

o August | o 2020

# 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

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### Latest Rent Payment Tracker Finds Payments Slightly Behind Last Month

By News Staff, Yield Pro

The National Multifamily Housing Council (NMHC)'s Rent Payment Tracker found 86.9 percent of apartment households made a full or partial rent payment by August 13 in its survey of 11.4 million units of professionally managed apartment units across the country.

This is a 2.0-percentage point, or 222,543 -household decrease from the share who paid rent through August 13, 2019 and compares to 87.6 percent that had paid by July 13, 2020. These data encompass a wide variety of market-rate rental properties across the United States, which can vary by size, type and average rental price.

“At a time when the country is continuing to face a pandemic and suffering from a recession, lawmakers in Congress and the Trump administration must come back to the table and work together on passing comprehensive legislation in the next COVID-19 relief package,” said Doug Bibby, NMHC President.

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### July Brings Job Gains, But Economy Still Reeling

By Bogdan Odagescu, Multi-Housing News

The U.S. unemployment rate dropped to 10.2 percent in July, with the addition of 1.8 million jobs, the U.S. Bureau of Labor Statistics announced on Friday morning. Following a mixed bag of reopenings and rollbacks across the country, the figure underpins a decelerating improvement trend after the addition of 7.5 million positions during the previous two months. The new data reflects a 90-basis-point drop for the unemployment rate since last month, the third consecutive improvement.

Leisure and hospitality once again led gains with the addition of 592,000 positions, but remained well behind pre-pandemic levels. Of these, 502,000 jobs were added in the food services and drinking services subsector. Government (301,000), retail trade (258,000), professional and business services (170,000) and health care (126,000) also recorded significant improvement. Mining (-7,000) was the only sector to record a contraction, same as in May.

In addition, initial unemployment claims released on Thursday by the Department of Labor for the week ending on August 1 clocked in at nearly 1.2 million for the whole country, in line with the slowly descending path of the past two months. And while the number is significantly below the initial shock of 6.8 million claims filed in only one week, it is still more than five times the historic average, with...

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# WASHINGTON MULTIFAMILY NEWS

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## REI Plans Sale of Unused Eight-Acre Headquarters Campus as the Retailer Embraces Remote Work

By Jena McGregor, Washington Post

Outdoor retailer REI Co-op said Wednesday it plans to sell its newly finished corporate campus in Bellevue, Wash., another sign of how quickly the coronavirus pandemic is accelerating the shift to remote work and prompting a major impact on commercial real estate.

The retailer, which announced it was building the outdoor-friendly campus in 2016 and began construction in 2018, said in a statement that its headquarters would ultimately be made up of multiple “satellite” locations across the Seattle area and that it would “lean into remote working as an engrained, supported and normalized model” that could also allow employees to work outside the region.

“The dramatic events of 2020 have challenged us to reexamine and rethink every aspect of our business and many of the assumptions of the past. That includes where and how we work,” REI President and CEO Eric Artz said in a video call with employees, according to a company statement.

Employees who would have worked at the campus, which media reports had called the “most outdoorsy HQ ever” and “like summer camp for grown-ups” for its rooftop terraces, courtyard full of native plants and large sliding doors to the outside, had not yet taken occupancy. Like many office-based employees, they began working from home in March and had been expected to move midsummer.

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## \$60M to Fund 599 Supportive Units

By Journal Staff, DJC Seattle

The Seattle Office of Housing said it is contributing \$60 million to help fund 599 new units of permanent supportive housing in six buildings, and has awarded funds to four service providers.

Awards were made to Chief Seattle Club for 125 units in Lake City; DESC for 100 units in Bitter Lake and 124 in Green Lake; and to Inland Group for 147 units in two Ballard projects. Inland will work with Catholic Housing Services on one project and with Plymouth Housing on the other.

Low Income Housing Institute got a conditional award for 103 units in the Central Area.

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## Seattle Rents Continue Decline For Third Month

By The Editors, Rental Housing Journal

Seattle rents continued to decline for the third month, falling 0.4 percent in July, according to the latest report from Apartment List.

Rents are down 0.9 percent year-over-year in Seattle, where rents lag both the state and national averages for rents. April was the last time Seattle saw a rent increase.

Median rents in Seattle are \$1,342 for a one-bedroom apartment and \$1,671 for a two-bedroom.

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### Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Delano Apartments	7/30/2020	7805 170th Place NE, Redmond, WA	126	2008	\$51,500,000	G.W. Williams Co
Briggs Village	7/22/2020	4255 Maple Street SE, Olympia, WA	72	2018	\$18,300,000	Glencrest Realty Group
Kiara Apartments	7/15/2020	111 Terry Ave North, Seattle, WA	460	2018	\$319,450,000	Oxford Properties Group

# OREGON MULTIFAMILY NEWS

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## Oregon Housing, Construction Faring Better Than Expected so Far, Analysis Shows

By Jonathan Bach, Portland Business Journal

State economists expected large declines in housing and construction because of the new coronavirus pandemic and recession, but those fears have yet to be realized, according to a new state analysis.

Low mortgage rates, millennials aging into their 30s and 40s, which are "prime home-buying years," and the severity of the pandemic all are among the factors that will influence Oregon's housing market over coming years, according to the report, which was a summary of the midyear forecast for the Home Builders Association of Metropolitan Portland.

Portland-area sellers still found buyers for their homes in recent months as mortgage rates have fallen. The average sale price for a home in the area this year through June stood at more than \$468,000, according to real estate data provider RMLS. And for buyers and sellers wary of in-person showings, virtual home tours represented an easier way to shop.

"All told, housing and construction are likely to be economic strengths in the years ahead. Housing is historically a leading economic indicator," Josh Lehner, an economist with the Oregon Office of Economic Analysis, noted in his analysis. "Now, that doesn't mean the industry isn't impacted. Expectations should be for a couple soft years instead of large declines."

Lehner pointed out reasons why. "First is the nature of the cycle," he noted. "If we're being honest, it is clear that low-wage workers have borne the brunt of the pandemic and recession to date. High-wage and higher income households have fared better, and are predominantly homeowners."

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## Microsoft on Portland-Area Hunt for 50,000 Square Feet

By Jonathan Bach, Portland Business Journal

In a hunt that predates the coronavirus pandemic, tech giant Microsoft Corp. has sought Portland-area space for its cloud division.

While the PBJ has learned the status of the search remains hazy, the Redmond, Wash.-based company is in the market for 50,000 square feet. One person familiar with the effort said the company may have settled on a Beaverton-area location that could expand up to 85,000 square feet.

Another person familiar with the matter confirmed Microsoft was looking and said U.S. Bancorp Tower, the city's biggest office building, had been a prospect. The search remained ongoing, according to the second person's understanding.

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## Fewer Oregonians Paid Rent on Time This Month

By Jamie Goldberg, Oregon Live

The majority of tenants in Oregon and nationwide paid their rent within the first six days of August even as federal coronavirus relief programs began to expire, according to data from housing groups. But the latest numbers show a worrying decline in the percentage of Oregonians paying their rent on time.

According to data compiled by RealPage, a company that provides property management software, 86% of renters in the Portland-Vancouver-Hillsboro area and 87% of renters in Oregon made full or partial rental payments by August 6.

Those numbers are down more than 5 percentage points from August 6 of last year, the largest year over year drop that RealPage has reported in its Oregon and Portland-area rental data since the start of the pandemic. By August 6 of last year, more than 90% of renters in the Portland area and in Oregon overall had made full or partial rental payments, according to RealPage.

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