
FOR THE EXCLUSIVE USE OF JVALENTINE@CLARKBARNES.COM

From the Puget Sound Business Journal:

<https://www.bizjournals.com/seattle/news/2022/07/11/seattle-area-multifamily-two-eastside-sales.html>

Investors plunk down \$346M for two new Eastside multifamily projects

Jul 11, 2022, 9:58pm PDT

As suburban apartment rents rise, multifamily developers are capitalizing by cashing out.

Two new projects — one in Kirkland and the other in Issaquah — sold last week for a total of \$345.75 million.

In Kirkland, a joint venture of Bellevue-based American Capital Group and Maryland-headquartered Artemis Real Estate Partners sold the two-building Uplund at 11723 NE 117th St. for \$242 million to GID of Boston, according to public records. The sellers in late 2020 paid \$56.7 million for the partially finished, 409-unit project by Kattera, which subsequently filed for bankruptcy.



COURTESY OF KIDDER MATHEWS

The new Heartwood Apartments in Issaquah sold last week, for \$768,518 per unit. That's nearly as much as what a new downtown Bellevue building sold for in September 2021.

In Issaquah, developer Trammell Crow Residential sold the five-story Heartwood at 1150 10th Ave. NE for \$103.75 million, or \$768,518 per unit. King County on Monday posted the sales affidavit, which lists the Seminole Tribe of Florida as the buyer.

That almost matches the Eastside record of \$770,370 per apartment paid for a new asset in Old Bellevue last summer. The region's record is \$861,765, set earlier this year by the sale of a downtown Seattle luxury tower.

Kidder Mathews' Simon Anderson multifamily team, which listed Heartwood for sale, announced the Issaquah sale Friday.

The 7.4-acre Uplund project in Kirkland was designed as a resort-style community with multiple resident lounges, private terrace courtyards and a hiking trail. The price works out to \$591,687 a unit.

"Uplund checked all the boxes with best-in-class finishes, a collection of amenities that exceed market standards, and a location near Interstate 405 with easy access to major employment centers, retail and recreation," CBRE Vice Chairman Eli Hanacek said in a news release.

He added Kirkland's pipeline of new apartment projects is "more subdued" than Bellevue and Redmond's, positioning projects like Uplund for long-term renter demand.

Hanacek listed the property with Jon Hallgrimson, Mark Washington and Kyle Yamamoto with CBRE Capital Markets in Seattle.

According to the Simon Anderson team's second quarter report, the Eastside once again led all of the Puget Sound region's submarkets in the highest average rent across all building ages, at nearly \$2,400 per month.

"What's more, East King also boasted the highest regional rent growth at 19% in the last year, as well as 7% in the last 90 days," the report states. Leasing velocity was such that the submarket's vacancy rate fell 270 basis points over the last year to 5%.

Strong job growth among high-tech companies is driving the multifamily market. Amazon.com Inc., for instance, had 7,500 employees in Bellevue by the end of 2021, according to the city's latest comprehensive annual financial report. That's up from 3,100 at the end of 2020.

Marc Stiles

Senior Reporter

Puget Sound Business Journal

