

STATE OF DOWNTOWN

Economic Report / 2022

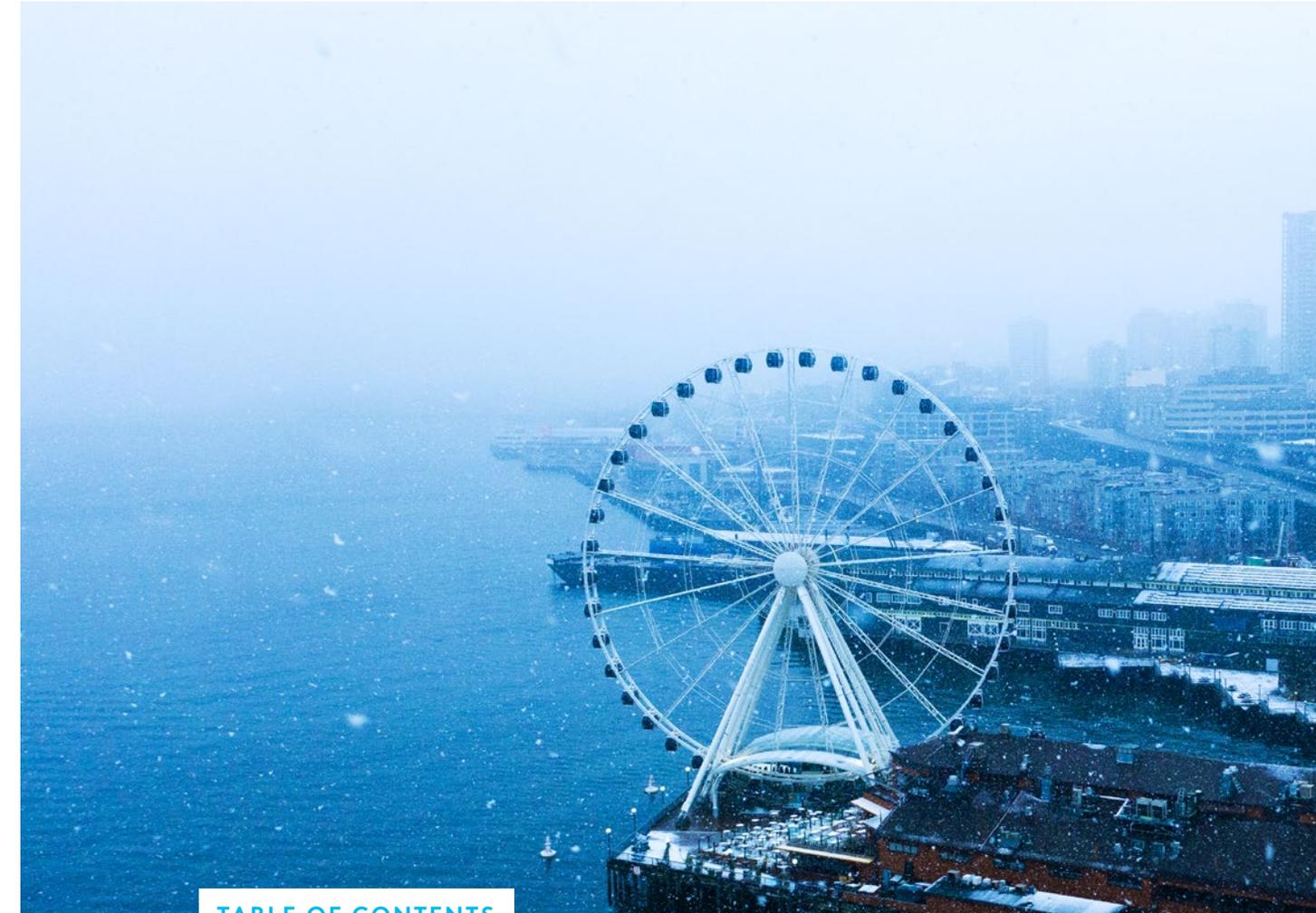


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A NOTE ON SOURCES

DSA draws on several sources to provide the most up-to-date picture of the downtown economy using the best information available at the time. Occasionally, information from multiple sources is combined to create current-year estimates. Methods of estimation can be highly uncertain during a major disruption such as COVID-19, and many previously used methodologies could not account for the effects of the pandemic on our economy. Therefore, several previously used methodologies were changed in 2021 to derive recent estimates. These should be considered preliminary and subject to change as new information becomes available.

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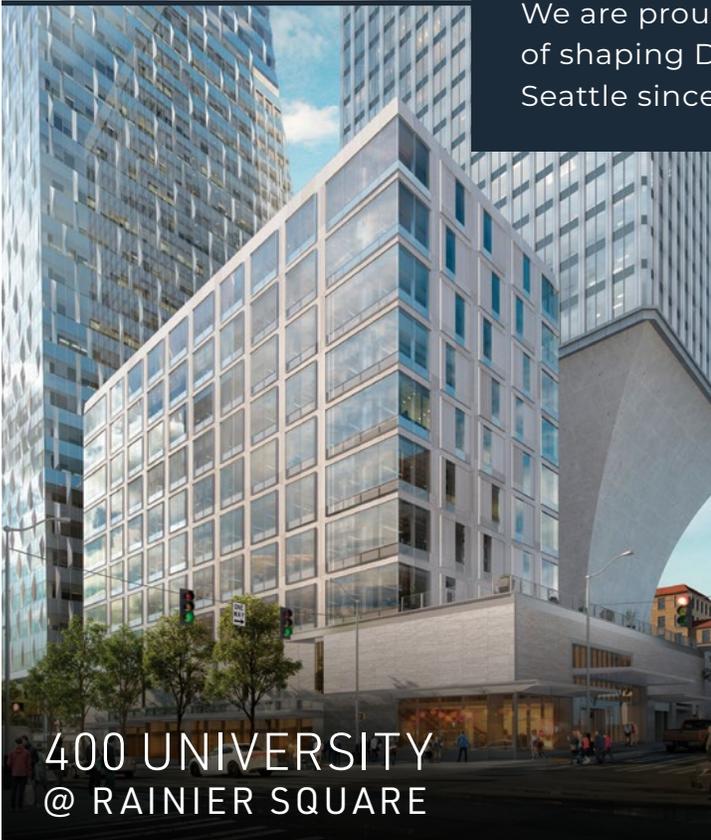
THE
RESIDENCES
AT RAINIER SQUARE



WRIGHT
RUNSTAD
& COMPANY

50
YEARS

We are proud to be a part
of shaping Downtown
Seattle since 1972.



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A MESSAGE FROM OUR PRESIDENT & CEO

At the start of 2020, downtown Seattle was emerging from two decades of record growth and investment, outperforming almost every major urban core in the country.

When the pandemic hit, tens of thousands of employees left to work from home, numerous downtown businesses permanently closed, and our once-vibrant arts, entertainment, tourism and hospitality sectors shuttered. Since then, downtown Seattle has begun to bounce back as it has from other downturns throughout its storied history.

Today, our urban core is home to more residents than ever before, and visitor foot traffic in the summer and fall of 2021 approached 2019 levels. Nearly 170 new street-level businesses opened downtown in the past 12 months, including nearly 70 restaurants and 30 new retail shops. We anticipate the return of more major employers to the office in 2022, which is essential to our economic vitality. At the same time, there are a record number of people living unsheltered downtown, and certain neighborhoods are experiencing unprecedented retail theft and violent crime, much of it fueled by untreated mental health and substance use.

At DSA, we believe that it's going to take all of us working together—businesses, nonprofits, residents and the public sector—to respond to these challenges and shape a healthy downtown going forward. We also believe that a thriving and vibrant downtown is critical to the health of our city and entire region. Downtowns bring people together to foster and nurture innovation, community and culture.

As we focus on recovery and renewal, DSA is committed to a new vision for our center city, where everyone feels that they belong and has an opportunity to participate and share in the prosperity. The downtowns that rebuild in this way will be more dynamic, desirable, inclusive and resilient.

Whether you're a longtime DSA member, potential investor or exploring the benefits of DSA membership, we invite you to join us as we reimagine downtown Seattle together.



Sincerely,

Jon Scholes

President & CEO
Downtown Seattle Association

A LETTER FROM THE MAYOR

Downtown Residents, Businesses and Advocates,

The challenges facing our downtown neighborhoods and businesses require urgent action and a genuine commitment to restoring the safety and vitality of our urban core.

Please know that I am an ally and leader in this effort. Our administration is hard at work, focused on positive outcomes and always at your service.

Real action begins with a coordinated and overdue emphasis on public safety. Seattle Police have begun targeted action to end organized retail crimes, address open-air narcotics trafficking, and step-up enforcement of property crimes.

Working with partners at King County and the Regional Homelessness Authority, we are prioritizing downtown tent removal and relocation—helping people into housing and life-restoring services, and reopening our sidewalks.

Downtown is our region’s economic engine. The steps we take now reverberate statewide. As we transition back to in-person office environments, revitalize cultural assets, and welcome an influx of visitors to downtown Seattle, we must ensure that our streets and sidewalks are safe and welcoming for all.

For downtown residents and small businesses, we know you need more than assurances—you need to see results. That’s why, in addition to pursuing policies that will make an immediate difference, you will see long-term progress as well—backed by metrics and transparency.

I look forward to forging deeper partnerships with DSA members, and the entire downtown community, as we build a true One Seattle future for all.



In service,

Mayor Bruce Harrell

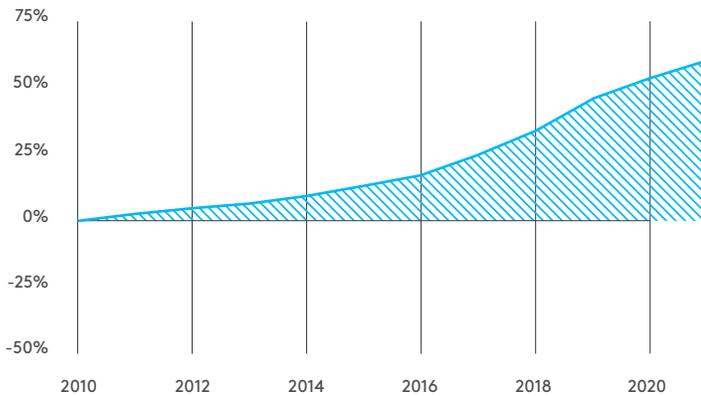
One Seattle

2021 Report Card

LIVE

Residential Population

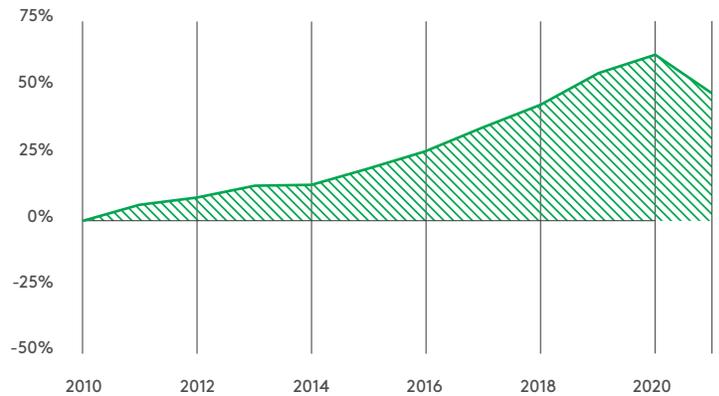
67% increase since 2010 / 2021 estimate: 98,627



WORK

Total Number of Jobs

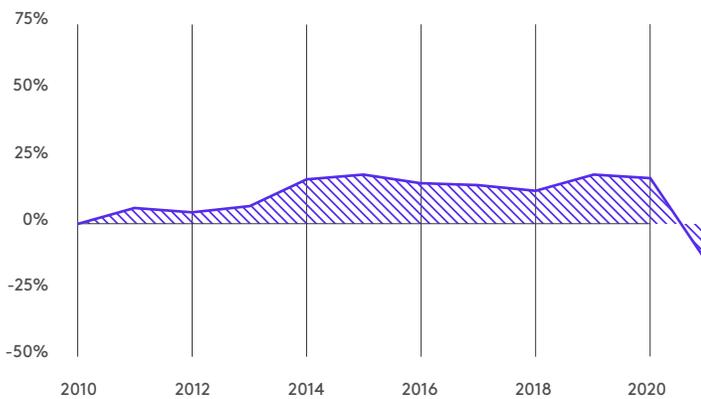
47% increase since 2010 / 2021 estimate: 323,158



SHOP

Brick-and-Mortar Retail Jobs

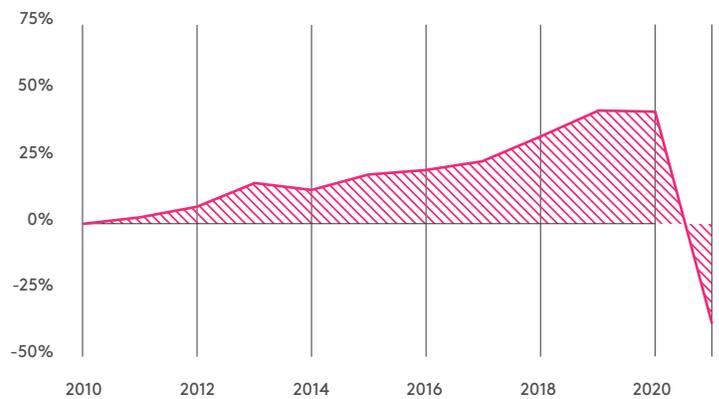
15% decrease since 2010 / 2021 estimate: 7,549



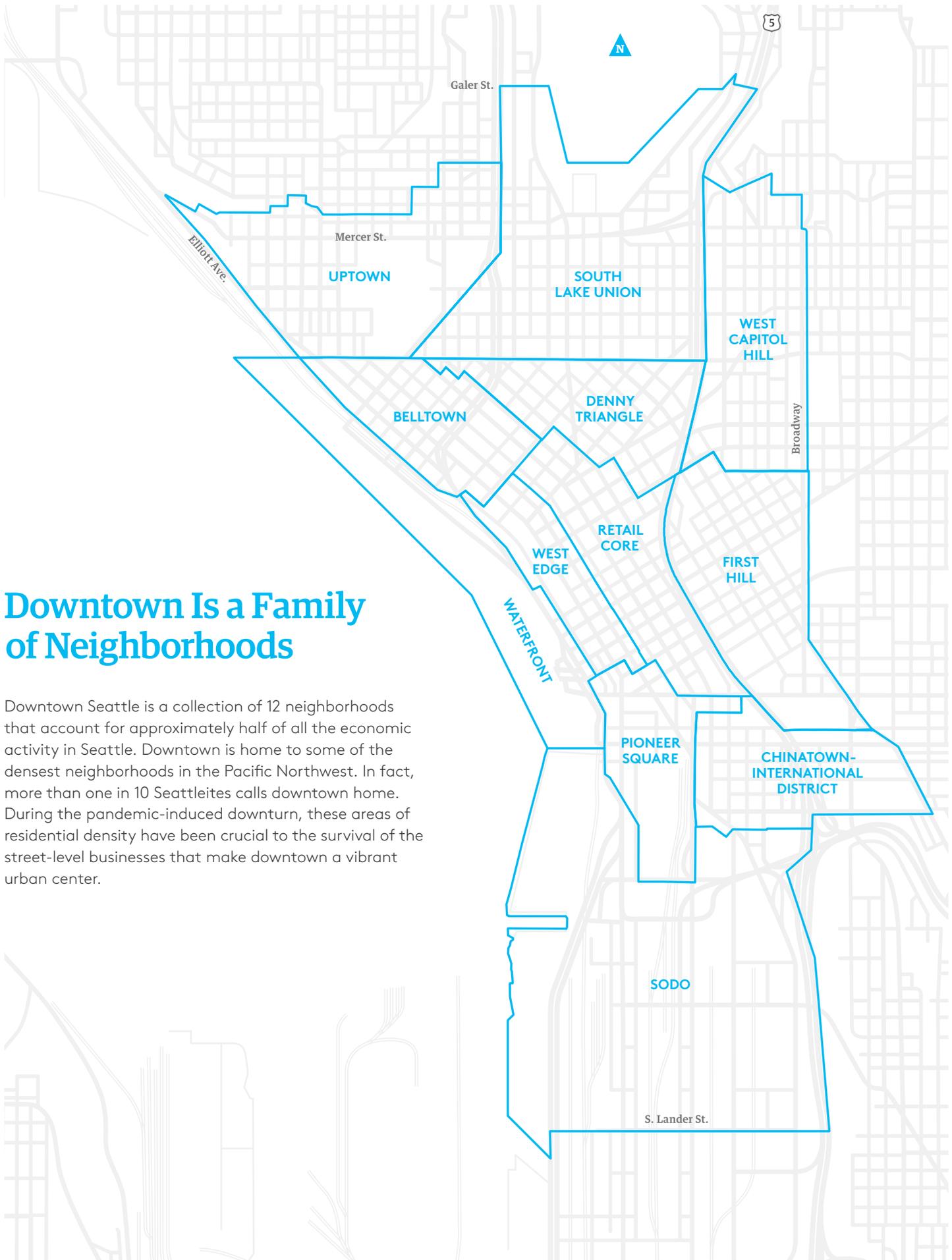
PLAY

Dining, Hotel, Recreation, Arts and Entertainment Jobs

37% decrease since 2010 / 2021 estimate: 17,149



Sources: ESRI Community Analyst, Puget Sound Regional Council. The 2021 jobs estimate was derived from data provided by PSRC and the Washington State Employment Security Department. Note that data here are for Q1 of each year.



Downtown Is a Family of Neighborhoods

Downtown Seattle is a collection of 12 neighborhoods that account for approximately half of all the economic activity in Seattle. Downtown is home to some of the densest neighborhoods in the Pacific Northwest. In fact, more than one in 10 Seattleites calls downtown home. During the pandemic-induced downturn, these areas of residential density have been crucial to the survival of the street-level businesses that make downtown a vibrant urban center.



Having lived here for nearly 150 years, Lane Powell knows the Pacific Northwest is a special place. We've always strived to give back to this region we call home, and that's why we're proud to support the Downtown Seattle Association.

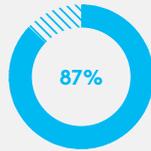


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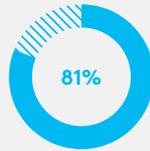
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Downtown Seattle Is the Heart of the City's Economy

Downtown as a Percent of the City's Total:



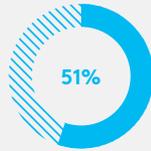
Hotel Rooms



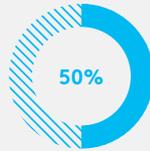
Office Space Inventory



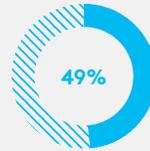
Business Taxes



Jobs

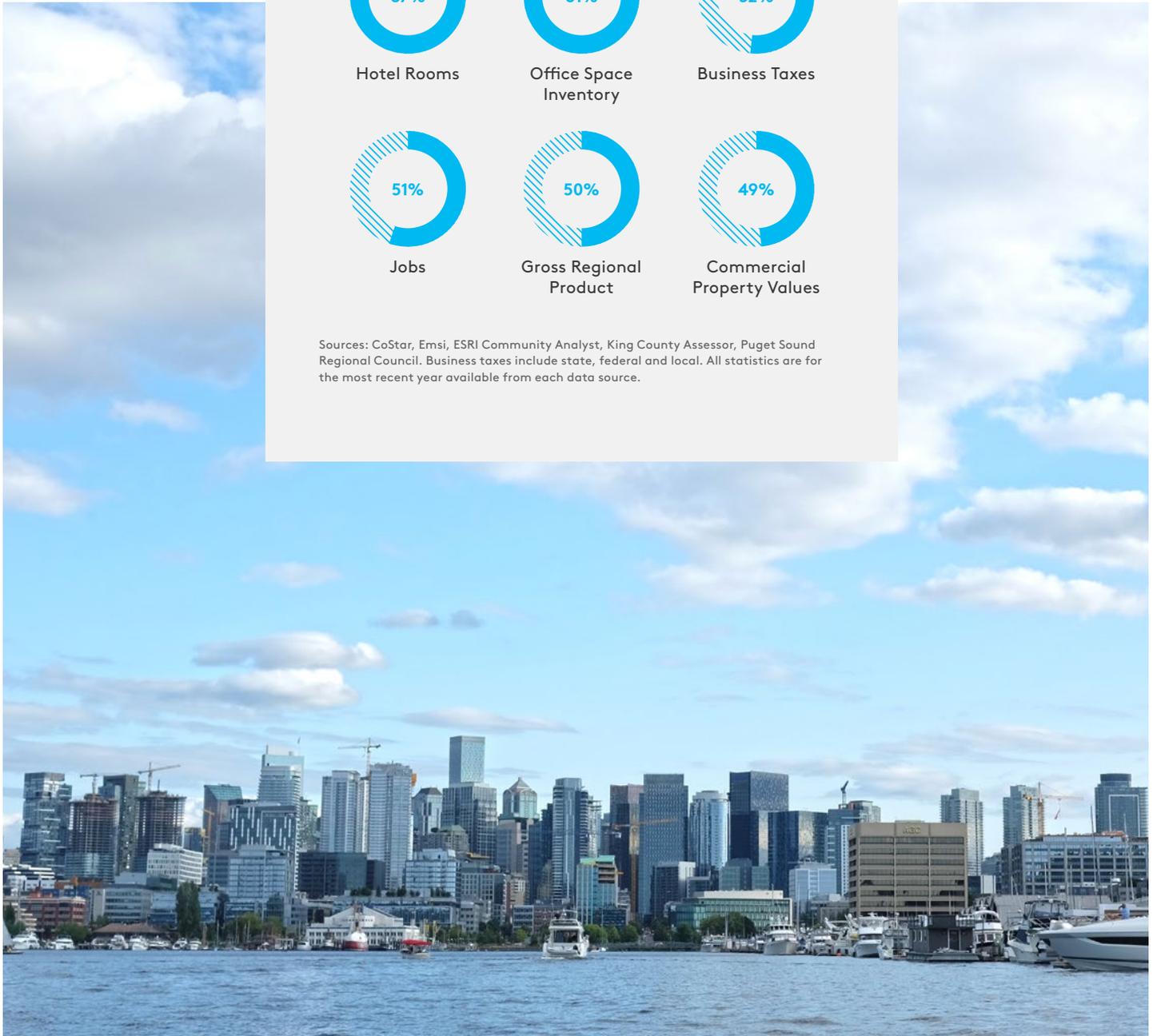


Gross Regional Product



Commercial Property Values

Sources: CoStar, Emsi, ESRI Community Analyst, King County Assessor, Puget Sound Regional Council. Business taxes include state, federal and local. All statistics are for the most recent year available from each data source.





Credit: Philip Craft

Who Lives Downtown?

98,627
total population

37
median age

1.4
average
household size

\$95,000
median household
income

4.8%
are unemployed

68%
have a bachelor's
degree or higher

5,819
are under 18

40%
are nonwhite

81%
are renters

ESRI Community Analyst. These data are as of July 2021.

Who Works Downtown?

60%
are between the
ages of 30 and 54

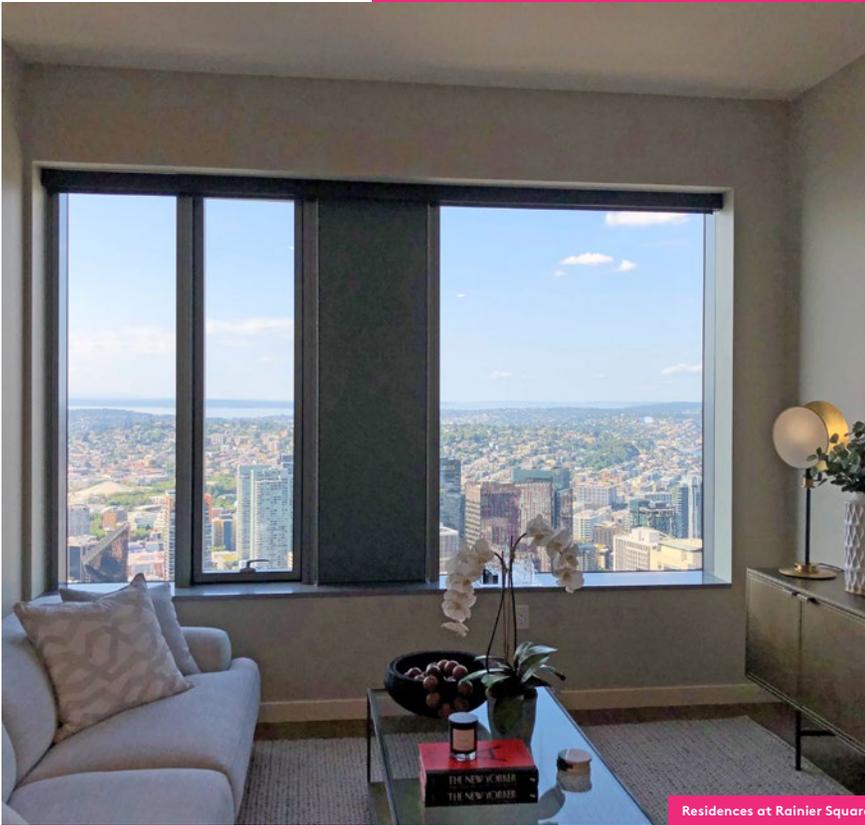
15%
identify as Asian, the fastest-
growing demographic by race

44%
have a bachelor's
degree or higher

51%
are male

40%
live within the
Seattle city limits

Source: U.S. Census Bureau. LEHD Origin-Destination Employment Statistics (<https://onthemap.ces.census.gov/>)



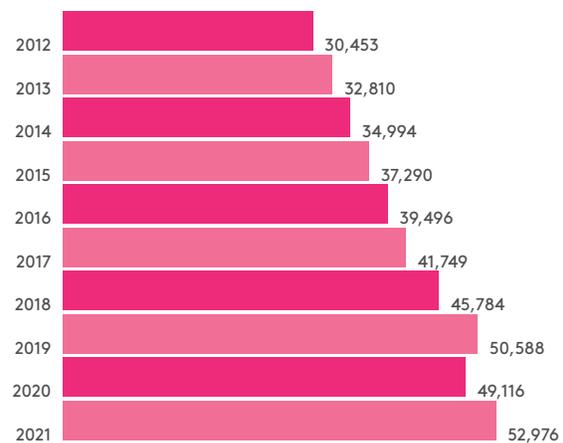
Residences at Rainier Square

One out of every three apartments in Seattle is located downtown.

Residents Return to Downtown Seattle

For the past two decades, downtown’s residential population experienced almost nonstop growth until the COVID-19 pandemic. In 2020, for the first time in at least 20 years, downtown had fewer occupied apartments than in the previous year, losing nearly 1,500 households. During that period, the apartment vacancy rate rose from 5% to 11%, with downtown representing more than 80% of the decline in occupied apartments at year-end in Seattle.

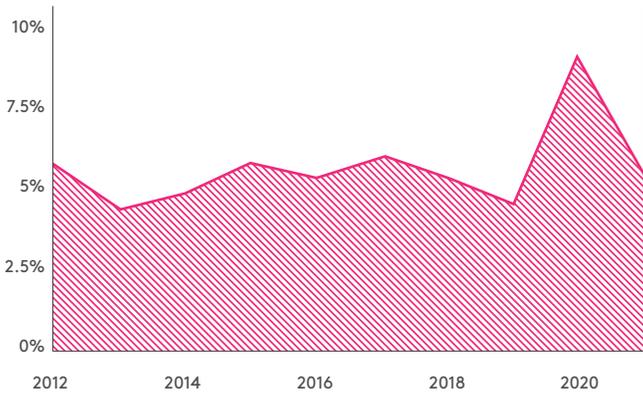
Total Occupied Apartments Downtown Since 2012



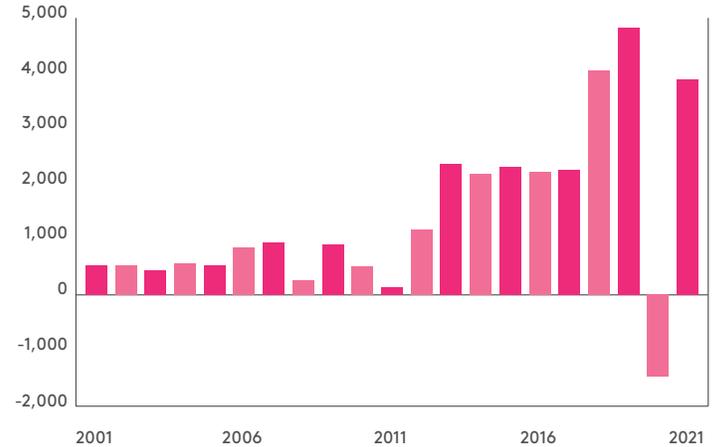
Source: CoStar.com

Downtown Vacancy Rate for Established Apartment Buildings

Stabilized vacancy rate



Annual Change in the Number of Occupied Apartments Downtown



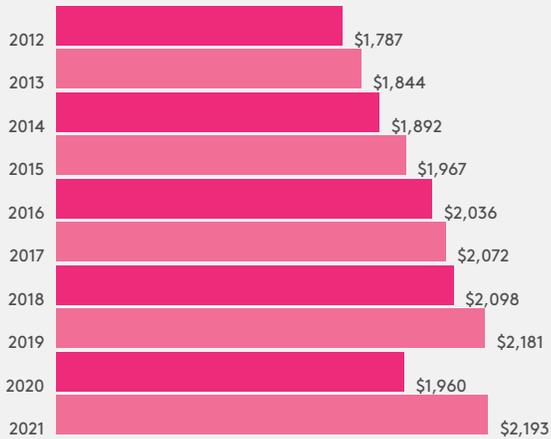
Source: CoStar.com

In 2021, however, downtown Seattle resumed its residential growth trend, proving more resilient than anticipated at the start of the pandemic. In spite of the challenges facing the residential sector, the center city added nearly 4,000 households in 2021 and had a higher number of occupied apartments than in 2019. In fact, downtown represented nearly half of the increase in apartment occupancy within the entire city of Seattle. The apartment vacancy rate, which had climbed to 11%, returned to the pre-pandemic average of approximately 5% following the initial lease-up period.





Market Rent per Downtown Apartment
Average monthly rent per unit



Source: CoStar.com

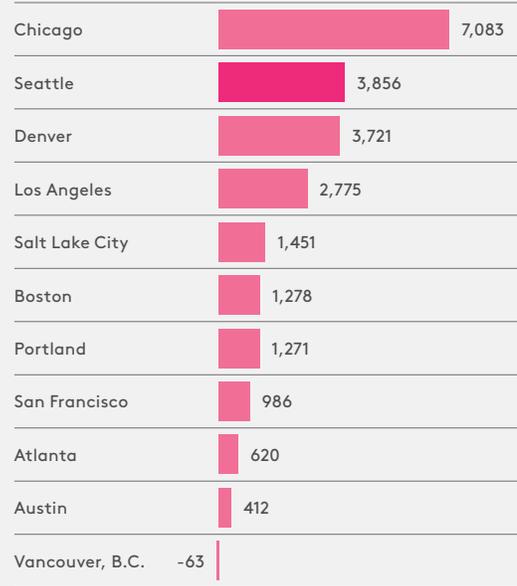
By mid-2021, as demand for apartments grew, rent concessions that had been in place throughout 2020 largely went away. Reflecting this growing demand, by the end of 2021, the market rate per unit downtown had increased slightly over the 2019 period. After the challenging initial year of the pandemic, downtown Seattle residents had returned, helping downtown begin to recover.

Peer Downtown Apartment Markets

The increase in downtown apartment occupancy in 2021 was not isolated to Seattle. Most of our peer downtowns saw double-digit increases and a higher rate of growth in occupied apartment units than their greater metropolitan areas. Downtown Seattle currently ranks second in occupied apartment growth among peer downtowns.

Similarly, all peer downtowns saw rents not only rise, but approach or surpass pre-pandemic levels. This reflects increasing demand across the U.S. for living in an urban environment. Compared to peers, downtown Seattle ranked sixth in average monthly rent per unit. In terms of pandemic recovery, nearly all peer downtowns now have more apartment households than they had in 2019, showing the resiliency of urban centers.

Net Change in Peer Downtown Occupied Units 2020-2021

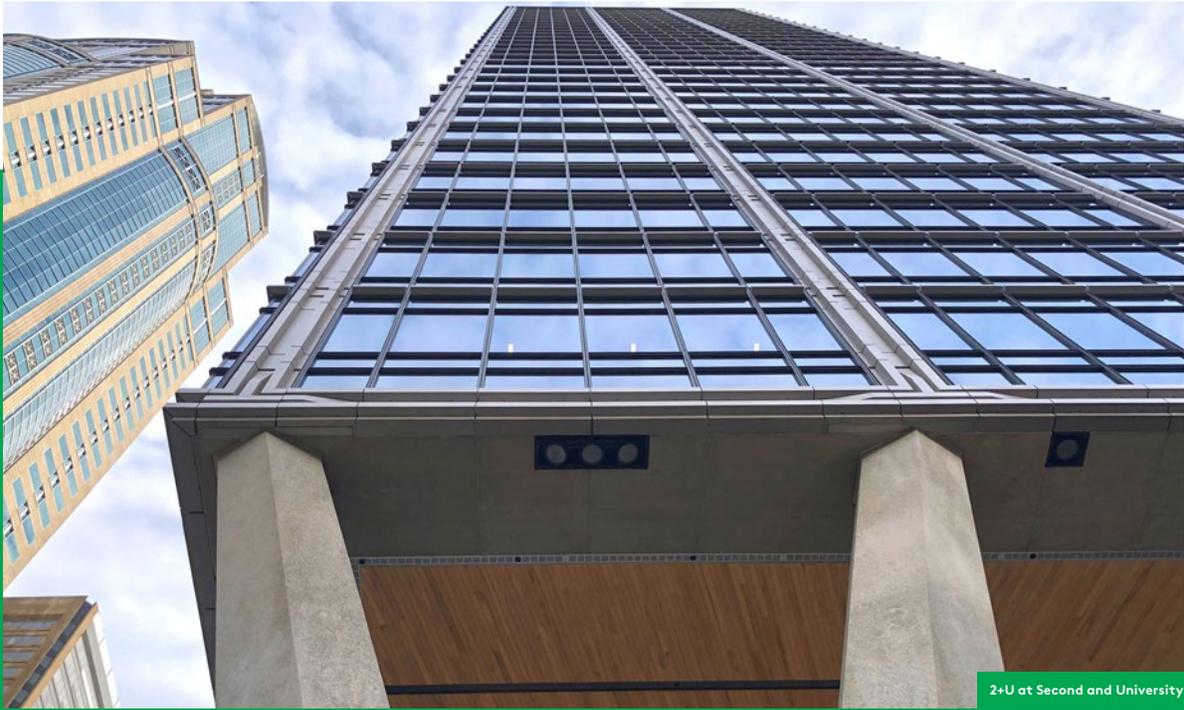


Market Rent per Peer Downtown Apartment Unit 2019-2021

Average monthly rent per unit



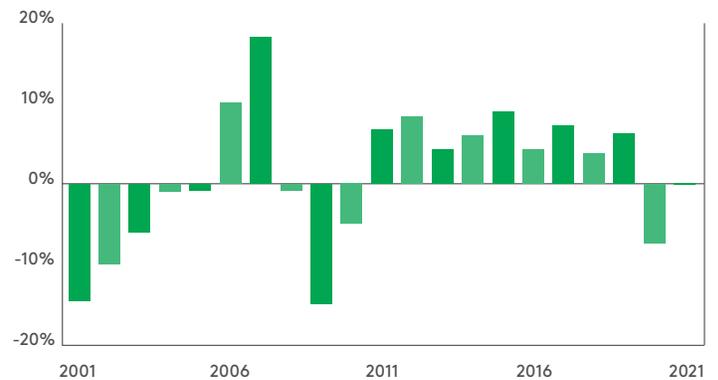
Source: CoStar.com



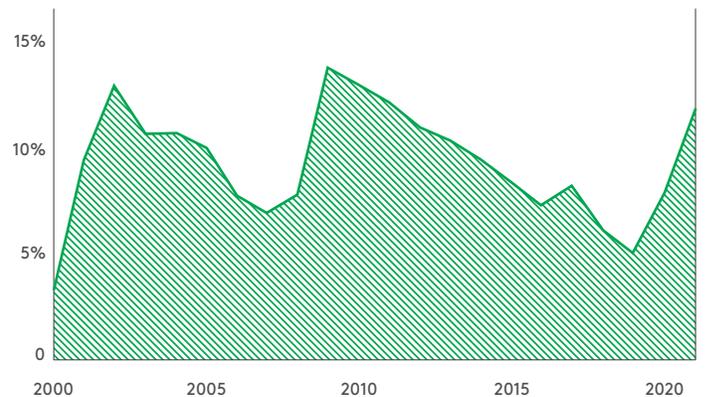
Office Market Performed Better Than Expected, but Uncertainties Remain

While the resurgence of apartment demand is encouraging, office market performance remains mixed. On some metrics, downtown Seattle fared better during the most recent downturn than in the previous two recessions. Office rents did not decline as much as they did in 2002 and 2009, and vacancy rates remained lower than in those prior two periods. Compared to our peers, Seattle's decline in occupied office space was average.

Downtown Office Rent Growth
Year-over-year



Downtown Office Vacancy Rate

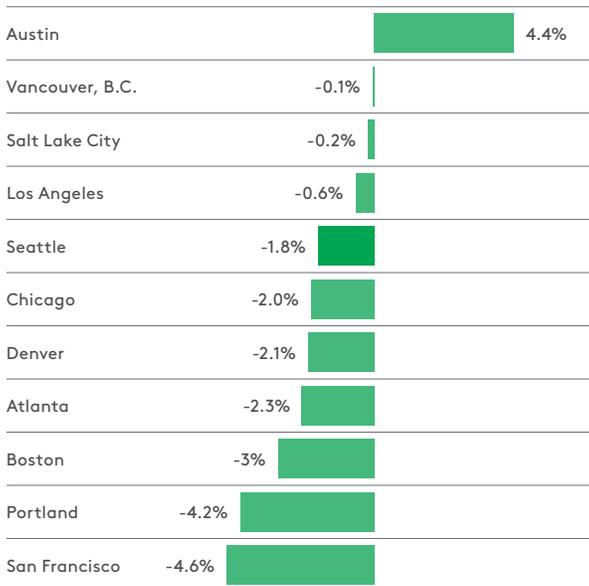


Source: CoStar.com

There are three times more jobs per square mile in Seattle's downtown than in the average metro across the country.

Change in Occupied Office Space

Year-over-year change in occupied square feet among peer downtowns, 2020-2021



As major downtown Seattle-based employers seek to expand in nearby markets and the country continues to experience the impacts of COVID-19, downtown leasing activity remains significantly down.

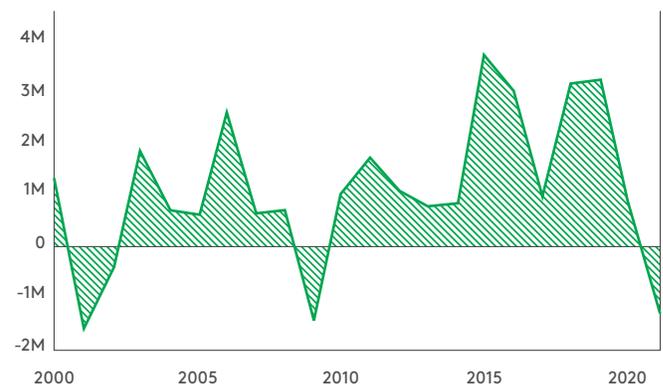
At the start of 2021, worker foot traffic in the office-centric downtown core was only 15% of pre-pandemic levels, but by the end of the year that had doubled to nearly 30%. While there is still a long way to go to return to the worker foot-traffic levels of 2019, a DSA survey conducted in December 2021 offered signs of optimism. According to the survey, more than 70% of responding organizations were planning to have employees spend some time in the office, with the majority anticipating 50-100% of the time in person.

With 81% of Seattle office space located downtown and a transit system concentrated around the center city, downtown will remain an important jobs center.



Net Change in Occupied Office Space Downtown

In millions of square feet



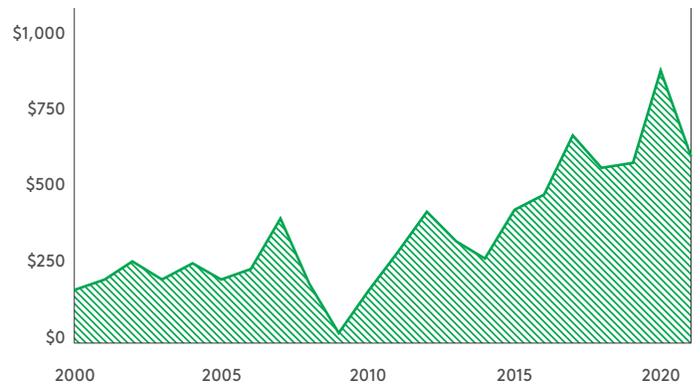


Rooftop of The Net Office Tower on Third Avenue (rendering)

Despite recent setbacks, downtown Seattle continues to see significant investment in office properties, reflecting ongoing confidence in the market. Prices per square foot have consistently trended upward in recent years and continue to perform well above the historic average. In April 2021, the 770,000-square-foot former Macy’s building on Third and Pine sold for \$580 million. The 810,000-square-foot Safeco Plaza on Fourth Avenue sold in July for \$465 million. And in September, Kilroy Realty bought the 28-story West 8th Tower for \$490 million. Additionally, downtown continued to see new office projects delivered in 2021, such as Rainier Square. Despite the pandemic, 2021 saw nearly 2.5 million square feet of office space being delivered.

Throughout the pandemic, sales of biotech properties have also remained strong. Boren Labs in the Denny Triangle sold for \$119 million in April 2021. In July, Alexandria Real Estate sold a 70% stake in the 400 Dexter Building for \$1,255 per square foot – the second-highest price on record for a life sciences building in Seattle. The Puget Sound area ranks third nationally for life science growth, according to real estate research firm Newmark. Related venture capital in the region increased 200% during the past five years and rose 300% year-over-year to reach \$1.1 billion in the first quarter of 2021.

Office Property Sale Price Per Square Foot In downtown Seattle



Source: CoStar.com

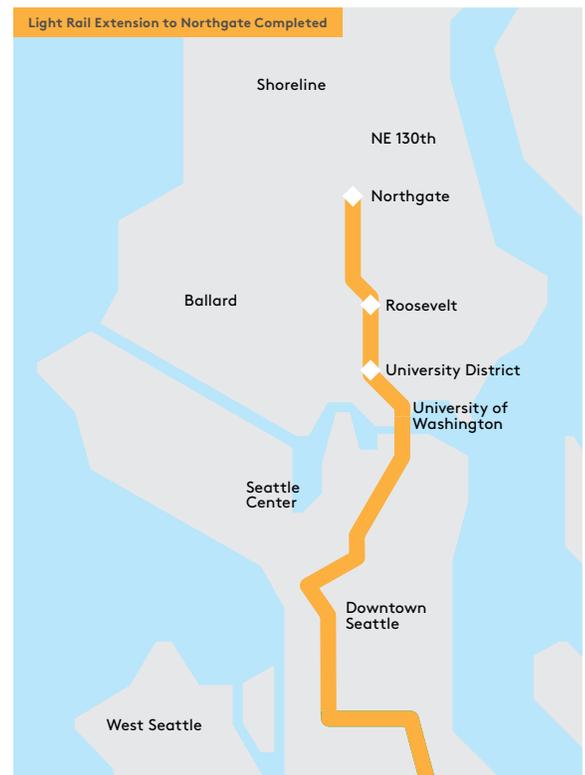


Seattle and the Region Continue To Invest In Transportation Options

Link Light Rail Increases Access to Downtown

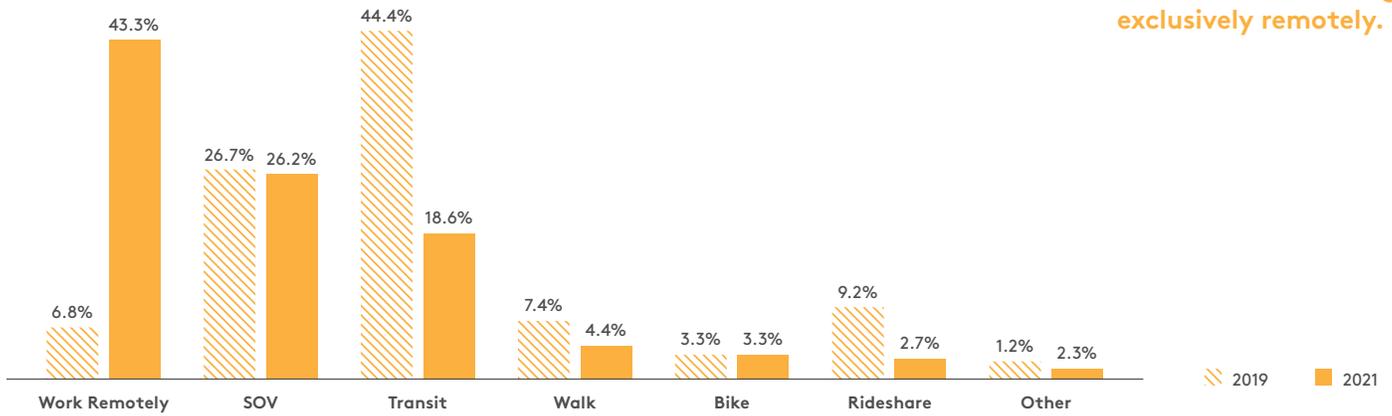
Seattle voters regularly support more transit options at the ballot box. As part of the Sound Transit 2 measure approved in 2008, multiple new light rail stations and lines will be completed in the next few years. Seattle transit investment reached a major milestone in 2021 with the opening of the Northgate Link Extension, connecting Seattle’s University District, Roosevelt and Northgate neighborhoods to downtown. With a 14-minute trip from Northgate to downtown’s Westlake station, and trains coming every eight minutes, this line is projected to carry as many as 49,000 passengers daily in 2022. Now, more people than ever have access to downtown via reliable and efficient light rail.

By 2024, the system will expand to include stations east to Bellevue, north to Lynnwood and south to Federal Way. These lines will add capacity to carry as many as 143,000 passengers daily. Beyond 2024, Sound Transit will continue to deliver additional service to downtown and the region, including a new tunnel downtown with several new stations and connections to Ballard and West Seattle. This expansion was approved by voters in 2016 with the passage of the Sound Transit 3 measure.



Weekday Peak Mode Share

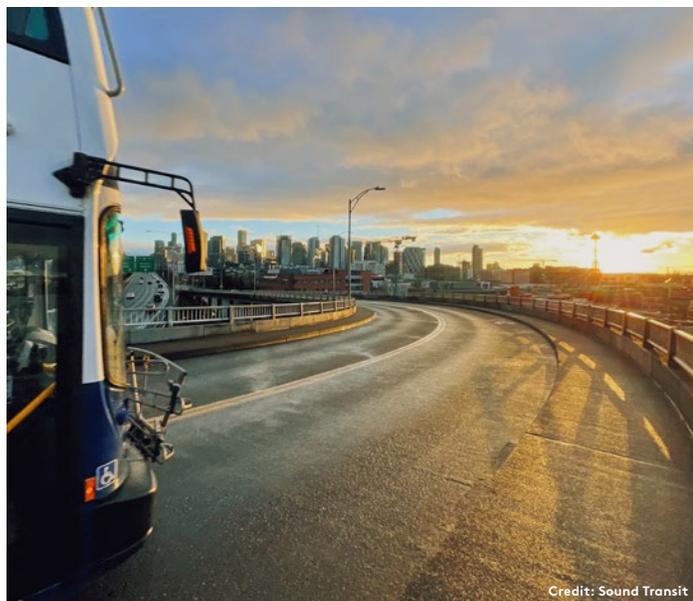
2019–2021 Trend



In 2021, one quarter of typical downtown workers were working exclusively remotely.

Surveying Commuters During the Pandemic

Every two years, DSA-affiliate Commute Seattle conducts a survey of workers' modes of commuting. Despite the pandemic, Commute Seattle and EMC Research were able to field the survey in 2021 and provide insight into how the pandemic disrupted commute patterns and plans going forward. The survey found that more than 40% of downtown-based employees were working remotely in 2021—a 36-point increase from 2019. Of those who did commute into downtown, one quarter of trips were drive-alone, while nearly one in five were on public transit.



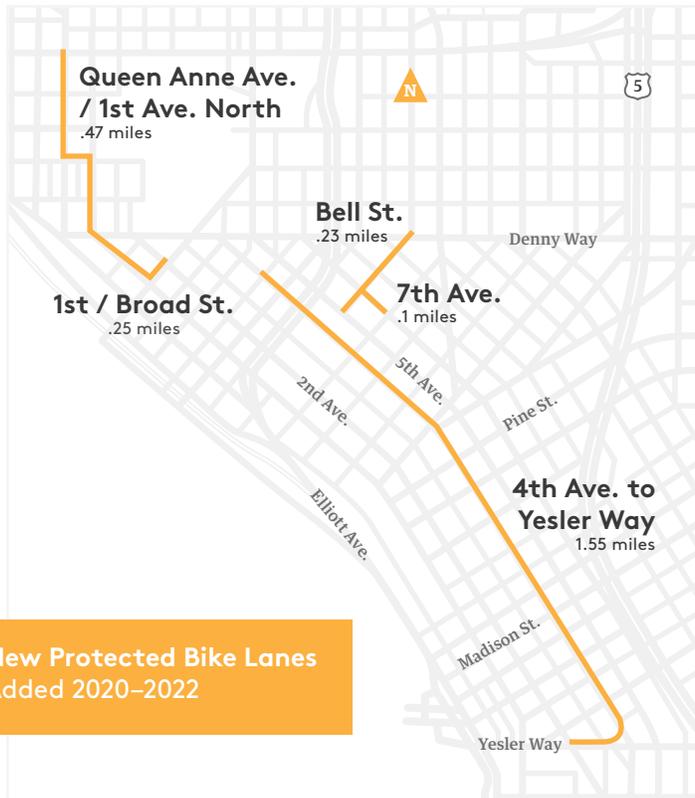
Credit: Sound Transit

Commuting Changes During the Pandemic

The COVID-19 pandemic upended many aspects of our daily lives. According to an October 2021 survey by DSA affiliate Commute Seattle and EMC Research, more than two in five downtown-based employees have switched to remote work since 2019. Interestingly, despite the pandemic, the share of single-occupancy vehicle commutes barely changed, staying around 25% of all commutes. Public transit experienced the largest decline in usage, dropping 26 points from being 45% of all commute modes in 2019 to 19% in 2021.

Survey findings also indicate that the majority of workers still plan to use public transit once the pandemic is no longer a serious threat. A different DSA survey conducted in December 2021 found a similar sentiment. However, the need for improved transit safety and reliability is a major concern for employers and workers in determining when people return to their workplaces.

The ability to shift to remote work was a powerful tool for some sectors during the pandemic, allowing for continued economic activity while supporting public health goals. However, there has been a cost to small businesses, the service industry and the downtown community as a whole. As pandemic outcomes improve, commuters' use of public transit will be key to downtown's long-term vitality, equity and sustainability.



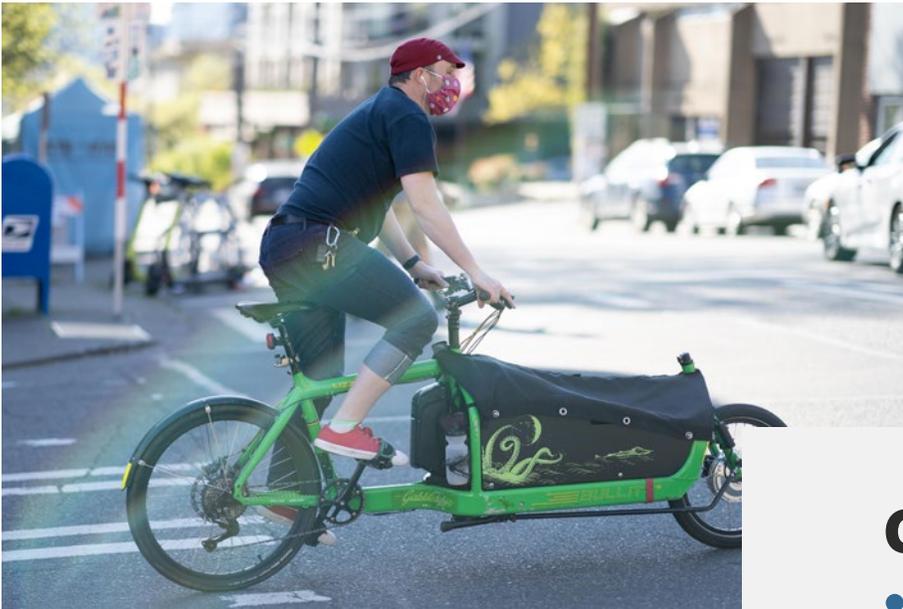
**New Protected Bike Lanes
Added 2020–2022**

A Growing Variety of Transportation Options

Having a variety of safe, reliable ways to travel to and throughout downtown is key to Seattle’s and the region’s success. Despite the pandemic’s impact, long-term trends favor high transit usage. However, we must also allow for safe walking and biking for those closer to the urban core. Since the start of 2020, downtown Seattle’s biking network has added nearly seven miles of protected bike lanes, including paths along Fourth Avenue, Bell Street and 12th Avenue South.

For those connecting to downtown by ferry, the past year also brought improvements, including a third fast-ferry route from Kitsap Transit. This 26-minute trip between Southworth and downtown will save hundreds of people two hours round trip. Now passengers from Kitsap County can walk onto a boat in Kingston, Winslow, Bremerton or Southworth and walk off in downtown Seattle. Additionally, the King County water taxi and new bike and bus amenities on and near the waterfront have been key in helping to mitigate the closure of the West Seattle Bridge.





Commute Seattle

Help your business get ready for the future of commuting. DSA partner Commute Seattle provides free consultations and resources to businesses on topics including transportation benefits, telework policies, carpool and vanpool programs and supporting active commutes. Visit commuteseattle.com to learn more and connect with a transportation specialist to learn how you can help your employees come downtown.

To facilitate walking and biking options, downtown now has:



5

miles of shared-use paths and greenways



13

miles of sharrows



20

miles of separated bike lanes



195

miles of sidewalks

Note that these measurements are based on length (features may have varying widths, which are not accounted for here).

Source: SDOT





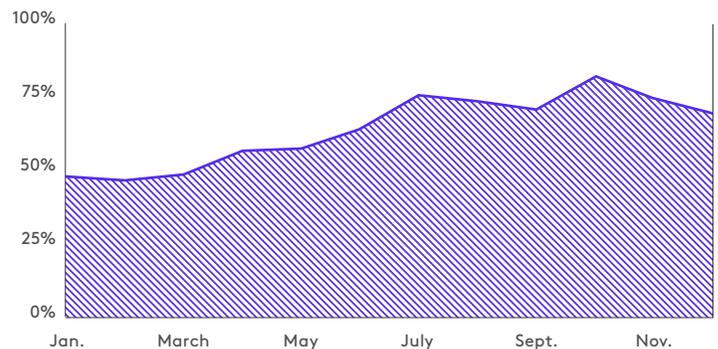
Key Downtown Sectors Face Challenges and Opportunities

Dining and Retail Recovery

The emergence of a global pandemic brought both challenges and opportunities for downtown Seattle. From restaurateurs to retailers, the continued impacts of COVID-19 made 2021 another challenging year for street-level businesses downtown. In 2021, more than 250 ground-floor business locations throughout the center city permanently closed. Dining establishments were particularly hard hit, representing more than 40% of the street-level closures, while retail stores represented about one fifth. At one point early in the pandemic, retail and worker foot traffic were both less than 20% of 2019 levels. However, with the distribution of vaccines and improving health metrics, foot traffic began to return slowly.

Retail Foot Traffic Recovery

2021 traffic at downtown retail stores compared to 2019 baseline



Source: Placer.ai. Retail foot-traffic recovery measures visits to most of the nation's retail chains in 2021 compared to an equivalent timeframe in 2019.



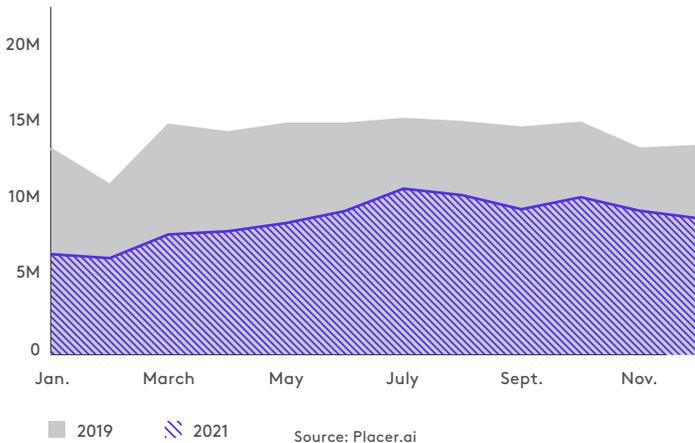
Credit: Rickey Moody

In anticipation of workers and visitors returning, new businesses began to emerge throughout the year. By fall 2021, retail foot traffic in downtown Seattle grew, rising to more than 80% of 2019 levels in fall 2021 – a big increase from early pandemic lows. Additionally, 164 new ground-floor businesses opened, twice the pace seen in 2020. More than 40% were restaurants, with Uptown and Capitol Hill leading the way in new street-level restaurants.

The core of downtown also added exciting new dining options in 2021, including Ethan Stowell's Victor Tavern near Amazon headquarters, Bourbon Steak on Fourth Avenue and Tidal+ in the Denny Triangle. In early 2022, the newest PCC Community Market opened at the base of the new Rainier Square, which rises 850 feet above downtown on Fourth Avenue.

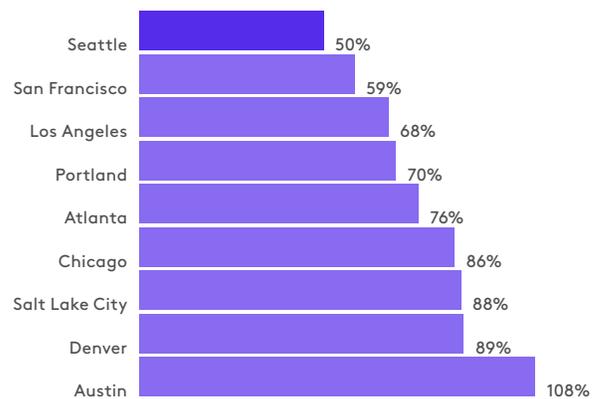
Citywide, Seattle has recovered 91% of pre-pandemic retail foot traffic. However, certain downtown ZIP codes such as 98101 remain at only 50% of pre-pandemic levels due in part to the delay in returning to in-person work. Among peer downtowns, the urban core of Seattle lags in retail foot-traffic recovery, but at the start of 2022 there is growing optimism.

Total Monthly Foot Traffic



Percent Retail Foot Traffic Recovery Among Peer Downtowns

Most central ZIP code—percent recovered compared to 2019 baseline as of December 2021



Source: Placer.ai. Retail foot traffic was compared between each peer downtown's primary central business district ZIP code.



Café Streets Program

The pandemic changed the way we do a lot of things, but one positive enhancement was the city of Seattle's Café Streets Program, which allows restaurants and retailers to expand onto streets for outdoor dining or displays. Recently, the Café Streets Program was extended through January 2023.

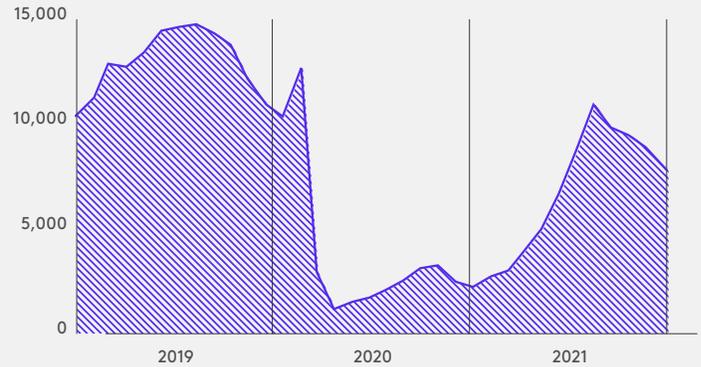


Hotel Recovery

In addition to retail and dining, the hospitality sector downtown was also hard hit at the outset of the pandemic, as business and leisure travel suddenly plummeted. However, in spring 2021, with the onset of mass vaccination efforts, visitors started to return to the heart of the city. Prior to the arrival of the delta variant, summer 2021 saw a large increase in out-of-town visitors. Hotel occupancy increased rapidly and attractions like Pike Place Market saw increased visitor foot traffic. Compared to peer downtowns, Seattle was in the top four at about 80% recovered. While the delta and omicron variants tempered tourist traffic, downtown hotels finished the year at about 60% of 2019 levels.

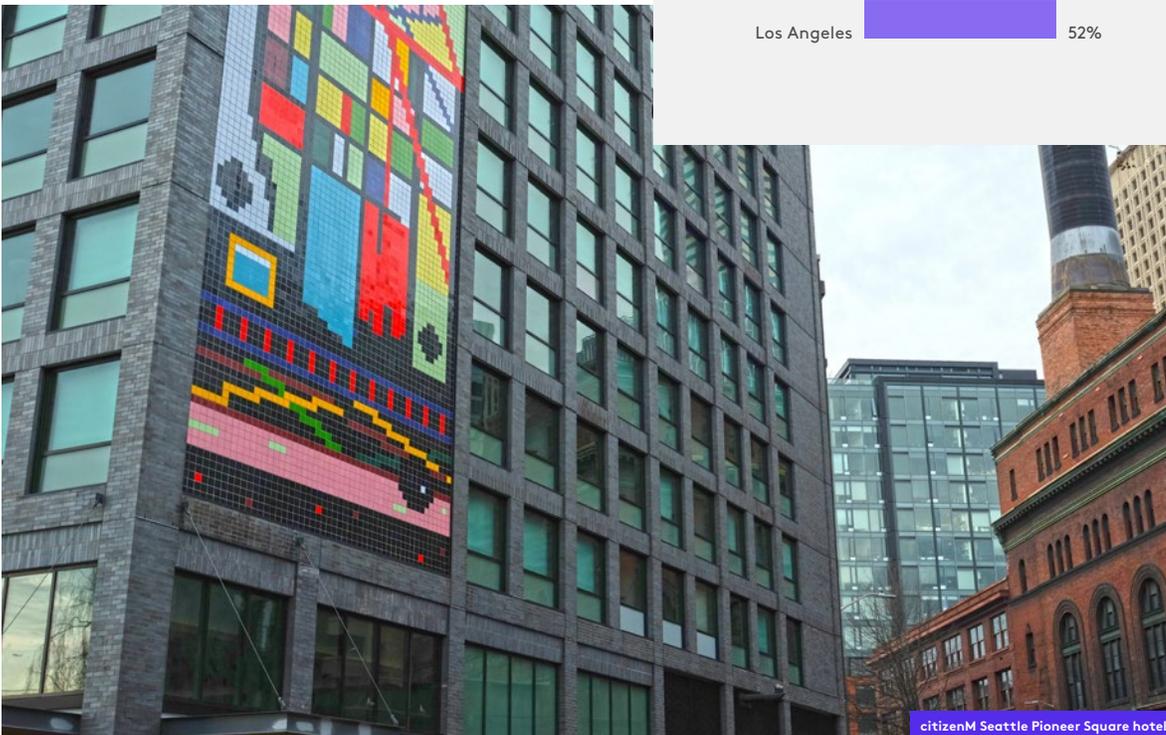
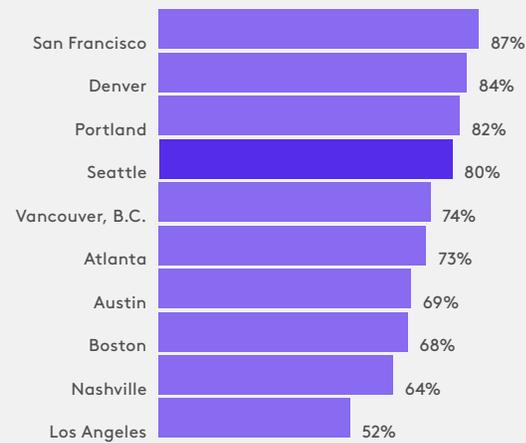
After two very challenging years, there are signs of optimism for Seattle's hospitality and tourism growth. In 2022, the Port of Seattle is anticipating 296 cruise ship sailings carrying an estimated 1.26 million passengers to Alaska. This represents a record number of sailings and passengers. Additionally, a growing number of conventions booked at the Washington State Convention Center will bring tens of thousands of visitors in 2022 and 2023, and several new hotels are set to open, including the Astra Hotel Seattle and Level Seattle in South Lake Union, as well as citizenM in Pioneer Square.

Average Daily Hotel Rooms Occupied Downtown Seattle



Source: STR, Visit Seattle

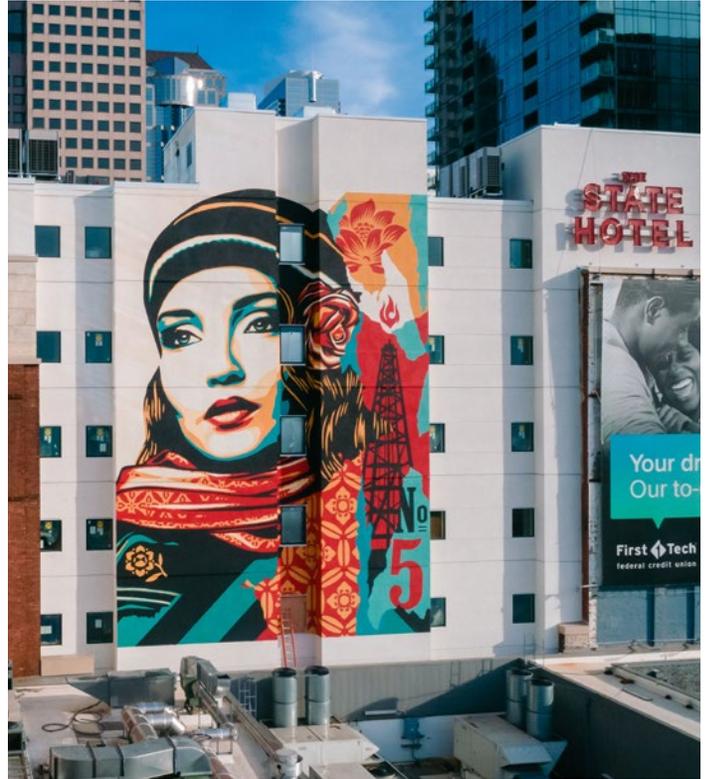
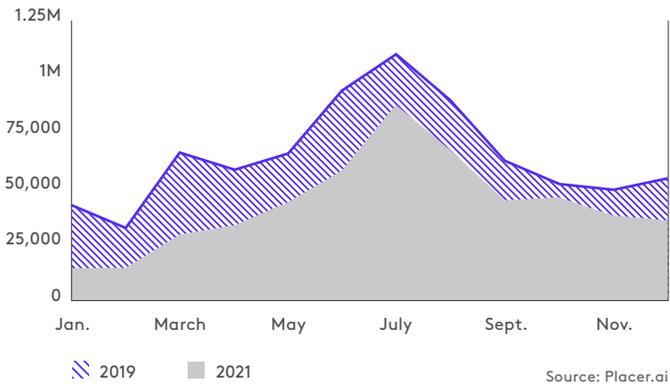
Hotel Recovery — Peer Downtowns Occupancy Rates in July 2021 compared to July 2019



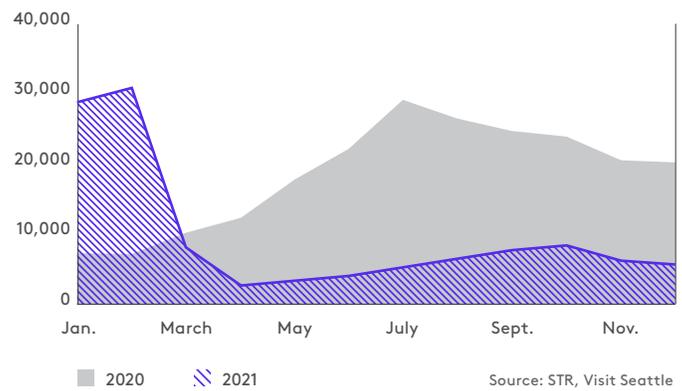
citizenM Seattle Pioneer Square hotel

Pike Place Market received more than 2.2 million visits in summer 2021, four times as many as in 2020.

Monthly Pike Place Market Visits
2021 visits compared to 2019



Monthly Hotel Room Demand
2020-2021





Unique Offerings Draw Locals and Tourists Downtown

Downtown Seattle is a place for experiences you can't get anywhere else. It is the vibrant center of our area's arts and culture scene and the regional hub for conventions, cruises and hospitality. Downtown is home to the area's major professional sports teams, entertainment venues and world-renowned destinations. These attractions and organizations were hit hard by pandemic travel restrictions and social-distancing protocols.

Thanks to the perseverance of local businesses and nonprofits, and downtown's unparalleled natural beauty, we are welcoming the return of locals and visitors to our urban core. In 2021, downtown had 8.3 million unique visitors – a strong improvement over 2020 and approaching three-quarters of 2019's visitor total.





Return of in-person Events

Downtown is unique compared to our peers, boasting three major sports venues: T-Mobile Park, Lumen Field and the new Climate Pledge Arena, home to the Seattle Kraken and the Seattle Storm. In 2021, it was announced that downtown Seattle will host the 2023 MLB All-Star Game at T-Mobile Park. Based on data from the past decade, the All-Star game is expected to bring an economic impact of more than \$80 million to Seattle.



Credit: Seattle Kraken

Things You Can't Get Anywhere Else

Downtown is home to one-third of the city's cultural spaces, including:



stage and theater seats



art galleries and visual arts spaces



performing arts spaces



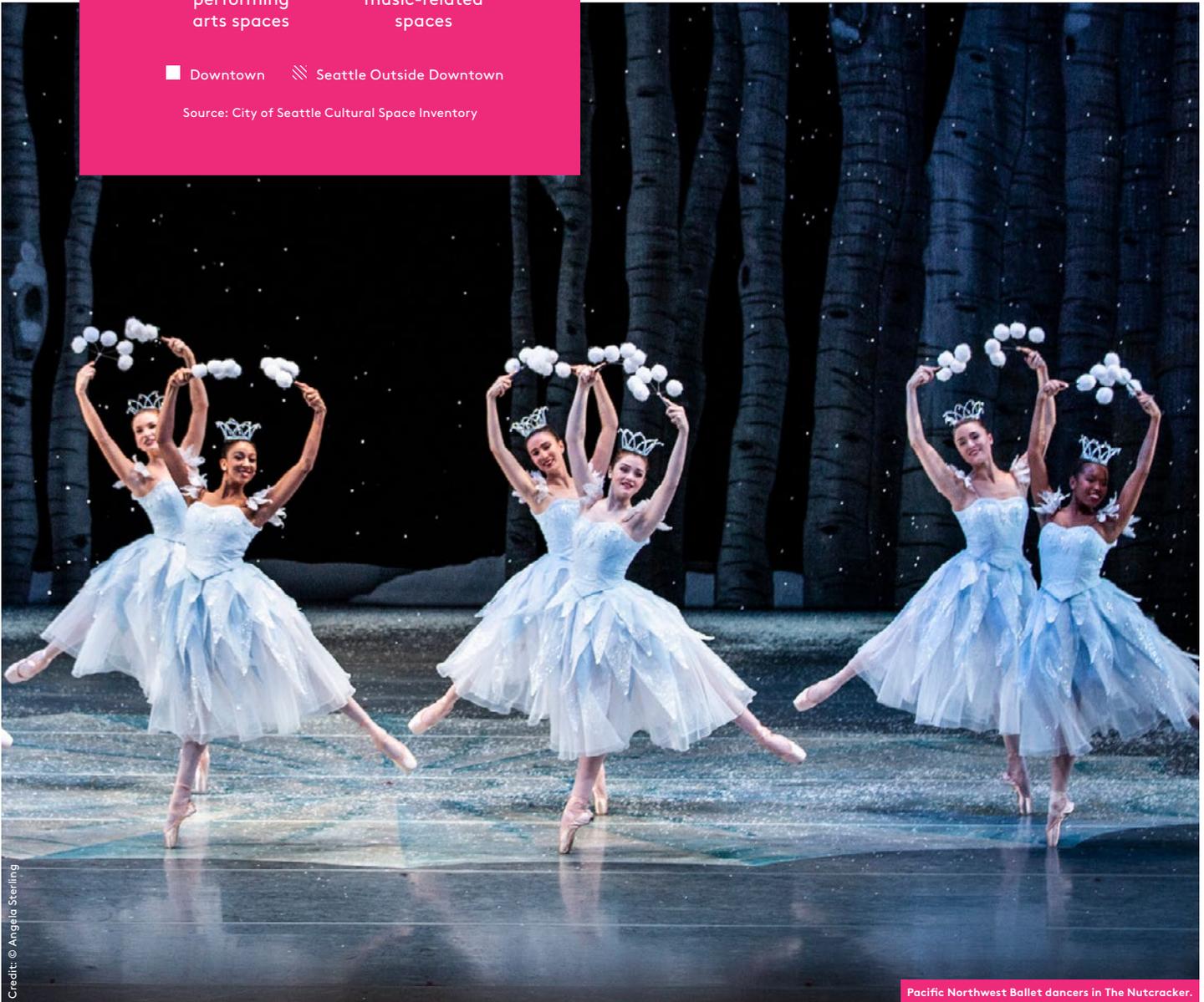
music-related spaces

■ Downtown ▨ Seattle Outside Downtown

Source: City of Seattle Cultural Space Inventory

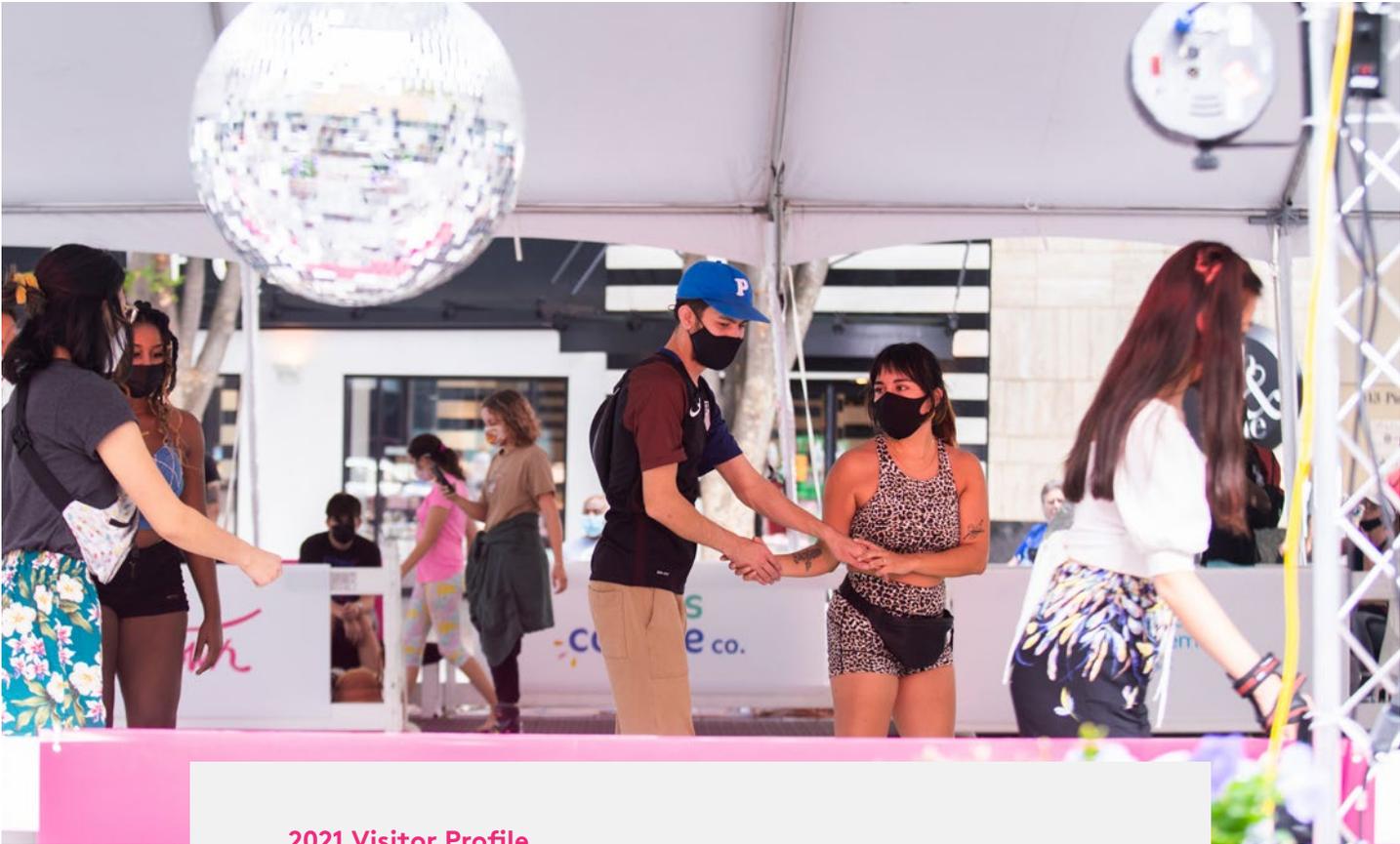
In addition to sports and entertainment, downtown's vibrant arts and culture scene returned to center stage in 2021. The Seattle Symphony performed at Benaroya Hall, and McCaw Hall hosted 37 in-person performances of Pacific Northwest Ballet's *The Nutcracker*. As 2022 begins, downtown is set for even more excitement as The 5th Avenue Theatre, ACT Theatre and other arts organizations kick off new seasons.

DSA research conducted in fall 2021 indicates that a growing number of regional visitors are looking for arts and cultural activities and special events to draw them back downtown. As more venues reopen, visitors have a growing number of reasons to return to the center city.

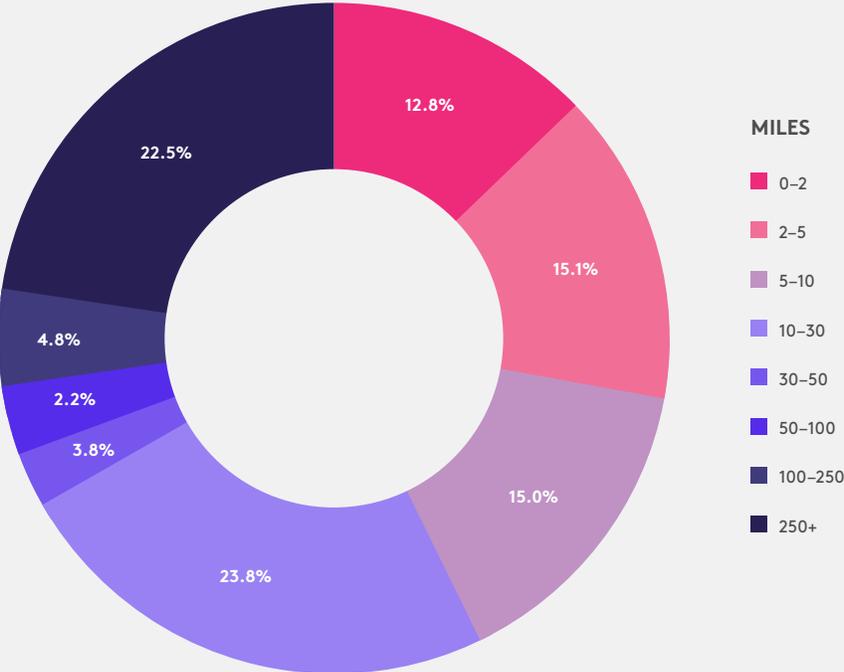


Credit: © Angelo Stealing

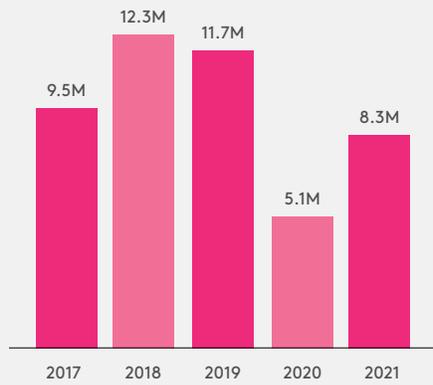
Pacific Northwest Ballet dancers in *The Nutcracker*.



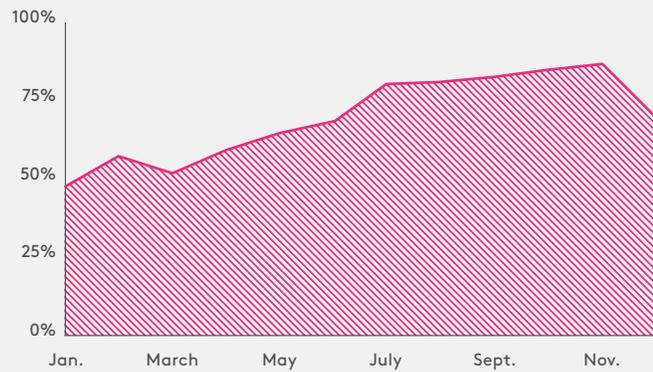
2021 Visitor Profile
Distance traveled to visit downtown



Unique Domestic Visitors
Downtown Seattle



Downtown Domestic Visitor Foot Traffic in 2021
Percent recovered compared to 2019



Source: Placer.ai. Visitor foot traffic includes those who do not live or work downtown. It does not include international visitors.



82 cruise sailings to Alaska,
carrying 176,000 passengers
in summer 2021



Credit: Port of Seattle

Arts and Entertainment Recovery Milestones

2021

47,600

participants at the Washington State Convention Center's first large convention since the start of the pandemic

17,151

fans attended the inaugural Seattle Kraken home game at Climate Pledge Arena

≈5.2M

visitors came to the Pike Place Market

20,000

visitors stopped by a DSA Welcome Back Booth in July and September

2.3M

hotel room nights were booked

100+

Downtown Summer Sounds concerts

2022

296

cruises to Alaska expected, carrying 1.26 million passengers

25

conventions booked for 2022*

997

in-person arts and culture performances scheduled for 2022**

*Estimated as of February 2022.

**Currently scheduled performances as of February 2022 for ACT Theatre, Pacific Northwest Ballet, Paramount, Seattle Children's Theatre, Seattle Rep and The 5th Avenue Theatre.

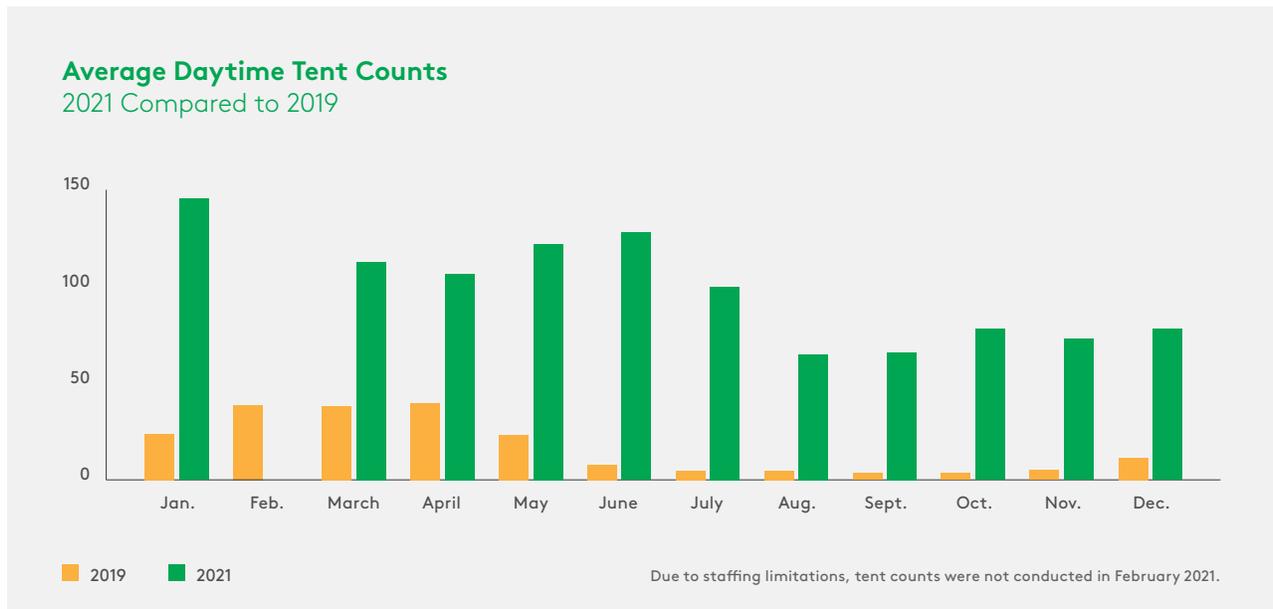
Chronic Homelessness Remains a Crisis for Downtown and the Region

Our ability to sustain recovery is critically linked to the urgent need to address homelessness downtown. The current realities – and the impacts on small businesses, workers, residents and individuals in need – are the principle threat to downtown’s renewal.

Seattle and King County have long struggled with supporting the needs of a growing unhoused population. In 2015, the city and county declared a state of emergency, calling for all city residents to have access to shelter. In 2019, King County Executive Dow Constantine and Seattle Mayor Jenny Durkan signed an interlocal agreement creating a King County Regional Homelessness Authority to oversee a coordinated and unified regional response to the crisis. Despite those and other efforts undertaken by

local government and service providers, the number of unhoused people in our community has continued to grow.

The crisis has only been made worse by the pandemic. As shelters implemented increased spacing requirements and COVID-19 outbreaks spread fear of accepting referrals, the number of people living outside throughout downtown’s neighborhoods grew significantly. At one point, there was a 912% increase in tents outside during the day – from an average of 16 per day before the pandemic to a high of 146 in January 2021. While the average number of tents downtown has decreased somewhat since then, the figure remains alarmingly high and well above the pre-pandemic average.



≈20,000

households access the King County homeless response system each year.

Source: King County Department of Community and Human Services

≈50%

of those included in the last Point-in-Time Count (2020) were sleeping outside, despite the count being conducted during the coldest month of the year.

Source: All Home King County

90%

of those living in encampments have been experiencing homelessness for more than a year.

Source: REACH, Public Defender Association



Over the past year and a half, some investment has been made toward addressing this crisis, including King County’s purchase of several hotels for transitional housing and continued investments by the city of Seattle to expand shelter capacity options and create more affordable housing. Likewise, we are moving toward a more comprehensive, coordinated and unified regional response with the formation of the King County Regional Homelessness Authority. Still, we have a long way to go.

Any sustainable solution to this humanitarian crisis must recognize the impacts of homelessness on all communities across our region while also focusing concentrated efforts on those areas where the crisis is most acute. This includes downtown Seattle, where roughly 800 people are living unsheltered each day.

DSA will continue to work with the KCRHA, stakeholders and local, regional and state government leaders to support and implement a plan that meaningfully addresses homelessness in our urban core.

PARTNERSHIP FOR ZERO PROGRAM

In February 2022, public and private funders launched the Partnership for Zero, a pilot program aimed at dramatically reducing the number of unsheltered individuals in concentrated areas around the region, starting in downtown Seattle. The partnership brings together the resources of the King County Regional Homelessness Authority, the city of Seattle, King County and We Are In, a coalition of philanthropies, businesses, service providers, advocates and both housed and unhoused King County residents. The Partnership for Zero action plan is led and implemented by the KCRHA, which expects to achieve a significant reduction in downtown homelessness within one year’s time.

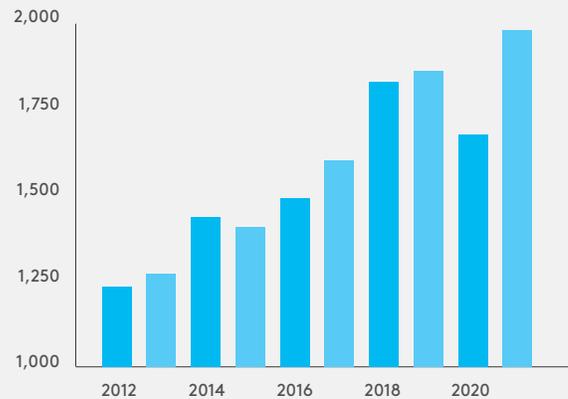
Public Safety Is Essential to Downtown Recovery

For downtown to be healthy and vibrant, it must be inclusive, meaning that everyone feels safe and welcome. Feeling safe in public spaces is essential to a sense of belonging. Important conversations are underway about the need to balance appropriate police services and the need to reduce force against Black and Indigenous people and other people of color in our community. All people must be treated with dignity and respect. At the same time, we need a level of police service that ensures an appropriate response to emergencies. We support a responsible approach to reimagining public safety that protects the human rights of every person while ensuring downtown is vibrant, safe and positioned to rapidly recover.

The ability to sustain downtown's recovery is critically linked to the urgent need to address public safety. Since 2012, incidents of violent crime have increased by 60%. In the past year, violent crime has grown by 18%, primarily due to a large increase in the number of aggravated assaults. Similarly, property crime increased by 35% compared to 2020. Violent crime has been nearly double 2017's rate in the past two years. In 2021, there were 82 incidents of arson downtown compared to six reported incidents in 2012. Similarly, motor vehicle thefts increased by 35%, going from 681 in 2020 to 920 in 2021.

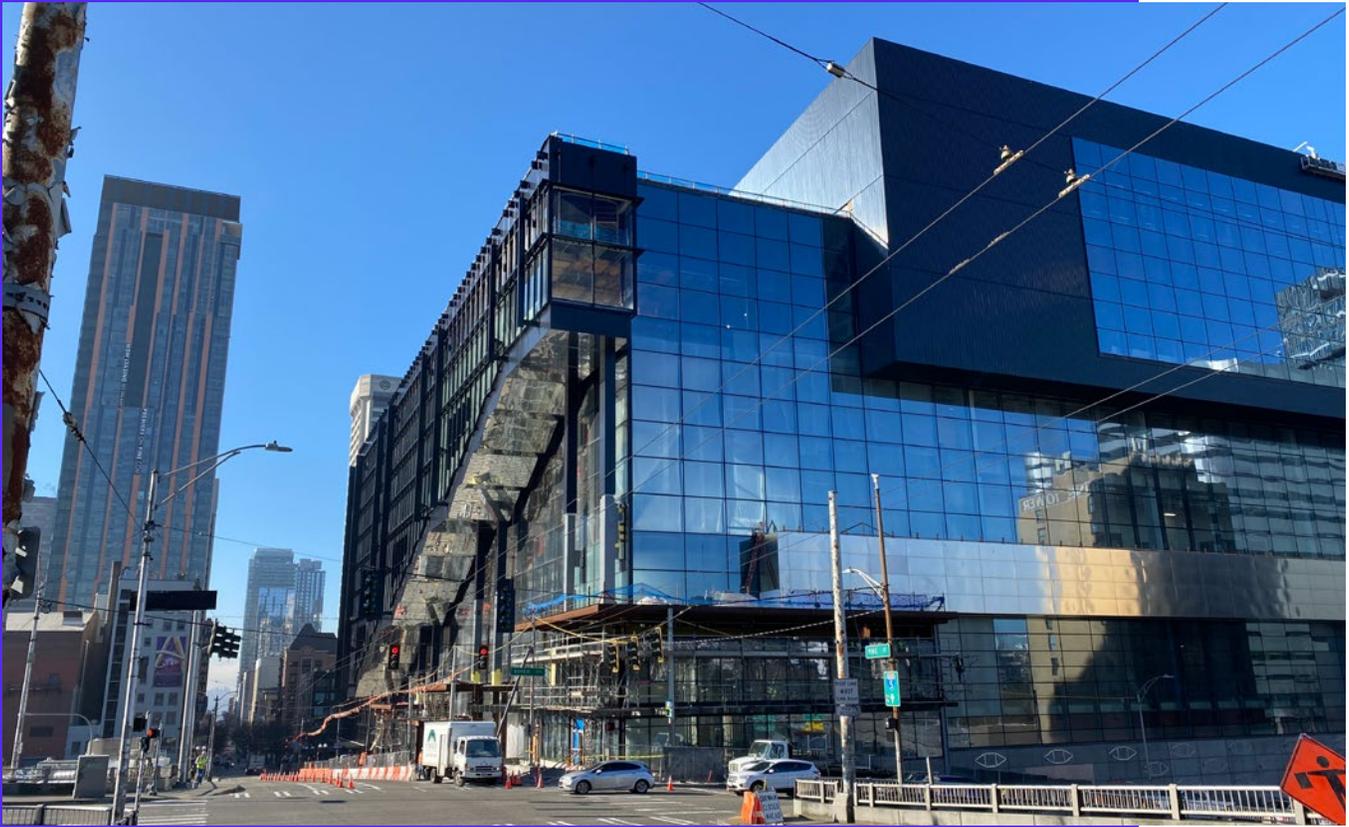
In a recent DSA survey, only 24% of visitors said they feel safe downtown during the day, and just 14% said they feel safe at night. Creating a safe and welcoming environment is critical as the pandemic eases and more downtown employers bring their workers back into the office.

Incidents of Violent Crime Downtown
2012-2021



Source: Seattle Police Department SeaStat crime data. Downtown police beats analyzed were D1-3, E1-3, K1-3, M1-3, G1 and O1. Violent crimes, as reported by SPD, are homicide, rape, robbery and aggravated assault.



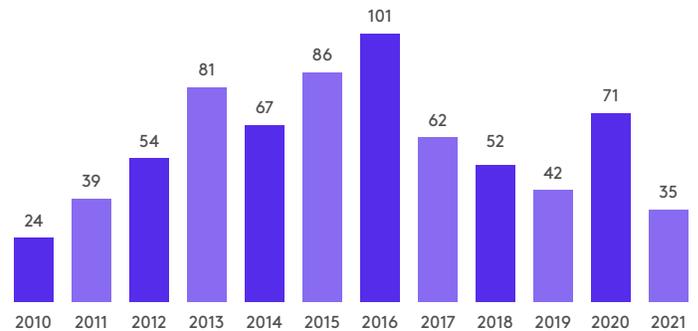


Downtown Is a Hub of Regional Development and Investment

In conjunction with the State of Downtown, DSA publishes a development guide each year to summarize investment and construction activity taking place downtown. These statistics convey optimism and confidence in the future of the downtown economy.

Since 2010, more than 28,000 new apartment units, 4,200 hotel rooms and 17.5 million square feet of office space have been built downtown. And the center city continues to grow. Within downtown, current development activity represents more than 54% of the residential units and 64% of new office square footage under construction in Seattle. Looking forward, projects being proposed show continued optimism for downtown Seattle’s office, hospitality and residential markets, including more than 14,000 residential units, 1,600 hotel rooms and 5.3 million square feet of proposed office space.

Permit Applications for New Buildings
Downtown Seattle



Source: data.seattle.gov

DOWNTOWN DEVELOPMENT SNAPSHOT



residential units



hotel rooms



square feet of office space

As of December 2021, 44 projects were in final planning or under construction, including:

8,341

1,148

1.1M

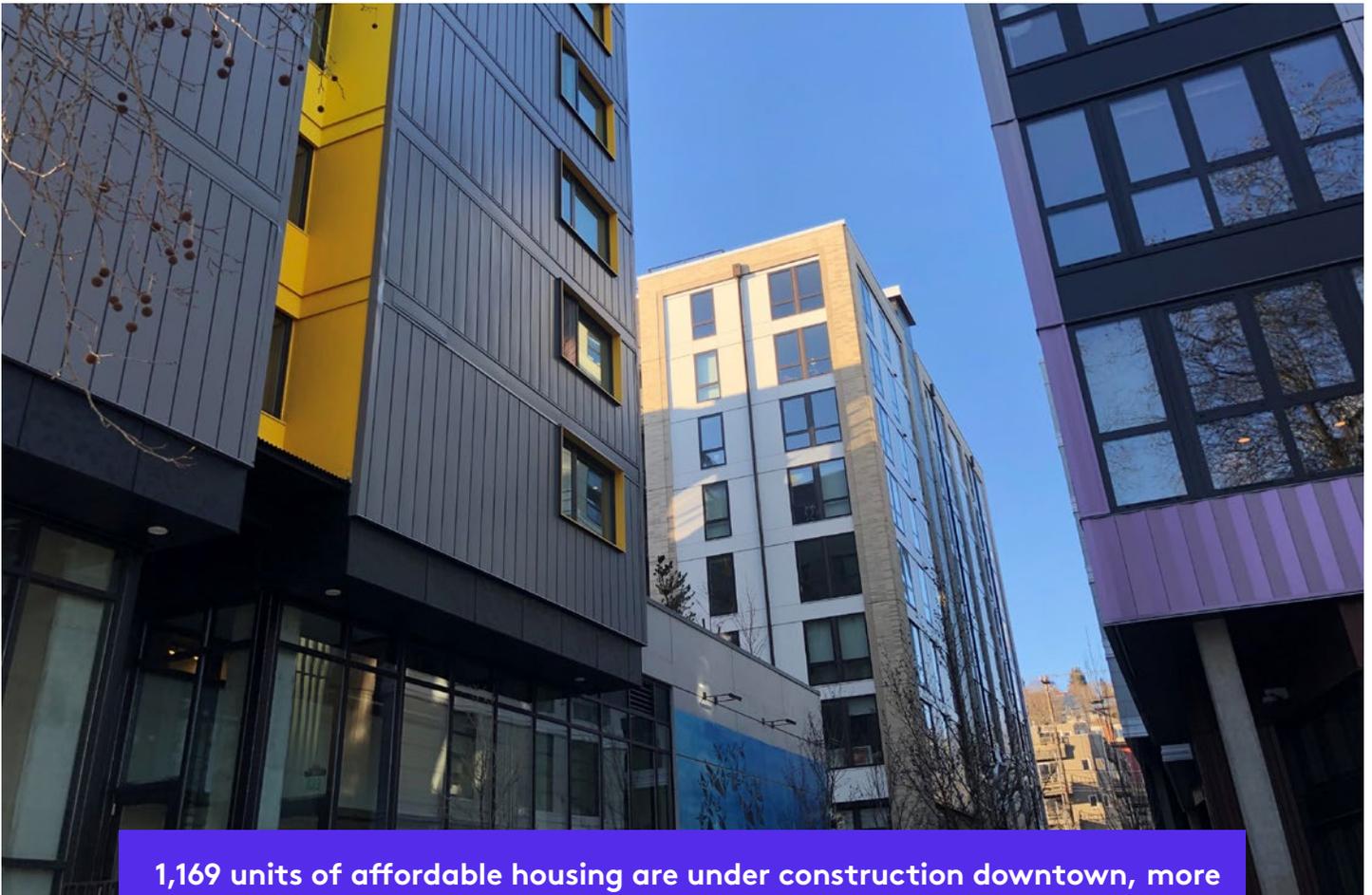
Proposed Projects 2022–2024

14,191

1,683

4.6M

Sources: data.seattle.gov and CoStar



1,169 units of affordable housing are under construction downtown, more than 35% of Seattle's total affordable housing construction inventory.

For the most up-to-date listings, please visit:
downtownseattle.org/development

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