

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.6% Vacancy Rate	▼ -20 bps	▼
11,075 YTD Net Absorption, units	▲ +847	▼
\$2.64 Effective Rent, PSF <i>(Overall, All Property Classes)</i>	▲ +\$0.04	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2M Seattle MSA Employment	▲ +12,100 jobs	▲
4.3% Seattle MSA Unemployment Rate	▲ +20 bps	▲
1.7M Seattle MSA Total Households	▲ +1.3%	▲

Source: BLS

ECONOMY: Seattle Metro Area Employment Ticks Higher

The Seattle metro area economy noted some progress since the start of the year. Employment improved by 12,100 jobs year-over-year (YOY), maintaining the current 2.2 million total. The unemployment rate, however, also rose, up 20 basis points (bps) YOY to 4.3%, matching the U.S. rate. The median household income rose 2.6% YOY to \$118,100. Households increased 20,600 YOY to 1.7 million. As measured by the Consumer Price Index for All Urban Consumers, prices increased 2.8% YOY, driven by higher food (+3.5%) and energy (+7.3%) costs. Minus food and energy, the index rose 2.6% YOY, driven by rises to household furnishings and operations (+7.6%) and shelter (+1.1%).

SUPPLY and DEMAND: Construction Slowdown Will Benefit Occupancy

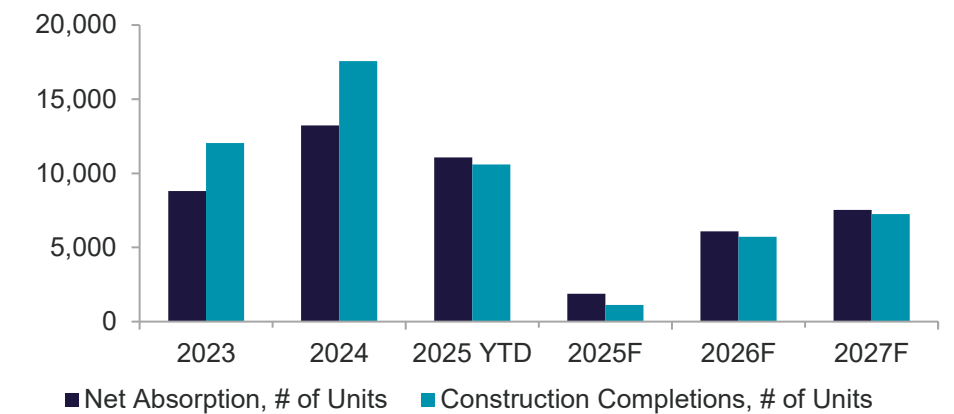
Units under construction in the region fell slightly in the third quarter of 2025, down 27.8% YOY to 16,902 and dropping for the sixth straight quarter. Just over 3,000 units were added during the quarter, up 0.8% YOY. Deliveries for 2025 are projected to be lower than last year's figure.

The vacancy rate for the Puget Sound region has been above the 7.0% mark since the fourth quarter of 2023. It closed the quarter at 7.6%, down 20 bps YOY. Absorption for the quarter was positive in each of the three counties in the region, with King County leading the way at just over 2,200 units. The metro's population growth and limited new deliveries will bolster occupancy, which should continue to rise in the next twelve months.

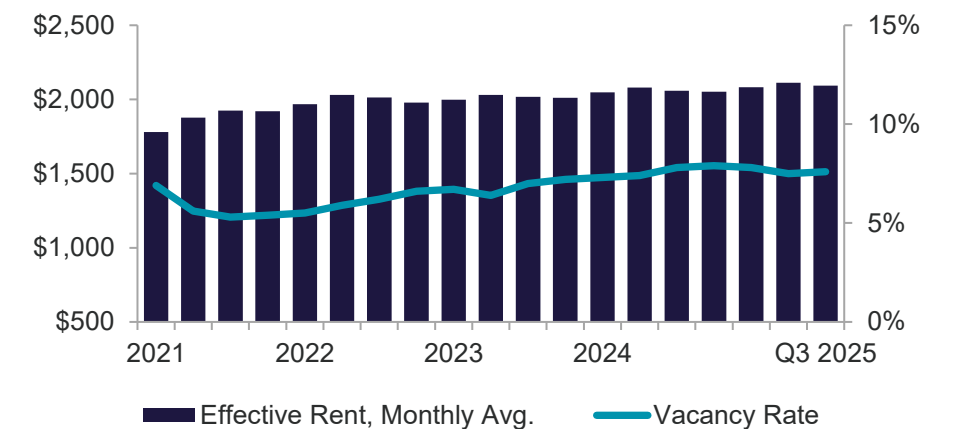
RENTS: Effective Rents Rise YOY

Effective rents dropped slightly between quarters, dropping \$0.04 per square foot (psf) but still recording a YOY increase (1.7%). All three counties in the region recorded YOY increases between 1.0% and 2.1%. Rents were highest in King County. Effective rents for the region have been above the \$2,000 per unit mark since the first quarter of 2023, anchored by King County, which has been above that mark since the third quarter of 2021. Snohomish and Pierce Counties have traditionally reported lower effective rents, though Snohomish is on the brink of surpassing the \$2,000 per unit mark.

DEMAND / DELIVERIES 2023-2027



OVERALL VACANCY & EFFECTIVE RENT



Source: CoStar (50+ units), Cushman & Wakefield

This report covers the Puget Sound region, specifically the counties of King, Snohomish, and Pierce

MARKET STATISTICS*

COUNTY	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
King County	281,648	8,346	+4.1%	14,199	8,105	7.9%	-10	\$2,183	\$2.84	+1.8%
Snohomish County	58,762	1,087	+2.6%	1,172	1,166	7.1%	-10	\$1,982	\$2.29	+1.0%
Pierce County	69,392	1,156	+2.4%	1,531	1,804	6.7%	+0	\$1,789	\$2.15	+2.1%
PUGET SOUND TOTAL	409,802	10,589	+3.6%	16,902	11,075	7.6%	-20	\$2,093	\$2.64	+1.7%

*Stats may not completely match with National stats

KEY PROPERTY SALES TRANSACTIONS Q3 2025

PROPERTY	CITY/COUNTY	SALE DATE	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Arrive Magnolia	Seattle/King	Jul 10, 2025	Weidner Property Management / FPA Multifamily LLC	337	\$106.5M / \$316,024
Vibe Apartments	Kent/King	Jul 10, 2025	Goodman Real Estate / Spokane Indian Housing Authority	329	\$77.0M / \$234,043
Pratt Park Apartments	Seattle/King	Aug 5, 2025	Rockwood Capital, Security Properties / Kennedy Wilson	248	\$400.8M / \$443,854
Postmark Apartments	Shoreline/King	Sep 5, 2025	The Wolff Company / Epic Asset Management	243	\$82.8M / \$340,527
Seattle & Redmond Portfolio**	Multiple	Sep 17, 2025	Washington Holdings, Pollard Entities / Security Properties	903	\$400.8M / \$443,854
Link, Mural	Seattle/King	Sep 26, 2025	American Realty Advisors / Virtu Investments	331	\$111.5M / \$336,858

**Properties sold: The Hemlock, Liza Apartments, The Carter on the Park, The Hayes on Stone Way, The Heron Flats & Lofts

KEY LAND SALES TRANSACTIONS Q3 2025

PROPERTY	CITY/COUNTY	SALE DATE	SELLER / BUYER	UNITS	PRICE / \$ SF
Alexan Eastgate site	Bellevue/King	Aug 29, 2025	M-M Properties / Trammell Crow Residential	390	\$24.0M / \$76.31
Lakewood Towne Center site	Lakewood/Pierce	Sep 12, 2025	Kite Realty Group Trust / Alliance Residential	311	\$13.7M / \$32.46

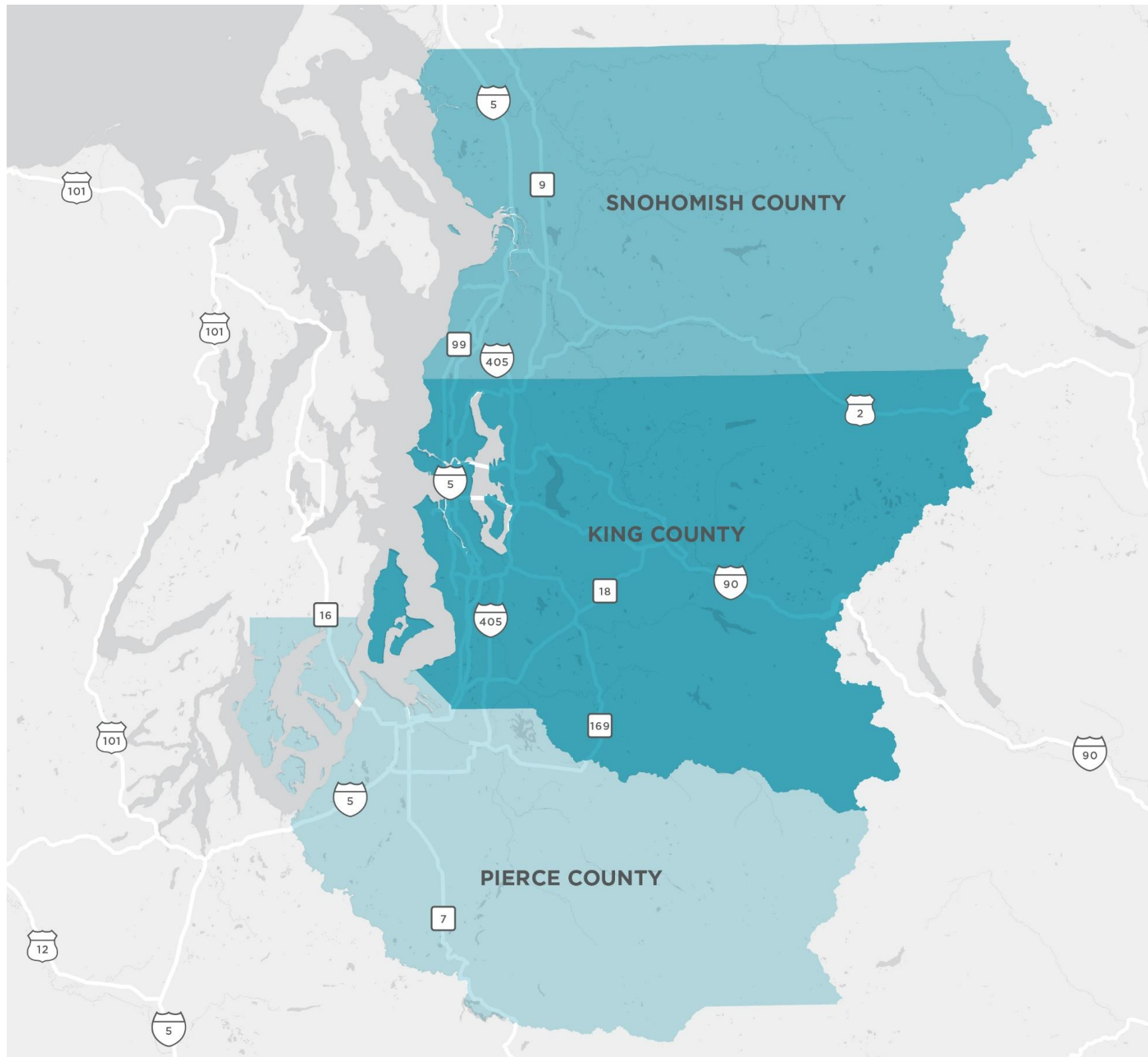
KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	CITY/COUNTY	DELIVERY DATE	DEVELOPER	UNITS	PROPERTY TYPE
Aspire 11	Tacoma/Pierce	Jul 2025	ADG MLK Development LLC	289	Mid-Rise
Kaye	Seattle/King	Jul 2025	Skanska	324	Hi-Rise
Tavin Apartments	Seattle/King	Jul 2025	Quarterra	194	Mid-Rise
Solera	Renton/King	Jul 2025	Heartland Construction	315	Mid-Rise
Verdant	Shoreline/King	Aug 2025	Shea Properties	550	Mid-Rise
Modera Shoreline	Shoreline/King	Sep 2025	Mill Creek Residential	399	Mid-Rise

MARKET DRIVERS

- Strong population growth in the region over the past year continues to drive housing demand and will assist in a rise in absorption and drop in vacancy.
- Job market resilience and rising household incomes support rental affordability.
- The market remains expensive (\$2,093/unit average) but still more affordable than other metros on the West Coast.
- There is potential rent growth acceleration if vacancy continues to decline and demand remains strong.

MULTIFAMILY SUBMARKETS



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