

Q2 2025

Office Market Report

General Overview

Vacancy in the Seattle office market rose notably from 27.4% in Q1 2025 to 29.0% in Q2 2025. This figure includes a direct vacancy rate of 25.6% and a sublease vacancy rate of 3.4%. Over the past 12 months, the Downtown Seattle office market experienced negative net absorption totaling approximately (1,700,000) rentable square feet (RSF). Currently, there are roughly 266,898 RSF of office space under construction. The market is expected to remain tenant-favorable throughout the remainder of 2025, with vacancy rates projected to rise further as more properties are repositioned.

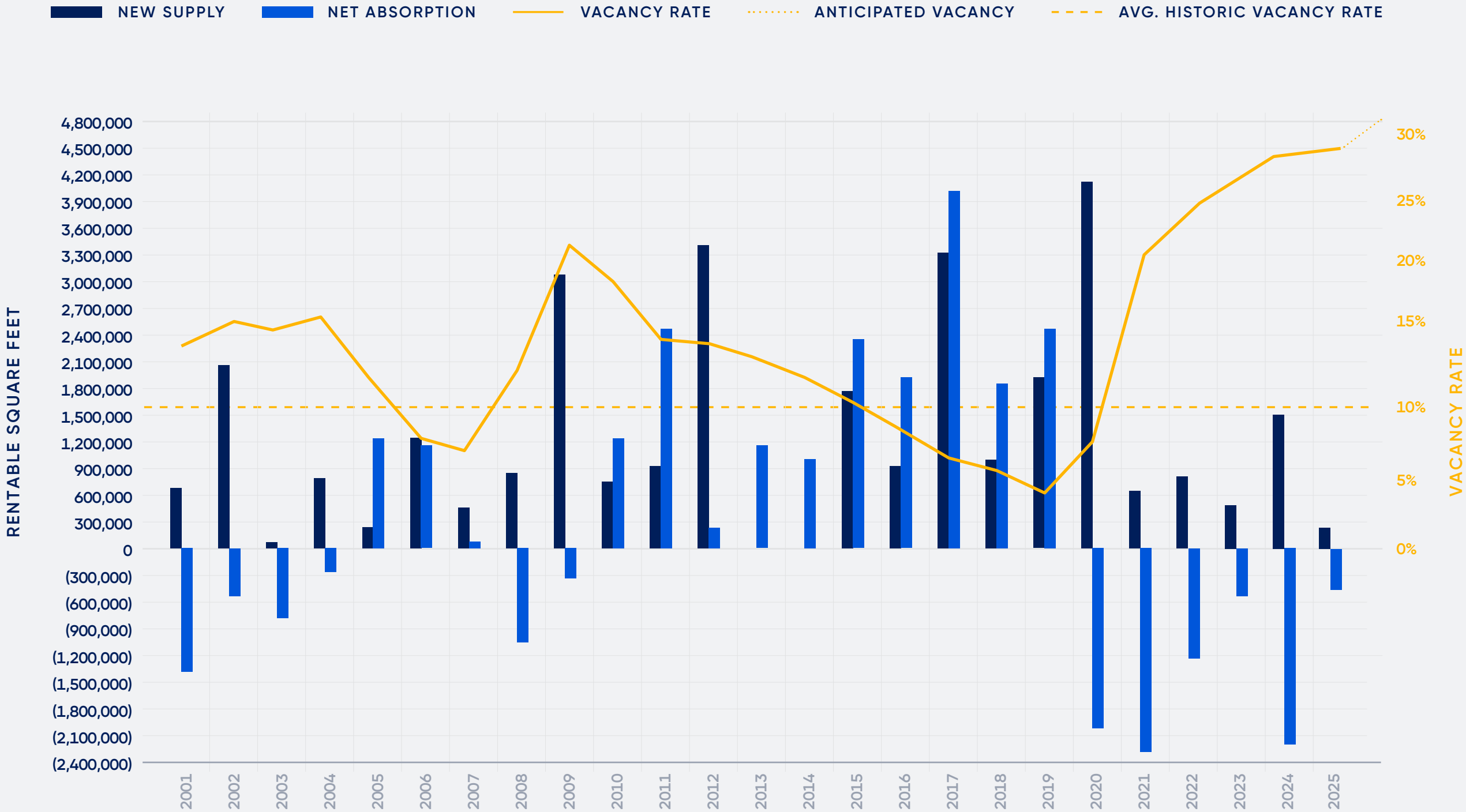
Economy

According to the U.S. Bureau of Labor Statistics the seasonally adjusted monthly unemployment rate for Washington State is 4.5% slightly above the nationwide rate of 4.2%. In Seattle/Tacoma/Bellevue, the unemployment rate decreased from 4.4% in January 2025 to 4.3% in May 2025.



Historical Availability

Seattle Overall Office Availability, Supply & Absorption Rates
2001-2025



Market Overview

Market Size (SF)
Ship Canal to Pioneer Square

73.47M

*INCLUSIVE OF 267K UNDER CONSTRUCTION

Net Absorption

12-Month

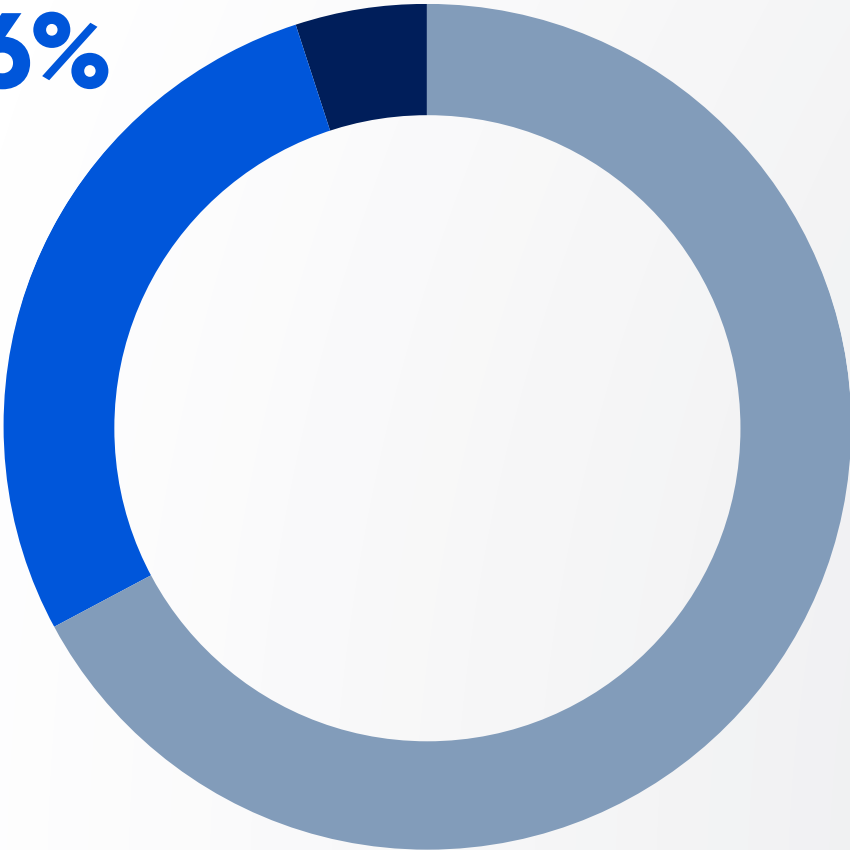
(1.7M)

Q2 2025

(563K)

Availability

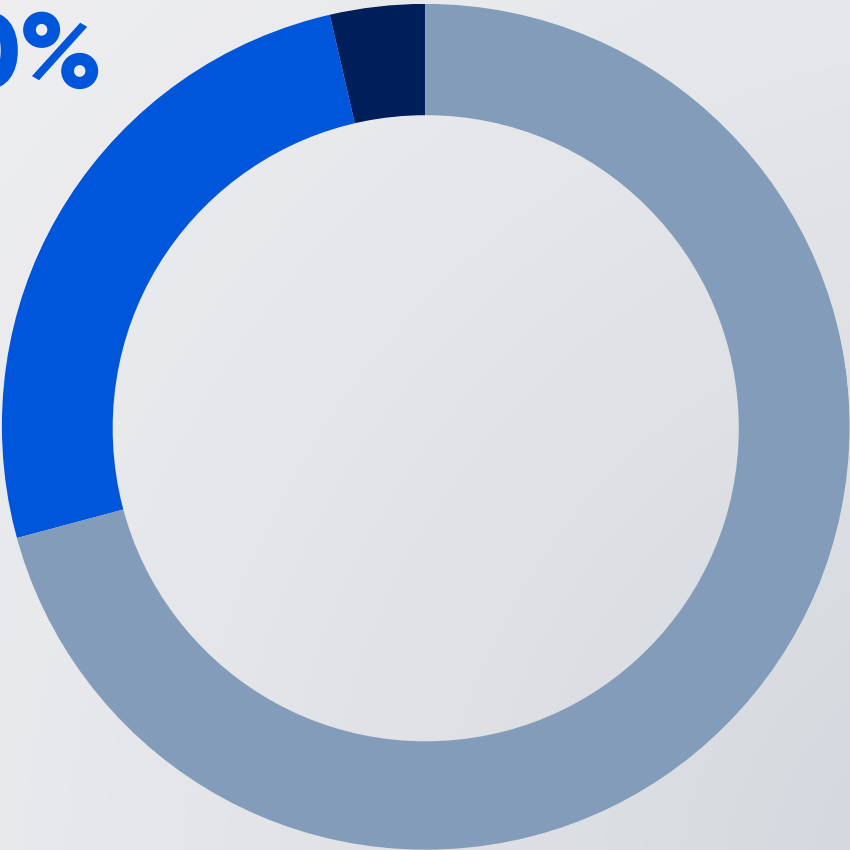
32.6%



- DIRECT AVAILABILITY: 27.8% | 20.5M
- SUBLEASE AVAILABILITY: 4.9% | 3.6M
- OCCUPANCY: 67.4% | 49.5M

Vacancy

29.0%



- DIRECT VACANCY: 25.6% | 18.8M
- SUBLEASE VACANCY: 3.4% | 2.5M
- OCCUPANCY: 71.0% | 52.2M

Market Trends

ASKING RENTS

T. I. ALLOWANCES

RENT ABATEMENT

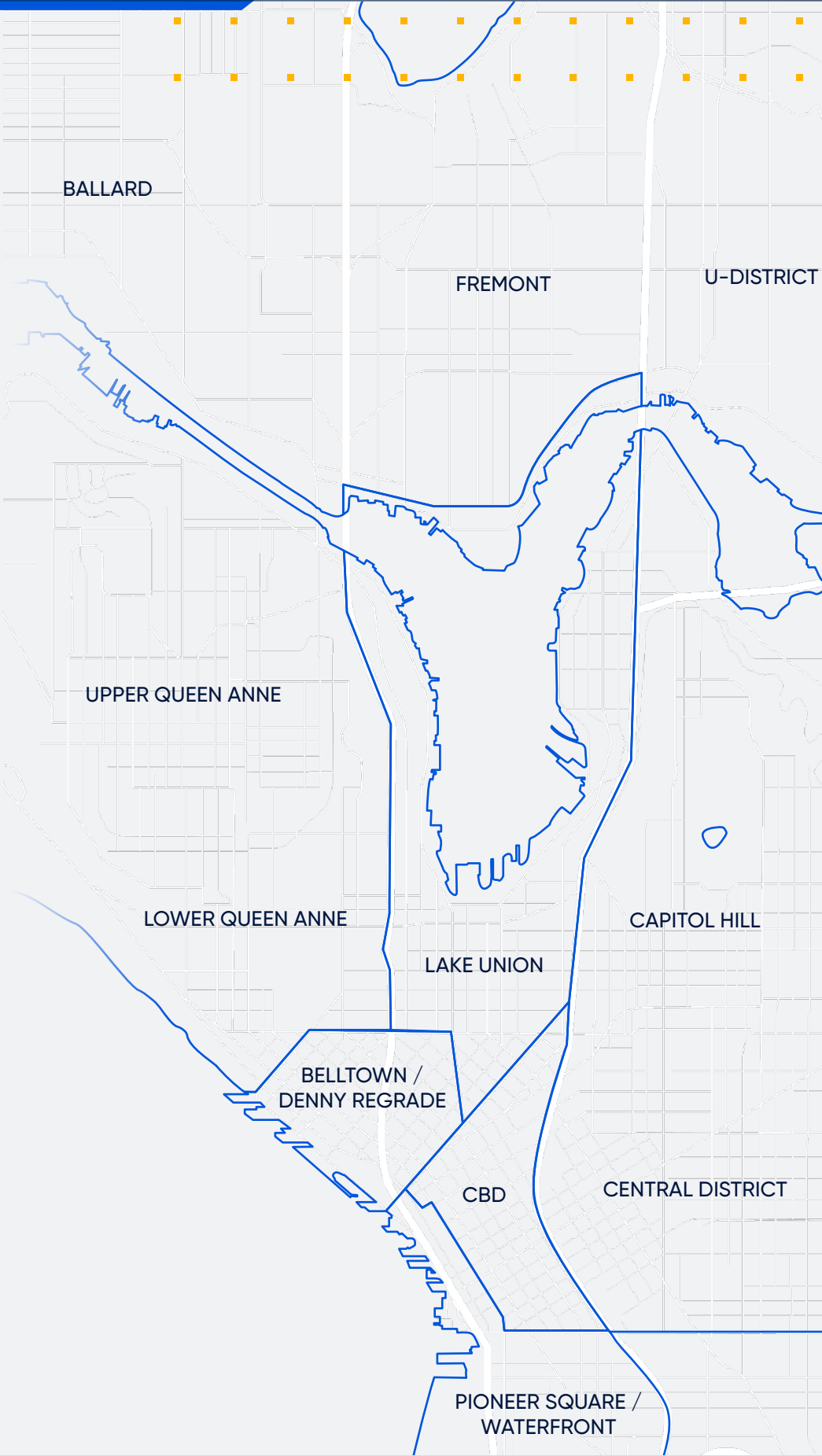
CONSTRUCTION COSTS

CONSTRUCTION TIMELINE

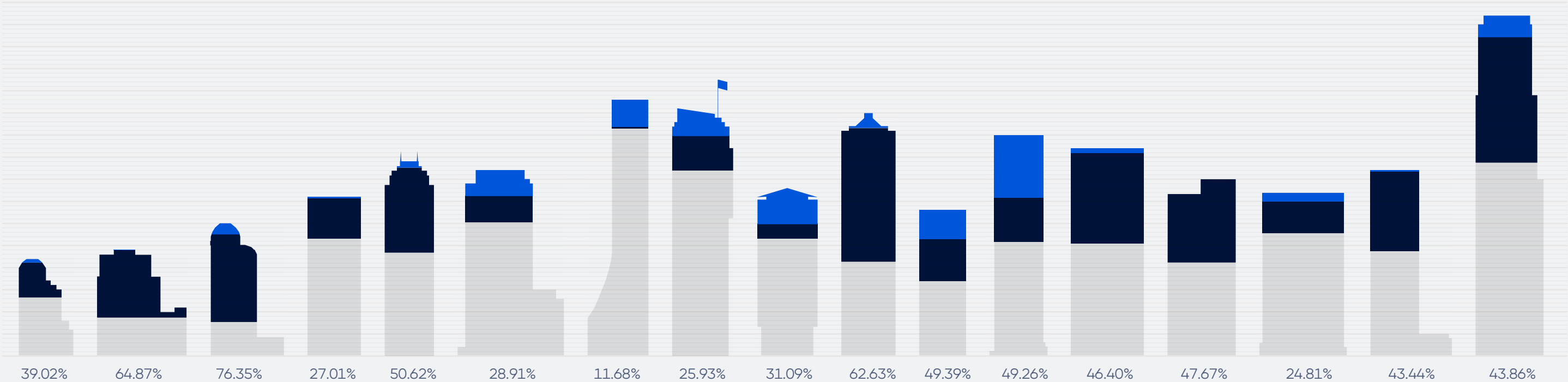
Submarket Vacancy Data

Market	Vacancy rate	12-Month Net Absorption (SF)	FS Class A Rental Range
Ballard / Fremont / U-District	25.5%	97.2K	\$25.00 – \$55.00
Belltown / Denny Regrade	28.4%	(333K)	\$25.00 – \$50.00
Capitol Hill / Central District	12.0%	(123K)	\$25.00 – \$50.00
Lake Union	21.4%	(412K)	\$40.00 – \$70.00
Pioneer Square / Waterfront	29.0%	(136K)	\$25.00 – \$55.00
Queen Anne	32.3%	(16.2K)	\$22.00 – \$35.00
Central Business District	34.0%	(877K)	\$30.00 – \$65.00

29.0%
TOTAL VACANCY RATE FOR SEATTLE



Skyline Availability



Bldg. Name	Second & Seneca	1700 Seventh	Century Square	One Union	US Bank Center	Russell Investment Center	Rainier Square	Two Union Square	2+U	1201 Third	1111 Third	1001 Fourth	999 Third	Fourth & Madison	Madison Center	800 Fifth	Columbia Center
LL/Broker	JLL	Newmark	Broderick Group	Washington Holdings	CBRE	CBRE	JLL (Sublandlord)	Washington Holdings	Newmark	JLL	JLL	Broderick Group	JLL	Newmark	Broderick Group	CBRE	CBRE
Direct Avail. (%)	35.46%	64.51%	67.21%	25.87%	44.39%	14.46%	1%	13.97%	8.87%	55.15%	29.08%	20.71%	44.06%	47.67%	19.61%	42.95%	37.07%
Direct Avail. (SF)	162,904 RSF	331,890 RSF	413,167 RSF	173,993 RSF	418,841 RSF	129,855 RSF	4,150 RSF	162,846 RSF	60,947 RSF	628,919 RSF	225,890 RSF	183,695 RSF	407,081 RSF	403,060 RSF	146,263 RSF	401,478 RSF	574,116 RSF
Sublease Avail. (%)	3.57%	0.36%	9.14%	1.13%	6.23%	14.45%	11.16%	11.96%	22.23%	7.48%	20.31%	28.55%	2.34%	0%	5.20%	0.49%	6.79%
Sublease Avail. (SF)	16,392 RSF	1,850 RSF	56,200 RSF	7,620 RSF	58,829 RSF	129,743 RSF	89,953 RSF	139,352 RSF	213,719 RSF	85,288 RSF	157,789 RSF	253,259 RSF	21,584 RSF	0 RSF	38,808 RSF	4,603 RSF	105,219 RSF

Office Leases This Quarter

	Tenant	Building	Address	Footprint
	 databricks	West8	2001 8th Ave	45,000 RSF
	Stackline	Madison Centre	920 5th Ave	44,000 RSF
	 INSTITUTE FOR Protein Design <small>UNIVERSITY of WASHINGTON</small>	330 Yale	330 Yale Ave N	32,000 RSF
	NETFLIX	Madison Centre	920 5th Ave	22,000 RSF
	 westMONROE	Qualtrics Tower at 2+U	1201 2nd Ave	18,800 RSF
	 curi bio	201 Elliott	201 Elliott Ave W	13,492 RSF

Current Office Construction



701 Dexter
701 DEXTER AVE N

266,898 SF
OFFICE AND BIOTECH SPACE



ALEXANDRIA®

Office Development Proposals

Below is a sample of office projects ready for development with pre-lease.



S Campus
1000 – 1001 6TH AVE S

Office | Retail
TYPE

1,286,219 RSF
SPACE AVAILABLE

URBAN
VISIONS



401 Queen Anne
401 QUEEN ANNE AVE N

Office
SPACE

±155,000 RSF
SPACE AVAILABLE

MARTIN SELIG
REAL ESTATE

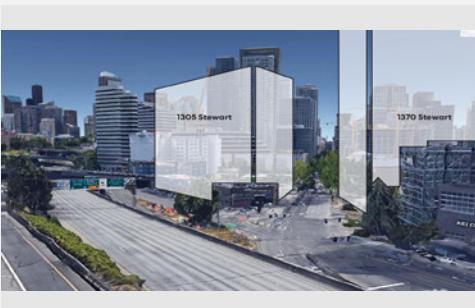


The Net
875 3RD AVE

Office
TYPE

807,580 RSF
SPACE AVAILABLE

URBAN
VISIONS

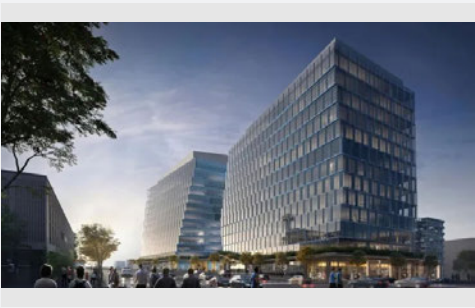


1305 Stewart
1305 STEWART ST

Office
SPACE

±280,000 RSF
SPACE AVAILABLE

RBUTUS
PROPERTIES



Mercer Mega Block
714 – 800 MERCER ST

Life Science
TYPE

±864,000 RSF
SPACE AVAILABLE

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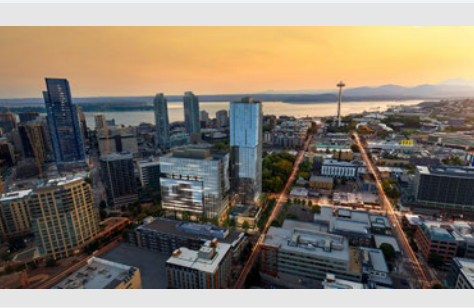


Innov8
2300 7TH AVE

Life Science | Technology
TYPE

684,000 RSF
SPACE AVAILABLE

BioMed Realty
Discover here



111 Westlake
111 WESTLAKE AVE N

Office | Life Science
TYPE

403,000 RSF
SPACE AVAILABLE

Vulcan
Real Estate



601 Dexter
601 DEXTER AVE N

Life Science
TYPE

188,400 RSF
SPACE AVAILABLE

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Our company

Flinn Ferguson Cresa has established itself as Seattle and Bellevue's most active and experienced Tenant Advisory Firm.

Our mission is to listen to the client's core objectives, customize a complimentary real estate strategy, and leverage our shared experience to ensure that the most favorable real estate outcome is achieved.

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