

 Economy

By the end of October, the Federal Reserve [cut](#) its benchmark interest rate by a quarter point to roughly 3.9%, marking its second rate reduction this year. The move follows a period in 2023 and 2024 when the Fed raised rates to around 5.3% to curb high inflation. Chair Jerome Powell said the cut is intended to bolster economic growth and hiring, but he cautioned that a potential rate cut in December remains uncertain due to divisions among the 19 Fed officials. The uncertainty is compounded by the ongoing government shutdown, which has limited access to key economic data. Delays in reports on employment, inflation, and consumer spending have made it more difficult for policymakers to gauge current economic conditions. Powell also acknowledged that inflation remains above the Fed’s 2% target, though pressures have eased somewhat in areas like rent and car insurance. In addition, the Fed announced it will stop reducing its securities holdings on December 1, a shift that could put slight downward pressure on long-term interest rates.

 Inflation | Consumer Spending

U.S. inflation [rose](#) 3% in September from a year earlier, up slightly from 2.9% in August, as higher gas prices offset slower increases in rents and other essentials. Excluding food and energy, core inflation also climbed 3%, while monthly consumer prices rose 0.3%, down from 0.4% in August. The data shows gas prices up 4.1% in September, grocery prices up 0.3%, and furniture and appliance costs rising sharply due to tariffs. Rent costs, however, rose only 0.2% for the month and 3.4% year-over-year—the smallest annual gain in nearly four years.

 Office Developments

There were no reports of office developments in October 2025.

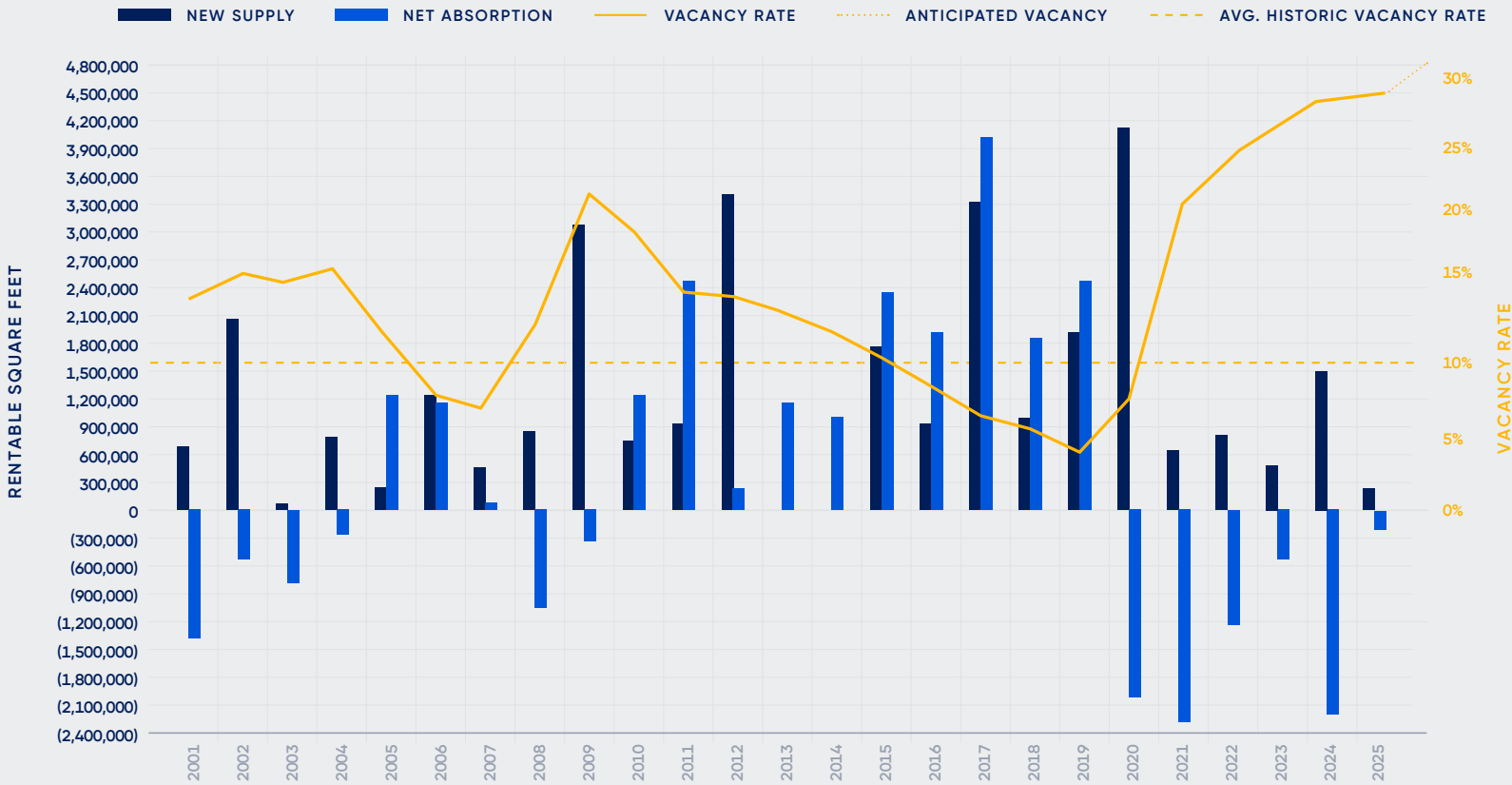
 Housing

U.S. existing home sales rose 1.5% in September to an annual rate of 4.06 million, the [fastest](#) pace since February. Sales were 4.1% higher than a year earlier. The median home price climbed 2.1% to \$415,200, marking the 27th consecutive month of annual price gains and the highest September price on record. Inventory increased to 1.55 million homes, up 14% year over year, though still below pre-pandemic levels. Homes remained on the market for 33 days on average, and 30% of purchases were all-cash. Lower mortgage rates, ranging from 6.75% to 6.56% earlier in the summer, have improved affordability slightly, but prices remain elevated. Economists expect home sales to stay steady through year-end as falling rates are balanced by ongoing economic uncertainty.

Nationwide, more home buyers are canceling purchase agreements as the housing market shifts in their favor, but Seattle buyers remain among the most committed. According to Redfin, 15.1% of U.S. home deals [fell](#) through in August, the highest for any August since 2017, while only 10% of pending sales in the Seattle metro area (King and Snohomish counties) were canceled. Experts attribute Seattle’s low fallout rate to buyers’ stronger financial preparedness, higher likelihood of mortgage preapproval, and the city’s still-competitive housing market. In contrast, southern metros such as Atlanta saw cancellation rates as high as 21%. While Seattle’s market is more balanced than during the pandemic, rising inventory and cautious lenders eventually increase deal cancellations. Local agents note that more buyers are now including contingencies, reflecting growing caution even in a relatively stable market.

 Office Leases

There were no reports of office leases in October 2025.





Office Building Sales | Repositionings

There were no reports of office building sales or repositions in October 2025.



Interest Rates

By the end of October, the average rate on a 30-year mortgage had declined for the fourth consecutive week, reaching its lowest level in more than a year. Rates began the month at 6.34% during the [first](#) week, eased to 6.3% in the [second](#) week, slipped further to 6.27% in the [third](#) week, dropped again to 6.19% in the [fourth](#) week, and [closed](#) October with an average rate of 6.17%.



Jobs

Washington state’s job market is showing clear signs of [slowing](#) even though unemployment remains relatively low at 4.5%. Hiring has been flat since January, and both initial and continuing unemployment claims have risen, the latter up 20% from last year and 70% from 2019. The increase suggests that laid-off workers are struggling to find new jobs. From January to July, employers averaged 109,000 hires per month, down from 112,000 in 2024 and 137,000 in 2019. Economists cite import tariffs, high interest rates, and post-pandemic hiring corrections by companies like Microsoft and Amazon as key factors. Forecasts now project minimal job growth, just 0.3% this year and 0.2% next year, as job openings and voluntary quits continue to decline. While Washington isn’t in a sharp downturn, confidence among workers and employers has weakened, pointing to a stagnant and cautious labor market.



Other News

Seattle’s tech-driven economy is feeling the [strain](#) from widespread layoffs at Microsoft and Amazon, which together make up nearly 40% of the region’s workforce. According to the Wall Street Journal, the slowdown has led to reduced retail spending, restaurant closures, a cooling housing market, and rising commercial vacancies. These factors have contributed to Seattle’s projected \$146 million budget deficit. Microsoft has cut over 3,200 jobs in Washington since May and 15,000 globally. Amazon continues to trim staff, reducing its Seattle headcount to about 50,000 as it expands in Bellevue. The rise of AI is expected to further limit hiring, with Amazon’s CEO noting workforce reductions from efficiency gains. Investors see potential in AI-focused startups, with venture funding in the Pacific Northwest nearly doubling this year. While job losses are reshaping the local economy, they may also mark a transition toward a more diversified, innovation-driven tech ecosystem.

In [another](#) recent Wall Street Journal report, Bellevue and Seattle were compared as two major centers of the Pacific Northwest’s tech economy. The article noted Bellevue’s growth in office development and its appeal to companies such as TikTok, OpenAI, and Snowflake, while also outlining the broader economic challenges facing Seattle, including slower recovery in its downtown core. Former city officials, business leaders, and developers from both sides of Lake Washington offered differing views on how the regional tech landscape is evolving. The report traced how company expansions, shifting employment trends, and post-pandemic market conditions are influencing where businesses and workers choose to locate, reflecting an ongoing rebalancing between the two cities rather than a definitive advantage for either.