



## Market Snapshot | North Puget Sound



# North Puget Sound Market Snapshot.

## A 2026 Strategic Insight Report

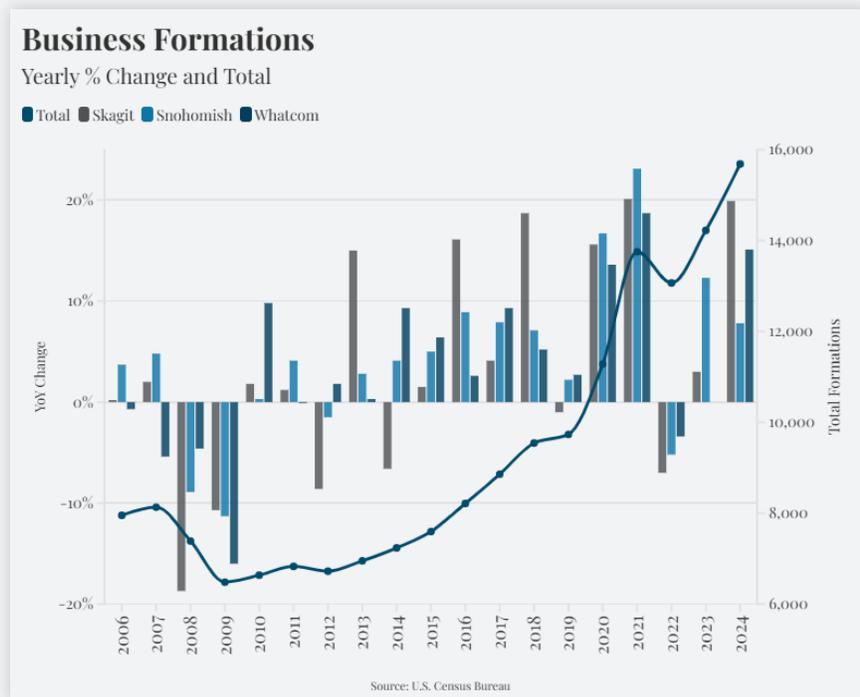
The North Puget Sound region is dynamic, both geographically and economically. Urban, suburban, and rural communities stretch from rugged coastlines and mountain foothills to fertile agricultural valleys and forested uplands, creating a diverse economic ecosystem. Boeing’s Everett facility anchors a major aerospace cluster in Snohomish County, supported by more than 600 supply chain companies. Agriculture remains an essential pillar: Whatcom County leads with dairy, berries, seafood, and timber, while Skagit County’s highly diversified farms produce dozens of crop types and supply global seed markets, celebrated annually through the Skagit Valley Tulip Festival. Across all three counties, ports fuel international trade and the growing importance of transportation and logistics industries.

To support informed business planning and investment, the Washington Trust Bank teams in Bellingham and Smokey Point analyzed key regional economic indicators across the North Puget Sound.



# Business formation and sector dynamics.

Entrepreneurial momentum remains a bright spot. After a decline and prolonged stagnation following the Global Financial Crisis, new business formations have risen steadily since 2013 – a trend that persisted even during the Covid pandemic, as many individuals turned disruption into opportunity. While the number of private establishments has not fully returned to pre-pandemic levels, the region’s services sector continues to expand, reflecting both national shifts and local strengths. Goods-producing industries face stronger headwinds, emphasizing the need for ongoing innovation to support competitiveness.



## Business growth.

Following the Global Financial Crisis, North Puget Sound counties, like much of the country, saw a drop and flatline in business formations. However, since 2013 and even through the first years of the Covid pandemic, business formations have been increasing. Covid-era layoffs and relocations likely contributed to new formations as individuals struck out on their own.

*“Private establishment trends across Snohomish, Skagit, and Whatcom counties tell a story of resilience and adaptability. While the pandemic-era produced an unusual spike, the real insight is the region’s capacity to create businesses at speed. The challenge – and opportunity – now is converting that entrepreneurial energy into durable growth by supporting firms, scaling promising ventures, and strengthening local supply chains.”*



**Billy Huntley**  
VP / RELATIONSHIP MANAGER

*"Innovation isn't just about new products – it's also about new businesses. When early-stage companies get the right support, they become tomorrow's employers and exporters. Strengthening that pipeline will define the next decade of growth in the North Puget Sound."*

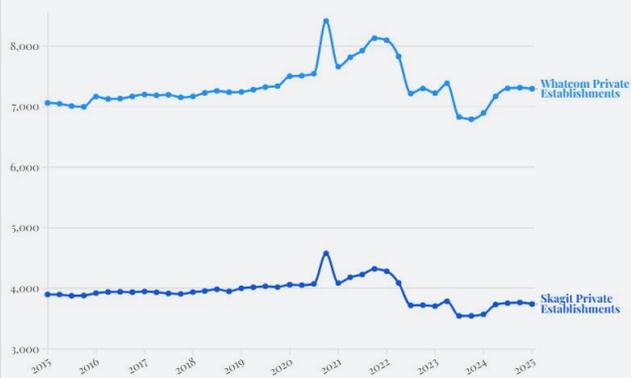


## Anan Amador

AVP / RELATIONSHIP MANAGER

### Private Establishments

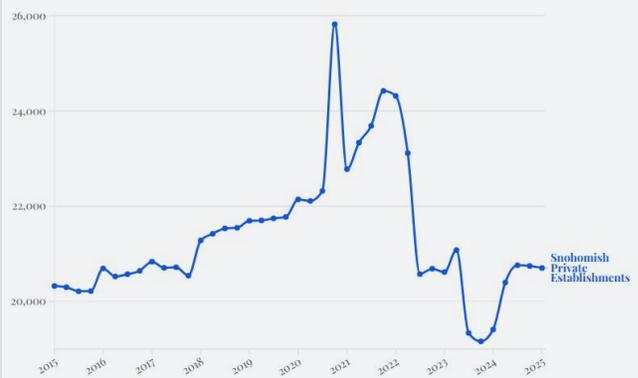
Whatcom and Skagit Counties



Source: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED

### Private Establishments

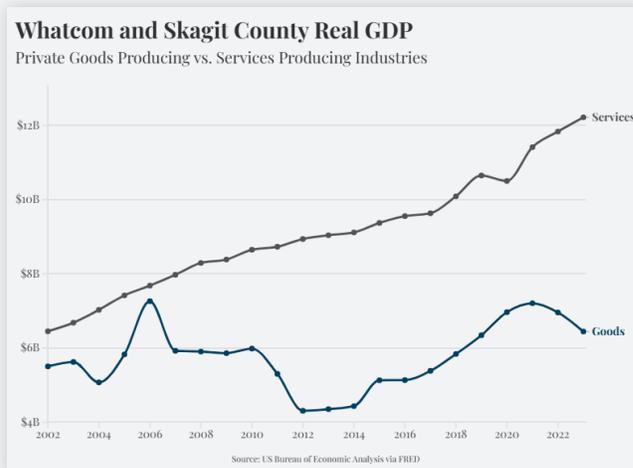
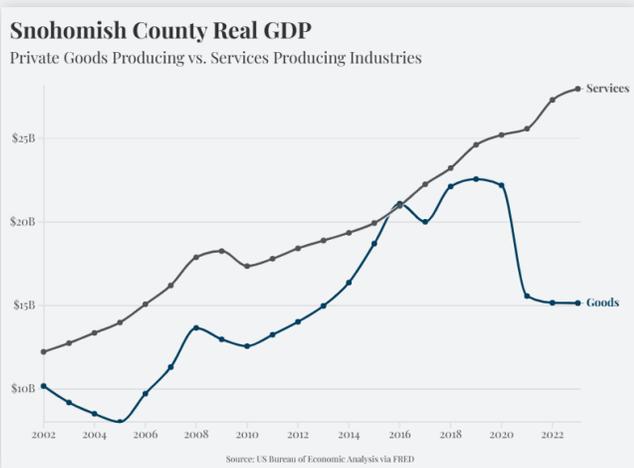
Snohomish County



Source: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED

## Sector competitiveness.

Snohomish County's economic profile underscores a clear trend: services have surged ahead, while goods production has plateaued since its pre-pandemic peak. This divergence highlights both strength and vulnerability: the services sector is thriving, but manufacturing needs renewed investment to keep pace. By leveraging aerospace expertise and embracing advanced technologies, the region can create a more balanced economy that drives innovation and long-term resilience.



*“The region’s economy reflects a broader national shift toward services, yet the long-term health of our region depends on keeping a balanced mix of goods and services. While services’ GDP in the three counties has grown steadily for two decades, goods production is still below its 2006 peak for Whatcom and Skagit, and 2020 peak for Snohomish. As global supply chains evolve and re-shoring gains momentum, we have an opportunity to attract investment and strengthen local manufacturing. Our focus should be on leveraging this trend to create resilience and sustainable growth for businesses across the region.”*



**Kevin Bedlington**  
VP / RELATIONSHIP MANAGER

## Labor market conditions.

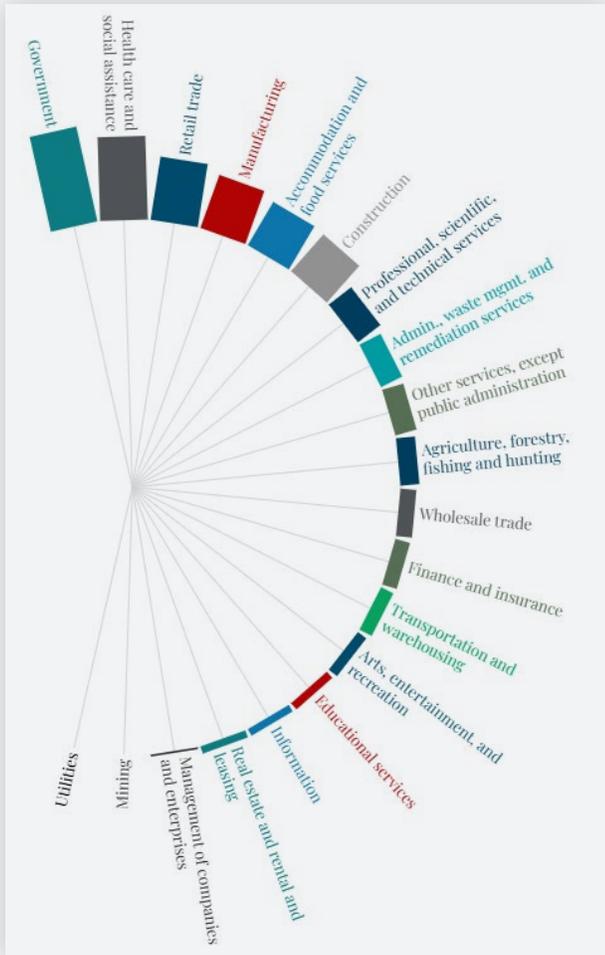
Employment indicators point to a persistently tight labor market. The region is running at or near full employment, and growth will increasingly depend on broadening the workforce, from upskilling local talent to engaging historically untapped labor pools. Population inflows and strategic workforce development will be critical to sustaining future economic momentum.

Government, health care, and retail dominate employment in both Whatcom and Skagit counties, reflecting the region’s service-oriented economy. Manufacturing is still a key player in Whatcom, employing more than 9,000 workers, just behind retail. One notable difference: government accounts for nearly 24 percent of jobs in Skagit compared to 17 percent in Whatcom, underscoring Skagit’s heavier reliance on public-sector employment.

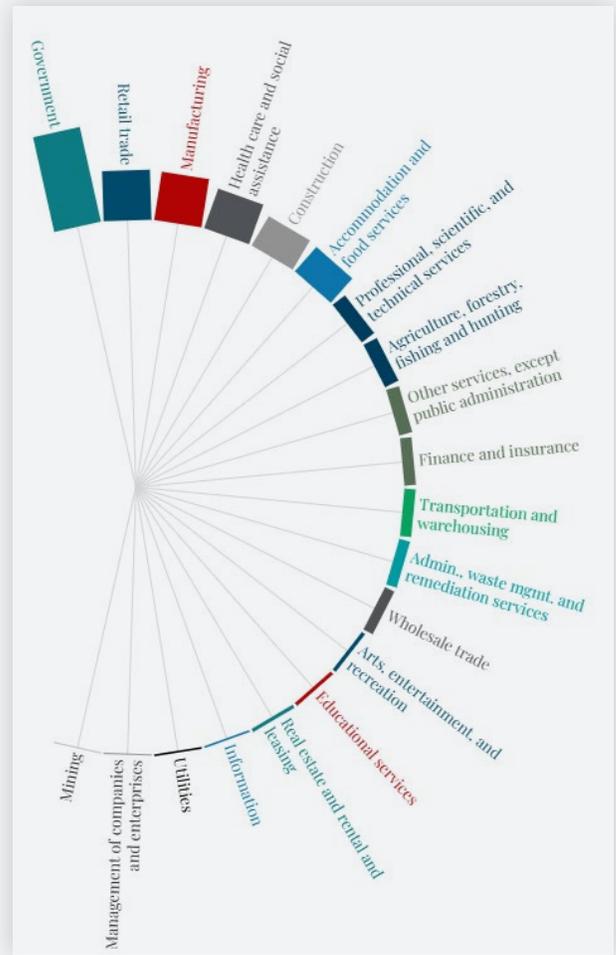
# Average Employment

Q1 2025 Preliminary

## Whatcom County



## Skagit County



Source: Employment Department/LMIR

*"Snohomish County's workforce is anchored by manufacturing, employing more than 56,000 people – a testament to the region's aerospace leadership and Boeing's influence. Government and health care follow as major employers, creating a balanced mix of industrial and service sector jobs. Looking ahead, the challenge is to build on this foundation by fostering innovation in advanced manufacturing and technology-driven services, ensuring Snohomish remains competitive in a rapidly evolving economy."*



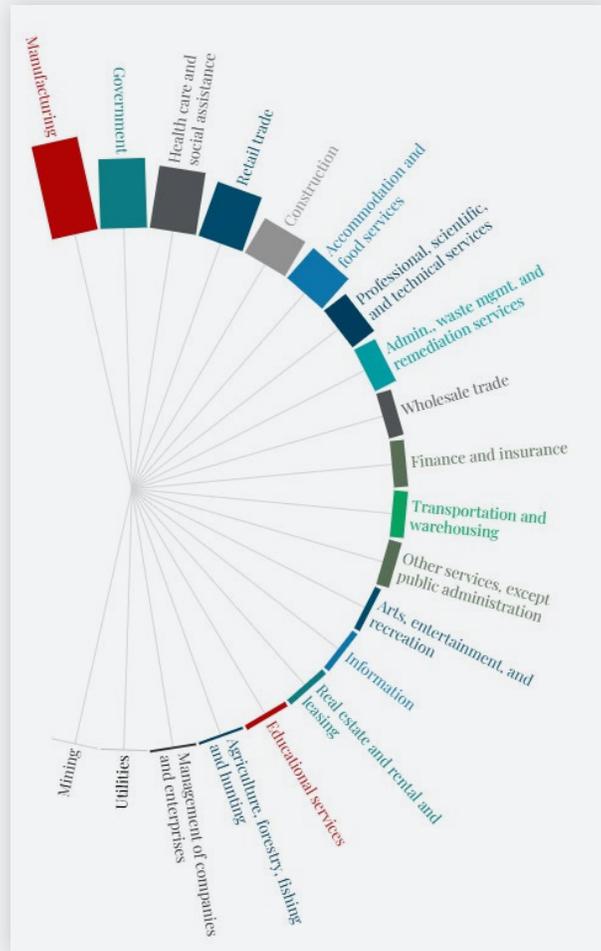
**Neil Sudra**

VP / RELATIONSHIP MANAGER

# Average Employment

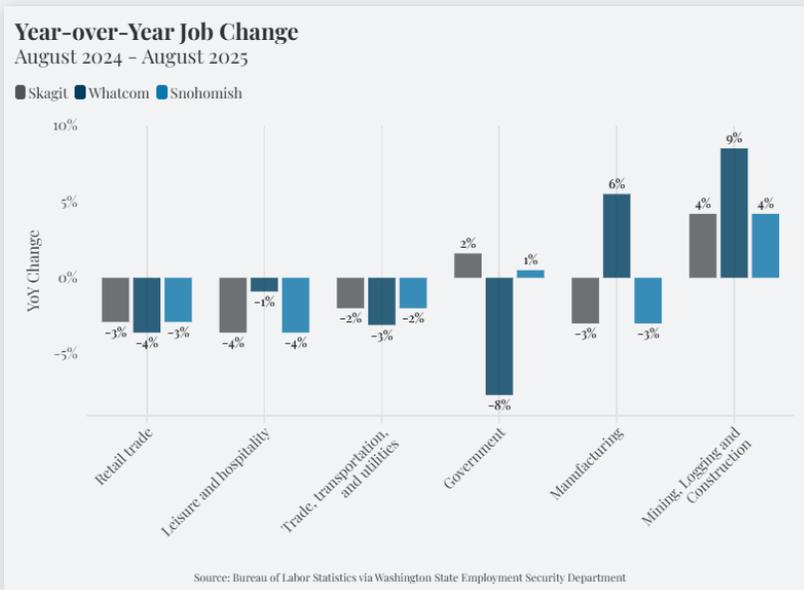
Q1 2025 Preliminary

## Snohomish County



Source: Employment Department/LMIR

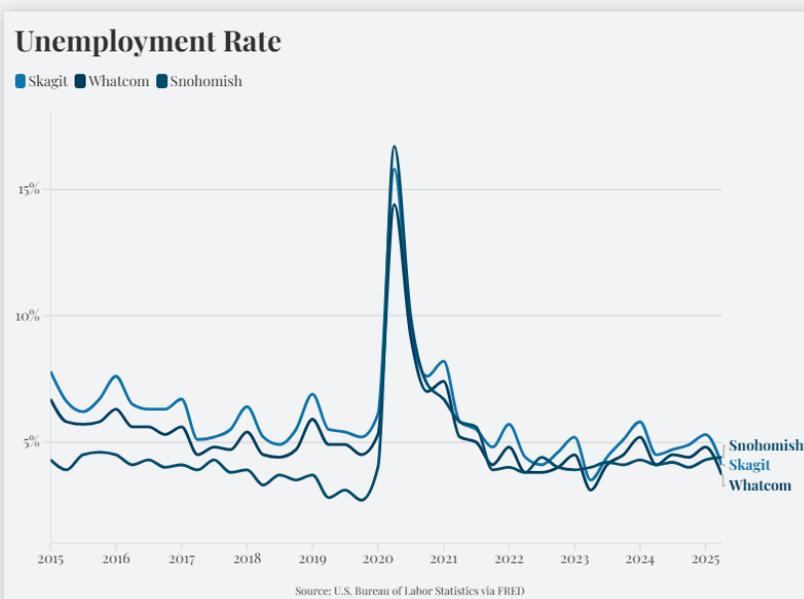
Year-over-year job changes from August 2024 to August 2025 reveal a mixed labor market across the region. Retail, leisure and hospitality, and trade-related sectors posted declines in all three counties, signaling ongoing pressure in consumer-facing industries. Government employment was uneven – Whatcom lost 1,300 jobs, part of a statewide 1.1 percent drop, while Skagit and Snohomish saw modest gains. At the same time, manufacturing and construction posted robust growth, underscoring the importance of industrial and infrastructure investment in driving regional employment.



*“Unemployment across the three-county region remains low, signaling full employment as of summer 2025. Skagit and Whatcom are below their pre-pandemic levels, while Snohomish sits slightly higher at 4.4 percent, reflecting its industrial mix and labor dynamics. With labor scarcity now the norm, the region’s growth depends on engaging untapped talent pools and creating pathways for workforce participation.”*



**John Chambers**  
VP / RELATIONSHIP MANAGER



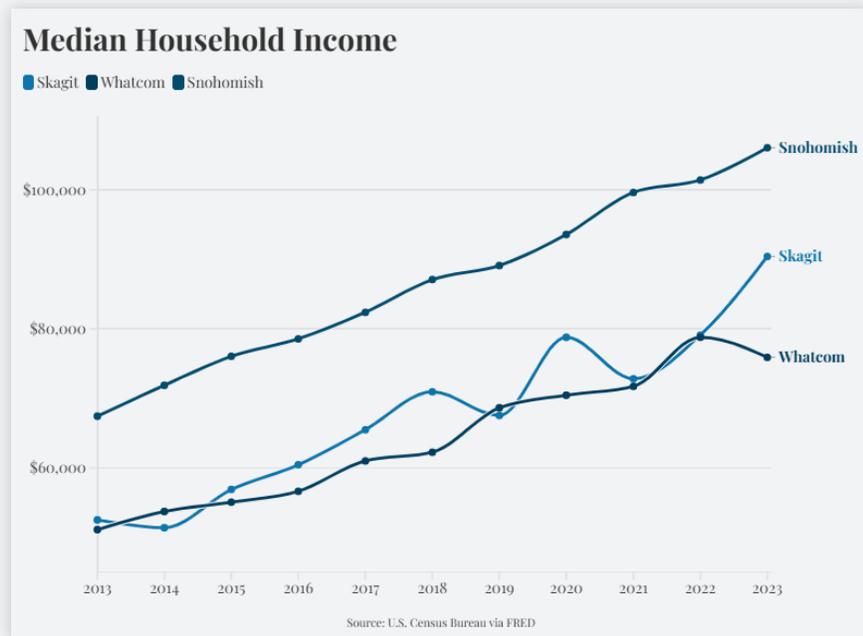
*“Low unemployment is a positive headline, but for local employers it means the margin for hiring success is razor thin. We need to build workforce capacity at every level – through training, childcare support, and housing – so opportunity doesn’t stall for lack of people.”*



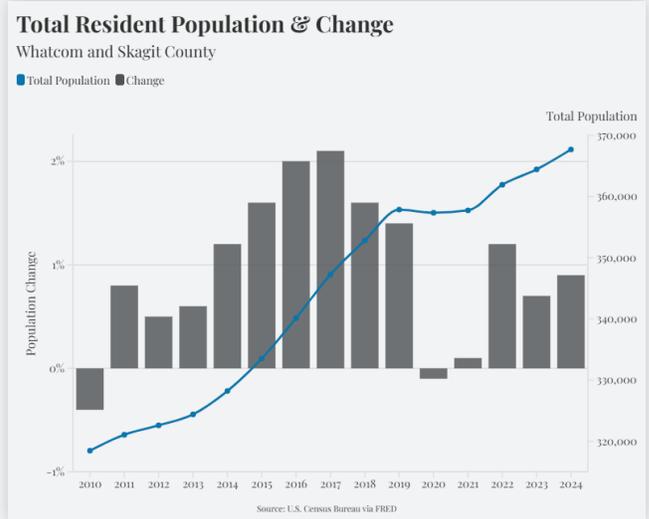
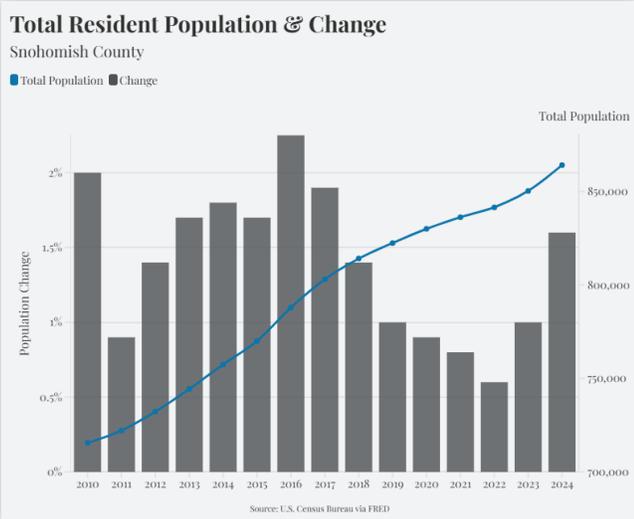
**Rob Camandona**  
VP / RELATIONSHIP MANAGER

## Income and housing.

Median household income continues to rise across all three counties, though the pace varies. Snohomish shows steady, consistent growth, supported by its strong industrial and service base. Skagit’s fluctuations suggest sensitivity to shifts in its economic mix, while Whatcom’s plateau reflects a concentration in stable, mid-wage sectors. These patterns highlight the importance of fostering higher-wage opportunities and diversifying local economies to sustain long-term prosperity.

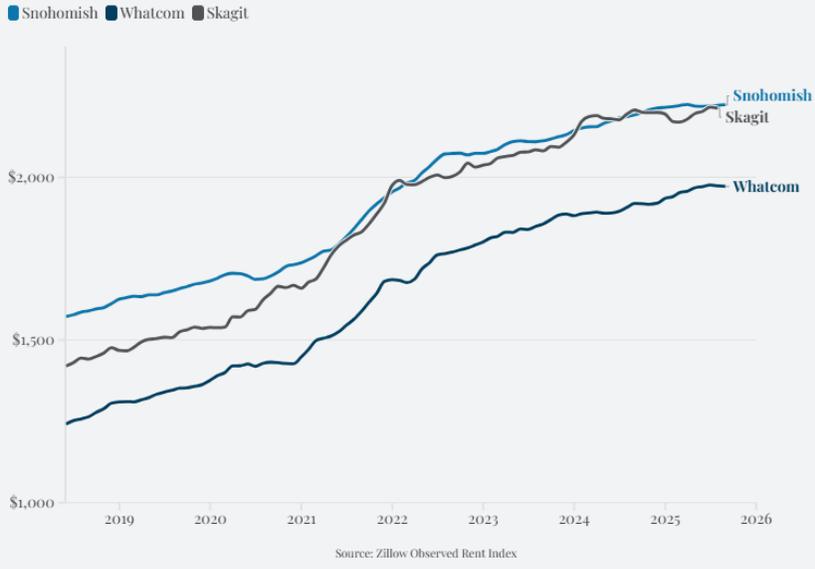


Population growth has been steady, with only brief plateaus during the Covid years. This growth helps counteract a tight labor market but adds pressure to an already constrained housing supply. Median listing prices surged beginning in 2021 and have continued rising – up 52 percent in Skagit, 53 percent in Whatcom, and 32 percent in Snohomish since mid-2020. These trends underscore the need for balanced development strategies that accommodate population growth while addressing affordability challenges



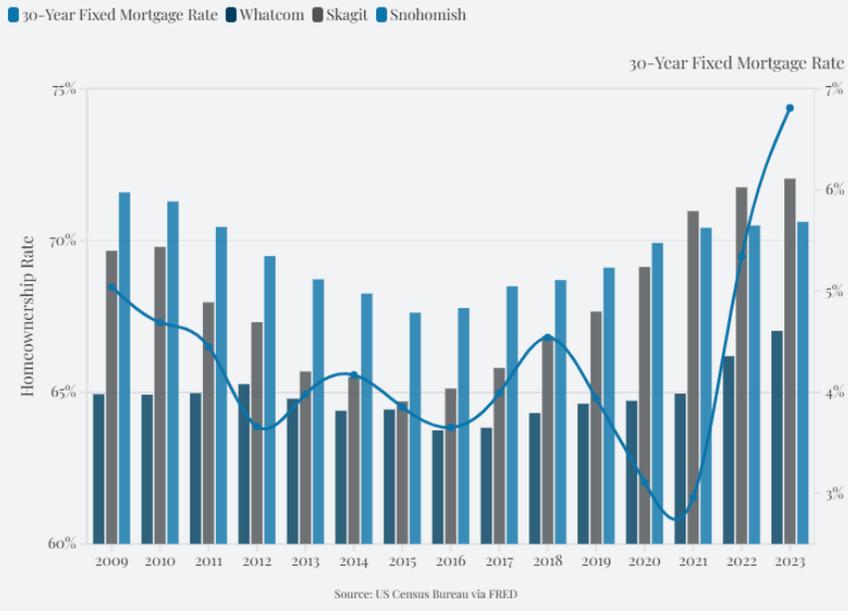
Rental rates have experienced substantial growth across the region. In Skagit County, the average rent rose from \$1,420 in 2018 to \$2,213 today, aligning with Snohomish County levels. Whatcom County has also seen significant escalation, with a current mean rent of \$1,972, a 59 percent increase since 2018.

### All Homes Plus Multifamily Rental Rates



Despite rising housing costs, homeownership rates across the region have continued to increase following a low point in 2015–2016. Snohomish County is the exception, where rates have stabilized in recent years and currently remain just above 70 percent.

### Homeownership Rate



*"Median incomes are rising, but there is no substitute for aligning housing supply with workforce needs. Employers can recruit nationally, yet retention ultimately lives and dies locally – on commute times, attainable rents, and the ability for families to put down roots. It's vital we ensure members of our community have the opportunity and tools to buy and successfully own a home, as it greatly strengthens our community, builds economic stability and creates an opportunity for multi-generational wealth creation."*



**Jim Deanne**  
AVP / COMMUNITY LENDING OFFICER

*"For many households, the path from renter to owner is reopening, but affordability is still the gating factor. Creative infill, middle-market housing, and steady mortgage financing options will be essential to sustain momentum without leaving working families behind."*



**Chad Nickisch**  
MORTGAGE LOAN OFFICER

## Moving forward.

The North Puget Sound region continues to demonstrate resilience and adaptability across a diverse economic landscape. Anchored by aerospace, agriculture, government, and healthcare, Snohomish, Skagit, and Whatcom counties reflect both the complexity and the potential of a rapidly evolving economy. Sustained progress will depend on strategic investment in infrastructure and logistics, workforce development aligned with emerging industries, and modernization of industrial capacity. These priorities are critical to maintaining competitiveness and fostering long-term growth.



**Kit Gerwels**  
SVP / TEAM LEADER

For businesses seeking to navigate these dynamics with confidence, our team is available to provide guidance and support at [watrust.com/NorthPugetSound](https://www.watrust.com/NorthPugetSound).

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