



MULTIFAMILY REPORT

Seattle: In High Demand

July 2022

Rent Growth Leads the US

Development Favors Upscale Properties

Unemployment Below Pre-Pandemic Levels



SEATTLE MULTIFAMILY



Fundamentals Maintain Steady Progress

Seattle's rental sector is well in recovery mode, as its fundamentals, talent pool and economy have buoyed the multifamily industry. Hence, growth was visible across metrics, as rents increased 1.4% on a trailing three-month basis through May, to \$2,187, above the U.S. average, which rose 1.0% to \$1,680. Occupancy in stabilized properties was driven by more activity in the working-class segment, up 120 basis points year-over-year through April, to 96.3%.

As of April, Seattle's unemployment rate stood at 2.6%, marking a record low rate and leading the U.S. by 100 basis points. The employment market expanded 5.5% in the 12 months ending in March, or 98,600 jobs, 100 basis points above the national rate. With leisure and hospitality still on the mend, nearly one-third of all jobs were added in the sector. Professional and business services and trade, transportation and utilities—Seattle's largest sectors—were next in line and are poised for sustained growth, as large companies continue to expand in the metro, more so than before the pandemic, including mainstays like Amazon, Meta and Microsoft.

Developers delivered 4,027 units in 2022 through May and had another 27,000 under construction. Meanwhile, investors traded nearly \$1.7 billion in multifamily assets, for a price per unit that rose 10.3% in 2022.

Market Analysis | July 2022

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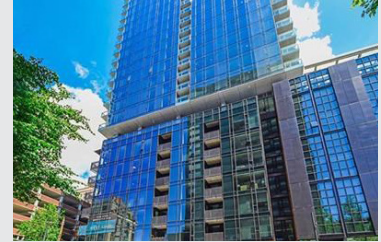
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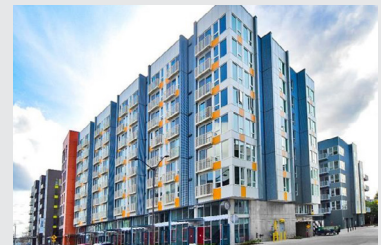
Recent Seattle Transactions

West Edge



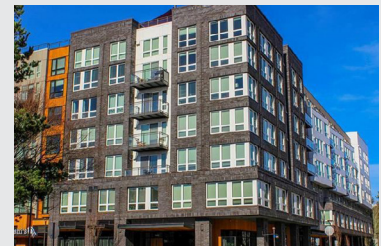
City: Seattle
Buyer: PGIM Real Estate
Purchase Price: \$293 MM
Price per Unit: \$861,265

Arras



City: Bellevue, Wash.
Buyer: Lakevision Capital
Purchase Price: \$175 MM
Price per Unit: \$627,131

Talisman



City: Redmond, Wash.
Buyer: Hines Interests
Purchase Price: \$172 MM
Price per Unit: \$602,535

Central Flats



City: Kent, Wash.
Buyer: Bridge Investment Group
Purchase Price: \$124 MM
Price per Unit: \$215,068