

FALL 2026

MULTIFAMILY *INVESTOR FORUM & LUNCHEON*

Presented by

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October 1, 2026



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AGENDA

Rent & Vacancy

01

Development Pipeline

02

Sales Trends

03

Office Leasing Trends

04

The “SPLs”
Social—Political—Legislative

05

Forecast

06

RESEARCH REPORTS: [SIMONANDERSONTEAM.COM/RESEARCH](https://simonandersonsonateam.com/research)



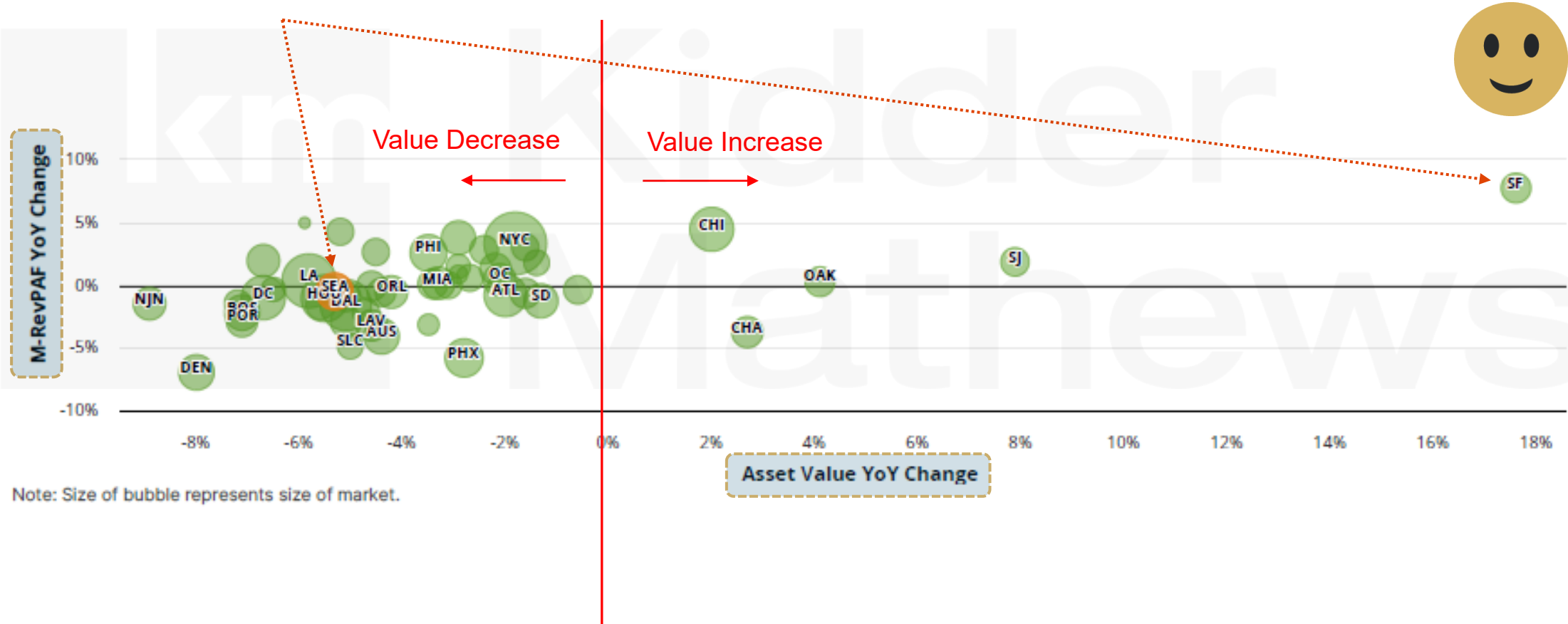
THE BIG PICTURE – OPERATIONS & CAPITAL MARKETS

TREADING WATER



THE BIG PICTURE

THERE IS FUTURE AHEAD...



Note: Size of bubble represents size of market.

Source: Green Street, September 2026



01

RENT & VACANCY

RENT & VACANCY TRENDS

REGIONAL OVERVIEW

	12 MONTHS AGO		90 DAYS AGO		LAST QUARTER
	Q3 2025	12-Month Change	Q2 2026	90-Day Change	Q3 QTD 2026
RENT	\$1,995	▲ 0.20%	\$2,015	▲ .60%	\$2,027
VACANCY	7.4%	▼ 80 bps	6.9%	▼ 20 bps	6.7%

	Q3 2025		Q3 QTD 2026	
	Rent	Vacancy	Rent	Vacancy
KING	\$2,125	7.2%	\$2,133	6.6%
SNOHOMISH	\$1,904	6.5%	\$1,928	6.0%
PIERCE	\$1,657	7.3%	\$1,684	7.2%
KITSAP	\$1,847	8.9%	\$1,869	7.7%

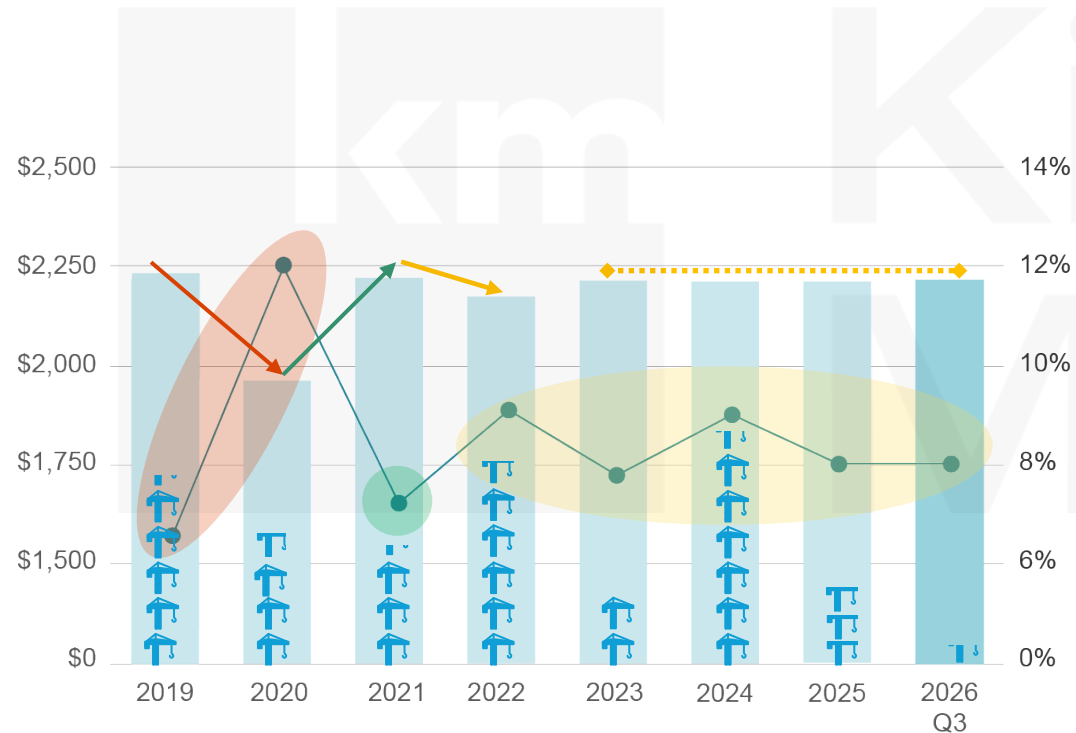


Source: CoStar, Simon Anderson Multifamily Team, Kidder Mathews



RENT & VACANCY TRENDS

SEATTLE NEIGHBORHOODS: BUILT 2000 – 2026

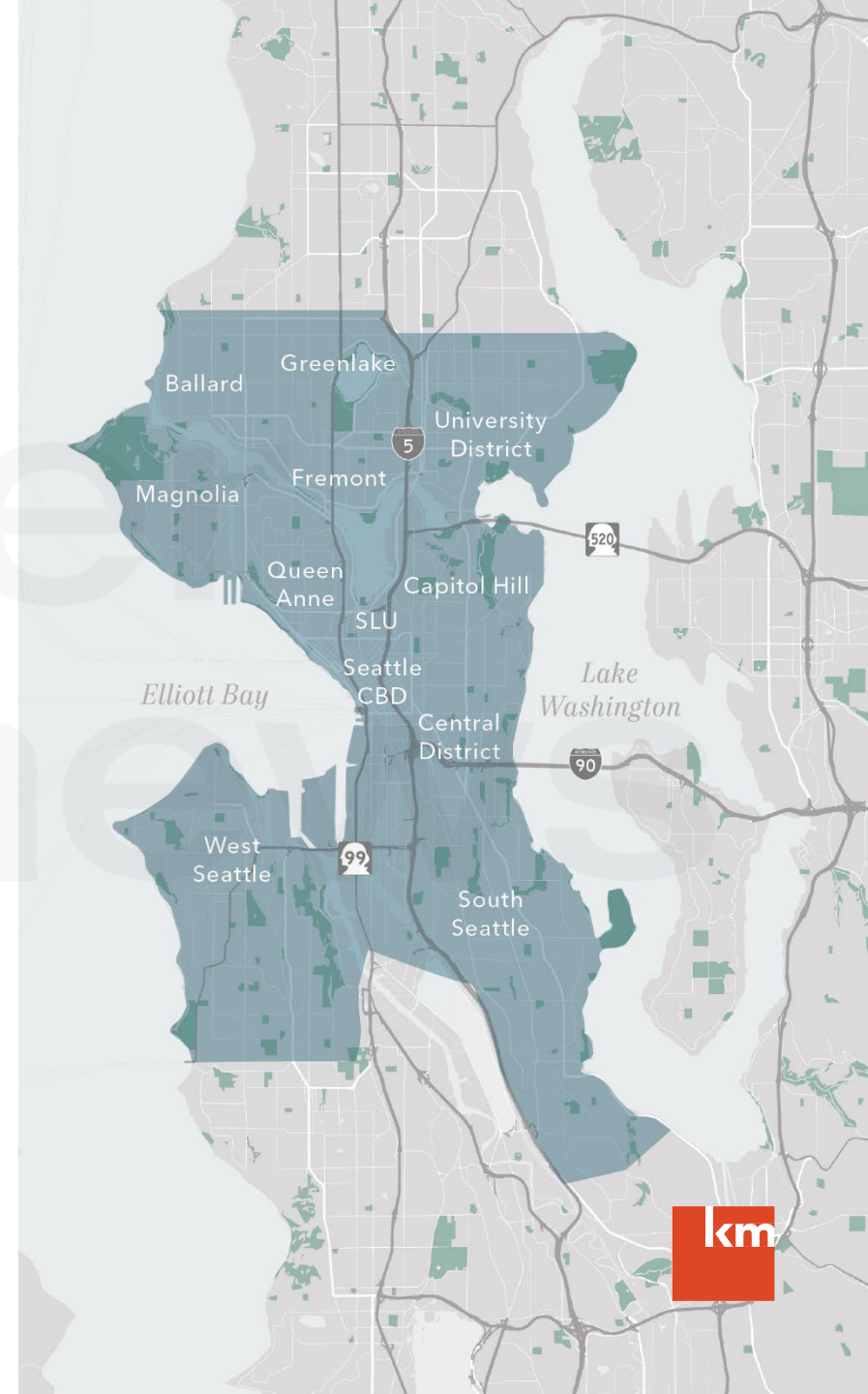


UNITS DELIVERED	5,107	3,335	3,074	5,600	1,972	6,764	2,836	753
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6,578
Units Under
Construction

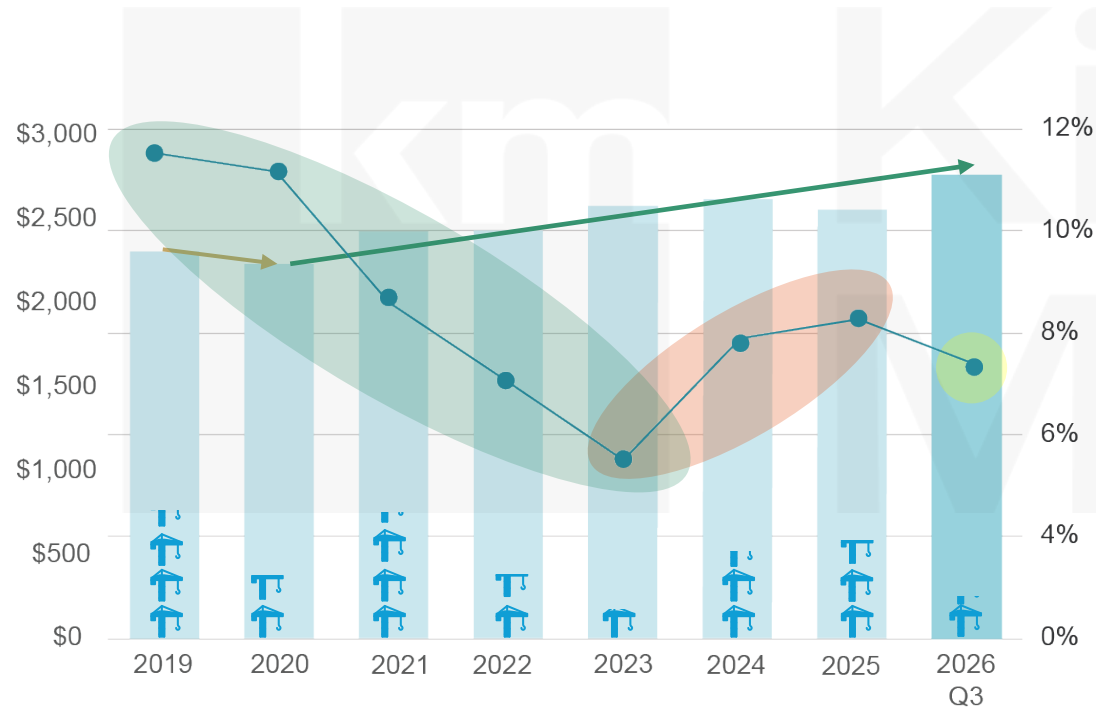

8,996
Units
Permitted

Built 2000 – 2026, 5+ unit apartment buildings



RENT & VACANCY TRENDS

EAST KING: BUILT 2000 – 2026



UNITS DELIVERED 3,204 1,388 3,112 1,553 916 2,252 2,793 1,319



4,193

Units Under Construction



1,564

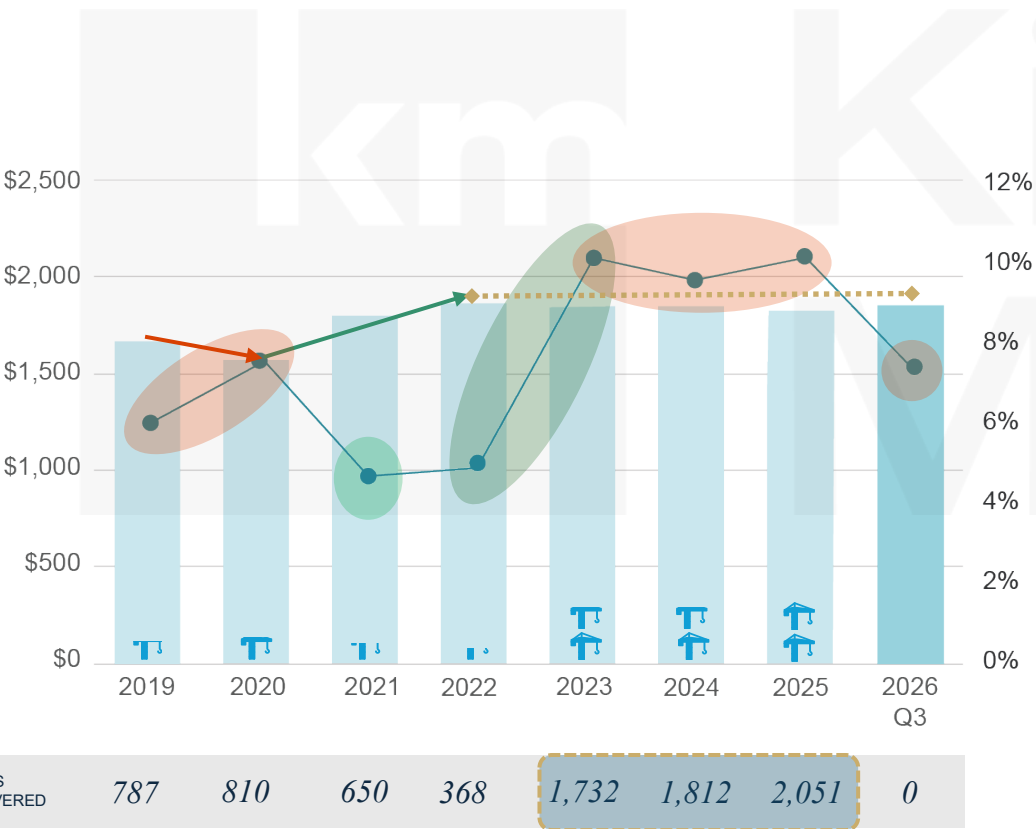
Units Permitted



Built 2000 – 2026, 5+ unit apartment buildings

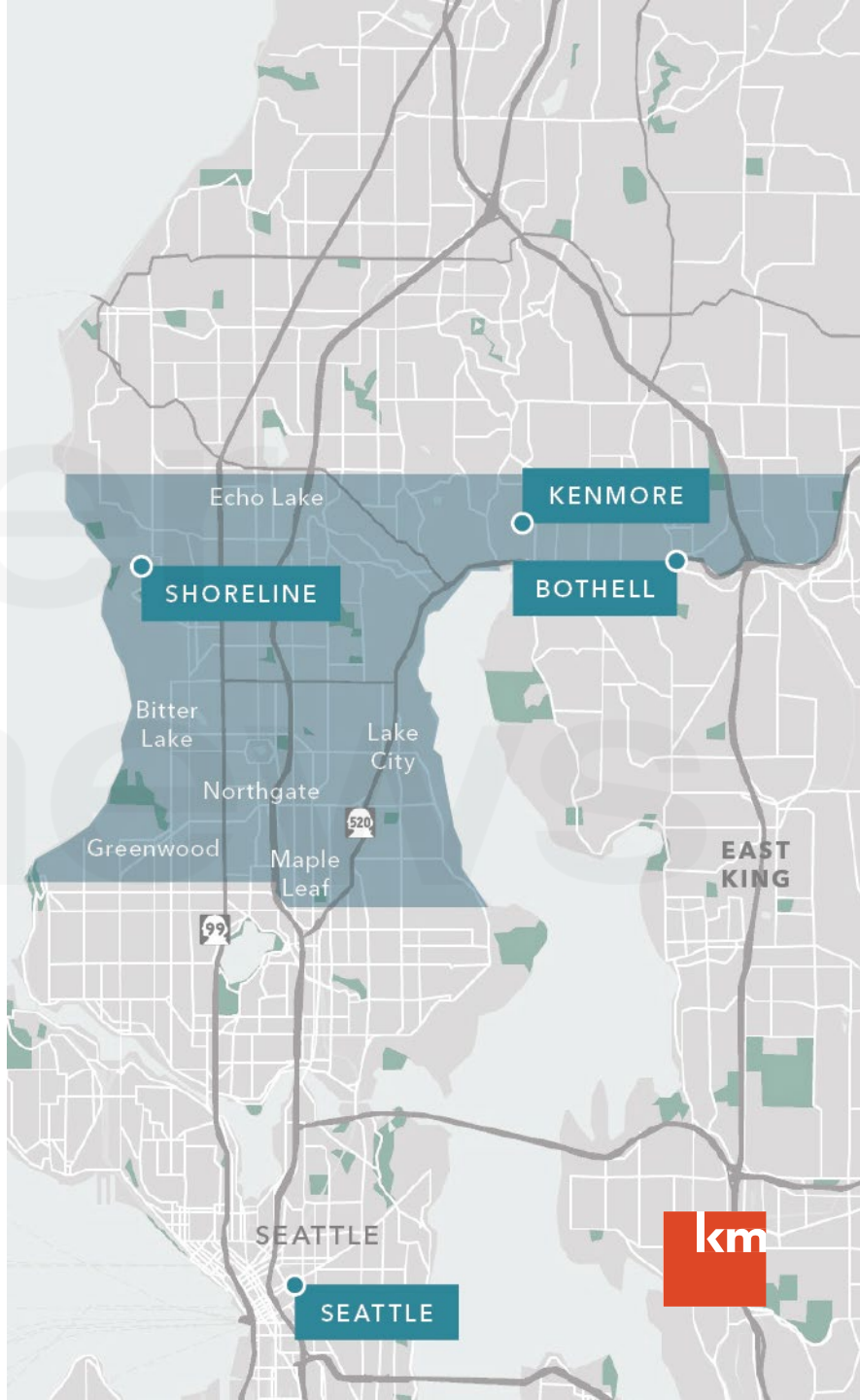
RENT & VACANCY TRENDS

NORTH KING



 **1,386**
Units Under Construction

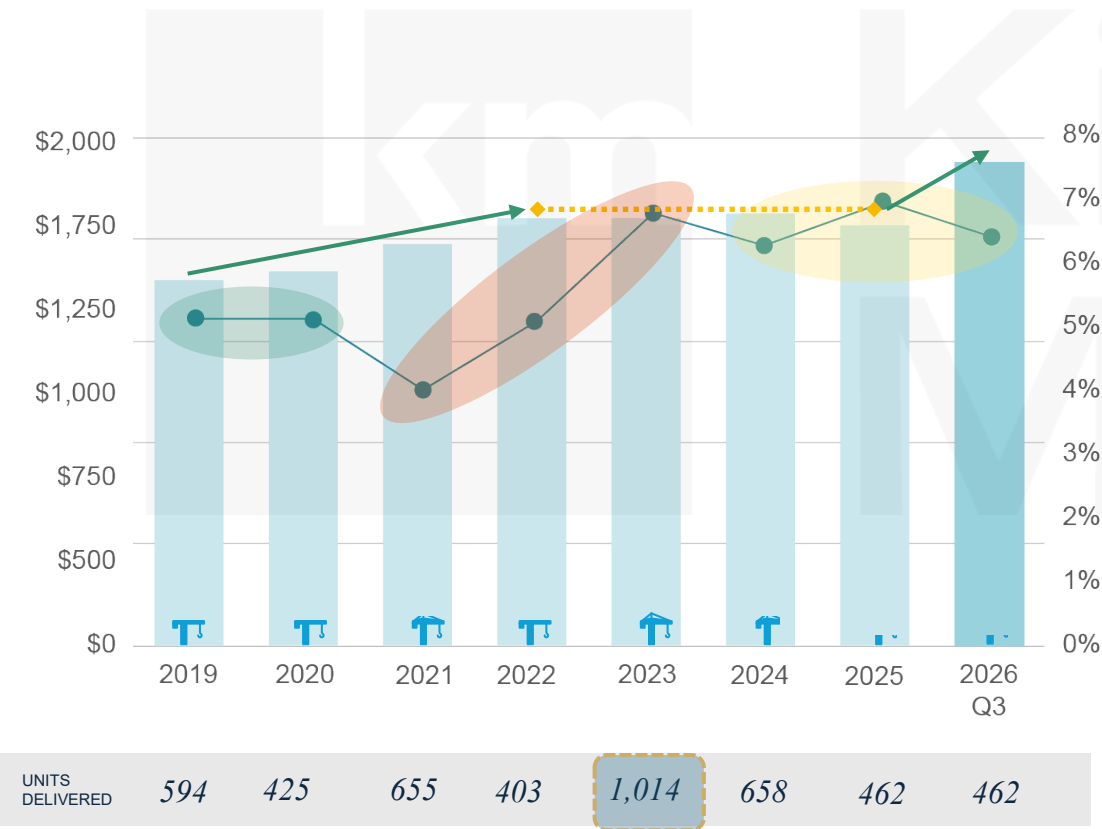
 **1,245**
Units Permitted



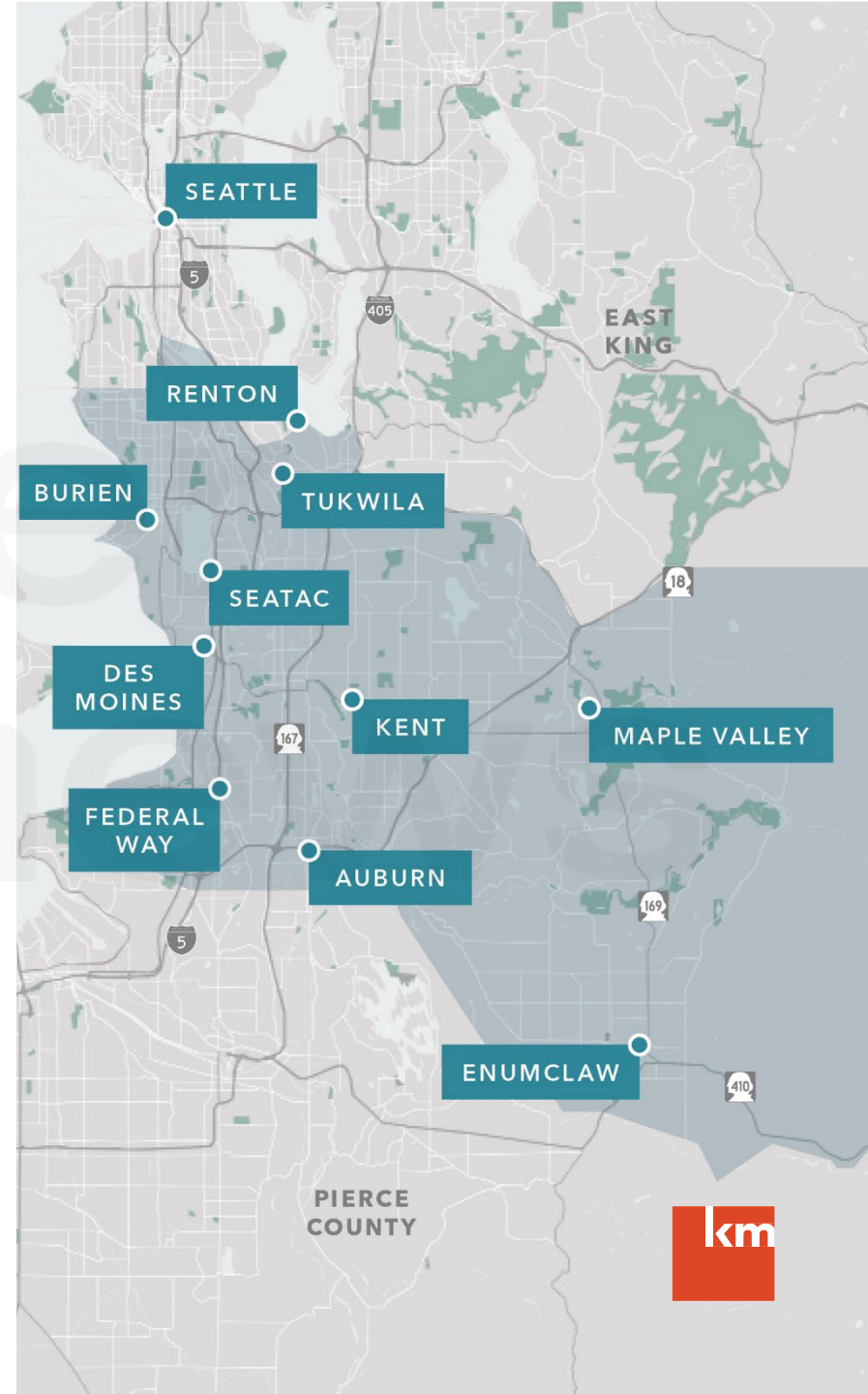
All building ages, 5+ unit apartment buildings

RENT & VACANCY TRENDS

SOUTH KING



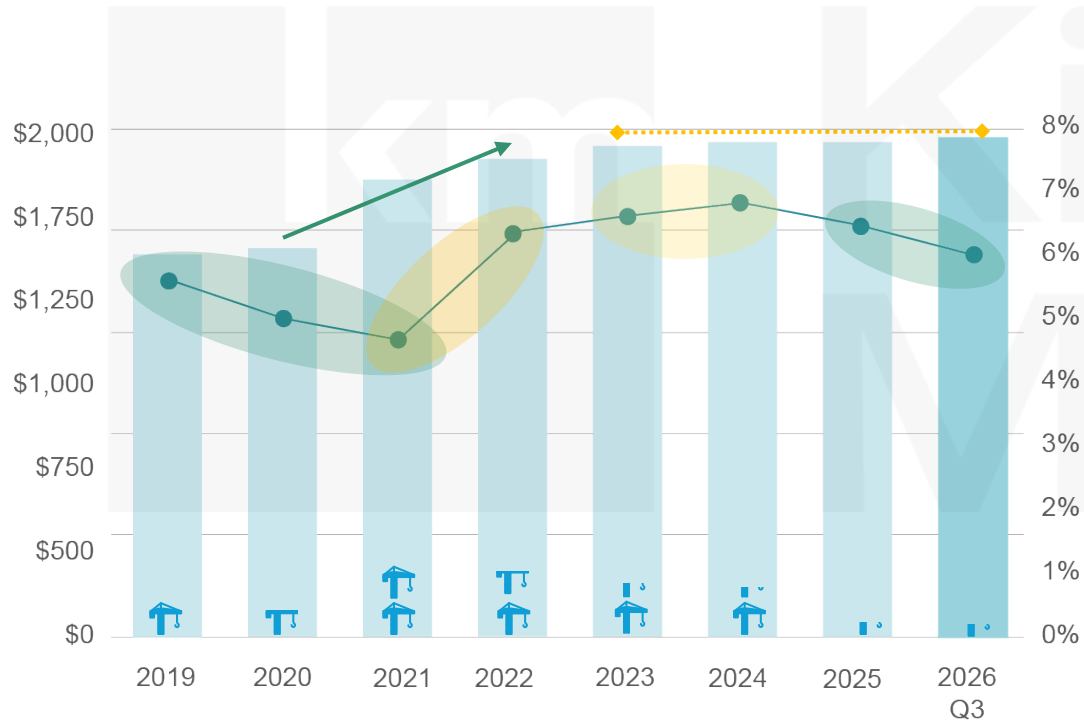
 **1,190** 0
Units Under Construction Units Permitted



All building ages, 5+ unit apartment buildings

RENT & VACANCY TRENDS

SNOHOMISH



UNITS DELIVERED	2019	2020	2021	2022	2023	2024	2025	2026 Q3
	1,112	715	1,976	1,897	1,323	1,176	743	453



1,746

Units Under Construction



711

Units Permitted

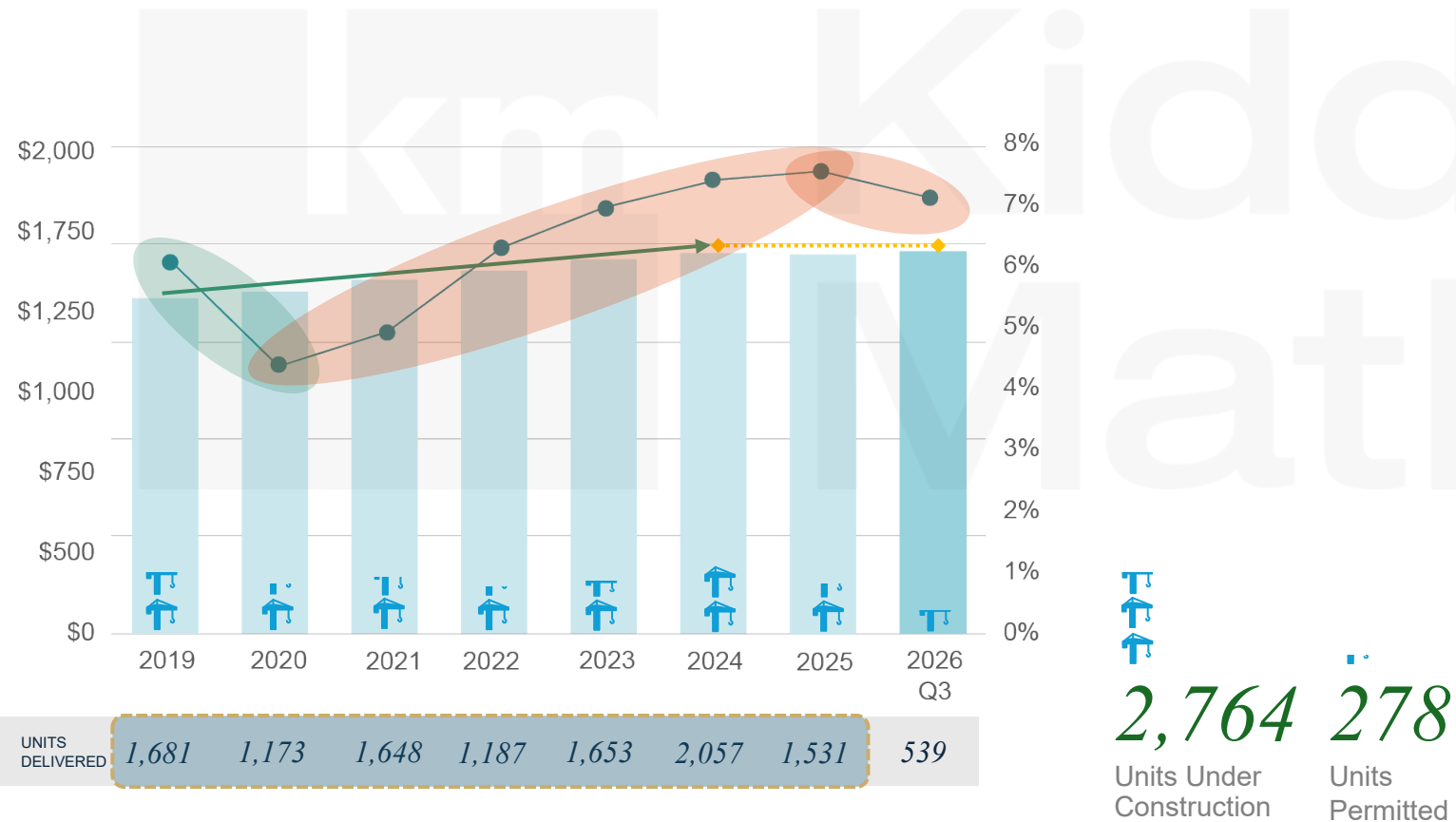


All building ages, 5+ unit apartment buildings



RENT & VACANCY TRENDS

PIERCE

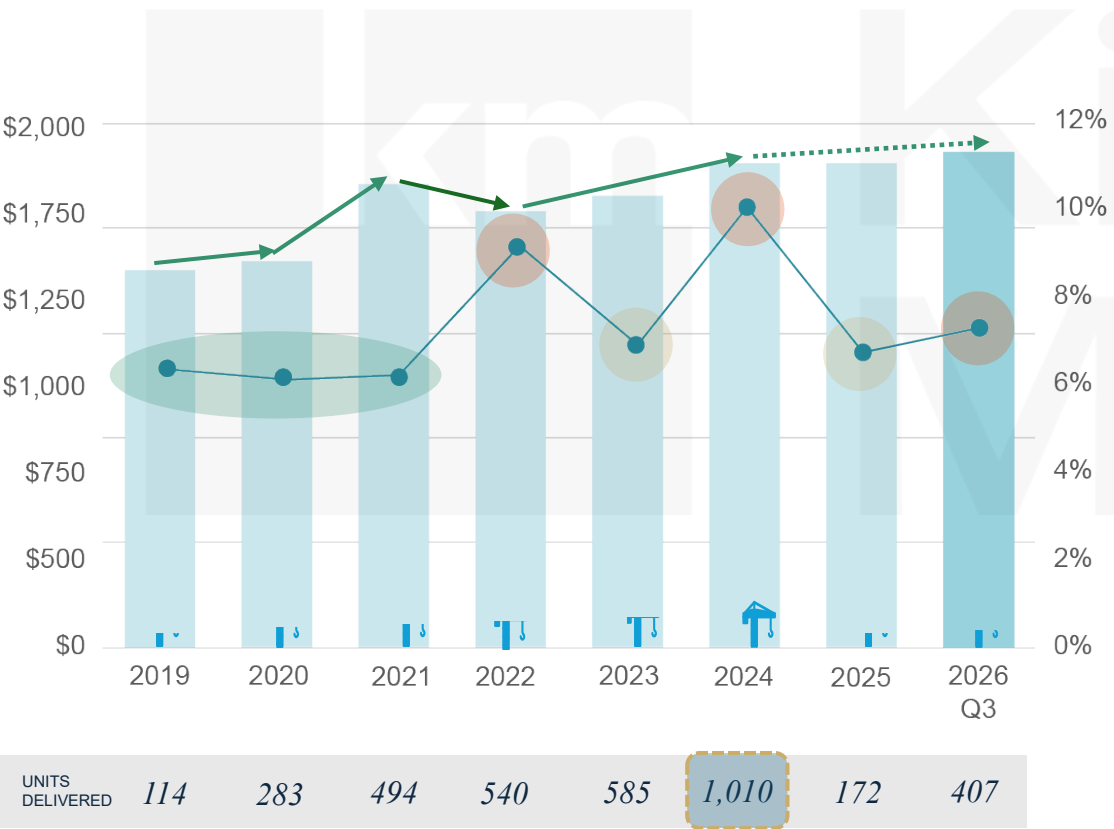


All building ages, 5+ unit apartment buildings



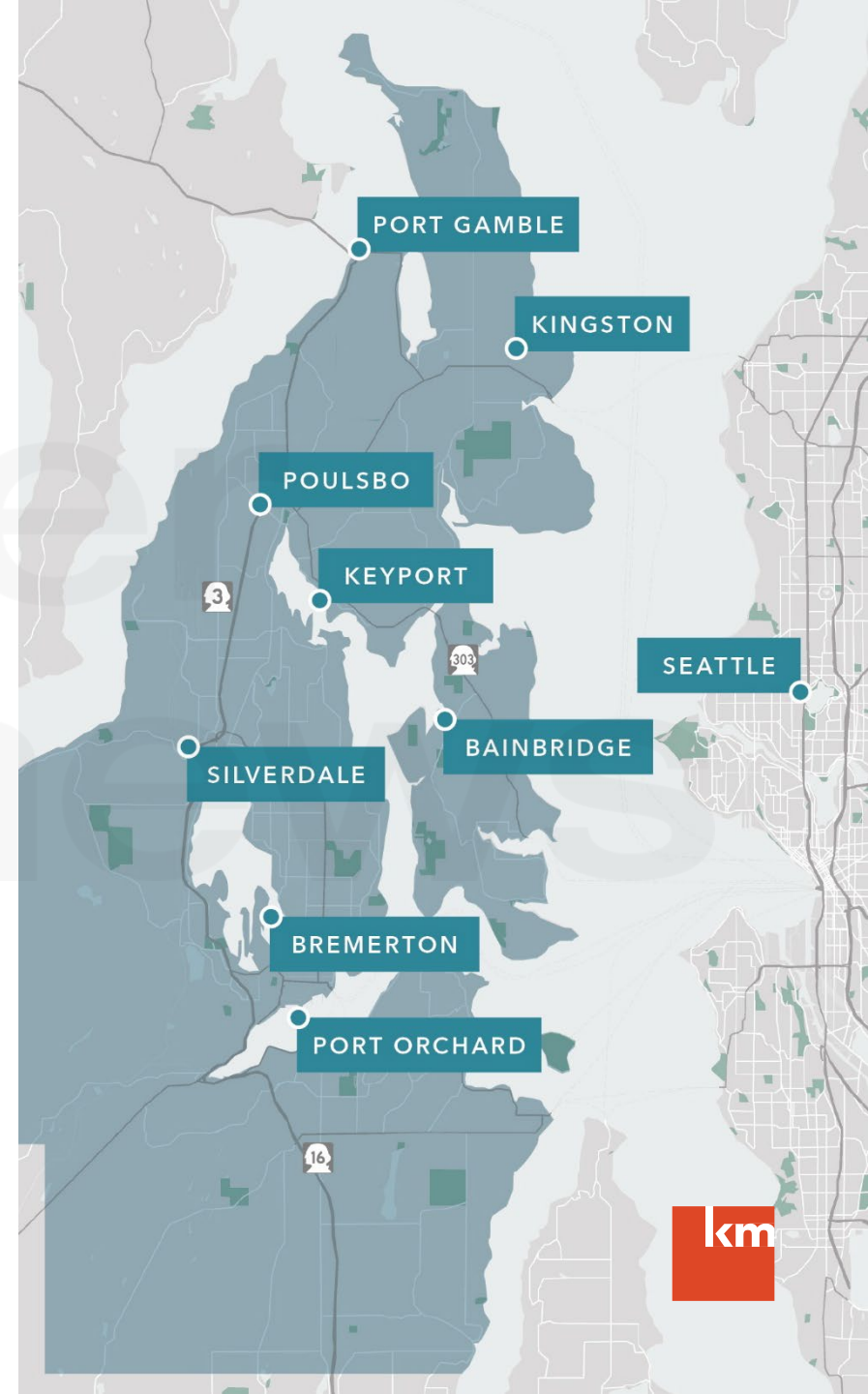
RENT & VACANCY TRENDS

KITSAP



 **1,306**
Units Under Construction

 **137**
Units Permitted



All building ages, 5+ unit apartment buildings

RENT & VACANCY TRENDS | KEY TAKEAWAYS



RENT

Growth, but not outpacing “other” drags on income



VACANCY

We are past “peak” vacancy, yet occupancy growth is very market dependent



CONCESSIONS

Bleeding off, selectively in each market



IMPACTS OF “WORK-FROM-HOME”

2024 Remarks: “The great migration is upon us ...”

2025 Remarks: “Yep!”

2026 Remarks: “Reversion?”

DEVELOPMENT PIPELINE

REGIONAL APARTMENT INVENTORY

275,000 UNITS IN REGION IN 2014

135,000 UNITS DELIVERED 2014 - 2025

110,000 UNITS IN CURRENT PIPELINE

80,000 UNITS IN REVIEW

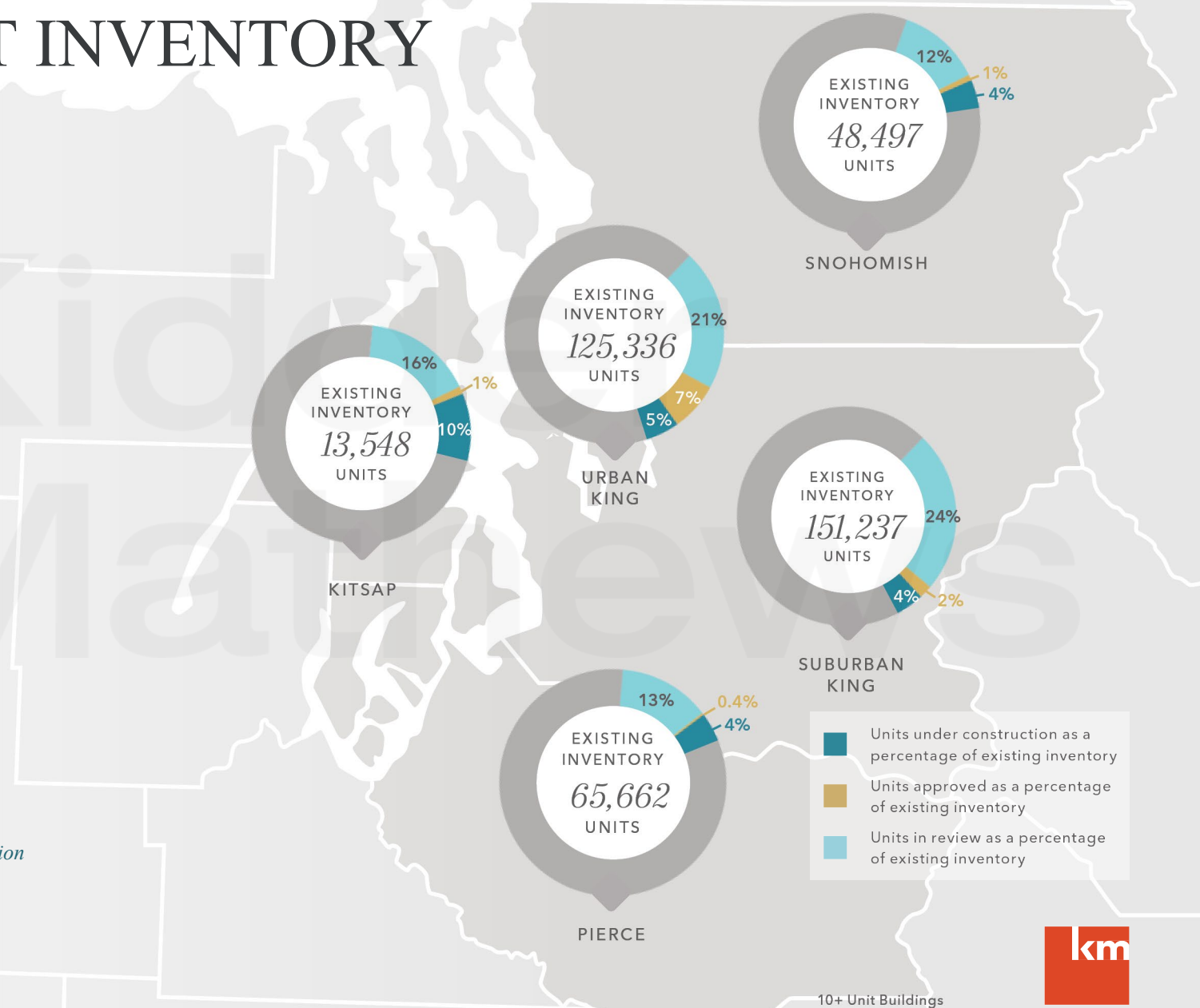
13,000 UNITS APPROVED

19,000 UNITS UNDER CONSTRUCTION

17,000 *under construction*
2025 PIPELINE REPORT

28,000 *under construction*
2024 PIPELINE REPORT

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



STALLED / CANCELLED DEVELOPMENTS

2023–2025 ACTIVE DEVELOPMENTS	CANCELLED DEVELOPMENTS	DEVELOPMENTS STILL IN 2026 PIPELINE	TOTAL UNITS CANCELLED
393	180	213	51.1K
Permit Approved + In Review	46% of 2023–2025 active pipeline	54% retained	51,100 total units

Cancelled Developments by Neighborhood

NEIGHBORHOOD	2023–2025 DEVELOPMENT PIPELINE (Total # of Projects)	CANCELLED DEVELOPMENTS (Total # of Projects)	2026 DEVELOPMENT PIPELINE (Total # of Projects)	CANCELLATION RATE	UNITS CANCELLED
Belltown / Downtown / Pioneer Square	55	27	28	49.1%	15,193
South Seattle	60	26	34	43.3%	4,875
University District / Roosevelt	61	23	38	37.7%	8,170
Capitol Hill	43	20	23	46.5%	3,345
Ballard	39	19	20	48.7%	3,241
South Lake Union / Eastlake / Westlake	31	17	14	54.8%	5,873
Fremont / Green Lake / Wallingford	31	13	18	41.9%	2,675
West Seattle	25	12	13	48.0%	2,220
First Hill / Yesler Terrace	14	9	5	64.3%	2,673
Central District	17	9	8	52.9%	1,457
Queen Anne / Magnolia	17	5	12	29.4%	1,378
TOTAL	393	180	213	45.8%	51,100



URBAN APARTMENT DEVELOPMENT

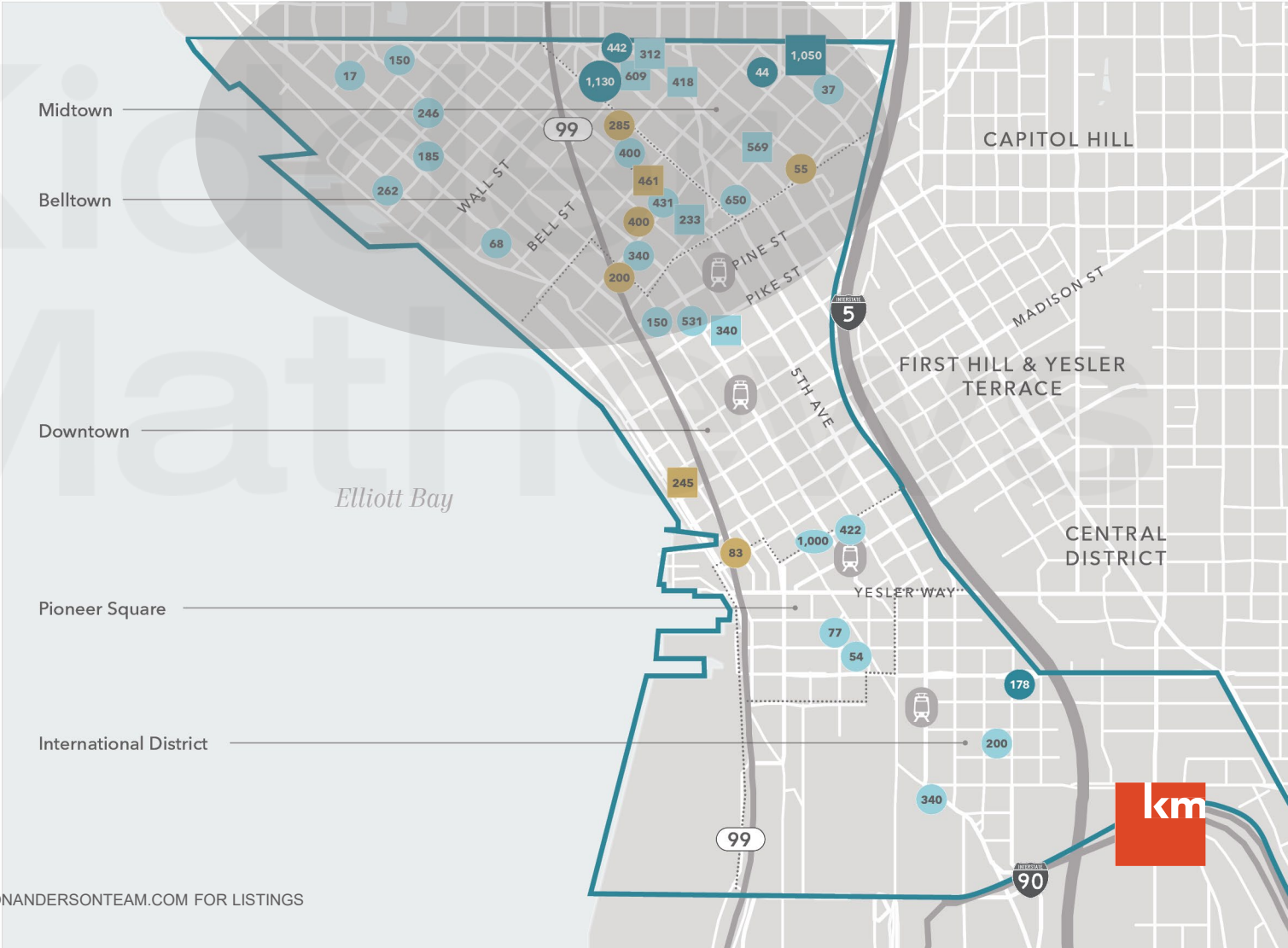
CONCENTRATION OF DEVELOPMENT

Belldtown, Downtown, Pioneer Square

Existing apartment inventory: 18,744 units

Construction	Approved	In Review	Total Pipeline
2,844	1,729	8,041	12,614
15%	9%	42%	66% of inventory

- APARTMENT
- MICROHOUSING*
- MIXED*



Source: Kidder Mathews research, multiple data providers

URBAN APARTMENT DEVELOPMENT

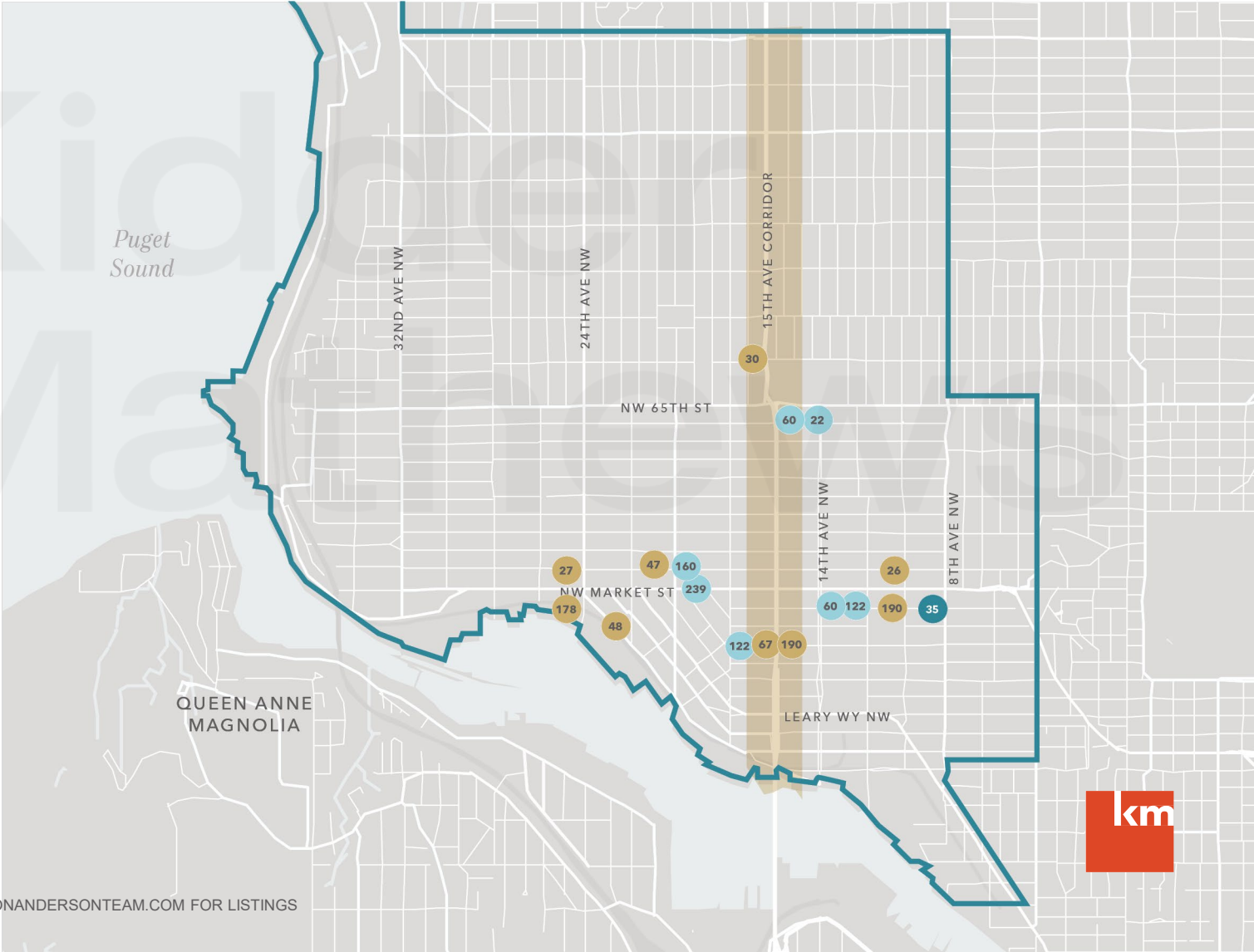
CHANGE IN SUPPLY

Ballard

Existing apartment inventory: 6,871 units

Construction	Approved	In Review	Total Pipeline
35	811	903	1,749
1%	12%	13%	25% of inventory

- APARTMENT
- MICROHOUSING*
- MIXED*



Source: Kidder Mathews research, multiple data providers

“URBANIZING” APARTMENT DEVELOPMENT

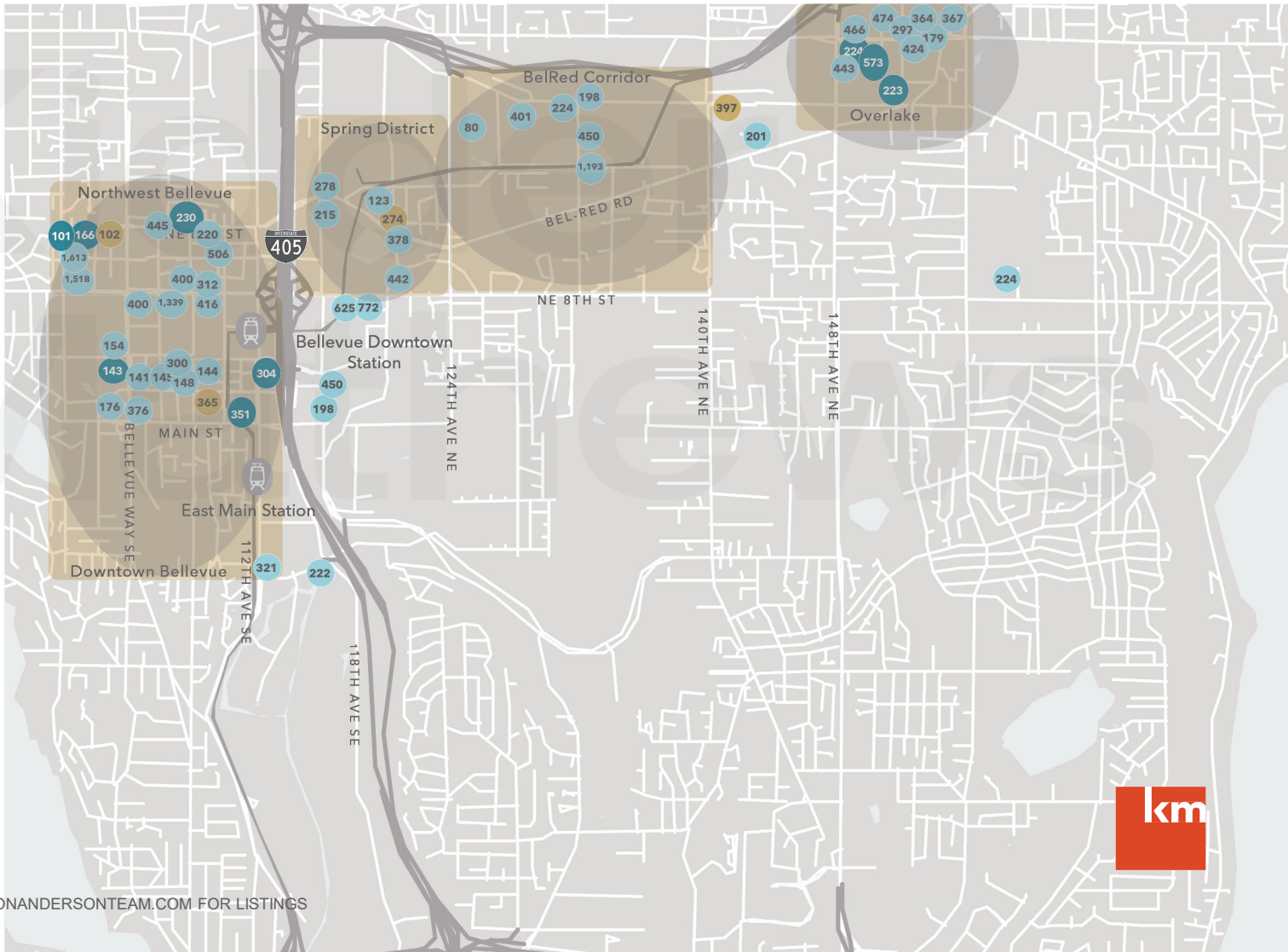
CONCENTRATION OF DEVELOPMENT

Downtown Bellevue & BelRed TOD

Existing apartment inventory: 21,125 units

Construction	Approved	In Review	Total Pipeline
1,791	1,138	17,040	19,969
8%	5%	81%	95% of inventory

- APARTMENT
- ◆ MICROHOUSING*
- MIXED*



Source: Kidder Mathews research, multiple data providers

DEVELOPMENT PIPELINE

COST VS. VALUE

	Development Costs	Recent Sales
Low	\$375K/unit	\$350K/unit
Middle	\$425K/unit	\$450K/unit
High	\$475K/unit	\$525K/unit

DEVELOPMENT PIPELINE | KEY TAKEAWAYS



WANING & WAXING

Deliveries still coming,
but not in all markets



A+++++

For any project to
work the stars must
really align



EASTSIDE FAVORED

Eastside pipeline
started to slow ... yet
now has rocket-fuel!



OFFICE CONVERSIONS?

Not our savior

2026 DEVELOPMENT STUDY

(Published September 2026)

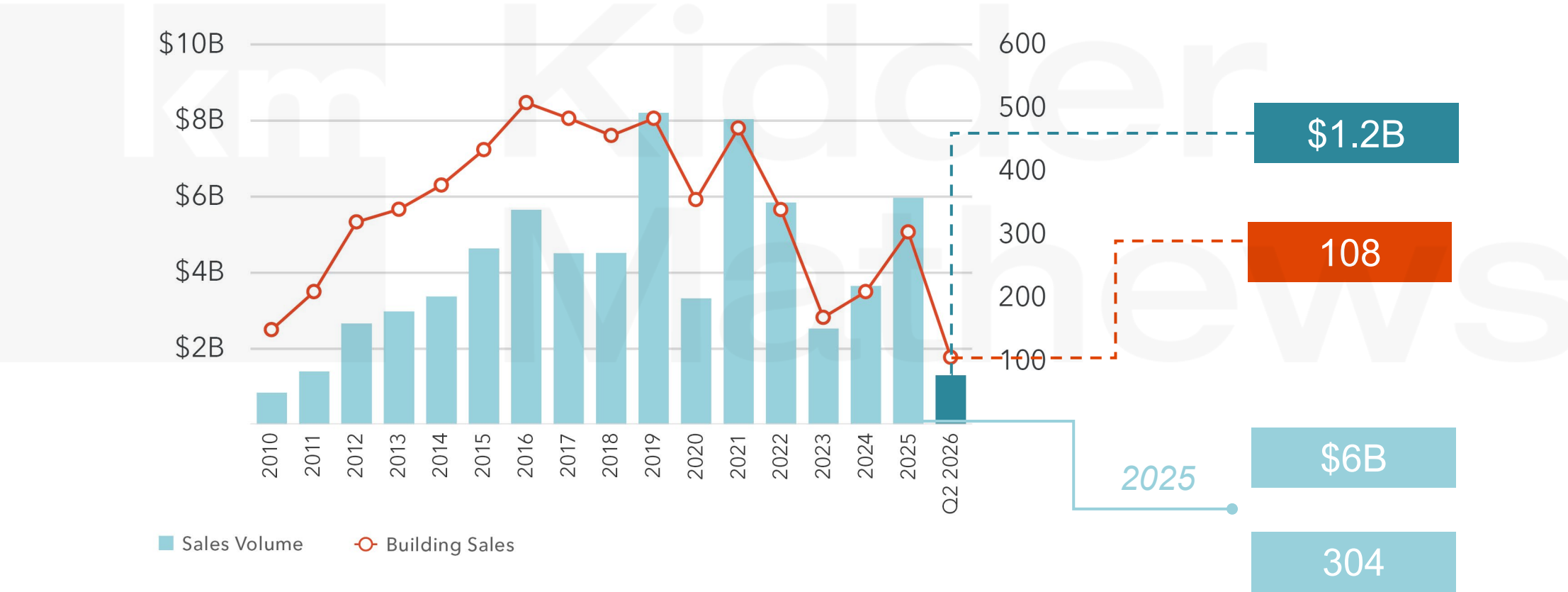
SimonAndersonTeam.com/market-reports



SALES TRENDS

REGIONAL SALES TRENDS

HISTORICAL SALES VOLUME

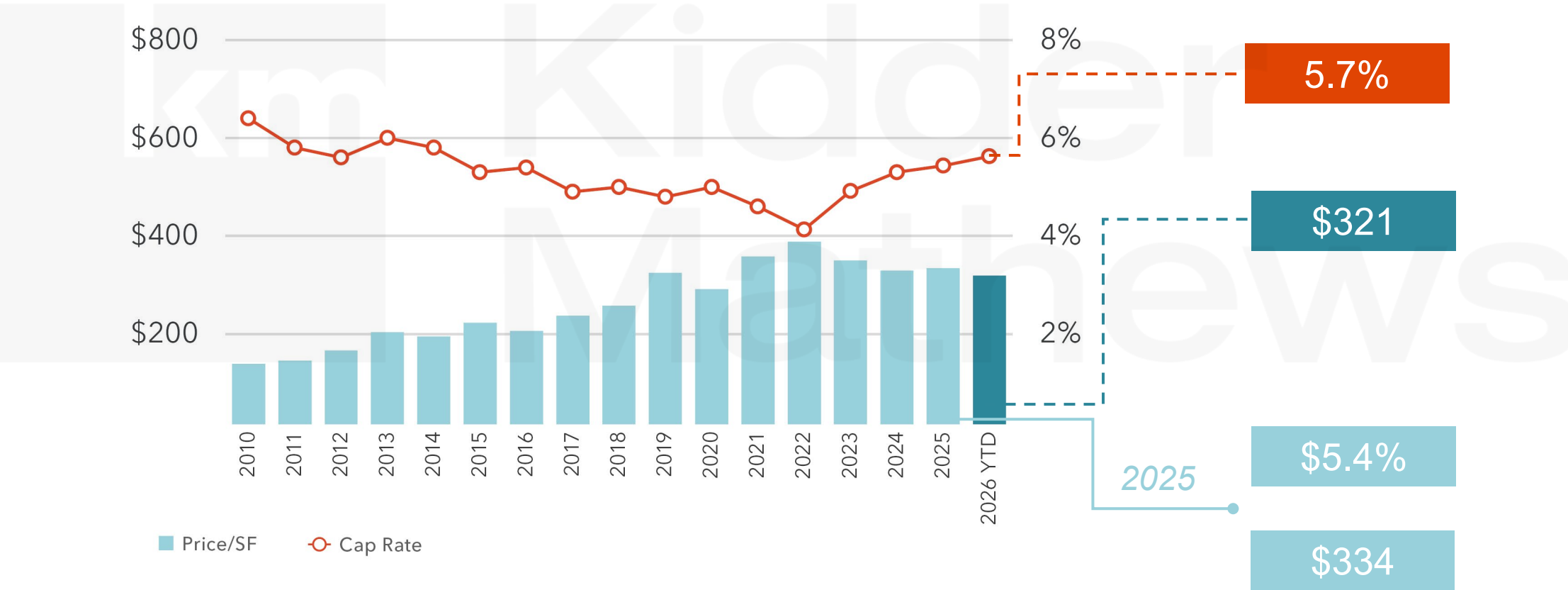


Source: Simon Anderson Multifamily Team, Kidder Mathews



REGIONAL SALES TRENDS

HISTORICAL SALES VALUES



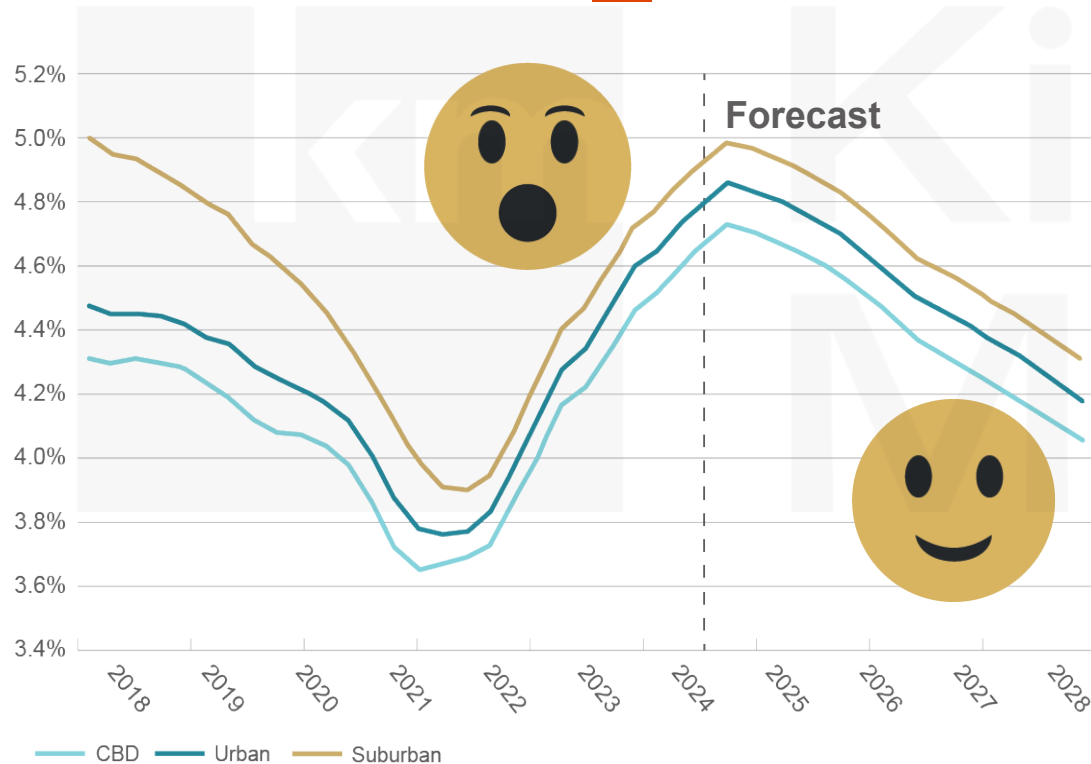
Source: Simon Anderson Multifamily Team, Kidder Mathews



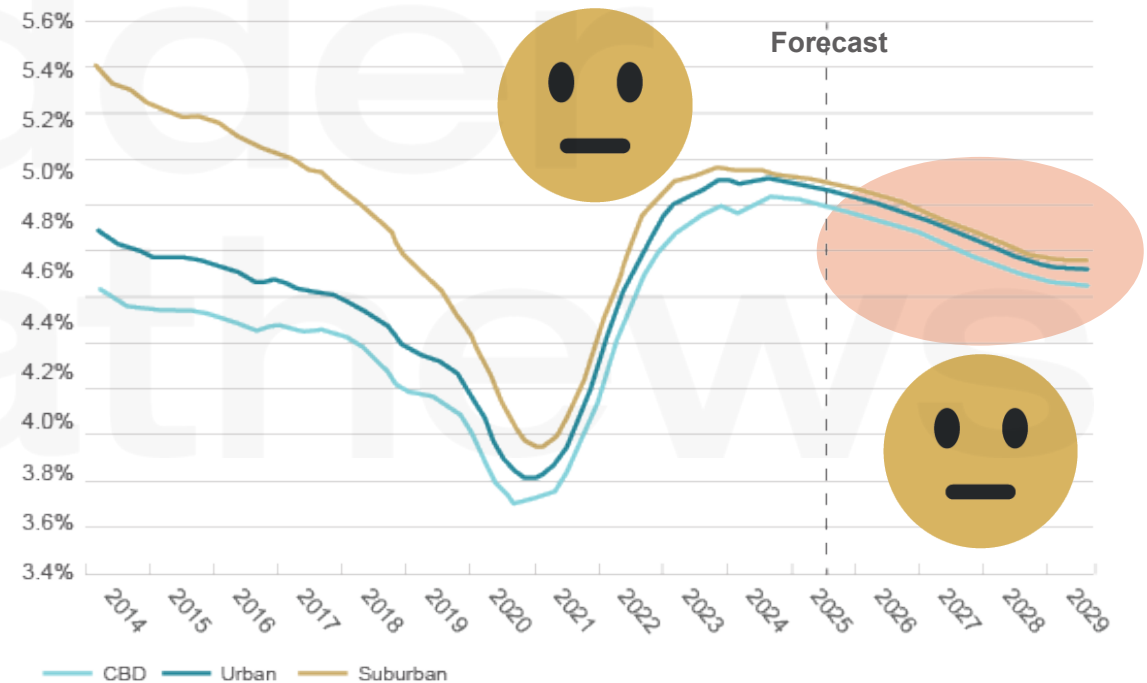
CAPITALIZATION RATES

HIGHER CAP RATE = LOWER VALUE

PREDICTION – FALL 2024



PREDICTION – FALL 2025

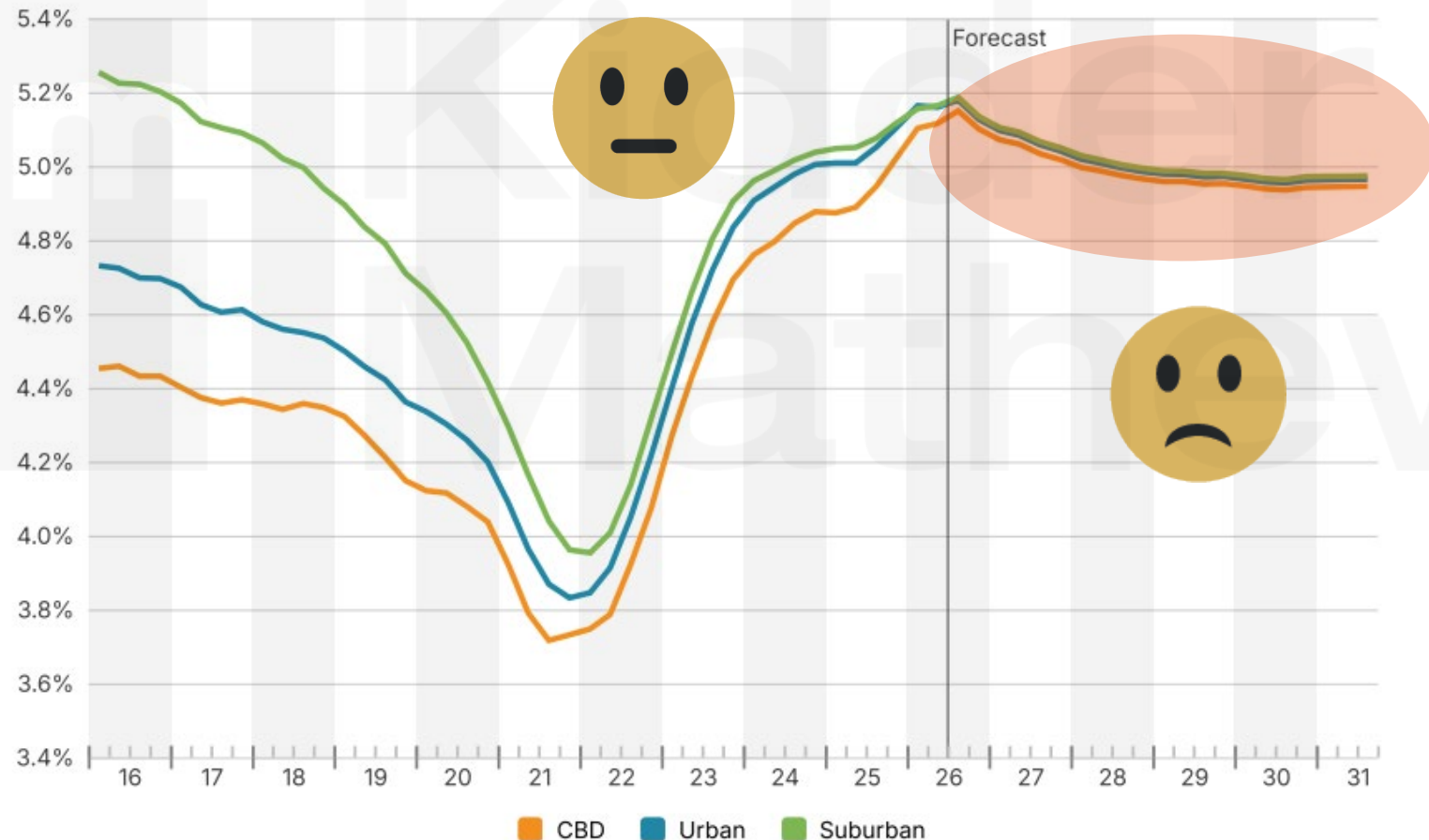


Source: CoStar



CAPITALIZATION RATES

PREDICTION – FALL 2026



Source: CoStar

SALES TRENDS | Key takeaways



SALES VOLUME

Large drop-off from 2025



SALES VALUES

Value “launch” we hoped for in 2025 didn’t manifest



CAPITALIZATION RATES

“*Higher for longer*” interest rate trend impacting cap rates significantly



WHAT’S THE DARLING?

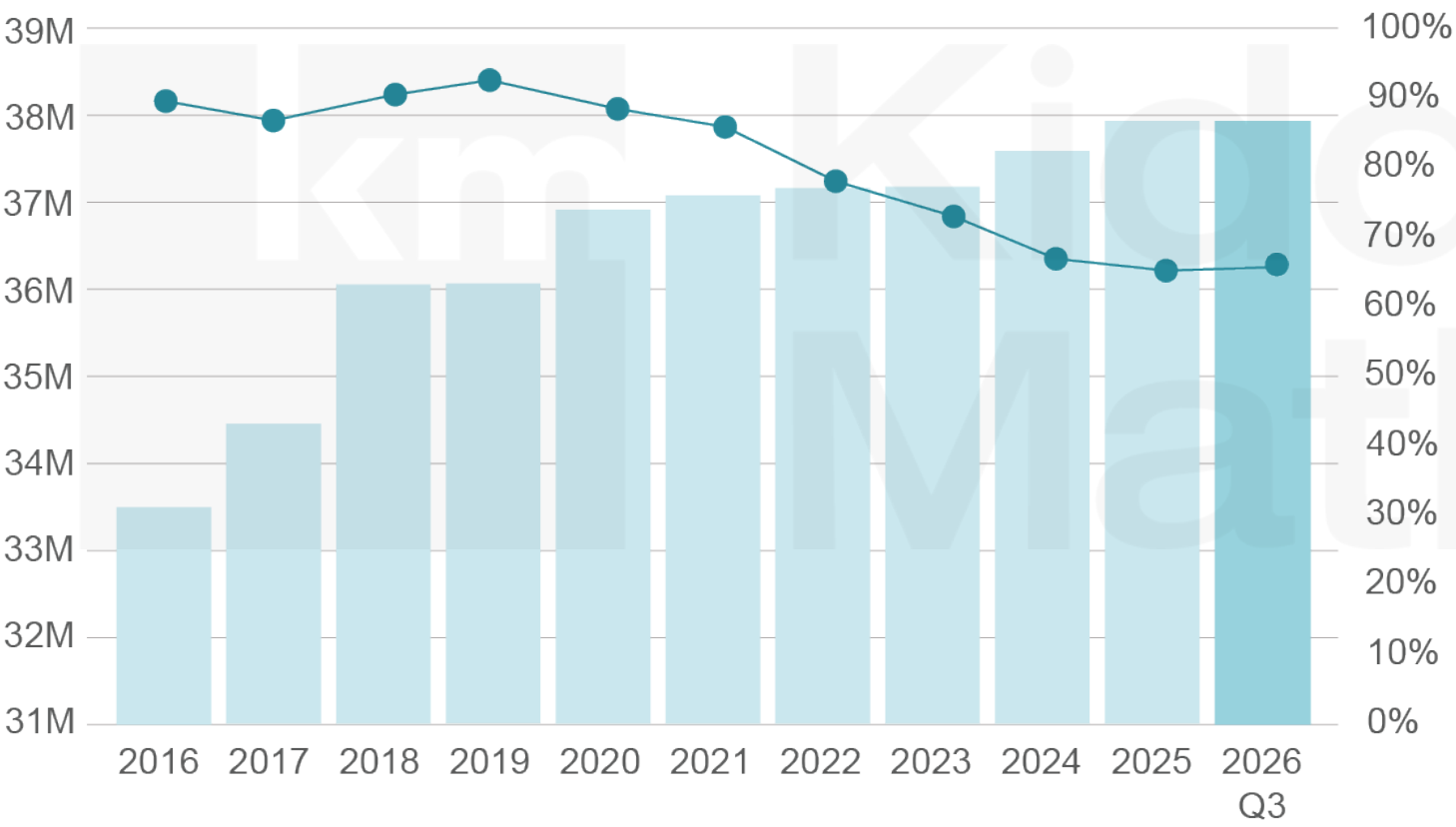
Location, location, location – then vintage

04

OFFICE LEASING TRENDS

INVENTORY & OCCUPANCY TRENDS

DOWNTOWN SEATTLE



13.4%

INVENTORY ADDED 2016 - 2026

31.5%

VACANCY RATE



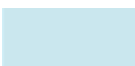
13.8M SF

of downtown leases expire 2026–2029 — the exposure window when tenants decide to stay, leave, or shrink.

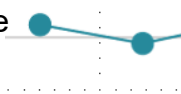
54% · 7.5M SF

sits in the Seattle CBD — the core most exposed to Bellevue's pull.

Occupancy



Occupancy Rate

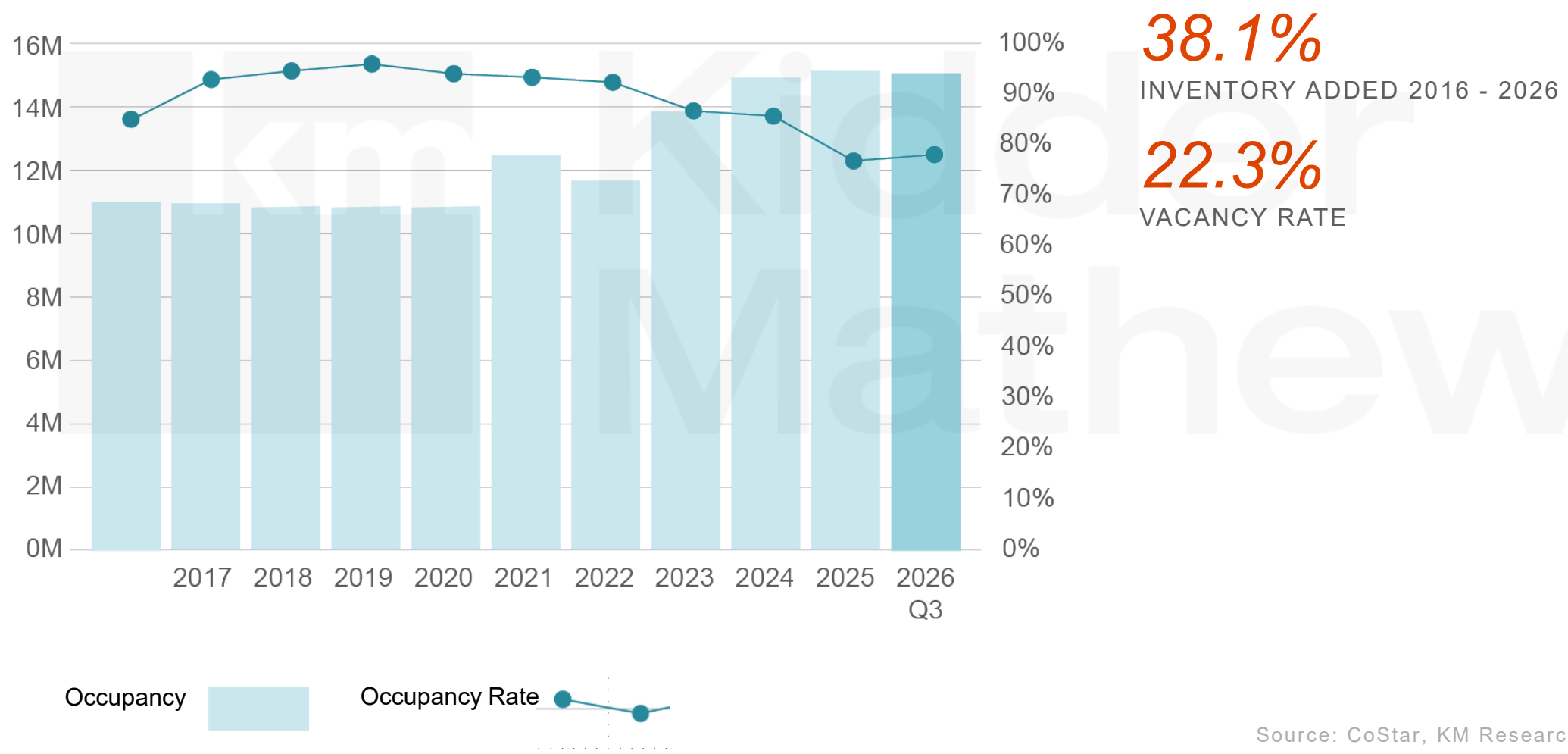


Source: CoStar, KM Research, CBRE



INVENTORY & OCCUPANCY TRENDS

DOWNTOWN BELLEVUE



Source: CoStar, KM Research



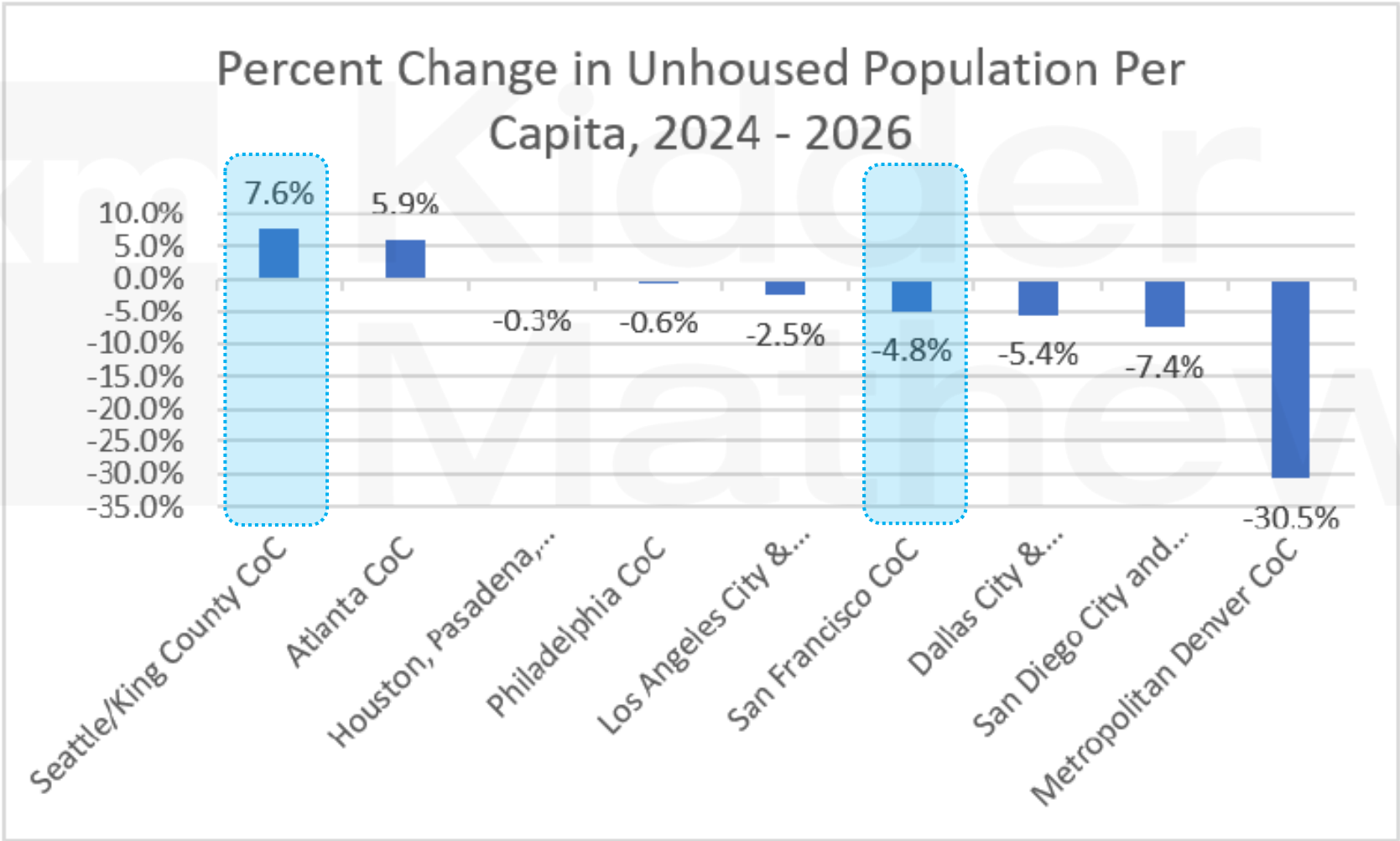
05

THE “*SPLs*”

SOCIAL—POLITICAL—LEGISLATIVE

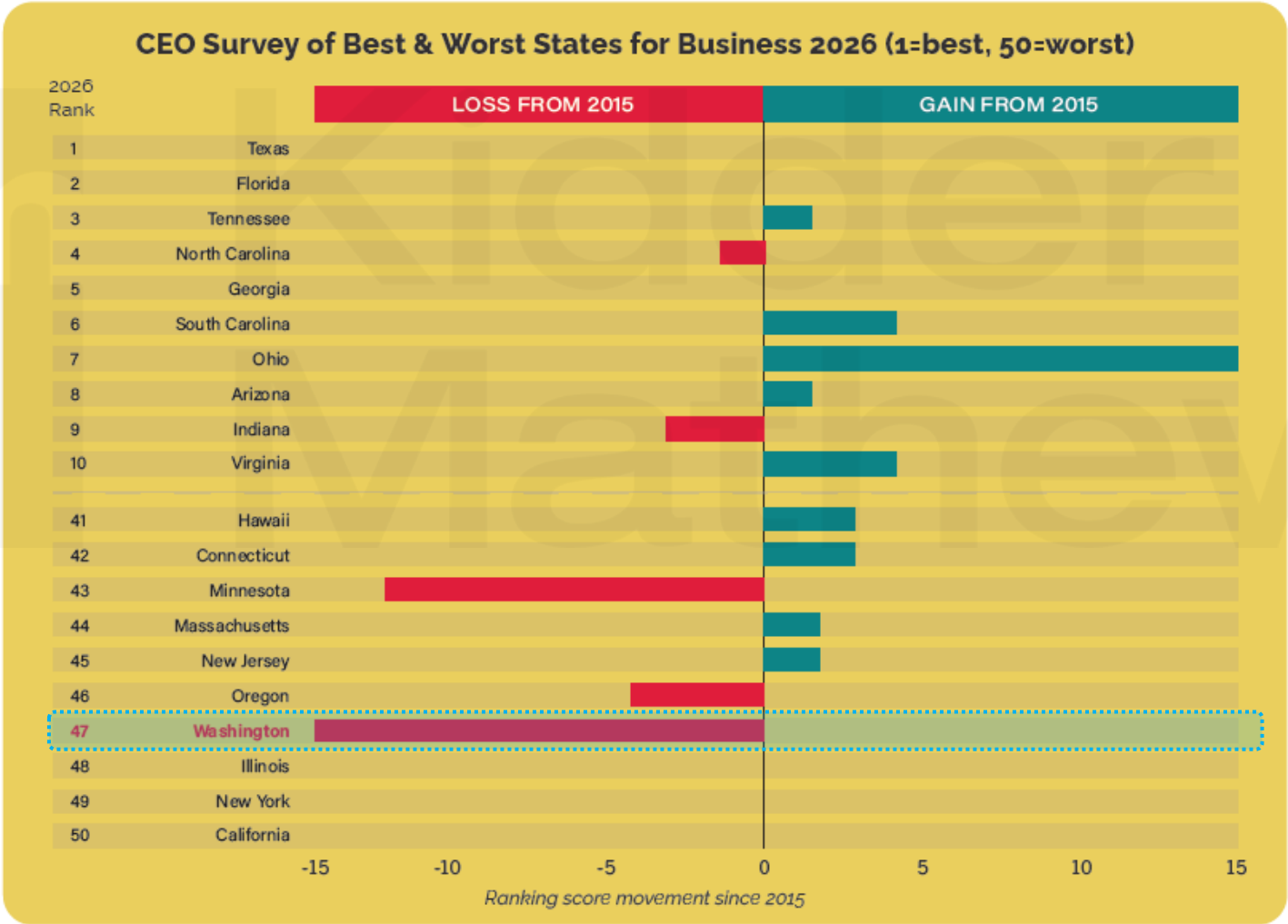
SOCIAL—POLITICAL—LEGISLATIVE

“MACRO” ECONOMIC



SOCIAL—POLITICAL—LEGISLATIVE

“MACRO” ECONOMIC



SOCIAL—POLITICAL—LEGISLATIVE

“MACRO” ECONOMIC

Annual growth of VC-investment: Puget Sound region vs. peer regions

	2015-20	2020-25	2025
San Jose, San Francisco, Oakland	1.3X	4.4X	5.9X
Austin	1.9X	2.4X	4.5X
Puget Sound	1.5X	1.2X	1.7X

\$1.9B (97%) of Puget Sound venture capital growth from 2015 to 2025 came from the Eastside

SOCIAL—POLITICAL—LEGISLATIVE

MULTIFAMILY SPECIFIC

- **HB 1217 – Rent Caps**
- **SMC 22.205/SMC 22.206 – Just Cause Eviction Protection**
- **SMC 22.205.110 – Seattle School Year Eviction Protection**
- **Ordinance 126041 – Seattle Winter Eviction Ban**
- **SMC 22.12 – Economic Displacement Relocation Assistance**
- **SMC 22.214 – Seattle Rental Registration and Inspection Ordinance**
- **TMC 1.100 – Tacoma Landlord Fairness Code**
- **SMC 7.24.034/CB 120541 – Seattle Late Fee Cap**
- **HB 2064 – Washington Security Deposit Fee Alternative**
- **CB 121254 – Seattle Rental “Junk Fees” Ordinance (July 1, 2027)**
- **Initiative Measure No. 3 – Tacoma SAFE HOMES FOR ALL (2027?)**

More coming?!?!

06

FORECAST

NEAR-TERM FORECAST | KEY TAKEAWAYS



RENTAL RATES

Still “hunting” for equilibrium



OCCUPANCY RATES

We are nearly at full occupancy, yet concessions remain in markets with heavy supply



DEVELOPMENT

Yep ... slow return to development, but not steady



SALES & DISTRESS?

Distress → if you’re the 3rd buyer, you’re getting a good deal

Sales → It all feels “expensive”

LONG-TERM FORECAST | KEY TAKEAWAYS



PNW BACK TO “DARLING MARKET” STATUS

The Tale of Two
Investors

(“Red State” investors are GONE)



RENTAL RATES

Rental rate growth is
around the corner ...
I promise!



SALES

A bifurcation in asset
values is around for
awhile



POLITICAL LANDSCAPE

We have significant
political/legislative ‘wood
to chop’ ...
no future is promised

THANK YOU! | SIMON | ANDERSON MULTIFAMILY INVESTMENT TEAM



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Senior Vice President



Max Frame
Vice President



Elijah Piper
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Jack Shephard
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Tony Herrmann
Associate



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