

SIMON | ANDERSON MULTIFAMILY TEAM

Washington State Apartment Sales Specialists

20

*EASTERN WASHINGTON*  
APARTMENT MARKET DYNAMICS

23

Q3 2023

# HOW TO USE THIS STUDY



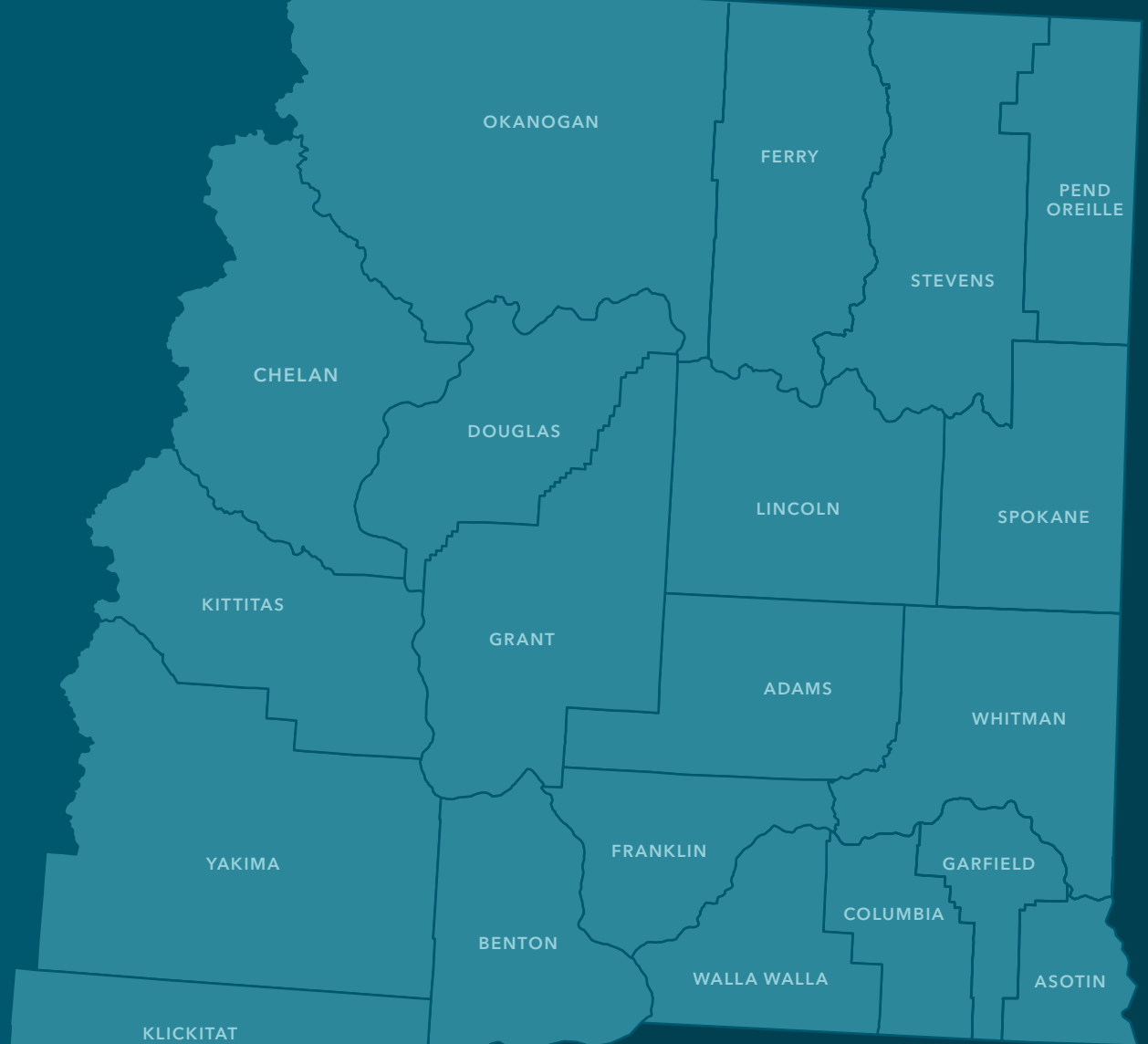
Discover the latest apartment investment sales, vacancy, and rent data in Eastern Washington.



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 SALES EXPERTS

## OUR EXPERTISE



5 - 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

## DOWNLOAD PRIOR RESEARCH REPORTS

↓ Q2 2023 REPORT

↓ Q1 2023 REPORT

↓ Q4 2022 REPORT



**Max Frame**

VICE PRESIDENT

*Eastern Washington Specialist*

Max is an apartment broker specializing in the sale of apartments in Eastern Washington. Born and raised in the region, Max pairs his local market knowledge and expertise with Kidder Mathews' national outreach and exposure.

## Our Recent Eastern Washington Sales




*View our listings online at*

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

*Buyer and seller pricing expectations are gradually aligning, but the situation hasn't fully resolved yet. Despite this, the demand from buyers to invest in Spokane remains steady, as evidenced by 11 out of 18 sales in Q2 occurring in Spokane County.*

 **Sales Insight**

Since Q3 of 2022, total sales have remained stable on a quarterly basis; however, there has been a persistent decrease in sales volume. Among the total of 36 sales in Q1 and Q2, the majority of transactions that successfully closed were priced below \$4 million (24 sales), with only one sale exceeding \$20 million.

 **Cap Rate Insight**

Cap rates experienced a significant increase, finally reaching the desired "6%+ range" as requested by buyers. However, it's worth noting that despite this improvement, we observed a few sales of heavy value-add properties or properties with very low in-place rents at cap rates below 5.5%.

**INVENTORY**

	Units	Buildings
TOTAL	74,599	1,831
5 TO 50-UNITS	21,626	1,451
50+ UNITS	52,973	380
12-MONTH DELIVERIES	2,235	30
AVERAGE UNIT SIZE	889 SF	

**RENT & VACANCY**

	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
RENT	\$1,266	▲ 1%	\$1,269	▲ 1%	\$1,283
VACANCY	5.3%	▲ 60 bps	6.3%	▼ 40 bps	5.9%

All building ages, 5+ unit apartment buildings

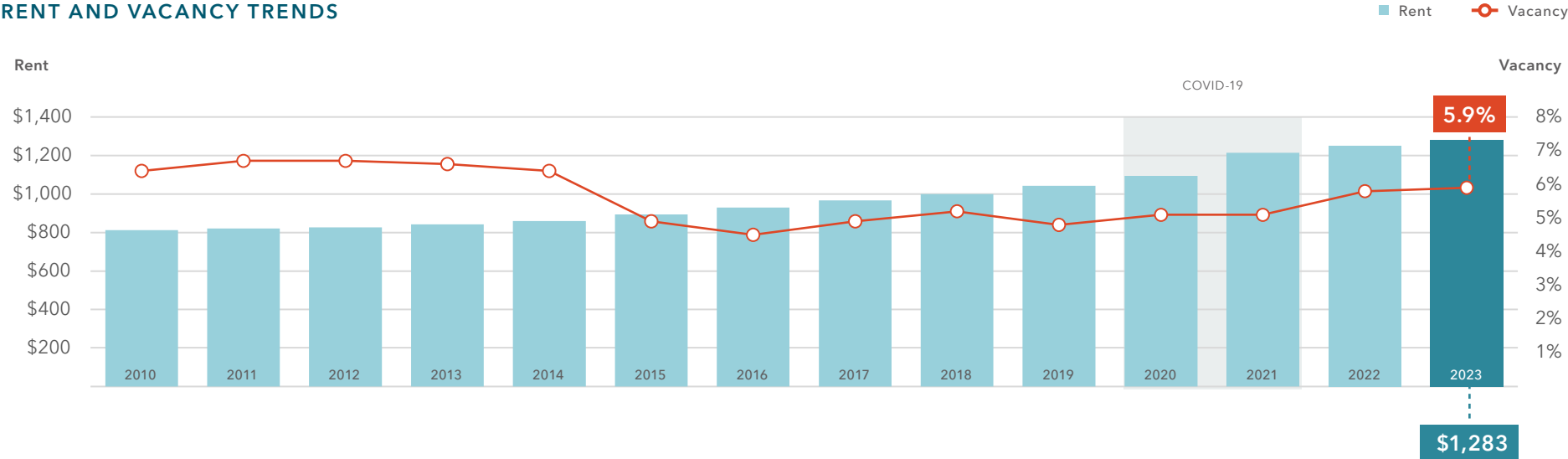
**HISTORICAL SALES TRENDS**

	2017	2018	2019	2020	2021	2022	Q2 2022	12-Month Change	Q1 2023	90-Day Change	Q2 2023
BUILDING SALES	86	111	113	116	124	88	24	▼ 25%	18	No Change	18
SALES VOLUME	\$179M	\$372M	\$406M	\$170M	\$529M	\$624M	\$75M	▲ 4%	\$107M	▼ 27%	\$78M
PRICE/UNIT	\$75K	\$95K	\$105K	\$92K	\$146K	\$136K	\$139K	▲ 14%	\$154K	▲ 2%	\$157K
PRICE/SF	\$79	\$101	\$108	\$112	\$165	\$185	\$168	▲ 9%	\$199	▼ 8%	\$183
CAP RATE	6.8%	6.5%	6.4%	6.1%	5.7%	5.0%	5.0%	▲ 116 bps	5.5%	▲ 67 bps	6.1%

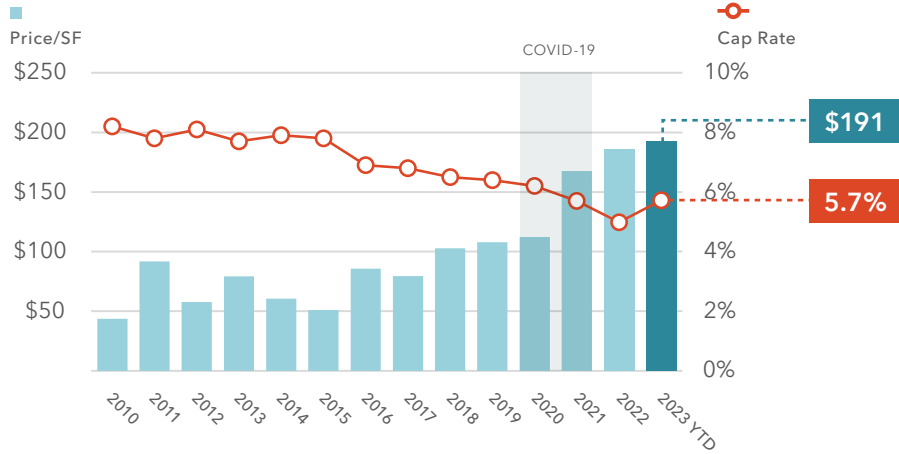
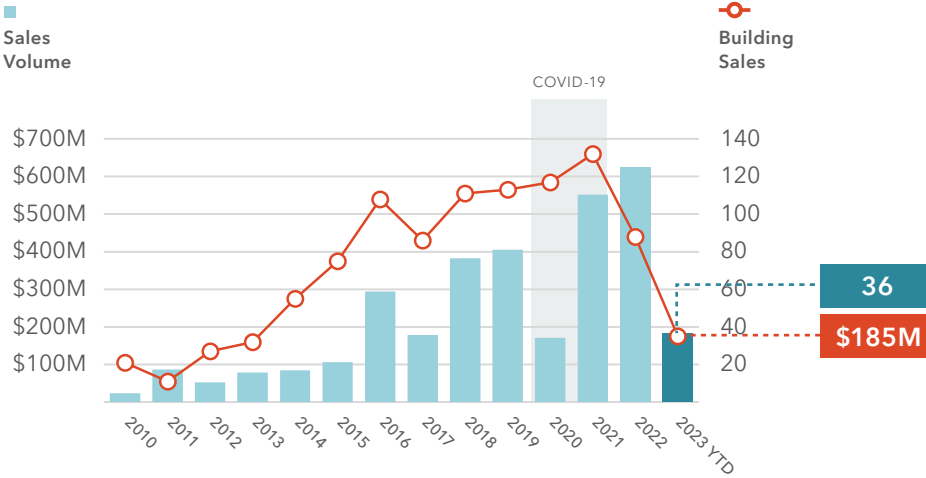
All building ages, 5+ unit apartment buildings

# HISTORIC TRENDS

## RENT AND VACANCY TRENDS



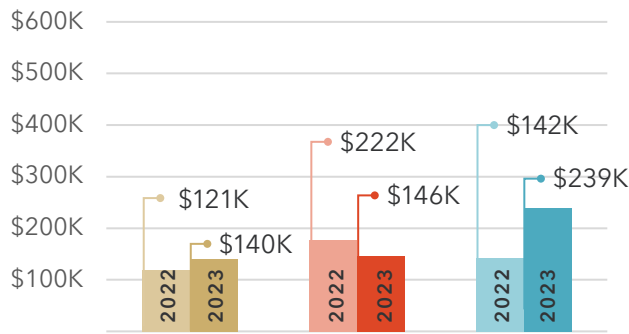
## SALES TRENDS



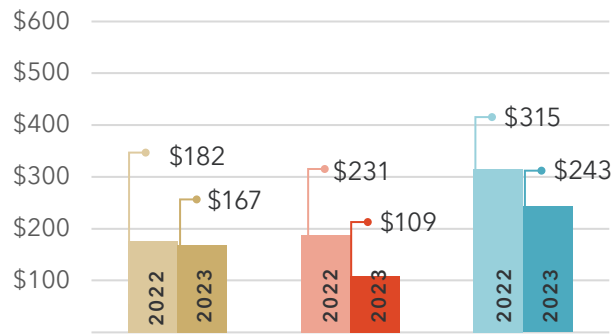
# SALES VELOCITY

## 5 TO 50 UNITS

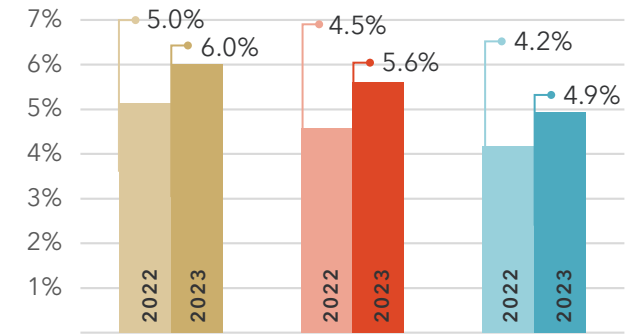
### PRICE PER UNIT



### PRICE PER SQUARE FOOT

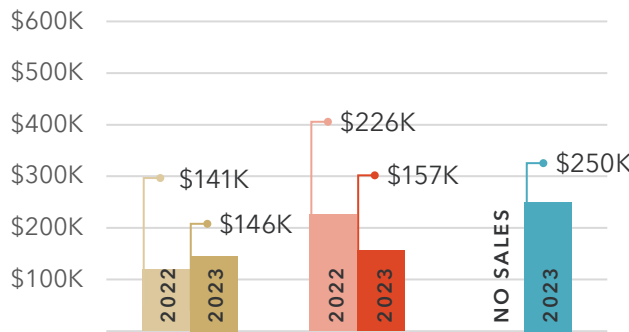


### CAP RATE

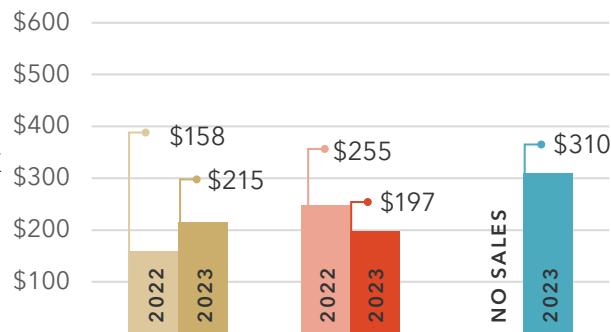


## 50+ UNITS

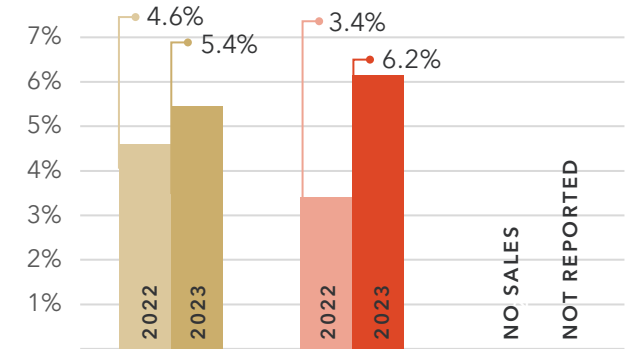
### PRICE PER UNIT



### PRICE PER SQUARE FOOT



### CAP RATE



■ PRE-1980 ■ 1980-2010 ■ 2010-CURRENT

*Eastern Washington's Most Active Markets*

# REGIONAL SALE PRICING VELOCITY

**WENATCHEE VALLEY  
CHELAN & DOUGLAS COUNTIES**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	2	1	2	1
SALES VOLUME	\$5M	\$4M	\$9M	\$2M
PRICE/UNIT	\$136K	\$147K	\$126K	\$79K
PRICE/SF	\$206	\$278	\$94	\$164
CAP RATE	5.7%	4.7%	4.4%	-

**YAKIMA COUNTY**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	4	1	2	1
SALES VOLUME	\$8M	\$11M	\$7M	\$1M
PRICE/UNIT	\$111K	\$126K	-	\$86K
PRICE/SF	\$124	\$158	\$219	\$73
CAP RATE	4.9%	6.1%	5.0%	-

**TRI-CITIES  
FRANKLIN & BENTON COUNTIES**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	4	3	1	4
SALES VOLUME	\$155M	\$7M	\$2M	\$38M
PRICE/UNIT	\$202K	\$136K	\$93K	\$173K
PRICE/SF	\$245	\$247	\$234	\$185
CAP RATE	4.7%	6.3%	7.1%	6.2%

**GRANT COUNTY**

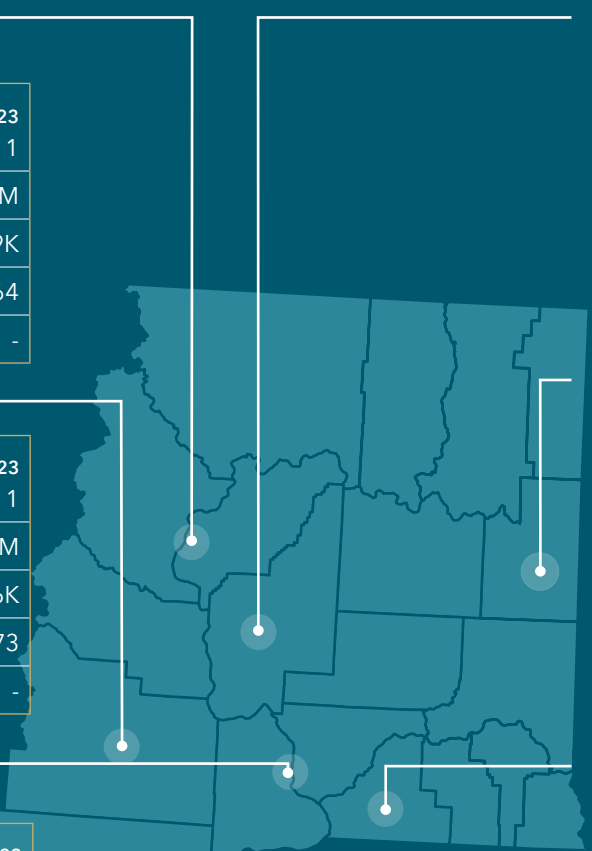
	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	3	1	-	-
SALES VOLUME	\$4M	\$3M	-	-
PRICE/UNIT	\$108K	\$125K	-	-
PRICE/SF	\$182	\$297	-	-
CAP RATE	4.3%	-	-	-

**SPOKANE COUNTY**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	14	9	10	12
SALES VOLUME	\$247M	\$42M	\$55M	\$38M
PRICE/UNIT	\$141K	\$147K	\$168K	\$166K
PRICE/SF	\$205	\$181	\$207	\$194
CAP RATE	4.5%	4.4%	5.7%	6.1%

**WALLA WALLA COUNTY**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023
BUILDING SALES	-	1	3	-
SALES VOLUME	-	\$1M	\$35M	-
PRICE/UNIT	-	\$143K	\$149K	-
PRICE/SF	-	\$144	\$217	-
CAP RATE	-	-	5.4%	-



All building ages, 5+ 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 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.

**Max Frame**

VICE PRESIDENT



**Specialties**

Eastern Washington

Development Land

5+ Unit Apartment Buildings

**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

**JD Fuller**

ASSOCIATE



**Specialties**

I-5 Corridor

5+ Unit Apartment Buildings

**Jack Counihan**

FINANCIAL ANALYST



**Specialties**

Apartment Valuations

Market Research



## NOTES

Sales data for the Eastern Washington region is inclusive to all market-rate apartment buildings with at least five units in Okanogan, Ferry, Stevens, Pend Oreille, Chelan, Douglas, Lincoln, Spokane, Kittitas, Grant, Adams, Whitman, Yakima, Benton, Franklin, Walla Walla, Columbia, Garfield, Asotin, Klickitat.

Vacancy data includes Yakima, Spokane, Benton, Franklin, Chelan, Douglass, Walla Walla, and Kittitas Counties.

## DATA SOURCES

### SALES

CoStar

SCOUT - Spokane County

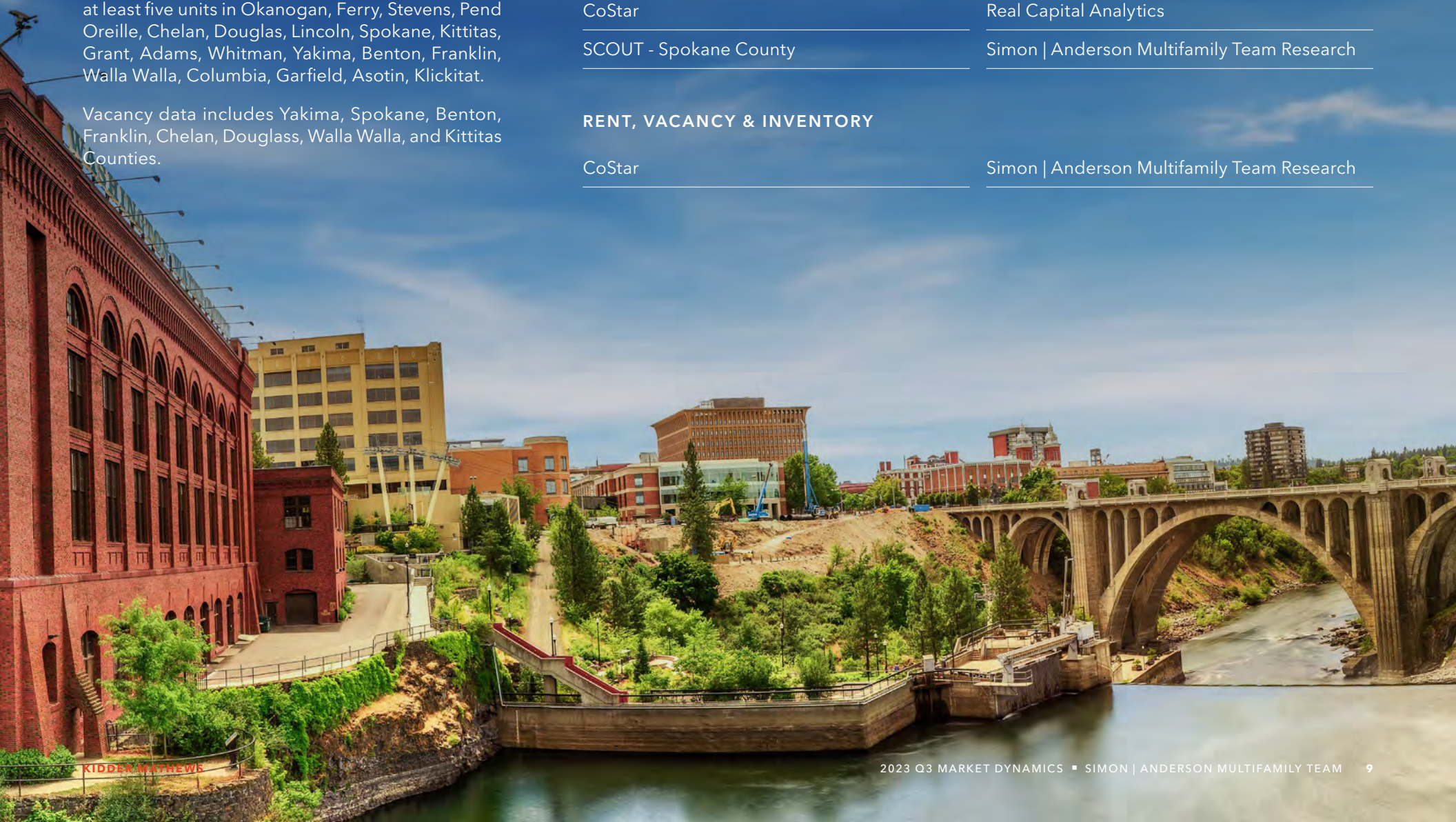
Real Capital Analytics

Simon | Anderson Multifamily Team Research

### RENT, VACANCY & INVENTORY

CoStar

Simon | Anderson Multifamily Team Research



## *Simon/Anderson Multifamily Team*

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