

Seattle

Tech Sector Update

MARKET TAKEAWAYS



Sarah Dreyer
Vice President,
Head of Americas
Research
+1 202 540 5510
sdreyer@savills.us



Sid Jaitly
Data & Technology
Manager
+1 206 773 2276
sjaitly@savills.us



Seattle remained one of the hottest markets for "big tech" growth in 2020, despite pandemic challenges. Five of the top ten transactions over 100,000 square feet this year were signed by tech giants Amazon, Microsoft and Google. Aside from these large transactions, activity demand was significantly impacted with total leasing volume declining 61.5% year over year.



Disruption from the COVID-19 pandemic reinforced the value of technology more than ever. Start up activity and venture capital financing was attracted to firms from biotechnology, healthcare, fintech and artificial intelligence sectors in 2020.

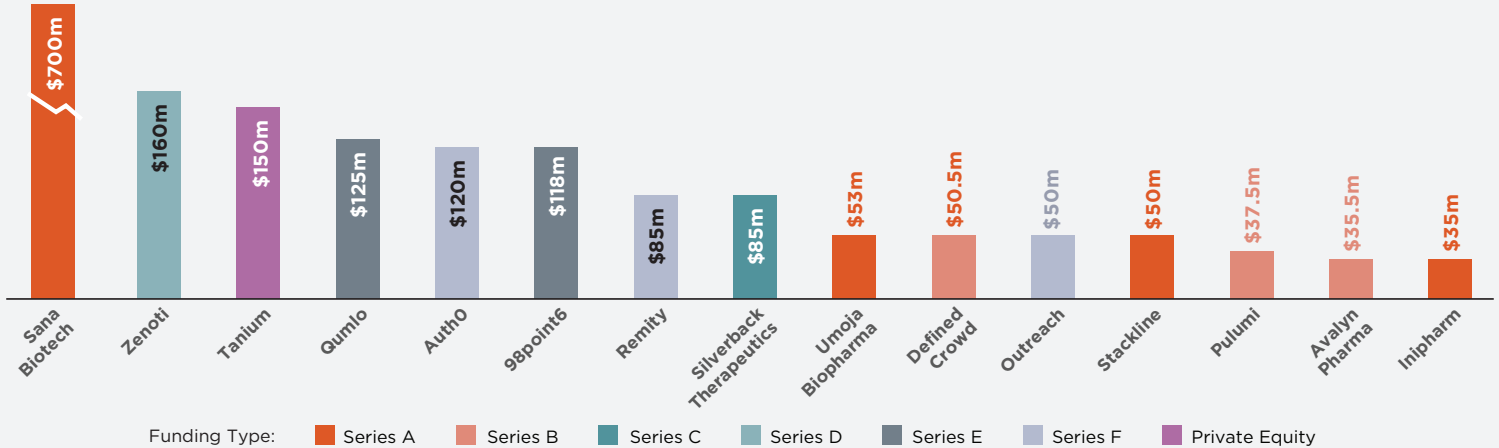


Many firms have shed office footprint after a prolonged work-from-home experiment which resulted in the highest sublease availability ever recorded in Seattle. Despite vaccine rollout, the amount of sublease space is going to increase in coming quarters as many organizations continue to take a "wait-and-see" approach for office planning.



Greater demand for IT and tech sector services will continue to attract talent and bolster hiring in Seattle. With high sublease availability, tech employers have access to high-quality built space with abundant flexible-term options in the Downtown and Bellevue / Eastside submarkets.

LARGEST VENTURE CAPITAL RAISES IN 2020



Source: Crunchbase

KEY TECH MARKET STATISTICS

	BELLEVUE/EASTSIDE		SEATTLE (OVERALL)	
	Q4 '19	Q4 '20	Q4 '19	Q4 '20
Availability	8.0%	11.4% ▲	11.8%	16.3% ▲
Sublease Space	481,434 SF	1.19 MSF ▲	3.09 MSF	5.66 MSF ▲
Overall Asking Rent	\$40.77	\$42.03 ▲	\$38.45	\$38.01 ▼
Quarterly Leasing Activity	0.8 MSF	0.2 MSF ▼	1.9 MSF	0.7 MSF ▼

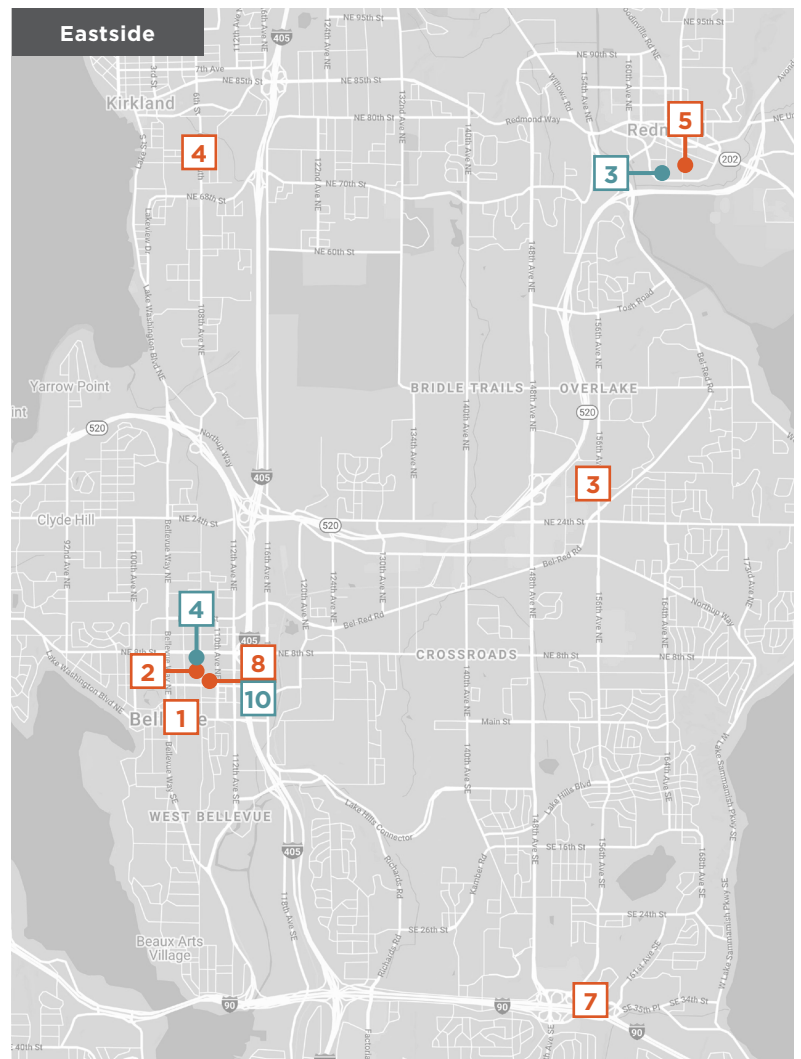
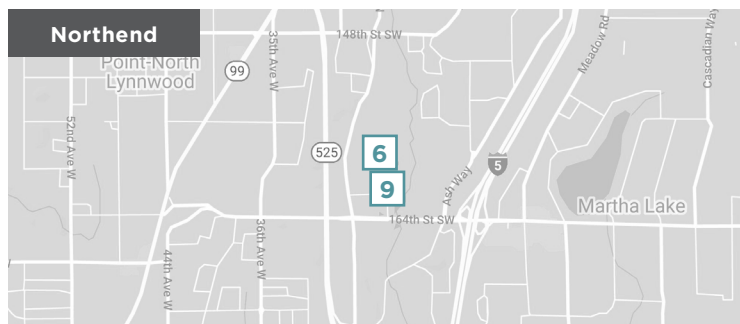
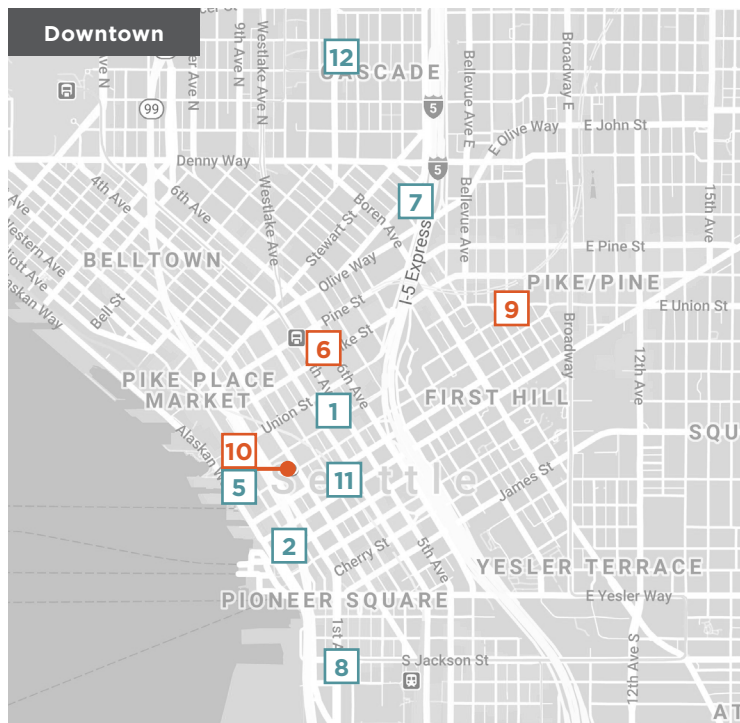
Source: Savills Research

Recent Sublet Blocks (2020)

- | | |
|---|--|
| 1 Amazon
1301-1333 5th Ave
558,730 SF | 7 WeWork
1730 Minor Ave
80,248 SF |
| 2 Big Fish
901-999 Western Ave
186,806 SF | 8 Galvanize
101-111 S Jackson St
78,564 SF |
| 3 AT&T Wireless
7277 164th Ave NE
137,104 SF | 9 Honeywell
16201 25th Ave W
70,400 SF |
| 4 Symetra
777 108th Ave NE
134,790 SF | 10 EagleView Technologies
10900 NE 4th St
55,500 SF |
| 5 Dropbox
1201 2nd Ave
120,886 SF | 11 Safeco Insurance
1001 4th Ave
55,035 SF |
| 6 Comcast
15815 25th Ave W
87,385 SF | 12 Wireless Advocates
400 Fairview Ave N
52,361 SF |

Notable Transactions (2020)

- | | |
|---|---|
| 1 Amazon
117 106th Ave
941,168 SF / Expansion | 6 ExtraHop
520 Pike St
82,000 SF / Renewal |
| 2 Amazon
555 108th Ave NE
671,580 SF / Expansion | 7 ProbablyMonsters
15800 SE Eastgate Way
76,115 SF / New |
| 3 Microsoft
15550 NE Turing St
246,637 SF / New | 8 GitHub
10900 NE 4th St
65,000 SF / New |
| 4 Google
503 6th St S
136,000 SF / New | 9 BlackRock
601 Union St
64,215 SF / Renewal |
| 5 Amazon
7400 166th Ave NE
111,368 SF / New | 10 Skanska
1201 2nd Ave
60,947 SF / New |



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