

Strong Population, Job Growth Contributed to High Demand for Seattle Apartments in 2019

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[Multifamily](#) has been one of the most popular property types for real estate professionals in Seattle over the past decade, and 2019 was no exception. Strong population growth and job growth in high-paying sectors contributed to high demand for apartments, and both developers and investors have responded.

Apartment development activity is still dynamic, with more than 20,000 units under construction in various parts of the Puget Sound region. This is especially evident in the downtown core and Eastside areas, where major tech employers add jobs at a rapid clip and light rail will arrive in 2023 and 2024.

Rent growth was up in continuously supply-inundated areas like downtown Seattle and Lake Union, both with easy access to major campuses for some of the highest-paying companies in the country.

Institutional investors continued to drive sales volume in 2019, with a record year on the books. But part of this was due to a change in the tax code: The statewide real estate excise tax went into effect in January 2020, which motivated investors to close sales in 2019, especially in the fourth quarter.

With a big change to the tax code, the next few years will be telling, especially on the capital markets side. But institutional investors with deep pockets will likely continue to target the Seattle market as long as economic indicators remain positive in the area.