

SEATTLE OFFICE MARKET

Yardi® Matrix

Market Analysis

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Emerald City Shines On



A continued influx of tech companies, strong population gains, increased wages, deep talent pool and record-low unemployment rates fuel **Seattle's boomtown status**. But being one of the fastest-growing major metros in the U.S. has its own challenges.

On the upside, the metro's office-using employment has continued its robust improvement of recent years as growth on the national level has cooled. That has fueled exceptionally strong demand for space that has made the metro one of the fastest-growing office markets in the country. Seattle is home to **31 Fortune 500 companies** and continues to be a mecca for startups, as the sprouting coworking culture allows them to coexist side by side with major players in the market such as Google, Facebook, Airbnb, Uber and Snap.

The success is creating challenges, including high growth in rents. Tenants are willing to pay extra for amenitized space in premier urban locations with traffic accessibility—even a skyrocketing **\$40.17 per square foot** for Class A assets. Another issue is the lack of quality space, despite a record-breaking boom in office development and **5.9 million square feet under construction** as of May. Corporate giants like Amazon take up so much space in some submarkets—Lake Union, for instance—that **there isn't room for firms that want to be there**.

What's more, large businesses have had to fight off higher taxes from the city government, which is trying to solve the growing lack of affordable housing for workers.