

FOR THE EXCLUSIVE USE OF SANDBERG@TALONPRIVATE.COM

From the Puget Sound Business Journal:

<http://www.bizjournals.com/seattle/news/2016/07/12/exclusive-microsoft-not-leaving-issaquah-after-all.html>

## EXCLUSIVE: Microsoft not leaving Issaquah after all

Jul 12, 2016, 12:10pm PDT Updated: Jul 12, 2016, 12:27pm PDT

For three years commercial real estate brokers expected **Microsoft** to pull out of Issaquah, but the company is sticking around.

Microsoft (Nasdaq: MSFT) on Tuesday confirmed it has renewed its lease of two office buildings at the 90 East campus, formerly known as Sammamish Park Place. The two buildings total around 400,000 square feet.

This is the latest move that indicates Microsoft will keep operating in offices away from the company's 500-acre headquarters campus in Redmond. That Microsoft is maintaining facilities in Issaquah and elsewhere is a major shift and affects perceptions about the company's real estate strategy. Observers closely monitor the company because it occupies about 30 percent of the total office space on the Eastside.

Microsoft declined to comment on its real estate strategy.

The feeling among commercial real estate brokers has been that Microsoft would give up leased facilities and move employees to Redmond, where the company has said it may develop an additional 1.6 million square feet of office space on its main campus.



VULCAN PHOTO

Microsoft has renewed its lease for two buildings in the 90 East office complex in Issaquah, sources say. It's the latest sign that the company won't be moving as many employees back to the main campus in Redmond as previously thought.

Signs had pointed to a departure for Microsoft in Issaquah and elsewhere.

Previously in Issaquah, the company did not renew its lease for one of three 90 East buildings. **Costco** (Nasdaq: COST) subsequently leased that building. Later, the landlord put up for lease a second building. In addition, Microsoft sold a 63-acre parcel where it had planned an office campus to a homebuilder for \$54 million.

In downtown Bellevue, Microsoft had put seven floors off office space in the Bravern complex up for sublease, but later reversed course and is keeping that space. Across Bellevue, Microsoft occupies 2.3 million square feet, making it the city's largest tenant. Regionwide, Microsoft owns nearly 10.2 million square feet of space and leases 4.6 million square feet.

Bill Pollard of Seattle-based Talon Private Capital, which owns 90 East, declined to comment on the Microsoft lease extension. He did say that Talon has put 90 East up for sale, listing it with CBRE.

*Editor's note: This story has been updated to note that Microsoft confirmed it renewed its lease of two buildings at 90 East.*

**Marc Stiles**

Staff Writer

*Puget Sound Business Journal*

