

Downtown Seattle population rebounds, hits new high in 2021

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Waves of pedestrians walk along Pine Street near Fifth Avenue in downtown Seattle on Thursday. According to ESRI estimates, the greater downtown Seattle area recently hit a record population just shy of 99,000. (Greg Gilbert / The Seattle Times)

By

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It wasn't long after the pandemic took hold that some folks were prophesying the end of American cities. COVID-19 was supposed to be a game changer — who would ever want to live in a densely packed urban neighborhood anymore?

And for a while, people who had the means to leave were fleeing these neighborhoods, often heading to more tranquil, rural places. But as it turns out, the appeal of city living isn't so easily snuffed out.

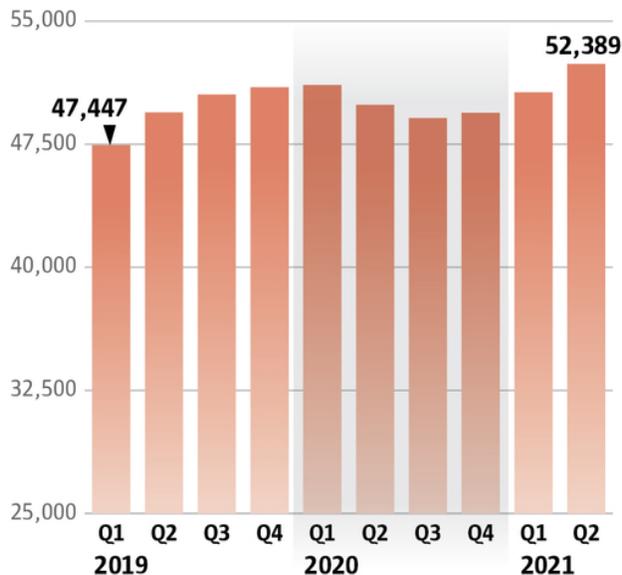
The population of downtown Seattle hit a new high in 2021, as did downtown apartment occupancy, according to data featured in a new report from the Downtown Seattle Association.

Now, I imagine a number of readers are immediately skeptical. Cheerleading downtown Seattle is the DSA's job, after all. But the data upon which their report is based comes from two independent sources with no stake in the game of bolstering downtown.

Downtown living on the rebound

After taking a hit during the pandemic, downtown Seattle apartment occupancy and rents hit all-time highs in the second quarter of 2021.

OCCUPANCY UNITS



ASKING RENT PER UNIT



Source: CoStar via Downtown Seattle Association Reporting by GENE BALK, graphic by MARK NOWLIN / THE SEATTLE TIMES

The first source is ESRI, a mapping software firm that also produces demographic data. According to their estimates, the greater downtown Seattle area hit a record population just shy of 99,000 in 2021. (The greater downtown area includes all the downtown Seattle neighborhoods, including First Hill and the part of Capitol Hill that runs from Broadway to the west.)

The growth of greater downtown has been remarkable over the past decade. ESRI's estimates show the population has increased by 60% since 2010, when the population was just 62,000.

Population estimates can be a little "squishy." But I'm inclined to believe that downtown's population is on the upswing because it's supported by the second data point in the DSA's report, which is a more concrete number.

It comes from CoStar, the nation's leading commercial real-estate data provider. Their data, which comes directly from property-manager reports for each building, shows record occupancy and record high rents for the greater downtown Seattle area in the second quarter of 2021.

There were about 52,400 occupied units in this period, beating the previous high number of about 51,100, which was in the first quarter of 2020, just before the pandemic hit. At the lowest point of 2020, the number of occupied units dipped to about 49,000.

In the middle of 2020, the number of move-outs greatly exceeded the number of move-ins. But now things have turned around. In the most recent quarter, there were 1,735 more move-ins than move-outs in downtown apartments (the data doesn't include condominium units).

Rents, which also dipped last year, have fully rebounded (not sure I'd call this part good news). In the most recent quarter, asking rents hit a high of \$2,221 in greater downtown. That just edges out the previous high of \$2,207 from the first quarter of 2020. Rent concessions are also down significantly from last year.

"I think in many ways we overstated the impact of the pandemic on people's behaviors and preferences, that have been trending toward urban places and walkability," said Jon Scholes, president of DSA. "I'm not surprised by the data, frankly."

Scholes thinks there is a sense of optimism about a downtown rebound, which is already underway in some ways. He notes that data on the number of visitors and hotel occupancy are moving in the right direction — in particular, leisure travel has bounced back strongly, Scholes says. On the other hand, the emergence of the delta variant of the coronavirus has complicated the return of office workers downtown, which may now be delayed.

"The idea that we're going to be returning to everybody being in the office five days a week is not the reality," Scholes said. "We're going to have a slow recovery of workers with their feet on the street and their dollars through the doors of places, and that's going to hold retail and restaurants back to some degree."

Scholes thinks Seattle is very well positioned for a rebound in business travel compared with other U.S. cities, and not just because of the massive convention center expansion that will open next year. It's also because of Seattleites themselves that business travelers may feel good about coming here.

"You know that this is a place that is 80-plus percent vaccinated," Scholes points out.

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