

2021 YEAR-END APARTMENT SALES STUDY

OREGON & SW WASHINGTON

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MULTIFAMILY INVESTMENT SALES SPECIALISTS

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INTRODUCTION

MARCH 2022

Our year-end report for last year (2020) summed up the multifamily sales market as “resilient”. If we were to sum up 2021 in one word it would be “smashing”!

Having found a manageable path through a once in a century pandemic, stimulated by a quickly rebounding economy and historical low interest rates, the multifamily sales market started slow in 2021, but by the end of the year saw sales activity never before seen in this market, setting new records in pricing across most submarkets.

Investors, flush with cash and looking for safe places to invest, came to Oregon and SW Washington on a buying spree. This was especially evident in the third and fourth quarters of 2021, where over \$3 billion in sales took place in a six-month period, fueled by a plethora of institutional sales over \$20 million, which accounted for over 80% of the sales volume during that time. The combination of investors hungry to deploy cash, decreasing vacancies and increasing rent growth created perfect conditions to set new records for sales volume, price per unit, cap rate, and price per square indicators.



MULTIFAMILY INVESTMENT SALES SPECIALISTS

With our extensive experience and unsurpassed market knowledge, the Portland Kidder Mathews multifamily team is the market leader in multifamily brokerage services in Oregon and Southwest Washington.

We focus on the acquisition and disposition of traditional apartments, new construction apartments, mixed-use buildings, and development land. With over \$1B in sales, our team continues to set the bar, both in terms of pricing and client services.

\$1.16B
TOTAL VALUE SOLD &
UNDER CONTRACT

9,571
TOTAL UNITS SOLD &
UNDER CONTRACT

487,045 SF
DEVELOPMENT LAND SOLD
& UNDER CONTRACT

\$127.3M
ACTIVE LISTINGS & LISTINGS
COMING TO MARKET

MEET THE TEAM

Clay Newton

Executive Vice President



Clay has been a leader in the Portland multifamily market for more than 20 years, specializing in the representation of apartment owners and investors of assets valued between \$2 and \$30M. He is a frequent speaker at industry events and has sold over \$1 billion dollars in commercial real estate. He is currently the chair of Cannon Beach planning commission and has served on numerous boards and committees. A native Oregonian, Clay joined Kidder Mathews in 2013, helping take the multifamily team to new heights year after year.

Jordan Carter

Executive Vice President



Jordan has been with Kidder Mathews since 2006 when he started the multifamily team in the Portland office. A licensed attorney by trade and a frequent speaker at industry events, he specializes in everything multifamily and has closed more than \$670 million in transactions since 2015. Jordan's legal background and knowledge of the construction industry benefit his clients by bringing a unique perspective to help evaluate and facilitate multifamily transactions.

Tyler Linn

Vice President



Tyler brings an accounting background to brokerage, where he specializes in the representation of owners in the disposition and acquisition of multifamily properties, as well as business development and transaction management and advisory services.



2021 IN REVIEW

OREGON & SW WASHINGTON 2021 SALES METRICS

Stabilizing market fundamentals combined with a loosening of lending restraints, particularly around delinquent rent, interest rates remaining at or near historic lows, and increasing rents ignited the Oregon and SW Washington markets in 2021. Particularly active in 2021 were institutional investors who accounted for a greater share of sales than historic norms. 2021 had a total sales volume of \$4.29 billion dollars, or an increase of approximately 118% over 2020. In 2020 there was \$1.5 billion dollars in sales of institutional properties while 2021 had \$3.69 billion dollars of institutional sales.

Of particular interest in 2021, were the sale of many privately held portfolios. Frustration with local politics, older buildings, and estate planning were among the reasons several long-term owners elected to sell.

	Portland Metro	Willamette Valley	Central Oregon
TOTAL NO. OF SALES	215	31	5
TOTAL SALES VOLUME	\$3.95B	\$270M	\$73M
PRICE/UNIT (AVERAGE)	\$217,799	\$170,578	\$243,739
PRICE/SF (AVERAGE)	\$263	\$193	\$233
CAP RATE (AVERAGE)	4.73%	5.29%	3.93%

2020 Market Fundamentals

	Portland Metro				Willamette Valley	Central Oregon
	Multnomah County	Clackamas County	Washington County	Clark County	Marion & Lane County	Deschutes County
Population	815,428	421,401	600,372	508,795	728,891	198,253
No. of Apartment Units	108,939	23,511	53,539	32,225	51,786	25,770
% Renters	43.1%	26.1%	36.7%	30.0%	37.5%	33.3%
Avg Rent	\$1,491	\$1,584	\$1,617	\$1,531	\$1,211	\$1,579
Avg Household Income	\$101,613	\$108,409	\$111,740	\$96,623	\$77,257	\$93,370
YOY Employment Growth	5.99%	5.76%	6.00%	10.10%	3.63%	4.40%
YOY Wage Growth	11.8%	11.9%	23.7%	12.7%	10.7%	17.0%



1 Institutional sales accounting for 93.5% of total sales in 2021, more than doubled the total sales volume and number of sales in 2021.

2 Low sales volume in 2020, was shown not to be an issue of demand, but supply as investors grabbed up properties offered for sale in 2021 - more than doubling sales volume and number of buildings sold.

3 We attribute the price per sf lowering in 2021, due to a shift from a majority of urban apartments selling with smaller unit sizes in 2020, to a number of suburban apartments, with larger unit sizes selling in 2021.

4 A number of student housing properties, which typically have higher capitalization rates, sold in 2021 which moved the average capitalization rate upward for the year.

2021 SALES METRICS BY SUBMARKET

2021 saw a continued movement toward investments in markets typically considered second tier to Portland.

Evidence of this can be seen in an exploding volume of sales in the Willamette Valley and price per-unit/cap rates in Central Oregon that rival that of any submarket in the survey.

PORTLAND MSA

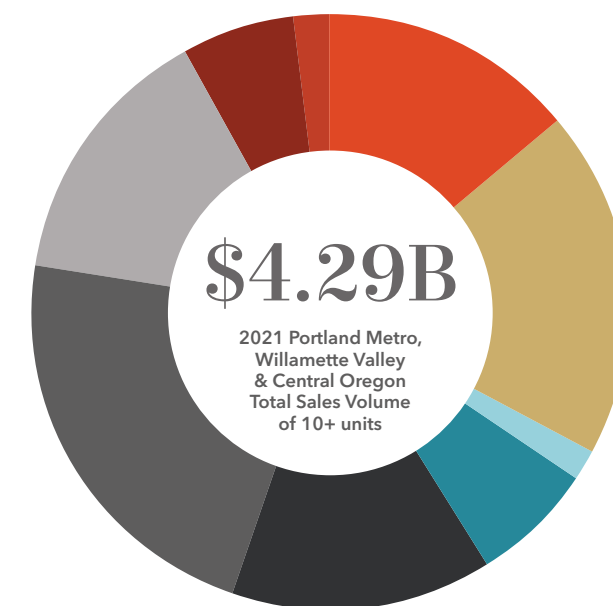
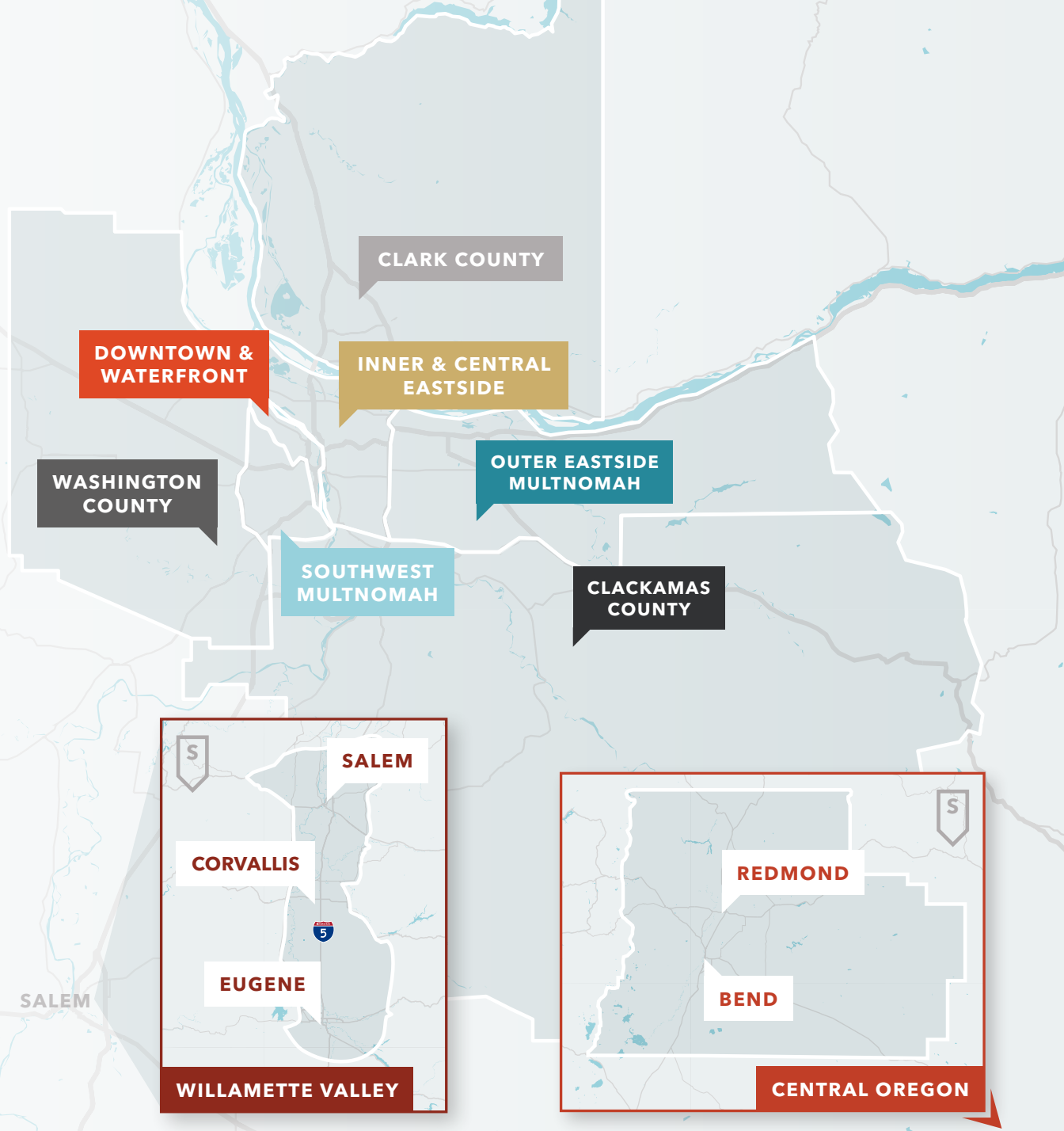
With nearly 92% of sales, the Portland MSA remains the engine behind the Oregon and SW Washington markets. While 2020 was tumultuous for the area, 2021 proved the area is still a darling for investors, especially institutions, on the West Coast.

WILLAMETTE VALLEY

Building on Momentum from 2020, the Willamette Valley saw record breaking sales volume and in-turn, improving sales metrics for the area. Deal hungry institutional investors made their mark in this conventionally over-looked market segment.

CENTRAL OREGON

Central Oregon continues to punch over its weight in our survey. While sales volume is still low, the sales metrics rival the other markets in our survey.



Region	Total No. of Sales	Total Sales as % of Inventory*	Sales Volume	Average Price/Unit	Average Price/SF	Average Cap Rate
DOWNTOWN & SW WATERFRONT	23	5.9%	\$597M	\$254,551	\$433	4.65%
INNER & CENTRAL EASTSIDE	61	6.3%	\$820M	\$220,595	\$278	4.80%
SOUTHWEST MULTNOMAH CO	14	6.0%	\$63M	\$180,915	\$215	4.67%
OUTER EASTSIDE MULTNOMAH CO	27	4.7%	\$292M	\$175,764	\$185	4.98%
CLACKAMAS CO	30	9.3%	\$601M	\$212,196	\$222	4.84%
WASHINGTON CO	29	5.6%	\$958M	\$228,584	\$253	4.46%
CLARK CO (WA)	31	7.1%	\$614M	\$233,543	\$245	4.63%
WILLAMETTE VALLEY**	31	2.7%	\$270M	\$170,578	\$193	5.29%
CENTRAL OREGON**	5	4.9%	\$73M	\$243,739	\$233	3.93%

* INVENTORY = TOTAL NO. OF BUILDINGS IN EACH SUBMARKET ONLY INCLUDES SALES OF 10+ UNITS





SUBMARKET BREAKDOWNS

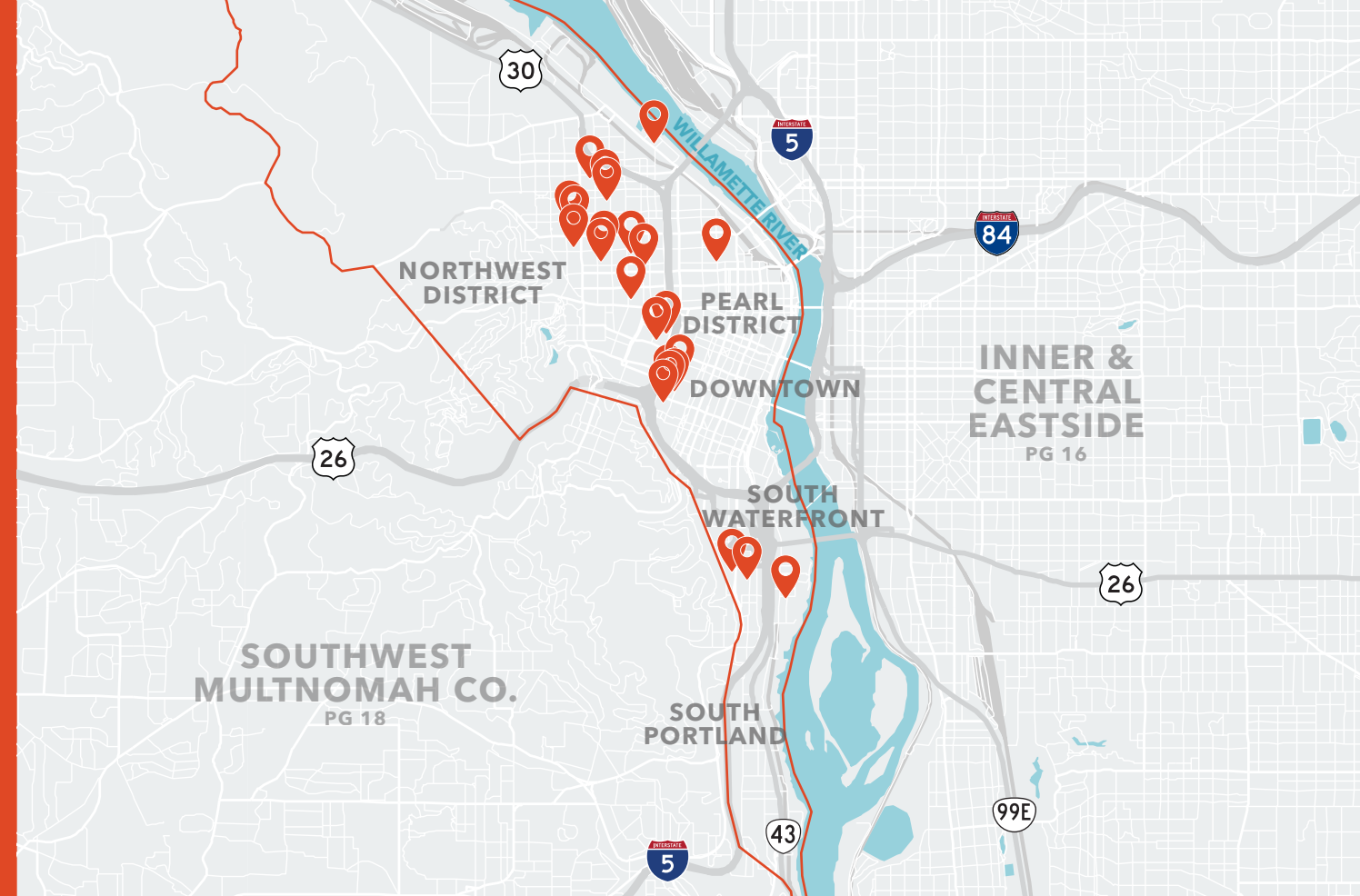
What a difference a year can make. Having been rocked in 2020 by protests, civil unrest and the effects of a pandemic, once the City's core settled down and people started to return to work, activity in this submarket took off.

Sales volume as a whole went from a mere \$306M in 2020 to \$597M in 2021, and the total number of sales increased to 23, up from 11 the year prior. 2021 saw nine institutional sales, versus just two the year prior. As a result, average per-unit pricing and per-SF pricing soared 15% and 30%, respectively, up to \$254,551 per-unit and \$423/SF. Cap rates decreased to an average of 4.94%, compared to 5.40% the year prior.

In addition to a larger number of sales of institutional properties, the market also saw a private portfolio of ten vintage apartment buildings trade helping boost the overall sales numbers.

Look for this submarket to continue its rebound from a tough 2020, as more workers come back to the city's core and Portland continues cleaning up from COVID's collateral damage.

DOWNTOWN & SOUTHWEST WATERFRONT



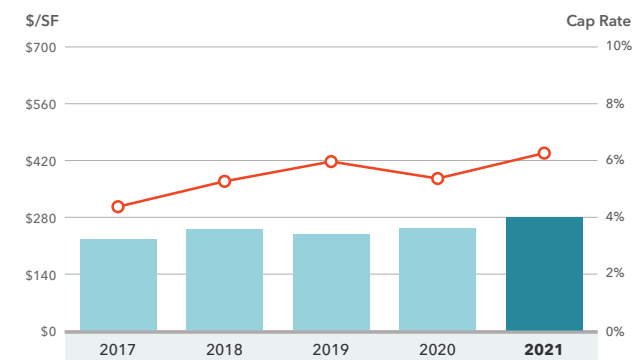
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	18 ▲	13 ▼	11 ▼	23 ▲
Sales Volume	\$447M ▲	\$487M ▲	\$306M ▼	\$597M ▲
Price/Unit (Avg)	\$383,281 ▲	\$331,182 ▼	\$383,837 ▲	\$254,551 ▼
Price/SF (Avg)	\$341 ▲	\$299 ▼	\$315 ▲	\$423 ▲
Cap Rate (Avg)	5.1% ▲	4.3% ▼	5.4% ▲	4.94% ▼
Avg Rent	\$1,670 ▲	\$1,675 ▲	\$1,631 ▼	\$1,721 ▲
Total Units*	19,862	20,618	21,661	23,281

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

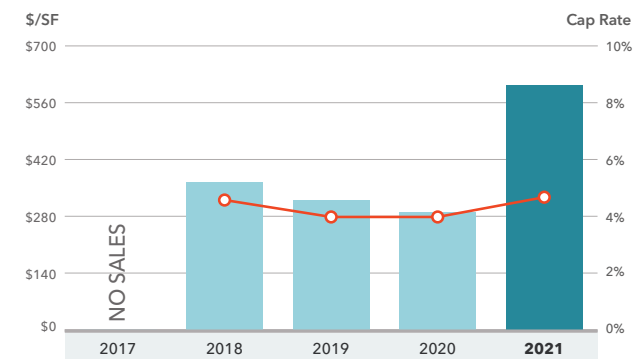
SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

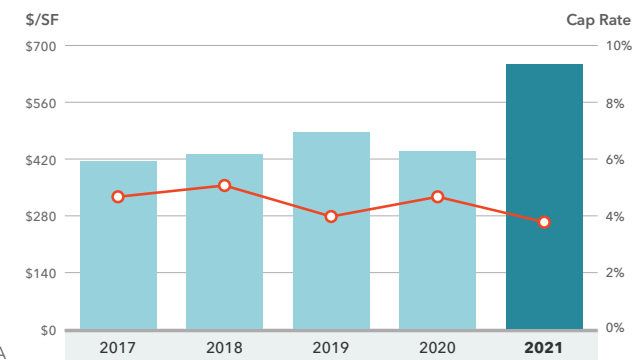
	10-50 Units	50+ Units
No. of Sales	12	1
Sales Volume	\$34,846,451	\$9,400,000
Price/Unit (Avg)	\$159,176	\$140,229
Price/SF (Avg)	\$234	\$313
Cap Rate (Avg)	5.04%	5.25%

Built 1995-2010



	10-50 Units	50+ Units
No. of Sales	1	2
Sales Volume	\$7,750,000	\$116,962,399
Price/Unit (Avg)	\$484,375	\$414,375
Price/SF (Avg)	\$362	\$722
Cap Rate (Avg)	5.25%	4.13%

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	-	7
Sales Volume	-	\$428,271,022
Price/Unit (Avg)	-	\$355,878
Price/SF (Avg)	-	\$653
Cap Rate (Avg)	-	3.80%

DOWNTOWN & SOUTHWEST WATERFRONT

9,338
TOTAL UNITS IN SUBMARKET

40%
OF SUBMARKET INVENTORY

611
AVG UNIT SIZE (SF)

3,804
UNITS

16%
OF INVENTORY

870
AVG UNIT SIZE (SF)

10,139
UNITS

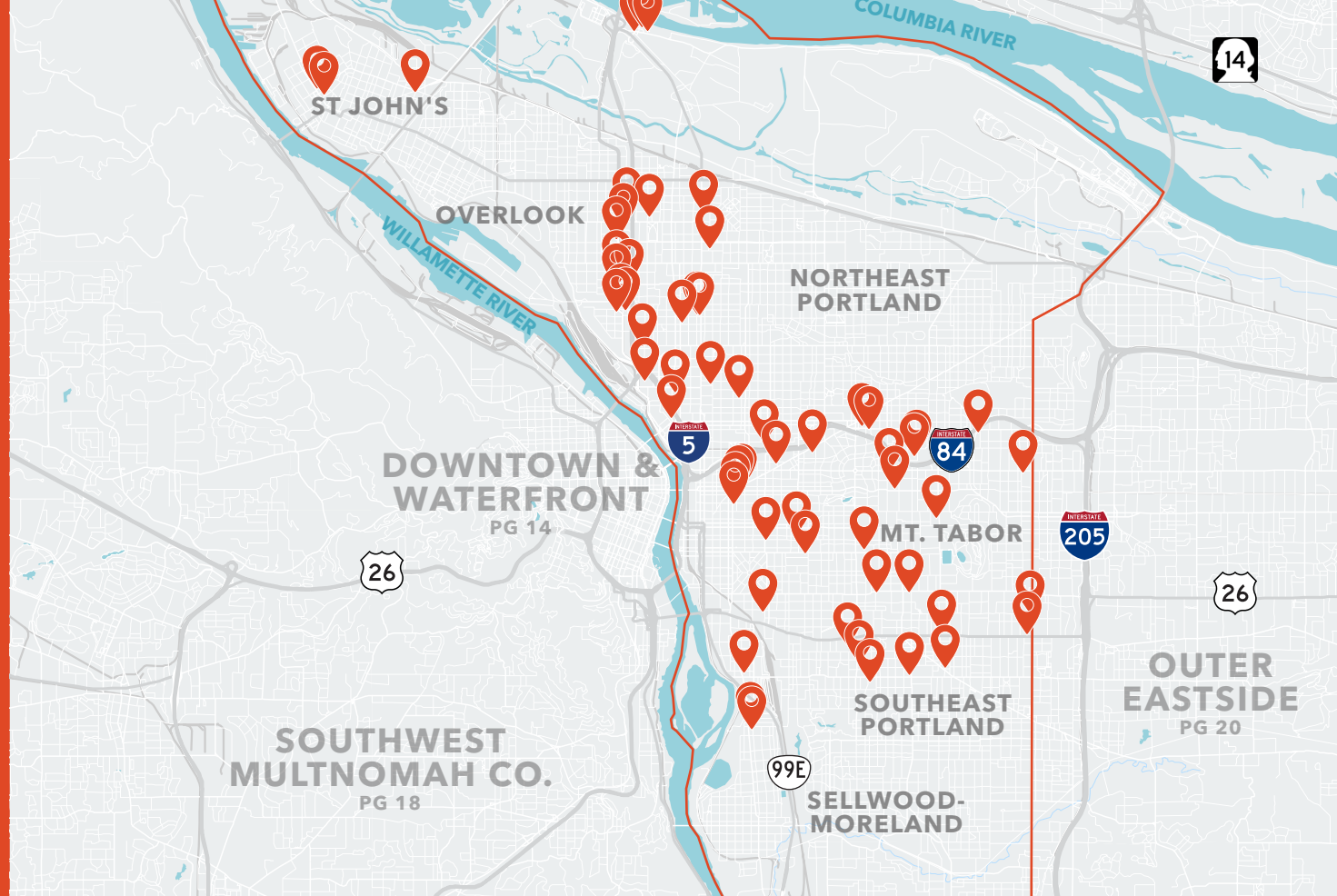
44%
OF INVENTORY

709
AVG UNIT SIZE (SF)

The Inner and Central Eastside submarket remained the Portland metro areas most actively transactional submarkets for sales, accounting for 33% of the metro-area's total overall sales. Sales volume also skyrocketed in 2021, with 61 sales accounting for over \$820M, compared to 31 sales and \$178M in 2020. The average price per-unit was actually up a small fraction of a percentage, while price/SF went up slightly to \$278/SF. Cap rates continued the same trend as the rest of the market, compressing below 5%, down to 4.80%.

As was the case with many other submarkets, this growth in volume was again driven by a dramatic increase in institutional sales (19 in 2021 vs. 3 in 2020). While we don't expect institutional sales to be as prolific in this submarket in 2022, we do expect this market to continue to be one of the most sought after in 2022, especially for newer construction.

Rent growth is finally starting to pick up as the number of new deliveries slow and new units get absorbed, creating the ability for investors to once again project increasing revenues across all property sizes in this submarket.



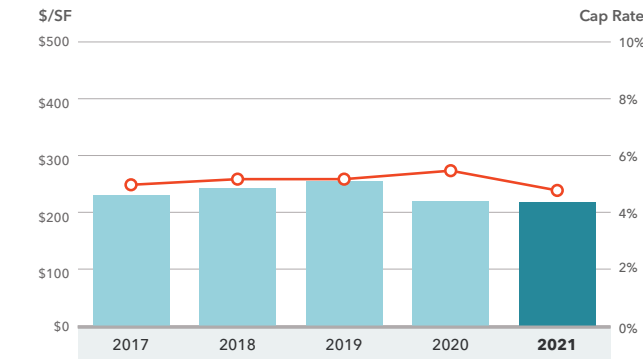
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	36 ▲	24 ▼	31 ▲	61 ▲
Sales Volume	\$272M ▲	\$153M ▼	\$178M ▲	\$820M ▲
Price/Unit (Avg)	\$228,669 ▼	\$237,647 ▲	\$220,497 ▼	\$220,595 ▲
Price/SF (Avg)	\$242 ▼	\$309 ▲	\$265 ▼	\$278 ▲
Cap Rate (Avg)	4.9% ▼	5.1% ▲	5.2% ▲	4.80% ▼
Avg Rent	\$1,515 ▼	\$1,469 ▼	\$1,440 ▼	\$1,569 ▲
Total Units*	24,825	27,563	29,685	30,467

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

	10-50 Units	50+ Units
No. of Sales	25	2
Sales Volume	\$76,707,000	\$23,895,000
Price/Unit (Avg)	\$177,482	\$179,196
Price/SF (Avg)	\$217	\$228
Cap Rate (Avg)	4.86%	4.50%

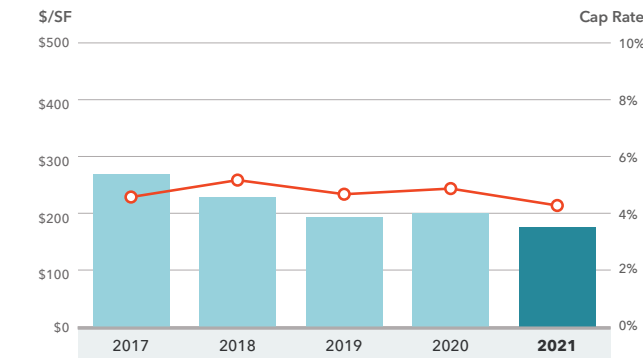
INNER & CENTRAL EASTSIDE

13,131
TOTAL UNITS IN SUBMARKET

43%
OF SUBMARKET INVENTORY

796
AVG UNIT SIZE (SF)

Built 1995-2010



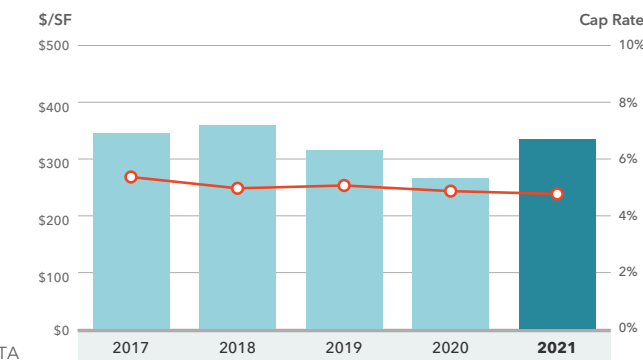
	10-50 Units	50+ Units
No. of Sales	-	2
Sales Volume	-	\$57,600,000
Price/Unit (Avg)	-	\$233,302
Price/SF (Avg)	-	\$175
Cap Rate (Avg)	-	4.28

2,023
UNITS

7%
OF INVENTORY

829
AVG UNIT SIZE (SF)

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	16	16
Sales Volume	\$57,055,580	\$604,870,000
Price/Unit (Avg)	\$225,206	\$282,091
Price/SF (Avg)	\$348	\$323
Cap Rate (Avg)	5.22%	4.54%

15,313
UNITS

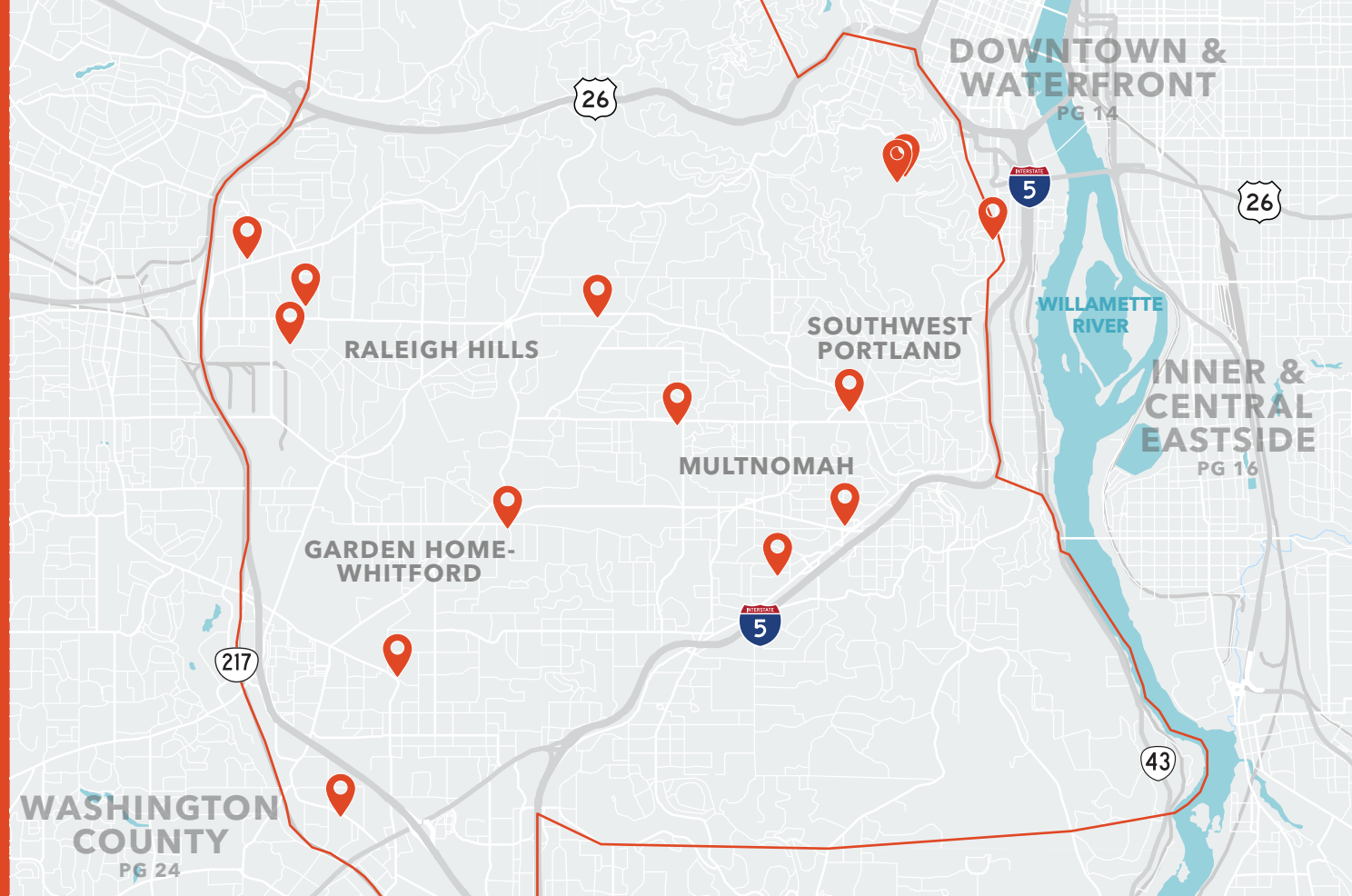
50%
OF INVENTORY

720
AVG UNIT SIZE (SF)

Considered by many to be one of the most stable investment markets in the metro area, SW Multnomah County's is the only submarket that actually saw fewer sales in 2021 than in 2020. Sales volume fell in to \$58.8M, down from \$130M in 2020, and only one institutional sale took place out of the 14 total sales.

Investors like this submarket and are often reluctant to sell solid performing assets, so not surprisingly, when properties do trade, they tend to have strong pricing, with cap rates continued to compressing in 2021 to 4.67%, down from 5.20% in 2020. Interestingly, price per-unit indicators also dropped about 30% from the prior year, but this was primarily due to the lack of institutional sales, which tend to have much higher pricing metrics.

Look for this submarket to continue along the same trends in 2022, not a lot of sales as owners will be content with their low-risk investments and not be looking to trade out of low risk, stable returning investments.



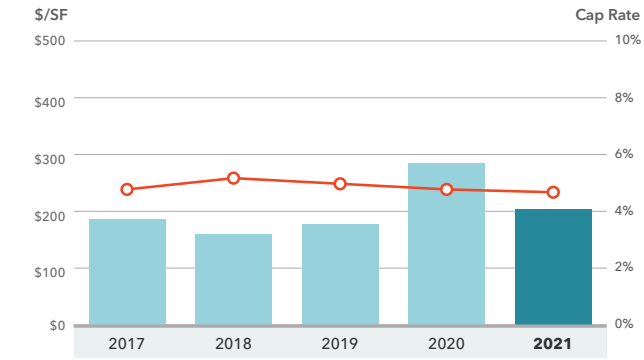
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	3 ▼	10 ▲	11 ▲	14 ▲
Sales Volume	\$8M ▼	\$132M ▲	\$130M ▼	\$62.7M ▼
Price/Unit (Avg)	\$129,290 ▼	\$227,004 ▲	\$245,164 ▲	\$180,915 ▼
Price/SF (Avg)	\$139 ▼	\$225 ▲	\$263 ▲	\$215 ▼
Cap Rate (Avg)	5.4% ▲	5.2% ▼	5.2% =	4.67% ▼
Avg Rent	\$1,217 ▲	\$1,259 ▲	\$1,305 ▲	\$1,365 ▼
Total Units*	9,895	10,082	10,491	10,097

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

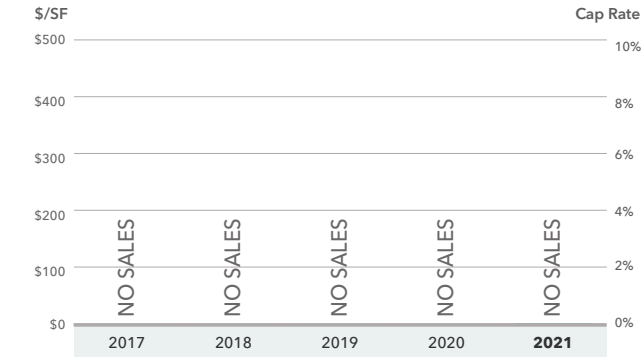
SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

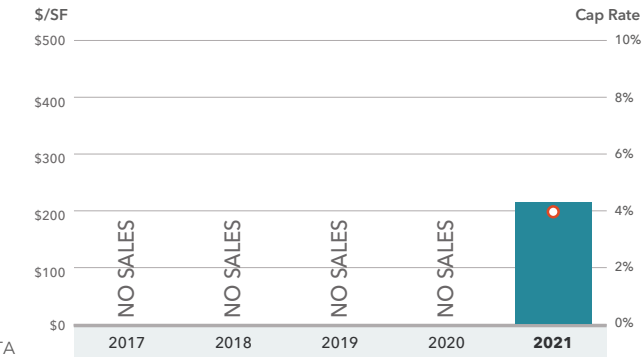
	10-50 Units	50+ Units
No. of Sales	12	1
Sales Volume	\$47,883,546	\$11,000,000
Price/Unit (Avg)	\$168,527	\$189,655
Price/SF (Avg)	\$188	\$189
Cap Rate (Avg)	4.92%	2.90%

Built 1995-2010



	10-50 Units	50+ Units
No. of Sales	-	-
Sales Volume	-	-
Price/Unit (Avg)	-	-
Price/SF (Avg)	-	-
Cap Rate (Avg)	-	-

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	1	-
Sales Volume	\$3,850,000	-
Price/Unit (Avg)	\$320,833	-
Price/SF (Avg)	\$215	-
Cap Rate (Avg)	3.99%	-

SOUTHWEST MULTNOMAH COUNTY

8,755
TOTAL UNITS IN SUBMARKET

87%
OF SUBMARKET INVENTORY

842
AVG UNIT SIZE (SF)

517
UNITS

5%
OF INVENTORY

948
AVG UNIT SIZE (SF)

825
UNITS

8%
OF INVENTORY

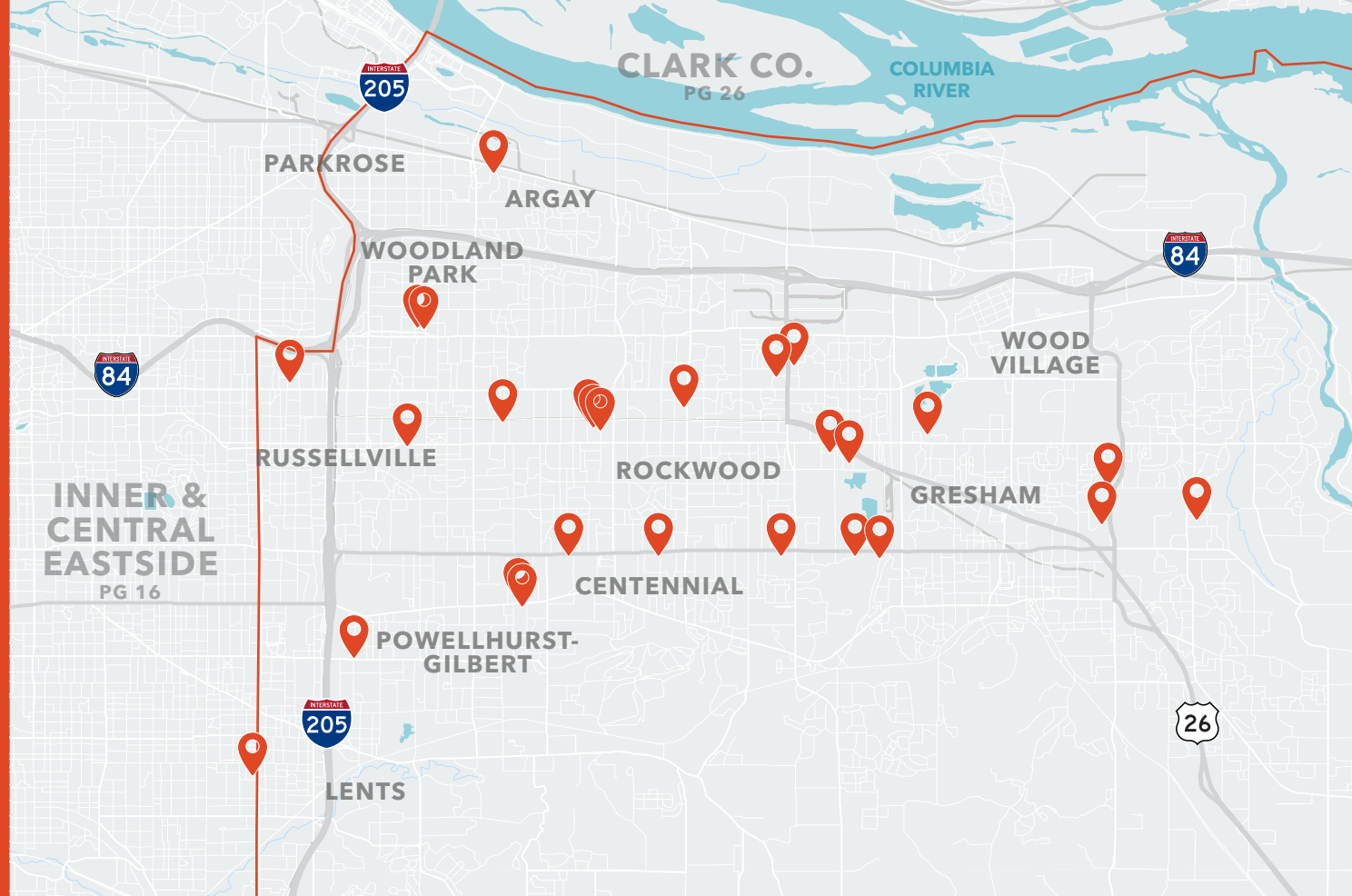
733
AVG UNIT SIZE (SF)

SOUTHWEST MULTNOMAH COUNTY

This submarket was hit particularly hard as it has a large percentage of blue collars tenants who had been disproportionately affected by the COVID pandemic, impacting collections and making it more difficult to sell or finance.

While sales volume and velocity did increase in this submarket, it did not increase as dramatically as some of the other submarkets. In 2021 there were 24 sales for \$292M, versus 13 in 2020 for \$115M. While activity did increase in 2021, it was still below historic volumes set in 2018 and 2019, at \$218M and \$181M, respectively. Average price per-unit and per-SF ticked up, but average cap rates decreased by 62 basis points to 4.98%, from 5.60% in 2020.

As this is typically one of the most transactional submarkets in the whole metro-area, we anticipate sales number to pick up in 2022 as COVID subsides, and some owners who have been through trying times look to move to less trying investments.



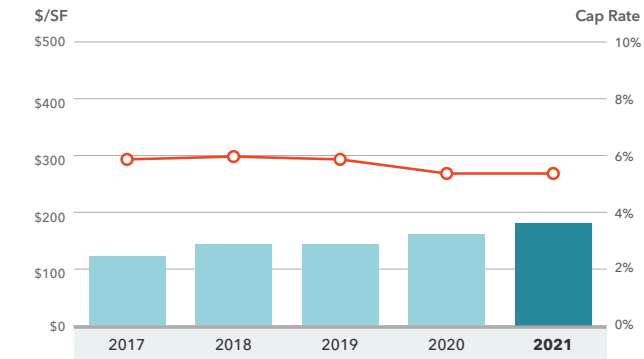
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	32 ▼	26 ▼	13 ▼	27 ▲
Sales Volume	\$218M ▲	\$181M ▼	\$115M ▼	\$292M ▲
Price/Unit (Avg)	\$154,506 ▼	\$167,405 ▲	\$105,950 ▼	\$175,864 ▲
Price/SF (Avg)	\$167 ▲	\$151 ▼	\$166 ▲	\$185 ▲
Cap Rate (Avg)	5.8% =	6.0% ▲	5.6% ▼	4.98% ▼
Avg Rent	\$1,153 ▲	\$1,191 ▲	\$1,220 ▲	\$1,379 ▲
Total Units*	22,669	23,109	23,588	23,598

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

	10-50 Units	50+ Units
No. of Sales	12	7
Sales Volume	\$66,088,000	\$175,076,828
Price/Unit (Avg)	\$157,065	\$203,598
Price/SF (Avg)	\$178	\$185
Cap Rate (Avg)	5.74%	4.20%

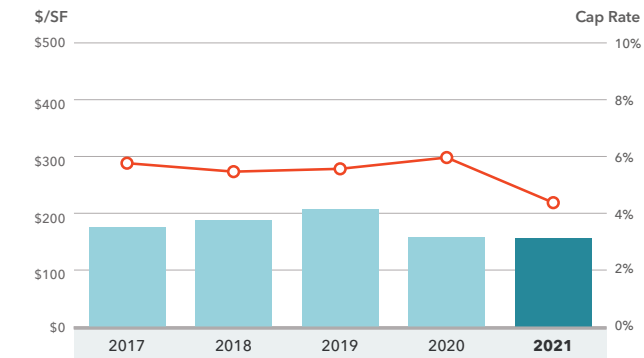
OUTER EASTSIDE MULTNOMAH COUNTY

14,835
TOTAL UNITS IN SUBMARKET

64%
OF SUBMARKET INVENTORY

872
AVG UNIT SIZE (SF)

Built 1995-2010



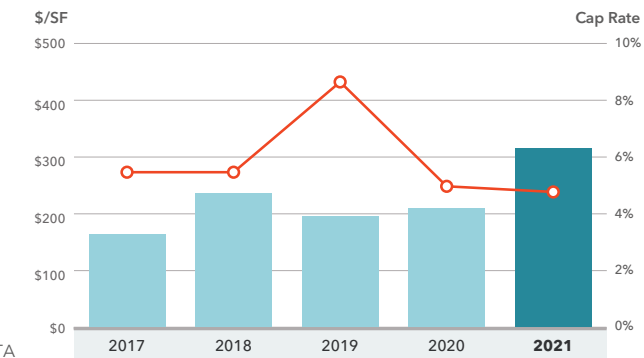
	10-50 Units	50+ Units
No. of Sales	5	1
Sales Volume	\$10,230,000	\$14,500,000
Price/Unit (Avg)	\$126,901	\$193,333
Price/SF (Avg)	\$144	\$203
Cap Rate (Avg)	4.16%	5.42%

7,349
UNITS

31%
OF INVENTORY

933
AVG UNIT SIZE (SF)

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	1	1
Sales Volume	\$7,850,000	\$31,010,000
Price/Unit (Avg)	\$194,444	\$289,173
Price/SF (Avg)	\$243	\$390
Cap Rate (Avg)	4.96%	-

1,414
UNITS

5%
OF INVENTORY

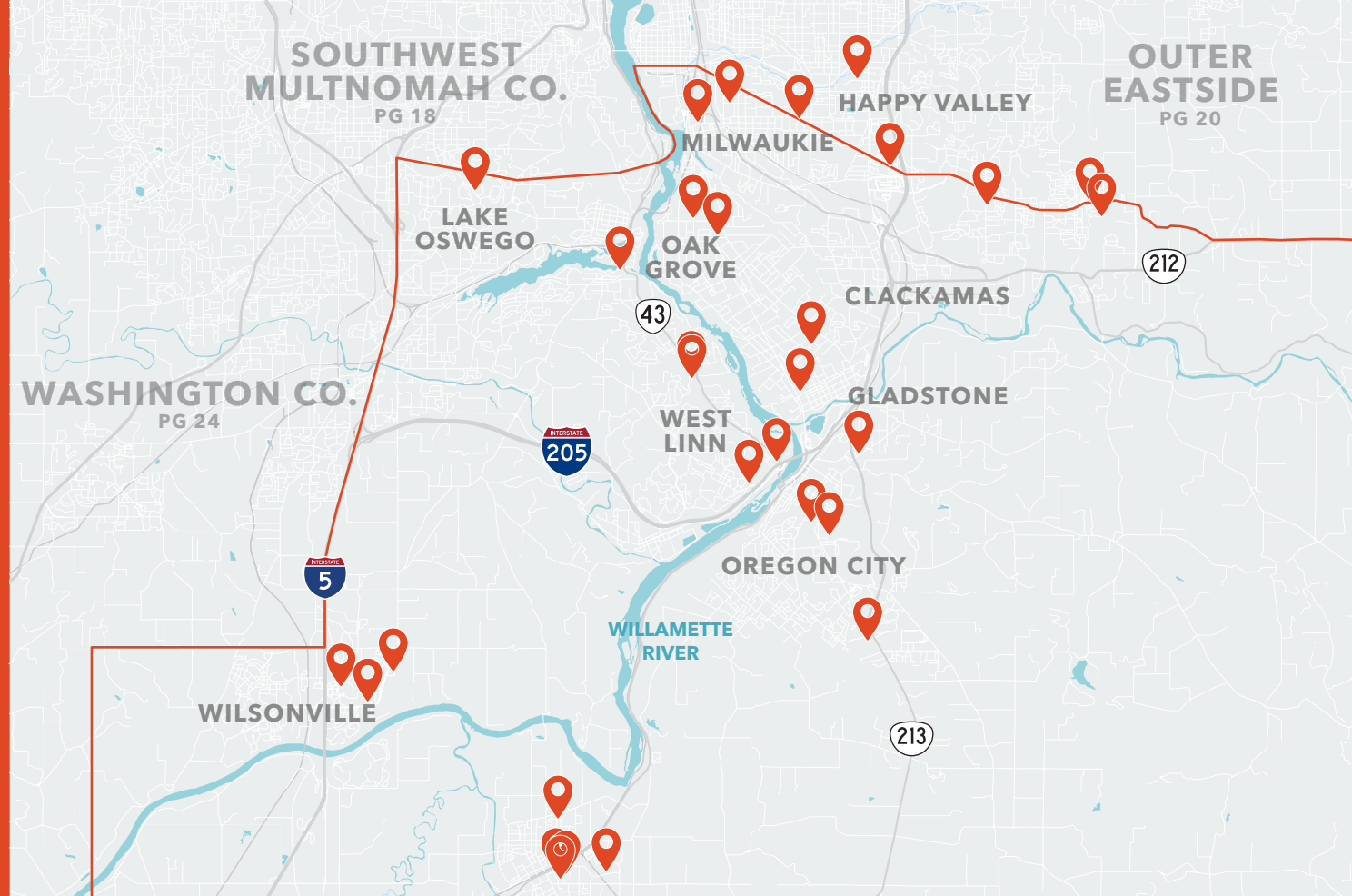
849
AVG UNIT SIZE (SF)

OUTER EASTSIDE MULTNOMAH COUNTY

Another of the metro areas stable markets, in 2021 Clackamas County's sales numbers increased substantially from 13 sales and \$147M in 2020 to 30 sales totaling \$601M in 2021. Interestingly, price per-SF dropped slightly in 2021 compared to 2020, but per-unit sales rose 5% to nearly \$211,000, and cap rates compressed from 5.70% in 2020 down to 4.84% in 2021.

Continuing the trend in other submarkets, institutional sales drove the majority of volume with 90.4% of the sales, and 12 sales over 80 units accounting for \$511M of the total sales volume. Like the SW Portland submarket, this market is extremely stable and in high demand by investors.

Clackamas County is highly popular with investors, as it is more landlord friendly than Multnomah County. Typically it is not a highly transactional market, but with nearly triple the number of sales in 2021 compared to 2020, more and more investors are looking for opportunities in this submarket.



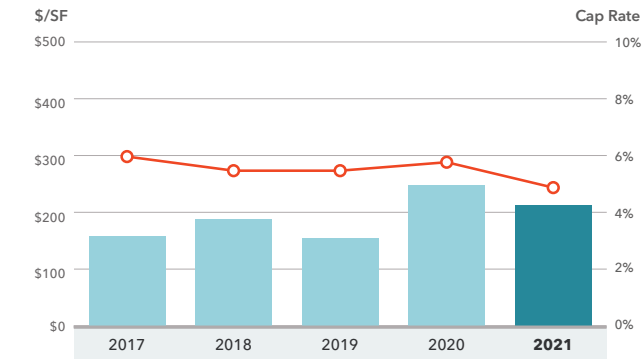
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	18 ▼	17 ▼	13 ▼	30 ▲
Sales Volume	\$209M ▼	\$172M ▼	\$147M ▼	\$601M ▲
Price/Unit (Avg)	\$199,013 ▼	\$205,423 ▲	\$258,628 ▲	\$210,634 ▼
Price/SF (Avg)	\$238 ▲	\$202 ▼	\$272 ▲	\$222 ▼
Cap Rate (Avg)	5.9% ▼	5.4% ▼	5.7% ▲	4.84% ▼
Avg Rent	\$1,300 ▲	\$1,342 ▲	\$1,366 ▲	\$1,570 ▲
Total Units*	22,369	22,617	22,807	23,223

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

	10-50 Units	50+ Units
No. of Sales	14	12
Sales Volume	\$53,781,000	\$445,200,000
Price/Unit (Avg)	\$172,245	\$234,925
Price/SF (Avg)	\$171	\$261
Cap Rate (Avg)	5.42%	4.23%

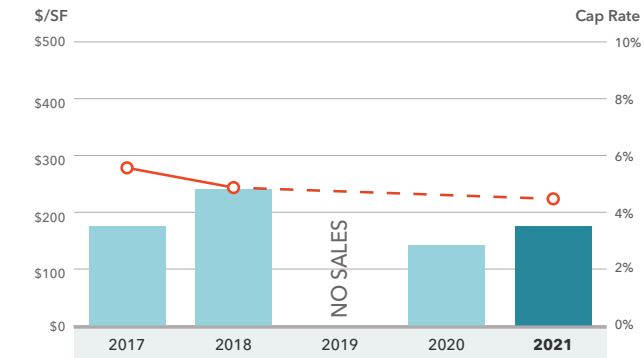
CLACKAMAS COUNTY

14,573
TOTAL UNITS IN SUBMARKET

63%
OF SUBMARKET INVENTORY

871
AVG UNIT SIZE (SF)

Built 1995-2010



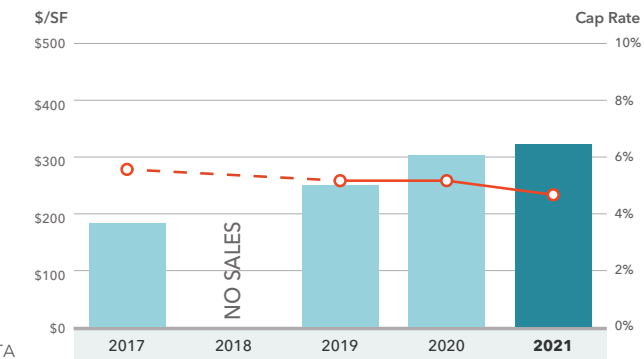
	10-50 Units	50+ Units
No. of Sales	-	1
Sales Volume	-	\$12,800,000
Price/Unit (Avg)	-	\$175,342
Price/SF (Avg)	-	\$175
Cap Rate (Avg)	-	4.50%

5,094
UNITS

22%
OF INVENTORY

939
AVG UNIT SIZE (SF)

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	1	2
Sales Volume	\$4,000,000	\$85,000,000
Price/Unit (Avg)	\$222,222	\$368,895
Price/SF (Avg)	\$259	\$355
Cap Rate (Avg)	4.95%	4.47%

3,556
UNITS

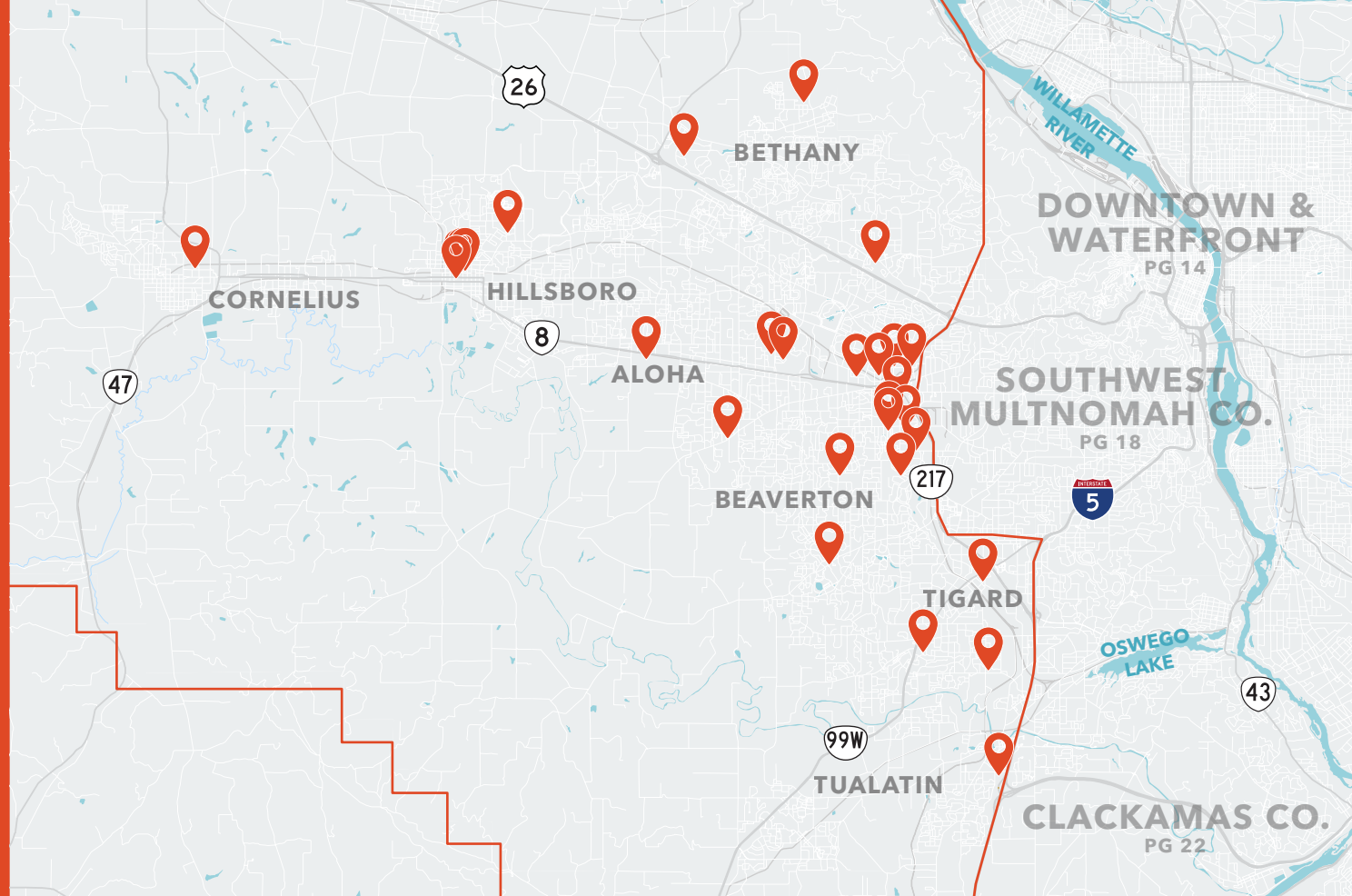
15%
OF INVENTORY

972
AVG UNIT SIZE (SF)

Another darling of the submarkets is Washington County, home to major global companies like Nike, Intel, and Columbia Sportswear. Sales in this submarket were strong in 2021, with 29 sales for \$958M versus 2020, which saw 17 sales totaling \$399M. Average cap rates dipped down to 4.46% in 2021, versus 5.20% in 2020, while average per-unit pricing jumped about 5%, to nearly \$228,584/unit.

Led by a strong institutional sales year in 2021, nearly 92% of the total sales volume was attributed to twelve institutional sales within the market. Cap rates on the larger value-add institution properties hit historic lows, with several sales closing at mid-3% cap rates, and one even a mid-2% cap rate.

Expect Washington County to remain on just about every investor's hot list for the foreseeable future. While private capital sales were on the slow side for this submarket, this was not due to a lack of demand, but solely a lack of supply as private owners in this submarket tend to be less transactional, especially with rent growth that has picked up over the last year.



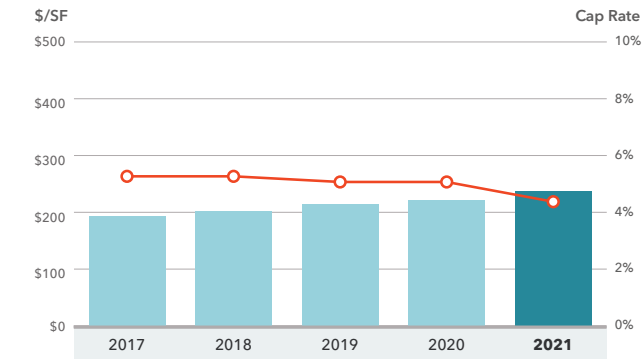
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	29 ▲	27 ▼	17 ▼	29 ▲
Sales Volume	\$764M ▲	\$532M ▼	\$399M ▼	\$958M ▲
Price/Unit (Avg)	\$222,539 ▲	\$248,751 ▲	\$239,926 ▼	\$228,584 ▼
Price/SF (Avg)	\$238 ▲	\$210 ▼	\$230 ▲	\$253 ▲
Cap Rate (Avg)	5.1% ▬	5.5% ▲	5.2% ▼	4.46% ▼
Avg Rent	\$1,354 ▲	\$1,453 ▲	\$1,464 ▲	\$1,707 ▲
Total Units*	45,056	45,791	46,677	45,139

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

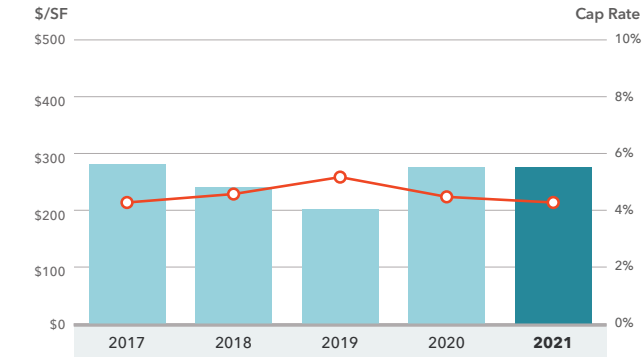
SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

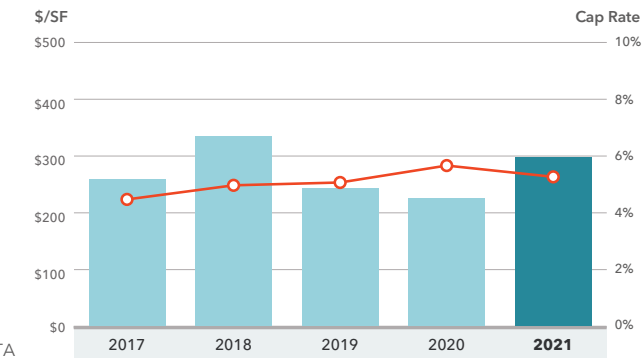
	10-50 Units	50+ Units
No. of Sales	14	6
Sales Volume	\$57,030,000	\$310,550,000
Price/Unit (Avg)	\$168,130	\$267,741
Price/SF (Avg)	\$211	\$299
Cap Rate (Avg)	4.88%	3.56%

Built 1995-2010



	10-50 Units	50+ Units
No. of Sales	2	2
Sales Volume	\$7,250,000	\$266,000,000
Price/Unit (Avg)	\$156,154	\$345,182
Price/SF (Avg)	\$132	\$421
Cap Rate (Avg)	6.00%	3.45%

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	1	4
Sales Volume	\$4,200,000	\$313,000,000
Price/Unit (Avg)	\$210,000	\$363,999
Price/SF (Avg)	\$225	\$316
Cap Rate (Avg)	6.06%	4.43%

WASHINGTON COUNTY

25,875
TOTAL UNITS IN SUBMARKET

57%
OF SUBMARKET INVENTORY

944
AVG UNIT SIZE (SF)

11,368
UNITS

25%
OF INVENTORY

979
AVG UNIT SIZE (SF)

7,121
UNITS

16%
OF INVENTORY

900
AVG UNIT SIZE (SF)

Clark County, WA and its largest city, Vancouver, have been increasingly on investors' radars over the last few years due to tax benefits (it's an income tax free state) and less landlord restrictions than in Portland. As Portland's largest suburb, Vancouver has seen a tremendous amount of growth of late, which doesn't appear to be slowing anytime soon.

Sales volume in Clark County was respectable in 2021, with 31 sales totaling \$614M, up from 20 sales and \$411M in 2020. Most impressively, average cap rates plummeted in 2021, at 4.63%, compared for 5.60% in 2020. Average per-unit and per-SF pricing also saw double digit growth, averaging nearly \$233,543 per-unit and \$245/SF for the year.

The private capital market saw seven newly constructed properties, just under 50 units sell in 2021, but otherwise the private capital market only realized modest gains in 2021. However, as is true for most submarkets in our report, the institutional sales increased substantially representing 84% of the total sales volume in the submarket and nearly 50% of total sales.



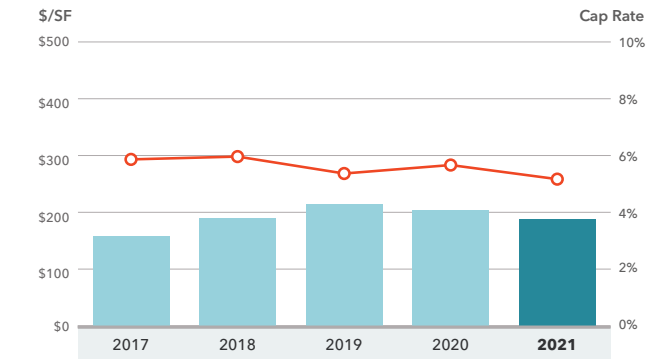
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	12 ▼	21 ▲	20 ▼	31 ▲
Sales Volume	\$180M ▼	\$430M ▲	\$411M ▼	\$614M ▲
Price/Unit (Avg)	\$194,431 ▲	\$200,004 ▲	\$224,735 ▲	\$233,543 ▲
Price/SF (Avg)	\$167 ▲	\$211 ▲	\$237 ▲	\$245 ▲
Cap Rate (Avg)	5.8% ▲	5.3% ▼	5.6% ▲	4.63% ▼
Avg Rent	\$1,405 ▲	\$1,447 ▲	\$1,504 ▲	\$1,650 ▲
Total Units*	27,582	29,199	30,475	31,591

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

	10-50 Units	50+ Units
No. of Sales	8	2
Sales Volume	\$20,194,500	\$127,850,000
Price/Unit (Avg)	\$151,022	\$235,427
Price/SF (Avg)	\$168	\$265
Cap Rate (Avg)	5.55%	4.38%

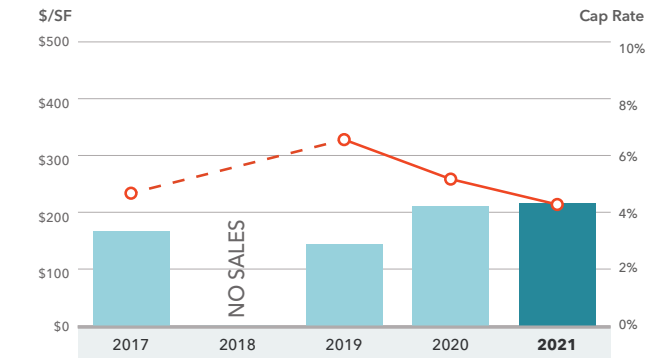
CLARK COUNTY

14,846
TOTAL UNITS IN SUBMARKET

47%
OF SUBMARKET INVENTORY

887
AVG UNIT SIZE (SF)

Built 1995-2010



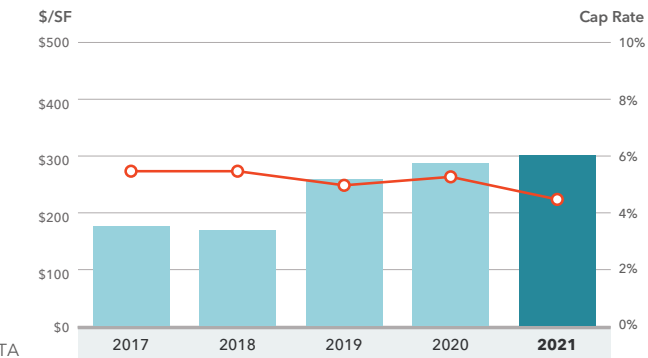
	10-50 Units	50+ Units
No. of Sales	2	5
Sales Volume	\$5,250,000	\$22,652,957
Price/Unit (Avg)	\$211,250	\$221,526
Price/SF (Avg)	\$140	\$247
Cap Rate (Avg)	5.51%	3.80%

7,315
UNITS

23%
OF INVENTORY

1,001
AVG UNIT SIZE (SF)

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	5	9
Sales Volume	\$46,860,134	\$300,850,000
Price/Unit (Avg)	\$285,427	\$289,283
Price/SF (Avg)	\$276	\$315
Cap Rate (Avg)	4.67%	4.38%

9,430
UNITS

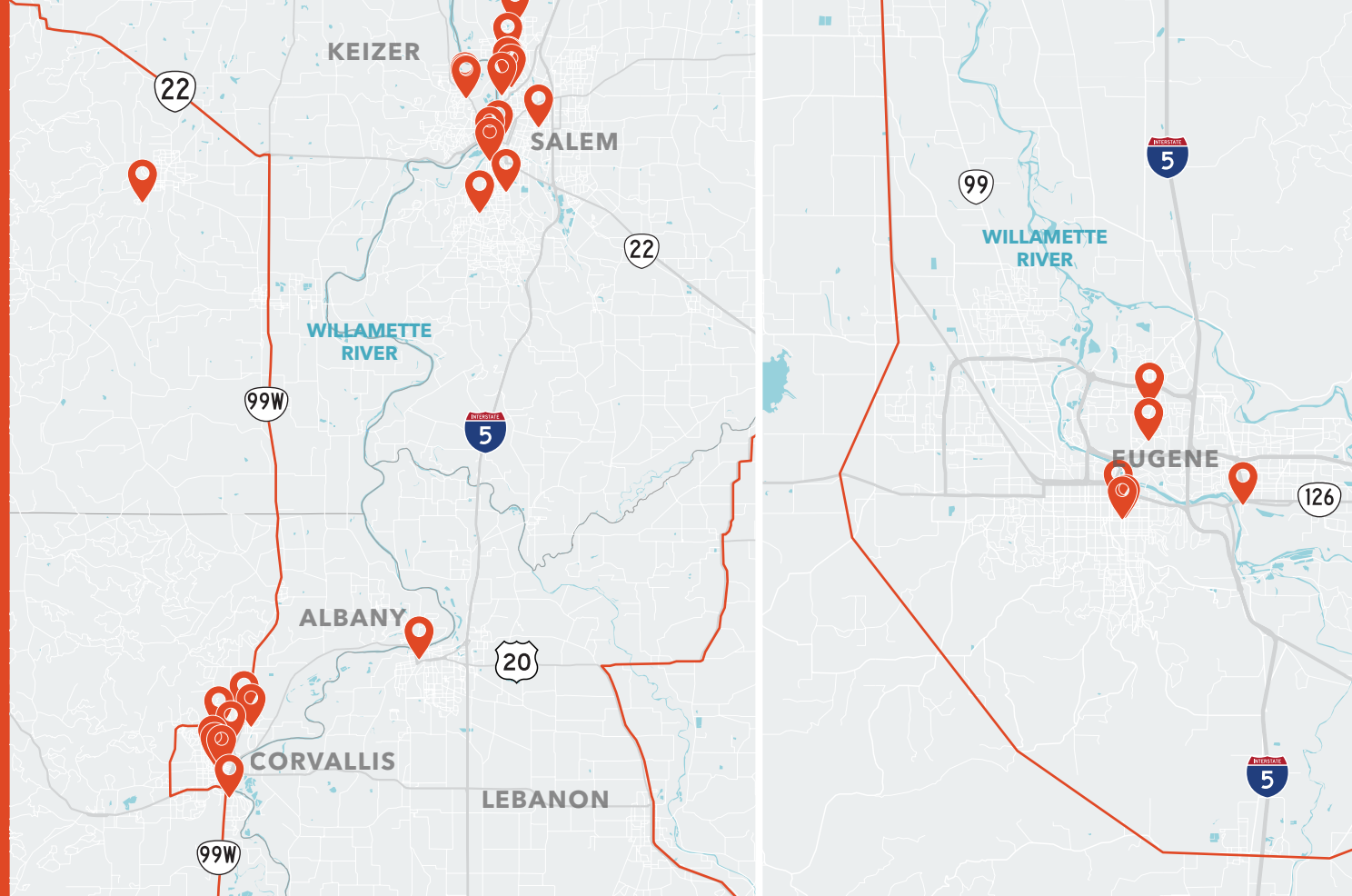
30%
OF INVENTORY

913
AVG UNIT SIZE (SF)

The Willamette Valley generally consists of Salem, Eugene, and Corvallis, and their surrounding smaller cities and towns. While typically a sleepier submarket than its neighbor up north, investors have taken notice and in 2021 poured money into it like never before seen. 2021 saw 31 sales totaling over \$270M, which was an almost three-fold increase from 2020 and 58% more transactions than its prior most transactional year (2017). Average price per-unit and per-SF both grew significantly, up to \$170,758/unit and \$193/SF, and cap rates fell from 5.80% in 2020 down to 5.29% in 2021.

This huge jump illustrates the strong interest in secondary markets that are still within a two-hour drive of Portland. With eight sales of over 50 units last year, larger investment groups are paying more attention to the Willamette Valley as they chase yield, thanks to higher cap rates than up north.

Look for this trend to continue into 2022 as strong rent growth works its way down the Valley. As these markets are in more rural and landlord friendly counties that appeal to many investors, and many fared well during the pandemic with lower rent collections issues than in the Portland-metro area.



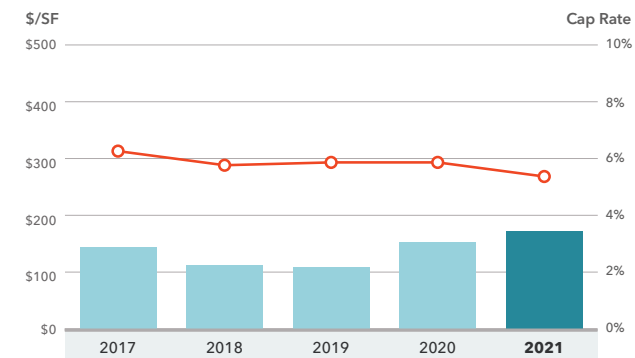
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	13 ▼	17 ▲	16 ▲	31 ▲
Sales Volume	\$96M ▼	\$185M ▲	\$94M ▼	\$270M ▲
Price/Unit (Avg)	\$144,580 ▲	\$157,803 ▲	\$136,088 ▼	\$233,543 ▲
Price/SF (Avg)	\$132 ▲	\$117 ▼	\$169 ▲	\$245 ▲
Cap Rate (Avg)	5.7% ▼	5.9% ▲	5.8% ▼	5.29% ▼
Avg Rent	\$1,011 ▲	\$1,055 ▲	\$1,069 ▲	\$1,196 ▲
Total Units*	44,645	45,205	45,791	45,633

*TOTAL APARTMENT INVENTORY WITHIN SUBMARKET

Built Pre-1995

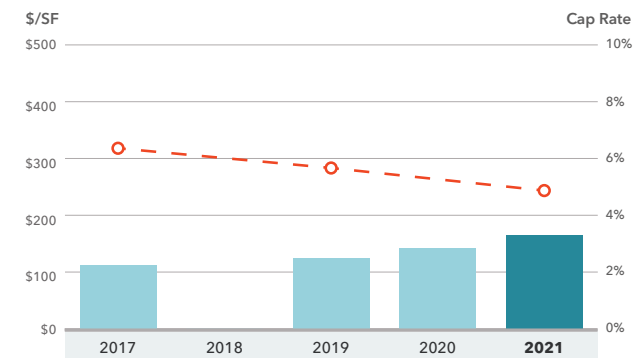
SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

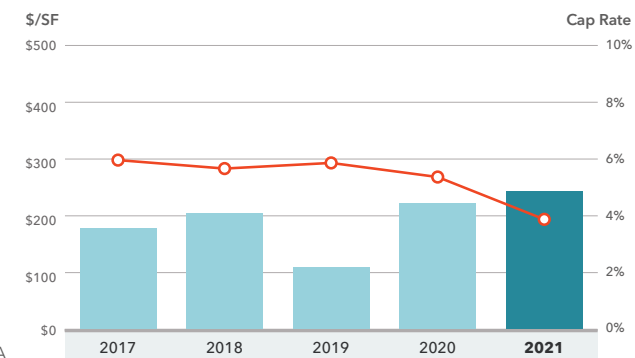
	10-50 Units	50+ Units
No. of Sales	16	4
Sales Volume	\$66,530,000	\$79,100,000
Price/Unit (Avg)	\$146,658	\$113,344
Price/SF (Avg)	\$165	\$198
Cap Rate (Avg)	5.33%	5.90%

Built 1995-2010



	10-50 Units	50+ Units
No. of Sales	-	2
Sales Volume	-	\$34,065,000
Price/Unit (Avg)	-	\$148,243
Price/SF (Avg)	-	\$165
Cap Rate (Avg)	-	4.94%

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	8	1
Sales Volume	\$34,850,000	\$55,500,000
Price/Unit (Avg)	\$234,967	\$311,798
Price/SF (Avg)	\$243	\$292
Cap Rate (Avg)	3.93%	4.80%

WILLAMETTE VALLEY

26,068
TOTAL UNITS IN SUBMARKET

57%
OF SUBMARKET INVENTORY

806
AVG UNIT SIZE (SF)

11,873
UNITS

26%
OF INVENTORY

941
AVG UNIT SIZE (SF)

7,692
UNITS

17%
OF INVENTORY

916
AVG UNIT SIZE (SF)

Central Oregon, led by Bend and Redmond, continued its trend of being one of Oregon's most attractive submarkets thanks to hearty rent growth. While it only had five sales, the same as the prior year, cap rates moved from 5.00% in 2020 to 3.93% in 2021, while per-unit pricing basically remained unchanged from \$243,161 to \$243,452.

The statistics don't tell the whole story of this submarket, which is one of the most desirable, but least transactional. Sales are hard to come by as many owners in this submarket are long-term holders thanks to extremely low vacancy rates and strong rent growth.

One sale in particular demonstrates the strength of this market - the 144 apartment Cypress at Triple Ridge (built in 2016) sold in December at a price per-unit of \$416,667 and a 3.84% cap rate, setting new records for the submarket, and surpassing all but a handful of sales across the rest of the state.

Expect investor interest to remain strong in Central Oregon but with relatively few sales. For those lucky enough to own or buy in this submarket, look for those properties to continue to perform well as Central Oregon continues to grow.



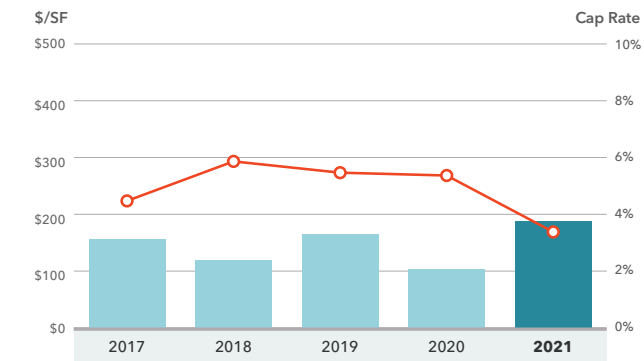
SALES HISTORY

	2018	2019	2020	2021
No. of Sales	5 ▲	3 ▼	5 ▲	5 =
Sales Volume	\$92M ▲	\$15M ▼	\$82M ▼	\$73M ▼
Price/Unit (Avg)	\$202,507 ▲	\$122,152 ▼	\$243,161 ▲	\$243,452 ▲
Price/SF (Avg)	\$218 ▼	\$89 ▼	\$237 ▲	\$233 ▼
Cap Rate (Avg)	5.4% ▲	7.0% ▲	5.0% ▼	3.93% ▼
Avg Rent	\$1,219 ▲	\$1,257 ▲	\$1,234 ▼	\$1,528 ▲
Total Units*	4,559	4,816	5,313	5,467

*TOTAL INVENTORY OF UNITS SOLD WITHIN SUBMARKET

Built Pre-1995

SALES TRENDS BY BUILDING AGE



2021 SALES BY BUILDING SIZE

	10-50 Units	50+ Units
No. of Sales	2	-
Sales Volume	\$5,050,000	-
Price/Unit (Avg)	\$173,409	-
Price/SF (Avg)	\$187	-
Cap Rate (Avg)	3.39%	-

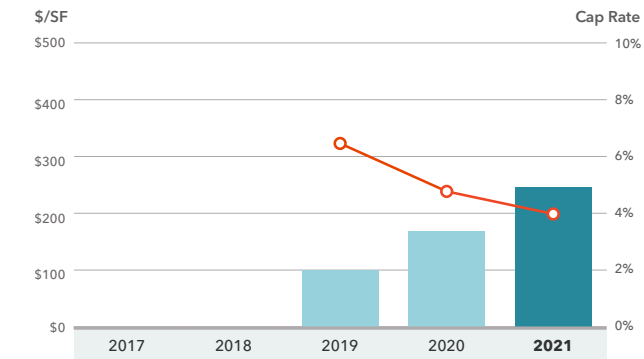
CENTRAL OREGON

1,809
TOTAL UNITS IN SUBMARKET

33%
OF SUBMARKET INVENTORY

836
AVG UNIT SIZE (SF)

Built 1995-2010



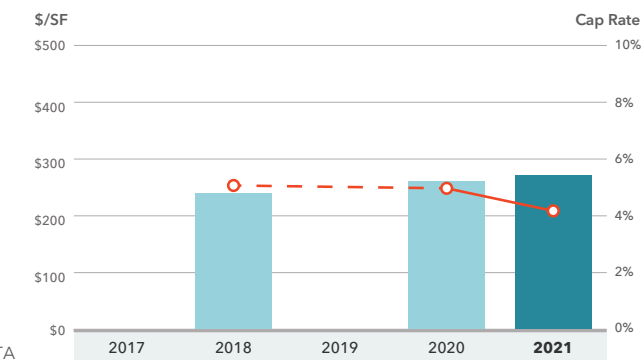
	10-50 Units	50+ Units
No. of Sales	-	1
Sales Volume	-	\$5,050,000
Price/Unit (Avg)	-	\$315,625
Price/SF (Avg)	-	\$245
Cap Rate (Avg)	-	4.0%

1,248
UNITS

23%
OF INVENTORY

965
AVG UNIT SIZE (SF)

Built Post-2010



	10-50 Units	50+ Units
No. of Sales	1	1
Sales Volume	\$3,350,000	\$60,000,000
Price/Unit (Avg)	\$139,583	\$416,667
Price/SF (Avg)	\$142	\$402
Cap Rate (Avg)	4.47%	3.84%

2,410
UNITS

42%
OF INVENTORY

938
AVG UNIT SIZE (SF)



NOTES & SOURCES

NOTES & DATA SOURCES

NOTES

Sales data for the Portland Metro region is inclusive of all 10+ unit market-rate apartment buildings in Multnomah, Clackamas, Washington, and Clark Counties.

Sales data for the Willamette Valley and Central Oregon includes all 20+ unit market-rate apartment buildings in Marion, Linn, Benton, Lane, Deschutes, Jefferson, and Crook Counties.

DATA SOURCES

2020 & HISTORICAL SALES

CoStar

Real Capital Analytics

Multnomah County Oregon Property Records

Washington County Intermap

Marion County Assessor's Property Records

Lane County Assessment & Taxation

Deschutes County Assessment & Taxation

qualityinfo.org

Local and Regional Appraisers

realquest.com

MARKET FUNDAMENTALS

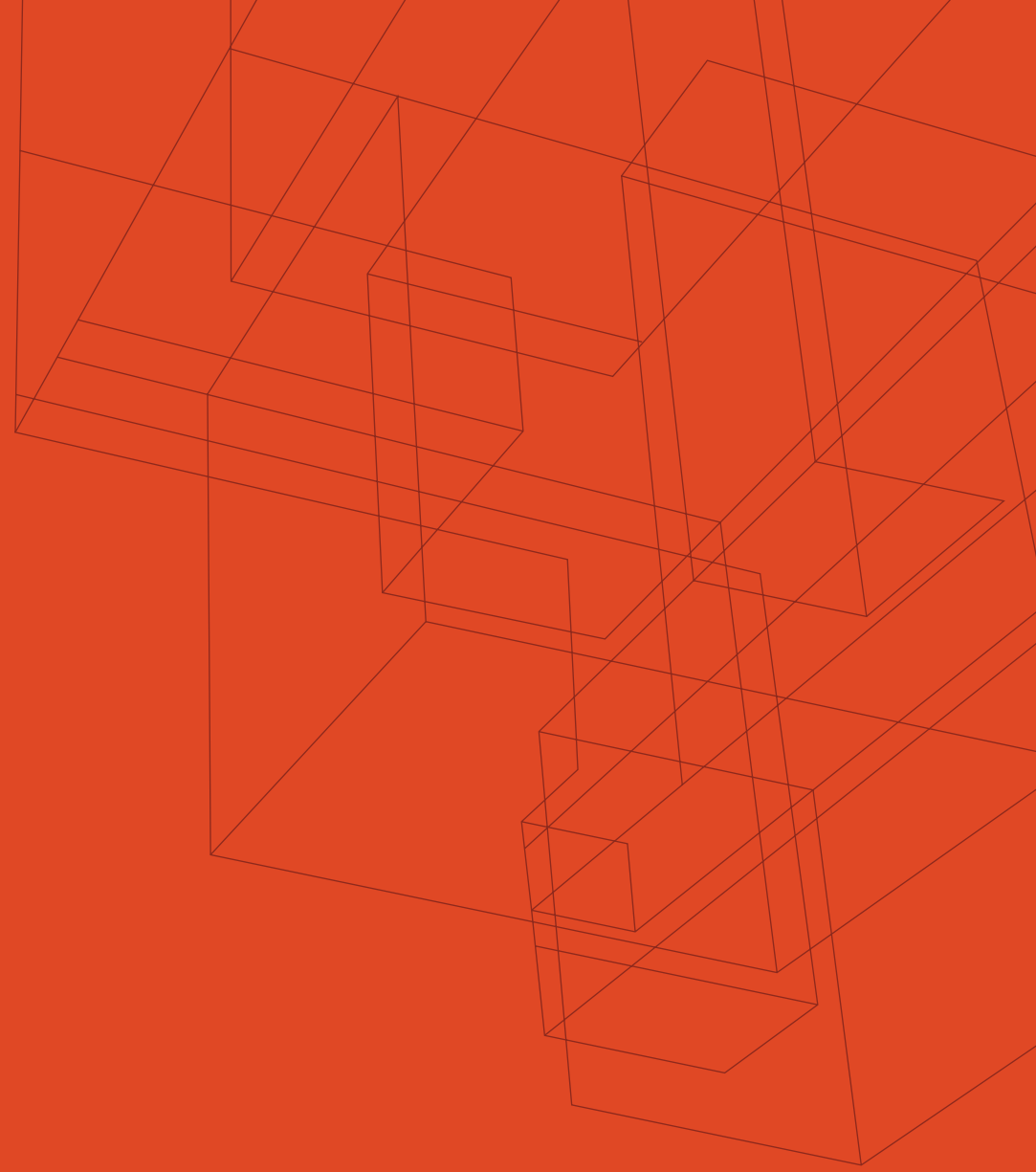
Esri

CoStar

U.S. Bureau of Labor Statistics

U.S. Census Bureau

2021 APARTMENT SALES STUDY



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