

Office Developments

In February BioMed Realty [reportedly](#) secured the first master use permit for their proposed Development of the T6 Innovation Center, a two-building life science campus spanning a full city block east of Seattle Center in the Queen Anne submarket. The site, previously home to the Executive Inn and industrial offices, will feature an eight-story West building (200 Taylor Ave. N.) with 238,698 square feet, and a nine-story east building (205 Sixth Ave. N.) with 263,184 square feet. The project will offer amenities including a gym, cycling center, and outdoor terraces.



T6 INNOVATION CENTER



FLOORPLATE & PROGRAMING

Office Building Sales

There were no office building sales reported in February 2025.

Returning to Office

Amazon's five-day return-to-office mandate, which began January 2025, significantly [increased](#) worker foot traffic in downtown Seattle, bringing the area closer to pre-pandemic levels. According to the Downtown Seattle Association (DSA), weekday worker foot traffic around Amazon's campus reached 74% of January 2019 levels, up from 62% in January 2024. The South Lake Union and Denny Triangle neighborhoods saw an average of 46,000 workers daily, a 20% increase from the previous year. The DSA anticipates further increases in foot traffic as more companies follow Amazon's lead.

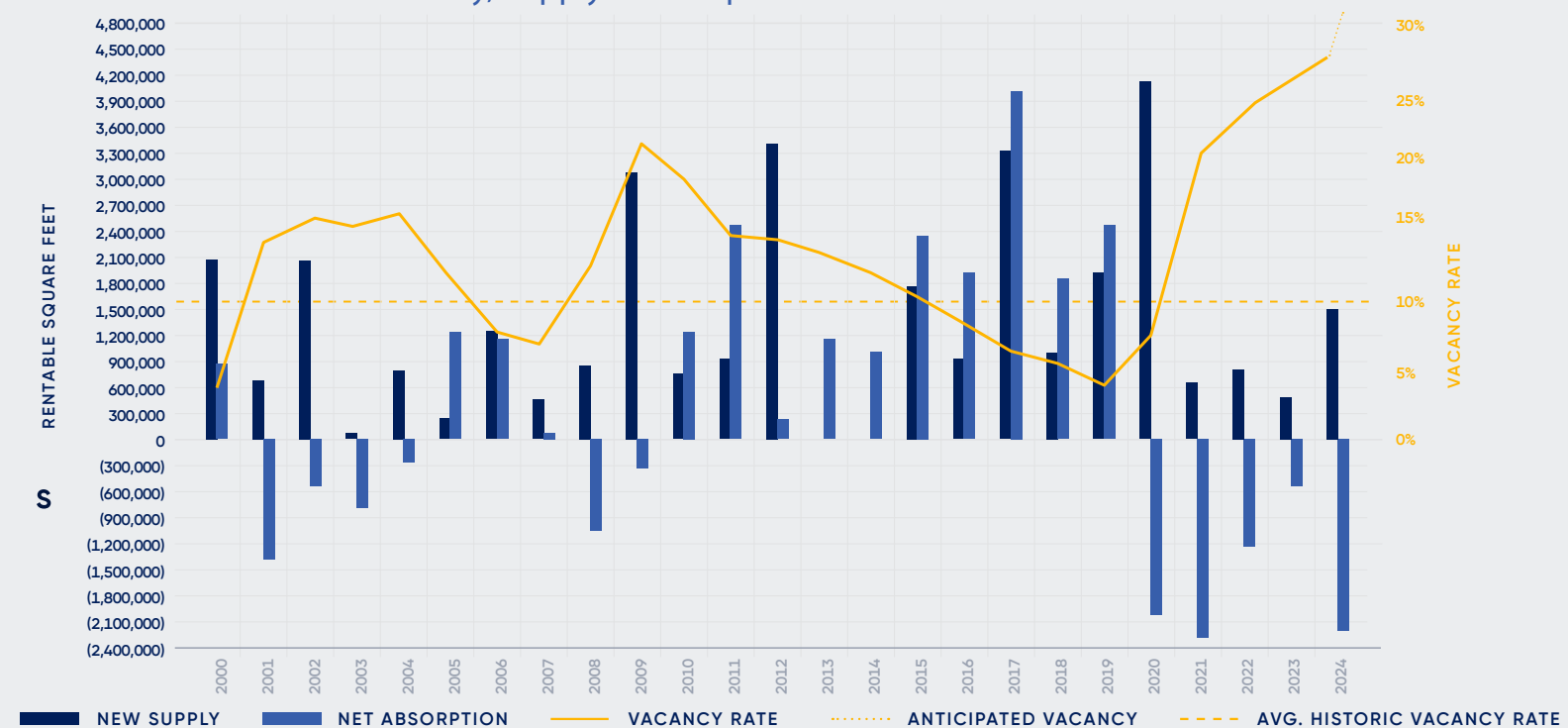
Office Leases

The only reported lease in February was that of Tommy Bahama choosing to [renew](#) their lease at 400 Fairview in South Lake Union for another 10 years. The 125,000 square foot lease renewal marks the second largest office lease in Seattle over the past year and keeps the 349,000 square foot tower 100% occupied. Other tenants at 400 Fairview include Skanska, Group14 Technologies and Impinj.

Downtown Recovery

Seattle leaders [highlighted](#) downtown's improvements over the past year, crediting increased safety measures and revitalization efforts. Mayor Bruce Harrell's Downtown Activation Plan and Downtown Activation Team have helped reduce violent crime by 14% since 2021 and fatal overdoses by 25%. Increased police hiring and public safety investments have contributed to a safer environment, leading to a 33% rise in foot traffic. The Downtown Seattle Association is working to attract more street-level businesses to strengthen the area's recovery.

Seattle Overall Office Availability, Supply & Absorption Rates



Economy

Federal Reserve officials, led by Chair Jerome Powell, are [taking](#) a cautious “watch-and-wait” approach before making further interest rate cuts. After three rate cuts last year, they want to see inflation decline further and assess the economic impact of potential tariffs under President Trump’s policies. If inflation remains under control, rate cuts could continue, but there’s no set timeline for the next decision.

The U.S. economy [grew](#) at a solid 2.3% annual rate in the last quarter of 2024, driven by strong consumer spending. For the full year, GDP growth was 2.8%, slightly down from 2.9% in 2023. Inflation pressures persist, with the Fed’s preferred inflation measure rising above its 2% target. The Fed, after three rate cuts in late 2024, is now holding steady on interest rates. GDP growth in early 2025 is expected to fall below 1%, and rising unemployment claims may indicate early economic strain.

Housing

In January, the median home price in King County was \$855,000, a mere 0.6% [increase](#) from a year earlier. In Seattle, the price of single-family homes declined 1.3% over the year to \$857,500. In Snohomish County, the median price for a single-family home rose by 5.5% to \$770,000 while in Pierce County the price also increased by 5.5%. Kitsap County saw a slight decline of 0.13%, with a median price of \$549,257. Mortgage rates for 30-year fixed loans hovered around 7% in January and are expected to remain in the 6.5%-7% range for the remainder of the year, according to housing forecasts.

In January, pending home sales in the U.S. [dropped](#), marking a 4.6% decline to 70.6 on the National Association of Realtors’ Pending Home Sales Index. This represents a 5.2% decrease compared to the same period last year. Sales fell across the Midwest, South, and West, with the South experiencing the steepest drop, while the Northeast saw a slight increase in sales despite harsh weather conditions. The drop in sales was attributed to high mortgage rates (ranging from 6.91% to 7.04%), elevated home prices, and possibly the extreme cold weather.

Inflation | Consumer Spending

U.S. wholesale prices in [January](#) were higher than expected, signaling a stall in reduction of inflation and dampening expectations for interest rate cuts this year. The Labor Department reported that the producer price index (PPI) rose 0.4% from December and 3.5% from January 2024, surpassing forecasts. The consumer price index (CPI) increased by 3% year-over-year, up from 2.9% in December. Core producer prices, excluding food and energy, increased by 0.3%, and wholesale services prices saw a 0.3% rise, driven by higher hotel costs. Food prices surged, notably due to a 44% [jump](#) in egg prices linked to bird flu.

U.S. retail sales [fell](#) 0.9% in January, marking the biggest drop in a year, largely due to cold weather, which kept many Americans indoors and reduced sales at car dealerships and other stores. The decline was much larger than expected and followed two months of growth. Sales dropped 2.8% at auto dealers and declined in furniture, home goods, and online retail, while general merchandise stores, including Walmart and Target, saw sales rise.

U.S. consumer confidence [plummeted](#) in February, marking the largest monthly drop in over four years. The Conference Board’s consumer confidence index fell from 105.3 in January to 98.3 in February, significantly below expectations. This decline was driven by growing concerns over persistent inflation and the belief that a trade war under President Trump is likely. The index’s measure of short-term expectations, including views on income, business conditions, and the job market, dropped to a potential recession warning level, falling by 9.3 points.



Interest Rates

By the end of February, the average rate on a 30-year mortgage in the U.S. had fallen for the sixth straight week, reaching its lowest point since December. Starting the month of February at [6.89%](#), the rate decreased to [6.87%](#) in the second week, [6.85%](#) in the third week, and finally dropped to [6.76%](#). This decline in rates, coupled with a slight uptick in housing inventory, brings some hope to potential buyers, though rates are still much higher than the record low of 2.65% seen in recent years.



Jobs

Applications for U.S. jobless benefits [rose](#) to a three-month high reaching 242,000 for the week ending February 22. An increase of 22,000 from the previous week, according to the Labor Department. Analysts had expected 220,000 new claims. Despite the rise, the number of applications remains within the healthy range observed over the past three years, with weekly applications serving as a proxy for layoffs. The four-week average, which smooths out volatility, climbed by 8,500 to 224,000. Although layoffs remain low compared to historical standards, several prominent companies, including Workday, Dow, CNN, Starbucks, Southwest Airlines, and Meta, have already announced job cuts in 2025.



Other News

Google [announced](#) plans to consolidate its Seattle workforce at its South Lake Union campus, moving away from its longtime Fremont campus, known as the “Center of the Universe.” The move is aimed at improving collaboration and community but does not affect Google’s other major engineering hub in Kirkland. Although no timeline was provided, Google emphasized its ongoing commitment to Seattle, where it has been since 2004, and plans to continue investing in the region. Google’s Fremont campus, which it occupied for nearly two decades, had grown to 190,000 square feet by 2018. Other tech companies, such as Adobe, Nvidia, and Salesforce’s Tableau, also have a presence in Fremont, though some have scaled back.

