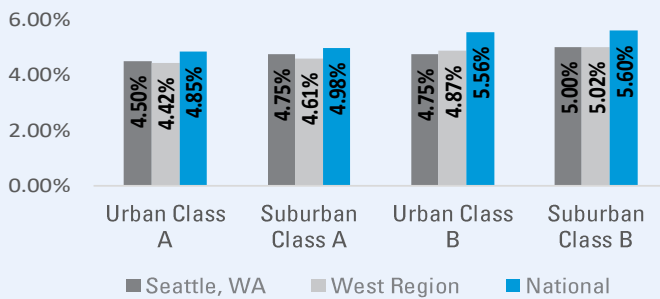


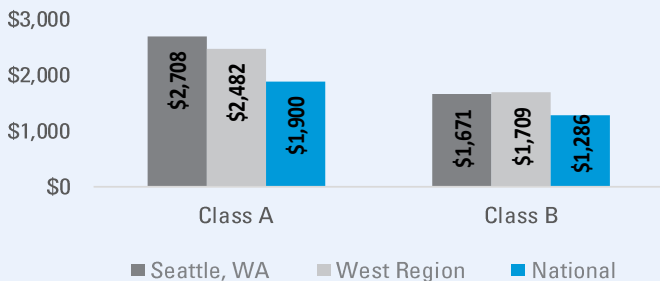
### Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	↔	↔
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▲	▲

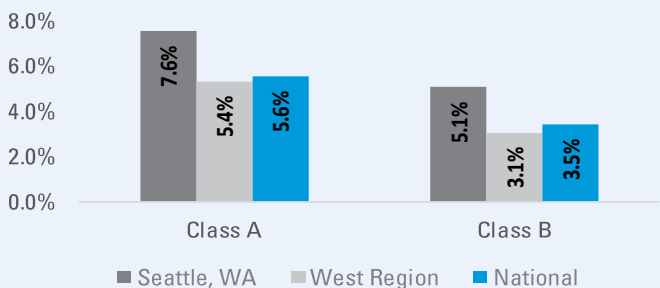
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



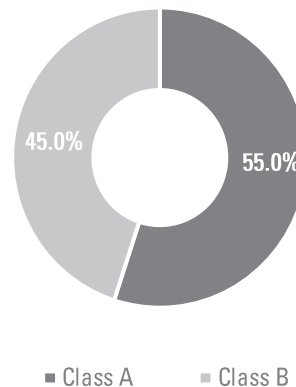
### Vacancy Rates (%)



### Seattle, WA Multifamily Market Overview

Rent growth remained healthy in the Seattle market throughout 2022 with the average asking rent increasing from \$1,960 per month at the end of 2021 to its current level at \$2,242 per month, a 14% increase. The Seattle vacancy rate increased from 6.1% at the end of 2021 to a current vacancy of 6.5%. With this uptick in vacancy, concessions have come back to some submarkets, particularly in some close-in Seattle submarkets, such as Downtown Seattle and Lake Union, which continue to see high vacancy rates due to the large amounts of new unit supply that have been brought to these submarkets. As a result, rent growth in these submarkets have lagged rent growth seen in the overall Seattle apartment market. REIS projects that developers will bring 11,193 units to the market in 2023 and 2024. Net new household formations during 2023 and 2024 are projected to average 1.5% annually, equating to an expected market vacancy rate of 6.2% at the end of 2023, and 6.1% by year end 2024. By the end of 2022 asking rents are expected to rise 0.6% to \$2,255 per month. Thereafter, asking rent growth is anticipated to decelerate to an annualized average of 4.9% during 2023 and 2024 to reach a rent of \$2,483 per unit. Since the Fed began increasing interest rates to combat inflation in mid-2022, sales of apartment buildings have slowed. These rate increases are anticipated to put upward pressure on capitalization rates. Despite the increasing rates, demand for apartment product remains strong in the Seattle market particularly for institutional properties and smaller size acquisition/rehab projects. Notable transactions in the latter half of 2022 include: the 347-unit One Jefferson Apartments (West Portland Park submarket) that sold for \$357,349 per unit; the 180-unit Nash Apartments (Rockwood submarket) that sold for \$188,889 per unit; the 187-unit Oak Street Lofts (Metzger submarket) that sold for \$435,829 per unit; and the 124-unit 134th Street Lofts (Pleasant Valley Vancouver submarket) that sold for \$312,500 per unit.

### Distribution of Total Inventory



266,244 Units  
Multifamily Inventory

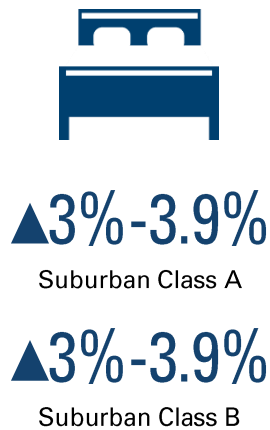
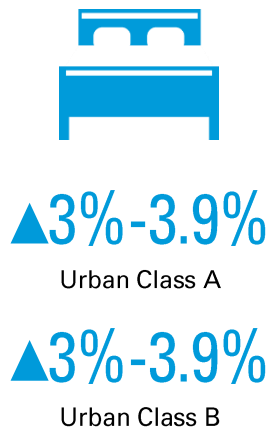
2.63% - 12 Mo. Proj.  
Construction/Inventory

# 2023 SEATTLE, WA MULTIFAMILY ANNUAL REPORT

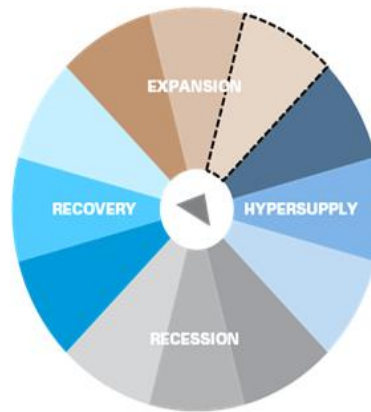
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## Change In Value Next 12 Months



## Market Cycle: Expansion Stage 3



- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- High Absorption
- Decreasing Vacancy Rates

## Forecasts

### Seattle, WA 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Discount Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Construction (Units)	6,994			
Market Rent Change	+5.00%	+5.00%	+5.00%	+5.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance			

### Seattle, WA 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+22.76%			
Change in Value	Increase 4%-4.9%	Increase 4%-4.9%	Increase 4%-4.9%	Increase 4%-4.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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