

# Here's how much rent F5 Networks will pay for its new high-rise headquarters

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The glassy, angular high-rise next to the Columbia Center (Seattle's tallest skyscraper) in... [more](#)

F5 Networks' annual lease rate for its new headquarters building in downtown Seattle starts at \$40 per square foot and escalates to \$56.52 a foot at the end of the 14.5-year term.

The company expects to pay a total of \$359.5 million in base rent for the 516,000 square feet of office space on the top floors of the 44-story high-rise, according to information that F5 filed with the U.S. Securities and Exchange Commission Wednesday.

F5 has the option to extend the lease up to three times for five years each in the building at 801 Fifth Ave.

In addition to the base rent, F5 (Nasdaq: FFIV) will pay ongoing expenses, such as property taxes, building insurance and maintenance at F5 Tower, which was formerly called the Mark.

The filing also states F5 will be able to negotiate priority booking at discounted rates for rooms in the luxury SLS Seattle hotel at the base of F5 Tower. The F5 Tower project

includes the historic sanctuary building next door, which is being turned into meeting space. The lease gives F5 the ability to reserve the sanctuary as well as conference facilities in the hotel on a priority basis and at a discount.

Seattle-based Daniels Real Estate, which is developing F5 Tower, hired noted French designer Philippe Starck to design the hotel and sanctuary interiors. In a 2015 interview with the Puget Sound Business Journal, Starck said his goal was to make the SLS Seattle an uplifting place.

"Seattle is very special," he said. "Here you can make the most intelligent project because you know the people will understand what you do."

The SLS Seattle and the conference space in the hotel and sanctuary were among the reasons F5 chose the tower as its new headquarters, F5 Chief Financial Officer Andy Reinland said. Access to bus and rail transit and to the freeway ramps also was a draw, along with the light-filled, column-free work space in the ZGF Architects-designed tower.

Kevin Daniels, the head of Daniels Real Estate, is a historic preservation advocate. He bought the half-block redevelopment site 11 years ago from the First United Methodist Church congregation, which has moved. As part of the purchase, Daniels pledged to preserve the sanctuary building whose renovation has ended up costing around \$40 million, or around four times the original budget.

Last fall, he said he would not have agreed to save the 107-year-old Beaux Arts sanctuary had he known how much it was going to cost, though it turns out that doing so helped him land F5 as a tenant.

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