



MULTIFAMILY REPORT

Seattle's Market Stability

November 2022



Rent Growth Still High YOY

Construction Remains Elevated

Transaction Volume Surpasses \$3.2B

SEATTLE MULTIFAMILY



Supply Surpasses Demand

Seattle's multifamily market still paints a picture of relative stability within a large market. Rent growth on a T3 basis turned negative after 18 consecutive months of sustained gains, down 0.3% as of September, to an overall average of \$2,232, while the U.S. rate inched up 0.2% to \$1,718. Robust deliveries have impacted occupancy, too, down 30 basis points in the 12 months ending in August, to 95.7%.

Seattle's unemployment rate rose to 3.5% in August, from 2.6% in April, but fared better than the state and the U.S., both at 3.7% according to preliminary data from the Bureau of Labor Statistics. The job market expanded by a solid 6.0% in the 12 months ending in July, outperforming the nation by 150 basis points. All sectors added jobs, with about half of the 95,600 positions gained during this period being added to leisure and hospitality (19,800 jobs) and professional and business services (18,100 jobs). Information followed closely with 16,500 positions. Several companies expanded or are planning expansion in Seattle, including Amazon, Snapchat and Apple.

Development remained elevated, with 7,698 units delivered through September and 28,459 units underway, 8,206 of which broke ground this year. Meanwhile transaction activity surpassed the volume recorded during the same period last year, amounting to more than \$3.2 billion. The price per unit continued to climb, up 6.1% year-over-year, to \$388,379 in September.

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Recent Seattle Transactions

Uplund at Totem Lake



City: Kirkland, Wash.
Buyer: GID
Purchase Price: \$242 MM
Price per Unit: \$591,687

Overlook at Lakemont



City: Bellevue, Wash.
Buyer: Acacia Capital
Purchase Price: \$204 MM
Price per Unit: \$510,225

Alton Heartwood



City: Issaquah, Wash.
Buyer: Seminole Tribe of Florida
Purchase Price: \$104 MM
Price per Unit: \$767,519

Alley South Lake Union



City: Seattle
Buyer: Pacific Urban Investors
Purchase Price: \$90 MM
Price per Unit: \$520,930