

SIMON | ANDERSON MULTIFAMILY TEAM

Puget Sound & Washington State Apartment Sales Specialists

20

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*SEATTLE & PUGET SOUND*  
APARTMENT MARKET DYNAMICS

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23

Q4 2023

km Kidder  
Mathews

# HOW TO USE THIS STUDY

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



Look for our insights in each submarket to help guide your investment decisions.



Contact us to discuss the market, assess the best times to buy or sell, and request a valuation of your apartment building or land.



*Eastern Washington Market  
Research available at*

[SIMONANDERSONTEAM.COM/MARKET-REPORTS](https://simonandersonteam.com/market-reports)

# APARTMENT SALES EXPERTS

## OUR EXPERTISE



5 - 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

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↓ Q2 2023 REPORT

↓ Q1 2023 REPORT

↓ 2023 DEVELOPMENT PIPELINE REPORT

↓ 2023 MICRO REPORT

## SELECT RECENT LISTINGS & SALES



## Meet the Team

### TEAM FOUNDERS

**Dylan Simon**  
EXECUTIVE VICE PRESIDENT



Dylan is a market-leading broker throughout Puget Sound and Washington State, specializing in the sale of apartment buildings and development land. He is an expert in sales strategies, market knowledge, and industry trends.

**Jerrid Anderson**  
EXECUTIVE VICE PRESIDENT



Jerrid focuses on urban apartment and land sales in the City of Seattle and his clients hire him for pricing outperformance and industry leading successful closing percentage.

**Matt Laird**  
FIRST VICE PRESIDENT



Matt specializes in urban and suburban apartment sales; development land sales; and off-market acquisitions. His attention to detail and excellent client service ensure smooth transactions from marketing through closing.

**Winslow Lee**  
VICE PRESIDENT



Winslow is an apartment broker specializing in the sale of apartment buildings and development land across the Puget Sound, with expertise in King & Snohomish Counties.

**Max Frame**  
VICE PRESIDENT



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

**JD Fuller**  
ASSOCIATE



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

*The apartment market in Puget Sound – and across Washington state – continues to experience the adjustment in market conditions felt across the nation and the world in 2023. Specifically, uncertainty and pricing volatility define the market.*



Rental rates remain relatively steady, but are trending moderately downward across all market segments. The only exceptions are the markets that experienced sharper declines earlier in 2023, which now show signs of stabilization.



Vacancy continues as the metric to watch. While every market in the region must contend with threats of rental rate decline and oversupply, the early indication of this phenomenon is vacancy rates approaching 7% – a tipping point for landlords to adjust rental rates downward.



Sales of apartment buildings continue a sluggish trend with sustained moderation (or a complete stall) in sight. In this case, the massive rise in interest rates throughout the last 18 months simply overwhelmed the investment sales market, resulting in a 50%+ plunge in sales volume and pricing declines more than 20%.

**INVENTORY**

	Units	Buildings
TOTAL	394,370	8,630
5 TO 50-UNITS	102,154	6,762
50+ UNITS	292,216	1,868
12-MONTH DELIVERIES	8,494	82
AVERAGE UNIT SIZE	820 SF	

**RENT & VACANCY**

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
	Q4 2021		Q3 2022		Q4 2022
RENT	\$1,955	▼ 0.5%	\$1,963	▼ 0.9%	\$1,946
VACANCY	6.1%	▲ 50 bps	6.4%	▲ 20 bps	6.6%

All building ages, 5+ unit apartment buildings

**HISTORICAL SALES TRENDS**

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	483	456	483	355	468	338	103	▼ 58%	49	▼ 12%	43
SALES VOLUME	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$5.8B	\$1.75B	▼ 69%	\$768M	▼ 30%	\$541M
PRICE/UNIT	\$226K	\$238K	\$281K	\$274K	\$332K	\$285K	\$283K	▼ 4%	\$274K	▼ 1%	\$273K
PRICE/SF	\$237	\$258	\$325	\$291	\$358	\$387	\$371	▼ 3%	\$334	▲ 8%	\$360
CAP RATE	4.9%	5.0%	4.8%	5.0%	4.6%	4.1%	4.2%	▲ 89 bps	4.8%	▲ 29 bps	5.1%

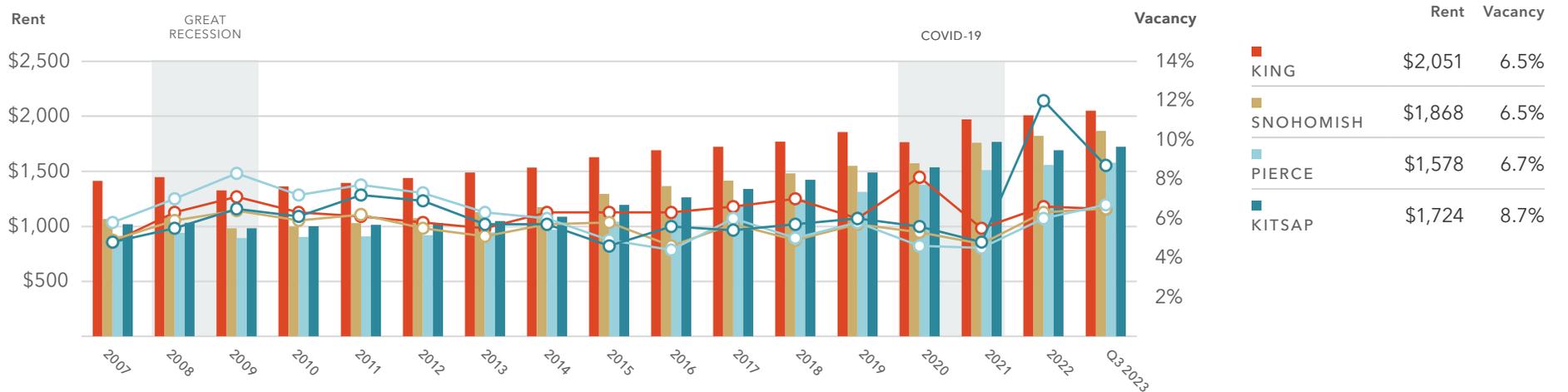
All building ages, 5+ unit apartment buildings

# REGIONAL HISTORIC RENT VS VACANCY

## PUGET SOUND REGION



## COUNTY BREAKDOWN



# REGIONAL BUILDING INCOME VELOCITY

## NORTH KING

	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,795	▼ 1%	\$1,794	▼ 1%	\$1,785
RENT/SF	\$2.37	▼ 0.4%	\$2.37	▼ 0.4%	\$2.36
VACANCY	5.1%	▲ 480 bps	6.2%	▲ 370 bps	9.9%

## SNOHOMISH

	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,872	▼ 1%	\$1,890	▼ 1%	\$1,873
RENT/SF	\$2.16	▼ 0.4%	\$2.18	▼ 0.4%	\$2.16
VACANCY	5.4%	▲ 480 bps	6.4%	▲ 370 bps	6.6%

## KITSAP

	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,775	▼ 4%	\$1,707	▼ 0.4%	\$1,701
RENT/SF	\$2.10	▼ 4%	\$2.02	▼ 0.5%	\$2.01
VACANCY	5.7%	▲ 310 bps	11.1%	▼ 230 bps	8.8%

## EAST KING

	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$2,443	▼ 4%	\$2,471	▼ 0.4%	\$2,419
RENT/SF	\$2.77	▼ 4%	\$2.80	▼ 0.5%	\$2.74
VACANCY	5.8%	▲ 310 bps	5.4%	▼ 230 bps	5.5%

## SEATTLE

	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$2,059	No Change	\$2,073	▼ 1%	\$2,058
RENT/SF	\$3.08	No Change	\$3.10	▼ 1%	\$3.08
VACANCY	7.9%	▼ 130 bps	6.7%	▼ 10 bps	6.6%

## SOUTH KING

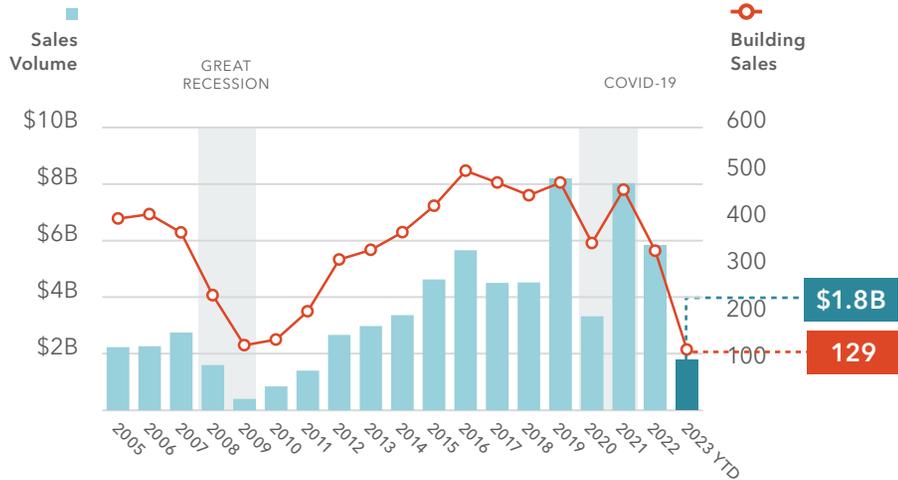
	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,798	No Change	\$1,788	▼ 0.7%	\$1,779
RENT/SF	\$2.12	No Change	\$2.10	▼ 0.6%	\$2.09
VACANCY	4.6%	▼ 130 bps	5.2%	▼ 10 bps	5.7%

## PIERCE

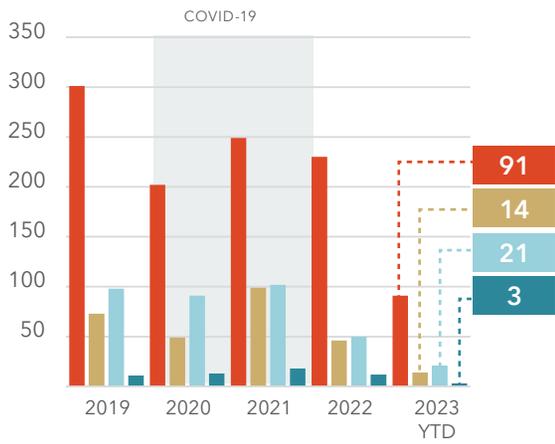
	Q3 2022	12-Mo Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,573	▲ 1%	\$1,577	▲ 0.3%	\$1,582
RENT/SF	\$1.87	▲ 0.5%	\$1.87	▲ 0.5%	\$1.88
VACANCY	5.4%	▲ 130 bps	6.9%	▼ 20 bps	6.7%

All building ages, 5+ unit apartment buildings

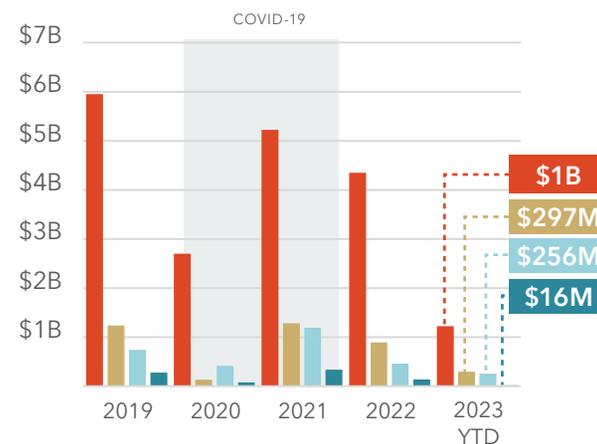
# REGIONAL HISTORIC SALES



## BUILDING SALES



## SALES VOLUME



## CAP RATE



King County | Snohomish County | Pierce County | Kitsap County

# REGIONAL SALE PRICING VELOCITY

## NORTH KING

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

## SNOHOMISH

	2021	2022	2023 YTD
PRICE/UNIT	\$261K	\$272K	\$259K
PRICE/SF	\$283	\$307	\$314
CAP RATE	4.8%	4.2%	4.9%

## KITSAP

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

## EAST KING

	2021	2022	2023 YTD
PRICE/UNIT	\$478K	\$470K	\$432K
PRICE/SF	\$496	\$526	\$421
CAP RATE	3.8%	3.7%	4.2%

## SEATTLE

	2021	2022	2023 YTD
PRICE/UNIT	\$396K	\$313K	\$311K
PRICE/SF	\$473	\$475	\$417
CAP RATE	4.5%	4.0%	4.9%

## SOUTH KING

	2021	2022	2023 YTD
PRICE/UNIT	\$306K	\$229K	\$218K
PRICE/SF	\$329	\$289	\$266
CAP RATE	4.6%	4.5%	4.9%

## PIERCE

	2021	2022	2023 YTD
PRICE/UNIT	\$249K	\$213K	\$175K
PRICE/SF	\$250	\$264	\$212
CAP RATE	5.0%	4.4%	4.5%

All building ages, 5+ unit apartment buildings

*The Pacific Northwest remains a darling market compared to its West Coast cohort markets. Even so, the region's expected long-term economic trajectory cannot escape the gravitational pull of national and global financial and social uncertainty.*



**Jerrid Anderson**  
EXECUTIVE VICE PRESIDENT  
SEATTLE MARKET EXPERT

*Cap rates reach the 5% range, while sales volume continues to lag – leaving us to wonder when and how Seattle’s apartment market will evolve.*

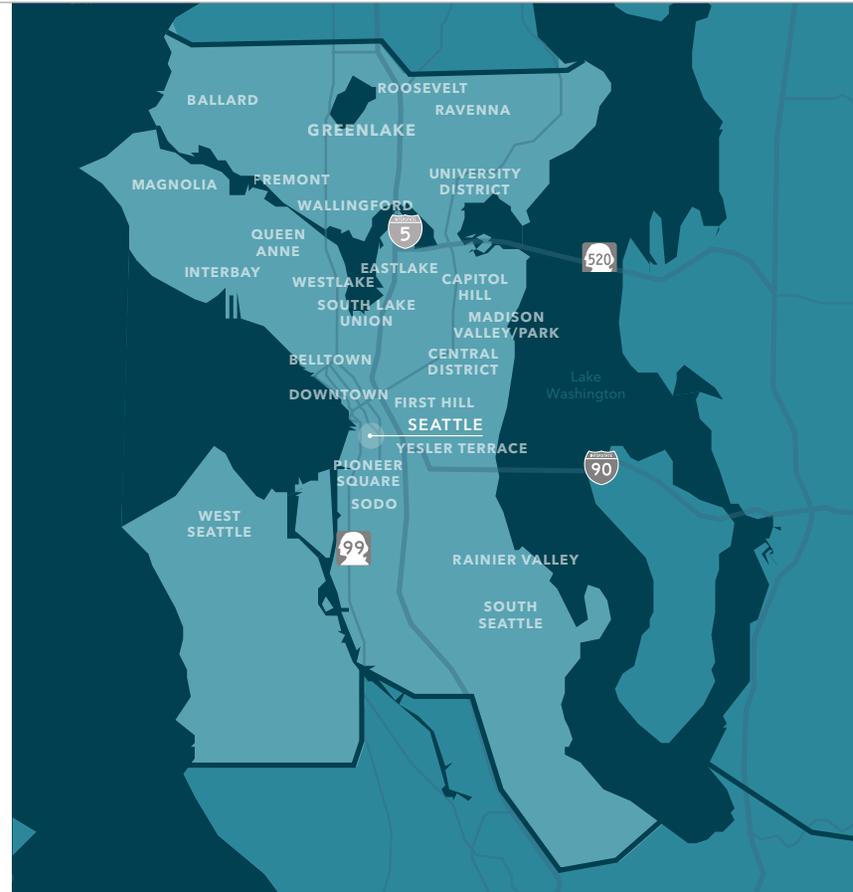
 **Sales Insight**

Cap rates in the 5% range? That’s the prevailing trend that’s on the rise in Seattle – and it’s progressing toward 6%. Sales are slow to come with sellers and buyers inching closer together to facilitate successful transactions. However, sales volume is still significantly below peak pre-COVID levels, indicating that there’s still a ways to go in the market’s recovery.

 **Rent / Vacancy Insight**

Vacancy rates have seen a marginal decline of 20 bps in apartment complexes with more than 50 units, coinciding with a one-point decrease in rents. In contrast, the 5-50-unit apartment segment has remained relatively stable with little to no fluctuation in both rents and vacancies. As for the future of rent growth in Seattle, the key questions lingering are when and by how much it will transpire.

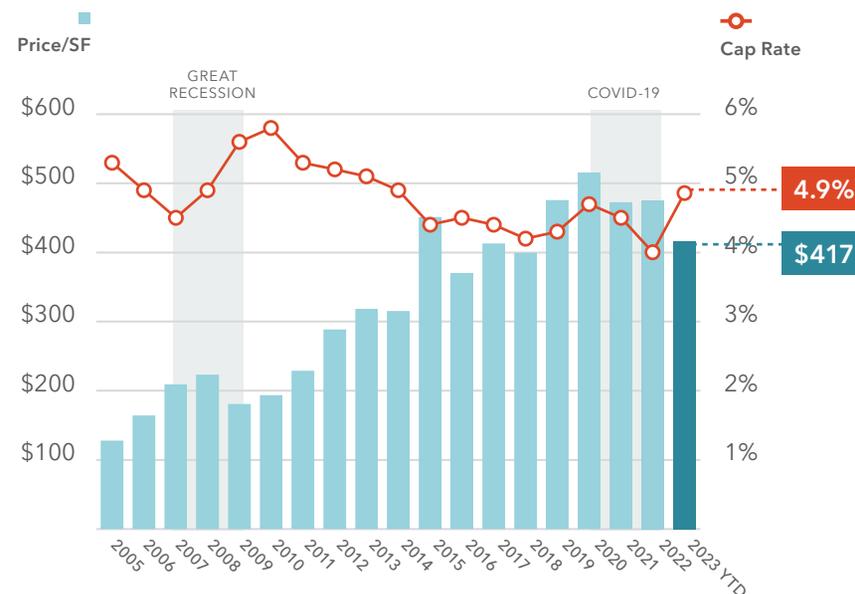
**OUR RECENT LISTINGS**



**INVENTORY**

	Units	Buildings
<b>TOTAL</b>	126,258	3,804
5 TO 50 UNITS	47,502	3,238
50+ UNITS	78,756	566
12-MONTH DELIVERIES	1,437	26
AVERAGE UNIT SIZE	673 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	142	153	164	104	152	149	37	▼ 30%	21	▲ 24%	26
SALES VOLUME	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$2.1B	\$496M	▼ 67%	\$140M	▲ 18%	\$165M
PRICE/UNIT	\$380K	\$326K	\$402K	\$399K	\$396K	\$313K	\$311K	▼ 3%	\$295K	▲ 2%	\$301K
PRICE/SF	\$413	\$400	\$476	\$516	\$473	\$475	\$492	▼ 15%	\$377	▲ 10%	\$416
CAP RATE	4.4%	4.2%	4.3%	4.7%	4.5%	4.0%	4.2%	▲ 72 bps	4.9%	▲ 6 bps	5.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2021	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,432	\$1,455	\$1,476	\$1,476	\$1,503	\$1,531	\$1,527	▲ 1%	\$1,544	▲ 0.2%	\$1,547
RENT/SF	\$2.28	\$2.31	\$2.35	\$2.35	\$2.39	\$2.44	\$2.43	▲ 1%	\$2.46	No Change	\$2.46
VACANCY	5.5%	5.1%	5.0%	7.0%	5.0%	5.7%	5.4%	▲ 20 bps	5.6%	No Change	5.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,981	\$2,008	\$2,132	\$1,901	\$2,177	\$2,162	\$2,246	▼ 0.4%	\$2,259	▼ 1%	\$2,238
RENT/SF	\$2.89	\$2.93	\$3.11	\$2.78	\$3.18	\$3.16	\$3.28	▼ 0.3%	\$3.30	▼ 1%	\$3.27
VACANCY	9.7%	9.7%	6.0%	11.5%	6.8%	9.2%	9.4%	▼ 230 bps	7.3%	▼ 20 bps	7.1%

All building ages, 5+ unit apartment buildings



**Winslow Lee**  
VICE PRESIDENT  
NORTH KING MARKET EXPERT

*North King’s rents continued to stay consistent in the last 90 days, yet transaction volume continues to slow.*

 **Sales Insight**

While we have seen a continued decrease in total transactions and sales volume in North King (similar to all markets due to rising interest rates), we are still seeing a lot of buyer demand for the few properties available in this region. In fact, this was demonstrated during our recent sale of a 121-unit apartment complex located in Northgate that generated 45 tours and 19 offers during our marketing campaign.

 **Rent / Vacancy Insight**

While rent and vacancy trends continued a steady pace from Q2 to Q3, due to slowed demand and delivery of new apartments, during this same time period vacancy spiked for large (50+ unit) apartment buildings. Additionally, as new units continue to be delivered near the light rail station, prepare for the possibility of sustained increases in vacancy rates, even as we approach next year’s prime rental months.

**RECENT CASE STUDY**



*Marketing a Decommissioned Senior Housing Facility*

We sold a vacant senior living facility by developing a strategic marketing campaign highlighting the property’s unique features and potential which resulted in 45 tours and 19 offers.

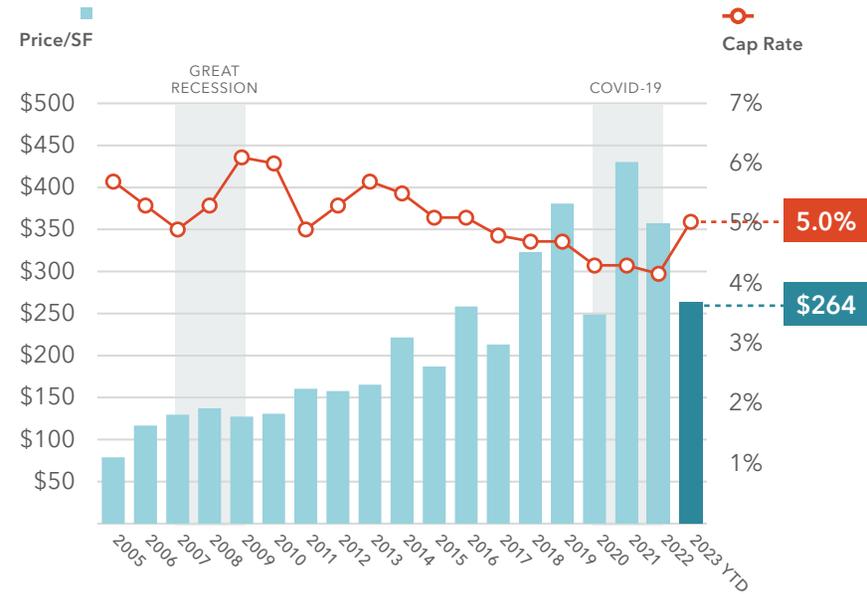
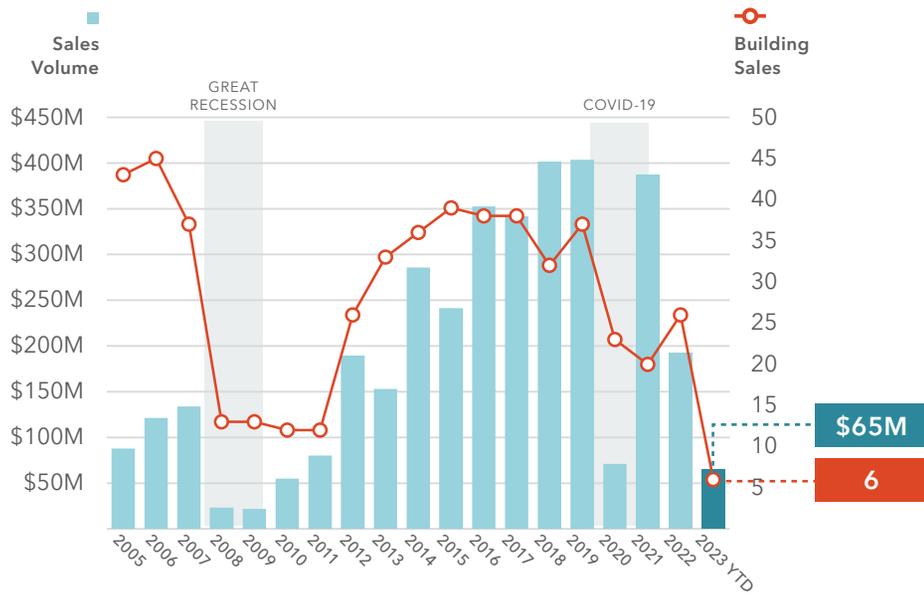
[VIEW FULL CASE STUDY](#)



**INVENTORY**

	Units	Buildings
TOTAL	26,086	733
5 TO 50 UNITS	8,925	605
50+ UNITS	17,161	128
12-MONTH DELIVERIES	1,158	3
AVERAGE UNIT SIZE	761 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	38	32	37	23	20	26	9	▼ 78%	3	▼ 33%	2
SALES VOLUME	\$342M	\$402M	\$404M	\$71M	\$387M	\$192M	\$39M	▼ 38%	\$36M	▼ 34%	\$24M
PRICE/UNIT	\$262K	\$281K	\$288K	\$234K	\$367K	\$244K	\$228K	▼ 13%	\$219K	▼ 9%	\$199K
PRICE/SF	\$213	\$323	\$381	\$249	\$430	\$357	\$327	▼ 6%	\$227	▲ 36%	\$309
CAP RATE	4.8%	4.7%	4.7%	4.3%	4.3%	4.2%	3.7%	▲ 44 bps	5.6%	▼ 144 bps	4.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,257	\$1,276	\$1,296	\$1,311	\$1,338	\$1,372	\$1,371	▲ 1%	\$1,377	▲ 0.1%	\$1,378
RENT/SF	\$1.69	\$1.71	\$1.74	\$1.76	\$1.80	\$1.84	\$1.84	▲ 1%	\$1.85	No Change	\$1.85
VACANCY	4.1%	4.0%	4.0%	5.6%	3.9%	4.8%	4.5%	▲ 50 bps	5.0%	No Change	5.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,577	\$1,611	\$1,660	\$1,648	\$1,806	\$1,891	\$1,925	▼ 1%	\$1,922	▼ 1%	\$1,910
RENT/SF	\$2.07	\$2.11	\$2.18	\$2.16	\$2.37	\$2.48	\$2.53	▼ 1%	\$2.52	▼ 0.4%	\$2.51
VACANCY	6.0%	7.5%	6.1%	7.3%	5.2%	5.7%	5.4%	▲ 700 bps	6.8%	▲ 560 bps	12.4%

All building ages, 5+ unit apartment buildings



**Matt Laird**  
 FIRST VICE PRESIDENT  
 EAST KING MARKET EXPERT

*East King’s real estate market maintains a slow, but steady rhythm. As such, it will prove to be a coveted choice for investors due to its resilient pricing in a sea of uncertainty.*

 **Sales Insight**

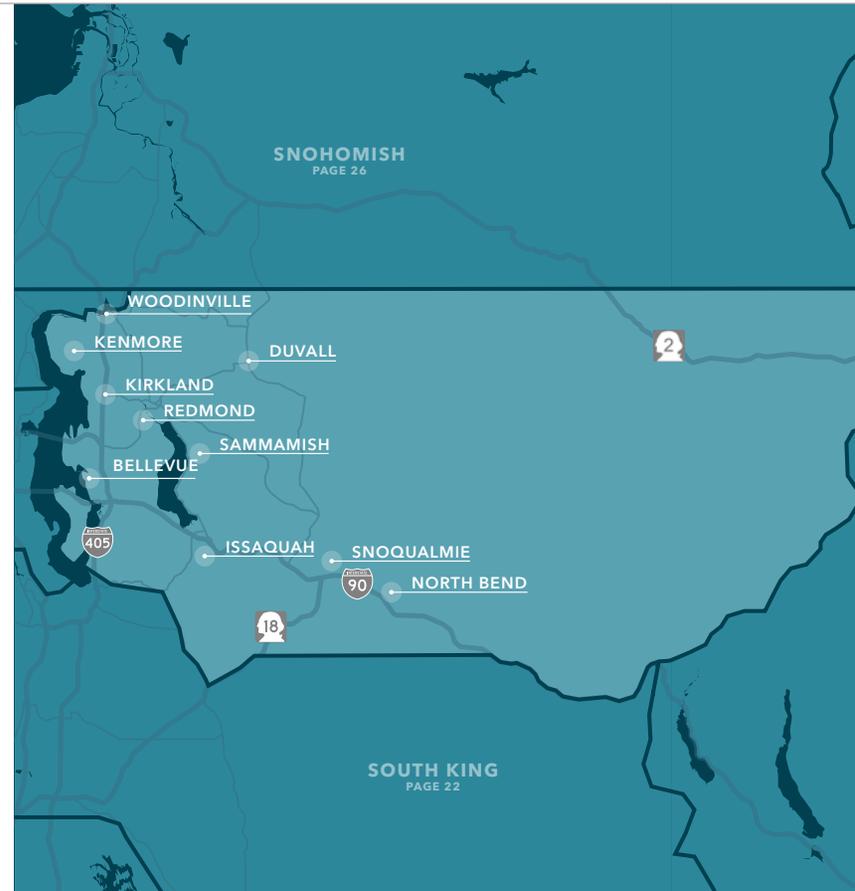
In keeping with the prevailing 2023 market dynamics, East King’s sales activity continued its slow pace in Q3. Yet, despite the sluggish sales performance, East King remains a highly coveted option for investors with its pricing exhibiting a relative high compared to other markets. Thanks to this resilience and coupled with increasing interest rates, it’s foreseeable that sales volumes are likely to persist at a slow pace as we approach the year’s end.

 **Rent / Vacancy Insight**

Rental rates and vacancy trends held steady in the 5-50-unit apartment segment. That’s in contrast to the properties with 50+ units. The latter constitutes a substantial 92% of the total inventory, which encountered a 20 bps surge in vacancy accompanied by a 2% reduction in rental rates. These fluctuations are primarily attributed to the poor performance of the summer rental market.

*View our listings online at*

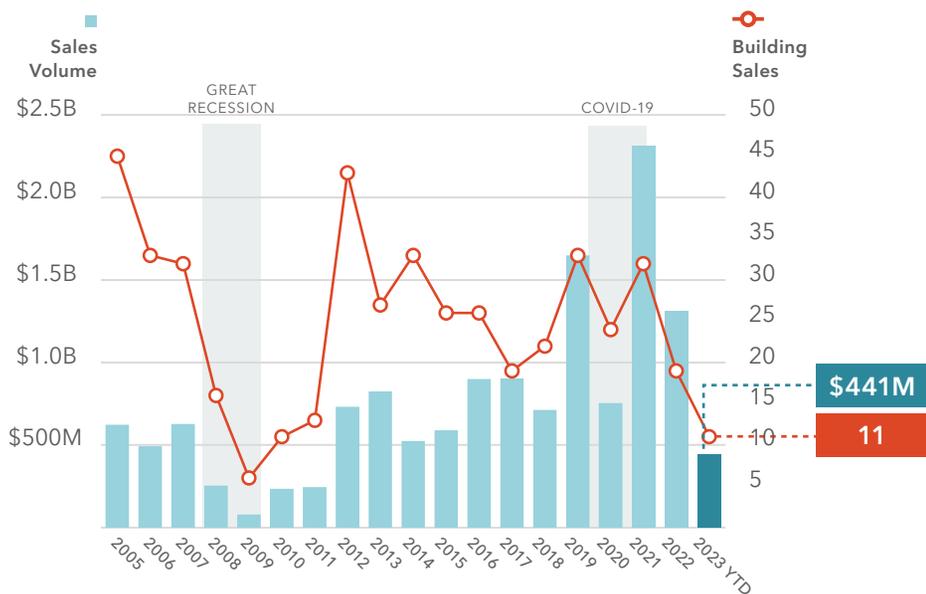
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	59,694	559
5 TO 50 UNITS	4,877	287
50+ UNITS	54,817	272
12-MONTH DELIVERIES	1,499	10
AVERAGE UNIT SIZE	884 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	19	22	33	24	32	19	6	▼ 83%	6	▼ 83%	1
SALES VOLUME	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$1.3B	\$485M	▼ 74%	\$228M	▼ 45%	\$125M
PRICE/UNIT	\$373K	\$447K	\$383K	\$340K	\$478K	\$469.9K	\$517K	▼ 26%	\$417K	▼ 8%	\$383K
PRICE/SF	\$381	\$422	\$434	\$337	\$496	\$526	\$580	▼ 40%	\$499	▼ 30%	\$347
CAP RATE	4.3%	4.1%	4.2%	4.5%	3.8%	3.7%	4.0%	▲ 123 bps	4.2%	▲ 110 bps	5.3%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,674	\$1,717	\$1,753	\$1,767	\$1,833	\$1,899	\$1,892	▲ 2%	\$1,928	▲ 0.1%	\$1,930
RENT/SF	\$1.83	\$1.88	\$1.92	\$1.94	\$2.01	\$2.09	\$2.08	▲ 2%	\$2.12	No Change	\$2.12
VACANCY	5.1%	4.6%	4.5%	5.8%	3.8%	4.7%	4.1%	▲ 40 bps	4.7%	▲ 10 bps	4.8%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,958	\$2,040	\$2,150	\$2,051	\$2,329	\$2,388	\$2,474	▼ 1%	\$2,502	▼ 2%	\$2,447
RENT/SF	\$2.22	\$2.32	\$2.44	\$2.33	\$2.64	\$2.71	\$2.81	▼ 1%	\$2.84	▼ 2%	\$2.77
VACANCY	6.5%	7.2%	8.1%	8.5%	6.4%	6.0%	6.0%	▼ 40 bps	5.4%	▲ 20 bps	5.6%

All building ages, 5+ unit apartment buildings



**Dylan Simon**  
EXECUTIVE VICE PRESIDENT  
PIERCE MARKET EXPERT

*Renters continue to show a preference for South King, supporting relatively stable rental and vacancy rates. However, buyers and sellers can't seem to find a way to put deals together!*

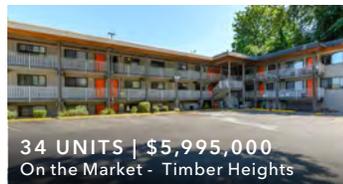
 **Sales Insight**

Although transaction volume picked up in Q3, overall, 2023 sales volume is far from its historic pace. Thus, we expect the year to close with sales volume less than 50% of usual and cap rates at least 150 bps wide of pre-pandemic trends. Of course, given declining values, most South Sound owners are content to ride out the interest rate storm, instead betting on continued health of South Sound renter demand.

 **Rent / Vacancy Insight**

Rental rates and vacancy rates alike confirm the strength of the South Sound rental market. In particular, owners of smaller, non-institutionally sized buildings are holding the line best with a slight (2%) uptick in rental rates year-over-year, all while maintaining sub-5% vacancy rates. Meanwhile, owners of larger buildings lost a bit of ground during the summer of 2023 with rates slipping 1%. However, the strongest sign of slowing demand was vacancy rates in these buildings expanding to 6%.

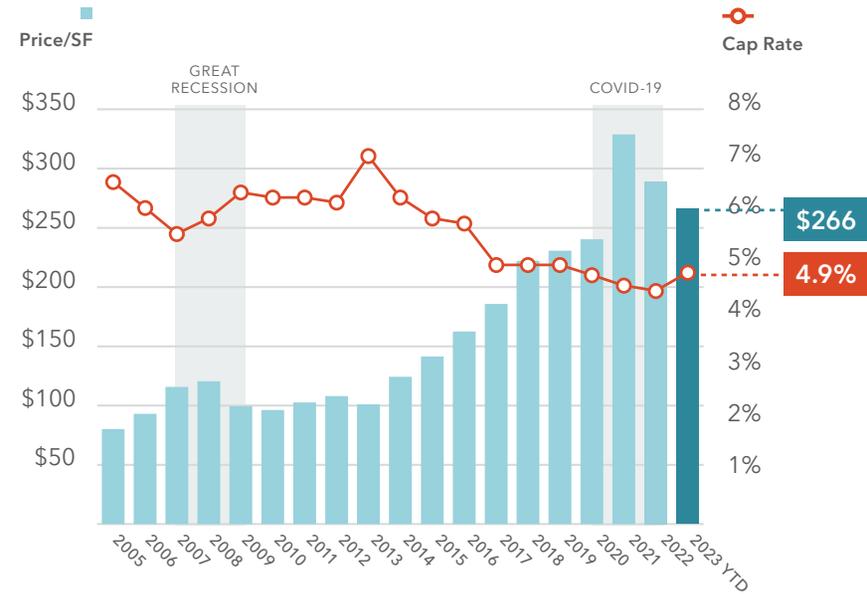
**OUR RECENT LISTINGS**



**INVENTORY**

	Units	Buildings
TOTAL	58,262	924
5 TO 50 UNITS	10,601	630
50+ UNITS	47,661	294
12-MONTH DELIVERIES	551	5
AVERAGE UNIT SIZE	856 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	69	61	70	51	46	36	8	▼ 13%	4	▲ 75%	7
SALES VOLUME	\$781M	\$1.1B	\$1.2B	\$705.5M	\$1.1B	\$730M	\$212M	▼ 58%	\$55M	▲ 60%	\$89M
PRICE/UNIT	\$169K	\$216K	\$202K	\$230K	\$306K	\$229K	\$231K	No Change	\$217K	▲ 6%	\$231K
PRICE/SF	\$186	\$222	\$231	\$240	\$329	\$289	\$296	▼ 6%	\$279	No Change	\$279
CAP RATE	5.0%	5.0%	5.0%	4.8%	4.6%	4.5%	4.8%	▲ 126 bps	4.8%	▲ 126 bps	6.1%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



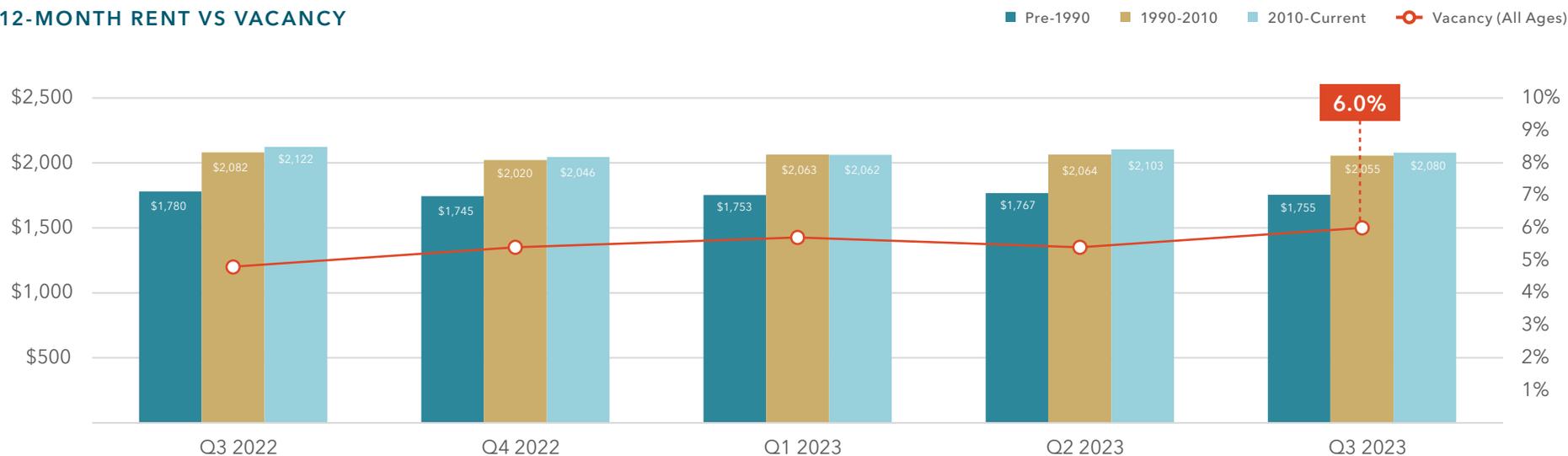
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,098	\$1,136	\$1,172	\$1,193	\$1,225	\$1,262	\$1,256	▲ 2%	\$1,277	▲ 0.6%	\$1,285
RENT/SF	\$1.38	\$1.43	\$1.48	\$1.50	\$1.54	\$1.59	\$1.58	▲ 3%	\$1.61	▲ 0.6%	\$1.62
VACANCY	4.2%	4.6%	4.1%	3.9%	3.0%	3.9%	3.5%	▲ 90 bps	4.3%	▲ 10 bps	4.4%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,393	\$1,449	\$1,521	\$1,557	\$1,752	\$1,834	\$1,880	▼ 1%	\$1,865	▼ 1%	\$1,853
RENT/SF	\$1.62	\$1.69	\$1.77	\$1.81	\$2.04	\$2.14	\$2.19	▼ 1%	\$2.17	▼ 0.5%	\$2.16
VACANCY	5.1%	6.1%	5.5%	5.5%	3.9%	5.4%	4.8%	▲ 120 bps	5.4%	▲ 60 bps	6.0%

All building ages, 5+ unit apartment buildings



**Winslow Lee**  
VICE PRESIDENT  
NORTH KING MARKET EXPERT

*Sales continued to slow in Snohomish in the last 90 days with a 50% decrease in total transactions and an 84% decrease in overall sales volume.*

 **Sales Insight**

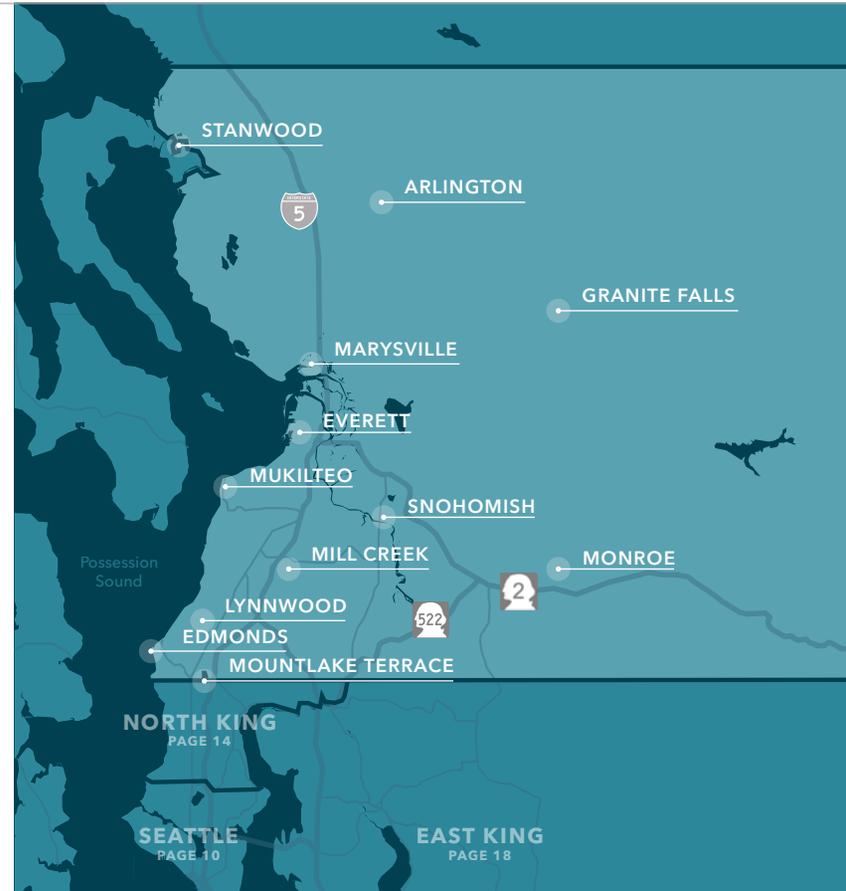
We witnessed a very slow quarter in terms of total transactions in Snohomish with only two sales totaling \$30M in volume. Furthermore, when comparing the quarterly sale metrics to annualized metrics from previous years, Snohomish also record the lowest price per unit average and lowest price per square foot average pricing in recent memory, coming in lower than any annual average recorded between 2017 and 2022.

 **Rent / Vacancy Insight**

While Snohomish sales volume is down, we are continuing to witness a steady rise in rental rates for smaller, not institutionally owned buildings. This is likely due to renters deciding to leave the hustle of the city. That said, we expect to see a slight rental demand decrease in the difficult winter leasing months before the annual spring run-up.

*View our listings online at*

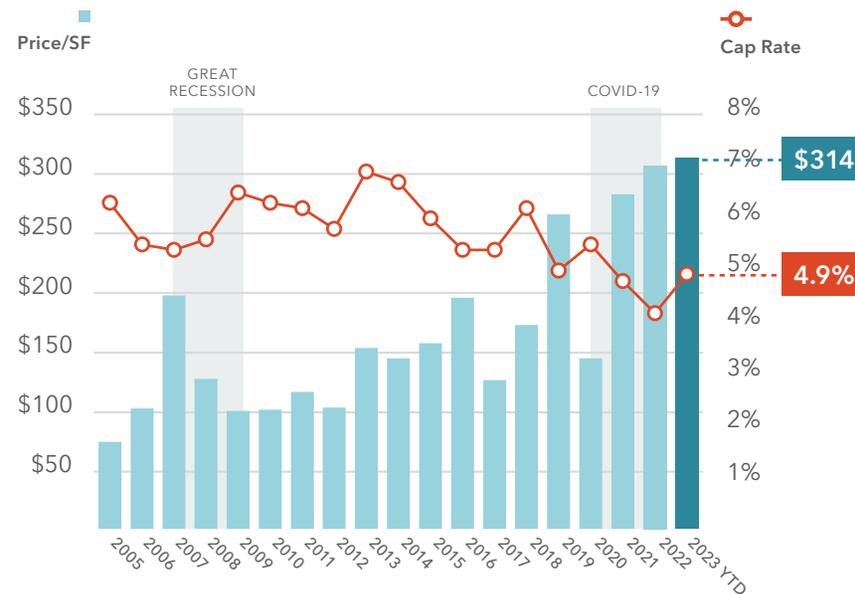
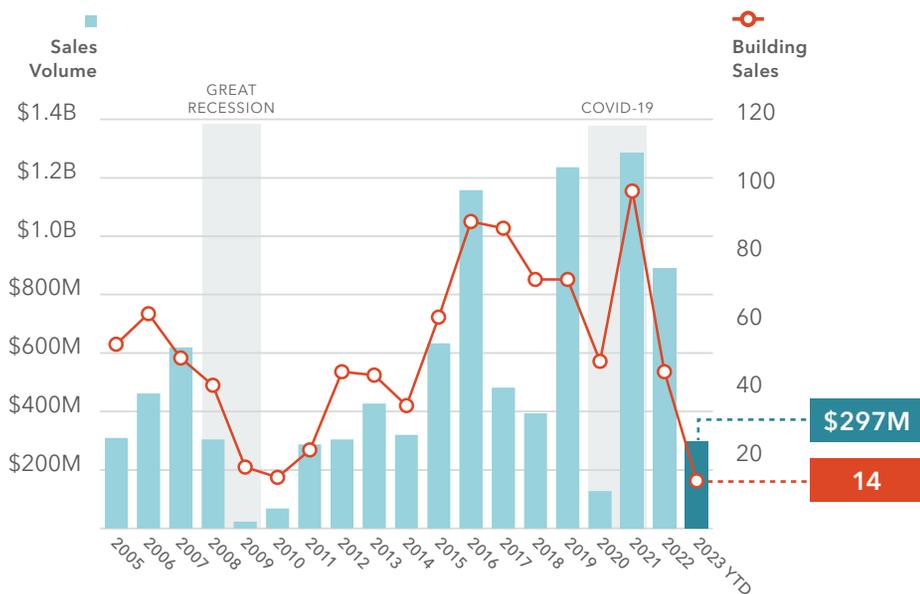
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



**INVENTORY**

	Units	Buildings
TOTAL	48,809	1,004
5 TO 50 UNITS	10,344	788
50+ UNITS	38,465	216
12-MONTH DELIVERIES	1,296	12
AVERAGE UNIT SIZE	875 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	88	73	73	49	99	46	18	▼ 89%	4	▼ 50%	2
SALES VOLUME	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$892M	\$192M	▼ 85%	\$185M	▼ 84%	\$30M
PRICE/UNIT	\$121K	\$169K	\$228K	\$164K	\$261K	\$272K	\$280K	▼ 15%	\$298K	▼ 20%	\$240K
PRICE/SF	\$127	\$173	\$266	\$145	\$283	\$307	\$271	▼ 16%	\$370	▼ 38%	\$229
CAP RATE	5.4%	6.2%	5.0%	5.5%	4.8%	4.2%	4.2%	No Data	5.0%	No Data	No Data

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,173	\$1,211	\$1,246	\$1,278	\$1,314	\$1,359	\$1,352	▲ 3%	\$1,384	▲ 0.7%	\$1,393
RENT/SF	\$1.35	\$1.40	\$1.44	\$1.48	\$1.52	\$1.57	\$1.56	▲ 3%	\$1.60	▲ 0.6%	\$1.61
VACANCY	5.0%	4.6%	4.9%	4.8%	3.9%	5.3%	4.5%	▲ 140 bps	5.8%	▲ 10 bps	5.9%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,455	\$1,524	\$1,598	\$1,620	\$1,832	\$1,896	\$1,955	▼ 0.3%	\$1,971	▼ 0.1%	\$1,949
RENT/SF	\$1.67	\$1.75	\$1.83	\$1.86	\$2.10	\$2.18	\$2.24	No Change	\$2.26	▼ 0.1%	\$2.24
VACANCY	5.8%	5.0%	5.9%	5.4%	4.9%	6.6%	5.6%	▲ 110 bps	6.5%	▲ 20 bps	6.7%

All building ages, 5+ unit apartment buildings



**Dylan Simon**  
EXECUTIVE VICE PRESIDENT  
PIERCE MARKET EXPERT

*Once a darling investment market, transaction volume in Pierce County is a ghost of its former self. As such, we expect sales volume declines of nearly 75% compared to historic averages.*

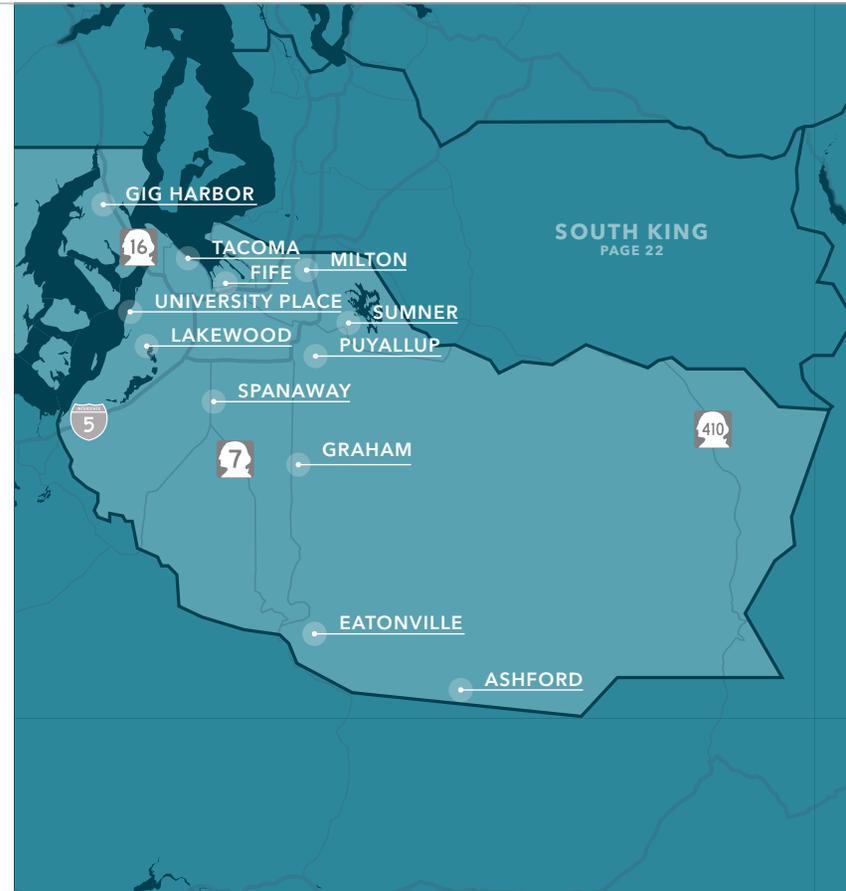
 **Sales Insight**

With only 21 sales year-to-date, it's difficult to get a true sense of pricing in Pierce County. Pricing of suburban sales are not too far off historic averages but, due to significant oversupply of new apartments in downtown Tacoma, pricing is softening - especially for newer vintage buildings where fewer investors are in the market and stepping to the plate.

 **Rent / Vacancy Insight**

Rental rates for both smaller and larger apartment buildings are holding fast with rates increasing from 0.5% to 2% year-over-year. More precisely, for the segment of smaller buildings, vacancy rates rose just above 5% in 2023. At the same time, vacancy for larger buildings - which have been massively affected by new construction in downtown Tacoma - experienced slight moderation, but still remains above 7% for the third quarter in a row.

**OUR RECENT LISTINGS**



**INVENTORY**

	Units	Buildings
TOTAL	63,852	1,403
5 TO 50 UNITS	17,561	1,077
50+ UNITS	46,291	326
12-MONTH DELIVERIES	1,443	17
AVERAGE UNIT SIZE	846 SF	

# SALES TRENDS



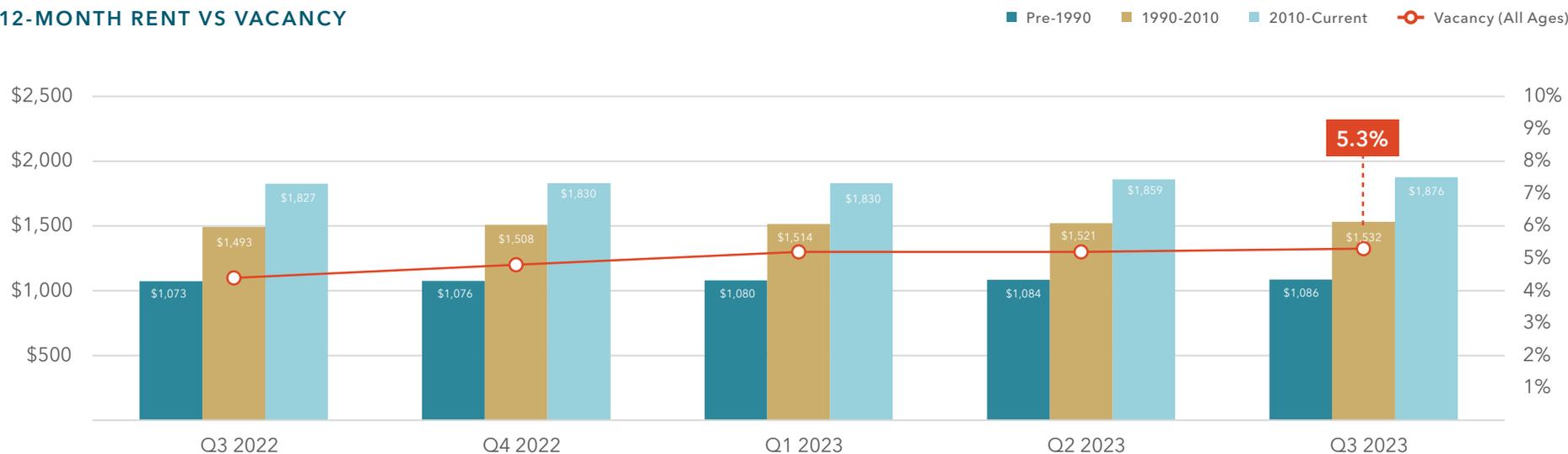
## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	114	103	98	91	102	50	19	▼ 79%	11	▼ 64%	4
SALES VOLUME	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$461M	\$196M	▼ 48%	\$123M	▼ 17%	\$102M
PRICE/UNIT	\$118K	\$151K	\$174K	\$171K	\$249K	\$213K	\$203K	No Change	\$184K	▲ 11%	\$203K
PRICE/SF	\$128	\$166	\$195	\$170	\$250	\$264	\$240	▲ 4%	\$196	▲ 27%	\$248
CAP RATE	5.7%	5.6%	5.7%	5.7%	5.0%	4.4%	4.5%	No Data	4.5%	No Data	No Data

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



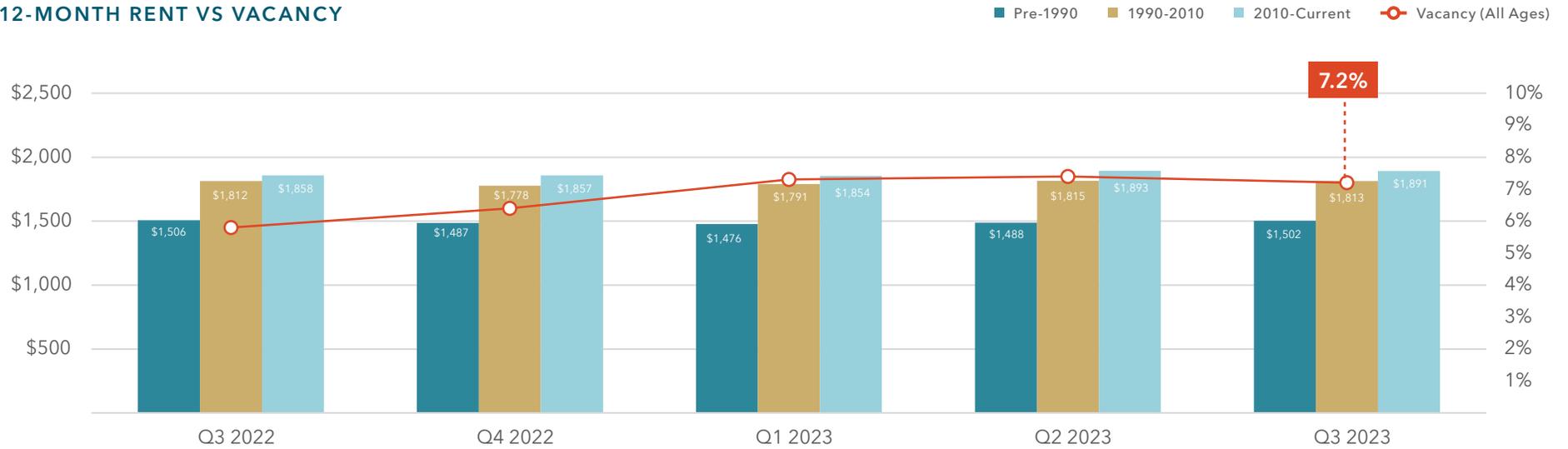
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$988	\$1,023	\$1,058	\$1,083	\$1,123	\$1,159	\$1,155	▲ 2%	\$1,168	▲ 0.4%	\$1,173
RENT/SF	\$1.27	\$1.32	\$1.36	\$1.40	\$1.45	\$1.50	\$1.49	▲ 1%	\$1.51	No Change	\$1.51
VACANCY	4.5%	4.3%	4.3%	3.7%	3.9%	4.8%	4.4%	▲ 90 bps	5.2%	▲ 10 bps	5.3%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,233	\$1,299	\$1,376	\$1,451	\$1,606	\$1,659	\$1,677	▲0.4%	\$1,678	▲0.4%	\$1,684
RENT/SF	\$1.43	\$1.51	\$1.60	\$1.69	\$1.87	\$1.93	\$1.95	▲1%	\$1.95	▲0.5%	\$1.96
VACANCY	6.6%	5.3%	6.5%	5.0%	4.7%	6.4%	5.8%	▲140 bps	7.4%	▼20 bps	7.2%

All building ages, 5+ unit apartment buildings



**Matt Laird**  
 FIRST VICE PRESIDENT  
 KITSAP MARKET EXPERT

*In Kitsap County, the real estate market is a rollercoaster of suspense with sales volume teetering around a decade-low performance.*

 **Sales Insight**

Kitsap County marked its third sale of the year with the potential to experience its first calendar year in a decade in which sales volume could dip below the \$50 million mark. Therefore, the prospect of price discovery promises to be the catalyst for the Kitsap market’s resurgence.

 **Rent / Vacancy Insight**

Kitsap County received a favorable shift in market dynamics during the third quarter as vacancy rates witnessed a significant and much-needed reduction of 120 bps. However, the challenges posed by the military supply of housing in the area still cast a shadow as an oversupply continues to persist, resulting in vacancies remaining 2% higher than the levels recorded during the same period in the preceding year. While progress has been made, the specter of oversupply remains a point of concern in the Kitsap County real estate landscape.

*View our listings online at*

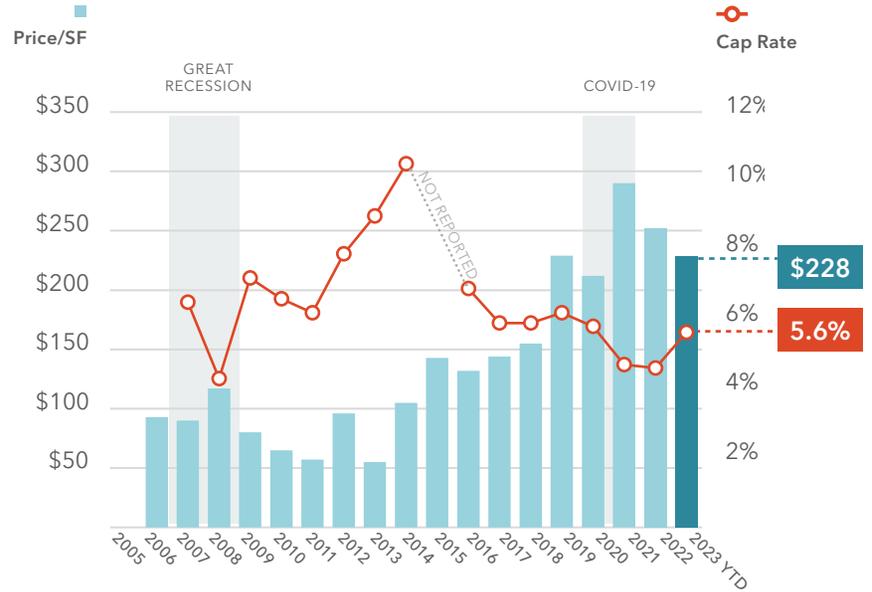
[SIMONANDERSONTEAM.COM/LISTINGS](https://SIMONANDERSONTEAM.COM/LISTINGS)



**INVENTORY**

	Units	Buildings
TOTAL	11,409	203
5 TO 50 UNITS	2,344	137
50+ UNITS	9,065	66
12-MONTH DELIVERIES	1,110	9
AVERAGE UNIT SIZE	846 SF	

# SALES TRENDS



## HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
BUILDING SALES	15	10	11	13	18	12	6	▼ 83%	No Sales	No Data	1
SALES VOLUME	\$117M	\$85M	\$276M	\$75M	\$332M	\$139M	\$131M	▼ 95%	No Sales	No Data	\$7M
PRICE/UNIT	\$132K	\$138K	\$222K	\$196K	\$255K	\$233K	\$294K	▼ 26%	No Sales	No Data	\$217K
PRICE/SF	\$144	\$155	\$229	\$212	\$290	\$252	\$300	▼ 3%	No Sales	No Data	\$290
CAP RATE	5.9%	5.9%	6.2%	5.8%	4.7%	4.6%	4.1%	▲ 137 bps	No Sales	No Data	5.5%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



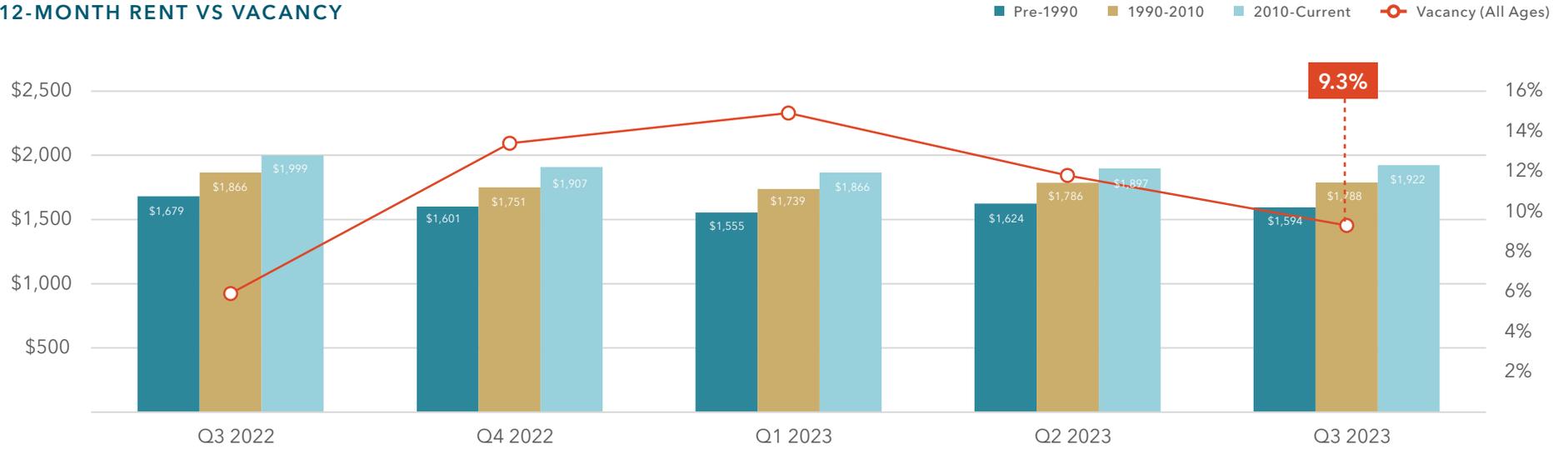
## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,215	\$1,258	\$1,313	\$1,351	\$1,410	\$1,442	\$1,442	▼ 1%	\$1,435	▼ 0.2%	\$1,432
RENT/SF	\$1.50	\$1.55	\$1.62	\$1.66	\$1.74	\$1.78	\$1.78	▼ 1%	\$1.77	▼ 0.6%	\$1.76
VACANCY	4.8%	5.5%	4.5%	3.6%	3.1%	6.0%	4.6%	▲ 200 bps	7.8%	▼ 120 bps	6.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS VACANCY



## HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	Q3 2022	12-Month Change	Q2 2023	90-Day Change	Q3 2023
RENT	\$1,357	\$1,448	\$1,514	\$1,563	\$1,818	\$1,730	\$1,823	▼ 5%	\$1,747	▼ 0.4%	\$1,740
RENT/SF	\$1.60	\$1.70	\$1.78	\$1.84	\$2.14	\$2.04	\$2.15	▼ 5%	\$2.06	▼ 0.5%	\$2.05
VACANCY	5.6%	5.8%	6.4%	6.2%	5.2%	13.4%	5.9%	▲ 340 bps	11.8%	▼ 250 bps	9.3%

All building ages, 5+ unit apartment buildings

TRUSTWORTHY.  
*STRATEGIC.*  
 INNOVATIVE.  
 RIGOROUS.

*Team Founders*

**Dylan Simon**

EXECUTIVE VICE  
 PRESIDENT



**Jerrid Anderson**

EXECUTIVE VICE  
 PRESIDENT



Dylan is a commercial real estate broker who specializes in helping investors buy, sell, and develop apartment buildings in Puget Sound and across Washington State. He has brokered transactions from \$1M to over \$100M.

Jerrid focuses on urban apartment and land sales in the City of Seattle and his clients hire him for pricing outperformance and industry leading successful closing percentage.

**Matt Laird**

FIRST VICE PRESIDENT



**Specialties**

Puget Sound Region

Development Land

5+ Unit Apartment Buildings

**Winslow Lee**

VICE PRESIDENT



**Specialties**

North King County

Snohomish County

5+ Unit Apartment Buildings

**Max Frame**

VICE PRESIDENT



**Specialties**

Eastern Washington

Development Land

5+ Unit Apartment Buildings

**JD Fuller**

ASSOCIATE



**Specialties**

Puget Sound Region

20+ Unit Apartment Buildings

**Ryder Tuttle**

FINANCIAL ANALYST



**Specialties**

Apartment Valuations

Market Research

**Ashley Woodliff**

MARKETING COORDINATOR



**Specialties**

Property Marketing

Market Reports

# NOTES

Sales data for the Puget Sound region is inclusive of all market-rate apartment buildings with at least five units in King, Snohomish, Pierce, and Kitsap Counties.

# DATA SOURCES

## SALES

CoStar

King County Registrar

Pierce County Planning & Public Works Department

Real Capital Analytics

Simon | Anderson Multifamily Team Research

Snohomish County Registrar

## RENT, VACANCY & INVENTORY

CoStar

Simon | Anderson Multifamily Team Research



*Simon / Anderson Multifamily Team*

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