

SPOKANE OFFICE MARKET

ERIK NELSON, SIOR

HOW WORRIED SHOULD WE BE ABOUT THE
CURRENT STATE OF THE OFFICE MARKET?

KIEMLE
HAGOOD

MARKET STATS

FALL 2023



OVERALL VACANCY RATES

FALL 2023

14.04%

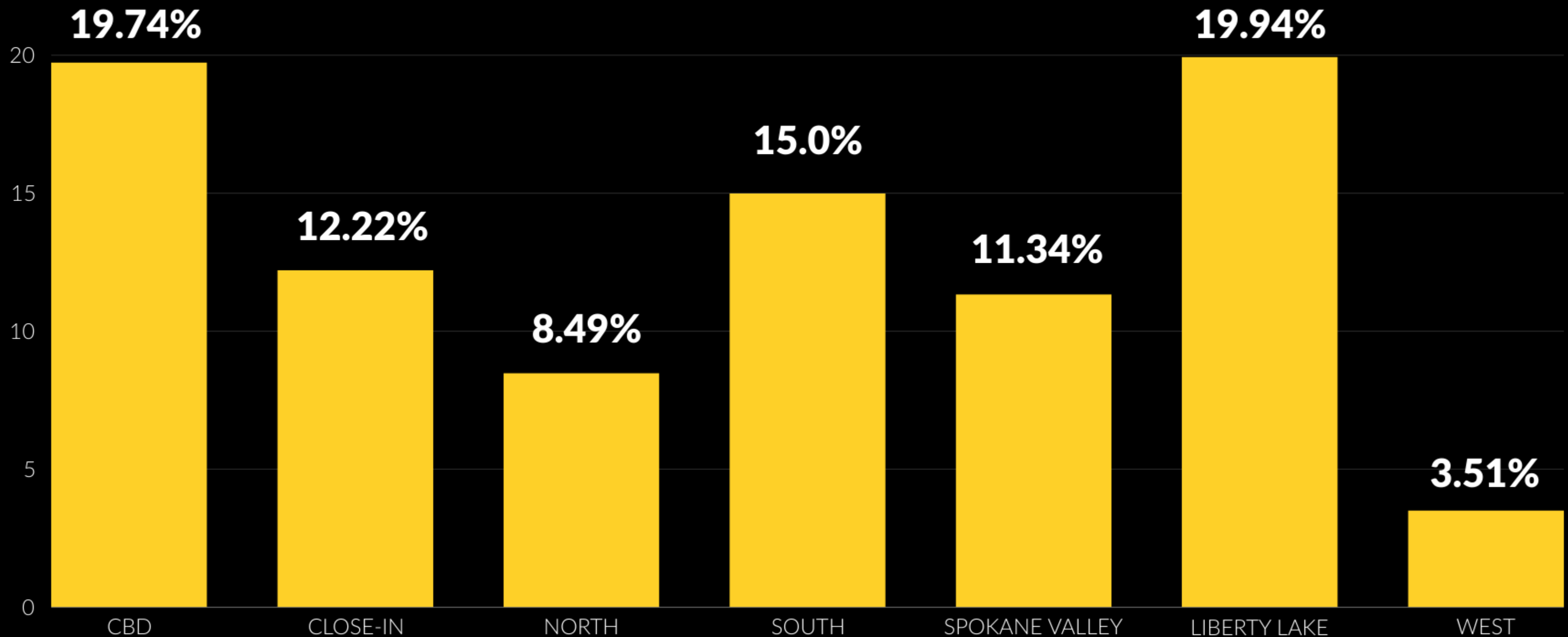
2023

11.60%

2022

SUBMARKET VACANCY RATES

FALL 2023



**AT THE YEAR-END, THERE
WERE FEW AVAILABLE 1,500 SF
OR LESS OPTIONS IN ANY OF
THE SUBMARKETS**

**OTHER THAN IN
THE CENTRAL BUSINESS
DISTRICT (CBD).**

**ASKING RENTS ON THE SMALLER SPACES HAVE
CONTINUED TO INCREASE ON AVERAGE**

3-5%

**DEPENDENT ON TENANT IMPROVEMENT ALLOWANCES
AND OWNER NEGOTIATING STRENGTH.**

MARKET TRENDS

FALL 2023

RISING RENTS 

LIMITED SMALL SPACES 

FLIGHT TO QUALITY 



THE SKY IS FALLING!

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**THERE ARE ALOT OF
SPECULATIONS RIGHT
NOW REGARDING THE FUTURE
OF THE OFFICE MARKET**

**DUE IN PART TO
SPOKANE'S INSULATION
FROM THE WIDESPREAD
TECH LAYOFFS OF 2023,**

**OUR MARKET HAS
REMAINED STEADY
AMIDST VOLATILE
NATIONAL TRENDS.**

HEADWINDS

2024

INTEREST RATES 

SAFETY 

GOVERNMENT REGULATIONS 

COST OF TENANT IMPROVEMENTS 

INTEREST RATES

2024



How worried should we be about regional banks and commercial real estate?

Commercial real estate has been struggling, but past reports on banks' exposure to the industry's may have been overblown.

Marketplace / Feb 22

CLICK TO LISTEN

HOW WORRIED
SHOULD WE BE
ABOUT REGIONAL
BANKS AND
COMMERCIAL
REAL ESTATE?



GOVERNMENT REGULATIONS

2024

SPOKANE AREA BUILDINGS

COHORT SUMMARY



BUILDING SIZE	>200,00 SF	90,001 - 220,000 SF	50,000 - 90,000 SF
# OF BUILDINGS	180 BUILDINGS	300 BUILDINGS	380 BUILDINGS
COMPLIANCE DEADLINE	JUNE 1, 2026	JUNE 1, 2027	JUNE 1, 2028

NOTABLE LEASES

2023



OCH BUILDING



±28,000 SF
COFFMAN ENGINEERS

RIVERVIEW CORPORATE CENTER



±40,000 SF
TRAVELER'S INSURANCE

ROCK POINTE EAST



±33,000 SF
AGING LONG TERM CARE

ROCK POINTE WEST



±21,000 SF
FRONTIER BEHAVIORAL HEALTH

BANK OF AMERICA BUILDING



±16,000 SF
FEDERAL DEFENDERS

NOTABLE SALES

2023



ROCK POINTE WEST



SOLD FOR
\$24,900,000

IRON BRIDGE III



SOLD FOR
\$9,750,000

THANK YOU!

CRAIG SOEHREN | KIEMLE HAGOOD

MIKE SHARAPATA | JLL

JON JEFFREYS | NAI BLACK

[KIEMLEHAGOOD

2024 MARKET
REVIEW &
OUTLOOK



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HAGOOD**

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