

Q4 2024

# SOUTH PUGET SOUND OFFICE INSIGHTS

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# TABLE OF CONTENTS

01 SOUTH SOUND MARKET TAKEAWAYS

---

02 RENTON / TUKWILA

---

03 FEDERAL WAY / AUBURN

---

04 TACOMA CBD

---

05 TACOMA SUBURBAN

---

06 OLYMPIA / LACEY

---

07 KITSAP COUNTY

---

08 TEAM OVERVIEW

## *Prepared by*

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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

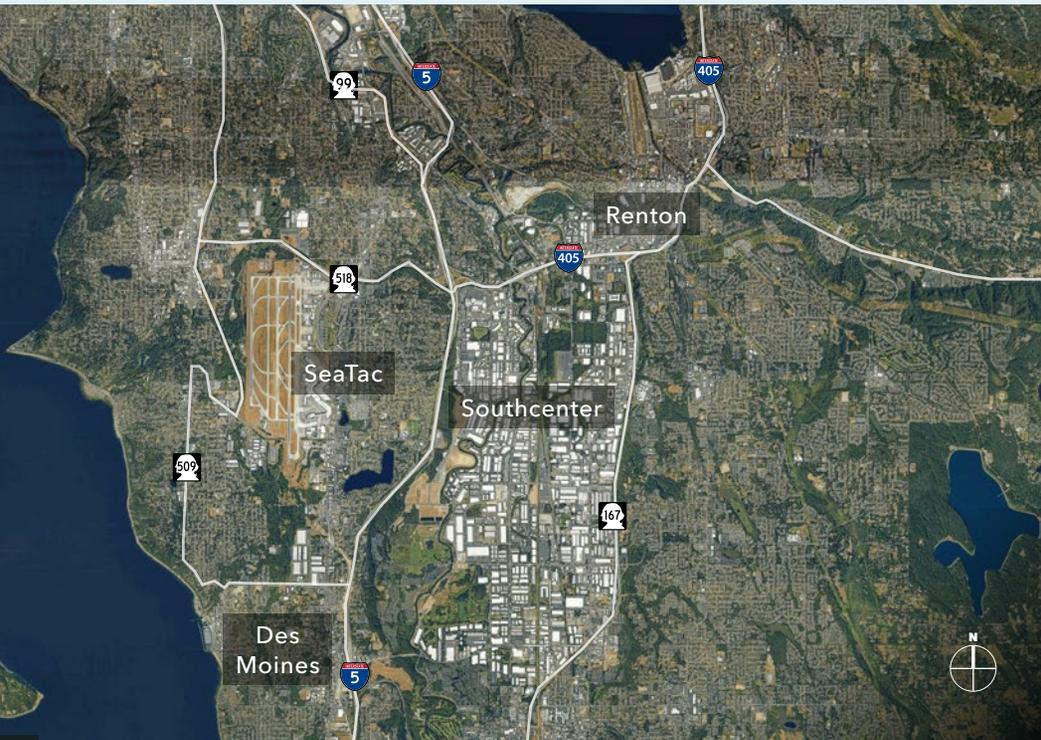
LEASE



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

LEASE

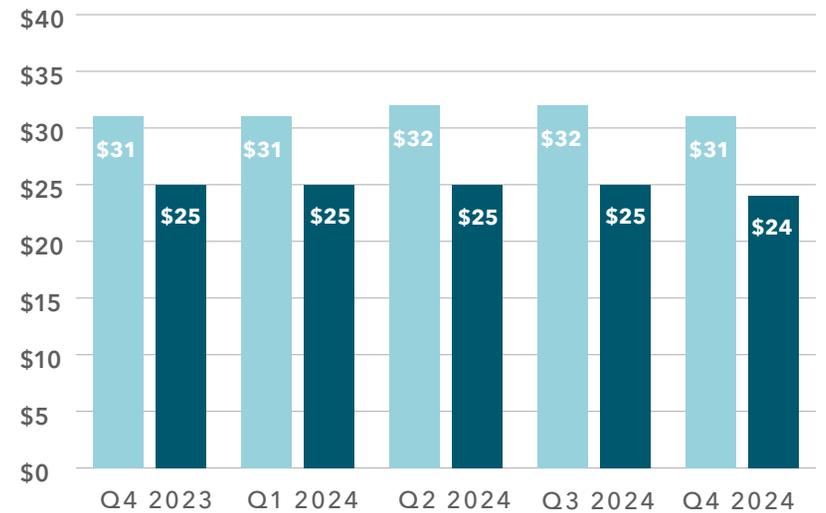
<b>13.8M</b> INVENTORY SF	<b>1.60M</b> VACANT SF	<b>0.00%</b> ANNUAL RENT GROWTH
<b>11.59%</b> VACANCY RATE	<b>7.7%</b> MARKET CAP RATE	<b>\$298</b> MARKET SALE PSF



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

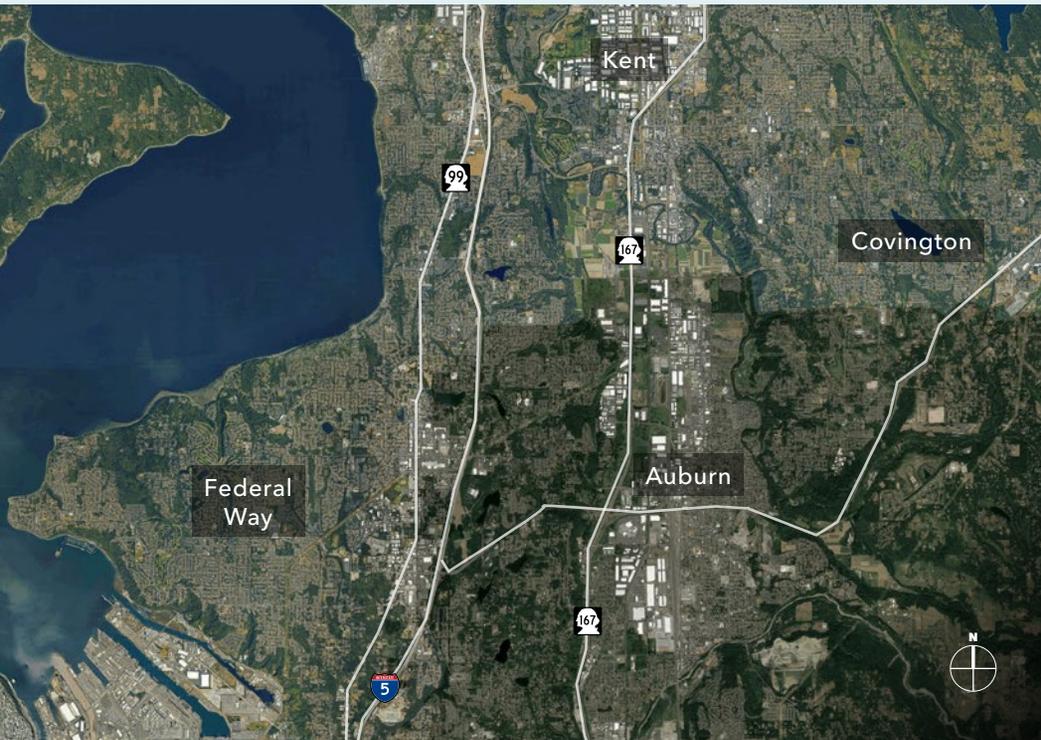
**495,289**  
VACANT SF

**6.66%**  
ANNUAL RENT GROWTH

**11.26%**  
VACANCY RATE

**7.75%**  
MARKET CAP RATE

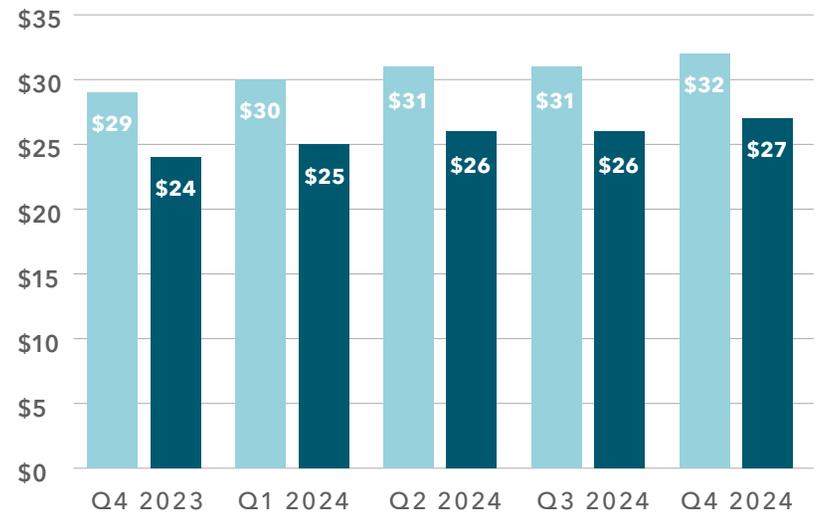
**\$208**  
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



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

# TACOMA (CBD)

**5.0M**  
INVENTORY SF

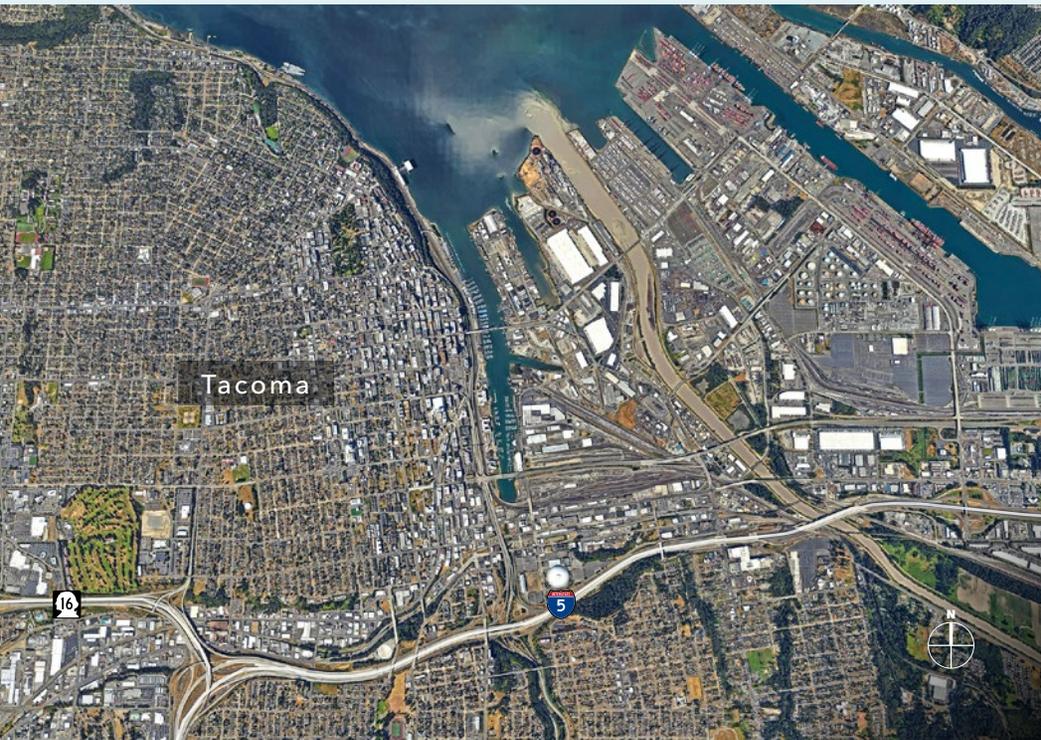
**721,360**  
VACANT SF

**0.00%**  
ANNUAL RENT GROWTH

**14.42%**  
VACANCY RATE

**8.2%**  
MARKET CAP RATE

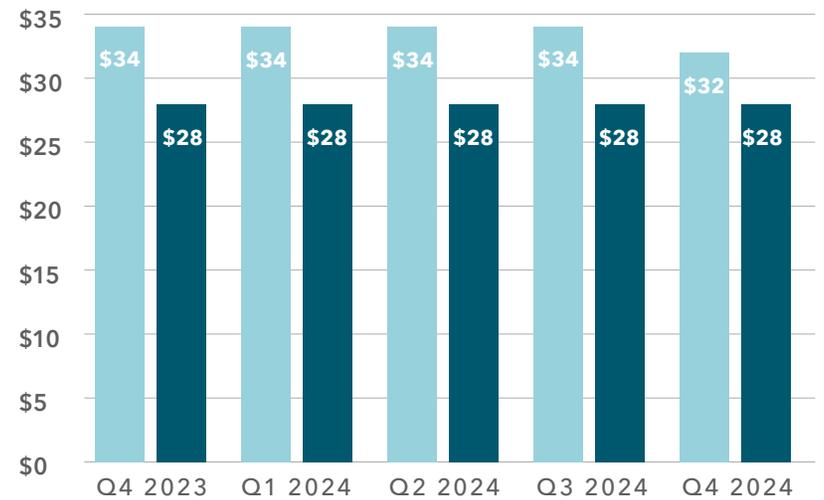
**\$174**  
MARKET SALE PSF



## VACANCY RATE



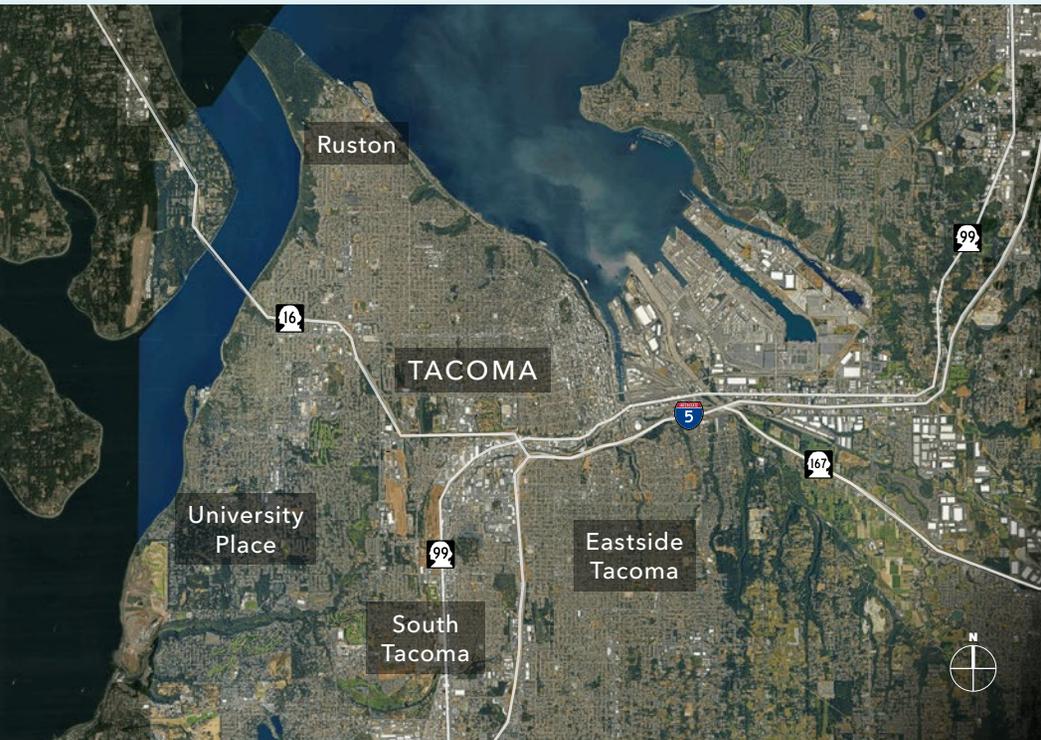
## AVERAGE ASKING RENT PSF FULL SERVICE



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

# TACOMA (SUBURBAN)

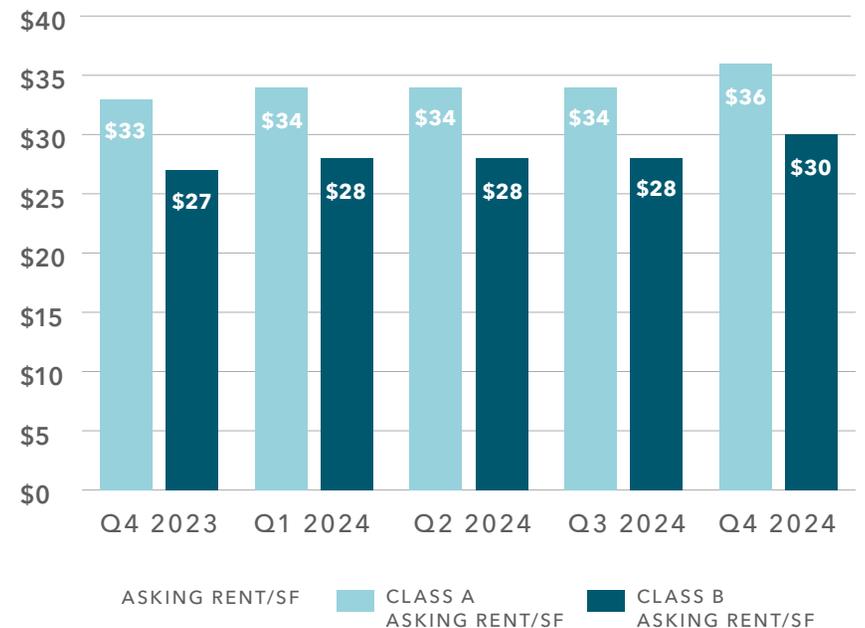
<b>6.6M</b> INVENTORY SF	<b>234,678</b> VACANT SF	<b>9.15%</b> ANNUAL RENT GROWTH
<b>3.55%</b> VACANCY RATE	<b>7.5%</b> MARKET CAP RATE	<b>\$265</b> MARKET SALE PSF



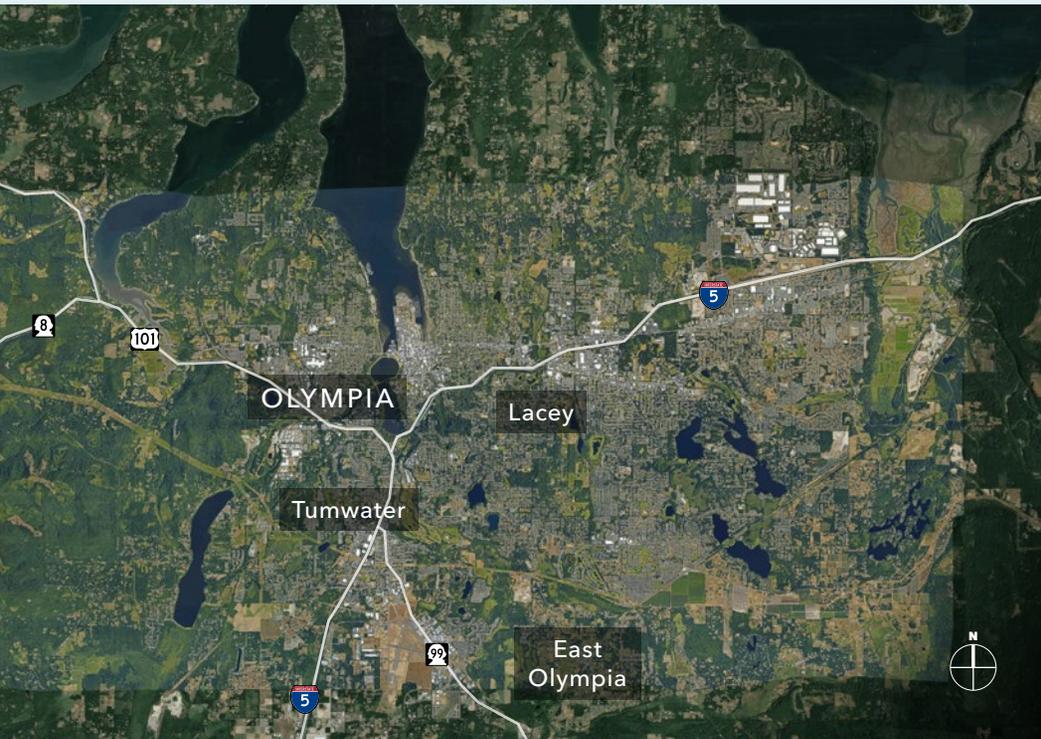
## VACANCY RATE



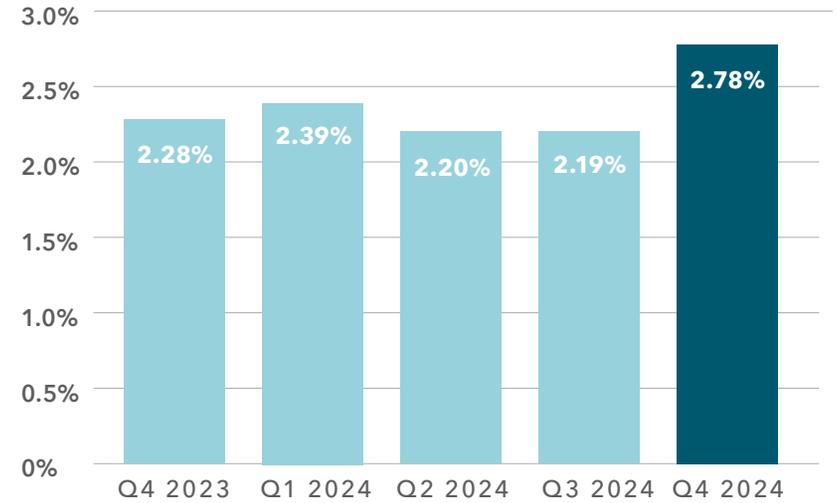
## AVERAGE ASKING RENT PSF FULL SERVICE



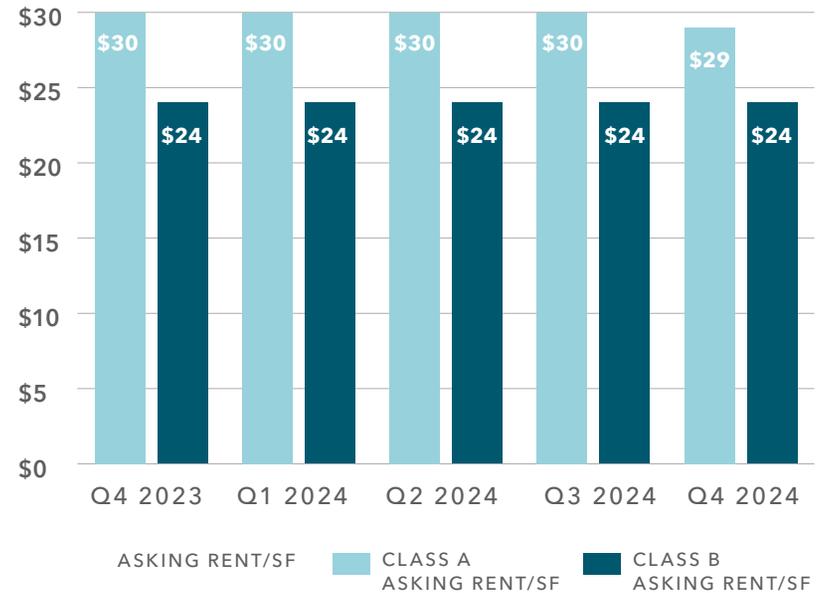
<b>10.1M</b> INVENTORY SF	<b>282,546</b> VACANT SF	<b>0.00%</b> ANNUAL RENT GROWTH
<b>2.78%</b> VACANCY RATE	<b>8.70%</b> MARKET CAP RATE	<b>\$177</b> MARKET SALE PSF



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

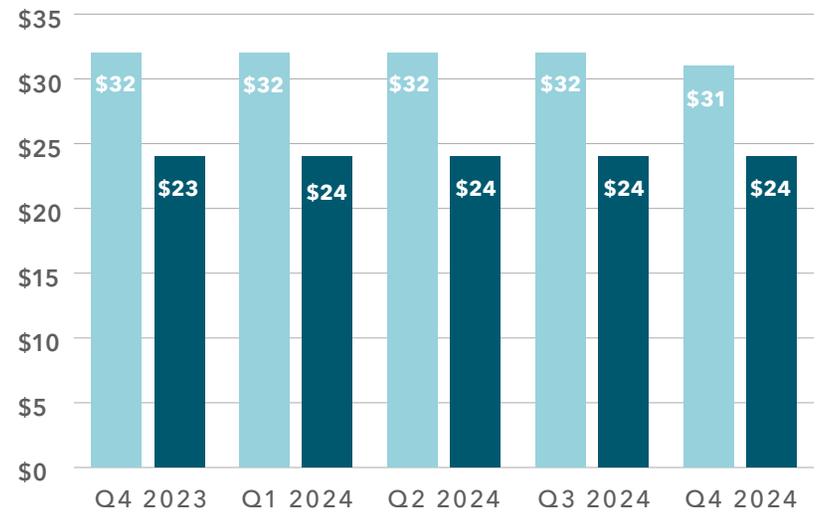
**\$169**  
MARKET SALE PSF



VACANCY RATE



AVERAGE ASKING RENT PSF FULL SERVICE



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

# 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, SIOR

Senior Vice President,  
Shareholder

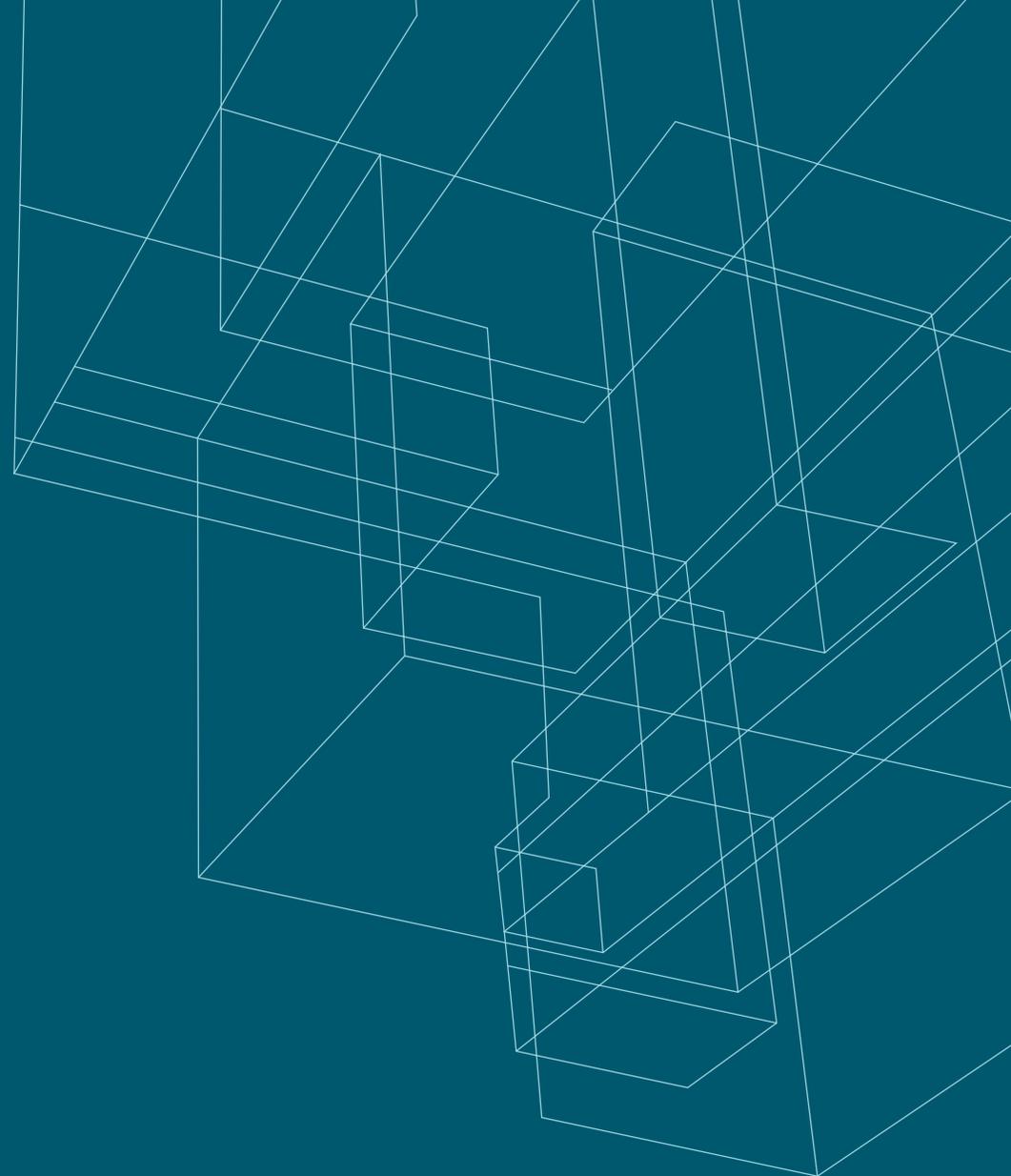
2018-2019 & 2021-2022  
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