

○ July | ○ 2018

# SUMMERFIELD

## C O M M E R C I A L

SUMMERFIELD COMMERCIAL SPECIALIZES IN BROKERING THE ACQUISITION AND DISPOSITION OF MULTIFAMILY ASSETS IN THE PACIFIC NORTHWEST.

### MONTHLY NEWSLETTER

Summerfield Commercial  
Newsletter is Provided By

**Ryan Kidwell**  
Managing Broker of  
Washington

425-260-6286

rkidwell@smfield.com

**Robert Parmar**  
Principal Broker of  
Oregon

541-292-9977

rparmar@smfield.com

**Travis Gold**  
Marketing Director

206-960-6003

tgold@smfield.com

**Nate Ward**  
Analyst

206-960-6024

nward@smfield.com

Please visit our website to  
learn more about us and  
our services

#### 2018 Apartment Transactions

By The Editors, Multi-Housing News

A quarterly comparison of apartment transactions over the past four years indicated an 18.6 percent year-over-year decrease in the fourth quarter of 2017.

#### Greater than \$500,000; \$ in billions

Total investment volume for apartment transactions increased by 14.4 percent or roughly \$4 million in the first quarter of 2018, compared to the same interval in the previous year, with 213,505 units sold in the first quarter of 2018 and 216,670 units traded in the first quarter of 2017. Prices per unit grew by 16.1 percent in a comparison of the same quarters in 2018 and 2017.

Compared to the fourth quarter of 2017, total investment volume decreased by 29.2 percent or approximately \$13 million in March 2018. The 213,505 units sold in the first quarter of 2018 went for an average price of \$147,966, compared to the 302,918 units that traded for an average \$147,254 in the fourth quarter ending in December 2017.

Continue reading [here](#)

#### Nationwide Apartment Rent Growth Slumps to 8-Year Low in Q2

By Champaign Williams, Bisnow

Though millennials and baby boomers alike continue to drive demand in the U.S. multifamily sector, the market is losing steam amid elevated supply pressures, rising interest rate concerns and issues related to the length of the cycle.

The good news: U.S. apartment rents advanced 2.3% from January to midyear, according to real estate analytics firm RealPage. Rent prices were up 1% in Q2 compared to the year prior, with Orlando, Florida; Las Vegas; and Jacksonville, Florida; leading the country in annual rent growth.

But RealPage Chief Economist Greg Willett told Bisnow that although rents have risen a record-breaking 32 quarters, the pace at which rents are growing has slowed considerably because of the wave of multifamily product under construction and market headwinds that come with the aged cycle.

“We’re gradually losing some momentum and that’s been the case over the last couple of years,” Willett said. “The midyear annual increase of 2.3% is the slowest it’s been in this economic cycle. Certainly, the biggest factor is we’ve ramped up the completion volume [and] there is a lot of product moving through initial lease-up.”

Continue reading [here](#)

# WASHINGTON MULTIFAMILY NEWS

Summerfield Commercial  
Newsletter is Provided By

**Ryan Kidwell**  
Managing Broker of  
Washington

425-260-6286

rkidwell@smfield.com

**Robert Parmar**  
Principal Broker of  
Oregon

541-292-9977

rparmar@smfield.com

**Travis Gold**  
Marketing Director

206-960-6003

tgold@smfield.com

**Nate Ward**  
Analyst

206-960-6024

nward@smfield.com

Please visit our website to  
learn more about us and  
our services

## Is This Going to Crush Rents in Seattle?

By Wolf Richter, The Registry

Crane-counters in the metropolitan area of Seattle have long had an exciting time as cranes keep popping up on new construction sites. Some are condo towers, others are apartment towers. Not counting condo towers, this is what's coming:

- Currently under construction: 25,164 apartments in buildings with over 50 units.
- Planned but construction has not yet begun: 34,800 apartments in buildings with over 50 units.

This makes for a total of 60,000 apartment units, planned or under construction, just in buildings with more than 50 units, according to the Q2 report by multifamily property data provider Apartment Insights.

Among the submarkets with the most units:

- South Lake Union: 3,384 units under construction; 3,561 units planned
- Redmond: 3,188 units under construction; 1,730 units planned
- Seattle Downtown: 2,696 units under construction; 9,390 units planned
- Central/South Seattle: 2,618 units under construction; 4,665 units planned.

There are about 325 of these types...

Continue reading [here](#)

## Why Local Developers are Bullish on Tacoma

By Becky Susan, DJC Seattle

Just about every analyst agrees that the Northwest is one of the fastest growing areas in the nation.

Not surprisingly, the region's demand for newer housing and office space is greater than the available inventory. With the increase in growth, and space at a minimum, comes the challenge to find affordable space. And so enters Tacoma, right in the heart of the Northwest.

Tacoma is reaping the benefits of an economic boom that is spilling over from Seattle/King County. Just 20 miles south, jobs are shifting, and businesses are heavily investing in the Tacoma region.

Continue reading [here](#)

## Spokane County Tops 500,000

By Journal Staff, DJC Seattle

The latest estimate from the state of Washington shows that Spokane County's population has topped 500,000.

The state projects that 507,950 people live in Spokane County, up more than 8,000 from last year.

The population of the city of Spokane is estimated at more than 220,000 people.

The Spokesman-Review reports that more jobs and affordable housing costs are the likely drivers of population growth.

Patrick Jones, executive director of Eastern Washington University's Institute for Public Policy and Economic Analysis, notes that 3,500 new jobs were created in Spokane County last year.

Read original article [here](#)

## Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
*Cedar Park Apartments*	6/18/2018	4020 Bledsoe Ave, Bremerton, WA	104	1975	\$8,000,000	The Stratford Company
*Terra Apartments*	6/15/2018	730 North 85th St, Seattle, WA	17	1971	\$5,850,000	Private Investor
The Marq on Martin	6/15/2018	8515 Litt Drive NE, Lacey, WA	248	2017	\$54,425,000	Security Properties

\*Summerfield Commercial Represented the Buyer in these Transactions\*

# OREGON MULTIFAMILY NEWS

Summerfield Commercial Newsletter is Provided By

**Robert Parmar**  
Principal Broker of Oregon

541-292-9977

rparmar@smfield.com

**Ryan Kidwell**  
Managing Broker of Washington

425-260-6286

rkidwell@smfield.com

**Travis Gold**  
Marketing Director

206-960-6003

tgold@smfield.com

**Nate Ward**  
Analyst

206-960-6024

nward@smfield.com

Please visit our website to learn more about us and our services

## Healthy Demographics Push Up Demand in Portland

By Adina Marcut, Multi-Housing News

Portland's strong economy makes it an attractive metro, especially for young professionals looking for high-income jobs. In 2017, the metro added 30,000 people, which coupled with an increased interest from major companies looking to expand or relocate to the area, bolstered multifamily demand. As developers stay focused on the more profitable upscale projects in core submarkets, affordable housing remains an issue.

Education and health services, one of the metro's most important economic drivers, added 14,400 jobs year-over-year through February, for an 8.5 percent increase. Intense development has led to a sharp expansion of the construction sector, which gained 3,100 new positions. Intel's plan to invest \$100 billion over 30 years continues to solidify Portland as a regional tech hub, maintaining the IT giant's anchor status, alongside other powerhouses such as Kaiser Permanente, Nike or Boeing.

More than 2,000 multifamily units were delivered in metro Portland this year through April, and we expect roughly 4,200 units to come online ...

Continue reading [here](#)

## Portland Multifamily View at Midyear 2018 and Outlook

By The Editors, Rental Housing Journal

We anticipate a lack of on-market product even though significant capital remains available for investment.

With rent growth slowing, potential changes to landlord-tenant laws at the city and state level, and recent federal tax changes—many owners are taking a wait-and-see attitude.

### Permits and housing not meeting demand

Permits have risen steadily from a low of 1,007 units permitted in 2009 to 10,319 in 2017. Despite this, experts say housing has not accelerated enough to meet anticipated demand.

Meanwhile, amid Greater Portland's housing and affordability crisis, the Portland City Council implemented inclusionary zoning (IZ) on February 1, 2017. Since then...

Continue reading [here](#)

## Why the Portland Diamond Project's Plan for 8,000 Housing Units May Be Too Far Out in Left Field

By Jon Bell, Portland Business Journal

But PDP, which includes former Nike executive Craig Cheek, former Blazers broadcaster Mike Barrett, and former Oregon State Senator Jason Atkinson, with financial backing from the superstar couple of Seattle Seahawks quarterback Russell Wilson and singer Ciara, has pitched something even bigger than baseball with its proposal. They also see an entirely new district, complete with up to 8,000 new housing units — many of which would be workforce or affordable housing — springing up in the shadow of the stadium over the ensuing 10 years.

Continue reading [here](#)

### Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Arena District	6/22/2018	2050 East 15th Avenue, Eugene, OR	65	2013	\$20,100,000	Cardinal Group Investments
Pacific Crest Apartments	6/1/2018	10695 SW Murdock Street, Tigard, OR	157	1974	\$28,000,000	Trion Properties
Heatherbrae Commons	5/24/2018	10303 SE Bell Ave, Milwaukie, OR	174	1995	\$40,000,000	Blackstone Group