



MULTIFAMILY REPORT

# Seattle Market Slow

November 2023

**YoY Rent Growth Among Lowest in US**

**Occupancy Remains Above 95%**

**Supply, Investment Moderate**



# SEATTLE MULTIFAMILY



## Steady Demand Amid Tepid Fundamentals

Seattle's multifamily fundamentals remained tepid through the first three quarters of 2023, with contracted supply and investment activities and limited positive rent movement. In line with seasonal patterns and after five straight months of slight gains, rent growth dropped back into negative territory, down 0.3% on a trailing three-month basis through September, to \$2,186. Yet demand remained healthy, with the annual occupancy rate in stabilized properties staying flat, at 95.4% in August.

Seattle unemployment rose to 3.8% in August, according to data from the Bureau of Labor Statistics, up from the low 3.0% rate it maintained for most of the year. The figure was on par with the U.S. and trailed the 3.6% state average. Meanwhile, in the 12 months ending in July, the employment market added 50,900 jobs, up 3.6%. Although it remained on a downward trend, it was 100 basis points ahead of the national rate. Information was the only sector to contract, down by 8,700 positions. Leading job growth were leisure and hospitality and education and health services, accounting for more than half the jobs gained during the period. Despite challenges, the professional and business services sector expanded by 3,000 jobs.

Developers delivered 3,613 units and had 32,000 units under construction, but the ongoing financing woes halved the volume of new projects. Meanwhile, total investment plummeted to just \$654 million through September, for a \$332,985 per-unit price.

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### Recent Seattle Transactions

#### Radiate



City: Redmond, Wash.  
Buyer: Jackson Square Properties  
Purchase Price: \$125 MM  
Price per Unit: \$346,722

#### The Lakes



City: Bellevue, Wash.  
Buyer: Waterton  
Purchase Price: \$103 MM  
Price per Unit: \$388,396

#### 128 on State



City: Kirkland, Wash.  
Buyer: Waterton  
Purchase Price: \$64 MM  
Price per Unit: \$516,260

#### Artesia By The Lake



City: Everett, Wash.  
Buyer: MG Properties  
Purchase Price: \$62 MM  
Price per Unit: \$320,533