



Office Leases

The Pioneer Collective is expanding its co-working operations in Seattle’s Belltown neighborhood, according to GeekWire, citing a company news release. The expansion is located in the historic Guiry Schillestad Building at 2101 1st Ave., about a block from Pike Place Market. The Pioneer Collective is taking over an additional 6,600 square feet directly above its existing location, bringing its total footprint at the property to just under 20,000 square feet. The newly added space was previously occupied by Orvis and, before that, Urban Hardwoods. The project is currently in permit review, with construction expected to begin in February and an opening planned for late summer. According to GeekWire, Seattle’s co-working market totals approximately 3.16 million square feet across about 160 locations.

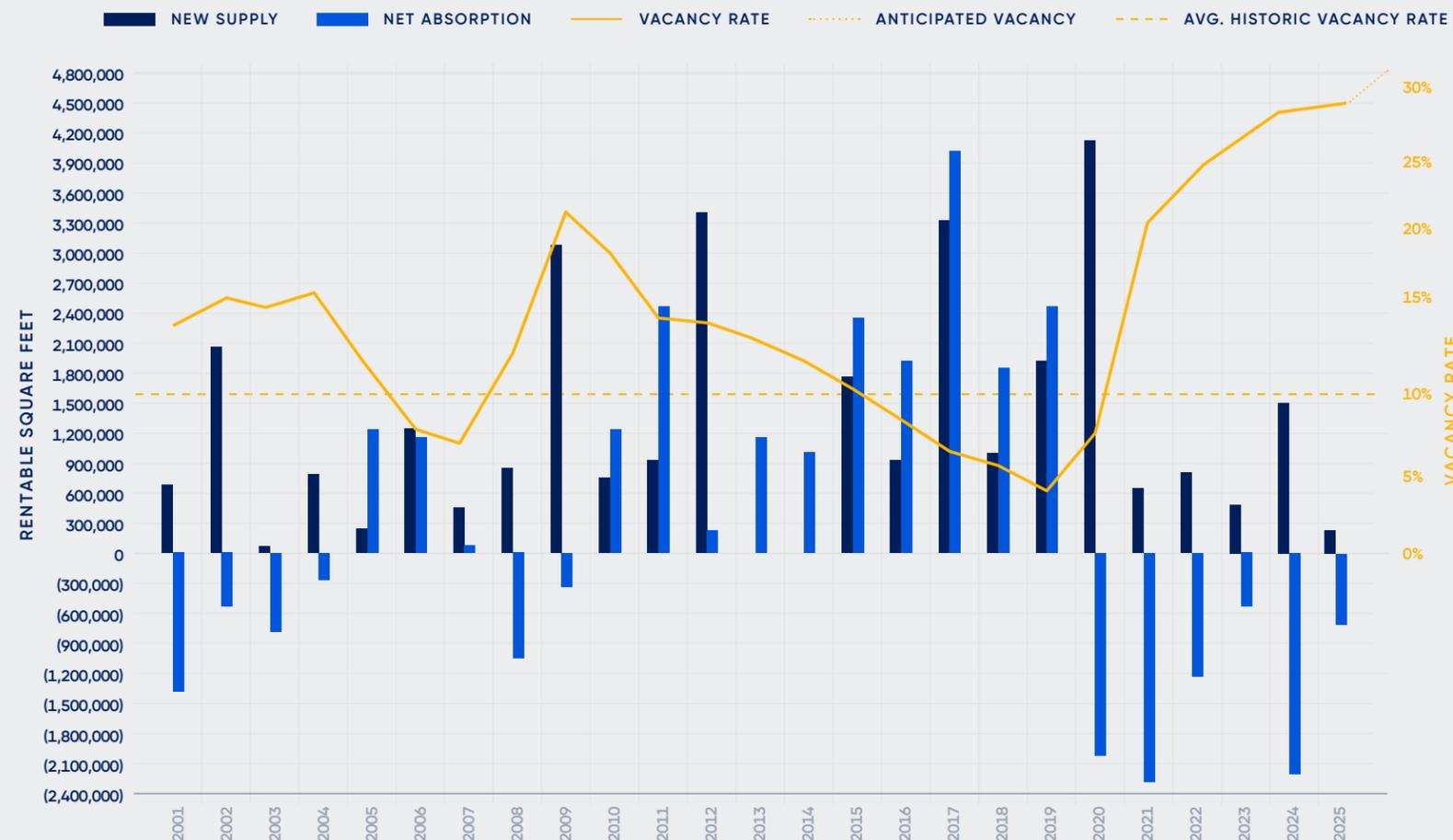
JPMorgan Chase & Co. expanded its downtown Seattle office presence at 1301 Second Ave. in the Central Business District. According to statements from the company, the firm increased its footprint in the tower formerly known as the Russell Investments Center by more than 40,000 square feet, bringing its total to approximately 128,000 square feet. As part of the move, JPMorgan Chase is relocating its downtown tech center from 1201 Third Ave. to the Second Avenue tower, where all downtown employees will be based. The building is being renamed JPMorganChase Center, marking the first time the company’s name will appear on a Seattle office building. The expanded space can house up to 850 employees and includes the company’s client and private banking centers.

The Allen Institute for Artificial Intelligence (Ai2) moved into its new headquarters at Northlake Commons, 3800 Latona Ave. N.E. Ai2 occupies approximately 50,000 square feet in the mass-timber office building, which was designed by Weber Thompson and built by Swinerton. Ai2’s interior space was designed by Perkins&Will and constructed by GLY Construction, with a residential-inspired workplace concept that emphasizes collaboration, flexibility, and daylight within the exposed mass-timber structure. The project is owned and operated by Hess Callahan Grey Group.



Office Building Sales | Repositionings

There were no office building sales/repositionings reported in January 2026.



Office Developments

In January 2026, an office and manufacturing project was proposed for the former AAA/ Staples site at 1523 15th Ave. W. in Seattle’s Interbay submarket. The 1.8-acre property is owned by Sterling Organization and is located within the Ballard Interbay Northend Manufacturing and Industrial Center (BINMIC). The seven-story project, designed by Clark Barnes, would total approximately 417,878 square feet, including structured parking. No leasing activity, demolition permits, or delivery date have been announced. Redevelopment will require environmental remediation, as the site is a former tank farm. According to the Daily Journal of Commerce, the project entered city review with a declared value of more than \$104 million.



Downtown Revitalization

Downtown Seattle has seen increased pedestrian activity in recent months, though retail recovery remains uneven. In January 2026 it was announced Ross Dress for Less will close its store at Third Avenue and Pike Street, continuing a pattern of retail turnover along the Third Avenue corridor. The closure comes as overall visitation downtown has largely returned to pre-pandemic levels. The Downtown Seattle Association reported more than 2.7 million visitors in November, with monthly visits holding near 2019 levels for more than a year. Retail vacancies remain elevated, however. CoStar data shows stand-alone retail vacancy at approximately 19%, compared with under 4% in early 2019. Recent store openings and relocations along Pine Street point to gradual progress in the downtown retail core.

A downtown Seattle retail building at 601 Pine St., in the Central Business District, sold as plans move forward for a new Nordstrom Rack location. The four-story former Forever 21 building traded for \$8 million in a transaction, with L&B Realty Advisors as the seller. King County has not yet recorded the sale. The property contains approximately 67,578 square feet, equating to a sale price of roughly \$118 per square foot. Hess Callahan Group acquired the building and will serve as landlord for Nordstrom Rack, which plans to open a downtown store in the building in the spring of next year, Nordstrom announced. Tenant improvement plans for the space were filed last fall, with design work by Hoshide Wanzer Architects. Nordstrom and Hess Callahan both said the project is intended to help reactivate a key corner of Seattle's retail core.



Housing

Single-family home prices across the Seattle region rose modestly in 2025, even as affordability remained strained by elevated mortgage rates, according to year-end data from the Northwest Multiple Listing Service. King County recorded the state's highest median single-family home price at nearly \$975,000, an annual record and 2.6% higher than in 2024. Median prices increased 1.8% in Pierce County to \$575,000 and climbed 5.5% in Kitsap County to \$582,995, while Snohomish County's median price dipped slightly to \$785,000. Nationally, existing-home sales remained near a 30-year low in 2025 despite the late-year decline in interest rates, according to the National Association of Realtors and Freddie Mac.



Economy

U.S. wholesale inflation accelerated more than expected in December 2025, according to the U.S. Department of Labor. The Producer Price Index rose 0.5% month over month, the fastest pace in three months and above economists' 0.3% forecast. Compared with December 2024, producer prices were up 3%, in line with expectations. The increase was driven largely by services prices, which rose 0.7%, reflecting higher margins for wholesalers and retailers. Goods prices were unchanged from November. The report showed inflation remains above the Federal Reserve's 2% target, though the Fed this week left interest rates unchanged. The data, released more than two weeks late due to last fall's federal government shutdown, is closely watched as an early indicator of future consumer inflation and feeds into the Fed's preferred PCE inflation index.

The U.S. economy grew at its fastest pace in two years during the third quarter of 2025, driven by strong consumer spending, according to the U.S. Department of Commerce. Gross domestic product increased at a 4.4% annual rate from July through September, slightly above the government's initial estimate of 4.3% and up from 3.8% growth in the second quarter. Consumer spending, which accounts for about 70% of U.S. GDP, rose at a 3.5% pace. Business investment excluding housing increased 3.2%, partly reflecting continued investment in artificial intelligence. Exports also rose and imports declined, adding to overall growth.



Venture Capital

Seattle's startup funding activity held steady in 2025, according to new data from Carta. The city ranked No. 6 nationally, with startups raising nearly \$2 billion across seed through Series C rounds, representing 2.9% of total capital tracked on Carta's platform. Seattle also placed sixth in 2024, when startups raised \$2.1 billion. The San Francisco Bay Area continued to dominate venture funding, capturing nearly 39% of all capital in 2025, followed by New York City, Los Angeles, Boston, and Austin. Seattle ranked fourth in software-as-a-service funding and placed in the middle tier for sectors including AI, hardware, and fintech. Notable Seattle-area funding rounds last year included TerraPower, Stoke Space, Helion Energy, Truveta, Group14, Chainguard, Temporal, and Tidal Vision.



Jobs

U.S. applications for unemployment benefits remained historically low throughout January, signaling limited layoffs even as hiring slowed, according to reporting based on federal data. In the week ending Jan. 3, initial jobless claims **rose** to 208,000. Claims then **fell** sharply to 198,000 in the week ending Jan. 10. The following week, ending Jan. 17, claims **edged up** slightly to 200,000, before **declining again** to 209,000 in the week ending Jan. 24. Across the month, the figures stayed below levels typically associated with rising layoffs. Employers added about 50,000 jobs per month late last year, job openings declined to 7.1 million, and economists described the environment as “low hire, low fire.” The Federal Reserve left interest rates unchanged in January after cutting rates late last year, citing a stabilizing but cautious labor market.

According to the Washington State Employment Security Department, Washington state **added** about 9,000 jobs in December 2025 on a seasonally adjusted basis. The state’s unemployment rate rose to 4.7%, up from 4.6% in November, while the national rate declined to 4.4%. Job gains were led by leisure and hospitality, which added 2,900 jobs, along with growth in information, private education and health services, retail trade, government, and construction. Offsetting some of those gains, professional and business services lost 2,200 jobs during the month. Anneliese Vance-Sherman, the department’s chief labor economist, said December’s increase followed a drop in November and noted that labor market growth slowed in 2024 and was largely flat in 2025. Compared with December a year earlier, total employment in Washington declined by 6,600 jobs, or 0.2%.

Seattle’s tech sector is showing renewed signs of **strain** following a new round of layoffs at several major employers. Amazon announced plans to cut an additional 16,000 corporate jobs, bringing total layoffs since October to about 30,000. Meta is cutting hundreds of positions in its Reality Labs division, while Expedia Group is eliminating more than 160 jobs at its Seattle headquarters. Regional job losses have intensified concerns about the local economy. Tech job postings in the region also remain well below pre-pandemic levels.



Interest Rates

By the end of January 2026 the average long-term U.S. mortgage rate edged up for the second week in a row, but remained just above its lowest level in more than three years. **Starting** the month off at 6.16%, **easing** to 6.06% in the second week, **rising** to 6.09% in the third week, and ticking up again to 6.10% the **final week**. Economists generally expect mortgage rates to ease further in 2026, though most recent forecasts show the average rate on a 30-year mortgage remaining above 6%, about twice what it was six years ago.



Other News

Ahead of the summer 2026 FIFA World Cup Westlake Park at 401 Pine St. is undergoing a \$4 million **renovation** that includes the permanent removal of its fountain and arch as part of a broader redesign. Crews with Sellen Construction have fully salvaged the 64-foot fountain, while salvage of the arch is expected to be completed next week. The fountain and arch, designed by Robert Maki with landscape architect Robert Hanna, have been features of the park since it opened in 1988. Construction began in October and is scheduled to finish this spring, bringing modernized infrastructure, new landscaping, improved lighting, and vehicle barriers. While the arch and fountain will not return, the stage beneath the arch will be retained and upgraded for accessibility, with salvaged granite incorporated into the redesign. The project is led by Seattle Parks and Recreation and the Seattle Parks Foundation, with Berger Partnership as landscape architect and Pine Street Group as development manager. The park remains closed during construction.

Lane closures on Interstate 5 through Seattle are significantly **disrupting** commutes. Crews have begun a two-year repaving project on the Ship Canal Bridge, prompting many travelers to adjust their routines. Northbound lane reductions have sharply increased travel times. Some commutes have stretched from under 30 minutes to as long as two hours, according to commuter accounts. In response, some workers are shifting to Link light rail, buses, biking, or flexible work hours. Others are enduring heavier congestion and spillover traffic into neighborhood streets. Local advocates and officials say the closures underscore the need for reliable alternatives to driving and residents are expressing frustration with gridlock on I-5 and nearby routes such as I-405. The Washington State Department of Transportation says the work is necessary to maintain aging infrastructure. Some elected leaders are urging temporary traffic-management changes, including reopening express lanes, to ease commuter impacts.