



# THE SEATTLE MARKET REVIEW

The Seattle Times

Compiled by The Seattle Times Company Strategic Research Department

DECEMBER 2011



## MARKET HIGHLIGHTS

- ⊕ **Labor Market:** King County's unemployment rate edged down in October
- ⊕ **Retail Market:** New Bellevue Theater to encourage cell phone use
- ⊕ **Regional Development:** Boeing to build new jet-delivery center in Everett
- ⊕ **Travel:** Seattle-Tacoma International among world's top on-time airports
- ⊕ **Economy:** Supercomputing conference gives \$23M economic boost to Seattle
- ⊕ **Real Estate Market:** Seattle awards \$27M to build affordable housing

### Area Stores Opening

- Pearl Bar owners to open KORAL in Bellevue Hyatt Regency
- Cantinetta's Mercato Stellina to open in Bellevue
- Ward & Company to open in Seattle
- The new \$160 million Tateuchi Center in Bellevue, 2014

### Area Stores Moving/Renovation/other

- None

### Area Stores Closing

- LA Fitness to close four Bally locations Kent, Federal Way, Olympia, Tacoma
- Hayes Nursery, longtime local business, to close (Issaquah)

**The Best Cities For Technology Jobs:** During tough economic times, technology is often seen as the one bright spot. In the U.S. this past year technology jobs outpaced the overall rate of new employment nearly four times. But if you're looking for a tech job, you may want to consider searching outside of Silicon Valley. Though the Valley may still be the big enchilada in terms of venture capital and innovation, it hasn't consistently generated new tech employment. Take, for example, Seattle. Out of the 51 largest metro areas in the U.S., the Valley's longtime tech rival has emerged as our No. 1 region for high-tech growth, based on long- and short-term job numbers. **Source:** *Forbes*, November 18, 2011  
<http://www.forbes.com/sites/joelkotkin/2011/11/18/the-best-cities-for-technology-jobs/>

**Puget Sound Region Wins \$1.5 Million i6 Green Grant:** A collaboration between the Prosperity Partnership and the Brookings Institution has resulted in a \$1.5 million Economic Development Administration (EDA) i6 Green grant. From this grant, the Office of Economic Development, in collaboration with the Washington Clean Energy Partnership and the Puget Sound Regional Council, has been awarded \$300,000 over two years to develop an "Energy Eco-system Management" pilot project. The project will deploy and test new IT-based energy efficiency technologies across a small cluster of buildings that serves as a microcosm of a larger urban area. **Source:** *Puget Sound Regional Council*, November 23, 2011  
<http://archive.constantcontact.com/fs044/1101581514240/archive/1108654140393.html>

**Best US Cities for Seniors 2011:** Bankers Life and Casualty Company Center for a Secure Retirement recently commissioned a survey of the *Best U.S. Cities for Seniors*. Conducted by research firm Sperling's Best Places, the July 2011 study ranked 50 cities and their surrounding metropolitan areas on a universal set of criteria, from transportation and housing to healthcare and the environment. To determine the rankings, Sperling's Best Places assembled and reviewed independent data from existing city and state government records, the Bureau of Labor Statistics, the American Medical Association, the Environmental Protection Agency, the Centers for Disease Control and Prevention, Medicare databases and a number of other verified sources. Of the top 25 cities Seattle ranked 19<sup>th</sup>.

**Source:** *bestplaces.net*, December 2011 [http://www.bestplaces.net/docs/studies/best\\_us\\_cities\\_for\\_seniors\\_2011.aspx](http://www.bestplaces.net/docs/studies/best_us_cities_for_seniors_2011.aspx)



THE SEATTLE TIMES FUND FOR THE NEEDY

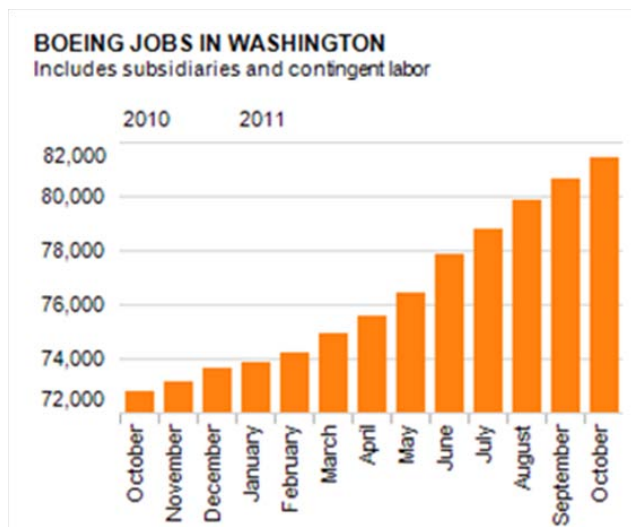
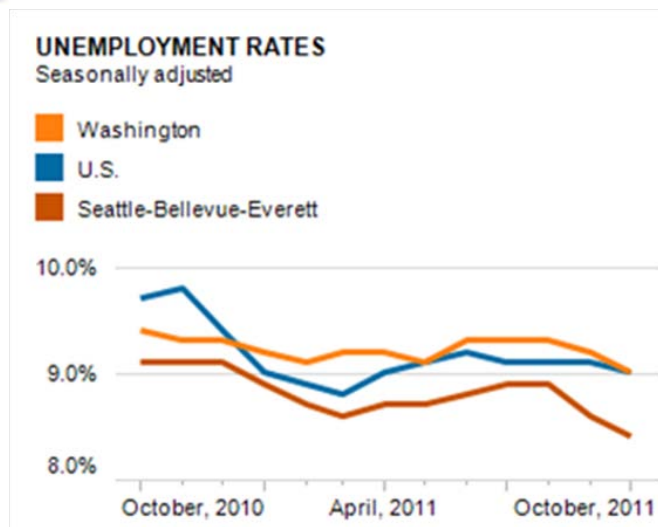
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## LABOR MARKET

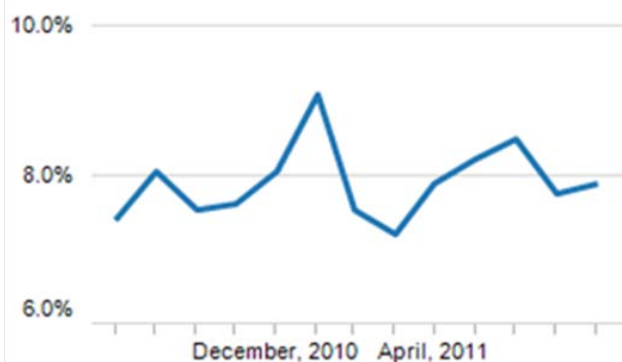


- ✦ **State reports modest job gains for October:** The state gained about 4,600 jobs in October, and the unemployment rate dipped slightly to 9 percent. That's down from 9.4 percent unemployment a year ago and the lowest jobless rate since March 2009, officials said Thursday. The Seattle-area unemployment rate was 8.4 percent, down from 8.6 percent the previous month. September's troubling job losses statewide were revised, from 18,400 jobs lost to 10,700 jobs lost, but the preliminary unemployment rate for that month was revised up, from 9.1 to 9.2 percent.  
**Source:** *The Seattle Times*, November 17, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016789050\\_jobs18.html](http://seattletimes.nwsources.com/html/business/technology/2016789050_jobs18.html)
- ✦ **King County's unemployment rate edged down in October:** King County's unemployment rate was 7.9 percent in October, down from 8.1 percent the previous month and 8.8 percent a year earlier, according to the state Employment Security Department. Snohomish County also saw a decline in its jobless rate: It was 8.7 percent in October, down from 9 percent the previous month and 10.1 percent a year earlier. Pierce County's rate edged up: October's 9.1 percent jobless rate was an increase from 9 percent the previous month and 8.8 percent a year earlier, the state figures show. The figures are not seasonally adjusted. **Source:** *The Seattle Times*, November 22, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2016829226\\_countyjobs23.html](http://seattletimes.nwsources.com/html/business/technology/2016829226_countyjobs23.html)
- ✦ **Jobs engine revs up in state:** Earlier this year, Derek Gillette took a leap of faith into the murky waters of the local economy. The 27-year-old left a secure management job at a Seattle nonprofit to pursue a career closer to his heart: marketing. Gillette spent six months applying for jobs — a tough time for him, his wife and their four children. "There was definitely a lot of questioning everything that happened, because I was making a good salary (at the nonprofit) and I had a good relationship with management," he said. But last month, Gillette was hired as a marketing copywriter for Kirkland-based online retailer BoxWave, becoming one of the more than 12,000 Washingtonians who found work in November. **Source:** *The Seattle Times*, December 14, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2017012949\\_jobs15.html](http://seattletimes.nwsources.com/html/business/technology/2017012949_jobs15.html)
- ✦ **Extended jobless benefits ending in Washington:** The Washington Employment Security Department says extended benefits will be phasing out over the next month for 85,000 people in the state. The department said Tuesday it's informing people who receive benefit extensions through two federal programs. The decision could be reversed if Congress votes to continue the programs. Another 108,000 people in Washington are claiming regular unemployment benefits. **Source:** *The Seattle Times*, December 13, 2011  
[http://seattletimes.nwsources.com/html/localnews/2017005210\\_apwaextendedjoblessbenefits.html](http://seattletimes.nwsources.com/html/localnews/2017005210_apwaextendedjoblessbenefits.html)



## RETAIL MARKET

**U.S. RETAIL SALES**  
Year-over-year % change



**U.S. SAME-STORE SALES**  
ICSC's retail chain-store sales index, year-over-year % change



- ✦ **Pearl Bar owners to open KORAL in Bellevue Hyatt Regency:** Chef Bradley Dickinson and Mikel Rogers, owners and operators of Pearl Bar & Dining in Bellevue's Lincoln Square, plan to open a more casual restaurant in the nearby Hyatt Regency Hotel. The new place, called KORAL, will occupy the sprawling space formerly filled by Twisted Cork.  
*Source:* Puget Sound Business Journal, November 15, 2011 (See figure A, page 10)  
[http://www.bizjournals.com/seattle/blog/2011/11/pearl-bar-owners-to-open-koral-in.html?ed=2011-11-16&s=article\\_du&ana=e\\_du\\_pub](http://www.bizjournals.com/seattle/blog/2011/11/pearl-bar-owners-to-open-koral-in.html?ed=2011-11-16&s=article_du&ana=e_du_pub)
- ✦ **Cantinetta's Mercato Stellina to open Monday:** In the category of small food stores linked to a restaurant, one has closed and another is about to open. The new arrival is Cantinetta's Mercato Stellina in Bellevue. It will open Monday morning, owner Trevor Greenwood said today. The casualty, The Mercantile at Local 360 in Seattle's Belltown neighborhood, closed last Monday. *Source:* Puget Sound Business Journal, November 18, 2011 (See figure B, page 10)  
[http://www.bizjournals.com/seattle/blog/2011/11/cantinettas-mercato-stellina-to-open.html?ed=2011-11-18&s=article\\_du&ana=e\\_du\\_pub](http://www.bizjournals.com/seattle/blog/2011/11/cantinettas-mercato-stellina-to-open.html?ed=2011-11-18&s=article_du&ana=e_du_pub)
- ✦ **A Couple of Designers Open a New Shop for Men:** Today is the grand opening of the Wards' first retail venture, Ward&Co, which sells men's grooming products and accessories in a small space at 1304 Fourth Ave. in Rainier Square. *Source:* Daily Journal of Commerce, November 16, 2011 <http://www.djc.com/news/ae/12035238.html> 2011 (See figure C, page 10)
- ✦ **New Bellevue Theater to encourage cell phone use:** The new \$160 million Tateuchi Center in Bellevue, which will include a 2,000-seat concert hall, will encourage patrons to use their cell phones to send texts and tweets. The New York Times reports the new Bellevue center, expected to open in 2014. (See figure D, page 10)  
*Source:* Puget Sound Business Journal, November 28, 2011  
[http://www.bizjournals.com/seattle/morning\\_call/2011/11/new-bellevue-theater-to-allow-cell.html?ana=e\\_sea\\_rdup](http://www.bizjournals.com/seattle/morning_call/2011/11/new-bellevue-theater-to-allow-cell.html?ana=e_sea_rdup)
- ✦ **LA Fitness to close four Bally locations:** Tennis players and exercise enthusiasts in the south Puget Sound area will be without some indoor courts and may have to transition to other facilities after an LA Fitness affiliate closes four of its recently acquired locations. A list of closures on the LA Fitness website includes the former Bally Total Fitness locations in Kent, Federal Way, Olympia and Tacoma. Employees said the facilities would close Thursday. (See figure E, page 10)  
*Source:* The Seattle Times, December 6, 2011 [http://seattletimes.nwsource.com/html/business/technology/2016950666\\_lafitness07.html](http://seattletimes.nwsource.com/html/business/technology/2016950666_lafitness07.html)
- ✦ **Hayes Nursery, longtime local business, to close:** Hayes Nursery, a destination for springtime shrubs and sage gardening advice, plans to close by late December, after rain-sodden summers and a feeble economy hurt the longtime local business. Clare and Larry Hayes opened the nursery along Issaquah-Hobart Road Southeast in time for Mother's Day 1987 and expanded the business throughout the decades. *Source:* The Issaquah Press, November 29, 2011  
<http://www.issaquahpress.com/2011/11/29/hayes-nursery-longtime-local-business-to-close/> (See figure F, page 10)





## REGIONAL DEVELOPMENT



Regional transportation, growth management and economic development planning

- ✦ **California developer plans 31-story First Hill apartment tower:** A California developer that lost a First Hill apartment-development site to foreclosure a year ago says it is buying the property back and expects to break ground on a 31-story project next spring. This time Laconia Development plans to build one tower, not two, senior vice president Bob Kagan said Monday. Laconia bought the half-acre site, at Eighth Avenue and Seneca Street, in 2007, borrowing the money from investment bank Lehman Brothers. *Source:* *The Seattle Times*, November 17, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016768581\\_seneca15.html](http://seattletimes.nwsources.com/html/business/technology/2016768581_seneca15.html) (See figure G, page 10)
- ✦ **Equity Residential plans 5-story South Lake Union complex:** The country's biggest apartment developer, Chicago-based Equity Residential, has filed preliminary paperwork with the city for a 5-story, 275-unit complex on a half-block site in South Lake Union. The property, on Minor Avenue North between John and Thomas streets, is owned by Seattle developer Touchstone. It put the site on the market earlier this year and a sale is pending, according to the Commercial Brokers Association database. *Source:* *The Seattle Times*, November 15, 2011 (See figure H, page 10) [http://seattletimes.nwsources.com/html/business/technology/2016772646\\_equity16.html](http://seattletimes.nwsources.com/html/business/technology/2016772646_equity16.html)
- ✦ **Vulcan plans small building near Seattle Center:** Paul Allen's Vulcan Real Estate has filed preliminary paperwork with city planners for a four-story, 50,000-square-foot office building near Seattle Center. Vulcan is considering several possibilities for the proposed building, at Sixth Avenue North and John Street, spokeswoman Lori Mason Curran said, including relocating the administrative offices of Allen's nearby Experience Music Project there. (See figure I, page 10) *Source:* *The Seattle Times*, November 16, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016783817\\_vulcan17.html](http://seattletimes.nwsources.com/html/business/technology/2016783817_vulcan17.html)
- ✦ **Seattle, UW, bringing high-speed internet to UW neighborhoods:** The city of Seattle, the University of Washington and the Greater University Chamber of Commerce are partnering to bring high-speed internet service to the neighborhoods surrounding the university. A press conference was held Monday morning to discuss details of the Gig.U partnership, which aims to bring broadband speeds that are 100 times faster than DSL to some Seattle neighborhoods. *Source:* *Puget Sound Business Journal*, November 14, 2011 <http://www.bizjournals.com/seattle/news/2011/11/14/seattle-uw-bringing-high-speed.html>
- ✦ **Three Seattle office towers up for sale:** Three Seattle office towers, 22-story Second & Seneca, 20-story Metropolitan Park East and 18-story Metropolitan Park West, have been put up for sale by owners Walton Street Capital of Chicago and Tishman Speyer of New York, who bought them in 2006 and 2007. *The Seattle Times reports* Tishman Speyer paid \$230 million in 2007 for Second & Seneca, which has a distinctive blue dome on top and is also known as Safeco Center for its largest tenant. *Source:* *Puget Sound Business Journal*, November 17, 2011 [http://www.bizjournals.com/seattle/morning\\_call/2011/11/three-seattle-office-towers-up-for-sale.html?ana=e\\_sea\\_rdup](http://www.bizjournals.com/seattle/morning_call/2011/11/three-seattle-office-towers-up-for-sale.html?ana=e_sea_rdup) (See figure J, page 10)
- ✦ **Apartment builders target long-ignored Interbay:** Prominent Seattle developer Unico Properties plans to break ground in the next few weeks on a project in Interbay that will provide the gritty neighborhood with something it long has lacked, residents. Almost no one lives in this valley between hilly Queen Anne and hilly Magnolia. "It's always been a place people passed through," says Bruce Wynn, who heads the Interbay Neighborhood Association. He and other advocates of the neglected area have maintained for years that Interbay could be a vibrant urban center if a critical mass of people lived there. Unico's 236-unit apartment complex should provide the first big infusion. (See figure K, page 10) *Source:* *The Seattle Times*, November 19, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016793864\\_interbay20.html](http://seattletimes.nwsources.com/html/business/technology/2016793864_interbay20.html)



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- ✦ **Apartment developer breaks ground in South Lake Union:** Apartment developer Holland Partner Group of Vancouver, Wash., broke ground Wednesday on a 100-unit complex in South Lake Union, at Dexter Avenue North and Valley Street. The project is Holland's third new-construction start in Seattle this year. The company is building another, larger complex just one block north. *Source:* The Seattle Times, December 13, 2011. (See figure L, page 10)  
[http://seattletimes.nwsources.com/html/business/technology/2016961015\\_dexterapt08.html](http://seattletimes.nwsources.com/html/business/technology/2016961015_dexterapt08.html)
- ✦ **Vintage apartment building on First Hill sells at a premium:** In yet another sign of the apartment market's strength, a venerable building on Seattle's First Hill sold this week — for twice the price it fetched a year ago. The Marlborough, a 1927 building at Boren Avenue and University Street, was sold for \$26.7 million by Trinity Real Estate of Seattle and Helix Funds of Chicago to an entity whose backers could not immediately be identified, public records show  
*Source:* The Seattle Times, November 22, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2016829467\\_marlborough23.html](http://seattletimes.nwsources.com/html/business/technology/2016829467_marlborough23.html)
- ✦ **New hotel a possibility at Sea-Tac Airport:** In an effort to raise revenue, the Port of Seattle has dusted off plans for a hotel at [Seattle-Tacoma International Airport](#). The port is asking developers to pitch ideas for upscale lodging on three unused bits of land next to the airport's parking garage. The parcels, ranging in size from 1.5 to 1.9 acres, would be leased from the port, providing a revenue stream, said [Perry Cooper](#), a port spokesman. (See figure M, page 10)  
*Source:* Puget Sound Business Journal, November 23, 2011  
[http://www.bizjournals.com/seattle/morning\\_call/2011/11/new-hotel-a-possibility-at-sea-tac.html?ana=e\\_sea\\_rdup](http://www.bizjournals.com/seattle/morning_call/2011/11/new-hotel-a-possibility-at-sea-tac.html?ana=e_sea_rdup)
- ✦ **Big residential project near Green Lake to restart:** Seattle developer Lorig Associates says it plans to start building its long-delayed retail and residential project on the site of the old Vitamilk Dairy in Green Lake early next year. Work on the full-block development, called Green Lake Village, was suspended in 2007, leaving a big hole, when Lorig couldn't sign a grocery as the anchor retail tenant. The project was revived this spring when PCC Natural Markets agreed to open its 10th store there. *Source:* The Seattle Times, November 23, 2011 (See figure N, page 10)  
[http://seattletimes.nwsources.com/html/business/technology/2016835604\\_lorig24.html](http://seattletimes.nwsources.com/html/business/technology/2016835604_lorig24.html)
- ✦ **Developer breaks ground for Ballard apartments at former Denny's site:** The owner of the prominent Ballard corner where the much-debated Denny's restaurant once stood has broken ground on an apartment complex there. Equity Residential, the country's biggest publicly traded apartment owner, bought the 1.4-acre site, at 15th Avenue Northwest and Northwest Market Street, a year ago. Its previous owner, Seattle's Benaroya Cos., had obtained permits to build an eight-story, 288-unit complex on the property. *Source:* The Seattle Times, November 29, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2016885998\\_ballarddennys30.html](http://seattletimes.nwsources.com/html/business/technology/2016885998_ballarddennys30.html) (See figure O, page 10)
- Planned Stadium Place tower a game changer:** With a little imagination, you might picture a giant toddler putting this tower together with really big blocks. The developers of part of CenturyLink Field's north parking lot are unveiling the first detailed designs for their project's first phase this week — including a 25-story apartment tower that promises to be one of the city's most visible and architecturally distinctive new buildings. (See figure P, page 10)  
*Source:* The Seattle Times, December 6, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016950988\\_northlot07.html](http://seattletimes.nwsources.com/html/business/technology/2016950988_northlot07.html)
- ✦ **Boeing to build new jet-delivery center in Everett:** Boeing said Friday it will demolish its jet-delivery center at Paine Field in Everett and replace it with a new "state-of-the-art facility" with three times the space. "With production rates increasing across all airplane programs, we expect deliveries in record numbers for years to come," said Jeff Klemann, vice president of the delivery center. "Our outgrowth of space is a great byproduct of our Everett employees' success."  
*Source:* The Seattle Times, December 9, 2011 [http://seattletimes.nwsources.com/html/business/technology/2016975663\\_boeing10.html](http://seattletimes.nwsources.com/html/business/technology/2016975663_boeing10.html)
- ✦ **Red Lion Hotel on Fifth Avenue in Downtown Seattle announces \$25 million renovation:** The Red Lion Hotel on Fifth Avenue in downtown Seattle has launched a multi-phase \$25 million renovation which will increase meeting space by 50 percent, add 22 additional guestrooms and remodel the downtown Seattle hotel's expansive dining and outdoor entertaining venues. A seasonally timed renovation schedule will allow the hotel, managed by Destination® Hotels & Resorts, to remain open during the improvements, which are scheduled to be fully completed by 2014.  
*Source:* Seattle Convention and Visitors Bureau, December 9, 2011  
[http://visitseattle.informz.net/visitseattle/archives/archive\\_1401914.html](http://visitseattle.informz.net/visitseattle/archives/archive_1401914.html)



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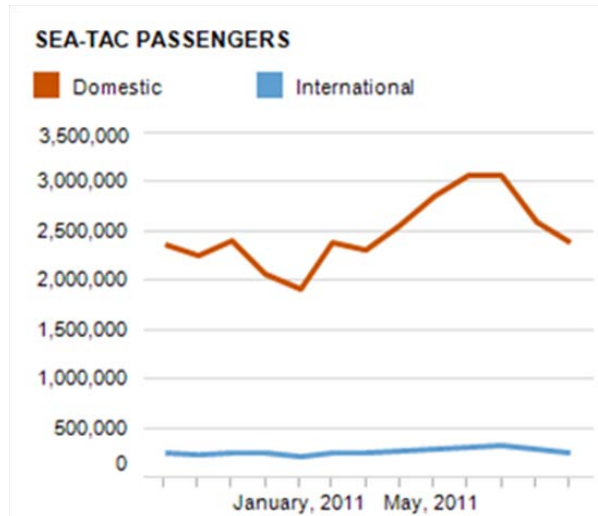
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## TRAVEL MARKET



- ✦ **Survey: Seattle-Tacoma International among world's top on-time airports:** A new survey puts Seattle-Tacoma International Airport in fourth place among the world's top 50 airports for on-time departures. The survey by Portland's [FlightStats.com](http://FlightStats.com) found that 87.08 percent of flights departed from Sea-Tac on time last month. At the top of the list of the world's busiest airports with a 94.65 percent on-time departure rate was Tokyo's Haneda Airport. Minneapolis-St. Paul was in second place with an 88.29 percent showing. London's Stansted Airport was third with 88.13 percent of its flights leaving on time. Among North American airports, Miami had the worst on-time departure percentage at 60.01 percent. *Source: The News Tribune, December 7, 2011* <http://www.thenewstribune.com/2011/12/07/1935444/construction-jobs-mixed-in-area.html>
- ✦ **Flytailit lets travelers find the best deals for quick escapes:** A Seattle startup is looking to crack into the crowded travel space with an online service that helps travelers find the best airline deals for last-minute trips. [Flytailit](http://Flytailit) searches the internet, including airline and travel sites, for the best deals on short notice from a particular destination. A search for a cheap flight and hotel out of a cold, soaked in Seattle this weekend revealed several deals to warmer spots, including a \$188 fare to Long Beach, Calif. (temperature 63 degrees). *Source: Puget Sound Business Journal, December 10, 2011* <http://techflash.com/seattle/2011/12/flytailit-lets-travelers-find-deals.html>
- ✦ **Sea-Tac Airport light-rail project receives grant:** A \$10 million federal grant will speed up the opening of a light-rail extension south of Seattle-Tacoma International Airport to South 200th Street, allowing it to open in September 2016, four years earlier than planned. The U.S. Department of Transportation awarded Sound Transit the grant so that it can open at the same time as a light-rail extension to the north to the University of Washington. *Source: The Seattle Times, December 14, 2011* [http://seattletimes.nwsources.com/html/localnews/2017018133\\_dige15m.html](http://seattletimes.nwsources.com/html/localnews/2017018133_dige15m.html)

## Seattle Media Maven



Understanding the Seattle Market and the Media That Deliver It!

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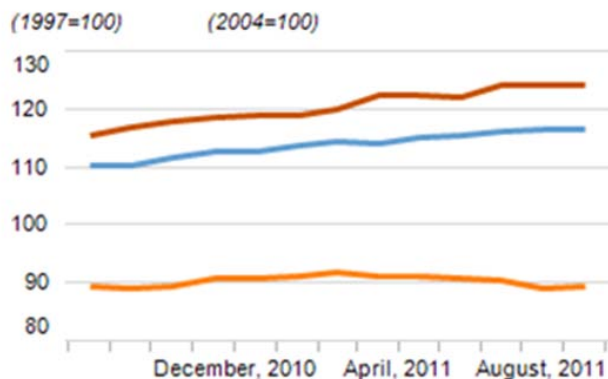
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## ECONOMY

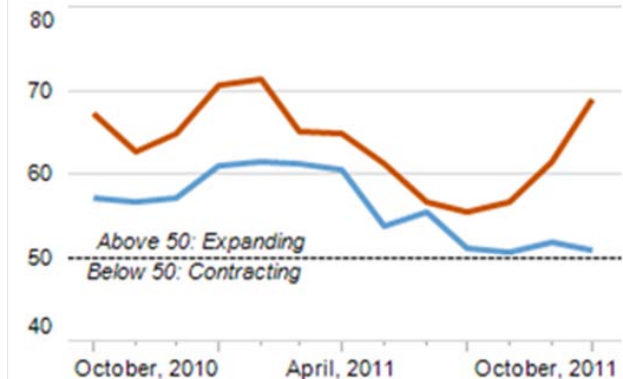
### LEADING ECONOMIC INDICATORS

Washington Oregon U.S.



### PURCHASING MANAGERS' INDEX

Western Washington U.S.



- ✦ **Supercomputing conference gives \$23M economic boost to Seattle:** Here is a concrete example of how Seattle's stature as a tech hub can raise all boats, from hotels to restaurants to cab companies and retail shops. Supercomputing professionals are giving downtown Seattle hotels and restaurants a nice boost this weekend, with more than 10,000 attendees in town for SC11, a conference sponsored by the Association for Computing Machinery and the IEEE Computer Society. SC11 is one of Seattle's largest conventions in a decade. The conference will have an estimated economic impact of about \$23 million on Seattle, according to Seattle's Convention and Visitors Bureau.

Source: Puget Sound Business Journal, November 12, 2011

<http://www.techflash.com/seattle/2011/11/tech-conference-gives-seattle-23m-boost.html>

- ✦ **Cray replaces IBM on University of Illinois supercomputer:** The University of Illinois says Seattle-based Cray Inc. will take over construction of the stalled \$300 million Blue Waters supercomputer project, three months after IBM pulled out citing cost and technical concerns. Cray expects to have the computer online next year, keeping the project on track to finish on time. Source: The Seattle Times, November 14, 2011

[http://seattletimes.nwsourc.com/html/business/technology/2016763845\\_apusuofisupercomputer.html](http://seattletimes.nwsourc.com/html/business/technology/2016763845_apusuofisupercomputer.html)

- ✦ **Local inflation outruns wage growth:** The federal government Wednesday confirmed what many Puget Sound-area residents have been feeling: Even people with jobs are once again losing ground to inflation. After running below the national inflation rate for nearly two years, Seattle-area prices surged in October, even as inflation for the nation as a whole abated a bit. Consumer prices in the metro area rose 3.8 percent between October 2010 and last month, including a 0.9 percent jump since August, according to the Bureau of Labor Statistics (BLS). Source: The Seattle Times, November 16, 2011

[http://seattletimes.nwsourc.com/html/business/technology/2016783055\\_inflation17.html](http://seattletimes.nwsourc.com/html/business/technology/2016783055_inflation17.html)

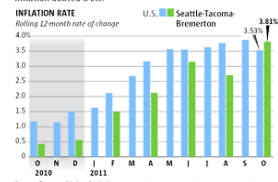
- ✦ **Boeing gets huge \$18 billion 777 order in Dubai:** Boeing Co. received the largest order in its history by dollar value, 50 777-300 extended range planes with a list price value of \$18 billion from Dubai-based Emirates Airline. At the beginning of the Dubai Air Show, Chicago-based Boeing said Emirates also announced options for another 20 of the Everett-built 777s, making the total order worth a total of \$26 billion, at list prices.

Source: Puget Sound Business Journal, November 13, 2011

[http://www.bizjournals.com/seattle/news/2011/11/13/boeing-gets-huge-18b-777-order-in.html?ed=2011-11-14&s=article\\_du&ana=e\\_du\\_pub](http://www.bizjournals.com/seattle/news/2011/11/13/boeing-gets-huge-18b-777-order-in.html?ed=2011-11-14&s=article_du&ana=e_du_pub)

### The rising cost of living in Seattle

After a long period in which local inflation ran below the nation as a whole, Seattle prices have surged while U.S. inflation abated a bit.



(Click to enlarge)

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- ✦ **Boeing-Lion Air in massive \$21.7 billion 737 deal:** Boeing Co. is getting its biggest order in history — a \$21.7 billion deal for 230 737 models — from Indonesian airline Lion Air. President Barack Obama is expected to announce the deal in a special signing ceremony on Friday. Reuters reports the order for 230 Boeing jets will also include options for another 150 planes valued at \$14 billion, which would make the total deal worth \$35 billion.  
*Source:* Puget Sound Business Journal, November 17, 2011  
[http://www.bizjournals.com/seattle/morning\\_call/2011/11/obama-to-announce-huge-21b-boeing.html?ana=e\\_sea\\_rdup](http://www.bizjournals.com/seattle/morning_call/2011/11/obama-to-announce-huge-21b-boeing.html?ana=e_sea_rdup)
- ✦ **Boeing, Machinists reach sweeping agreement:** After secret talks that began in earnest in mid-October, Boeing and the Machinists union have reached a landmark tentative agreement that would ensure the 737MAX is built in Renton and lead to settlement of the National Labor Relations Board (NLRB) case against the company. The deal may also bring more Air Force tanker work to the Puget Sound region. A four-year contract extension is also part of the pact, the union said at a news conference Wednesday. *Source:* The Seattle Times, November 30, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2016895323\\_boeingmax01.html](http://seattletimes.nwsources.com/html/business/technology/2016895323_boeingmax01.html)
- ✦ **Tukwila-based Andrews Space wins Air Force contract:** Tukwila-based Andrews Space, which develops commercial space systems, has been awarded an eight-year contract with an upper limit of \$250 million to fund ground and flight experiments and demonstrations in support of the Air Force's proposed Reusable Booster System. The aim is to provide a reusable alternative to the one-shot Atlas and Delta rockets used today to launch satellites and other vehicles into space. *Source:* The Seattle Times, December 5, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2016942651\\_andrews06.html](http://seattletimes.nwsources.com/html/business/technology/2016942651_andrews06.html)
- ✦ **Largest Boeing order ever, Southwest wants 208 737s, including 150 MAX:** Southwest Airlines has placed the largest firm order in Boeing history to become the launch customer for the 737 MAX. The Dallas-based carrier ordered 150 of the proposed new version of Boeing's workhorse single-aisle jet featuring a new fuel-efficient engine. The airline also ordered 58 model 737s. Southwest is the first customer to finalize an order for the 737 MAX. It will take the first delivery of the new aircraft in 2017. *Source:* The Seattle Times, December 13, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2017003166\\_boeing14.html](http://seattletimes.nwsources.com/html/business/technology/2017003166_boeing14.html)
- ✦ **Washington State gets \$19.7M for small business credit funds:** The Washington state Department of Commerce recently received \$19.7 million from the U.S. government to help small businesses attract investors and find loans. The Washington Small Business Credit Initiative will fund three new programs using money from the U.S. Department of the Treasury. The money is part of a \$30 billion fund from the Troubled Asset Relief Program (TARP).  
*Source:* Puget Sound Business Journal, December 5, 2011  
[http://www.bizjournals.com/seattle/news/2011/12/05/washington-gets-197m-for-small.html?ed=2011-12-06&s=article\\_du&ana=e\\_du\\_pub](http://www.bizjournals.com/seattle/news/2011/12/05/washington-gets-197m-for-small.html?ed=2011-12-06&s=article_du&ana=e_du_pub)
- ✦ **Washington one of 9 states to win US early learning cash:** Washington state is one of nine states that will share \$500 million in grant money won in a high profile competition intended to jumpstart improvements in often-overlooked early childhood programs, The Associated Press has learned. Washington will get up to \$60 million from the grant, according to Sen. Patty Murray's office. The winners to be announced Friday at the White House are California, Delaware, Maryland, Massachusetts, Minnesota, North Carolina, Ohio, Rhode Island and Washington, according to an administration official who spoke on condition of anonymity because the winners had not been officially announced.  
*Source:* The Seattle Times, December 16, 2011  
[http://seattletimes.nwsources.com/html/localnews/2017029786\\_apwaracetothetopearlylearning.html](http://seattletimes.nwsources.com/html/localnews/2017029786_apwaracetothetopearlylearning.html)
- ✦ **State led nation in personal-income growth last quarter:** Washington led the nation in personal-income growth in the third quarter, powered by higher earnings in the manufacturing and information industries. Total personal income in the state last quarter was \$301.5 billion, up 0.6 percent from the second quarter, the federal Bureau of Economic Analysis reported Monday. Texas came in second, with 0.5 percent growth. Nationwide, total personal income grew just 0.1 percent in the third quarter. Both nationally and locally, however, income growth has slowed during 2011. Washington's quarterly growth rate, for instance, was 1.9 percent in the first quarter of the year and 0.7 percent in the second quarter. *Source:* The Seattle Times, December 19, 2011  
[http://seattletimes.nwsources.com/html/business/technology/2017052011\\_persincome20.html](http://seattletimes.nwsources.com/html/business/technology/2017052011_persincome20.html)





# THE SEATTLE MARKET REVIEW

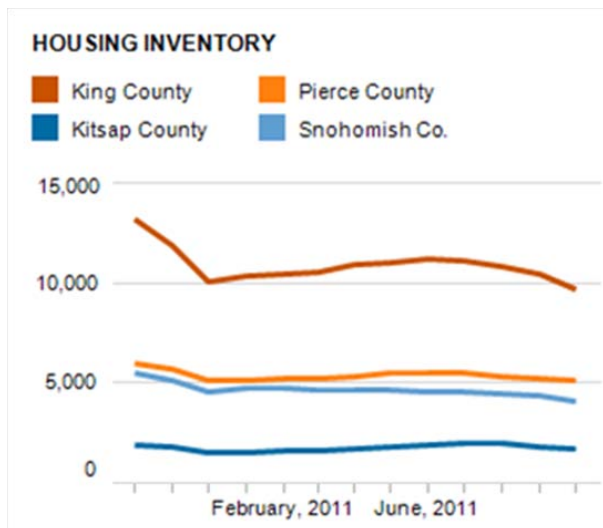
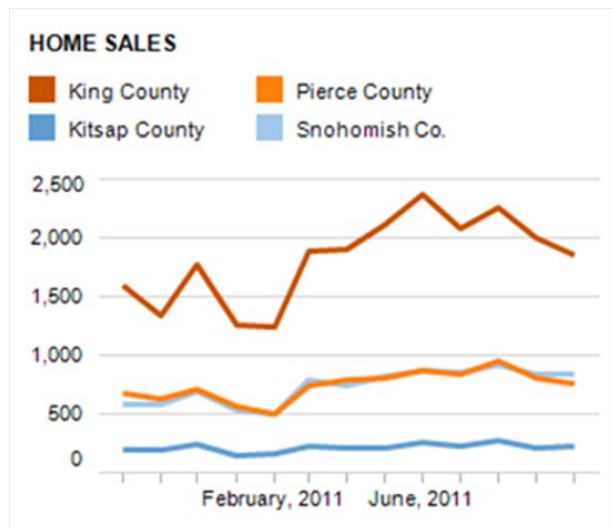
The Seattle Times

Compiled by The Seattle Times Company Strategic Research Department

DECEMBER 2011



## REAL ESTATE MARKET



- ✦ **Seattle awards \$27M to build affordable housing:** Seattle is allocating more than \$27 million for the construction of seven new apartment buildings dedicated to affordable housing for the homeless, low-income families and seniors, with some set aside for veterans. The funds, much of it coming from the Seattle Housing Levy, will help create 476 new apartments. *Source:* Puget Sound Business Journal, November 11, 2011 [http://www.bizjournals.com/seattle/news/2011/11/11/seattle-awards-27m-to-build.html?ed=2011-11-11&s=article\\_du&ana=e\\_du\\_pub](http://www.bizjournals.com/seattle/news/2011/11/11/seattle-awards-27m-to-build.html?ed=2011-11-11&s=article_du&ana=e_du_pub)
- ✦ **Home prices fall in Seattle and most major U.S. cities in September:** U.S. home prices are falling again in most major cities, including Seattle, after posting small gains over the summer and spring — the latest evidence that the troubled housing market won't recover any time soon. The Standard & Poor's/Case-Shiller index released Tuesday showed prices dropped in September from August in 17 of the 20 cities tracked. That was the first decline after five straight months where at least half of the cities in the survey showed monthly gains. A separate index for the July-September quarter shows prices were unchanged from the previous quarter. *Source:* The Seattle Times, November 29, 2011 [http://seattletimes.nwsourc.com/html/businesstechnology/2016885469\\_caseshiller30.html](http://seattletimes.nwsourc.com/html/businesstechnology/2016885469_caseshiller30.html)
- ✦ **Prices dive as "distressed" home sales rise in King County:** Home-sale prices saw another double-digit drop in November, according to statistics released Monday by the Northwest Multiple Listing Service. The median price of houses sold in King County last month was \$321,700, nearly 11 percent less than in November 2010 and only a hair more than October's post-boom low of \$320,000. The median King County condo price fell even more steeply, from \$225,000 in November 2010 to \$191,250 last month — a 15 percent decline. *Source:* The Seattle Times, December 5, 2011 [http://seattletimes.nwsourc.com/html/businesstechnology/2016942200\\_homesales06.html](http://seattletimes.nwsourc.com/html/businesstechnology/2016942200_homesales06.html)
- ✦ **U.S. homes set for auction hit 9-month high in Nov., rise 56 percent in Washington:** Fewer U.S. homes entered the foreclosure process or were taken back by banks in November, reflecting a seasonal pullback in foreclosure activity by lenders and mortgage servicers. But the number of homes in foreclosure and scheduled to be auctioned hit a nine-month high last month, foreclosure listing firm RealtyTrac said Thursday. The surge came about because of a spike three months earlier in homes entering the foreclosure process for the first time. And unless those borrowers find a way to get current on their mortgage payments, many of those homes will likely be sold at auction or end up being taken back by the lender *Source:* The Seattle Times, December 15, 2011 [http://seattletimes.nwsourc.com/html/businesstechnology/2017022305\\_foreclosures16.html](http://seattletimes.nwsourc.com/html/businesstechnology/2017022305_foreclosures16.html)

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# THE SEATTLE MARKET REVIEW

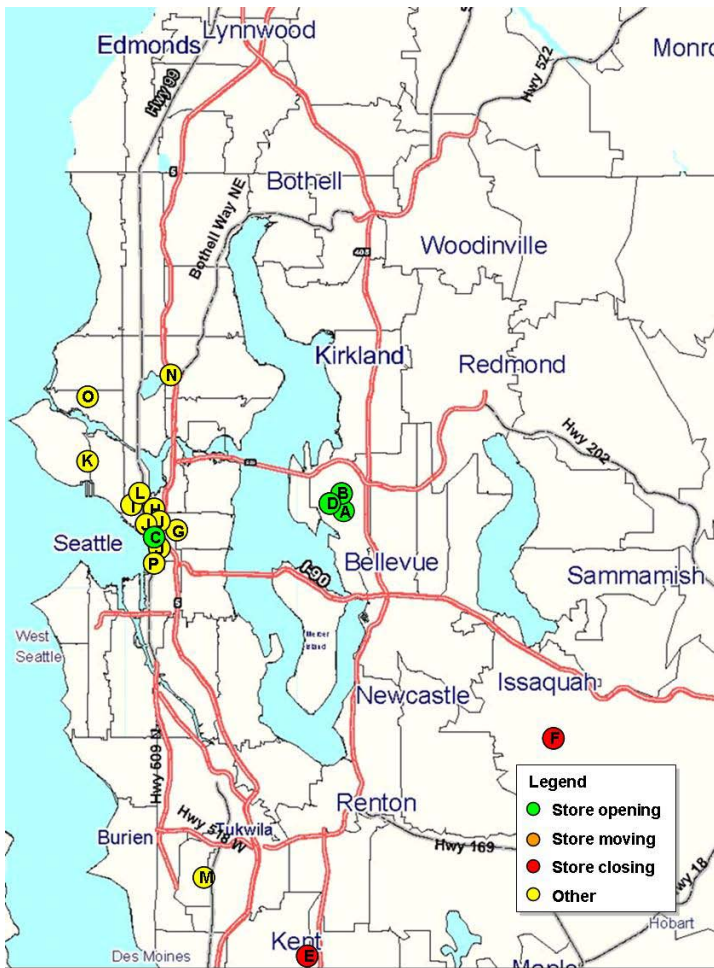
The Seattle Times

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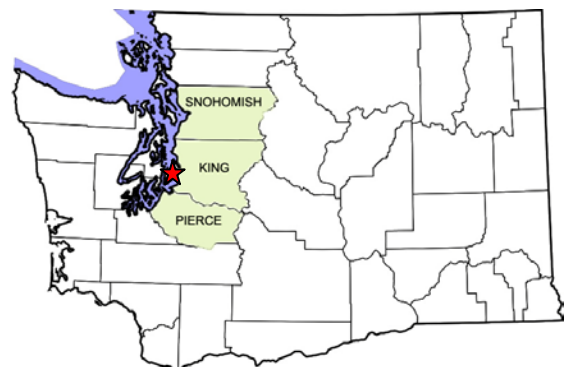


## Market Reference Map



- A) KORAL in Bellevue Hyatt Regency
- B) Cantinetta's Mercato Stellina to open in Bellevue
- C) Ward & Co. open a new Seattle shop for men
- D) New Tateuchi Center new Bellevue theater to encourage cell phone use
- E) LA Fitness to close four Bally locations (Kent pictured)
- F) Hayes Nursery in Issaquah to close
- G) Developer plans 31-story First Hill apartment tower
- H) Equity Residential plans 5-story South Lake Union complex
- I) Vulcan plans small building near Seattle Center
- J) Three Seattle office towers up for sale
- K) Apartment builders target long-ignored Interbay
- L) Apartment developer breaks ground in South Lake Union
- M) New hotel a possibility at Sea-Tac Airport
- N) Big residential project near Green Lake to restart
- O) Developer breaks ground for Ballard apartments
- P) Planned Stadium Place tower a game changer

**Note:** All articles have been sourced; however, they are edited for brevity. Most articles are linked online, and all articles are available on request.



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