

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.8% Vacancy Rate	▼ -10 bps	▼
12,149 YTD Net Absorption, units	▼ -1,034	▼
\$2.61 Effective Rent, PSF <i>(Overall, All Property Classes)</i>	▲ +\$0.02	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2M Seattle MSA Employment*	▲ +13,300 jobs	▲
4.3% Seattle MSA Unemployment Rate*	▲ +20 bps	▲
1.7M Seattle MSA Total Households <i>Source: BLS *Q3 2025</i>	▲ +1.2%	▲

ECONOMY: Seattle Metro Area Employment Holds Steady

For the Seattle metro area, employment increased by 13,500 jobs year-over-year (YOY), with the current total at nearly 2.2 million. The unemployment rate rose 20 basis points (bps) YOY to 4.3%, below the U.S. rate of 4.6%. As measured by the Consumer Price Index for All Urban Consumers, Seattle metro area prices increased 3.1% YOY, driven by higher food (+4.4%) and energy (+7.2%) costs. Minus food and energy, the index rose 2.7% YOY, driven by increases to medical care (+5.3%) and shelter (+1.7%).

SUPPLY and DEMAND: Construction Slowdown Will Benefit Occupancy

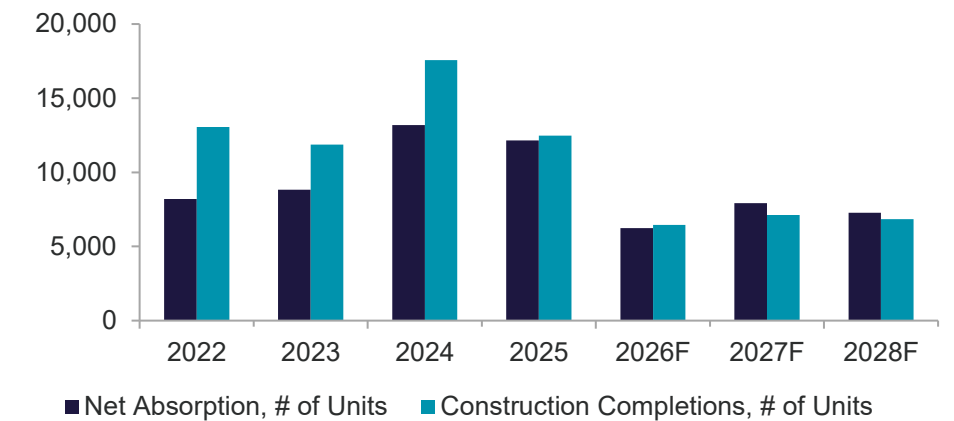
Units under construction in the Puget Sound region dropped for the seventh straight quarter, down 26.7% YOY to nearly 15,700 units. Nearly 12,500 units were added to the inventory in 2025, up 3.1% YOY.

The vacancy rate for the region has been above the 7.0% mark since the fourth quarter of 2023. It closed the year at 7.8%, down 10 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 1,000 units. Absorption for the year totaled just above 12,100 units. With continued population growth and a lighter construction pipeline, occupancy is positioned to improve in the coming twelve months.

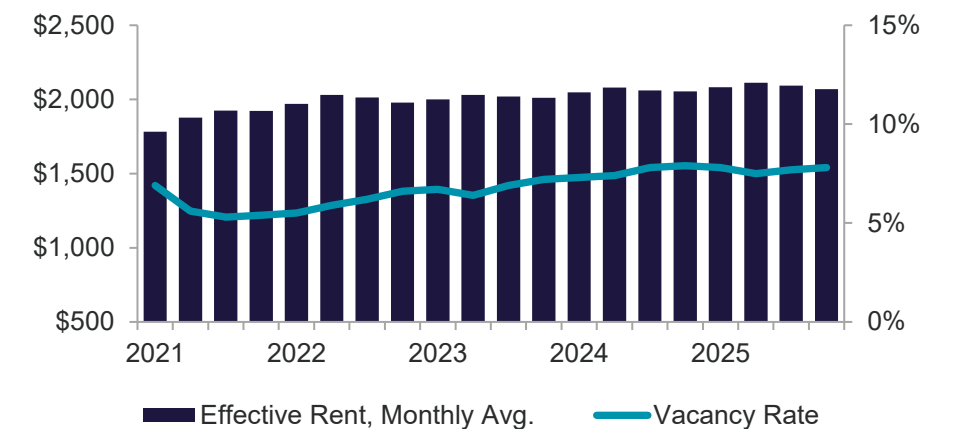
RENTS: Effective Rents Rise YOY

Effective rents dropped slightly between quarters, down \$0.23 per square foot (psf) though still recording a YOY increase (0.8%). All three counties in the region recorded YOY increases between 0.6% and 1.7%. 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 cusp of reaching 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	283,013	9,682	+3.5%	13,091	9,008	8.0%	-10	\$2,153	\$2.80	+0.6%
Snohomish County	58,997	1,189	+2.1%	1,239	1,231	7.2%	-20**	\$1,965	\$2.27	+0.6%
Pierce County	69,962	1,610	+2.4%	1,366	1,910	7.3%	-60**	\$1,789	\$2.14	+1.7%
PUGET SOUND TOTAL	411,972	12,481	+3.1%	15,696	12,149	7.8%	-10	\$2,070	\$2.61	+0.8%

*Stats may not completely match with National stats

**There is an unknown error with the provided stats; both counties noted drops in vacancy but the overall region noted only a 10-bps drop in vacancy

KEY PROPERTY SALES TRANSACTIONS 2025

PROPERTY	CITY/COUNTY	SALE DATE	SELLER / BUYER	UNITS	PRICE / \$ UNIT
Brackett Apartments	Edmonds/Snohomish	Jun 18, 2025	TruAmerica Multifamily, IREC / Waterton	386	\$124.0M / \$321,244
Seattle & Redmond Portfolio**	Multiple	Sep 17, 2025	Washington Holdings, Pollard Entities / Security Properties	903	\$400.8M / \$443,854
Via 6	Seattle/King	Dec 5, 2025	NewTower Trust Co / Weidner Property Management	654	\$295.0M / \$451,070
Griffis Shoreline (bulk portfolio)	Shoreline/King	Dec 19, 2025	Stockbridge, MORE Residential / Griffis Residential	330	\$112.5M / \$340,909
Jackson Apartments	Seattle/King	Dec 30, 2025	Vulcan Real Estate / PCCP, Timberlane Partners	532	\$173.0M / \$325,188
Centennial (bulk portfolio)	Seattle/King	Dec 30, 2025	Equity Residential / JRK Property Holdings	408	\$130.7M / \$320,294

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

KEY LAND SALES TRANSACTIONS 2025

PROPERTY	CITY/COUNTY	SALE DATE	SELLER / BUYER	UNITS	PRICE / \$ SF
Fmr Safeway/Burgermaster site	Seattle/King	Mar 7, 2025	Albertsons / Quarterra	796	\$70.0M / \$399.40
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
Fmr Microsoft Bldg 22 site	Redmond/King	Dec 11, 2025	Microsoft / American Capital Group	731	\$39.0M / \$167.54

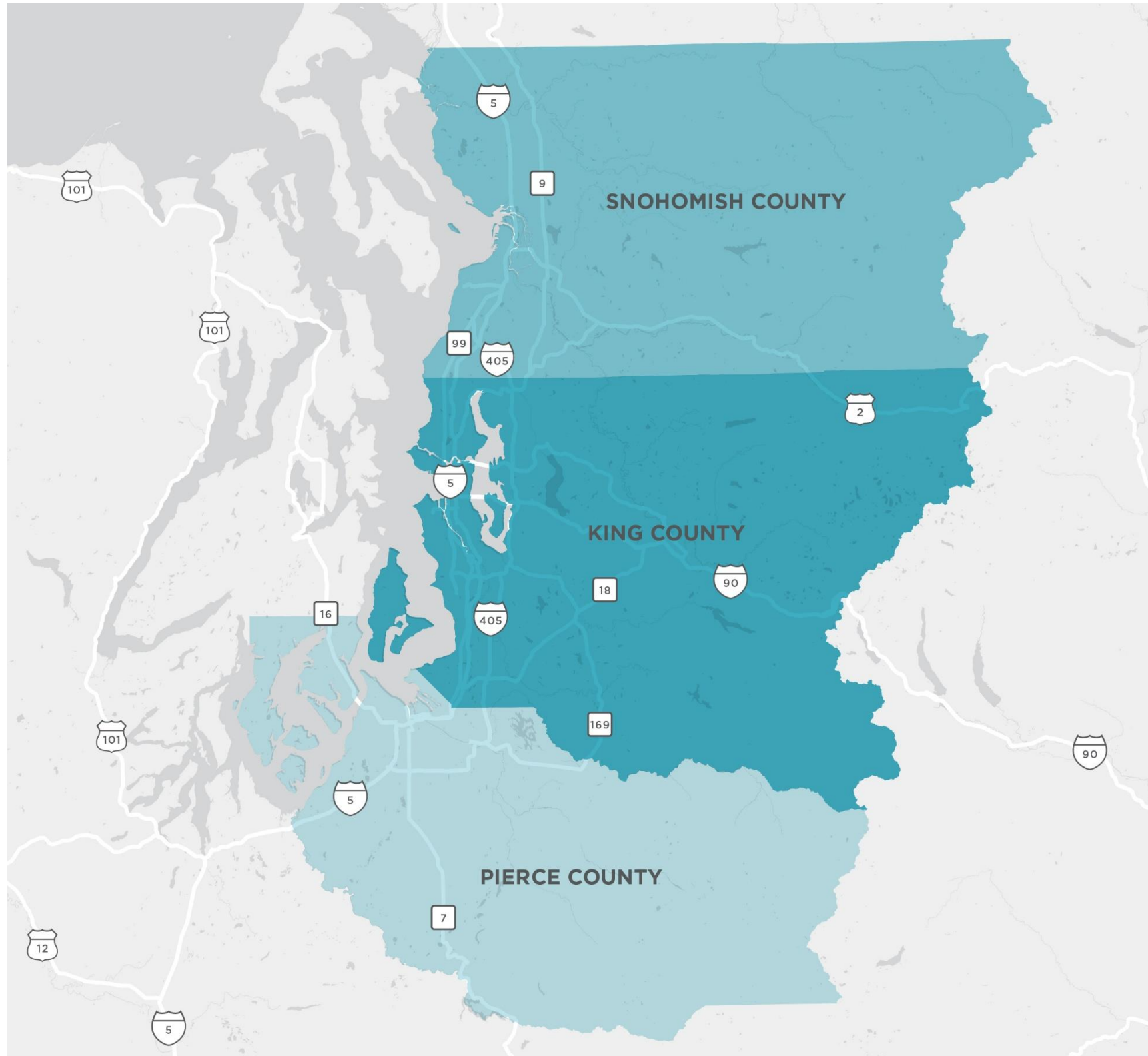
KEY CONSTRUCTION COMPLETIONS 2025

PROPERTY	CITY/COUNTY	DELIVERY DATE	DEVELOPER	UNITS	PROPERTY TYPE
Alexan Main Street	Bothell/King	Jan 2025	Trammell Crow Residential	369	Mid-Rise
Museum House	Seattle/King	Mar 2025	Westbank	506	Hi-Rise
900 Rainier	Seattle/King	Apr 2025	Nitze-Stagen	397	Mid-Rise
The Brynn	Kirkland/King	Jun 2025	CalSTRS	486	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

- Vacancy is stabilizing across the region, with the rate at 7.8%, down modestly YOY, signaling that leasing activity is keeping pace with deliveries.
- King County continues to drive regional performance, accounting for 74.1% of total absorption (9,008 units) and posting the highest effective rents (\$2,153/unit)
- The market remains expensive (\$2,070/unit average) but still more affordable than other metros on the West Coast.
- Construction pipelines continue to ease, with nearly 15,700 units under construction, supporting a likely reduction in vacancy through 2026 as demand remains healthy.

MULTIFAMILY SUBMARKETS



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