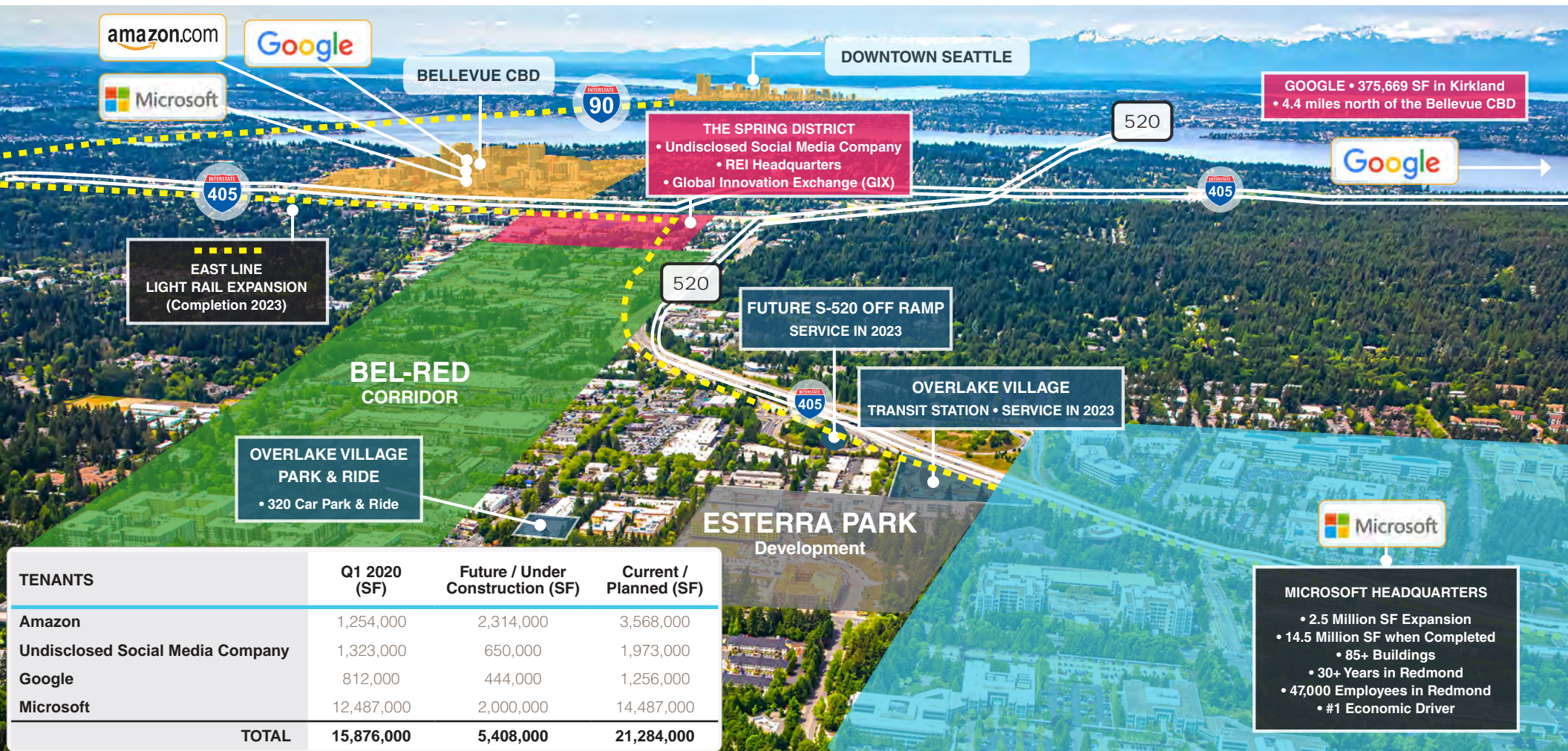


Eastside Market

Overview

The Eastside used to be a two-trick pony with Microsoft in Redmond and Boeing on I-90, but it has changed dramatically. Microsoft branched outside of Redmond and other large tech firms are establishing a significant footprint in the area. Google planted a flag in Kirkland, Amazon in downtown Bellevue, and an undisclosed social media company in Bellevue and Redmond. This massive expansion has led to vacancy decreasing in these submarkets, and a ripple effect of increased rental rates and limited blocks of available space throughout the Eastside. Of the total **50.5M SF of Eastside office space**, the **vacancy rate sits at 4.2%** and continues to decrease. Due to limited speculative development (approximately **146,000 SF of spec projects are currently under construction**), and large tech firms including Amazon (Summit III), an undisclosed social media company (Spring District Block 16 & 24) and Microsoft (Esterra Park) preleasing **95% of the total 3.3M SF under construction**, the Eastside will remain a competitive market for the foreseeable future.



Eastside Market

Major Tenants and Market Growth

Five years ago, Expedia announced it was relocating its headquarters to Seattle, at the same time that three new office towers were nearing completion. There were also rumors around that time that Microsoft might be reducing its footprint in the Bellevue CBD and consolidating at its Redmond campus. Microsoft ultimately renewed its leases in the submarket, Expedia kept a large satellite office at Skyline Tower, and Amazon backfilled more than 400,000 SF of Expedia space in Tower 333. Centre 425, Lincoln Square South, and 929 Office Tower were all stabilized shortly after delivery. The forecast for downtown Bellevue was a little bleak for about 3-6 months, but then it became obvious the market was going to be supply-constrained and more development would be needed.

5-YEAR GROWTH

	YE 2015	Q1 2020
Amazon	0	1,254,000
Undisclosed Social Media Company	0	1,323,000
Google	376,000	812,000
Microsoft	12,049,000	12,487,000
TOTAL	12,425,000	15,876,000
TOTAL OFFICE INVENTORY*	48,532,000	50,554,000
	YE 2015	Q1 2020
Major Tech Tenant % of Eastside SF	26%	31%

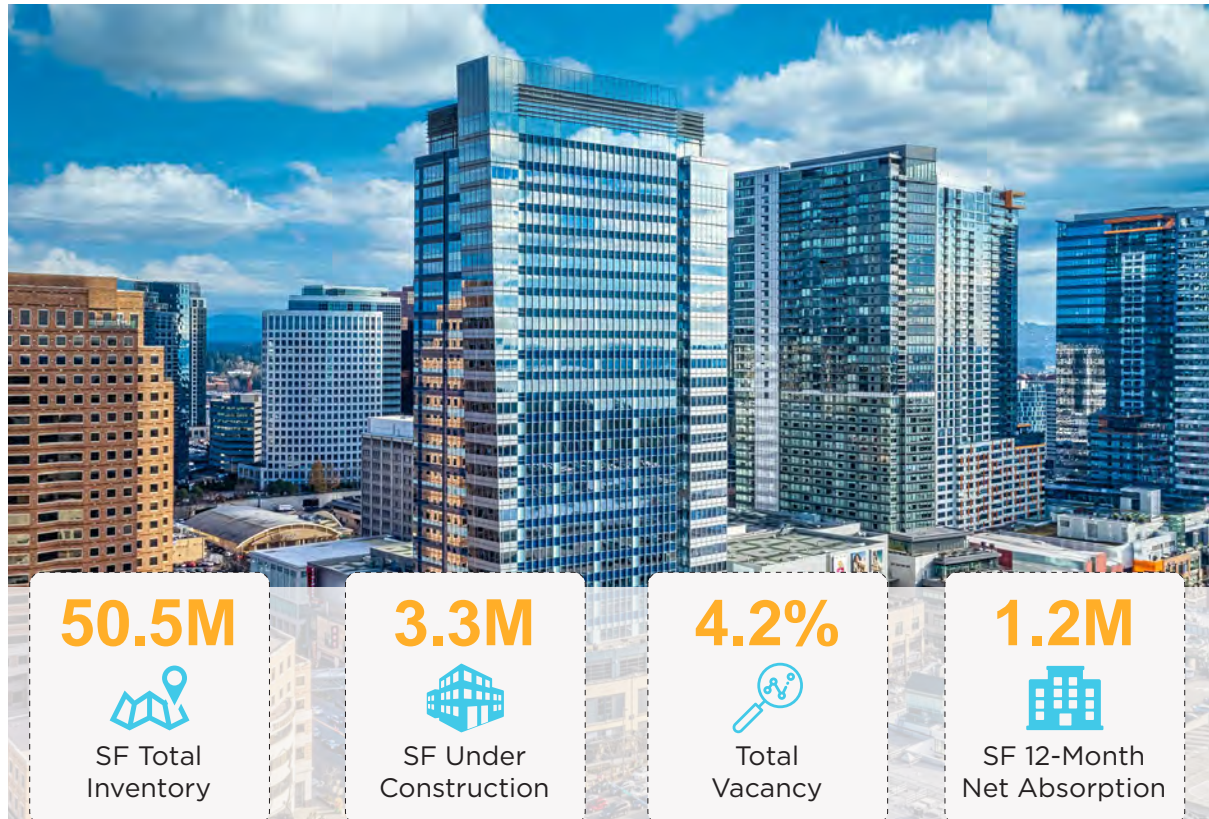
* Eastside inventory excludes East King County submarket; includes all office classes.

** Amazon, Microsoft, Google and an Undisclosed Social Media Company.

We expect the major tech tenants' percentage of the market to be over 35% by the end of 2020.

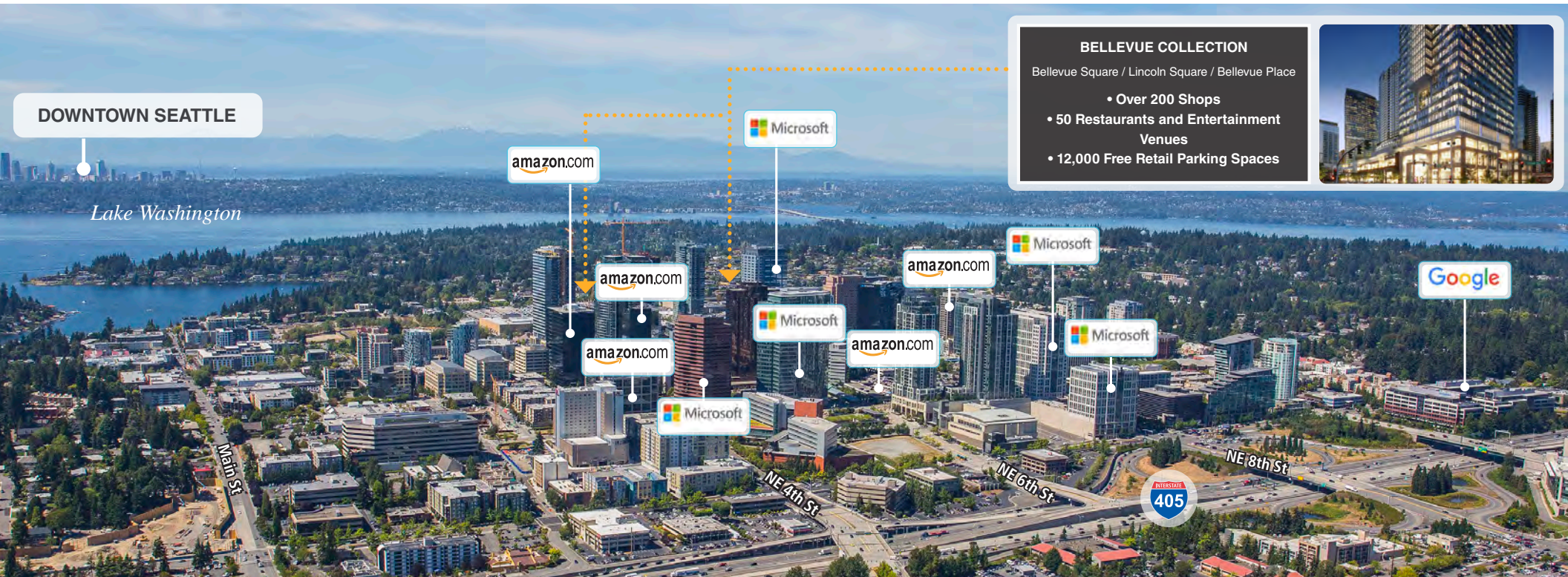


EASTSIDE MAJOR TENANTS



Eastside Market

Bellevue CBD



DOWNTOWN SEATTLE

Lake Washington

amazon.com

amazon.com

amazon.com

Microsoft

NE 4th St

Microsoft

Microsoft

amazon.com

amazon.com

Microsoft

Microsoft

NE 6th St

INTERSTATE 405

NE 8th St

Google

BELLEVUE COLLECTION

Bellevue Square / Lincoln Square / Bellevue Place

- Over 200 Shops
- 50 Restaurants and Entertainment Venues
- 12,000 Free Retail Parking Spaces



The major tech tenants in the Bellevue CBD (Amazon, Google, Microsoft, and an Undisclosed Social Media Company) collectively occupy 5.5M SF of space, 50% of the downtown occupancy

3.7%

Bellevue CBD Vacancy

Total Inventory	11,009,000 SF
Total Vacancy	408,000 SF
Average Asking Rates	\$52.94
12-Month Net Absorption	713,000 SF

Downtown Bellevue has been transformed by three major trends, namely the continued growth of the Bellevue Collection, the development of major residential projects and tech tenants occupying space in the market.

While the impact of COVID-19 may remain uncertain, the Eastside market is seeing unprecedented leasing and preleasing activity by tech firms who have thrived during this pandemic. These tenants, Amazon, Google, Microsoft, and an undisclosed social media company, provide a stable foundation on the Eastside and precipitate continued growth especially as their industry peers look to establish a presence in the area.