



Office Leases

Less than a year after opening its Seattle office at U.S. Bank Center, Washington D.C.-based law firm Arnold & Porter announced plans in March to double its downtown presence. The firm currently occupies roughly 22,000 square feet at 1420 Fifth Ave., a Perform Properties building, and is expanding to 39,000 square feet. Arnold & Porter opened its Seattle office in July 2025 with just three employees. By September that number had grown to 25. The firm now has 36 employees in the city with expectations to exceed 60 by the end of 2027.

Brinc Drones, the Seattle-based maker of public safety drones for first responders, is relocating its headquarters and factory to West Canal Yards. The development, located along the Lake Washington Ship Canal in Queen Anne, is owned by Unico Properties. The company is taking over 35,000 square feet at the 1100-1120 W Ewing St building, with plans to expand to 50,000. The new facility features high ceilings in the main manufacturing and warehouse area, along with two stories of office space being updated with meeting rooms and other amenities. Founder and CEO Blake Resnick, who moved the company from Las Vegas to Seattle in 2021, said the new location keeps Brinc close to its current Fremont home, making the transition easier for its 160-person team. He expects headcount to exceed 250 by year's end.

JTM Construction is expanding its footprint within the Original Rainier Brewery complex in Georgetown, moving into the historic General Office building at 6010 Airport Way S. The construction firm relocated its headquarters to Georgetown in 2022 and currently occupies around 12,700 square feet in a building connected to the landmark Brew House. Now it is taking over the 5,549-square-foot General Office, a separate structure built in 1910 during a major expansion of what was then Seattle Brewing and Malting Co. The complex has been owned by Portland-based ScanlanKemperBard since 2018.

U.S. BANK CENTER

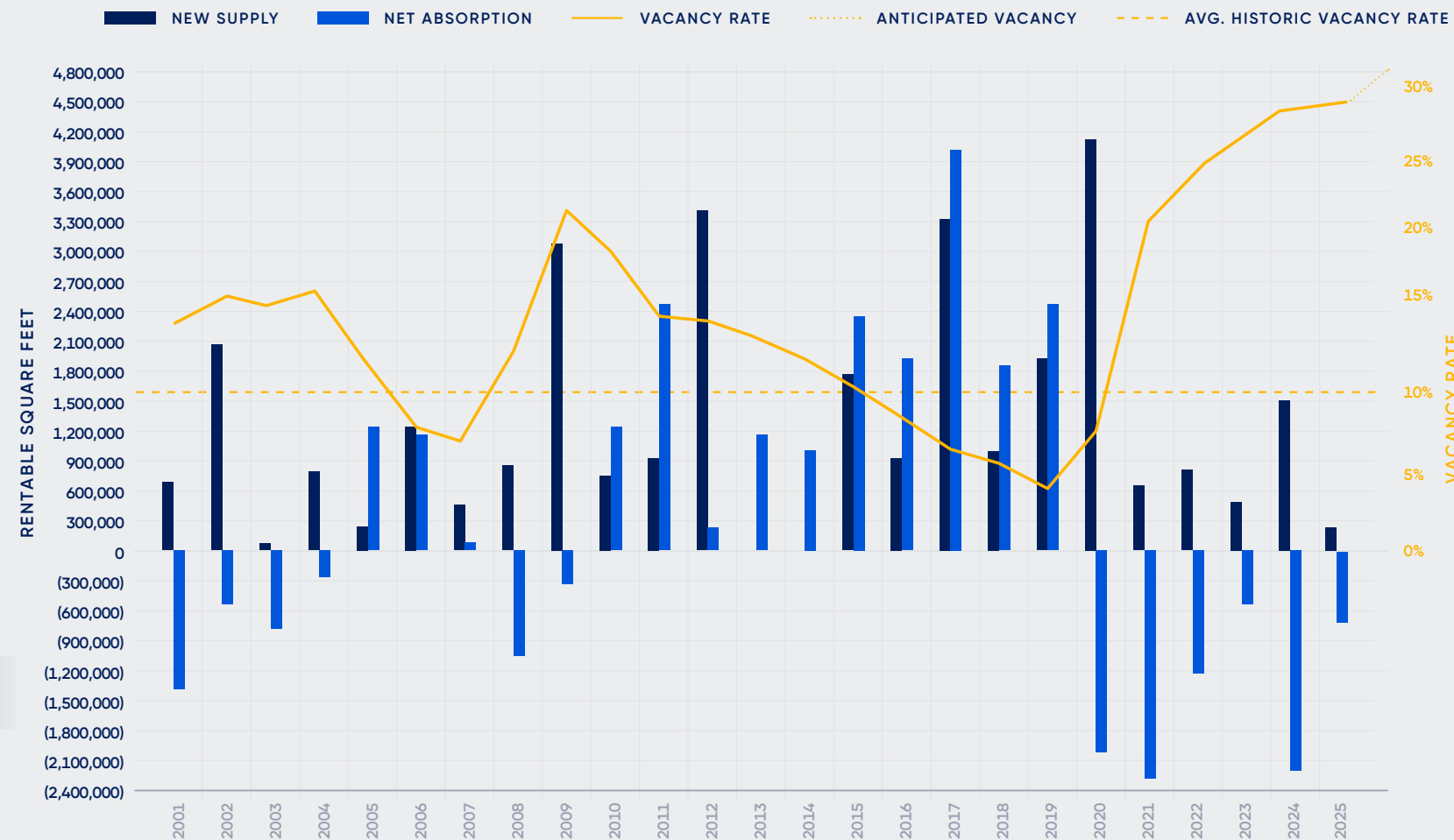
WEST CANAL YARDS

GENERAL OFFICE



Office Building Sales | Repositionings

Downtown Seattle's most valuable office skyscrapers collectively lost \$3.7 billion in value between 2022 and 2025, according to King County Assessor data. Vacancy rates are approaching one-third of all commercial floors in the central business district. Assessor John Wilson attributed the declines to stagnant corporate headcounts and the adoption of remote work, which have led companies to reassess how much space they need. Only three major downtown office sales occurred in the past year, all involving distressed buildings. Downtown Seattle Association President Jon Scholes noted that lower office valuations are expected to reduce development activity and shift a greater share of the property tax burden to renters, homeowners, and small businesses.



Office Developments

There were no reports of office developments in March 2026.



Downtown Revitalization

Downtown Seattle's total job count has declined to approximately 317,000 workers since the pandemic, according to a new Downtown Seattle Association report. Part of the decline is attributed to the city's growing tax burden on employers not shared by competitors in Bellevue and other regional cities. Amazon, once Seattle's largest private employer, has seen its local headcount fall from a peak of around 60,000 in 2020 to well under 50,000.

Also according to the Downtown Seattle Association, the office vacancy rate has hit a record 32%, and the area lost 13,000 jobs in 2025, the largest annual decline since 2020. DSA President Jon Scholes acknowledged the progress at ground level while warning that it could be short-lived without changes to the city's tax structure. Scholes noted that employers based in Seattle are paying roughly \$1 billion more in taxes than they were five years ago. Jobs in Bellevue rose 12% last year, per Scholes, and the city has been capturing an increasing share of artificial intelligence companies setting up in the Puget Sound region.



Housing

Existing home sales rose 1.7% in February from January to a seasonally adjusted annual rate of 4.09 million units. This topped economists' expectations of 3.84 million, according to the National Association of Realtors. Sales were still down 1.4% compared with February a year earlier, with every region except the South posting annual declines. The national median sales price rose 0.3% year-over-year to \$398,000, an all-time high for any February on data going back to 1999. Inventory remains constrained. There were 1.29 million unsold homes at the end of February, up 4.9% from a year earlier but still well below the roughly 2 million homes typical before the pandemic. That translates to a 3.8-month supply, short of the 5- to 6-month supply traditionally considered a balanced market.



Inflation | Consumer Spending

U.S. wholesale prices rose more than expected in February, with the Labor Department reporting that its producer price index (PPI) climbed 0.7% from January and 3.4% from February 2025. Food prices were a key driver, rising 2.4% from January, led by a 49% surge in vegetable prices and a 10% increase in fruit prices, according to the Labor Department. Excluding food and energy, core wholesale prices rose 0.5% from January and 3.9% from a year earlier, the biggest annual jump since January 2025. The Labor Department separately reported consumer prices rose 2.4% year-over-year in February, while the Commerce Department said the Fed's preferred inflation measure, the PCE price index, rose 2.8% in January from a year earlier, with core PCE up 3.1%.

Over the past decade, Washington state has become one of the most expensive places to live in the country, according to a new analysis by the Washington Roundtable and consultancy Kinetic West. The state recorded a Regional Price Parities score of 108.5 in 2023, ranking it the fifth most expensive state nationally, behind only California, New Jersey, Hawaii, and Washington D.C. Per capita consumer spending in Washington jumped from \$40,650 in 2015 to \$62,837 in 2024, with 59% going toward essentials such as housing, utilities, food, health care, and transportation. The rising costs may be contributing to population outflow, with Washington losing a net 55,000 residents between 2021 and 2023.



Interest Rates

By the end of March 2026, the average rate on a 30-year U.S. mortgage climbed to its highest rate in over 6 months. Starting the month off at 6%, the rate ticked up to 6.11%, rose again to 6.22%, and finally jumped to 6.38% in the final week of the month. The average 30-year mortgage remains below where it was a year ago, and the pace of home price growth has slowed.



Jobs

U.S. job openings fell to 6.9 million in February from 7.2 million in January, according to the Labor Department. The hiring rate also dropped to 3.1%, the lowest since April 2020. Gross hires totaled 4.85 million, and just 2.97 million workers voluntarily quit their jobs, the lowest since August 2020. February also saw a net loss of 92,000 jobs, though the unemployment rate held at 4.4%. The broader picture has been weak for some time, with employers adding fewer than 10,000 net jobs per month on average in 2025, the weakest pace outside a recession since 2002.

Seattle ranks third in the country for AI industry [growth](#), according to a new report from CoworkingCafe that measured employment, salaries, job concentration, and infrastructure across 300 U.S. cities. The city trails only San Jose and New York City, with San Francisco and Dallas rounding out the top five. Between November 2024 and November 2025, the Seattle area posted 12,726 AI job listings, making AI roles nearly three times as common locally as they are nationwide. Average AI salaries in the Seattle area reach \$169,633, compared to nearly \$216,000 in San Jose and \$151,000 in New York.



Other News

The NBA's board of governors voted in March to begin exploring [expansion](#) into Las Vegas and Seattle, marking the most concrete step yet toward the league growing beyond its current 30-team footprint. Commissioner Adam Silver said the vote reflects the board's interest in engaging prospective ownership groups in both markets. Investment bank PJT Partners has been brought on as a strategic adviser to evaluate ownership groups, arena infrastructure, and the broader economic implications of expansion. Seattle last had an NBA team from 1967 through 2008, when the SuperSonics relocated to become the Oklahoma City Thunder. Washington Governor Bob Ferguson called the vote timely, saying bringing the Sonics back is "a top priority." The expansion fee is expected to be at least \$6 billion, with the 2028-29 season considered the earliest either franchise could begin to play.

Stream Real Estate is [converting](#) the former Queen Anne Plaza office building at 201 Queen Anne Ave. N. into 74 apartments, in what Compass Construction describes as Seattle's first office-to-residential conversion. Launched under the city's Downtown Activation Plan and rebranded as "Rejuvenate," the project is being designed by Board & Vellum and built by Compass Construction. Work began last summer on the 1980s four-story building, which has since had a mass-timber fifth floor added, bringing the total to approximately 92,000 square feet including amenities and parking. The unit mix includes studios, one- and two-bedrooms, and the project is targeting LEED certification with green features including operable windows and a new bike room. Completion is now anticipated for fall.