



MARKET AT A GLANCE



OCCUPANCY RATE 95.5%

Down 60 bps since 2Q19



EFFECTIVE RENT \$1,834

Up 1.6% since 2Q19



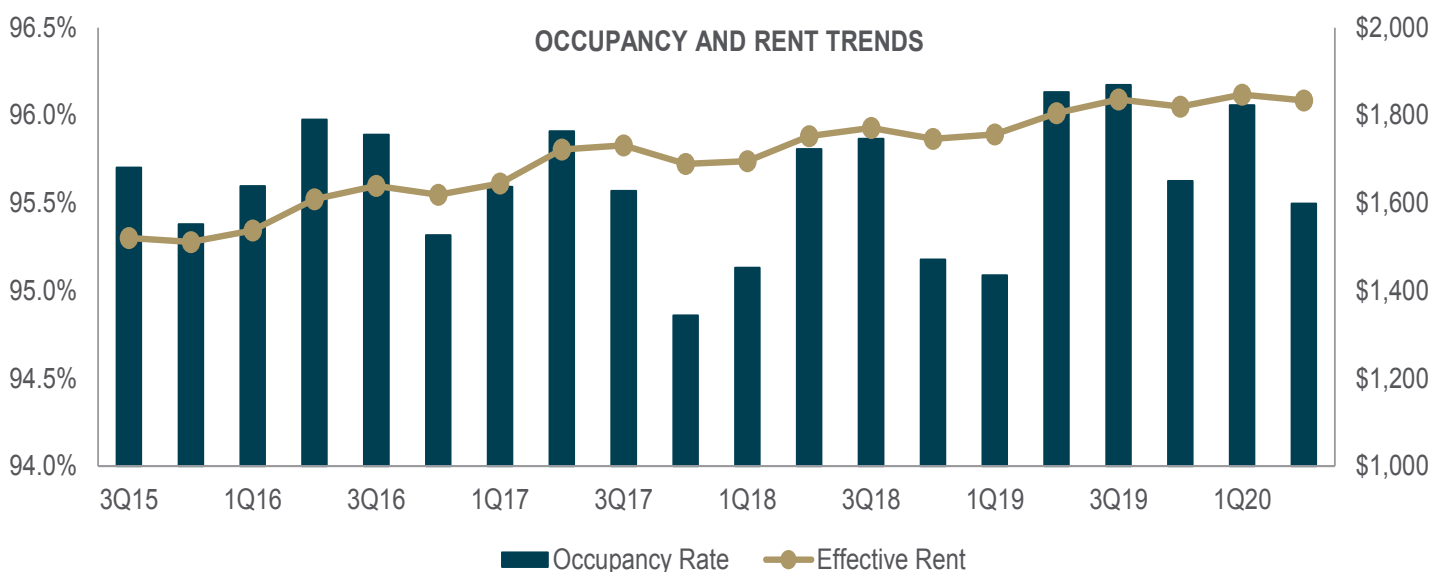
RENT PAYMENT TRACKER (July 1-6) 86.2%

Down 100 bps since June 1-6

OCCUPANCY AND RENT TRENDS

EFFECTIVE RENT RISES 4.1% ANNUALLY AS ABSORPTION NEARS 700 UNITS

Seattle-Tacoma apartment operators saw an unseasonable drop in demand as absorption shifted negative in the second quarter. Bucking the market trend were the Capitol Hill/Central District and the West Bellevue/Mercer Island submarkets. Each submarket is near employers that continue to hire, like Amazon, Google, Facebook, and Microsoft. Several Class A properties offer amenities these work-from-home employees seek that include high-speed internet and online rent payment options. While absorption was positive, leasing activity trailed inventory growth to shift down average occupancy in these areas. The trend was reflected marketwide as average apartment occupancy lowered 60 basis points quarter over quarter. With the drop, operators responded by increasing concessions. This led to effective rent lowering 0.7% since March to an average of \$1,834 per month in June. From July 1 to 6, 86.2% of renters made a full or partial rent payment, 880 basis points higher than the national average. For owners, loans in forbearance elevated from zero in May to 3.0% in June. At the same time, loans 30+ days delinquent also went from nonexistent in May to 0.3% in June.



SEATTLE - TACOMA

MULTIFAMILY REPORT

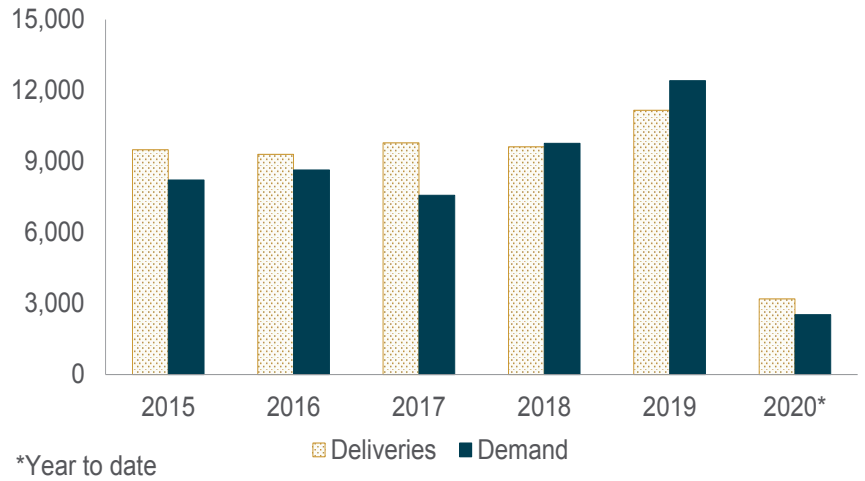
DELIVERIES AND DEMAND



DELIVERIES 3,199
Units YTD



NET ABSORPTION 2,532
Units YTD



ECONOMIC TRENDS

2019 3.4% **UNEMPLOYMENT*** 2020 15.1%
1,170 BPS CHANGE

2019 2.1m **EMPLOYMENT*** 2020 1.8m
-11.9% CHANGE

2019 49.9k **EXISTING SFH SALES**** 2020 44.9k
-10.0% CHANGE

2019 4.0m **POPULATION**** 2020 4.0m
1.4% CHANGE

2019 2.07% **10-YEAR TREASURY**** 2020 0.73%
-130 BPS CHANGE

*May; **June



SEATTLE - TACOMA

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Capitol Hill/Central District	95.6%	-80	-110	\$1,978	-0.2%	1.6%	361	557	646	944
Downtown Seattle	94.2%	-150	-100	\$2,519	-1.1%	0.7%	-446	-120	0	196
East Bellevue/Issaquah	95.3%	-90	-60	\$2,001	-1.7%	-0.1%	-176	-113	0	0
East Pierce County	96.5%	100	-10	\$1,502	0.6%	3.0%	160	464	0	501
Everett	94.9%	-10	-120	\$1,459	-0.4%	-0.1%	-31	-237	0	75
Federal Way/Des Moines	96.5%	30	40	\$1,457	0.7%	2.2%	38	65	0	0
Kent/Auburn	96.0%	30	-20	\$1,522	-0.5%	0.6%	99	105	24	163
Kirkland/Bothell	95.2%	-80	-90	\$1,890	-1.8%	-1.1%	-22	836	168	1,088
Lynnwood/Edmonds/Mukilteo	95.5%	-50	-100	\$1,579	-1.7%	-1.3%	-87	-180	0	0
North Seattle/Shoreline	95.4%	-100	-60	\$1,614	-0.6%	1.6%	-202	57	0	190
North Tacoma	95.9%	-10	-40	\$1,441	-1.2%	2.9%	-13	116	0	186
Redmond	96.2%	-90	-50	\$2,081	-1.9%	-0.7%	10	1,407	153	1,537
Renton	95.8%	0	50	\$1,711	-1.8%	-0.8%	0	82	0	0
SeaTac/Burien	95.1%	-100	-40	\$1,506	0.4%	3.7%	-153	-67	0	0
South Lake Union/Queen Anne	95.0%	-130	-120	\$2,406	-0.8%	4.5%	-340	980	0	1,338
South Tacoma/University Place	96.6%	-10	-80	\$1,304	-0.6%	3.8%	-14	-79	0	0
Southwest Pierce County	97.1%	0	60	\$1,273	-0.7%	4.1%	5	303	0	208
University District/Ballard	95.3%	-60	-120	\$2,025	0.6%	3.1%	-133	461	78	897
West Bellevue/Mercer Island	95.4%	-120	-90	\$2,491	-1.4%	0.1%	120	374	290	506
West Seattle/South Seattle	94.6%	-90	-50	\$1,923	-0.6%	1.6%	-155	108	15	203
TOTALS	95.5%	-60	-60	\$1,834	-0.7%	1.6%	-980	5,117	1,374	8,032

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