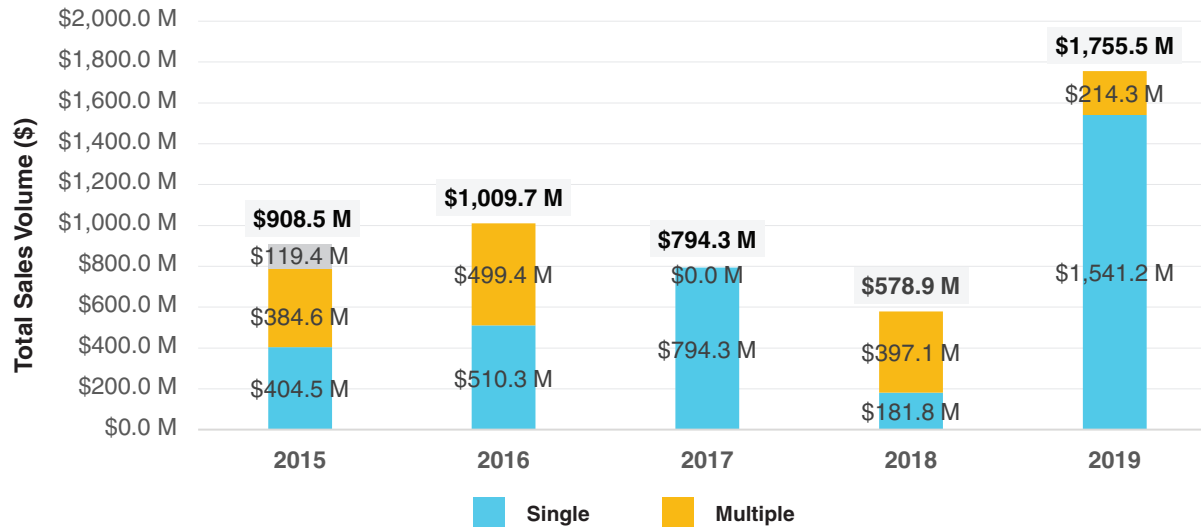


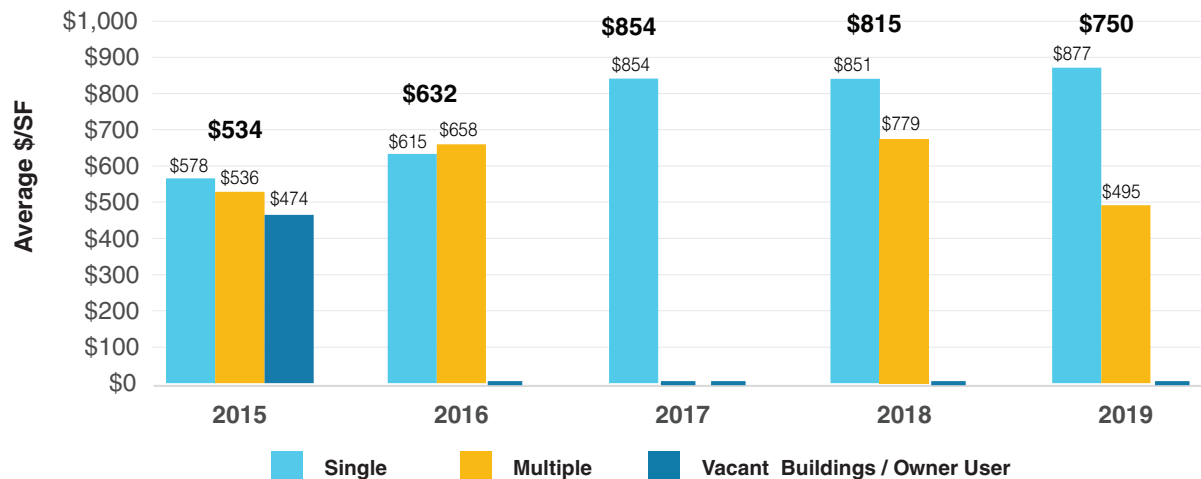
Lake Union

Sale Trends

5-Year Sales Volume: Average \$/SF: Single vs. Multiple Tenancy



Average \$/SF: Single vs. Multiple Tenancy

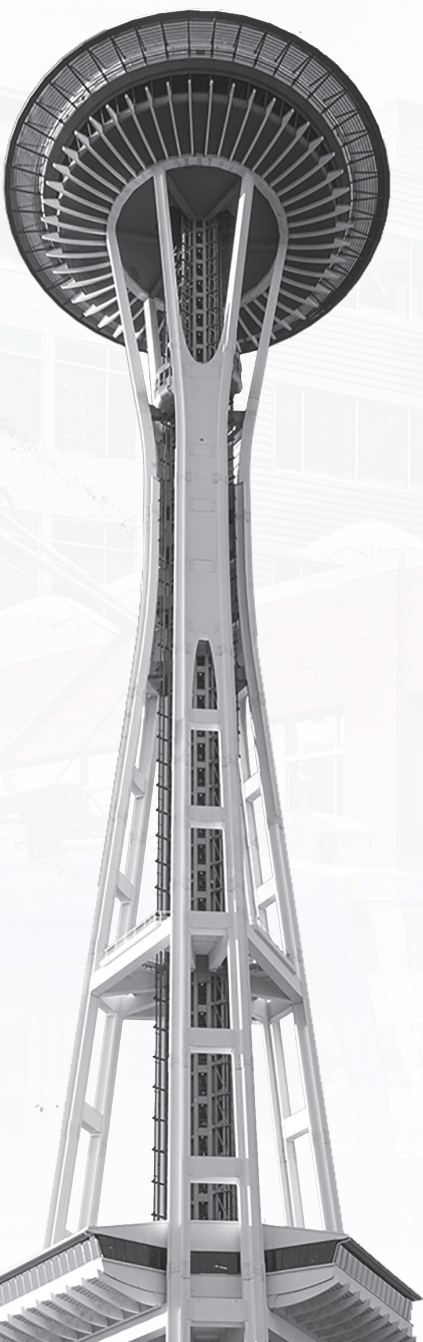


Lake Union has been a top performing submarket in the region for the last decade, from a leasing, development, and investment sales perspective. An average of more than \$1.0 billion in office sales have occurred annually from 2015-2019. Last year saw a record of \$1.75 billion in office property trade hands, which accounted for 20.2% of all volume in the metro area. The vast majority of recent activity has involved single-tenant buildings occupied by the most valuable tech firms in the world.



Lake Union

Pricing Trends



The first \$700/sf office sale in Seattle happened in Lake Union in 2013. Since that transaction, an additional 32 sales have closed above that threshold. **55% of all \$700/sf sales in the region have occurred in Lake Union, and it is the only submarket with multiple \$900/sf deals** (6 deals). Seattle has cemented its position as a top-10 market globally throughout the cycle, and as such, foreign capital has flocked to the area. However, the majority of large transactions in the market still include domestic buyers.

Trades in last 5 years

16	8	6	1
> \$700 / SF	> \$800 / SF	> \$900 / SF	> \$1,000 / SF

Pricing	\$842 / SF Average price	\$850 / SF Most recent price
Cap Rate	4.59% Average cap rate	4.50% Most recent cap rate
Buyers	5 Foreign	11 Domestic

Major Occupiers in Buildings that traded for \$700/SF

amazon.com	SOCIAL MEDIA COMPANY	+tableau
OCCUPIED	OCCUPIED	OCCUPIED
10	2	1
BUILDINGS	BUILDINGS	BUILDING

\$1,067



Highest price/SF
(Arbor Blocks)

58.6%



Average pricing
premium over Seattle
metro area

4.97%



Market cap rate is 56
bps less than Seattle
metro area

SEATTLE



*Lake Union
is the only
submarket in
Seattle to pass
the \$1,000/sf
threshold*

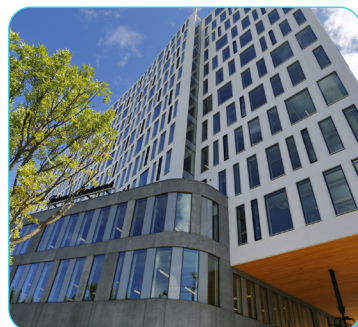
Lake Union

Major Transactions



Troy Block

300 Boren Ave N
812,000 SF
\$740,000,000



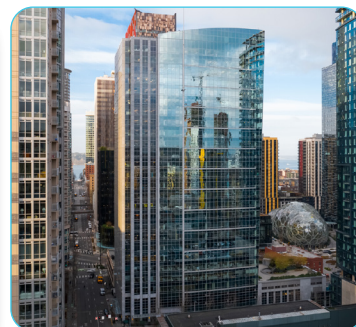
400 Fairview

400 Fairview Ave N
341,868 SF
\$338,400,000



Dexter Station

1101 Dexter Ave N
345,992 RSF
\$286,000,000



West 8th

2001 8th Ave
516,958 RSF
\$370,000,000



Amazon Phase VI

515 Westlake Ave N
349,578 RSF
\$299,000,000

2019

2018

2017

2016

2015

Major Transactions 2015 - 2019

Property	Sale Date	Size (SF)	Sale Price \$/SF	Cap Rate	Buyer	Seller	Comments
Troy Block 300 Boren Ave N	Mar-2019	812,000	\$740,000,000 \$911	4.30%	Ponte Gadea	USAA + Touchstone	• 100% leased to Amazon for 16 years
400 Fairview 400 Fairview Ave N	Jul-2018	341,868	\$338,400,000 \$990	4.35%	Pembroke	TH Real Estate + Skanska	• 100% leased at time of sale • Acquired for \$234.9M in December 2015
Dexter Station 1101 Dexter Ave N	May-2017	345,992	\$286,000,000 \$827	4.40%	Tristar Capital + RFR Realty	Stockbridge + Capstone	• 100% leased to Facebook for 11 years
West 8th 2001 8th Ave	Feb-2016	516,985	\$370,000,000 \$716	4.20%	DWS	AEW	• 98% leased at time of sale • 62% occupied by Amazon
Amazon Phase VI 515 Westlake Ave N	Dec-2015	394,578	\$299,000,000 \$758	4.25%	Metzler + Union Investment	Vulcan	• 100% leased to Amazon for 15 years
AVERAGE			\$406,680,000 \$840	4.30%			