

# SEATTLE & PUGET SOUND APARTMENT MARKET DYNAMICS

Q1 2024

# HOW TO USE THIS STUDY

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



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*Our Eastern Washington market research is available at*

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# APARTMENT SALES EXPERTS

## OUR EXPERTISE



5 - 50 Units



Development



50+ Units



Micros

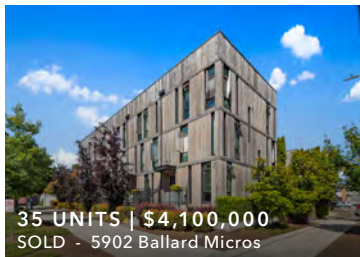
## SELECT RECENT LISTINGS



16 UNITS | \$3,600,000  
SOLD - Daly Manor



60 UNITS | \$8,200,000  
SOLD - Olive Micros



35 UNITS | \$4,100,000  
SOLD - 5902 Ballard Micros



65 UNITS | MARKET  
On the Market - Dexter-Hayes

## MEET THE TEAM

### TEAM FOUNDERS

#### DYLAN SIMON

Executive Vice President



Dylan is a market-leading broker throughout Puget Sound & 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 in Seattle. His expertise is working with Private Ownership Groups who own apartments consisting of 5-20 units.

#### 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 is an apartment broker specializing in the sales of apartment buildings and development land, with a focus in the Puget Sound.

## DOWNLOAD PRIOR RESEARCH REPORTS

↓ Q4 2023 REPORT

↓ Q3 2023 REPORT

↓ Q2 2023 REPORT

↓ Q1 2023 REPORT

↓ 2023 DEVELOPMENT  
PIPELINE REPORT

*Transaction volume is down across the board as buyers and sellers continue to struggle to find common ground on pricing. However, a slowdown in new construction bodes well for multifamily in the region.*



Sales volume was down significantly year-over-year, both in terms of volume and transactions (-56% and -49%, respectively). In 2023, sales totaled \$2.5B; for comparison, the annual average since 2017 was \$5.7B. Given the uncertainty caused by the rapid rise in interest rates, buyers and sellers continue to struggle to find common ground and agree on pricing. Until we see several more months of interest rate stability, we may continue to experience sluggish sales volume.



Multifamily fundamentals in the region remain resilient despite challenges in the broader market. While overbuilding has been plaguing many markets in the South, there is little new construction breaking ground in 2024 in Puget Sound, so interest rates are the only real headwind facing the market once we clear the glut of units delivering this year and next.



Rental rates have continued to hold relatively steady throughout the last year. Specifically, the average rental rate in Puget Sound in Q4 was \$1,927, which was down slightly (-0.7%) from the previous quarter, but up 1% from the prior year. That said, some stress could present itself if vacancy rates continue to rise.

## INVENTORY

	Units	Buildings
TOTAL	396,852	8,656
5 TO 50 UNITS	102,343	6,773
50+ UNITS	294,509	1,883
12-MONTH DELIVERIES	8,155	75
AVERAGE UNIT SIZE	819 SF	

## RENT & VACANCY

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
RENT	Q4 2022 \$1,906	▲ 1%	Q3 2023 \$1,941	▼ 0.7%	Q4 2023 \$1,927
VACANCY	6.7%	▲ 20 bps	6.8%	▲ 10 bps	6.9%

All building ages, 5+ unit apartment buildings

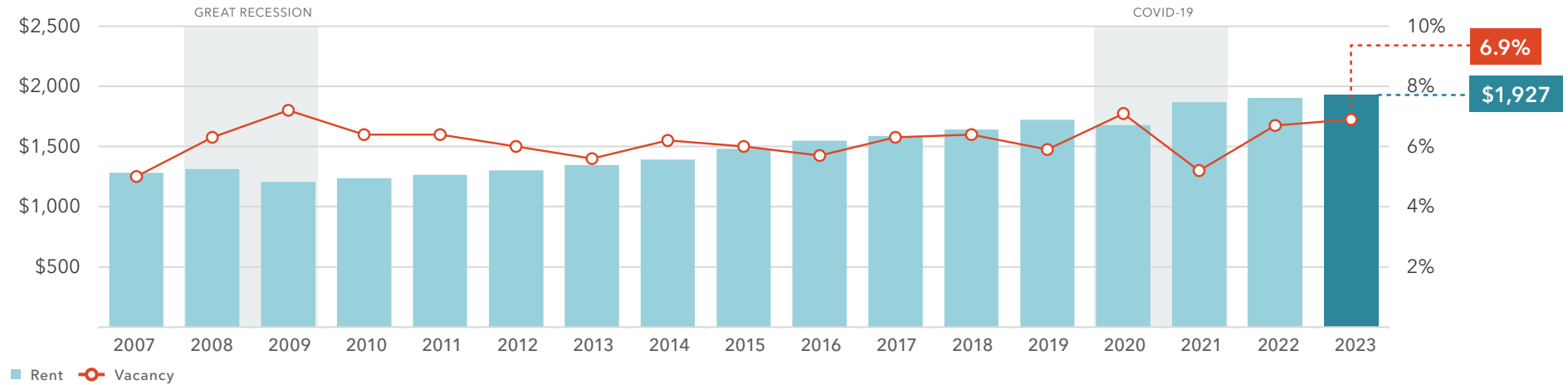
## HISTORICAL SALES TRENDS

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	483	456	483	355	468	338	72	▼ 36%	46	▼ 49%	173
SALES VOLUME	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$5.8B	\$1.3B	▼ 42%	\$752M	▼ 56%	\$2.5B
PRICE/UNIT	\$226K	\$238K	\$281K	\$274K	\$332K	\$285K	\$271K	▼ 5%	\$257K	▼ 4%	\$274K
PRICE/SF	\$237	\$258	\$325	\$291	\$358	\$387	\$369	▼ 8%	\$339	▼ 11%	\$346
CAP RATE	4.9%	5.0%	4.8%	5.0%	4.6%	4.1%	4.2%	▲ 77 bps	5.0%	▲ 74 bps	4.9%

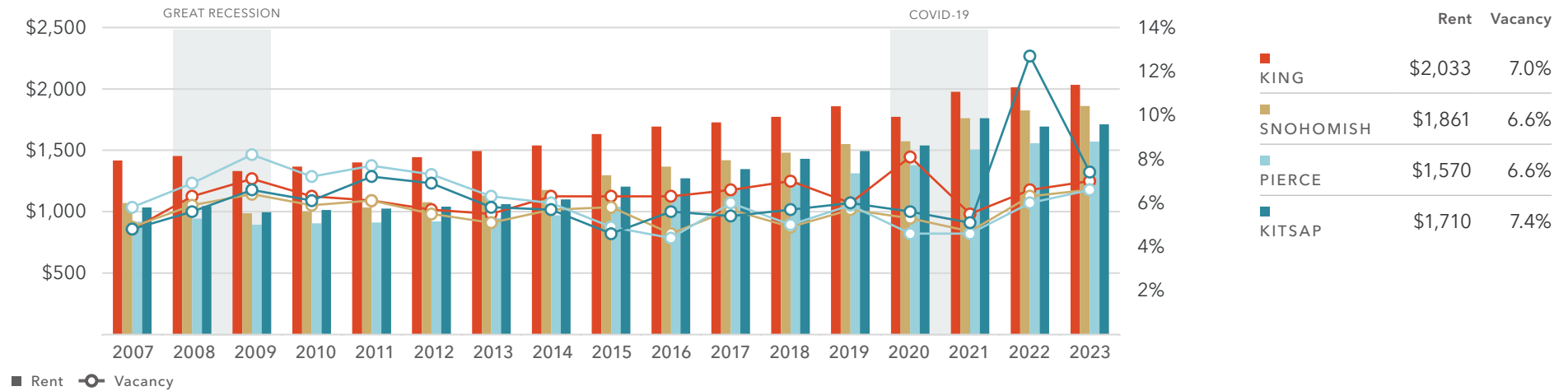
All building ages, 5+ unit apartment buildings

# REGIONAL HISTORIC RENT VS. VACANCY

## PUGET SOUND REGION



## COUNTY BREAKDOWN



## REGIONAL BUILDING INCOME VELOCITY

## NORTH KING

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,780	▼ 1%	\$1,792	▼ 2%	\$1,755
RENT/SF	\$2.36	▼ 1%	\$2.38	▼ 2%	\$2.33
VACANCY	5.4%	▲ 500 bps	11.1%	▼ 70 bps	10.4%

## SNOHOMISH

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,824	▲ 2%	\$1,868	▼ 0.4%	\$1,861
RENT/SF	\$2.11	▲ 2%	\$2.16	▼ 0.5%	\$2.15
VACANCY	6.3%	▲ 30 bps	6.4%	▲ 20 bps	6.6%

## KITSAP

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$2,012	▲ 1%	\$2,051	▼ 1%	\$2,033
RENT/SF	\$2.62	▲ 1%	\$2.67	▼ 0.7%	\$2.65
VACANCY	6.6%	▲ 40 bps	6.8%	▲ 20 bps	7.0%

## EAST KING

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$2,359	▲ 2%	\$2,408	No Change	\$2,408
RENT/SF	\$2.67	▲ 2%	\$2.73	No Change	\$2.73
VACANCY	5.9%	▼ 50 bps	5.6%	▼ 20 bps	5.4%

## SEATTLE

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$2,001	▲ 1%	\$2,051	▼ 1%	\$2,028
RENT/SF	\$3.00	▲ 1%	\$3.08	▼ 1%	\$3.04
VACANCY	7.9%	▼ 70 bps	6.8%	▲ 40 bps	7.2%

## SOUTH KING

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,764	▼ 0.1%	\$1,780	▼ 1%	\$1,763
RENT/SF	\$2.07	No Change	\$2.09	▼ 1%	\$2.07
VACANCY	5.2%	▲ 140 bps	6.0%	▲ 60 bps	6.6%

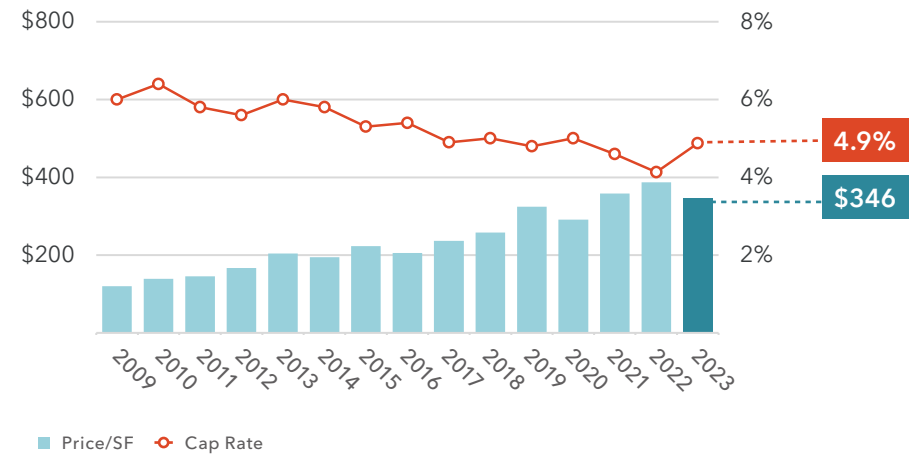
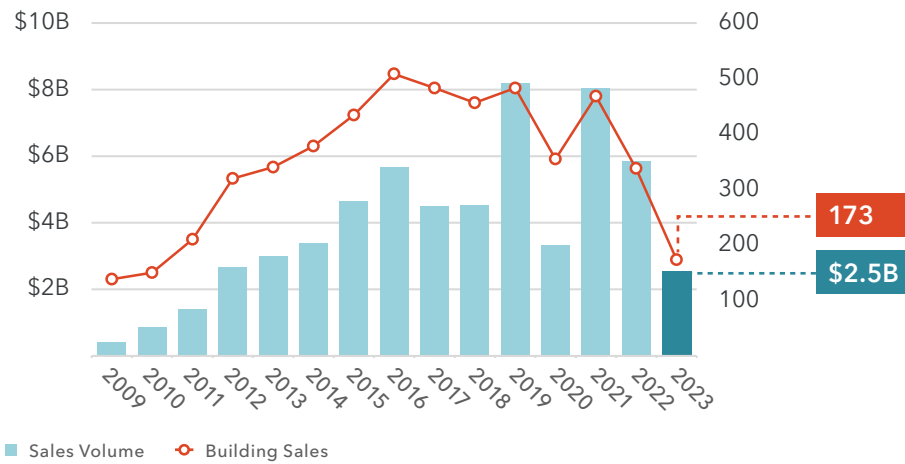
## PIERCE

	Q4 2022	12-Mo Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,558	▲ 1%	\$1,578	▼ 1%	\$1,570
RENT/SF	\$1.85	▲ 1%	\$1.88	▼ 0.5%	\$1.87
VACANCY	6.0%	▲ 60 bps	6.9%	▼ 30 bps	6.6%

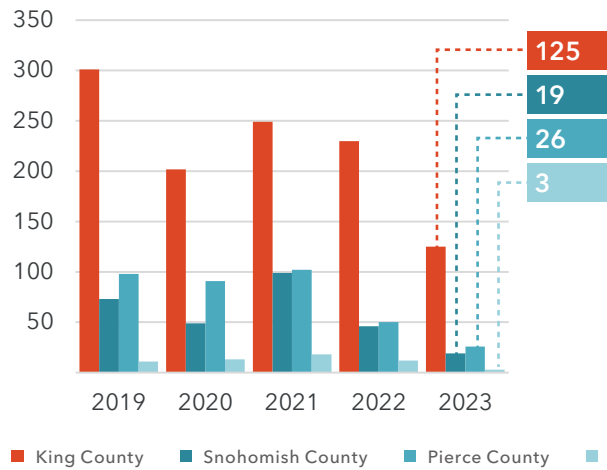
All building ages, 5+ unit apartment buildings



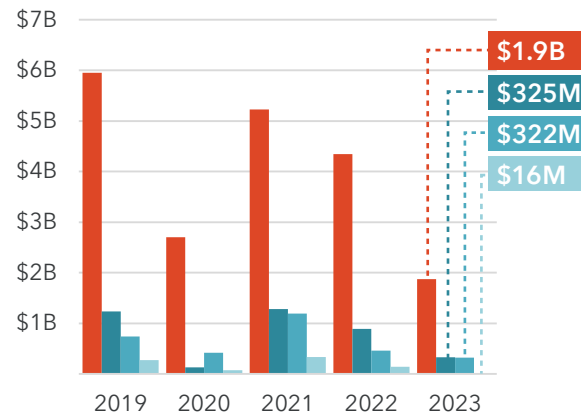
# REGIONAL HISTORIC SALES



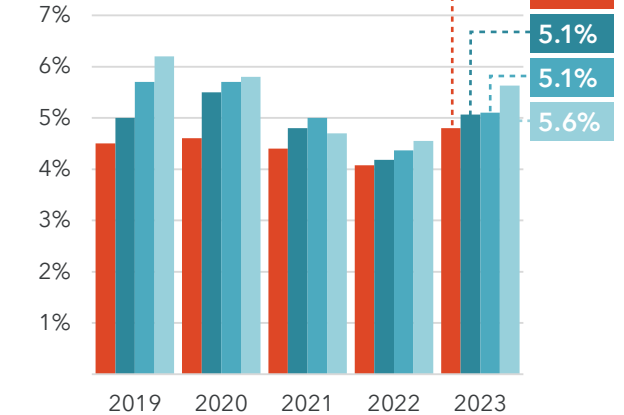
## BUILDING SALES



## SALES VOLUME



## CAP RATE



# REGIONAL SALE PRICING VELOCITY

## NORTH KING

	2021	2022	2023
PRICE/UNIT	\$367K	\$244K	\$208K
PRICE/SF	\$430	\$357	\$264
CAP RATE	4.3%	4.2%	5.0%

## SNOHOMISH

	2021	2022	2023
PRICE/UNIT	\$261K	\$272K	\$263K
PRICE/SF	\$283	\$307	\$311
CAP RATE	4.8%	4.2%	5.1%

## KITSAP

	2021	2022	2023
PRICE/UNIT	\$255K	\$233K	\$224K
PRICE/SF	\$290	\$252	\$228
CAP RATE	4.7%	4.6%	5.6%

## EAST KING

	2021	2022	2023
PRICE/UNIT	\$478K	\$470K	\$397K
PRICE/SF	\$496	\$526	\$406
CAP RATE	3.8%	3.7%	4.1%

## SEATTLE

	2021	2022	2023
PRICE/UNIT	\$396K	\$313K	\$300K
PRICE/SF	\$473	\$475	\$410
CAP RATE	4.5%	4.0%	4.8%

## SOUTH KING

	2021	2022	2023
PRICE/UNIT	\$306K	\$229K	\$218K
PRICE/SF	\$329	\$289	\$259
CAP RATE	4.6%	4.5%	4.9%

## PIERCE

	2021	2022	2023
PRICE/UNIT	\$249K	\$213K	\$180K
PRICE/SF	\$250	\$264	\$218
CAP RATE	5.0%	4.4%	5.1%

All building ages, 5+ unit apartment buildings



*Unlike most markets across the Southern and Eastern United States, the Pacific Northwest did not experience the same degree of overbuilding. While no market is immune to the effect of rising rates, Puget Sound multifamily fundamentals appear intact.*





DYLAN SIMON  
JERRID ANDERSON  
MATT LAIRD  
WINSLOW LEE

*In 2023, sellers were divided into two groups, those motivated by personal life changes and those compelled to sell due to loan maturity and lack of liquidity.*



#### Sales Insight

Sales across the country have been under significant pressure since the Federal Reserve began to aggressively raise rates in 2022. However, although transaction volume naturally took a hit in Seattle this year, sales were rather defensive here as compared to neighboring regions.



#### Rent / Vacancy Insight

Rent growth remained positive in Seattle after several years in a row of high deliveries. (From 2012 to 2022, supply grew by approximately 5% annually). Granted, with costs running high for developers, inventory under construction has slowed, and we don't expect to see significant deliveries in 2024. We expect rental rates to remain flat in 2024 as the market absorbs new supply and employers take a pause on hiring for the time being.

View all of our listings online

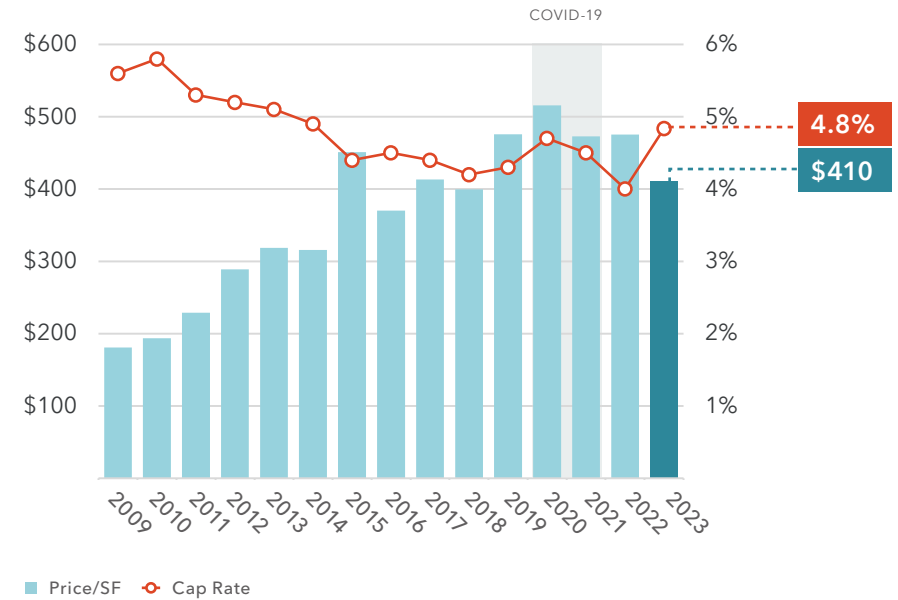
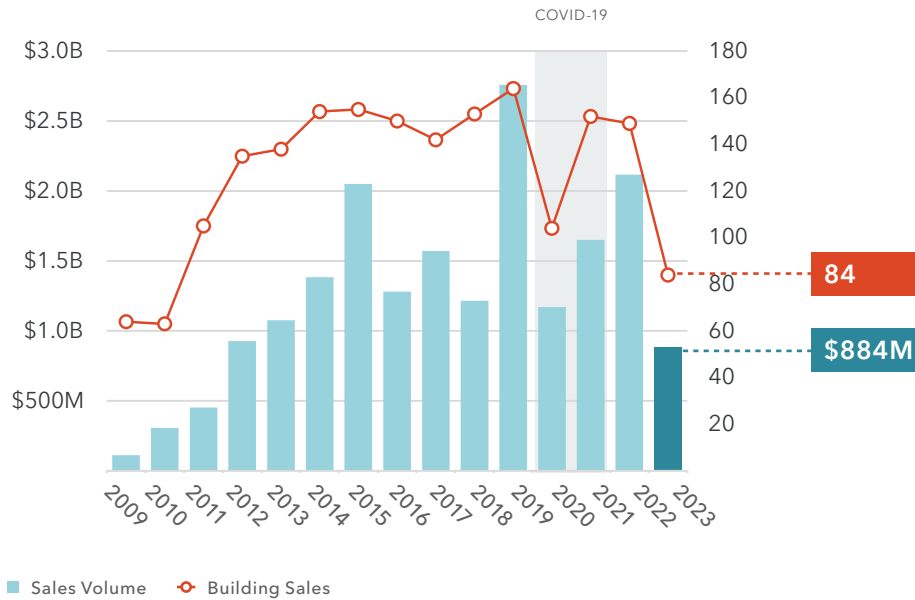
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#### INVENTORY

	Units	Buildings
TOTAL	126,750	3,811
5 TO 50 UNITS	47,384	3,239
50+ UNITS	79,366	572
12-MONTH DELIVERIES	1,738	27
AVERAGE UNIT SIZE	672 SF	

# SALES TRENDS



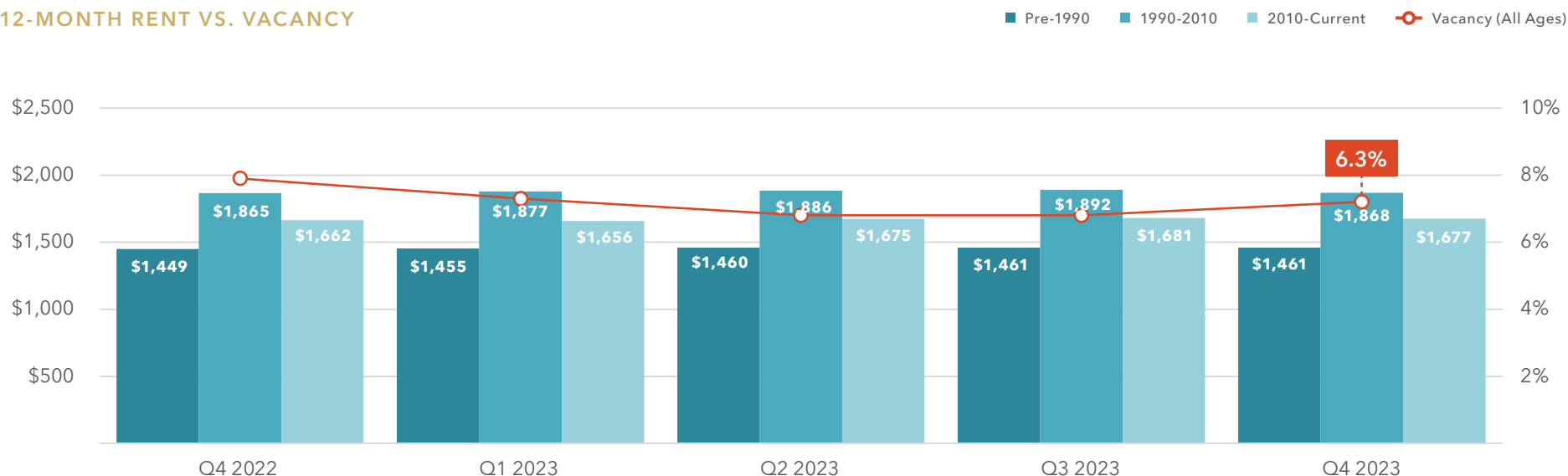
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	142	153	164	104	152	149	42	▼ 43%	24	▼ 44%	84
SALES VOLUME	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$2.1B	\$730M	▼ 55%	\$327M	▼ 58%	\$884M
PRICE/UNIT	\$380K	\$326K	\$402K	\$399K	\$396K	\$313K	\$289K	▼ 6%	\$272K	▼ 4%	\$300K
PRICE/SF	\$413	\$400	\$476	\$516	\$473	\$475	\$418	▼ 5%	\$395	▼ 14%	\$410
CAP RATE	4.4%	4.2%	4.3%	4.7%	4.5%	4.0%	4.1%	▲ 78 bps	4.8%	▲ 83 bps	4.8%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



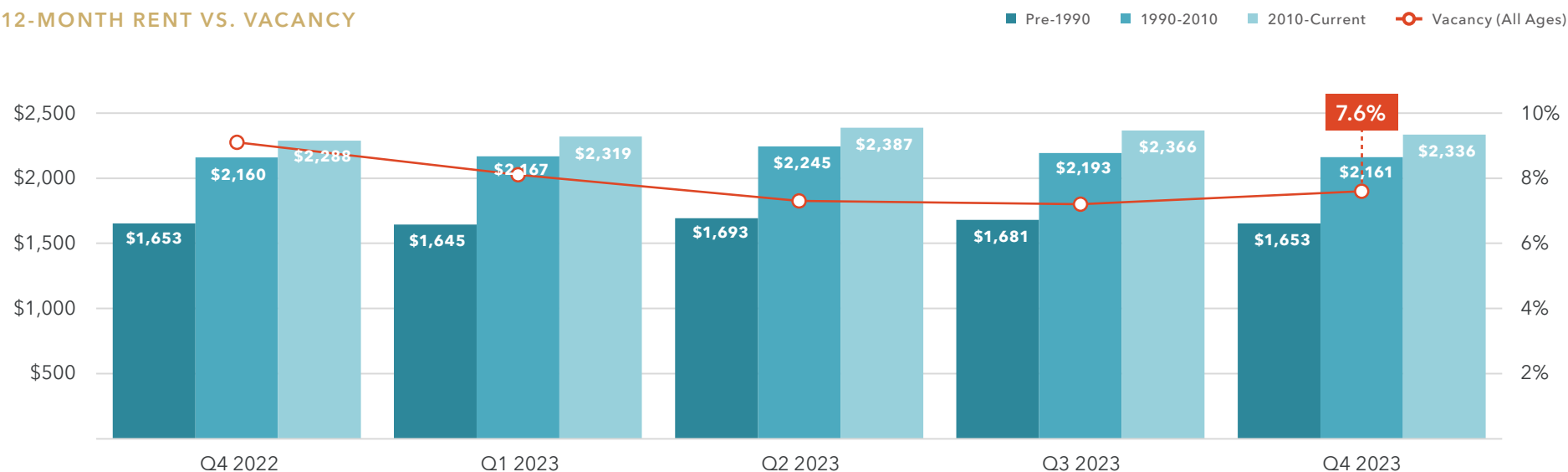
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,432	\$1,455	\$1,476	\$1,476	\$1,503	\$1,531	\$1,530	▲ 1%	\$1,545	▼ 0.2%	\$1,542
RENT/SF	\$2.28	\$2.31	\$2.35	\$2.35	\$2.39	\$2.44	\$2.44	▲ 1%	\$2.47	▼ 0.4%	\$2.46
VACANCY	5.5%	5.1%	5.0%	7.0%	5.0%	5.7%	5.7%	▲ 60 bps	6.1%	▲ 20 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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,981	\$2,008	\$2,132	\$1,901	\$2,177	\$2,162	\$2,165	▲ 1%	\$2,227	▼ 1%	\$2,197
RENT/SF	\$2.89	\$2.93	\$3.11	\$2.78	\$3.18	\$3.16	\$3.17	▲ 2%	\$3.26	▼ 1%	\$3.22
VACANCY	9.7%	9.7%	6.0%	11.5%	6.8%	9.2%	9.1%	▼ 150 bps	7.2%	▲ 40 bps	7.6%

All building ages, 5+ unit apartment buildings



DYLAN SIMON  
JD FULLER  
WINSLOW LEE

*Paltry sales activity at levels similar to that of the Global Financial Crisis indicate continued uncertainty regarding an asset's "fair price."*



#### Sales Insight

Remarkably, North King saw no sales during Q4 2023. Furthermore, during the full year of 2023, sales fell to levels we hadn't seen since the global financial crisis. Now, as interest rates continue to stabilize, we expect more agreement among buyers and sellers.



#### Rent / Vacancy Insight

Multifamily buildings with more than 50 units saw a massive spike in vacancy in Q3. More precisely, vacancy was at 14% as 1,500 units were delivered in the quarter, equating to about 9% of supply. Then, as that influx of new supply has slowly been absorbed, rental rates have come under pressure in the area, ticking down 3% quarter-over-quarter to \$1,867.

View all of our listings online

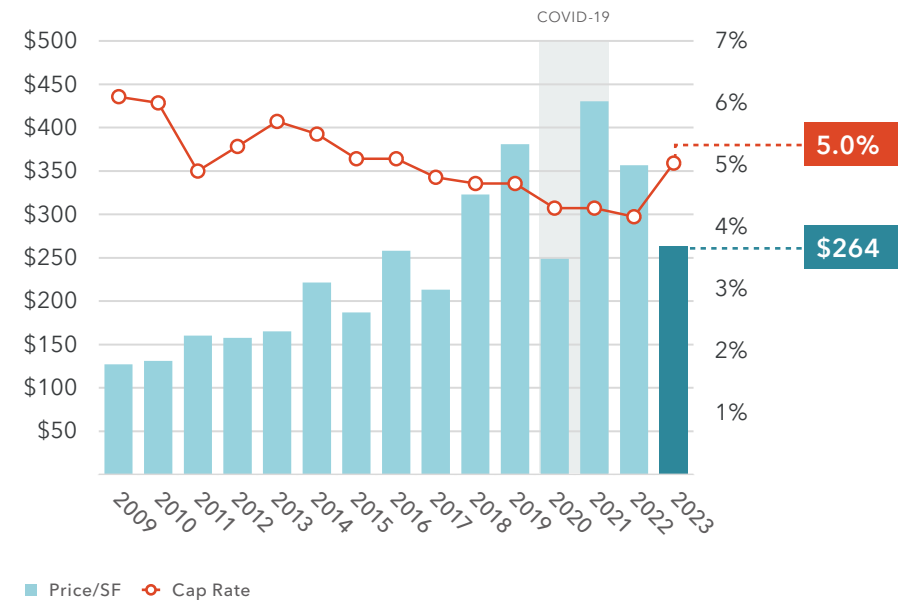
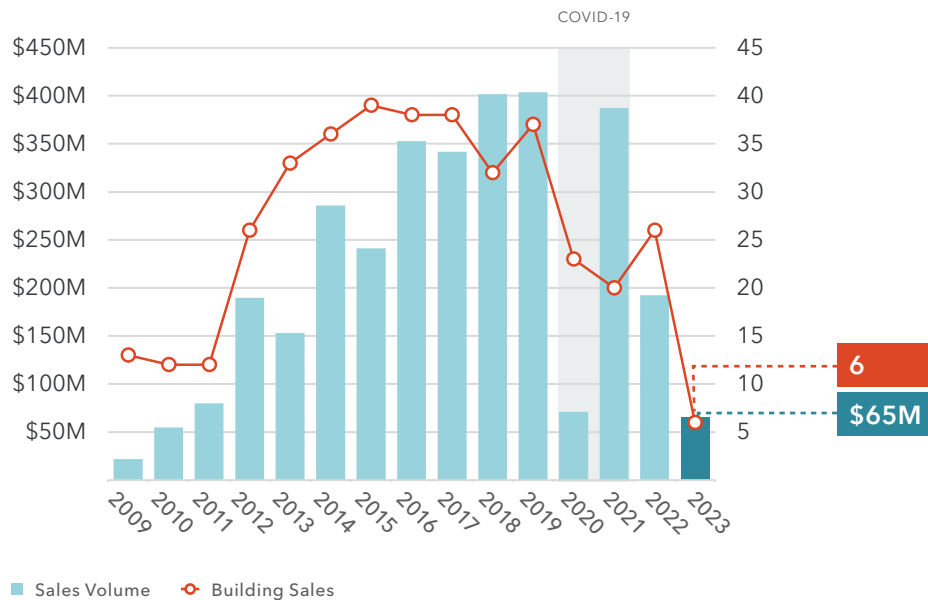
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#### INVENTORY

	Units	Buildings
TOTAL	26,411	734
5 TO 50 UNITS	8,954	605
50+ UNITS	17,457	129
12-MONTH DELIVERIES	1,715	5
AVERAGE UNIT SIZE	759 SF	

## SALES TRENDS



### HISTORICAL SALES

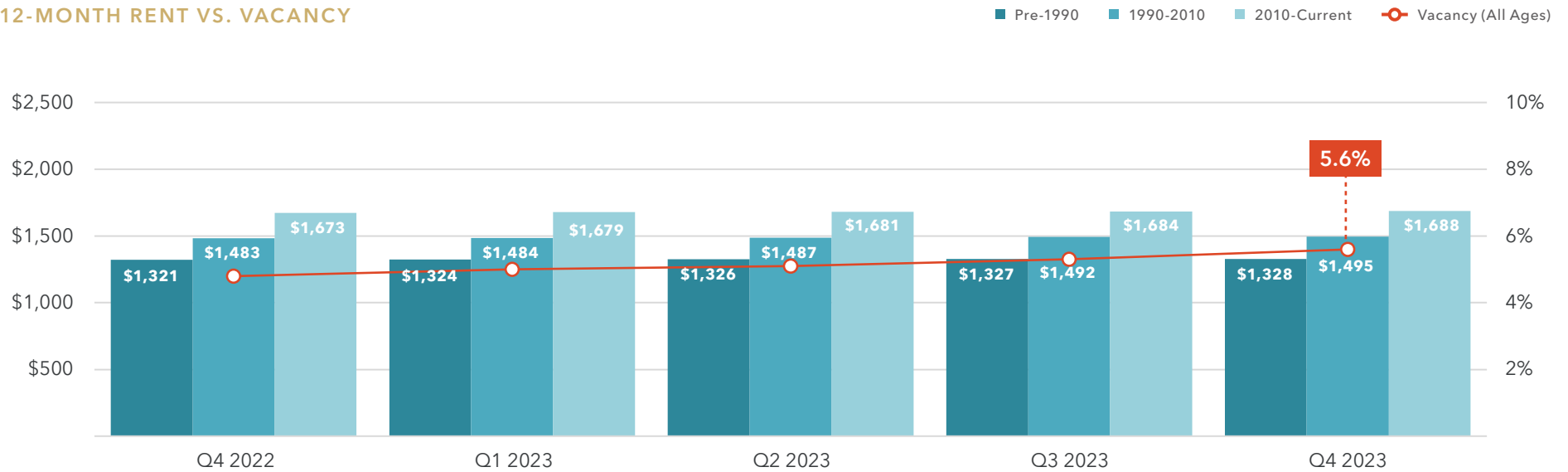
	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	38	32	37	23	20	26	2	N/A	No Sales	▼ 77%	6
SALES VOLUME	\$342M	\$402M	\$404M	\$71M	\$387M	\$192M	\$9M	N/A	No Sales	▼ 66%	\$65M
PRICE/UNIT	\$262K	\$281K	\$288K	\$234K	\$367K	\$244K	\$239K	N/A	No Sales	▼ 15%	\$208K
PRICE/SF	\$213	\$323	\$381	\$249	\$430	\$357	\$285	N/A	No Sales	▼ 26%	\$264
CAP RATE	4.8%	4.7%	4.7%	4.3%	4.3%	4.2%	3.9%	N/A	No Sales	▲ 87 bps	5.0%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



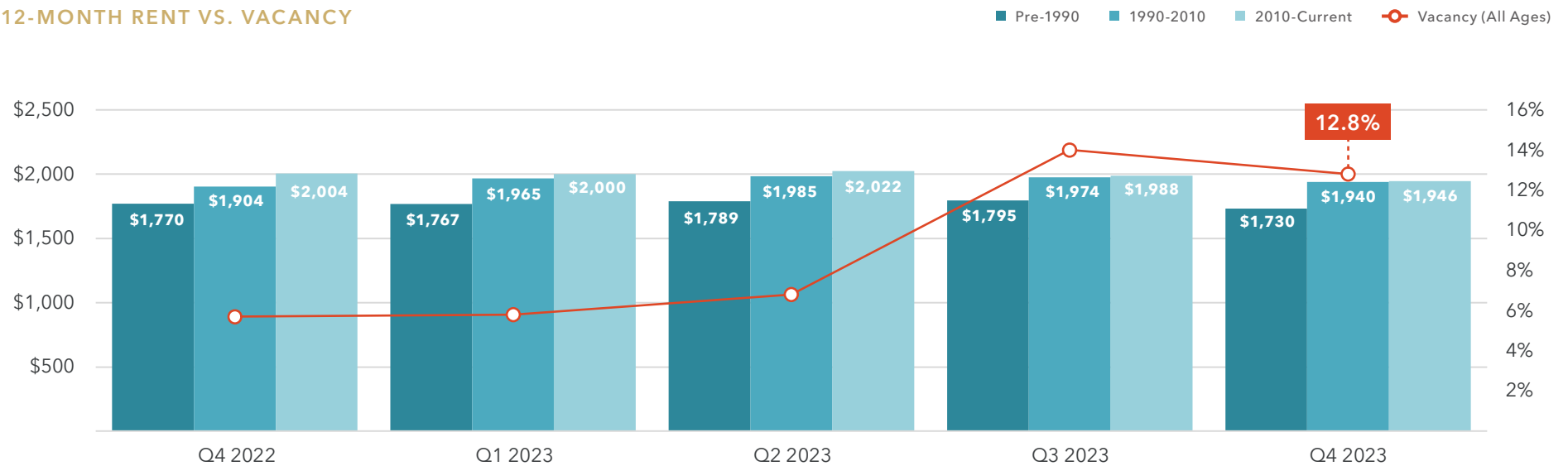
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,257	\$1,276	\$1,296	\$1,311	\$1,338	\$1,372	\$1,381	▲ 1%	\$1,388	No Change	\$1,390
RENT/SF	\$1.69	\$1.71	\$1.74	\$1.76	\$1.80	\$1.84	\$1.85	▲ 1%	\$1.86	No Change	\$1.86
VACANCY	4.1%	4.0%	4.0%	5.6%	3.9%	4.8%	4.8%	▲ 80 bps	5.3%	▲ 30 bps	5.6%

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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,577	\$1,611	\$1,660	\$1,648	\$1,806	\$1,891	\$1,902	▼ 2%	\$1,916	▼ 3%	\$1,867
RENT/SF	\$2.07	\$2.11	\$2.18	\$2.16	\$2.37	\$2.48	\$2.51	▼ 2%	\$2.52	▼ 2%	\$2.46
VACANCY	6.0%	7.5%	6.1%	7.3%	5.2%	5.7%	5.7%	▲ 710 bps	14.0%	▼ 120 bps	12.8%

All building ages, 5+ unit apartment buildings



DYLAN SIMON  
JD FULLER  
MATT LAIRD

*Steady growth in rents and mixed signals in vacancy rates paint an unclear picture for the direction of East King's multifamily market.*



### Sales Insight

Sales continued their sluggish descent in Q4 2023 with only \$123 million in volume, which was down 67% from Q4 2022. Yet, from an annual perspective, 2023 was not exactly an abnormal year for sales in East King, as this market is the least traded in the region.



### Rent / Vacancy Insight

Rental rates continued to tick up during the quarter, while changes in vacancy were mixed. For instance, within the five- to 50-unit product, vacancy has been on an upward trend, whereas vacancy has been in decline among buildings with more than 50 units.

View all of our listings online

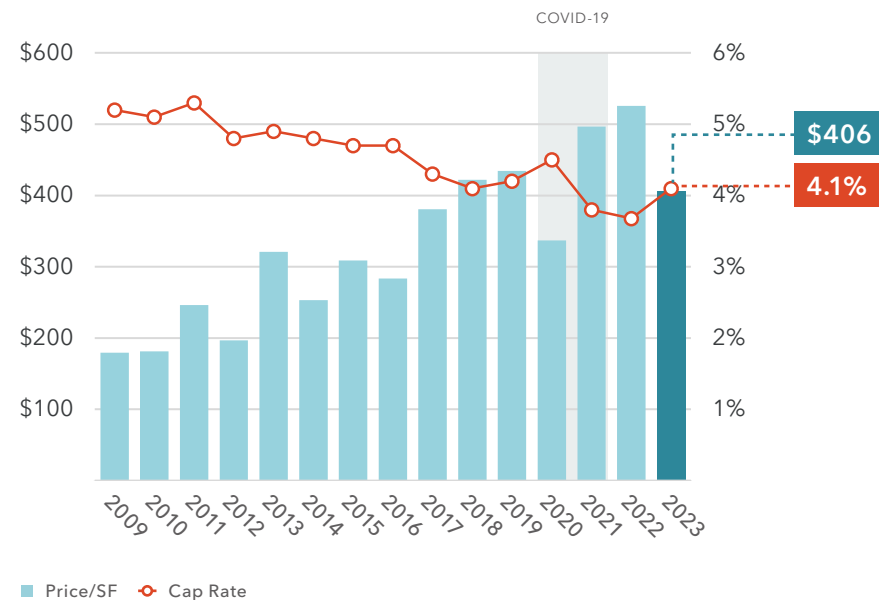
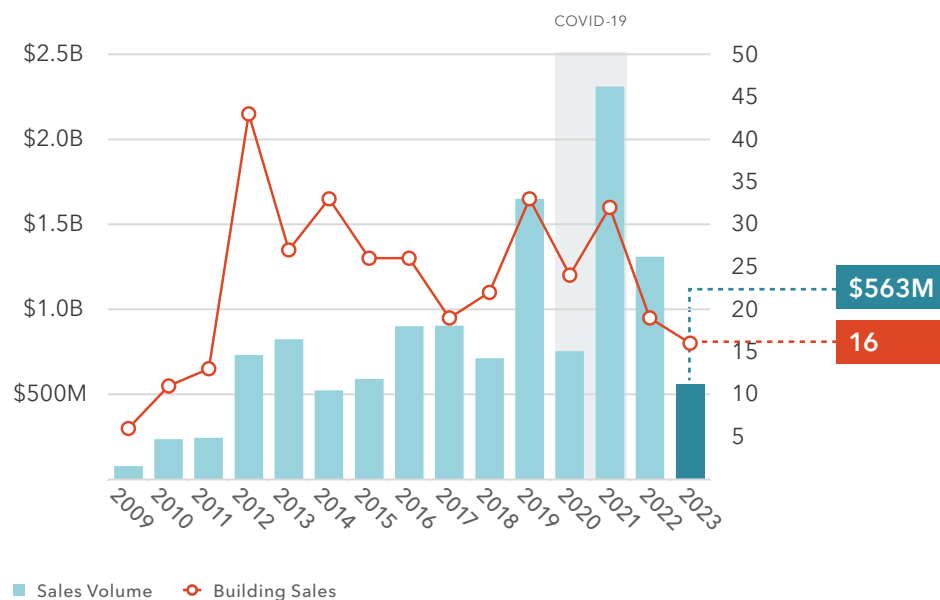
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### INVENTORY

	Units	Buildings
TOTAL	59,566	555
5 TO 50 UNITS	4,752	283
50+ UNITS	54,814	272
12-MONTH DELIVERIES	915	7
AVERAGE UNIT SIZE	884 SF	

# SALES TRENDS



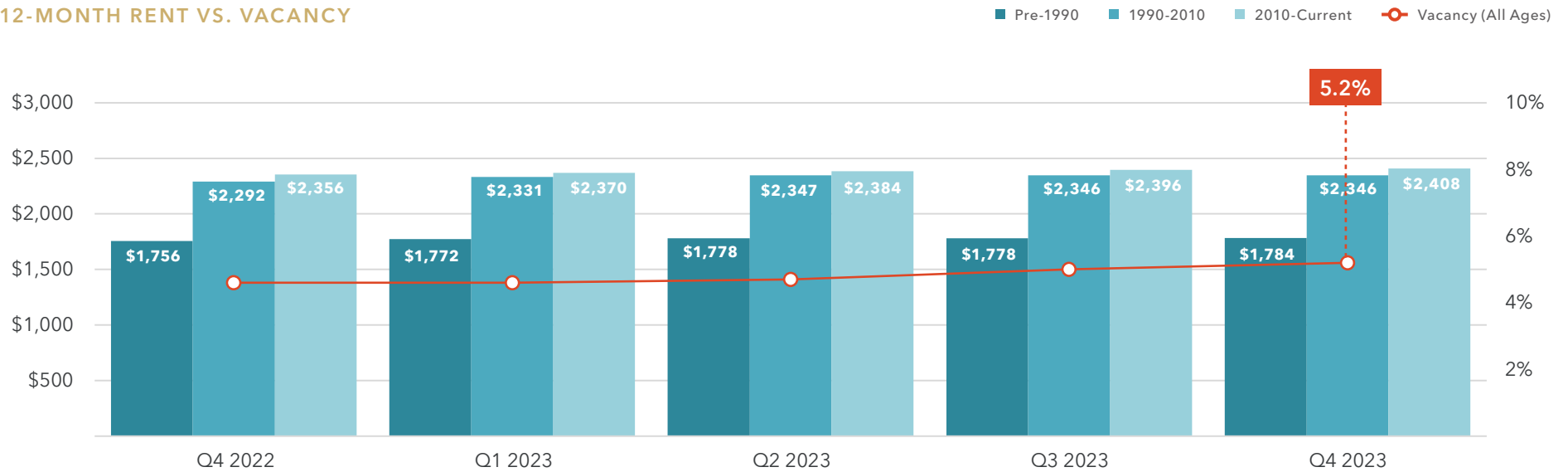
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	19	22	33	24	32	19	7	▼ 29%	5	▼ 16%	16
SALES VOLUME	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$1.3B	\$375M	▼ 67%	\$123M	▼ 57%	\$563M
PRICE/UNIT	\$373K	\$447K	\$383K	\$340K	\$478K	\$470K	\$374K	▼ 14%	\$321K	▼ 15%	\$397K
PRICE/SF	\$381	\$422	\$434	\$337	\$496	\$526	\$396	▼ 6%	\$373	▼ 23%	\$406
CAP RATE	4.3%	4.1%	4.2%	4.5%	3.8%	3.7%	Not Reported	N/A	3.8%	▲ 42 bps	4.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



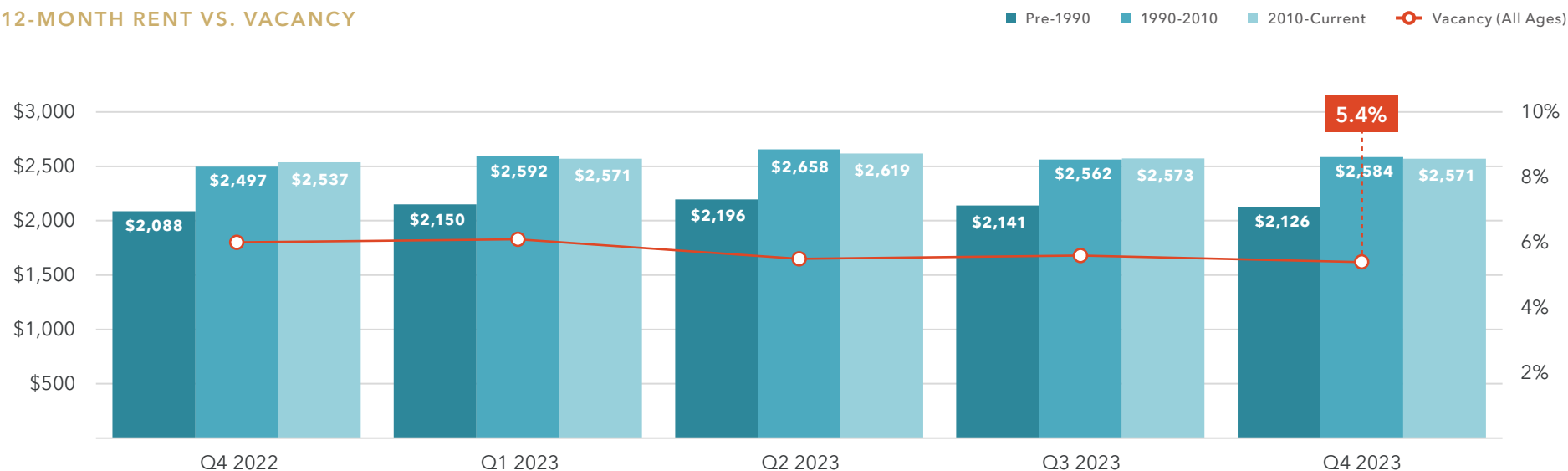
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,674	\$1,717	\$1,753	\$1,767	\$1,833	\$1,899	\$1,905	▲ 2%	\$1,934	▲ 0.3%	\$1,939
RENT/SF	\$1.83	\$1.88	\$1.92	\$1.94	\$2.01	\$2.09	\$2.09	▲ 2%	\$2.13	No Change	\$2.13
VACANCY	5.1%	4.6%	4.5%	5.8%	3.8%	4.7%	4.6%	▲ 60 bps	5.0%	▲ 20 bps	5.2%

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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,958	\$2,040	\$2,150	\$2,051	\$2,329	\$2,388	\$2,385	▲ 2%	\$2,434	No Change	\$2,434
RENT/SF	\$2.22	\$2.32	\$2.44	\$2.33	\$2.64	\$2.71	\$2.71	▲ 2%	\$2.76	No Change	\$2.76
VACANCY	6.5%	7.2%	8.1%	8.5%	6.4%	6.0%	6.0%	▼ 60 bps	5.6%	▼ 20 bps	5.4%

All building ages, 5+ unit apartment buildings



DYLAN SIMON  
JD FULLER

*Limited cap rate expansion in South King is defying upward pressure from rising interest rates. Are investors pricing in stronger growth in this region?*



#### Sales Insight

While sales in South King demonstrated a decline similar to most other Puget Sound markets, cap rates stood out this quarter as remaining remarkably resilient: The average cap rate in Q4 2023 was 5.2% – flat year-over-year.



#### Rent / Vacancy Insight

Rental rates have remained resilient in South King even as the vacancy rate steadily increased. Accordingly, with vacancy now at 6.9% for buildings with more than 50 units, we expect to see constrained growth in rental rates as we head into 2024.

View all of our listings online

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

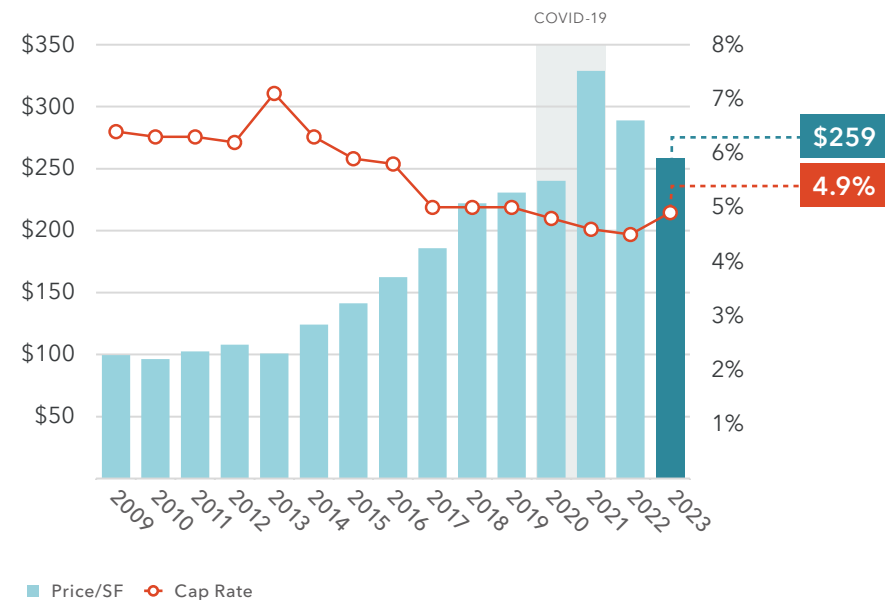
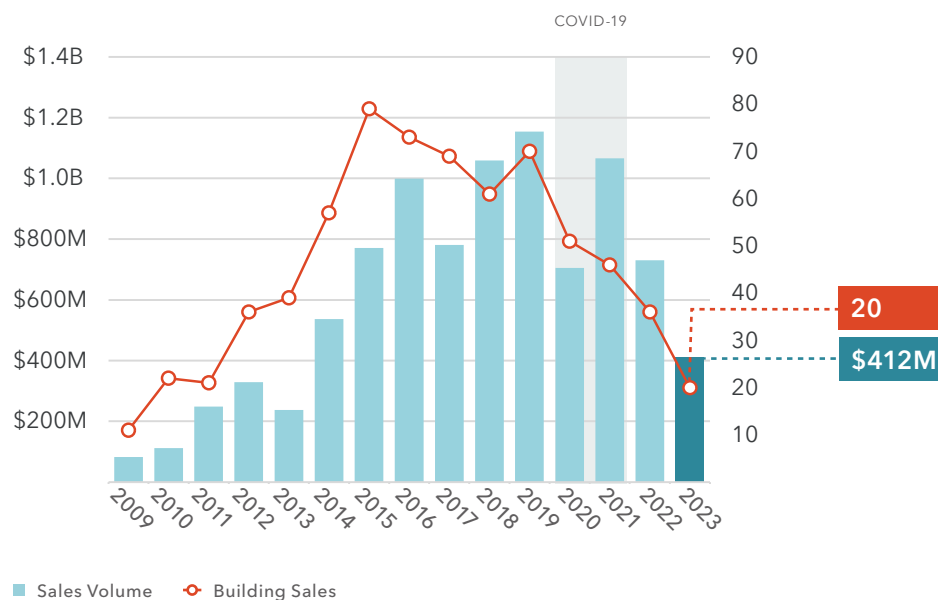


#### INVENTORY

	Units	Buildings
TOTAL	58,944	931
5 TO 50 UNITS	10,722	634
50+ UNITS	48,222	297
12-MONTH DELIVERIES	1,010	7
AVERAGE UNIT SIZE	856 SF	



## SALES TRENDS



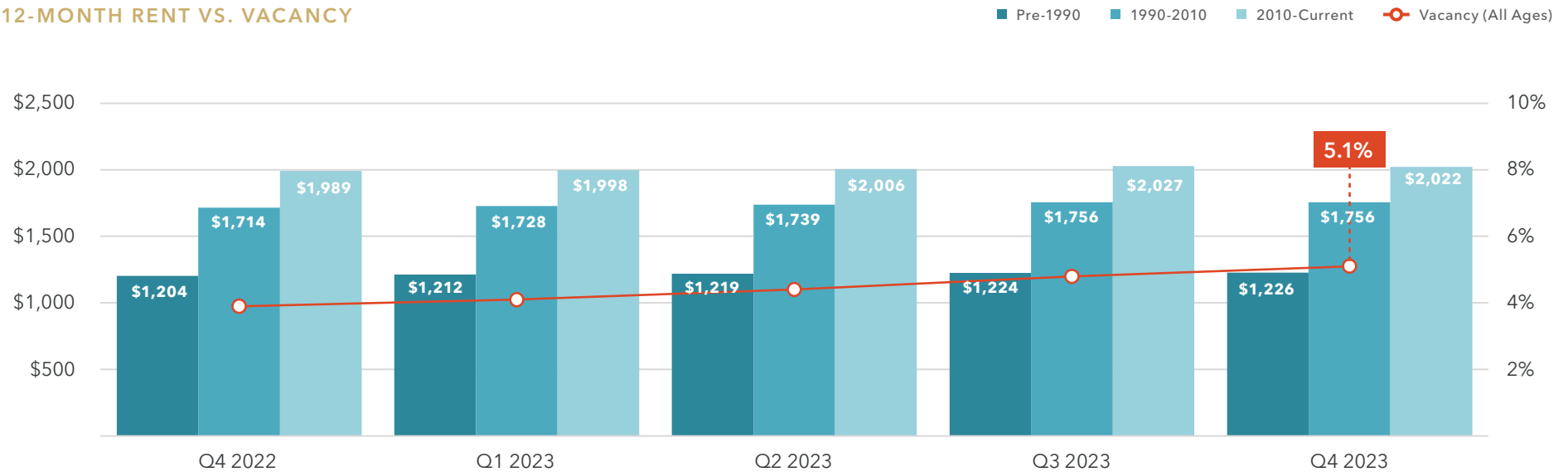
### HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	69	61	70	51	46	36	7	No Change	7	▼ 44%	20
SALES VOLUME	\$781M	\$1.1B	\$1.2B	\$705M	\$1.1B	\$730M	\$37M	▲ 592%	\$256M	▼ 44%	\$412M
PRICE/UNIT	\$169K	\$216K	\$202K	\$230K	\$306K	\$229K	\$206K	▲ 3%	\$213K	▼ 4%	\$218K
PRICE/SF	\$186	\$222	\$231	\$240	\$329	\$289	\$231	▲ 8%	\$250	▼ 11%	\$259
CAP RATE	5.0%	5.0%	5.0%	4.8%	4.6%	4.5%	5.2%	▼ 1 bps	5.2%	▲ 38 bps	4.9%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



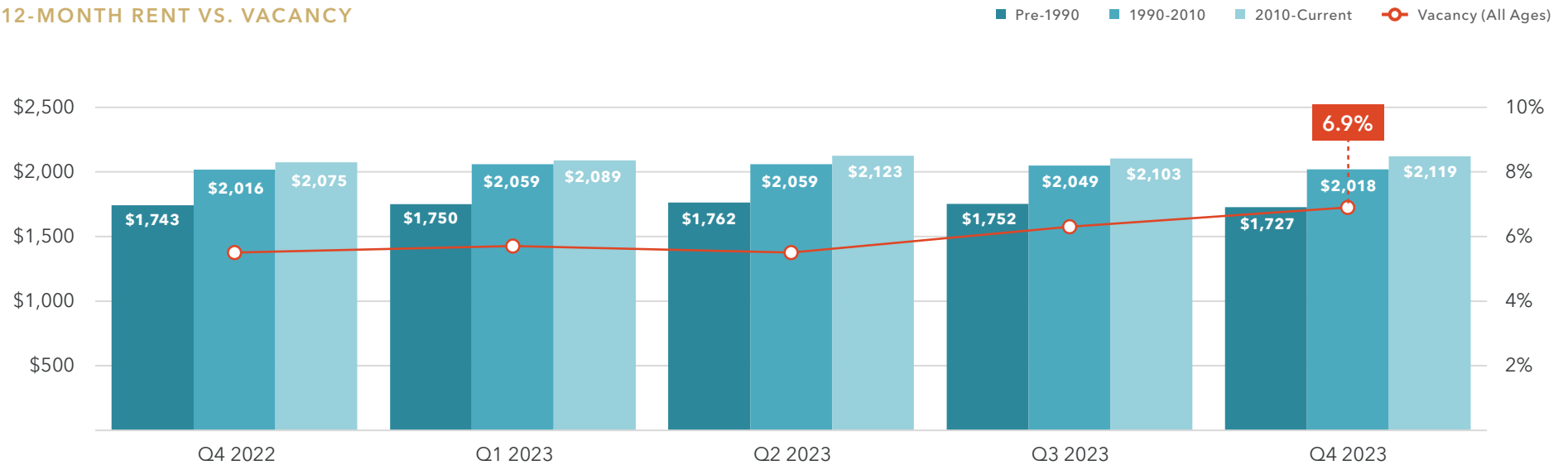
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,098	\$1,136	\$1,172	\$1,193	\$1,225	\$1,262	\$1,273	▲ 2%	\$1,296	▲ 0.1%	\$1,297
RENT/SF	\$1.38	\$1.43	\$1.48	\$1.50	\$1.54	\$1.59	\$1.60	▲ 2%	\$1.63	No Change	\$1.63
VACANCY	4.2%	4.6%	4.1%	3.9%	3.0%	3.9%	3.9%	▲ 120 bps	4.8%	▲ 30 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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,393	\$1,449	\$1,521	\$1,557	\$1,752	\$1,834	\$1,838	▼ 0.2%	\$1,854	▼ 1%	\$1,834
RENT/SF	\$1.62	\$1.69	\$1.77	\$1.81	\$2.04	\$2.14	\$2.14	▼ 0.5%	\$2.16	▼ 1%	\$2.13
VACANCY	5.1%	6.1%	5.5%	5.5%	3.9%	5.4%	5.5%	▲ 140 bps	6.3%	▲ 60 bps	6.9%

All building ages, 5+ unit apartment buildings



DYLAN SIMON  
JD FULLER  
WINSLOW LEE

*As rising vacancy rates begin to approach 7%, investors should keep a close eye on rental rates. At this level, we often find rents beginning to come under material pressure.*



#### Sales Insight

Sales volume in Q4 2023 was weak as only five buildings traded hands for a total volume of \$29 million. However, unique among Puget Sound markets, 2023 sales in Snohomish outperformed those of 2020 – both in number of buildings and in dollars.

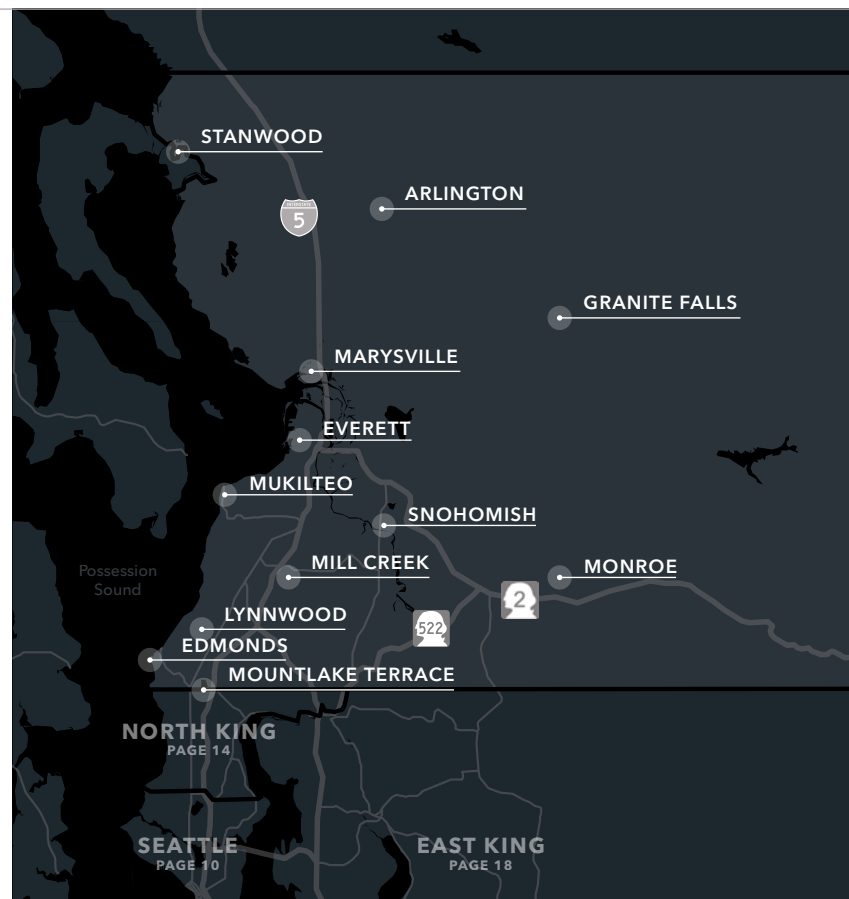


#### Rent / Vacancy Insight

Steadily rising vacancy in both small and larger multifamily buildings has not materially undermined rent growth in Snohomish. However, with vacancy rates now in the mid-6% range, investors should keep an eye out for any further pressure on rental rates.

View all of our listings online

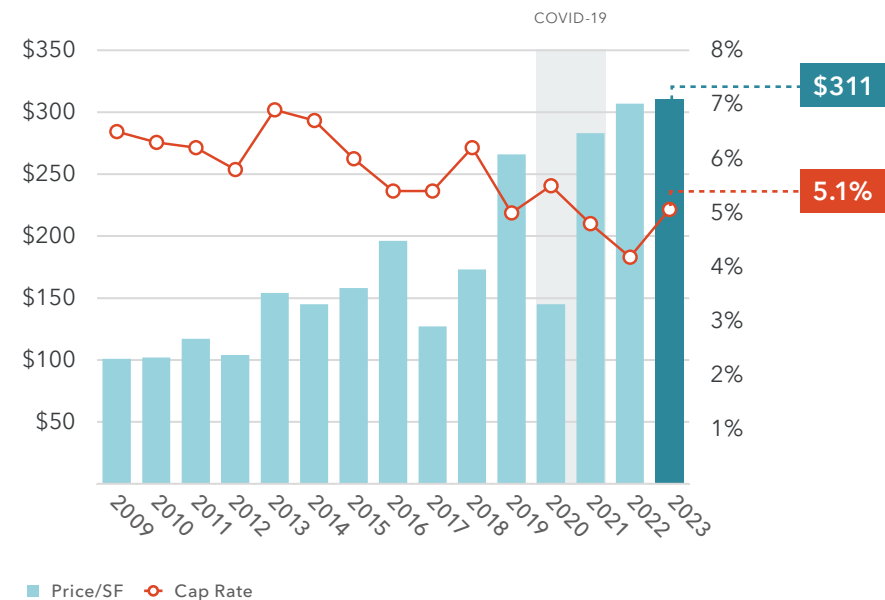
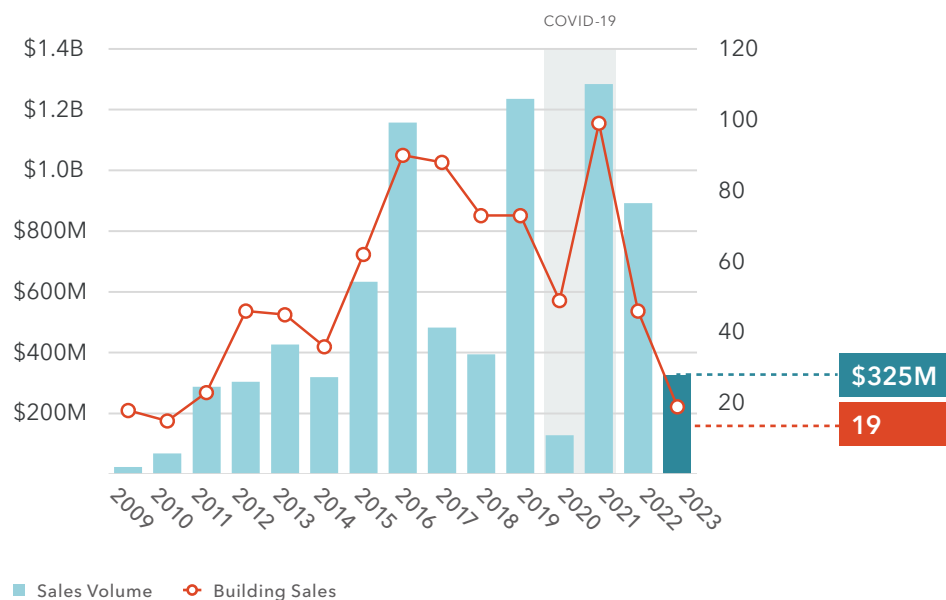
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



#### INVENTORY

	Units	Buildings
TOTAL	49,209	1,007
5 TO 50 UNITS	10,406	790
50+ UNITS	38,803	217
12-MONTH DELIVERIES	1,065	10
AVERAGE UNIT SIZE	872 SF	

## SALES TRENDS



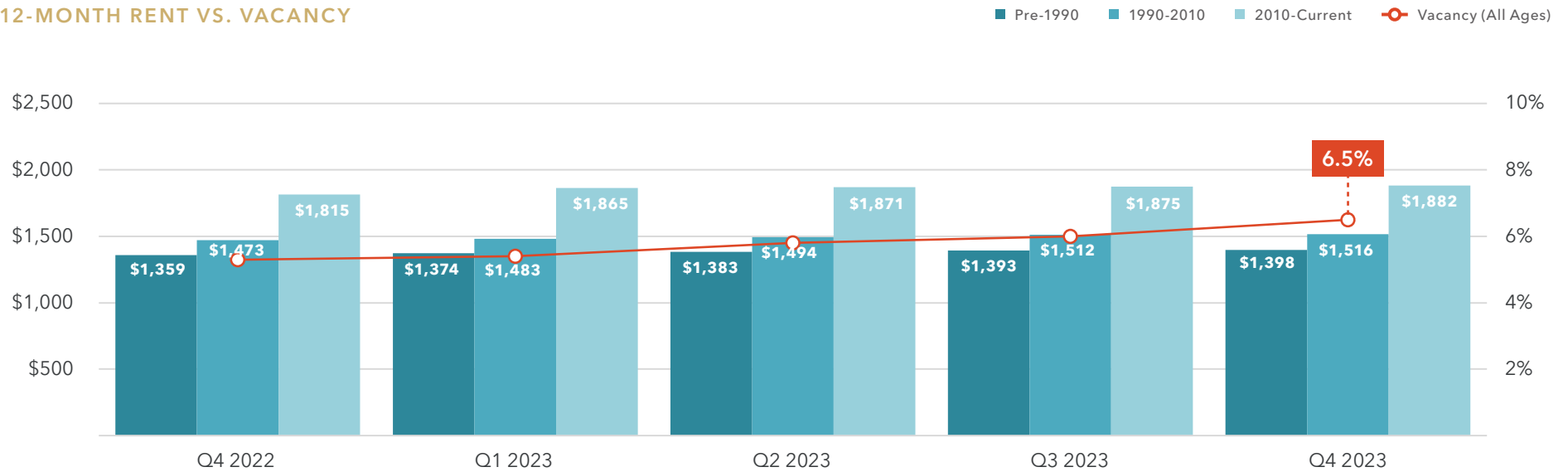
### HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	88	73	73	49	99	46	5	No Change	5	▼ 59%	19
SALES VOLUME	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$892M	\$109M	▼ 74%	\$29M	▼ 64%	\$325M
PRICE/UNIT	\$121K	\$169K	\$228K	\$164K	\$261K	\$272K	\$240K	▲ 15%	\$275K	▼ 3%	\$263K
PRICE/SF	\$127	\$173	\$266	\$145	\$283	\$307	\$348	▼ 13%	\$303	▲ 1%	\$311
CAP RATE	5.4%	6.2%	5.0%	5.5%	4.8%	4.2%	Not Reported	N/A	5.5%	▲ 88 bps	5.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



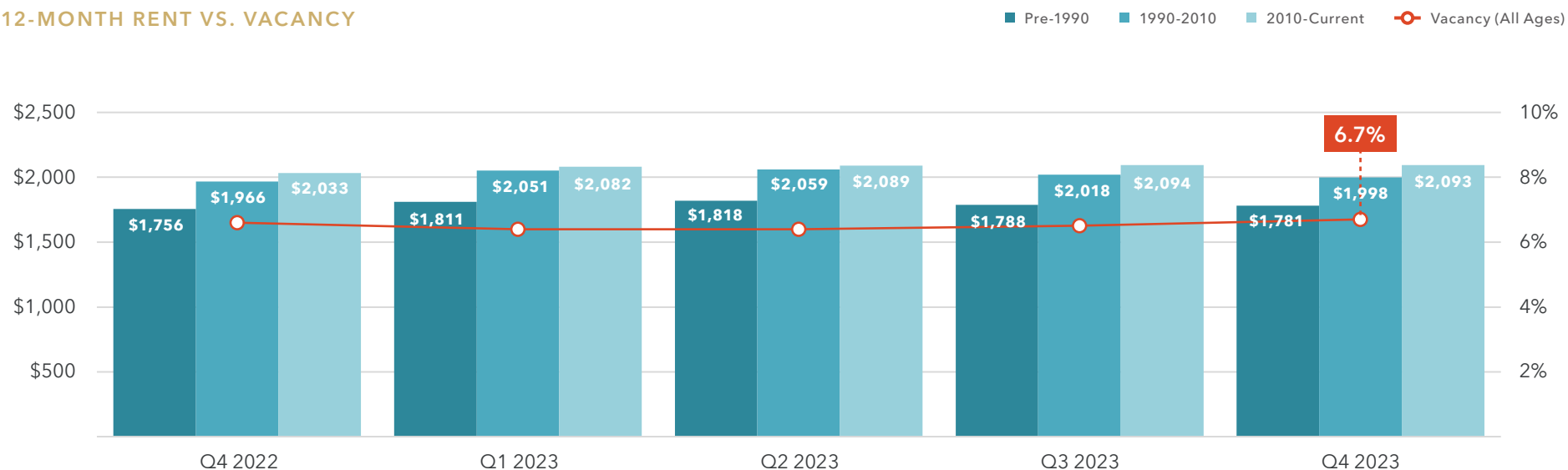
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,173	\$1,211	\$1,246	\$1,278	\$1,314	\$1,359	\$1,359	▲ 3%	\$1,393	▲ 0.4%	\$1,398
RENT/SF	\$1.35	\$1.40	\$1.44	\$1.48	\$1.52	\$1.58	\$1.58	▲ 3%	\$1.62	▲ 0.6%	\$1.63
VACANCY	5.0%	4.6%	4.9%	4.8%	3.9%	5.3%	5.3%	▲ 120 bps	6.0%	▲ 50 bps	6.5%

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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,455	\$1,524	\$1,598	\$1,620	\$1,832	\$1,896	\$1,899	▲ 2%	\$1,945	▼ 0.5%	\$1,935
RENT/SF	\$1.67	\$1.75	\$1.83	\$1.86	\$2.10	\$2.18	\$2.18	▲ 2%	\$2.24	▼ 0.4%	\$2.23
VACANCY	5.8%	5.0%	5.9%	5.4%	4.9%	6.6%	6.6%	▲ 10 bps	6.5%	▲ 20 bps	6.7%

All building ages, 5+ unit apartment buildings





DYLAN SIMON  
JD FULLER

*The recent rise in vacancy should come down throughout the next year as continued population growth fails to be met with additional supply.*

#### Sales Insight

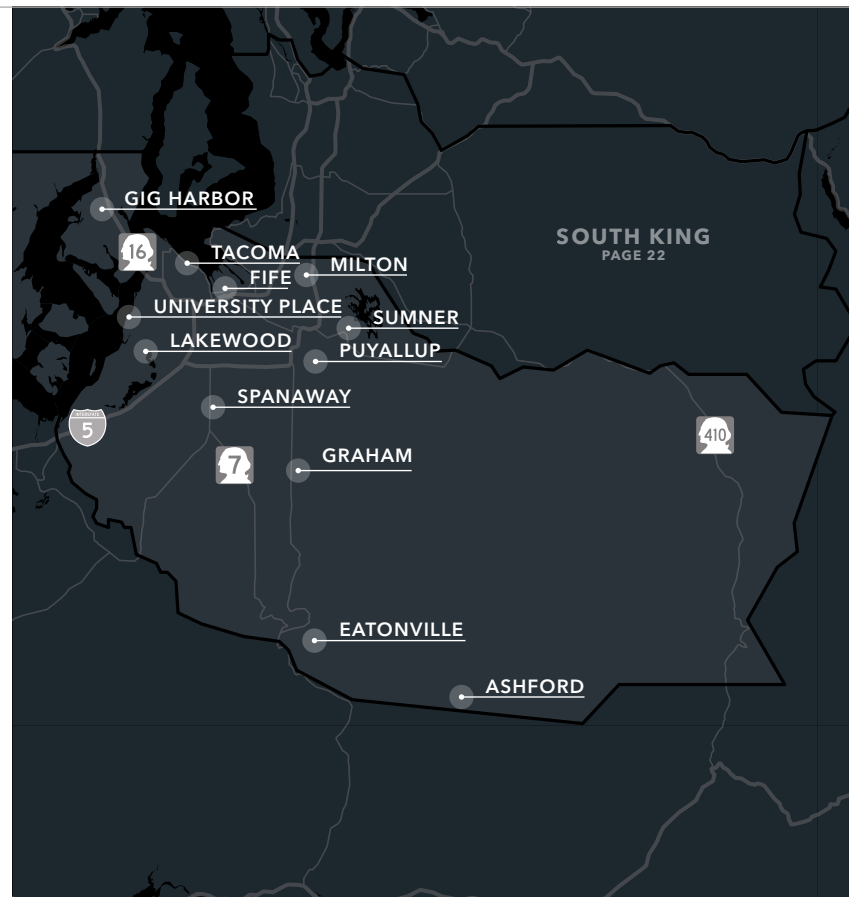
The transaction environment in Pierce is currently challenged: Sales volume is down, prices are down (15% on a per-unit basis and 25% on a per-square-foot basis), while cap rates have shot up significantly. In particular, the average cap rate for transactions in Q4 was 6.2%, which was up 220 basis points year-over-year. Of course, while higher variance is to be expected with such a small sample size, annual figures paint a similar picture.

#### Rent / Vacancy Insight

Although the lower rents in Pierce suggest the potential for more room to grow, there has been a meaningful jump in vacancy throughout the last year. That said, the lack of expected deliveries in the coming quarters suggest positive net absorption for 2024, as well as an overall decline in vacancy rates in the region.

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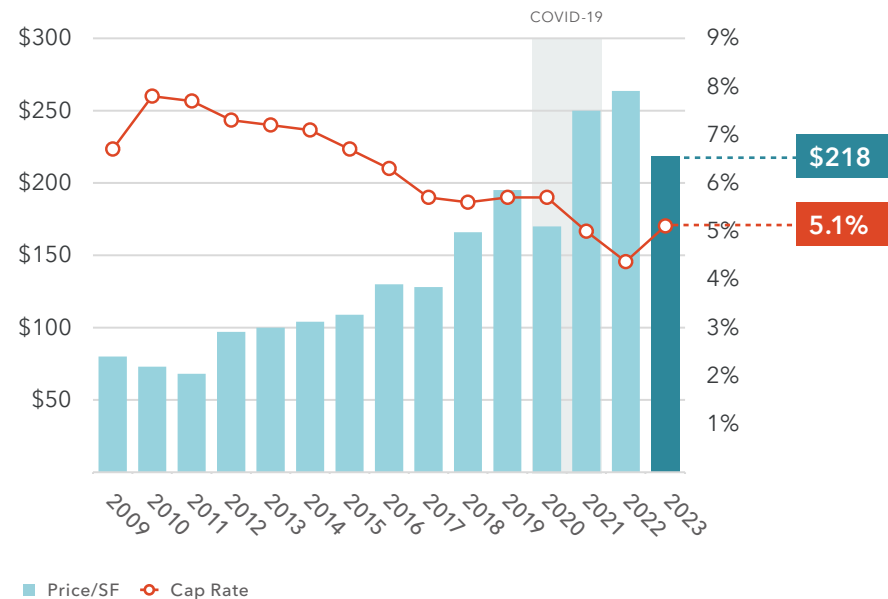
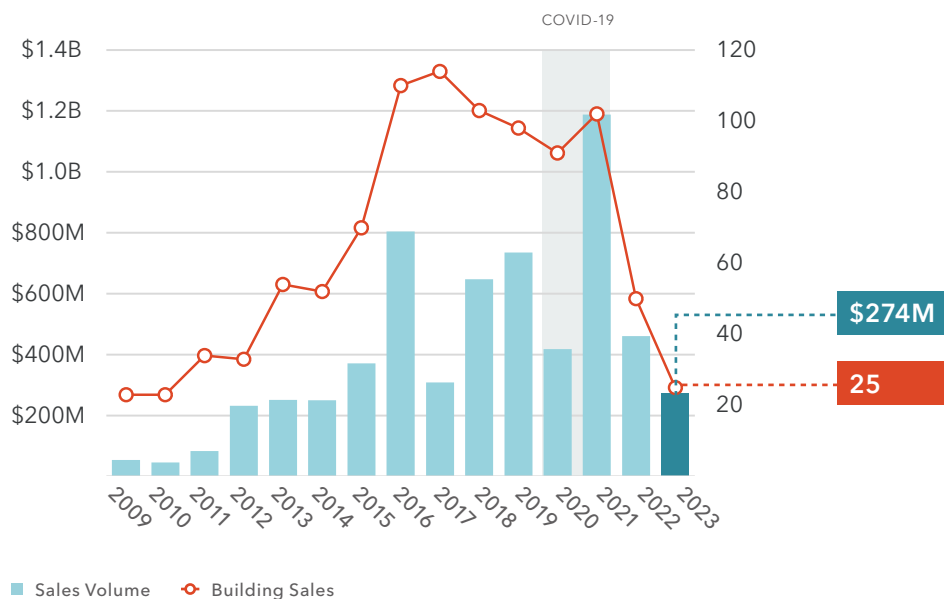
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



#### INVENTORY

	Units	Buildings
TOTAL	64,384	1,414
5 TO 50 UNITS	17,781	1,085
50+ UNITS	46,603	329
12-MONTH DELIVERIES	1,351	15
AVERAGE UNIT SIZE	845 SF	

## SALES TRENDS



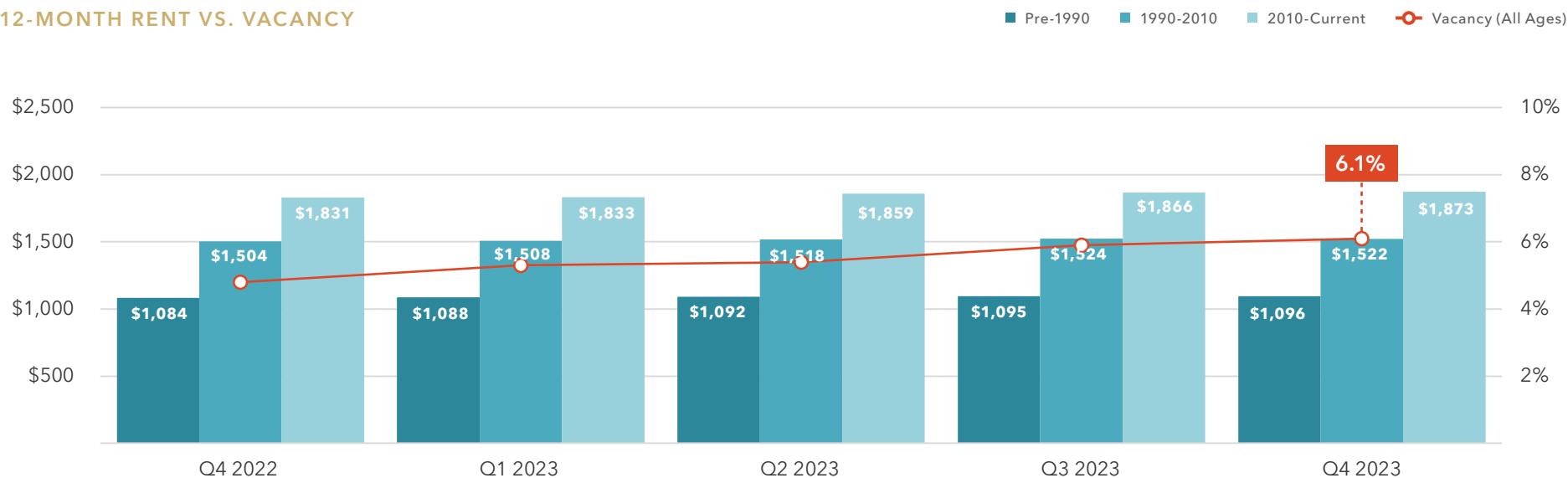
### HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	114	103	98	91	102	50	7	▼ 29%	5	▼ 50%	25
SALES VOLUME	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$461M	\$35M	▼ 51%	\$17M	▼ 41%	\$274M
PRICE/UNIT	\$118K	\$151K	\$174K	\$171K	\$249K	\$213K	\$191K	▼ 15%	\$163K	▼ 16%	\$180K
PRICE/SF	\$128	\$166	\$195	\$170	\$250	\$264	\$266	▼ 25%	\$200	▼ 17%	\$218
CAP RATE	5.7%	5.6%	5.7%	5.7%	5.0%	4.4%	4.0%	▲ 220 bps	6.2%	▲ 74 bps	5.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



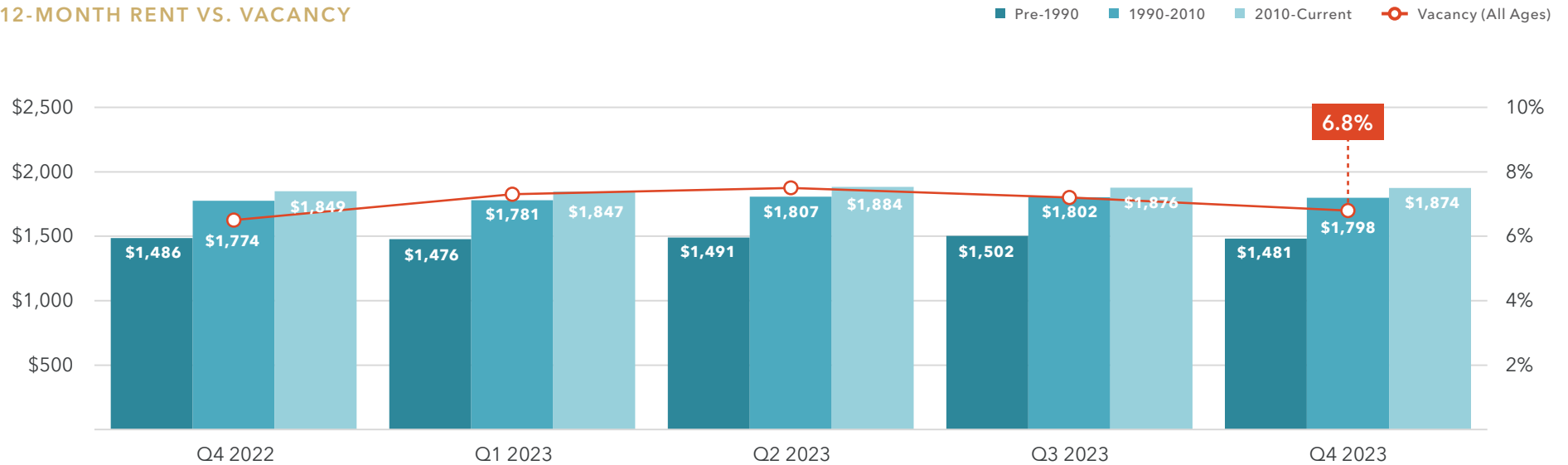
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$988	\$1,023	\$1,058	\$1,083	\$1,123	\$1,159	\$1,171	▲ 1%	\$1,183	▲ 0.2%	\$1,185
RENT/SF	\$1.27	\$1.32	\$1.36	\$1.40	\$1.45	\$1.50	\$1.51	▲ 1%	\$1.53	No Change	\$1.53
VACANCY	4.5%	4.3%	4.3%	3.7%	3.9%	4.8%	4.8%	▲ 130 bps	5.9%	▲ 20 bps	6.1%

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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,233	\$1,299	\$1,376	\$1,451	\$1,606	\$1,659	\$1,656	▲ 1%	\$1,678	▼ 0.7%	\$1,667
RENT/SF	\$1.43	\$1.51	\$1.60	\$1.69	\$1.87	\$1.93	\$1.93	▲ 1%	\$1.95	▼ 0.5%	\$1.94
VACANCY	6.6%	5.3%	6.5%	5.0%	4.7%	6.4%	6.5%	▲ 30 bps	7.2%	▼ 40 bps	6.8%

All building ages, 5+ unit apartment buildings



DYLAN SIMON  
JD FULLER  
MATT LAIRD

*Transaction volume in Kitsap plummeted in 2023, but fundamentals appear intact with continued growth in rental rates coupled with declining vacancy.*

#### Sales Insight

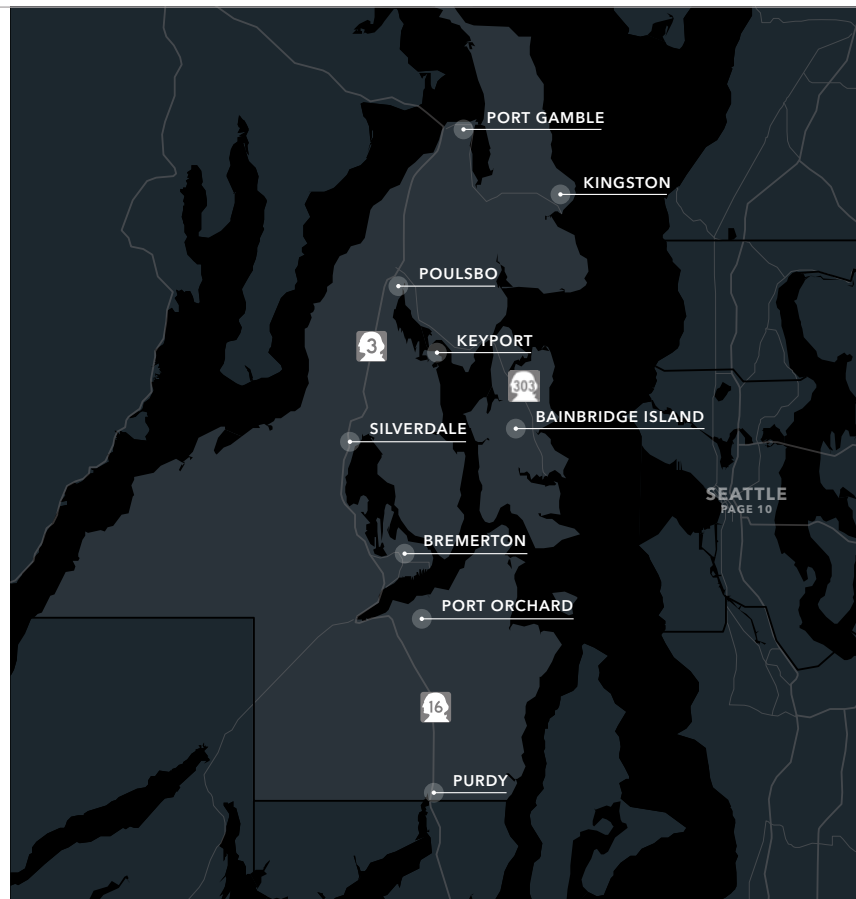
Kitsap saw a dramatic decrease in sales volume in 2023 with no sales recorded during Q4. In this case, sales totaled \$16 million (three buildings) for the full year of 2023, which was below levels seen during the global financial crisis and shortly thereafter. And, while a small multifamily market like Kitsap means there will be some more noise in the data, these figures are telling of the trepidation and uncertainty that many investors are currently feeling.

#### Rent / Vacancy Insight

On the vacancy front, though, the picture is brighter as vacancy in both product segments (buildings aged five to 50 years and those older than 50 years) continued to tick down from a high in Q1 and Q2 of 2023. Additionally, because there is little new inventory currently under construction, we expect the market to further tighten as the population grows in the absence of appreciable additional supply.

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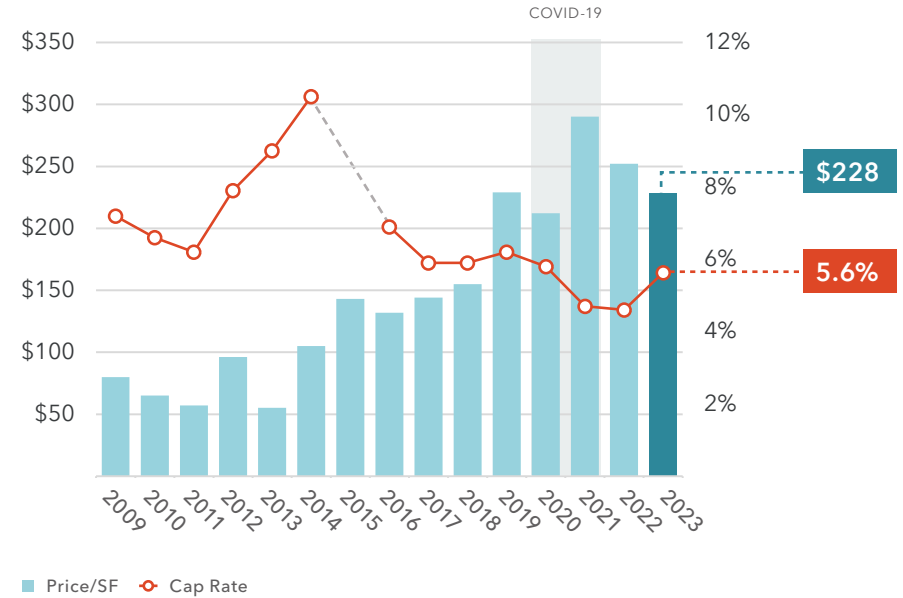
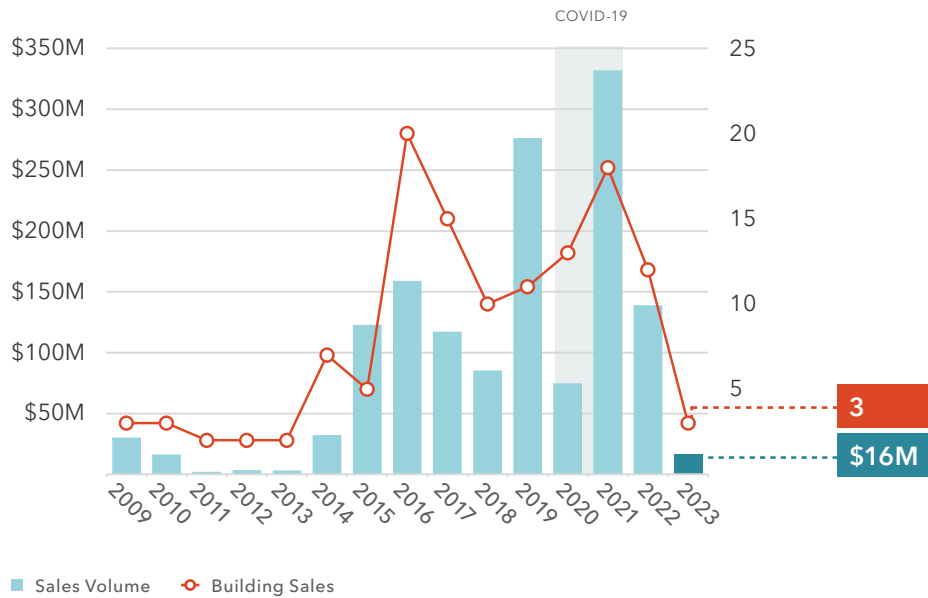
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



#### INVENTORY

	Units	Buildings
TOTAL	11,588	204
5 TO 50 UNITS	2,344	137
50+ UNITS	9,244	67
12-MONTH DELIVERIES	361	4
AVERAGE UNIT SIZE	848 SF	

# SALES TRENDS



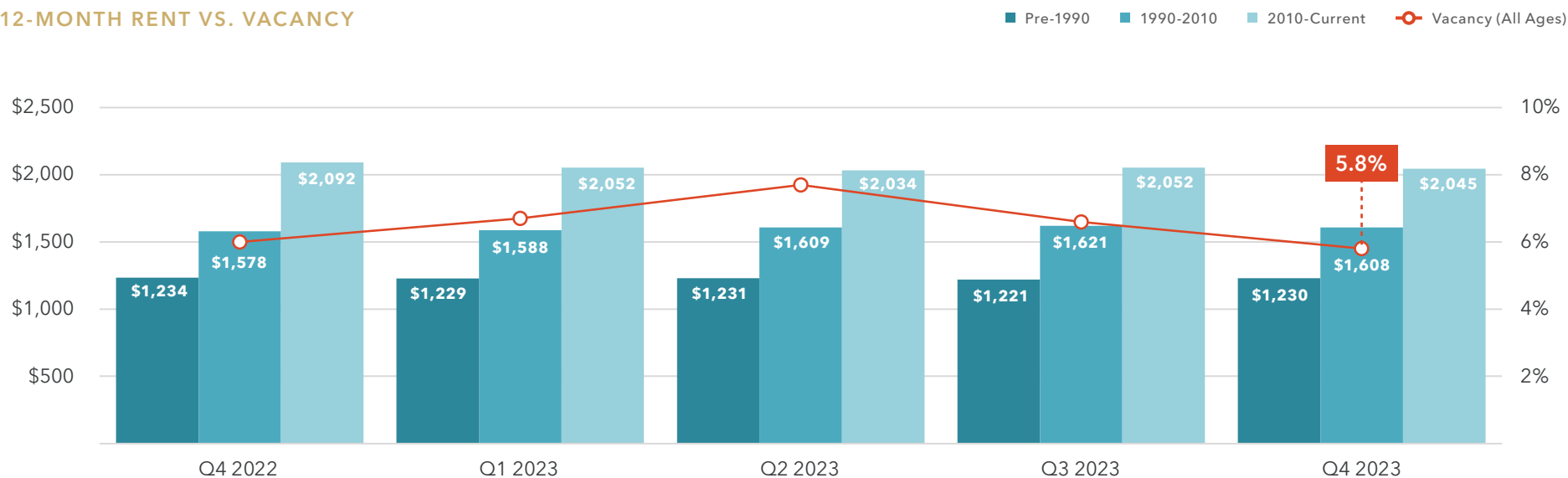
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q4 2023	Y-O-Y Change	2023
BUILDING SALES	15	10	11	13	18	12	2	N/A	No Sales	▼ 75%	3
SALES VOLUME	\$117M	\$85M	\$276M	\$75M	\$332M	\$139M	\$3M	N/A	No Sales	▼ 88%	\$16M
PRICE/UNIT	\$132K	\$138K	\$222K	\$196K	\$255K	\$233K	\$134K	N/A	No Sales	▼ 4%	\$224K
PRICE/SF	\$144	\$155	\$229	\$212	\$290	\$252	\$219	N/A	No Sales	▼ 10%	\$228
CAP RATE	5.9%	5.9%	6.2%	5.8%	4.7%	4.6%	5.7%	N/A	No Sales	▲ 108 bps	5.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

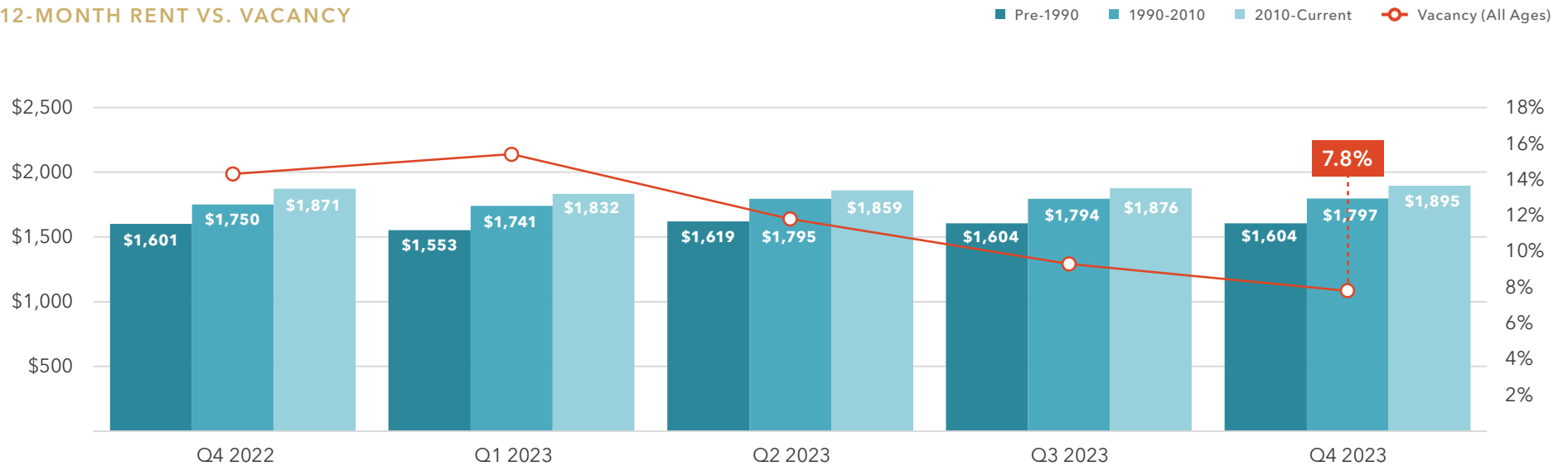
	2017	2018	2019	2020	2021	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,215	\$1,258	\$1,313	\$1,351	\$1,410	\$1,442	\$1,450	▼ 0.3%	\$1,443	▲ 0.1%	\$1,445
RENT/SF	\$1.50	\$1.55	\$1.62	\$1.66	\$1.74	\$1.78	\$1.79	▼ 1%	\$1.78	No Change	\$1.78
VACANCY	4.8%	5.5%	4.5%	3.6%	3.1%	6.0%	6.0%	▼ 20 bps	6.6%	▲ 80 bps	5.8%

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	2022	Q4 2022	12-Month Change	Q3 2023	90-Day Change	Q4 2023
RENT	\$1,357	\$1,448	\$1,514	\$1,563	\$1,818	\$1,730	\$1,728	▲ 1%	\$1,741	▲ 0.4%	\$1,748
RENT/SF	\$1.60	\$1.70	\$1.78	\$1.84	\$2.14	\$2.04	\$2.04	▲ 1%	\$2.05	▲ 0.5%	\$2.06
VACANCY	5.6%	5.8%	6.4%	6.2%	5.2%	13.4%	14.3%	▼ 650 bps	9.3%	▼ 150 bps	7.8%

All building ages, 5+ unit apartment buildings

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*STRATEGIC.*  
INNOVATIVE.  
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*Team Founders*

**DYLAN SIMON**

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 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



**WINSLOW LEE**  
Vice President



**MAX FRAME**  
Vice President



**JD FULLER**  
Associate



**RYDER TUTTLE**  
Analyst



**CASSIE PIETERS**  
Broker Assistant



**ALICE LUNDT**  
Broker Assistant



**MATTIE TONSETH**  
Marketing Assistant



**ASHLEY WOODLIFF**  
Marketing Assistant



## 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

## *Simon/Anderson Multifamily Team*

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