



## Renton / Tukwila Significant Growth Opportunities

# Renton / Tukwila

## Submarket Fundamentals

### TOP EMPLOYERS

Renton/Tukwila is the largest submarket in the Southend. Its proximity to the Seattle and Bellevue CBDs, as well as the warehouse market in Kent, makes it the ideal location for back office operations. Some of the largest tenants in this submarket are BECU, UW Medicine (Valley Medical Center), and Wizards of the Coast.

Renton/Tukwila has traditionally been the strongest of the Southend submarkets. Unfortunately, due to a series of events, namely Boeing downsizing, the FAA relocating, and the development of Southport, the vacancy rate has gone from 8.7% to 17.4% in the last five years. It is one of only nine submarkets in the region where vacancy increased in that period, with only Mercer Island experiencing a larger jump.

There are two ways of looking at the above vacancy trend; the Renton/Tukwila submarket is either in trouble or this is an opportunity for it to rebound. We believe that the market is ripe for an improvement for three reasons. First, the reason that this submarket has traditionally been the strongest submarket in the Southend is its proximity to Seattle and the Eastside, and that is still true. Second, we think that post-Covid tenant demand in the suburbs will be stronger, as companies decide they need less space in dense urban areas. Third and most importantly, the Southend has an abundance of large and inexpensive blocks of space.

Concerning the large blocks of space, the fact that Renton/Tukwila has three times as many 50,000 SF blocks of space as the Eastside, which has only 314K SF of such spaces, and almost as many large blocks as the Seattle CBD, which has 2.2M SF of space, is quite surprising. Equally surprising is that nine submarkets saw their vacancy rate increase over the last five years with Renton/Tukwila being in the top three along with Mercer Island and Vashon/Maury Island.

9



Tenants Occupying  
100K+ SF

161K



SF Office Under  
Construction

165K



SF Industrial Under  
Construction

3.7%



Industrial  
Vacancy Rate

17.4%



Office  
Vacancy Rate

126K



2020  
Population

14.2%



2010-2020  
Population Growth

BECU

UW Medicine  
VALLEY  
MEDICAL CENTER

Port  
of Seattle



KAISER  
PERMANENTE

PROVIDENCE  
Health & Services

UNITED  
WAREHOUSES

### Rent and Vacancy

Submarket	Vacancy	Direct Gross Rent
Renton/Tukwila	17.4%	\$34.49
Seattle CBD	7.8%	\$49.71
Bellevue CBD	3.7%	\$55.18

### Largest Available Contiguous Spaces, 50K+ SF

Building	Available SF
Southport 1, 2 & 3	713,000
Triton Tower Two	108,000
1601 Lind	191,000
Duwamish Towers	167,000
Riverfront Tech Park	84,000
Offices at Intergate	81,000
Valley Medical Pavillion	60,000
<b>Total</b>	<b>1,405,000</b>

### Available Contiguous Space, 50K+ SF

Submarket	# Buildings	SF
Renton/Tukwila	9	1,405,000
Seattle CBD	12	2,195,000
Eastside	3	313,000
Northend	2	181,000

# Renton / Tukwila

## Excellent Access and Affordability

Renton/Tukwila provides a skilled workforce, affordable real estate, available space and superior access to regional employment hubs. The area is home to global industry leaders as well as numerous home grown companies.



Photo Source: Southcenter Pedestrian Bridge iStock image



Photo Source: Gene Coulan Beach iStock image



Photo Source: Sound Transit iStock image



Photo Source: [https://en.wikipedia.org/wiki/File:Boeing\\_Renton\\_Plant.jpg](https://en.wikipedia.org/wiki/File:Boeing_Renton_Plant.jpg)

### LEGEND



#### Drive Times

- To Seattle: 16 minutes
- To SeaTac: 7 minutes
- To Bellevue: 18 minutes



#### Light Rail Times

- To Seattle: 38 minutes
- To SeaTac: 3 minutes
- To Bellevue: 47 minutes

Southcenter Pedestrian Bridge  
Gene Coulan Beach  
Sound Transit Station  
Boeing Renton Plant

King County

AMTRAK

SOUNDTRANSIT

BOEING

