

## Office Developments

In March 2025 it was [reported](#) that the University of Washington (UW) moved into 133,000 square feet at the new 12-story Gateway Building, located above the University District light rail station at 4328 Brooklyn Ave NE. The \$85 million project, developed by Lincoln Property Co. and Intercontinental Real Estate Corp., broke ground in 2023 and was completed in late 2024. The building, formerly known as the U District Station Building, is now over 50% leased. UW will use floors two through seven for innovation and research offices.

Less than six months after opening near Seattle's Space Needle in Queen Anne, the 10-story 222 Fifth life science building is already 20% [leased](#). Also developed by Lincoln Property Co. and Intercontinental Real Estate Corp., the preliminary leasing success of the nearly 200,000-square-foot project is largely attributed to CoLabs, an on-site incubator program. CoLabs offers startups access to mentors, vendors, and investors. Tenants include Kinea Bio, Celogics, Decycle Bio, HoX, Genemod, and Exo-Immuno Research Institute.

First Light, Seattle's tallest condo tower at 2000 3rd Ave in Belltown, has [officially opened](#). In addition to luxury residences, it brings 115,000 square feet of premium office space to the downtown market. While the residential side of the project has drawn attention for its dramatic amenities, the commercial space is positioned to appeal to companies seeking high-end workspace with panoramic views and direct access to downtown's growing attractions.

## Returning to Office

The U.S. office market [supposedly](#) showed signs of a rebound in 2024, led by increased building sales and leasing activity in top-tier properties. Office sales totaled \$64.3 billion, up nearly 21% from 2023 according to data from MSCI Real Assets. While average sale prices still declined 11%, the drop was far less severe than the 24% decrease in 2023. Leasing also apparently gained momentum according to CBRE, with 6.5 million more square feet leased than vacated, the strongest annual absorption since 2019. In premium markets like New York, Silicon Valley, and Austin JLL are supporting evidence of asking rents being up 17%.

### GATEWAY BUILDING



### 222 FIFTH



### FIRST LIGHT

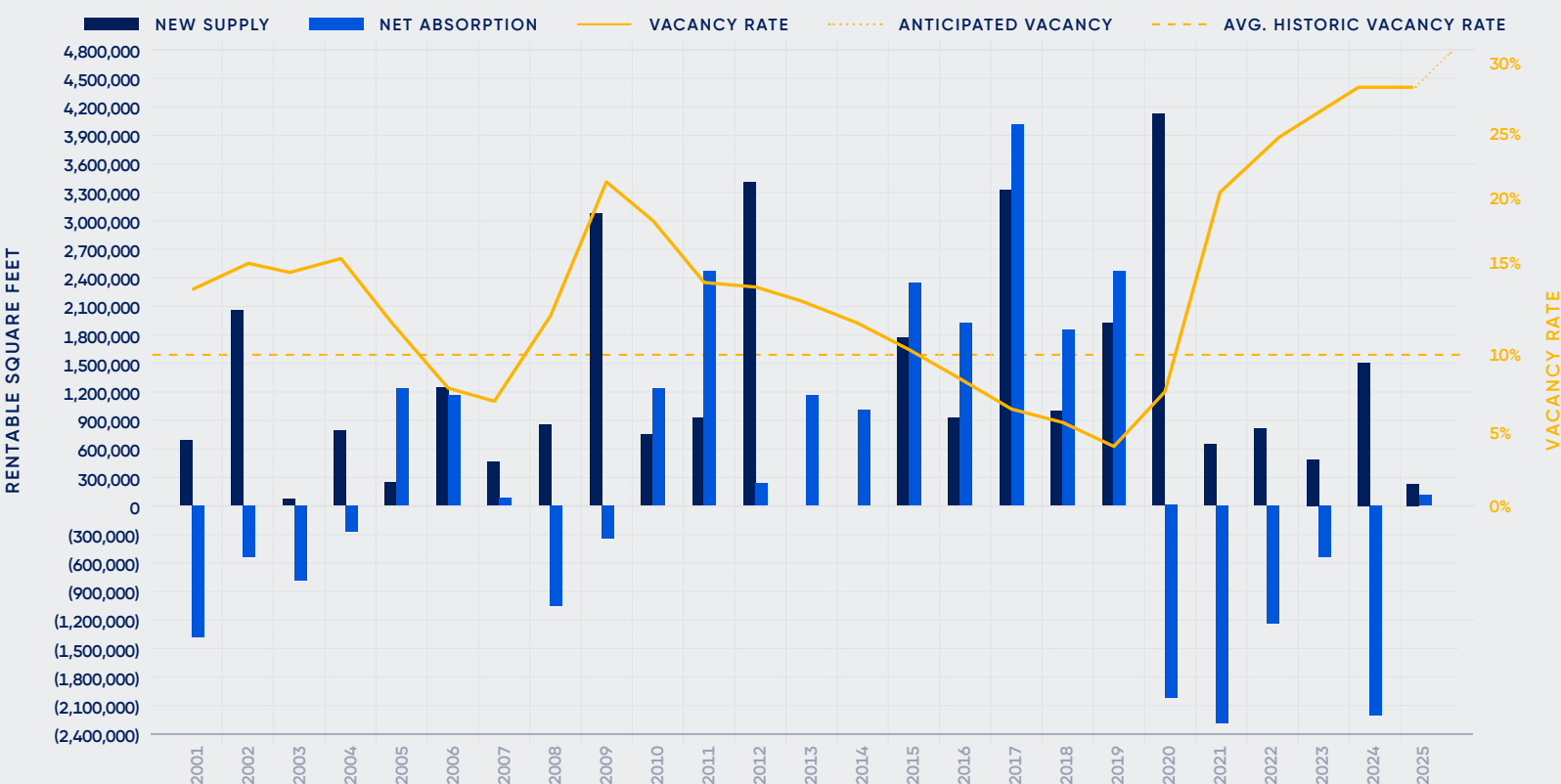




## Office Leases

There were no new office leases reported in the month of March 2025.

### Seattle Overall Office Availability, Supply & Absorption Rates



## Housing

In 2024, median prices for new [homes](#) (including condos) reached \$920,450 in King County according to the National Association of Realtors. Seattle's median rose 4% to \$965,000, and the Eastside surged 14.6% to \$1.68 million. Though sales of new homes increased in King and Snohomish counties, they remain below 2021 levels. High [construction](#) costs, limited land supply, and elevated mortgage rates have made it harder to build profitably. Developers are shifting toward denser projects, like three- to six-unit builds on single-family lots, and adapting to buyer preferences.

## Office Building Sales

There were no new office sales reported in the month of March 2025.

## Economy

The U.S. economy [grew](#) at a solid 2.4% annual rate in the final quarter of 2024, slightly above earlier estimates according to a GDP measurement report by the federal government. The growth is thanks largely to a year-end surge in consumer spending, which rose at a 4% pace. For the full year, GDP growth reached 2.8%, just below 2023's 2.9%. Growth slowed from the 3.1% rate in Q3, and business investment dropped, particularly in equipment, down 8.7%. A decline in inventories also dragged on GDP, while core measures of economic strength, excluding volatile components, rose 2.9%. Inflation pressures increased, with the Fed's preferred gauge rising 2.4%, slightly above the 2% target.

## Downtown Recovery

The population of the Seattle-Tacoma-Bellevue area is on the [rise](#). The region added 66,666 new residents in 2024, making it the 10th-largest increase among U.S. metros according to new Census data. The region's population now stands at 4.15 million, maintaining its rank as the 15th-largest metro in the country. The shift is tied to changing remote work policies, as many who once left urban areas during the pandemic are now returning to live closer to offices. In response, over 4,000 residential units are under construction in downtown Seattle, following the delivery of 3,000 units in 2023, according to the Downtown Seattle Association.

Seattle's new Waterfront Park is [proving](#) to be a major attraction, receiving 7.5 million visitors in 2024 according to the Seattle Historic Waterfront Association. The surge is credited to major milestones in the park's development, including the \$180 million Ocean Pavilion at the Seattle Aquarium and the \$70 million Overlook Walk. Aquarium attendance also hit a record 1 million visitors, with a 2024 goal of 1.2 million. Event attendance was another driver of growth, with Pier 62 hosting nearly 5.7 million visits through free public programs like concerts and fitness classes.



## Interest Rates

By the end of March 2025, the average rate on a 30-year mortgage in the U.S. had fallen after rising two weeks in a row. [Starting](#) the month of March at 6.63%, the rate increased to 6.65% in the [second week](#), again to 6.67% in the [third week](#), and finally dropped to 6.65% the final week. Easing mortgage rates and more homes on the market nationally helped drive sales higher in February from the previous month, though they were down year-over-year.



## Jobs

U.S. unemployment claims [held](#) steady in the 3rd week of March with 224,000 new applications according to the Labor Department, 4,000 more than the previous week. The four-week average declined slightly, and continuing claims dropped to 1.86 million, signaling relatively few layoffs. Despite some recent high-profile job cuts (e.g., Meta, Starbucks, Southwest Airlines), overall hiring remains solid. The U.S. added 151,000 jobs in February, and unemployment rose slightly to 4.1%.



## Inflation | Consumer Spending

According to the Commerce Department, U.S. retail sales [inched up](#) just 0.2% in February 2025, following a sharp 1.2% drop in January. Gains were seen in grocery, home and garden, and online stores, while sales fell at auto dealers, restaurants, gas stations, and electronics stores. Major retailers like Walmart, Macy's, and Dollar General have noted weaker consumer demand and are adjusting their outlooks accordingly. Though job growth has remained stable, economists warn that sustained uncertainty could lead to further pullbacks in spending.



## Other News

In March it was reported the Seattle City Council voted 6–3 to [approve](#) a rezoning of a two-block area in Sodo, allowing for up to 990 housing units in what has long been designated as industrial land. The move, part of a broader effort to address affordable housing and support small businesses, focuses on the Stadium Overlay District, home to Lumen Field, and T-Mobile Park. Amendments reduced the rezoned area and added safety disclosures due to the area being in a liquefaction zone. Half the housing must be affordable for residents earning 60–90% of the area's median income.

The grand opening of Seattle's \$806 million Waterfront Park has been [delayed](#) to late summer, pushed back from its originally planned spring debut due to ongoing dilemmas facing the reconstruction of Pier 58. The new pier is set to include a playground with a 25-foot-tall jellyfish-inspired climbing tower and tentacles with an 18-foot slide. City officials still anticipate finishing Pier 58 this summer, with a full celebration to follow.

Catenary [lighting](#) has been extended to a historically troubled stretch of downtown Seattle's Third Avenue, between Stewart and Pine streets. The lighting is suspended above 3rd Avenue including in front of the former Macy's at 300 Pine. The \$47,000 project, funded in part by Amazon, Expedia, and the Downtown Seattle Association (DSA), aims to create a safer, more inviting atmosphere. The corridor is home to the main metro transit line through the city and struggles with low office occupancy and lagging foot traffic. The extended lighting doubles the illuminated area and builds on last year's Spark project.