

o May | 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

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

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National Multifamily Report - April 2021

By Anca Gagiuc, Multi-Housing News

The national multifamily market registered the best performance in rent growth since the onset of the pandemic, according to Yardi Matrix's April survey. Rents rose 1.6 percent to \$1,417 on a year-over-year basis in April, which marks a \$10 increase in overall rents, an amount last recorded in June 2015. For the first time since the beginning of the health crisis, all top 30 markets had positive month-over-month rent growth, with 24 of them posting rent hikes greater than 0.5 percent. On a year-over-year basis, of the 134 markets surveyed, 117 posted positive rent growth.

Rent growth was positive in all gateway markets on a month-over-month basis, and the rebound in gateway market rents is seen as the trustworthy sign of economic recovery—Miami (1.0 percent), Chicago (0.9 percent), Boston & San Francisco (0.8 percent), New York (0.6 percent), Washington, D.C., (0.2 percent) and Los Angeles (0.1 percent). On a trailing three-month basis, Miami posted a 0.8 percent increase, followed by Chicago (0.5 percent) and Boston (0.4 percent). Rent growth in Washington, D.C. (0.2 percent), New York, San Francisco and Seattle (all 0.1 percent) is expected to strengthen as the summer approaches. On a year-over-year basis, New York (-12.6 percent)...

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Multifamily Supply and Demand Gets Tricky After Pandemic Lockdowns

By Erik Sherman, GlobeSt.com

While multifamily was one of the "hardest hit sectors," during the pandemic, according to DLA Piper Global Real Estate's 2021 Annual State of the Market Survey, it's coming back.

"Multifamily, affordable housing and hotels/lodging have gained significant momentum, with 49%, 32% and 22% of respondents, respectively, finding them attractive for investors," the report says.

Like any data analysis, though, concepts as totals, averages, and medians can cloud views because they flatly treat everything as similar. But in the topography of commercial real estate, there are many bumps and dips.

"Over the course of the past year, the apartment market has shifted slightly in response to the pandemic," Warren Berzack, president and national director of the multifamily advisory group at Lee & Associates, said to GlobeSt.com. "Big cities, which historically enjoy robust rental markets, have weakened. Many of these highly populated markets and sub-markets within large cities had benefited because of their proximity to jobs, but as offices closed, so did the need to live near [central business]..."

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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

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206-960-6003

tgold@smfield.com

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nward@smfield.com

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Apartment Rents Rebound in Tech Hubs

By Les Shaver, GlobeSt.com

The pandemic caused apartment rents to plummet in tech hubs such as San Francisco and Seattle as companies such as Microsoft and Google sent workers home for the year. Now, as the health crisis recedes and these companies recall their workers to the office, these tech-oriented cities are finally seeing some movement in rents.

Last month, median rent rose 2.7% year-over-year in the largest 50 metro areas, according to realtor.com.

The median rent increase to \$1,483 was just below the 3.2% pre-COVID growth rate in March 2020.

In major tech hubs, rents fell 5.4% year-over-year in April. However, that marked an improvement compared to the 6.6% those markets tallied earlier in February. From March to April, rents rose 1.1% to \$2,086 in these tech centers.

While tech centers like San Jose, Calif. (-12.5%), San Francisco (-10.9%), and Seattle (-7.3%) are still experiencing declines, those are lessening, especially for two-bedroom apartments, according to realtor.com. In Denver and Austin, rents have risen 2.2% and 1.7%, respectively, year-over-year.

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Pierce County Apartment Development Pipeline Heats up as Renters Exit Seattle

By Shawna De La Rosa, Puget Sound Business Journal

...Countywide, 4,750 units are in the review stage — which is 9% of the total inventory. There are 1,803 units under construction and plans have been approved for 825 units. The existing apartment inventory is 28,576.

Currently, 1,348 units are under construction in Tacoma and Ruston; 267 in the Puyallup, Sumner and Bonney Lake area; 126 units in Lakewood, Parkland and University Place; and 62 in Gig Harbor.

Thanks to an exodus out of Seattle during the Covid-19 pandemic, Tacoma has some of the lowest vacancy rates in the Puget Sound. Previously, Pierce County had low rental rates that did not match the cost of construction. Now, the county's rental rates match those of other counties.

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King County Launches \$145M Rent Assistance Program

By Megan Campbell, Puget Sound Business Journal

King County broadened its rental assistance program on Tuesday, launching a \$145 million expansion that aims to help those who have fallen behind on monthly rent payments due to hardships caused by the Covid-19 pandemic.

If households have missed one or more monthly rent payments due to unemployment or lost wages as a result of the pandemic, they can apply for the assistance program. Payments awarded will go directly to landlords, said Sheryl Hamilton, communications director, in an email.

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Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Arbour Court	4/30/2021	2225 South 112th Street, Seattle, WA	75	1990	\$19,080,000	Private Investor
Bell Totem lake	4/29/2021	12500 120th Ave NE, Kirkland, WA	202	2020	\$87,600,000	Bell Partners
Serrano North and South	4/28/2021	212-221 East Wedgewood Ave, Spokane, WA	300	1981 / 1984	\$34,400,000	Next Wave Investors

OREGON MULTIFAMILY NEWS

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nward@smfield.com

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Oregon Senate Votes to Renew Foreclosure Protections

By Jonathan Bach, Portland Business Journal

Oregon lawmakers on Monday took the next step toward beefing up housing protections for residents by voting to renew protections against foreclosures.

The state had in place an earlier foreclosure ban until the end of last year, as Gov. Kate Brown declined to extend it into 2021.

House Bill 2009, already passed in the House of Representatives, would essentially put residential foreclosure protections in play until the end of June. Brown, if she signs the bill, would have the option to renew the protections another two times at three months apiece.

Under the bill, defaults would be prohibited if a borrower fails to make their mortgage payments, so long as they tell their lenders that they lost income because of the coronavirus pandemic. Foreclosures started during what's known as an emergency period would be stayed, according to a bill summary.

The bill affects properties with four or fewer dwellings. The pool of affected borrowers would be limited to those who own five or fewer such properties.

HB 2009 passed 19-9 in the Senate on Monday. Two votes were excused.

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US Jobless Claims Decline to Lowest Point Since Pandemic Started; Oregon Claims Remain Elevated

By Journal Staff, Oregon Live

...Oregonians filed 8,710 new claims last week -- the lowest number in five weeks, but still double what was typical in the weeks before the pandemic hit.

It's not clear why Oregon's claims haven't fallen as quickly as in the nation as a whole -- the state's jobless rate in April was 6.0%, slightly lower than the 6.1% national rate. Oregon's elevated claims could reflect delays in processing data or a mismatch in federal and state reporting methodologies.

Thursday's numbers coincide with rapid moves by nearly all the nation's Republican governors to cut off a \$300-a-week federal unemployment benefit that they and...

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Commercial Real Estate Bounces Back Along with Housing Boom

By Michael Kohn, The Bulletin

Soon after the pandemic lockdowns happened a year ago, closing closed restaurants and sent workers to hunker down at home a year ago, real estate broker Dan Kemp struggled to lease out commercial space to clients in Bend. Now that the economy is easing out of the closures, those same buildings are filling up again, and Kemp is leasing them out at a fever pitch.

The drive for commercial real estate this spring comes on the heels of a torrid market for housing. The housing supply is at an all-time low in Bend, and the median price for single-family homes breaks records every month.

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Recent Transactions

Apartment	Transaction Date	Address	Units	Built	Price	Buyer
Storyline	4/26/2021	1177 SW Market Street, Portland, OR	147	2018	\$46,300,000	The Wolff Company
River Lofts	4/23/2021	18540 SW Bonnes Ferry Road, Tualatin, OR	74	1974	\$14,200,000	Next Wave Investors
High Street Terrace	4/1/2021	1055 High Street, Eugene, OR	60	1997	\$9,130,000	Bridge Partners