



## MARKET AT A GLANCE



**OCCUPANCY RATE** **96.3%**  
Down **10 bps** since 3Q16



**ASKING RENT** **\$1,579**  
Up **5.9%** since 3Q16

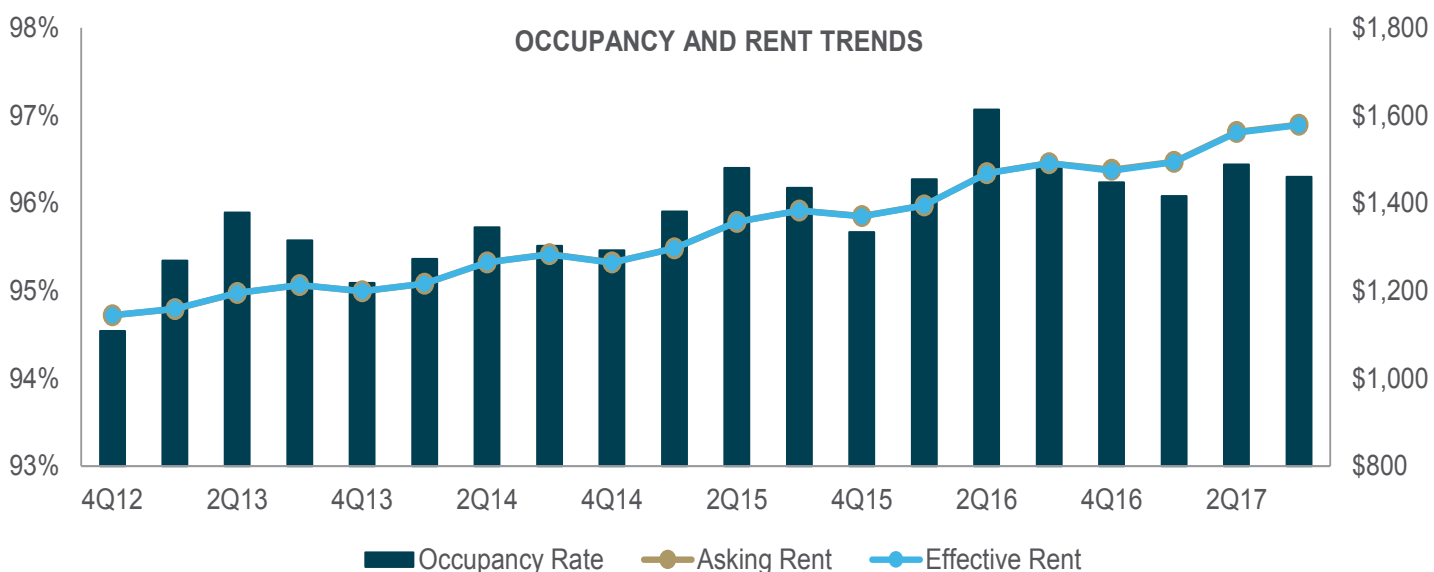


**CONCESSIONS** **0.1%**  
**Unchanged** since 3Q16

## OCCUPANCY AND RENT TRENDS

### APARTMENT LEASING ACTIVITY RISES AS EMPLOYMENT GROWS

Seattle-Tacoma residents continued to seek apartments as leasing activity increased across the metropolitan area last year. Leasing activity totaled 11,625 net units since September 2016, surpassing the 10,413 units absorbed during the preceding year. Residents sought new inventory, with absorption highest in the Downtown/Capitol Hill/Queen Anne and the North Seattle/Northgate submarkets. In these neighboring areas, developers brought a combined 6,802 units online over the last four quarters, accounting for more than half of all the deliveries across the metropolitan area. Even with the heightened demand, leasing activity trailed inventory growth to push metrowide occupancy down 10 basis points annually to 96.3% in September 2017. Despite the dip, occupancy was 80 basis points higher than the preceding five-year average. Operators capitalized on elevated demand by advancing asking rent on average 5.9% year over year. Asking rent reached \$1,579 per month in September 2017. At the same time, effective rent increased 5.8% to expand the average concession to a still low 0.1% of asking rent. In the highly desired Downtown/Capitol Hill/Queen Anne submarket, asking rent remained a metro high at \$2,304 per month in September, up 6.3% from one year prior.



# SEATTLE-TACOMA

MULTIFAMILY REPORT

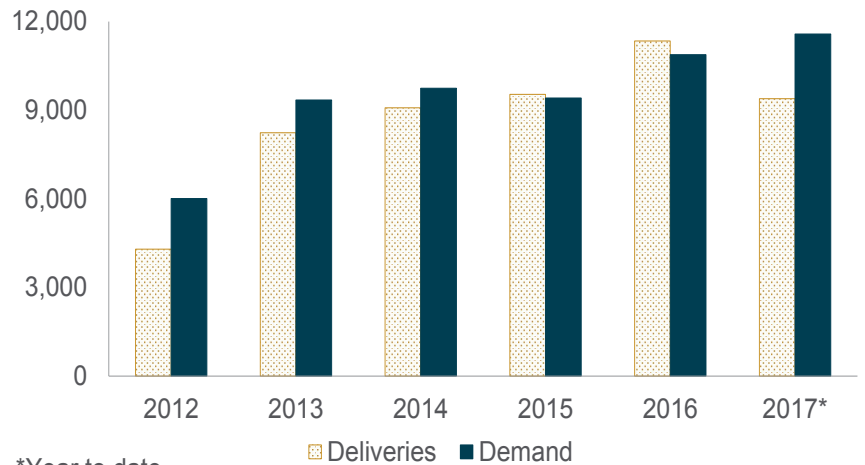
## DELIVERIES AND DEMAND



**DELIVERIES** 9,392  
Units YTD



**NET ABSORPTION** 11,581  
Units YTD



\*Year to date

## ECONOMIC TRENDS

2016 4.4% ..... **UNEMPLOYMENT\*** ..... 2017 3.9%  
**-50 BPS CHANGE**

2016 1.96m ..... **EMPLOYMENT\*** ..... 2017 2.01m  
**2.5% CHANGE**

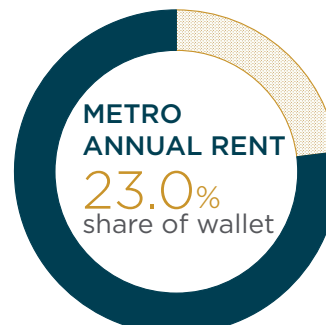
2016 59.2k ..... **EXISTING SFH SALES\*\*** ..... 2017 61.0k  
**3.0% CHANGE**

2016 \$418.3k ..... **MEDIAN SFH PRICE\*\*** ..... 2017 \$467.0k  
**11.6% CHANGE**

2016 1.63% ..... **10-YEAR TREASURY\*\*** ..... 2017 2.20%  
**60 BPS CHANGE**

\*August; \*\*September

Expansion in the government sector boosted the labor force in the Seattle-Tacoma metropolitan area. Government institutions added 11,800 workers to grow 4.2% annually, leading job creation for all employment sectors since August 2016. Overall, total nonfarm employment increased by 48,900 positions. The 2.5% metro expansion outpaced the 1.4% national average rise at the same time. Hiring was also robust in the metro's largest employment sector: trade, transportation, and utilities. Employers created 9,400 positions to expand 2.5% year over year. Alaska Air Group Inc. contributed to the sector, with more than 250 jobs earmarked for Greater Seattle of the 2,300 jobs the company created nationwide in 2017. Nearly every employment sector posted job gains, though metrowide employment growth was tamped down from 3.3% in the preceding year in part because of the 6,200 jobs shed from the manufacturing sector since August 2016. Contributing to the contraction in the manufacturing sector were the 1,800 positions Boeing cut from its Puget Sound workforce.



# SEATTLE-TACOMA

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Auburn/Enumclaw	96.1%	95.8%	7.3%	4.1%	\$1,272	\$1,324	-32	-22	0	0
Beacon Hill/Ranier Valley/Skyway	95.3%	94.2%	5.6%	8.7%	\$1,645	\$1,789	155	127	106	313
Bellevue/Issaquah	95.8%	95.7%	4.6%	3.5%	\$2,084	\$2,158	58	1,154	153	1,229
Bothell/Woodinville	95.5%	95.4%	7.2%	4.1%	\$1,728	\$1,799	32	572	48	607
Des Moines/West Kent	95.7%	95.4%	6.3%	6.8%	\$1,376	\$1,469	-36	-36	0	0
Downtown/Capitol Hill/Queen Anne	95.6%	96.2%	4.4%	6.3%	\$2,168	\$2,304	1,478	4,999	1,724	4,704
East	97.8%	97.6%	7.5%	5.1%	\$1,232	\$1,295	81	190	57	211
Edmonds/Lynnwood	95.8%	95.6%	5.5%	4.4%	\$1,469	\$1,534	-34	-42	0	0
Everett/Mukilteo/Mill Creek	95.7%	95.8%	4.4%	4.6%	\$1,429	\$1,494	-17	40	0	0
Federal Way	94.8%	95.5%	11.3%	4.6%	\$1,318	\$1,379	-74	485	0	436
Kent	95.7%	95.6%	8.4%	5.4%	\$1,327	\$1,398	-15	115	0	131
King County/Other	95.8%	94.5%	8.4%	2.8%	\$2,035	\$2,091	3	-10	0	0
Kirkland/Juanita	95.7%	95.9%	6.7%	3.8%	\$1,908	\$1,981	-26	28	0	0
Lakewood	95.0%	95.1%	8.6%	3.9%	\$1,114	\$1,157	-25	6	0	0
McChord Air Force Base	98.9%	98.7%	-12.4%	8.6%	\$869	\$944	9	-8	0	0
North Seattle/Northgate	96.7%	96.4%	6.9%	2.2%	\$1,818	\$1,859	597	1,859	537	2,098
North Tacoma	96.9%	96.7%	8.7%	7.4%	\$1,314	\$1,411	36	-24	0	0
Parkland/Spanaway/Midland	-	97.9%	-	-	-	\$1,061	30	-45	0	0
Peninsula	96.6%	96.5%	6.2%	4.1%	\$1,275	\$1,328	-4	-2	0	0
Pierce County/Other	96.3%	96.6%	10.9%	4.3%	\$1,397	\$1,458	6	170	0	163
Redmond	95.1%	95.8%	5.0%	5.5%	\$1,968	\$2,077	-37	721	28	651
Renton	95.6%	95.5%	9.4%	4.2%	\$1,600	\$1,667	182	521	168	564
Snohomish County/Other	99.2%	98.1%	19.2%	6.3%	\$1,403	\$1,492	174	105	60	188
South Tacoma	98.8%	97.9%	6.9%	5.6%	\$1,092	\$1,153	82	-19	0	69
Tukwila/Sea-Tac	96.5%	96.6%	11.7%	3.9%	\$1,315	\$1,367	-12	9	0	0
University Place/Fircrest	96.9%	97.4%	7.9%	4.8%	\$1,098	\$1,150	-1	20	0	0
West Seattle/Burien	97.1%	96.2%	6.8%	5.3%	\$1,641	\$1,728	260	712	286	933
<b>TOTALS</b>	<b>96.4%</b>	<b>96.3%</b>	<b>7.8%</b>	<b>5.9%</b>	<b>\$1,491</b>	<b>\$1,579</b>	<b>2,870</b>	<b>11,625</b>	<b>3,167</b>	<b>12,297</b>



CORPORATE HEADQUARTERS

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax: (646) 600-7838  
[www.Berkadia.com](http://www.Berkadia.com)

ALBUQUERQUE, NM

AMBLER, PA

ATLANTA, GA

AUSTIN, TX

BAKERSFIELD, CA

BATON ROUGE, LA

BETHESDA, MD

BIRMINGHAM, AL

BOCA RATON, FL

BOSTON, MA

CAMAS, WA

CHARLESTON, SC

CHATTANOOGA, TN

CHICAGO, IL

CLEARWATER, FL

CLEVELAND, OH

COLORADO SPRINGS, CO

DALLAS, TX

DENVER, CO

DETROIT, MI

EL SEGUNDO, CA

FRESNO, CA

HOUSTON, TX

IRVINE, CA

JACKSONVILLE, FL

KANSAS CITY, MO

LAS VEGAS, NV

LENOX, MA

LOS ANGELES, CA

MARBLEHEAD, MA

MIAMI, FL

MIDVALE, UT

MURRIETA, CA

NASHVILLE, TN

NEW YORK, NY

NEWPORT NEWS, VA

ORLANDO, FL

PASADENA, CA

PHILADELPHIA, PA

PHOENIX, AZ

PORTLAND, OR

RALEIGH, NC

RICHMOND, VA

SACRAMENTO, CA

SALT LAKE CITY, UT

SAN ANTONIO, TX

SAN DIEGO, CA

SAN FRANCISCO, CA

SCOTTSDALE, AZ

SEATTLE, WA

SHREWSBURY, NJ

ST. LOUIS, MO

TACOMA, WA

TAMPA, FL

TEMECULA, CA

TEMPE, AZ

TUCSON, AZ

WOODLAND HILLS, CA

HYDERABAD - INDIA\*

*\*Back Office Support*

a Berkshire Hathaway and Leucadia National company