



THE SEATTLE MARKET REVIEW

Compiled by The Seattle Times Company Strategic Research Department



MARKET HIGHLIGHTS

Labor Market: Local unemployment rates fall

Retail Market: Vitamin Shoppe to buy Super Supplements

Regional Development: Developers see Seattle's building boom moving to Bellevue

Travel: Paine Field wins FAA's approval for commercial airline flights

Economy: Seven Seattle-Area School Districts Win \$40M Race To The Top Grant

Real Estate Market: Seattle-area home prices maintain upward march

Area Stores Opening

- Sam's Tavern will open in the former Chino's space (Seattle)
- Bait Shop restaurant and bar to open on Broadway (Seattle)

Area Stores Moving/Renovation/other

- Seattle pasta hideaway Il Corvo readies for move to Pioneer Square

Area Stores Closing

- Seattle restaurant Rover's to close in April

The top 10 states for broadband: Washington blazes the trail in the U.S.: Perhaps this could be the state's new tagline: *Welcome to Washington, the home of the nation's best broadband infrastructure.* OK, not too catchy. But a new report released today by TechNet ranks Washington as the best in the nation for broadband when it comes to adoption, network quality, and economic structure. The state ranked ahead of Massachusetts, Delaware, Maryland and California. Of course, Washington state officials are already jumping on the report as an example of why this is a great place to do business. Governor Chris Gregoire, quoted in the press release from TechNet, notes that the study "confirms the importance of high speed Internet access in our state."

Source: *geekwire.com, December 5, 2012*

[http://www.geekwire.com/2012/top-10-states-broadband-washington-blazes-trail/#utm_source=feedburner&utm_medium=feed&utm_campaign=Feed+geekwire+\(GeekWire\)](http://www.geekwire.com/2012/top-10-states-broadband-washington-blazes-trail/#utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+geekwire+(GeekWire))

Washington tops in tech job study: A new study released by a tech advocacy group called Engine Advocacy says the percentage of high tech job concentration in Washington state is almost double the national average. The study, Technology Works, ranks Washington as the top state for high-tech job concentration last year and says Seattle-Bellevue-Everett ranked fifth among metro areas.

Source: *Daily Journal of Commerce, December 7, 2012*

<http://www.djc.com/news/ht/12047949.html>

Seattle ranks high on productivity: The U.S. economy is growing only slowly and some economists worry we face prolonged stagnation. But look at metropolitan economies, and some stronger nodes emerge, according to creative-class scholar Richard Florida. Seattle is among the six metro areas with a productivity rate of 50 percent or more above the national average in this new metric from Josa Lobo of Arizona State University. Eighty-five metros have productivity above the national rate, while 281 land below it. The top six: San Jose, San Francisco, Washington, D.C., Boston, Houston and Seattle (Seattle-Tacoma-Bellevue). Portland ranks 19th. The lowest productivity is concentrated in metros in Arizona, Florida and Texas.

Source: *The Seattle Times, November 19, 2012*

http://seattletimes.com/html/soundeconomywithjontalton/2019714052_seattle_ranks_high_on_product.html

Seattle ranks 4th as global startup hub, edges out NYC: Silicon Valley remains the king of the hill when it comes to startup hubs. But there are a number of other communities that are developing strong entrepreneurial ecosystems, including Tel Aviv, Los Angeles, Seattle and New York, according to a new report out today from The Startup Genome. The report placed Seattle right in the mix in fourth place behind Tel Aviv and LA, and just ahead of New York and Boston. Seattle was buoyed in part because of its strength of tech talent (ranked second only behind Silicon Valley).

Source: *geekwire.com, November 20, 2012*

<http://www.geekwire.com/2012/seattle-ranks-4th-global-startup-hub-edges-nyc/>



LABOR MARKET



State unemployment report mixed: October's state employment numbers offered a mixed picture Thursday of the direction of the labor market just before the holiday shopping season. While the survey of businesses indicated steady job growth, the survey of households that's used to measure unemployment indicated the rate fell largely because more job-seekers dropped out of the labor force rather than getting hired. And there was no particular cheer in the forecast for holiday retail jobs. "We expect holiday hiring to be consistent with what's been in the past, perhaps a little lower," said Joe Elling, the state Employment Security Department's chief economist.

Source: The Seattle Times, November 15, 2012

http://seattletimes.com/html/business/technology/2019688700_statejobsxml.html

Local unemployment rates fall: Unemployment in King County fell to 6.5 percent in October, down from 6.9 percent the previous month, the state Department of Employment Security said Tuesday. Last month's jobless rate in Snohomish County was 7.1 percent, down from 7.6, and 8 percent in Pierce County, down from 8.3. Statewide, the rate was 7.2 percent, down from 7.7 percent. The figures are not adjusted for seasonal variations.

Source: The Seattle Times, November 20, 2012

http://seattletimes.com/html/business/technology/2019722114_countyjobsxml.html

Seattle adds 6,500 new construction jobs; contractors warn of fiscal cliff: Employment in the Seattle metro area construction industry increased 10 percent this past year, adding 6,500 jobs from Oct. 2011 to Oct. 2012, more than every metro area but Houston, according to an analysis released Wednesday by the Associated General Contractors of America (AGC). Since October 2007, Seattle has lost almost one-third of its construction jobs, nearly 30,000 total, while the state's construction jobs have fallen by 25 percent since June 2007. However, that trend seems to be reversing, with current local construction employment the highest it's been since the summer of 2009.

Source: Puget Sound Business Journal, December 5, 2012

http://www.bizjournals.com/seattle/news/2012/12/05/seattle-adds-6500-new-construction-jobs.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-06

Seattle 7th in nation for adding private-sector jobs: Seattle added 49,100 private-sector jobs in 2012, which was the seventh-highest amount in the U.S. The 3.46 percent growth in private-sector jobs in the Seattle area was also the seventh-highest growth rate in the nation. Seattle outpaced larger cities including Chicago, Phoenix, Atlanta and Washington, D.C. in the number of private-sector jobs that were added from October 2011 to October 2012.

Source: The Seattle Times, December 14, 2012

http://www.bizjournals.com/seattle/morning_call/2012/12/seattle-7th-in-nation-for-adding.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-14



Do good for yourself.



RETAIL MARKET



Seattle pasta hideaway Il Corvo readies for move to Pioneer Square: Il Corvo, the popular lunch-only, pasta-only place on Seattle's Pike Place Market Hill Climb, will close Friday in preparation for a move to Pioneer Square. Chef Mike Easton plans to relaunch Il Corvo early next year at 217 James St., the former site of BuiltBurger. The new location has a full kitchen and 1,100 square feet, allowing Easton to expand Il Corvo's concept to include desserts, house-made charcuterie and weekly family-style Italian dinners. (See figure A, page 10)

Source: *Puget Sound Business Journal*, November 26, 2012

http://www.bizjournals.com/seattle/blog/2012/11/seattle-pasta-hideaway-il-corvo.html?ana=e_du_pub&s=article_du&ed=2012-11-26

Sam's Tavern Will Open in the Former Chino's Space: The 1024 East Pike Street address that previously housed Chino's will reopen at the end of the year as Sam's Tavern, a casual burger bar. A particular subset of local restaurant geeks will tell you that the name pays homage to the original Red Robin location near the University Bridge. The purveyor of Rookie Magic shakes and bottomless fries started life as Sam's Tavern, then Sam's Red Robin. Owner James Snyder is the son and the nephew of the first two Red Robin franchisees. (See figure B, page 10)

Source: *seattlemet.com*, November 19, 2012

http://www.seattletimes.com/html/business/20121119seattlemet_sams_tavern.html?ana=seattlemet&ed=2012-11-19

Seattle standard-setting restaurant Rover's to close in April: Thierry Rautureau is planning to close Rover's, the fine-dining French restaurant that made him one of Seattle's leading chefs. The news leaked out over the weekend through a real estate posting that indicated the property was available. Rover's will close in April. Rautureau's other restaurant, the nearby and less pricey Luc, will remain open. Both are in the Madison Valley neighborhood.

Source: *Puget Sound Business Journal*, December 10, 2012 (See figure C, page 10)

http://www.bizjournals.com/seattle/blog/2012/12/seattle-standard-setting-restaurant.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-11

Vitamin Shoppe to buy Super Supplements: Seeking to expand its West Coast presence, national chain Vitamin Shoppe said Monday it has reached a deal to buy the assets of Seattle-based competitor Super Supplements for about \$50 million in cash. Vitamin Shoppe, a specialty retailer of nutritional products based in North Bergen, N.J., expects to complete the purchase by the end of the month. It operates 17 stores in the Northwest, while Super Supplements has 31 locations in Washington, Oregon and Idaho.

Source: *The Seattle Times*, December 17, 2012

http://seattletimes.com/html/business/20121217seattlemet_vitamin_shoppe.html

First Look, Bait Shop: The northern end of Broadway has seen its fair share of activity in recent years, but—excellent cocktails at Poppy aside—has not offered much in the way of drinking. That all changes with the opening of Bait Shop.

Here bargoers looking to hang their hat will find a cocktail menu that leans tiki and food that leans fried. As Bait Shop is a Linda Derschang establishment, a premium has been placed on atmosphere; decorations were painstakingly sourced to complement the nautical theme. (See figure D, page 10)

Source: *seattlemet.com*, December 10, 2012

http://www.seattletimes.com/html/business/20121210seattlemet_bait_shop.html



REGIONAL DEVELOPMENT



Amazon has its eye on 3 more blocks in Denny Triangle: Voracious Amazon.com, which already plans a high-rise office complex on three blocks in Seattle's Denny Triangle, has agreements that could let it buy the equivalent of three more adjacent blocks, public records indicate. If the giant online retailer does end up buying all the additional properties, its holdings would stretch north along both sides of Seventh Avenue from Virginia Street to Denny Way.

Source: *The Seattle Times*, November 14, 2012 (See figure E, page 10)

http://seattletimes.com/html/business/technology/2019683874_amazonoptionsxml.html

South Lake Union rezone on Seattle City Council agenda; downtown school funding a future question: A [Seattle City Council](#) committee will hold a hearing Wednesday on the [South Lake Union rezone](#), and School Board President [Michael DeBell](#) will be watching to see if the city tweaks the part of the plan that could lead to the development of a downtown school. One possibility is a fee on development, though there isn't support among council members for this. Wednesday's hearing on the years-in-the-making rezone that would allow taller towers in much of South Lake Union will be in the Council Chambers at City Hall at 5:30 p.m.

Source: *The Seattle Times*, November 14, 2012

http://www.bizjournals.com/seattle/news/2012/11/14/should-seattle-levy-a-fee-on.html?ana=e_du_pub&s=article_du&ed=2012-11-14

Magnuson Park's \$13 Million Makeover: November's dark, gray days are no excuse for staying indoors—especially now that Seattle's second-largest park has undergone a major, \$13 million overhaul. Long known mostly as a boat launch site and a swimming beach, Warren G. Magnuson Park, (named for "Maggie," the U.S. senator who served from 1944 to 1981), is now a year-round recreational destination. Concrete has been converted into wetlands, and soggy marshes into playfields, while new indoor facilities attract a wide range of visitors, low cloud deck or no. (See figure F, page 10)

Source: *Seattle Magazine*, November 2012

<http://www.seattlemag.com/article/magnuson-parks-13-million-makeover>

300-unit apartment project planned in Pike-Pine: Apartment developer AvalonBay Communities has filed preliminary paperwork with Seattle planners for a 7-story, 300-unit complex on the site of the Phil Smart Mercedes dealership in the Pike-Pine neighborhood. The project, at Belmont Avenue and East Pike Street, would have 20,000 square feet of ground-floor shops and restaurants and underground parking for 300 cars. The city's advisory East Design Review Board is tentatively scheduled to consider the project Jan. 16. (See figure G, page 10)

Source: *The Seattle Times*, November 20, 2012

http://seattletimes.com/html/business/technology/2019726876_avalonpikexml.html

450 apartments planned in Bellevue: Seattle apartment developer Goodman Real Estate has applied for permits to build a four-building, 450-unit apartment complex in Bellevue's Overlake area. Goodman says in materials submitted to the city that it plans to start construction next July and finish by the end of 2014. The 4.3-acre site is between Northeast Bel-Red Road and 156th Avenue Northeast, south of Northeast 24th Street. Angelo's Nursery operated there until 2007.

Source: *The Seattle Times*, November 21, 2012 (See figure H, page 10)

http://seattletimes.com/html/business/technology/2019735421_goodmanbellevuexml.html

Ballard's apartment boom comes with risks: Few neighborhoods are being transformed more than Ballard by the apartment-development boom that is exploding across Seattle. And few neighborhoods, say industry analysts, are more likely to get overbuilt. About 1,200 market-rate apartments are under construction in this old Scandinavian enclave, now probably better known for its nightlife than for its Norwegians. Developers from Chicago and Virginia are building big complexes where Jacobsen's Marine, Sunset Bowl, the Jetsons-style Denny's and other longtime Ballard businesses once stood.

Source: *The Seattle Times*, November 25, 2012

http://seattletimes.com/html/business/technology/2019765632_apartments26.html

THE SEATTLE MARKET REVIEW

Viaduct's pending demise spurs apartment-tower plan: The downtown portion of the Alaskan Way Viaduct won't be torn down until 2016. But the waterfront redevelopment that city officials and business leaders maintain the demolition will trigger may already have started. City permit records reveal that developer Harbor Urban approached Seattle planners earlier this month about building a 16-story apartment or condo tower on property that's now in the viaduct's shadow. It's the first big private-sector development proposal to surface in the viaduct corridor since Seattle voters ended the debate over the aging roadway's fate last year, approving a tunnel to replace it. (See figure I, page 10)

Source: *The Seattle Times*, November 26, 2012

http://seattletimes.com/html/business/technology/2019770968_harborviaductxml.html

Red Lion adds Kent hotel: Spokane-based Red Lion Hotels, which is selling some properties and focusing on franchising, said it has inked a franchise agreement for a 60-room property in Kent. The property, now a Quality Inn and Suites franchise, is close to Kent's Showare Center. It will get a \$600,000 renovation, the company said. Red Lion said in early November that since June 30 it sold three hotels and used the proceeds to pay down \$17.7 million in debt. It also signed five franchise agreements, two for previously owned properties. (See figure J, page 10)

Source: *The Seattle Times*, November 26, 2012

http://seattletimes.com/html/business/technology/2019768417_redlionxml.html

Skanska's 12-story South Lake Union project clears design review: A city design review board has recommended that city officials approve Skanska's 400 Fairview mixed-use office project in Seattle's South Lake Union district. The board made the decision on Nov. 21, the eve of Thanksgiving. Skanska officials said the 12-story building is likely to be the first new project built under the city's proposed South Lake Union rezoning legislation. The [Seattle City Council](#) is expected to act early next year on the proposed rezoning, which would allow developers to build taller buildings in much of the neighborhood. (See figure K, page 10)

Source: *Puget Sound Business Journal*, November 26, 2012

http://www.bizjournals.com/seattle/news/2012/11/26/skanskas-south-lake-union-project.html?ana=e_du_pub&s=article_du&ed=2012-11-26

Long-vacant store on Seattle's Broadway will become apartments: The owner of the old Hollywood Video store across the street from the future light rail station on Seattle's Capitol Hill plans to turn the building into loft-style apartments. The project is the latest addition to multifamily housing in the neighborhood, where a light rail station is now under construction and scheduled to open in 2016. But unlike the new construction up and down Broadway, this project at 127 Broadway East is an adaptive re-use. (See figure L, page 10)

Source: *Puget Sound Business Journal*, November 26, 2012

http://www.bizjournals.com/seattle/news/2012/11/26/long-vacant-store-on-broadway-to-be.html?ana=e_du_pub&s=article_du&ed=2012-11-26

Hotel proposed across from Amazon campus: A California hotel developer has filed preliminary paperwork with city planners to build a 15- or 16-story hotel in the middle of Amazon.com's new South Lake Union headquarters campus. Stanford Hotels' project would be at Terry Avenue North and Thomas Street. The 0.3-acre property is owned by California life-sciences supplier Bio-Rad Laboratories, whose 58-year-old lab building would be demolished, according to city permit records. Amazon occupies, and soon will own, office buildings immediately to the north, south and east of the property. Group Health and Microsoft are anchor tenants in the Westlake/Terry Building, across Terry Avenue to the west.

Source: *The Seattle Times*, November 27, 2012 (See figure M, page 10)

http://seattletimes.com/html/business/technology/2019774046_sluhotelxml.html

28-story Seattle office tower fetches \$278.7 million: West 8th, a 28-story office tower in the Denny Triangle, was sold Wednesday for \$278.7 million, joining a growing list of Seattle skyscrapers that have changed hands this year. An affiliate of AEW Capital Management of Boston is the new owner, according to county records. The seller was the real-estate arm of insurance giant Prudential, which built West 8th between 2007 and 2009 in partnership with Seattle developer Touchstone. (See figure N, page 10)

Source: *The Seattle Times*, November 28, 2012

http://seattletimes.com/html/business/technology/2019783769_west8thsoldxml.html

Downsized office tower proposed in Bellevue: Beacon Capital Partners of Boston has filed a permit application to build a 23-story office building on a downtown Bellevue site where it won approval last year to build a 32-story tower. The 3-acre property, now a parking lot, is on Northeast Eighth Street between 108th and 110th Avenues Northeast. A document Beacon filed with city planners says construction is "projected" to start next summer, but doesn't indicate if that's contingent on signing an anchor tenant. A Beacon representative didn't respond to a request for more information. The downsized tower would have 515,000 square feet of office space, down from 680,000 in the earlier design.

Source: *The Seattle Times*, November 29, 2012 (See figure O, page 10)

http://seattletimes.com/html/business/technology/2019792978_beaconbellevuexml.html

THE SEATTLE MARKET REVIEW

Developers see Seattle's building boom moving to Bellevue: Today just two construction cranes rise above the broad streets of downtown Bellevue. A year from now, there could be a lot more. The wave of new development that swept through Seattle over the past couple of years hasn't reached across Lake Washington. There's no Eastside counterpart to [Amazon.com](#), whose explosive growth has helped launch dozens of apartment and office projects in and around downtown Seattle. But downtown Bellevue may be on the cusp of its own construction boom.

Source: *The Seattle Times*, December 8, 2012

http://seattletimes.com/html/business/technology/2019864569_bellevuedowntown09.html

Bellevue's underdeveloped downtown sites marketed for lease: Here's another sign that downtown Bellevue's commercial real-estate market is heating up: Some of its most prominent underdeveloped properties — lots where older, one- and two-story buildings hang on, surrounded by skyscrapers — are being marketed to developers. Probably the largest is Sterling Realty Organization's 5.5-acre assemblage at 106th Avenue Northeast and Northeast Eighth Street, where a former bowling alley and former movie theater now house a bookstore and a church. "We're working on something, and it hasn't matured," says David Schooler, Sterling's president, declining further comment.

Source: *The Seattle Times*, December 8, 2012 (See figure P, page 10)

http://seattletimes.com/html/business/technology/2019864405_bellevuedowntownside09.html

Hotel proposed near Northgate: Seattle developer Gramor Development Washington has filed preliminary paperwork with Seattle city planners for a six-story hotel near Northgate. The 174-room project would be built on the site of a former Marie Callender's restaurant in the 9500 block of First Avenue Northeast. The city's advisory Northeast Design Review Board is tentatively scheduled to consider the project Jan. 28. (See figure Q, page 10)

Source: *The Seattle Times*, December 10, 2012

http://seattletimes.com/html/business/technology/2019875941_northgatehotelxml.html

March start for 40-story apartment tower in Denny Triangle: Boston-based developer GID Development plans to break ground in March on a 40-story apartment tower at Eighth Avenue and Lenora Street in Seattle's Denny Triangle, its president says. The two-story Cosmopolitan Motors building, which has occupied the site since 1925, is being demolished now to make way for the project. The apartment tower will have 355 units and 3,900 square feet of ground-floor retail space, GID Development President James Linsley said Tuesday. Previous property owners secured city approval for the apartment tower, and GID bought the 0.35-acre site in October for \$13.4 million. (See figure R, page 10)

Source: *The Seattle Times*, December 11, 2012

http://seattletimes.com/html/business/technology/2019884194_gidapartmentxml.html

Apartment building planned at Western and Vine: Seattle developer Schuster Group has filed preliminary paperwork with city planners for a 12-story apartment building at Western Avenue and Vine Street in Belltown. The 0.33-acre property, now a parking lot, is owned by Skyway Luggage, which was placed in receivership last year. Schuster's complex would have 132 units and 75 underground parking stalls. The city's advisory Downtown Design Review Board is tentatively scheduled to consider the project Jan. 8. (See figure S, page 10)

Source: *The Seattle Times*, December 11, 2012

http://seattletimes.com/html/business/technology/2019884332_schusterskywayxml.html

Seattle's Third Ave. getting changes thanks to \$7.5M federal grant: A \$7.5 million federal grant will help bring a series of transit improvements to Third Avenue to address [growing concerns along the corridor](#), including Metro transit problems, pedestrian flow issues and criminal and drug activity. A plan was approved Tuesday by Seattle Mayor [Mike McGinn](#), [Downtown Seattle Association](#) President & CEO [Kate Joncas](#) and King County Executive [Dow Constantine](#) in a memorandum of agreement.

Source: *Puget Sound Business Journal*, December 11, 2012

http://www.bizjournals.com/seattle/news/2012/12/11/94-million-federal-grant-bringing.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-12

Apartments planned in Wallingford: Seattle apartment developer Harbor Urban has proposed a 150-unit complex in Wallingford at the southwest corner of Interlake Avenue North and North 45th Street. The project also would have 7,200 square feet of shops and restaurants and 100 underground parking stalls. The city's Northeast Design Review Board is tentatively scheduled to consider the project Jan. 14. (See figure T, page 10)

Source: *The Seattle Times*, December 13, 2012

http://seattletimes.com/html/business/technology/2019899137_harborurbanwallingfordxml.html



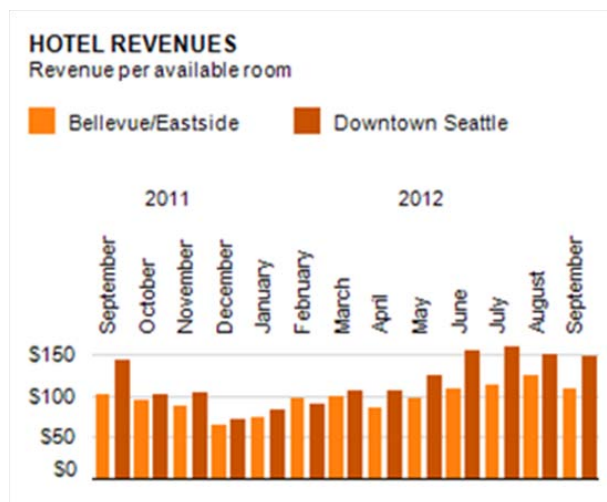
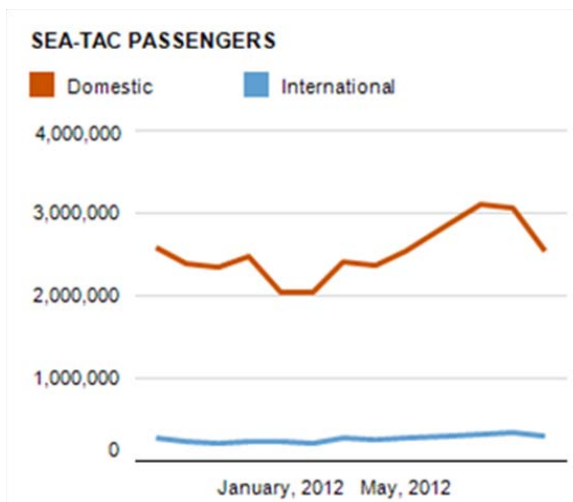
Seattle Media Maven

Need some help navigating the Seattle media scene?

Check out our blog, [Seattlemiamaven.com](http://seattlemiamaven.com), for the latest Seattle insights.



TRAVEL MARKET



Delta gets preliminary OK for Seattle-Tokyo Haneda route: Delta Airlines said it's received U.S. Department of Transportation preliminary approval to fly from Seattle-Tacoma International Airport to Haneda Airport in Tokyo. Delta said Sea-Tac to Haneda nonstop flights will begin in March 2013, using Boeing Co. 767-300 extended-range airplanes. Delta already flies between Sea-Tac and Tokyo's Narita Airport and said that route will be expanded and upgraded next year to Boeing 747-400 service.

Source: *Puget Sound Business Journal*, November 16, 2012

http://www.bizjournals.com/seattle/morning_call/2012/11/delta-gets-preliminary-ok-for.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-16

JetBlue to begin Anchorage-Seattle service in May: JetBlue Airways said it will begin flying daily nonstop flights between Seattle-Tacoma International Airport and Ted Stevens Anchorage International Airport on May 16, 2013. The airline currently flies between Anchorage and Los Angeles International Airport. Seattle flights to Anchorage will leave at 8 p.m. and arrive at 10:40 p.m. Anchorage-to-Seattle flights will leave at 1 a.m. and arrive at 5:25 a.m.

Source: *Puget Sound Business Journal*, November 19, 2012

http://www.bizjournals.com/seattle/morning_call/2012/11/jetblue-to-begin-anchorage-seattle.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-19

Southwest adding Nashville-Seattle nonstop service in June: Southwest Airlines will begin seasonal nonstop service between Seattle-Tacoma International Airport and Nashville International Airport on June 2, 2013. Currently, no other airline flies nonstop between the two cities. "We are pleased to continue this nonstop service during the peak summer travel months to Seattle, one of our most sought-after markets.

Source: *Puget Sound Business Journal*, November 21, 2012

http://www.bizjournals.com/seattle/morning_call/2012/11/southwest-adding-nashville-seattle.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-21

Alaska Airlines adds power outlets at major airports: If you're looking for a power outlet at a major airport to recharge your electronic device, Alaska Airlines is helping by adding more outlets at airports including Seattle-Tacoma International Airport. The airline, a unit of Alaska Air Group Inc. of Seattle, said it's installed 200 power outlets at Sea-Tac, Portland and Anchorage airports, as well as adding outlets at gate areas in Los Angeles International Airport's Terminal 6 and at Sacramento, San Francisco and San Jose airports.

Source: *Puget Sound Business Journal*, November 21, 2012

http://www.bizjournals.com/seattle/blog/techflash/2012/11/alaska-airlines-adds-power-outlets-at.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-21

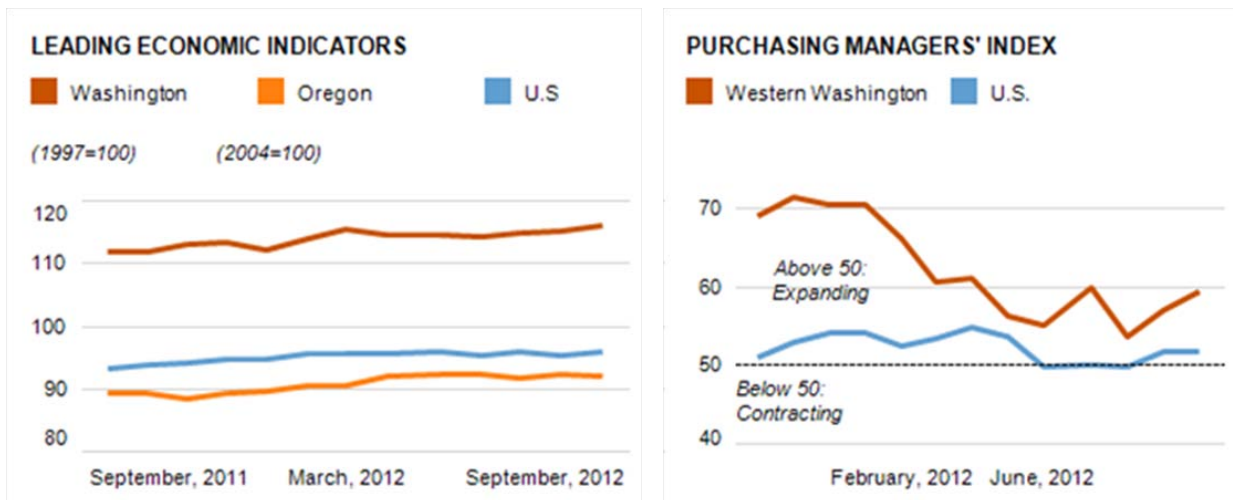
Paine Field wins FAA's approval for commercial airline flights: The Federal Aviation Administration approved commercial passenger flights from Paine Field Tuesday, potentially transforming the general-aviation airport into a small Sea-Tac competitor. Allegiant Air, a regional airline that flies mostly out of small airports, including Bellingham, has expressed interest in Paine Field. Alaska Airlines said it would be interested, too, if another carrier like Allegiant begins flying there.

Source: *The Seattle Times*, December 4, 2012

http://seattletimes.com/html/localnews/2019829613_paine05m.html



ECONOMY



Seattle-area inflation rate slows: Inflation in the Seattle area moderated last month, due mainly to lower prices for food and household energy, the federal government reported Thursday. Local consumer prices were 2.31 percent higher in October than a year earlier, according to the Bureau of Labor Statistics' bimonthly report. That was down from 2.74 percent in August. But local inflation still was running faster than the national rate, which was 2.16 percent last month. Seattle-area inflation has run ahead of the nation as a whole since April.

Source: *The Seattle Times*, November 16, 2012

http://seattletimes.com/html/business/technology/2019688725_seattlecpixml.html

Boeing confirms third line for 737: Boeing confirmed Thursday it will build a third assembly line for its 737 MAX jet family alongside one of the two existing lines in Renton. The company also said it has refined the airplane design, adding better visuals for pilots and a slightly smoother fuselage line. "The 737 MAX factory-integration plan is now final," Michael Teal, chief project engineer on the jet program, said in a media teleconference.

Source: *The Seattle Times*, November 15, 2012

http://seattletimes.com/html/business/technology/2019688438_boeingmaxxml.html

Amazon: Yes, we'll open a huge distribution center in DuPont: Amazon.com on Friday announced plans to open a 1 million-square-foot distribution center in DuPont, southwest of Tacoma in Pierce County. The company said the development will create hundreds of full-time jobs when it opens next fall. Investment in the project will exceed \$100 million, according to an Amazon news release. Seattle-based Amazon (NASDAQ: AMZN) said employees will pick, pack and ship larger items from the center to customers — anything from canoes to televisions.

Source: *Puget Sound Business Journal*, December 14, 2012

http://www.bizjournals.com/seattle/blog/techflash/2012/12/amazon-100-million-warehouse-in.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-17

Cray gets \$39M German order: Seattle supercomputer company *Cray Inc.* said it's received a \$39 million order for its new XC30 system from a German organization. Cray (NASDAQ: CRAY) said it got the XC30 contract from the North-German Supercomputing Alliance and it will be operated at two sites — the Zuse Institute Berlin (ZIB) and the High Performance Computing Center (RRZN) at Leibniz University in Hannover, Germany.

Source: *Puget Sound Business Journal*, December 18, 2012

http://www.bizjournals.com/seattle/blog/techflash/2012/12/cray-gets-39m-german-order.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-18

Seven Seattle-Area School Districts Win \$40M Race To The Top Grant: Seven Seattle-area school districts have been awarded a \$40 million federal Race to the Top [grant](#). The money is aimed at improving academic achievement in high-poverty schools in the Seattle, Kent, Federal Way, Highline, Renton, Auburn and Tukwila districts. One of the beneficiaries will be White Center Heights Elementary, the poorest school in Highline School District. At White Center Heights, 94 percent of students are living in poverty.

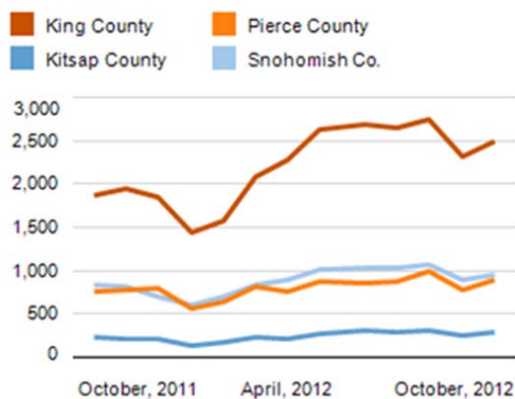
Source: *KUOW.org*, December 11, 2012

<http://www.kuow.org/post/seven-seattle-area-school-districts-win-40m-race-top-grant>

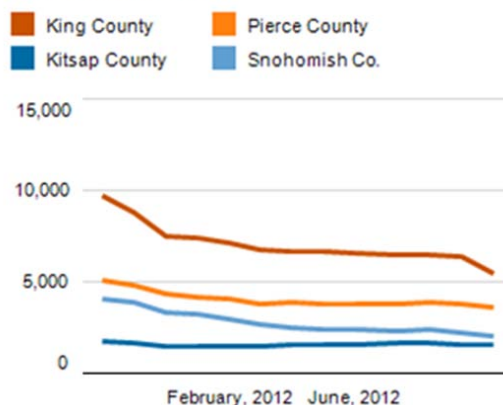


REAL ESTATE MARKET

HOME SALES



HOUSING INVENTORY



More than a third of Seattle homeowners still underwater: First the bad news: More than one third of Seattle homeowners — 34.2 percent — are underwater on their mortgages and owe more money than their home is worth. The good news is that's down from 37.8 percent who were underwater during the previous quarter.

Source: Puget Sound Business Journal, November 15, 2012

http://www.bizjournals.com/seattle/morning_call/2012/11/more-than-a-third-of-seattle.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-15

Seattle housing vacancy rate 13th highest in U.S.: With only about 107,000 of the Seattle area's 1.47 million housing units empty, or an occupancy rate of 92.74 percent, the area ranks No. 13 in the U.S. for housing vacancy rates. More than 95 percent of all houses, apartments and condominiums in the San Jose, Calif. area are occupied, a distinction that no other major market can claim, [according to research by On Numbers.](#)

Source: Puget Sound Business Journal, November 26, 2012

http://www.bizjournals.com/seattle/morning_call/2012/11/seattle-housing-vacancy-rate-13th.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-26

Seattle-area home prices maintain upward march: Seattle-area home prices kept climbing in September, according to the closely watched Standard & Poor's/Case-Shiller home price index. Prices were up 4.8 percent from September 2011, setting yet another post-bubble record. August's 3.4 percent year-over-year gain had been the previous high. Seattle-area prices now have increased year-over-year for five straight months, according to Case-Shiller.

Source: The Seattle Times, November 27, 2012

http://seattletimes.com/html/business/technology/2019773412_caseshillertext.xml.html

Washington State 9th highest in mortgage payments ranking: Washington is No. 9 in the United States when it comes to the highest average monthly mortgage payments, at \$1,131.93 per month, according to a ranking released Tuesday by online lending exchange LendingTree. Washington, D.C., ranked No. 1 on the list, with average payments averaging over \$1,600 per month, followed by Hawaii, California and Virginia.

Source: The Seattle Times, November 27, 2012

http://www.bizjournals.com/seattle/news/2012/11/27/wash-state-ranks-9th-highest-average.html?ana=e_sea_rdup&s=newsletter&ed=2012-11-28

More buyers, few sellers, push up King County home prices: On the last day of November 2011, 158 houses were listed for sale in Bellevue east of Interstate 405. And on the same date this year? Just 62, according to the Northwest Multiple Listing Service. Inventory — or a lack of it — is driving King County's residential real-estate market, brokers and industry observers say. Statistics released Wednesday by the listing service underscore the impact. **Source:** The Seattle Times, December 5, 2012

http://seattletimes.com/html/business/technology/2019839679_homesalesnovemberxml.html

Seattle 1-year home-price gains 36th-best in U.S.: In the past year, home values in the Seattle area have increased 0.27 percent, which is the 36th-best in the U.S. Home prices are bouncing back with impressive vigor in Arizona, California and Florida. The value of a typical home in the Phoenix area shot up by 9.5 percent during the past 12 months, according to new figures from the FHFA [and research by On Numbers](#), the research division of American City Business Journals. That's the sharpest increase in any of the nation's 102 major metropolitan areas.

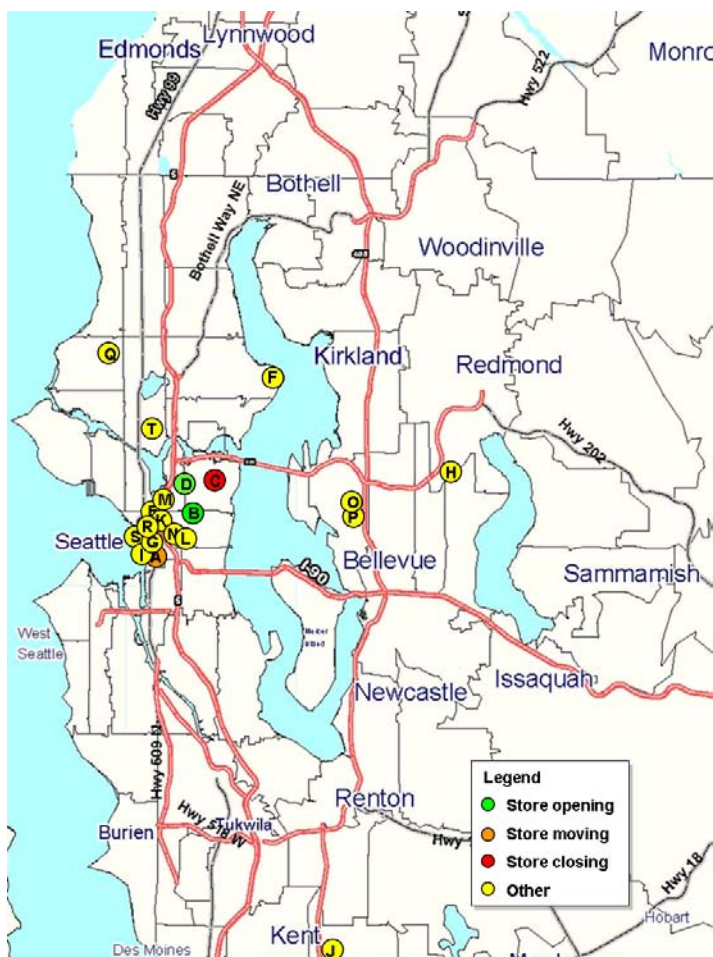
Source: Puget Sound Business Journal, December 11, 2012

http://www.bizjournals.com/seattle/morning_call/2012/12/seattle-1-year-home-price-gains.html?ana=e_sea_rdup&s=newsletter&ed=2012-12-11

THE SEATTLE MARKET REVIEW



MARKET REFERENCE MAP



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

- A. Il Corvo moves to Pioneer Square (Seattle)
- B. Sam's Tavern to open on Pike Street (Seattle)
- C. Seattle Restaurant Rover's to close in April
- D. The Bait Shop restaurant bar to open in Seattle
- E. Amazon has its eye on 3 more blocks (Seattle)
- F. Magnuson Park's \$13 Million makeover (Seattle)
- G. 300 unit apartment project planned for Pike & Pine (Seattle)
- H. 450 apartments planned in Bellevue
- I. Vidaducts pending demise spurs apartment-tower plan (Seattle)
- J. Red Lion adds Kent hotel
- K. Skanska's 12-story South Lake union project clears design review (Seattle)
- L. Long-vacant store on Seattle's Broadway will become apartments
- M. Hotel proposed across from Amazon campus (Seattle)
- N. 28-story Seattle office tower fetches \$278.7 million
- O. Downsized office tower proposed in Bellevue
- P. Bellevue's underdeveloped downtown sites marketed for lease
- Q. Hotel proposed near Northgate (Seattle)
- R. March start for 40-story apartment tower in Denny Triangle (Seattle)
- S. Apartment building planned for Western and Vine (Seattle)
- T. Apartment planned in Wallingford (Seattle)

