Office Developments

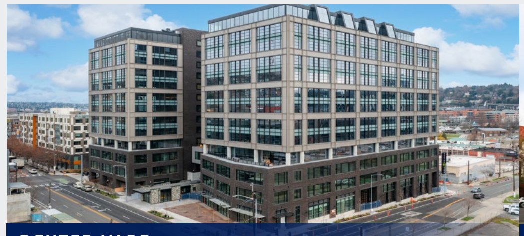
There was no news about office developments in Seattle in July 2026.

Office Leases

This July, Anthropic signed a lease for approximately 113,000 square feet at Dexter Yard, 700 Dexter Ave. N. in Seattle's South Lake Union submarket. The property, owned by BioMed Realty, was completed in 2022, and the new lease follows Anthropic's existing 56,000-square-foot short-term lease within the same complex. Anthropic, the developer of the Claude AI platform, is continuing its rapid expansion ahead of a potential public offering, reinforcing South Lake Union's position as a premier destination for artificial intelligence and technology firms.

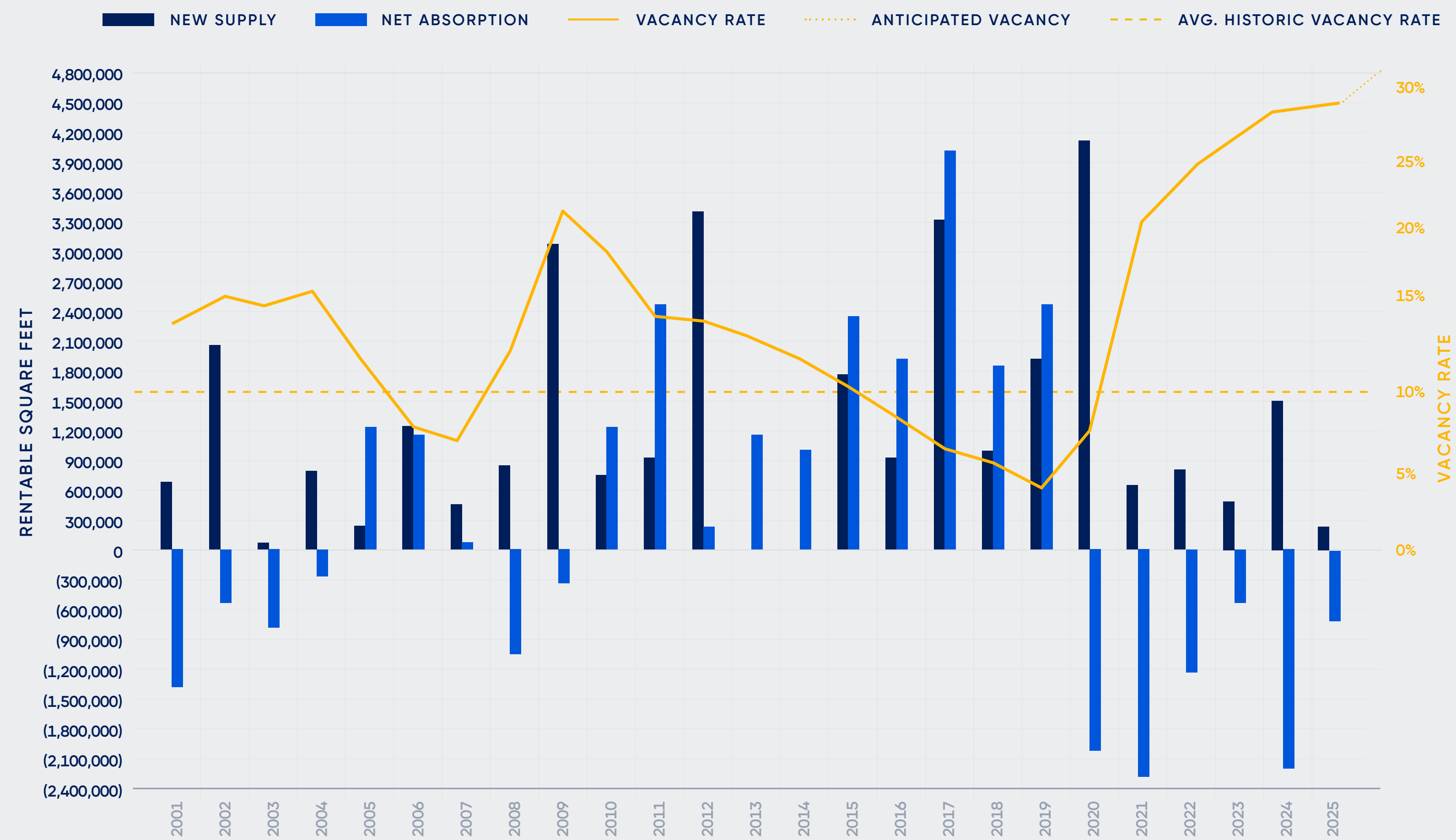
Salesforce renewed its Fremont lease for approximately 114,000 square feet at Data 1, 744 N. 34th St. The building is owned by Hess Callahan Grey Group and the space has been occupied by the Tableau business unit since 2018 (Salesforce acquired Tableau in 2019). The renewal reinforces Salesforce's continued investment in the Seattle market and provides a significant boost to Fremont's office sector as the neighborhood adapts to major tenant shifts, including Google's planned departure from its nearby campus.

Insight Global opened their new 49,000-square-foot Seattle hub at 2323 Elliott Ave in July 2026. The office is located near Alaskan Way and Pier 66 in the Downtown Waterfront/Belltown submarket. The company is the sole tenant of the historic building, which is owned by Unico Properties and was formerly occupied by the Art Institute of Seattle. Originally leased in 2023, the space is three times larger than Insight Global's previous Bellevue office and includes recruiting, consulting, sales, and the company's IG Labs AI division. They've also reserved an additional 24,000 square feet for future expansion. The lease, recognized as NAIOP's 2023 Night of the Stars Deal of the Year, reflects Insight Global's commitment to Seattle as the hub for technology, consulting, and artificial intelligence growth.


DEXTER YARD


DATA 1


2323 ELLIOTT



Office Building Sales | Repositionings

Fourth & Blanchard, the 2101-2121 4th Ave, 410,000-square-foot Seattle office tower is being marketed for sale as of July 2026. The expected price is about $29 million, roughly $70 per square foot. The building is 51% leased to 50 tenants and has attracted multiple offers, primarily from private investors in the Pacific Northwest and Southern California. The property was one of seven former Martin Selig Real Estate office buildings acquired by CW Capital in a courthouse auction last August. Fourth & Blanchard is the first of those buildings to be listed for sale, and the remaining six are also expected to hit the market soon.

A 4,756-square-foot office building located at 3625 Woodland Park Ave. N. in Seattle's Eastlake submarket sold this month for $2.2 million (approximately $462 per square foot). Developed in 1963, the property was sold by HFT BPT Idaho LLC and partners, which purchased the building in 2015 for $1.5 million, to Siellie LLC. Siellie is an entity associated with Urbal Architecture, which currently leases space in the Eastlake neighborhood.

Returning to Office

Seattle's Downtown and South Lake Union office markets continue to face unprecedented challenges. Seattle's downtown office vacancy has reached 37% and an estimated $15 billion (46%) decline in office property values since 2020, reducing annual property tax revenues by $128 million according to King County assessor's office data. Experts attribute the prolonged downturn to an oversupply of office space driven by the post-2012 tech boom, slower tech hiring, hybrid work, and AI-related shifts in corporate spending. While office rents have fallen roughly 25% since 2019 and the city is encouraging office-to-residential conversions, industry experts caution that only a limited share of Seattle's office buildings are economically viable for conversion. The market will likely experience an extended recovery marked by discounted sales, redevelopment opportunities, and the eventual demolition of some obsolete office buildings.

Economy

According to the U.S. Commerce Department, the U.S. economy grew at an annualized 1.5% in Q2 2026, down from 2.1% in Q1, as an 11.5% increase in imports reduced GDP growth by 1.5 percentage points. Consumer spending rose 3.2%, underlying domestic demand increased 3.9%, and business investment grew 8.4%, driven by AI-related spending. The Commerce Department also reported that the Fed's preferred inflation measure, the PCE price index, rose 3.7% year over year (down from 4.1%), while core PCE increased 3.3% (down from 3.4%), remaining above the Federal Reserve's 2% target. Meanwhile, according to the Associated Press, employers have added an average of 92,000 jobs per month in 2026, compared with fewer than 10,000 per month in 2025.

Washington's economy posted a strong start to 2026, with the state's real GDP increasing 1.1% in the first quarter to nearly $730 billion, according to the Bureau of Economic Analysis. If sustained, that pace would translate to approximately 4.5% annual GDP growth, outperforming the projected 2.1% national growth rate. The expansion was driven primarily by Washington's information sector, including software, cloud computing, and digital services, with economists attributing much of the growth to significant artificial intelligence investments. While economists view the performance as an encouraging sign for the state's economy, they caution that the first-quarter results may have been influenced by several large one-time investments.

Inflation | Consumer Spending

A report this July from the U.S. Labor Department revealed annual inflation eased to 3.5% from 4.2% in May. Core inflation, which excludes food and energy, remained unchanged from the previous month and slowed to 2.6% year over year. The report reduces pressure on the Federal Reserve to raise interest rates, although policymakers remain divided. Lower prices for gasoline, clothing, electricity, and used cars helped drive the decline, while grocery and rental costs continued to rise modestly. Economists also noted that continued investment in artificial intelligence infrastructure could create future inflationary pressure through higher demand for semiconductors and electricity.

U.S. retail sales increased 0.2% in June following a revised 1.0% gain in May, reflecting continued consumer resilience. Lower gasoline prices caused gas station sales to fall 5.3%, weighing on overall retail spending, while sales excluding gas stations rose a solid 0.7%. Consumers continued spending on vehicles, with motor vehicle and parts sales rising 1.9%, and online purchases increased 1.9%, driven in part by Amazon Prime Day. Sporting goods retailers also benefited from World Cup-related spending, while discretionary purchases such as clothing and furniture remained relatively soft. The report, combined with easing inflation and lower fuel prices, suggests consumers remain financially resilient but are becoming increasingly selective about discretionary spending as they navigate higher living costs and continued economic uncertainty.

Interest Rates

At the end of July 2026, the average long-term U.S. mortgage rate rose for the fourth consecutive week to its highest level in a year. The month began at 6.43%, increased to 6.49% the second week, rose again to 6.55% in week three, climbed to 6.58% in week four and ended the month off at 6.66%. Mortgage applications, which include loans to buy a home or refinance an existing mortgage, fell 6.4% last week from the previous week, according to the Mortgage Bankers Association.

Housing

According to the National Association of Realtors (NAR), existing U.S. home sales fell 2.4% in June to a seasonally adjusted annual rate of 4.09 million, below economists' expectations. Median home prices rose 1.8% year over year to a record $440,600. Home sales continue to be constrained by affordability challenges, limited inventory, and elevated mortgage rates. Inventory, on the other hand, has improved modestly, rising 1.3% from a year ago to 1.56 million homes.

Jobs

By the end of July, unemployment claims increased by 9,000 to 197,000. The four-week moving average declined to 202,750, while continuing claims fell by 7,000 to 1.78 million. The report comes as hiring continues to cool without a significant rise in layoffs. According to the Labor Department, employers added 57,000 jobs in June, and the unemployment rate declined to 4.2% from 4.3%, largely because fewer unemployed Americans were actively seeking work. Higher energy prices, persistent inflation, and slower economic growth continue to pose risks to the labor market, though layoffs have remained historically subdued

Venture Capital

Seattle-area startups raised $2.7 billion across 163 venture capital deals during the first half of 2026. This number is down from $4.5 billion across 210 deals during the same period in 2025, according to the PitchBook-NVCA Venture Monitor. Funding was concentrated in a handful of large rounds, led by Helion Energy's $465 million Series G, followed by Starcloud ($170 million), XBOW ($155 million), Starfish Space (approximately $110 million), and Gradial ($65 million). Despite significant AI infrastructure investments from Microsoft and Amazon, Seattle's AI startup ecosystem has not attracted funding at the same pace as competitors in Silicon Valley. Due to this, the region has fallen from fifth to seventh among the nation's largest venture capital markets by dollars invested and ranks last among the top 10 metros by deal count. The report also notes that Washington's evolving tax environment has raised concerns within the startup community. A potential $10 billion fundraising by Blue Origin could dramatically reshape the region's venture funding totals in the coming year.

Other News

Washington ranked 11th nationally in CNBC's 2026 Top States for Business rankings, climbing three spots from the previous year and finishing as the highest-ranked West Coast state. The state's strong performance was driven by its technology and innovation (4th), economy (5th), and workforce (6th) rankings. Continued growth was fueled by artificial intelligence investments from companies such as Amazon and Microsoft, as well as a first-quarter 1.1% increase in state GDP to nearly $730 billion. However, Washington ranks poorly in cost of doing business (47th), cost of living (41st), and business friendliness (40th), with rising housing costs and new taxes on high-income earners and large businesses remaining key concerns.

The Seattle Chamber Music Society (SCMS) has signed a 15-year lease for 16,620 square feet at U.S. Bank Center, 1420 Fifth Ave. in Seattle's Central Business District, where it plans to open the Center for Chamber Music in early 2028. The new facility will occupy the building's renovated third-floor podium and feature a 271-seat concert hall, rehearsal and recording spaces, offices, and educational facilities. This new location will replace SCMS's current location at Two Union Square. The building is being acquired by Spear Street Capital from Perform Properties for approximately $280 million, following a $70 million podium renovation completed in 2023. Designed by Heliotrope Architects with acoustical consultant Kirkegaard, and constructed by Sellen Construction, the project will support expanded performances, education programs, digital content, and the launch of SCMS Records. Construction is expected to begin in winter 2026.