



## MARKET AT A GLANCE



**OCCUPANCY RATE** **95.6%**  
Unchanged since 3Q18



**EFFECTIVE RENT** **\$1,765**  
Up 2.4% since 3Q18

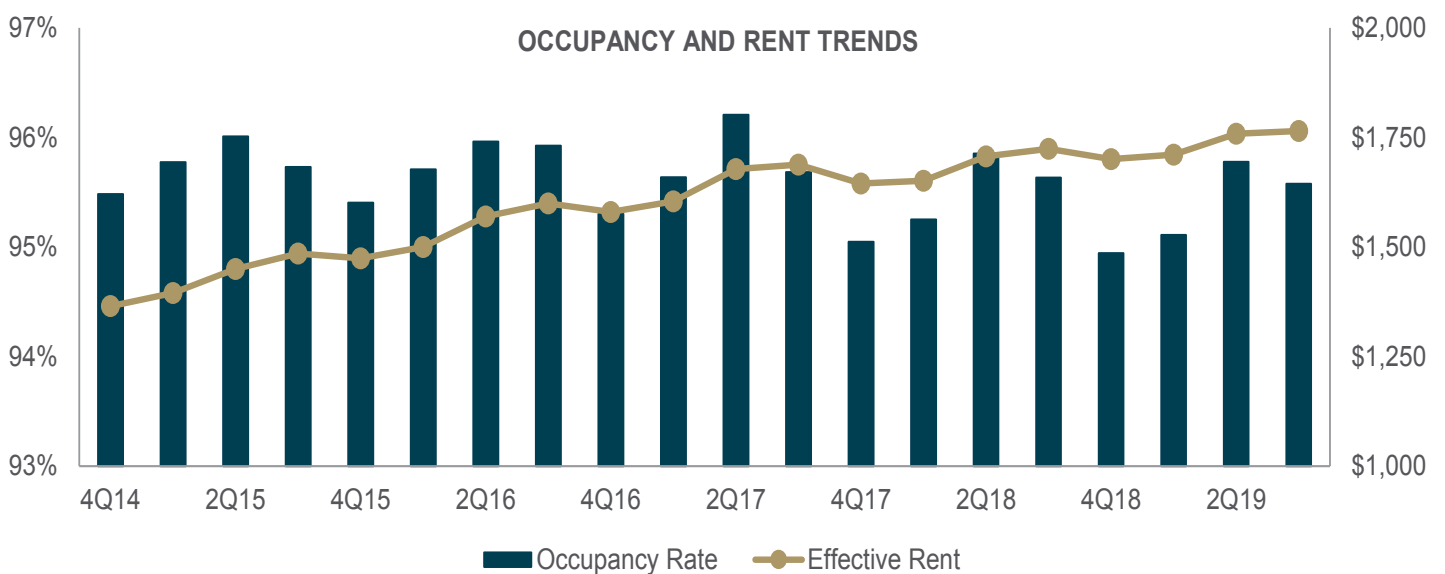


**TOTAL INVENTORY** **402,389**

## OCCUPANCY AND RENT TRENDS

### DEVELOPERS WORK TO MEET DEMAND, KEEP APARTMENT DELIVERIES ELEVATED

Apartment developers showed confidence in the Seattle-Tacoma market with an influx of new inventory. In the last four quarters, construction completed on 11,921 units across the metropolitan area. Development remained focused around employment nodes, with a bulk in the neighboring South Lake Union/Queen Anne and Downtown Seattle submarkets as well as the Redmond submarket. The additions were met by demand as apartment absorption was robust in these areas too. Demand is expected to persist as employers continue to grow payrolls, especially in the information and the professional and business services sectors. At a metro level, annual leasing activity nearly doubled from apartment absorption during the year before to nearly keep pace with inventory growth to hold occupancy at 95.6% year over year and on par with the five-year average. Apartment developers capitalized on healthy occupancy amid growing inventory by accelerating rent growth. After advancing 2.1% during the year prior, average effective rent increased 2.4% annually to \$1,765 per month in September 2019.



# SEATTLE-TACOMA

## MULTIFAMILY REPORT

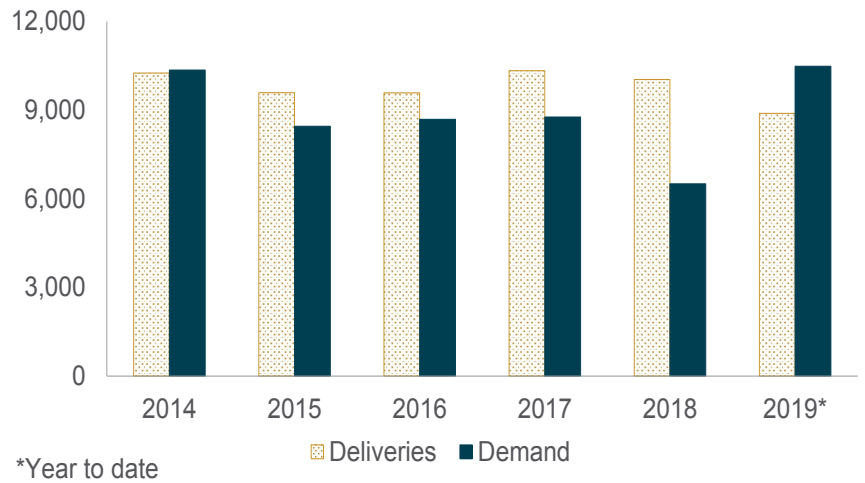
### DELIVERIES AND DEMAND



**DELIVERIES** 8,893  
Units YTD



**NET ABSORPTION** 10,488  
Units YTD



### ECONOMIC TRENDS

2018 **3.7%** ..... **UNEMPLOYMENT\*** ..... 2019 **3.7%**  
**0 BPS CHANGE**

2018 **2.05m** ..... **EMPLOYMENT\*** ..... 2019 **2.11m**  
**3.3% CHANGE**

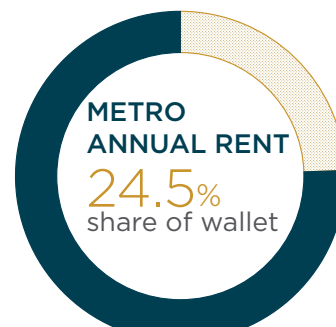
2018 **48.6k** ..... **EXISTING SFH SALES\*\*** ..... 2019 **56.2k**  
**15.6% CHANGE**

2018 **\$495.8k** ..... **MEDIAN SFH PRICE\*\*** ..... 2019 **\$525.7k**  
**6.0% CHANGE**

2018 **3.00%** ..... **10-YEAR TREASURY\*\*** ..... 2019 **1.70%**  
**-130 BPS CHANGE**

\*July; \*\*September

Contributing to strong in-migration and sustained demand for housing was the strengthening Seattle-Tacoma economy as the labor force continued to grow. After increasing 2.3% during the year prior, total nonfarm employment grew 3.3%, or by 67,400 positions, annually since July 2018. While additions were broad-based, a metro leading 12,000 personnel were added to the education and health services workforce, for a 4.3% annual increase. Boosting the sector is the presence of the University of Washington, and the life sciences and biotech companies capitalizing on the university resources and graduates. Education and health services hiring was nearly matched in the professional and business services segment as the sector expanded by 11,900 positions. These positions elevated office occupancy to 94% in the third quarter. Developers have responded as 6.5 million square feet of office space was under construction. These projects as well as the numerous multifamily developments contributed to 6,000 new construction jobs, for 4.7% growth since July 2018.



# SEATTLE-TACOMA

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Capitol Hill/Central District	95.7%	95.5%	-0.8%	0.6%	\$1,906	\$1,917	-135	716	129	882
Downtown Seattle	94.8%	95.1%	-1.4%	-0.2%	\$2,301	\$2,297	44	1,607	173	1,599
East Bellevue/Issaquah	95.4%	95.2%	1.8%	2.1%	\$1,937	\$1,977	-39	1,316	0	1,420
East Pierce County	96.5%	96.6%	5.5%	4.7%	\$1,380	\$1,445	96	116	54	105
Everett	96.2%	95.4%	6.4%	3.6%	\$1,388	\$1,439	-77	-19	58	200
Federal Way/Des Moines	95.4%	95.6%	3.3%	3.5%	\$1,377	\$1,426	15	29	0	0
Kent/Auburn	95.7%	95.5%	5.3%	4.8%	\$1,456	\$1,525	-60	-13	36	36
Kirkland/Bothell	95.5%	95.1%	3.4%	1.8%	\$1,886	\$1,920	69	238	316	400
Lynnwood/Edmonds/Mukilteo	96.1%	95.8%	3.5%	3.9%	\$1,525	\$1,584	-93	-56	0	0
North Seattle/Shoreline	96.3%	96.2%	1.9%	1.6%	\$1,533	\$1,557	370	492	155	682
North Tacoma	96.3%	95.5%	2.7%	2.2%	\$1,309	\$1,338	-11	261	92	571
Redmond	96.3%	95.9%	2.6%	2.2%	\$2,037	\$2,081	436	1,173	400	1,484
Renton	95.3%	95.4%	1.9%	4.0%	\$1,683	\$1,749	-32	16	0	0
SeaTac/Burien	96.3%	96.0%	3.4%	3.2%	\$1,341	\$1,383	62	-46	0	0
South Lake Union/Queen Anne	94.4%	95.0%	-2.2%	0.5%	\$2,158	\$2,168	763	2,491	623	2,480
South Tacoma/University Place	97.3%	96.5%	7.1%	4.0%	\$1,192	\$1,240	-71	-81	0	0
Southwest Pierce County	96.7%	95.1%	6.3%	3.0%	\$1,184	\$1,219	-37	-122	156	156
University District/Ballard	94.9%	96.1%	-0.3%	0.5%	\$1,938	\$1,949	274	1,319	355	964
West Bellevue/Mercer Island	94.3%	95.4%	3.6%	1.6%	\$2,376	\$2,414	120	528	165	411
West Seattle/South Seattle	95.1%	95.6%	0.4%	1.3%	\$1,831	\$1,854	92	597	0	531
<b>TOTALS</b>	<b>95.6%</b>	<b>95.6%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>\$1,724</b>	<b>\$1,765</b>	<b>1,786</b>	<b>10,565</b>	<b>2,712</b>	<b>11,921</b>



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