

o December | 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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#### **A Look at Where the Multifamily Market Stands: NAREE**

By Holly Dutton, Multi-Housing News

As 2020 comes to a close, many in the multifamily industry are looking back on the unprecedented events of the year and how they impacted the market. During the National Association of Real Estate Editors' annual conference Dec. 9-10, Editorial Director of *Multi-Housing News* and *Commercial Property Executive* Suzann Silverman moderated a panel in which she spoke to National Multifamily Housing Council's Vice President of Research Caitlin Sugrue Walter on how multifamily fundamentals have fared this year compared to previous years and where things stand on major issues like rent collections and potential stimulus relief.

#### **Fundamentals shift**

The U.S. rent inflation annual rate experienced a big drop in 2020, something that didn't come as a surprise to Walter. "It wasn't a big shock because we recommended our members institute rent freezes at their properties," she said.

Looking at vacancy rates, figures showed the national number was actually down slightly compared to the second and third quarters of this year for professionally managed units. However, the figure has...

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#### **Defining 2021: 3 Key Multifamily Investment Trends**

By Mike Aiken, Multi-Housing News

A global pandemic, record fluctuations in unemployment and haphazard movements throughout the stock market have many ready to wave goodbye to 2020. With financial planning on the horizon for employers and investors alike, we examined performance within the multifamily housing industry and drew various predictions regarding investment strategies for next year.

Here are three investment trends to watch as we transition in 2021.

#### **Banner Year Ahead for Transactions**

It's impossible to discuss 2020 without mentioning the hurdles of a global pandemic, uncertainty of the election and the resulting unpredictable economy. The good news is that we're looking at much less volatility in the upcoming year. Why? There were some bumpy moments regarding employment and delinquency in the first few quarters of 2020, but we're approaching a more stabilized position as local economies reopen and the potential vaccine(s) accelerates a return to "somewhat normalcy" by mid- to late 2021. That stability will bring with it increased job security and more transaction activity. The exact details surrounding asset performance will certainly hinge on the pace of job growth, but brighter days are ahead.

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# WASHINGTON MULTIFAMILY NEWS

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## Microsoft Program Chips in \$750M to Help Affordable Housing Investors

By Gene Johnson, DJC Seattle

A master's degree and a full-time job as a middle-school counselor weren't enough to help Sam Baker land an apartment she could afford in Seattle's Eastside suburbs. But a \$750 million commitment by a local tech giant helped do the trick.

In August, Baker moved into her new apartment in one of three complexes recently purchased by Urban Housing Ventures, a partnership backed in part by Microsoft's affordable housing initiative. The group is cutting rents at 40% of the units in the three buildings, including Baker's fourth-floor one-bedroom overlooking Lake Washington, as part of an effort to make sure teachers, nurses and other middle-income professionals can live in the communities where they work.

The rent cuts are being accomplished without local public subsidies, but with a model designed to remain attractive to investors — an approach that could and should be replicated nationwide, its supporters say.

“Having this program has made it so I can afford to live here,” said Baker, 51, a counselor at Eastside Catholic School in Sammamish. “I don't want to commute too far. I like being in an area where I can walk a lot — there's restaurants and banks and dentists and hair salons and bars. It makes it very convenient.”

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## Sound Transit Hopes to Spur More Affordable Units - and Homeownership - in the Rainier Valley

By Brian Miller, DJC Seattle

Sound Transit's large surplus properties near light rail stations have been — or are being — developed with affordable housing, usually after sale or transfer to nonprofit developers. Hundreds of affordable units are thus being created and planned near Capitol Hill Station, Roosevelt Station, Othello Station, Northgate Station, the Spring District, etc. — along with plenty of market-rate housing, too.

The Rainier Valley, for a variety of reasons, has lagged behind in the overall TOD push. However, that's gradually going to change, as the agency in late October conveyed 10 properties, totaling about 1.6 acres, to the city's Office of Housing.

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## Seattle-Area Home Price Growth Continues to Accelerate; City Still No. 2 in the Nation

By Katherine Khashimova Long, Seattle Times

Typically, home sales cool down in early fall. But this has been a year full of exceptions, including in the housing market.

Rather than slow down in September, Seattle-area home prices rose faster year-over-year than they have since 2018, the last time the housing market peaked, according to the latest release of the S&P CoreLogic Case Shiller Home Price Index.

Home prices continued to rise fastest in Phoenix — 11.4%, year-over-year — but Seattle once again...

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### Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
The Windsor	12/2/2020	433 Bremerton Ave NE, Renton, WA	202	1989	\$56,300,000	LivCor
Arbor Chase	11/20/2020	1615 West Smith Street, Kent, WA	100	1980	\$24,510,000	L5 Investments
Griffis Seattle South at Brookside	11/3/2020	28700 34th Ave South, Auburn, WA	177	2003	\$56,500,000	Jackson Square Properties

# OREGON MULTIFAMILY NEWS

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## Lawmakers to Address Aid for Renters and Landlords in 1-Day Special Session

By Jonathan Bach, Portland Business Journal

When Oregon lawmakers convene a special session Monday to divide up \$800 million among measures to address 2020's crises, housing will be a high on their agenda.

Gov. Kate Brown called a one-day session to fund Covid-19 relief, vaccine distribution and wildfire prevention.

A statewide residential eviction moratorium is set to expire come the end of this month, but Liz Merah, a spokeswoman for the governor, on Tuesday noted that Brown "expects the legislature to address the eviction moratorium."

A spokesman for House Speaker Tina Kotek, D-Portland, said that \$200 million would be used on a proposal to stabilize housing, with \$150 million going toward a fund for landlords and \$50 million toward rent assistance. Rep. Julie Fahey, a Eugene-area Democrat who has been involved in the housing response, cited the same numbers for landlords and tenants on Monday night.

An earlier plan called for \$100 million to be split between the landlord fund and rent assistance, though some Democratic and...

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## Amazon Says it will Hire 'Hundreds' for New Delivery Waystation in Fairview

By Mike Rogoway, OregonLive

Amazon said Tuesday it will open a new distribution facility in Fairview next year, employing hundreds as the online retailer expands its reach in the Portland metro area.

Amazon says its new delivery station serves as a "last mile" for deliveries shipped to homes from its nearby warehouses. The company has an 855,000-square-foot warehouse in nearby Troutdale, and has similar facilities in Portland, Hillsboro and Salem.

While many brick-and-mortar retailers have struggled during the pandemic, Amazon's business has soared as people rely more on home delivery to avoid exposure to COVID-19. Its consumer sales in North America were up 39% last quarter and Amazon has hired more than 400,000 worldwide this year.

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## Portland Homes Hit Highest Average Sale Price of \$516,500 Due to Low Inventory, Pent-Up Demand

By Janet Eastman, OregonLive

A historically low supply of Portland area homes for sale, rock-bottom lending rates and pent-up demand have pushed residential property prices to a new high: In October, the average sale price was \$516,500, according to the latest report from the Regional Multiple Listing Service.

Another boost to sellers: October traditionally starts a slowdown until spring. But not so far this year.

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### Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Westover Tower	11/12/2020	930 NW 25th Place, Portland, OR	70	1954	\$18,000,000	Private Investor
Four Seasons Townhouses	11/1/2020	1280 West 15th Ave, Eugene, OR	72	1962	\$5,610,000	Eugene Commercial Property Management
Meadows at Heron Creek	9/25/2020	18599 NW Heritage Parkway, Hillsboro, OR	178	2005	\$48,200,000	Rise Properties