



Returning to Office

Starbucks is increasing its corporate in-office requirement to four days per week this fall and offering voluntary buyouts to employees who choose to leave. Remote managers will be required to relocate to Seattle or Toronto, while non-manager remote employees may keep their remore status. CEO Brian Niccol, who joined from Chipotle last year, cited the need to restore in-office culture and support the company's turnaround. Niccol previously enforced a three-day in-office policy and oversaw the layoff of 1,100 corporate workers, including over 600 in Seattle. The company joins other major Seattle employers like Amazon in tightening return-to-office policies.

Statsig, a Bellevue-based startup specializing in software testing and product experimentation tools, is relocating its headquarters to a new two-building campus at 3106 160th Ave. SE, just across the freeway from its previous location. The move comes two months after raising a \$100 million Series C round. The new space can support 450–500 employees, more than tripling its current 145-person headcount. Unique among startups, Statsig requires employees to work in-office five days a week. The headquarters includes modern amenities like a gym, showers, wellness room, outdoor seating, and a film studio, and may soon feature a company-run shuttle to a nearby park-and-ride.



Office Leases

There were no reports office leases in July 2025.



Office Building Sales

The Grand Central Block at 200 First Ave. S in Pioneer Square, comprising the historic Grand Central, City Loan, and Buttnick buildings, hit the market for sale in July by majority owner Goldman Sachs, with Unico Properties retaining a minority stake. The now-vacant property spans approximately 141,408 square feet. While the current asking price hasn't been disclosed, it last sold for approximately \$45 million in 2019, about \$318 per square foot. Previous plans to convert the property to apartments or offices were approved but never realized due to shifting market dynamics and the pandemic.

A 26,282-square-foot office building at 100 N.E. Northlake Way in Fremont sold for \$6.7 million or approximately \$255 per square foot. The seller was Thomas Northlake LLC (Val Thomas) and the buyer is 100 Northlake LLC, affiliated with Meriwether Partners. Originally listed at \$18 million, the price was later reduced to \$8.5 million before selling. Designed by Miller Hull and built by Express Construction, the three-story building includes structured parking for 45 vehicles and houses tenants such as MAKE Design Studio, Hoshide Wanzer Architects, and physical therapy practices.







GRAND CENTRAL BLOCK







100 NE NORTHLAKE

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Office Developments

There were no reports of office developments in July 2025.



So far in 2025, the economy is averaging 130,000 new jobs per month, down from 168,000 last year and well below the post-pandemic boom. Economists expect July's jobs report to show further slowdown, with 115,000 jobs added and the unemployment rate rising slightly to 4.2%.

Initial jobless claims rose slightly by 1,000 to 218,000 the last full week of July, marking the first increase in seven weeks but still remaining within a historically low range. The four-week average declined to 221,000, and total unemployment benefit recipients held steady at 1.95 million. While June's surprise 147,000 job gain and the 4.1% unemployment rate highlight the labor market's ongoing strength, signs of softening are emerging. Job openings fell to 7.4 million in June and quits dropped to their lowest since December.



Interest Rates

In a late July meeting, Federal Reserve Chair Jerome Powell indicated interest rates will remain unchanged for now, resisting pressure to cut borrowing costs. The Fed kept its key rate at approximately 4.3% for the fifth time this year, citing ongoing uncertainty about how tariffs will affect inflation. Powell stated it may take months to assess whether the inflation impact is temporary or more persistent, making a September rate cut less likely. Powell also emphasized that cutting rates too soon could worsen inflation, while cutting too late could hurt the job market. The Fed's next decisions will be closely watched, with just three meetings left in 2025 and most officials projecting two rate cuts by year-end.

By the end of July, the average rate on a 30-year mortgage in the U.S. was just below the 6.73% average from a year earlier. Rates began the month at 6.67%, then rose to 6.72% in the second week and 6.75% in the third, the highest point of the month. In the final two weeks, rates edged back down to 6.74% and then slipped to 6.72% to close out July. Despite the modest dip, mortgage applications fell 3.8% last week, reflecting continued caution among buyers. Economists expect mortgage rates to remain above 6% through the rest of 2025, with forecasts from Realtor.com and Fannie Mae projecting an average of around 6.4% by year's end.



Downtown Recovery

PCC Community Markets reopened in at Rainier Square in the central business district after closing its previous 20,000 SF store in the same location last year. With a new smallformat, the new store is one-third the size of the original and focuses on grab-and-go items, deli, and prepared foods to better serve downtown's weekday lunch crowd. PCC CEO Krish Srinivasan said the co-op repurposed its long-term lease by using part of the space for the store and the rest for its new headquarters, relocating from Elliott Avenue this fall. The downtown store will serve as a testing ground for new retail concepts like digital pricing and curated product offerings tailored to customer needs.



Inflation | Consumer Spending

U.S. inflation, as measured by the Federal Reserve's preferred gauge, rose slightly in June, signaling that tariffs are starting to push prices higher. The Personal Consumption Expenditures (PCE) index increased 2.6% year-over-year, up from 2.4% in May, while core inflation (excluding food and energy) held steady at 2.8%, both above the Fed's 2% target. On a monthly basis, both overall and core prices rose 0.3%, fueled by rising costs for imported goods. In contrast, some service costs fell, including airfare (-0.7%) and hotel stays (-3.6%), partially offsetting inflationary pressure. Economists say sustained tariffdriven inflation makes a September rate cut unlikely. Meanwhile, consumer spending rose 0.3% in June, but only 0.1% when adjusted for inflation, showing continued caution among Americans. Incomes grew 0.3% but were flat after adjusting for inflation and taxes. Though GDP grew at a 3% annual rate in Q2, much of the gain was due to a drop in imports, with spending increasing at a modest 1.4% pace.

The U.S. consumer confidence index, as supplied by The Conference Board, rose in July to 97.2, up from 95.2 in June. This increase reflects a modest improvement in economic sentiment. However, concerns over tariffs and their impact on personal finances remain high. The short-term expectations index increased 4.5 points to 74.4, still below the recession warning threshold of 80. Inflation remains a top concern. The International Monetary Fund (IMF) also upgraded its global economic outlook, projecting 3% growth in 2025, noting that the tariffs have caused less damage than initially feared.

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The Seattle-area housing market remained slow in June, as tech layoffs, economic uncertainty, and high mortgage rates kept many would-be buyers on the sidelines. In King County, the median home price hit a record \$1.034 million, up 7% year-over-year. In Seattle proper, prices surged 13% to nearly \$1.1 million, even as other parts of the county saw declines. Pierce County and Kitsap County also saw gains of nearly 5% and 4%, respectively, while Snohomish County prices dipped by about 2%. Condo prices in King County rose 4%, reaching a median of \$576,000.

U.S. existing home sales fell 2.7% in June to an annual rate of 3.93 million units, the slowest pace since September 2023, as high mortgage rates and record prices continued to weigh on the market, according to the National Association of Realtors. The median sales price hit a record \$435,300, up year-over-year for the 24th consecutive month. Sales were flat compared to June 2023 and fell short of economists' expectations. The market's ongoing slump, which began in early 2022, continues due to mortgage rates hovering around 7%, limiting affordability and keeping many first-time buyers sidelined. Inventory rose 16% yearover-year to 1.53 million homes but remains below pre-pandemic norms. Homes stayed on the market for an average of 27 days, and 20.7% of listings saw price reductions, the highest June figure since at least 2016.

The Washington State Department of Commerce announced that the maximum allowable rent increase for 2026 will be 9.683%, effective from January 1 to December 31, 2026. This cap stems from House Bill 1217, passed in 2025, which limits rent hikes for existing tenants to 7% plus inflation or 10%, whichever is lower. Signed into law by Governor Bob Ferguson in May, the cap took immediate effect. Under the new Residential Landlord Tenant Law, Commerce must publish the annual rent increase limit each July after the release of local inflation data by the U.S. Bureau of Labor Statistics.



Other News

Vanbarton Group recently took ownership of the former American Can warehouse, at 2601 Elliott Ave, a prominent half-block property that spans Elliott Avenue between Clay Street and Vine Street in Belltown. Previously home to Zulily and, before that, RealNetworks, the historic industrial building faces west toward Alaskan Way and Elliott Bay. Plans are underway

to convert the structure into approximately 262 residential units, with Gensler serving as the architect. New project partners listed in the interior demolition plans include JTM Construction, Coughlin Porter Lundeen (civil and structural engineering), Fora (landscape architecture), A3 Acoustics, Delta E (MEP engineering), and Jensen Hughes (fire protection). Gensler's city filings mention possible landmarking, which could aid in securing federal historic preservation tax credits.

Pioneer Park, the historic triangular plaza located at 100 Yesler Way is set for a significant upgrade. At the intersection of Yesler Way and 1st Avenue S in Pioneer Square the project will be led by the Alliance for Pioneer Square and the Pioneer Square Business Improvement Area. The proposed redesign, overseen by landscape architect Walker Macy, aims to make the park more welcoming and accessible while preserving its historic character. Planned improvements include new stone pavers, updated seating and lighting, and modifications to existing landmarks. The iconic Tlingit totem pole, installed in 1899, will remain in place, but the surrounding triangular planting bed will be split to create a new pathway from First Avenue to the Pioneer Building. Additionally, the Chief Seattle Fountain will be relocated to make room for a new semi-circular plaza, and public art panels added in 1989 will also be repositioned. The Pioneer Square Preservation Board is reviewing the proposal; if approved, the project will proceed to permitting and construction.

Seattle is moving closer to adopting a mandatory ordinance that will require seismic retrofits for the city's 1,100 unreinforced masonry buildings (URMs), a major concern in a region at risk for earthquakes. While the ordinance is still a few years away, a new building code adopted in late 2024 now recognizes URM retrofits that meet a technical standard workshopped with local engineers and developers. The updated code allows voluntary retrofits to be formally recognized before the mandate takes effect. The Poll Building near Pike Place Market was the first property to achieve official retrofitted URM status under the new standard, followed by other historic properties including Hubbard's Corner in Green Lake, 5201 Ballard Ave NW, and the University Cooperative School in the University District, Seattle's first retrofitted school. These projects involved comprehensive structural upgrades such as parapet bracing, roof and wall anchoring, and steel framing replacements. Once the ordinance is enacted, buildings will be ranked by vulnerability and assigned retrofit deadlines of 7, 10, or 13 years depending on risk level.

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