

**SIMON | ANDERSON TEAM**

# SEATTLE & PUGET SOUND APARTMENT MARKET DYNAMICS

2022  
Q3

NORTH KING  
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# HOW TO USE THIS STUDY



Discover the latest apartment investment sales data for King, Snohomish, Pierce, and Kitsap Counties.



Look for our insights in each submarket to help guide your investment decisions.



Contact us to chat about the market, discuss the best times to buy or sell, and request a valuation of your apartment building or land.



# APARTMENT EXPERTS

## OUR EXPERTISE



5 TO 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

## DOWNLOAD PRIOR RESEARCH REPORTS



Q1 2022 REPORT



Q2 2022 REPORT



Q2 2022 EASTERN WASHINGTON REPORT



H1 2022 TEAM SALES REVIEW

## SIMON | ANDERSON RECENT DEALS



HEARTWOOD



COLINA



ETTA



COVENTRY COURT IV



NEUTRA



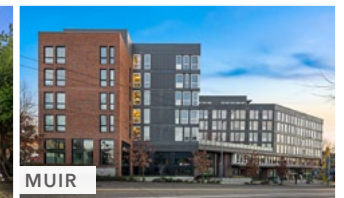
FAIRWOOD LANDING



2338 FRANKLIN



CAPITOL HILL TRIPLEX



MUIR

## DOWNLOAD OUR FULL H1 2022 TRACK RECORD

## BROKERS

### 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 and with expertise in sales strategies, market knowledge, and industry trends.

### Jerrid Anderson

Executive Vice President



Jerrid is the most active apartment broker in Seattle, where he sold 22 apartment buildings in 2021. Jerrid has brokered more than \$1 billion in urban apartment and land sales and holds numerous sales records in Seattle.

### Matt Laird

Vice President



Matt is an apartment broker specializing in urban and suburban apartment sales, development land sales, and off-market acquisitions. His attention to detail and excellent client service ensures smooth transactions from marketing through closing.

### Brandon Lawler

Vice President



Brandon is an apartment broker specializing in the sale of apartment buildings and off-market acquisitions, with expertise in the South Puget Sound market.

### Winslow Lee

Associate Vice President



Winslow is an apartment broker specializing in sales of apartment buildings and development land with expertise in King & Snohomish Counties.

### Max Frame

Associate Vice President



Max is an apartment broker specializing in the sale of King County development land and Eastern Washington apartment buildings.

# PUGET SOUND

## Rising rents & stable occupancy validate continued resiliency of the Puget Sound Region.



The region's continued acceleration out of the dog days of the global pandemic is demonstrated by consistent month-over-month rental rate growth across the region, which is up 10% year-over-year (y-o-y).



While rental rates accelerated regionally, occupancy remained stable across the region (no change y-o-y). Specifically, it was consistently higher in suburban markets and sub-6% in urban markets.



The investment sales market slowed markedly in the last quarter as federal monetary policy attempted to arrest ramped inflation; however, regional cap rates remained at historic lows – especially in light of the sharp rise in lending rates.

## Inventory

	Units	Buildings
<b>Total</b>	382,392	8,443
<b>5 to 50 Units</b>	99,983	6,636
<b>50+ Units</b>	282,409	1,807
<b>12-Month Deliveries</b>	11,612	73
<b>Average Unit Size</b>	825 SF	

## Rent & Vacancy

	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ LAST QUARTER ]
	<b>Q2 2021</b>	<b>12-Month Change</b>	<b>Q1 2022</b>	<b>90-Day Change</b>	<b>Q2 2022</b>
<b>Rent</b>	\$1,917	▲ 10%	\$2,018	▲ 5%	\$2,109
<b>Vacancy</b>	5.7%	No Change	5.3%	▲ 40 bps	5.7%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

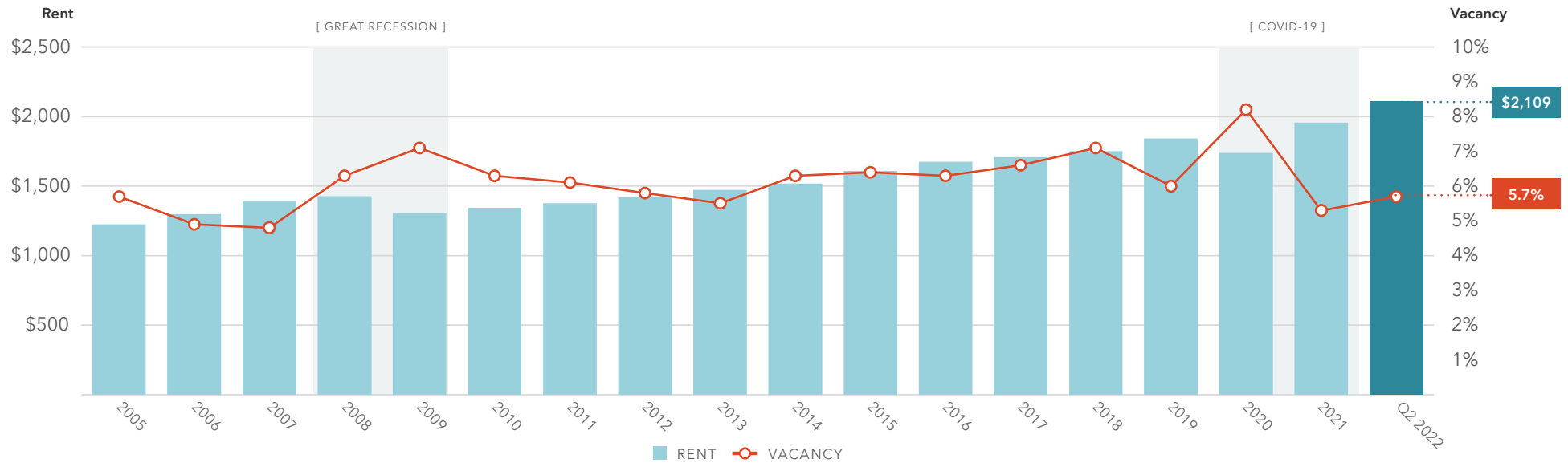
## Historical Sales Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ LAST QUARTER ]
							<b>Q2 2021</b>	<b>12-Month Change</b>	<b>Q1 2022</b>	<b>90-day Change</b>	<b>Q2 2022</b>
<b>Building Sales</b>	485	451	430	458	331	456	94	▼ 5%	74	▲ 20%	89
<b>Sales Volume</b>	\$5.5B	\$4.5B	\$4.5B	\$8.1B	\$3.3B	\$8.0B	\$732M	▲ 65%	\$1.6B	▼ 23%	\$1.2B
<b>Price/Unit</b>	\$198K	\$239K	\$244K	\$286K	\$294K	\$336K	\$237K	▲ 21%	\$297K	▼ 3%	\$287K
<b>Price/SF</b>	\$208	\$254	\$264	\$332	\$321	\$374	\$283	▲ 33%	\$438	▼ 14%	\$377
<b>Cap Rate</b>	5.4%	4.9%	4.9%	4.8%	5.0%	4.6%	4.6%	▼ 45 bps	3.9%	▲ 24 bps	4.2%

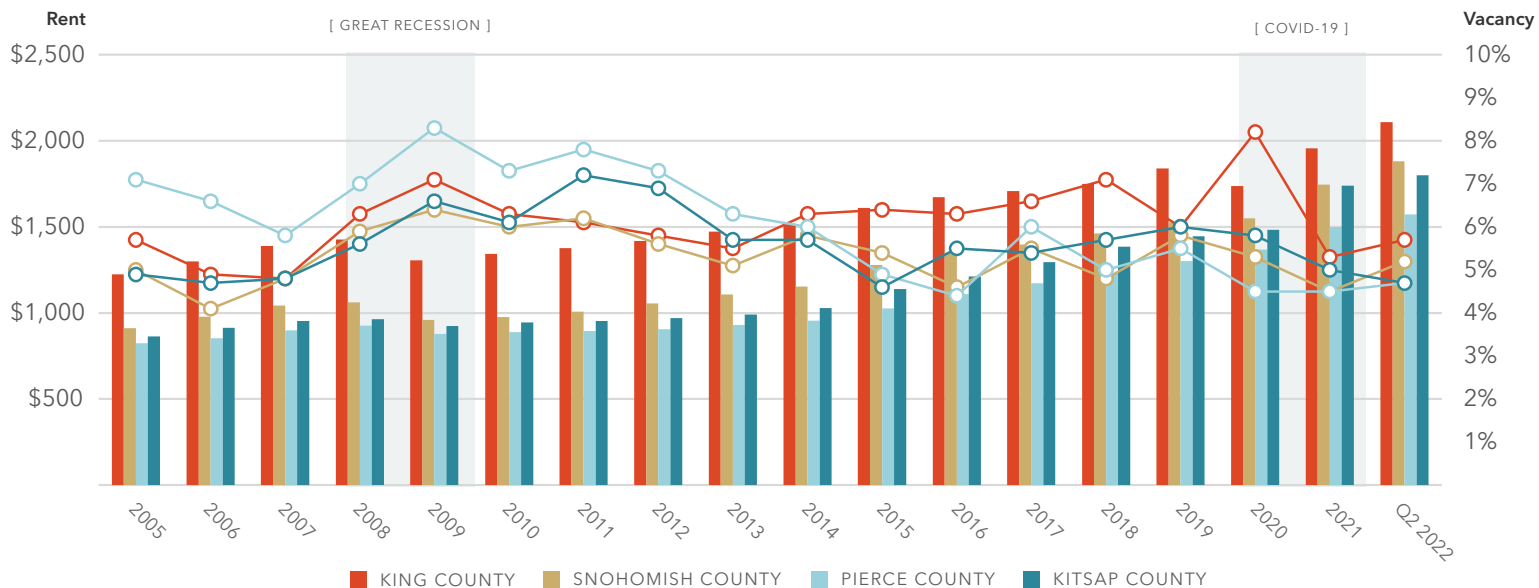
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# REGIONAL HISTORIC RENT VS. VACANCY

## Puget Sound Region



## Counties



### Q1 2022

	Rent	Vacancy
King	\$2,109	5.7%
Snohomish	\$1,881	5.2%
Pierce	\$1,573	4.7%
Kitsap	\$1,801	4.7%

# REGIONAL BUILDING INCOME VELOCITY

## North King

	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,595	▲ 11%	\$1,707	▲ 4%	\$1,774
RENT/SF	\$2.12	▲ 11%	\$2.27	▲ 4%	\$2.36
VACANCY	5.3%	▼ 60 bps	5.7%	▼ 100 bps	4.7%

## Kitsap

	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,669	▲ 8%	\$1,752	▲ 3%	\$1,801
RENT/SF	\$1.93	▲ 8%	\$2.03	▲ 3%	\$2.09
VACANCY	2.5%	▲ 220 bps	4.7%	No Change	4.7%

## Seattle

	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,967	▲ 6%	\$1,998	▲ 5%	\$2,089
RENT/SF	\$2.93	▲ 6%	\$2.98	▲ 5%	\$3.12
VACANCY	6.4%	▲ 60 bps	6.1%	▲ 90 bps	7.0%

## Pierce

	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,465	▲ 7%	\$1,530	▲ 3%	\$1,573
RENT/SF	\$1.73	▲ 7%	\$1.80	▲ 3%	\$1.85
VACANCY	3.4%	▲ 130 bps	4.3%	▲ 40 bps	4.7%

## Snohomish

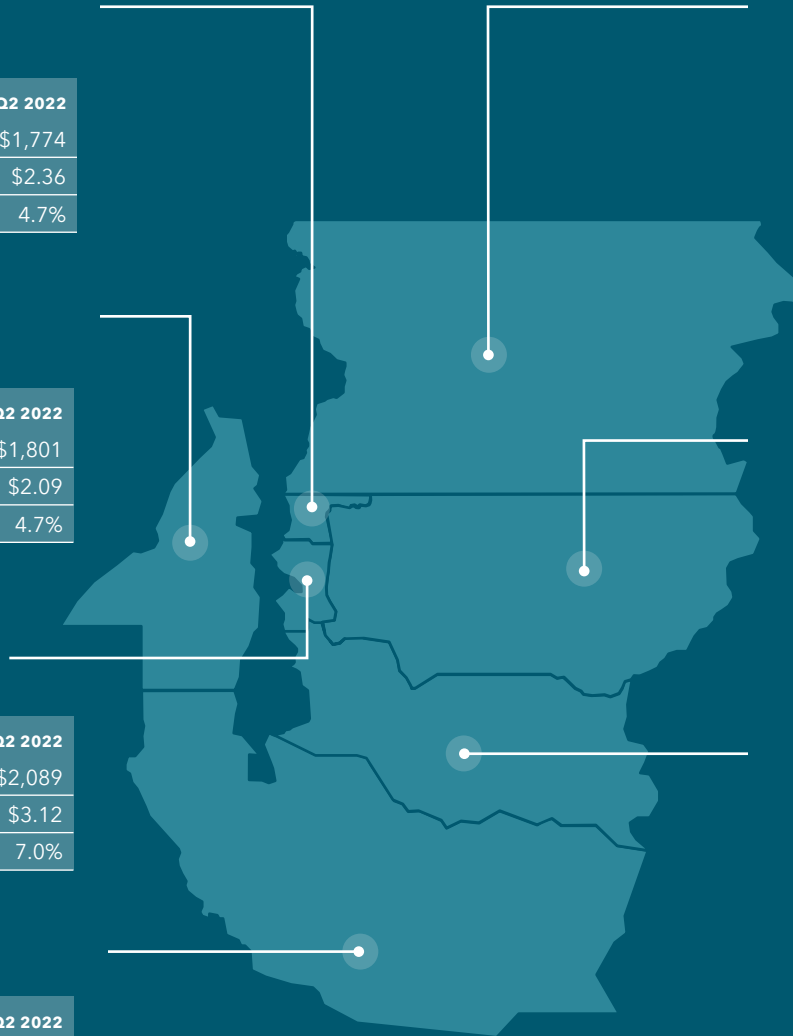
	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,682	▲ 12%	\$1,815	▲ 4%	\$1,881
RENT/SF	\$1.93	▲ 12%	\$2.08	▲ 4%	\$2.16
VACANCY	5.1%	▲ 10 bps	4.9%	▲ 30 bps	5.2%

## East King

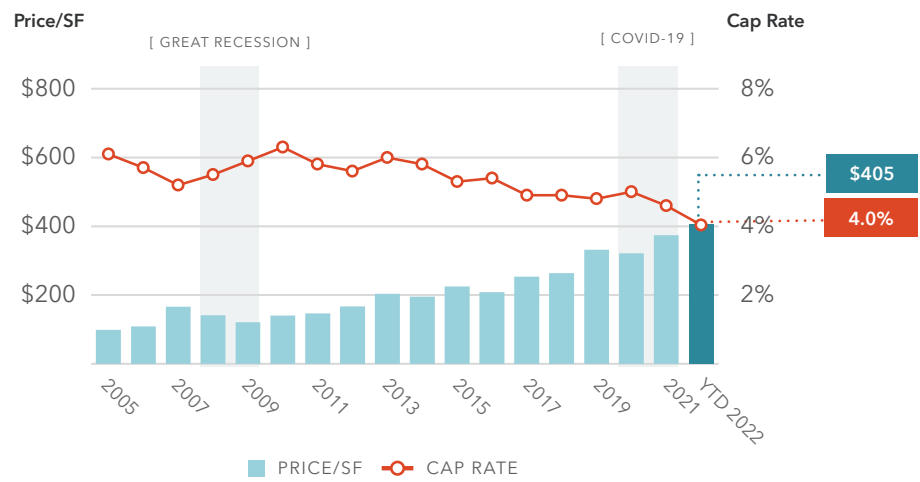
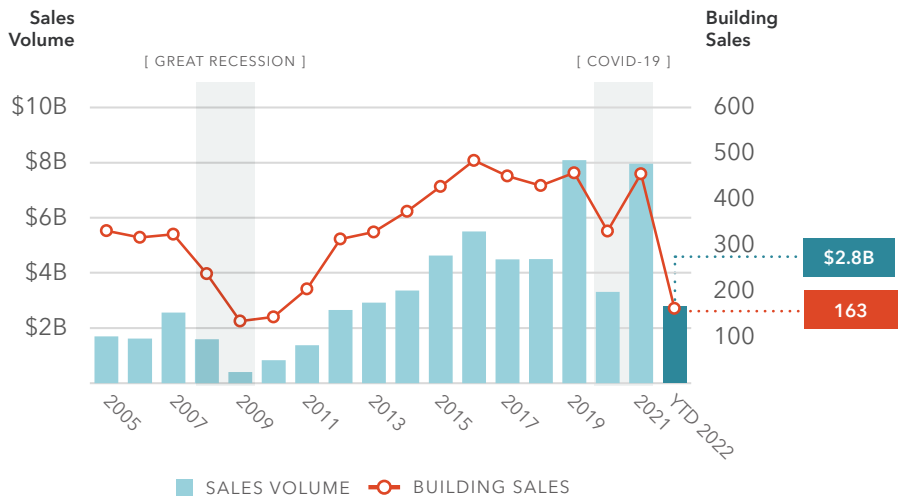
	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$2,246	▲ 14%	\$2,442	▲ 5%	\$2,569
RENT/SF	\$2.54	▲ 14%	\$2.76	▲ 5%	\$2.90
VACANCY	6.5%	▼ 110 bps	5.3%	▲ 10 bps	5.4%

## South King

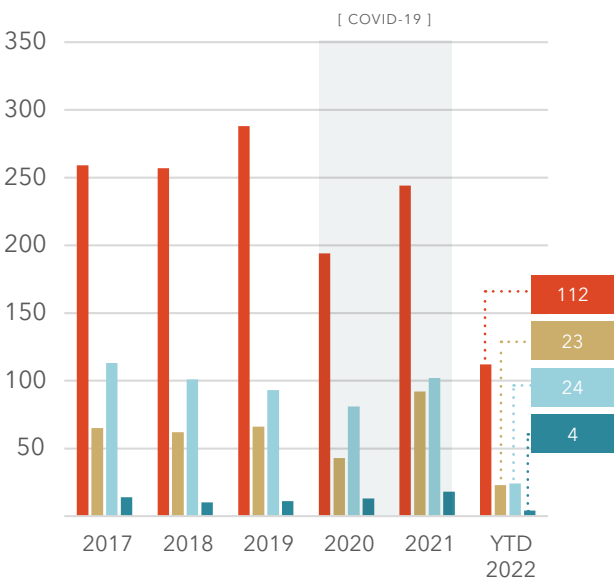
	Q2 2021	12-MO CHANGE	Q1 2022	90-DAY CHANGE	Q2 2022
RENT	\$1,604	▲ 12%	\$1,731	▲ 4%	\$1,794
RENT/SF	\$1.88	▲ 12%	\$2.03	▲ 3%	\$2.10
VACANCY	3.8%	▼ 10 bps	3.6%	▲ 10 bps	3.7%



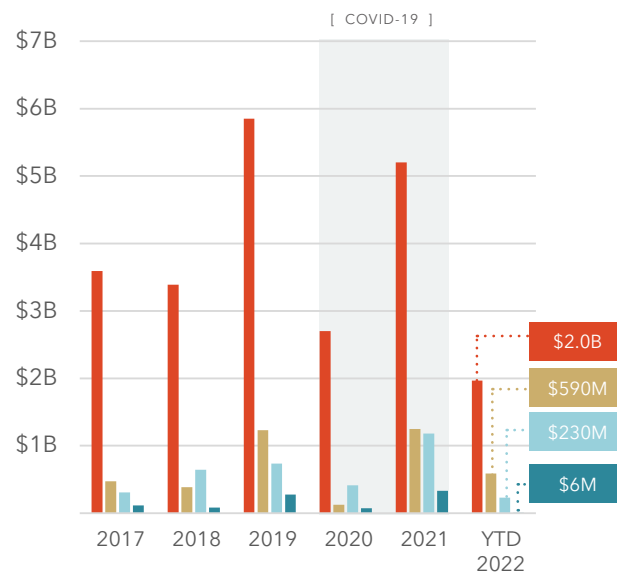
# PUGET SOUND REGIONAL HISTORIC SALES



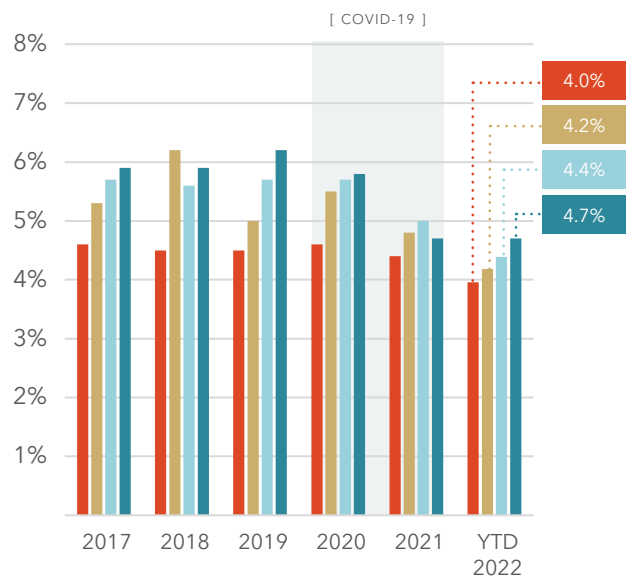
## Building Sales



## Sales Volume



## Cap Rate



KING COUNTY SNOHOMISH COUNTY PIERCE COUNTY KITSAP COUNTY

# REGIONAL SALES PRICING VELOCITY

## North King

	2020	2021	YTD 2022
PRICE/UNIT	\$229K	\$367K	\$254K
PRICE/SF	\$251	\$430	\$384
CAP RATE	4.3%	4.3%	4.5%

## Kitsap

	2020	2021	YTD 2022
PRICE/UNIT	\$196K	\$255K	\$193K
PRICE/SF	\$212	\$291	\$197
CAP RATE	5.8%	4.7%	4.7%

## Seattle

	2020	2021	YTD 2022
PRICE/UNIT	\$399K	\$397K	\$329K
PRICE/SF	\$516	\$473	\$501
CAP RATE	4.7%	4.5%	3.9%

## Pierce

	2020	2021	YTD 2022
PRICE/UNIT	\$202K	\$251K	\$228K
PRICE/SF	\$210	\$257	\$282
CAP RATE	5.7%	5.0%	4.4%

## Snohomish

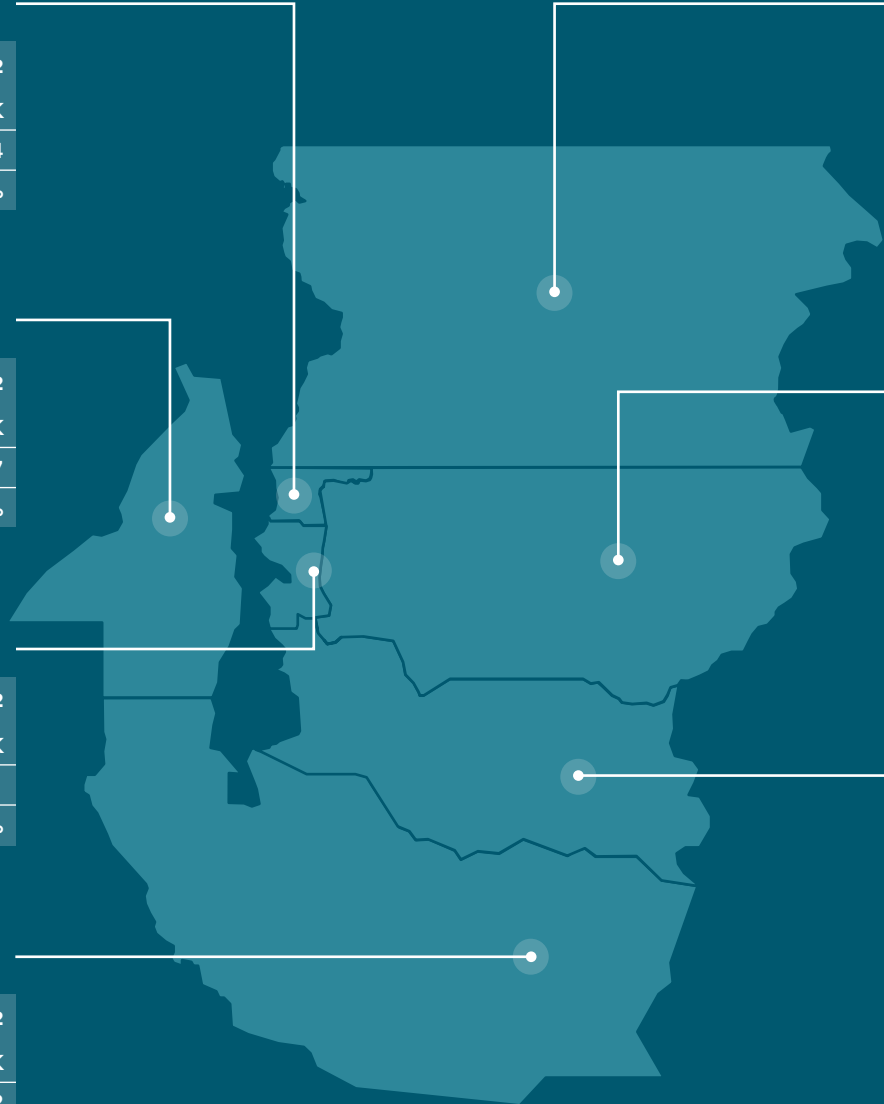
	2020	2021	YTD 2022
PRICE/UNIT	\$193K	\$272K	\$272K
PRICE/SF	\$232	\$320	\$326
CAP RATE	5.5%	4.8%	4.2%

## East King

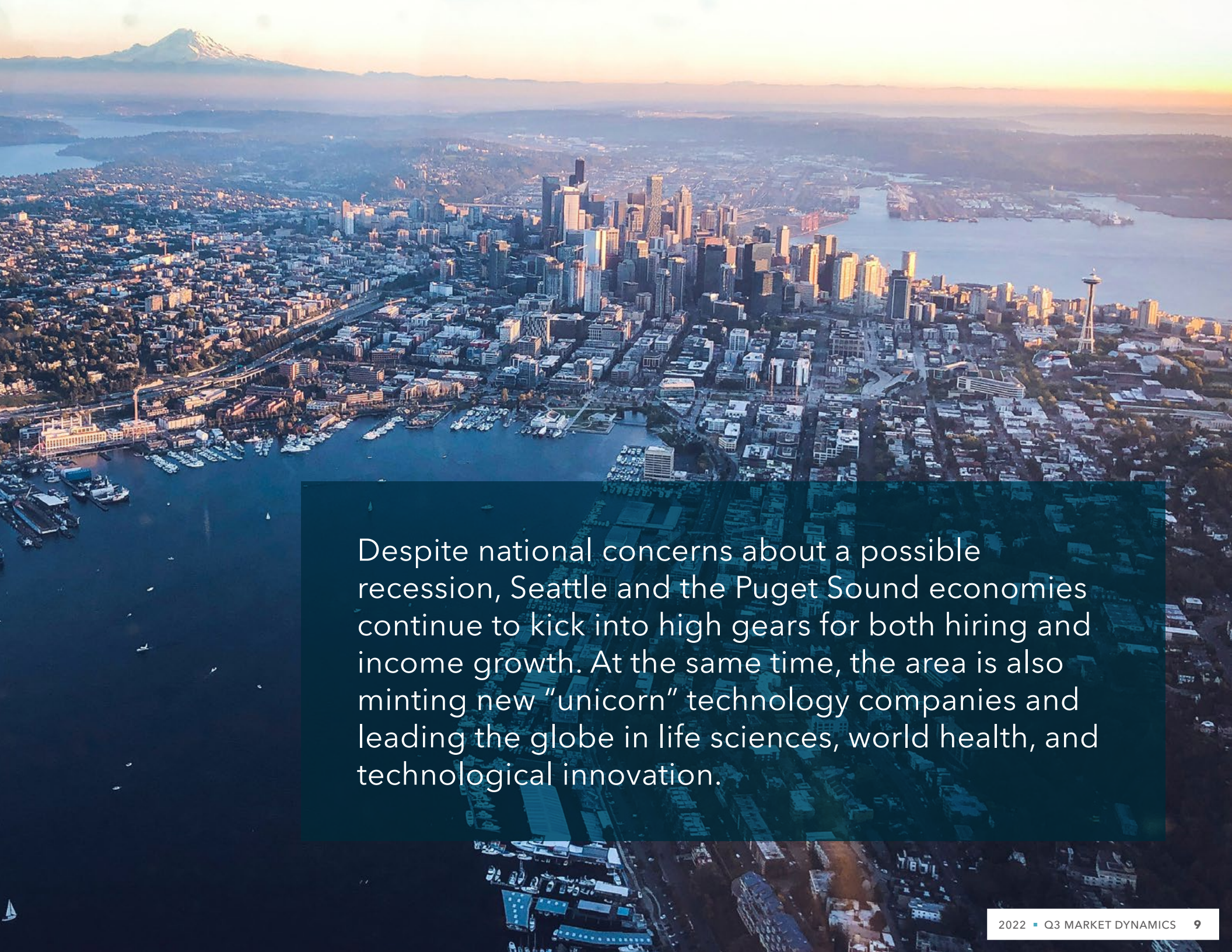
	2020	2021	YTD 2022
PRICE/UNIT	\$340K	\$478K	\$534K
PRICE/SF	\$337	\$516	\$623
CAP RATE	4.5%	3.8%	3.2%

## South King

	2020	2021	YTD 2022
PRICE/UNIT	\$230K	\$306K	\$236K
PRICE/SF	\$240	\$347	\$306
CAP RATE	4.8%	4.6%	4.1%







Despite national concerns about a possible recession, Seattle and the Puget Sound economies continue to kick into high gears for both hiring and income growth. At the same time, the area is also minting new "unicorn" technology companies and leading the globe in life sciences, world health, and technological innovation.



# SEATTLE

## Will Seattle apartment prices rise or fall? Watch the rental and interest rate races.



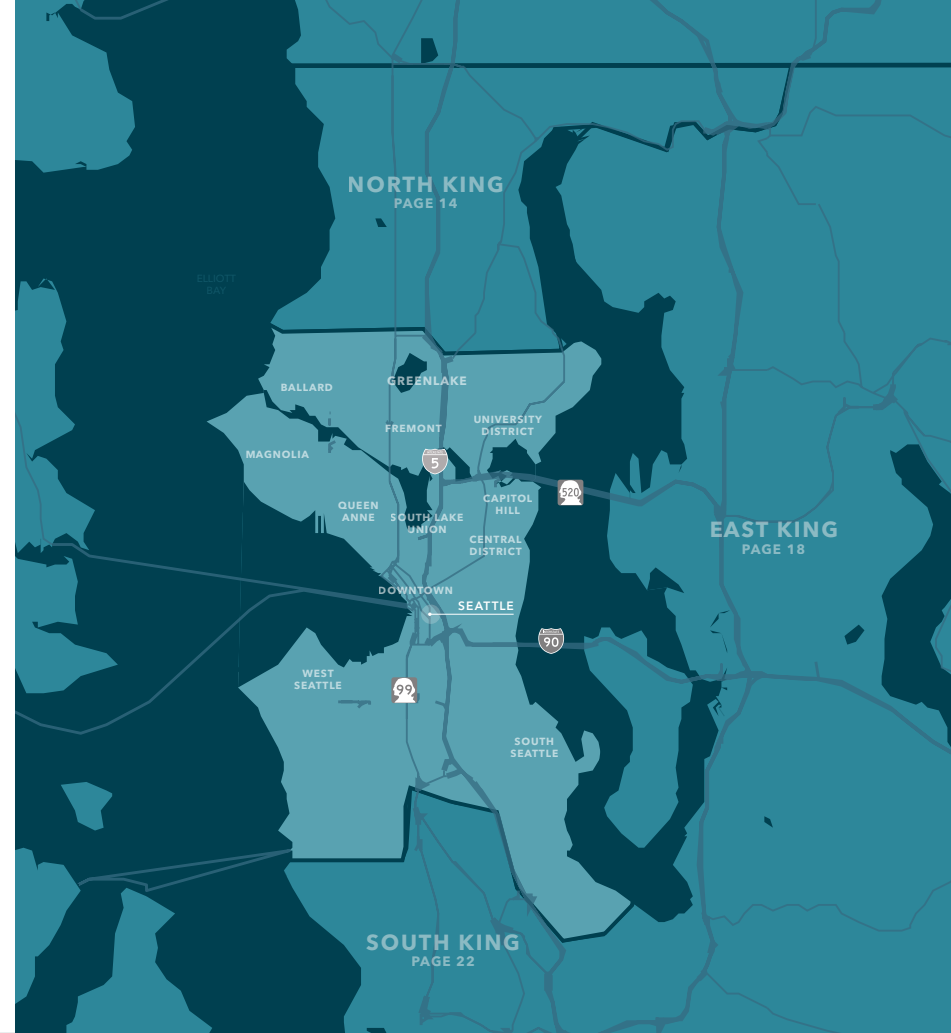
Who will blink first, buyers or sellers? Sellers have been on one of the longest and largest appreciation runs that Seattle has ever seen with values increasing 230% in the last decade. And, although building values may not grow by 10% per year in perpetuity, owners who are considering selling can still achieve an incredibly low cap rate of 4.0%.



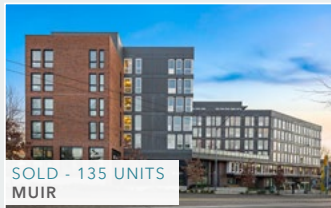
In 2022, five- to 50-unit buildings are on pace to post the lowest annual vacancy rate ever recorded in Seattle (4.4%). This is largely attributed to the naturally occurring affordability offered by private owners of smaller properties. However, while vacancy rates in smaller properties were at record lows, it's important to note that these asking rents are just two-thirds of those of larger apartment communities.



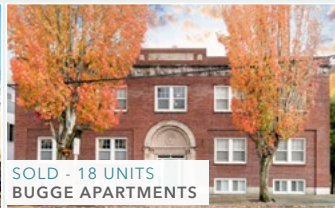
Average asking rents for 50+ unit apartment buildings were up 23% from their pandemic lows for an 8.4% net increase over the previous highs recorded in 2019. While rent recovery appears to be well underway, the skew of new apartments is artificially inflating asking rents. These new buildings were also the root cause of the high vacancy rates (8.5%) recorded in Q2 2022.



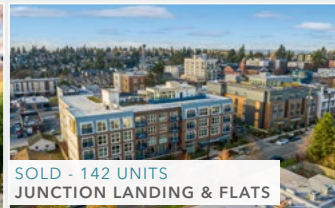
### OUR RECENT LISTINGS



**SOLD - 135 UNITS**  
MUIR



**SOLD - 18 UNITS**  
BUGGE APARTMENTS



**SOLD - 142 UNITS**  
JUNCTION LANDING & FLATS



**ON THE MARKET - 8 UNITS**  
EAST UNION BUILDING



**ON THE MARKET - 35 UNITS**  
5902 BALLARD

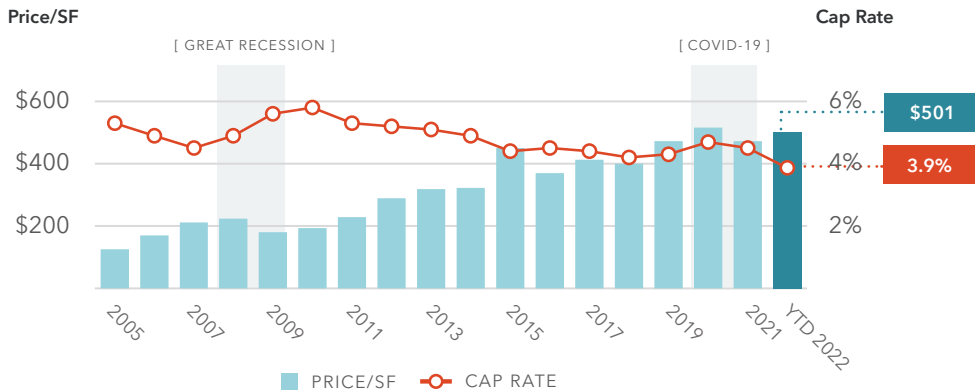
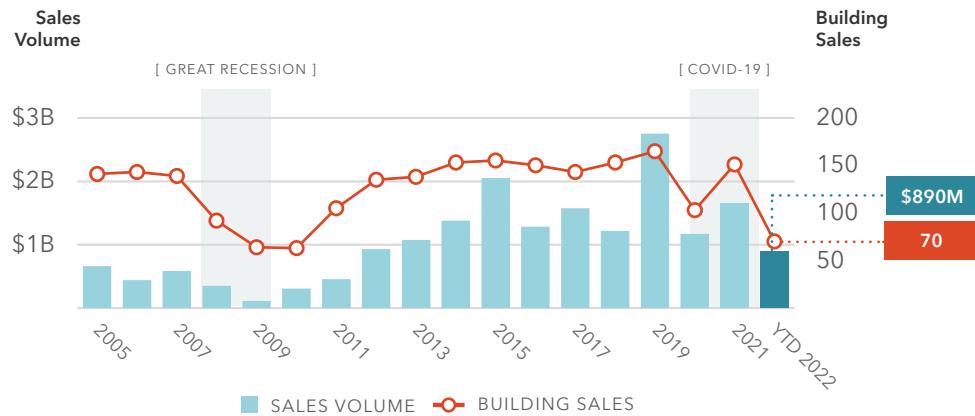


**ON THE MARKET - 95 UNITS**  
BEACON VIEW

### Inventory

	Units	Buildings
<b>Total</b>	123,177	3,739
<b>5 to 50 Units</b>	46,519	3,184
<b>50+ Units</b>	76,658	555
<b>12-Month Deliveries</b>	5,360	30
<b>Average Unit Size</b>	677 SF	

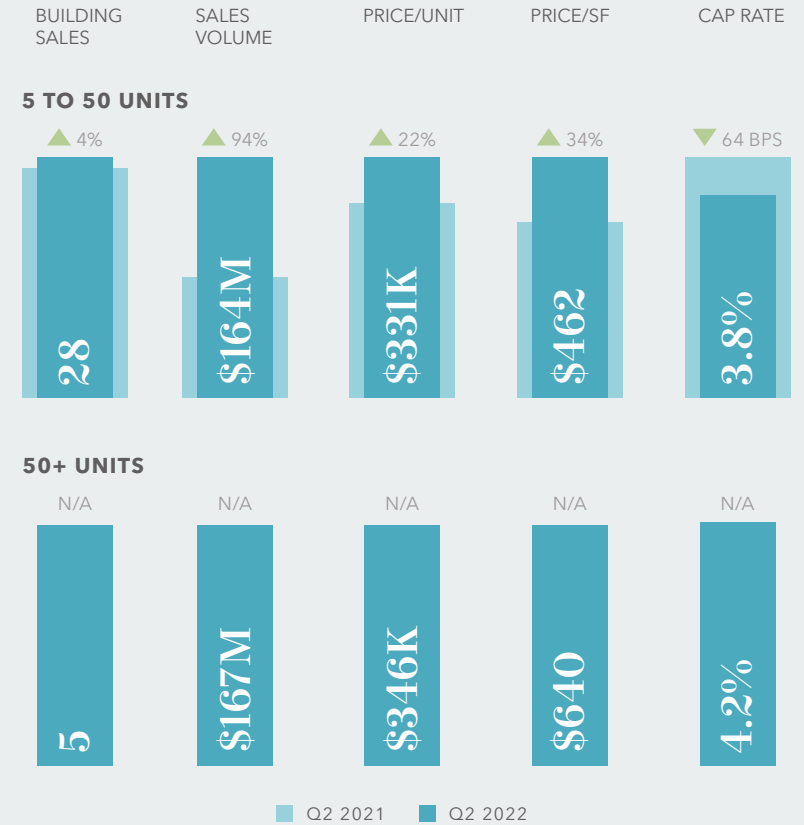
## SALES TRENDS



## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Building Sales</b>	150	143	153	165	103	151	27	▲ 22%	37	▼ 11%	33
<b>Sales Volume</b>	\$1.3B	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.6B	\$84M	▲ 292%	\$560M	▼ 41%	\$330M
<b>Price/Unit</b>	\$335K	\$380K	\$326K	\$398K	\$399K	\$397K	\$271K	▲ 23%	\$326K	▲ 2%	\$333K
<b>Price/SF</b>	\$370	\$413	\$400	\$473	\$516	\$473	\$345	▲ 42%	\$512	▼ 4%	\$489
<b>Cap Rate</b>	4.5%	4.4%	4.2%	4.3%	4.7%	4.5%	4.4%	▼ 57 bps	3.9%	▼ 6 bps	3.8%

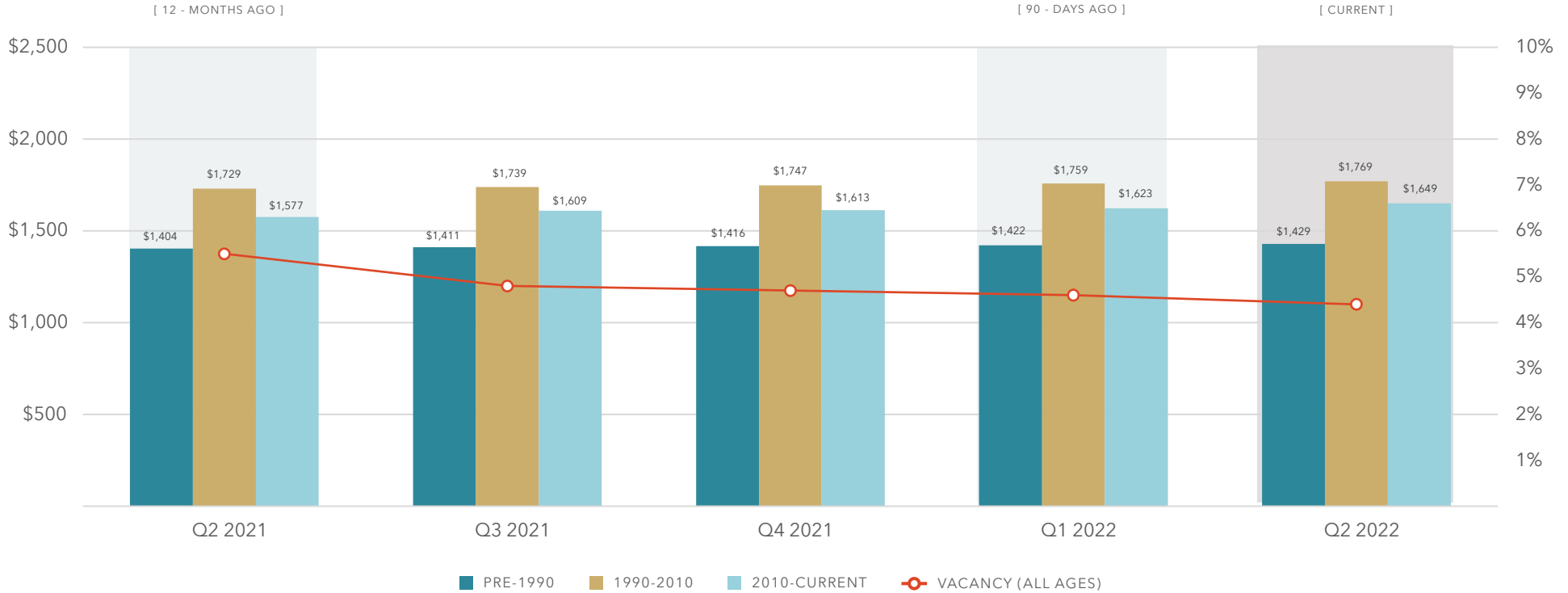
## Q2 Sales Comparison



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



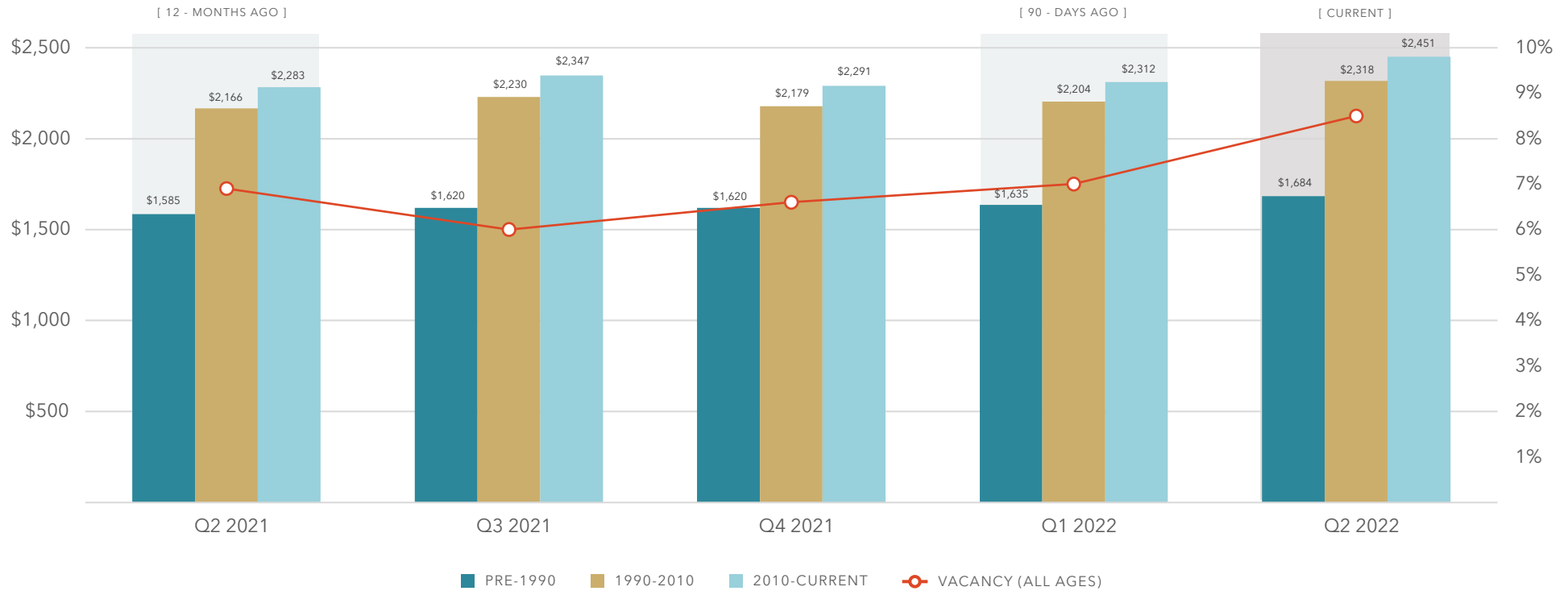
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
							Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
<b>Rent</b>	\$1,374	\$1,414	\$1,437	\$1,456	\$1,454	\$1,482	\$1,466	▲ 2%	\$1,490	▲ 0.7%	\$1,500
<b>Rent/SF</b>	\$2.18	\$2.25	\$2.28	\$2.31	\$2.31	\$2.36	\$2.33	▲ 3%	\$2.37	▲ 0.8%	\$2.39
<b>Vacancy</b>	5.4%	5.5%	5.1%	5.0%	7.1%	4.7%	5.5%	▼ 110 bps	4.6%	▼ 20 bps	4.4%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,949	\$1,966	\$1,991	\$2,118	\$1,866	\$2,156	\$2,143	▲ 7%	\$2,177	▲ 5%	\$2,296
<b>Rent/SF</b>	\$2.84	\$2.86	\$2.90	\$3.08	\$2.71	\$3.14	\$3.12	▲ 7%	\$3.17	▲ 5%	\$3.34
<b>Vacancy</b>	8.2%	9.6%	9.6%	5.9%	11.5%	6.6%	6.9%	▲ 160 bps	7.0%	▲ 150 bps	8.5%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS



# NORTH KING

People who moved out of King County during COVID are suddenly moving back into neighborhoods bordering Seattle.



We continue to see a bounceback in sales compared to 2020's COVID-related downturn. Currently, North King is on pace to close more than 30 deals, which would be the most since 2019 (37).



Cap rates continued to stay level at 4.5% and have remained consistent since 2015. As such, we'll be watching closely to see how quickly interest rates effect these cap rates.



For 5 to 50-unit buildings, rents increased 4% from the previous year (2021). This, paired with a healthy 4.1% vacancy rate, demonstrates that people are moving back into the city as they return to work.



For 50+ unit buildings, rents increased significantly (13%) with a vacancy improvement of 50 bps. Larger buildings also pushed up rents as new developments from the previous year stabilized and renters completed leases initiated during COVID.



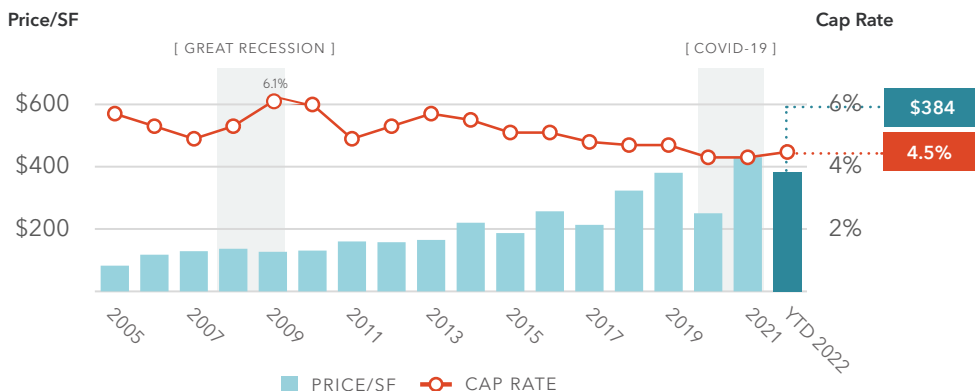
## OUR RECENT LISTINGS



## Inventory

	Units	Buildings
<b>Total</b>	25,243	731
<b>5 to 50-Units</b>	8,906	606
<b>50+ Units</b>	16,337	125
<b>12-Month Deliveries</b>	946	6
<b>Average Unit Size</b>	754 SF	

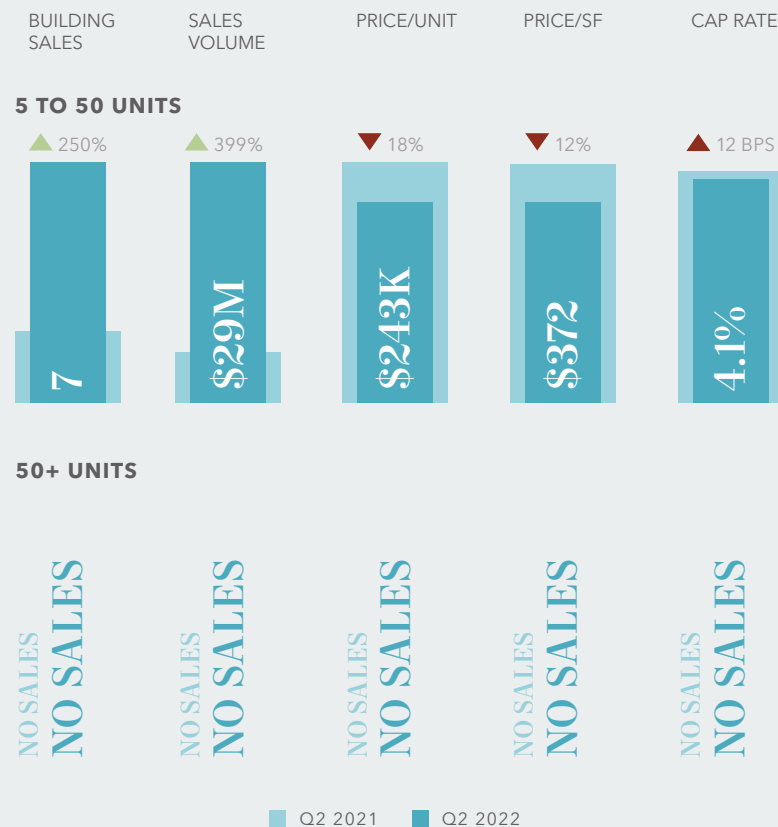
## SALES TRENDS



## Historical Sales

	2016	2017	2018	2019	2020	2021	Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
Building Sales	38	38	32	37	24	20	2	▲ 250%	8	▼ 13%	7
Sales Volume	\$353M	\$342M	\$402M	\$404M	\$75M	\$387M	\$6M	▲ 399%	\$115M	▼ 74%	\$30M
Price/Unit	\$213K	\$262K	\$281K	\$288K	\$229K	\$367K	\$295K	▼ 18%	\$263K	▼ 7%	\$243K
Price/SF	\$257	\$213	\$323	\$381	\$251	\$430	\$425	▼ 12%	\$395	▼ 6%	\$372
Cap Rate	5.1%	4.8%	4.7%	4.7%	4.3%	4.3%	4.0%	▲ 12 bps	4.8%	▼ 65 bps	4.1%

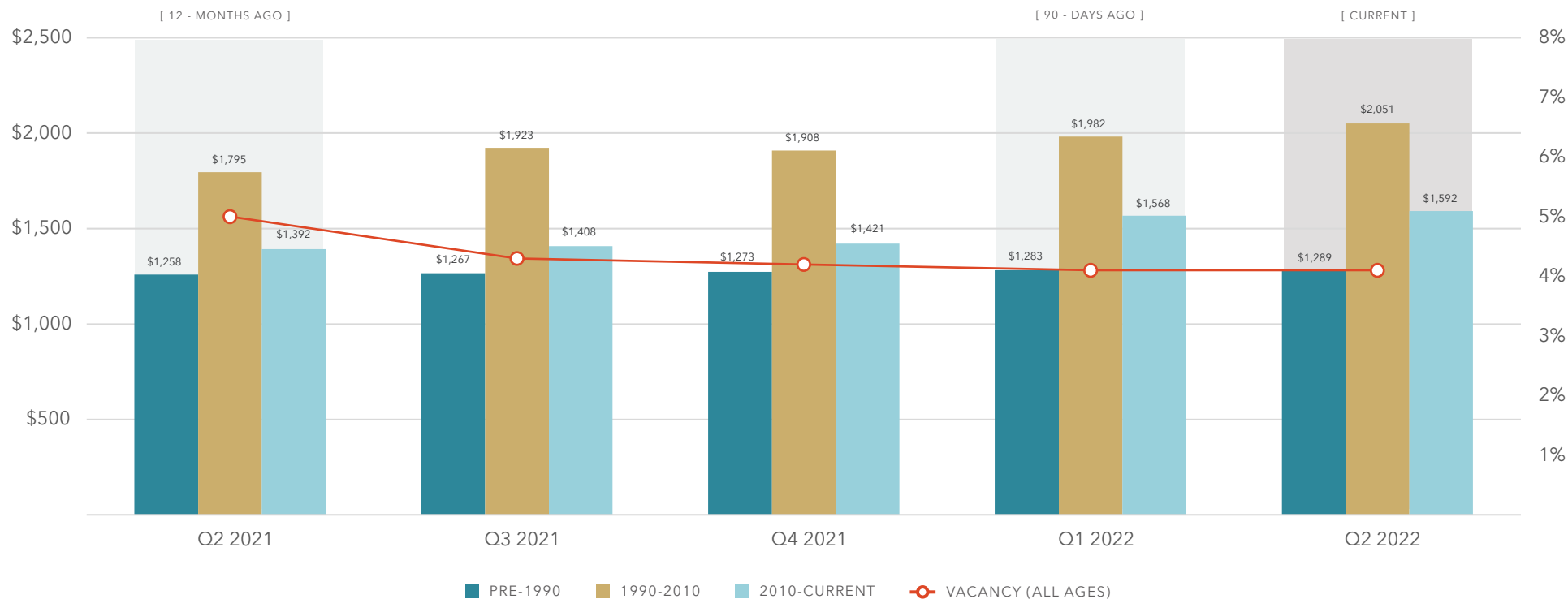
## Q2 Sales Comparison



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



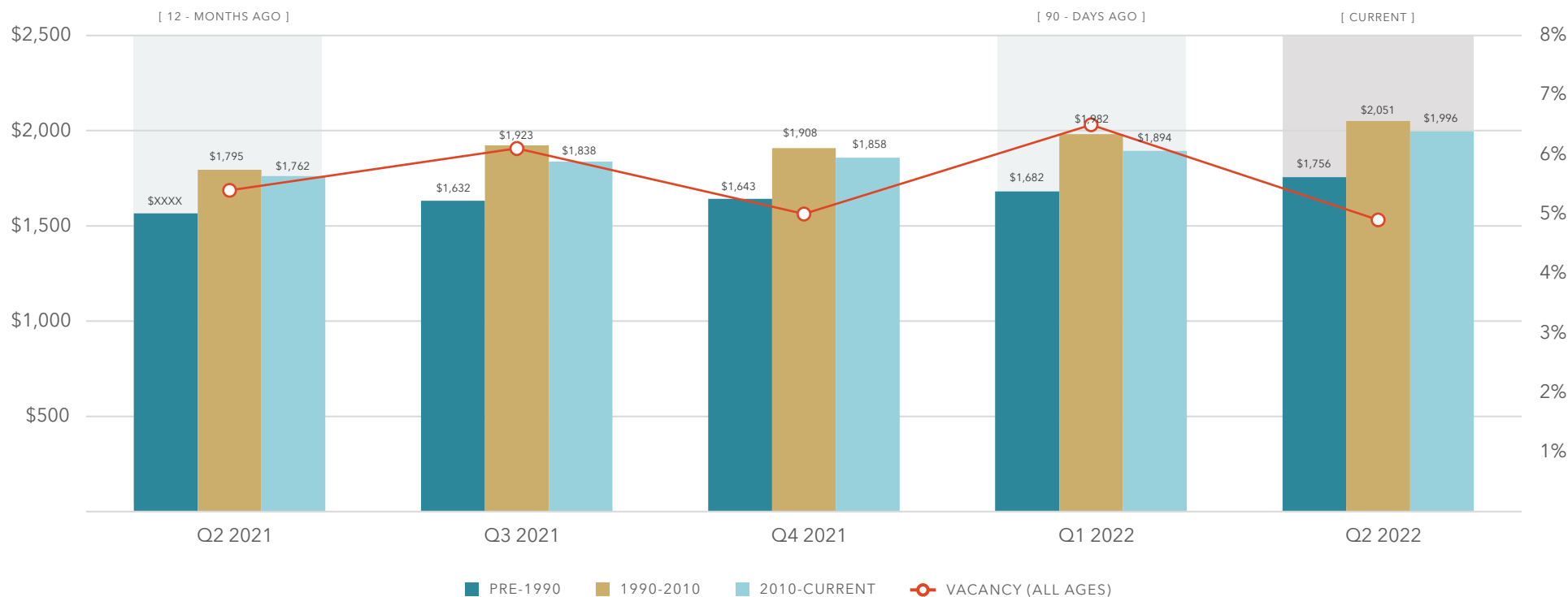
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,207	\$1,245	\$1,261	\$1,282	\$1,297	\$1,322	\$1,305	▲ 4%	\$1,344	▲ 0.6%	\$1,352
<b>Rent/SF</b>	\$1.63	\$1.68	\$1.70	\$1.73	\$1.75	\$1.78	\$1.76	▲ 3%	\$1.81	▲ 0.6%	\$1.82
<b>Vacancy</b>	3.8%	4.0%	4.2%	4.3%	5.8%	4.2%	5.0%	▼ 90 bps	4.1%	No Change	4.1%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

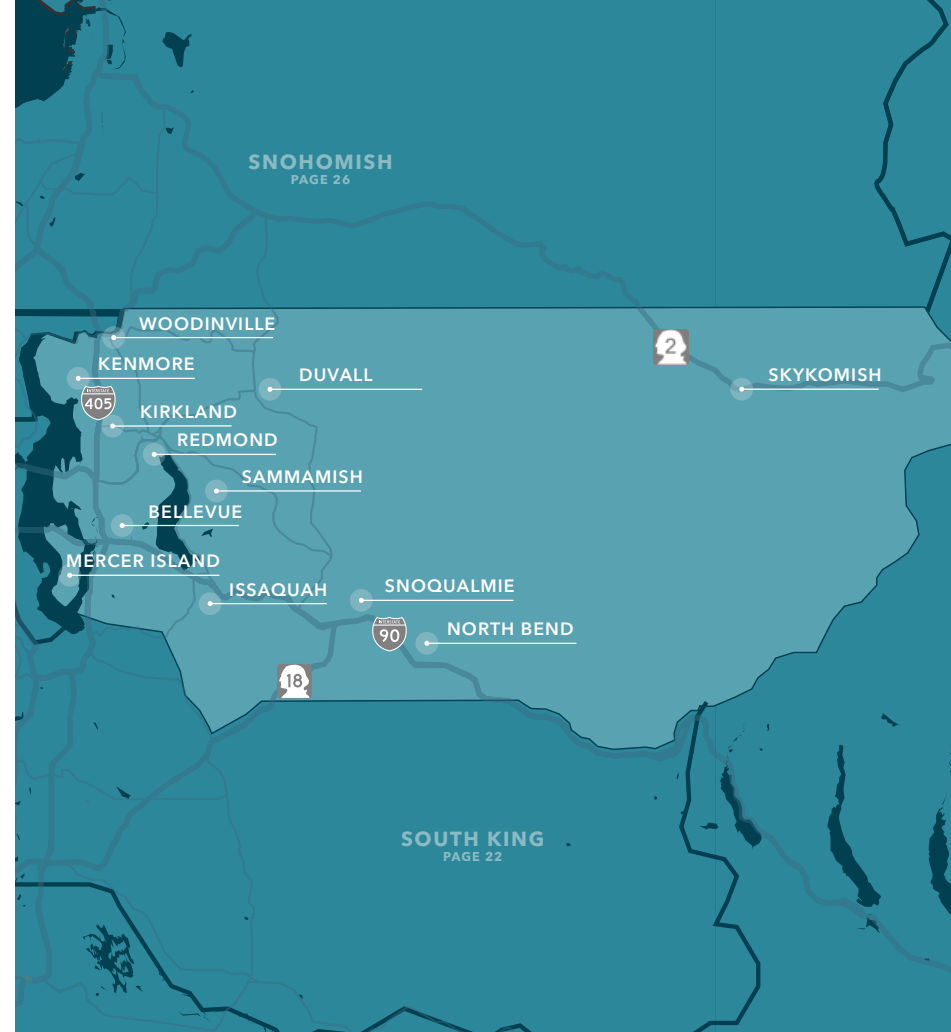
	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
							Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
<b>Rent</b>	\$1,509	\$1,544	\$1,570	\$1,626	\$1,599	\$1,778	\$1,687	▲ 13%	\$1,822	▲ 5%	\$1,906
<b>Rent/SF</b>	\$1.99	\$2.04	\$2.07	\$2.15	\$2.11	\$2.35	\$2.23	▲ 13%	\$2.40	▲ 5%	\$2.51
<b>Vacancy</b>	4.3%	6.0%	7.4%	6.0%	7.2%	5.0%	5.4%	▼ 50 bps	6.5%	▼ 160 bps	4.9%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

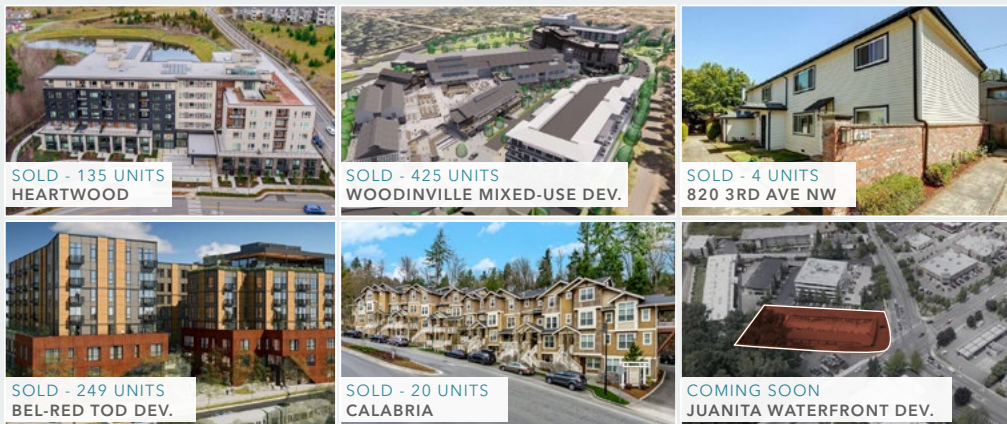
# EAST KING

Once again, East King topped the region in all rent and sales metrics.

- East King consistently posts outstanding and region-topping sales metrics, with 2022 YTD as no exception. In fact, East King held the title this quarter for the highest average sales price per unit, as well as sales price per square foot - \$534,000 per unit and \$623 per square foot, respectively.
- East King apartment sales boasted the lowest average cap rate in the region at 3.2%, besting urban Seattle by an impressive 70 bps.
- Renters pay top dollar to live in East King: Last quarter, they forked over the region's highest average rent at \$2,569 per month - a whopping 14% increase from 12 months ago.
- East King also continues to absorb new units extremely well. Average vacancy here during the last 12 months fell 110 bps to 5.4%, which was the largest change of any market in the Puget Sound region.



## OUR RECENT LISTINGS

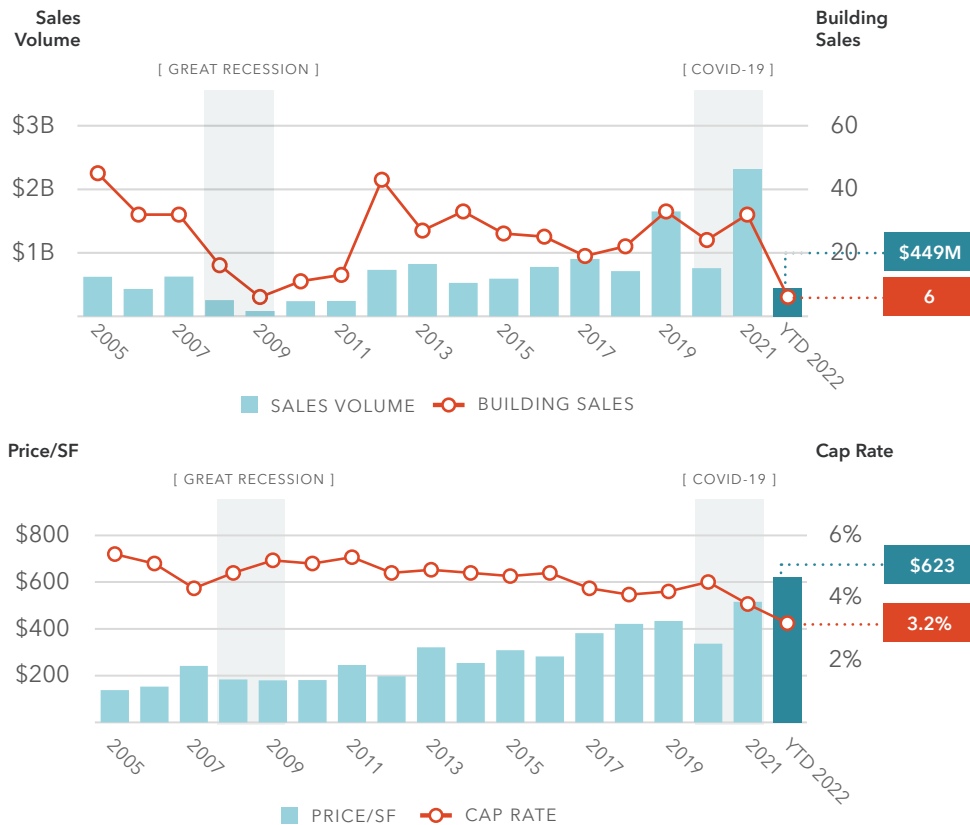


## Inventory

	Units	Buildings
Total	58,561	550
5 to 50-Units	4,881	283
50+ Units	53,680	267
12-Month Deliveries	2,128	10
Average Unit Size	886 SF	



## SALES TRENDS

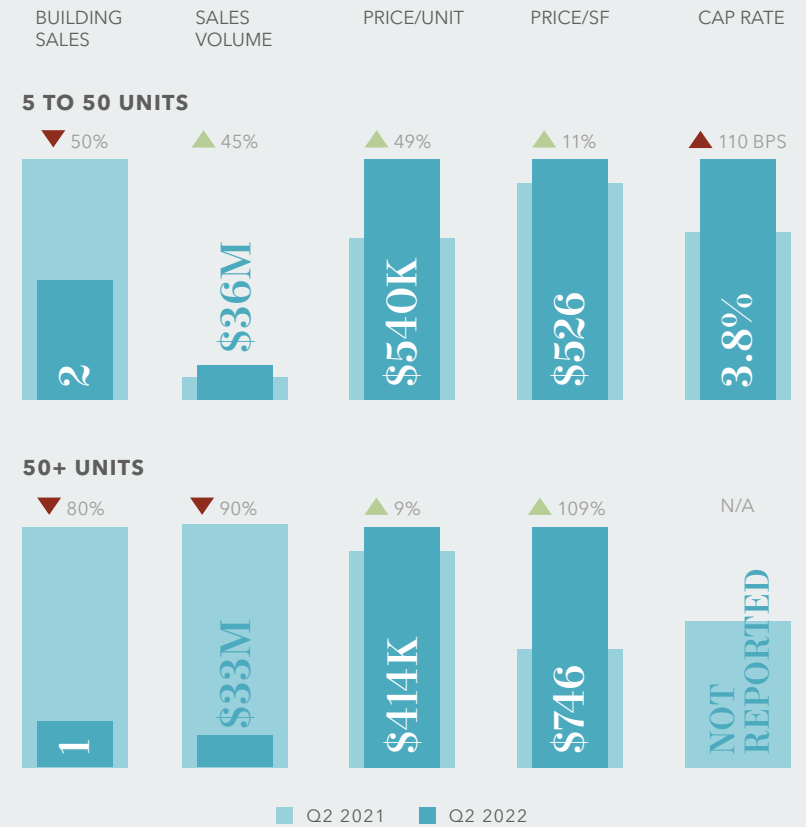


## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
<b>Building Sales</b>	25	19	22	33	24	32	Q2 2021	9	12-Month Change	Q1 2022	3
<b>Sales Volume</b>	\$779M	\$904M	\$713M	\$1.7B	\$754M	\$2.3B		\$357M	▼ 67%		No Change
<b>Price/Unit</b>	\$311K	\$373K	\$447K	\$383K	\$340K	\$478K		\$377K	▲ 32%		▼ 82%
<b>Price/SF</b>	\$281	\$381	\$422	\$434	\$337	\$516		\$363	▲ 65%		▼ 13%
<b>Cap Rate</b>	4.8%	4.3%	4.1%	4.2%	4.5%	3.8%		3.2%	▲ 60 bps		▲ 82 bps
											Q2 2022
											3
											\$69M
											\$498K
											\$599
											3.8%

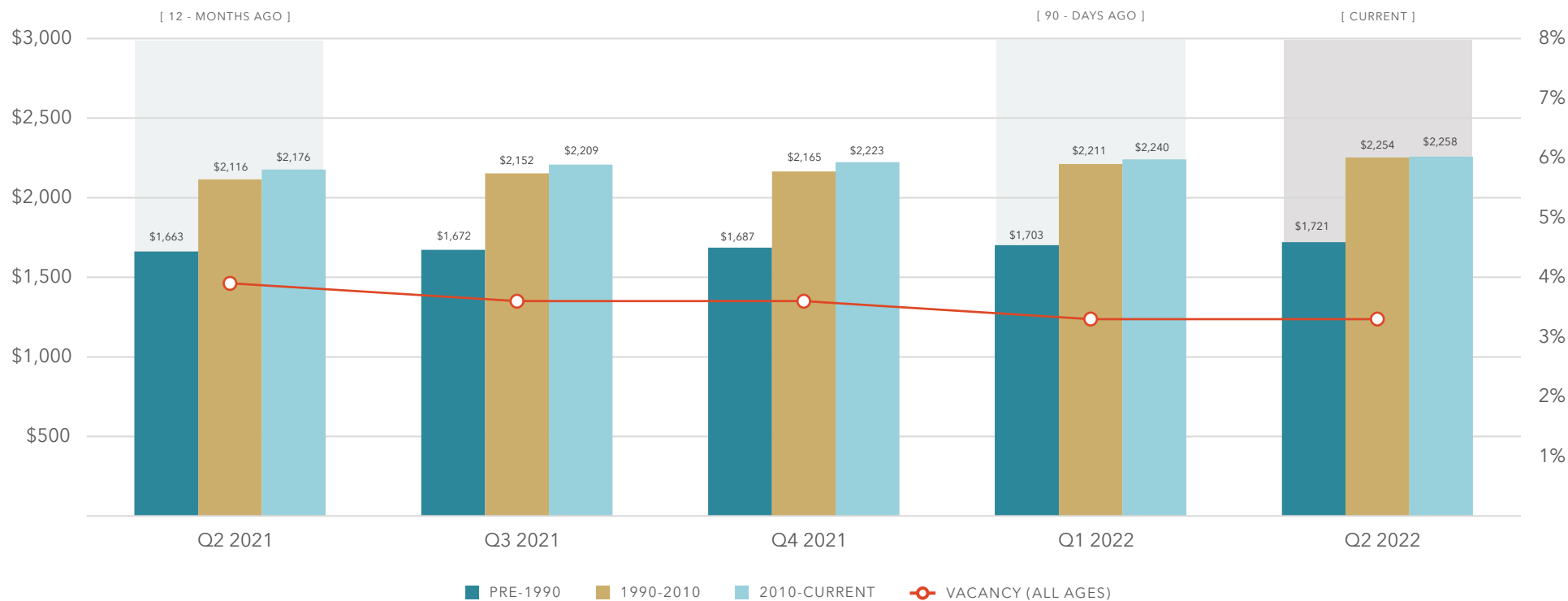
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

## Q2 Sales Comparison



# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



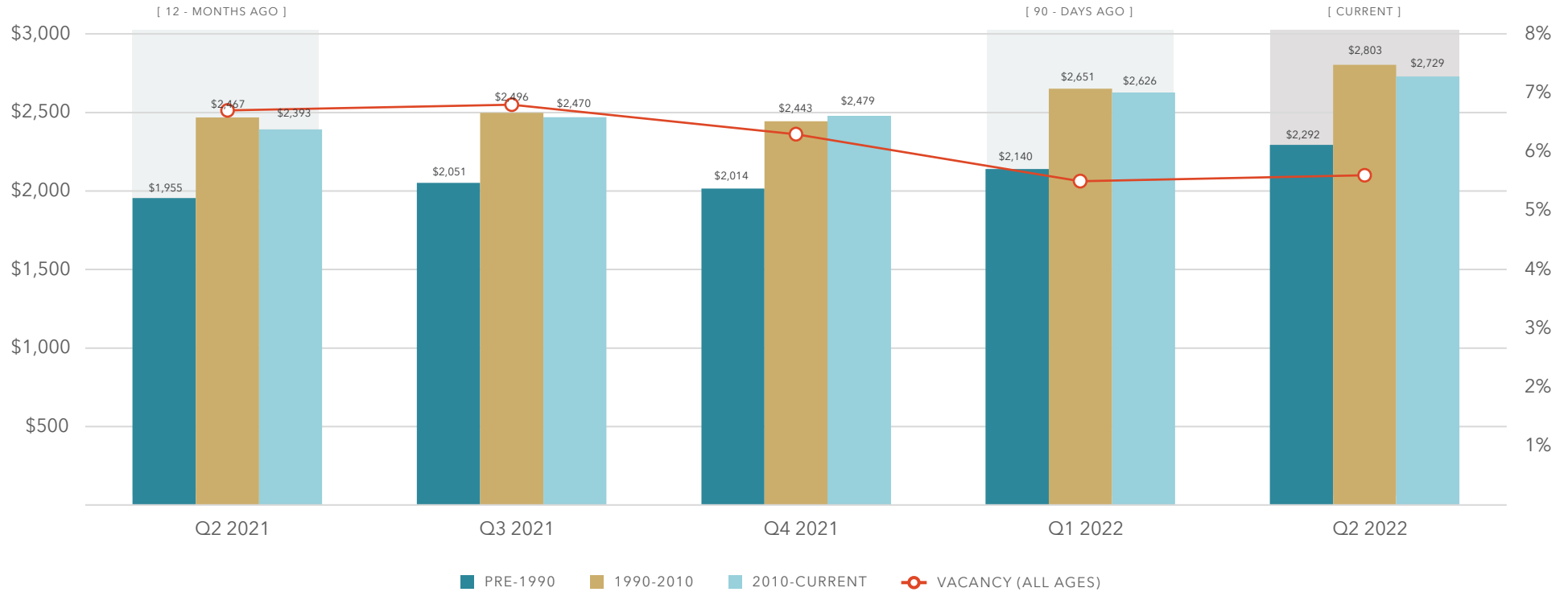
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,590	\$1,666	\$1,706	\$1,748	\$1,759	\$1,824	\$1,794	▲ 4%	\$1,845	▲ 1%	\$1,870
<b>Rent/SF</b>	\$1.75	\$1.83	\$1.88	\$1.92	\$1.94	\$2.01	\$1.97	▲ 5%	\$2.03	▲ 1%	\$2.06
<b>Vacancy</b>	5.4%	5.1%	4.6%	4.5%	5.9%	3.6%	3.9%	▼ 60 bps	3.3%	No Change	3.3%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,922	\$1,942	\$2,021	\$2,136	\$2,029	\$2,320	\$2,272	▲ 15%	\$2,476	▲ 5%	\$2,609
<b>Rent/SF</b>	\$2.18	\$2.20	\$2.29	\$2.42	\$2.29	\$2.62	\$2.57	▲ 15%	\$2.80	▲ 5%	\$2.95
<b>Vacancy</b>	7.9%	6.5%	7.4%	8.2%	8.5%	6.3%	6.7%	▼ 110 bps	5.5%	▲ 10 bps	5.6%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# SOUTH KING

Continued cap rate compression and all-time high prices show investor demand in South King.

- South King County continues to boast a market-leading overall occupancy rate. The primary reason for this was the fact that only 150 units were delivered in the market in the last 12 months.
- With its current 4.1% average cap rate, South King has experienced continual cap rate compression every year since 2013.
- As projected, the average price per unit sat right around \$250 per unit. As a result, sales for less than \$200 per unit in the South King suburb look to be a thing of the past as investors look more toward suburbia.
- As was evident through two Simon | Anderson closings - Fairwood Landing at \$61 million and Terrace View at \$22 million - buyers looking outside of Seattle appear to be chasing off-market properties. They're also willing to be extremely aggressive in pricing to do so.



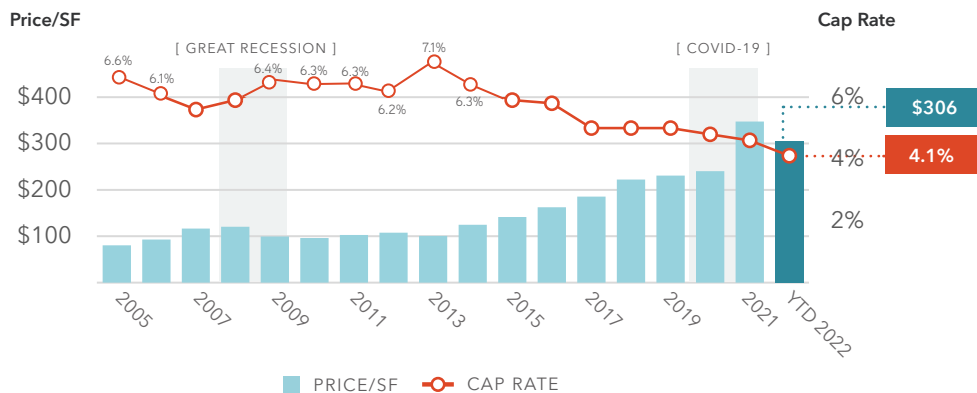
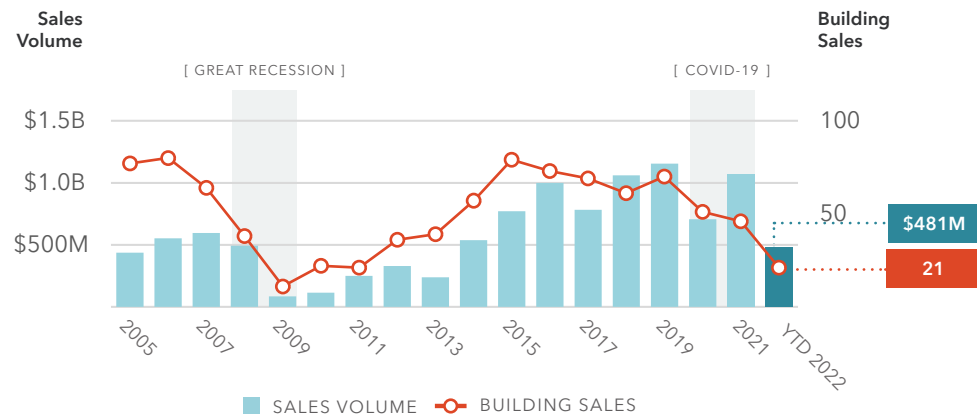
## OUR RECENT LISTINGS



## Inventory

	Units	Buildings
<b>Total</b>	57,650	910
<b>5 to 50-Units</b>	10,549	624
<b>50+ Units</b>	47,101	286
<b>12-Month Deliveries</b>	150	2
<b>Average Unit Size</b>	858 SF	

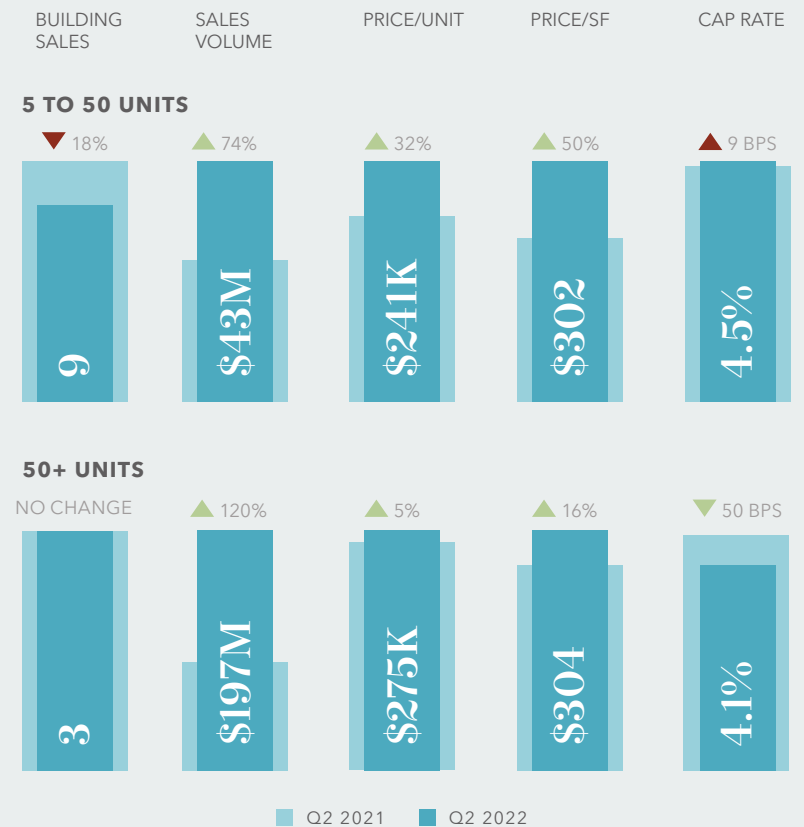
## SALES TRENDS



## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
<b>Building Sales</b>	73	69	61	70	51	46	Q2 2021	14	12-Month Change	Q1 2022	9
<b>Sales Volume</b>	\$1.0B	\$781M	\$1.1B	\$1.2B	\$705M	\$1.1B		\$114M	▼ 14%		\$241M
<b>Price/Unit</b>	\$155K	\$169K	\$216K	\$202K	\$230K	\$306K		\$239K	▲ 4%		\$218K
<b>Price/SF</b>	\$162	\$186	\$222	\$231	\$240	\$347		\$247	▲ 22%		\$310
<b>Cap Rate</b>	5.8%	5.0%	5.0%	5.0%	4.7%	4.5%		4.4%	▼ 7 bps		3.9%
											90-Day Change
											Q2 2022
											12
											\$240M
											\$249K
											\$302
											4.3%

## Q2 Sales Comparison

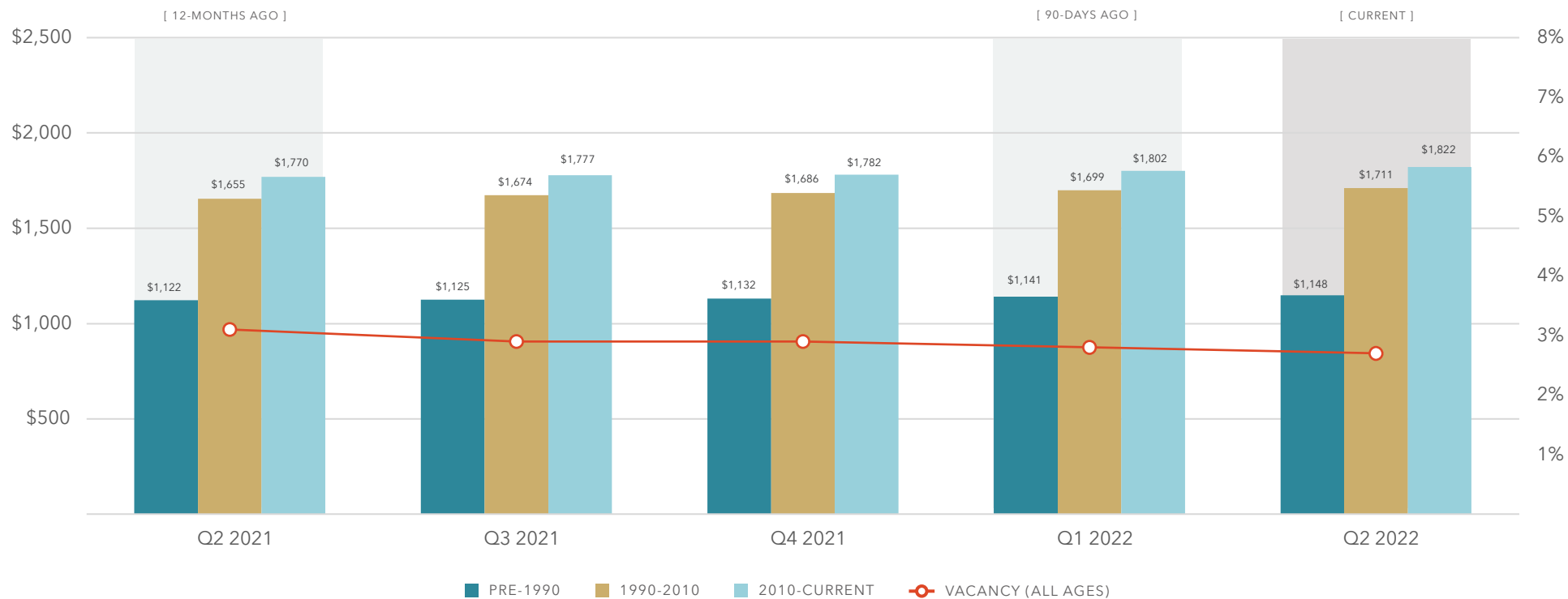


ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS



# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



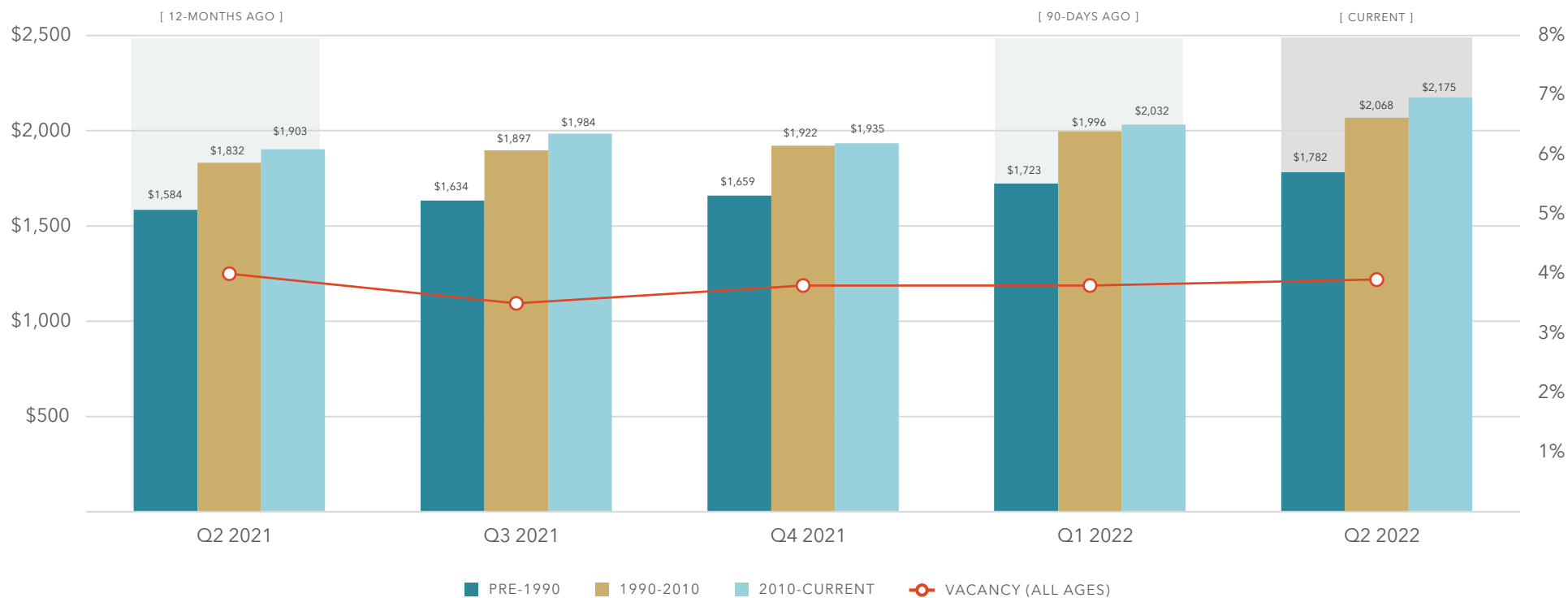
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,030	\$1,077	\$1,114	\$1,148	\$1,164	\$1,191	\$1,180	▲ 2%	\$1,201	▲ 0.7%	\$1,209
<b>Rent/SF</b>	\$1.30	\$1.36	\$1.41	\$1.45	\$1.47	\$1.51	\$1.49	▲ 3%	\$1.52	▲ 0.7%	\$1.53
<b>Vacancy</b>	4.1%	4.2%	4.6%	4.2%	3.9%	2.9%	3.1%	▼ 40 bps	2.8%	▼ 10 bps	2.7%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy







## Historical Rent & Vacancy Trends

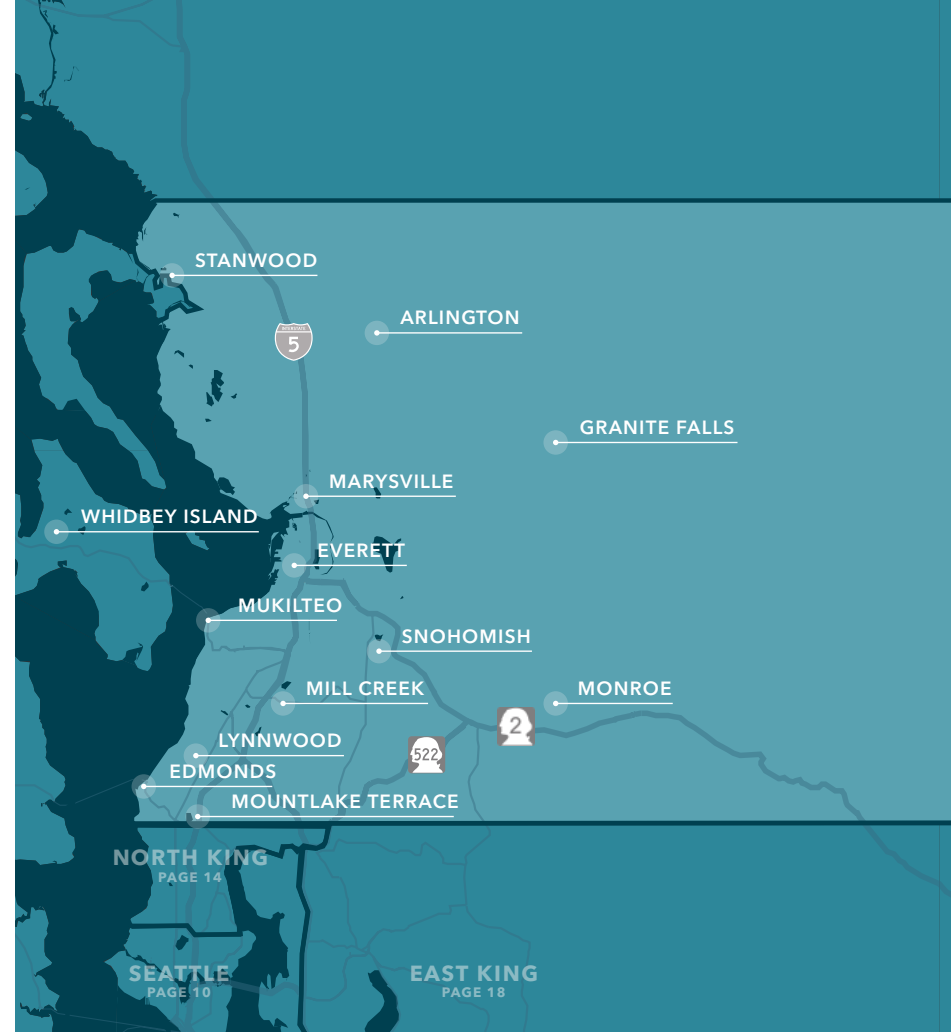
	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,316	\$1,384	\$1,439	\$1,511	\$1,541	\$1,741	\$1,667	▲ 13%	\$1,810	▲ 4%	\$1,881
<b>Rent/SF</b>	\$1.53	\$1.60	\$1.67	\$1.75	\$1.79	\$2.02	\$1.93	▲ 13%	\$2.10	▲ 4%	\$2.18
<b>Vacancy</b>	5.0%	5.2%	6.3%	5.7%	5.7%	3.8%	4.0%	▼ 10 bps	3.8%	▲ 10 bps	3.9%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# SNOHOMISH

With some of the lowest cap rates and highest per unit prices in the state, Snohomish County continues to be one of the hottest counties in the Northwest.

-  With only 13 total transactions this quarter, sales slowed compared to the previous quarter (25) and year (21). But, with a sales volume of \$318 million, it was some of the larger apartment buildings that traded hands.
-  Other metrics – such as price per square foot and price per unit – continued to trend in the right direction for Snohomish owners, pushed by newer, larger assets.
-  For five- to 50-unit buildings, vacancy continued to move in favor of the owners for the fourth consecutive quarter, proving that owners can continue to push rents with confidence that they'll receive significant interest.
-  For 50+ unit buildings, rents increased by more than 13% compared to last year. Vacancy also increased slightly with this large average increase. And, as institutional owners continue to push for top-of-market rents, smaller buildings will welcome the results, which will inevitably raise rents for the entire region.

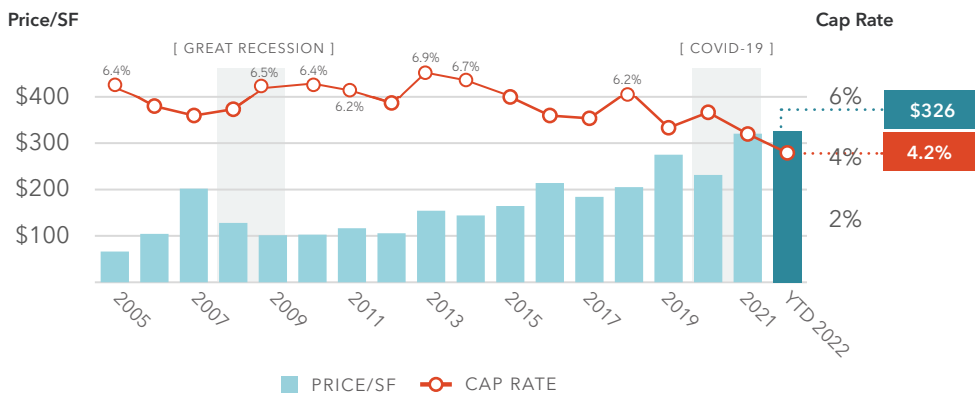


## OUR RECENT LISTINGS



## Inventory

	Units	Buildings
<b>Total</b>	46,604	978
<b>5 to 50-Units</b>	10,107	770
<b>50+ Units</b>	36,497	208
<b>12-Month Deliveries</b>	1,507	9
<b>Average Unit Size</b>	877 SF	

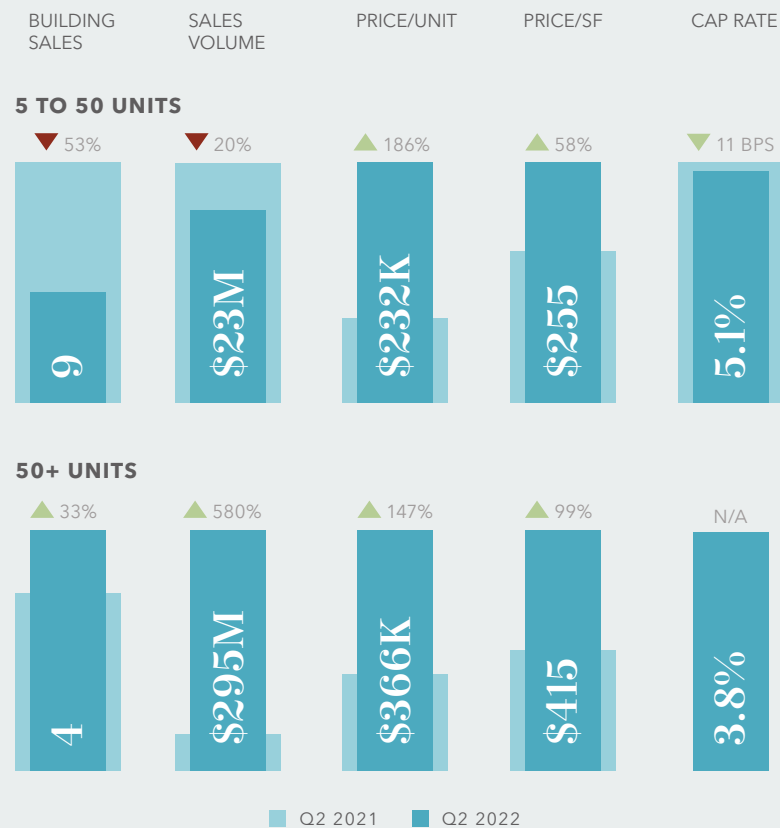


## Historical Sales

	2016	2017	2018	2019	2020	2021	Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
Building Sales	76	65	62	66	43	92	21	▼ 38%	10	▲ 30%	13
Sales Volume	\$1.2B	\$475M	\$389M	\$1.2B	\$124M	\$1.3B	\$69M	▲ 361%	\$272M	▲ 17%	\$318M
Price/Unit	\$201K	\$164K	\$204K	\$235K	\$193K	\$272K	\$114K	▲ 139%	\$270K	▲ 1%	\$ 273K
Price/SF	\$214	\$184	\$205	\$275	\$232	\$320	\$185	▲ 65%	\$354	▼ 14%	\$304
Cap Rate	5.4%	5.3%	6.2%	5.0%	5.5%	4.8%	5.2%	▼ 60 bps	3.5%	▲ 170 bps	4.6%

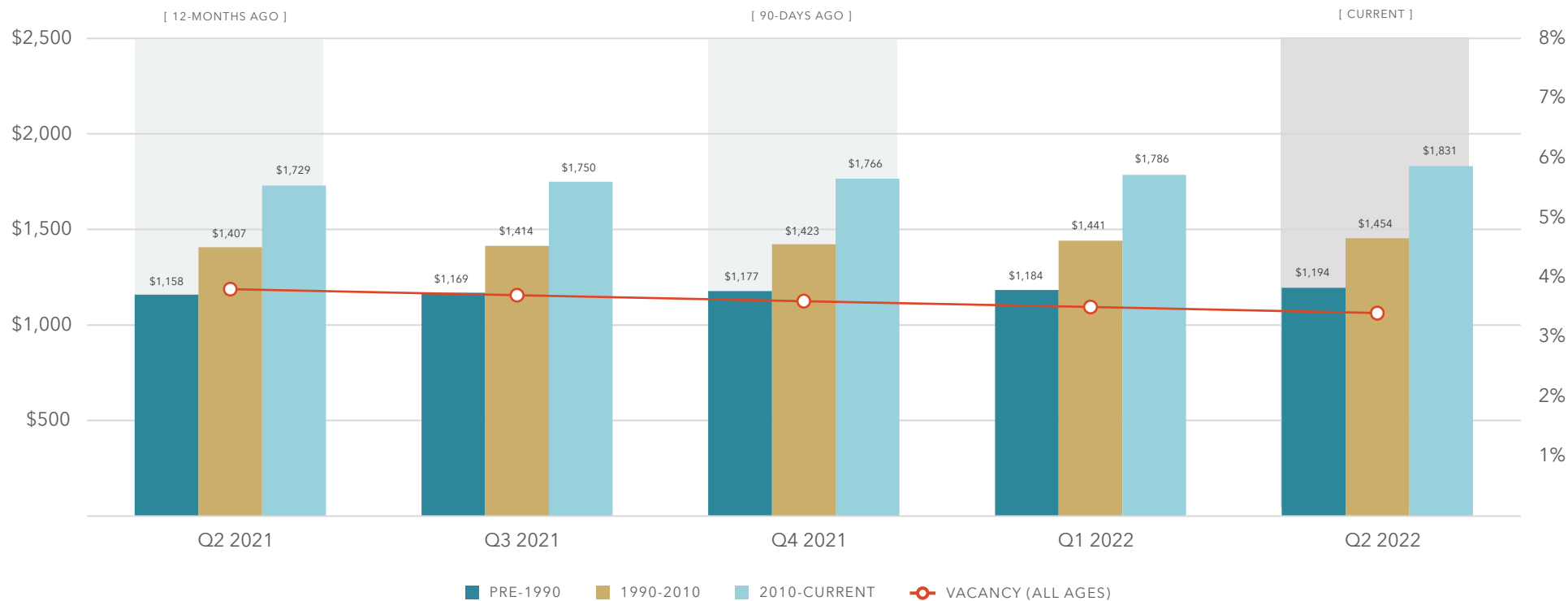
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

## Q2 Sales Comparison



# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

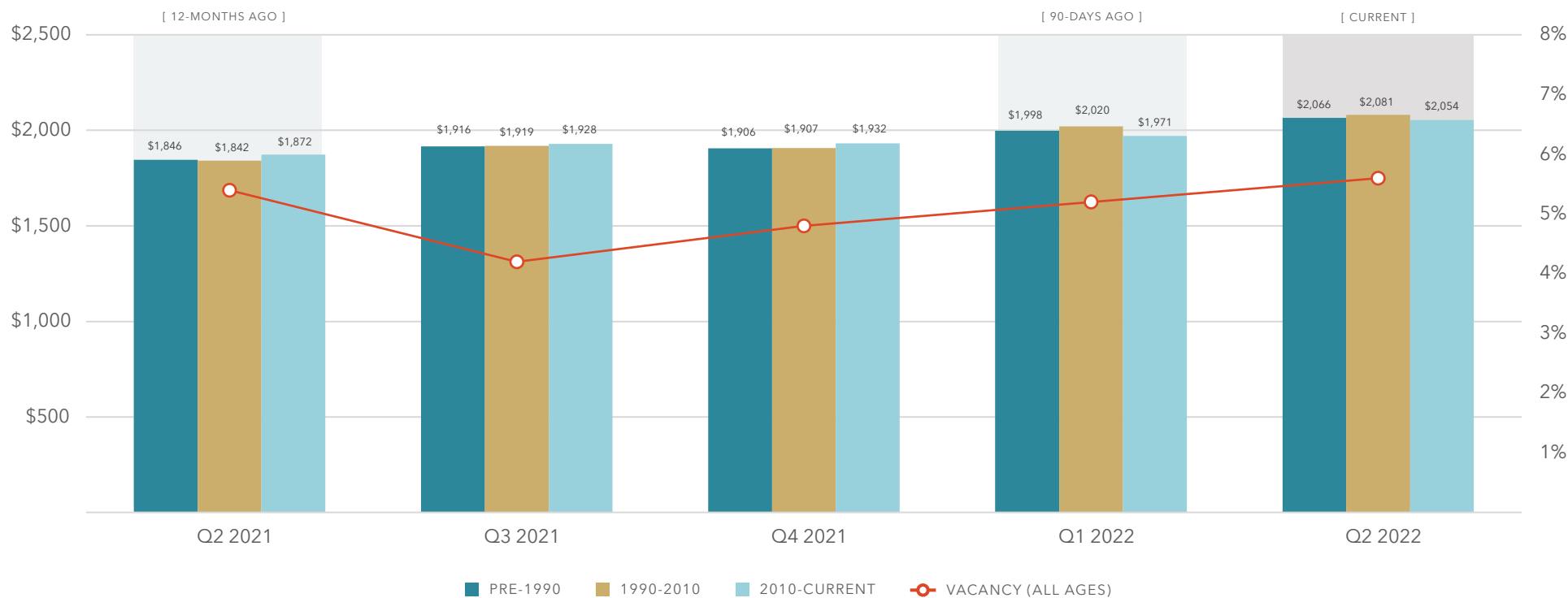
	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,098	\$1,146	\$1,183	\$1,217	\$1,249	\$1,285	\$1,265	▲ 3%	\$1,296	▲ 1%	\$1,309
<b>Rent/SF</b>	\$1.25	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.45	▲ 3%	\$1.48	▲ 1%	\$1.50
<b>Vacancy</b>	4.3%	4.7%	4.4%	4.9%	4.5%	3.6%	3.8%	▼ 40 bps	3.5%	▼ 10 bps	3.4%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS



# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,389	\$1,438	\$1,508	\$1,579	\$1,599	\$1,820	\$1,750	▲ 13%	\$1,899	▲ 4%	\$1,973
<b>Rent/SF</b>	\$1.59	\$1.65	\$1.73	\$1.81	\$1.83	\$2.08	\$2.00	▲ 13%	\$2.17	▲ 4%	\$2.26
<b>Vacancy</b>	4.7%	5.7%	4.9%	6.0%	5.5%	4.8%	5.4%	▲ 20 bps	5.2%	▲ 40 bps	5.6%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# PIERCE

Pierce County continues to battle through this challenging market - and institutional buyers are taking notice.



Overall sales volume was down since Pierce County's record-breaking 2021. However, six sales of buildings with more than 50 units prove that the institutional market is chasing down the county as hard as ever.



In Q1 2022, Pierce County saw a cap rate below 5% (4.4%) for the first time ever. Plus, this cap rate compression remained stable in Q2 with an average cap rate of 4.5% through 19 sales.



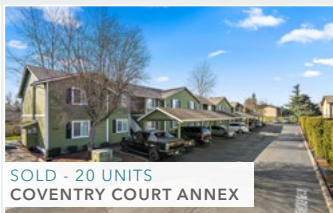
Rents in Pierce County continued to be impressive: With an 8% 12-month change, they're approaching \$2 per square foot for the first time.



With these rents comes more confidence from developers entering Pierce County. However, although this is exciting for the long-term outlook for Pierce, we are seeing challenges. In particular, the short term correlated to a 5.1% vacancy rate for 50+ unit buildings (compared to 3.5% 12 months ago).



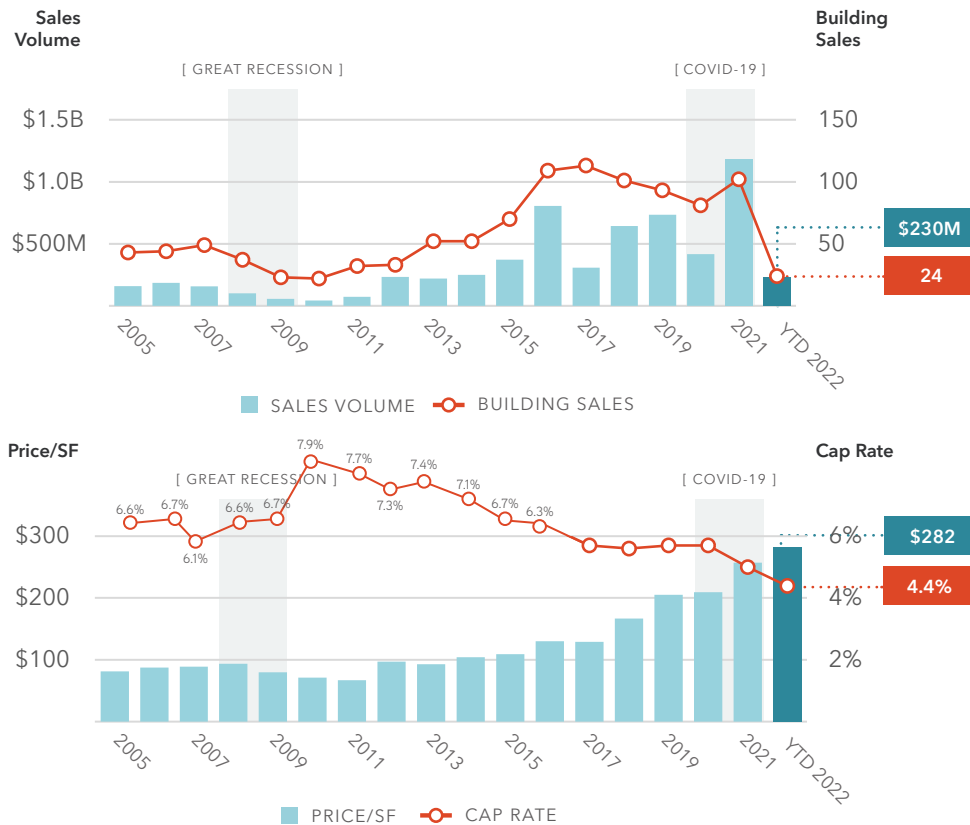
## OUR RECENT LISTINGS



## Inventory

	Units	Buildings
<b>Total</b>	61,147	1,348
<b>5 to 50-Units</b>	16,824	1,040
<b>50+ Units</b>	44,323	308
<b>12-Month Deliveries</b>	1,193	12
<b>Average Unit Size</b>	857 SF	

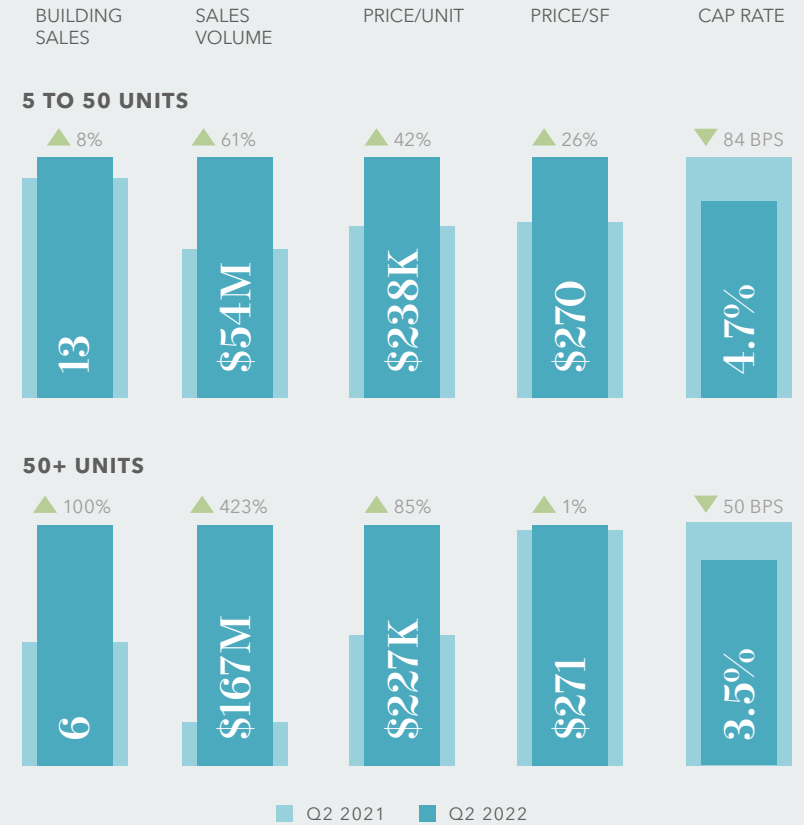
## SALES TRENDS



## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
							Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
<b>Building Sales</b>	109	113	101	93	81	102	15	▲ 27%	5	▼ 280%	19
<b>Sales Volume</b>	\$804M	\$308M	\$643M	\$735M	\$415M	\$1.2B	\$66M	▲ 237%	\$9M	▲ 2,470%	\$221M
<b>Price/Unit</b>	\$128K	\$119K	\$152K	\$184K	\$202K	\$251K	\$142K	▲ 65%	\$203K	▲ 15%	\$234K
<b>Price/SF</b>	\$130	\$129	\$167	\$205	\$210	\$257	\$238	▲ 14%	\$324	▼ 17%	\$270
<b>Cap Rate</b>	6.3%	5.7%	5.6%	5.7%	5.7%	5.0%	5.3%	▼ 79 bps	3.4%	▲ 111 bps	4.5%

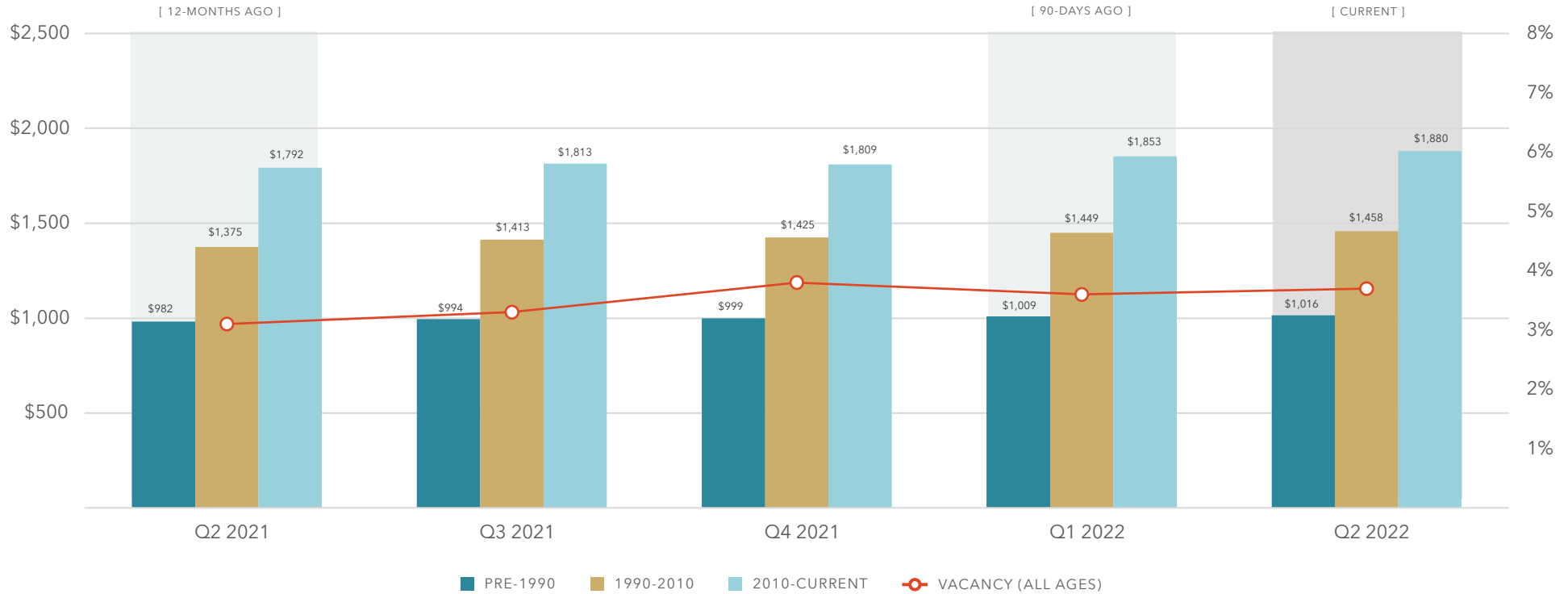
## Q2 Sales Comparison



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



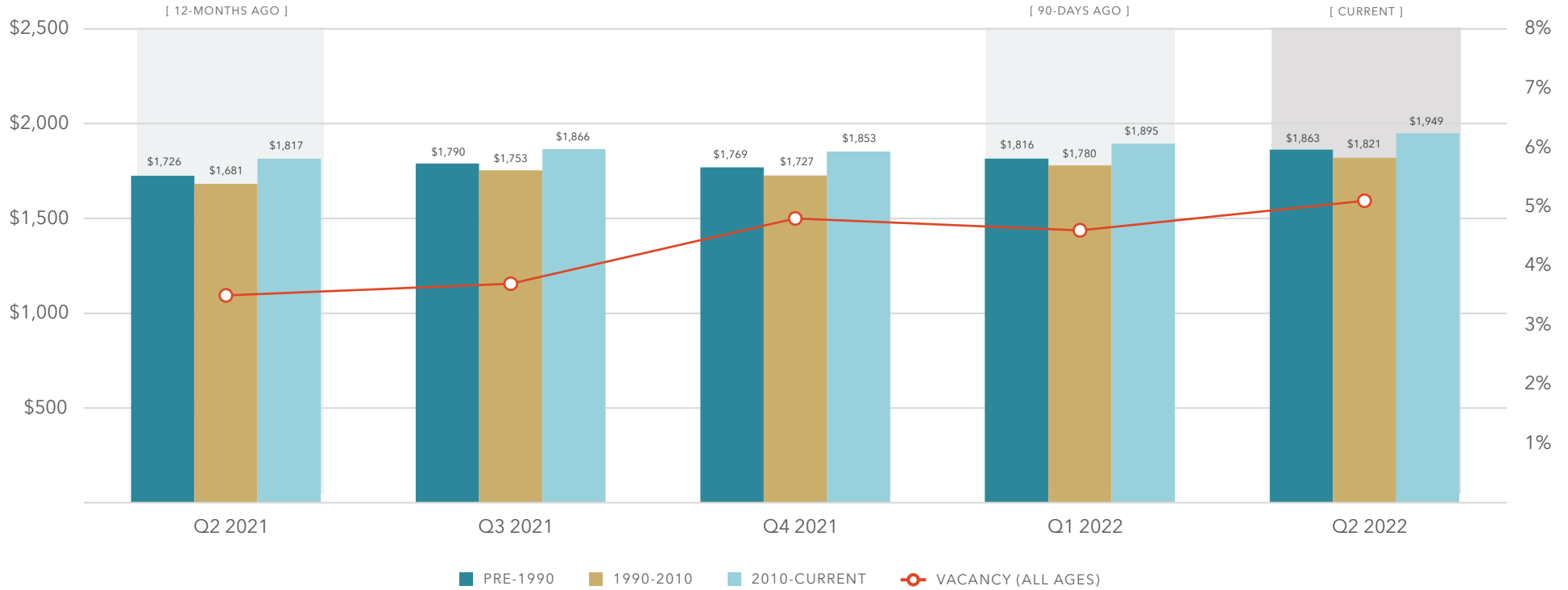
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$907	\$952	\$988	\$1,022	\$1,044	\$1,082	\$1,063	▲ 4%	\$1,095	▲ 1%	\$1,104
<b>Rent/SF</b>	\$1.16	\$1.22	\$1.27	\$1.31	\$1.34	\$1.39	\$1.37	▲ 4%	\$1.41	▲ 1%	\$1.42
<b>Vacancy</b>	4.5%	4.6%	4.3%	4.3%	3.7%	3.8%	3.1%	▲ 60 bps	3.6%	▲ 10 bps	3.7%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
							Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
<b>Rent</b>	\$1,160	\$1,227	\$1,292	\$1,370	\$1,449	\$1,605	\$1,566	▲ 8%	\$1,639	▲ 3%	\$1,690
<b>Rent/SF</b>	\$1.33	\$1.41	\$1.49	\$1.58	\$1.67	\$1.85	\$1.80	▲ 8%	\$1.89	▲ 3%	\$1.95
<b>Vacancy</b>	4.3%	6.6%	5.2%	6.0%	4.9%	4.8%	3.5%	▲ 160 bps	4.6%	▲ 50 bps	5.1%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# KITSAP

## Stuck on island time? Kitsap is a little tardy to the party.



After a banner year in 2021, apartment sales in Kitsap were off to a sluggish start with only four sales so far this year. However, despite the slow first half of the year, we expect sales volumes to pick up, with Kitsap finishing the year with healthy metrics.



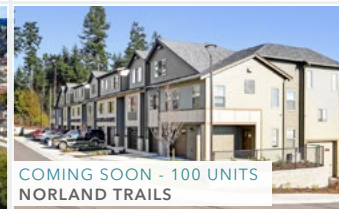
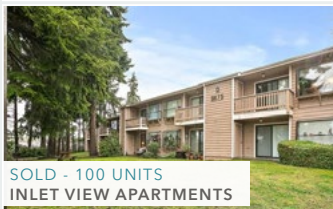
Interestingly, there's a difference of at least a couple hundred dollars in rents between large (50+ units) and small (<50 units) buildings built before 2010. Therefore, for owners of older, smaller buildings, there's significant potential to renovate units and achieve huge increases in rent.



Have no fear, Kitsap remains the Puget Sound region's darling market and still has a tremendous amount of value-add opportunities and rent growth potential.



### OUR RECENT LISTINGS

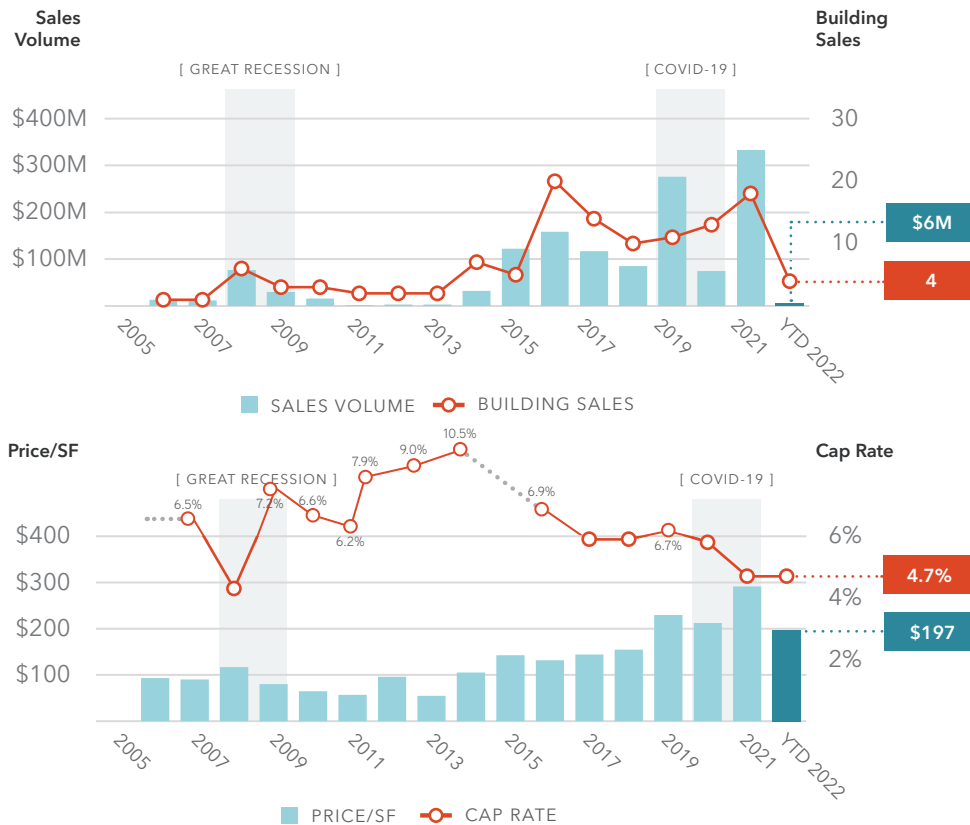


### Inventory

	Units	Buildings
<b>Total</b>	10,010	187
<b>5 to 50 Units</b>	2,197	129
<b>50+ Units</b>	7,813	58
<b>12-Month Deliveries</b>	328	4
<b>Average Unit Size</b>	865 SF	



## SALES TRENDS

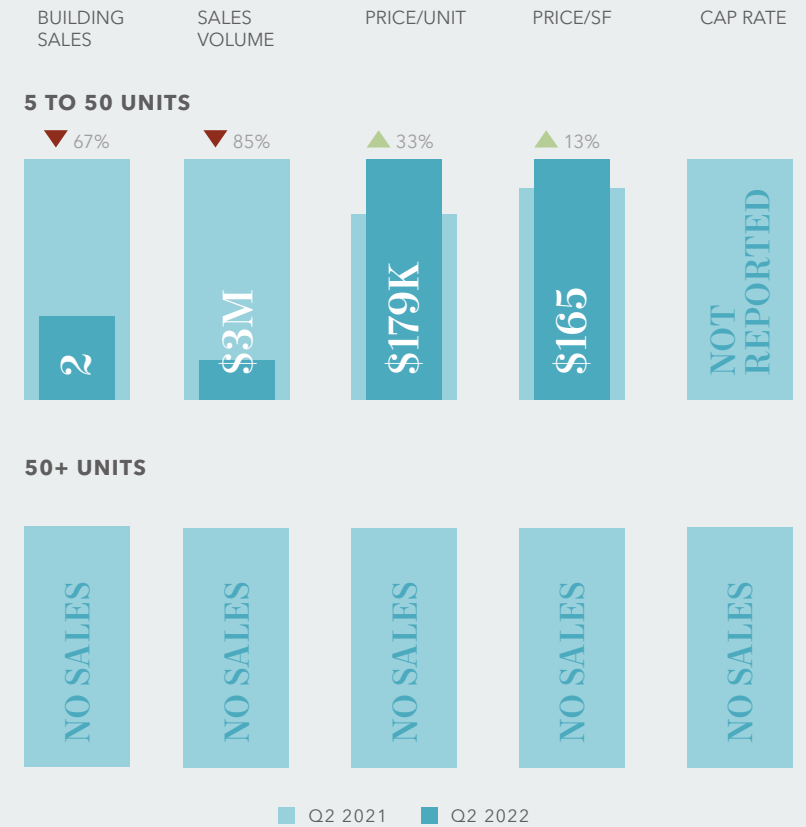


## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
<b>Building Sales</b>	20	14	10	11	13	18	Q2 2021	7	12-Month Change	Q1 2022	2
<b>Sales Volume</b>	\$159M	\$117M	\$85M	\$273M	\$75M	\$332M	Q2 2021	\$38M	▼ 93%	Q1 2022	\$3M
<b>Price/Unit</b>	\$118K	\$132K	\$138K	\$222K	\$196K	\$255K	Q2 2021	\$137K	▲ 31%	Q1 2022	\$206K
<b>Price/SF</b>	\$132	\$144	\$155	\$229	\$212	\$291	Q2 2021	\$159	▲ 4%	Q1 2022	\$229
<b>Cap Rate</b>	6.9%	5.9%	5.9%	6.2%	5.8%	4.7%	Q2 2021	4.6%	-	Q1 2022	4.7%
											Q2 2022
											2
											\$3M
											\$179K
											\$165
											Not Reported

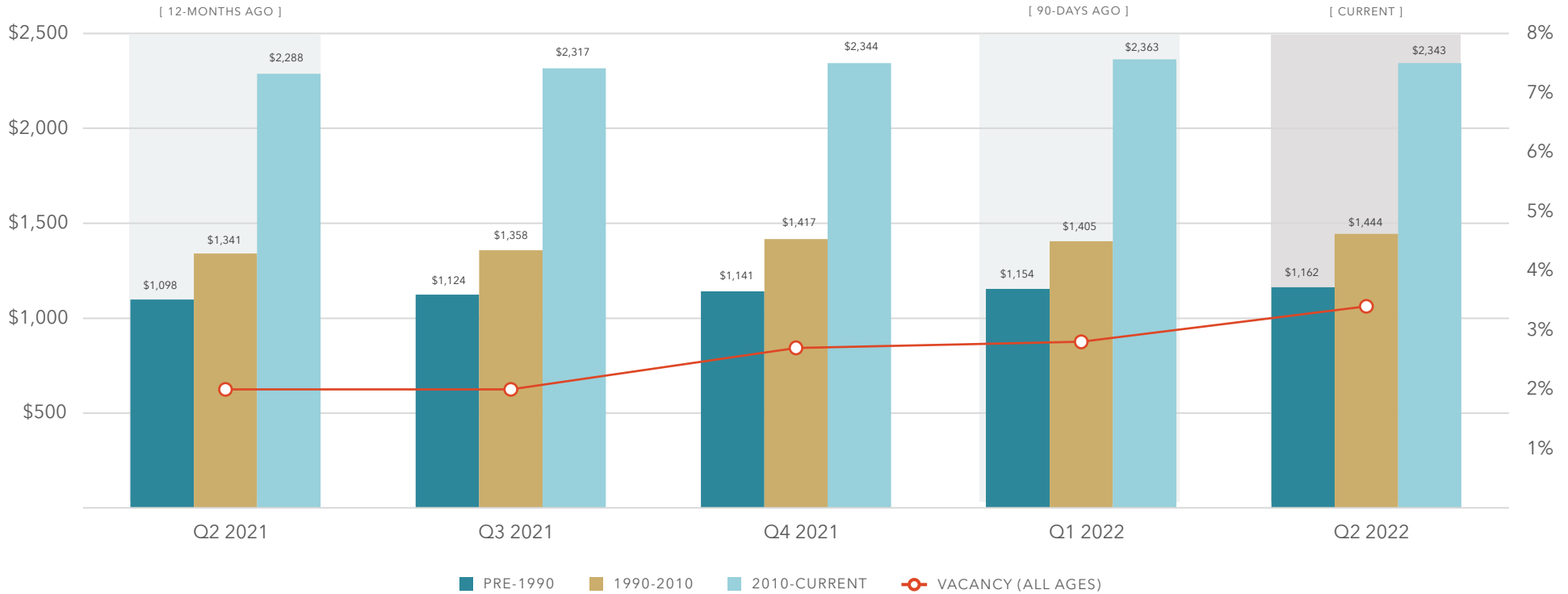
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

## Q2 Sales Comparison



# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



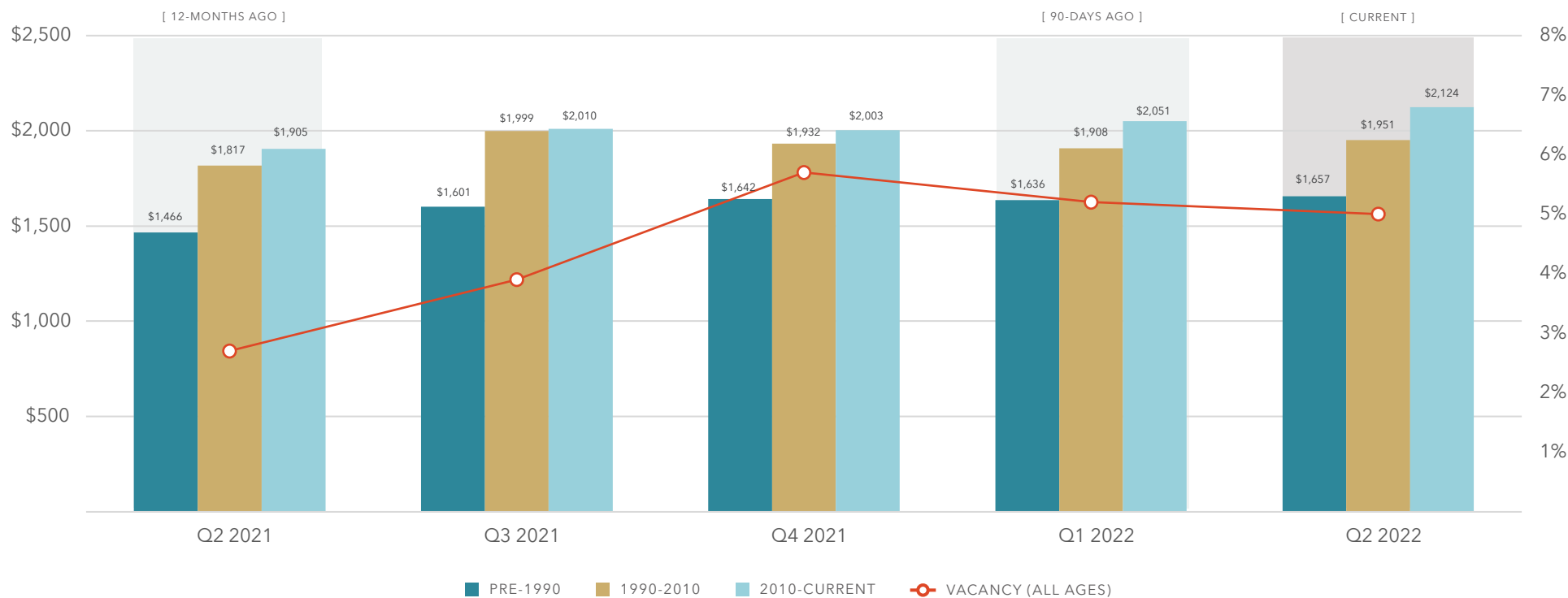
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ] Q2 2021	12-Month Change	[ 90 - DAYS AGO ] Q1 2022	90-Day Change	[ CURRENT ] Q2 2022
<b>Rent</b>	\$1,074	\$1,131	\$1,172	\$1,230	\$1,268	\$1,348	\$1,294	▲ 6%	\$1,358	▲ 0.7%	\$1,367
<b>Rent/SF</b>	\$1.28	\$1.35	\$1.40	\$1.47	\$1.51	\$1.61	\$1.54	▲ 6%	\$1.62	▲ 0.6%	\$1.63
<b>Vacancy</b>	5.1%	4.7%	5.4%	4.4%	3.1%	2.7%	2.0%	▲ 160 bps	2.8%	▲ 60 bps	3.4%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 50+ UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12 - MONTHS AGO ]		[ 90 - DAYS AGO ]		[ CURRENT ]
							Q2 2021	12-Month Change	Q1 2022	90-Day Change	Q2 2022
<b>Rent</b>	\$1,233	\$1,318	\$1,415	\$1,476	\$1,516	\$1,796	\$1,725	▲ 8%	\$1,810	▲ 3%	\$1,864
<b>Rent/SF</b>	\$1.42	\$1.52	\$1.63	\$1.70	\$1.75	\$2.07	\$1.99	▲ 8%	\$2.09	▲ 3%	\$2.15
<b>Vacancy</b>	5.6%	5.6%	5.8%	6.4%	6.5%	5.7%	2.7%	▲ 230 bps	5.2%	▼ 20 bps	5.0%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

# TEAM OVERVIEW

## 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 and with expertise in sales strategies, market knowledge, and industry trends.

## Jerrid Anderson

Executive Vice President



Jerrid is the most active apartment broker in Seattle, where he sold 22 apartment buildings in 2021. Jerrid has brokered more than \$1 billion in urban apartment and land sales and holds numerous sales records in Seattle.

## Matt Laird

Vice President



Matt is an apartment broker specializing in urban and suburban apartment sales, development land sales, and off-market acquisitions. His attention to detail and excellent client service ensures smooth transactions from marketing through closing.

## Brandon Lawler

Vice President



Brandon is an apartment broker specializing in the sale of apartment buildings and off-market acquisitions, with expertise in the South Puget Sound market.

## Winslow Lee

Associate Vice President



Winslow is an apartment broker specializing in sales of apartment buildings and development land with expertise in King & Snohomish Counties.

## Max Frame

Associate Vice President



Max is an apartment broker specializing in the sale of King County development land and Eastern Washington apartment buildings.

## Henry Ruf

Associate



Henry specializes in the sale of King County apartment buildings. Henry graduated from the Washington State University Carson College of Business with a B.A. in Finance and a minor in Economics.

## Jack Counihan

Financial Analyst



Jack specializes in market research, apartment valuations, and sales tracking in the Puget Sound Apartment market.

## Cassie Pieters

Team Assistant



Cassie provides balance and support through administrative contributions. Her commitment to the betterment of the team results in major goal achievement and long-term success.

## Ashley Woodliff

Marketing Coordinator



Ashley manages marketing and design for both team and property marketing ensuring collateral exceeds market expectations.



# NOTES & DATA SOURCES

## NOTES

### PUGET SOUND

Sales data for the Puget Sound region is inclusive of all market-rate apartment buildings with at least five units in King, Snohomish, Pierce, and Kitsap Counties.

## DATA SOURCES

### SALES

Costar

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King County Registrar

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Pierce County Planning & Public Works Department

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Real Capital Analytics

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Simon | Anderson Multifamily Team Research

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Snohomish County Registrar

### RENT, VACANCY, AND INVENTORY

CoStar

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Simon | Anderson Multifamily Team Research



## SIMON | ANDERSON TEAM

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