

2018 YEAR END SPRING REPORT



Year	2014	Y/Y	2015	Y/Y	2016	Y/Y	2017	Y/Y	2018	Y/Y
Transactions:	20	↑25%	34	↑70%	22	↓35%	19	↓16%	17	↓11%
Sales Volume:	\$122M	↑45%	\$292M	↑139%	\$196M	↓33%	111M*	↓43%	\$129M	↑16%
Land (PSF):	\$97	↑18%	\$102	↑5%	\$109	↑7%	\$104*	↓3%	\$122	↑17%
Building (PSF):	\$287	↑14%	\$280	↓3%	\$348	↑24%	\$420*	↑21%	\$421	↑0.02%

* Does not include Coca-Cola or REI sales transactions.

2018 In Review

While 2015 and 2016 saw the largest number of transactions and sales volume in the five years AGM has been producing the Spring Report, 2018 continued the positive trend in both increases per square foot of buildings and land. The investment focus was again led by owner/users with the balance of interest spread between land and investment sales.

Owner / Users

Owner/user transactions continue to be the largest amount of sales activity, staying in line with our previous quarterly reports which accounted for approximately 50% of the sale transactions and sales volume within the district. The average building price per square foot for these transactions increased a small percentage to \$427.27, continuing the upward trend and reflecting the strength of these deals.

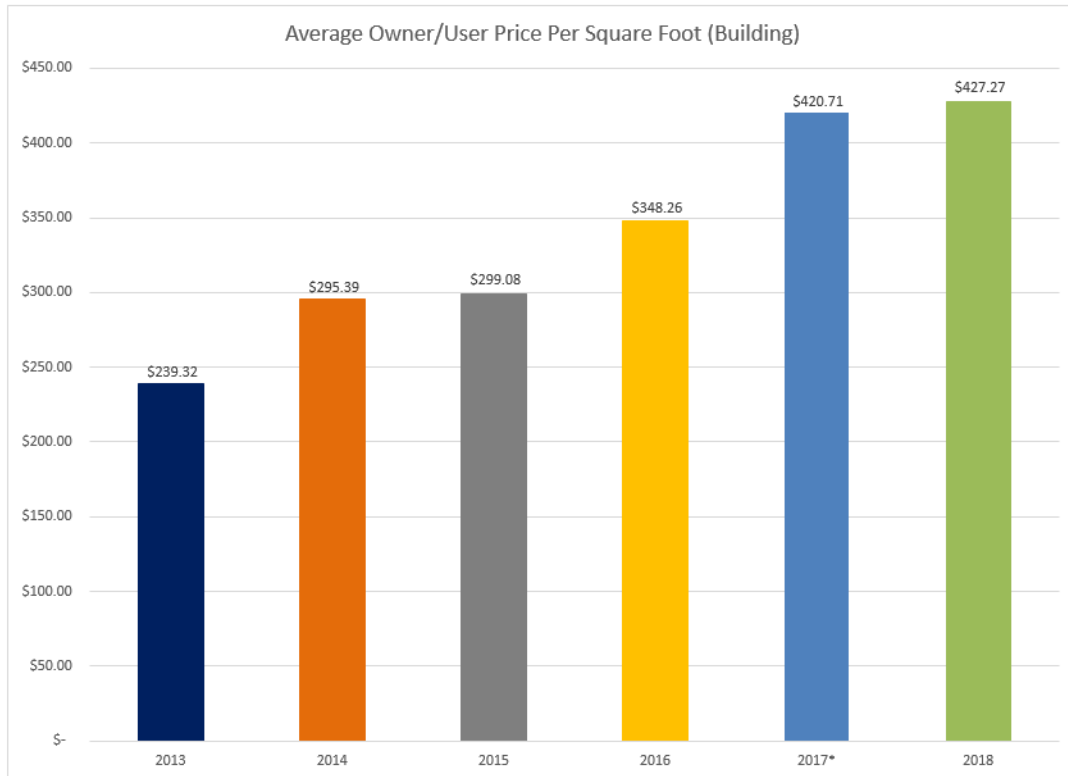


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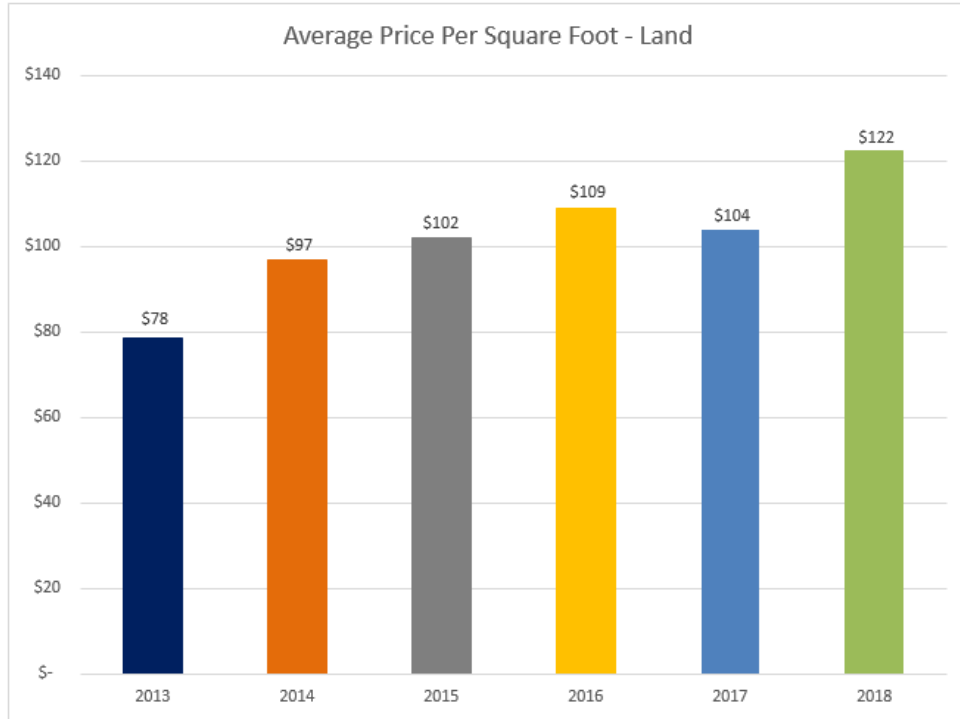
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Land/Development Transactions

Six of the seventeen transactions for the year were considered land sales, accounting for 35% of the sales volume.

While the land value *on average* increased 17% from a \$104 to \$122 per square foot, the higher density BR-CR-zoned properties – which are more indicative of the marketplace and are our focus of interest – come in at an average \$151.28 PSF, consistent with our predictions from our previous report.

The values that skew the overall average (and were omitted from the \$151.28 PSF calculation) can be separated into two distinct categories: the properties along the southside of Bel-Red whose zoning has a lower FAR, and the properties with less desirable zoning, topography, size/shape, or location that make them more challenging to develop.



2018 Spring District Land/Development Sales Zoning vs. Price/SF



See Chart 20.25D.080.A Dimensional Requirement in Bel-Red Districts (attached) for zoning information.



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AGM Activity

AGM's presence and activity within the Spring District was as strong as ever. AGM accounted for roughly 30% of the sales volume for the year, totaling \$38,750,000. The third quarter of 2018 was our most active period, where AGM completed 64% of the volume. We also were responsible for the largest transaction within the district, selling the BMW of Bellevue property for \$25 million.

As we approach \$200 million in sales in the Spring District, AGM remains committed to cultivating new ideas and investment opportunities. Important to note, of the seventeen sales within the SD, only eleven were listed for sale, leaving the balance of the sales off-market and only available to those buyers who are active within the marketplace.

If you would like to learn more about the Spring District including the significant "off-market" activity, or if you are interested in learning about other AGM transactions, please feel free to give us a call to schedule a meeting.



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Chart 20.25D.080.A Dimensional Requirement in BelRed Districts

BelRed Land Use District (19)	Tower Type (1) (17)	Minimum Setbacks/Stepbacks (3) (5) (7) (8) (10)			Gross SF/Floor Above 40 ft. (gsf/f) (16) (20) (21)	Gross SF/Floor Above 80 ft. (gsf/f) (16) (20) (21)	Maximum Impervious Surface/ Lot Coverage (6)	Building Height (4) (22)		Floor Area Ratio (4) (9)	
		Front	Rear	Side				Base	Max.	Base	Max.
		MO-1 OR-1 RC-1	Nonresidential Residential	0 (2)				0 (14)	0 (14)	28,000 28,000/12,000	28,000 9,000
OR-2 RC-2	Nonresidential Residential	0 (2)	0 (14)	0 (14)	28,000 28,000/12,000	28,000 9,000	75%	45	125	1.0	4.0
RC-3 (15)	Nonresidential Residential	0 (2)	0	0	28,000 28,000	NA	75%	45 (13)	70 (13)	1.0	4.0
CR (15)	Nonresidential Residential	0 (2)	0	0	28,000 28,000	NA	75%	45 (13)	70 (13)	1.0	2.0
R	Nonresidential Residential	0 (2)	0	0	NA	NA	75%	30	45	1.0	2.0
MO OR	Nonresidential Residential	0 (2)	0	0	28,000 28,000	NA	75%	70	70	1.0	1.0
GC	Nonresidential Residential	0 (2)	0	0	NA	NA	75%	45	45	1.0	1.0
ORT	Nonresidential Residential	20	30	20	NA	NA	75%	45(11)	45 (11)	0.75	0.75
All	Parking (12) (18)				NA	NA	75%	30	30	0.5	0.5

Notes: Chart 20.25D.080.A Dimensional Requirement in BelRed Districts:

- (1) For the purposes of this chart, a tower is determined to be nonresidential or residential if more than 50 percent of the gross floor area of the tower is devoted to that use. This distinction does not apply to the requirement for providing FAR amenities per this Part.
- (2) Where building height exceeds 45 feet, and the building is located within 15 feet of the front property line, the building shall incorporate a 15-foot-deep stepback in that facade at a height no more than 40 feet above the average finished grade along that facade.
- (3) All rear and side yards shall contain landscaping as required by LUC 20.20.520 and 20.25D.110.
- (4) The maximum building height and FAR may be achieved only by participation in the FAR Amenity System, LUC 20.25D.090.
- (5) A building facade on any street identified as a Required Sidewalk-Oriented Development pursuant to LUC 20.25D.130.C shall incorporate a 15-foot-deep stepback in that facade at a height no more than 40 feet above the average finished grade along that facade.

- (6) Impervious Surface/Lot Coverage is calculated after subtracting all critical areas and critical area buffers; provided, that coal mine hazards (LUC 20.25H.130) and habitat associated with species of local importance (LUC 20.25H.150) shall not be subtracted. See LUC 20.20.460 for exceptions and performance standards relating to impervious surface.
- (7) See LUC 20.20.030 for designation and measurement of setbacks.
- (8) See LUC 20.25H.035 for additional critical area setbacks.
- (9) See LUC 20.25H.045 for calculation of density/intensity on sites in the Critical Areas Overlay District.
- (10) Certain non-critical area setbacks on sites in the Critical Areas Overlay District may be modified pursuant to LUC 20.25H.040.
- (11) Maximum building height in the BR-ORT land use district shall be measured from average existing grade. See LUC 20.25D.130.D.4.d for additional transition edge development requirements.
- (12) The ground floor of a parking structure shall include required ground floor uses pursuant to LUC 20.25D.130.A.
- (13) Maximum building height west of 156th Avenue NE. Maximum building height located within 50 feet of the back of sidewalk along 156th Ave NE shall not exceed 45 feet as measured from the sidewalk grade adjacent to the building front. Maximum building height located greater than 50 feet from the back of sidewalk along 156th Ave NE shall not exceed 70 feet as measured from average existing grade.
- (14) Where building height exceeds 80 feet, all floors above 40 feet shall include a minimum side setback of 25 feet and a minimum rear setback of 25 feet as measured from the property line. Where building heights exceed 80 feet, a minimum separation of 50 feet for buildings on the same site shall be maintained for all floors above 40 feet. See subsection B of this section for exceptions to this minimum setback/stepback dimensions.
- (15) Maximum facade lengths west of 156th Avenue NE. The facade of any single building fronting on 156th Ave NE shall not exceed a maximum length of 150 feet. All buildings or portions of buildings located above the sidewalk grade measured adjacent to 156th Ave NE shall include a minimum building separation of 40 feet. The required minimum separation shall provide for a continuous building separation corridor that extends from 156th Ave NE to Bellevue-Redmond Road.
- (16) Gross square feet per floor may be averaged for floor plates located above 40 feet.
- (17) For the purposes of determining tower type, hotels and motels shall be considered nonresidential.
- (18) For parking structure minimum setbacks refer to specific land use district.
- (19) In the OR-1 and OR-2 Land Use Districts, all new development located on any site greater than five acres and less than 30 acres in size on May 26, 2009, shall provide a minimum of 20 percent of total project gross square feet as residential use. A phased development shall provide the proportional minimum of residential use required per phase, except when approved as a component of a catalyst project Master Development Plan and the proportional development requirement is modified pursuant to a development agreement (see LUC 20.25D.035).

- (20) The 28,000 gsf/f above 40 feet applies only to towers that do not exceed 80 feet. For residential towers, the maximum gross square feet per floor above 40 feet and at or below 80 feet is 12,000 gsf/f. For residential towers the maximum gross square feet per floor above 80 feet is 9,000 gsf/f.
- (21) Denotes roof height above average finished grade.
- (22) Variance from building height pursuant to Part 20.30G LUC is not permitted in any BelRed land use district.



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