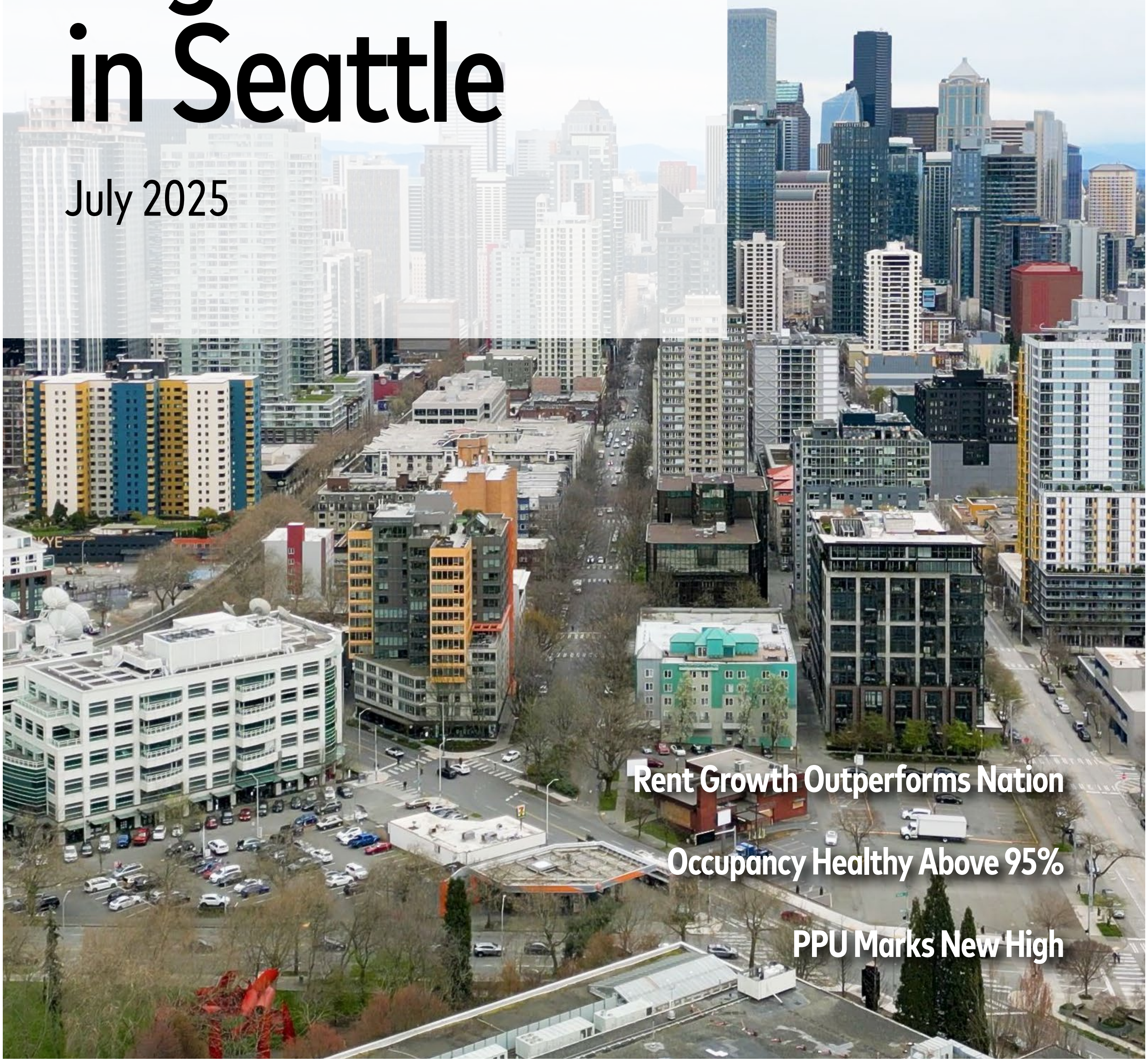
Yardi Matrix

MULTIFAMILY REPORT

Higher Rates in Seattle

July 2025



Rent Growth Outperforms Nation

Occupancy Healthy Above 95%

PPU Marks New High

SEATTLE MULTIFAMILY

Yardi Matrix

Rent Growth Rebounds, PPU Hits New Peak

Seattle's multifamily fundamentals had a good start to the 2025 leasing season, with average advertised asking rents up 0.5%, on a trailing three-month basis through May, to $2,246, outperforming the U.S. rate, which was up 0.3%, to $1,761. Meanwhile, the occupancy rate in stabilized properties fell 30 basis points year-over-year, to 95.1% in April, above the 94.4% national figure.

On a year-over-year basis through March, Seattle's employment growth recorded the third consecutive month at 1.4% and the fourth straight month above the 0.9% U.S. rate. The metro gained 16,000 net jobs over the 12-month period ending in March. Growth was led by education and health services (7,800 jobs) and professional and business services (4,200 jobs), while two sectors contracted: mining, logging and construction and manufacturing. The unemployment rate stood at 4.2% in April, according to preliminary data from the Bureau of Labor Statistics. Prominent projects in Seattle include Amazon's Bellevue 600 and Beam Reach Partners' KANON. Together, these projects will deliver more than 2 million square feet of office space.

Developers added 3,312 units in 2025 through May and had another 18,193 units underway. Units in fully affordable communities made up a quarter of the new supply. Investments totaled close to $1 billion, with equal interest across asset classes and a price per unit that increased by 25.2% year-to-date, to $398,212 in May.

Market Analysis | July 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

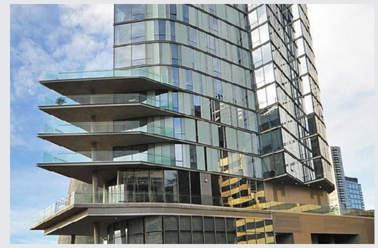
Author

Anca Gagiuc
Senior Associate Editor

On the cover: Photo by Wirestock/iStockphoto.com

Recent Seattle Transactions

Soma Towers

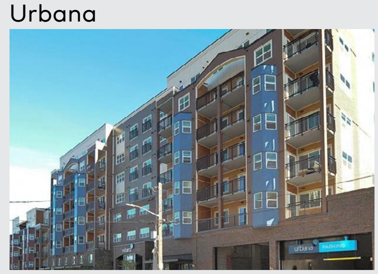


City: Bellevue, Wash.
Buyer: The Sobrato Organization
Purchase Price: $193 MM
Price per Unit: $706,410

The Queen Anne Collection

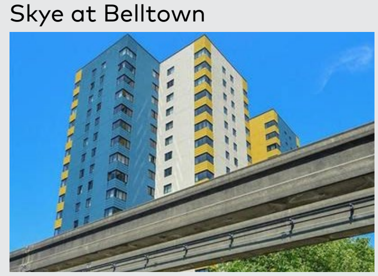
City: Seattle
Buyer: Timberlane
Purchase Price: $138 MM
Price per Unit: $564,306

Urbana



City: Seattle
Buyer: Carmel Partners
Purchase Price: $121 MM
Price per Unit: $420,557

Skye at Belltown

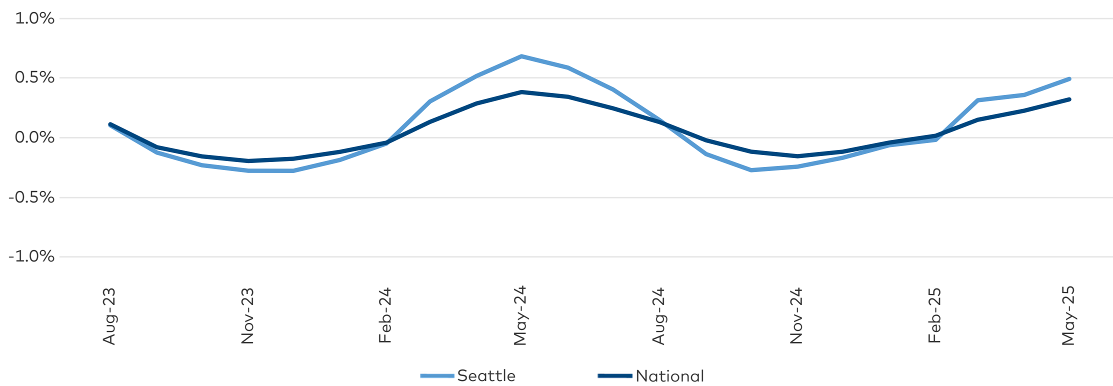


City: Seattle
Buyer: Waterton
Purchase Price: $103 MM
Price per Unit: $276,819

RENT TRENDS

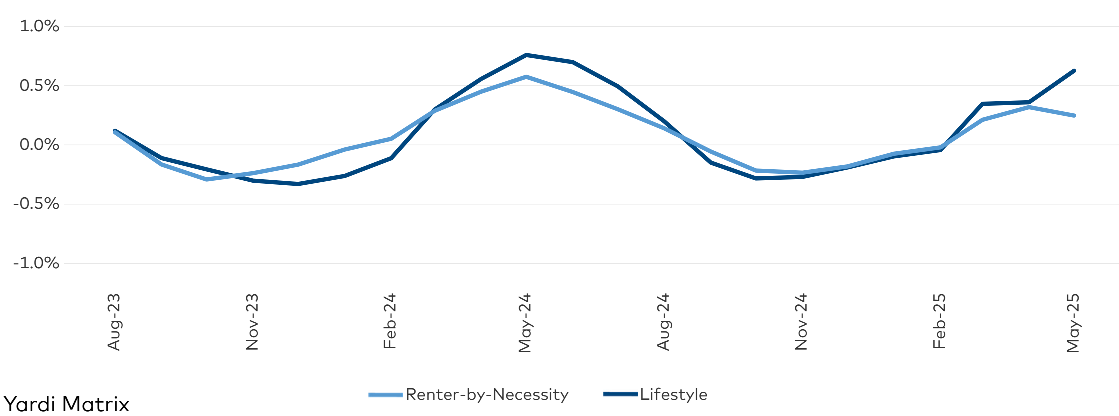
- Seattle's average advertised asking rents rose 0.5% on a trailing three-month (T3) basis through May, to $2,246, marking steady gains for the third consecutive month. Meanwhile, the national rate rose 0.3%, to $1,761. Rent growth in the metro outperformed the U.S. on a year-over-year basis as well, up by 1.2% and 1.0%, respectively.
- Advertised asking rents for the upscale Lifestyle segment led growth at the start of the 2025 leasing season, up 0.6%, on a T3 basis through May, to $2,521. The rate was double the 0.3% uptick in the working-class Renter-by-Necessity segment, where rents reached $1,871.
- The occupancy rate in stabilized properties fell 30 basis points year-over-year but remained at a healthy 95.1% in April. The drop in occupancy was equal between asset classes, to 95.2% in Lifestyle and 95.0% in RBN. Meanwhile, the national figure fell 30 basis points, to 94.4%.
- On a year-over-year basis through May, 13 of the 53 submarkets tracked by Yardi Matrix posted contractions in rents. Of the top 10 priciest submarkets, advertised asking rents declined in Juanita (-1.4% to $2,411) and remained flat in Redmond ($2,437). Seattle's most expensive submarkets as of May were Bellevue–West (3.2% to $3,149), Belltown (1.7% to $2,816) and Issaquah (0.4% to $2,814).
- The SFR sector continued to lag multifamily, with advertised asking rents up 0.7% year-over-year through May to $3,181, and occupancy down to 92.9% in April.

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 maintained a 1.4% increase rate year-over-year through March, for the third consecutive month, clocking in 50 basis points above the national average. After lagging the U.S. throughout 2024, Seattle regained momentum in January.

- The metro gained 16,000 net jobs over the 12-month period ending in March, with losses recorded in two sectors—mining, logging and construction and manufacturing. Gains were mainly sustained by education and health services (7,800 jobs), professional and business services (4,200), government (3,400) and information (3,200). Job losses totaled 6,500, with the steepest drop recorded in construction (-5,600 jobs).

- The unemployment rate remained slightly above 4% in 2025, at 4.2% in April, according to preliminary data from the BLS. The rate was on par with the U.S. and lower than the state, at 4.4%.

- Notable projects include Amazon's Bellevue 600. The first of two construction phases, featuring a 1 million-square-foot tower, is nearly complete. A second 31-story building is underway, totaling 764,000 square feet of office and 21,200 square feet of retail. It will hold more than 7,000 Amazon employees. Other significant developments include Beam Reach Partners' KANON with two office towers totaling 740,000 square feet, and Dexter Yard, BioMed Realty's 522,486-square-foot life science development.

Seattle Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	222.6	13.6%
60	Professional and Business Services	324	19.9%
90	Government	223.3	13.7%
50	Information	133.8	8.2%
40	Trade, Transportation and Utilities	256.3	15.7%
70	Leisure and Hospitality	151.2	9.3%
55	Financial Activities	78.2	4.8%
80	Other Services	53.4	3.3%
30	Manufacturing	108	6.6%
15	Mining, Logging and Construction	80.5	4.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Seattle's population expanded 0.8% between 2021 and 2022, double the 0.4% U.S. rate.

- Growth during the interval was in the same range as other major markets including Phoenix, Las Vegas and Atlanta.

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 completed 3,312 units year-to-date through May, which accounted for 1.0% of existing stock and was on par with the national figure. Seattle's annual stock growth has outpaced the U.S. average for the past eight years, but the volume recorded in the first five months of the year indicates a moderation. Of the total units completed, a quarter were in fully affordable assets, 7.2% were in RBN assets and the bulk were in Lifestyle assets (67.4%).

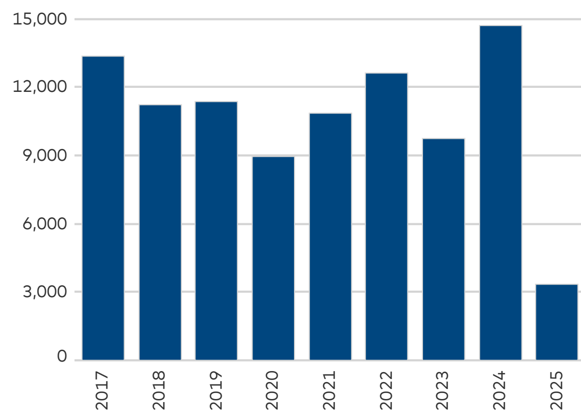
- The metro's supply pipeline comprised 18,193 units under construction and another 100,000 in the planning and permitting phases. Developers maintained the share of fully affordable units close to one quarter (24.4%), but while Lifestyle's share grew to 72.2%, the RBN share fell to 3.4%.

- Developers broke ground on 2,103 units across eight properties in 2025 through May, down from 2,990 units across 15 properties during the same interval in 2024. The softening doesn't raise any immediate issues as the volume is still high by the metro's standards.

- Six submarkets had more than 1,000 units underway, led by North Seattle (1,596 units), Marysville/Monroe (1,475 units) and Belltown (1,474 units).

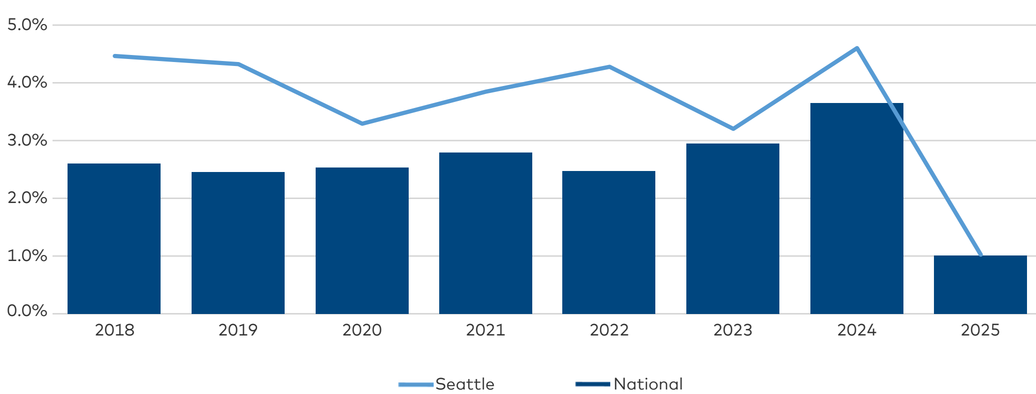
- Most completions recorded year-to-date through May were in submarkets in the northern half of the metro. Trammell Crow Residential completed the largest project to come online in 2025 through May. Alexan Main Street is a mixed-use property in the historic Bothell submarket, comprising 369 units and 8,487 square feet of retail space. The developer broke ground in 2021 and secured a $94 million construction loan originated by Comerica Bank for the project.

Seattle Completions (as of May 2025)



Source: Yardi Matrix

Seattle vs. National Completions as a Percentage of Total Stock (as of May 2025)

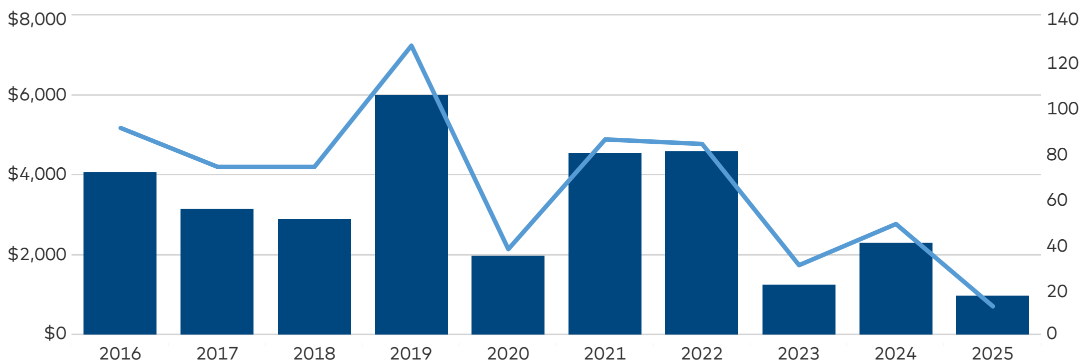


Source: Yardi Matrix

TRANSACTIONS

- Seattle investors traded $976 million in multifamily assets in 2025 through May, on track to at least meet last year's total ($2.3 billion). This was also more than triple the amount recorded in the same period last year ($312 million).
- The average price per unit rose by a substantial 25.2% year-to-date, to $398,212 in May, signaling a possible rebound of the local investment market. Meanwhile, the U.S. per-unit price rose 11.1%, to $213,979.
- The five most expensive assets that traded in Seattle in 2025 through May accounted for $700 million of the total. The priciest was Soma Towers, a 273-unit, Lifestyle property with 26,281 square feet of retail space, located in the Bellevue–West submarket. The Sobrato Organization paid $193 million for the community. The buyer used a $171 million self-financed loan to acquire the property from Su Development. The transaction also represented the highest per-unit price in this period, at $706,410.

Seattle Sales Volume and Number of Properties Sold (as of May 2025)



Source: Yardi Matrix

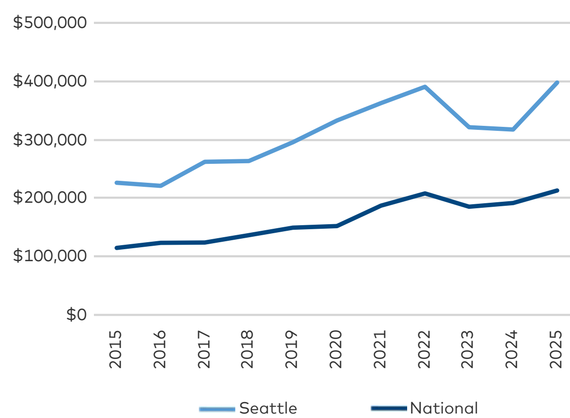
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Redmond	556
Belltown	398
Queen Anne	287
Ballard	226
Bellevue–West	223
Renton	188
First Hill	182

Source: Yardi Matrix

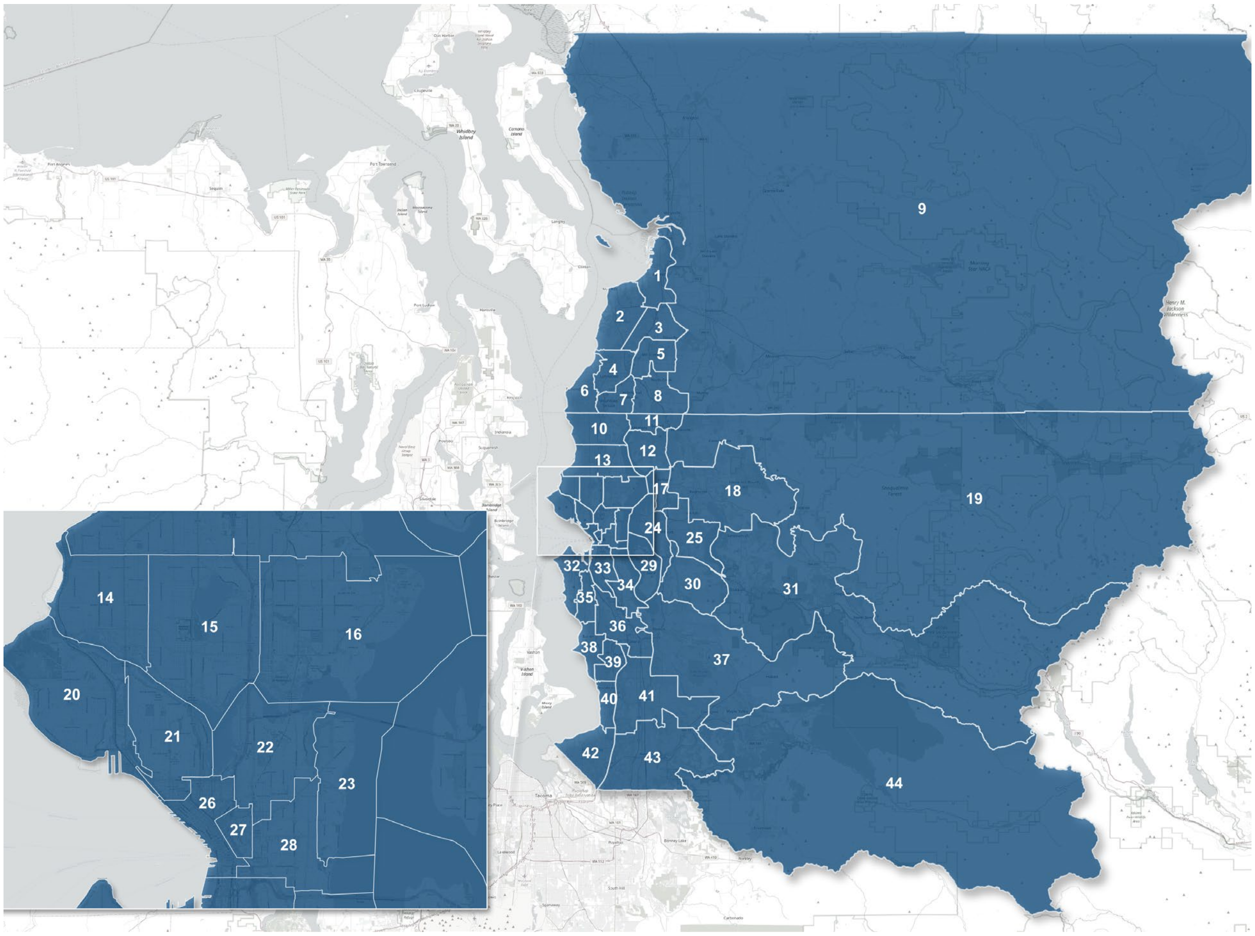
[1] From June 2024 to May 2025

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:

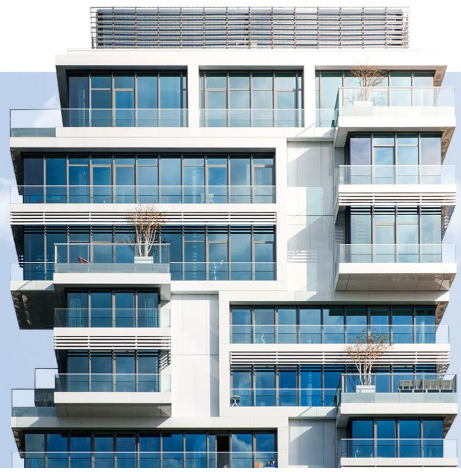
Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

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.

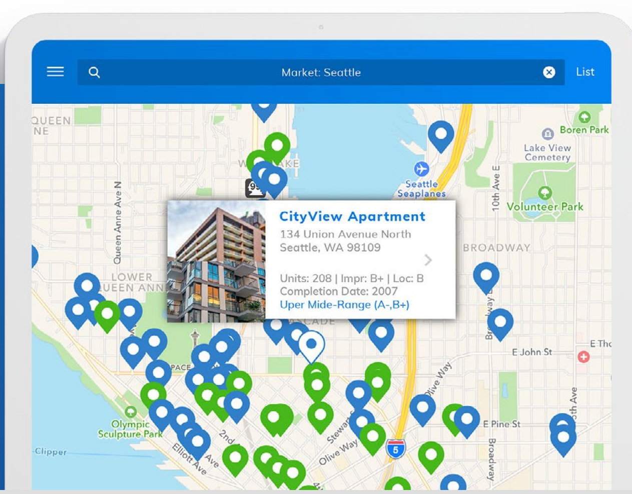
Yardi Matrix



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.**

YARDI

(800) 866-1144
Learn more at yardimatrix.com/**multifamily**

Contact us

©2025 Yardi Systems, Inc. All Rights Reserved. Yardi, the Yardi logo, and all Yardi product names are trademarks of Yardi Systems, Inc.

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.