



SEATTLE & PORTLAND MULTIFAMILY INVESTMENTS

2020 SALES MARKET STUDY

Comprehensive
Apartment Sales
Analysis

Seattle & Portland



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INTRODUCTION

FEBRUARY 2020

Welcome to a brand-new decade—and what better way to kick it off than with an analysis of the sale of all apartment buildings that defined 2019! Reflecting on the past decade and a half of apartment sales clearly sets the stage for the decade to come.

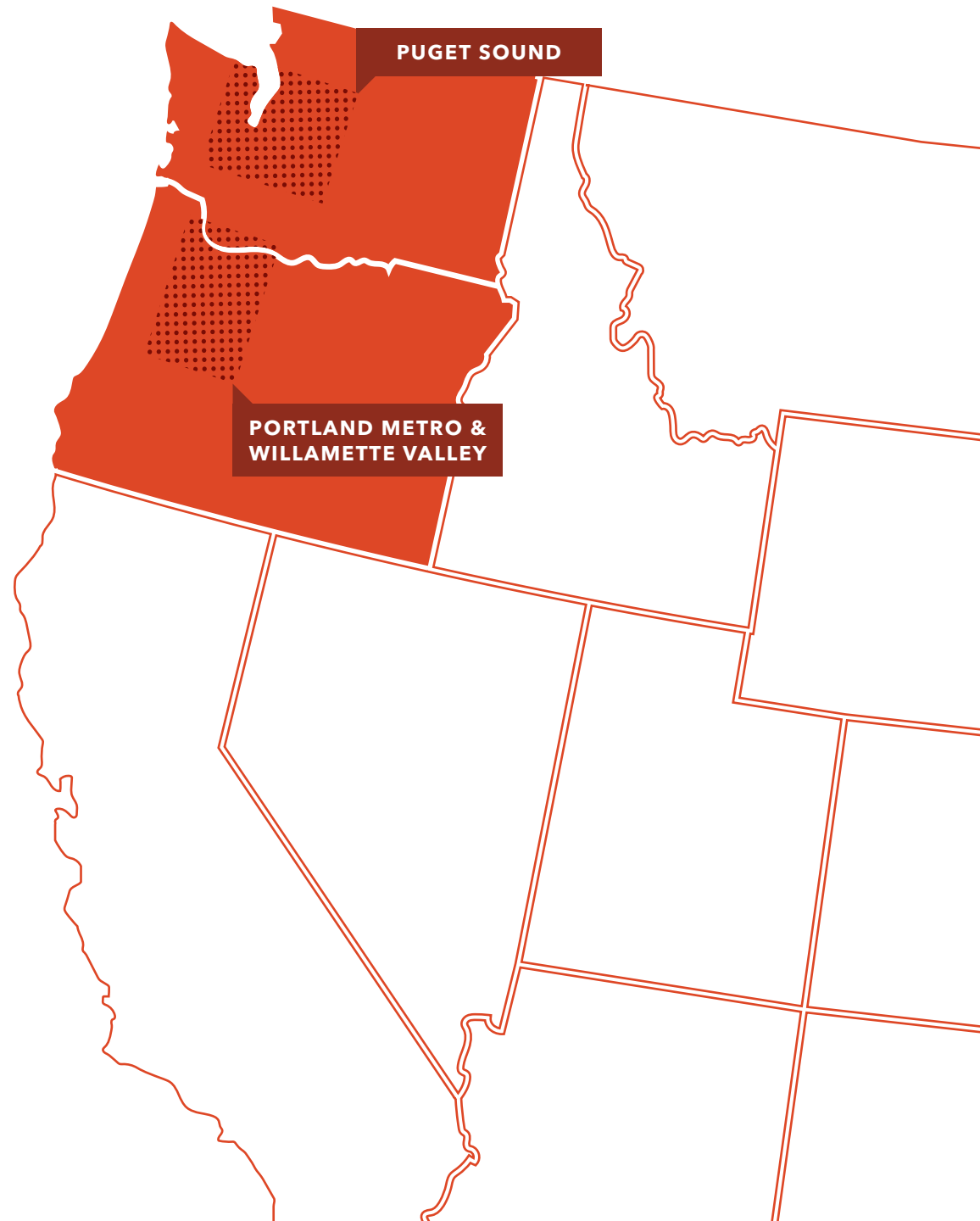
Across the Pacific Northwest, our investment markets unabashedly proved their worth and staying power, setting records in both volume and pricing. While Portland and Seattle's urban markets remain the apples of investors' eyes, their surrounding suburban counterparts are catching up as employment growth continues and apartment investors chase yield.

Facing a long-maturing market cycle and election year, 2020 has the potential to create uncertainty, which is why we've compiled this study to provide you with granular market data and insights to enable informed investment decisions.

The following pages cover sales of 5+ unit apartment buildings across the Puget Sound (King, Snohomish, Pierce, and Kitsap Counties) and Portland Metro (Multnomah, Washington, Clackamas, and Clark Counties), as well as 20+ unit buildings in the Willamette Valley (Salem and Eugene Metros).

In addition to tracking each region's 2019 apartment sales metrics, the study provides an in-depth look at sales trends over the last 15 years and a detailed breakdown of data by building age and size.

Please reach out to further discuss this study and how it directly applies to your unique investment strategy. We look forward to partnering with you to put our market insights to work to achieve your investment goals through 2020 and beyond!



SEATTLE

MULTIFAMILY INVESTMENT SALES SPECIALISTS

Our goal is to help you maximize your multifamily investments, whether that means selling your apartment building faster and for more money, or providing advisory services for assets you plan to hold or want to buy. And while anyone can promise you results, we deliver on our promises with a data-driven understanding of the market, an extensive buyer reach, and exceptional marketing that cuts through the noise.

\$988M

TOTAL VALUE SOLD & UNDER CONTRACT

7,538

TOTAL UNITS SOLD & UNDER CONTRACT

976,611 SF

DEVELOPMENT LAND SOLD & UNDER CONTRACT

\$131M

ACTIVE LISTINGS & LISTINGS COMING TO MARKET

Dylan Simon

Executive Vice President



Dylan is a market-leading broker throughout Seattle and the Puget Sound region, specializing in the sale of apartment buildings and development land, with expertise in sales strategies, market knowledge, and industry trends.

Jerrid Anderson

Executive Vice President



Jerrid is an apartment broker specializing in micro apartment, urban apartment, and development land sales. He is passionate about marketing and video content.

Matt Laird

Senior Associate



Matt is an apartment broker specializing in 5-30 unit urban and suburban apartment sales, underwriting, valuations, and market research.

Brandon Lawler

Associate



Brandon specializes in business development, market research, and off-market acquisitions.

Alex Mundy

Debt & Equity Finance



Alex leads mortgage brokerage for the team, specializing in loan origination and financial underwriting.

Tyler Blaikie

Financial Analyst



Tyler specializes in financial underwriting, apartment and development land valuations, market research, and data analysis.

Cate Chase

Senior Marketing Specialist



Cate manages promotion and design for both team and property marketing, specializing in writing, branding, digital strategy, PR, and events.

Michelle Yeh

Vice President



Michelle oversees all team processes, ensuring optimal efficiency and value creation with a strategic lens for listing activities.

PORTLAND

MULTIFAMILY INVESTMENT SALES SPECIALISTS

With our extensive experience and unsurpassed market knowledge, the Portland Kidder Mathews multifamily team is the market leader in multifamily brokerage services in Oregon and Southwest Washington. We focus on the acquisition and disposition of traditional apartments, new construction apartments, mixed-use buildings, and development land. With over \$500M in sales since 2015, our team continues to set the bar, both in terms of pricing and client service.

\$956M

**TOTAL VALUE SOLD &
UNDER CONTRACT**

8,714

**TOTAL UNITS SOLD &
UNDER CONTRACT**

259,984 SF

**DEVELOPMENT LAND SOLD &
UNDER CONTRACT**

\$80M

**ACTIVE LISTINGS & LISTINGS
COMING TO MARKET**

INTRODUCTION

Clay Newton

Executive Vice President



Clay has been a leader in the Portland multifamily market for more than 20 years, specializing in the representation of apartment owners and investors of assets valued between \$2 and \$30M. A Portland native, Clay joined Kidder Mathews in 2013, helping take the multifamily team to new heights year after year.

Jordan Carter

Executive Vice President



Jordan has been with Kidder Mathews since 2006 when he started the multifamily team in the Portland office. A licensed attorney by trade and a frequent speaker at industry events, he specializes in everything multifamily and has closed more than \$500 million in transactions since 2015. Jordan's legal background and knowledge of the construction industry benefit his clients by bringing a unique perspective to help evaluate and facilitate multifamily transactions.

Tyler Linn

Vice President



Tyler brings an accounting background to brokerage, where he specializes in the representation of owners in the disposition and acquisition of multifamily properties, as well as business development and transaction management and advisory services.

Blair Van Baush

Multifamily Client Services Coordinator

Blair wears many hats for the Portland multifamily team, overseeing marketing, writing, research, escrow management, and overall team coordination.





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YEAR IN REVIEW

SEATTLE & PORTLAND

We know the West Coast. In fact, Kidder Mathews is the largest independent commercial real estate firm on the West Coast. The company boasts 800 local market specialists and top-producing professionals—serving the most active commercial real estate investor-owner clients out of 22 offices across five states. Each office's expertise is reinforced by the relationships, intelligence, and experience of our entire firm.

PUGET SOUND

The Seattle and Puget Sound region truly broke away from a logging and aerospace heritage in the last several decades, establishing itself as one of the most vibrant technology and lifestyle regions in the nation. Seattle is now the home to some of the most recognizable employers on the planet, and the entire region continues to fire on all cylinders as life sciences, aerospace,

manufacturing, and trade industries drive forward the economies of King, Snohomish, Pierce, and Kitsap Counties.

And residents and newcomers don't just enjoy the Puget Sound's dense employment opportunities—the region is increasingly becoming known as both an outdoor mecca and foodie paradise. It's no surprise that the Puget Sound is developing a widespread, favorable reputation on the global stage.

PORTLAND METRO & WILLAMETTE VALLEY

The Portland Metro and Willamette Valley regions support the bulk of Oregon's population and economy, all within a two-hour drive.

Portland has been one of the top moving destinations in the country for several years running, and is known for its parks, bridges, and bike paths, as well as for its eco-friendliness, microbrews, and coffee houses.

The Willamette Valley, just south of Portland down the I-5 corridor, is home to the state capital (Salem) and two major state universities, Oregon State University and the University of Oregon.

2019 SALES METRICS

	Puget Sound	Portland Metro & Willamette Valley
Total NO. OF SALES	353	177
Total SALES VOLUME	\$7.37B	\$2.28B
Avg PRICE/UNIT	\$266,376	\$186,813
Avg PRICE/SF	\$348	\$206
Avg CAP RATE	4.7%	5.3%

2019 MARKET FUNDAMENTALS

	Puget Sound	Portland Metro & Willamette Valley
Population	4,236,884	3,297,423
No. of Apartment Units	341,339	233,586
% Renters	38.6%	39.9%
Avg Rent	\$1,696	\$1,279
Avg Household Income	\$115,444	\$91,964
YOY Employment Growth	4.5%	1.6%

HISTORICAL PERFORMANCE

The Pacific Northwest continues its ascendancy as one of the most active apartment investment regions in the United States. Once considered secondary and tertiary markets, Seattle and Portland are squarely in the global spotlight as durable and bankable apartment investment markets. Nothing punctuates the dynamism of these markets more than a look back at sales metrics over the previous 15 years.

Sales peaks in investment volume and pricing occurred in both markets in the mid-2000s, and again in the mid- to late-2010s, proving cyclical market behavior and investment market growth. Each market continues to demonstrate investor demand, measured by steady sales price appreciation and capitalization rate compression. Yet nuances persist within each market geography and segment—making study of this entire report even more crucial to the active apartment owner and investor.

PUGET SOUND

Year	2013	2014	2015	2016	2017	2018	2019
No. of Sales	293	330	380	396	308	304	353
Sales Volume	\$2.49B	\$3.34B	\$4.82B	\$5.66B	\$4.29B	\$4.37B	\$7.37B
Avg Price/Unit	\$154,080	\$163,751	\$183,497	\$196,679	\$228,809	\$245,709	\$266,376
Avg Price/SF	\$204	\$227	\$243	\$258	\$311	\$343	\$348
Avg Cap Rate	5.3%	5.2%	4.9%	4.8%	4.6%	4.5%	4.7%

ALL BUILDING AGES, ALL SALES VALUES; ALL COUNTIES – 5+ UNIT APARTMENT BUILDINGS

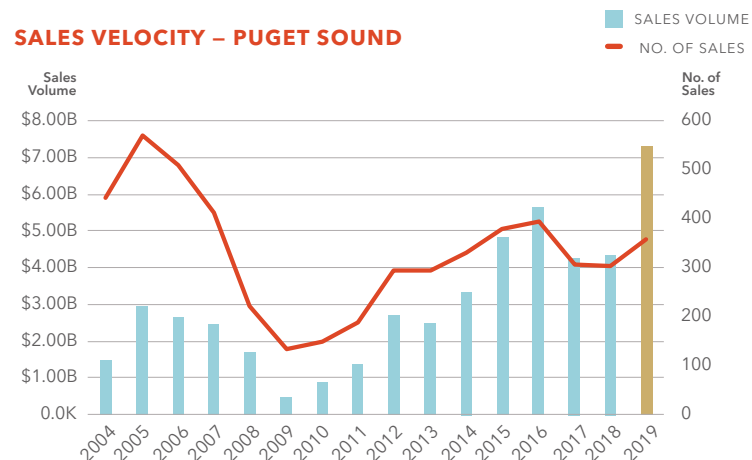
PORTLAND METRO & WILLAMETTE VALLEY

Year	2013	2014	2015	2016	2017	2018	2019
No. of Sales	121	128	186	218	169	206	177
Sales Volume	\$1.04B	\$1.41B	\$1.98B	\$2.83B	\$1.61B	\$2.38B	\$2.28B
Avg Price/Unit	\$90,303	\$116,803	\$135,455	\$148,127	\$169,681	\$180,465	\$186,813
Avg Price/SF	\$105	\$118	\$161	\$164	\$197	\$214	\$206
Avg Cap Rate	6.5%	6.2%	5.6%	5.5%	5.5%	5.3%	5.3%

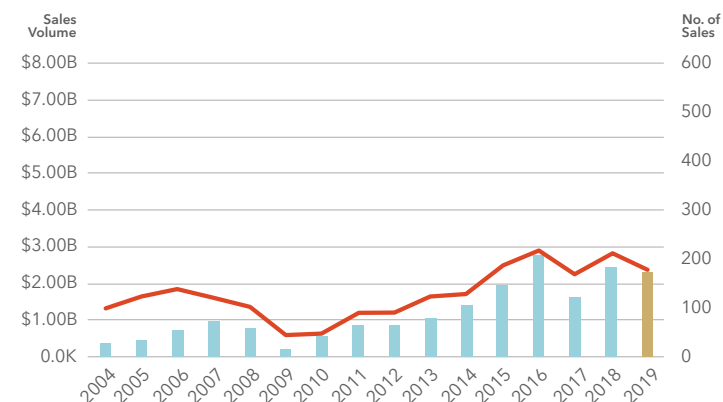
ALL BUILDING AGES, \$1M+ VALUE; PORTLAND METRO – 5+ UNIT APARTMENT BUILDINGS; WILLAMETTE VALLEY – 20+ UNIT APARTMENT BUILDINGS

SEATTLE & PORTLAND

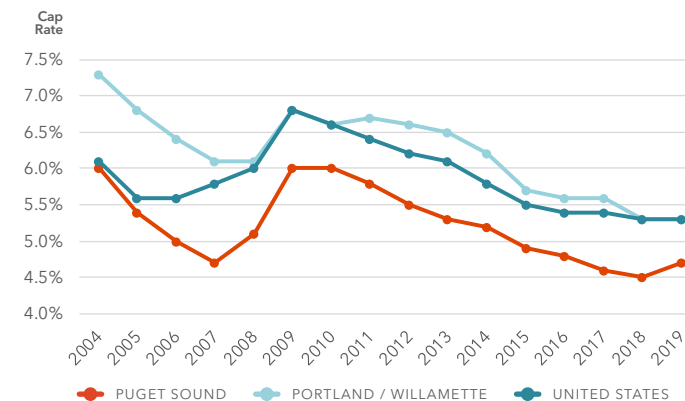
SALES VELOCITY – PUGET SOUND



SALES VELOCITY – PORTLAND METRO & WILLAMETTE VALLEY



AVERAGE CAP RATE



PUGET SOUND

2019 SALES METRICS BY SUBMARKET

Apartment investment volume of nearly \$7.4B in 2019 once again proves the strength and resilience of the Puget Sound region. Urban sales dominate overall volume, but near-record sales across all suburban markets demonstrates the region's vibrancy as a whole.

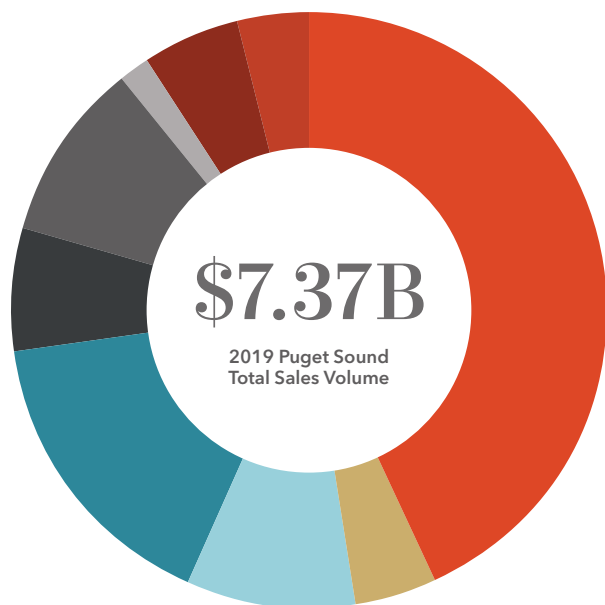
URBAN KING

With 40% of all apartment sales, Urban King remains the most actively traded market geography, while also demonstrating the highest pricing and lowest capitalization rates. Yet all other markets signal impressive investment demand.

SUBURBAN MARKETS

The region's suburban markets meet or beat Urban King in terms of total sales as a percentage of total inventory. Both South King and South Snohomish—decidedly suburban markets—nearly doubled Urban King in the percentage of total inventory of buildings that traded hands in 2019, proving investor demand continues to surge outside core, urban markets.





Region	Total No. of Sales	Total Sales as % of Inventory*	Sales Volume	Avg Price/Unit	Avg Price/SF	Avg Cap Rate
URBAN KING	146	4%	\$3.19B	\$346,893	\$486	4.3%
NORTH KING	31	5%	\$331M	\$268,706	\$353	4.7%
EAST KING	11	4%	\$684M	\$380,603	\$441	4.4%
SOUTH KING	62	7%	\$1.17B	\$186,501	\$224	5.2%
NORTH SNOHOMISH	26	4%	\$481M	\$183,812	\$202	5.3%
SOUTH SNOHOMISH	21	7%	\$728M	\$248,710	\$272	4.4%
URBAN TACOMA	12	4%	\$127M	\$178,940	\$245	4.6%
SUBURBAN PIERCE	38	4%	\$392M	\$152,748	\$182	5.5%
KITSAP	6	4%	\$270M	\$225,135	\$238	5.6%

*INVENTORY = TOTAL NO. OF BUILDINGS IN EACH SUBMARKET



KING COUNTY

2019 SALES METRICS

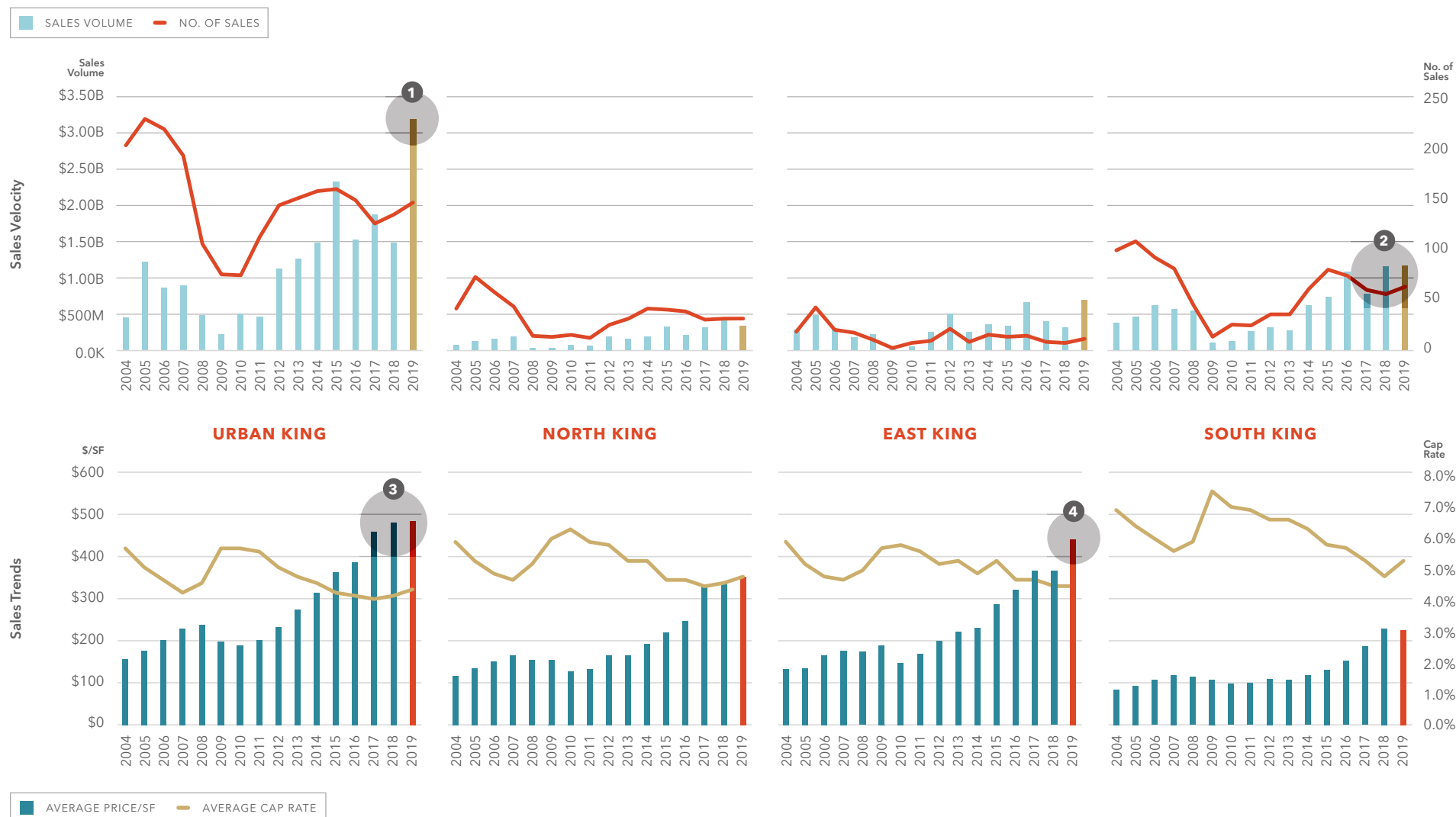
	Urban King	North King	East King	South King
Total NO. OF SALES	146	31	11	62
Total SALES VOLUME	\$3.19B	\$331M	\$684M	\$1.17B
Avg PRICE/UNIT	\$346,893	\$268,706	\$380,603	\$186,501
Avg PRICE/SF	\$486	\$353	\$441	\$224
Avg CAP RATE	4.3%	4.7%	4.4%	5.2%

MARKET FUNDAMENTALS

	King County (All)	Seattle
Population	2,236,075	721,685
No. of Apartment Units	235,052	104,739
% Renters	43.5%	56.0%
Avg Rent	\$1,847	\$1,994
Avg Household Income	\$129,934	\$126,785
YOY Employment Growth	4.1%	4.7%*
YOY Wage Growth	6.7%	**

* EMPLOYMENT DATA FOR SEATTLE-TACOMA-BELLEVUE MSA.

**AVERAGE WEEKLY WAGE DATA FOR THE SEATTLE METRO NOT AVAILABLE. YOY GROWTH OF MEAN HOURLY WAGE IS 3.6% FOR THE SEATTLE-TACOMA-BELLEVUE MSA.



1. Undoubtedly, the impending 2020 increase in excise transfer tax drove urban sales volume in 2019 beyond any previous market peak.
2. South King experienced a sales surge in sub-50-unit buildings in the last two years as small, private investors followed larger, more institutional investors out of urban markets—both chasing yield.
3. Despite excise-tax-driven sales, strong apartment fundamentals in 2019 gave buyers confidence for aggressively priced purchases within Seattle's core, urban markets.
4. Sales prices in East King hit a new high water mark as investors purchased newly completed apartment buildings at record-low capitalization rates—showcasing the impact of the migration of technology companies to the Eastside.

SNOHOMISH, PIERCE & KITSAP COUNTIES

2019 SALES METRICS

	Snohomish	Pierce	Kitsap
Total NO. OF SALES	47	50	6
Total SALES VOLUME	\$1.21B	\$519M	\$270M
Avg PRICE/UNIT	\$212,809	\$159,034	\$225,135
Avg PRICE/SF	\$233	\$197	\$238
Avg CAP RATE	4.8%	5.2%	5.6%

The Puget Sound region's suburban markets received tremendous attention from apartment investors over the course of 2019. Each of these counties experienced higher pricing and lower capitalization rates year-over-year as investors chased yield outside of core, urban markets.

Pierce and Kitsap Counties became more mainstream investment markets and the upward velocity of sales dynamics in each market validated investor demand. Pricing in excess of \$200,000 per unit and \$200 per net rentable square foot became the norm—pricing previously reserved for King and South Snohomish Counties.

MARKET FUNDAMENTALS

	Snohomish	Pierce	Kitsap
Population	823,512	795,225	251,133
No. of Apartment Units	42,204	55,363	8,720
% Renters	32.4%	34.0%	29.6%
Avg Rent	\$1,497	\$1,266	\$1,398
Avg Household Income	\$106,519	\$90,365	\$96,356
YOY Employment Growth	4.1%	5.5%	6.3%*
YOY Wage Growth	3.6%	5.1%	3.6%

* YOY EMPLOYMENT GROWTH FOR BREMERSON MSA. EMPLOYMENT GROWTH DATA FOR KITSAP COUNTY NOT AVAILABLE.



1. Snohomish County's banner year of sales volume in 2016 was almost matched in 2019, but this time sales were dominated by recently built apartment buildings, driving sales volume with extremely high pricing.
2. Despite a dip in 2017, sales volume in Pierce County is on a tear as investors chase yield outside of the core of King County.
3. High pricing and low capitalization rates in Snohomish signal sales of newly constructed apartment buildings sold at pricing mimicking urban markets. Expect this trend to continue!
4. Capitalization rates plummeted in Kitsap County in 2013 and remain low, matching the new norm throughout the Puget Sound.

PORTLAND METRO & WILLAMETTE VALLEY

2019 SALES METRICS BY SUBMARKET

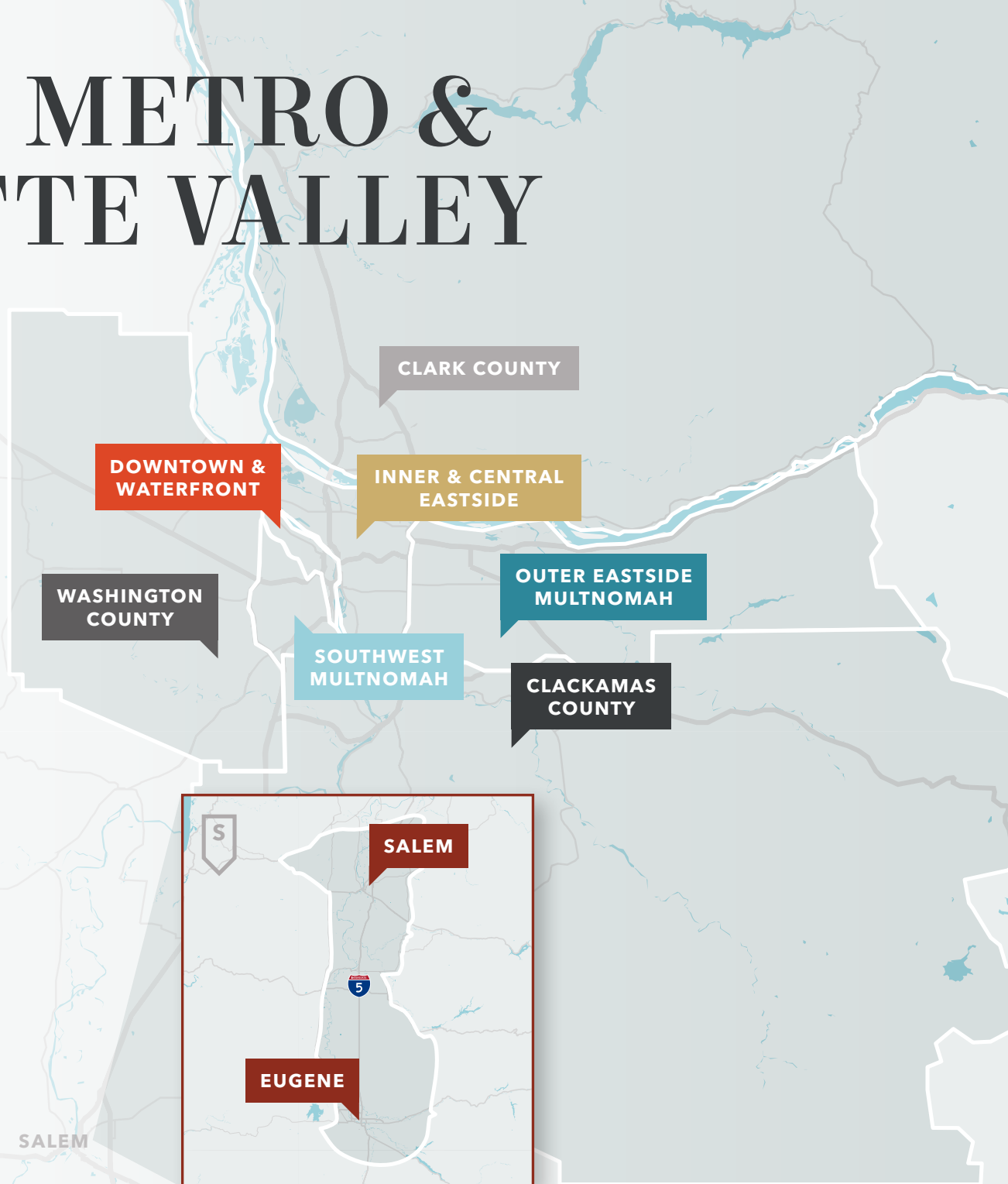
With \$2.3B in apartment sales in 2019, transactions in the Portland Metro and the Willamette Valley were down 5%, but overall volume increased by 30%, illustrating the demand that continues to drive the apartment market to new pricing highs. Despite new local regulations, cap rates compressed for a record 8th year in a row and average price per unit continued to rise. With a strong economy and market fundamentals, the Portland Metro will remain one of the country's leading investment markets for the foreseeable future.

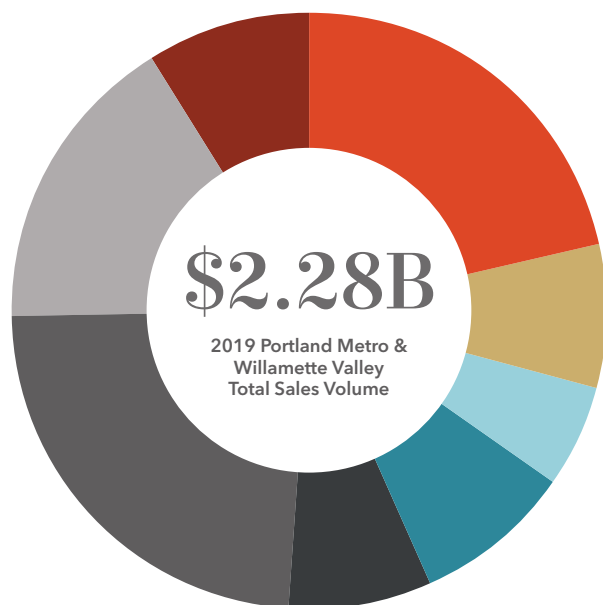
PORTLAND METRO

Comprising four counties, the Portland Metro is Oregon's dominant apartment sales market, accounting for over 85% of the State's total sales. Within the Metro area, a few submarkets stand out as the most active.

PORTLAND SUBMARKETS

Within the metro area, Multnomah County (home to Portland and Gresham) leads with 55% of all sales. Breaking the metro down further, Portland's Inner & Central Eastside was the most transactional (21% of all sales), while Outer Eastside Multnomah and Washington County were close behind with 20% each. However, Washington County accounted for 25% of the Metro's total sales volume, with Portland's Downtown & Waterfront submarket close behind with 24%. These two distinct submarkets illustrate Portland's diversity of demand, with investors highly active in both the core and in the suburbs.





Region	Total No. of Sales	Total Sales as % of Inventory*	Sales Volume	Avg Price/Unit	Avg Price/SF	Avg Cap Rate
DOWNTOWN & WATERFRONT	16	3%	\$492M	\$291,386	\$310	4.7%
INNER & CENTRAL EASTSIDE	34	2%	\$175M	\$211,250	\$267	5.1%
SOUTHWEST MULTNOMAH CO	8	3%	\$128M	\$169,732	\$177	5.0%
OUTER EASTSIDE MULTNOMAH CO	33	5%	\$195M	\$139,240	\$160	5.8%
CLACKAMAS CO	17	5%	\$174M	\$183,643	\$180	5.3%
WASHINGTON CO	34	5%	\$543M	\$184,040	\$195	5.4%
CLARK CO	18	3%	\$369M	\$202,512	\$212	5.3%
WILLAMETTE VALLEY	17	1%	\$200M	\$131,996	\$135	5.8%

*INVENTORY = TOTAL NO. OF BUILDINGS IN EACH SUBMARKET

PORTLAND METRO & WILLAMETTE VALLEY

2019 SALES METRICS

	Portland Metro	Willamette Valley
Total NO. OF SALES	160	17
Total SALES VOLUME	\$2.08B	\$200M
Avg PRICE/UNIT	\$192,637	\$131,996
Avg PRICE/SF	\$214	\$135
Avg CAP RATE	5.3%	5.8%

Accounting for nearly 60% of the State's total population, it's no surprise that Oregon's apartment market is dominated by the Portland Metro area. Portland's strong economy and market fundamentals have fueled an active apartment market for several years in a row. All counties, except Washington, saw pricing continue to rise and cap rates decline. As a suburban submarket, Washington County had more institutional sales in 2018 than 2019, which drove pricing exceptionally high and cap rates exceptionally low.

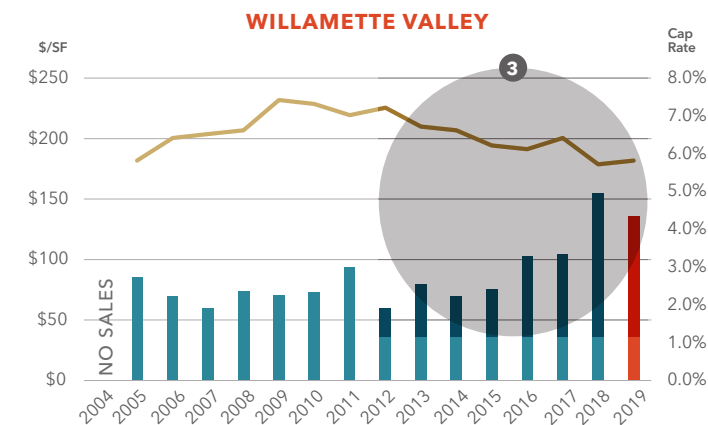
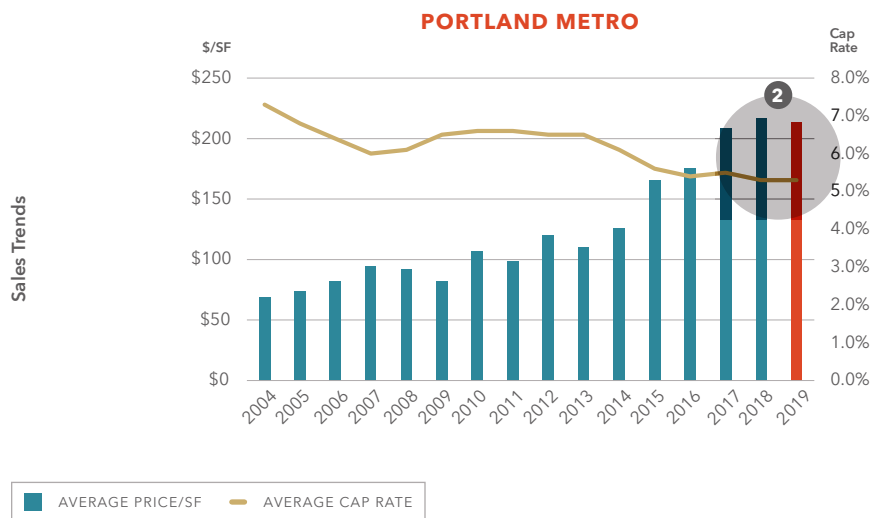
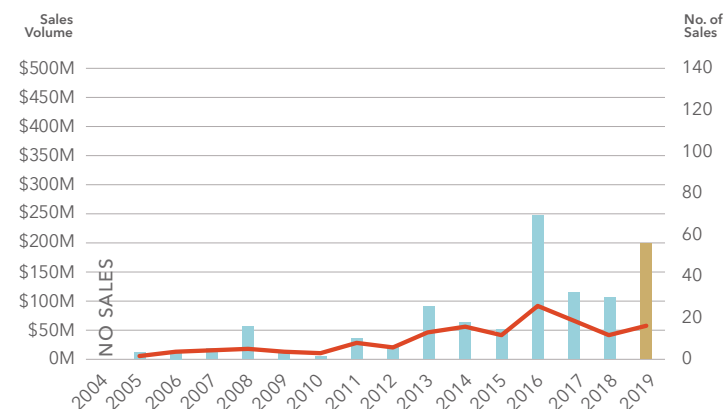
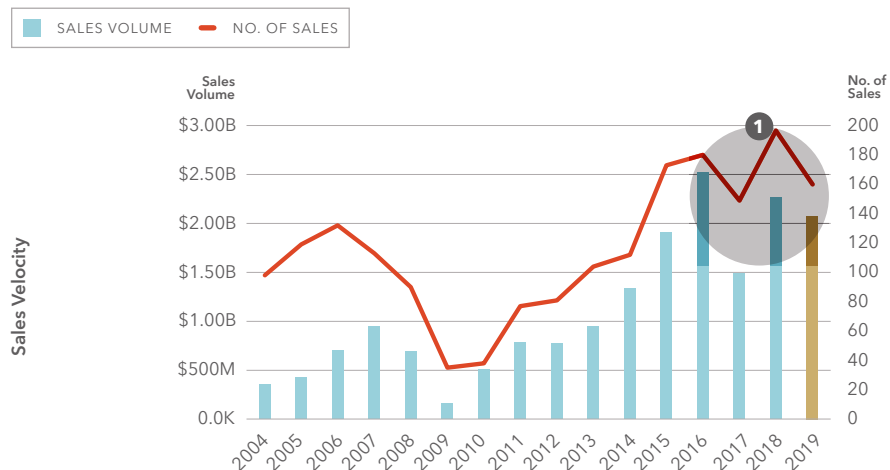
As a substantively smaller market, the Willamette Valley lags behind the Portland Metro in terms of rental rates and sales pricing. Yet, with average pricing now over \$130,000 per unit and sub-6% cap rates, this submarket is right where Portland pricing hit just five short years ago.

MARKET FUNDAMENTALS

	Portland Metro				Willamette Valley	
	Multnomah Co.	Washington Co.	Clackamas Co.	Clark Co.	Marion Co.	Lane Co.
Population	824,224	604,179	419,401	496,461	346,566	385,571
No. of Apartment Units	88,111	44,368	21,837	30,338	21,778	21,686
% Renters	46.4%	38.6%	29.4%	32.4%	42.3%	42.8%
Avg Rent	\$1,352	\$1,340	\$1,337	\$1,269	\$1,002	\$1,092
Avg Household Income	\$93,130	\$103,995	\$108,136	\$97,864	\$75,855	\$70,695
YOY Employment Growth	1.0%	0.5%	2.1%	5.3%	0.6%*	0.8%*
YOY Wage Growth	5.0%	1.4%	2.4%	4.9%	3.9%	2.8%

* YOY EMPLOYMENT GROWTH FOR SALEM MSA & EUGENE MSA. EMPLOYMENT DATA FOR MARION & LANE COUNTIES NOT AVAILABLE.

PORTLAND METRO & WILLAMETTE VALLEY

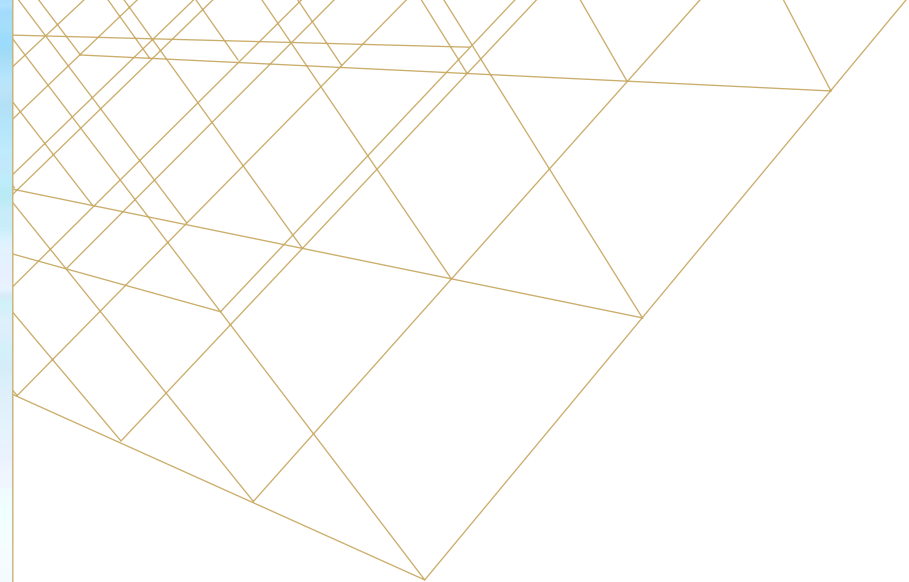


1. Despite lagging behind the Portland Metro's record-setting year in 2016 for sales volume, 2018 and 2019 were impressive years as the second- and third-best sales years on record.

2. While the Portland Metro's price per square foot cooled slightly in 2019, due to fewer institutional sales, cap rates continue to dip as demand remains strong, fueled by solid market fundamentals and record-low interest rates.

3. Given the lower number of sales in the Willamette Valley, sales metric averages are more easily skewed by a few very large or very small sales in a given year. Two things are certain, however: cap rates have been on a modest decline for the last ten years and price per square foot is trending up overall.





03

PUGET SOUND

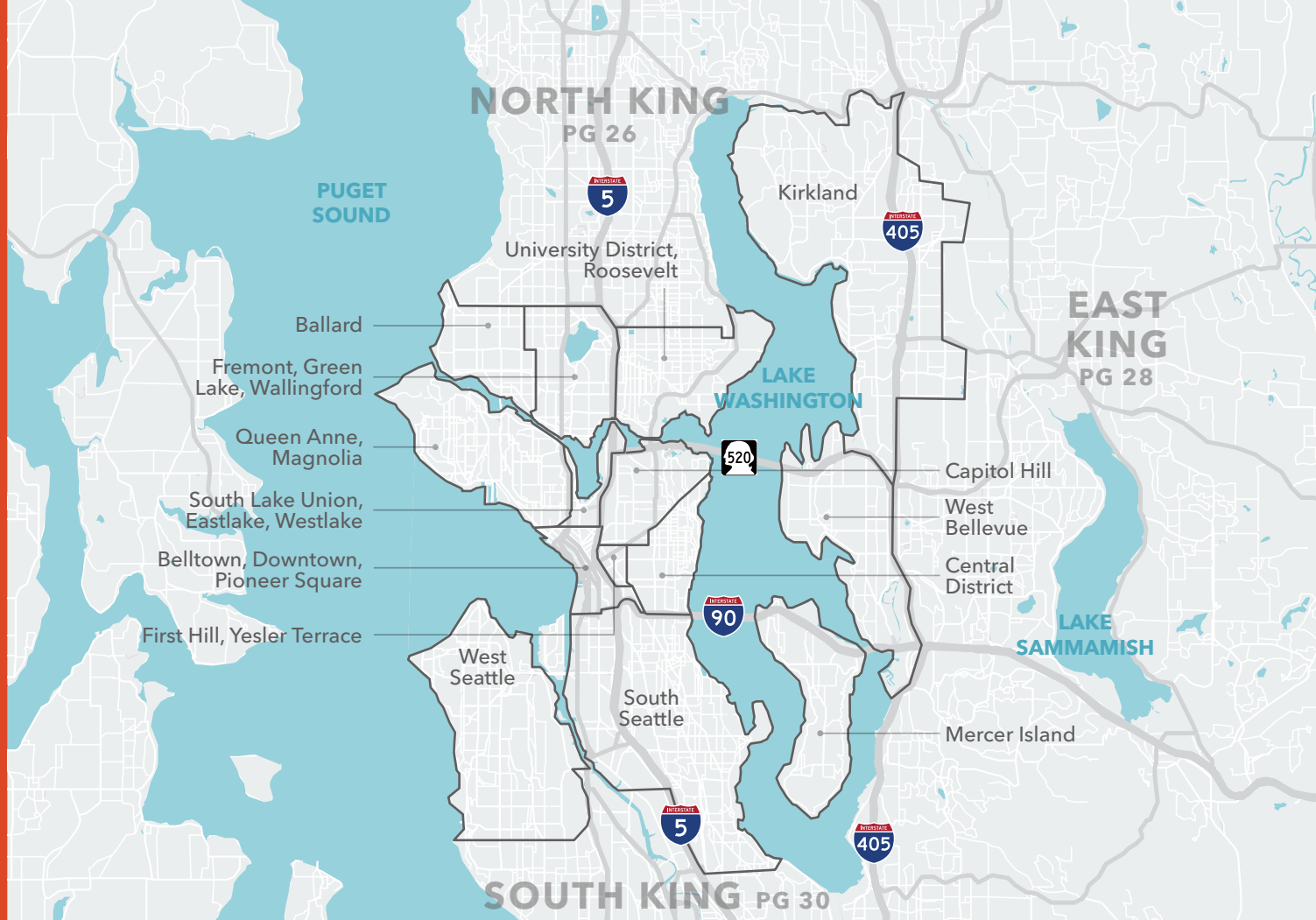
URBAN KING

2020 excise tax increase leads 2019 sales volume to soar 114% over prior year

While the substantial excise tax hike that went into effect on January 1 was the primary catalyst for Urban King's massive sales volume, there are two other themes at play as well.

First, the average size of transactions in 2019 was just shy of \$22M—double the average transaction size in 2018—largely due to the impending excise tax rate increase for higher priced sales. For example, a \$10M sale in 2020 will now cost the seller an additional \$140,000 in excise tax, while tax liability on a \$60M sale will cost an additional \$1,000,000+.

Another driver for the dramatic volume and transaction size increases in 2019 was large, institutionally sized apartment sales in the Downtown, First Hill, and South Lake Union neighborhoods, which accounted for 46% of all sales volume in Urban King with an average deal size of \$49M!



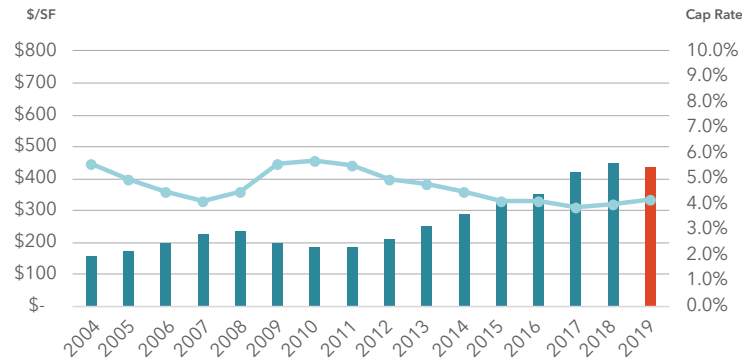
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	148	125 ▼	134 ▲	146 ▲
SALES VOLUME	\$1.53B	\$1.88B ▲	\$1.49B ▼	\$3.19B ▲
AVG PRICE/UNIT	\$274,739	\$314,813 ▲	\$313,734 ▼	\$346,893 ▲
AVG PRICE/SF	\$387	\$460 ▲	\$481 ▲	\$486 ▲
AVG CAP RATE	4.1%	4.0% ▼	4.1% ▲	4.3% ▲
TOTAL UNITS*	106,331	112,960	119,957	125,067

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

URBAN KING – SALES TRENDS BY BUILDING AGE



URBAN KING – 2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	96	8
Sales Volume	\$502M	\$235M
Avg Price/Unit	\$327,696	\$283,675
Avg Price/SF	\$432	\$415
Avg Cap Rate	4.2%	4.3%

Market Totals & Averages

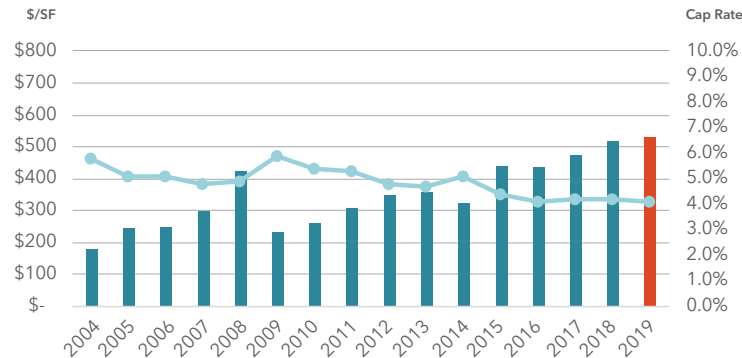
57,397
UNITS

46%
OF INVENTORY

685
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	2	7
Sales Volume	\$33.8M	\$708M
Avg Price/Unit	\$576,042	\$470,033
Avg Price/SF	\$478	\$548
Avg Cap Rate	4.0%	4.2%

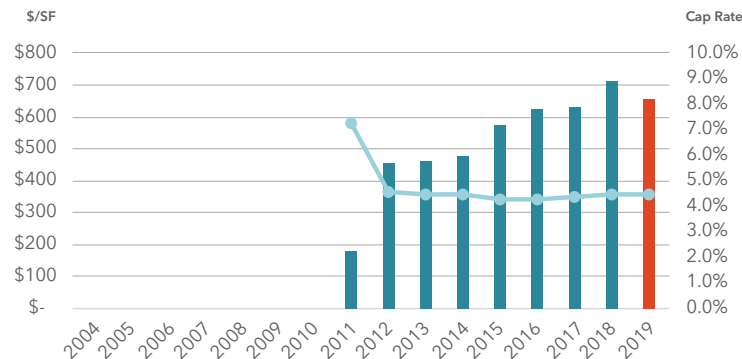
21,021
UNITS

17%
OF INVENTORY

792
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	6	27
Sales Volume	\$50.0M	\$1.66B
Avg Price/Unit	\$228,321	\$411,332
Avg Price/SF	\$601	\$660
Avg Cap Rate	5.0%	4.4%

46,649
UNITS

37%
OF INVENTORY

614
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT
CYCLE

URBAN KING SALES BY NEIGHBORHOOD

BALLARD

	2016	2017	2018	2019
NO. OF SALES	20	8 ▼	9 ▲	5 ▼
SALES VOLUME	\$151M	\$37.8M ▼	\$103M ▲	\$20.6M ▼
AVG PRICE/UNIT	\$291,733	\$304,883 ▲	\$323,984 ▲	\$338,218 ▲
AVG PRICE/SF	\$418	\$427 ▲	\$492 ▲	\$344 ▼
AVG CAP RATE	4.2%	4.2% —	4.5% ▲	4.6% ▲

FREMONT, GREEN LAKE, WALLINGFORD

	2016	2017	2018	2019
NO. OF SALES	15	13 ▼	19 ▲	21 ▲
SALES VOLUME	\$76.1M	\$54.9M ▼	\$74.2M ▲	\$260M ▲
AVG PRICE/UNIT	\$279,600	\$326,928 ▲	\$297,251 ▼	\$296,468 ▼
AVG PRICE/SF	\$386	\$465 ▲	\$471 ▲	\$493 ▲
AVG CAP RATE	4.1%	3.7% ▼	4.4% ▲	4.4% —

UNIVERSITY DISTRICT, ROOSEVELT

	2016	2017	2018	2019
NO. OF SALES	12	16 ▲	17 ▲	7 ▼
SALES VOLUME	\$40.0M	\$336M ▲	\$104M ▼	\$36.5M ▼
AVG PRICE/UNIT	\$232,599	\$312,517 ▲	\$290,623 ▼	\$273,256 ▼
AVG PRICE/SF	\$403	\$510 ▲	\$508 ▼	\$440 ▼
AVG CAP RATE	3.8%	4.2% ▲	3.8% ▼	4.8% ▲



BALLARD



GAS WORKS PARK, FREMONT

URBAN KING SALES BY NEIGHBORHOOD

QUEEN ANNE, MAGNOLIA

	2016	2017	2018	2019
NO. OF SALES	14	24 ▲	18 ▼	25 ▲
SALES VOLUME	\$107M	\$126M ▲	\$147M ▲	\$271M ▲
AVG PRICE/UNIT	\$327,997	\$312,445 ▼	\$304,247 ▼	\$386,094 ▲
AVG PRICE/SF	\$411	\$427 ▲	\$455 ▲	\$482 ▲
AVG CAP RATE	4.0%	3.9% ▼	3.4% ▼	4.2% ▲

SOUTH LAKE UNION, EASTLAKE, WESTLAKE

	2016	2017	2018	2019
NO. OF SALES	7	10 ▲	7 ▼	17 ▲
SALES VOLUME	\$299M	\$285M ▼	\$35.5M ▼	\$473M ▲
AVG PRICE/UNIT	\$393,454	\$406,909 ▲	\$352,666 ▼	\$375,768 ▲
AVG PRICE/SF	\$486	\$518 ▲	\$474 ▼	\$505 ▲
AVG CAP RATE	4.1%	3.9% ▼	3.8% ▼	4.1% ▲

BELLTOWN, DOWNTOWN, PIONEER SQUARE

	2016	2017	2018	2019
NO. OF SALES	6	4 ▼	2 ▼	6 ▲
SALES VOLUME	\$227M	\$259M ▲	\$18.7M ▼	\$428M ▲
AVG PRICE/UNIT	\$320,788	\$337,162 ▲	\$192,350 ▼	\$396,849 ▲
AVG PRICE/SF	\$513	\$566 ▲	\$450 ▼	\$545 ▲
AVG CAP RATE	3.9%	3.9% ▬	4.6% ▲	4.1% ▼

LOWER QUEEN ANNE

SOUTH LAKE UNION / EASTLAKE / WESTLAKE

URBAN KING SALES BY NEIGHBORHOOD

FIRST HILL, YESLER TERRACE

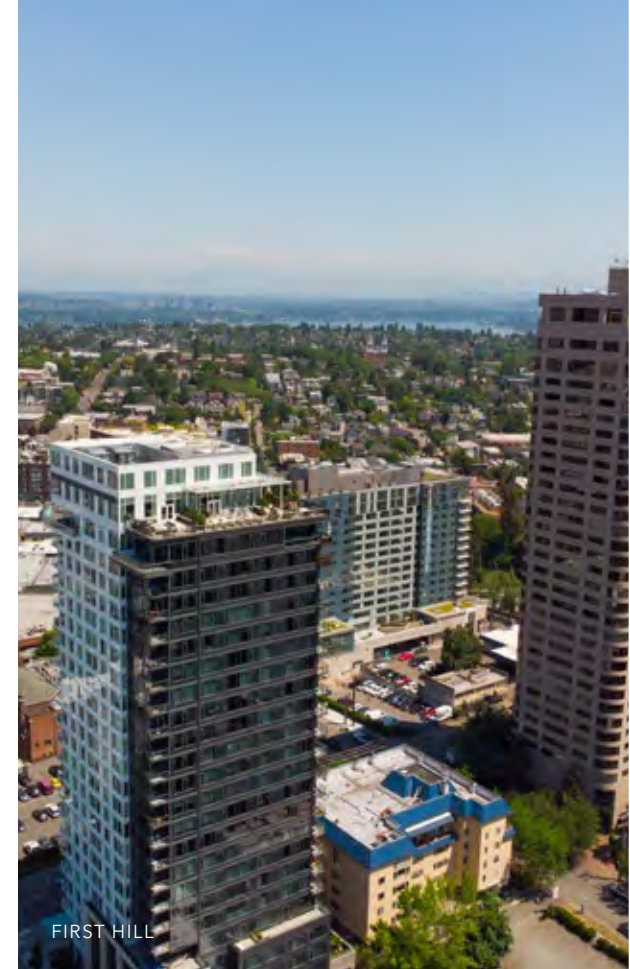
	2016	2017	2018	2019
NO. OF SALES	1	1 ▬	4 ▲	7 ▲
SALES VOLUME	\$35.0M	\$6.33M ▼	\$120M ▲	\$569M ▲
AVG PRICE/UNIT	\$282,539	\$395,313 ▲	\$285,006 ▼	\$451,409 ▲
AVG PRICE/SF	\$475	\$459 ▼	\$503 ▲	\$667 ▲
AVG CAP RATE	5.2%	4.4% ▼	4.6% ▲	4.4% ▼

CAPITOL HILL

	2016	2017	2018	2019
NO. OF SALES	22	8 ▼	20 ▲	15 ▼
SALES VOLUME	\$171M	\$59.0M ▼	\$240M ▲	\$242M ▲
AVG PRICE/UNIT	\$286,904	\$352,512 ▲	\$351,105 ▼	\$360,307 ▲
AVG PRICE/SF	\$455	\$521 ▲	\$552 ▲	\$597 ▲
AVG CAP RATE	3.9%	3.5% ▼	4.2% ▲	4.2% ▬

CENTRAL DISTRICT

	2016	2017	2018	2019
NO. OF SALES	7	7 ▬	5 ▼	10 ▲
SALES VOLUME	\$48.5M	\$40.7M ▼	\$15.1M ▼	\$161M ▲
AVG PRICE/UNIT	\$250,970	\$299,337 ▲	\$299,686 ▲	\$308,252 ▲
AVG PRICE/SF	\$335	\$584 ▲	\$446 ▼	\$508 ▲
AVG CAP RATE	4.2%	4.4% ▲	3.2% ▼	4.3% ▲



URBAN KING SALES BY NEIGHBORHOOD

WEST SEATTLE

	2016	2017	2018	2019
NO. OF SALES	24	16 ▼	19 ▲	16 ▼
SALES VOLUME	\$77.9M	\$123M ▲	\$220M ▲	\$137M ▼
AVG PRICE/UNIT	\$234,944	\$249,373 ▲	\$289,466 ▲	\$285,858 ▼
AVG PRICE/SF	\$314	\$382 ▲	\$433 ▲	\$367 ▼
AVG CAP RATE	4.4%	4.1% ▼	4.4% ▲	4.4% =

SOUTH SEATTLE

	2016	2017	2018	2019
NO. OF SALES	10	8 ▼	6 ▼	6 =
SALES VOLUME	\$16.8M	\$20.4M ▲	\$19.0M ▼	\$25.2M ▲
AVG PRICE/UNIT	\$110,423	\$203,227 ▲	\$225,956 ▲	\$247,523 ▲
AVG PRICE/SF	\$181	\$322 ▲	\$408 ▲	\$342 ▼
AVG CAP RATE	5.0%	4.3% ▼	4.4% ▲	4.9% ▲

WEST BELLEVUE, MERCER ISLAND

	2016	2017	2018	2019
NO. OF SALES	2	6 ▲	3 ▼	6 ▲
SALES VOLUME	\$100M	\$516M ▲	\$116M ▼	\$360M ▲
AVG PRICE/UNIT	\$528,833	\$412,596 ▼	\$426,118 ▲	\$482,263 ▲
AVG PRICE/SF	\$536	\$489 ▼	\$476 ▼	\$558 ▲
AVG CAP RATE	4.0%	3.7% ▼	3.2% ▼	4.0% ▲

KIRKLAND

	2016	2017	2018	2019
NO. OF SALES	8	4 ▼	5 ▲	5 =
SALES VOLUME	\$182M	\$12.9M ▼	\$277M ▲	\$206M ▼
AVG PRICE/UNIT	\$302,355	\$335,929 ▲	\$482,380 ▲	\$359,161 ▼
AVG PRICE/SF	\$351	\$458 ▲	\$529 ▲	\$400 ▼
AVG CAP RATE	3.7%	2.5% ▼	4.1% ▲	4.0% ▼

ALKI BEACH, WEST SEATTLE

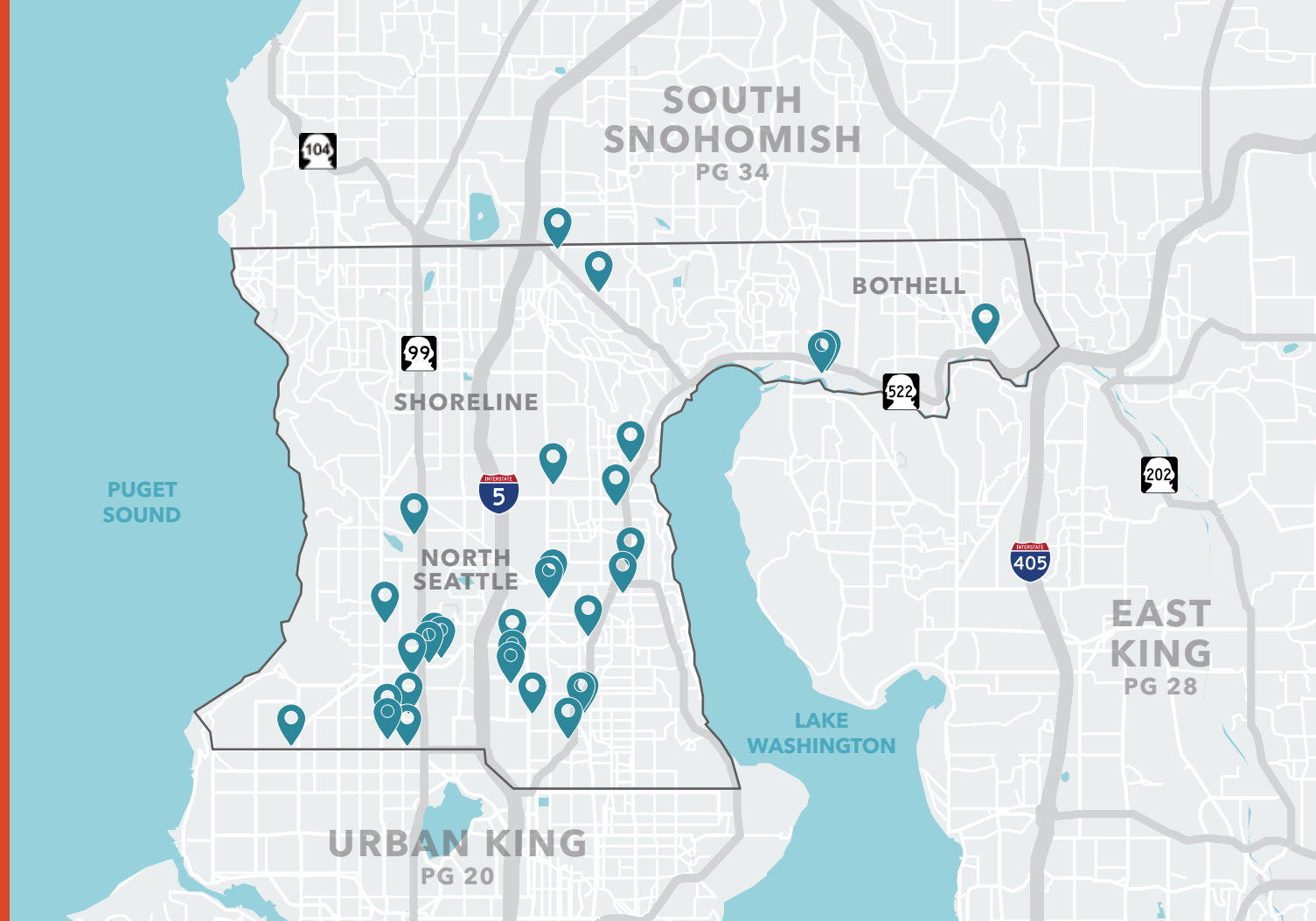
DOWNTOWN BELLEVUE

NORTH KING

Sales metrics were stagnant in 2019 due to the skew of sales of older apartment buildings

What is hidden in the data is that investors paid 5% less (price per square foot) for older apartments in North King County in 2019 than the year prior. Such sales are important, as they accounted for 77% of all transactions; however, price per square foot for buildings built 2010 and newer jumped 51% year-over-year.

Historically, average sales price per square foot for these newer apartments was stagnant in North King, with average pricing on either side of \$400 per square foot since 2013. The massive jump to nearly \$600 per square foot in 2019 was led by a few large transactions, signifying North King is officially on the map for more aggressive, institutional capital.



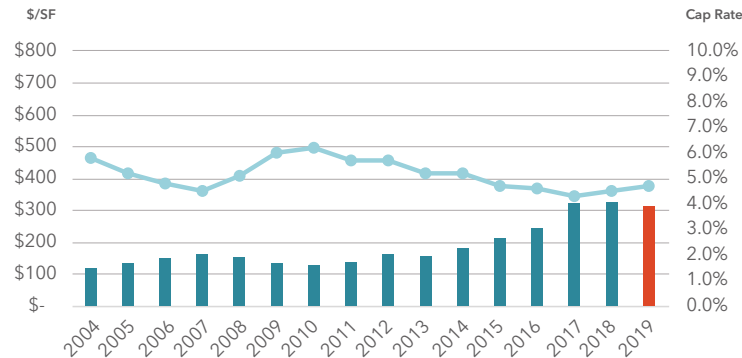
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	38	30 ▼	31 ▲	31 ▬
SALES VOLUME	\$204M	\$307M ▲	\$447M ▲	\$331M ▼
AVG PRICE/UNIT	\$183,187	\$241,887 ▲	\$253,258 ▲	\$268,706 ▲
AVG PRICE/SF	\$247	\$330 ▲	\$336 ▲	\$353 ▲
AVG CAP RATE	4.6%	4.4% ▼	4.5% ▲	4.7% ▲
TOTAL UNITS*	20,255	20,826	21,736	22,410

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	21	3
Sales Volume	\$68.7M	\$82.5M
Avg Price/Unit	\$262,208	\$256,239
Avg Price/SF	\$308	\$335
Avg Cap Rate	4.7%	4.7%

Market Totals & Averages

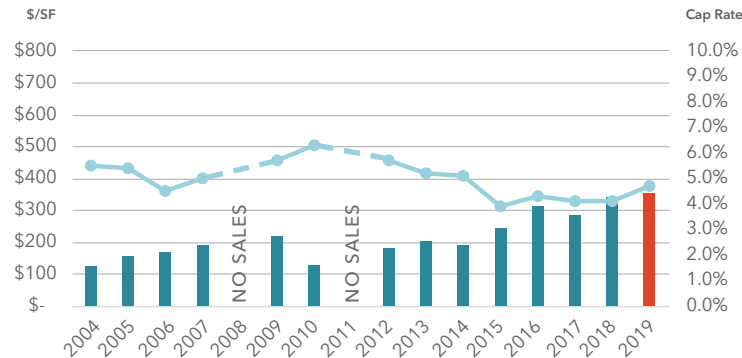
14,123
UNITS

63%
OF INVENTORY

782
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	3	No Sales
Sales Volume	\$25.2M	—
Avg Price/Unit	\$308,580	—
Avg Price/SF	\$359	—
Avg Cap Rate	4.7%	—

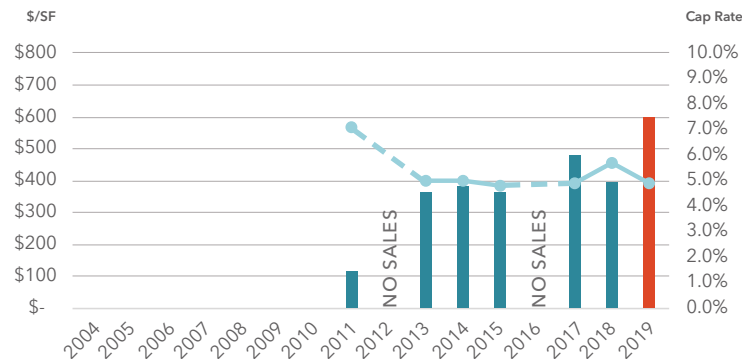
2,959
UNITS

13%
OF INVENTORY

798
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	4
Sales Volume	—	\$155M
Avg Price/Unit	—	\$282,263
Avg Price/SF	—	\$598
Avg Cap Rate	—	4.9%

5,328
UNITS

24%
OF INVENTORY

725
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT
CYCLE

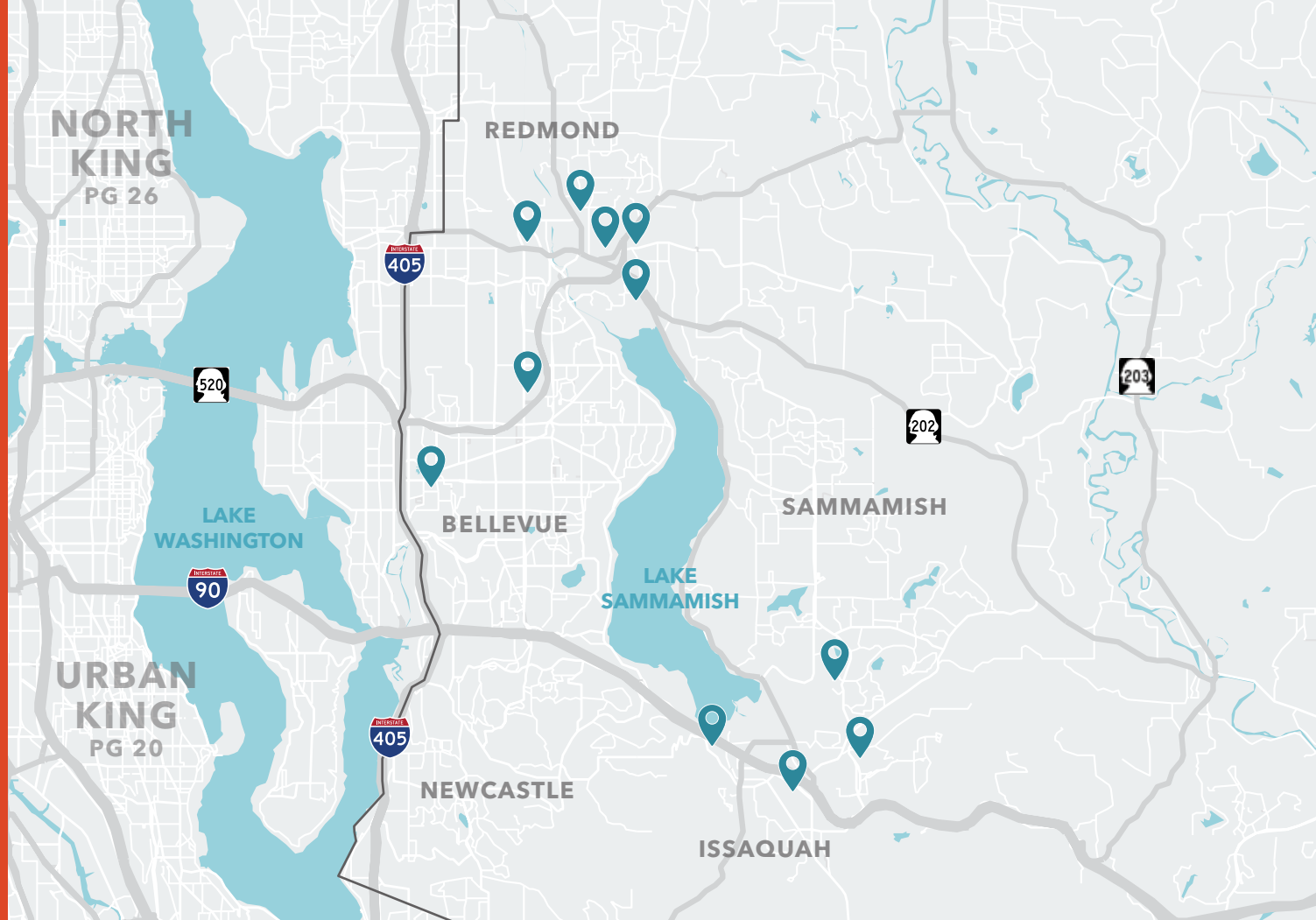
EAST KING

East King sets multiple records, remains as desirable a market for investors as core Seattle

Sales volume totaled an impressive \$683M in 2019, which is more than double the sales volume of 2018 and surpasses the previous record set in 2016. Surprisingly, this was a result of only 11 sales. As indicated by five sales with price tags in excess of \$75M—including two over \$125M in once-sleepy Issaquah—investors clearly doubled down on owning in the Eastside.

Sales volume was indeed impressive, yet sales metrics also set strong records in 2019. Average price per square foot across all sales soared past the \$400 benchmark to an impressive \$441 per square foot, 20% higher than the previous high water mark.

Expect cap rates to remain low and pricing metrics to retain their velocity as good news surrounding major tech companies scooping up Eastside office space drives apartment investment appetite.



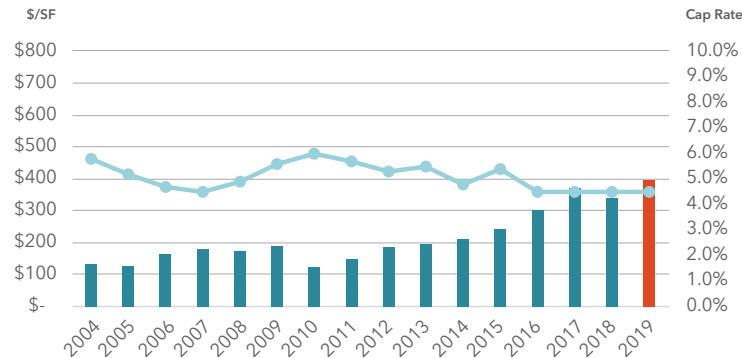
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	14	8 ▼	7 ▼	11 ▲
SALES VOLUME	\$662M	\$389M ▼	\$303M ▼	\$684M ▲
AVG PRICE/UNIT	\$282,645	\$297,501 ▲	\$335,832 ▲	\$380,603 ▲
AVG PRICE/SF	\$321	\$367 ▲	\$366 ▼	\$441 ▲
AVG CAP RATE	4.6%	4.6% —	4.4% ▼	4.4% —
TOTAL UNITS*	27,057	28,339	30,198	31,576

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	3	2
Sales Volume	\$16.2M	\$68.1M
Avg Price/Unit	\$363,869	\$335,219
Avg Price/SF	\$407	\$380
Avg Cap Rate	4.5%	4.4%

Market Totals & Averages

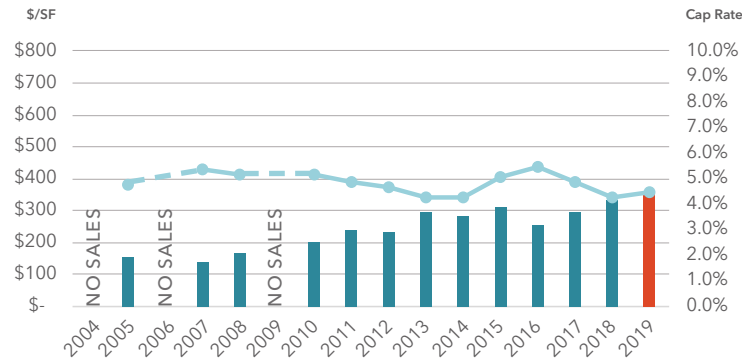
16,709
UNITS

53%
OF INVENTORY

883
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	No Sales	1
Sales Volume	—	\$84.6M
Avg Price/Unit	—	\$414,706
Avg Price/SF	—	\$356
Avg Cap Rate	—	4.5%

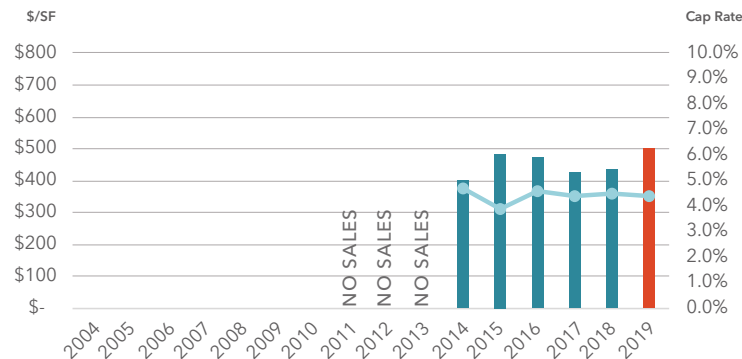
5,962
UNITS

19%
OF INVENTORY

1,076
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	5
Sales Volume	—	\$515M
Avg Price/Unit	—	\$401,977
Avg Price/SF	—	\$503
Avg Cap Rate	—	4.4%

8,905
UNITS

28%
OF INVENTORY

857
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE

SOUTH KING

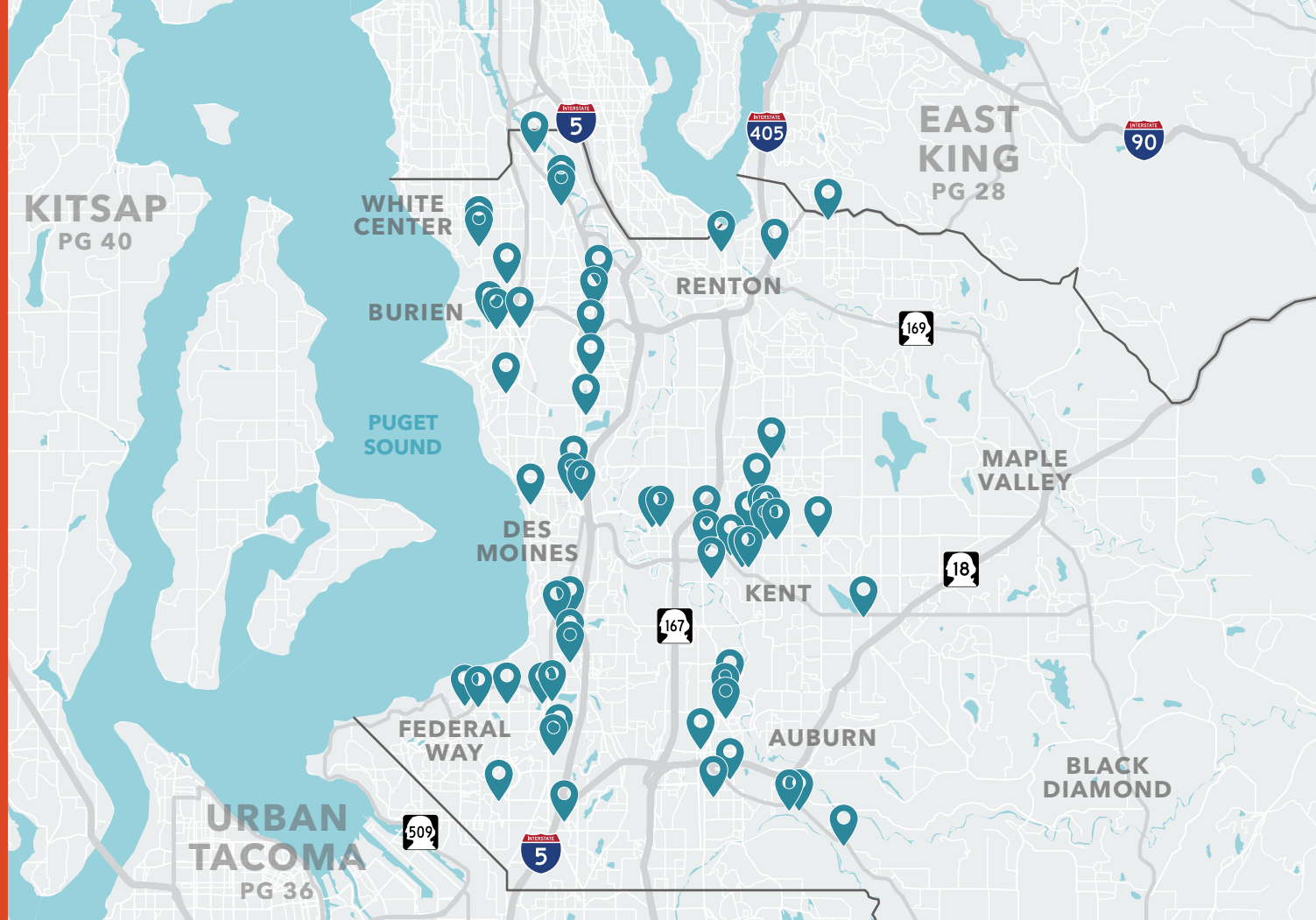
South King bests 2018 record with \$1.17B in total sales volume

This new record was the result of a busy fourth quarter, with nearly \$470M in sales volume, and looming excise tax increase.

Interestingly, cap rates across all apartment building types increased 50 basis points after 10 years of steady compression. Looking at the data on a more granular level reveals this is primarily due to sales of sub-50-unit properties averaging a 5.6% cap rate.

In the new decade, expect an increase in sales of stabilized, fully renovated apartment buildings as investors look to park capital in this market that boasts consistently strong rental demand coupled with strong year-over-year blue- and grey-collar job growth.

If you're an owner with an older or unrenovated property, you are in a great position to capitalize on incredible investor demand for value-add properties should you choose to sell in 2020.



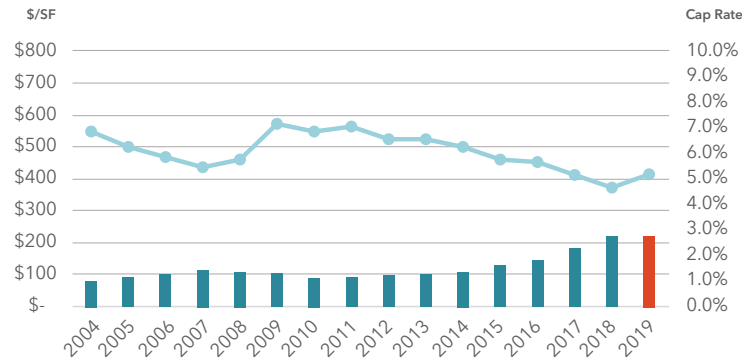
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	73	59 ▼	55 ▼	62 ▲
SALES VOLUME	\$1.07B	\$773M ▼	\$1.15B ▲	\$1.17B ▲
AVG PRICE/UNIT	\$127,296	\$147,658 ▲	\$181,083 ▲	\$186,501 ▲
AVG PRICE/SF	\$152	\$186 ▲	\$229 ▲	\$224 ▼
AVG CAP RATE	5.6%	5.2% ▼	4.7% ▼	5.2% ▲
TOTAL UNITS*	54,363	54,749	55,433	55,999

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	29	31
Sales Volume	\$88.3M	\$1.05B
Avg Price/Unit	\$162,269	\$201,540
Avg Price/SF	\$204	\$242
Avg Cap Rate	5.6%	4.9%

Market Totals & Averages

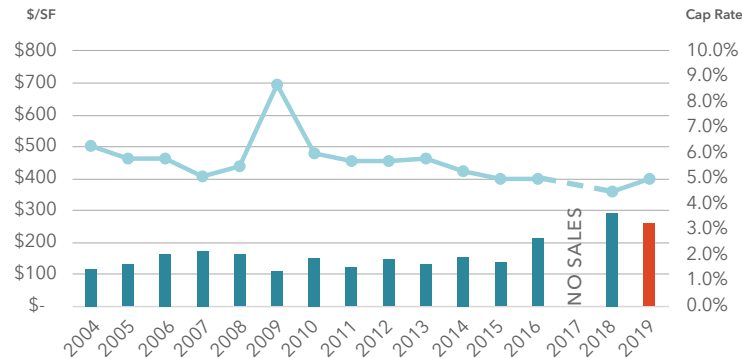
46,632
UNITS

83%
OF INVENTORY

848
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	No Sales	1
Sales Volume	—	\$13.9M
Avg Price/Unit	—	\$251,818
Avg Price/SF	—	\$260
Avg Cap Rate	—	5.0%

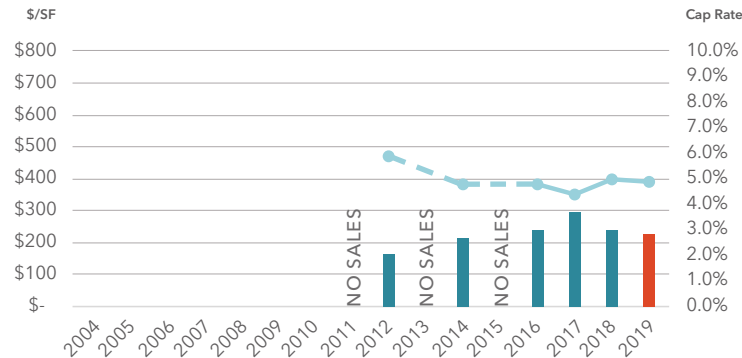
6,003
UNITS

11%
OF INVENTORY

920
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	1	No Sales
Sales Volume	\$13.2M	—
Avg Price/Unit	\$357,708	—
Avg Price/SF	\$227	—
Avg Cap Rate	4.9%	—

3,364
UNITS

6%
OF INVENTORY

825
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE

NORTH SNOHOMISH

Job growth secures viability of North Snohomish as alternative urban center to congested Seattle metropolis

Sales activity across the county saw a significant lift in 2019, as declining vacancy and strong rent growth continue to demonstrate demand for new apartment supply, influenced by Boeing's growing workforce.

Apartment sales centered predominantly around the Everett core, yet the secondary cities of Marysville and Arlington are also beginning to see increased sales volume and development activity, and we can expect more of this diversification as the market matures.

One third of all buildings sold in North Snohomish were over 100 units, as the area piques the interest of institutional investors attracted by higher yields and strong fundamentals. Sales of pre-1995 vintage buildings make up the majority of sales volume in the region, although that may begin to change in the next 5-10 years as new construction delivers and stabilizes.



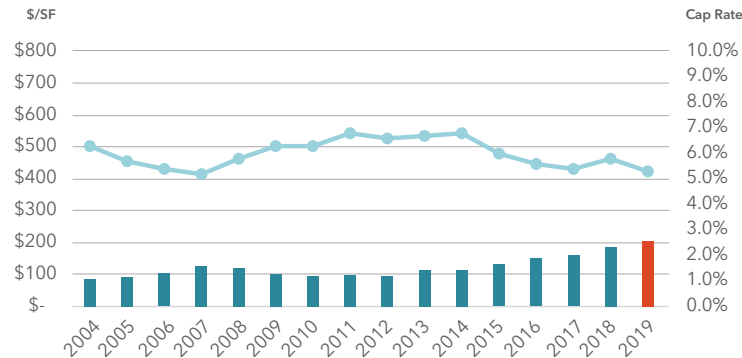
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	43	39 ▼	21 ▼	26 ▲
SALES VOLUME	\$660M	\$320M ▼	\$171M ▼	\$481M ▲
AVG PRICE/UNIT	\$136,274	\$136,613 ▲	\$174,216 ▲	\$183,812 ▲
AVG PRICE/SF	\$163	\$161 ▼	\$206 ▲	\$202 ▼
AVG CAP RATE	5.5%	5.4% ▼	5.7% ▲	5.3% ▼
TOTAL UNITS*	24,987	25,371	25,419	25,659

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	13	9
Sales Volume	\$23.7M	\$427M
Avg Price/Unit	\$160,375	\$214,939
Avg Price/SF	\$172	\$253
Avg Cap Rate	5.5%	5.1%

Market Totals & Averages

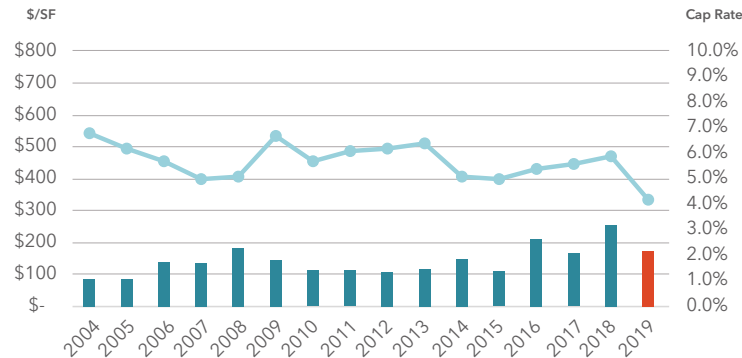
17,966
UNITS

70%
OF INVENTORY

860
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	3	No Sales
Sales Volume	\$17.8M	—
Avg Price/Unit	\$174,714	—
Avg Price/SF	\$175	—
Avg Cap Rate	4.3%	—

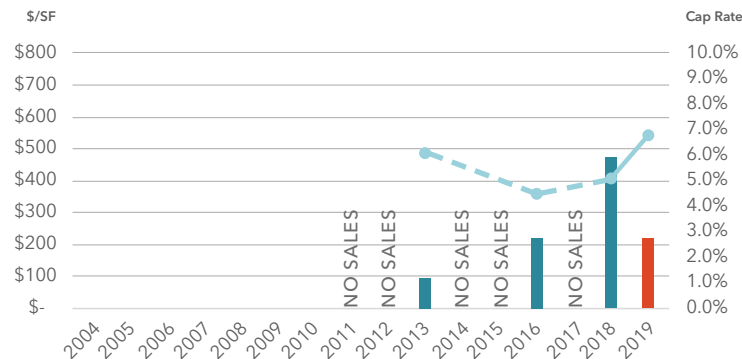
5,610
UNITS

22%
OF INVENTORY

929
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	1
Sales Volume	—	\$12.7M
Avg Price/Unit	—	\$235,648
Avg Price/SF	—	\$219
Avg Cap Rate	—	6.8%

2,083
UNITS

8%
OF INVENTORY

895
AVG UNIT SIZE (SF)

BUILT POST-2010

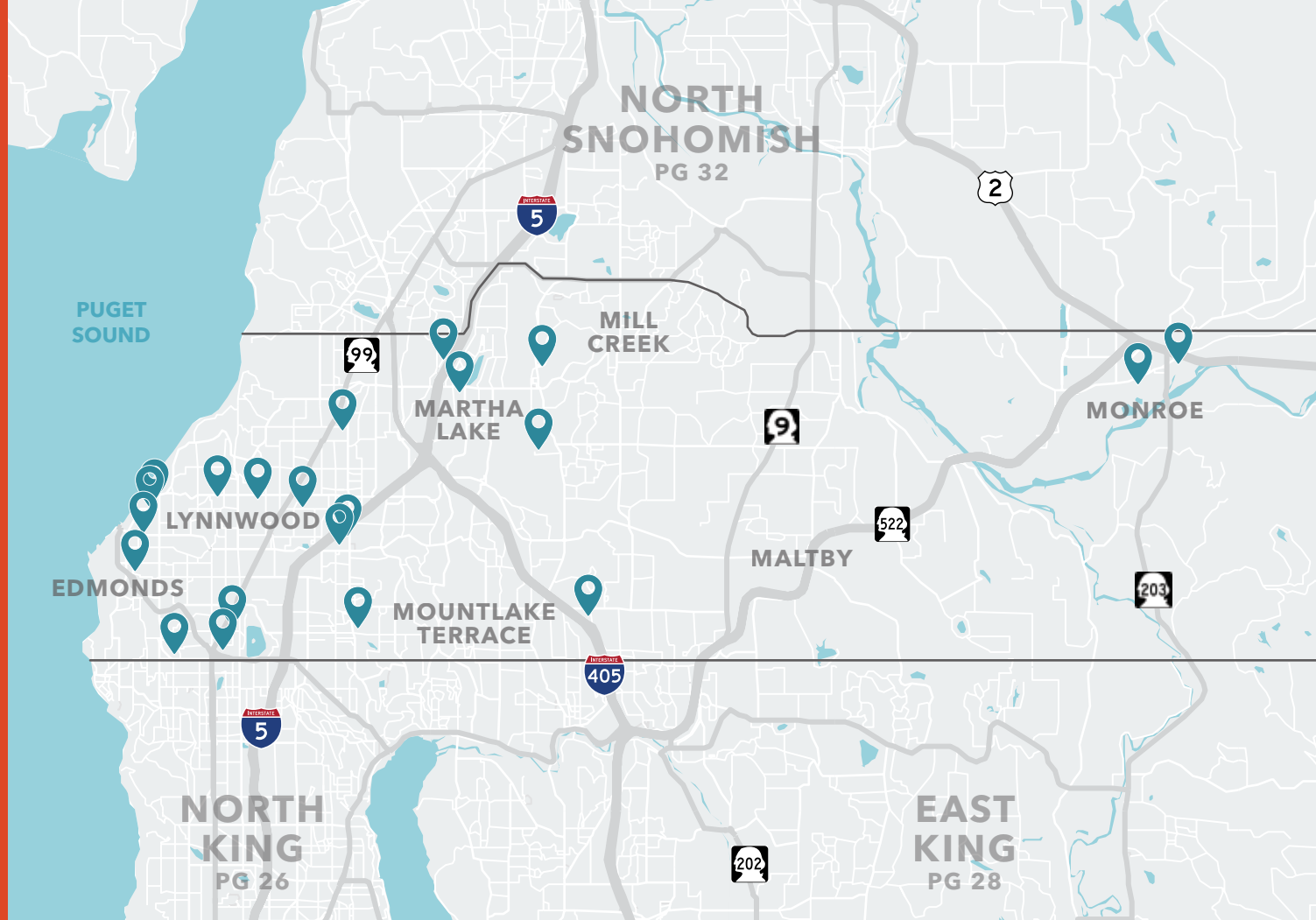
CURRENT CYCLE

SOUTH SNOHOMISH

South Snohomish offers attractive and affordable lifestyle alternative to Eastside markets

The cities of Edmonds and Lynnwood continue to lead Snohomish County in sales volume and pricing, while overall sales metrics provide for the lowest cap rates in the last 15 years. As newly constructed buildings stabilize and begin to trade hands, they are demonstrating that sub-5% cap rates and prices over \$250,000 per unit are achievable, rivaling pricing otherwise reserved for more core markets in King County.

Growth of key employers and the delivery of newly developed, highly amenitized buildings make South Snohomish an attractive investment opportunity for buyers looking for greater yield and investment alternatives to Seattle and Bellevue. With the Lynnwood Link Extension scheduled to deliver in 2024, the region will become an increasingly robust workforce community, able to serve employment centers from Everett to Seattle to the Eastside.



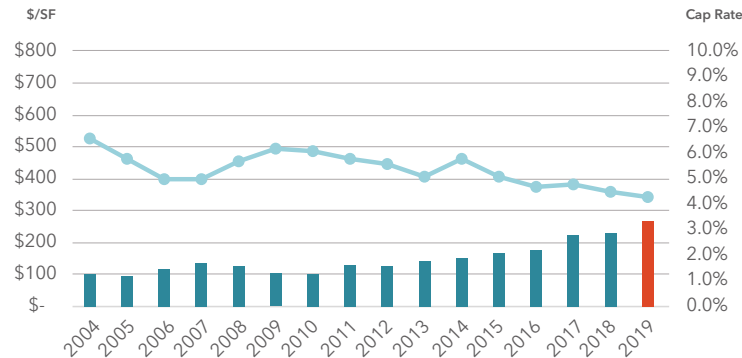
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	34	14 ▼	6 ▼	21 ▲
SALES VOLUME	\$660M	\$188M ▼	\$121M ▼	\$728M ▲
AVG PRICE/UNIT	\$164,762	\$212,317 ▲	\$220,637 ▲	\$248,710 ▲
AVG PRICE/SF	\$190	\$229 ▲	\$240 ▲	\$272 ▲
AVG CAP RATE	4.7%	4.9% ▲	4.4% ▼	4.4% —
TOTAL UNITS*	15,961	16,024	16,024	16,545

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
 ● AVERAGE CAP RATE
 ○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	12	4
Sales Volume	\$42.5M	\$311M
Avg Price/Unit	\$255,434	\$226,719
Avg Price/SF	\$258	\$306
Avg Cap Rate	4.4%	4.1%

Market Totals & Averages

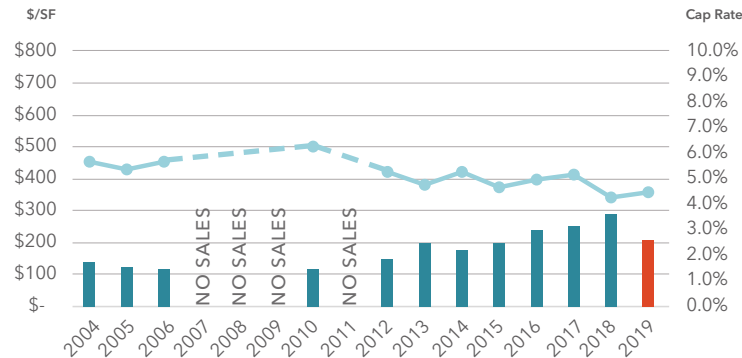
11,136
UNITS

67%
OF INVENTORY

858
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	1	1
Sales Volume	\$2.34M	\$81.8M
Avg Price/Unit	\$90,185	\$292,143
Avg Price/SF	\$110	\$310
Avg Cap Rate	No Data	4.5%

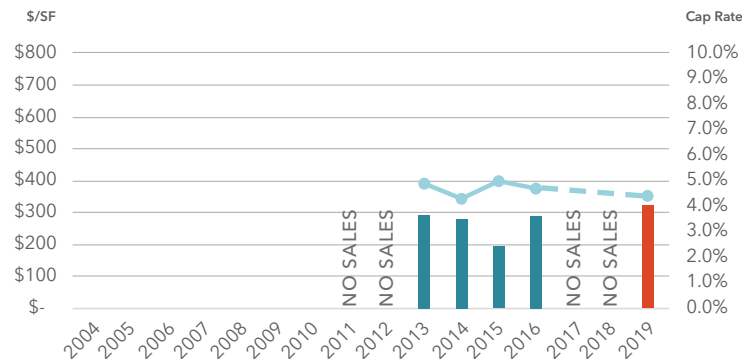
3,102
UNITS

19%
OF INVENTORY

999
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	3
Sales Volume	—	\$291M
Avg Price/Unit	—	\$289,503
Avg Price/SF	—	\$323
Avg Cap Rate	—	4.4%

2,307
UNITS

14%
OF INVENTORY

913
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE

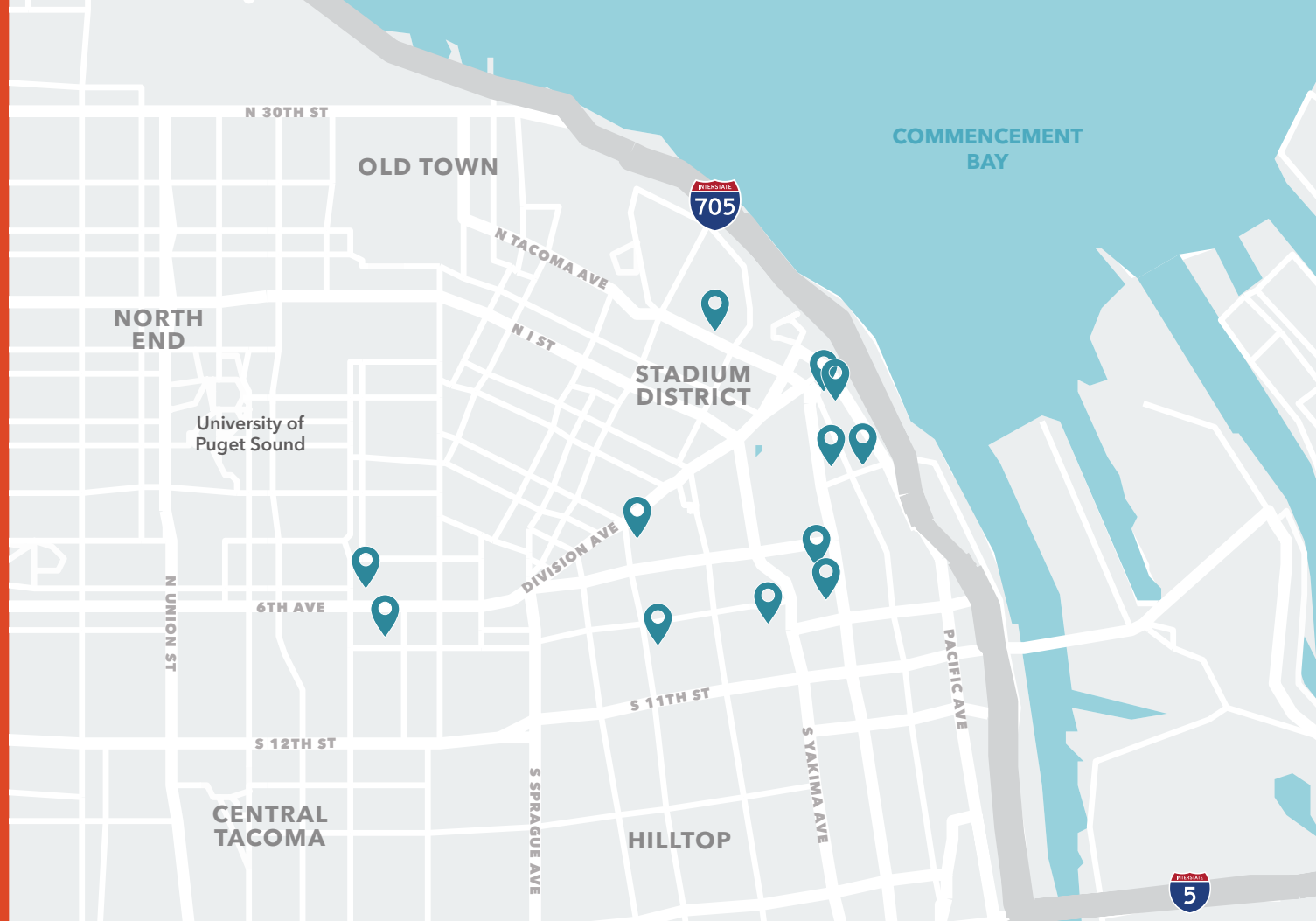
URBAN TACOMA

The momentum of Pierce County leads to historic sales volume in Urban Tacoma

As investors actively move out of core Seattle, this mid-sized urban port city becomes the highlight of Pierce County: 12 apartment sales in 2019 exceeded the prior three years of sales combined.

Capitalization rate compression is the result of new market entrants focused on value-add opportunities, demonstrating willingness to pay for the opportunity to update older, under-optimized buildings.

Tacoma's stock of apartment buildings offers mostly unrenovated units, which will continue to attract investors seeking renovation opportunities—and the associated investment yields. Steady purchases at capitalization rates hovering around 4.5% rival those of the most coveted Seattle submarkets.



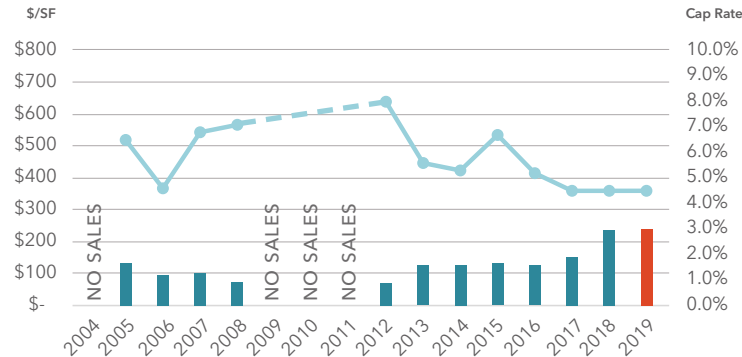
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	7	2 ▼	2 ▬	12 ▲
SALES VOLUME	\$62.0M	\$10.1M ▼	\$15.1M ▲	\$127M ▲
AVG PRICE/UNIT	\$131,657	\$178,171 ▲	\$316,518 ▲	\$178,940 ▼
AVG PRICE/SF	\$151	\$154 ▲	\$238 ▲	\$245 ▲
AVG CAP RATE	5.4%	4.5% ▼	4.5% ▬	4.6% ▲
TOTAL UNITS*	6,311	6,450	6,622	6,590

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	7	2
Sales Volume	\$15.3M	\$55.9M
Avg Price/Unit	\$150,357	\$188,846
Avg Price/SF	\$217	\$305
Avg Cap Rate	4.5%	4.5%

Market Totals & Averages

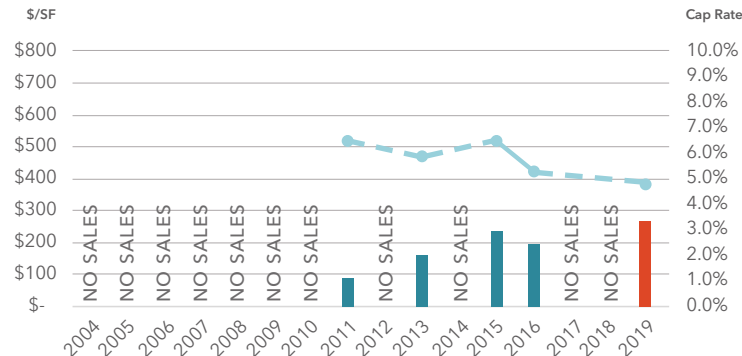
4,908
UNITS

74%
OF INVENTORY

721
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	2	1
Sales Volume	\$9.28M	\$46.5M
Avg Price/Unit	\$218,486	\$280,120
Avg Price/SF	\$231	\$348
Avg Cap Rate	4.8%	4.8%

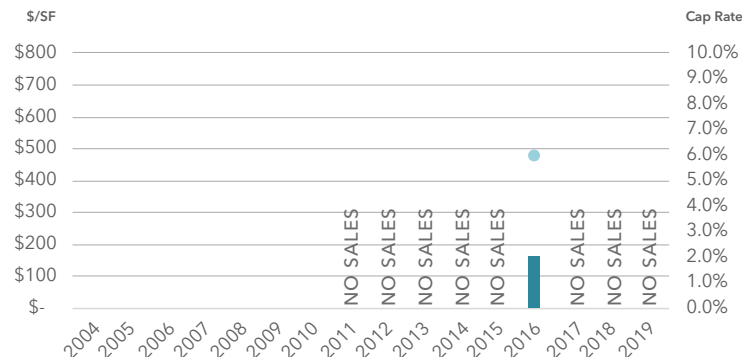
828
UNITS

13%
OF INVENTORY

809
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

854
UNITS

13%
OF INVENTORY

785
AVG UNIT SIZE (SF)

BUILT POST-2010

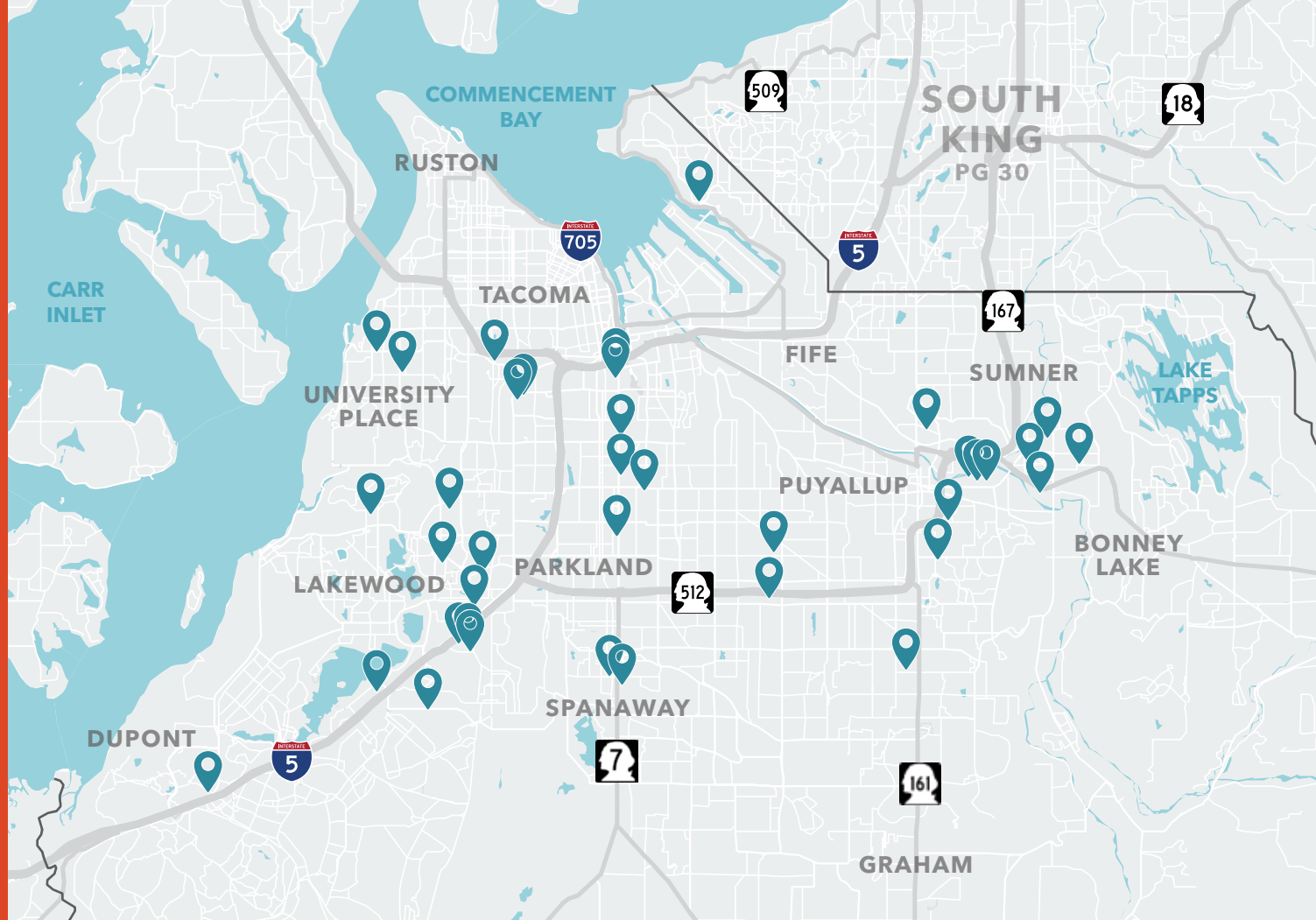
CURRENT
CYCLE

SUBURBAN PIERCE

Investors stay consistent in quest south to find returns King County cannot provide

While sales volume remains high relative to historical averages in Pierce County's suburban markets, capitalization rates and pricing continue to provide investors with returns they simply cannot find in core King County markets. On average, there was a 120 basis point spread comparing capitalization rates of suburban Pierce and Urban King sales in 2019. This offered investors higher returns, in addition to the ability to buy buildings below replacement cost.

Apartment buildings in Pierce were once predominantly owned by local investors, yet a flurry of out-of-state investors continues to focus on this area as a validated investment market, offering great returns and the economic stability of the greater Puget Sound region.



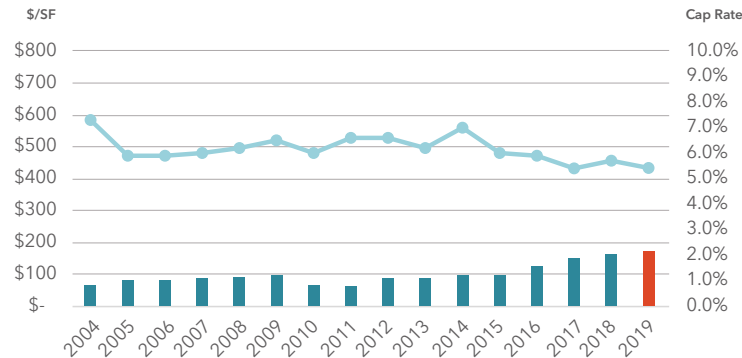
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	30	22 ▼	41 ▲	38 ▼
SALES VOLUME	\$658M	\$279M ▼	\$586M ▲	\$392M ▼
AVG PRICE/UNIT	\$120,018	\$135,595 ▲	\$144,048 ▲	\$152,748 ▲
AVG PRICE/SF	\$138	\$156 ▲	\$174 ▲	\$182 ▲
AVG CAP RATE	5.8%	5.5% ▼	5.5% —	5.5% —
TOTAL UNITS*	47,002	47,676	47,989	48,773

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
 ● AVERAGE CAP RATE
 ○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	25	3
Sales Volume	\$70.3M	\$57.1M
Avg Price/Unit	\$120,660	\$188,706
Avg Price/SF	\$170	\$165
Avg Cap Rate	5.5%	5.1%

Market Totals & Averages

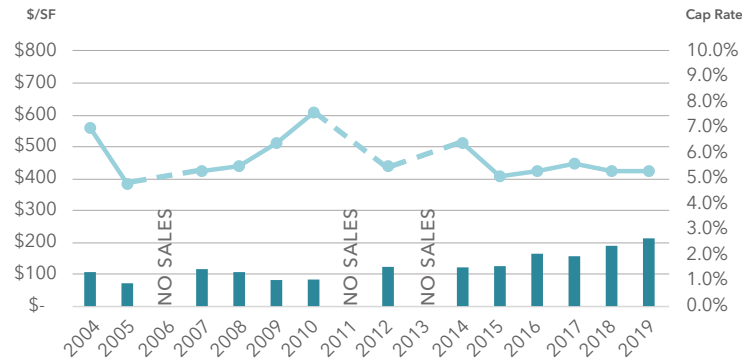
35,283
UNITS

72%
OF INVENTORY

789
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	1	6
Sales Volume	\$1.20M	\$231M
Avg Price/Unit	\$75,000	\$267,659
Avg Price/SF	\$138	\$225
Avg Cap Rate	5.0%	5.4%

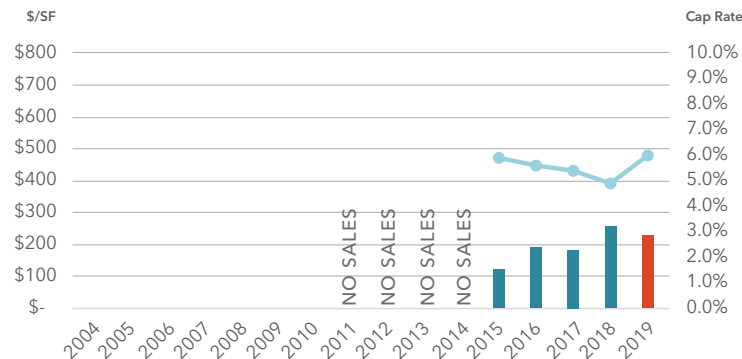
7,752
UNITS

16%
OF INVENTORY

1,037
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	2	1
Sales Volume	\$5.80M	\$26.0M
Avg Price/Unit	\$157,386	\$226,087
Avg Price/SF	\$216	\$252
Avg Cap Rate	6.5%	5.1%

5,738
UNITS

12%
OF INVENTORY

972
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT
CYCLE

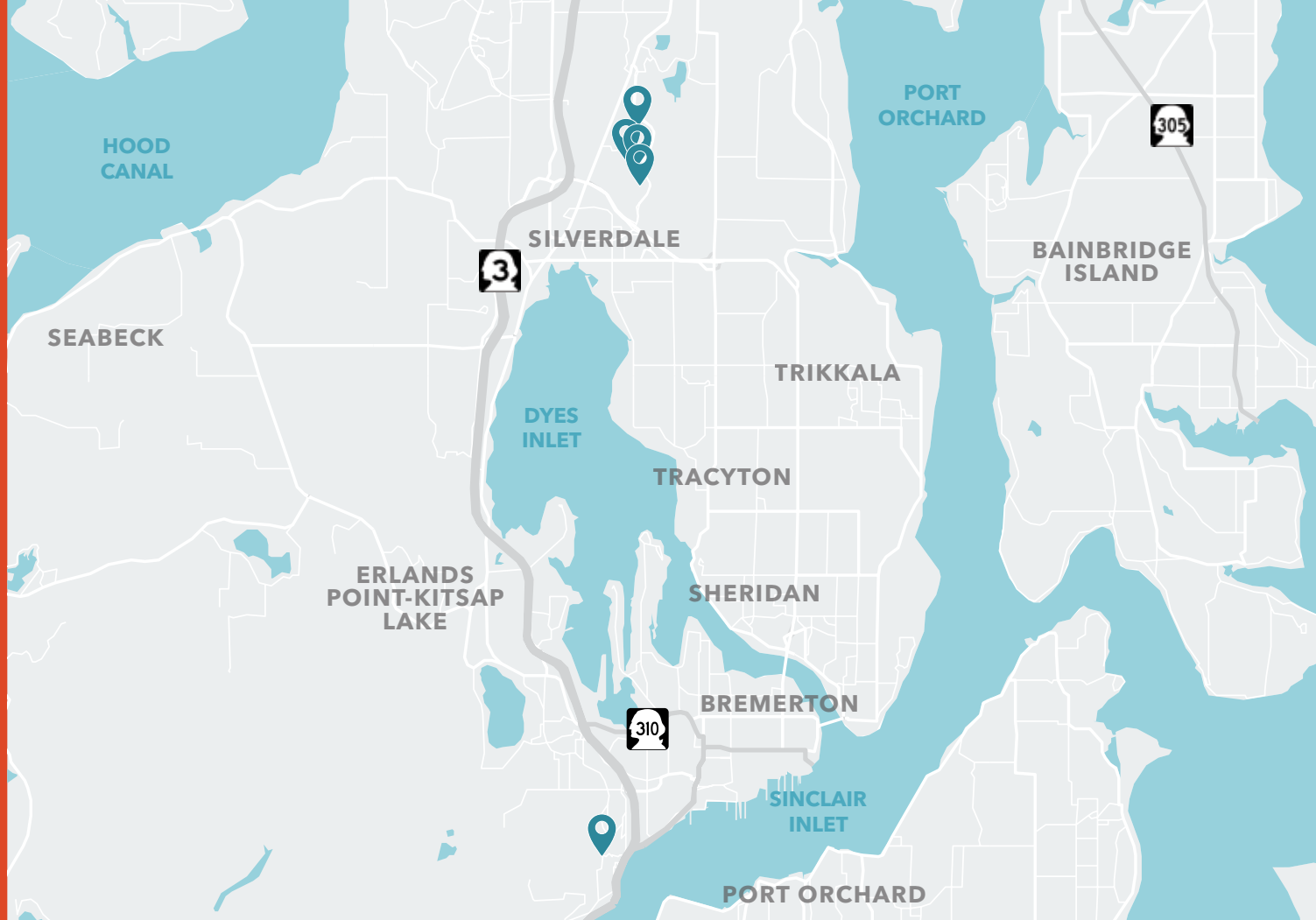
KITSAP

Once a hidden gem, Kitsap County now squarely on investors' radars

2019 was a banner year for Kitsap, with \$270M in total sales volume—up 235% from 2018 and 82% higher than the prior record-setting year. Average sales price per square foot also hit an all-time high, nearly doubling last year's record.

While there were only six sales, they demonstrated an impressive range in values from \$24M to \$65M. Investors are clearly confident in the future of Kitsap and are willing to spend big to secure a front-row seat as we enter the next investment market cycle.

Expect that value-add strategies will continue to dominate the market, with buyers capitalizing on vintage apartment buildings and few new deliveries competing with renovated properties. Similarly, expect increased sales volume of smaller and mid-sized buildings as private investors follow institutional investors across the Sound in search of higher returns.



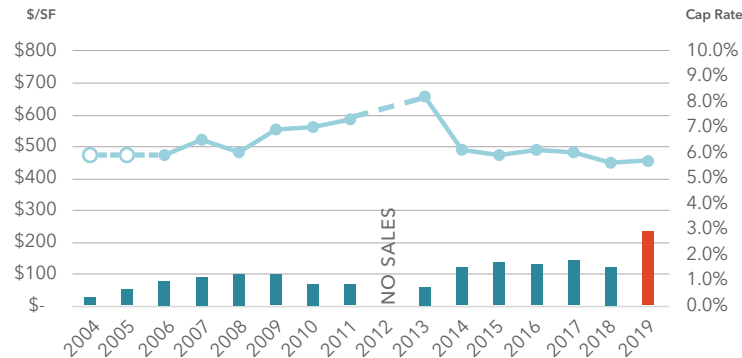
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	9	9 ▬	7 ▼	6 ▼
SALES VOLUME	\$148M	\$143M ▼	\$80.8M ▼	\$270M ▲
AVG PRICE/UNIT	\$114,332	\$125,916 ▲	\$138,911 ▲	\$225,135 ▲
AVG PRICE/SF	\$126	\$133 ▲	\$143 ▲	\$238 ▲
AVG CAP RATE	6.1%	6.0% ▼	5.5% ▼	5.6% ▲
TOTAL UNITS*	8,195	8,440	8,606	8,720

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
 ● AVERAGE CAP RATE
 ○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	No Sales	4
Sales Volume	—	\$215M
Avg Price/Unit	—	\$227,381
Avg Price/SF	—	\$234
Avg Cap Rate	—	5.7%

Market Totals & Averages

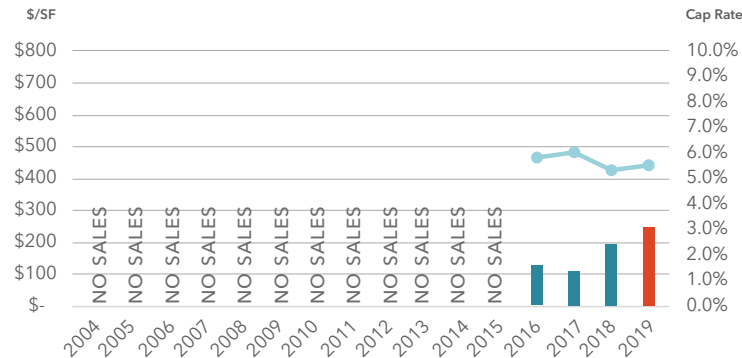
7,038
UNITS

81%
OF INVENTORY

853
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	No Sales	2
Sales Volume	—	\$55.6M
Avg Price/Unit	—	\$220,643
Avg Price/SF	—	\$246
Avg Cap Rate	—	5.5%

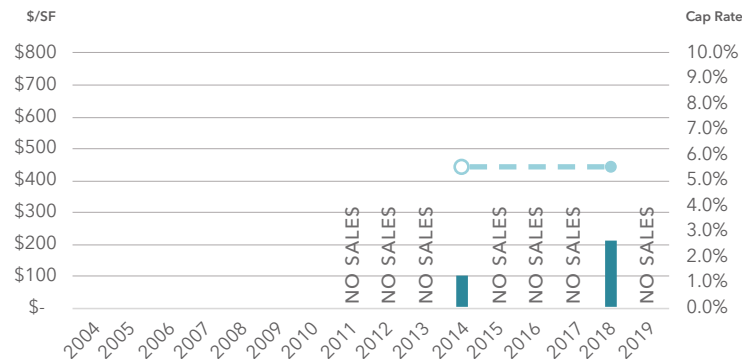
823
UNITS

9%
OF INVENTORY

919
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

859
UNITS

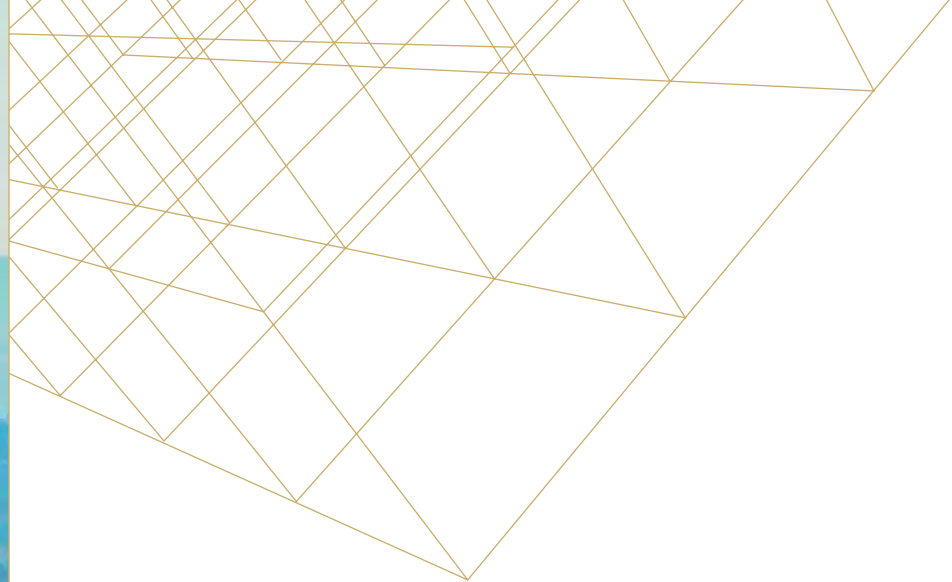
10%
OF INVENTORY

825
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE





04

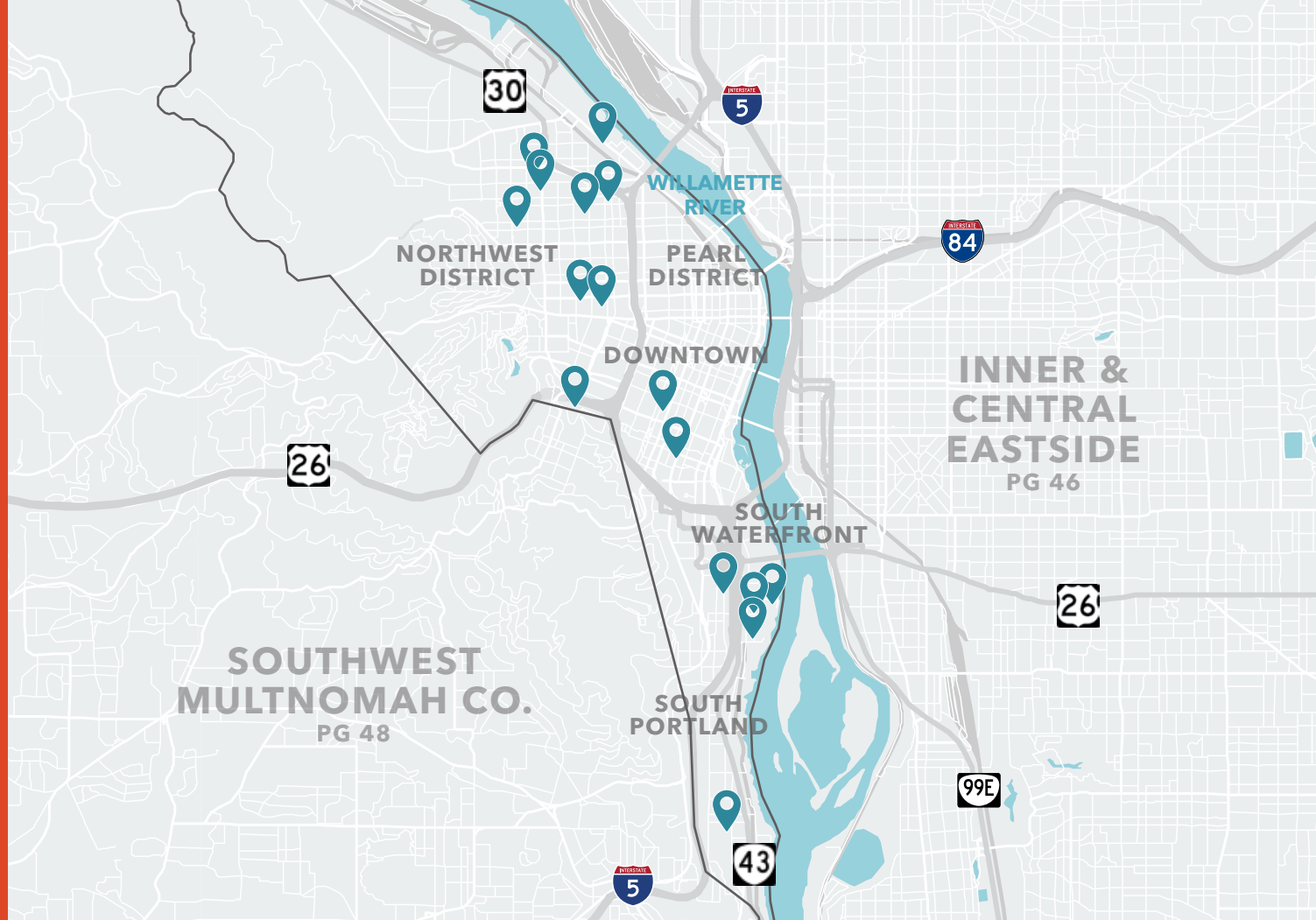
PORTLAND METRO & WILLAMETTE VALLEY

DOWNTOWN & WATERFRONT

Demand remains strong in dynamic Portland neighborhood

Representing the most dynamic, historic, and arguably desirable submarket in the area, Downtown Portland and the South Waterfront districts saw fewer sales in 2019 than the previous year (16 versus 23), but demand remained strong, as evidenced by falling cap rates (4.7% down from 5.1%) and increasing price-per-unit indicators (\$291k per unit up from \$236k per unit). This is despite flat rent growth due to the number of new units that came online in 2019.

Since 2010, nearly 1,100 units were brought online in these neighborhoods, and the higher price per unit and lower cap rates were driven by several high-profile new construction sales. Conversely, historic properties—unreinforced masonry buildings in particular—saw declining sales numbers and increasing cap rates as the City of Portland threatened new mandatory seismic upgrades, which have yet to come to fruition.



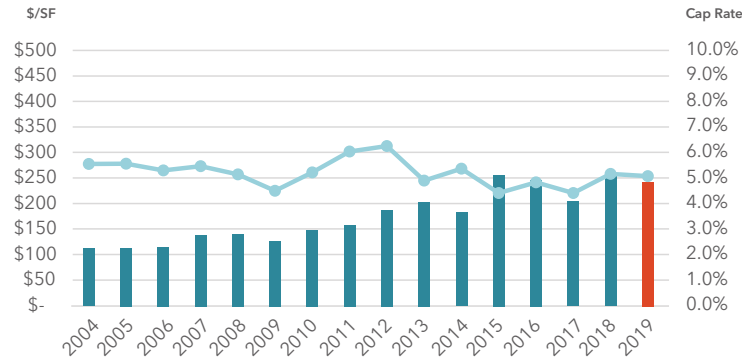
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	10	12 ▲	23 ▲	16 ▼
SALES VOLUME	\$243M	\$233M ▼	\$449M ▲	\$492M ▲
AVG PRICE/UNIT	\$262,641	\$230,694 ▼	\$235,600 ▲	\$291,386 ▲
AVG PRICE/SF	\$307	\$327 ▲	\$294 ▼	\$310 ▲
AVG CAP RATE	4.5%	4.6% ▲	5.1% ▲	4.7% ▼
TOTAL UNITS*	18,935	20,194	21,983	22,685

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
 ● AVERAGE CAP RATE
 ○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	7	1
Sales Volume	\$23.5M	\$10.0M
Avg Price/Unit	\$240,190	\$178,571
Avg Price/SF	\$238	\$289
Avg Cap Rate	5.0%	6.0%

Market Totals & Averages

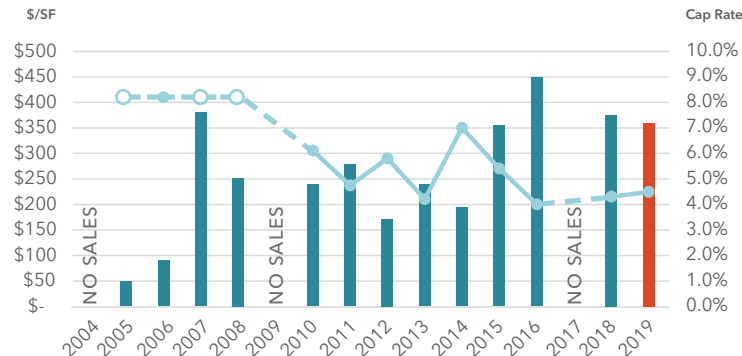
9,765
UNITS

43%
OF INVENTORY

717
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	1	2
Sales Volume	\$6.65M	\$199M
Avg Price/Unit	\$277,083	\$348,497
Avg Price/SF	\$299	\$390
Avg Cap Rate	4.7%	4.4%

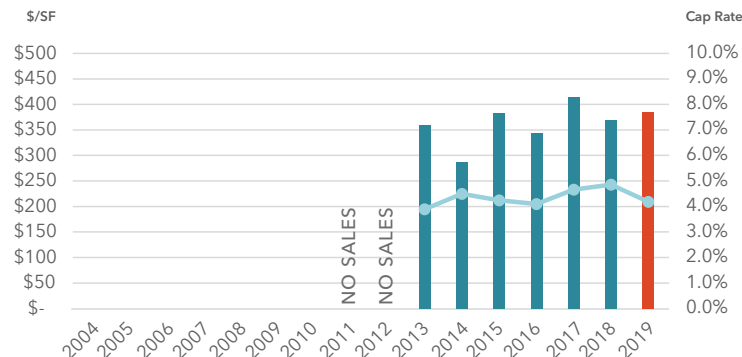
5,190
UNITS

23%
OF INVENTORY

648
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	1	4
Sales Volume	\$14.0M	\$239M
Avg Price/Unit	\$285,714	\$385,621
Avg Price/SF	\$346	\$395
Avg Cap Rate	4.5%	4.1%

7,730
UNITS

34%
OF INVENTORY

681
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT
CYCLE

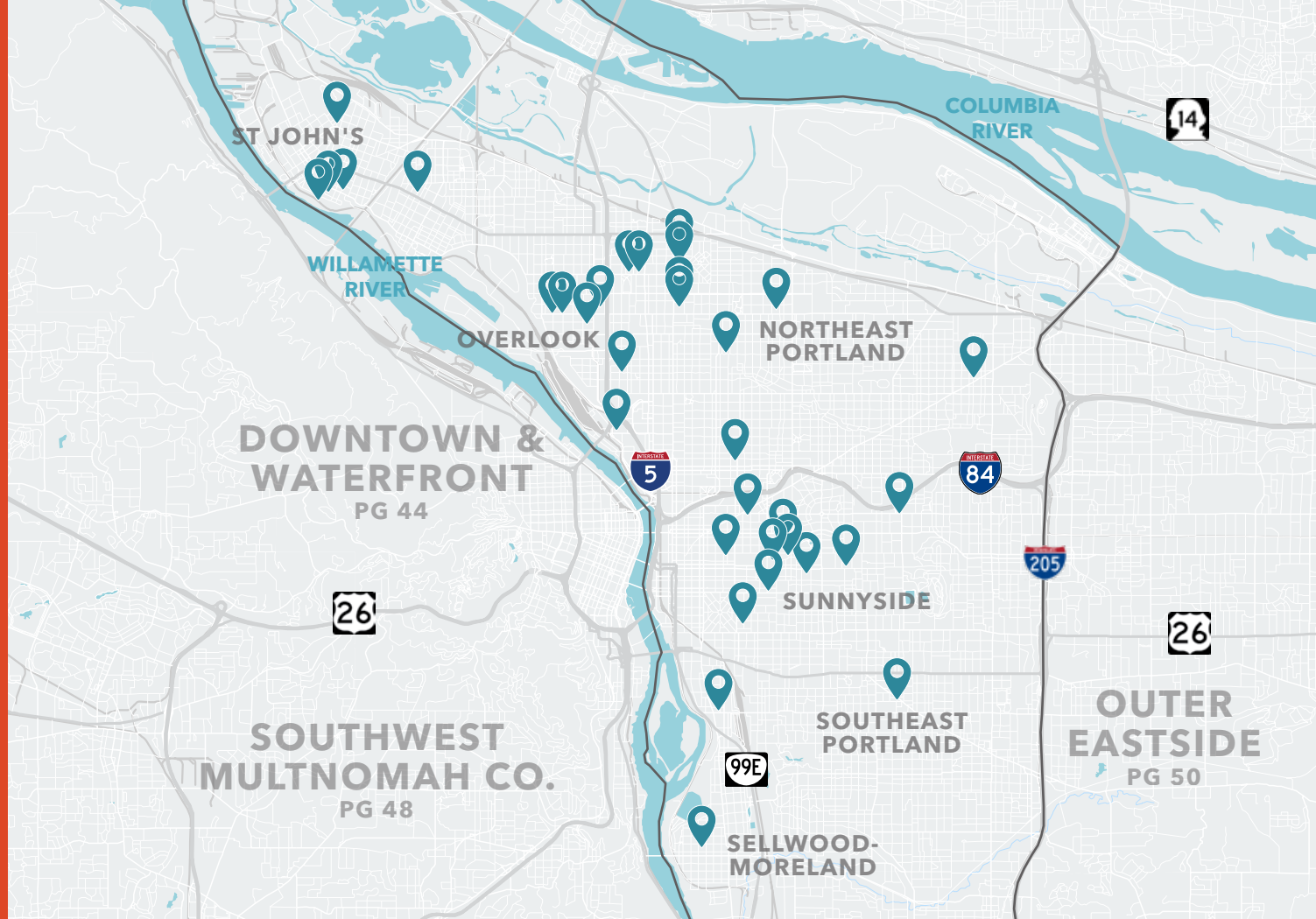
INNER & CENTRAL EASTSIDE

Rent growth drives flurry of new construction

The Inner Eastside experienced a flurry of new construction during the most recent development cycle. These neighborhoods saw some of the highest rent growth in the MSA since the last downturn, and developers took note.

With increased investor and renter demand for the trendy new restaurants and boutique shops of the close-in Eastside, developers flooded in and construction of new infill buildings soared. It's no wonder that new developments were the driver of 2019 sales in this area, properties built after 2013 representing one third of the year's total sales.

The number of sales decreased by 40% from 2018 as cap rates continued to drive up pricing and concessions, and the threat of over-supply led some investors to look elsewhere in the MSA. For those properties that did transact, pricing remained aggressive.



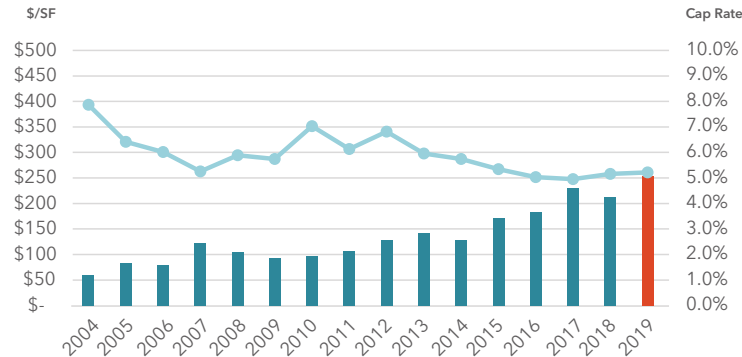
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	40	43 ▲	57 ▲	34 ▼
SALES VOLUME	\$450M	\$390M ▼	\$334M ▼	\$175M ▼
AVG PRICE/UNIT	\$203,476	\$222,828 ▲	\$211,118 ▼	\$211,250 ▲
AVG PRICE/SF	\$254	\$271 ▲	\$273 ▲	\$267 ▼
AVG CAP RATE	4.9%	5.0% ▲	5.1% ▲	5.1% —
TOTAL UNITS*	29,729	31,065	32,837	35,234

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	21	No Sales
Sales Volume	\$46.3M	—
Avg Price/Unit	\$197,110	—
Avg Price/SF	\$254	—
Avg Cap Rate	5.2%	—

Market Totals & Averages

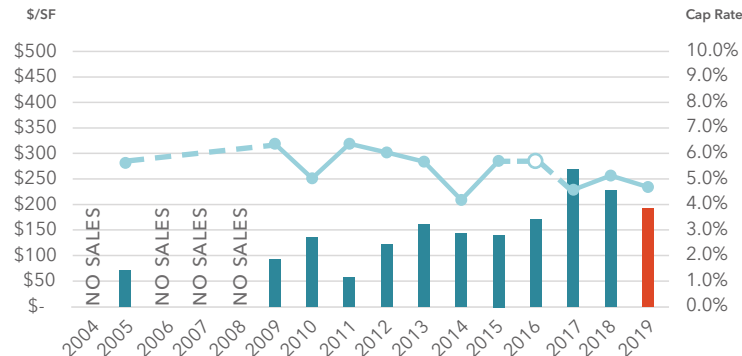
20,206
UNITS

58%
OF INVENTORY

717
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	1	2
Sales Volume	\$2.40M	\$71.5M
Avg Price/Unit	\$200,000	\$272,676
Avg Price/SF	\$154	\$213
Avg Cap Rate	5.6%	4.3%

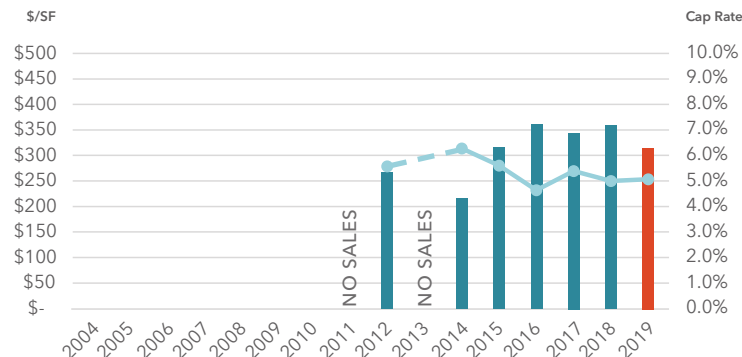
3,293
UNITS

9%
OF INVENTORY

880
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	9	1
Sales Volume	\$38.8M	\$16.3M
Avg Price/Unit	\$226,565	\$258,730
Avg Price/SF	\$315	\$323
Avg Cap Rate	5.1%	5.1%

11,735
UNITS

33%
OF INVENTORY

648
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT
CYCLE

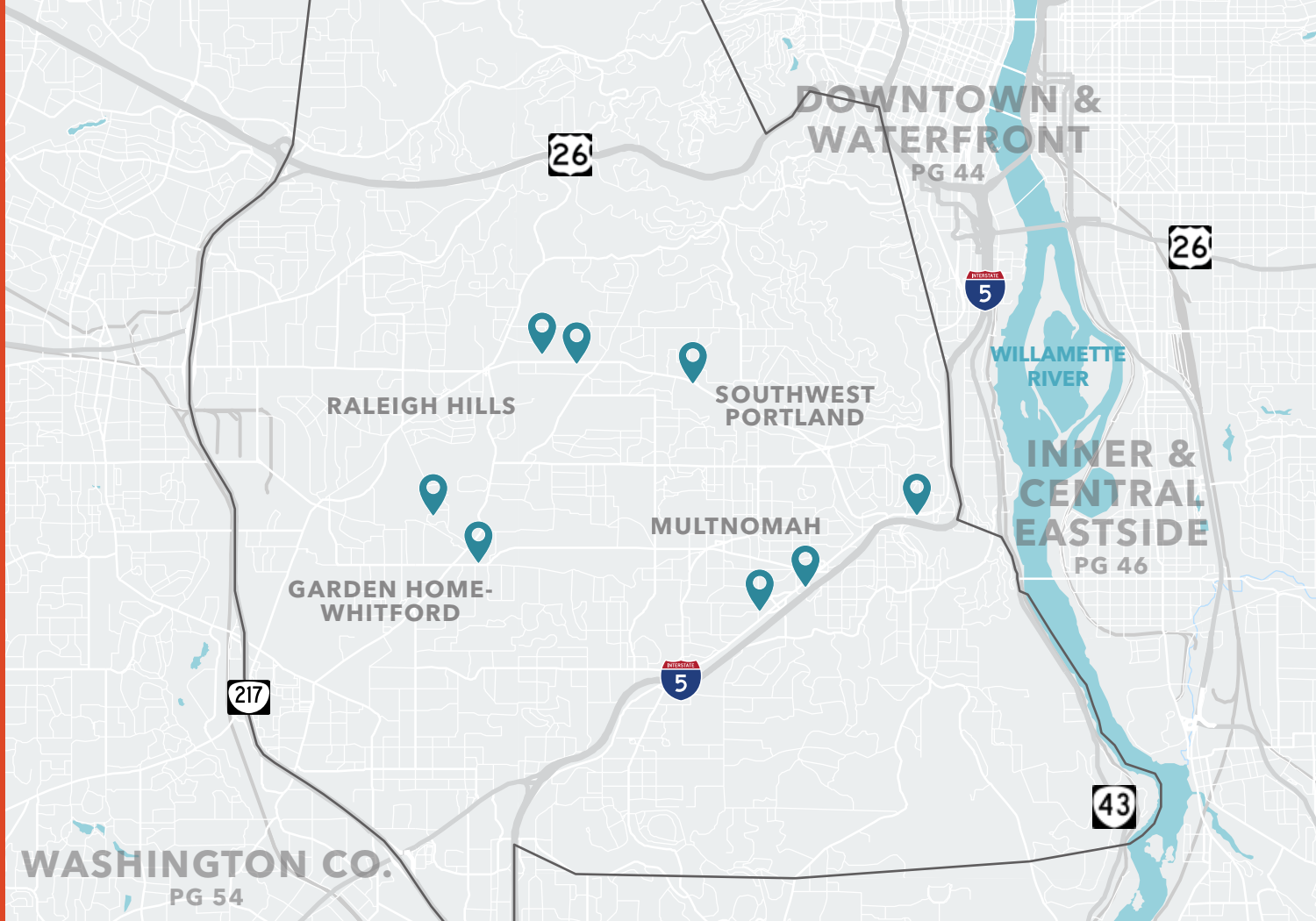
SOUTHWEST MULTNOMAH CO.

Limited transactions in submarket comprising primarily small, family-owned buildings

Southwest Portland is an attractive submarket to investors given its proximity to downtown Portland and access to the I-5 freeway. However, the submarket is primarily made up of smaller (10 to 50 unit) buildings, which tend to be family owned and, therefore, less transactional.

While typically a quiet submarket in terms of sales activity, Southwest Portland did see a small increase in sales from 2018 to 2019. Overall sales metrics for 2019 pointed to more aggressive pricing; however, the increases were largely driven by a single sale, the 309-unit Frank Estate, which sold for \$91M.

Absent that sale, submarket pricing metrics were very similar in 2019 to what we saw in 2018. The sub-5% average cap rate and strong price per unit for working-class apartments indicate steady demand when properties are available.



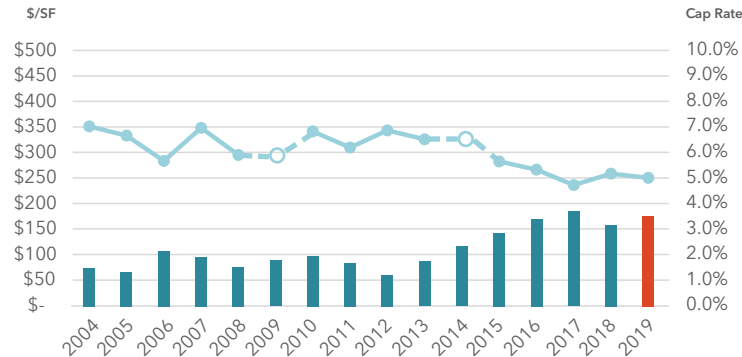
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	13	6 ▼	5 ▼	8 ▲
SALES VOLUME	\$166M	\$30.4M ▼	\$6.89M ▼	\$128M ▲
AVG PRICE/UNIT	\$156,363	\$153,858 ▼	\$148,166 ▼	\$169,732 ▲
AVG PRICE/SF	\$180	\$186 ▲	\$160 ▼	\$177 ▲
AVG CAP RATE	5.4%	4.8% ▼	5.2% ▲	5.0% ▼
TOTAL UNITS*	9,613	9,683	9,709	9,857

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	6	2
Sales Volume	\$26.6M	\$101.8M
Avg Price/Unit	\$145,233	\$243,231
Avg Price/SF	\$165	\$212
Avg Cap Rate	5.2%	4.7%

Market Totals & Averages

8,947
UNITS

91%
OF INVENTORY

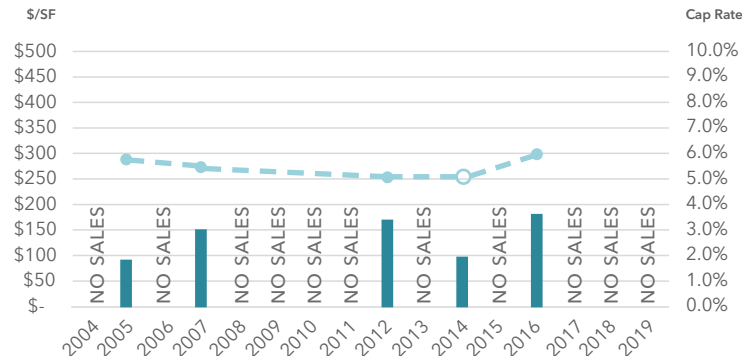
837
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

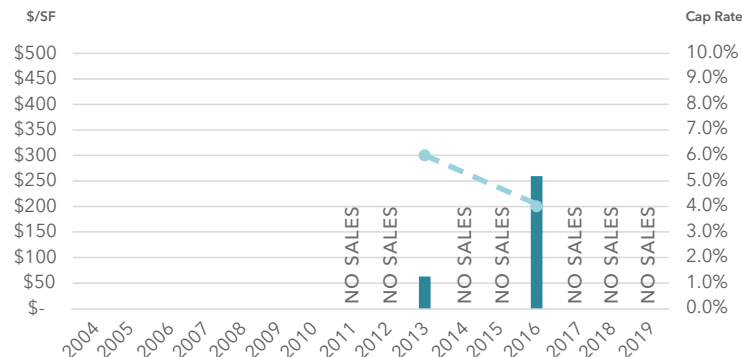
522
UNITS

5%
OF INVENTORY

999
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

388
UNITS

4%
OF INVENTORY

778
AVG UNIT SIZE (SF)

OUTER EASTSIDE MULTNOMAH CO.

Strong demand for blue-collar units drives steady sales metrics

This area is generally considered to have more apartment units than any other region in the metro area, and it is one of the most transactional submarkets as a result. Its western border is NE 82nd Avenue and runs east to the Metro boundary on the edge of the Portland MSA and into the city of Gresham.

In 2019, the area saw a slight decline in sales volume (33 sales versus 39 in 2018). Price per unit moved only slightly upward from 2018 and capitalization rates also moved up slightly, finishing the year at 5.8%. Generally, these areas see an increase in desirability for investors, as entry level pricing is relatively affordable and has experienced some of the highest rent growth in the Metro over the past eight years. As affordability displaced tenants, many moved into this submarket, while little new construction occurred to soften tenant demand, leading to high occupancy rates and rent growth.



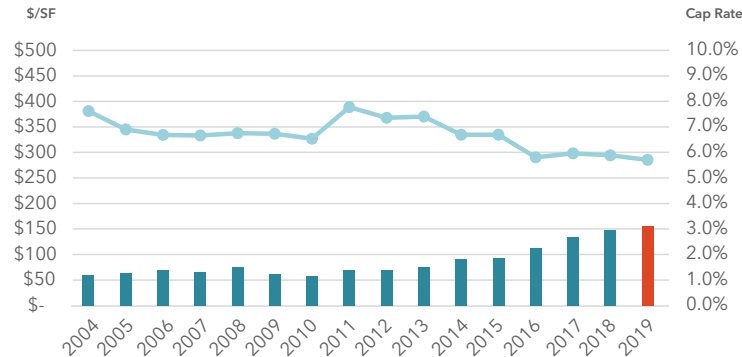
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	49	36 ▼	39 ▲	33 ▼
SALES VOLUME	\$364M	\$162M ▼	\$224M ▲	\$195M ▼
AVG PRICE/UNIT	\$117,196	\$131,052 ▲	\$137,377 ▲	\$139,240 ▲
AVG PRICE/SF	\$124	\$140 ▲	\$156 ▲	\$160 ▲
AVG CAP RATE	5.8%	5.9% ▲	5.9% ▬	5.8% ▼
TOTAL UNITS*	25,799	25,991	26,205	26,586

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	23	3
Sales Volume	\$62.3M	\$96.4M
Avg Price/Unit	\$126,005	\$188,646
Avg Price/SF	\$152	\$189
Avg Cap Rate	5.8%	5.1%

Market Totals & Averages

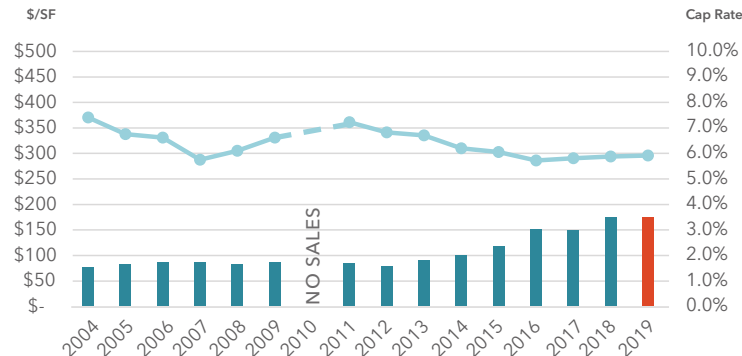
17,817
UNITS

67%
OF INVENTORY

832
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	4	1
Sales Volume	\$7.46M	\$14.0M
Avg Price/Unit	\$160,937	\$186,666
Avg Price/SF	\$154	\$250
Avg Cap Rate	6.2%	4.8%

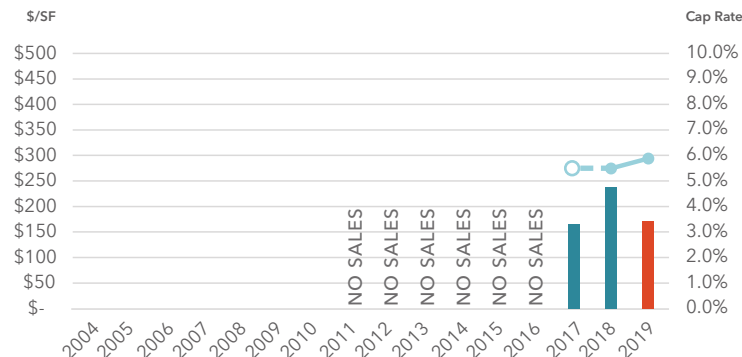
7,473
UNITS

28%
OF INVENTORY

972
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	1	1
Sales Volume	\$7.75M	\$6.40M
Avg Price/Unit	\$193,750	\$106,717
Avg Price/SF	\$191	\$152
Avg Cap Rate	6.0%	5.8%

1,296
UNITS

5%
OF INVENTORY

886
AVG UNIT SIZE (SF)

BUILT POST-2010

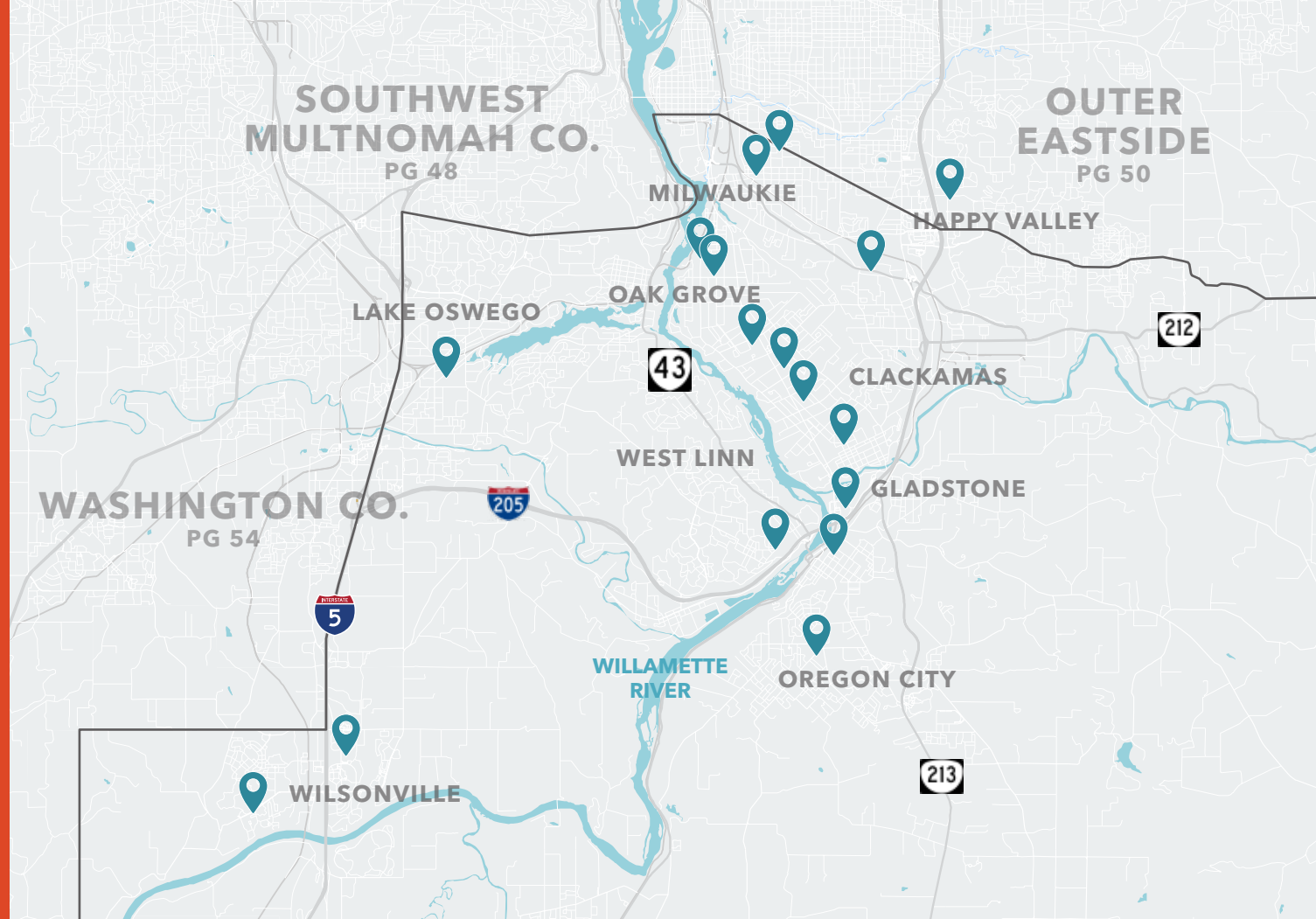
CURRENT
CYCLE

CLACKAMAS CO.

Suburban investor demand and pricing grew, despite lower total sales numbers

While total sales volume in Clackamas County saw a four-year low, price per unit grew by 12% to set a new record high and cap rates compressed by 20 basis points. Interestingly, price per square foot decreased in 2019, albeit slightly, primarily due to the fact that 2018 saw a higher number of institutional sales.

Clackamas County continues to benefit from the fact that it is located outside the City of Portland (and Multnomah County), where local politics and rent control policies have turned off some investors. For this reason, nearly all cities in Clackamas County continue to be viewed favorably by investors; however, the supply of available apartments coming to market lags behind Portland due to the area's smaller overall inventory and the decision of many owners to hold long term given the submarket's solid performance.



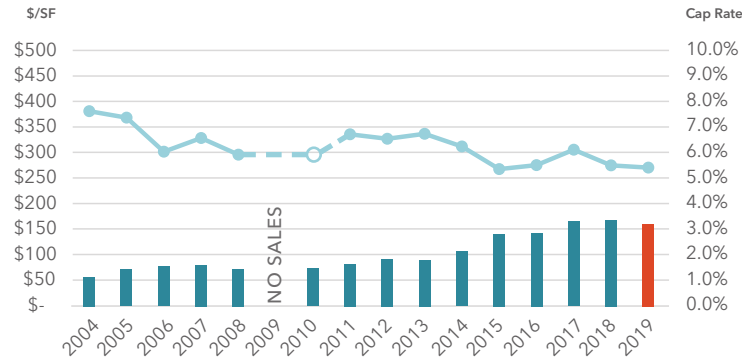
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	23	19 ▼	22 ▲	17 ▼
SALES VOLUME	\$307M	\$153M ▼	\$296M ▲	\$174M ▼
AVG PRICE/UNIT	\$135,340	\$169,145 ▲	\$153,166 ▼	\$183,643 ▲
AVG PRICE/SF	\$147	\$179 ▲	\$177 ▼	\$180 ▲
AVG CAP RATE	5.6%	6.1% ▲	5.5% ▼	5.3% ▼
TOTAL UNITS*	20,780	21,076	21,589	21,837

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	12	1
Sales Volume	\$42.8M	\$17.7M
Avg Price/Unit	\$149,756	\$154,824
Avg Price/SF	\$159	\$181
Avg Cap Rate	5.5%	5.3%

Market Totals & Averages

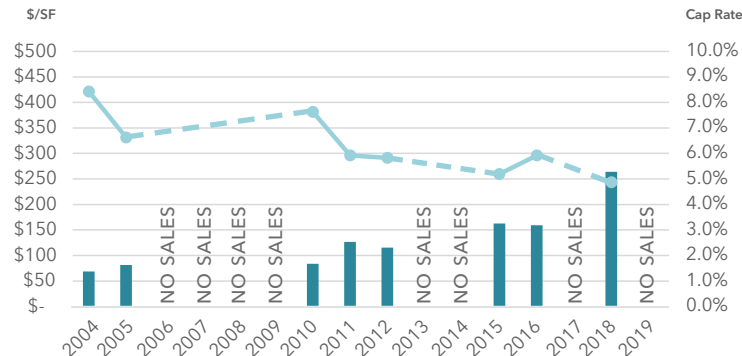
14,923
UNITS

68%
OF INVENTORY

851
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

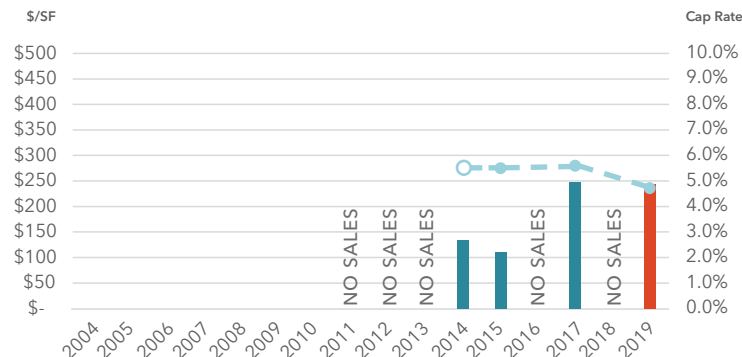
4,761
UNITS

22%
OF INVENTORY

970
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	2	2
Sales Volume	\$6.24M	\$107M
Avg Price/Unit	\$306,750	\$278,268
Avg Price/SF	\$164	\$323
Avg Cap Rate	4.4%	5.0%

2,153
UNITS

10%
OF INVENTORY

1,014
AVG UNIT SIZE (SF)

BUILT POST-2010

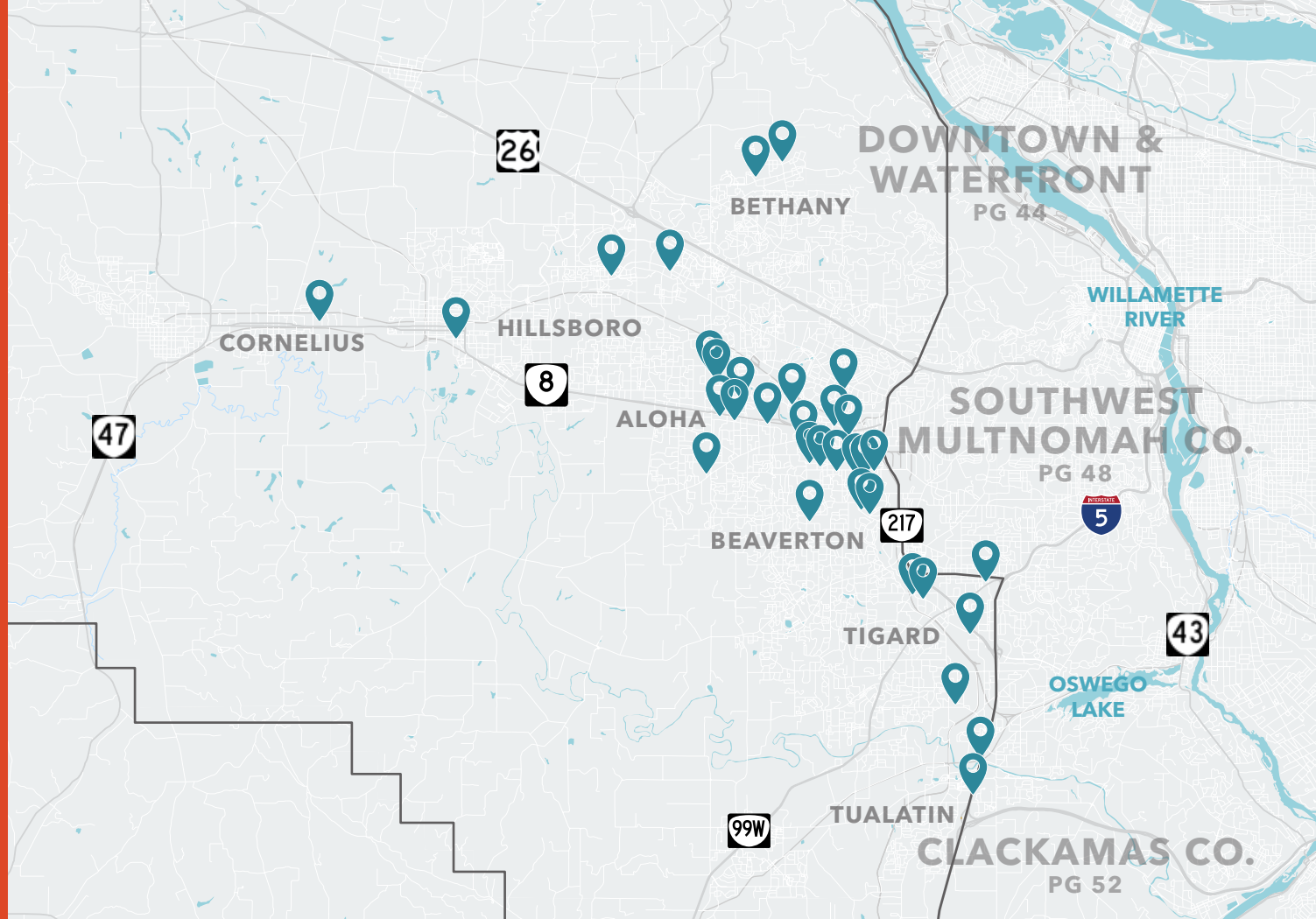
CURRENT
CYCLE

WASHINGTON CO.

Sales were a mixed-bag in 2019, yet demand remained strong

Although suburban properties in Washington County have become increasingly desirable since the adoption of Portland's stricter rent control policies, total sales volume and the number of sales in Washington County decreased year-over-year. Across the 34 total transactions in 2019, price per unit rose only marginally (2%) from 2018, price per square foot remained the same, and cap rates rose by 30 basis points.

Compared to Multnomah County, Washington County experienced far less new construction this market cycle, with fewer than 650 units added in 2019 compared to nearly 4,000 units in Multnomah County. This is indicative of the gap in achievable rents versus construction costs. Home to Nike and Intel, we expect for Washington County to remain a favorite for investors, but continue to be constrained by tight supply as many owners prefer to hold or refinance rather than sell.



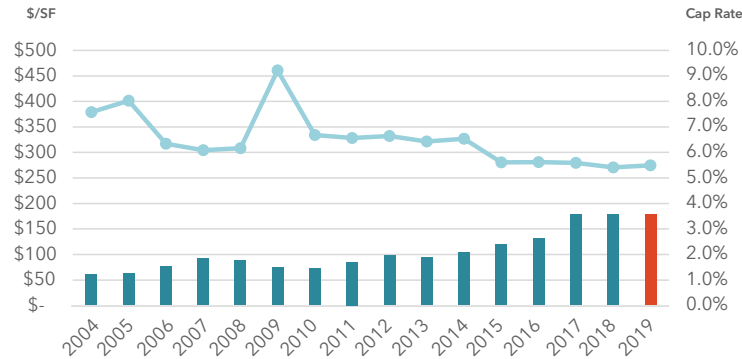
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	26	21 ▼	37 ▲	34 ▼
SALES VOLUME	\$738M	\$450M ▼	\$789M ▲	\$543M ▼
AVG PRICE/UNIT	\$151,881	\$175,406 ▲	\$178,449 ▲	\$184,040 ▲
AVG PRICE/SF	\$157	\$201 ▲	\$199 ▲	\$195 ▼
AVG CAP RATE	5.4%	5.4% ▬	5.1% ▼	5.4% ▲
TOTAL UNITS*	41,842	42,748	44,019	44,368

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	20	6
Sales Volume	\$66.6M	\$86.5M
Avg Price/Unit	\$154,057	\$183,259
Avg Price/SF	\$166	\$214
Avg Cap Rate	5.5%	5.5%

Market Totals & Averages

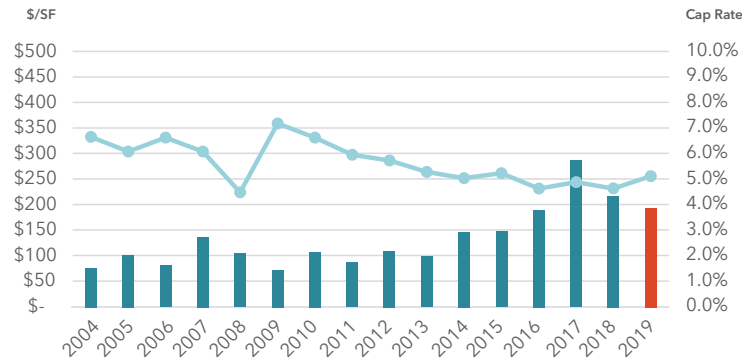
25,327
UNITS

57%
OF INVENTORY

857
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER
BUILDINGS



	5-50 Units	50+ Units
No. of Sales	2	2
Sales Volume	\$5.01M	\$259M
Avg Price/Unit	\$195,000	\$302,095
Avg Price/SF	\$150	\$239
Avg Cap Rate	5.6%	4.6%

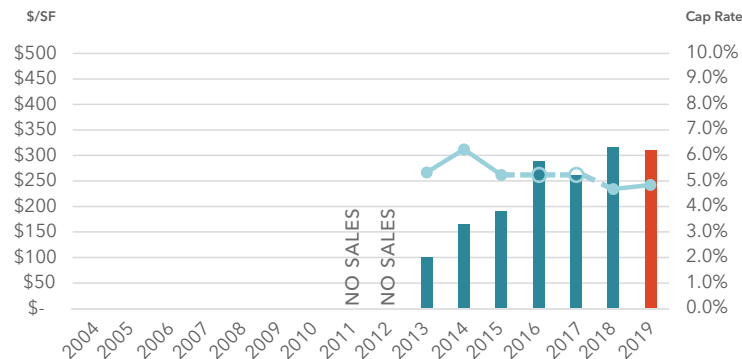
12,280
UNITS

28%
OF INVENTORY

996
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST
CYCLE



	5-50 Units	50+ Units
No. of Sales	No Sales	4
Sales Volume	—	\$126M
Avg Price/Unit	—	\$270,621
Avg Price/SF	—	\$308
Avg Cap Rate	—	4.8%

6,761
UNITS

15%
OF INVENTORY

960
AVG UNIT SIZE (SF)

BUILT POST-2010

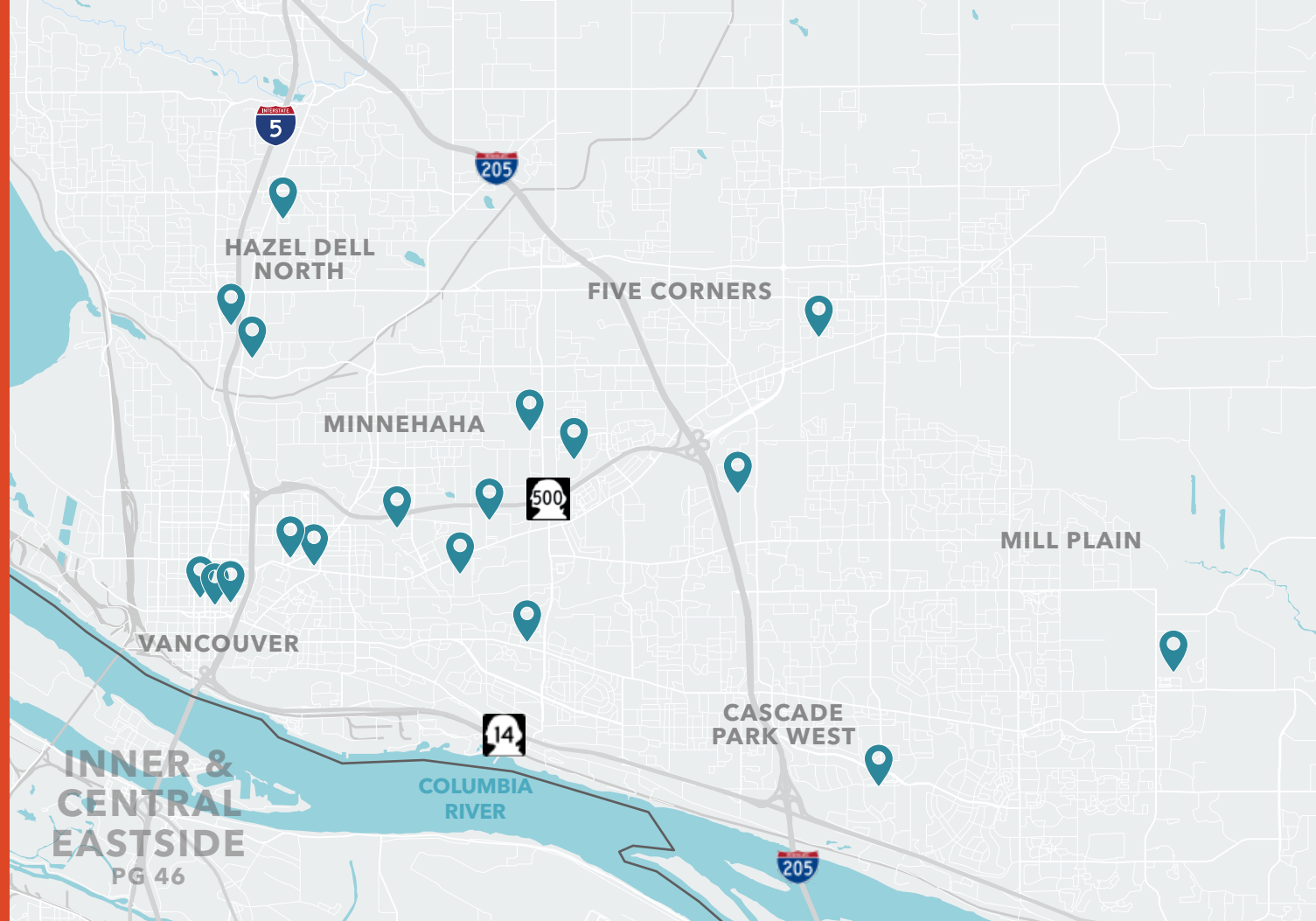
CURRENT
CYCLE

CLARK CO.

Uptick in investor activity propelled by Portland's stringent rent control measures

In 2019, Clark County saw a 38% increase in sales from 2018, with Washington State's impending 2020 excise tax doubtlessly acting as a driver. Institutional sales comprised almost half of the total sales from the region. The area also saw pricing steadily increase due to the surge in investor activity, rent growth, and an influx of new tenants for the submarket. Vancouver, the Portland MSA's largest suburb, was on the nation's top ten list for rent growth as well.

With the city of Vancouver's downtown waterfront development in full swing, and the area's economy continuing to thrive, we anticipate that Clark County will remain on the radar of investors both large and small in the coming years.



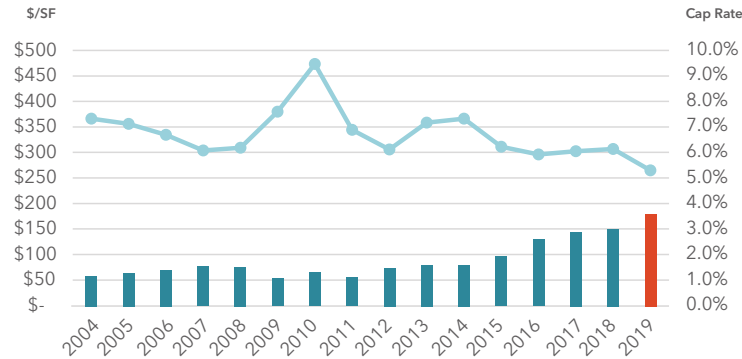
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	19	12 ▼	13 ▲	18 ▲
SALES VOLUME	\$255M	\$68.7M ▼	\$179M ▲	\$369M ▲
AVG PRICE/UNIT	\$142,806	\$163,631 ▲	\$183,451 ▲	\$202,512 ▲
AVG PRICE/SF	\$132	\$153 ▲	\$155 ▲	\$212 ▲
AVG CAP RATE	6.0%	5.8% ▼	5.8% ▬	5.3% ▼
TOTAL UNITS*	26,806	27,814	28,314	30,338

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	6	5
Sales Volume	\$25.7M	\$182M
Avg Price/Unit	\$166,393	\$177,644
Avg Price/SF	\$179	\$184
Avg Cap Rate	5.4%	5.3%

Market Totals & Averages

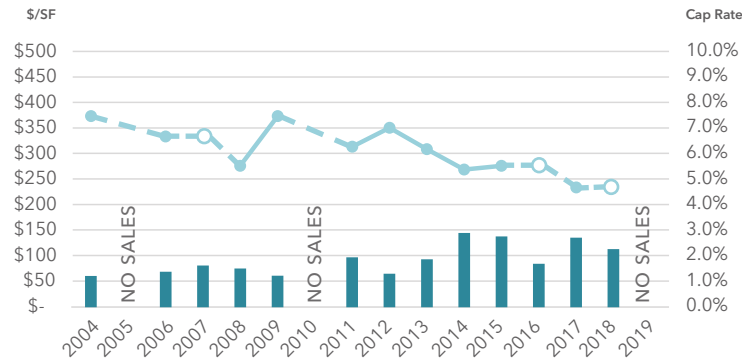
16,063
UNITS

53%
OF INVENTORY

864
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	No Sales	No Sales
Sales Volume	—	—
Avg Price/Unit	—	—
Avg Price/SF	—	—
Avg Cap Rate	—	—

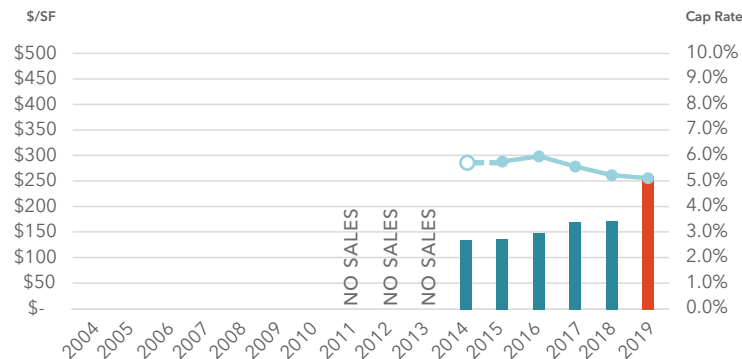
7,595
UNITS

25%
OF INVENTORY

975
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	4	3
Sales Volume	\$29.0M	\$132M
Avg Price/Unit	\$236,414	\$270,994
Avg Price/SF	\$266	\$254
Avg Cap Rate	5.3%	5.0%

6,680
UNITS

22%
OF INVENTORY

994
AVG UNIT SIZE (SF)

BUILT POST-2010

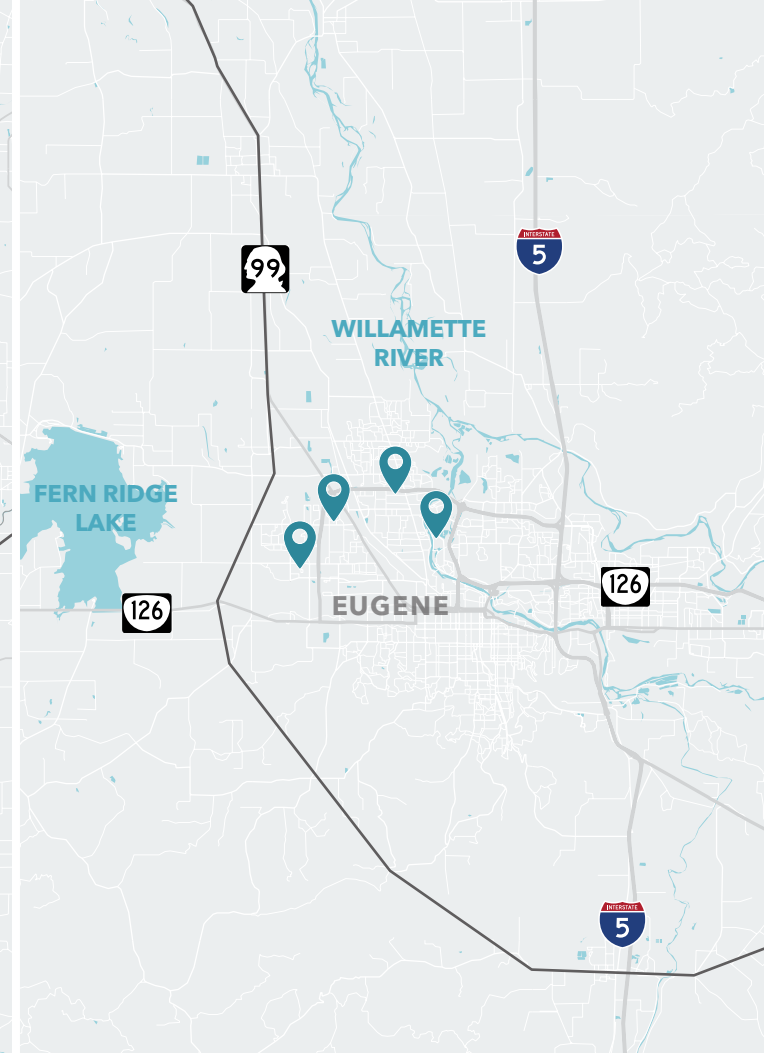
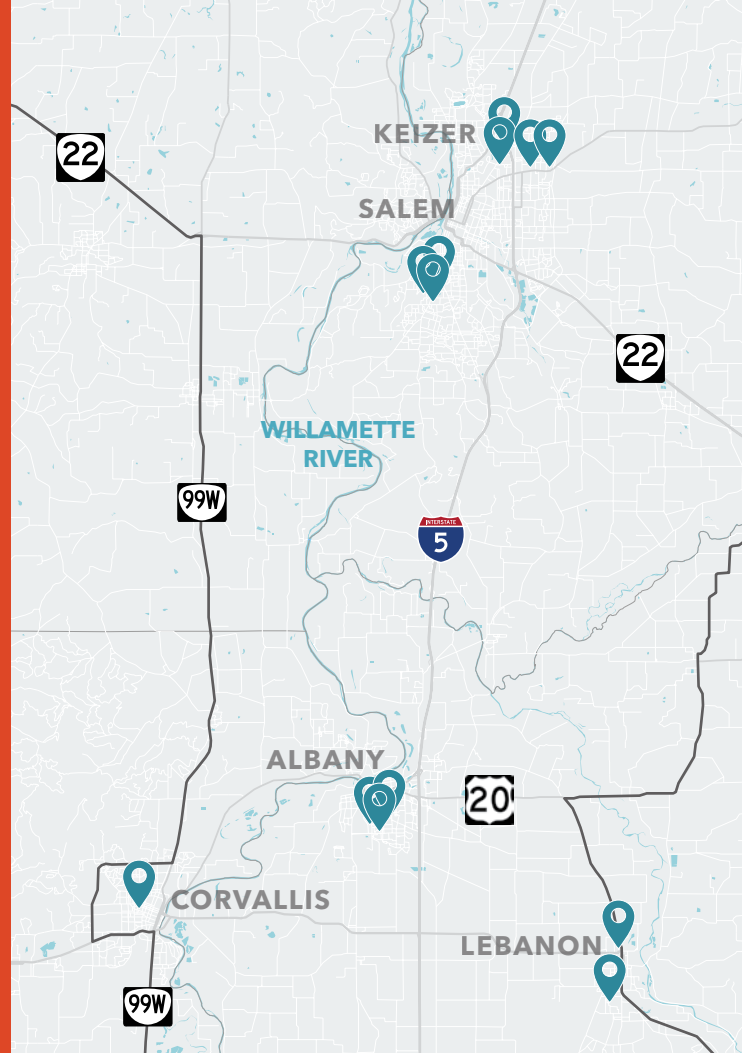
CURRENT CYCLE

WILLAMETTE VALLEY

Transaction volume in suburban markets nearly doubles

Sales in “The Valley” were once again slow in comparison to Portland. Comprising Salem, Albany, Corvallis, and Eugene, apartment buildings in this area tend to have private owners who are far less transactional than investors in the Portland Metro area. These owners often hold properties for long periods of time, creating less opportunity for investors, despite the significant increase in values over the last five years.

In 2019, The Valley saw a big jump in sales compared to the previous year. Total sales were up 42% and volume was up nearly 50%; however, 2018 sales produced a higher average price per square foot and lower average cap rate. This could be attributed to a couple of large institutional sales at very aggressive pricing in 2018. In a submarket with relatively few sales to begin with, one or two large or small sales can easily skew the averages.



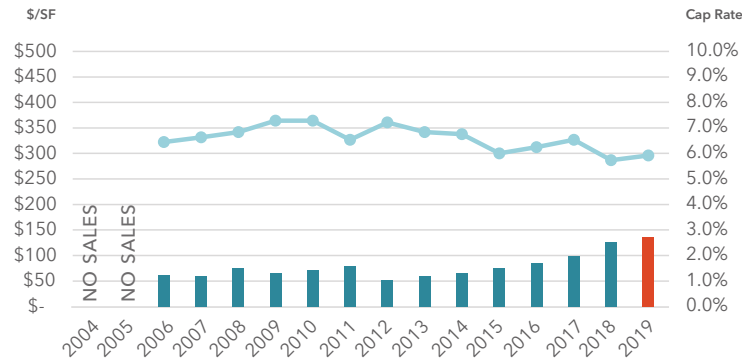
SALES HISTORY

	2016	2017	2018	2019
NO. OF SALES	25	18 ▼	10 ▼	17 ▲
SALES VOLUME	\$246M	\$118M ▼	\$105M ▼	\$200M ▲
AVG PRICE/UNIT	\$102,663	\$89,488 ▼	\$126,766 ▲	\$131,996 ▲
AVG PRICE/SF	\$102	\$104 ▲	\$154 ▲	\$135 ▼
AVG CAP RATE	6.1%	6.4% ▲	5.7% ▼	5.8% ▲
TOTAL UNITS*	40,360	40,990	41,442	42,681

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

■ AVERAGE PRICE/SF
● AVERAGE CAP RATE
○ NO CAP RATE DATA

SALES TRENDS BY BUILDING AGE



2019 SALES BY BUILDING SIZE

	5-50 Units	50+ Units
No. of Sales	9	1
Sales Volume	\$32.7M	\$6.34M
Avg Price/Unit	\$110,680	\$113,251
Avg Price/SF	\$135	\$140
Avg Cap Rate	6.0%	5.5%

Market Totals & Averages

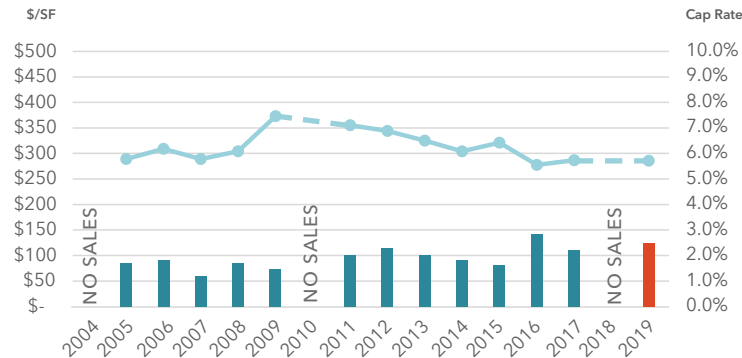
24,614
UNITS

58%
OF INVENTORY

805
AVG UNIT SIZE (SF)

BUILT PRE-1995

OLDER BUILDINGS



	5-50 Units	50+ Units
No. of Sales	1	3
Sales Volume	\$2.38M	\$73.9M
Avg Price/Unit	\$118,750	\$139,523
Avg Price/SF	\$125	\$126
Avg Cap Rate	6.5%	5.5%

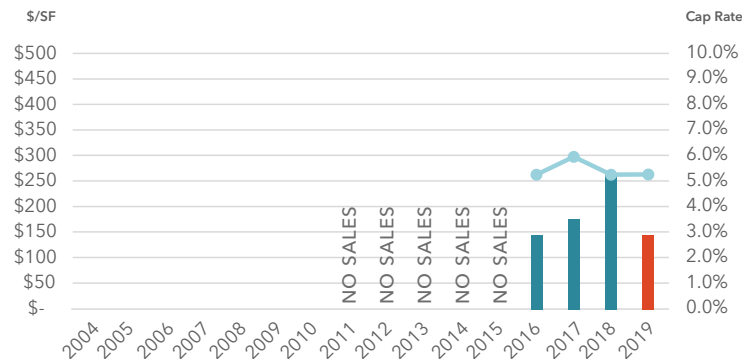
12,150
UNITS

28%
OF INVENTORY

971
AVG UNIT SIZE (SF)

BUILT 1995-2010

LAST CYCLE



	5-50 Units	50+ Units
No. of Sales	1	2
Sales Volume	\$3.88M	\$81.0
Avg Price/Unit	\$161,458	\$217,890
Avg Price/SF	\$178	\$130
Avg Cap Rate	6.2%	4.9%

5,917
UNITS

14%
OF INVENTORY

973
AVG UNIT SIZE (SF)

BUILT POST-2010

CURRENT CYCLE





05

NOTES & SOURCES

NOTES & DATA SOURCES

NOTES

PUGET SOUND

Sales data for the Puget Sound region is inclusive of all 5+ unit market-rate apartment buildings in King, Snohomish, Pierce, and Kitsap Counties.

Year-over-year employment growth is calculated as the change in employment from December 2018 to December 2019 by county, utilizing data provided by the Washington State Employment Security Department.

Year-over-year wage growth is calculated as the change in average weekly wages from June 2018 to June 2019 by county, utilizing data provided by the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages.

PORTLAND METRO & WILLAMETTE VALLEY

Sales data for the Portland Metro region is inclusive of 5+ unit market-rate apartment buildings valued over \$1M in the Multnomah, Washington, Clackamas, and Clark Counties.

Sales data for the Willamette Valley region is inclusive of 20+ unit market-rate apartment buildings valued over \$1M in the Salem, Albany, Corvallis, and Eugene metros.

Year-over-year employment growth is calculated as the change in employment from December 2018 to December 2019 by county, utilizing data provided by the State of Oregon Employment Department.

Year-over-year wage growth is calculated as the change in average weekly wages from June 2018 to June 2019 by county, utilizing data provided by the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages.

DATA SOURCES

2019 & HISTORICAL SALES

CoStar

Real Capital Analytics

Commercial Brokers Association

Dupre & Scott

King County Registrar

Snohomish County Registrar

Pierce County Planning & Public Works Department

Kitsap County Application Services

Multnomah County Oregon Property Records

Washington County Intermap

Marion County Assessor's Property Records

Lane County Assessment & Taxation

MARKET FUNDAMENTALS

Esri

CoStar

Washington State Employment Security Department

State of Oregon Employment Department

U.S. Bureau of Labor Statistics



Portland
Oregon

OLD TOWN

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