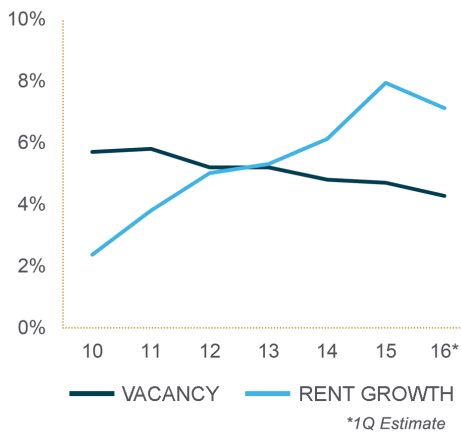
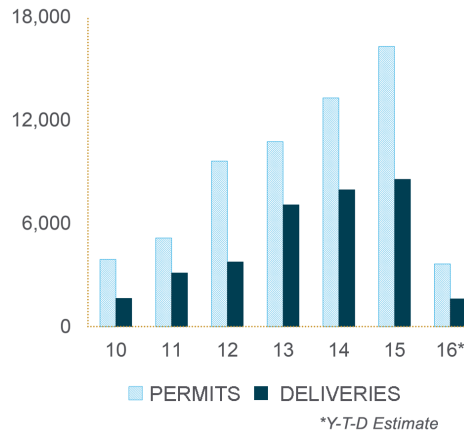




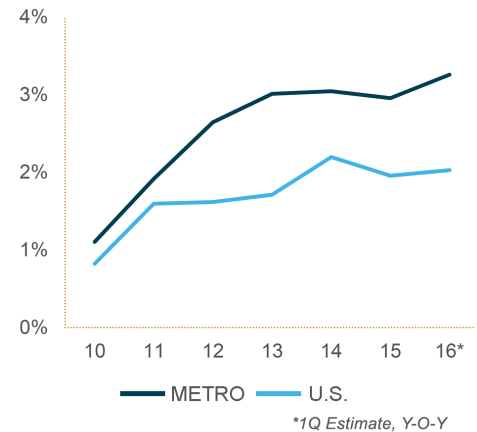
VACANCY & RENT



PERMITS & DELIVERIES



EMPLOYMENT GROWTH



VACANCY & RENT COMPARISON

SUBMARKETS	VACANCY		AVERAGE RENT INCREASE		AVERAGE RENT	
	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015
Bellevue/Issaquah	5.2%	3.9%	5.6%	6.6%	\$1,957	\$1,854
East	4.3%	3.8%	8.0%	5.8%	\$1,169	\$1,082
Edmonds/Lynnwood	3.8%	5.1%	15.6%	5.1%	\$1,451	\$1,255
Kirkland/Juanita	5.4%	4.8%	5.9%	9.5%	\$1,741	\$1,644
Lakewood	5.5%	4.6%	10.8%	2.1%	\$1,066	\$962
North Seattle/Northgate	4.0%	3.6%	5.5%	4.5%	\$1,719	\$1,630
North Tacoma	4.7%	3.7%	5.2%	3.1%	\$1,195	\$1,136
Redmond	4.6%	3.4%	7.2%	8.1%	\$1,851	\$1,726
Renton	4.7%	3.6%	10.1%	12.8%	\$1,469	\$1,334
University Place/Fircrest	5.2%	5.8%	8.7%	9.3%	\$1,083	\$996
TOTALS	4.3%	4.4%	7.1%	6.9%	\$1,619	\$1,511

For a full list of Seattle | Tacoma submarkets, visit apartmentupdate.com/report/2145

- Seattle-Tacoma employers accelerated hiring in the 12-month period through the first quarter of 2016. Employment expanded 3.3%, or by 61,100 new jobs, since March 2016, up from 3% growth in the preceding year. The largest employment sector in the metro—trade, transportation and utilities—contributed to the rise in headcounts by creating a net 14,800 jobs to expand 4.2% year over year.
- Following a six-month rise in unemployment as steady hiring encouraged the long-term unemployed to seek work, the rate reached 4.9% in March 2016. Even with the uptick, jobless claims were down 10 basis points from one year prior.
- The Seattle-Tacoma median single-family home price reached \$396,600 in March, up 8.4% annually. Simultaneously, existing home sales advanced 16.9% with 61,190 annualized transactions in March 2016.
- Leasing activity seasonally accelerated to start 2016. Residents newly occupied a net 3,230 units in the first quarter, significantly up from net 180 units absorbed in the preceding quarter. Renters quickly leased up new inventory in the Downtown/Capitol Hill/Queen Anne submarket, where a metro-leading net 1,160 units were absorbed.
- Construction completed on 1,610 apartments metrowide in the first quarter 2016 with two out of every five additions in the Downtown/Capitol Hill/Queen Anne submarket. Overall, 8,530 apartments came online in the last 12 months.
- With vacancy nearing record lows, developers pulled back multifamily permitting activity. Issuance totaled 3,640 units in the first quarter 2016, a 9.3% deceleration from 4,020 units requested during the same time the prior year.
- Heightened rental demand exceeded the influx of new apartments to start the year, driving metrowide vacancy down 40 basis points to 4.3% in the first quarter. The latest decline shifted vacancy 10 basis points less than levels one year prior. Vacancy was down in 11 of the 26 submarkets, declining sharply in the South Tacoma and the McChord Air Force Base areas to 3% and 4%, respectively.
- At \$1,619 per month in March 2016, average asking rent advanced 1.8% from December. The quarterly increase was part of a 7.1% annual rise. At the same time, operators lifted effective rent 7.4% to trim average concessions to 0.2% of asking rent. Edmonds/Lynnwood asking rent increased a metro-leading 12.3% annually to \$1,409 per month in March.