



2021

SIMON | ANDERSON TEAM

SEATTLE & PUGET SOUND APARTMENT MARKET DYNAMICS

EOY
Q3 & YTD
RESEARCH

INTRODUCTION

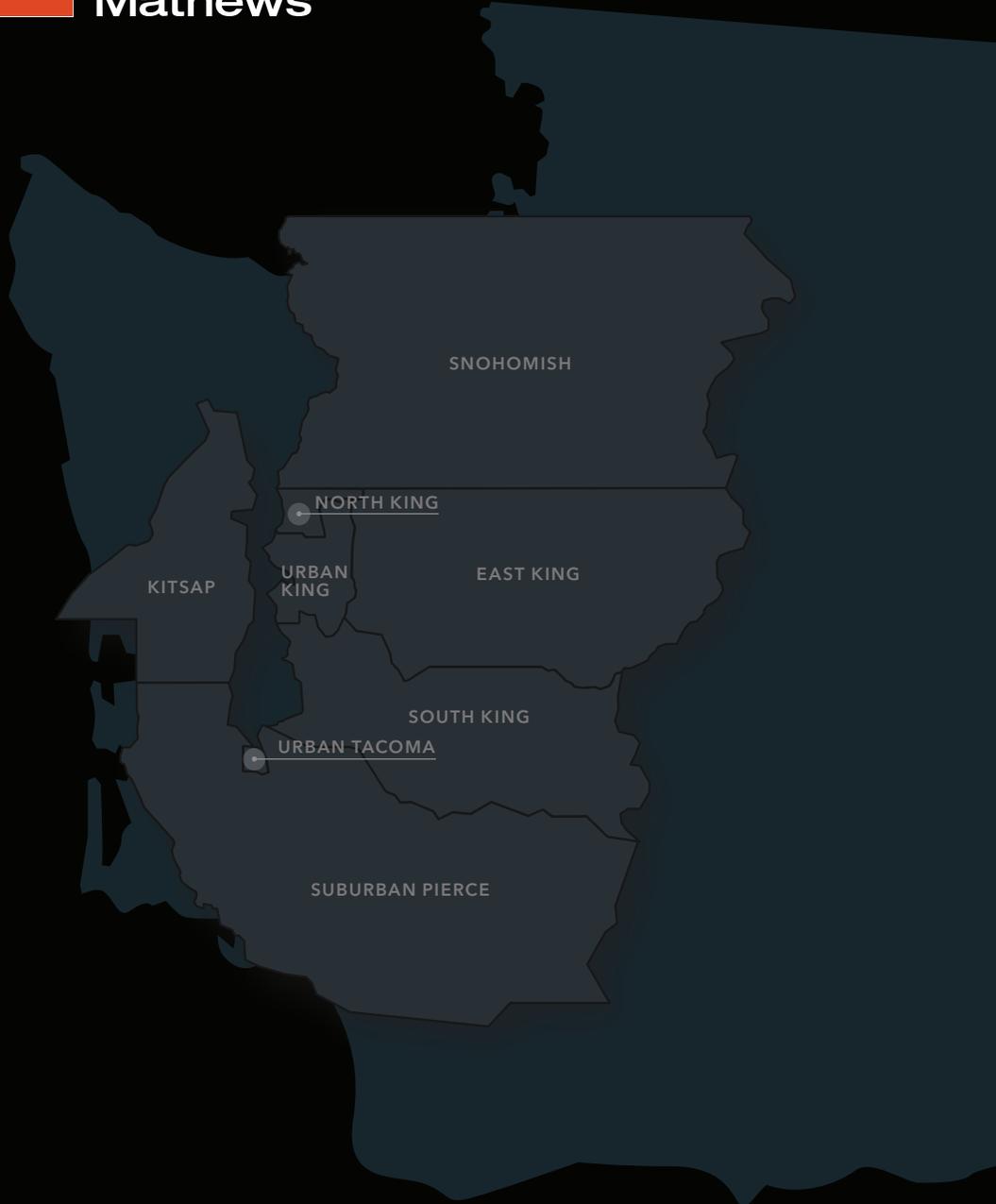
The Seattle and Puget Sound commercial real estate market experienced a true roller coaster of changing dynamics throughout the last 20 months. Now, as we close out 2021 and enter 2022, apartment investors can take comfort in the fact that a broad recovery is nearly in our rearview mirrors, and the region is poised for continued economic vibrancy. However, despite moving through these rocky times rather briskly, understanding our recent past is critical to charting investments into the future.

Therefore, the following report analyzes current and past trends for rental and vacancy rates and sales across the four major Western Washington counties. Notably, while this is a high-level review of the data, our team of apartment brokers is also armed with a more granular understanding of the dynamics of each submarket and neighborhood. As such, our experts can offer you critical insights to help you make better investment decisions - whether you're planning on buying, selling, or simply needing to operate your apartment building more profitably.

So, use this report to obtain an initial understanding of how the apartment market shifted throughout the last year. Or, to gain a deeper understanding of both what the data means and how you can use it to your advantage, contact one of our team members.

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APARTMENT EXPERTS

OUR EXPERTISE



5 TO 50 UNIT



50+ UNIT



DEVELOPMENT



MICROS

\$1.3B

TOTAL VALUE SOLD & UNDER CONTRACT

5,252

TOTAL UNITS SOLD & UNDER CONTRACT

1.7M SF

DEVELOPMENT LAND SOLD & UNDER CONTRACT

\$202M

ACTIVE LISTINGS & LISTINGS COMING TO MARKET

CLICK BELOW TO VIEW OUR PRIOR RESEARCH REPORTS

↓ 2021 MID-YEAR UPDATE

↓ 2021 DEVELOPMENT REPORT

↓ 2021 SALES REPORT

Dylan Simon

Executive Vice President



Dylan is a market-leading broker throughout Seattle and the Puget Sound region, specializing in the sale of apartment buildings and development land and with expertise in sales strategies, market knowledge, and industry trends.

Jerrid Anderson

Executive Vice President



Jerrid focuses on urban apartment and development land sales and is the region's micro-apartment expert. His entrepreneurial mindset and passion for marketing lead the innovation his clients have come to expect.

Matt Laird

Vice President



Matt is an apartment broker specializing 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.

Brandon Lawler

Associate Vice President



Brandon is an apartment broker specializing in the sale of apartment buildings and off-market acquisitions, with expertise in the South Puget Sound market.

Winslow Lee

Associate



Winslow is an apartment broker specializing in sales of apartment buildings and development land across the Puget Sound, with expertise in the Snohomish County market.

Max Frame

Associate



Max is an apartment broker specializing in the sale of King County development land and Eastern Washington apartment buildings.

Jack Counihan

Financial Analyst



Jack specializes in market research, apartment valuations, and sales tracking in the Puget Sound market.

Cassie Pieters

Executive Assistant



Cassie provides balance and support through administrative contributions. Her commitment to the betterment of the team results in major goal achievement and long-term success.

PUGET SOUND

The powerhouse economy of the Puget Sound region has readied itself for a new decade of growth and emergence as a global business center.

During the past decade, Seattle landed on the national map - attracting prominent employers and top talent alike. But, while it was a decade of prosperity, what lies ahead will redefine the region once again. Here, nearly every submarket has a story to tell: From the rapidly urbanizing Bellevue to attractive suburban lifestyle centers north and south of major job centers, each segment of the Puget Sound is poised for continued growth and expansion. Consequently, apartment investors must carefully and holistically analyze the region to decide where to place their bets - based on how people will work, live, and recreate in this region.

Inventory

	Units	Buildings
Total	401,562	8,441
5 to 50-Units	99,426	6,523
50+ Units	302,136	1,918
12-Month Deliveries	9,781	74
Average Unit Size	831 SF	

Rent & Vacancy

	[12-MONTHS AGO]	12-Month Change	[90-DAYS AGO]	90-Day Change	[CURRENT QUARTER]
	Q3 2020		Q2 2021		Q3 2021
Rent	\$1,653	▲ 13.3%	\$1,806	▲ 3.7%	\$1,873
Vacancy	7.0%	▼ 260 bps	5.1%	▼ 70 bps	4.4%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Historical Sales Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO]	12-Month Change	YTD 2021	[CURRENT QUARTER]
						Q3 2020			Q3 2021
Building Sales	508	484	458	491	358	84	▲ 26%	233	106
Sales Volume	\$5.6B	\$4.5B	\$4.6B	\$3.3B	\$3.3B	\$997M	▲ 217%	\$4.4B	\$3.2B
Price/Unit	\$150K	\$154K	\$187K	\$222K	\$200K	\$297K	▼ 1%	\$265K	\$294K
Price/SF	\$205	\$237	\$259	\$326	\$290	\$351	▲ 3%	\$250	\$361
Cap Rate	5.4%	4.9%	5.0%	4.8%	5.0%	5.1%	▼ 110 bps	4.3%	4.0%

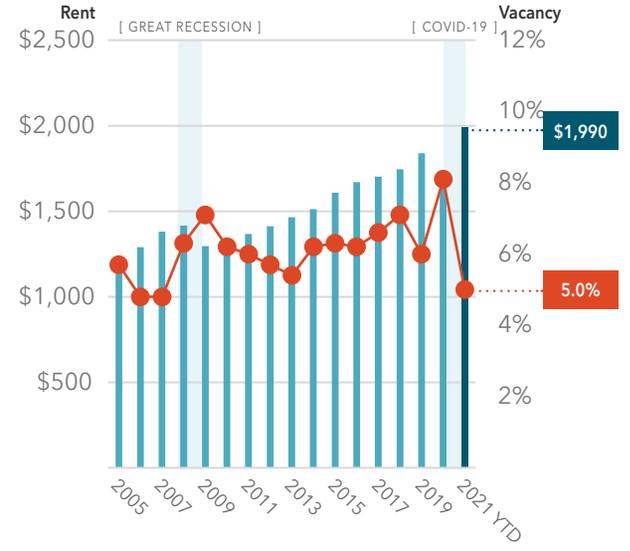
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

REGIONAL HISTORIC RENT VS. VACANCY

Puget Sound Region



King County



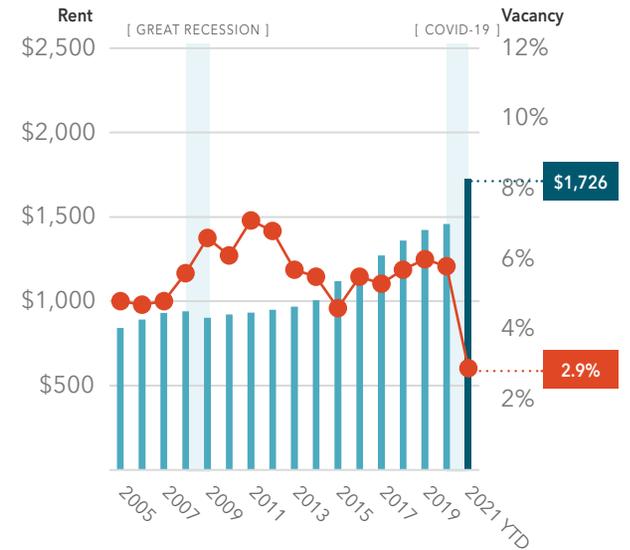
Snohomish County



Pierce County



Kitsap County



■ RENT ● VACANCY

REGIONAL BUILDING INCOME VELOCITY

North King

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,538	▲ 7.8%	\$1,589	▲ 4.3%	\$1,658
RENT/SF	\$2.02	▲ 8.4%	\$2.09	▲ 4.8%	\$2.19
VACANCY	6.6%	▼ 130 BP	5.3%	0 BP	5.3%

Snohomish

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,546	▲ 12.7%	\$1,671	▲ 4.3%	\$1,743
RENT/SF	\$1.76	▲ 13.1%	\$1.91	▲ 4.2%	\$1.99
VACANCY	5.3%	▼ 170 BP	4.9%	▼ 130 BP	3.6%

Kitsap

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,449	▲ 19.1%	\$1,647	▲ 4.8%	\$1,726
RENT/SF	\$1.68	▲ 19.0%	\$1.91	▲ 4.7%	\$2.00
VACANCY	7.0%	▼ 410 BP	2.5%	▲ 40 BP	2.9%

East King

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,948	▲ 16.1%	\$2,162	▲ 4.6%	\$2,261
RENT/SF	\$2.17	▲ 15.7%	\$2.40	▲ 4.6%	\$2.51
VACANCY	8.4%	▼ 240 BP	6.3%	▼ 30 BP	6.0%

Urban King

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,863	▲ 13.5%	\$2,062	▲ 2.6%	\$2,115
RENT/SF	\$2.60	▲ 13.8%	\$2.88	▲ 2.8%	\$2.96
VACANCY	9.3%	▼ 410 BP	6.5%	▼ 90 BP	5.6%

South King

	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,486	▲ 10.3%	\$1,489	▲ 10.1%	\$1,639
RENT/SF	\$1.74	▲ 10.3%	\$1.74	▲ 10.3%	\$1.92
VACANCY	4.7%	▼ 150 BP	5.3%	▼ 210 BP	3.2%

Urban Tacoma

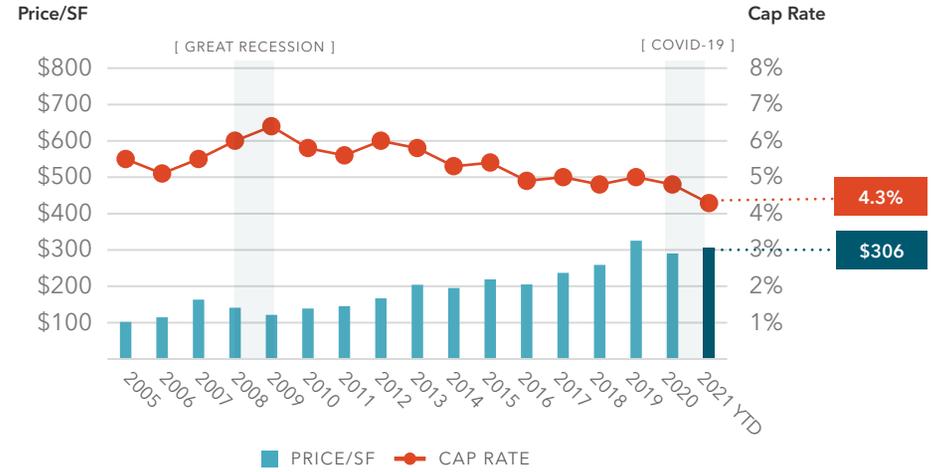
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,268	▲ 7.5%	\$1,343	▲ 1.5%	\$1,363
RENT/SF	\$1.86	▲ 7.5%	\$1.97	▲ 1.5%	\$2.00
VACANCY	4.2%	▼ 50 BP	5.4%	▼ 170 BP	3.7%

Suburban Pierce

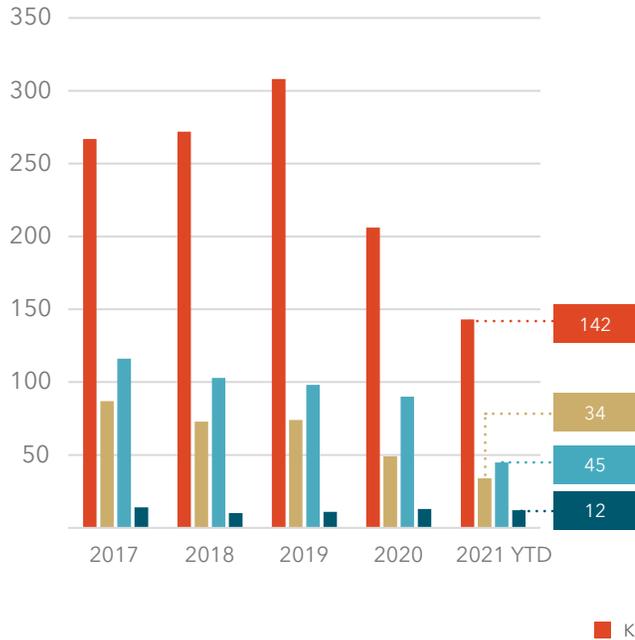
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-MO. CHANGE	Q2 2021	90-DAY CHANGE	Q3 2021
RENT	\$1,346	▲ 12.0%	\$1,460	▲ 3.3%	\$1,508
RENT/SF	\$1.55	▲ 12.3%	\$1.68	▲ 3.6%	\$1.74
VACANCY	3.9%	▼ 120 BP	2.8%	▼ 10 BP	2.7%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

REGIONAL HISTORIC SALES



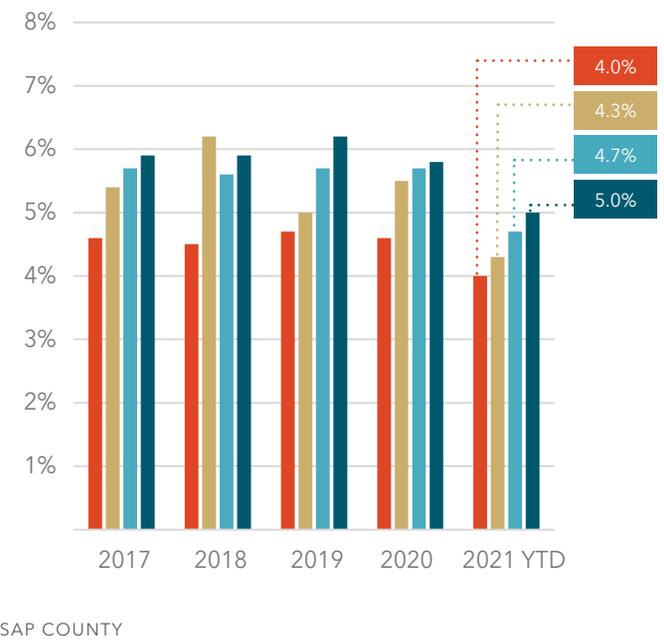
Building Sales



Sales Volume



Cap Rate



REGIONAL SALES PRICING VELOCITY

North King

	2019	2020	YTD 2021
PRICE/UNIT	\$278K	\$229K	\$246K
PRICE/SF	\$366	\$251	\$309
CAP RATE	4.7%	4.3%	4.5%

Snohomish

	2019	2020	YTD 2021
PRICE/UNIT	\$228K	\$175K	\$202K
PRICE/SF	\$272	\$213	\$245
CAP RATE	5.0%	5.5%	4.3%

Kitsap

	2019	2020	YTD 2021
PRICE/UNIT	\$222K	\$196K	\$174K
PRICE/SF	\$229	\$212	\$213
CAP RATE	6.2%	5.8%	5.0%

East King

	2019	2020	YTD 2021
PRICE/UNIT	\$373K	\$345K	\$449K
PRICE/SF	\$440	\$342	\$560
CAP RATE	4.6%	4.1%	3.5%

Urban King

	2019	2020	YTD 2021
PRICE/UNIT	\$396K	\$390K	\$320K
PRICE/SF	\$464	\$442	\$399
CAP RATE	4.2%	4.7%	4.1%

South King

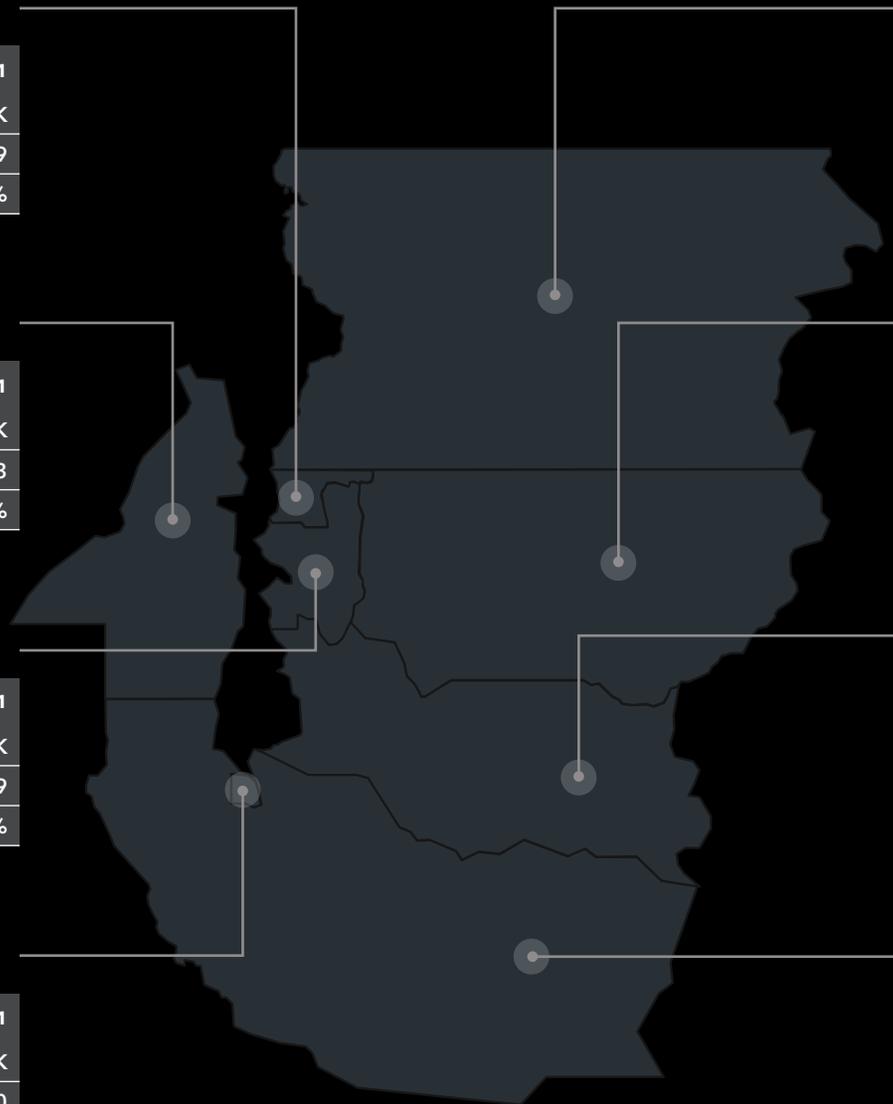
	2019	2020	YTD 2021
PRICE/UNIT	\$202K	\$231K	\$225K
PRICE/SF	\$232	\$227	\$256
CAP RATE	5.0%	4.8%	4.1%

Urban Tacoma

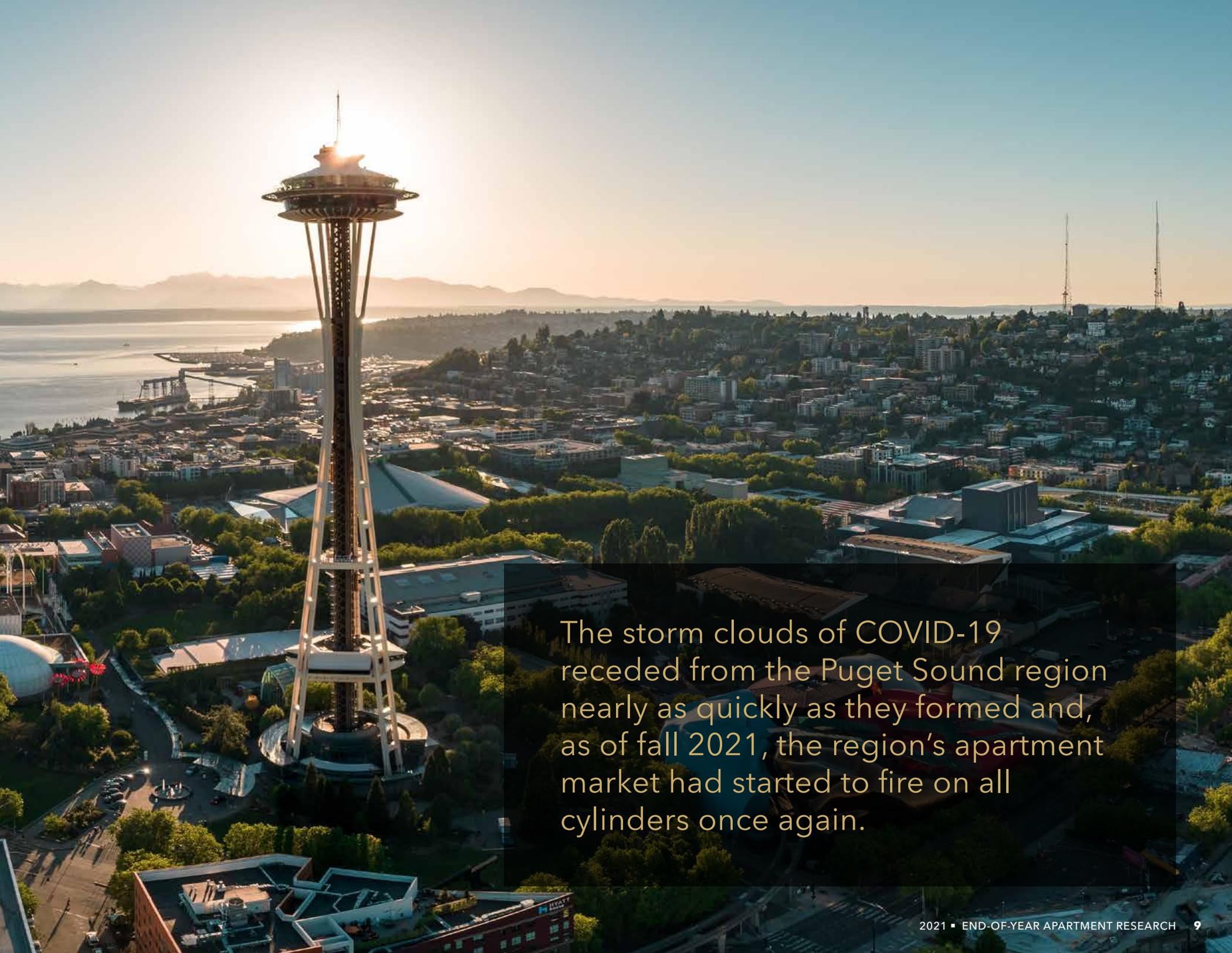
	2019	2020	YTD 2021
PRICE/UNIT	\$168K	\$145K	\$226K
PRICE/SF	\$200	\$181	\$270
CAP RATE	5.0%	6.1%	4.5%

Suburban Pierce

	2019	2020	YTD 2021
PRICE/UNIT	\$177K	\$173K	\$169K
PRICE/SF	\$192	\$171	\$214
CAP RATE	6.0%	5.7%	4.8%



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS



The storm clouds of COVID-19 receded from the Puget Sound region nearly as quickly as they formed and, as of fall 2021, the region's apartment market had started to fire on all cylinders once again.

URBAN KING

MARKET TRENDS

- As rental rates roared back during 2021, renters preferred larger units: Buildings with the largest apartment units experienced 21% rent growth.
- In the last 10 years, developers have built more than twice as many apartments as they did in the previous 20 years combined - all while maintaining 5.4% vacancy.
- The average unit size in buildings with less than 50 units is now just 501 square feet - 34% smaller than units that were built in the previous decade.

Rent & Vacancy

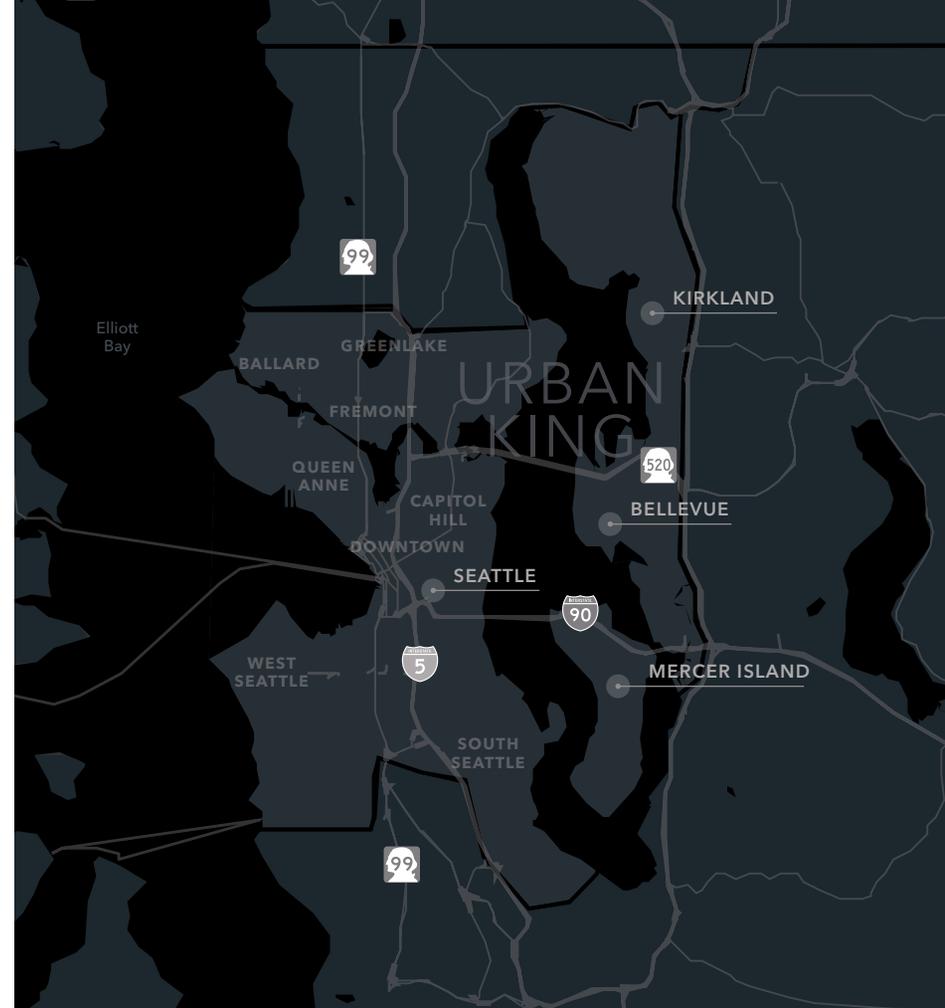
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,862	▲ 3.4%	\$2,063	▲ 14.6%	\$2,133
Vacancy	9.3%	▼ 390 bps	6.5%	▼ 110 bps	5.4%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	119	90	38
Sales Volume	\$1.4B	\$1.3B	\$676M
Price/Unit	\$390K	\$320K	\$326K
Price/SF	\$442	\$399	\$416
Cap Rate	4.7%	4.1%	3.8%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

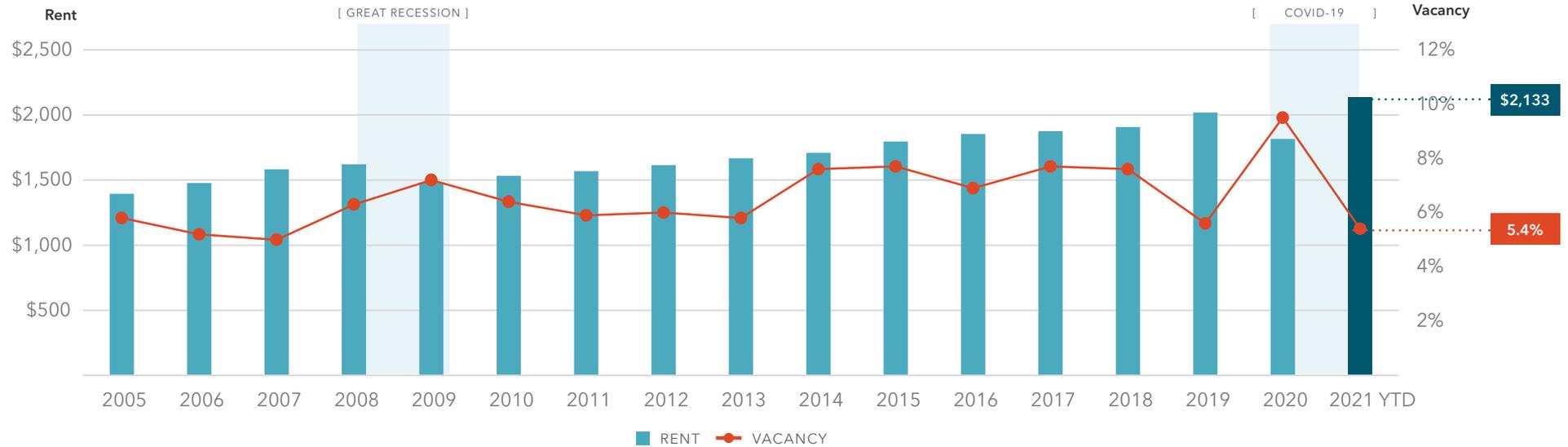


Inventory

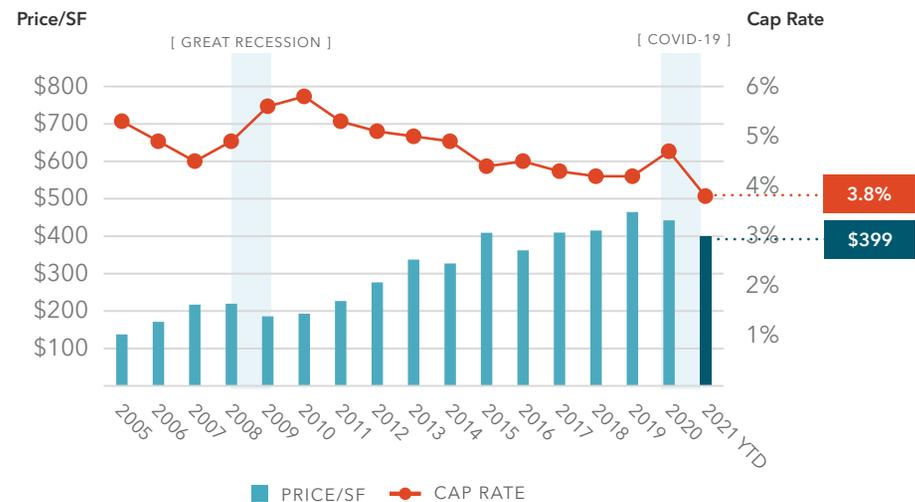
	Units	Buildings
Total	137,341	3,900
5 to 50-Units	47,729	3,269
50+ Units	89,612	631
12-Month Deliveries	4,948	45
Average Unit Size	716 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

2,786

TOTAL BUILDINGS

37,474

TOTAL UNITS

682 SF

AVERAGE UNIT SIZE

1990-2010

261

TOTAL BUILDINGS

4,619

TOTAL UNITS

759 SF

AVERAGE UNIT SIZE

2010-CURRENT

170

TOTAL BUILDINGS

4,782

TOTAL UNITS

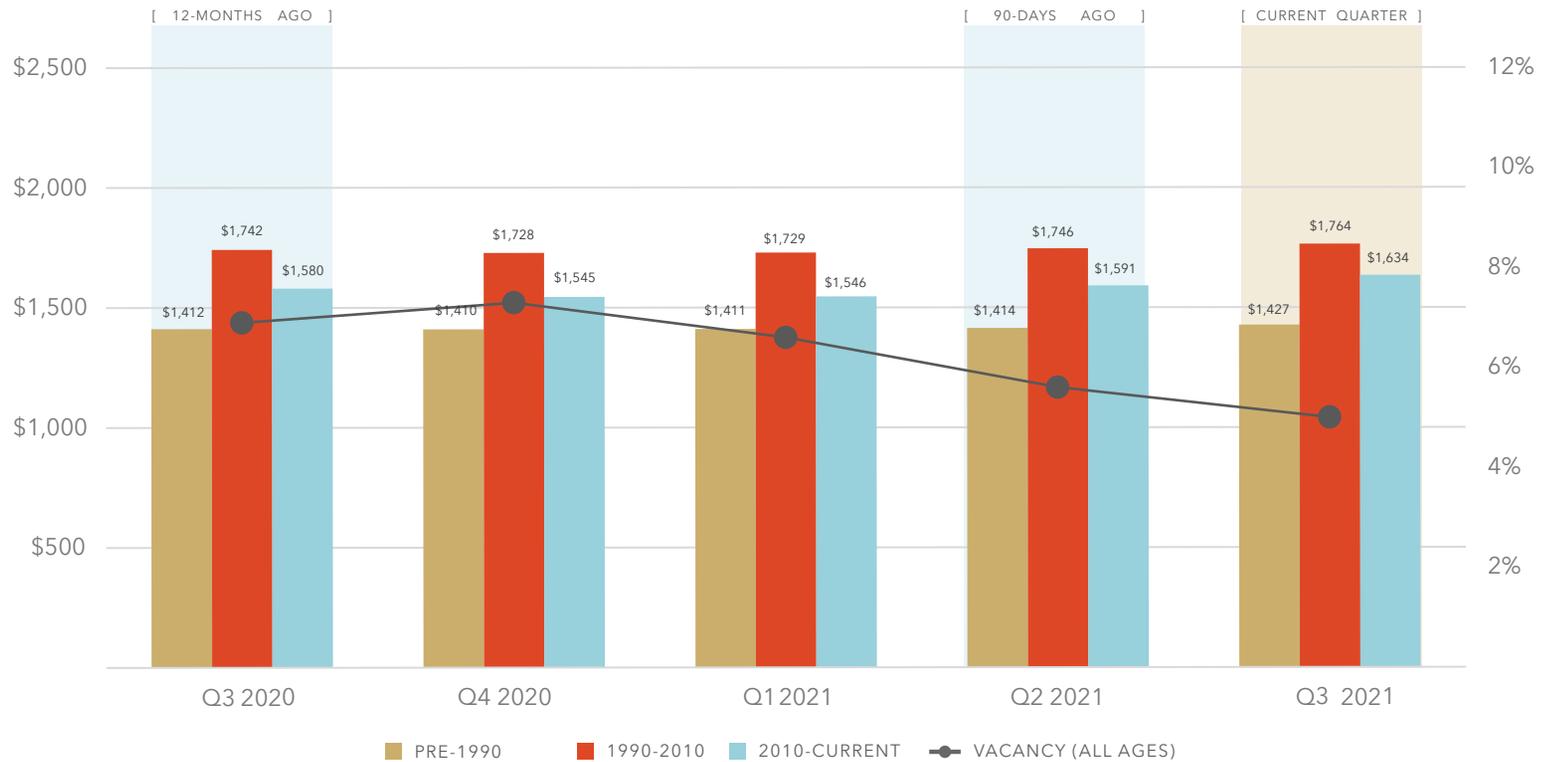
501 SF

AVERAGE UNIT SIZE

URBAN KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



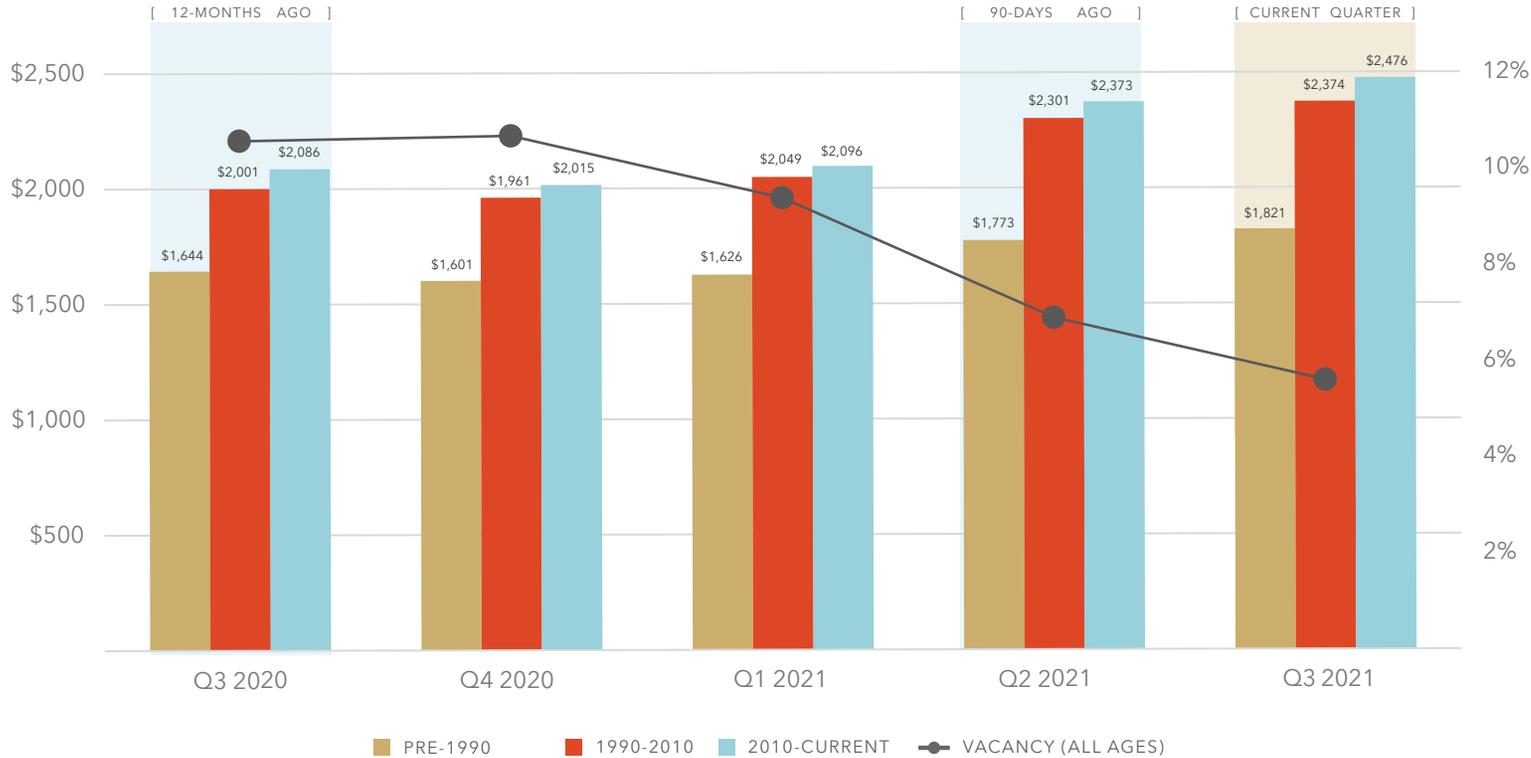
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,383	\$1,425	\$1,449	\$1,470	\$1,466	\$1,474	▲ 1.5%	\$1,478	▲ 1.2%	\$1,496
Rent/SF	\$2.15	\$2.21	\$2.25	\$2.28	\$2.27	\$2.29	▲ 1.3%	\$2.29	▲ 1.3%	\$2.32
Vacancy	5.4%	5.5%	5.0%	4.9%	7.3%	6.9%	▼ 190 BP	5.6%	▼ 60 BP	5.0%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	Q3 2020 (12-Months Ago)	12-Month Change	Q2 2021 (90-Days Ago)	90-Day Change	Q3 2021 (Current Quarter)
Rent	\$1,996	\$2,013	\$2,046	\$2,186	\$1,922	\$1,980	▲ 17.5%	\$2,240	▲ 3.8%	\$2,326
Rent/SF	\$2.70	\$2.72	\$2.77	\$2.96	\$2.60	\$2.68	▲ 17.5%	\$3.03	▲ 4.0%	\$3.15
Vacancy	8.0%	9.0%	9.1%	5.9%	10.7%	10.6%	▼ 500 BP	6.9%	▼ 130 BP	5.6%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

175

TOTAL BUILDINGS

17,470

TOTAL UNITS

715 SF

AVERAGE UNIT SIZE

1990-2010 ■

133

TOTAL BUILDINGS

20,761

TOTAL UNITS

809 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

320

TOTAL BUILDINGS

51,192

TOTAL UNITS

712 SF

AVERAGE UNIT SIZE

SALES TRENDS

Low interest rates and a limited number of sales in 2021 created an imbalance in demand, thereby compressing cap rates to an all-time low average of 4.1% year-to-date in Urban King County.

01

Sellers of buildings with five to 50 units saw tremendous recovery across all sale metrics, while buildings with more than 50 units saw a more moderate recovery that was largely driven by less value compression in 2020.

02

Investor demand is trailing rent growth nicely. In fact, the positive trend in rent growth beginning in Q2 2021 led to Q3 2021 posting the largest volume of sales since Q4 2019 and exceeding sales in Q1 and Q2 2021 combined.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>80</p> <p>▲ 40% CHANGE Y-O-Y</p>	<p>\$280M</p> <p>▼ 108% CHANGE Y-O-Y</p>	<p>\$305K</p> <p>▲ 37% CHANGE Y-O-Y</p>	<p>\$379</p> <p>▲ 13% CHANGE Y-O-Y</p>	<p>4.1%</p> <p>▼ 60 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>10</p> <p>▼ 33% CHANGE Y-O-Y</p>	<p>\$1B</p> <p>NO CHANGE Y-O-Y</p>	<p>\$451K</p> <p>▼ 3% CHANGE Y-O-Y</p>	<p>\$559</p> <p>▼ 7% CHANGE Y-O-Y</p>	<p>3.8%</p> <p>▼ 10 BPS CHANGE Y-O-Y</p>

Historical Sales Trends

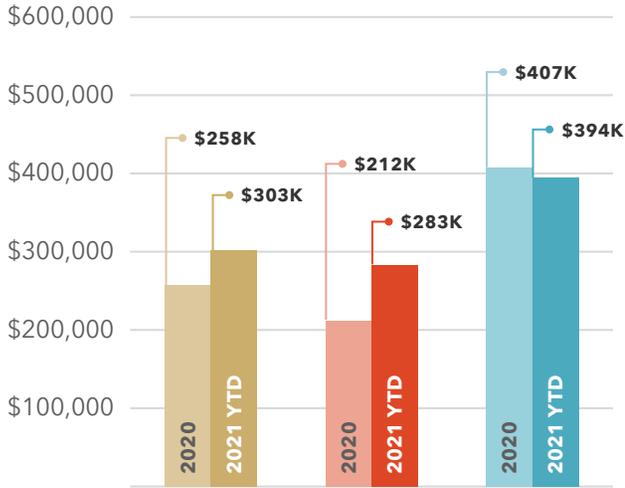
	2016	2017	2018	2019	2020	[12-MONTHS AGO]	12-Month Change	YTD 2021	[CURRENT QUARTER]
						Q3 2020			Q3 2021
Building Sales	161	153	164	185	119	25	▲ 52%	90	38
Sales Volume	\$1.6B	\$2.2B	\$1.6B	\$3.6B	\$1.4B	\$644M	▲ 5%	\$1.3B	\$676M
Price/Unit	\$338K	\$385K	\$358K	\$396K	\$390K	\$429K	▼ 24%	\$320K	\$326K
Price/SF	\$362	\$410	\$415	\$464	\$442	\$582	▼ 28%	\$399	\$416
Cap Rate	4.5%	4.3%	4.2%	4.2%	4.7%	4.5%	▼ 72 bps	4.1%	3.8%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

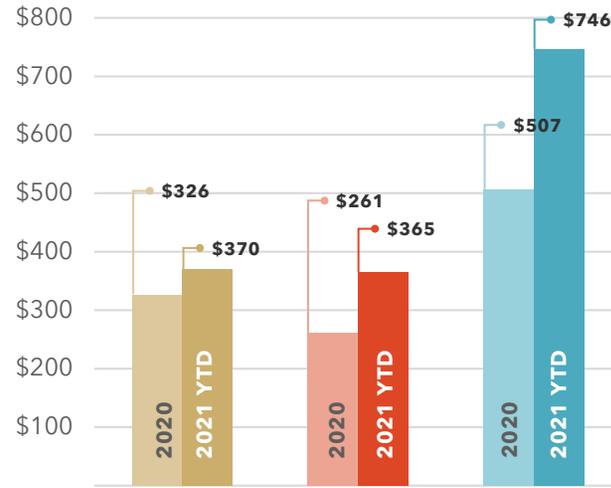
SALES VELOCITY

5 TO 50-UNITS

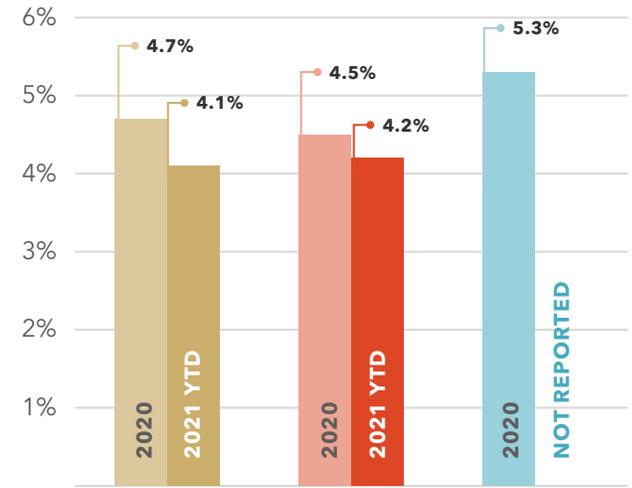
Price/Unit



Price/SF

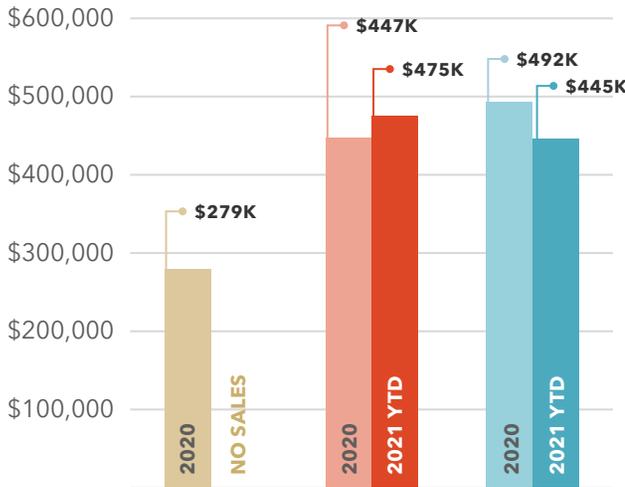


Cap Rate



50+ UNITS

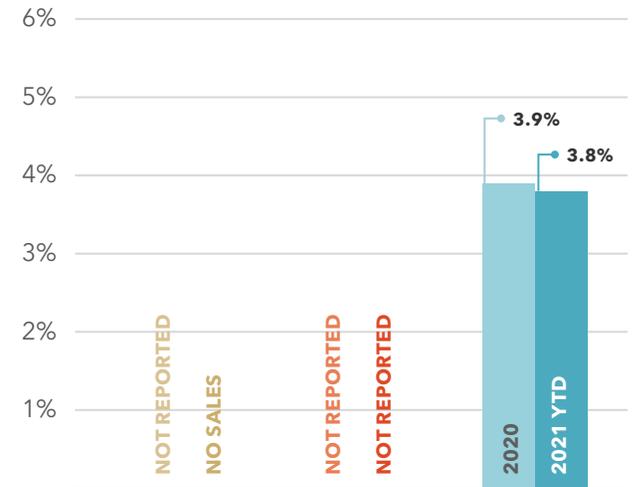
Price/Unit



Price/SF



Cap Rate



PRE-1990 1990-2010 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
4025 Midvale Ave N	4025 Midvale Ave N	Seattle	1977	5	2,904	\$1,250,000	9/27/2021	\$250,000	\$430	4.2%
Forrest Manor Apartments	465 Garfield St	Seattle	1968	8	11,404	\$3,748,800	9/22/2021	\$468,600	\$329	-
17 Etruria St	17 Etruria St	Seattle	1977	9	6,210	\$2,995,500	9/17/2021	\$332,833	\$482	-
8th Avenue Place	8307 8th Ave NW	Seattle	1992	6	5,309	\$2,248,500	9/17/2021	\$374,750	\$424	-
2501 NW 85th St	2501 NW 85th St	Seattle	1957	8	6,080	\$1,843,000	9/14/2021	\$230,375	\$303	-
3801 Wallingford Ave N	3801 Wallingford Ave N	Seattle	1952	7	5,880	\$1,925,000	9/13/2021	\$275,000	\$327	2.6%
Envoy	821 9th Ave	Seattle	1929	44	16,473	\$9,500,000	9/10/2021	\$215,909	\$577	3.6%
Bell Chateau	1426 NW 61st St	Seattle	1967	6	5,000	\$820,000	9/1/2021	\$136,667	\$164	-
Theresa Ann	1421-1426 NW 61st St	Seattle	1967	12	10,813	\$3,170,000	9/1/2021	\$264,167	\$293	-
MYKONOS APTS	210 10th Ave E	Seattle	1978	13	15,224	\$5,048,050	8/31/2021	\$388,312	\$332	4.2%
Terri Ann Apts	1331 Terry Ave	Seattle	1967	25	21,483	\$6,297,350	8/31/2021	\$251,894	\$293	-
1625 MLK Jr Way	1625 MLK Jr Way	Seattle	1973	15	13,080	\$4,897,000	8/30/2021	\$326,467	\$374	3.9%
2005 13th Ave W	2005 13th Ave W	Seattle	1968	9	7,023	\$2,937,050	8/26/2021	\$326,339	\$418	-
6521-6525 24th Ave NW	6521-6525 24th Ave NW	Seattle	1958	10	7,404	\$2,149,900	8/25/2021	\$214,990	\$290	-
LaQuinta	1710 E Denny Way	Seattle	1926	13	11,808	\$4,200,000	8/25/2021	\$323,077	\$356	2.5%
114 17th Ave E	114 17th Ave E	Seattle	1926	8	7,060	\$2,500,000	8/18/2021	\$312,500	\$354	2.5%
80 Main	80 S Main St	Seattle	2015	45	28,990	\$17,555,000	8/17/2021	\$390,111	\$606	-
2511 N 50th St	2511 N 50th St	Seattle	1909	7	5,490	\$1,749,000	8/6/2021	\$249,857	\$319	-
2212 Minor Ave E	2212 Minor Ave E	Seattle	1999	8	6,912	\$2,900,000	8/4/2021	\$362,500	\$420	4.0%
Oslo Seattle	323 Bellevue Ave E	Seattle	2019	45	20,250	\$17,970,500	7/30/2021	\$399,344	\$887	-
2640 NW 56th St	2640 NW 56th St	Seattle	1981	5	5,456	\$2,115,750	7/28/2021	\$423,150	\$388	2.6%
2611 NE 65th St	2611 NE 65th St	Seattle	1958	6	3,038	\$1,355,000	7/27/2021	\$225,833	\$446	-
Wallingford Arms Apartments	1609 N 46th St	Seattle	1926	12	8,450	\$3,993,000	7/26/2021	\$332,750	\$473	4.0%
1531 Apartments	1531 NW 59th St	Seattle	1989	8	8,796	\$2,100,000	7/21/2021	\$262,500	\$239	4.5%
3967 N Fremont Ave	3967 N Fremont Ave	Seattle	1956	5	4,884	\$1,571,250	7/16/2021	\$314,250	\$322	4.3%

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
4746 19th Ave NE	4746 19th Ave NE	Seattle	1913	22	7,130	\$3,250,000	7/16/2021	\$147,727	\$456	-
614 South Jackson Street	614 S Jackson St	Seattle	1910	14	19,358	\$4,972,000	7/15/2021	\$355,143	\$257	-
1010 Apartments	1010 N 45th St	Seattle	1907	5	3,191	\$1,325,000	7/13/2021	\$265,000	\$415	4.5%
Mia Casa	2566 14th Ave W	Seattle	1962	6	6,000	\$2,400,000	7/9/2021	\$400,000	\$400	4.0%
Tudor Manor	1519 NW 65th St	Seattle	1965	13	8,578	\$3,800,000	7/8/2021	\$292,308	\$443	-
Brentwood Apartments	2919 Franklin Ave E	Seattle	1927	12	11,462	\$3,405,000	7/6/2021	\$283,750	\$297	4.8%
Park Apartments	4700 SW Othello St	Seattle	1910	6	3,845	\$1,287,500	7/2/2021	\$214,583	\$335	4.0%
Boylston Place	1816 Boylston Ave	Seattle	1990	32	29,176	\$9,339,600	6/25/2021	\$291,863	\$320	3.0%
501 N 45th St	501 N 45th St	Seattle	1965	6	5,120	\$2,200,000	6/22/2021	\$366,667	\$430	-
Lisa Carol Apartments	4405 Corliss Ave N	Seattle	1926	19	13,944	\$8,489,500	6/17/2021	\$446,816	\$609	-
1132 19th Ave	1132 19th Ave	Seattle	1922	5	4,800	\$1,000,000	6/15/2021	\$200,000	\$208	4.1%
735 N 85th St	735 N 85th St	Seattle	1958	6	5,346	\$1,394,200	6/14/2021	\$232,367	\$261	-
2113 N 37th St	2113 N 37th St	Seattle	1949	5	3,360	\$1,295,000	6/11/2021	\$259,000	\$385	-
158 SW 114th St	158 SW 114th St	Seattle	1969	6	4,392	\$925,000	6/11/2021	\$154,167	\$211	-
6000 24th Ave NW	6000 24th Ave NW	Seattle	1967	11	13,276	\$4,325,000	6/8/2021	\$393,182	\$326	3.9%
812 NE 42nd St	812 NE 42nd St	Seattle	1987	6	8,340	\$1,938,000	6/8/2021	\$323,000	\$232	-
12707 SE 42nd St	12707 SE 42nd St	Bellevue	1981	22	32,670	\$2,775,000	6/3/2021	\$126,136	\$174	-
Bon Five	1439 NW 65th St	Seattle	1984	5	5,027	\$2,095,000	6/2/2021	\$419,000	\$417	3.9%
Holly Terrace	6730 Rainier Ave S	Seattle	1957	8	4,100	\$1,665,000	6/2/2021	\$208,125	\$406	-
Boeing Field Apartments	6285 Airport Way S	Seattle	1905	12	7,452	\$2,077,700	6/1/2021	\$173,142	\$279	6.0%
5313 Ravenna Pl NE	5313 Ravenna Pl NE	Seattle	1955	6	3,656	\$1,500,000	5/28/2021	\$250,000	\$410	4.0%
2616 44th Ave SW	2616 44th Ave SW	Seattle	1994	7	5,199	\$1,950,000	5/28/2021	\$278,571	\$375	4.8%
Glencourt Apartments	126 107th Ave	Bellevue	1955	20	15,318	\$8,700,000	5/26/2021	\$435,000	\$568	2.5%
155 Aloha St	155 Aloha St	Seattle	1989	10	12,156	\$5,804,500	5/24/2021	\$580,450	\$478	3.6%
Argyle	411 Jefferson St	Seattle	1902	9	8,640	\$3,050,000	5/20/2021	\$338,889	\$353	5.4%

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
5200 17th Ave NW	5200 17th Ave NW	Seattle	1952	8	3,451	\$1,998,400	5/19/2021	\$249,800	\$579	4.3%
2012 NW 58th St	2012 NW 58th St	Seattle	1961	7	6,051	\$2,700,000	5/17/2021	\$385,714	\$446	5.0%
1938 Apartments	1938 11th Ave W	Seattle	1909	7	8,129	\$2,900,000	5/10/2021	\$414,286	\$357	4.8%
Gilead Apartments	4522 Meridian Ave N	Seattle	1970	6	5,790	\$1,869,100	5/6/2021	\$311,517	\$323	4.9%
4345 32nd Ave W	4345 32nd Ave W	Seattle	1976	18	17,133	\$2,900,000	5/6/2021	\$161,111	\$169	-
Academia Place	5608 15th Ave NE	Seattle	1998	27	11,252	\$3,790,000	4/30/2021	\$140,370	\$337	5.0%
Windsor Arms Apartments	532 Belmont Ave E	Seattle	1925	20	15,810	\$4,900,000	4/30/2021	\$245,000	\$310	4.0%
Island Lanai Apartments	2820 SE 75th Pl SE	Mercer Island	1959	17	7,976	\$4,050,000	4/21/2021	\$238,235	\$508	2.7%
41 Dravus St	41 Dravus St	Seattle	1991	34	25,996	\$6,594,500	4/21/2021	\$193,956	\$254	-
The Abigail	2411 NW 58th St	Seattle	1947	7	4,800	\$2,300,000	4/14/2021	\$328,571	\$479	5.3%
Bayberry Apartments	6700 24th Ave NW	Seattle	1919	11	7,800	\$2,100,000	4/12/2021	\$190,909	\$269	4.4%
Bal-Crest Apartments	7515 24th Ave NW	Seattle	1957	11	5,680	\$2,083,500	4/7/2021	\$189,409	\$367	4.5%
Capitol Hill 6	210 23rd Ave E	Seattle	1991	6	4,800	\$2,050,000	4/7/2021	\$341,667	\$427	-
Colette Apartments	511 N 43rd St	Seattle	1964	7	10,140	\$2,648,600	3/31/2021	\$378,371	\$261	-
Karina Place	2213 NW 59th St	Seattle	1967	7	7,350	\$3,000,000	3/24/2021	\$428,571	\$408	4.9%
Arctic Manor	2229 42nd Ave SW	Seattle	1965	15	14,616	\$4,300,000	3/22/2021	\$286,667	\$294	3.8%
2210 Yale Ave E	2210 Yale Ave E	Seattle	1965	8	7,415	\$3,542,000	3/19/2021	\$442,750	\$478	4.0%
2026 Yale Ave E	2026 Yale Ave E	Seattle	1967	8	7,496	\$3,742,000	3/19/2021	\$467,750	\$499	3.8%
Ballard 5	5816 14th Ave NW	Seattle	1978	5	6,303	\$1,600,000	3/17/2021	\$320,000	\$254	3.6%
4735 Ravenna Ave NE	4735 Ravenna Ave NE	Seattle	1950	12	5,902	\$2,300,000	3/1/2021	\$191,667	\$390	4.1%
Vali Loa Apartments	23 Valley St	Seattle	1955	13	8,430	\$4,300,000	2/23/2021	\$330,769	\$510	3.5%
5020 22nd Ave NE	5020 22nd Ave NE	Seattle	1948	6	3,806	\$1,199,400	2/23/2021	\$199,900	\$315	3.0%
Kamala Apartments	417 99th Ave NE	Bellevue	1972	6	9,425	\$4,498,350	2/5/2021	\$749,725	\$477	-
Bellevue Court	433 Bellevue Ave E	Seattle	1954	21	11,666	\$4,495,800	1/26/2021	\$214,085	\$385	4.2%
1135 17th Ave	1135 17th Ave	Seattle	1971	9	8,495	\$2,750,000	1/25/2021	\$305,555	\$324	6.0%

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
8854 Midvale Ave N	8854 Midvale Ave N	Seattle	1954	7	5,801	\$1,877,550	1/25/2021	\$268,221	\$324	-
1014 E John St	1014 E John St	Seattle	1900	5	3,290	\$1,585,000	1/22/2021	\$316,900	\$482	-
224 11th Ave E	224 11th Ave E	Seattle	1963	9	8,754	\$3,295,000	1/11/2021	\$366,111	\$376	3.8%
Lorraine Apartments	5630 California Ave SW	Seattle	1969	20	12,225	\$4,844,250	1/6/2021	\$242,212	\$396	4.9%
1311 E Marion St	1311 E Marion St	Seattle	1909	7	4,676	\$1,925,000	1/4/2021	\$275,000	\$412	-

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Vantage Park	1011 E Terrace St	Seattle	1999	91	77,383	\$34,850,000	9/9/2021	\$382,967	\$450	-
Broadway Plaza Apartments	700 Broadway E	Seattle	2004	59	53,877	\$33,500,000	9/9/2021	\$567,797	\$622	-
The M	4700 Brooklyn Ave	Seattle	2020	230	137,500	\$137,850,000	9/3/2021	\$599,348	\$709	-
999 Hiawatha Apartments	999 Hiawatha Place S	Seattle	2014	97	109,615	\$28,775,000	8/26/2021	\$296,649	\$263	4.0%
Ascent South Lake Union	425 Fairview Ave N	Seattle	2018	433	377,829	\$301,759,212	7/29/2021	\$696,903	\$799	-
Fifty Two Apartments	4710 20th Ave NE	Seattle	2020	52	23,407	\$12,200,000	7/1/2021	\$234,615	\$521	-
Aura Totem Lake	12655 120th Ave NE	Kirkland	2020	202	202,000	\$88,300,000	4/29/2021	\$437,129	\$437	3.5%
Portal Fremont	743 N 35th St	Seattle	2020	54	32,846	\$21,350,000	3/19/2021	\$395,370	\$650	-
Bell Jackson Street Apartments	1801 S Jackson St	Seattle	2018	160	128,000	\$72,325,000	1/28/2021	\$452,031	\$565	3.7%
Hyde Square	15400 NE 20th St	Bellevue	2018	618	485,559	\$279,100,000	1/20/2021	\$451,618	\$575	3.8%

NORTH KING

MARKET TRENDS

- The Northgate area is the center of redevelopment for North King. A modernized Northgate and newly opening Northgate Light Rail Station support an almost 8% quarter-over-quarter (Q-o-Q) increase in rent.
- Occupancy rates improved by more than 1.4% from last year. Larger apartment units and lifestyle advantages of living outside of Seattle contributed to the desirability of North King.
- As we head into Q4 2021, North King is trending toward higher rents, lower vacancy, and overall excitement about expanding retail and light rail.

Rent & Vacancy

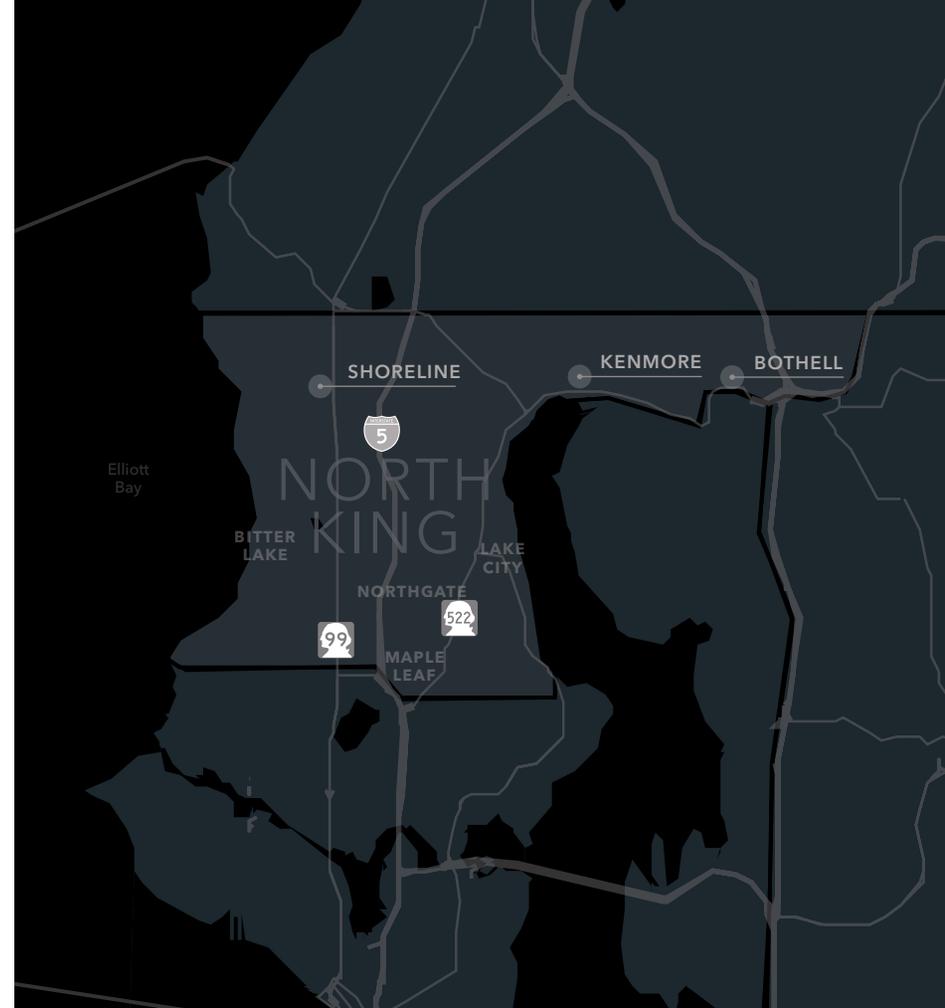
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,537	▲ 4.4%	\$1,589	▲ 7.9%	\$1,659
Vacancy	6.7%	▼ 140 bps	5.0%	▲ 30 bps	5.3%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	24	6	5
Sales Volume	\$75M	\$96M	\$94M
Price/Unit	\$229K	\$246K	\$242K
Price/SF	\$251	\$309	\$277
Cap Rate	4.3%	4.5%	4.5%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

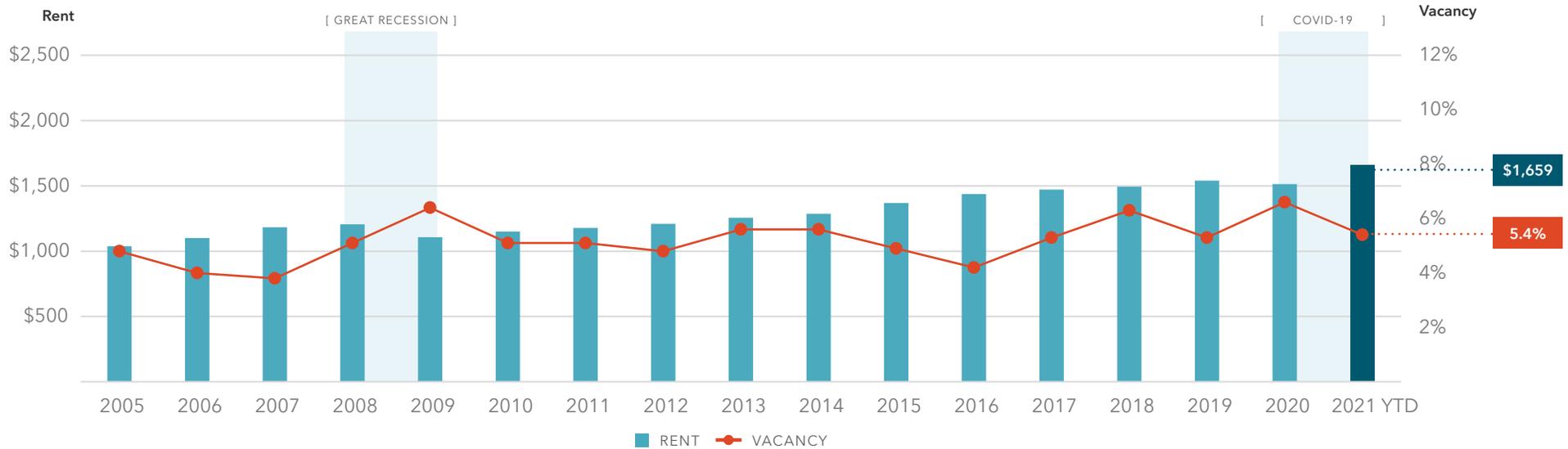


Inventory

	Units	Buildings
Total	24,623	718
5 to 50-Units	8,764	596
50+ Units	15,859	122
12-Month Deliveries	541	2
Average Unit Size	708 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

461
TOTAL BUILDINGS

6,586
TOTAL UNITS

772 SF
AVERAGE UNIT SIZE

1990-2010

97
TOTAL BUILDINGS

1,473
TOTAL UNITS

815 SF
AVERAGE UNIT SIZE

2010-CURRENT

27
TOTAL BUILDINGS

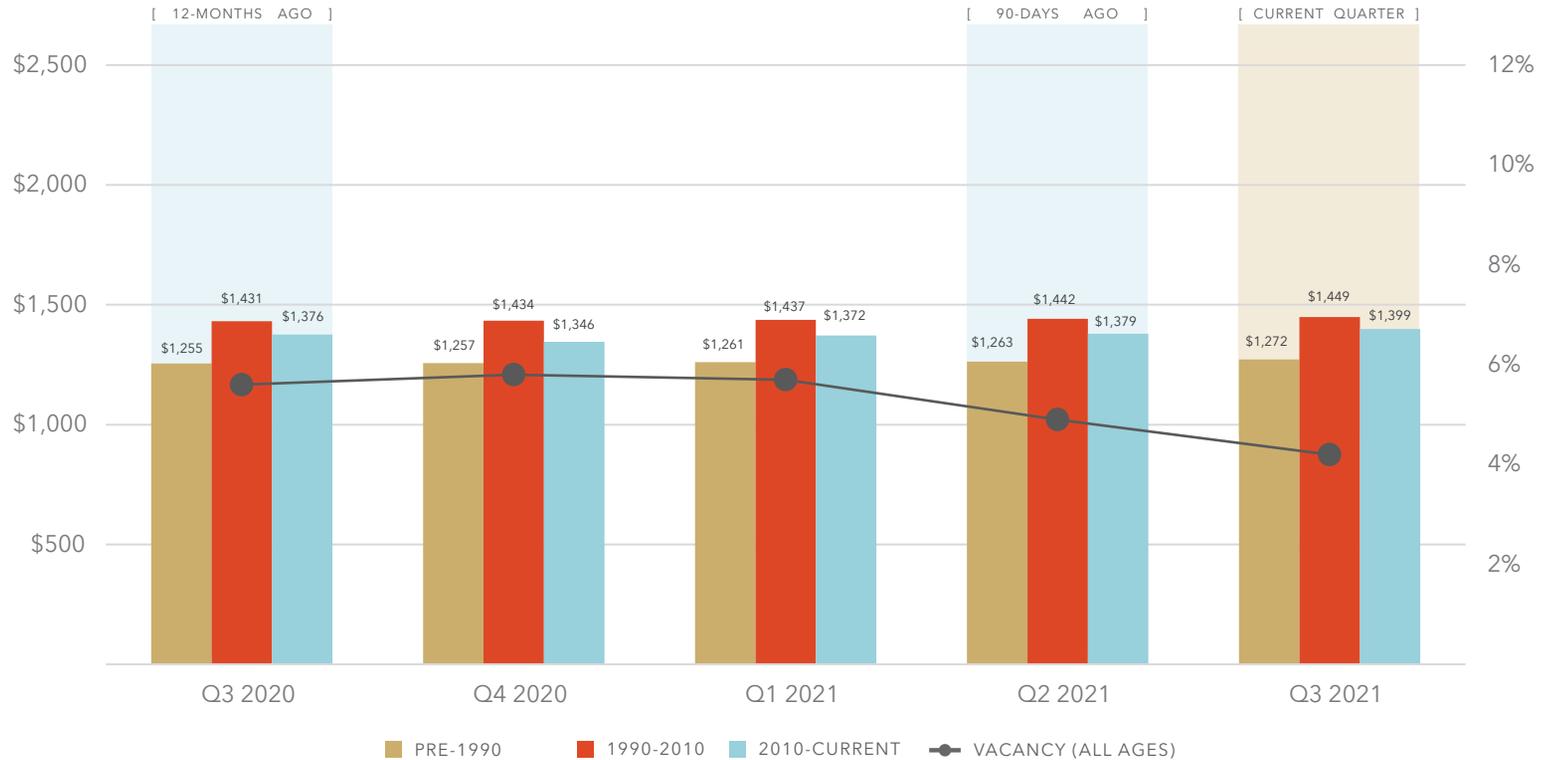
568
TOTAL UNITS

575 SF
AVERAGE UNIT SIZE

NORTH KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



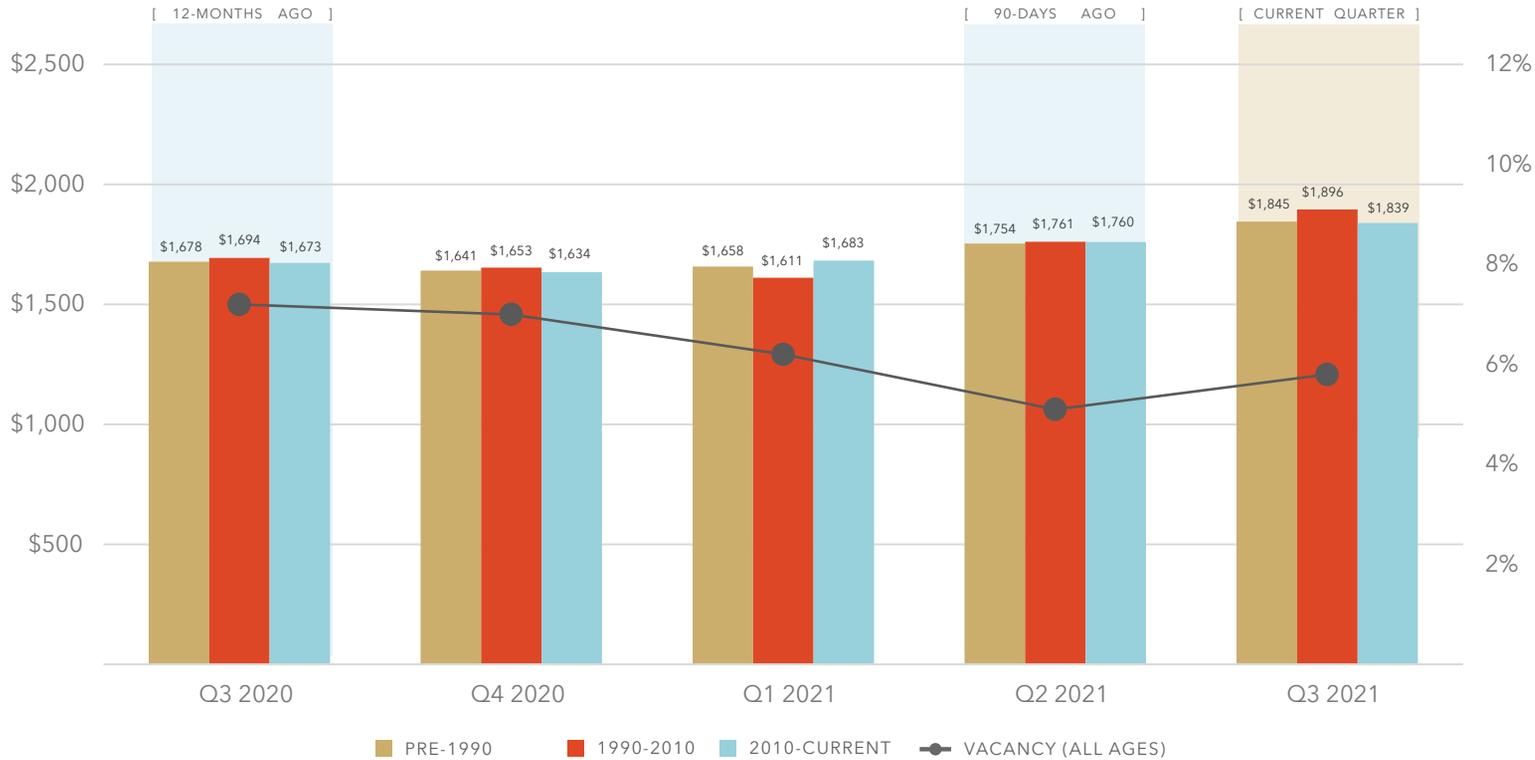
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,210	\$1,245	\$1,262	\$1,282	\$1,296	\$1,297	▲ 1.3%	\$1,305	▲ 0.7%	\$1,314
Rent/SF	\$1.61	\$1.66	\$1.68	\$1.71	\$1.72	\$1.72	▲ 1.7%	\$1.74	▲ 0.6%	\$1.75
Vacancy	3.8%	4.0%	4.2%	4.2%	5.8%	5.6%	▼ 140 bps	4.9%	▼ 70 bps	4.2%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,510	\$1,542	\$1,569	\$1,621	\$1,584	\$1,614	▲ 9.6%	\$1,679	▲ 5.4%	\$1,769
Rent/SF	\$1.98	\$2.02	\$2.06	\$2.12	\$2.07	\$2.11	▲ 10.0%	\$2.20	▲ 5.5%	\$2.32
Vacancy	4.4%	6.0%	7.4%	5.9%	7.0%	7.2%	▼ 140 bps	5.1%	▲ 70 bps	5.8%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

67

TOTAL BUILDINGS

9,698

TOTAL UNITS

750 SF

AVERAGE UNIT SIZE

1990-2010 ■

25

TOTAL BUILDINGS

3,015

TOTAL UNITS

824 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

38

TOTAL BUILDINGS

6,010

TOTAL UNITS

706 SF

AVERAGE UNIT SIZE

SALES TRENDS

North King is still in a bounce back phase when it comes to volume of sales for 2021: Although sales volume already matched that of 2020, the number of buildings sold remains low.

01

Positive signs in sales metrics point to higher sales prices than before COVID, demonstrating investor confidence in North King.

02

As we move into Q4 of 2021, look for the volume of sales to increase as sellers look for end-of-year closings.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>4</p> <p>▼ 71% CHANGE Y-O-Y</p>	<p>\$10M</p> <p>▼ -72% CHANGE Y-O-Y</p>	<p>\$215K</p> <p>▼ 1% CHANGE Y-O-Y</p>	<p>\$283</p> <p>▲ 5% CHANGE Y-O-Y</p>	<p>5.0%</p> <p>▲ 41 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>2</p> <p>[NO 2020 SALES]</p>	<p>\$86M</p> <p>[NO 2020 SALES]</p>	<p>\$309K</p> <p>[NO 2020 SALES]</p>	<p>\$359</p> <p>[NO 2020 SALES]</p>	<p>3.5%</p> <p>[NO 2020 SALES]</p>

Historical Sales Trends

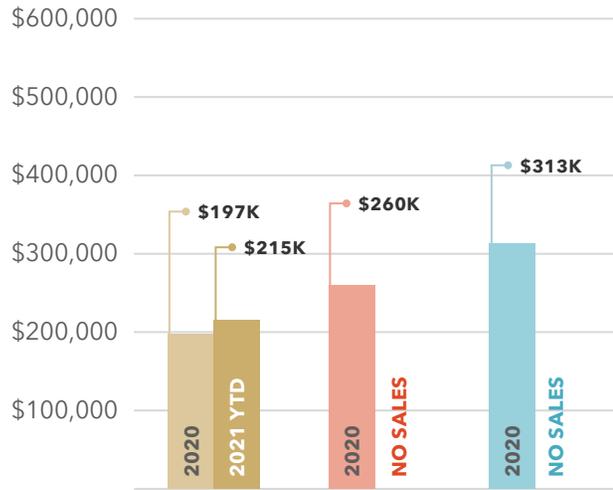
	2016	2017	2018	2019	2020	[12-MONTHS AGO]	12-Month Change	YTD 2021	[CURRENT QUARTER]
						Q3 2020			Q3 2021
Building Sales	38	38	32	38	24	5	0%	6	5
Sales Volume	\$349M	\$341M	\$401M	\$404M	\$75M	\$6M	▲ 1,606%	\$96M	\$94M
Price/Unit	\$211K	\$262K	\$281K	\$278K	\$229K	\$194K	▲ 27%	\$246K	\$242K
Price/SF	\$255	\$229	\$323	\$366	\$251	\$207	▲ 49%	\$309	\$277
Cap Rate	5.1%	4.8%	4.7%	4.7%	4.3%	6.5%	▼ 203 bps	4.5%	4.5%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

SALES VELOCITY

5 TO 50-UNITS

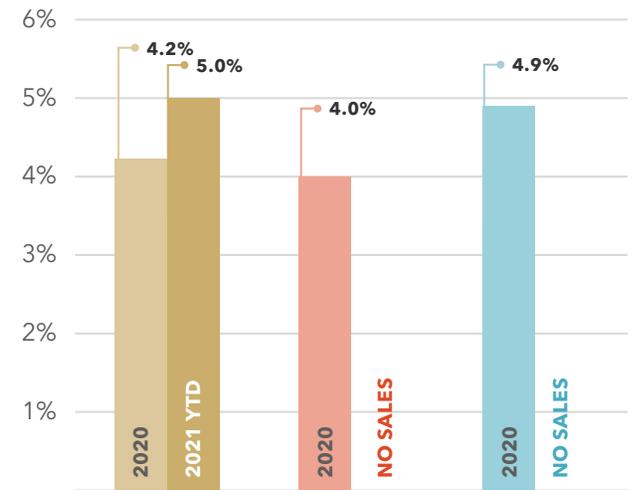
Price/Unit



Price/SF

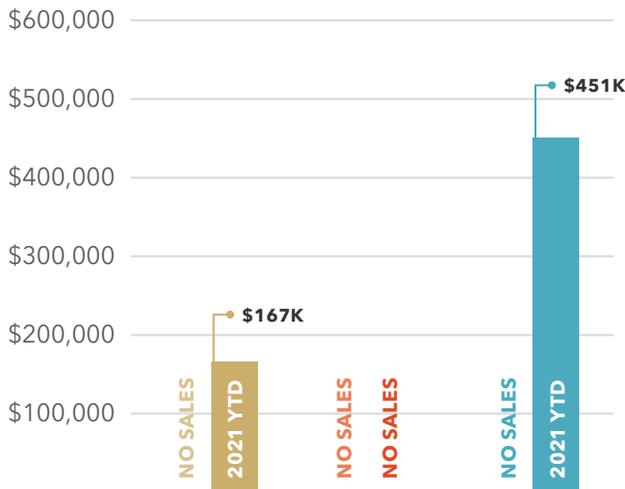


Cap Rate

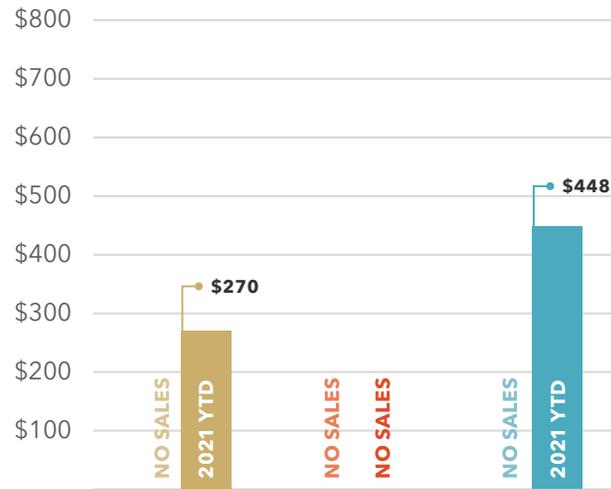


50+ UNITS

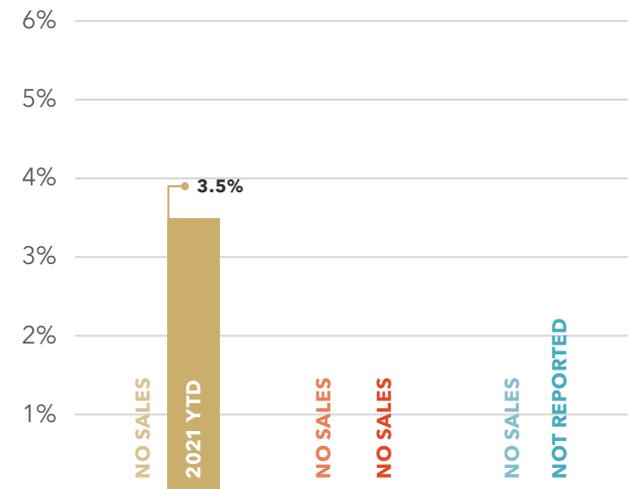
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
2711 NE 115th St	2711 NE 115th St	Seattle	1966	9	7,650	\$2,038,650	8/27/2021	\$226,517	\$266	-
12050 NE 31st Ave	12050 NE 31st Ave	Seattle	1967	8	6,464	\$1,130,000	7/20/2021	\$141,250	\$175	4.8%
The Ballinger	19921 19th Ave NE	Shoreline	1985	19	19,222	\$4,294,300	7/12/2021	\$226,016	\$223	5.2%
14045 Greenwood Ave N	14045 Greenwood Ave N	Seattle	1962	9	5,115	\$2,400,000	5/10/2021	\$266,667	\$469	-

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Geo Apartments	17990 Midvale Ave N	Shoreline	2020	164	165,000	\$74,000,000	9/30/2021	\$451,220	\$448	-
Hillcourt Apartments	3022 NE 140th St	Seattle	1985	72	44,380	\$12,000,000	8/13/2021	\$166,667	\$270	3.5%



EAST KING

MARKET TRENDS

- No market felt the upswing in rental rate growth more than East King, which boasted the highest average rent at \$2,261 per month - a region-leading 16% increase during the last 12 months.
- Developers continue to scour East King for opportunities for both urban-oriented podium development opportunities, as well as re-popularized, garden-style communities.
- The allure of the Eastside is not only attractive to institutional investors, but also to smaller and regional investors, who are hungry for a piece of the action. So, if you own an older building with fewer than 50 units, let's chat; now is an excellent time to capitalize on investor demand.

Rent & Vacancy

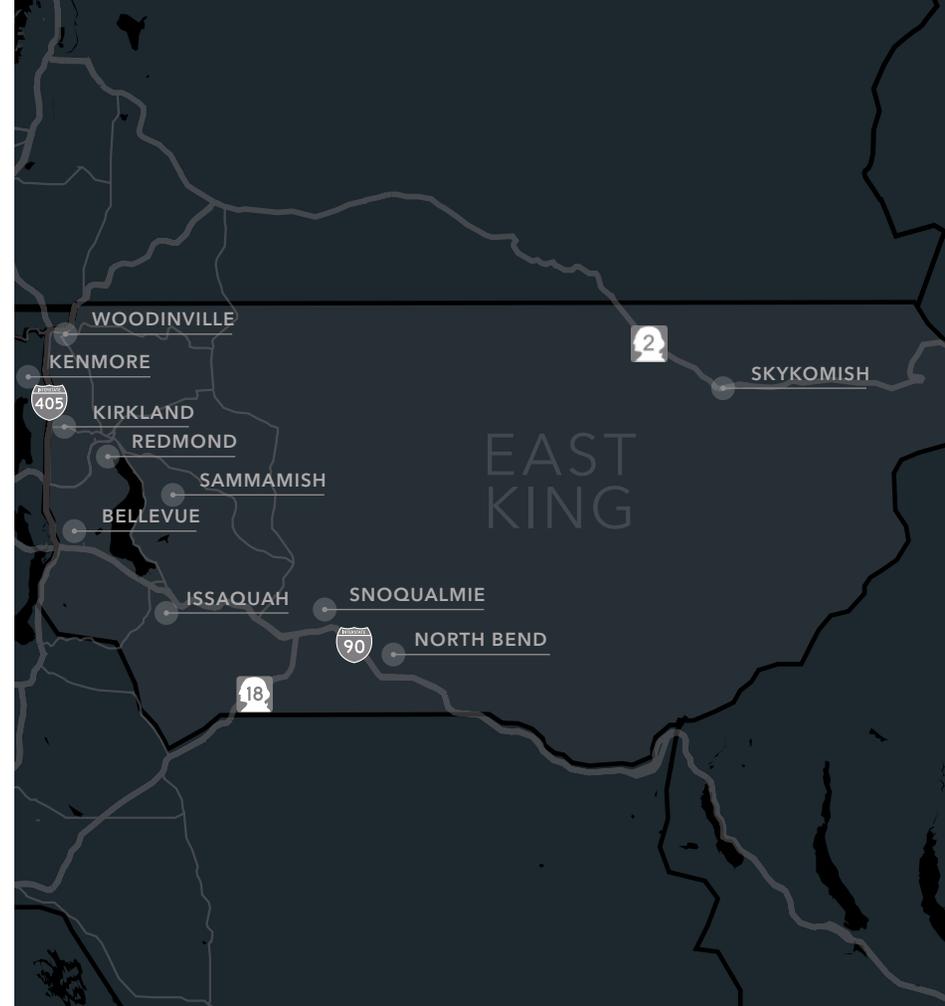
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,948	▲ 16.1%	\$2,162	▲ 4.6%	\$2,261
Vacancy	8.4%	▼ 240 bps	6.3%	▼ 30 bps	6.0%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	13	17	10
Sales Volume	\$514M	\$1.3B	\$1.0B
Price/Unit	\$355K	\$449K	\$498K
Price/SF	\$351	\$560	\$647
Cap Rate	4.2%	3.5%	3.3%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

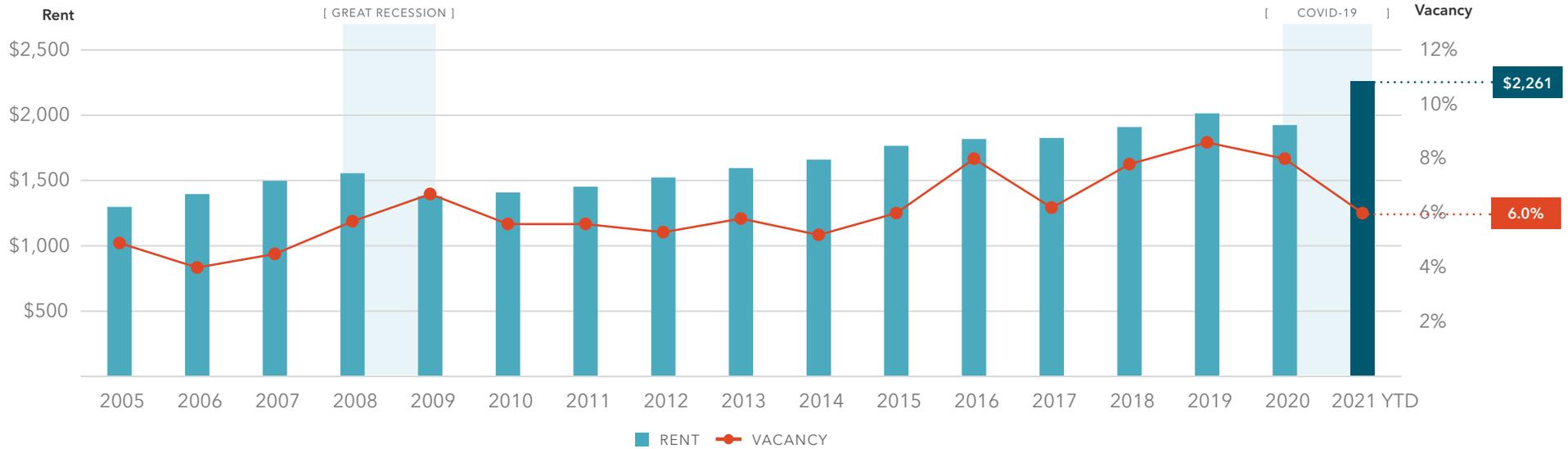


Inventory

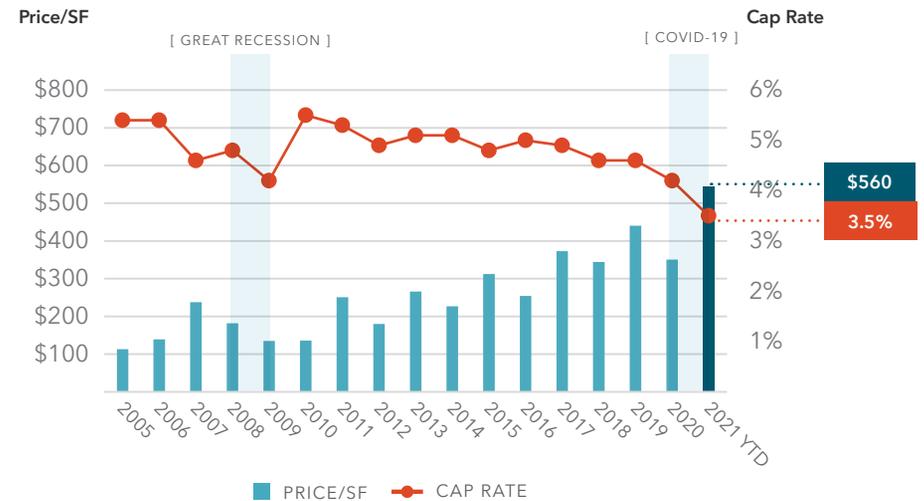
	Units	Buildings
Total	34,797	293
5 to 50-Units	2,591	139
50+ Units	32,206	154
12-Month Deliveries	1,520	7
Average Unit Size	902 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

114
TOTAL BUILDINGS

1,970
TOTAL UNITS

872 SF
AVERAGE UNIT SIZE

1990-2010

17
TOTAL BUILDINGS

428
TOTAL UNITS

1,189 SF
AVERAGE UNIT SIZE

2010-CURRENT

3
TOTAL BUILDINGS

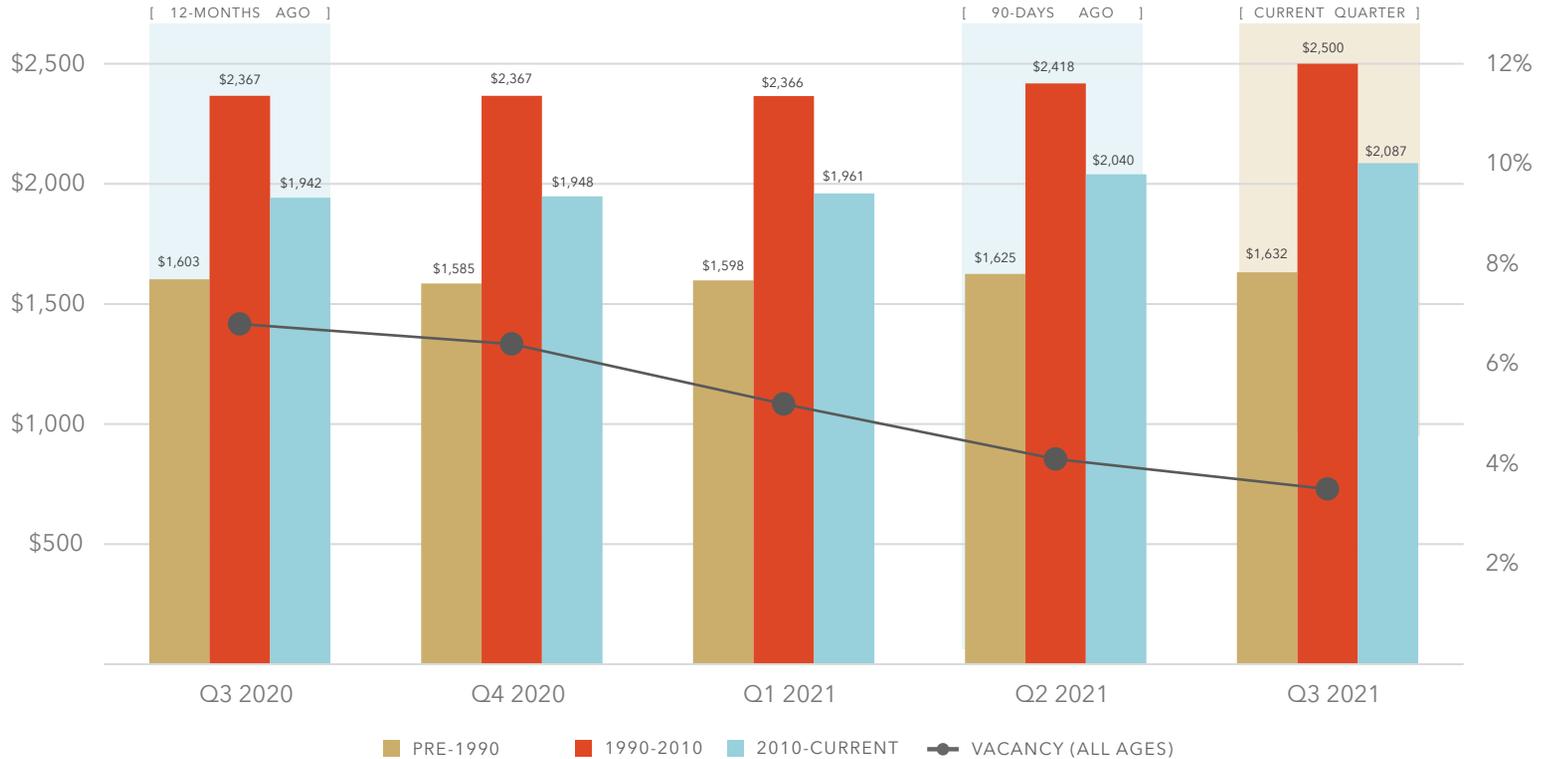
93
TOTAL UNITS

1,003 SF
AVERAGE UNIT SIZE

EAST KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



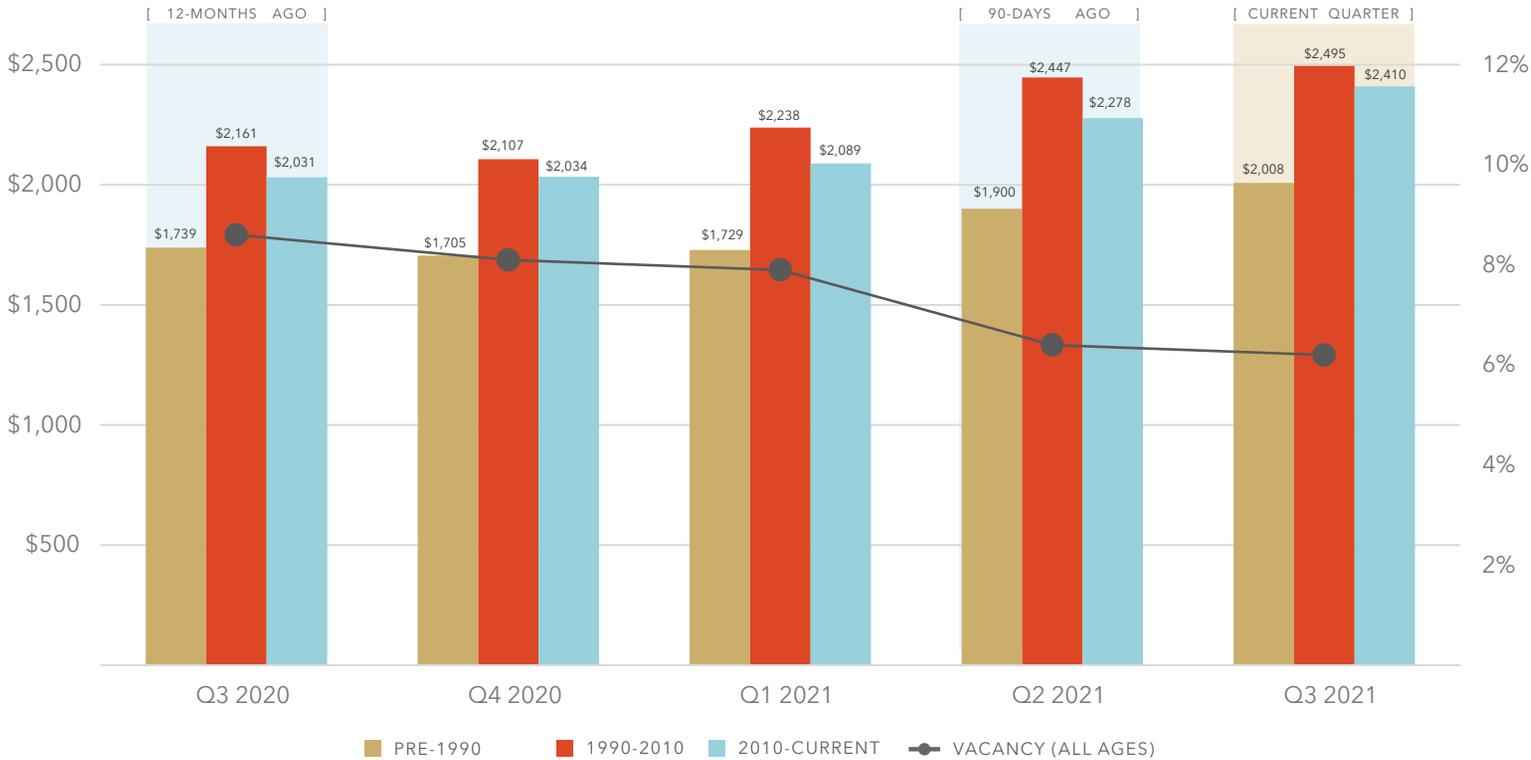
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,608	\$1,683	\$1,722	\$1,767	\$1,768	\$1,781	▲ 3.1%	\$1,815	▲ 1.2%	\$1,837
Rent/SF	\$1.71	\$1.79	\$1.84	\$1.88	\$1.88	\$1.90	▲ 3.2%	\$1.94	▲ 1.0%	\$1.96
Vacancy	5.8%	5.1%	4.5%	4.5%	6.4%	6.8%	▼ 330 bps	4.1%	▼ 60 bps	3.5%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,828	\$1,832	\$1,920	\$2,029	\$1,932	\$1,957	▲ 16.7%	\$2,182	▲ 4.7%	\$2,284
Rent/SF	\$2.04	\$2.04	\$2.14	\$2.26	\$2.15	\$2.18	▲ 16.6%	\$2.43	▲ 4.5%	\$2.54
Vacancy	8.2%	6.3%	8.1%	8.9%	8.1%	8.6%	▼ 240 bps	6.4%	▼ 20 bps	6.2%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

64

TOTAL BUILDINGS

11,652

TOTAL UNITS

856 SF

AVERAGE UNIT SIZE

1990-2010 ■

35

TOTAL BUILDINGS

7,643

TOTAL UNITS

1,057 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

55

TOTAL BUILDINGS

12,911

TOTAL UNITS

840 SF

AVERAGE UNIT SIZE

SALES TRENDS

Although the number of sales stayed relatively consistent throughout the last several years, East King is on pace to triple its sales volume compared to last year – thanks to nearly half of the 50+ unit sales being north of \$100 million.

01

Generally, East King has larger units, on average, than the rest of the region – and investors are paying top dollar for this amenity. At nearly \$450,000 per unit, East King has the highest average sale price per unit of any other market – by a long shot.

02

East King continues its impressive cap rate trend, compressing 55 basis points (bps) during the last year to land at an average cap rate of 3.5%. This is 60 bps lower than any other market in the region, which further cements investors’ desire to pay up for East King opportunities.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>6</p> <p>▲ 100% CHANGE Y-O-Y</p>	<p>\$38M</p> <p>▲ 955% CHANGE Y-O-Y</p>	<p>\$388K</p> <p>▲ 60% CHANGE Y-O-Y</p>	<p>\$451</p> <p>▲ 48% CHANGE Y-O-Y</p>	<p>3.6%</p> <p>▼ 39 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>11</p> <p>▲ 267% CHANGE Y-O-Y</p>	<p>\$1.2B</p> <p>▲ 1,092% CHANGE Y-O-Y</p>	<p>\$482K</p> <p>▲ 118% CHANGE Y-O-Y</p>	<p>\$620</p> <p>▲ 144% CHANGE Y-O-Y</p>	<p>3.5%</p> <p>▼ 34 BPS CHANGE Y-O-Y</p>

Historical Sales Trends

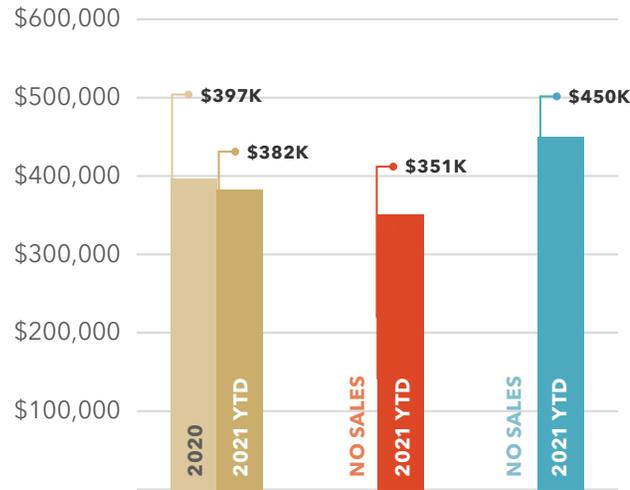
	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	15	8	12	16	13	4	▲ 150%	17	10
Sales Volume	\$502M	\$311M	\$323M	\$888M	\$514M	\$102M	▲ 914%	\$1.3B	\$1.0B
Price/Unit	\$290K	\$333K	\$372K	\$373K	\$355K	\$221K	▲ 125%	\$449K	\$498K
Price/SF	\$254	\$373	\$344	\$440	\$351	\$254	▲ 155%	\$560	\$647
Cap Rate	5.0%	4.9%	4.6%	4.6%	4.2%	3.8%	▼ 55 bps	3.5%	3.3%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

SALES VELOCITY

5 TO 50-UNITS

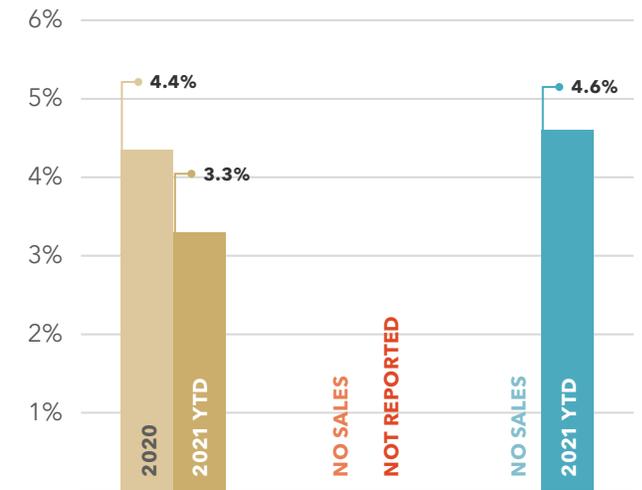
Price/Unit



Price/SF

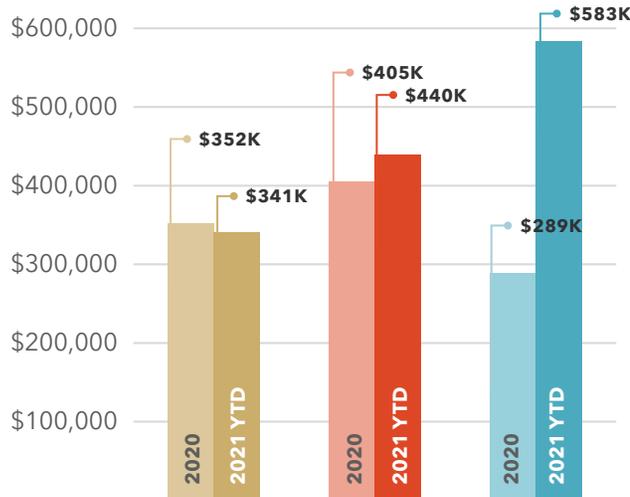


Cap Rate



50+ UNITS

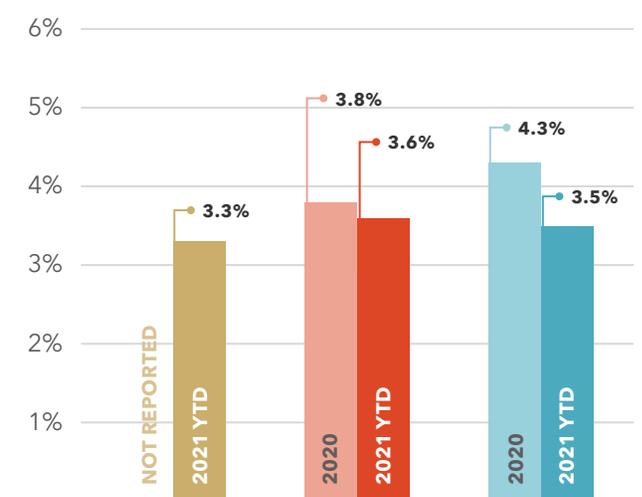
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Sundown Apartments	410 Lake St	Kirkland	1958	24	16,704	\$10,300,000	9/23/2021	\$429,167	\$617	2.0%
Park Apartments	16912 NE 79th St	Redmond	1961	10	7,054	\$3,197,500	8/2/2021	\$319,750	\$453	3.8%
Robins Glen Apartments	1800 148th Ave SE	Bellevue	1978	16	14,501	\$6,888,000	6/30/2021	\$430,500	\$475	-
Northshore Apartments	6321 NE 181st St	Kenmore	1966	10	8,773	\$3,503,000	6/15/2021	\$350,300	\$399	4.0%
Issaquah Valley	75 NW Dogwood St	Issaquah	1995	14	15,776	\$4,910,000	5/24/2021	\$350,714	\$311	-
Calabria	2000 NW Talus Dr	Issaquah	2012	20	20,000	\$9,000,000	2/12/2021	\$450,000	\$450	4.6%

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
The Ridgedale Apartments	14111-14201 SE 6th St	Bellevue	1984	334	288,900	\$144,000,000	9/30/2021	\$431,138	\$498	3.3%
The Spencer 68	6711 NE 182nd St	Kenmore	2015	222	214,000	\$98,000,000	9/22/2021	\$441,441	\$458	-
BLU	75 102nd Ave NE	Bellevue	2020	135	108,490	\$109,000,000	9/3/2021	\$807,407	\$1,005	3.2%
The Nightingale	2651 156th Ave NE	Redmond	2021	263	189,174	\$131,500,000	9/2/2021	\$500,000	\$695	-
Zephyr on the Park	8020 161st Ave NE	Redmond	2021	193	145,669	\$105,500,000	8/11/2021	\$546,632	\$724	3.5%
Easton Court Apartments	13831 NE 8th St	Bellevue	1969	90	66,000	\$27,485,000	8/4/2021	\$305,389	\$416	-
Main Street Flats I & II	1051 Main St	Bellevue	2015	425	329,015	\$232,610,933	7/9/2021	\$547,320	\$707	-
Brio Apartments	1021 112th Ave NE	Bellevue	2019	259	190,663	\$170,000,000	7/2/2021	\$656,371	\$892	3.8%
Avalon Redmond Place	8935 160th Ave NE	Redmond	1990	222	208,616	\$97,700,000	6/22/2021	\$440,090	\$468	3.6%
Carrington Apartments	2501 SE 148th Ave	Bellevue	1969	108	84,000	\$39,850,000	6/1/2021	\$368,981	\$474	-
Sandpiper East Apartments	1312 139th Ave NE	Bellevue	1974	224	119,900	\$57,800,000	6/1/2021	\$258,036	\$482	-



SOUTH KING

MARKET TRENDS

- With only 541 units delivered in the last 12 months, massive renter demand and the lack of new inventory in South King led to an increase of more than 10% in rental rates.
- Renton - or, as we like to call it, the region's next Kirkland - continues to thrive as the middle-point between Seattle and Bellevue and is a great contributor to the all-time low 3.1% South King vacancy rate.
- Throughout COVID, we saw a monumental shift of renters moving to surrounding counties. Now, as offices in Seattle start to turn the lights on, workers want to move closer to their jobs (but without the Seattle address), and South King proves to be an incredibly popular destination.

Rent & Vacancy

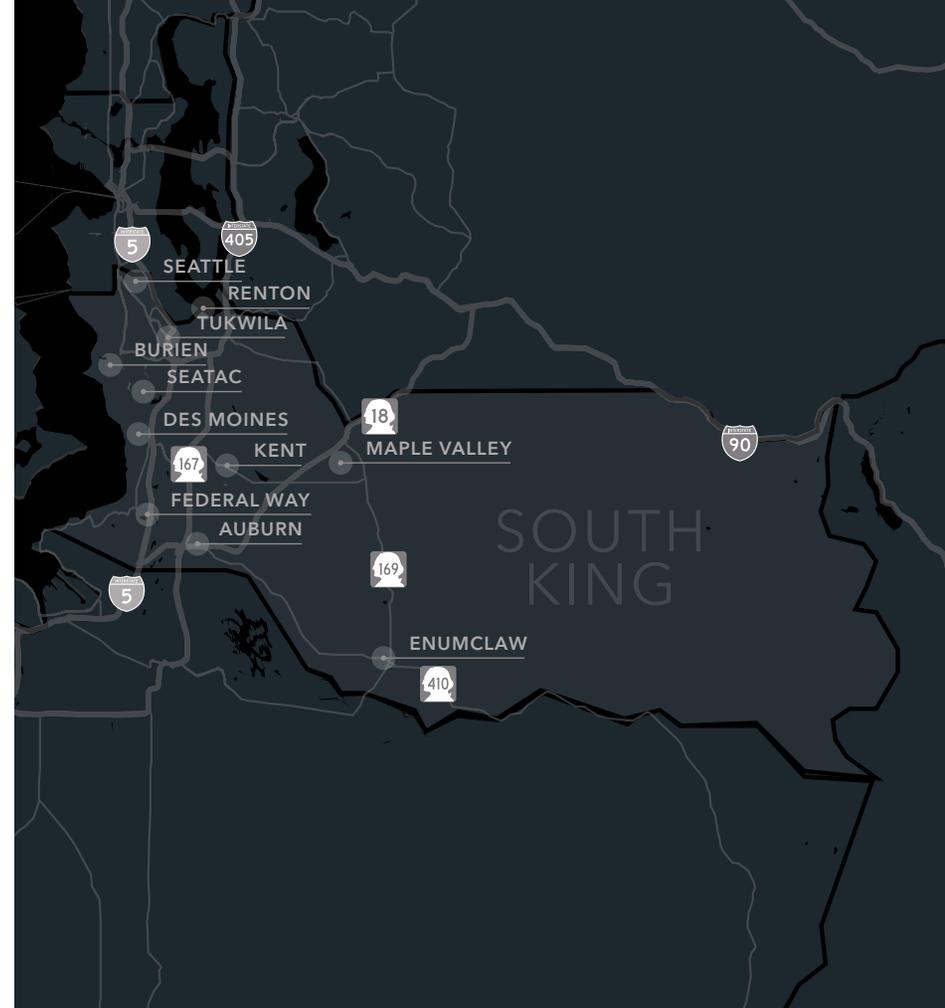
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,488	▲ 10.3%	\$1,592	▲ 3.1%	\$1,642
Vacancy	5.3%	▼ 220 bps	3.8%	▼ 70 bps	3.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	50	29	14
Sales Volume	\$705M	\$799M	\$679M
Price/Unit	\$231K	\$225K	\$259K
Price/SF	\$227	\$256	\$312
Cap Rate	4.8%	4.1%	4.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

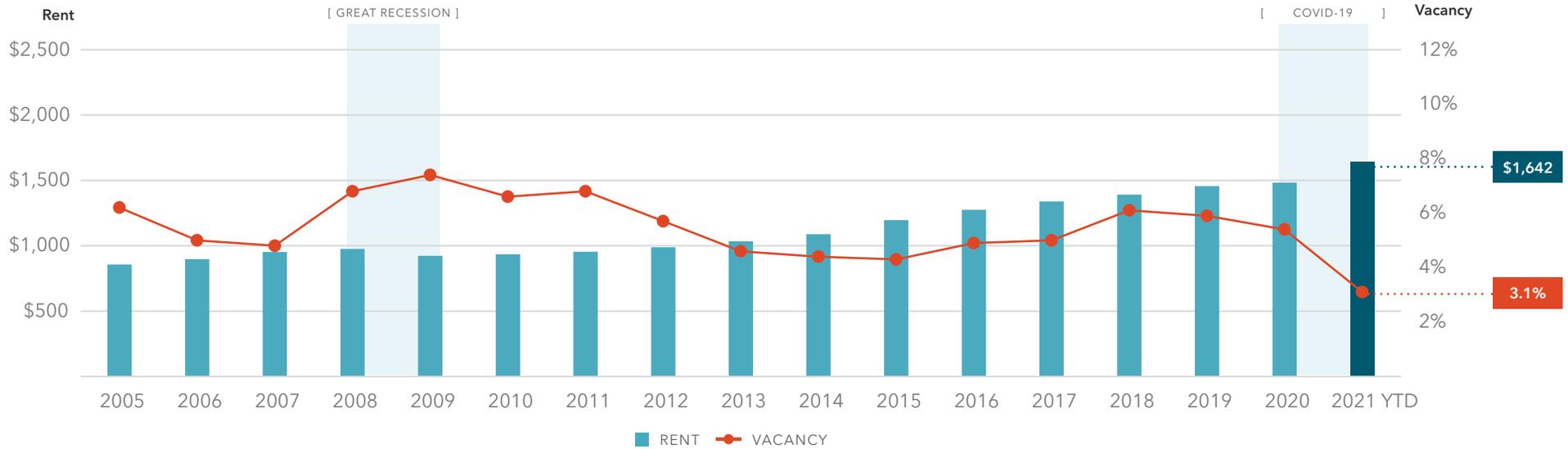


Inventory

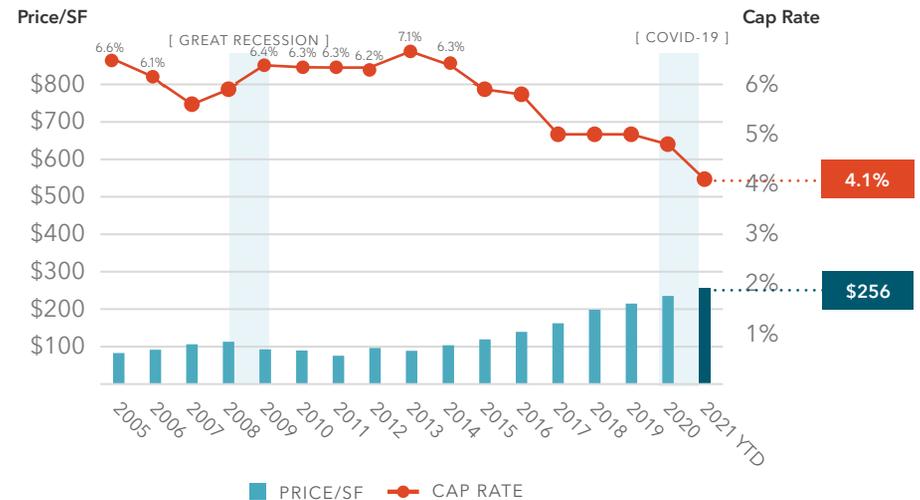
	Units	Buildings
Total	57,705	896
5 to 50-Units	10,315	608
50+ Units	47,390	288
12-Month Deliveries	541	2
Average Unit Size	857 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

**INVENTORY
BY BUILDING AGE**

PRE-1990

547
TOTAL BUILDINGS

9,167
TOTAL UNITS

779 SF
AVERAGE UNIT SIZE

1990-2010

40
TOTAL BUILDINGS

758
TOTAL UNITS

1,024 SF
AVERAGE UNIT SIZE

2010-CURRENT

10
TOTAL BUILDINGS

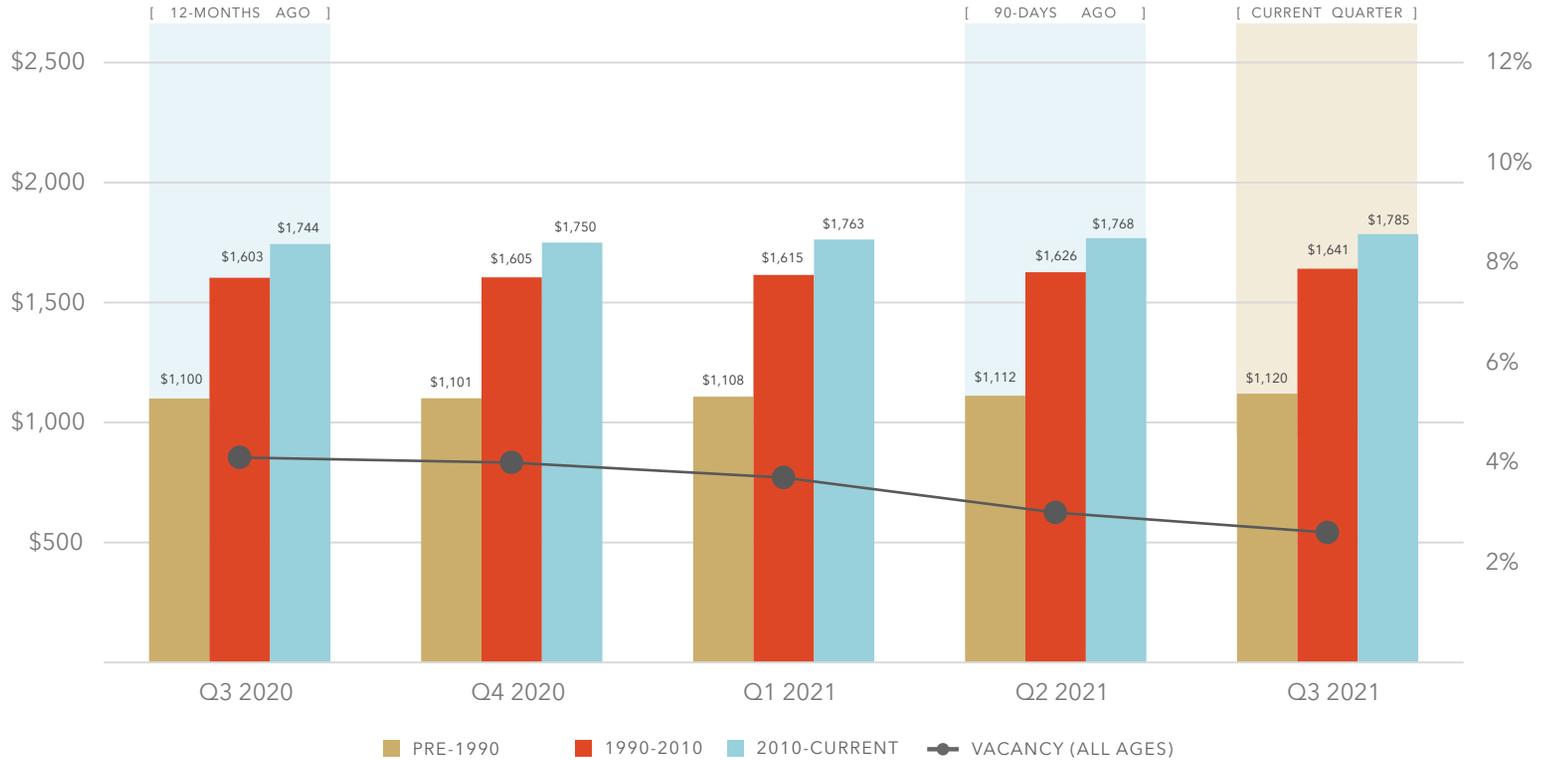
241
TOTAL UNITS

1,330 SF
AVERAGE UNIT SIZE

SOUTH KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



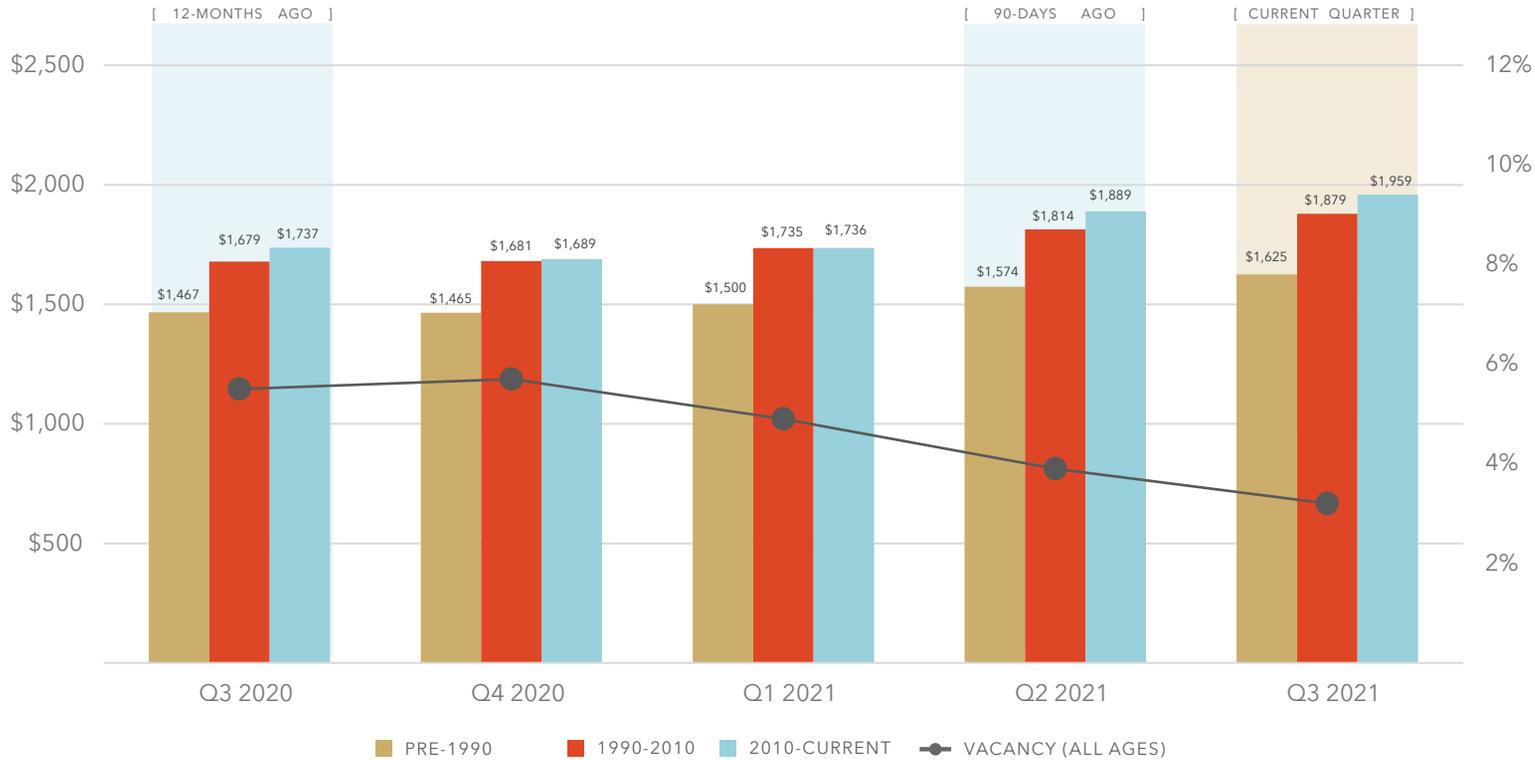
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,022	\$1,069	\$1,106	\$1,141	\$1,154	\$1,153	▲ 1.9%	\$1,167	▲ 0.7%	\$1,175
Rent/SF	\$1.29	\$1.35	\$1.40	\$1.44	\$1.46	\$1.46	▲ 1.4%	\$1.47	▲ 0.7%	\$1.48
Vacancy	4.1%	4.2%	4.7%	4.3%	4.0%	4.1%	▼ 150 bps	3.0%	▼ 40 bps	2.6%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,311	\$1,378	\$1,433	\$1,502	\$1,531	\$1,537	▲ 11.3%	\$1,654	▲ 3.4%	\$1,710
Rent/SF	\$1.52	\$1.60	\$1.66	\$1.74	\$1.77	\$1.78	▲ 11.2%	\$1.92	▲ 3.1%	\$1.98
Vacancy	5.0%	5.2%	6.4%	6.2%	5.7%	5.5%	▼ 230 bps	3.9%	▼ 70 bps	3.2%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

212

TOTAL BUILDINGS

33,116

TOTAL UNITS

846 SF

AVERAGE UNIT SIZE

1990-2010 ■

52

TOTAL BUILDINGS

9,120

TOTAL UNITS

942 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

23

TOTAL BUILDINGS

5,028

TOTAL UNITS

839 SF

AVERAGE UNIT SIZE

SALES TRENDS

Institutional investment focus on South King is enormous – and it shows – with both price per unit more than \$250,000 and price per square foot more than \$300 in Q3 for the first time in the region.

01

Investors are also forgiving 2020 operations (in which we saw high delinquency and low net operating income [NOI]) and focusing more on replacement cost as a purchasing metric, which is leading to a cap rate compression of 74 bps Y-O-Y.

02

Institutional investors wanting to stay in Puget Sound, but outside of Seattle, have seen pricing in South King buildings with at least 50 units reach all-time highs, while still purchasing buildings at a discount of more than 40% on a price-per-unit basis compared to Urban King.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>16</p> <p>▼ 27% CHANGE Y-O-Y</p>	<p>\$52M</p> <p>▲ 63% CHANGE Y-O-Y</p>	<p>\$178K</p> <p>▲ 4% CHANGE Y-O-Y</p>	<p>\$211</p> <p>▼ 3% CHANGE Y-O-Y</p>	<p>4.2%</p> <p>▼ 113 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>13</p> <p>▲ 160% CHANGE Y-O-Y</p>	<p>\$748M</p> <p>▲ 436% CHANGE Y-O-Y</p>	<p>\$282K</p> <p>▲ 19% CHANGE Y-O-Y</p>	<p>\$313</p> <p>▲ 45% CHANGE Y-O-Y</p>	<p>4.1%</p> <p>▼ 65 BPS CHANGE Y-O-Y</p>

Historical Sales Trends

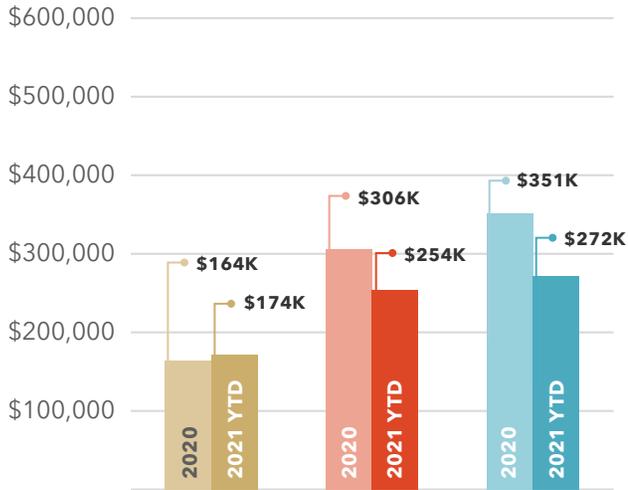
	2016	2017	2018	2019	2020	[12-MONTHS AGO]	12-Month Change	YTD 2021	[CURRENT QUARTER]
						Q3 2020			Q3 2021
Building Sales	73	69	63	70	50	11	▲ 27%	29	14
Sales Volume	\$999M	\$781M	\$1.1B	\$1.2B	\$705M	\$69M	▲ 888%	\$799M	\$679M
Price/Unit	\$155K	\$169K	\$213K	\$202K	\$231K	\$211K	▲ 23%	\$225K	\$259K
Price/SF	\$162	\$184	\$221	\$232	\$227	\$268	▲ 17%	\$256	\$312
Cap Rate	5.8%	5.0%	5.0%	5.0%	4.8%	4.8%	▼ 74 bps	4.1%	4.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

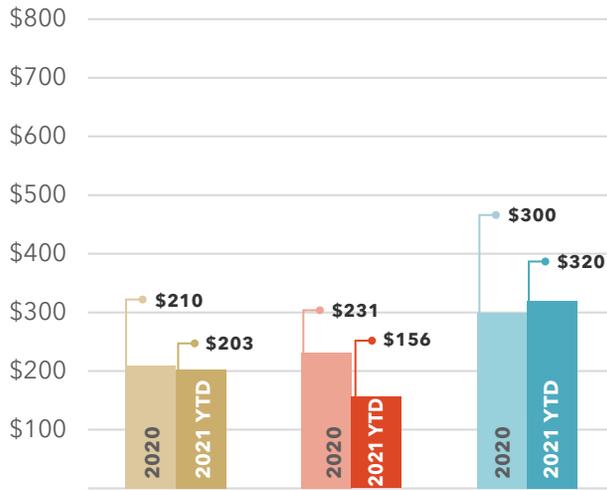
SALES VELOCITY

5 TO 50-UNITS

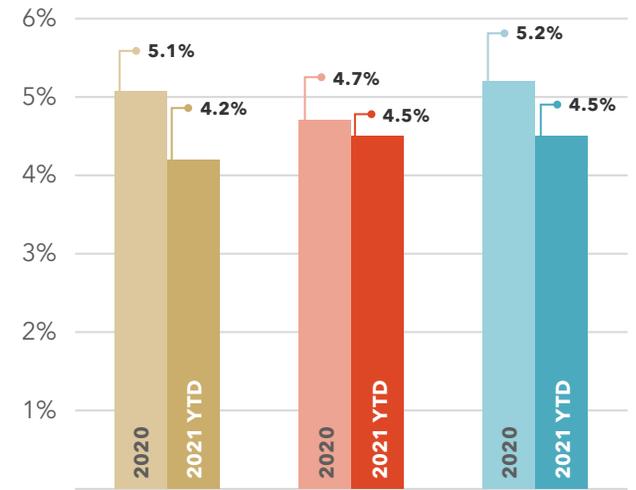
Price/Unit



Price/SF

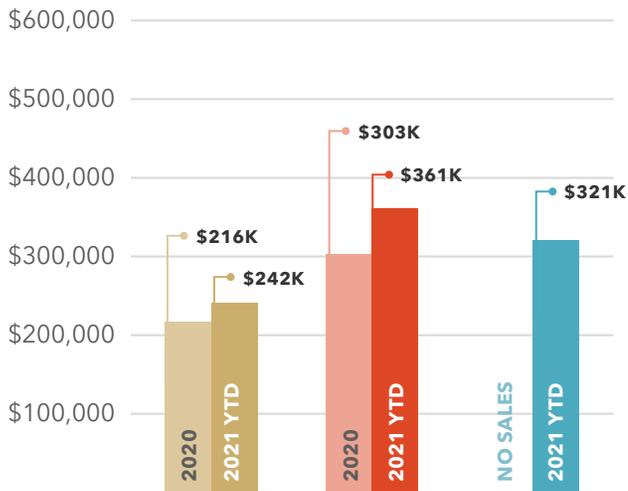


Cap Rate

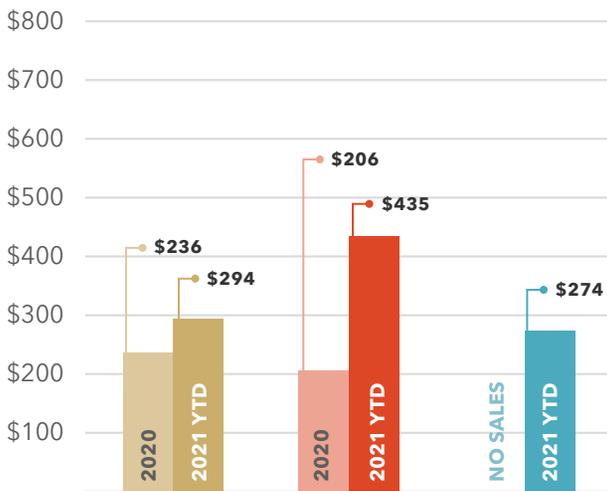


50+ UNITS

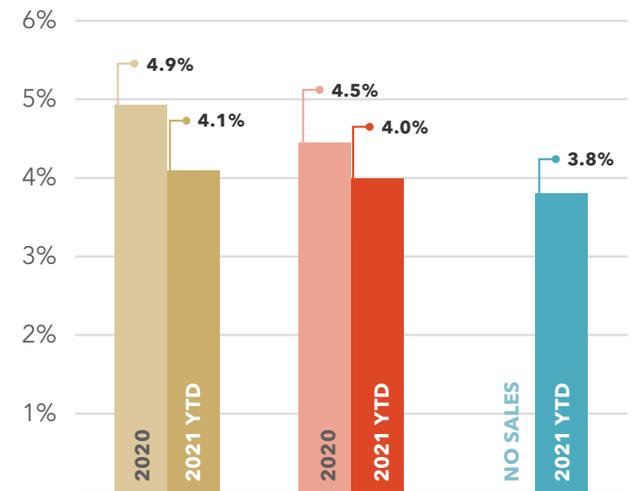
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
102 D St SW	102 D St SW	Auburn	1911	8	4,582	\$998,250	9/8/2021	\$124,781	\$218	-
Alcove	12037 1st Ave S	Seattle	2014	41	34,850	\$11,150,000	8/30/2021	\$271,951	\$320	4.5%
307 15th St SE	307 15th St SE	Auburn	1963	8	5,083	\$950,000	8/12/2021	\$118,750	\$187	-
Crescent Apartments	5201 42nd Ave S	Seattle	1963	37	27,984	\$7,700,000	7/23/2021	\$208,108	\$275	-
Kent Station Apartments	705-717 State Ave N	Kent	1966	16	23,358	\$2,650,000	6/24/2021	\$165,625	\$113	3.0%
Glennwood Five	912 Glennwood Ave NE	Renton	1942	5	3,232	\$825,000	6/11/2021	\$165,000	\$255	4.1%
922 Glennwood Ave NE	922 Glennwood Ave NE	Renton	1963	11	8,456	\$2,453,350	6/11/2021	\$223,032	\$290	4.3%
15638 8th Ave SW	15638 8th Ave SW	Burien	1967	6	6,620	\$750,000	6/8/2021	\$125,000	\$113	-
10625 22nd Pl S	10625 22nd Pl S	Seattle	1970	18	13,140	\$3,148,200	5/21/2021	\$174,900	\$240	4.4%
Blue Ridge Apartments	28606 Pacific Hwy S	Federal Way	1964	26	25,085	\$4,675,000	5/14/2021	\$179,808	\$186	4.7%
Westerly	11923 1st Ave S	Burien	1976	36	27,740	\$6,120,000	5/12/2021	\$170,000	\$221	3.6%
Cambridge Lane	808 I St NE	Auburn	1968	24	8,972	\$4,170,000	3/26/2021	\$173,750	\$232	-
15203 8th Ave	15203 8th Ave	Burien	1986	7	8,740	\$1,156,002	3/1/2021	\$231,200	\$132	4.5%
10626 SE 238th St	10626 SE 238th St	Kent	1968	9	8,276	\$2,050,000	2/17/2021	\$227,778	\$248	6.0%
2233 Roosevelt Ave	2233 Roosevelt Ave	Enumclaw	1967	8	7,800	\$1,200,000	1/20/2021	\$150,000	\$154	3.0%
Vashon Vue Apartments	22805 30th Ave S	Des Moines	1968	11	8,040	\$1,483,350	1/7/2021	\$134,850	\$185	-

SALES DETAILS: YTD 2021 SALES

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
The Bristol at Southport	1133 Lake Washington Blvd	Renton	2008	383	318,271	\$191,000,000	9/30/2021	\$498,695	\$600	-
The BLVD	2136 S 272nd St	Kent	1986	135	106,850	\$28,188,000	9/23/2021	\$208,800	\$264	4.8%
Discovery Landing Apartment Homes	15405 S Des Moines Memorial Dr	SeaTac	1987	146	138,076	\$46,000,000	9/2/2021	\$315,068	\$333	-
Chandlers Bay	1020 Central Ave N	Kent	1989	293	277,050	\$90,150,000	8/25/2021	\$307,679	\$325	4.3%
Avana @ South Station	4708 Southcenter Blvd	Tukwila	1979	210	159,972	\$52,000,000	8/23/2021	\$247,619	\$325	4.0%
Ethos	2200 W Meeker St	Kent	2019	288	365,556	\$113,000,000	8/19/2021	\$392,361	\$309	-
Arbor Woods Apartments	1800 S 330th St	Federal Way	1991	63	53,089	\$13,085,000	8/16/2021	\$207,698	\$246	4.0%
The Haven	25426 98th Ave S	Kent	1981	247	184,078	\$46,496,250	8/5/2021	\$188,244	\$253	3.5%
The Union	2111 SW 352nd St	Federal Way	1984	244	148,195	\$38,593,000	8/5/2021	\$158,168	\$260	3.5%
95 Burnett	95 Burnett Ave S	Renton	2006	106	87,117	\$39,982,333	7/14/2021	\$377,192	\$459	3.9%
Avaya at Town Center	10436 SE Carr Rd	Renton	2012	52	54,578	\$13,000,000	6/10/2021	\$250,000	\$238	3.8%
Avana West Hill Apartments	24849 46th Ave S	Kent	1988	216	191,536	\$57,250,000	5/28/2021	\$265,046	\$299	4.3%
Arbour Court	2225 S 112th St	Seattle	1990	75	122,433	\$19,080,000	4/23/2021	\$254,400	\$156	4.5%

SNOHOMISH

MARKET TRENDS

- With the region's second-largest average unit size at 882 square feet (trailing only the Eastside), Snohomish experienced 12.7% Y-o-Y rent growth. Here, residents voiced that space matters and, even within the last 90 days, we've seen rents jump by 4.3%.
- Vacancy plummeted by 1.7% Y-o-Y - proving that, even with 12% rent growth, residents enjoy a Snohomish address.
- The excitement surrounding Snohomish has residents flocking north of Seattle in waves, with investors and developers not far behind.

Rent & Vacancy

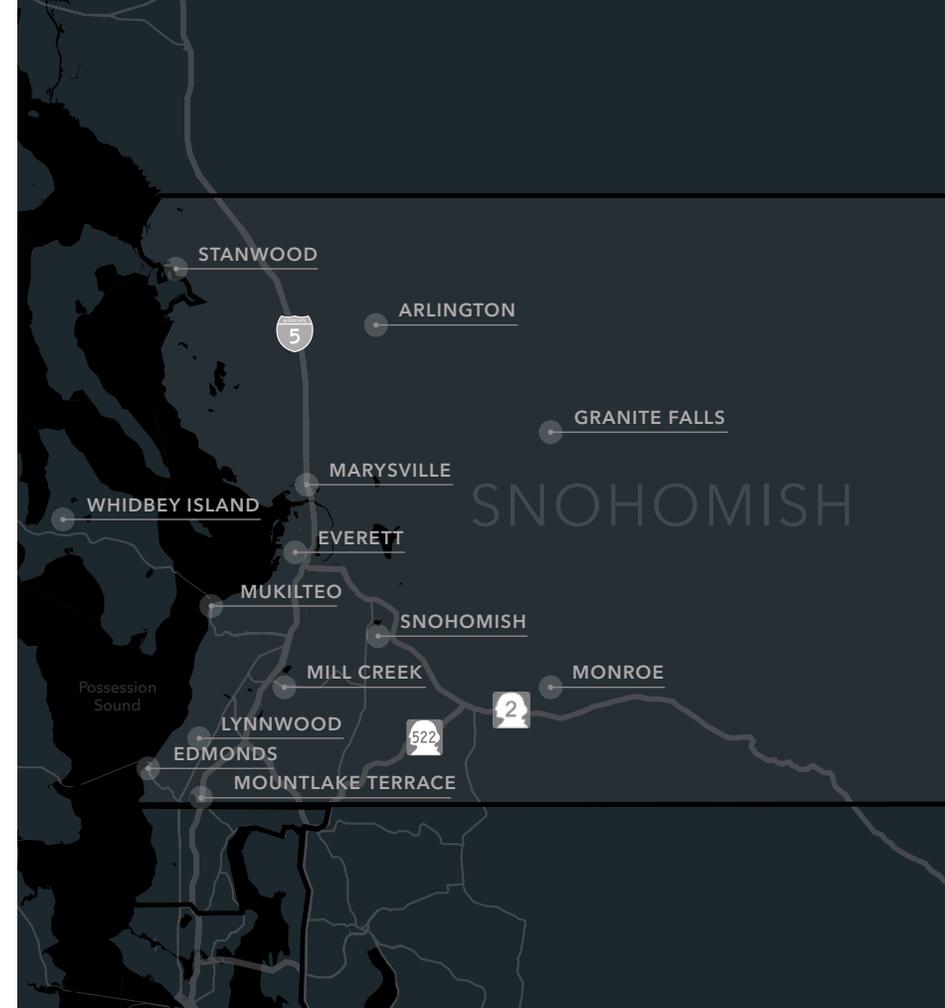
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,546	▲ 12.7%	\$1,671	▲ 4.3%	\$1,743
Vacancy	5.3%	▼ 170 bps	4.9%	▼ 130 bps	3.6%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	49	34	19
Sales Volume	\$128M	\$340M	\$275M
Price/Unit	\$175K	\$202K	\$214K
Price/SF	\$213	\$245	\$251
Cap Rate	5.5%	4.3%	4.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

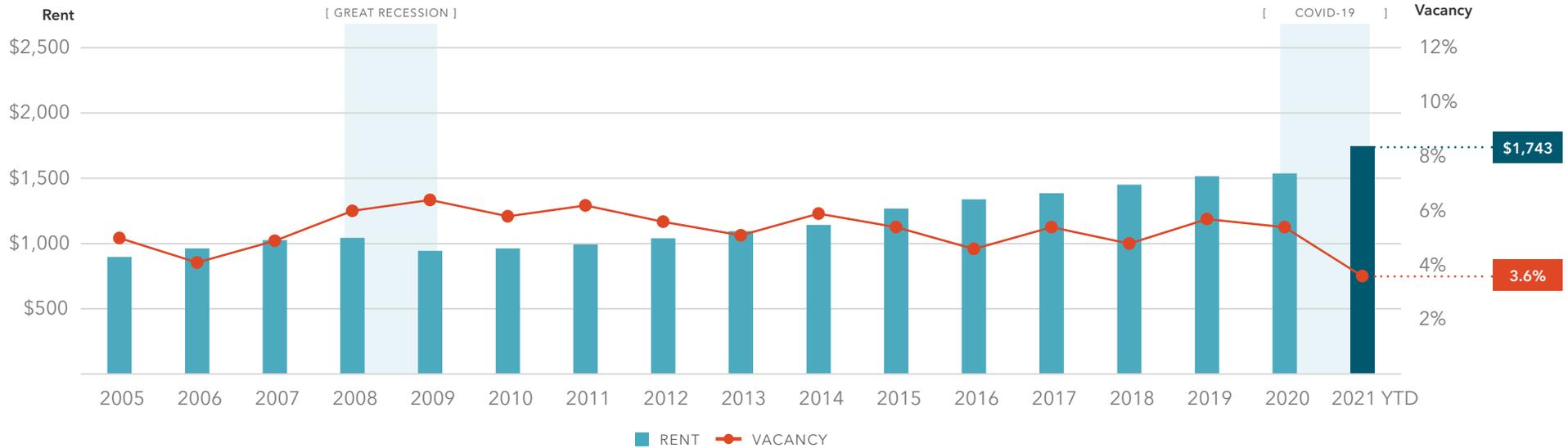


Inventory

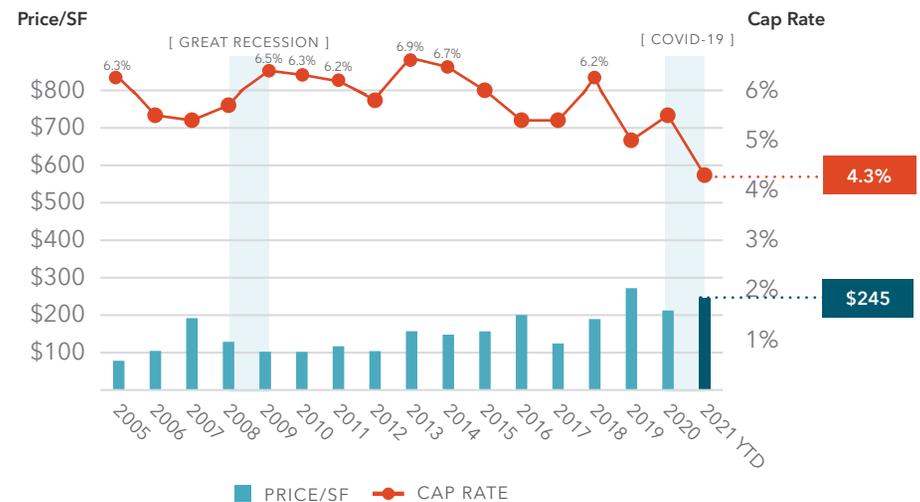
	Units	Buildings
Total	45,223	960
5 to 50-Units	9,890	757
50+ Units	35,333	203
12-Month Deliveries	77	1
Average Unit Size	882 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

599

TOTAL BUILDINGS

7,326

TOTAL UNITS

834 SF

AVERAGE UNIT SIZE

1990-2010

116

TOTAL BUILDINGS

1,710

TOTAL UNITS

1,056 SF

AVERAGE UNIT SIZE

2010-CURRENT

20

TOTAL BUILDINGS

546

TOTAL UNITS

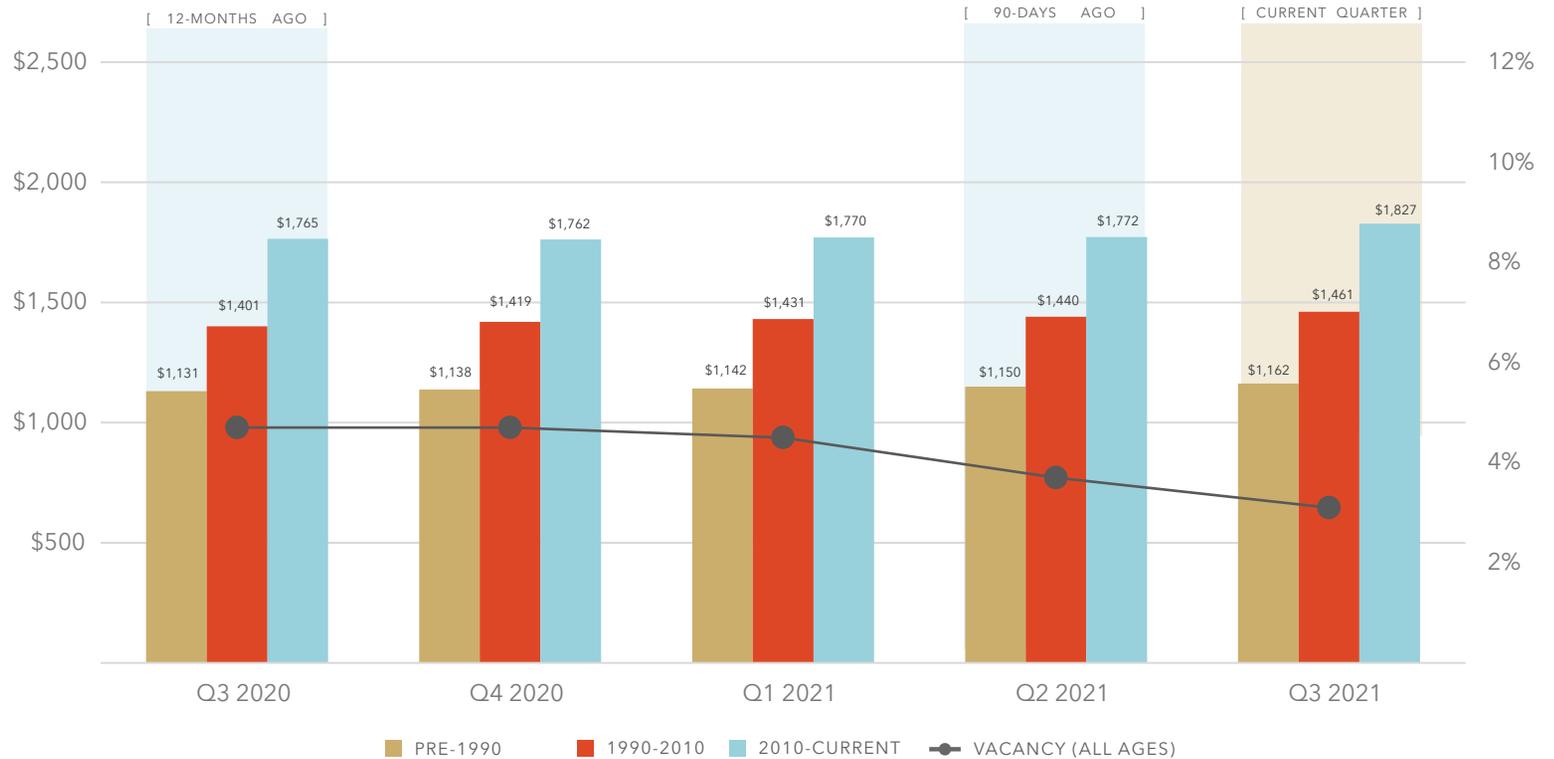
1,018 SF

AVERAGE UNIT SIZE

SNOHOMISH

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



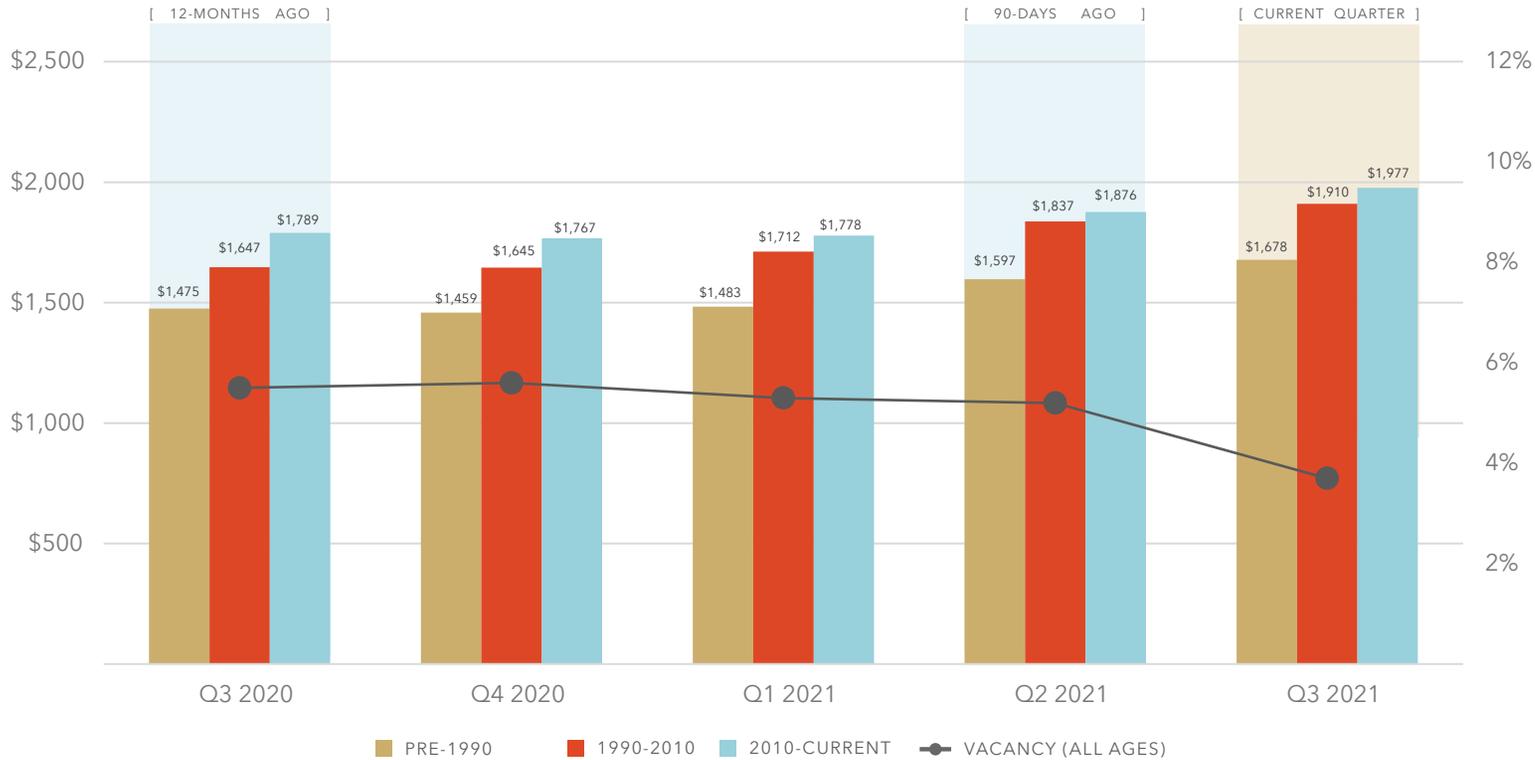
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,097	\$1,146	\$1,183	\$1,216	\$1,248	\$1,240	▲ 3.1%	\$1,262	▲ 1.3%	\$1,279
Rent/SF	\$1.24	\$1.30	\$1.34	\$1.38	\$1.42	\$1.41	▲ 2.8%	\$1.43	▲ 1.4%	\$1.45
Vacancy	4.3%	4.7%	4.4%	4.9%	4.7%	4.7%	▼ 160 bps	3.7%	▼ 60 bps	3.1%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,380	\$1,425	\$1,497	\$1,566	\$1,586	\$1,597	▲ 14.0%	\$1,739	▲ 4.7%	\$1,820
Rent/SF	\$1.57	\$1.62	\$1.70	\$1.78	\$1.80	\$1.82	▲ 13.7%	\$1.98	▲ 4.5%	\$2.07
Vacancy	4.7%	5.7%	4.9%	5.9%	5.6%	5.5%	▼ 180 bps	5.2%	▼ 150 bps	3.7%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990

99

TOTAL BUILDINGS

15,599

TOTAL UNITS

845 SF

AVERAGE UNIT SIZE

1990-2010

66

TOTAL BUILDINGS

13,208

TOTAL UNITS

928 SF

AVERAGE UNIT SIZE

2010-CURRENT

35

TOTAL BUILDINGS

6,340

TOTAL UNITS

857 SF

AVERAGE UNIT SIZE

SALES TRENDS

After a year of COVID, sales volume in Snohomish rebounded strong, with Q3 alone outpacing all sales in 2020 combined.

01

Investors are bullish on Snohomish, acquiring properties averaging a 4.1% cap rate - compared to just a year ago when they averaged 5.4%. The steep decline in cap rates validates that investors are looking outside of King County more than ever - and may even be looking to hold these investments on a long-term basis.

02

Analyzing all sales metrics, it's evident that sale pricing far exceeded not only last year's sales, but that they also rival the record highs of 2019. This is further proof of the growing consensus that Snohomish is a place that investors will want to invest in for years to come.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	30 ▼ 17% CHANGE Y-O-Y	\$79M ▲ 165% CHANGE Y-O-Y	\$195K ▲ 84% CHANGE Y-O-Y	\$238 ▲ 76% CHANGE Y-O-Y	4.4% ▼ 115 BPS CHANGE Y-O-Y
50+ UNITS	4 ▲ 100% CHANGE Y-O-Y	\$261M ▲ 2,462% CHANGE Y-O-Y	\$252K ▲ 29% CHANGE Y-O-Y	\$301 ▲ 75% CHANGE Y-O-Y	4.1% [2020 NOT REPORTED]

Historical Sales Trends

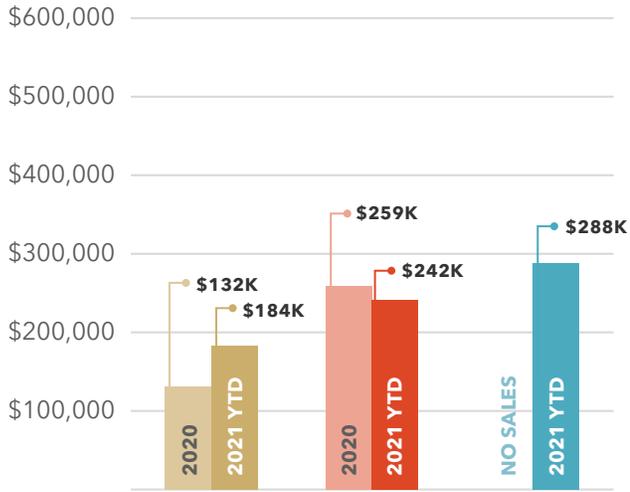
	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	91	87	73	74	49	13	▲ 46%	34	19
Sales Volume	\$1.2B	\$467M	\$394M	\$1.2B	\$128M	\$20M	▲ 1257%	\$340M	\$275M
Price/Unit	\$186K	\$121K	\$169K	\$228K	\$175K	\$163K	▲ 31%	\$202K	\$214K
Price/SF	\$201	\$125	\$189	\$272	\$213	\$169	▲ 49%	\$245	\$251
Cap Rate	5.4%	5.4%	6.2%	5.0%	5.5%	5.4%	▼ 127 bps	4.3%	4.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

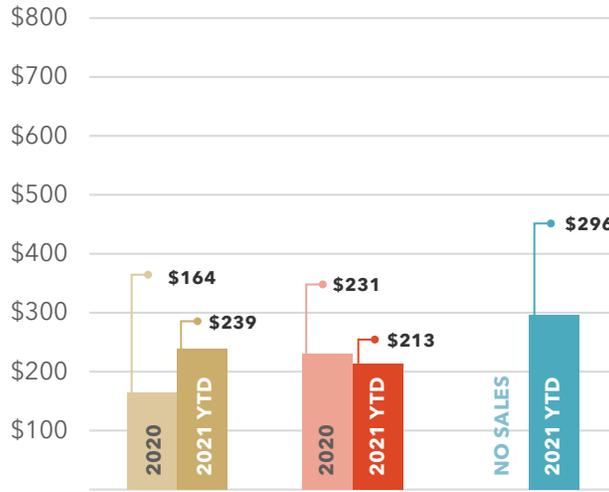
SALES VELOCITY

5 TO 50-UNITS

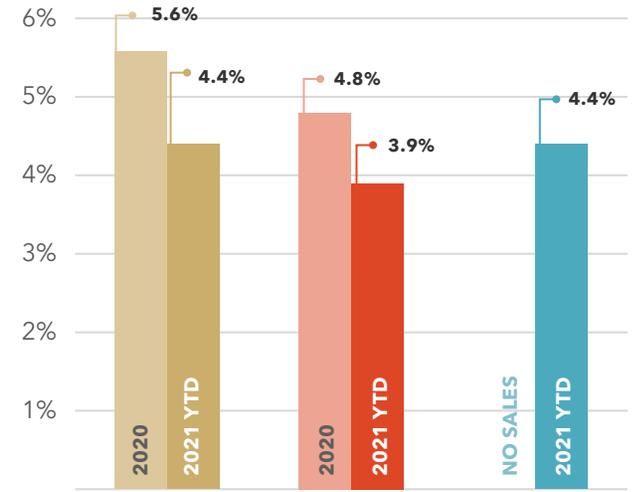
Price/Unit



Price/SF

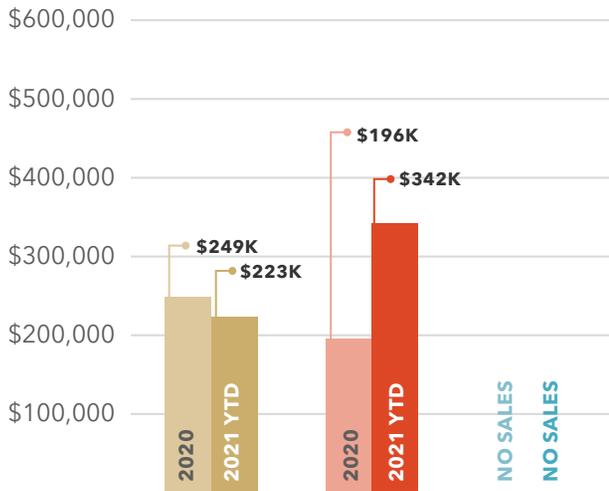


Cap Rate

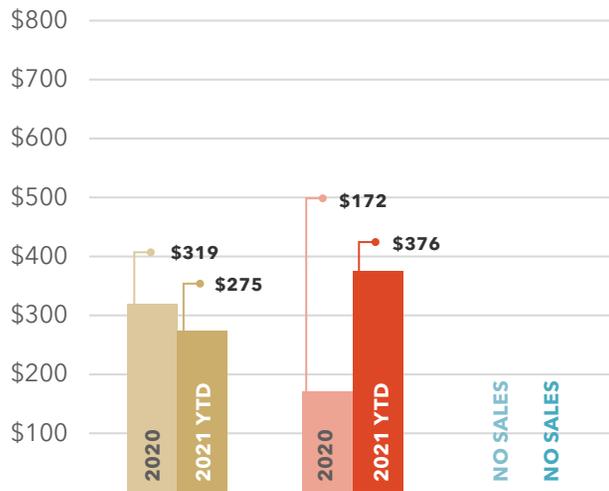


50+ UNITS

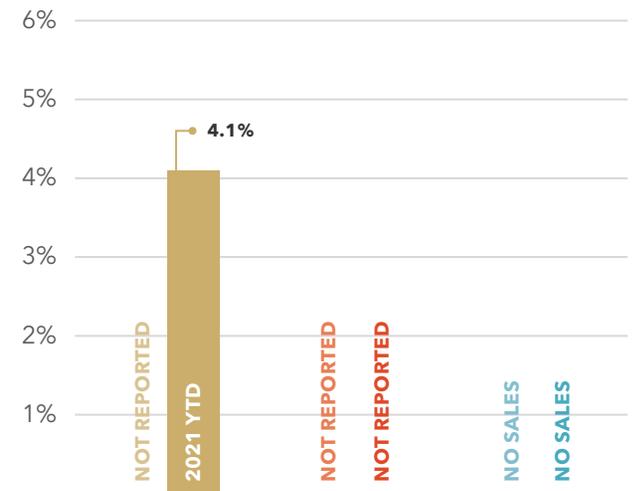
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
2524 Chestnut St	2524 Chestnut St	Everett	1922	7	4,100	\$1,350,000	9/24/2021	\$192,857	\$329	-
3128 Lombard Ave	3128 Lombard Ave	Everett	1918	16	11,828	\$2,250,000	9/22/2021	\$140,625	\$190	2.8%
3120 8th St	3120 8th St	Everett	1997	8	8,768	\$1,700,000	9/17/2021	\$212,500	\$194	4.0%
Edgewood North	7221 196th St SW	Lynnwood	1996	46	51,540	\$14,800,000	9/2/2021	\$321,739	\$287	-
5623 186th Pl SW	5623 186th Pl SW	Lynnwood	1979	11	12,496	\$2,777,000	8/27/2021	\$252,455	\$222	-
SonRise	7801 47th Ave NE	Marysville	2016	36	35,000	\$10,375,000	8/27/2021	\$288,194	\$296	4.4%
1501 44th St SE	1501 44th St SE	Everett	1979	9	6,000	\$1,230,000	8/23/2021	\$136,667	\$205	2.7%
Park View li Apartments	602 Terrace St	Monroe	1991	9	13,326	\$1,650,000	8/23/2021	\$183,333	\$124	-
The Le Jene Apartments	2531 Grand Ave	Everett	1967	6	5,200	\$1,220,000	8/23/2021	\$203,333	\$235	3.6%
8201 244th St SW	8201 244th St SW	Edmonds	1958	28	18,040	\$4,350,000	8/17/2021	\$155,357	\$241	5.1%
3721 Hoyt Ave	3721 Hoyt Ave	Everett	1987	5	4,548	\$1,035,000	8/4/2021	\$207,000	\$228	4.6%
23030 76th Ave W	23030 76th Ave W	Edmonds	1976	10	10,500	\$3,090,000	7/27/2021	\$309,000	\$294	3.8%
2408 Grand Ave	2408 Grand Ave	Everett	1977	7	6,148	\$1,500,000	7/26/2021	\$214,286	\$244	3.4%
6321 Beverly Blvd	6321 Beverly Blvd	Everett	1984	8	5,393	\$1,125,000	7/23/2021	\$140,625	\$209	6.5%
2331 Rockefeller Ave	2331 Rockefeller Ave	Everett	1928	40	9,828	\$2,100,000	7/20/2021	\$52,500	\$214	-
804-808 Columbia Ave	804-808 Columbia Ave	Marysville	1968	11	6,800	\$1,500,000	7/20/2021	\$136,364	\$221	-
4223 164th St SW	4223 164th St SW	Lynnwood	1989	6	5,982	\$1,520,000	7/8/2021	\$253,333	\$254	5.0%
1227 State Ave	1227 State Ave	Marysville	1963	11	10,322	\$1,539,000	6/21/2021	\$139,909	\$149	7.0%
19614 69th Pl W	19614 69th Pl W	Lynnwood	1961	7	5,450	\$1,600,000	6/16/2021	\$228,571	\$294	4.0%
4900 74th Pl NE	4900 74th Pl NE	Marysville	1964	6	5,878	\$1,083,900	6/11/2021	\$180,650	\$184	4.3%
Rainier Drive Apartments	7125 Rainier Dr	Everett	1978	11	9,270	\$2,010,000	5/27/2021	\$182,727	\$217	-
Smokey Point Villa Apartments	17313 Smokey Point Blvd	Arlington	1960	30	22,946	\$4,480,000	5/19/2021	\$149,333	\$195	-
3319 Rockefeller Ave	3319 Rockefeller Ave	Everett	2007	8	8,080	\$2,000,000	5/1/2021	\$250,000	\$248	3.7%
Village Manor Apartments	19207 60th Ave W	Lynnwood	1957	8	5,220	\$1,424,200	4/21/2021	\$178,025	\$273	-
7126 49th Dr NE	7126 49th Dr NE	Marysville	1963	5	4,105	\$868,000	4/19/2021	\$173,600	\$211	2.8%

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Seattle Heights	21034 74th Ave W	Edmonds	1962	15	9,400	\$3,050,000	4/13/2021	\$203,333	\$324	5.3%
3829 Colby Ave	3829 Colby Ave	Everett	1975	11	5,096	\$1,787,000	3/30/2021	\$162,455	\$351	-
The Villa	7234 47th Ave NE	Marysville	1967	20	16,244	\$2,900,000	3/3/2021	\$145,000	\$179	-
23523 Edmonds Way	23523 Edmonds Way	Edmonds	1986	6	6,432	\$1,500,000	1/22/2021	\$250,000	\$233	4.8%
Marine View Apts	3014 W Marine View Dr	Edmonds	1986	6	4,320	\$1,225,000	1/11/2021	\$204,166	\$284	5.4%

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Martha Lake Apartments	16626 6th Ave W	Lynnwood	1991	155	140,907	\$53,000,000	9/29/2021	\$341,935	\$376	-
Taluswood Apartments	4208 236th St SW	Mountlake Terrace	1987	512	407,296	\$168,000,000	8/30/2021	\$328,125	\$412	3.6%
Parc on 11th	2415 11th St	Everett	1970	135	101,850	\$20,550,000	6/17/2021	\$163,029	\$207	4.3%
Cascadian Apartments	2232 12th St	Everett	1986	108	89,800	\$19,100,000	6/16/2021	\$176,852	\$207	4.3%

URBAN TACOMA

MARKET TRENDS

- After successfully achieving an annual rent increase of nearly 5 % throughout COVID, Urban Tacoma continued its strong momentum in 2021 with a 7.9% Y-o-Y increase in rent.
- Urban Tacoma continues to provide an oasis away from Seattle, with similar economic drivers advancing job growth and validating its low, 3.7% vacancy rate.
- As the Hilltop Light rail comes to fruition and rent growth keeps driving the market, we'll continue to see developers increasingly making long-term bets on Tacoma.

Rent & Vacancy

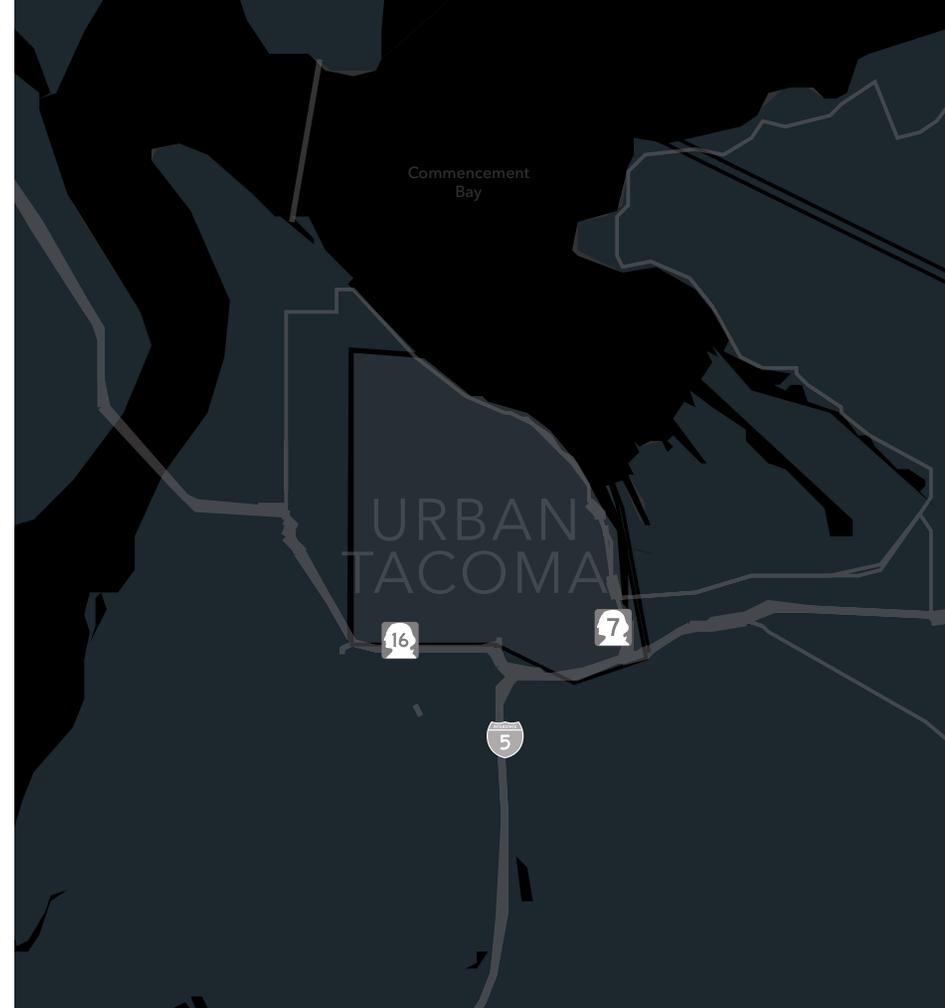
	[12-MONTHS AGO]	12-Month Change	[90-DAYS AGO]	90-Day Change	[CURRENT QUARTER]
	Q3 2020		Q2 2021		Q3 2021
Rent	\$1,265	▲ 7.9%	\$1,340	▲ 1.9%	\$1,365
Vacancy	4.2%	▼ 50 bps	5.4%	▼ 170 bps	3.7%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	16	13	9
Sales Volume	\$28M	\$129M	\$115M
Price/Unit	\$145K	\$226K	\$251K
Price/SF	\$181	\$270	\$287
Cap Rate	6.1%	4.5%	4.9%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

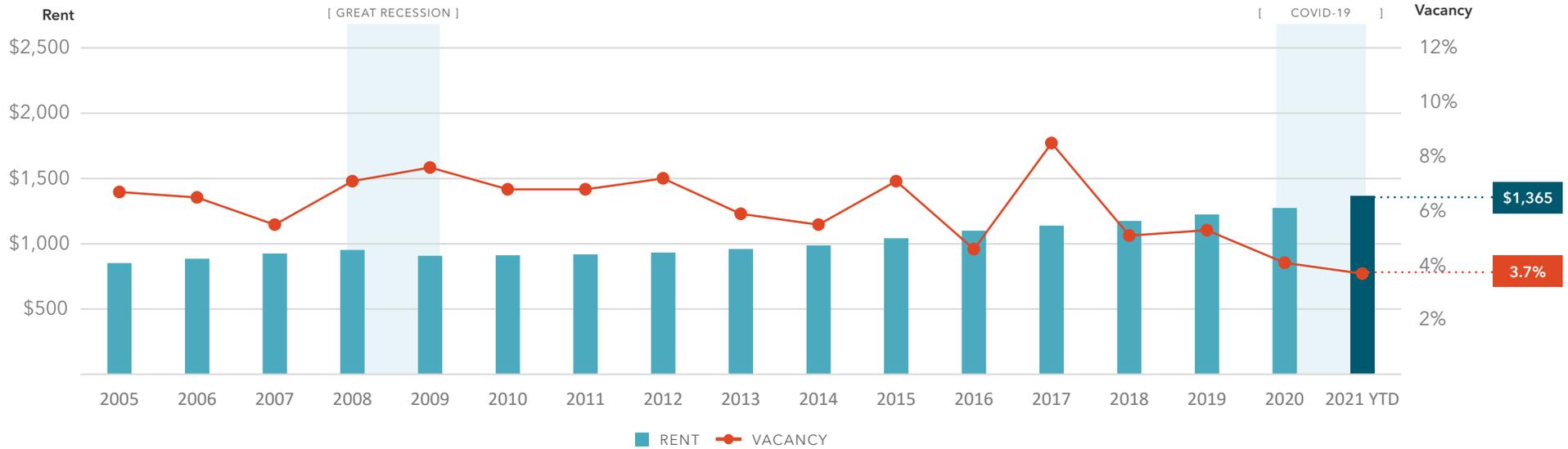


Inventory

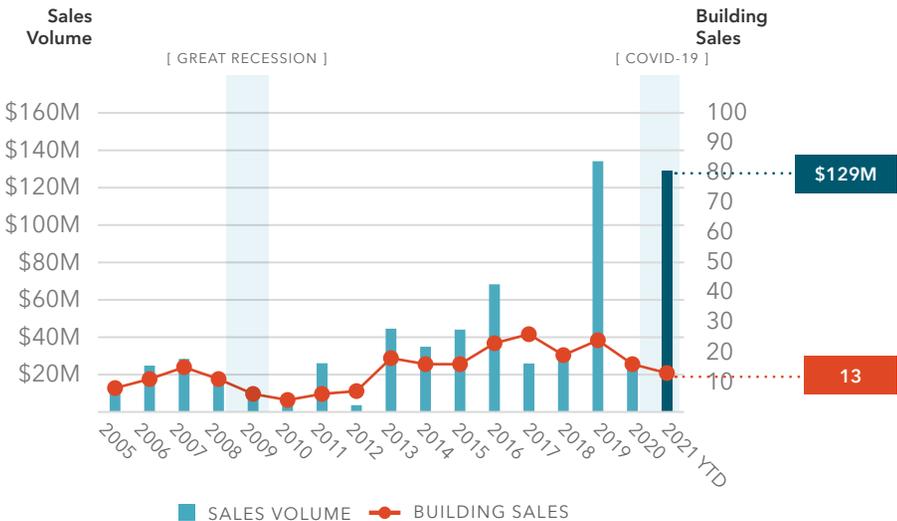
	Units	Buildings
Total	7,069	291
5 to 50-Units	3,640	258
50+ Units	3,429	33
12-Month Deliveries	255	2
Average Unit Size	693 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

**INVENTORY
BY BUILDING AGE**

PRE-1990

37
TOTAL BUILDINGS

3,230
TOTAL UNITS

705 SF
AVERAGE UNIT SIZE

1990-2010

10
TOTAL BUILDINGS

203
TOTAL UNITS

840 SF
AVERAGE UNIT SIZE

2010-CURRENT

2
TOTAL BUILDINGS

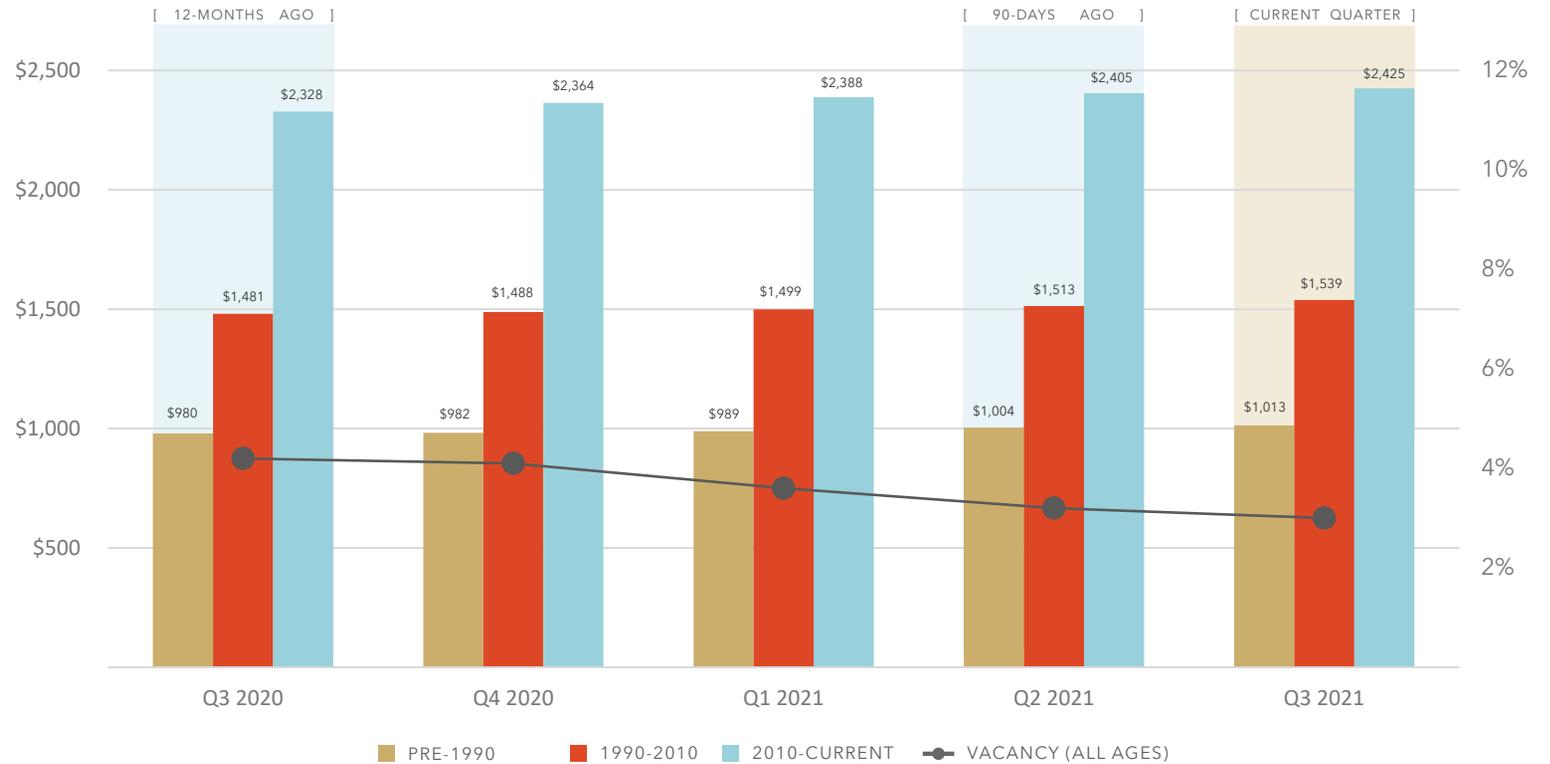
74
TOTAL UNITS

809 SF
AVERAGE UNIT SIZE

URBAN TACOMA

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



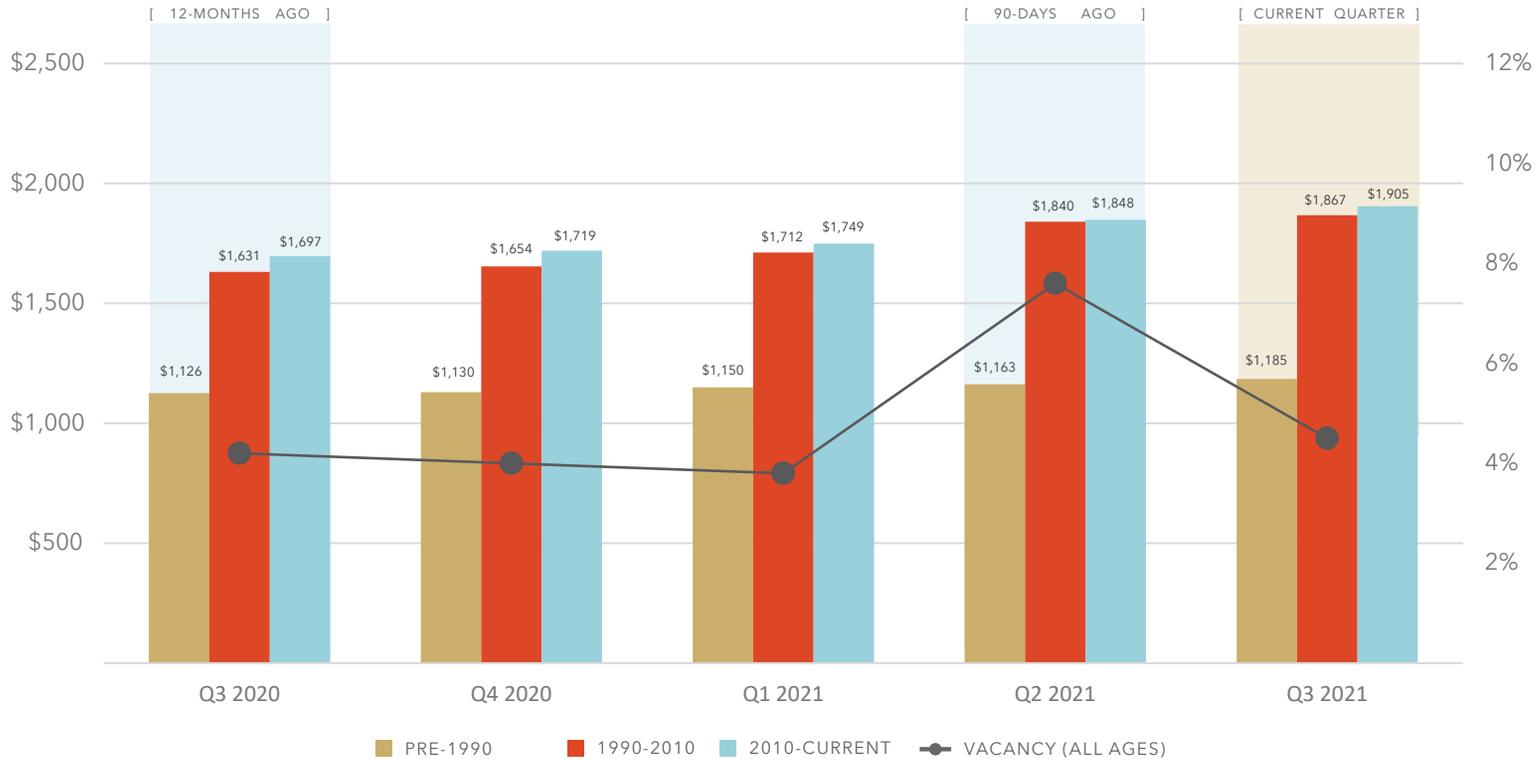
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$937	\$979	\$1,008	\$1,032	\$1,046	\$1,043	▲ 3.5%	\$1,068	▲ 1.0%	\$1,079
Rent/SF	\$1.34	\$1.40	\$1.44	\$1.48	\$1.50	\$1.49	▲ 4.0%	\$1.53	▲ 1.3%	\$1.55
Vacancy	4.8%	5.1%	4.6%	4.9%	4.1%	4.2%	▼ 120 bps	3.2%	▼ 20 bps	3.0%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,200	\$1,236	\$1,278	\$1,344	\$1,416	\$1,403	▲ 10.0%	\$1,510	▲ 2.2%	\$1,543
Rent/SF	\$1.78	\$1.83	\$1.89	\$1.99	\$2.10	\$2.08	▲ 10.1%	\$2.24	▲ 2.2%	\$2.29
Vacancy	4.3%	12.4%	5.7%	5.6%	4.0%	4.2%	▲ 30 bps	7.6%	▼ 310 bps	4.5%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990

20

TOTAL BUILDINGS

1,687

TOTAL UNITS

600 SF

AVERAGE UNIT SIZE

1990-2010

5

TOTAL BUILDINGS

658

TOTAL UNITS

798 SF

AVERAGE UNIT SIZE

2010-CURRENT

8

TOTAL BUILDINGS

1,084

TOTAL UNITS

721 SF

AVERAGE UNIT SIZE

SALES TRENDS

2021 will prove to be a historic year for the Urban Tacoma apartment sales market. We'll also see the highest sales volume and pricing ever tracked in this market this year.

01

We continue to see institutional buyers fighting to get into Urban Tacoma and taking major swings at middle-market apartments, which is leading to strong cap rate compression.

02

After a very slow sales year in 2020 (in which we saw average sales prices below \$2 million), we're starting and will continue to see larger apartment sales transaction volume.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	12 [NO CHANGE Y-O-Y]	\$43M ▲ 235% CHANGE Y-O-Y	\$209K ▲ 100% CHANGE Y-O-Y	\$272 ▲ 107% CHANGE Y-O-Y	4.5% ▼ 170 BPS CHANGE Y-O-Y
50+ UNITS	1 [NO 2020 SALES]	\$86M [NO 2020 SALES]	\$428K [NO 2020 SALES]	\$252 [NO 2020 SALES]	NOT REPORTED [NO 2020 SALES]

Historical Sales Trends

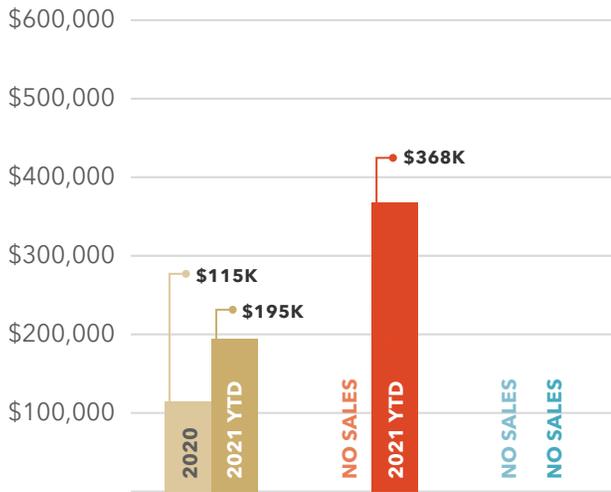
	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	23	26	19	24	16	5	▲ 80%	13	9
Sales Volume	\$68M	\$26M	\$31M	\$134M	\$28M	\$5M	▲ 2007%	\$129M	\$115M
Price/Unit	\$97K	\$65K	\$141K	\$168K	\$145K	\$117K	▲ 115%	\$226K	\$251K
Price/SF	\$117	\$78	\$160	\$219	\$181	\$175	▲ 64%	\$270	\$287
Cap Rate	5.9%	5.3%	5.2%	5.0%	6.1%	6.2%	▼ 134 bps	4.5%	4.9%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

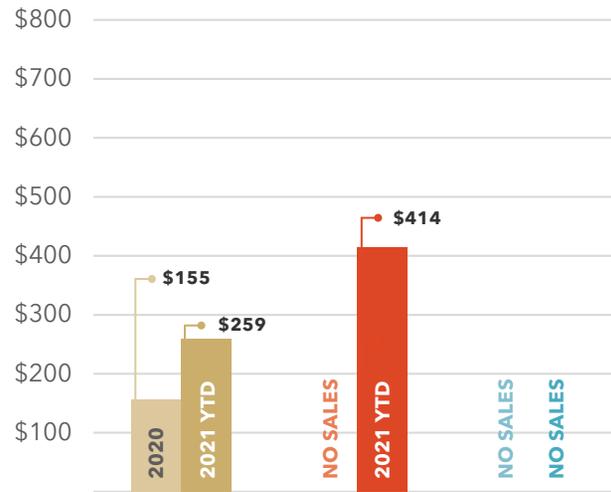
SALES VELOCITY

5 TO 50-UNITS

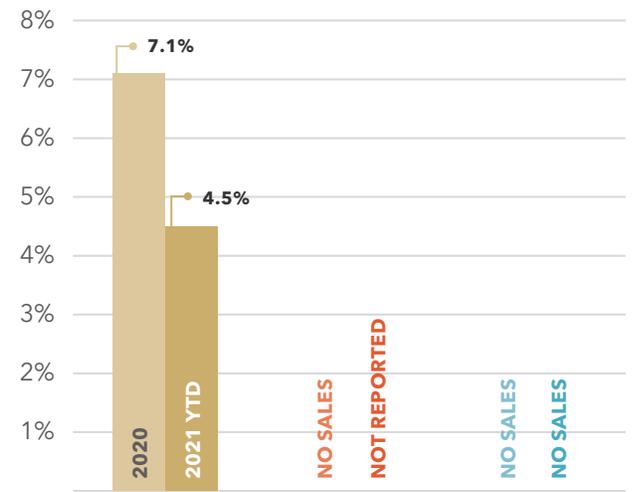
Price/Unit



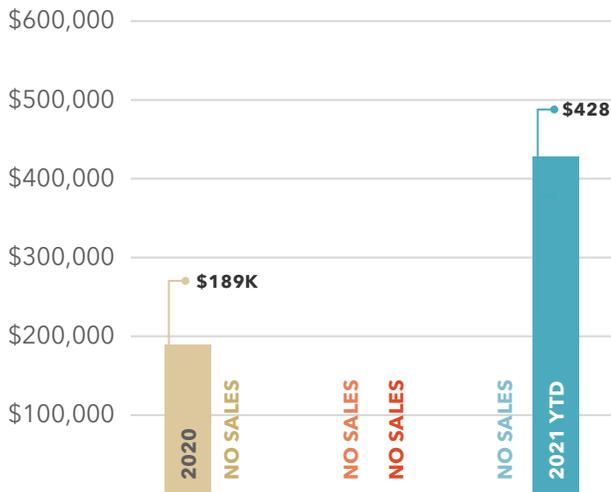
Price/SF



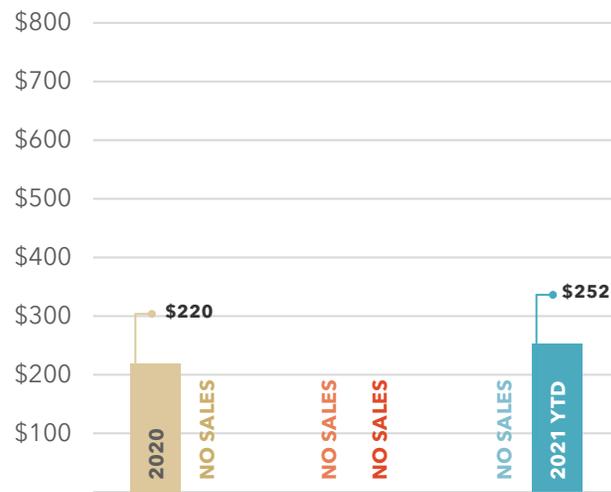
Cap Rate



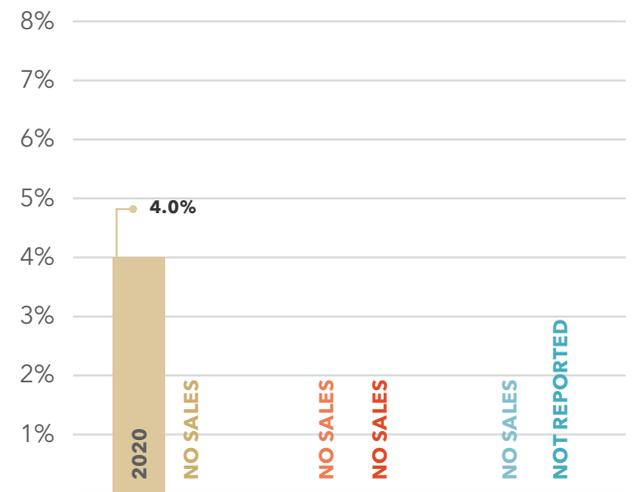
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Parkside Apartments	215 S G St	Tacoma	1907	28	20,458	\$5,195,800	9/22/2021	\$185,564	\$254	-
Hanna Heights	415 6th Ave	Tacoma	2007	36	32,000	\$13,250,000	8/27/2021	\$368,056	\$414	-
415-419 S Fawcett Ave	415-419 S Fawcett Ave	Tacoma	1900	6	7,347	\$2,390,700	8/20/2021	\$398,450	\$325	-
3202 Pacific Ave	3202 Pacific Ave	Tacoma	1951	8	5,959	\$1,300,000	8/20/2021	\$162,500	\$218	-
Marguerite Apts	1002 N J St	Tacoma	1967	14	11,019	\$3,070,000	7/22/2021	\$219,286	\$279	4.1%
Smith Apartments	713-715 S Yakima Ave	Tacoma	1919	10	4,310	\$1,315,000	7/9/2021	\$131,500	\$305	5.5%
Dwell MLK	1014-1016 MLK Jr Way	Tacoma	1911	10	8,900	\$1,911,000	7/9/2021	\$191,100	\$215	5.0%
3223 6th Ave	3223 6th Ave	Tacoma	1960	5	2,748	\$875,000	6/30/2021	\$175,000	\$318	-
McCarthy Apartments	315 N G St	Tacoma	1919	18	11,100	\$3,125,000	5/18/2021	\$173,611	\$315	4.1%
The Windsor Apartments	415 N I St	Tacoma	1972	27	31,478	\$5,998,650	4/28/2021	\$222,172	\$191	4.3%
Edgecliff Apartments	1 N Broadway	Tacoma	1920	34	17,378	\$4,197,200	4/20/2021	\$123,447	\$242	4.3%
711 S State St	711 S State St	Tacoma	1976	5	4,380	\$815,000	3/8/2021	\$163,000	\$186	-

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
The Village on Main	5020 Main St	Tacoma	2020	200	339,427	\$85,500,000	8/26/2021	\$427,500	\$252	-



SUBURBAN PIERCE

MARKET TRENDS

- The most attractive factor of Suburban Pierce investing is the area's growing rental rates, combined with its ability to maintain extremely high occupancy; Suburban Pierce leads all markets in occupancy by a wide margin, currently at 2.5%.
- Throughout 2020 and the start of 2021, the story of Suburban Pierce was that of low vacancy, yet high delinquency/non-payment of rent. But, unlike King County, Pierce County was quick and helpful with rent assistance and vouchers, which dramatically increased collections and bolstered investor confidence.
- Amazon has six fulfillment centers in Washington, four of which are located in Pierce County: Lakewood, Sumner, DuPont and Tacoma - and all of which serve as major drivers for jobs in Pierce County.

Rent & Vacancy

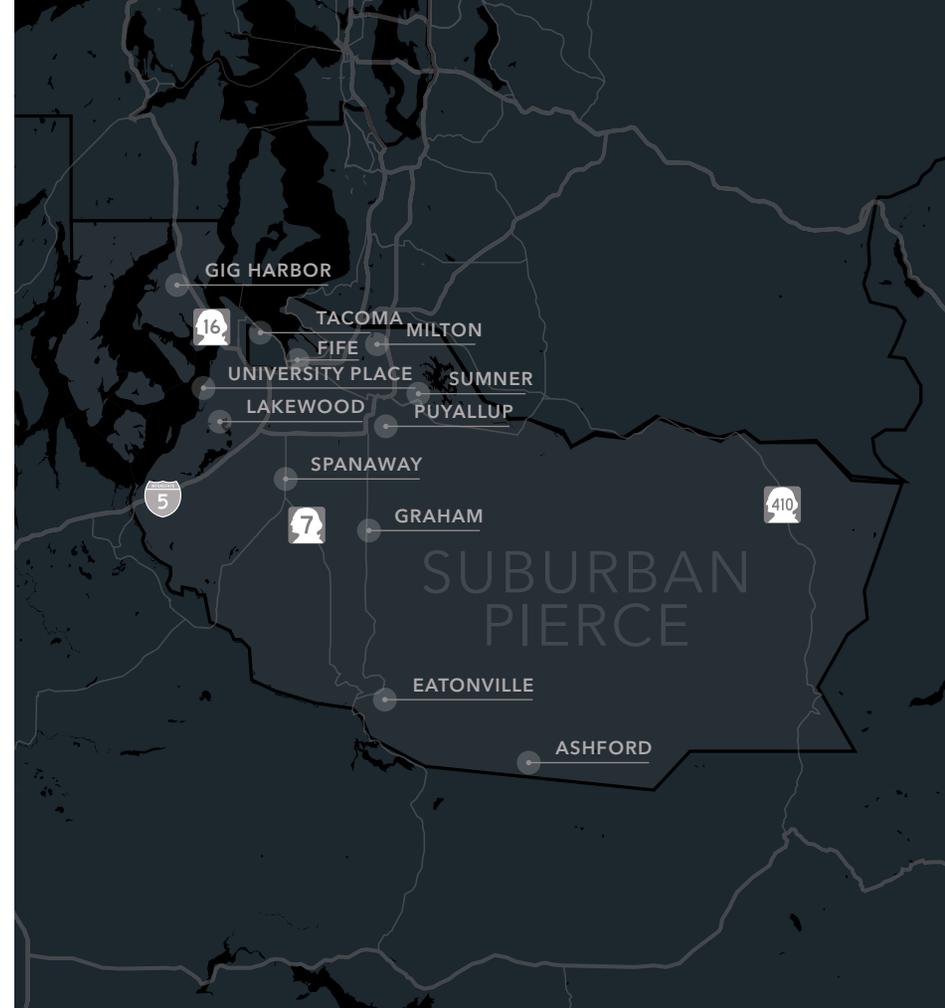
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,347	▲ 12.2%	\$1,461	▲ 3.4%	\$1,511
Vacancy	3.9%	▼ 140 bps	2.8%	▼ 30 bps	2.5%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER]
			Q3 2021
Building Sales	74	32	8
Sales Volume	\$388M	\$326M	\$195M
Price/Unit	\$173K	\$169K	\$206K
Price/SF	\$171	\$214	\$240
Cap Rate	5.7%	4.8%	4.3%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

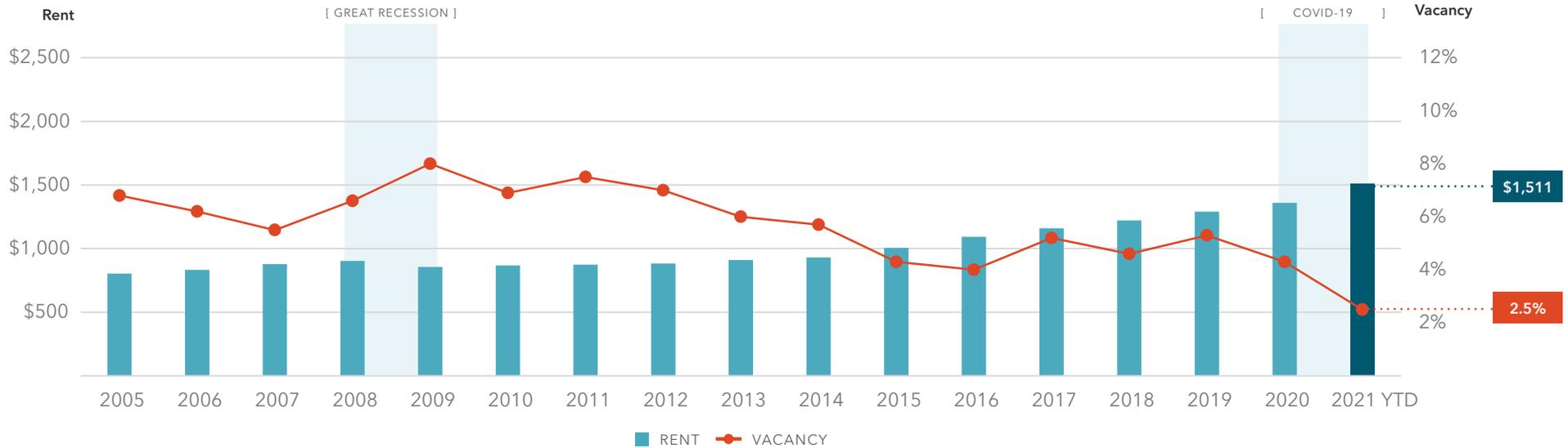


Inventory

	Units	Buildings
Total	51,962	1,027
5 to 50-Units	12,863	763
50+ Units	39,099	264
12-Month Deliveries	1,497	10
Average Unit Size	876 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

645
TOTAL BUILDINGS

10,827
TOTAL UNITS

768 SF
AVERAGE UNIT SIZE

1990-2010

71
TOTAL BUILDINGS

1,185
TOTAL UNITS

1,043 SF
AVERAGE UNIT SIZE

2010-CURRENT

29
TOTAL BUILDINGS

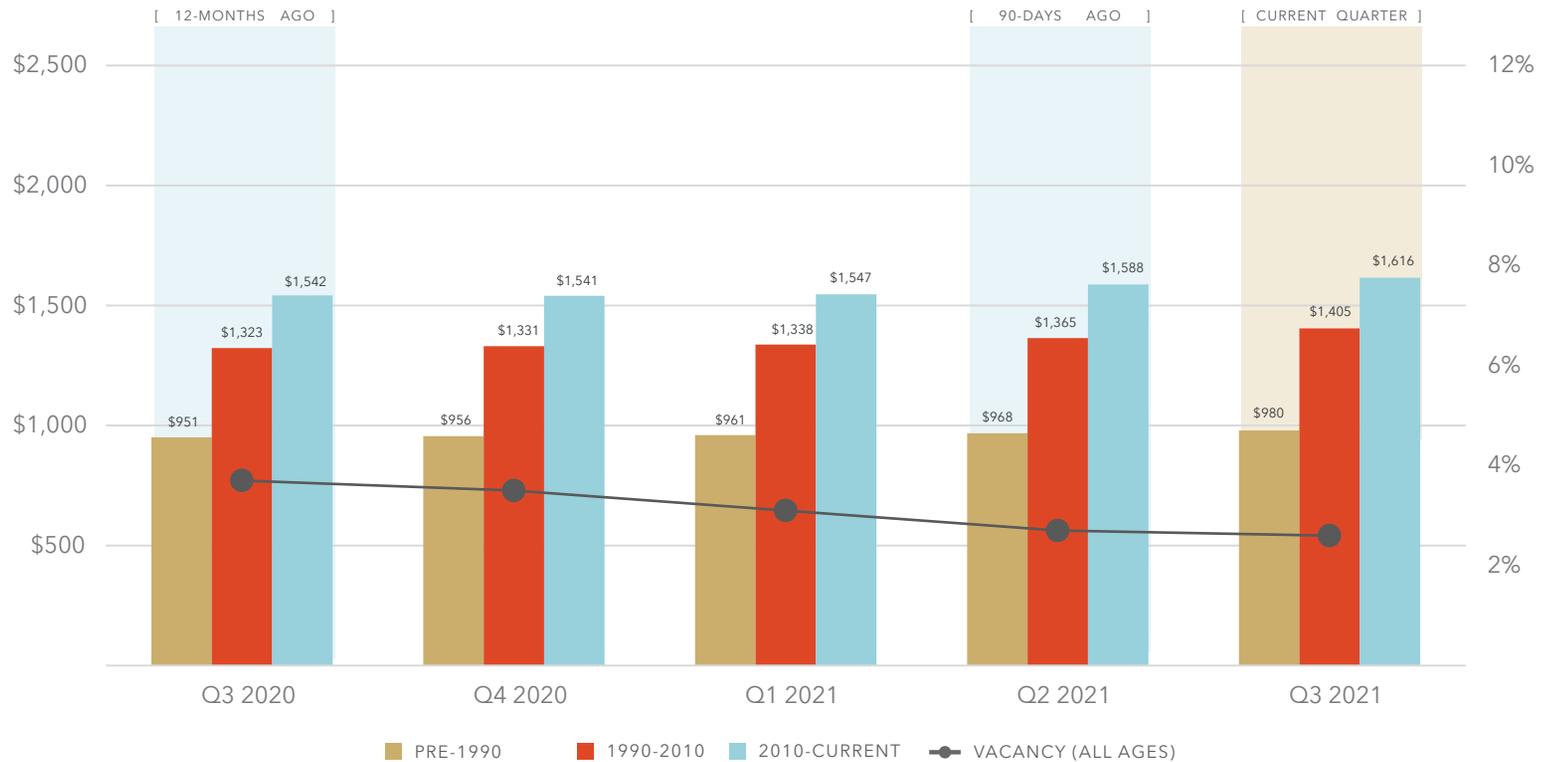
585
TOTAL UNITS

1,053 SF
AVERAGE UNIT SIZE

SUBURBAN PIERCE

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



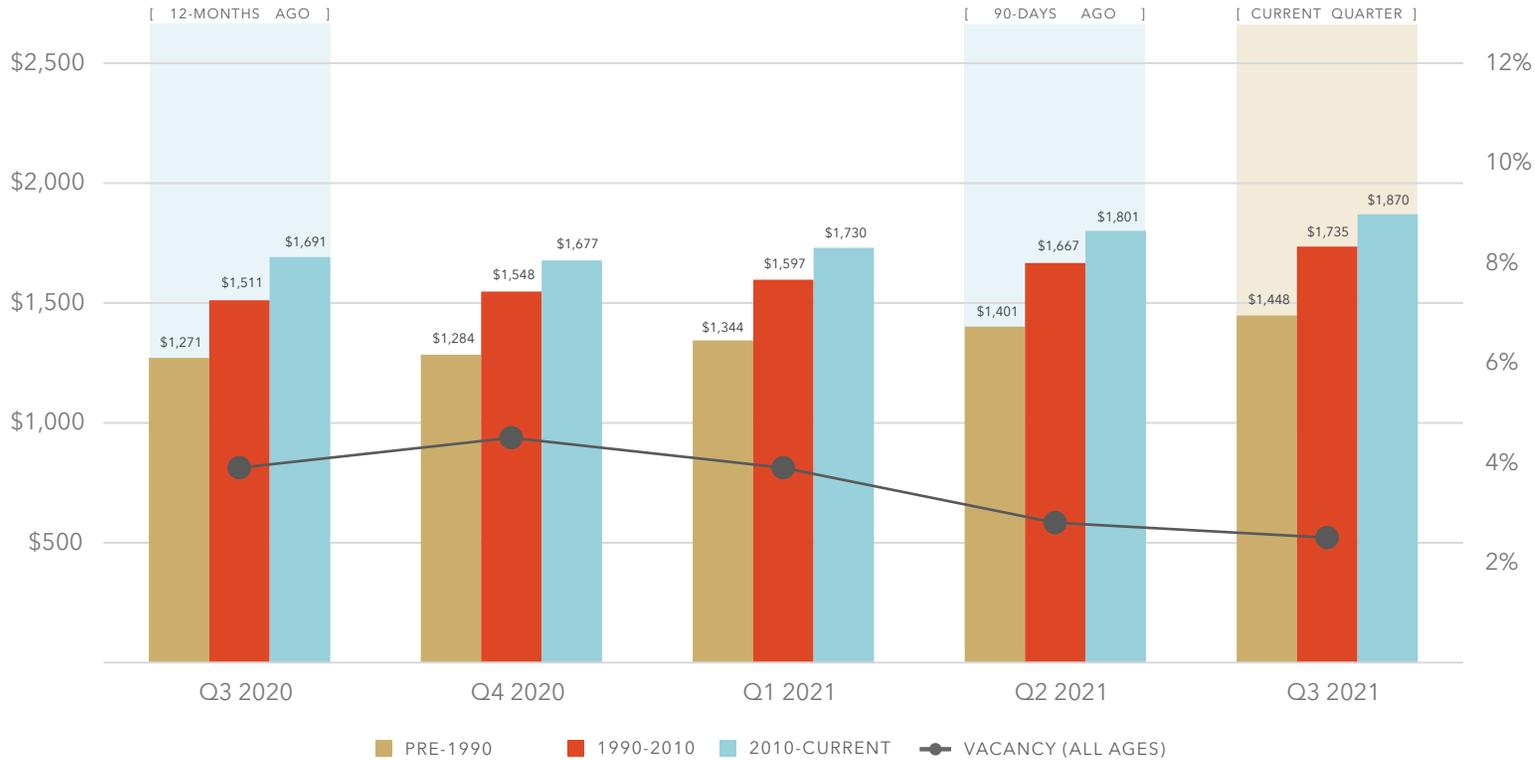
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$879	\$926	\$962	\$997	\$1,019	\$1,015	▲ 3.5%	\$1,035	▲ 1.5%	\$1,051
Rent/SF	\$1.11	\$1.17	\$1.22	\$1.26	\$1.29	\$1.28	▲ 3.9%	\$1.31	▲ 1.5%	\$1.33
Vacancy	4.2%	4.2%	4.0%	4.0%	3.5%	3.7%	▼ 110 bps	2.7%	▼ 10 bps	2.6%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,140	\$1,210	\$1,279	\$1,356	\$1,436	\$1,421	▲ 13.4%	\$1,555	▲ 3.7%	\$1,612
Rent/SF	\$1.28	\$1.36	\$1.44	\$1.53	\$1.62	\$1.60	▲ 13.8%	\$1.75	▲ 4.0%	\$1.82
Vacancy	4.0%	5.5%	4.8%	5.7%	4.5%	3.9%	▼ 140 bps	2.8%	▼ 30 bps	2.5%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

149

TOTAL BUILDINGS

19,642

TOTAL UNITS

817 SF

AVERAGE UNIT SIZE

1990-2010 ■

68

TOTAL BUILDINGS

11,853

TOTAL UNITS

964 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

45

TOTAL BUILDINGS

7,485

TOTAL UNITS

976 SF

AVERAGE UNIT SIZE

SALES TRENDS

What was once an affordable market with relatively high cap rates became much more aggressive in 2021. Here, sales volume dropped substantially this year with more owners reluctant to sell and buyers weighing the value of lower returns in Pierce County.

01

Similar to the rest of the South Sound, we're seeing investors forgive owners for 2020 collections and focus on future metrics in the area as a whole, which has led to significant cap rate compression - 93 bps Y-o-Y.

02

This past year, the market experienced an average 42% increase in price per unit and a 95% increase in price per square foot for apartments with less than 50 units - proving that private and local buyers are gaining confidence and assertiveness in Suburban Pierce.

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>25</p> <p>▼ 47% CHANGE Y-O-Y</p>	<p>\$67M</p> <p>▼ 9% CHANGE Y-O-Y</p>	<p>\$159K</p> <p>▲ 73% CHANGE Y-O-Y</p>	<p>\$212</p> <p>▲ 130% CHANGE Y-O-Y</p>	<p>4.9%</p> <p>▼ 70 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>7</p> <p>▲ 133% CHANGE Y-O-Y</p>	<p>\$259M</p> <p>▲ 169% CHANGE Y-O-Y</p>	<p>\$205K</p> <p>▼ 3% CHANGE Y-O-Y</p>	<p>\$222</p> <p>▲ 3% CHANGE Y-O-Y</p>	<p>4.1%</p> <p>▼ 120 BPS CHANGE Y-O-Y</p>

Historical Sales Trends

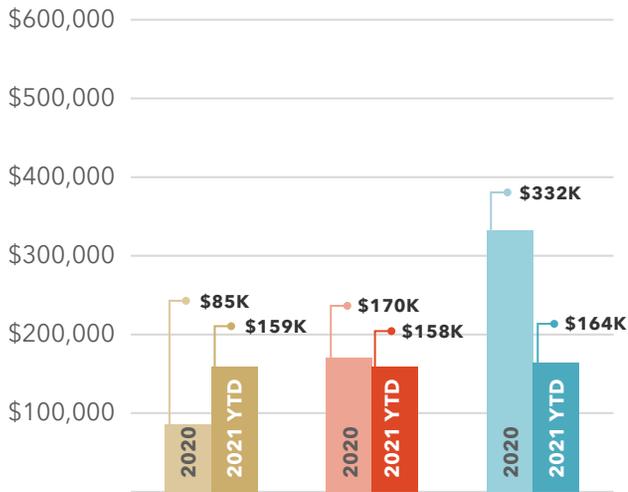
	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	87	89	83	73	74	16	▼ 50%	32	8
Sales Volume	\$736M	\$283M	\$584M	\$600M	\$388M	\$110M	▲ 78%	\$326M	\$195M
Price/Unit	\$131K	\$127K	\$150K	\$177K	\$173K	\$162K	▲ 28%	\$170K	\$206K
Price/SF	\$132	\$137	\$165	\$192	\$171	\$158	▲ 52%	\$214	\$240
Cap Rate	6.4%	5.8%	5.7%	6.0%	5.7%	5.2%	▼ 93 bps	4.8%	4.3%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

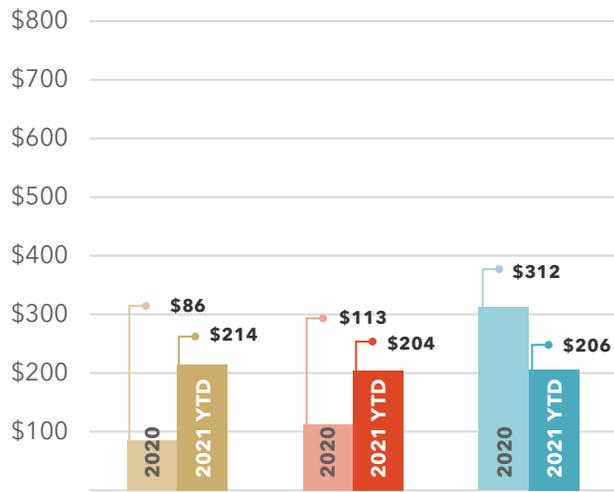
SALES VELOCITY

5 TO 50-UNITS

Price/Unit



Price/SF

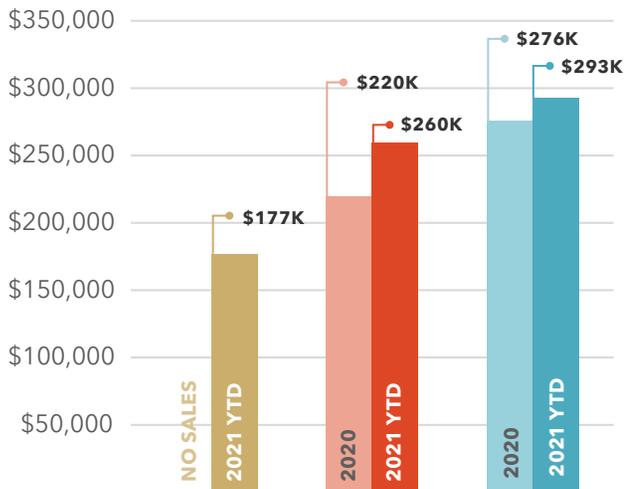


Cap Rate

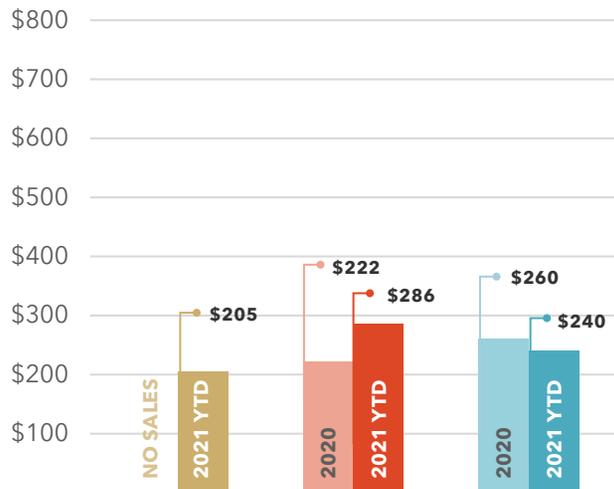


50+ UNITS

Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Evergreen Ridge Apartments	12615 Lincoln Ave SW	Lakewood	1985	18	14,932	\$2,916,225	9/23/2021	\$162,013	\$195	-
Fife Tudor Haus	5612-5620 23rd St E	Tacoma	1976	42	30,480	\$7,200,000	9/21/2021	\$171,429	\$236	2.2%
802 7th St SW	802 7th St SW	Puyallup	1975	12	10,416	\$2,850,000	8/31/2021	\$237,500	\$274	4.3%
Sherwood Terrace	166 112th St E	Tacoma	1988	24	22,330	\$4,692,800	7/19/2021	\$195,533	\$210	4.9%
1423-1429 E 64th St	1423-1429 E 64th St	Tacoma	1976	8	6,260	\$1,255,000	7/12/2021	\$156,875	\$200	6.0%
Cascade Park Apartments	4325 S Warner St	Tacoma	2008	12	14,400	\$2,875,000	6/30/2021	\$239,583	\$200	-
6124 88th St SW	6124 88th St SW	Tacoma	1957	8	5,271	\$1,305,000	6/15/2021	\$163,125	\$248	5.0%
1103 Thompson St	1103 Thompson St	Sumner	1968	8	6,380	\$1,410,000	6/4/2021	\$176,250	\$221	-
1207 Wood Ave	1207 Wood Ave	Sumner	1946	8	4,290	\$1,335,000	5/12/2021	\$166,875	\$311	5.2%
Vincent Apartments	3407-3411 S 92nd St	Lakewood	1978	18	12,330	\$2,750,000	5/10/2021	\$152,778	\$223	4.4%
Prestige Apartments	7902 27th St W	University Place	1961	20	23,000	\$2,697,500	4/27/2021	\$134,875	\$117	6.6%
Darrellyn Apts	3409 88th St	Lakewood	1967	8	3,920	\$1,050,000	4/22/2021	\$131,250	\$268	6.0%
The Azul Apartments	8740 S Hosmer St	Tacoma	1992	33	21,600	\$4,500,000	4/16/2021	\$136,364	\$208	6.2%
Betty Ann Apartments	126 161st St S	Spanaway	1965	10	6,976	\$1,485,000	3/31/2021	\$148,500	\$213	3.2%
Point Defiance Apartments	4652 N Pearl St	Tacoma	1966	8	4,160	\$1,015,000	3/9/2021	\$126,875	\$244	4.1%
S & K Apartments	14619 Murray Rd SW	Tacoma	1977	17	12,900	\$1,750,000	3/2/2021	\$102,941	\$136	6.3%
Meadow Park Manor	6407-6425 53rd Ave W	University Place	1985	32	25,202	\$4,950,000	3/1/2021	\$154,688	\$196	4.5%
6421 53rd Avenue Ct W	6421 53rd Avenue Ct W	University Place	2012	19	15,095	\$3,115,000	3/1/2021	\$163,947	\$206	5.0%
John Dower Estates	8113 John Dower Rd SW	Lakewood	1965	10	13,372	\$1,760,500	2/26/2021	\$176,050	\$132	6.2%
Laurelwood Apartments	3444 Erickson St	Gig Harbor	1989	28	21,683	\$5,100,000	2/22/2021	\$182,143	\$235	3.8%
Fairview Apartments	322 9th Ave SE	Puyallup	1977	18	16,242	\$3,447,300	2/17/2021	\$191,517	\$212	5.2%
8914 Veterans Dr SW	8914 Veterans Dr SW	Tacoma	1971	5	3,072	\$725,000	2/11/2021	\$145,000	\$236	5.0%
101 161st St S	101 161st St S	Spanaway	1977	20	12,000	\$2,175,000	2/10/2021	\$108,750	\$181	3.5%
Union Square Apts	14405 Union Ave SW	Lakewood	2001	16	8,700	\$1,521,440	2/3/2021	\$95,090	\$175	6.5%
The Sunrise Terrace	8819 Pacific Ave	Tacoma	2002	21	14,610	\$3,400,000	1/29/2021	\$161,904	\$233	4.8%

SALES DETAILS: YTD 2021 SALES

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Surprise Lake Village	2800-2826 Queens Way	Milton	1986	338	321,680	\$106,000,000	9/8/2021	\$313,609	\$330	-
Citizen and Oake	5406 82nd St SW	Lakewood	1990	231	209,865	\$60,000,000	9/2/2021	\$259,740	\$286	4.0%
Garden Court West	7654 40th St W	University Place	1972	64	51,930	\$9,800,000	7/27/2021	\$153,125	\$189	-
Sherwood Park Apartments	2300-2470 62nd Ave E	Fife	1979	52	55,120	\$9,500,000	6/18/2021	\$182,442	\$172	3.7%
Oak Terrace Apartments	42 Thunderbird Pky SW	Lakewood	1977	91	75,562	\$10,500,000	6/8/2021	\$115,385	\$139	3.9%
Crystal Springs Apartments	120 136th St S	Tacoma	1969	64	39,435	\$7,775,000	5/7/2021	\$121,484	\$197	4.4%
The Outlook	10234 194th St E	Graham	2012	188	229,354	\$55,000,000	3/9/2021	\$292,553	\$240	4.3%

KITSAP

MARKET TRENDS

- Kitsap again posted the highest average rental rate growth in the region - a whopping 19% increase in the last 12 months.
- Kitsap also boasts the second-lowest average vacancy rate in the region. Record low vacancy - combined with the highest rent growth - proves that renter demand is as strong as ever, and Kitsap is leading the region in rental rate growth.
- Major economic drivers remained robust as Kitsap welcomed multiple naval vessels in the second half of 2021 for extensive work and reconditioning.

Rent & Vacancy

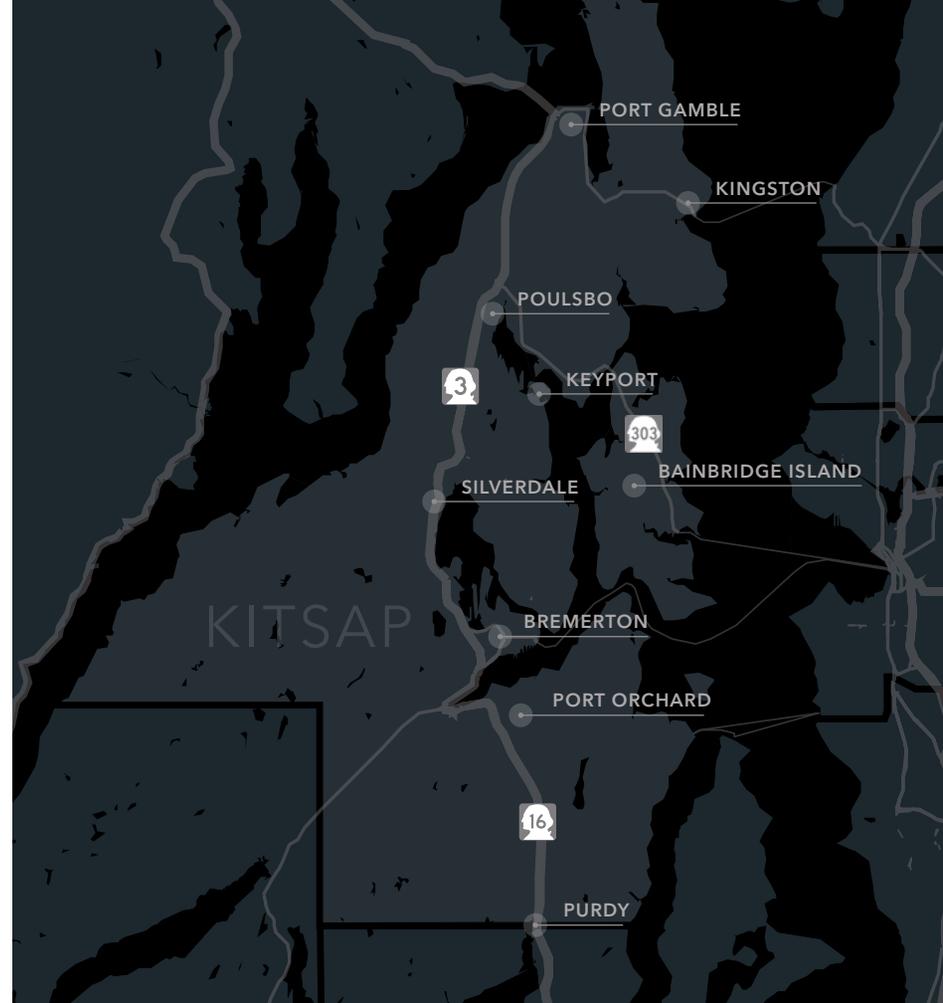
	[12-MONTHS AGO]		[90-DAYS AGO]		[CURRENT QUARTER]
	Q3 2020	12-Month Change	Q2 2021	90-Day Change	Q3 2021
Rent	\$1,449	▲ 19.1%	\$1,647	▲ 4.8%	\$1,726
Vacancy	7.0%	▼ 410 bps	2.5%	▲ 40 bps	2.9%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

	2020	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	13	12	3
Sales Volume	\$75M	\$133M	\$98M
Price/Unit	\$196K	\$174K	\$323K
Price/SF	\$212	\$213	\$319
Cap Rate	5.8%	5.0%	4.2%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

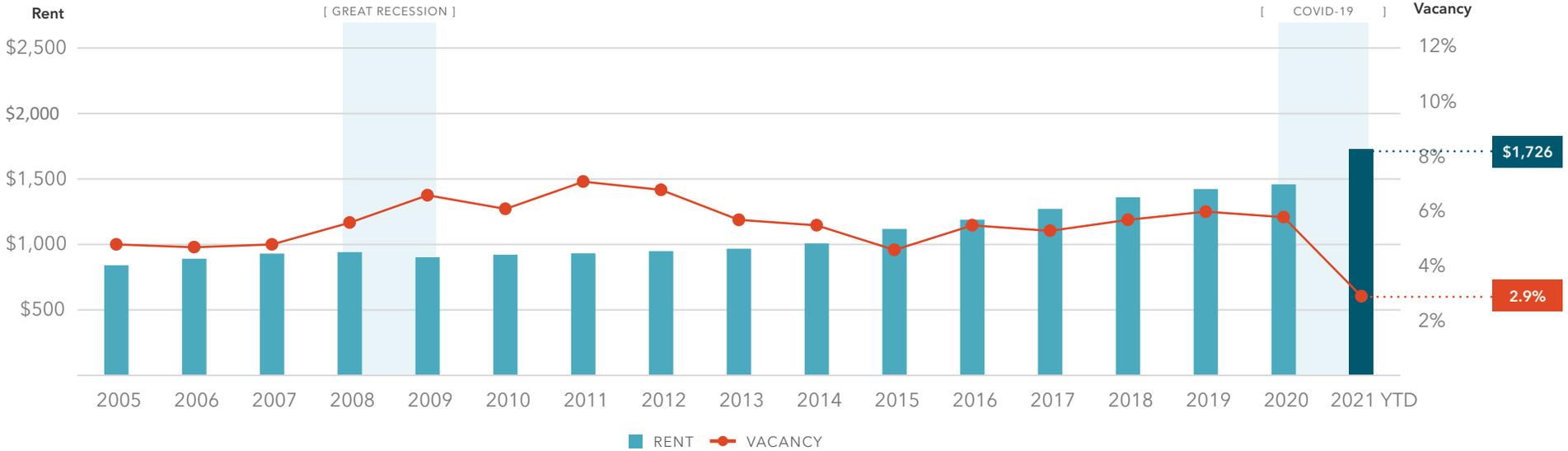


Inventory

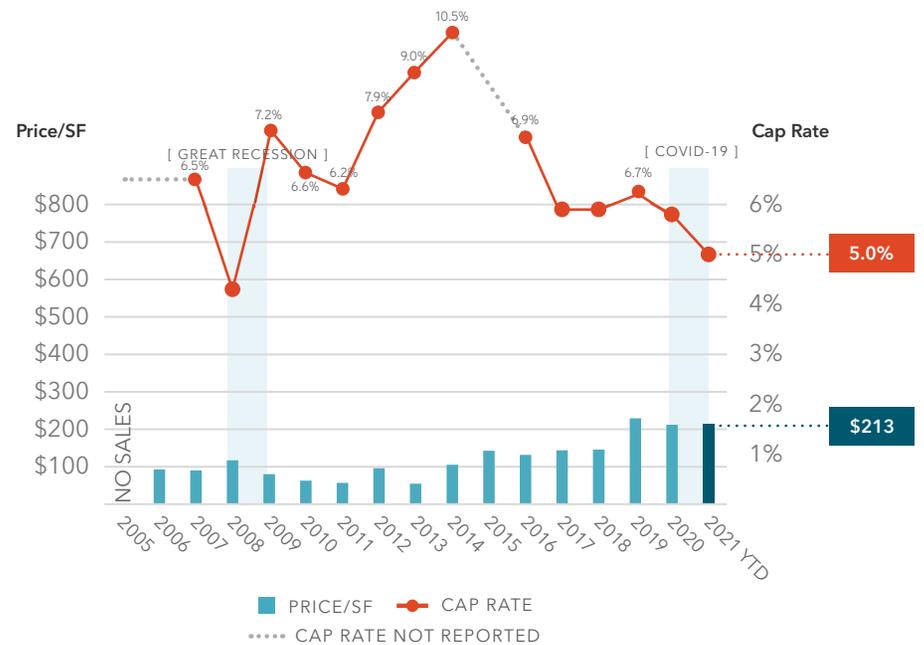
	Units	Buildings
Total	9,760	178
5 to 50-Units	2,083	121
50+ Units	7,677	57
12-Month Deliveries	402	5
Average Unit Size	867 SF	

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

94
TOTAL BUILDINGS

1,524
TOTAL UNITS

785 SF
AVERAGE UNIT SIZE

1990-2010

10
TOTAL BUILDINGS

248
TOTAL UNITS

958 SF
AVERAGE UNIT SIZE

2010-CURRENT

8
TOTAL BUILDINGS

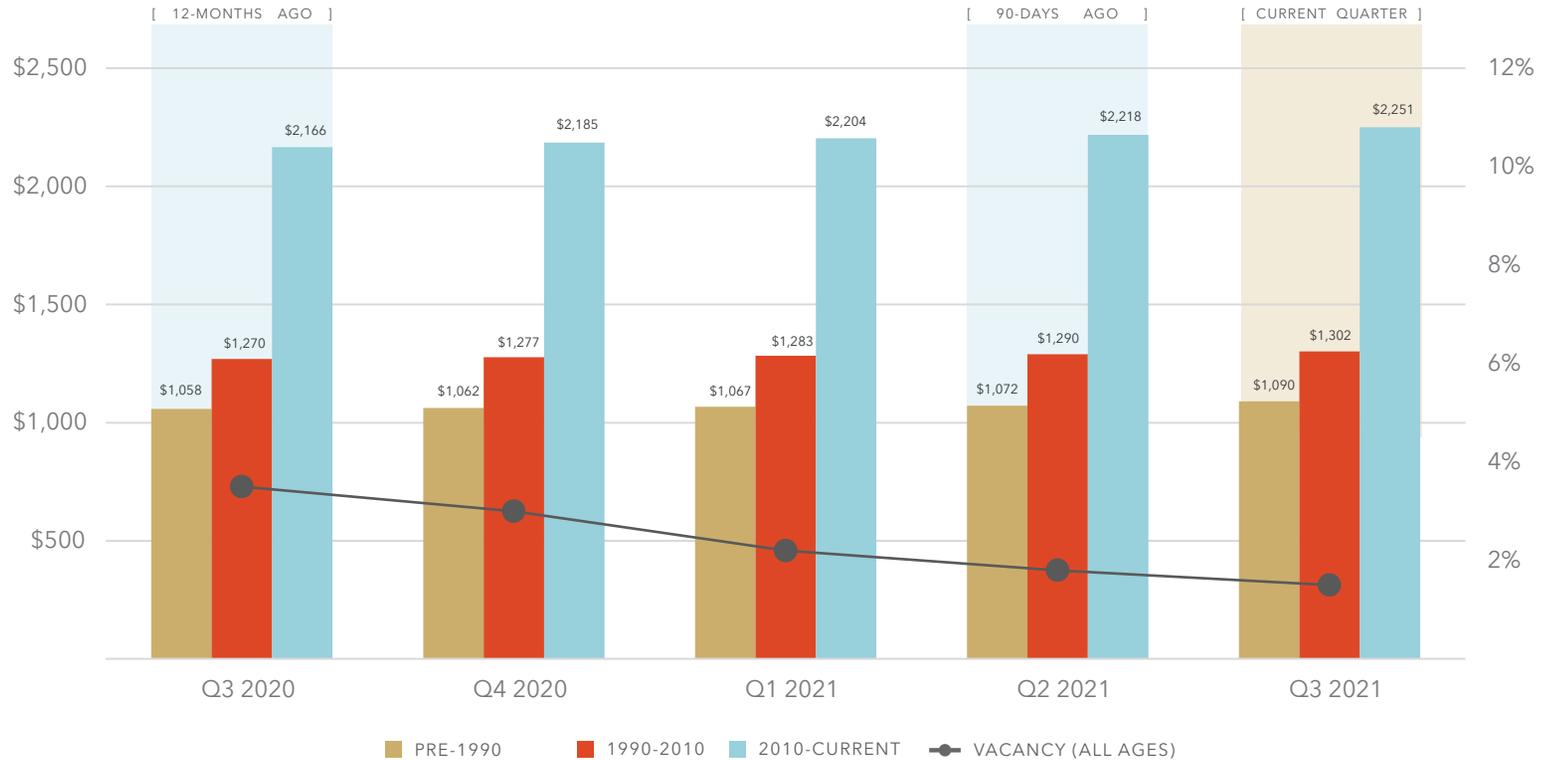
175
TOTAL UNITS

979 SF
AVERAGE UNIT SIZE

KITSAP

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



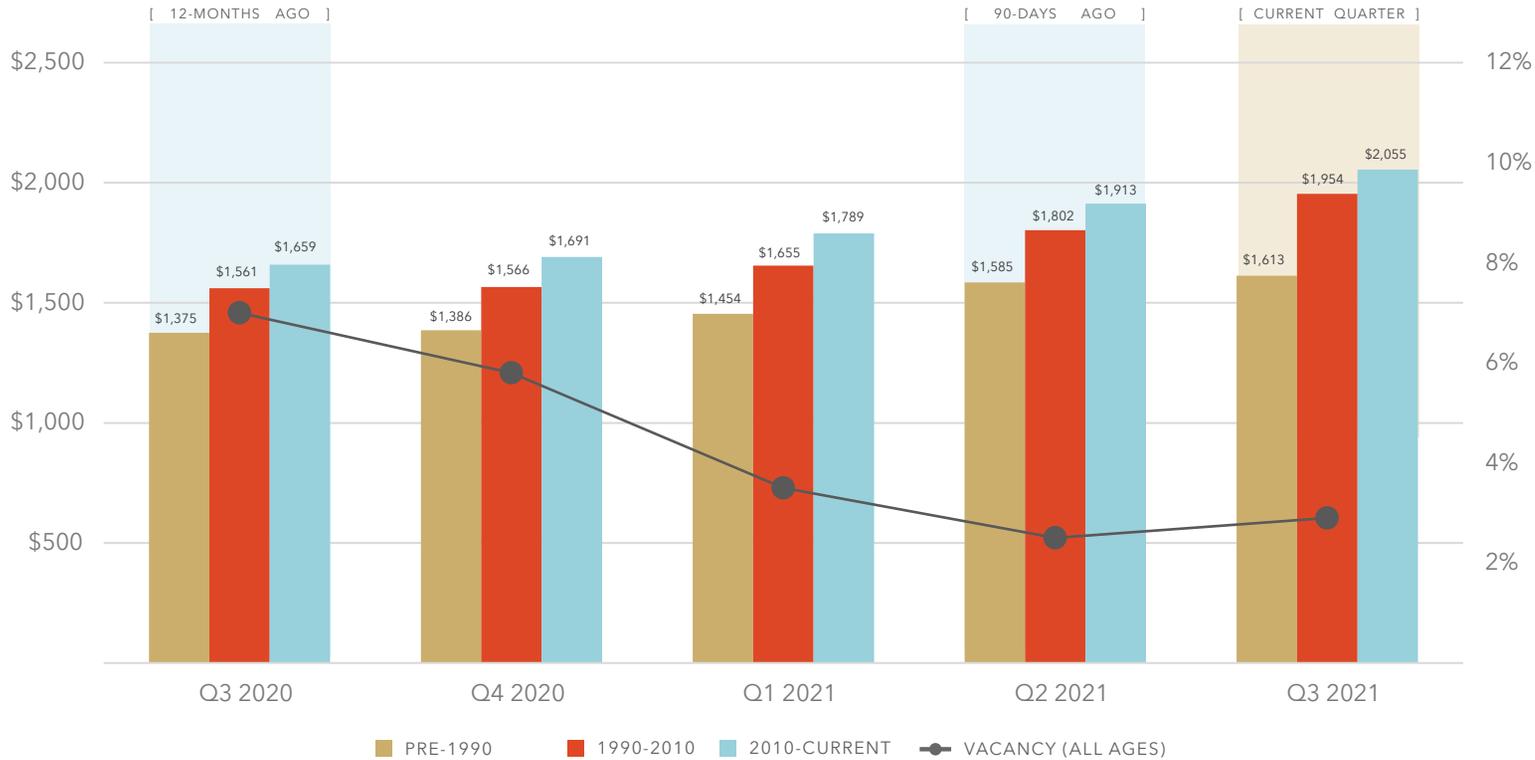
Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,038	\$1,095	\$1,131	\$1,184	\$1,217	\$1,211	▲ 2.9%	\$1,228	▲ 1.5%	\$1,246
Rent/SF	\$1.26	\$1.33	\$1.37	\$1.43	\$1.48	\$1.47	▲ 2.7%	\$1.49	▲ 1.3%	\$1.51
Vacancy	5.0%	4.6%	5.3%	4.3%	3.0%	3.5%	▼ 200 bps	1.8%	▼ 30 bps	1.5%

ALL BUILDING AGES, 5 TO 50 UNIT APARTMENT BUILDINGS

RENT & VACANCY: 50+ UNIT BUILDINGS

12-Month Rent vs. Vacancy



Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	[90-DAYS AGO] Q2 2021	90-Day Change	[CURRENT QUARTER] Q3 2021
Rent	\$1,211	\$1,297	\$1,393	\$1,458	\$1,496	\$1,485	▲ 20.9%	\$1,709	▲ 5.1%	\$1,796
Rent/SF	\$1.39	\$1.49	\$1.60	\$1.68	\$1.72	\$1.71	▲ 21.1%	\$1.97	▲ 5.1%	\$2.07
Vacancy	5.6%	5.6%	5.8%	6.4%	6.6%	7.8%	▲ 450 bps	2.7%	▲ 60 bps	3.3%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

32

TOTAL BUILDINGS

3,886

TOTAL UNITS

813 SF

AVERAGE UNIT SIZE

1990-2010 ■

14

TOTAL BUILDINGS

2,599

TOTAL UNITS

962 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

10

TOTAL BUILDINGS

1,121

TOTAL UNITS

863 SF

AVERAGE UNIT SIZE

SALES TRENDS

For the second year in a row, Kitsap saw healthy cap rate compression to the tune of 120 bps since 2019. Expect this trend to continue as additional low cap rate, value-add deals are scooped up by investors.

Two impressive sales that highlight Kitsap's strength as a market include:

The new-construction, 38-unit Walk on Bainbridge sold for a record-breaking \$573,000 per unit at a 4.4% cap. (That's East King pricing!)

The 276-unit, value-add Atlas apartments in Port Orchard sold for a staggering \$272,000 per unit at a 4.1% cap rate.

As long as renter demand keeps vacancy low and continues to push rental rates to new heights, expect heavy competition from investors for the limited supply of larger apartment purchase opportunities. This will continue to benefit the owners of smaller and mid-market buildings as private investors follow the big fish into the feeding frenzy in search of higher returns.

01

02

03

Year-To-Date Sales

	BUILDING SALES	SALES VOLUME	PRICE/UNIT	PRICE/SF	CAP RATES
5 TO 50 UNITS	<p>10</p> <p>▲ 25% CHANGE Y-O-Y</p>	<p>\$38M</p> <p>▲ 131% CHANGE Y-O-Y</p>	<p>\$167K</p> <p>▲ 29% CHANGE Y-O-Y</p>	<p>\$207</p> <p>▲ 32% CHANGE Y-O-Y</p>	<p>5.4%</p> <p>▼ 55 BPS CHANGE Y-O-Y</p>
50+ UNITS	<p>2</p> <p>NO CHANGE Y-O-Y</p>	<p>\$95M</p> <p>▲ 120% CHANGE Y-O-Y</p>	<p>\$206K</p> <p>▼ 10% CHANGE Y-O-Y</p>	<p>\$241</p> <p>▼ 15% CHANGE Y-O-Y</p>	<p>4.2%</p> <p>▼ 50 BPS CHANGE Y-O-Y</p>

Historical Sales Trends

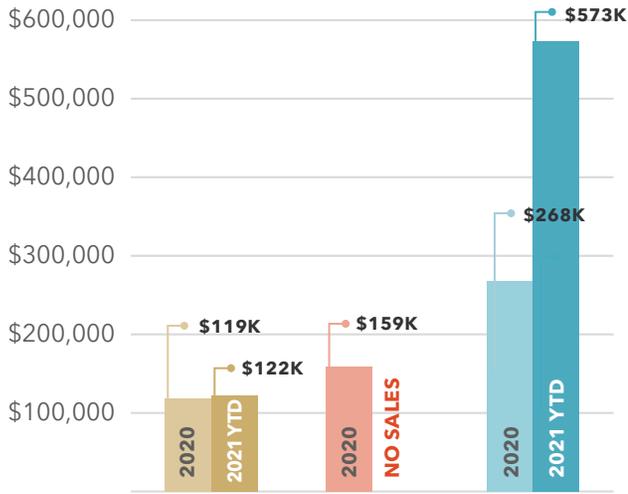
	2016	2017	2018	2019	2020	[12-MONTHS AGO] Q3 2020	12-Month Change	YTD 2021	[CURRENT QUARTER] Q3 2021
Building Sales	20	14	10	11	13	5	▼ 40%	12	3
Sales Volume	\$159M	\$117M	\$85M	\$276M	\$75M	\$41M	▲ 139%	\$133M	\$98M
Price/Unit	\$118K	\$132K	\$138K	\$222K	\$196K	\$208K	▲ 56%	\$174K	\$323K
Price/SF	\$132	\$144	\$146	\$229	\$212	\$203	▲ 57%	\$213	\$319
Cap Rate	6.9%	5.9%	5.9%	6.2%	5.8%	5.9%	▼ 166 bps	5.0%	4.2%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

SALES VELOCITY

5 TO 50-UNITS

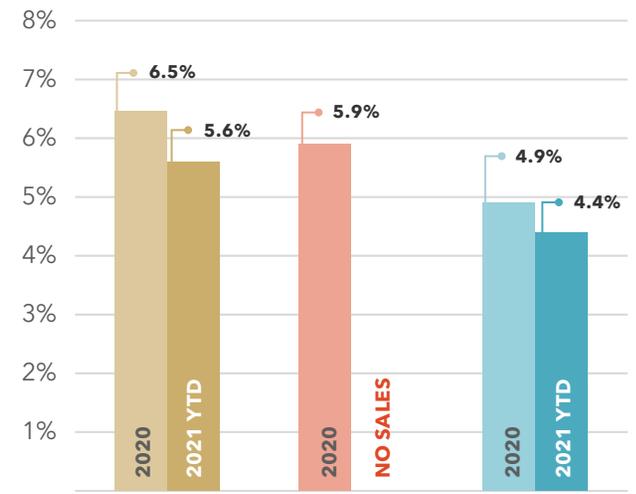
Price/Unit



Price/SF

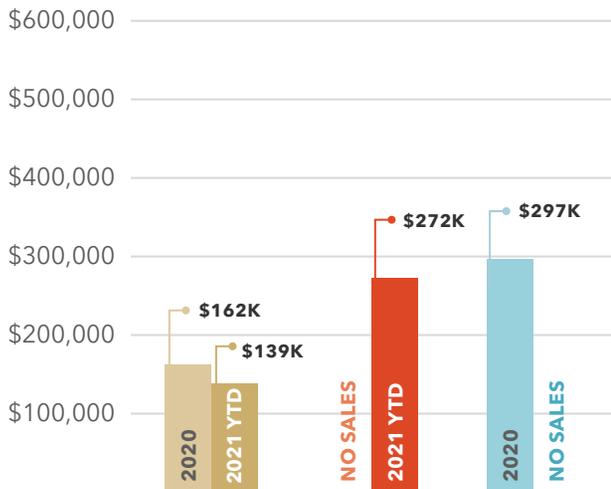


Cap Rate



50+ UNITS

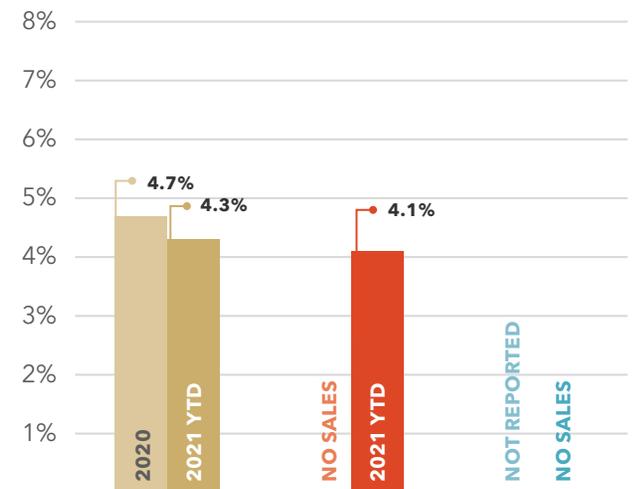
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: YTD 2021 SALES

5 to 50-Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
4091 NW Country Ln	4091 NW Country Ln	Bremerton	1967	11	9,990	\$1,350,000	7/22/2021	\$122,727	\$135	-
The Walk on Bainbridge Island	401 Madrona Way NE	Bainbridge Island	2020	38	42,660	\$21,800,000	7/1/2021	\$573,684	\$511	4.4%
836 8th St	836 8th St	Bremerton	1933	10	4,256	\$1,215,000	6/7/2021	\$121,500	\$285	-
3621 Colonial Ln SE	3621 Colonial Ln SE	Port Orchard	1971	10	6,248	\$1,895,000	5/28/2021	\$189,500	\$303	5.3%
Holly Terrace	4945 Hidden Terrace Ln SE	Port Orchard	1975	40	28,400	\$3,760,870	5/3/2021	\$94,022	\$132	-
Manchester Heights	1750 Jackson Ave SE	Port Orchard	1978	34	28,390	\$3,196,740	5/3/2021	\$94,022	\$113	-
Hidden Terrace	4975 Hidden Terrace Lane	Port Orchard	1976	18	12,780	\$1,692,390	5/3/2021	\$94,022	\$132	-
354 NW Edvard St	354 NW Edvard St	Poulsbo	1972	8	7,776	\$1,180,000	3/10/2021	\$147,500	\$152	6.0%
610 Washington Ave	610 Washington Ave	Bremerton	1901	7	6,004	\$1,100,000	2/26/2021	\$157,143	\$183	5.0%
Kitsap Inn	207 Chester Ave	Bremerton	1916	11	6,959	\$860,000	2/3/2021	\$78,182	\$124	6.2%

50+ Units

Property	Address	City	Built	Units	NRSF	Price	Sale Date	Price/Unit	Price/SF	Cap Rate
Atlas	1800 Sidney Ave	Port Orchard	1994	276	242,880	\$75,200,000	7/23/2021	\$272,464	\$310	4.1%
Indigo Apartment Homes	2700 Maple St	Bremerton	1978	144	116,484	\$20,000,000	5/13/2021	\$138,889	\$172	4.3%



NOTES & DATA SOURCES

NOTES

PUGET SOUND

Sales data for the Puget Sound region is inclusive of all 5+ unit, market-rate apartment buildings in King, Snohomish, Pierce, and Kitsap Counties.

DATA SOURCES

SALES

CoStar

Real Capital Analytics

King County Registrar

Snohomish County Registrar

Pierce County Planning & Public Works Department

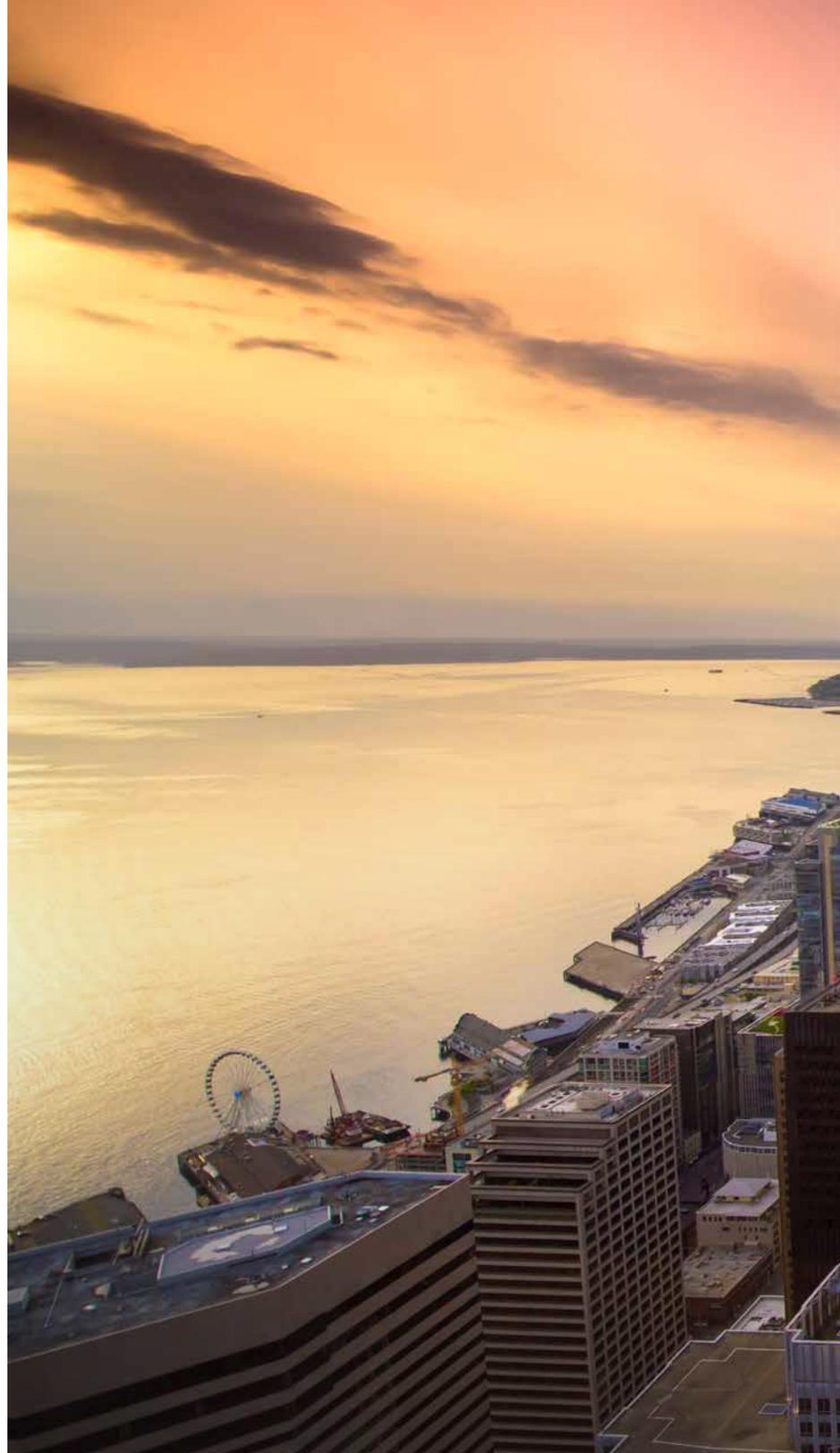
Kitsap County Application Services

Simon | Anderson Multifamily Team Research

RENT, VACANCY, AND INVENTORY

CoStar

Simon | Anderson Multifamily Team Research





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