



## MULTIFAMILY REPORT

# Challenging Times In Seattle

Summer 2020

**Employment Market Braces for Impact**

**Transaction Volume Sees Steep Decline**

**Construction Now at Standstill**



# SEATTLE MULTIFAMILY



## Volatility Projected Across the Metro

Seattle's multifamily market finds itself in a precarious position. Rents have held steady at \$1,908, falling only 0.1% on a trailing three-month basis through August. However, investment volume took a dive to \$670 million in the first eight months of the year—its lowest level in nearly a decade and close to \$2 billion less than the total during the same period in 2019. Although the pandemic has left a large mark on the metro, other factors—most notably a hefty property sales tax increase in January—have compounded the market's challenges.

The Emerald City's economy has struggled due to the pandemic, with gross business revenues down by \$13.4 billion in the first half of 2020. With all employment sectors registering heavy job losses, unemployment soared to 16.1% in April before falling below the national rate to 8.5% in July. Seattle's tech giants are thriving, as both Amazon and Microsoft have reported record profits through the pandemic. However, other sectors face significant challenges ahead, as hospitality and aerospace jobs will likely be impacted even more.

Development slowed across the metro, with fewer than 4,200 units completed through August. Though 22,356 units were underway, we expect some 2,800 units to deliver before year-end. As occupancy softens, rents will likely fall by 2.4% by the end of the year.

## Market Analysis | Summer 2020

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Jack Kern

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

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

### Author

#### Jeff Hamann

Senior Associate Editor

### Recent Seattle Transactions

#### Kiara



City: Seattle  
Buyer: Oxford Properties Group  
Purchase Price: \$320 MM  
Price per Unit: \$695,652

#### Waterscape Juanita Village



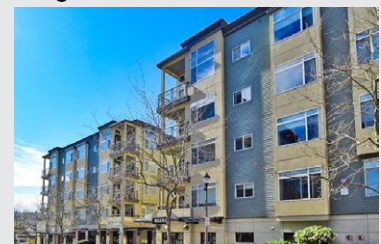
City: Kirkland, Wash.  
Buyer: Stream Real Estate  
Purchase Price: \$93 MM  
Price per Unit: \$473,135

#### Alto



City: Seattle  
Buyer: Westbrook Partners  
Purchase Price: \$66 MM  
Price per Unit: \$359,211

#### Borgata



City: Bellevue, Wash.  
Buyer: Stream Real Estate  
Purchase Price: \$50 MM  
Price per Unit: \$698,451