

SIMON | ANDERSON MULTIFAMILY TEAM

Puget Sound & Washington State Apartment Sales Specialists

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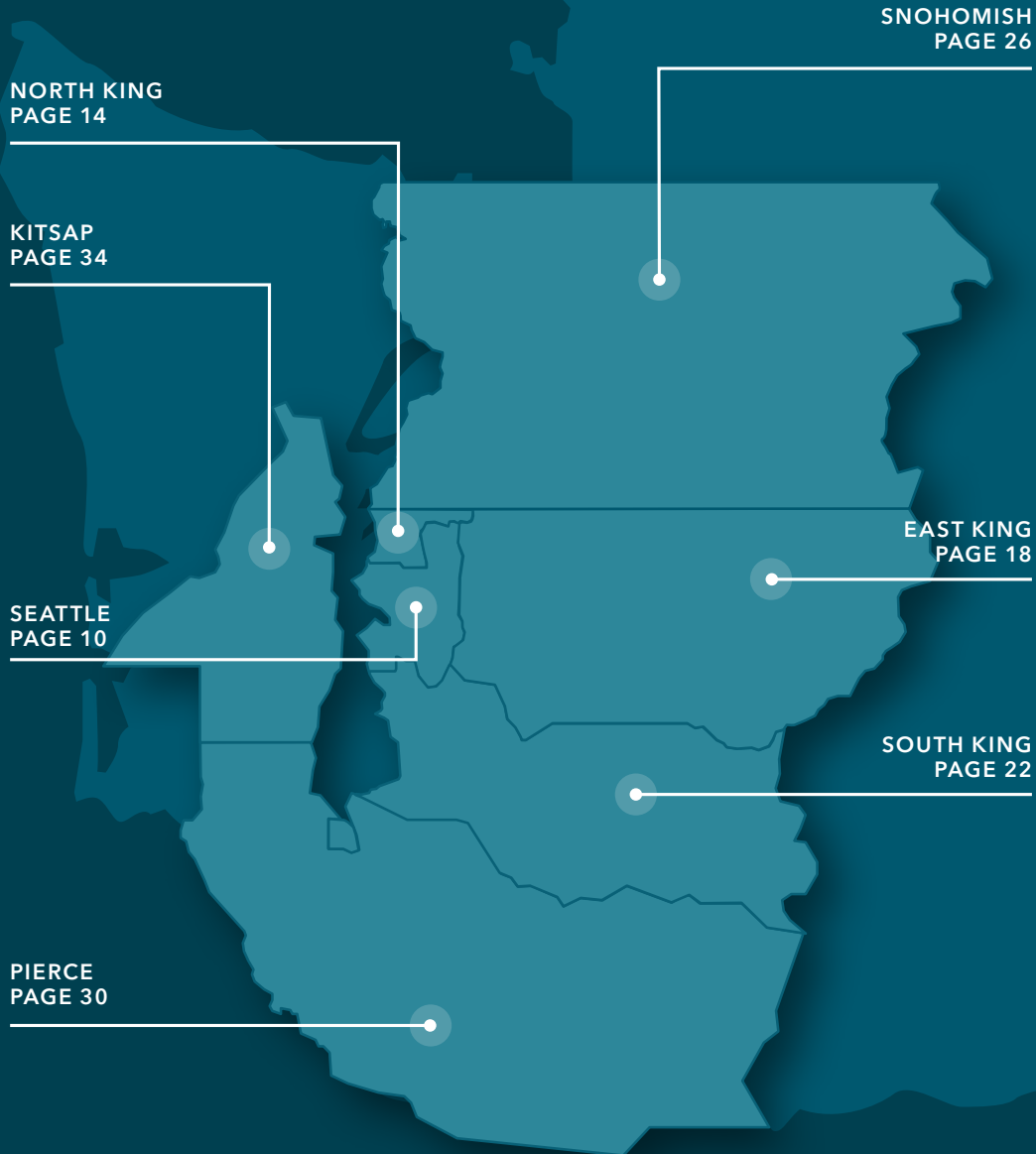
*SEATTLE & PUGET SOUND*  
APARTMENT MARKET DYNAMICS

23

Q3 2023

 Kidder  
Mathews

# 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 discuss the market, assess the best times to buy or sell, and request a valuation of your apartment building or land.



*Eastern Washington Market Research available at*

**[SIMONANDERSONTEAM.COM/RESEARCH](https://simonandersonteam.com/research)**

# APARTMENT SALES EXPERTS

## OUR EXPERTISE



5 - 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

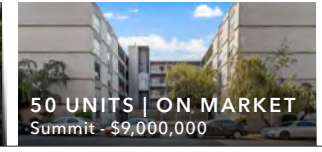
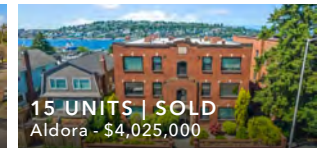
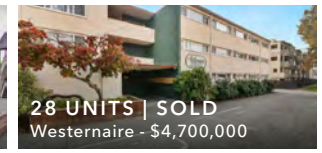
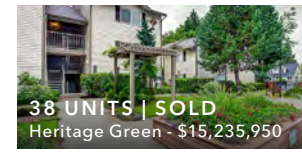
## DOWNLOAD PRIOR RESEARCH REPORTS

↓ Q2 2023 REPORT

↓ Q1 2023 REPORT

↓ 2023 DEVELOPMENT PIPELINE REPORT

## SELECT RECENT LISTINGS



## Meet the Team

### TEAM FOUNDERS

**Dylan Simon**  
EXECUTIVE VICE PRESIDENT



Dylan is a market-leading broker throughout Puget Sound and Washington State, specializing in the sale of apartment buildings and development land. He is an expert in sales strategies, market knowledge, and industry trends.

**Jerrid Anderson**  
EXECUTIVE VICE PRESIDENT



Jerrid focuses on urban apartment and land sales in the City of Seattle and his clients hire him for pricing outperformance and industry leading successful closing percentage.

**Matt Laird**  
FIRST VICE PRESIDENT



Matt specializes in urban and suburban apartment sales; development land sales; and off-market acquisitions. His attention to detail and excellent client service ensure smooth transactions from marketing through closing.

**Winslow Lee**  
VICE PRESIDENT



Winslow is an apartment broker specializing in the sale of apartment buildings and development land across the Puget Sound, with expertise in King & Snohomish Counties.

**Max Frame**  
VICE PRESIDENT



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

**JD Fuller**  
ASSOCIATE



JD specializes in the sale of apartment buildings in the Puget Sound Region. JD graduated from the University of Washington with a B.A. in Marketing.

*After sales volume stalled by 50% and as renter demand remains tepid, apartment investors crowd the sidelines waiting for an entrance point.*



Although sales volume was up quarter-over-quarter, the first half of the year’s sales volume was down more than 50% from previous averages. As a result, it may finish the year off by more than 70%.



While sales pricing only shows a 70-basis-point increase compared to 2022, market data shows cap rate expansion in the range of 100 to 150 basis points since last year.



Rental rates across the region remain largely flat with some markets showing 2% to 3% growth compared to the last quarter, but still posted declines compared to 12 months ago.



Vacancy rates continue to tick upward as apartment owners attempt to balance occupancy with rental rates. Consequently, this demonstrates a marketplace that’s at an imbalance between supply and current demand.

**INVENTORY**

	Units	Buildings
TOTAL	368,075	8,328
5 TO 50-UNITS	99,399	6,586
50+ UNITS	268,676	1,742
12-MONTH DELIVERIES	8,941	77
AVERAGE UNIT SIZE	822 SF	

**RENT & VACANCY**

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
RENT	Q2 2022 \$2,079	▼ 1%	Q1 2023 \$2,012	▲ 2%	Q2 2023 \$2,050
VACANCY	5.6%	▲ 80 bps	6.6%	▼ 20 bps	6.4%

All building ages, 5+ unit apartment buildings

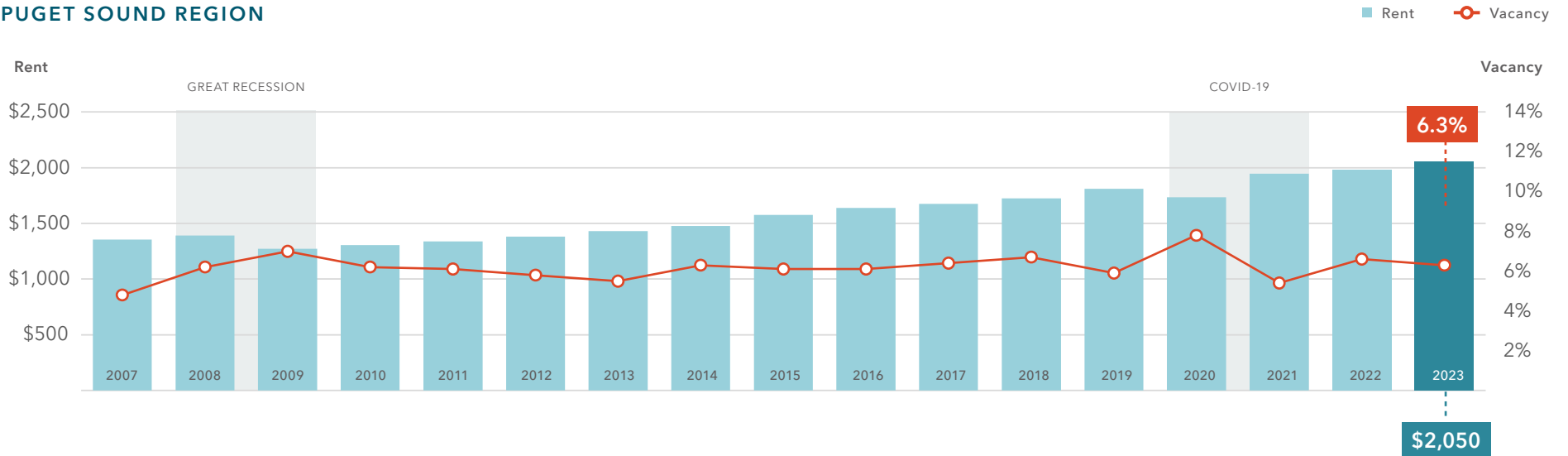
**HISTORICAL SALES TRENDS**

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	483	456	483	355	468	338	89	▼ 45%	37	▲ 32%	49
SALES VOLUME	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$5.8B	\$1.2B	▼ 38%	\$481M	▲ 56%	\$751M
PRICE/UNIT	\$226K	\$238K	\$281K	\$274K	\$332K	\$285K	\$287K	▲ 2%	\$285K	▲ 3%	\$294K
PRICE/SF	\$237	\$258	\$325	\$291	\$358	\$387	\$377	▼ 5%	\$342	▲ 5%	\$359
CAP RATE	4.9%	5.0%	4.8%	5.0%	4.6%	4.1%	4.1%	▲ 69 bps	4.4%	▲ 40 bps	4.8%

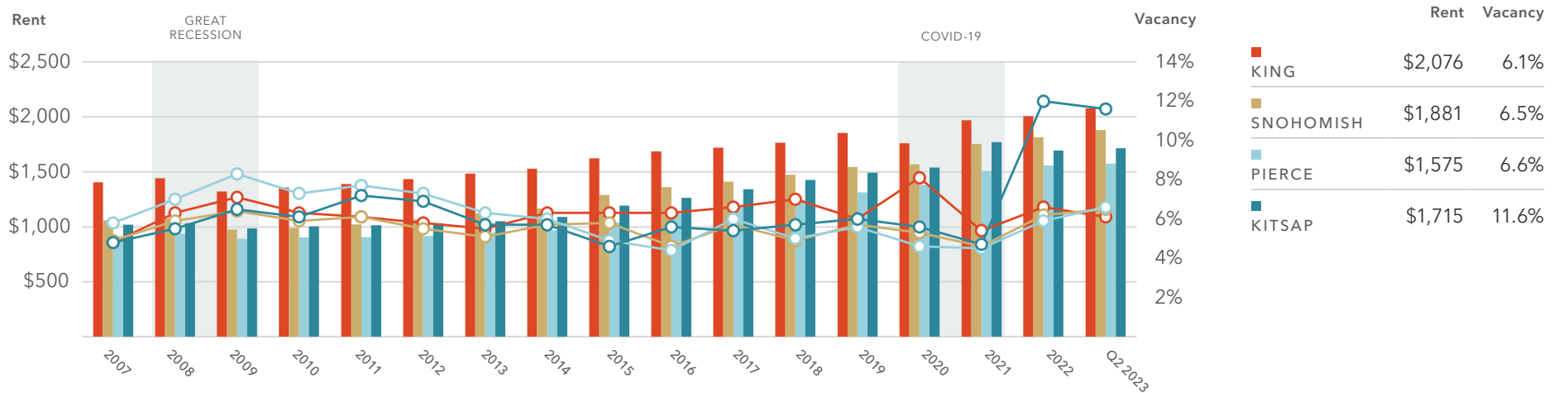
All building ages, 5+ unit apartment buildings

# REGIONAL HISTORIC RENT VS VACANCY

## PUGET SOUND REGION



## COUNTY BREAKDOWN



# REGIONAL BUILDING INCOME VELOCITY

## NORTH KING

	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,768	▼ 0.2%	\$1,748	▲ 0.9%	\$1,764
RENT/SF	\$2.35	No Change	\$2.33	▲ 0.9%	\$2.35
VACANCY	4.7%	▲ 170 bps	5.6%	▲ 80 bps	6.4%

## SNOHOMISH

	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,883	▲ 0.2%	\$1,874	▲ 1%	\$1,886
RENT/SF	\$2.17	No Change	\$2.16	▲ 0.5%	\$2.17
VACANCY	5.3%	▲ 120 bps	6.2%	▲ 30 bps	6.5%

## KITSAP

	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,814	▼ 0.6%	\$1,665	▲ 3%	\$1,712
RENT/SF	\$2.14	▼ 0.6%	\$1.96	▲ 3%	\$2.01
VACANCY	4.6%	▲ 720 bps	13.5%	▼ 170 bps	11.8%

## EAST KING

	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$2,509	▼ 4%	\$2,374	▲ 2%	\$2,419
RENT/SF	\$2.80	▼ 4%	\$2.65	▲ 2%	\$2.70
VACANCY	5.9%	▼ 20 bps	6.6%	▼ 90 bps	5.7%

## SEATTLE

	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$2,086	▼ 0.8%	\$2,015	▲ 3%	\$2,069
RENT/SF	\$3.11	▼ 0.6%	\$3.01	▲ 3%	\$3.09
VACANCY	6.7%	▲ 30 bps	7.4%	▼ 40 bps	7.0%

## SOUTH KING

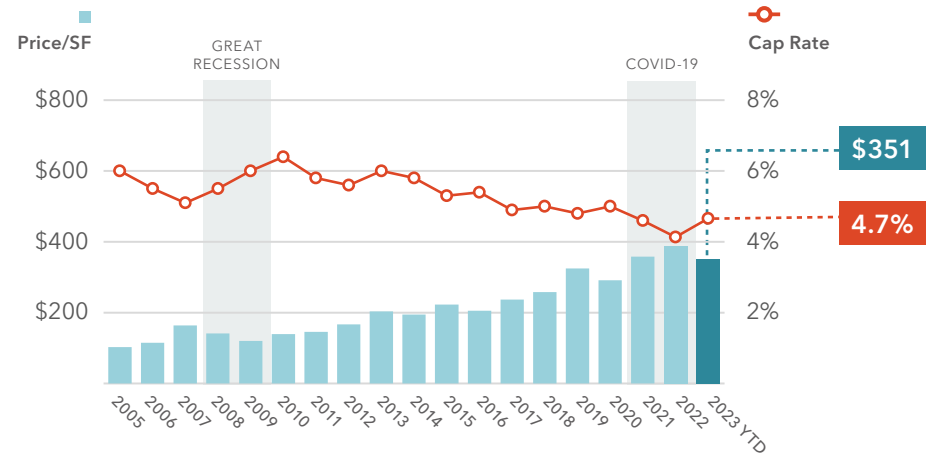
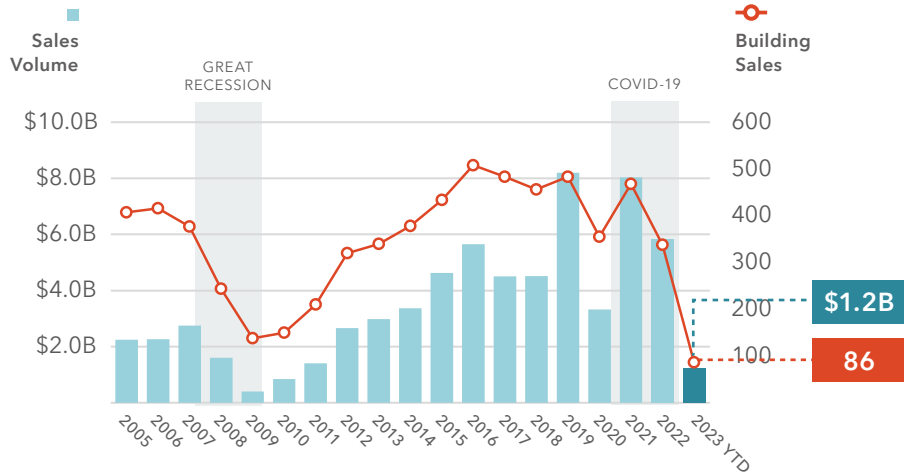
	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,802	▼ 1%	\$1,772	▲ 1%	\$1,784
RENT/SF	\$2.12	▼ 1%	\$2.08	▲ 1%	\$2.10
VACANCY	4.0%	▲ 100 bps	5.2%	▲ 20 bps	5.0%

## PIERCE

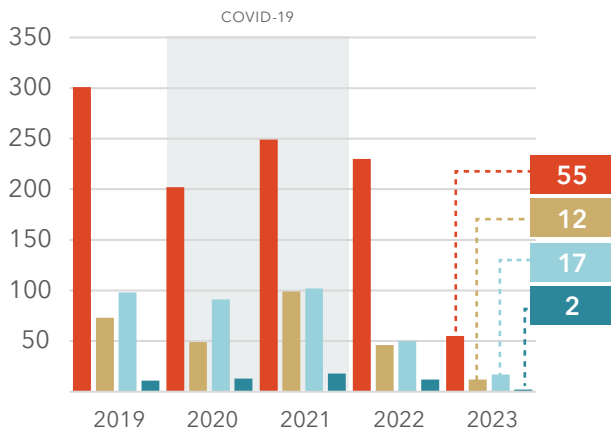
	Q2 2022	12-Mo Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,580	▼ 1%	\$1,555	▲ 1%	\$1,572
RENT/SF	\$1.87	▼ 1%	\$1.84	▲ 1%	\$1.86
VACANCY	4.9%	▲ 170 bps	6.5%	▲ 10 bps	6.6%

All building ages, 5+ unit apartment buildings

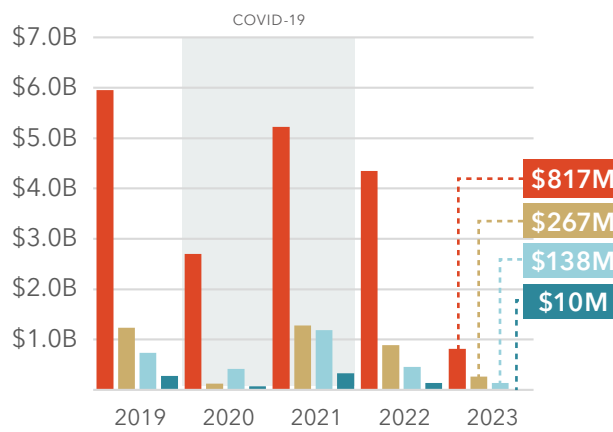
# REGIONAL HISTORIC SALES



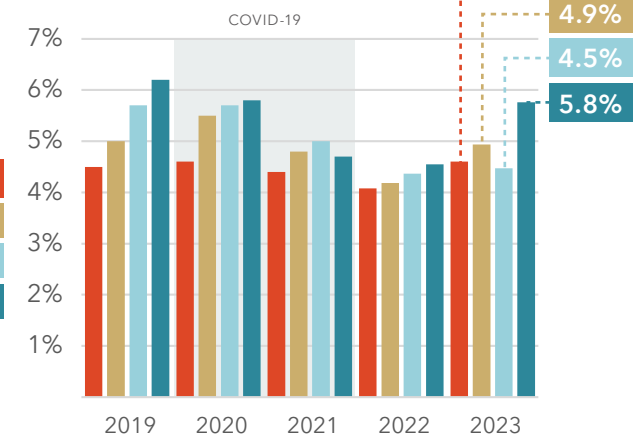
## BUILDING SALES



## SALES VOLUME



## CAP RATE



■ King County   ■ Snohomish County   ■ Pierce County   ■ Kitsap County

# REGIONAL SALE PRICING VELOCITY

## NORTH KING

	2021	2022	YTD 2023
PRICE/UNIT	\$367K	\$244K	\$213K
PRICE/SF	\$430	\$357	\$241
CAP RATE	4.3%	4.2%	5.3%

## SNOHOMISH

	2021	2022	YTD 2023
PRICE/UNIT	\$261K	\$272K	\$263K
PRICE/SF	\$283	\$307	\$328
CAP RATE	4.8%	4.2%	4.9%

## KITSAP

	2021	2022	YTD 2023
PRICE/UNIT	\$255K	\$233K	\$228K
PRICE/SF	\$290	\$252	\$197
CAP RATE	4.7%	4.6%	5.8%

## EAST KING

	2021	2022	YTD 2023
PRICE/UNIT	\$478K	\$470K	\$437K
PRICE/SF	\$496	\$526	\$429
CAP RATE	3.8%	3.7%	4.0%

## SEATTLE

	2021	2022	YTD 2023
PRICE/UNIT	\$396K	\$313K	\$319K
PRICE/SF	\$473	\$475	\$417
CAP RATE	4.5%	4.0%	4.8%

## SOUTH KING


	2021	2022	YTD 2023
PRICE/UNIT	\$306K	\$229K	\$206K
PRICE/SF	\$329	\$289	\$253
CAP RATE	4.6%	4.5%	4.2%

## PIERCE

	2021	2022	YTD 2023
PRICE/UNIT	\$249K	\$213K	\$195K
PRICE/SF	\$250	\$264	\$242
CAP RATE	5.0%	4.4%	4.5%

All building ages, 5+ unit apartment buildings






*The attractiveness of Puget Sound — for both employees and employers — keeps the market afloat as far as jobs and incomes are concerned. At the same time, apartment investors continue to wait to find a bottom, which massively affects sales volume.*



**Jerrid Anderson**  
EXECUTIVE VICE PRESIDENT  
SEATTLE MARKET EXPERT

*On average, rents in Seattle are up 12% and vacancy is down 2.5% since the pandemic. So, what's wrong?*

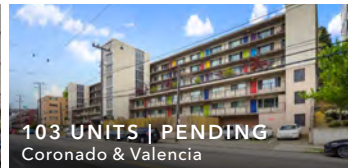
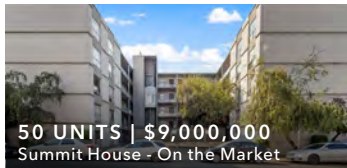
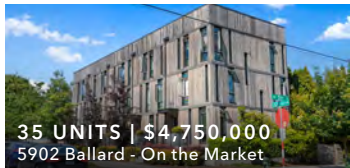
 **Sales Insight**

Anemic sales volume continues in the core of Seattle as buyers and sellers fight over the F-word “fairness”. Accordingly, we expect sales volume to increase steadily as investor expectations adjust to the market we are in. The bright spot in 2023 sales is the volume of offers on listings, we are averaging six offers per listing, nearly three times the average number of offers we received this time last year.

 **Rent / Vacancy Insight**

It was hard to get excited about investing in Seattle when the sky fell in 2020, rents in 50+ unit Seattle apartment buildings dropped 11% overnight, while vacancy nearly doubled, from 6% in 2019 to 11.5% in 2020. Fast forward 30 months and average rents are up 6% from prior peaks with vacancy hovering at 6% again. With the supply of new apartments diminished by over 36% year-over-year, it's not a question of whether Seattle will experience massive rent growth, it's when, and how much.

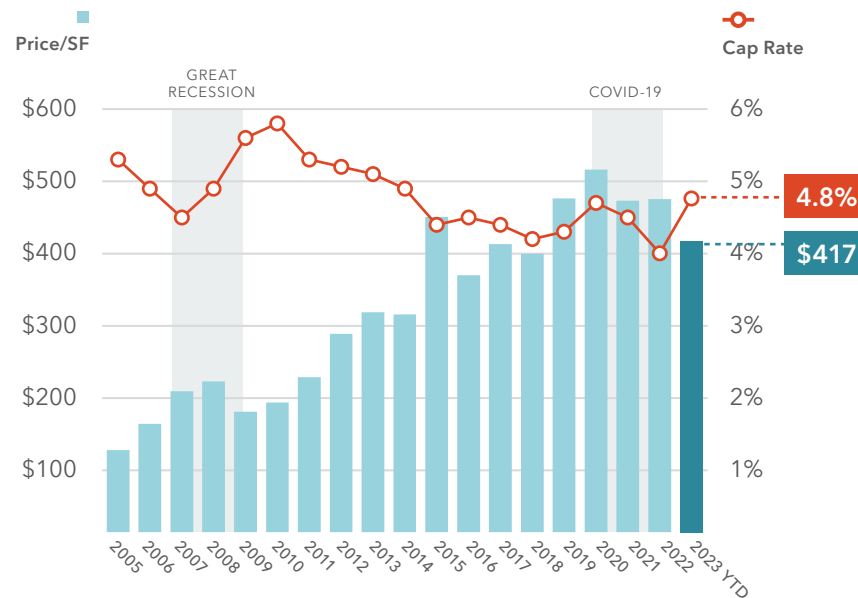
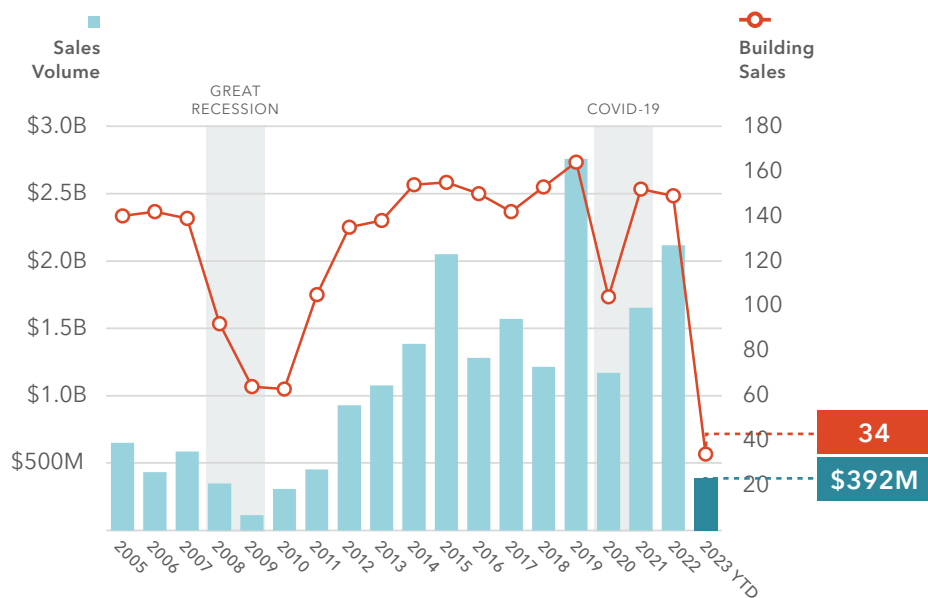
**OUR RECENT LISTINGS**



**INVENTORY**

	Units	Buildings
TOTAL	125,400	3,784
5 TO 50 UNITS	47,237	3,221
50+ UNITS	78,163	563
12-MONTH DELIVERIES	3,446	29
AVERAGE UNIT SIZE	675 SF	

# SALES TRENDS



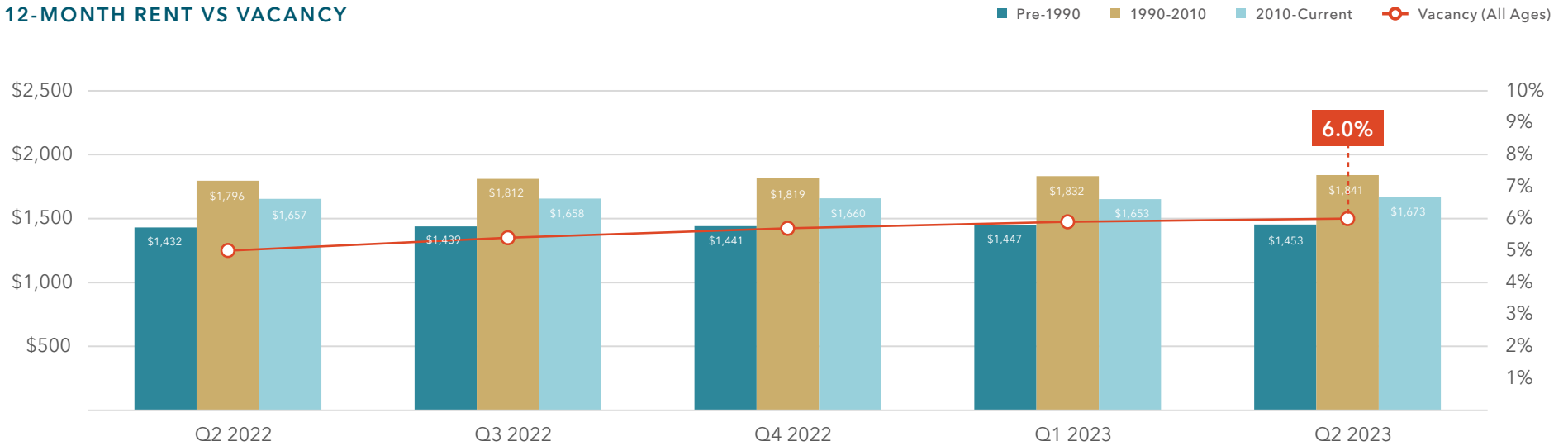
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	142	153	164	104	152	149	33	▼ 36%	13	▲ 62%	21
SALES VOLUME	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$2.1B	\$330M	▼ 58%	\$252M	▼ 44%	\$140M
PRICE/UNIT	\$380K	\$326K	\$402K	\$399K	\$396K	\$313K	\$333K	▼ 11%	\$357K	▼ 17%	\$296K
PRICE/SF	\$413	\$400	\$476	\$516	\$473	\$475	\$489	▼ 23%	\$482	▼ 22%	\$377
CAP RATE	4.4%	4.2%	4.3%	4.7%	4.5%	4.0%	3.8%	▲ 109 bps	4.5%	▲ 43 bps	4.9%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



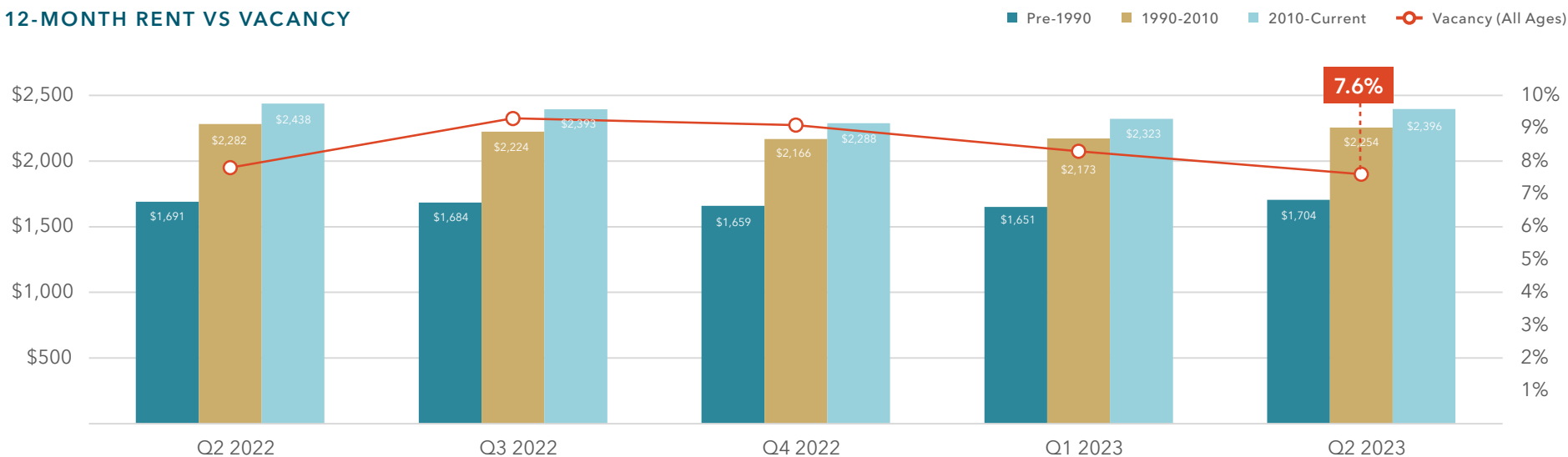
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,421	\$1,444	\$1,464	\$1,464	\$1,491	\$1,519	\$1,509	▲ 2%	\$1,523	▲ 0.6%	\$1,532
RENT/SF	\$2.26	\$2.30	\$2.33	\$2.33	\$2.38	\$2.42	\$2.41	▲ 1%	\$2.43	▲ 0.4%	\$2.44
VACANCY	5.5%	5.1%	5.0%	7.0%	4.9%	5.7%	5.0%	▲ 100 bps	5.9%	▲ 10 bps	6.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY


	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,983	\$2,008	\$2,134	\$1,898	\$2,178	\$2,163	\$2,288	▼ 1%	\$2,187	▲ 3%	\$2,258
RENT/SF	\$2.88	\$2.92	\$3.11	\$2.76	\$3.17	\$3.15	\$3.33	▼ 1%	\$3.18	▲ 3%	\$3.29
VACANCY	9.7%	9.6%	6.0%	11.5%	6.8%	9.1%	7.8%	▼ 20 bps	8.3%	▼ 70 bps	7.6%

All building ages, 50+ unit apartment buildings



**Winslow Lee**  
VICE PRESIDENT  
NORTH KING MARKET EXPERT

*Rents have remained consistent in the last 90 days with sales picking up again. After a slow Q1 sales record, a handful of sales took place in Q2.*

 **Sales Insight**

North King bounced back with three sales this last quarter, tripling Q1's results. What's more, we finally saw an adjustment in cap rates (5.6%), accommodating for the rate increases we've seen throughout the year. And, with a substantial increase, price per square foot and price per unit were also affected. Now, with rates increasing faster than ever, there will be an adjustment period before we see an increase in sales and sellers' expectations.

 **Rent / Vacancy Insight**

Here, an increase in vacancies this last quarter – from 5.3% to 5.5% – was to be expected in the prime leasing months in Seattle as tenants change living accommodations. Furthermore, new units that will be delivered near light rail stations will continue to keep vacancy levels where they are (or increase) in the next couple of quarters.

**OUR RECENT LISTING**



*View our listings online at*

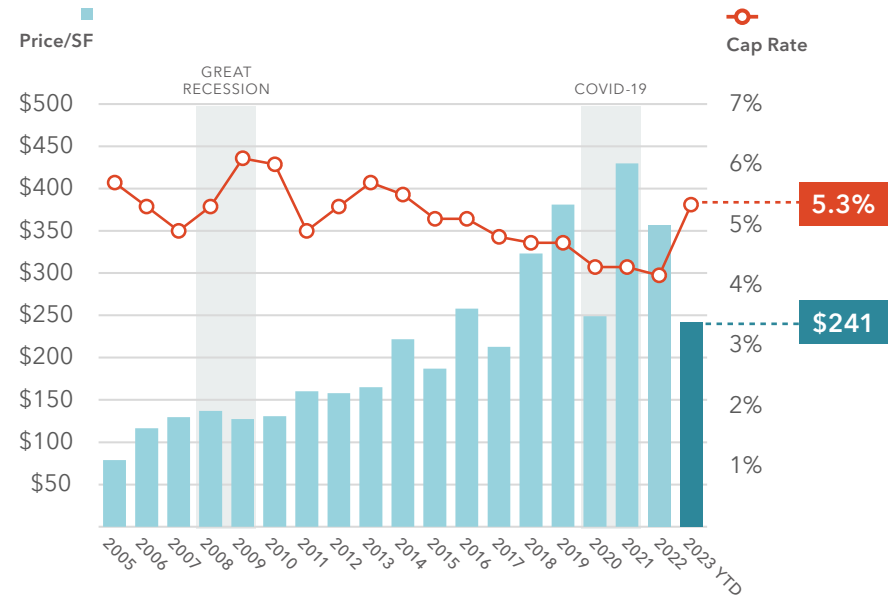
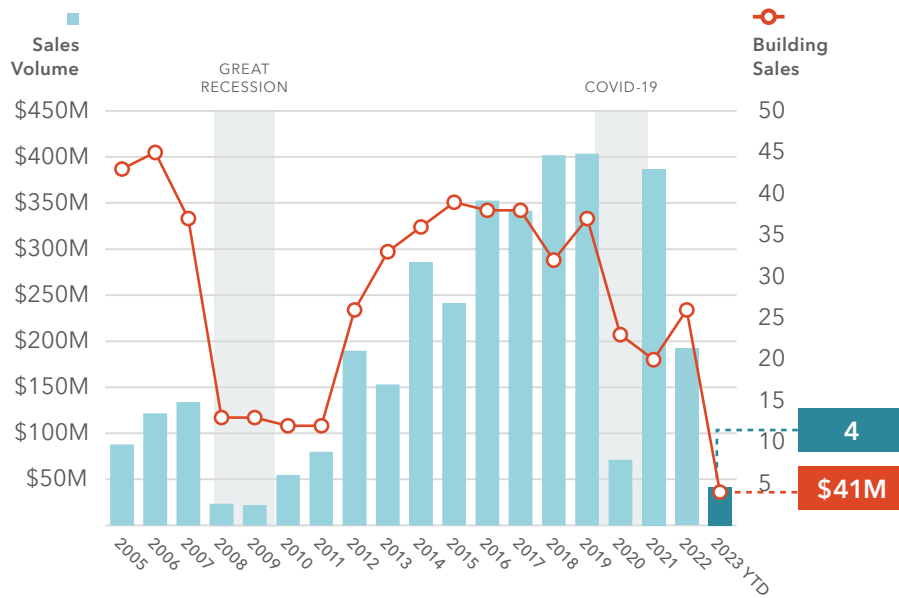
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	25,376	733
5 TO 50 UNITS	8,933	607
50+ UNITS	16,443	126
12-MONTH DELIVERIES	215	1
AVERAGE UNIT SIZE	755 SF	

# SALES TRENDS



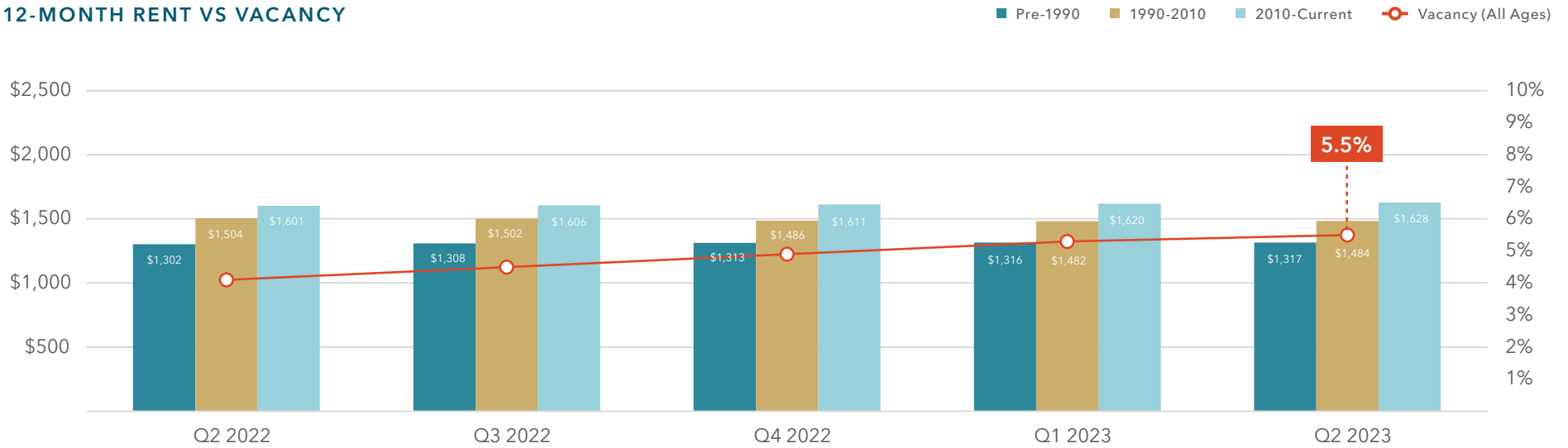
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	38	32	37	23	20	26	7	▼ 57%	1	▲ 200%	3
SALES VOLUME	\$342M	\$402M	\$404M	\$71M	\$387M	\$192M	\$29M	▲ 23%	\$5M	▲ 586%	\$36M
PRICE/UNIT	\$262K	\$281K	\$288K	\$234K	\$367K	\$244K	\$243K	▼ 10%	\$195K	▲ 12%	\$219K
PRICE/SF	\$213	\$323	\$381	\$249	\$430	\$357	\$372	▼ 39%	\$284	▼ 20%	\$227
CAP RATE	4.8%	4.7%	4.7%	4.3%	4.3%	4.2%	4.1%	▲ 143 bps	4.9%	▲ 65 bps	5.6%

All building ages, 5+ unit aptmtd buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

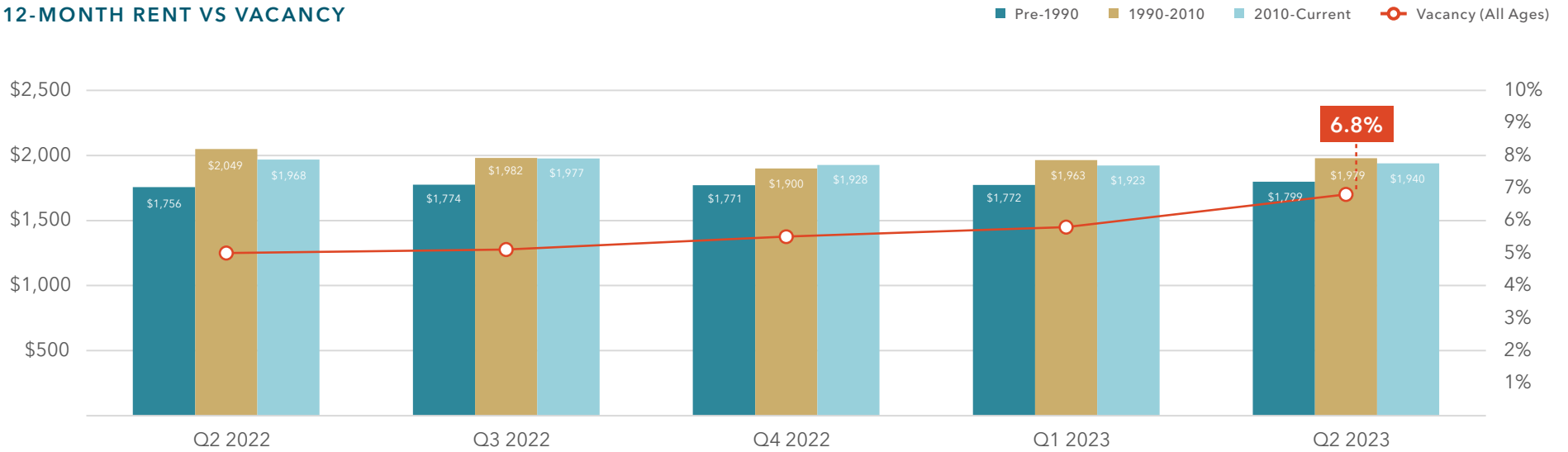
	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,252	\$1,271	\$1,291	\$1,307	\$1,334	\$1,369	\$1,363	▲ 1%	\$1,371	▲ 0.1%	\$1,373
RENT/SF	\$1.68	\$1.70	\$1.73	\$1.75	\$1.79	\$1.84	\$1.83	▲ 1%	\$1.84	No Change	\$1.84
VACANCY	4.1%	4.1%	4.2%	5.7%	4.0%	4.9%	4.1%	▲ 140 bps	5.3%	▲ 20 bps	5.5%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY


	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,539	\$1,575	\$1,625	\$1,606	\$1,771	\$1,857	\$1,895	No Change	\$1,867	▲ 1%	\$1,888
RENT/SF	\$2.04	\$2.08	\$2.15	\$2.12	\$2.34	\$2.46	\$2.51	No Change	\$2.47	▲ 1%	\$2.50
VACANCY	6.0%	7.4%	6.0%	7.2%	5.0%	5.5%	5.0%	▲ 180 bps	5.8%	▲ 100 bps	6.8%

All building ages, 50+ unit apartment buildings



**Matt Laird**  
 FIRST VICE PRESIDENT  
 EAST KING MARKET EXPERT

*While sales volume is still lagging, rent and vacancy in East King continue their positive trajectory.*

 **Sales Insight**

Sales activity here is still slow to take off with only 10 sales so far this year. That said, total sales volume is picking up compared to last quarter with \$228 million in sales in the last 90 days. Likewise, sales metrics also remain strong, averaging \$400,000 per unit – just under \$500 per square foot – and in the low 4% cap rate range compared to the last quarter. Accordingly, expect to see sales volume continue to pick up as we finish out the second half of the year, although it likely won't best 2022's performance.

 **Rent / Vacancy Insight**

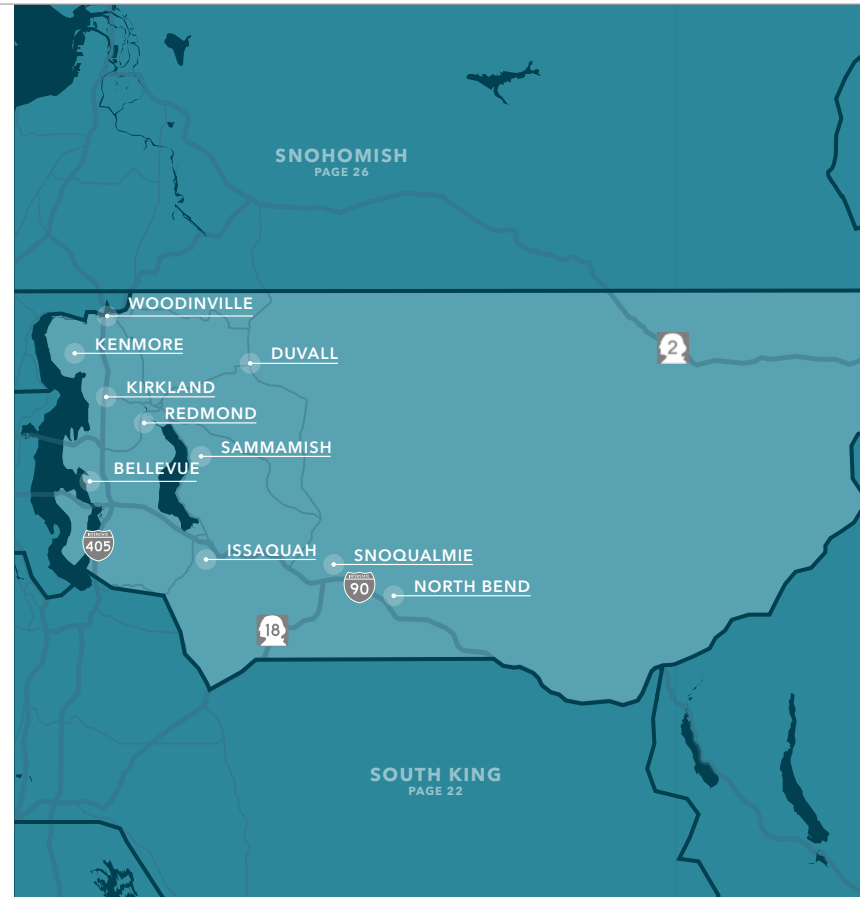
Rent metrics have continued to be strong this year averaging 2% to 3% growth each quarter, with the highest average rent in the region at an impressive \$2,400 per unit. As expected, the summer months brought significant improvements in vacancy rates: Specifically, for buildings with 50+ units, they dropped 90 basis points in the last three months, which shows that new buildings are leasing up and stabilized buildings are continuing to push rents.

**OUR RECENT LISTING**



*View our listings online at*

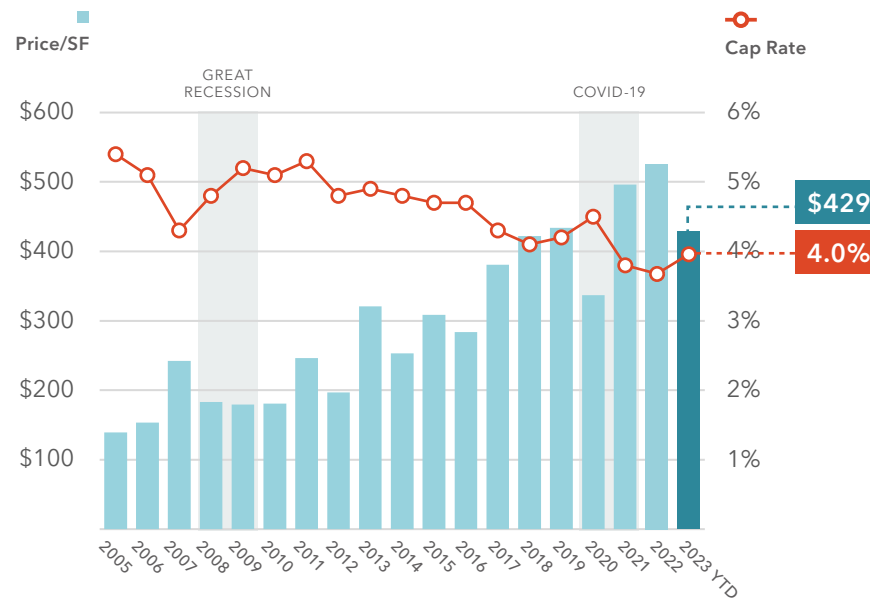
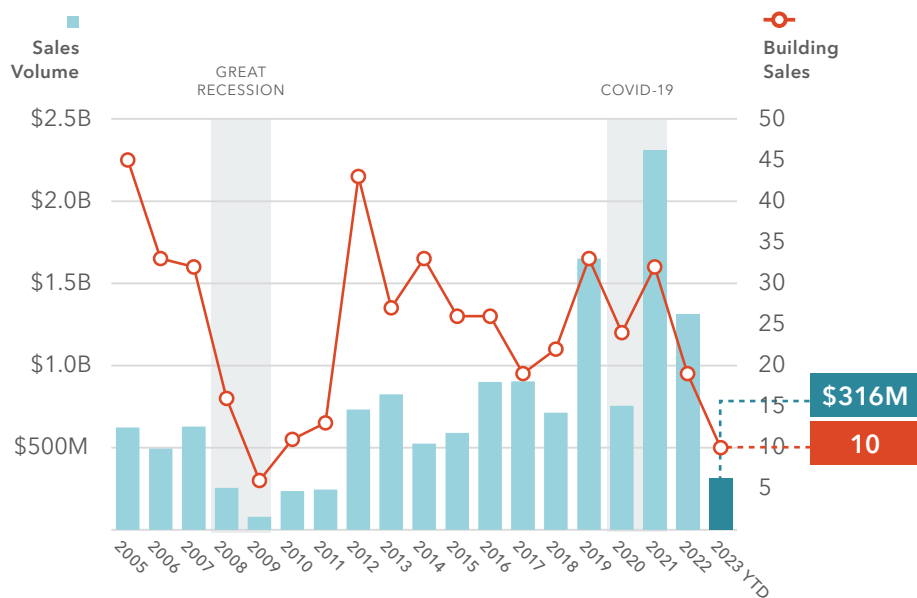
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersononteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	36,393	299
5 TO 50 UNITS	2,551	142
50+ UNITS	33,842	157
12-MONTH DELIVERIES	854	4
AVERAGE UNIT SIZE	897 SF	

# SALES TRENDS



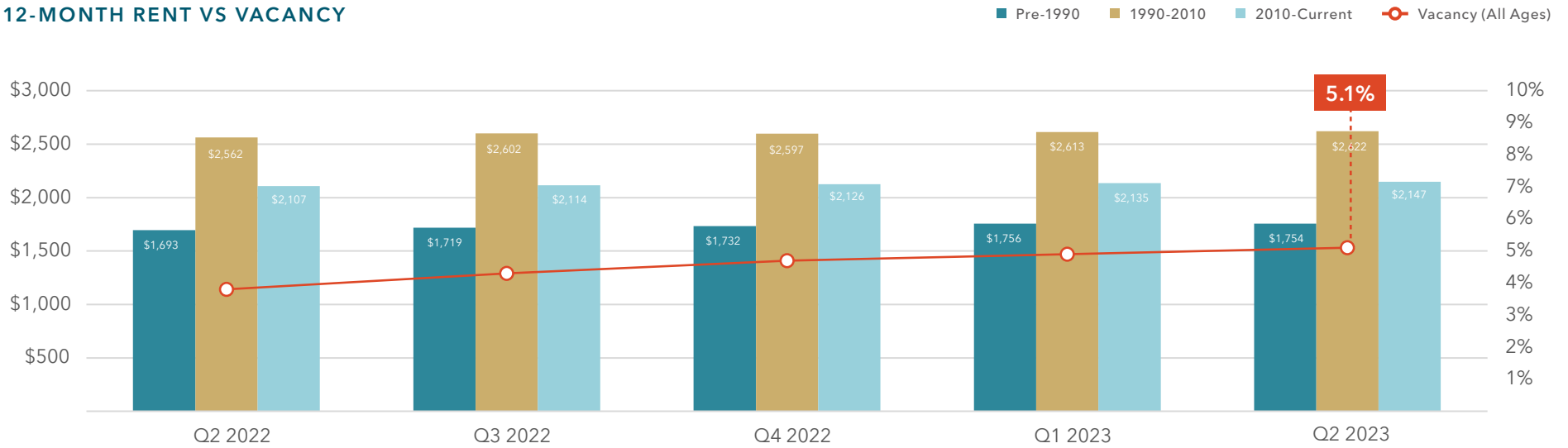
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	19	22	33	24	32	19	3	▲ 100%	4	▲ 50%	6
SALES VOLUME	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$1.3B	\$69M	▲ 232%	\$88M	▲ 159%	\$228M
PRICE/UNIT	\$373K	\$447K	\$383K	\$340K	\$478K	\$470K	\$498K	▼ 16%	\$467K	▼ 11%	\$417K
PRICE/SF	\$381	\$422	\$434	\$337	\$496	\$526	\$599	▼ 17%	\$323	▲ 54%	\$499
CAP RATE	4.3%	4.1%	4.2%	4.5%	3.8%	3.7%	3.8%	▲ 35 bps	3.8%	▲ 38 bps	4.2%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



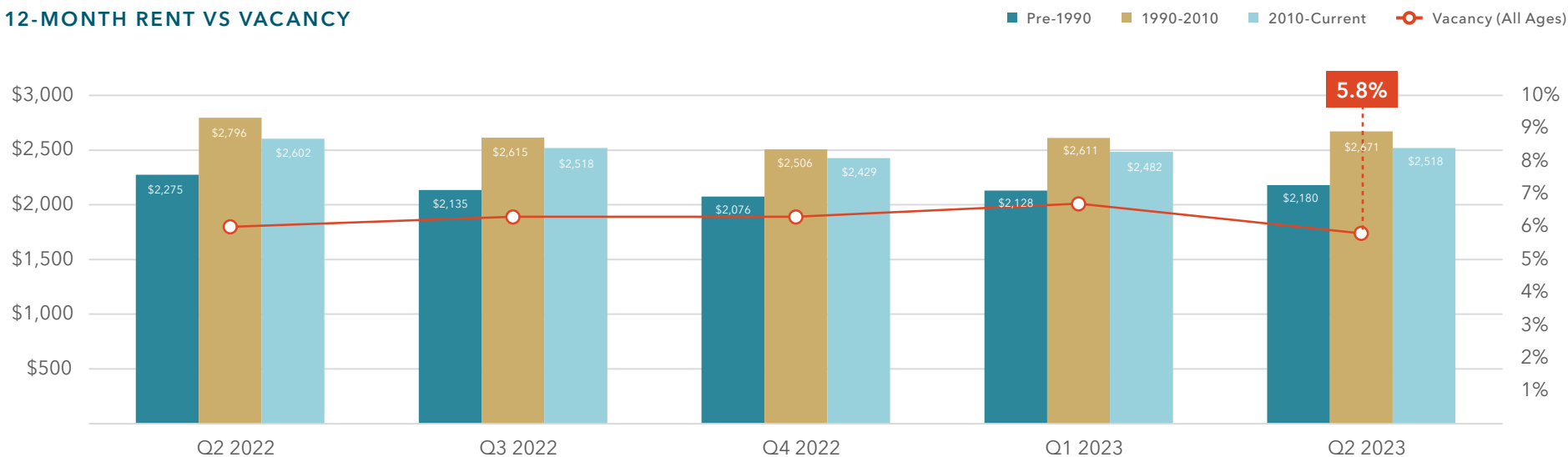
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,693	\$1,734	\$1,768	\$1,774	\$1,856	\$1,942	\$1,906	▲ 3%	\$1,965	▲ 0.1%	\$1,967
RENT/SF	\$1.80	\$1.84	\$1.88	\$1.88	\$1.97	\$2.07	\$2.02	▲ 3%	\$2.09	No Change	\$2.09
VACANCY	5.3%	4.8%	4.7%	6.4%	3.9%	4.7%	3.8%	▲ 130 bps	4.9%	▲ 20 bps	5.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,874	\$1,965	\$2,067	\$1,982	\$2,270	\$2,331	\$2,540	▼ 4%	\$2,396	▲ 2%	\$2,443
RENT/SF	\$2.10	\$2.21	\$2.32	\$2.22	\$2.54	\$2.61	\$2.85	▼ 4%	\$2.68	▲ 2%	\$2.74
VACANCY	6.4%	7.8%	9.0%	9.2%	5.3%	6.3%	6.0%	▼ 20 bps	6.7%	▼ 90 bps	5.8%


All building ages, 50+ unit apartment buildings




**Dylan Simon**

EXECUTIVE VICE PRESIDENT  
SOUTH KING MARKET EXPERT

*The sales volume “king” of the Pacific Northwest is predicted to have its most anemic year of sales activity since the Great Financial Crisis.*

 **Sales Insight**

Sales volume in South King barely changed quarter-over-quarter. Even so, cap rates are rising quickly as the few sales reported in Q2 highlight the change in market conditions that was not yet reflected earlier in 2023.

 **Rent / Vacancy Insight**

Notably, the modest increases in rental rates since Q1 – and 12 months ago – don’t make up for a sharp rise in vacancy; however, sustained sub-5% vacancy rates indicate that there’s room for owners to push rental rates.

**OUR RECENT LISTING**



**34 UNITS | \$6,250,000**  
Timber Heights - On the Market

*View our listings online at*

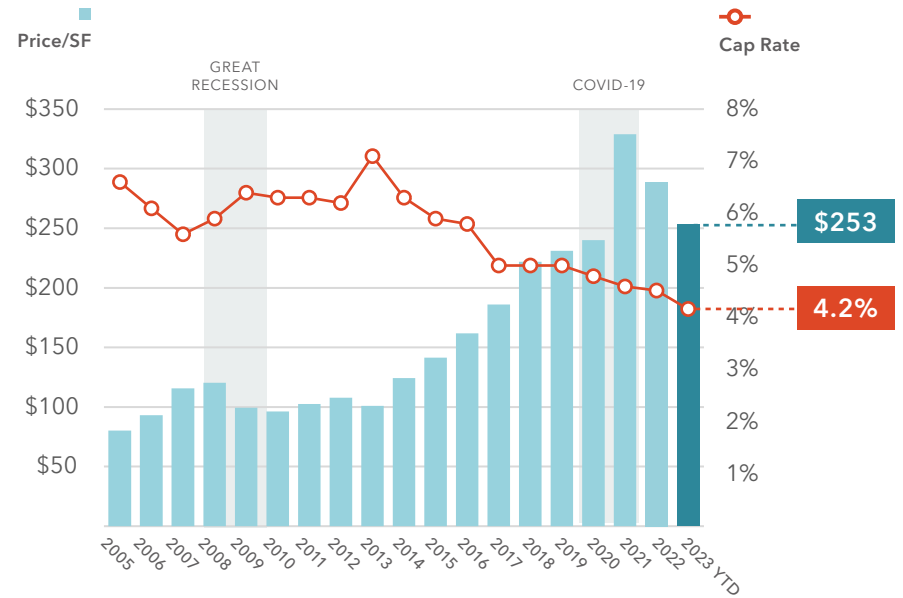
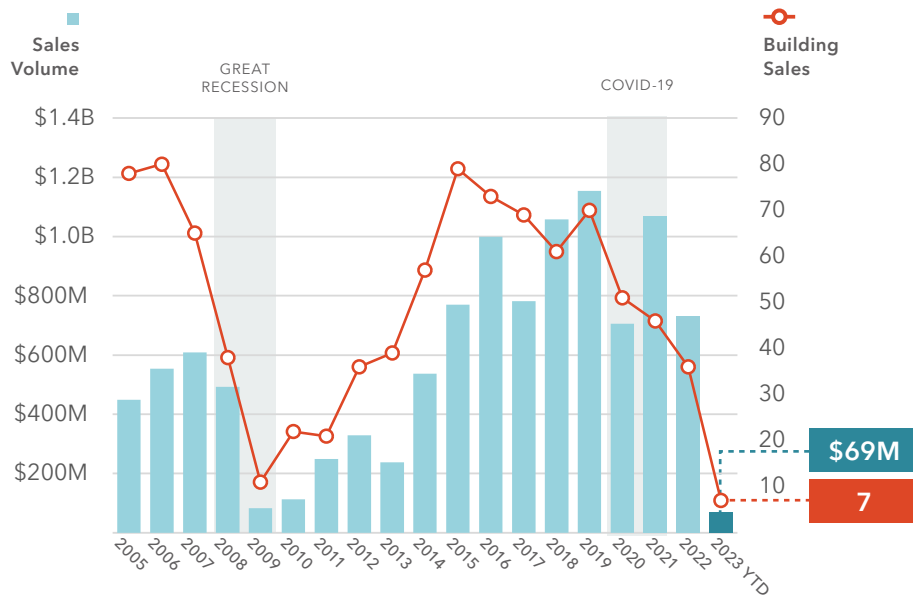
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	57,956	920
5 TO 50 UNITS	10,602	628
50+ UNITS	47,354	292
12-MONTH DELIVERIES	414	4
AVERAGE UNIT SIZE	856 SF	

# SALES TRENDS



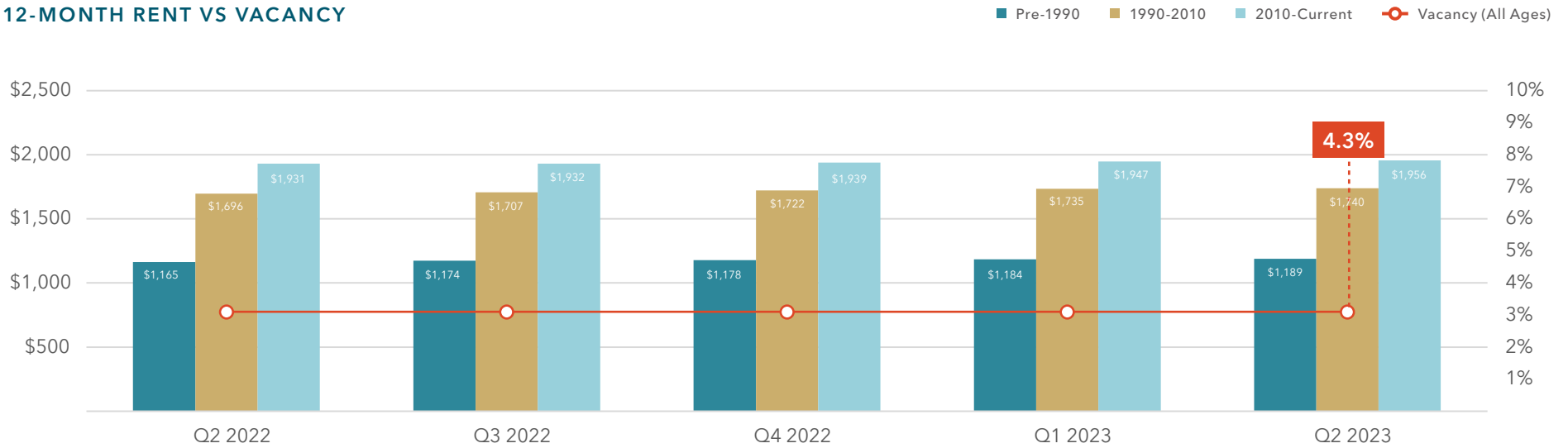
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	69	61	70	51	46	36	12	▼ 67%	3	▲ 33%	4
SALES VOLUME	\$781M	\$1.1B	\$1.2B	\$705M	\$1.1B	\$730M	\$240M	▼ 77%	\$13M	▲ 316%	\$55M
PRICE/UNIT	\$169K	\$216K	\$202K	\$230K	\$306K	\$229K	\$249K	▼ 13%	\$190K	▲ 14%	\$217K
PRICE/SF	\$186	\$222	\$231	\$240	\$329	\$289	\$302	▼ 8%	\$219	▲ 27%	\$279
CAP RATE	5.0%	5.0%	5.0%	4.8%	4.6%	4.5%	4.3%	▲ 47 bps	3.3%	▲ 147 bps	4.8%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

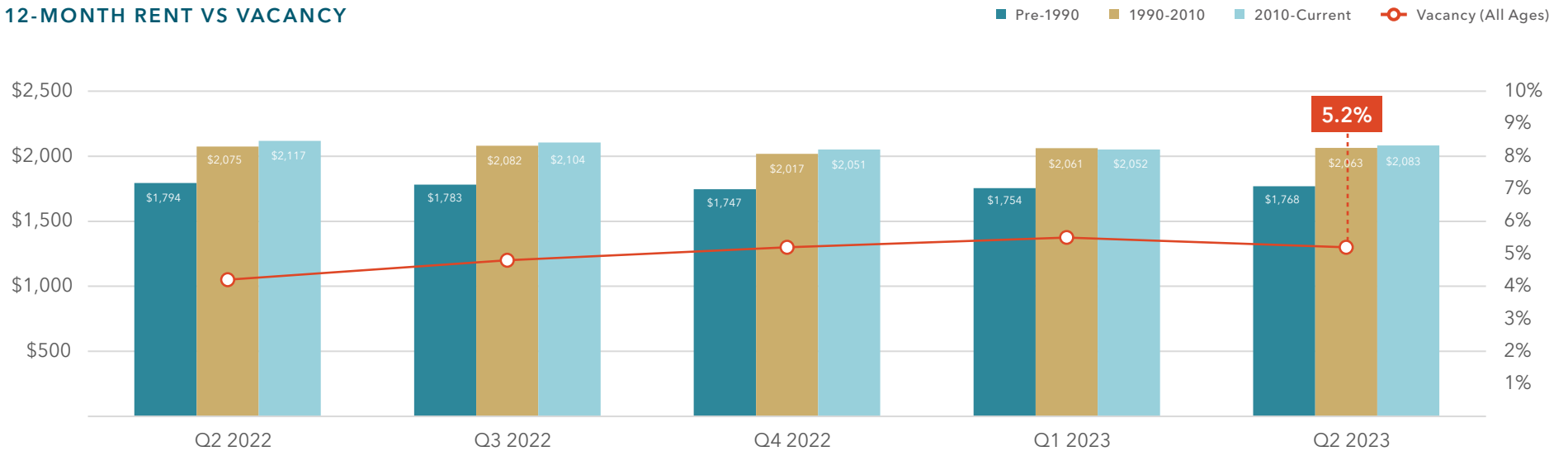
	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,089	\$1,127	\$1,162	\$1,180	\$1,208	\$1,242	\$1,228	▲ 2%	\$1,248	▲ 0.5%	\$1,254
RENT/SF	\$1.37	\$1.42	\$1.47	\$1.49	\$1.52	\$1.57	\$1.55	▲ 2%	\$1.58	No Change	\$1.58
VACANCY	4.1%	4.5%	4.1%	3.9%	3.0%	3.8%	3.1%	▲ 120 bps	4.1%	▼ 20 bps	4.3%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY


	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,391	\$1,448	\$1,520	\$1,557	\$1,751	\$1,837	\$1,888	▼ 1%	\$1,850	▲ 0.8%	\$1,864
RENT/SF	\$1.62	\$1.68	\$1.77	\$1.81	\$2.04	\$2.14	\$2.19	▲ 1%	\$2.15	▲ 0.9%	\$2.17
VACANCY	5.1%	6.1%	5.5%	5.5%	3.8%	5.2%	4.2%	▲ 100 bps	5.5%	▼ 30 bps	5.2%

All building ages, 50+ unit apartment buildings



**Winslow Lee**  
VICE PRESIDENT  
SNOHOMISH MARKET EXPERT

*Snohomish slowed in sales by 50% this last quarter, but still saw a few large institutional buildings sell for a total of \$185 million in volume.*

 **Sales Insight**

Snohomish saw four large sales that pushed the price per unit to nearly \$300,000 per unit this past quarter. As a result, this increased the price per square foot to the highest we’ve ever seen in Snohomish County. Additionally, cap rates – just like the rest of the region – continue to creep into the 5% range as everyone adjusts to the rise in rates. Inevitably, this will settle back down in the coming quarters when we see more consistent sales.

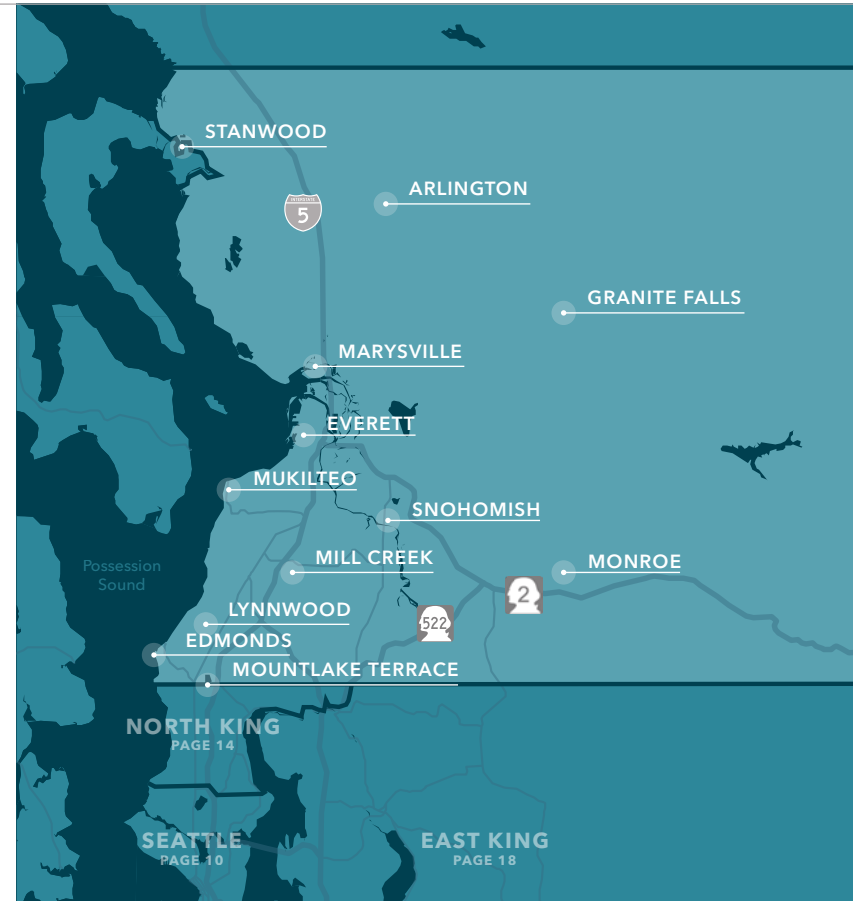
 **Rent / Vacancy Insight**

Rent rates continue to stay consistent with little growth this last quarter. That said, Q2 and Q3 are prime leasing seasons, and vacancies have increased throughout the region. Accordingly, with employers slowing on hiring and pushing for existing employees to come back to the office, expect to see more tenants move closer to their offices.

**OUR RECENT LISTING**



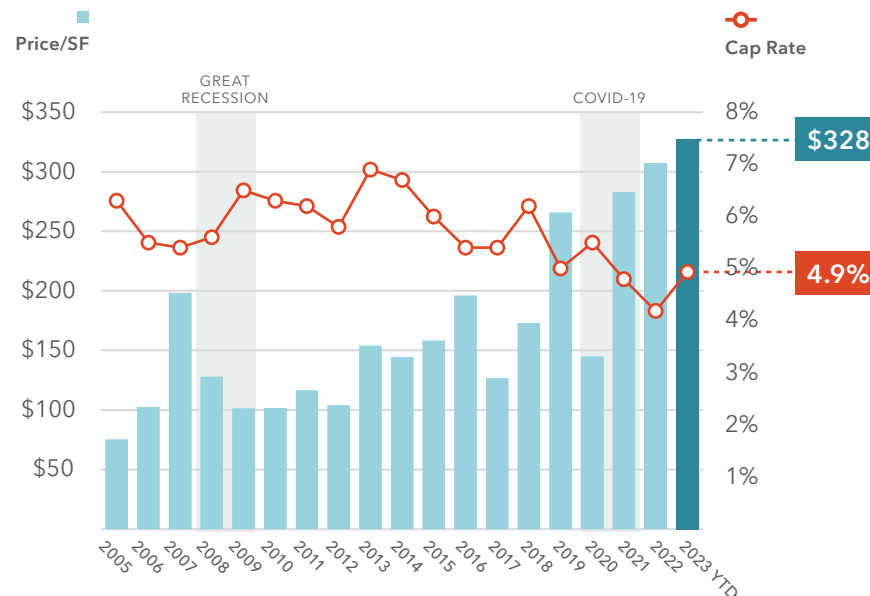
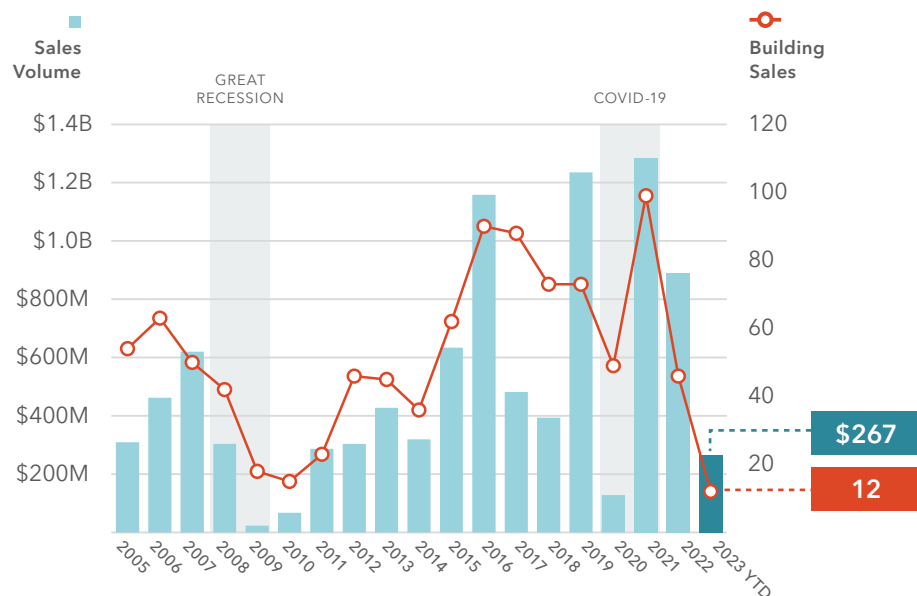
**12 UNITS | \$2,150,000**  
Rawley Manor - On the Market



**INVENTORY**

	Units	Buildings
TOTAL	48,347	999
5 TO 50 UNITS	10,308	785
50+ UNITS	38,039	214
12-MONTH DELIVERIES	1,075	10
AVERAGE UNIT SIZE	876 SF	

# SALES TRENDS



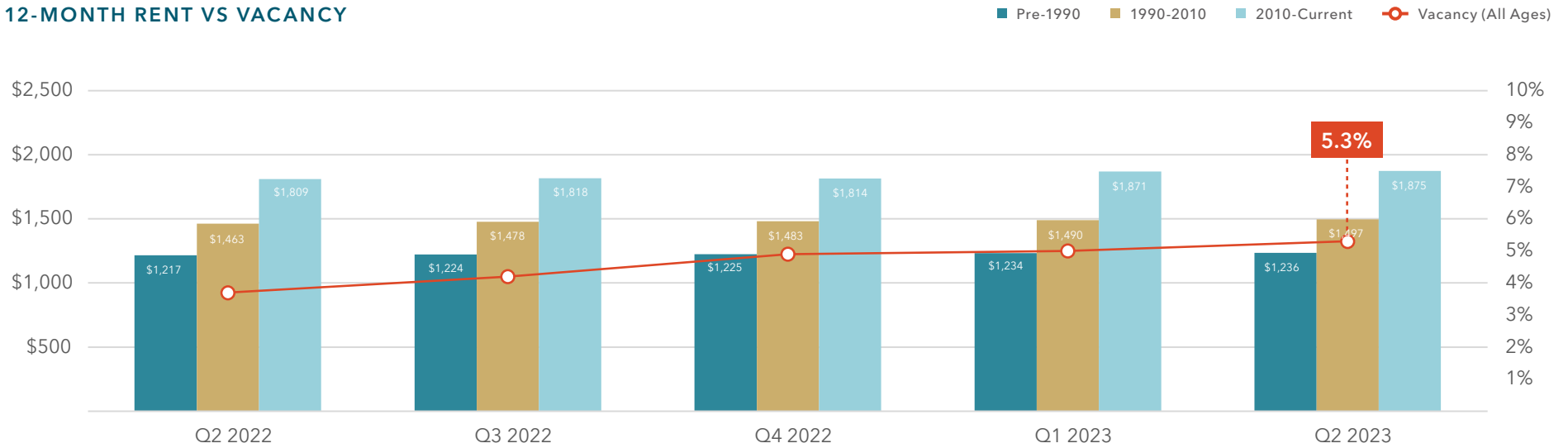
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	88	73	73	49	99	46	13	▼ 69%	8	▼ 50%	4
SALES VOLUME	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$892M	\$318M	▼ 42%	\$82M	▲ 126%	\$185M
PRICE/UNIT	\$121K	\$169K	\$228K	\$164K	\$261K	\$272K	\$273K	▲ 9%	\$245K	▲ 22%	\$298K
PRICE/SF	\$127	\$173	\$266	\$145	\$283	\$307	\$304	▲ 22%	\$307	▲ 21%	\$370
CAP RATE	5.4%	6.2%	5.0%	5.5%	4.8%	4.2%	4.6%	▲ 40 bps	4.9%	▲ 11 bps	5.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



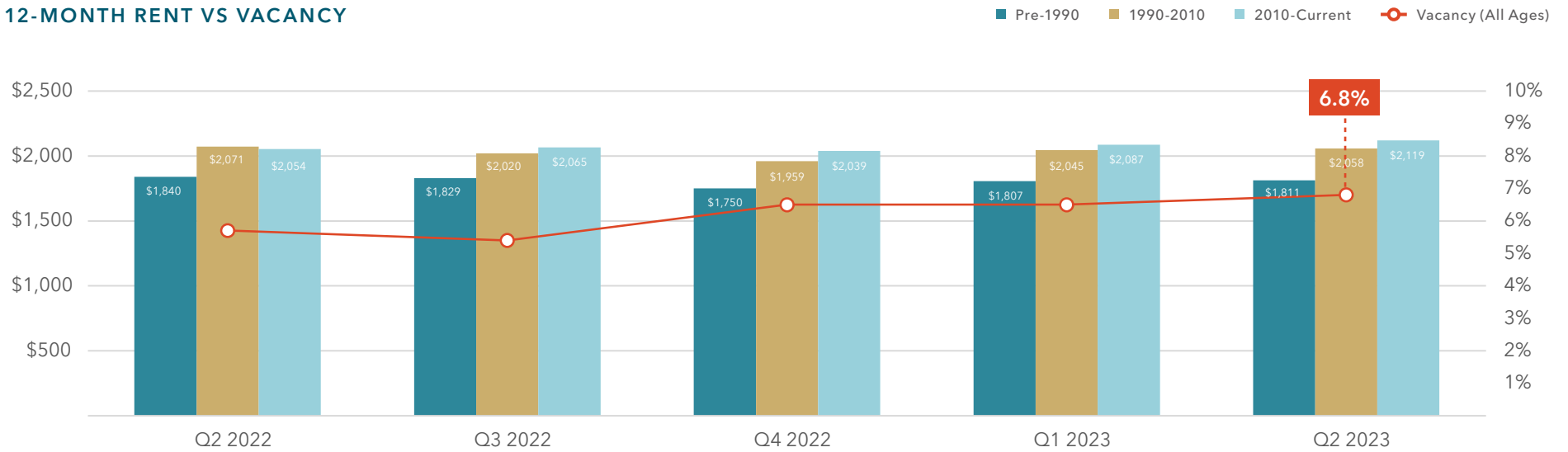
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,170	\$1,209	\$1,243	\$1,275	\$1,309	\$1,342	\$1,332	▲ 2%	\$1,356	▲ 0.3%	\$1,360
RENT/SF	\$1.34	\$1.39	\$1.43	\$1.47	\$1.51	\$1.55	\$1.54	▲ 2%	\$1.56	▲ 0.6%	\$1.57
VACANCY	5.0%	4.6%	4.9%	4.7%	3.9%	4.9%	3.7%	▲ 160 bps	5.0%	▲ 30 bps	5.3%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,449	\$1,518	\$1,592	\$1,614	\$1,827	\$1,892	\$1,972	▼ 0.1%	\$1,957	▲ 0.7%	\$1,971
RENT/SF	\$1.66	\$1.74	\$1.82	\$1.85	\$2.09	\$2.17	\$2.26	No Change	\$2.24	▲ 0.9%	\$2.26
VACANCY	5.9%	5.0%	5.9%	5.4%	4.8%	6.5%	5.7%	▲ 110 bps	6.5%	▲ 30 bps	6.8%

All building ages, 50+ unit apartment buildings



**Dylan Simon**  
EXECUTIVE VICE PRESIDENT  
PIERCE MARKET EXPERT

*An uptick in apartment sales demonstrates investor appetite, and stability in both rental rates and cap rates provides further confidence in one of the region’s fastest-growing markets.*

 **Sales Insight**

While sales volume didn’t come close to previous years, sales pricing has yet to slide as far as other markets. Thus, investors still have faith in the growth slated for the region’s South End.

 **Rent / Vacancy Insight**

Despite a sharp uptick in vacancy to 5.3%, rental rates here continue to grow nominally – thereby providing the affordability that Pierce County is known for. Yet, what this data doesn’t show is the increasing delinquency that’s eating away at owners’ bottom lines.

**OUR COMING SOON LISTING**



**91 UNITS | MARKET PRICING**  
Oak Terrace - Coming Soon

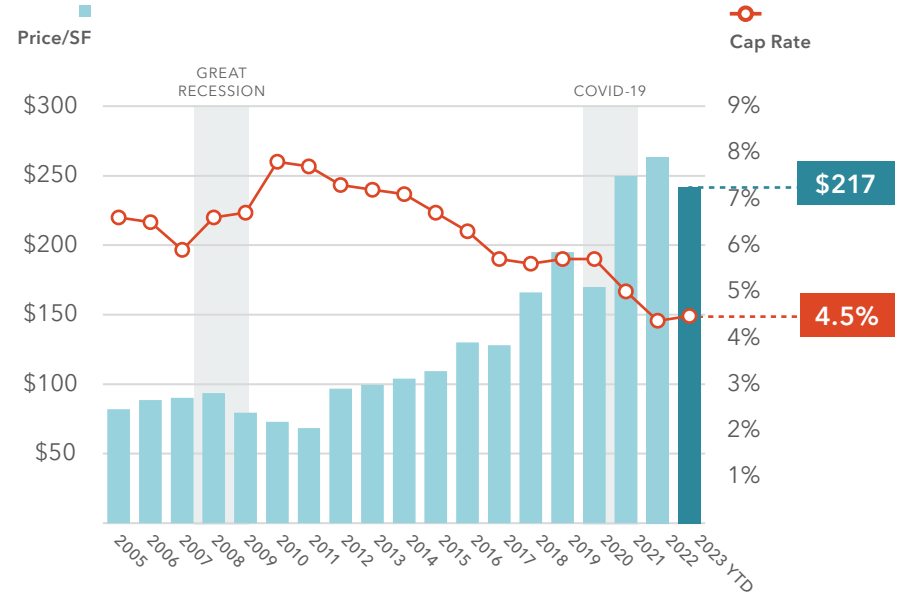
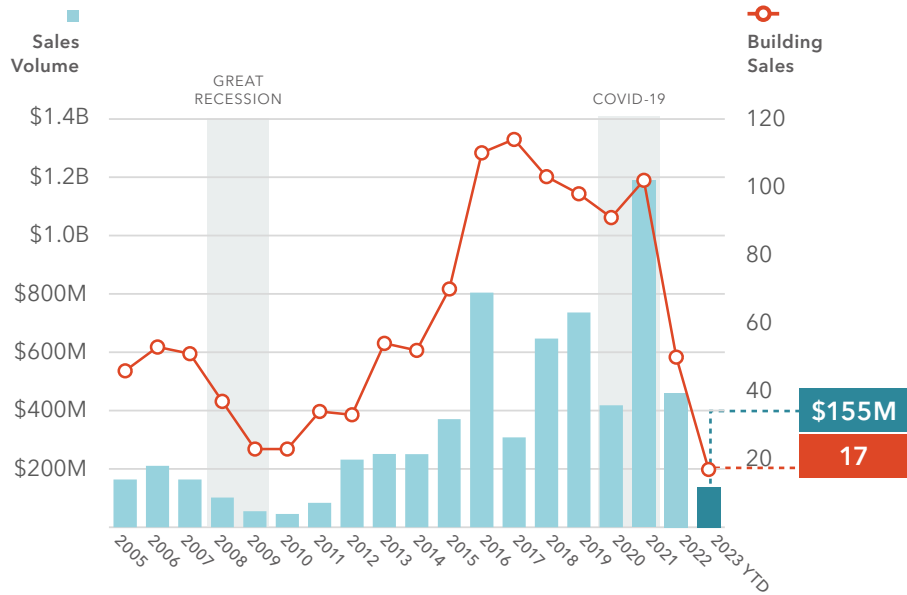


**SOUTH KING**  
PAGE 22

**INVENTORY**

	Units	Buildings
TOTAL	63,260	1,392
5 TO 50 UNITS	17,410	1,067
50+ UNITS	45,850	325
12-MONTH DELIVERIES	1,915	21
AVERAGE UNIT SIZE	847 SF	

# SALES TRENDS



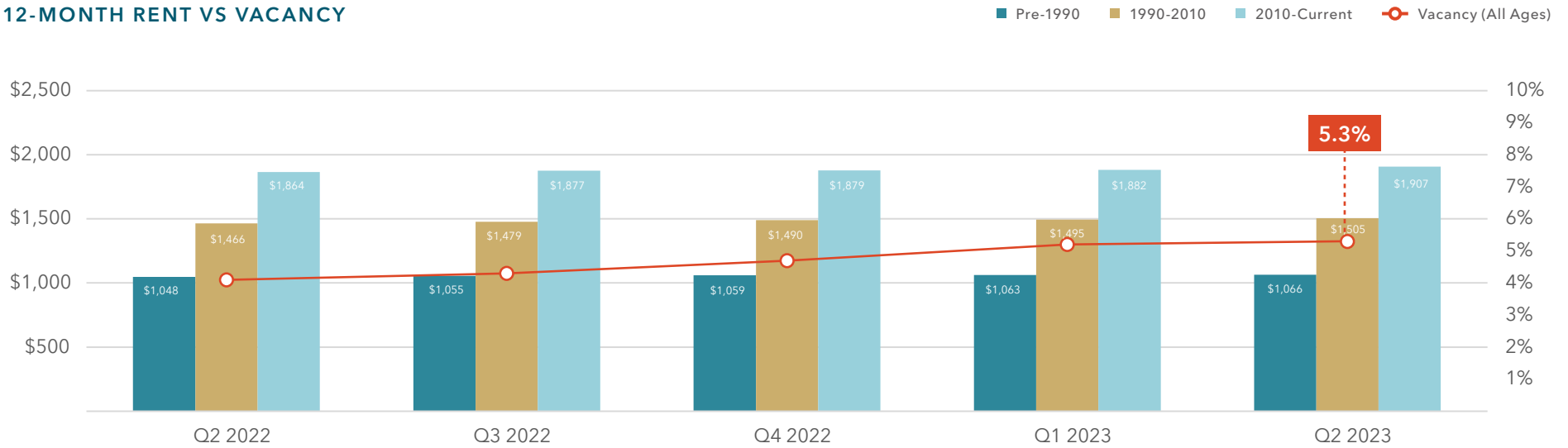
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	114	103	98	91	102	50	19	▼ 42%	6	▲ 83%	11
SALES VOLUME	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$461M	\$221M	▼ 52%	\$31M	▲ 297%	\$123M
PRICE/UNIT	\$118K	\$151K	\$174K	\$171K	\$249K	\$213K	\$234K	▲ 6%	\$142K	▲ 43%	\$202K
PRICE/SF	\$128	\$166	\$195	\$170	\$250	\$264	\$270	▼ 2%	\$219	▼ 1%	\$215
CAP RATE	5.7%	5.6%	5.7%	5.7%	5.0%	4.4%	4.5%	▲ 2 bps	4.4%	▲ 16 bps	4.5%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

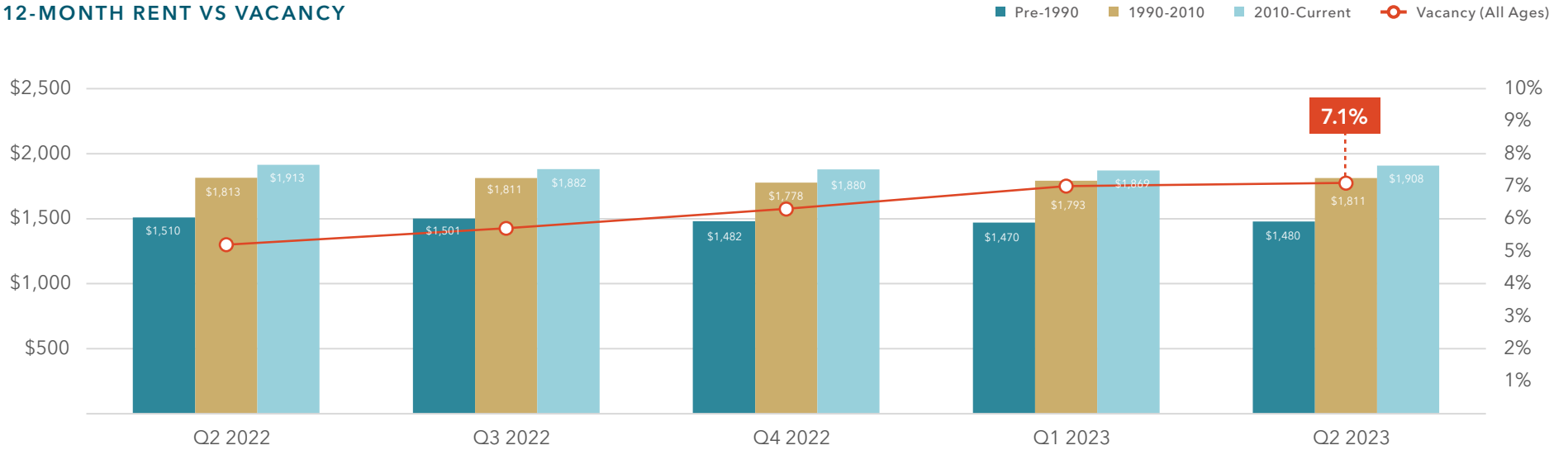
	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$973	\$1,009	\$1,045	\$1,069	\$1,108	\$1,143	\$1,130	▲ 2%	\$1,147	▲ 0.4%	\$1,152
RENT/SF	\$1.25	\$1.30	\$1.34	\$1.37	\$1.43	\$1.47	\$1.46	▲ 1%	\$1.48	No Change	\$1.48
VACANCY	4.5%	4.3%	4.3%	3.7%	3.8%	4.7%	4.1%	▲ 120 bps	5.2%	▲ 10 bps	5.3%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY


	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,236	\$1,303	\$1,380	\$1,455	\$1,609	\$1,661	\$1,692	▼ 1%	\$1,657	▲ 1%	\$1,676
RENT/SF	\$1.43	\$1.51	\$1.60	\$1.69	\$1.86	\$1.93	\$1.96	▼ 1%	\$1.92	▲ 1%	\$1.94
VACANCY	6.6%	5.3%	6.1%	5.0%	4.7%	6.3%	5.2%	▲ 190 bps	7.0%	▲ 10 bps	7.1%

All building ages, 50+ unit apartment buildings



**Matt Laird**  
 FIRST VICE PRESIDENT  
 KITSAP MARKET EXPERT

*Although Q2 brought stagnant sales metrics, rent and vacancy in the Kitsap market nevertheless show signs of improvement.*

 **Sales Insight**

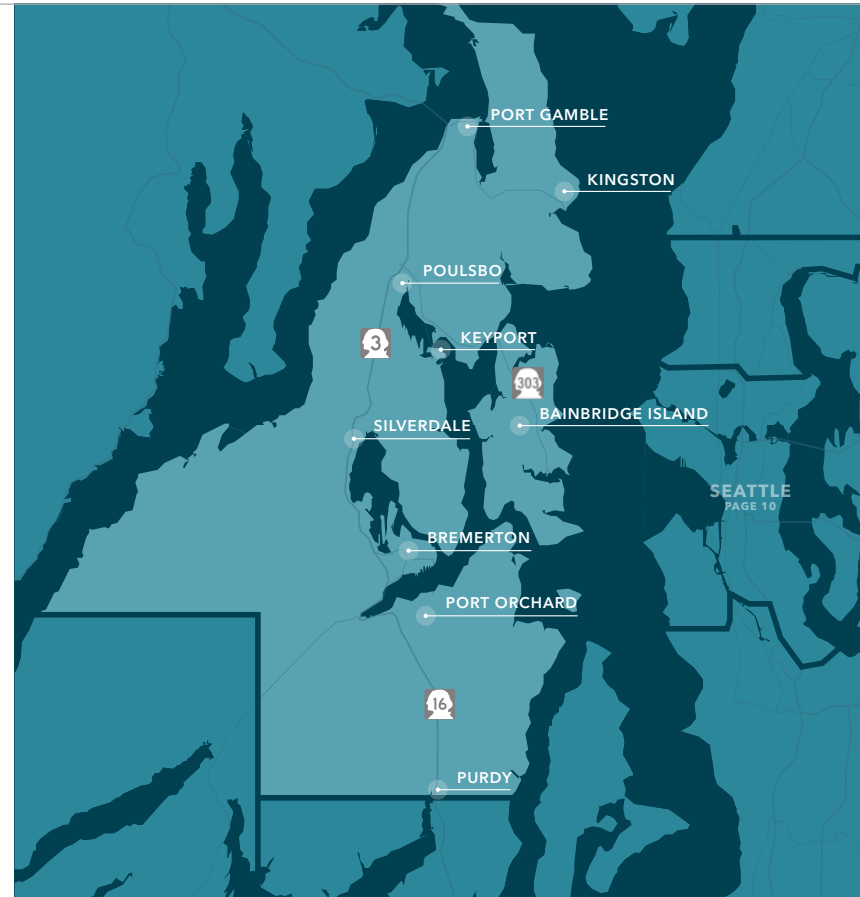
There were no sales in Kitsap County in the last 90 days.

 **Rent / Vacancy Insight**

Kitsap County, Bremerton specifically, experienced a massive increase in vacancy over the last 12 months as a result of a temporary decrease in military housing needs. At this same time, several new buildings were delivered to the market, compounding the availability of apartment units. It’s great to see that vacancy is improving as new buildings lease up and military vacancies are filled. In fact, vacancy improved by an impressive 170 basis points during the last three months, while average rental rates grew by a healthy 3%. This is a big win for Kitsap considering its performance throughout the last several quarters. Going forward, expect this positive trend to continue throughout the summer and into the fall.

*View our listings online at*

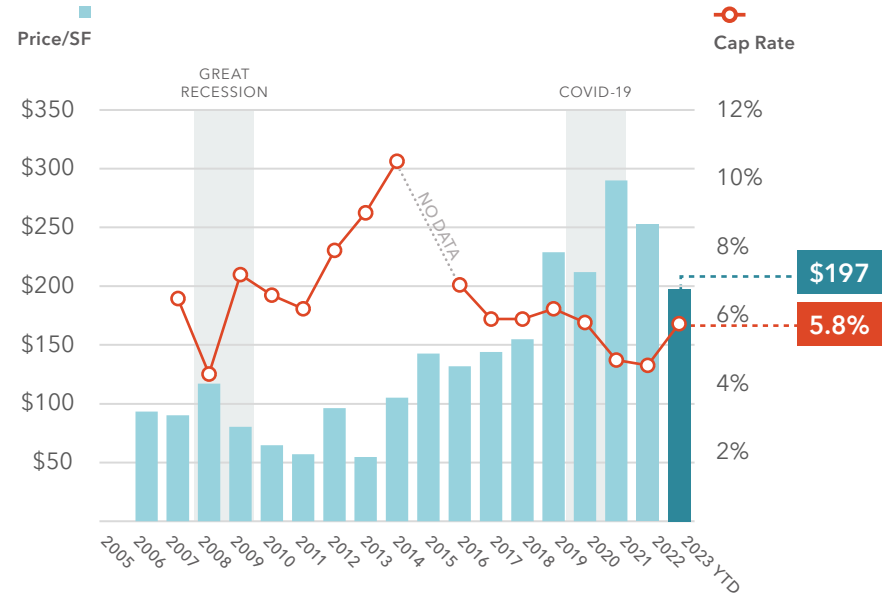
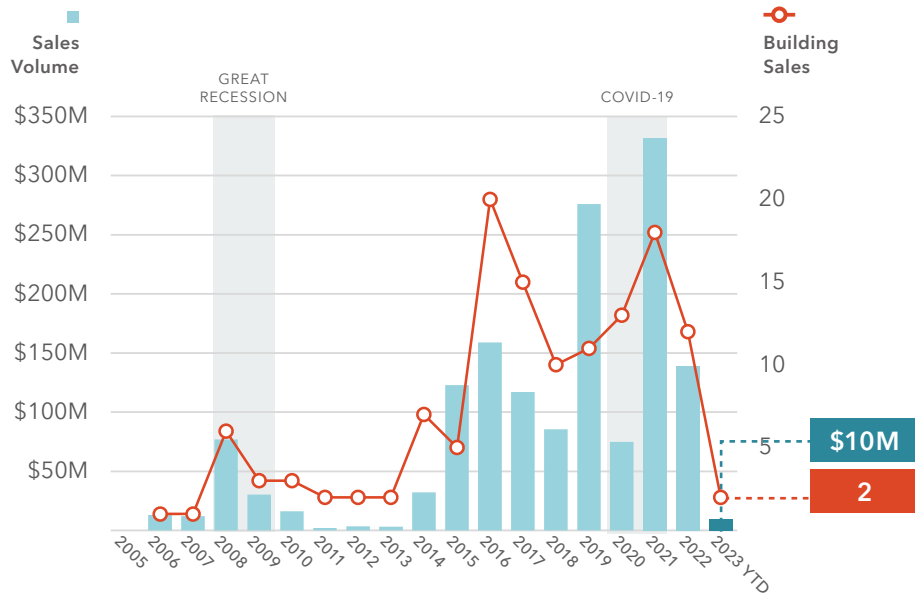
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	11,343	201
5 TO 50 UNITS	2,358	136
50+ UNITS	8,985	65
12-MONTH DELIVERIES	1,022	8
AVERAGE UNIT SIZE	851 SF	

# SALES TRENDS



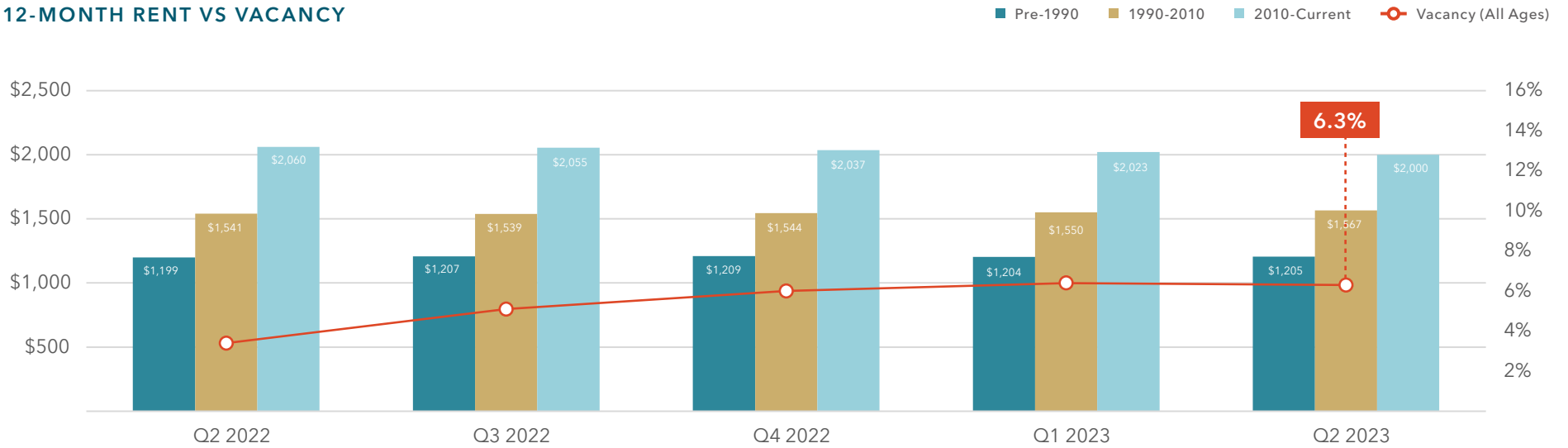
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	15	10	11	13	18	12	2	N/A	2	N/A	No Sales
SALES VOLUME	\$117M	\$85M	\$276M	\$75M	\$332M	\$139M	\$3M	N/A	10M	N/A	No Sales
PRICE/UNIT	\$132K	\$138K	\$222K	\$196K	\$255K	\$233K	\$179K	N/A	\$ 228K	N/A	No Sales
PRICE/SF	\$144	\$155	\$229	\$212	\$290	\$252	\$165	N/A	\$197	N/A	No Sales
CAP RATE	5.9%	5.9%	6.2%	5.8%	4.7%	4.6%	Not Reported	N/A	5.8%	N/A	No Sales

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



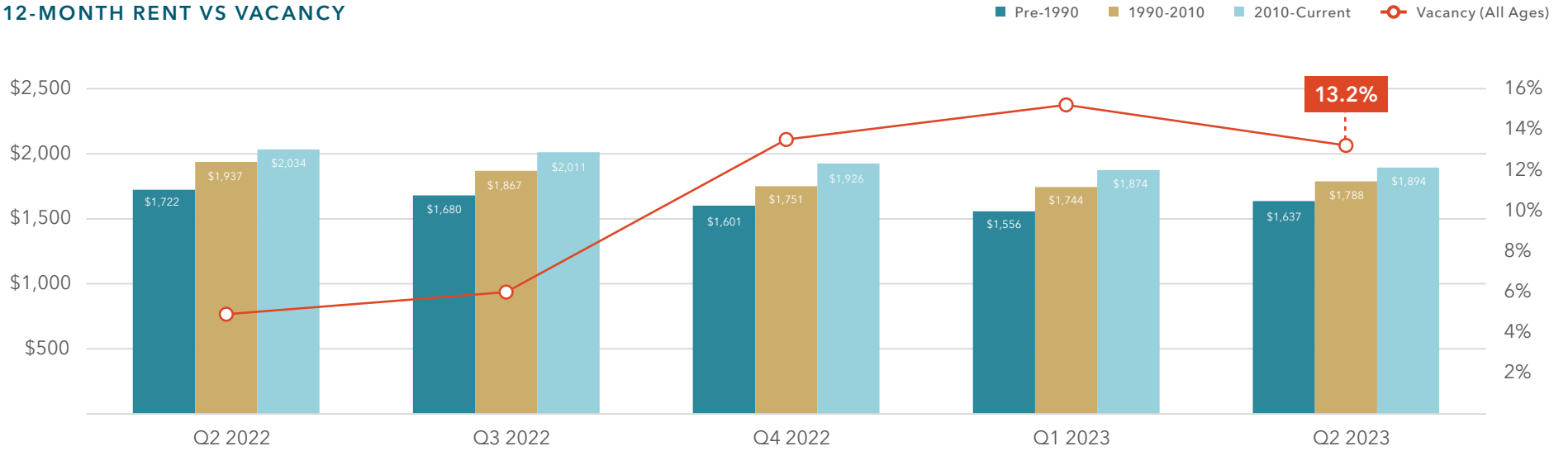
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,236	\$1,278	\$1,333	\$1,371	\$1,435	\$1,462	\$1,459	▼ 0.2%	\$1,457	▼ 0.1%	\$1,456
RENT/SF	\$1.50	\$1.55	\$1.61	\$1.66	\$1.74	\$1.77	\$1.77	▼ 1%	\$1.76	No Change	\$1.76
VACANCY	4.8%	5.5%	4.5%	3.6%	2.8%	6.0%	3.4%	▲ 290 bps	6.4%	▼ 10 bps	6.3%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,357	\$1,449	\$1,516	\$1,564	\$1,820	\$1,731	\$1,867	▼ 0.6%	\$1,696	▲ 3%	\$1,751
RENT/SF	\$1.59	\$1.70	\$1.78	\$1.83	\$2.13	\$2.03	\$2.19	▼ 0.6%	\$1.99	▲ 3%	\$2.05
VACANCY	5.6%	5.8%	6.4%	6.2%	5.2%	13.5%	4.9%	▲ 830 bps	15.2%	▲ 200 bps	13.2%

All building ages, 50+ unit apartment buildings

TRUSTWORTHY.  
*STRATEGIC.*  
 INNOVATIVE.  
 RIGOROUS.

*Team Founders*

**Dylan Simon**

EXECUTIVE VICE  
 PRESIDENT



**Jerrid Anderson**

EXECUTIVE VICE  
 PRESIDENT



Dylan is a commercial real estate broker who specializes in helping investors buy, sell, and develop apartment buildings in Puget Sound and across Washington State. He has brokered transactions from \$1M to over \$100M.

Jerrid focuses on urban apartment and land sales in the City of Seattle and his clients hire him for pricing outperformance and industry leading successful closing percentage.

**Matt Laird**

FIRST VICE PRESIDENT



**Specialties**

Puget Sound Region

Development Land

5+ Unit Apartment Buildings

**Winslow Lee**

VICE PRESIDENT



**Specialties**

North King County

Snohomish County

5+ Unit Apartment Buildings

**Max Frame**

VICE PRESIDENT



**Specialties**

Eastern Washington

Development Land

5+ Unit Apartment Buildings

**JD Fuller**

ASSOCIATE



**Specialties**

Western Washington Counties

50 - 200 Unit Apartment Buildings

**Jack Counihan**

FINANCIAL ANALYST



**Specialties**

Apartment Valuations

Market Research

## NOTES

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

King County Registrar

Pierce County Planning & Public Works Department

Real Capital Analytics

Simon | Anderson Multifamily Team Research

Snohomish County Registrar

### RENT, VACANCY & INVENTORY

CoStar

Simon | Anderson Multifamily Team Research

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