



**South King County
Office Report (SKCOR) December 2013**

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Absorption, Vacancy & Average Asking Rates

Southend Office absorption continues to lower vacancy rates. During the past 90 days 155,765 SF of net absorption occurred, which tightened vacancy from 12.2% to 11.9%, after having fallen 80 basis points from 1st Quarter, 2013. Average asking rates have shot up \$0.62 in the last two quarters to \$19.91/RSF Full Service. The Renton/Tukwila part of the submarket continues to be a bright spot, with only 7.7% current vacancy and average asking rates of \$22.18/RSF Full Service, which is up more than \$1.00/RSF from the beginning of the year. Kent on the other hand has improved marginally with 16.0% vacancy rate overall (was 19.6% during Q1) and \$20.28/RSF serviced rates, and no absorption. The market fundamentals in Federal Way have improved dramatically, with vacancy currently at 15.2% and \$18.73/RSF Full Service asking rents. This is a remarkable improvement for this part of the market, which experienced 25%+ vacancy rates at the depths of the recession. Overall, in parts of the market where positive absorption has occurred, earlier in the year average asking rental rates have actually decreased as higher quality spaces lease first and lower quality ones with lower rates remain on the market. However as supply tightens and positive trends are observed elsewhere in the region, asking rates in the Southend made a noticeable positive jump in the latter half of the year.

Major Lease Transactions

In South Seattle Sur La Table absorbed floors 4-5 of Benaroya's 6100 Building. That project and West Seattle Corporate Center are the only ones in the neighborhood that can currently deliver 10,000 SF+ of Class 'A' space. In greater Kent Valley (excluding Federal Way) only Seatac Office Towers, and the Creeksides and Cascades buildings at Centerpoint can still offer a 50,000+ 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. Progressive International leased 20,000 SF on the 4th floor of Creeksides for their HQ function, but no other new lease deals greater than 10,000 SF occurred in the competitive subset in the latter half of 2013.

Significant Sales

Sales are looking up in the submarket in 4th quarter. Creeksides is scheduled to close by year's end, Triton Towers hit the market, and 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 |
|-------|---------|--------------------------|--|---|--------|----------|---------------|--------------------|----------|------------------|---|
| 11/13 | Tukwila | Barthco International | Riverpoint Corporate Center |  | 5,780 | 65 mos. | \$14.25 NNN | \$0.50 | None | 5 | • Renewal |
| 11/13 | Tukwila | NW Health Networks | Fort Dent III |  | 3,881 | 60 mos. | \$23.00 FS | \$0.50 | \$22.50 | 4 | • 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 | • Renewal and expansion |
| 11/13 | Renton | The Mosaic Company | Triton Towers 1 |  | 8,882 | 65 mos. | \$16.25 NNN | \$0.50 | \$21.00 | 5 | • Renewal |
| 11/13 | Renton | Dr. Rudey | Valley Medical Park Bldg. 350 |  | 3,575 | 10 years | \$24.50 FS | \$0.75 | \$40.00 | 6 | |

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| 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 | • Renewal, space pocketed 300 RSF for 5 years |
| 10/13 | Tukwila | WA Nursing Association | Southcenter Corporate Squire |  | 9,000 | 65 mos. | \$20.00 FS | \$0.50 | \$10.00 | 5 | • Renewal |
| 09/13 | Kent | Olympic National Marketing | CenterPoint Corporate Park - Atrium Bldg. |  | 1,237 | 24 mos. | \$23.83 FS | \$0.50 | \$20.00 | None | |
| 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 | |

Lease Comparables

| Date | Area | Tenant | Building | | RSF | Term | Starting Rent | Annual Escalations | TI's PSF | Free Rent (Mos.) | Comments |
|-------|-------------|---------------------------------|-----------------------------|---|-------|---------|---------------|--------------------|----------|------------------|-------------------------|
| 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 | 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. |

Lease Comparables

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|-------|---------|-------------------|----------------------------|---|--------|----------|---------------|--------------------|-----------------|------------------|------------------------------|
| 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 | 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 | 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 | |

Lease Comparables

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|-------|-------------|--|---------------------|---|--------|---------|---------------|--------------------|-------------|------------------|--|
| 06/13 | SeaTac | NW Credit Union | SeaTac Office Tower |  | 6,334 | 84 mos. | \$23.00 FS | \$0.50 | \$35.00 | 4 | |
| 06/13 | Renton | Scribe Right Transcription Agency, Inc | Millenium Center |  | 4,118 | 60 mos. | \$18.50 FS | 2.50% | \$12,000.00 | 4 | <ul style="list-style-type: none"> Direct deal, no tenant rep broker. |
| 05/13 | Tukwila | Boeing | Fort Dent II |  | 20,117 | 5 year | \$23.00 FS | \$0.50 | None | None | <ul style="list-style-type: none"> Renewal |
| 04/13 | Federal Way | Tunista Construction LLC | Park Center | Unavailable | 1,981 | 2 years | \$8.45 FS | 15% in 2nd year | None | None | |
| 04/13 | Federal Way | Wells Fargo | Federal Way Center |  | 8,602 | 39 mos. | \$14.85 NNN | 3% annual | None | 3 | <ul style="list-style-type: none"> Expansion/extension |
| 04/13 | Federal Way | Puduro-Karch etal | Russell Plaza |  | 962 | 2 years | \$18.46 FS | 3% annual | \$4.68 | None | <ul style="list-style-type: none"> Renewal |

Lease Comparables

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|-------|-------------|-----------------------|----------------------------------|---|-------|------------------|---------------|-----------------------------|----------|------------------|-----------|
| 04/13 | Federal Way | Associated Reserves | Fountain Plaza I |  | 1,966 | 40 mos. | \$14.00 FS | \$0.75 increase in 3rd year | \$5.00 | 4 | • Renewal |
| 04/13 | Renton | AT&T | Dahlby Bldg 1402 Maple Ave SW |  | 4,300 | 3 years | \$9.73 NNN | 3.0% | N/A | None | |
| 04/13 | Tukwila | One Source Talent | Gateway Corporate Center |  | 3,234 | 38 mos. | \$19.25 FS | \$0.50 | \$15.00 | 2 | |
| 04/13 | SeaTac | Itochu | SeaTac Office Tower |  | 3,504 | 5 years & 6 mos. | \$22.00 FS | \$0.50 | None | None | |
| 04/13 | Tukwila | Green Mountain Coffee | Fort Dent II |  | 2,470 | 36 mos. | \$23.00 FS | \$0.50 | \$10.00 | None | |
| 04/13 | SeaTac | NW Kidney Center | SeaTac Office Tower |  | 4,210 | 50 mos. | \$12.00 NNN | \$0.50 | \$20.00 | None | |

Lease Comparables

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|-------|-------------|------------------------|--------------------------|---|--------|-----------|---------------------------------------|---|----------|------------------|---|
| 04/13 | SeaTac | NVL Laboratories | SeaTac Office Tower |  | 801 | 24 mos. | \$25.00 FS | 0 | None | None | |
| 04/13 | Renton | Resource Group | Time Square |  | 7,000 | 66 mos. | \$23.00 FS (est. from avg. rent data) | \$1.00 every other year (estimated from avg. rent data) | \$30.00 | 12 | <ul style="list-style-type: none"> Pending execution. Outgrew Renton Plaza. |
| 04/13 | Tukwila | Coral Reef Productions | Gateway Corporate Center |  | 3,234 | 39.5 mos. | \$19.25 FS | \$0.50 | \$15.00 | 3.5 | |
| 03/13 | Federal Way | Sylvan Learning Center | 32020 Professional Bldg |  | 3,230 | 72 mos. | \$13.77 Semi Gross | 5% in 3rd & 5th year | \$16.00 | None | |
| 03/13 | Federal Way | Sungard | Fountain Plaza II |  | 13,628 | 3 years | \$19.00 FS | 6% in the 3rd year | \$2.50 | None | <ul style="list-style-type: none"> Renewal |
| 03/13 | Federal Way | Liberty Mutual | Maplewood |  | 3,448 | 5 years | \$19.35 FS | 3% annual | \$40.00 | None | |

Lease Comparables

| Date | Area | Tenant | Building | | RSF | Term | Starting Rent | Annual Escalations | TI's PSF | Free Rent (Mos.) | Comments |
|-------|-------------|-----------------------|--------------------------------------|---|-------|---------|---------------|--------------------|----------|------------------|---|
| 03/13 | Federal Way | Sterling Savings Bank | Maplewood |  | 4,122 | 4 years | \$20.42 FS | 3% annual | \$7.50 | None | • Expansion/extension |
| 02/13 | Federal Way | NW Bill Realty Corp | Parklane |  | 512 | 3 years | \$21.00 FS | \$30.00/mo. annual | None | None | |
| 02/13 | Kent | Homestreet Bank | CenterPoint Corporate Park - Cascade |  | 2,557 | 63 mos. | \$14.50 NNN | \$0.50 | \$12.00 | 3 | • First deal done under new ownership, Fountainhead |
| 02/13 | Tukwila | WASWD | Gateway Corporate Center |  | 1,820 | 66 mos. | \$20.00 FS | \$0.50 | \$30.00 | 6 | • First year half rent |
| 02/13 | Tukwila | LTS Technical | Gateway Corporate Center |  | 5,062 | 66 mos. | \$19.50 FS | \$0.50 | \$20.00 | 6 | • First year half rent |
| 01/13 | Renton | Chicago Title | South 405 Place |  | 3,020 | 3 years | \$23.00 FS | \$0.50 | \$15.00 | 3 | |

Lease Comparables

| Date | Area | Tenant | Building | | RSF | Term | Starting Rent | Annual Escalations | TI's PSF | Free Rent (Mos.) | Comments |
|-------|---------|-------------------------|---------------------|---|--------|-----------|---------------|--------------------|------------------------------------|------------------|---|
| 01/13 | Renton | Pay-roll Solutions | Oakesdale Center |  | 2,247 | 60 mos. | \$15.00 NNN | 3.0% | None | None | <ul style="list-style-type: none"> Tenant downsized and free rent and TI concession is letting Tenant use extra space until leased to another tenant. Landlord to pay for TI and demising costs at that point. |
| 01/13 | Tukwila | Keurig | Fort Dent II |  | 2,008 | 3 years | \$23.00 FS | \$0.50 | new carpet, paint, kitchen w/ sink | None | |
| 01/13 | Tukwila | Walsh Construction | Southcenter Place |  | 6,600 | 66.5 mos. | \$22.00 FS | \$0.50 | Unknown | 6.5 | |
| 01/13 | Renton | Corinthian | 981 Powell |  | 34,859 | 8 years | \$23.25 | \$0.50 | \$10.00 | 1 | <ul style="list-style-type: none"> Renewal |
| 12/12 | SeaTac | Veterans Administration | SeaTac Office Tower |  | 89,580 | 10 years | \$24.16 FS | 3.0% | \$48.00 | 2 | |

| Bldg | BUILDING NAME Address | Image | 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 | 11,943 | \$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 | 34,394 | \$12.00-\$14.00 NNN | \$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 | 15,318 | \$24.00 MG | \$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 | 31,532 | 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 | 21,372 | \$22.00-\$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 | | | | | | |

| 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 | Floorplate | | # Bldgs. | | | | | | | |
| | | | | | | | | | | | | | |
| 7 | BLACKRIVER CORPORATE PARK 560-606 Oakesdale Avenue SW Renton, WA | | Embarcadero Capital | | 1985 | 275,593 | 16 | 138,427 | \$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 | | | 15,000-20,000 | | | | | | | |
| 8 | 500 BUILDING 500 SW 7th Renton, WA | | Isola Capital | | 1967 | 65,433 | 2 | 5,160 | \$20.00 FS | \$6.50 | 5% FS | Negotiable | <ul style="list-style-type: none"> Class B building with parking issues. |
| | | | JSH | | | 32,222 | | | | | | | |
| 9 | TRITON TOWERS 555-705 Renton Village Place Renton, WA | | HAL | | 1980-1987 | 407,500 | 3 | 44,785 | \$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 | | | 18,490-18,900 | | | | | | | |
| 10 | SOUTH 405 PLACE 900 SW 16th Street Renton, WA | | John Radovich | | 2001 | 52,007 | 1 | 12,883 | \$22.50-\$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 | | | 50,812 | | | | | | | |
| 11 | VALLEY OFFICE PARK 1800 Lind Avenue Renton, WA | | Providence | | 1980 | 208,643 | 4 | 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 | | | 25,917-26,270 | | | | | | | |
| 12 | THE LANDMARK East & West 1600 Lind Avenue Renton, WA | | BlackRock | | 1987 | 274,000 | 2 | 20,186 | \$16.00 NNN | \$7.20 | 5% FS | \$40.00 warm shell | <ul style="list-style-type: none"> Sublet available, \$11..50, NNN |
| | | | Andover | | | 30,610 | | | | | | | |
| 13 | TIME SQUARE 500-800 SW 39th Street Renton, WA | | LBA | | 1986-1987 | 324,000 | 5 | 58,958 | \$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 | | | 29,500-48,000 | | | | | | | |

| 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 | | | | | | |
| 14 | EARLINGTON BUSINESS CENTER, BLDG. B 1107 SW Grady Renton, WA |  | Private ownership | 1982 | 123,136 | 0 | N/A | \$7.00 | \$5.00/RSF | N/A | <ul style="list-style-type: none"> Building sold to King County 10/10/08 Building sold to owner/user 2Q 2010 |
| | | | NAI | | 2 | | | | | | |
| 15 | FORT DENT 6700 Fort Dent Way Tukwila, WA |  | Radovich | 1980 | 140,000 | 8,495 | \$25.00 FS | \$8.50 | 5% FS | Negotiable | <ul style="list-style-type: none"> Easy access to I-405 and SR-167. River views. |
| | | | Direct | | 3 | | | | | | |
| 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 | | | | | | |
| 17 | SOUTHCENTER PLACE 16400 Southcenter Parkway Tukwila, WA |  | Legacy | 1979 | 64,725 | 2,663 | \$26.50 FS | \$9.17 | \$5.00/RSF | Negotiable | <ul style="list-style-type: none"> Lease ready suites |
| | | | Kidder Mathews | | 1 | | | | | | |
| 18 | RIVERVIEW PLAZA 16000 Christensen Road Tukwila, WA |  | Broadreach | 1984 | 175,000 | 42,500 | \$19.50-20.50 FS | \$8.25 | 5% FS | Negotiable | <ul style="list-style-type: none"> 5,200 RSF is largest contiguous availability |
| | | | ORION | | 3 | | | | | | |
| 19 | RIVERPOINT CORPORATE CENTER 18200 Cascade Ave. S. Tukwila, WA |  | O'Keefe Development | 1978 | 108,000 | 2,678 | \$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's 10,000 RSF largest contiguous |
| | | | C & W | | 2 | | | | | | |
| 20 | CENTER POINTE BUSINESS PARK 18000 72nd Avenue S. Kent, WA |  | NB&S Capital | 1987 | 53,914 | 13,766 | \$9.95 NNN | \$9.50 | \$5.00/RSF | Negotiable | <ul style="list-style-type: none"> 48,031 SF is single floor flex-tech product |
| | | | C & W | | 1 | | | | | | |

| 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 | 7,534 | \$20.00-\$24.00 NNN | TBD | 5% NNN | Negotiable | • Office/retail development on West Valley Highway |
| | | | Colliers | | 1 | | | | | | |
| | | | | | 9,712 | | | | | | |
| 22 | CENTERPOINT CREEKSIDE 20415 72nd Avenue S. Kent, WA |  | TIAA | 1984 | 218,577 | 76,550 | \$14.00 NNN | \$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 Avenue S. Kent, WA |  | Fountainhead | 1985 | 435,893 | 199,866 | \$15.00 NNN | \$6.90/\$8.37 | \$6.25/RSF | Turnkey most requirements (\$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 | 18,791 | \$14.00 NNN | \$6.50 | 5% FS | Negotiable | • 3 floor building • 4.8/1,000 SF parking • 12% multi-tenant load |
| | | | CBRE | | 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 (negotiated) | 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 | 79,691 | \$10.00 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 | 66,775 | \$19.50 FS | \$7.00 | 5% FS | Negotiable \$3/SF/annum | • Building I-76,824 RSF • Building II-30,000 RSF |
| | | | Kidder Mathews | | 2 | | | | | | |
| | | | | | 15,000 | | | | | | |

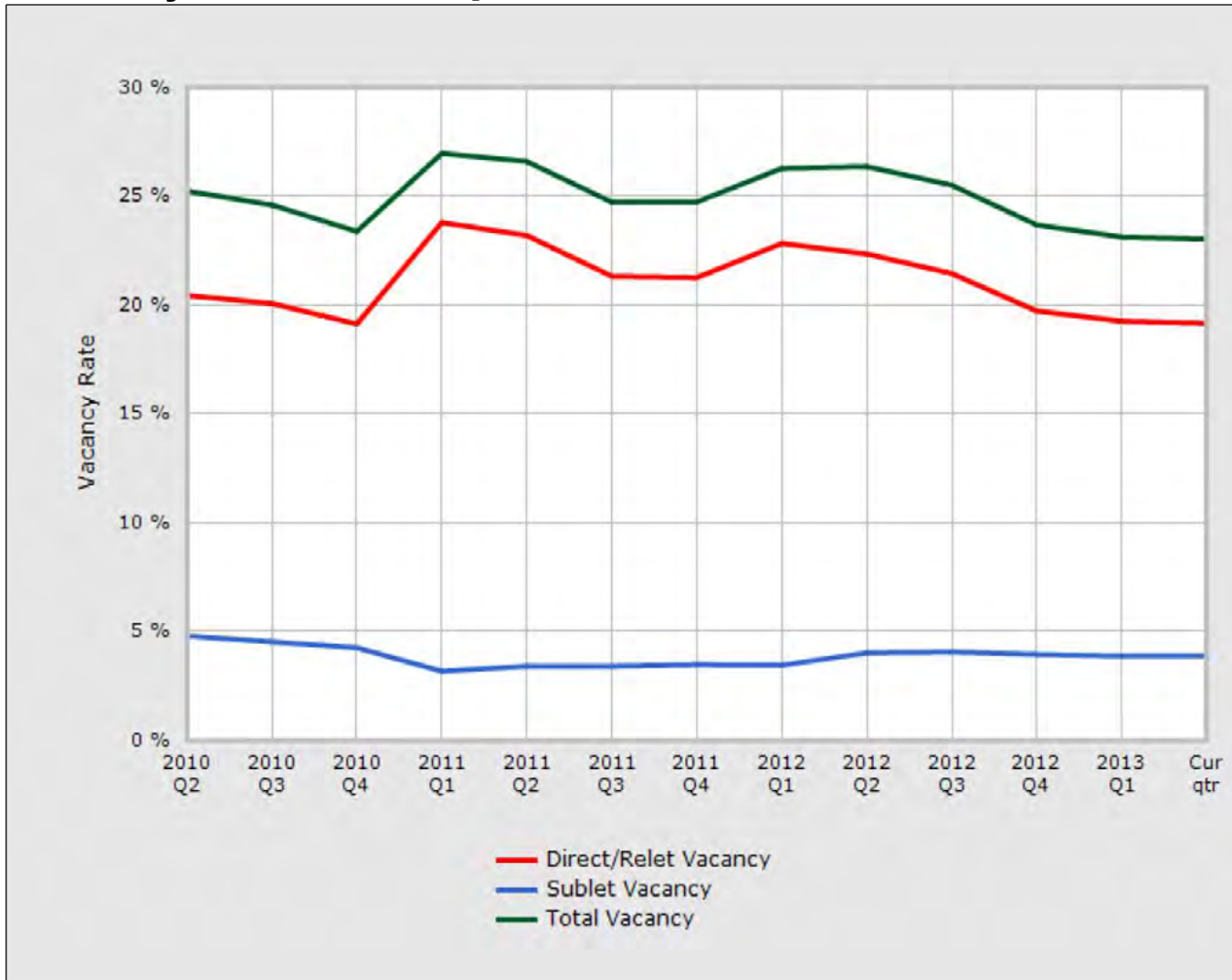
| Bldg | BUILDING NAME Address | Image | Owner | Year Built | Project SF | SF Vacant (RSF) | Asking Rates (PSF) | NNN | Comm. Years 1-5 | TI (PSF) | Comments |
|------|--|-------|-----------------|------------|------------|-----------------|--------------------|--------|------------------|-------------------------|--|
| | | | Leasing Agent | | # Bldgs. | | | | | | |
| | | | | | Floorplate | | | | | | |
| 28 | EAST CAMPUS CORPORATE PARK I 32001 32nd Avenue S. Federal Way, WA | | Ilahie | 2001 | 105,344 | 0 | N/A | \$7.50 | 5% FS Negotiable | \$50.00 from cold shell | <ul style="list-style-type: none"> High quality construction 4.0/1,000 parking ratio |
| | | | Andover Company | | 1 | | | | | | |
| 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 | | | | | | |
| 30 | EVERGREEN CORPORATE PLAZA 33405 8th Avenue S. Federal Way, WA | | LBA Realty | 1979 | 114,707 | 65,222 | \$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 | | | | | | |
| 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 | GOLDEN STONE OFFICE BUILDING 33400 9th Avenue S. Federal Way, WA | | Sound Ventures | 2001 | 38,641 | 3,500 | \$23.00 FS | \$8.36 | 5% FS | \$15.00 | <ul style="list-style-type: none"> Covered parking available |
| | | | Kidder Mathews | | 1 | | | | | | |
| 33 | ABAM BUILDING 33301 9th Avenue Federal Way, WA | | Transpacific | 1985 | 50,000 | 0 | N/A | \$6.48 | 5% FS | \$15.00 | <ul style="list-style-type: none"> Located at the entrance of Celebration Park |
| | | | Kidder Mathews | | 1 | | | | | | |
| 34 | RIDGEWOOD CENTER 33650 6th Avenue S. Federal Way, WA | | Calista | 1989 | 31,757 | 1,791 | \$13.00 NNN | \$7.98 | 5% FS | Negotiable | <ul style="list-style-type: none"> Recent extensive lobby and common area remodeling 4.0/1,000 parking Covered parking Avail On-site storage units |
| | | | ORION | | 2 | | | | | | |

| 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 | 15,990 | \$21.00 FS | \$6.50 | 5% FS | \$15.00 | <ul style="list-style-type: none"> Premier West Campus property and location |
| | | | Neil Walter Company | | 1 | | | | | | |
| | | | | | 16,500 | | | | | | |
| 36 | MAPLEWOOD BUILDING 33915 1st Way S. Federal Way, WA |  | Sound Ventures | 2005 | 35,500 | 24,694 | \$22.00 FS | \$8.37 | 5% FS | \$25.00 | <ul style="list-style-type: none"> 3.5/1,000 parking ratio |
| | | | Kidder Mathews | | 1 | | | | | | |
| | | | | | 15,868 | | | | | | |
| 37 | RUSSELL PLAZA 33600 6th Avenue S. Federal Way, WA |  | Omni Partners | 1985 | 31,070 | 8,965 | \$19.00 FS | \$8.92 | 5% FS | Negotiable | <ul style="list-style-type: none"> 'B' office project. |
| | | | Kidder Mathews | | 2 | | | | | | |
| | | | | | 15,535 | | | | | | |
| 38 | 31919 PROFESSIONAL BUILDING 31919 1st Avenue S. Federal Way, WA |  | Omni Partners | 1984 | 25,000 | 4,820 | \$16.00-\$18.00 FS | \$8.00 | 5% FS | Negotiable | <ul style="list-style-type: none"> Class B Covered parking below |
| | | | Craig Michalak Real Estate | | 1 | | | | | | |
| | | | | | 12,500 | | | | | | |
| 39 | EAST CAMPUS CORPORATE PARK - TALON COURT 33810 Weyerhaeuser Way S. Federal Way, WA |  | Talon Court, LLC | 2001 | 55,172 | 37,001 | N/A | \$8.50 est | 5% NNN | Negotiable | |
| | | | C&W | | 1 | | | | | | |
| | | | | | 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 | |
| | | | CBRE | | 1 | | | | | | |
| | | | | | 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 CORPORATE 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 CORPORATE PARK - BLDG I 33820 Weyerhaeuser Way S. Federal Way, WA | | MJR Development | 2001 | 55,755 | 55,755 | \$14.50 FS | \$8.50 | 5% NNN | Negotiable | |
| | | | CBRE | | 1 | | | | | | |
| | | | | | 27,927 | | | | | | |

Source: CoStar

Vacancy Rates - Competitive Set



| occupancy | | |
|-------------------|---------------------------|------------|
| Existing Bldgs: | 95 | |
| # Spaces: | 223 | |
| Existing RBA: | 5,532,870 | |
| Vacant: | <1,273,989> | 23% |
| Occupied: | 4,258,881 | 77% |
| Leased: | 4,489,082 | 81% |
| availability | | |
| Vacant Avail: | 1,257,827 | 23% |
| Total Avail: | 1,676,528 | 30% |
| Direct Avail: | 1,342,912 | 24% |
| Sublet Avail: | 333,616 | 6% |
| Average Time: | 42.2 Months | |
| leasing activity | | |
| Leasing YTD: | 30,471 | 1% |
| Net Absorp YTD: | 36,150 | 1% |
| Direct Gross Rent | | |
| Office range: | \$13.50-\$25.27/yr | |
| Office Avg: | \$21.03/yr | |

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“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 | \$14.50 NNN |
| Federal Way | EAST CAMPUS CORPORATE PARK - BLDG I 33820 Weyerhaeuser Way S. Federal Way, WA | | 2001 | 55,755 | \$14.50 NNN |
| Federal Way | EAST CAMPUS CORPORATE PARK - BLDG IV 33936 Weyerhaeuser Way S. Federal Way, WA | | 2000 | 72,000 | \$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 | 71,922 | \$15.00 NNN |
| Kent | NW CORPORATE PARK KENT 20811 84th Ave S. Kent, WA | | 1968 | 79,691 | \$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 | |
| | 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"> 96% leased at time of closing. |
| | | | 1987/1999 | \$122.92 | Larson Michael A (Cascade) | |
| | 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 Corporation | |
| | 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 Capital Partners, LLC | |