

○ March | ○ 2019

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

How To Investment In Multifamily With A Recession Ahead

By Scott Morongell, Forbes

While no one holds a crystal ball, it is no secret that real estate investors are playing in the ninth inning. With a recession on the horizon, what do you do? Do you choose to stop buying so that brokers forget about you? Or, even worse, do you stop buying so investors find other syndicators to invest with? It's a lose-lose situation, right? Well, not quite. Apply these principals to your underwriting and market analysis to give yourself the best opportunity to buy at the top of the market and survive, or even thrive, during a downturn.

Buy For Cashflow, Not Appreciation

It's my view that back in 2011-2016, you could buy just about anything, make mistakes and still come out on top looking like a genius. If you're wondering how that was possible, it's called appreciation. Across the nation, rents continued to tick up year over year. This enabled operators to overpay, underperform and still look like geniuses. Since we are in the ninth inning of this current cycle, there is no room for error. If you overpay and underperform this late in the game, you can be sure to expect unhappy investors and a lost asset.

Continue reading [here](#)

Fastest-Growing Renter Segment: High-Income Earners

By Symone Garvett, Multifamily Executive

Top earners, or Americans making \$150,000 or more per year, are the fastest-growing renter segment, according to apartment search website *RENTCafé*. After analyzing recent U.S. Census data, the research team at the company found that more than 1.35 million high-income households became renters between 2007 and 2017, a 175% increase.

As of today, there are 43.3 million renters nationwide, with 2.1 million in the high-income category. In 2007, *RENTCafé* reports, only 774,000 people were represented in the demographic.

This begs the question: Why do those who have the means to buy a home opt to rent? The website concludes it may be a lifestyle choice. Monthly rent may be a smaller price to pay for the added flexibility of living closer to jobs and new, up-and-coming districts. Or, for some areas of the country, a large paycheck still can't keep up with rising home prices.

The three cities that have seen the most significant increases in wealthy renter-occupied households in the past decade are Seattle; Charlotte, N.C.; and Baltimore. According to the study, Seattle's high-salary job market in IT and quality management is the reason the city became the decade's...

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

End of the Seattle Boom? Flow of New Residents to King County on the Decline, Records Show

By Gene Balk, Seattle Times

Is this decade's unprecedented Seattle boom in its final throes?

Since 2010, Seattle has been the fastest-growing big city in the U.S., and the cost of living here has risen more rapidly than anywhere else.

But we're beginning to see signs of change.

Real-estate prices in King County dropped by more than \$100,000 since last spring (though they recouped some of that loss with a strong February), and the number of homes sitting unsold has more than doubled in the past year.

Amazon has, of course, been the prime driver behind Seattle's recent growth. But just last month, the company announced it was backing out of its commitment to occupy a massive new development with its workers — even after the City Council repealed the new "head tax" so that they wouldn't.

Here's one more metric that suggests a slowdown is underway:

For the second consecutive year, the number of driver's licenses issued to new King County residents from out of state declined, according to records from the Washington Department of Licensing.

Continue reading [here](#)

Amazon's Rapid Expansion in Seattle Suburb Could Ignite a 'Real Estate Frenzy', Redfin Predicts

By Nat Levy, GeekWire

Bellevue, Wash., get ready to experience the Amazon effect.

With the tech giant possibly cooling on Seattle and focusing its regional growth plans on the nearby city across Lake Washington, tech-powered real estate company Redfin predicts Amazon could set off a "real estate frenzy" in Bellevue. Already a more expensive city than Seattle, Bellevue could soon become inundated by younger buyers looking to live close to work, Redfin says, in addition to the well-heeled families that already like the city for its top-notch schools, mix of suburban and urban style and proximity to the mountains.

Continue reading [here](#)

Snohomish Rolls Out Tax-Break Carpet for Multifamily Developers in Pilchuck District

By Lynn Porter, DJC Seattle

The Snohomish City Council recently passed a resolution to temporarily defer property taxes on the value of certain multifamily construction in the city's Pilchuck District to spur mixed-use housing.

The projects must create at least four new multifamily units or rehabilitate at least four existing units vacant for at least one year. The deferral is for eight years; or for 12 years for properties with at least 20 percent of the units affordable to moderate- and low-income households. The land and improvements already in existence or not multifamily related would be taxed.

Continue reading [here](#)

Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
The Avion	3/1/2019	3351 South 175th Street, SeaTac, WA	55	2007	\$13,800,000	Raymond Capital Advisors
Panorama	2/27/2019	1635 W Admiralty Heights Lane, Bremerton, WA	138	1996	\$24,000,000	New Standard Equities
Park 120	2/25/2019	120 West Casino Road, Everett, WA	249	1969	\$40,250,000	ColRich

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

Oregon to Become First in US with Statewide Rent Control

By Lisa Brown, GlobeSt.com

Senate Bill 608, a measure that caps how much landlords can raise rents and stipulates how they may evict tenants, was passed by the House yesterday with a 35-25 vote after previously passing the Senate. Governor Kate Brown is expected to sign the legislation, making Oregon the first US state to cap how much landlords can raise rents.

The bill prohibits landlords across the state from raising rents more than 7% per year, plus the annual change in the consumer price index. It carves out an exemption for rental properties that are less than 15 years old.

As long as landlords cite a reason—such as violating the lease agreement or not paying rent—they could still remove tenants from properties. There are other carve-outs in the bill that allow landlords to evict tenants, such as a need to upgrade buildings or plans to demolish it.

Landlords could also evict a tenant if a family member is moving into the unit under certain circumstances, but they would need to give tenants 90 days' notice. Landlords can terminate tenancies only with 90 days' written notice and payment of one month's rent, with exemptions in some cases. A landlord...

Continue reading [here](#)

These are Portland's 25 Best Neighborhoods for Young Professionals

By Andy Giegerich, Portland Business Journal

Sure, most of us are familiar with the "Portlandia" TV show line that the city is "where young people go to retire."

But what about young people, say, those younger than 34, who have to work? Where do they live? Or, where *should* they live?

Pittsburgh-based Niche.com, which tracks such matters, recently issued its list of Portland's top neighborhoods for young professionals. The group derives its ratings from such factors as the percentage of residents between the ages of 25 and 34, access to bars and restaurants and diversity. The availability of coffee shops is also a big draw to those under 35.

Continue reading [here](#)

Portland Rents Increased Significantly Over the Past Month

By The Editors, Rental Housing Journal

Portland rents have increased 0.4% over the past month, but are down slightly by 0.3% in comparison to the same time last year, according to a new report from Apartment List.

Currently, median rents in Portland stand at \$1,120 for a one-bedroom apartment and \$1,330 for a two-bedroom.

Second straight month of increases in Portland rents

This is the second straight month that the city has seen rent increases after a decline in December of last year. Portland's year-over-year rent growth leads the state average of -1.3%, but trails the national average of 0.9%.

Continue reading [here](#)

Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
The 206	2/20/2019	2451 NW 206th Ave, Hillsboro, OR	203	2014	\$54,023,677	LivCor
The Matisse	2/8/2019	3939 SW Bond Ave, Portland, OR	293	2009	\$82,800,000	Nuveen Real Estate
Cascade View Commons	1/25/2019	1220 SE Oar Ave, Lincoln City, OR	56	2014	\$7,525,000	Marathon