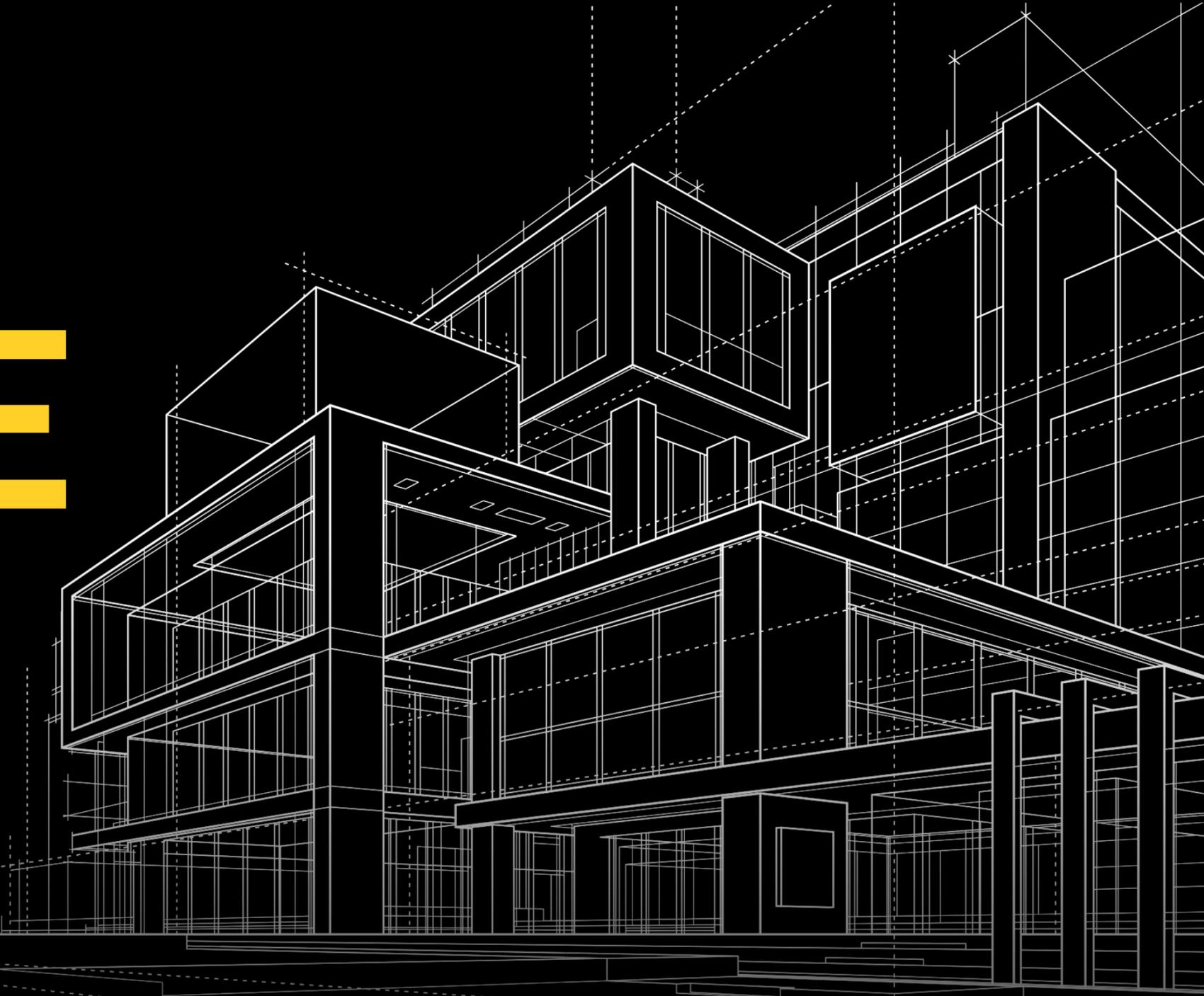


[KIEMLEHAGOOD

SPOKANE OFFICE MARKET

Presented by Erik Nelson, SIOR
KIEMLE HAGOOD

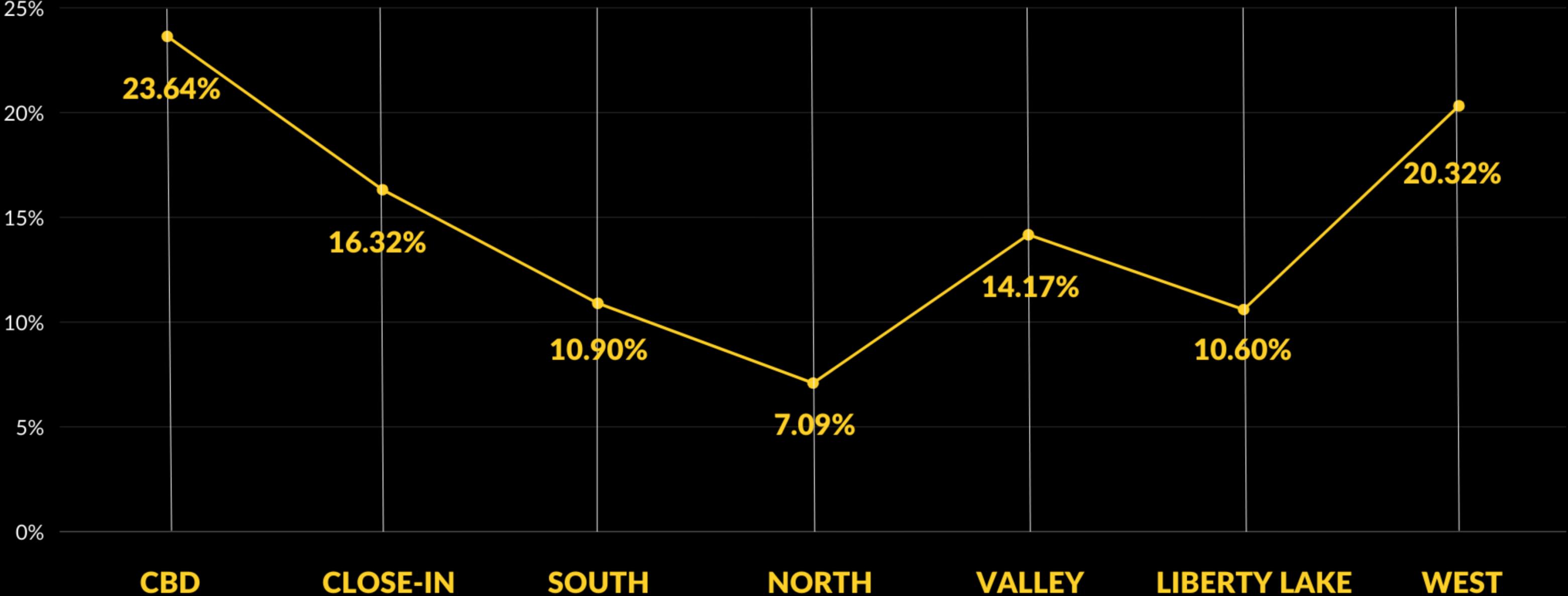


WINTER 2026 OFFICE MARKET

SPOKANE OFFICE VACANCY RATES

WINTER 2026

Market Data Source: Kiemle Hagood



**OVERALL
VACANCY RATE**

14.46%

**SPOKANE OFFICE
VACANCY RATES**

2024 - 2026

Market Data Source: Kiemle Hagood



LONGSTANDING CBD VACANCIES

WINTER 2026

Market Data Source: Kiemle Hagood

THE CRESCENT BUILDING



THE UMPQUA BANK BUILDING



THE U.S. BANK BUILDING



±477,134 TOTAL SF
74.29% TOTAL VACANCY

If these longstanding, large vacancy buildings are removed from the Winter 2026 Report: **CBD Office Vacancy is brought down from 23.64% to 16.42%.**



NORTH
7.09%

Outside the Central Business District, quality space up to 5,000 SF provides limited options and absorption continues to move toward Periphery submarkets.

VALLEY
14.17%

CLOSE-IN
16.32%

LIBERTY LAKE
10.60%

CBD
23.64%

WEST
20.32%

SOUTH
10.90%

Spokane

**F5 Networks is consolidating its office footprint,
vacating their two locations in Liberty Lake.
A ±57,000 SF Office Building is under
construction in the Pinecroft Business Park.**

F5 Building in Liberty Lake, WA



New F5 Building Under Construction, to open May 2026



OFFICE INVESTMENTS ARE REBOUNDED



Institutional capital re-entered the office sector in 2025 as investors gained clarity on which assets remain fundamentally viable as office space versus those better suited for alternative uses. Capital is increasingly targeting repositioning and basis-driven opportunities, contributing to rising transaction volume even as vacancy challenges persist.

James Nelson, Avison Young | Phil Mobley, CoStar Analytics

In conversation: Investment sales chief explains rebound in office deal volume

OFFICE MARKET HEADWINDS



1. Rising Construction Costs

2. T.I.'s Driving Rent Prices and Lease Terms





3. Concerns over Safety

4. Lack of Certain Sizes



THE FLIGHT TO QUALITY





Owners who are unwilling to invest into their properties are losing out to those who are.

Tenant behaviors are reinforcing *flight to quality* observations, as many are leaving the CBD for Periphery Submarkets.

2025 NOTABLE TRANSACTIONS

NOTABLE TRANSACTIONS

WINTER 2026

Market Data Source: Kiemle Hagood

RIVERPOINT ONE BUILDING



501 N Riverpoint Blvd, Spokane, WA 99202

\$12,200,000

Sold on 1/21/2025

FORMER PREMIERA HEADQUARTERS



3900 E Sprague Ave, Spokane, WA, 99202

\$6,450,000

Sold on 1/27/2025

NOTABLE TRANSACTIONS

WINTER 2026

Market Data Source: Kiemle Hagood

FORMER KAISER PERMANENTE



5615 W Sunset Hwy, Spokane, WA 99224

\$6,100,000

Sold on 12/28/2025

THE UMPQUA BANK BUILDING



710 W Riverside Ave, Spokane, WA 99201

\$2,267,780

Sold on 4/30/2025

WINTER 2026 MEDICAL OFFICE



**1. Outpatient Demand Sustains
Tight Occupancy Levels**

**2. Tenants are Competing for
Premium Space**





**3. Investor Momentum is Returning to
Medical Office**

**4. Behavioral Health is Fueling
Growth Demand**



**A CHANGING
INDUSTRY**

WINTER 2026

Market Data Source: Kiemle Hagood



THE FUTURE OF HEALTHCARE

The incorporation of advanced telemedicine technologies through **Artificial Intelligence (AI) is helping transform remote healthcare with the enhancement of patient care, diagnostics, monitoring, and overall medical treatment.**

Udit Chaturvedi, Shikha Baghel Chauhan, Indu Singh,

The impact of artificial intelligence on remote healthcare: Enhancing patient engagement, connectivity, and overcoming challenges,

Intelligent Pharmacy, Volume 3, Issue 5, 2025, Pages 323-329, ISSN 2949-866X

**What does this mean for the
Medical Office Market?**

Spokane's Medical Office Market has historically had low vacancy rates, but there is nuance to the local market.



1. There is a shortage of medical professionals
2. No space for larger users other than general office conversions.

With staff shortages and high construction costs, the local market is tight on multiple fronts.



Physicians are transitioning opening private practices, but lack the funding because of high barrier to entry due to costs.

But there is a catch. While seeking modern office aesthetics, strict medical office standards must also be met, thus resulting in large TI package needs.

INVESTOR MOMENTUM



Medical office continues to outperform traditional CRE on a risk-adjusted basis, offering steady returns and lower volatility. Investor appetite is strengthening, with more capital returning to healthcare real estate and portfolio deals gaining momentum.

Marianne Skorupski, Colliers International

Key Takeaways | Revista 2026 Medical Real Estate Investment Forum

2025 NOTABLE TRANSACTIONS

NOTABLE TRANSACTIONS

WINTER 2026

Market Data Source: Kiemle Hagood

IGNITE NORTHWEST BUILDING



120 N Pine St, Spokane, WA 99202

\$8,250,000

Sold on 9/24/2025

MULTICARE HEART INSTITUTE



14408 E Sprague Ave, Spokane Valley, WA 99216

\$5,720,000

Sold on 5/22/2025

[A SPECIAL THANK YOU

Craig Soehren

Mike Sharapata

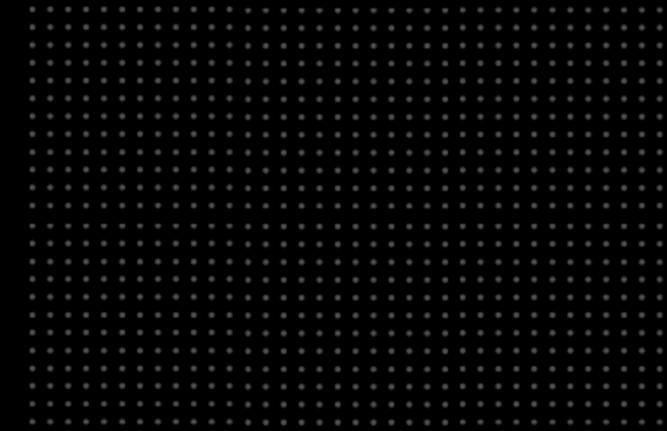
Jon Jeffreys



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