



South King County
Office Report (SKCOR) Q2, 2014

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Absorption, Vacancy & Average Asking Rates

Southend Office Vacancy Rates have flattened out during the last two quarters after seeing significant decreases in 2013. 1st Quarter saw negative 65,000 SF of absorption but the market bounced back with 75,000 SF of positive absorption in 2Q, leaving vacancy overall for the entire market at the same 12% vacancy as it was at the beginning of the year. Despite this, average asking rates increased by \$0.90/RSF to \$20.80. Renton and Tukwila vacancy logged in at 7.4% vacancy while the Kent Valley still hovers at 19.3%. Seatac and Federal Way posted approximately 15% vacancy rates – no major shift within any area of the market. The SKCOR most competitive subset (which represents 5.2 mil SF of the most competitive buildings in the market, see Sec. 3) bears a vacancy 25.4% vacancy rate, barely lower than the 25.9% average rate for the trailing 5 year period. This is a direct result of attrition offsetting new absorption via flight of certain tenants to CBD properties. The average space is on the market for 33 months over this period, with similar disparities in performance between market areas as is indicated by the vacancy rates above (Tukwila/Renton absorb space roughly twice as fast as Kent Valley properties, Seatac and Federal Way absorb at approximately the market average).

Major Lease Transactions

In the over 10,000 SF category, a 27,500 SF lease was completed at Time Square by Geico. Progressive International moved into their permanent space of 20,000 SF on the 4th floor of Creeksides for their HQ function. Other market activity below 10,000, and particularly below 5,000 SF was very healthy – especially at the high quality and well located projects of scale. In greater Kent Valley (excluding Federal Way) only Seatac Office Towers and the Cascades buildings at Centerpoint can still offer a 60,000+ SF block of contiguous Southend Class 'A' Office space. The largest contiguous block of space remains at Seatac Office Towers, where a tenant can occupy 121,420 contiguous SF floor to floor in the North Tower.

Significant Sales

Triton Towers closed on April 29th for \$60 mil or \$151/SF. HAL sold it to Hines after a decade-long hold. Occupancy is 90% and asking rates are \$15-\$16 NNN. Two buildings recently sold in Federal Way to private parties. On the latter two sales, MJR Developers placed money on a recent trend of creditworthy, bigger deals land in the East Campus neighborhood when it bought the Heron Building 100% vacant. Also, across I-5 from Heron, Michael Larson (Cascade Investments) placed money on a virtually full building at Federal Way Center. See section 5 for more details.



Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
03/15	Federal Way	Animal Supply	East Campus Corporate Park		17,302	64 mos.	\$15.00 NNN	3%	\$15.00	4	<ul style="list-style-type: none"> Expanded and relocated to the 4th floor (former Progressive space).
02/15	Federal Way	Kennedy Jenks	East Campus Corporate Park		23,170	65 mos.	\$14.50 NNN	\$0.50	\$5.00	5	<ul style="list-style-type: none"> Lease renewal.
9/14	W. Seattle	Seattle APP Academy	Jefferson Square		1,317	36 mos.	\$22.00 FS	3%	None	6	
8/14	W. Seattle	Greene IS	Jefferson Square		1,859	18 mos.	\$20.00 FS	3%	None	N/A	
08/14	Tukwila	Sapphire Club	Fairway Center		6,326	120 mos.	\$18.50 plus utilities	\$0.50	\$20.00	4	
08/14	Tukwila	Northwest Grocers	1101 Andover Park West		3,293	64 mos.	\$18.00 FS	\$0.50	Carpet/ paint, conference room	4	

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
08/14	Renton	XPO Logistics	South 405 Place		2,147	60 mos.	\$25.00 FS	\$0.50	\$30.00	1	
07/14	Seatac	Holland America Line	SeaTac Office Center		693	38 mos.	\$25.00 FS	\$0.50	\$4.00	2	<ul style="list-style-type: none"> Concierge office for people coming for cruises. They used to be located at the airport.
07/14	Seattle	Harley Marine	910 SW Spokane Street		4,600	39 mos.	\$17.39 NNN	3%	\$5.00	3	<ul style="list-style-type: none"> 14 free parking stalls.
07/14	W. Seattle	ABHC	Jefferson Square		2,815	5 years	\$20.00 FS	3%	\$20.00	N/A	
06/14	Renton	Geico	Time Square Building		27,500	72 mos.	\$14.00 NNN	\$0.50	\$35.00	12 on gross	<ul style="list-style-type: none"> 6/1,000 parking.
06/14	Tukwila	WA Youth Soccer	Fort Dent III		2,578	74 mos.	\$24.00 FS	\$0.50	\$32.00	4	<ul style="list-style-type: none"> Rate flat for the first two years then a \$1 bump, flat for years 3-4 then a \$1 bump, then one last \$1 bump.

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
06/14	Tukwila	Dr. William Thompson DDS	Fort Dent II		2,616	5 years	\$24.00	\$0.50	None	1	• Lease renewal.
05/14	Tukwila	Chrysanthemum Gemstone DBA PCAS	Parkridge Building	Unavailable	1,240	36 mos.	\$16.00 NNN	3%	None	3	
05/14	Tukwila	Dr. Denny Nordlund DDS	Fort Dent I		2,616	3 years	\$24.00	\$0.50	None	1	• Lease renewal.
04/14	Tukwila	Retroseal USA	Andover Executive Park		1,600	65 mos.	\$13.50	\$0.50	New carpet, new paint, new ceiling tiles	5	
04/14	Renton	Ramco	981 Powell		1,998	4 years	\$20.00	\$0.50	\$20.00 Turn-key	1	
03/14	Fife	Milgard	Danco Business Park		13,501	41 mos.	\$13.00 NNN	3%	\$25.00	3	

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
02/14	Kent	Hanis Prothero	Van Doren's Landing Center Office Plaza		12,259	10 years	\$12.00 NNN	\$0.50	\$7.50	7	<ul style="list-style-type: none"> Reformulation of existing tenant that emerged from bankruptcy.
02/14	Tukwila	Aviation Partners	Riverfront Tech Park		32,394	3 mos.	\$14.00 NNN	\$0.50	\$7.00	3	<ul style="list-style-type: none"> Lease renewal. Heavily fixtured tenant.
12/13	SeaTac	Sedgwick Claims Management	SeaTac Office Tower		10,800	48 mos.	\$15.00 NNN	\$0.50	\$10.00	None	<ul style="list-style-type: none"> 36 months of extended terms Ability for Tenant to use \$8.00/SF toward rental offset.
12/13	W. Seattle	Assoc. Beha	Jefferson Square		2,815	60 mos.	\$22.00	3% annum	\$15.00	5	<ul style="list-style-type: none"> Traditional buildout on top floor.
12/13	W. Seattle	Green IS	Jefferson Square		1,859	18	\$20.00	3% annum	None	2	<ul style="list-style-type: none"> Expansion by adjacent tenant.
11/13	Tukwila	Barthco International	Riverpoint Corporate Center		5,780	65 mos.	\$14.25 NNN	\$0.50	None	5	<ul style="list-style-type: none"> Renewal

Lease Comparables

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11/13	Tukwila	NW Health Networks	Fort Dent III		3,881	60 mos.	\$23.00 FS	\$0.50	\$22.50	4	<ul style="list-style-type: none"> Landlord used \$180,000 from termination of 6,500 to subsidize.
11/13	Renton	SeaWend Ltd. dba Wendy's	Blackriver Corporate Park - Bldg. 1000		2,247	65 mos.	\$12.50 NNN	\$0.50	\$17.50	5	
11/13	Renton	Pima Medical Institute	Triton Towers 1		33,231	127 mos.	\$16.00 NNN	\$0.50	\$12.50	7	<ul style="list-style-type: none"> Renewal and expansion
11/13	Renton	The Mosaic Company	Triton Towers 1		8,882	65 mos.	\$16.25 NNN	\$0.50	\$21.00	5	<ul style="list-style-type: none"> Renewal
11/13	Renton	Dr. Rudey	Valley Medical Park Bldg. 350		3,575	10 years	\$24.50 FS	\$0.75	\$40.00	6	
10/13	SeaTac	Lynden	SeaTac Office Tower		64,393	5 years	\$23.00	\$0.50	\$18.50	5	<ul style="list-style-type: none"> Includes 10,000 SF expansion.

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
10/13	Renton	WA Gold	Blackriver Corporate Park		4,700	60 mos.	\$21.50	\$0.50	\$10.00	10	<ul style="list-style-type: none"> Renewal, space pocketed 300 RSF for 5 years
10/13	Tukwila	WA Nursing Association	Southcenter Corporate Square		9,000	65 mos.	\$20.00 FS	\$0.50	\$10.00	5	<ul style="list-style-type: none"> Renewal
09/13	SeaTac	NW Kidney Center	SeaTac Office Tower		3,286	42 mos.	\$13.00 NNN	\$0.50	\$20.00	None	<ul style="list-style-type: none"> Expansion #3
09/13	Puyallup	Michelle Murphy, ARNP	Meridian Professional & Business Park		1,314	60 mos.	\$16.00 NNN	3.0%	\$10.00	1st 4 mos.	<ul style="list-style-type: none"> Renewal: one 5-year option @ market, but not below prior rent. Landlord installed new flooring, paint, blinds, ADA sink in patient rest-room.
09/13	Tukwila	Ennox Electronics	1101 Building		1,790	36 mos.	\$18.00	\$1.00	\$15.00	None	
09/13	Kent	Olympic National Marketing	CenterPoint Corporate Park - Atrium Bldg.		1,237	24 mos.	\$23.83 FS	\$0.50	\$20.00	None	

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09/13	Kent	Futuramic Tool & Engineering	CenterPoint Corporate Park - Atrium Bldg.		2,678	24 mos.	\$23.83 FS	\$0.50	\$20.00	None	
09/13	Seattle	Sur La Table	6100 Building		52,000	144 mos.	\$18.00 NNN	3%	Turnkey (\$35-\$40)	10	• Corp. HQ move from design center
09/13	Renton	Guild Mortgage	Triton Towers 1		3,280	39 mos.	\$16.25 NNN	\$0.50	\$15.00	3	
09/13	Federal Way	Association Reserves Washington	Fountain Plaza		1,966	40 mos.	\$19.00 FS	\$0.75 at mo. 25	\$5.00	4	• Renewal
09/13	Renton	NW Neurological	Time Square		5,035	72 mos.	\$16.00 NNN	\$0.50	\$1.00	None	• Renewal 1 year early.
08/13	SeaTac	West Coast Financial	SeaTac Office Tower		1,200	24 mos.	\$22.50	\$0.50	\$5.00	None	<ul style="list-style-type: none"> • Year one: \$22.50 • Year two: \$23.00 • Suite 1004

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
08/13	Renton	1105 Media, Inc.	Triton Towers 1		7,352	92 mos.	\$15.75 NNN	\$0.50	\$34.00	8	
08/13	Renton	Global Business Solutions, Inc.	Triton Towers 3		5,547	65 mos.	\$15.50 NNN	\$0.50	\$42.00	5	
08/13	Seattle	No Junk, Inc	South Seattle Business Park		3,656	91 mos.	\$12.00 NNN	3.0%	\$15.00	7	
08/13	Tukwila	Best Choice Realty	Southcenter Place		1,136	39 mos.	\$26.50 FS	\$0.75	\$1.00	3	• Touched up paint.
08/13	Kent	Davita Dialysis	21857 84th Ave South, Kent	Unavailable	9,014	15 years	\$15.87 NNN	N/A	\$40.00	None	• 2 acre site.
07/13	SeaTac	Stewart Title	SeaTac Office Tower		4,671	60 mos.	\$24.00	\$0.50	\$27.00	None	

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
07/13	SeaTac	Hawaiian Airlines	SeaTac Office Tower		1,311	36 mos.	\$24.00	\$0.75	\$12.00	None	• Suite 1007
07/13	Puyallup	Hopesparks	1420 South Meridian		2,080	61 mos.	\$19.00 NNN	3%	\$28.85	None	• Two, 3-year options. First renewal rent at 3% above previous. 2nd renewal rent @ market.
07/13	Renton	NCS Pearson	Oakesdale		1,638	60 mos.	\$16.00 NNN	3%	\$6.00	None	• Renewal
07/13	Tukwila	Adecco	Gateway Corporate Center		1,368	66 mos.	\$20.00 FS	\$0.50	\$17.00	6	
07/13	SeaTac	Rehberg Law	SeaTac Office Tower		5,547	120 mos.	\$24.75 FS	\$0.75	\$50.00	None	
06/13	Tukwila	Credit Concepts	6450 Building		3,450	36 mos.	\$18.00 NNN	2.5%	None	None	• Renewal

Lease Comparables

Date	Area	Tenant	Building		RSF	Term	Starting Rent	Annual Escalations	TI's PSF	Free Rent (Mos.)	Comments
06/13	Tukwila	Sila Solutions	Fort Dent II		11,207	84 mos.	\$24.50 FS	\$0.50	Turnkey \$25.00	None	• Renewal/expansion
06/13	Tukwila	Interra USA, Inc	981 Powell Bldg		1,083	48 mos.	\$18.00 FS	\$1.00	As-Is	4	• Not a strong credit tenant
06/13	Tukwila	Shield Healthcare	Tukwila Commerce Center		2,600	3 years	\$14.50 NNN	3.0%	paint/carpet	2	
06/13	SeaTac	NW Credit Union	SeaTac Office Tower		6,334	84 mos.	\$23.00 FS	\$0.50	\$35.00	5	
06/13	Renton	Scribe Right Transcription Agency, Inc	Millenium Center		4,118	60 mos.	\$18.50 FS	2.50%	\$12,000.00	4	• Direct deal, no tenant rep broker.
06/13	SeaTac	Grant County PUD	SeaTac Office Tower		1,831	12 mos.	\$26.00	\$0.50	None	None	• 1-year renewal completed.

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
1	FRYE COMMERCE CENTER 2414 SW Andover St. Bldg D Seattle, WA		Charles & Emma Frye	1988	21,514	9,943	\$14.00 NNN	\$5.50	TBD	Negotiable	<ul style="list-style-type: none"> Class B office 58.3% Leased Op. expense at \$5.50/SF does not include janitorial.
			CBRE		1						
					10,757						
2	HARBOR MARINA CENTER, BLDG A,B & C 1001-1011 SW Klickitat Way - Harbor Marina Ctr Seattle, WA		Port of Seattle	1989	117,000	0	N/A	\$7.50	\$5.00/ RSF	"Market"	<ul style="list-style-type: none"> 16,000 SF space will be on the market soon Class B flex 95.9% Leased \$3.50/SF operating expenses due to low tax basis Retec Engineering consolidated to Bellevue, opening a 16,000 SF space.
			CBRE		3						
					30,511						
3	JEFFERSON SQUARE 4704-4574 42nd Avenue SW Seattle, WA		Kimco Realty Corporation	1987	142,959	11,607	\$24.00 FS	\$7.50	5%	Negotiable	<ul style="list-style-type: none"> Looking for \$28-\$30 NNN for street level retail space.
			Direct		1						
					24,393						
4	200 SW MICHIGAN STREET Seattle, WA		Haslund MP LLC	1929/ 1999	90,979	69,178	N/A	TBD	\$5.00/ RSF	\$10-\$20	<ul style="list-style-type: none"> Creative South Seattle office space. High, exposed ceilings. Open work plan options. Southern views.
			CBRE		1						
					28,375						
5	WEST SEATTLE CORPORATE CENTER 4025 Delridge Way SW Seattle, WA		Services Group of America	1990	116,251	31,238	\$23.00- \$24.00	\$8.25	\$5.00/ RSF	Negotiable	<ul style="list-style-type: none"> Class A, five stories Spectacular views of Elliott Bay and Seattle skyline. Exceptional, free parking at over 3:1,000 SF
			ORION		1						
					23,250						
6	RIVERFRONT TECH PARK 2811 S 102nd Street Seattle, WA		Sabey	1987	175,000	137,787	\$14.50 NNN	\$5.50	5% NNN	Negotiable	<ul style="list-style-type: none"> Rehab in 1996 Large sublease availability through Jan, 2017.
			Direct		2						
					87,500						

Market Inventory

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs. Floorplate						
7	BLACKRIVER CORPORATE PARK 560-606 Oakesdale Avenue SW Renton, WA		Embarcade- ro Capital	1985	275,593	101,460	\$13.00 NNN	\$8.75	5% FS	Turnkey most deals \$10.00- \$20.00	<ul style="list-style-type: none"> Nice office neighborhood 5.0/1,000 Parking Opex down from \$9.00+
			CBRE		16						
					15,000- 20,000						
8	500 BUILDING 500 SW 7th Renton, WA		Isola Capital	1967	65,433	5,160	\$20.00 FS	\$6.50	5% FS	Negotiable	<ul style="list-style-type: none"> Class B building with parking issues.
			JSH		2						
					32,222						
9	TRITON TOWERS 555-705 Renton Village Place Renton, WA		HAL	1980- 1987	407,500	41,465	\$16.50 NNN	\$8.95	5% FS	\$10.00 or negotiable	<ul style="list-style-type: none"> Boeing recently vacated 3 floors, then came back and lease 92,000 SF
			CBRE		3						
					18,490- 18,900						
10	SOUTH 405 PLACE 900 SW 16th Street Renton, WA		John Radovich	2001	52,007	8,150	\$25.00 FS	\$8.95	5% FS	Negotiable	<ul style="list-style-type: none"> Exposure to I-405 45 covered parking stalls Expensive finishes to common areas
			Direct		1						
					50,812						
11	VALLEY OFFICE PARK 1800 Lind Avenue Renton, WA		Providence	1980	208,643	0	N/A	\$7.50	5% FS	\$10.00 or negotiable	<ul style="list-style-type: none"> Not projected to have space for lease - Providence's HQ's.
			Direct		4						
					25,917- 26,270						
12	THE LANDMARK East & West 1600 Lind Avenue Renton, WA		BlackRock	1987	274,000	13,095	\$16.00 NNN	\$7.20	5% FS	\$40.00 warm shell	<ul style="list-style-type: none"> Sublet available, \$11..50, NNN
			Andover		2						
					30,610						
13	TIME SQUARE 500-800 SW 39th Street Renton, WA		LBA	1986- 1987	324,000	73,769	\$15.00 NNN	\$7.50	\$5.00/ SF	\$30.00 warm shell	<ul style="list-style-type: none"> Project underwent extensive remodeling in 2002 & features onsite amenities
			C & W		5						
					29,500- 48,000						

Market Inventory

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
14	EARLINGTON BUSINESS CENTER, BLDG. B 1107 SW Grady Renton, WA		Private ownership	1982	123,136	3,083	\$22.00	\$7.00	\$5.00/ RSF	N/A	<ul style="list-style-type: none">Building sold to King County 10/10/08Building sold to owner/user 2Q 2010
			NAI		2						
					13,800-47,776						
15	FORT DENT 6700 Fort Dent Way Tukwila, WA		Radovich	1980	140,000	0	N/A	\$8.50	5% FS	Negotiable	<ul style="list-style-type: none">Easy access to I-405 and SR-167.River views.
			Direct		3						
					20,000						
16	SOUTHCENTER CORPORATE SQUARE 500-900 Andover Park West Tukwila, WA		PCCP	1979	223,000	71,367	\$20.00- 21.00 FS	\$7.25	\$5.00/ RSF	Negotiable	<ul style="list-style-type: none">Garden-style office project
			NAI		11						
					10,250						
17	SOUTHCENTER PLACE 16400 Southcenter Parkway Tukwila, WA		Legacy	1979	64,725	14,986	\$26.50 FS	\$9.17	\$5.00/ RSF	Negotiable	<ul style="list-style-type: none">Lease ready suites
			Kidder Mathews		1						
					12,945						
18	RIVERVIEW PLAZA 16000 Christensen Road Tukwila, WA		Broadreach	1984	175,000	20,191	\$23.00- 24.00 FS	\$8.25	5% FS	Negotiable	<ul style="list-style-type: none">5,200 RSF is largest contiguous availability
			ORION		3						
					28,000						
19	RIVERPOINT CORPORATE CENTER 18200 Cascade Ave. S. Tukwila, WA		O'Keefe Development	1978	108,000	2,240	\$15.35 NNN	\$6.50	5% FS \$2/SF/ YR 75,000 SF	Negotiable	<ul style="list-style-type: none">\$2 Million project facelift includes windows, paint, landscaping, lobbies, entryways & TI's10,000 RSF largest contiguous
			C & W		2						
					26,000						
20	CENTER POINTE BUSINESS PARK 18000 72nd Avenue S. Kent, WA		NB&S Capital	1987	53,914	21,952	\$11.00 NNN	\$9.50	\$5.00/ RSF	Negotiable	<ul style="list-style-type: none">48,031 SF is single floor flex- tech product
			C & W		2						
					26,957						

Market Inventory

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
21	LATITUDE CENTER 20038 68th Avenue S. Kent, WA		Latitude Development	2008	19,425	6,555	\$24.00 NNN	TBD	5% NNN	Negotiable	• Office/retail development on West Valley Highway
			Westec Ltd.		1						
					9,712						
22	CENTERPOINT CREEKSIDE 20415 72nd Avenue S. Kent, WA		UNICO	1984	218,577	87,411	\$21.75 FS	\$7.75- \$8.50	\$6.00/ RSF	Negotiable	• Part of CenterPoint Campus with daycare, restaurant, fitness center & conference center amenities
			ORION		3						
					15,000- 19,400						
23	CENTERPOINT CORPORATE PARK 20819-20865 72nd Av- enue S. Kent, WA		Fountainhead	1985	435,893	223,595	\$15.00 NNN	\$6.90/ \$8.37	\$6.25/ RSF	Turnkey most re- quirements (\$35.00)	• Part of CenterPoint Campus with daycare, restaurant, fitness center & conference center amenities
			CBRE		3						
					18,000- 30,000						
24	VAN DOREN'S LANDING CENTER OFFICE PLAZA West Valley Highway & South 236th Street Kent, WA		Van Doren's Landing LLC	2001	35,500	13,576	\$23.00 FS	\$6.50	5% FS	Negotiable	• 3 floor building • 4.8/1,000 SF parking • 12% multi-tenant load
			Colliers		1						
					11,883						
25	CENTERPOINT CP TECHNOLOGY BLDG 20810 68th Avenue S. Kent, WA		BECU	1986	81,464	81,464	N/A	N/A	2.5% FS (negoti- ated)	Negotiable	• User building • For sale \$132.00/SF
			Kidder Mathews		2						
					41,732						
26	NW CORPORATE PARK 20811 84th Avenue S. Kent, WA		Hill-Raum Pietromonaco	1982	92,141	55,894	\$7.00 FS	\$4.00	5% NNN	Negotiable	• Flex-tech building with heavy power & telecom infrastructure
			None		1						
					92,141						
27	FOUNTAIN PLAZA 501-505 South 336th Street Federal Way, WA		Franklin Street Prop.	1978	120,000	50,870	\$19.50 - \$20.50 FS	\$7.00	5% FS	Negotiable \$3/SF/an- num	• Building I-76,824 RSF • Building II-30,000 RSF
			Kidder Mathews		2						
					15,000						

Market Inventory

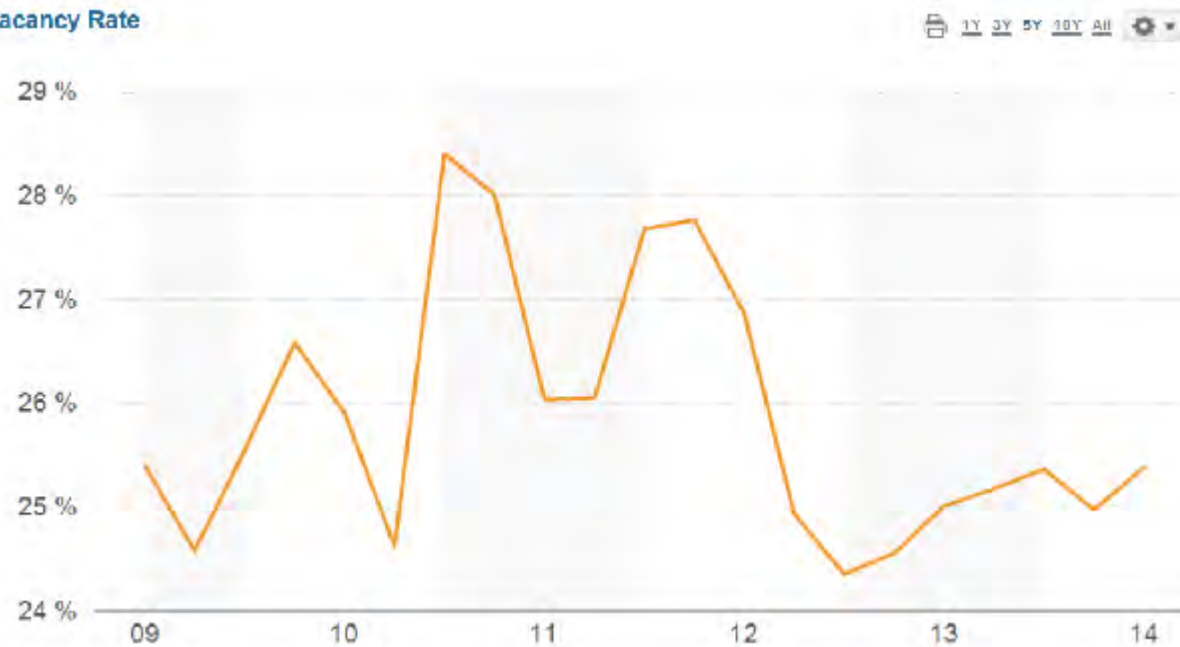
Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
28	EAST CAMPUS CORPORATE PARK I 32001 32nd Avenue S. Federal Way, WA		Ilahie	2001	105,344	14,586	\$15.00 NNN	\$7.50	5% FS Nego- tiable	\$50.00 from cold shell	<ul style="list-style-type: none">High quality construction4.0/1,000 parking ratio
			Andover Company		1						
					26,500						
29	EAST CAMPUS PLAZA S. 320th St. & Weyerhaeuser Way Federal Way, WA		Pannatoni	2006	30,000	4,858	\$21.50 FS	\$7.00	5% NNN	\$30.00	<ul style="list-style-type: none">Proposed Bldg A asking rates are \$18.00
			Kidder Mathews		2						
					15,000						
30	EVERGREEN CORPORATE PLAZA 33405 8th Avenue S. Federal Way, WA		LBA Realty	1979	114,707	26,546	\$14.00 NNN	\$6.50	5% FS	\$12.00	<ul style="list-style-type: none">Two story office building with aluminum and glass curtain wall
			Kidder Mathews		2						
					57,000						
31	EAST CAMPUS CORPORATE PARK IV 3450 South 344th Way Federal Way, WA		LBA	1999	65,462	11,699	\$14.00 NNN	\$8.69	5% NNN	\$15.00	<ul style="list-style-type: none">Covered parking available
			Kidder Mathews		1						
					32,731						
32	GOLDEN STONE OFFICE BUILDING 33400 9th Avenue S. Federal Way, WA		Sound Ven- tures	2001	38,641	11,303	\$23.00 FS	\$8.36	5% FS	\$15.00	<ul style="list-style-type: none">Covered parking available
			Kidder Mathews		1						
					17,700						
33	ABAM BUILDING 33301 9th Avenue Federal Way, WA		Transpacific	1985	50,000	9,588	\$21.00 FS	\$6.48	5% FS	\$15.00	<ul style="list-style-type: none">Located at the entrance of Celebration Park
			Kidder Mathews		1						
					17,041						
34	RIDGEWOOD CENTER 33650 6th Avenue S. Federal Way, WA		Calista	1989	31,757	0	\$13.00 NNN	\$7.98	5% FS	Negotiable	<ul style="list-style-type: none">Recent extensive lobby and common area remodeling4.0/1,000 parkingCovered parking AvailOn-site storage units
			ORION		2						
					15,880						

Market Inventory

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
35	WASHINGTON PARK 33801 1st Way S. Federal Way, WA		Transpacific	1990	50,061	13,226	\$21.00 FS	\$6.50	5% FS	\$15.00	<ul style="list-style-type: none"> Premier West Campus property and location
					1						
			Neil Walter Company		16,500						
36	MAPLEWOOD BUILDING 33915 1st Way S. Federal Way, WA		Sound Ventures	2005	35,500	6,971	\$22.00 FS	\$8.37	5% FS	\$25.00	<ul style="list-style-type: none"> 3.5/1,000 parking ratio
					1						
			Kidder Mathews		15,868						
37	RUSSELL PLAZA 33600 6th Avenue S. Federal Way, WA		Omni Partners	1985	31,070	3,234	\$19.00 FS	\$8.92	5% FS	Negotiable	<ul style="list-style-type: none"> 'B' office project.
					2						
			Kidder Mathews		15,535						
38	31919 PROFESSIONAL BUILDING 31919 1st Avenue S. Federal Way, WA		Omni Partners	1984	25,000	4,212	\$16.00 FS	\$8.00	5% FS	Negotiable	<ul style="list-style-type: none"> Class B Covered parking below
					1						
			Craig Michalak Real Estate		12,500						
39	EAST CAMPUS CORPORATE PARK - TALON COURT 33810 Weyerhaeuser Way S. Federal Way, WA		Talon Court, LLC	2001	55,172	36,231	\$22.00 FS	\$8.50 est	5% NNN	Negotiable	
					1						
			C&W		27,568						
40	EAST CAMPUS CORPORATE PARK - BLDG IV 33936 Weyerhaeuser Way S. Federal Way, WA		Pyramis Global Advisors	2000	72,000	72,000	\$14.50 NNN	\$8.50 est	5% NNN	Negotiable	
					1						
			CBRE		24,000						

Bldg	BUILDING NAME Address		Owner	Year Built	Project SF	SF Vacant (RSF)	Asking Rates (PSF)	NNN	Comm. Years 1-5	TI (PSF)	Comments
			Leasing Agent		# Bldgs.						
					Floorplate						
41	EAST CAMPUS CORPO- RATE PARK - BLDG III 33940 Weyerhaeuser Way S. Federal Way, WA		Pyramis Global Advisors	2000	72,000	72,000	\$14.50 FS	\$8.50	5% NNN	Negotiable	
			CBRE		1						
					24,000						
42	EAST CAMPUS CORPO- RATE PARK - BLDG I 33820 Weyerhaeuser Way S. Federal Way, WA		MJR Development	2001	55,755	55,755	\$22.00 FS	\$8.50	5% NNN	Negotiable	
			CBRE		1						
					27,927						
43	SEATAC OFFICE CENTER 17900 Pacific Hwy. S. Seatac, WA		Scanlan Kemper-Bard	1974- 1980	581,654	208,543	\$13.00 NNN - \$25.00 FS	\$7.50	\$5.00 rsf	Negotiable	<ul style="list-style-type: none">37,918 is available space in Building IIINorth Tower is 60% vacant
			Kidder Mathews		3						
					18,300- 55,693						
44	FAIRWAY CENTER 14220-14240 Interurban Avenue Tukwila, WA		DBSI	1989- 1990	82,537	20,456	\$19.50- 20.00 FS	\$6.75	5% FS	Negotiable	<ul style="list-style-type: none">Flex tech and office project
			Direct		2						
					19,474- 28,375						
45	SOUTHCENTER PLAZA 14900 Interurban Avenue Tukwila, WA		L.D. Schneider	1981	58,290	19,297	\$17.50- \$21.00 FS	\$7.00	\$5.00/sf	Negotiable	<ul style="list-style-type: none">Project redeveloped in 2002, Rate depends on street vs. River views
			C & W		1						
					25,000						
46	MILLENNIUM CENTRE 1201 Monster Road SW Renton, WA		Ashton Development	2001	32,500	11,114	\$19.50 FS	\$7.00	5% FS	Turnkey on most deals	<ul style="list-style-type: none">3 floors over 1 of parkingLocated by Blackriver project
			NAI		1						
					9,255						
47	OAKESDALE CENTER Oakesdale Avenue SW @ SW 7th Street Renton, WA		Blackriver Park LLC	1999- 2000	146,707	32,142	\$14.75 NNN	\$8.50	5% FS	\$45.00 warm shell	<ul style="list-style-type: none">1-2 floor, 5 building campus in a wooded settingNew onsite amenities
			Andover Company		5						
					15,884- 32,671						

Vacancy Rate



Availability	Survey	5-Year Avg
Rent Per SF	\$16.90	\$15.96
Vacancy Rate	25.4%	25.9%
Vacant SF	1,333,624	1,360,344
Availability Rate	31.9%	32.8%
Available SF	1,677,499	1,725,400
Sublet SF	136,199	256,416
Months on Market	32.9	25.1

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	-43,393	-33,553
12 Mo. Leasing SF	467,787	413,641

Inventory	Survey	5-Year Avg
Existing Buildings	95	95
Existing SF	5,253,177	5,253,177
12 Mo. Const. Starts	0	0
Under Construction	0	0
12 Mo. Deliveries	0	0

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$116	\$151
Asking Price Per SF	\$114	\$126
Sales Volume (Mil.)	\$85	\$31
Cap Rate	-	7.7%

“Big-Block” Availabilities

Space for Lease 50,000 RSF+ in a single building

Area	BUILDING NAME Address		Year Built	Largest Contiguous Avail.	Rate
Federal Way	EVERGREEN CORPORATE PLAZA 33405 8th Ave S. Federal Way, WA		1979	65,222	\$14.00 NNN
Federal Way	EAST CAMPUS CORPORATE PARK - BLDG III 33940 Weyerhaeuser Way S. Federal Way, WA		2000	72,000 - 205,945	\$14.50 NNN
Federal Way	EAST CAMPUS CORPORATE PARK - BLDG I 33820 Weyerhaeuser Way S. Federal Way, WA		2001	55,755 - 205,945	\$14.50 NNN
Federal Way	EAST CAMPUS CORPORATE PARK - BLDG IV 33936 Weyerhaeuser Way S. Federal Way, WA		2000	72,000 - 205-945	\$14.50 NNN
Kent	THE CREEKSIDES AT CENTER- POINT BLDG III 20435 72nd Ave S. Kent, WA		1984/2001	48,623	\$14.00 NNN
Kent	CENTERPOINT CORPORATE PLAZA - CASCADE EAST 20819 72nd Ave S. Kent, WA		1986/2001	64,715	\$15.00 NNN
Kent	NW CORPORATE PARK KENT 20811 84th Ave S. Kent, WA		1968	55,894	\$10.00 FS
Tukwila	RIVERFRONT TECH PARK 2811 S. 102nd St. Tukwila, WA		1987/1995	74,979	Sublease
SeaTac	SEATAC OFFICE CENTER - NORTH TOWER 17930 International Blvd S. Seatac, WA		1980	123,704	Withheld

Recent Investment Sales Comparables

	BUILDING NAME Address	Date Sold	Gross SF	Sale Price	Buyer	Comments
			Year Built	\$/SF	Seller	
	TRITON TOWERS 555 S Renton Village Place Renton, WA	04/14	397,746	\$59,962,790	Hines	<ul style="list-style-type: none"> 90% occupancy. Asking rates: \$15.00 - \$16.50 NNN.
			1980/1986	\$150.85	HAL	
	EAST CAMPUS CORPORATE PARK - HERON BUILDING COURT 33820 Weyerhaeuser Way S. Federal Way, WA	11/13	55,755	\$3,725,000	MJR Development Inc.	<ul style="list-style-type: none"> 100% vacant at the time of sale. Value-add purchase.
			2001	\$66.81	US Bancorp	
	FEDERAL WAY CENTER 2505 South 320th St. Federal Way, WA	11/13	74,031	\$9,100,000	Bacm 2004-1 320th Street South	<ul style="list-style-type: none"> Foreclosure sale. 96% leased at time of closing.
			1987/1999	\$122.92	Larson Michael A	
	EAST CAMPUS CORPORATE PARK - TALON COURT 33810 Weyerhaeuser Way S. Federal Way, WA	08/13	55,172	\$3,386,250	Talon Court, LLC	<ul style="list-style-type: none"> 25% occupied at time of sale. All cash close to private individual through Auction.com.
			2001	\$61.38/SF	LNR Property	
	BOEING INTEGRATED DEFENSE SYSTEMS/ STRYKER BUSINESS CENTER 6350 South 212th St. Kent, WA	02/13	120,000	N/A	Clarion Partners	<ul style="list-style-type: none"> Part of a \$21,117,497 sale of a 13.46 acre industrial development site including another 116,537 SF industrial building.
			1990	N/A	The Boeing Company	
	RIVERTECH CORPORATE CENTER 500 Naches Ave SW Renton, WA	02/13	73,132	\$12,000,000	Griffin Capital Corp.	<ul style="list-style-type: none"> 7.80% capitalization rate. Fully occupied by Boeing upon sale. Boeing has a long occupancy history in the project.
			1990	\$164/SF	Embarcadero	