Is the Seattle apartment market going bananas?
A story of 3 bananas

Prepared for
The City of Seattle
March 2016
Banana 1: Development
Population and jobs
(Puget Sound region)

Source: Conway Pederson Economics  www.economicforecaster.com
Building booms: Adjusted for size of the economy
(20+ unit apartments; King, Pierce, Snohomish counties)

- 1967-70
  - Adjustment: 60,000
  - Actual: 20,000
  - Total: 80,000

- 1985-91
  - Adjustment: 60,000
  - Actual: 60,000
  - Total: 120,000

- 2012-18
  - Adjustment: 0
  - Actual: 60,000
  - Total: 60,000

Sources: Conway Pedersen Economics; Dupre + Scott
Apartment units added each year: Seattle
(5 unit and larger market rate apartments; ignores demolitions)

Source: Dupre + Scott  www.duprescott.com
Development of micro housing & efficiency units (SEDU)
(Number of units opening each year; Seattle)

*** PRELIMINARY ***

Source: Dupre + Scott  www.duprescott.com
Impact on existing apartment stock
(2012-2020 construction as a percent of existing units; 20+ units)

Belltown/Downtown/S Lake Place: 200%
Ballard: 200%
Greenlake/Wallingford: 175%
Central: 150%
Rainier Valley: 125%
West Seattle: 100%
Queen Anne: 75%
First Hill: 75%
University: 75%
Beacon Hill: 50%
Capitol Hill/Eastlake: 25%
Magnolia: 25%
North Seattle: 0%
White Center: 0%

Source: Dupre + Scott  www.duprescott.com
Banana 2: Rent
Annual rent change
(20+ unit properties; King, Pierce, Snohomish counties)

Source: Dupre + Scott  www3.duprescott.com
Annual apartment rent change: 2000-2015
City of Seattle
(Compound annual change; 20+ unit market rate apartments)

Source: Dupre + Scott  www.duprescott.com
Rent change in the past year
(Comparing all ages of construction and excluding distortion from new units)

- In-city Seattle
- Seattle
- Tacoma
- Bellevue
- Region
- Kent
- Everett

Source: Dupre + Scott  www.duprescott.com
Banana 3: Affordability
Apartment rent comparison: Newer versus older
(City of Seattle; 1 Bedroom apartments)

1900-2011: $1,385
2012-2015: $1,874

Source: Dupre + Scott  www.duprescott.com
1 bedroom apartment rent: Newer & older properties
(Seattle; fall 2015 survey)

White Center
Beacon Hill
Belltown/Dwntn/S Lk Union
First Hill
Capitol Hill/Eastlake
Queen Anne
Ballard
University
Central
Greenlake/Wallingford
West Seattle
Magnolia
North Seattle
Rainier Valley

$800  $1,000  $1,200  $1,400  $1,600  $1,800  $2,000  $2,200

Source: Dupre + Scott  www.duprescott.com
Distribution of apartment rents in Seattle
(Fall 2015 survey; 20 unit and larger market rate apartments)

*** Excludes micro housing ***

Source: Dupre + Scott  www.duprescott.com
Distribution of apartment rents in Seattle
(Fall 2015 survey; 20 unit and larger market rate apartments)

*** Excludes micro housing ***

Green = 2010 & older
Red = 2011 & newer

Source: Dupre + Scott  www.duprescott.com
Apartment expenses per unit a year: Seattle
(20 unit and larger market rate apartments)

Source: Dupre + Scott  www.duprescott.com
Seattle rent by unit size: 2010 & newer construction
(Fall 2015 studio rents; winter survey of micros & SEDU developers)

*** PRELIMINARY ***

Source: Dupre + Scott: www.duprescott.com
Seattle housing type unit size: 2010 & newer const.
(Net rentable square feet per unit)

*** PRELIMINARY ***

Source: Dupre + Scott  www.duprescott.com
Seattle rent by housing type: 2010 & newer construction
(fall 2015 studio rents; winter survey of micros & SEDU developers)

*** PRELIMINARY ***

- **micro**: $871
- **SEDU**: $1,151
- **studio**: $1,433

Source: Dupre + Scott  www.duprescott.com
Questions?