



MULTIFAMILY REPORT

Seattle's Slow Season

February 2025

Rents Decline on a T3 Basis

Transaction Volume Still Low

Occupancy Holds Amid Supply Influx

SEATTLE MULTIFAMILY



Occupancy Inches Up Amid High Supply Wave

Seattle's multifamily fundamentals posted steady performance in 2024. Despite pressure from new supply and job growth registering below the U.S. average, year-over-year average advertised asking rent growth was up 1.8% in December, to \$2,216, well above the 0.6% U.S. figure. Meanwhile, the occupancy rate in stabilized properties rose 20 basis points year-over-year through November, to 95.4%, in both segments.

Seattle job growth was slow, up 0.9%, or 17,700 jobs, year-over-year through November, 40 basis points below the national rate. Meanwhile, unemployment stood at 4.1%, 10 basis points below the U.S. average and 50 basis points behind the state rate. Sectors leading job gains included education and health services (8,300 jobs) and government (6,500 jobs). Another four sectors lost a combined 3,300 jobs, led by information (-2,500 jobs). Several projects across the metro reached milestones, including Swedish Health System's \$1.3 billion North Tower project and the University of Washington Medicine Center for Behavioral Health and Learning, which opened a new teaching hospital.

Deliveries reached a new decade high in 2024, totaling 12,351 units, while the pipeline had 21,419 units under construction in December. Meanwhile, \$2.1 million in multifamily assets traded in 2024, for a per-unit price that dipped 0.3%, to \$321,115.

Market Analysis | February 2025

Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Seattle Transactions

Parkside



City: Redmond, Wash.
Buyer: Lakevision Capital
Purchase Price: \$286 MM
Price per Unit: \$430,572

Beaumont



City: Woodinville, Wash.
Buyer: Essex Property Trust
Purchase Price: \$136 MM
Price per Unit: \$395,712

Modera Redmond



City: Redmond, Wash.
Buyer: Ares Management
Purchase Price: \$123 MM
Price per Unit: \$410,667

Stonemeadow Farms

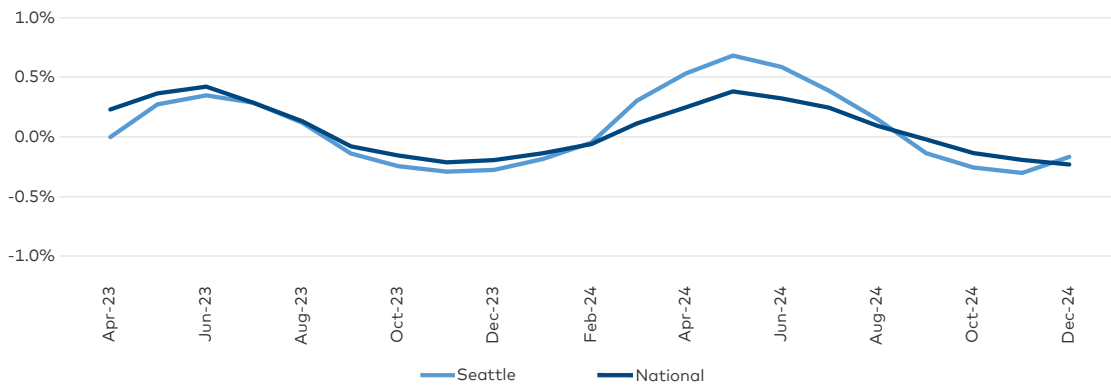


City: Bothell, Wash.
Buyer: Acacia Capital
Purchase Price: \$93 MM
Price per Unit: \$332,500

RENT TRENDS

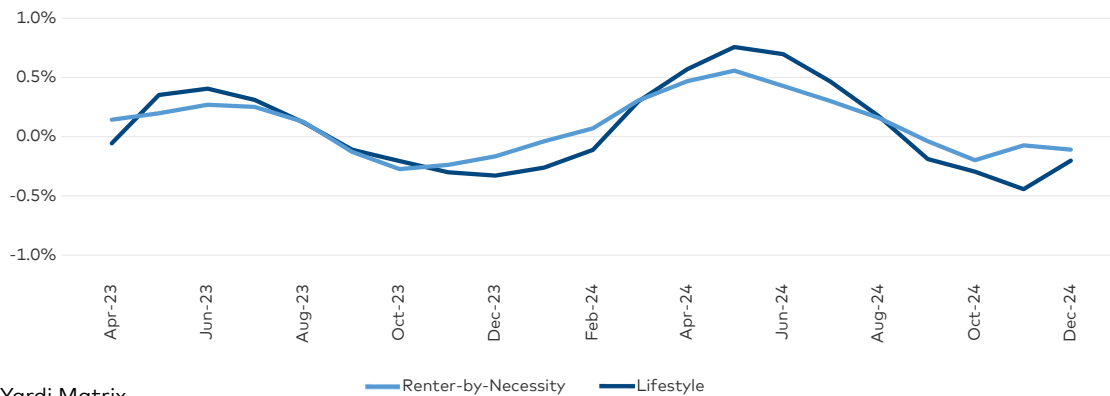
- ▶ Seattle average advertised asking rents declined 0.2%, to \$2,216, on a trailing three-month (T3) basis through December, on par with the U.S. rate, but registering a considerably higher average than the \$1,742 U.S. figure. The slowdown, likely temporary, was in line with the seasonal trend, as growth was up 1.8% year-over-year, well above the 0.6% national rate.
- ▶ Renter-by-Necessity advertised asking rents slid 0.1%, a T3 basis, to \$1,861. Previously, RBN rents rose 0.1% to 0.6% on a T3 basis during 2024's middle quarters. Lifestyle rents posted a more dynamic performance—down 0.2%, on a T3 basis through December, to \$2,479, with rates declining for four consecutive months by as low as -0.4% in November and up to as high as 0.8% in 2024's second quarter.
- ▶ Seattle's occupancy rate in stabilized properties was up 20 basis points year-over-year through November, to 95.4%. The metric was even across segments and above the 94.7% U.S. rate.
- ▶ Average advertised asking rents were down on a year-over-year basis as of December in just six of the 53 submarkets tracked by Yardi Matrix. All 15 of Seattle's most expensive areas reported increases, led by Bellevue–West (4.1% to \$3,053) and Belltown (1.2% to \$2,782). The largest gain was recorded in Bellevue–East, up 6.6%, to \$2,350.
- ▶ Seattle's SFR market trailed multifamily, with year-over-year rent growth up 1.6% through December, to \$3,120, and occupancy down 1.4%, to 93.0%, in November.

Seattle vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Seattle Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Seattle's employment growth remained sluggish in 2024, up 0.9% year-over-year through November, or 17,700 net jobs, below the 1.3% U.S. rate. Education and health services (8,300 jobs) and government (6,500 jobs) led gains. Four sectors lost 3,300 jobs combined, with information (-2,500) marking the steepest decline.
- ▶ The unemployment rate in Seattle was 4.1% in November, according to preliminary data from the Bureau of Labor Statistics, 10 basis points below the U.S. rate. The metro's jobless rate saw a 60-basis-point improvement from January 2024 and was 50 basis points lower than the state rate.
- ▶ Notable project advances recorded in Seattle in 2024 include the start of construction on Swedish Health System's \$1.3 billion 12-story North Tower project, which broke ground on its first phase. The 750,000-square-foot tower is slated for completion in 2027 and is the first component of an almost 1.7 million-square-foot planned expansion at the First Hill Campus, from 1.5 million to 3.2 million square feet.
- ▶ Meanwhile, the University of Washington Medicine Center for Behavioral Health and Learning opened a new teaching hospital in Seattle, which will further solidify the institution's contribution to the local economy.

Seattle Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	250.1	13.0%
90	Government	253.3	13.2%
55	Financial Activities	93.3	4.8%
60	Professional and Business Services	357.8	18.6%
15	Mining, Logging and Construction	117	6.1%
70	Leisure and Hospitality	177.9	9.2%
30	Manufacturing	165.6	8.6%
40	Trade, Transportation and Utilities	316.8	16.5%
80	Other Services	59.8	3.1%
50	Information	133.3	6.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Seattle's population posted steady and strong growth over the decade ending in 2022, up 14.2% and well ahead of the 6.3% U.S. rate. Growth decelerated, up 3.4% between 2019 and 2022, and 0.8% year-over-year in 2022, but was still ahead of the U.S. average, up by 2.0% and 0.4%.

Seattle vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Seattle Metro	3,871,323	3,928,498	3,971,125	4,001,701

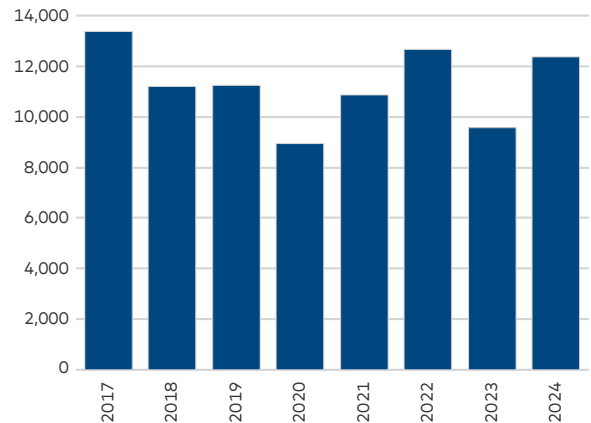
Source: U.S. Census

SUPPLY

- ▶ Seattle developers delivered one of the highest annual volumes of the last decade in 2024, with 12,351 new units added. Completions accounted for 3.9% of existing stock, 20 basis points above the five-year average and 90 basis points higher than the U.S. rate. The bulk of deliveries remained heavier on the Lifestyle side (72%), followed by fully affordable 16% and RBN (12%).
- ▶ The construction pipeline had 21,419 units under construction as of December and another 99,000 in the planning and permitting phases. The share of fully affordable units rose to 29.3% of the underway pipeline, with RBN dropping to 3.4% and Lifestyle accounting for 67.3%.
- ▶ New development maintained steady albeit lower growth, with 5,855 units across 33 properties breaking ground in 2024, fewer than the 7,647 units across 36 properties that started construction in 2023.
- ▶ Active construction in December was reported in 33 of the 53 submarkets tracked by Yardi Matrix, nine of which had at least 1,000 units underway. Redmond (2,100 units) and Belltown (2,090 units) led activity.

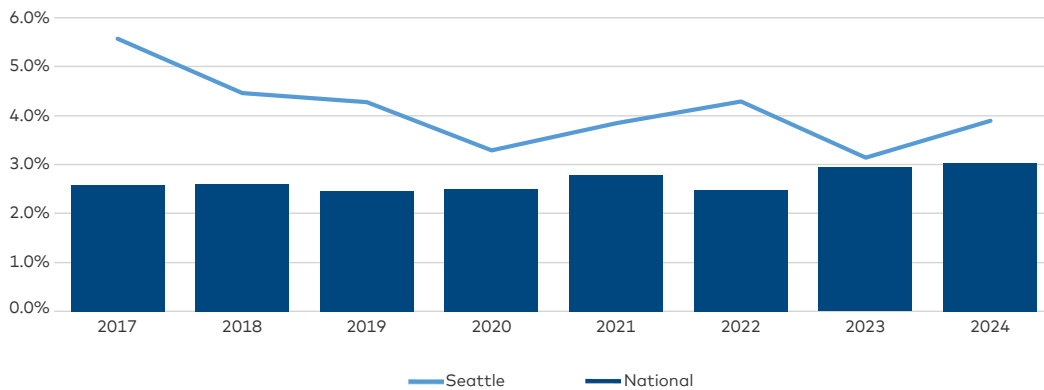
- ▶ The largest project underway as of December, accounted for half of Belltown's volume. Westbank Corp.'s WB1200 mixed-use development includes two 47-story towers with 1,050 units and three stories featuring 152,000 square feet of retail space. The property broke ground in 2018 and is slated for completion in 2025, four years later than originally planned. The project is also partially affordable and bears a \$297 million construction loan issued by Otera Capital in 2019.

Seattle Completions (as of December 2024)



Source: Yardi Matrix

Seattle vs. National Completions as a Percentage of Total Stock (as of December 2024)

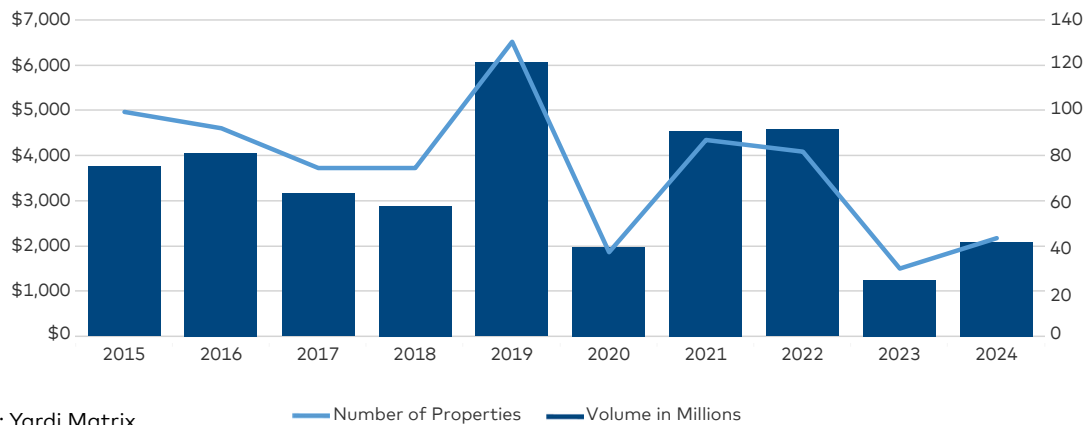


Source: Yardi Matrix

TRANSACTIONS

- ▶ Seattle's investment volume reached \$2.1 billion in 2024, a 67.3% increase year-over-year. Despite the jump in volume, this was still relatively mild for the metro, which in 2023, recorded the lowest volume of the last decade. The sales total for 2024 was below the \$2.9 billion five-year average.
- ▶ Investor interest was wide, reflected by a higher number of sales and a balanced composition across asset classes. The average price per unit slid just 0.3% year-over-year, to \$321,115, down 18.0% from the 2022 peak, while the U.S. average rose 3.3%, to \$193,187. Compared to pre-pandemic figures, the price in 2024 was up 8.4%.
- ▶ The 664-unit Parkside in Redmond sold for the highest price in 2024—\$286 million. The partially affordable property was acquired by Lakevision Capital from Willow Bridge, for an average of \$430,572 per unit.

Seattle Sales Volume and Number of Properties Sold (as of December 2024)



Source: Yardi Matrix

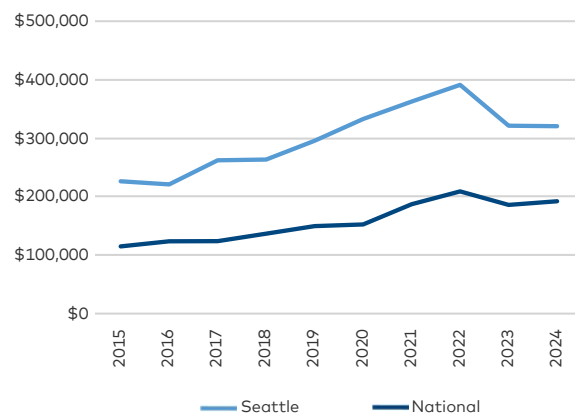
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Redmond	409
Belltown	342
Renton	232
First Hill	160
Kent	153
Woodinville/Totem Lake	136
Queen Anne	114

Source: Yardi Matrix

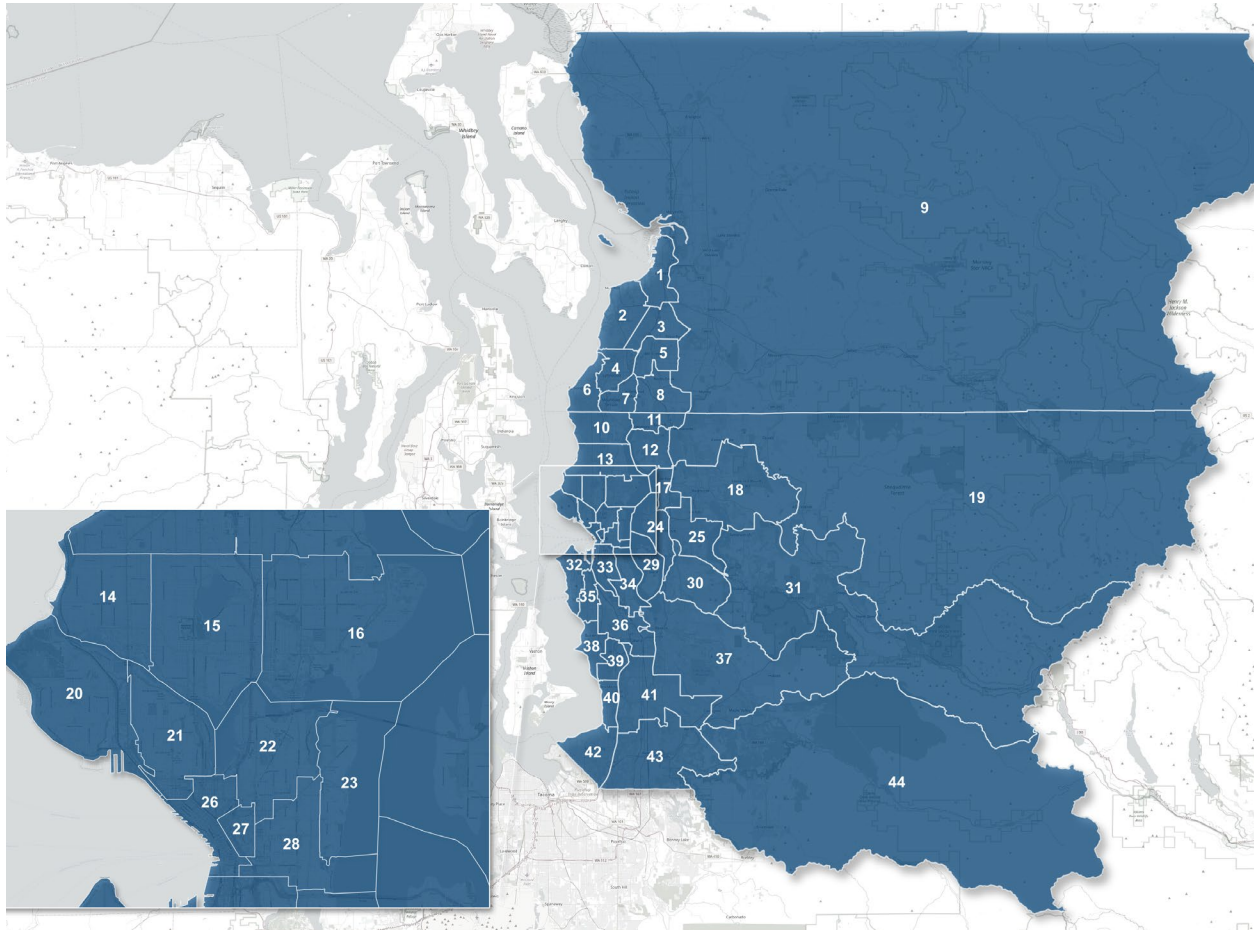
¹ From January 2024 to December 2024

Seattle vs. National Sales Price per Unit



Source: Yardi Matrix

SEATTLE SUBMARKETS



Area No.	Submarket
1	Central Everett
2	Paine Field
3	Silver Lake
4	Lynnwood
5	Mill Creek
6	Edmonds
7	Mountlake Terrace
8	Thrashers Corner
9	Marysville/Monroe
10	Shoreline
11	Bothell
12	Juanita
13	North Seattle
14	Ballard
15	Greenlake/Wallingford

Area No.	Submarket
16	University
17	Kirkland
18	Redmond
19	Woodinville/Totem Lake
20	Magnolia
21	Queen Anne
22	Capitol Hill/Eastlake
23	Madison/Leschi
24	Bellevue-West
25	Bellevue-East
26	Belltown
27	First Hill
28	Central
29	Mercer Island
30	Factoria

Area No.	Submarket
31	Issaquah
32	West Seattle
33	Beacon Hill
34	Rainier Valley
35	White Center
36	Riverton/Tukwila
37	Renton
38	Burien
39	Seatac
40	Des Moines
41	Kent
42	Federal Way
43	Auburn
44	Enumclaw

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



Yardi[®] Matrix

Power your business
with the industry's
leading data provider



MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily
provides accurate data on
nearly **23 million** units, covering
over **92%** of the U.S. population.



(800) 866-1144

Learn more at yardimatrix.com/multifamily

Contact
US



DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2025 Yardi Systems, Inc. All Rights Reserved.