

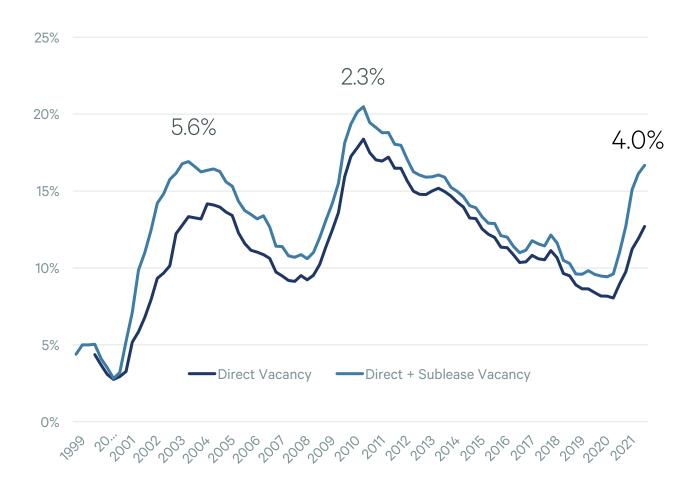
October 6, 2021

# Puget Sound Office Market and the Future of Work

Carolyn Davis Research Manager Puget Sound Office Market

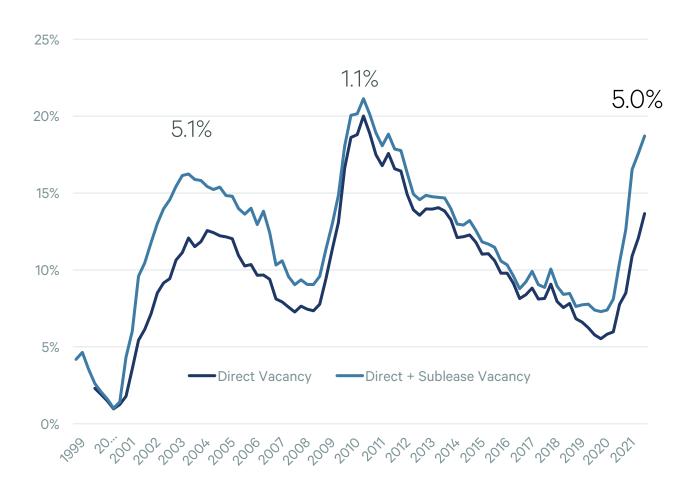
116 MSF 4.6 MSF for sublease 4.0%

## **Sublease Vacancy vs Direct Vacancy**



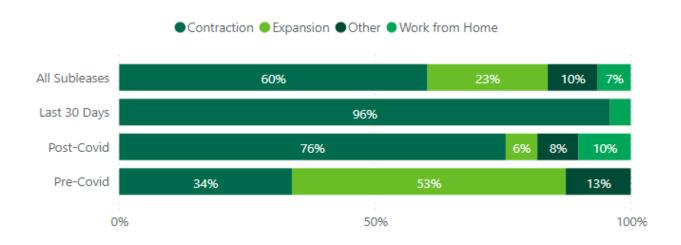
Source: CBRE Research

#### Sublease Vacancy vs Direct Vacancy - Downtown Seattle Only

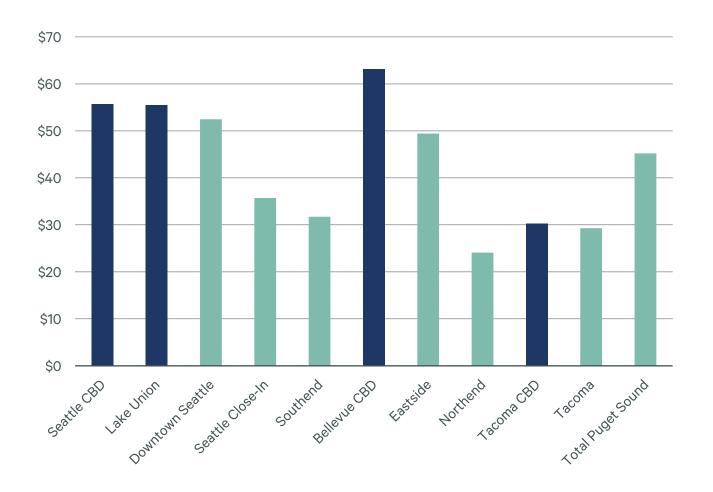


Source: CBRE Research

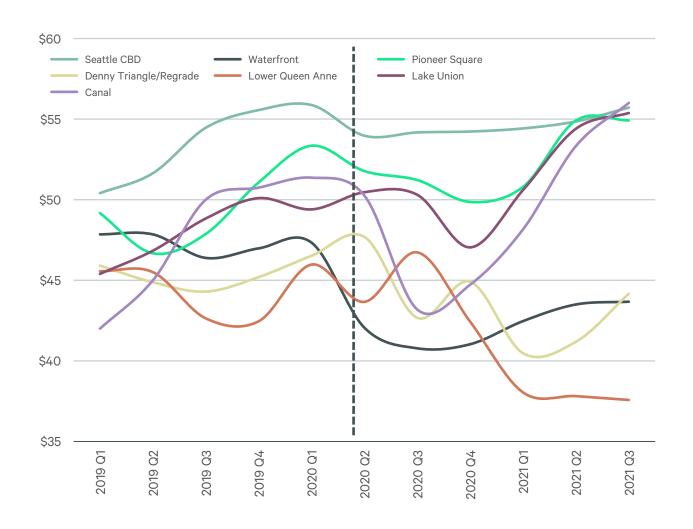
# Sublease Space by Known Motivation – Puget Sound



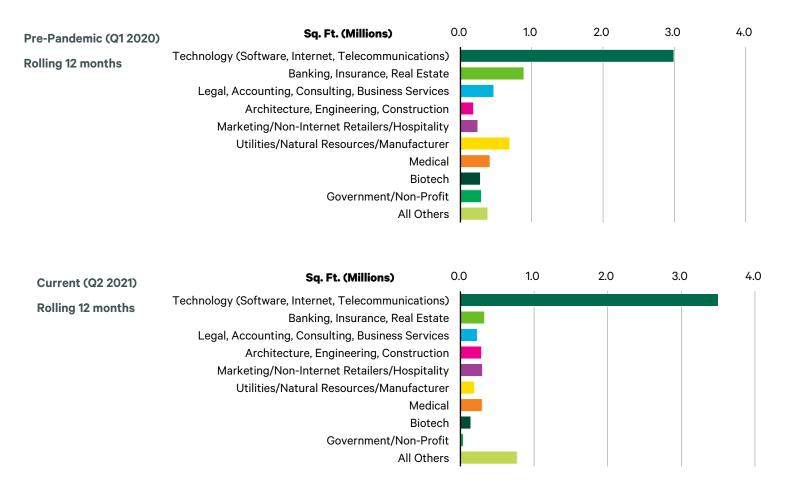
# Q3 2021 - Class A Asking Rent, Full Service



# Q3 2021 - Class A Asking Rent, Full Service, by Submarket



#### **Gross Leasing by Industry**



# RETURN TO OFFICE

# **Puget Sound Region Projected Office Reopening Timeline**

AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY OR LATER	NO END DATE ANNOUNCED	F
Airbnb Salesforce/ Tableau ZipWhip	Accenture Convoy Dropbox Expedia Pitchbook Puget Sound Energy	Apple Docusign Facebook F5 Google Highspot Microsoft Starbucks Uber			Amazon Indeed Lyft	Big Fish Games  Deloitte  Pinterest  Redfin	

PROOF OF VACCINATION REQUIRED

Disney Interactive
Facebook
Google
Microsoft

Amazon
Apple
Facebook
Google
Highspot
Indeed
Microsoft
REI
Stripe
Twitter
Verizon
Zillow

PERMANENT HYBRID

OR REMOTE OPTION

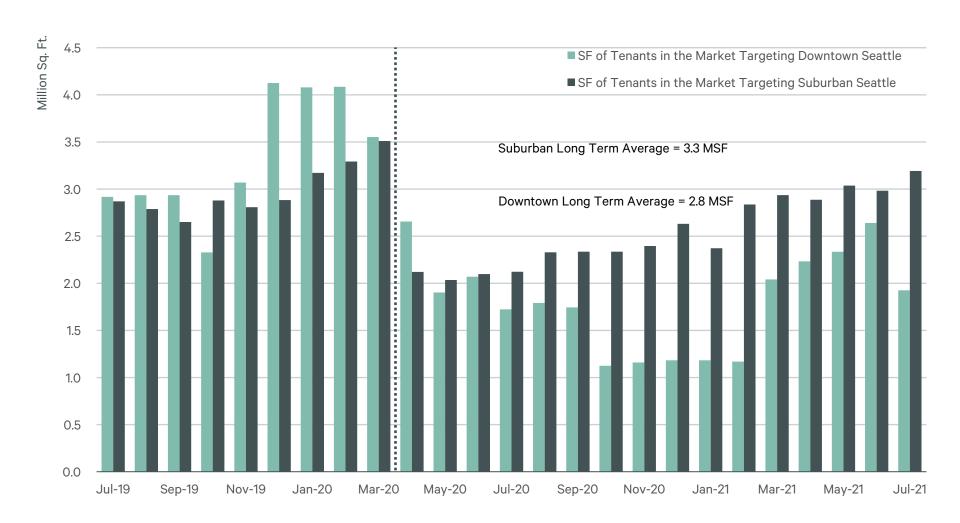
**87%** 

of large employers believe a hybrid work policy will become standard

Source: CBRE Spring 2021 Office Occupier Sentiment Survey

As of August 2021

#### **Tenants in the Market**



# THE FUTURE OF WORK

# **Shifting Workplace Needs**

Internal Mobility	<u> </u>		×)°		\$\tag{\chi_{\chi_{\chi_{\chi}}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi_{\chi}}\chi_{\chi}\ch	External
	Tethered to Office Dedicated seats with diverse work settings	Neighborhood Seating Shared departmental seats with alternative work setting choices	Activity-Based Work Shared seats with alternative work setting choices	Remote Work Program Hybrid dedicated and shared seats with diverse choices	Full Remote Work Centralized touchdown space with diverse choices	Mobility
Workplace implications:	Larger, more connected community & meeting hub	Space zoning to support flexible boundaries	Reservation system to support desk-sharing	Hyper connected infrastructure with power & wi-fi	Shift to amenities and service-driven workplace	

## National Office

Economists on return to work

https://www.cnbc.com/video/2021/09/02/ariely-shilling-duflo-zandi-el-erian-on-the-future-of-work.html

CBRE's Julie Whalen

https://www.commercialsearch.com/news/the-future-of-work-for-small-vs-large-businesses/

https://www.cbre.com/insights/books/us-real-estate-marketoutlook-2021/office-occupier