

o February | o 2021

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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Rents Show Signs of Stabilizing in January

By Michael Rudy, Yield Pro

The latest rent reports from Yardi Matrix and Apartment List show positive rent growth for the country as-a-whole in January.

Rents rise in January

Yardi Matrix reported that the national average apartment rent rose \$3 (0.2 percent) in January to \$1,392. This was down 0.2 percent from its year-earlier level. Apartment List reported that the national average rent rose 0.1 percent for the month of January but was down 1.2 percent from its year-earlier level.

Close observers may have noted that the average rent quoted by Yardi Matrix last month was \$1,462, which is not \$3 less than \$1,392. The reason for this discrepancy is that Yardi Matrix has now expanded the number of metros that they look at in calculating rents. They now look at 130 metros. The new calculation appears to have brought in smaller, less expensive metros and this has resulted in a lower national average rent calculation result.

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Top 10 Multifamily Financing Trends for 2021

By Sibley Fleming, Multi-Housing News

As more vaccines are administered, the mountains of cash sitting on the sidelines should begin to flow, and multifamily will be one of the main recipients of that capital, followed by industrial. But, for at least part of the year, multifamily will be beset by some of the challenges impacting commercial real estate in general. Here are the major trends likely to influence the capital markets in 2021:

1. Pandemic persists

While vaccinations have started, distribution will take at least several months, and the pandemic's effects are expected to continue through that time.

The Mortgage Bankers Association estimated in July that 2020 lending will be down by almost 60 percent from a record \$601 billion in 2019 and forecast only a partial rebound in 2021. The release of the vaccine has not really impacted that prognosis.

The pandemic is still very active and will continue to affect different property types, according to Jamie Woodwell, vice president of commercial real estate research at the Mortgage Bankers Association.

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WASHINGTON MULTIFAMILY NEWS

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Governor Signs COVID-19 Relief Spending Bill

By Rachel La Corte, Seattle DJC

More than \$2 billion in federal COVID-19 relief funding will be allocated across Washington state under a measure signed into law Friday by Gov. Jay Inslee.

The measure, which received strong bipartisan support in both the House and Senate this month, spends \$2.2 billion on various efforts, including vaccine administration, rental assistance and money for school districts as they move back toward in-classroom teaching.

"The focus this year is relief, recovery and resilience, and this legislation will make big progress in all three," Inslee said before signing the bill.

Under the bill, \$714 million will be allocated to schools as they move toward welcoming students back to the classroom. An additional \$618 million will go toward vaccine administration, contact tracing and testing, and \$365 million will go toward rental assistance to help renters and landlords affected by the pandemic.

The bill also allocates \$240 million to small business assistance grants that will be administered through the state Department of Commerce and \$70 million to assist undocumented immigrants impacted by the pandemic who do not qualify for federal or state assistance. An additional \$50 million is...

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Lynnwood is Now Washington's Fastest-Growing Suburb for Apartment Renters

By Sebastian Robertson, King 5 News

Nearly a year into the coronavirus pandemic, many city dwellers are reconsidering where to live. More people are moving out of Puget Sound's downtown core and into surrounding suburbs.

The COVID-19 era has erased commutes for many and made the home office a new selling feature. The natural next step may be upping that square footage.

"Ultimately, why you're seeing it in these other areas, is because the demand is here," said Jon Bye, a Seattle realtor with John L. Scott. "That's really what it boils down to: supply and demand. I think you're going to get a better value, a little more square footage, a couple more parking spots."

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In The Rezone

By Marc Stiles, Puget Sound Business Journal

With new skyscrapers up to 600 feet tall planned and under construction, the core of downtown Bellevue is the star of the Eastside's development play, and down the hill to the east a handful of shorter towers have been proposed. This strip along Interstate 405 is the show's supporting cast member.

Four mixed-use office proposals on the east side of 112th Avenue Northeast north of Main Street total around 3.3 million square feet, and construction of a residential tower on the west side of 112th is expected to start this summer.

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Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
The Bond	1/22/2021	6081 East Lake Sammamish Pkwy NE, Redmond, WA	139	2019	\$65,930,000	G.W. Williams Co
Hyde Square	1/20/2021	15400 NE 20th Street, Bellevue, WA	618	2019	\$279,100,000	DWS
Windsong	12/28/2020	850 Aaron Drive, Richland, WA	65	1977	\$4,853,300	Private Investor

OREGON MULTIFAMILY NEWS

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Hundreds of Applications Already Submitted for Oregon Landlord Compensation Fund

By Jonathan Bach, Portland Business Journal

Applicants crowded, metaphorically, into line with requests for money from Oregon's landlord compensation fund after the queue went live last Wednesday.

More than 260 applications were submitted, according to a spokeswoman for Oregon Housing and Community Services, the agency working on the fund approved by state lawmakers last December.

The pool is supposed to compensate landlords for 80% of their tenants' unpaid rents, though they have to forgive the leftover 20%. If the landlord receives funds from the state, the tenant is relieved of their obligation to pay that money to their landlord.

The applications may represent \$5.5 million in requested funds out of \$50 million available in a first round, said the spokeswoman, Kate Gonsalves.

Still, the money is not allocated first come, first served. Applications are going to be reviewed after the round closes March 2, she said.

"There are two scoring criteria: landlord size and percentage of rent debt," she said in an email on Friday.

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Oregon House Democrats Push to Reinstate Foreclosure Moratorium in Effort to Help Struggling Homeowners

By Paul Bergeron, Rental Housing Journal

...Oregon lawmakers passed a bill extending the state's eviction moratorium for renters until the end of June during a December special session, but opted not to take up legislation to extend the state's foreclosure moratorium. That left homeowners struggling to make their payments in a state of uncertainty.

Now, House Democrats are trying to reinstate the moratorium. Rep. Paul Holvey, D-Eugene, plans to introduce a bill this week that would give homeowners and small landlords protection from foreclosures until Sept. 1.

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After Portland Real Estate's Chilly Months, 'The Iceberg is Slowly Starting to Break Up'

By Jonathan Bach, Portland Business Journal

Parts of Portland's real estate market frosted over last year. It might soon be time for a thaw.

Sublease space, a good way to measure how much square footage tenants want to get off their hands, has hit new highs.

Portland-area sublease accounted for approximately 1.25 million square feet of office real estate at the end of 2020, according to real estate firm JLL, trouncing an earlier record of about 1.1 million square feet in 2009. It currently stands at around 1.5 million square feet.

Yet the tone among some Portland real estate workers like Mike Holzgang has had an optimistic quality lately.

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Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Bridge Creek	1/12/2021	29697 SW Rose Lane, Wilsonville, OR	315	1981	\$72,000,000	Nuveen Real Estate
The Township	1/15/2021	700 SE 5th Avenue, Canby, OR	92	1999	\$19,700,000	Glencrest Realty Group
Sunset Summit	12/30/2020	7400 SW Barnes Road, Portland, OR	261	1986	\$80,750,000	Prime Group