

MULTIFAMILY PROPERTY TAX EXEMPTION PROGRAM

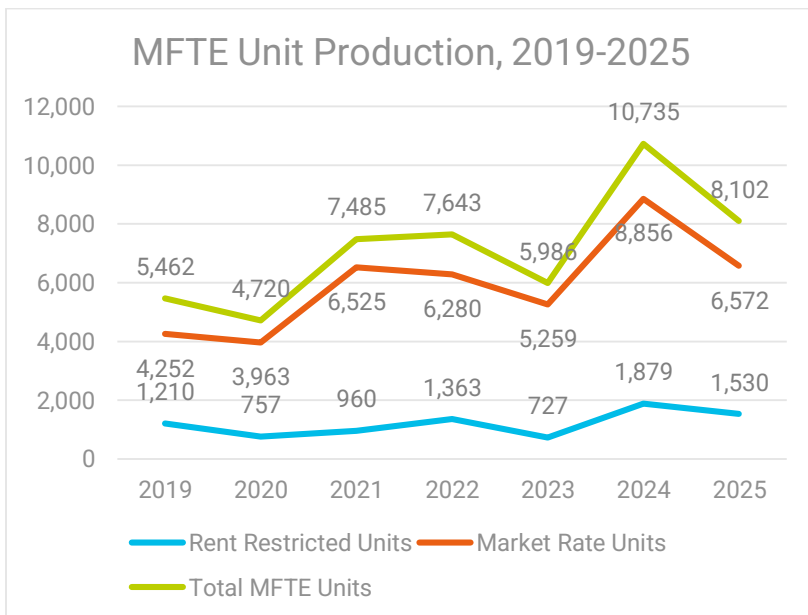
Annual Report

The multifamily property tax exemption (MFTE) program provides property owners with a temporary property tax exemption in exchange for the development of market rate or affordable units to meet local housing needs.

Highlights of 2025

In 2025, the MFTE program incentivized the creation of 8,102 new units in 24 jurisdictions. This represents the most jurisdictions that have ever issued certificates in the program in a single year. To date about half MFTE units have been in Seattle. In 2025, the majority of units were produced outside Seattle, demonstrating the continued relevance of MFTE to encourage multifamily development.

Developers used MFTE for the second-highest number of units in the history of the program in 2025. Data show MFTE was used for about 30% of the total new multifamily units in the state in the last two years. This shows that MFTE remains a vital tool for jurisdictions to incentivize housing growth, even in the current period of higher interest rates and construction costs.



By the numbers

Jurisdictions with MFTE program:

60

New MFTE projects, 2025:

71

Units incentivized by MFTE, 2025:

8,102

Total development value (est.):

\$2.25 billion

Total year-1 tax exemption (est.):

\$19.99 million

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[MFTE Webpage](#)



Final MFTE certificates issued in 2025¹

MFTE extensions and a list of all jurisdictions operating an MFTE program are available later in the report.

Jurisdiction	# of new projects	Exemption term	Rent-restricted units	Total units	2025 residential assessed value	2025 taxable value	Tax exemption, year 1	Per unit exemption*
Bellevue	2	12 years	85	423	\$194,259,746	\$42,782,160	\$1,124,960	\$2,659
Bremerton	4	8 and 12 years	16	259	\$89,590,280	\$3,010,780	\$767,091	\$2,962
Everett	1	12 years	6	29	\$4,085,400	\$322,400	\$32,804	\$1,131
Kirkland	1	12 years	28	142	\$55,463,100	\$4,255,600	\$433,092	\$3,050
Lacey	1	8 years	0	50	\$9,997,700	\$1,934,200	\$83,457	\$1,669
Lakewood	2	8 and 12 years	2	22	\$5,420,900	\$1,321,300	\$38,290	\$1,740
Olympia	2	8 years	0	127	\$18,946,700	\$3,649,221	\$161,235	\$1,270
Othello	1	12 years	9	48	\$3,498,040	\$806,000	\$26,354	\$549
Pierce County	1	12 years	21	104	\$25,660,400	\$3,481,717	\$236,150	\$2,271
Port Angeles	3	8 and 12 years	3	16	\$1,371,695	\$280,000	\$9,723	\$608
Port Orchard	2	8 and 12 years	12	166	\$37,625,290	\$1,497,300	\$315,907	\$1,903
Puyallup	1	8 years	0	12	\$3,721,600	\$1,204,800	\$24,704	\$2,059
Redmond	3	8 and 12 years	124	883	\$334,826,900	\$63,691,100	\$2,277,167	\$2,579
Renton	1	12 years	277	590	\$241,939,100	\$15,775,800	\$2,392,432	\$4,055
SeaTac	1	12 years	22	108	\$25,014,000	\$10,374,700	\$163,898	\$1,518
Seattle	10	12 years	409	1950	\$678,397,517	\$62,534,835	\$6,102,245	\$3,129
Shoreline	5	12 and 20 years	326	1627	\$301,041,300	\$39,160,311	\$2,606,494	\$1,602
Spokane	8	8 and 12 years	52	226	\$30,793,410	\$3,461,210	\$270,315	\$1,196
Sumner	1	12 years	33	162	\$45,359,800	\$9,050,600	\$431,226	\$2,662
Tacoma	15	8 and 12 years	56	550	\$100,362,500	\$10,399,090	\$978,479	\$1,779
Tukwila	1	8 years	0	285	\$77,935,000	\$4,240,957	\$864,248	\$3,032
Vancouver	2	12 years	20	98	\$12,733,652	\$4,333,247	\$81,363	\$830
Wenatchee	2	8 and 12 years	3	18	\$3,639,418	\$365,713	\$26,878	\$1,493
Woodinville	1	8 years	26	207	\$86,543,000	\$26,451,715	\$542,528	\$2,621
Total	71		1,530	8,102	\$2,388,226,448	\$314,384,756	\$19,991,042	\$2,467

¹ The best available data, at the time, was used to develop the table above. Column headers that include an asterisk (*) are estimates

Extensions of MFTE certificates in 2025

Amendments to RCW 84.14.020(6) in 2021 authorized communities to offer a twelve-year extension to projects receiving an MFTE exemption. They may extend the term of property tax exemption for market rate or affordable housing projects for an additional twelve years, provided they include affordable units. Projects must be in compliance with state and local MFTE requirements and within 18 months of the expiration of their tax exemption to be eligible for an extension. The following jurisdictions reported issuing extensions in 2025.

Jurisdiction	# of extensions	Rent Restricted Units	Market Rate Units	Total Units	Tax Exemption Renewal Duration
Seattle	6	107	430	537	12 years
Tacoma	1	28	111	139	12 years
Total	7	135	541	676	

All jurisdictions offering MFTE programs

- Pierce County
- Auburn
- Bainbridge Island
- Battle Ground
- Bellevue
- Bellingham
- Blaine
- Bothell
- Bremerton
- Burien
- Camas
- College Place
- Covington
- Des Moines
- Edmonds
- Ellensburg
- Enumclaw
- Everett
- Federal Way
- Ferndale
- Fife
- Issaquah
- Kenmore
- Kent
- Kirkland
- Lacey
- Lake Forest Park
- Lake Stevens
- Lakewood
- Leavenworth
- Lynnwood
- Maple Valley
- Marysville
- Moses Lake
- Mountlake Terrace
- North Bend
- Olympia
- Othello
- Port Angeles
- Port Townsend
- Puyallup
- Redmond
- Renton
- SeaTac
- Seattle
- Shoreline
- Snohomish
- Snoqualmie
- Spokane
- Sumner
- Tacoma
- Tukwila
- Tumwater
- University Place
- Vancouver
- Walla Walla
- Washougal
- Wenatchee
- Woodinville
- Yakima

Changes to state law in 2021 opened the multifamily property tax exemption program to all cities in Washington state. An additional update in 2025 authorized all counties with unincorporated populations above 170,000 to create a program in their unincorporated urban growth areas. As of 2026, Clark, King, Kitsap, Pierce and Snohomish counties are authorized to offer MFTE programs.

In 2025, 60 jurisdictions reported to Commerce that they offer an MFTE program, an increase of two, with North Bend and Leavenworth reporting for the first time. Port Orchard repealed their program in 2023 but

continues to have existing projects under contract. Pierce County continues to be the only county to offer an MFTE program.

If your jurisdiction is interested in adopting an MFTE program or would like to update your jurisdiction's status on this list, contact the program administrator.

MFTE monitoring program

In 2021, [RCW 84.14.100](#) was amended to require Commerce to develop a statewide monitoring program to support cities that offer MFTE certificates. Monitoring must be conducted at least once every five years for each property with affordable units and a for-profit owner. The monitoring program reviews whether property owners are offering the required number of affordable housing units at appropriate rents to eligible tenants, and meeting the requirements set out in the developers' agreements with cities. In addition, Commerce provides support for multiple jurisdictions operating their own independent audit or review programs.

Year	Jurisdictions	Projects Monitored	Total Affordable Units*	Penalties
2024	6	42	1026	0
2025	7	34	714	0
2026	7	13	310	<i>Monitoring in progress</i>

**Per standard monitoring procedures, a sample of the total units are monitored.*

In 2024 and 2025, monitoring found no significant instances of wrongdoing and Commerce has not recommended any penalties or plans of correction for MFTE projects. Commerce recommended minor process and contract improvements to jurisdictions as a result of monitoring, including improving tenant record retention.

2026 monitoring is still ongoing. Monitoring conducted in 2026 will cover buildings which received their exemption starting in 2021. Learn more in our updated [MFTE Monitoring Program Guide](#).

Support for MFTE

The following resources are available on the MFTE webpage at commerce.wa.gov/mfte:

- [MFTE Administrator's Workbook](#)
- [2025 Update to MFTE Monitoring Program Guide](#)
- [2023 MFTE Legislative Report](#)
- Prior annual reports, webinars, fact sheets, code samples, and sample documentation.

A new version of the MFTE Administrator's Workbook has been published for 2026, containing updates for new transit-oriented development legislation, information on the monitoring program, accessibility updates, information on intersection with other housing incentive programs, and additional resources requested by our partner jurisdictions.