

YARDI® Matrix

Seattle's Spirit

Multifamily Winter Report 2016

**Job Growth Diversifies
Beyond Tech Sector**

**Rents Explode as Developers
Race to Meet Demand**

**Institutional Investors
Vie for Belltown, First Hill**

SEATTLE MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2016

Contacts

Paul Fiorilla

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

Dana Seeley

Associate Director of Research
Dana.Seeley@Yardi.com
(800) 866-1124 x2035

Jack Kern

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

Author

Ioana Neamt

Associate Editor

Smells Like Millennial Spirit

Buoyed by its technology sector and the metro's appeal as a live-work-play environment, Seattle's economy and multifamily market continue to break new ground. Job growth and demand for housing are among the highest in the nation, leading to a surge in rents that is not expected to abate anytime soon.

Despite Seattle's reputation as a tech hub, job gains have been broad-based, led by professional business services and trade, transportation and utilities. Infrastructure projects are also supporting new development. This spring will mark the opening of the \$1.9 billion University Link light-rail extension, while the city's first streetcar line opened to the public this January.

Technology research is another flourishing sector. The University of Washington joined forces with Tsinghua University to create a Global Innovation Exchange (GIX), an initiative that is supported by companies such as Microsoft Corp., which donated \$40 million toward the project.

As more and more professionals and companies flock to the metro, developers are struggling to keep up with the rising demand for housing. In an effort to relieve the pressure, some 65,000 units are in various stages of development. The surge in demand helped push rents up nearly 10% in 2015. We expect Seattle to remain hot in 2016, but rent growth should moderate slightly this year, to 7.2%.

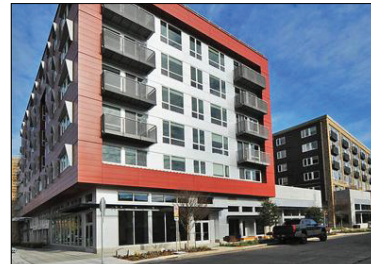
Recent Seattle Transactions

Premiere on Pine



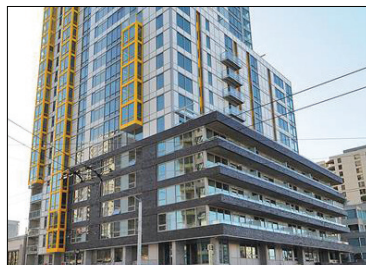
City: Seattle
Buyer: Heitman
Purchase Price: \$243 MM
Price per Unit: \$630,440

The Stack House



City: Seattle
Buyer: JP Morgan Asset Management
Purchase Price: \$151 MM
Price per Unit: \$539,427

Dimension



City: Seattle
Buyer: Heitman
Purchase Price: \$144 MM
Price per Unit: \$483,221

Avana 522



City: Bothell, Wash.
Buyer: The Blackstone Group
Purchase Price: \$143 MM
Price per Unit: \$256,858