



SIMON | ANDERSON MULTIFAMILY TEAM

# SEATTLE & PUGET SOUND APARTMENT *DEVELOPMENT PIPELINE*

Special  
Annual  
Report



# TABLE OF CONTENTS

## 01

### INTRODUCTION

Our Development Land Sales Highlights .....	4
Meet The Team .....	5
Track Record .....	5

## 02

### DEVELOPMENT OVERVIEW

Puget Sound Apartment Development Overview .....	8
Apartment Pipeline Snapshot .....	10

## 03

### KING COUNTY

Seattle Development Overview .....	16
Suburban King Development Overview .....	30

## 04

### SNOHOMISH COUNTY

Development Overview .....	38
----------------------------	----

## 05

### PIERCE COUNTY

Development Overview .....	46
----------------------------	----

## 06

### KITSAP COUNTY

Development Overview .....	54
----------------------------	----

## 07

DATA SOURCES & DEFINITIONS .....	62
----------------------------------	----





# INTRODUCTION

OCTOBER 2022

The Puget Sound region remains one of the strongest apartment rental markets in the United States, and the following analysis demonstrates the voracious appetite of apartment developers for this region. As such, this report covers the previous decade of market development dynamics and forecasts deliveries across Western Washington for the foreseeable future.

Following a brief pause in apartment development spawned by the Great Recession, apartment developers across Western Washington added more than 100,000 units to the market - with a demonstrated and specific focus in urban markets. As you might expect, King County accounted for 80% of the market growth during this time. Even so, as the decade progressed, apartment developers widened their focus to neighboring counties - an expansion that was only accelerated by the COVID-19 outbreak in 2020.

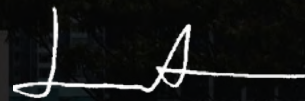
The current decade ramped up quickly as deliveries in 2021 nearly matched the six-year development boom predating the pandemic. However, while apartment developers caught their stride in 2021, the current outlook for apartment development is not without obstacles: Renter demand - and current inventory - certainly justify the case for continued robust development, but capital markets and construction costs pose significant challenges.

For insights into the development pipeline in each of the Puget Sound's geographic markets, please reach out to the experts on our team for valuable guidance and brokerage services.

**Let Us Turn Our Expertise Into Your Profit!**



**DYLAN SIMON**  
Executive Vice President



**JERRID ANDERSON**  
Executive Vice President



# MULTIFAMILY INVESTMENT SALES SPECIALISTS

Our goal is to help you maximize your multifamily investments, whether that means selling your apartment building faster and for more money or providing advisory services for assets you plan to hold or want to buy.

And, while anyone can promise you results, we deliver on our promises with a data-driven understanding of the market, an extensive buyer reach, and exceptional marketing that cuts through the noise.

**CLICK BUTTONS  
TO REVIEW OUR  
2022 RESEARCH ON  
SALES AND RENTAL/  
VACANCY RATES:**



**QUARTER 1 REPORT**



**QUARTER 2 REPORT**



**QUARTER 3 REPORT**

## OUR DEVELOPMENT LAND SALE HIGHLIGHTS



### **VILLAGE AT FARMSTEAD**

Woodinville

Price \$19,000,000

Sold April 2022

Unit Count 200 units



### **VICTORY AT THE U**

Seattle's University District

Price \$7,550,000

Sold June 2022

Unit Count 110 units/516 beds



### **BURL**

Shoreline

Price \$5,900,000

Sold January 2022

Unit Count 172 units



### **CARMEL CAPITOL HILL TOD**

Seattle's Capitol Hill

Price \$13,000,000

Sold Pending

Unit Count 165 units



# MEET THE TEAM

## Dylan Simon

Executive Vice President



Dylan is a market-leading broker throughout Seattle and the Puget Sound region, specializing in the sale of apartment buildings and development land. His expertise includes sales strategies, market knowledge, and industry trends.

## Jerrid Anderson

Executive Vice President



Jerrid is the most active apartment broker in Seattle, where he sold 22 apartment buildings in 2021. Jerrid has brokered more than \$1 billion in urban apartment and land sales and holds numerous sales records in Seattle.

## Matt Laird

Vice President



Matt is an apartment broker specializing in urban and suburban apartment sales, development land sales, and off-market acquisitions. His attention to detail and excellent client service ensures smooth transactions from marketing through closing.

## Brandon Lawler

Vice President



Brandon is an apartment broker specializing in the sale of apartment buildings and off-market acquisitions, with expertise in the South Puget Sound market.

## Winslow Lee

Associate Vice President



Winslow is an apartment broker specializing in sales of apartment buildings and development land, with expertise in King and Snohomish Counties.

## Max Frame

Associate Vice President



Max is an apartment broker specializing in the sale of King County development land and Eastern Washington apartment buildings.

## Henry Ruf

Associate



Henry specializes in the sale of King County apartment buildings. Henry graduated from the Washington State University Carson College of Business with a B.A. in Finance and a minor in Economics.

## Jack Counihan

Financial Analyst



Jack specializes in market research, apartment valuations, and sales tracking in the Puget Sound Apartment market.

## Cassie Pieters

Team Assistant



Cassie provides balance and support through administrative contributions. Her commitment to the betterment of the team results in major goal achievement and long-term success.

## Ashley Woodliff

Marketing Coordinator



Ashley manages marketing and design for both team and property marketing, thereby ensuring collateral exceeds market expectations.

## TRACK RECORD

### \$1.9B

TOTAL VALUE SOLD &  
UNDER CONTRACT

### 13,073

TOTAL UNITS SOLD &  
UNDER CONTRACT

### \$306M

ACTIVE LISTINGS & LISTINGS  
COMING TO MARKET

### \$270M

DEVELOPMENT LAND SOLD  
& UNDER CONTRACT









02

# DEVELOPMENT OVERVIEW

PUGET SOUND APARTMENT DEVELOPMENT OVERVIEW

APARTMENT PIPELINE SNAPSHOT



# DEVELOPMENT OVERVIEW

## PUGET SOUND APARTMENT DEVELOPMENT OVERVIEW

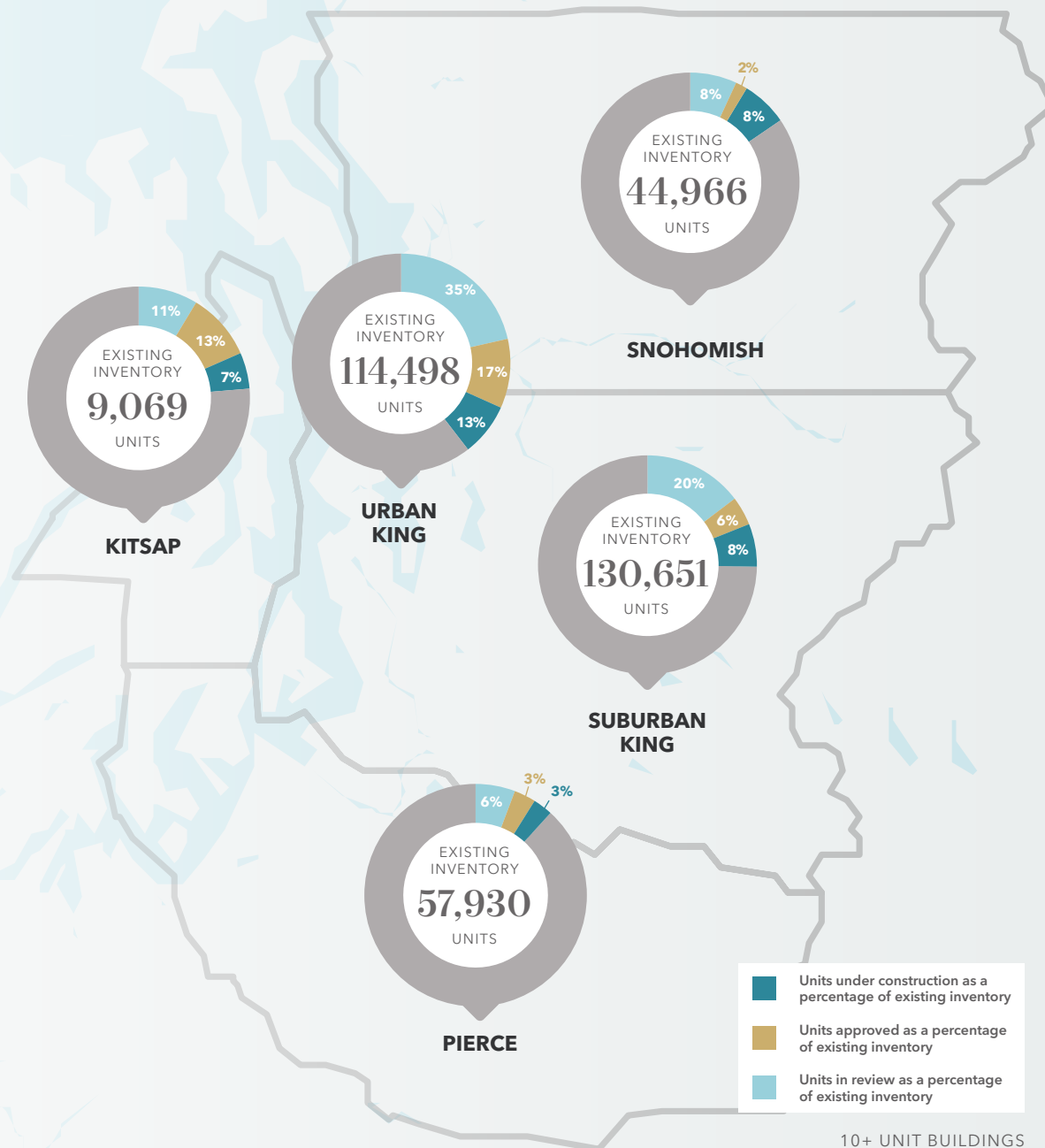
For this study, we traced apartment development deliveries back 10 years and analyzed three distinct phases of the current development pipeline, as outlined below. Our research and data cover the quad-county region (King, Snohomish, Pierce, and Kitsap counties), encompassing more than 6,400 square miles, 137,000+ planned apartment units, and more than 850 individual apartment developments.

### PIPELINE DEFINITIONS

**UNDER CONSTRUCTION** Developments labeled “Under Construction” have broken ground. Anticipated delivery is within the next 36 months for Type I projects or the next 24 months for Type III and Type V projects.

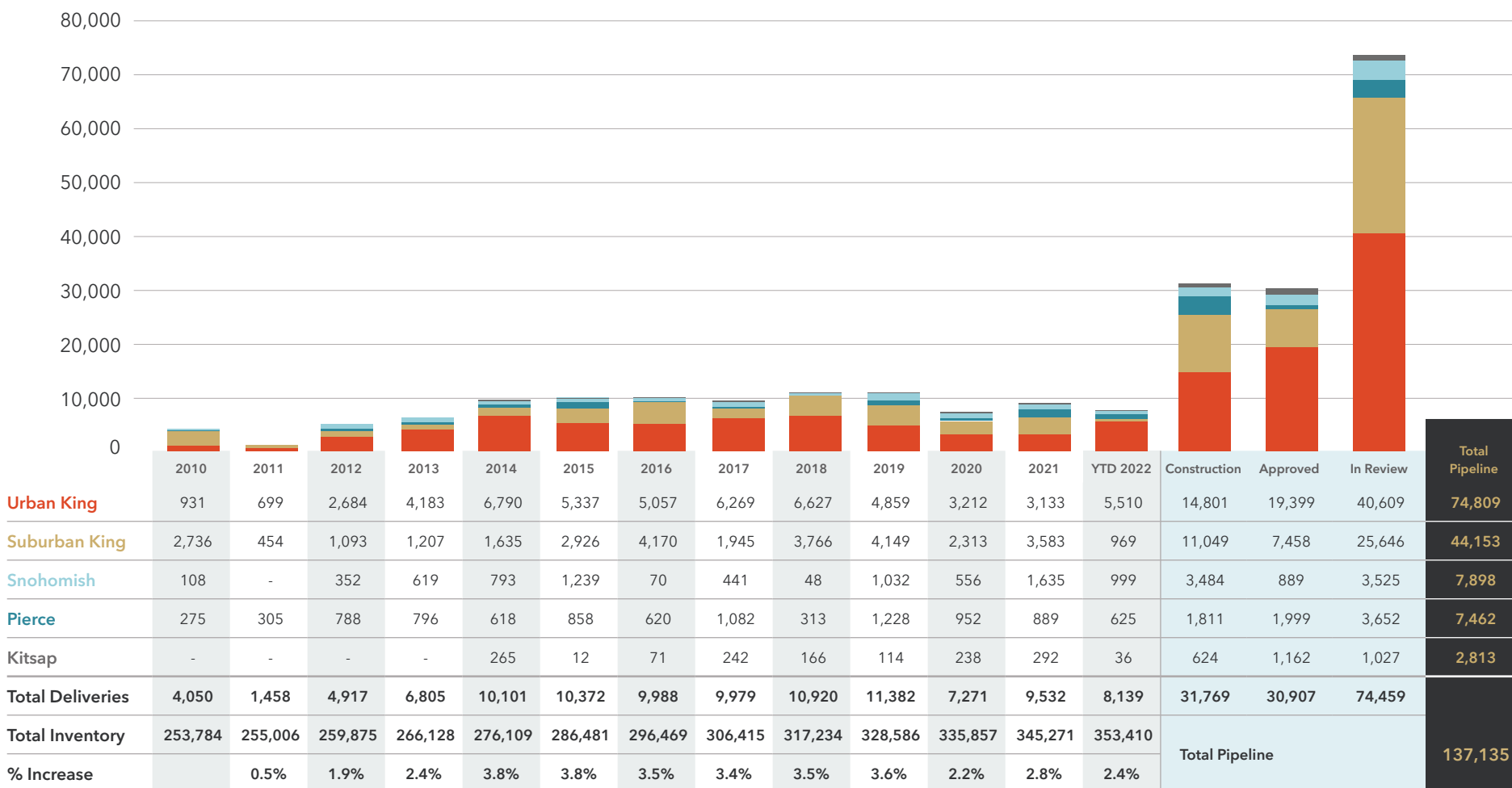
**PLAN APPROVED** These units have entitlements from their respective cities and could break ground at any time. Given current market dynamics, it is important to note projects that might be on hold. Specifically, concerns regarding the economy, rising construction costs, and tighter lending restrictions have led some developers to rethink permitted projects. And, while some permitted sites will trade hands and construction will commence, many others will be held by developers until a later date.

**IN REVIEW** Projects “In Review” are currently pending city approvals. In Seattle, the entitlement process can take more than two years. So, in many cases, projects in this category are three or more years away from delivery.





## DEVELOPMENT DELIVERIES &amp; PIPELINE BY YEAR / STATUS



\*KING, SNOHOMISH, PIERCE & KITSAP COUNTIES – 10+ UNIT BUILDINGS

HISTORIC DATA REPORTED FROM 2021+ DIFFERS FROM PREVIOUS YEARS DUE TO SOME CHANGES IN BOUNDARY LINES, UPDATES AND RECALIBRATION FROM OUR DATA SOURCES. IN SOME CASES THESE UPDATES ARE MATERIAL, AND IN OTHERS THERE ARE ONLY SLIGHT DEVIATIONS. THIS REPORT PROVIDES THE MOST ACCURATE DATA WE ARE ABLE TO SOURCE. MOST CHANGES ARE DUE TO CHANGES FROM MARKET RATE DEVELOPMENT TO AFFORDABLE/SUBSIDIZED/SENIOR HOUSING PROJECTS (NOT INCLUDED IN OUR RESEARCH) AND CHANGES IN LOCATION BOUNDARIES.



# APARTMENT PIPELINE SNAPSHOT

## SEATTLE AND KING COUNTY

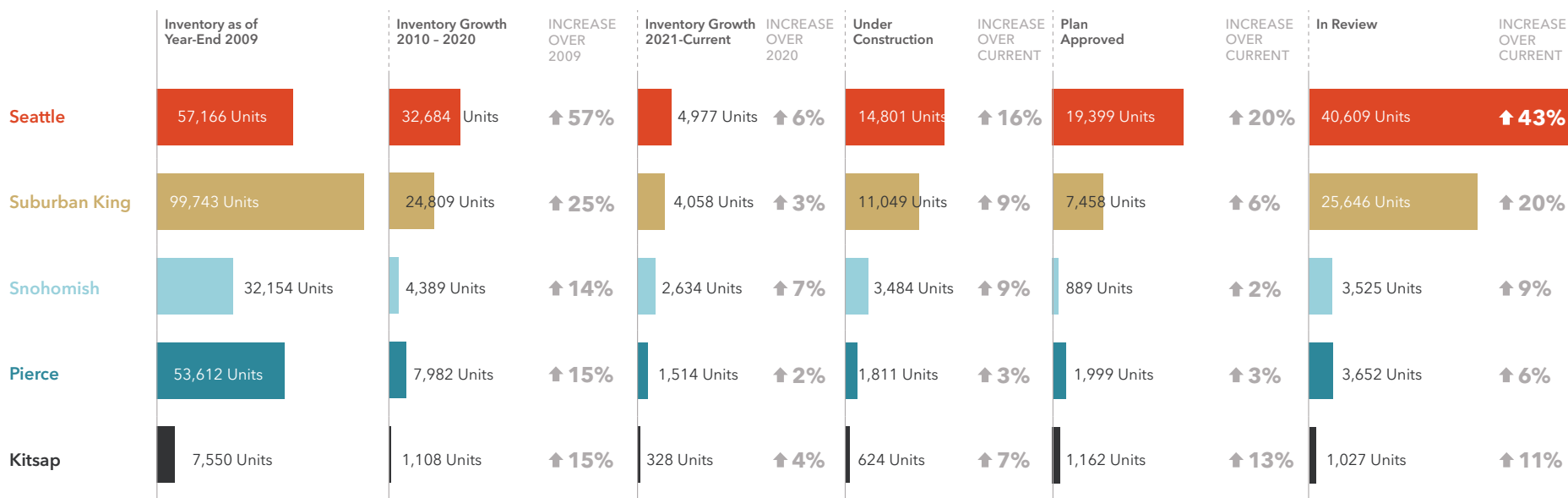
The lion's share of apartment development continues to rise within the borders of King County. In 2022, we began reporting our data on Seattle as its own urban market within King County due to the volume of development here compared to the rest of the county. We also separated urban markets in Kirkland, Bellevue, and Mercer Island from this analysis. Unsurprisingly, Seattle continues to account for a large percentage of all King County apartment development. That said, keep a keen eye on King's suburban markets as they are increasingly attracting new development.

## SUBURBAN MARKETS RISE AGAIN

King County and its urban neighborhoods had been the darlings of apartment developers since the early 2000s. But, by 2015, it was clear that apartment developers sought greenfield development sites in more suburban markets – especially outside the borders of King County. By the time the pandemic hit, it only accelerated and amplified trends already in play.

For instance, apartment development in both Snohomish and Pierce counties had their fits and starts throughout the last decade. But now, they're hitting a continual stride, consistently adding inventory that is quickly absorbed as rental rates continue their rapid rise. Meanwhile, Pierce County was late to the party, while Kitsap is coming on strong with a respectable development pipeline of its own.

## Development History & Pipeline by Region



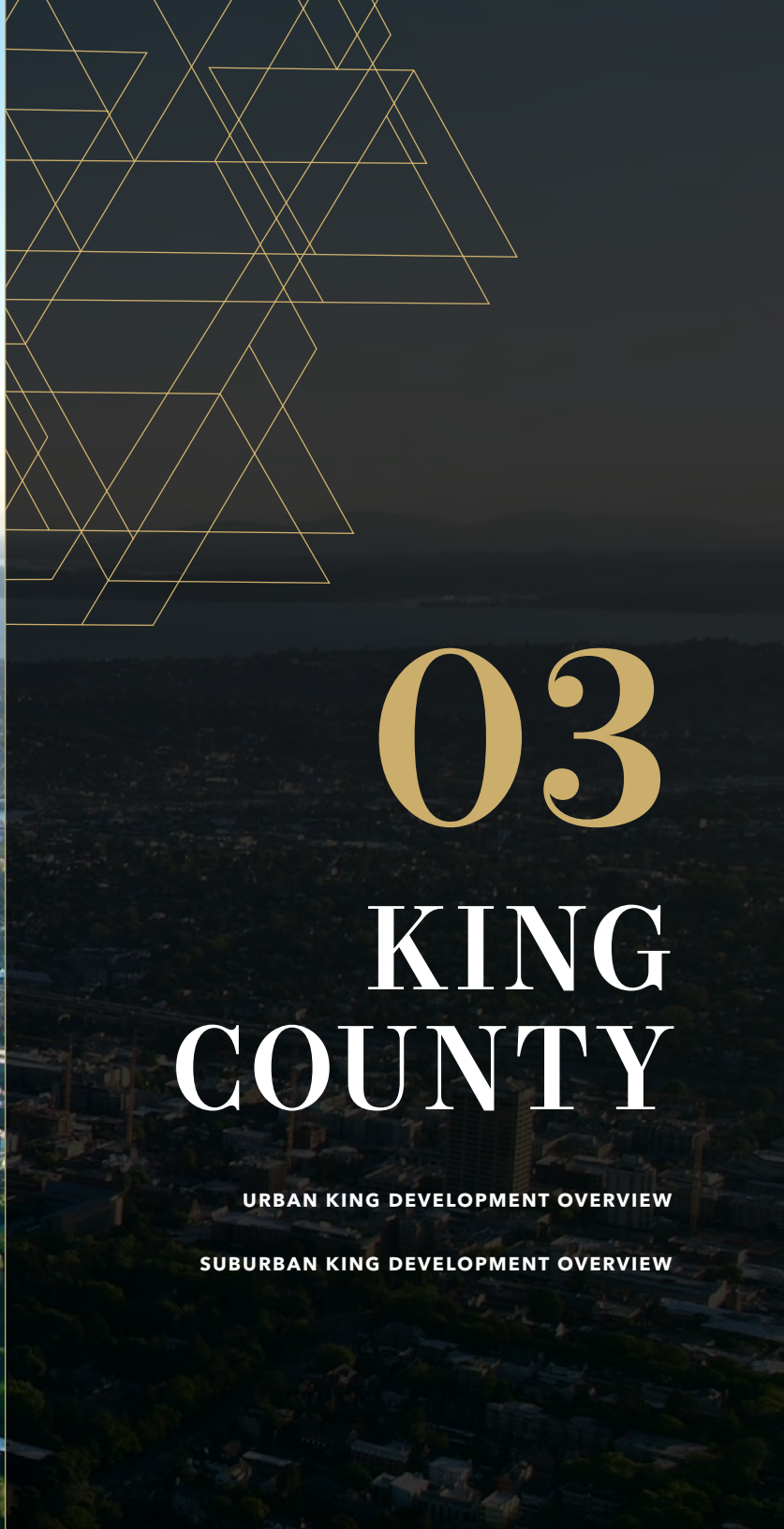












03

# KING COUNTY

URBAN KING DEVELOPMENT OVERVIEW

SUBURBAN KING DEVELOPMENT OVERVIEW



# KING COUNTY

While King County remains the most expensive rental market, the costs to build here are the same as other markets in the Puget Sound. Accordingly, during the pandemic, developers ventured further into Pierce, Snohomish, and Kitsap to test denser, podium-style construction in those counties' urban centers.

## SOME WILL BE WRONG

The next three years will determine whether the demand for higher-end urban apartments in medium-sized cities is as strong as it is in Seattle and Bellevue. To that end, while we've learned that cheap dirt doesn't mean cheap construction, it can equate to low demand - both from renters and developers. With that in mind, if the margins to develop in the best locations are too thin today, is it then better to build where land is cheaper or not to build at all?

## WHERE'S THE DEMAND

It comes as no surprise that things are getting back to normal. Beginning in Q3 2021, the largest demographic of apartment renters decided that, while the suburbs were fun, it was time to get back to socializing. Despite the fact that employers have yet to make organized shifts back to the office, apartment renters have come back to the cities by the thousands. And, although Redmond, Kirkland, and Bellevue have become the most expensive rental markets in the state, their supply will never meet the demand for urbanism in the Northwest; the only city that can is Seattle.



245,149

TOTAL INVENTORY

118,962

TOTAL PIPELINE



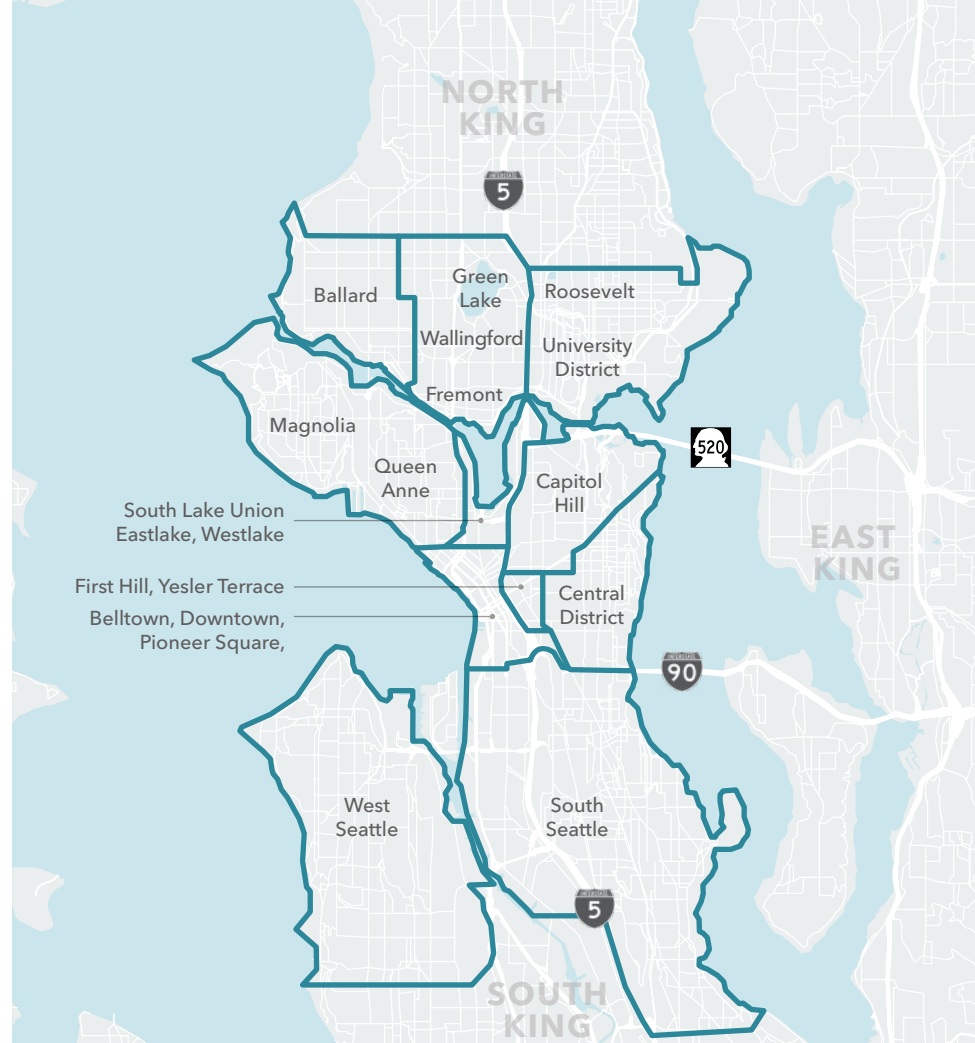


## SEATTLE DEVELOPMENT OVERVIEW

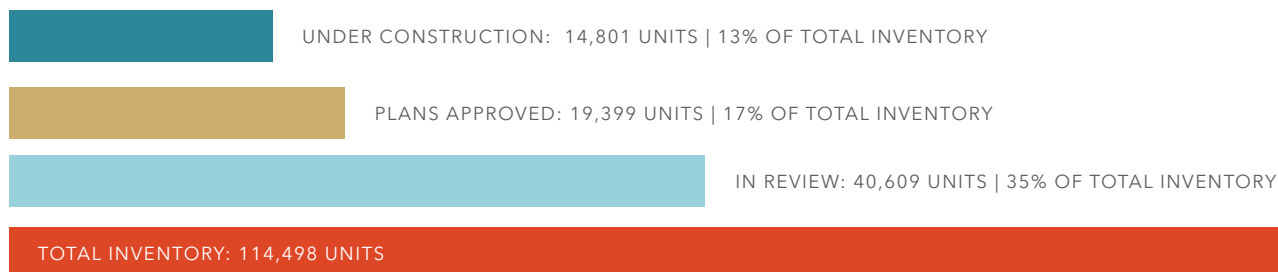
While downtown apartment rents have trailed the market, we anticipate a major shift in the coming years as people return to work, the waterfront project is completed, and our new mayor and improving city council clean up the streets.

**Land Values** A perfect storm of increased development fees (MHA/energy code), construction costs rising by as much as 40%, and decreased demand for urban apartments during the pandemic all but halted the land sale market. Consider that, historically, development land makes up one-third of our teams' sales. However, year-to-date in 2022, they make up just one-eighth of our 46 sales. Consequently, landowners hoping for 2019 pricing have stymied sales volume, which may remain low for the foreseeable future as land value has dropped anywhere from 10% to 40%, depending on the location.

**Neighborhoods to Watch** It's worth noting that the recovery of the downtown/First Hill apartment rental market may take several more years. While a healthy, "back-to-work" shift may fill the existing apartments, there are another 6,853 units currently under construction here. On the flip side, we believe the neighborhoods with the most growth potential (based on desirability and limited number of units under construction) are West Seattle and Capitol Hill - both of which fell out of favor with developers during the pandemic.

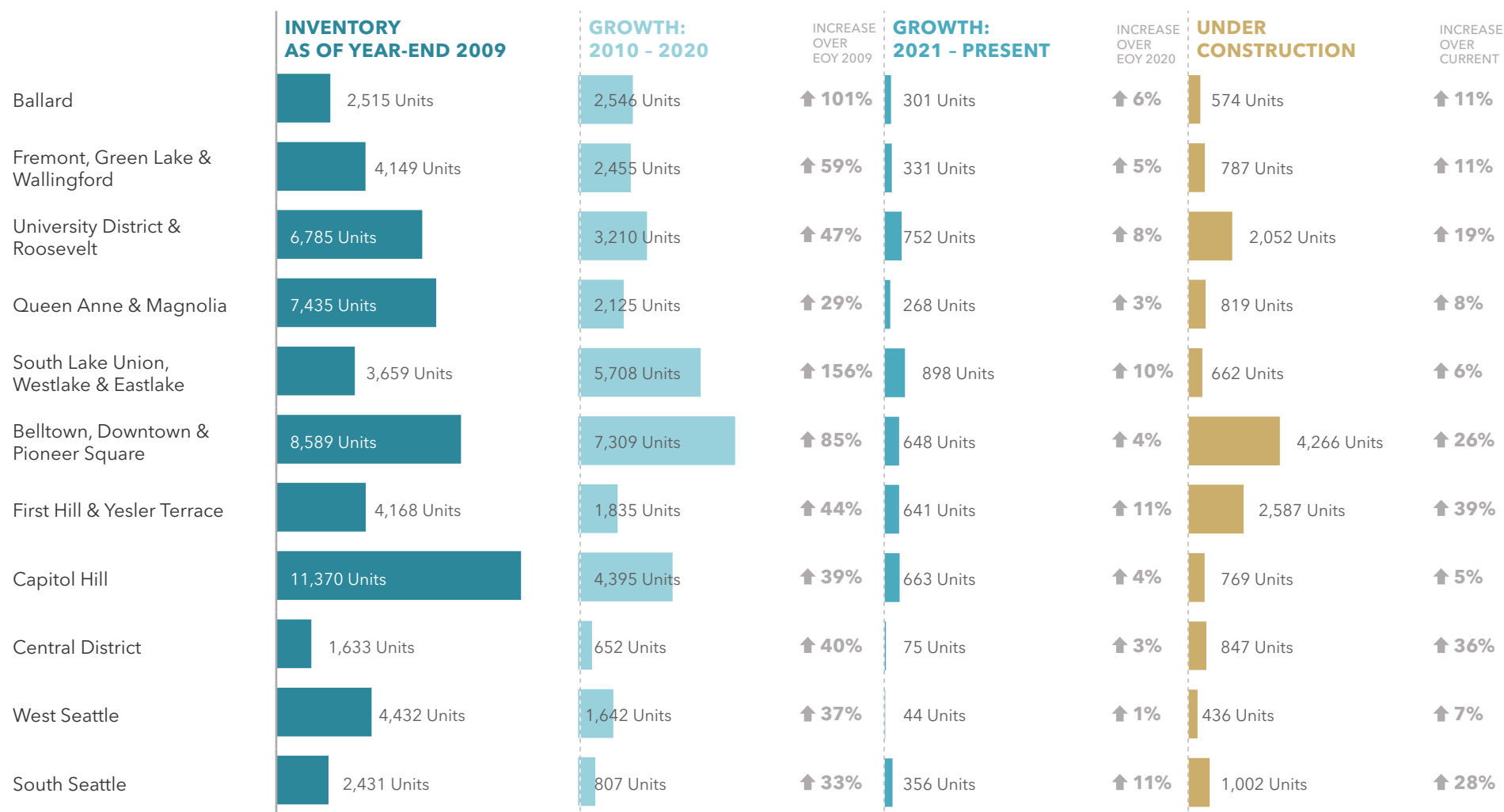


## Seattle Development Pipeline





## Seattle Historical Deliveries & Construction Pipeline by Neighborhood

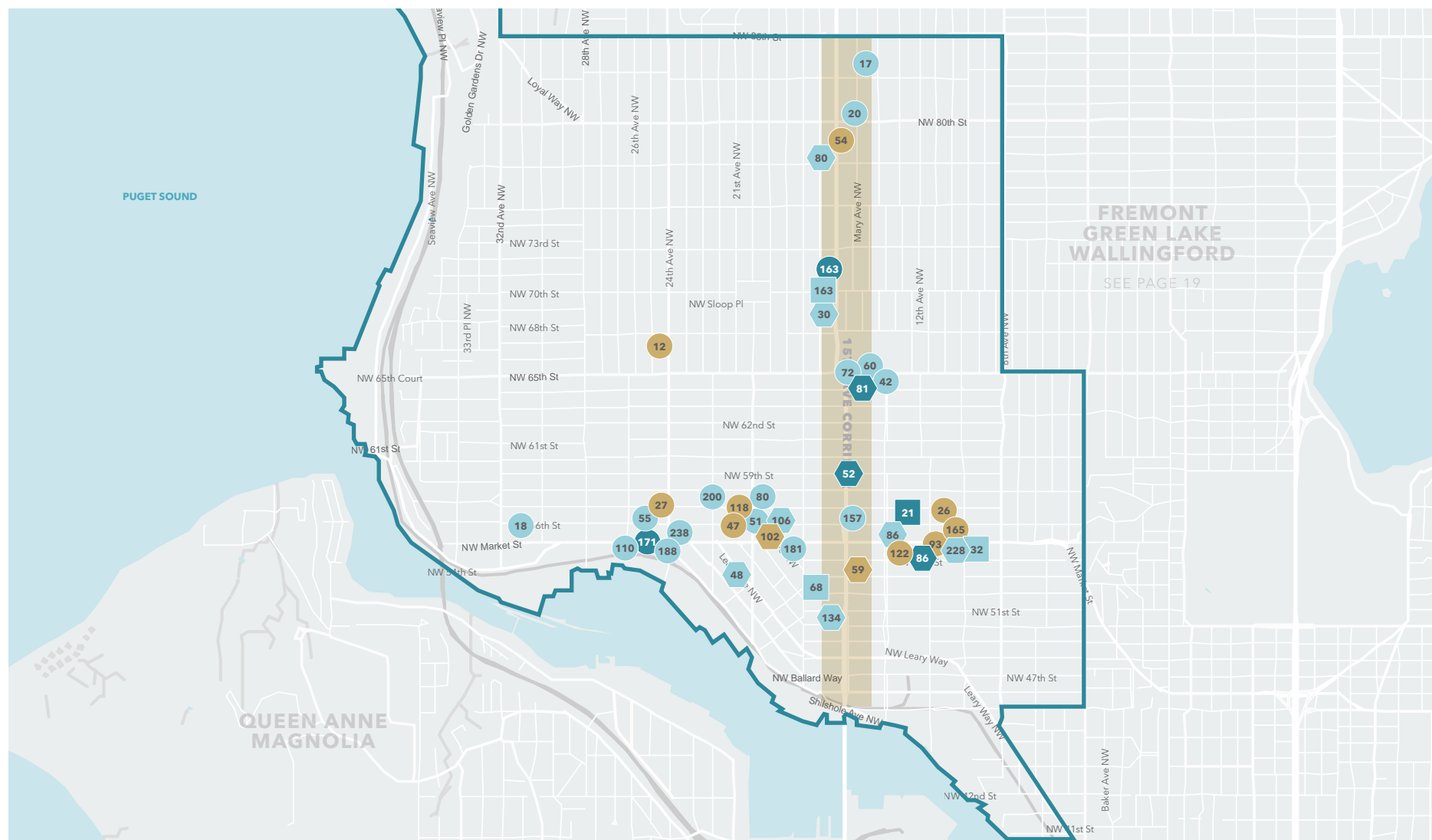


NOTE: PIPELINE ONLY INCLUDES NUMBER OF UNITS CURRENTLY UNDER CONSTRUCTION. PROJECTS THAT ARE "APPROVED" OR "IN REVIEW" ARE NOT INCLUDED IN THIS CHART.  
SOURCE: COSTAR



Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
574	825	2,492	3,891	1,251
11%	15%	47%	73% of inventory	23% of inventory

- APARTMENT
- ⬡ MICROHOUSING\*
- MIXED\*



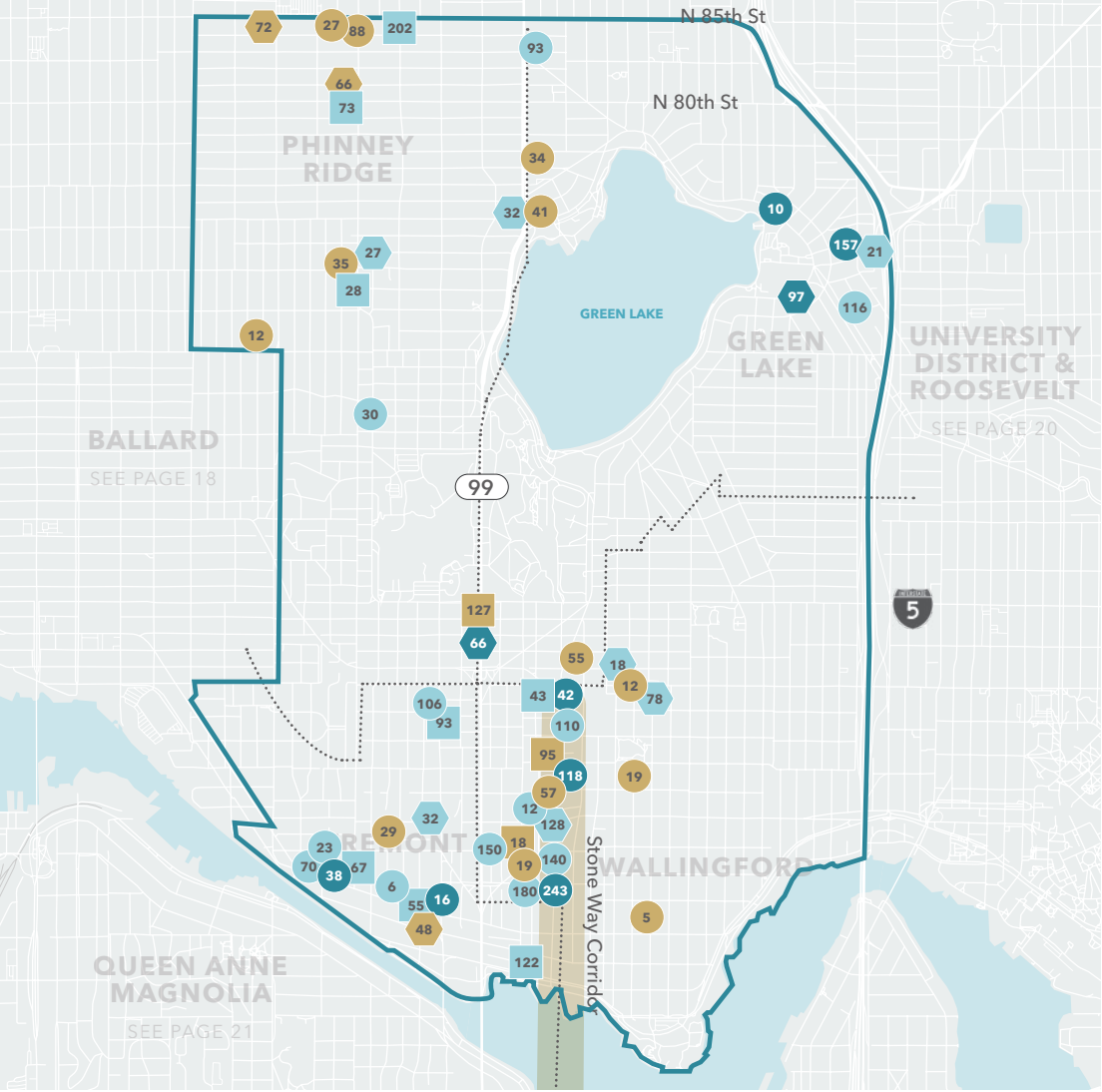


Fremont, Green Lake & Wallingford

EXISTING APARTMENT INVENTORY: 6,888 UNITS

	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
APARTMENT	787	859	2,055	3,701	1,167
MICROHOUSING*					
MIXED*	11%	12%	30%	54% of inventory	17% of inventory

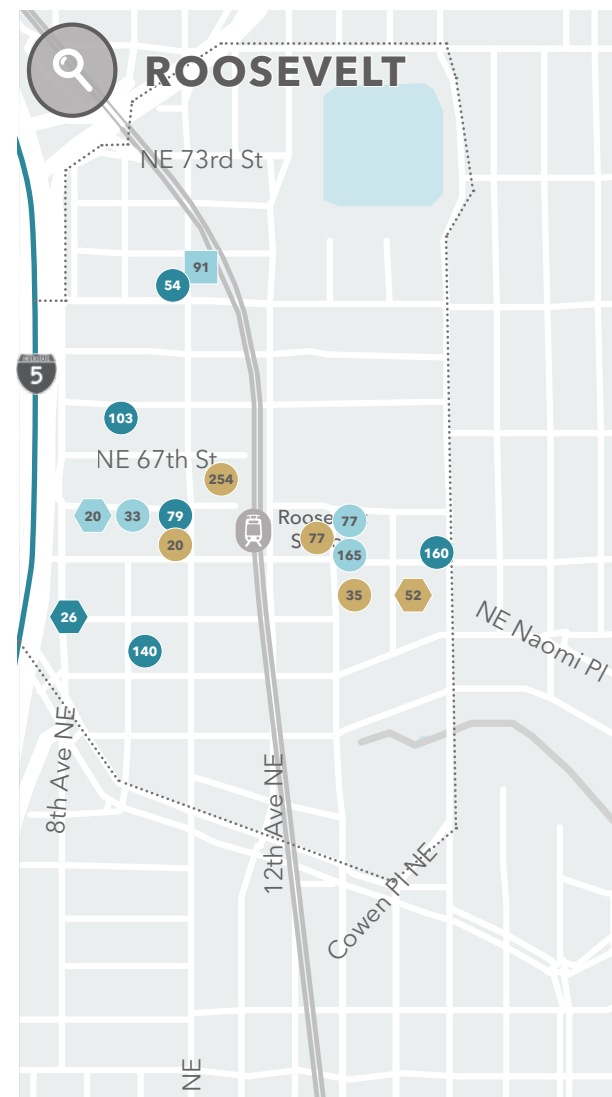
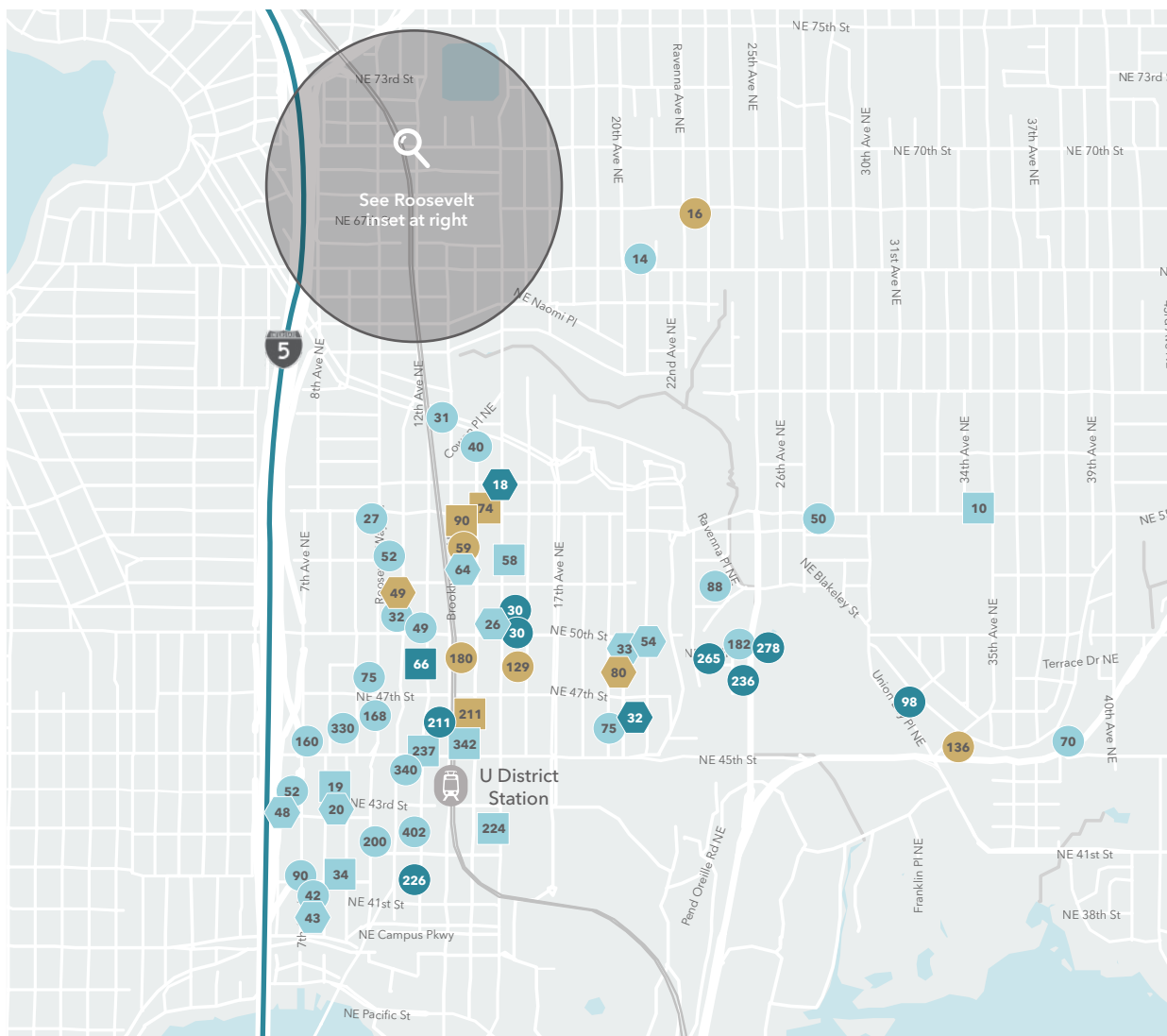
\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
2,052	1,462	4,167	7,681	1,341
20%	14%	40%	74% of inventory	13% of inventory

● APARTMENT  
 ◆ MICROHOUSING\*  
 ■ MIXED\*





- APARTMENT
- ⬡ MICROHOUSING\*
- MIXED\*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
819	897	1,707	3,423	318
8%	9%	17%	35% of inventory	3% of inventory

**FREMONT GREEN LAKE WALLINGFORD**  
SEE PAGE 19

**MAGNOLIA**

**INTERBAY**

**QUEEN ANNE**

**PUGET SOUND**

168

137

11

70

86

64

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100

24

113

125

286

265

127

125

143

66

49

73

77

65

168

58

30

93

167

100

57

44

50

167

13

16

42

52

324

13

100



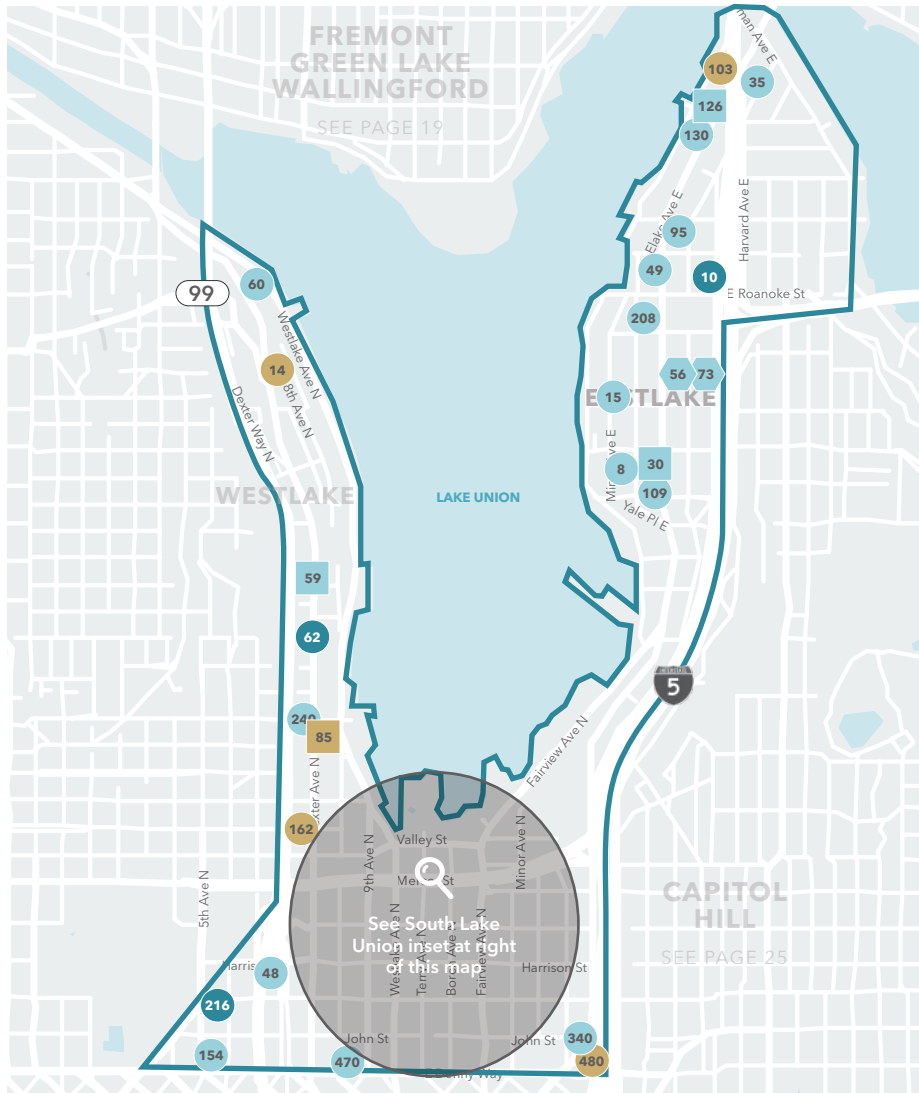
## South Lake Union, Eastlake & Westlake

### EXISTING APARTMENT INVENTORY: 10,249 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
662	1,846	4,574	7,082	405
6%	18%	45%	69% of inventory	4% of inventory

- APARTMENT
- ◆ MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62



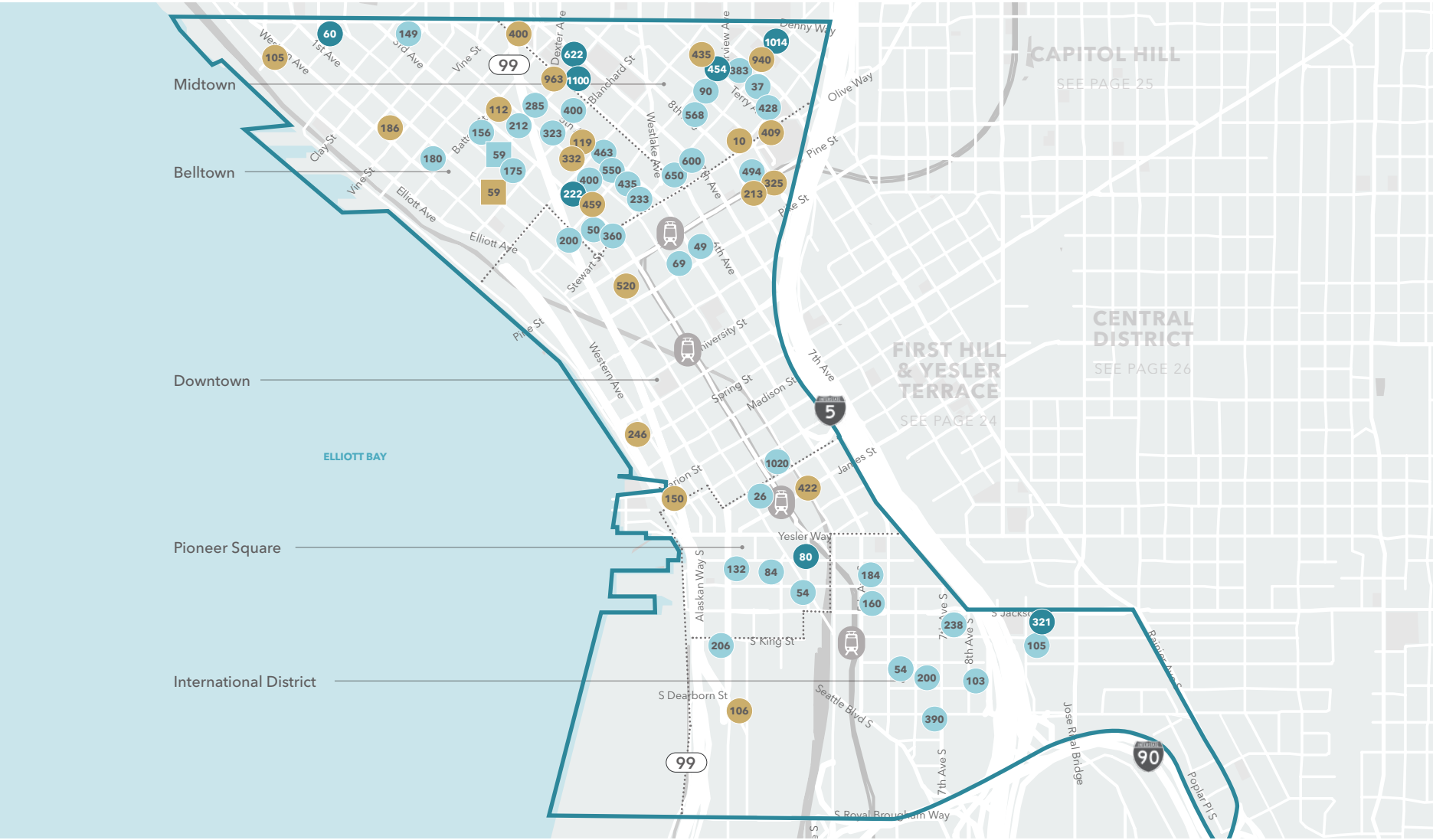


EXISTING APARTMENT INVENTORY: 16,379 UNITS

Belltown, Downtown  
& Pioneer Square

● APARTMENT	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
⬢ MICROHOUSING*	4,266	6,511	11,354	22,131	47
■ MIXED*	26%	40%	69%	135% of inventory	0.3% of inventory

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





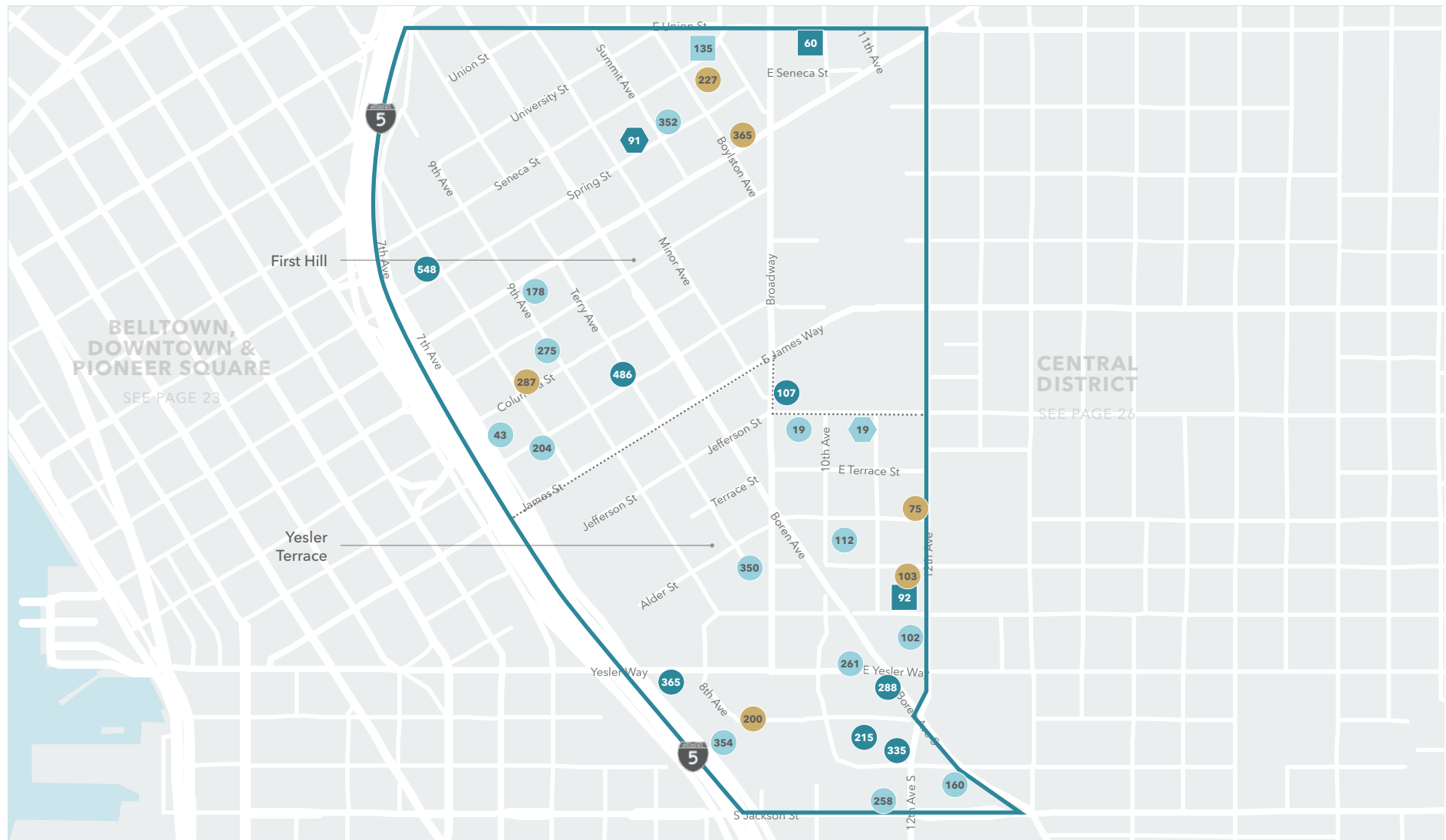
## First Hill & Yesler Terrace

### EXISTING APARTMENT INVENTORY: 6,447 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
2,587	1,257	2,840	6,684	224
40%	19%	44%	104% of inventory	3% of inventory

- APARTMENT
- ◆ MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62



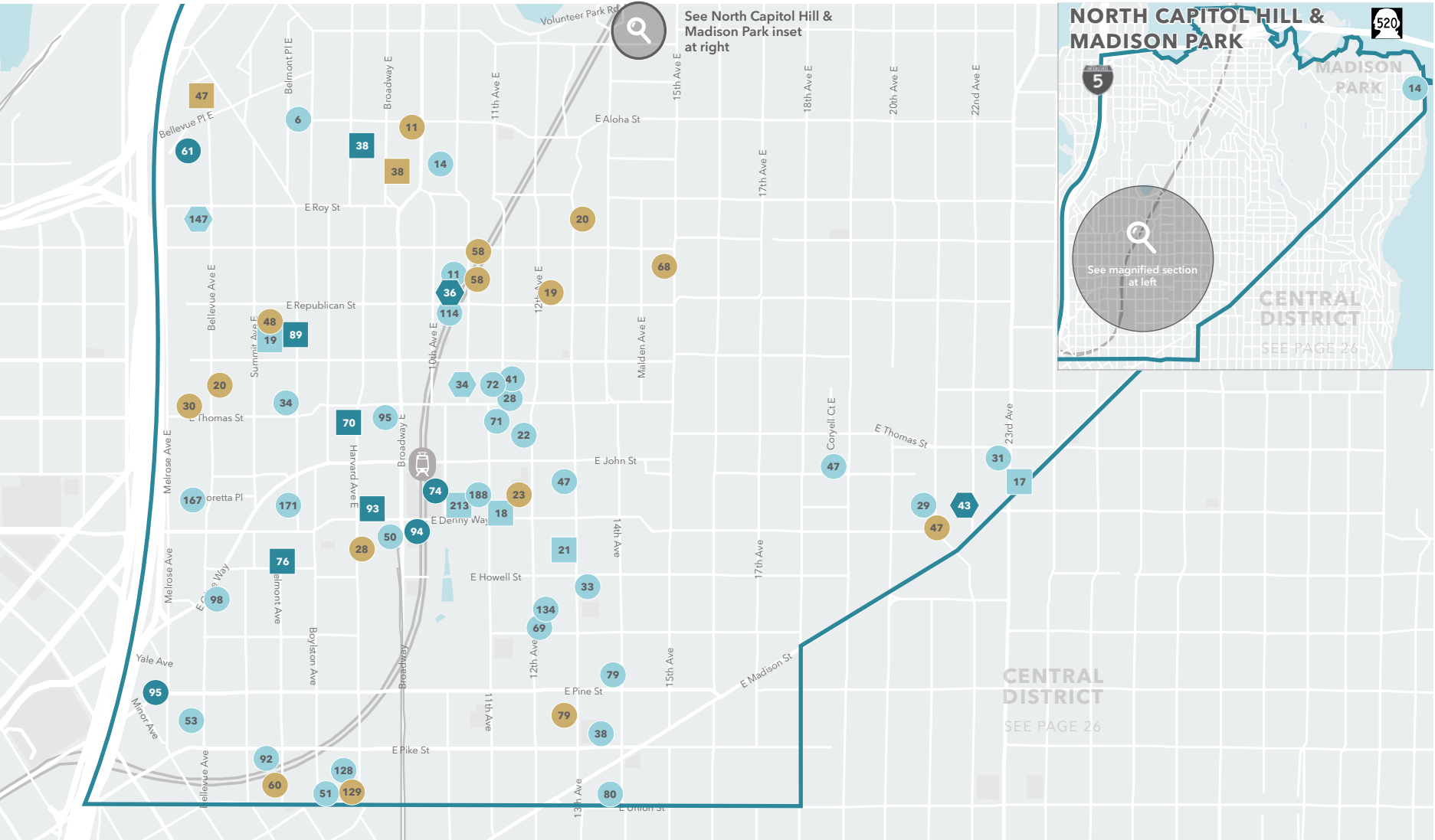


Capitol Hill

EXISTING APARTMENT INVENTORY: 16,267 UNITS

● APARTMENT	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
⬡ MICROHOUSING*	769	783	2,467	4,019	718
■ MIXED*	5%	5%	15%	25% of inventory	4% of inventory

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





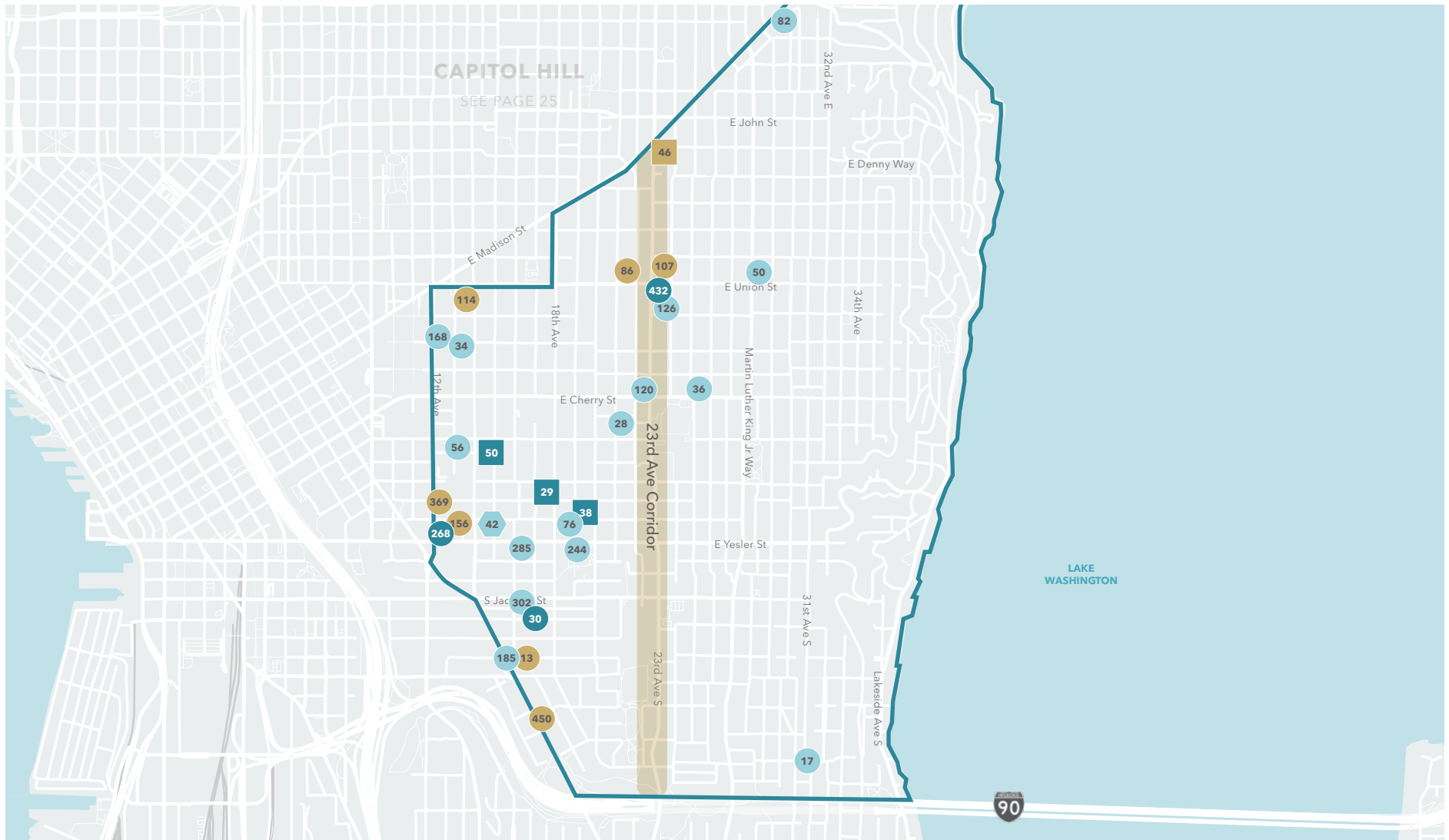
## Central District

## EXISTING APARTMENT INVENTORY: 2,360 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
847	1,341	1,960	4,148	159
36%	57%	83%	176% of inventory	7% of inventory

- APARTMENT
- ◆ MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





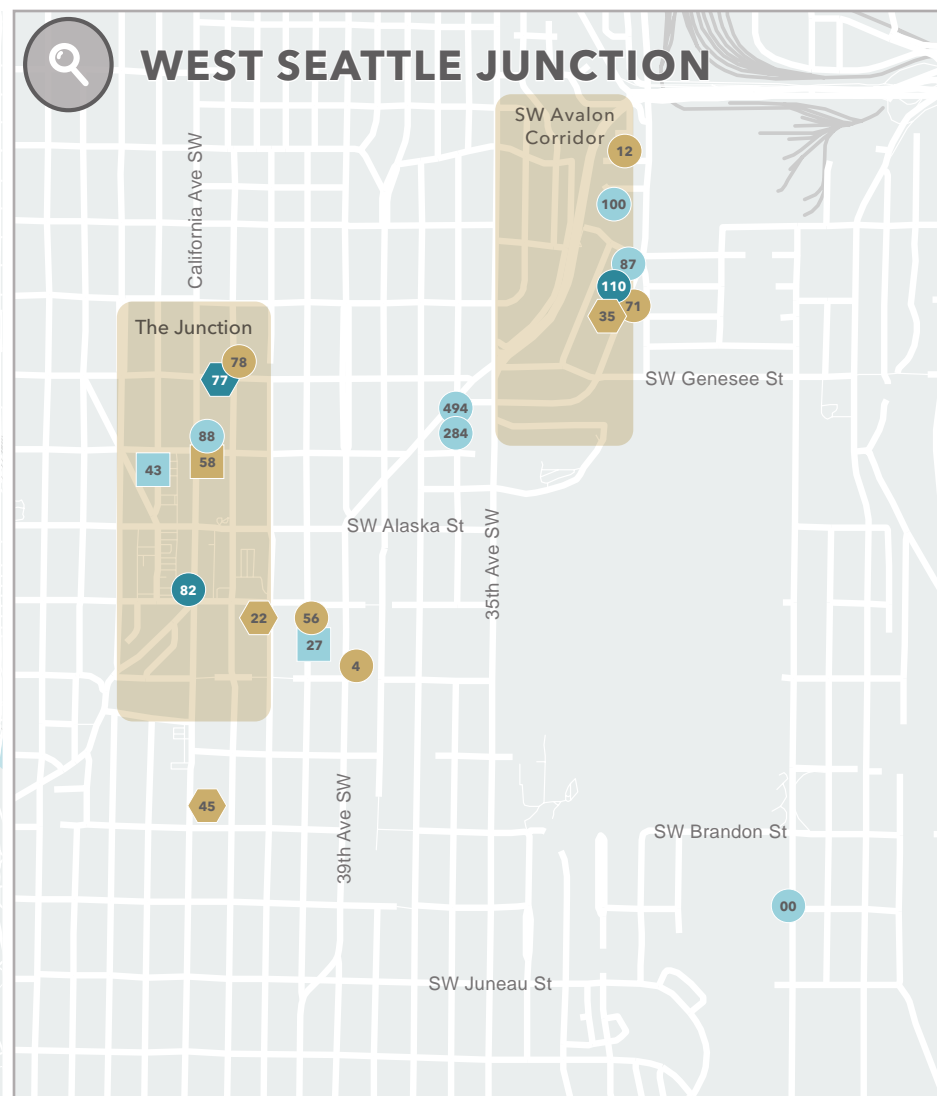
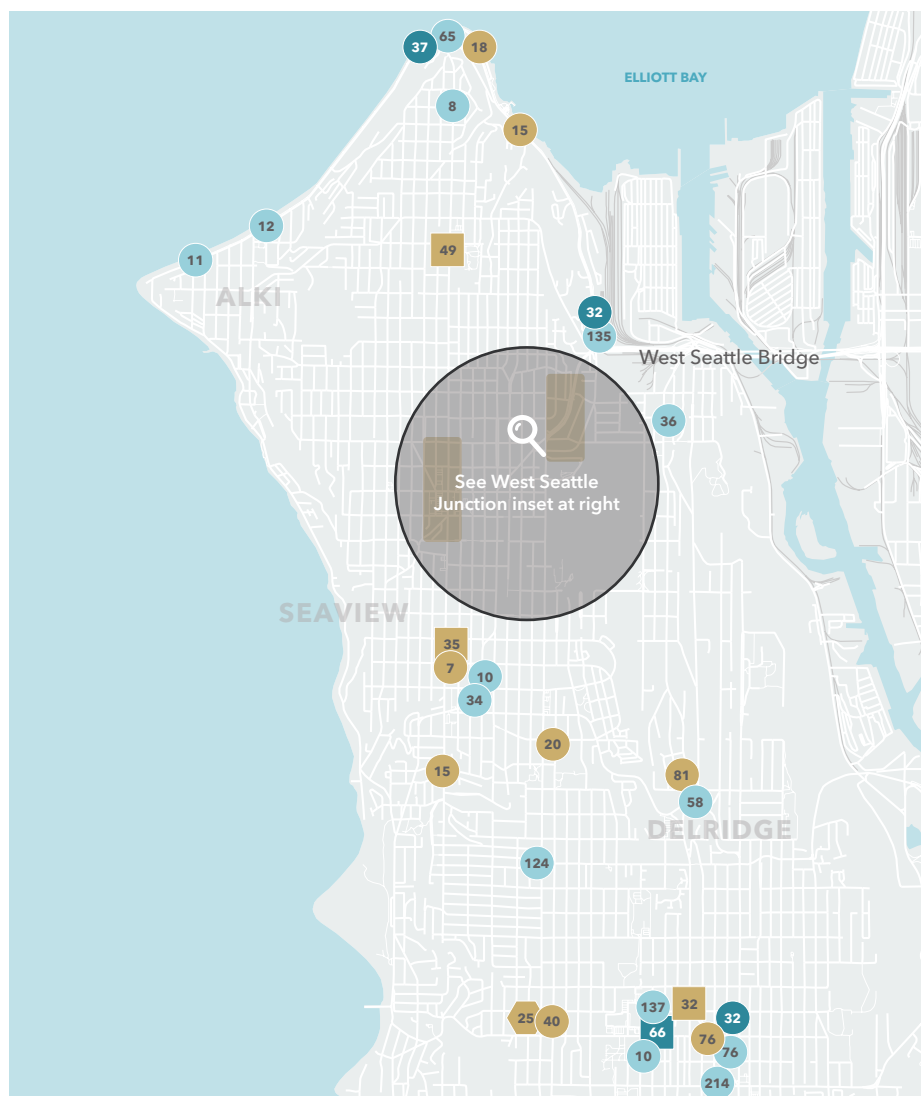
## West Seattle

## EXISTING APARTMENT INVENTORY: 6,118 UNITS

- APARTMENT
- ⬡ MICROHOUSING\*
- MIXED\*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
436	794	2,053	3,283	474
7%	13%	34%	54% of inventory	8% of inventory

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





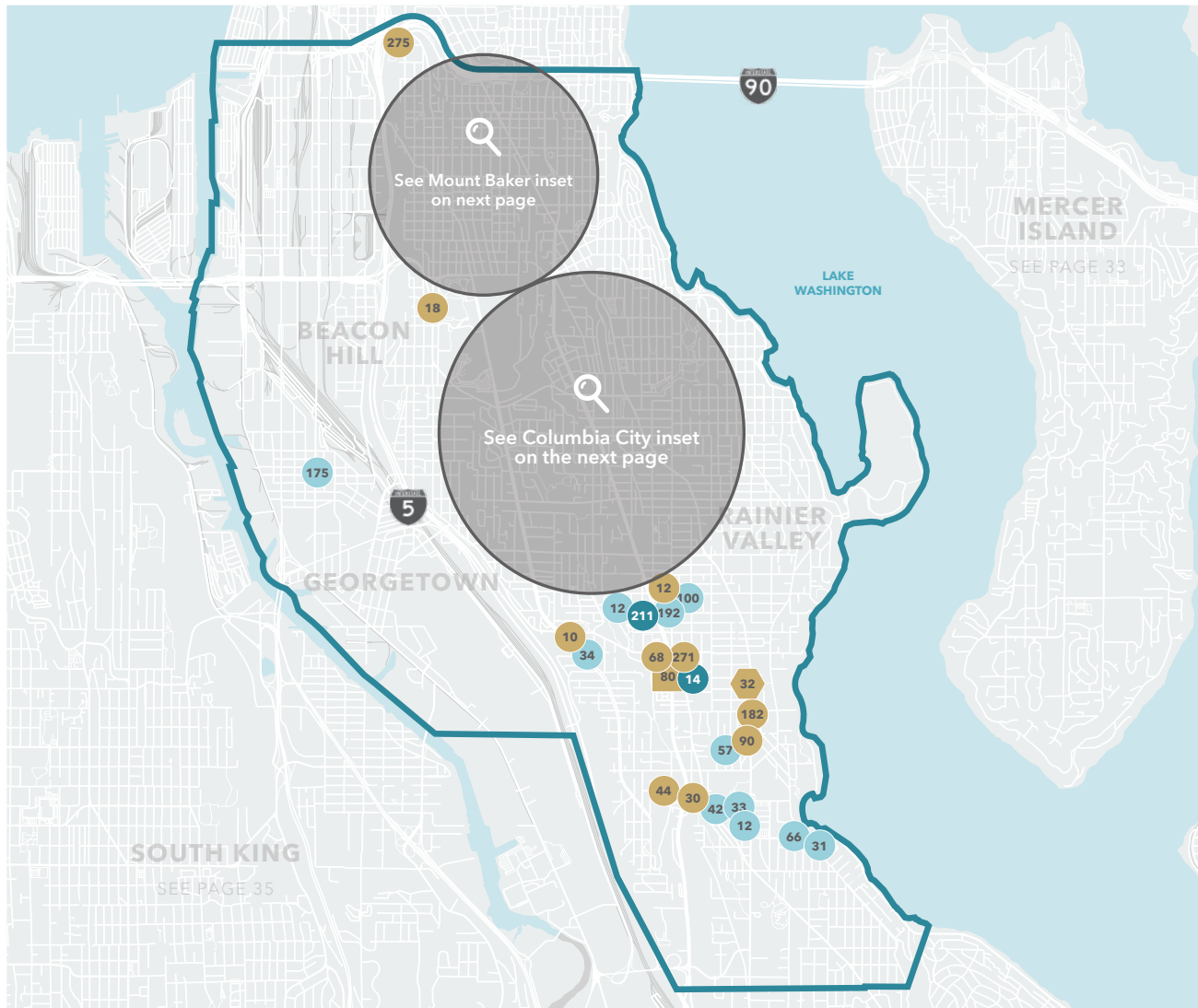
## South Seattle

## EXISTING APARTMENT INVENTORY: 3,545 UNITS

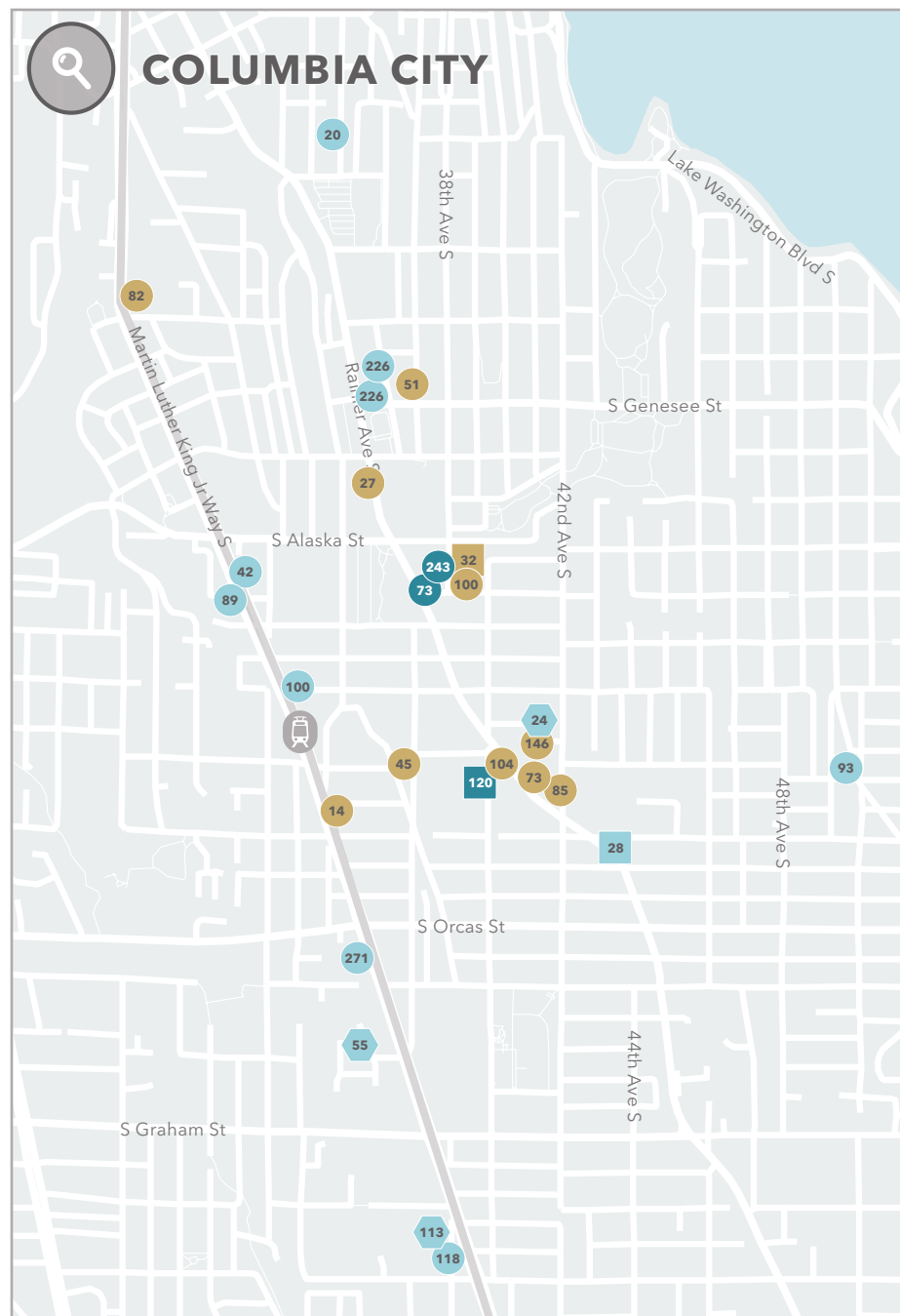
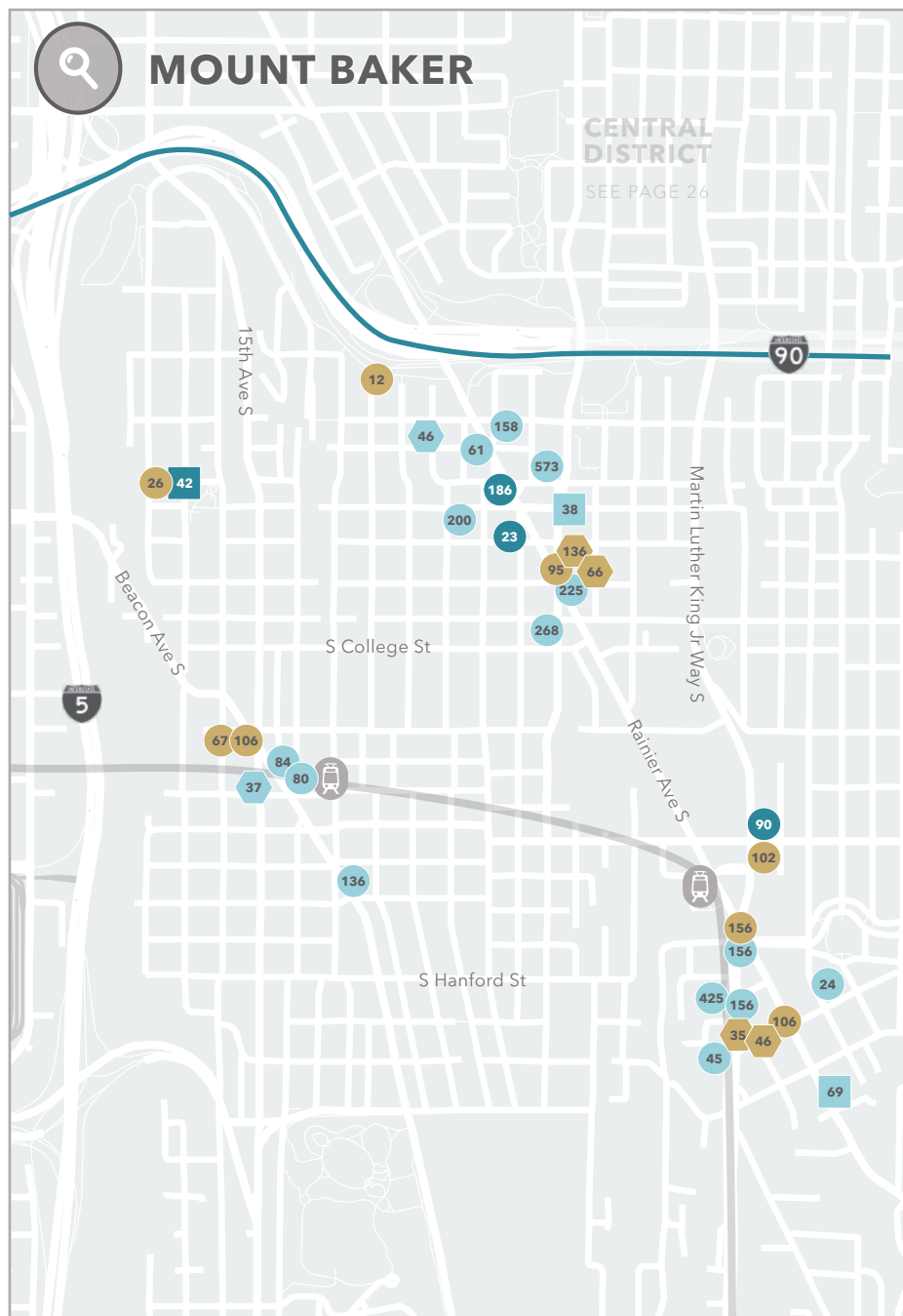
Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,002	2,824	4,940	8,766	859
28%	80%	139%	247% of inventory	24% of inventory

- APARTMENT
- MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62









## SUBURBAN KING DEVELOPMENT OVERVIEW

As renters left the core of Seattle during the COVID-19 pandemic, they accelerated a trend of suburban living that began long before the pandemic.

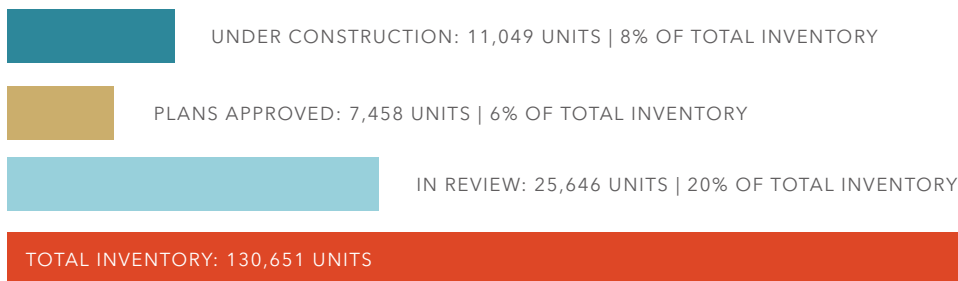
Although the prevailing narrative is that the COVID-19 pandemic caused renters to flee the city, in truth, renters began casting their eyes toward the suburbs several years ago.

A mix of lifestyle choice and a structural shift in commuting options are the driving forces behind life in suburban King County. Nowadays, renters continue to rent past their early 30s. As a result, many find themselves craving an urban style of living – but outside the hustle and bustle of Seattle’s traditionally hot and youthful neighborhoods. As a result, renter demand is growing in otherwise suburban markets – like Bellevue, Newcastle, and Bothell. And, apartment developers are responding in kind, matching said demand with a new supply of urban-esque apartments in rings just outside of Seattle.

Additionally, as light rail continues to expand – offering mass transit, rail-based commuting options to the downtown workers – developers are quick to build transit-oriented and transit-adjacent developments near rail stations. Expect this trend to continue for decades to come, as demonstrated by other markets serviced by light rail systems.



### Suburban King Development Pipeline





## Suburban King Historical Deliveries & Construction Pipeline by City

	INVENTORY AS OF YEAR-END 2009	GROWTH: 2010 - 2020	INCREASE OVER EOY 2009	GROWTH: 2021 - PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION	INCREASE OVER CURRENT
Auburn, Covington & Maple Valley	5,415 Units	856 Units	↑ 16%	72 Units	↑ 1%	869 Units	↑ 14%
Bellevue	12,879 Units	4,358 Units	↑ 34%	102 Units	↑ 1%	1,567 Units	↑ 9%
Bothell & Kenmore	6,038 Units	2,396 Units	↑ 40%	-	-	912 Units	↑ 11%
Burien & White Center	4,693 Units	125 Units	↑ 3%	-	-	230 Units	↑ 5%
Des Moines & Seatac	3,622 Units	308 Units	↑ 9%	-	-	795 Units	↑ 20%
Issaquah	2,333 Units	1,508 Units	↑ 65%	135 Units	↑ 4%	-	-
Kent	11,862 Units	1,448 Units	↑ 12%	-	-	658 Units	↑ 5%
Kirkland, Juanita & Totem Lake	6,839 Units	1,536 Units	↑ 22%	1,300 Units	↑ 16%	512 Units	↑ 5%
Mercer Island	1,441 Units	166 Units	↑ 12%	-	-	-	-
Newcastle	542 Units	747 Units	↑ 138%	-	-	293 Units	↑ 23%
North Bend & Snoqualmie	1,184 Units	137 Units	↑ 12%	-	-	212 Units	↑ 16%
North Seattle	19,521 Units	4,033 Units	↑ 21%	432 Units	↑ 2%	1,244 Units	↑ 5%
Redmond	6,573 Units	3,552 Units	↑ 54%	1,751 Units	↑ 17%	1,847 Units	↑ 16%
Renton	10,229 Units	1,430 Units	↑ 14%	-	-	805 Units	↑ 7%
Sammamish	835 Units	252 Units	↑ 30%	-	-	-	-
Shoreline	2,898 Units	835 Units	↑ 29%	-	-	1,006 Units	↑ 27%
Tukwila	2,161 Units	-	-	-	-	-	-
Woodinville	678 Units	1,122 Units	↑ 165%	266 Units	↑ 15%	-	-

NOTE: PIPELINE ONLY INCLUDES NUMBER OF UNITS CURRENTLY UNDER CONSTRUCTION. PROJECTS THAT ARE "APPROVED" OR "IN REVIEW" ARE NOT INCLUDED IN THIS CHART.  
SOURCE: COSTAR



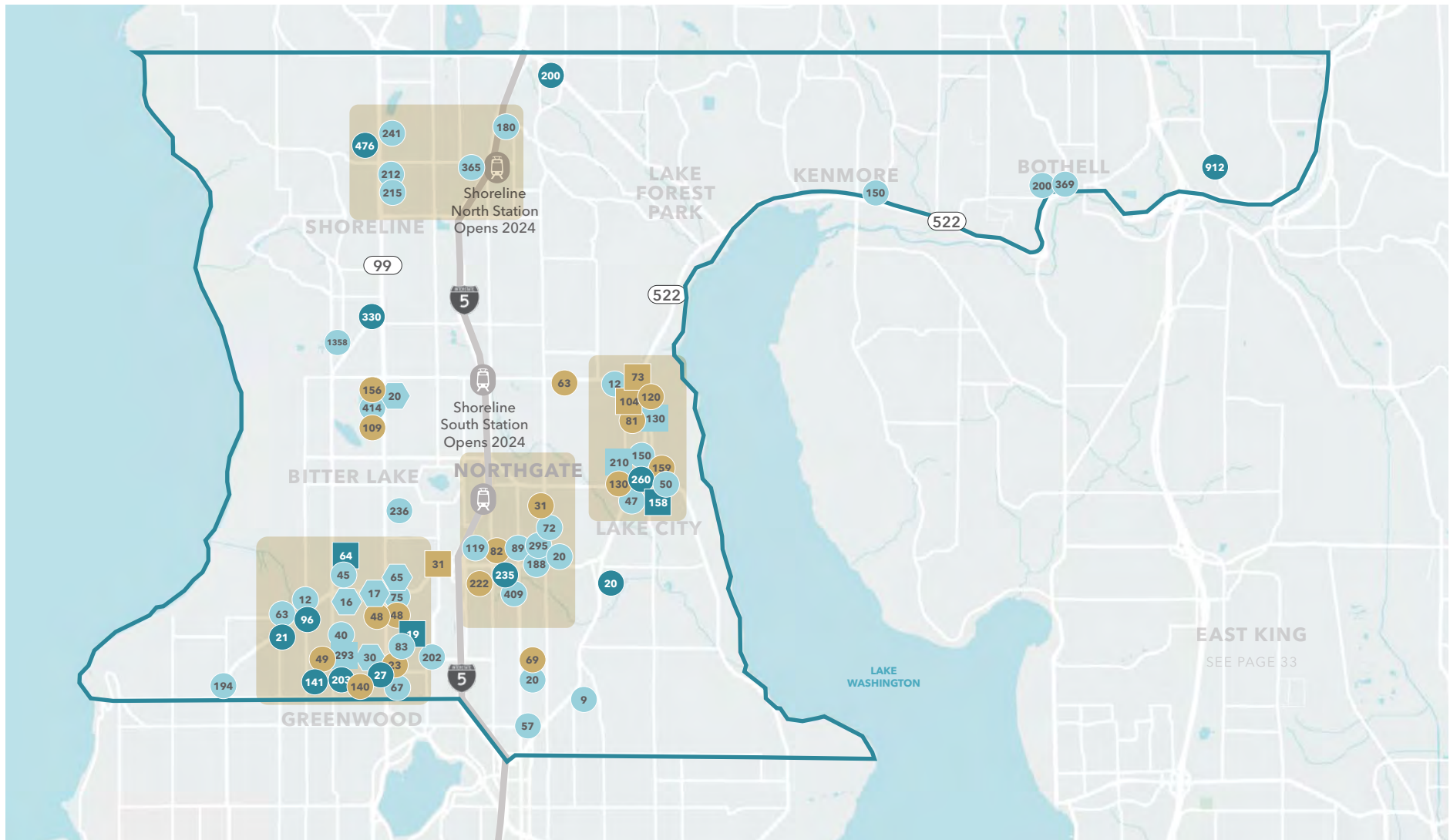
## NORTH KING

## EXISTING APARTMENT INVENTORY: 19,714 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
3,162	1,738	7,039	11,939	811
16%	9%	36%	61% of inventory	4% of inventory

- APARTMENT
- ◆ MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62



EAST KING  
SEE PAGE 33

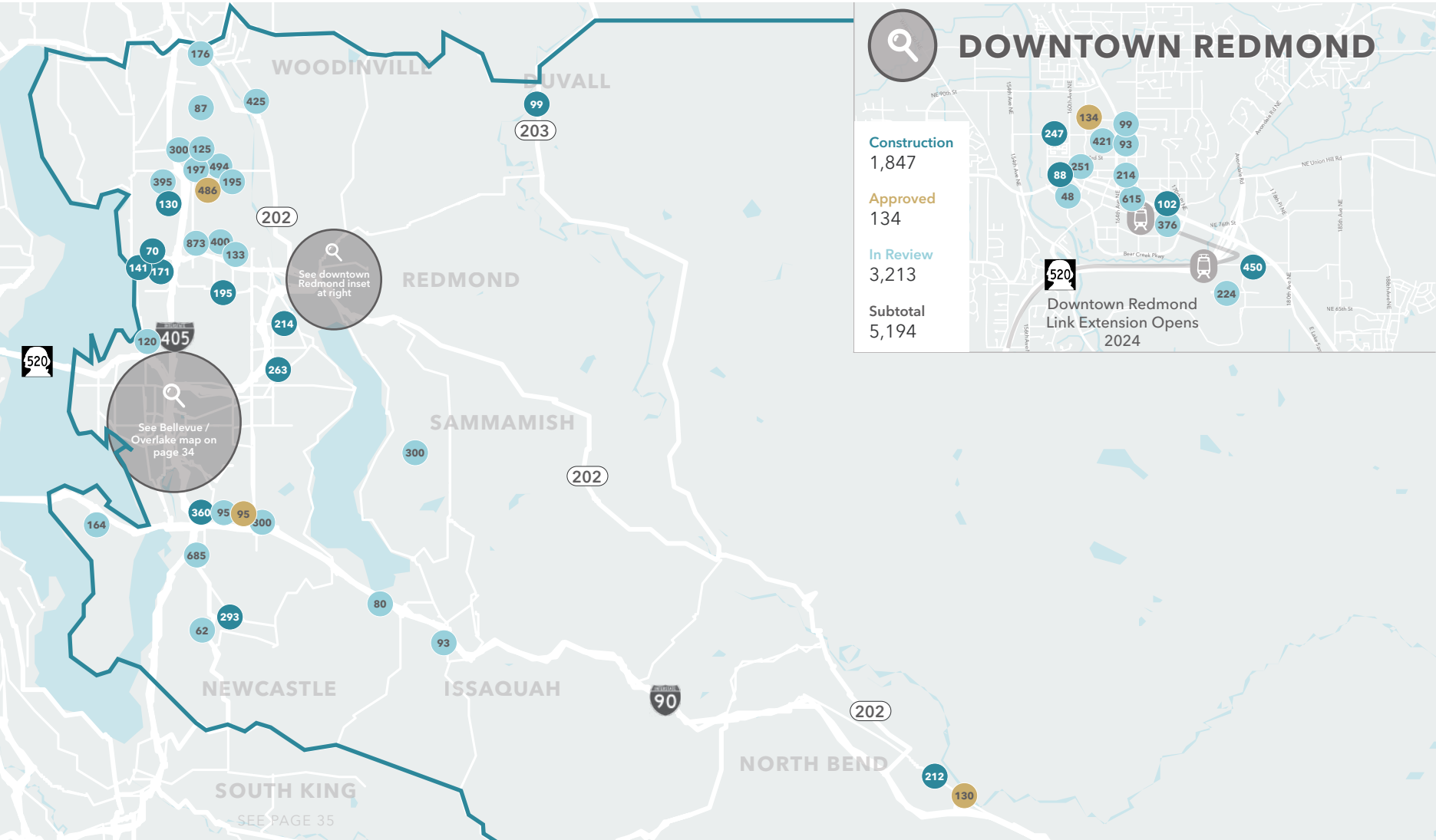


EAST KING

EXISTING APARTMENT INVENTORY: 57,922 UNITS

● APARTMENT	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
⬢ MICROHOUSING*	4,530	2,561	15,713	22,804	0
■ MIXED*	8%	4%	27%	39% of inventory	0% of inventory

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





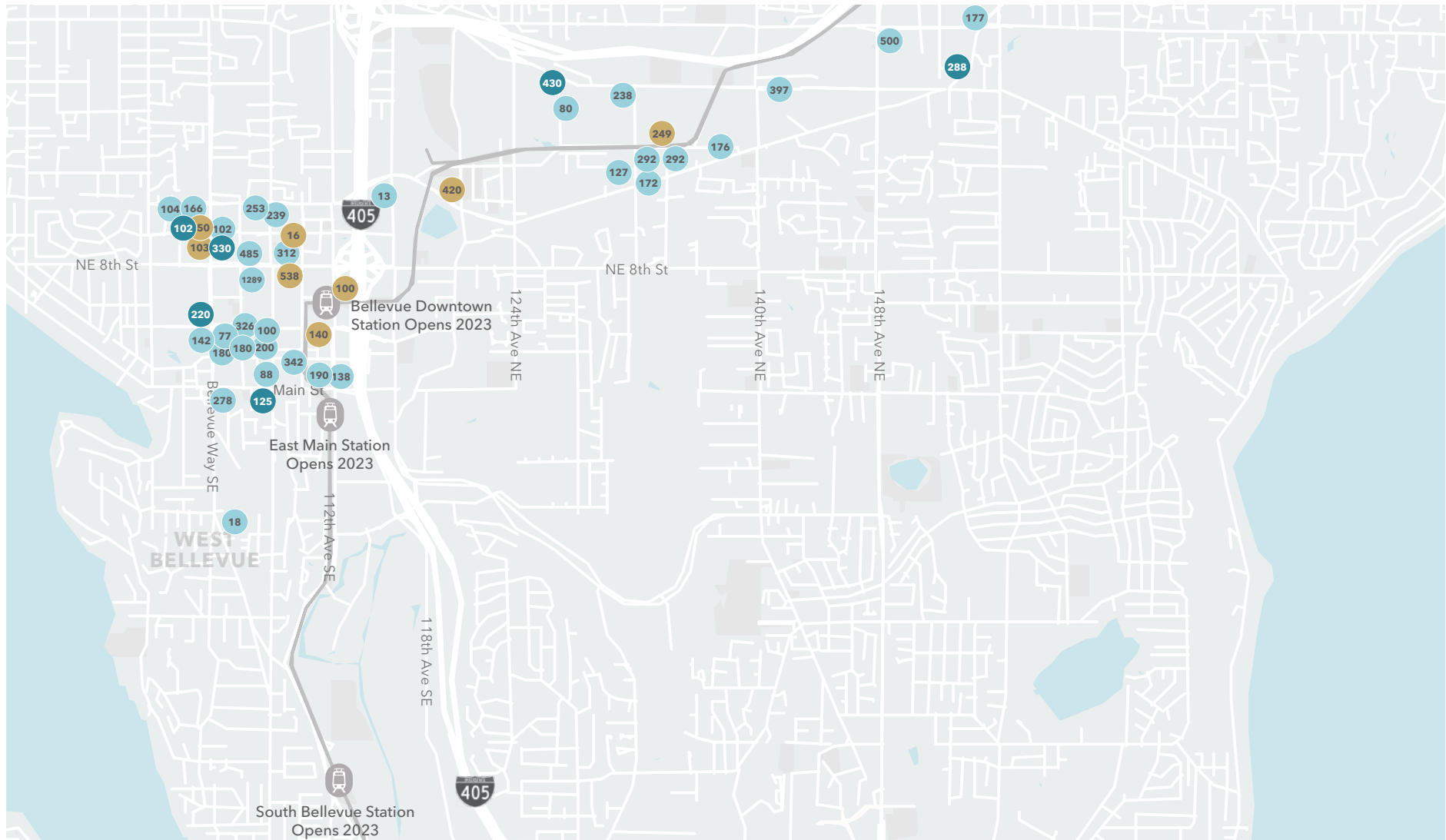
## BELLEVUE

## EXISTING APARTMENT INVENTORY: 17,111 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,567	1,811	8,076	11,454	0
9%	11%	47%	67% of inventory	0% of inventory

- APARTMENT
- MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62



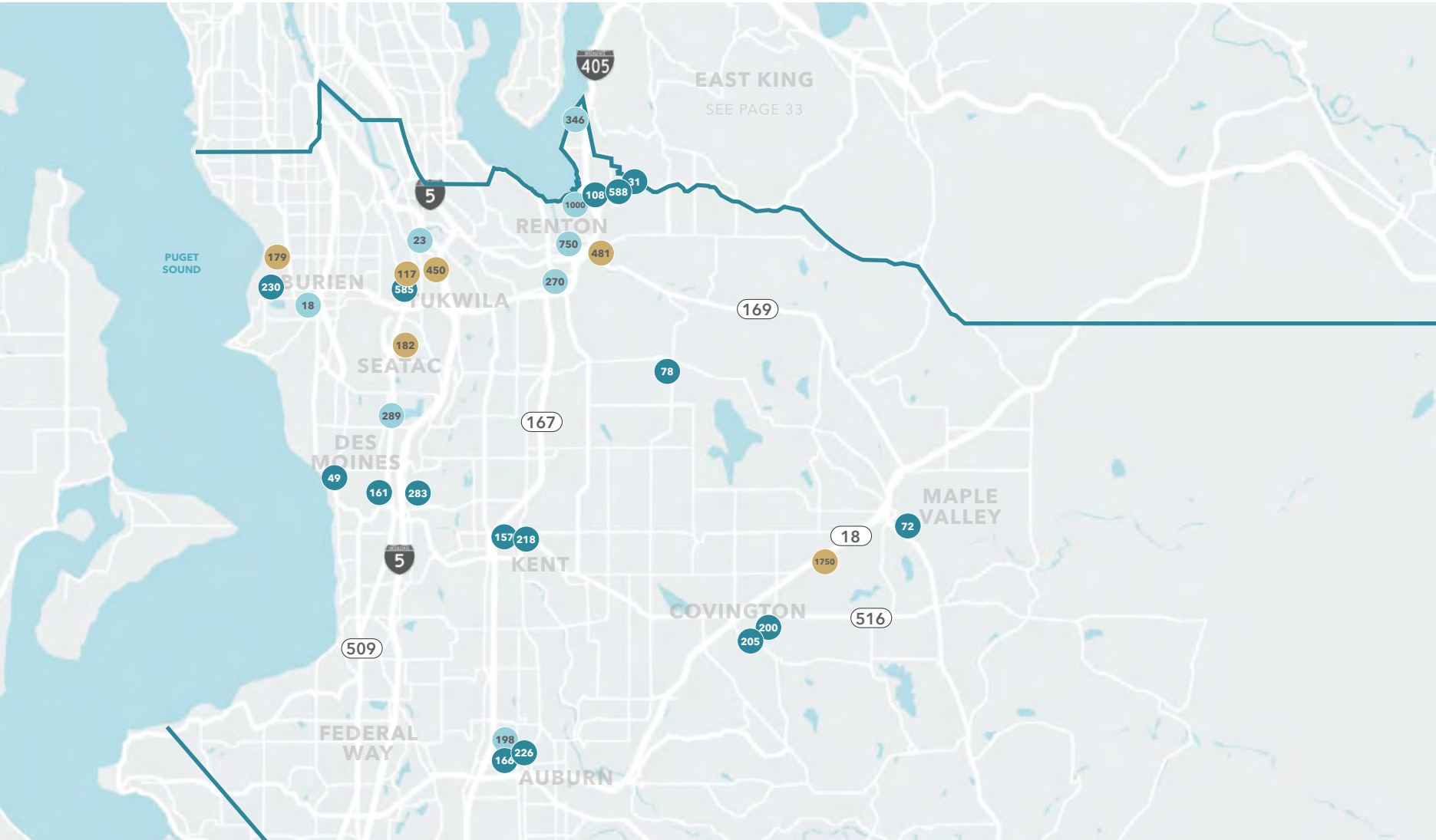


SOUTH KING

EXISTING APARTMENT INVENTORY: 53,015 UNITS

	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
● APARTMENT	3,357	3,159	2,894	9,410	0
⬢ MICROHOUSING*					
■ MIXED*	6%	6%	5%	18% of inventory	0% of inventory

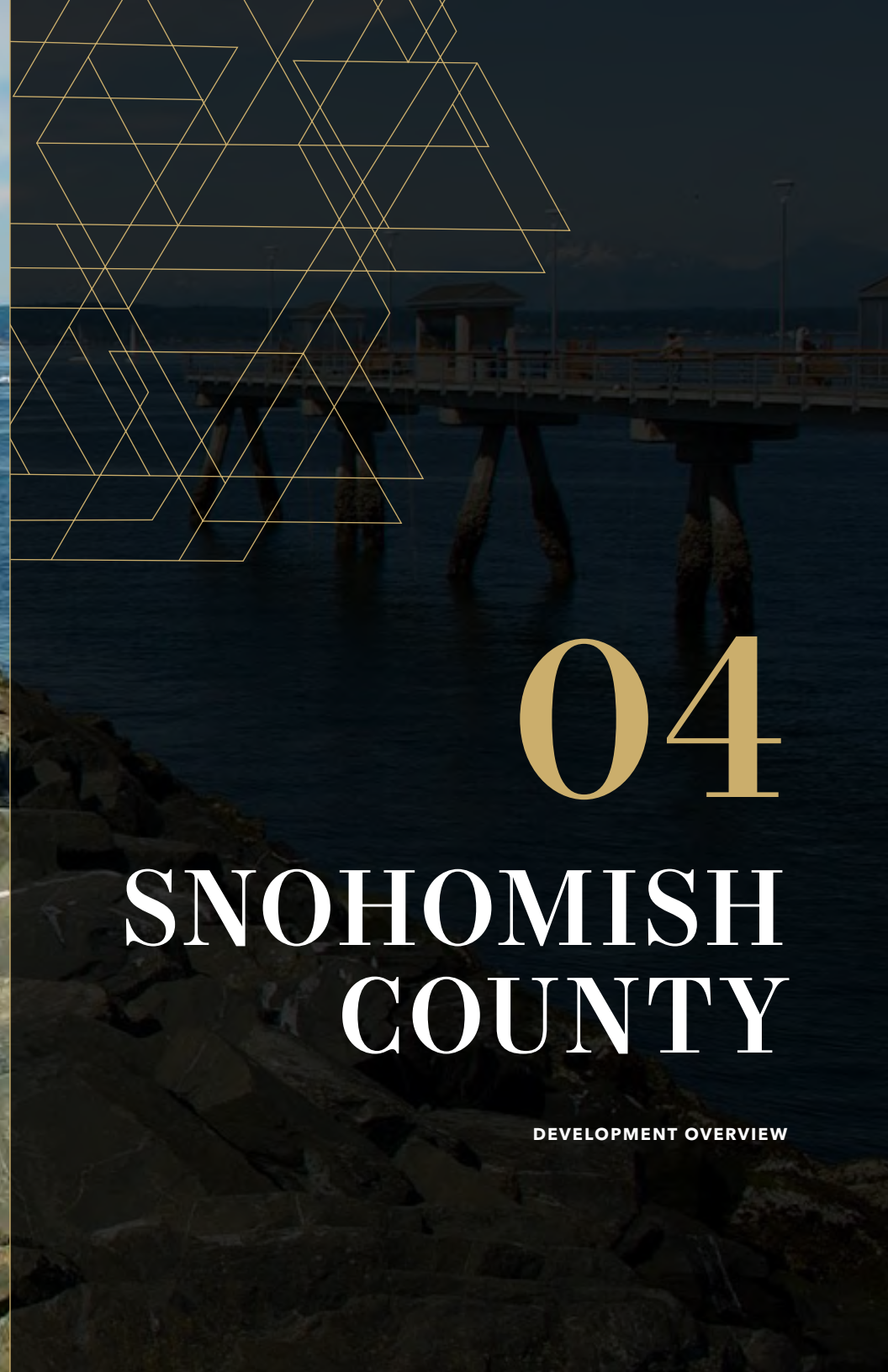
\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62











04

# SNOHOMISH COUNTY

DEVELOPMENT OVERVIEW



# SNOHOMISH COUNTY

As we emerge out of COVID, Snohomish County continues its moderate rate of development. As such, tracking Snohomish's apartment development is as simple as following the breadcrumbs of the light rail path from Seattle up to Everett: Peppered near I-5 are development sites focused on creating areas of convenience for future tenants to easily commute to Seattle. Accordingly, we've seen the largest developments occur in Lynnwood, Mountlake Terrace, and Everett as developers prepare for the light rail to open. Similarly, Snohomish continues to be a county that developers focus on due to its vacancy rates that are at all-time lows, thereby creating demand for new product.



44,966

TOTAL INVENTORY

7,898

TOTAL PIPELINE



## SNOHOMISH DEVELOPMENT OVERVIEW

Developers in Snohomish County continue to focus on higher traffic areas, such as Alderwood Mall, Paine Field, Everett, and Arlington's new Amazon warehouse development. Notably, growth here has exceeded expectations in the last decade with record low vacancy rates. And, with more people moving in because of COVID, Snohomish is in high demand for more product.

Snohomish has more than 18% of its current stock in its development pipeline - with no expectations of slowing down. Continue to watch the light rail build north and you'll discover more developers finding opportunities.



### Snohomish Development Pipeline

**UNDER CONSTRUCTION:** 3,484 UNITS | 8% OF TOTAL INVENTORY

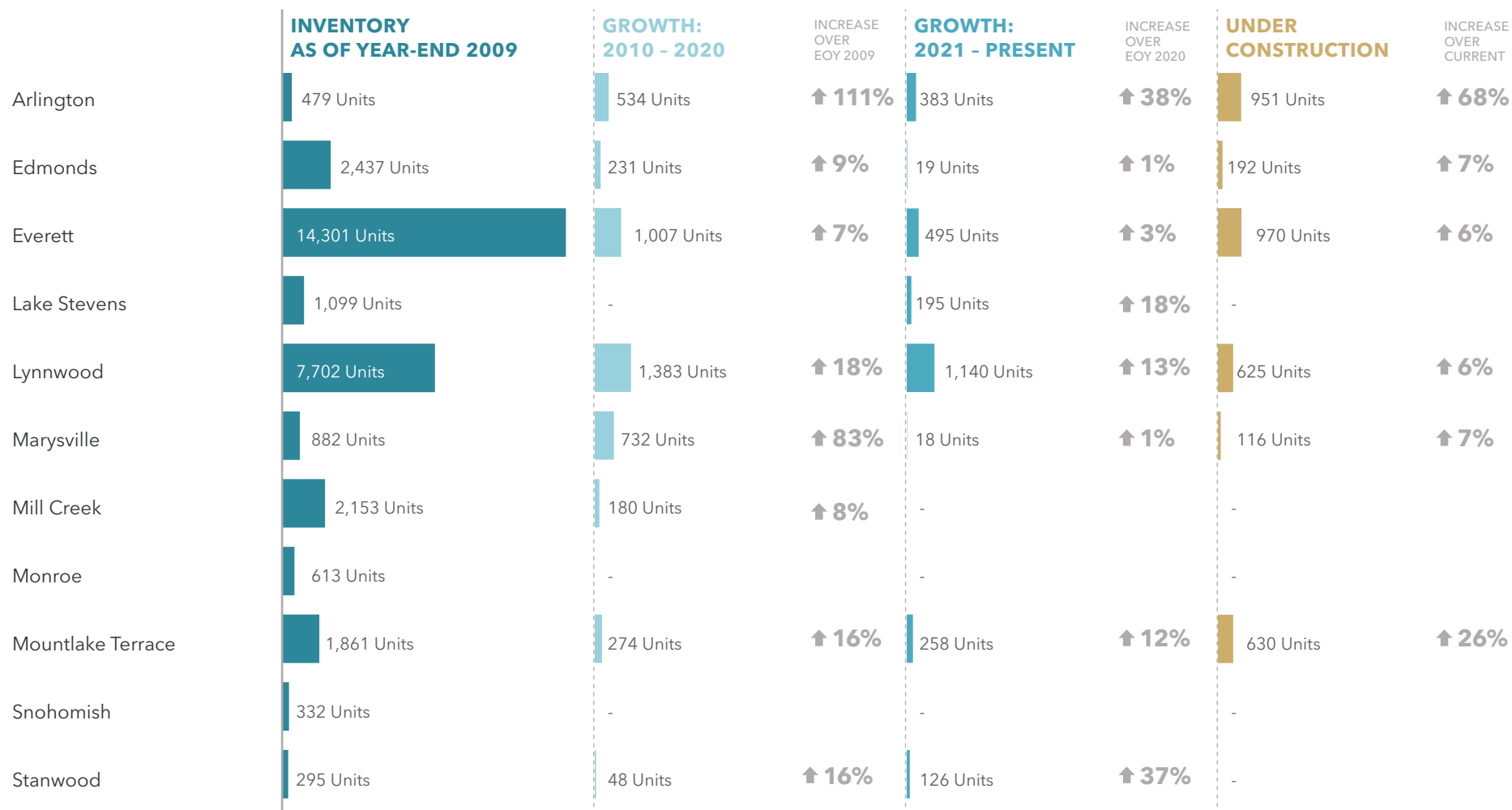
**PLANS APPROVED:** 889 UNITS | 2% OF TOTAL INVENTORY

**IN REVIEW:** 3,525 UNITS | 8% OF TOTAL INVENTORY

**TOTAL INVENTORY:** 44,966 UNITS



## Snohomish Historical Deliveries & Construction Pipeline by City



NOTE: PIPELINE ONLY INCLUDES NUMBER OF UNITS CURRENTLY UNDER CONSTRUCTION. PROJECTS THAT ARE "APPROVED" OR "IN REVIEW" ARE NOT INCLUDED IN THIS CHART.  
SOURCE: COSTAR



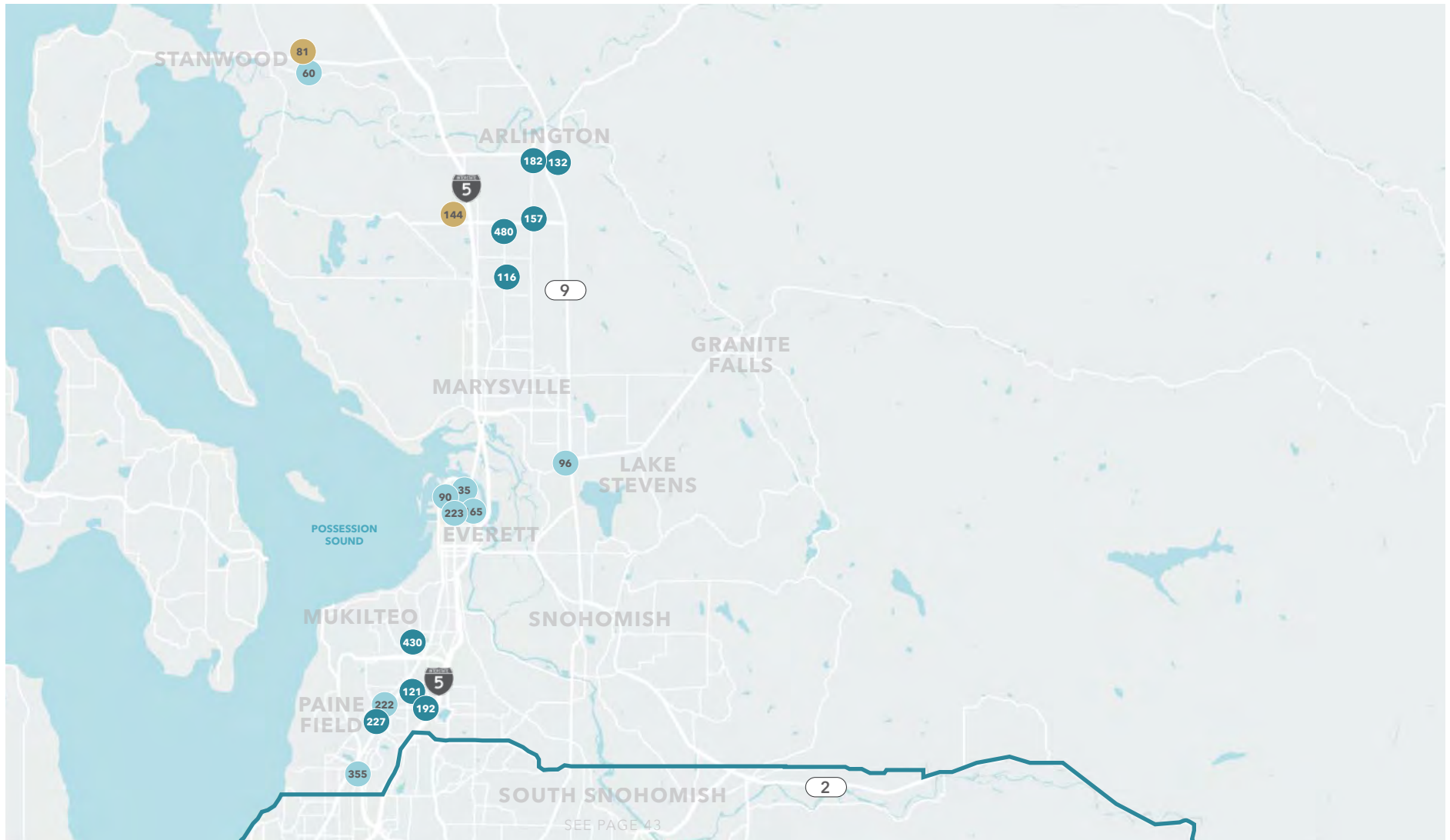
# NORTH SNOHOMISH

## EXISTING APARTMENT INVENTORY: 26,864 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
2,037	225	1,246	3,508	0
8%	1%	5%	13% of inventory	0% of inventory

- APARTMENT
- MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62



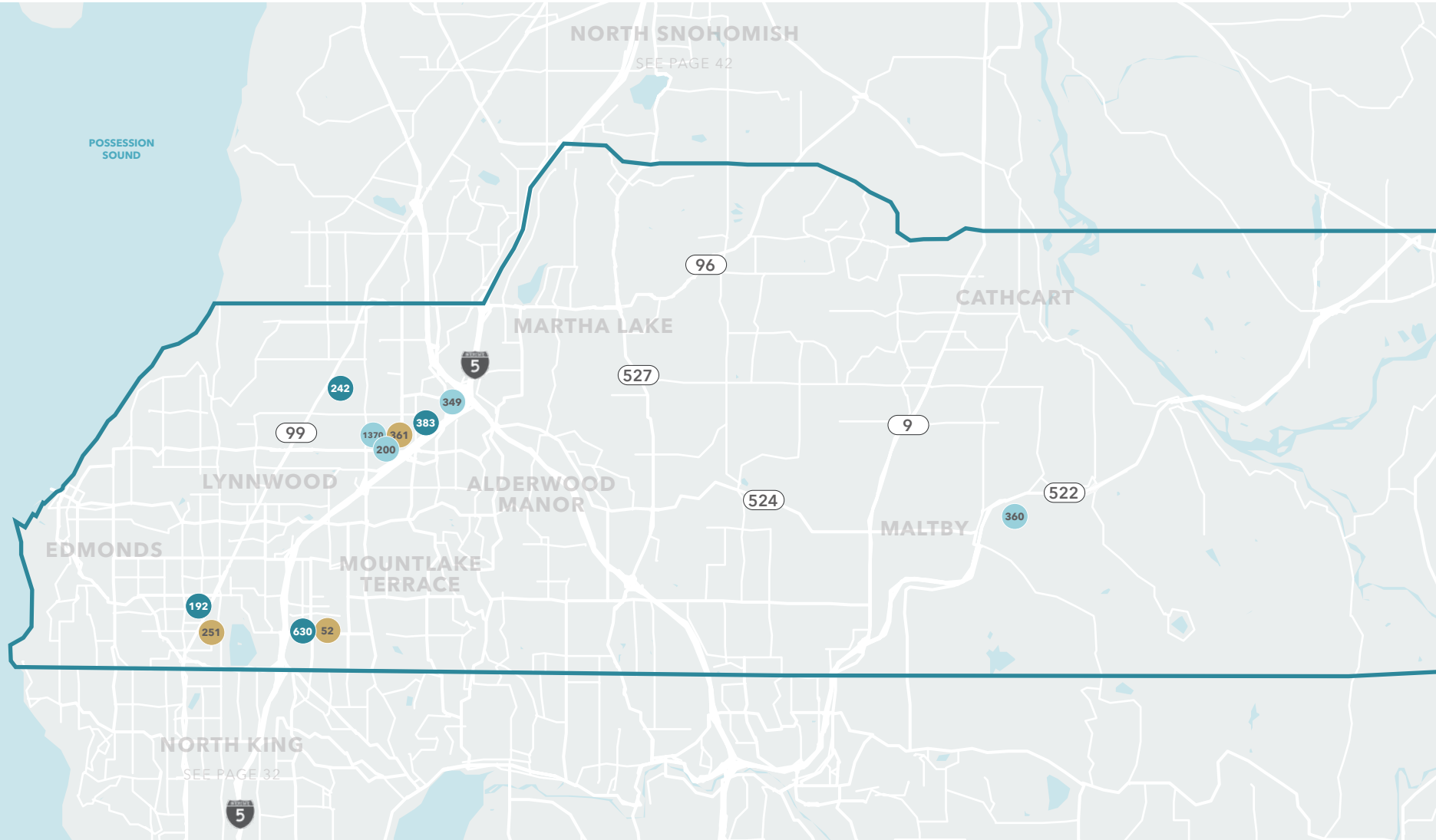


SOUTH  
SNOHOMISH

EXISTING APARTMENT INVENTORY: 18,102 UNITS

	Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
● APARTMENT	1,447	664	2,279	4,390	0
⬢ MICROHOUSING*					
■ MIXED*	8%	4%	13%	24% of inventory	0% of inventory

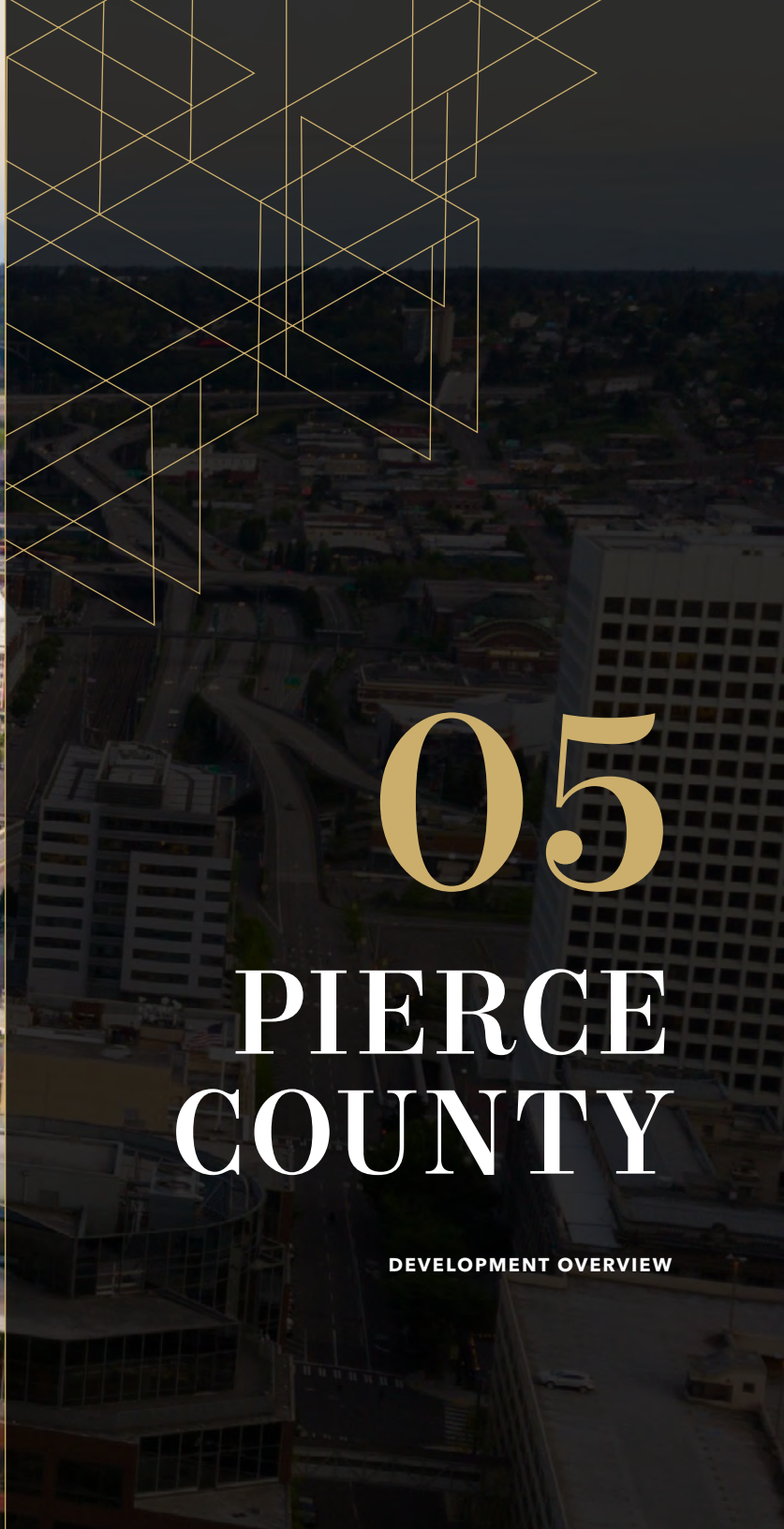
\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62











# 05

## PIERCE COUNTY

DEVELOPMENT OVERVIEW



# PIERCE COUNTY

Tacoma and the entire Pierce County region will see continued interest in multifamily developments as rent rates increase and developers look south for markets that have attractive political environments for ground-up construction.

## IS TACOMA THE ONLY CITY GROWING?

Tacoma and Ruston continue to lead the way in Pierce County as developers look to test denser, podium-style construction in this roaring urban center. Recently, rental rates in Suburban Pierce have helped developers pencil in projects in cities such as the up-zoned Puyallup and industrial-filled Lakewood/Parkland. Granted, the margins are still thin in these markets, but we expect rental rates to continue to grow and fill the gap.

## WHY NOT SEATTLE?

Feedback that we've been getting from developers is that Seattle is still very attractive for projects, but Pierce County provides the opportunity to build quicker and in corroboration with the city. For instance, developers in Tacoma can get permits in 12 to 16 months - compared to three years in Seattle - which makes a massive difference in interest.



57,930

TOTAL INVENTORY

7,462

TOTAL PIPELINE

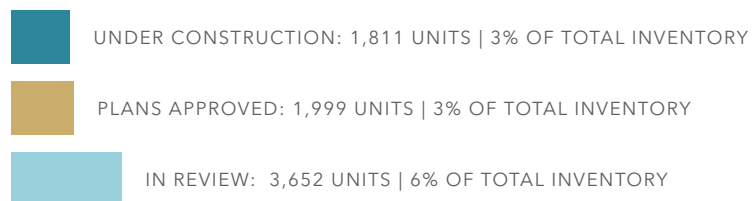


## PIERCE DEVELOPMENT OVERVIEW

Tacoma and Ruston will always be heavy suitors for new development sites as urban centers and as the light rail comes through downtown Tacoma. Now, we're starting to see more of a pipeline suburban: Many developers are escaping the density of Seattle and looking for larger sites with the opportunity to build two- to four-story structures, which Pierce County can provide.



## Pierce Development Pipeline



TOTAL INVENTORY: 57,930 UNITS



## Pierce Historical Deliveries & Construction Pipeline by City

	INVENTORY AS OF YEAR-END 2009	GROWTH: 2010 - 2020	INCREASE OVER EOY 2009	GROWTH: 2021 - PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION	INCREASE OVER CURRENT
DuPont	232 Units	160 Units	↑ 69%	0 Units		0 Units	
Fife, Edgewood, Milton & South Auburn	7,455 Units	1,477 Units	↑ 20%	20 Units	↑ 0.2%	392 Units	↑ 4%
Gig Harbor	1,220 Units	237 Units	↑ 19%	174 Units	↑ 12%	62 Units	↑ 4%
Graham	309 Units	188 Units	↑ 61%	-		-	
Lakewood, Parkland & University Place	10,978 Units	1,009 Units	↑ 9%	182 Units	↑ 2%	126 Units	↑ 1%
Puyallup, Sumner & Bonney Lake	8,061 Units	1,653 Units	↑ 21%	286 Units	↑ 4%	582 Units	↑ 6%
Tacoma & Ruston	25,357 Units	3,258 Units	↑ 13%	752 Units	↑ 3%	1,041 Units	↑ 4%

NOTE: PIPELINE ONLY INCLUDES NUMBER OF UNITS CURRENTLY UNDER CONSTRUCTION. PROJECTS THAT ARE "APPROVED" OR "IN REVIEW" ARE NOT INCLUDED IN THIS CHART.  
SOURCE: COSTAR

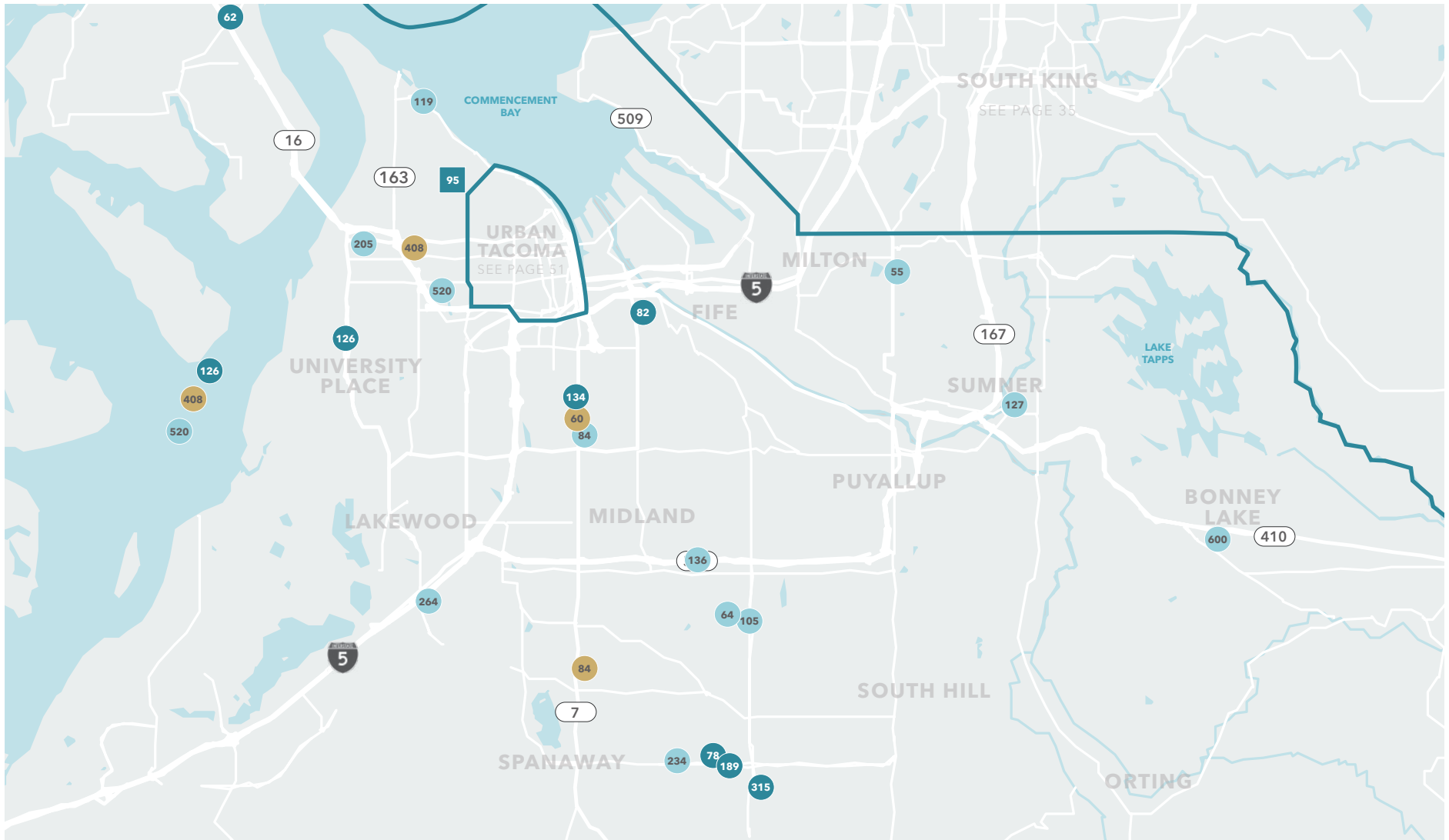


# SUBURBAN PIERCE

## EXISTING APARTMENT INVENTORY: 50,967 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline	
1,081	552	2,513	4,146	43	● APARTMENT
2%	1%	5%	8% of inventory	0.1% of inventory	◆ MICROHOUSING*
					■ MIXED*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62





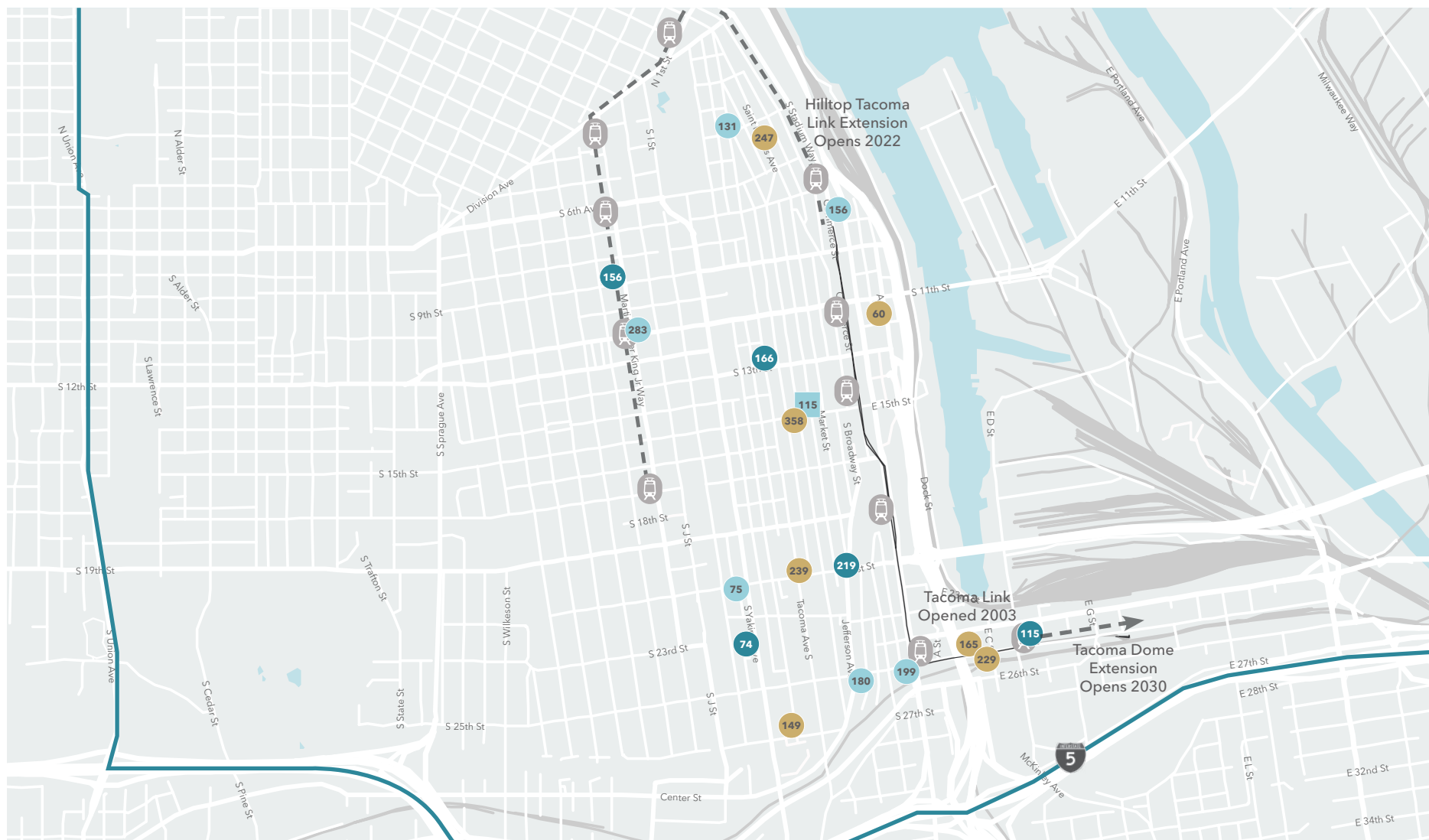
# URBAN TACOMA

## EXISTING APARTMENT INVENTORY: 6,063 UNITS

- APARTMENT
- MICROHOUSING\*
- MIXED\*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
730	1,447	1,139	3,316	65
10%	21%	16%	48% of inventory	1% of inventory

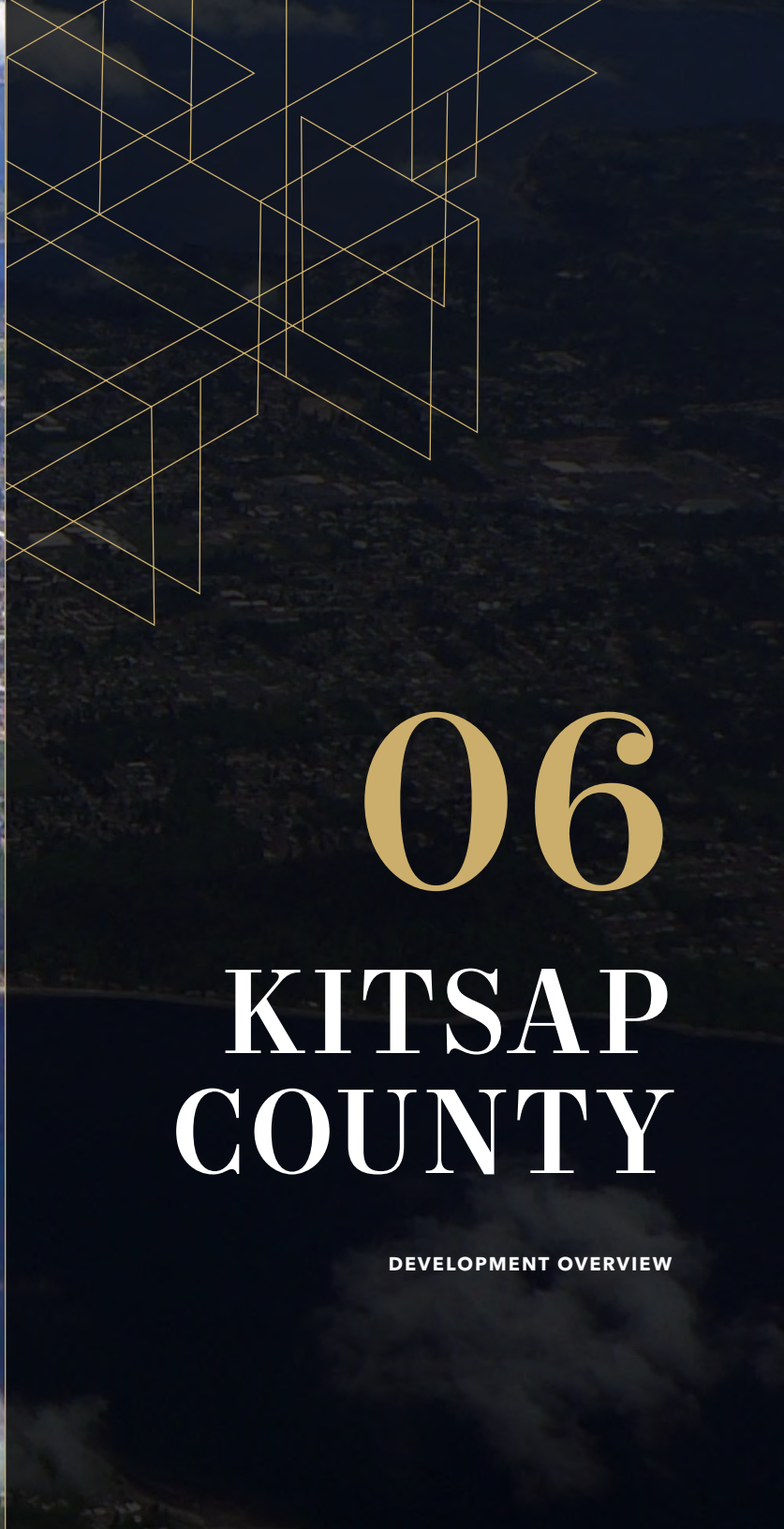
\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62











06

# KITSAP COUNTY

DEVELOPMENT OVERVIEW



# KITSAP COUNTY

Peninsula life is bustling, invigorated by renters seeking some of the best lifestyle options in the Puget Sound, while simultaneously maintaining access to regional job centers.

Fortunately, the spate of new apartment developments that defined the decade following the Great Recession largely missed Kitsap County; while apartment developers focused on Seattle's urban neighborhoods and select suburban markets in King and Snohomish counties, apartment developers were slow to venture to Kitsap County.

However, this dynamic shifted dramatically in the last several years: Now, Kitsap County boasts a development pipeline set to increase its inventory by more than 30%. Given the shift in renter preferences, more liberal work-from-home policies, and increased mass transit commuting options, apartment developments are planned across Kitsap County - from Poulsbo to Port Orchard.

Expect this trend to continue as rental rates in these markets justify the high cost of apartment development and more apartment developers observe and capitalize on the merits of Kitsap County.



9,069

TOTAL INVENTORY

2,813

TOTAL PIPELINE





## KITSAP DEVELOPMENT OVERVIEW

The pipeline of apartment development expands throughout Kitsap as developers identify opportunities throughout the peninsula.

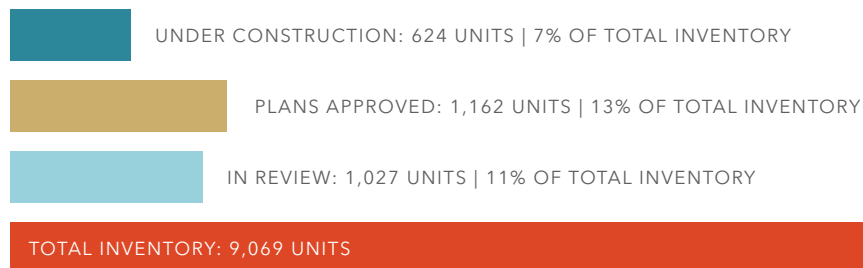
With an existing inventory of more than 9,000 units, it doesn't take much new development to affect the inventory of available units here: Apartment developers quickly realized that, despite adding inventory, rental rates continue to grow across Kitsap. Accordingly, they continue to identify new opportunities.

It seems that the only limiting factor in Kitsap County is the availability of development sites; exciting development markets – such as Bainbridge Island and Poulsbo – continue to experience growth in rental rates, but the development pipeline is shrinking, as opposed to expanding.

With the smallest pipeline of new development – 30% of inventory versus King County's nearly 50% of inventory – we expect developers to continue adding to the pipeline as more developments are delivered and stabilized.

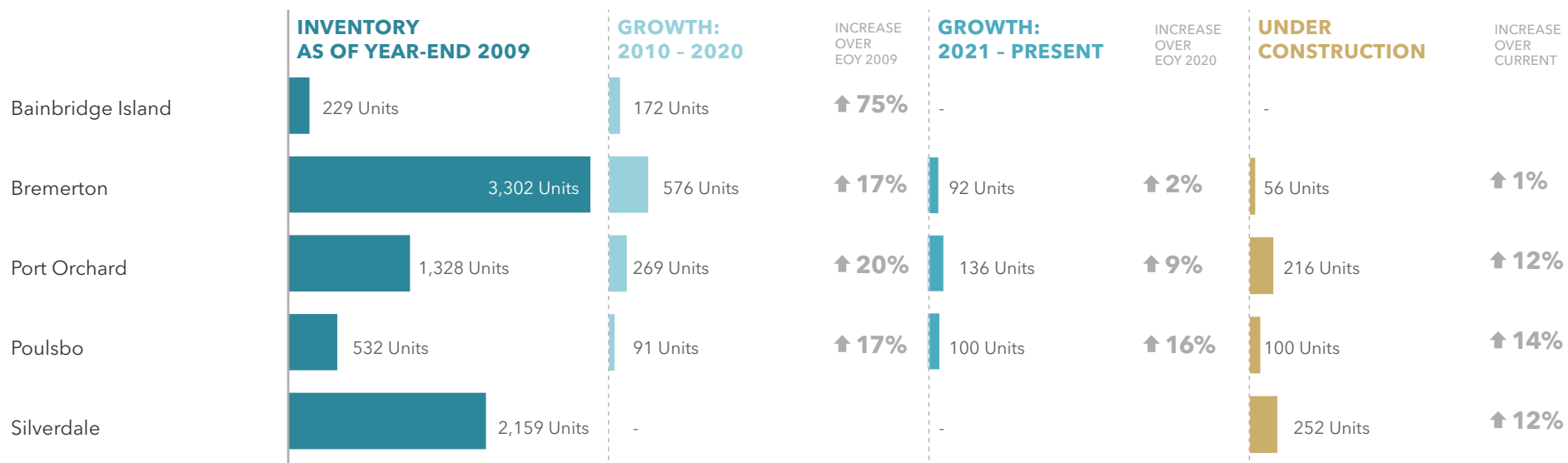


### Kitsap Development Pipeline





## Kitsap Historical Deliveries & Construction Pipeline by City



NOTE: PIPELINE ONLY INCLUDES NUMBER OF UNITS CURRENTLY UNDER CONSTRUCTION. PROJECTS THAT ARE "APPROVED" OR "IN REVIEW" ARE NOT INCLUDED IN THIS CHART.  
SOURCE: COSTAR



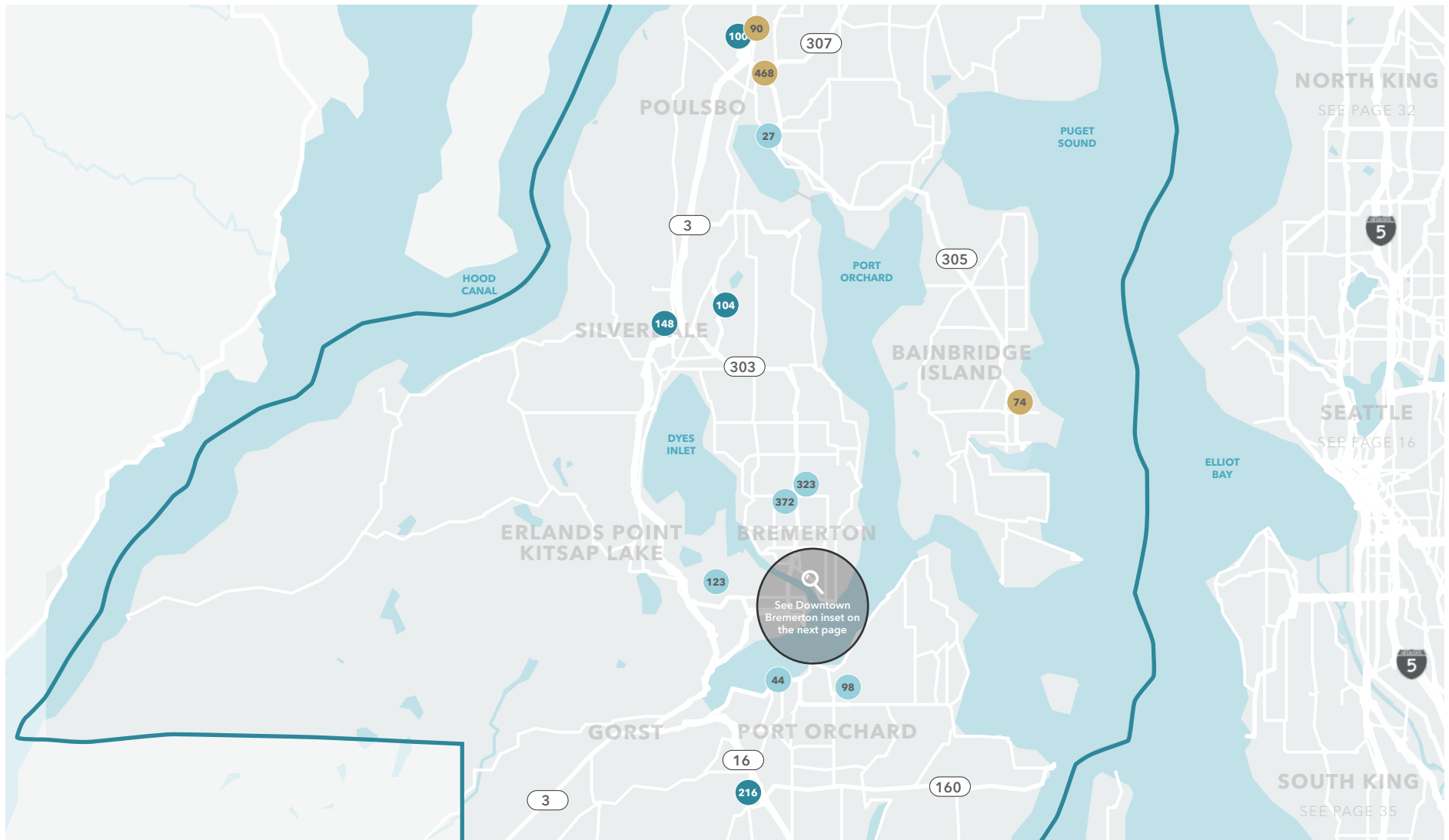
# KITSAP COUNTY

## EXISTING APARTMENT INVENTORY: 9,069 UNITS

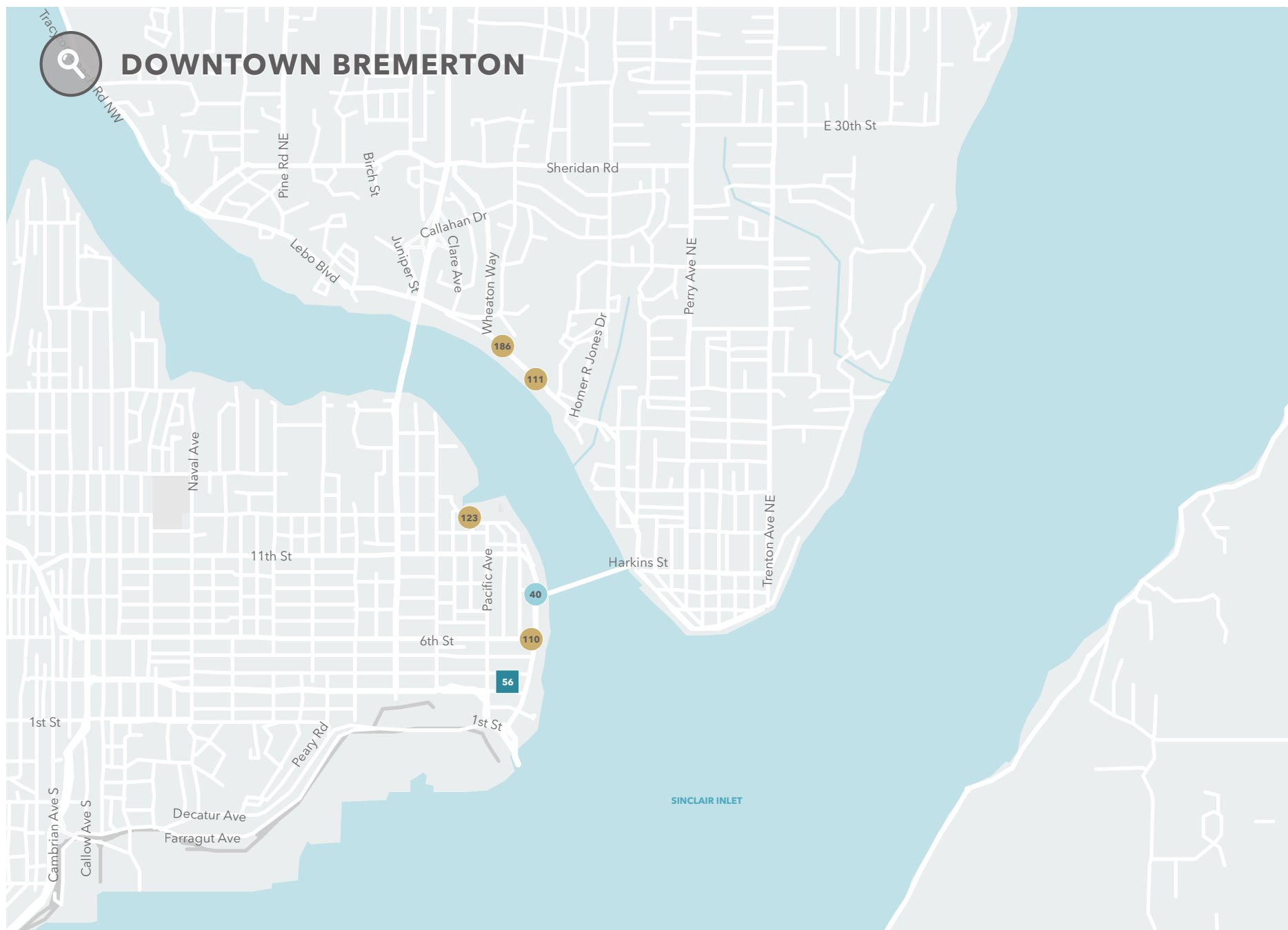
Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
624	1,162	1,027	2,813	0
7%	13%	11%	31% of inventory	0% of inventory

- APARTMENT
- ◆ MICROHOUSING\*
- MIXED\*

\*DEFINITIONS FOR "MICROHOUSING" & "MIXED" DEVELOPMENTS AVAILABLE ON PAGE 62















07

# DATA SOURCES & DEFINITIONS



# DATA SOURCES & DEFINITIONS

## DEFINITIONS

### MICROHOUSING

<b>Congregate</b>	Standard Average Minimum	140-200 SF 175 SF 70 SF	A type of housing that has a private sleeping room and typically a bathroom, but is not a complete dwelling unit and may share a bathroom, common kitchen, dining room, and facilities with other units.	Allowed in certain zones
<b>Micro Studios</b>	Standard Average Minimum	150-250 SF 200 SF 90 SF	An apartment or townhouse dwelling unit consisting of no more than eight sleeping suites (private room with private bath) and one common kitchen or kitchen/lounge.	Not allowed (since 2014)
<b>SEDU</b>	Standard Average Minimum	240-320 SF 275 SF 240 SF	A very compact conventional studio apartment, complete with cooking and bathing facilities and closet space. The max gross floor area allowed is 320 SF – anything larger is an Efficiency Dwelling Unit (EDU).	Allowed
<b>EDU</b>	Standard Average Minimum	321-400 SF 375 SF 321 SF	A small, conventional studio apartment with a main living space ("habitable space") of no less than 220 SF.	Allowed

### MIXED DEVELOPMENTS

Mixed developments noted in this study comprise a unit mix of both standard apartment unit types and microhousing units (see definitions above).

## DATA SOURCES

City of Bellevue - Major Projects List

City of Redmond - Projects Viewer

City of Shoreline

City of Kirkland

CoStar

Geographic Information Systems  
division of Kitsap County Application  
Services

King County Registrar

Seattle in Progress

Snohomish County Registrar

Yardi Matrix

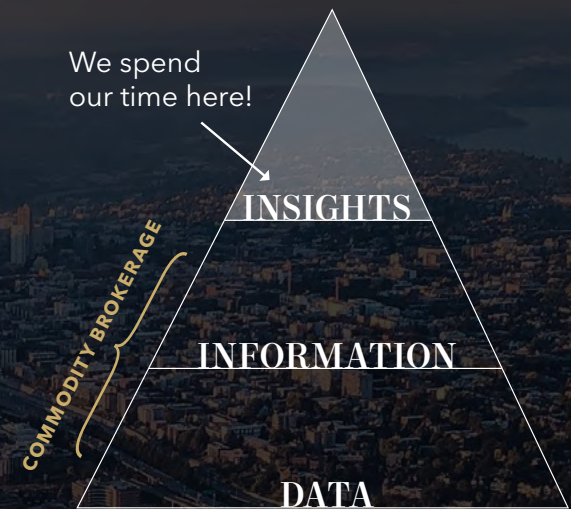
Simon | Anderson Team Research



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

Although we have brokered billions of dollars of apartment transactions throughout the years, 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 develop Profitable Insights™ on the market. Our clients excel by having an unfair advantage over the marketplace.



## Profitable Insights

VALIDATING INTUITION WITH DATA

### SERVICES OFFERED

Sale of stabilized apartment buildings – 5 units to 500 units

Off-market pursuits of pre-sale & stabilized apartment buildings

Sale of development land, both apartments & mixed-use

Strategic disposition of apartment portfolios

**Let Us Turn Our Expertise Into Your Profit!**

THIS DOCUMENT WAS PREPARED BY KIDDER MATHEWS' SIMON | ANDERSON MULTIFAMILY TEAM FOR ADVERTISING AND GENERAL INFORMATION ONLY. KIDDER MATHEWS MAKES NO GUARANTEES, REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE INFORMATION, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF CONTENT, ACCURACY, AND RELIABILITY. ANY INTERESTED PARTY SHOULD UNDERTAKE THEIR OWN INQUIRIES AS TO THE ACCURACY OF THE INFORMATION. KIDDER MATHEWS EXCLUDES UNEQUIVOCALLY ALL IMPLIED OR IMPLIED TERMS, CONDITIONS, AND WARRANTIES ARISING OUT OF THIS DOCUMENT, AND EXCLUDES ALL LIABILITY FOR LOSS AND DAMAGES ARISING THEREFROM. THIS PUBLICATION IS THE COPYRIGHTED PROPERTY OF SIMON | ANDERSON MULTIFAMILY TEAM. © 2022 ALL RIGHTS RESERVED



*Exclusively researched by*

# SIMON | ANDERSON MULTIFAMILY TEAM

**DYLAN SIMON**

Executive Vice President  
206.414.8575  
dylan.simon@kidder.com

**JERRID ANDERSON**

Executive Vice President  
206.499.8191  
jerrid.anderson@kidder.com

**MATT LAIRD**

Vice President  
425.736.5516  
matt.laird@kidder.com

**BRANDON LAWLER**

Vice President  
206.484.8114  
brandon.lawler@kidder.com

**WINSLOW LEE**

Associate Vice President  
425.681.7695  
winslow.lee@kidder.com

**MAX FRAME**

Associate Vice President  
509.494.3116  
max.frame@kidder.com

**HENRY RUF**

Associate  
206.915.6765  
henry.ruf@kidder.com

**JACK COUNIHAN**

Financial Analyst  
206.499.6316  
jack.counihan@kidder.com

