

Seattle - Downtown

BIDDING WAR CONTINUES FOR TALENT AND SPACE

Takeaway

Tech firms engaged in a bidding war for talent and quality space during 2017. Landlords were able to pull back on free rent and improvement allowances. Leasing volume in Seattle reached its highest intensity since 1999 and 2000, as top tech firms started warehousing space, and a few committed to entire properties. With limited quality space options, some owners may trim concessions in 2018. Free rent periods could fall slightly and tenants can also anticipate less flexibility on lease options.

Negotiated Rent

\$47.00

TOTAL GROSS RENT

6.8%

Concessions

\$63.00

-3.1%

\$45.00

IMPROVEMENT
ALLOWANCE
AVERAGE

4.5

FREE RENT
AVERAGE
(MONTHS)

Tenant Effective Rent

\$37.36

9.7%

Building Expenses

\$10.51

OPEX

2.5%

\$4.00

RE TAXES

3.1%

Landlord Effective Rent

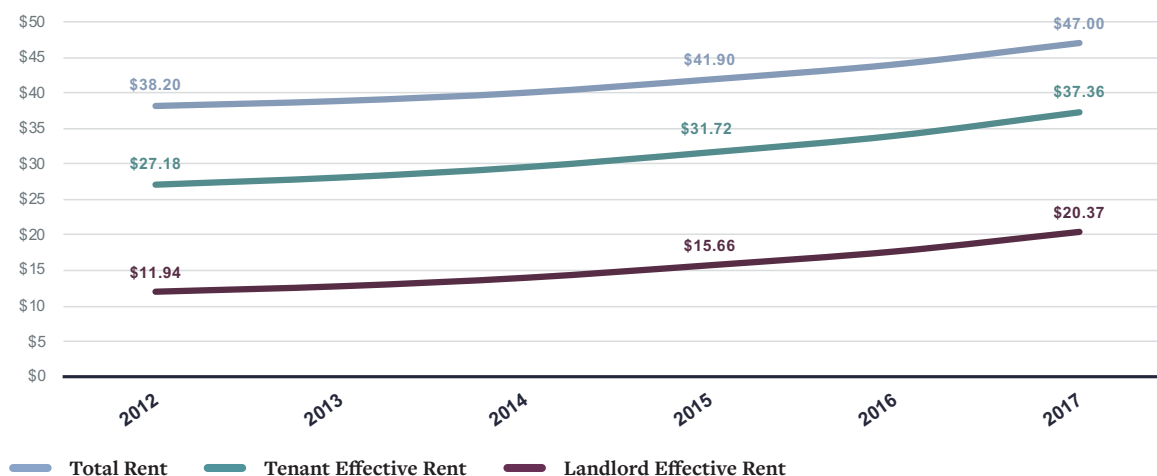
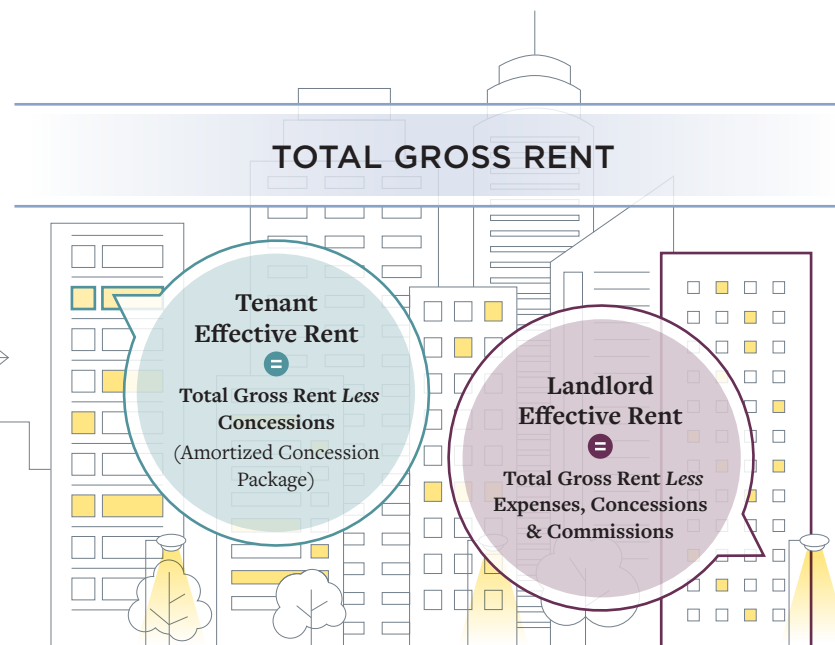
\$20.37

15.7%



RENT SENSIBLY.

DO YOU KNOW WHERE
YOUR RENT GOES?



METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: www.savills-studley.com/research/us/effective-rent-indexes.aspx.

