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ily Report Summer 2017

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Investors Pivot to Inland Assets Developers Add Units at Cycle-High Rates Rent Growth Rebounds After Lackluster Spring

Yardi<sup>®</sup> Matrix

# SEATTLE MULTIFAMILY

# Yardi<sup>®</sup> 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**

LIV Bel - Red



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

#### Radius



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

JUXT

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

Avana One Six Four



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

### To Subscribe

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