

CARTER | NEWTON | LINN MULTIFAMILY TEAM

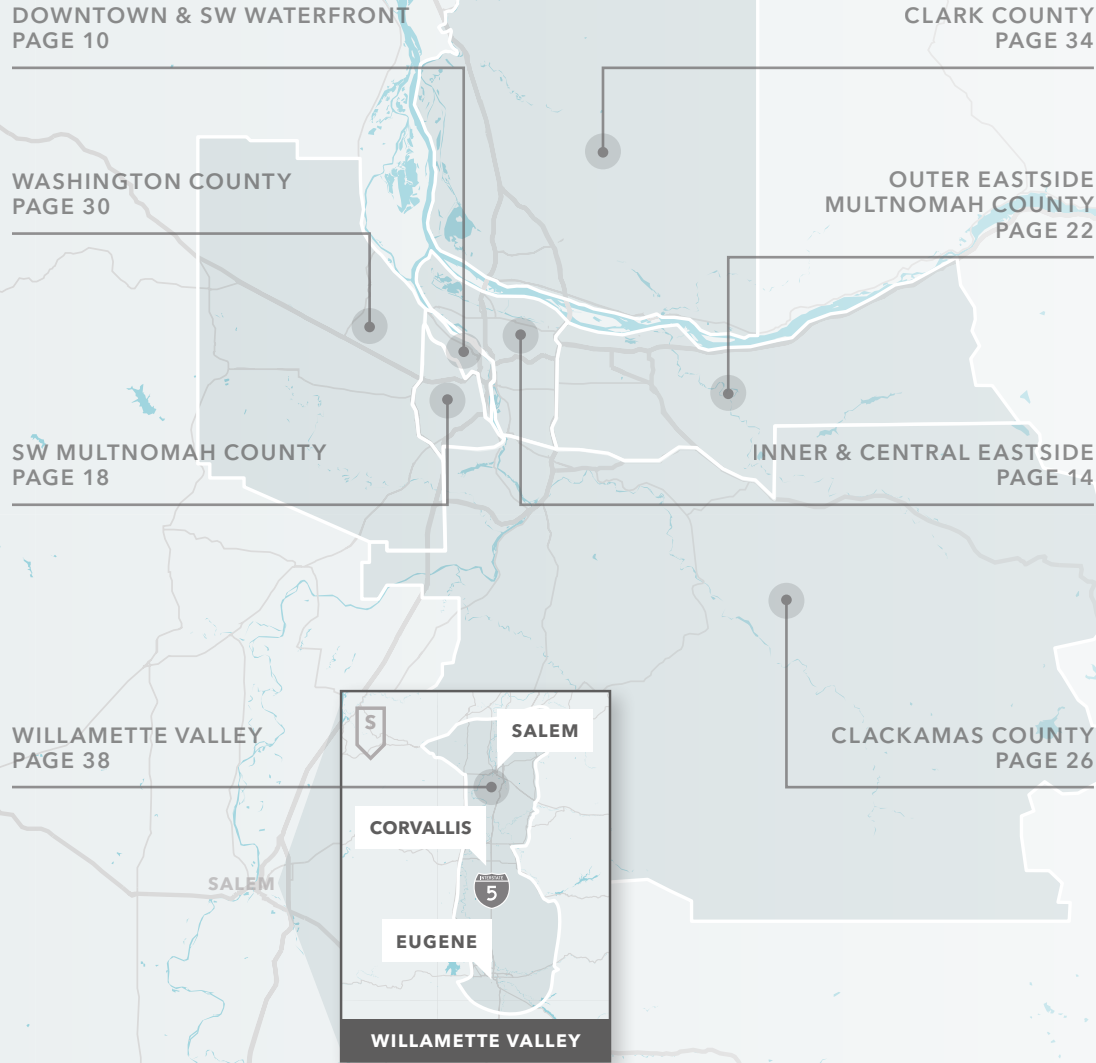
Oregon and SW Washington State Apartment Sales Specialists

2022

PORTLAND MSA & WILLAMETTE VALLEY
APARTMENT MARKET DYNAMICS

EOY 2022

km Kidder
Mathews



HOW TO USE THIS STUDY

Discover the latest apartment investment data for Multnomah, Clackamas, Washington, Clark counties, and the Willamette Valley.

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 EXPERTS

DOWNLOAD PRIOR RESEARCH REPORTS

- ↓ Q4 2022 MULTIFAMILY MARKET REPORT
- ↓ 2022 MID-YEAR SALES UPDATE
- ↓ 2021 YEAR-END APARTMENT SALES STUDY
- ↓ 2020 APARTMENT SALES STUDY

SELECT RECENT TEAM SALES



OUR EXPERTISE



Meet the Team

Jordan Carter
EXECUTIVE VICE PRESIDENT



Jordan is one of the top multifamily brokers in all of Oregon and SW Washington. With over 16 years of experience at Kidder Mathews, he brings industry leading expertise in assisting clients in the acquisition and disposition of multifamily and development properties in the \$3-35 million space.

Jordan has been a featured speaker at several industry wide events for groups such as Multifamily NW, IREM, and the Commercial Association of Brokers. As a licensed attorney in Oregon for over 17 years, prior to entering the commercial real estate profession, Jordan practiced law in Portland and assisted in his family's construction business. 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.

Clay Newton
EXECUTIVE VICE PRESIDENT



Having been in the multifamily business for over 25 years, Clay is one of the most experienced brokers in the Pacific Northwest. He has closed well over \$1 billion in sales during his career, from historic urban brickers, to suburban garden style 200+ unit buildings, winning numerous awards along the way.

Clay specializes in private investment/middle market transactions and uses a consultative approach to meet the tax and cash return requirements of buyers and sellers, often on IRS 1031 Tax Deferred Exchanges. He has been featured in local news (KGW, Globe Street, Oregonian, Business Journal) and at major industry events where he speaks as an expert on Portland-area multifamily investment trends.

Tyler Linn
SENIOR VICE PRESIDENT



Tyler is an experienced apartment broker specializing in the sale of existing multifamily buildings, development sites, with a focus on off-market opportunities. Since joining Kidder Mathews, Tyler has been a part of closing nearly \$900 million in sales across Oregon and SW Washington. Tyler has been involved in transactions throughout the Pacific Northwest, but his primary attention is focused on Oregon and Southwest Washington.

Tyler has worked in both the information technology and the accounting industry and leverages his experience in both fields to provide a comprehensive advisory role for his clients in asset valuations, market analysis, and other advisory services.

Portland and SW Washington continue to be one of the nation's most attractive multifamily markets.



The Portland Metro multifamily market capitalized on easing pandemic regulations and strong market fundamentals during most of 2022, with rents increasing across all submarkets due to slowing deliveries, stable occupancy and an increasingly difficult homebuying environment. As inflation took its grip across the economy in 2022, by the fourth quarter, rent growth finally stalled and began trickling backwards. However, with winter being a slower time for rents, the question as we move into 2023, is whether Q4's impacts were seasonally driven, or part of a greater economic slowdown. Early indicators in 2023 show it is likely a combination of both.



The sales market in 2022 ended being one of the top years in our market's history, but was somewhat overshadowed by the huge sales year in 2021 (due to pent-up demand from 2020's COVID impact). Prices did continue to rise, with per-unit values increasing over 6% and price/SF rising nearly 7%. Despite the rising interest rate environment, Q4 remained a strong sales quarter. However, active brokers will tell you that behind the scenes the impact of rising rates was starting to take its toll and the market felt like it was slowing. We will need to wait for the first couple quarters of 2023 before the true impact of a potentially slowing market is seen.

INVENTORY

	Units	Buildings
TOTAL	214,850	3,744
10 TO 50-UNITS	56,929	2,661
50+ UNITS	159,571	1,116
12-MONTH DELIVERIES	3,776	59
AVERAGE UNIT SIZE	838 SF	

RENT & VACANCY

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	Q4 2022
RENT	Q4 2021 \$1,563	+\$65	Q3 2022 \$1,650	-\$22	Q4 2022 \$1,628
VACANCY	5.4%	-	5.0%	+8%	5.4%

All building ages, 10+ unit apartment buildings

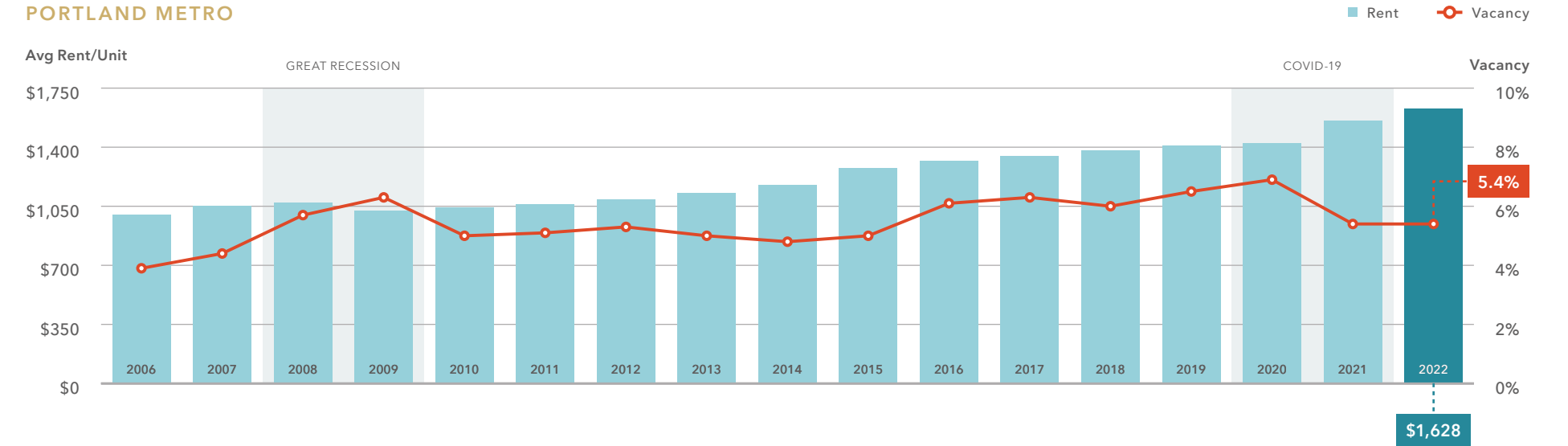
HISTORICAL SALES TRENDS

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	132	169	154	123	236	164	Q4 2021 87	59 (▼ 68%)	28
SALES VOLUME	\$1.55B	\$2.14B	\$2.13B	\$1.68B	\$4.21B	\$2.95B	\$1.89B	\$1.03B (▼ 55%)	\$855M
PRICE/UNIT	\$204K	\$222K	\$230K	\$235K	\$265K	\$281K	\$299K	\$9K (▼ 3%)	\$290K
PRICE/SF	\$231	\$228	\$231	\$240	\$280	\$300	\$299	\$34 (▼ 11%)	\$265
CAP RATE	5.5%	5.4%	5.5%	5.4%	5.0%	5.0%	4.8%	4% (▲ 4%)	5.0%

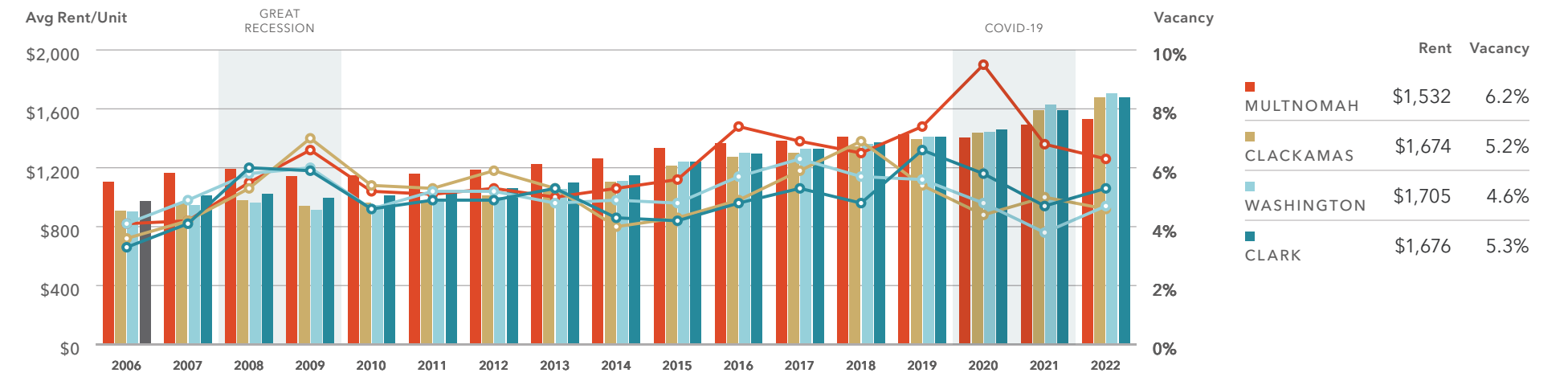
All building ages, 10+ unit apartment buildings

REGIONAL HISTORIC RENT VS. VACANCY

PORTLAND METRO

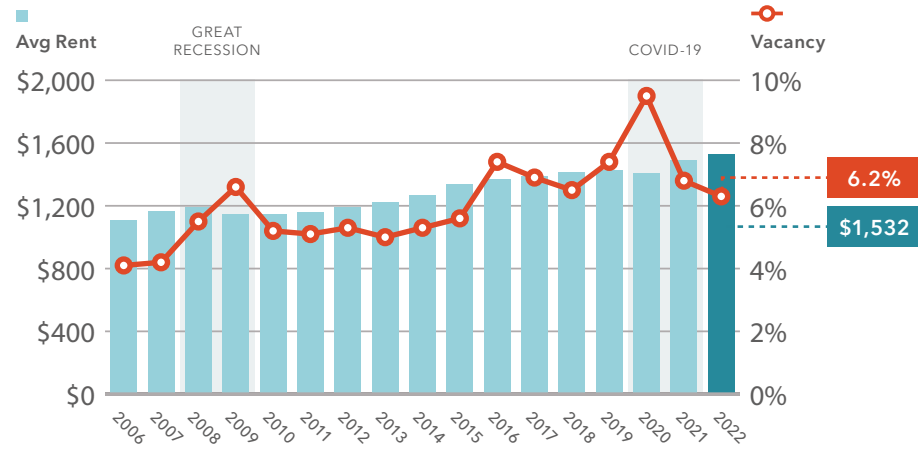


EOY 2022 COUNTY BREAKDOWN

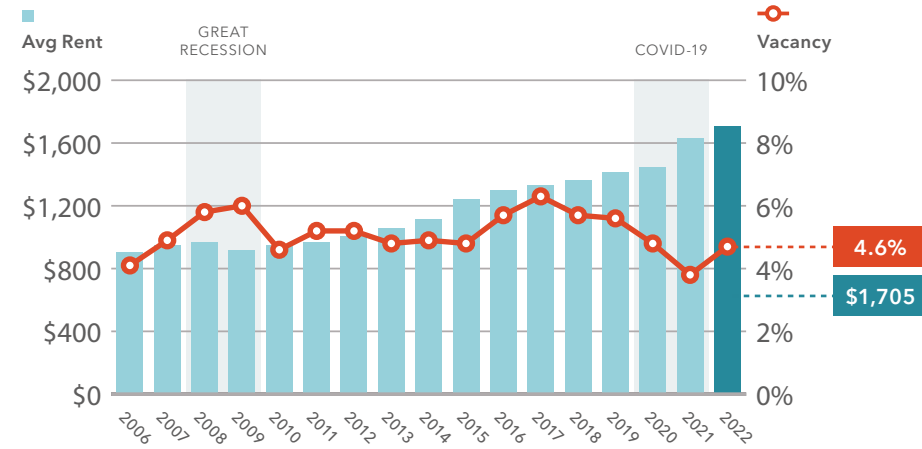


REGIONAL HISTORIC RENT VS. VACANCY - BY COUNTY

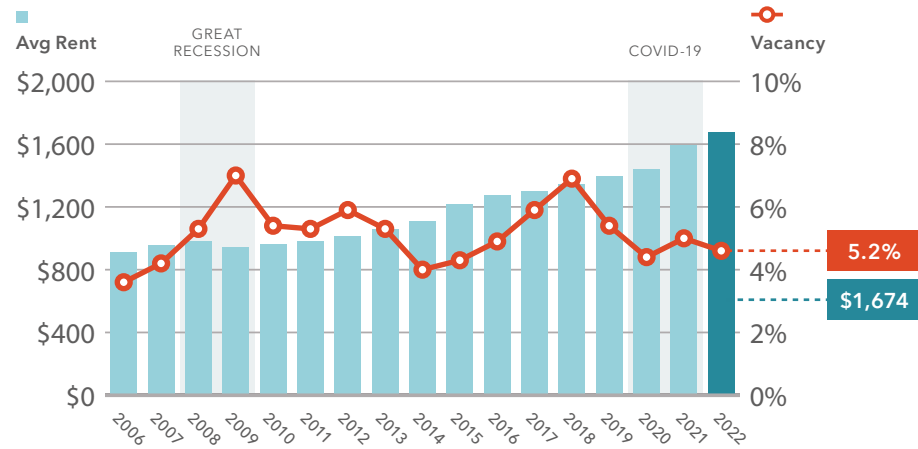
MULTNOMAH COUNTY



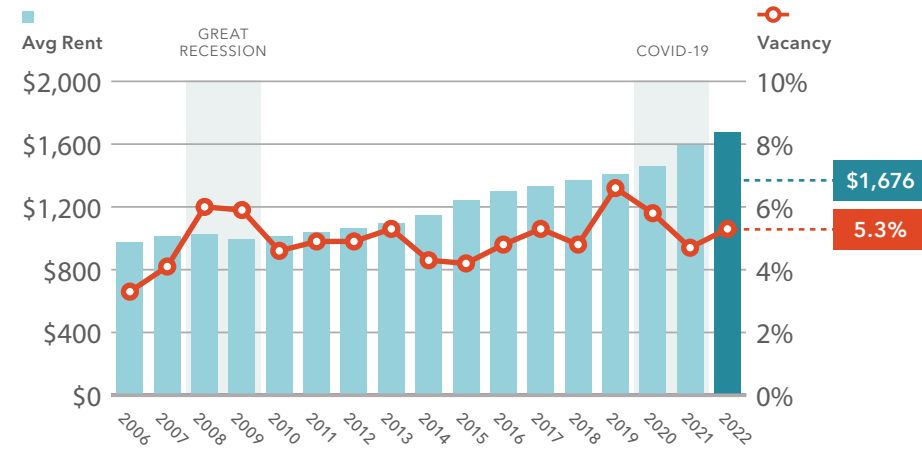
WASHINGTON COUNTY



CLACKAMAS COUNTY



CLARK COUNTY



REGIONAL BUILDING INCOME VELOCITY

DOWNTOWN & SOUTHWEST WATERFRONT

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,738	+2%	\$1,800	-1%	\$1,779
RENT/SF	\$2.49	+2%	\$2.57	-1%	\$2.54
VACANCY	10.4%	-32%	6.9%	+3%	7.1%

WASHINGTON COUNTY

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,624	+5%	\$1,740	-2%	\$1,702
RENT/SF	\$1.82	+5%	\$1.95	-2%	\$1.91
VACANCY	4.0%	-13%	4.1%	+10%	4.50%

SOUTHWEST MULTNOMAH COUNTY

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,457	+5%	\$1,546	-1%	\$1,537
RENT/SF	\$1.73	+6%	\$1.84	-	\$1.83
VACANCY	3.4%	-29%	4.5%	+2%	4.4%

WILLAMETTE VALLEY

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,251	+6%	\$1,329	-	\$1,325
RENT/SF	\$1.46	+5%	\$1.55	-	\$1.54
VACANCY	2.3%	-78%	3.9%	+5%	4.1%

CLARK COUNTY

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,543	+6%	\$1,642	-1%	\$1,628
RENT/SF	\$1.67	+5%	\$1.77	-	\$1.76
VACANCY	4.2%	-12%	4.1%	+15%	4.7%

OUTER EASTSIDE MULTNOMAH COUNTY

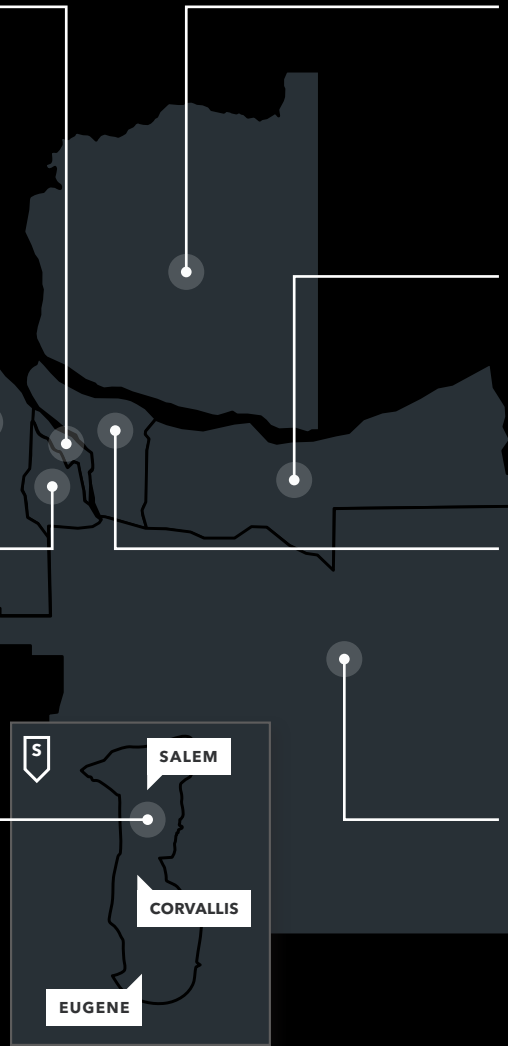
	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,335	+3%	\$1,407	-2%	\$1,381
RENT/SF	\$1.54	+4%	\$1.63	-2%	\$1.60
VACANCY	4.5%	-9%	4.7%	+4%	4.9%

INNER & CENTRAL EASTSIDE

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,453	+2%	\$1,509	-2%	\$1,479
RENT/SF	\$2.17	+2%	\$2.26	-2%	\$2.21
VACANCY	7.1%	-10%	6.3%	+2%	6.4%

CLACKAMAS COUNTY

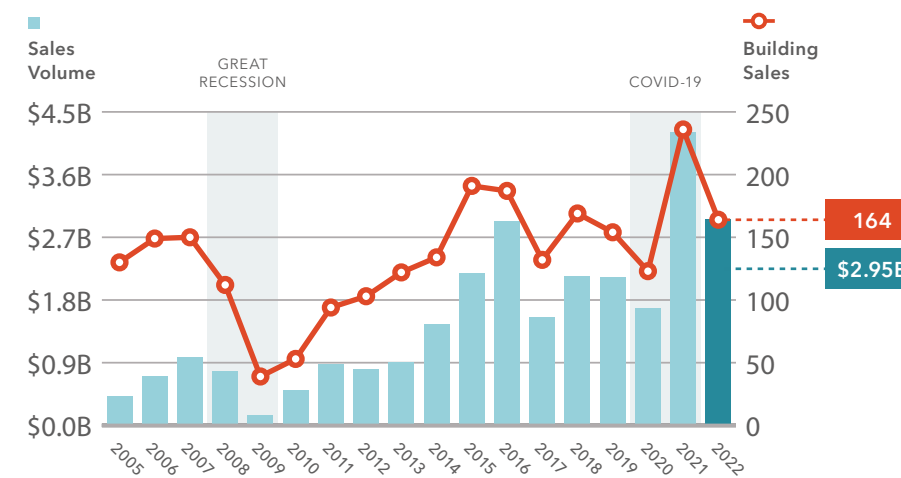
	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,569	+6%	\$1,680	-1%	\$1,662
RENT/SF	\$1.74	+6%	\$1.86	-1%	\$1.84
VACANCY	5.0%	-6%	4.0%	+18%	4.7%



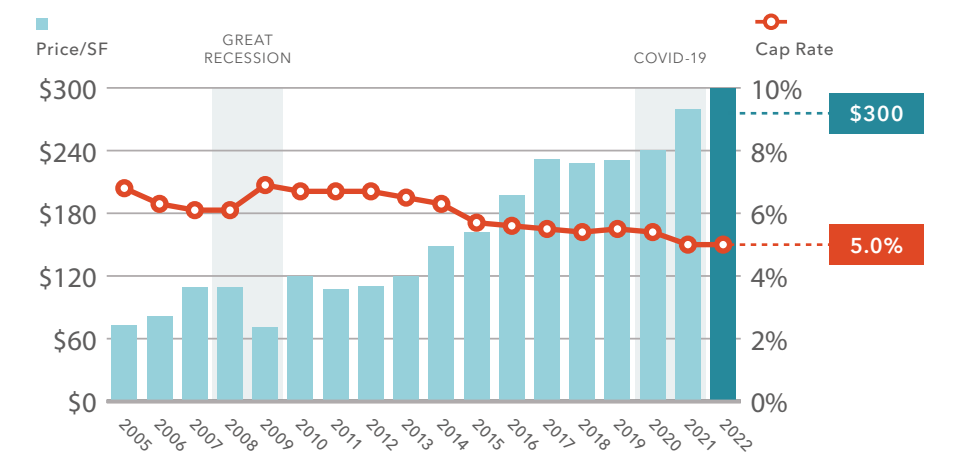
All building ages, 10+ unit apartment buildings

REGIONAL HISTORIC SALES

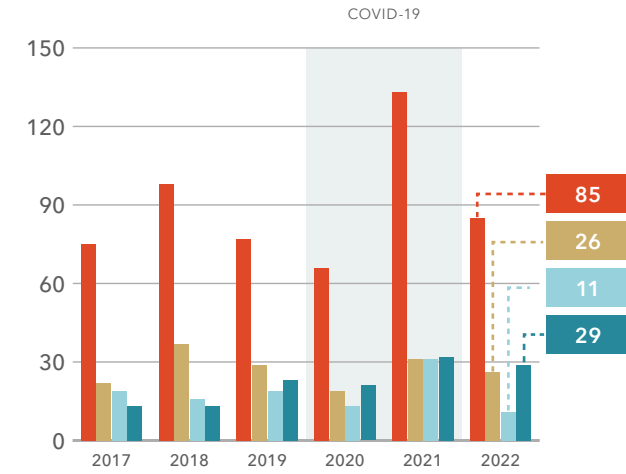
SALES VOLUME VS. BUILDING SALES - PORTLAND METRO



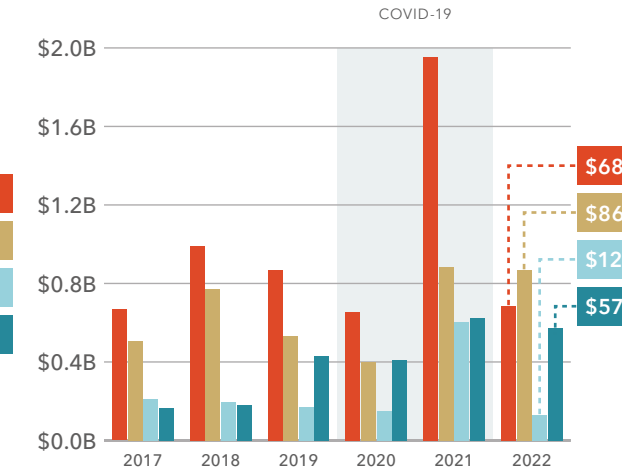
PRICE/SF VS. CAP RATE - PORTLAND METRO



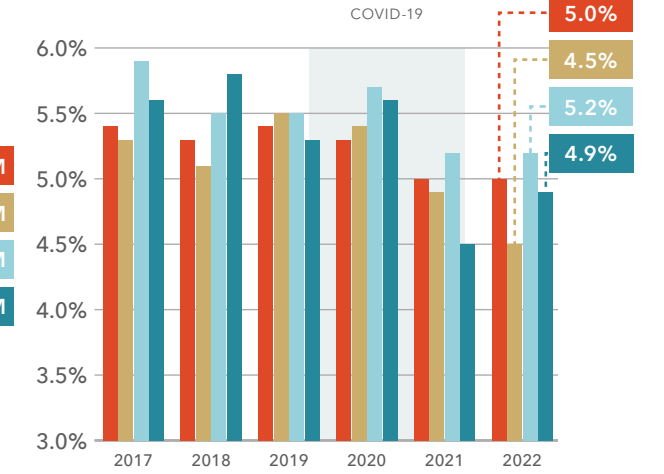
BUILDING SALES - BY COUNTY



SALES VOLUME - BY COUNTY



CAP RATE - BY COUNTY



■ Multnomah County ■ Washington County ■ Clackamas County ■ Clark County

REGIONAL SALE PRICING VELOCITY

DOWNTOWN & SOUTHWEST WATERFRONT

	2020	2021	2022
PRICE/UNIT	\$353,172	\$345,675	\$259,738
PRICE/SF	\$277.92	\$382.28	\$243.41
CAP RATE	5.4%	4.7%	4.7%

WASHINGTON COUNTY

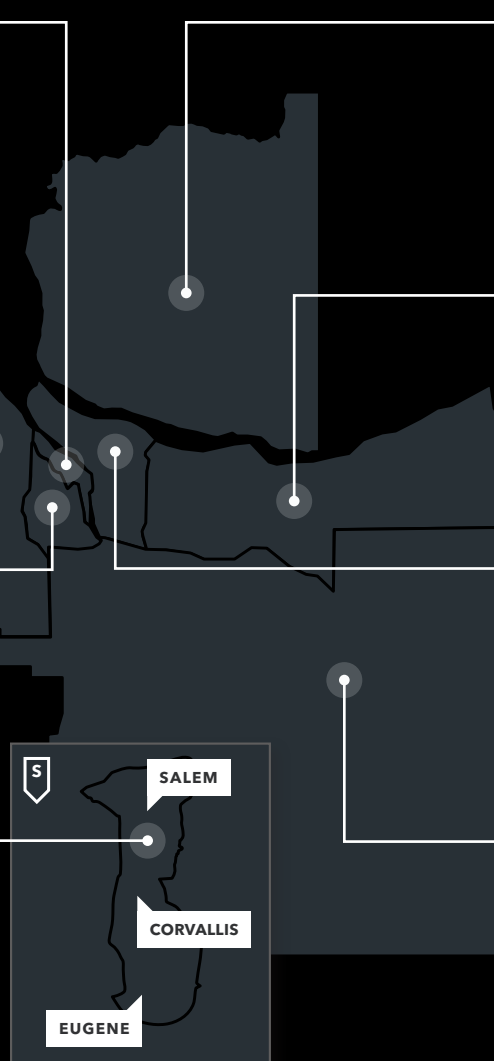
	2020	2021	2022
PRICE/UNIT	\$238,757	\$285,894	\$307,003
PRICE/SF	\$229.64	\$302.60	\$311.57
CAP RATE	5.4%	4.9%	4.5%

SOUTHWEST MULTNOMAH COUNTY

	2020	2021	2022
PRICE/UNIT	\$243,420	\$173,529	\$335,930
PRICE/SF	\$264.02	\$189.01	\$353.99
CAP RATE	5.2%	5.1%	4.8%

WILLAMETTE VALLEY

	2020	2021	2022
PRICE/UNIT	\$121,750	\$152,290	\$177,910
PRICE/SF	\$140.56	\$175.78	\$196.49
CAP RATE	5.8%	5.9%	5.1%



CLARK COUNTY

	2020	2021	2022
PRICE/UNIT	\$222,936	\$252,487	\$249,817
PRICE/SF	\$235.52	\$261.95	\$237.04
CAP RATE	5.6%	4.5%	4.9%

OUTER EASTSIDE MULTNOMAH COUNTY

	2020	2021	2022
PRICE/UNIT	\$131,803	\$186,841	\$190,534
PRICE/SF	\$143.24	\$201.82	\$227.34
CAP RATE	5.6%	5.1%	5.1%

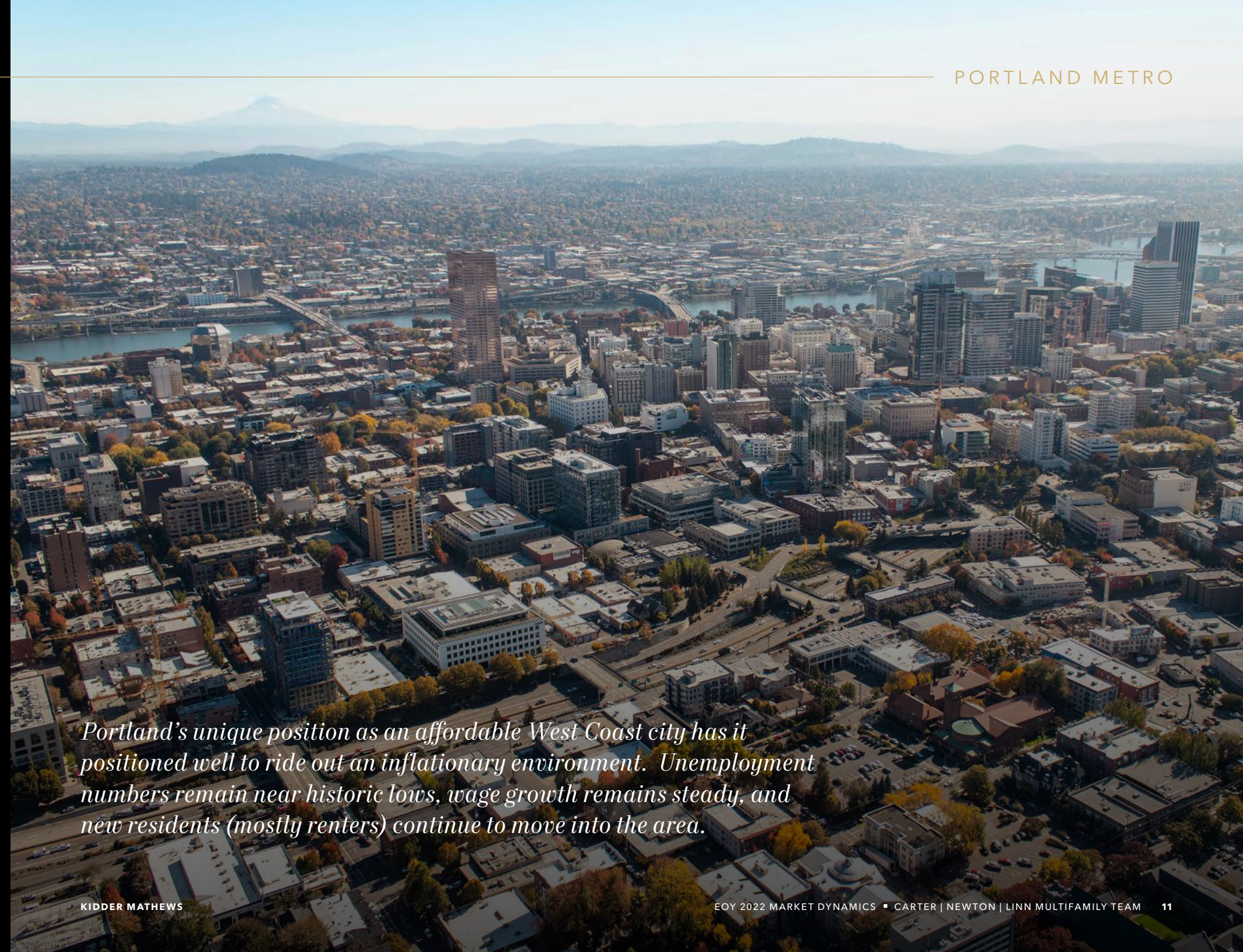
INNER & CENTRAL EASTSIDE

	2020	2021	2022
PRICE/UNIT	\$206,805	\$255,947	\$238,106
PRICE/SF	\$249.90	\$277.67	\$330.81
CAP RATE	5.2%	5.0%	4.9%

CLACKAMAS COUNTY

	2020	2021	2022
PRICE/UNIT	\$267,527	\$236,212	\$274,264
PRICE/SF	\$282.37	\$253.94	\$313.33
CAP RATE	5.7%	5.2%	5.2%

All building ages, 10+ unit apartment buildings



Portland's unique position as an affordable West Coast city has it positioned well to ride out an inflationary environment. Unemployment numbers remain near historic lows, wage growth remains steady, and new residents (mostly renters) continue to move into the area.

While the rental market in Portland's downtown core has rebounded from its pandemic lows, investors have been wary to jump back into the market — as evidenced by its slowest sales year since the Great Recession.

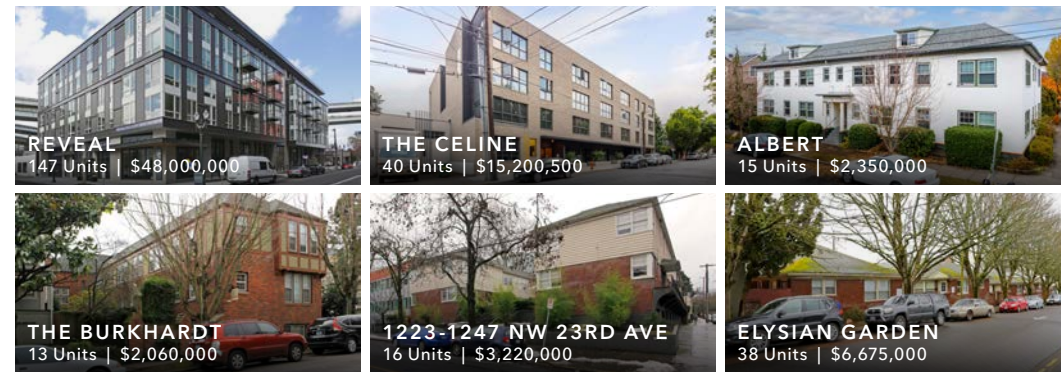
Sales Insight

When compared to 2021, and even the few years prior, sales volume and pricing slid dramatically during 2022, primarily driven by the rising interest rate environment impacting institutional sales in a submarket that traditionally sees a number of Class-A buildings transact. Additionally, downtown Portland remained severely hampered by employees working from home, while homelessness issues in the submarket compounded the challenges across the board. As a result, many investors shied away from this submarket in 2022.

Rent / Vacancy Insight

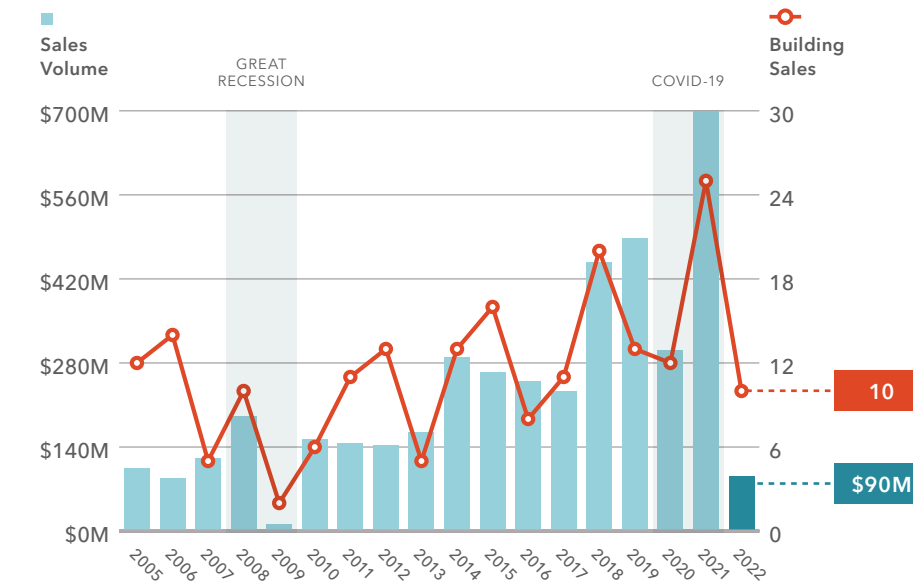
Given the large supply of new units that have been delivered in Portland's downtown core, it's no surprise that rent growth has lagged nearly every other submarket for the last 5-7 years. However, with new deliveries significantly slowing down during 2022, by Q4 the submarket's vacancy dropped from 10.4% at the end of 2021, to 7.1%, which bodes well for this submarket moving forward.

2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	23,392	390
5 TO 50 UNITS	6,419	279
50+ UNITS	17,173	115
12-MONTH DELIVERIES	166	2
AVERAGE UNIT SIZE	700 SF	

SALES TRENDS

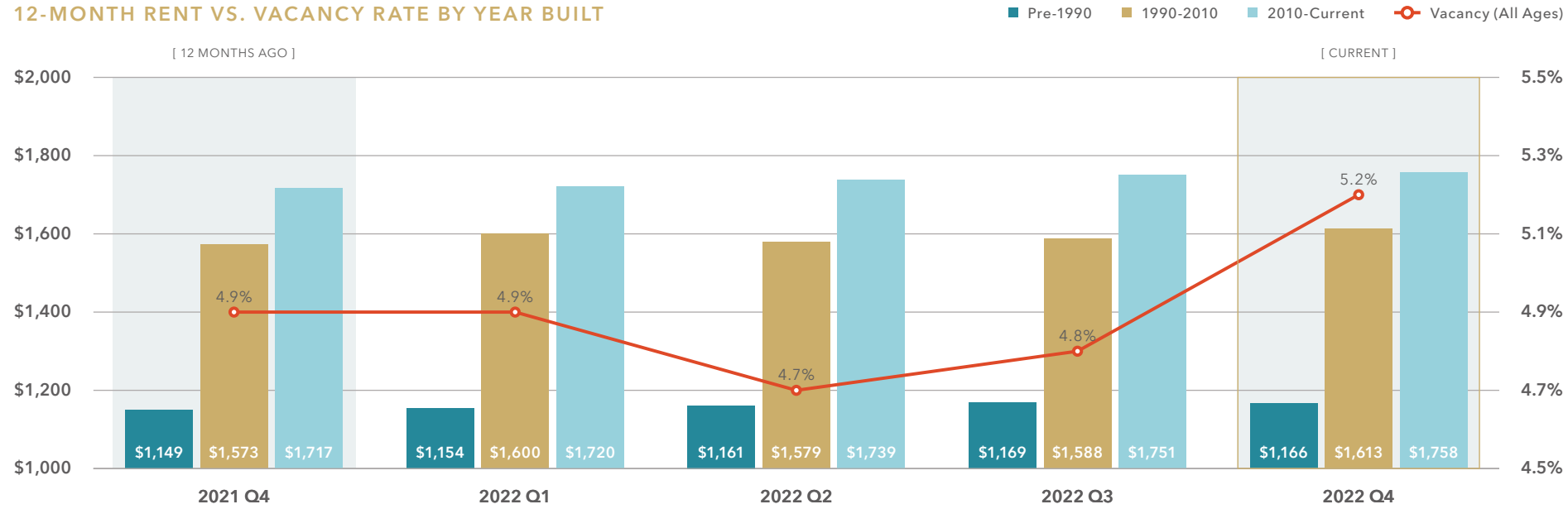


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	11	20	13	12	25	10	Q4 2021: 16	13 (▼ 81%)	3
SALES VOLUME	\$232M	\$448M	\$487M	\$302M	\$699M	\$90.4M	\$433M	\$378M (▼ 88%)	\$54.97M
PRICE/UNIT	\$263K	\$377K	\$331K	\$353K	\$346K	\$260K	\$377K	\$70K (▼ 19%)	\$307K
PRICE/SF	\$411	\$340	\$396	\$278	\$382	\$243	\$400	\$199 (▼ 50%)	\$201
CAP RATE	4.4%	5.1%	4.3%	5.4%	4.7%	4.7%	4.5%	+0.6% (▲ 13%)	5.1%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

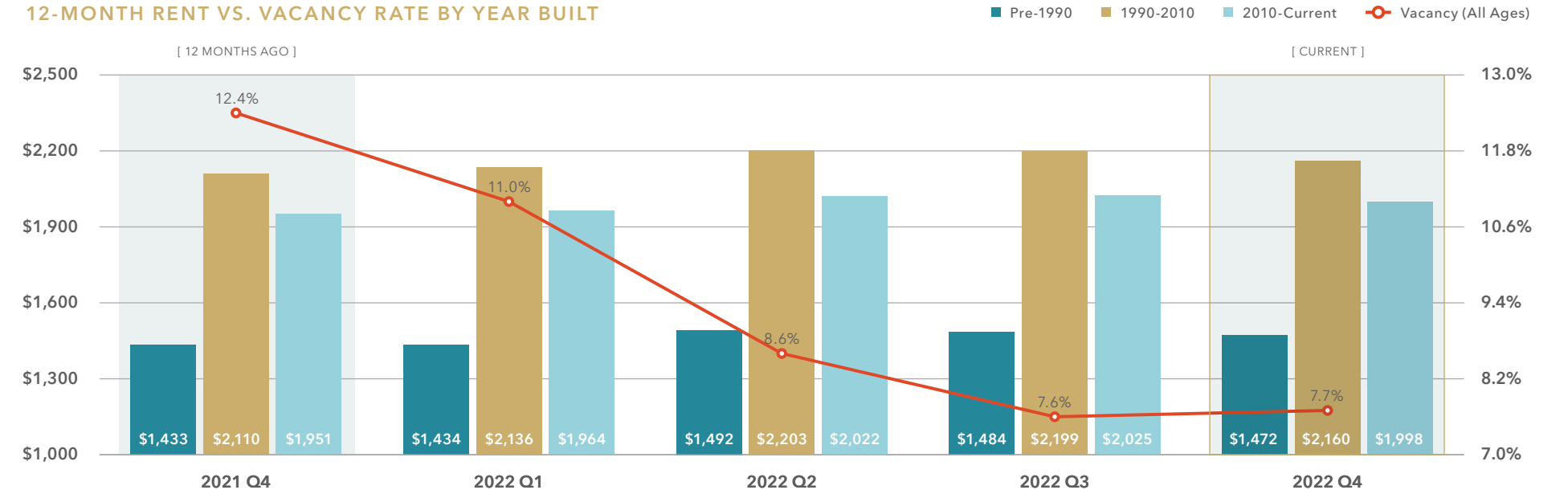


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,198	\$1,209	\$1,219	\$1,223	\$1,233	\$1,253	\$1,233	\$20 (▲2%)	\$1,253
RENT/SF	\$2.03	\$2.05	\$2.07	\$2.07	\$2.09	\$2.12	\$2.09	\$0.03 (▲1%)	\$2.12
VACANCY	6.4%	6.0%	5.8%	7.3%	4.9%	5.2%	4.9%	0.3% (▲6%)	5.2%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,845	\$1,861	\$1,863	\$1,758	\$1,871	\$1,915	\$1,871	\$44 (▲2%)	\$1,915
RENT/SF	\$2.54	\$2.56	\$2.56	\$2.42	\$2.57	\$2.63	\$2.57	\$0.06 (▲2%)	\$2.63
VACANCY	11.6%	10.5%	10.2%	15.2%	12.4%	7.7%	12.4%	4.7% (▼38%)	7.7%

All building ages, 50+ unit apartment buildings

The second most active sales year on record illustrates the demand in this area by continued rent growth and decreasing vacancy rates.

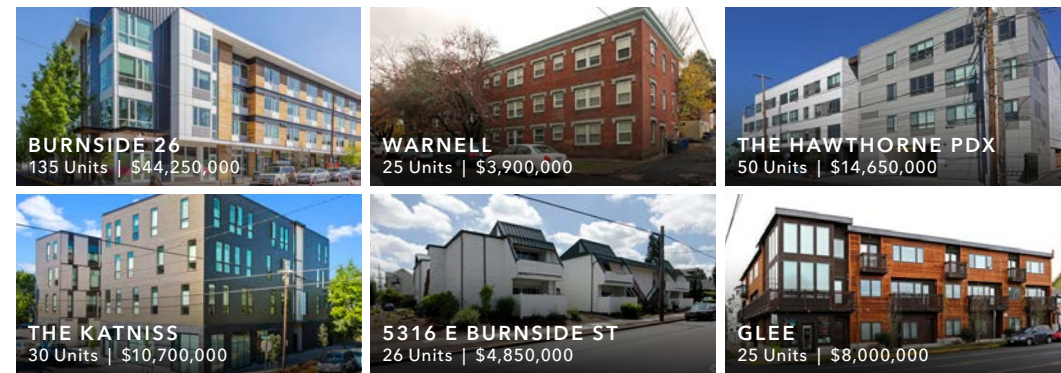
Sales Insight

2022 was a solid year for multifamily sales in Portland's Inner & Central Eastside market, which has traditionally been one of the most attractive and active submarkets given its trendy lifestyle and proximity to downtown Portland. While it didn't come close to 2021's record of 66 sales (averaging \$11.5 million per-sale), it was still the second most active sales year on record. Price per-SF increased 19% over 2021, but the price per-unit decreased 7% from 2021's high. This was due to the fewer number of institutional sales during the year. Sales in 2022 were diverse, much like the neighborhoods themselves, spanning all ages and sizes of buildings – from a 16 unit 1911 building, to a mixed use 135 unit building built in 2014.

Rent / Vacancy Insight

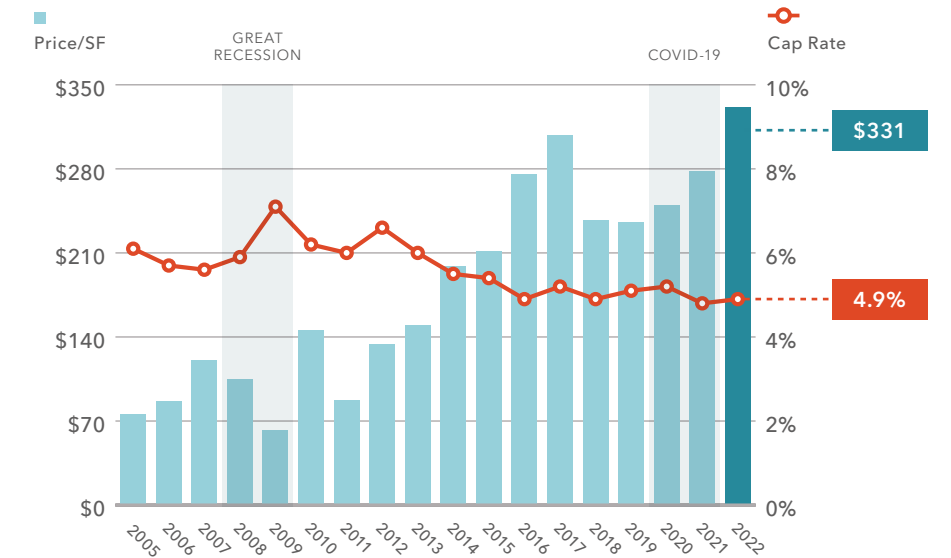
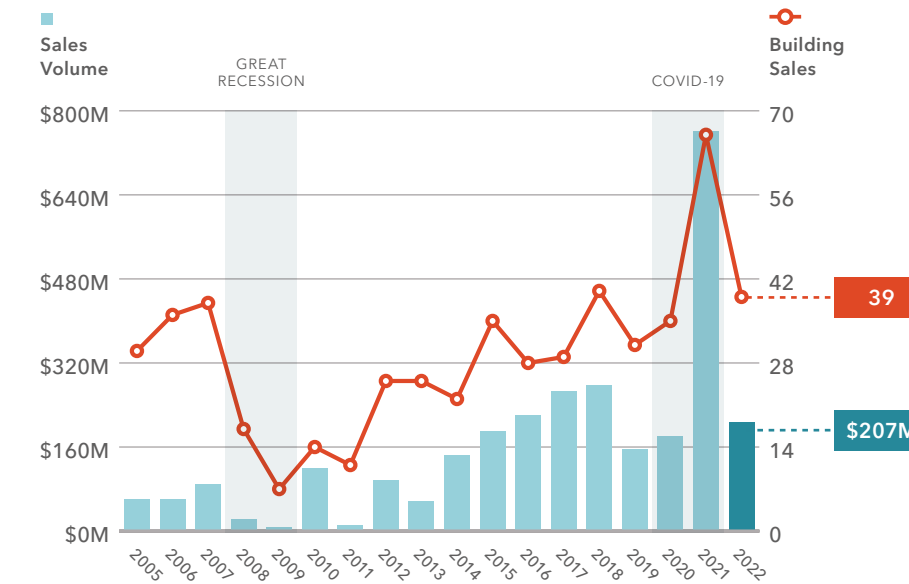
Close-in Eastside is another submarket that has had an infusion of new units delivered in the last number of years, limiting the potential for sizable rent growth. Rents rose about 2% in 2022, compared to over 6% in 2021. While vacancy continued to decrease for the second year in a row, down to 6.3%, asking rents per-SF reached an all-time submarket high of \$2.21 per-SF. Larger buildings (50+ units) saw more rent growth than their smaller counterparts, likely due to the continued demand of larger units by tenants still adjusting their living preferences due to COVID.

2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	32,020	997
5 TO 50 UNITS	15,874	860
50+ UNITS	16,696	148
12-MONTH DELIVERIES	776	26
AVERAGE UNIT SIZE	703 SF	

SALES TRENDS

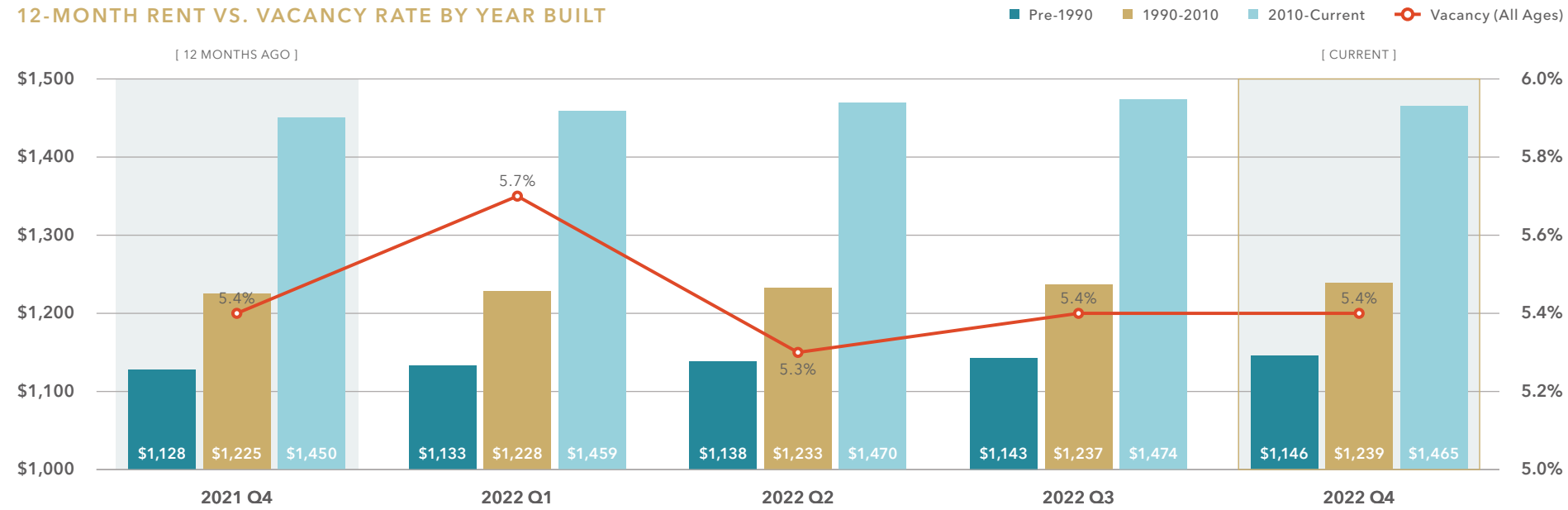


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-MONTH CHANGE	Q4 2022
BUILDING SALES	29	40	31	35	66	39	Q4 2021: 16	9 (▼ 56%)	7
SALES VOLUME	\$265M	\$278M	\$156M	\$180M	\$761M	\$207M	\$173M	\$142M (▼ 82%)	\$31M
PRICE/UNIT	\$284K	\$224K	\$195K	\$207K	\$256K	\$238K	\$270K	\$68K (▼ 25%)	\$202K
PRICE/SF	\$308	\$237	\$235	\$250	\$278	\$331	\$285	\$3 (▼ 1%)	\$282
CAP RATE	5.2%	4.9%	5.1%	5.2%	4.8%	4.9%	5.2%	-0.1% (▲ 2%)	5.1%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

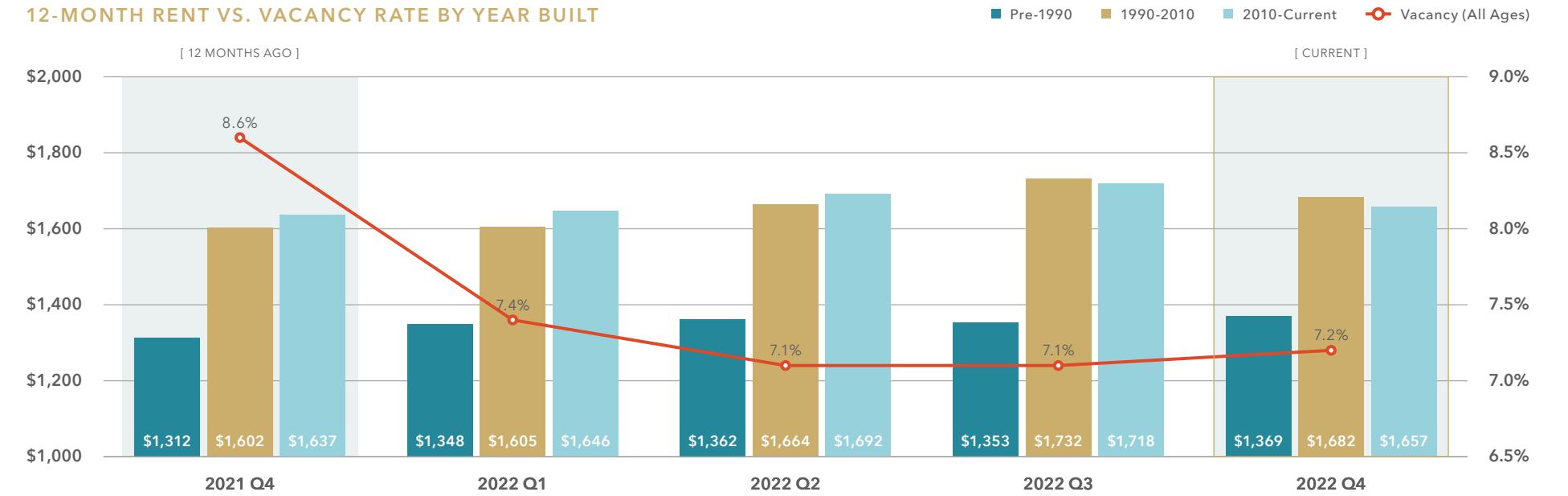


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,189	\$1,203	\$1,217	\$1,226	\$1,255	\$1,272	Q4 2021	\$17 (▲ 1%)	\$1,272
RENT/SF	\$1.82	\$1.85	\$1.87	\$1.88	\$1.93	\$1.95	Q4 2021	\$0.02 (▲ 1%)	\$1.95
VACANCY	6.7%	5.6%	6.3%	6.7%	5.4%	5.4%	Q4 2021	-	5.4%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,474	\$1,485	\$1,497	\$1,449	\$1,568	\$1,599	Q4 2021	\$31 (▲ 2%)	\$1,599
RENT/SF	\$2.17	\$2.19	\$2.20	\$2.13	\$2.31	\$2.35	Q4 2021	0.04 (▲ 2%)	\$2.35
VACANCY	8.5%	9.1%	12.2%	15.5%	8.6%	7.2%	Q4 2021	1.4% (▼ 16%)	7.2%

All building ages, 50+ unit apartment buildings

SW Multnomah County had a banner sales year in 2022 in large part due to the strongest rent growth and lowest vacancy within Portland.

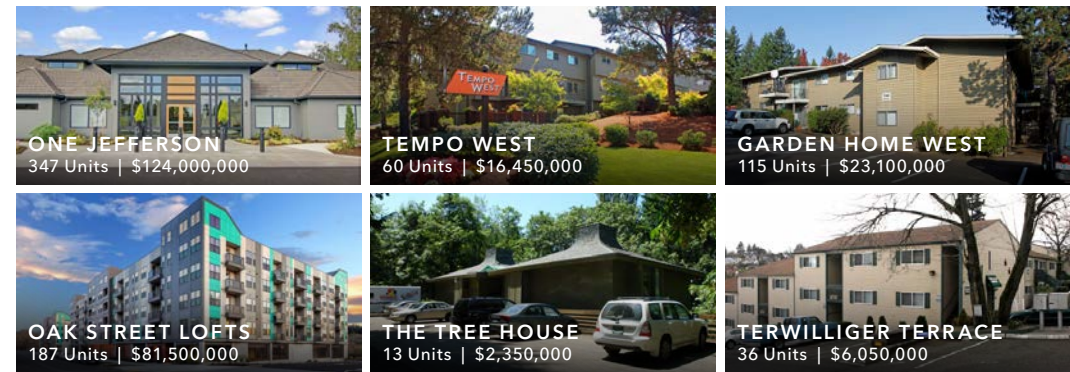
Sales Insight

SW Multnomah County was the only submarket in our study that saw more sales (14) in 2022 than in 2021 (12). Sales volume more than doubled the previous high year (2016) with \$593 million sold, thanks to a wave of six institutional sales, totaling over \$540 million and 1,600 units. Per-unit and per-SF pricing actually tempered down from 2021, primarily due to the large unit sizes within the garden style institutional sales.

Rent / Vacancy Insight

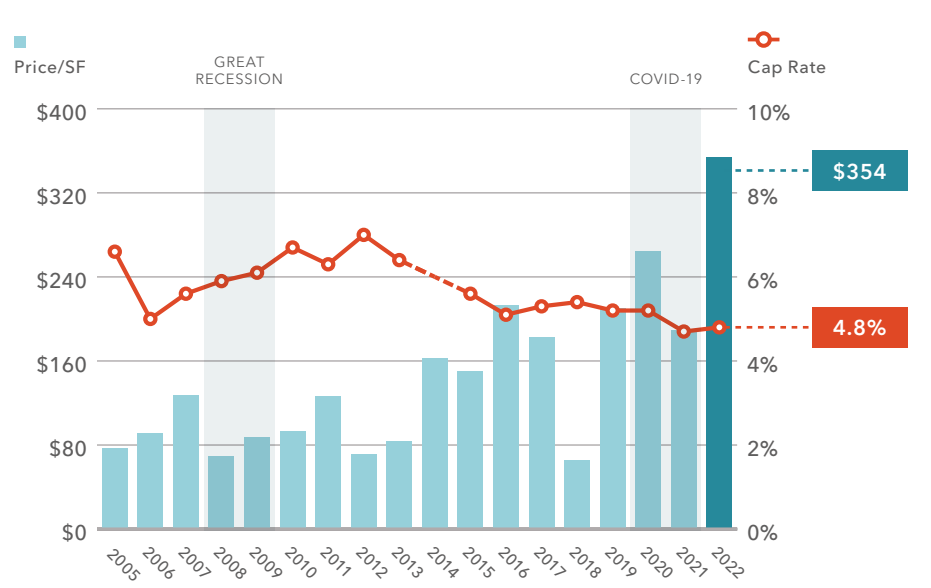
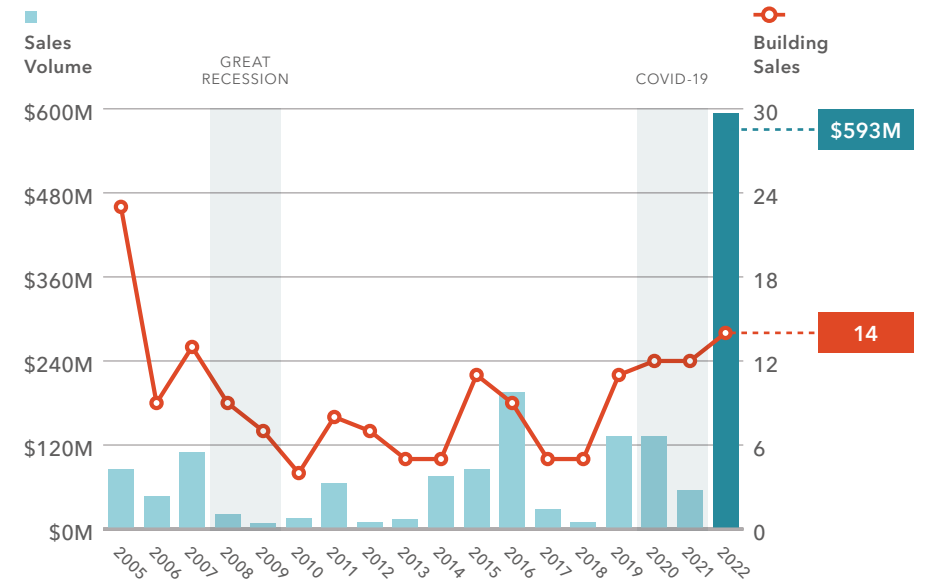
Rents in SW Multnomah County rose in 2022 at a solid 5.5% rate, on the heels of 2021's 7% rent growth. Asking rents reached a new high of \$1,537 per-unit and \$1.83 per-SF. Larger buildings (50+) significantly outperformed smaller buildings in rent growth during the year. The submarket as a whole saw a 4.6% vacancy rate, a slight increase from 3.4% in 2021. Three new buildings totaling 327 units were delivered in 2022, a significant rise from 2021, where a single ten-plex was delivered in the submarket.

2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	10,840	216
10 TO 50 UNITS	3,534	155
50+ UNITS	7,306	61
12-MONTH DELIVERIES	327	3
AVERAGE UNIT SIZE	843 SF	

SALES TRENDS

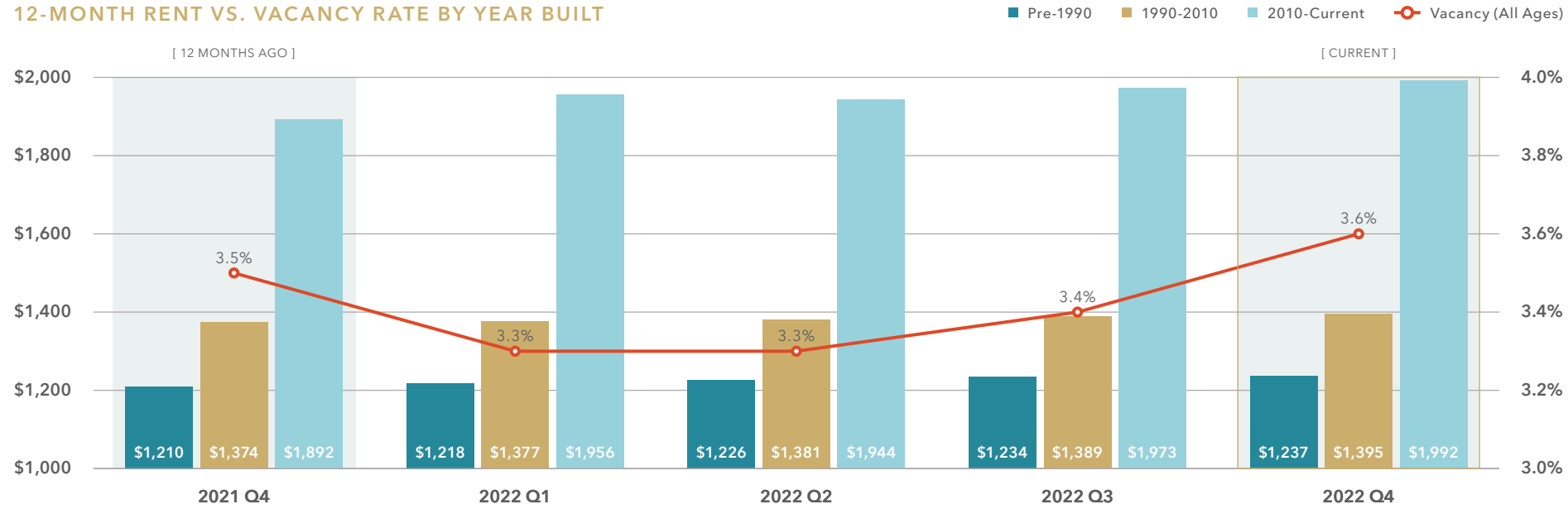


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO Q4 2021	12-Month Change	Q4 2022
BUILDING SALES	5	5	11	12	12	14	3	-	3
SALES VOLUME	\$28.5M	\$10.1M	\$132M	\$132M	\$55M	\$593M	\$20M	\$209M (▲ 1,050%)	\$229M
PRICE/UNIT	\$162K	\$71K	\$211K	\$243K	\$174K	\$336K	\$194K	\$114K (▲ 59%)	\$308K
PRICE/SF	\$182	\$66	\$210	\$264	\$189	\$354	\$201	\$113 (▲ 56%)	\$314
CAP RATE	5.3%	5.4%	5.2%	5.2%	4.7%	4.8%	5.1%	-0.8% (▼ 16%)	4.3%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

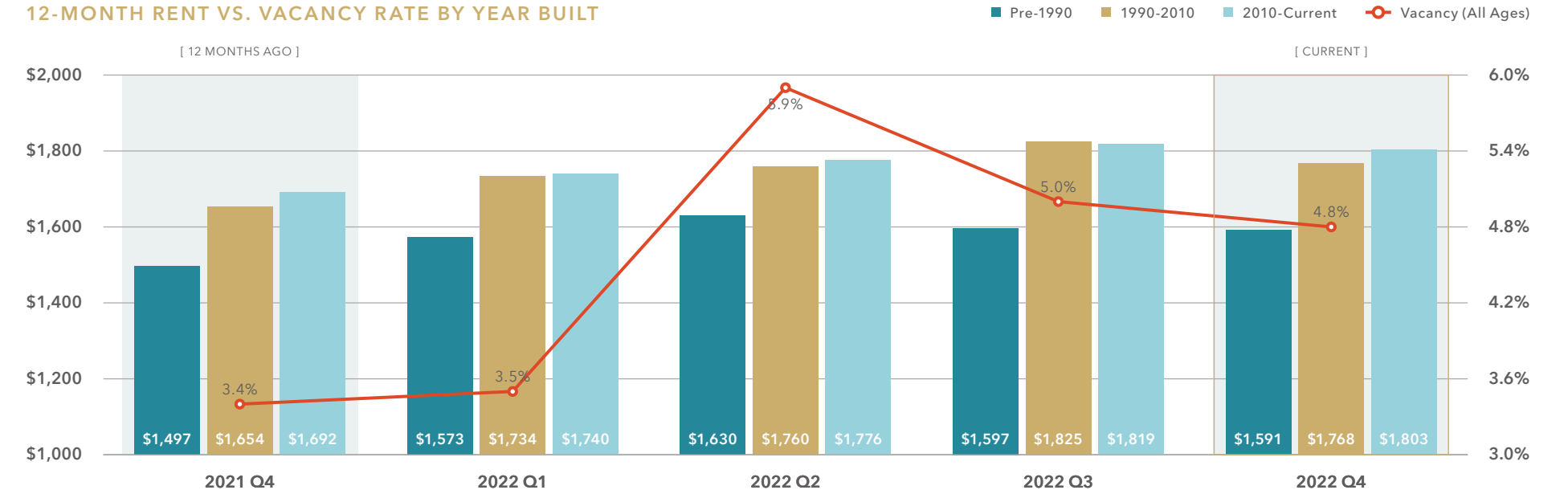


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,118	\$1,147	\$1,174	\$1,205	\$1,245	\$1,275	Q4 2021	\$30 (▲2%)	\$1,275
RENT/SF	\$1.32	\$1.35	\$1.39	\$1.42	\$1.47	\$1.50	Q4 2021	\$0.03 (▲2%)	\$1.50
VACANCY	5.7%	5.1%	4.8%	4.3%	3.5%	3.6%	Q4 2021	0.1% (▲3%)	3.6%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,291	\$1,348	\$1,389	\$1,421	\$1,540	\$1,639	Q4 2021	\$99 (▲6%)	\$1,639
RENT/SF	\$1.54	\$1.60	\$1.65	\$1.69	\$1.83	\$1.95	Q4 2021	\$0.12 (▲7%)	\$1.95
VACANCY	6.8%	4.6%	6.0%	6.3%	3.4%	4.8%	Q4 2021	1.4% (▲41%)	4.8%

All building ages, 50+ unit apartment buildings

Portland's outer eastside submarket continues to be highly transactional, with investors cognizant of its track record for solid rent growth and continued low vacancy rates.

Sales Insight

2022 followed up on 2021's amazing sale year by seeing nearly \$200 million in sales and setting new benchmarks for price per-unit (\$191,000) and per-SF (\$227). A strong fourth quarter of 10 sales bucked the trend of other submarkets, which typically saw slower fourth quarters.

Rent / Vacancy Insight

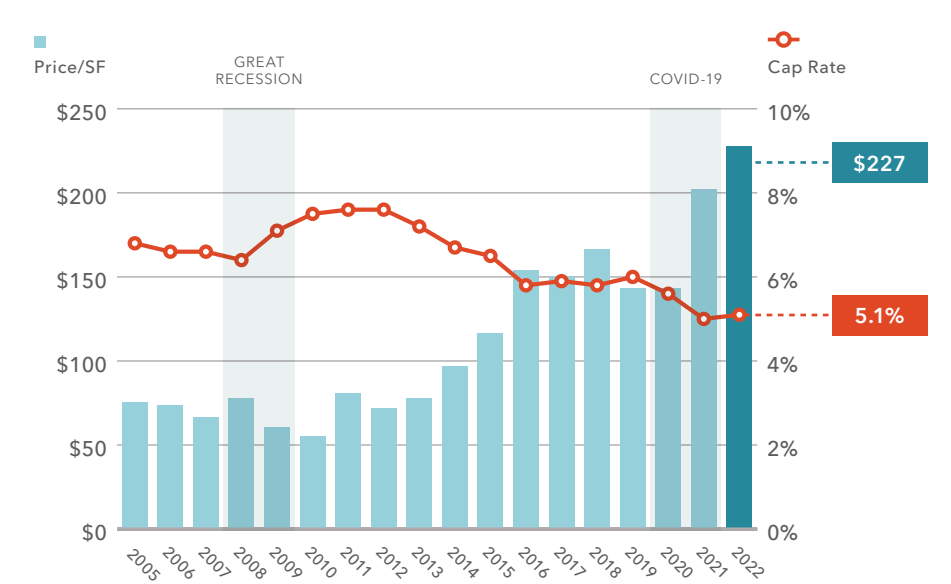
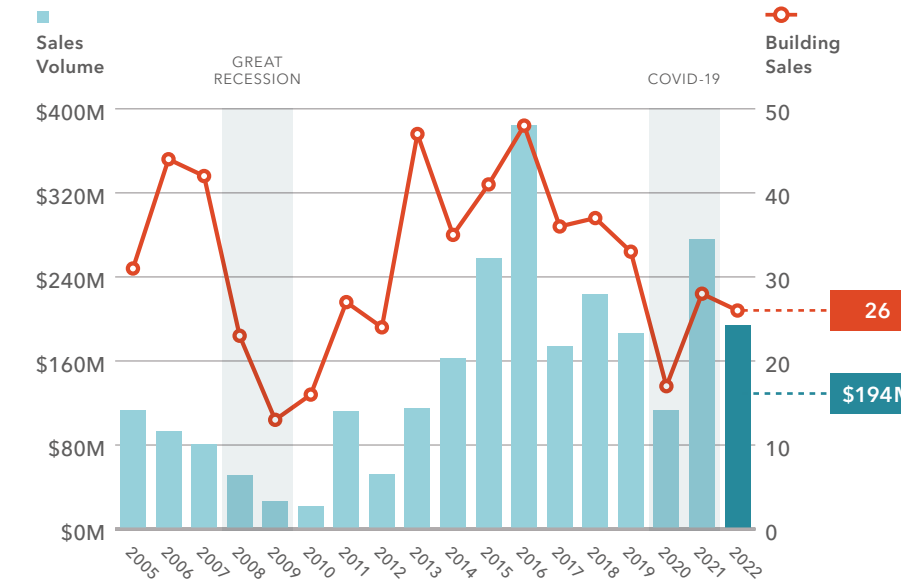
With a large percentage of workforce housing in this submarket, rents grew by 3.5% in 2022, reaching an all-time high of \$1,381 per-unit and \$1.60 per-SF. Vacancy ticked up slightly from 2021, to 4.9%, and only 257 units were added to an inventory that has nearly 25,000 units and traditionally low vacancy rates. With very few units in the pipeline, East County appears poised to have strong demand moving forward.

2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	24,761	577
10 TO 50 UNITS	10,042	444
50+ UNITS	14,919	137
12-MONTH DELIVERIES	257	4
AVERAGE UNIT SIZE	869 SF	

SALES TRENDS

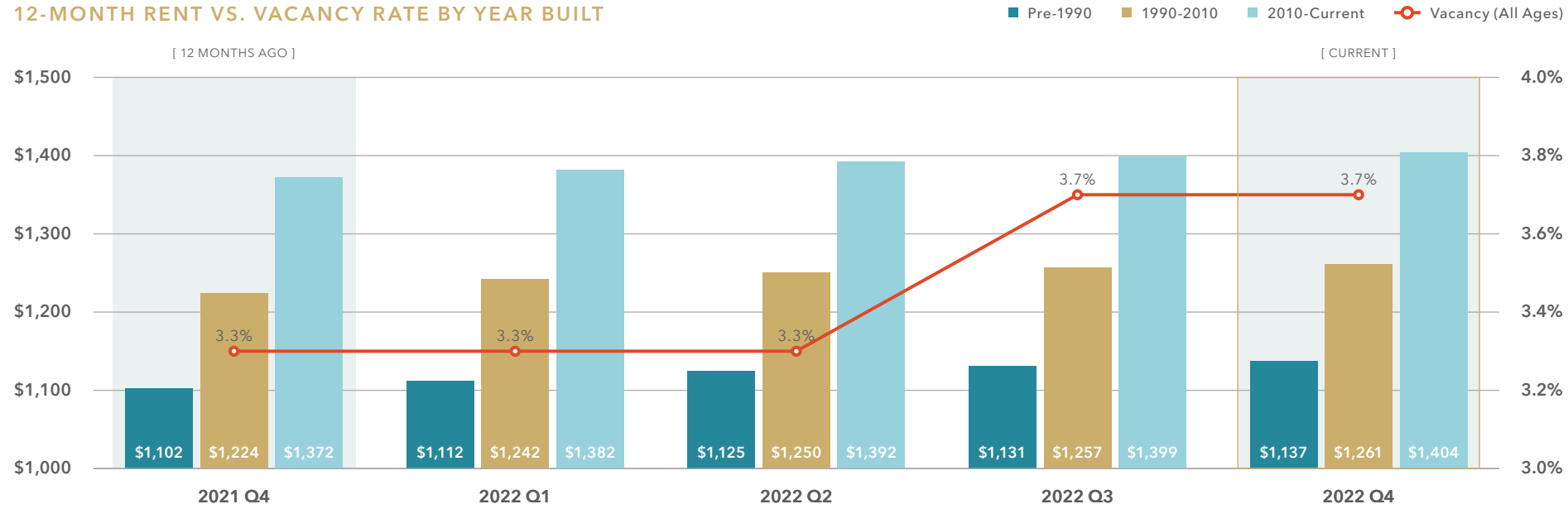


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-MONTH CHANGE	Q4 2022
BUILDING SALES	36	37	33	17	28	26	Q4 2021: 10	8 (▼ 80%)	2
SALES VOLUME	\$174M	\$224M	\$187M	\$113M	\$276M	\$194M	\$66.8M	\$53.6M (▼ 80%)	\$13.2M
PRICE/UNIT	\$152K	\$153K	\$154K	\$132K	\$187K	\$191K	\$191K	\$11K (▲ 6%)	\$202K
PRICE/SF	\$151	\$166	\$143	\$143	\$202	\$227	\$196	\$11 (▲ 6%)	\$207
CAP RATE	5.9%	5.8%	6.0%	5.6%	5.0%	5.1%	5.7%	-0.6% (▼ 11%)	5.1%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

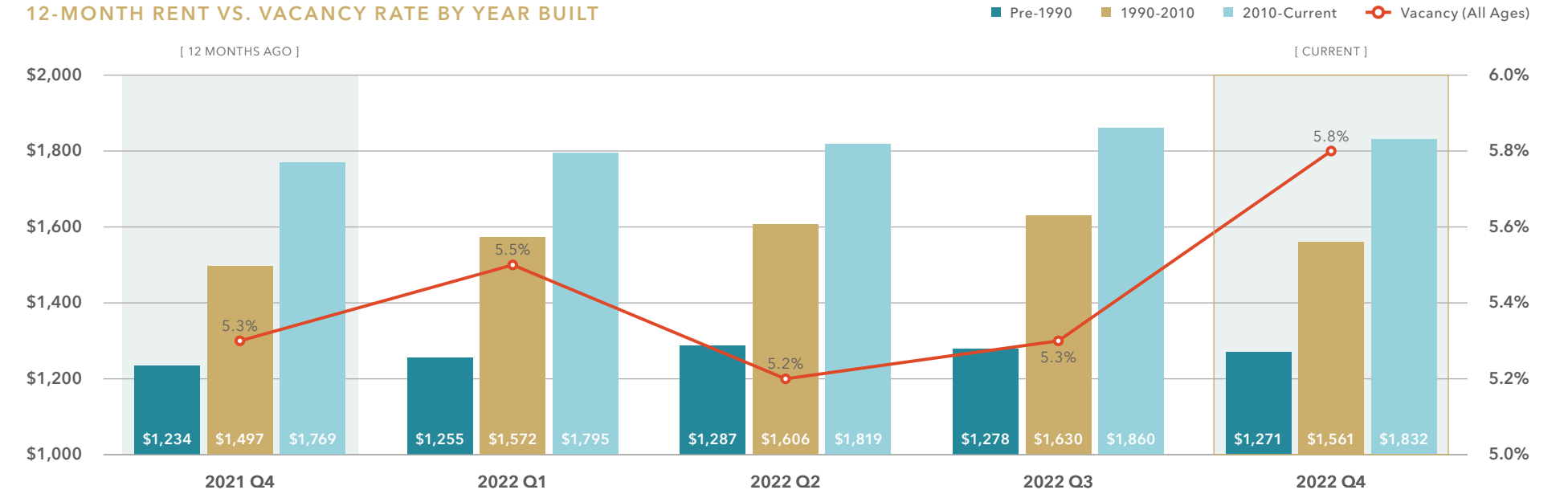


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,189	\$1,073	\$1,099	\$1,124	\$1,154	\$1,189	Q4 2021: \$1,154	\$35 (▲ 3%)	Q4 2022: \$1,189
RENT/SF	\$1.37	\$1.24	\$1.27	\$1.29	\$1.33	\$1.37	Q4 2021: \$1.33	\$0.04 (▲ 3%)	Q4 2022: \$1.37
VACANCY	3.7%	4.1%	4.5%	3.8%	3.3%	3.7%	Q4 2021: 3.3%	0.4% (▲ 12%)	Q4 2022: 3.7%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,186	\$1,230	\$1,266	\$1,306	\$1,431	\$1,484	Q4 2021: \$1,431	\$53 (▲ 4%)	Q4 2022: \$1,484
RENT/SF	\$1.37	\$1.42	\$1.46	\$1.51	\$1.65	\$1.71	Q4 2021: \$1.65	\$0.06 (▲ 4%)	Q4 2022: \$1.71
VACANCY	4.6%	4.8%	5.2%	5.9%	5.3%	5.8%	Q4 2021: 5.3%	0.5% (▲ 9%)	Q4 2022: 5.8%

All building ages, 50+ unit apartment buildings

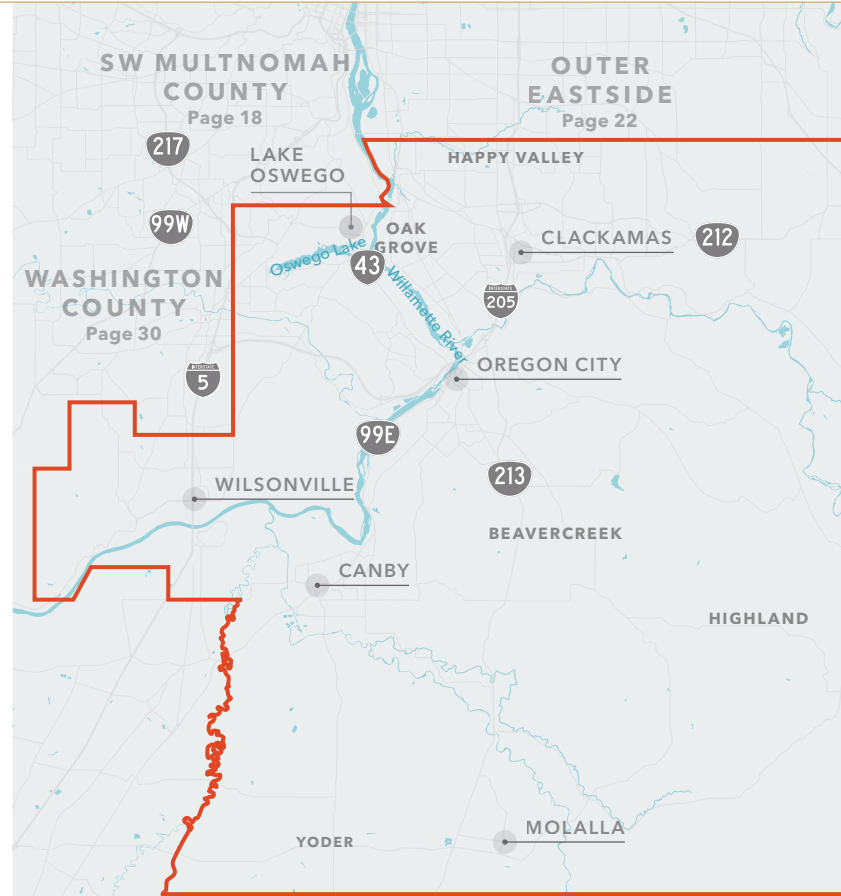
Despite strong demand, sales in Clackamas County dipped in 2022 as many owners recognized the value of their suburban assets; those assets that did trade saw record pricing for the submarket thanks in part to solid rent growth.

Sales Insight

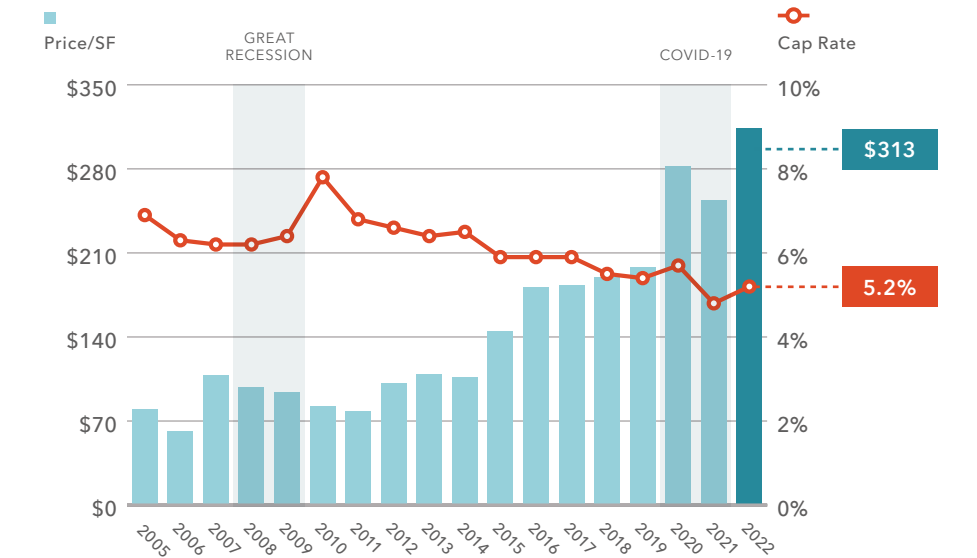
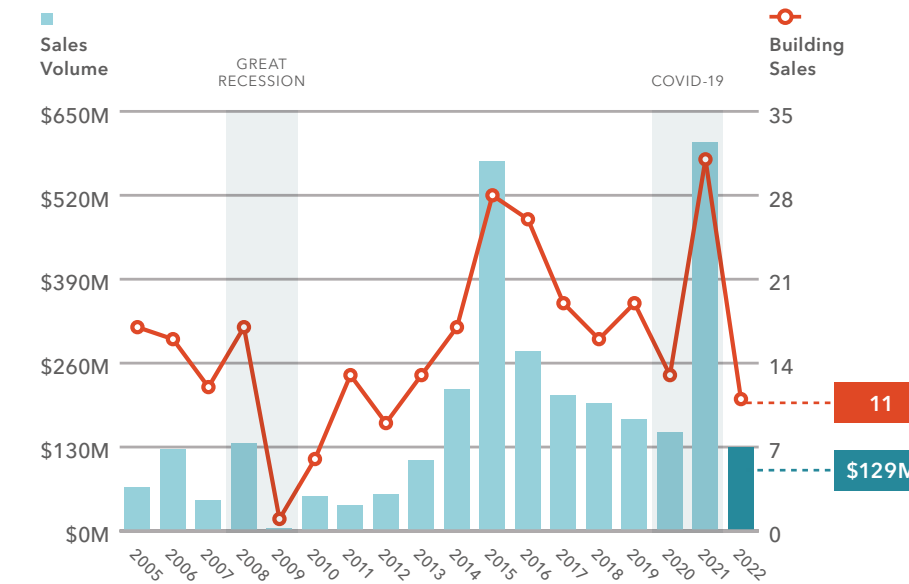
Sales in Clackamas County saw the fewest transactions (11) since 2013, with only two transactions during Q3 and Q4 combined. This was likely indicative of the rising interest rate environment, as well as suburban owners holding their well-located assets during uncertain times. Sales that did occur saw record per-SF (\$313) and per-unit (\$274,000) pricing.

Rent / Vacancy Insight

Asking rents in 2022 grew by nearly 6%, following 2021's astounding 11% growth. As a result, submarket asking rents reached an all-time high of \$1,661 per-unit and \$1.84 per-SF, with vacancy rates averaging 4.6%. These were all great metrics for achieving rising property values, supporting strong fundamentals moving forward.



SALES TRENDS



2022 NOTABLE SALES

<p>HEATHER LODGE 178 Units \$71,000,000</p>	<p>THE PARK AT 28 24 Unit \$4,800,000</p>	<p>COURTNEY SQUARE 47 Units \$7,600,000</p>
<p>BELL TOWER 52 Units \$14,100,000</p>	<p>LINDEN TERRACE 20 Units \$3,275,000</p>	<p>503 KNOTT ST 10 Units \$2,000,000</p>

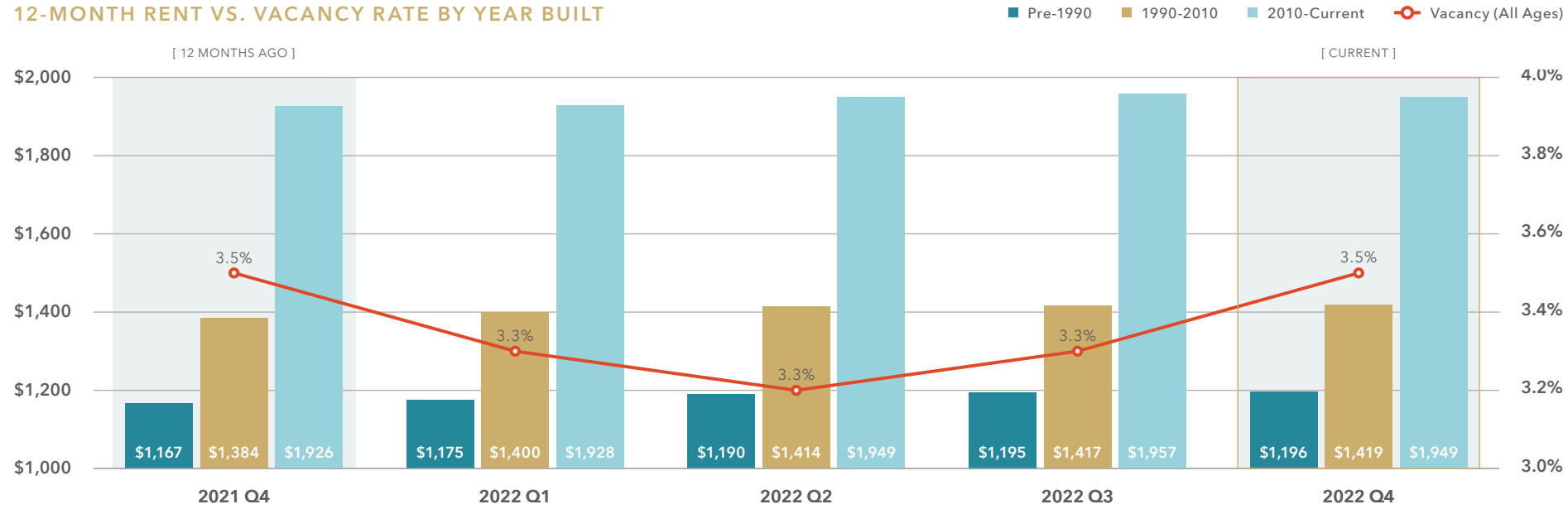
INVENTORY	Units	Buildings
TOTAL	23,747	328
10 TO 50 UNITS	4,568	209
50+ UNITS	19,329	122
12-MONTH DELIVERIES	91	2
AVERAGE UNIT SIZE	903 SF	

HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	19	16	19	13	31	11	Q4 2021: 11	8 (▼ 82%)	2
SALES VOLUME	\$210M	\$198M	\$173M	\$152M	\$602M	\$129M	\$138M	\$129M (▼ 94%)	\$8.98M
PRICE/UNIT	\$198K	\$170K	\$200K	\$268K	\$236K	\$274K	\$264K	106K (▼ 40%)	\$158K
PRICE/SF	\$183	\$190	\$198	\$282	\$254	\$313	\$249	\$44 (▼ 18%)	\$205
CAP RATE	5.9%	5.5%	5.4%	5.7%	4.8%	5.2%	4.4%	+0.4% (▲ 9%)	4.8%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

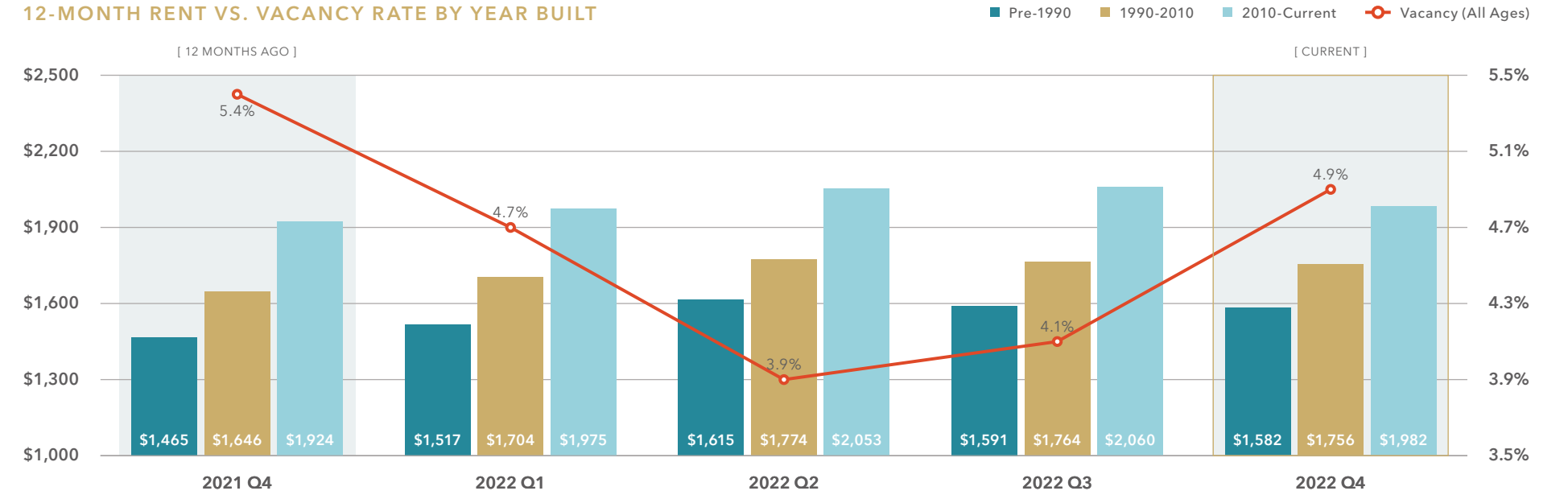


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,126	\$1,157	\$1,183	\$1,204	\$1,243	\$1,277	Q4 2021	\$34 (▲ 3%)	\$1,277
RENT/SF	\$1.28	\$1.32	\$1.35	\$1.37	\$1.42	\$1.46	Q4 2021	\$0.04 (▲ 3%)	\$1.46
VACANCY	5.0%	5.1%	4.3%	4.0%	3.5%	3.5%	Q4 2021	-	3.5%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,303	\$1,354	\$1,403	\$1,452	\$1,626	\$1,727	Q4 2021	\$101 (▲ 6%)	\$1,727
RENT/SF	\$1.44	\$1.50	\$1.55	\$1.60	\$1.80	\$1.91	Q4 2021	\$0.11 (▲ 6%)	\$1.91
VACANCY	6.1%	7.4%	5.6%	4.5%	5.4%	4.9%	Q4 2021	0.5% (▼ 9%)	4.9%

All building ages, 50+ unit apartment buildings

Washington County cements its place as one of the most desirable multifamily submarkets with another sizable sales year and strong market fundamentals.

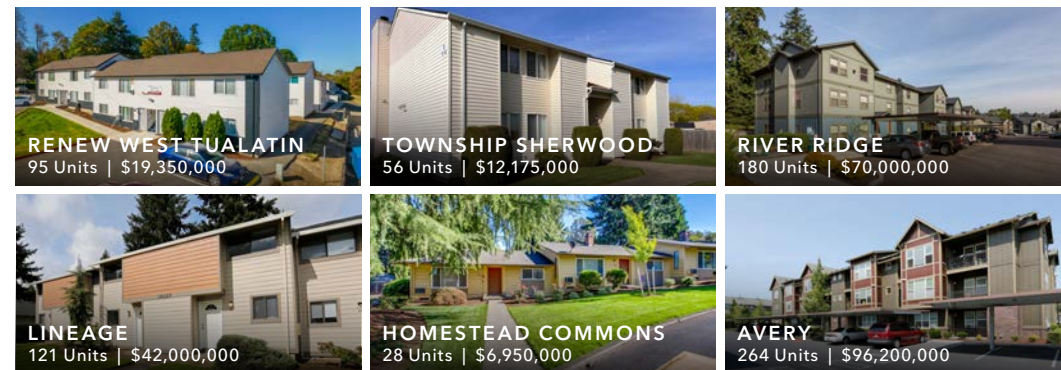
Sales Insight

With a sales volume (\$867 million) and number of transactions (26) nearly matching 2021's great year, Washington County and its suburban setting set new highs in price per-SF (\$312) and average price per-unit (\$307,000), and a new low in average cap rate (4.5%) in route to one of its best sales years on record. Sixteen sales during Q3 and Q4 illustrated that changing market had not yet impacted the submarket.

Rent / Vacancy Insight

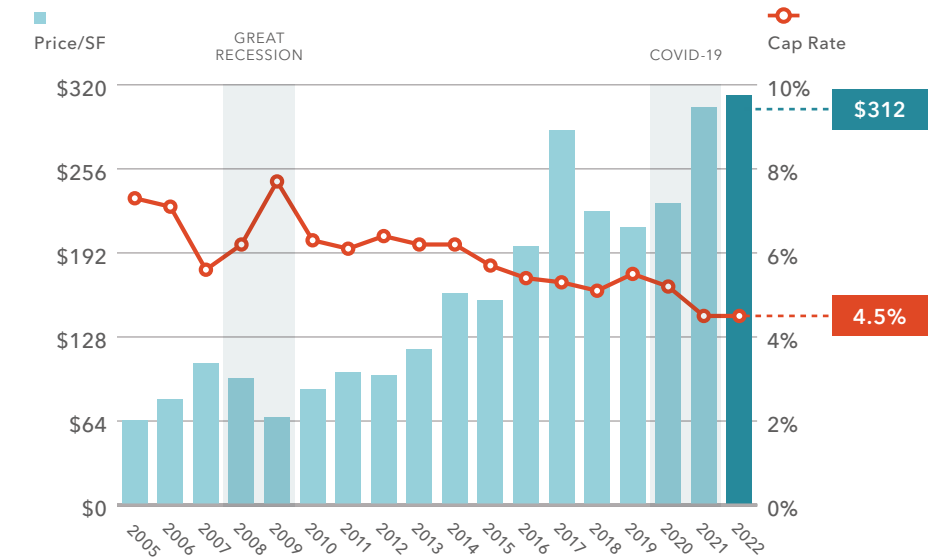
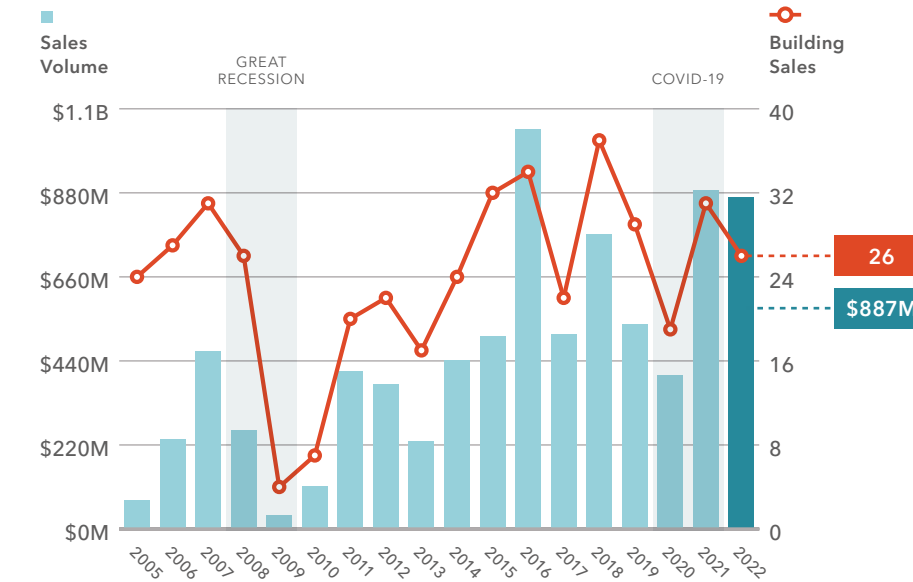
Washington County achieved another high in rent per-unit (\$1,702) and rent per-SF (\$1.91) during 2022. A 4.8% rent growth, following nearly 15% in 2021, and a 4.6% vacancy rate illustrated just how strong tenant demand has been over the last two years. Watch for Washington County to remain a favorite for investors for the foreseeable future.

2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	47,257	519
10 TO 50 UNITS	6,795	298
50+ UNITS	40,762	227
12-MONTH DELIVERIES	632	3
AVERAGE UNIT SIZE	895 SF	

SALES TRENDS

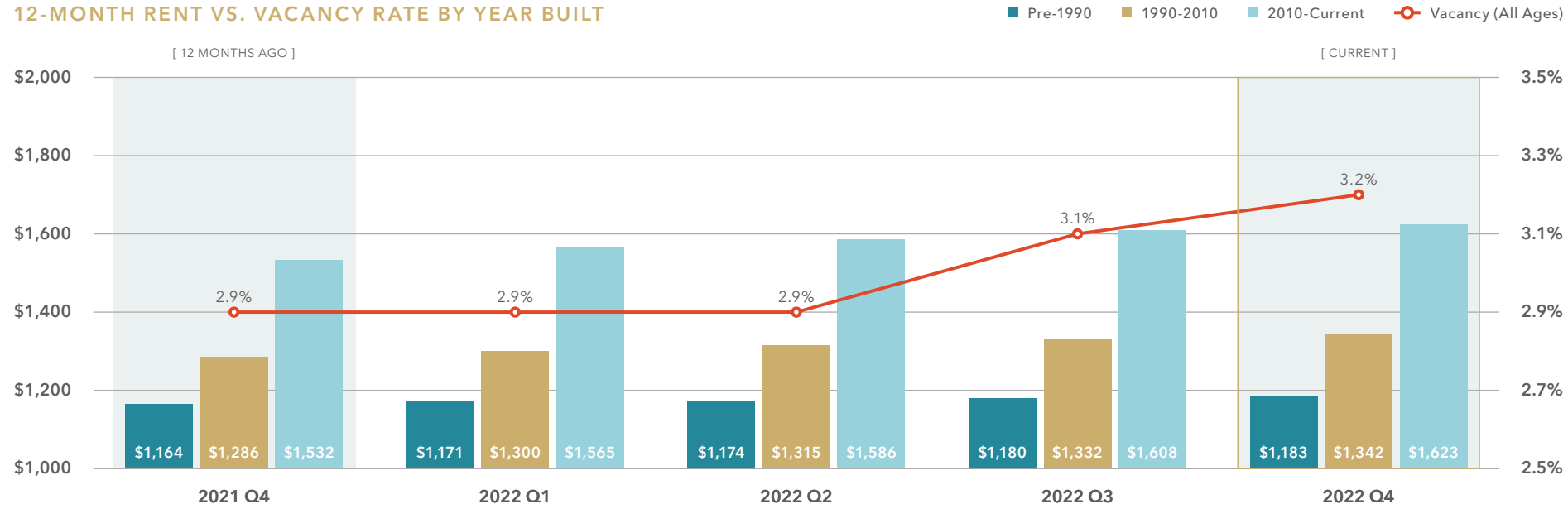


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	22	37	29	19	31	26	Q4 2021: 18	11 (▼ 61%)	7
SALES VOLUME	\$508M	\$770M	\$534M	\$401M	\$886M	\$867M	\$695M	\$263M (▼ 38%)	\$432M
PRICE/UNIT	\$211K	\$215K	\$247K	\$239K	\$286K	\$307K	\$292K	\$27K (▲ 9%)	\$319K
PRICE/SF	\$285	\$224	\$211	\$230	\$303	\$312	\$307	\$18 (▼ 6%)	\$289
CAP RATE	5.3%	5.1%	5.5%	5.2%	4.5%	4.5%	4.5%	-0.6% (▼ 13%)	3.9%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

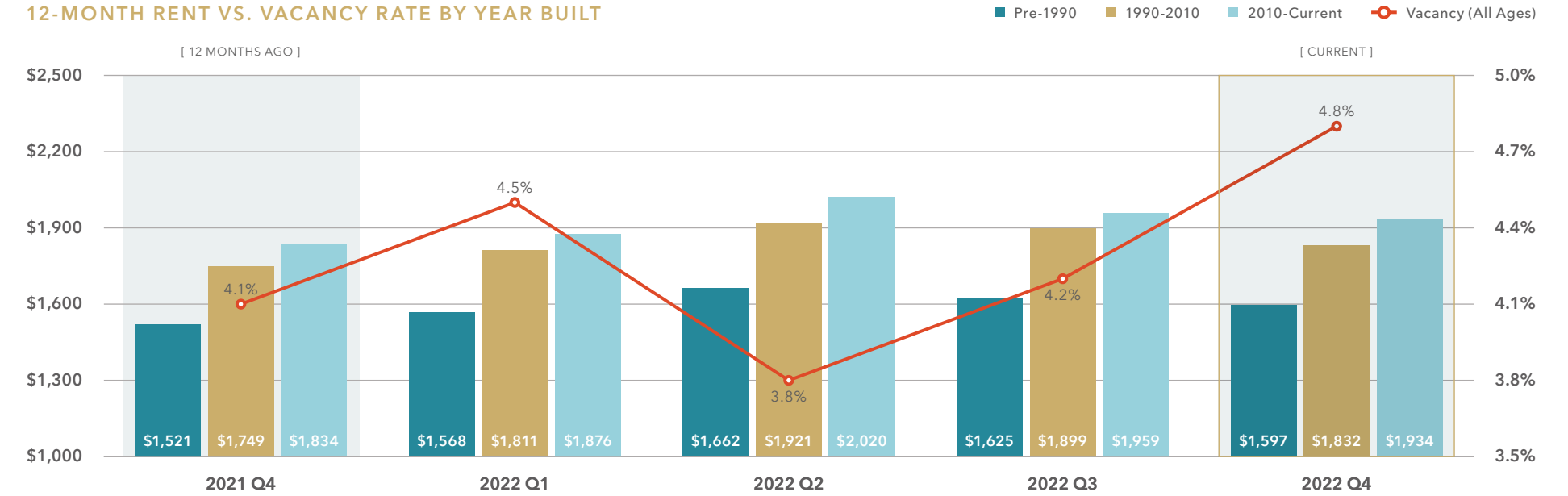


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,085	\$1,111	\$1,141	\$1,161	\$1,197	\$1,227	Q4 2021	\$30 (▲ 3%)	\$1,227
RENT/SF	\$1.25	\$1.28	\$1.31	\$1.34	\$1.38	\$1.41	Q4 2021	\$0.03 (▲ 2%)	\$1.41
VACANCY	5.3%	4.6%	4.5%	3.7%	2.9%	3.2%	Q4 2021	0.3% (▲ 10%)	3.2%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,337	\$1,369	\$1,421	\$1,454	\$1,678	\$1,763	Q4 2021	\$85 (▲ 5%)	\$1,763
RENT/SF	\$1.49	\$1.53	\$1.59	\$1.62	\$1.87	\$1.97	Q4 2021	\$0.10 (▲ 5%)	\$1.97
VACANCY	6.6%	6.1%	5.4%	4.9%	4.1%	4.8%	Q4 2021	0.7% (▲ 17%)	4.8%

All building ages, 50+ unit apartment buildings

Clark County, Portland's largest suburb, continues to be a major target for investors looking to buy outside of Oregon.

Sales Insight

Investors continue to flock to Clark County for its close proximity to Portland but with less regulations, and because Washington is an income tax free state. As a result, Clark County continues to draw significant interest, as evidenced by its second-best sales year on record, with nearly \$600 million in sales across 29 transactions. Price per-unit (\$250,000) and price per-SF (\$237) actually fell (minimally) when compared to 2021, along with a slight rise in cap rates.

Rent / Vacancy Insight

Like nearly every submarket in this report, Clark County reached highs in asking rent per-unit (\$1,618), rent per-SF (\$1.76) and it had its second straight year of sub-5% vacancy at 4.7%. Overall, Vancouver has always been a more affordable suburban lifestyle than Portland across the river. Vancouver's new waterfront development has brought new life into its downtown core, making it an attractive place for renters and spanning a historic new wave of development.

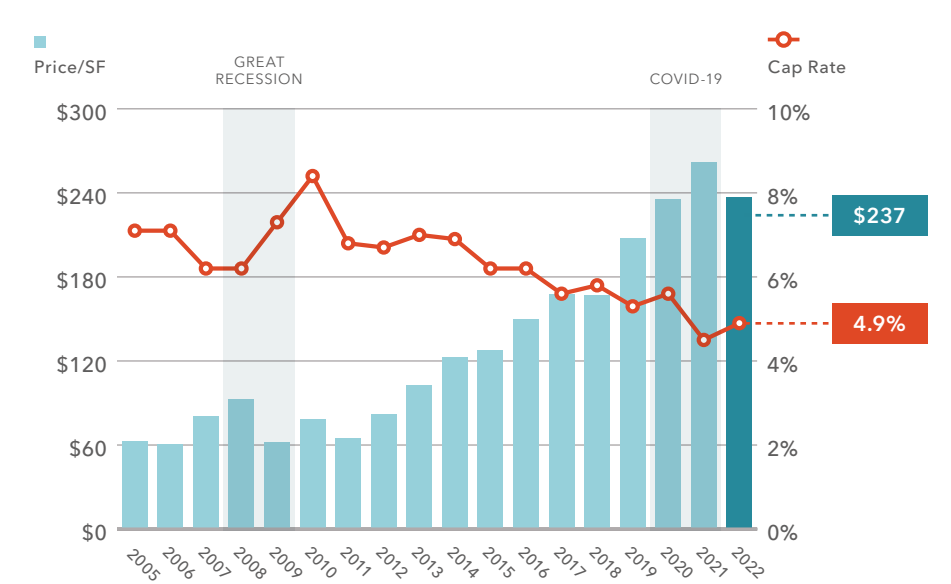
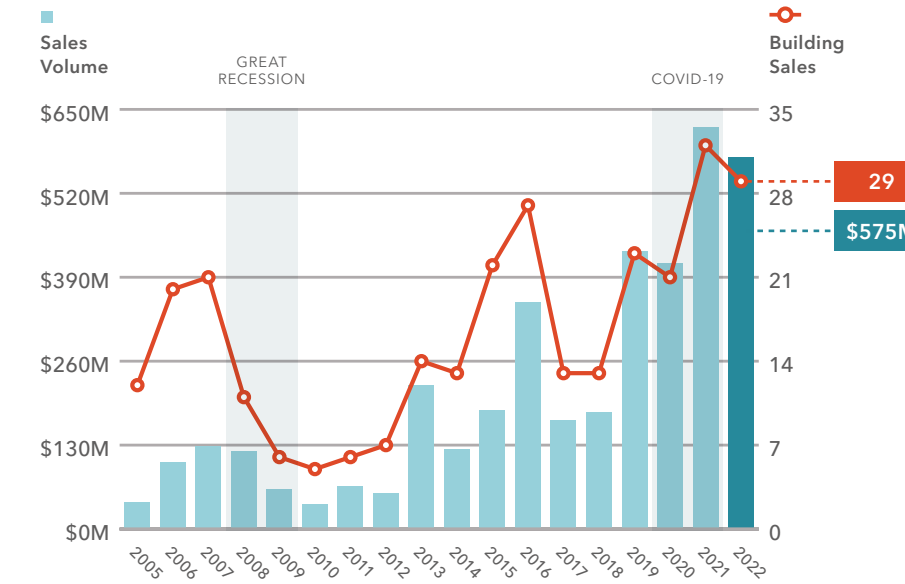


2022 NOTABLE SALES

<p>MEADOW BROOK PLACE 154 Units \$38,500,000</p>	<p>PASSAGE 104 Units \$32,850,000</p>	<p>134TH ST LOFTS 124 Units \$38,750,000</p>
<p>4600 NE LEVERICH CT 30 Units \$6,935,000</p>	<p>BEVERLY COURT 32 Units \$6,100,000</p>	<p>GARDEN VIEW 49 Units \$9,450,000</p>

INVENTORY	Units	Buildings
TOTAL	33,001	442
10 TO 50 UNITS	5,738	267
50+ UNITS	27,363	177
12-MONTH DELIVERIES	505	9
AVERAGE UNIT SIZE	928 SF	

SALES TRENDS



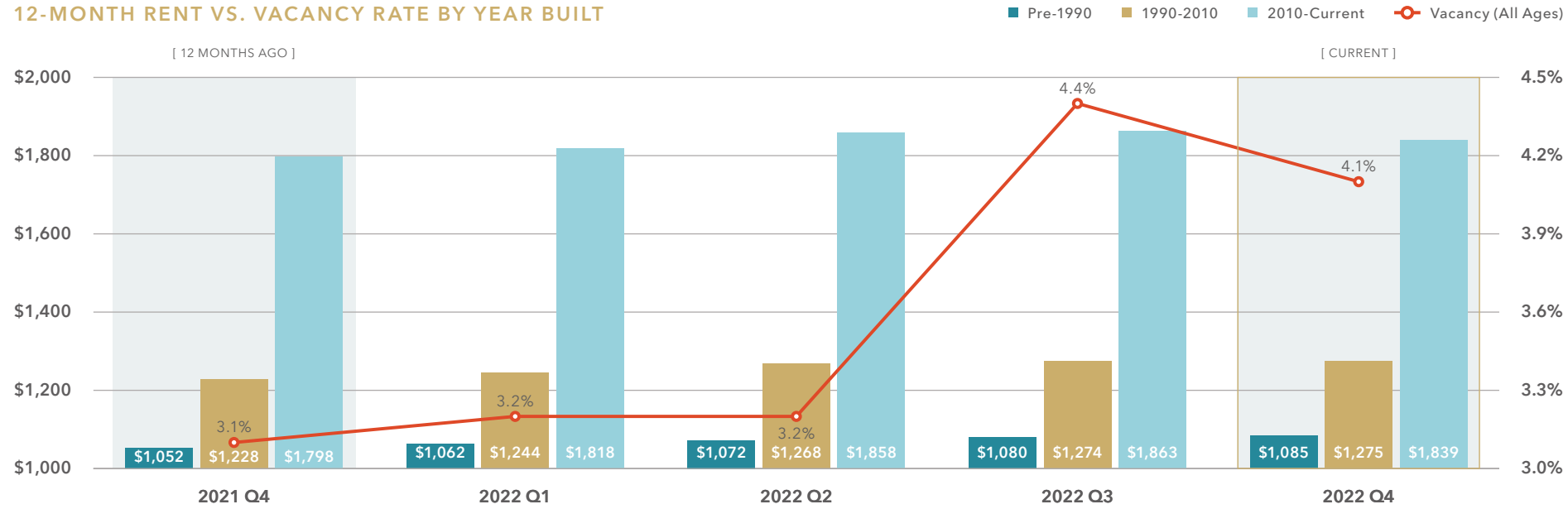
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	13	13	23	21	32	29	Q4 2021: 12	7 (▼ 58%)	5
SALES VOLUME	\$168M	\$181M	\$431M	\$412M	\$622M	\$575M	\$246M	\$159M (▼ 65%)	\$86.9M
PRICE/UNIT	\$165K	\$193K	\$198K	\$223K	\$252K	\$250K	\$262K	\$49K (▼ 19%)	\$213K
PRICE/SF	\$167	\$167	\$207	\$236	\$262	\$237	\$252	\$83 (▼ 33%)	\$169
CAP RATE	5.6%	5.8%	5.3%	5.6%	4.5%	4.9%	4.2%	+0.5% (▲ 12%)	4.7%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY RATE BY YEAR BUILT



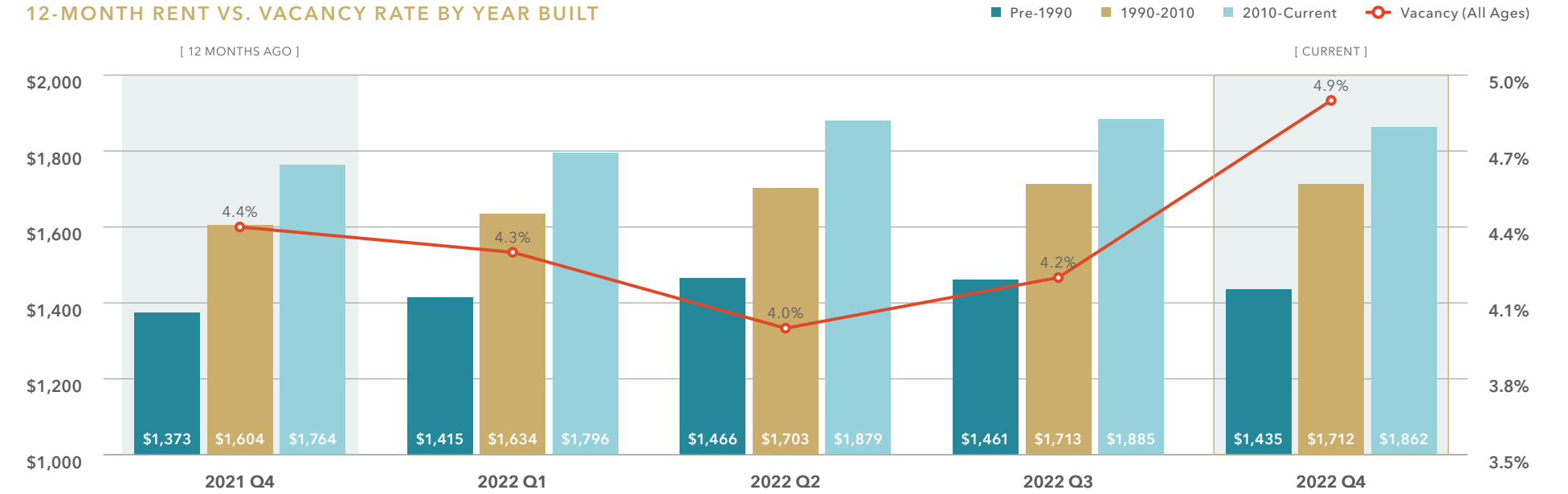
AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,093	\$1,124	\$1,150	\$1,180	\$1,222	\$1,259	Q4 2021	\$37 (▲ 3%)	\$1,259
RENT/SF	\$1.19	\$1.23	\$1.25	\$1.29	\$1.33	\$1.38	Q4 2021	\$0.05 (▲ 4%)	\$1.38
VACANCY	4.3%	4.3%	4.3%	4.0%	3.1%	4.1%	Q4 2021	1.0% (▲ 32%)	4.1%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS

12-MONTH RENT VS. VACANCY RATE BY YEAR BUILT



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,288	\$1,333	\$1,373	\$1,425	\$1,581	\$1,674	Q4 2021	\$93 (▲ 6%)	\$1,674
RENT/SF	\$1.40	\$1.44	\$1.49	\$1.54	\$1.71	\$1.81	Q4 2021	\$0.10 (▲ 6%)	\$1.81
VACANCY	5.4%	4.6%	6.9%	5.2%	4.4%	4.9%	Q4 2021	0.5% (▲ 11%)	4.9%

All building ages, 50+ unit apartment buildings

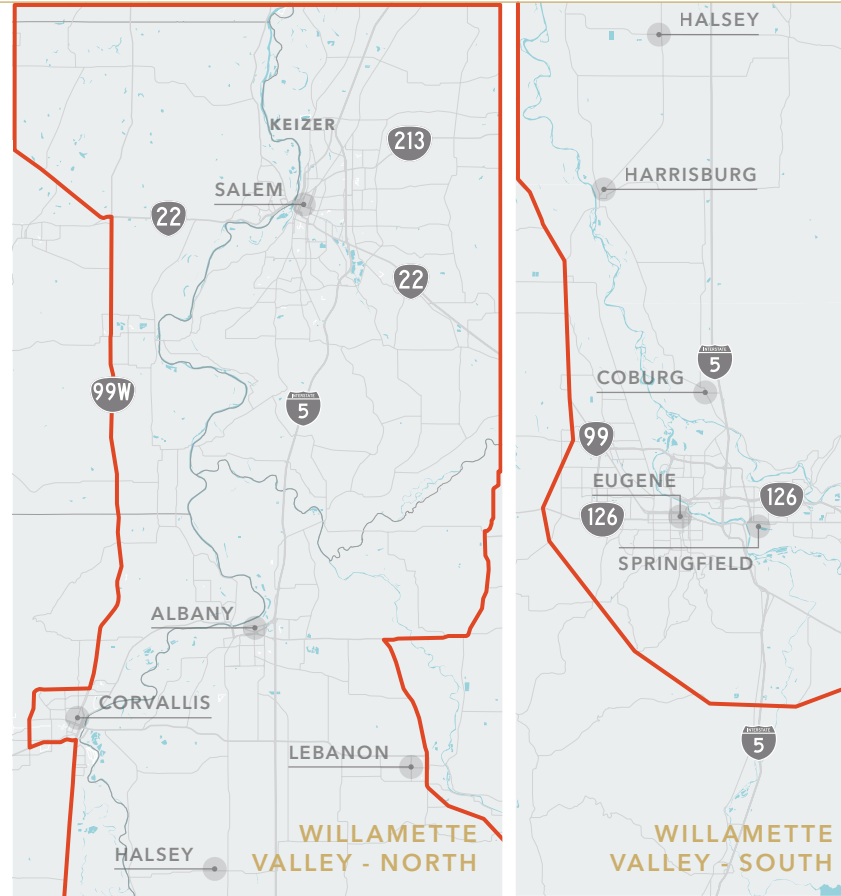
With another solid year of sales and rent growth in 2022, the Willamette Valley continues to prove it is a viable alternative for investors looking to buy outside of the Portland-Metro.

Sales Insight

During a solid 2022 sales year, the Willamette Valley, consisting of Salem, Eugene, Corvallis, and their smaller neighboring towns, achieved its second largest number of transactions and third largest sales volume ever. Price per-SF reached an all-time high of \$196, an increase of 7% year over year, with per-unit pricing increasing by 11% from 2021 to nearly \$178,000. Historically, investor demand has been lower in these smaller markets, but with Portland growing further south, the Willamette Valley has become more of an extension of the Portland market and investors are treating it as such.

Rent / Vacancy Insight

Driving the Willamette Valley's strong sales market was another year of solid rent growth, at 6%, and a vacancy percentage at 4.1%, making 2022 the tenth straight year of vacancy rates at or below 5%. Average rents have now surpassed \$1,300 per-unit and the outlook remains bright for this submarket.

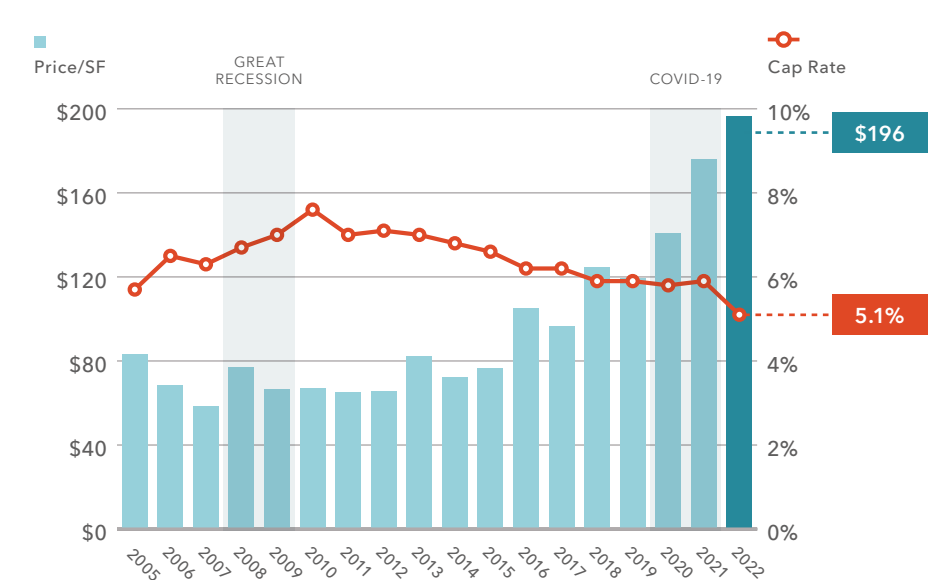
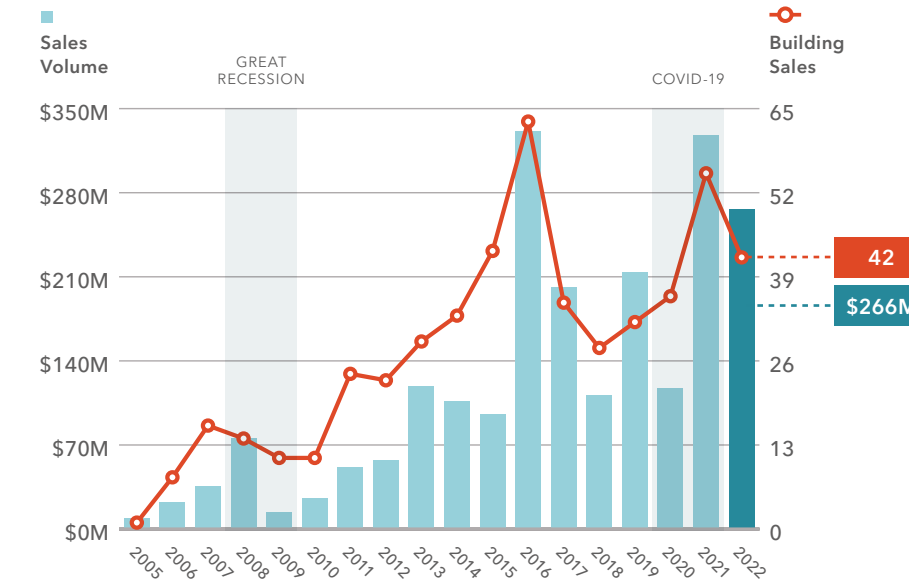


2022 NOTABLE SALES



INVENTORY	Units	Buildings
TOTAL	54,149	1,171
10 TO 50 UNITS	18,333	877
50+ UNITS	36,066	299
12-MONTH DELIVERIES	1,721	13
AVERAGE UNIT SIZE	863 SF	

SALES TRENDS

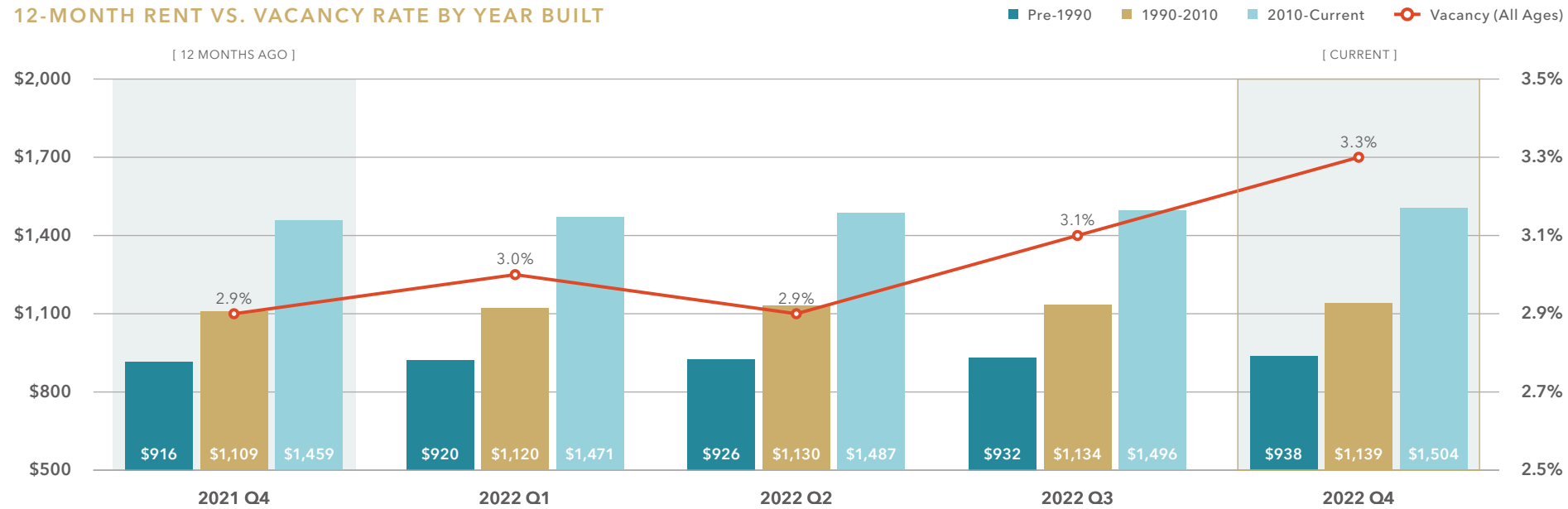


HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
BUILDING SALES	35	28	32	36	55	42	Q4 2021: 17	11 (▼ 65%)	6
SALES VOLUME	\$201M	\$111M	\$213M	\$117M	\$328M	\$266M	\$149M	\$134M (▼ 90%)	\$14.8M
PRICE/UNIT	\$108K	\$128K	\$149K	\$122K	\$152K	\$178K	\$196K	\$60K (▼ 31%)	\$136K
PRICE/SF	\$97	\$125	\$119	\$141	\$176	\$196	\$218	\$61 (▼ 28%)	\$157
CAP RATE	6.2%	5.9%	5.9%	5.8%	5.9%	5.1%	5.4%	-0.3% (▼ 6%)	5.1%

All building ages, 10+ unit apartment buildings

RENT & VACANCY | 10 TO 50 UNIT BUILDINGS

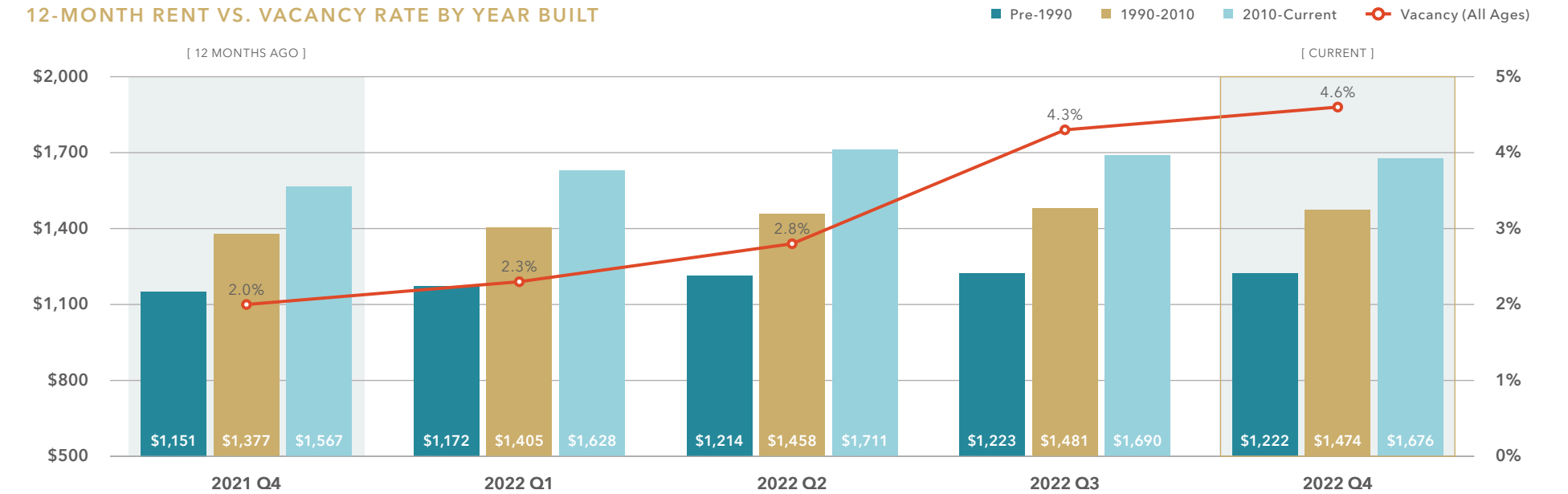


AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$877	\$905	\$930	\$953	\$984	\$1,008	Q4 2021	\$24 (▲ 2%)	\$1,008
RENT/SF	\$1.07	\$1.10	\$1.13	\$1.16	\$1.20	\$1.23	\$1.20	\$0.03 (▲ 3%)	\$1.23
VACANCY	3.6%	3.5%	3.7%	3.5%	2.9%	3.3%	2.9%	0.4% (▲ 14%)	3.3%

All building ages, 10-50 unit apartment buildings

RENT & VACANCY | 50+ UNIT BUILDINGS



AVERAGE ANNUAL RENTS VS. VACANCY RATES - ALL YEARS COMBINED

	2017	2018	2019	2020	2021	2022	12 MONTHS AGO	12-Month Change	Q4 2022
RENT	\$1,072	\$1,124	\$1,170	\$1,219	\$1,336	\$1,426	Q4 2021	\$90 (▲ 7%)	\$1,426
RENT/SF	\$1.23	\$1.29	\$1.34	\$1.40	\$1.53	\$1.63	\$1.53	\$0.10 (▲ 7%)	\$1.63
VACANCY	3.9%	3.6%	5.8%	4.3%	2.0%	4.6%	2.0%	2.6% (▲ 130%)	4.6%

All building ages, 50+ unit apartment buildings

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 region includes all 10+ unit market-rate apartment buildings in Marion, Linn, Benton, and Lane Counties.

DATA SOURCES

SALES

CoStar

Carter | Newton | Linn Multifamily Team Research

Local and Regional Appraisers

RENT, VACANCY & INVENTORY

CoStar

Apartments.com

Carter | Newton | Linn Multifamily Team Research

Carter / Newton / Linn Multifamily Team

JORDAN CARTER

Executive Vice President
503.221.2280
jordan.carter@kidder.com

CLAY NEWTON

Executive Vice President
503.721.2719
clay.newton@kidder.com

TYLER LINN

Senior Vice President
503.721.2702
tyler.linn@kidder.com

KIDDER.COM

