

# SEATTLE OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Tech Keeps Emerald City Shining



Seattle continued its hot streak in 2018, and its booming technology sector only strengthened its role as a vital element in the market's economy. However, the city requires significant infrastructure upgrades in order to further sustain its growth. Projects such as the Highway 99 tunnel are meant to make sure that Seattle copes with the influx of new residents into the city. Companies and their employees prefer transit-oriented developments such as those taking shape in Bellevue's Spring District, which will be centered around the future East Link Extension.

Some 21,000 office-using jobs were added in the 12 months ending in October. The biggest leap was recorded in the information sector, as companies such as Facebook and Google continued to expand. Smaller companies are competing for space in urban submarkets as they look to capitalize on their proximity to these tech giants. Elsewhere, Alaska Air Group plans to add 3,000 new jobs in the coming quarters, while Expedia announced 4,000 new employees at its future 40-acre campus in Seattle's Central Business District. Looking ahead, rents are expected to rise as the demand for quality space stays high, especially in pricey submarkets such as Lake Union, where the average asking rate was \$55.25 per square foot.

Nearly 6 million square feet was under construction as of December. Roughly half of the space being built in Seattle has already been locked up in pre-leasing. The 620,000-square-foot 333 Dexter Ave., the metro's largest project underway, is already pre-leased to Amazon.