

Q4 2024

SOUTH PUGET SOUND OFFICE INSIGHTS

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MARKET CONFIDENCE

ON THE RISE

SOUTH PUGET SOUND Q4 INSIGHTS

VACANCY	7.92%
TOTAL SF	43,634,498
VACANT SF	3,454,174
AVERAGE ASKING RENT PSF FULL SERVICE	\$30.00
AVERAGE MONTHS TO LEASE	4 - 8 months
AVERAGE SALE PRICE PSF	\$228
AVERAGE MARKET CAP RATE	8.80%
MONTHS TO SALE - OWNER/USER	3-12 months
MONTHS TO SALE - STABILIZED	3-12 months

As we enter 2025, renewed optimism is fueling momentum across the market.

Market confidence among both landlords and tenants continues to strengthen as we move further past the pandemic and the interest rate spikes of 2022. Three key trends are driving this positive shift in 2025:

COMMITMENT TO OFFICE RETURNS

Companies are convicted in their Return-to-Office mandates, enabling long-term decision-making. This will drive increased lease activity, reducing market vacancies and improving overall metrics.

RETAIL REVIVAL

As more employees return to office environments, foot traffic will rise, boosting confidence among retail tenants and leading to positive absorption of retail spaces in downtown markets.

LANDLORD INVESTMENT

With improving office market conditions, landlords are regaining confidence, prompting increased investment in building image, amenities, and tenant acquisition.

With these factors in play, 2025 is shaping up to be a year of sustained market recovery and growth.

FEATURED LISTINGS



I-5 TECHNOLOGY CENTER

32125 32nd Ave S
Federal Way, WA

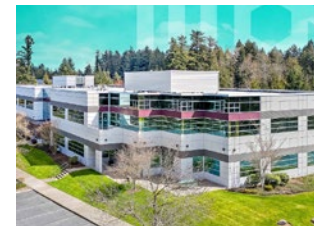
SALE



1313 BROADWAY

1313 Broadway
Tacoma, WA

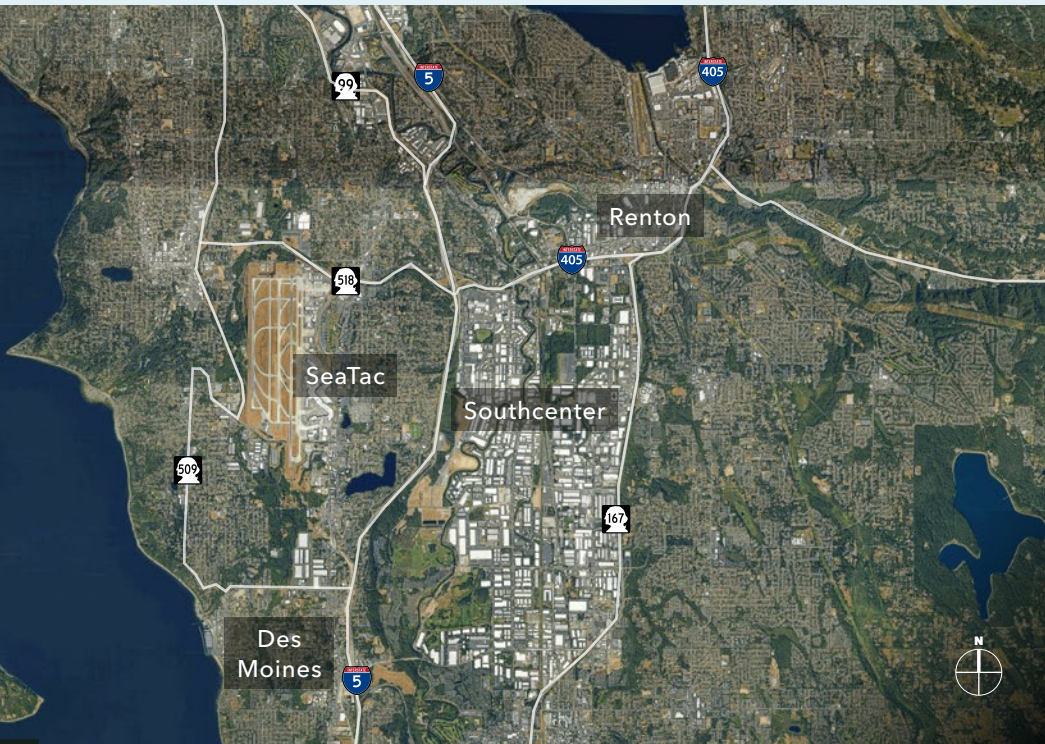
LEASE



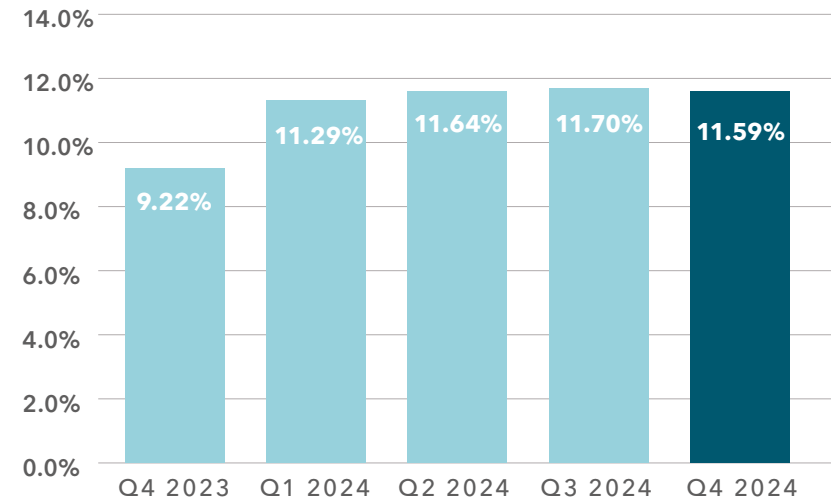
EAST CAMPUS
CORP PARK IV
3450 S 344th Way
Federal Way, WA

LEASE

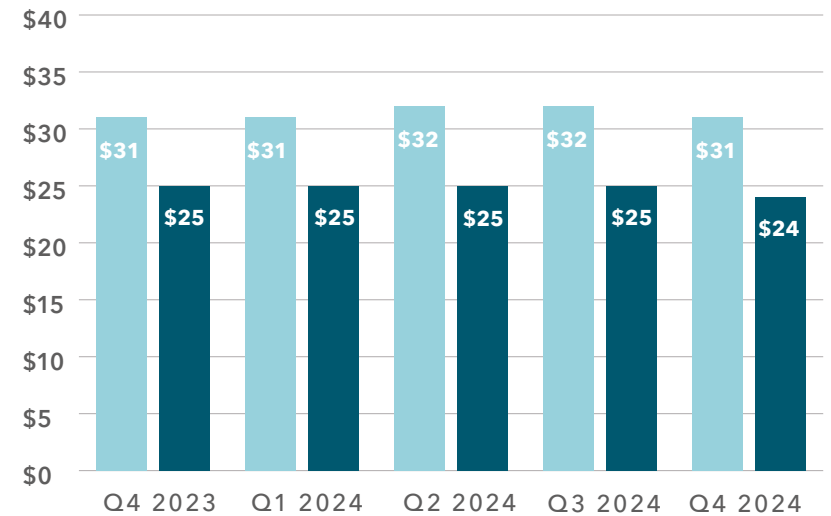
13.8M INVENTORY SF	1.60M VACANT SF	0.00% ANNUAL RENT GROWTH
11.59% VACANCY RATE	7.7% MARKET CAP RATE	\$298 MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



ASKING RENT/SF CLASS A ASKING RENT/SF CLASS B ASKING RENT/SF

4.4M

INVENTORY SF

495,289

VACANT SF

6.66%

ANNUAL RENT GROWTH

11.26%

VACANCY RATE

7.75%

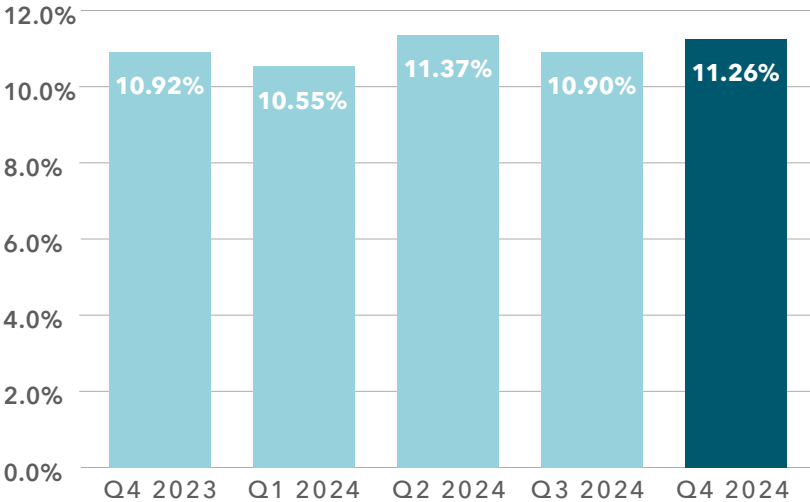
MARKET CAP RATE

\$208

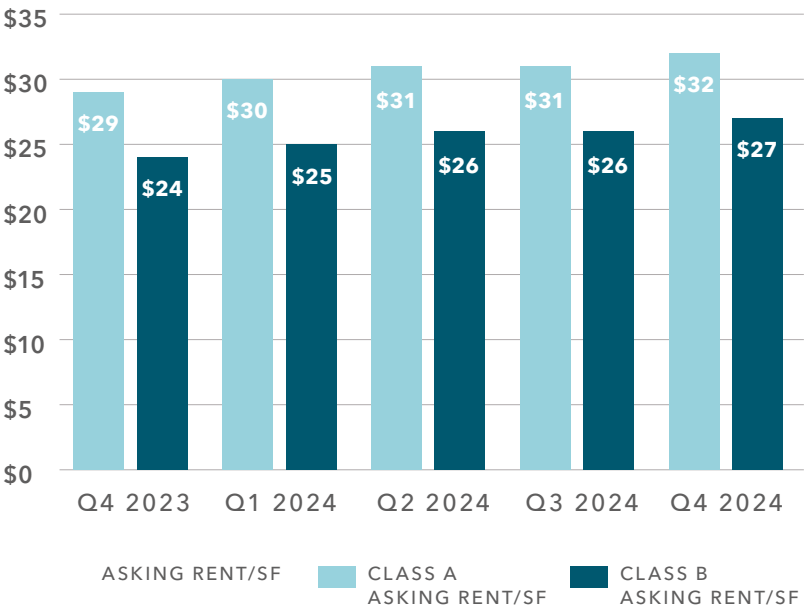
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



5.0M

INVENTORY SF

721,360

VACANT SF

0.00%

ANNUAL RENT GROWTH

14.42%

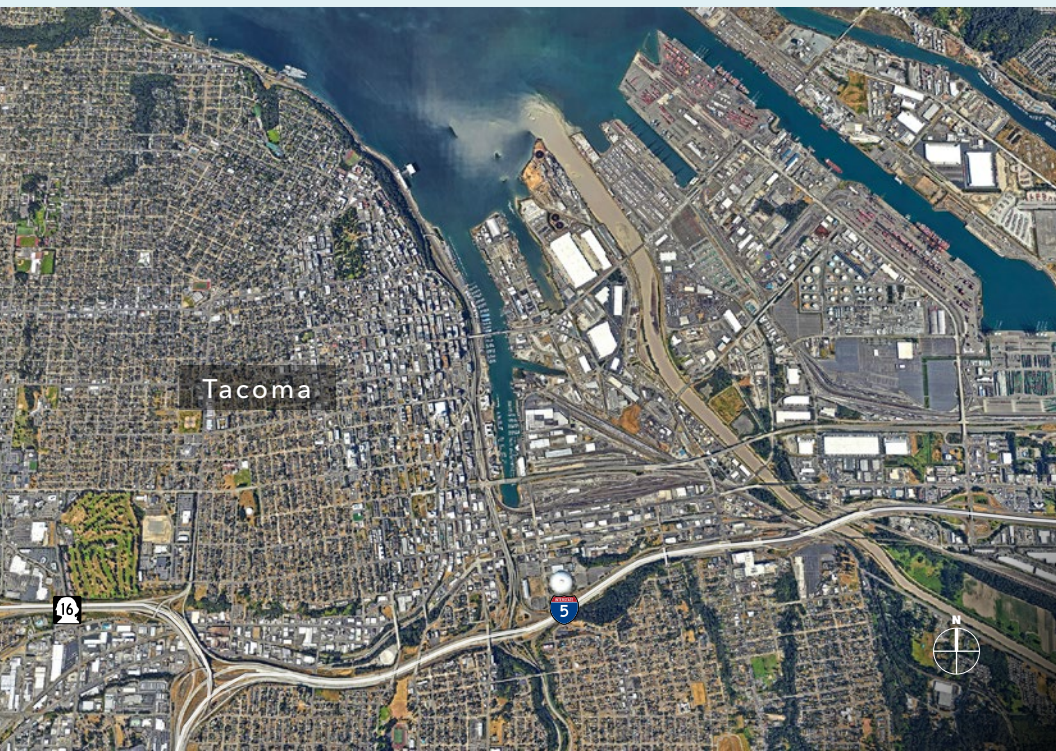
VACANCY RATE

8.2%

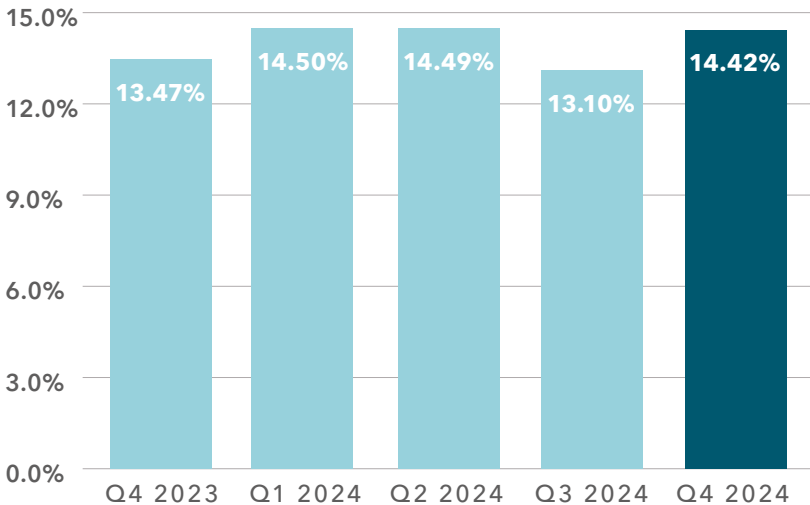
MARKET CAP RATE

\$174

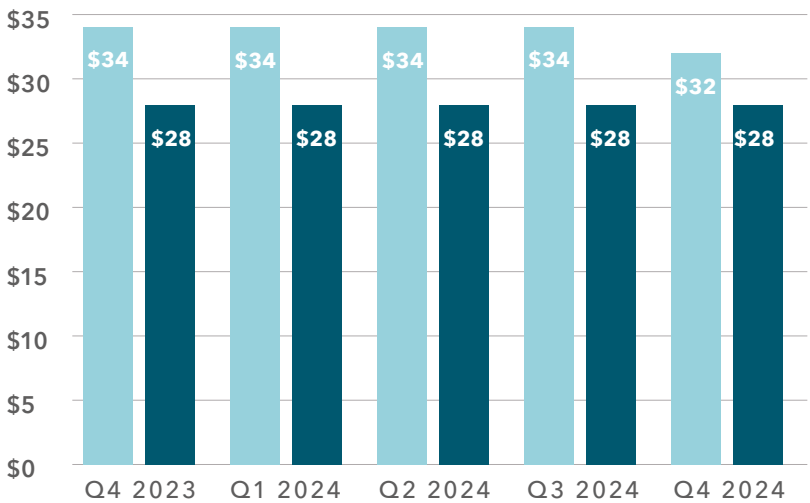
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



ASKING RENT/SF

CLASS A
ASKING RENT/SF

CLASS B
ASKING RENT/SF

TACOMA (SUBURBAN)

6.6M

INVENTORY SF

234,678

VACANT SF

9.15%

ANNUAL RENT GROWTH

3.55%

VACANCY RATE

7.5%

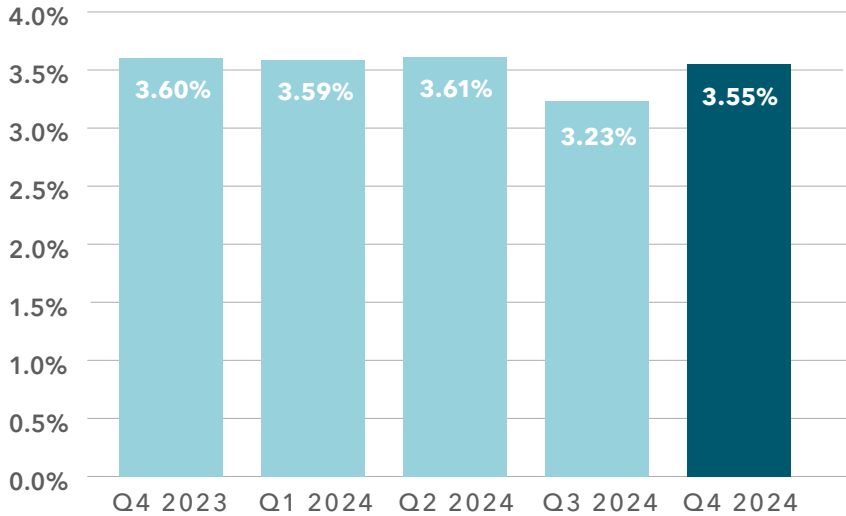
MARKET CAP RATE

\$265

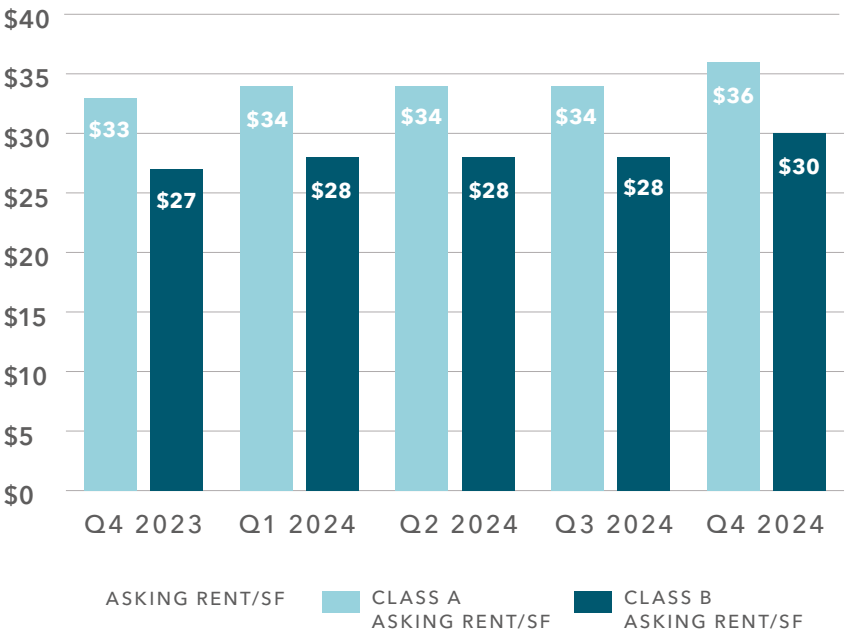
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



10.1M

INVENTORY SF

282,546

VACANT SF

0.00%

ANNUAL RENT GROWTH

2.78%

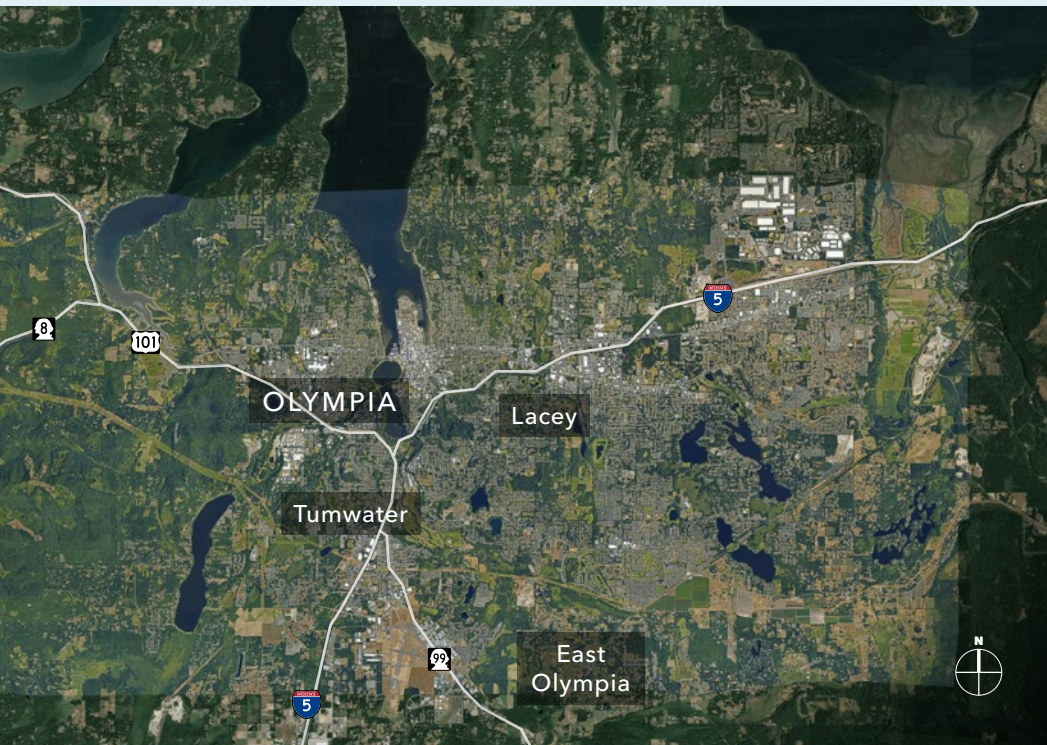
VACANCY RATE

8.70%

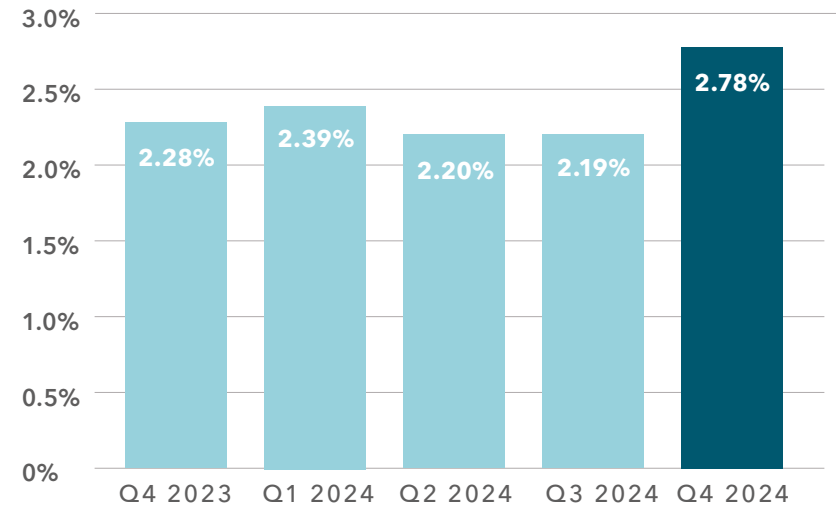
MARKET CAP RATE

\$177

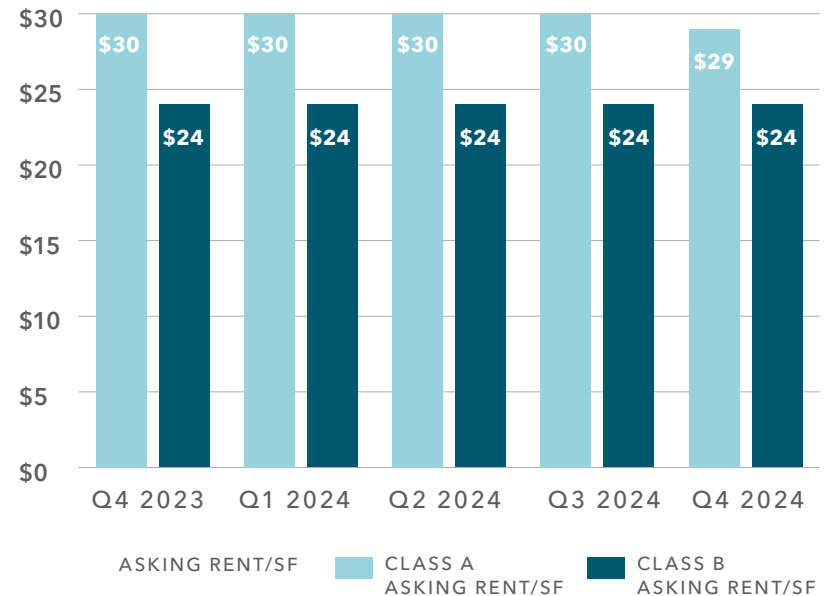
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



3.8M

INVENTORY SF

115,682

VACANT SF

0.00%

ANNUAL RENT GROWTH

3.04%

VACANCY RATE

8.25%

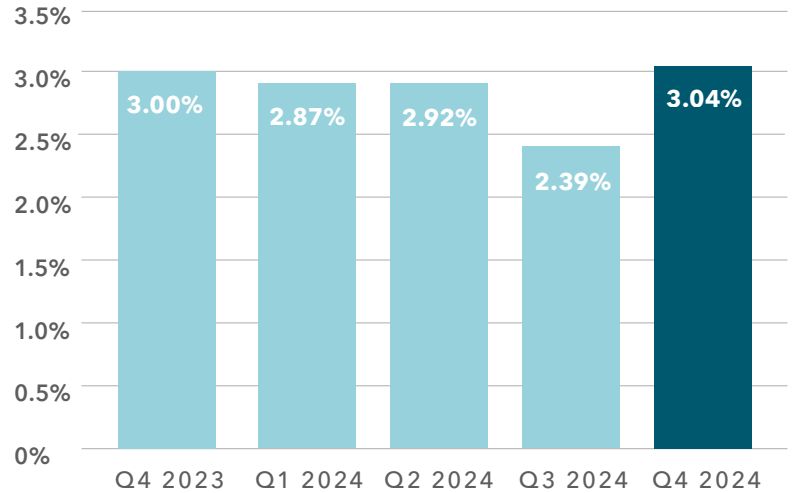
MARKET CAP RATE

\$169

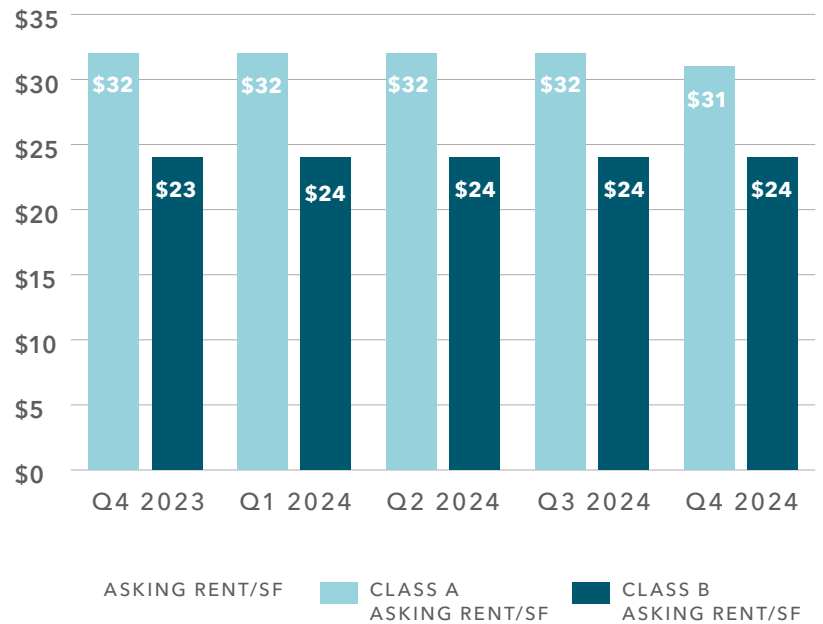
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



MEET THE *TEAM*

Office & healthcare experts specializing in landlord and tenant representation, as well as sales, including investment and owner/user.

As members of the Kidder Mathews Healthcare and Office groups, we have completed over \$243,000,000 in sales in the last 24 months and actively represent more than 7 million square feet of property that we pride ourselves on keeping leased. We care deeply about our clients and always strive to go above and beyond to create successful long-term partnerships.

Kidder Mathews is the largest independent commercial real estate firm in the Western U.S., with 900 real estate professionals and staff in 19 offices in Washington, Oregon, Idaho, California, Arizona, and Nevada

482

TRANSACTIONS

\$800M

TOTAL VOLUME

7M+

TOTAL SF

\$243M transactions within the last 24 months

WILL FRAME

Executive Vice President,
Shareholder

2018-2019 & 2021-2022
KM "Big Hitter" award winner
and Top Producer



DREW FRAME, SIOB

Senior Vice President,
Shareholder

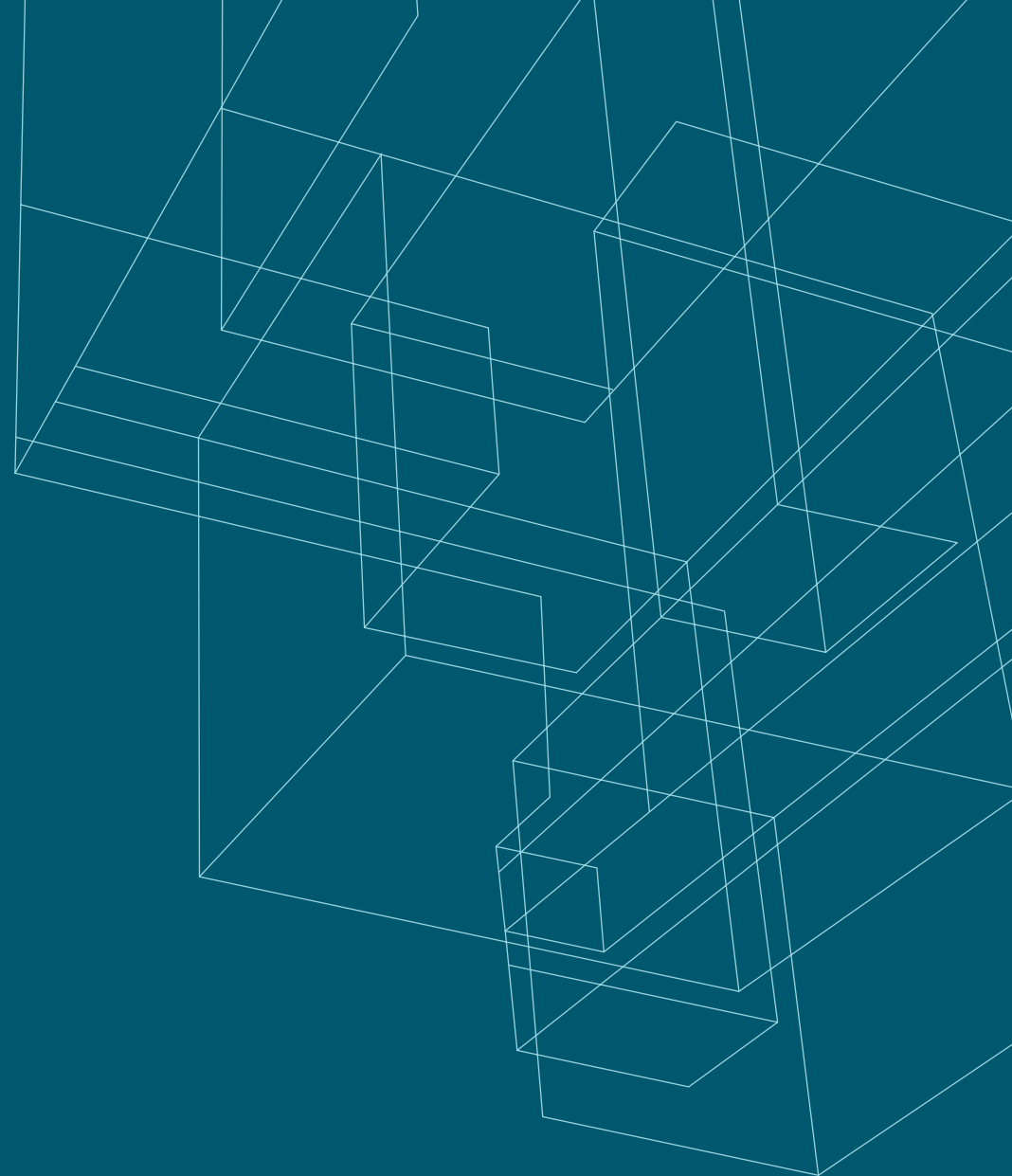
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