

Office Developments

There were no reports of office developments in May 2026.

Office Leases

In June 2026 it was announced Docusign will relocate their Seattle headquarters from Docusign Tower at 999 Third Avenue to 115,000 square feet at JPMorganChase Center (1301 2nd Ave) in Seattle's central business district. DocuSign is expected to move in summer of 2027. The lease with Commonwealth Partners at 1301 2nd marks a significant reduction from the 227,000 square feet Docusign occupied at its peak at 999 3rd.

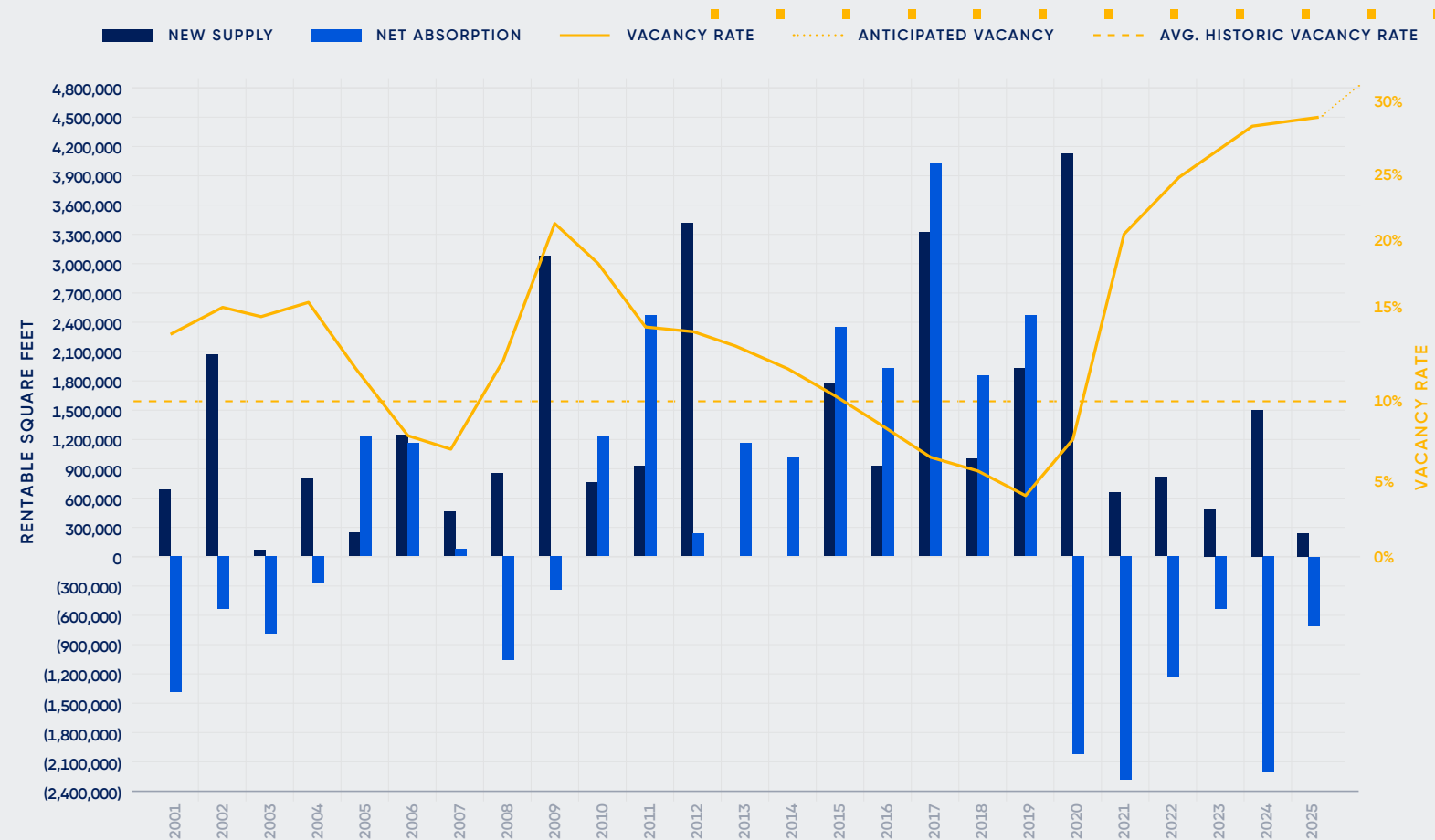


Office Building Sales | Repositionings

Blackstone is under contract to sell U.S. Bank Center according to a Blackstone spokesperson. The ±950,000sf project is located at 1420 5th Ave and in Seattle's central business district. Spear Street Capital will take ownership of the building for approximately \$280 million, pending financing. The sale represents a roughly 54% discount from the \$612 million Blackstone paid for the property in 2019, highlighting the continued repricing of downtown Seattle office assets as owners adjust to higher vacancy and shifting demand.

Interest Rates

By the end of June 2026, the average long-term U.S. mortgage rate edged higher, staying close to where it has been the last six weeks. The month began at 6.48%, rose to 6.52% the second week, then fell to 6.47% in week three, before rising again to 6.49% in the final week. Though mortgage applications fell according to the most recent Mortgage Bankers Association survey, they jumped 10.8% the week before. Pending home sales also rose last month, an encouraging sign for the housing market heading into the second half of the year after a lackluster spring home-buying season.



Housing

U.S. existing home sales rebounded in May, rising 3.2% from a year earlier to an annualized rate of 4.17 million homes according to the National Association of Realtors. This exceeded economists' expectations and marked the strongest sales pace since December. The median home price reached a record \$429,300 for the month of May, while inventory increased to 1.55 million homes. Despite improving affordability from lower mortgage rates compared to a year ago, higher oil prices continued to put upward pressure on mortgage rates and weighed on the broader housing market.

Economy

According to the Commerce Department, the U.S. economy grew at a stronger than expected 2.1% annual rate in the first quarter of 2026, rebounding from 0.5% growth in late 2025. The increase was driven by a surge in business investment, including nearly 40% growth in information-processing equipment as companies expanded AI infrastructure. Consumer spending and residential investment slowed.



Inflation | Consumer Spending

The Federal Reserve's preferred inflation gauge (PCE) showed consumer prices [rose](#) 4.1% annually in May, the highest level since April 2023 according to the Commerce Department. Monthly inflation held at 0.4%. Core inflation increased to 3.4%, its highest reading since October 2023. This increase was driven in part by rising prices for semiconductors and AI-related computer equipment. Although gas prices fell from nearly \$4.50 to \$3.92 per gallon after the Iran peace agreement, economists warned that underlying inflation remained elevated. Expectations are set that interest rates could stay higher for longer.

According to the Conference Board, consumer confidence [edged up](#) 0.6 points to 91.2 in June, but remained below its 95.2 reading a year earlier and well below the 120+ levels common before the pandemic. Consumers expressed greater concern about the labor market, with the share saying jobs were "hard to get" increasing from 19.8% to 22.5%. Despite weaker sentiment, economists projected the economy expanded at roughly a 2.5% annual rate in the second quarter.



Jobs

Throughout June, the U.S. labor market remained resilient despite persistent inflation and uncertainty. Early in the month, job openings [climbed](#) to 7.6 million in April, the highest level since May 2024. By the second week of June, May job reports showed employers added a [stronger](#) than expected 172,000 jobs. This extended the unemployment rate's hold at 4.3% and pushed average job growth to 188,000 jobs per month over the previous three months.

By the [final](#) week of June, weekly unemployment claims fell to 215,000, signaling that layoffs remained historically low despite ongoing economic uncertainty. Midway through the month, inflation [reached](#) 4.2%, its highest level in three years, driven largely by elevated energy prices following disruptions to global oil supply. Although Iran and the U.S. later reached an agreement to reopen the Strait of Hormuz, easing pressure on energy markets, inflation remained well above the Federal Reserve's 2% target. As a result, the Fed left interest rates [unchanged](#) at its June meeting under new Chair Kevin Warsh, while indicating that future rate hikes remain possible if inflation persists. By the [end](#) of the month, new labor market data showed job openings remained unexpectedly strong at 7.6 million in May, although hiring activity slowed, suggesting employers continued advertising positions while becoming more cautious about filling them. Economists expected the June jobs report to show roughly 100,000 new jobs while unemployment remained at 4.3%.



Other News

The Sound Transit Board [approved](#) amendments to the Sound Transit 3 (ST3) expansion plan to address a projected \$34.5 billion funding gap over the next 20 years. The revised plan fully funds light rail extensions to Everett, Tacoma, and West Seattle. It also funds the initial Ballard Link segment from SoDo to Seattle Center, the Graham Street Station, operations and maintenance facilities, and the Renton Transit Center Parking Garage. The remainder of the Ballard Link extension from Seattle Center to Market Street was deemed unaffordable under current funding, although final design work for the full project will continue.

Westlake Park [reopened](#) following a \$4 million renovation that modernized one of downtown Seattle's most active public spaces. Led by Seattle Parks and Recreation and the Seattle Parks Foundation, the project added new seating, landscaping, expanded gathering areas, and a larger performance stage to support events, food trucks, and community programming. Berger Partnership served as the landscape architect, and Sellen was the general contractor.

According to the Financial Times-Nikkei annual report on the best U.S. cities for attracting foreign business and investment, Seattle [fell](#) from 2nd to 13th among 95 ranked cities. The report evaluates factors including business environment, workforce, quality of life, investment trends, and economic resilience. Although Seattle's investment trend score improved, the decline has reignited debate over the region's business climate, with some business leaders citing taxes, labor costs, and public safety as challenges to attracting and retaining investment.

Seattle's Waterfront Park experienced [record attendance](#) during the FIFA Men's World Cup, drawing about 451,000 visits from nearly 401,000 unique visitors in the tournament's first 11 days, according to Friends of Waterfront Park. The largest crowd came during the U.S. vs. Australia match on June 19, which coincided with Juneteenth celebrations and other waterfront events. Tourism officials say Seattle has stood out as a host city, and attendance could climb even higher if the U.S. advances and returns to play in Seattle later in the tournament.