

SEATTLE-TACOMA, WA

2022 MARKET AT A GLANCE

Occupancy Rate

96.3%



DOWN 10 BPS YOY

Effective Rent

\$1,962



UP 6.3% YOY

Rent Share of Wallet

24.5%



UP 60 BPS YOY

Apartment Development and Demand Focused in Downtown Seattle

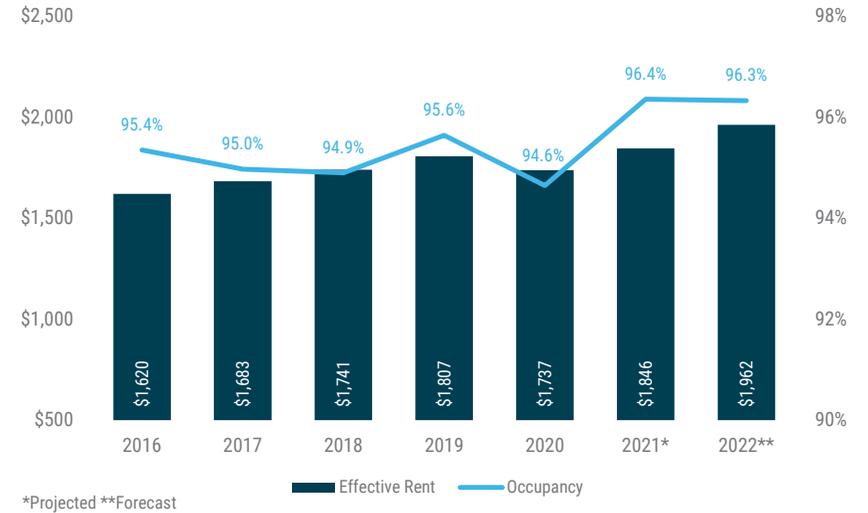
As many apartment developments faced delayed starts and extended construction timelines across Seattle-Tacoma in recent years, deliveries are projected to reach a historic high this year. Development will be focused on the urban core, with a metro-leading 3,500 units on pace for completion by year-end in the Downtown Seattle submarket. A significant share of downtown's new inventory will come with the opening of 1200 Stewart, which is scheduled to bring 1,050 units online by year-end. The additions represent more than 11% annual inventory growth for an area where absorption is typically among the highest submarkets in the metro in recent years. Additional top-tier apartment options, combined with more neighborhood amenities that include a Live Nation music venue in 1200 Stewart, will underpin Downtown Seattle's metro-leading net absorption over the next four quarters. Even with an annual increase in leasing activity, supply side pressure will shift down the average occupancy rate by year-end. The influx of new inventory outpacing vigorous absorption is a trend expected to be reflected metrowide. With approximately 16,300 units scheduled to come online over the next four quarters, apartment occupancy in Seattle-Tacoma is projected to end the year at 96.3%. Regardless of the dip, the forecast occupancy rate would be 70 basis points higher than the five-year average. With healthy occupancy amid heightened inventory growth, apartment operators are expected to trim concessions to boost effective rent. As a result, effective rent is projected to rise 6.3% this year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

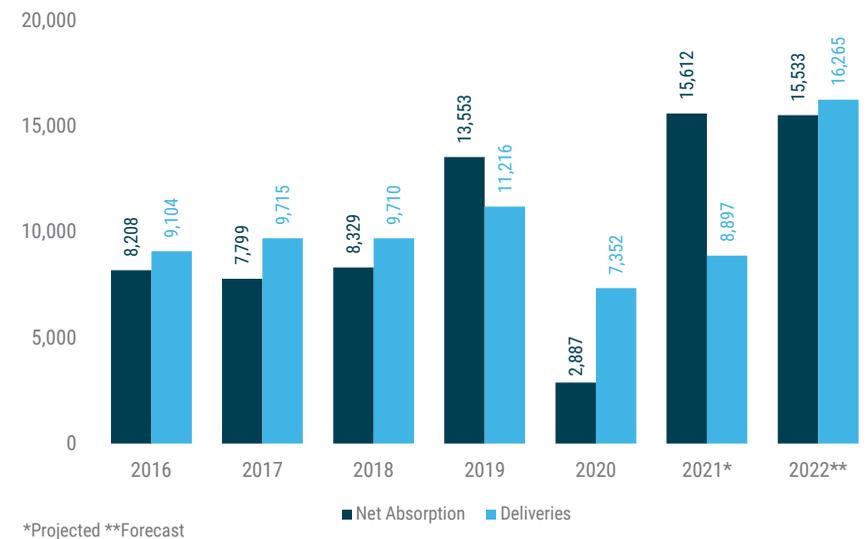
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



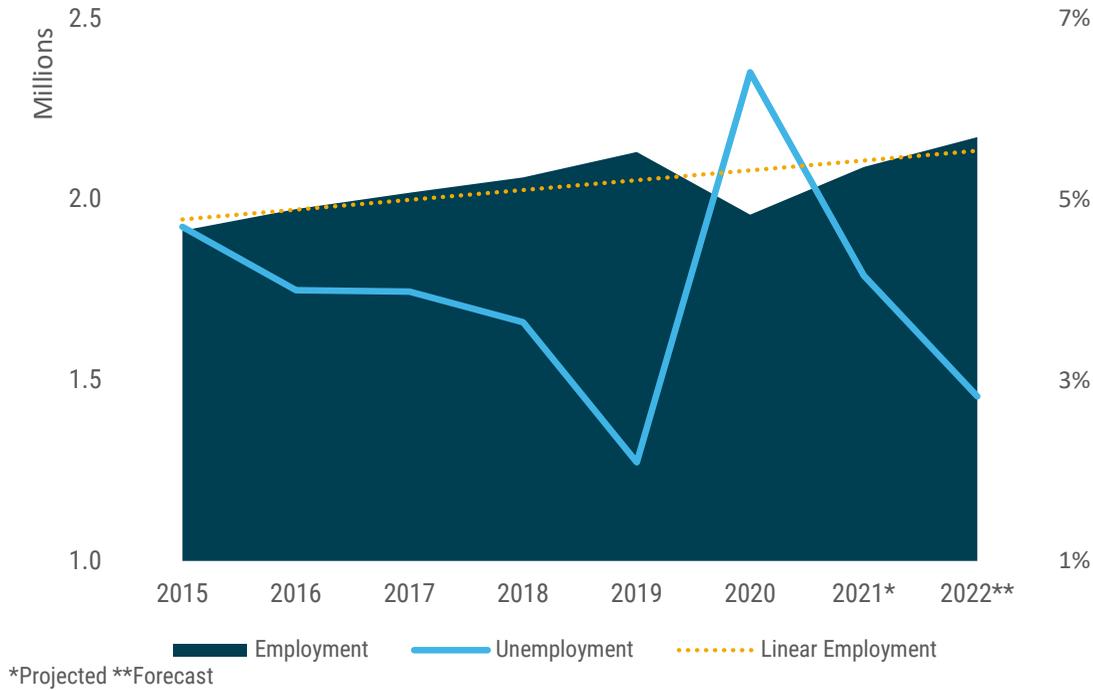
Absorption & Deliveries



SEATTLE-TACOMA, WA

EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



<p>Employment</p> <p>2,172,600</p> <p>↑</p> <p>UP 3.9% YOY</p>	<p>Unemployment</p> <p>2.8%</p> <p>↓</p> <p>DOWN 140 BPS YOY</p>	<p>Median Household Income</p> <p>\$95,971</p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p>\$361,347</p> <p>↑</p> <p>UP 9.8% YOY</p>	<p>Cap Rate</p> <p>4.4%</p> <p>=</p> <p>UNCHANGED YOY</p>
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