



## Office Leases

In the first week of April, Board & Vellum [relocated](#) its headquarters from Capitol Hill to the 16th floor of Smith Tower at 506 2nd Ave in the Pioneer Square submarket. The architecture and design firm now occupies the full floor, making up approximately 11,350 square feet. The building is owned by a local investor group led by GT Capital, which acquired the asset in 2024.



## Office Developments

There were no reports of office developments in April 2026.



## Economy

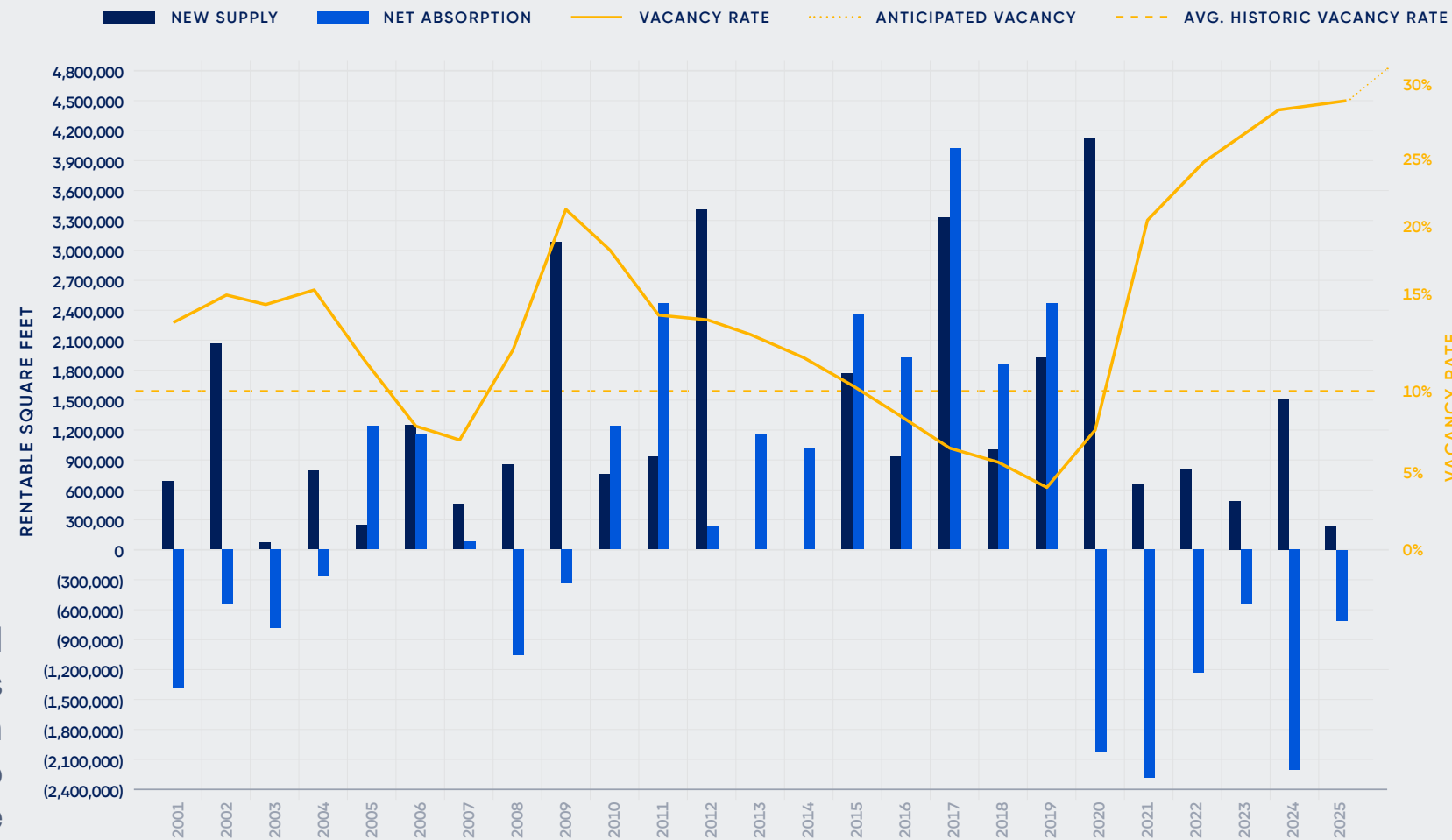
Seattle's economic outlook, as [reported](#) by the Office of Economic and Revenue Forecast, remains highly uncertain. While the city's near-term budget forecast is largely unchanged and supported by stronger-than-expected tax revenues, particularly from payroll and sales taxes, underlying challenges persist. These include stagnant employment, rising recession risk, and a projected \$150 million budget gap by 2027. The local economy continues to lag national trends, with job losses in key sectors like tech and manufacturing, high office vacancy rates above 30%, and declining office values. City leaders are preparing potential budget cuts while relying on new taxes to stabilize finances.

The U.S. economy [rebounded](#) in Q1 2026 according to the Commerce Department, growing at a 2% annual rate after a weak 0.5% expansion in Q4 2025. This was supported in part by a 9.3% increase in federal spending following the prior quarter government shutdown. Consumer spending slowed to 1.6%, with declines in goods and softer services demand. Business investment surged 8.7% driven largely by AI. Nonresidential investment jumped by 10.4%. The housing sector, however, remained a drag, with residential investment falling 8% for a fifth consecutive quarter. In addition, a sharp 21.4% rise in imports reduced overall GDP growth by more than 2.6 percentage points.



## Office Building Sales | Repositionings

There were no reports about office building sales in April 2026.



## Housing

The Seattle housing market is having a [slow](#) start in 2026 as compared to 2025, with home sales and condo sales volume in King county lagging in most submarkets. Median sales prices in King, Snohomish and Pierce counties have generally remained flat since 2023. Early signs point to a softer market, with active listings up over 40% in both King and Snohomish counties and King County single-family closed and pending sales down roughly 3% and 4% year over year, and Snohomish County pending sales down about 8%.

U.S. existing home sales [fell](#) 3.6% in March to an annual pace of 3.98 million, the slowest in nine months and below expectations. Sales are now well below the historical norm of ~5.2 million. Even with declining sales, the median home price rose 1.4% year over year to \$408,800, marking 33 consecutive months of price increases. Inventory has improved modestly to 1.36 million homes (a 4.1-month supply) but remains below balanced levels, keeping pressure on prices.



## Interest Rates

At the end of April 2026, the average long-term U.S. mortgage rate rose, pushing up borrowing costs for prospective homebuyers. The month [began](#) at 6.46%, then [declined](#) to 6.37%, continued [down](#) to 6.30% then [to](#) 6.23% the following week, before [increasing](#) to 6.30% in the final week. Even with its recent swings, the average rate on a 30-year mortgage remains nearly half a percentage point below what it was a year ago.



## Jobs

Washington's unemployment rate [rose](#) slightly to 5.0% in January, its highest level since 2021, though it remains relatively low. The state added 2,800 jobs for the month and 9,100 year over year, according to a report from the state Employment Security Department. Job growth was led by construction, leisure and hospitality, and education and health services, while government, financial activities, and professional services declined. Unemployment claims increased to over 85,000, driven largely by the construction and hospitality sectors. The statewide labor force grew year over year, though the Seattle, Bellevue, and Everett region saw a decline, while the national unemployment rate edged down to 4.3%.

According to the Labor Department, U.S. jobless claims [rose](#) to 219,000 for the week ending April 4, [fell](#) to 207,000 for the week ending April 11 [rose](#) to 214,000 the week ending April 18, then [fell sharply](#) to 189,000 for the week ending April 25, the lowest level since 1969. The labor market continues to show resilience, supported by recent job gains and modest economic growth.



## Inflation | Consumer Spending

A key inflation measure [rose](#) in March, with prices increasing 0.7% month-over-month and 3.5% year-over-year, as reported by the Commerce Department. This has been the highest annual pace in nearly three years, driven largely by a  $\pm 21\%$  spike in gas prices. Core inflation remained elevated at 3.2% annually, keeping overall inflation above the Federal Reserve's 2% target and likely delaying any interest rate cuts.



## Other News

Seattle plans to [convert](#) parts of Pioneer Square into temporary pedestrian-only zones during the six FIFA Men's World Cup matches at Lumen Field this summer. The goal will be to improve safety and crowd flow as the city expects around 750,000 visitors. On match days, roughly 100,000 people are anticipated near the stadium, with officials encouraging 80% of attendees to use transit, walk, bike, or carpool. The closures will support event activities like watch parties and entertainment. Similar pedestrian measures are being considered for Pike Place Market as part of broader efforts to manage mobility, security, and neighborhood access during the tournament.