

Yardi® Matrix

Seattle Strikes Investors' Fancy

Multifamily Report Summer 2018

Demand Outpaces Supply

Job Growth Stays Well Above Nation

Development Activity Targets Belltown

SEATTLE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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

Construction Surge Continues

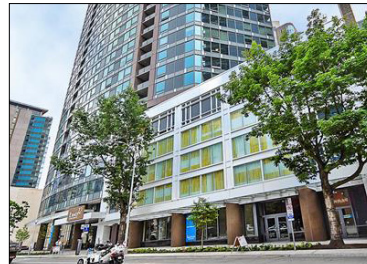
Seattle’s multifamily market remains strong, with robust investor interest and an economy-galvanizing tech industry. After the metro reached a cycle peak in deliveries last year, occupancy in stabilized properties decreased by 50 basis points, to 95.7% as of June. A rapid hiring pace sustained by technology companies, along with soaring single-family home prices, maintains a high demand for apartments across the city, especially among young professionals.

The metro added more than 54,000 jobs in the 12 months ending in May, as Seattle continues to boast one of the strongest job markets in the country. Although trade, transportation and utilities led employment growth with more than 14,600 new jobs, the information sector saw the largest year-over-year increase—5.4%—with the addition of 5,800 jobs. Seattle’s strong commercial real estate market is fueled by Amazon, which holds about 20% of the metro’s prime office real estate. The company’s most significant project underway is the 1.1 million-square-foot Rufus 2.0 Block 20 in Denny Triangle, coincidentally the city’s largest office development.

Multifamily development activity remains robust, as roughly 23,000 units were under construction as of July, and an estimated 9,700 units are set to be delivered this year.

Recent Seattle Transactions

Tower 12



City: Seattle
 Buyer: Weidner Investment Services
 Purchase Price: \$225 MM
 Price per Unit: \$716,357

Shorewood Heights



City: Mercer Island, Wash.
 Buyer: Greystar
 Purchase Price: \$210 MM
 Price per Unit: \$325,581

Venn at Main



City: Bellevue, Wash.
 Buyer: Equity Residential
 Purchase Price: \$177 MM
 Price per Unit: \$504,286

Atlas



City: Issaquah, Wash.
 Buyer: Kennedy Wilson
 Purchase Price: \$135 MM
 Price per Unit: \$391,570