



MULTIFAMILY REPORT

Seattle Inches Up

February 2022

Rental Market Records Modest Growth

Construction Struggles to Recover

New Stock Trails 2020 Volume

SEATTLE MULTIFAMILY



Rent Growth Cools As Supply Struggles

Seattle's road to recovery is still slow, as supply chain challenges and labor shortages persisted in 2021. Through December, rents in the metro were up only 0.1% on a trailing three-month basis, while year-over-year growth was 12.4%. Mediocre numbers of new units kept Seattle rates at \$2,048, well above the national level of \$1,594.

Seattle's unemployment rate dropped to 3.1%, representing the lowest level since the onset of the health crisis, according to preliminary data from the Bureau of Labor Statistics. The employment market added 101,300 jobs across all sectors, up 6.2% in the 12 months ending in October. That's 90 basis points more than the national average. The metro's second biggest sector—professional and business services—added 22,400 positions for an 8.5% increase. Tech giants have remained active in the metro, with both Amazon and Microsoft moving forward with their office projects in Redmond and Bellevue. Meanwhile, Meta added another 213,000 square feet of office space at the underway Building 13 in Bellevue's Spring District.

Construction slowed down in 2021, with developers adding 7,960 units to the metro's multifamily inventory, the lowest number since 2013. Seattle had 26,012 units across 43 multifamily properties under construction as of December, with an additional 93,000 units in the planning and permitting stages.

Market Analysis | February 2022

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Recent Seattle Transactions

The Bristol at Southport



City: Renton, Wash.
Buyer: Kennedy Wilson
Purchase Price: \$190 MM
Price per Unit: \$497,945

The Ridgedale



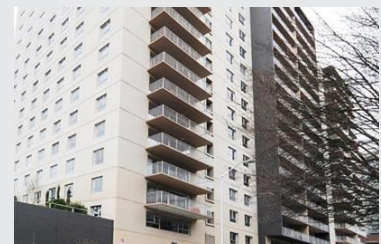
City: Bellevue, Wash.
Buyer: Abacus Capital Group
Purchase Price: \$144 MM
Price per Unit: \$431,138

Midtown 64



City: Kent, Wash.
Buyer: Security Properties
Purchase Price: \$141 MM
Price per Unit: \$385,438

Panorama



City: Seattle
Buyer: Pacific Urban Investors
Purchase Price: \$120 MM
Price per Unit: \$669,641