

Find out which are the strongest submarkets!

GROWTH REPORT

VOLUME



2013 PUGET SOUND MULTIFAMILY RENT AND JOB GROWTH STUDY

What every apartment investor needs to know about regional rent and job growth



Nation-Leading Rent & Job Growth Make Seattle the Darling Market for Multifamily Investors

As the Puget Sound Region recovers from the Great Recession, 2013 has proved a banner year for multifamily investment. As of the second quarter of 2013, rents rose a nation-leading 6% year-over-year compared to a relatively anemic national average of 2.6%. Stellar rent growth figures are easily attributable to historically low vacancy rates, measuring 3.32% in Seattle by mid-year—a 15-year low, theoretically a result of pent-up demand. Arguably, however, a stronger driver is regional job growth.

In 2013, the Seattle-Bellevue-Everett MSA continues to post solid job growth. After having added over 46,500 jobs in 2012, the region is poised to add nearly 50,000 jobs in 2013 (as of Q3 2013 year-over-year job growth figures measured 49,900). With such a large number of jobs added to the market, we have seen strong resilience to supply added to the market (7,200 units added in the last 12 months and over 14,700 units added to the market since 2011) and sustained rent growth.

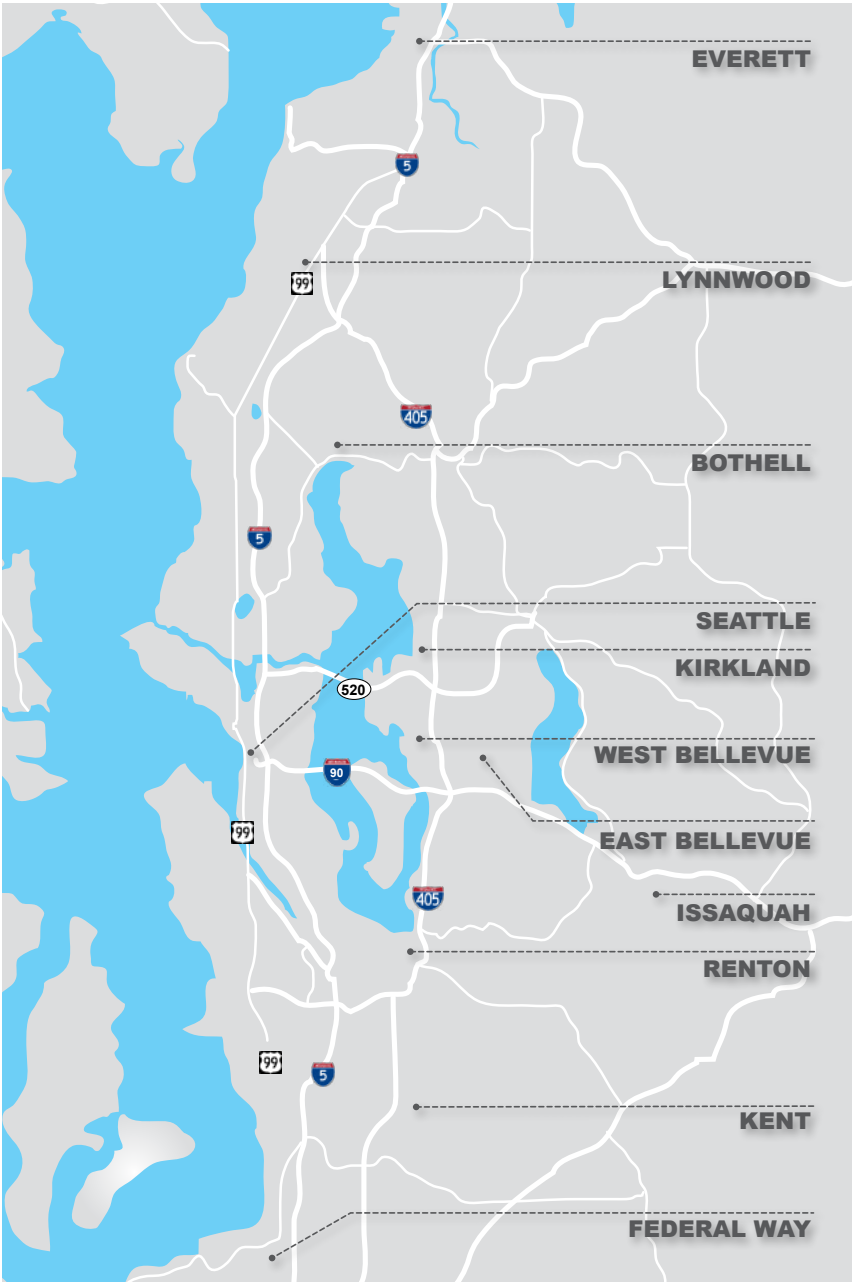
A common theory explaining continued rent growth is more demand for rental housing. Additionally, higher wage jobs are

increasing price elasticity. From all reports one may assume that owners of all product types in all markets are equal benefactors of this rent growth phenomenon. However, we know such a general assertion never proves true. Accordingly, we sought answers to which markets performed best and to what job growth factors we could attribute such success.

The enclosed study analyzes rent growth trends and job growth statistics in 11 of the region's major submarkets during the last 12 years. We provide summary market rent growth analysis as well as a more granular look at rent growth performance based on building size and age. Additionally, we summarize macro employment trends and then take a closer look at market-level job growth. The analysis we provide factors job growth in absolute numbers, as well as by industry sector, both of which are helpful in gaining insight into market behavior.

The following analysis is a starting point to assist multifamily investors in developing investment strategies in the Puget Sound region.

Contact us to further refine your investment strategies.

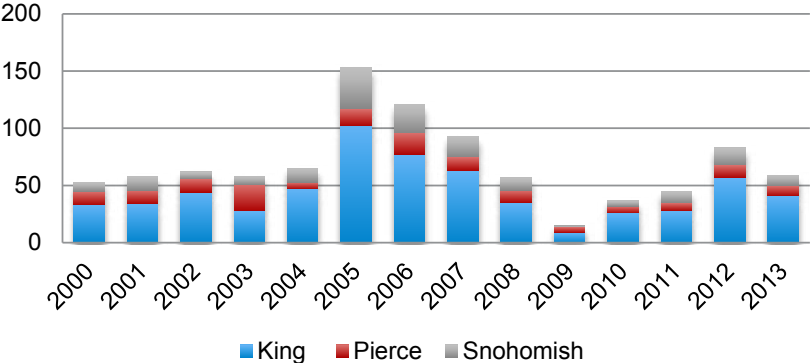


Year-to-Date Performance

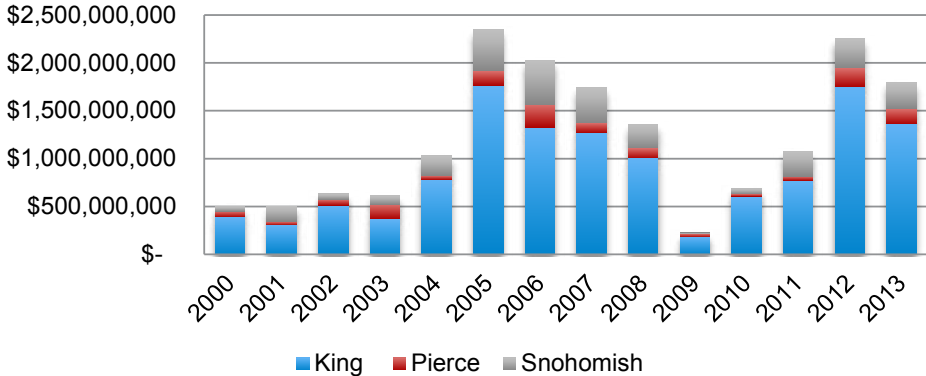
As of Q3 2013, market fundamentals in Puget Sound remain robust and sales activity reflects a strong desire for placing capital in Puget Sound. A caveat to this statement is the strong focus on core-located, institutional grade multifamily assets, and as a result just over 59 transactions year-to-date.

In competition for select assets, investors have both driven up pricing and maintained downward pressure on capitalization rates, somewhat regardless of interest rate increases experienced in July. The result is high priced sales with even more impressive price-per-unit metrics, yet a smaller impact on total number of transactions. We anticipate investor activity to even in the coming year as rent growth propagates across more markets and investors chase yield beyond the core—a phenomenon we have already seen demonstrated in the last quarter.

NUMBER OF SALES



SALES VOLUME



+50 units, Tri-County
Source: Dupre + Scott

Year-to-Date Performance

INVESTMENT METRICS

- > YEAR-TO-DATE SALES ARE \$1.47B, ON TRACK TO TRAIL 2012 SALES VOLUME BY 20%
- > TRI-COUNTY UNIT PRICES ARE 14.4% HIGHER THAN 2012, 39.1% HIGHER THAN 2011 AND A WHOPPING 53.5% HIGHER THAN 2010
- > CORE SEATTLE PRICE PER SQUARE FOOT AVERAGED \$336/SF, NEARLY 300% HIGHER THAN 2009
- > CAPITALIZATION RATES ARE 5.2% IN KING COUNTY (-.01% Y-O-Y), 5.8% IN SNOHOMISH COUNTY (-0.3% Y-O-Y) AND 7.1% IN PIERCE COUNTY (+0.2% Y-O-Y)
- > CORE SEATTLE CAPITALIZATION RATES HAVE LIFTED TO 4.6% FROM 4.4% IN 2012

Source: Dupre + Scott

Key Indicators

RENTAL RATES

- > Regional rental rates increased 6.6% so far this year, 5% when excluding new developments
- > Year-over-year rental rates increased in King County by 7.5%, Snohomish County by 5.7% and Pierce County by 3.1%
- > The average apartment unit in downtown Seattle is \$1,741, a 5.5% increase over last year

VACANCY RATES

- > Tri-county vacancy rates remain at historical lows, 3.8%, 4.2% and 4.3% in King, Snohomish and Pierce County, respectively
- > King county vacancy rate rose by 0.5% in the last 6 months, yet is 3.0% lower than a market peak vacancy of 6.8% in March 2009
- > Seattle’s CBD still has one of the lowest vacancy rates in the region at 3.1%

DEVELOPMENT PIPELINE

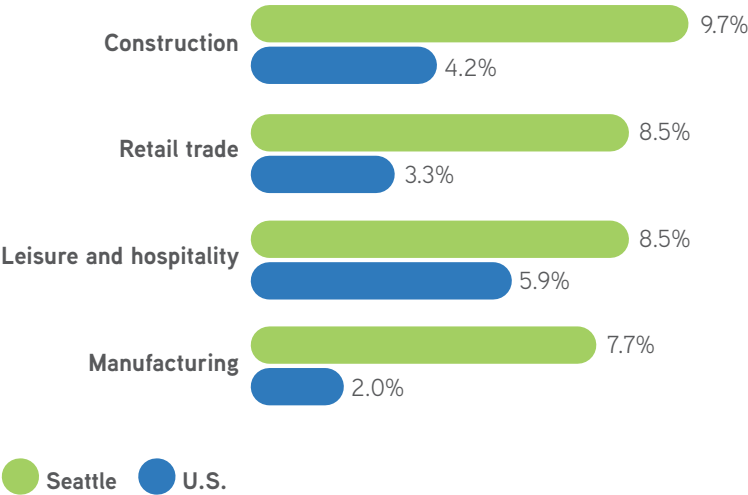
- > Over 42,000 units are in the tri-county development pipeline for 2013-2017
- > 89% of all new development is planned for King County
- > Currently 22,000 units are under construction
- > 7,200 units were delivered in the last 12 months; 7,500 are forecasted for 2013—the highest level of deliveries since 1991

Job Growth and Employment

Seattle Continues to Lead the Nation

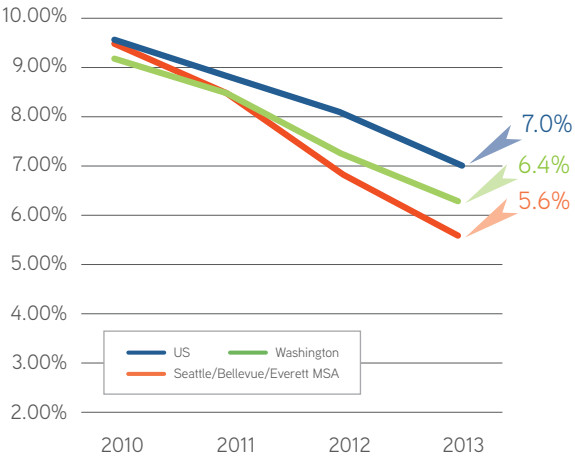
The Seattle-Bellevue-Everett MSA continues its trend with historically high job growth. As of Q3 2013, this MSA added 49,900 jobs year-over-year, demonstrating even greater job growth than 2012. Lead by job growth in the technology, manufacturing and construction sectors, the story of job growth in Seattle is the envy of the nation. Seattle has added manufacturing jobs at a rate of 4-times that of the rest of the nation.

Percentage Change in Number of Jobs Since July 2011



Source: Labor Department

Unemployment



Source: U.S. Bureau of Labor Statistics

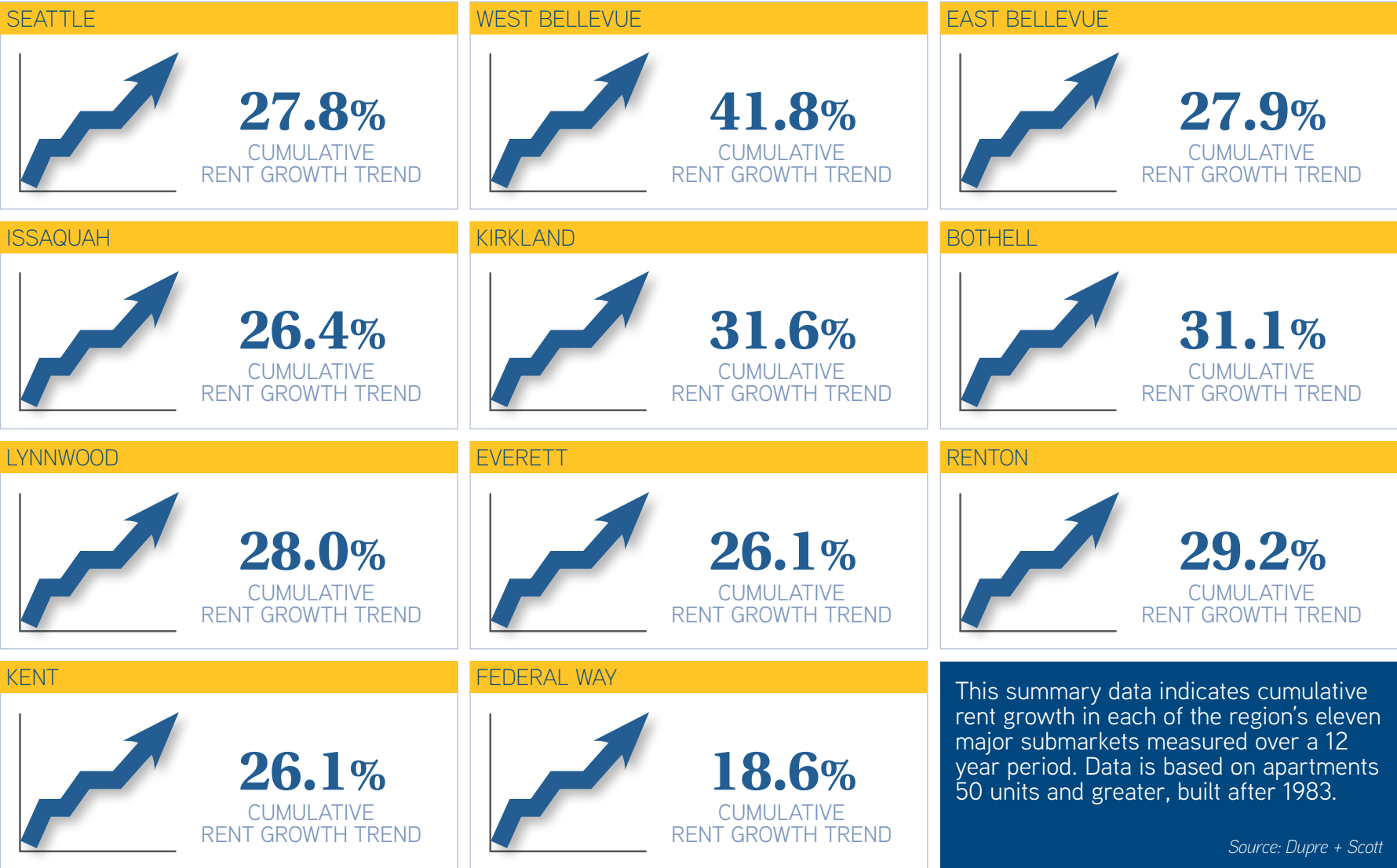
NOTES:

- > Added 49,900 jobs year-over-year since Q3 2012
- > Conway Pederson predicts nearly 40,000 new jobs added year-over-year between 2014-2017

UNEMPLOYMENT

Unemployment numbers in the Seattle region remain a standout in the nation. Although unemployment ticked up slightly from an anomalously low rate this summer, an unemployment rate of 5.6% signals a strong economy. As compared to the nation, employment has risen 3.1% year-over-year, nearly doubling the national average of 1.7%. One of the strongest measures of local employment strength is the return of all 121,900 jobs lost during the Great Recession—a metric few markets can boast.

Rent Growth in the Region's Eleven Major Submarkets

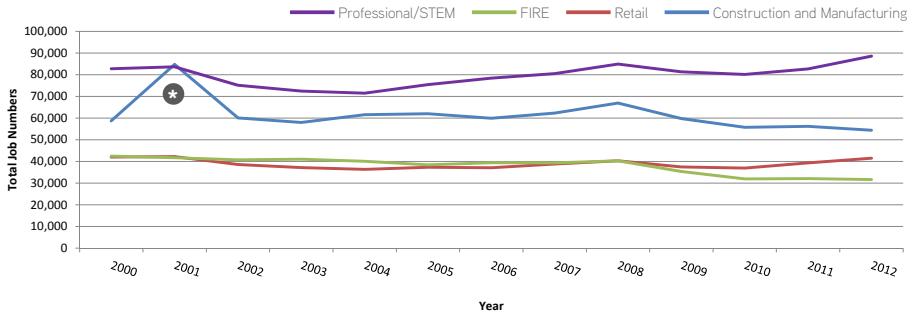


Employment Growth by Sector in the Region’s Major Submarkets

In an effort to understand market behavior vis-à-vis job growth by industry (and by proxy, income) we provide the following graphs setting forth job growth in our eleven subject submarkets, highlighting four industry employment sectors: Professional/STEM (scientific, technical, engineering and mathematics), retail, construction and manufacturing and FIRE (financial services, insurance and real estate). Although the data sets used do not capture the entire market, they are a representative sample of relative employment trends in each submarket and illustrate relative trends by industry.

Note: All submarket employment statistics drawn from seasonally adjusted Quarterly Census of Employment and Wages (QCEW), the Boeing Company, and the Office of Washington Superintendent of Public Instruction (OSPI), and were compiled by the Puget Sound Regional Council (PSRC). Figures represent number of jobs, not working persons, and are broken down by major sector per NAICS codes. Data trends marked with a dotted line represents normalizing of data that was unreported because there were either less than three reporting firms in a sector, or where a single employer represents more than 80 percent of jobs in an employment code.

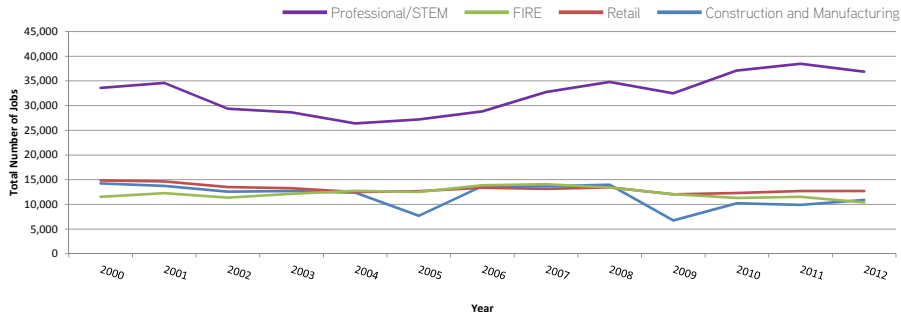
SEATTLE



- > Professional/STEM jobs lead the market
- > On a gross basis, added more technology jobs than any other region measured
- > Surprisingly, FIRE jobs still have not recovered from the Great Recession
- > Retail has recovered well, but accounts for lower wage employment

* This large spike in construction and manufacturing jobs is an accurate depiction of Seattle’s market during this period. The city built Seahawk stadium, added \$190M worth of construction expansion on their Convention Center, built a 520,000 square foot federal courthouse, and constructed the 450-room Elliott Hotel along with additional structures during Seattle’s 36 month construction boom that started in 2000.

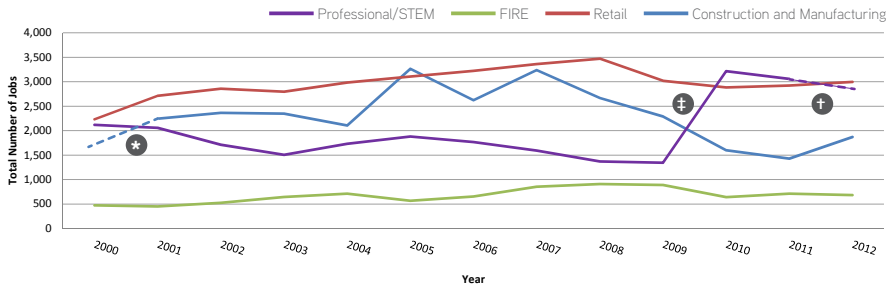
BELLEVUE



- > Professional/STEM jobs have had strong growth and were very resilient to the Great Recession
- > All other sectors have trended down over the last decade

Source: Puget Sound Regional Council

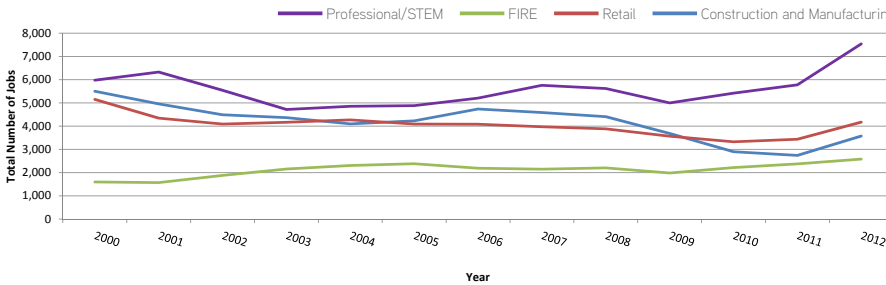
ISSAQUAH



- > This market is very cyclical and remains highly exposed to single-family homebuilding
- > Very little growth in FIRE jobs
- > Professional/STEM and Retail job growth are the bright spots with the highest percentage gains

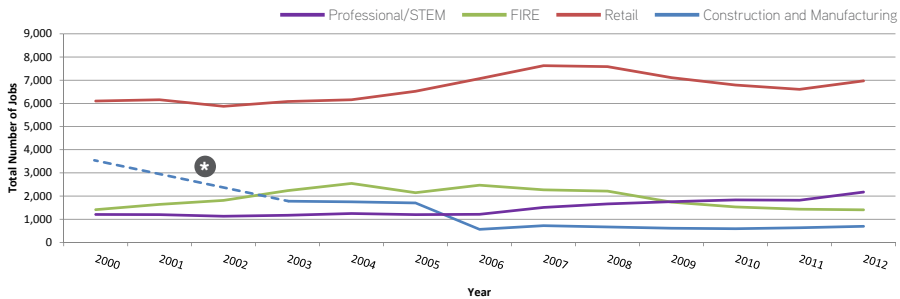
* Data normalized due to NAICS codes 48 & 49 not recording in the year 2000.
 † In 2009-2010 Costco ramped up its online presence and brought hundreds of tech jobs to the Issaquah region. Also, while Microsoft abandoned its plans for an Issaquah campus in late 2006, they still leased space and brought jobs to the city in 2009 and 2010.
 ‡ Data estimated due to no available data for NAICS code #51 which was the largest city's largest Professional/STEM job figure in preceding years.

KIRKLAND



- > Professional/STEM employment growth leads the market, a healthy Google presence reflected
- > Healthy jobs recovery post-Great Recession in all sectors
- > FIRE jobs have a consistent 10-year positive trend, marking an increase by 61.5%

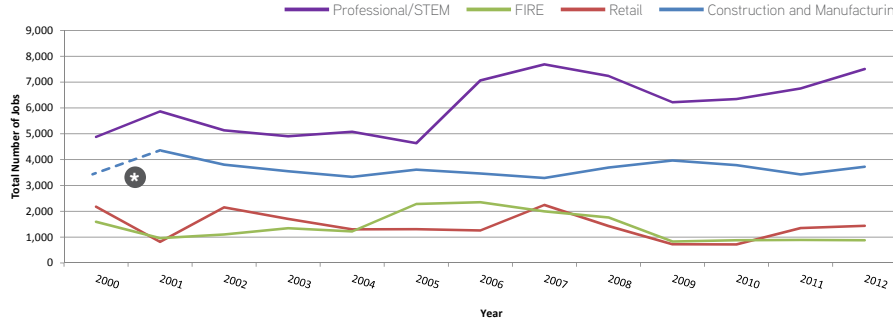
LYNNWOOD



- > Retail is king in Lynnwood with one of the largest malls in the region
- > Strong upward Professional/STEM job growth trend
- > Steady decline in FIRE jobs

* NAICS code #23 did not record in 2001 and 2002, and when it did reappear in 2003 the numbers showed a decline in Construction and Manufacturing employment. The data was normalized in this section to show a gradual decline and not the steep drop that eliminating NAICS #23 for two straight years would indicate as this had typically been a strong sector for Lynnwood.

BOTHELL



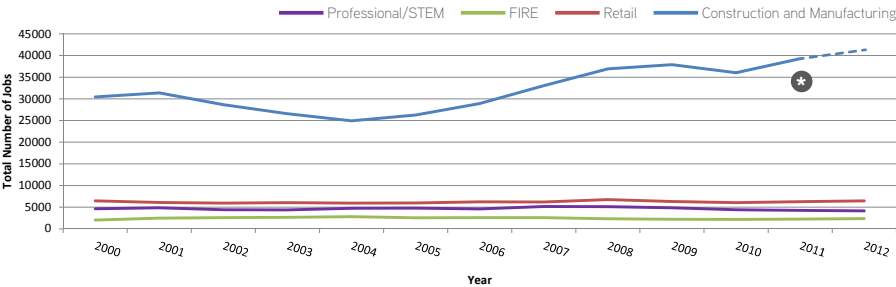
- > Professional/STEM jobs post fantastic 10-year trend
- > Added more construction jobs than any other market measured
- > Submarket with the largest overall job growth on a percentage basis

* Data normalized due to incomplete recording of NAICS code #32 in the year 2000.

Source: Puget Sound Regional Council

2013 PUGET SOUND MULTIFAMILY RENT AND JOB GROWTH REPORT

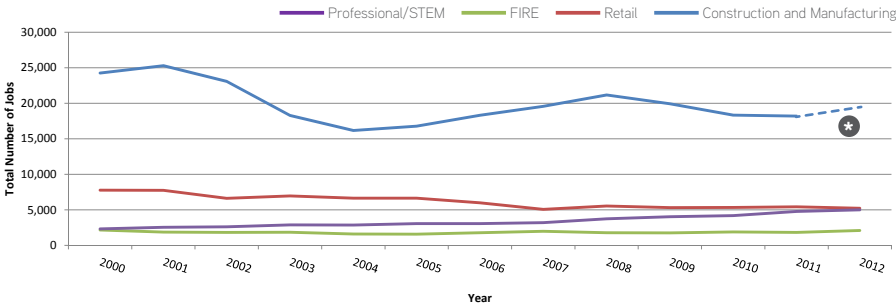
EVERETT



- > Aerospace is far-and-away the market driver
- > Other employment sectors have little influence on job growth

* Data normalized due to incomplete recording of NAICS code #33 in 2012.

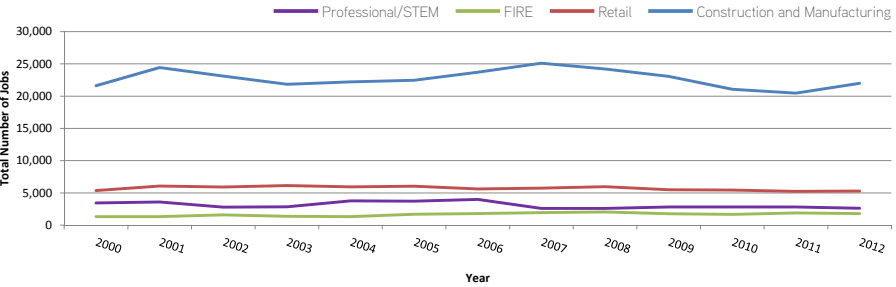
RENTON



- > On a trend basis, Professional/STEM replaced construction and manufacturing jobs
- > On a percentage basis, highest technical job growth of all markets measured, 116.5%
- > Retail jobs on the decline for nearly a decade
- > Aerospace remains a strong, but decreasingly influential market driver

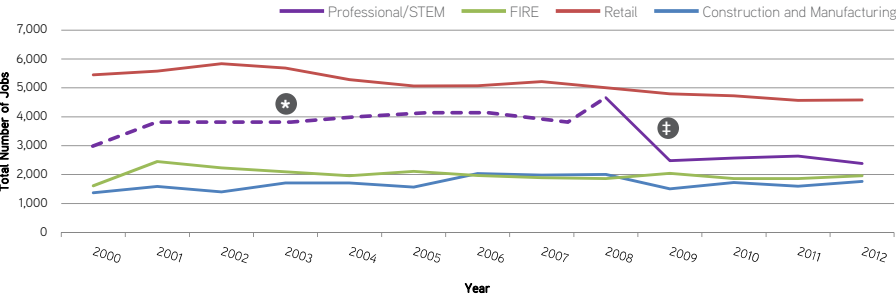
* Data estimation due to NAICS code #23 not being recorded in 2012. NAICS #23 made comprised over 14,000 jobs in 2011.

KENT



- > Construction and manufacturing, predominantly aerospace related, continue to drive this market
- > All other jobs sections remain relatively flat

FEDERAL WAY



- > Job sector cyclicality predominates in this market
- > Retail has suffered over a 10-year trend with the greatest job losses

* Data estimated due to incomplete recording of NAICS code #55 from 2000 - 2008.
 † 2009 saw significant losses for the Professional/STEM sector as Weyerhaeuser cut 1,000 jobs at their corporate headquarters and World Vision laid off 1,200 employees across its workforce.

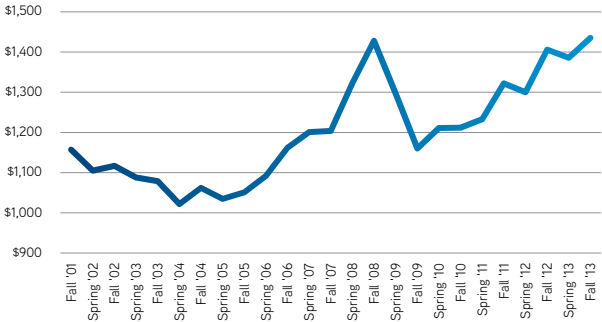
Source: Puget Sound Regional Council

Seattle Rent Growth

WHAT DO THE STATISTICS TELL US?

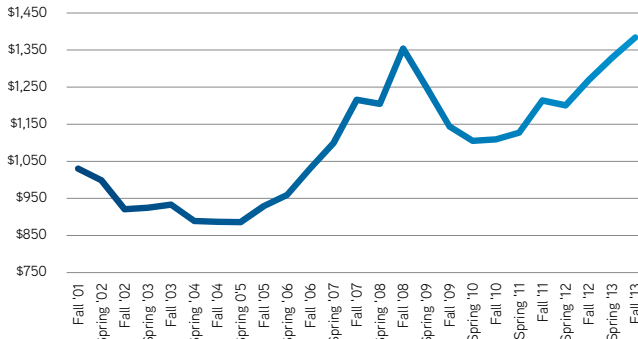
Seattle experiences strong performance in up-cycles yet is not immune to market downturns. Interestingly, apartment communities larger than 150 units demonstrated more resilience when the market turns. Overall, in the measured period, investments in properties built before 2000 exhibited the greatest amount of rent growth, likely due to value-add strategies by investors.

50-150 Units, Built 1983-1999



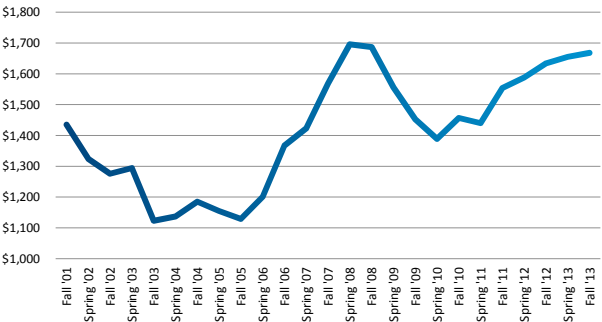
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
6.00%	24%	18%	33%

150+ Units, Built 1983-1999



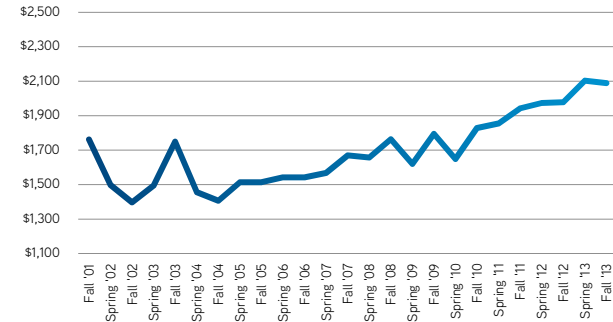
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.34%	28%	16%	35%

50-150 Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.35%	16%	14%	49%

150+ Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.55%	19%	14%	19%

Source: Dupre + Scott

SEATTLE 12-YEAR JOB GROWTH DASHBOARD

- PROFESSIONAL/STEM**

↑ **7.0%**
- FIRE**

↑ **25.6%**
- RETAIL**

↓ **-1.2%**
- MFG & CONSTRUCTION**

↓ **-7.5%**

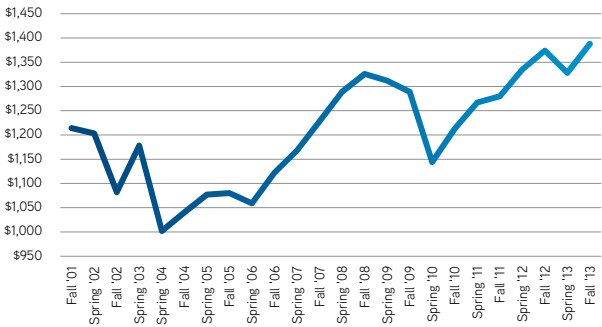
Source: Puget Sound Regional Council

West Bellevue Rent Growth

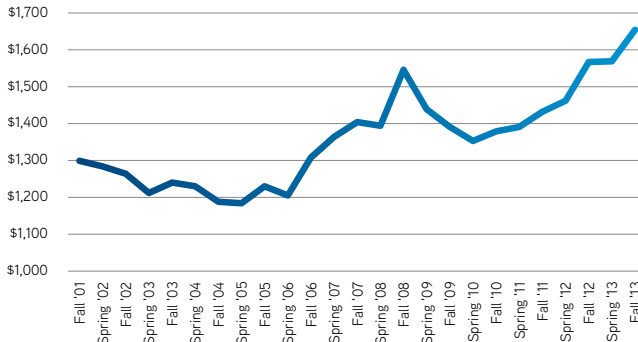
WHAT DO THE STATISTICS TELL US?

West Bellevue posted the highest performance in the measured years, with cumulative rent growth of 41.8%. Newer generation buildings, those built after 2000, of institutional size (+150u) show the strongest rent growth performance: 83% growth measured by a 10-year cumulative growth. This measurement is skewed by the addition of new buildings to a relatively older stock, yet the strength of this performance tops all submarkets measured.

50-150 Units, Built 1983-1999



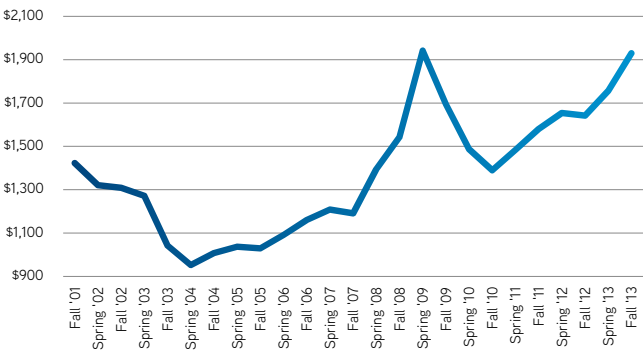
150+ Units, Built 1983-1999



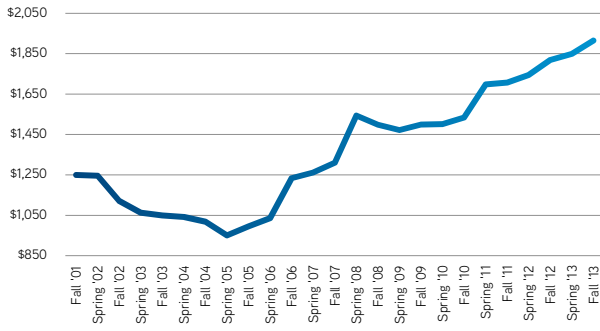
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.19%	14%	14%	18%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.28%	27%	20%	33%

50-150 Units, Built 2000-2013



150+ Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.97%	36%	39%	85%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
4.43%	53%	25%	83%

Source: Dupre + Scott

WEST BELLEVUE

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



9.7%

FIRE



-10.0%

RETAIL



-14.6%

MFG & CONSTRUCTION



-23.6%

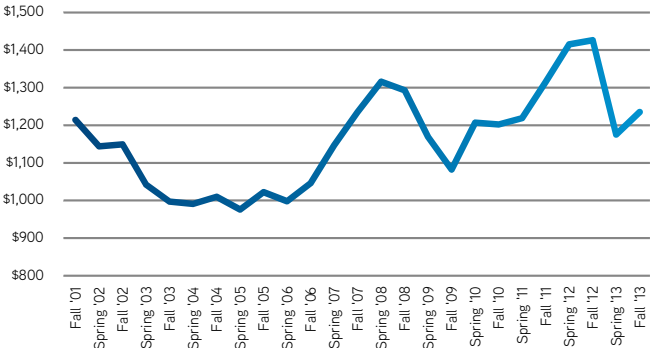
Source: Puget Sound Regional Council

East Bellevue Rent Growth

WHAT DO THE STATISTICS TELL US?

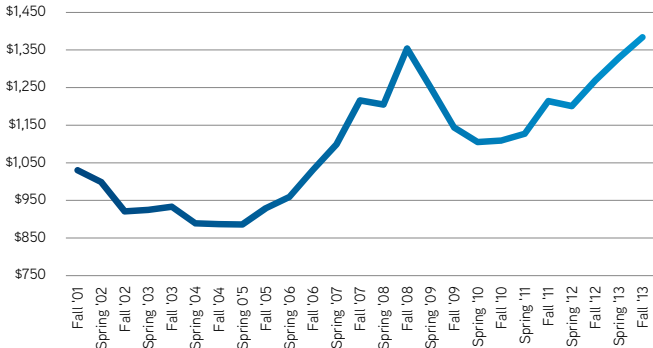
Rent growth in East Bellevue fits within the mean of all submarkets measured. Buildings between 50-150 units suffered to a greater degree during downturns, yet larger, institutional buildings have performed well during up-markets with a 10-year cumulative rent growth of 48%.

50-150 Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
0.14%	2%	3%	24%

150+ Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.86%	34%	25%	48%

50-150 Units, Built 2000-2013

NO DATA

150+ Units, Built 2000-2013

NO DATA

Source: Dupre + Scott

EAST BELLEVUE

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



9.7%



FIRE



-10.0%



RETAIL



-14.6%



MFG & CONSTRUCTION



23.6%



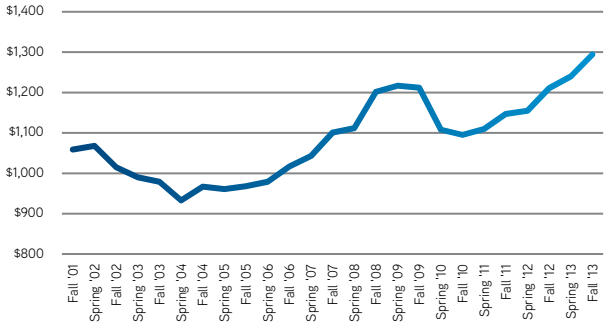
Source: Puget Sound Regional Council

Issaquah Rent Growth

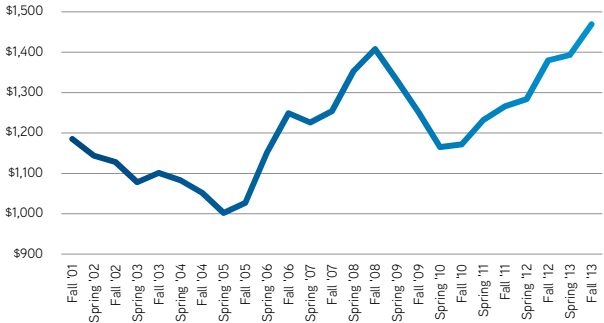
WHAT DO THE STATISTICS TELL US?

Issaquah's cumulative rent growth is near the bottom of the pack at 26.4%, yet since 2010 buildings of all sizes and ages continue to post strong rent growth numbers. No particular building size or age seems to outperform the market in Issaquah as all building types appear to perform relatively equally during market cycles.

50-150 Units, Built 1983-1999



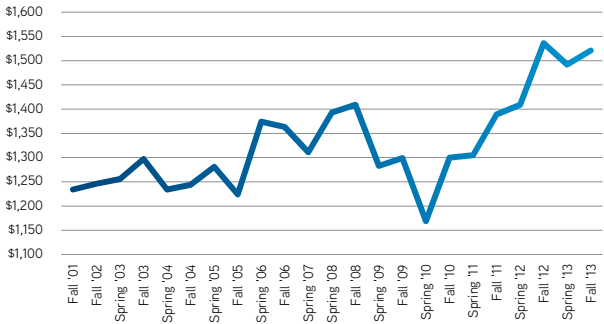
150+ Units, Built 1983-1999



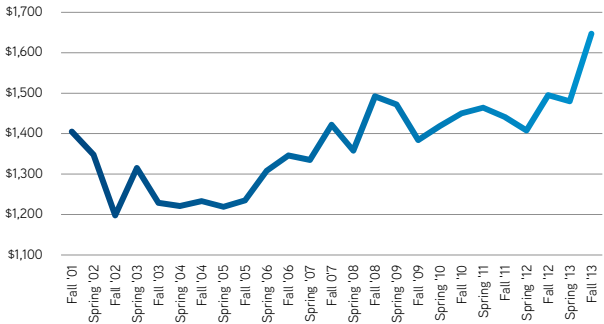
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.85%	22%	25%	33%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.00%	24%	18%	32%

50-150 Units, Built 2000-2013



150+ Units, Built 2000-2013







YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.94%	23%	17%	17%



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.44%	17%	14%	34%



Source: Dupre + Scott

ISSAQUAH 12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM  **-59.9%** 

FIRE  **44.4%** 

RETAIL  **34.3%** 

MFG & CONSTRUCTION  **108.4%** 

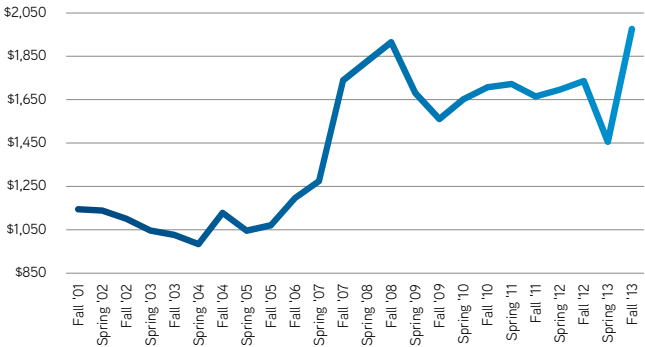
Source: Puget Sound Regional Council

Kirkland Rent Growth

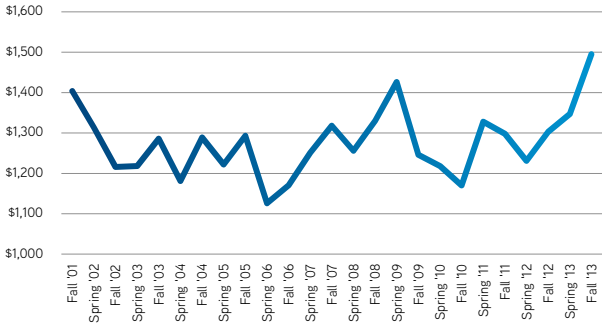
WHAT DO THE STATISTICS TELL US?

Kirkland displayed the second highest cumulative rent growth during the sample period, posting cumulative rent growth of 31.6%. As a relatively new market for new development, we don't have a complete data set to analyze; however, the data shows very strong performance of buildings from 50 – 150 units, which represent the majority of buildings in this tight submarket.

50-150 Units, Built 1983-1999



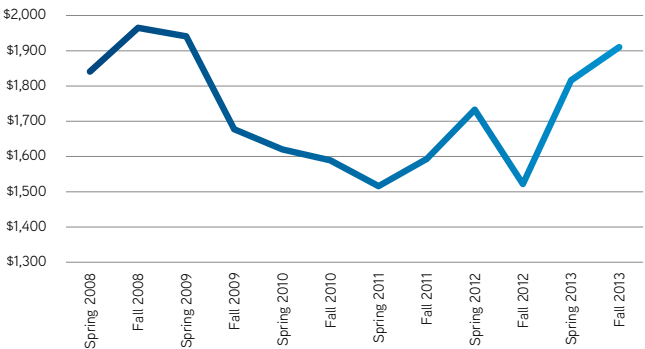
150+ Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
6.05%	73%	16%	66%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
0.54%	6%	28%	16%

50-150 Units, Built 2000-2013



150+ Units, Built 2000-2013

NO DATA

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
0.75%	4%	20%	No Data

* CALCULATED FROM SPRING 2008

Source: Dupre + Scott

KIRKLAND

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



26.2%

FIRE



61.5%

RETAIL



-19.0%

MFG & CONSTRUCTION



-35.0%

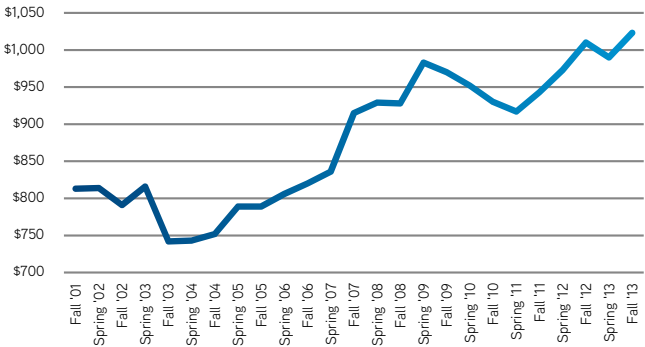
Source: Puget Sound Regional Council

Bothell Rent Growth

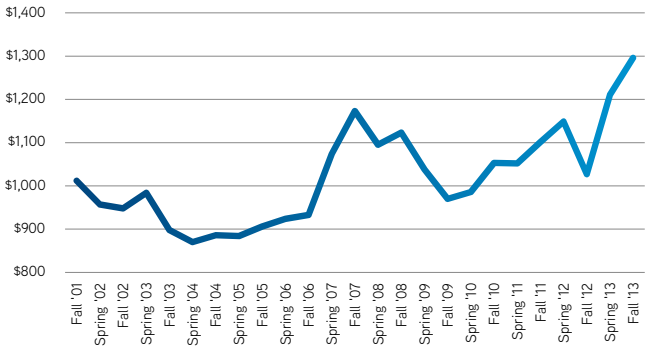
WHAT DO THE STATISTICS TELL US?

Bothell sits as the 3rd highest rent growth market in the region. Cumulative rent growth for all building ages and sizes outperforms the market and there is no clear strongest performing category. Without having data for more modern buildings of institutional size, no comparison can be drawn to this subset. Overall, Bothell is a high performing submarket.

50-150 Units, Built 1983-1999



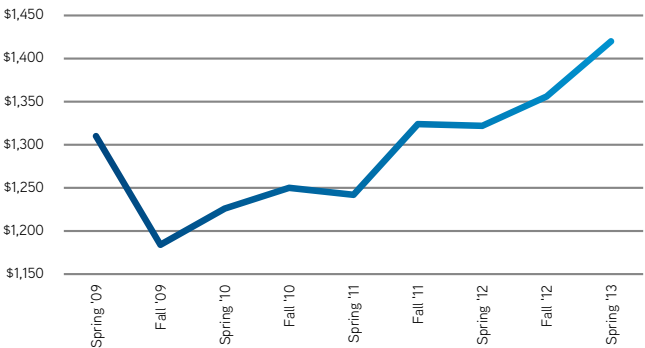
150+ Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.15%	26%	10%	38%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.34%	28%	23%	44%

50-150 Units, Built 2000-2013



150+ Units, Built 2000-2013

NO DATA

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.10%	8%	14%	No Data

* CALCULATED FROM SPRING 2009

Source: Dupre + Scott

BOTHELL

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



53.9%



FIRE



-45.0%



RETAIL



-33.9%



MFG & CONSTRUCTION



242.8%



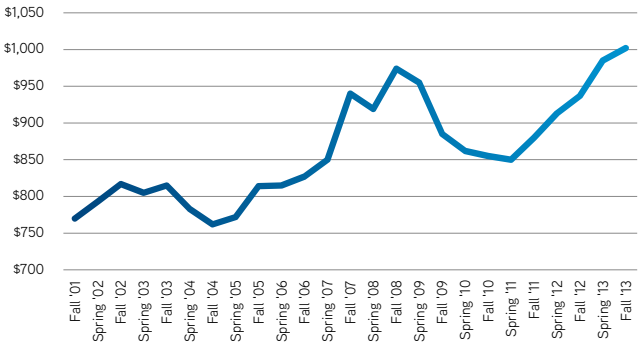
Source: Puget Sound Regional Council

Lynnwood Rent Growth

WHAT DO THE STATISTICS TELL US?

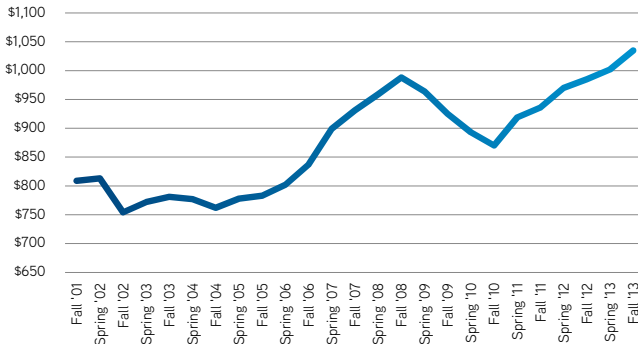
The performance of the Lynnwood market places it within the region's average for rent growth. Older buildings have performed well during market up-cycles, yet we have incomplete data to evaluate the performance of the newer stock of buildings.

50-150 Units, Built 1983-1999



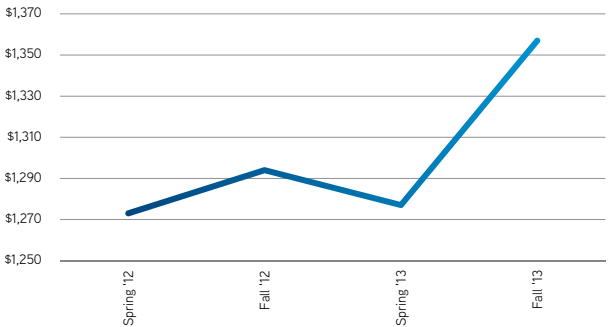
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.51%	30%	17%	23%

150+ Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.33%	28%	19%	33%

50-150 Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
3.30%	7%	No Data	No Data

150+ Units, Built 2000-2013

NO DATA

* CALCULATED FROM SPRING 2012

Source: Dupre + Scott

LYNNWOOD

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



80.0%

FIRE



-80.0%

RETAIL



14.3%

MFG & CONSTRUCTION



-79.9%

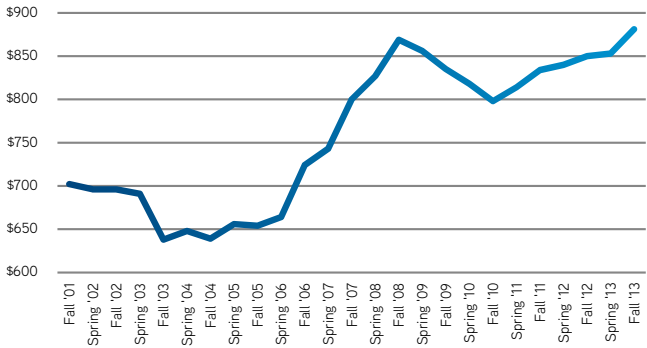
Source: Puget Sound Regional Council

Everett Rent Growth

WHAT DO THE STATISTICS TELL US?

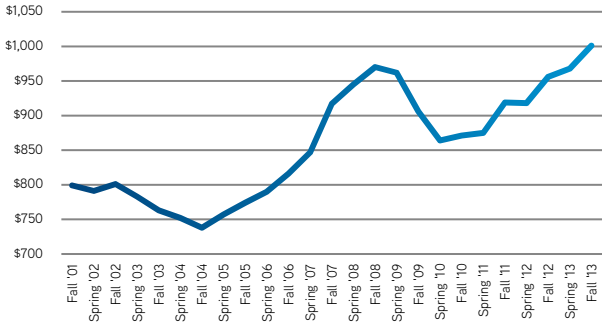
Everett's cumulative rent growth is 2nd from last in the overall market, tied with Kent. Historically the market has shown volatility throughout market cycles, yet rent growth in up-cycles is comparable to market averages. With incomplete data for newer buildings of institutional size, we are unable to draw comparisons for all building sizes.

50-150 Units, Built 1983-1999



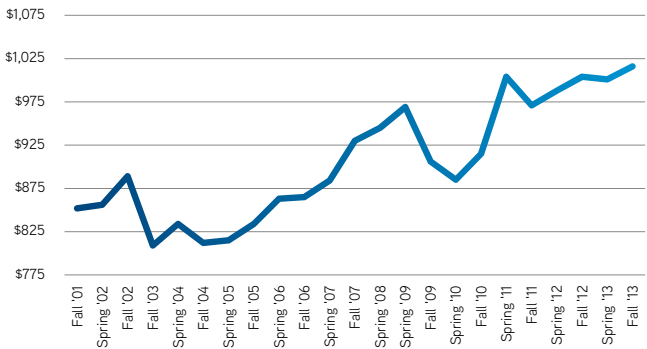
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.51%	30%	10%	38%

150+ Units, Built 1983-1999



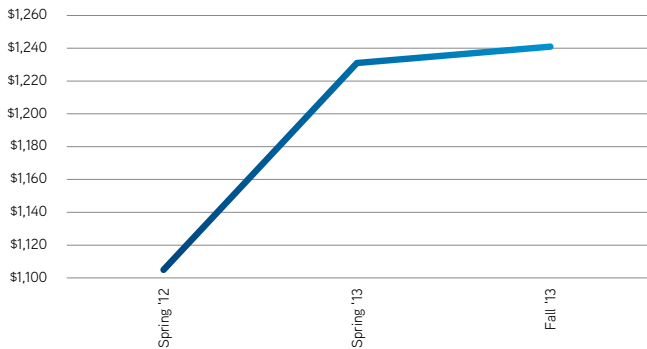
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.33%	28%	15%	31%

50-150 Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
3.30%	7%	11%	26%

150+ Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.03%	12%	No Data	No Data

Source: Dupre + Scott

* CALCULATED FROM SPRING 2012

EVERETT

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM

↓ -10.3%

FIRE

↑ 16.3%

RETAIL

↑ 0.1%

MFG & CONSTRUCTION

↓ -85.6%

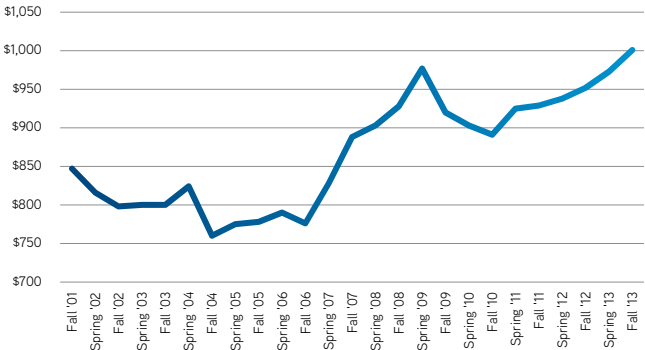
Source: Puget Sound Regional Council

Renton Rent Growth

WHAT DO THE STATISTICS TELL US?

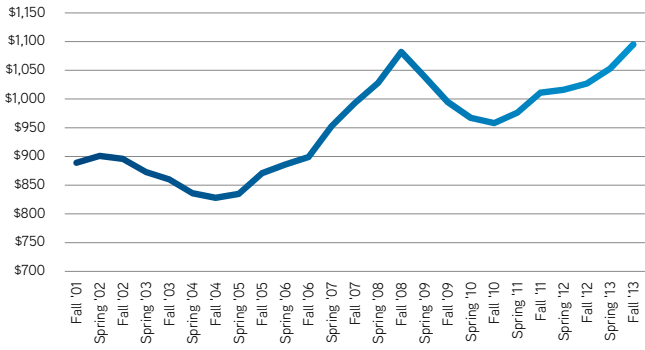
In the analysis of cumulative rent growth, Renton sits near the dead-center of the pack, posting the 6th highest growth rate. Similar to Everett, the market shows significant volatility throughout market cycles. Consistent rent growth of newer buildings is hard to predict due to volatility and older buildings display steadier rent growth trends during up-cycles.

50-150 Units, Built 1983-1999



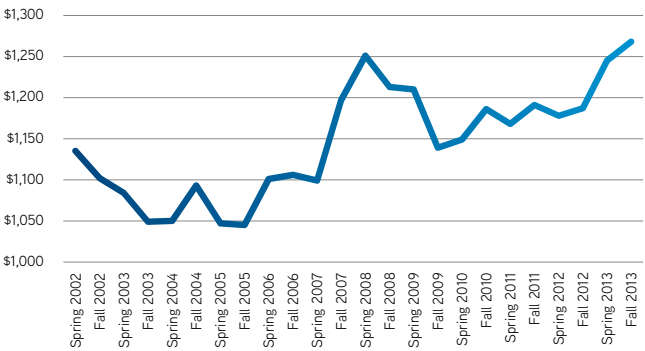
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.52%	18%	12%	25%

150+ Units, Built 1983-1999



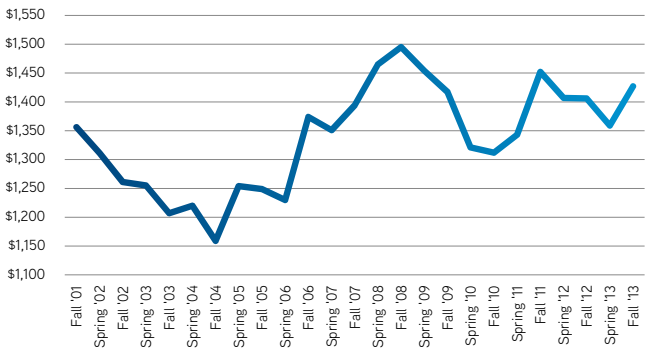
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.93%	23%	14%	27%

50-150 Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.18%	14%	1%	18%

150+ Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
0.44%	5%	9%	18%

* CALCULATED FROM SPRING 2002

Source: Dupre + Scott

RENTON 12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



116.5%

FIRE



-2.8%

RETAIL



-32.6%

MFG & CONSTRUCTION



-85.1%

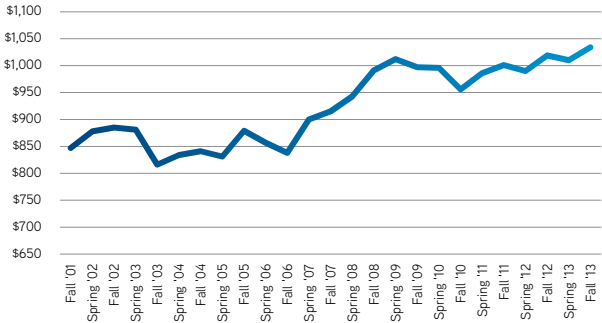
Source: Puget Sound Regional Council

Kent Rent Growth

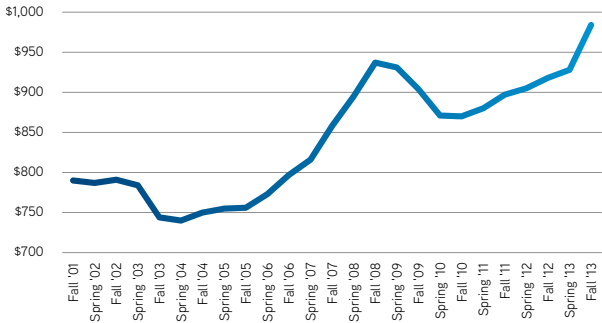
WHAT DO THE STATISTICS TELL US?

Interestingly, Kent's cumulative rent growth sits 2nd from last, tied with Everett. Kent has experienced relatively steady rent growth over the measured period, yet the amount of actual dollars added to rent is quite small. Very little in Kent rents for over \$1,000/unit, so despite any rent growth trends, actual rent appreciation remains minimal.

50-150 Units, Built 1983-1999



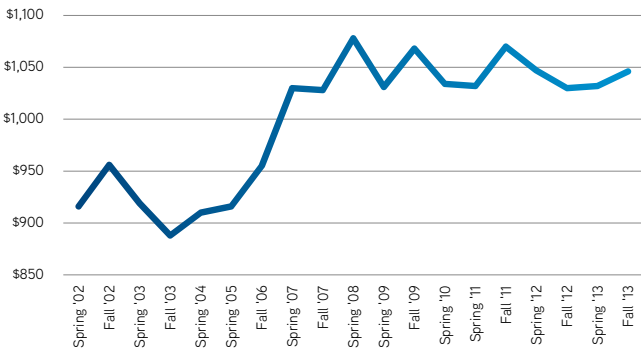
150+ Units, Built 1983-1999



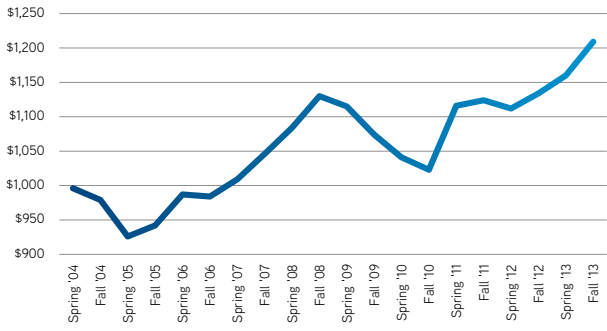
YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.84%	22%	8%	27%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.05%	25%	13%	32%

50-150 Units, Built 2000-2013



150+ Units, Built 2000-2013



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.18%	14%	1%	18%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
2.38%	21%	18%	No Data

* CALCULATED FROM SPRING 2002

* CALCULATED FROM SPRING 2004

Source: Dupre + Scott

KENT

12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM



-23.8%



FIRE



36.7%



RETAIL



1.3%



MFG & CONSTRUCTION



1.8%



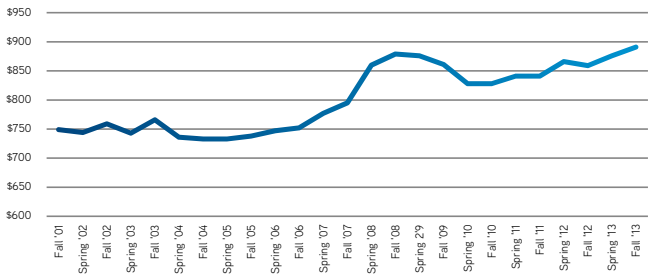
Source: Puget Sound Regional Council

Federal Way Rent Growth

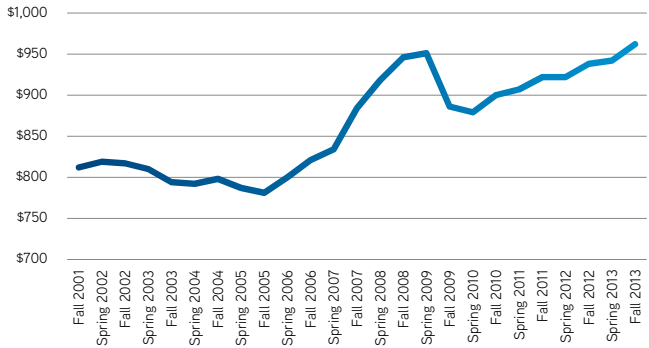
WHAT DO THE STATISTICS TELL US?

Federal Way’s cumulative rent growth can best be described as anemic. It sits dead last in the market – by a strong margin—and its cumulative rent growth is less than half that of the top performing market. With little data on new buildings in the market, we cannot draw any comparisons to older buildings, yet it is safe to say that the overall performance of the market is very low compared to the region.

50-150 Units, Built 1983-1999



150+ Units, Built 1983-1999



YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.58%	19%	8%	16%

YEAR-OVER-YEAR:	CUMULATIVE RENT GROWTH:	3-YEAR CUMULATIVE	10-YEAR CUMULATIVE
1.54%	18%	7%	21%

50-150 Units, Built 2000-2013

NO DATA

150+ Units, Built 2000-2013

NO DATA

Source: Dupre + Scott

FEDERAL WAY 12-YEAR JOB GROWTH DASHBOARD

PROFESSIONAL/STEM 12.3%

FIRE 21.4%

RETAIL -15.9%

MFG & CONSTRUCTION 28.1%

Source: Puget Sound Regional Council

About the Author



Dylan Simon

Dylan Simon specializes in the marketing and sales of urban apartment complexes and developable land. Having lived in diverse urban centers, Dylan offers clients unique insight into urban development and high growth opportunities. Additionally, Dylan's study of regional submarkets and trends positions him to provide clients the best possible guidance on apartment investment and disposition strategies throughout the Puget Sound region.

- > Expertise in urban apartment sales & development
- > Savvy marketer with deep experience in financial analysis and deal negotiation
- > 10 years legal experience, J.D. UCLA School of Law
- > Background in construction management, B.S. Mechanical Engineering
- > Active member of ULI, NAIOP & Downtown Seattle Association

Dylan P. Simon
 direct 206 624 7413
 mobile 206 414 8575
 dylan.simon@colliers.com

Dave Schumacher
 Senior Vice President
 direct 206 382 8555
 mobile 425 985 8528
 dave.schumacher@colliers.com

David Mortensen
 Senior Associate
 direct 206 382 8554
 mobile 206 604 6118
 david.mortensen@colliers.com

Colliers Multi-family Team

As experts in the marketing and sale of apartment complexes in Seattle and the Puget Sound region, we take a sharp focus on understanding the dynamics of our market—especially the trends that impact our clients the most. Our study of rent and job growth provides an essential background in providing our clients expert guidance to help them shape their investment decisions.

Our team represents over 50 years of combined market experience in the Puget Sound region, brokering apartment transactions totaling over \$2 billion dollars in value. With expertise in market analysis, marketing, sales and negotiation we provide a single source solution to your apartment investment needs in Puget Sound. Please contact us directly to discuss your investment objectives and we look forward to working with you.

Colliers International
 601 Union Street, Suite 5300
 Seattle, Washington 98101
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 www.colliers.com



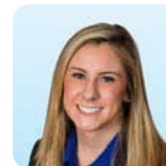
Dave Schumacher
 Senior Vice President

- » 35 years of multifamily sales experience
- » Over \$2 billion in multifamily transactions
- » Widely recognized as one of Seattle's top apartment brokers
- » Strong client relationships with the leading pension fund advisors, REITs, and large syndicators as well as high net worth individuals and families
- » Rookie of the Year in his first year
- » Remained the top apartment broker in the Seattle office for most of his 14 year tenure
- » 1990 Top CB investment broker in the country



David W. Mortensen
 Senior Associate

- » 11 years experience in multifamily sales
- » Expert in financial and market analysis
- » Represents buyers/sellers in market-rate apartments, student housing multifamily land and condominium conversions.
- » CoStar Power Broker in 2011
- » Top 5 Broker in the Colliers Northwest region
- » Technical expertise in apartment value analysis and tireless marketing efforts have proven invaluable to his clients



Kate Lee
 Project Marketing Manager

- » Provides project management support for all of the team's marketing and sales efforts
- » Started in multifamily industry with Holland Residential and was a part of the Investment Management Team working on acquisitions and dispositions
- » Responsible for providing and tracking due diligence items
- » This includes obtaining materials for the brokers, title companies, lenders, and equity partners
- » Creates investment summaries on potential deals and sales collateral

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