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Pioneer Square lands Nuance Communications

By Journal Staff

Beleaguered Pioneer Square got a boost yesterday when Nuance Communications said it will lease 46,000 square feet of space in Starbucks' new office building.

The lease brings the two-building, 500,000-square-foot property at 83 King St. and 505 First Ave. S., to about 50 percent leased, according to Starbucks' real estate representatives, Craig Kinzer and Jim Allison of Kinzer Real Estate. Nuance is taking space in 505 First.

Massachusetts-based Nuance acquired some companies in the Puget Sound area and will be consolidating three offices into one. Kinzer and Allison were not sure how much space the company will vacate but said it's less than the size of the new space.

Rod Keefe of GVA Kidder Mathews and Michael Morris of Newmark Knight Frank negotiated the lease for Nuance, which makes voice recognition and other products people use when they call automated systems to get information.

Allison said Nuance signed a 10-year deal. He declined to give the rental rate, and the asking rate is not listed on officespace.com. Average rents for Class A space in Pioneer Square are in the mid \$20s, including expenses, with new buildings getting higher rents, Kinzer said.

Since 2009, Kinzer Real Estate and Starbucks have filled more than 220,000 square feet of office space in Pioneer Square. "This is the untold story," Kinzer said.

In 2008, after announcing it was laying off 550 non-store employees, Starbucks put the 505 First/83 King property up for sale and lease. It was a major blow to the neighborhood, which has had its share of bad luck over the last decade. Another setback came earlier this year when Elliott Bay Book Co. moved to Capitol Hill. Other smaller retailers also are leaving.

While the area is perceived to be unsafe, Kinzer said police stats indicate the crime rate in Pioneer Square is about the same as Wallingford's.

Allison said he's seeing more interest in Pioneer Square from a range of large companies.

Kinzer said his company is no longer actively marketing 83 King and 505 First for sale, but is receiving and reviewing offers.

The Nuance lease is a sizeable transaction in this environment. Allison said: "46,000 is the new (80,000)."

<http://www.djc.com/news/re/12018527.html?cgi=yes>