarter 2014 with a vacancy rate of 9.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 773,718 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 709,800 square feet. Rental rates ended the second quarter at \$27.65, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 10,400 square feet, with 3,663,967 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Seattle/Puget Sound office market was positive 773,718 square feet in the second quarter 2014. That compares to positive 295,104 square feet in the first quarter 2014, positive 628,178 square feet in the fourth quarter 2013, and positive 542,179 square feet in the third quarter 2013.

Tenants moving out of large blocks of space in 2014 include: Zulily moving out of 106,515 square feet at 2200 1st Avenue; Symetra Financial moving out of 67,162 square feet at 601 108th Street; and Regence BlueShield moving out of 28,295 square feet at 1501 Market Street. .

Tenants moving into large blocks of space in 2014 include: State of Washington Department of Commerce moving into 195,368 square feet at Pacific Tower at 1200 12th Avenue S; Moz moving into 51,190 square feet at 1100 2nd Avenue; and Pokemon, International moving into 44,893 square feet at 601 108th Avenue NE.

The Class-A office market recorded net absorption of positive 145,936 square feet in the second quarter 2014, compared to positive 246,033 square feet in the first quarter 2014, positive 347,798 in the fourth quarter 2013, and positive 663,524 in the third quarter 2013.

The Class-B office market recorded net absorption of positive 567,607 square feet in the second quarter 2014, compared to positive 85,623 square feet in the first quarter 2014, positive 302,957 in the fourth quarter 2013, and negative (83,690) in the third quarter 2013.

The Class-C office market recorded net absorption of positive 60,175 square feet in the second quarter 2014 compared to negative (36,552) square feet in the first quarter 2014, negative (22,577) in the fourth quarter 2013, and negative (37,655) in the third quarter 2013.

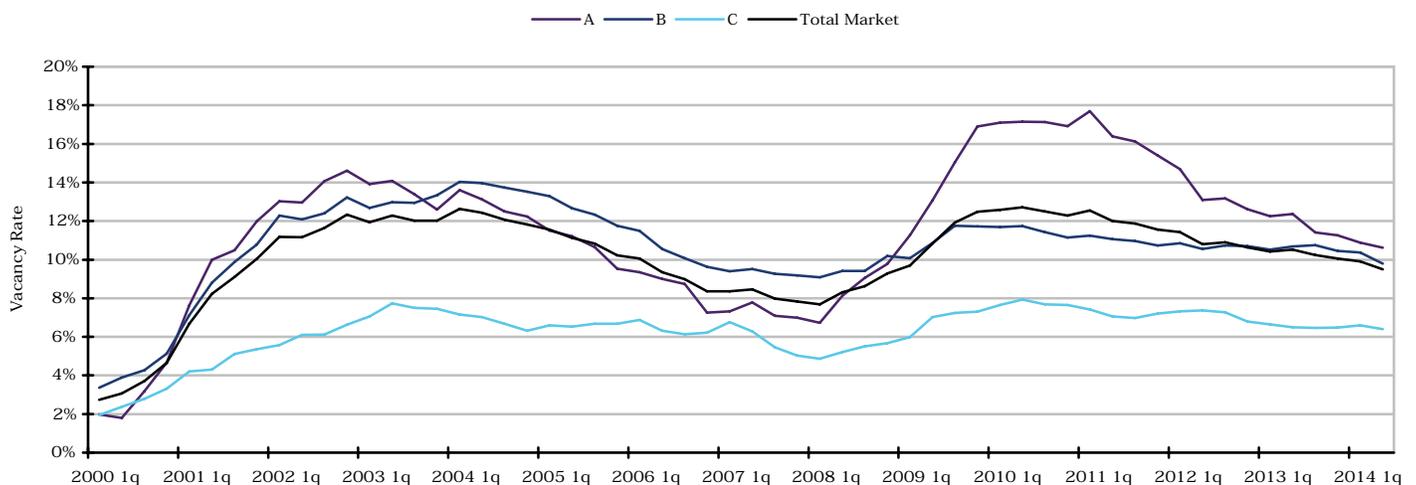
Net absorption for Seattle/Puget Sound's central business district was positive 131,556 square feet in the second quarter 2014. That compares to negative (173,053) square feet in the first quarter 2014, positive 448,710 in the fourth quarter 2013, and positive 193,088 in the third quarter 2013.

Net absorption for the suburban markets was positive 642,162 square feet in the second quarter 2014. That compares to positive 468,157 square feet in first quarter 2014, positive 179,468 in the fourth quarter 2013, and positive 349,091 in the third quarter 2013.

Vacancy

The office vacancy rate in the Seattle/Puget Sound market area decreased to 9.5% at the end of the second

Vacancy Rates by Class 2000-2014



Source: CoStar Property®

quarter 2014. The vacancy rate was 9.9% at the end of the first quarter 2014, 10.1% at the end of the fourth quarter 2013, and 10.2% at the end of the third quarter 2013.

Class-A projects reported a vacancy rate of 10.6% at the end of the second quarter 2014, 10.9% at the end of the first quarter 2014, 11.3% at the end of the fourth quarter 2013, and 11.4% at the end of the third quarter 2013.

Class-B projects reported a vacancy rate of 9.8% at the end of the second quarter 2014, 10.4% at the end of the first quarter 2014, 10.5% at the end of the fourth quarter 2013, and 10.7% at the end of the third quarter 2013.

Class-C projects reported a vacancy rate of 6.4% at the end of the second quarter 2014, 6.6% at the end of first quarter 2014, 6.5% at the end of the fourth quarter 2013, and 6.5% at the end of the third quarter 2013.

The overall vacancy rate in Seattle/Puget Sound’s central business district at the end of the second quarter 2014 decreased to 11.2%. The vacancy rate was 11.5% at the end of the first quarter 2014, 11.2% at the end of the fourth quarter 2013, and 12.0% at the end of the third quarter 2013.

The vacancy rate in the suburban markets decreased to 8.9% in the second quarter 2014. The vacancy rate was 9.4% at the end of the first quarter 2014, 9.7% at the end of the fourth quarter 2013, and 9.6% at the end of the third quarter 2013.

Largest Lease Signings

The largest lease signings occurring in 2014 included: the 144,073-square-foot lease signed by Boeing at 3120 139th Avenue SE in the Eastside market; the 66,000-square-foot deal signed by Boeing Company at 2500 223rd Street SE in the Northend market; and the 65,586-square-foot lease signed by Boeing at 3855 Monte Villa Parkway in the Northend market.

Sublease Vacancy

The amount of vacant sublease space in the Seattle/Puget Sound market decreased to 709,800 square feet by the

end of the second quarter 2014, from 823,951 square feet at the end of the first quarter 2014. There was 609,259 square feet vacant at the end of the fourth quarter 2013 and 924,237 square feet at the end of the third quarter 2013.

Seattle/Puget Sound’s Class-A projects reported vacant sublease space of 349,096 square feet at the end of second quarter 2014, down from the 413,559 square feet reported at the end of the first quarter 2014. There were 316,334 square feet of sublease space vacant at the end of the fourth quarter 2013, and 565,831 square feet at the end of the third quarter 2013.

Class-B projects reported vacant sublease space of 333,289 square feet at the end of the second quarter 2014, down from the 357,308 square feet reported at the end of the first quarter 2014. At the end of the fourth quarter 2013 there were 267,641 square feet, and at the end of the third quarter 2013 there were 317,753 square feet vacant.

Class-C projects reported decreased vacant sublease space from the first quarter 2014 to the second quarter 2014. Sublease vacancy went from 53,084 square feet to 27,415 square feet during that time. There was 25,284 square feet at the end of the fourth quarter 2013, and 40,653 square feet at the end of the third quarter 2013.

Sublease vacancy in Seattle/Puget Sound’s central business district stood at 310,242 square feet at the end of the second quarter 2014. It was 393,501 square feet at the end of the first quarter 2014, 271,391 square feet at the end of the fourth quarter 2013, and 487,564 square feet at the end of the third quarter 2013.

Sublease vacancy in the suburban markets ended the second quarter 2014 at 399,558 square feet. At the end of the first quarter 2014 sublease vacancy was 430,450 square feet, was 337,868 square feet at the end of the fourth quarter 2013, and was 436,673 square feet at the end of the third quarter 2013.

Rental Rates

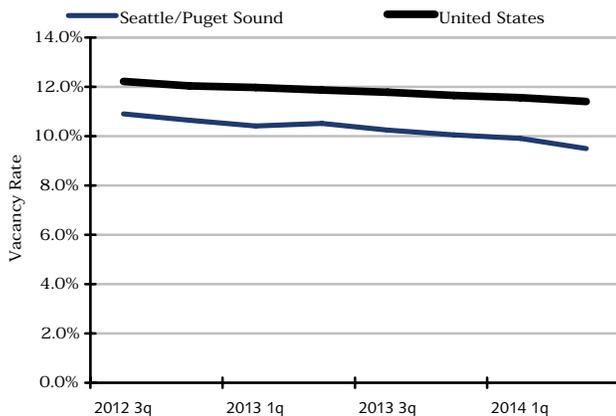
The average quoted asking rental rate for available office space, all classes, was \$27.65 per square foot per year at the end of the second quarter 2014 in the Seattle/Puget Sound market area. This represented a 2.3% increase in quoted rental rates from the end of the first quarter 2014, when rents were reported at \$27.04 per square foot.

The average quoted rate within the Class-A sector was \$34.35 at the end of the second quarter 2014, while Class-B rates stood at \$25.18, and Class-C rates at \$19.91. At the end of the first quarter 2014, Class-A rates were \$33.10 per square foot, Class-B rates were \$25.22, and Class-C rates were \$19.57.

The average quoted asking rental rate in Seattle/Puget Sound’s CBD was \$31.29 at the end of the second quarter 2014, and \$26.25 in the suburban markets. In the first quarter

U.S. Vacancy Comparison

Past 8 Quarters



Source: CoStar Property®

Seattle/Puget Sound Office Market

Overview

2014, quoted rates were \$30.62 in the CBD and \$25.69 in the suburbs.

Deliveries and Construction

During the second quarter 2014, one building totaling 10,400 square feet was completed in the Seattle/Puget Sound market area. This compares to two buildings totaling 39,000 square feet that were completed in the first quarter 2014, five buildings totaling 323,998 square feet completed in the fourth quarter 2013, and 223,497 square feet in five buildings completed in the third quarter 2013.

There were 3,663,967 square feet of office space under construction at the end of the second quarter 2014.

Some of the notable 2014 deliveries include: Auburn Marketplace, a 35,000-square-foot facility that delivered in first quarter 2014 and is now 72% occupied, and Summit Professional Building, a 10,400-square-foot building that delivered in second quarter 2014 and is now 100% occupied.

The largest projects underway at the end of second quarter 2014 were Amazon II, a 1,100,000-square-foot building with 100% of its space pre-leased, and Amazon Phase VI, a 380,000-square-foot facility that is 100% pre-leased.

Inventory

Total office inventory in the Seattle/Puget Sound market area amounted to 184,332,301 square feet in 7,599 buildings as of the end of the second quarter 2014. The Class-A office sector consisted of 57,561,189 square feet in 269 projects. There were 2,983 Class-B buildings totaling 96,628,018 square feet, and the Class-C sector consisted of 30,143,094 square feet in 4,347 buildings. Within the Office market there were 443 owner-occupied buildings accounting for 26,610,936 square feet of office space.

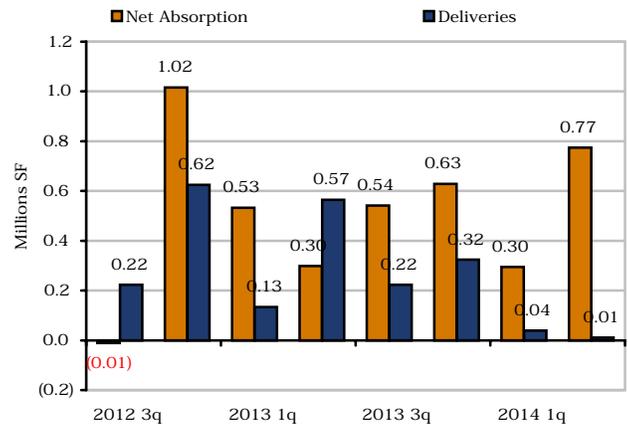
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Seattle/Puget Sound office sales figures fell during the first quarter 2014 in terms of dollar volume compared to the fourth quarter of 2013.

In the first quarter, 14 office transactions closed with a total volume of \$349,993,658. The 14 buildings totaled 1,181,750 square feet and the average price per square foot equated to

Absorption & Deliveries

Past 8 Quarters



Source: CoStar Property®

\$296.17 per square foot. That compares to 25 transactions totaling \$774,446,230 in the fourth quarter 2013. The total square footage in the fourth quarter was 3,134,167 square feet for an average price per square foot of \$247.10.

Total office building sales activity in 2014 was down compared to 2013. In the first three months of 2014, the market saw 14 office sales transactions with a total volume of \$349,993,658. The price per square foot averaged \$296.17. In the same first three months of 2013, the market posted 16 transactions with a total volume of \$592,574,436. The price per square foot averaged \$265.50.

Cap rates have been higher in 2014, averaging 6.42% compared to the same period in 2013 when they averaged 5.90%.

One of the largest transactions that has occurred within the last four quarters in the Seattle/Puget Sound market is the sale of 999 Third (Wells Fargo Center) in Seattle. This 983,600-square-foot office building sold for \$389,900,000, or \$396.40 per square foot. The property sold on 5/31/2013, at a 4.50% cap rate."

Reports compiled by: Research Manager, Ryan Forman and Researcher, Drew Peters.

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters	Submarkets			
Downtown Seattle	Ballard/U Dist Pioneer Sq/Waterfront	Belltown/Denny Regrade Queen Anne/Magnolia	Capitol Hill/Central Dist S Seattle	Lake Union Seattle CBD*
Eastside	520 Corridor I-90 Corridor Suburban Bellevue	Bellevue CBD* Kirkland	Coal Creek/Issaquah Mercer Island	E King County Redmond
Northend	Bothell/Kenmore N Snohomish County	Edmonds/Lynnwood Northgate/N Seattle	Everett CBD* S Everett/Harbor Point	Mill Creek/Woodinville S Snohomish County
Southend	Federal Way/Auburn	Kent Valley	Renton/Tukwila	Seatac/Burien
Tacoma	Dupont Puyallup Univ. Place/Lakewood	E Pierce County Spanaway	Fort Lewis Tacoma CBD*	Gig Harbor/W Pierce Co Tacoma Suburban

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

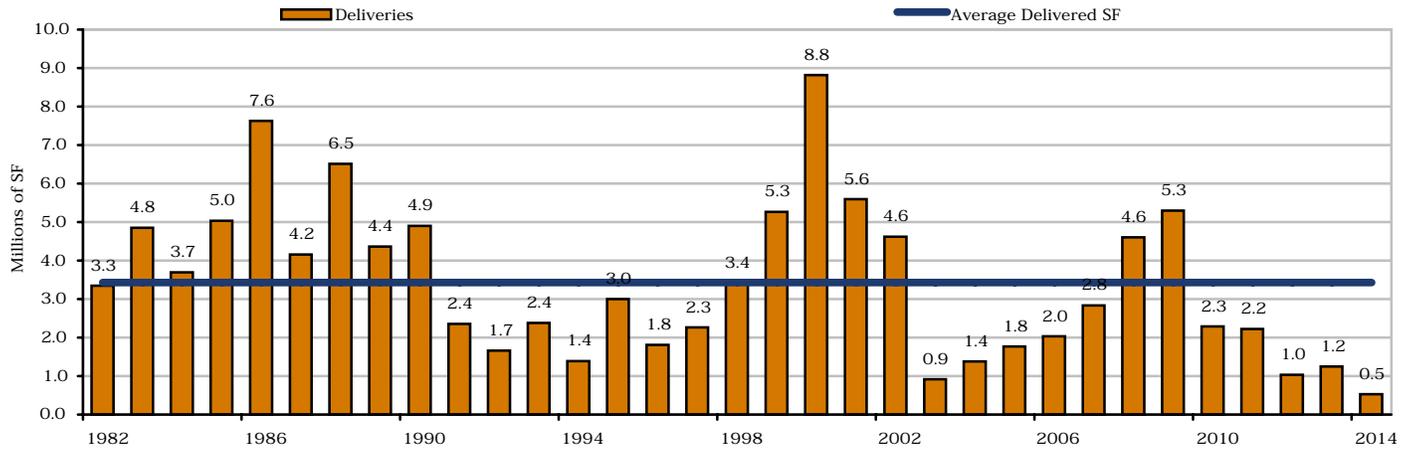
Seattle/Puget Sound Office Market



Inventory & development

Historical Deliveries

1982 - 2014



Source: CoStar Property® * Future deliveries based on current under construction buildings.

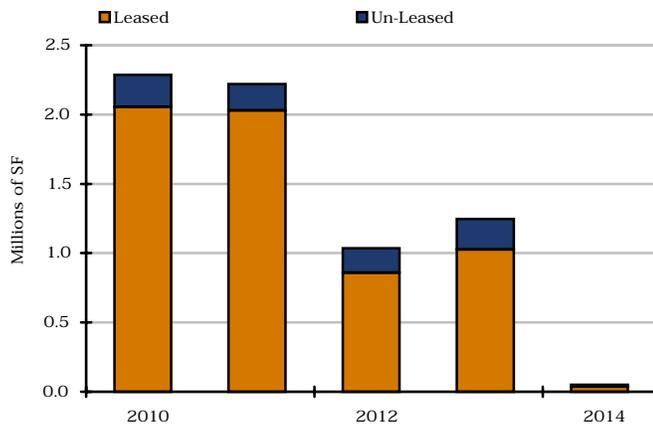
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Downtown Seattle	10	3,483,967	2,590,690	74.4%	43,660	348,397
Eastside	1	180,000	180,000	100.0%	33,736	180,000
Tacoma	0	0	0	0.0%	10,587	0
Northend	0	0	0	0.0%	14,215	0
Southend	0	0	0	0.0%	19,052	0

Source: CoStar Property®

Recent Deliveries

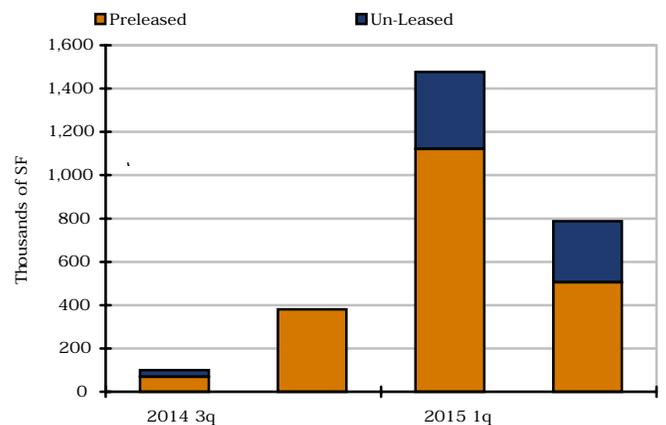
Leased & Un-Leased SF in Deliveries



Source: CoStar Property®

Future Deliveries

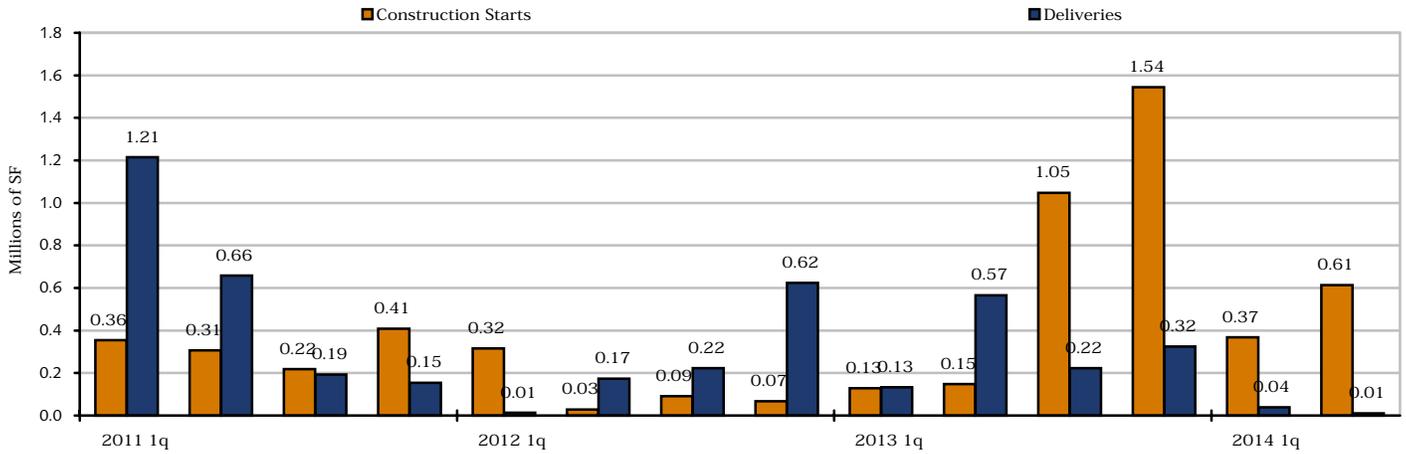
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	3	49,400	37,240	75.4%	\$29.31	0	49,400
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

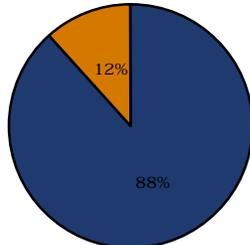
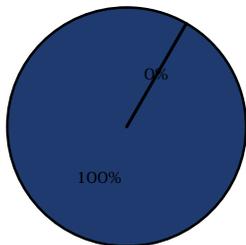
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2014 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

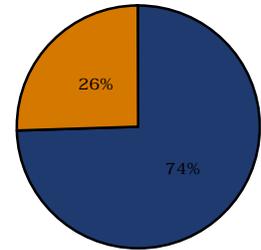
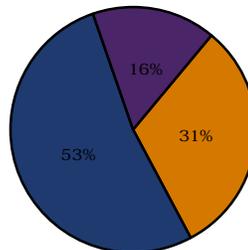
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

Seattle/Puget Sound Office Market



Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. Auburn Marketplace	2. Summit Professional Building	3. Rose Crossing Plaza - Bldg B
Submarket: Southend	Submarket: Eastside	Submarket: Northend
RBA: 35,000	RBA: 10,400	RBA: 4,000
# Floors: 2	# Floors: 1	# Floors: 2
Class: A	Class: B	Class: B
Occupied: 72%	Occupied: 100%	Occupied: 41%
Quoted Rate: \$30.03	Quoted Rate: N/A	Quoted Rate: \$26.03
Grnd Brk Date: Second Quarter 2013	Grnd Brk Date: Third Quarter 2013	Grnd Brk Date: Fourth Quarter 2012
Deliv Date: First Quarter 2014	Deliv Date: Second Quarter 2014	Deliv Date: First Quarter 2014
Leasing Co: First Western Properties	Leasing Co: Kidder Mathews	Leasing Co: Colliers International
Developer: N/A	Developer: N/A	Developer: N/A
Architect: N/A	Architect: N/A	Architect: N/A

Select Top Under Construction Properties

Based on Project Square Footage

1. Amazon II	2. Amazon Phase VI	3. 400 Fairview Ave N
Submarket: Downtown Seattle	Submarket: Downtown Seattle	Submarket: Downtown Seattle
RBA: 1,100,000	RBA: 380,000	RBA: 367,898
# Floors: 37	# Floors: 6	# Floors: 13
Class: A	Class: A	Class: A
Preleased: 100%	Preleased: 100%	Preleased: 39%
Quoted Rate: N/A	Quoted Rate: N/A	Quoted Rate: Negotiable
Grnd Brk Date: Fourth Quarter 2013	Grnd Brk Date: Third Quarter 2013	Grnd Brk Date: First Quarter 2014
Deliv Date: First Quarter 2015	Deliv Date: Fourth Quarter 2014	Deliv Date: Third Quarter 2015
Leasing Co: N/A	Leasing Co: Vulcan Real Estate	Leasing Co: JLL
Developer: Seneca Real Estate Group	Developer: Vulcan Real Estate	Developer: Skanska USA Building
Architect: NBBJ Architects	Architect: Zimmer Gunsul Frasca Partnership	Architect: Kendall/Heaton Associates Inc.
4. Dexter Station	5. Amazon Phase VII	6. Amazon Phase VIII
Submarket: Downtown Seattle	Submarket: Downtown Seattle	Submarket: Downtown Seattle
RBA: 357,425	RBA: 307,000	RBA: 307,000
# Floors: 10	# Floors: 12	# Floors: 12
Class: A	Class: A	Class: A
Preleased: 5%	Preleased: 100%	Preleased: 100%
Quoted Rate: \$42.20	Quoted Rate: N/A	Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2013	Grnd Brk Date: Second Quarter 2014	Grnd Brk Date: Second Quarter 2014
Deliv Date: First Quarter 2015	Deliv Date: Third Quarter 2015	Deliv Date: Second Quarter 2015
Leasing Co: JLL	Leasing Co: Vulcan Real Estate	Leasing Co: Vulcan Real Estate
Developer: Capstone Development	Developer: Vulcan Real Estate	Developer: Vulcan Real Estate
Architect: LMN Architects	Architect: N/A	Architect: N/A
7. 1821 Boren Ave	8. Allen Institute for Brain Science	9. Google Campus - Phase II
Submarket: Downtown Seattle	Submarket: Downtown Seattle	Submarket: Eastside
RBA: 300,000	RBA: 245,000	RBA: 180,000
# Floors: 11	# Floors: 6	# Floors: 2
Class: A	Class: A	Class: A
Preleased: 6%	Preleased: 100%	Preleased: 100%
Quoted Rate: \$42.20	Quoted Rate: N/A	Quoted Rate: N/A
Grnd Brk Date: Third Quarter 2013	Grnd Brk Date: Fourth Quarter 2013	Grnd Brk Date: Fourth Quarter 2013
Deliv Date: Second Quarter 2015	Deliv Date: Third Quarter 2015	Deliv Date: Second Quarter 2015
Leasing Co: Colliers International	Leasing Co: Vulcan Inc.	Leasing Co: SRM Development
Developer: Touchstone Corporation	Developer: Vulcan Inc.	Developer: SRM Development
Architect: Aedas	Architect: Perkins+Will, Inc.	Architect: N/A
10. 3400 Stone Way	11. 1424 11th Ave	
Submarket: Downtown Seattle	Submarket: Downtown Seattle	
RBA: 100,000	RBA: 19,644	
# Floors: 5	# Floors: 1	
Class: A	Class: B	
Preleased: 69%	Preleased: 17%	
Quoted Rate: \$31.87	Quoted Rate: \$31.78	
Grnd Brk Date: Second Quarter 2013	Grnd Brk Date: Fourth Quarter 2013	
Deliv Date: Third Quarter 2014	Deliv Date: First Quarter 2015	
Leasing Co: CBRE	Leasing Co: Heartland LLC	
Developer: Skanska USA Building	Developer: Dunn & Hobbes Llc	
Architect: N/A	Architect: N/A	

Class A Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Downtown Seattle	117	34,380,536	3,756,109	3,985,348	11.6%	384,874	0	3,464,323	\$35.29
Eastside	114	18,496,832	1,457,782	1,555,173	8.4%	29,374	0	180,000	\$34.20
Northend	18	1,962,951	229,969	238,635	12.2%	(9,431)	0	0	\$25.60
Southend	9	1,199,414	200,670	200,670	16.7%	2,742	35,000	0	\$26.35
Tacoma	11	1,521,456	123,091	136,891	9.0%	(15,590)	0	0	\$29.00
Totals	269	57,561,189	5,767,621	6,116,717	10.6%	391,969	35,000	3,644,323	\$34.35

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Downtown Seattle	599	30,682,222	2,776,581	2,858,283	9.3%	95,307	0	19,644	\$28.31
Eastside	740	25,399,422	1,912,837	1,987,373	7.8%	286,103	10,400	0	\$28.02
Northend	584	14,305,253	1,408,580	1,455,834	10.2%	166,174	4,000	0	\$23.10
Southend	435	14,716,403	1,946,117	1,979,381	13.5%	20,690	0	0	\$20.83
Tacoma	625	11,524,718	1,087,963	1,184,496	10.3%	84,956	0	0	\$21.43
Totals	2,983	96,628,018	9,132,078	9,465,367	9.8%	653,230	14,400	19,644	\$25.18

Source: CoStar Property®

Class C Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Downtown Seattle	997	9,727,472	404,140	414,062	4.3%	12,127	0	0	\$22.58
Eastside	562	3,874,150	253,786	263,011	6.8%	14,522	0	0	\$23.99
Northend	912	5,253,066	391,118	395,558	7.5%	25,511	0	0	\$18.41
Southend	614	4,240,750	248,806	248,806	5.9%	(13,465)	0	0	\$19.43
Tacoma	1,262	7,047,656	602,956	606,784	8.6%	(15,072)	0	0	\$16.93
Totals	4,347	30,143,094	1,900,806	1,928,221	6.4%	23,623	0	0	\$19.91

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Downtown Seattle	1,713	74,790,230	6,936,830	7,257,693	9.7%	492,308	0	3,483,967	\$31.82
Eastside	1,416	47,770,404	3,624,405	3,805,557	8.0%	329,999	10,400	180,000	\$30.00
Northend	1,514	21,521,270	2,029,667	2,090,027	9.7%	182,254	4,000	0	\$22.59
Southend	1,058	20,156,567	2,395,593	2,428,857	12.0%	9,967	35,000	0	\$20.80
Tacoma	1,898	20,093,830	1,814,010	1,928,171	9.6%	54,294	0	0	\$20.63
Totals	7,599	184,332,301	16,800,505	17,510,305	9.5%	1,068,822	49,400	3,663,967	\$27.65

Source: CoStar Property®

Seattle/Puget Sound Office Market



Figures at a Glance

Class A Submarket Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
520 Corridor	23	3,301,625	38,077	38,077	1.2%	(19,843)	0	0	\$26.52
Ballard/U Dist	3	211,108	17,296	17,296	8.2%	0	0	100,000	\$34.24
Bellevue CBD	26	7,651,648	500,384	571,884	7.5%	(45,911)	0	0	\$37.65
Belltown/Denny Regra.	13	2,782,267	274,143	299,642	10.8%	35,327	0	1,100,000	\$28.71
Bothell/Kenmore	4	346,297	15,016	15,016	4.3%	0	0	0	\$26.83
Capitol Hill/Central.	3	307,648	42,019	47,219	15.3%	0	0	0	\$37.19
Coal Creek/Issaquah	6	917,381	176,656	176,656	19.3%	0	0	0	\$29.87
Dupont	1	48,000	0	0	0.0%	3,400	0	0	\$0.00
E King County	0	0	0	0	0.0%	0	0	0	\$0.00
E Pierce County	0	0	0	0	0.0%	0	0	0	\$0.00
Edmonds/Lynnwood	9	878,778	194,969	203,635	23.2%	(6,077)	0	0	\$25.54
Everett CBD	1	88,000	0	0	0.0%	0	0	0	\$0.00
Federal Way/Auburn	2	123,000	38,759	38,759	31.5%	2,741	35,000	0	\$31.27
Fort Lewis	0	0	0	0	0.0%	0	0	0	\$0.00
Gig Harbor/W Pierce	1	85,903	28,051	28,051	32.7%	0	0	0	\$32.63
I-90 Corridor	18	2,696,645	357,891	361,341	13.4%	47,298	0	0	\$29.89
Kent Valley	1	57,768	0	0	0.0%	0	0	0	\$0.00
Kirkland	19	1,509,966	108,652	108,652	7.2%	(19,233)	0	180,000	\$33.60
Lake Union	28	5,630,068	158,109	173,941	3.1%	7,680	0	1,964,323	\$39.13
Mercer Island	1	105,796	23,508	23,508	22.2%	1,414	0	0	\$34.94
Mill Creek/Woodinvil.	0	0	0	0	0.0%	0	0	0	\$0.00
N Snohomish County	0	0	0	0	0.0%	0	0	0	\$0.00
Northgate/N Seattle	2	205,361	19,984	19,984	9.7%	(3,354)	0	0	\$25.46
Pioneer Sq/Waterfron.	9	1,794,401	59,125	59,125	3.3%	47,075	0	0	\$31.04
Puyallup	1	83,268	17,720	17,720	21.3%	0	0	0	\$37.83
Queen Anne/Magnolia	12	1,798,247	333,827	346,000	19.2%	19,505	0	0	\$33.73
Redmond	19	2,079,771	110,781	133,222	6.4%	34,056	0	0	\$27.72
Renton/Tukwila	4	590,992	0	0	0.0%	0	0	0	\$0.00
S Everett/Harbor Poi.	2	444,515	0	0	0.0%	0	0	0	\$0.00
S Seattle	7	1,197,474	350,453	362,031	30.2%	213,155	0	0	\$39.61
S Snohomish County	0	0	0	0	0.0%	0	0	0	\$0.00
Seatac/Burien	2	427,654	161,911	161,911	37.9%	1	0	0	\$24.50
Seattle CBD	42	20,659,323	2,521,137	2,680,094	13.0%	62,132	0	300,000	\$35.20
Spanaway	0	0	0	0	0.0%	0	0	0	\$0.00
Suburban Bellevue	2	234,000	141,833	141,833	60.6%	31,593	0	0	\$46.44
Tacoma CBD	7	1,262,285	71,030	84,830	6.7%	(18,990)	0	0	\$26.15
Tacoma Suburban	0	0	0	0	0.0%	0	0	0	\$0.00
Univ. Place/Lakewood	1	42,000	6,290	6,290	15.0%	0	0	0	\$33.37
Totals	269	57,561,189	5,767,621	6,116,717	10.6%	391,969	35,000	3,644,323	\$34.35

Source: CoStar Property®

Class B Submarket Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
520 Corridor	102	5,169,036	117,832	117,832	2.3%	48,974	0	0	\$25.71
Ballard/U Dist	115	3,336,783	57,700	60,056	1.8%	4,688	0	0	\$24.58
Bellevue CBD	30	1,315,663	158,679	165,752	12.6%	(19,352)	0	0	\$31.53
Belltown/Denny Regra.	42	2,871,816	252,573	253,354	8.8%	129,279	0	0	\$26.41
Bothell/Kenmore	94	4,317,797	480,334	522,234	12.1%	65,190	4,000	0	\$25.00
Capitol Hill/Central.	85	4,022,255	286,123	295,401	7.3%	6,469	0	19,644	\$41.14
Coal Creek/Issaquah	59	1,375,248	151,077	155,954	11.3%	15,127	0	0	\$31.25
Dupont	6	1,040,110	1,280	1,280	0.1%	0	0	0	\$0.00
E King County	68	919,749	137,853	146,905	16.0%	8,386	10,400	0	\$23.37
E Pierce County	32	377,351	59,830	61,830	16.4%	(4,006)	0	0	\$21.63
Edmonds/Lynnwood	138	2,907,111	291,918	292,652	10.1%	39,359	0	0	\$21.81
Everett CBD	83	1,966,653	203,087	203,087	10.3%	67,821	0	0	\$21.23
Federal Way/Auburn	134	3,587,700	709,856	717,821	20.0%	39,976	0	0	\$20.03
Fort Lewis	0	0	0	0	0.0%	0	0	0	\$0.00
Gig Harbor/W Pierce .	73	1,088,936	159,443	163,792	15.0%	2,198	0	0	\$22.37
I-90 Corridor	44	3,194,651	441,029	455,417	14.3%	(33,240)	0	0	\$29.84
Kent Valley	68	1,998,930	482,777	493,092	24.7%	(40,068)	0	0	\$21.71
Kirkland	129	3,016,597	246,272	251,165	8.3%	149,119	0	0	\$27.76
Lake Union	92	5,573,140	301,908	302,976	5.4%	65,188	0	0	\$27.76
Mercer Island	16	398,918	2,373	2,373	0.6%	2,788	0	0	\$30.09
Mill Creek/Woodinvil.	45	899,920	116,601	119,254	13.3%	(19,490)	0	0	\$28.35
N Snohomish County	65	695,289	54,138	54,138	7.8%	1,563	0	0	\$15.99
Northgate/N Seattle	56	1,369,713	84,558	86,525	6.3%	27,509	0	0	\$23.37
Pioneer Sq/Waterfron.	57	3,691,138	537,436	559,253	15.2%	(13,079)	0	0	\$26.79
Puyallup	60	1,142,874	240,505	240,505	21.0%	37,217	0	0	\$22.96
Queen Anne/Magnolia	69	2,691,389	159,078	159,078	5.9%	52,585	0	0	\$22.77
Redmond	98	5,048,454	296,002	296,002	5.9%	63,778	0	0	\$24.50
Renton/Tukwila	173	7,813,545	587,873	602,857	7.7%	41,093	0	0	\$21.40
S Everett/Harbor Poi.	81	1,887,137	144,284	144,284	7.6%	(18,585)	0	0	\$21.94
S Seattle	84	2,550,311	368,280	370,676	14.5%	(58,991)	0	0	\$24.37
S Snohomish County	22	261,633	33,660	33,660	12.9%	2,807	0	0	\$23.09
Seatac/Burien	60	1,316,228	165,611	165,611	12.6%	(20,311)	0	0	\$20.17
Seattle CBD	55	5,945,390	813,483	857,489	14.4%	(90,832)	0	0	\$28.87
Spanaway	55	566,900	71,828	71,828	12.7%	7,449	0	0	\$20.31
Suburban Bellevue	194	4,961,106	361,720	395,973	8.0%	50,523	0	0	\$28.08
Tacoma CBD	85	3,079,112	237,489	250,845	8.1%	28,446	0	0	\$20.41
Tacoma Suburban	224	3,096,586	233,330	310,158	10.0%	7,592	0	0	\$21.83
Univ. Place/Lakewood	90	1,132,849	84,258	84,258	7.4%	6,060	0	0	\$20.45
Totals	2,983	96,628,018	9,132,078	9,465,367	9.8%	653,230	14,400	19,644	\$25.18

Source: CoStar Property®

Seattle/Puget Sound Office Market



Figures at a Glance

Class C Submarket Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
520 Corridor	18	293,006	32,524	32,524	11.1%	4,513	0	0	\$20.56
Ballard/U Dist	309	1,430,543	20,590	24,514	1.7%	7,072	0	0	\$23.13
Bellevue CBD	28	252,544	14,311	14,311	5.7%	(1,018)	0	0	\$22.39
Belltown/Denny Regra.	52	688,041	58,569	58,569	8.5%	1,788	0	0	\$20.67
Bothell/Kenmore	100	387,350	19,337	19,337	5.0%	(1,349)	0	0	\$21.80
Capitol Hill/Central.	135	1,735,621	45,395	45,395	2.6%	(5,029)	0	0	\$26.59
Coal Creek/Issaquah	38	176,587	3,854	3,854	2.2%	6,884	0	0	\$24.63
Dupont	0	0	0	0	0.0%	0	0	0	\$0.00
E King County	90	386,992	28,614	28,614	7.4%	(7,668)	0	0	\$19.53
E Pierce County	41	150,286	2,776	2,776	1.8%	0	0	0	\$14.80
Edmonds/Lynnwood	173	1,109,289	111,509	111,509	10.1%	3,505	0	0	\$19.27
Everett CBD	243	1,569,073	119,971	119,971	7.6%	25,951	0	0	\$17.08
Federal Way/Auburn	202	1,719,572	68,682	68,682	4.0%	(5,797)	0	0	\$20.10
Fort Lewis	9	30,494	0	0	0.0%	0	0	0	\$0.00
Gig Harbor/W Pierce .	86	452,691	42,793	42,793	9.5%	3,704	0	0	\$18.30
I-90 Corridor	18	168,884	2,656	2,656	1.6%	5,549	0	0	\$19.73
Kent Valley	124	738,943	46,248	46,248	6.3%	1,001	0	0	\$18.93
Kirkland	99	627,583	21,932	23,132	3.7%	13,621	0	0	\$26.48
Lake Union	99	963,853	18,322	18,322	1.9%	5,256	0	0	\$19.40
Mercer Island	18	144,050	24,574	24,574	17.1%	(1,044)	0	0	\$24.18
Mill Creek/Woodinvil.	43	247,655	25,212	25,212	10.2%	2,998	0	0	\$21.82
N Snohomish County	113	492,514	37,673	42,113	8.6%	(4,691)	0	0	\$14.91
Northgate/N Seattle	123	734,173	41,749	41,749	5.7%	(245)	0	0	\$19.69
Pioneer Sq/Waterfron.	44	1,096,426	62,619	68,617	6.3%	(3,863)	0	0	\$23.49
Puyallup	136	543,992	22,775	22,775	4.2%	(3,366)	0	0	\$21.34
Queen Anne/Magnolia	134	1,101,871	107,938	107,938	9.8%	1,015	0	0	\$22.89
Redmond	66	296,661	32,016	33,513	11.3%	(5,117)	0	0	\$25.21
Renton/Tukwila	147	1,004,346	89,930	89,930	9.0%	(8,036)	0	0	\$21.04
S Everett/Harbor Poi.	78	488,197	30,452	30,452	6.2%	(5,656)	0	0	\$16.73
S Seattle	206	1,930,850	73,217	73,217	3.8%	10,726	0	0	\$16.78
S Snohomish County	39	224,815	5,215	5,215	2.3%	4,998	0	0	\$16.36
Seatac/Burien	141	777,889	43,946	43,946	5.6%	(633)	0	0	\$15.38
Seattle CBD	18	780,267	17,490	17,490	2.2%	(4,838)	0	0	\$29.24
Spanaway	139	523,730	34,776	37,054	7.1%	(9,364)	0	0	\$19.34
Suburban Bellevue	187	1,527,843	93,305	99,833	6.5%	(1,198)	0	0	\$24.57
Tacoma CBD	165	1,902,763	257,440	258,990	13.6%	(44,906)	0	0	\$15.87
Tacoma Suburban	487	2,366,123	129,652	129,652	5.5%	33,368	0	0	\$16.77
Univ. Place/Lakewood	199	1,077,577	112,744	112,744	10.5%	5,492	0	0	\$17.15
Totals	4,347	30,143,094	1,900,806	1,928,221	6.4%	23,623	0	0	\$19.91

Source: CoStar Property®

Total Office Submarket Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
520 Corridor	143	8,763,667	188,433	188,433	2.2%	33,644	0	0	\$25.31
Ballard/U Dist	427	4,978,434	95,586	101,866	2.0%	11,760	0	100,000	\$25.83
Bellevue CBD	84	9,219,855	673,374	751,947	8.2%	(66,281)	0	0	\$36.15
Belltown/Denny Regra.	107	6,342,124	585,285	611,565	9.6%	166,394	0	1,100,000	\$27.27
Bothell/Kenmore	198	5,051,444	514,687	556,587	11.0%	63,841	4,000	0	\$24.95
Capitol Hill/Central.	223	6,065,524	373,537	388,015	6.4%	1,440	0	19,644	\$38.94
Coal Creek/Issaquah	103	2,469,216	331,587	336,464	13.6%	22,011	0	0	\$30.74
Dupont	7	1,088,110	1,280	1,280	0.1%	3,400	0	0	\$0.00
E King County	158	1,306,741	166,467	175,519	13.4%	718	10,400	0	\$23.00
E Pierce County	73	527,637	62,606	64,606	12.2%	(4,006)	0	0	\$21.00
Edmonds/Lynnwood	320	4,895,178	598,396	607,796	12.4%	36,787	0	0	\$22.62
Everett CBD	327	3,623,726	323,058	323,058	8.9%	93,772	0	0	\$19.92
Federal Way/Auburn	338	5,430,272	817,297	825,262	15.2%	36,920	35,000	0	\$20.23
Fort Lewis	9	30,494	0	0	0.0%	0	0	0	\$0.00
Gig Harbor/W Pierce .	160	1,627,530	230,287	234,636	14.4%	5,902	0	0	\$22.92
I-90 Corridor	80	6,060,180	801,576	819,414	13.5%	19,607	0	0	\$29.81
Kent Valley	193	2,795,641	529,025	539,340	19.3%	(39,067)	0	0	\$21.34
Kirkland	247	5,154,146	376,856	382,949	7.4%	143,507	0	180,000	\$28.91
Lake Union	219	12,167,061	478,339	495,239	4.1%	78,124	0	1,964,323	\$33.78
Mercer Island	35	648,764	50,455	50,455	7.8%	3,158	0	0	\$30.49
Mill Creek/Woodinvil.	88	1,147,575	141,813	144,466	12.6%	(16,492)	0	0	\$26.74
N Snohomish County	178	1,187,803	91,811	96,251	8.1%	(3,128)	0	0	\$15.71
Northgate/N Seattle	181	2,309,247	146,291	148,258	6.4%	23,910	0	0	\$22.78
Pioneer Sq/Waterfron.	110	6,581,965	659,180	686,995	10.4%	30,133	0	0	\$27.14
Puyallup	197	1,770,134	281,000	281,000	15.9%	33,851	0	0	\$23.70
Queen Anne/Magnolia	215	5,591,507	600,843	613,016	11.0%	73,105	0	0	\$27.65
Redmond	183	7,424,886	438,799	462,737	6.2%	92,717	0	0	\$25.66
Renton/Tukwila	324	9,408,883	677,803	692,787	7.4%	33,057	0	0	\$21.36
S Everett/Harbor Poi.	161	2,819,849	174,736	174,736	6.2%	(24,241)	0	0	\$21.16
S Seattle	297	5,678,635	791,950	805,924	14.2%	164,890	0	0	\$30.83
S Snohomish County	61	486,448	38,875	38,875	8.0%	7,805	0	0	\$21.33
Seatac/Burien	203	2,521,771	371,468	371,468	14.7%	(20,943)	0	0	\$20.06
Seattle CBD	115	27,384,980	3,352,110	3,555,073	13.0%	(33,538)	0	300,000	\$33.60
Spanaway	194	1,090,630	106,604	108,882	10.0%	(1,915)	0	0	\$20.00
Suburban Bellevue	383	6,722,949	596,858	637,639	9.5%	80,918	0	0	\$30.02
Tacoma CBD	257	6,244,160	565,959	594,665	9.5%	(35,450)	0	0	\$19.70
Tacoma Suburban	711	5,462,709	362,982	439,810	8.1%	40,960	0	0	\$20.02
Univ. Place/Lakewood	290	2,252,426	203,292	203,292	9.0%	11,552	0	0	\$18.97
Totals	7,599	184,332,301	16,800,505	17,510,305	9.5%	1,068,822	49,400	3,663,967	\$27.65

Source: CoStar Property®

Seattle/Puget Sound Office Market



Figures at a Glance

Class A Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	76	29,661,256	3,092,551	3,336,808	11.2%	(2,769)	0	300,000	\$35.50
Suburban	193	27,899,933	2,675,070	2,779,909	10.0%	394,738	35,000	3,344,323	\$33.11
Totals	269	57,561,189	5,767,621	6,116,717	10.6%	391,969	35,000	3,644,323	\$34.35

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	253	12,306,818	1,412,738	1,477,173	12.0%	(13,917)	0	0	\$26.07
Suburban	2,730	84,321,200	7,719,340	7,988,194	9.5%	667,147	14,400	19,644	\$25.02
Totals	2,983	96,628,018	9,132,078	9,465,367	9.8%	653,230	14,400	19,644	\$25.18

Source: CoStar Property®

Class C Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	454	4,504,647	409,212	410,762	9.1%	(24,811)	0	0	\$17.69
Suburban	3,893	25,638,447	1,491,594	1,517,459	5.9%	48,434	0	0	\$20.43
Totals	4,347	30,143,094	1,900,806	1,928,221	6.4%	23,623	0	0	\$19.9

Source: CoStar Property®

Class A & B Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	329	41,968,074	4,505,289	4,813,981	11.5%	(16,686)	0	300,000	\$32.34
Suburban	2,923	112,221,133	10,394,410	10,768,103	9.6%	1,061,885	49,400	3,363,967	\$27.02
Totals	3,252	154,189,207	14,899,699	15,582,084	10.1%	1,045,199	49,400	3,663,967	\$28.55

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2014

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	783	46,472,721	4,914,501	5,224,743	11.2%	(41,497)	0	300,000	\$31.29
Suburban	6,816	137,859,580	11,886,004	12,285,562	8.9%	1,110,319	49,400	3,363,967	\$26.25
Totals	7,599	184,332,301	16,800,505	17,510,305	9.5%	1,068,822	49,400	3,663,967	\$27.65

Source: CoStar Property®

Class A Market Statistics

Mid-Year 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 2q	269	57,561,189	5,767,621	6,116,717	10.6%	145,936	0	0	10	3,644,323	\$34.35
2014 1q	269	57,561,189	5,849,094	6,262,653	10.9%	246,033	1	35,000	8	3,030,323	\$33.10
2013 4q	268	57,526,189	6,157,352	6,473,686	11.3%	347,798	3	294,952	8	2,697,425	\$32.82
2013 3q	265	57,231,237	5,960,701	6,526,532	11.4%	663,524	1	130,710	8	1,467,377	\$32.51
2013 2q	264	57,100,527	6,517,248	7,059,346	12.4%	398,626	4	522,782	6	560,662	\$31.90
2013 1q	260	56,577,745	6,409,039	6,935,190	12.3%	311,897	2	127,000	8	948,444	\$31.68
2012	258	56,450,745	6,534,257	7,120,087	12.6%	2,342,083	6	913,600	9	1,027,444	\$31.42
2011	252	55,537,145	7,906,620	8,548,570	15.4%	2,360,267	8	1,818,233	11	1,524,100	\$30.30
2010	244	53,718,912	8,231,674	9,090,604	16.9%	1,457,270	10	1,768,815	10	2,184,049	\$30.86
2009	234	51,950,097	7,939,399	8,779,059	16.9%	(92,234)	15	4,001,232	14	3,172,504	\$30.32
2008	219	47,948,865	3,941,811	4,685,593	9.8%	427,595	12	1,897,452	22	5,689,219	\$35.96
2007	207	46,051,413	2,715,305	3,215,736	7.0%	1,487,785	7	1,472,155	21	5,220,591	\$35.80
2006	200	44,579,254	2,441,468	3,231,362	7.2%	2,041,050	3	1,129,422	16	3,693,449	\$29.85
2005	197	43,449,832	2,831,315	4,142,990	9.5%	1,212,017	1	42,000	5	1,721,922	\$25.82
2004	196	43,407,832	4,395,657	5,313,007	12.2%	542,791	3	444,220	4	1,666,000	\$26.00
2003	193	42,963,612	4,038,798	5,411,578	12.6%	868,031	0	0	4	984,220	\$25.74

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 2q	2,983	96,628,018	9,132,078	9,465,367	9.8%	567,607	1	10,400	1	19,644	\$25.18
2014 1q	2,982	96,617,618	9,665,266	10,022,574	10.4%	85,623	1	4,000	2	30,044	\$25.22
2013 4q	2,981	96,613,618	9,836,556	10,104,197	10.5%	302,957	2	29,046	3	34,044	\$24.98
2013 3q	2,979	96,584,572	10,060,355	10,378,108	10.7%	(83,690)	4	92,787	4	43,446	\$24.63
2013 2q	2,976	96,611,785	9,809,283	10,321,631	10.7%	(124,233)	2	42,414	7	125,833	\$24.60
2013 1q	2,974	96,569,371	9,521,726	10,154,984	10.5%	181,053	2	6,072	8	155,179	\$23.69
2012	2,972	96,563,299	9,777,694	10,329,965	10.7%	101,387	9	121,025	8	80,273	\$23.96
2011	2,964	96,490,889	9,791,559	10,358,942	10.7%	745,034	11	401,639	8	116,643	\$23.17
2010	2,955	96,102,790	9,895,945	10,715,877	11.2%	1,013,442	24	518,347	10	386,853	\$22.93
2009	2,931	95,584,443	10,257,297	11,210,972	11.7%	(364,490)	41	1,291,558	21	414,833	\$23.25
2008	2,893	94,350,880	8,822,317	9,612,919	10.2%	1,436,989	65	2,656,462	39	1,250,614	\$25.14
2007	2,831	91,171,470	7,868,307	8,416,498	9.2%	1,290,198	63	1,336,610	58	2,923,130	\$25.51
2006	2,778	90,747,480	8,203,123	8,736,706	9.6%	2,414,581	53	782,539	72	2,543,802	\$23.07
2005	2,731	90,206,429	10,057,749	10,610,236	11.8%	2,964,892	52	1,646,638	48	757,779	\$20.97
2004	2,680	88,611,791	11,218,515	11,980,490	13.5%	183,920	43	915,897	46	1,496,391	\$20.14
2003	2,643	88,216,908	10,881,521	11,769,527	13.3%	573,479	41	803,603	36	1,008,860	\$19.90

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2014

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2014 2q	7,599	184,332,300	16,800,505	17,510,305	9.5%	773,718	1	10,400	11	3,663,967	\$27.65
2014 1q	7,599	184,323,365	17,451,136	18,275,087	9.9%	295,104	2	39,000	10	3,060,367	\$27.04
2013 4q	7,598	184,286,865	17,924,428	18,533,687	10.1%	628,178	5	323,998	11	2,731,469	\$26.87
2013 3q	7,594	183,976,930	17,927,700	18,851,937	10.2%	542,179	5	223,497	12	1,510,823	\$26.51
2013 2q	7,594	183,924,110	18,256,236	19,341,293	10.5%	298,423	6	565,196	13	686,495	\$26.44
2013 1q	7,589	183,381,127	17,910,939	19,096,733	10.4%	533,204	4	133,072	16	1,103,623	\$25.75
2012	7,586	183,253,428	18,331,748	19,502,238	10.6%	2,464,629	15	1,034,625	17	1,107,717	\$26.04
2011	7,581	182,379,097	19,845,703	21,092,536	11.6%	3,214,745	19	2,219,872	19	1,640,744	\$25.34
2010	7,568	180,202,792	20,416,732	22,130,976	12.3%	2,302,794	34	2,287,162	20	2,570,902	\$25.68
2009	7,537	177,984,884	20,401,111	22,215,862	12.5%	(983,050)	58	5,299,420	35	3,587,337	\$25.62
2008	7,485	172,780,859	14,431,586	16,028,787	9.3%	1,665,406	83	4,604,491	63	6,946,463	\$28.36
2007	7,410	168,251,891	12,051,113	13,165,225	7.8%	2,956,527	78	2,837,462	84	8,186,670	\$28.52
2006	7,354	166,006,580	12,528,227	13,876,441	8.4%	4,608,223	67	2,030,973	95	6,259,046	\$24.63
2005	7,304	164,324,079	14,882,558	16,802,163	10.2%	4,114,580	66	1,766,603	63	2,591,337	\$22.41
2004	7,244	162,636,025	17,511,365	19,228,685	11.8%	1,032,387	50	1,382,849	62	3,237,490	\$21.89
2003	7,208	161,838,920	17,143,654	19,463,972	12.0%	1,192,636	52	917,370	44	2,015,812	\$21.84

Source: CoStar Property®

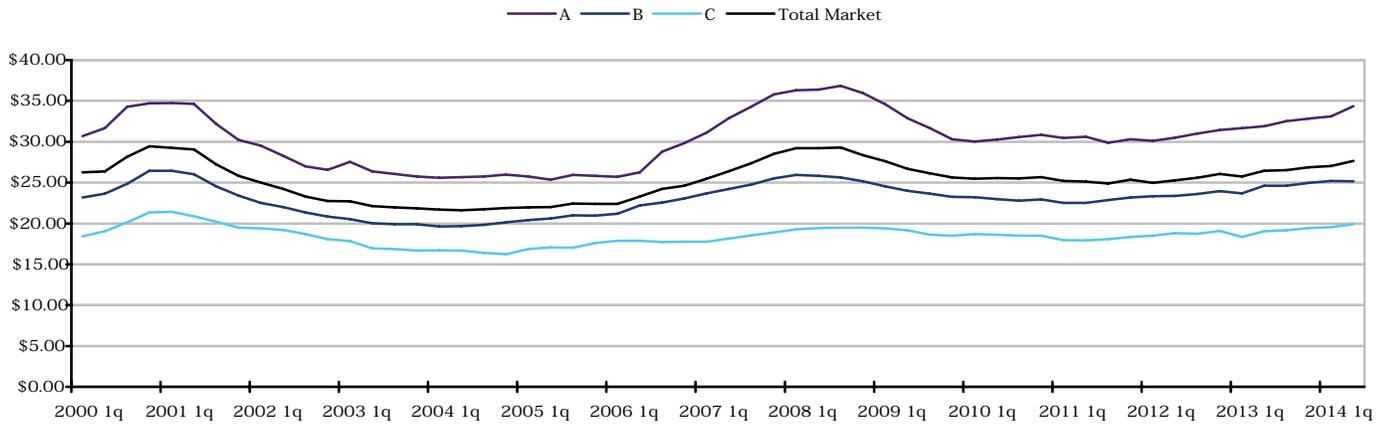
Seattle/Puget Sound Office Market



Leasing Activity

Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



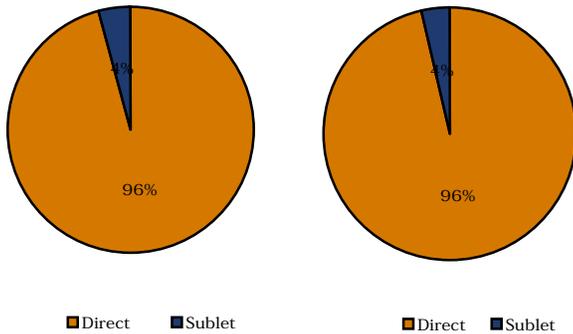
Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Seattle/Puget Sound

United States



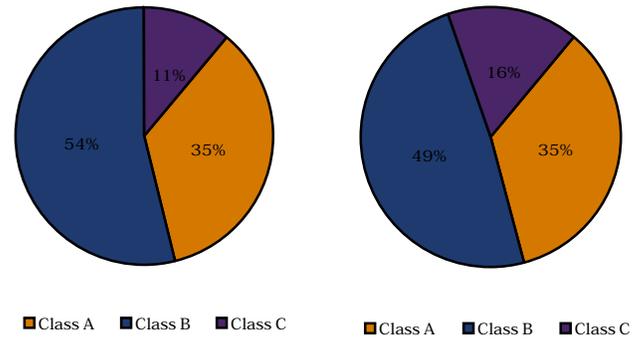
Source: CoStar Property®

Vacancy by Class

Percent of All Vacant Space by Class

Seattle/Puget Sound

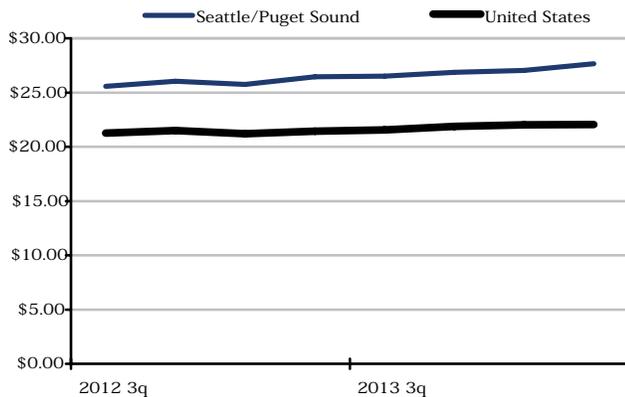
United States



Source: CoStar Property®

U.S. Rental Rate Comparison

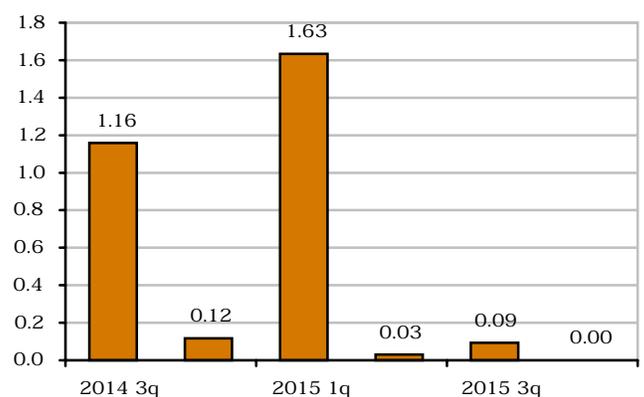
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2014

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	3120 139th Ave SE	I-90 Corridor	144,073	2nd	Boeing	N/A	Broderick Group, Inc.
2	2500 223rd St SE	Bothell/Kenmore	66,000	2nd	Boeing Company	N/A	Colliers International
3	3855 Monte Villa Pky	Bothell/Kenmore	65,586	2nd	Boeing	N/A	Broderick Group, Inc.
4	3180 139th Ave SE	I-90 Corridor	64,762	2nd	Boeing	N/A	Broderick Group, Inc.
5	10700 Northup Way	Kirkland	62,677	1st	Mars Hill Church	Pelluer Property Group	Colliers International
6	1101 2nd Ave	Seattle CBD	62,082	1st	MulvannyG2 Architecture	N/A	JLL
7	1756 114th Ave SE	Suburban Bellevue	53,922	1st	Edifecs	Colliers International	CBRE
8	601 108th Ave NE	Bellevue CBD	44,893	1st	Pokemon International	N/A	N/A
9	1420 5th Ave	Seattle CBD	43,032	2nd	N/A	N/A	CBRE
10	15395 SE 30th Pl	I-90 Corridor	42,106	2nd	N/A	N/A	Broderick Group, Inc.
11	3075 112th Ave NE	520 Corridor	39,034	2nd	Intentional Software	N/A	CBRE
12	1200 6th Ave	Seattle CBD	31,468	1st	Sightlife	N/A	Washington Real Estate Holdings LLC
13	13810 SE Eastgate Way*	I-90 Corridor	30,923	2nd	Healthways, Inc.	N/A	CBRE
14	1309 114th Ave SE	Suburban Bellevue	29,940	1st	City of Bellevue	N/A	CBRE
15	2300 223rd St SE	Bothell/Kenmore	28,411	2nd	Boeing Company	N/A	Colliers International
16	1265 Republican St	Lake Union	26,446	2nd	Amazon.com, Inc.	N/A	Vulcan Inc.
17	8383 158th Ave NE	Redmond	25,728	1st	Accenture	N/A	CBRE
18	83 S King St	Pioneer Sq/Waterfront	24,646	2nd	McGraw-Hill Global Education Holdings	N/A	JLL
19	1102 15th St SW*	Federal Way/Auburn	24,070	1st	IAM/Boeing Joint Programs	N/A	The Andover Company, Inc.
20	19020 33rd Ave W	Edmonds/Lynnwood	22,983	2nd	Radia	N/A	JLL
21	2601 Elliott Ave	Belltown/Denny Regrade	22,910	1st	Zulily	Washington Partners Corp. Real Esta	JLL
22	1301 2nd Ave	Seattle CBD	22,694	1st	Zillow, Inc.	Flinn Ferguson Corporate R.E.	CBRE
23	3180 139th Ave SE	I-90 Corridor	22,662	1st	Lydig Construction	Century Pacific LP	Broderick Group, Inc.
24	999 3rd Ave	Seattle CBD	21,404	2nd	Surf Incubator	N/A	JLL
25	101 Elliott Ave W	Queen Anne/Magnolia	21,148	1st	Tyemill	N/A	Legacy Partners Comm., Inc; CBRE
26	999 3rd Ave*	Seattle CBD	21,000	2nd	Parsons Brinckerhoff Inc.	N/A	Kidder Mathews
27	1501 4th Ave	Seattle CBD	20,983	2nd	Twitter	N/A	JLL
28	415 1st Ave N	Queen Anne/Magnolia	20,000	2nd	Howard S Wright Construction Co.	N/A	Kidder Mathews
29	1100 Oakesdale Ave SW	Renton/Tukwila	19,594	1st	Savers	N/A	CBRE
30	719 2nd Ave	Seattle CBD	16,148	1st	Parametrix	N/A	CBRE
31	1501 4th Ave	Seattle CBD	15,612	2nd	West Monroe Partners	JLL	JLL
32	720 Olive Way	Seattle CBD	14,471	1st	OneOcean Corporation	Washington Partners Corp. Real Esta	Cannon Commercial Real Estate Servi
33	701 5th Ave	Seattle CBD	13,603	1st	Freestone Capital Management	CBRE	CBRE
34	413 Pine St*	Seattle CBD	13,059	2nd	Frog Design Inc.	N/A	Colliers International
35	400 Occidental Ave S	Pioneer Sq/Waterfront	12,272	2nd	Seattle Sounders FC	Colliers International	CBRE
36	1201 3rd Ave	Seattle CBD	11,916	2nd	Wright Runstad & Co.	N/A	JLL
37	3650 131st Ave SE	I-90 Corridor	11,314	2nd	Protingent	N/A	JLL
38	1016 E Pike St	Capitol Hill/Central Dist	10,922	1st	Out of the Closet	N/A	Kidder Mathews
39	10800 NE 8th St	Bellevue CBD	10,736	1st	Pointmarc	N/A	CBRE
40	2505 2nd Ave	Belltown/Denny Regrade	10,731	2nd	DatStat, Inc.	N/A	Colliers International

Source: CoStar Property®

* Renewal

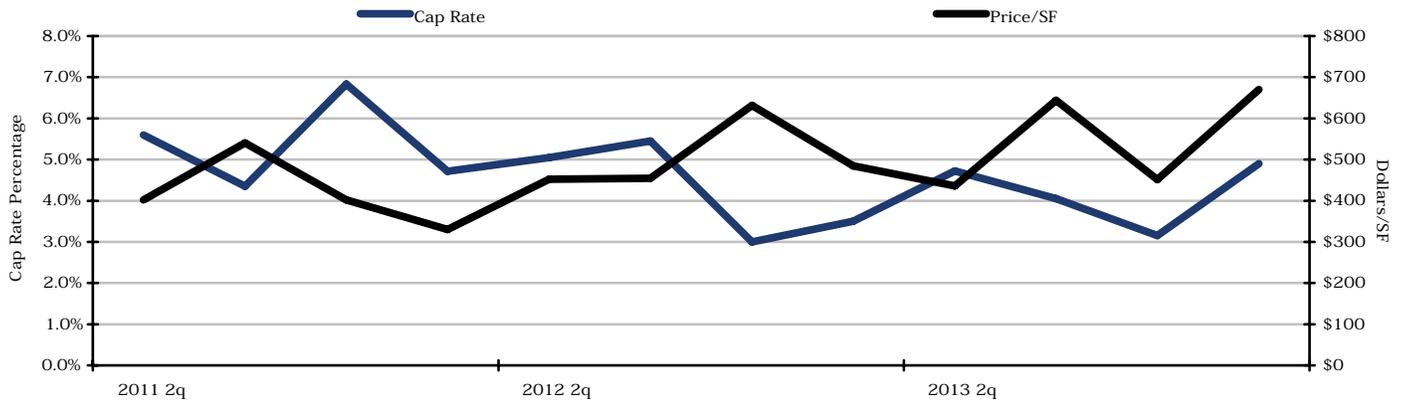
Seattle/Puget Sound Office Market



Sales Activity

The Optimist Sales Index

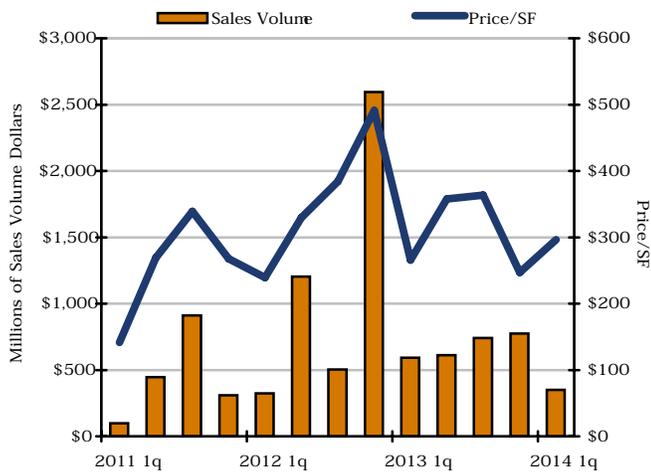
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

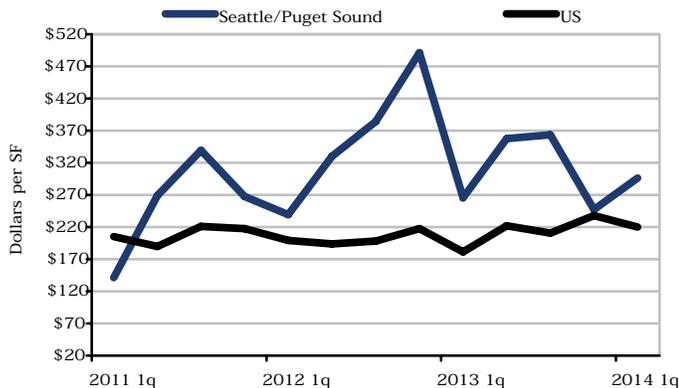
Based on Office Building Sales From April 2013 - March 2014

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	149	1,517,217	\$300,797,808	\$ 198.26	7.44%
50K-249K SF	29	2,923,830	\$790,421,510	\$ 270.34	6.06%
250K-499K SF	6	1,848,280	\$618,340,727	\$ 334.55	5.36%
>500K SF	3	2,534,627	\$926,000,000	\$ 365.34	4.55%

Source: CoStar COMPS®

U.S. Price/SF Comparison

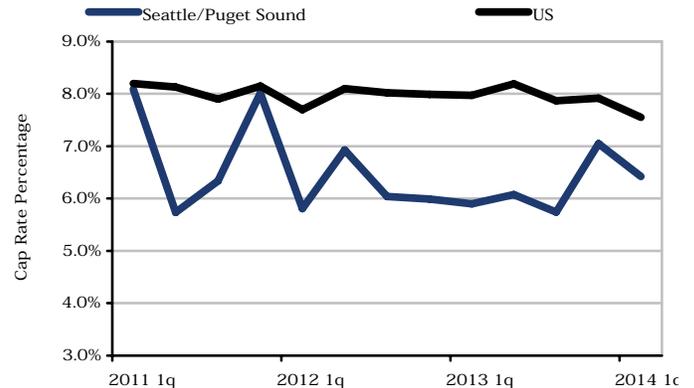
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Select Top Sales

Based on Sales from April 2013 Through June 2014

1. 999 Third (Wells Fargo Center)



Seattle

Price: **\$389,900,000**
 Price/SF: **\$396.40**
 Cap Rate: **4.5%**
 RBA: **983,600**
 Date: **5/31/2013**
 Year Built: **1983**
 Buyer: **Callahan Capital Properties**
 Seller: **Beacon Capital Partners**

2. 1800 Ninth



Seattle

Price: **\$150,375,000**
 Price/SF: **\$476.12**
 Cap Rate: **5%**
 RBA: **315,837**
 Date: **12/23/2013**
 Year Built: **1990**
 Buyer: **Heitman America Real Estate Trust**
 Seller: **The Prudential Realty Group**

3. 401Terry Ave N



Seattle

Price: **\$106,125,000**
 Price/SF: **\$754.77**
 Cap Rate: **5.95%**
 RBA: **140,605**
 Date: **3/13/2014**
 Year Built: **2004**
 Buyer: **Kilroy Realty Corporation**
 Seller: **Vulcan Inc.**

4. 705 Union Station



Seattle

Price: **\$97,893,651**
 Price/SF: **\$379.77**
 Cap Rate: **5.8%**
 RBA: **257,768**
 Date: **8/20/2013**
 Year Built: **2001**
 Buyer: **Unico Properties LLC**
 Seller: **Principal Financial Group**

5. 202 Westlake Ave N



Seattle

Price: **\$97,379,767**
 Price/SF: **\$745.01**
 Cap Rate: **3.8%**
 RBA: **130,710**
 Date: **9/10/2013**
 Year Built: **2013**
 Buyer: **GLL Real Estate Partners, Inc.**
 Seller: **First Western Development Services, Inc.**

6. World Trade Center East



Seattle

Price: **\$74,500,000**
 Price/SF: **\$400.29**
 Cap Rate: **5.65%**
 RBA: **186,117**
 Date: **1/21/2014**
 Year Built: **1999**
 Buyer: **LaSalle Investment Management**
 Seller: **The Blackstone Group**

7. Exchange Bldg



Seattle

Price: **\$66,000,000**
 Price/SF: **\$219.63**
 Cap Rate: **3.7%**
 RBA: **300,508**
 Date: **10/29/2013**
 Year Built: **1929**
 Buyer: **Beacon Capital Partners**
 Seller: **Langley Investment Properties**

8. Central Building



Seattle

Price: **\$34,500,000**
 Price/SF: **\$179.89**
 Cap Rate: **7.3%**
 RBA: **191,784**
 Date: **7/11/2013**
 Year Built: **1907**
 Buyer: **KBS Realty Advisors**
 Seller: **LaSalle Investment Management**

9. 51 University



Seattle

Price: **\$32,500,000**
 Price/SF: **\$337.13**
 Cap Rate: **N/A**
 RBA: **96,402**
 Date: **5/15/2013**
 Year Built: **1918**
 Buyer: **Unico Properties LLC**
 Seller: **Equity Residential**

Seattle/Puget Sound Office Market

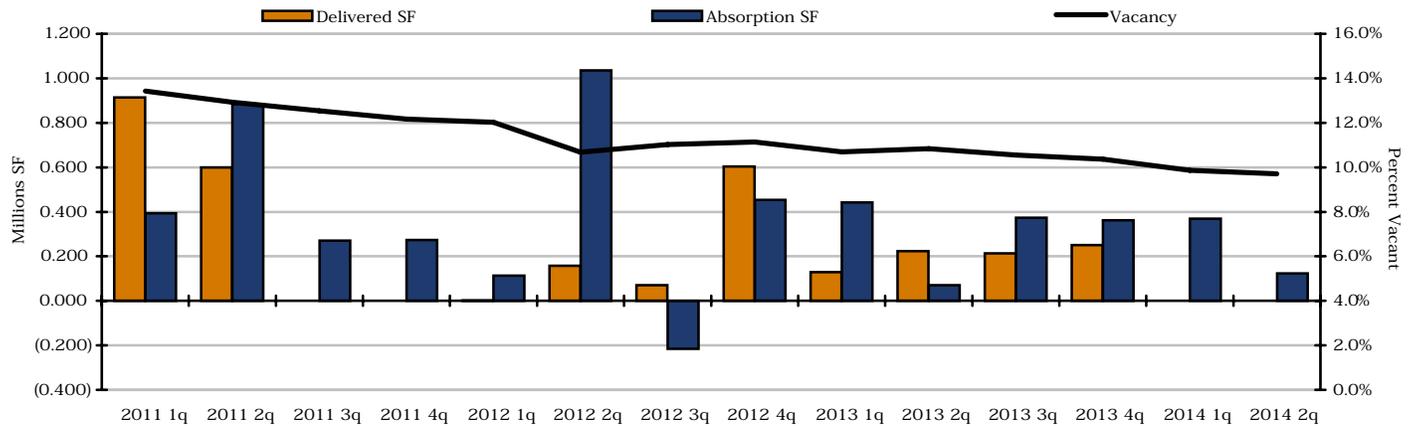


Downtown Seattle Market

Market Highlights – Class “A, B & C”

DELIVERIES, ABSORPTION & VACANCY

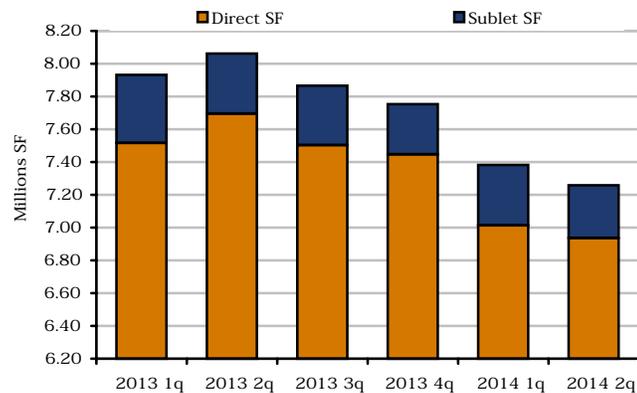
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

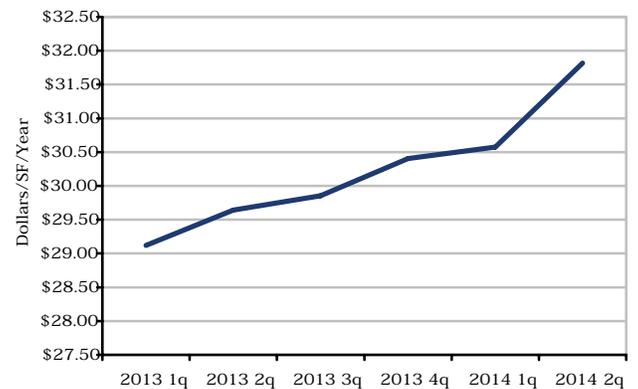
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



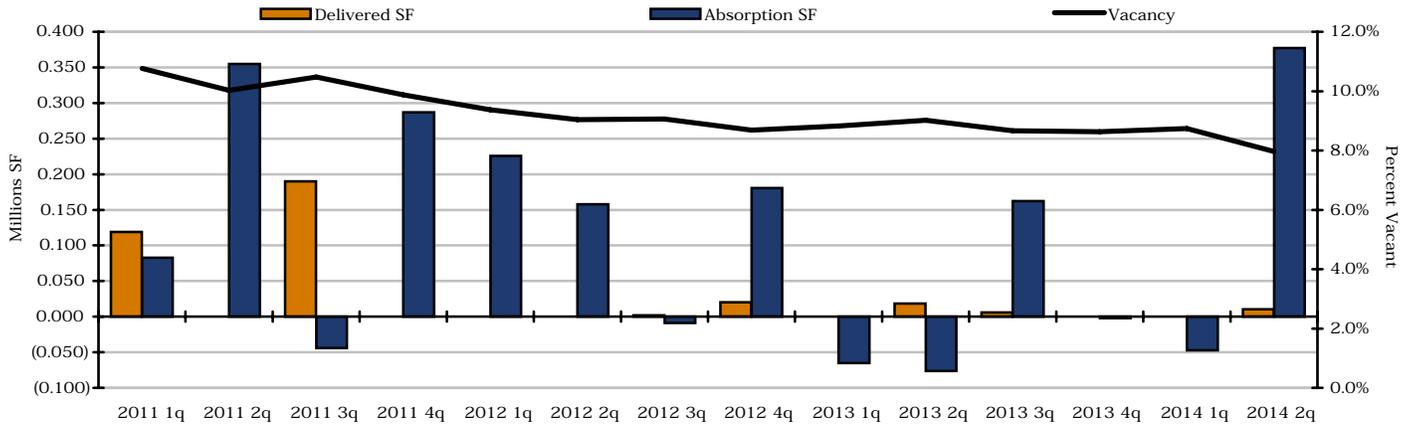
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 2q	1,713	74,790,230	7,257,693	9.7%	123,199	0	0	10	3,483,967	\$31.82
2014 1q	1,714	74,791,694	7,382,356	9.9%	369,109	0	0	8	2,869,967	\$30.58
2013 4q	1,715	74,794,190	7,753,961	10.4%	362,650	3	250,670	7	2,502,069	\$30.40
2013 3q	1,712	74,543,520	7,865,941	10.6%	374,052	3	213,710	7	1,388,095	\$29.85
2013 2q	1,711	74,366,126	8,062,599	10.8%	70,137	2	222,782	7	564,380	\$29.64
2013 1q	1,710	74,165,557	7,932,167	10.7%	442,018	3	129,700	7	674,094	\$29.12
2012 4q	1,708	74,041,230	8,249,858	11.1%	454,157	3	604,292	8	690,794	\$28.82
2012 3q	1,705	73,436,938	8,099,723	11.0%	(216,040)	1	70,000	11	1,295,086	\$27.90
2012 2q	1,706	73,386,386	7,833,131	10.7%	1,035,568	1	157,816	11	1,316,203	\$27.44
2012 1q	1,709	73,331,000	8,813,313	12.0%	112,889	1	1,900	10	1,453,319	\$26.91
2011 4q	1,708	73,329,100	8,924,302	12.2%	273,071	0	0	10	1,324,509	\$27.83
2011 3q	1,709	73,332,177	9,200,450	12.5%	270,882	0	0	7	1,002,178	\$27.05
2011 2q	1,710	73,343,837	9,482,992	12.9%	883,816	2	600,000	5	882,178	\$27.15
2011 1q	1,708	72,743,837	9,766,808	13.4%	393,394	5	914,419	5	1,306,379	\$26.98
2010 4q	1,704	71,841,418	9,257,783	12.9%	552,200	3	100,579	9	1,880,235	\$27.68
2010 3q	1,702	71,761,599	9,730,164	13.6%	328,915	3	177,741	12	1,980,814	\$27.60

Source: CoStar Property®

DELIVERIES, ABSORPTION & VACANCY

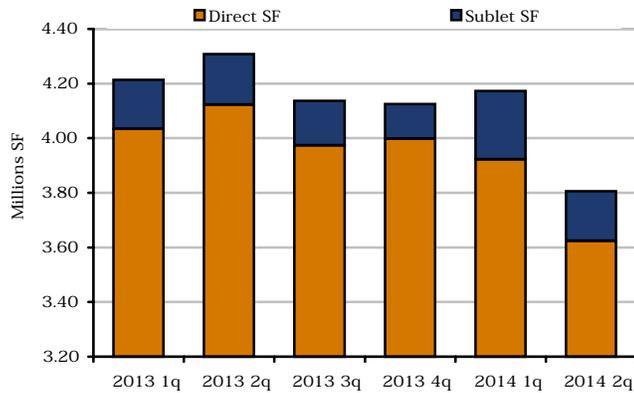
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

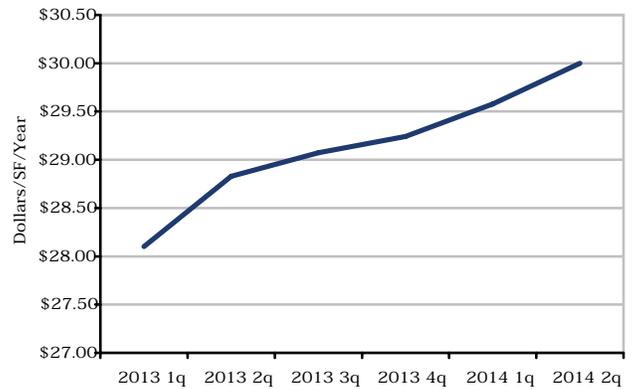
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 2q	1,416	47,770,404	3,805,557	8.0%	377,238	1	10,400	1	180,000	\$30.00
2014 1q	1,415	47,760,004	4,172,395	8.7%	(47,239)	0	0	2	190,400	\$29.58
2013 4q	1,415	47,760,004	4,125,156	8.6%	(2,090)	0	0	2	190,400	\$29.24
2013 3q	1,416	47,774,074	4,137,136	8.7%	162,372	1	5,787	1	10,400	\$29.07
2013 2q	1,417	47,782,645	4,308,079	9.0%	(76,112)	1	18,414	1	5,787	\$28.83
2013 1q	1,416	47,764,231	4,213,553	8.8%	(65,360)	0	0	2	24,201	\$28.10
2012 4q	1,416	47,764,231	4,148,193	8.7%	180,554	2	20,342	2	24,201	\$28.32
2012 3q	1,416	47,764,938	4,329,454	9.1%	(8,987)	1	1,900	3	38,756	\$28.35
2012 2q	1,415	47,763,038	4,318,567	9.0%	157,784	0	0	3	22,242	\$28.09
2012 1q	1,415	47,763,038	4,476,351	9.4%	225,674	0	0	3	22,242	\$27.64
2011 4q	1,416	47,779,386	4,718,373	9.9%	287,054	0	0	2	17,860	\$27.44
2011 3q	1,416	47,779,386	5,005,427	10.5%	(44,191)	1	190,000	1	1,900	\$27.07
2011 2q	1,415	47,589,386	4,771,236	10.0%	354,667	0	0	1	190,000	\$27.28
2011 1q	1,415	47,589,386	5,125,903	10.8%	82,844	2	119,136	1	190,000	\$27.48
2010 4q	1,413	47,470,250	5,089,611	10.7%	144,793	2	87,104	3	309,136	\$27.60
2010 3q	1,411	47,383,146	5,147,300	10.9%	66,039	2	116,306	5	396,240	\$27.25

Source: CoStar Property®

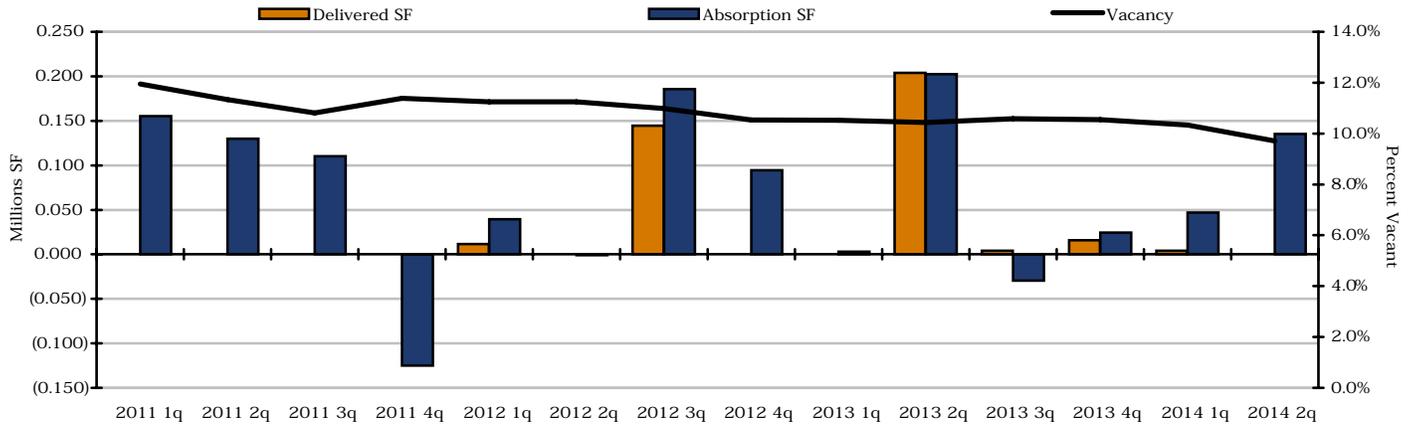
Seattle/Puget Sound Office Market



Northend Market Market Highlights – Class “A, B & C”

DELIVERIES, ABSORPTION & VACANCY

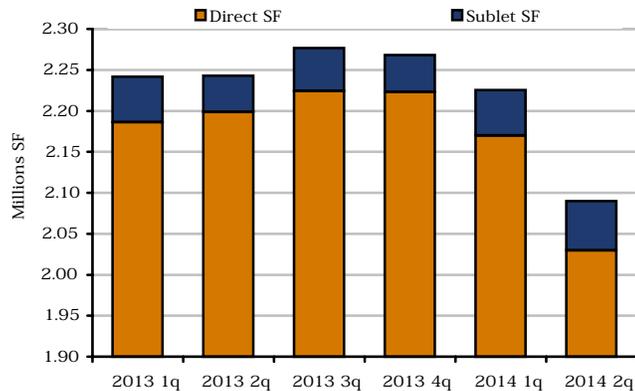
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

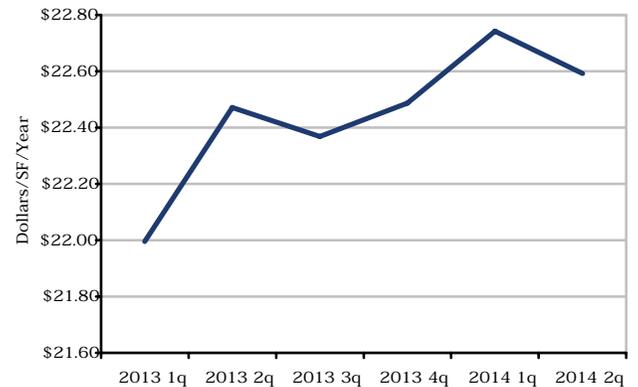
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



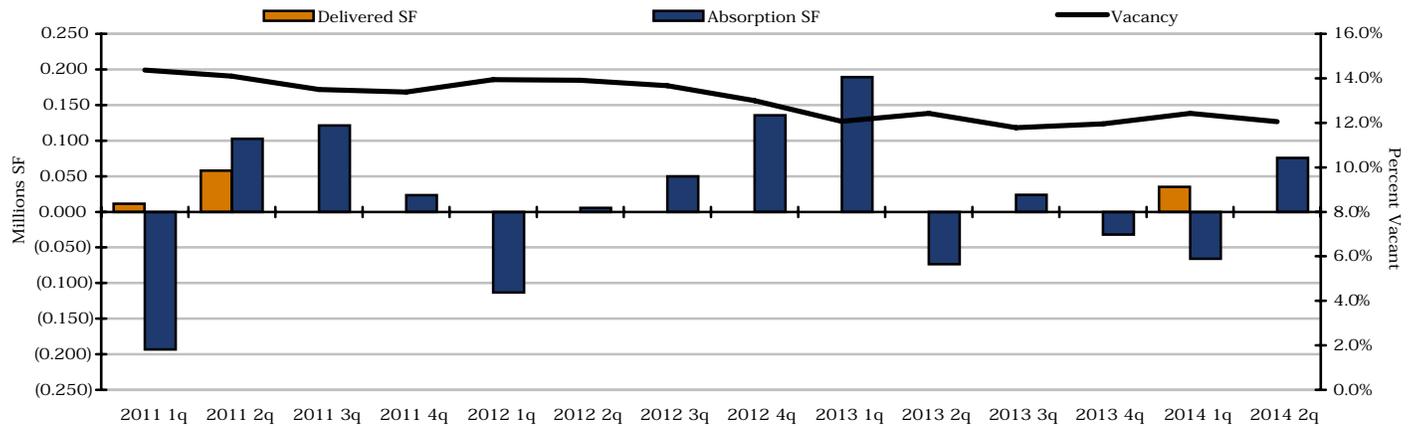
Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 2q	1,514	21,521,270	2,090,027	9.7%	135,287	0	0	0	0	\$22.59
2014 1q	1,514	21,521,270	2,225,314	10.3%	46,967	1	4,000	0	0	\$22.74
2013 4q	1,513	21,517,270	2,268,281	10.5%	24,345	1	15,978	1	4,000	\$22.49
2013 3q	1,512	21,501,292	2,276,648	10.6%	(29,561)	1	4,000	2	19,978	\$22.37
2013 2q	1,511	21,497,292	2,243,087	10.4%	202,508	2	204,000	3	23,978	\$22.47
2013 1q	1,509	21,293,292	2,241,595	10.5%	2,856	0	0	5	227,978	\$22.00
2012 4q	1,509	21,293,292	2,244,451	10.5%	94,337	0	0	4	212,000	\$22.10
2012 3q	1,509	21,293,292	2,338,788	11.0%	185,546	2	144,563	3	208,000	\$21.93
2012 2q	1,507	21,148,729	2,379,771	11.3%	(928)	0	0	4	328,563	\$21.73
2012 1q	1,507	21,148,729	2,378,843	11.2%	39,520	2	11,529	3	324,563	\$21.81
2011 4q	1,506	21,138,219	2,407,853	11.4%	(124,864)	0	0	4	156,092	\$21.45
2011 3q	1,507	21,140,099	2,284,869	10.8%	110,199	0	0	3	93,021	\$21.97
2011 2q	1,507	21,140,099	2,395,068	11.3%	129,791	0	0	2	11,529	\$21.84
2011 1q	1,507	21,140,099	2,524,859	11.9%	155,285	0	0	0	0	\$22.00
2010 4q	1,508	21,151,349	2,691,394	12.7%	(3,042)	0	0	0	0	\$22.04
2010 3q	1,508	21,151,349	2,688,352	12.7%	120,895	0	0	0	0	\$22.12

Source: CoStar Property®

DELIVERIES, ABSORPTION & VACANCY

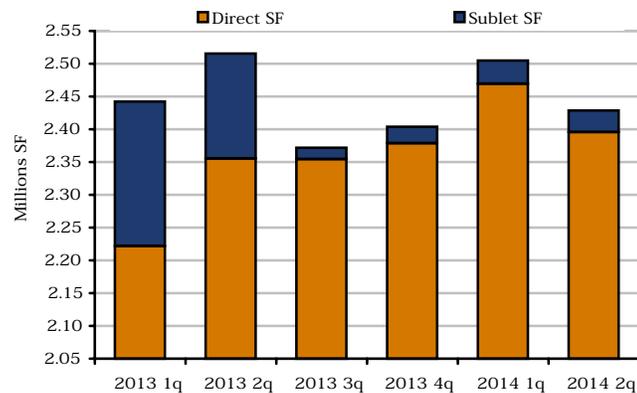
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

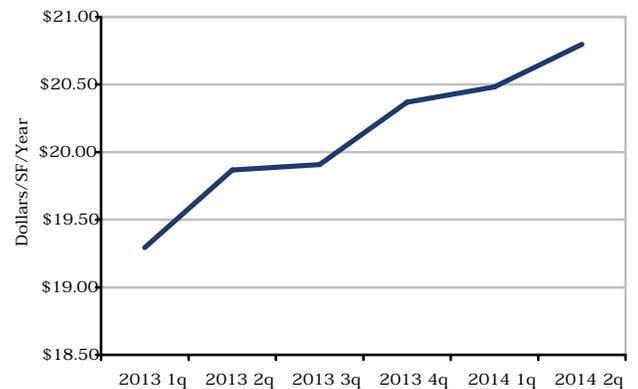
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 2q	1,058	20,156,567	2,428,857	12.0%	75,775	0	0	0	0	\$20.80
2014 1q	1,058	20,156,567	2,504,632	12.4%	(65,808)	1	35,000	0	0	\$20.48
2013 4q	1,057	20,121,567	2,403,824	11.9%	(32,028)	0	0	1	35,000	\$20.37
2013 3q	1,057	20,121,567	2,371,796	11.8%	23,728	0	0	1	35,000	\$19.91
2013 2q	1,058	20,241,567	2,515,524	12.4%	(73,460)	0	0	1	35,000	\$19.87
2013 1q	1,058	20,241,567	2,442,064	12.1%	189,379	0	0	0	0	\$19.29
2012 4q	1,058	20,241,567	2,631,443	13.0%	135,663	0	0	0	0	\$19.76
2012 3q	1,058	20,241,567	2,767,106	13.7%	50,024	0	0	0	0	\$19.56
2012 2q	1,058	20,241,567	2,817,130	13.9%	5,563	0	0	0	0	\$19.55
2012 1q	1,058	20,241,567	2,822,693	13.9%	(113,121)	0	0	0	0	\$19.59
2011 4q	1,058	20,241,567	2,709,572	13.4%	23,598	0	0	0	0	\$19.69
2011 3q	1,058	20,241,567	2,733,170	13.5%	121,512	0	0	0	0	\$19.49
2011 2q	1,058	20,241,567	2,854,682	14.1%	102,469	1	57,768	0	0	\$19.64
2011 1q	1,057	20,183,799	2,899,383	14.4%	(193,071)	1	11,260	1	57,768	\$19.73
2010 4q	1,056	20,172,539	2,695,052	13.4%	(93,892)	0	0	2	69,028	\$20.19
2010 3q	1,056	20,172,539	2,601,160	12.9%	152,200	1	12,052	2	69,028	\$20.14

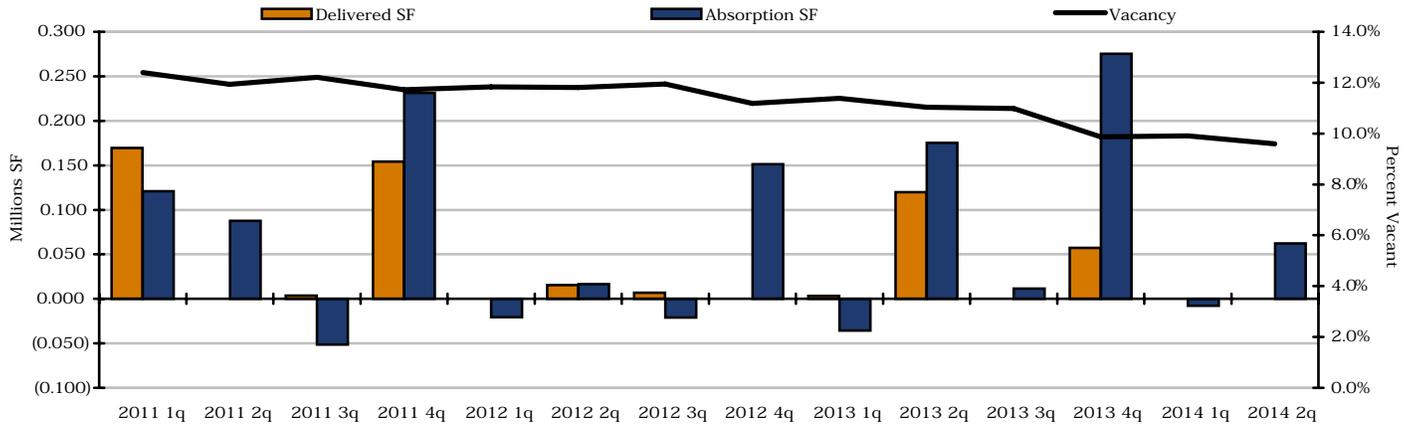
Source: CoStar Property®

Seattle/Puget Sound Office Market

Tacoma Market Market Highlights – Class “A, B & C”

DELIVERIES, ABSORPTION & VACANCY

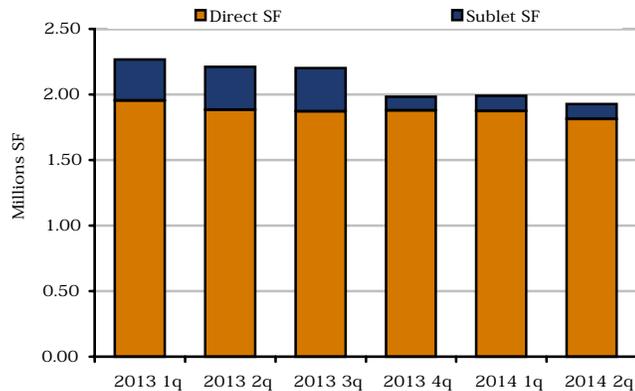
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

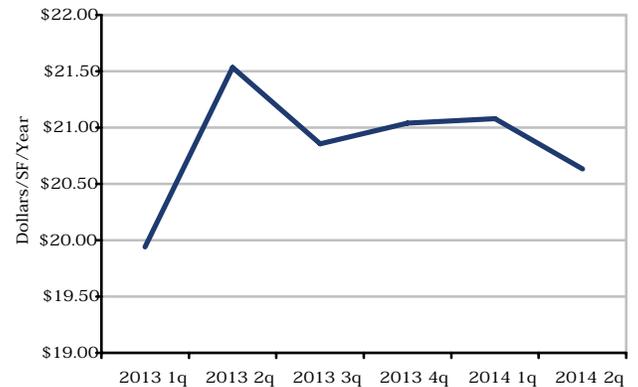
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2014 2q	1,898	20,093,830	1,928,171	9.6%	62,219	0	0	0	0	\$20.63
2014 1q	1,898	20,093,830	1,990,390	9.9%	(7,925)	0	0	0	0	\$21.08
2013 4q	1,898	20,093,830	1,982,465	9.9%	275,301	1	57,350	0	0	\$21.04
2013 3q	1,897	20,036,480	2,200,416	11.0%	11,588	0	0	1	57,350	\$20.86
2013 2q	1,897	20,036,480	2,212,004	11.0%	175,350	1	120,000	1	57,350	\$21.53
2013 1q	1,896	19,916,480	2,267,354	11.4%	(35,689)	1	3,372	2	177,350	\$19.94
2012 4q	1,895	19,913,108	2,228,293	11.2%	151,426	0	0	3	180,722	\$21.48
2012 3q	1,895	19,913,108	2,379,719	12.0%	(21,044)	1	6,813	2	123,372	\$21.21
2012 2q	1,894	19,906,295	2,351,862	11.8%	16,600	1	15,470	3	130,185	\$21.22
2012 1q	1,893	19,890,825	2,352,992	11.8%	(20,556)	0	0	3	142,283	\$20.80
2011 4q	1,893	19,890,825	2,332,436	11.7%	231,211	3	154,045	3	142,283	\$20.86
2011 3q	1,890	19,736,780	2,409,602	12.2%	(51,353)	1	3,600	5	289,515	\$19.80
2011 2q	1,889	19,733,180	2,354,649	11.9%	87,658	0	0	5	277,645	\$19.86
2011 1q	1,890	19,736,880	2,446,007	12.4%	120,773	3	169,644	4	157,645	\$21.05
2010 4q	1,887	19,567,236	2,397,136	12.3%	(61,861)	0	0	6	312,503	\$20.63
2010 3q	1,887	19,567,236	2,335,275	11.9%	(22,120)	3	45,031	3	169,644	\$20.70

Source: CoStar Property®