

Yardi® Matrix

# Seattle's Growth Trajectory

Multifamily Report Summer 2017

**Investors Pivot to Inland Assets**

**Developers Add Units at Cycle-High Rates**

**Rent Growth Rebounds After Lackluster Spring**



# SEATTLE MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2017

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## Robust Development, Insatiable Demand

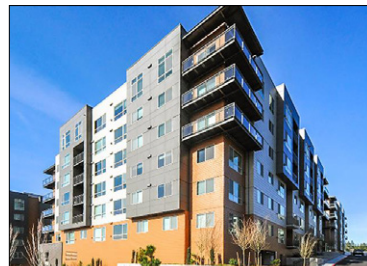
Seattle has been one of the strongest rental markets during the current cycle. Over the last five years, average rents have risen nearly \$500 to \$1,770. Development activity has kicked into high gear, leading to the delivery of 23,000 units since the start of 2015. With the rate of completions set to continue, the metro is faced with questions of overbuilding. However, a strong employment market continues to provide jobs at a rate that further drives population growth, generating an insatiable appetite for housing.

Trade, transportation and utilities benefited from the ongoing expansion of the Link light rail network into Federal Way and Redmond. The proposed \$1.6 billion Washington State Convention Center expansion is slated to add 1.2 million square feet of exhibition and meeting space, a 30-story residential tower and a 16-story office building. The project is the result of continued growth in leisure and hospitality, which has brought up talks about the existing center's limitations.

Completions are expected to exceed the 11,000-unit mark in 2017, which would lead to a new cycle peak. Only Dallas, Denver, Houston and Washington, D.C., are slated to add more units this year, but rent growth is by far the most significant in Seattle, as overbuilding is rapidly becoming a factor in other markets. There are 23,000 units underway in the metro, pointing to high levels of new stock. Demand is set to keep up with completions, leading to a 4.9% rent growth by year-end.

## Recent Seattle Transactions

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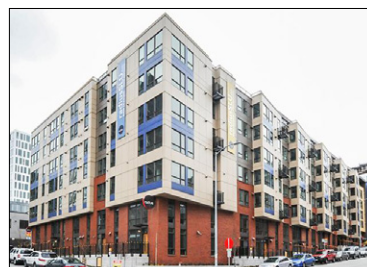
City: Bellevue, Wash.  
Buyer: Kennedy Wilson  
Purchase Price: \$172 MM  
Price per Unit: \$380,624

JUXT



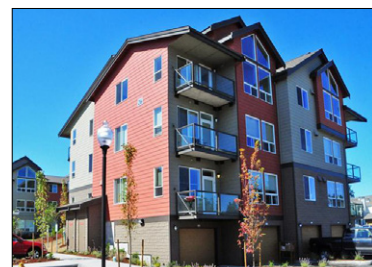
City: Seattle  
Buyer: Blackstone Group  
Purchase Price: \$150 MM  
Price per Unit: \$416,664

Radius



City: Seattle  
Buyer: Kennedy Wilson  
Purchase Price: \$141 MM  
Price per Unit: \$500,000

Avana One Six Four



City: Lynwood, Wash.  
Buyer: Greystar  
Purchase Price: \$132 MM  
Price per Unit: \$260,869

### To Subscribe

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