

**YARDI**<sup>®</sup> Matrix

# Seattle's Banner Year

Multifamily Report Spring 2017

**Safe Harbor Welcomes Investors**

**Apartment Bubble Soon to Burst**

**Key Sectors Sustain Strong Job Growth**

# SEATTLE MULTIFAMILY

# YARDI® Matrix

## Market Analysis

Spring 2017

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

Director of Research and Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

### Author

#### Adina Marcut

Associate Editor

## Supercharged Demand

Seattle's vibrant economy has produced job growth in a broad range of sectors, supporting housing demand and kickstarting an apartment boom. Nearly 10,000 new units are planned to debut this year. Despite the surge in supply, affordability remains a concern, increasingly driving renters and investors out of the city's core and submarkets into the farflung suburbs.

Job growth isn't just in technology but in industries that are expanding to service and/or support the metro's main drivers. Trade, transportation and utilities (13,300 new jobs during the past year), hospitality, education and health services, and construction also grew at fairly robust levels. The prosperity starts with the metro's tech sector, though. Amazon, for example, is constructing a 306,000-square-foot office building in the Denny Triangle neighborhood.

To keep up with demand for housing, construction is on the rise, with more than 69,000 units in the development pipeline. Average rents are at \$1,657 and new inventory is primarily focused in the upscale Lifestyle segment, pushing residents into fringe submarkets. However, consistent job growth and rising home prices are boosting apartment demand, and occupancy remains high. With demand not likely to let up soon, we expect rent growth to remain strong, at 7.6% for 2017.

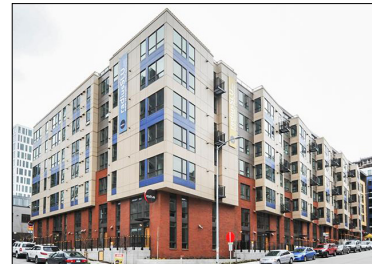
## Recent Seattle Transactions

LIV Bel - Red



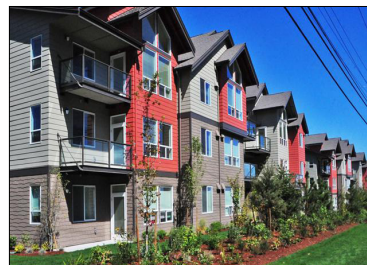
City: Bellevue, Wash.  
Buyer: Kennedy Wilson  
Purchase Price: \$172 MM  
Price per Unit: \$380,624

Radius



City: Seattle  
Buyer: Kennedy Wilson  
Purchase Price: \$141 MM  
Price per Unit: \$500,000

Avana One Six Four



City: Lynnwood, Wash.  
Buyer: Greystar  
Purchase Price: \$132 MM  
Price per Unit: \$260,869

Overlook at The Lakemont



City: Bellevue, Wash.  
Buyer: Security Properties  
Purchase Price: \$122 MM  
Price per Unit: \$305,000