

SEATTLE OFFICE MARKET

Yardi® Matrix

Market Analysis

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Changing Office Market Fundamentals



Seattle's strong market dynamics continue to support its rapid expansion, with a saturated tech sector extending and shaping the current real estate landscape. The high-tech job boom attracted well-educated Millennials and businesses alike to the metro. However, quickly increasing asking rents, low vacancy in the urban submarkets, aggressive demand for premier space and infrastructure issues continue to generate some headwinds for the office sector.

The metro gained 21,000 office-using jobs in the 12 months ending in August. The professional and business services sector added 8,200 new jobs, followed by the information sector, with 7,500 new positions over the same period. The tech segment continues to be the primary catalyst behind the metro's economic growth. Companies including Facebook, Apple, Dropbox and Google are on a major hiring spree, expanding their physical footprint at an accelerated rate.

Some 5.6 million square feet of office space was under construction throughout the metro as of September, with two-thirds of the space already preleased. In tech-propelled Lake Union, Seattle's most sought-after submarket, Apple has preleased the entire space at 333 Dexter Ave. Similarly, Facebook will fully occupy Block 16 in Bellevue. These blockbuster leases will put upward pressure on office asking rates across all submarkets, as well as intensify tenant competition for the available blocks of space.