

Apartment Market Study

3.8% CAP RATE 

4.4% CAP RATE

Turn to **PAGE 13**
Learn about your apartment's value

QUEEN ANNE



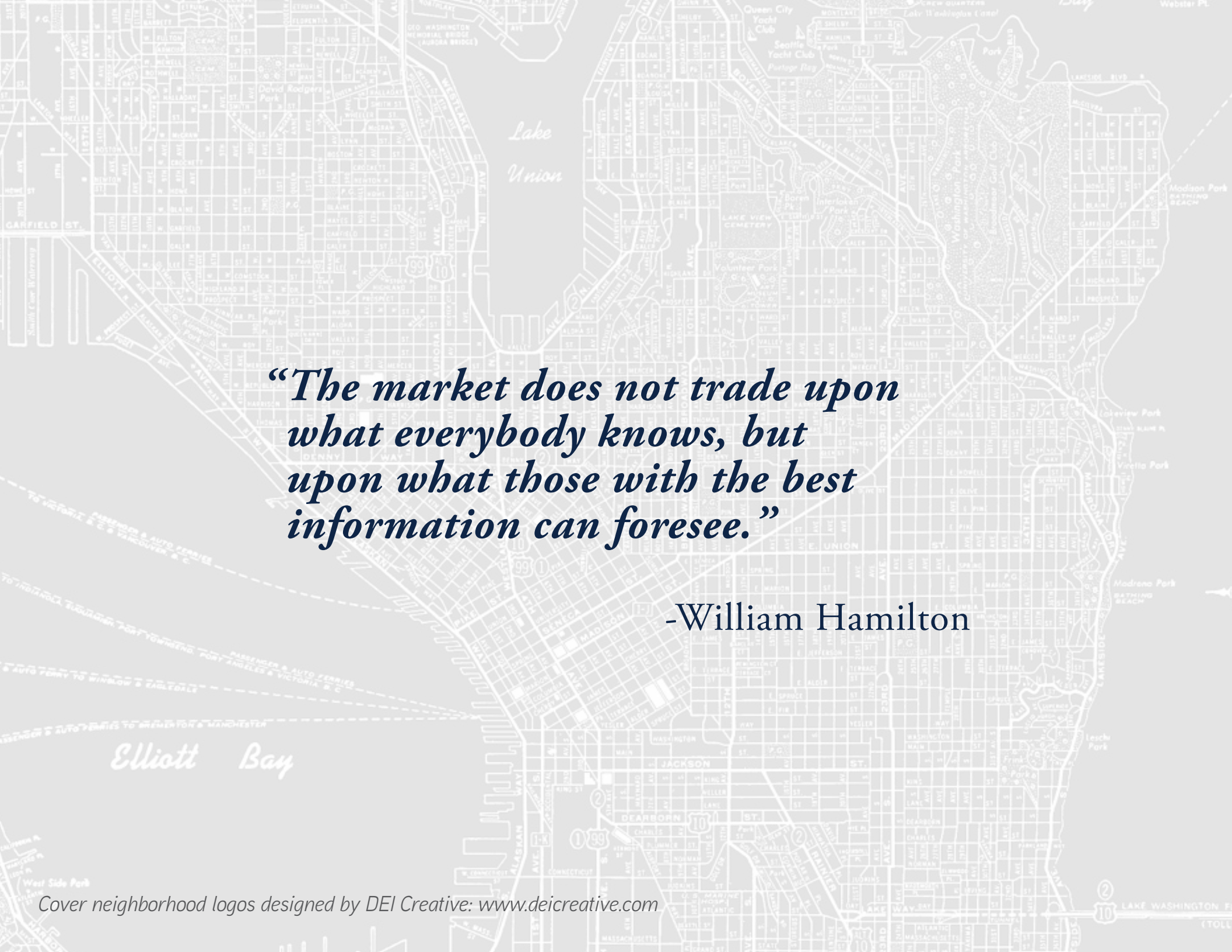
Dylan Simon Jerrid Anderson Matt Laird Daryl Burton

2016 SEATTLE NEIGHBORHOOD APARTMENT STUDY

An Analysis of the 5 Unit to 50 Unit Urban Apartment Market

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 Neighborhood 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

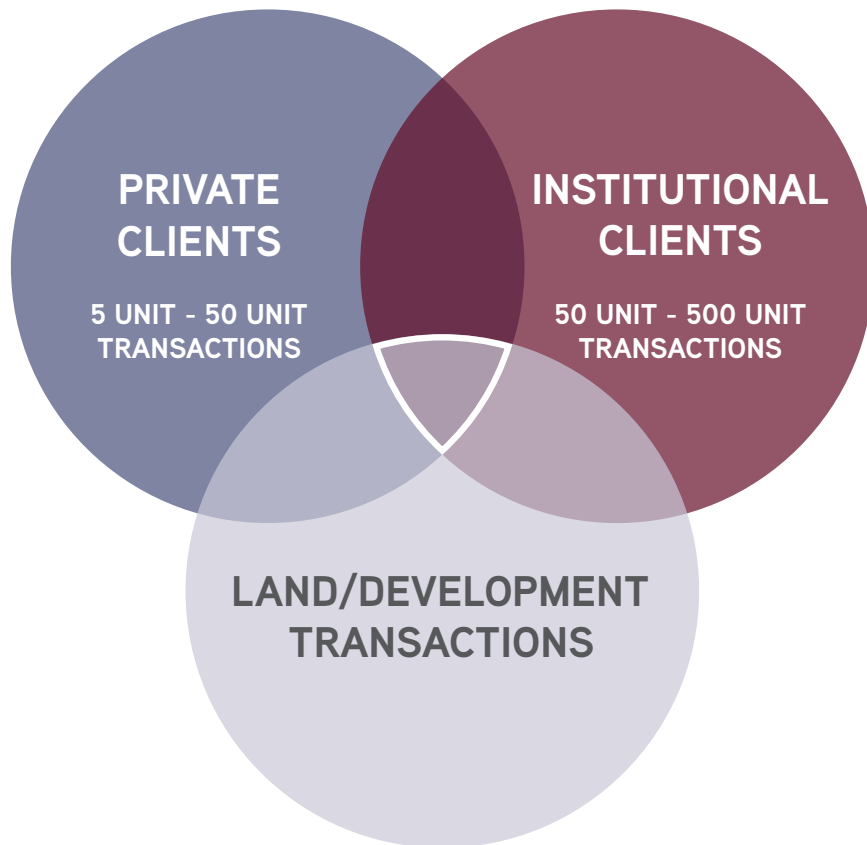
Our team is decidedly diverse, to meet the needs of our clients and provide the highest level of brokerage services. We take a unique approach to the business, serving a complementary set of clients in the market in order to understand the market better than anyone – and delivering that market knowledge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

FULLY MARKETED SALE

20 Unit Mixed Use Apartment Building URBANE REDMOND



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

OFF-MARKET TRANSACTIONS

48 Unit Sale

Represented Seller
Sky Lanai Apartments
\$4,800,000 Sale Price
19% above market pricing



15 Unit Sale

Represented Buyer
Estelle Apartments
\$1,260,000 Sale Price
NO COMMISSION PAID BY SELLER



6 Unit Sale

Represented Buyer
Arlene's Apartments
\$1,500,000 Sale Price
Sold for 50% over assessed value







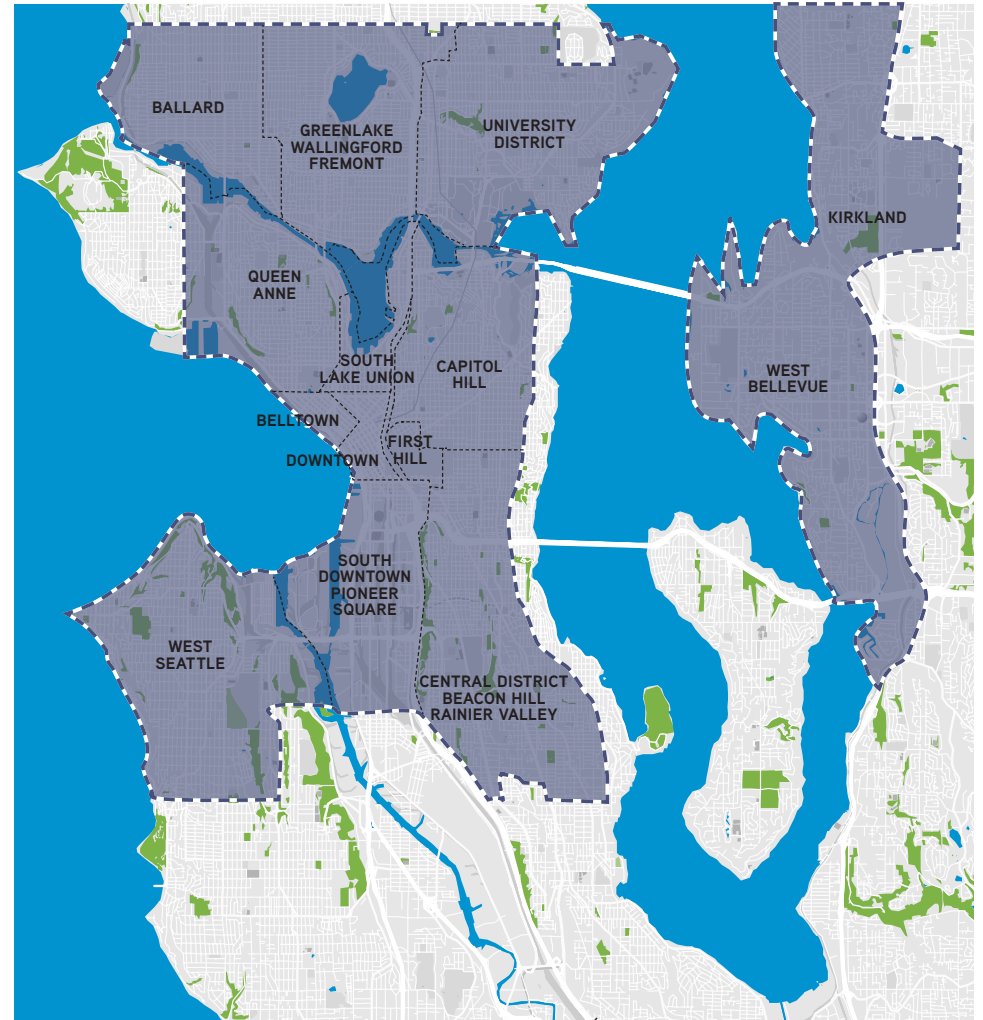
2015 YEAR IN REVIEW

SEATTLE'S URBAN NEIGHBORHOODS

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 reason 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.”

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)

MARKET FUNDAMENTALS

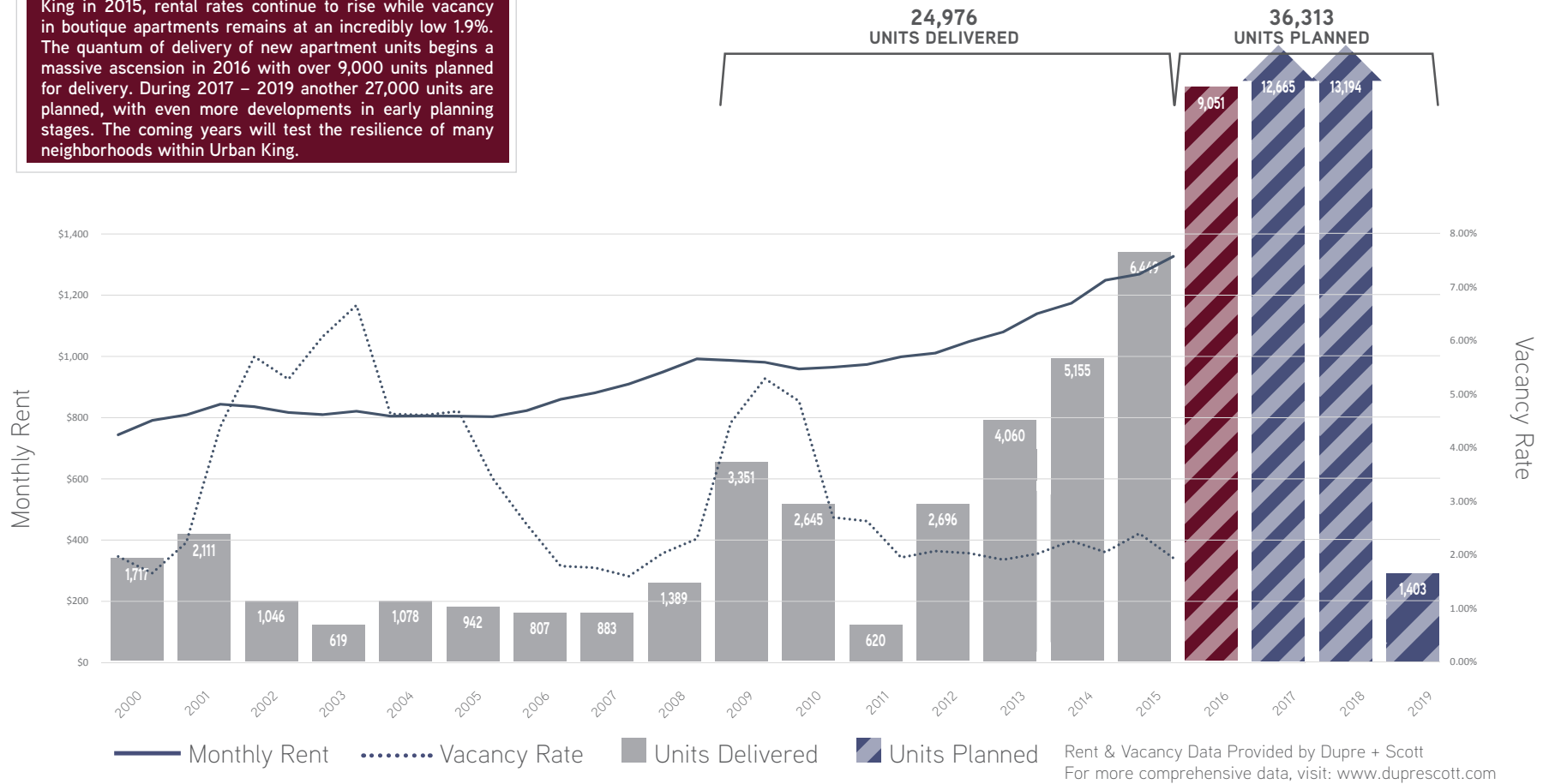
URBAN KING

2016 Seattle Neighborhood Apartment Market Study

OUR MARKET INSIGHT

Even with record delivery of new apartment units in Urban King in 2015, rental rates continue to rise while vacancy in boutique apartments remains at an incredibly low 1.9%. 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	\$1,327 AVG RENT PER UNIT ↑13.0%	\$2.04 AVG RENT PER SF ↑11.5%	1.9% CURRENT VACANCY ↓20BP
2014	\$1,249 AVG RENT PER UNIT	\$1.92 AVG RENT PER SF	2.1% CURRENT VACANCY



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)

9

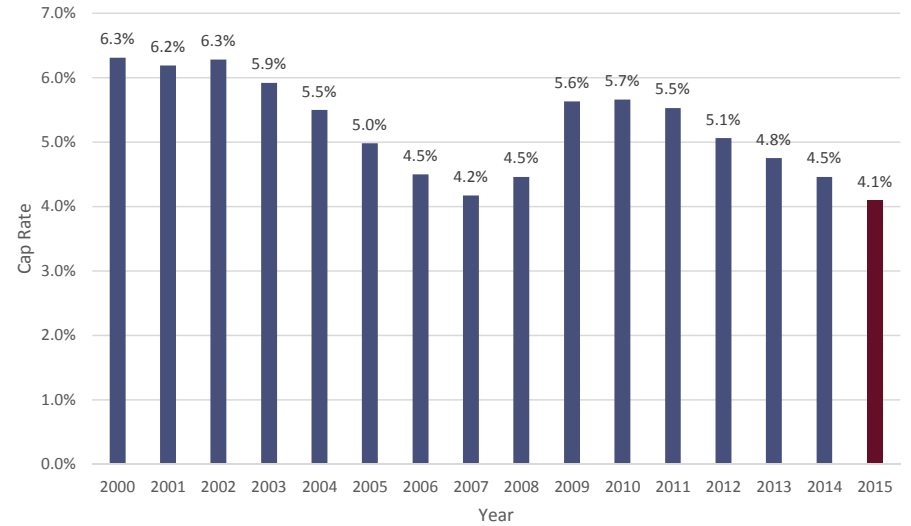
NINTH "greenest" city in America (Nerdwallet, 2015)

10

TENTH best city for singles (Nerdwallet, 2015)

2015 SALES & HISTORICAL SALES TRENDS

2000-2015 SALES TRENDS

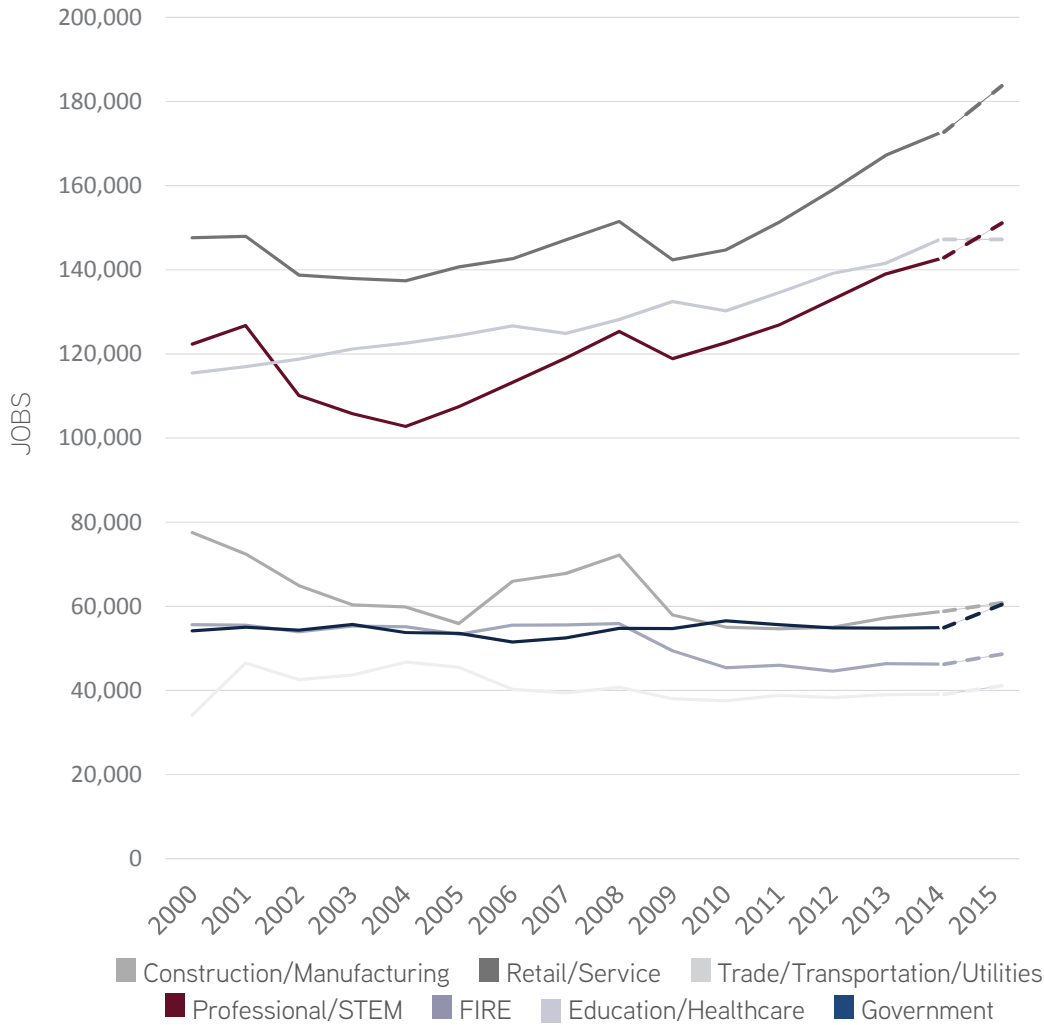


URBAN KING COUNTY: 5 UNIT TO 50 UNIT APARTMENT SALES

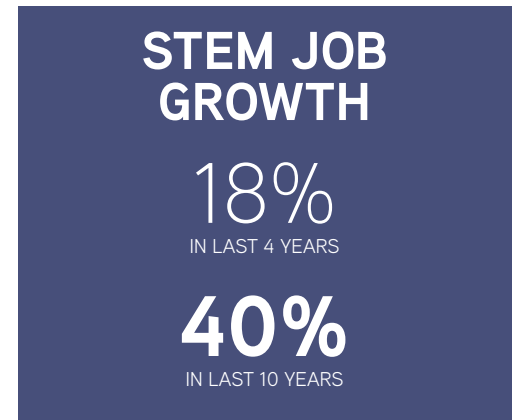
	2010	2011	2012	2013	2014	2015
Number of Sales	60	90	114	120	118	124
Total Sales Volume	\$85M	\$188M	\$264M	\$281M	\$343M	\$416M
Average PPU	\$127,282	\$133,474	\$147,870	\$181,118	\$192,284	\$241,154
Average PPSF	\$175	\$195	\$213	\$253	\$295	\$335
Average Cap Rate	5.7%	5.5%	5.1%	4.8%	4.5%	4.1%
Total Deliveries	2,645	620	2,696	4,060	5,155	6,449

Sales Data: 5-50 units

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.

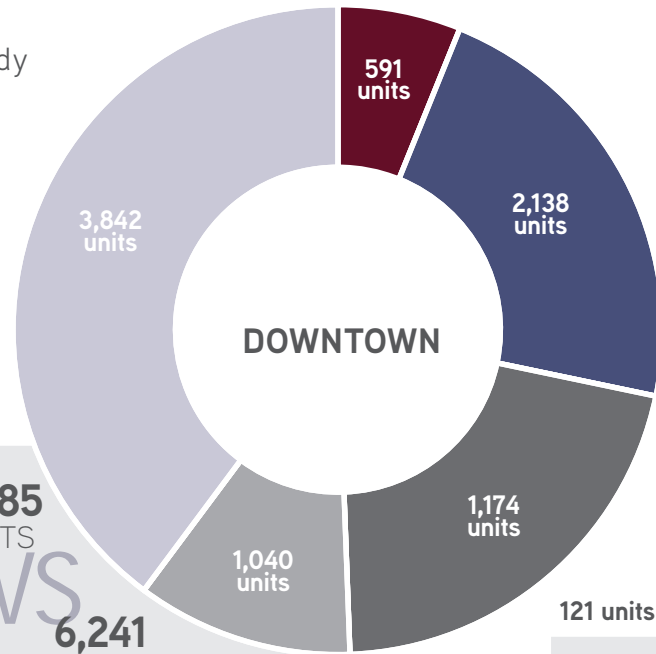


URBAN KING DEVELOPMENT PIPELINE

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

VS

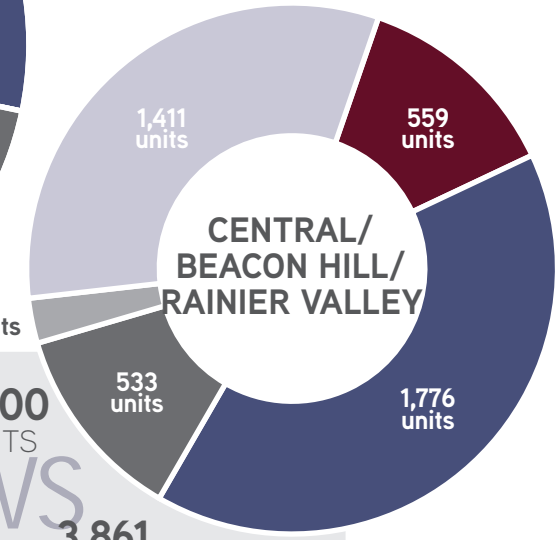
48,726
UNITS PLANNED
AS OF DEC 2014



8,785
UNITS

VS

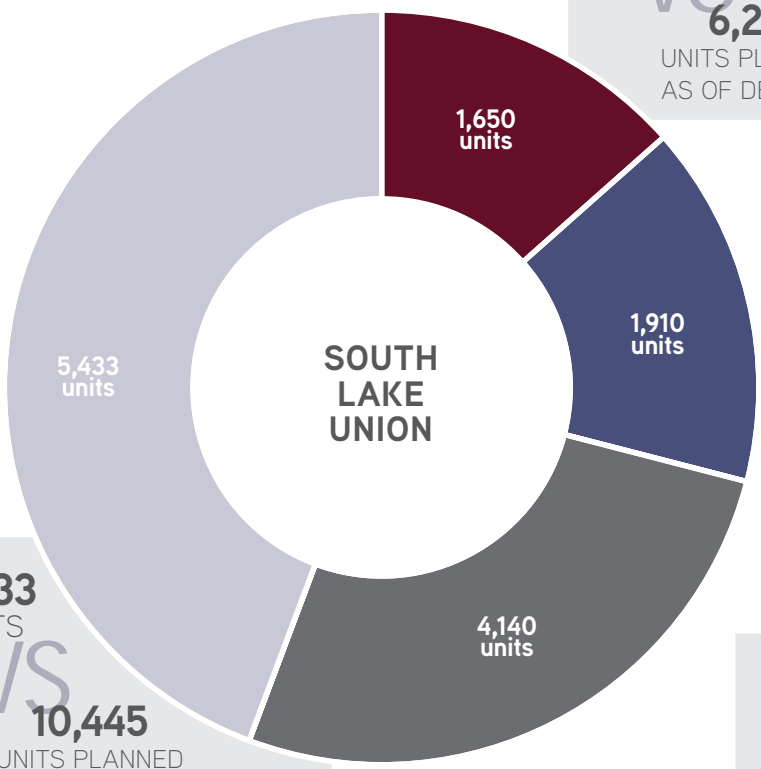
6,241
UNITS PLANNED
AS OF DEC 2014



4,400
UNITS

VS

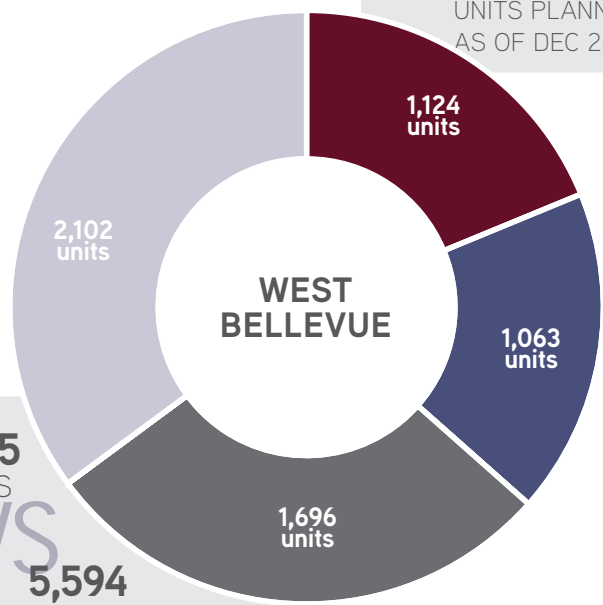
3,861
UNITS PLANNED
AS OF DEC 2014



13,133
UNITS

VS

10,445
UNITS PLANNED
AS OF DEC 2014



5,985
UNITS

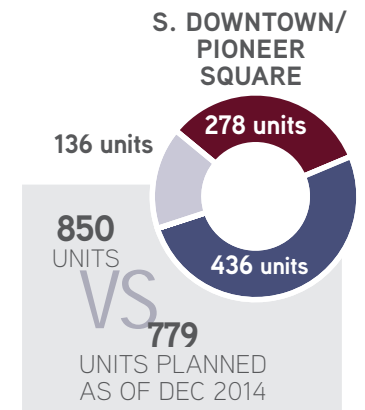
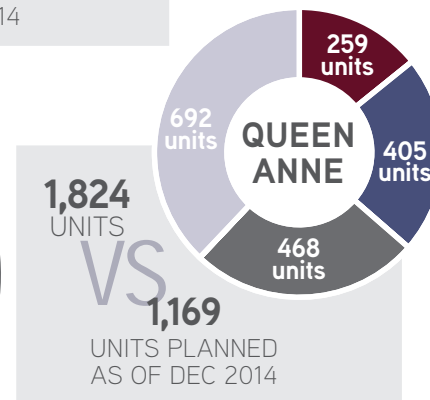
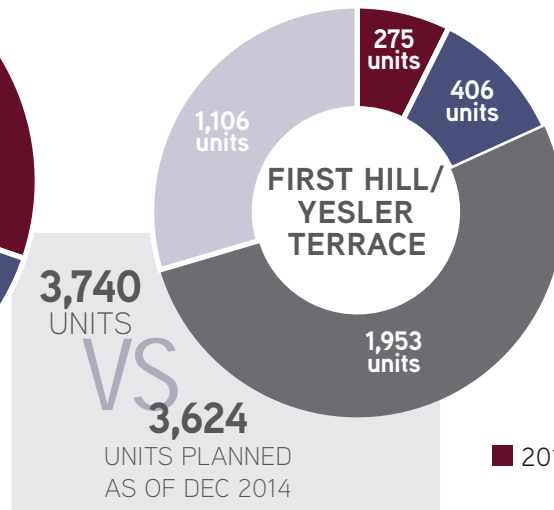
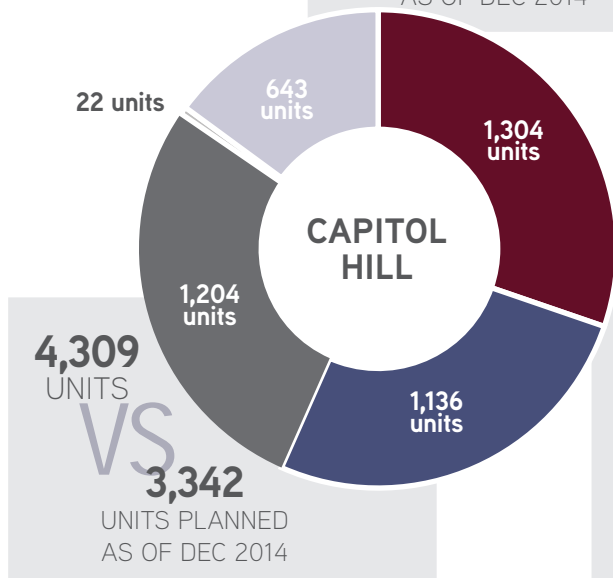
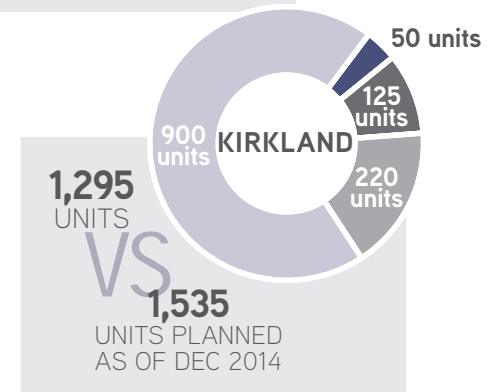
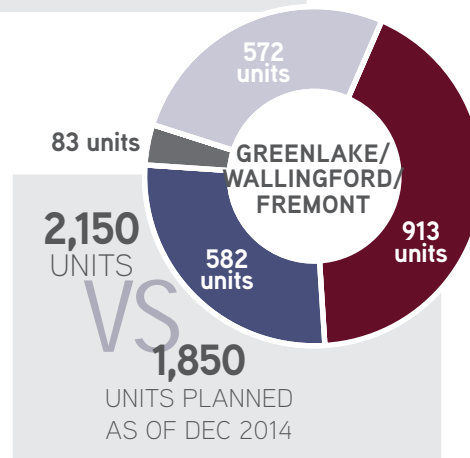
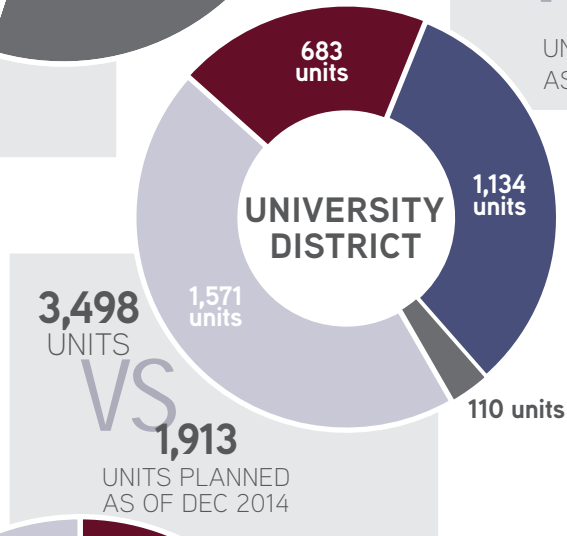
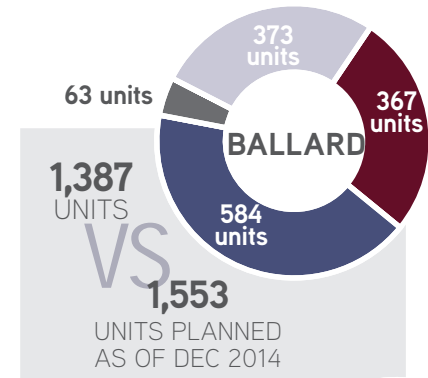
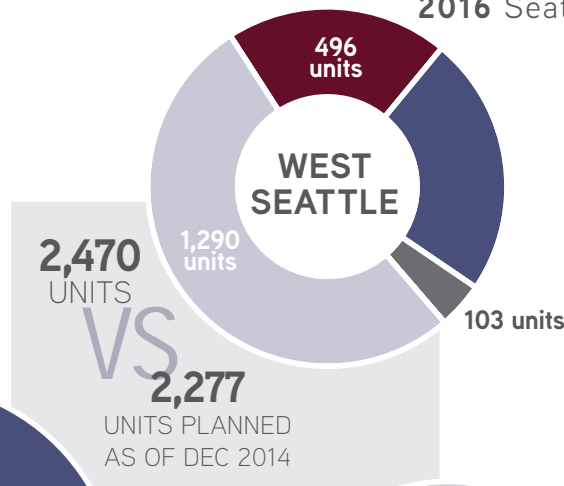
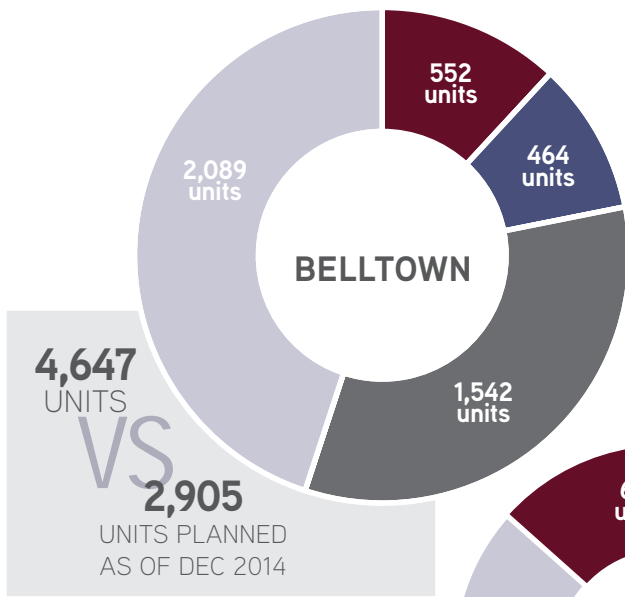
VS

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 ■ 2017 ■ 2018 ■ 2019 ■ FUTURE

HIGHLIGHTING APARTMENT MANAGEMENT

COMMUNITY IS KING

By: Chasten Fulbright, CPM

How the hell do you make a small building pencil when taxes are \$3k/unit and overall expenses are upwards of \$8k/unit? By creating community, that's how. I know that doesn't make any sense, but creating community allows rent to outpace expenses.

Creating community requires truly knowing who your target renter is. It's not some broad-reaching demographic that applies to large developments located at the heart of an employment center, it's knowing that character neighborhoods appeal to the personality of individuals. You have to know those individuals intimately and they have to guide your every decision.

Knowing your renter must guide the marketing. Plug and play marketing might move apartments, but it won't maximize rents. Marketing has to be as boutique as your renter and it has to fit them perfectly. You've gotta get them to the front door.

The front door has to appeal to the renter more than anything else. That front door is the architecture, it's the retail, it's the neighborhood itself. Retail has to be dialed into the renter and the neighborhood; failing on the retail front is a poison pill. No retail? No problem, as long as curb appeal has the property's strongest expression of value. Win them at the front door and everything else matters less, including price.

The exterior sets the brand, make sure it translates to the interior. A building that's all bark and no bite will not get the rents needed to outpace expenses.

Speaking of translation, let humans manage buildings instead of processes. When the tenant and the manager speak the same language, you win. And let these humans be professionals who make living wages. A discounted property manager is a liability. Explore opportunities to manage with fully-staffed buildings in the area.

Community is made this way. It's made when the target renter is truly known and the project responds well to their wants and needs. When that happens, price becomes secondary, and you can ask for more. When your income outpaces your expenses, projects not only work, but they flourish.

Chasten Fulbright is a Principal at Blanton Turner, a Seattle-based real estate consulting, marketing, and management firm dedicated to helping developers and investors differentiate their properties both in identity and profits.

 **Blanton Turner**

www.blantonturner.com

How to use this Market Study

Find

The neighborhood where you own apartments.
See pages 16-37 of this market study

Compare

The growth in your apartments per unit and per square foot value since 2014.

Locate

Nearby sales and planned developments and contact us for more information about your neighborhood.

Read



and

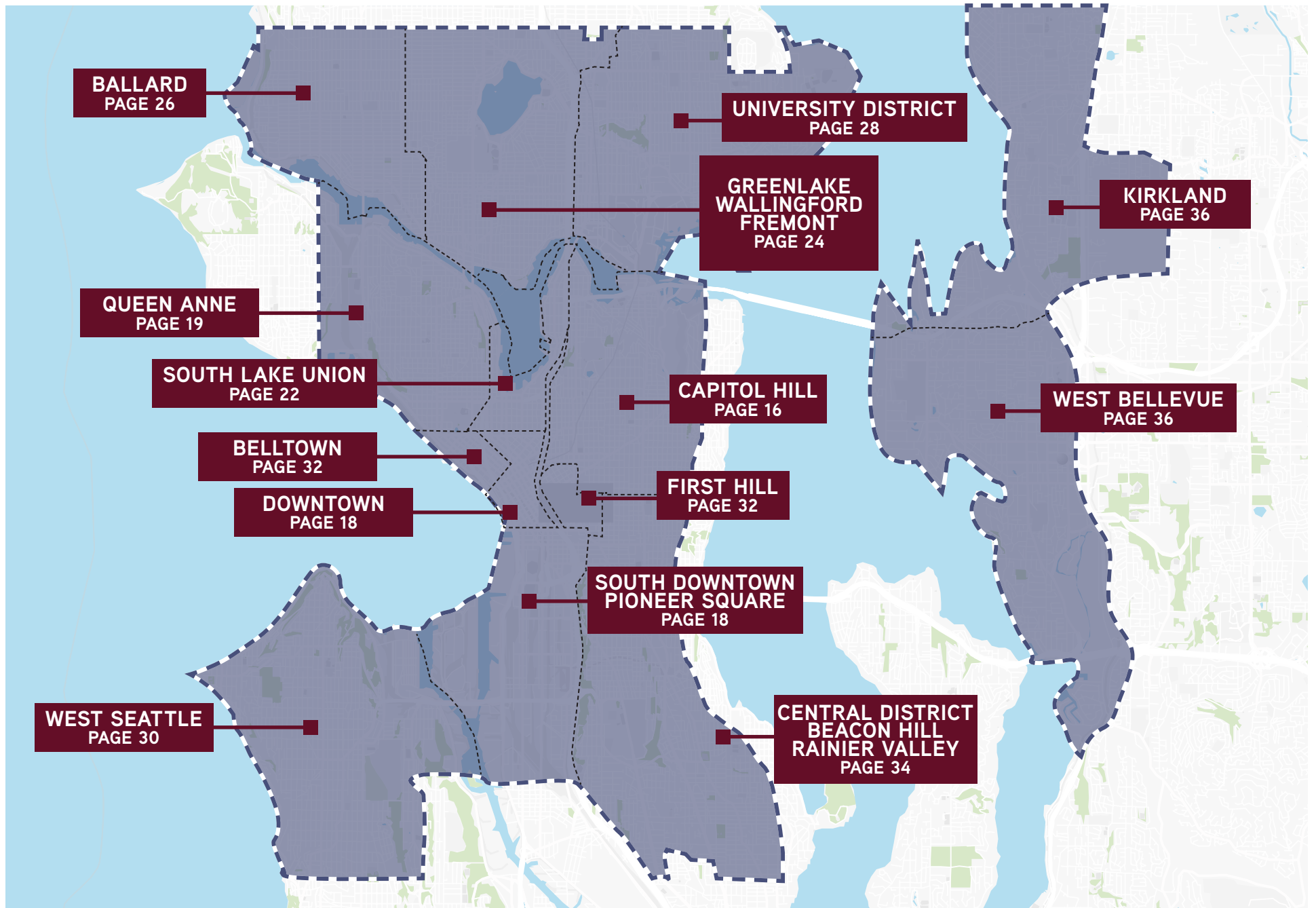


for a qualitative update.

Email

Us to find out what your apartment building is worth in 2016. Jerrid.Anderson@Colliers.com or Dylan.Simon@Colliers.com





2016 Seattle Neighborhood Apartment Market Study

Capitol Hill 2015 Sales



2015	\$265,774 AVG PRICE PER UNIT	24.6%	\$422 AVG PRICE PER SF	23.2%	4.0% CAP RATE	40BP
2014	\$213,318 AVG PRICE PER UNIT		\$342 AVG PRICE PER SF		4.4% CAP RATE	

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 19th & Mercer	526 19th Avenue E	2013	50	43,475	\$25,150,000	12/15/2015	\$503,000	\$578	4.0%	Mercer IV LLC Meriwether Partners
 Kensington Apartments	1627 Belmont Avenue	1914	33	27,000	\$3,396,700	11/20/2015	\$102,930	\$126	Unavailable	Plus One Properties Richard & Shirley Leckman
 East John Court	1415 E John Street	1900	6	2,499	\$1,280,000	10/23/2015	\$213,333	\$512	3.3%	Milestone Properties Westin L Johnson
 1150 10th Avenue E	1150 10th Avenue E	1955	6	3,542	\$1,100,000	9/30/2015	\$183,333	\$311	Unavailable	Wheeler Cap Hill LLC Peggy Chatburn O'Connor
 Oriana	416 Summit Avenue E	1928	10	7,620	\$2,680,000	9/30/2015	\$268,000	\$352	3.8%	Seattle Investors Group Oriana LLC Frederick Van Hoof
 Lancaster	704 E Thomas Street	1924	32	19,690	\$8,246,800	9/30/2015	\$257,713	\$419	3.6%	Naficy Investments George Frank
 Claringle	1803 E John Street	1910	13	7,438	\$3,493,500	9/4/2015	\$268,731	\$470	3.2%	Pang Family Trust Kevin MacPherson Living Trust
 Summit	1700 Summit Avenue	1963	20	9,317	\$4,125,000	7/28/2015	\$206,250	\$443	3.8%	Westlake Associates Ronald Mark Douglas
 Kaigani	3232 Fuhrman Avenue E	1960	5	5,024	\$1,632,000	7/17/2015	\$326,400	\$325	Unavailable	Paul & Sharon Ramey JRM Investments LLC
 Wellington	535 16th Avenue E	1929	25	15,386	\$8,095,000	7/17/2015	\$323,800	\$526	4.4%	XERAD II LLC Hamilton Urban Partners
 Celeste	304 E Olive Place	1906	15	8,394	\$2,450,000	6/30/2015	\$163,333	\$292	3.7%	Stratford Company Peterson Property Rentals LLC
 511 Maiden Avenue E	511 Maiden Avenue E	1909	6	5,096	\$2,000,000	6/30/2015	\$333,333	\$392	4.7%	Trimark Property Group Nicholas Corff
 Win Forever	615 E Mercer Street	1957	13	7,080	\$3,147,400	4/16/2015	\$242,108	\$445	4.6%	Westlake Associates Win Forever LLC
 Miller Park Flats	220 23rd Avenue E	1991	7	4,476	\$2,300,000	3/27/2015	\$328,571	\$514	5.3%	East Madison SPG 220 23rd LLC
AVERAGE		1940	17	10,681	\$4,935,457		\$265,774	\$422	4.0%	

**INVESTOR TIP**

Investors that bought properties in 2012 and sold them in 2015 realized massive gains, some more than doubling their original purchase price – often with minimum improvements. In Capitol Hill, the pricing of some vintage apartments are keeping pace newer product with pricing rising to over \$500 per net rentable square foot. Such strength in pricing is due to investor demand for boutique buildings with character, helping owners capture excellent rent gains.

Capitol Hill Development Pipeline



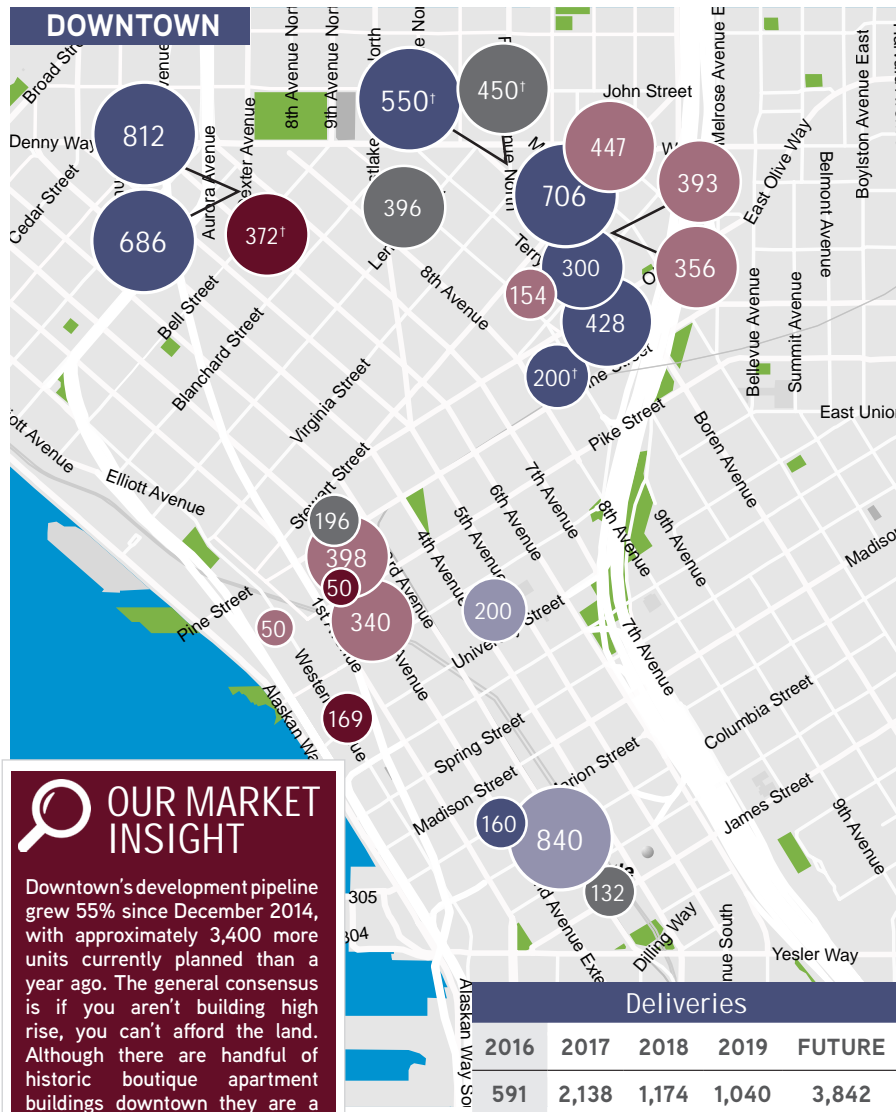
Deliveries				
2016	2017	2018	2019	FUTURE
1,304	1,136	1,204	22	643

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

*Indicates Micro. †Indicates Possible Condo.

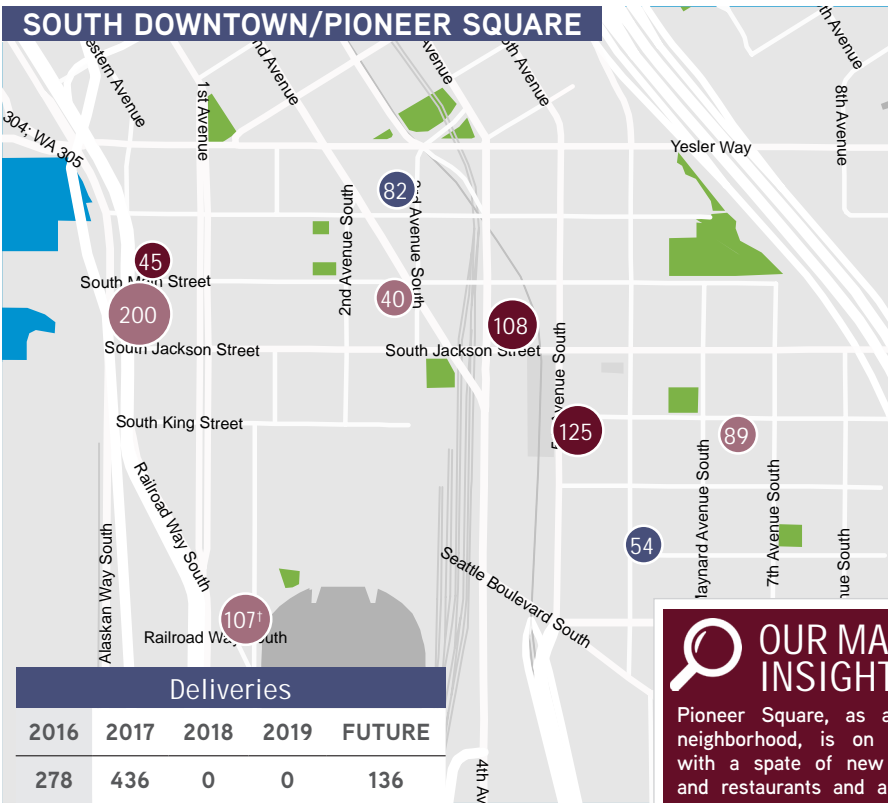


Downtown & South Downtown/Pioneer Square Developments



OUR MARKET INSIGHT

Downtown's development pipeline grew 55% since December 2014, with approximately 3,400 more units currently planned than a year ago. The general consensus is if you aren't building high rise, you can't afford the land. Although there are handful of historic boutique apartment buildings downtown they are a dying breed. We do not foresee many trades occurring in the future of downtown boutique apartment buildings.



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 but due to the lack of land and zoning we do not expect many boutique developments in the future.

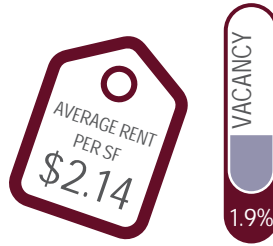
*Indicates Micro. †Indicates Possible Condo.

● 2016 ● 2017 ● 2018 ● 2019 ● FUTURE

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

2015 NO SALES

Queen Anne 2015 Sales



2015	\$265,233 AVG PRICE PER UNIT	28.6%	\$360 AVG PRICE PER SF	17.5%	3.8% CAP RATE	60BP
2014	\$206,314 AVG PRICE PER UNIT		\$306 AVG PRICE PER SF		4.4% CAP RATE	

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
57 W Etruria Street	57 W Etruria Street	1994	8	7,296	\$2,450,000	12/22/2015	\$306,250	\$336	3.3%	L & L Building II LLC FNWD Investment LLC
17 Etruria Street	17 Etruria Street	1977	9	6,030	\$2,800,000	12/1/2015	\$311,111	\$464	4.1%	Naoto Yotsugi Brian Branch
Bay Park Terrace	825 W Nickerson Street	1952	6	3,960	\$1,700,000	11/17/2015	\$283,333	\$429	Unavailable	Donald V & Bonnie J Romain Dale E Hicklin
Franco Villa	1108 9th Avenue W	1930	13	10,966	\$4,182,000	11/6/2015	\$321,692	\$381	2.9%	Metropolitan Companies Silvana Ho & David Ho
Lake Terrace	512 Newton Street	1957	24	13,752	\$6,249,400	10/22/2015	\$260,392	\$454	3.5%	Lake Terrace Apartments LLC Janet Lou Clarke
Queen Anne View	2845 14th Avenue W	1990	8	6,722	\$2,573,800	9/28/2015	\$321,725	\$383	4.0%	Top Spot LLC John R & Wendy R Hunter
Nob Hill Apartments	819 Nob Hill Avenue	1908	6	5,240	\$1,864,665	9/4/2015	\$310,778	\$356	3.0%	Nobi Hill 6 LLC Nob Hill LLC
4 Florentia Street	4 Florentia Street	1990	10	8,296	\$2,775,000	8/28/2015	\$277,500	\$334	4.2%	Shining Start Real Estate LLC Florentia Apartments LLC
2731 Nob Hill Avenue N	2731 Nob Hill Avenue N	1909	5	4,935	\$1,300,000	8/26/2015	\$260,000	\$263	3.7%	Qixin International LLC Catherine Crain
2635 Prosch Avenue W	2635 Prosch Avenue W	1955	7	3,360	\$1,200,000	8/17/2015	\$171,429	\$357	3.6%	Walls Property Management AI Management LLC
Anne Marie	310 Aloha Street	1909	10	4,325	\$1,850,000	8/7/2015	\$185,000	\$428	5.1%	Than Associates CRE Anne Marie LLC
Prestige Lane	512 5th Avenue W	1957	20	12,600	\$3,666,000	7/31/2015	\$183,300	\$291	2.3%	Meter Properties Laurence Gill
Atria Villa	1251 Taylor Avenue N	1978	26	26,620	\$9,489,600	7/30/2015	\$364,985	\$356	Unavailable	Columbia Partners Business Park LLC Adonis LLC
801 W McGraw Street	801 W McGraw Street	1957	8	4,806	\$1,949,200	7/16/2015	\$243,650	\$406	3.2%	Miki Oku Denholme Properties LLC
Whitely Manor	524 5th Avenue W	1966	15	18,315	\$5,027,000	6/30/2015	\$335,133	\$274	4.3%	5AW Property Investors LLC Anne Tonks

QUEEN ANNE

2016 Seattle Neighborhood Apartment Market Study

Queen Anne 2015 Sales (Continued)

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Sophia	607 W Galer Street	1927	15	10,470	\$4,896,833	6/30/2015	\$326,456	\$468	4.7%	Sophia Residential LLC Meter Properties
 Hillstone	2650 14th Avenue W	1955	9	6,756	\$2,075,000	6/15/2015	\$230,556	\$307	4.8%	Milestone Properties 14th Ave W LLC
 Boston Crest	215 Boston Street	1958	24	13,668	\$5,050,000	6/5/2015	\$210,417	\$369	3.2%	BC Property Investors LLC Margaret/Peggy Sheard
 14th Ave West	2821 14th Avenue W	1960	6	4,543	\$1,509,100	6/5/2015	\$251,517	\$332	5.1%	TKN World WA LLC 14th Avenue W LLC
 Tower	1404 3rd Avenue N	1931	15	9,924	\$2,635,000	5/29/2015	\$175,667	\$266	4.9%	Westlake Associates Julie Benson
 Landmark	677 W Emerson Street	1989	5	5,170	\$1,825,000	5/29/2015	\$365,000	\$353	4.7%	NZM Property No 2 LLC Thomas Knapp
 Eden Court	1233 Taylor Avenue N	1988	16	12,930	\$5,443,000	4/17/2015	\$340,188	\$421	5.1%	Envoy Apartments LLC InCity Properties
 Puget Vista	411 W Republican Street	1967	34	28,194	\$10,144,900	3/31/2015	\$298,379	\$360	4.7%	Puget Vista Alliance Investments LLC Stratford Company
 Los Altos & Saxon	303 W Olympic Place	1927	26	17,846	\$7,000,000	2/27/2015	\$269,231	\$392	2.6%	Richard T Leider Gary Eliassen
 1633 10th Ave W	1633 10th Avenue W	1905	6	3,472	\$939,350	2/23/2015	\$156,558	\$271	1.9%	10th Ave Apartments LLC Carolyn Bell Living Trust
 Clifwood	524 Highland Drive	1956	22	10,354	\$3,847,800	2/20/2015	\$174,900	\$372	3.6%	CJD Investments LLC Linda Smith
 Mercer Crest	500 W Mercer Street	1957	32	19,760	\$6,856,800	2/12/2015	\$214,275	\$347	3.9%	Mercer Crest LLC Gary Marshall
 Bonnie Arms	1418 2nd Avenue W	1948	13	11,474	\$3,797,400	1/15/2015	\$292,108	\$331	3.3%	Stratford Company 1418 2nd Ave W LLC
AVERAGE		1953	14	10,421	\$3,748,637		\$265,233	\$360	3.8%	

QUEEN ANNE

OUR MARKET INSIGHT

Queen Anne experienced the largest number of transactions out of all 145 urban Seattle neighborhoods in 2015, nearly doubling the number of sales in Capitol Hill. Pricing on a per-unit basis surged from an average price of \$206,314/unit in 2014 to \$265,233/unit in 2015. Rising rents and falling cap rates certainly pushed pricing to new highs.

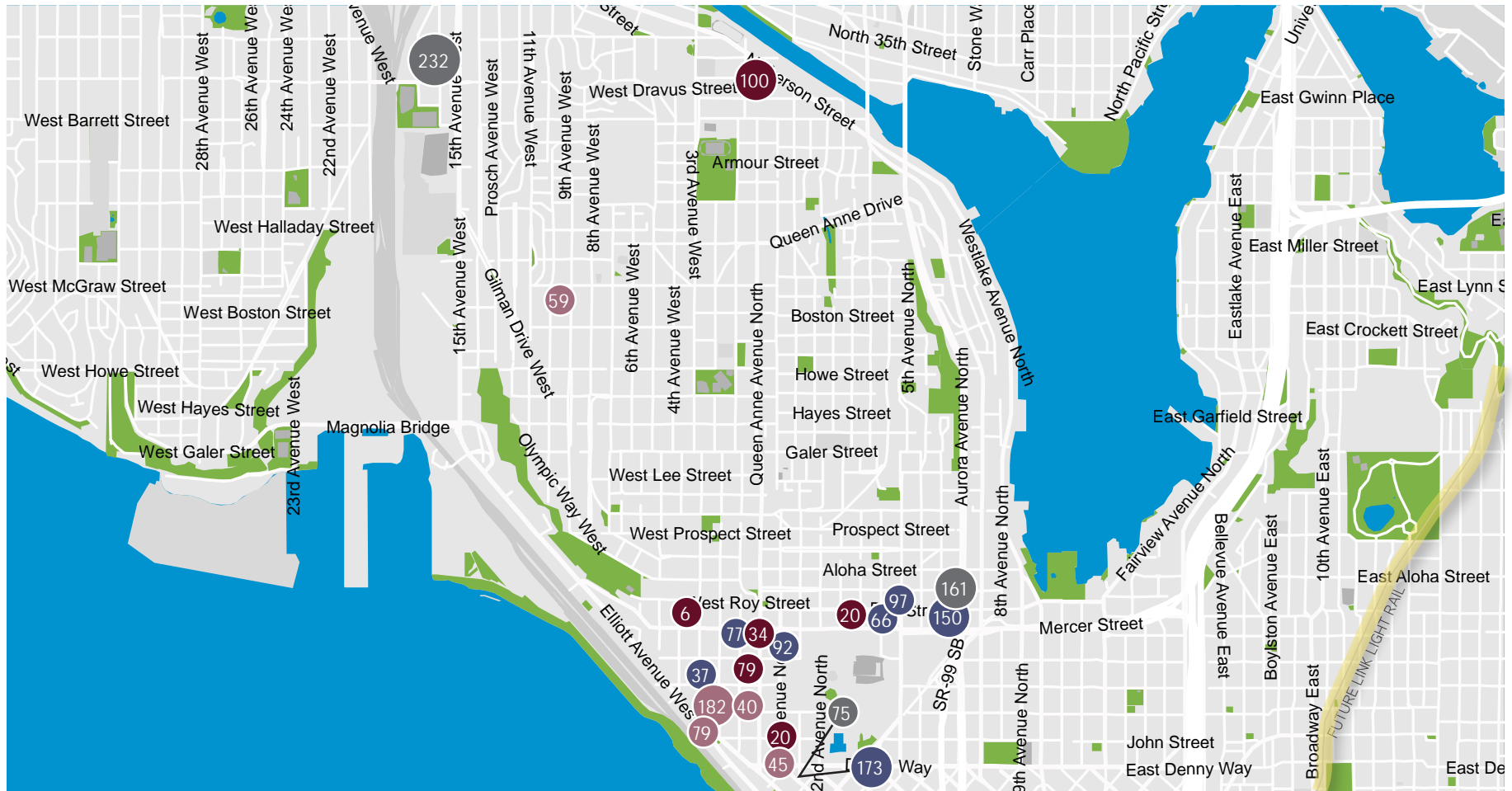
Queen Anne Development Pipeline



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.

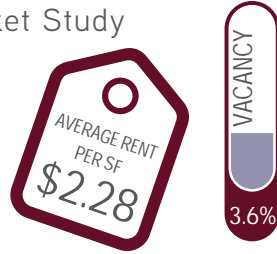


QUEEN ANNE

INVESTOR TIP

In 2015, apartment owners in Queen Anne looking to cash in on premiere sales metrics wisely exited when cap rates compressed below 4%. We predict similar sales to continue through 2016. If you are considering selling in the next two years, now is the time. Otherwise we suggest holding until past 2020 once the market has absorbed all of the new apartment units set for delivery during the next five years.

2016 Seattle Neighborhood Apartment Market Study
South Lake Union 2015 Sales



2015	NO SALES
2014	NO SALES

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
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NO 5 UNIT TO 50 UNIT SALES

AVERAGE

OUR MARKET INSIGHTS

Although there were no boutique apartment transactions in South Lake Union it was the most active investment neighborhood for buildings larger than 50 units, half of which sold for well over \$100,000,000. Given a development pipeline of over 13,000 units in South Lake Union, we expect a large volume of apartment transactions in the coming years.






INVESTOR TIP

We expect aggressive buyers will pay record pricing for boutique apartment buildings located on the Dexter corridor as rental rates for the smaller vintage buildings draft off of the greater than \$3.50/square foot rental rates of new apartment development in South Lake Union. As Chasten from Blanton Turner mentioned on Page 12, owners that build a sense of community in their apartment buildings will control the most stable and profitable apartment buildings in this market.

Eastlake 2015 Sales

2015	\$298,129 AVG PRICE PER UNIT	18.8%	\$385 AVG PRICE PER SF	6.2%	3.4% CAP RATE	100%
2014	\$251,037 AVG PRICE PER UNIT		\$363 AVG PRICE PER SF		4.4% CAP RATE	

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Gladstone	2038 Yale Avenue E	1928	6	5,376	\$1,850,000	12/21/2015	\$308,333	\$344	2.4%	Plus One Properties Hammock Family LLC
 Yale	2032 Yale Avenue E	1930	12	9,030	\$4,773,800	10/28/2015	\$397,817	\$529	4.1%	Yale Apartments LLC Plus One Properties
 Yates	2355 Eastlake Avenue E	1928	26	17,323	\$4,894,200	10/26/2015	\$188,238	\$283	3.8%	Toran Real Estate Investments LLC Laura F Stockwell
AVERAGE		1982	14	10,576	\$3,839,333		\$298,129	\$385	3.4%	

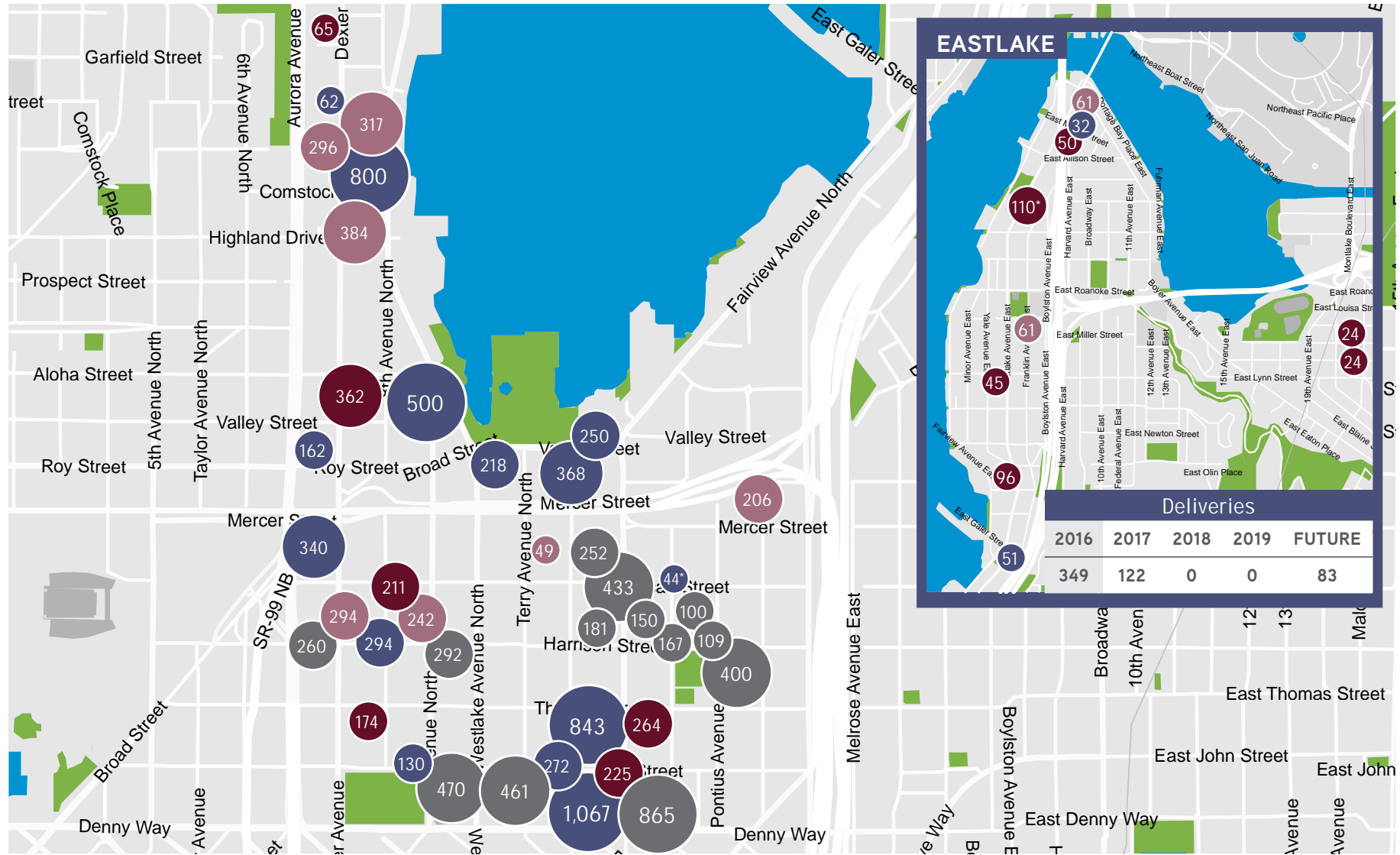
South Lake Union Development Pipeline



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.



2016 Seattle Neighborhood Apartment Market Study

Greenlake/Wallingford/Fremont 2015 Sales



2015	\$258,902 AVG PRICE PER UNIT	29.4%	\$354 AVG PRICE PER SF	14.4%	4.2% CAP RATE	30BP
2014	\$200,058 AVG PRICE PER UNIT		\$309 AVG PRICE PER SF		4.5% CAP RATE	

GREENLAKE/
WALLINGFORD/FREMONT

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
Fremont Five	110 NW 39th Street	1960	5	3,264	\$1,100,000	12/7/2015	\$220,000	\$337	4.4%	W Eric & Ruth E Johnson Julie Freise
Lisa Carol	4405 Corliss Avenue N	1926	19	13,944	\$3,900,000	11/24/2015	\$205,263	\$280	3.7%	Collin Hagstrom Julie Benson
Miranda Place	4451 Midvale Avenue N	1966	9	9,440	\$3,575,000	11/17/2015	\$397,222	\$379	5.0%	Miranda Place Apartments LLC Plus One Properties
Casa Barbara Apartments	730 N 85th St	1971	16	15,153	\$3,171,800	11/9/2015	\$198,238	\$209	Unavailable	Cadence Capital Hope Soley
42nd Street	951 N 42nd Street	1962	18	14,421	\$3,590,000	10/29/2015	\$199,444	\$249	4.1%	Collin Hagstrom 42nd Street Investors LLC
411 N 44th Street	411 N 44th Street	1965	8	4,995	\$2,230,000	10/19/2015	\$278,750	\$446	4.4%	Lorentzen McCreedy Properties LLC Collin Hagstrom
Herzig	4301 Fremont Avenue N	1927	7	7,001	\$2,670,000	8/21/2015	\$381,429	\$381	4.1%	Robert McConaughty Thomas Backus
North Greenlake	1121 N 91st Street	1986	15	5,740	\$2,895,000	8/15/2015	\$193,000	\$504	Unavailable	AET Homes LLC GSR Capital-North Greenlake LLC
Park Six	1400 N 46th Street	1953	6	3,600	\$1,575,000	6/16/2015	\$262,500	\$438	4.3%	RNK Eastside LLC Lemkin Holdings LLC
Wallingford View	4314 Winslow Place N	1968	5	3,612	\$1,210,000	6/9/2015	\$242,000	\$335	3.8%	Walls Property Management Melia Scranton
Standard at Fremont	3636 Dayton Avenue N	1967	13	9,536	\$4,772,400	6/3/2015	\$367,108	\$500	4.7%	YS Denzai Co Ltd Meter Properties
4208 Phinney Avenue N	4208 Phinney Avenue N	1967	5	3,250	\$1,038,800	5/15/2015	\$207,760	\$320	3.4%	Julie Beall Kristine Springer
Stone6	4611 Stone Avenue N	1957	6	2,840	\$977,500	4/15/2015	\$162,917	\$344	4.5%	Whitman 2014 LLC Casey Ann Gibson
7000 Greenwood Ave N	7000 Greenwood Avenue N	1953	5	6,687	\$1,545,000	1/15/2015	\$309,000	\$231	Unavailable	7000 Greenwood Avenue N LLC Owl of Minerva Partnership Association
AVERAGE		1959	10	7,392	\$2,446,464		\$258,902	\$354	4.2%	

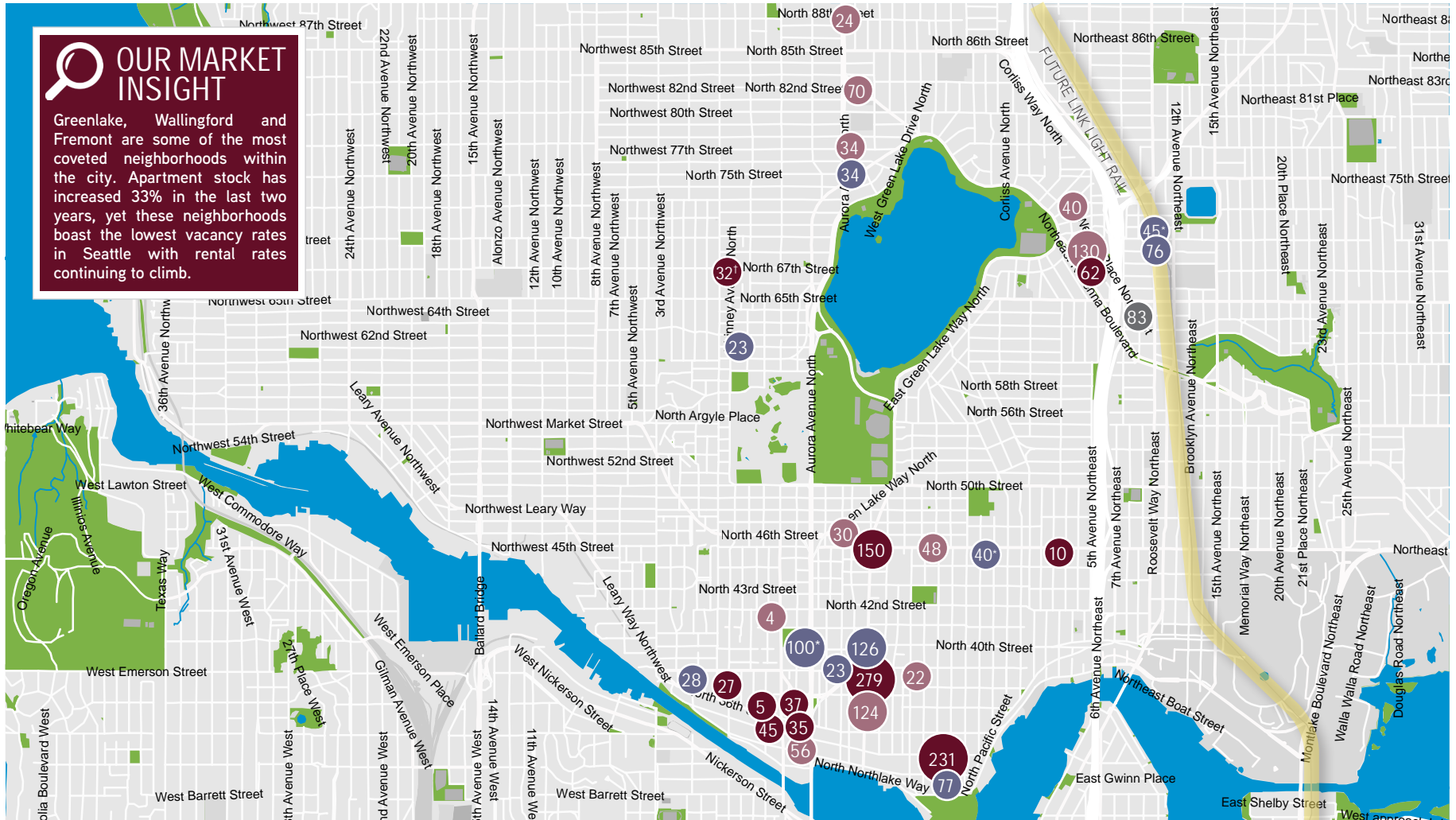
Greenlake/Wallingford/Fremont Development Pipeline



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

INVESTOR TIP Investors clearly took notice of the low vacancy rates in Greenlake/Wallingford/Fremont in 2015. A true 1950s and 1960s boutique boom took place with 10 buildings trading in just 12 months at nearly \$260,000 per unit! This average is even more impressive when you factor in how many of these buildings are in need of substantial renovations. Buyers proved they cared less about current income and more about the location of these older buildings by paying truly market-setting prices.

2016 Seattle Neighborhood Apartment Market Study

Ballard 2015 Sales



2015	\$237,319 AVG PRICE PER UNIT	↑17.7%	\$334 AVG PRICE PER SF	↑21.9%	4.0% CAP RATE	↑20BP
2014	\$201,643 AVG PRICE PER UNIT		\$274 AVG PRICE PER SF		3.8% CAP RATE	

	Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
	Lynndale	6401 20th Avenue NW	1958	11	7,029	\$1,850,000	12/31/2015	\$168,182	\$263	3.4%	Stratford Company Lynndale Apartments LLC
	Victoria	2237 NW 59th Street	1965	6	4,172	\$1,505,000	12/22/2015	\$250,833	\$361	3.6%	Walls Property Management R & D Robinson LLC
	6201 11th Ave NW	6201 11th Avenue NW	1958	6	3,060	\$1,215,000	11/20/2015	\$202,500	\$397	3.5%	The Campbellina LLC AIC 6201-11 LLC
	6231 5th Avenue NW	6231 5th Avenue NW	1957	6	3,900	\$1,550,000	11/6/2015	\$258,333	\$397	4.1%	The Shrimpton LLC 6231 A & D LLC
	Arlene's	2407 59th Avenue NW	1958	6	4,523	\$1,500,000	10/2/2015	\$250,000	\$332	3.2%	Walls Property Management Donald Fabian
	Scandia	6202 22nd Avenue NW	1908	8	4,800	\$1,842,000	9/4/2015	\$230,250	\$384	4.7%	Scandia Apts LLC Scandia Apartments LLC
	2216 NW 59th Street	2216 NW 59th Street	1970	6	4,575	\$1,635,000	7/29/2015	\$272,500	\$357	3.6%	Dean Family NW Joint Venture LLC Daid Yarno
	Heights	7522 24th Avenue NW	1967	6	5,991	\$1,423,800	6/26/2015	\$237,300	\$238	2.9%	Walls Property Management Aylward Family LLC
	Duo	8026 15th Avenue NW	2014	25	14,265	\$5,970,833	6/2/2015	\$238,833	\$419	4.4%	Trimark Property Group Goodman Real Estate
	Vikingstad	2226 NW 62nd Street	1989	8	4,790	\$1,860,000	5/19/2015	\$232,500	\$388	4.0%	Gary Gallagher Sylvia Vikingstad
	Bay Vista	2616 NW 56th Street	1991	12	10,968	\$3,797,000	5/15/2015	\$316,417	\$346	5.2%	PBJ&K LLC Cadence Capital
	Ballard Heights	1507 NW 64th Street	1966	5	4,480	\$1,390,000	4/8/2015	\$278,000	\$310	5.2%	Ballard Glen LLC Cadence Capital
	Market North	1145 NW 63rd Street	1967	7	6,340	\$1,675,000	2/27/2015	\$239,286	\$264	5.3%	T and Z Properties LLC Market North Apartments
	222 NW 70th Street	222 NW 70th Street	1955	5	3,400	\$960,000	2/24/2015	\$192,000	\$282	2.8%	Woodland Park Properties LLC Yerger Properties LLC
	Samantha Sue	8355 16th Avenue NW	1952	7	4,867	\$1,350,000	1/9/2015	\$192,857	\$277	4.2%	Sam-Sue LLC Ralph Moorman
AVERAGE			1965	8	5,811	\$1,968,242		\$237,319	\$334	4.0%	

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 apartment 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 boutique buildings remains below 2.0%. The volume of development in Ballard is beginning to taper, yet an additional 1,387 units are still planned.

INVESTOR TIP

2015 was a year of small transactions in Ballard, with over half of all sales consisting of five and six unit buildings. While the Ballard apartment stock has doubled, vacancy in boutique buildings remains well below 2.0% which is why private investors are still bullish on the area. What some owners don't realize is that investors are willing to pay a higher price than ever before as this market matures into one of the strongest neighborhoods for apartment investments. The character of the neighborhood has attracted a whole new renter class and the imminence of office development will make it one of the few 18-Hour neighborhoods in Seattle.



2016 Seattle Neighborhood Apartment Market Study

University District 2015 Sales



2015	\$239,786 AVG PRICE PER UNIT	22.7%	\$330 AVG PRICE PER SF	8.8%	4.2% CAP RATE	50BP
2014	\$195,365 AVG PRICE PER UNIT		\$303 AVG PRICE PER SF		3.7% CAP RATE	

UNIVERSITY DISTRICT

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
2907 NE 52nd Street	2907 NE 52nd Street	1963	11	6,600	\$2,150,000	12/10/2015	\$195,455	\$326	3.5%	Larch Properties Arkills Family LP
Ravenna Townhomes	4745 Ravenna Avenue NE	1976	5	5,543	\$1,840,000	10/26/2015	\$368,000	\$332	5.5%	ERN LLC Plus One Property
711 NE 43rd Street	711 NE 43rd Street	1928	5	3,955	\$1,013,000	10/7/2015	\$202,600	\$256	Unavailable	Maldiz Investments LLC James C Heath
4229 11th Avenue NE	4229 11th Ave NE	1994	5	4,039	\$1,515,500	8/28/2015	\$303,100	\$375	4.1%	Cx3 U-District LLC Nelson and Polly Management
Lynmar	5227 Brooklyn Avenue NE	1957	16	8,246	\$2,950,000	6/5/2015	\$184,375	\$358	4.6%	Brooklyn West Properties LLC Allawatt Homes LLC
University View	5236 22nd Avenue NE	1958	33	16,776	\$5,092,821	5/28/2015	\$154,328	\$304	4.2%	Milestone Properties Suhrco Management
4249 9th Avenue NE	4249 9th Avenue NE	1906	6	3,285	\$1,400,000	4/6/2015	\$233,333	\$426	Unavailable	Yueh C Liu Dick T Chow
Silver	4134 11th Avenue NE	1926	10	8,329	\$2,775,000	1/30/2015	\$277,500	\$333	4.4%	Stratford Company Patricia Engberg
Burdot	5243 22nd Avenue NE	1952	6	5,450	\$1,675,000	1/9/2015	\$279,167	\$307	4.4%	Cayuga LLC LMAR LLC
AVERAGE		1951	10	6,914	\$2,267,925		\$244,206	\$335	4.4%	

ROOSEVELT

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
North Towne Manor	858 NE 67th Street	1958	30	21,549	\$6,000,000	9/30/2015	\$200,000	\$278	3.0%	InCity Properties Sunti Achara & Tiparat Chaichittananond
AVERAGE		1958	30	21,549	\$6,000,000		\$200,000	\$278	3.0%	



INVESTOR TIP

As the Light rail station nears completion, our team predicts that the Roosevelt boutique apartment sales market will experience more growth than any neighborhood in the next few years. Roosevelt is truly becoming a "Main & Main" location, boasting great transit, retail and walkable amenities. If you own an apartment in this market, please call us for a valuation so you can take advantage of the rapid value growth this market is soon to experience.

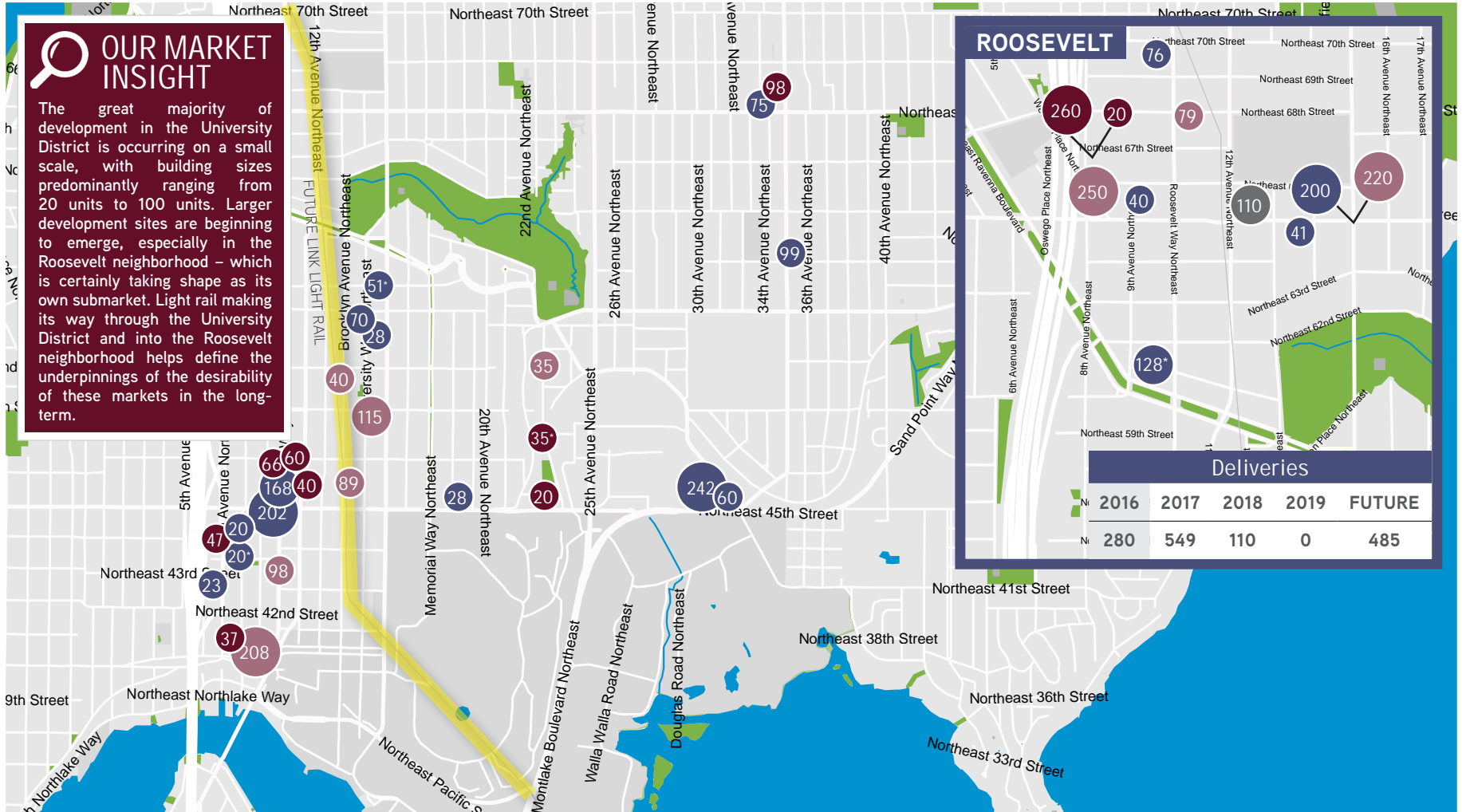
University District Development Pipeline



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.



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.

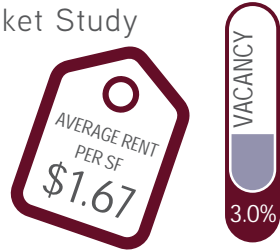
ROOSEVELT

Deliveries				
2016	2017	2018	2019	FUTURE
280	549	110	0	485

UNIVERSITY DISTRICT

2016 Seattle Neighborhood Apartment Market Study

West Seattle 2015 Sales



Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
Halcyon Apartments	7060 Lincoln Park Way Sw	1968	23	18,244	\$5,446,400	12/1/2015	\$236,800	\$299	Unavailable	Hoyt Street Properties HIT Wealth LLC
Harbor Townhomes	2371 Harbor Avenue SW	2011	7	12,580	\$2,773,500	12/28/2015	\$396,214	\$220	3.3%	Jason Kono - The Foundation Group Peter Zlotnick
Hamilton	3040 SW Avalon Way	1978	6	2,871	\$880,000	12/4/2015	\$146,667	\$307	3.9%	LZ Center LLC Randall Newell
West 206	2301 California Avenue SW	1988	38	26,052	\$8,475,000	11/2/2015	\$223,026	\$325	4.8%	West 206 Alliance Investments LLC Security Properties
Lincoln Park Court	7317 Bainbridge Place SW	1957	5	3,200	\$750,000	10/14/2015	\$150,000	\$234	4.1%	0330 LLC William M Gain
Palm	6511 35th Avenue SW	1958	10	6,000	\$1,127,500	8/14/2015	\$112,750	\$188	4.8%	Mr Shine Properties LLC Blue Fern Residential
Sharon Lynn Apartments	5200 Fauntleroy Way SW	1956	13	8,974	\$1,948,700	7/31/2015	\$149,900	\$217	3.3%	First Commercial Property Sharon Enga Living Trust
6332 42nd Ave SW	6332 42nd Avenue SW	1978	5	3,222	\$760,000	5/21/2015	\$152,000	\$236	4.0%	Jo-Elaine Akemi Matsumoto Karen & James Kempton
3306 Beach Dr SW	3306 Beach Drive SW	1991	7	7,002	\$2,515,000	5/15/2015	\$359,286	\$359	2.7%	Plus One Properties Brown Family Trust
Beachwood	4027 Beach Drive SW	1901	10	9,506	\$2,965,000	4/15/2015	\$296,500	\$312	3.5%	Beachwood Investments LLC Beachwood West LLC
Avalon West	3250 SW Avalon Way	1991	26	18,644	\$5,380,000	3/26/2015	\$206,923	\$289	3.9%	Avalon West Partners LLC 3250 LLC
Westside II	3236 SW Avalon Way	1991	26	18,639	\$5,246,150	3/11/2015	\$201,775	\$281	3.9%	Seacliff Westside II LLC 3236 LLC
Dorchester	4857 Fauntleroy Way SW	1957	12	6,600	\$1,598,800	2/23/2015	\$133,233	\$242	4.4%	The McKay Apartments LLC Dorchester Apartments LLC
Skylark	4830 California Avenue SW	1922	7	7,627	\$1,750,000	1/6/2015	\$250,000	\$229	4.3%	John Soudas Skylark Apartments LLC
Cal-Aire	7010 California Avenue SW	1958	6	3,040	\$870,000	1/5/2015	\$145,000	\$286	Unavailable	Lime Hill Properties LLC Thomas Patrick & Patricia Henry
AVERAGE		1967	13	10,147	\$2,832,403		\$210,672	\$268	3.9%	

WEST SEATTLE

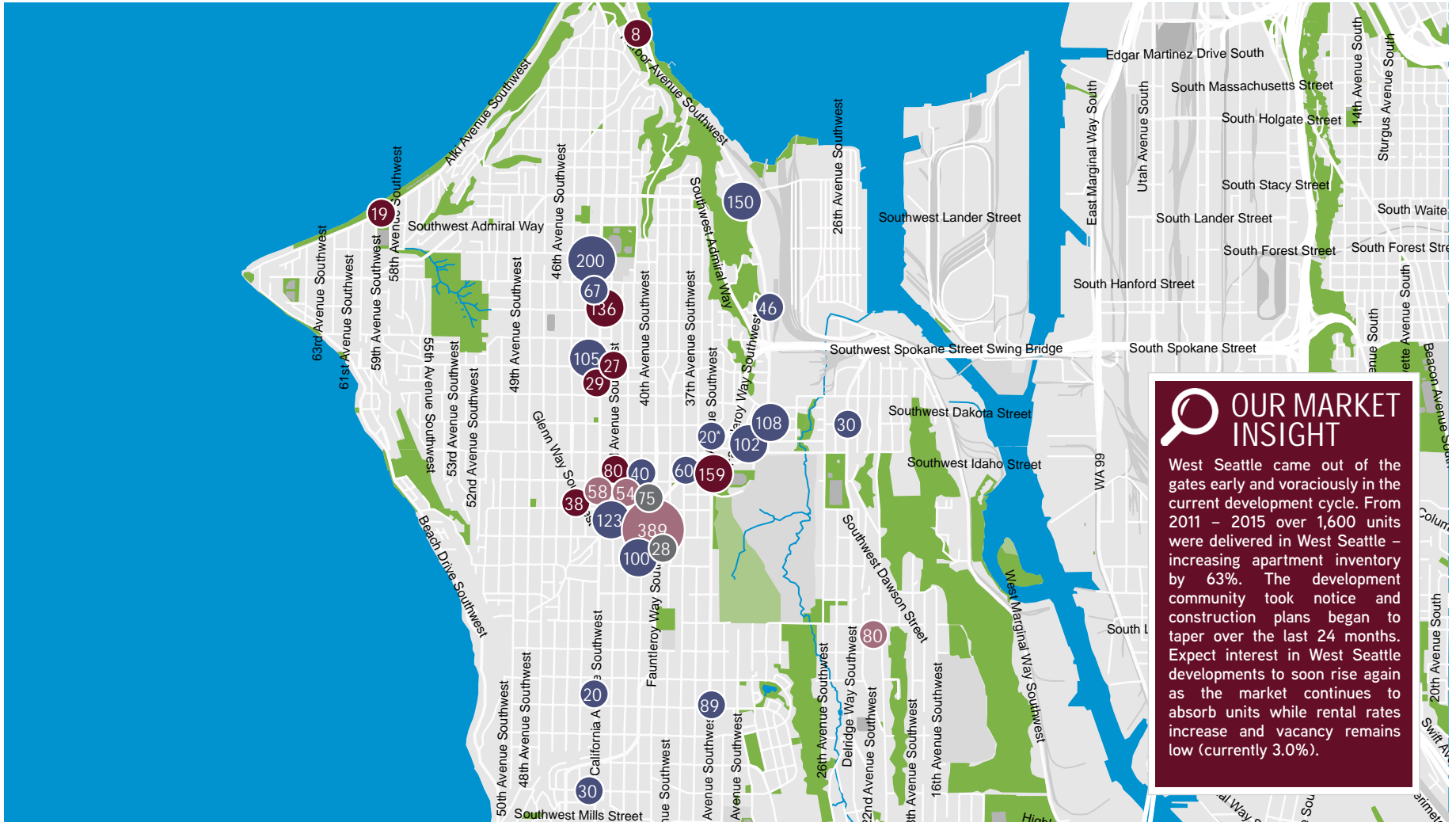
West Seattle Development Pipeline



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

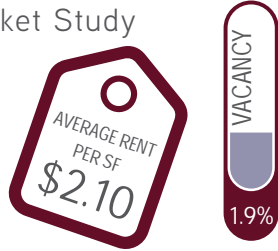
West Seattle came out of the gates early and voraciously in the current development cycle. From 2011 – 2015 over 1,600 units were delivered in West Seattle – increasing apartment inventory by 63%. The development community took notice and construction plans began to taper over the last 24 months. Expect 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 3.0%).

INVESTOR TIP West Seattle's boutique sales metrics are not quite on pace with other core neighborhoods. The reason for this is a large stock of older apartments receiving well below market rental rates. With another explosion of development set for 2016 and 2017, this is a great neighborhood to invest. While some rehab may be necessary, the name of the game is efficient management allowing you to increase rental rates while drafting off of high rental rates of new developments.



WEST SEATTLE

2016 Seattle Neighborhood Apartment Market Study

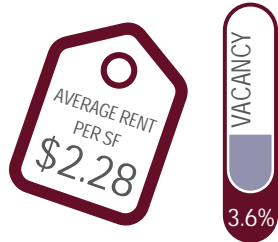
First Hill/Yesler Terrace
2015 Sales



2015	\$198,473 AVG PRICE PER UNIT	0%	\$328 AVG PRICE PER SF	16.6%	4.9% CAP RATE	40BP
2014	\$198,804 AVG PRICE PER UNIT		\$393 AVG PRICE PER SF		4.5% CAP RATE	

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Broadmore	423 Terry Avenue	1911	33	31,200	\$9,150,000	11/2/2015	\$277,273	\$293	4.1%	423 Terry Partners LLC Cadence Capital
 Envoy	821 9th Avenue	1925	44	14,520	\$5,265,600	4/17/2015	\$119,673	\$363	5.6%	Collin, Jillian & Curran Hagstrom/Giovanni & Cheryl Napoli Richard Barsotti
AVERAGE		1918	39	22,860	\$7,207,800		\$198,473	\$328	4.9%	

Belltown 2015 Sales



2015	\$327,617 AVG PRICE PER UNIT	108%	\$517 AVG PRICE PER SF	76.0%	5.1% CAP RATE	10BP
2014	\$157,180 AVG PRICE PER UNIT		\$294 AVG PRICE PER SF		5.2% CAP RATE	

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 N-Habit Belltown	2217 3rd Avenue	2014	49	31,058	\$16,053,225	9/30/2015	\$327,617	\$517	5.1%	SARES-REGIS Group Daly Partners
AVERAGE		2014	49	31,058	\$16,053,225		\$327,617	\$517	5.1%	

OUR MARKET INSIGHTS

- » The FIRST HILL market was one of the few markets that realized a price reduction on per unit and square foot basis in 2015. The lack of price escalation was likely due to low transaction volume. The few trades included apartments in need of substantial renovations to reach competitive market rental rates, illustrating lower purchase prices.
- » BELLTOWN'S zoning and waterfront location provides an ideal opportunity for high-rise development. This is also why there are very few small building sales. *Existing* vintage building sales will *likely* result in redevelopment when they are sold.



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.

First Hill/Belltown Development Pipeline



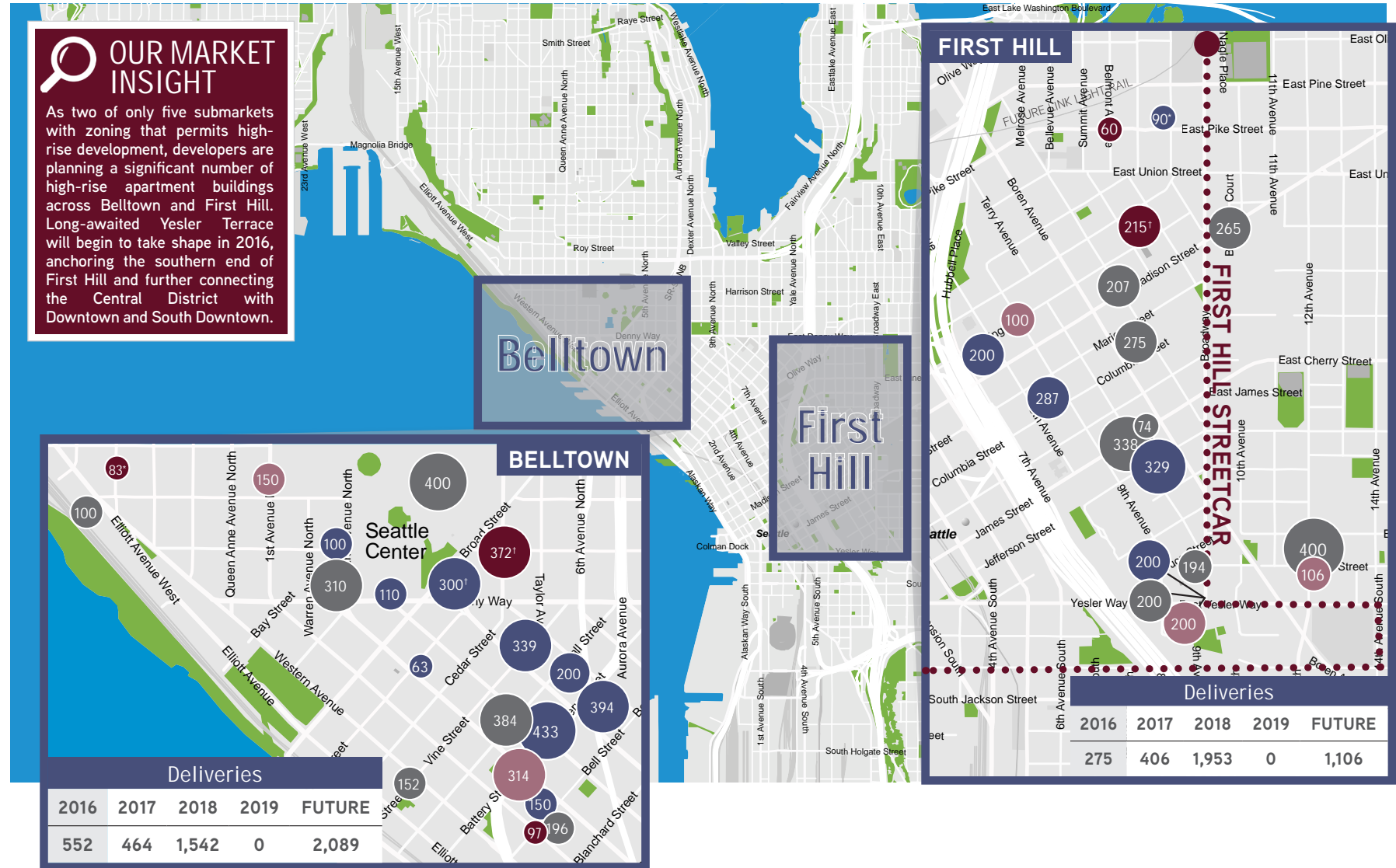
Numbers within circles on map below indicates number of units in each development.

Deliveries				
2016	2017	2018	2019	FUTURE
827	870	3,495	0	3,195

*Indicates Micro. †Indicates Possible Condo.

OUR MARKET INSIGHT

As two of only five submarkets with zoning that permits high-rise development, developers are planning a significant number of high-rise apartment buildings across Belltown and 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.



BELLTOWN

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

FIRST HILL

FIRST HILL STRETCH

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

FIRST HILL/BELLTOWN

2016 Seattle Neighborhood Apartment Market Study

Central District/Beacon Hill/
Rainier Valley
2015 Sales



Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
Beacon Hill	1308 12th Avenue S	1986	13	10,275	\$2,075,000	12/31/2015	\$159,615	\$202	5.5%	Falcon Properties LLC Walford Eng et al
3315 Claremont Avenue S	3315 Claremont Avenue S	1992	5	4,294	\$600,000	12/17/2015	\$120,000	\$140	Unavailable	Jerry and Pamela Kincanon Linh Phan
Emerald View	2011 13th Avenue S	1989	6	5,813	\$1,890,000	10/21/2015	\$315,000	\$325	4.0%	Hon's Investment Group, Inc. KTJC Investments LLC
Madison Vista	114 24th Avenue E	1910	47	22,054	\$6,745,300	9/24/2015	\$143,517	\$306	5.1%	Synergy Investments Gibraltar Investments
Cranmore	3301 Beacon Avenue S	1915	22	12,602	\$4,789,000	9/15/2015	\$217,682	\$380	6.2%	Trimark Property Group Cranmore Apartments LLC
Estelle	3430 Rainier Avenue S	1960	16	9,081	\$1,260,000	9/2/2015	\$78,750	\$139	5.5%	DSB Investments Thang Van Tran
Charlemagne	1300 14th Avenue S	1965	14	8,010	\$1,944,950	8/21/2015	\$138,925	\$243	4.3%	Charlemagne Seattle Investors LLC Stephen Gouge
Charles Street	6511 Rainier Avenue S	1968	13	8,892	\$975,000	7/29/2015	\$75,000	\$110	3.5%	Rainier Condos Louie Investments LP
1400 E Spruce Street	1400 E Spruce Street	1965	5	3,700	\$960,000	7/24/2015	\$192,000	\$259	4.0%	Donald & Genita Wea Catholic Community Services
Raleigh Ridge	411 10th Avenue	1996	16	13,780	\$3,848,000	7/10/2015	\$240,500	\$279	4.1%	Walker Management & Services Raleigh LLC
1757 20th Ave S	1757 20th Avenue S	1919	10	6,882	\$950,000	6/8/2015	\$95,000	\$138	Unavailable	Srhd LLC Michael E Wagner
1425 22nd Avenue	1425 22nd Avenue	1906	8	5,850	\$1,470,000	5/27/2015	\$183,750	\$251	5.5%	McKay Investment Properties Endach Girma
Ione Court	1604 E Spring Street	1950	10	6,344	\$2,425,000	5/20/2015	\$242,500	\$382	4.6%	Morgan Ione Holdings LLC Weerawan Sakchalathorn
Columbia Arms	4700 35th Avenue S	1958	14	11,630	\$2,214,250	4/27/2015	\$158,161	\$190	5.1%	Hamilton Urban Partners Ilya Gamel
2414 13th Avenue S	2414 13th Avenue S	1968	15	11,200	\$1,297,000	3/3/2015	\$86,467	\$116	7.0%	Beacon View Properties LLC 2414 13th Ave S Apartments LLC
AVERAGE		1956	14	9,360	\$2,229,567		\$163,124	\$231	5.0%	

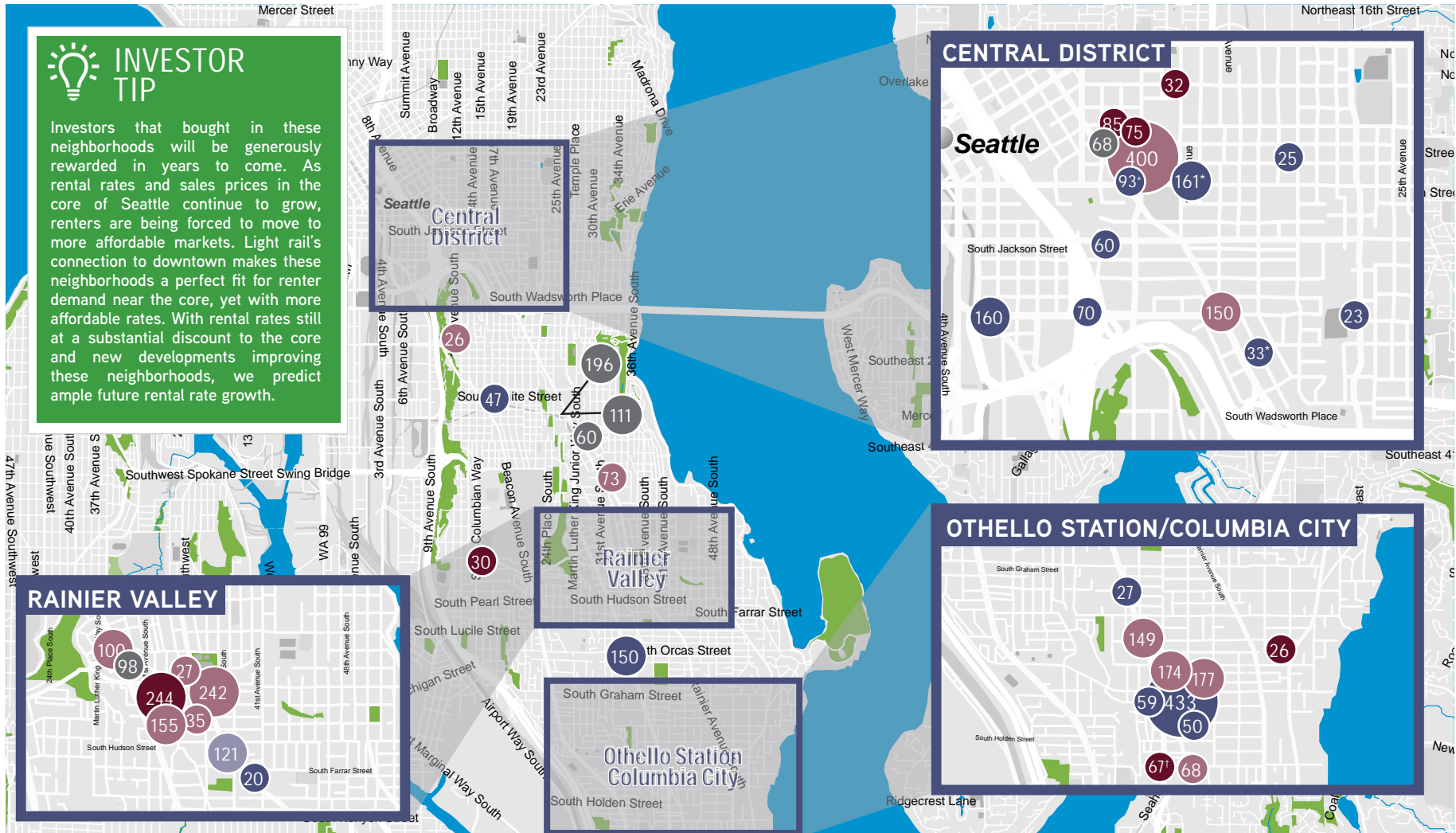
Central District/Beacon Hill/Rainier Valley Development Pipeline



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.





2016 Seattle Neighborhood Apartment Market Study

West Bellevue/Redmond/Kirkland
2015 Sales



2015	\$289,060 AVG PRICE PER UNIT	32.8%	\$352 AVG PRICE PER SF	23.4%	3.6% CAP RATE	140BP
2014	\$217,743 AVG PRICE PER UNIT		\$285 AVG PRICE PER SF		5.0% CAP RATE	



BELLEVUE

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Lochleven	9925 NE 1st Street	1959	16	10,088	\$4,500,000	12/7/2015	\$281,250	\$446	1.7%	Freeman Lochleven Holding LLC Equity Investment Group
 Crestview	10640 SE 16th St	1958	7	4,872	\$1,430,000	10/9/2015	\$204,286	\$294	3.3%	Bellevue 8 LLC Cim Equities Inc
 Lochleven	9925 NE 1st Street	1959	16	10,088	\$3,348,800	5/29/2015	\$209,300	\$332	Unavailable	Equity Investment Group Butail FamilyPartnership
AVERAGE		1959	13	8,349	\$3,092,933		\$231,612	\$357	2.5%	

REDMOND

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Urbane	8296 160th Avenue NE	2008	20	27,155	\$9,500,000	12/10/2015	\$475,000	\$350	5.1%	Trinity Real Estate Kauri Investments, Ltd
AVERAGE					\$9,500,000		\$475,000	\$350	5.1%	

KIRKLAND

Property Name	Address	Year Built	Units	NRSF	Price	Sale Date	\$/Unit	\$/NRSF	Cap Rate	Buyer / Seller
 Creekside Place	11241 NE 68th Street	1977	21	15,390	\$5,310,000	12/16/2015	\$252,857	\$345	4.2%	Kirkcree LLC Creekside Kirkland LLC
 6711 106th Avenue NE	6711 106th Avenue NE	1978	15	13,568	\$4,675,000	4/1/2015	\$311,667	\$345	Unavailable	City of Kirkland Waddell Properties
AVERAGE		1977	18	14,479	\$4,992,500		\$282,262	\$345	4.2%	

 OUR MARKET INSIGHT

- » The Eastside market has not experienced anywhere near the sales volume of Seattle. The obvious explanation is a much smaller boutique apartment stock and a lack of small buildings of 10 or less units. With those two factors in mind, we expect to see sales volume increase over the next few years as investors are priced out of the core of Seattle. The substantial per unit sales price growth from 2014 was fueled by the Urbane sale in Redmond, breaking all previous Eastside records.
- » Developers were slow to add units to West Bellevue during the current development cycle – adding only 1,000 units between 2011 – 2015. Development is beginning to catch-up with over 1,000 units planned for delivery each year for the next three years, with nearly 1,700 units planned for delivery in 2018 alone. Vacancy rates remain well-below 2.0% and rental rates are rising; however, rental rates still trail Seattle’s best neighborhoods.

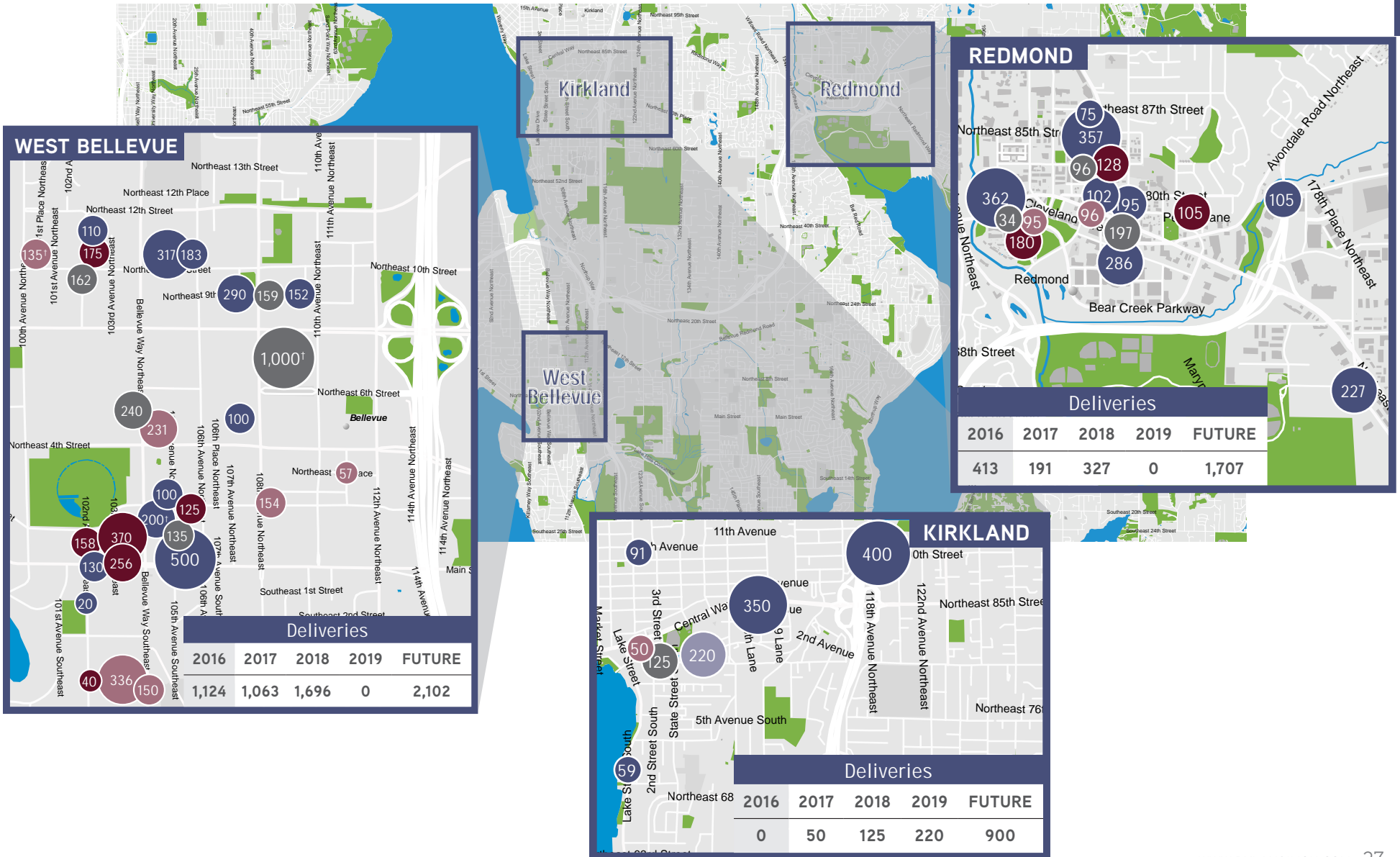
West Bellevue/Redmond/Kirkland Development Pipeline



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

Deliveries				
2016	2017	2018	2019	FUTURE
1,537	1,304	4,064	220	4,709

**Indicates Micro. †Indicates Possible Condo.*



Data Sources

Rent & Vacancy Rates	Dupre + Scott *Rent and Vacancy data 20-50 units
Sales Data	Real Capital Analytics CoStar Dupre + Scott <i>Properties sold for re-development are not included as sales</i>
Development Data	City of Seattle Department of Planning MPF Research Real Capital Analytics Dupre + Scott CoStar * Micro/Efficiency Development included in unit count numbers. ** 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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SEATTLE MULTIFAMILY GROUP

Our team of brokers is focused on providing absolute best-in-class brokerage services to apartment developers, investors and owners in Seattle and the Puget Sound region.

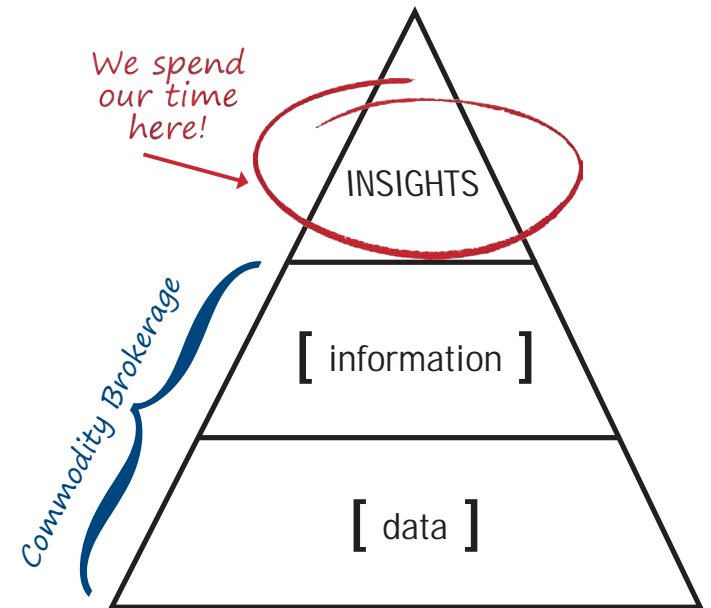
Our approach to the brokerage business is modern and dynamic. We perform all of the traditional tasks associated with apartment brokerage—yet our clients gain the advantage of modern advisory practices and services.

We think and act in terms of absolute market expertise, exposing arbitrage opportunities and achieving best-in-class sales results. We inspire trust and confidence in our guidance to the market by leveraging data and information to maximize profit for our clients. That is our Way. That is Brokerage Evolved.™

Services Offered:

- Sale of stabilized apartment buildings—5 units to 500 units
- Off-market pursuits of pre-sale and stabilized apartment buildings
- Sale of development land—apartments & mixed-use
- Strategic disposition of apartment portfolios

We look forward to helping you gain an advantage over the market and maximize your profit.



Profitable Insights™

Validating Intuition with Data

Dylan Simon
Vice President

Jerrid Anderson
Associate

Matt Laird
Associate

Daryl Burton
Associate

