Office Leases

Databricks, a San Francisco-based AI and analytics company, has significantly expanded its Seattle presence by leasing 45,000 square feet in the, 2001 8th Ave, West8 tower, more than quadrupling its previous space there. West8 tower, owned by Kilroy Realty, has been largely empty since Amazon's 2023 departure, but is seeing renewed interest following newly added amenities.

Stackline, an Al-powered retail intelligence and activation platform, has secured a 44,000-square-foot headquarters spanning the top two floors (35 and 36) of Madison Centre. The building, located at 920 Fifth Avenue in Seattle's Central Business District is owned by Boston Properties (BXP). The space is being subleased from Assurance who originally leased it in 2019. Stackline plans to relocate from the nearby F5 Tower in July 2025. With 155 employees based in Seattle and a global team of 250, the company sees the move as a long-term investment in fostering innovation, collaboration, and its ongoing presence in downtown Seattle.

Airbnb is downsizing its Seattle footprint, moving from its 58,300-square-foot 720 Olive Way location to a new 17,100-square-foot office owned by Hudson Properties in Pioneer Square at 95 S. Jackson Street. The relocation comes as Airbnb shifts its business strategy to focus more on services and experiences.

Company	Building Address	RSF
Sector databricks	West8 2001 8th Ave	45,000
Stackline	Madison Centre 920 5th Ave	44,000
airbnb	95 Jackson 95 S Jackson St	17,100

Seattle Overall Office Availability, Supply & Absorption



Office Developments

This May PP&G Properties submitted a master-use permit for a proposed 500,000-squarefoot, high-tech development at 901 Elliott Ave W in Seattle's Interbay neighborhood. The project, designed by Olson Kundig, features three connected eight-story towers, dramatic sky bridges, rooftop decks, and podium terraces with views of Elliott Bay and downtown. The property is co-owned by Vaughn and software entrepreneur Pam Lopker, founder of QAD Inc. There is no mention of a specific project delivery date.



There were no office building sales reported in May 2025.





According to the U.S. Commerce Department, the U.S. economy contracted at an annual rate of 0.2% in Q1 2025, marking the first decline in three years. The drop was primarily driven by a 42.6% surge in imports as companies rushed to stockpile goods ahead of sweeping tariffs, which significantly dragged down GDP. Consumer spending slowed, and federal government spending fell 4.6%, its largest drop in three years. However, business investment jumped 24.4%, and inventory buildup ahead of tariffs added to growth. A core measure of economic strength, excluding volatile components, rose at a 2.5% annual rate from January through March 2025, down slightly from 2.9% in Q4 2024.

According to The Conference Board, consumer confidence in the U.S. rebounded in May, rising 12.3 points to 98 after five months of decline. Short-term expectations for income, business conditions, and jobs jumped 17.4 points to 72.8, though still below the recessionwarning threshold of 80.

Interest Rates

By the end of May 2025, the average rate on a 30-year mortgage in the U.S. had increased four weeks in a row. Starting the month of May at 6.76%, rates increased to 6.81% in the second week, again to 6.86% in the third week and to 6.89% in the final week. Mortgage applications fell 1.2% last week from a week earlier as home loan borrowing costs rose, according to the Mortgage Bankers Association. Economists expect mortgage rates to remain volatile in coming months, with forecasts calling for the average rate on a 30-year mortgage to range between 6% and 7% this year.



Inflation | Consumer Spending

LABRASSON OF STREET

U.S. inflation slowed in April, with consumer prices rising 2.1% year-over-year, down from 2.3% in March, the lowest rate since September 2024. Core inflation (excluding food and energy) also eased to 2.5%, its lowest in over four years, according to a Commerce Department report. Monthly price increases were minimal at 0.1%, though durable goods prices jumped 0.5%. Despite a 0.8% rise in income, consumer spending grew just 0.2%, down sharply from March's 0.7%. Major retailers like Walmart, Best Buy, E.I.f. Beauty, and Costco have begun raising prices to offset tariff costs, with more hikes expected in the coming months. The Federal Reserve remains cautious, holding interest rates steady while monitoring inflation and job market impacts.





The U.S. added 177,000 jobs in April, beating forecasts and keeping the unemployment rate at 4.2%. Key gains came in healthcare (+51,000), transportation (+29,000), and hospitality (+17,000), while factories lost 1,000 jobs. Wages rose 3.8% year-over-year. In the first week of May, U.S. jobless claims fell by 13,000 to 228,000. By the week ending May 10, U.S. jobless claims remained steady at 229,000, before rising to 240,000 by the week ending May 24. The four-week average edged down slightly to 230,750 and continued claims rose to 1.92 million, the highest since November 2021. Despite the uptick 177,000 jobs were added in April and unemployment holding at 4.2%. The Fed held interest rates at 4.3%, citing heightened risks of both inflation and unemployment. Q1 GDP shrank 0.2%, mainly due to a surge in imports ahead of tariffs. While layoffs at major companies like Microsoft, Meta, and Starbucks continue, overall job security remains high.

Seattle's spring housing market was slower than usual this year, with sales dipping and homes sitting longer on the market, despite rising prices. King County's median single-family home price hit a record \$1.03 million in April, while Seattle's median reached \$1 million. Prices in Pierce and Snohomish counties held steady, while Kitsap saw a 6% increase.

Washington State enacted a new law capping annual rent increases at 10% for most apartments and 5% for manufactured home parks, effective May 7. The cap applies to many, but not all, rental properties and is adjusted annually based on inflation. New buildings (under 12 years old) and certain affordable or owner-occupied rentals are exempt.



As Seattle's office market softens and the housing shortage grows, interest is rising in converting empty downtown buildings into community assets. According to Gensler's 2021 conversion calculator however, only about 20% of existing office buildings are viable for residential conversion, prompting architects to explore new alternatives. In Seattle, Chris Kimball has suggested temporary community uses such as climbing walls, arts spaces, and outdoor gathering areas. These light-touch, community-driven conversions aim to avoid costly demolitions while bringing life back to struggling downtowns. Gensler's civic reuse projects in cities like Chicago, Detroit, and Auburn offer proven models for blending historic preservation with modern public use.

Remitly has officially opened its new headquarters at Rainier Square, located at 401 Union Street in downtown Seattle, a short distance from its previous office at 1111 3rd Avenue. The globally focused digital remittance company has significantly upgraded its workspace in both design and functionality. Reflecting the diverse cultures it serves, the new office includes features designed to inspire collaboration while supporting a hybrid work model, with employees spending 50% of their time on-site. With more than 2,800 employees worldwide and over 500 based in Seattle, the expanded headquarters positions Remitly for continued growth, including plans to add another floor.



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