

2023 Q1 - Q3 MULTIFAMILY SALES UPDATE

The Portland-Metro multifamily sales market has been dramatically impacted by the Fed's efforts to curb inflation through rising interest rates, coupled with a general slowdown of rent growth and increasing expenses.

Through the first three quarters of 2023, the market has seen 49 transactions for \$581 million, significantly down from 2022's 127 transactions for \$2.81 billion through the same time period. A lack of institutional sales (\$20+ million) has led the overall decline in sales volume of 80%, with only six sales of over \$20M properties in 2023 compared to 32 during the same period in 2022.

Looking closer at private capital sales (between \$2-\$20 million), average price per-sq. ft. (\$246) has decreased by 14% and price-per-unit (\$211,778) is down 5% compared through the first three quarters of 2022. While still less favorable for most investors than its neighboring counties, Multnomah County led sales activity with 23 sales. Vintage apartments (older than 1939) have only seen three total transactions in 2023 as some lenders have become increasingly stringent on the age of buildings they will lend on. While Clackamas, Washington and Clark counties remain favorable targets for investors, a lack of for sale product has limited their sales.

SALES BY QUARTER – PORTLAND-METRO

	# of Sales (\$2-20M)	# of Sales (\$20M+)	Total # of Transactions	Total Sales Volume (\$M)
2023 Q3	18	2	20	\$240.4
2023 Q2	17	1	18	\$174.7
2023 Q1	8	3	11	\$166.2
TOTAL	43	6	49	\$581.3

2022 Q4	18	13	31	\$894.6
2022 Q3	29	8	37	\$473.1
2022 Q2	48	17	65	\$1,832.7
2022 Q1	18	7	25	\$504.2
TOTAL	113	45	158	\$3,704.6

2021 Q4	47	28	75	\$1,859.7
2021 Q3	48	17	65	\$1,077.4
2021 Q2	36	10	46	\$789.4
2021 Q1	23	8	31	\$460.7
TOTAL	154	63	217	\$4,187.2

Q1 - Q3 2023 PORTLAND-METRO SALES COMPARISON (\$2-20 MILLION)

	Total Sales Volume	Total Transactions	Average Price / Unit	Average Price / SF
2020	\$409,032,040	69	\$194,007	\$213
2021	\$606,425,007	107	\$198,876	\$240
2022	\$563,805,162	95	\$214,426	\$273
2023	\$277,066,962	43	\$210,406	\$236

The multifamily housing market in Portland is currently experiencing a significant adjustment in response to shifting demand. Leasing activity has slowed due to persistent high inflation and economic uncertainty, leading to a decline in the formation of new households. Adding to problem, a substantial number of new housing units are expected to enter the market within the next 18 months. As a result, we forecast an increasing supply of available units, causing vacancy rates to approach record highs. Concurrently, rent growth is likely to remain in negative territory over the upcoming quarters due to this supply-demand imbalance.

Despite the market's recent challenges, when it comes to pricing, the area still holds its appeal in comparison to some of its peer gateway markets. Even with the recent increase in cap rates, buyers typically have the opportunity to secure more favorable yields in Portland. Transactions that are getting the most interest are those that are reasonably priced, or those with attractive assumable financing or seller-financing

available. Despite having a challenging time recovering from the impact of the pandemic, and despite the challenging lending market putting pressure on underwriting and values, many investors remain bullish on the Portland-Metro's long-term market fundamentals. In the short-term, we are seeing more opportunities arise as the ask-buy gap tightens between buyers and sellers and as more sellers become motivated.

SALES IN WILLAMETTE VALLEY

Despite having one-third of the Portland-Metro area's apartment inventory, the Willamette Valley has remained an attractive investment market. With a 5.1% vacancy rate, the trailing 12-month rent growth has seen a substantial decline in the past few quarters, standing at 1.9% now, significantly lower than the prior five-year peak of over 8%. The "Valley" has followed similar trends as Portland-metro, seeing nearly a 75% decline through three quarters in the number of transactions (9) and sales volume (\$66 million) compared to 2022.

Source: Kidder Mathews, CoStar



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PORTLAND MSA Q1-Q3 APARTMENT SALES UPDATE

PORTLAND MSA | \$20 MILLION & UNDER

Building Name	Property Address	City	Sale Date	Built	Units	Sale Price	\$/Unit	\$/SF
NOTA	5681-5687 NE Glisan St	Portland	9/25/2023	2020	30	\$8,200,000	\$273,333	\$343
REGENCY TERRACE	2438 SE Main St	Portland	9/22/2023	1923	13	\$2,300,000	\$176,923	\$289
CEDAR BREAKS APARTMENTS	4032-4050 SE Holgate Blvd	Portland	9/15/2023	1973	10	\$2,155,000	\$215,500	\$267
EASTPORT PLAZA APARTMENTS	3945-4005 SE 80th Ave	Portland	8/31/2023	1960	20	\$2,000,000	\$100,000	\$138
MEADOW POINT APARTMENTS	3803 NE 49th St	Vancouver	8/28/2023	2012	28	\$7,900,000	\$282,143	\$254
MIDTOWN WEST APARTMENTS	1010 NW 17th Ave	Portland	8/23/2023	1911	24	\$4,679,890	\$194,995	\$303
MIDTOWN EAST APARTMENTS	1611 NW Lovejoy St	Portland	8/23/2023	1912	15	\$2,320,110	\$154,674	\$167
GRANT CROSSING AT 3RD	287 SW 3rd Ave	Canby	8/21/2023	2023	12	\$3,100,000	\$258,333	\$359
BRENTWOOD APARTMENTS	100 SE 160th Ave	Portland	8/15/2023	1999	51	\$7,050,240	\$138,240	\$158
GATEWAY PLAZA APARTMENTS	9910 NE Glisan St	Portland	8/15/2023	2004	45	\$8,009,550	\$177,990	\$164
VENTURA PARK PLAZA APTS	12110 E Burnside St	Portland	8/15/2023	2005	54	\$7,890,210	\$146,115	\$170
THE YORK BY TRION LIVING	7582 SW Hunziker St	Tigard	8/14/2023	1969	52	\$10,850,000	\$208,654	\$234
7 UNITS	8019 SW 35th Ave	Portland	8/14/2023	1989	7	\$2,275,000	\$325,000	\$168
CEDARBROOK APARTMENTS	5102-5110 SW 45th Ave	Portland	8/4/2023	1969	17	\$2,725,000	\$160,294	\$203
WESTVIEW TOWNHOMES	3552 SE Westview Rd	Milwaukie	7/12/2023	1971	32	\$7,200,000	\$225,000	\$210
SPRINGWATER COURT	5906 SE 122nd Ave	Portland	7/11/2023	2009	32	\$8,150,000	\$254,688	\$177
12 UNITS	8080 N Willamette Blvd	Portland	6/30/2023	2022	12	\$3,520,000	\$293,333	\$376
THE STANDARD AT HARMONY	6115 SE Harmony Rd	Milwaukie	6/28/2023	2023	15	\$4,162,683	\$277,512	\$286
BEVERLY ROSE TERRACE	1901-1943 SE 122nd Ave	Portland	6/27/2023	1999	42	\$6,460,000	\$153,810	\$179
18 UNITS	2630 SE 136th Ave	Portland	6/26/2023	1972	18	\$2,340,000	\$130,000	\$151
CLIFF MANOR APARTMENTS	2909 N Willamette Blvd	Portland	6/20/2023	1963	20	\$3,500,000	\$175,000	\$318
ASHER PARK APARTMENTS	11865 SW Greenburg Rd	Tigard	6/8/2023	1966	35	\$3,930,000	\$112,286	\$169
BURNSIDE COLONIAL APARTMENTS	11751 E Burnside St	Portland	6/1/2023	1967	63	\$4,085,235	\$64,845	\$74
17 UNITS	663-666 E Main St	Hillsboro	5/25/2023	1966	17	\$2,200,000	\$129,412	\$84
THE JAX	7105 NE 123rd St	Vancouver	5/24/2023	2023	50	\$16,000,000	\$320,000	\$352
RIDGELINE VIEW	7401 NE 18th St	Vancouver	5/22/2023	2022	50	\$18,100,000	\$362,000	\$362
10 UNITS	1626-1646 SE Ash St	Portland	5/18/2023	1973	10	\$2,350,000	\$235,000	\$272
RENEW LAURELWOOD	3855 Lake Grove Ave	Lake Oswego	5/15/2023	1970	32	\$6,325,000	\$197,656	\$164
KENNETH ALAN APARTMENTS	3504-3530 SE Cora Dr	Portland	5/4/2023	1971	53	\$7,000,000	\$132,075	\$97
RENEW OAKRIDGE	4628 Oakridge Rd	Lake Oswego	5/1/2023	1969	55	\$13,500,000	\$245,455	\$307
7 UNITS	4617 Williams Ave	Portland	4/19/2023	2022	7	\$2,675,000	\$382,143	\$411
RENEW MURRAY HILL ON HALL	7850 SW Hall Blvd	Beaverton	4/12/2023	1979	37	\$6,725,000	\$181,757	\$164
RENEW MURRAY HILL ON DAKOTA	10399 SW N Dakota St	Portland	4/12/2023	1988	40	\$8,025,000	\$200,625	\$141
HAMILTON & ELIZA APARTMENTS	2000-2012 Broadway St	Vancouver	4/4/2023	2018	44	\$10,288,132	\$233,821	\$369
BROADWAY APARTMENTS	1901 Broadway St	Vancouver	4/4/2023	2018	36	\$9,711,868	\$269,774	\$471
EL-TI-KEE	16005 E Burnside St	Portland	3/31/2023	1999	28	\$3,685,000	\$131,607	\$123
BRIARWOOD TERRACE	10267-10275 SE 66th Ave	Portland	3/8/2023	1969	56	\$14,336,307	\$256,005	\$153
THE WILLIAMSBURG APARTMENTS	5200 SE Jennings Ave	Milwaukie	3/8/2023	1973	38	\$6,322,737	\$166,388	\$158
MIST WOOD APARTMENTS	2655 NE 205th Ave	Fairview	2/28/2023	2018	49	\$13,550,000	\$276,531	\$348

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PORTLAND MSA Q1-Q3 APARTMENT SALES UPDATE

PORTLAND MSA | \$20 MILLION & UNDER CONTINUED

SHERI-HILL APARTMENTS	3435 SW 87th Ave	Portland	2/24/2023	1968	19	\$3,420,000	\$180,000	\$218	
WELLINGTON COURT	3417 NE 53rd St	Vancouver	2/6/2023	1972	48	\$10,250,000	\$213,542	\$164	
JASMINE TERRACE APARTMENTS	13410 SE Powell Blvd	Portland	1/30/2023	1981	14	\$2,100,000	\$150,000	\$199	
CLARK APARTMENTS	701 E McLoughlin Blvd	Vancouver	1/27/2023	2018	20	\$5,700,000	\$285,000	\$422	
TOTALS NO. OF SALES			43	AVERAGES	1986	31	\$6,443,418	\$210,406	\$236
					TOTAL	1350	\$277,066,962		

PORTLAND MSA | \$20+ MILLION

Building Name	Property Address	City	Sale Date	Built	Units	Sale Price	\$/Unit	\$/SF	
LUMINA APARTMENTS	2700 W Powell Blvd	Gresham	8/22/2023	1994	440	\$98,000,000	\$222,727	\$262	
WOODSPRING APARTMENTS	16100 SW 113th Ave	Tigard	7/6/2023	1991	172	\$46,600,000	\$270,930	\$254	
THE PARKER	1447 NW 12th Ave	Portland	6/30/2023	2014	177	\$52,000,000	\$293,785	\$254	
WESTRIDGE LOFTS	2221 SE 192nd Ave	Camas	3/1/2023	2021	100	\$31,000,000	\$310,000	\$370	
HEATHERBRAE COMMONS	10303 SE Bell Ave	Milwaukie	2/16/2023	1995	174	\$49,000,000	\$281,609	\$272	
TOWNSHIP EASTSIDE	17310 SE Naegeli Dr	Portland	2/7/2023	1991	168	\$26,850,000	\$159,821	\$161	
TOTALS NO. OF SALES			6	AVERAGES	2001	205	\$50,575,000	\$256,479	\$262
					TOTAL	1231	\$303,450,000		

PORTLAND MSA | \$20 MILLION & UNDER | AVERAGES BY COUNTY

	Total No. of Sales	Average # of Units	Average Sale Price	Average Price / Unit	Average Price / SF
CLACKAMAS	7	34	\$7,849,532	\$232,336	\$299
CLARK	7	39	\$11,135,714	\$280,897	\$342
MULTNOMAH	23	28	\$4,740,010	\$195,700	\$222
WASHINGTON	6	33	\$5,858,333	\$168,789	\$168
2023 TOTAL / AVERAGE	43	31	\$6,443,418	\$210,406	\$236
2022 TOTAL / AVERAGE	75	28	\$6,110,679	\$213,274	\$276

PORTLAND MSA | \$20 MILLION & UNDER | AVERAGES BY YEAR BUILT

	Total No. of Sales	Average # of Units	Average Sale Price	Average Price / Unit	Average Price / SF
1900-1939	3	17	\$3,100,000	\$195,196	\$253
1940-1969	10	35	\$6,054,654	\$163,195	\$190
1970-1999	15	31	\$5,350,865	\$186,413	\$174
2000 & NEWER	15	32	\$8,463,830	\$272,848	\$354
2023 TOTAL / AVERAGE	43	31	\$6,443,418	\$210,406	\$236
2022 TOTAL / AVERAGE	75	28	\$6,110,679	\$213,274	\$276

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PORTLAND MSA Q1-Q3 APARTMENT SALES UPDATE

WILLAMETTE VALLEY | \$1.5 MILLION+

Building Name	Property Address	City	Sale Date	Built	Units	Sale Price	Price / Unit	Price / SF		
APPLEWOOD APARTMENTS	2800 Applewood Ln	Eugene	8/24/2023	1999	104	\$20,002,500	\$192,332	\$134		
9TH STREET APARTMENTS	1603-1607 S 9th St	Lebanon	7/31/2023	1998	14	\$2,240,000	\$160,000	\$167		
THE PARK APARTMENTS	1861 SE 21st Ave	Albany	5/16/2023	1979	76	\$12,600,000	\$165,789	\$149		
18 UNITS	500 Jefferson St	Eugene	5/10/2023	1971	18	\$3,000,000	\$166,667	\$221		
THE INTERURBAN	1215-1225 Chemeketa St NE	Salem	4/28/2023	1945	20	\$2,700,000	\$135,000	\$221		
SHERIDAN PLAZA	208 5th Ave SE	Albany	3/10/2023	1963	31	\$4,250,000	\$137,097	\$161		
18 UNITS	431-437 Chemawa Rd N	Keizer	3/8/2023	2022	18	\$3,975,000	\$220,833	\$329		
LEBONAIRE APARTMENTS	750 E St	Lebanon	2/22/2023	1972	26	\$2,625,000	\$100,962	\$113		
FAIRMOUNT PARK APARTMENTS	650-746 Rural Ave S	Salem	2/7/2023	1971	44	\$8,300,000	\$188,636	\$170		
TOTALS NO. OF SALES			9	AVERAGES		1980	39	\$6,632,500	\$163,035	\$185
					TOTAL	351	\$59,692,500			



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\$1 B+

TOTAL VOLUME SINCE 2015

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TRANSACTIONS SINCE 2015



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