FLINN FERGUSON cresa

**Q2 2026**

# Office Market Report

## General Overview

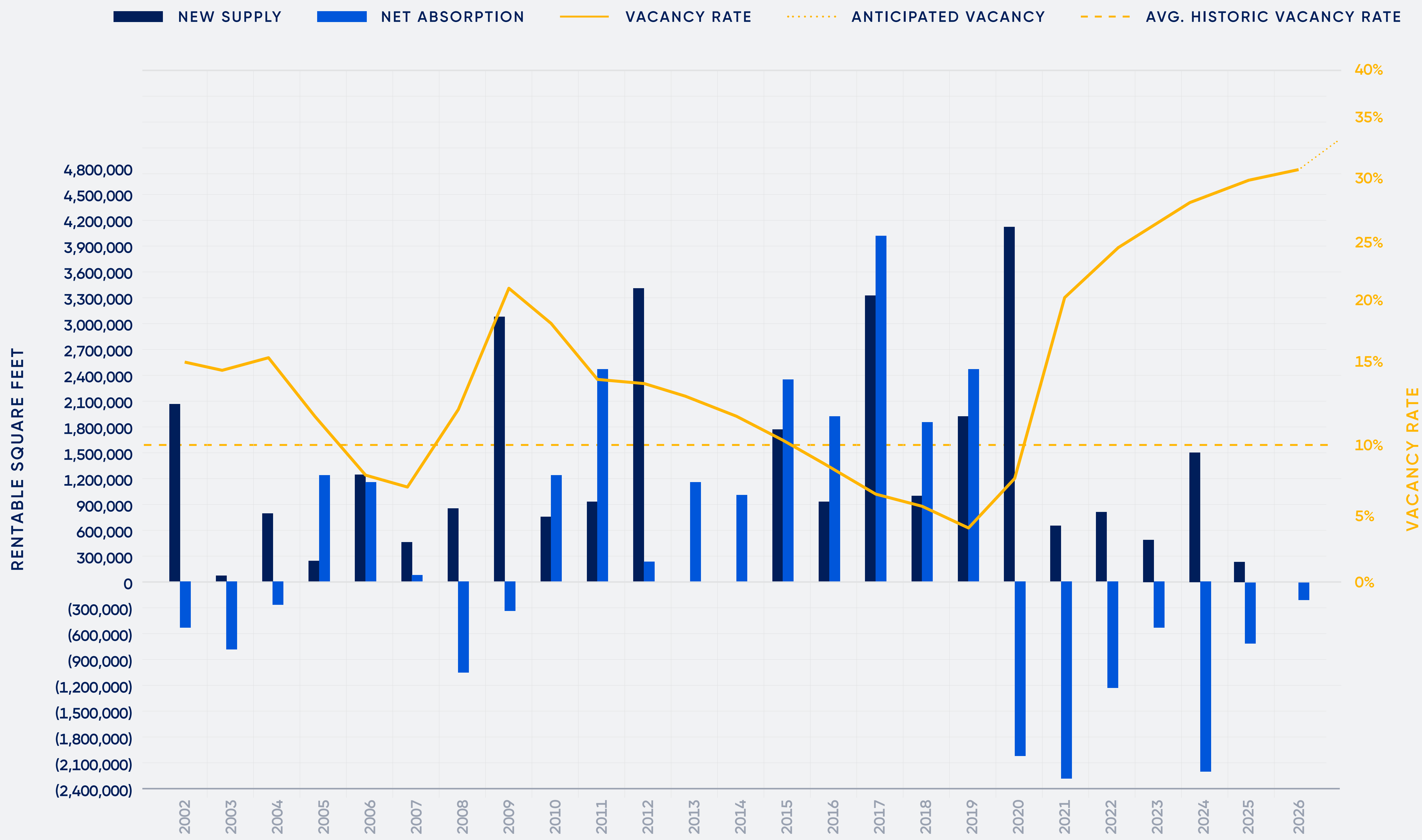
Vacancy in the Seattle office market saw a small rise in Q2 2026, reaching 30.9%, up from 30.4% at the close of Q1. This total includes a 28.4% direct vacancy rate and a 2.4% sublease vacancy rate, with the increase driven primarily by a slight growth in direct available space. Over the past 12 months, the Downtown Seattle office market recorded approximately 550K rentable square feet (RSF) of negative net absorption. Market conditions remain firmly tenant-favorable and are expected to continue through the remainder of 2026.

## Economy

Data from the U.S. Bureau of Labor Statistics shows that Washington State's seasonally adjusted unemployment rate edged up to 5.2%, exceeding the national average of 4.2%. Within the Seattle–Tacoma–Bellevue metro area, unemployment trended downward, dropping from 5.9% in January 2026 to 4.8% by May 2026.

## Historical Availability

**Seattle Overall Office Availability, Supply & Absorption Rates**
2002–2026



## Market Overview

**Market Size (SF)**
Ship Canal to Pioneer Square

**72.7M**

**Net Absorption**

12-Month

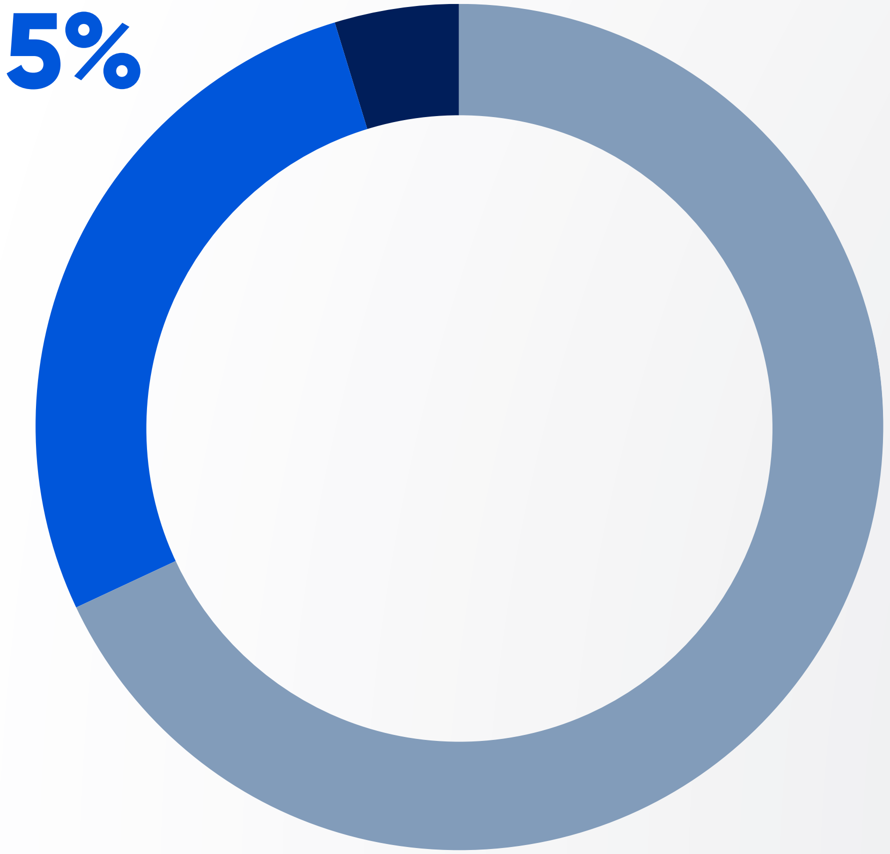
**(550K)**

Q2 2026

**(220K)**

**Availability**

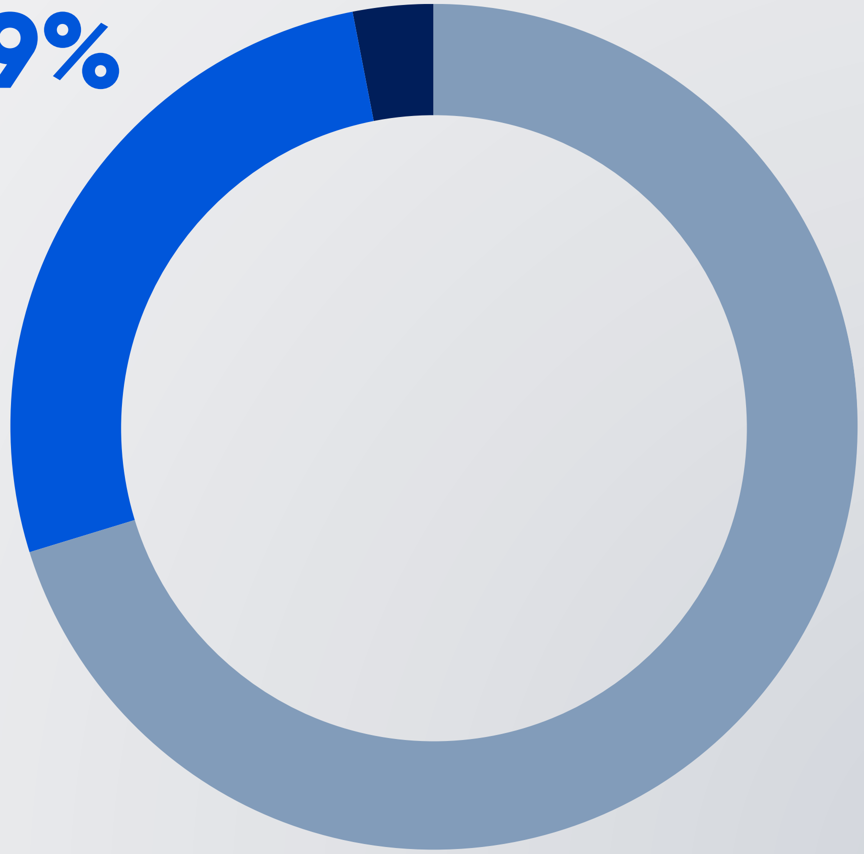
**32.5%**



- DIRECT AVAILABILITY: **28.7% | 20.8M**
- SUBLEASE AVAILABILITY: **3.9% | 2.9M**
- OCCUPANCY: **67.5% | 49.04M**

**Vacancy**

**30.9%**



- DIRECT VACANCY: **28.4% | 20.7M**
- SUBLEASE VACANCY: **2.4% | 1.8M**
- OCCUPANCY: **69.1% | 50.2M**

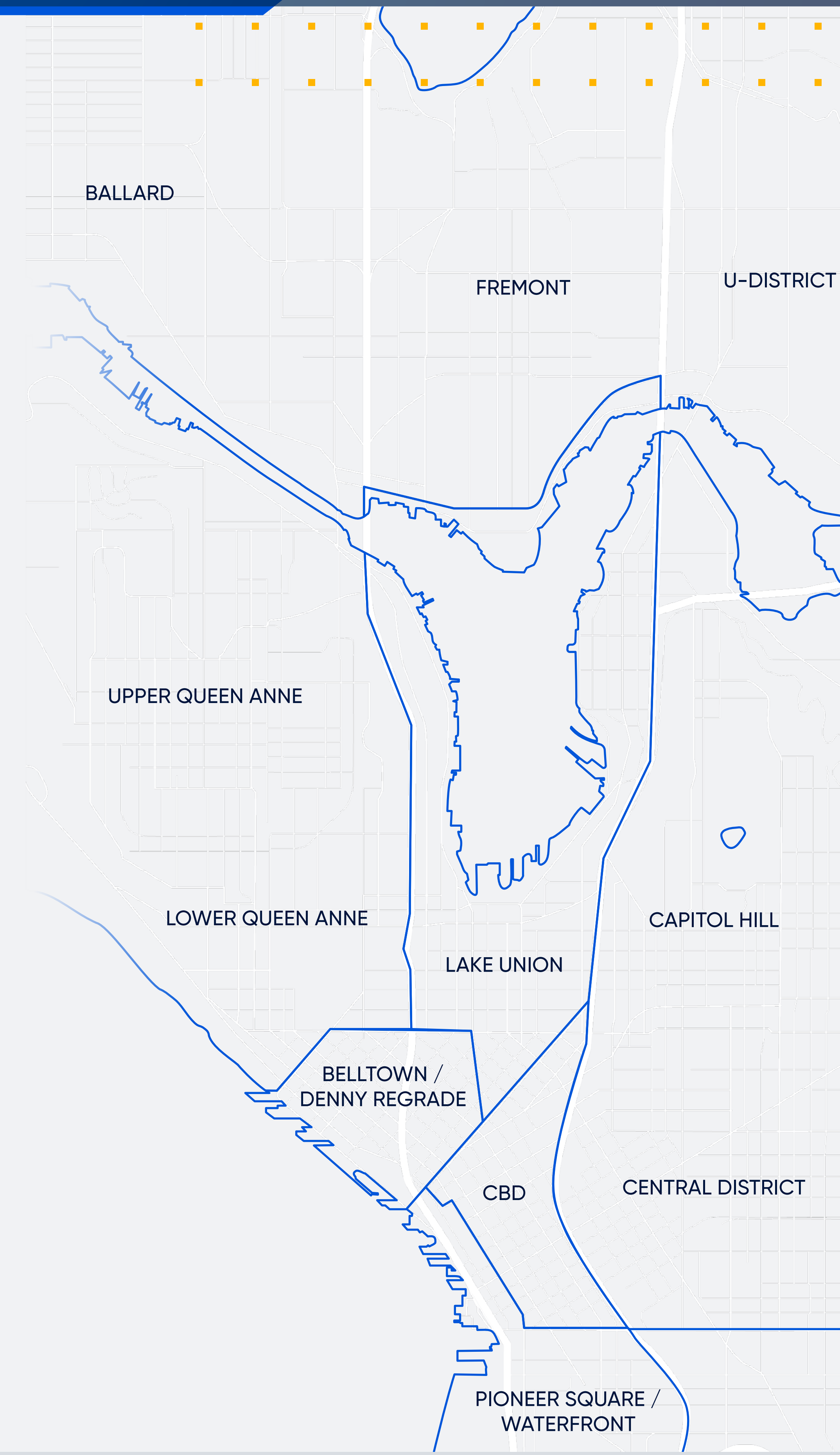
**Market Trends**

- ASKING RENTS
- T. I. ALLOWANCES
- RENT ABATEMENT
- CONSTRUCTION COSTS
- CONSTRUCTION TIMELINE

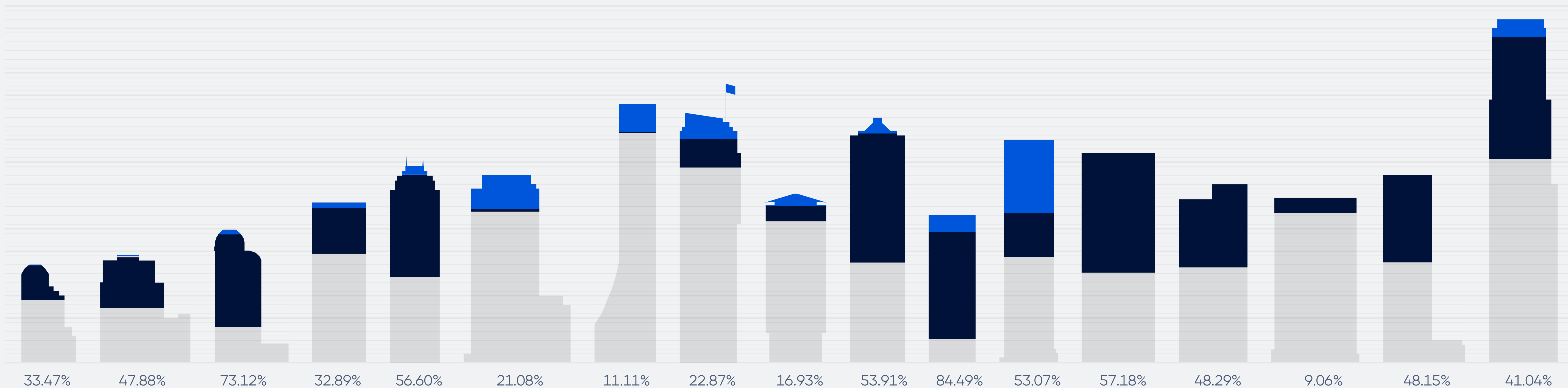
## Submarket Vacancy Data

| Market | Vacancy rate | 12-Month Net Absorption (SF) | FS Class A Rental Range |
|---|---|---|---|
| Ballard / Fremont / U-District | 30.3% | (31.9K) | $25.00 – $55.00 |
| Belltown / Denny Regrade | 33.8% | (29.5K) | $25.00 – $50.00 |
| Capitol Hill / Central District | 13.4% | (20.4K) | $25.00 – $50.00 |
| Lake Union | 22.1% | (111K) | $40.00 – $70.00 |
| Pioneer Square / Waterfront | 25.6% | 5.3K | $25.00 – $55.00 |
| Queen Anne | 34.4% | 6.7K | $22.00 – $35.00 |
| Central Business District | 35.0% | (39.4K) | $30.00 – $65.00 |

**30.9%**
TOTAL VACANCY RATE FOR SEATTLE

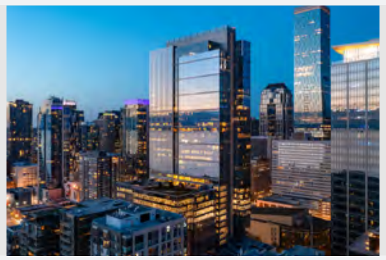
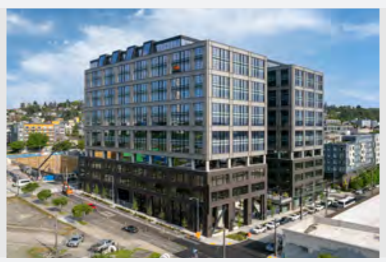
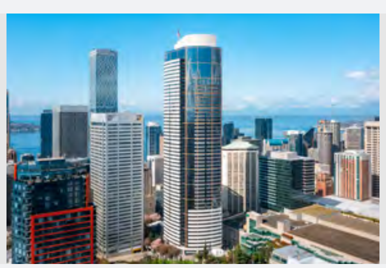


## Skyline Availability




| Bldg. Name | Second & Seneca | 1700 Seventh | Century Square | One Union | US Bank Center | JPMorganChase Center | Rainier Square | Two Union Square | 2+U | 1201 Third | 1111 Third | 1001 Fourth | 999 Third | Fourth & Madison | Madison Centre | 800 Fifth | Columbia Center |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LL/Broker | JLL | Newmark | Broderick Group | Washington Holdings | CBRE | CBRE | JLL (Sublandlord) | Washington Holdings | Newmark (Sublandlord) | JLL | JLL | Broderick Group | JLL | Newmark | Broderick Group | CBRE | CBRE |
| Direct Avail. (%) | **32.52%** | **47.55%** | **69.68%** | **29.64%** | **52.08%** | **1.89%** | **1%** | **11.53%** | **9.74%** | **53.02%** | **73.15%** | **19.13%** | **57.18%** | **48.29%** | **9.06%** | **48.15%** | **35.68%** |
| Direct Avail. (SF) | 149,421 RSF | 269,366 RSF | 428,310 RSF | 199,292 RSF | 491,636 RSF | 21,351 RSF | 4,150 RSF | 134,419 RSF | 68,740 RSF | 606,925 RSF | 420,161 RSF | 145,856 RSF | 565,618 RSF | 409,293 RSF | 183,056 RSF | 450,089 RSF | 570,925 RSF |
| Sublease Avail. (%) | **0.95%** | **0.33%** | **3.45%** | **3.26%** | **4.52%** | **19.19%** | **10.60%** | **11.33%** | **7.19%** | **4.99%** | **11.34%** | **33.94%** | **0%** | **0%** | **0%** | **0%** | **5.36%** |
| Sublease Avail. (SF) | 4,345 RSF | 1,850 RSF | 21,190 RSF | 21,901 RSF | 42,680 RSF | 216,998 RSF | 85,366 RSF | 132,082 RSF | 50,716 RSF | 57,104 RSF | 65,146 RSF | 258,828 RSF | 0 RSF | 0 RSF | 0 RSF | 0 RSF | 85,791 RSF |

## Office Leases This Quarter

| | Tenant | Building | Address | Footprint |
|---|---|---|---|---|
|  | docusign | JPMorganChase Center | 1301 2nd Ave | 115,000 RSF |
|  | ANTHROPIC | Dexter Yard North | 700 Dexter Ave N | 113,000 RSF |
|  | SoFi | West8 | 2001 8th Ave | 33,000 RSF |
|  | BAIRD | Two Union | 601 Union St | 22,000 RSF |

## Office Sales This Quarter

| | Address | Buyer | Seller | Building Size | Sale Price / Price PSF |
|---|---|---|---|---|---|
|  | 4530 12th Ave NE | Bank OZK | Urban Renaissance Group | 251,599 SF | $78.4 M / $311.61 |
|  | 4311 11th Ave NE | IEH Laboratories & Consulting Group | Intercontinental Real Estate Corporation | 135,051 SF | $17.3 M / $128.27 |
|  | 501-511 Pine St | Green Gate Capital LLC | OShea Building Co LLC | 65,417 SF | $16.9 M / $258.34 |

# Office Development Proposals

**Below is a sample of office projects ready for development with pre-lease.**

**S Campus**
1000 - 1001 6TH AVE S

**Office | Retail**
TYPE

**1,286,219 RSF**
SPACE AVAILABLE

URBAN VISIONS

**Mercer Mega Block**
714 - 800 MERCER ST

**Life Science**
TYPE

**±864,000 RSF**
SPACE AVAILABLE

ALEXANDRIA.

**The Net**
875 3RD AVE

**Office**
TYPE

**807,580 RSF**
SPACE AVAILABLE

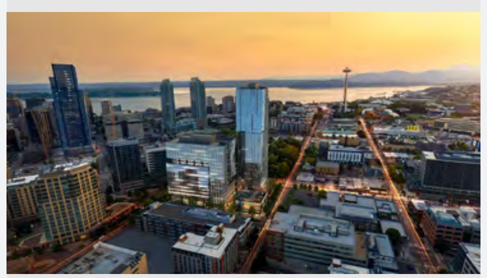
URBAN VISIONS

**Innov8**
2300 7TH AVE

**Life Science | Technology**
TYPE

**684,000 RSF**
SPACE AVAILABLE

BioMed Realty
Discover here

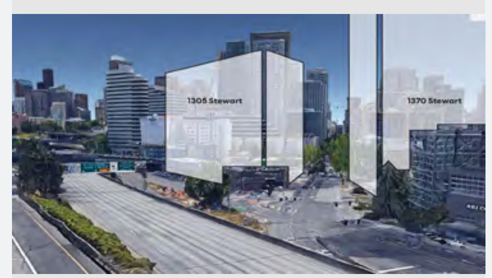


**111 Westlake**
111 WESTLAKE AVE N

**Office | Life Science**
TYPE

**403,000 RSF**
SPACE AVAILABLE

Vulcan Real Estate



**1305 Stewart**
1305 STEWART ST

**Office**
SPACE

**±280,000 RSF**
SPACE AVAILABLE

ARBUTUS PROPERTIES

**601 Dexter**
601 DEXTER AVE N

**Life Science**
TYPE

**188,400 RSF**
SPACE AVAILABLE

ALEXANDRIA.

**401 Queen Anne**
401 QUEEN ANNE AVE N

**Office**
SPACE

**±155,000 RSF**
SPACE AVAILABLE

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# Our company

Flinn Ferguson Cresa has established itself as Seattle and Bellevue's most active and experienced Tenant Advisory Firm.

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601 Union St #4900, Seattle, WA 98101 | (206) 224-3500