

SIMON | ANDERSON MULTIFAMILY TEAM

Washington State Apartment Sales Specialists

# 2023

*EASTERN WASHINGTON*  
APARTMENT MARKET DYNAMICS

Q4 2023

**km** Kidder  
Mathews



# 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

↓ Q3 2023 REPORT

↓ Q2 2023 REPORT

↓ Q1 2023 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.

## Current Listings



### SPOKANE 9 UNIT APARTMENT

Spokane, WA

STATUS	Pending
UNITS	9
PRICE	Pending



### TURNING LEAF TOWNHOMES

Spokane, WA

STATUS	Pending
UNITS	32
PRICE	Pending



### AUTUMN LEAF APARTMENTS

Airway Heights, WA

STATUS	Pending
UNITS	24
PRICE	Pending



### SPOKANE VALLEY 8 UNIT

Spokane, WA

STATUS	On the Market
UNITS	8
PRICE	\$850,000

*While buyer and seller pricing is not fully aligned, we are still seeing buyer demand for well-maintained, value-add assets in quality locations, as witnessed in one of our recent Spokane listings that resulted in 15 tours and 9 offers.*



**SALES:** With total transactions continuing to decrease in Eastern Washington, Spokane County continues to stay strong with nine sales last quarter (53% of total sales in the region). It was followed by Benton and Franklin counties (Tri-Cities) with three sales.



**CAP RATES:** Although we did witness a decrease in the average cap rate from Q2 to Q3, this was largely due to the closings of a few heavy value-add sales with in-place cap rates around 4%. So, for owners looking to sell, expect to see buyer demand in the mid-to-high 6%+ range.



**TRANSACTION VOLUME:** Total transaction volume increased 76% from last quarter due to two large sales inflating the statistics: The Crossings at Chapel Hill in Pasco sold for \$65M and Regal Ridge in Spokane sold for \$21M. Without these two sales, the average sale size would be \$2.8M.



**RENT & VACANCY:** Expect a continued slowdown in rents as we enter the difficult leasing months of winter before seeing the annual spring run-up in 2024.

## INVENTORY

	Units	Buildings
TOTAL	75,704	1,865
5 TO 50-UNITS	22,173	1,479
50+ UNITS	53,531	386
12-MONTH DELIVERIES	2,400	31
AVERAGE UNIT SIZE	889 SF	

## RENT & VACANCY

	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,275	▲ 0.2%	\$1,295	▼ 1%	\$1,278
VACANCY	5.6%	▲ 70 bps	5.9%	▲ 40 bps	6.3%

All building ages, 5+ unit apartment buildings

## HISTORICAL SALES TRENDS

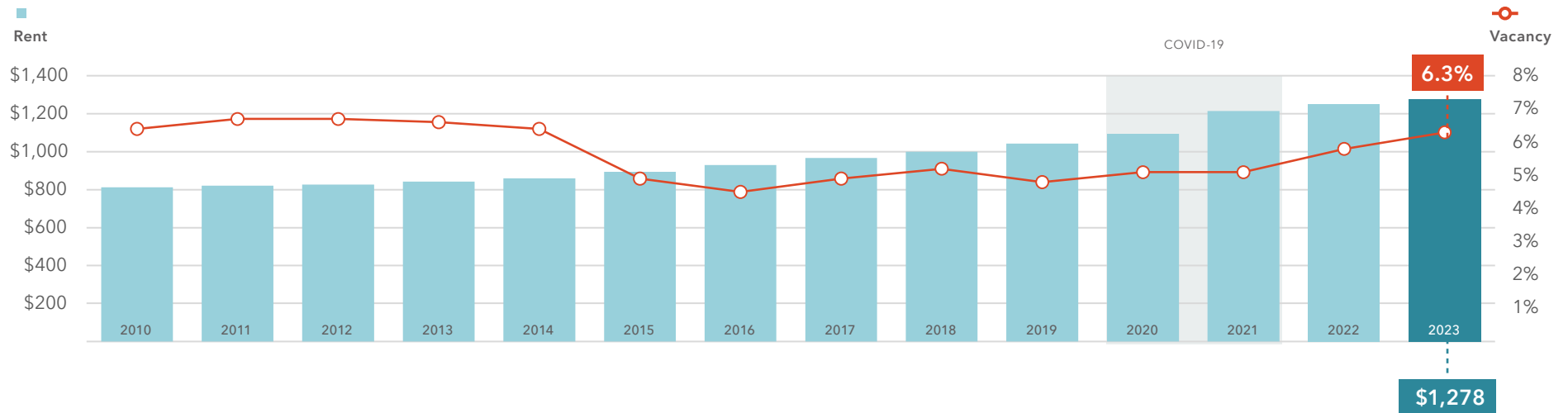
	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	86	111	113	116	124	88	28	▼ 39%	18	▼ 6%	17
SALES VOLUME	\$179M	\$372M	\$406M	\$170M	\$529M	\$624M	\$416M	▼ 69%	\$73M	▲ 76%	\$128M
PRICE/UNIT	\$75K	\$95K	\$105K	\$92K	\$146K	\$136K	\$148K	▼ 2%	\$155K	▼ 6%	\$145K
PRICE/SF	\$79	\$101	\$108	\$112	\$165	\$185	\$200	▼ 5%	\$172	▲ 11%	\$191
CAP RATE	6.8%	6.5%	6.4%	6.1%	5.7%	5.0%	4.7%	▲ 100 bps	6.3%	▼ 60 bps	5.7%

All building ages, 5+ unit apartment buildings

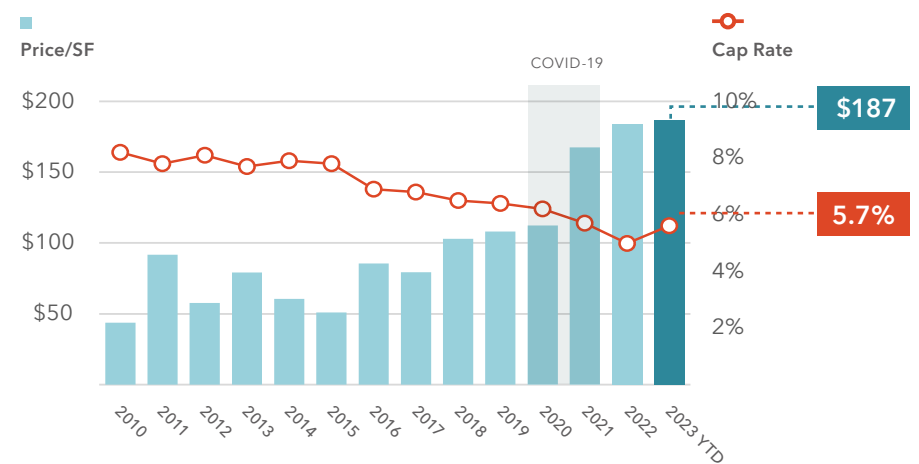
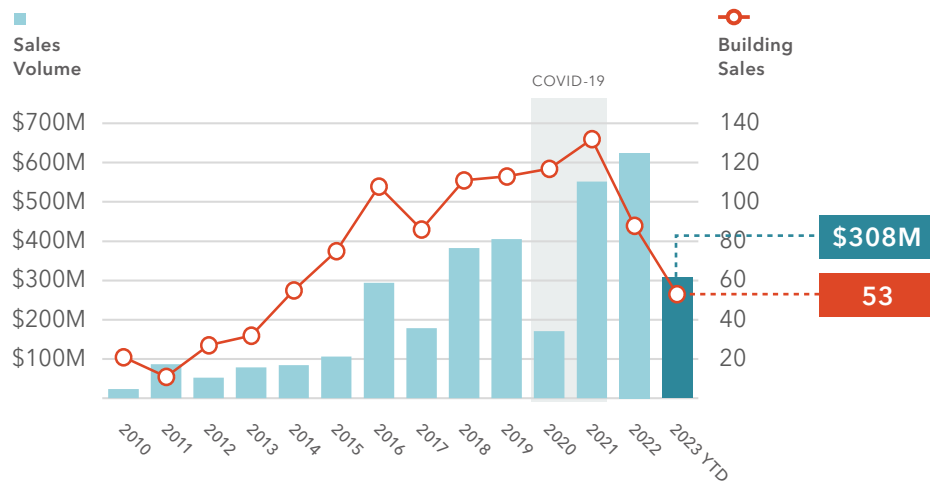


# HISTORIC TRENDS

## RENT AND VACANCY TRENDS



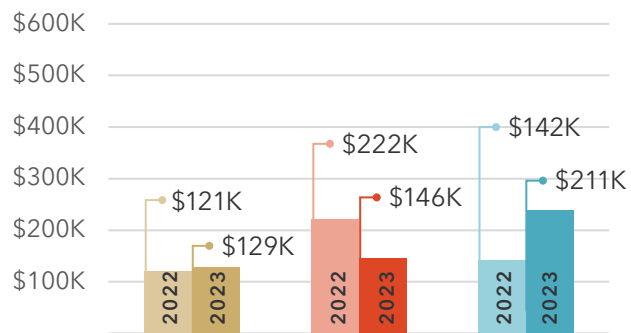
## SALES TRENDS



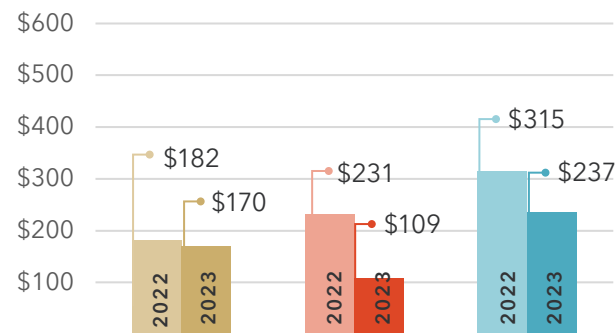
# SALES VELOCITY

## 5 TO 50 UNITS

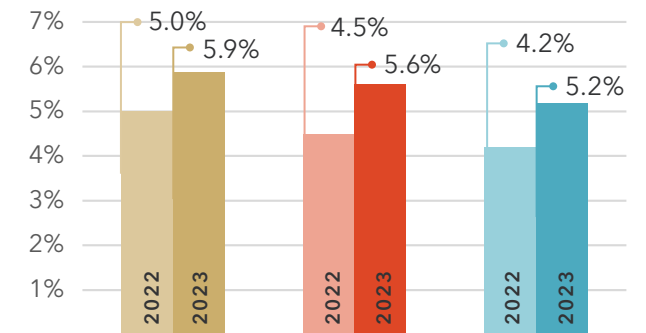
### PRICE PER UNIT



### PRICE PER SQUARE FOOT

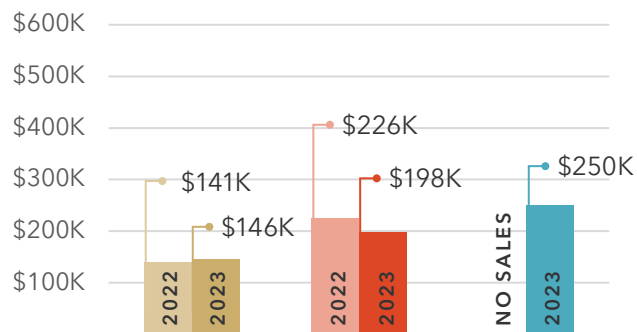


### CAP RATE

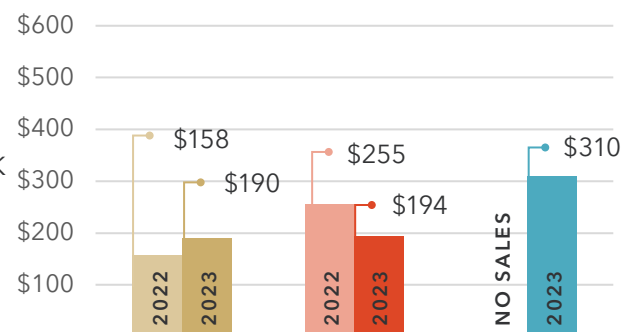


## 50+ UNITS

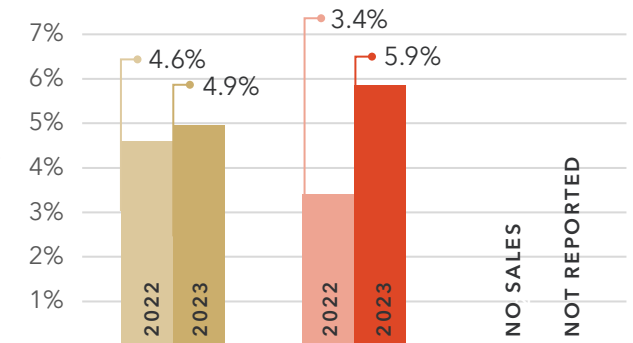
### PRICE PER UNIT



### PRICE PER SQUARE FOOT



### CAP RATE



■ PRE-1980 ■ 1980-2010 ■ 2010-CURRENT



## EASTERN WASHINGTON'S MOST ACTIVE MARKETS

## REGIONAL SALE PRICING VELOCITY

## CHELAN &amp; DOUGLAS COUNTIES

## Wenatchee Valley

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

## YAKIMA COUNTY

	Q4 2022	Q1 2023	Q2 2023	Q3 2023
BUILDING SALES	1	2	1	-
SALES VOLUME	\$11M	\$7M	\$1M	-
PRICE/UNIT	\$126K	\$300K	\$86K	-
PRICE/SF	\$158	\$219	\$73	-
CAP RATE	6.1%	5.0%	-	-

## FRANKLIN &amp; BENTON COUNTIES

## Tri-Cities

	Q4 2022	Q1 2023	Q2 2023	Q3 2023
BUILDING SALES	3	1	4	3
SALES VOLUME	\$7M	\$2M	\$38M	\$75M
PRICE/UNIT	\$136K	\$93K	\$173K	\$165K
PRICE/SF	\$247	\$234	\$185	\$166
CAP RATE	6.3%	7.1%	6.2%	6.4%

## GRANT COUNTY

	Q4 2022	Q1 2023	Q2 2023	Q3 2023
BUILDING SALES	1	-	-	3
SALES VOLUME	\$3M	-	-	\$4M
PRICE/UNIT	\$125K	-	-	\$129K
PRICE/SF	\$297	-	-	\$135
CAP RATE	-	-	-	5.6%

## SPOKANE COUNTY

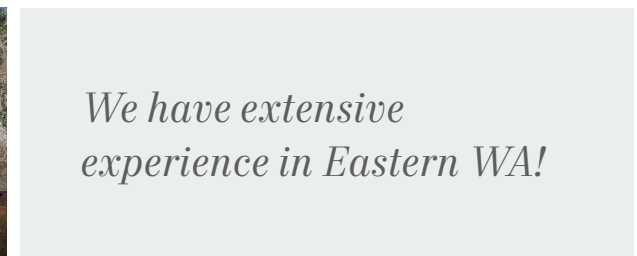
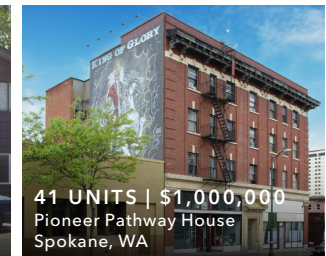
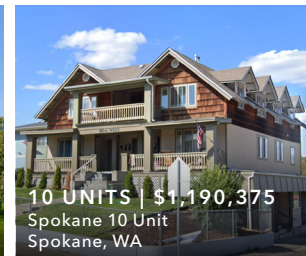
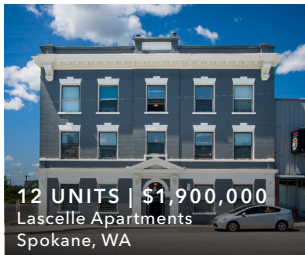
	Q4 2022	Q1 2023	Q2 2023	Q3 2023
BUILDING SALES	9	10	12	9
SALES VOLUME	\$42M	\$55M	\$38M	\$47M
PRICE/UNIT	\$147K	\$168K	\$166K	\$156K
PRICE/SF	\$181	\$207	\$194	\$233
CAP RATE	4.4%	5.7%	6.1%	5.3%

## WALLA WALLA COUNTY

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

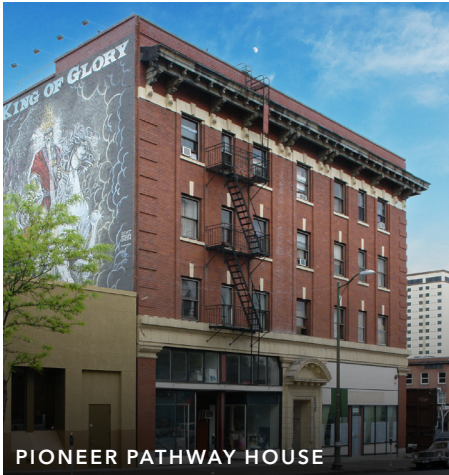
All building ages, 5+ unit apartment buildings

## OUR RECENT EASTERN WA SALES





## CLIENT TESTIMONIALS



**PIONEER PATHWAY HOUSE**

“Max Frame and his team at Kidder Mathews provided the highest level of service in the sale of our Pathways building in Spokane. It was our hope to keep the building in the affordable community and he came through for us in a big way. His timely communication, professionalism and knowledge helped both sides of the deal navigate the transfer process with the Washington State Housing Finance Commission with surprising ease. His work was superlative.

**SELLER, SPOKANE 41-UNIT APARTMENT**

Spokane, WA

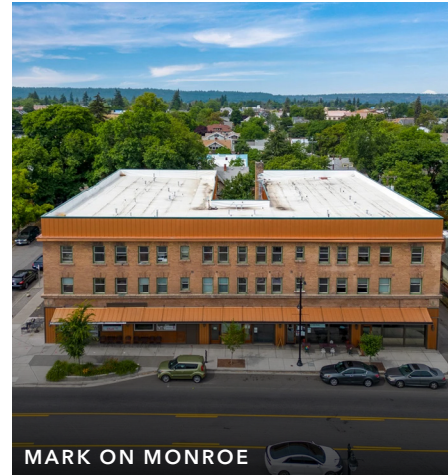


**MORAIN ESTATES**

“We work with a lot of brokers, in terms of coordination, organization, and deal volume, Max is one of the best brokers we have worked with.

**BUYER, KENNEWICK 30-UNIT APARTMENT**

Kennewick, WA

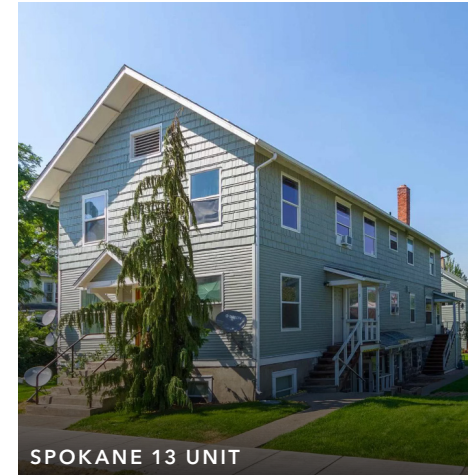


**MARK ON MONROE**

“I truly recommend working with Max for anyone looking to buy or sell apartments. Following our first conversation about selling my apartments, Max introduced me to multiple active buyers. Max’s communication and attention to detail helped connect me with the right buyers and sell both my apartments within a week of each other.

**SELLER, SPOKANE 48-UNIT PORTFOLIO**

Spokane, WA



**SPOKANE 13 UNIT**

“Max has represented us in multiple acquisitions. His hard work, hustle, and proactive approach to brokerage has proven to make him the most active broker we have worked with.

**BUYER, SPOKANE 13-UNIT APARTMENT**

Spokane, WA

## *Simon/Anderson Multifamily Team*

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### **Notes & Sources**

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. Sources include: CoStar, SCOUT - Spokane County, Real Capital Analytics and Simon | Anderson Multifamily Team Research.

Vacancy data includes Yakima, Spokane, Benton, Franklin, Chelan, Douglass, Walla Walla, and Kittitas Counties. Sources include: CoStar and Simon | Anderson Multifamily Team Research.