



MULTIFAMILY REPORT

Seattle's Recovery Makes Headway

Summer 2021

Rent Expansion Picks Up Speed

Construction Activity Still Strong

Tech Job Postings Maintain Momentum

SEATTLE MULTIFAMILY



Reopening, Stimulus Funds Bolster Outlook

Following nationwide trends, Seattle's fundamentals continued to improve going into the second quarter. As of May, rents were up 0.4% on a trailing three-month basis, to \$1,813, above the \$1,428 U.S. average. As gateway markets gradually rebound, Yardi Matrix expects Seattle gains to strengthen through the summer.

In the 12 months ending in March, the metro lost 92,300 jobs, for a 6.8% contraction. There were, however, three sectors recording gains: Information, construction, and professional and business services added a total of 11,100 positions. As of April, unemployment stood at 5.4% in Washington and 5.7% in metro Seattle, both below the 6.1% April U.S. rate. While Mayor Jenny Durkan and the city council have outlined a rescue plan to kickstart the economy, \$631 million in federal stimulus funds was carved out for King County and \$128 million in direct aid for Seattle.

Seattle had 25,255 rental units underway as of May, 74% of which are in upscale projects. Nearly one-third of the pipeline is expected to come online by year-end. With the market taking a hit during the downturn, occupancy in stabilized properties declined 110 basis points in the 12 months ending in April, a significant drop but relatively in line with other large coastal metros. Meanwhile, sales were off to a moderate start in 2021, with some 1,500 units trading for \$596 million in the first five months of the year.

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Recent Seattle Transactions

Hyde Square



City: Bellevue, Wash.
Buyer: DWS
Purchase Price: \$279 MM
Price per Unit: \$451,618

Bell Jackson Street



City: Seattle
Buyer: Bell Partners
Purchase Price: \$73 MM
Price per Unit: \$458,281

The Bond



City: Redmond, Wash.
Buyer: G. W. Williams
Purchase Price: \$66 MM
Price per Unit: \$474,320

Mariposa



City: Federal Way, Wash.
Buyer: Post Investment Group
Purchase Price: \$31 MM
Price per Unit: \$162,304