SEATTLE-TACOMA, WA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.8%	$2,204	22.8%
UP 20 BPS YOY	UP 2.9% YOY	UNCHANGED YOY

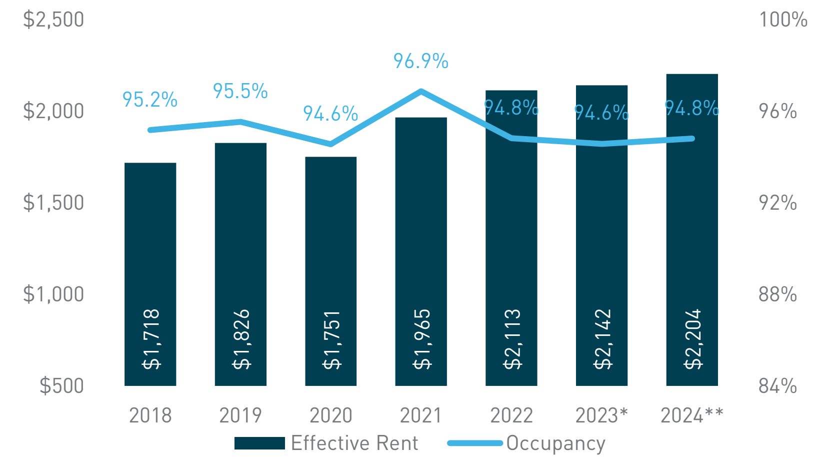
Strong Household Formation Expected to Bolster Apartment Sector

Renters returned in full force to the Seattle-Tacoma metropolitan area in 2023, a trend expected to amplify this year. Annual net absorption last year was nearly 10 times the volume during 2022 as Amazon, Microsoft, Meta, Google, and T-Mobile US announced or implemented hybrid work policies in 2023. The growing return-to-office movement benefited the urban core as more than half of downtown employees were back in the office in 2023, according to the Downtown Seattle Association. White-collar job growth is projected to continue this year with expansions in the financial activities and the information sectors. These typically high-wage jobs will attract more relocations to the Puget Sound, as net migration is forecast to reach approximately 26,000 additional residents in 2024. As a result, household formation is projected to accelerate to create significant housing demand this year. This will boost the apartment market as lease renewals and net absorption are expected to push up apartment occupancy 20 basis points annually to an average of 94.8% in the fourth quarter of 2024. The rise in occupancy, as nearly 21,700 units are scheduled to come online over the next four quarters, will bolster apartment operators' confidence in the market. After advancing 1.4% in 2023, monthly effective rent is projected to rise 2.9% annually to an average of $2,204 in the fourth quarter of 2024. The forecast increase in the median household income should offset the burden for renters as the rent share of wallet is expected to remain at 22.8% year over year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

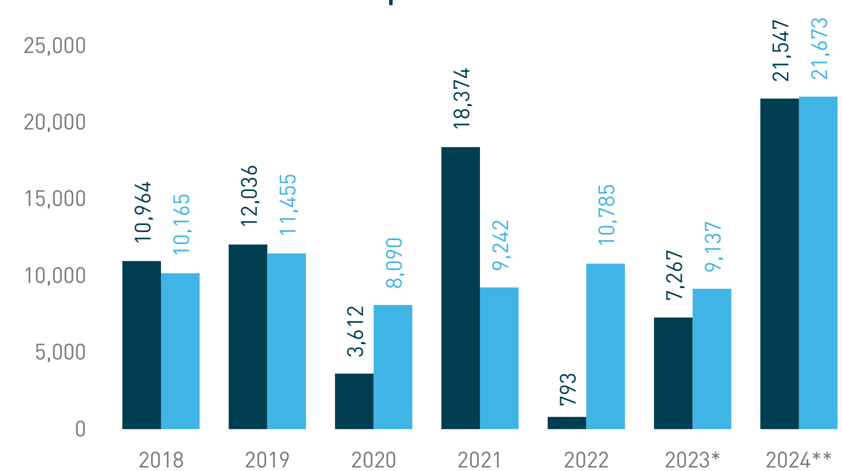


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



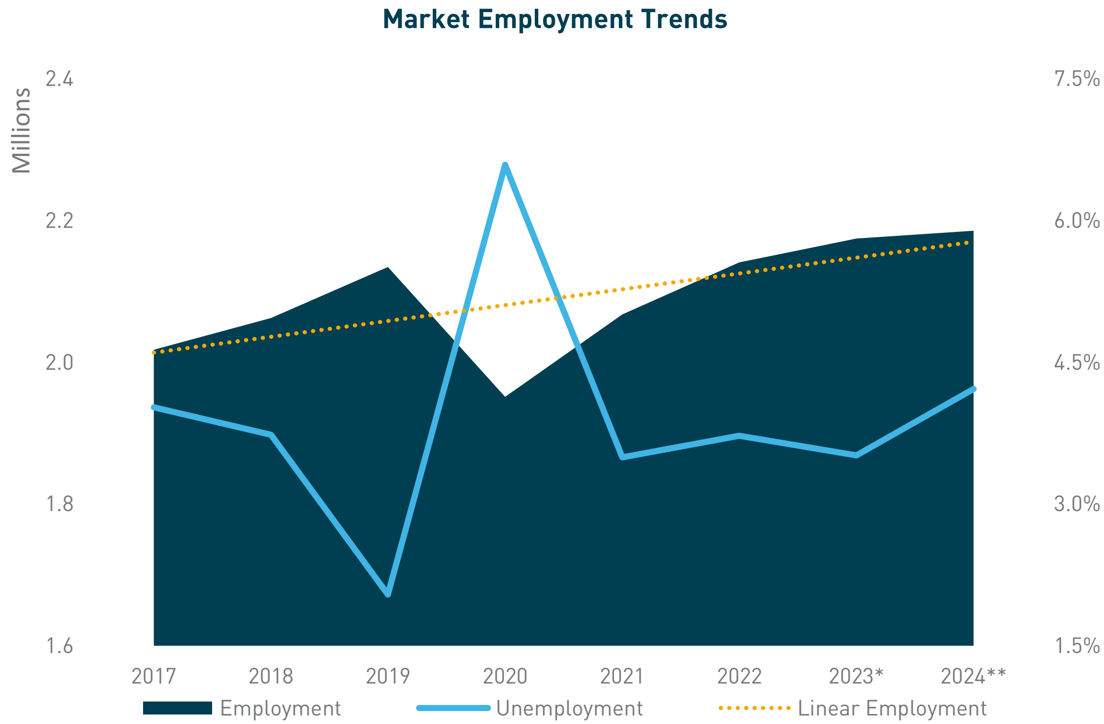
Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

SEATTLE-TACOMA, WA

BERKADIA

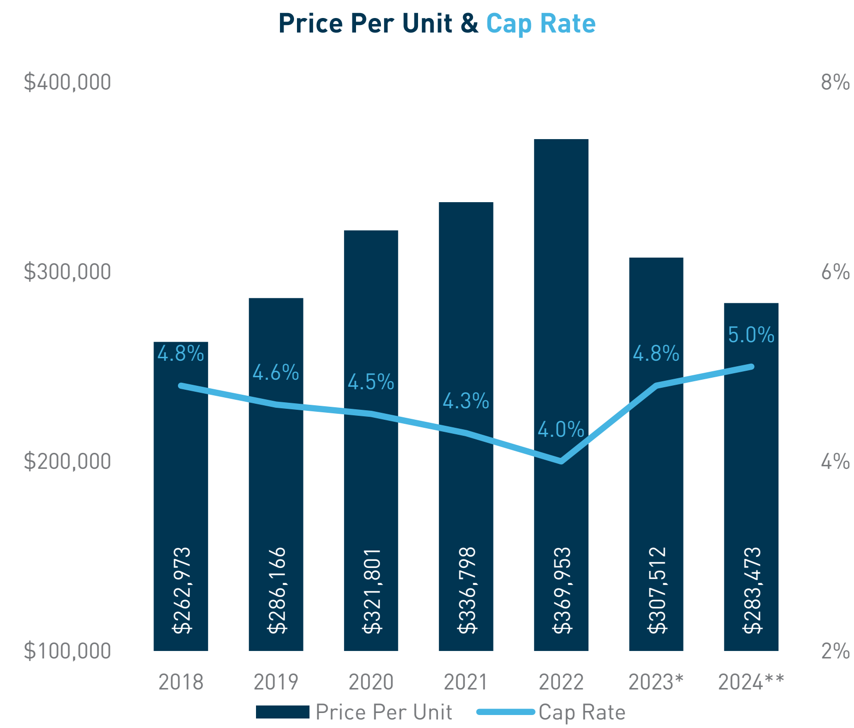
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)
2,185,700	4.2%	$115,827
UP 0.5% YOY	UP 70 BPS YOY	UP 2.7% YOY

PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
$283,473	5.0%
DOWN 7.8% YOY	UP 20 BPS YOY