

Office Market Report

Spokane, Washington Fall 2020



Annual Comparison	Fall 2018		Fall 2019		Fall 2020
Suburban Office Vacancy (sq. ft.)	1,368,190	▼	1,110,726	▼	957,977
CBD Vacancy (sq. ft.)	480,864	▼	421,936	▲	446,088
Medical Vacancy Rate	8.41%	▲	8.97%	▲	9.00%
Total Office Vacancy	2,108,476	▼	1,748,995	▼	1,638,888
Overall Vacancy Rate	14.65%	▼	13.45%	▼	12.05%
Rent Range	\$12.26-\$22.41	▲	\$12.39-\$22.73	▼	\$12.29-\$21.38

Actual	Forecast
▼ Vacancy	▲ Vacancy
▲ Rents	▲ Rents

Please note: Actual-Compared to the preceding quarter. Forecast—Next 12 months compared to last 12 months.

Key Findings

- Overall office market had positive absorption of 280,274 square feet.
- Class A vacancy increased from 12.62% to 14.21%. Class B vacancy increased from 15.33% to 15.52%. Class C vacancy increased from 12.63% to 15.56%.
- Medical office vacancy increased 18,559 square feet to 9.0%.
- Of the suburban market, the Valley was strongest with positive absorption of 114,361 square feet.
- Total office market vacancy decreased from 13.45% to 12.05%.**



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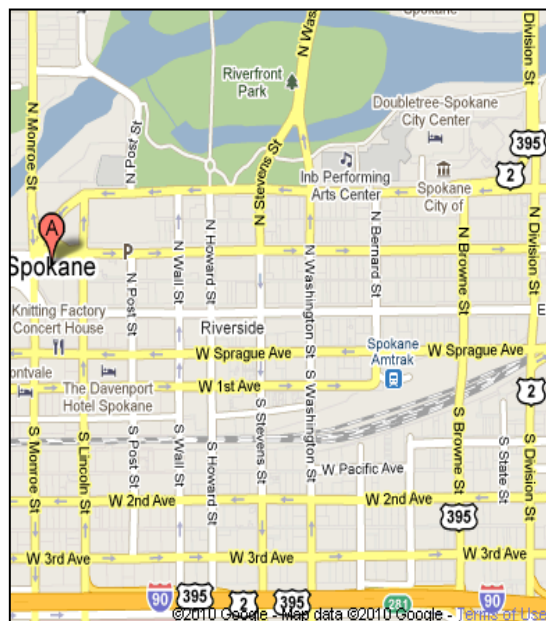
Spokane Office Market Report

Total Office Market	CBD	Periphery	South Hill	North	Valley	West	Medical
# Buildings Surveyed	68	153	15	62	157	10	122
Surveyed Sq. Ft.	2,967,837	3,371,194	187,782	1,049,241	3,946,072	405,101	2,610,811
Vacant Sq. Ft.	446,018	342,953	7,850	91,110	460,895	55,169	234,893
Vacant %	15.03%	10.00%	4.00%	8.68%	11.68%	13.62%	9.00%
Avg. Recent Rate/Sq. Ft.		\$15.79	\$18.81	\$12.29	\$20.98	\$18.09	\$21.48
CLASS "A" OFFICE							
# Buildings Surveyed	9						
Surveyed Sq. Ft.	1,123,058						
Vacant Sq. Ft.	159,594						
Vacant %	14.21%						
Avg. Recent Rate/Sq. Ft.	\$20.63						
CLASS "B" OFFICE							
# Buildings Surveyed	44						
Surveyed Sq. Ft.	1,658,880						
Vacant Sq. Ft.	257,511						
Vacant %	15.52%						
Avg. Recent Rate/Sq. Ft.	\$16.47						
CLASS "C" OFFICE							
# Buildings Surveyed	16						
Surveyed Sq. Ft.	185,899						
Vacant Sq. Ft.	28,913						
Vacant %	15.56%						
Avg. Recent Rate/Sq. Ft.	\$12.39						

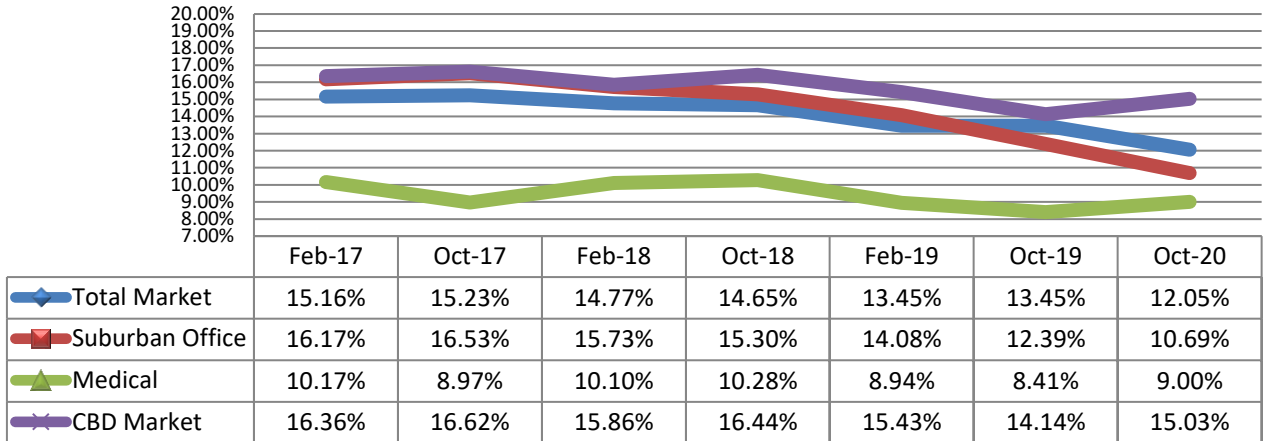
Methodology:

The survey also indicates if a building is Class A, B or C for the CBD only. Typical features of the different classes of office buildings are as follows: **Class A:** Investment-grade property, well located and offering high-quality space. Good design, above-average workmanship and materials. Well-maintained and managed, exceptionally so if an older building. Quality tenants. **Class B:** Generally a more speculative investment. Offers utilitarian space without special attractions. Ordinary. **Class C:** Basic space in a no-frills older building. Below-average maintenance and management. Mixed or low tenant prestige. Inferior elevators and mechanical/electrical systems. Information contained herein has been obtained from the owners of the properties or from other sources that we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it. Medical survey represents buildings that are 100% medical use.

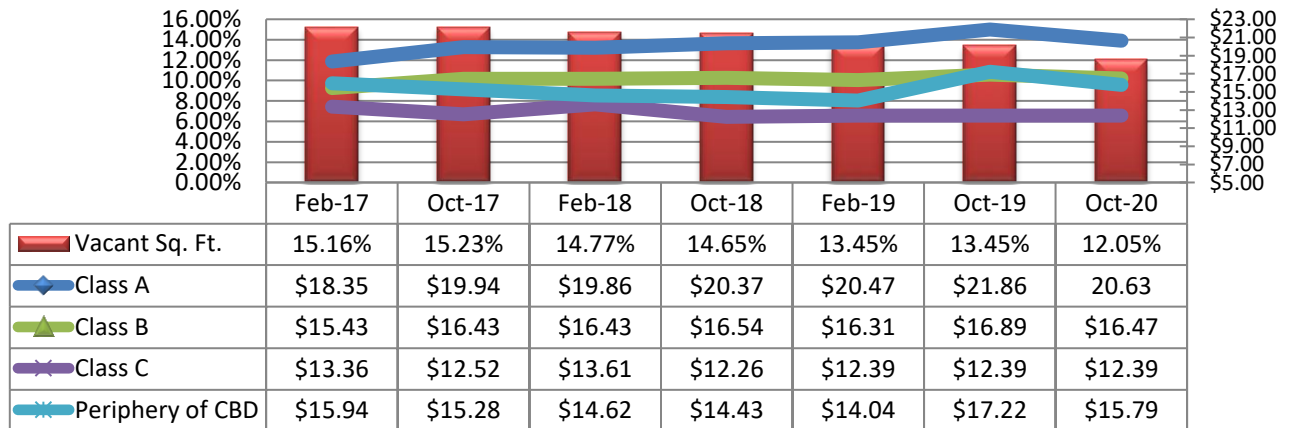
Black Realty Management, Inc. is a leading Inland Northwest manager of office CBD, suburban and medical office buildings; shopping centers; business and industrial parks; corporate and governmental facilities; conventional and governmentally assisted apartments and common interest associations.



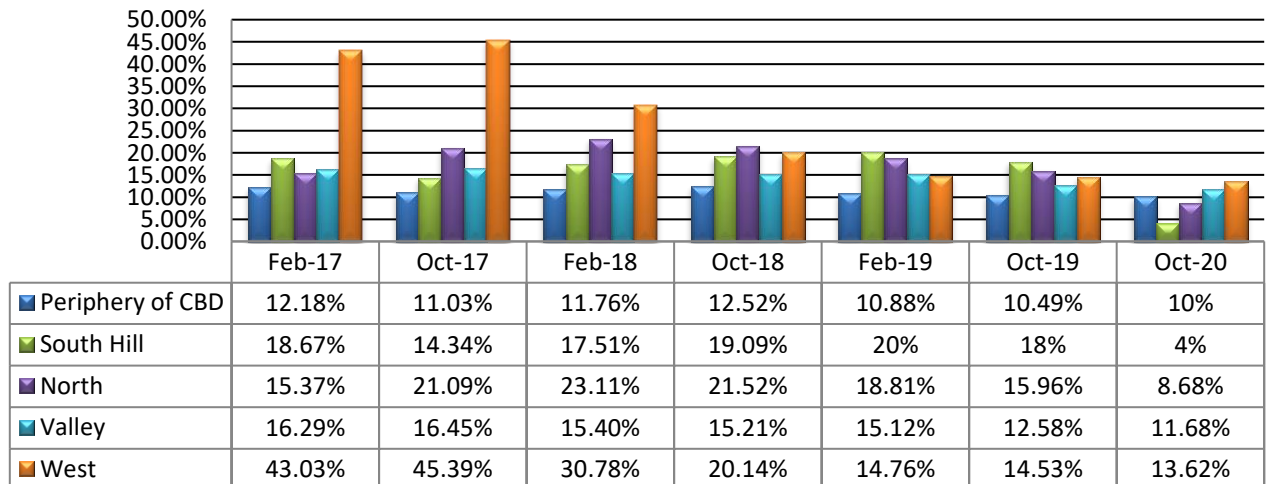
Total Office Market, CBD, Suburban and Medical Vacancy



Total Office Market, CBD, Suburban and Medical Vacancy with Average Rate Per Square Foot



Suburban Office Vacant Percentage



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