

SEATTLE & PUGET SOUND

APARTMENT

MARKET DYNAMICS

Q2 2024

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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.



Our Eastern Washington market research is available at

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APARTMENT SALES EXPERTS

OUR EXPERTISE



5 - 50 Units



Development Land

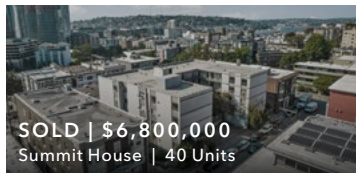
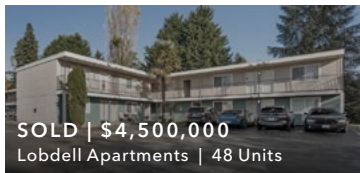
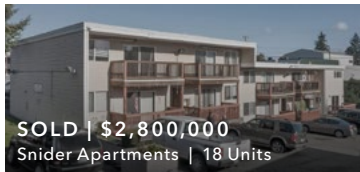
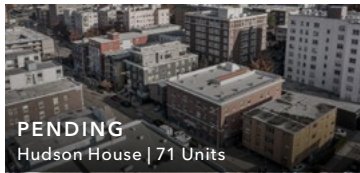


50+ Units



Micros

SELECT RECENT SALES



MEET THE TEAM

TEAM FOUNDERS

DYLAN SIMON
Executive Vice President



JERRID ANDERSON
Executive Vice President



Dylan is a market-leading broker throughout Puget Sound & 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 focuses on urban apartment and land sales in the City of Seattle. His clients hire him for pricing outperformance and industry - leading successful closing percentage.

MATT LAIRD
First Vice President



WINSLOW LEE
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 is an apartment broker specializing in the sale of apartment buildings and development land in Seattle. His expertise is working with private ownership groups that own apartments consisting of five-20 units.

MAX FRAME
Vice President



JD FULLER
Associate



Max is an apartment broker specializing in the sale of Eastern Washington apartment buildings.

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

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↓ Q4 2023 REPORT

↓ Q3 2023 REPORT

↓ Q2 2023 REPORT

↓ Q1 2023 REPORT

Rental rates continue a slight upward trend, while vacancy is the metric to watch as the market absorbs a large amount of new supply in 2024 -- yet an end to new apartment deliveries is in sight.



In terms of the number of transactions, sales volume was relatively flat year-over-year, while the average transaction size decreased. Additionally, the recent cap rate expansion, which has been a theme since the Federal Reserve began aggressively raising interest rates in 2022, is showing signs of slowing. Specifically, in Q1 2024, the average cap rate on multifamily transactions in the region was 5.1%, up 10 basis points (bps) from the previous quarter.



New multifamily development starts have all but ground to a halt as the rising cost of debt and resulting uncertainty brought the profitability of development into question. That said, this should pave the way for several quarters of steady absorption, leading to what we expect will be a decline in vacancy levels across Puget Sound's submarkets and a rapid rise in rental rates by mid-2025.



Rental rates in Q1 2024 were up 2.1% year-over-year to \$1,971, marking a jump from \$1,932 the previous quarter. With the recent deliveries adding a bit of vacancy to the market, we expect the trend of positive, but mild rental rate growth to continue into 2025.

INVENTORY

	Units	Buildings
TOTAL	400,265	8,680
5 TO 50-UNITS	102,312	6,777
50+ UNITS	297,953	1,903
12-MONTH DELIVERIES	10,161	74
AVERAGE UNIT SIZE	819 SF	

RENT & VACANCY

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
RENT	Q1 2023 \$1,930	▲ 2%	Q4 2023 \$1,932	▲ 2%	Q1 2024 \$1,971
VACANCY	6.7%	▲ 30 bps	6.9%	▲ 10 bps	7.0%

All building ages, 5+ unit apartment buildings

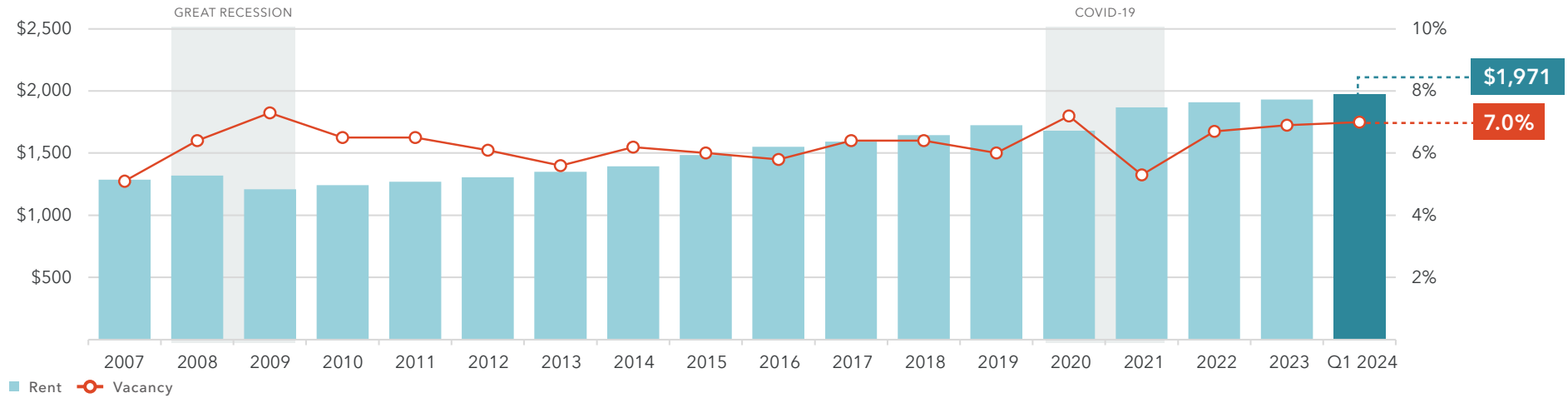
HISTORICAL SALES TRENDS

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	483	456	483	355	468	338	172	37	▲ 5%	45	▼ 13%	39
SALES VOLUME	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$5.8B	\$2.5B	\$481M	▼ 29%	\$747M	▼ 54%	\$341M
PRICE/UNIT	\$226K	\$238K	\$281K	\$274K	\$332K	\$285K	\$273K	\$285K	▼ 18%	\$255K	▼ 9%	\$233K
PRICE/SF	\$237	\$258	\$325	\$291	\$358	\$387	\$345	\$342	▼ 8%	\$338	▼ 7%	\$316
CAP RATE	4.9%	5.0%	4.8%	5.0%	4.6%	4.1%	4.9%	4.4%	▲ 67 bps	5.0%	▲ 10 bps	5.1%

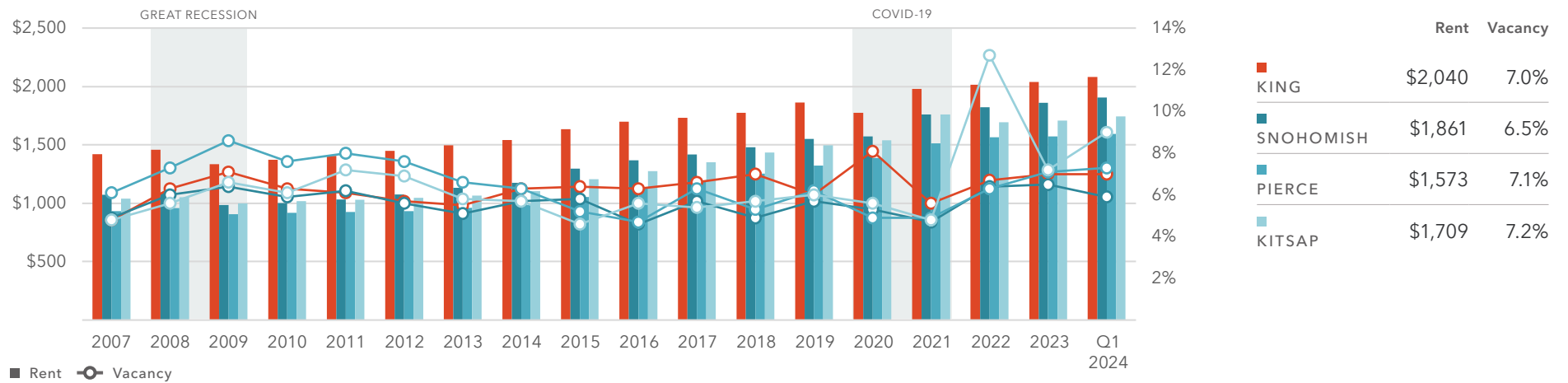
All building ages, 5+ unit apartment buildings

REGIONAL HISTORIC RENT VS. VACANCY

PUGET SOUND REGION



COUNTY BREAKDOWN



REGIONAL BUILDING INCOME VELOCITY

NORTH KING

	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,785	No Change	\$1,757	▲ 2%	\$1,785
RENT/SF	\$2.37	No Change	\$2.33	▲ 2%	\$2.37
VACANCY	5.6%	▲ 330 bps	10.4%	▼ 150 bps	8.9%

SNOHOMISH

	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,882	▲ 1%	\$1,861	▲ 2%	\$1,904
RENT/SF	\$2.17	▲ 1%	\$1,861	▲ 2%	\$2.20
VACANCY	6.2%	▼ 30 bps	6.5%	▼ 60 bps	5.9%

KITSAP

	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,661	▲ 5%	\$1,709	▲ 2%	\$1,744
RENT/SF	\$1.97	▲ 5%	\$2.03	▲ 2%	\$2.07
VACANCY	13.8%	▼ 480 bps	7.2%	▲ 180 bps	9.0%

EAST KING

	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$2,414	▲ 5%	\$2,422	▲ 5%	\$2,533
RENT/SF	\$2.73	▲ 5%	\$2.74	▲ 2%	\$2.86
VACANCY	5.9%	▼ 80 bps	5.3%	▼ 20 bps	5.1%

URBAN KING

	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$2,022	▲ 1%	\$2,032	▲ 1%	\$2,049
RENT/SF	\$3.05	▲ 1%	\$3.06	▲ 1%	\$3.09
VACANCY	7.3%	▲ 40 bps	7.2%	▲ 50 bps	7.7%

SOUTH KING

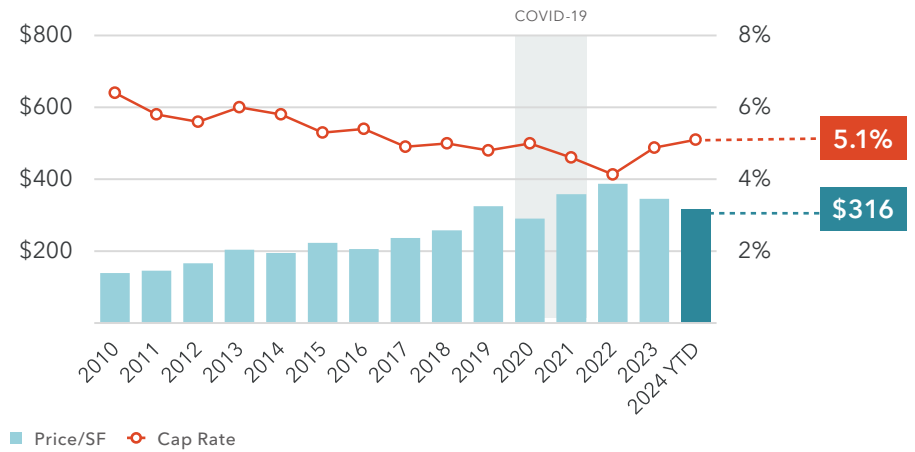
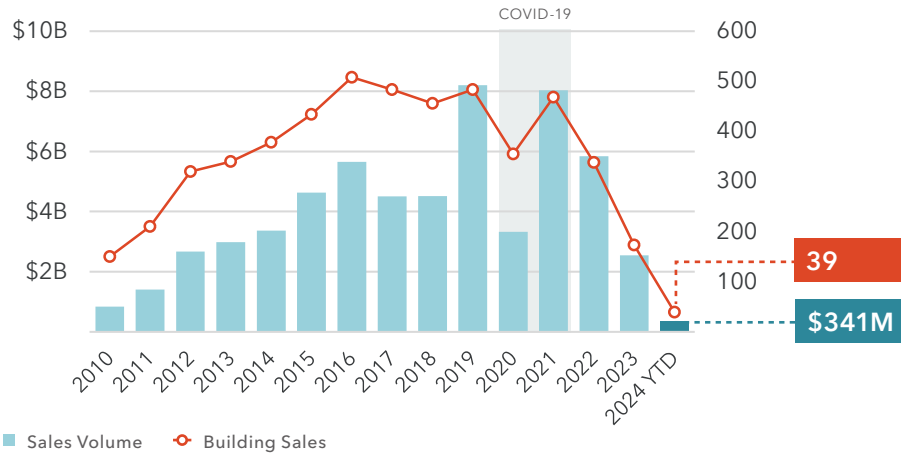
	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,778	▲ 1%	\$1,768	▲ 2%	\$1,798
RENT/SF	\$2.09	▲ 1%	\$2.08	▲ 1%	\$2.12
VACANCY	5.5%	▲ 120 bps	6.6%	▲ 10 bps	6.7%

PIERCE

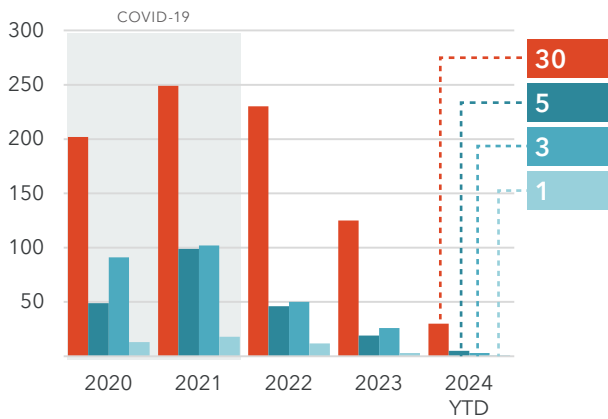
	Q1 2023	12-Mo Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,562	▲ 2%	\$1,573	▲ 1%	\$1,595
RENT/SF	\$1.86	▲ 2%	\$1.88	▲ 1%	\$1.90
VACANCY	7.1%	▲ 20 bps	7.1%	▲ 20 bps	7.3%

All building ages, 5+ unit apartment buildings

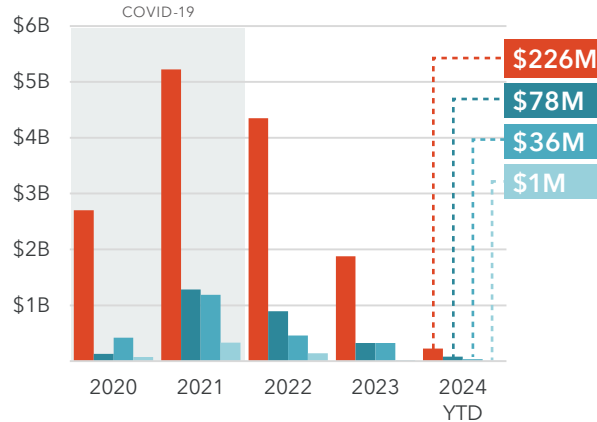
REGIONAL HISTORIC SALES



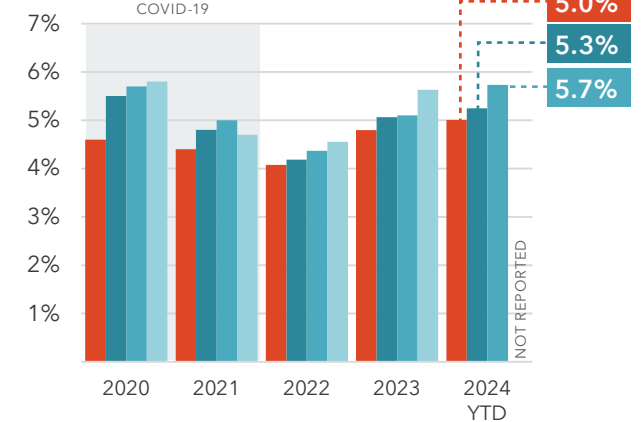
BUILDING SALES



SALES VOLUME



CAP RATE



King County Snohomish County Pierce County Kitsap County

REGIONAL SALE PRICING VELOCITY

NORTH KING

	2022	2023	2024 YTD
PRICE/UNIT	\$244K	\$208K	\$278K
PRICE/SF	\$357	\$264	\$317
CAP RATE	4.2%	5.0%	4.3%

SNOHOMISH

	2022	2023	2024 YTD
PRICE/UNIT	\$272K	\$263K	\$207K
PRICE/SF	\$307	\$311	\$301
CAP RATE	4.2%	5.1%	5.3%

KITSAP

	2022	2023	2024 YTD
PRICE/UNIT	\$233K	\$224K	\$175K
PRICE/SF	\$252	\$228	\$223
CAP RATE	4.6%	5.6%	Not Reported

EAST KING

	2022	2023	2024 YTD
PRICE/UNIT	\$470K	\$397K	\$195K
PRICE/SF	\$526	\$406	\$197
CAP RATE	3.7%	4.1%	Not Reported

SEATTLE

	2022	2023	2024 YTD
PRICE/UNIT	\$313K	\$300K	\$267K
PRICE/SF	\$475	\$410	\$389
CAP RATE	4.0%	4.8%	4.9%


SOUTH KING

	2022	2023	2024 YTD
PRICE/UNIT	\$229K	\$218K	\$183K
PRICE/SF	\$289	\$259	\$223
CAP RATE	4.5%	4.9%	5.4%

PIERCE

	2022	2023	2024 YTD
PRICE/UNIT	\$213K	\$180K	\$228K
PRICE/SF	\$264	\$218	\$273
CAP RATE	4.4%	5.1%	5.7%

All building ages, 5+ unit apartment buildings

An aerial photograph of Seattle, Washington, taken during the golden hour of sunset. The city's skyline is visible in the center, with numerous skyscrapers and buildings. The waterfront is filled with boats and piers. In the background, the snow-capped Mount Rainier rises above a layer of light haze. The overall scene is bathed in warm, orange and yellow light.

The first quarter of this year saw another period of scant sales activity as investors continue to show signs of caution. With most Puget Sound submarkets seeing fewer than five transactions during the quarter, we still have limited visibility as to the true underlying changes in multifamily valuations.



DYLAN SIMON
 JERRID ANDERSON
 MATT LAIRD
 WINSLOW LEE

While the transaction market remains tepid, our read on cap rates is that they appear to be stabilizing, which should encourage transaction activity in the coming quarters.

 **SALES INSIGHT**

The average cap rate on multifamily assets sold during Q1 2024 was 4.9%, up from 4.8% in Q4 2023. Given the more significant jump from 2022 to 2023 (4.0% to 4.8%), cap rates are showing signs of stabilizing. In terms of sales, the number of transactions was up 31% year-over-year, while volume in dollar terms was down 51%, thus indicating a greater number of transactions of smaller assets and, therefore, likely amongst smaller investors.

 **RENT / VACANCY INSIGHT**

Rent continued to inch up modestly across all multifamily product in Seattle with rental rates in the quarter reaching \$2,049, on average. Here, vacancy has remained largely flat for smaller buildings (in the 6% range). For comparison, for larger properties (more than 50 units), vacancy was up 80 bps sequentially and 60 bps year-over-year. As such, the current vacancy rate of 8.7% is not elevated in the historical context (2017 to 2022). It's also worth noting that we continued to see positive rent growth during this period.

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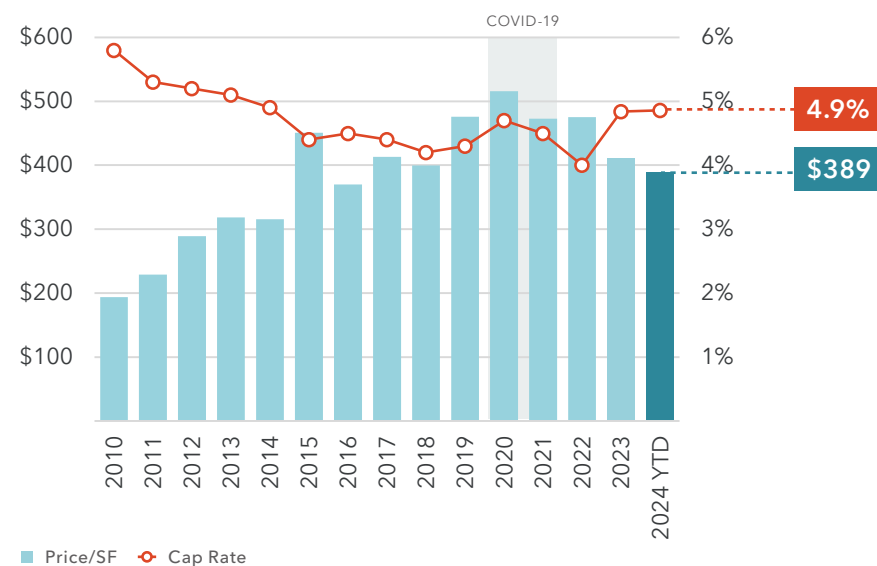
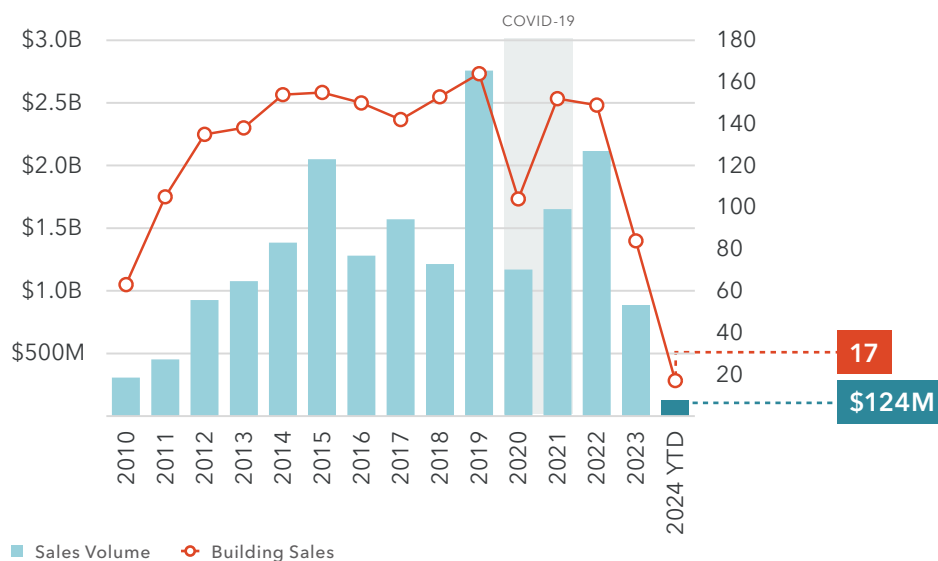
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INVENTORY

	Units	Buildings
TOTAL	127,948	3,822
5 TO 50 UNITS	47,413	3,240
50+ UNITS	80,535	582
12-MONTH DELIVERIES	3,416	30
AVERAGE UNIT SIZE	669 SF	

SALES TRENDS



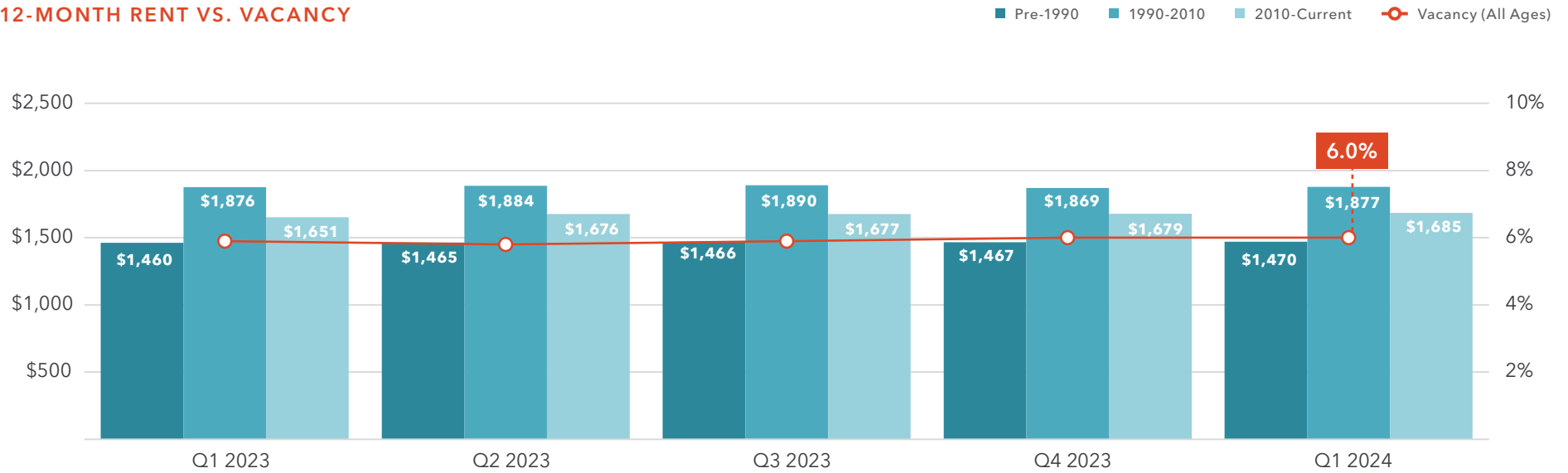
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	142	153	164	104	152	149	84	13	▲ 31%	23	▼ 26%	17
SALES VOLUME	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$2.1B	\$884M	\$252M	▼ 51%	\$322M	▼ 94%	\$124M
PRICE/UNIT	\$380K	\$326K	\$402K	\$399K	\$396K	\$313K	\$300K	\$357K	▼ 25%	\$270K	▼ 15%	\$267K
PRICE/SF	\$413	\$400	\$476	\$516	\$473	\$475	\$410	\$482	▼ 19%	\$396	▼ 18%	\$389
CAP RATE	4.4%	4.2%	4.3%	4.7%	4.5%	4.0%	4.8%	4.5%	▲ 39 bps	4.8%	▲ 4 bps	4.9%

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



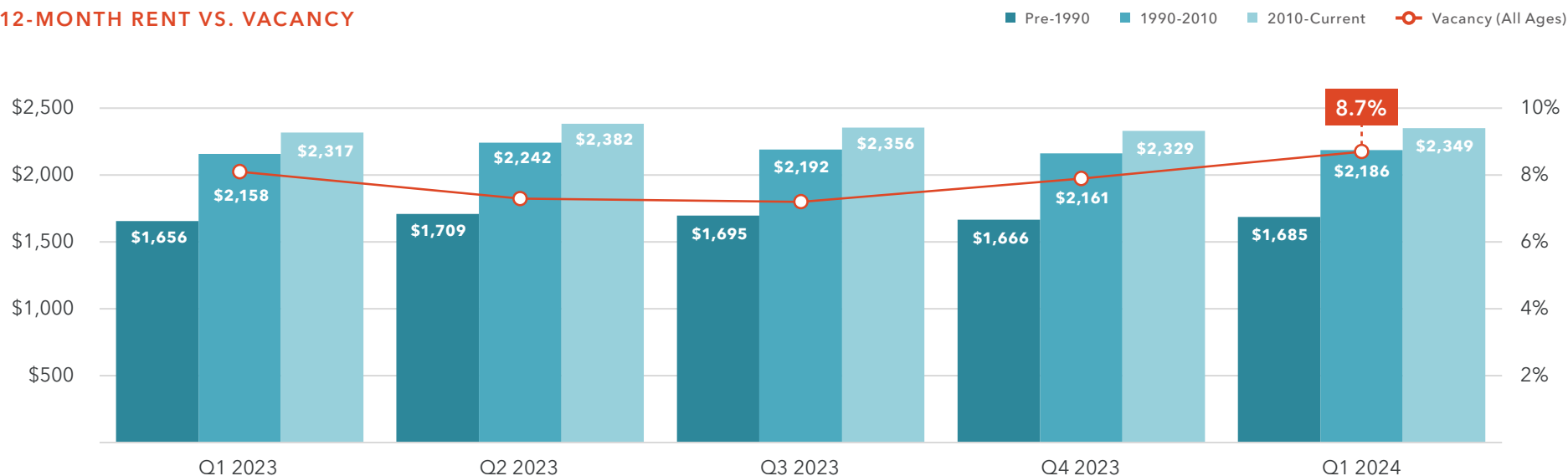
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,434	\$1,457	\$1,478	\$1,480	\$1,506	\$1,534	\$1,547	\$1,537	▲ 1%	\$1,547	▲ 0.3%	\$1,551
RENT/SF	\$2.30	\$2.33	\$2.37	\$2.37	\$2.41	\$2.46	\$2.48	\$2.46	▲ 1%	\$2.48	No Change	\$2.48
VACANCY	5.6%	5.1%	5.0%	7.0%	5.0%	5.7%	6.0%	5.9%	▲ 10 bps	6.0%	No Change	6.0%

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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,994	\$2,020	\$2,143	\$1,919	\$2,187	\$2,175	\$2,202	\$2,192	▲ 1%	\$2,202	▲ 1%	\$2,223
RENT/SF	\$2.93	\$2.97	\$3.16	\$2.82	\$3.22	\$3.20	\$3.24	\$3.23	▲ 1%	\$3.24	▲ 1%	\$3.27
VACANCY	9.7%	9.7%	6.0%	11.5%	7.0%	9.1%	7.9%	8.1%	▲ 60 bps	7.9%	▲ 80 bps	8.7%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER
WINSLOW LEE

Sales activity remains very low in North King as investors continue to “wait and see.” Accordingly, with only two sales occurring in Q1 2024, it’s too early to call a recovery in the transaction market.

 SALES INSIGHT

The transaction market has been almost non-existent during the last two quarters, but is nevertheless beginning to show signs of life. While there were only two sales this quarter, this is up from just one in Q1 2023 and zero last quarter. Granted, the inactivity makes it difficult to identify patterns in cap rate data, so investors should be cautious when drawing conclusions from the apparent 65 bps year-over-year drop in cap rates.

 RENT / VACANCY INSIGHT

Vacancy rates in North King have been back on the decline since the deliveries of a significant number of new apartment units in Q4 2023. Specifically, vacancy fell to 10.8% from 13.0% last quarter for larger buildings with more than 50 units, while rental rates were up 2%. Given the lack of new supply under construction, we expect this absorption - and commensurate decrease in vacancy - to continue throughout the remainder of the year.

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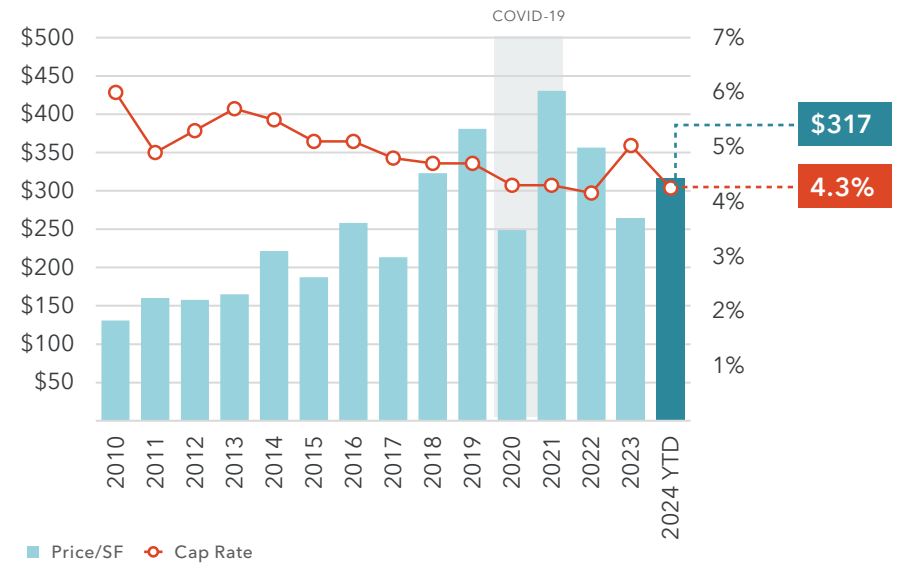
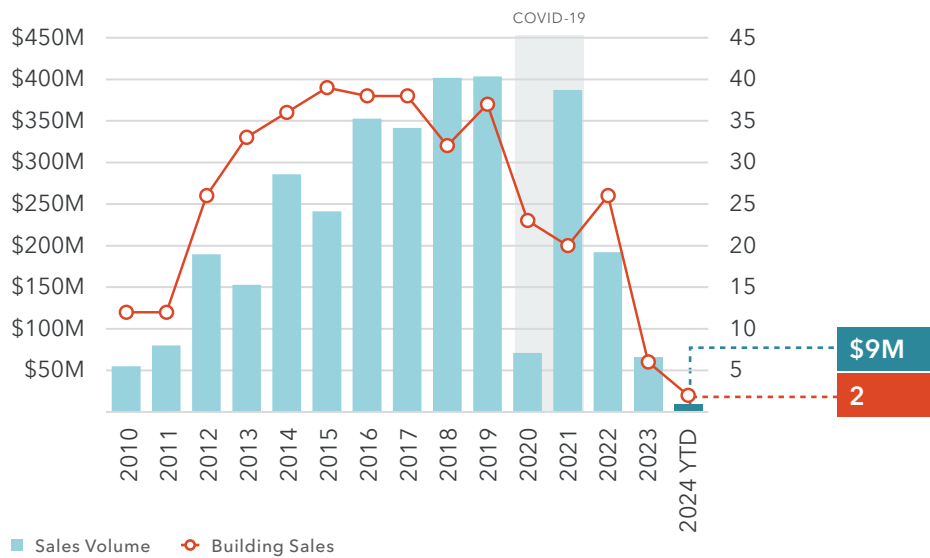
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INVENTORY

	Units	Buildings
TOTAL	26,371	732
5 TO 50 UNITS	8,912	603
50+ UNITS	17,459	129
12-MONTH DELIVERIES	1,715	5
AVERAGE UNIT SIZE	760 SF	

SALES TRENDS



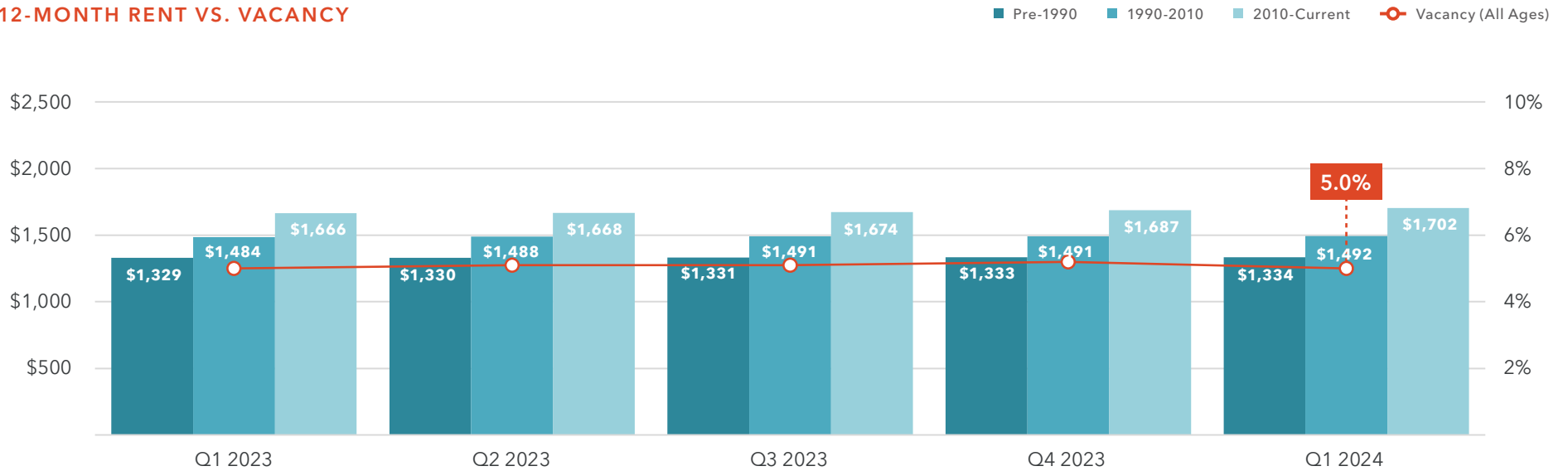
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	38	32	37	23	20	26	6	1	▲100%	No Sales	N/A	2
SALES VOLUME	\$342M	\$402M	\$404M	\$71M	\$387M	\$192M	\$65M	\$5M	▲68%	No Sales	N/A	\$9M
PRICE/UNIT	\$262K	\$281K	\$288K	\$234K	\$367K	\$244K	\$208K	\$195K	▲42%	No Sales	N/A	\$278K
PRICE/SF	\$213	\$323	\$381	\$249	\$430	\$357	\$264	\$284	▲12%	No Sales	N/A	\$317
CAP RATE	4.8%	4.7%	4.7%	4.3%	4.3%	4.2%	5.0%	4.9%	▼65 bps	No Sales	N/A	4.3%

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



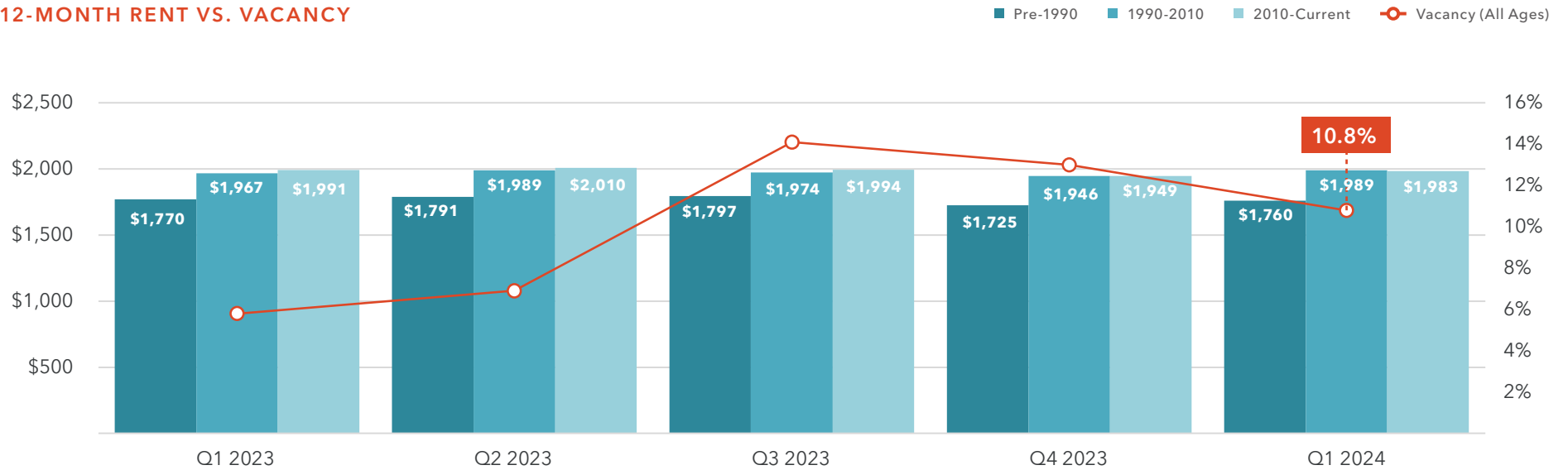
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,264	\$1,283	\$1,303	\$1,319	\$1,347	\$1,382	\$1,390	\$1,384	▲ 1%	\$1,390	▲ 0.2%	\$1,393
RENT/SF	\$1.69	\$1.71	\$1.74	\$1.76	\$1.80	\$1.85	\$1.86	\$1.85	▲ 1%	\$1.86	No Change	\$1.86
VACANCY	4.1%	4.0%	4.0%	5.6%	4.0%	4.8%	5.2%	5.0%	No Change	5.2%	▼ 20 bps	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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,585	\$1,618	\$1,668	\$1,655	\$1,812	\$1,898	\$1,868	\$1,907	No Change	\$1,868	▲ 2%	\$1,904
RENT/SF	\$2.09	\$2.13	\$2.20	\$2.18	\$2.39	\$2.50	\$2.46	\$2.51	No Change	\$2.46	▲ 2%	\$2.51
VACANCY	6.0%	7.5%	6.1%	7.3%	5.2%	5.7%	13.0%	5.8%	▲ 500 bps	13.0%	▼ 220 bps	10.8%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER
MATT LAIRD

Rent growth has kept up nicely in East King. But, again, with limited sales activity and, consequently, little insight on true average cap rates, it's unclear to what extent investors are pricing in this growth.

 **SALES INSIGHT**

Sales volume in the quarter was down substantially year-over-year (86% in dollar terms). Much like in Q1 of the prior year, only four assets were traded; however, the transactions this quarter tended to be among smaller product and mom-and-pop investors. Again, given the smaller asset size and low activity, there was, unfortunately, no visibility on cap rates throughout the quarter.

 **RENT / VACANCY INSIGHT**

Rent growth was notably healthier in East King as compared to other markets. Here, effective rent growth across product types was 4.9% in Q1 2024 and, thus far throughout Q2, is estimated at 5.1%. This above-average rent growth likely stems from the lower vacancy levels in East King as tech workers return to work and Amazon takes delivery of recently completed office towers in Bellevue.

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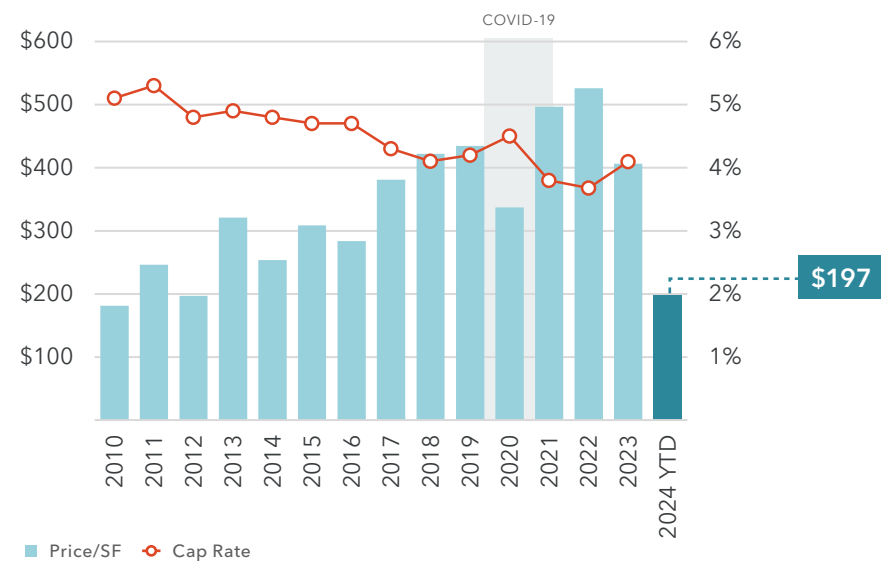
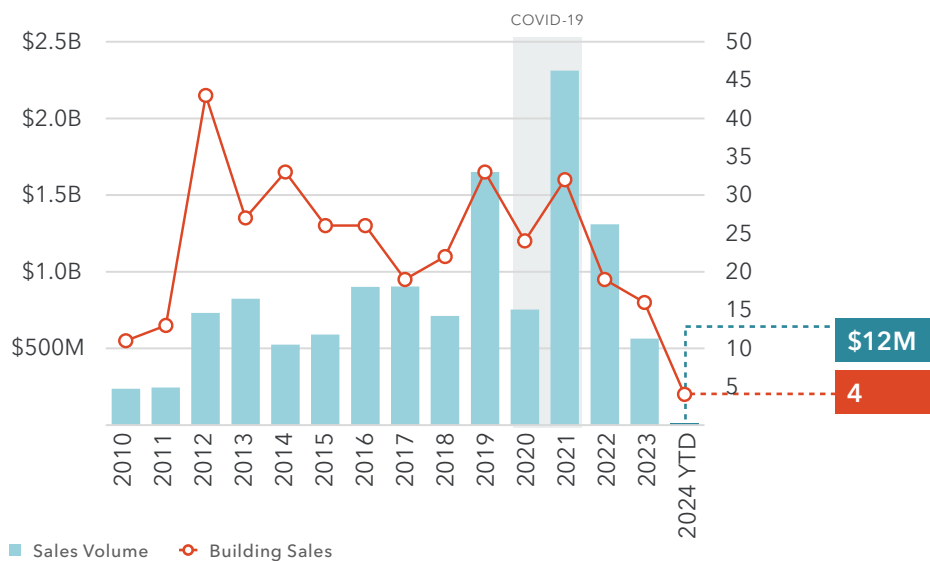
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



INVENTORY

	Units	Buildings
TOTAL	60,156	557
5 TO 50 UNITS	4,715	282
50+ UNITS	55,441	275
12-MONTH DELIVERIES	731	5
AVERAGE UNIT SIZE	886 SF	

SALES TRENDS



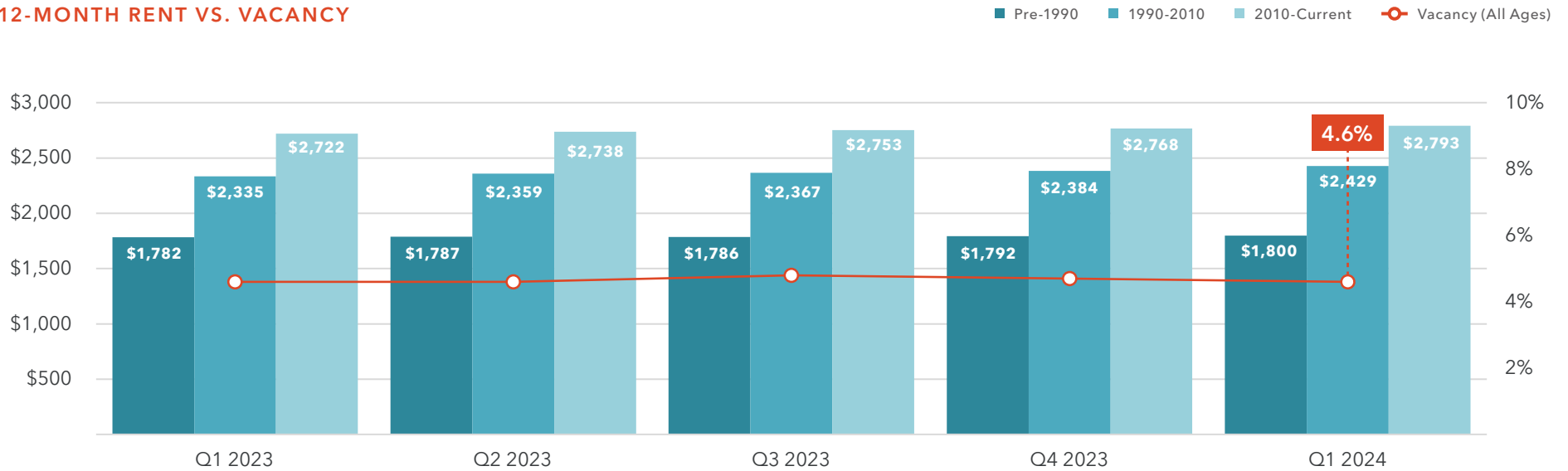
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	19	22	33	24	32	19	16	4	No Change	5	▼ 20%	4
SALES VOLUME	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$1.3B	\$563M	\$88M	▼ 86%	\$123M	▼ 90%	\$12M
PRICE/UNIT	\$373K	\$447K	\$383K	\$340K	\$478K	\$470K	\$397K	\$467K	▼ 58%	\$321K	▼ 39%	\$195K
PRICE/SF	\$381	\$422	\$434	\$337	\$496	\$526	\$406	\$323	▼ 39%	\$373	▼ 47%	\$197
CAP RATE	4.3%	4.1%	4.2%	4.5%	3.8%	3.68%	4.1%	3.8%	N/A	4.4%	N/A	Not Reported

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



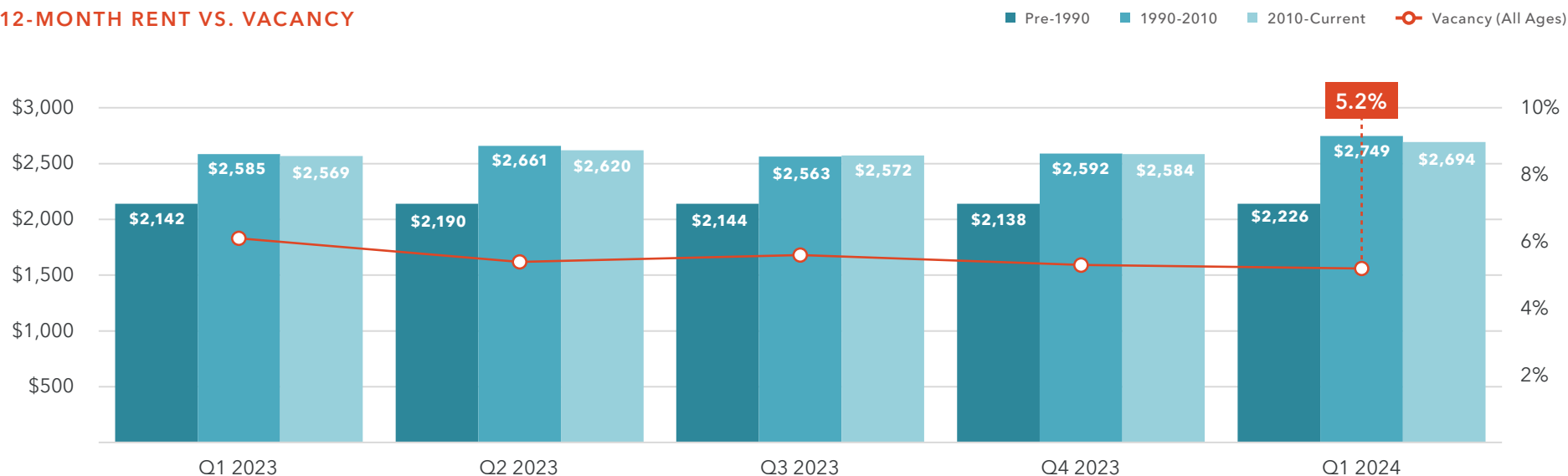
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,699	\$1,742	\$1,779	\$1,796	\$1,862	\$1,929	\$1,968	\$1,949	▲ 2%	\$1,968	▲ 0.8%	\$1,983
RENT/SF	\$1.83	\$1.88	\$1.92	\$1.93	\$2.01	\$2.08	\$2.12	\$2.10	▲ 2%	\$2.12	▲ 0.9%	\$2.14
VACANCY	5.1%	4.6%	4.5%	5.8%	3.7%	4.6%	4.7%	4.6%	No Change	4.7%	▼ 10 bps	4.6%

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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,958	\$2,039	\$2,147	\$2,056	\$2,327	\$2,383	\$2,448	\$2,441	▲ 5%	\$2,448	▲ 5%	\$2,563
RENT/SF	\$2.22	\$2.31	\$2.44	\$2.33	\$2.64	\$2.70	\$2.78	\$2.77	▲ 5%	\$2.78	▲ 5%	\$2.91
VACANCY	6.5%	7.2%	8.1%	8.5%	6.4%	6.0%	5.3%	6.1%	▼ 90 bps	5.3%	▼ 10 bps	5.2%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER

Investors are wading back into the South King multifamily market: Sales show increasing strength from the same period last year, and vacancy rates appear to be stabilizing for now.

 SALES INSIGHT

Sales volume in dollar terms showed a substantial increase from Q1 of last year, increasing to \$79 million - up 490% year-over-year. Likewise, cap rates continue their upward trend as they adjust to the higher interest rate environment of today. In particular, the average cap rate on transactions in Q1 2024 was 5.4%, which was a rise of 20 bps from the previous quarter.

 RENT / VACANCY INSIGHT

After a couple quarters of heavier-than-usual deliveries, vacancy rates appear to be stabilizing across all buildings in South King. Namely, the average vacancy rate in Q1 2024 was 6.7%, up slightly from the prior quarter - and our first read on Q2 numbers suggests the same.

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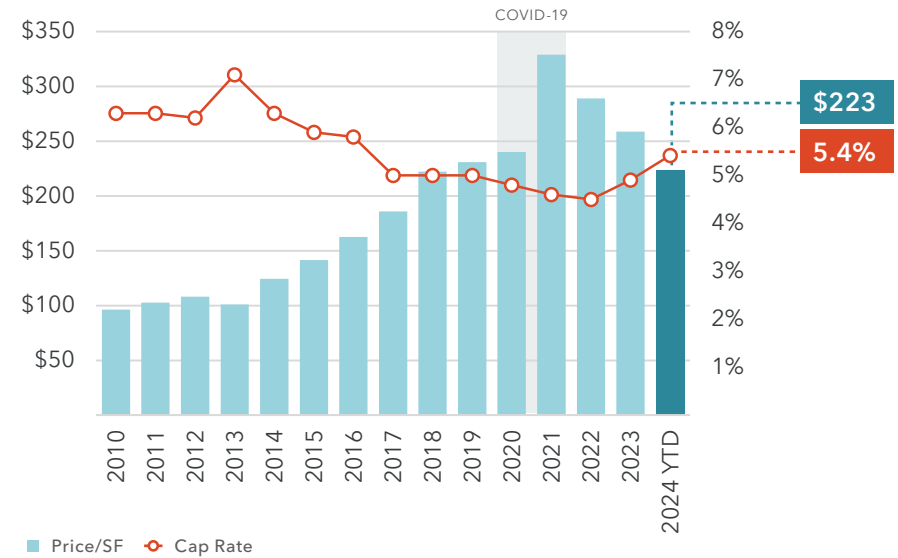
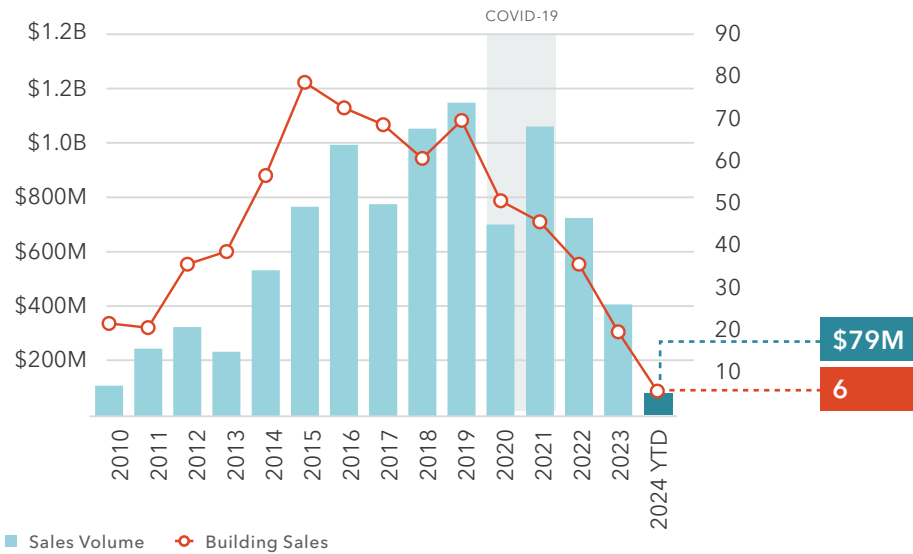
EAST KING
Page 18

PIERCE
Page 30

INVENTORY

	Units	Buildings
TOTAL	59,259	933
5 TO 50 UNITS	10,658	633
50+ UNITS	48,601	300
12-MONTH DELIVERIES	1,103	7
AVERAGE UNIT SIZE	856 SF	

SALES TRENDS



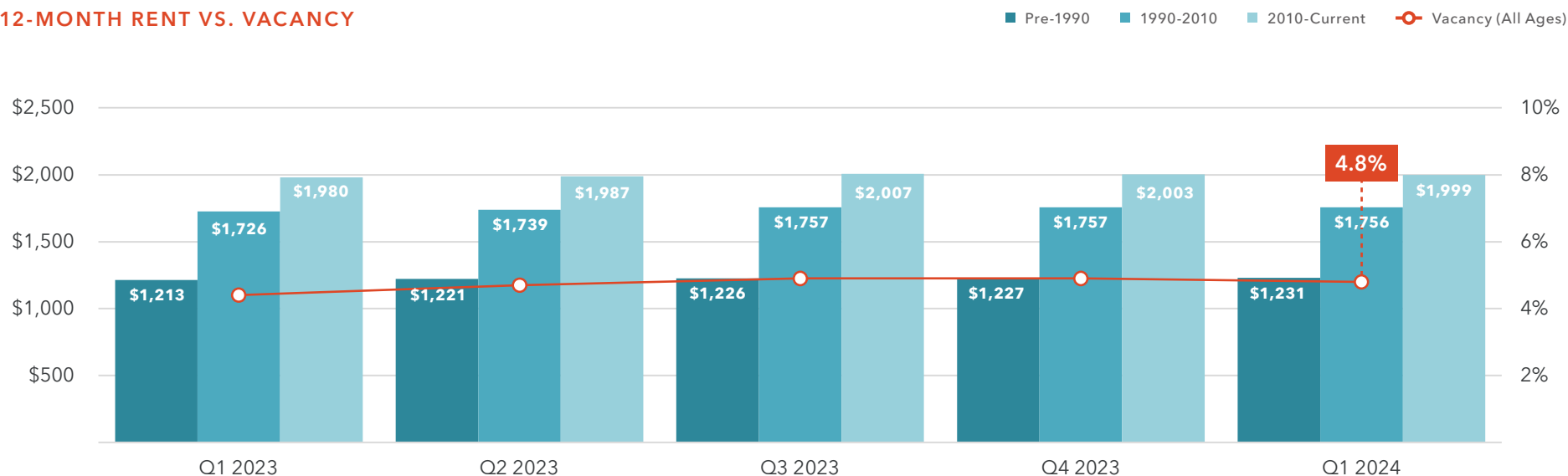
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	69	61	70	51	46	36	20	3	▲ 100%	7	▼ 14%	6
SALES VOLUME	\$781M	\$1.1B	\$1.2B	\$705M	\$1.1B	\$730M	\$412M	\$13M	▲ 490%	\$256M	▼ 69%	\$79M
PRICE/UNIT	\$169K	\$216K	\$202K	\$230K	\$306K	\$229K	\$218K	\$190K	▼ 4%	\$213K	▼ 14%	\$183K
PRICE/SF	\$186	\$222	\$231	\$240	\$329	\$289	\$259	\$219	▲ 2%	\$250	▼ 11%	\$223
CAP RATE	5.0%	5.0%	5.0%	4.8%	4.6%	4.5%	4.9%	3.3%	▲ 210 bps	5.2%	▲ 20 bps	5.4%

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



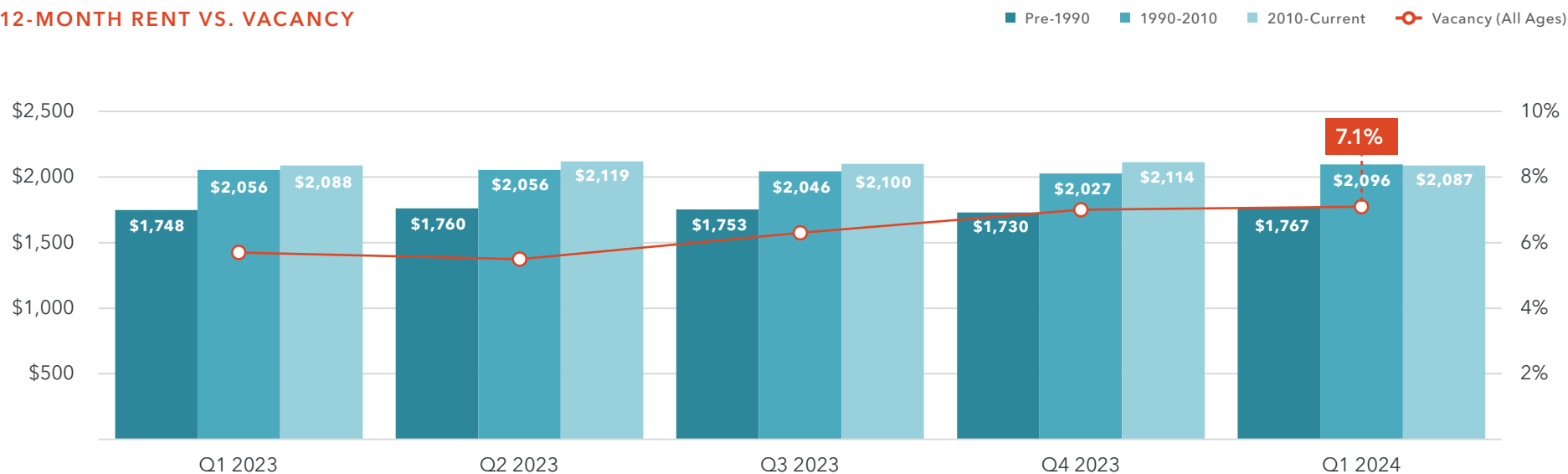
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,110	\$1,148	\$1,184	\$1,205	\$1,236	\$1,274	\$1,299	\$1,282	▲ 2%	\$1,299	▲ 0.2%	\$1,302
RENT/SF	\$1.39	\$1.44	\$1.49	\$1.52	\$1.56	\$1.60	\$1.63	\$1.61	▲ 2%	\$1.63	▲ 0.6%	\$1.64
VACANCY	4.4%	4.8%	4.4%	4.1%	3.3%	4.1%	4.9%	4.4%	▲ 40 bps	4.9%	▼ 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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,402	\$1,457	\$1,531	\$1,566	\$1,758	\$1,838	\$1,838	\$1,853	▲ 1%	\$1,838	▲ 2%	\$1,873
RENT/SF	\$1.63	\$1.70	\$1.78	\$1.82	\$2.05	\$2.14	\$2.14	\$2.16	▲ 1%	\$2.14	▲ 2%	\$2.18
VACANCY	5.1%	6.1%	5.5%	5.5%	4.0%	5.4%	7.0%	5.7%	▲ 140 bps	7.0%	▲ 10 bps	7.1%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER
WINSLOW LEE

Many Snohomish multifamily investors are still sitting on the sidelines. But, now may be the time to jump back in as cap rate expansion is showing signs of slowing, and rent and occupancy fundamentals remain intact.

 **SALES INSIGHT**

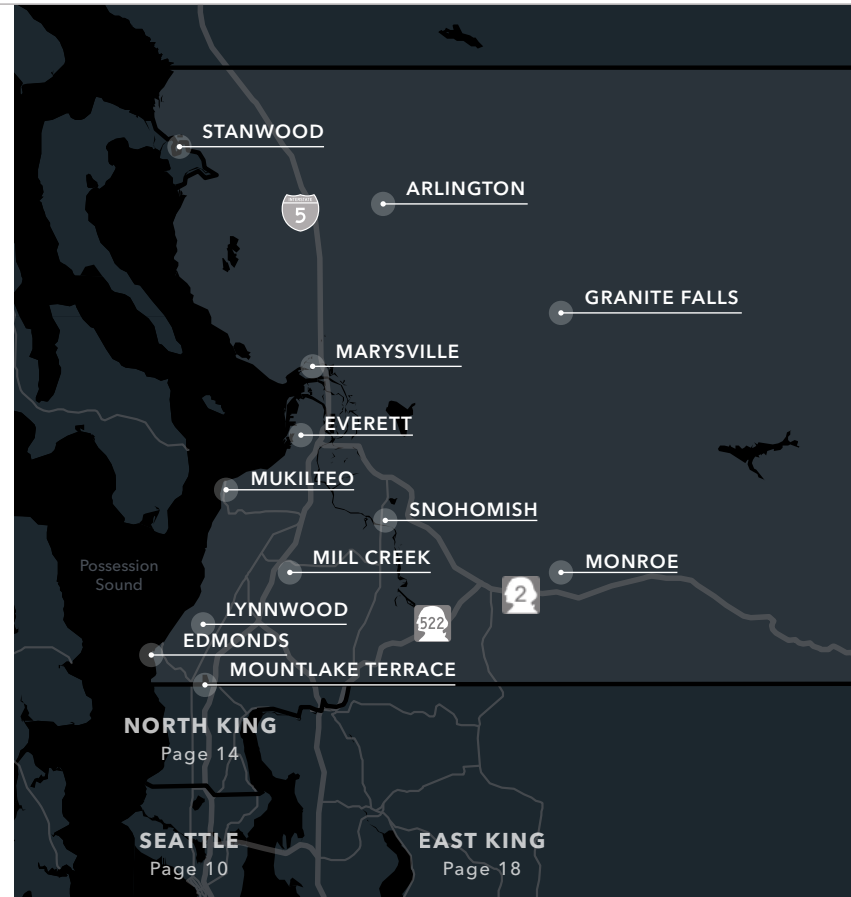
Very modest sales activity still dominates Snohomish with a second consecutive quarter of only five transactions. As a result, this actually puts sales activity slightly below the same quarter last year, which saw eight transactions and 5% higher sales volume in dollar terms.

 **RENT / VACANCY INSIGHT**

While vacancy had been rising previously, we see signs of this rise tapering off: Year-over-year, vacancy rates are down by 30 bps, on average, dropping from 6.2% to 5.9%. Alongside falling vacancy, rental rates are up 1.2% year-over-year. These positive trends should continue given the lack of new supply under construction.

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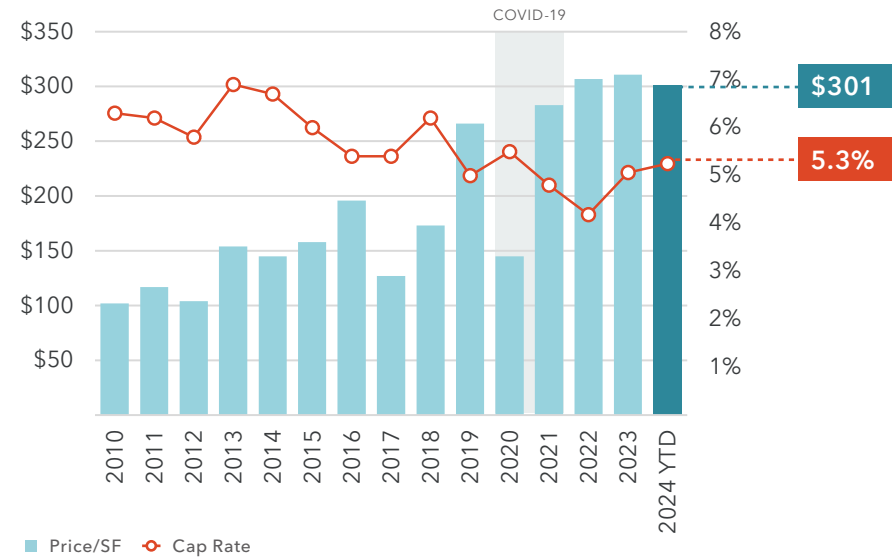
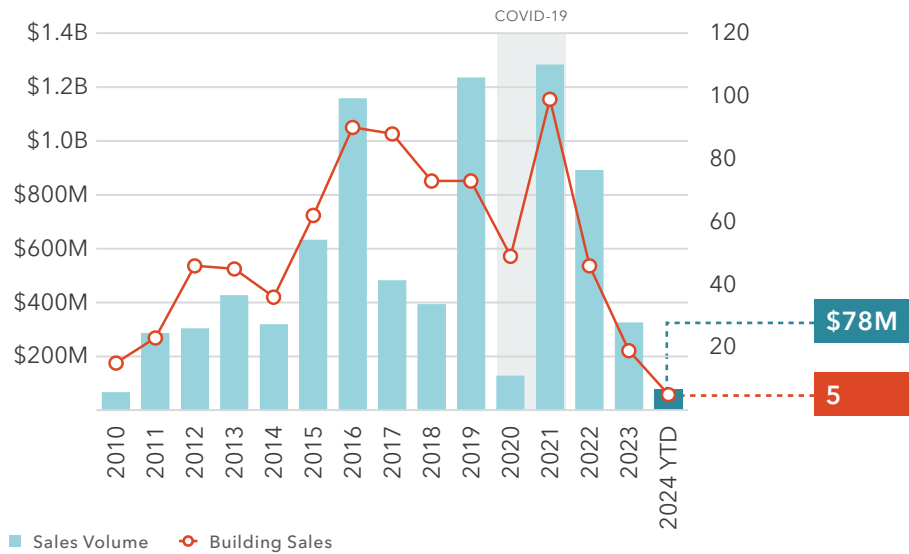
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



INVENTORY

	Units	Buildings
TOTAL	49,145	1,007
5 TO 50 UNITS	10,405	791
50+ UNITS	38,740	216
12-MONTH DELIVERIES	1,035	8
AVERAGE UNIT SIZE	873 SF	

SALES TRENDS



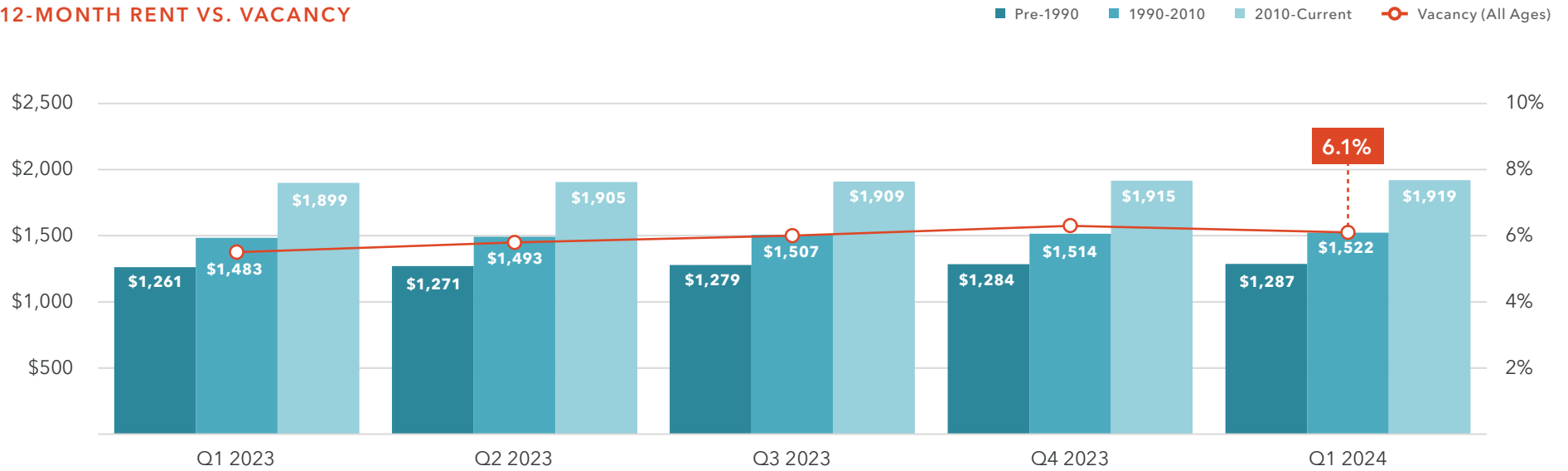
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	88	73	73	49	99	46	19	8	▼ 38%	5	No Change	5
SALES VOLUME	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$892M	\$325M	\$82M	▼ 5%	\$29M	▲ 173%	\$78M
PRICE/UNIT	\$121K	\$169K	\$228K	\$164K	\$261K	\$272K	\$263K	\$245K	▼ 16%	\$275K	▼ 25%	\$207K
PRICE/SF	\$127	\$173	\$266	\$145	\$283	\$307	\$311	\$307	▼ 2%	\$303	▼ 1%	\$301
CAP RATE	5.4%	6.2%	5.0%	5.5%	4.8%	4.2%	5.1%	4.9%	▲ 36 bps	5.5%	▼ 25 bps	5.3%

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



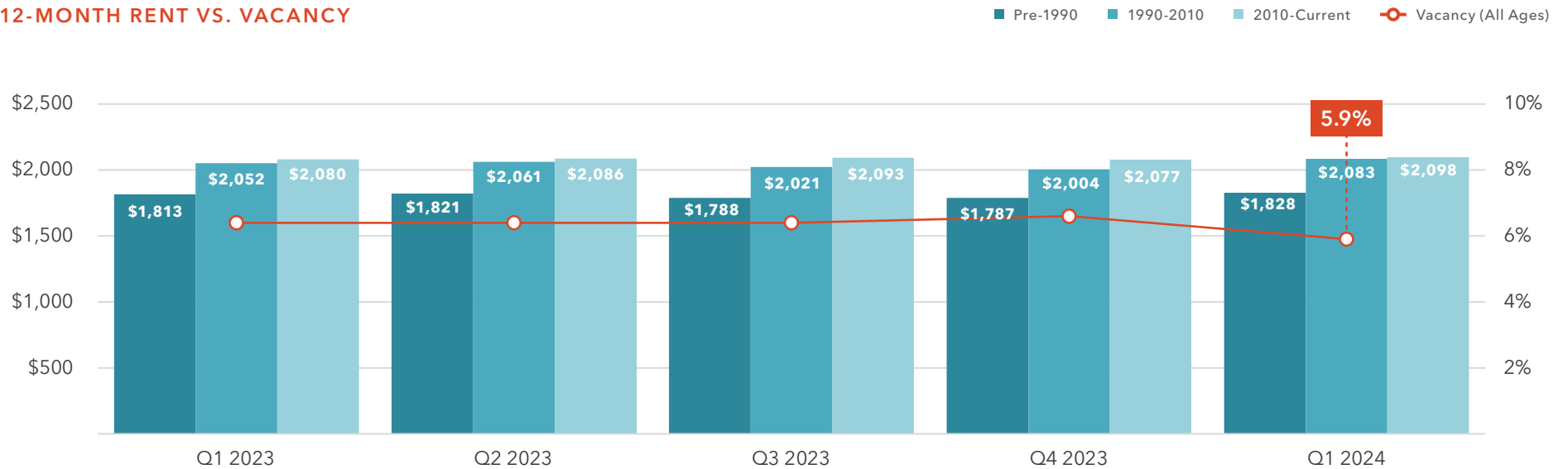
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,182	\$1,220	\$1,255	\$1,285	\$1,322	\$1,370	\$1,409	\$1,385	▲ 2%	\$1,409	▲ 0.3%	\$1,413
RENT/SF	\$1.37	\$1.41	\$1.45	\$1.49	\$1.53	\$1.59	\$1.64	\$1.61	▲ 2%	\$1.64	No Change	\$1.64
VACANCY	5.1%	4.7%	5.0%	5.1%	4.1%	5.3%	6.3%	5.5%	▲ 60 bps	6.3%	▼ 20 bps	6.1%

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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,455	\$1,524	\$1,598	\$1,621	\$1,833	\$1,896	\$1,935	\$1,963	▲ 1%	\$1,935	▲ 3%	\$1,985
RENT/SF	\$1.67	\$1.75	\$1.84	\$1.86	\$2.11	\$2.18	\$2.22	\$2.26	▲ 1%	\$2.22	▲ 3%	\$2.28
VACANCY	5.8%	5.0%	5.9%	5.4%	4.9%	6.6%	6.6%	6.4%	▼ 50 bps	6.6%	▼ 70 bps	5.9%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER

Vacancy rates in Pierce County are currently elevated relative to historical norms. However, with no significant new construction in the pipeline, positive absorption should bring those elevated levels back down throughout the remainder of the year.

 **SALES INSIGHT**

Sales continued to struggle in Pierce during the first quarter of this year with only three transactions taking place, albeit at a slightly higher dollar value. So, with limited transaction activity, investors should be cautious when trying to identify trends in data specific to this Puget Sound submarket.

 **RENT / VACANCY INSIGHT**

Vacancy ticked up higher year-over-year and now stands at 7.3% across product types, as compared to 7.1% in the first quarter of last year. Similarly, the vacancy rate now stands more than 200 bps higher than the previous five-year average. In our view, these elevated vacancy levels won't persist for too long as the existing supply is absorbed in the coming quarters.

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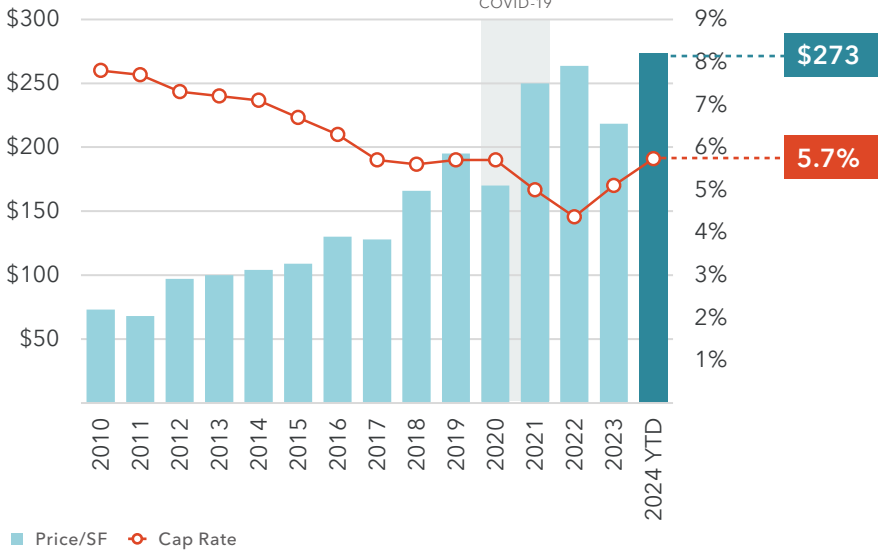
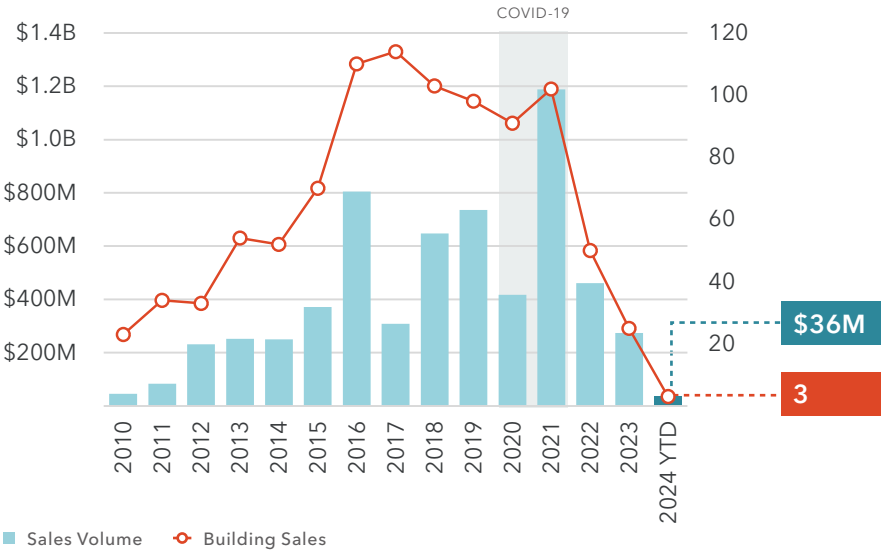


SOUTH KING
Page 22

INVENTORY

	Units	Buildings
TOTAL	65,400	1,422
5 TO 50 UNITS	17,850	1,089
50+ UNITS	47,550	333
12-MONTH DELIVERIES	1,587	14
AVERAGE UNIT SIZE	843 SF	

SALES TRENDS



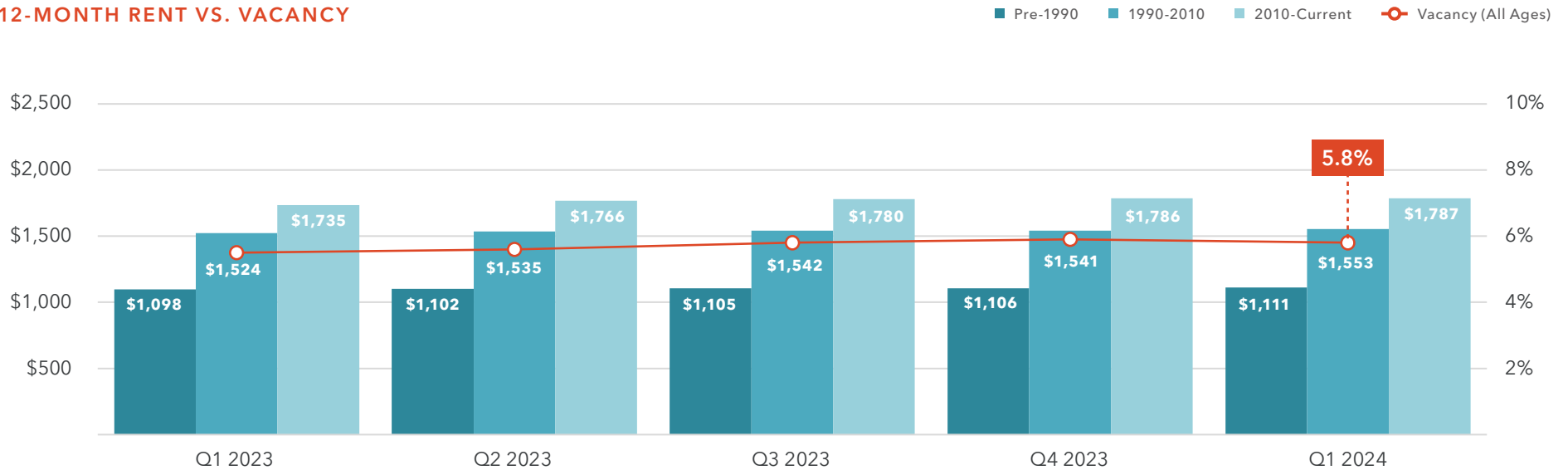
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	114	103	98	91	102	50	25	6	▼ 50%	5	▼ 40%	3
SALES VOLUME	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$461M	\$274M	\$31M	▲ 16%	\$17M	▲ 109%	\$36M
PRICE/UNIT	\$118K	\$151K	\$174K	\$171K	\$249K	\$213K	\$180K	\$142K	▲ 61%	\$163K	▲ 40%	\$228K
PRICE/SF	\$128	\$166	\$195	\$170	\$250	\$264	\$218	\$219	▲ 25%	\$200	▲ 37%	\$273
CAP RATE	5.7%	5.6%	5.7%	5.7%	5.0%	4.4%	5.1%	4.4%	▲ 136 bps	6.2%	▼ 47 bps	5.7%

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



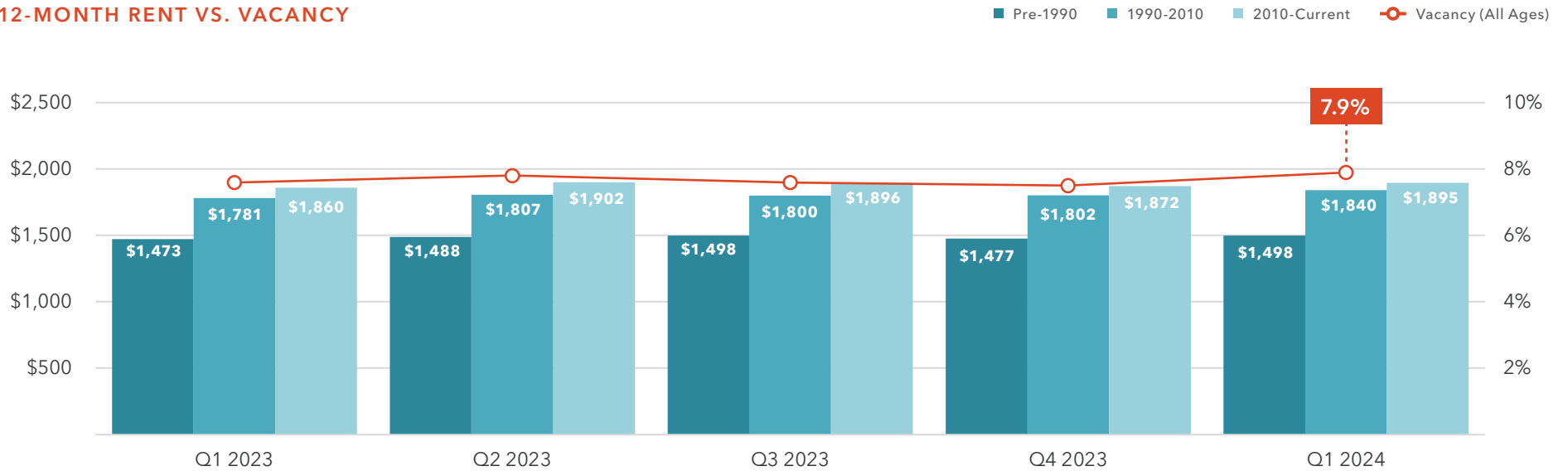
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,006	\$1,041	\$1,075	\$1,101	\$1,141	\$1,178	\$1,194	\$1,182	▲ 1%	\$1,194	▲ 0.4%	\$1,199
RENT/SF	\$1.30	\$1.34	\$1.39	\$1.42	\$1.48	\$1.52	\$1.55	\$1.53	▲ 1%	\$1.55	No Change	\$1.55
VACANCY	4.8%	4.6%	4.6%	4.0%	4.3%	5.1%	5.9%	5.5%	▲ 30 bps	5.9%	▼ 10 bps	5.8%

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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,241	\$1,306	\$1,384	\$1,459	\$1,607	\$1,661	\$1,668	\$1,657	▲ 2%	\$1,668	▲ 2%	\$1,694
RENT/SF	\$1.45	\$1.52	\$1.62	\$1.70	\$1.88	\$1.94	\$1.95	\$1.94	▲ 2%	\$1.95	▲ 2%	\$1.98
VACANCY	6.9%	5.6%	6.8%	5.3%	5.2%	6.8%	7.5%	7.6%	▲ 30 bps	7.5%	▲ 40 bps	7.9%

All building ages, 5+ unit apartment buildings



DYLAN SIMON
JD FULLER

Sales activity has yet to recover in Kitsap County, which limits our ability to get a read on market valuations. However, with modest rent growth and falling vacancy expected in the near term, fundamentals appear intact.

 SALES INSIGHT

Kitsap saw only one transaction during the quarter for approximately \$1 million: The property traded at a valuation of \$175,000 per unit (or \$223 per square foot), and the cap rate was not reported. Thus, it’s safe to say that it was a slow quarter in Kitsap, and we’ll have to wait for more sales activity before we have an opportunity to observe a change in overall valuations.

 RENT / VACANCY INSIGHT

With the delivery of two assets during the quarter totaling 442 units, vacancy rates spiked amongst Kitsap multifamily, reversing the trend of positive absorption that the market had enjoyed throughout 2023. Notwithstanding the uptick in vacancy, rental rates continued to grow - both year-over-year and from the previous quarter. Looking forward, we expect that trend of positive absorption to continue given the limited new supply in the pipeline.

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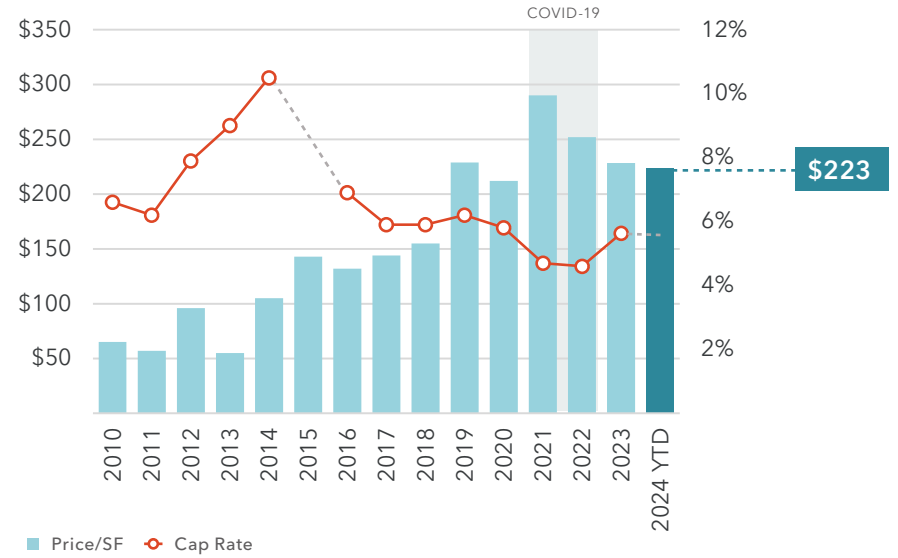
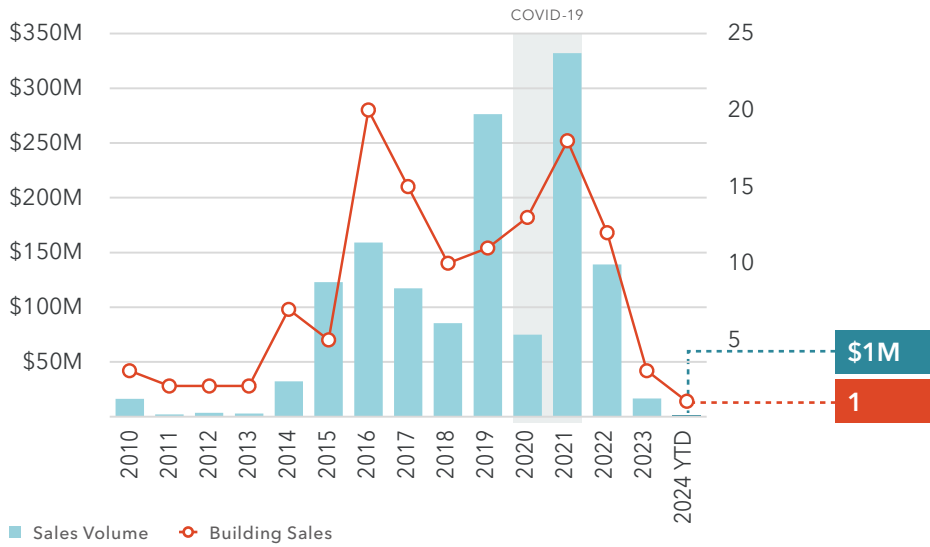
→ [SIMONANDERSONTEAM.COM](https://simonandersonteam.com)



INVENTORY

	Units	Buildings
TOTAL	1,986	207
5 TO 50 UNITS	2,359	139
50+ UNITS	9,627	68
12-MONTH DELIVERIES	574	5
AVERAGE UNIT SIZE	846 SF	

SALES TRENDS



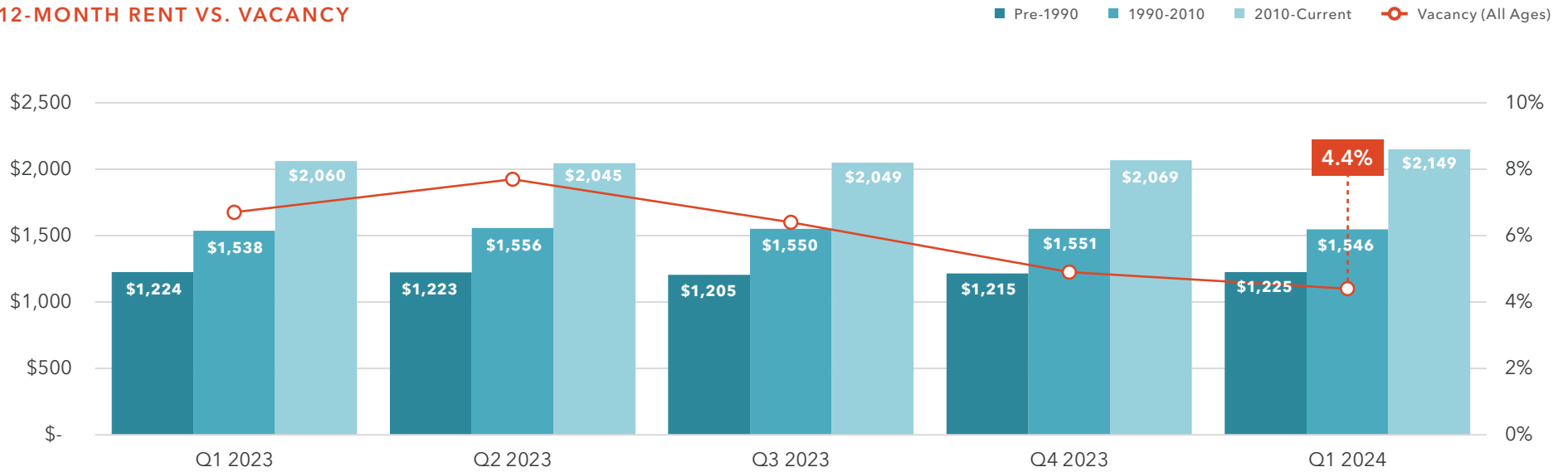
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
BUILDING SALES	15	10	11	13	18	12	3	2	▼ 50%	No Sales	N/A	1
SALES VOLUME	\$117M	\$85M	\$276M	\$75M	\$332M	\$139M	\$16M	\$10M	▼ 86%	No Sales	N/A	\$1M
PRICE/UNIT	\$132K	\$138K	\$222K	\$196K	\$255K	\$233K	\$224K	\$228K	▼ 23%	No Sales	N/A	\$175K
PRICE/SF	\$144	\$155	\$229	\$212	\$290	\$252	\$228	\$197	▲ 13%	No Sales	N/A	\$223
CAP RATE	5.9%	5.9%	6.2%	5.8%	4.7%	4.6%	5.6%	5.8%	N/A	No Sales	N/A	Not Reported

All building ages, 5+ unit apartment buildings

RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

12-MONTH RENT VS. VACANCY



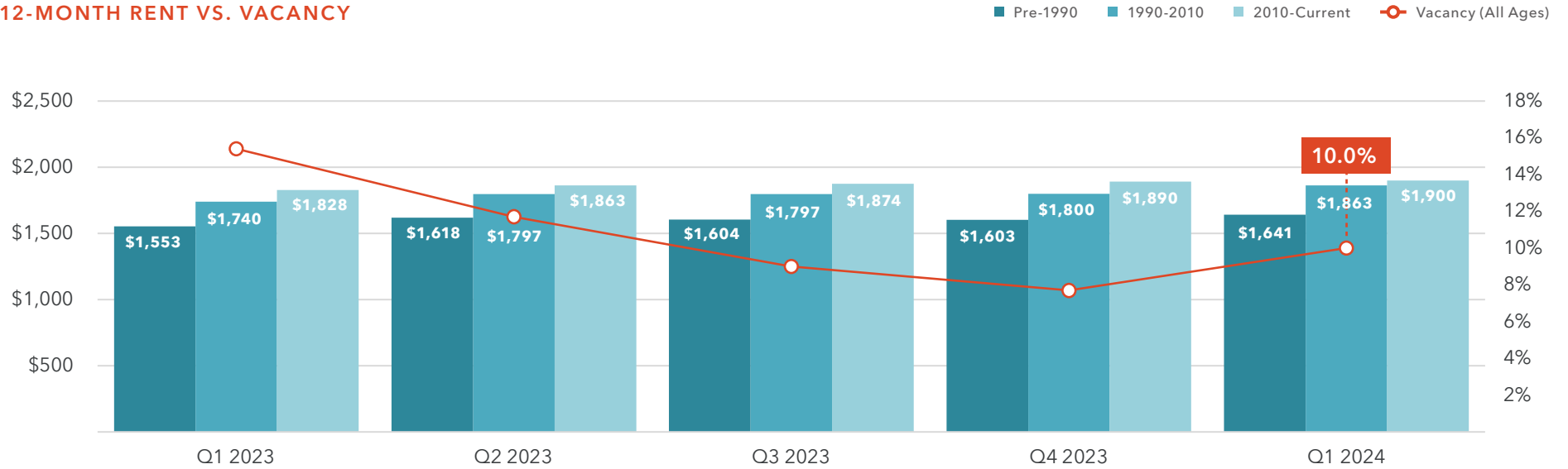
HISTORICAL RENT & VACANCY

	2017	2018	2019	2020	2021	2022	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,226	\$1,269	\$1,324	\$1,363	\$1,413	\$1,443	\$1,434	\$1,436	▲ 1%	\$1,436	▲ 1%	\$1,454
RENT/SF	\$1.51	\$1.56	\$1.63	\$1.67	\$1.74	\$1.77	\$1.76	\$1.76	▲ 2%	\$1.76	▲ 2%	\$1.79
VACANCY	4.8%	5.6%	4.6%	3.7%	3.2%	6.0%	4.9%	6.7%	▼ 230 bps	6.7%	▼ 50 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	2023	Q1 2023	12-Month Change	Q4 2023	90-Day Change	Q1 2024
RENT	\$1,366	\$1,456	\$1,519	\$1,566	\$1,808	\$1,729	\$1,748	\$1,692	▲ 5%	\$1,748	▲ 2%	\$1,785
RENT/SF	\$1.61	\$1.72	\$1.79	\$1.85	\$2.13	\$2.04	\$2.06	\$1.99	▲ 6%	\$2.06	▲ 2%	\$2.10
VACANCY	5.6%	5.8%	6.4%	6.2%	5.2%	14.3%	7.7%	15.4%	▼ 540 bps	7.7%	▲ 230 bps	10.0%

All building ages, 5+ unit apartment buildings

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Dylan is a market-leading broker throughout Puget Sound & 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 focuses on urban apartment and land sales in the City of Seattle. His clients hire him for pricing outperformance and industry-leading successful closing percentage.

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Analyst



CASSIE PIETERS
Broker Assistant



ALICE LUNDT
Broker Assistant



MATTIE TONSETH
Marketing Assistant



ASHLEY WOODLIFF
Marketing Assistant



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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