

INSIGHTS & TRENDS IN THE SEATTLE MARKET



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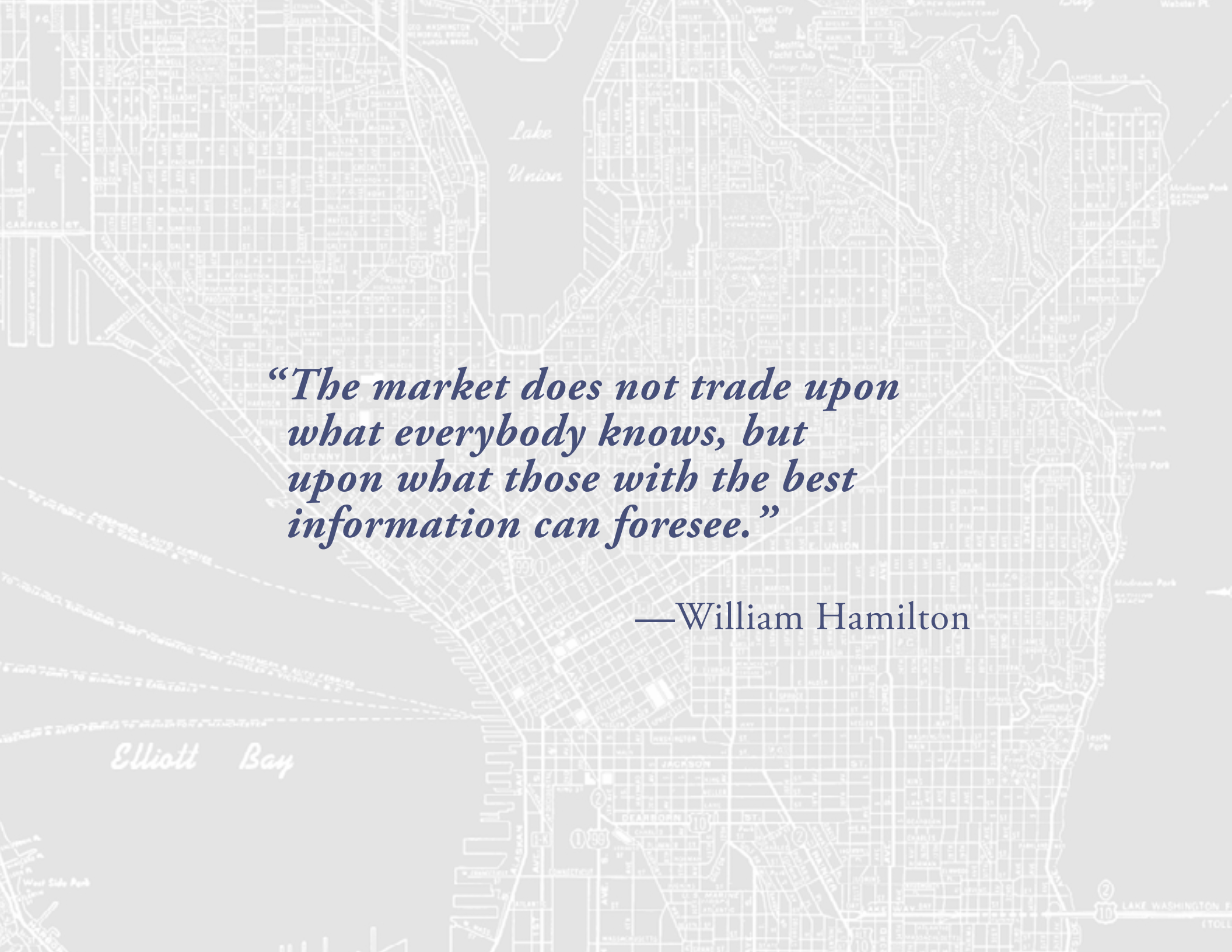
Matt Laird

2016 SEATTLE APARTMENT MARKET STUDY

Comprehensive Data & Analysis of Market Dynamics & Development Pipeline

SEATTLE MULTIFAMILY TEAM

COLLIERS INTERNATIONAL



*“The market does not trade upon
what everybody knows, but
upon what those with the best
information can foresee.”*

—William Hamilton

Who We Are

Colliers' Seattle Multifamily Team is a team of dedicated, expert commercial real estate brokers working for apartment owners, developers and investors.

Our goal is to help you maximize your return on investment, whether that is selling your apartment building faster and for more money or ensuring your purchase is a sound investment; we believe in building a long-term relationship, not just brokering a transaction.

Our 2016 Seattle Apartment Market Study is a prime example of our approach to advising our clients. By giving our clients a better understanding of current and future market dynamics we believe our clients are empowered to make better decisions and achieve higher returns. This is Brokerage Evolved™.

If you have a question about our market study or want us to help you understand how market dynamics are impacting your investments, just give us a call, we'd be happy to help.



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How We Work For You

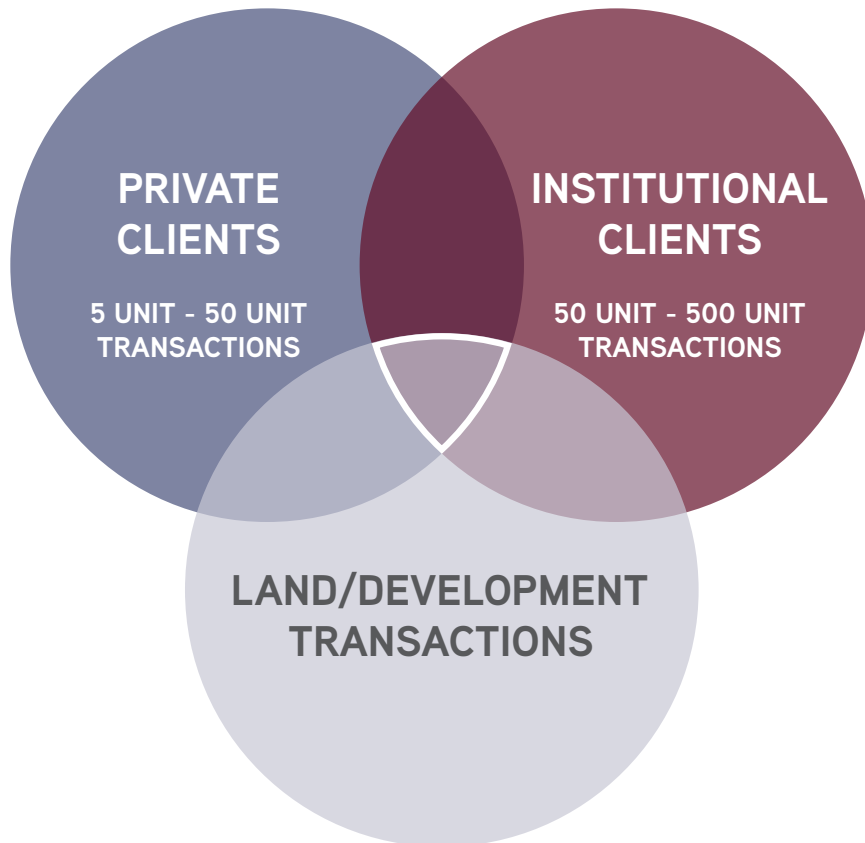
Our team is decidedly diverse, to meet the needs of our clients and provide the highest level of brokerage services. We take a unique approach to the business, serving a complementary set of clients in the market in order to understand the market better than anyone – and delivering that market knowledge to our clients.

Our process is unique to the industry and provides our clients the greatest advantage over the marketplace. It leverages market expertise, use of technology and continuous thought leadership in order to provide our clients an unmatched level of service.

Our Listings Reach the Most Investors :: We reach over 7,500 commercial real estate professionals on a weekly basis, ensuring complete market coverage.

Our Marketing Turns Heads :: Our materials are often heralded as the absolute best in the business, getting more looks and more offers.

Our Research & Investment Advice Creates Trust :: Investors care about what we say, leading to higher sales prices for our clients.



Our unique process creates an advantage for our clients. Allow us to turn our expertise into your profit.

Our Results

The Proof is in Our Results. Our Process = Your Profit

2015 REPRESENTATIVE SALES

EXPERTISE IN THE URBAN CORE

Pearl Apartments

80 Unit Mixed-Use
in Heart of Capitol Hill

\$33,500,000 Sales Price
Represented Off-Market Buyer



SOPHISTICATED LAND DISPOSITIONS

GridIron Development

107 Unit Residential Development

\$6,000,000 Sales Price
Complicated Adaptive Reuse of Historic Building
Fully Marketed



REPRESENTING PRIVATE CLIENTS

Urbane Redmond

20 Unit Mixed Use
Jewel-Box Asset

\$9,500,000 Sales Price
Record Setting \$450,000 / Unit
Fully Marketed



INSTITUTIONAL VALUE-ADD TRANSACTIONS

Lake Fenwick Estates

216 Unit Value-Add in
High-Growth Market

\$32,075,000 Sales Price
Top Sales Price in South King County Market
Fully Marketed



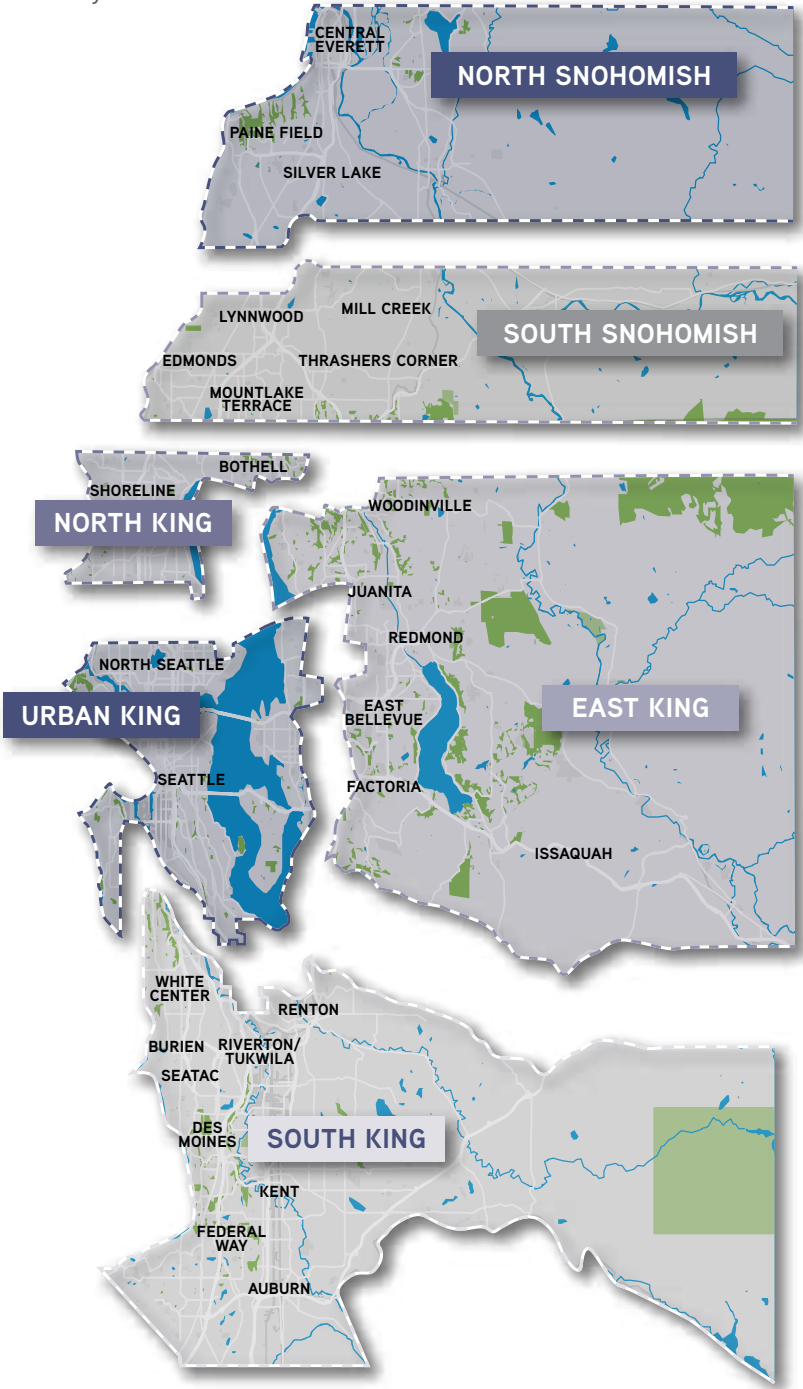


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Downtown	East Bellevue	Edmonds
South Downtown/Pioneer Square	Factoria	Lynnwood
Capitol Hill	Issaquah	Mill Creek
First Hill/Yesler Terrace	Juanita	Mountlake Terrace
Belltown	Redmond	Thrashers Corner
Queen Anne	Woodinville	
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Greenlake/Wallingford/Fremont		
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This study would not be possible without an amazing amount of hard work from our team and data providers, the latter of which are listed by category on page 92. We would like to extend special thanks to Dupre + Scott and encourage all readers to subscribe as a direct source of data and analytics—far beyond the snapshot we provide here.

Subscribe at WWW.DUPRESCOTT.COM



2015 YEAR IN REVIEW

2016 Seattle Apartment Market Study

If ever Seattle experienced a break-out year from the standpoint of economic vibrancy and global attention, 2015 will mark that year. So too tracked the health and expansion of Seattle’s apartment market.

The pace at which new jobs were created and added to the Seattle economy in 2015 serves to hallmark the region’s economic vigor. Over 60,000 jobs were created regionally this past year, besting the 50,000 jobs added in each of 2013 and 2014 by nearly 20%. Real wage inflation served as the cherry on top.

Apartment developers stood prepared to meet the region’s demand. In 2015 over 10,000 apartments were delivered in the region with King County accounting for more than 90% of deliveries. Vacancy rates held at or below 4% in each of King and Snohomish Counties and each county experienced 8.6% rent growth – continuing a two-year trend of +8% y-o-y rent growth.

“Over 60,000 jobs were created regionally this past year, besting the 50,000 jobs added in each of 2013 and 2014 by nearly 20%. Real wage inflation served as the cherry on top.”

Investment sales set new records well-beyond any previous peak. King and Snohomish counties experienced \$3.7B in sales, a 37% gain over peak sales in 2014. Institutional investors led the march, setting new heights in values on both a price-per-unit and price-per-net rentable square foot basis.

	2010	2011	2012	2013	2014	2015
Number of Sales	29	38	71	52	80	90
Total Sales Volume	\$545.6M	\$1.0B	\$2.1B	\$1.7B	\$2.6B	\$3.7B
Average PPU	\$130,171	\$139,630	\$167,123	\$206,672	\$193,804	\$218,436
Average PPSF	\$150	\$169	\$188	\$233	\$238	\$272
Average Cap Rate	5.9%	5.7%	5.5%	5.3%	5.3%	5.1%
Total Deliveries	3,686	1,318	4,426	5,986	8,128	10,179

Sales Data: 50+ units

Seattle by the numbers...

- 1** **NUMBER ONE** city to find a job (WalletHub, 2015)
- 2** **SECOND** best place in the country to own rental property (All Property Management, 2015)
- 3** **THIRD** highest median salary in the country (Forbes, 2015)
- 4** **FOURTH** richest city in the U.S. (USA Today, 2015)
- 5** **FIFTH** fastest growing city in the U.S. (Forbes, 2015)

2015 MARKET METRICS & FUNDAMENTALS

	URBAN KING	NORTH KING	EAST KING	SOUTH KING	NORTH SNOHOMISH	SOUTH SNOHOMISH
2015 Sales	29 SALES	5 SALES	6 SALES	31 SALES	10 SALES	9 SALES
	\$1.95B SALES VOLUME	\$230.9M SALES VOLUME	\$301.9M SALES VOLUME	\$666.4M SALES VOLUME	\$257.6M SALES VOLUME	\$323.5M SALES VOLUME
	\$382,231 AVERAGE PPU	\$203,478 AVERAGE PPU	\$310,087 AVERAGE PPU	\$123,243 AVERAGE PPU	\$129,697 AVERAGE PPU	\$161,883 AVERAGE PPU
	\$529 AVERAGE PPSF	\$247 AVERAGE PPSF	\$369 AVERAGE PPSF	\$150 AVERAGE PPSF	\$151 AVERAGE PPSF	\$188 AVERAGE PPSF
	4.4% AVERAGE CAP RATE	4.8% AVERAGE CAP RATE	4.8% AVERAGE CAP RATE	5.5% AVERAGE CAP RATE	5.4% AVERAGE CAP RATE	5.4% AVERAGE CAP RATE
Fundamentals	\$1,845 AVERAGE RENTAL RATE	\$1,303 AVERAGE RENTAL RATE	\$1,607 AVERAGE RENTAL RATE	\$1,115 AVERAGE RENTAL RATE	\$1,125 AVERAGE RENTAL RATE	\$1,281 AVERAGE RENTAL RATE
	7.1% ANNUAL RENT GROWTH	9.1% ANNUAL RENT GROWTH	8.2% ANNUAL RENT GROWTH	8.6% ANNUAL RENT GROWTH	9.3% ANNUAL RENT GROWTH	7.7% ANNUAL RENT GROWTH
	4.0% VACANCY	2.8% VACANCY	3.8% VACANCY	3.8% VACANCY	4.0% VACANCY	3.8% VACANCY
Development	6,449 UNITS DELIVERED	545 UNITS DELIVERED	1,771 UNITS DELIVERED	345 UNITS DELIVERED	322 UNITS DELIVERED	747 UNITS DELIVERED
	9% OF URBAN KING INVENTORY	3% OF NORTH KING INVENTORY	5% OF EAST KING INVENTORY	1% OF SOUTH KING INVENTORY	2% OF NORTH SNOHOMISH INVENTORY	4% OF SOUTH SNOHOMISH INVENTORY

Rent & Vacancy Data Provided by Dupre + Scott For more comprehensive data, visit: www.duprescott.com

6

SIXTH best city for Millennials in America (Niche, 2015)

7

SEVENTH best city for employee satisfaction (WalletHub, March 2014)

8

EIGHTH most walkable city (Redfin, 2015)

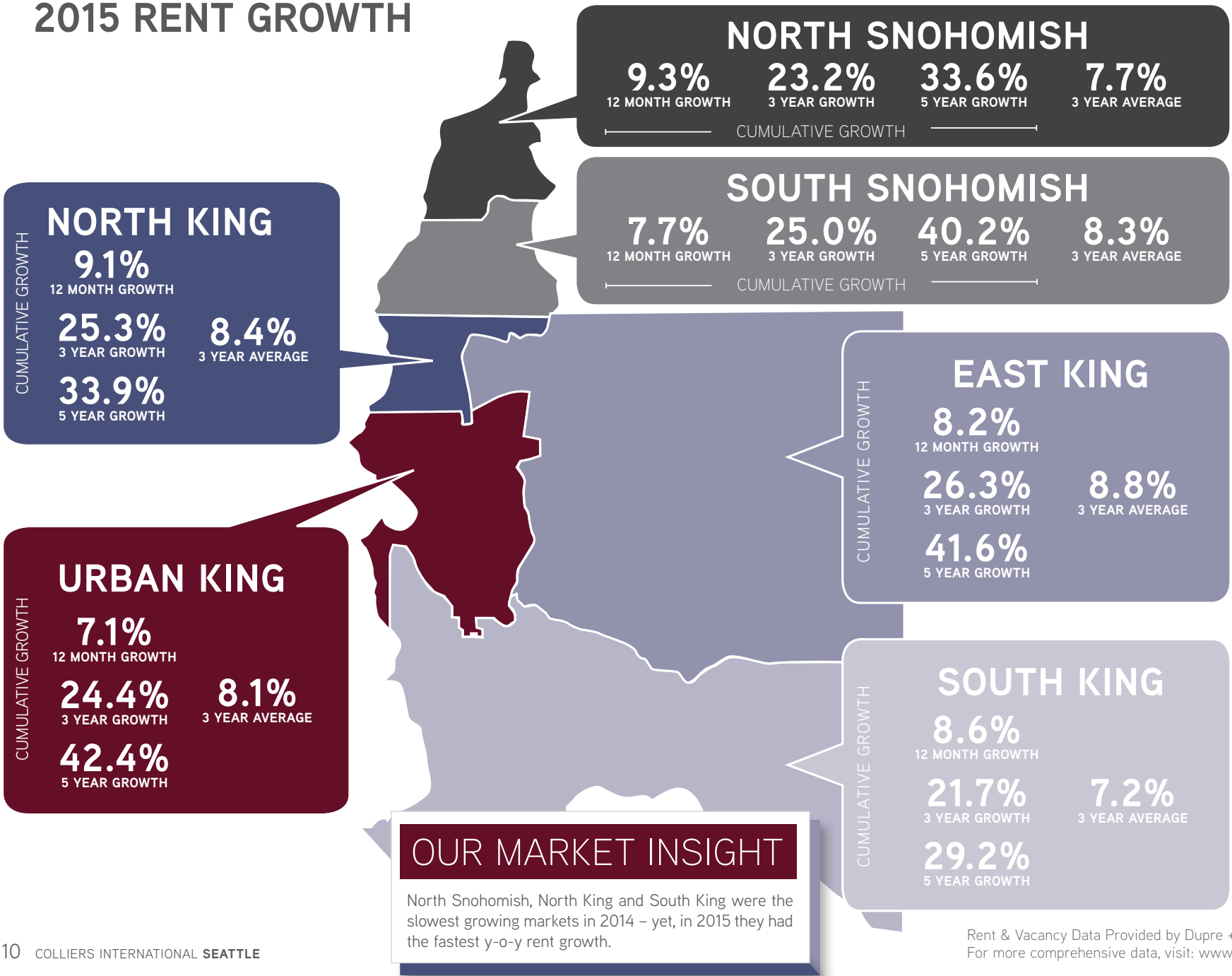
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NINTH "greenest" city in America (Nerdwallet, 2015)

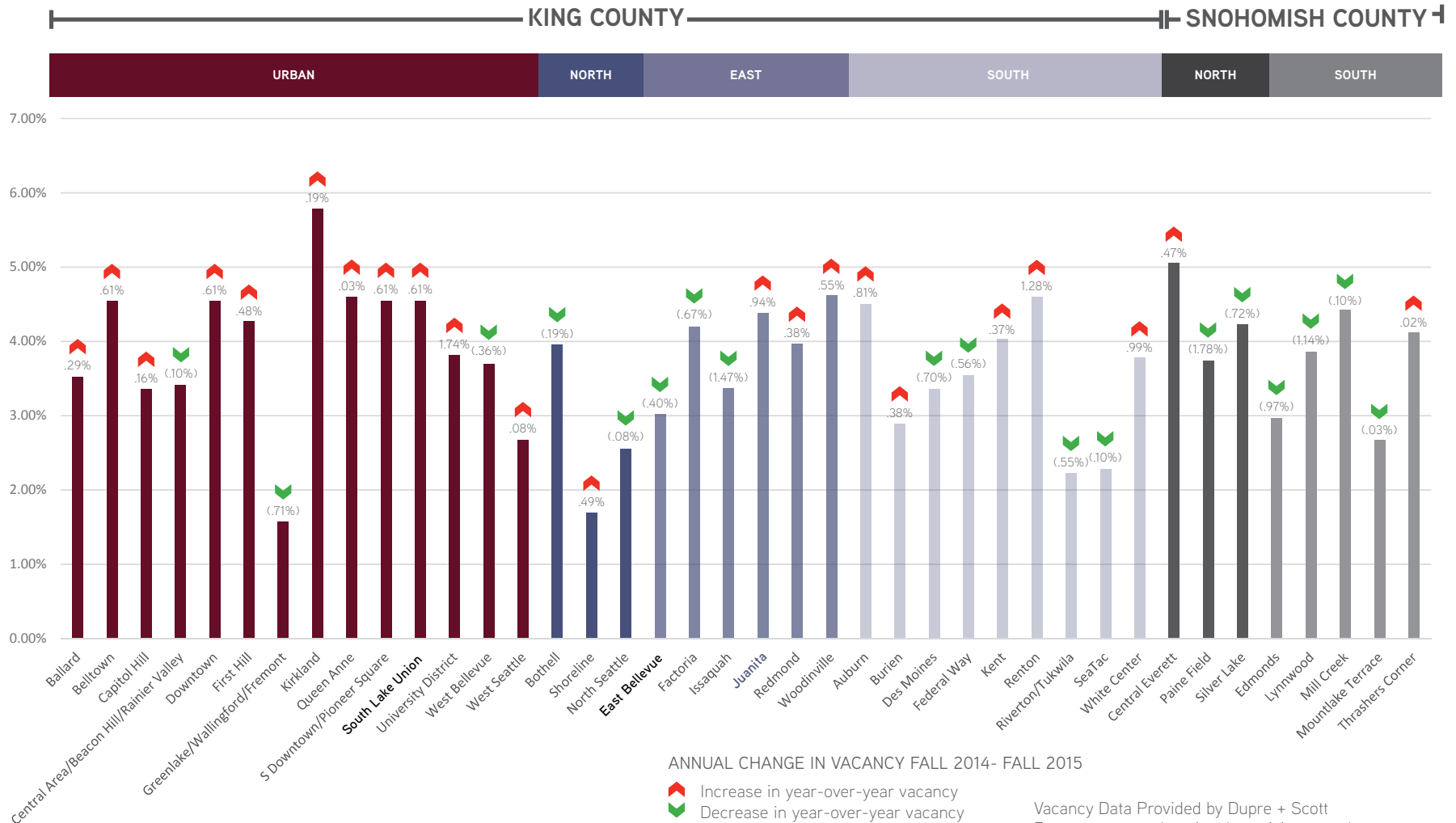
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TENTH best city for singles (Nerdwallet, 2015)

2015 RENT GROWTH



2015 VACANCY TRENDS YEAR-OVER-YEAR



ANNUAL CHANGE IN VACANCY FALL 2014- FALL 2015

- ▲ Increase in year-over-year vacancy
- ▼ Decrease in year-over-year vacancy

Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

OUR MARKET INSIGHT

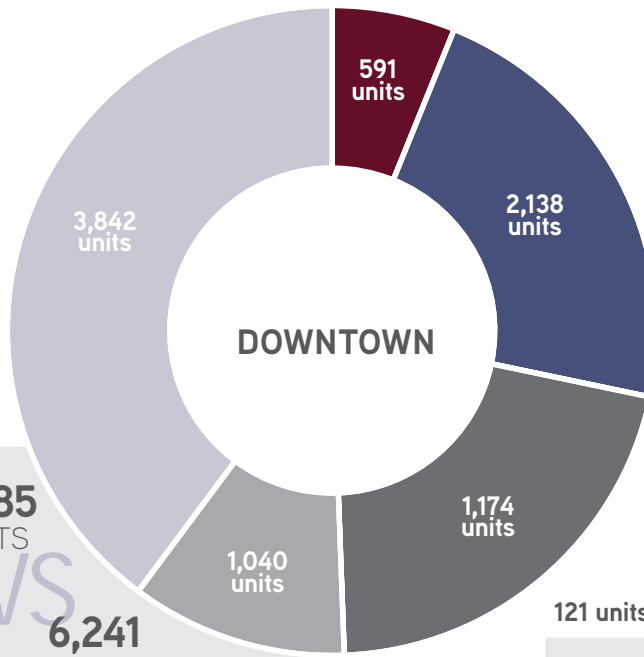
In 2015, over 10,000 apartment units were delivered in King and Snohomish Counties, yet in 38 of 40 markets vacancy rates measured less than a 1% increase year-over-year - 18 showing further compression in vacancy rates.

URBAN KING DEVELOPMENT PIPELINE

58,473 UNITS PLANNED
 76% OF KING COUNTY PIPELINE
 68% OF TOTAL PIPELINE

VS

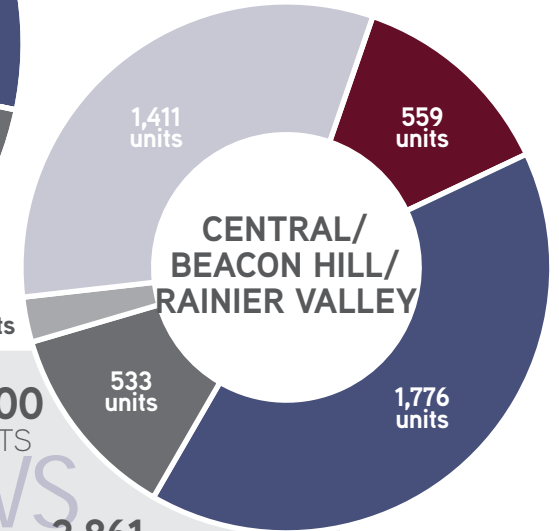
48,726
 UNITS PLANNED
 AS OF DEC 2014



8,785
 UNITS

VS

6,241
 UNITS PLANNED
 AS OF DEC 2014

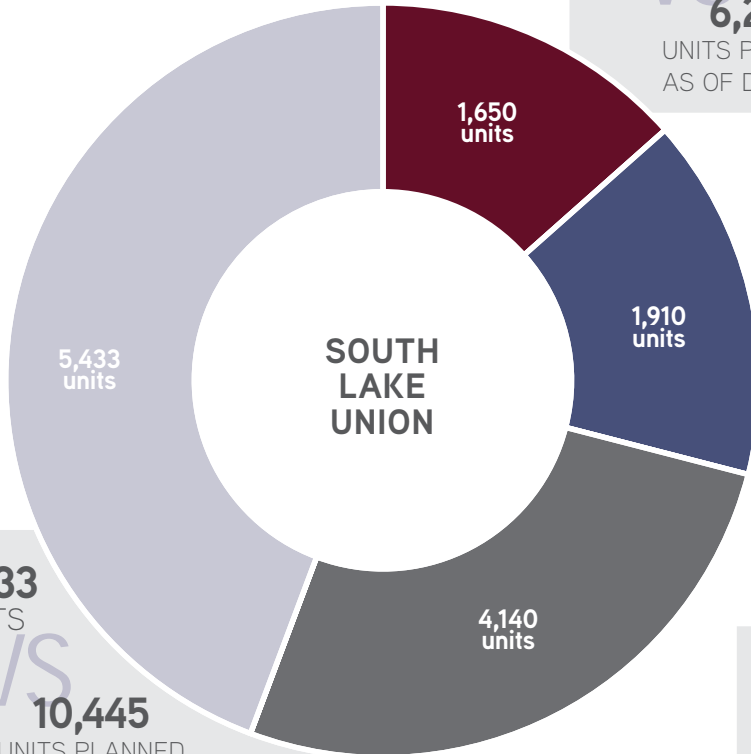


121
 units

4,400
 UNITS

VS

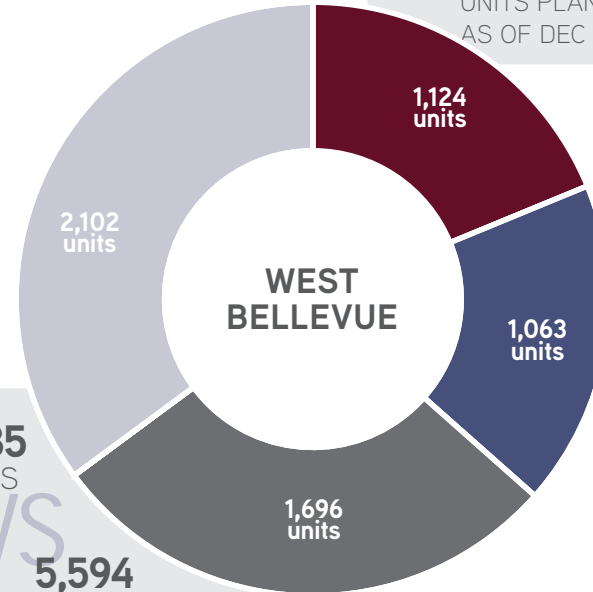
3,861
 UNITS PLANNED
 AS OF DEC 2014



13,133
 UNITS

VS

10,445
 UNITS PLANNED
 AS OF DEC 2014



5,985
 UNITS

VS

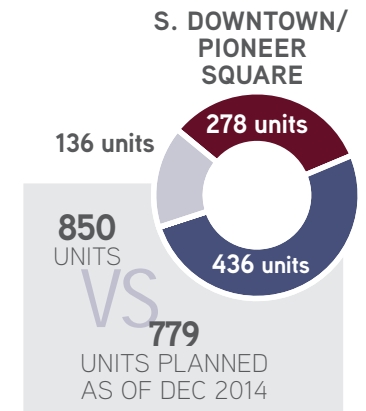
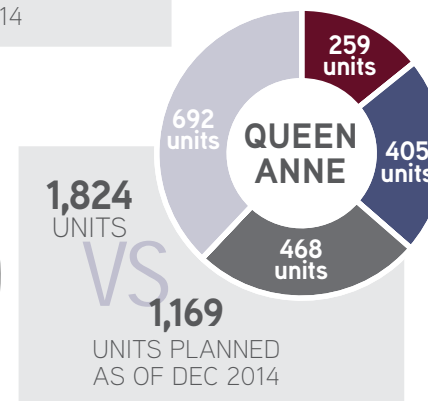
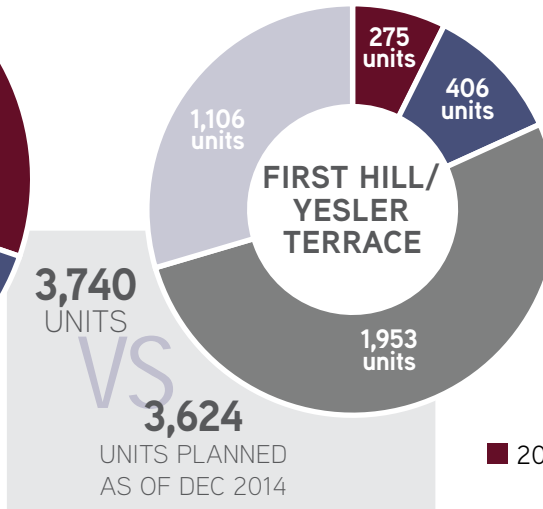
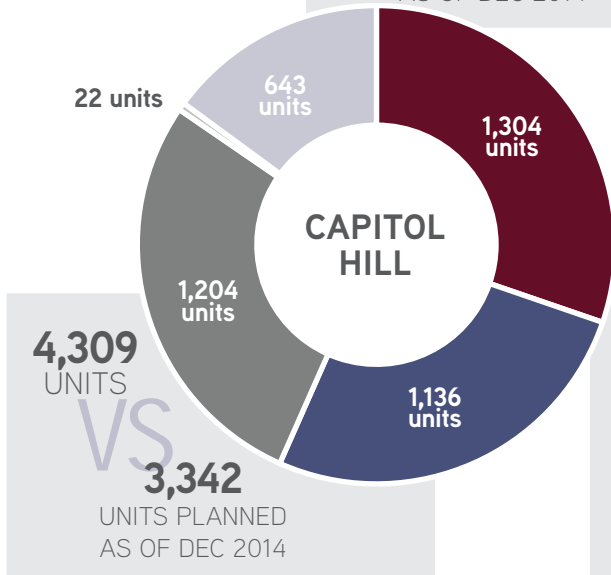
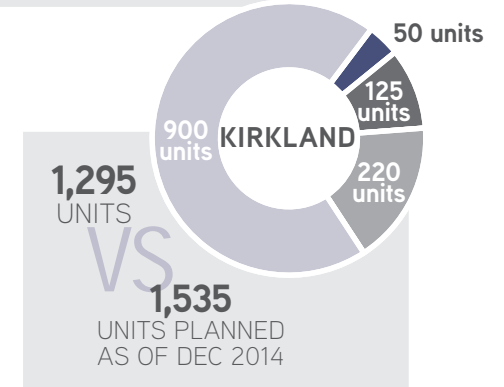
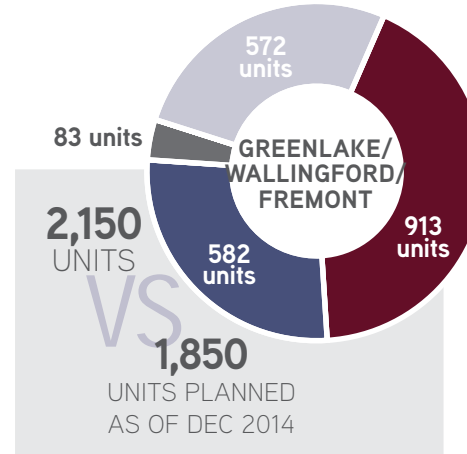
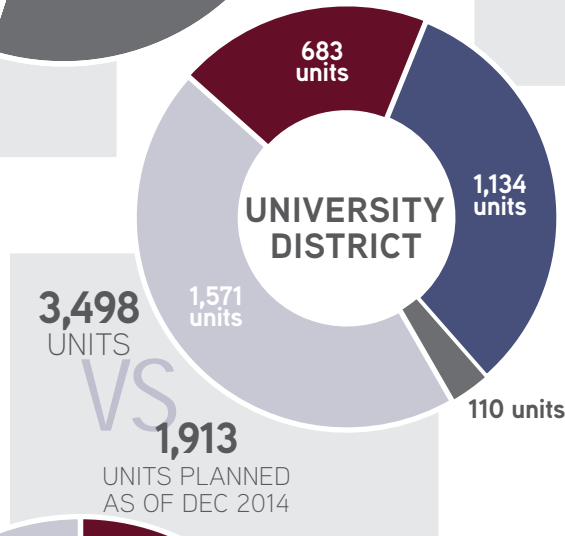
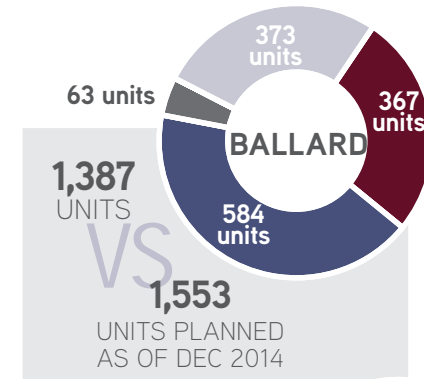
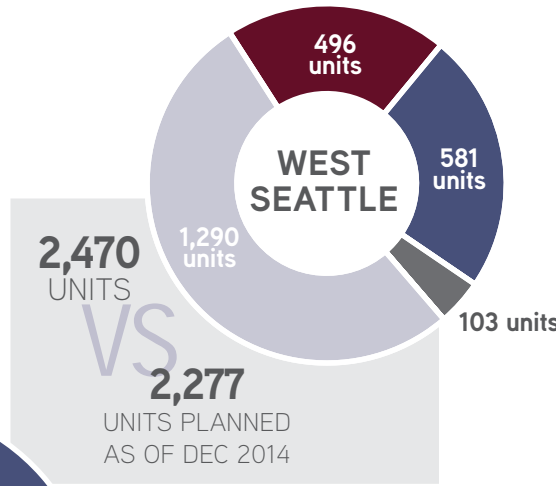
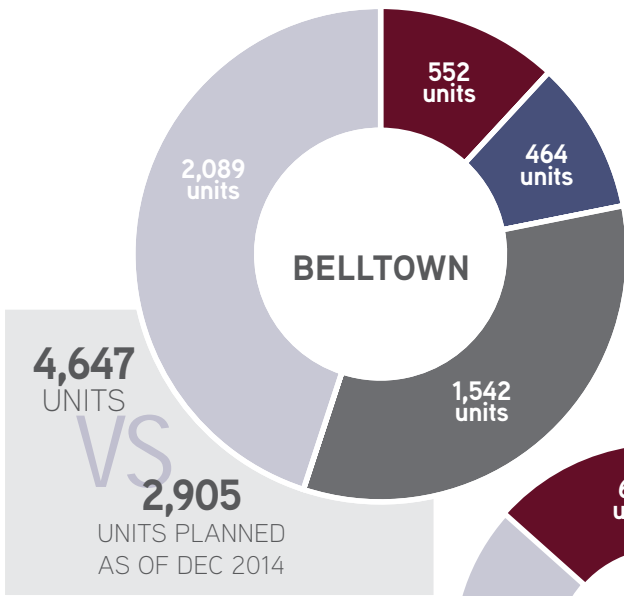
5,594
 UNITS PLANNED
 AS OF DEC 2014

DELIVERIES BY YEAR

2016	9,051
2017	12,665
2018	13,194
2019	1,403
Future	22,160

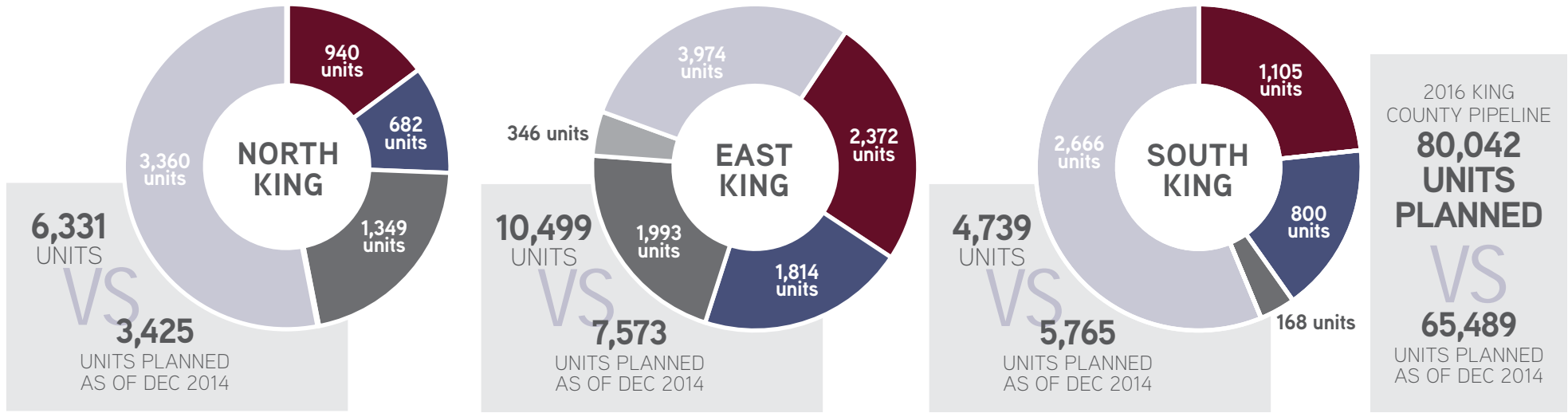
■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ FUTURE

2016 Seattle Apartment Market Study

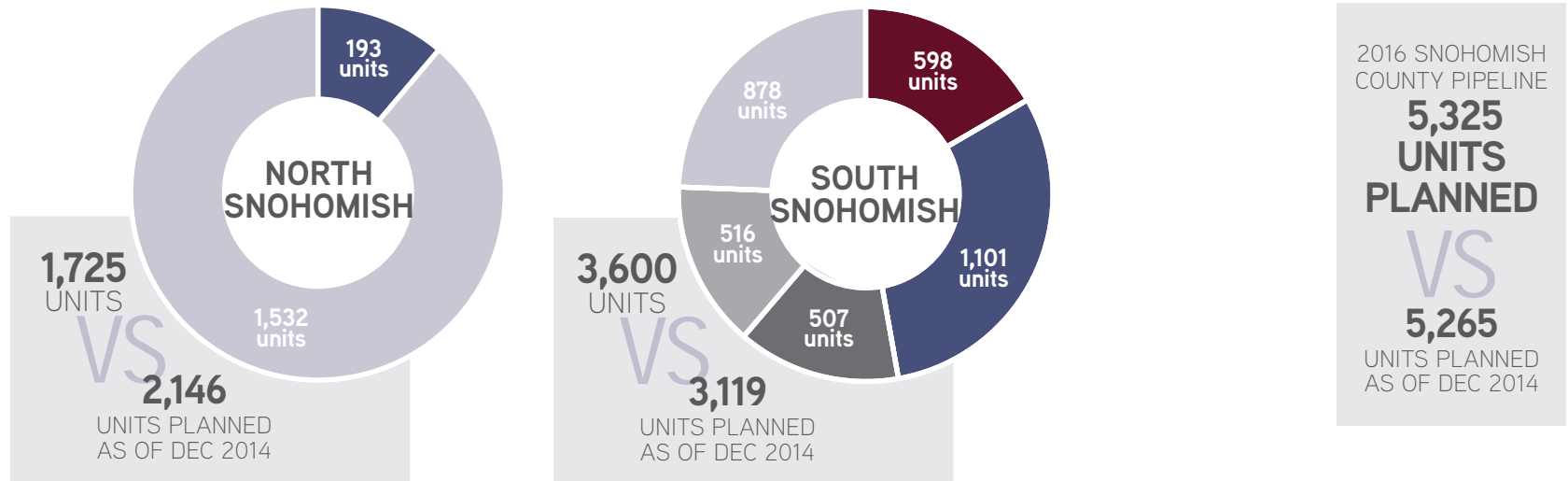


■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ FUTURE

SUBURBAN KING DEVELOPMENT PIPELINE

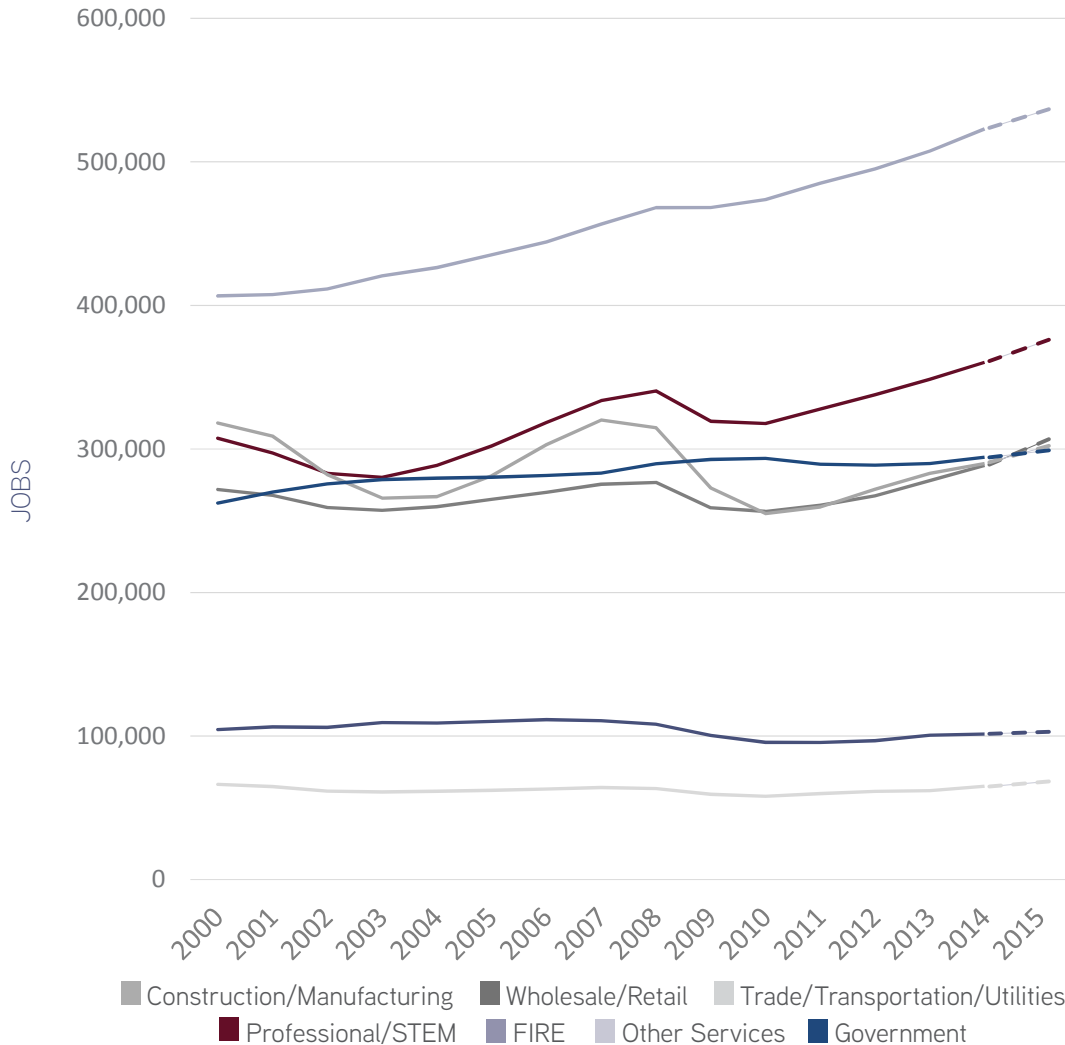


SNOHOMISH COUNTY SUBURBAN DEVELOPMENT PIPELINE



■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ FUTURE

REGIONAL JOB GROWTH



HOTTEST & COLDEST

job growth in the last 3 years

↑ 39,093
OTHER SERVICES

↓ 6,029
FIRE

STEM JOB GROWTH

14%
IN LAST 4 YEARS

24%
IN LAST 10 YEARS

OUR MARKET INSIGHT

Since 2010, the region has added +10,000 new Professional/STEM jobs nearly every year. 2015 was the strongest year of hiring yet, with 13,664 Professional/STEM employees hired regionally.

*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.

URBAN KING :: MARKET OVERVIEW

Downtown
South Downtown/Pioneer Square
Capitol Hill
First Hill/Yesler Terrace
Belltown
Queen Anne
South Lake Union

Central District/Beacon Hill/Rainier Valley
Greenlake/Wallingford/Fremont
University District
West Seattle
Ballard
West Bellevue
Kirkland

MARKET SNAPSHOT



36,313
2016-2019
DELIVERIES



AVERAGE RENT
PER SF
\$2.45

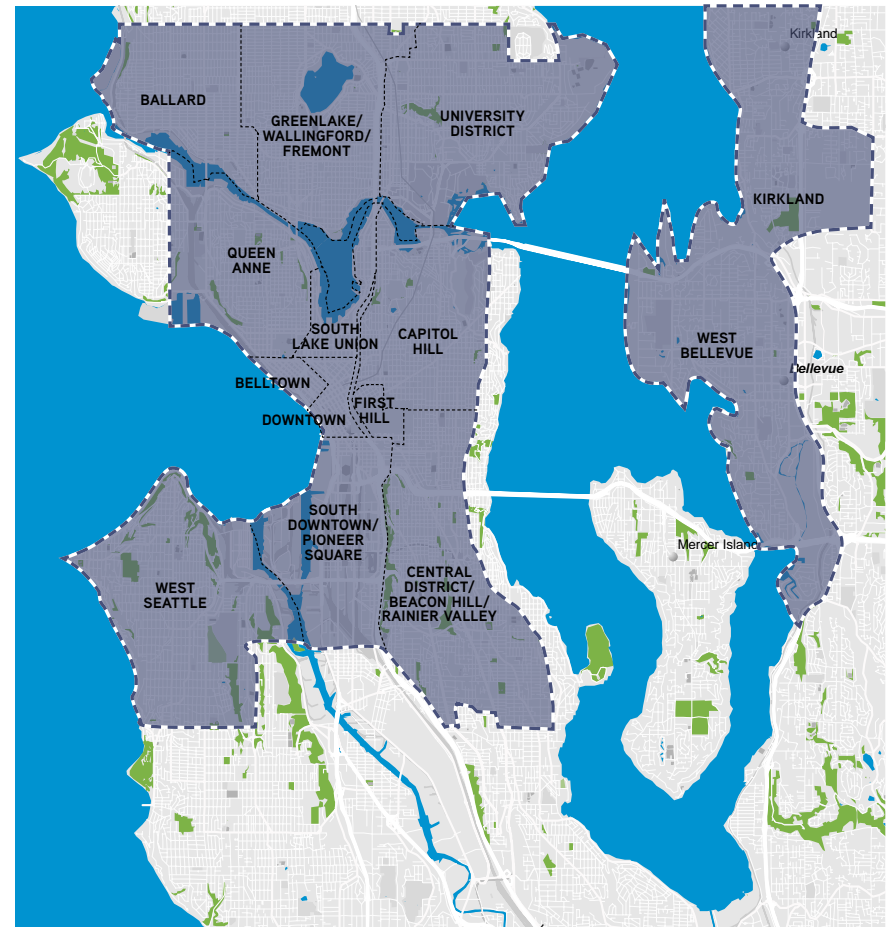
URBAN KING

The region’s urban-located, core neighborhoods remain the focal-point of developers and investors alike. The 14 neighborhood markets comprising Urban King are undoubtedly the most watched in the region and for that purpose alone are afforded analysis with the greatest level of granularity.

This past year marked the first year when a slew of new development was set for delivery and economic fundamentals proved strong – so strong that proposed development continues to expand into future years. As of December 2014, less than 2,000 units were planned for delivery in 2018. That figure has risen to over 13,000 units.

The interest in development in these markets is no surprise given stable fundamentals. The investment sales market provides further incentive to keep developing – fueled by sales prices on a PPU and PPSF basis hitting new milestones. Urban King will remain a market to watch in 2016.

“As of December 2014, less than 2,000 units were planned for delivery in 2018. That figure has risen to over 13,000 units.”



HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	9	8	19	17	29	29
Sales Volume	\$232.6M	\$250.9M	\$749M	\$784M	\$1.14B	\$1.95B
Average PPU	\$200,169	\$212,193	\$277,864	\$310,934	\$305,925	\$382,231
Average PPSF	\$280	\$326	\$381	\$437	\$428	\$529
Average Cap Rate	5.2%	5.2%	4.8%	4.6%	4.5%	4.4%
Number of Deliveries	2,645	620	2,696	4,060	5,155	6,449

MARKET FUNDAMENTALS

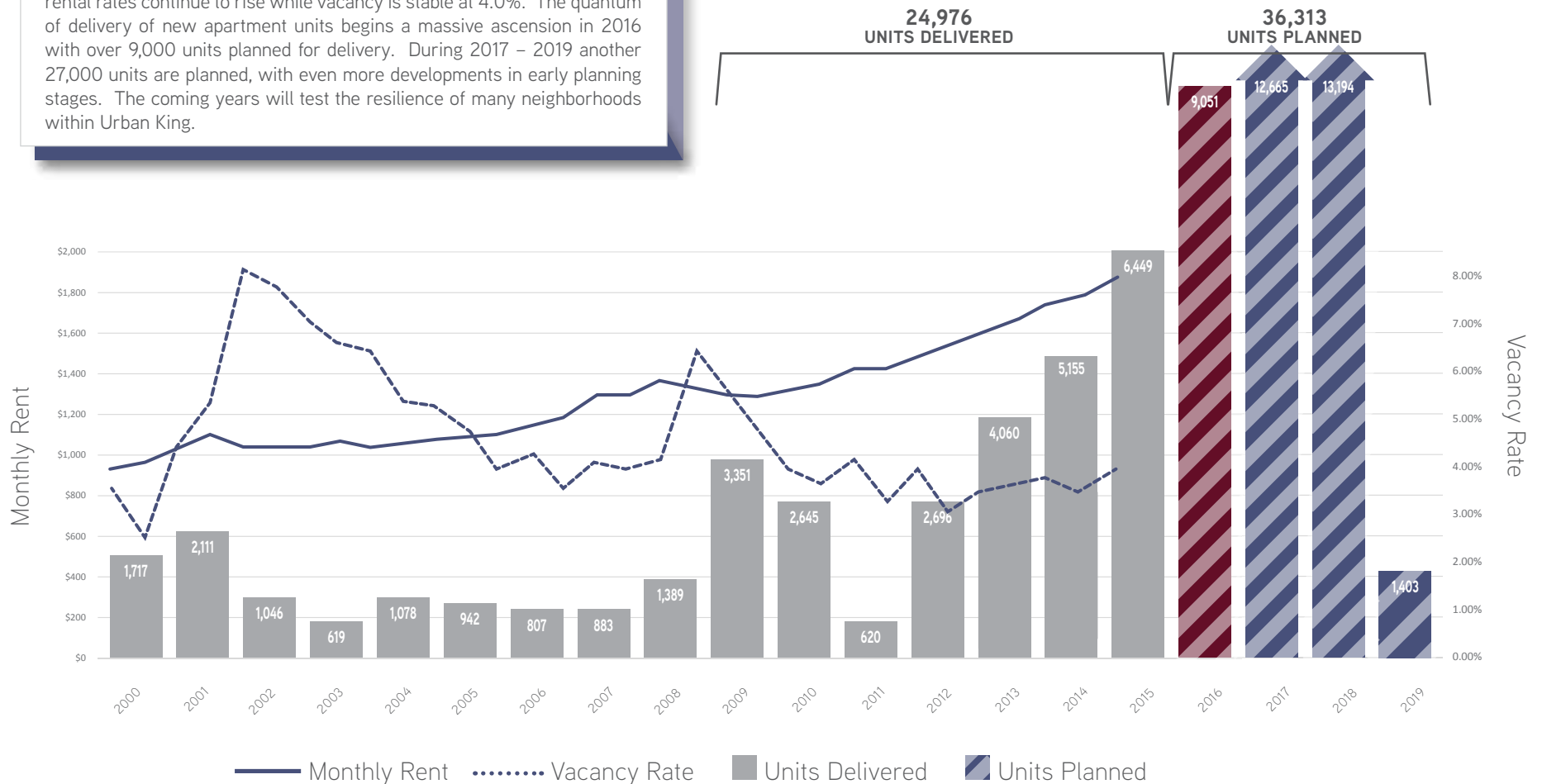
URBAN KING

OUR MARKET INSIGHT

Even with record delivery of new apartment units in Urban King in 2015, rental rates continue to rise while vacancy is stable at 4.0%. The quantum of delivery of new apartment units begins a massive ascension in 2016 with over 9,000 units planned for delivery. During 2017 – 2019 another 27,000 units are planned, with even more developments in early planning stages. The coming years will test the resilience of many neighborhoods within Urban King.

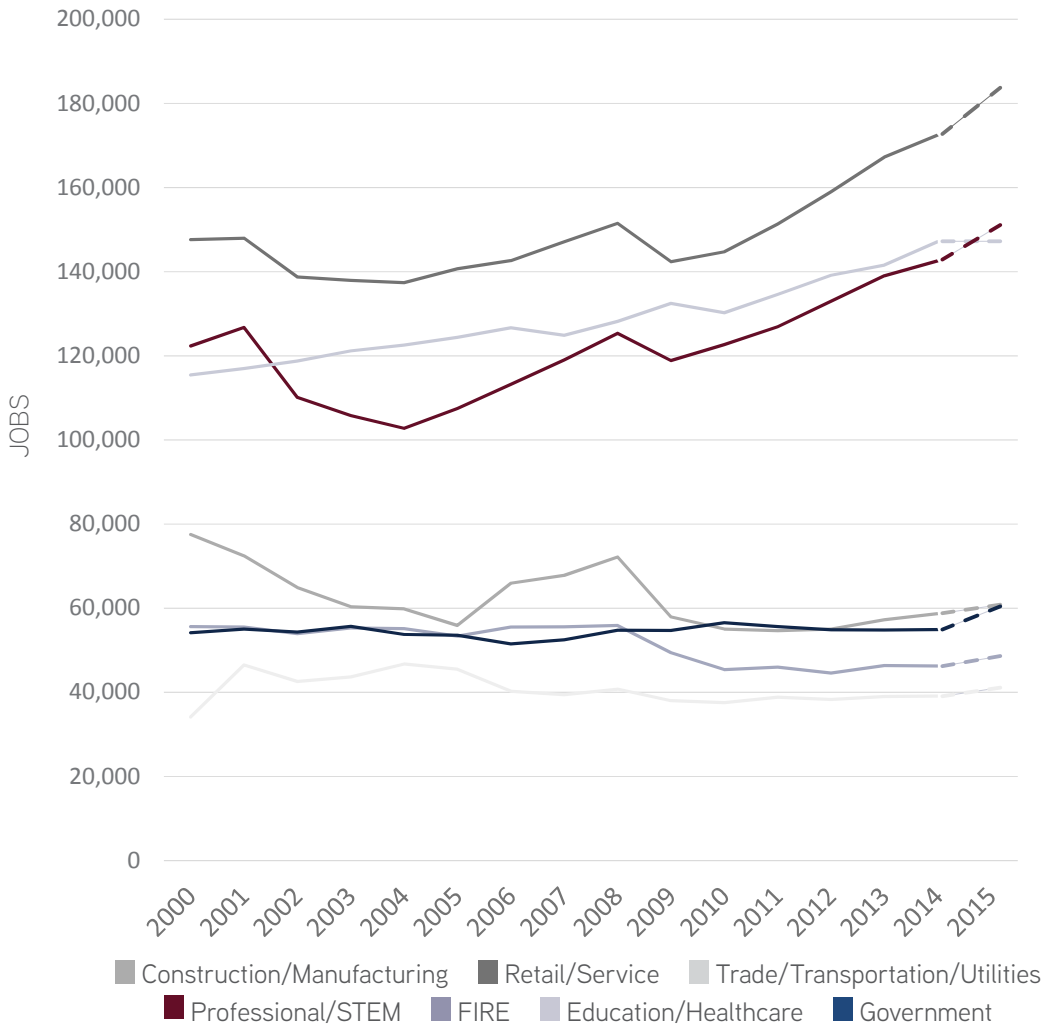
2015	\$1,845 AVG RENT PER UNIT	7.1%	\$2.45 AVG RENT PER SF	5.2%	4.0% VACANCY	20 BP
2014	\$1,723 AVG RENT PER UNIT		\$2.33 AVG RENT PER SF		3.8% VACANCY	

URBAN KING

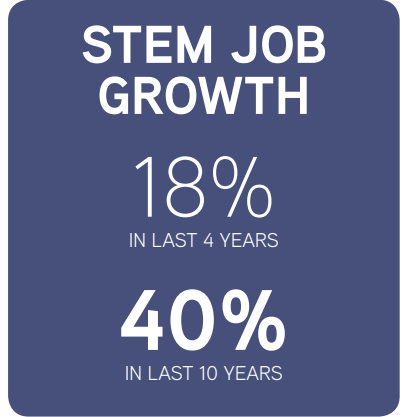


Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EMPLOYMENT GROWTH URBAN KING



*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.



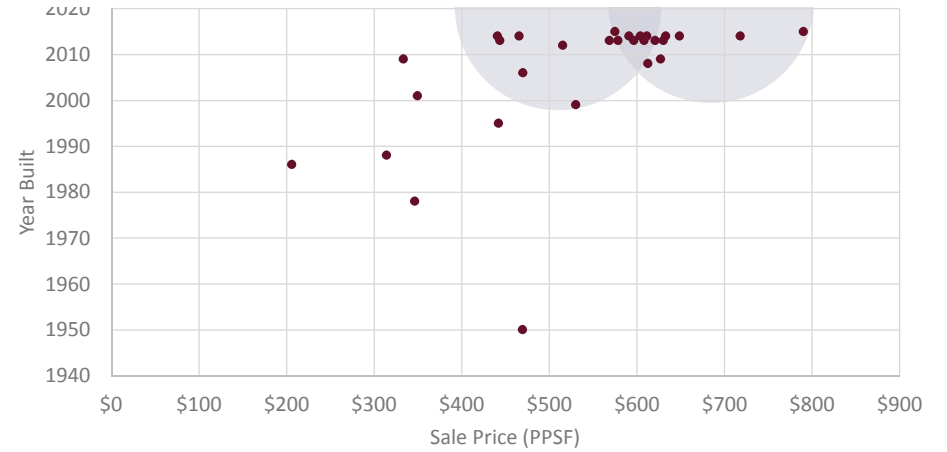
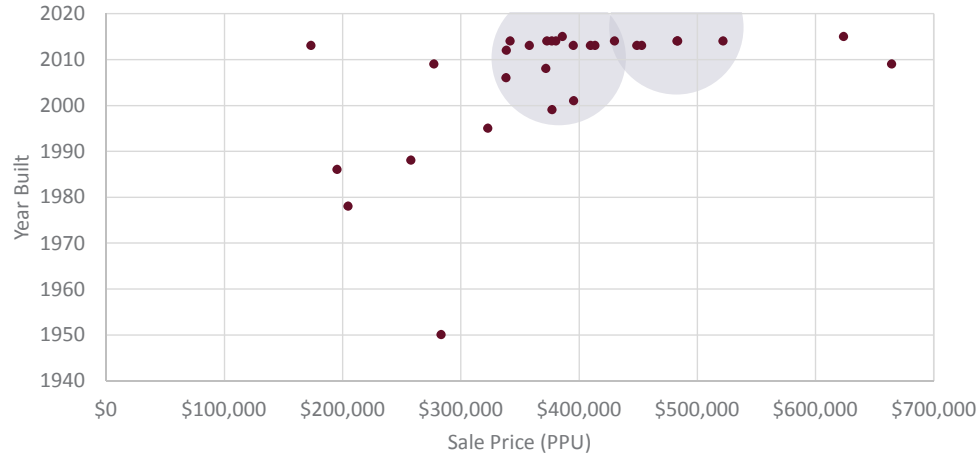
OUR MARKET INSIGHT

In a recently published study data has shown that for every new Professional/STEM job, four more jobs are created. The current ratio for Urban King Professional/STEM jobs to all other jobs is 1:2.35 which is a signal to expect robust job creation in the other six job sectors in the near future.

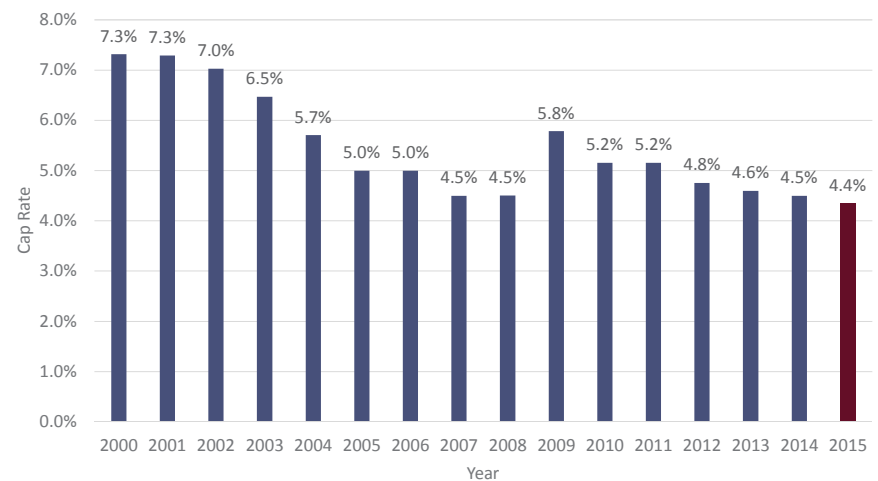
2015 SALES & HISTORICAL SALES TRENDS

URBAN KING

2015 URBAN KING SALES METRICS



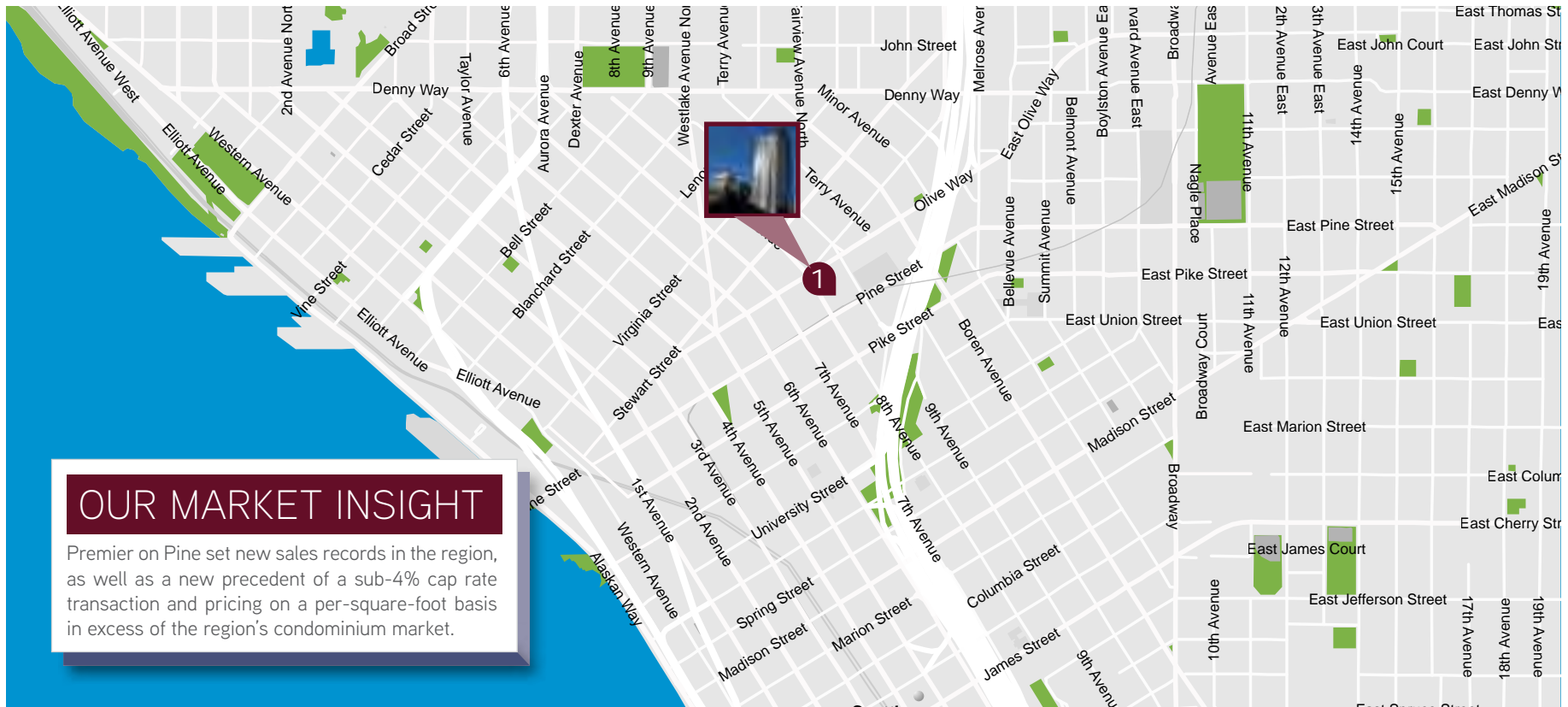
2000-2015 URBAN KING SALES TRENDS



2015 Downtown Sales

DOWNTOWN

2015	\$623,974 AVG PRICE PER UNIT	\$791 AVG PRICE PER SF	3.7% CAP RATE
2014	NO SALES	NO SALES	NO SALES



OUR MARKET INSIGHT

Premier on Pine set new sales records in the region, as well as a new precedent of a sub-4% cap rate transaction and pricing on a per-square-foot basis in excess of the region's condominium market.

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1	Premier on Pine	815 Pine Street	2015	386	307,827	797	\$243,350,000	7/9/2015	\$623,974	\$791	3.7%	Heitman Holland Partners
	Average		2015	386	307,827	797	\$243,350,000		\$623,974	\$791	3.7%	

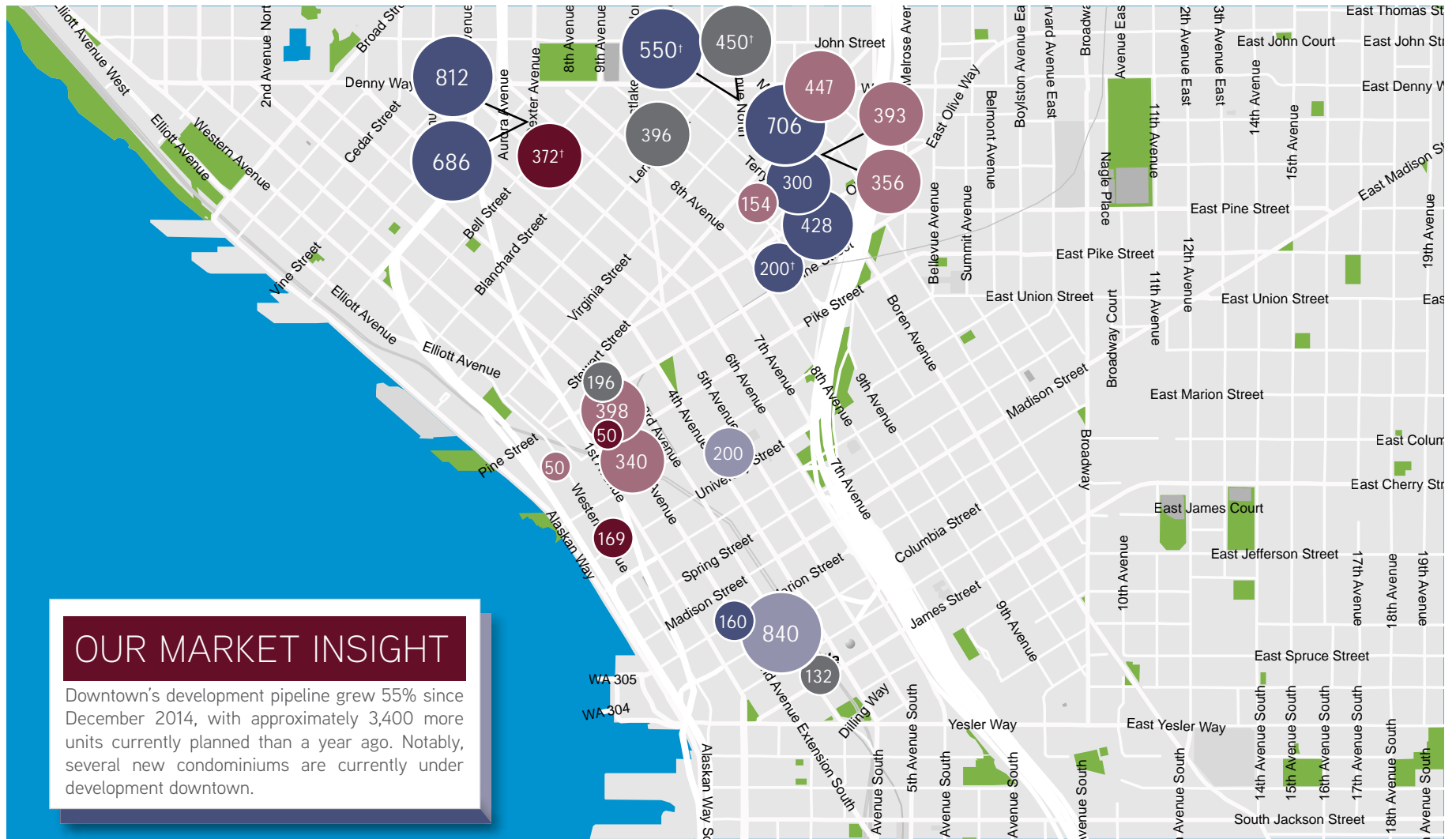
Downtown Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
591	2,138	1,174	1,040	3,842

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

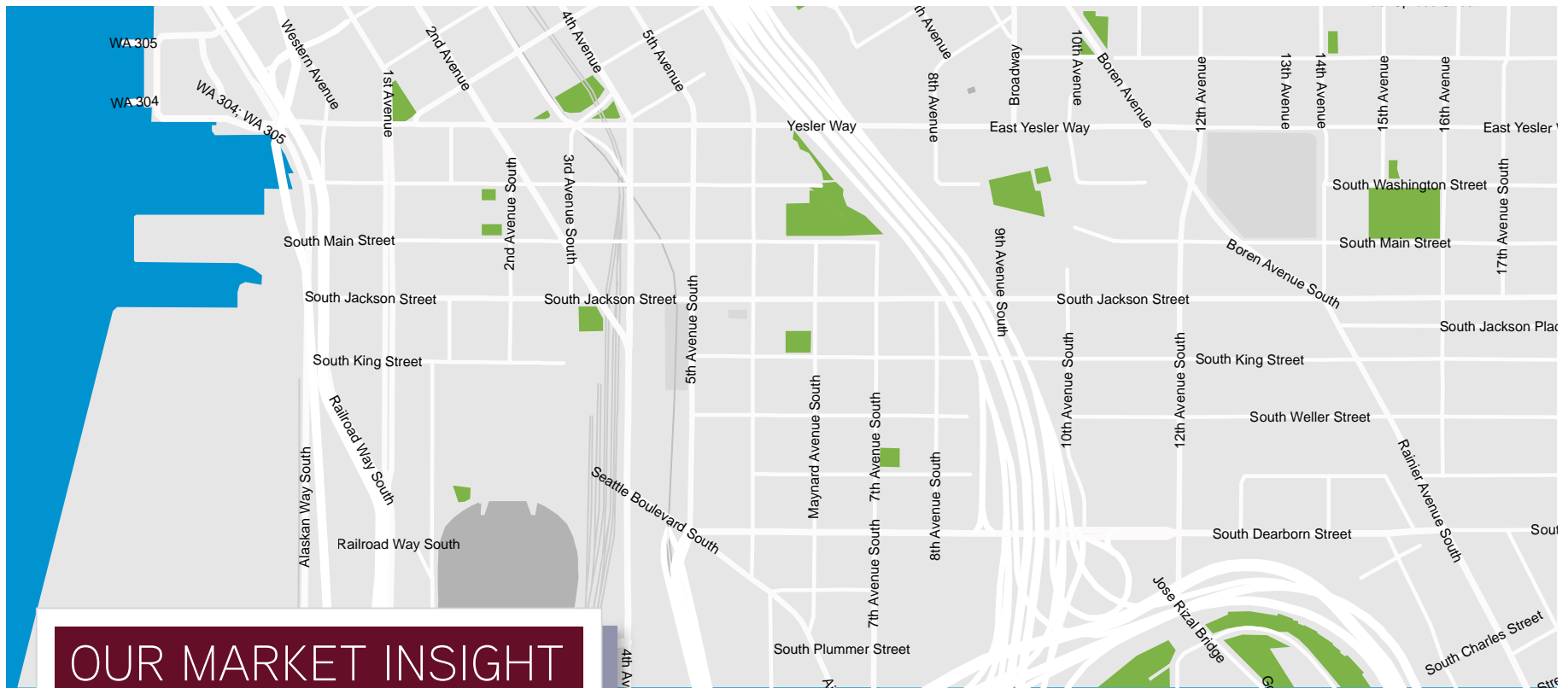
Downtown's development pipeline grew 55% since December 2014, with approximately 3,400 more units currently planned than a year ago. Notably, several new condominiums are currently under development downtown.

DOWNTOWN

2015 South Downtown/ Pioneer Square Sales

S. DOWNTOWN/
PIONEER SQUARE

2015	NO SALES	NO SALES	NO SALES
2014	\$118,421 AVG PRICE PER UNIT	\$293 AVG PRICE PER SF	4.7% CAP RATE



OUR MARKET INSIGHT

The South Downtown and Pioneer Square market has a small inventory of market-rate apartments with little y-o-y transaction volume. Due to long-term ownership and historical status, few buildings trade or are re-developed, resulting in an absence of sales activity. With several new developments on the horizon and renewed investor interest in these markets, we expect the sales market to quicken its pace in coming years.

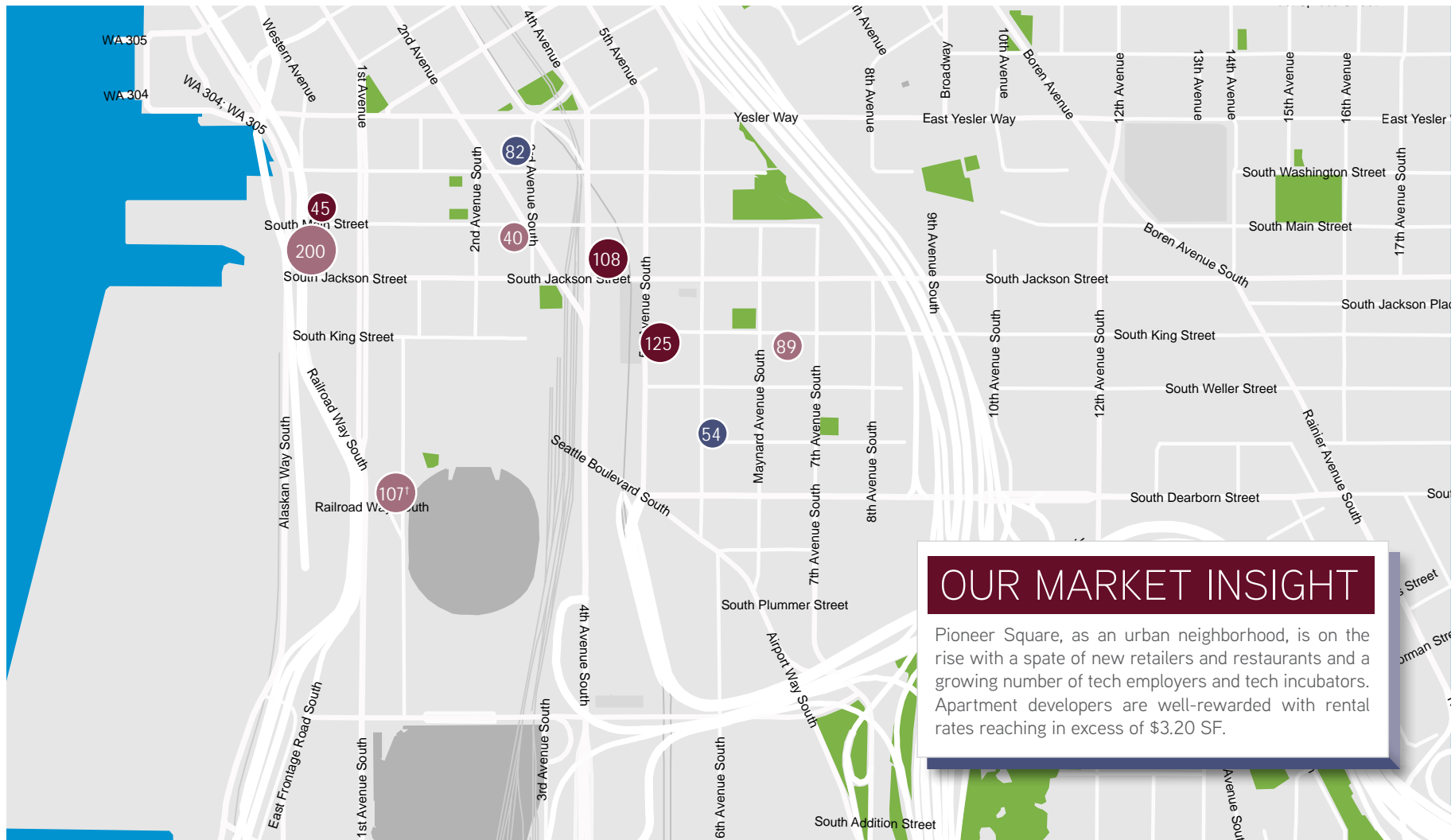
South Downtown/Pioneer Square Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
278	436	0	0	136

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

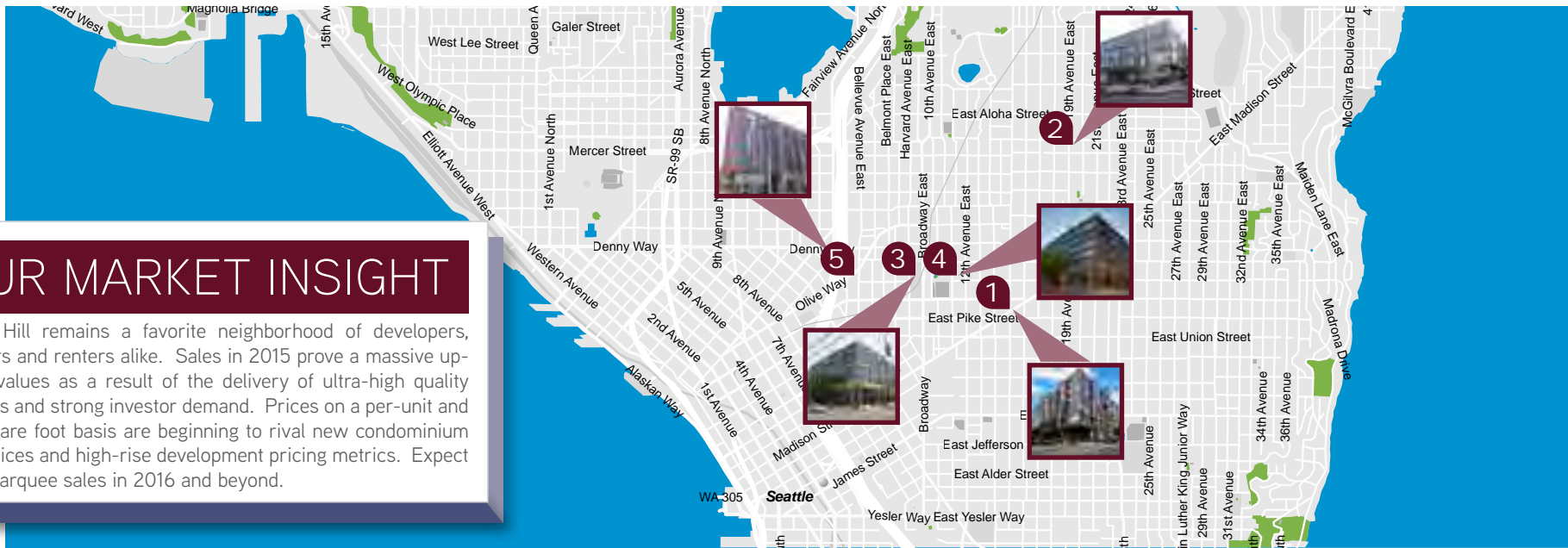
Pioneer Square, as an urban neighborhood, is on the rise with a spate of new retailers and restaurants and a growing number of tech employers and tech incubators. Apartment developers are well-rewarded with rental rates reaching in excess of \$3.20 SF.

S. DOWNTOWN/
PIONEER SQUARE

2015 Capitol Hill Sales

CAPITOL HILL

2015	\$404,711 AVG PRICE PER UNIT	29.1%	\$615 AVG PRICE PER SF	35.5%	4.2% CAP RATE	20 BP
2014	\$313,554 AVG PRICE PER UNIT		\$454 AVG PRICE PER SF		4.0% CAP RATE	



OUR MARKET INSIGHT

Capitol Hill remains a favorite neighborhood of developers, investors and renters alike. Sales in 2015 prove a massive up-tick in values as a result of the delivery of ultra-high quality buildings and strong investor demand. Prices on a per-unit and per-square foot basis are beginning to rival new condominium sales prices and high-rise development pricing metrics. Expect more marquee sales in 2016 and beyond.

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1	Pearl	1500 E Madison Street	2008	80	54,680	668	\$33,500,000	12/23/2015	\$372,222	\$613	4.0%	Equity Residential Jeff Brotman
2	19th & Mercer	526 19th Avenue E	2013	50	43,475	870	\$25,150,000	12/15/2015	\$449,107	\$578	4.0%	Washington Trust Bank Meriwether Partners
3	Sunset Electric	1111 E Pine Street	2014	92	63,013	664	\$42,155,000	3/31/2015	\$430,153	\$633	4.4%	ASB Real Estate Investments Wolff Company
4	REO Flats	1525 14th Avenue	2013	108	75,459	699	\$47,580,000	3/27/2015	\$413,739	\$631	4.6%	ASB Real Estate Investments Madrona Real Estate
5	Pine+Minor	1519 Minor Avenue	2013	120	69,231	550	\$43,000,000	2/26/2015	\$358,333	\$621	4.0%	Pillar Communities Gerding Edlen
	Average		2012	90	61,172	690	\$38,277,000		\$404,711	\$615	4.2%	

Capitol Hill Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
1,304	1,136	1,204	22	643

**Indicates Micro. †Indicates Possible Condo.*

Numbers within circles on map below indicates number of units in each development.

OUR MARKET INSIGHT

The emerging East Slope of Capitol Hill continues to take shape. Developers completed exceptional new apartment projects east of 18th Avenue as early as 2012 and now specific micro-markets are forming along E. Madison and the retail corridor of 23rd & Union. In 2016, several hundred units are set for delivery on Capitol Hill's East Slope with additional projects slated for 2017 - 2019.

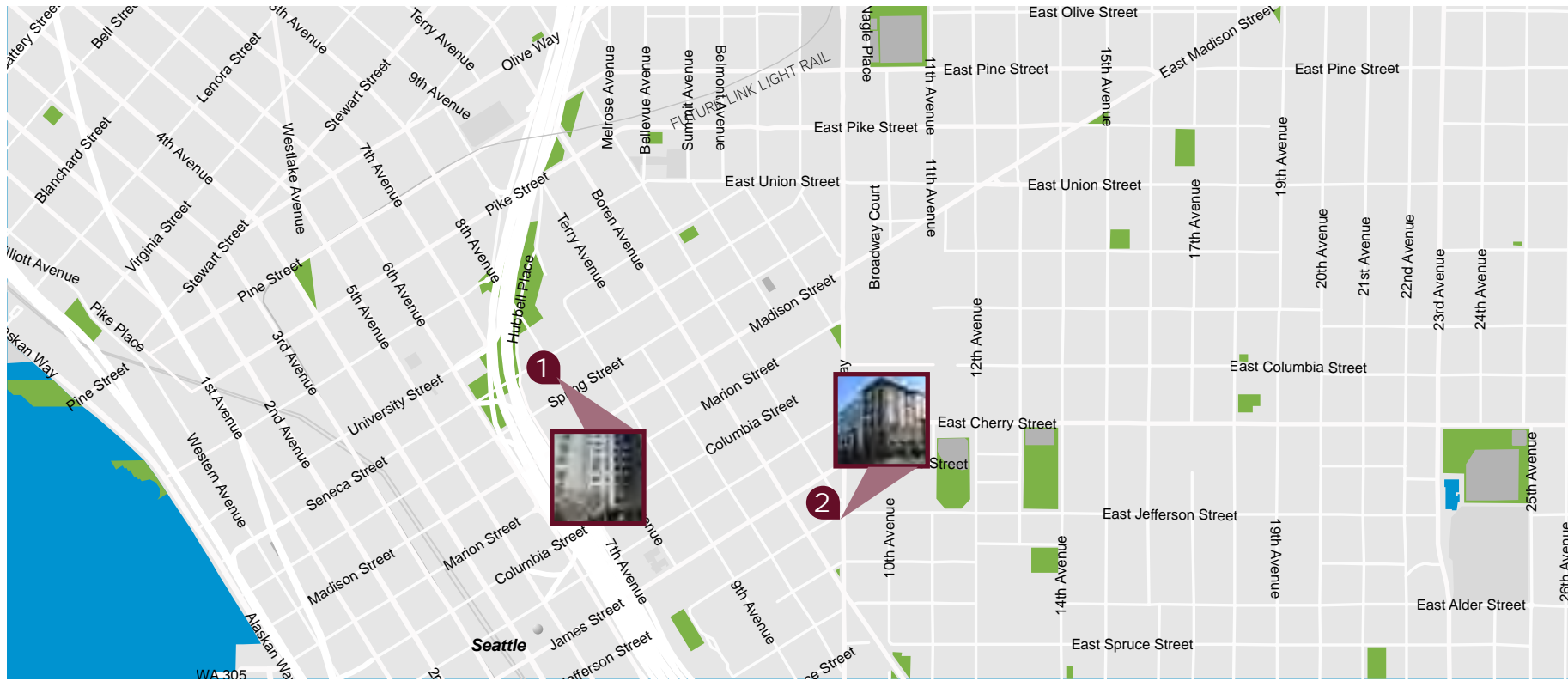


CAPITOL HILL

2015 First Hill/Yesler Terrace Sales

FIRST HILL/
YESLER TERRACE

2015	\$311,093 AVG PRICE PER UNIT	+0.5%	\$492 AVG PRICE PER SF	+20.7%	4.4% CAP RATE	+70 BP
2014	\$309,594 AVG PRICE PER UNIT		\$408 AVG PRICE PER SF		3.7% CAP RATE	



	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1	One Thousand 8th Avenue	1000 8th Avenue	1950	351	211,872	602	\$99,500,000	6/30/2015	\$283,476	\$470	4.5%	Sequoia Equities Acacia Capital
2	Barclay Broadway	412 Broadway Avenue	2012	118	81,494	639	\$42,000,000	4/7/2015	\$338,710	\$515	4.2%	Calfox Inc Gerding Edlen
	Average		1981	235	146,683	621	\$70,750,000		\$311,093	\$492	4.4%	

First Hill/Yesler Terrace Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
275	406	1,953	0	1,106

*Indicates Micro. †Indicates Possible Condo.

Numbers within circles on map below indicates number of units in each development.



TRANSIT UPDATE

In 2016, the First Hill Streetcar - with its Broadway Extension - will begin service. This light-rail line will connect Seattle's Waterfront with the Pioneer Square and Yesler Terrace neighborhoods - continuing to the Light Rail Station in Capitol Hill.

OUR MARKET INSIGHT

As one of only five submarkets with zoning that permits high-rise development, developers are planning a significant number of high-rise apartment buildings across First Hill. Long-awaited Yesler Terrace will begin to take shape in 2016, anchoring the southern end of First Hill and further connecting the Central District with Downtown and South Downtown.

FIRST HILL/
YESLER TERRACE

2015 Belltown Sales

BELLTOWN

2015	\$466,581 AVG PRICE PER UNIT	-17.1%	\$625 AVG PRICE PER SF	-2.7%	4.1% CAP RATE	30 BP
2014	\$562,661 AVG PRICE PER UNIT		\$643 AVG PRICE PER SF		4.4% CAP RATE	



OUR MARKET INSIGHT

The story in Belltown is that of high-rise development and concomitant investment sales. Three of the four sales recorded in 2015 were of high-rise buildings, with a pricing stratosphere to match. The decline in average pricing as compared to 2014 is the result of the sale of two ultra-luxe high-rises in 2014 – The Martin and Joseph Arnold Lofts. Given the quality of new development in Belltown, expect pricing to hold – if not escalate.

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1	Verve	2720 4th Avenue	2014	161	120,000	678	\$77,857,000	10/1/2015	\$483,584	\$649	4.2%	Clarion Partners HB Capital
2	Dimension by Alta	225 Cedar Street	2014	298	238,400	646	\$144,000,000	9/21/2015	\$483,221	\$604	4.2%	Heitman Wood Partners
3	Lenora (Marq 211)	211 Lenora Street	1999	107	76,125	640	\$40,385,067	6/15/2015	\$377,431	\$531	**	CWS Capital Partners Unico Partners
4	Viktoria	1915 2nd Avenue	2014	249	180,993	701	\$130,000,000	5/14/2015	\$522,088	\$718	4.0%	TruAmerica Multifamily Goodman Real Estate
	Average		2010	204	153,880	666	\$98,060,517		\$466,581	\$625	4.1%	

Belltown Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
552	464	1,542	0	2,089

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



BELLTOWN

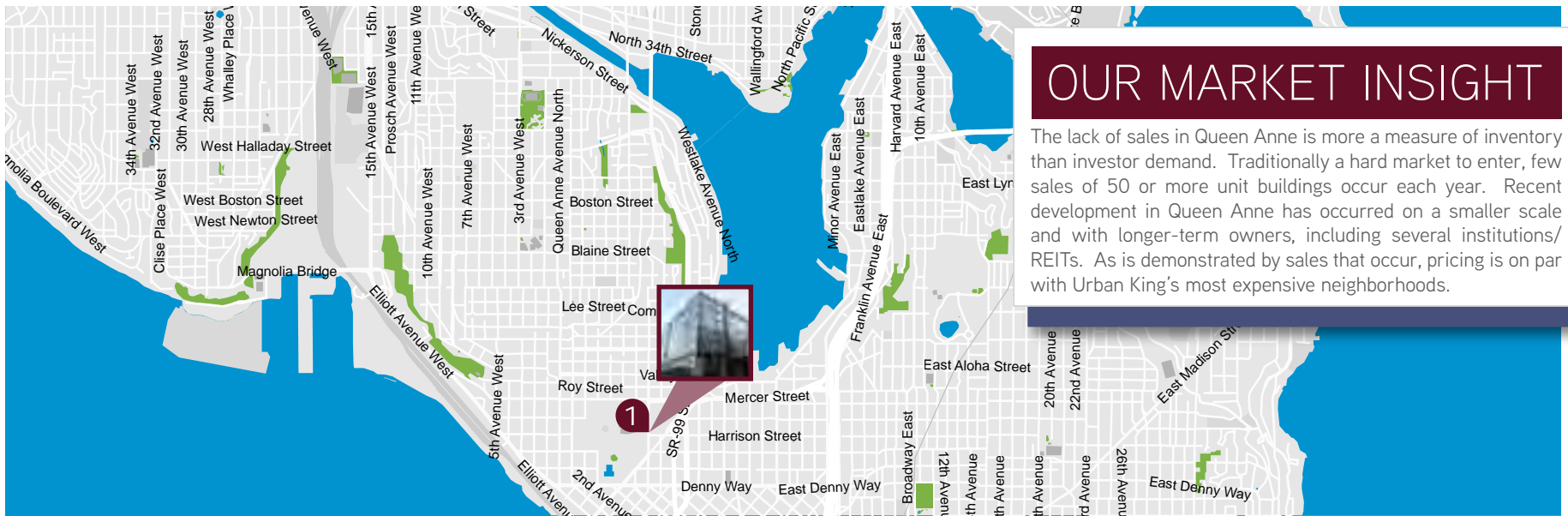
OUR MARKET INSIGHT

Belltown's zoning and waterfront location provides an ideal opportunity for high-rise development. There are currently nine residential high-rise buildings each in excess of 300 units under development or proposal in Belltown.

2015 Queen Anne Sales

QUEEN ANNE

2015	\$376,991 AVG PRICE PER UNIT	6.2% ↑	\$591 AVG PRICE PER SF	30.8% ↑	4.1% CAP RATE	40 BP ↓
2014	\$354,942 AVG PRICE PER UNIT		\$452 AVG PRICE PER SF		4.5% CAP RATE	



Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1 Aperture on Fifth	206 5th Avenue N	2014	106	67,594	654	\$39,961,000	7/15/2015	\$376,991	\$591	4.1%	Pillar Communities L&P Partners
Average		2014	106	67,594	654	\$39,961,000		\$376,991	\$591	4.1%	

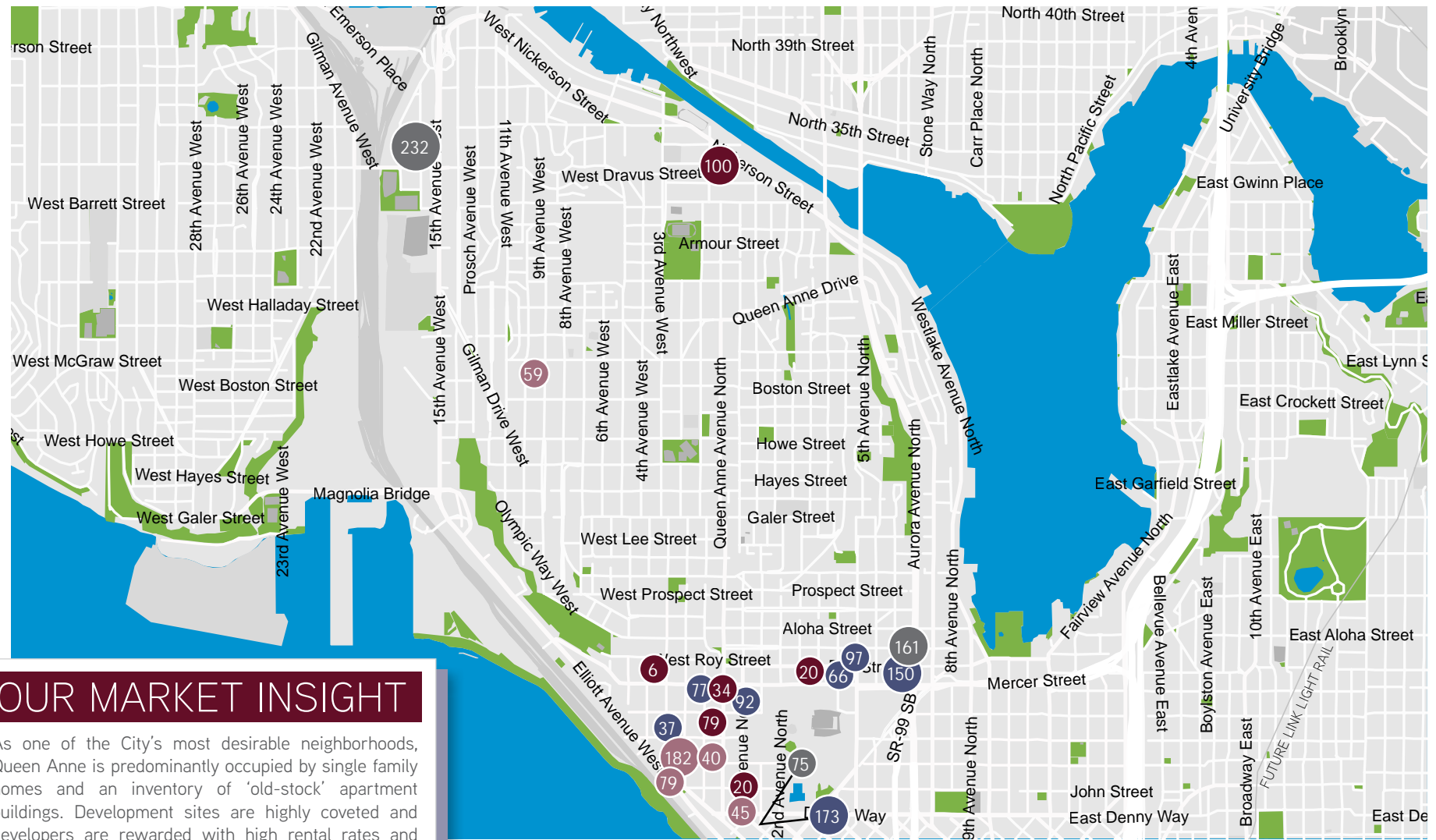
Queen Anne Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
259	405	468	0	692

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

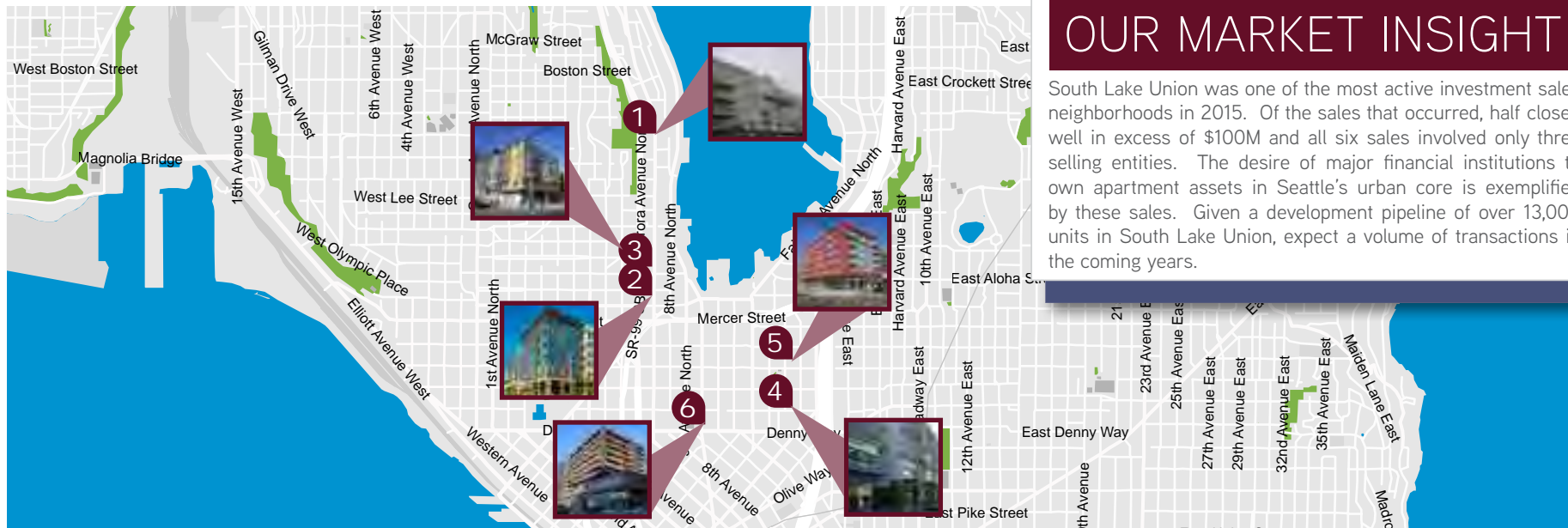
As one of the City's most desirable neighborhoods, Queen Anne is predominantly occupied by single family homes and an inventory of 'old-stock' apartment buildings. Development sites are highly coveted and developers are rewarded with high rental rates and stable vacancy despite the delivery of an increasing number of apartment buildings.

QUEEN ANNE

2015 South Lake Union Sales

SOUTH LAKE UNION

2015	\$430,750 AVG PRICE PER UNIT	40.2%	\$552 AVG PRICE PER SF	30.6%	4.3% CAP RATE	60 BP
2014	\$307,210 AVG PRICE PER UNIT		\$423 AVG PRICE PER SF		4.9% CAP RATE	



OUR MARKET INSIGHT

South Lake Union was one of the most active investment sales neighborhoods in 2015. Of the sales that occurred, half closed well in excess of \$100M and all six sales involved only three selling entities. The desire of major financial institutions to own apartment assets in Seattle's urban core is exemplified by these sales. Given a development pipeline of over 13,000 units in South Lake Union, expect a volume of transactions in the coming years.

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1	Summit at Lake Union	1735 Dexter Ave N	1995	150	109,585	750	\$48,455,000	10/15/2015	\$323,033	\$442	4.8%	Ezralow Company Equity Residential
2	Oakwood Seattle SLU	717 Dexter Avenue N	2013	100	67,400	674	\$41,000,000	7/29/2015	\$410,000	\$608	4.0%	Mesirow Financial Holland Partners
3	Union SLU	905 Dexter Avenue N	2013	284	200,032	695	\$112,300,000	6/19/2015	\$395,423	\$561	4.0%	TIAA-CREF Holland Partners
4	Alley 24	223 Yale Avenue N	2006	172	128,788	720	\$58,200,000	2/20/2015	\$338,372	\$452	4.2%	Greystar Vulcan Real Estate
5	Stack House	1280 Harrison Street	2013	278	219,972	760	\$126,000,000	2/13/2015	\$453,237	\$573	4.0%	JP Morgan Asset Management Vulcan Real Estate
6	Rollin Street Flats	120 Westlake Ave N	2009	208	237,911	1,059	\$138,203,000	2/9/2015	\$664,438	\$581	4.7%	Stockbridge Capital Group Vulcan Real Estate
Average			2008	199	155,442	776	\$87,359,667		\$430,750	\$552	4.3%	

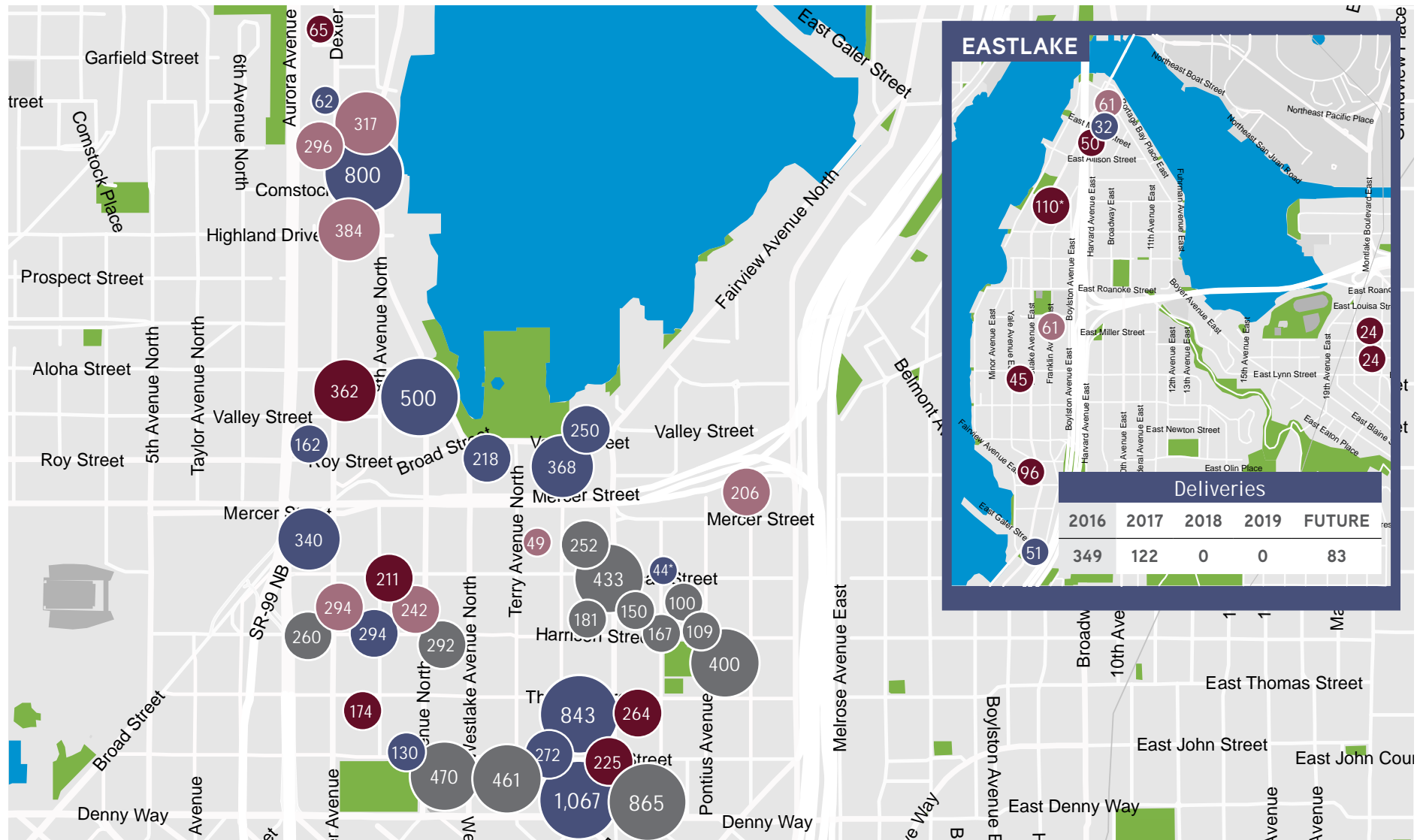
South Lake Union Development Pipeline



Numbers within circles on map below indicates number of units in each development.

Deliveries				
2016	2017	2018	2019	FUTURE
1,650	1,910	4,140	0	5,433

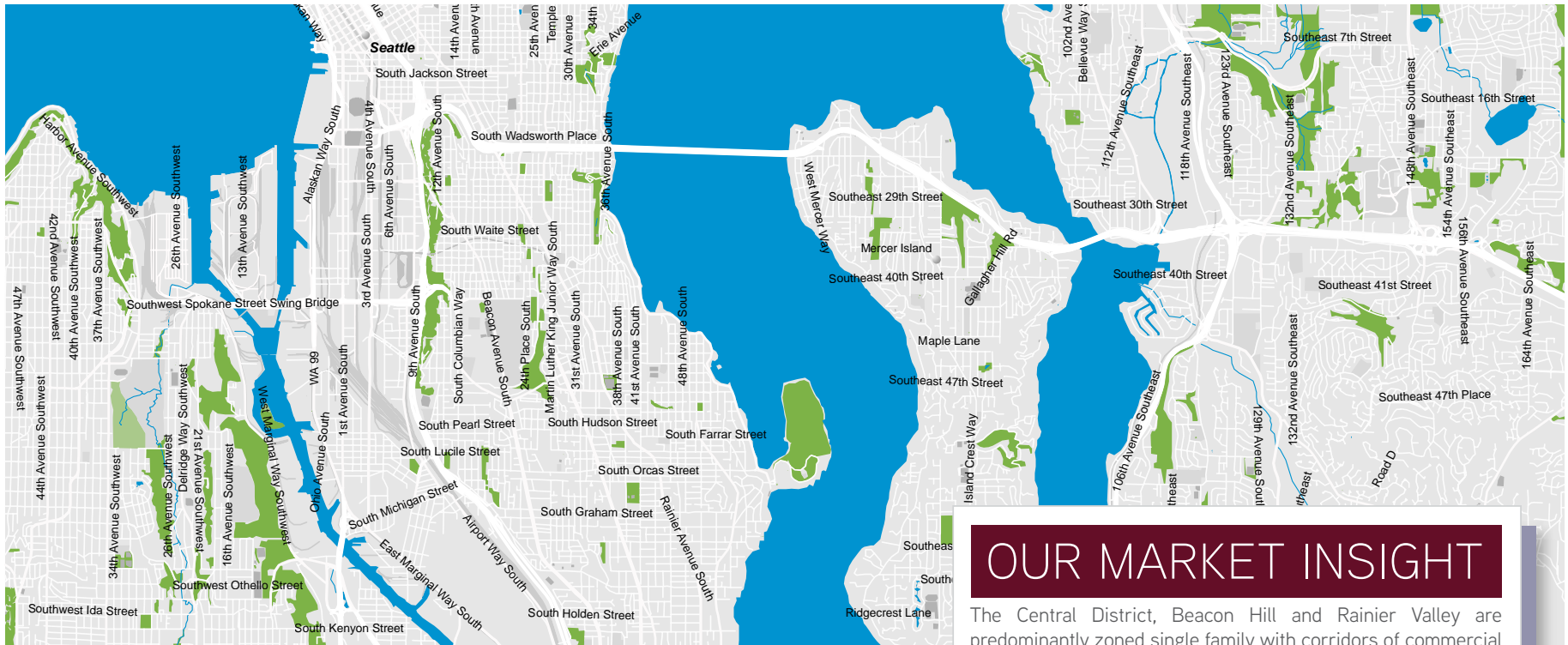
*Indicates Micro. †Indicates Possible Condo.



SOUTH LAKE UNION

2015 Central District/Beacon Hill/ Rainier Valley Sales

2015	NO SALES	NO SALES	NO SALES
2014	\$237,496 AVG PRICE PER UNIT	\$291 AVG PRICE PER SF	5.4% CAP RATE



OUR MARKET INSIGHT

The Central District, Beacon Hill and Rainier Valley are predominantly zoned single family with corridors of commercial zones. The stock of apartments is of an older vintage and generally smaller in size, hence scant investment sales volume of buildings greater than 50 units. Developers continue to move beyond Seattle's core urban neighborhoods and investment sales will follow. Expect pricing discounts to premium core locations, yet strong demand will support escalating rental rates over older buildings, and in turn upward pressure on sales prices.

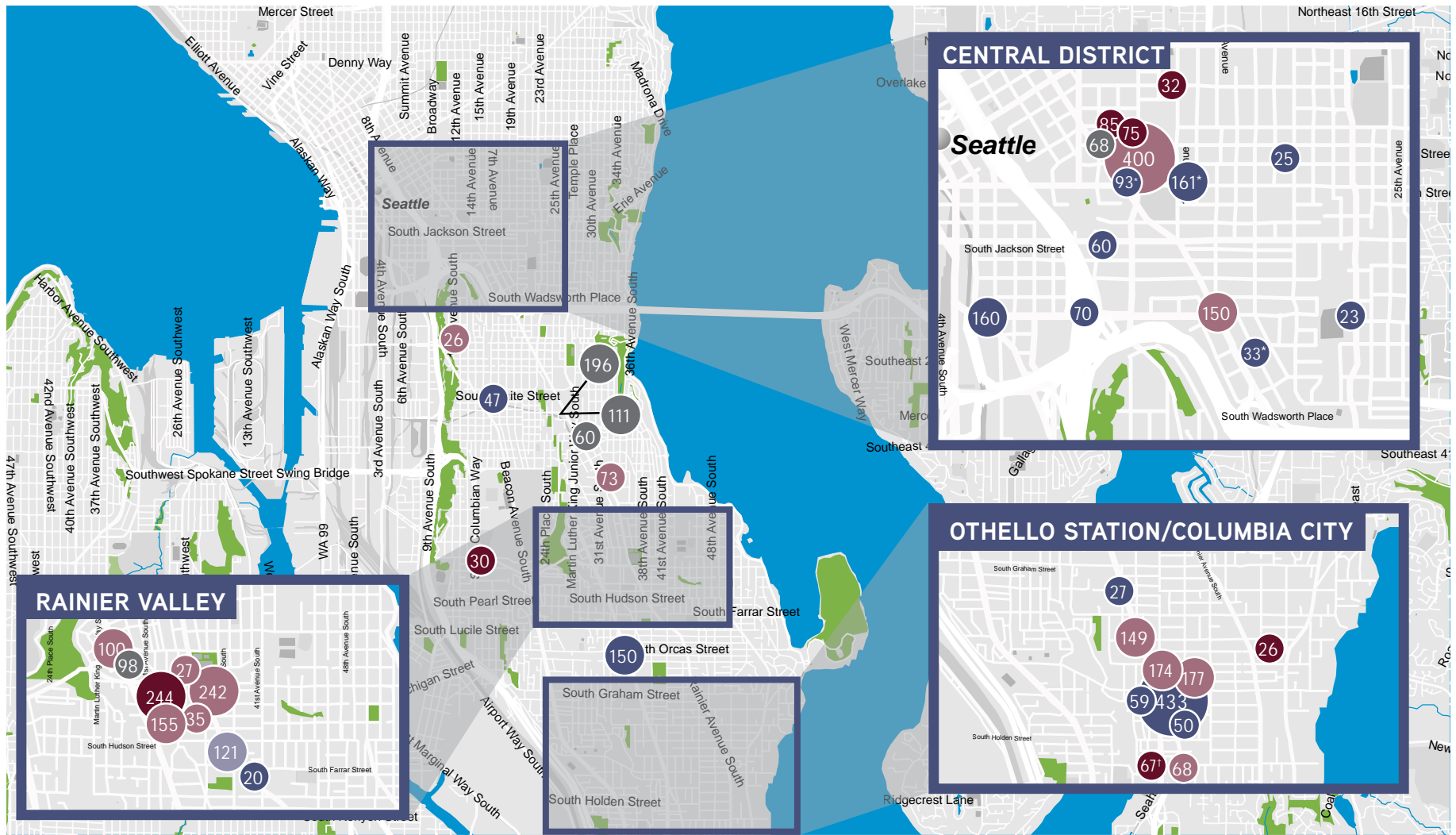
Central District/Beacon Hill/Rainier Valley Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
559	1,776	533	121	1,411

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



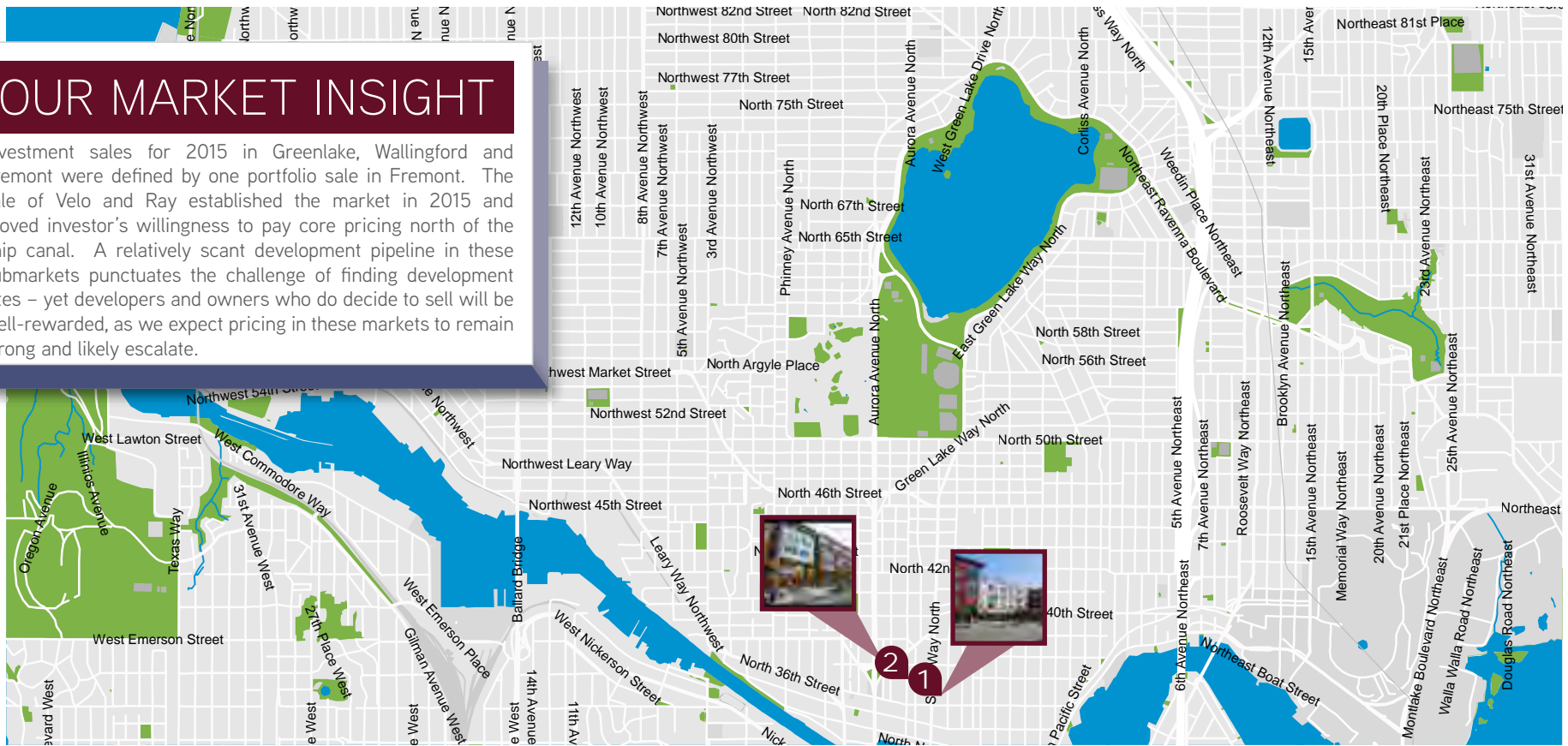
2015 Greenlake/Wallingford/ Fremont Sales

2015	\$383,363 AVG PRICE PER UNIT	36.5%	\$593 AVG PRICE PER SF	7.1%	4.7% CAP RATE	60 BP
2014	\$280,864 AVG PRICE PER UNIT		\$554 AVG PRICE PER SF		4.1% CAP RATE	

GREENLAKE/
WALLINGFORD/
FREMONT

OUR MARKET INSIGHT

Investment sales for 2015 in Greenlake, Wallingford and Fremont were defined by one portfolio sale in Fremont. The sale of Velo and Ray established the market in 2015 and proved investor's willingness to pay core pricing north of the ship canal. A relatively scant development pipeline in these submarkets punctuates the challenge of finding development sites – yet developers and owners who do decide to sell will be well-rewarded, as we expect pricing in these markets to remain strong and likely escalate.



Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer	Seller
1	Ray	3636 Stone Way N	2015	137	94,736	648	\$54,500,000	9/15/2015	\$386,170	\$575	4.9%	Greystar Mack Urban
2	Velo	3635 Woodland Park Avenue N	2014	171	106,426	622	\$65,075,000	9/15/2015	\$380,556	\$611	4.5%	Greystar Mack Urban
Average			2015	154	100,581	635	\$59,787,500		\$383,363	\$593	4.7%	

Greenlake/Wallingford/Fremont Development Pipeline



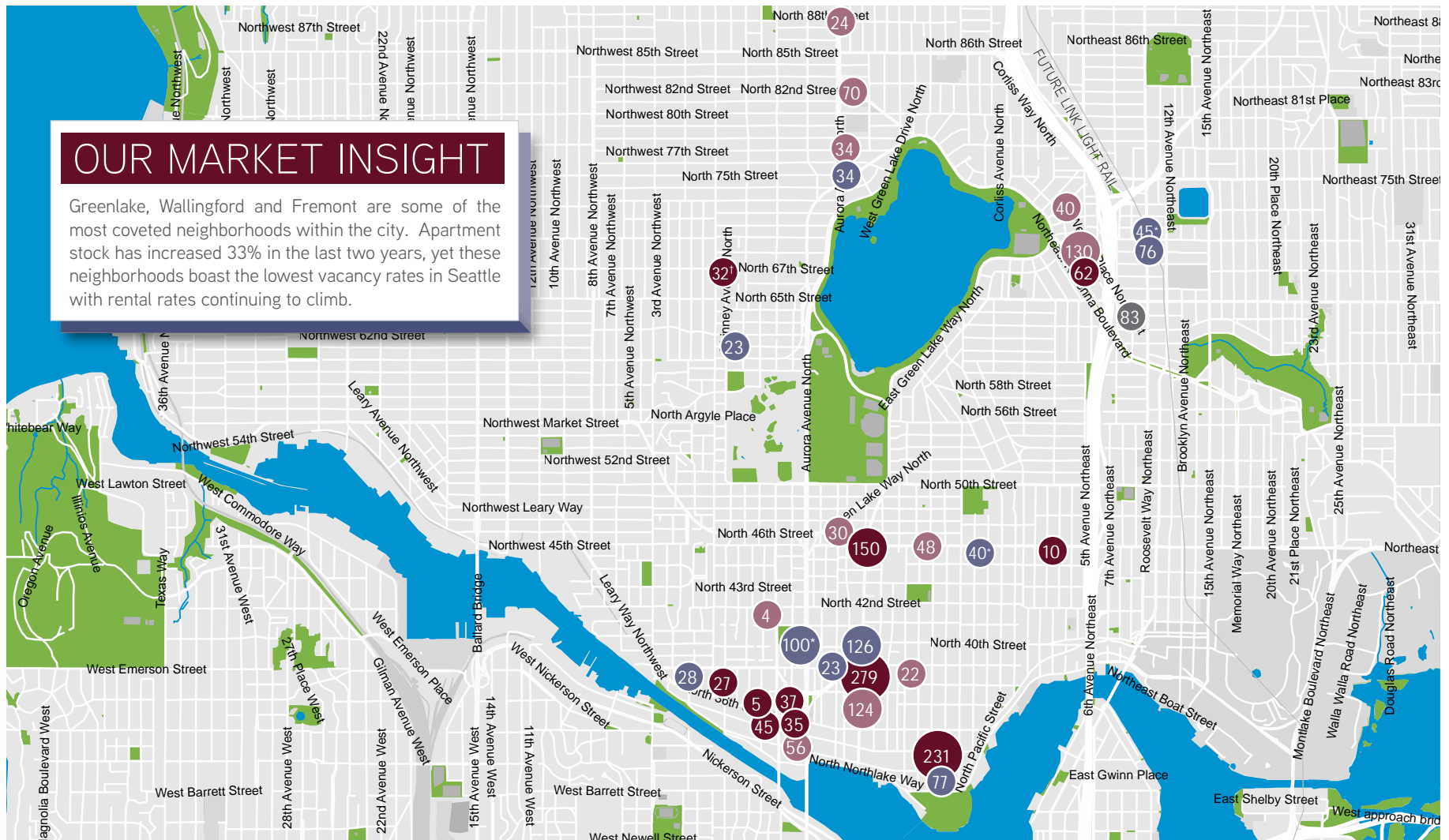
Deliveries				
2016	2017	2018	2019	FUTURE
913	582	83	0	572

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.

OUR MARKET INSIGHT

Greenlake, Wallingford and Fremont are some of the most coveted neighborhoods within the city. Apartment stock has increased 33% in the last two years, yet these neighborhoods boast the lowest vacancy rates in Seattle with rental rates continuing to climb.

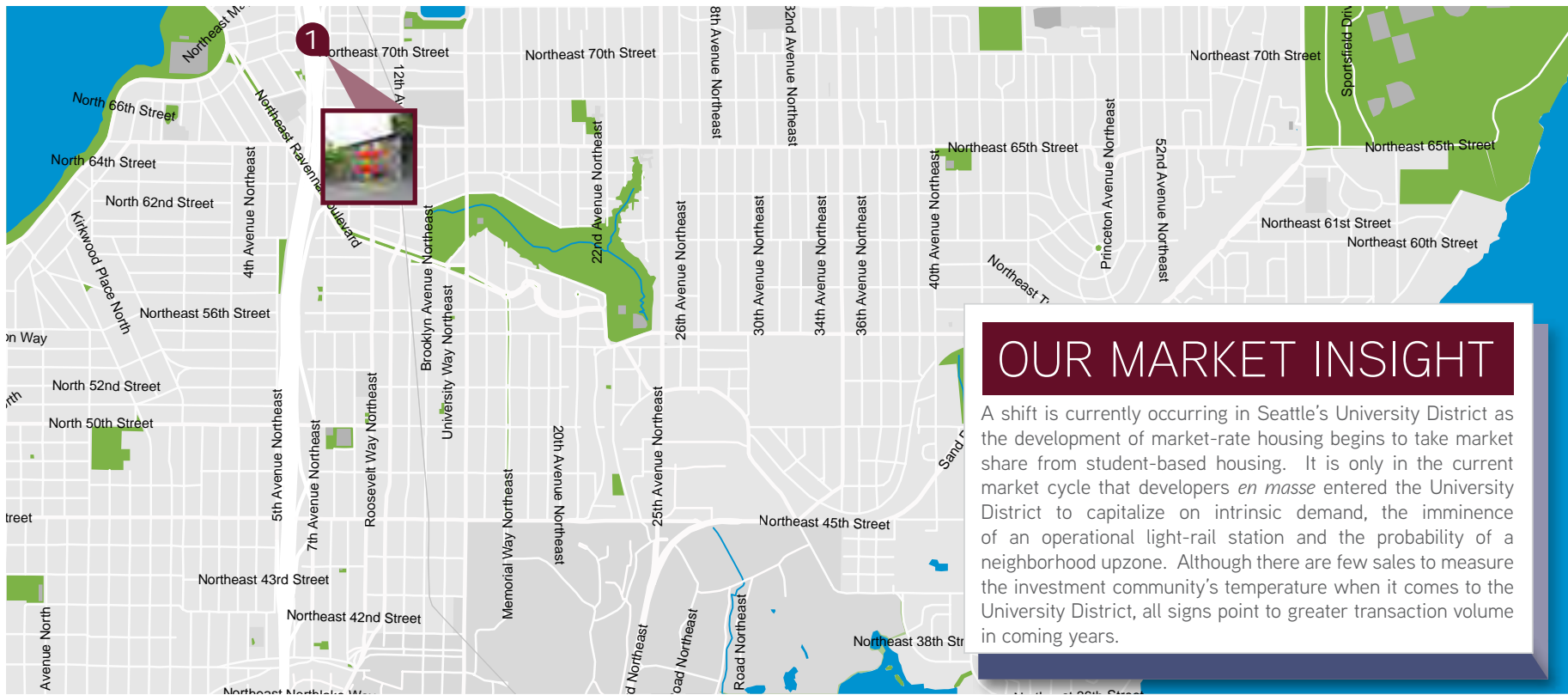


GREENLAKE/
WALLINGFORD/
FREMONT

2015 University District Sales

UNIVERSITY DISTRICT

2015	\$173,585 AVG PRICE PER UNIT	25.7%	\$444 AVG PRICE PER SF	7.0%	5.2% CAP RATE	60 BP
2014	\$233,569 AVG PRICE PER UNIT		\$477 AVG PRICE PER SF		4.6% CAP RATE	



Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1 Handel+Pladhus	838 NE 69th Street	1970 / 2013	53	20,728	337	\$9,200,000	3/26/2015	\$173,585	\$444	5.2%	Calamaras Realty Meter
Average		2013	53	20,728	337	\$9,200,000		\$173,585	\$444	5.2%	

University District Development Pipeline



Numbers within circles on map below indicates number of units in each development.

Deliveries				
2016	2017	2018	2019	FUTURE
683	1,134	110	0	1,571

**Indicates Micro. †Indicates Possible Condo.*



ROOSEVELT

Deliveries				
2016	2017	2018	2019	FUTURE
280	549	110	0	485

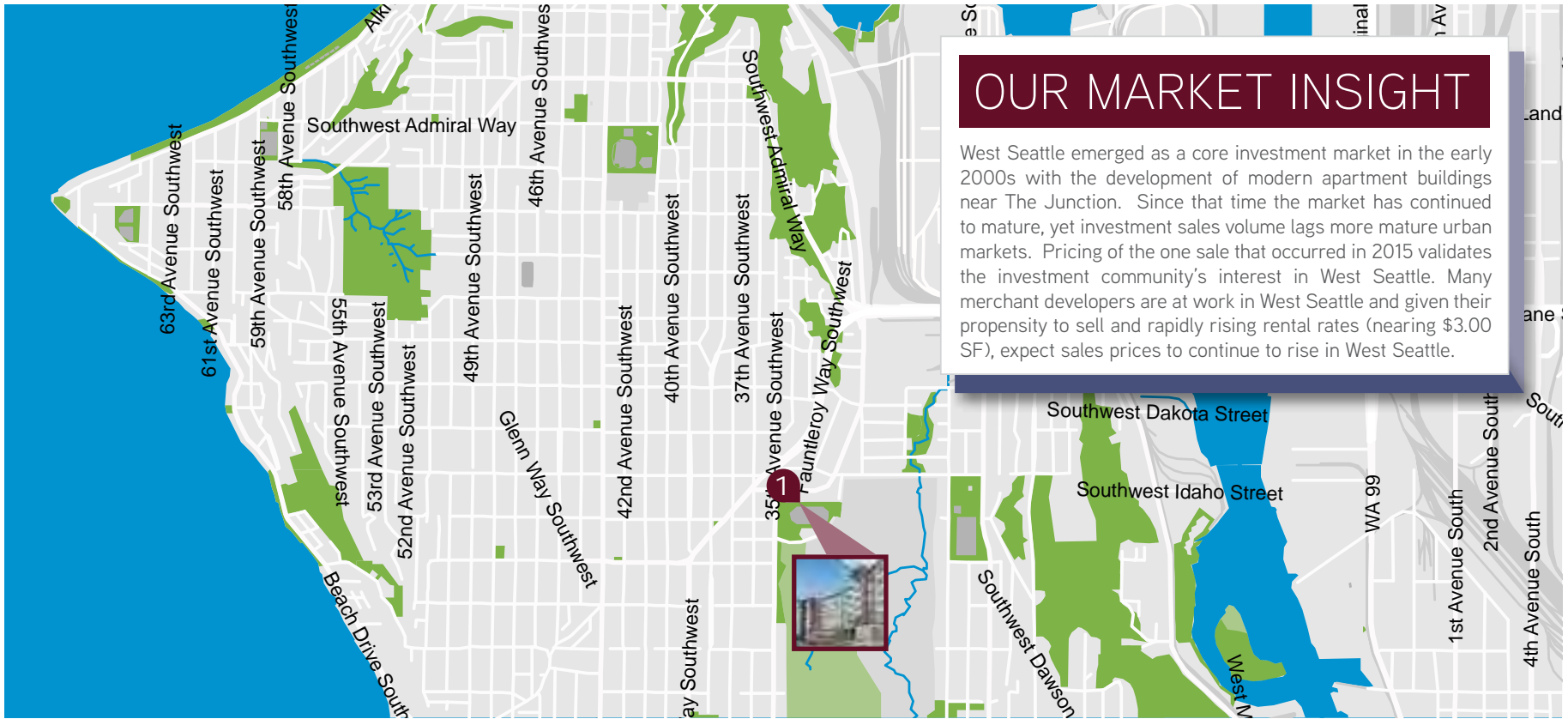
OUR MARKET INSIGHT

The great majority of development in the University District is occurring on a small scale, with building sizes predominantly ranging from 20 units to 100 units. Larger development sites are beginning to emerge, especially in the Roosevelt neighborhood – which is certainly taking shape as its own submarket. Light rail making its way through the University District and into the Roosevelt neighborhood helps define the underpinnings of the desirability of these markets in the long-term.

2015 West Seattle Sales

WEST SEATTLE

2015	\$341,992 AVG PRICE PER UNIT	56.2%	\$466 AVG PRICE PER SF	58.4%	4.7% CAP RATE	40 BP
2014	\$218,958 AVG PRICE PER UNIT		\$294 AVG PRICE PER SF		5.1% CAP RATE	



Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1 Vue at Avalon	3261 SW Avalon Way	2014	111	81,504	705	\$37,961,150	12/1/2015	\$341,992	\$466	4.7%	CWS Capital Partners CD Heritage
Average		2014	111	81,504	705	\$37,961,150		\$341,992	\$466	4.7%	

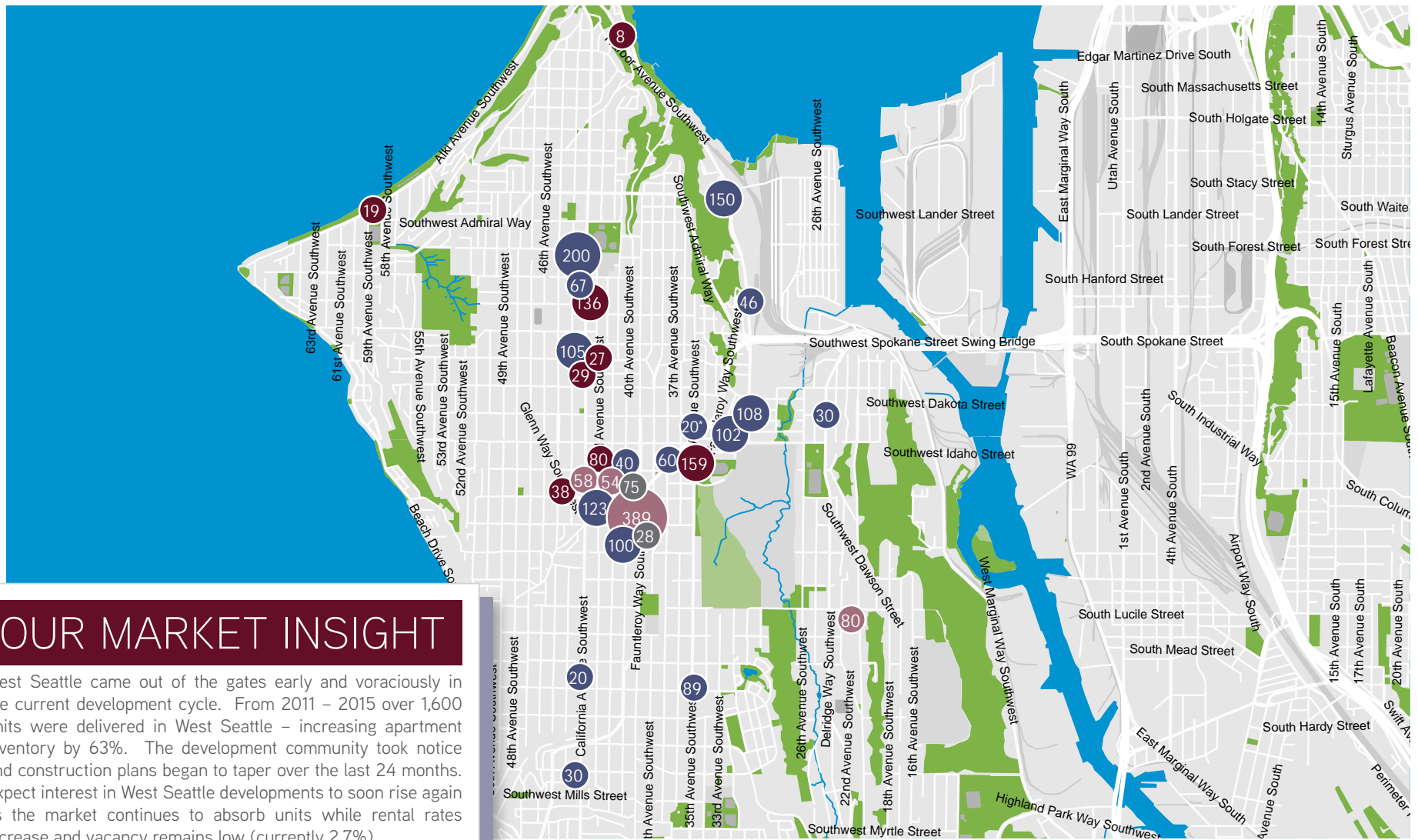
West Seattle Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
496	581	103	0	1,290

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

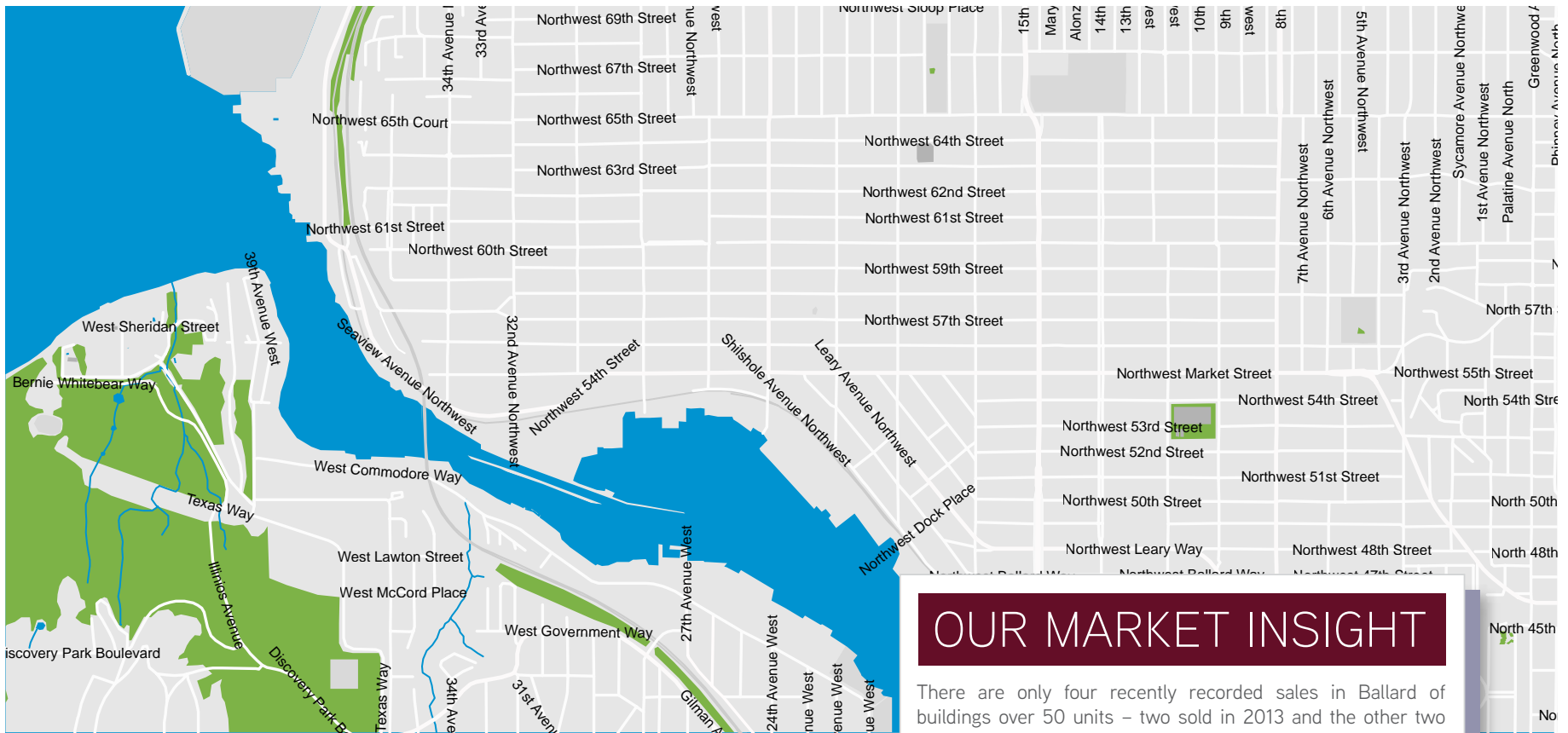
West Seattle came out of the gates early and voraciously in the current development cycle. From 2011 – 2015 over 1,600 units were delivered in West Seattle – increasing apartment inventory by 63%. The development community took notice and construction plans began to taper over the last 24 months. Expect interest in West Seattle developments to soon rise again as the market continues to absorb units while rental rates increase and vacancy remains low (currently 2.7%).

WEST SEATTLE

2015 Ballard Sales

BALLARD

2015	NO SALES	NO SALES	NO SALES
2014	\$343,373 AVG PRICE PER UNIT	\$443 AVG PRICE PER SF	4.5% CAP RATE



OUR MARKET INSIGHT

There are only four recently recorded sales in Ballard of buildings over 50 units – two sold in 2013 and the other two sold in 2014. The lack of sales in Ballard in 2015 is therefore no surprise. However, the renaissance of development that started in Ballard in 2009 nearly tripled the stock of apartment buildings from 1,200 units to 3,200 units. As a result, more buildings will come to market; expect very core pricing.

Ballard Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
367	584	63	0	373

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

Ballard has shown significant resilience to new supply during the current development cycle. Since 2013 developers doubled the stock of apartment buildings (adding 1,600 units to an inventory of 1,560 units), yet vacancy rates for stabilized buildings remain below 5%. The volume of development in Ballard is beginning to taper, yet an additional 1,387 units are still planned.

BALLARD

2015 West Bellevue Sales

WEST BELLEVUE

2015	\$373,013 AVG PRICE PER UNIT	39.7%	\$441 AVG PRICE PER SF	24.2%	4.5% CAP RATE	30 BP
2014	\$267,045 AVG PRICE PER UNIT		\$355 AVG PRICE PER SF		5.3% CAP RATE	

OUR MARKET INSIGHT

West Bellevue's apartment development and investment sales market came late to the current cycle. Counterpart urban markets in Seattle garnered great attention (and development pipelines) as early as 2011, yet West Bellevue trailed until 2013. With a touch under 6,000 apartment units in the current development pipeline, West Bellevue will quickly close the gap. Investors and developers alike are squarely focused on West Bellevue, principally due to its strong economic fundamentals and increasingly active retail and lifestyle amenities. Expect marquee sales in West Bellevue very soon.



Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer	Seller
1 Park Metro	11001 NE 12th Street	2014	78	65,979	846	\$29,095,000	2/2/2015	\$373,013	\$441	4.5%	Wilsey Management	Evergreen Point Development
Average		2014	78	65,979	846	\$29,095,000		\$373,013	\$441	4.5%		

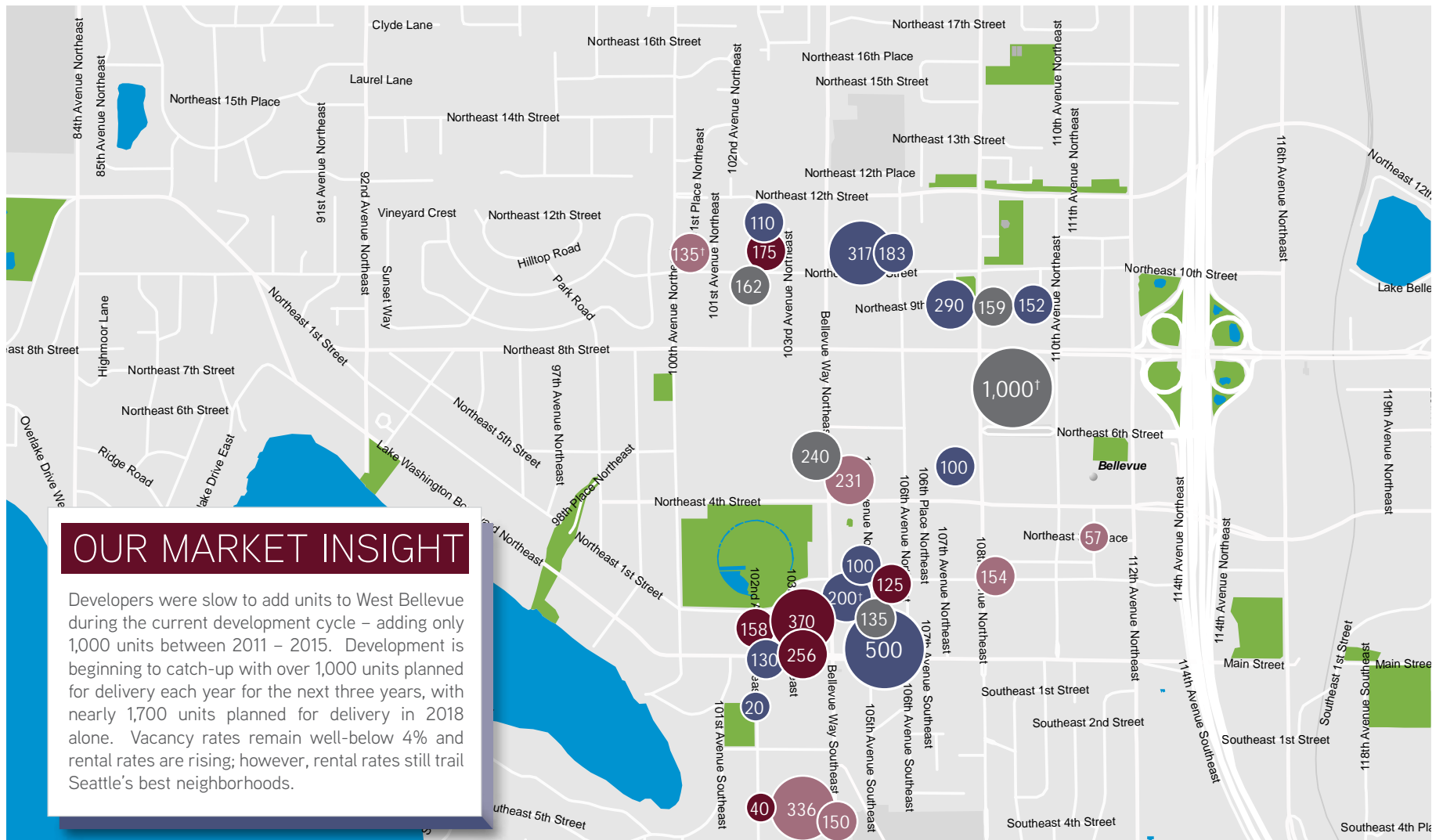
West Bellevue Development Pipeline



Deliveries				
2016	2017	2018	2019	FUTURE
1,124	1,063	1,696	0	2,102

**Indicates Micro. †Indicates Possible Condo.*

Numbers within circles on map below indicates number of units in each development.



WEST BELLEVUE

2015 Kirkland Sales

KIRKLAND

2015	\$266,368 AVG PRICE PER UNIT	\$310 AVG PRICE PER SF	4.5% CAP RATE
2014	NO SALES	NO SALES	NO SALES



OUR MARKET INSIGHT

Kirkland's investment sales market took flight in 2015. After posting no sales in 2014, 2015 was a banner year with five sales totaling near \$225M. Kirkland has a relatively small inventory of apartments, making the volume of sales in 2015 even more impactful. Capitalization rates remained low and high pricing demonstrated great investor interest in Kirkland – especially considering several sales over \$300 NRSF for buildings of 1970s and 1980s vintage. Kirkland will remain a hot market and we forecast sales in 2016 and beyond to show increasingly high price-points.

Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
1 Westwater	90 Central Way/221 1st Street	2001	62	70,183	1,004	\$24,538,000	12/1/2015	\$395,774	\$350	5.2%	Jerry Costacos Security Properties
2 Vue Kirkland	11733 NE 131st Place	1978	200	118,320	592	\$40,975,000	10/29/2015	\$204,875	\$346	4.0%	Acacia Capital Pacific Urban Residential
3 Luna Sol	11415 NE Slater Ave	2009	52	43,260	832	\$14,430,000	10/23/2015	\$277,500	\$334	4.1%	Jagroop Sidhu Interland Corporation
4 Avana at Forbes Creek	11110 Forbes Creek Drive	1988	496	407,772	821	\$128,000,000	5/29/2015	\$258,065	\$314	4.7%	Greystar Interland Corporation
5 Starboard Apartments	9311 NE 118th Lane	1986	80	75,180	948	\$15,650,000	2/4/2015	\$195,625	\$208	4.4%	Mosaic Homes George Glass
Average		1992	178	142,981	839	\$44,718,600		\$266,368	\$310	4.5%	

Kirkland Development Pipeline

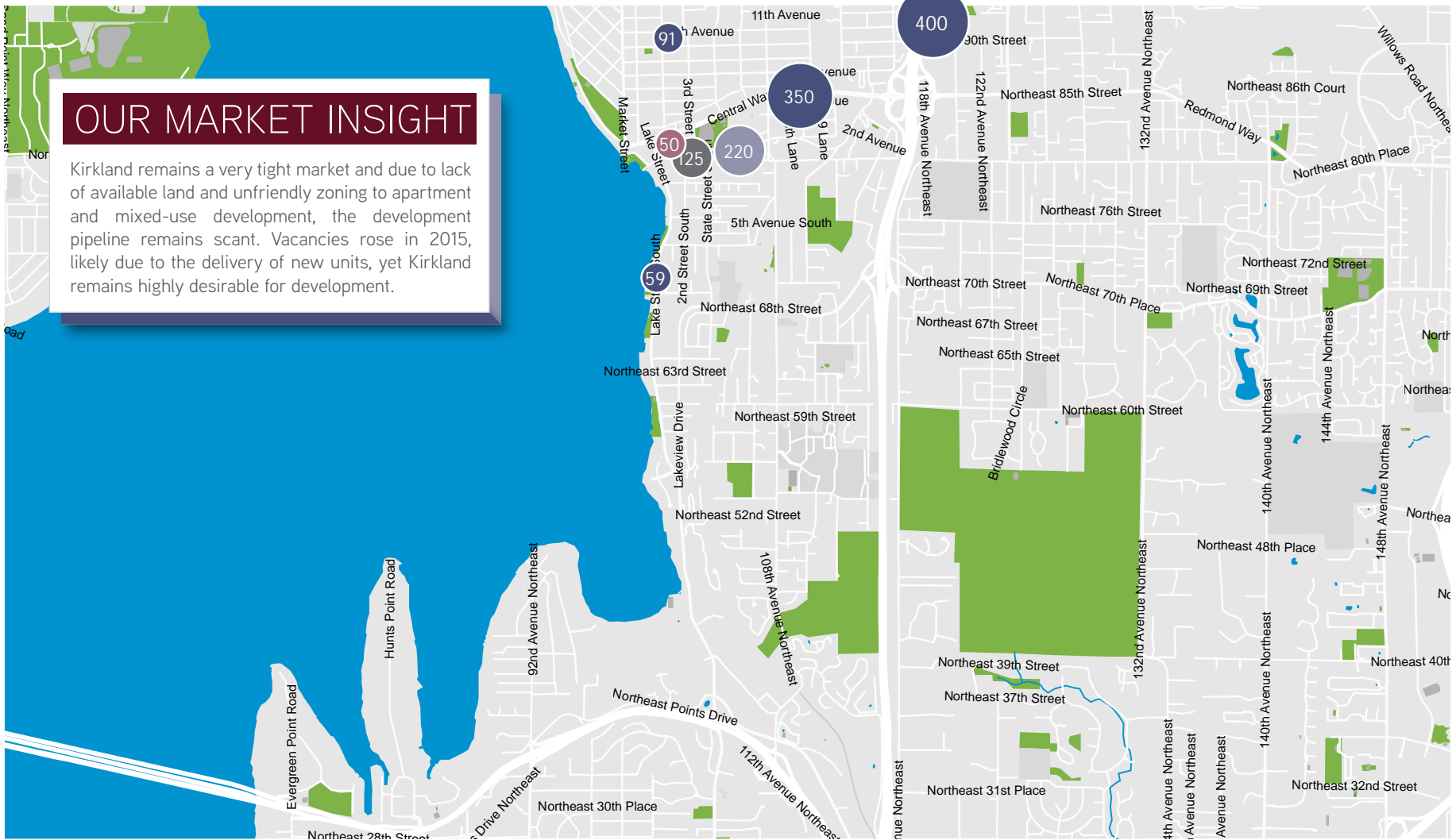


Deliveries				
2016	2017	2018	2019	FUTURE
0	50	125	220	900

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.

KIRKLAND



NORTH KING :: MARKET OVERVIEW

Bothell
Shoreline
North Seattle

NORTH KING

MARKET SNAPSHOT



NORTH KING

North King’s exemplary economic fundamentals continued through 2015. In 2014, we predicted that North King would outperform the overall market in 2015 and that prediction was realized this past year.

Stellar property performance in North King owes much to rising rental rates in Urban King. In the submarkets comprising North King, vacancy remained near constant – resulting in two straight years of an average vacancy rate of 2.8%, all while average rental rates increased 9.1% (compared to 7.9% in 2014).

“Vacancy remained near constant – resulting in two straight years of an average vacancy rate of 2.8%, all while average rental rates increased 9.1%.”

A relative dearth of new development kept vacancy rates at bay while rental rates increased. Response by developers is no surprise – nearly doubling the pipeline of new apartments from 3,425 planned as of 2014, to over 6,300 currently planned. With only five sales transactions reported in 2015, sales trends are hard to track. Given the fundamentals of North King, 2016 may prove the year for greater transaction volume.



NORTH KING

HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	2	4	6	6	6	5
Sales Volume	\$42.2M	\$51.2M	\$142.1M	\$107.5M	\$129.6M	\$230.9M
Average PPU	\$124,413	\$124,449	\$161,080	\$185,077	\$180,081	\$203,478
Average PPSF	\$126	\$134	\$164	\$164	\$236	\$247
Average Cap Rate	6.4%	5.8%	5.8%	5.2%	5.2%	4.8%
Number of Deliveries	109	21	239	763	615	545

Sales: Buildings 50+ units

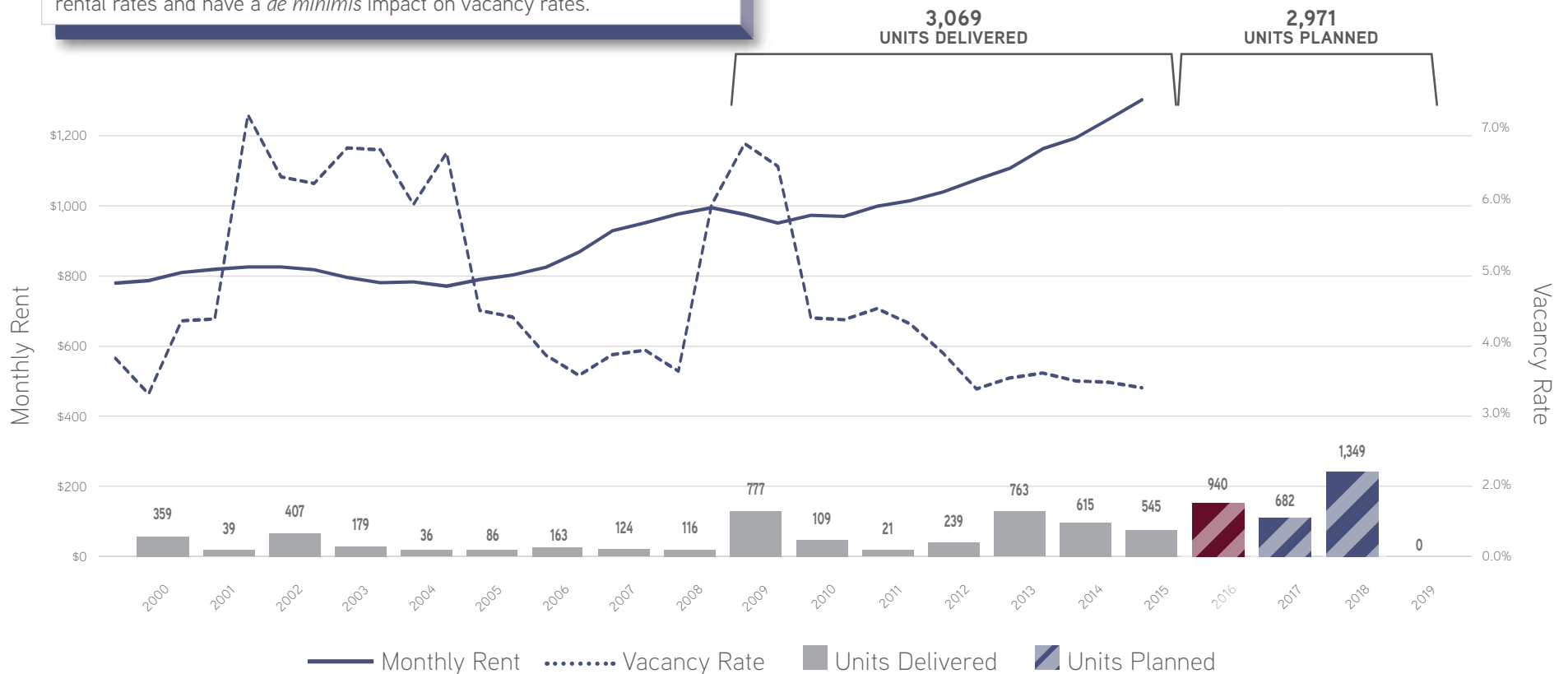
MARKET FUNDAMENTALS

NORTH KING

OUR MARKET INSIGHT

The below graph exhibits the perfect divergence in trend-lines: rental rates rising while vacancy remains flat at 2.8%. The addition of inventory in North King has positively impacted economic fundamentals – boosting rental rates and proving the vibrancy of this market. A balanced development pipeline over the next four to five years will likely continue to positively influence rental rates and have a *de minimis* impact on vacancy rates.

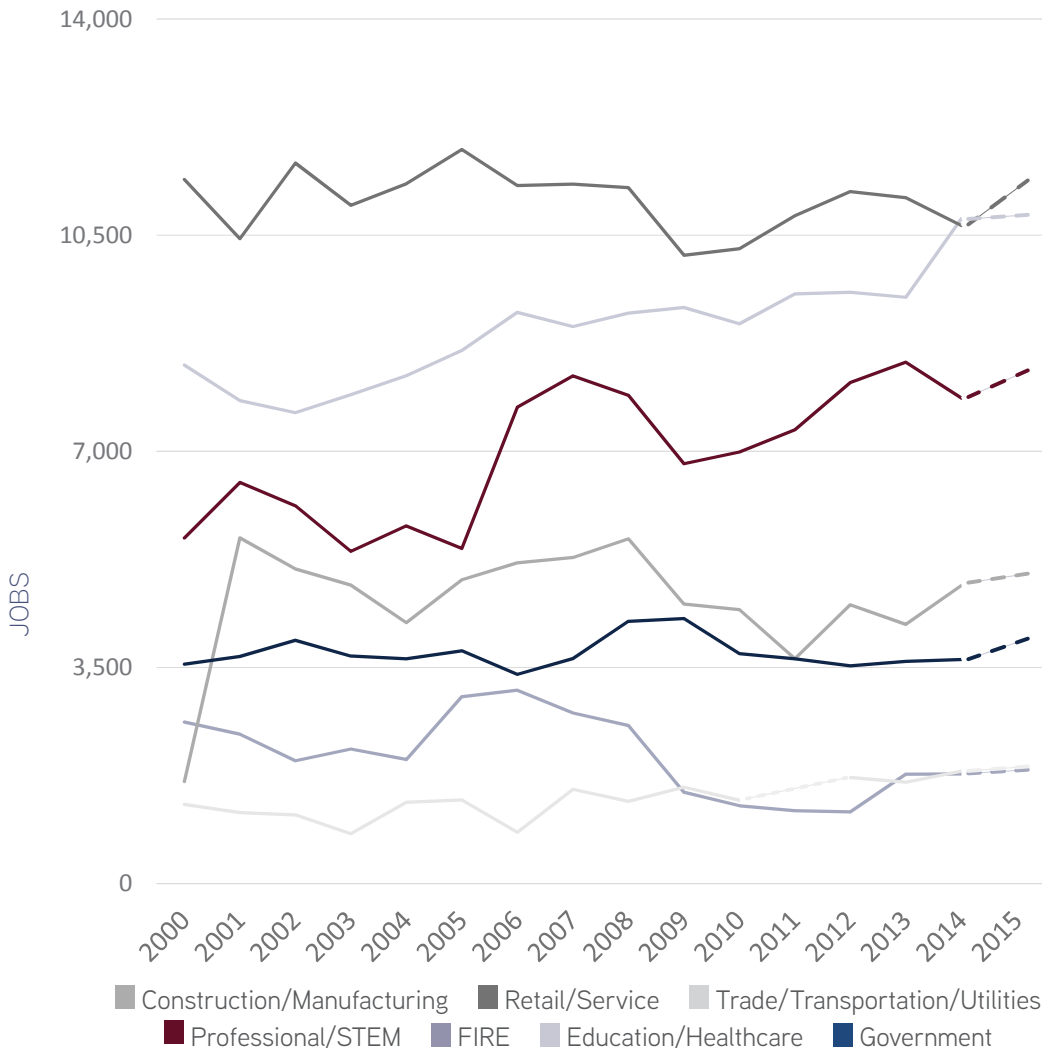
2015	\$1,303 AVG RENT PER UNIT ↑ 9.1%	\$1.62 AVG RENT PER SF ↑ 5.9%	2.8% VACANCY ↓ 10 BP
2014	\$1,194 AVG RENT PER UNIT	\$1.53 AVG RENT PER SF	2.9% VACANCY



NORTH KING

Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EMPLOYMENT GROWTH NORTH KING

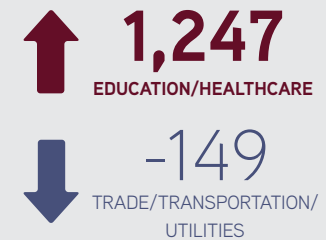


YEAR-OVER-YEAR GROWTH



HOTTEST & COLDEST

job growth in the last 3 years



CONSTRUCTION / MANUFACTURING GROWTH

36%
IN LAST 4 YEARS

RESTORING ALL JOBS
LOST IN THE GREAT
RECESSION

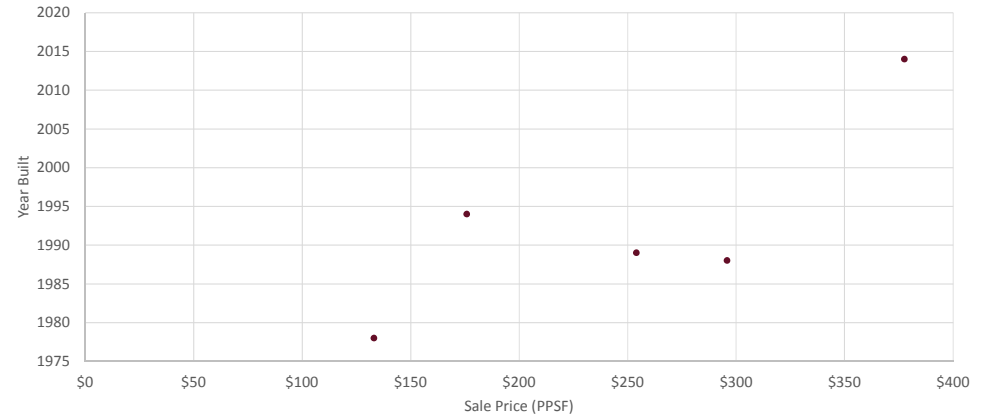
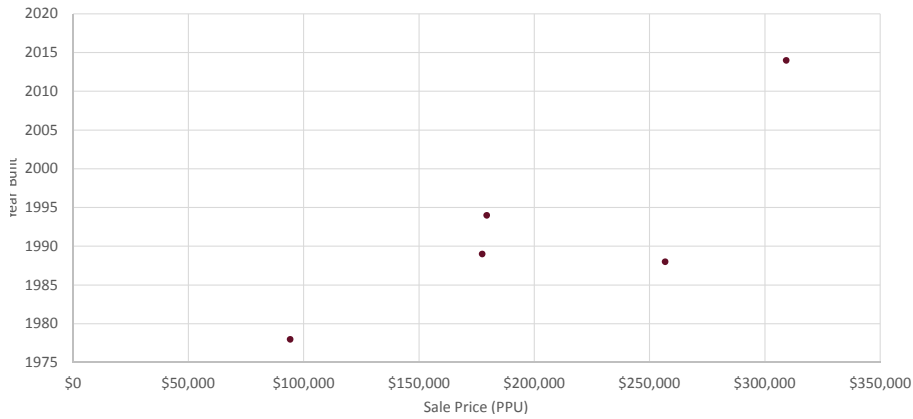
OUR MARKET INSIGHT

While jobs in Retail/Service and Professional/STEM sectors have shown mirrored growth since 2009, Education and Healthcare have steadily grown at a faster pace, becoming a top provider of jobs in the North King market.

*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.

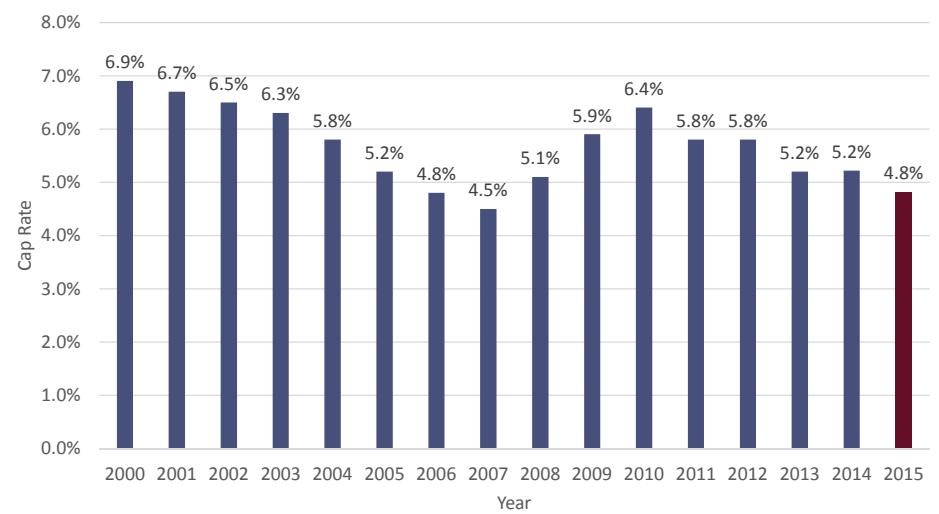
2015 SALES & HISTORICAL SALES TRENDS NORTH KING

2015 NORTH KING SALES METRICS



NORTH KING



2000-2015 NORTH KING SALES TRENDS



2015 North King Sales

2015	\$203,478 AVG PRICE PER UNIT		\$247 AVG PRICE PER SF		4.8% CAP RATE	
2014	\$180,081 AVG PRICE PER UNIT		\$236 AVG PRICE PER SF		5.2% CAP RATE	

BOTHELL

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Avana 522	18101 126th Ave NE	1988	558	484,300	874	\$143,326,950	12/14/2015	\$256,858	\$296	4.6%	Blackstone Greystar
	Six Oaks	18333 Bothell Way NE	2014	203	166,275	756	\$63,000,000	10/15/2015	\$309,345	\$378	4.8%	Belcorp Holdings Inc. Main Street
Average			2001	380	325,288	815	\$103,163,475		\$283,102	\$337	4.7%	

NORTH SEATTLE

	Property Name	Address	Year Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Linden Grove	16100 Linden Avenue N	1978	60	42,440	698	\$5,650,000	6/22/2015	\$94,167	\$133	4.6%	Goodman Real Estate Owen Streckler
	View at Bitterlake	13410 Greenwood Ave N	1989	54	37,725	679	\$9,585,000	4/14/2015	\$177,500	\$254	4.8%	YSG Holdings Alliance Investments
	Maple Leaf Plaza	8917 Lake City Way NE	1994	52	53,074	843	\$9,335,000	1/5/2015	\$179,519	\$176	5.3%	OC Partners Inc Loren & Jennifer Ness
Average			1987	55	44,413	740	\$8,190,000		\$150,395	\$188	4.9%	

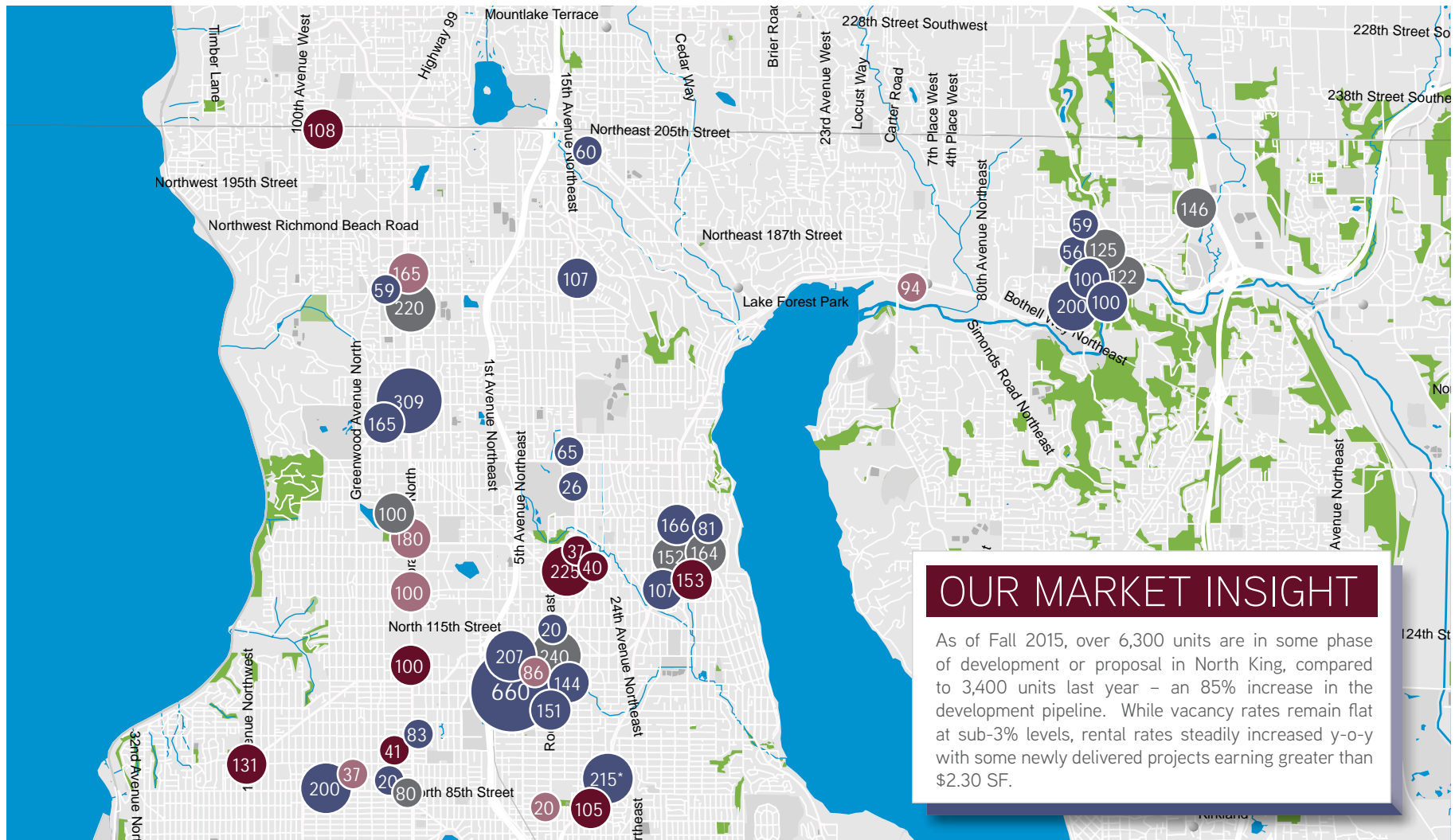
DEVELOPMENT PIPELINE NORTH KING



Deliveries				
2016	2017	2018	2019	FUTURE
940	682	1,349	0	3,360

*Indicates Micro. †Indicates Possible Condo.

Numbers within circles on map below indicates number of units in each development.



OUR MARKET INSIGHT

As of Fall 2015, over 6,300 units are in some phase of development or proposal in North King, compared to 3,400 units last year – an 85% increase in the development pipeline. While vacancy rates remain flat at sub-3% levels, rental rates steadily increased y-o-y with some newly delivered projects earning greater than \$2.30 SF.

NORTH KING

EAST KING :: MARKET OVERVIEW

East Bellevue
Factoria
Issaquah
Juanita
Redmond
Woodinville

EAST KING

MARKET SNAPSHOT



EAST KING

In 2015, trends in East King were dominated by both development activity and investment sales momentum in Redmond. More than half of the apartment deliveries in 2015 took place in Redmond and six out of seven sales in East King closed in Redmond. Not to mention Redmond adding thousands of units to its development pipeline.

Redmond didn't totally steal the show in East King. Overall, the submarkets within East King experienced an average rental rate growth of +8% for the second year in a row while maintaining a sub-4% vacancy rate.

“More than half of the apartment deliveries in 2015 took place in Redmond and six out of seven sales in this market closed in Redmond.”

While the market received delivery of 1,771 new apartment units in 2015, development plans for future years moderated, except for Redmond. Outside of the Redmond marketplace, only one transaction occurred – showing a relatively quiet investment sales market. 2016 should prove a strong year for apartment dynamics in East King.



HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	5	5	17	7	9	6
Sales Volume	\$105.5M	\$237.2M	\$580.3M	\$339.3M	\$422.2M	\$301.9M
Average PPU	\$137,537	\$163,340	\$190,221	\$247,646	\$253,812	\$310,087
Average PPSF	\$164	\$198	\$214	\$275	\$275	\$369
Average Cap Rate	5.0%	5.1%	4.7%	4.7%	4.9%	4.8%
Number of Deliveries	482	0	577	565	384	1,771

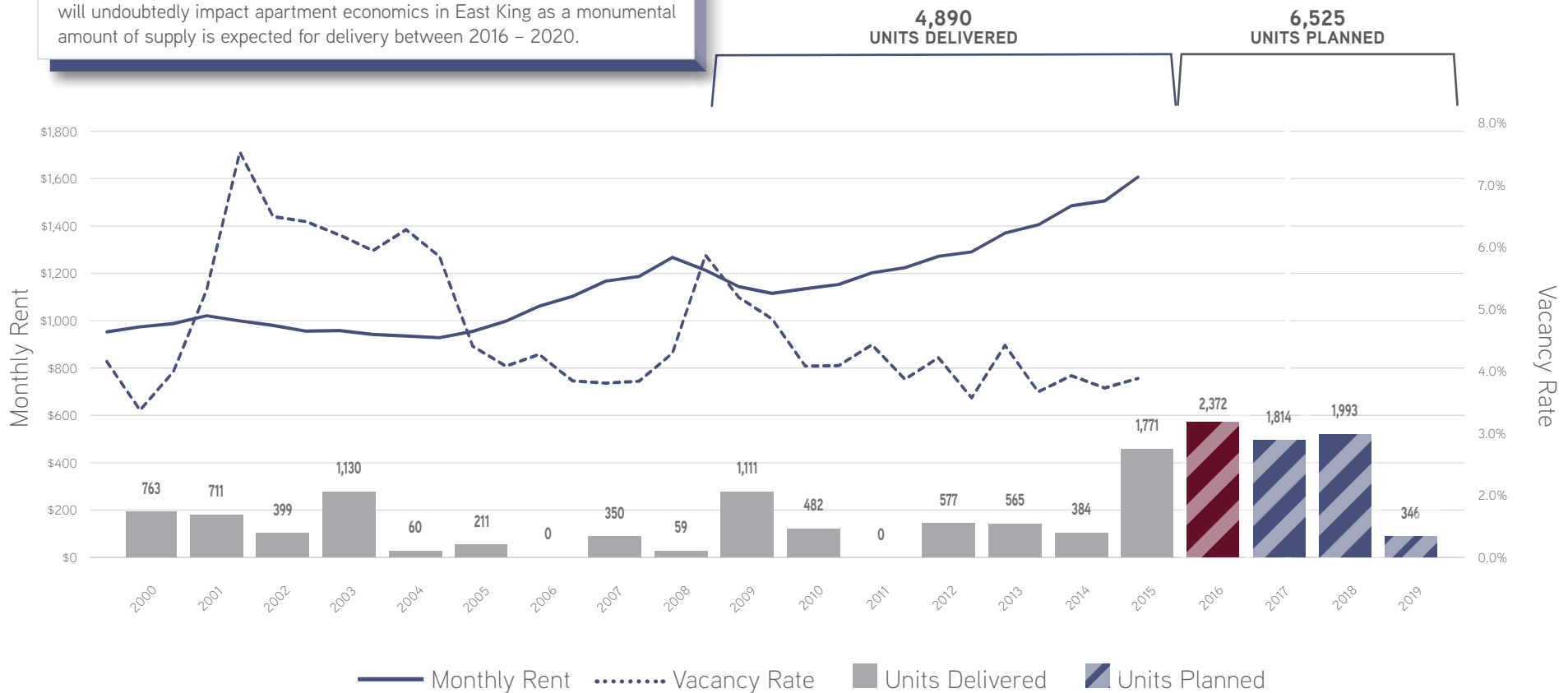
Sales: Buildings 50+ units

MARKET FUNDAMENTALS EAST KING

OUR MARKET INSIGHT

The relationship between rental rates and vacancy rates in East King provides the greatest insight into the strength of this market. Rental rates continue to climb as vacancy remains at a very healthy sub-4% mark. New development will undoubtedly impact apartment economics in East King as a monumental amount of supply is expected for delivery between 2016 – 2020.

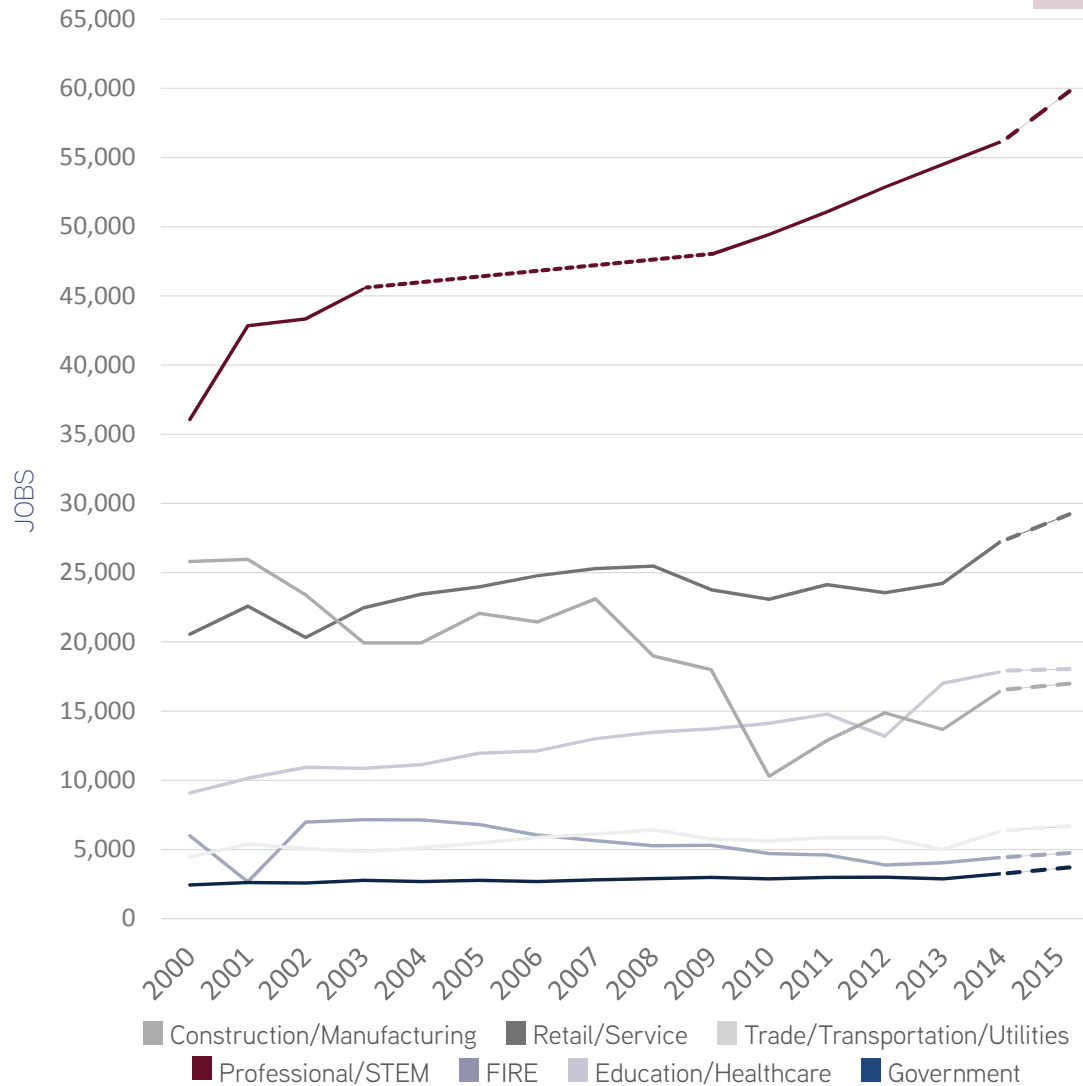
2015	\$1,607 AVG RENT PER UNIT 8.2%	\$1.62 AVG RENT PER SF NO CHANGE	3.8% VACANCY NO CHANGE
2014	\$1,485 AVG RENT PER UNIT	\$1.62 AVG RENT PER SF	3.8% VACANCY



Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EAST KING

EMPLOYMENT GROWTH EAST KING



HOTTEST & COLDEST
job growth in the last 3 years

↑ **6,207**
STEM

↓ **515**
GOVERNMENT

STEM JOB GROWTH

16%
IN LAST 4 YEARS

30%
IN LAST 10 YEARS

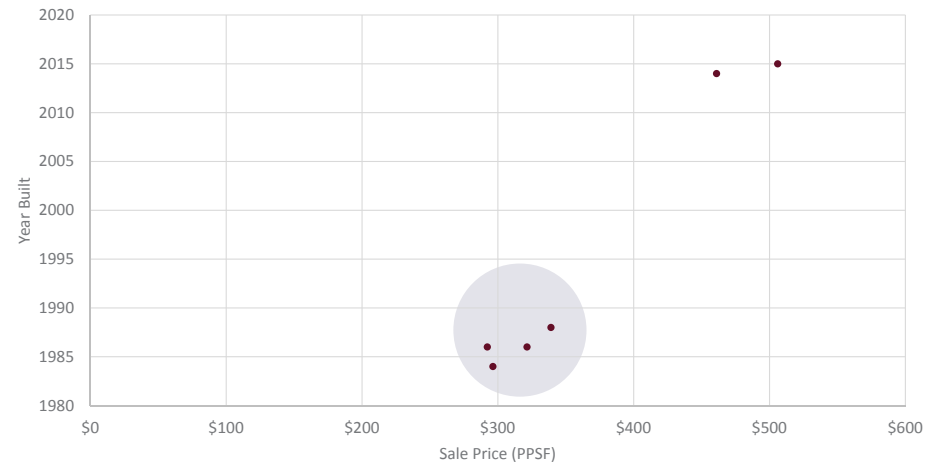
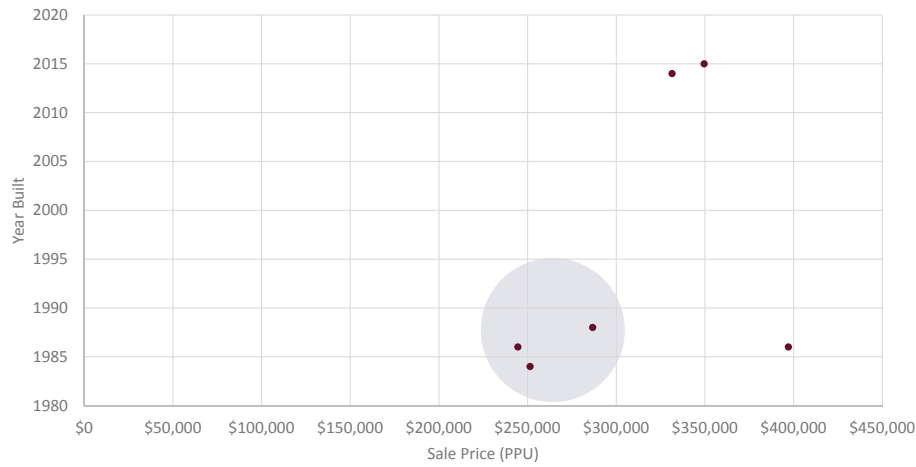
OUR MARKET INSIGHT

For over a decade Microsoft has kept Professional/STEM jobs the driving force in the East King market, yet the most notable change of 2015 is Microsoft's campus revitalization. By vacating office space in Seattle and Bellevue, adding new space at it's Redmond campus, and decreasing the allotted office space per employee, Microsoft is modernizing to compete with Amazon for new talent.

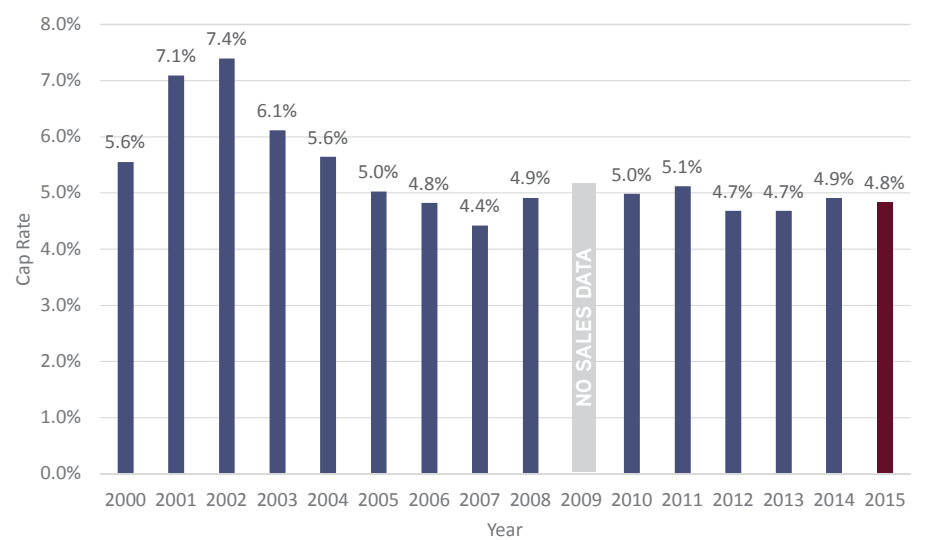
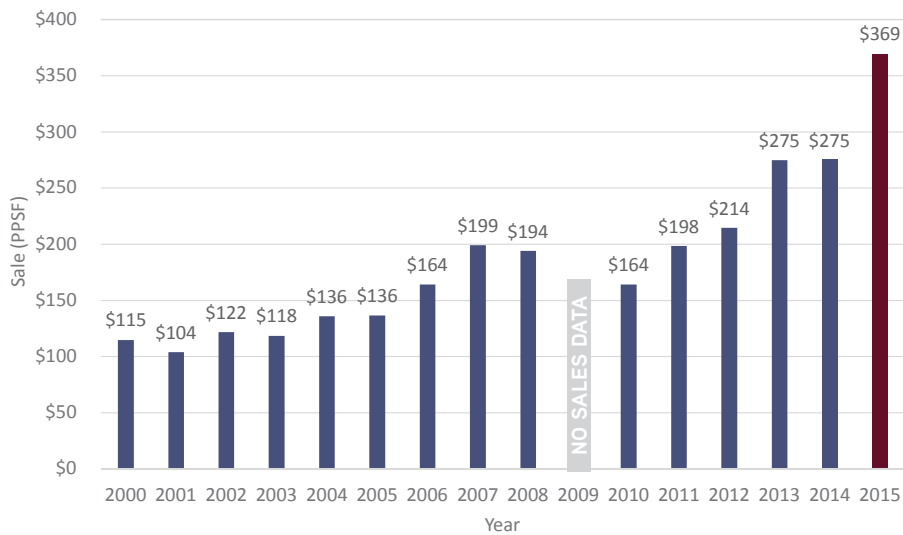
* Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.
** Estimated 2004-2009 and 2011-2015 due to incomplete recording of NAICS code #51

2015 SALES & HISTORICAL SALES TRENDS EAST KING

2015 EAST KING SALES METRICS



2000-2015 EAST KING SALES TRENDS




EAST KING

2015 East King Sales

2015	\$310,087 AVG PRICE PER UNIT	22.2%	\$369 AVG PRICE PER SF	34.3%	4.8% CAP RATE	10 BP
2014	\$253,812 AVG PRICE PER UNIT		\$275 AVG PRICE PER SF		4.9% CAP RATE	

EAST BELLEVUE

Property Name	Address	Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
 Somerset Green	4249 129th Place SE	1986	101	119,454	1,183	\$40,350,000	11/30/2016	\$397,020	\$321	5.1%	Grosvenor Americas Carmel Partners
Averages		1986	101	119,454	1,183	\$40,350,000		\$397,020	\$321	5.1%	

REDMOND

Property Name	Address	Built	Units	NRSF	Avg Unit Size	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
 The Luke	8280 164th Avenue NE	2015	208	145,511	703	\$73,750,000	10/29/2015	\$349,526	\$506	4.4%	Benedict Canyon Equities Intracorp Capital
 Old Town Lofts	16175 Cleveland Street	2014	149	119,200	715	\$52,697,000	10/20/2015	\$331,428	\$461	4.6%	Equity Residential Whiteco Residential
 Peloton	7435 159th Place NE	1988	150	126,810	845	\$43,000,000	6/30/2015	\$286,667	\$339	4.0%	GW Williams Company Grosvenor Americas
 Gates of Redmond	15325 NE Redmond Way	1984	180	152,686	848	\$45,250,000	1/15/2015	\$251,389	\$296	5.6%	Chevy Associate Equity Residential
 Olde Redmond Place	7001 NE Old Redmond Road	1986	192	160,632	837	\$46,942,400	1/15/2015	\$244,492	\$292	5.3%	Gerson Bakar & Associates Equity Residential
Averages		1997	175	140,968	790	\$52,327,880		\$292,700	\$379	4.8%	

EAST KING

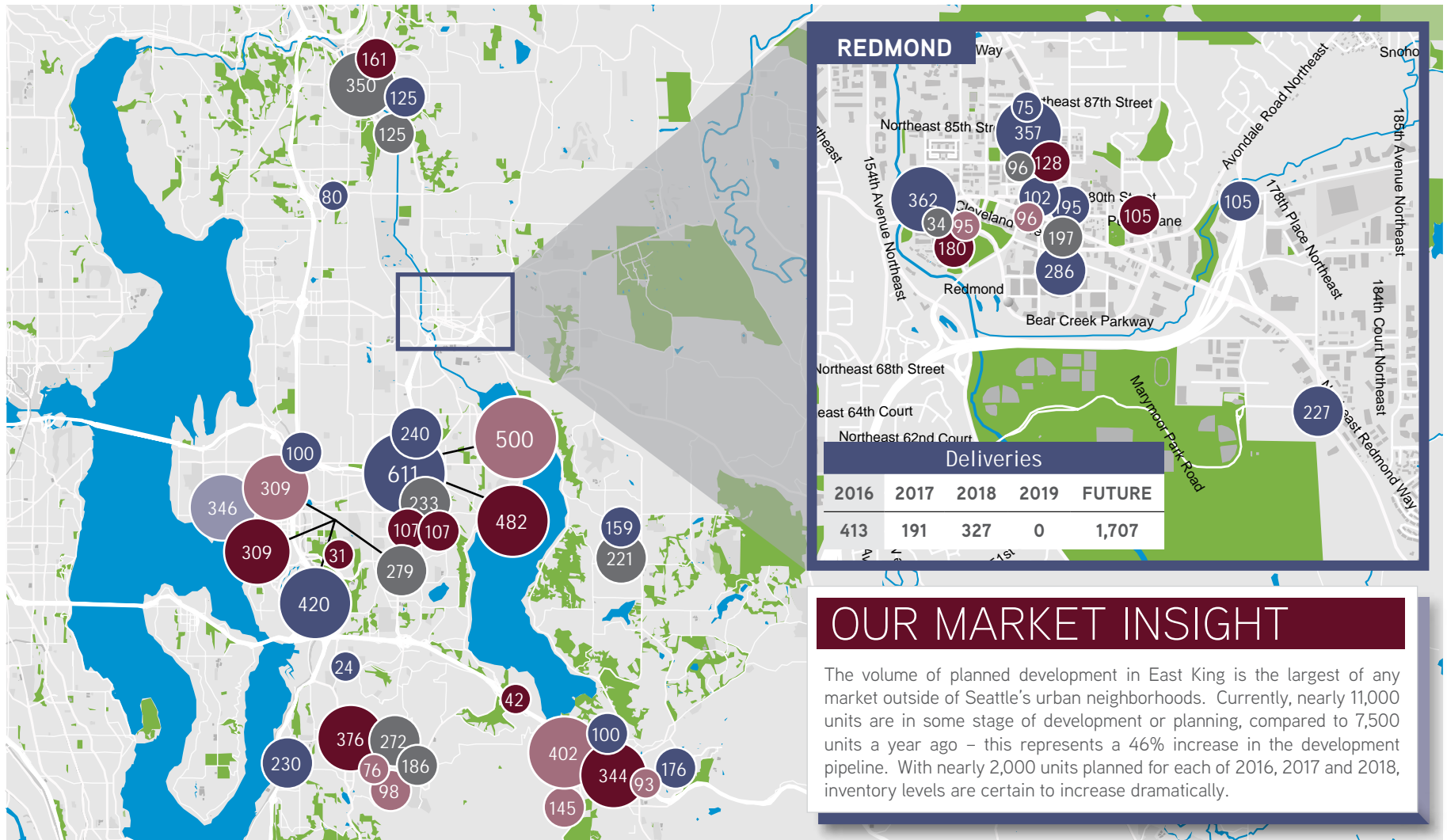
DEVELOPMENT PIPELINE EAST KING



Numbers within circles on map below indicates number of units in each development.

Deliveries				
2016	2017	2018	2019	FUTURE
2,372	1,814	1,993	346	3,974

**Indicates Micro. †Indicates Possible Condo.*



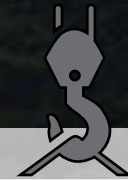
OUR MARKET INSIGHT

The volume of planned development in East King is the largest of any market outside of Seattle's urban neighborhoods. Currently, nearly 11,000 units are in some stage of development or planning, compared to 7,500 units a year ago – this represents a 46% increase in the development pipeline. With nearly 2,000 units planned for each of 2016, 2017 and 2018, inventory levels are certain to increase dramatically.

EAST KING

SOUTH KING :: MARKET OVERVIEW

Auburn
Burien
Des Moines
Federal Way
Kent
Renton
Riverton/Tukwila
SeaTac
White Center



2,073
2016-2019
DELIVERIES



AVERAGE RENT
PER SF
\$1.26

MARKET SNAPSHOT

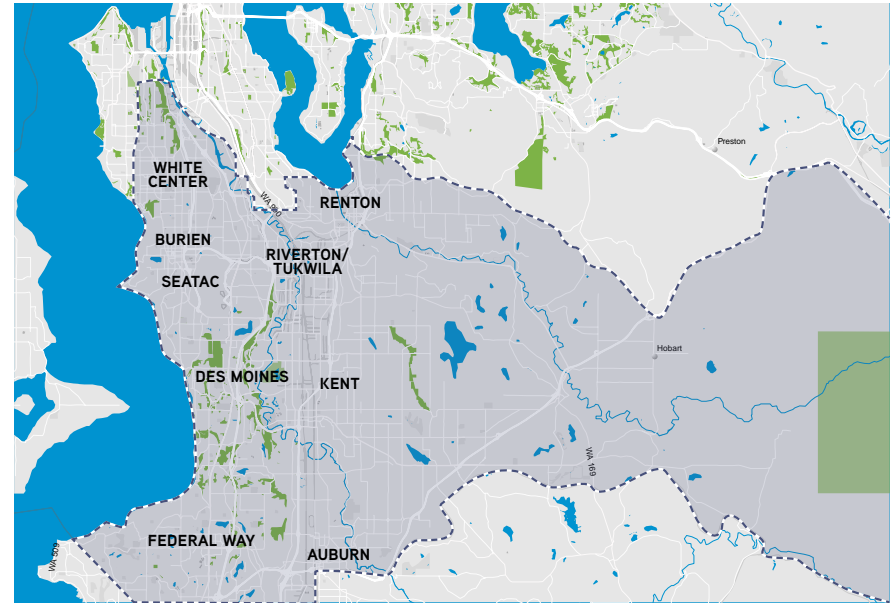
SOUTH KING

South King was a market to watch in 2015. In 2014, we predicted steady rent growth and sustained low vacancy in South King and the market performed accordingly. Having trailed all other markets in rent growth in 2014, this past year South King surged past almost all other King County markets and posted an average rent growth of 8.6%.

Validating the health of its market, South King maintained a sub-4% vacancy rate while absorbing the delivery of 345 new apartment units in the market. The development pipeline remains consistent, yet very few new developments were announced this past year.

In South King the story is that of investment sales. For the second year in a row South King nearly tied Urban King as the most active investment sales market in the region. Pricing metrics remained consistent y-o-y with moderate appreciation on a PPU and PPSF basis. Average cap rates experienced further compression, very likely the result of a lower Treasury Bill constant in 2015 versus 2014.

We expect further stability and growth in South King throughout 2016, including sustained vibrancy in the investment sales market.



“Having trailed all other markets in rent growth in 2014, this past year South King surged past almost all other King County markets and posted an average rent growth of 8.6%.”

HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	9	11	15	14	23	31
Sales Volume	\$118.6M	\$235.1M	\$280.9M	\$239.6M	\$592.8M	\$666.4M
Average PPU	\$124,413	\$124,449	\$161,080	\$185,077	\$125,085	\$123,243
Average PPSF	\$103	\$110	\$122	\$114	\$144	\$150
Average Cap Rate	6.6%	6.5%	6.2%	6.5%	5.8%	5.5%
Number of Deliveries	428	487	272	186	176	345

Sales: Buildings 50+ units

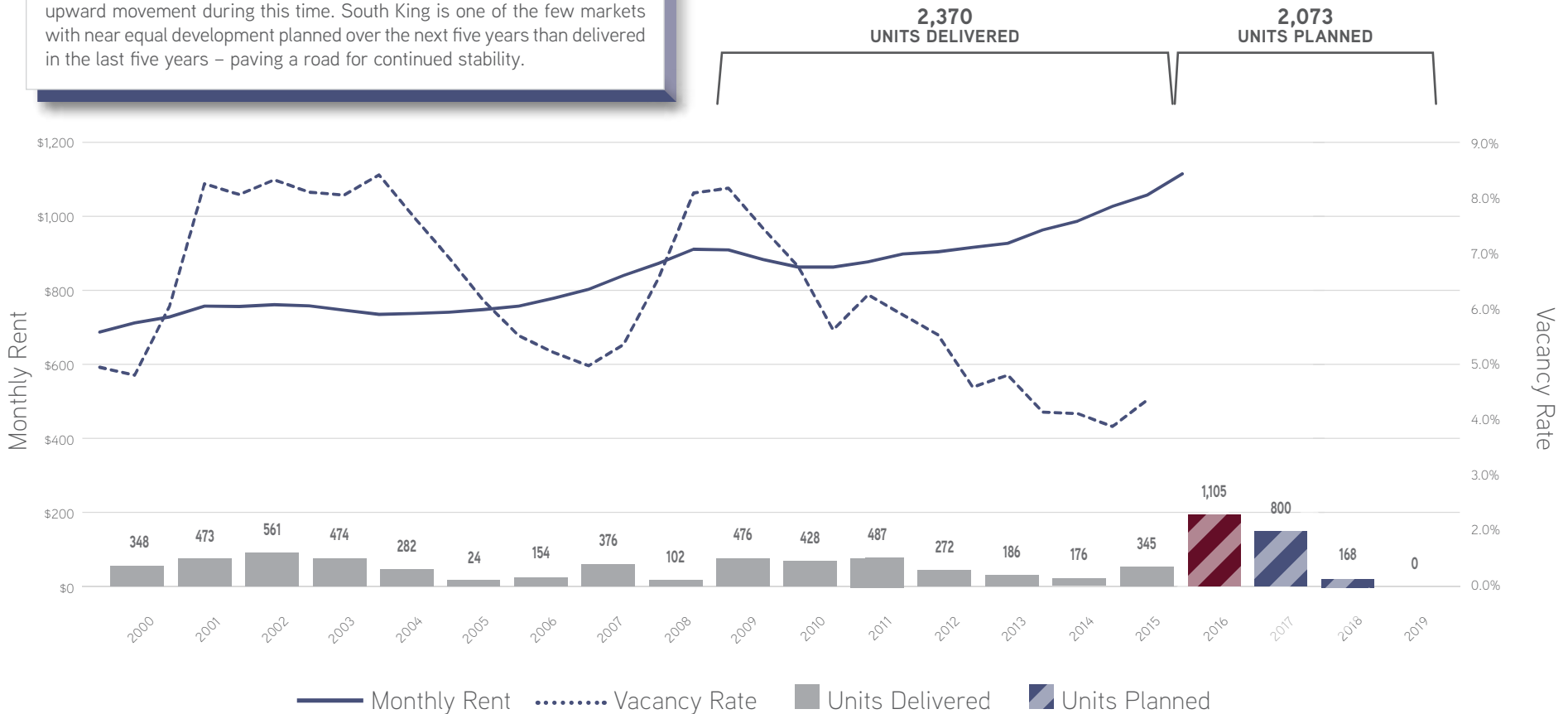
MARKET FUNDAMENTALS

SOUTH KING

OUR MARKET INSIGHT

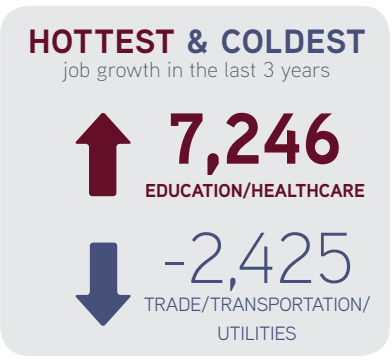
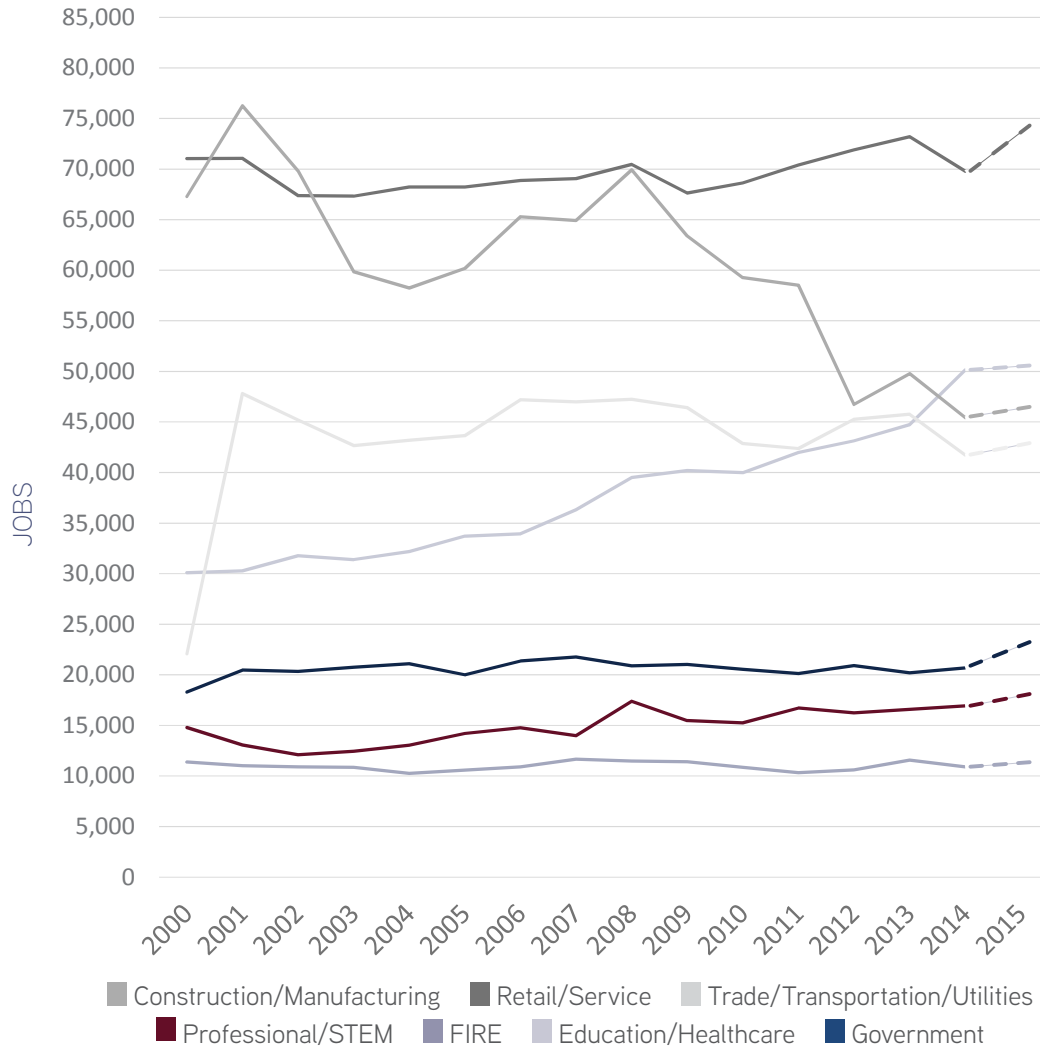
South King continues to show a trend of rising rental rates with stable vacancy. Overall rental rates increased nearly 9% and vacancy had little upward movement during this time. South King is one of the few markets with near equal development planned over the next five years than delivered in the last five years – paving a road for continued stability.

2015	\$1,115 AVG RENT PER UNIT	8.6%	\$1.26 AVG RENT PER SF	5.0%	3.8% VACANCY	30 BP
2014	\$1,027 AVG RENT PER UNIT		\$1.20 AVG RENT PER SF		3.5% VACANCY	



Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EMPLOYMENT GROWTH SOUTH KING



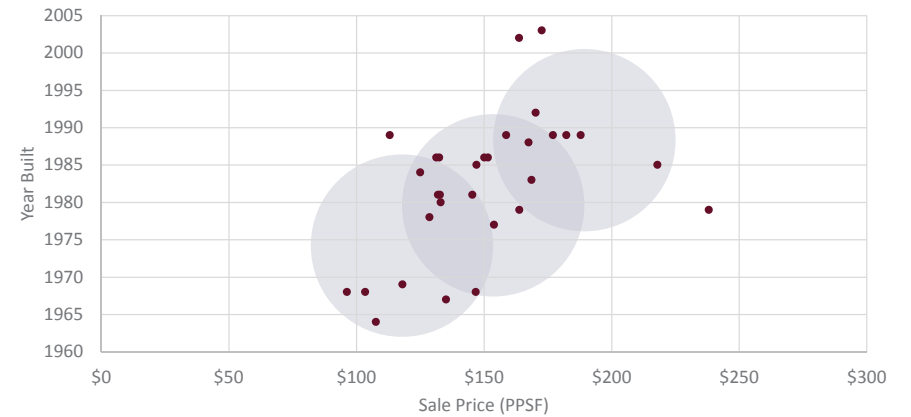
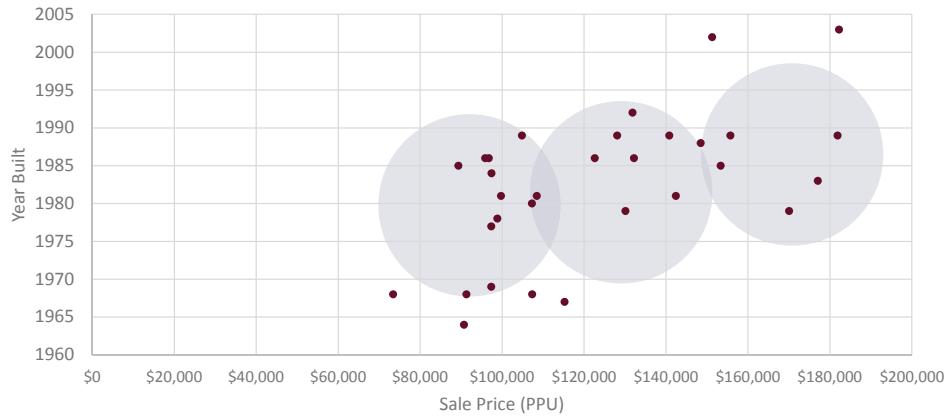
OUR MARKET INSIGHT

South King county is the only region out of the six we track that experienced substantial job decline in 2014, yet rapid job growth in 2015. Since 2010, South King County has been a volatile job market. It is natural for this job market to fluctuate and we forecast slower job growth in 2016.

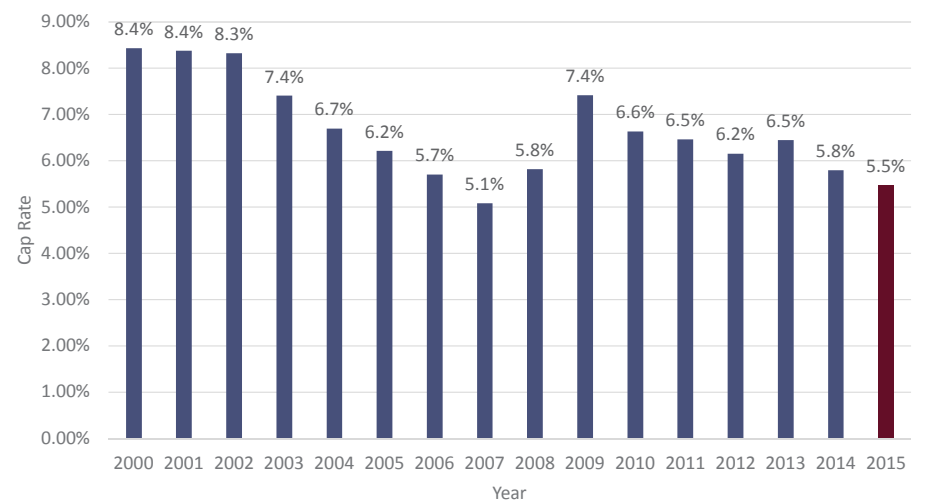
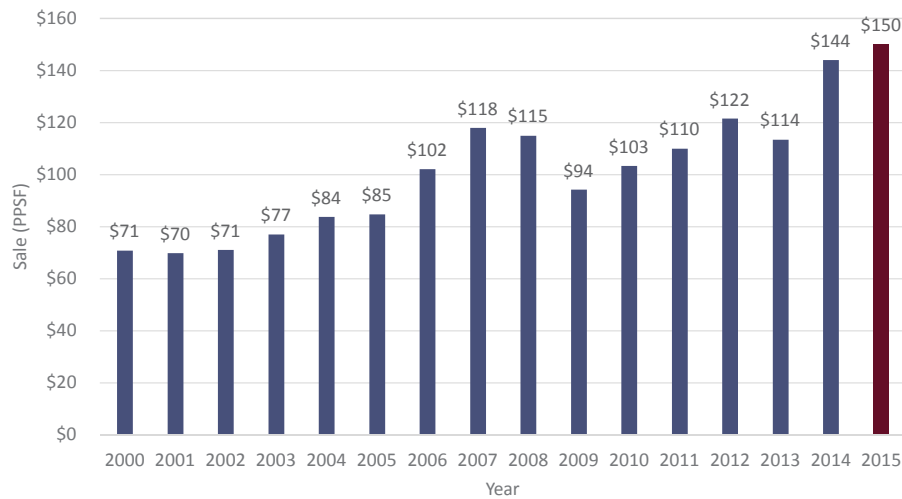
*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.

2015 SALES & HISTORICAL SALES TRENDS SOUTH KING

2015 SOUTH KING SALES METRICS



2000-2015 SOUTH KING SALES TRENDS



2015 South King Sales

2015	\$123,243 AVG PRICE PER UNIT		\$150 AVG PRICE PER SF		5.5% CAP RATE	
2014	\$125,085 AVG PRICE PER UNIT		\$144 AVG PRICE PER SF		5.8% CAP RATE	

AUBURN

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Brookside Village	28705 34th Avenue S	2003	177	186,796	1,055	\$32,256,250	7/15/2015	\$182,239	\$173	5.2%	Griffis Group Carmel Partners
	Neely Station Apartments	1451 8th Street NE	1968	190	144,920	787	\$13,950,000	6/15/2015	\$73,421	\$96	7.8%	Goodman Real Estate Longwell Company
Average			1985	183	165,858	921	\$23,103,125		\$127,830	\$134	6.5%	

BURIEN

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Montrose (Village Lane)	220 S 152nd Street	1969	96	79,226	822	\$9,350,000	8/13/2015	\$97,396	\$118	5.1%	Fowler Property Acquisitions RAAMCO
	Raleigh (Somerset West)	12415 Ambaum Blvd SW	1968	52	45,905	883	\$4,750,000	8/13/2015	\$91,346	\$103	5.3%	Fowler Property Acquisitions RAAMCO
Average			1968	74	62,566	853	\$14,100,000		\$94,371	\$111	5.2%	




DES MOINES

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Arbor Hills	2060 Kent Des Moines Road	1977	95	60,100	645	\$9,250,000	3/12/2015	\$97,368	\$154	5.2%	Curtis Capital Group Trinity Real Estate
Average			1977	95	60,100	645	\$9,250,000		\$97,368	\$154	5.2%	








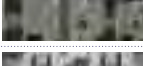

FEDERAL WAY

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Commons at Federal Way	190 S 334th Street	1979	260	206,416	837	\$33,830,000	12/11/2015	\$130,115	\$164	5.3%	TruAmerica Multifamily Fowler Property Acquisitions
	Union	2111 SW 352nd Street	1985	244	148,195	636	\$21,800,000	8/13/2015	\$89,344	\$147	4.6%	Fowler Property Acquisitions RAAMCO
	Brookhaven	1651 S 308th Street	1992	72	55,754	776	\$9,495,000	8/5/2015	\$131,875	\$170	5.1%	Kingsbury Financial LP FSC Realty
	Argyle	2517 S 316th Lane	1984	159	123,940	789	\$15,500,000	6/9/2015	\$97,484	\$125	5.3%	Fowler Property Acquisitions William Kwan

2015 South King Sales (Continued)





	Cedardale	2501 SW 336th Street	1981	126	93,998	746	\$13,675,000	5/22/2015	\$108,532	\$145	5.0%	Pathfinder Partners Bianco Properties
	Redondo Terrace	29421 Pacific Highway S	1986	78	57,492	737	\$7,550,000	5/11/2015	\$96,795	\$131	5.9%	Danny Fast Pathfinder Partners
	Pinewood Village	33311 18th Lane S	1989	103	95,500	899	\$10,800,000	3/16/2015	\$104,854	\$113	5.4%	Sunset Equities Inc John & Shirley Chan
Average			1985	148	111,614	774	\$16,092,857		\$108,429	\$142	5.2%	

KENT


	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Lake Fenwick Estates	24849 46th Avenue S	1988	216	191,536	887	\$32,075,000	12/9/2015	\$148,495	\$167	5.3%	HB Capital Virtu Investments
	Madison at Ridgeway	24808 100th Place SE	1989	153	135,810	888	\$21,550,000	9/24/2015	\$140,850	\$159	5.4%	TruAmerica Multifamily Equus Capital Partners
	Waterbrook Lofts & Apartments	10615 SE 250th Place	1981	189	202,862	1,012	\$26,924,400	9/22/2015	\$142,457	\$133	6.0%	Susan Lew & Associates Security Properties
	Green Leaf Skyline	3322 S 222nd Place	1983	192	201,600	1,120	\$34,000,000	9/16/2015	\$177,083	\$169	5.0%	Green Leaf Partners Carmel Partners
	Huntington Woods	2136 S 272nd Street	1986	135	97,750	724	\$12,950,000	8/13/2015	\$95,926	\$132	4.6%	Fowler Property Acquisitions RAAMCO
	Kent Terrace	25426 98th Avenue S	1981	247	186,810	754	\$24,650,000	8/13/2015	\$99,798	\$132	4.9%	Fowler Property Acquisitions RAAMCO
	Lighthouse	10710 SE 256th Street	2002	76	70,238	925	\$11,500,000	7/16/2015	\$151,316	\$164	5.5%	TruAmerica Multifamily Fowler Property Acquisitions
	Meridian Ridge (Villages at Lake Meridian)	10925 SE 256th Street	1980	177	142,839	810	\$19,000,000	7/16/2015	\$107,345	\$133	5.7%	TruAmerica Multifamily Fowler Property Acquisitions
	Somerset	25220 109th Place SE	1986	329	266,249	805	\$40,350,000	6/4/2015	\$122,644	\$152	6.1%	TruAmerica Multifamily Fowler Property Acquisitions
	Waters Edge	6305 S 238th Place	1986	304	267,798	884	\$40,200,000	2/10/2015	\$132,237	\$150	5.7%	Security Properties Holland Partners
Average			1986	201	176,349	881	\$26,319,940		\$131,815	\$149	5.4%	

2015 South King Sales (Continued)


RENTON

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Berkshire	1300 Eagle Ridge Drive S	1979	274	195,700	714	\$46,600,000	12/23/2015	\$170,073	\$238	5.3%	MIG Capital Realvest Corp
	Constellation	1455 S Puget Drive	1989	132	92,796	780	\$16,915,000	12/11/2015	\$128,144	\$182	5.7%	TruAmerica Multifamily Fowler Property Acquisitions
	Mission Ridge/ Renton Woods	12000 SE Petrovitsky Rd	1989	260	228,749	880	\$40,500,000	12/1/2015	\$155,769	\$177	5.3%	Abacus Capital Group PASSCO
	Windsor Place	4415 NE 5th Street	1989	202	195,590	899	\$36,750,000	9/4/2015	\$181,931	\$188	5.1%	TruAmerica Multifamily Fowler Property Acquisitions
Average			1986	217	178,209	818	\$35,191,250		\$158,979	\$196	5.4%	

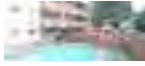
RIVERTON/TUKWILA

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Villages at South Station*	3724 S 154th Lane	1985	191	134,424	709	\$29,300,000	10/15/2015	\$153,403	\$218	5.3%	King County Housing Authority Security Properties
	Foster Creek	15110 Macadam Road S	1978	179	137,581	855	\$17,700,000	7/13/2015	\$98,883	\$129	6.1%	Investors Management Group Tukwila Estates
Average			1981	185	136,003	782	\$23,500,000		\$126,143	\$173	5.7%	

SEATAC

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Emerald by the Lake	3117 South 192nd Street	1967	157	133,920	971	\$18,100,000	11/18/2015	\$115,287	\$135	6.8%	Fowler Property Acquisitions Olympic Investors
	Corinthian*	3039 S 154th Street	1968	95	69,511	731	\$10,200,000	10/15/2015	\$107,368	\$147	5.7%	King County Housing Authority Kauri Investments
Average			1967	126	101,716	851	\$14,150,000		\$111,328	\$141	\$6.3	

WHITE CENTER

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Riverview West	10300 Des Moines Memorial Drive	1964	54	45,529	927	\$4,900,000	1/30/2015	\$90,741	\$108	5.1%	Hector Lizardi Alliance Investments
Average			1964	54	45,529	927	\$4,900,000		\$90,741	\$108	5.1%	

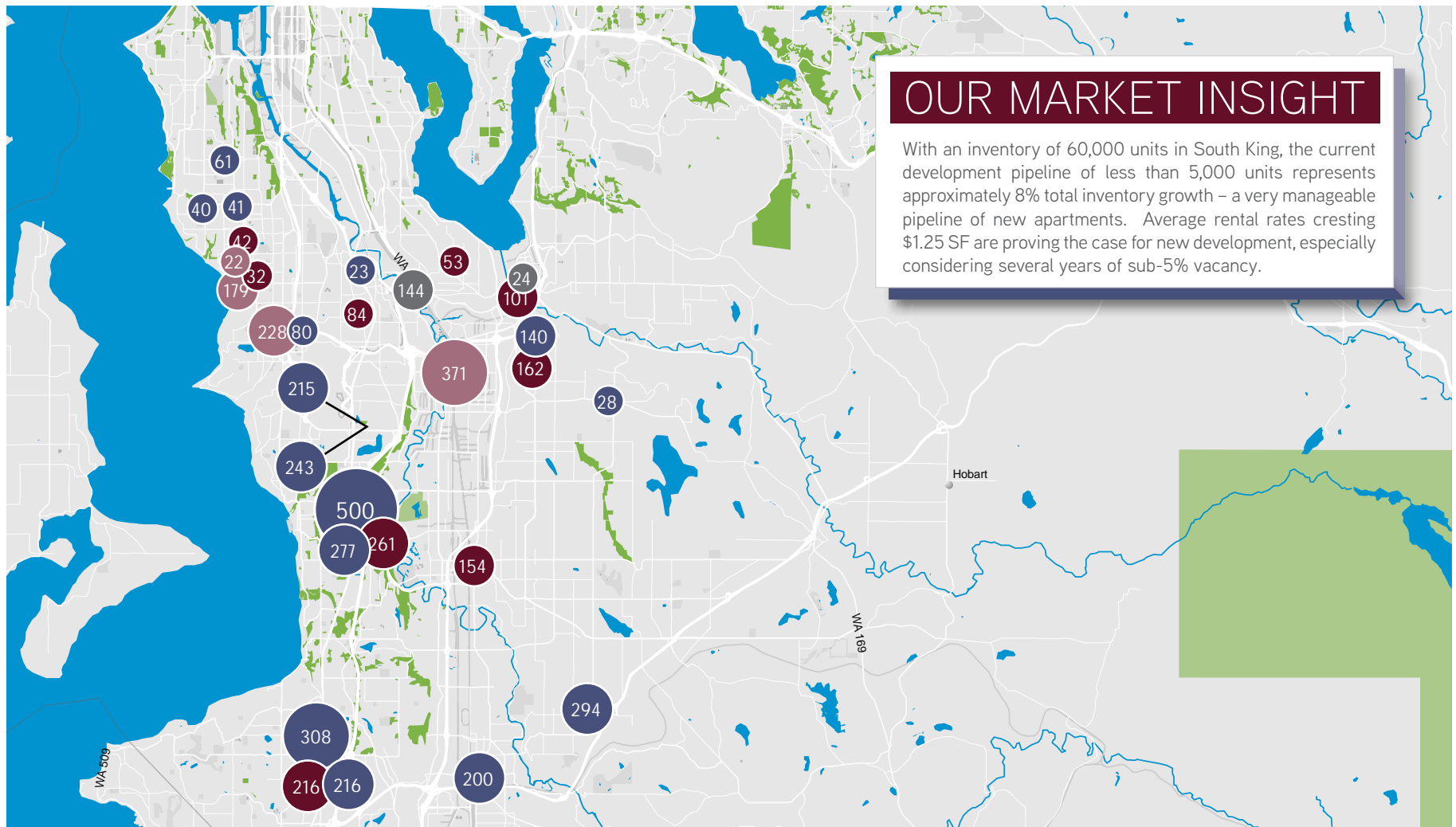
DEVELOPMENT PIPELINE SOUTH KING



Deliveries				
2016	2017	2018	2019	FUTURE
1,105	800	168	0	2,666

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

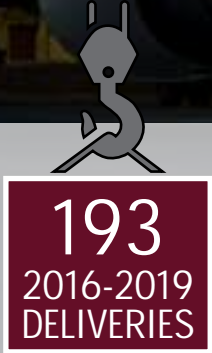
With an inventory of 60,000 units in South King, the current development pipeline of less than 5,000 units represents approximately 8% total inventory growth – a very manageable pipeline of new apartments. Average rental rates cresting \$1.25 SF are proving the case for new development, especially considering several years of sub-5% vacancy.

SOUTH KING

NORTH SNOHOMISH :: MARKET OVERVIEW

Central Everett
Paine Field
Silver Lake

MARKET SNAPSHOT



NORTH SNOHOMISH

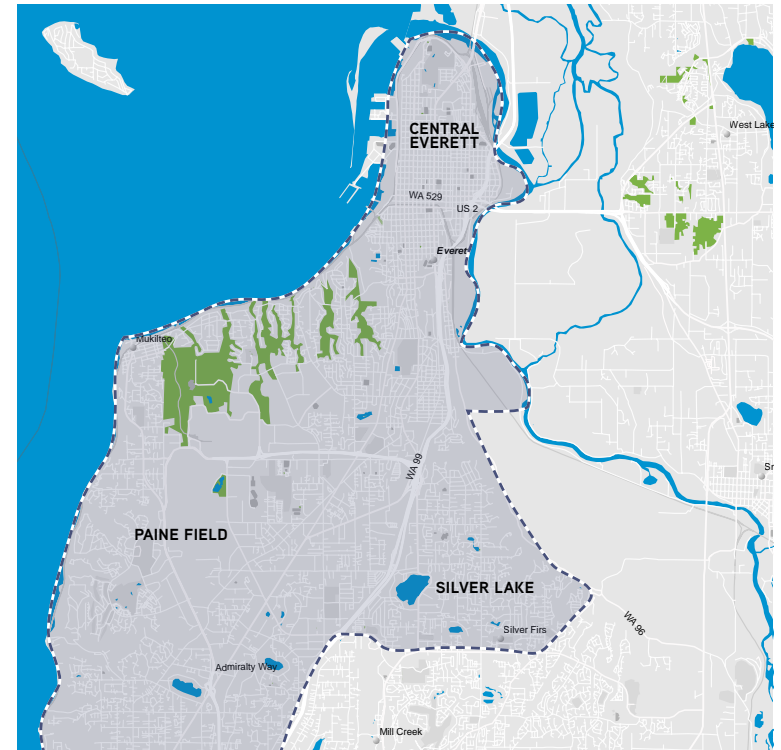
On pure economic fundamentals, North Snohomish posted break-out numbers in 2015. In 2014, the market only trailed South King for lowest y-o-y and cumulative rent growth, yet in 2015 it bested all other markets with 9.3% rent growth – while dropping 120 BP off of its average vacancy rate.

North Snohomish was able to pull a “Holy Trinity” of apartment economics – beating all other markets in rent growth, posting the greatest gain in average occupancy rates all while adding apartment inventory for the first time in several years.

The development pipeline in North Snohomish remains moderate, with nearly 90% of all development not yet specifying a start date. Given the vastly improving and stable economic fundamentals, 2016 may experience a spike in construction starts.

Momentum in the investment sales market continued in North Snohomish in 2015 – posting nearly 50% more sales than in 2014 and with rising pricing metrics. With the wind at its back, North Snohomish will likely experience continued investor interest in 2016, yet it will be hard to best the market’s performance in 2015.

“In 2015 North Snohomish bested all other markets with 9.3% rent growth – while dropping 120 BP off of its average vacancy rate.”



HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	2	4	8	6	6	10
Sales Volume	\$27.8M	\$47.5M	\$207.8M	\$159.7M	\$191.3M	\$257.6M
Average PPU	\$106,372	\$92,708	\$105,388	\$119,120	\$136,761	\$129,697
Average PPSF	\$117	\$99	\$109	\$132	\$148	\$151
Average Cap Rate	6.8%	8.0%	7.4%	7.3%	5.9%	5.4%
Number of Deliveries	22	108	178	0	0	322

Sales: Buildings 50+ units

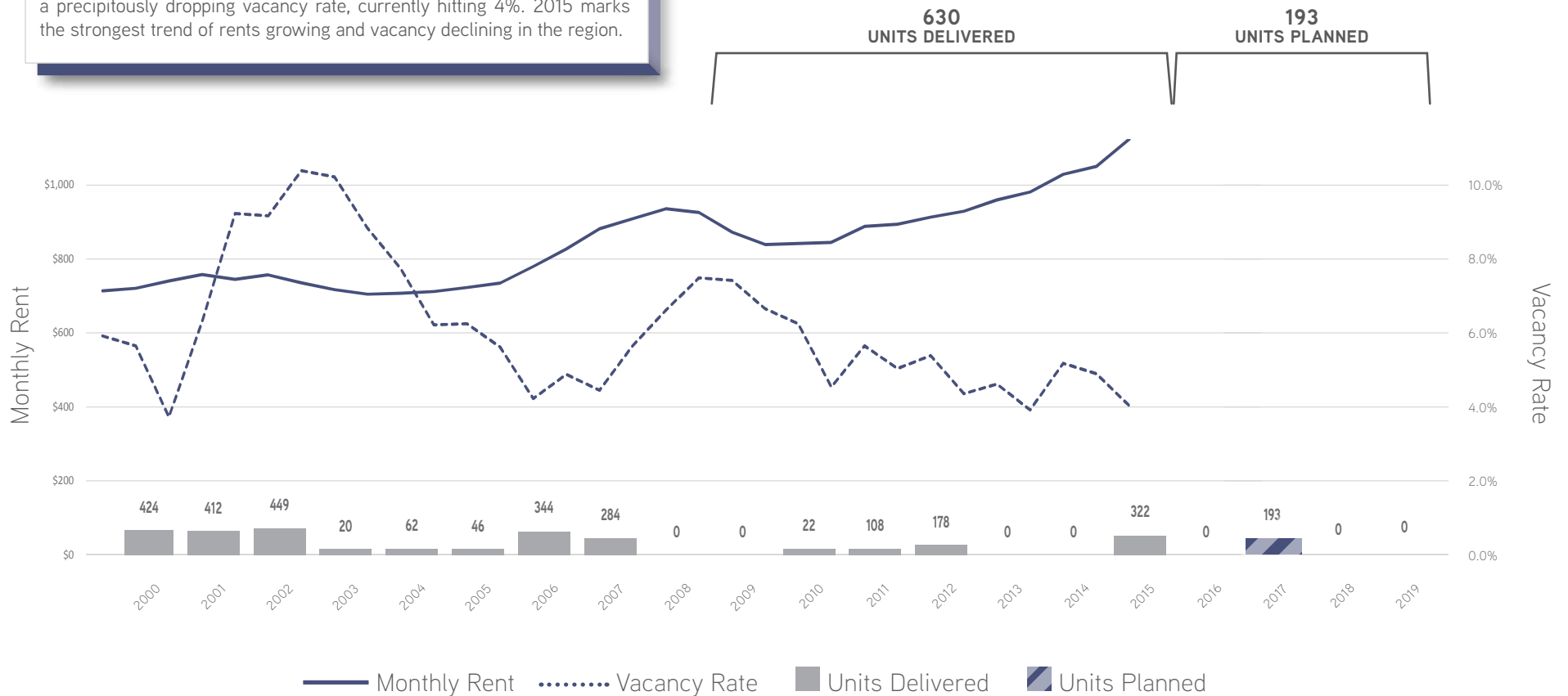
MARKET FUNDAMENTALS

NORTH SNOHOMISH

OUR MARKET INSIGHT

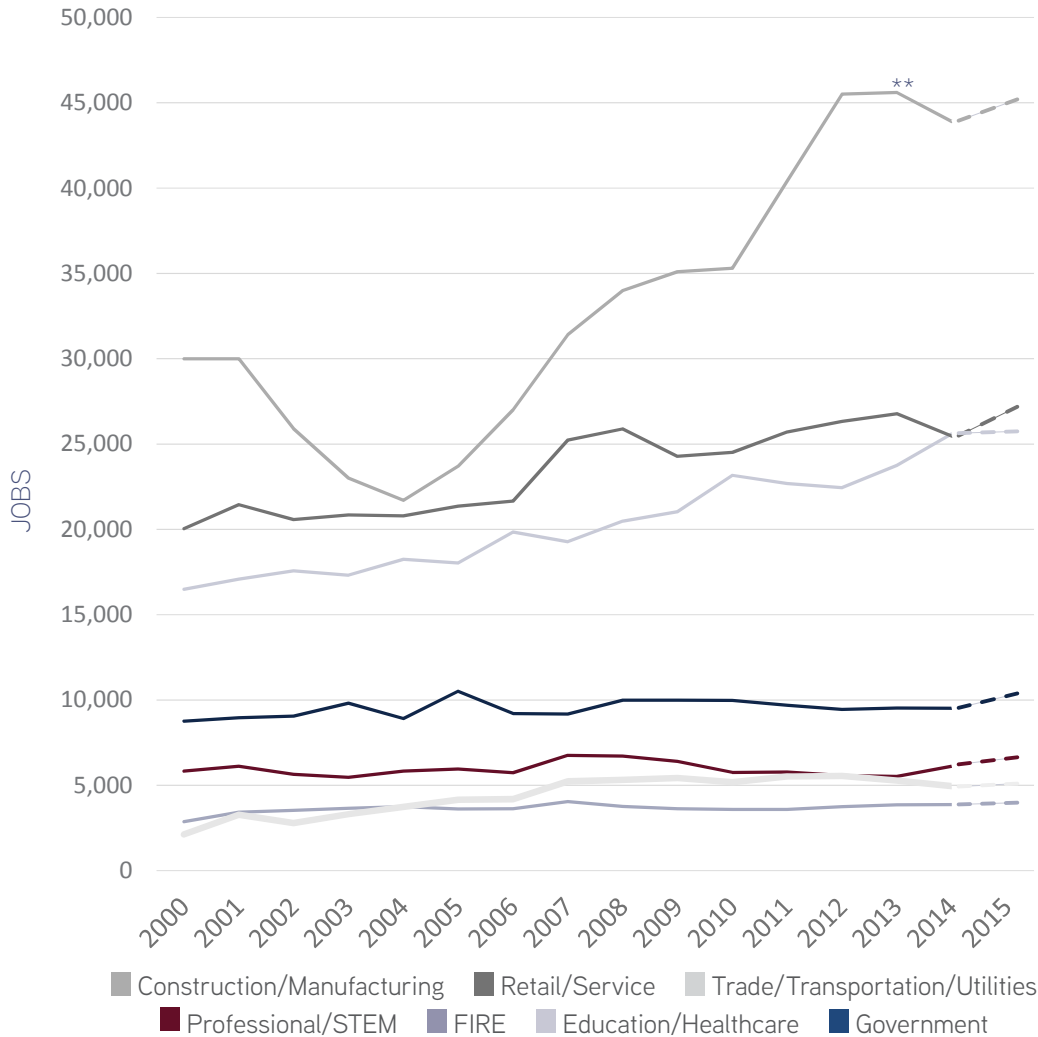
North Snohomish posted the highest rental rate gain in the region – topping 9% y-o-y. Such demand coupled with a dearth of new deliveries explains a precipitously dropping vacancy rate, currently hitting 4%. 2015 marks the strongest trend of rents growing and vacancy declining in the region.

2015	\$1,125 AVG RENT PER UNIT	9.3%	\$1.25 AVG RENT PER SF	5.0%	4.0% VACANCY	120 BP
2014	\$1,029 AVG RENT PER UNIT		\$1.19 AVG RENT PER SF		5.2% VACANCY	



Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EMPLOYMENT GROWTH NORTH SNOHOMISH



*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.
** Conway Pederson data was used as a supplement for construction/manufacturing data to account for missing NAICS code 33

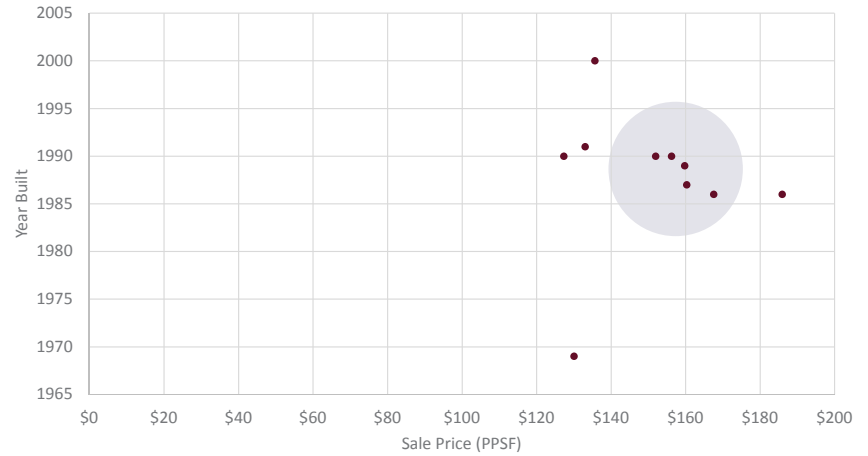
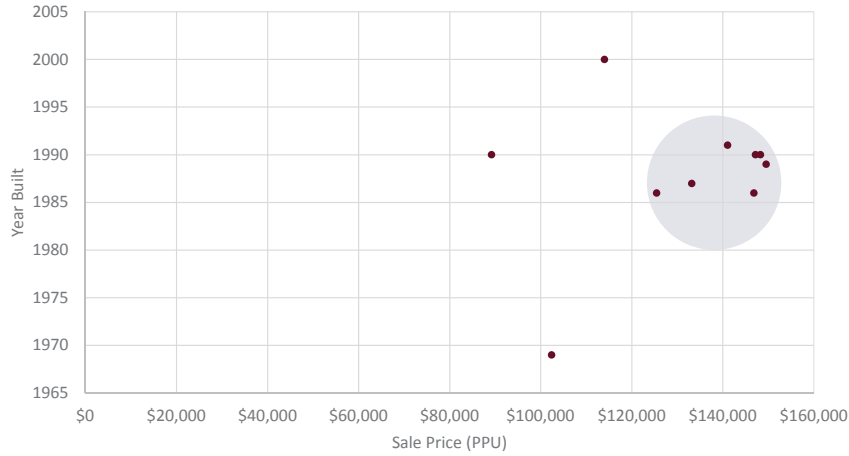


OUR MARKET INSIGHT

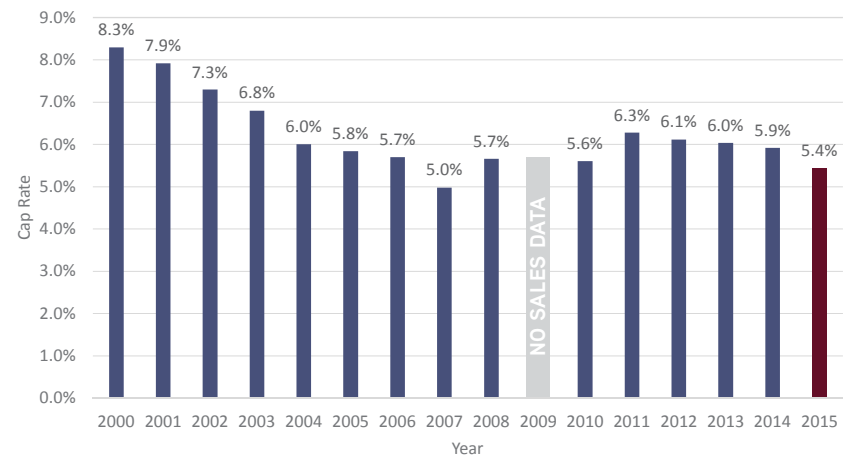
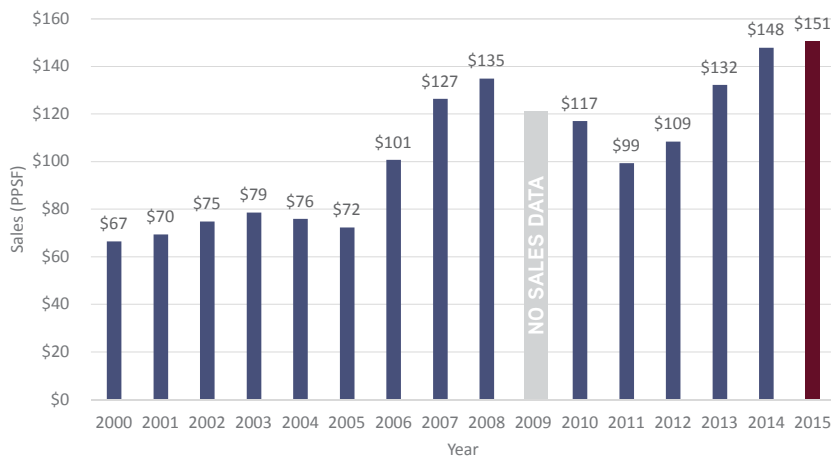
North Snohomish County is another thriving market driven by one of the region's most prominent employers, Boeing. While the airplane manufacturing company continues to boom, Everett's apartment and housing market has also benefited. More people have decided to call North Snohomish home in lieu of a commute that shows no signs of improvement in the near future.

2015 SALES & HISTORICAL SALES TRENDS NORTH SNOHOMISH

2015 NORTH SNOHOMISH SALES METRICS



2000-2015 NORTH SNOHOMISH SALES TRENDS



NORTH SNOHOMISH

2015 North Snohomish Sales



EVERETT

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Park 120	120 W Casino Road	1969	249	196,049	786	\$25,500,000	12/14/2015	\$102,410	\$130	5.4%	TruAmerica Fowler Property Acquisitions
	Cascadia Pointe	8710 5th Avenue W	1990	121	114,809	955	\$17,940,000	10/8/2015	\$148,264	\$156	5.1%	Strata Equity Archon Group
	Mirabella	805 112th Street SE	1991	117	124,041	1,058	\$16,500,000	10/8/2015	\$141,026	\$133	6.1%	Strata Equity Archon Group
	Saratoga	11812 E Gibson Road	1989	107	100,150	975	\$16,000,000	10/8/2015	\$149,533	\$160	5.5%	Strata Equity Archon Group
	Fulton's Crossing and Landing	120 SE Everett Mall Way	1986	504	398,016	790	\$74,000,000	10/8/2015	\$146,825	\$186	5.2%	Strata Equity Archon Group
	Evergreen on 47th	1111 47th Street SE	1990	120	84,036	695	\$10,700,000	4/20/2015	\$89,167	\$127	5.2%	Abacus Capital Group Williams Investments
Average			1985	203	169,517	877	\$26,773,333		\$129,537	\$149	5.4%	

PAINE FIELD

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Walden Pond	9900 12th Avenue W	1990	316	305,988	968	\$46,500,000	7/23/2015	\$147,152	\$152	5.7%	Starwood Capital Group Holland Partners
Average			1990	316	305,988	968	\$46,500,000		\$147,152	\$152	5.7%	

SILVER LAKE

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer Seller
	Brisa	12402 Admiralty Way	1987	198	164,460	831	\$26,365,000	9/30/2015	\$133,157	\$160	5.7%	Thayer Manca Residential Security Properties
	Stinson (Mariner Court)	133 124th Street SE	2000	93	78,155	841	\$10,600,000	4/30/2015	\$113,978	\$136	5.1%	Fowler Property Acquisitions Jagroop & Jagraj Sidhu
	Latitude	12907 E Gibson Road	1986	108	80,860	758	\$13,550,000	1/20/2015	\$125,463	\$168	5.4%	Jackson Square Properties Security Properties
Average			1991	133	107,825	810	\$16,838,333		\$124,199	\$155	5.4%	

DEVELOPMENT PIPELINE NORTH SNOHOMISH



Deliveries				
2016	2017	2018	2019	FUTURE
0	193	0	0	1,532

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



OUR MARKET INSIGHT

In 2013, nearly 90% of new apartment development was in the core of Seattle, yet as of Fall 2015 that allocation dropped to less than 75%. Apartment developers ventured to nearly every submarket except North Snohomish, which is poised to receive 2% of development for the region despite excellent rent growth and sustained low vacancy.

NORTH SNOHOMISH

SOUTH SNOHOMISH :: MARKET OVERVIEW

Edmonds
Lynnwood
Mill Creek
Mountlake Terrace
Thrashers Corner

MARKET SNAPSHOT



2,722
2016-2019
DELIVERIES



3.8%

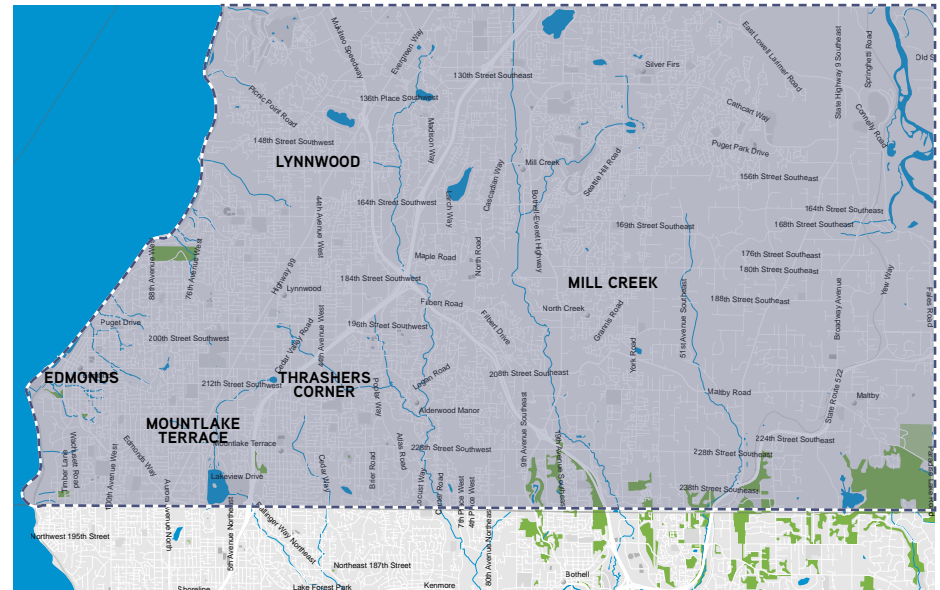


SOUTH SNOHOMISH

South Snohomish continues to prove its extremely solid economic fundamentals, although sliding in the rankings with competing markets. Average rent growth in 2015 was 7.7% – trailing all other markets except Urban King, and falling from its 2014 ranking as the top market for rent growth.

The market performed healthily amidst the addition of new apartment inventory, especially considering it posted a declining vacancy rate y-o-y. Developers continue to add to the South Snohomish development pipeline and the pipeline shows a very linear addition of units over the next several years.

Sales metrics in South Snohomish are consistent y-o-y with some appreciation on a PPU basis. Given stable economic fundamentals, South Snohomish’s proximity to a multitude of job centers and light-rail planned for the near future, we expect investors to continue their demonstrated interest to own apartments in South Snohomish.



“The market performed healthily amidst the addition of new apartment inventory, especially considering it posted a declining vacancy rate y-o-y.”

HISTORICAL PERFORMANCE

	2010	2011	2012	2013	2014	2015
Number of Sales	2	6	6	2	7	9
Sales Volume	\$18.9M	\$206.6M	\$92.6M	\$107.9M	\$234.2M	\$323.5M
Average PPU	\$88,120	\$120,638	\$107,102	\$192,176	\$161,160	\$161,883
Average PPSF	\$109	\$134	\$137	\$177	\$198	\$188
Average Cap Rate	6.2%	5.8%	5.5%	4.7%	5.4%	5.4%
Number of Deliveries	0	82	464	441	508	747

Sales: Buildings 50+ units

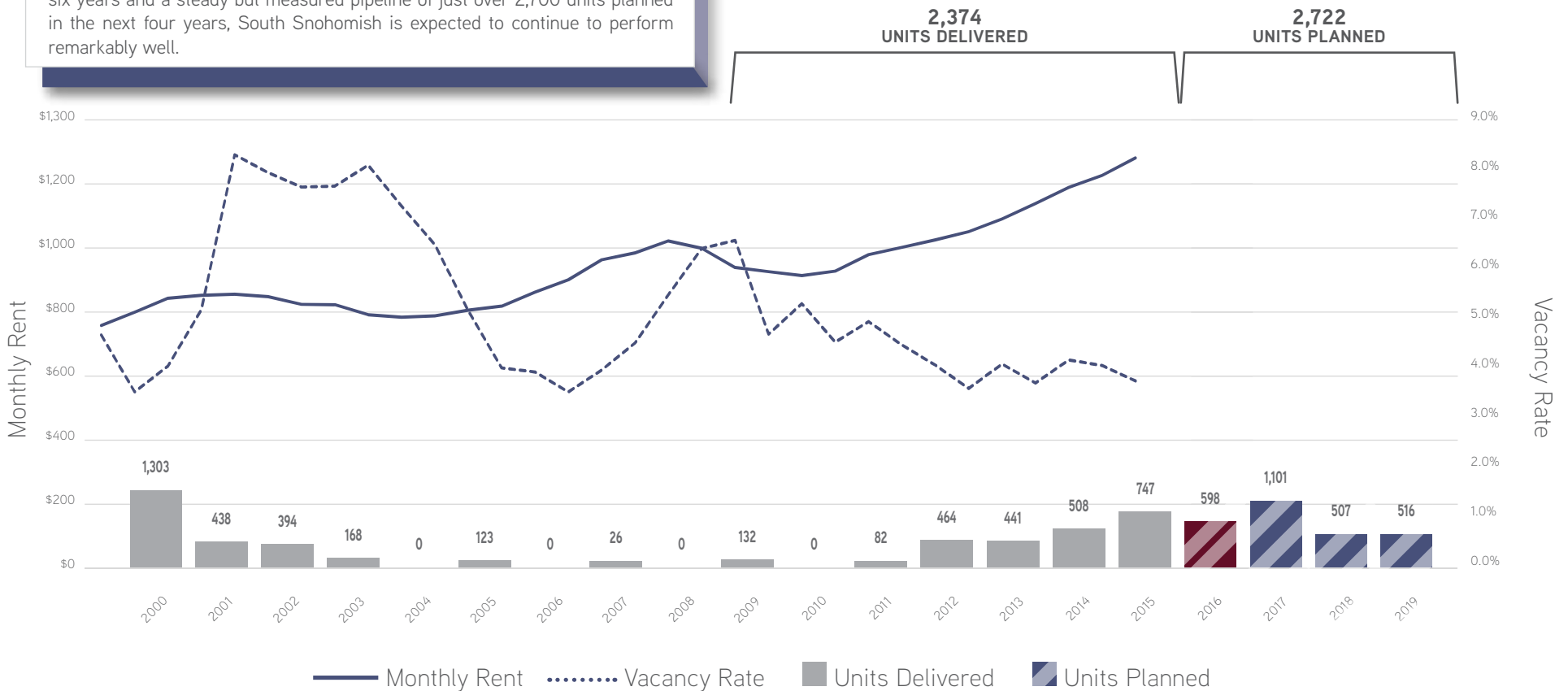
MARKET FUNDAMENTALS

SOUTH SNOHOMISH

OUR MARKET INSIGHT

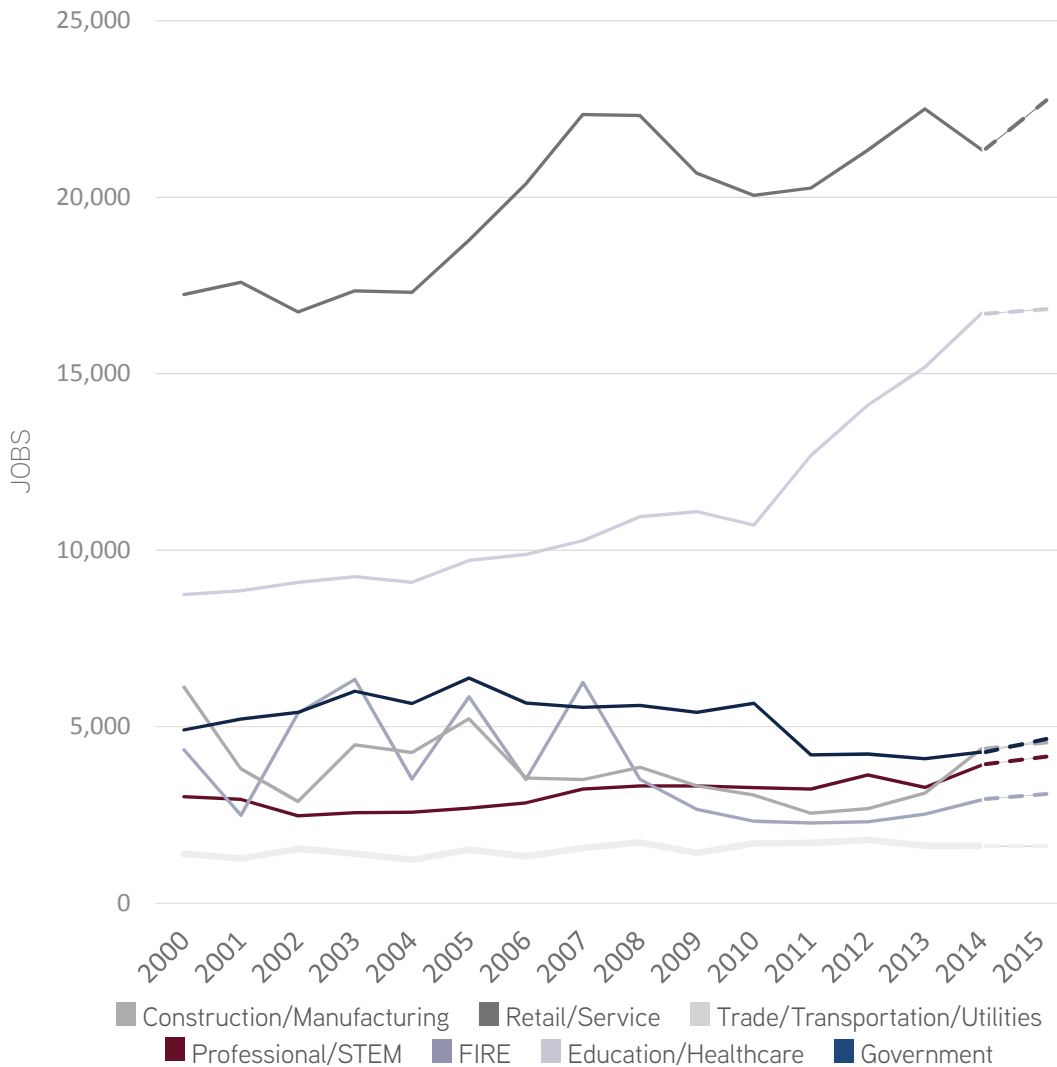
Although South Snohomish's rent growth tapered as compared to last year (7.7% gain in 2015 versus 9.0% gain in 2014), overall apartment economic fundamentals remain sound. Each of its submarkets experienced declines in vacancy rates y-o-y (except Thrashers Corner, which only experienced a 2 BP increase). Given consistent absorption of over 2,300 units during the last six years and a steady but measured pipeline of just over 2,700 units planned in the next four years, South Snohomish is expected to continue to perform remarkably well.

2015	\$1,281 AVG RENT PER UNIT ↑ 7.7%	\$1.37 AVG RENT PER SF ↑ 3.0%	3.8% VACANCY ↓ 40 BP
2014	\$1,189 AVG RENT PER UNIT	\$1.33 AVG RENT PER SF	4.2% VACANCY



Rent & Vacancy Data Provided by Dupre + Scott
For more comprehensive data, visit: www.duprescott.com

EMPLOYMENT GROWTH SOUTH SNOHOMISH



YEAR-OVER-YEAR GROWTH



HOTTEST & COLDEST

job growth in the last 3 years

↑ 2,686
EDUCATION/HEALTHCARE

↓ -132
TRADE/TRANSPORTATION/
UTILITIES

EDUCATION/ HEALTHCARE JOB GROWTH

19%
IN LAST 4 YEARS

73%
IN LAST 10 YEARS

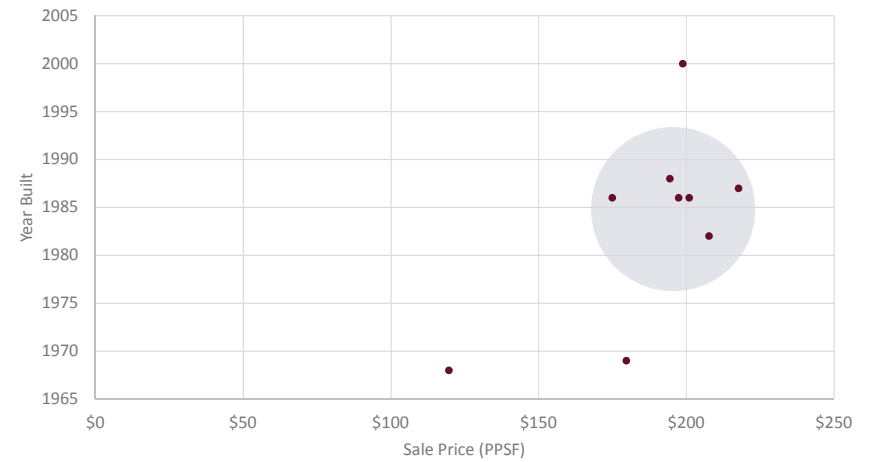
OUR MARKET INSIGHT

South Snohomish County has shown strong job growth across all professions since 2011 with an impressive 57% growth in their Education/Healthcare labor force; besting all other categories in all regions in percent of improvement in the last four years.

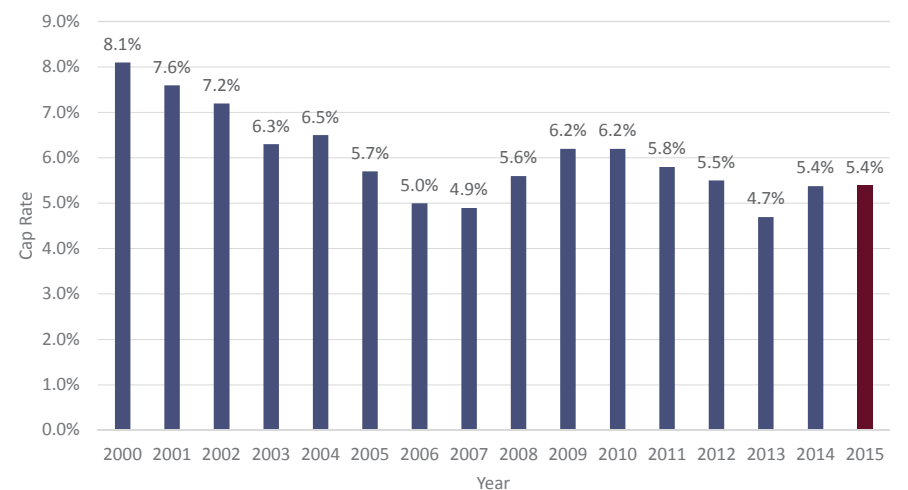
*Due to incomplete employment data for Nov.-Dec. 2015, the existing data was annualized and trended by industry for the six different submarkets.

2015 SALES & HISTORICAL SALES TRENDS SOUTH SNOHOMISH

2015 SOUTH SNOHOMISH SALES METRICS



2000-2015 SOUTH SNOHOMISH SALES TRENDS



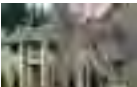
2015 South Snohomish Sales

2015	\$161,883 AVG PRICE PER UNIT		\$188 AVG PRICE PER SF		5.4% CAP RATE	
2014	\$161,160 AVG PRICE PER UNIT		\$198 AVG PRICE PER SF		5.9% CAP RATE	



LYNNWOOD

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
	Patricia	5901 186th Place SW	1968	54	53,964	1,033	\$6,450,000	12/23/2015	\$119,444	\$120	5.3%	SKS Dale Shoup
	Woodcreek	14611 Admiralty Way	2000	164	166,592	1,028	\$33,100,000	11/16/2015	\$201,829	\$199	4.7%	Mosaic USA Grosvenor
	Nickel Creek	3702 204th Street SW	1986	192	165,885	864	\$29,000,000	10/8/2015	\$151,042	\$175	5.6%	Strata Equity Archon Group
	Avia	4702 176th St SW	1969	120	101,616	869	\$18,250,000	10/1/2015	\$152,083	\$180	5.6%	Green Leaf Partners Carmel Partners
	Madison at Alderwood Park	18031 36th Ave W	1982	188	146,192	778	\$30,350,000	9/29/2015	\$161,436	\$208	5.0%	TruAmerica Equus Capital Partners
	Seasons	3711 164th St SW	1988	228	204,778	898	\$39,800,000	1/14/2015	\$174,561	\$194	5.4%	Guardian Life Fairfield Residential
Average			1982	157	139,838	912	\$26,158,333		\$160,066	\$179	5.3%	

EDMONDS

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
	Firdale Village	9501 244th St SW	1987	386	317,570	823	\$69,100,000	6/4/2015	\$179,016	\$218	5.2%	TruAmerica Eaton Vance Corporation
Average			1987	386	317,570	823	\$69,100,000		\$179,016	\$218	5.2%	

MOUNTLAKE TERRACE

	Property Name	Address	Built	Units	NRSF	AVG SF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
	Taluswood	4208 236th St SW	1986	512	407,824	796	\$80,465,000	8/31/2015	\$157,158	\$197	5.7%	Waterton Associates Holland Partners
	Maple Glen	5424 212th St SW	1986	106	84,631	799	\$17,000,000	5/15/2015	\$160,377	\$201	6.0%	Hamilton Zanze & Company Fairfield Residential
Average			1986	309	246,228	798	\$48,732,500		\$158,768	\$199	5.9%	

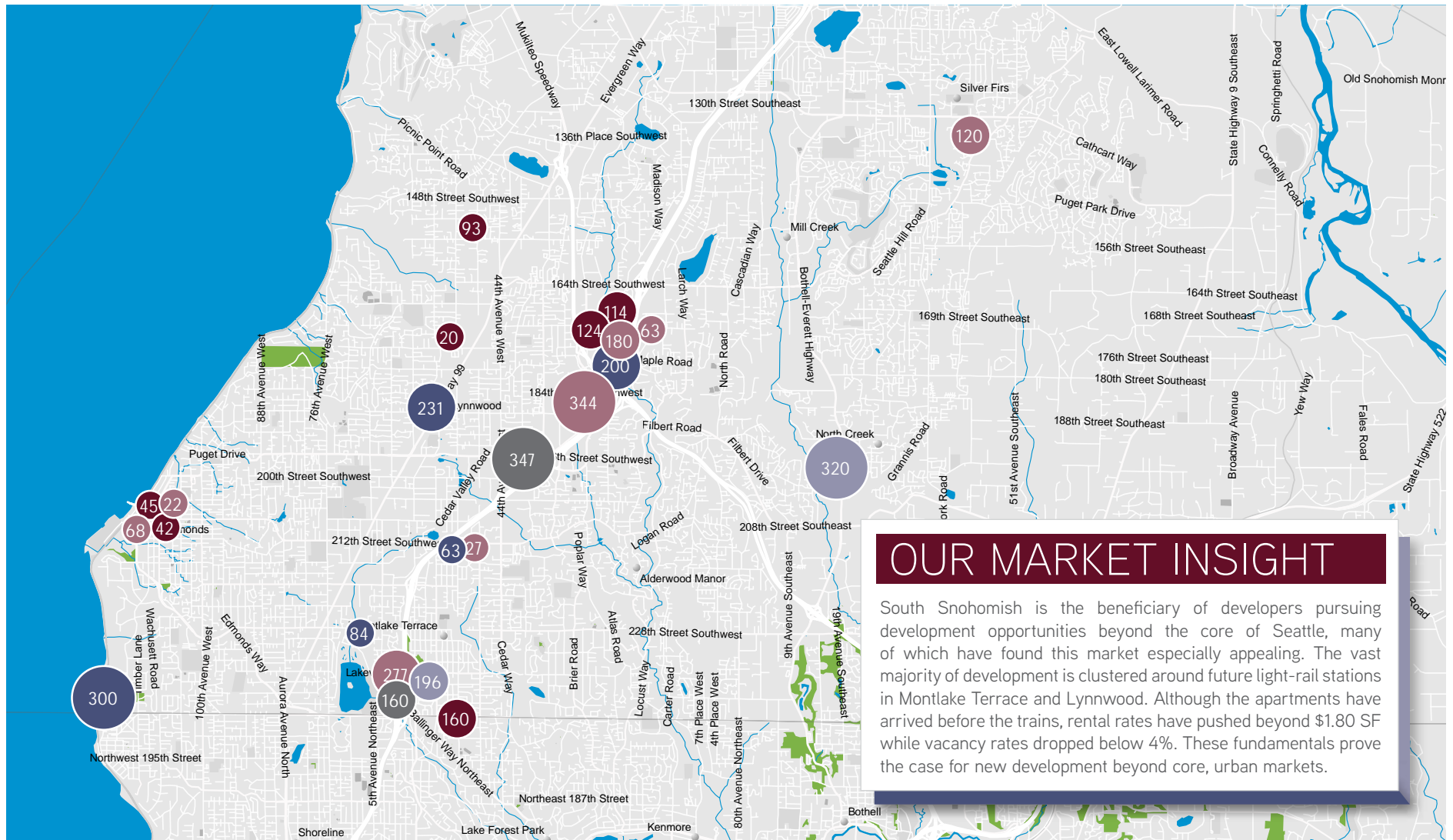
DEVELOPMENT PIPELINE SOUTH SNOHOMISH



Deliveries				
2016	2017	2018	2019	FUTURE
598	1,101	507	516	878

Numbers within circles on map below indicates number of units in each development.

*Indicates Micro. †Indicates Possible Condo.



Data Sources

Rent & Vacancy Rates	Dupre + Scott
Sales Data	Real Capital Analytics CoStar Dupre + Scott Pierce Eislen King & Snohomish County Registrars
Development Data	City of Seattle Department of Planning MPF Research Real Capital Analytics Dupre + Scott CoStar Pierce Eislen Seattle in Progress * Micro-housing development † Possible condo/apartment developments included in unit count numbers. Development data collection completed as of December 15, 2015
Employment Data	Puget Sound Regional Council Washington State Employment Security Department The Puget Sound Economic Forecaster

EMPLOYMENT DATA CALCULATIONS:

In an effort to understand market behavior through job growth, this study provides graphs setting forth job growth in our six subject submarkets, highlighting seven industry sectors (as set forth below). The figures represent number of jobs, not working persons and are representative of relative employment trends in each submarket and illustrate relative trends by industry.

NAICS CODES USED:

Professional/STEM: 51, 54, 55

Education/Healthcare: 61, 62, Education

FIRE: 52, 53

Retail & Service: 44, 45, 71, 72, 81

Construction & Manufacturing: 23, 31-33

Government: Government

Trade Transportation & Utilities: 22, 42, 48, 49

Unused NAICS codes: 11, 21, 56

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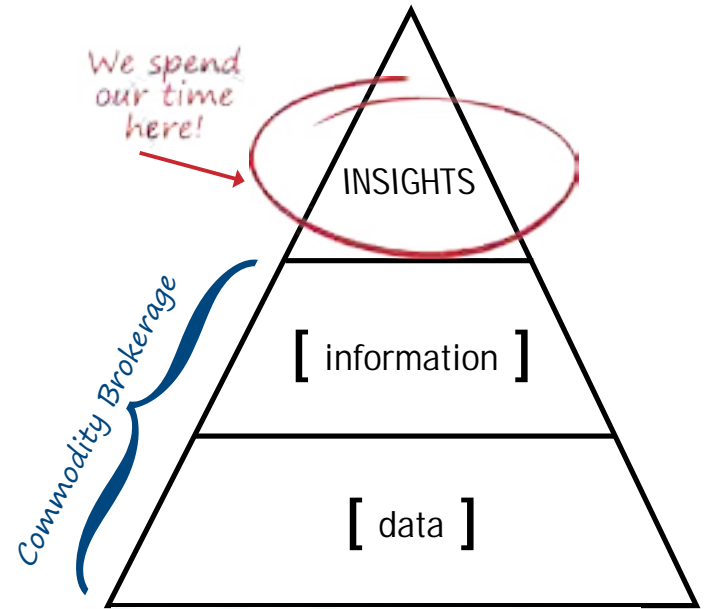
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