

MARKET AT A GLANCE



OCCUPANCY RATE

96.1%

Up **60 bps** since 1Q19



EFFECTIVE RENT

\$1,840

Up **5.0%** since 1Q19



DELIVERIES

2,009

Units YTD

MULTIFAMILY TRENDS

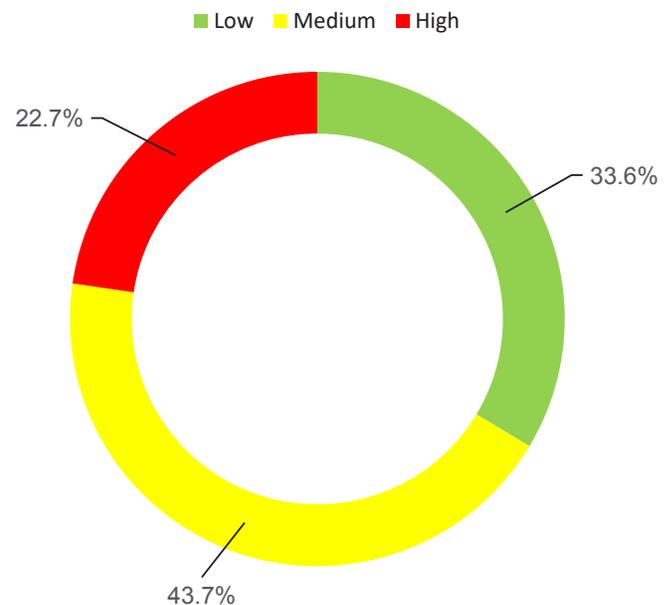
COVID-19, TRADE WAR TIGHTENING SEATTLE'S ECONOMY

A robust construction pipeline combined with the coronavirus pandemic is applying pressure on apartment operators. Approximately 2,000 units came online in the first quarter of 2020, building on the more than 10,400 units deliveries during 2019. Development is expected to significantly slowdown as Governor Jay Inslee's order requiring all nonessential workers, including a moratorium on most residential construction, through May 4. The virus has had an outsized impact on the leisure and hospitality, manufacturing, and trade sectors, which combined comprise approximately 40% of the metro's payrolls. The pandemic along with the ongoing trade war with China led to international imports and exports at the Seattle and Tacoma ports to fall more than 10% each. The diversified economy should help the region to weather the storm better than most markets with companies like Amazon, Facebook, Google, and Microsoft keeping staff through mandated work-from-home policies. How the economy will rebound will be influenced by how Boeing, one of the region's largest private employers, responds to the CARES Act bailout. In mid-April, Boeing recalled approximately 2,500 employees for a safe and orderly restart of limited operations for defense programs manufacturing projects. The measured approach to restarting the economy will be adopted by the state, as Washington joins Oregon and California in a pact to create shared guidelines for reopening.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.3%	1.1%
Finance and insurance	3.4%	4.7%
Health care and social assistance	13.5%	16.0%
Information	7.3%	2.2%
Transportation and warehousing	4.1%	4.4%
Utilities	0.2%	0.4%
Wholesale trade	4.8%	4.7%
Total	33.6%	33.4%
MEDIUM		
Administrative and waste services	6.3%	7.4%
Educational services	1.7%	2.3%
Manufacturing	10.3%	10.1%
Mining, quarrying, and oil and gas extraction	0.0%	0.5%
Other services, except public administration	3.7%	3.6%
Professional and technical services	8.7%	7.5%
Retail trade	13.0%	12.2%
Total	43.7%	43.6%
HIGH		
Accommodation and food services	9.6%	11.1%
Arts, entertainment, and recreation	2.1%	1.9%
Construction	7.0%	6.1%
Management of companies and enterprises	1.9%	1.9%
Real estate and rental and leasing	2.1%	1.8%
Unclassified	0.0%	0.1%
Total	22.7%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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