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CURR RE

Housing Market Feels the Effects

The development of Seattle's tech industry fueled a soaring real-estate market, starting in 2012 and lasting through the pandemic. That is shifting.

The average number of days a home spends on the market in King County has doubled since 2022, and the number of homes for sale in August was up 31% from a year earlier, according to Northwest Multiple Listing Service. The total number of sales and the median sale price have been relatively flat.

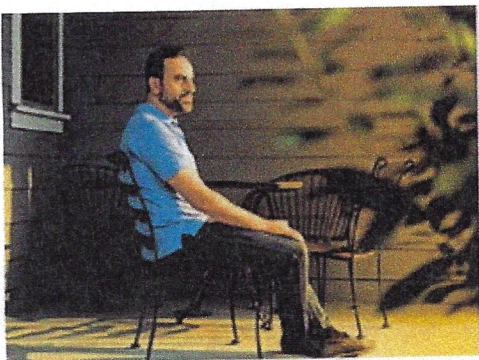
"Everyone is sitting tight and hunkering down," said Jeff Tucker, principal economist for Windermere Real Estate in Seattle.

Chrissy Roberts, an agent for Realogics Sotheby's International Realty in Kirkland, said she has tech industry clients who are selling their homes because they are worried conditions will only get worse.

"They don't want it to sit on the market," she said.



Five Stones Coffee Co. in Redmond, Wash., has seen an increase in technology professionals applying for minimum-wage barista jobs. IAN ALLEN FOR WSJ (2)



Raed Jarrar was laid off by Microsoft in May.

Seattle Struggles With a Loss of Tech Jobs

BY SEBASTIAN HERRERA AND NANCY KEATES

SEATTLE—Hannah Andrews, a manager at Five Stones Coffee Co. in Redmond, Wash., is used to seeing tech workers in her store just off **Microsoft's** main campus. But a few months ago, she started to notice a new phenomenon: People who listed Microsoft and other tech companies on their résumés were applying to become baristas.

The applicants typically had master's degrees and experience in graphic design or marketing roles, Andrews said—sometimes senior ones. They were applying to jobs at Five Stones that would pay Redmond's minimum wage, \$16.66 an hour. Five Stones hasn't yet hired such candidates because the coffee shop gives priority to more traditional entry-level baristas, like high-schoolers.

"They were overqualified," Andrews said.

Once known mainly as the birthplace of Starbucks, Boeing and grunge music, the Seattle metro area has undergone an accelerating transformation as the growth of first Microsoft, then **Amazon.com** made it into a premier U.S. tech hub. Stockrich tech workers bought nice homes, driving up values and tax revenues. Veterans of the two companies launched their own startups, attracting venture capitalists, and small businesses cropped up to serve the burgeoning tier of upwardly mobile techies. Tech giants including Google and Apple opened Seattle offices.

Now, that virtuous circle is wobbling. Led by Amazon and Microsoft, companies across Seattle have undergone round after round of layoffs in recent years, shedding tens of thousands of employees. Amazon recorded its first-ever year-over-year drop in Washington state employment in 2024. Microsoft has added only 3,000 employees in the U.S. since 2022, even though its market capitalization has roughly doubled over that period.

Between them, the two companies have laid off more than 46,000 employees since 2023, according to Layoffs.fyi. That represents 85% of layoffs by Seattle- area tech companies.

The pullback in tech employment is being felt throughout Seattle's economy. Retail and restaurant spending is down in popular areas. Commercial real-estate vacancies stand at a record high. Home prices are flat, and home sales are stagnant.

"For a long time, we were just booming," said Kelly Fukai, who recently served as chief executive at the Washington Technology Industry Association. "The state was booming. Seattle was booming. That was not always going to continue. When it turned, it was a pretty significant hit."

Seattle isn't the only city where tech companies have moved from hiring to trimming. What sets it apart is the degree to which the local economy rests on two players.

Amazon and Microsoft, along with Boeing, are the largest private employers in Washington. Together, the two tech giants are estimated to employ nearly 40% of the Seattle area's tech workforce. The Seattle area ranks second behind only San Francisco in the percentage of software developers and other tech workers employed in the industry, according to CBRE.

As Amazon and Microsoft have made cuts—and other local tech firms including Expedia and Redfin have followed suit—the effects have rippled through Seattle's other business sectors. Weakness in payroll and sales tax contributed to a projected \$146 million shortfall in revenue over the next two years.

Restaurant and retail spending is down in the business and shopping districts surrounding Amazon's and Microsoft's campuses, with total transactions falling by as much as 7% in some popular areas in the past year, according to data from Square.

In the first half of 2025, around 450 restaurants closed in Seattle, or about 16% of its total. "At the halfway point of the year, we've already seen as many closures as we'd usually see in a full year," said Anthony Anton, chief executive

officer of the Washington Hospitality Association.

An Amazon spokeswoman said the company "has invested heavily in the Puget Sound region and is proud to have significantly contributed to the economic growth and vitality of the region" through supporting affordable housing, small businesses and other work.

Frank Shaw, chief communications officer at Microsoft, said the company "will always work to do more to help economic growth and promote a strong quality of life in Washington state, just as we've done the past 50 years." This has included hundreds of millions toward public transit and affordable housing, according to Microsoft.

Some laid-off employees have started their own companies.

Raed Jarrar moved from Ottawa in 2012 for a job with Microsoft. He and his wife had two children and bought a home. Then, in May, Microsoft laid off Jarrar through a five-minute video meeting with human resources.

In 2022, while still employed at Microsoft, he founded a company renting out tools, games and baby gear as a backup plan. It is his primary source of income now.

"Between 2012 and 2022, it was definitely an employee's market," said Jarrar, 42. "It was a great period, until everything flipped."

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