

# BUSINESS

seattletimes.com/business/technology | APRIL 5, 2007 | THURSDAY

**WEDNESDAY CLOSES**

▲ **Dow** 12,530.05  
up 19.75, +0.16%

▲ **Nasdaq** 2,458.69  
up 8.36, +0.34%

▲ **Seattle Times NW** 1,667.17  
up 1.45, +0.09%

▼ **10-year Treasury**  
4.65% yield, -0.01

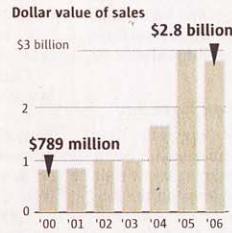
**Currencies**  
118.67 yen = \$1 1 euro = \$1.3367

## Investors eager to move into big apartment deals

SEATTLE ONE OF TOP SALES MARKETS

High cost of buying home means lots of potential renters

Real-estate investors from throughout the country are buying Seattle-area apartment buildings in hopes that the economy will remain strong.



Source: Dupre + Scott Apartment Advisors



Having just piloted a load of drywall up to the second floor, John Robinson readies another at the soon-to-be completed Ellipse apartment building in the University District. The building has been sold to investors outside the Seattle area.

BY AMY MARTINEZ  
Seattle Times business reporter

With local home prices increasingly beyond the financial reach of many workers, real-estate investors are placing their bets on apartments in the belief that demand for rentals will remain strong.

Last week, Kennedy Wilson Multifamily Management of Beverly Hills, Calif., paid \$46 million for a 401-unit apartment complex in Federal Way, while Equity Residential of Chicago bought the 202-unit Heronfield apartments in Kirkland for \$36 million.

The deals are the latest in what is shaping up to be another busy year for apartment sales in the Seattle area.

In the past three months, more than 4,300 apartment units have sold for a total of about \$540 million.

That's a similar pace to last year, when \$2.8 billion worth of apartments eventually changed hands, according to Dupre + Scott Apartment Advisors.

Real-estate investors consider the Seattle area one of the best places in the United States to own apartment buildings, pointing to its strong job growth, diversified economy and location between water and mountains, which limits available land for new developments.

"Investors look at our area and say it's supply-constrained," said Mike Scott, a partner with Dupre + Scott in Seattle.

"That's a positive thing for investors, because it reduces the risk of too much competition from too much construction."

In King County, the median household income for 2006 was an estimated \$65,940, according to the Washington state Office of Financial Management. A household on that income generally can't afford King County's 2006 median single-family home price of \$425,000, according to calculations by Don Taylor, a columnist for Bankrate.com.

"There are going to be people out there who may not have the capacity to buy, and a rental is their only option," said Doug Daley, CEO of Seattle-based Harbor Properties.

Harbor recently sold a just-completed  
Please see > **RENTALS, D4**

