Kidder Mathews

MULTIFAMILY
INVESTOR FORUM & LUNCHEON

SPRING 2025

PRESENTED BY

Dylan Simon

Executive Vice President

Simon | Anderson Multifamily Team

March 4, 2025

DYLAN SIMON, EVP, KIDDER MATHEWS • 206.414.8575 | DYLAN.SIMON@KIDDER.COM • VISIT SIMONANDERSONTEAM.COM FOR LISTINGS

PRESENTATION AGENDA

Rent & Vacancy

01

Development Pipeline

02

Sales Trends

03

Brokerage Panel

04

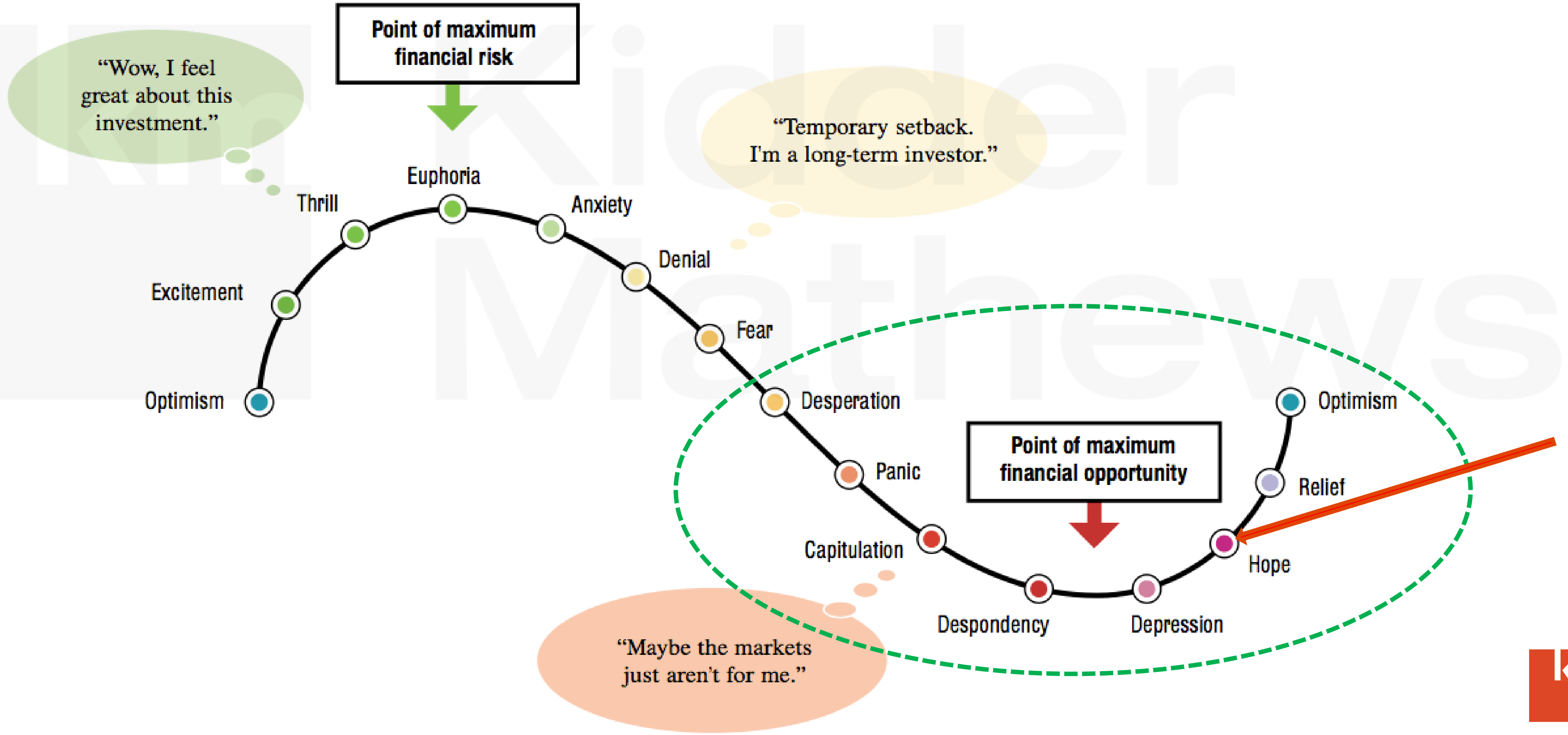
RESEARCH REPORTS: SIMONANDERSONTEAM.COM/RESEARCH

THE BIG PICTURE

ON THE LOOKOUT FOR CALMER SEAS

INVESTOR BEHAVIORAL CURVE

BUY "THE SMILE"



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01

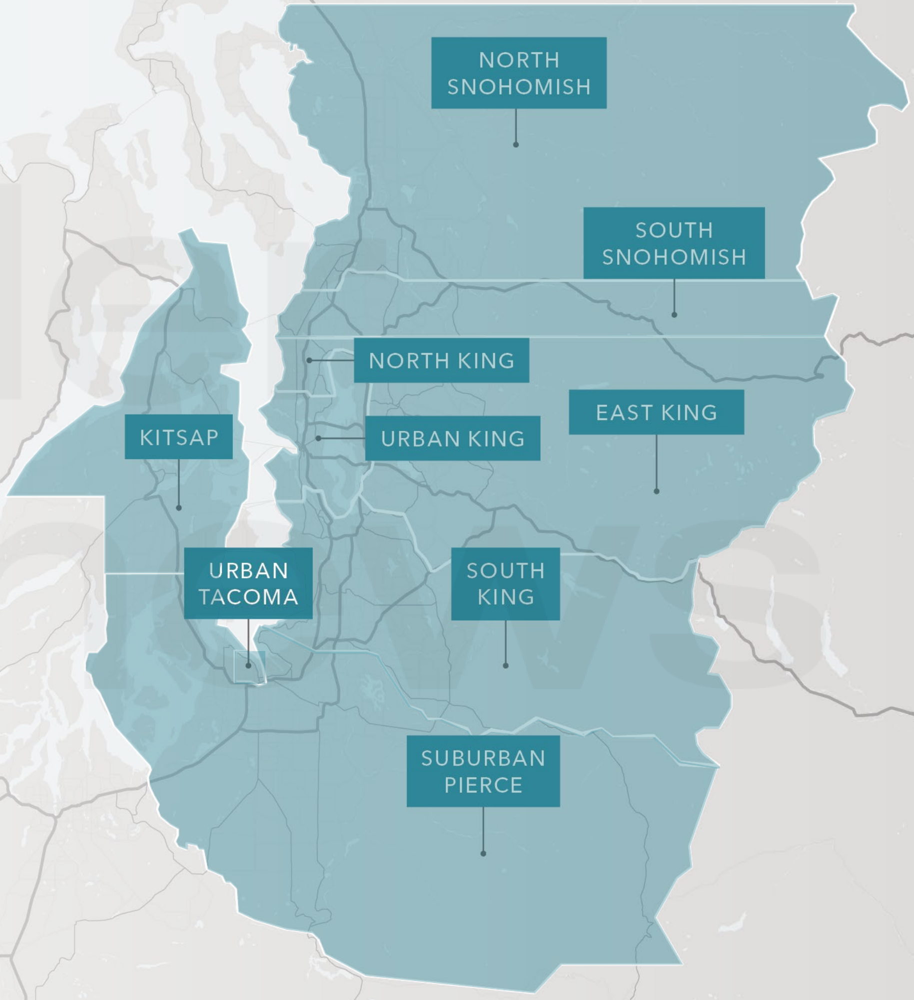
RENT & VACANCY

RENT & VACANCY TRENDS

REGIONAL OVERVIEW

	12 MONTHS AGO Q4 2023	12-Month Change	90 DAYS AGO Q3 2024	90-Day Change	LAST QUARTER Q4 2024
RENT	$1,973	▲ 2%	$2,020	▼ 1%	$2,009
VACANCY	6.9%	▲ 40 bps	7.2%	▲ 10 bps	7.3%

	Q2 2024		Q1 2025	
	Rent	Vacancy	Rent	Vacancy
KING	$2,135	6.7%	$2,120	7.2%
SNOHOMISH	$1,936	6.1%	$1,934	6.9%
PIERCE	$1,619	7.1%	$1,633	7.3%
KITSAP	$1,785	11.9%	$1,842	9.5%



Source: CoStar, Simon Anderson Multifamily Team, Kidder Mathews

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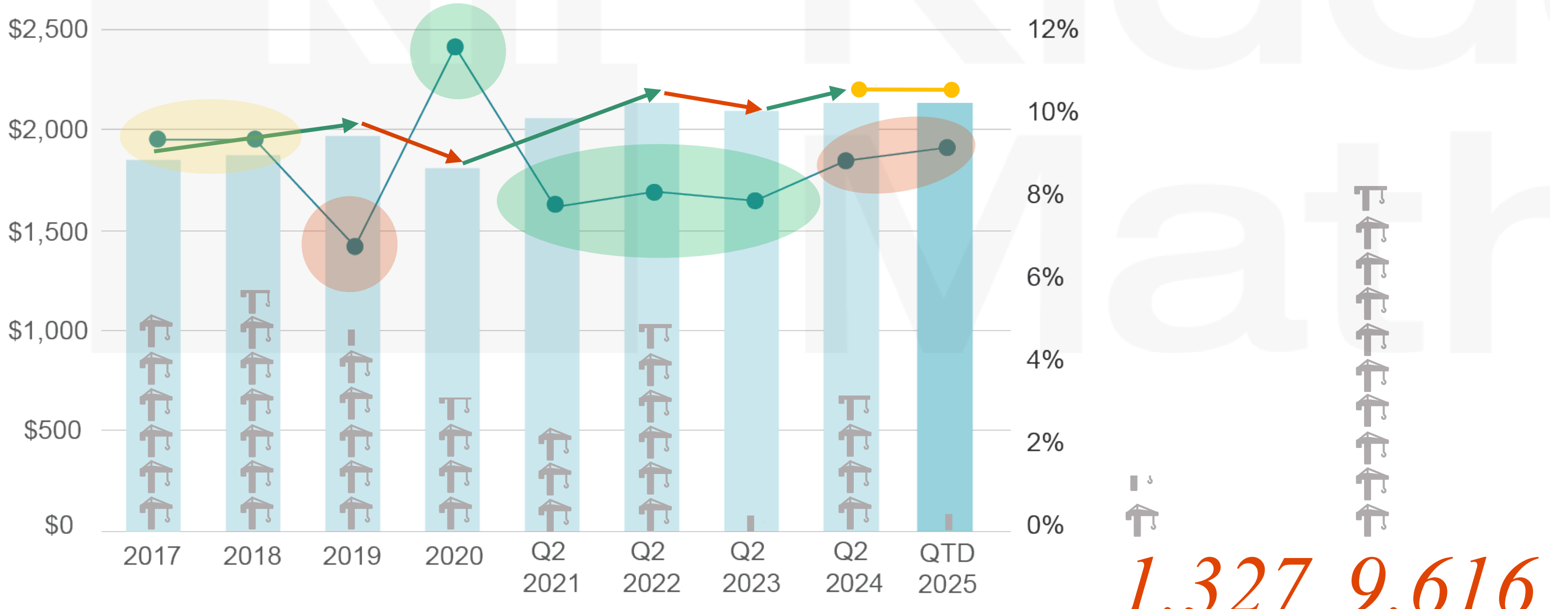
RENT & VACANCY TRENDS

SEATTLE NEIGHBORHOODS



UNITS DELIVERED	5,889	6,728	5,233	3,309	3,040	1,606	334	1,596	865

All building ages, 5+ unit apartment buildings

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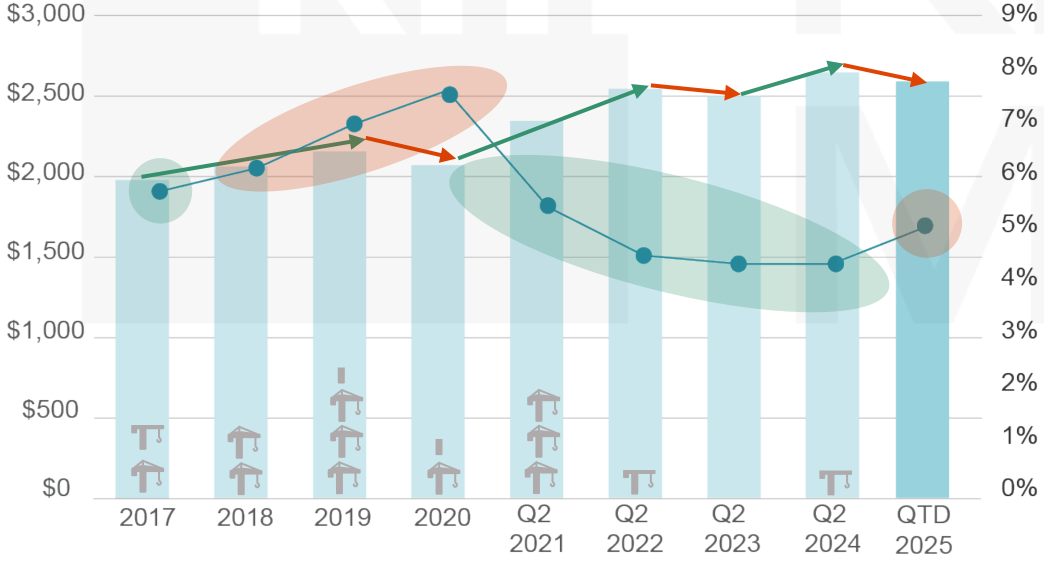
RENT & VACANCY TRENDS

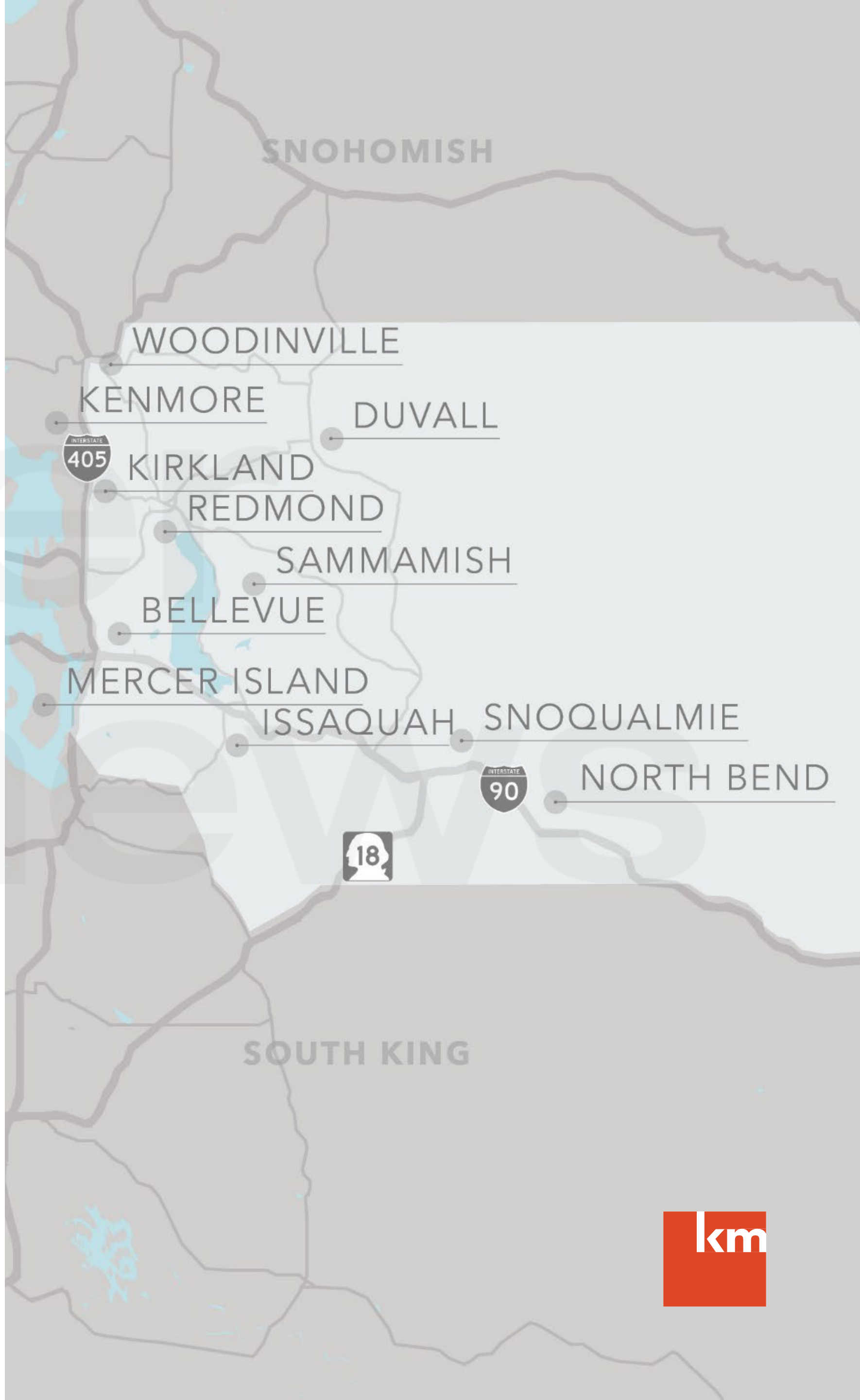
EAST KING



UNITS DELIVERED	1,501	2,164	3,163	1,392	3,069	634	0	806	0

3,906 Units Under Construction

15,156 Units Proposed



All building ages, 5+ unit apartment buildings

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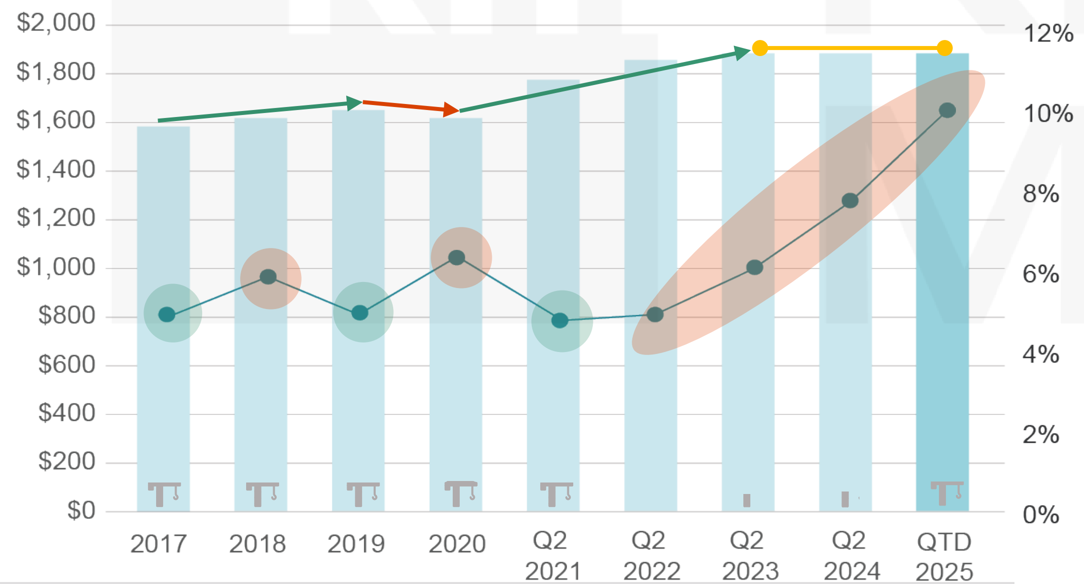
RENT & VACANCY TRENDS

SEATTLE VS EASTSIDE – KEY INSIGHT

2019 – Average Rent		*QTD Q1 2025 – Average Rent*		*5-Year Cumulative Growth*	
$2,005	SEATTLE	$2,120	SEATTLE	5.7%	SEATTLE
$2,166	EASTSIDE	$2,583	EASTSIDE	19.3%	EASTSIDE

RENT & VACANCY TRENDS

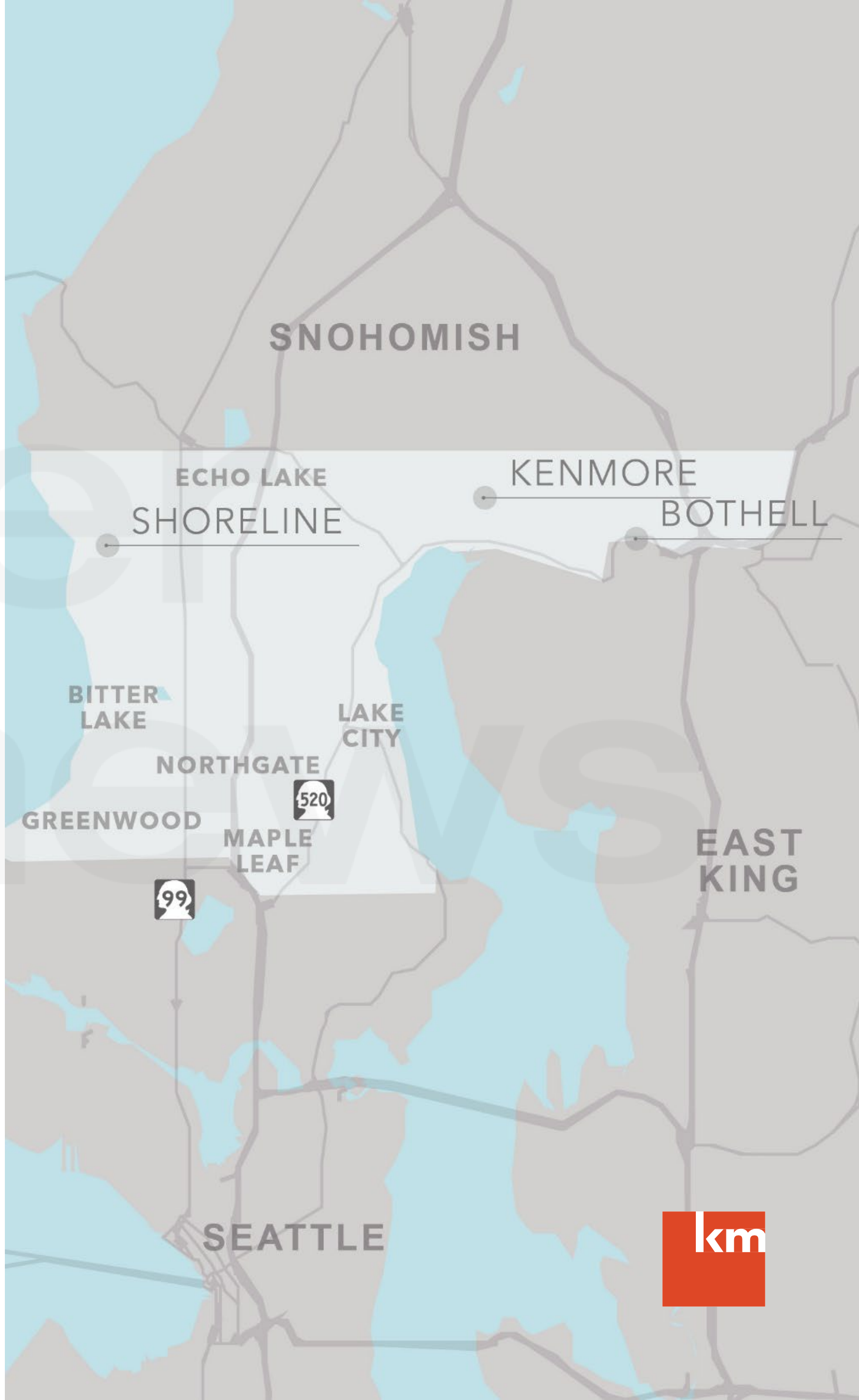
NORTH KING



UNITS DELIVERED	2017	2018	2019	2020	Q2 2021	Q2 2022	Q2 2023	Q2 2024	QTD 2025
	612	869	787	752	642	0	215	443	819

2,964 Units Under Construction

2,749 Units Proposed



All building ages, 5+ unit apartment buildings

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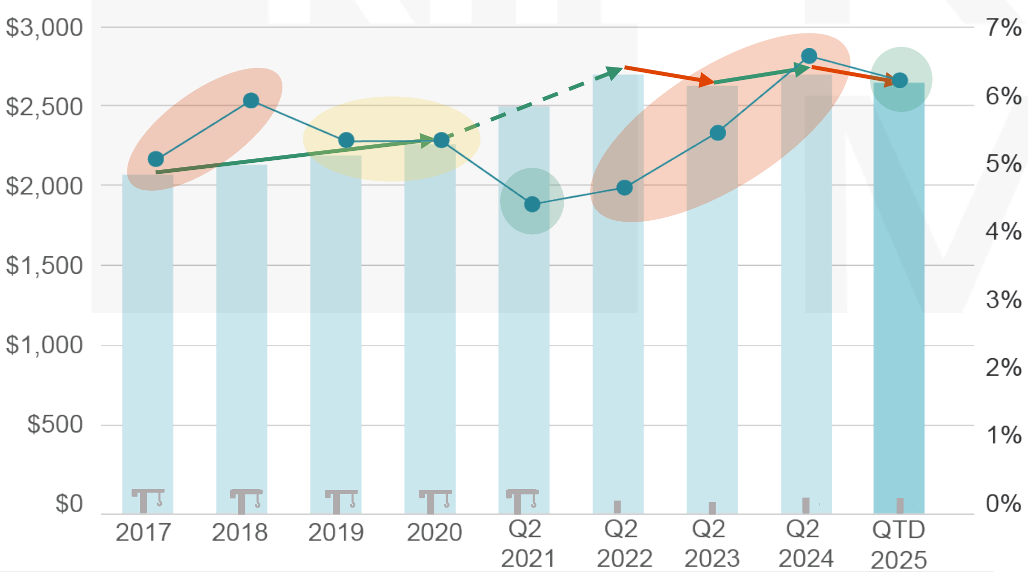
RENT & VACANCY TRENDS

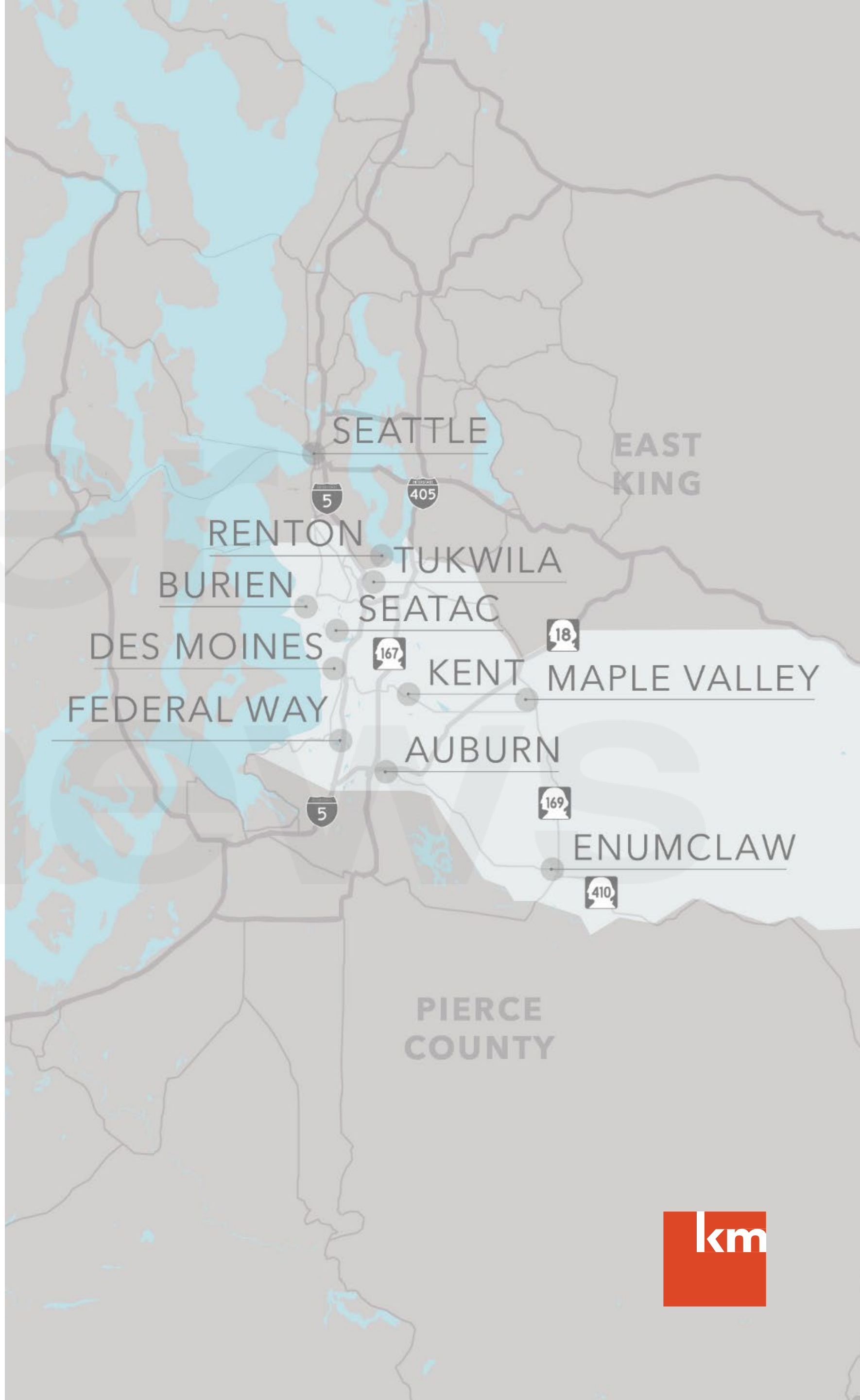
SOUTH KING



UNITS DELIVERED	*386*	*556*	*570*	*425*	*655*	*5*	*6*	*214*	*137*

1,136 Units Under Construction

2,535 Units Proposed



All building ages, 5+ unit apartment buildings

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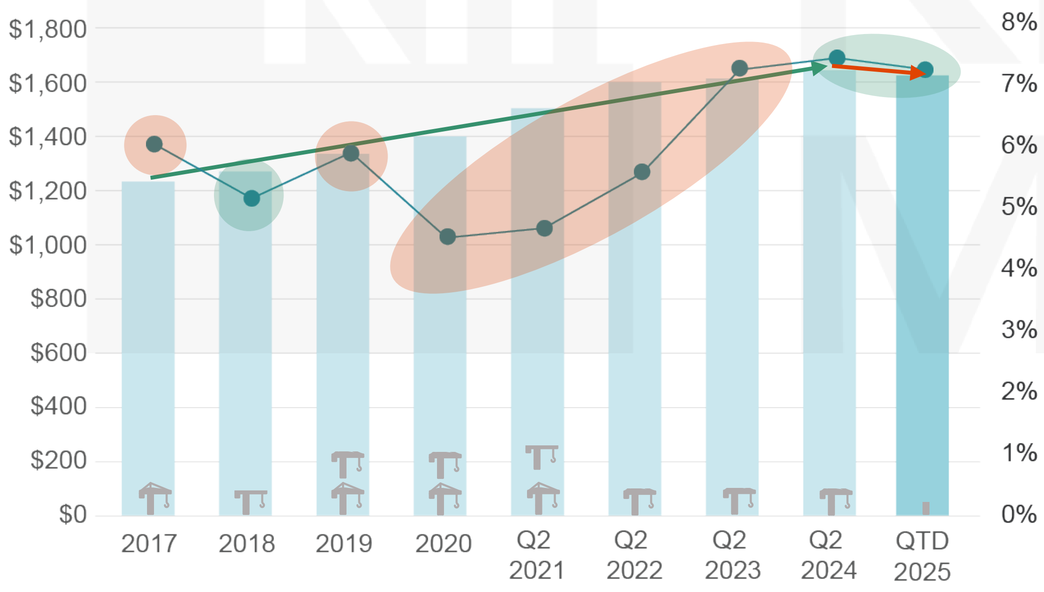
RENT & VACANCY TRENDS

PIERCE



UNITS DELIVERED	1,152	334	1,555	1,560	1,406	529	435	731	78

1,765 Units Under Construction

3,144 Units Permitted

All building ages, 5+ unit apartment buildings

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FORECAST – Q3 2024

RENT GROWTH FORECAST BY CITY (YOY) – Q3 2024

Year	2025	2026	2027	2028	2029
Yardi					
Seattle	3.0%	5.3%	4.1%	2.0%	1.8%
Tacoma	2.8%	5.7%	5.0%	2.9%	2.6%
Redmond	4.9%	6.8%	5.2%	2.4%	2.2%
Bellevue	4.8%	6.4%	4.9%	2.4%	2.2%
Kirkland	4.4%	6.5%	5.0%	2.4%	2.2%
Issaquah	5.7%	7.0%	5.3%	2.5%	2.3%
Woodinville	4.6%	6.3%	4.8%	2.3%	2.1%
Bothell	4.4%	6.7%	5.1%	2.4%	2.2%
Renton	3.7%	7.4%	5.6%	2.6%	2.4%
Everett	4.1%	7.2%	5.5%	2.6%	2.4%
Lynnwood	4.2%	7.5%	5.7%	2.7%	2.5%
Bremerton	4.0%	6.1%	5.3%	3.1%	2.8%
Bainbridge Island	2.9%	4.8%	4.2%	2.5%	2.2%
Federal Way	4.1%	7.6%	5.8%	2.7%	2.5%
Kent	3.7%	7.1%	5.4%	2.5%	2.3%

FORECAST – Q4 2024

RENT GROWTH FORECAST BY CITY (YOY) – Q4 2024

Year	2025	2026	2027	2028	2029
Yardi					
Seattle	1.3%	1.0%	1.8%	3.0%	3.3%
Tacoma	0.4%	1.2%	2.3%	3.5%	3.7%
Redmond	0.3%	1.2%	2.3%	3.7%	4.1%
Bellevue	2.1%	1.2%	2.3%	3.6%	4.0%
Kirkland	1.5%	1.2%	2.3%	3.7%	4.1%
Issaquah	1.3%	1.3%	2.4%	3.9%	4.3%
Woodinville	2.1%	1.2%	2.2%	3.4%	4.0%
Bothell	2.3%	1.2%	2.3%	3.8%	4.1%
Renton	0.9%	1.4%	2.5%	4.1%	4.5%
Everett	0.5%	1.4%	2.5%	4.1%	4.5%
Lynnwood	1.7%	1.4%	2.6%	4.1%	4.5%
Bremerton	1.8%	1.3%	2.5%	3.8%	4.1%
Bainbridge Island	0.5%	1.0%	2.0%	3.0%	3.3%
Federal Way	2.8%	1.4%	2.6%	4.3%	4.6%
Kent	1.7%	1.3%	2.4%	3.9%	4.3%

FORECAST – COSTAR Q3 2024

RENT GROWTH FORECAST BY CITY (YOY)

Year	2025	2026	2027	2028	2029
CoStar					
Seattle	4.0%	4.3%	3.4%	3.3%	3.4%
Tacoma	4.1%	4.4%	3.4%	3.4%	3.5%
Redmond	4.0%	4.4%	3.4%	3.4%	3.5%
Bellevue	4.2%	4.6%	3.5%	3.5%	3.6%
Kirkland	4.0%	4.4%	3.4%	3.4%	3.5%
Issaquah	4.3%	4.6%	3.6%	3.6%	3.7%
Woodinville	4.2%	4.5%	3.6%	3.5%	3.6%
Bothell	4.1%	4.4%	3.5%	3.5%	3.6%
Renton	4.1%	4.4%	3.5%	3.5%	3.5%
Everett	4.2%	4.4%	3.4%	3.4%	3.5%
Lynnwood	4.1%	4.4%	3.4%	3.4%	3.4%
Bremerton	4.0%	4.6%	3.6%	3.3%	3.2%
Bainbridge Island	4.1%	4.6%	3.7%	3.3%	3.2%
Federal Way	4.2%	4.5%	3.5%	3.5%	3.6%
Kent	4.1%	4.3%	3.4%	3.3%	3.4%

FORECAST – COSTAR Q4 2024

RENT GROWTH FORECAST BY CITY (YOY)

Year	2025	2026	2027	2028	2029
CoStar					
Seattle	8.8%	4.4%	3.4%	3.3%	3.4%
Tacoma	6.2%	4.4%	3.4%	3.4%	3.5%
Redmond	6.1%	4.4%	3.4%	3.4%	3.5%
Bellevue	8.0%	4.6%	3.5%	3.5%	3.6%
Kirkland	3.4%	4.3%	3.4%	3.4%	3.5%
Issaquah	6.5%	4.6%	3.6%	3.6%	3.7%
Woodinville	-4.7%	4.5%	3.4%	3.4%	3.5%
Bothell	2.5%	4.4%	3.4%	3.5%	3.5%
Renton	6.8%	4.4%	3.4%	3.4%	3.5%
Everett	7.9%	4.4%	3.4%	3.4%	3.5%
Lynnwood	7.1%	4.4%	3.4%	3.4%	3.5%
Bremerton	10.9%	4.6%	3.7%	3.3%	3.2%
Bainbridge Island	23.0%	4.5%	3.6%	3.3%	3.2%
Federal Way	8.7%	4.5%	3.5%	3.4%	3.5%
Kent	8.1%	4.3%	3.3%	3.3%	3.4%

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02

DEVELOPMENT PIPELINE

REGIONAL APARTMENT INVENTORY

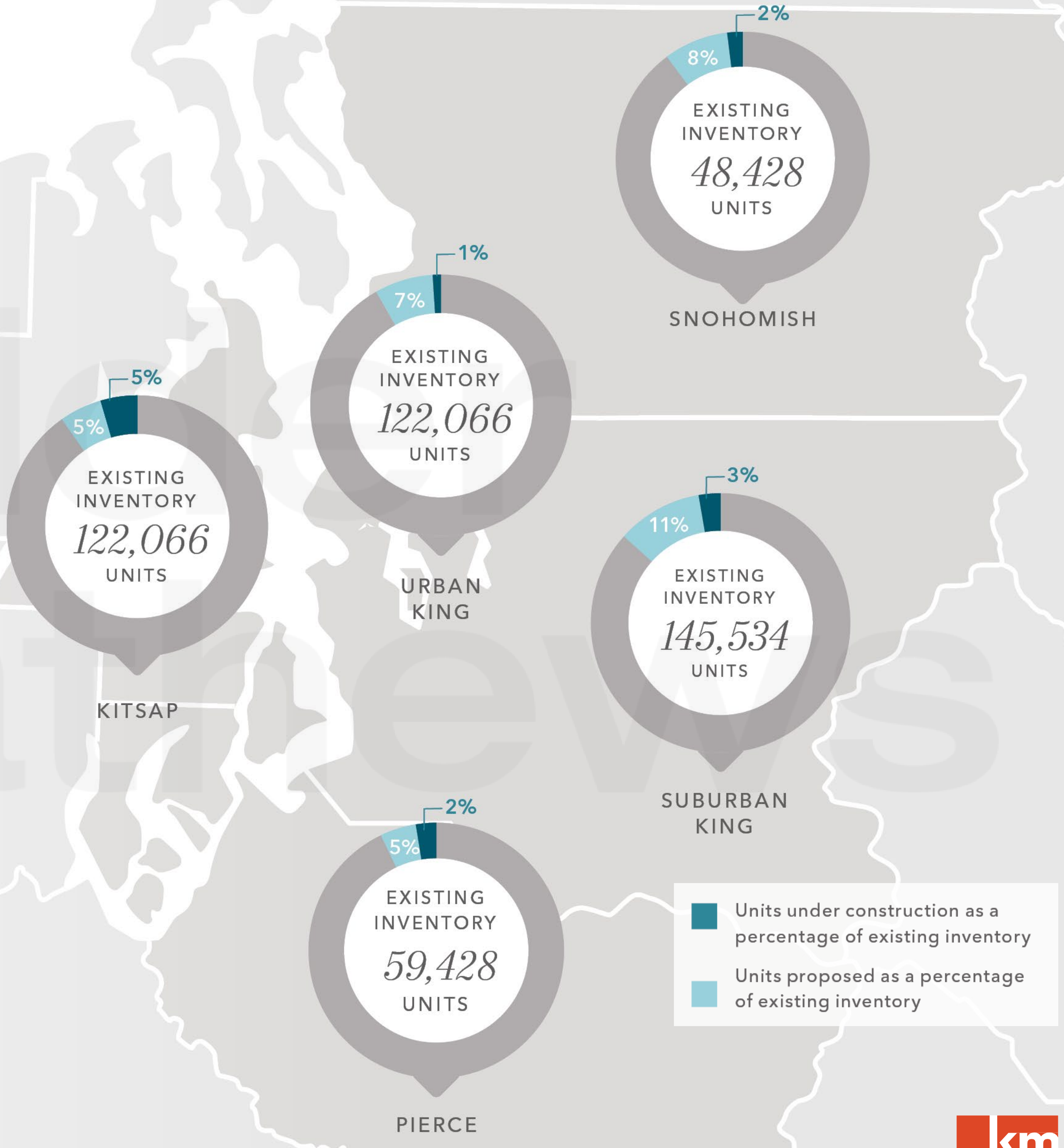
412,486 UNITS IN REGION

129,641 UNITS DELIVERED 2010 - 2024

45,116 UNITS IN PIPELINE

35,808 PROPOSED

9,308 UNDER CONSTRUCTION

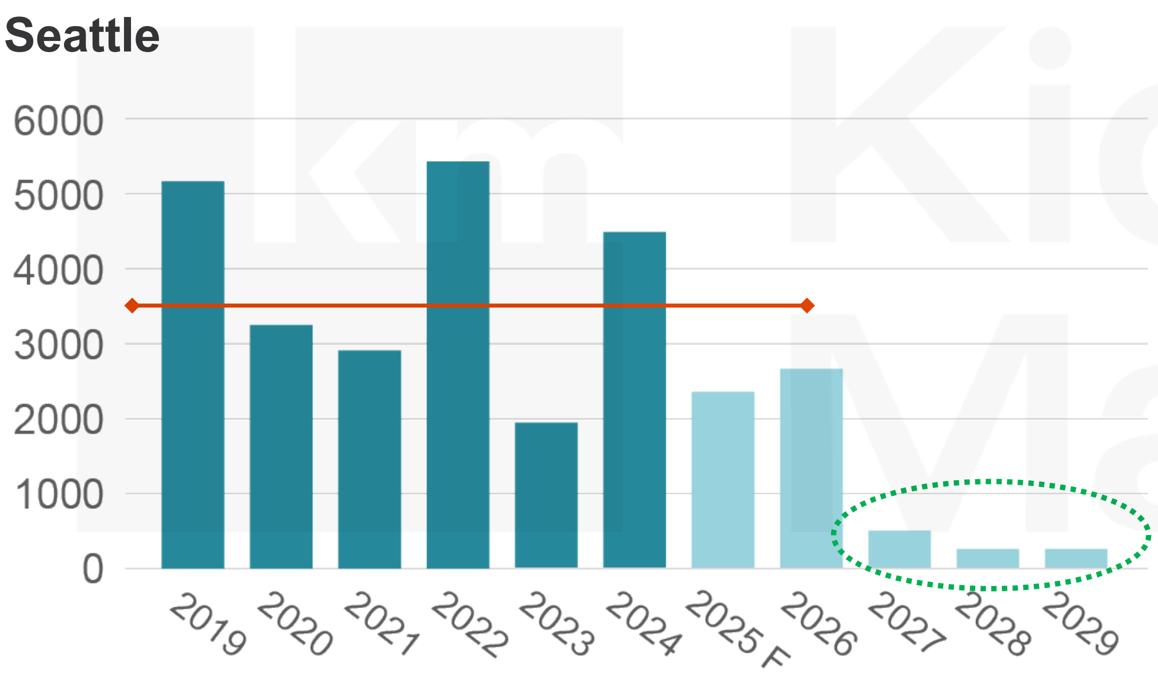


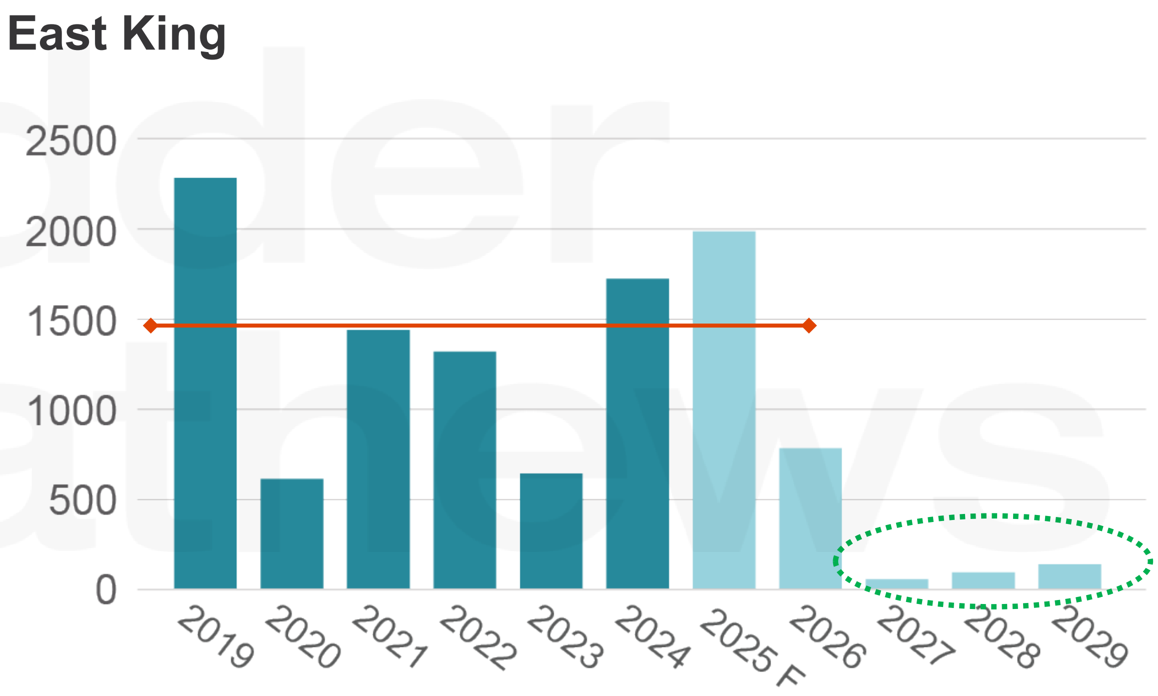
Source: Kidder Mathews research, multiple data providers
10+ unit buildings

10+ Unit

DEVELOPMENT PIPELINE | WANING DELIVERIES

2019 TO 2029: ABSORPTION VS. CURRENTLY UNDER CONSTRUCTION





Source: Kidder Mathews Research

DEVELOPMENT PIPELINE | COSTS VS. VALUE

	Development Costs	Recent Sales
Low	$450K/unit	$325K/unit
Middle	$500K/unit	$375K/unit
High	$550K/unit	$425K/unit

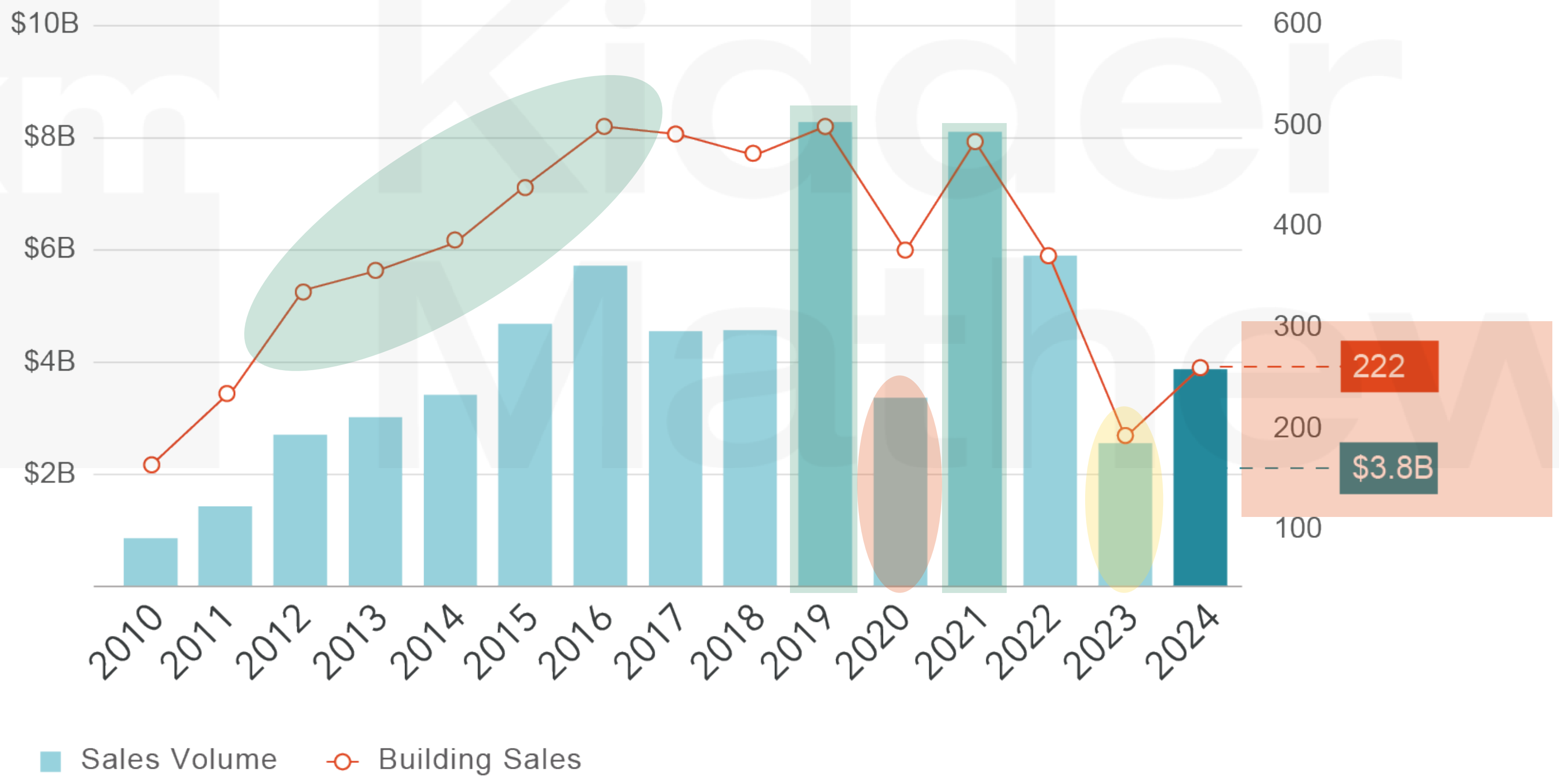
Source: Kidder Mathews research, multiple data providers

03

SALES TRENDS

REGIONAL SALES TRENDS

HISTORICAL SALES VOLUME



Source: Simon Anderson Multifamily Team, Kidder Mathews

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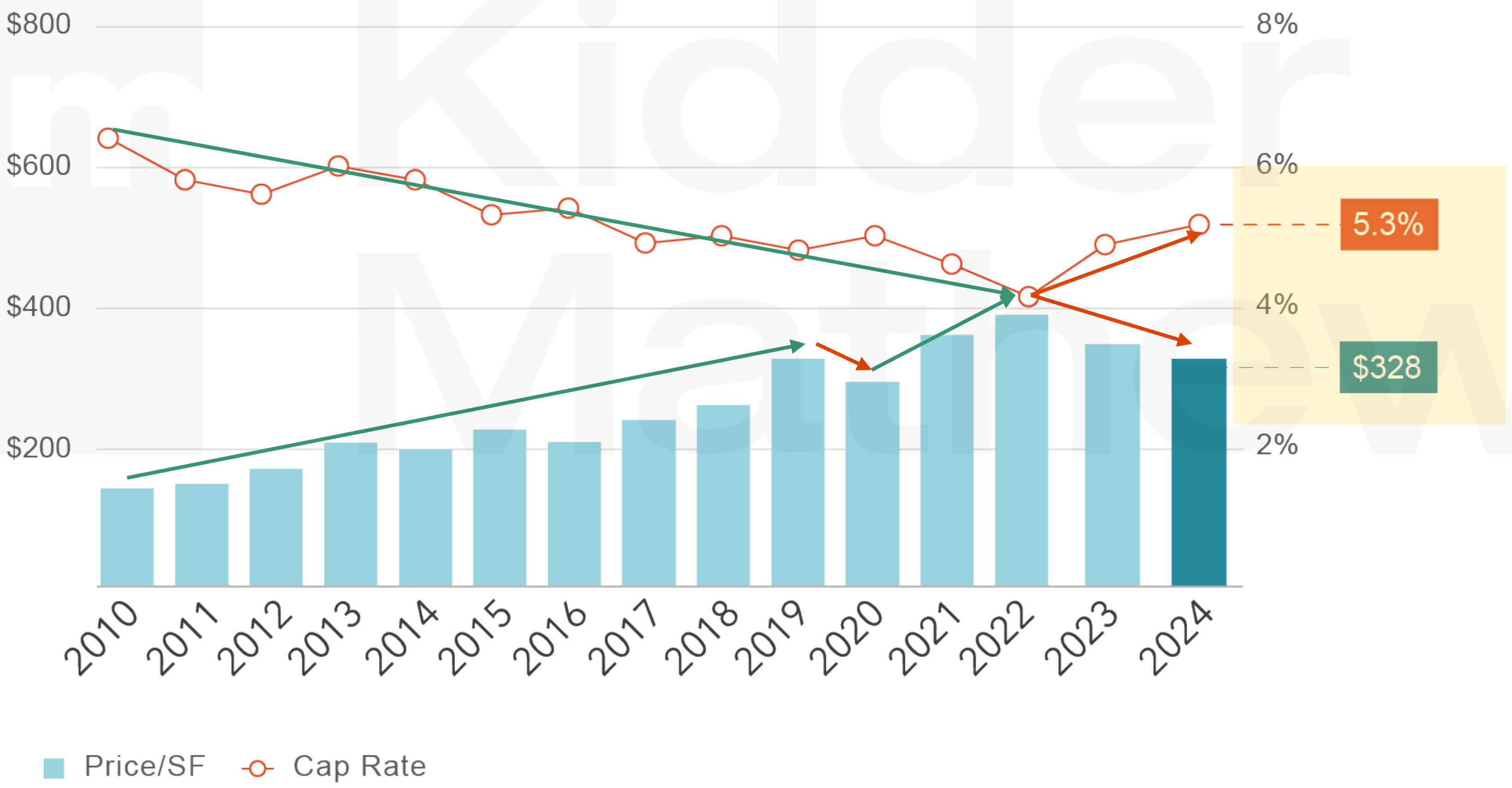
REGIONAL SALES TRENDS

HISTORICAL SALES VALUES



Source: Simon Anderson Multifamily Team, Kidder Mathews

CAPITALIZATION RATES

STABILIZED INVESTMENTS

Core, Newer Construction:

4.75% to 5.0%	SEATTLE
4.5% to 4.75%	EASTSIDE

Suburban, Stabilized:

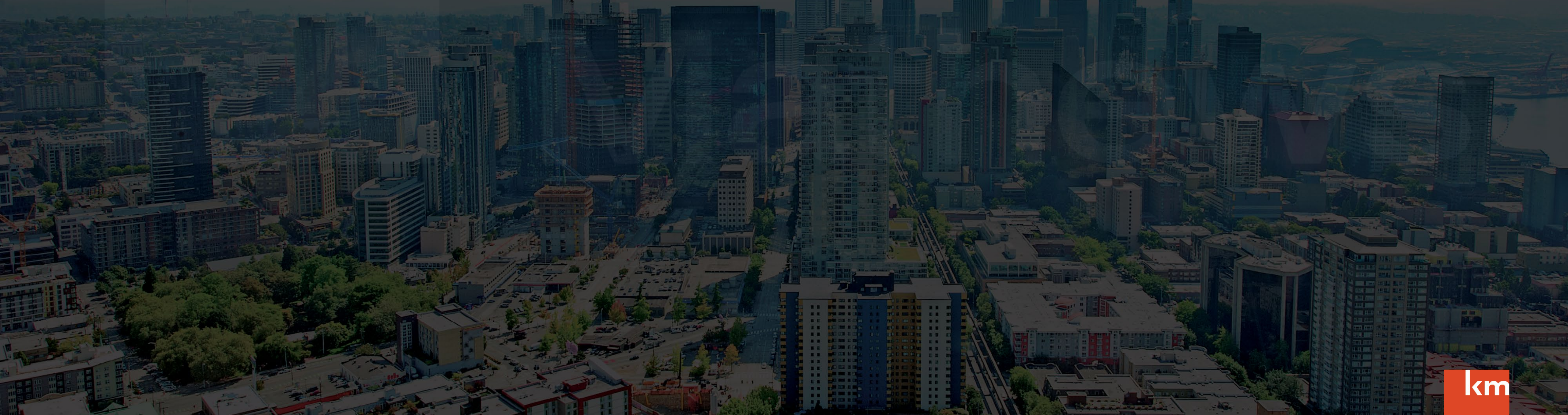
4.5% to 5.0%	EAST
5.25% to 5.5%	NORTH
5.5% to 5.75%	SOUTH

Source: Simon Anderson Team Research

CAPITALIZATION RATES

VALUE-ADD INVESTMENTS

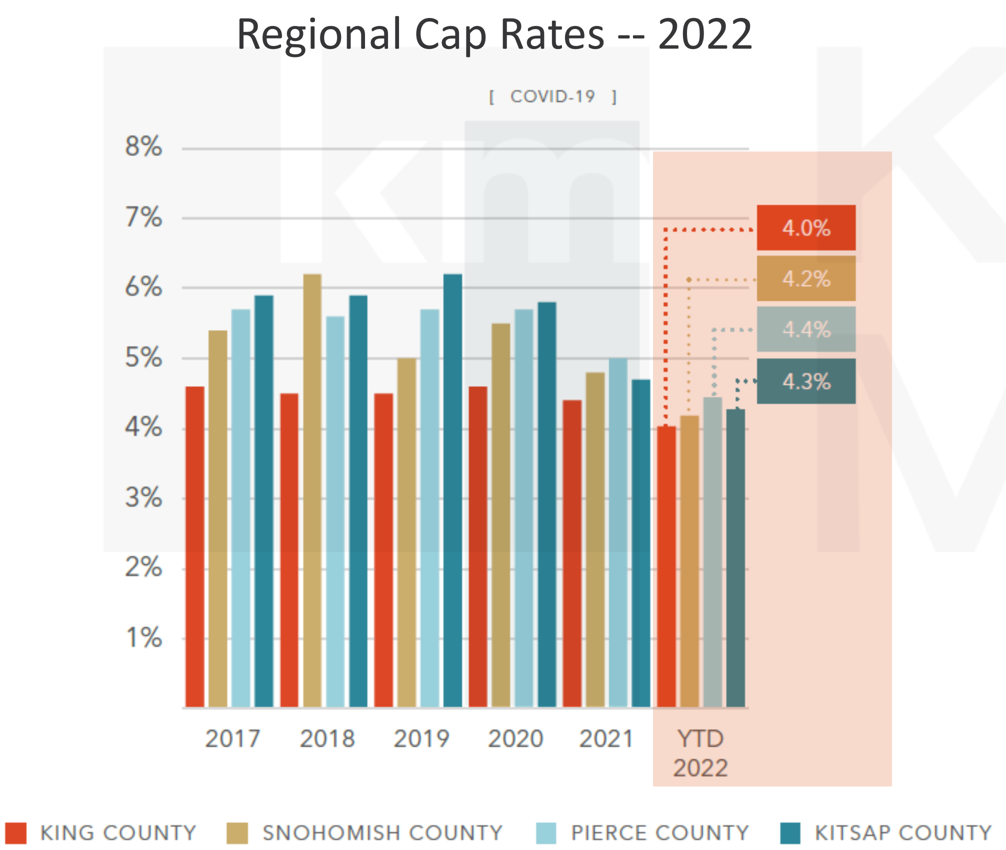
1990 & Newer		*1980s & Older*	
4.75% to 5.25%	GOING IN	*5.25% to 6.25%*	GOING IN
5. 5% to 6.0%	STABILIZED	*6.5% to 7.0%*	STABILIZED

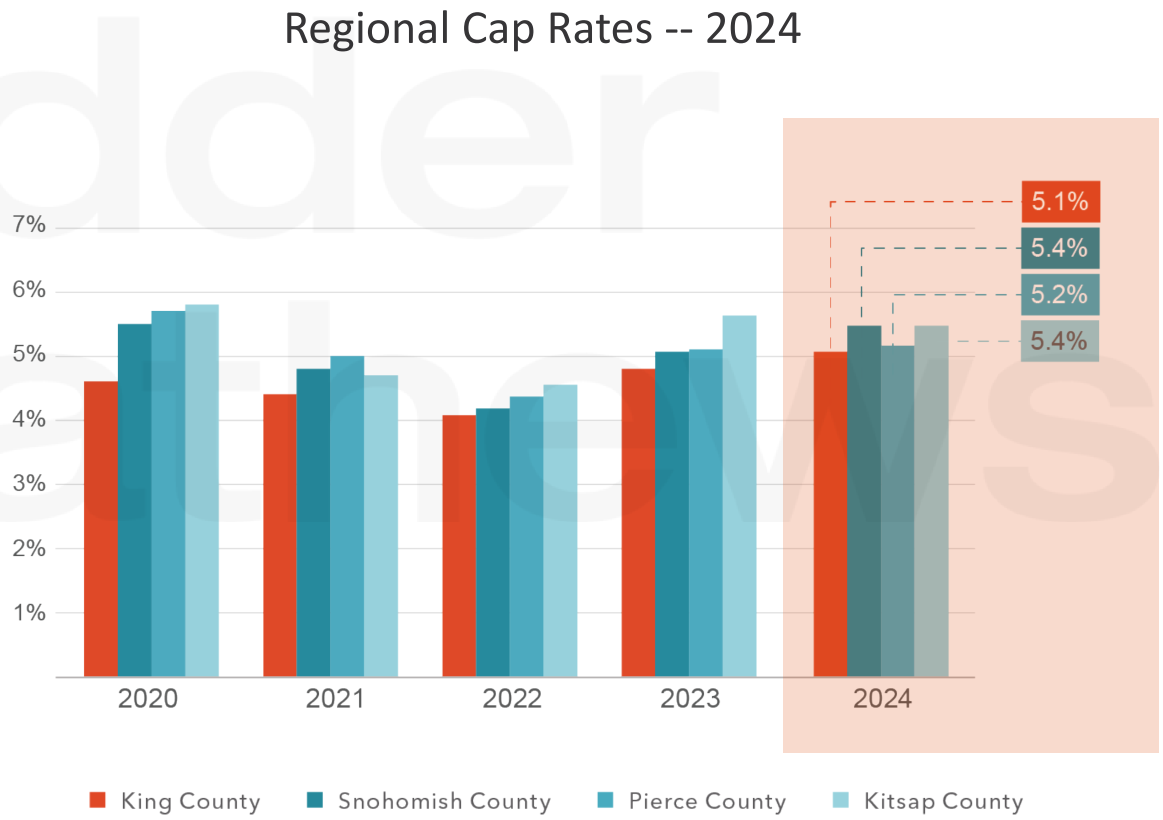


Source: Simon Anderson Team Research

CAPITALIZATION RATES

HISTORICAL CAP RATES VS. CURRENT





Source: Simon Anderson Multifamily Team, Kidder Mathews

04

BROKERAGE PANEL

SEATTLE MARKET DYNAMICS

RENT & VACANCY

Seattle Rental Rates – 5 to 50 unit Buildings

HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q4 2023	12-Month Change	Q3 2024	90-Day Change	Q4 2024
RENT	$1,432	$1,455	$1,476	$1,476	$1,503	$1,531	$1,547	$1,598	▲ 1%	$1,612	▼ 0.1%	$1,611
RENT/SF	$2.28	$2.31	$2.35	$2.35	$2.39	$2.44	$2.48	$2.58	▲ 1%	$2.61	▼ 0.4%	$2.60
VACANCY	5.5%	5.1%	5.0%	7.0%	5.0%	5.7%	6.0%	5.7%	▼ 20 bps	5.4%	▲ 10 bps	5.5%

All building ages, 5+ unit apartment buildings

Seattle Rental Rates – 50+ unit Buildings

HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q4 2023	12-Month Change	Q3 2024	90-Day Change	Q4 2024
RENT	$1,994	$2,020	$2,143	$1,919	$2,187	$2,175	$2,202	$2,283	▲ 1%	$2,321	▼ 0.3%	$2,314
RENT/SF	$2.93	$2.97	$3.16	$2.82	$3.22	$3.20	$3.24	$3.40	▲ 1%	$3.45	▼ 0.3%	$3.44
VACANCY	9.7%	9.7%	6.0%	11.5%	7.0%	9.1%	7.9%	7.8%	▲ 100 bps	8.5%	▲ 30 bps	8.8%

All building ages, 5+ unit apartment buildings

Source: Simon Anderson Multifamily Team, Kidder Mathews

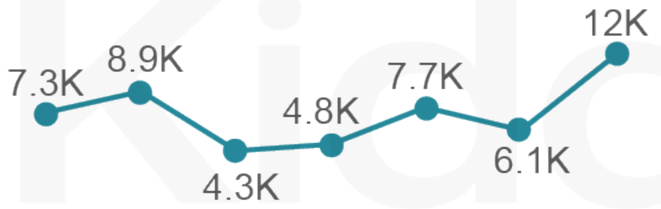
SEATTLE MARKET DYNAMICS

SEATTLE RENT GROWTH FORECAST - COMPLETIONS

12,029

↑ *97%*

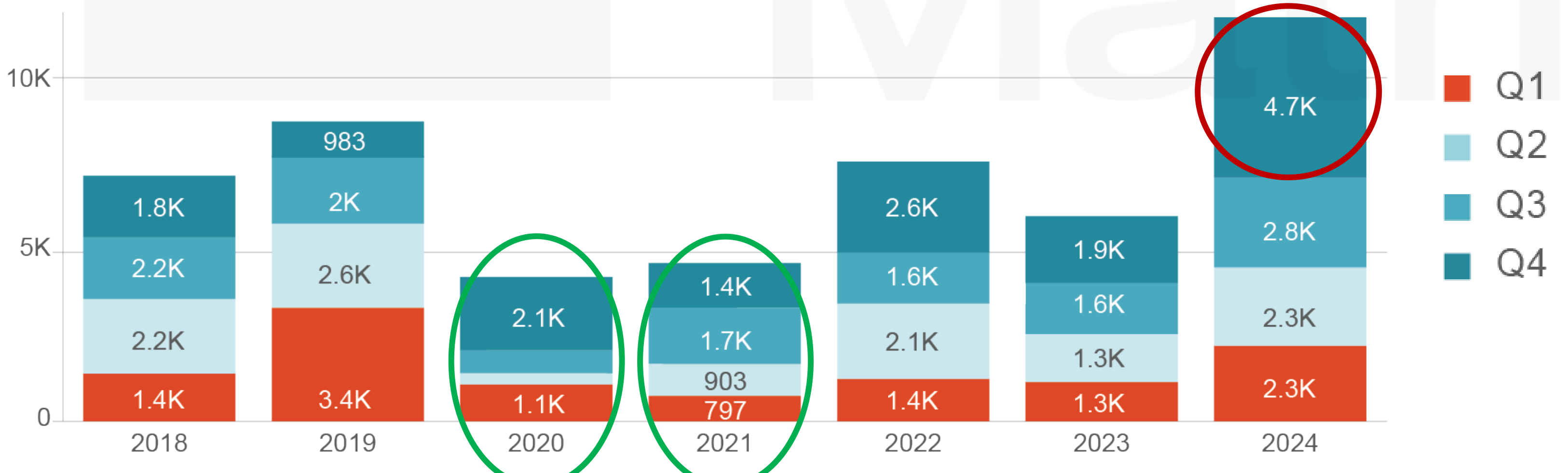
same period last year



51.1K

Total Complete since 2017

New Units Completed by Year by Quarter



Source: Simon Anderson Multifamily Team, Kidder Mathews

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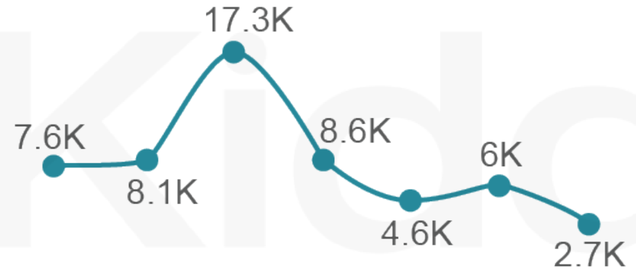
SEATTLE MARKET DYNAMICS

SEATTLE RENT GROWTH FORECAST - APPLICATIONS

2,678

-55%

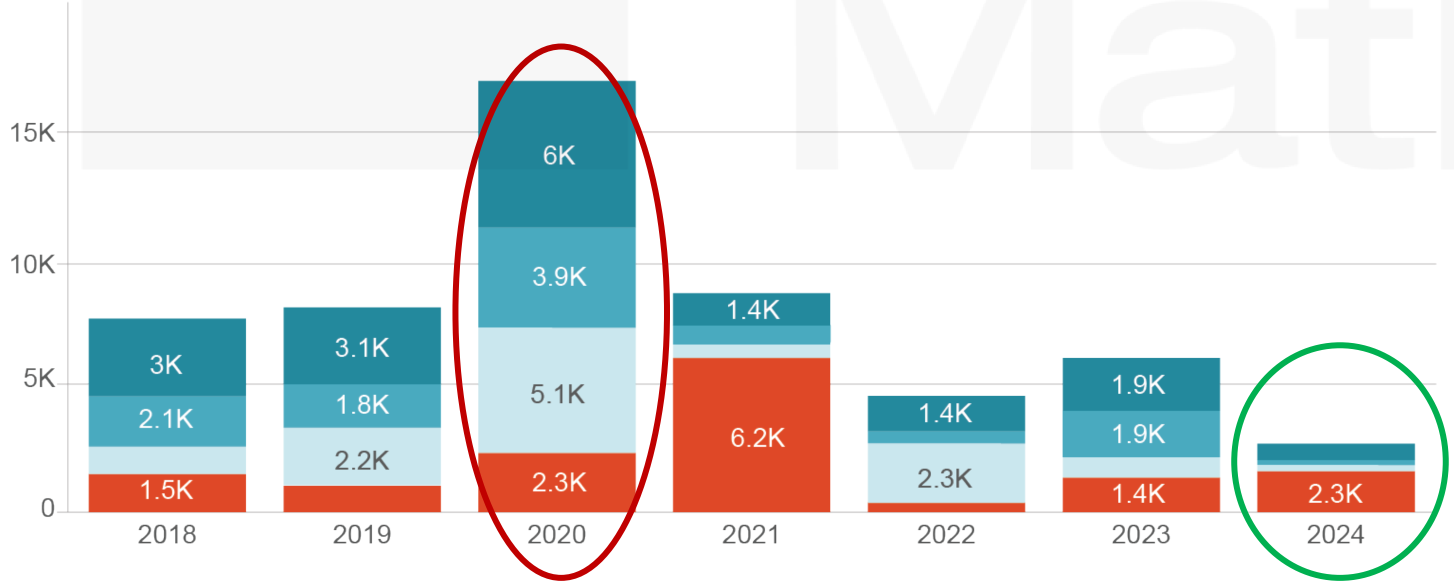
same period last year



19.8K

Total Pre-issuance

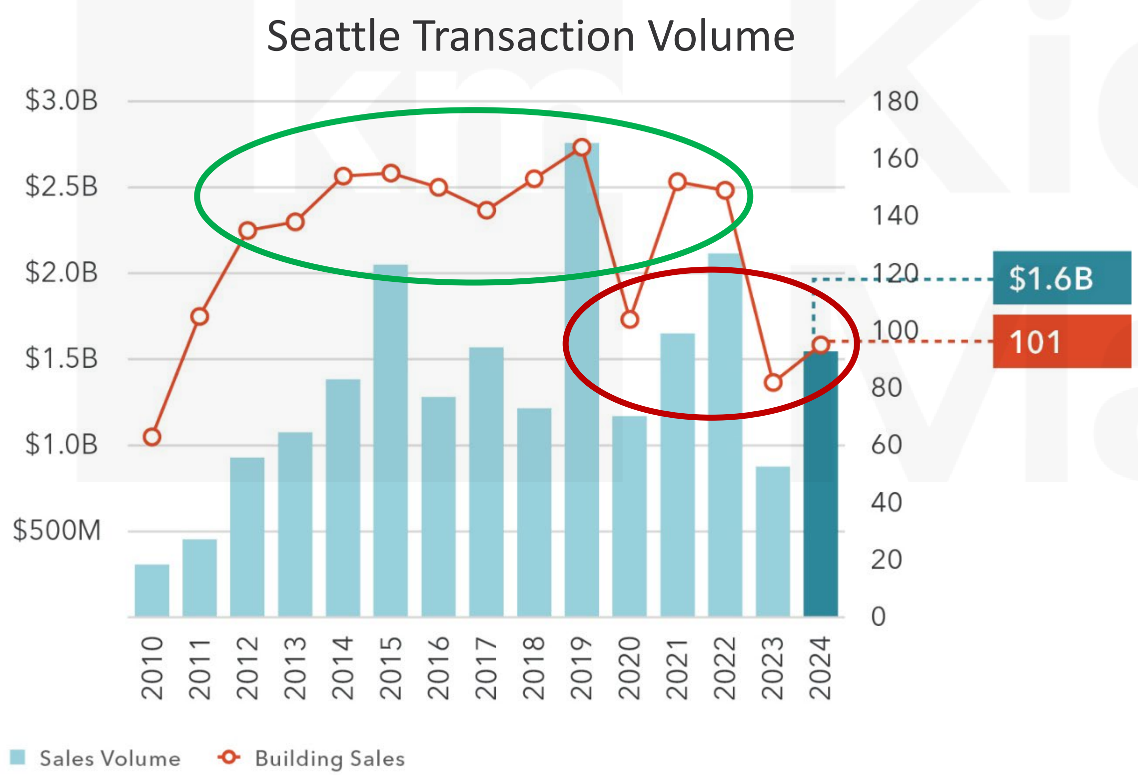
New Units by Application Year by Quarter

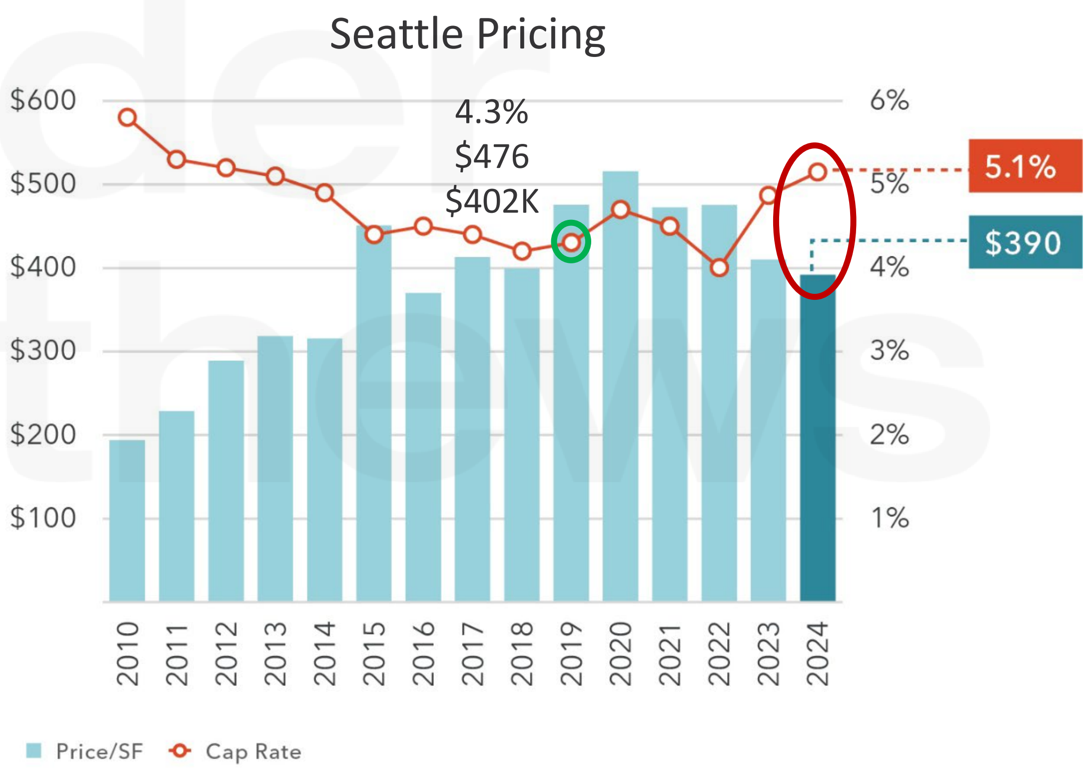


Source: Simon Anderson Multifamily Team, Kidder Mathews

SEATTLE MARKET DYNAMICS

VOLUME & PRICING





Source: Simon Anderson Multifamily Team, Kidder Mathews

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SEATTLE MARKET DYNAMICS

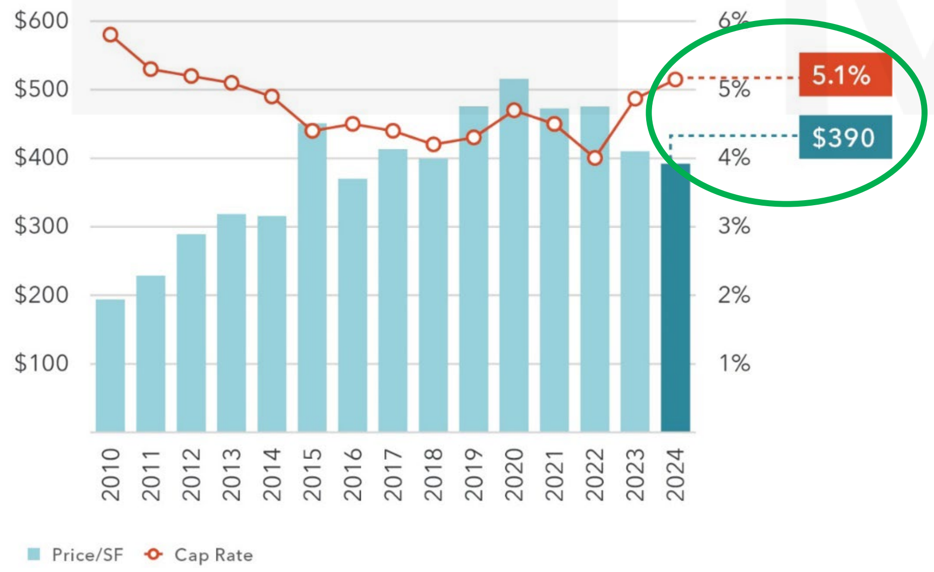
PRICING WAR – BUYERS OR SELLERS?

HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q4 2023	12-Month Change	Q3 2024	90-Day Change	Q4 2024
RENT	$1,432	$1,455	$1,476	$1,476	$1,503	$1,531	$1,547	$1,598	▲ 1%	$1,612	▼ 0.1%	$1,611
RENT/SF	$2.28	$2.31	$2.35	$2.35	$2.39	$2.44	$2.48	$2.58	▲ 1%	$2.61	▼ 0.4%	$2.60
VACANCY	5.5%	5.1%	5.0%	7.0%	5.0%	5.7%	6.0%	5.7%	▼ 20 bps	5.4%	▲ 10 bps	5.5%

All building ages, 5+ unit apartment buildings

↑ 9%
↑ 11%
↑ 50 bp



Source: Simon Anderson Multifamily Team, Kidder Mathews

SEATTLE MARKET DYNAMICS

PREDICTION

Historical Performance

	2011	2012	2013	2014	2015	2016	2017	
NUMBER OF SALES	38	71	52	80	90	89	**70**	
TOTAL SALES VOLUME	$1.0B	$2.1B	$1.7B	$2.6B	$3.7B	$4.1B	**$3.6B**	
AVERAGE PPU	$139,630	$167,123	$206,672	$193,804	$218,436	$236,227	**$249,594**	↑ 79%
AVERAGE PPSF	$169	$188	$233	$238	$272	$298	**$311**	↑ 84%
AVERAGE CAPE RATE	5.7%	5.5%	5.3%	5.3%	5.1%	5.0%	**4.9%**	↓ 80 bp
TOTAL DELIVERIES	1,318	4,426	5,986	8,128	10,179	8,976	**11,319**	

Source: Simon Anderson Multifamily Team, Kidder Mathews

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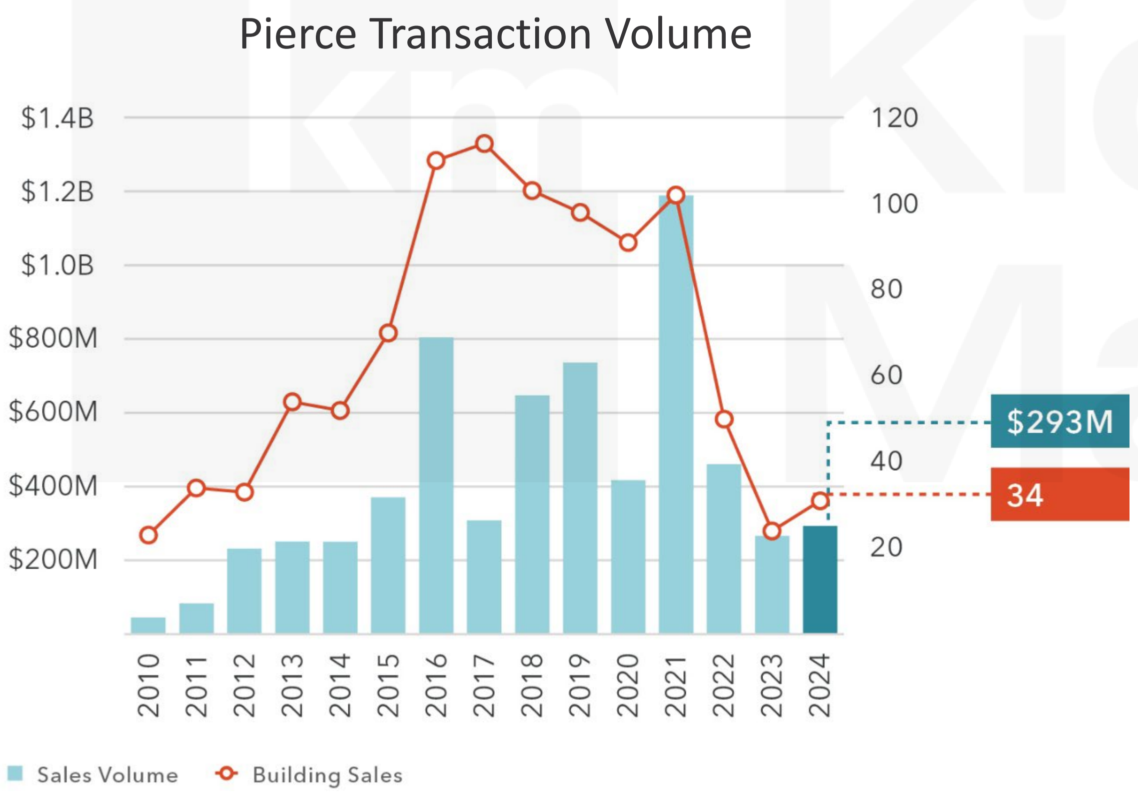
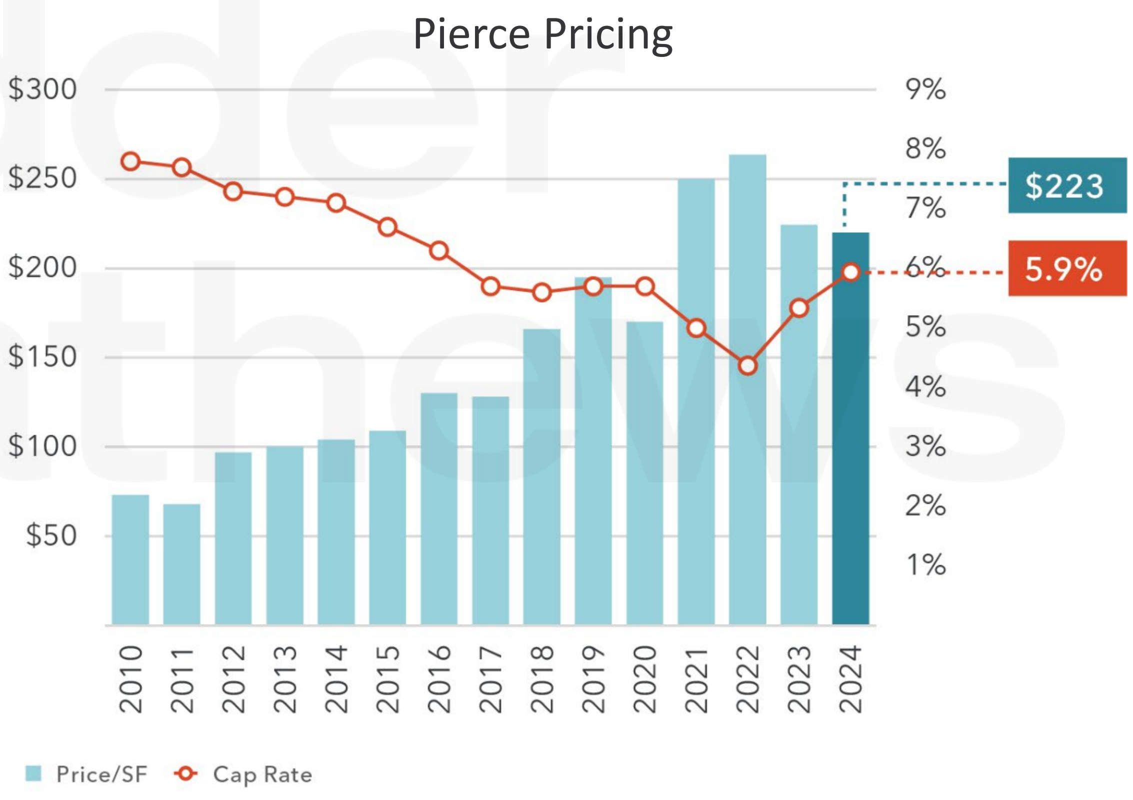
PIERCE COUNTY MARKET DYNAMICS

VOLUME & PRICING

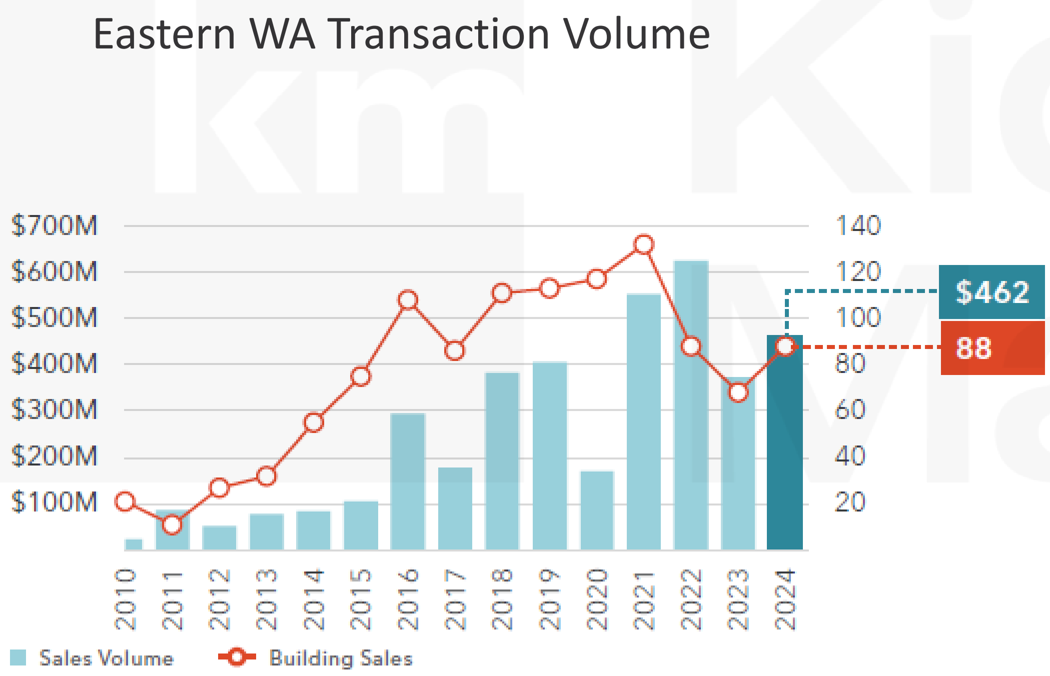


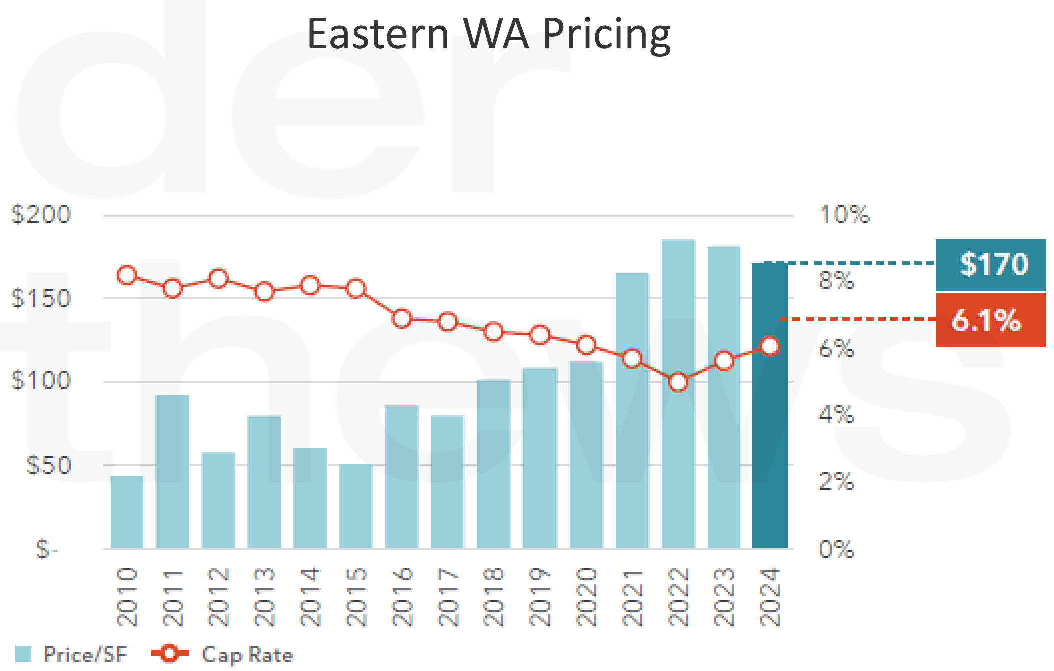


Source: Simon Anderson Multifamily Team, Kidder Mathews

EASTERN WASHINGTON MARKET DYNAMICS

SEATTLE VS. COUNTY-WIDE





Source: Simon Anderson Multifamily Team, Kidder Mathews

SPEED ROUND!

GET TO KNOW THE TEAM

1. *Where you are from & when you got started in the business?*

2. *First job?*

3. *Dream job if you weren't a CRE broker?*

4. *What keeps you up at night?*

5. *Favorite investment market?*

Source: Simon Anderson Multifamily Team, Kidder Mathews

THANK YOU! | SIMON | ANDERSON MULTIFAMILY INVESTMENT TEAM

Dylan Simon
Executive Vice President

Jerrid Anderson
Executive Vice President

Matt Laird
First Vice President

Max Frame
Vice President

Elijah Piper
Vice President

JD Fuller
Associate

Jack Shephard
Associate

Ryder Tuttle
Financial Analyst

Mattie Tonseth
Marketing Coordinator

Ashley Woodliff
Marketing Coordinator

Cassie Pieters
Executive Assistant

Alice Lundt
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