SIMON | ANDERSON MULTIFAMILY TEAM

Puget Sound & Washington State Apartment Sales Specialists

SEATTLE & PUGET SOUND APARTMENT DEVELOPMENT PIPELINE

2024 Special Annual Report

Kidder Mathews

JULY 2024

The number of cranes swinging across the skyline in Puget Sound diminished significantly over the last two years, yet deliveries remain at an all-time peak through 2024!

Over the course of the last 10 years, Seattle and its surrounding communities experienced a massive increase in apartment inventory. New apartment deliveries averaged 3% of inventory from 2014 through 2023, only dipping in 2020 because of COVID.

At the start of the last decade, the focus was the development of podium and high-rise buildings in downtown Seattle, Bellevue, and the surrounding neighborhoods. Development began to spread to more suburban markets, yet a focus remained on podium construction in "urbanizing" suburban markets.

A combination of factors led developers to reconsider both the type and location of development. Principally, rising construction costs and the strengthening of suburban markets post pandemic resulted in a large pipeline of development in all suburban markets, yet King County remains a massive focus for developers.

Today, the market rests at a massive inflection point. Starting new development only makes economic sense on rare occasions; however, the region remains at a shortage of housing. We expect these dynamics will remain through 2024, yet by mid-2025 developers – and the capital necessary for development – will return and we'll see cranes swinging once again.

LET US TURN OUR EXPERTISE INTO YOUR PROFIT!

DYLAN SIMON
Executive Vice President

JERRID ANDERSON
Executive Vice President

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INTRODUCTION

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.

OTHER RESEARCH BY OUR TEAM

Click to review our 2024 research on sales and rental/ vacancy rates.

QUARTER 1 REPORT

QUARTER 2 REPORT

2023 DEVELOPMENT REPORT

OUR DEVELOPMENT LAND SALE HIGHLIGHTS

HARVEST MIXED-USE

Woodinville, WA

PRICE	$19,000,000
UNIT COUNT	200 units

ONDINA

Bellevue, WA

PRICE	$21,750,000
UNIT COUNT	249 units

SPARK

Redmond, WA

PRICE	$14,250,000
UNIT COUNT	211 units

BURL

Shoreline, WA

PRICE	$5,868,295
UNIT COUNT	172 units

MEET THE TEAM

TEAM FOUNDERS

DYLAN SIMON
Executive Vice President

Dylan is a market-leading broker throughout Puget Sound & Washington state specializing in the sale of apartment buildings and development land. He is an expert in sales strategies, market knowledge, and industry trends.

JERRID ANDERSON
Executive Vice President

Jerrid focuses on urban apartment and land sales in the City of Seattle. His clients hire him for pricing outperformance and industry-leading successful closing percentage.

MATT LAIRD
First Vice President

Matt specializes in urban and suburban apartment sales; development land sales; and off-market acquisitions. His attention to detail and excellent client service ensure smooth transactions from marketing through closing.

WINSLOW LEE
Vice President

Winslow is an apartment broker specializing in the sale of apar tment buildings and development land in Seattle. His expertise is working with private ownership groups that own apartments consisting of 5-20 units.

MAX FRAME
Vice President

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

JD FULLER
Associate

JD is an apartment broker specializing in the sales of apartment buildings and development land with a focus in the Puget Sound.

TRACK RECORD

$2.2B
TOTAL VALUE SOLD & UNDER CONTRACT

13,260
TOTAL UNITS SOLD & UNDER CONTRACT

$135M
ACTIVE LISTINGS & LISTINGS COMING TO MARKET

$210M
DEVELOPMENT LAND SOLD & UNDER CONTRACT

DEVELOPMENT OVERVIEW

02

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, 150,000+ planned apartment units, and nearly 800 individual apartment developments.

PIPELINE DEFINITIONS

Under Construction

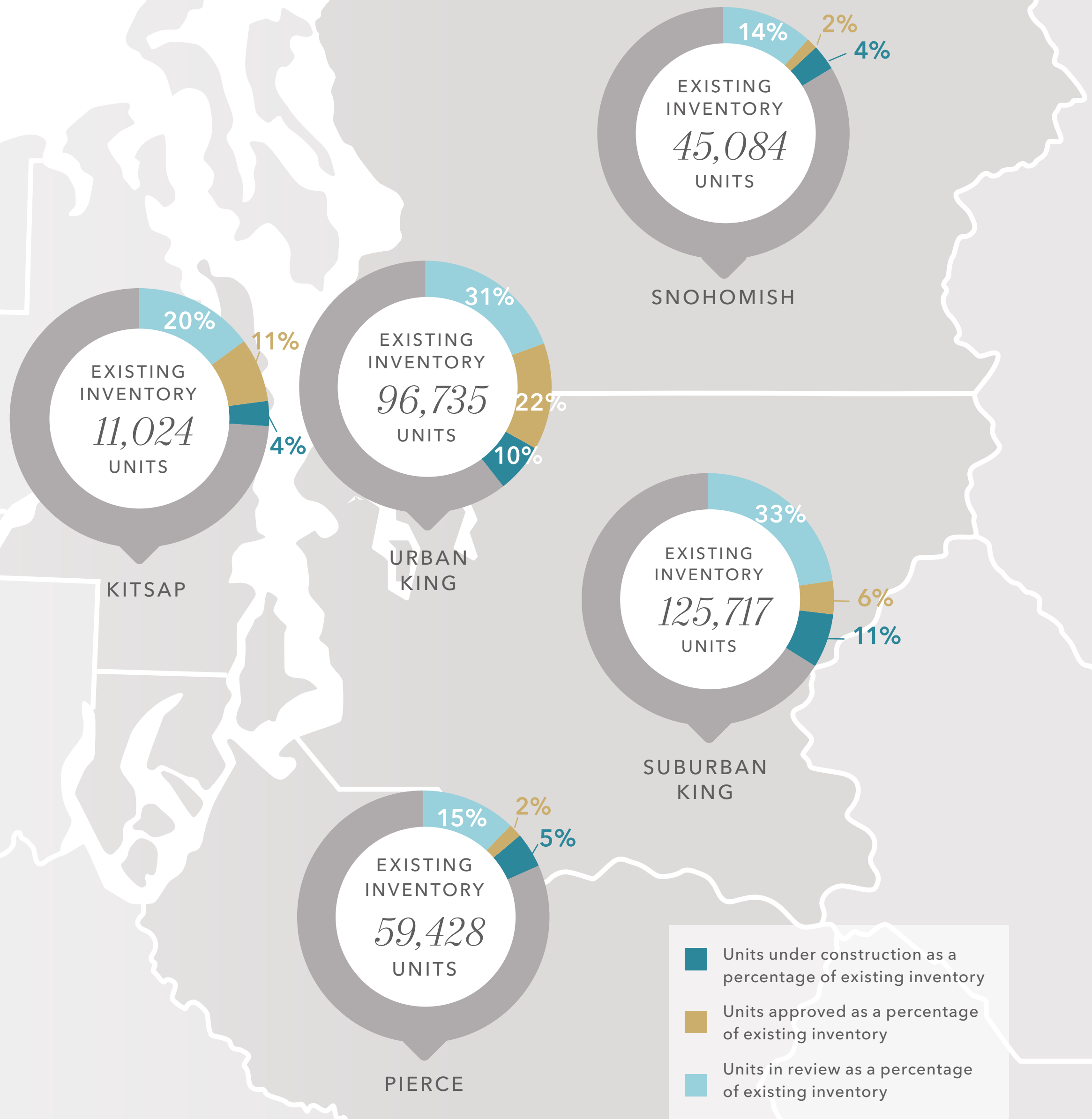
Developments labeled "Under Construction" have broken ground. Anticipated delivery is within the next 36 months for Type I projects or the next 24 months for Type III and Type V projects.

Plan Approved

These developments 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.

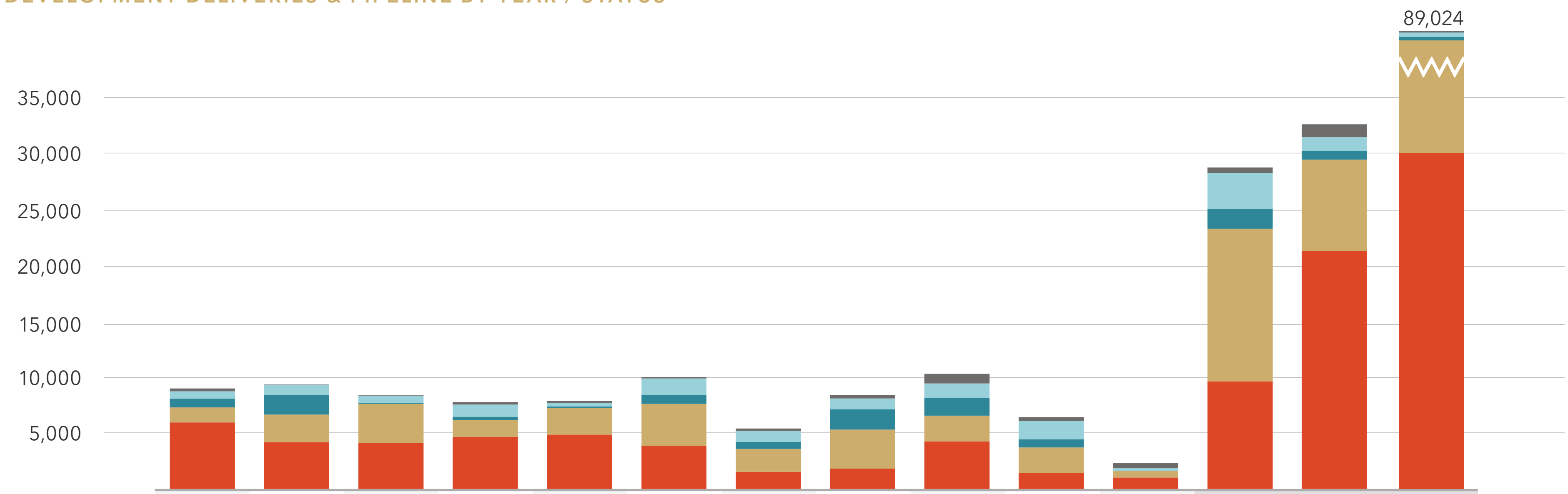
In Review

Projects labeled "In Review" are currently awaiting city approvals and are in the speculative, planning, or drawing stages, representing the very early phases of development. In Seattle, the entitlement process can take more than two years, meaning that many projects in this category are three or more years away from completion.



10+ Unit Buildings

DEVELOPMENT DELIVERIES & PIPELINE BY YEAR / STATUS



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD 2024	Construction	Approved	In Review	Total Pipeline
Urban King	5,941	4,156	4,081	4,655	4,842	3,884	1,522	1,812	4,256	1,446	1,023	9,586	21,233	29,766	**60,585**
Suburban King	1,338	2,492	3,523	1,504	2,394	3,708	2,054	3,483	2,280	2,260	602	13,602	8,110	41,457	**63,169**
Snohomish	793	1,742	93	281	112	782	639	1,829	1,565	734	-	1,766	763	6,831	**9,360**
Pierce	617	882	620	1,072	329	1,487	952	933	1,296	1,615	227	3,208	1,234	8,743	**13,185**
Kitsap	271	12	71	242	166	114	238	292	869	361	442	467	1,184	2,227	**3,878**
Total Deliveries	**8,960**	**9,284**	**8,388**	**7,754**	**7,843**	**9,975**	**5,405**	**8,349**	**10,266**	**6,416**	**2,294**	**28,629**	**32,524**	**89,024**	
Total Inventory	**262,962**	**272,135**	**280,434**	**288,090**	**295,832**	**305,637**	**310,920**	**319,092**	**329,358**	**335,764**	**337,988**	**Total Pipeline**			**150,177**
% Increase	**3.5%**	**3.5%**	**3.0%**	**2.7%**	**2.7%**	**3.3%**	**1.7%**	**2.6%**	**3.2%**	**1.9%**	**0.7%**				

*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

CONSTRUCTION PIPELINE CONTINUES TO SHRINK

After years of significant construction – fueled, in large part, by low interest rates – multifamily deliveries continued to retreat in 2023 (6,416 units) from their all-time high of 10,266 in 2022. Thus far in 2024, Puget Sound has seen 2,294 new multifamily units completed, which has decreased the construction pipeline to just under 28,629, or 8% of existing inventory.

RISING COSTS CALL DEVELOPMENT RETURNS INTO QUESTION

The shrinking construction pipeline comes as a result of rising costs, as well as increasingly weakening projected returns, which then cause developers to pause or cancel projects. Although market saturation and weakening fundamentals have been factors contributing to the slowdown in construction in other markets, this is less so the case in Puget Sound; here, the primary culprits are rising construction and financing costs.

It's worth mentioning that the proportion of "permitted" projects has increased year-over-year. This pipeline – in combination with projects "in review" – represents a potential 36% increase in inventory upon completion. However, it remains to be seen when or even if many of these projects will in fact be delivered. So, for the foreseeable future at least, the threat of new supply appears to be subsiding.

DEVELOPMENT HISTORY & PIPELINE BY REGION (# OF UNITS)

	Inventory as of Year-End 2009	Inventory Growth 2010 - 2020	INCREASE OVER 2009	Inventory Growth 2021-Current	INCREASE OVER 2020	Under Construction	INCREASE OVER CURRENT	Plan Approved	INCREASE OVER CURRENT	In Review	INCREASE OVER CURRENT
SEATTLE	55,937	33,179	↑59%	8,537	↑10%	9,586	↑10%	21,233	↑22%	29,766	↑30%
SUBURBAN KING	102,849	24,072	↑23%	8,722	↑7%	13,602	↑10%	8,110	↑6%	41,457	↑31%
SNOHOMISH	32,264	4,631	↑14%	4,128	↑11%	1,766	↑4%	763	↑2%	6,831	↑17%
PIERCE	54,606	8,319	↑15%	4,425	↑7%	3,208	↑5%	1,234	↑2%	8,743	↑13%
KITSAP	7,901	1,114	↑14%	1,964	↑22%	467	↑4%	1,184	↑11%	2,227	↑20%

KING COUNTY

03

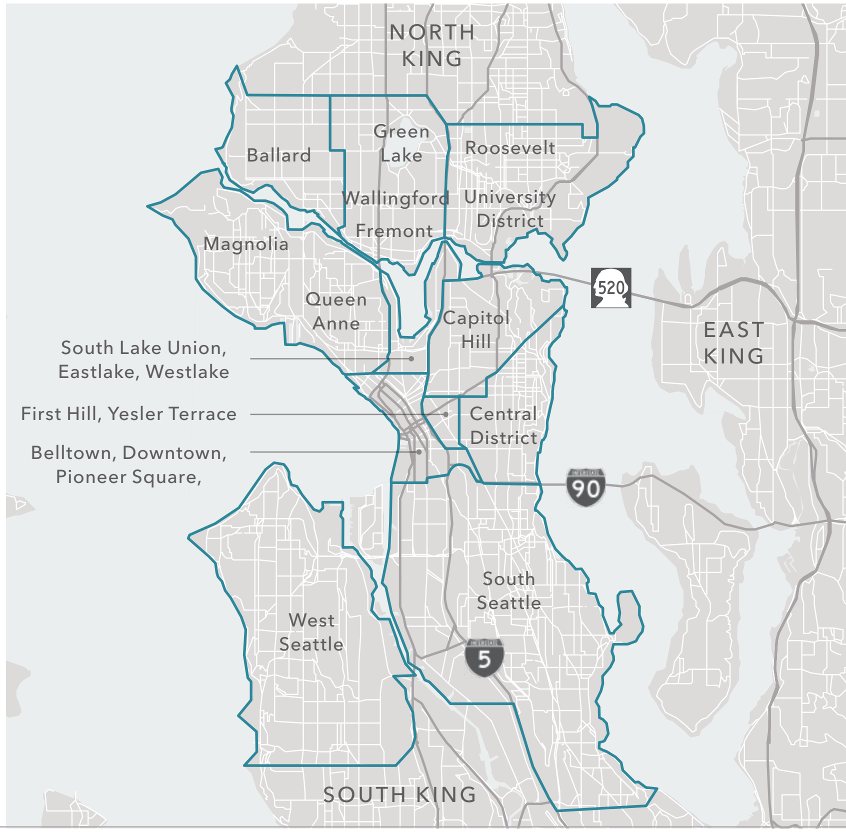
SEATTLE DEVELOPMENT OVERVIEW

Easy-money pandemic building winds down as uncertainty surrounds developer confidence

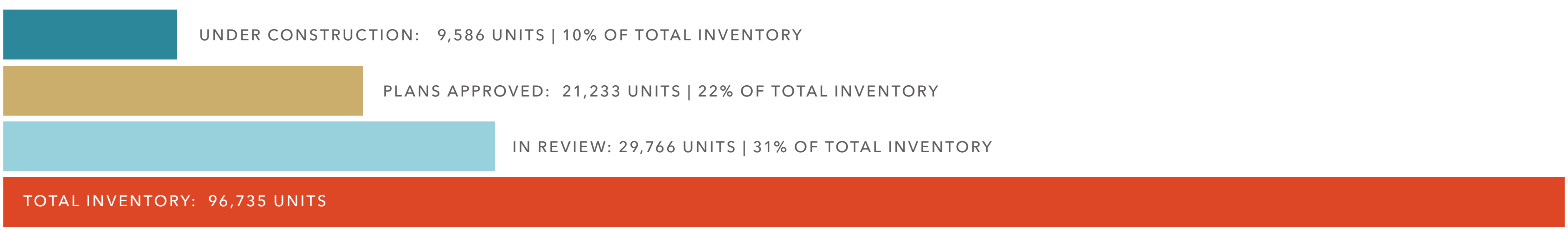
The Seattle market experienced a significant wave of multifamily development since the pandemic. Notably, 10% of existing stock delivered since 2021. That said, the construction pipeline also shrunk considerably throughout the last year: Now, it totals 9,586 units, which is down 35% from 14,758 units at the same time last year.

Even so, the under construction pipeline represents 10% of total inventory, with most projects set to complete in late-2024 and 2025. We predict strong headwinds in South Seattle and Belltown/Downtown/Pioneer Square, which will see the largest supply increases, with units under construction at 31% and 24% of existing stock, respectively. Conversely, the University District and Capitol Hill will only add 1% and 2% to their existing supply, leading many to believe rent growth booms are around the corner in these high-demand neighborhoods.

While development plans approved surged 49% year-over-year, it's unclear how quickly developers will put more shovels in the ground. In any case, the Seattle market is experiencing the same challenges as many markets around the U.S., with rising construction and financing costs suggesting that many previously underwritten deals no longer pencil.



SEATTLE DEVELOPMENT PIPELINE



SEATTLE HISTORICAL DELIVERIES & CONSTRUCTION PIPELINE BY NEIGHBORHOOD

	INVENTORY (UNITS): AS OF YEAR-END 2009	GROWTH (UNITS): 2010 – 2020	INCREASE OVER EOY 2009	GROWTH (UNITS): 2021 – PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION (UNITS)	INCREASE OVER CURRENT
Ballard	2,503	2,661	↑ 106%	364	↑ 7%	400	↑ 7%
Fremont, Green Lake & Wallingford	4,185	2,539	↑ 61%	371	↑ 6%	695	↑ 10%
University District & Roosevelt	6,710	3,254	↑ 48%	1,362	↑ 14%	108	↑ 1%
Queen Anne & Magnolia	7,458	2,124	↑ 28%	457	↑ 5%	948	↑ 9%
South Lake Union, Westlake & Eastlake	3,666	5,708	↑ 156%	1,927	↑ 21%	176	↑ 2%
Belltown, Downtown & Pioneer Square	7,500	7,348	↑ 98%	1,790	↑ 12%	4,023	↑ 24%
First Hill & Yesler Terrace	4,052	1,927	↑ 48%	718	↑ 12%	1,181	↑ 18%
Capitol Hill	11,464	4,440	↑ 39%	345	↑ 2%	315	↑ 2%
Central District	1,548	654	↑ 42%	137	↑ 6%	107	↑ 5%
West Seattle	4,424	1,720	↑ 39%	371	↑ 6%	431	↑ 7%
South Seattle	2,427	805	↑ 33%	695	↑ 22%	1,202	↑ 31%

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

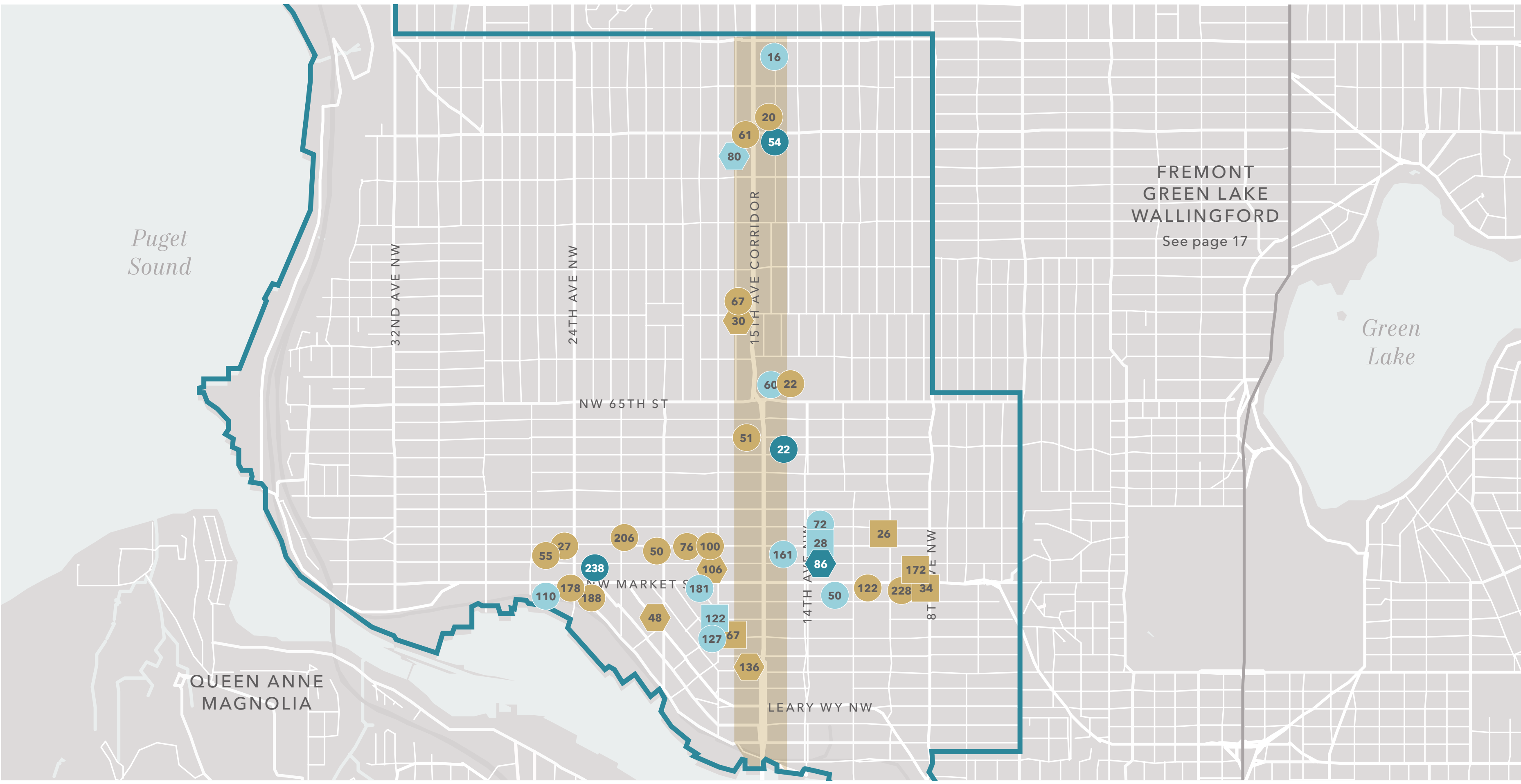
Ballard

EXISTING APARTMENT INVENTORY: 5,518 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
400	2,070	1,007	3,477	632
7%	38%	18%	63% of inventory	11% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



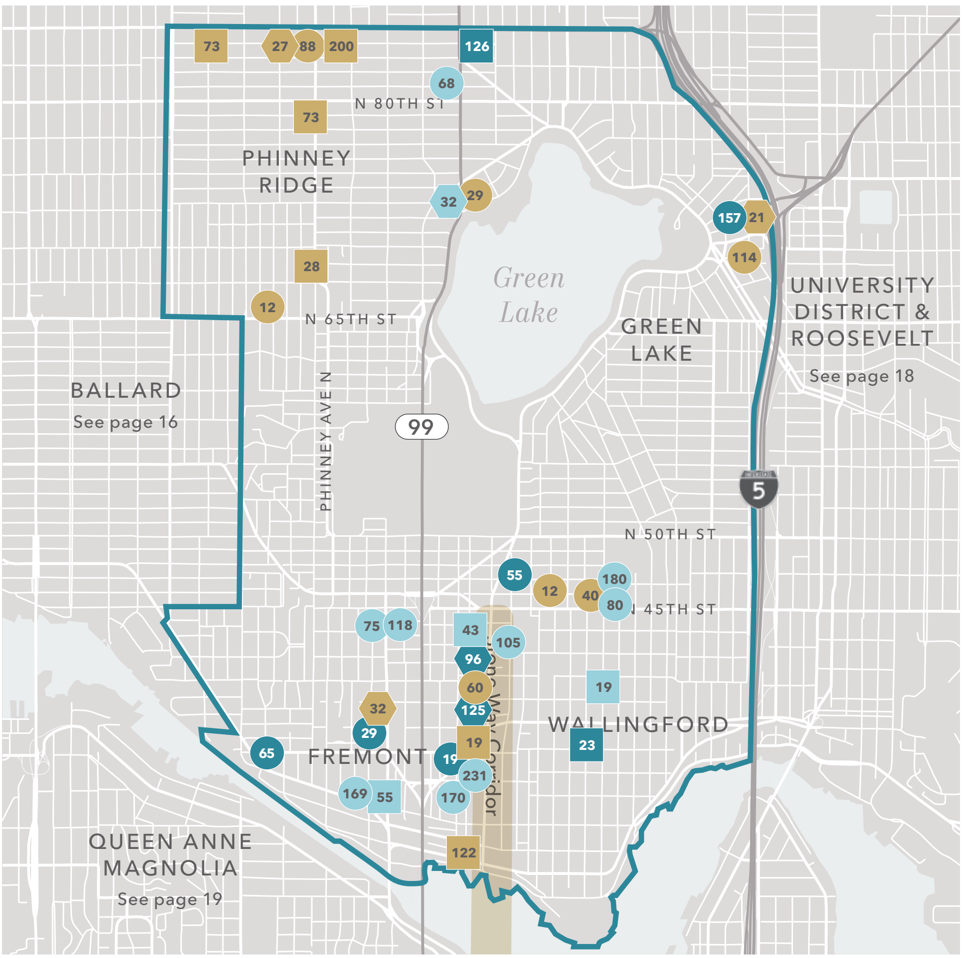
Fremont, Green Lake & Wallingford

EXISTING APARTMENT INVENTORY: 7,048 UNITS

- Apartment
- Microhousing*
- Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
695	950	1,345	2,990	704
10%	13%	19%	42% of inventory	10% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



University District & Roosevelt

EXISTING APARTMENT INVENTORY: 10,989 UNITS

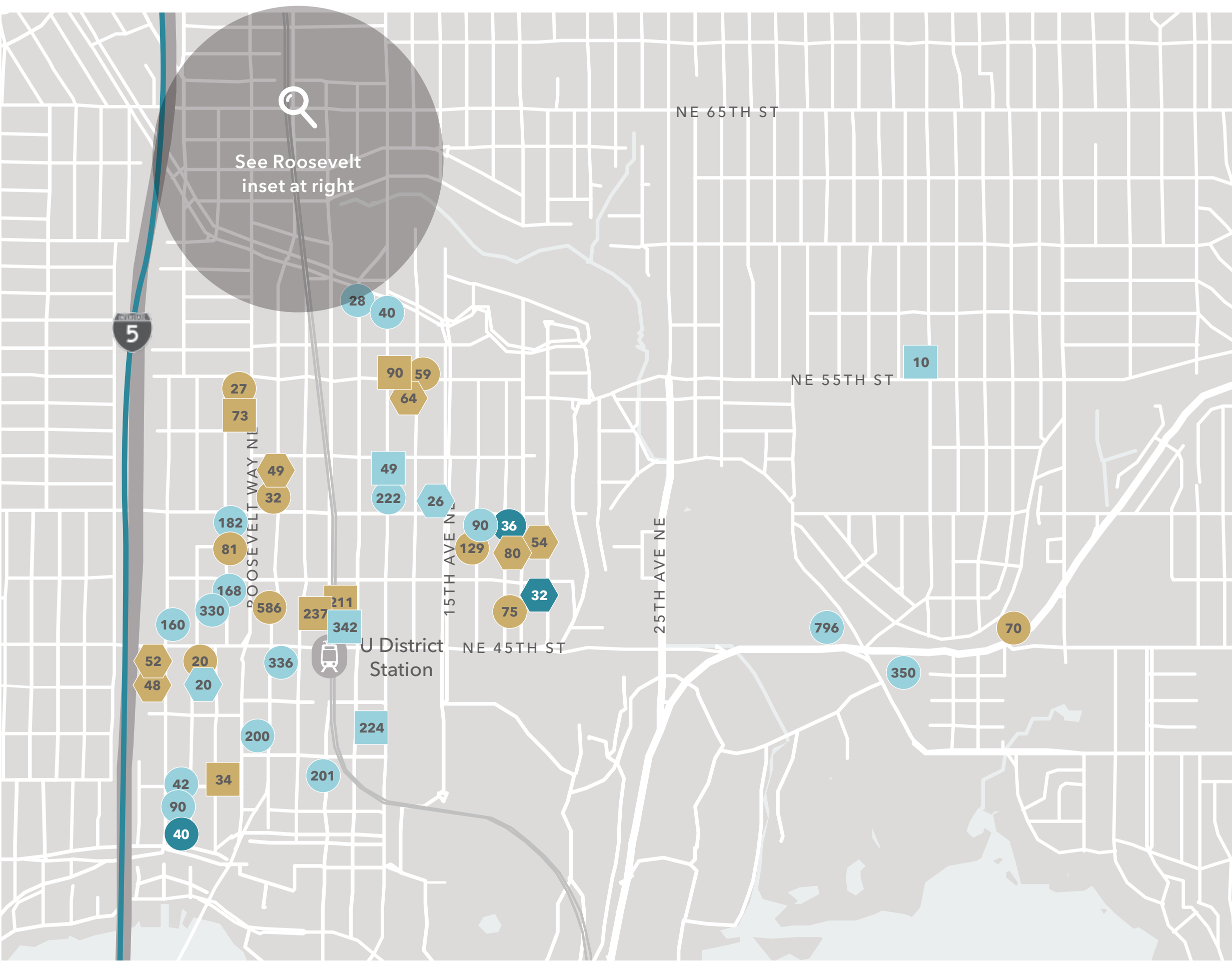
Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
108	2,962	4,286	7,356	1,194
1%	27%	39%	67% of inventory	11% of inventory

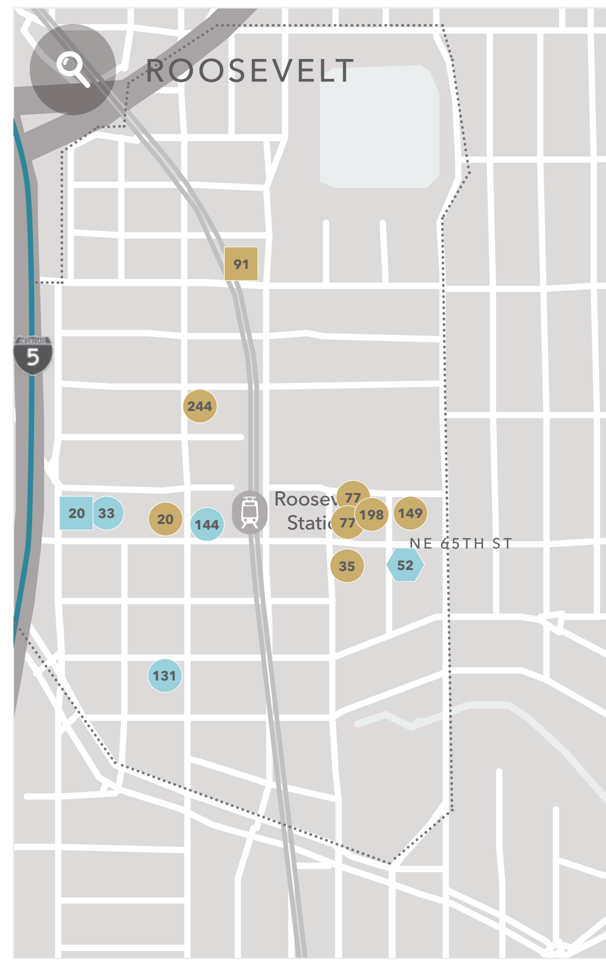
Apartment

Microhousing*

Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54





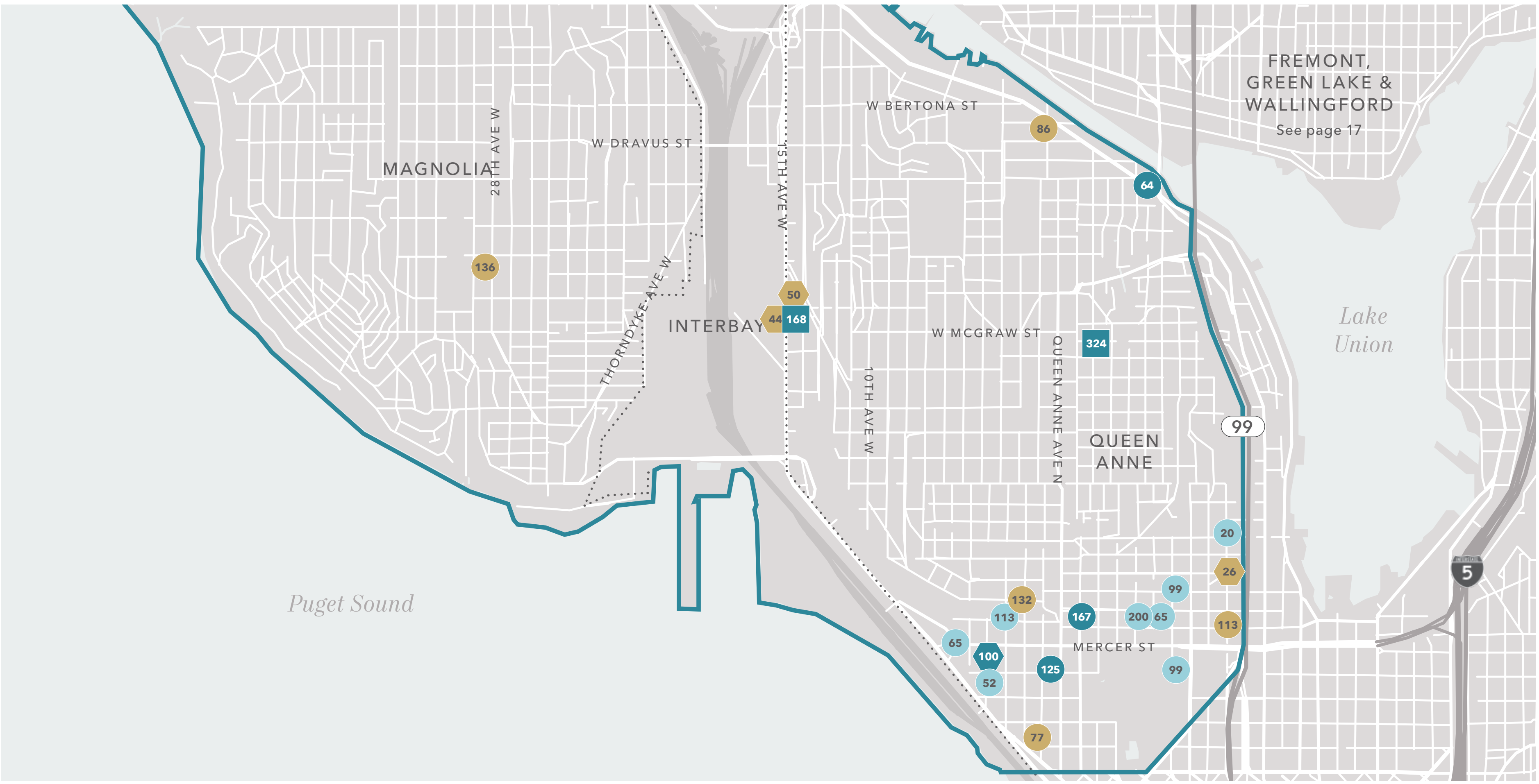
Queen Anne & Magnolia

EXISTING APARTMENT INVENTORY: 9,973 UNITS

Apartment
Microhousing*
Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
948	664	713	2,325	196
10%	7%	7%	23% of inventory	2% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



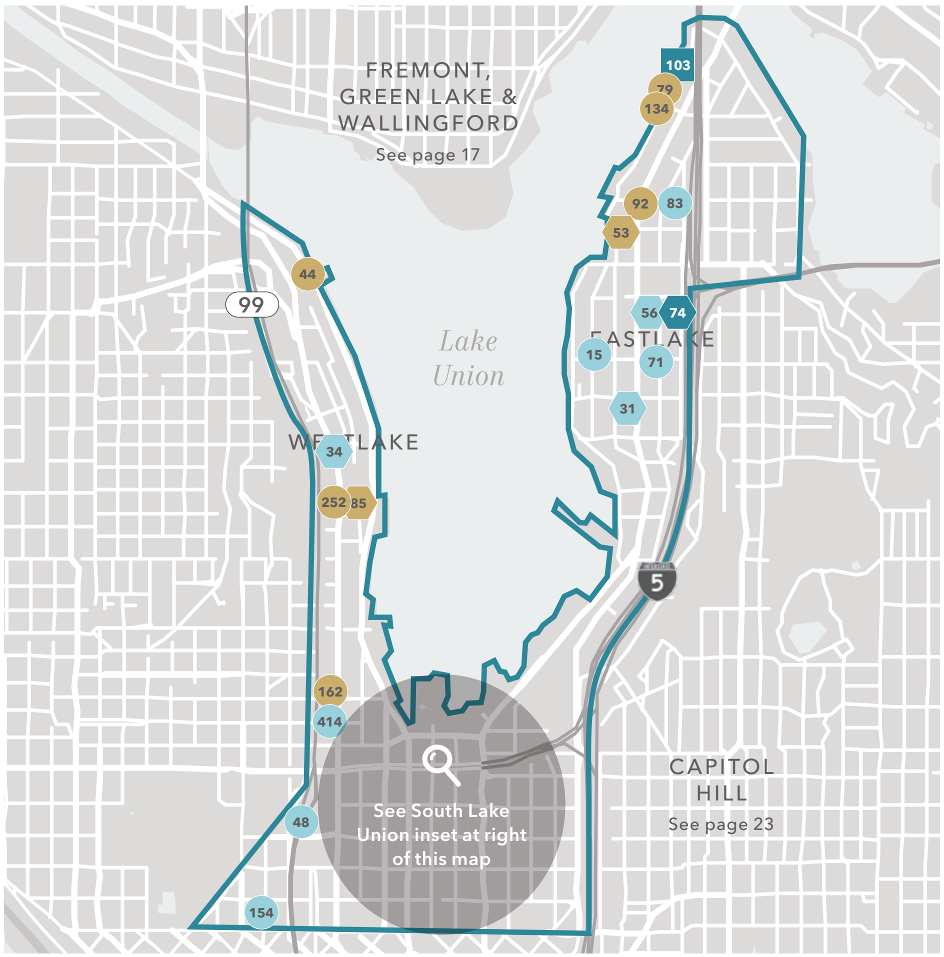
South Lake Union, Eastlake & Westlake

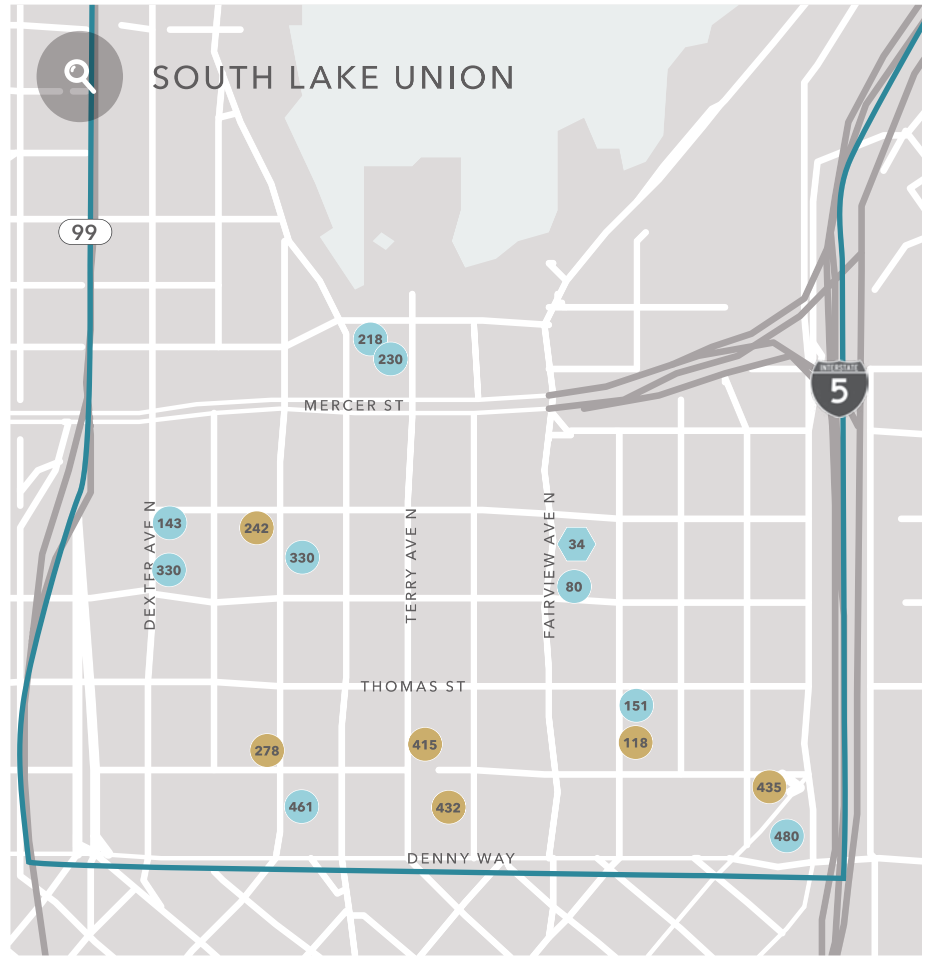
EXISTING APARTMENT INVENTORY: 11,285 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
176	2,855	3,329	6,360	357
2%	25%	29%	56% of inventory	3% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54





Belltown, Downtown & Pioneer Square

EXISTING APARTMENT INVENTORY: 16,471 UNITS

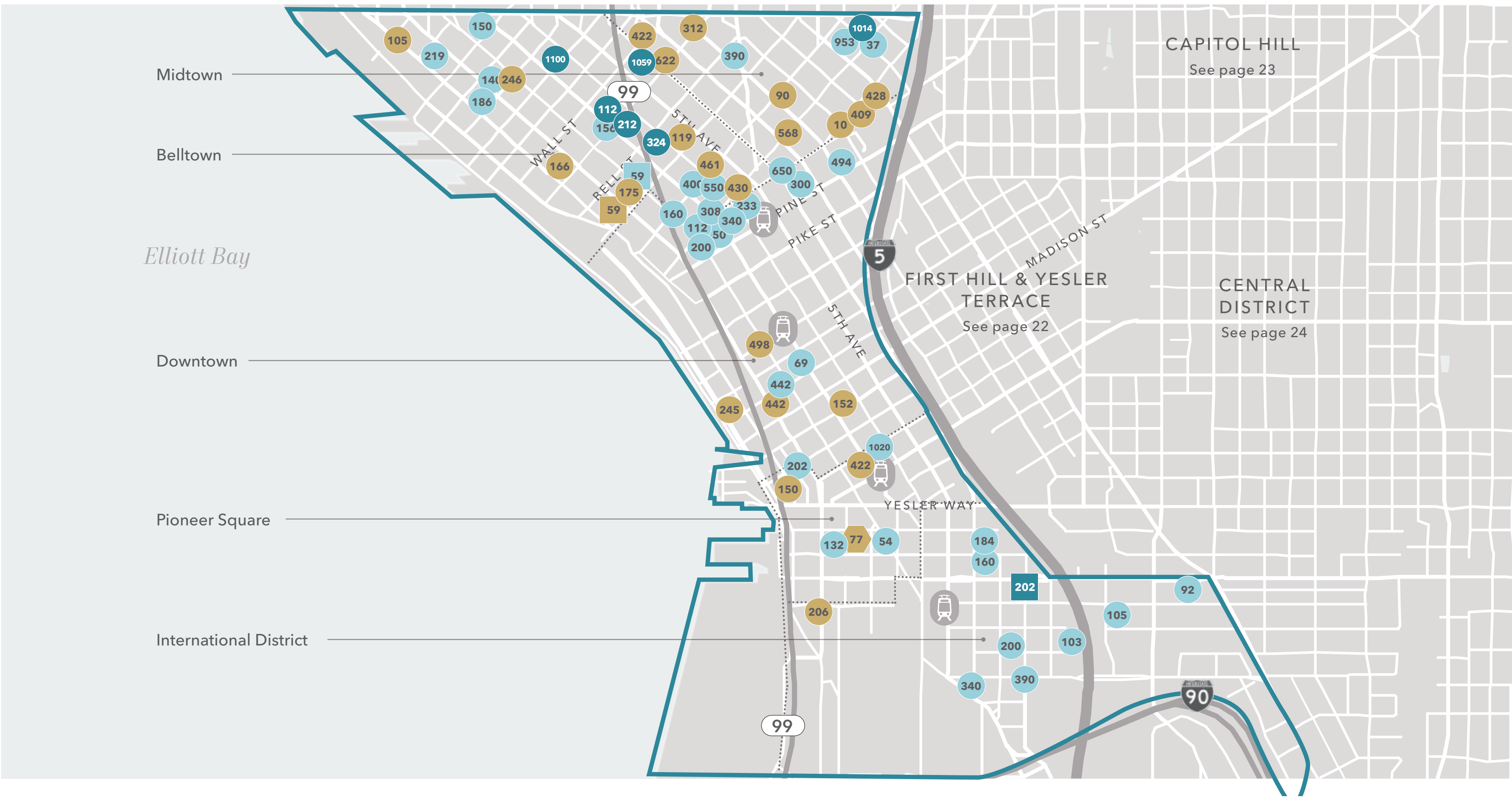
Apartment

Microhousing*

Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
4,023	6,392	9,580	19,995	208
24%	39%	58%	121% of inventory	1% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



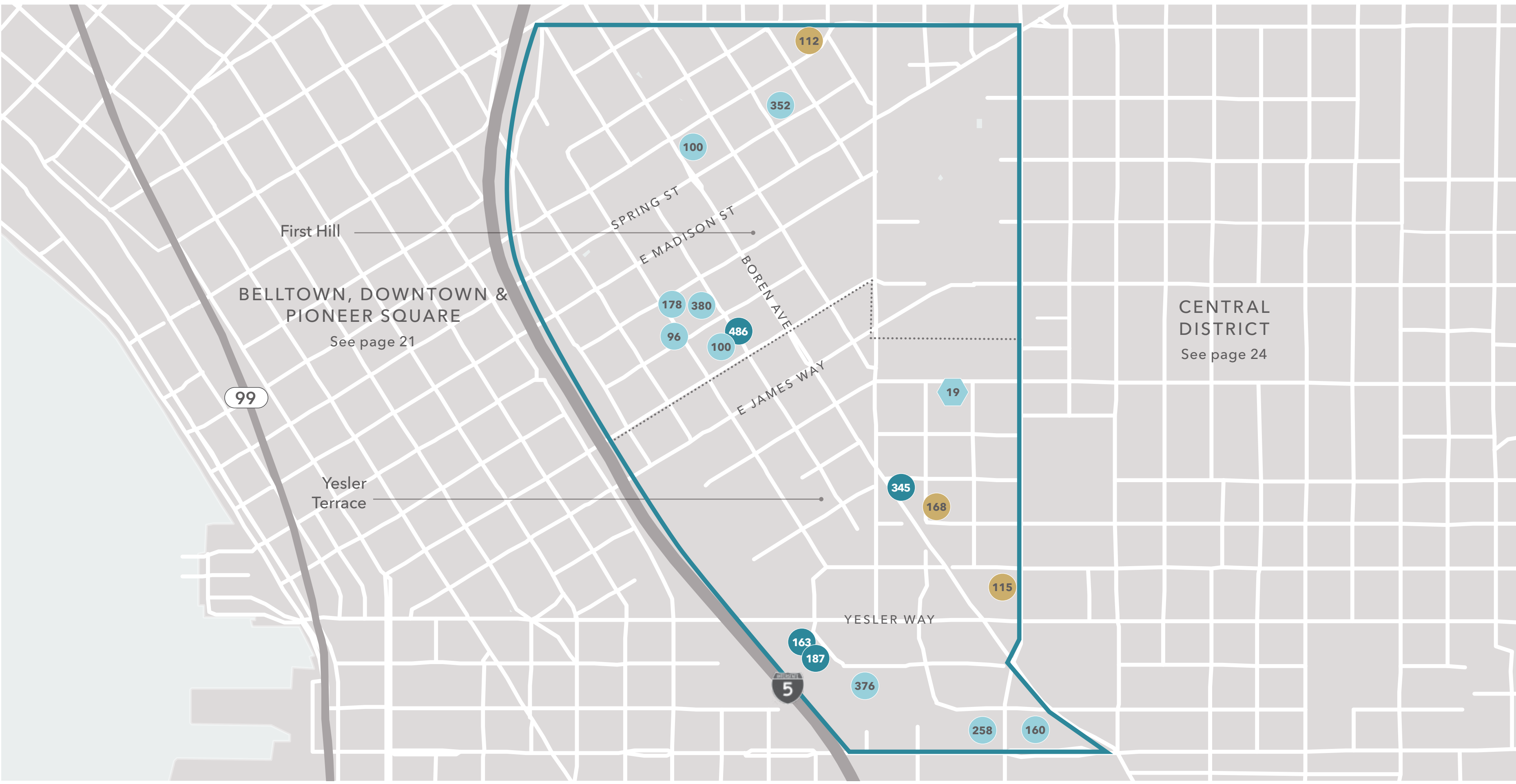
First Hill & Yesler Terrace

EXISTING APARTMENT INVENTORY: 6,543 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,181	395	2,019	3,595	19
18%	6%	31%	55% of inventory	0.3% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



Capitol Hill

Apartment

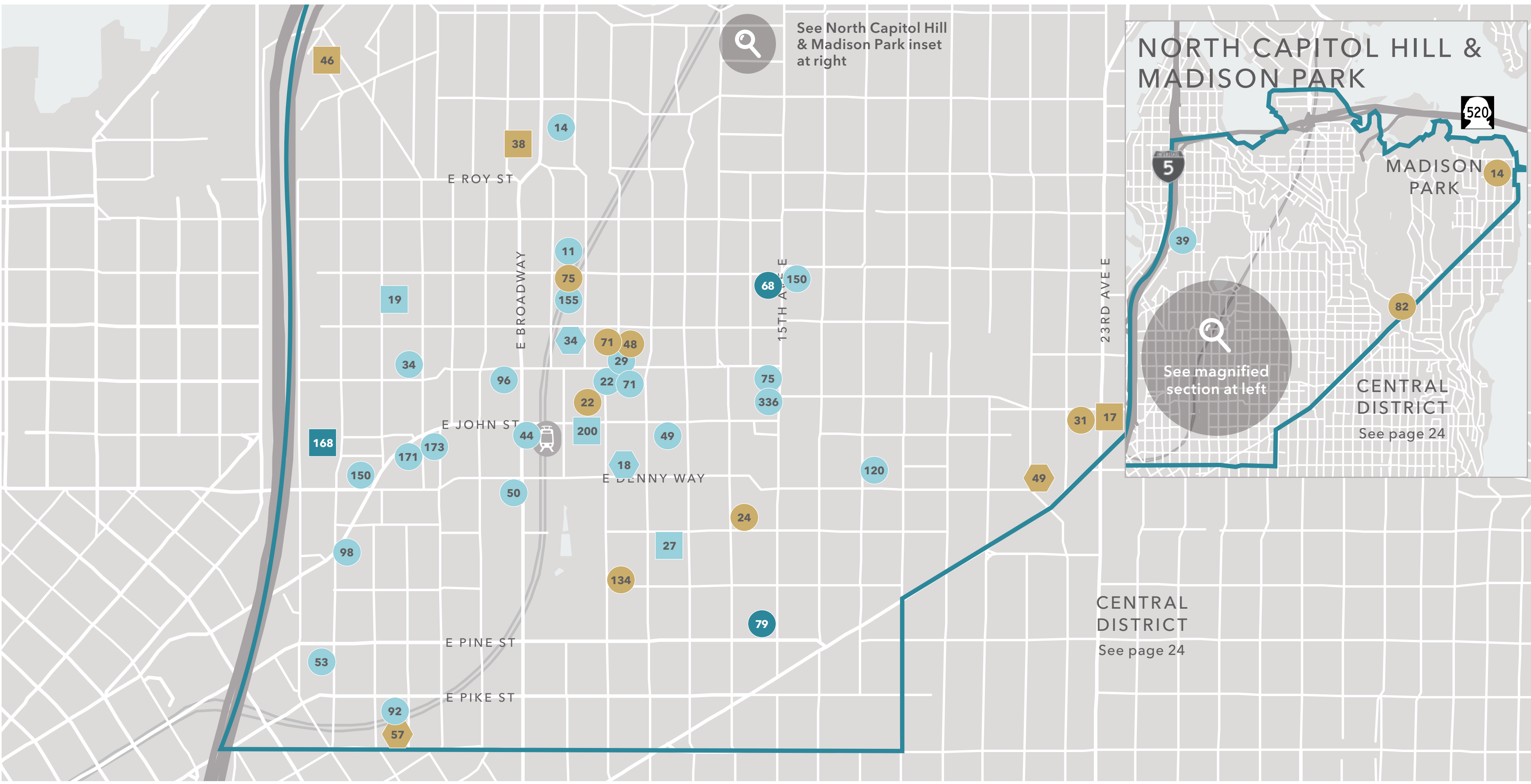
Microhousing*

Mixed*

EXISTING APARTMENT INVENTORY: 16,078 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
315	708	2,330	3,353	423
2%	4%	14%	21% of inventory	3% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



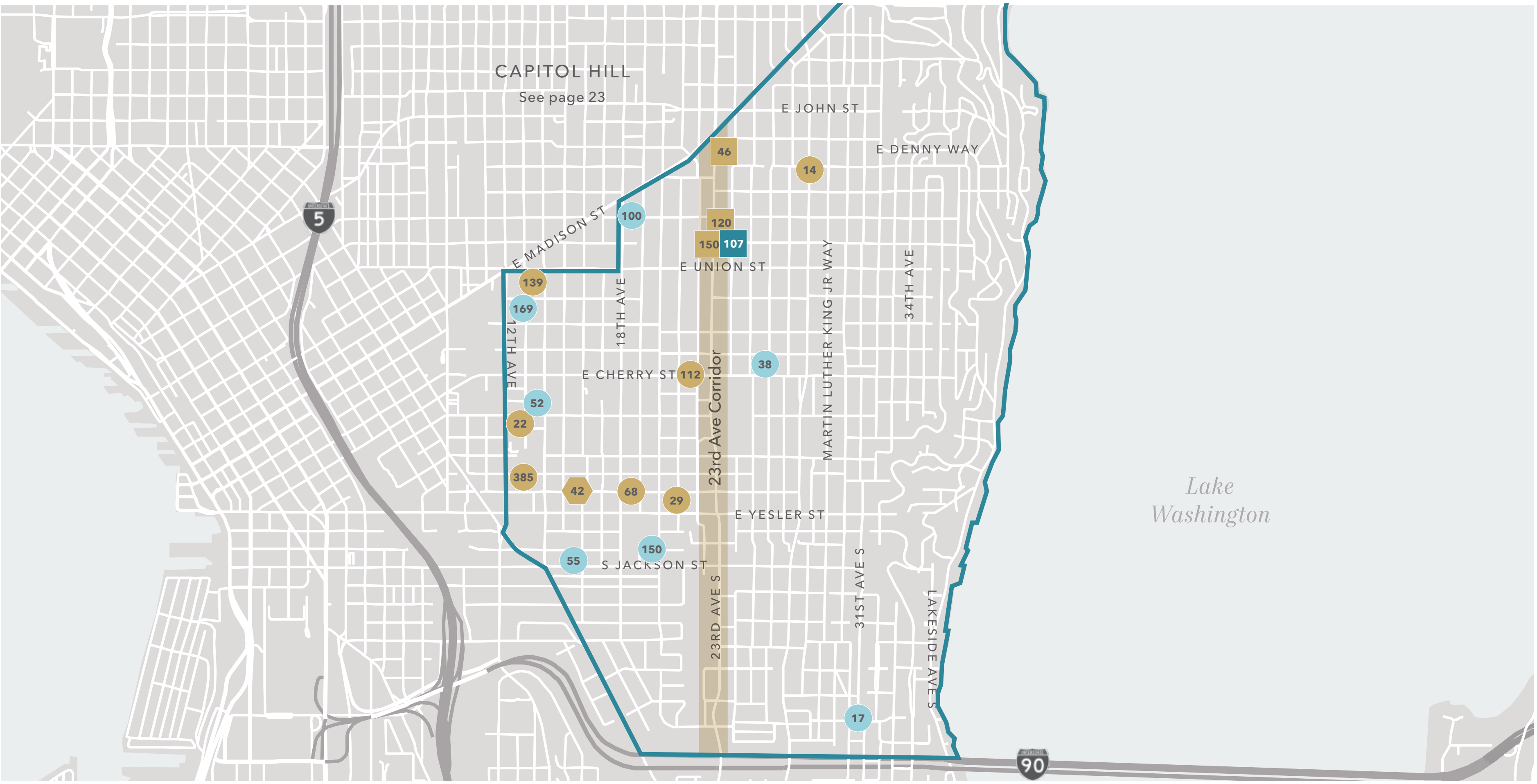
Central District

EXISTING APARTMENT INVENTORY: 2,339 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
107	1,127	581	1,815	246
5%	48%	25%	78% of inventory	11% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



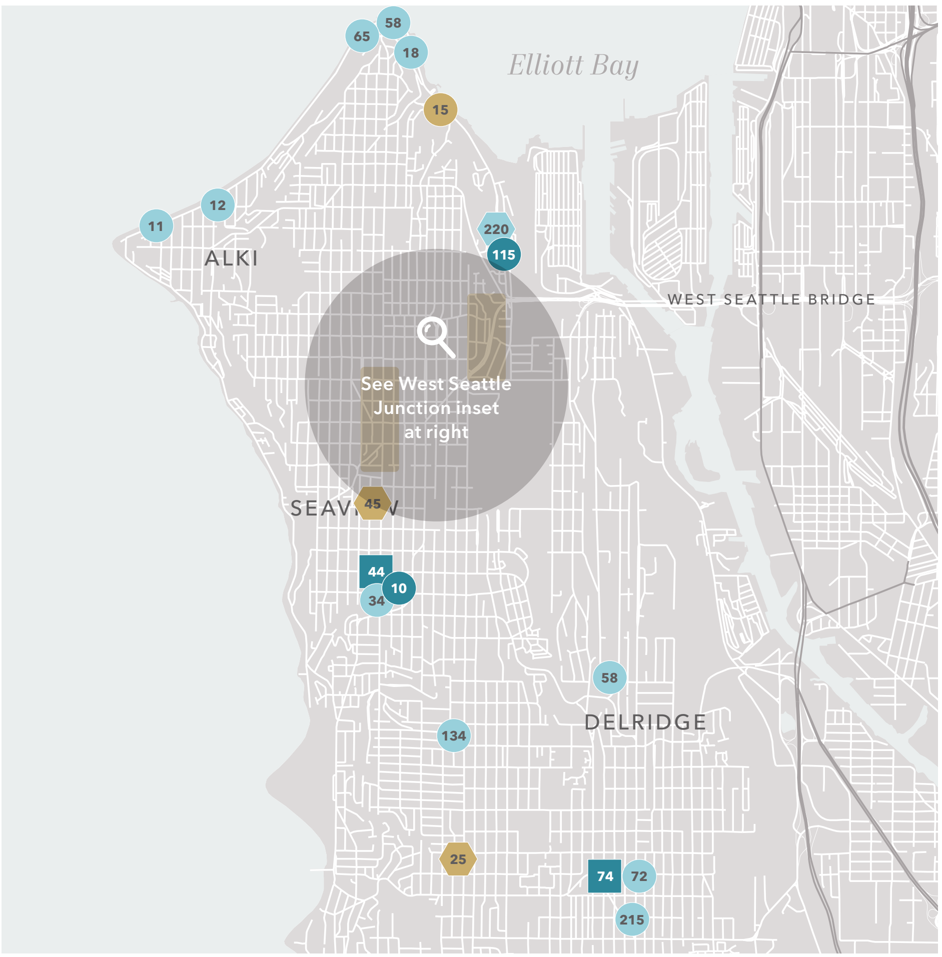
West Seattle

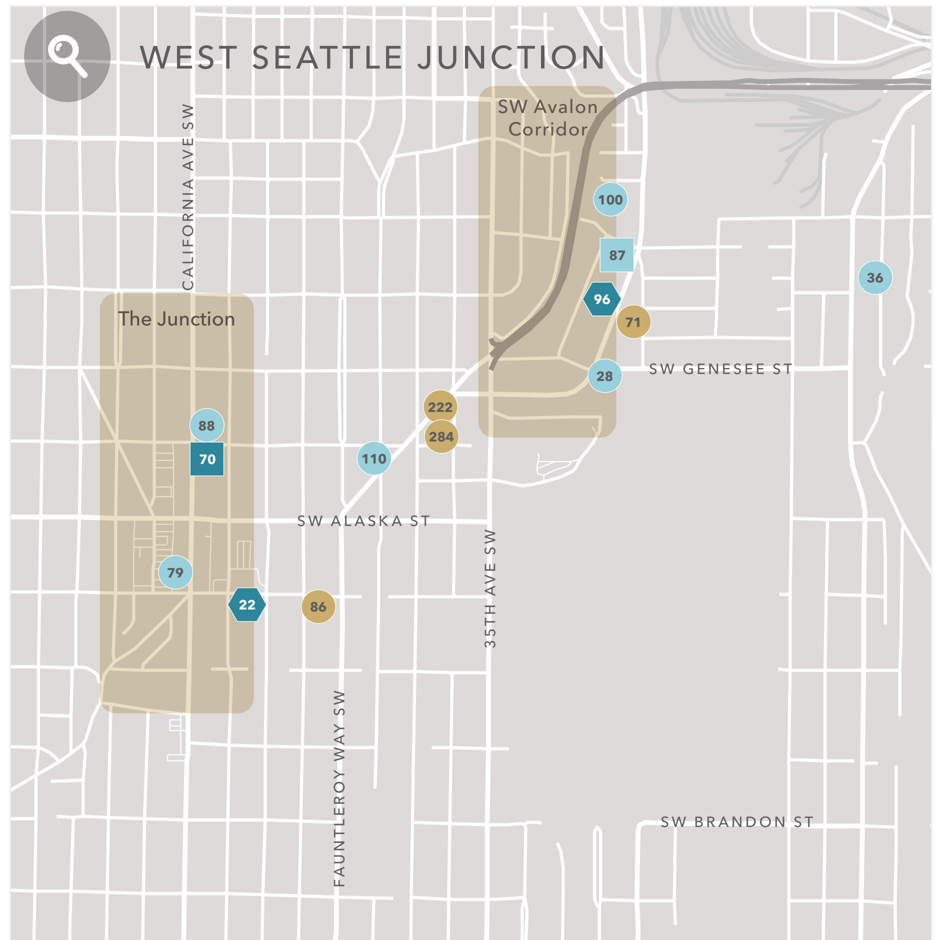
EXISTING APARTMENT INVENTORY: 6,515 UNITS

- Apartment
- Microhousing*
- Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
431	748	1,425	2,604	531
7%	11%	22%	40% of inventory	8% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54





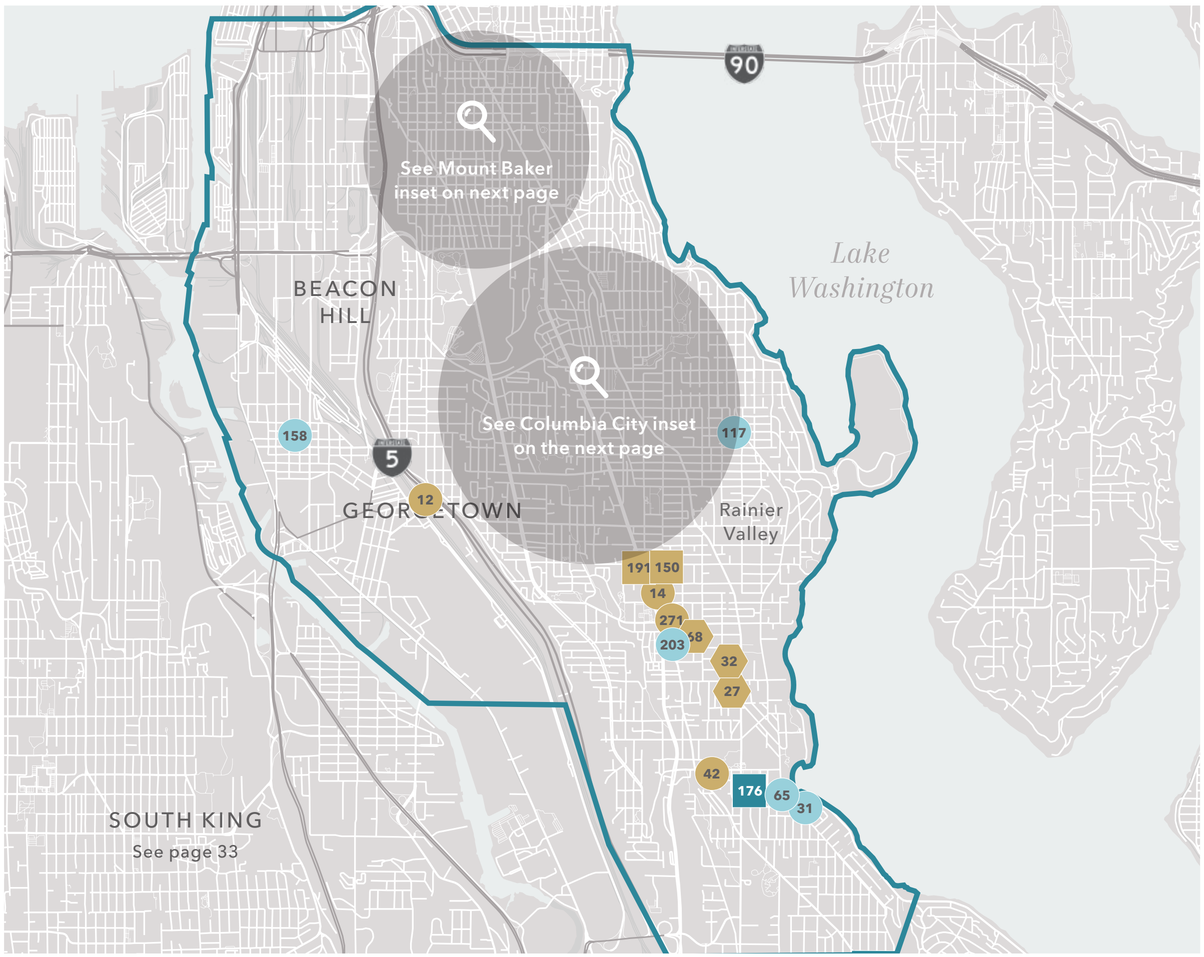
South Seattle

EXISTING APARTMENT INVENTORY: 3,867 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,202	2,362	3,151	6,715	1,206
31%	61%	81%	174% of inventory	31% of inventory

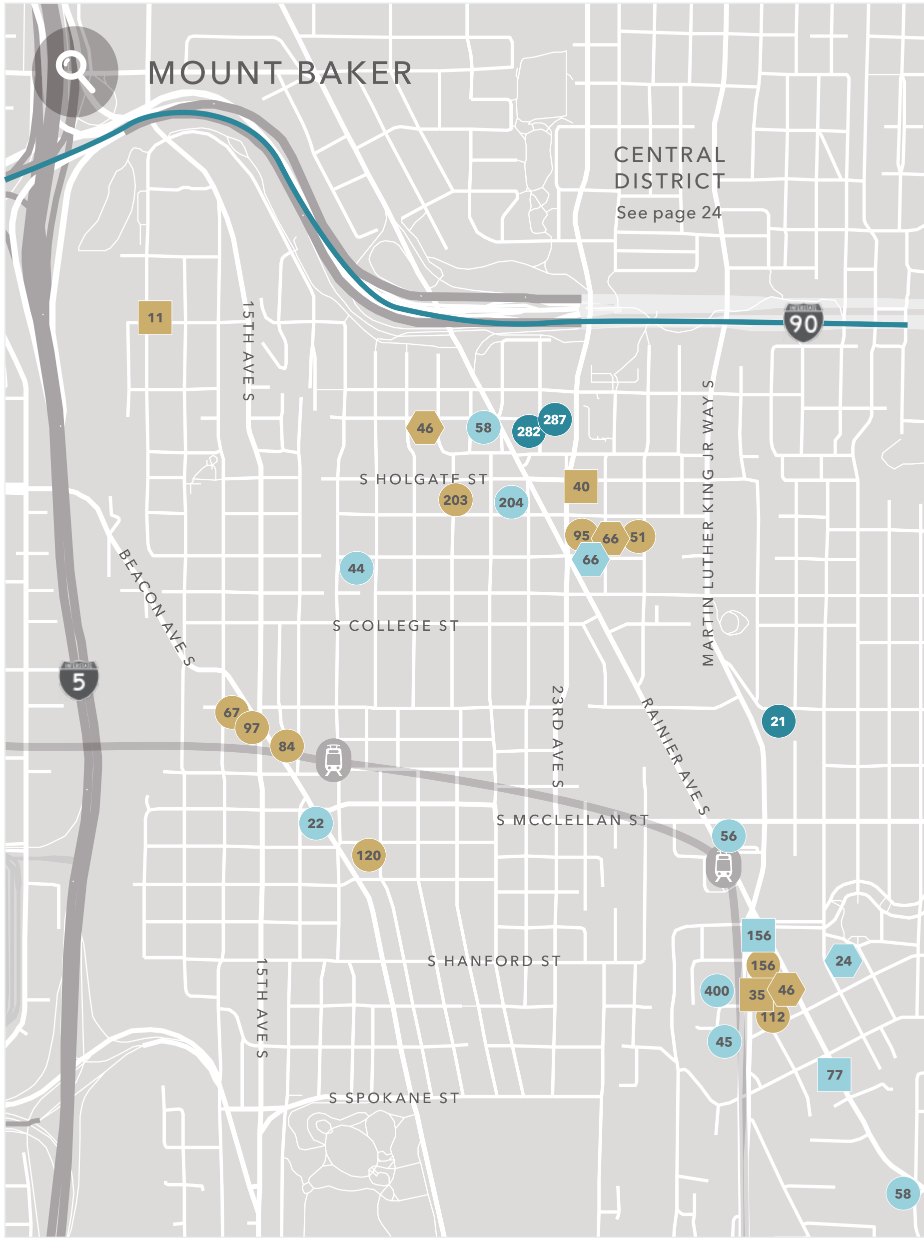
Apartment
Microhousing*
Mixed*

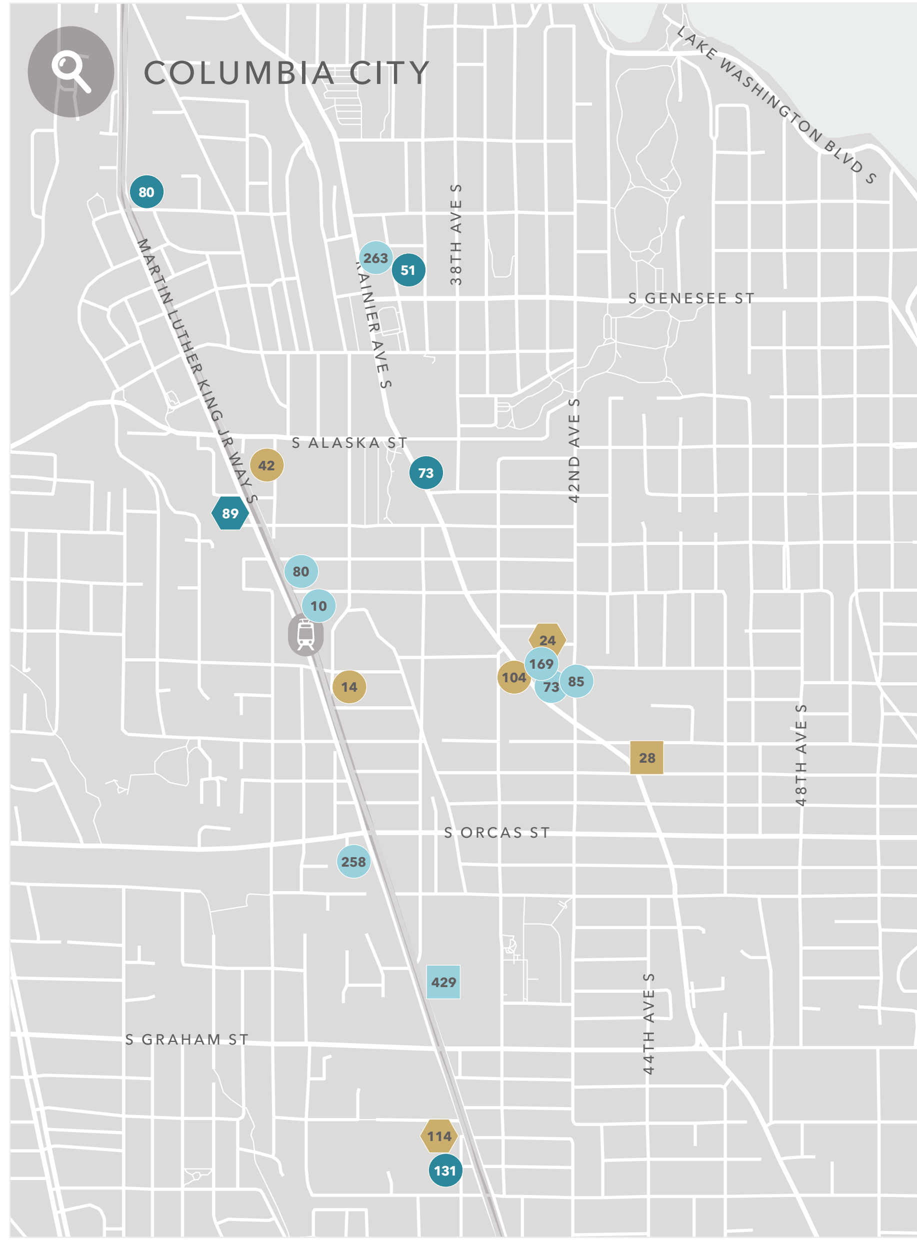
*Definitions for "Microhousing" & "Mixed" developments available on page 54



Seward Park
Source: Seattle.gov

Georgetown Brewing
Source: Georgetown Brewing


MOUNT BAKER
CENTRAL DISTRICT
See page 24
15TH AVE S
S HOLGATE ST
S COLLEGE ST
BEACON AVE S
MARTIN LUTHER KING JR WAY S
23RD AVE S
RAINIER AVE S
S MCCLELLAN ST
S HANFORD ST
S SPOKANE ST
90
5


COLUMBIA CITY
LAKE WASHINGTON BLVD S
38TH AVE S
RAINIER AVE S
S GENESEE ST
MARTIN LUTHER KING JR WAY S
S ALASKA ST
42ND AVE S
48TH AVE S
S ORCAS ST
S GRAHAM ST
44TH AVE S

SUBURBAN KING DEVELOPMENT OVERVIEW

With 2,862 deliveries since the beginning of 2023, the construction pipeline in Suburban King declined 14% year-over-year from 15,751 units to 13,602. Looking forward, an additional 13,602 units are currently under construction; when delivered, they will increase inventory by 11%. Plus, many of these new developments are taking an increasing focus on transit-oriented, affordable housing projects by focusing on areas near future light rail stations, particularly in the Shoreline submarket. Below are two notable examples:

Shae Shoreline TOD. This is a major mixed-use project under development from Shea Properties that's expected to reach completion in 2026 and will deliver 550 units to the community. The property is strategically located near the Shoreline South/148th Street Light Rail Station and offers easy access to Seattle and other surrounding areas via the light rail system.

192 Shoreline. This project by TWG is expected to reach completion this year and will deliver 250 affordable housing units. The asset will benefit from close access to the Shoreline North/185th Street light rail station (part of the Sound Transit Lynnwood Link Extension), making it easy for residents to commute to Seattle and other nearby areas.

SUBURBAN KING DEVELOPMENT PIPELINE

UNDER CONSTRUCTION: 13,602 UNITS | 11% OF TOTAL INVENTORY

PLANS APPROVED: 8,110 UNITS | 6% OF TOTAL INVENTORY

IN REVIEW: 41,457 UNITS | 33% OF TOTAL INVENTORY

TOTAL INVENTORY: 125,717 UNITS

SUBURBAN KING HISTORICAL DELIVERIES & CONSTRUCTION PIPELINE BY CITY

	INVENTORY (UNITS): AS OF YEAR-END 2009	GROWTH (UNITS): 2010 - 2020	INCREASE OVER EOY 2009	GROWTH (UNITS): 2021 - PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION (UNITS)	INCREASE OVER CURRENT
Auburn, Covington & Maple Valley	5,516	856	↑ 16%	498	↑ 8%	-	
Bellevue	12,373	4,358	↑ 35%	227	↑ 1%	2,435	↑ 14%
Bothell & Kenmore	6,016	2,452	↑ 41%	467	↑ 6%	459	↑ 5%
Burien & White Center	4,828	125	↑ 3%	-		255	↑ 5%
Des Moines & Seatac	3,658	398	↑ 11%	220	↑ 5%	157	↑ 4%
Federal Way	9,336	-		233	↑ 2%	-	
Issaquah	2,231	1,401	↑ 63%	135	↑ 4%	-	
Kent	11,738	983	↑ 8%	803	↑ 6%	204	↑ 2%
Kirkland, Juanita & Totem Lake	6,837	1,342	↑ 20%	1,576	↑ 19%	1,053	↑ 11%
Mercer Island	1,430	166	↑ 12%	-		-	
Newcastle	542	747	↑ 138%	-		-	
North Bend & Snoqualmie		137	↑ 12%	128	↑ 10%	130	↑ 9%
North King	15,045	4,073	↑ 27%	1,307	↑ 7%	1,270	↑ 6%
Redmond	6,516	3,554	↑ 55%	2,737	↑ 27%	3,026	↑ 24%
Renton	10,306	1,430	↑ 14%	-		988	↑ 5%
Sammamish	835	93	↑ 11%	10	↑ 1%	-	
Shoreline	1,621	835	↑ 52%	12	↑ 1%	2,815	↑ 114%
Tukwila	2,160	-		103	↑ 5%	285	↑ 13%
Woodinville	677	1,122	↑ 166%	266	↑ 15%	525	↑ 25%

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: 20,082 UNITS

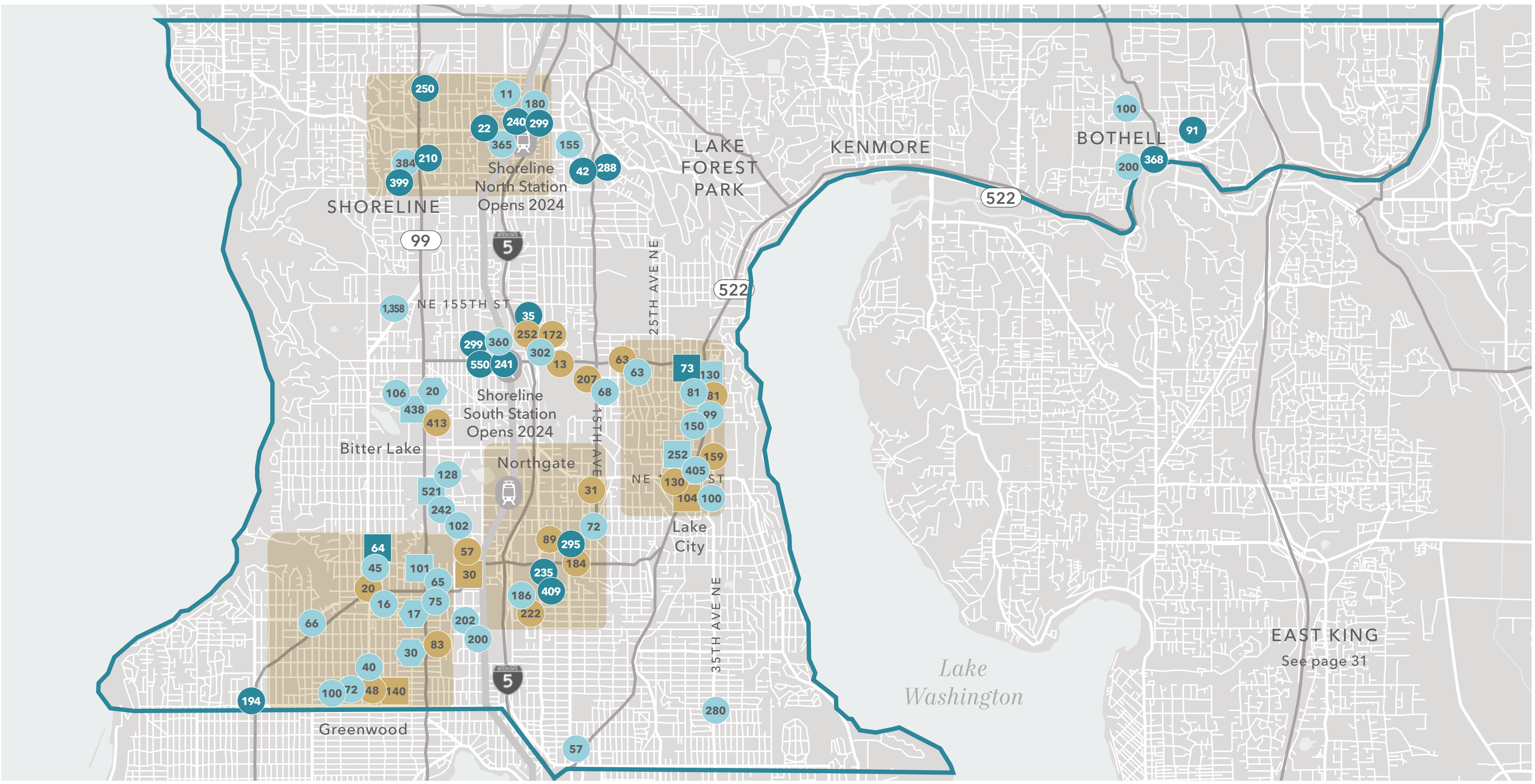
Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
4,544	7,944	2,498	14,986	1,061
23%	40%	12%	75% of inventory	5% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54

Apartment

Microhousing*

Mixed*



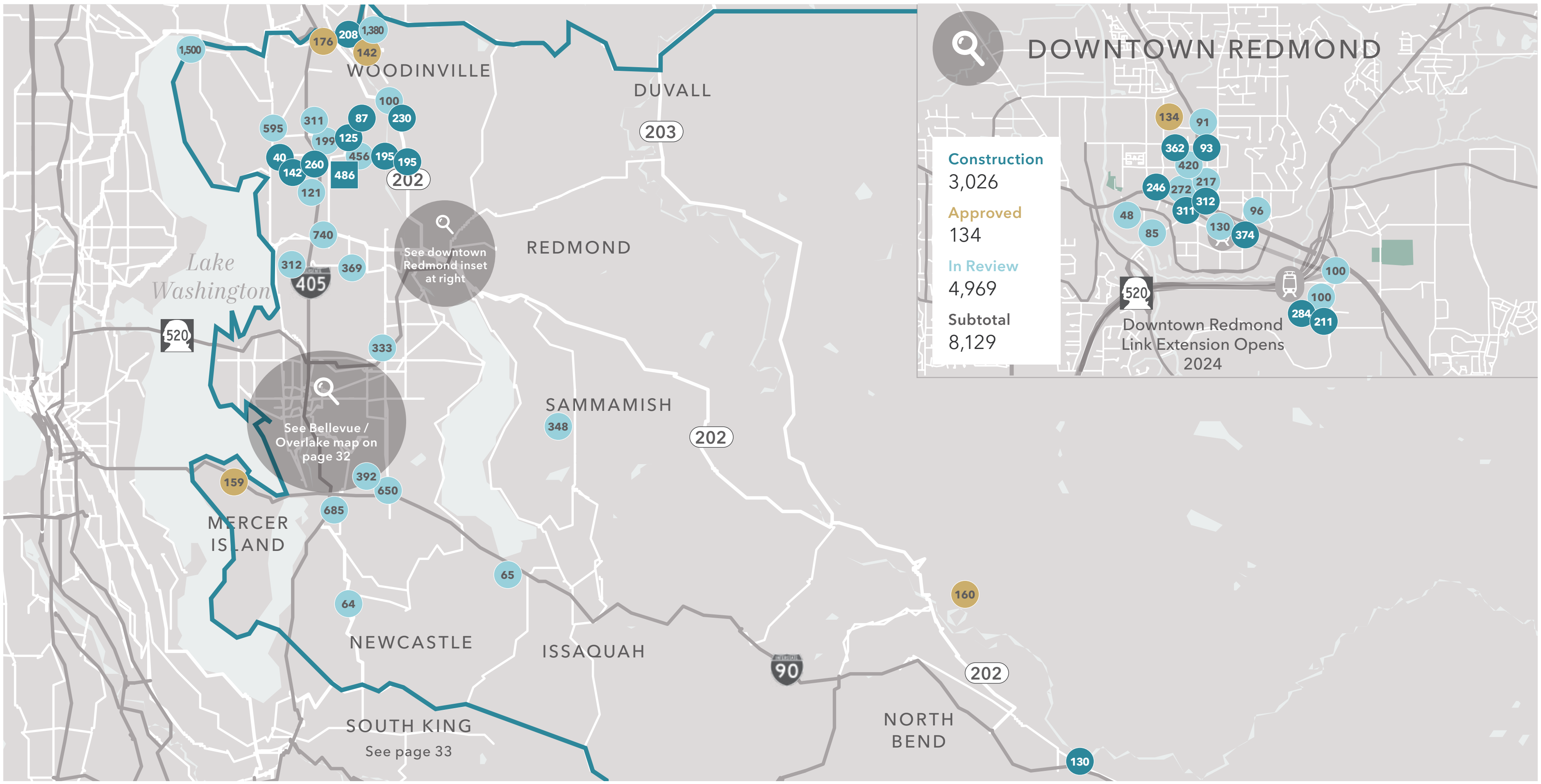
East King

EXISTING APARTMENT INVENTORY: 50,906 UNITS

- Apartment
- Microhousing*
- Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
7,169	27,288	3,422	37,879	226
14%	54%	7%	74% of inventory	0.4% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



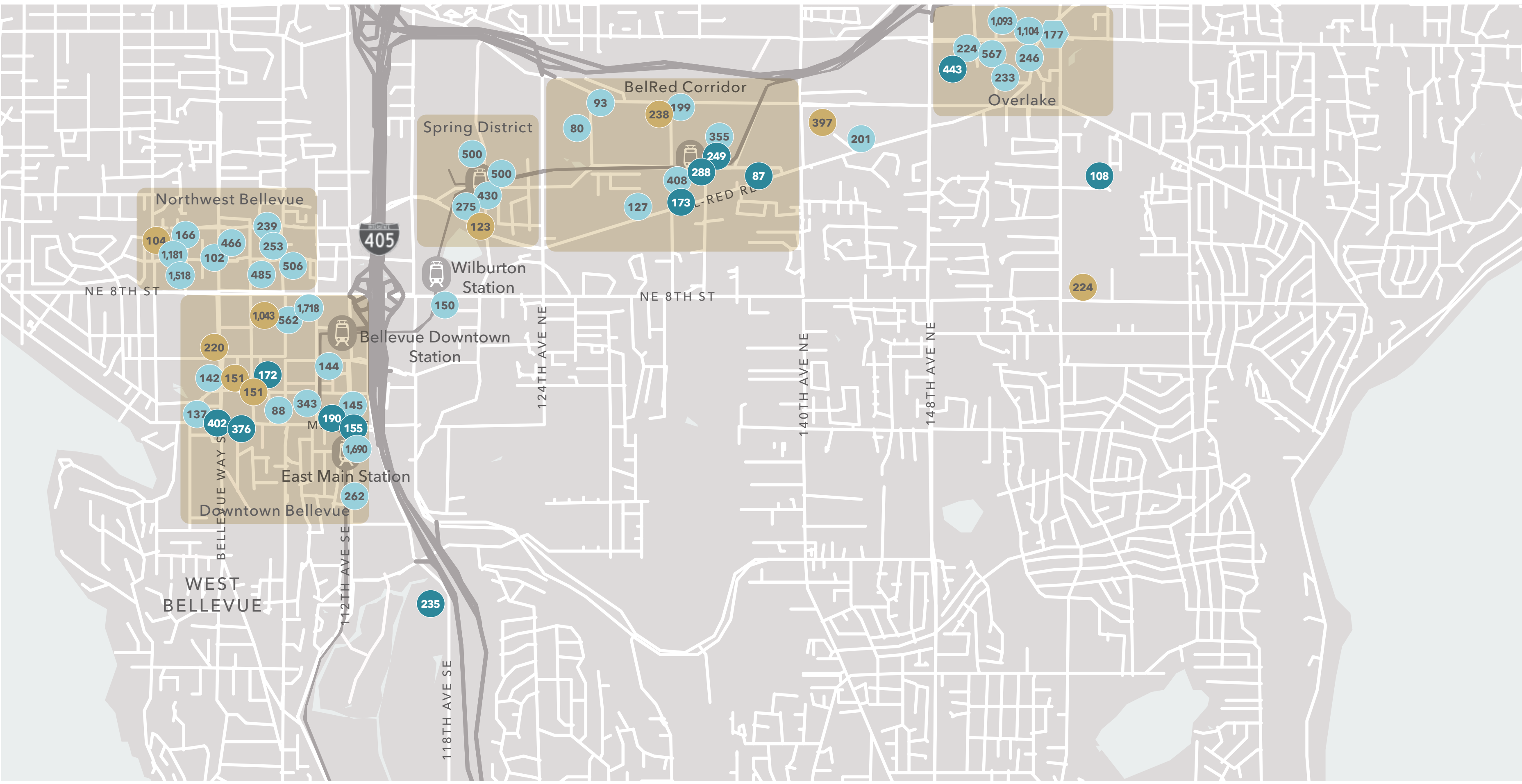
Bellevue

EXISTING APARTMENT INVENTORY: 16,730 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
2,435	2,651	16,071	21,157	0
15%	16%	96%	126% of inventory	0% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



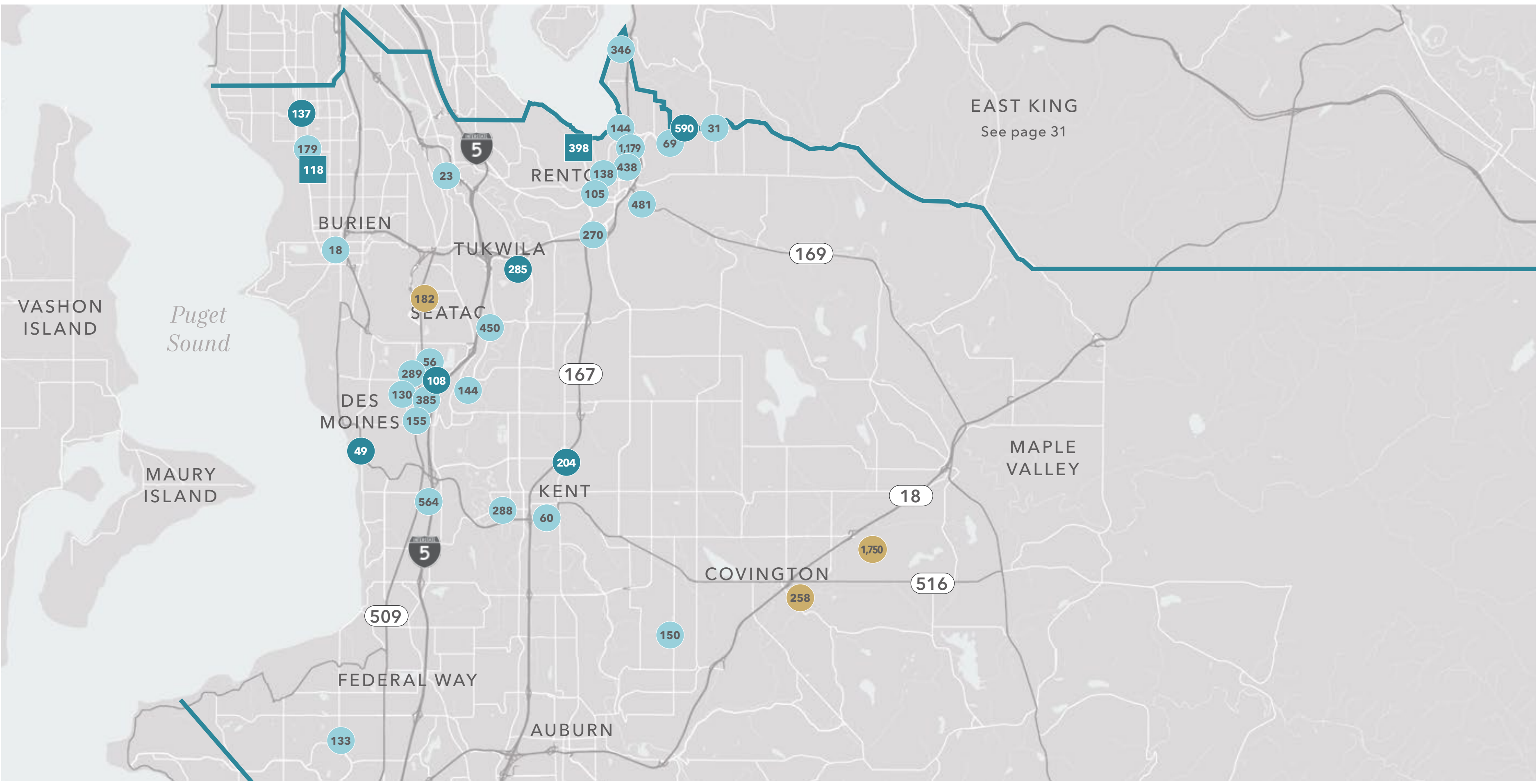
South King

EXISTING APARTMENT INVENTORY: 54,729 UNITS

- Apartment
- Microhousing*
- Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,889	6,225	2,190	10,304	81
3%	11%	4%	19% of inventory	0.1% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



SNOHOMISH COUNTY

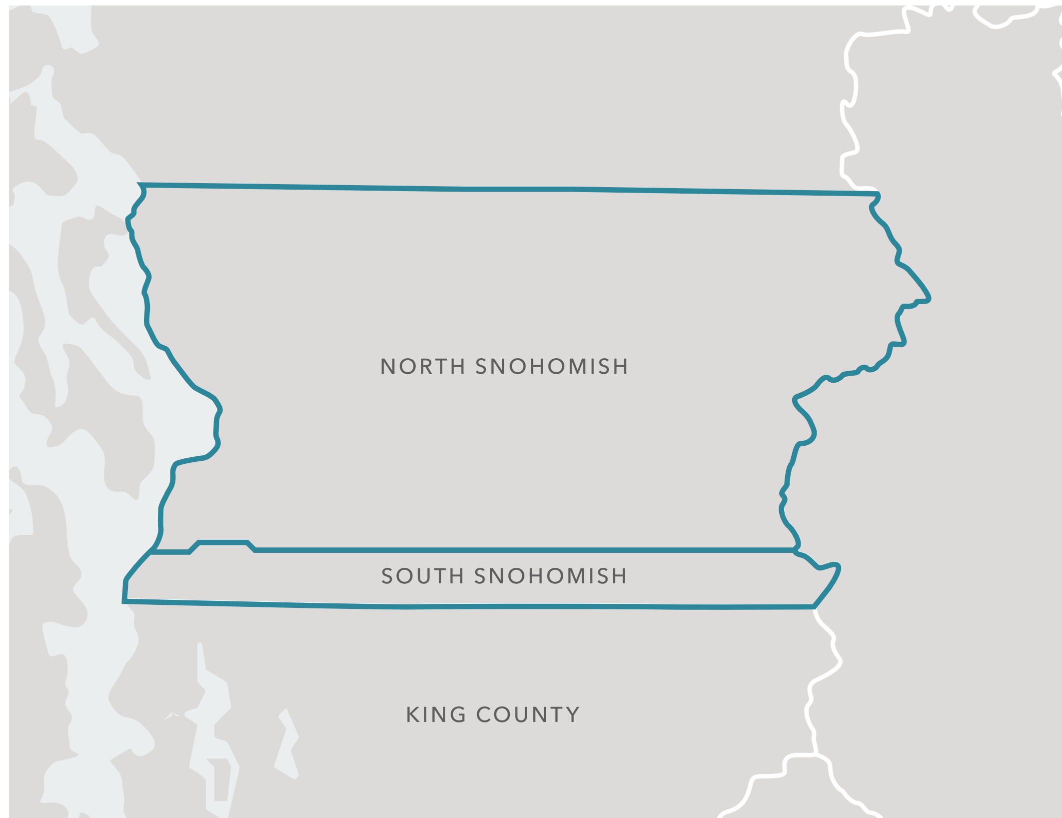
04

SNOHOMISH DEVELOPMENT OVERVIEW

The Snohomish construction pipeline is relatively smaller as compared to other Puget Sound regions, totaling 1,766 units or 4% of total inventory. Notably, Snohomish multifamily development tends to reflect a mix of urban infill and mixed-use projects, many of which also focus on delivering affordable housing solutions to local residents. Below, we highlight two significant projects currently in the construction pipeline:

Four Corners Apartments. This project is the largest currently under construction in Snohomish located at 8102 Evergreen Way in Everett. The project includes the transformation of a former Kmart into a 430-unit affordable housing complex.

Ember Apartments. This is the second-largest project and is located at 19888 40th Ave. W. in Lynnwood. Ember Apartments features 361 units spread across two eight-story buildings with a mix of residential and retail spaces. This development offers modern amenities, such as a Top Golf Swing Suite, a central courtyard, and proximity to the new Lynnwood Light Rail Station.



SNOHOMISH DEVELOPMENT PIPELINE

UNDER CONSTRUCTION: 1,766 UNITS | 4% OF TOTAL INVENTORY

PLANS APPROVED: 763 UNITS | 2% OF TOTAL INVENTORY

IN REVIEW: 6,831 UNITS | 15% OF TOTAL INVENTORY

TOTAL INVENTORY: 45,084 UNITS

SNOHOMISH HISTORICAL DELIVERIES & CONSTRUCTION PIPELINE BY CITY

	INVENTORY (UNITS): AS OF YEAR-END 2009	GROWTH (UNITS): 2010 – 2020	INCREASE OVER EOY 2009	GROWTH (UNITS): 2021 – PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION (UNITS)	INCREASE OVER CURRENT
Arlington	520	534	↑ 103%	645	↑ 61%	-	
Edmonds	2,574	254	↑ 10%	29	↑ 1%	-	
Everett	14,403	1,007	↑ 7%	757	↑ 5%	430	↑ 3%
Lake Stevens	930	26	↑ 3%	195	↑ 20%	-	
Lynnwood	7,651	1,383	↑ 18%	1,525	↑ 17%	1,012	↑ 10%
Marysville	934	825	↑ 88%	347	↑ 20%	324	↑ 15%
Mill Creek	2,153	216	↑ 10%	-		-	
Monroe	592	112	↑ 19%	-		-	
Mountlake Terrace	1,861	274	↑ 15%	438	↑ 21%	-	
Snohomish	332	-		-		-	
Stanwood	314	-		192	↑ 61%	-	

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: 26,504 UNITS

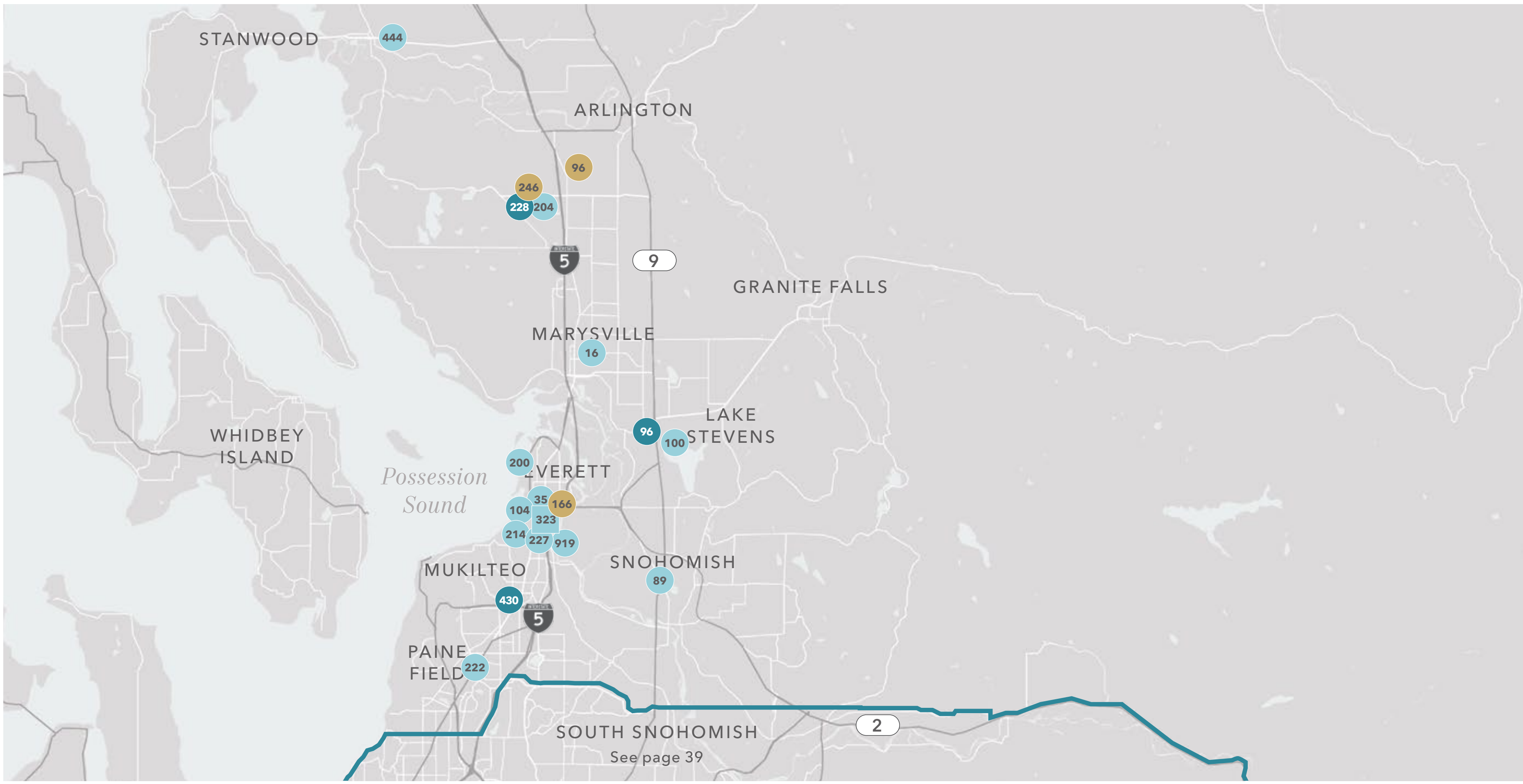
Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
754	508	3,097	4,359	202
3%	2%	12%	16% of inventory	1% of inventory

Apartment

Microhousing*

Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



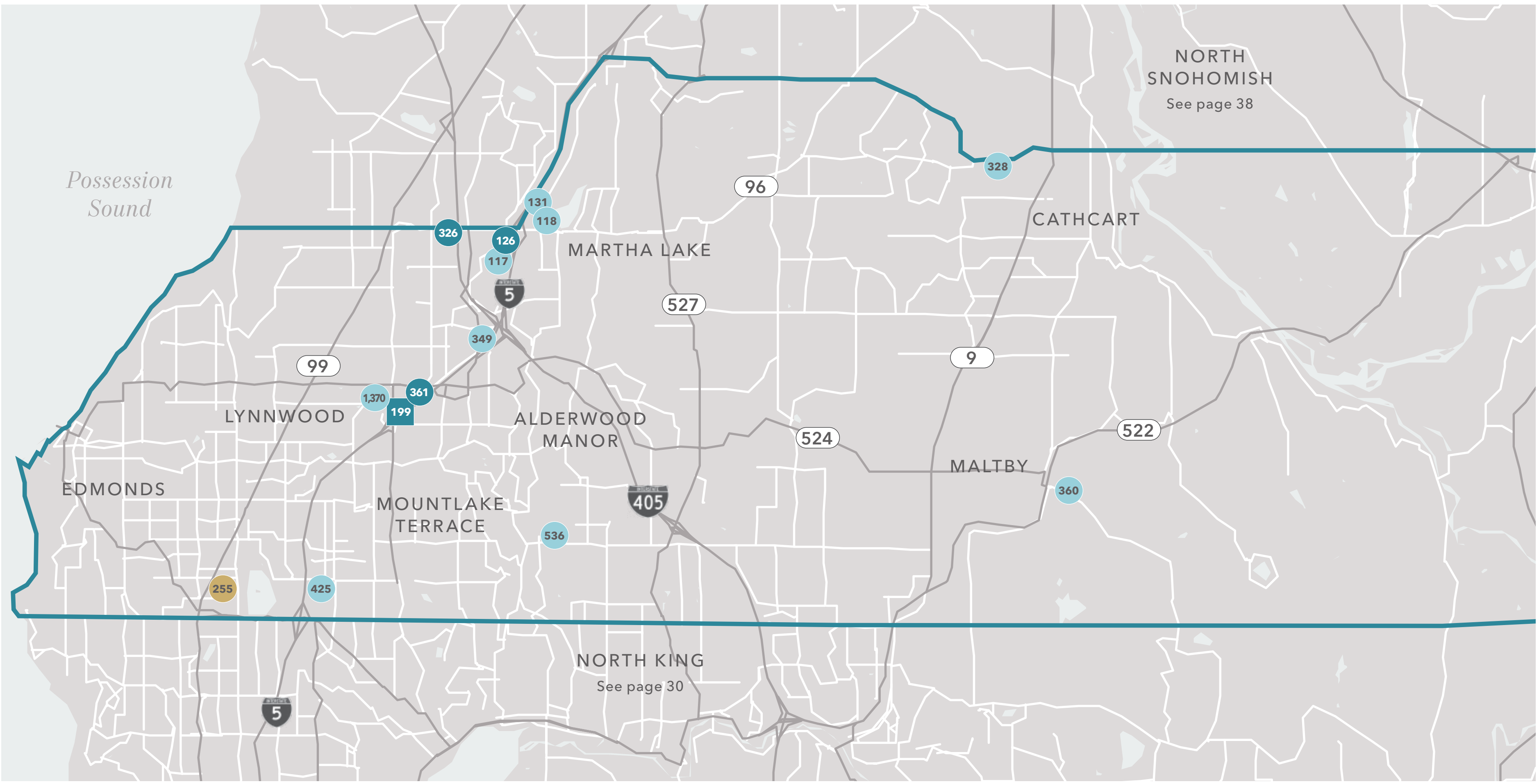
South Snohomish

EXISTING APARTMENT INVENTORY: 18,102 UNITS

Apartment
Microhousing*
Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,012	255	3,734	5,001	50
5%	1%	20%	27% of inventory	0.3% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54



PIERCE COUNTY

05

PIERCE DEVELOPMENT OVERVIEW

Pierce County saw deliveries totaling 1,842 units since the beginning of 2023, which is equal to about 3% of total inventory. With that, the construction pipeline shrunk from 4,432 units last year to 3,208 units currently. The majority of the existing construction pipeline should be delivered within the next one to two years.

It's worth noting here that the greater relative affordability in Pierce County has been key in attracting new residents and developers to the region. In fact, rental rates tend to be 20% to 25% lower than in Seattle and 10% lower than in South King, on average.

PIERCE DEVELOPMENT PIPELINE

UNDER CONSTRUCTION: 3,208 UNITS | 5% OF TOTAL

PLANS APPROVED: 1,234 UNITS | 2% OF TOTAL

IN REVIEW: 8,743 UNITS | 15% OF TOTAL

TOTAL INVENTORY: 59,428 UNITS

PIERCE HISTORICAL DELIVERIES & CONSTRUCTION PIPELINE BY CITY

	INVENTORY (UNITS): AS OF YEAR-END 2009	GROWTH (UNITS): 2010 – 2020	INCREASE OVER EOY 2009	GROWTH (UNITS): 2021 – PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION (UNITS)	INCREASE OVER CURRENT
DuPont	232	160	↑ 69%	-		-	
Fife, Edgewood, Milton, Auburn	7,609	1,724	↑ 23%	470	↑ 5%	-	
Gig Harbor	1,220	237	↑ 19%	256	↑ 18%	-	
Graham, South Hill	309	188	↑ 61%	-		-	
Lakewood, Parkland, University Place	11,084	1,033	↑ 9%	585	↑ 5%	245	↑ 2%
Puyallup, Sumner, Bonney Lake	7,811	1,631	↑ 21%	877	↑ 9%	473	↑ 5%
Spanaway	312	14	↑ 4%	50	↑ 15%	256	↑ 68%
Tacoma, Ruston	26,029	3,332	↑ 13%	2,187	↑ 7%	2,234	↑ 7%

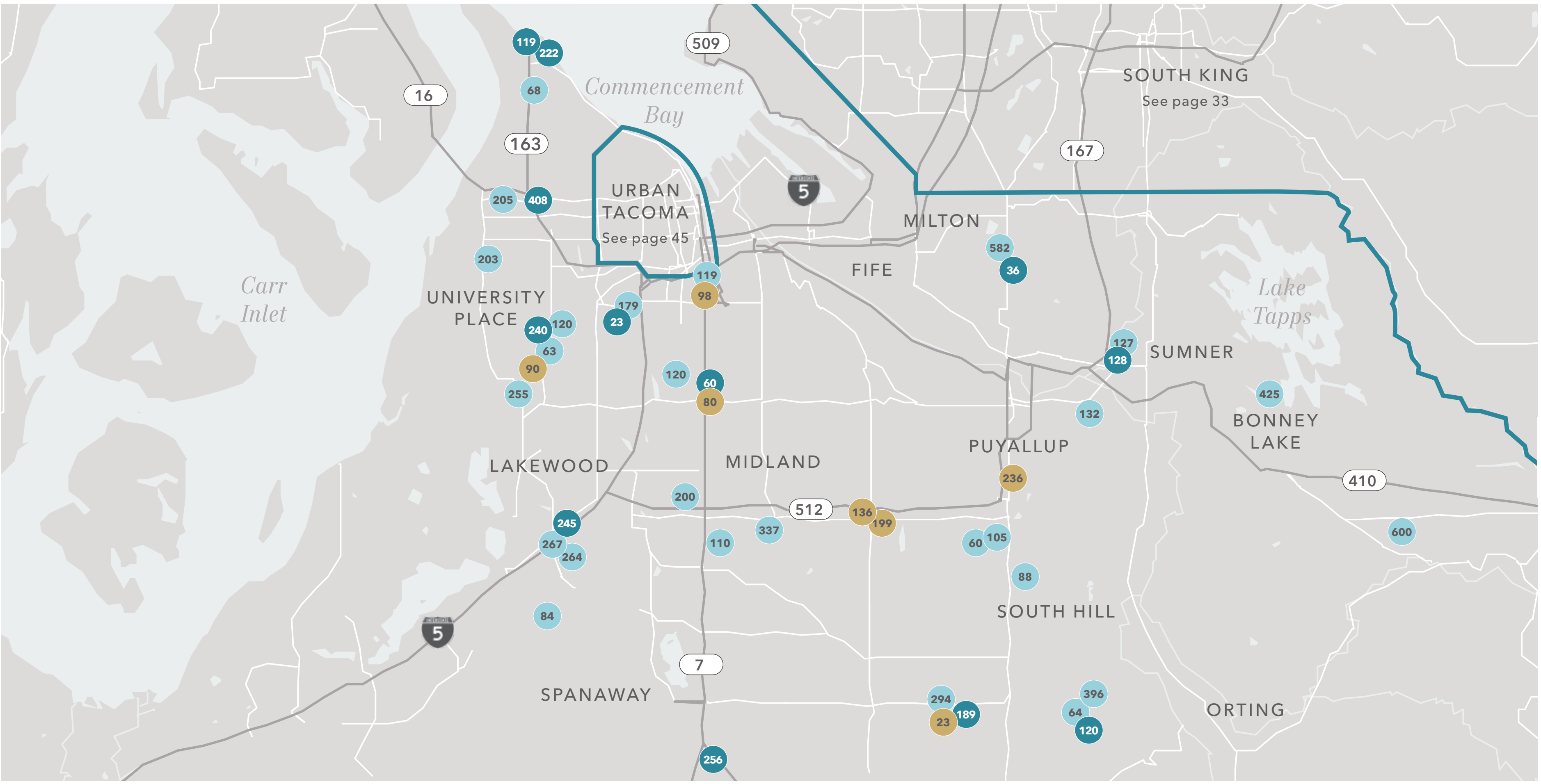
Suburban Pierce

EXISTING APARTMENT INVENTORY: 51,693 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
2,046	839	5,347	8,232	0
4%	2%	10%	16% of inventory	0% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54



Urban Tacoma

EXISTING APARTMENT INVENTORY: 7,735 UNITS

Apartment
Microhousing*
Mixed*

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
1,162	395	3,396	4,953	151
15%	5%	44%	64% of inventory	2% of inventory

*Definitions for "Microhousing" & "Mixed" developments available on page 54

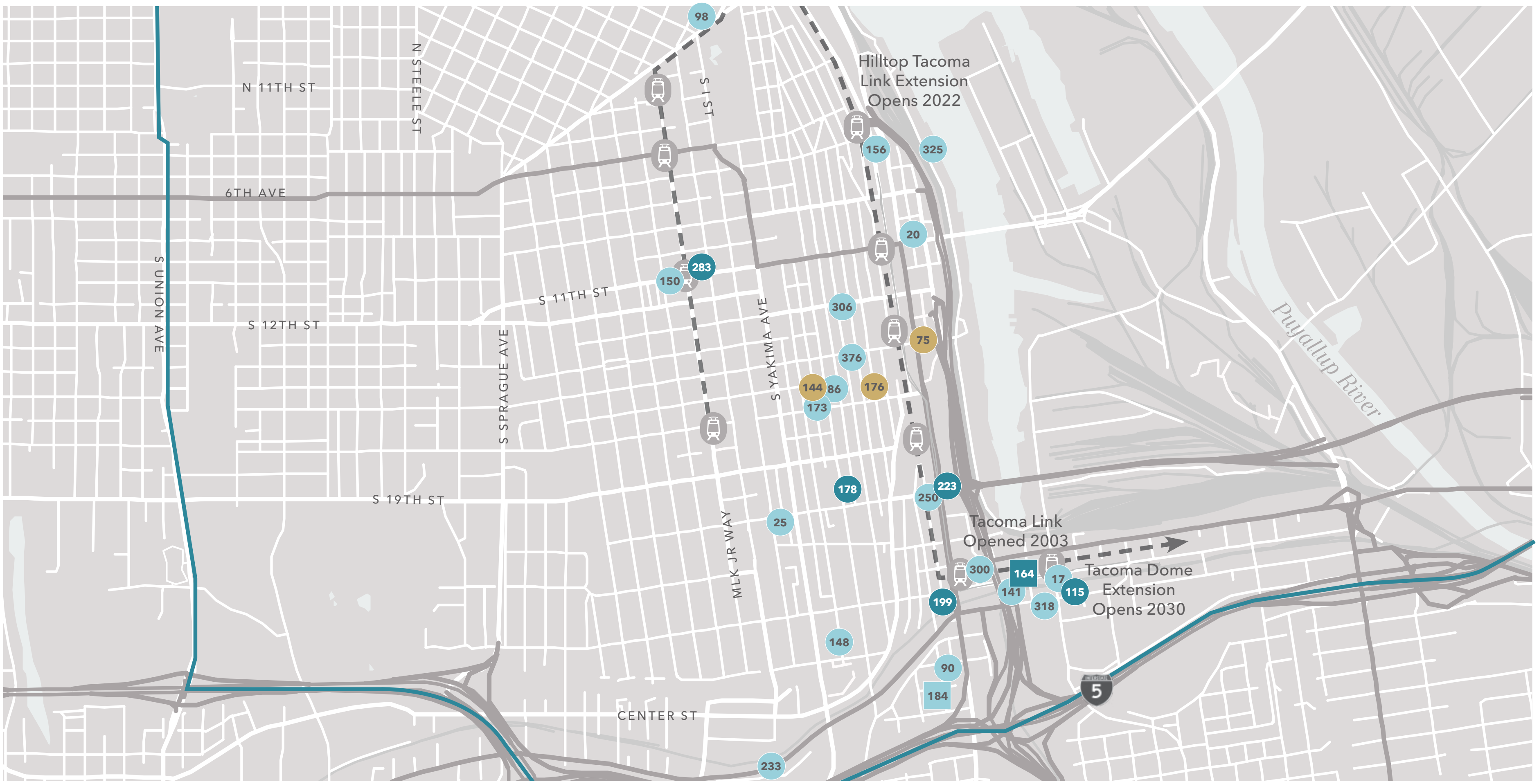


Image source: Tom Collins Flickr

KITSAP COUNTY

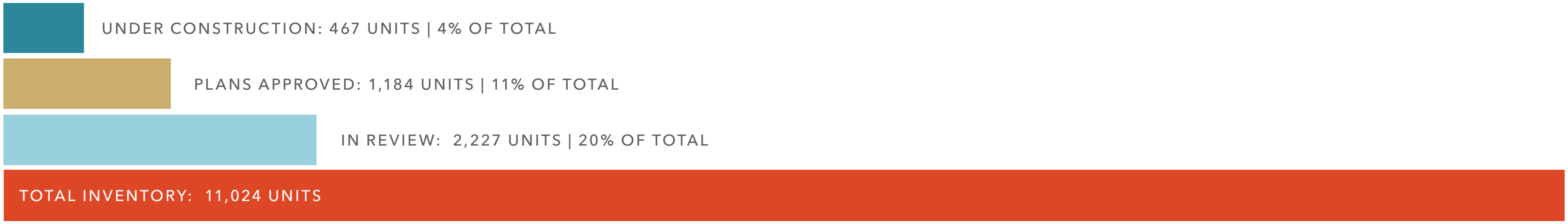
06

KITSAP DEVELOPMENT OVERVIEW

On a relative basis, Kitsap has seen the largest number of multifamily deliveries since the beginning of 2023 with 11,024 units brought to market representing 7.3% of total inventory. Nevertheless, virtually no new projects have entered the construction pipeline since last year, and the current construction pipeline (467 units spread across four developments) now represents just 4% of the total inventory. So, as these projects reach completion in the coming quarters, existing landlords will likely face little near-term threat of additional supply.

While the remaining development pipeline (such as plans approved and projects in review) total 3,411 units (or 31% of existing inventory), market sentiment and rising costs indicate that it may be some time before many of these projects break ground.

KITSAP DEVELOPMENT PIPELINE



KITSAP HISTORICAL DELIVERIES & CONSTRUCTION PIPELINE BY CITY

	INVENTORY (UNITS): AS OF YEAR-END 2009	GROWTH (UNITS): 2010 – 2020	INCREASE OVER EOY 2009	GROWTH (UNITS): 2021 – PRESENT	INCREASE OVER EOY 2020	UNDER CONSTRUCTION (UNITS)	INCREASE OVER CURRENT
Bainbridge Island	251	178	↑ 71%	-		80	↑ 19%
Bremerton	3,393	576	↑ 17%	1,032	↑ 26%	-	
Port Orchard	1,348	269	↑ 20%	560	↑ 35%	387	↑ 18%
Kingston	38	-		-		-	
Poulsbo	594	91	↑ 15%	146	↑ 21%	-	
Silverdale	2,277	-		226	↑ 10%	-	

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

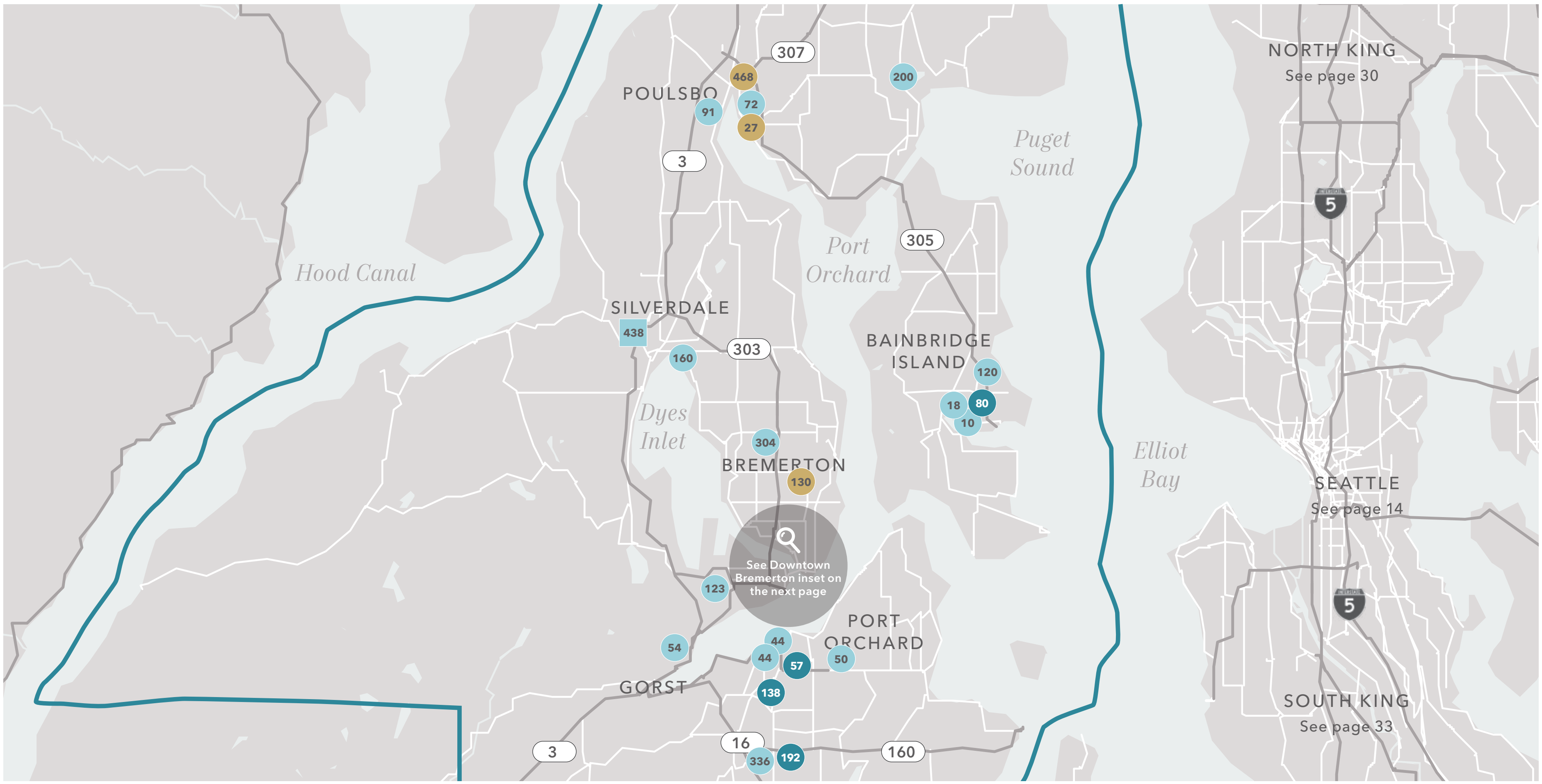
Kitsap County

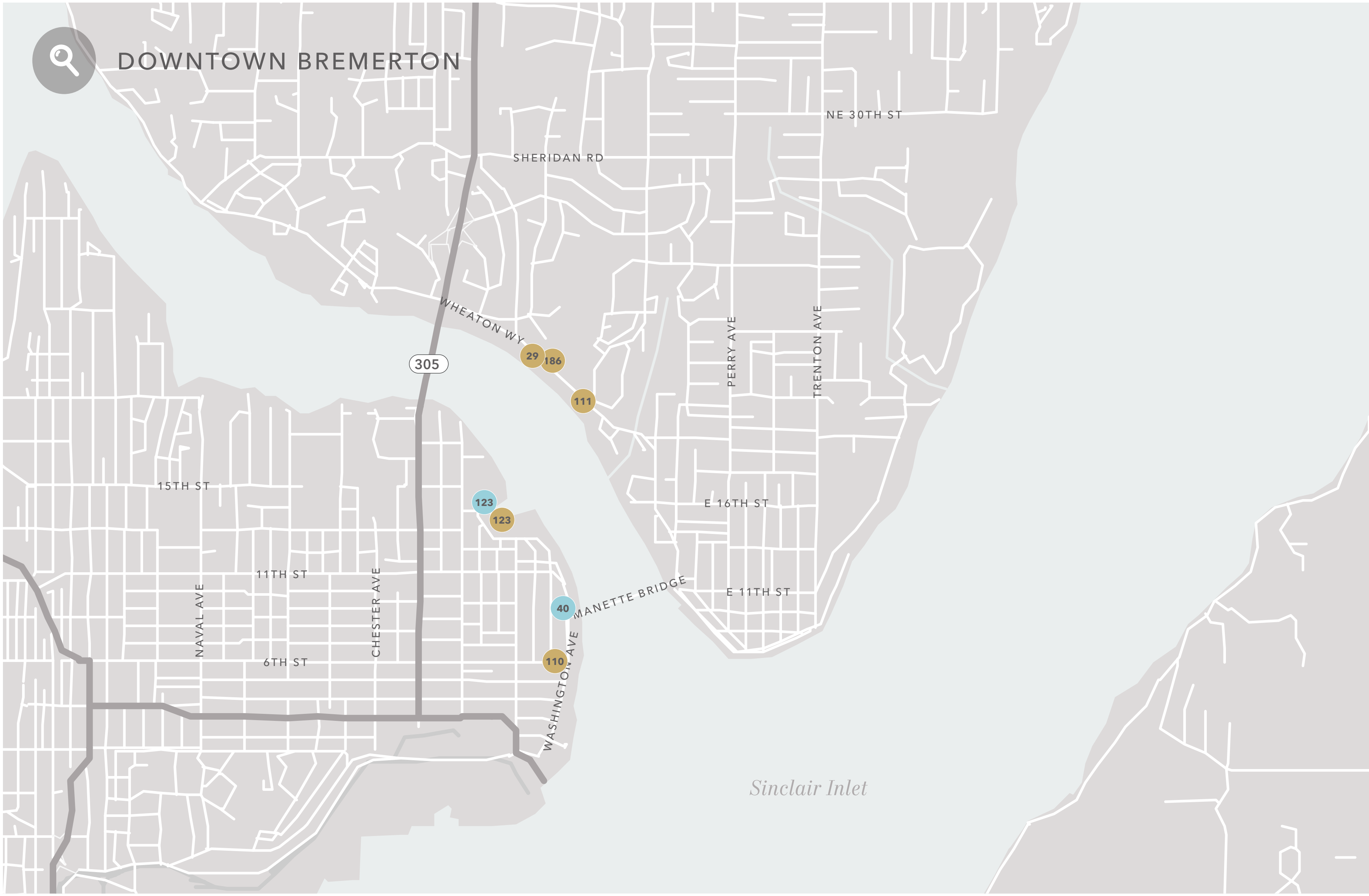
EXISTING APARTMENT INVENTORY: 11,024 UNITS

Construction	Approved	In Review	Total Pipeline	Microhousing Pipeline
467	1,184	2,227	3,878	88
4%	11%	20%	35% of inventory	1% of inventory

Apartment
Microhousing*
Mixed*

*Definitions for "Microhousing" & "Mixed" developments available on page 54




DOWNTOWN BREMERTON
NE 30TH ST
SHERIDAN RD
WHEATON WY
305
29
186
111
PERRY AVE
TRENTON AVE
15TH ST
E 16TH ST
123
123
11TH ST
NAVAL AVE
CHESTER AVE
40
MANETTE BRIDGE
E 11TH ST
6TH ST
110
WASHINGTON AVE
Sinclair Inlet

DATA SOURCES & DEFINITIONS

07

DEFINITIONS

MICROHOUSING

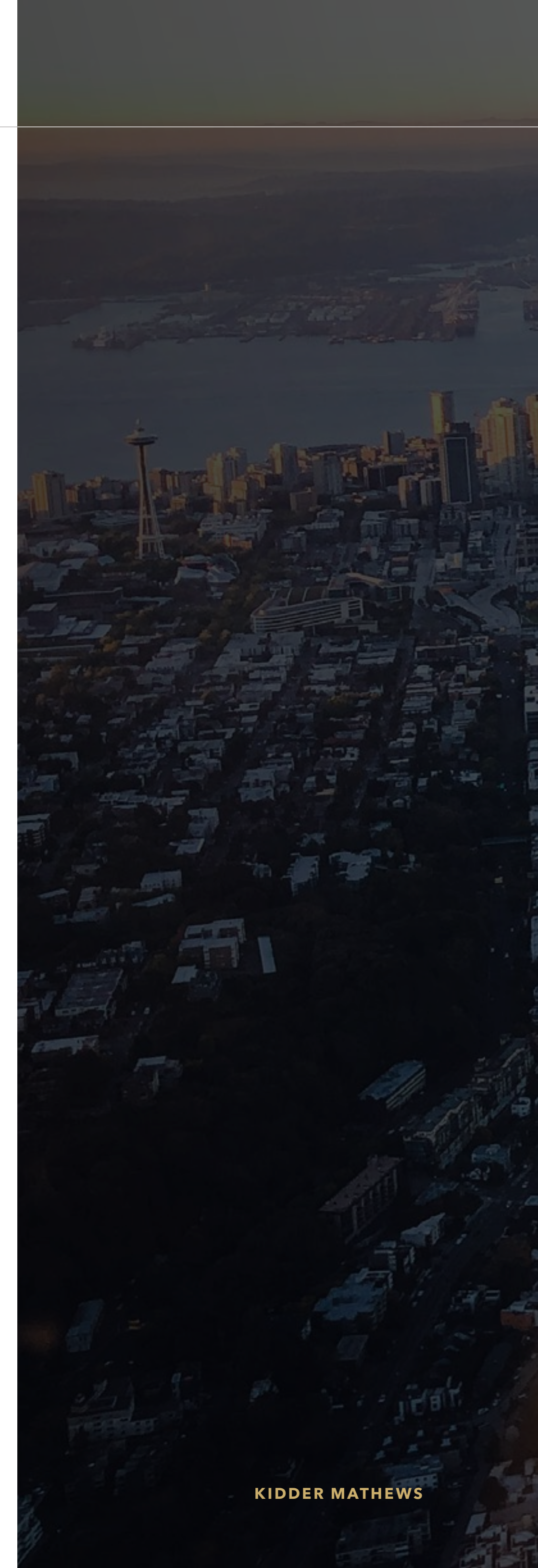
CONGREGATE	Standard Average Minimum	140–200 SF 175 SF 70 SF	A type of housing that has a private sleeping room and typically a bathroom, but is not a complete dwelling unit and may share a bathroom, common kitchen, dining room, and facilities with other units.	Allowed in certain zones
MICRO STUDIOS	Standard 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)
SEDU	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
EDU	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.

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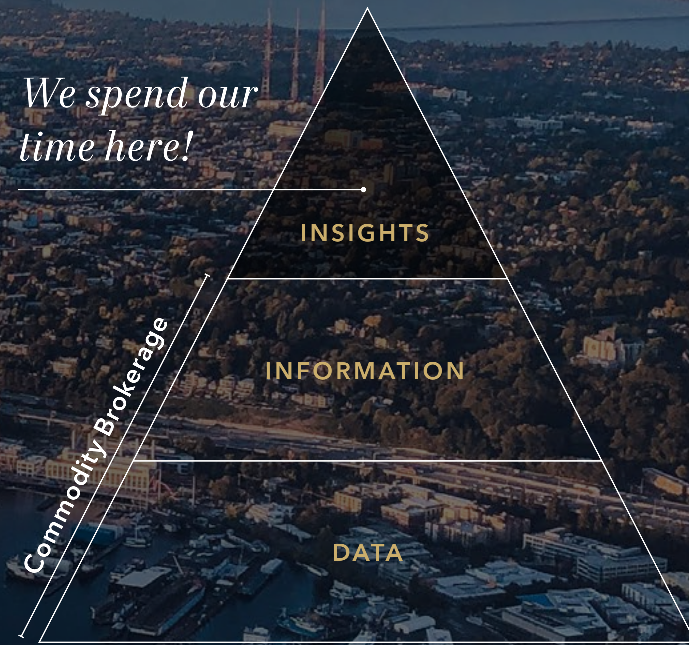
Sale of apartment buildings $1M to $100M

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

Sale of development land, both apartments & mixed-use

Strategic disposition of apartment portfolios



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