LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
PACIFIC NORTHWEST, WA

MULTIFAMILY MARKET OVERVIEW

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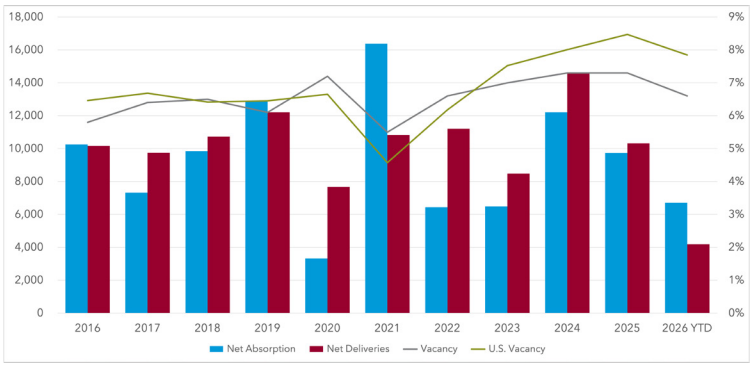
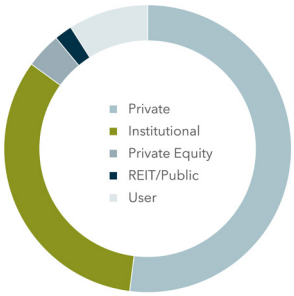
Absorption was up 11% in the third quarter over the 2nd quarter this year, but still down from the first quarter and second two quarters of last year. Vacancy is 6.57%, decreasing almost 4% since last quarter. Rents are virtually the same, but the price paid for those units is up nearly 21%, likely due to preponderance of larger, newer properties selling. The average Cap Rate showed slight compression down to 5.35% but we expect expansion with rates remaining stubbornly high. There are over 15K units under construction comprised of a small number of very large projects. The total unit inventory is just 1,235 more than in Q2 and just 5,246 over Q3 last year.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Absorption Units	7,343	6,584	8,407	9,740	11,320
▼ Vacancy Rate	6.57%	6.83%	7.03%	7.27%	7.17%
▼ Asking Rent/Unit	$2,113	$2,130	$2,097	$2,076	$2,095
▲ Sale Price/Unit	$364,817	$301,769	$254,467	$299,946	$295,576
▼ Cap Rate	5.35%	5.48%	5.66%	5.61%	5.51%
▼ Under Construction Units	15,260	15,711	16,465	14,672	14,689
▲ Inventory Units	409,154	407,919	406,134	404,966	403,908

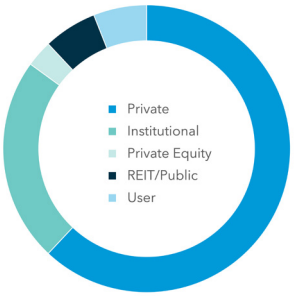
NET ABSORPTION, NET DELIVERIES, & VACANCY



SALE BY BUYER TYPE



SALE BY SELLER TYPE



***'Sale by Buyer' and 'Sale by Seller' Data is comprised of data from the previous 12 months.*

TOP SALE TRANSACTIONS	SALE PRICE	NUMBER OF UNITS	BUYER / SELLER
1000 Virginia St Seattle, WA	$353,000,000 $777,533 Per Unit	454	Sekisui House Holland Partner Group
2758 78th Ave SE Mercer Island, WA	$157,000,000 $668,085 Per Unit	235	Meisirow Financial UDR, Inc.
2116 4th Ave Seattle, WA	$155,000,000 $450,581 Per Unit	344	Waterton Binjiang LP

TOP SELLERS (PAST 12 MONTHS)	SALES VOLUME
Holland Partner Group	$252,500,000
Sekisui House	$252,500,000
UDR, Inc.	$235,500,000
Weidner Property Management LLC	$214,550,000
Goodman Real Estate Inc.	$207,800,000

TOP BUYERS (PAST 12 MONTHS)	SALES VOLUME
Sun Life	$725,500,000
Weidner Property Management LLC	$29,500,000
Security Properties, Inc.	$219,549,000
GID Investment Advisors LLC	$19,500,000
Kohlberg Kravis Roberts & Co LP	$17,200,000

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