

SIMON | ANDERSON TEAM

SEATTLE & PUGET SOUND APARTMENT MARKET DYNAMICS

2022
Q1

INTRODUCTION

Despite the rockiness of the last 24 months, the Pacific Northwest remains one of the most robust economies in the nation. At the start of the decade, the strong growth that defined the previous decade was forecasted to continue through the next decade in a linear fashion. But then, the COVID-19 outbreak in the winter of 2020 put such prognostications into question. Even so, in 2021, the region proved any doubters wrong.

In fact, the strength of the Pacific Northwest economy was only bolstered by the events of the last two years and, as a result, the region is now stronger than ever. For instance, just a few years ago, Seattle was the crown jewel of the region, but now it's joined by the up-and-coming downtown Bellevue economy, continuing its growth by leaps and bounds. The result is a supercharged regional economy boasting resilience and growth for decades to come.

As you will read in this report, renters and investors alike demonstrated a commitment to urban and suburban markets throughout the Pacific Northwest this past year. We invite you to draw your own conclusions, and then reach out to the experts on our team to learn more about how to seize opportunity in the Pacific Northwest apartment market.



DYLAN SIMON



JERRID ANDERSON

TABLE OF CONTENTS

| | | | |
|-------------------------------|----|------------------------|----|
| Apartment Experts | 3 | South King County | 38 |
| Puget Sound Regional Overview | 4 | Snohomish County | 46 |
| Urban King County | 10 | Urban Tacoma | 54 |
| North King County | 22 | Suburban Pierce County | 62 |
| East King County | 30 | Kitsap County | 70 |

APARTMENT EXPERTS

OUR EXPERTISE



MICROS



50+ UNIT



DEVELOPMENT



5 TO 50 UNIT

\$1.45B

TOTAL VALUE SOLD & UNDER CONTRACT

5,841

TOTAL UNITS SOLD & UNDER CONTRACT

2.1M SF

DEVELOPMENT LAND SOLD & UNDER CONTRACT

\$374M

ACTIVE LISTINGS & LISTINGS COMING TO MARKET

CLICK BELOW TO VIEW OUR PRIOR RESEARCH REPORTS

↓ 2021 MID-YEAR UPDATE

↓ 2021 END OF YEAR REPORT

↓ 2021 MICRO REPORT

BROKERS

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 is the most active apartment broker in Seattle where he sold 22 apartment buildings in 2021. Jerrid has brokered over one billion dollars of urban apartment and land sales and holds numerous sales records in Seattle.

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 Broker



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.

Ashley Woodliff

Marketing Coordinator



Ashley manages marketing and design for both team and property marketing ensuring collateral exceeds market expectations.

Cassie Pieters

Broker 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.

Aida Santana

Broker Assistant



Aida's affinity for data, information gathering, and reporting, combined with executive level support is crucial to the team's success.

PUGET SOUND

Once again, the Pacific Northwest demonstrated its significance as one of the most exciting – and investable – real estate markets in the nation.

Entering 2021, it was not expected (or even considered) that the region would end the year with rental rates nearly 13% higher, vacancy rates cut by 30%, and sales volume rivaling 2019 – the largest sales volume year on record. Yet, the vibrancy of the Pacific Northwest apartment market rang true and loud.

By nearly every metric we measured, the Puget Sound apartment market surged forward in 2021, demonstrating economic strength and investor confidence. Now, the question on the mind of most investors is: How much more will this market grow? Looking at office leasing activity, statewide in-migration, and the continued housing shortage, it's clear that the Puget Sound apartment market has plenty of room to run.

Inventory

| | Units | Buildings |
|----------------------------|---------|-----------|
| Total | 371,424 | 8,995 |
| 5 to 50-Units | 98,531 | 6,551 |
| 50+ Units | 272,893 | 2,444 |
| 12-Month Deliveries | 9,744 | 523 |
| Average Unit Size | 818 SF | |

Rent & Vacancy

| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|----------------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,631 | ▲ 13% | \$1,854 | ▼ 1% | \$1,837 |
| Vacancy | 7.0% | ▼ 220 bps | 4.7% | ▲ 10 bps | 4.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

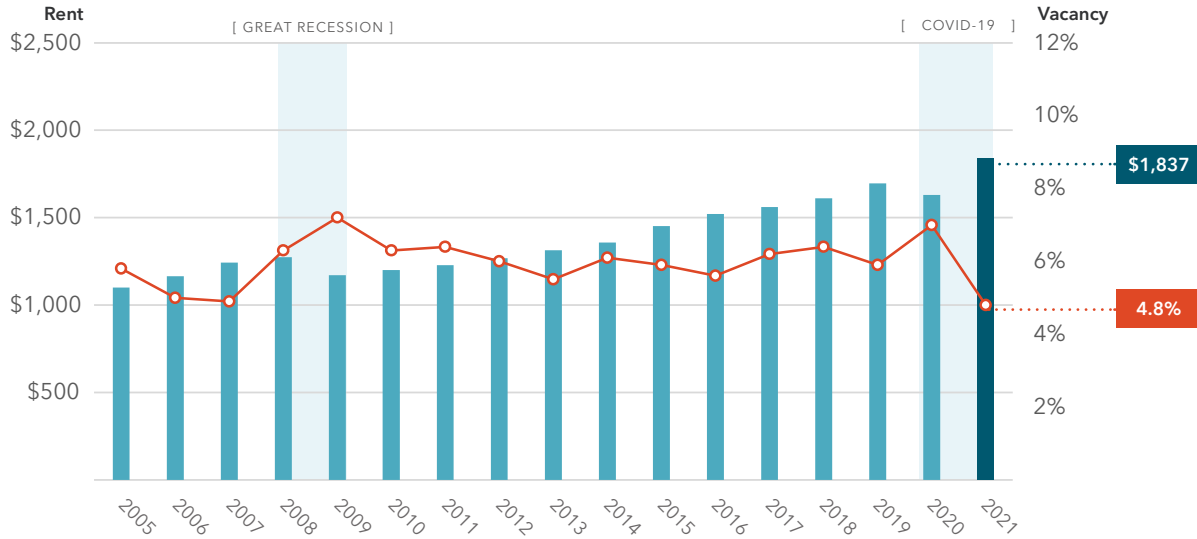
Historical Sales Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] | | [LAST QUARTER] | | 2021 |
|-----------------------|--------|--------|--------|--------|--------|-------------------|-----------------|------------------|--------------|-------------|
| | | | | | | Q4 2020 | 12-Month Change | Q4 2021 | Y-O-Y Change | 2021 |
| Building Sales | 507 | 483 | 456 | 490 | 359 | 130 | ▲ 16% | 151 | ▲ 7% | 383 |
| Sales Volume | \$5.5B | \$4.5B | \$4.5B | \$8.3B | \$3.4B | \$1.6B | ▲ 112% | \$3.4B | ▲ 130% | \$7.8B |
| Price/Unit | \$195K | \$226K | \$238K | \$281K | \$272K | \$262K | ▲ 12% | \$294K | ▲ 2% | \$381K |
| Price/SF | \$205 | \$238 | \$260 | \$326 | \$285 | \$256 | ▲ 48% | \$378 | ▲ 26% | \$314 |
| Cap Rate | 5.4% | 4.9% | 5.0% | 4.8% | 5.0% | 5.0% | ▼ 94 bps | 4.1% | ▼ 97 bps | 4.0% |

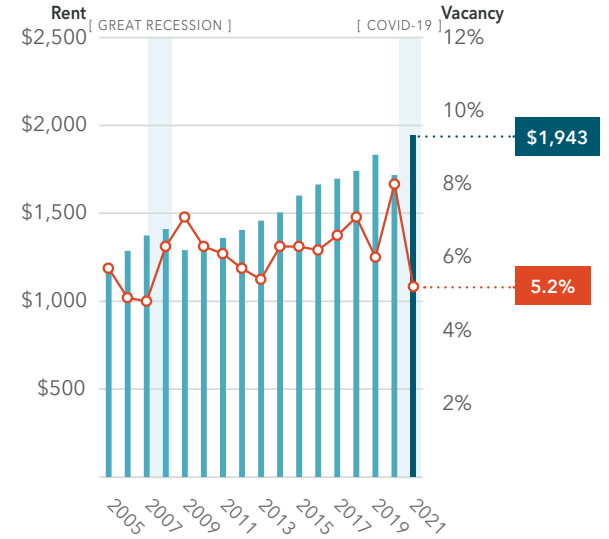
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

REGIONAL HISTORIC RENT VS. VACANCY

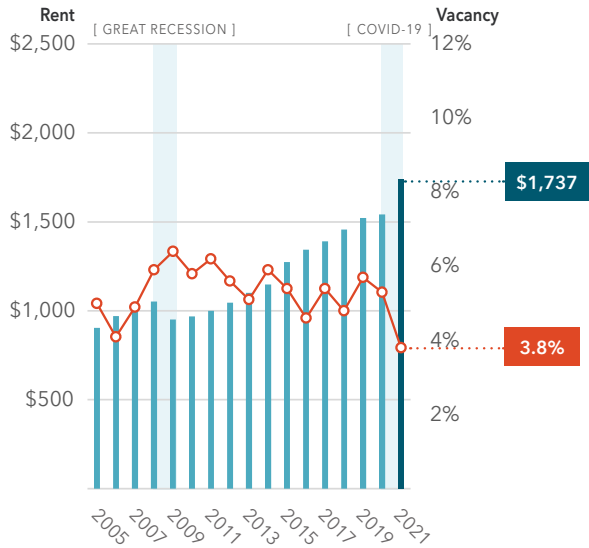
Puget Sound Region



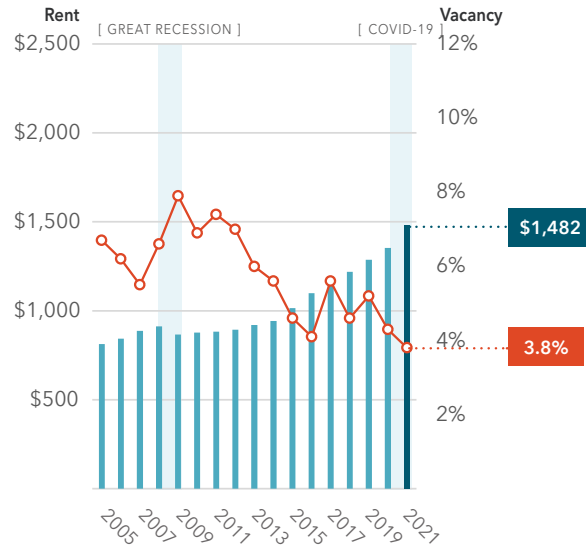
King County



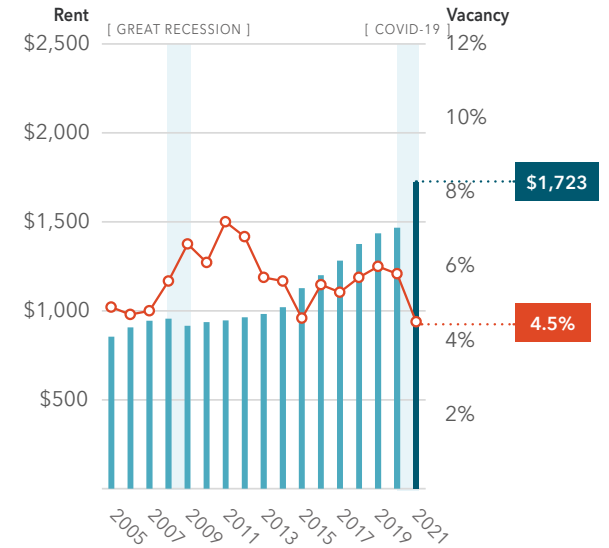
Snohomish County



Pierce County

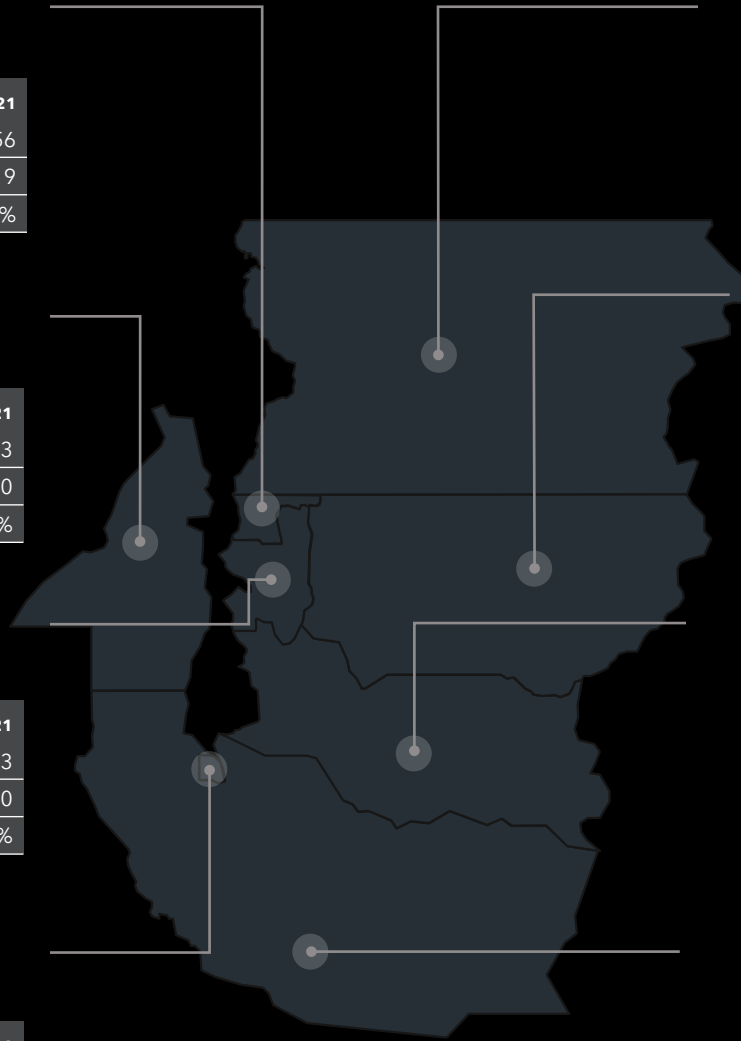


Kitsap County



■ RENT ○ VACANCY

REGIONAL BUILDING INCOME VELOCITY



North King

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,511 | ▲10% | \$1,658 | ▼0.1% | \$1,656 |
| RENT/SF | \$1.99 | ▲10% | \$2.19 | - | \$2.19 |
| VACANCY | 6.6% | ▼180 bps | 5.4% | ▼60 bps | 4.8% |

Snohomish

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,541 | ▲13% | \$1,742 | ▼0.3% | \$1,737 |
| RENT/SF | \$1.76 | ▲13% | \$1.99 | ▼0.5% | \$1.98 |
| VACANCY | 5.3% | ▼150 bps | 3.9% | ▼10 bps | 3.8% |

Kitsap

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,467 | ▲18% | \$1,754 | ▼2% | \$1,723 |
| RENT/SF | \$1.70 | ▲18% | \$2.04 | ▼2% | \$2.00 |
| VACANCY | 5.8% | ▼130 bps | 3.4% | ▲110 bps | 4.5% |

East King

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,923 | ▲15% | \$2,225 | ▼1% | \$2,202 |
| RENT/SF | \$2.14 | ▲15% | \$2.48 | ▼1% | \$2.45 |
| VACANCY | 8.0% | ▼280 bps | 5.9% | ▼70 bps | 5.2% |

Urban King

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,802 | ▲14% | \$2,087 | ▼2% | \$2,053 |
| RENT/SF | \$2.54 | ▲14% | \$2.94 | ▼1% | \$2.90 |
| VACANCY | 9.4% | ▼340 bps | 5.8% | ▲20 bps | 6.0% |

South King

| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,485 | ▲11% | \$1,643 | ▲0.5% | \$1,652 |
| RENT/SF | \$1.74 | ▲12% | \$1.93 | ▲0.5% | \$1.94 |
| VACANCY | 5.4% | ▼180 bps | 3.4% | ▲20 bps | 3.6% |

Urban Tacoma

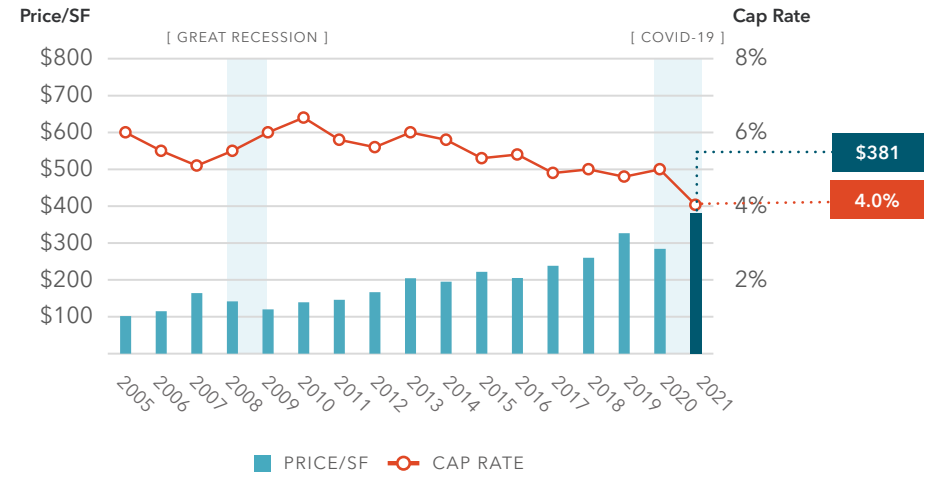
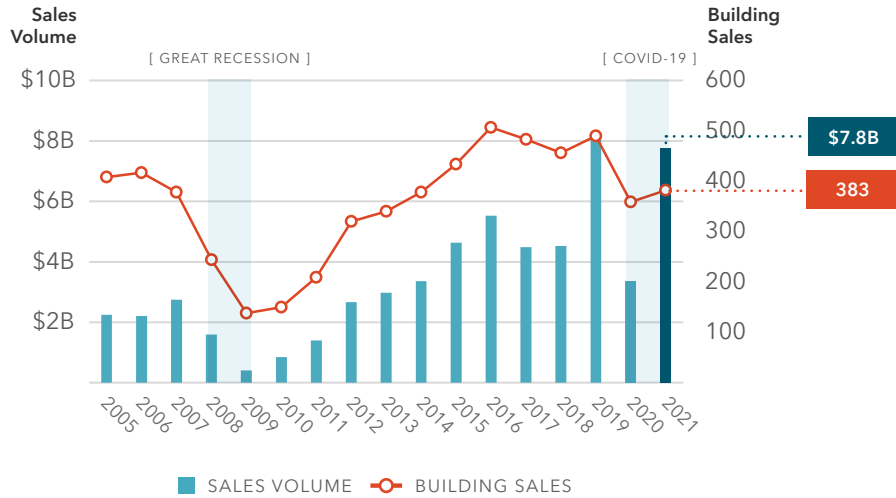
| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,289 | ▲4% | \$1,367 | ▼2% | \$1,343 |
| RENT/SF | \$1.90 | ▲4% | \$2.02 | ▼2% | \$1.98 |
| VACANCY | 4.0% | ▲230 bps | 4.1% | ▲220 bps | 6.3% |

Suburban Pierce

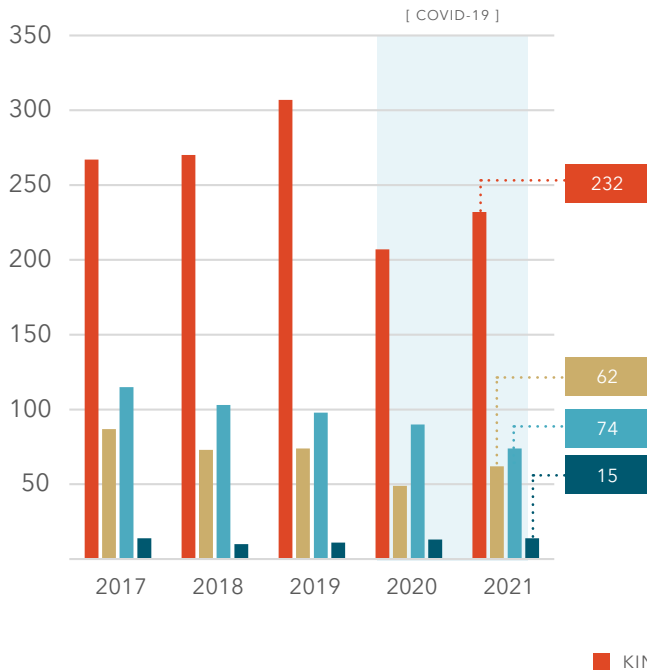
| | 2020 | 12-MO CHANGE | Q3 2021 | 90-DAY CHANGE | 2021 |
|---------|---------|--------------|---------|---------------|---------|
| RENT | \$1,361 | ▲10% | \$1,511 | ▼1% | \$1,497 |
| RENT/SF | \$1.57 | ▲10% | \$1.74 | ▼1% | \$1.72 |
| VACANCY | 4.3% | ▼90 bps | 3.1% | ▲30 bps | 3.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

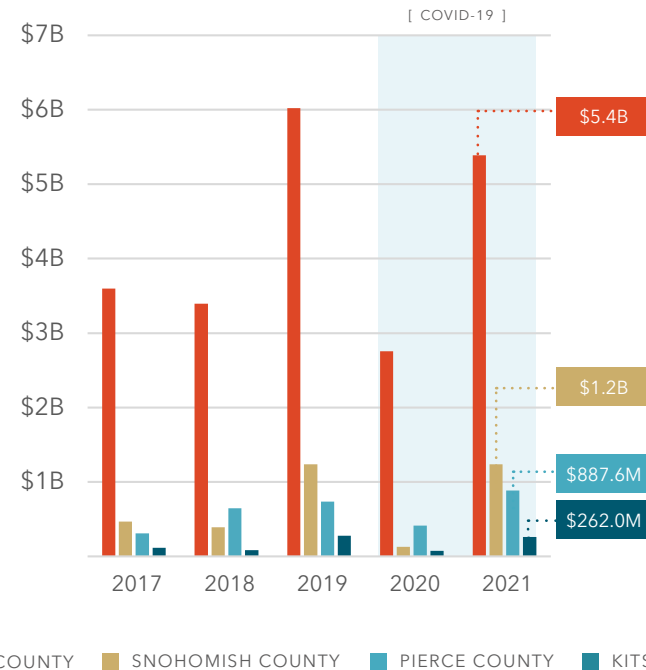
REGIONAL HISTORIC SALES



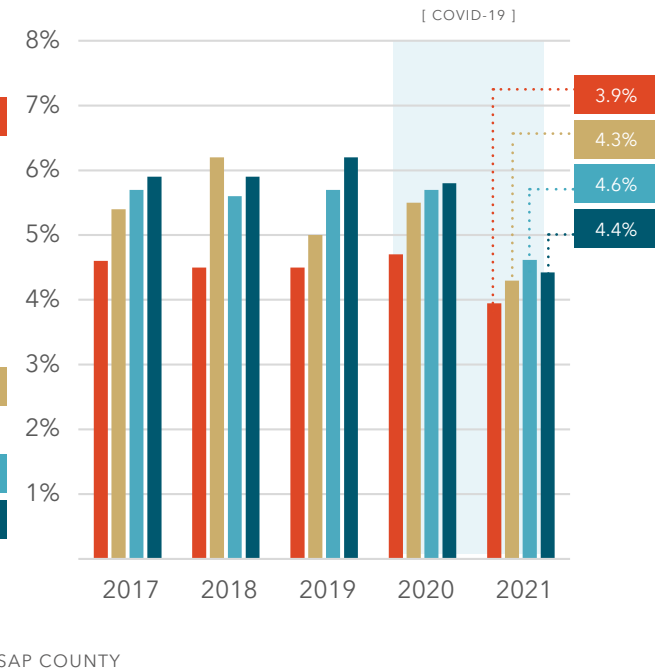
Building Sales



Sales Volume



Cap Rate



REGIONAL SALES PRICING VELOCITY

North King

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$278K | \$229K | \$269K |
| PRICE/SF | \$366 | \$251 | \$333 |
| CAP RATE | 4.7% | 4.3% | 4.4% |

Kitsap

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$222K | \$196K | \$194K |
| PRICE/SF | \$229 | \$212 | \$234 |
| CAP RATE | 6.2% | 5.8% | 4.4% |

Urban King

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$396K | \$364K | \$338K |
| PRICE/SF | \$464 | \$403 | \$449 |
| CAP RATE | 4.2% | 4.7% | 3.8% |

Urban Tacoma

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$131K | \$129K | \$208K |
| PRICE/SF | \$219 | \$181 | \$270 |
| CAP RATE | 4.9% | 6.2% | 4.3% |

Snohomish

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$228K | \$175K | \$249K |
| PRICE/SF | \$272 | \$212 | \$274 |
| CAP RATE | 5.0% | 5.5% | 4.3% |

East King

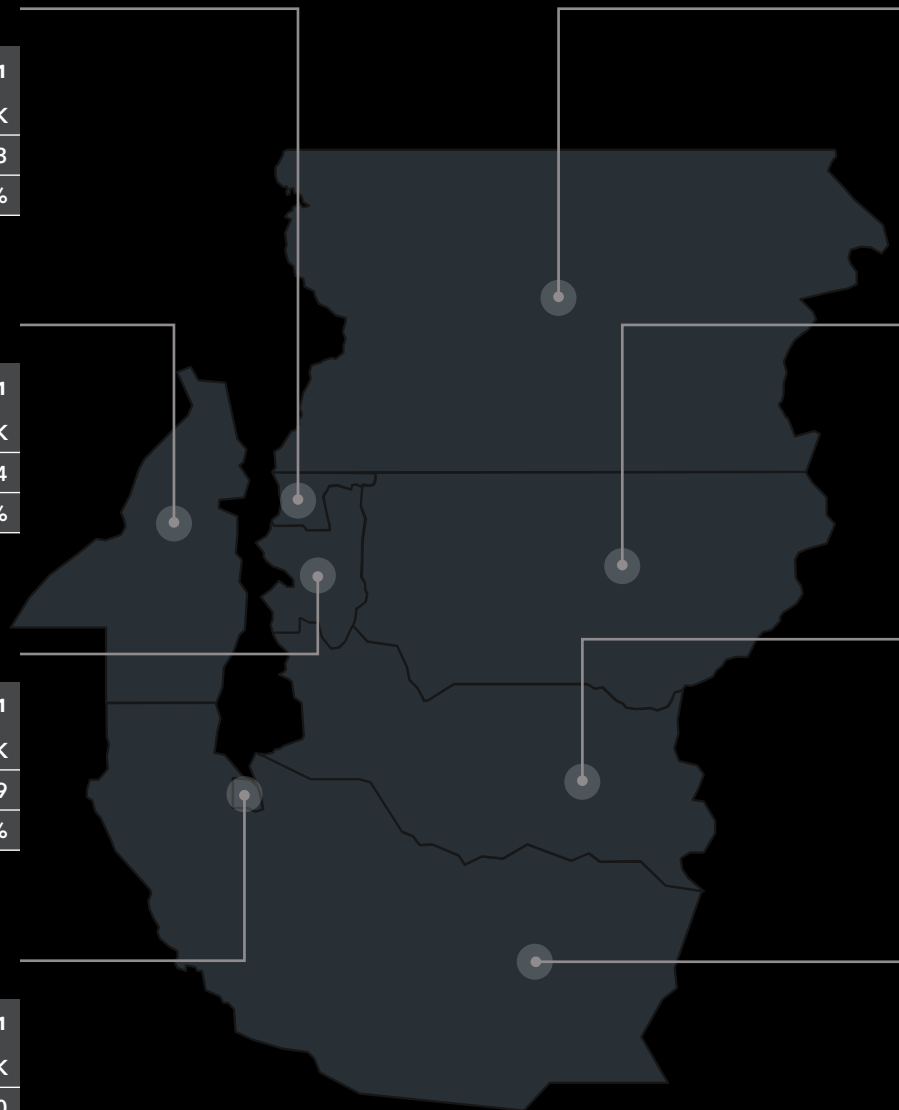
| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$373K | \$355K | \$376K |
| PRICE/SF | \$440 | \$351 | \$448 |
| CAP RATE | 4.6% | 4.2% | 3.8% |

South King

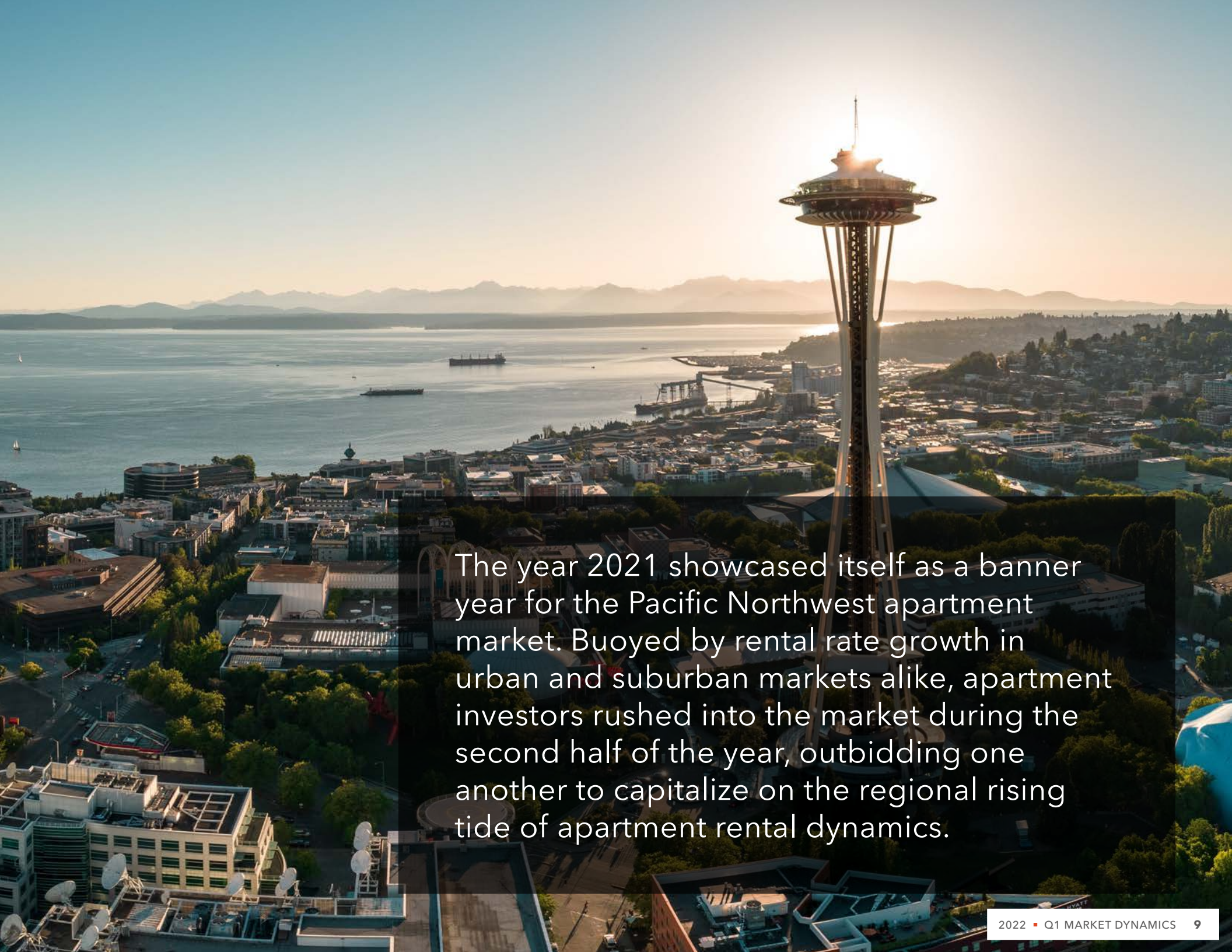
| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$202K | \$231K | \$232K |
| PRICE/SF | \$231 | \$228 | \$267 |
| CAP RATE | 5.0% | 4.8% | 4.2% |

Suburban Pierce

| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| PRICE/UNIT | \$177K | \$173K | \$181K |
| PRICE/SF | \$192 | \$171 | \$231 |
| CAP RATE | 6.0% | 5.7% | 4.7% |



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS



The year 2021 showcased itself as a banner year for the Pacific Northwest apartment market. Buoyed by rental rate growth in urban and suburban markets alike, apartment investors rushed into the market during the second half of the year, outbidding one another to capitalize on the regional rising tide of apartment rental dynamics.

URBAN KING

MARKET TRENDS

- Historically in Seattle, apartment rental rates decline 5% to 10% during winter months in Seattle; however, in Q4 2021, urban markets experienced a decline of only 1.6%, with a handful of owners still increasing rents in Q4.
- Seattle apartment rents in 2021 even outperformed 2019 - a surprise to many investors. Consequently, we're bullish on continued rent growth once the majority of the workforce is back in 2022.
- Last year, 5-50 unit apartment buildings are below 5% vacancy again, but rent growth lagged at just 2.2% year-over-year (y-o-y). At the same time, buildings with more than 50 units had vacancy rates higher than 6%, but rent growth was an astonishing 16.7% y-o-y.

Rent & Vacancy

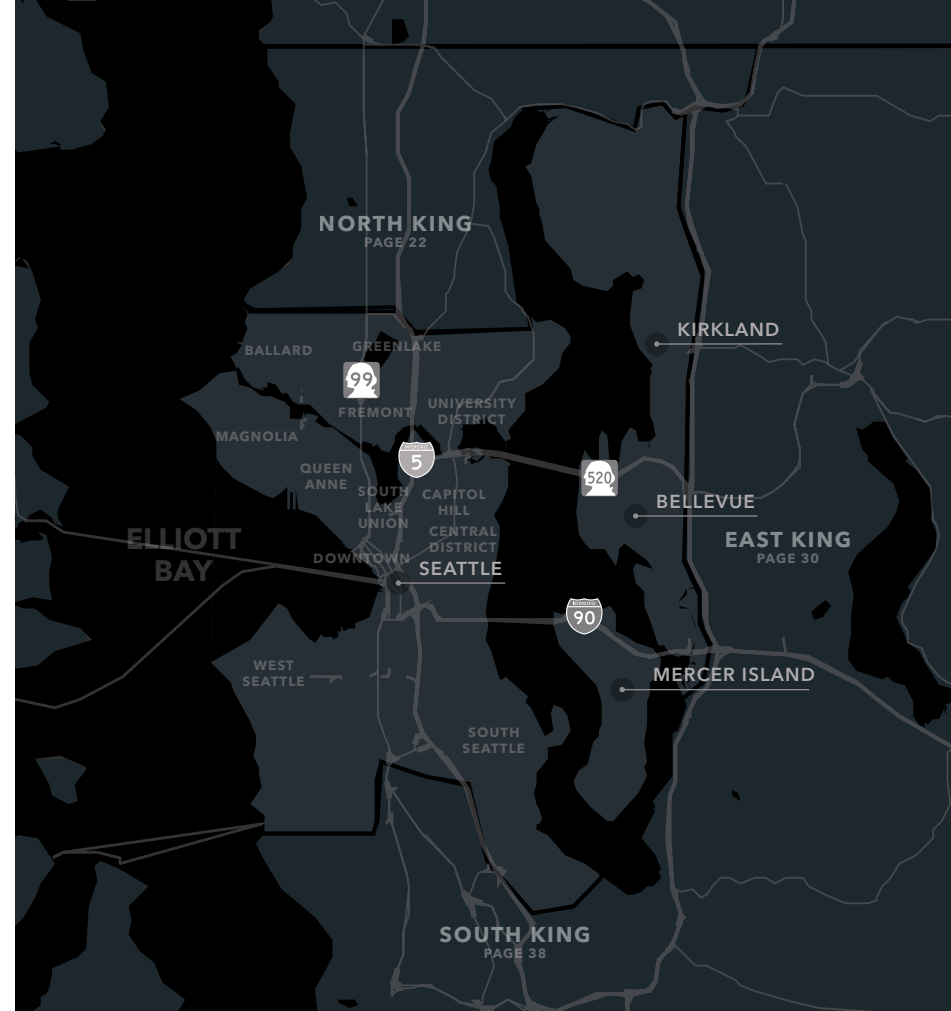
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,802 | ▲ 14% | \$2,087 | ▼ 2% | \$2,053 |
| Vacancy | 9.4% | ▼ 360 bps | 5.8% | ▲ 20 bps | 6.0% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|--------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 49 | ▲ 31% | 64 | 120 | ▲ 29% | 155 |
| Sales Volume | \$315M | ▲ 325% | \$1.3B | \$1.5B | ▲ 90% | \$2.8B |
| Price/Unit | \$252K | ▲ 38% | \$347K | \$364K | ▼ 7% | \$338K |
| Price/SF | \$224 | ▲ 119% | \$490 | \$403 | ▲ 11% | \$449 |
| Cap Rate | 4.9% | ▼ 124 bps | 3.7% | 4.7% | ▼ 85 bps | 3.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

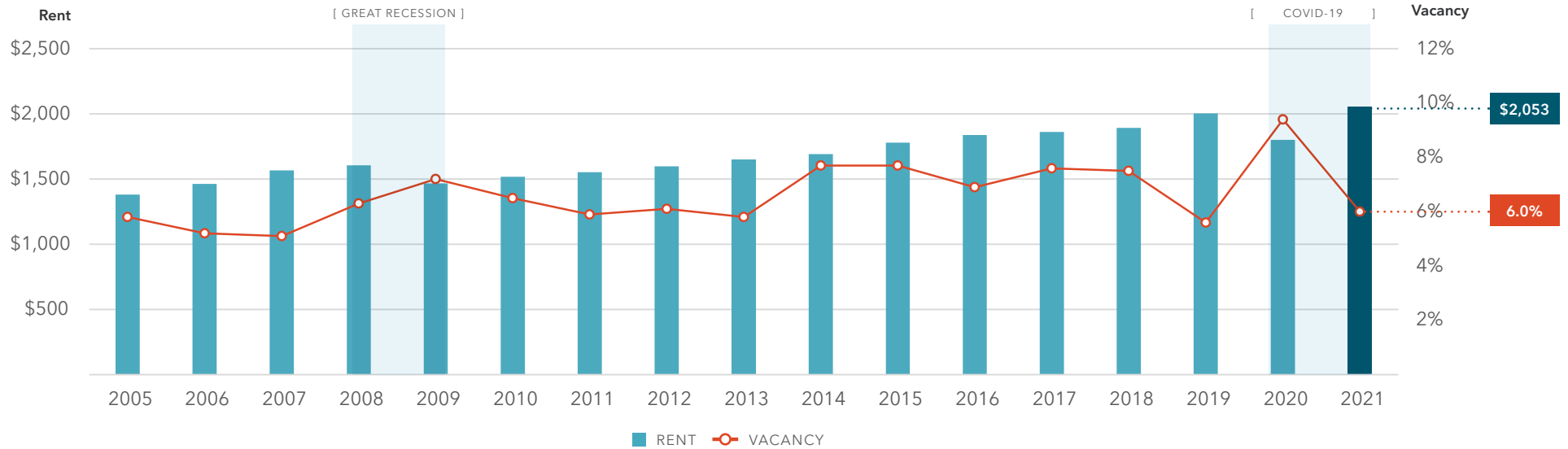


Inventory

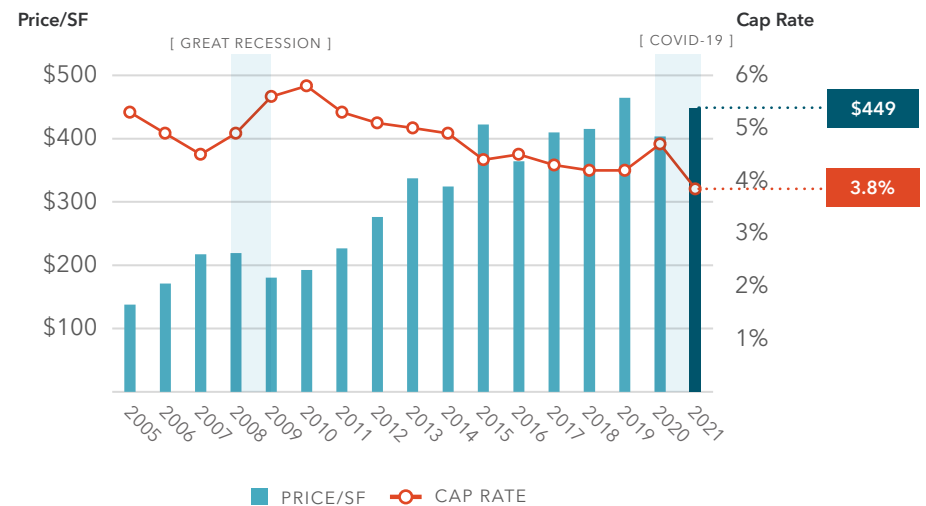
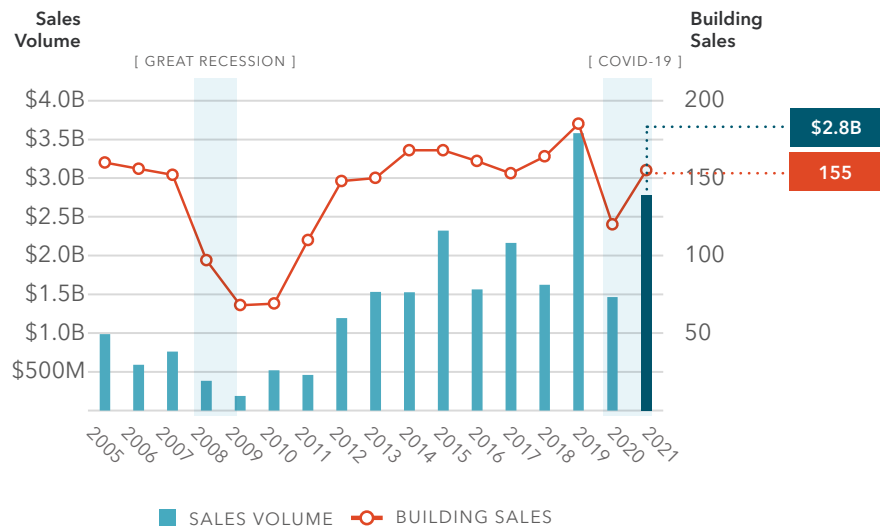
| | Units | Buildings |
|---------------------|---------|-----------|
| Total | 139,535 | 3,935 |
| 5 to 50-Units | 48,098 | 3,292 |
| 50+ Units | 91,437 | 643 |
| 12-Month Deliveries | 4,911 | 44 |
| Average Unit Size | 712 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

**INVENTORY
BY BUILDING AGE**

PRE-1990

2,798

TOTAL BUILDINGS

37,694

TOTAL UNITS

683 SF

AVERAGE UNIT SIZE

1990-2010

262

TOTAL BUILDINGS

4,634

TOTAL UNITS

759 SF

AVERAGE UNIT SIZE

2010-CURRENT

177

TOTAL BUILDINGS

4,907

TOTAL UNITS

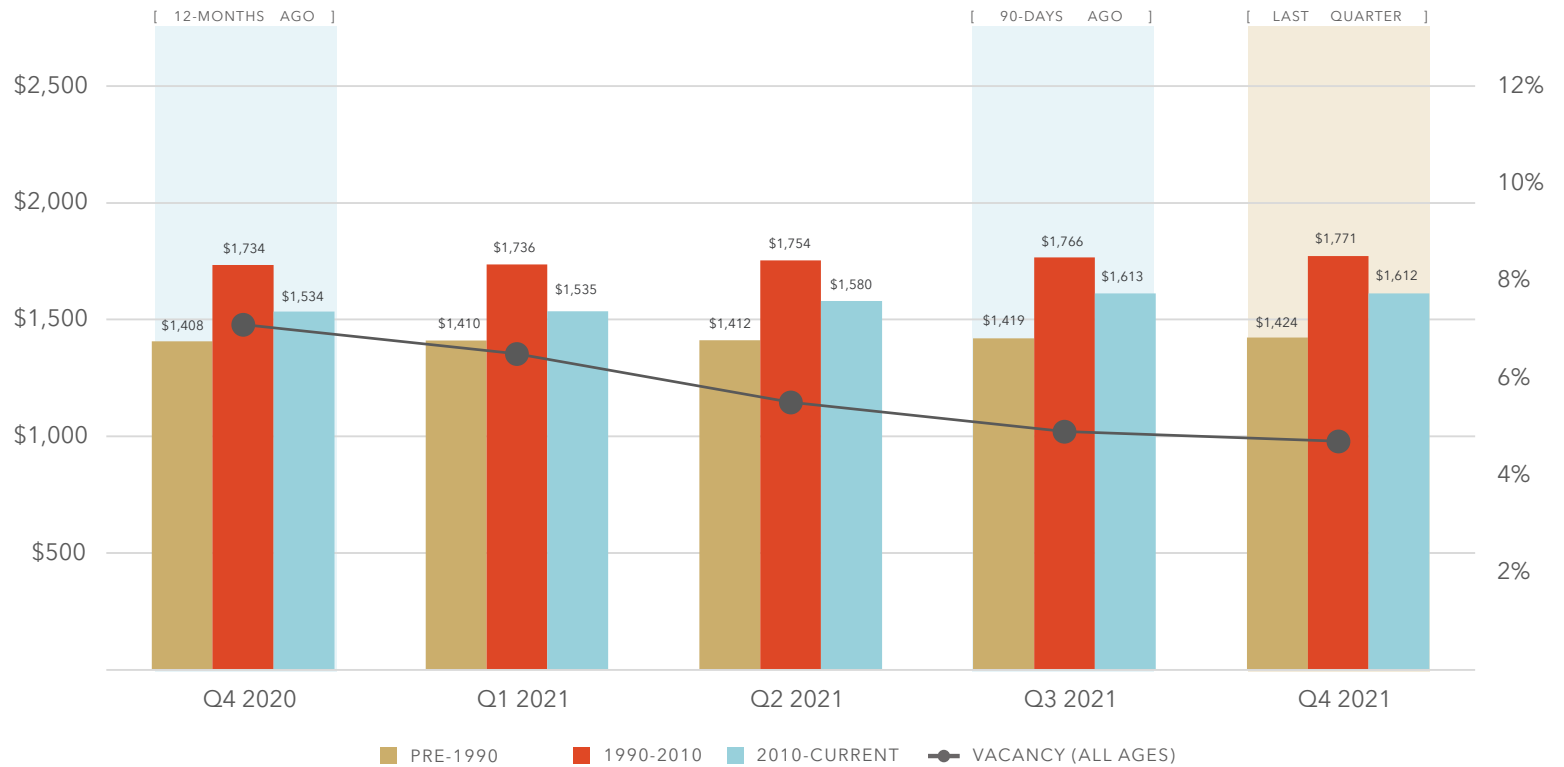
498 SF

AVERAGE UNIT SIZE

URBAN KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



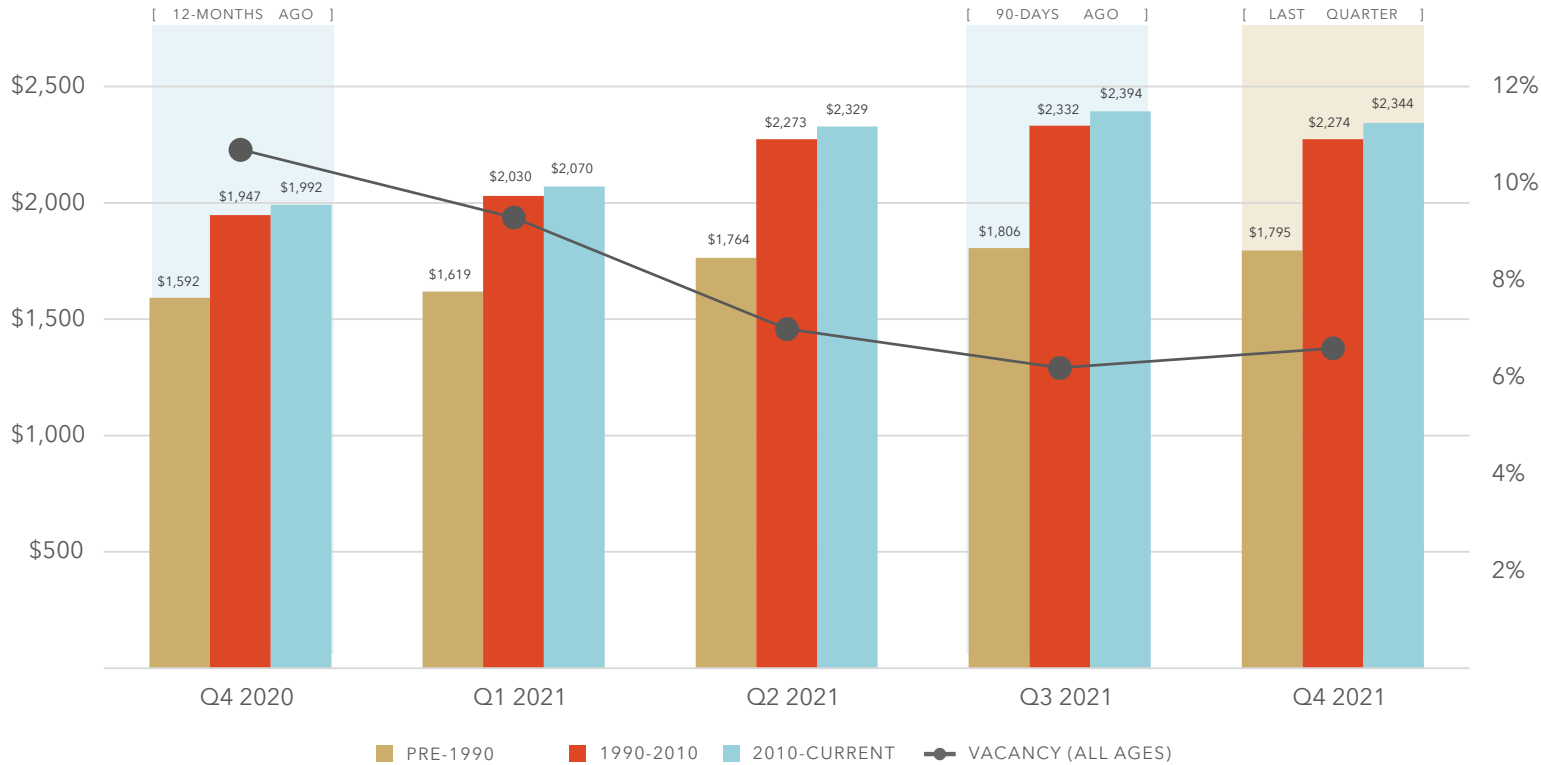
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,382 | \$1,424 | \$1,447 | \$1,467 | \$1,463 | ▲ 2% | \$1,487 | ▲ 0.3% | \$1,491 |
| Rent/SF | \$2.15 | \$2.21 | \$2.25 | \$2.28 | \$2.27 | ▲ 2% | \$2.31 | ▲ 0.4% | \$2.32 |
| Vacancy | 5.4% | 5.4% | 5.1% | 5.0% | 7.1% | ▼ 240 bps | 4.9% | ▼ 20 bps | 4.7% |

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] | 12-Month Change | Q3 2021 [90-DAYS AGO] | 90-Day Change | Q4 2021 [LAST QUARTER] |
|----------------|---------|---------|---------|---------|----------------------|-----------------|-----------------------|---------------|------------------------|
| Rent | \$1,976 | \$1,994 | \$2,028 | \$2,165 | \$1,905 | ▲ 17% | \$2,268 | ▼ 2% | \$2,223 |
| Rent/SF | \$2.71 | \$2.73 | \$2.78 | \$2.97 | \$2.61 | ▲ 17% | \$3.11 | ▼ 2% | \$3.05 |
| Vacancy | 8.0% | 9.0% | 8.9% | 6.0% | 10.7% | ▲ 410 bps | 6.2% | ▲ 40 bps | 6.6% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

175

TOTAL BUILDINGS

17,472

TOTAL UNITS

713 SF

AVERAGE UNIT SIZE

1990-2010 ■

133

TOTAL BUILDINGS

20,788

TOTAL UNITS

807 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

331

TOTAL BUILDINGS

52,918

TOTAL UNITS

704 SF

AVERAGE UNIT SIZE

SALES TRENDS

Apartment buildings built between 1990-2010 with more than 50 units were the best investment in 2021; this segment had an entry cap rate of 4.4%, whereas the blended average of older, newer and smaller sales was 3.7%

01

Half of all 2021 sales occurred in Q4, pushing the 2021 sales volume 90% higher than the sales volume in 2020. Low interest rates and rent growth contributed to the sharp uptick in closings.

02

Price per square foot for all sales increased 119% y-o-y. One driving force for this drastic increase was the multiple sales of small units, and new-construction sales occurring in Q3 and Q4 of 2021.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|---|--|--|---|--|
| 5 TO 50 UNITS | <p>127</p> <p>▲ 26% CHANGE Y-O-Y</p> | <p>\$541M</p> <p>▲ 84% CHANGE Y-O-Y</p> | <p>\$313K</p> <p>▲ 18% CHANGE Y-O-Y</p> | <p>\$401</p> <p>▲ 44% CHANGE Y-O-Y</p> | <p>3.9%</p> <p>▼ 86 BPS CHANGE Y-O-Y</p> |
| 50+ UNITS | <p>28</p> <p>▲ 40% CHANGE Y-O-Y</p> | <p>\$2B</p> <p>▲ 92% CHANGE Y-O-Y</p> | <p>\$451K</p> <p>▲ 12% CHANGE Y-O-Y</p> | <p>\$670</p> <p>▲ 47% CHANGE Y-O-Y</p> | <p>3.4%</p> <p>▼ 104 BPS CHANGE Y-O-Y</p> |

Historical Sales Trends

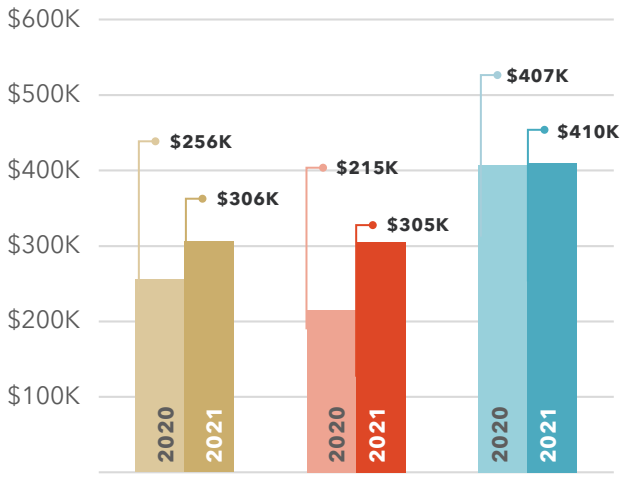
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 161 | 153 | 164 | 185 | 120 | 49 | ▲ 31% | 64 | ▲ 29% | 155 |
| Sales Volume | \$1.6B | \$2.2B | \$1.6B | \$3.6B | \$1.5B | \$315M | ▲ 325% | \$1.3B | ▲ 90% | \$2.8B |
| Price/Unit | \$338K | \$385K | \$358K | \$396K | \$364K | \$252K | ▲ 38% | \$347K | ▼ 7% | \$338K |
| Price/SF | \$364 | \$410 | \$415 | \$464 | \$403 | \$224 | ▲ 119% | \$490 | ▲ 11% | \$449 |
| Cap Rate | 4.5% | 4.3% | 4.2% | 4.2% | 4.7% | 4.9% | ▼ 124 bps | 3.7% | ▼ 85 bps | 3.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

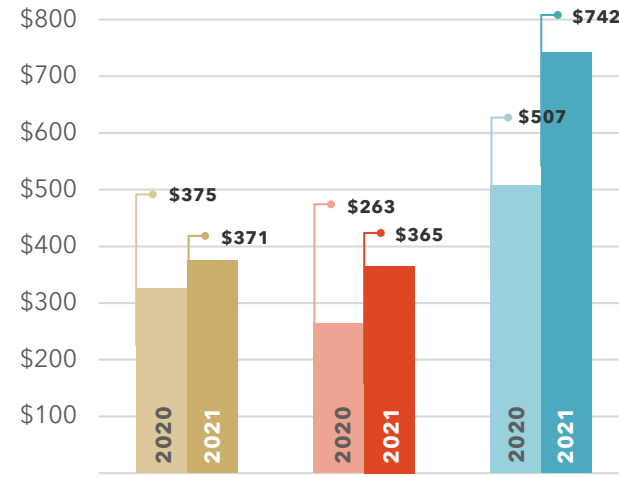
2021 SALES VELOCITY

5 TO 50-UNITS

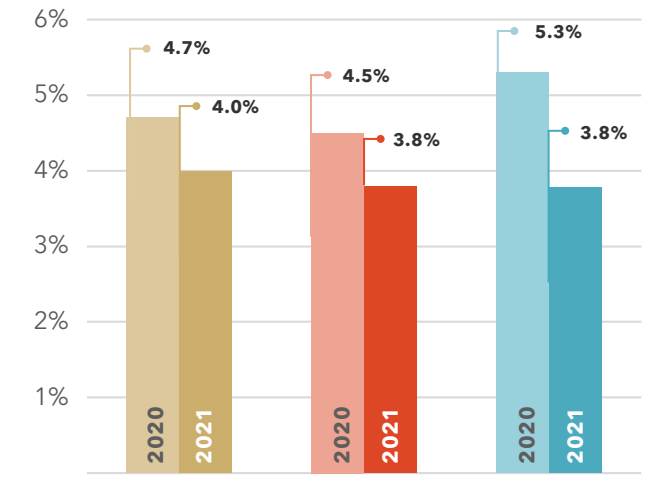
Price/Unit



Price/SF

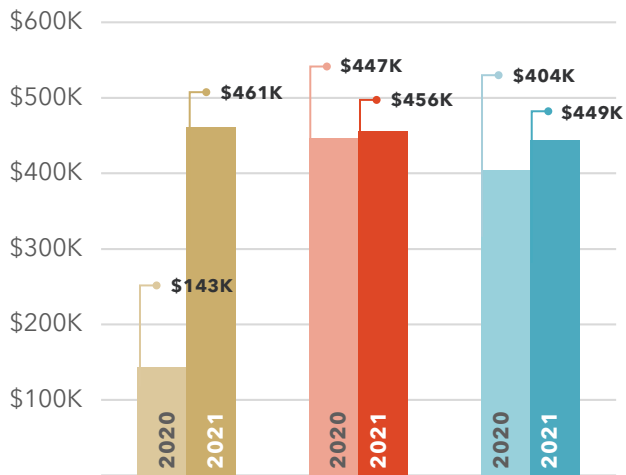


Cap Rate

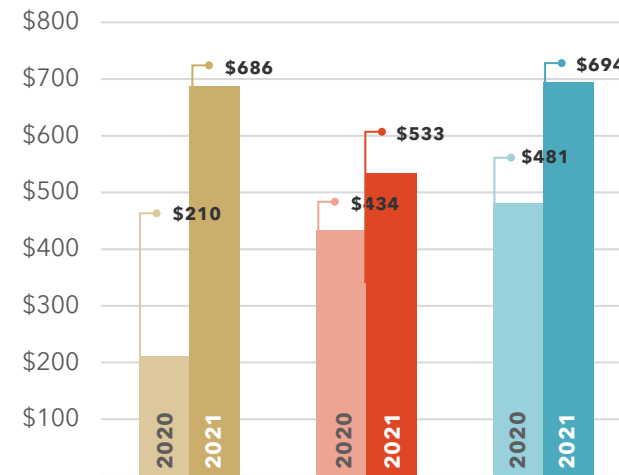


50+ UNITS

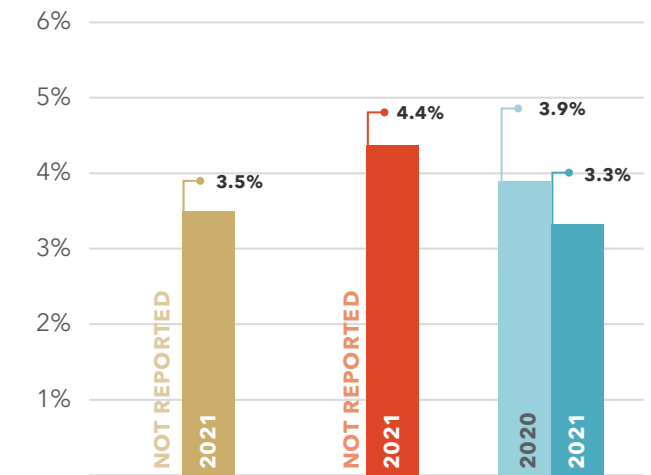
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|---------------------------|---------------------------|---------|-------|-------|--------|--------------|------------|------------|----------|----------|
| Galer Crest Apartments | 1420-1428 Queen Anne Ave | Seattle | 1930 | 30 | 37,944 | \$10,610,000 | 12/30/2021 | \$353,667 | \$280 | - |
| Hamrick & Halmark | 705 2nd Ave W | Seattle | 1947 | 48 | 36,830 | \$13,532,100 | 12/29/2021 | \$281,919 | \$367 | - |
| Felix Flats | 121 15th Ave E | Seattle | 2020 | 36 | 25,672 | \$15,050,000 | 12/28/2021 | \$418,056 | \$586 | 3.5% |
| 359 NW 76th St | 359 NW 76th St | Seattle | 1910 | 5 | 2,815 | \$1,160,000 | 12/23/2021 | \$232,000 | \$412 | - |
| 12033 Des Moines Memorial | 12033 Des Moines Memorial | Seattle | 1969 | 10 | 10,275 | \$3,060,000 | 12/23/2021 | \$306,000 | \$298 | 5.5% |
| 5220 California Ave SW | 5220 California Ave SW | Seattle | 1959 | 11 | 8,482 | \$2,998,050 | 12/21/2021 | \$272,550 | \$353 | 4.2% |
| 506 10th Ave E | 506 10th Ave E | Seattle | 2021 | 36 | 14,986 | \$10,975,000 | 12/20/2021 | \$304,861 | \$1,130 | - |
| 4054 California Ave SW | 4054 California Ave SW | Seattle | 1977 | 5 | 4,640 | \$1,860,000 | 12/16/2021 | \$372,000 | \$401 | - |
| The Surf Apartments | 3035 64th Ave SW | Seattle | 1957 | 8 | 3,960 | \$1,922,100 | 12/16/2021 | \$240,263 | \$485 | 3.4% |
| Courtyard Apt. | 2616 NW 59th St | Seattle | 1989 | 20 | 25,672 | \$7,250,000 | 12/15/2021 | \$362,200 | \$282 | 2.0% |
| 2140 SW Holden St | 2140 SW Holden St | Seattle | 1993 | 7 | 5,405 | \$1,500,000 | 12/15/2021 | \$214,286 | \$278 | 2.0% |
| Odessa on Lake Union | 3120 Harvard Ave E | Seattle | 2021 | 32 | 8,844 | \$6,150,000 | 12/14/2021 | \$192,188 | \$695 | - |
| 6714 15th Ave NW | 6714 15th Ave NW | Seattle | 1956 | 7 | 4,224 | \$1,450,000 | 12/10/2021 | \$207,143 | \$343 | - |
| Belmont Court Apartments | 424 Belmont Ave E | Seattle | 2000 | 32 | 28,583 | \$15,000,000 | 12/8/2021 | \$468,750 | \$525 | 3.8% |
| 1458 S Columbian Way | 202 Carter St | Seattle | 1961 | 10 | 5,234 | \$1,925,000 | 12/6/2021 | \$192,500 | \$368 | - |
| Husky Housing | 4217 9th Ave NE | Seattle | 2014 | 24 | 22,066 | \$17,199,202 | 12/2/2021 | \$716,633 | \$779 | - |
| Stream Fifteen | 605 15th Ave E | Seattle | 2015 | 34 | 37,000 | \$16,707,123 | 12/1/2021 | \$491,386 | \$452 | 3.0% |
| 6534 4th Ave NE | 6534 4th Ave NE | Seattle | 1969 | 11 | 9,465 | \$4,250,000 | 12/1/2021 | \$386,364 | \$449 | 3.3% |
| 1058 E Thomas St | 1058 E Thomas St | Seattle | 1952 | 8 | 11,118 | \$2,798,400 | 11/30/2021 | \$349,800 | \$252 | - |
| 717 4th Ave N | 717 4th Ave N | Seattle | 1954 | 10 | 7,070 | \$3,250,000 | 11/24/2021 | \$325,000 | \$460 | 2.6% |
| 1003 N 50th St | 1003 N 50th St | Seattle | 1960 | 5 | 6,530 | \$2,744,750 | 11/23/2021 | \$548,950 | \$420 | - |
| Wallingford Terrace | 4710 Aurora Ave N | Seattle | 1977 | 11 | 7,875 | \$3,729,000 | 11/23/2021 | \$339,000 | \$474 | 4.6% |
| Ivy Court Apartments | 6525 California Ave SW | Seattle | 1991 | 33 | 31,000 | \$12,375,000 | 11/23/2021 | \$375,000 | \$399 | 4.0% |
| Don Hee Apartments | 410 8th Ave S | Seattle | 1901 | 9 | 15,580 | \$3,300,000 | 11/22/2021 | \$366,667 | \$212 | - |
| Main Place | 2010 S Main St | Seattle | 1992 | 12 | 14,346 | \$3,747,500 | 11/22/2021 | \$312,292 | \$261 | - |
| Parkview Apartments | 3517 W Government Way | Seattle | 1987 | 16 | 20,488 | \$5,300,000 | 11/22/2021 | \$331,250 | \$259 | 4.0% |
| Cedrus Apartments | 4541 NE 55th St | Seattle | 1956 | 8 | 7,012 | \$2,200,000 | 11/22/2021 | \$275,000 | \$314 | 3.2% |
| 316 Bellevue Ave E | 316 Bellevue Ave E | Seattle | 1962 | 15 | 10,708 | \$4,022,000 | 11/16/2021 | \$268,133 | \$376 | 5.4% |
| Sunnyside Apartments | 518 N 43rd St | Seattle | 1963 | 10 | 6,123 | \$2,945,000 | 11/16/2021 | \$294,500 | \$481 | - |
| 3017 59th Ave SW | 3017 59th Ave SW | Seattle | 1978 | 6 | 5,274 | \$2,124,100 | 11/16/2021 | \$354,017 | \$403 | 4.2% |
| 3912 Linden Ave N | 3912 Linden Ave N | Seattle | 1969 | 5 | 4,280 | \$1,800,000 | 11/10/2021 | \$360,000 | \$421 | 3.7% |
| Carol Apartments | 4108-4110 Fremont Ave N | Seattle | 1962 | 10 | 5,980 | \$3,100,000 | 11/8/2021 | \$310,000 | \$518 | 4.2% |
| 6511 24th Ave NW | 6511 24th Ave NW | Seattle | 1968 | 7 | 5,584 | \$1,900,000 | 11/2/2021 | \$271,429 | \$340 | 3.3% |
| St. John Apartments | 725 E Pike St | Seattle | 1979 | 26 | 24,682 | \$7,989,000 | 11/2/2021 | \$307,269 | \$324 | - |

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|--------------------------------|------------------------|----------|-------|-------|--------|--------------|------------|------------|----------|----------|
| Palm Apartments | 6511 35th Ave SW | Seattle | 1958 | 10 | 7,200 | \$1,750,000 | 11/1/2021 | \$175,000 | \$243 | - |
| Ballard 5 | 1727 NW 57th St | Seattle | 1969 | 5 | 4,003 | \$1,900,000 | 10/29/2021 | \$380,000 | \$475 | 5.3% |
| Valley View Apartments | 3011 14th Ave W | Seattle | 1960 | 6 | 3,600 | \$1,480,000 | 10/29/2021 | \$246,667 | \$411 | 4.0% |
| 4259 Gilman Ave W | 4259 Gilman Ave W | Seattle | 1959 | 8 | 5,250 | \$1,895,500 | 10/29/2021 | \$236,938 | \$361 | 4.0% |
| Village Green Apartments | 5107-5115 24th Ave NE | Seattle | 1969 | 18 | 13,296 | \$7,070,000 | 10/29/2021 | \$392,778 | \$532 | 3.5% |
| Thirty One Apartments | 5637 University Way NE | Seattle | 2019 | 31 | 34,000 | \$9,400,000 | 10/21/2021 | \$303,226 | \$975 | 4.4% |
| 824 NW 52nd St | 824 NW 52nd St | Seattle | 1956 | 9 | 4,675 | \$2,207,500 | 10/20/2021 | \$245,278 | \$472 | 4% |
| Stencil | 2407 E Union St | Seattle | 2016 | 39 | 32,800 | \$18,500,000 | 10/20/2021 | \$474,359 | \$564 | 4.2% |
| Cascadian Apartments | 1920 5th Ave N | Seattle | 1962 | 9 | 9,905 | \$3,300,000 | 10/20/2021 | \$366,667 | \$333 | 2.7% |
| The Devoe | 5234 University Way NE | Seattle | 1928 | 17 | 13,873 | \$3,982,700 | 10/19/2021 | \$234,276 | \$287 | 4.0% |
| Village Plaza | 11825 100th Ave NE | Kirkland | 1967 | 6 | 4,975 | \$2,250,000 | 10/12/2021 | \$375,000 | \$452 | 3.5% |
| The Victoria Apartments | 1832 14th Ave | Seattle | 1902 | 10 | 4,515 | \$1,500,000 | 10/7/2021 | \$150,000 | \$332 | 3.2% |
| Breakwater Apartments | 5401 34th Ave NW | Seattle | 1948 | 10 | 8,916 | \$2,500,000 | 10/5/2021 | \$250,000 | \$280 | 5.9% |
| 4025 Midvale Ave N | 4025 Midvale Ave N | Seattle | 1977 | 5 | 2,904 | \$1,250,000 | 9/27/2021 | \$250,000 | \$430 | 4.2% |
| Sundown Apartments | 410 Lake St | Kirkland | 1958 | 24 | 16,704 | \$10,300,000 | 9/23/2021 | \$429,167 | \$617 | 2.0% |
| Forrest Manor Apartments | 465 Garfield St | Seattle | 1968 | 8 | 11,404 | \$3,748,800 | 9/22/2021 | \$468,600 | \$329 | 2.9% |
| 8th Avenue Place | 8307 8th Ave NW | Seattle | 1992 | 6 | 5,309 | \$2,248,500 | 9/17/2021 | \$374,750 | \$424 | - |
| 17 Etruria St | 17 Etruria St | Seattle | 1977 | 9 | 6,210 | \$2,995,500 | 9/17/2021 | \$332,833 | \$482 | - |
| 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 Apartments | 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 Martin Luther King 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 | - |

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-----------------------------|---------------------|----------|-------|-------|--------|-------------|-----------|------------|----------|----------|
| 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% |
| 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 | 3.9% |
| 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 | - |
| 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% |
| 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 | - |

SALES DETAILS: 2021 SALES

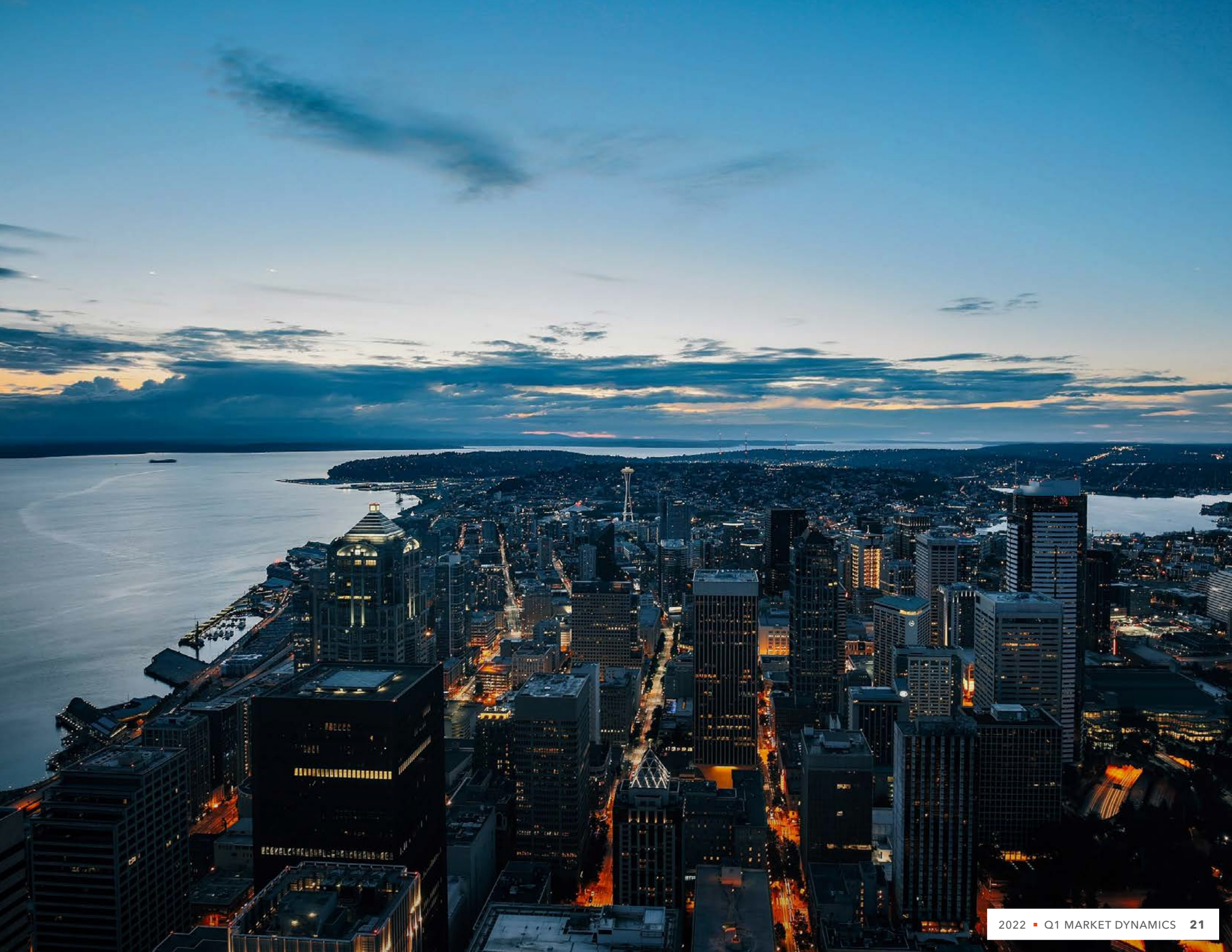
5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-------------------------|------------------------|---------------|-------|-------|--------|-------------|-----------|------------|----------|----------|
| Windsor Arms Apartments | 532 Belmont Ave E | Seattle | 1925 | 20 | 15,810 | \$4,900,000 | 4/30/2021 | \$245,000 | \$310 | 4.0% |
| Academia Place | 5608 15th Ave NE | Seattle | 1998 | 27 | 11,252 | \$3,790,000 | 4/30/2021 | \$140,370 | \$337 | 5.0% |
| 41 Dravus St | 41 Dravus St | Seattle | 1991 | 34 | 25,996 | \$6,594,500 | 4/21/2021 | \$193,956 | \$254 | - |
| Island Lanai Apartments | 2820 SE 75th PI SE | Mercer Island | 1959 | 17 | 7,976 | \$4,050,000 | 4/21/2021 | \$238,235 | \$508 | 2.7% |
| The Abagail | 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% |
| 2026 Yale Ave E | 2026 Yale Ave E | Seattle | 1967 | 8 | 7,496 | \$3,742,000 | 3/19/2021 | \$467,750 | \$499 | 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% |
| 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% |
| 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 | \$420 | - |

SALES DETAILS: 2021 SALES

50+ Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|--------------------------------|--------------------------|---------------|-------|-------|---------|---------------|------------|------------|----------|----------|
| Canvas Apartments | 600 Elliott Ave W | Seattle | 2014 | 123 | 81,982 | \$47,600,000 | 12/30/2021 | \$386,992 | \$581 | 3.0% |
| Griffis Seattle Waterfront | 888 Western Ave | Seattle | 2012 | 208 | 281,358 | \$107,300,000 | 12/30/2021 | \$515,865 | \$381 | - |
| Keelson Ballard | 1537 NW 56th St | Seattle | 2017 | 106 | 84,800 | \$53,543,000 | 12/29/2021 | \$505,123 | \$631 | 3.8% |
| Cerasa | 10961 NE 2nd Pl | Bellevue | 2019 | 154 | 135,298 | \$109,000,000 | 12/23/2021 | \$707,792 | \$806 | 3.0% |
| 420 Boylston Ave E | 420 Boylston Ave E | Seattle | 2021 | 58 | 27,148 | \$16,000,000 | 12/22/2021 | \$275,862 | \$1,033 | - |
| Avana on the Lake | 534 Lakeside Ave S | Seattle | 1999 | 79 | 63,000 | \$31,021,000 | 12/22/2021 | \$392,671 | \$492 | 4.4% |
| Sora Apartments | 4239 8th Ave NE | Seattle | 2021 | 54 | 21,382 | \$16,000,000 | 12/22/2021 | \$296,296 | \$1,020 | - |
| Alder Flats | 220 10th Ave | Seattle | 2013 | 105 | 32,629 | \$18,500,000 | 12/14/2021 | \$176,190 | \$567 | 3.1% |
| Studio 7 | 4029 7th Ave NE | Seattle | 2014 | 75 | 30,649 | \$15,800,000 | 12/7/2021 | \$210,667 | \$516 | 1.7% |
| Stream Belmont | 500 Belmont Ave E | Seattle | 2014 | 71 | 36,000 | \$25,410,917 | 12/1/2021 | \$357,900 | \$706 | 3.0% |
| Panorama | 1100 University St | Seattle | 1962 | 179 | 207,064 | \$120,000,000 | 11/17/2021 | \$670,391 | \$580 | - |
| Shorewood Heights | 3209 Shorewood Dr | Mercer Island | 2002 | 645 | 545,000 | \$309,838,407 | 11/9/2021 | \$480,370 | \$569 | - |
| ArtHouse | 2334 Elliott Ave | Seattle | 2014 | 139 | 138,000 | \$62,000,000 | 11/8/2021 | \$446,043 | \$449 | 2.9% |
| The Canton Lofts | 224 S Washington St | Seattle | 2021 | 80 | 34,649 | \$32,000,000 | 11/1/2021 | \$400,000 | \$924 | - |
| Magnolia | 2727 W Manor Pl | Seattle | 1968 | 57 | 20,714 | \$19,450,000 | 10/20/2021 | \$341,228 | \$939 | 3.5% |
| Tower 801 Apartments | 801 Pine St | Seattle | 1970 | 173 | 118,500 | \$64,000,000 | 10/19/2021 | \$369,942 | \$540 | - |
| The Central | 2203-2207 E Union St | Seattle | 2016 | 91 | 76,357 | \$41,500,000 | 10/12/2021 | \$456,044 | \$544 | 3.4% |
| Broadway Plaza Apartments | 700 Broadway E | Seattle | 2004 | 59 | 53,877 | \$33,500,000 | 9/9/2021 | \$567,797 | \$622 | - |
| Vantage Park | 1011 E Terrace St | Seattle | 1999 | 91 | 77,383 | \$34,850,000 | 9/9/2021 | \$382,967 | \$450 | - |
| The M | 4700 Brooklyn Ave | Seattle | 2020 | 230 | 137,500 | \$137,850,000 | 9/3/2021 | \$599,348 | \$709 | 4.0% |
| BLU | 75 102nd Ave NE | Bellevue | 2020 | 135 | 108,490 | \$109,000,000 | 9/3/2021 | \$807,407 | \$1,005 | 3.2% |
| 999 Hiawatha Apartments | 999 Hiawatha Place South | 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 | - |
| 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% |
| Fifty Two Apartments | 4710 20th Ave NE | Seattle | 2020 | 52 | 23,407 | \$12,200,000 | 7/1/2021 | \$234,615 | \$833 | - |
| 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% |



NORTH KING

MARKET TRENDS

- Although the number of transactions declined, sales volume dramatically increased - a result of larger institutional properties selling in North King County.
- Within one year, vacancy dropped almost two percentage points, on average, from 6.6% to 4.8%. In turn, rental rates have increased by almost 10% from last year - signaling that people are moving back into Seattle.
- Generally, newer apartment buildings are offering smaller unit sizes, but are still able to achieve a higher rent per square foot. Notably, vacancy is also higher, which is likely due to a combination of leasing up and tenants desiring more space - especially in these last couple of years. Accordingly, within the next couple of quarters, we expect vacancy to fall for all asset classes as people continue moving back to the city.

Rent & Vacancy

| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,511 | ▲ 10% | \$1,658 | ▼ 0.1% | \$1,656 |
| Vacancy | 6.6% | ▼ 120 bps | 5.4% | ▼ 60 bps | 4.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|---------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 10 | ▼ 10% | 9 | 24 | ▼ 38% | 15 |
| Sales Volume | \$39.5M | ▲ 406% | \$199M | \$75.0M | ▲ 294% | \$295M |
| Price/Unit | \$244K | ▲ 17% | \$284K | \$229K | ▲ 17% | \$269K |
| Price/SF | \$244 | ▲ 43% | \$349 | \$251 | ▲ 33% | \$333 |
| Cap Rate | 4.4% | ▼ 10 bps | 4.3% | 4.3% | ▲ 6 bps | 4.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

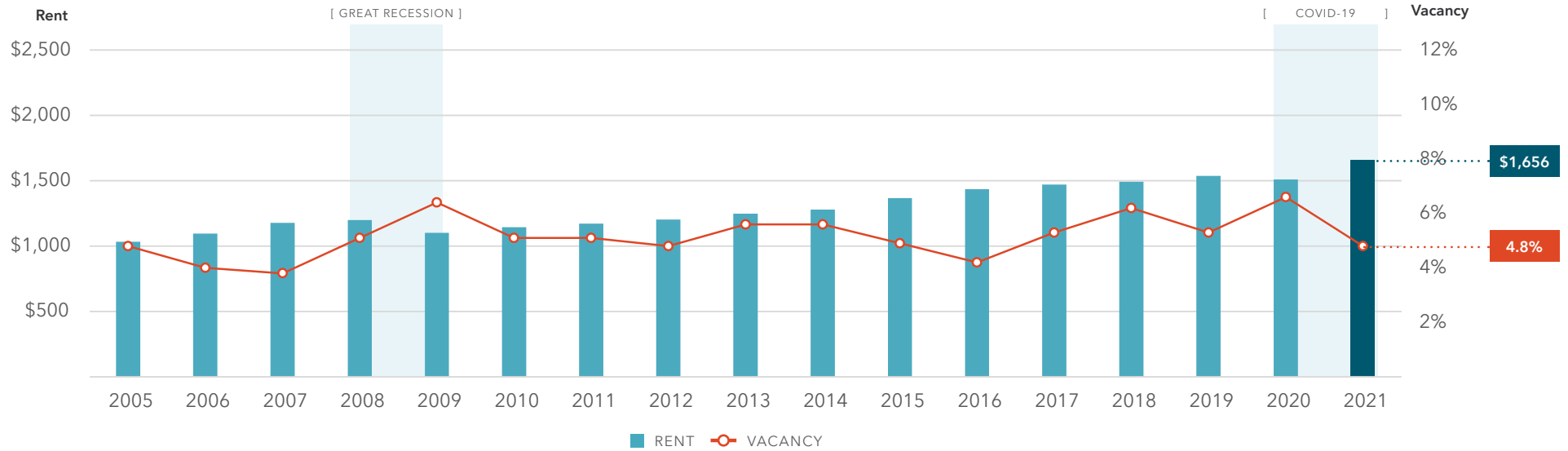


Inventory

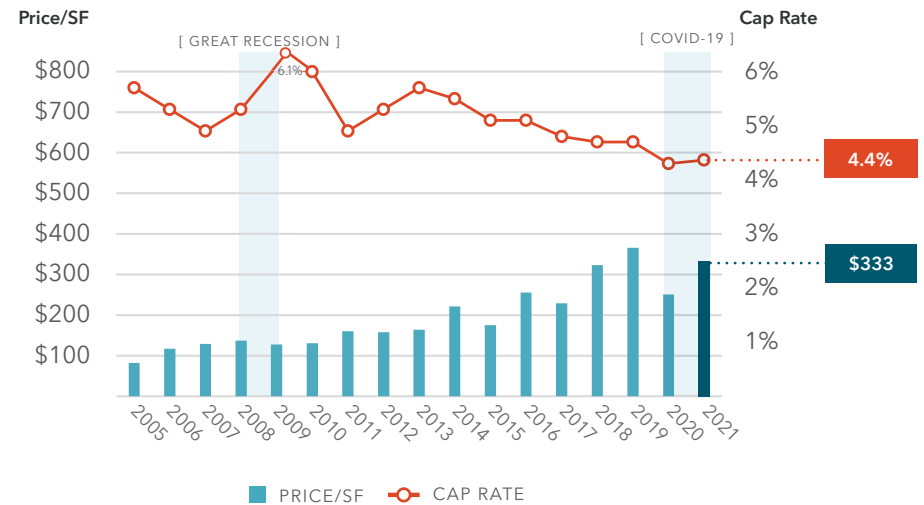
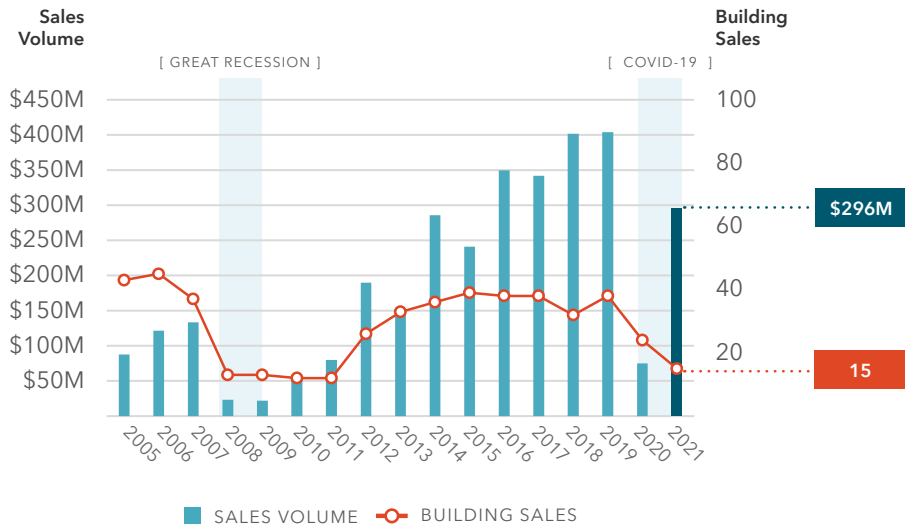
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 24,444 | 718 |
| 5 to 50-Units | 8,788 | 597 |
| 50+ Units | 15,656 | 121 |
| 12-Month Deliveries | 630 | 5 |
| Average Unit Size | 760 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



INVENTORY
BY BUILDING AGE

PRE-1990

461
TOTAL BUILDINGS

6,586
TOTAL UNITS

768 SF
AVERAGE UNIT SIZE

1990-2010

97
TOTAL BUILDINGS

1,473
TOTAL UNITS

815 SF
AVERAGE UNIT SIZE

2010-CURRENT

28
TOTAL BUILDINGS

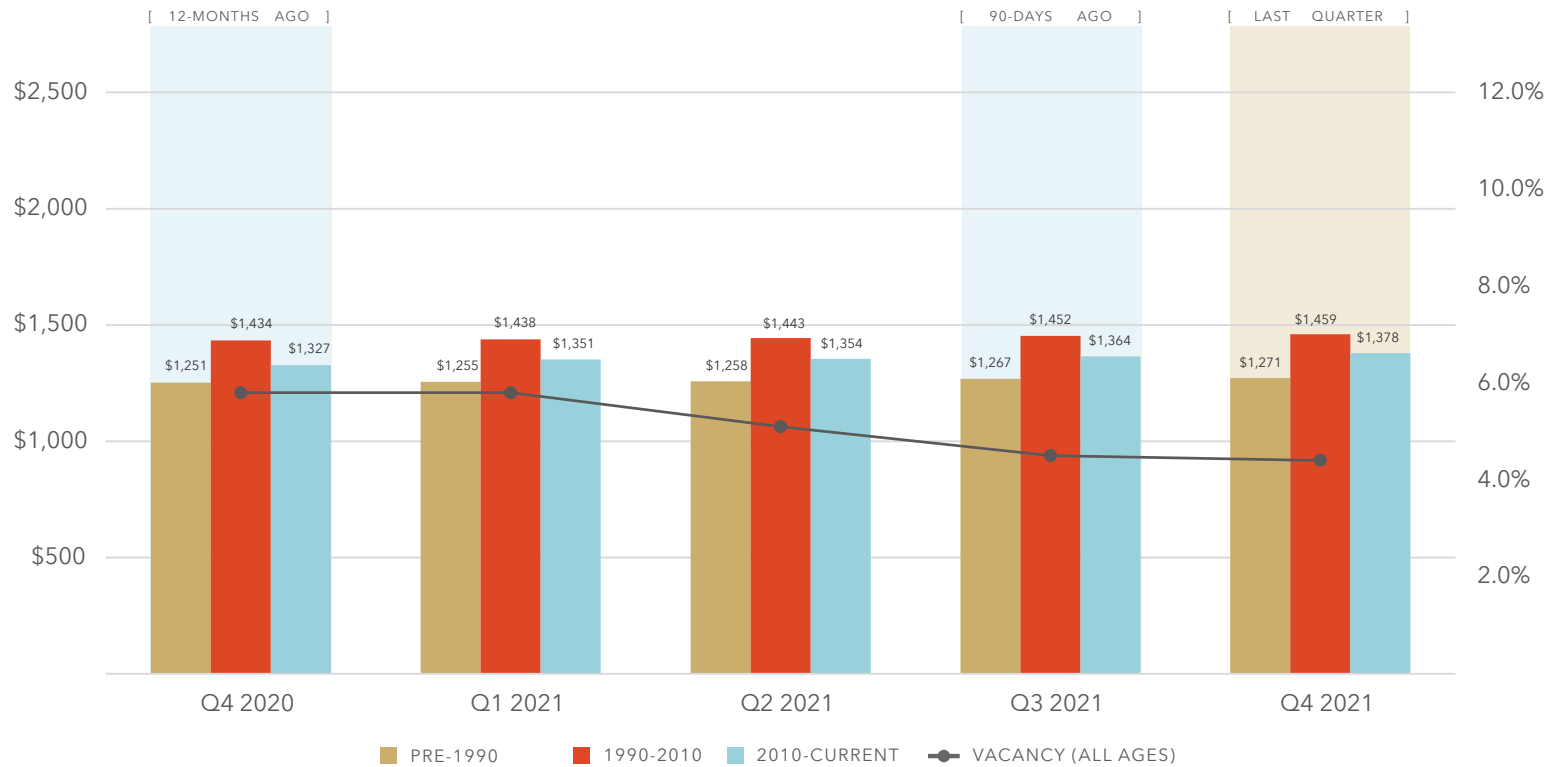
592
TOTAL UNITS

570 SF
AVERAGE UNIT SIZE

NORTH KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



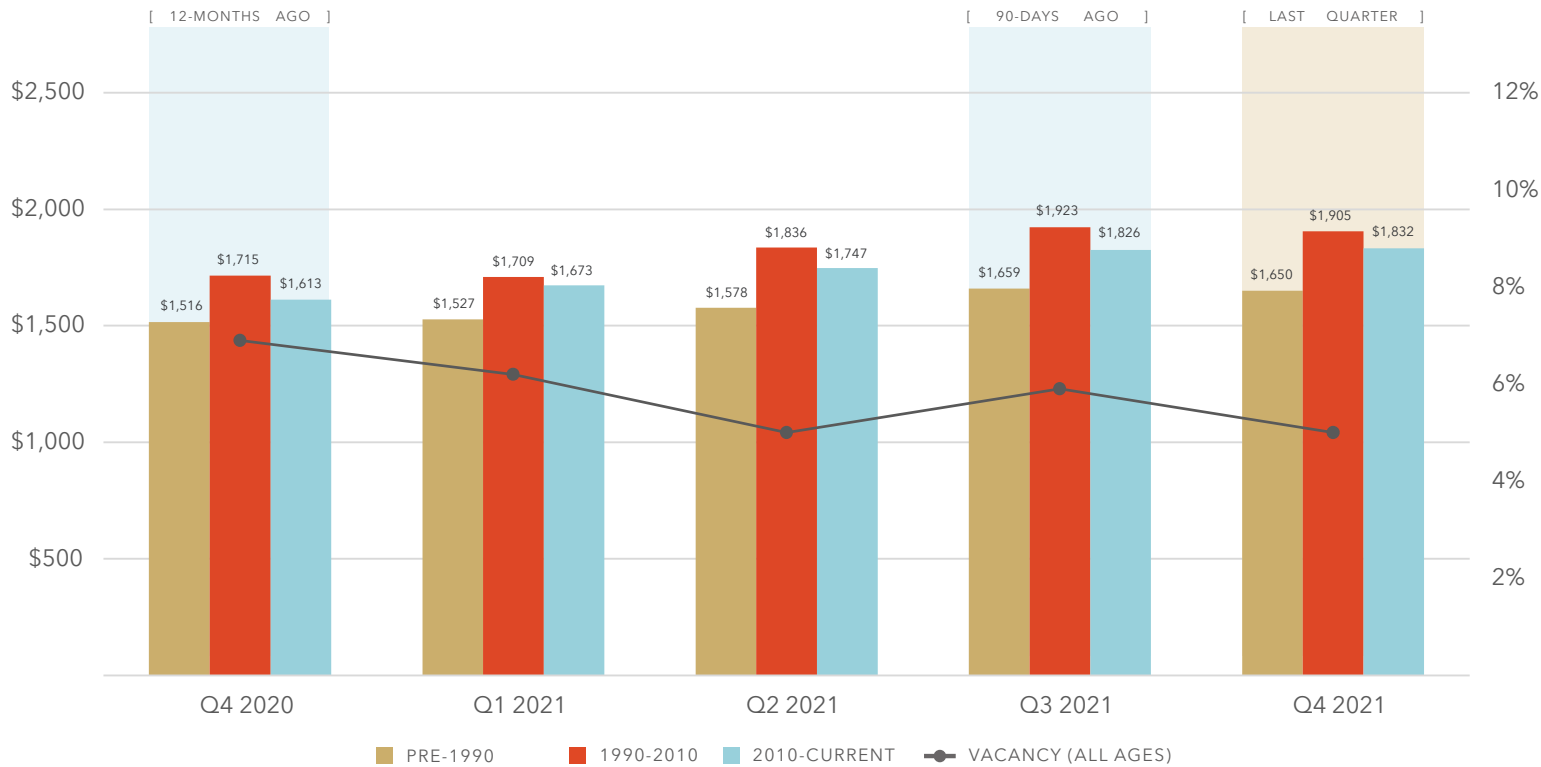
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,199 | \$1,238 | \$1,255 | \$1,276 | \$1,290 | ▲ 2% | \$1,308 | ▲ 0.4% | \$1,313 |
| Rent/SF | \$1.60 | \$1.66 | \$1.68 | \$1.71 | \$1.73 | ▲ 2% | \$1.75 | ▲ 0.6% | \$1.76 |
| Vacancy | 3.7% | 4.0% | 4.2% | 4.2% | 5.8% | ▼ 140 bps | 4.5% | ▼ 10 bps | 4.4% |

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-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,511 | \$1,545 | \$1,570 | \$1,622 | \$1,583 | ▲ 12% | \$1,783 | ▼ 0.3% | \$1,778 |
| Rent/SF | \$1.98 | \$2.02 | \$2.06 | \$2.12 | \$2.07 | ▲ 12% | \$2.32 | - | \$2.32 |
| Vacancy | 4.4% | 6.0% | 7.4% | 5.9% | 6.9% | ▼ 190 bps | 5.9% | ▼ 90 bps | 5.0% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990

56

TOTAL BUILDINGS

6,360

TOTAL UNITS

788 SF

AVERAGE UNIT SIZE

1990-2010

25

TOTAL BUILDINGS

3,015

TOTAL UNITS

825 SF

AVERAGE UNIT SIZE

2010-CURRENT

38

TOTAL BUILDINGS

6,010

TOTAL UNITS

706 SF

AVERAGE UNIT SIZE

SALES TRENDS

We saw a number of larger assets (more than 50 units) sell this last year, boosting the sales volume. And, as the world settled, institutions have shown that they're still active and believe in the Seattle market as they look for more opportunities.

01

On a price-per-unit and price-per-square-foot basis, we saw a substantial increase since last year. One contributing factor was the sales of newer/renovated product that sold last quarter.

02

Cap rates stayed steady at 4.4%, on average. We expect these to stay the same this next quarter and potentially fall even lower with the anticipation of interest rates increasing later this year.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|---|---|--|---|---|
| 5 TO 50 UNITS | <p>9</p> <p>▼ 63% CHANGE Y-O-Y</p> | <p>\$40M</p> <p>▼ 47% CHANGE Y-O-Y</p> | <p>\$256K</p> <p>▲ 12% CHANGE Y-O-Y</p> | <p>\$287</p> <p>▲ 14% CHANGE Y-O-Y</p> | <p>4.6%</p> <p>▲ 29 BPS CHANGE Y-O-Y</p> |
| 50+ UNITS | <p>6</p> <p>NO SALES</p> | <p>\$256M</p> <p>NO SALES</p> | <p>\$288K</p> <p>NO SALES</p> | <p>\$403</p> <p>NO SALES</p> | <p>4.0%</p> <p>NO SALES</p> |

Historical Sales Trends

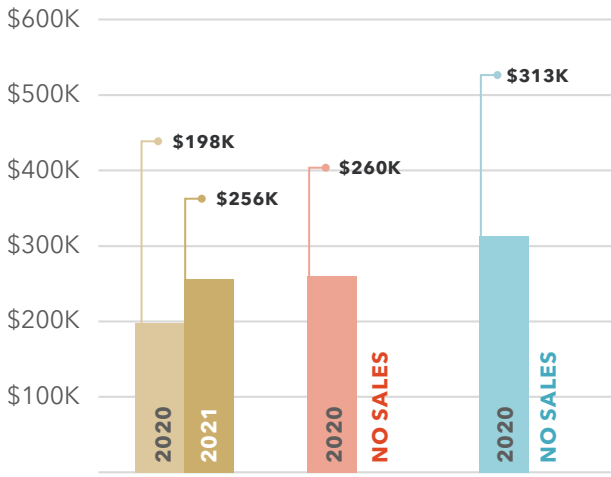
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 38 | 38 | 32 | 38 | 24 | 10 | ▼ 10% | 9 | ▼ 38% | 15 |
| Sales Volume | \$349M | \$341M | \$401M | \$404M | \$75M | \$39.5M | ▲ 406% | \$199M | ▲ 294% | \$295M |
| Price/Unit | \$211K | \$262K | \$281K | \$278K | \$229K | \$244K | ▲ 17% | \$284K | ▲ 17% | \$269K |
| Price/SF | \$255 | \$229 | \$323 | \$366 | \$251 | \$244 | ▲ 43% | \$349 | ▲ 33% | \$333 |
| Cap Rate | 5.1% | 4.8% | 4.7% | 4.7% | 4.3% | 4.4% | ▼ 10 bps | 4.3% | ▼ 6 bps | 4.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

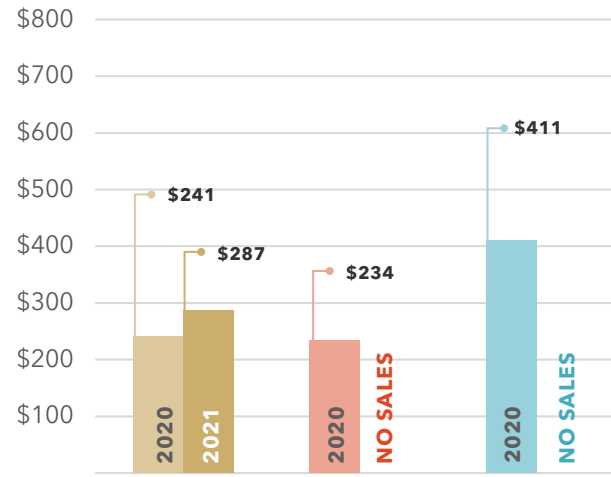
SALES VELOCITY

5 TO 50-UNITS

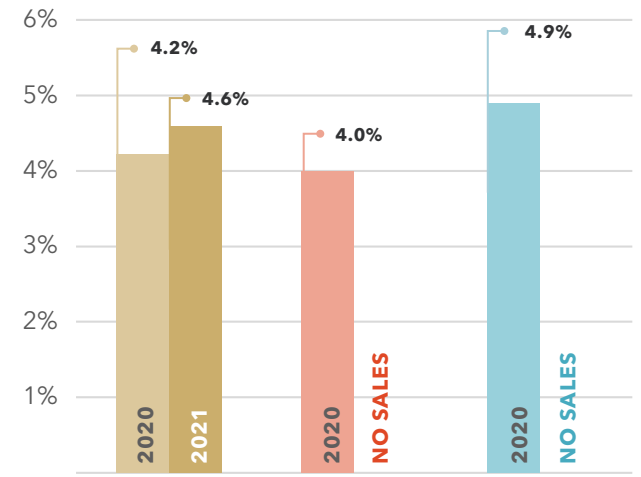
Price/Unit



Price/SF

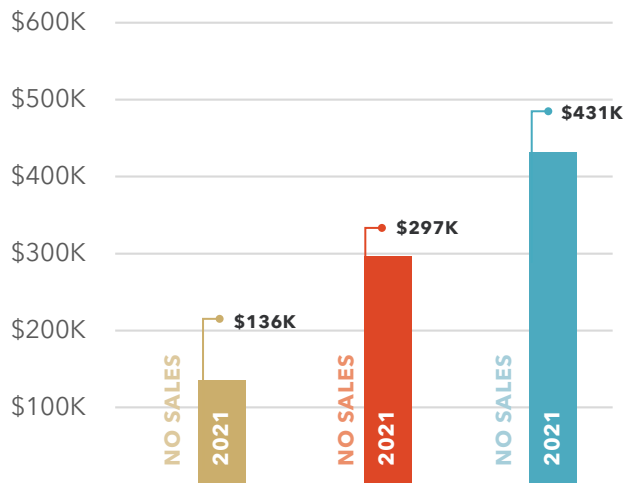


Cap Rate

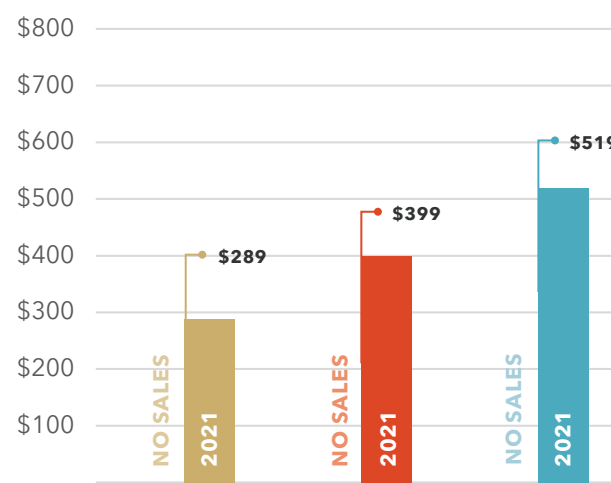


50+ UNITS

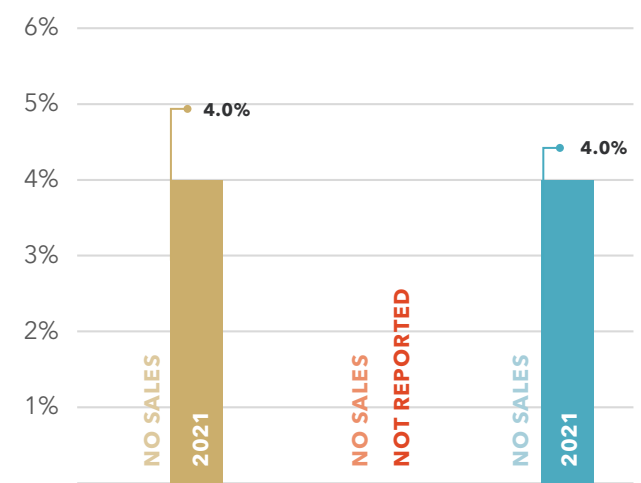
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

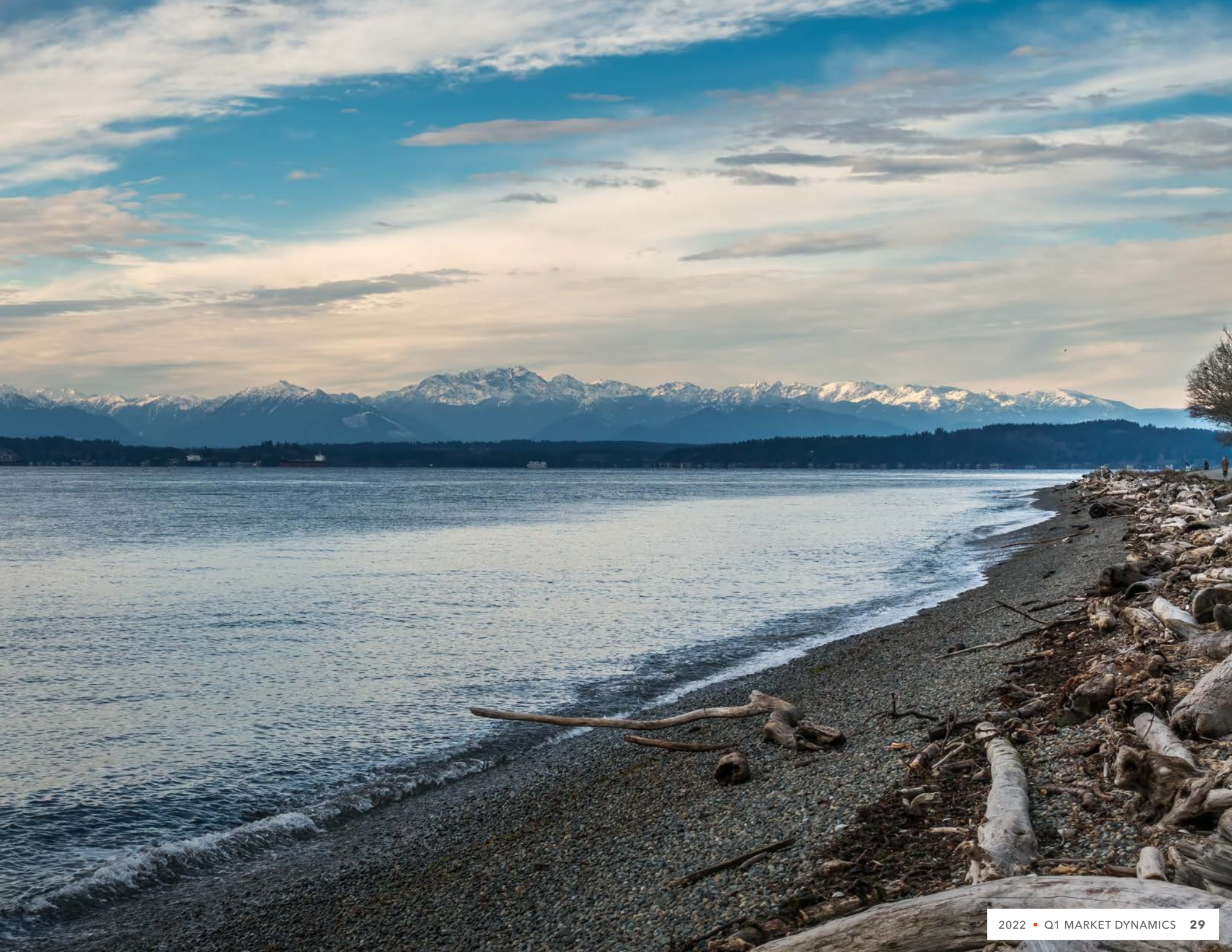
SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|------------------------|--------------------------|-----------|-------|-------|--------|--------------|------------|------------|----------|----------|
| 11722 Pinehurst Way NE | 11722 Pinehurst Way NE | Seattle | 1978 | 8 | 13,800 | \$2,100,000 | 12/15/2021 | \$262,500 | \$152 | - |
| Grandview Apartments | 1120 N 93rd St | Seattle | 1989 | 28 | 29,048 | \$7,474,800 | 12/15/2021 | \$266,957 | \$257 | - |
| Ed John Apartments | 10521 Midvale Ave N | Seattle | 1978 | 8 | 5,250 | \$1,748,800 | 12/14/2021 | \$218,600 | \$333 | 4.8% |
| Marco Apartments | 9100 Roosevelt Way NE | Seattle | 1970 | 25 | 17,150 | \$7,272,500 | 11/17/2021 | \$290,900 | \$424 | 4.0% |
| Blanchet Apartments | 9201-9225 Densmore Ave N | Seattle | 1962 | 27 | 39,160 | \$11,000,000 | 10/12/2021 | \$407,407 | \$281 | 4.3% |
| 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 |
|---------------------------|-------------------------|-----------|-------|-------|---------|--------------|------------|------------|----------|----------|
| 10540-10544 Whitman Ave | 10540-10544 Whitman Ave | Seattle | 1989 | 74 | 25,236 | \$7,760,000 | 12/29/2021 | \$104,865 | \$308 | 4.5% |
| Green Leaf Shoreline | 17567 15th Ave NE | Shoreline | 2021 | 124 | 86,481 | \$51,000,000 | 10/28/2021 | \$411,290 | \$590 | 4.0% |
| Amesbury Court Apartments | 13739 Linden Ave N | Seattle | 1990 | 114 | 79,597 | \$27,550,000 | 10/27/2021 | \$241,667 | \$346 | - |
| Solara | 12736 Lake City Way NE | Seattle | 2002 | 238 | 185,516 | \$84,000,000 | 10/13/2021 | \$352,941 | \$453 | - |
| 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

- It's no surprise that East King leads all other regions, once again, with the highest average rent across all building ages at \$2,200 per month - nearly \$150 more than Urban King.
- East King is a hotbed of apartment development activity, with nearly 1,400 units delivered across seven buildings in the last 12 months. Expect to see the number of deliveries increase year-over-year as developers continue to capitalize on low vacancy and skyrocketing rents, coupled with robust job and demand drivers.
- Long gone are the days of new development centered solely in Bellevue, Redmond, and Issaquah. Now, developers are expanding along the I-90 corridor, with 100 townhome units delivered this past summer in Duvall, as well as nearly 350 units under construction in North Bend.

Rent & Vacancy

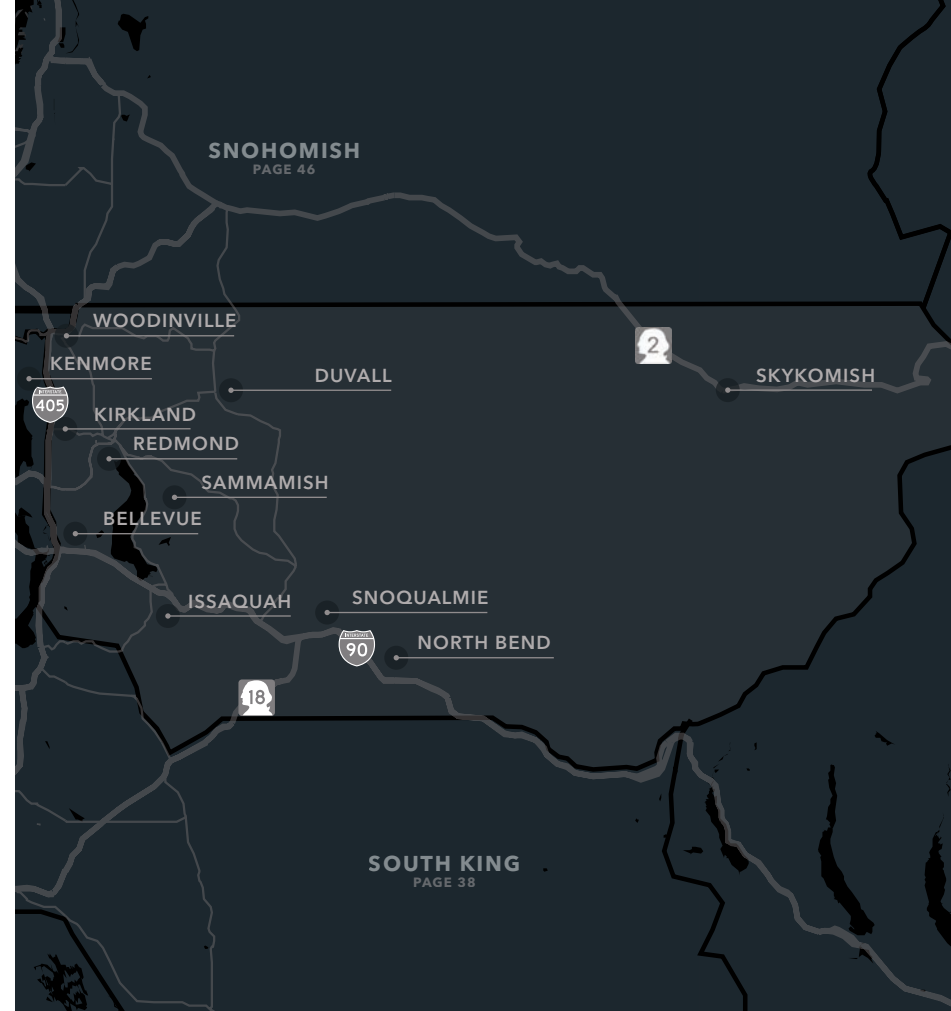
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,923 | ▲ 15% | \$2,225 | ▼ 1% | \$2,202 |
| Vacancy | 8.0% | ▼ 210 bps | 5.9% | ▲ 70 bps | 5.2% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|----------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 6 | ▼ 33% | 4 | 13 | ▲ 54% | 20 |
| Sales Volume | \$387M | ▼ 76% | \$95.0M | \$514.0M | ▲ 132% | \$1.2B |
| Price/Unit | \$414K | ▼ 20% | \$330K | \$355K | ▲ 6% | \$376K |
| Price/SF | \$385 | ▼ 4% | \$369 | \$351 | ▲ 28% | \$448 |
| Cap Rate | 4.3% | - | NOT REPORTED | 4.2% | ▼ 44 bps | 3.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

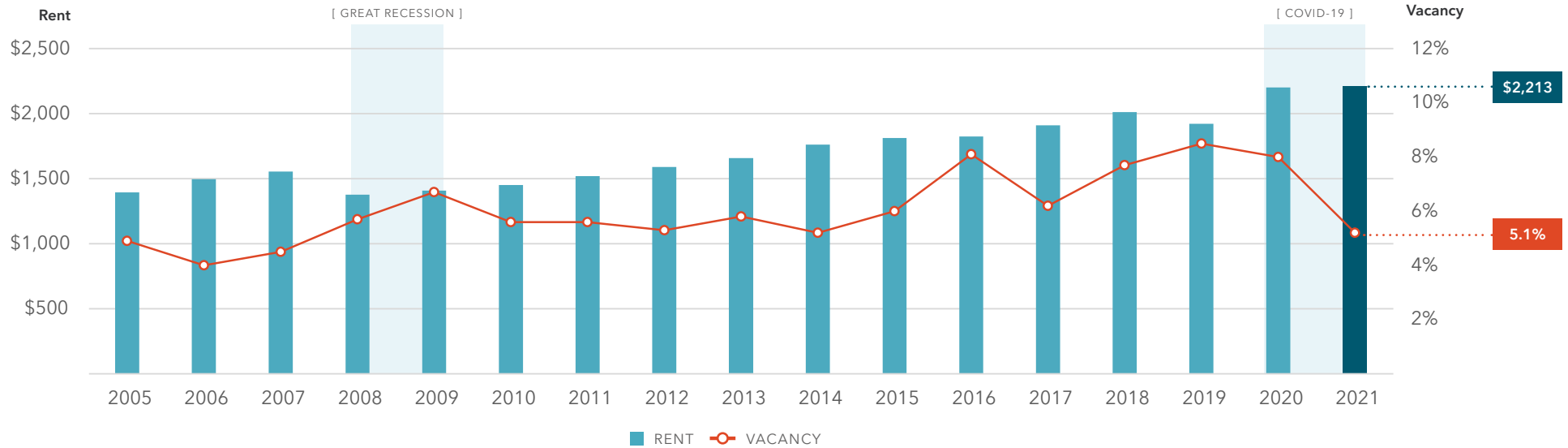


Inventory

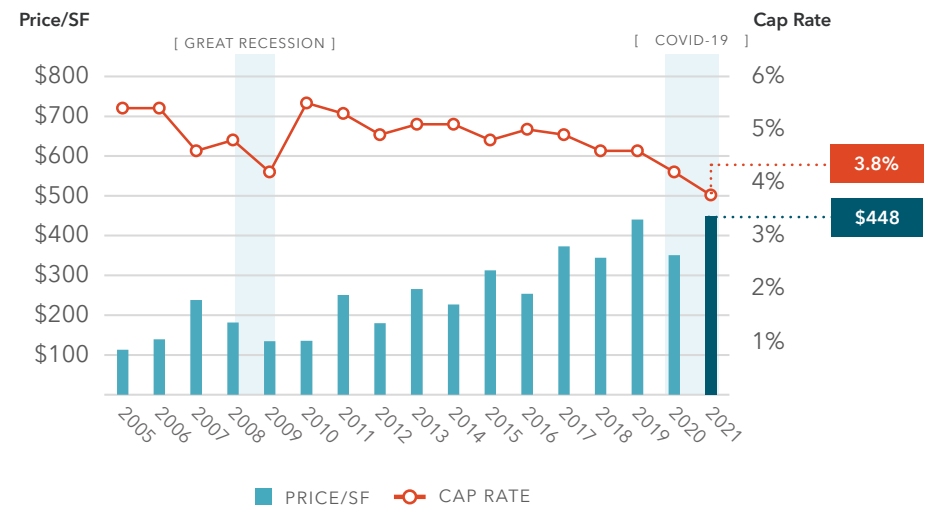
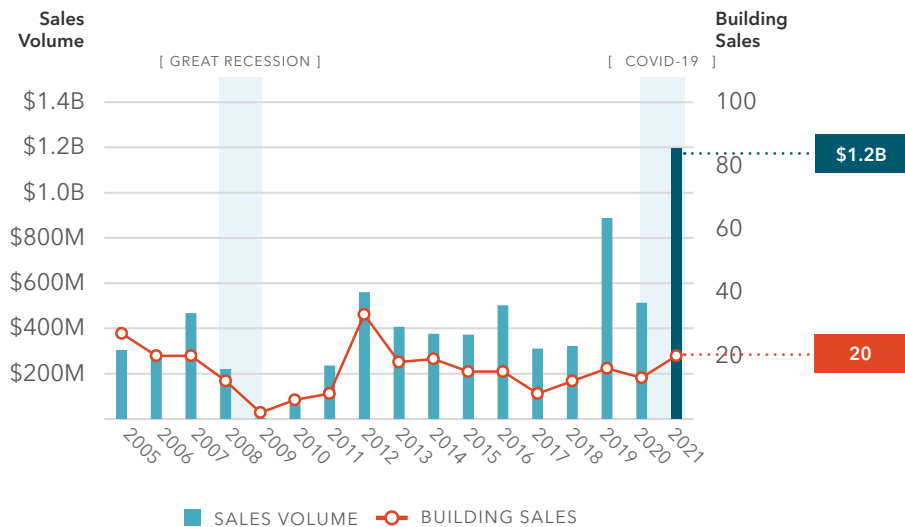
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 34,734 | 293 |
| 5 to 50-Units | 2,590 | 139 |
| 50+ Units | 32,144 | 154 |
| 12-Month Deliveries | 1,384 | 7 |
| Average Unit Size | 900 SF | |

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

874 SF
AVERAGE UNIT SIZE

1990-2010

17
TOTAL BUILDINGS

427
TOTAL UNITS

1,191 SF
AVERAGE UNIT SIZE

2010-CURRENT

3
TOTAL BUILDINGS

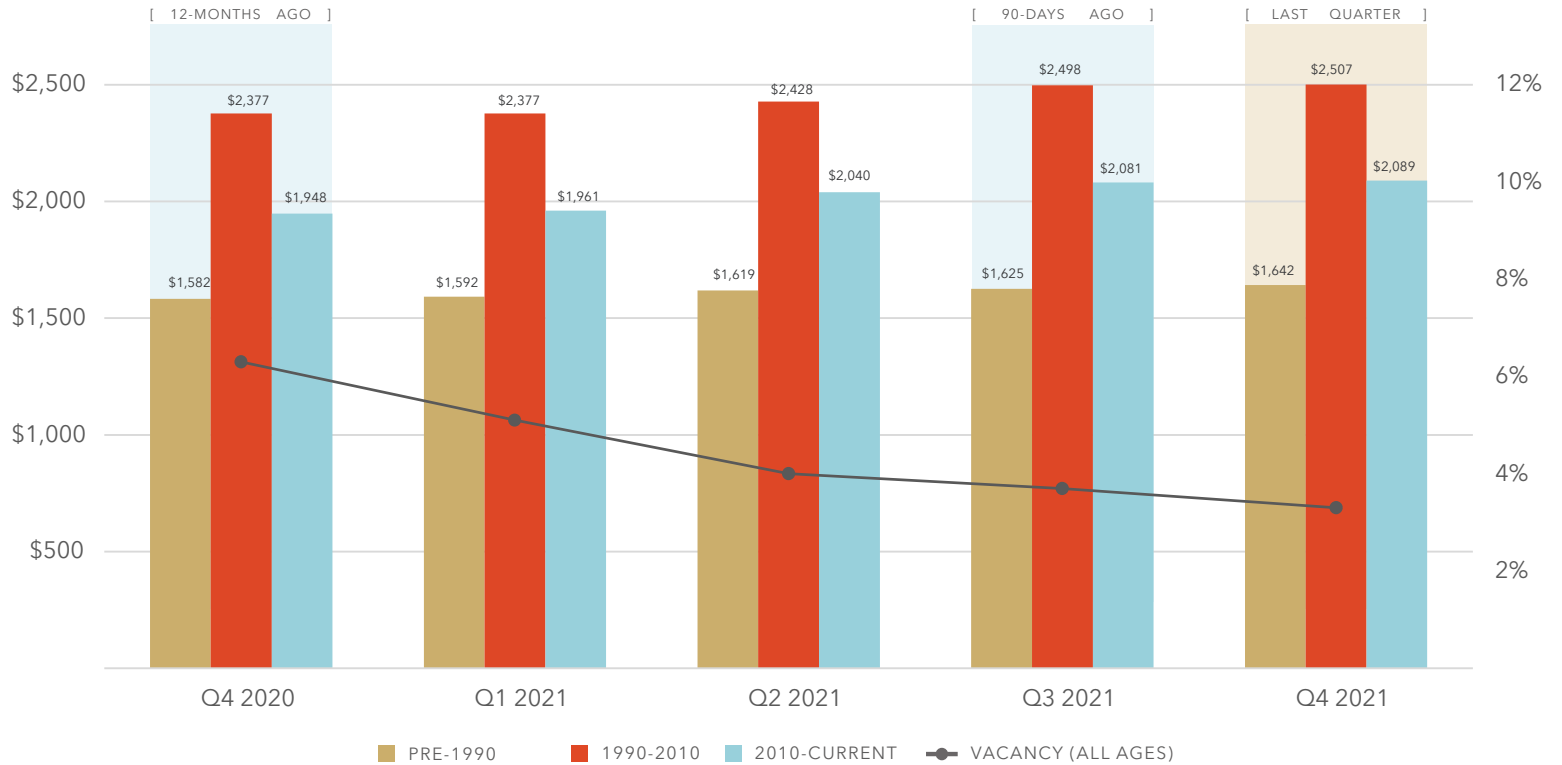
93
TOTAL UNITS

1,003 SF
AVERAGE UNIT SIZE

EAST KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



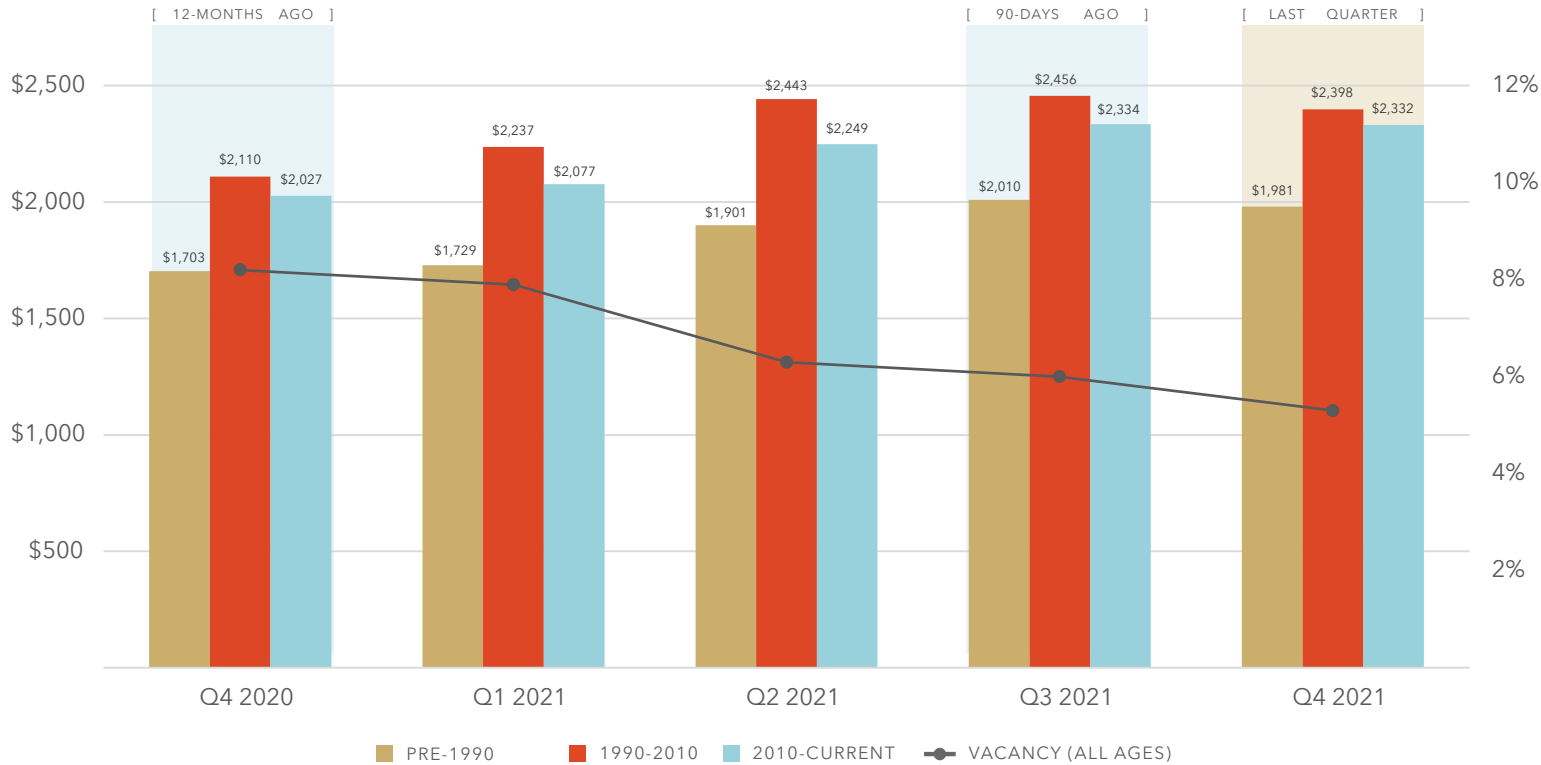
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,609 | \$1,687 | \$1,725 | \$1,767 | \$1,766 | ▲ 5% | \$1,829 | ▲ 1% | \$1,845 |
| Rent/SF | \$1.71 | \$1.80 | \$1.84 | \$1.88 | \$1.88 | ▲ 4% | \$1.95 | ▲ 0.5% | \$1.96 |
| Vacancy | 5.8% | 5.1% | 4.5% | 4.5% | 6.3% | ▼ 300 bps | 3.7% | ▼ 40 bps | 3.3% |

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-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,824 | \$1,832 | \$1,921 | \$2,027 | \$1,931 | ▲ 15% | \$2,247 | ▼ 1% | \$2,222 |
| Rent/SF | \$2.04 | \$2.05 | \$2.15 | \$2.27 | \$2.15 | ▲ 15% | \$2.51 | ▼ 1% | \$2.48 |
| Vacancy | 8.3% | 6.3% | 8.0% | 8.9% | 8.2% | ▼ 290 bps | 6.0% | ▼ 70 bps | 5.3% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

64

TOTAL BUILDINGS

11,647

TOTAL UNITS

855 SF

AVERAGE UNIT SIZE

1990-2010 ■

35

TOTAL BUILDINGS

7,643

TOTAL UNITS

1,055 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

55

TOTAL BUILDINGS

12,854

TOTAL UNITS

838 SF

AVERAGE UNIT SIZE

SALES TRENDS

East King saw the lowest average cap rates in the region at a staggering 3.8%. Investors are bullish on East King and, as such, willing to pay top dollar to be near burgeoning job centers and tech hubs.

01

The year 2021 was a record-breaker for East King with \$1.2 billion in apartment sales - approaching the total sales volume in 2019 and 2020 combined. To that end, it helps that more than half of the sales of properties with more than 50 units were more than \$95 million.

02

Notably, Redmond saw two monster sales of new-construction buildings at more than \$500,000 per unit and \$700 per square foot. Expect to see sales continue to hit this new benchmark on newly built assets in Redmond, East Bellevue, and Issaquah.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|--------------------------|-------------------------------|------------------------------|-----------------------------|-------------------------------|
| 5 TO 50 UNITS | 8 ▲ 60% CHANGE Y-O-Y | \$49.0M ▲ 45% CHANGE Y-O-Y | \$330K ▼ 24% CHANGE Y-O-Y | \$375 ▼ 16% CHANGE Y-O-Y | 4.1% ▼ 15 BPS CHANGE Y-O-Y |
| 50+ UNITS | 12 ▲ 50% CHANGE Y-O-Y | \$1.1B ▲ 139% CHANGE Y-O-Y | \$407K ▲ 16% CHANGE Y-O-Y | \$497 ▲ 44% CHANGE Y-O-Y | 3.5% ▼ 67 BPS CHANGE Y-O-Y |

Historical Sales Trends

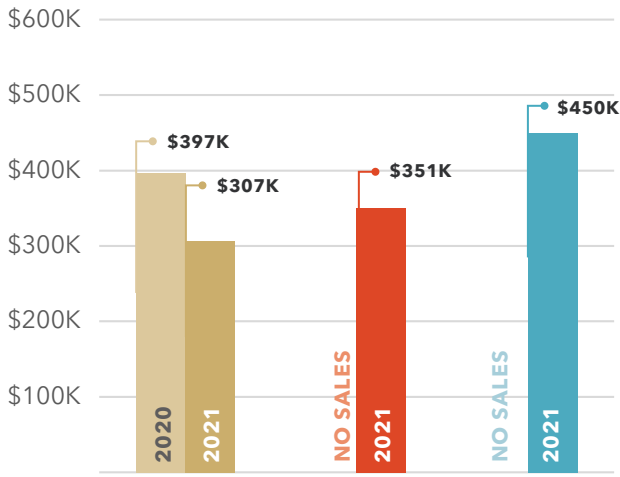
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 15 | 8 | 12 | 16 | 13 | 6 | ▼ 33% | 4 | ▲ 62% | 20 |
| Sales Volume | \$501M | \$311M | \$322M | \$887M | \$514M | \$387M | ▼ 76% | \$95.0M | ▲ 178% | \$1.2B |
| Price/Unit | \$290K | \$333K | \$372K | \$373K | \$355K | \$414K | ▼ 20% | \$330K | ▲ 9% | \$376K |
| Price/SF | \$254 | \$373 | \$344 | \$440 | \$351 | \$385 | ▼ 4% | \$369 | ▲ 31% | \$448 |
| Cap Rate | 5.0% | 4.9% | 4.6% | 4.6% | 4.2% | 4.3% | - | NOT REPORTED | ▼ 44 bps | 3.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

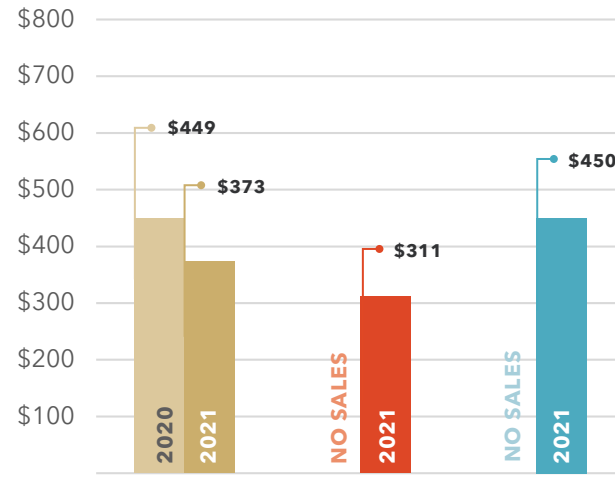
SALES VELOCITY

5 TO 50-UNITS

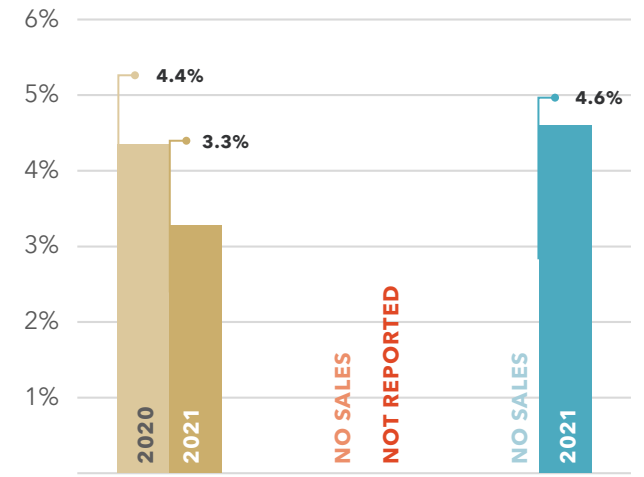
Price/Unit



Price/SF

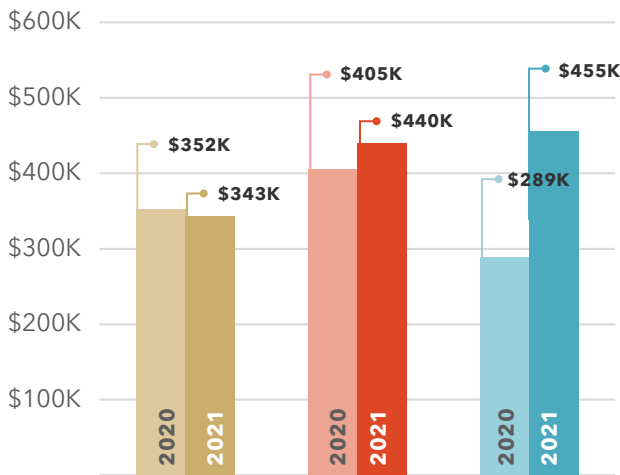


Cap Rate

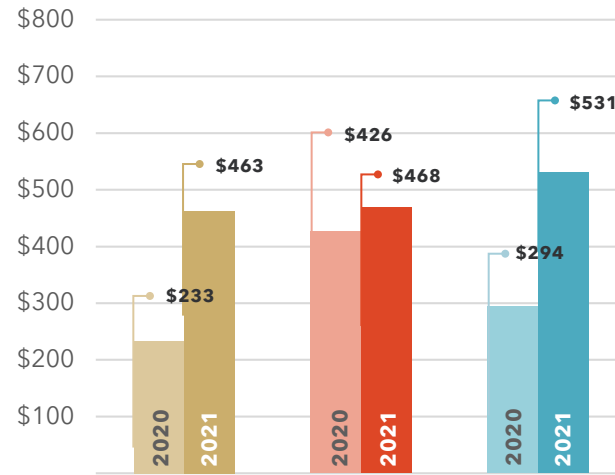


50+ UNITS

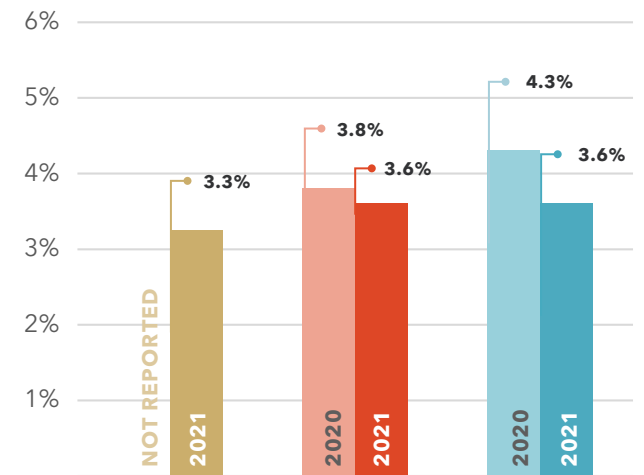
Price/Unit



Price/SF



Cap Rate



PRE-1990 1990-2010 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|------------------------|----------------------|------------|-------|-------|--------|--------------|------------|------------|----------|----------|
| Cascadia Apartments | 17160 Avondale Way | Redmond | 1901 | 11 | 8,568 | \$3,200,000 | 12/30/2021 | \$290,909 | \$373 | - |
| Mount Si Apartments | 475 E North Bend Way | North Bend | 1988 | 48 | 42,800 | \$15,500,000 | 12/3/2021 | \$322,917 | \$362 | - |
| 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% |
| 12707 SE 42nd St | 12707 SE 42nd St | Bellevue | 1981 | 22 | 32,670 | \$2,775,000 | 6/3/2021 | \$126,136 | \$174 | - |
| 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 |
|--------------------------------|-----------------------|-----------|-------|-------|---------|---------------|------------|------------|----------|----------|
| Sancerre Apartments-Kirkland | 12648 NE 144th St | Kirkland | 1987 | 140 | 111,513 | \$49,500,000 | 12/22/2021 | \$353,571 | \$444 | - |
| Tria | 12833 Newcastle Way | Newcastle | 2017 | 76 | 90,451 | \$26,750,000 | 10/29/2021 | \$351,974 | \$296 | - |
| 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 | - |
| The Nightingale | 2651 156th Ave NE | Redmond | 2021 | 263 | 189,174 | \$131,500,000 | 9/2/2021 | \$500,000 | \$695 | - |
| Zephyr on the Park Apartments | 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 | - |
| Avalon Redmond Place | 8935 160th Ave NE | Redmond | 1990 | 222 | 208,616 | \$97,700,000 | 6/22/2021 | \$440,090 | \$468 | 3.6% |
| Sandpiper East Apartments | 1312 139th Ave NE | Bellevue | 1974 | 224 | 119,900 | \$57,800,000 | 6/1/2021 | \$258,036 | \$482 | - |
| Carrington Apartments-Bellevue | 2501 SE 148th Ave | Bellevue | 1969 | 108 | 84,000 | \$39,850,000 | 6/1/2021 | \$368,981 | \$474 | - |
| Aura Totem Lake | 12655 120th Ave NE | Kirkland | 2020 | 202 | 202,000 | \$88,300,000 | 4/29/2021 | \$437,129 | \$437 | 3.5% |
| Hyde Square | 15400 NE 20th St | Bellevue | 2018 | 618 | 485,559 | \$279,100,000 | 1/20/2021 | \$451,618 | \$575 | 3.8% |



SOUTH KING

MARKET TRENDS

- South King County saw only 248 new units delivered in the past 12 months - leading to the sustained low vacancy rate of 3.6%.
- As some of the larger tech headquarters begin reopening their doors, many workers are getting priced out of the Eastside and, as a result, are chasing more space and larger apartments in Renton.
- With rumblings that the Southport office spaces could be occupied by a large tech tenant, as well as positive news regarding Boeing posting its first profits since 2019, Renton is becoming a more attractive destination for tenants and workers alike.

Rent & Vacancy

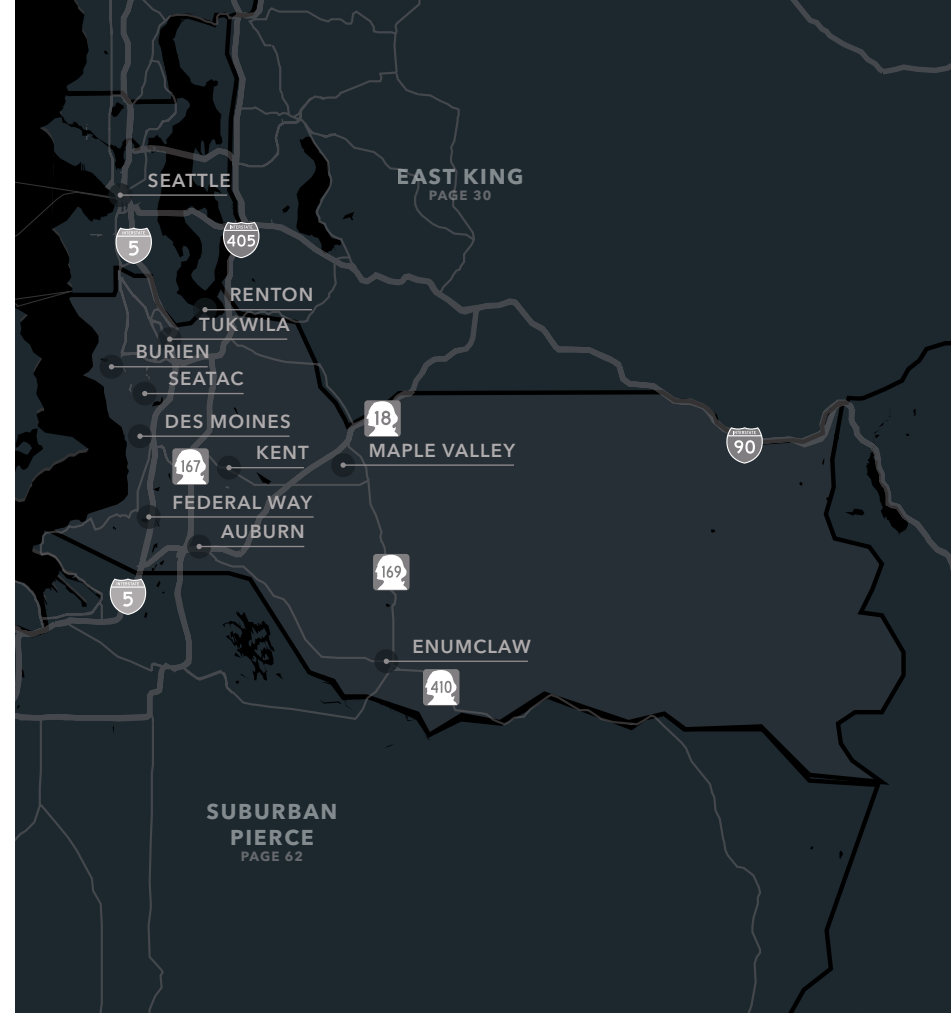
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,485 | ▲ 11% | \$1,643 | ▲ 0.5% | \$1,652 |
| Vacancy | 5.4% | ▼ 200 bps | 3.4% | ▲ 20 bps | 3.6% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|--------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 23 | ▼ 44% | 13 | 50 | ▼ 16% | 42 |
| Sales Volume | \$534M | ▼ 42% | \$312M | \$705M | ▲ 58% | \$1.1B |
| Price/Unit | \$238K | ▲ 5% | \$249K | \$231K | ▲ 0.6% | \$232K |
| Price/SF | \$241 | ▲ 20% | \$289 | \$228 | ▲ 17% | \$267 |
| Cap Rate | 4.7% | ▼ 32 bps | 4.4% | 4.8% | ▼ 60 bps | 4.2% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

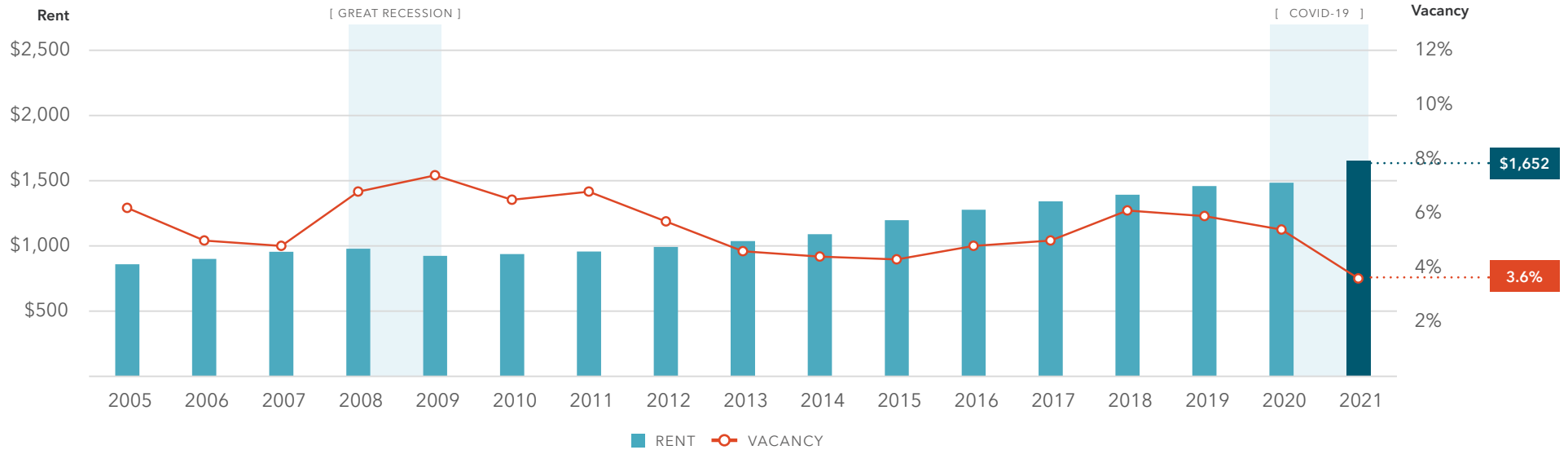


Inventory

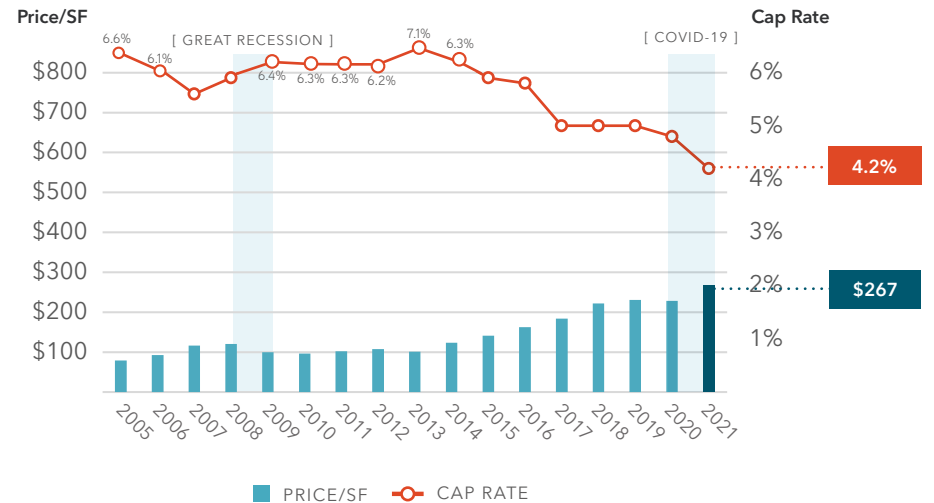
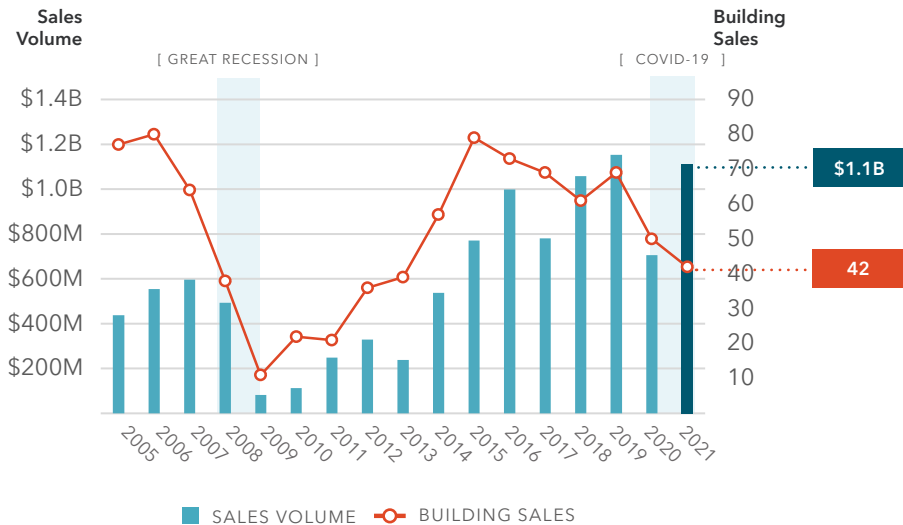
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 57,500 | 899 |
| 5 to 50-Units | 10,371 | 613 |
| 50+ Units | 47,129 | 286 |
| 12-Month Deliveries | 248 | 2 |
| Average Unit Size | 857 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

549

TOTAL BUILDINGS

9,192

TOTAL UNITS

777 SF

AVERAGE UNIT SIZE

1990-2010

44

TOTAL BUILDINGS

808

TOTAL UNITS

1,025 SF

AVERAGE UNIT SIZE

2010-CURRENT

10

TOTAL BUILDINGS

231

TOTAL UNITS

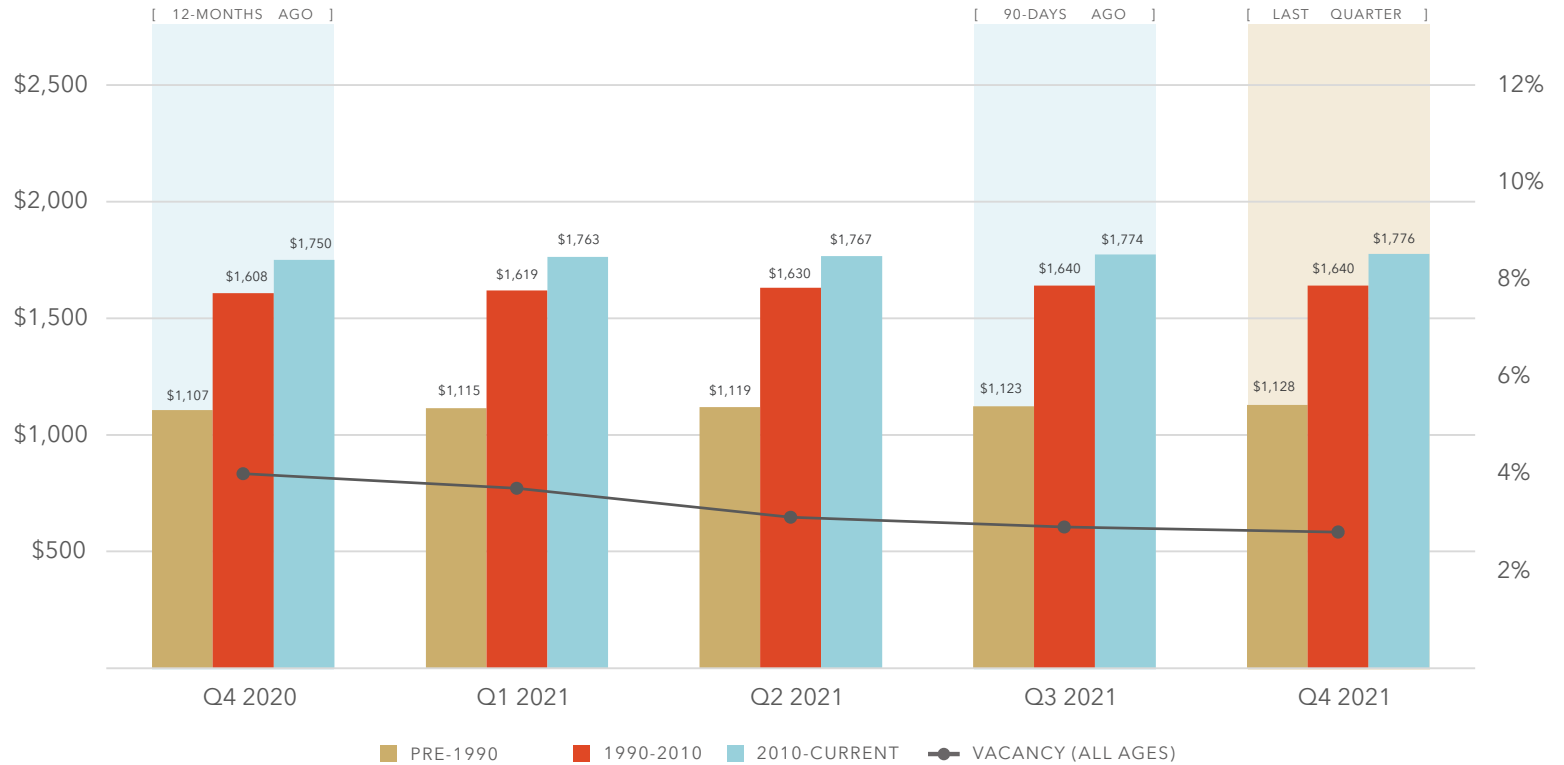
1,342 SF

AVERAGE UNIT SIZE

SOUTH KING

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



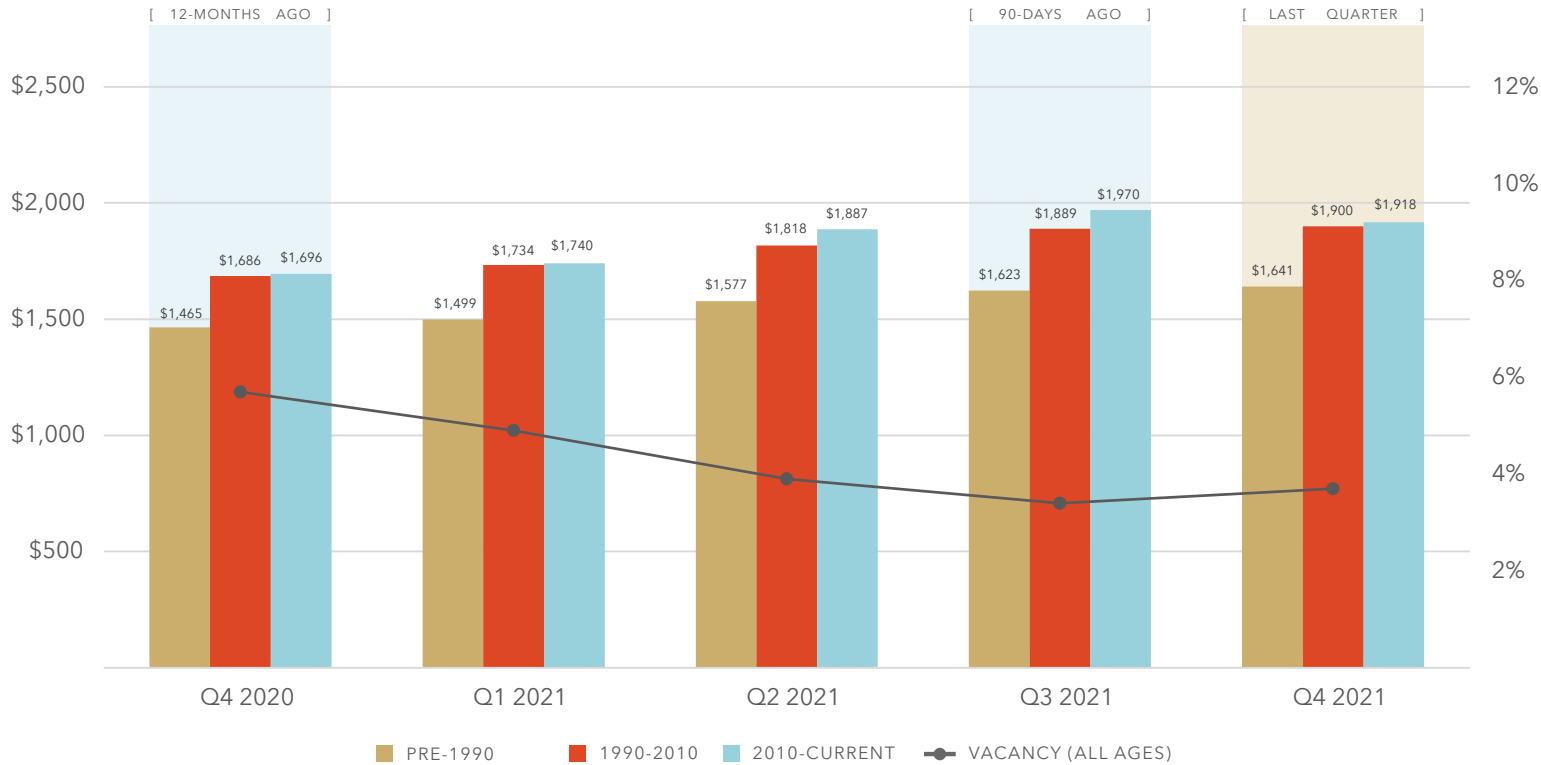
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,030 | \$1,077 | \$1,114 | \$1,148 | \$1,162 | ▲ 2% | \$1,179 | ▲ 0.4% | \$1,184 |
| Rent/SF | \$1.30 | \$1.36 | \$1.41 | \$1.45 | \$1.47 | ▲ 2% | \$1.49 | ▲ 1% | \$1.50 |
| Vacancy | 4.1% | 4.2% | 4.6% | 4.2% | 4.0% | ▼ 120 bps | 2.9% | ▼ 10 bps | 2.8% |

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 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [90-DAYS AGO] Q3 2021 | 90-Day Change | [LAST QUARTER] Q4 2021 |
|----------------|---------|---------|---------|---------|------------------------------|-----------------|----------------------------|---------------|-----------------------------|
| Rent | \$1,313 | \$1,380 | \$1,434 | \$1,506 | \$1,533 | ▲ 12% | \$1,713 | ▲ 1% | \$1,721 |
| Rent/SF | \$1.52 | \$1.60 | \$1.66 | \$1.74 | \$1.78 | ▲ 12% | \$1.98 | ▲ 1% | \$1.99 |
| Vacancy | 5.0% | 5.2% | 6.4% | 6.2% | 5.7% | ▼ 200 bps | 3.4% | ▲ 30 bps | 3.7% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

209

TOTAL BUILDINGS

32,783

TOTAL UNITS

845 SF

AVERAGE UNIT SIZE

1990-2010 ■

52

TOTAL BUILDINGS

9,120

TOTAL UNITS

944 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

24

TOTAL BUILDINGS

5,100

TOTAL UNITS

838 SF

AVERAGE UNIT SIZE

SALES TRENDS

Investors continue to underwrite based on pro forma value-add rents and put COVID rents in the past. This was proven in South King County with its all-time low cap rate of 4.2% - the lowest this market has ever seen by more than 50 basis points.

01

Institutional investors' attention to South King County has remained steady with 19 sales of buildings with more than 50 units, an increase of 27% y-o-y.

02

Renton has seen a 5.2% average annual rent increase during the last 10 years. As such, we (along with investors) expect this trend to continue in a positive trajectory moving forward.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|--|---|--|---|---|
| 5 TO 50 UNITS | <p>23</p> <p>▼ 34% CHANGE Y-O-Y</p> | <p>\$70.4M</p> <p>▼ 10% CHANGE Y-O-Y</p> | <p>\$188K</p> <p>▼ 1% CHANGE Y-O-Y</p> | <p>\$217</p> <p>▲ 4% CHANGE Y-O-Y</p> | <p>4.4%</p> <p>▼ 42 BPS CHANGE Y-O-Y</p> |
| 50+ UNITS | <p>19</p> <p>▲ 27% CHANGE Y-O-Y</p> | <p>\$1.0B</p> <p>▲ 66% CHANGE Y-O-Y</p> | <p>\$285K</p> <p>▲ 20% CHANGE Y-O-Y</p> | <p>\$327</p> <p>▲ 42% CHANGE Y-O-Y</p> | <p>4.0%</p> <p>▼ 68 BPS CHANGE Y-O-Y</p> |

Historical Sales Trends

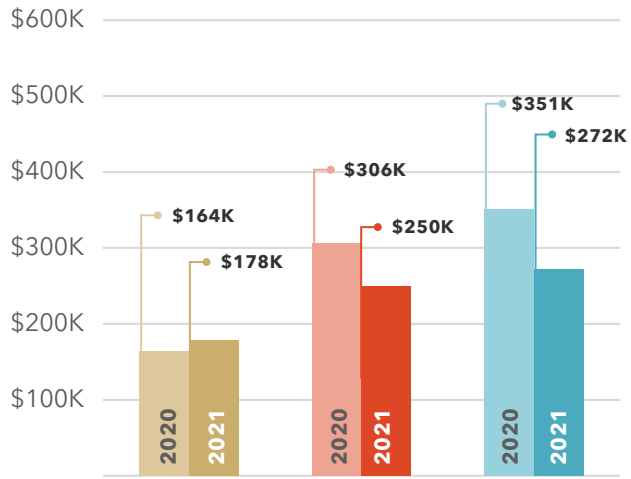
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 73 | 69 | 61 | 69 | 50 | 23 | ▼ 44% | 13 | ▼ 16% | 42 |
| Sales Volume | \$999M | \$781M | \$1.1B | \$1.2B | \$705M | \$534M | ▼ 42% | \$312M | ▲ 58% | \$1.1B |
| Price/Unit | \$155K | \$169K | \$216K | \$202K | \$231K | \$238K | ▲ 5% | \$249K | ▲ 0.6% | \$232K |
| Price/SF | \$162 | \$184 | \$222 | \$231 | \$228 | \$241 | ▲ 20% | \$289 | ▲ 17% | \$267 |
| Cap Rate | 5.8% | 5.0% | 5.0% | 5.0% | 4.8% | 4.7% | ▼ 32 bps | 4.4% | ▼ 60 bps | 4.2% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

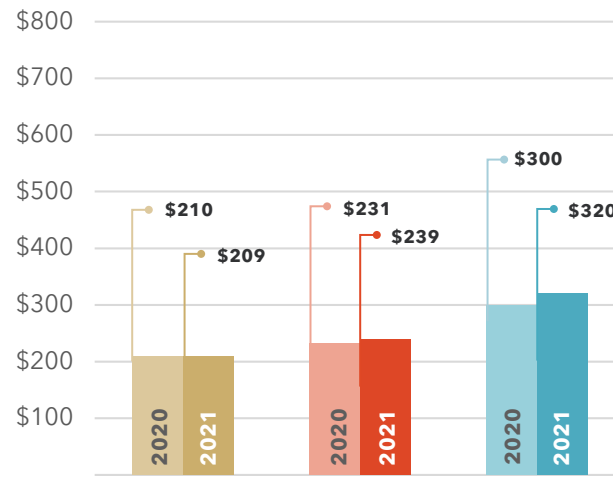
SALES VELOCITY

5 TO 50-UNITS

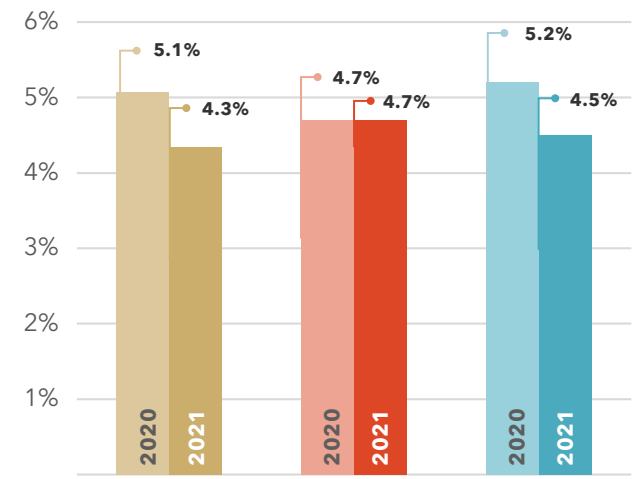
Price/Unit



Price/SF

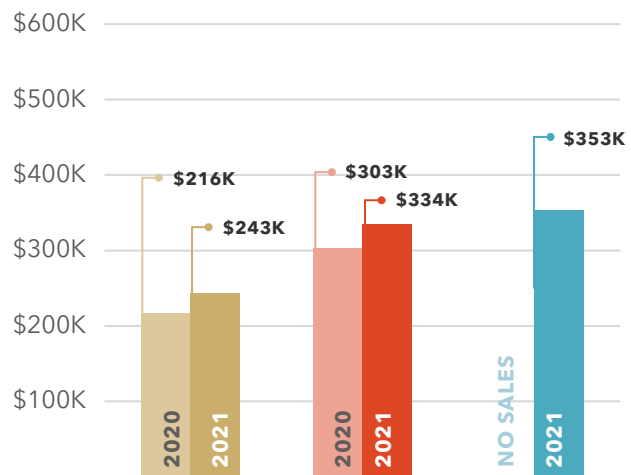


Cap Rate

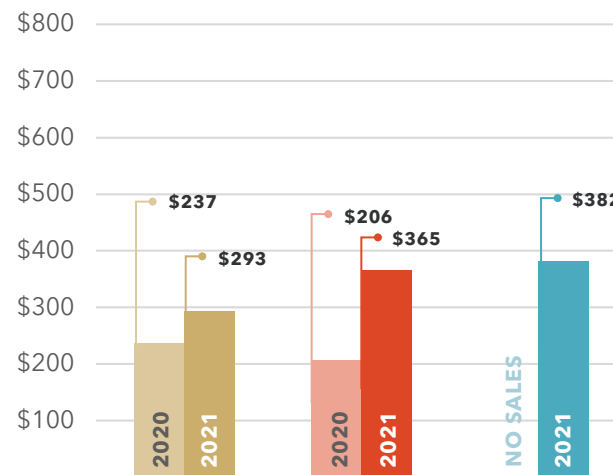


50+ UNITS

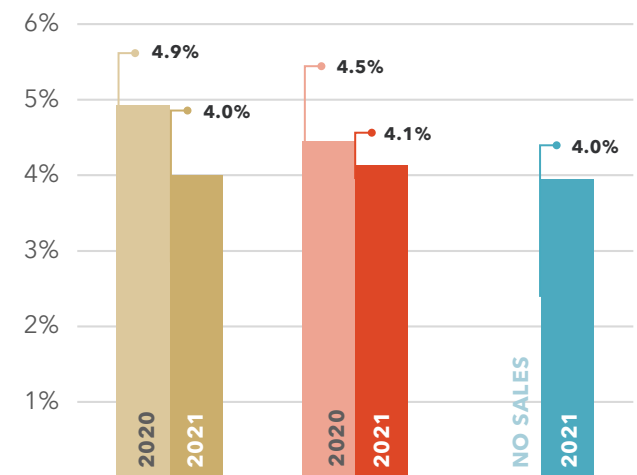
Price/Unit



Price/SF



Cap Rate



PRE-1990 1990-2010 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-------------------------|----------------------|-------------|-------|-------|--------|--------------|------------|------------|----------|----------|
| Quiet Maples | 857 SW 134th St | Burien | 1999 | 8 | 8,704 | \$2,200,000 | 12/28/2021 | \$275,000 | \$253 | 4.7% |
| Twin Crest Apartments | 10545 SE 238th St | Kent | 1978 | 18 | 14,904 | \$3,995,650 | 12/23/2021 | \$222,147 | \$268 | - |
| Cedar Court | 15621 4th Ave S | Burien | 1965 | 18 | 20,184 | \$4,375,000 | 12/17/2021 | \$243,056 | \$217 | 4.9% |
| Valiant Arms | 22521 30th Ave S | Des Moines | 1964 | 12 | 13,398 | \$2,500,000 | 12/17/2021 | \$208,333 | \$187 | 5.2% |
| Terrace View | 102 Summit Ave N | Kent | 1959 | 12 | 10,865 | \$1,920,000 | 12/17/2021 | \$160,000 | \$177 | 4.5% |
| 14th St Apartments | 922 14th St NE | Auburn | 1990 | 12 | 12,000 | \$2,700,000 | 12/16/2021 | \$225,000 | \$225 | - |
| Iolani Apartments | 24415 Pacific Hwy S | Kent | 1943 | 8 | 4,162 | \$1,200,500 | 10/29/2021 | \$150,063 | \$288 | - |
| 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 | Burien | 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 | Seattle | 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: 2021 SALES

50+ Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-----------------------------|---------------------------|---------------|-------|-------|---------|---------------|------------|------------|----------|----------|
| Terrace View Apartments | 231 S 177th Pl | Burien | 1985 | 85 | 69,351 | \$22,000,000 | 12/30/2021 | \$258,824 | \$317 | 4.0% |
| The Village at Ten Trails | 22870 SE Fir St | Black Diamond | 2021 | 176 | 168,814 | \$67,697,033 | 12/20/2021 | \$384,642 | \$401 | - |
| Madison at River's Edge | 1741 NE 22nd St | Auburn | 1976 | 120 | 111,660 | \$33,000,000 | 12/16/2021 | \$275,000 | \$296 | - |
| Skyline Park Villa | 3435-3445 S 160th St | Seatac | 1969 | 52 | 43,834 | \$8,900,000 | 11/9/2021 | \$171,154 | \$203 | 4.1% |
| Midtown 64 | 24615 64th Ave S | Kent | 2020 | 365 | 242,950 | \$141,100,000 | 10/20/2021 | \$386,575 | \$581 | 4.1% |
| Marina Club Apartments | 2445 S 222nd St | Des Moines | 1987 | 77 | 60,328 | \$21,000,000 | 10/15/2021 | \$272,727 | \$348 | 3.5% |
| 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 | 15405 S Des Moines Mem Dr | Burien | 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 Union | 2111 SW 352nd St | Federal Way | 1984 | 244 | 148,195 | \$38,593,000 | 8/5/2021 | \$158,168 | \$260 | 3.5% |
| The Haven | 25426 98th Ave S | Kent | 1981 | 247 | 184,078 | \$46,496,250 | 8/5/2021 | \$188,244 | \$253 | 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

- As a whole, Snohomish County did not feel the strain that other counties did within the Puget Sound. When everyone was leaving Seattle, they were heading north. Here, a steady increase in rents throughout the last couple of years has shown that Snohomish continues to grow and become a desirable destination.
- In Snohomish County, vacancy declined a full percentage point (from 4.6% to 3.6%) this last year as people moved north looking for larger units, primarily due to working from home.

Rent & Vacancy

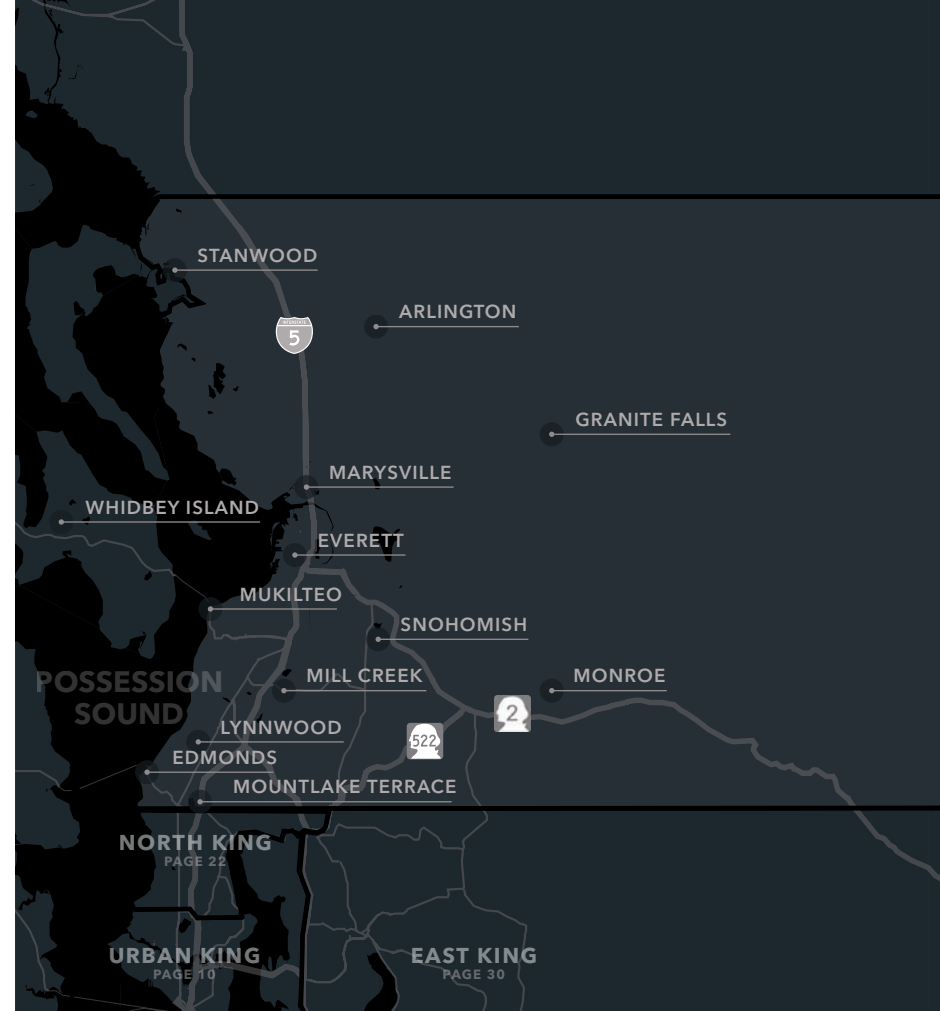
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,541 | ▲ 13% | \$1,742 | ▼ 0.3% | \$1,737 |
| Vacancy | 5.3% | ▼ 140 bps | 3.9% | ▼ 10 bps | 3.8% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|----------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 11 | ▲ 163% | 29 | 49 | ▲ 27% | 62 |
| Sales Volume | \$87.5M | ▲ 926% | \$898M | \$127.6M | ▲ 869% | \$1.2B |
| Price/Unit | \$230K | ▲ 29% | \$297K | \$175K | ▲ 42% | \$249K |
| Price/SF | \$277 | ▲ 10% | \$306 | \$212 | ▲ 29% | \$274 |
| Cap Rate | 5.3% | ▼ 87 bps | 4.4% | 5.5% | ▼ 120 bps | 4.3% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

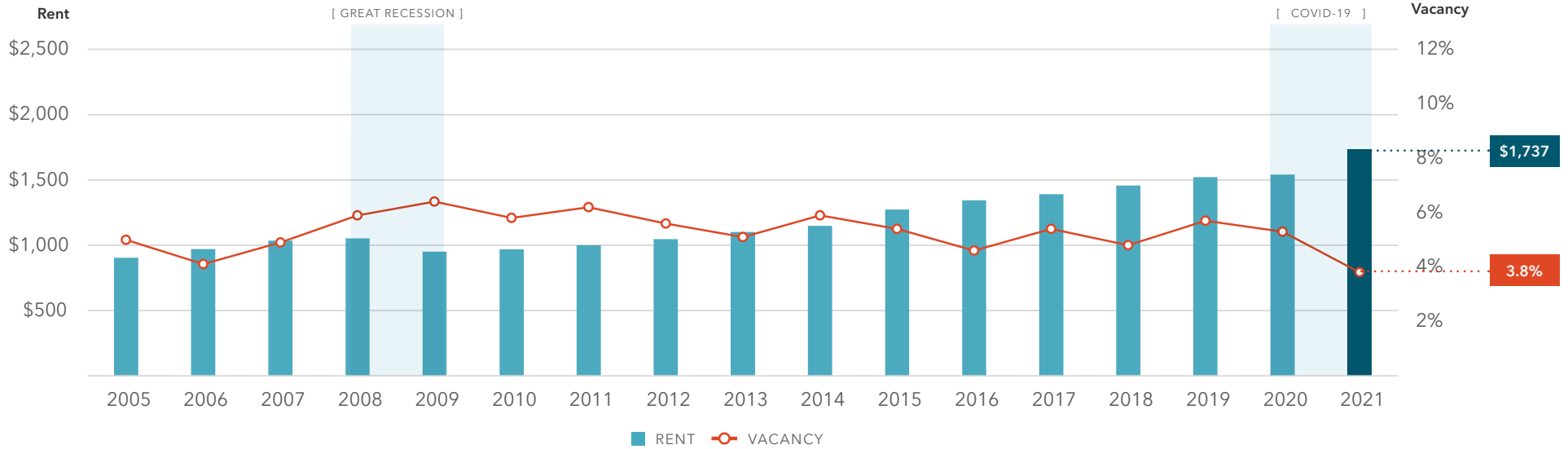


Inventory

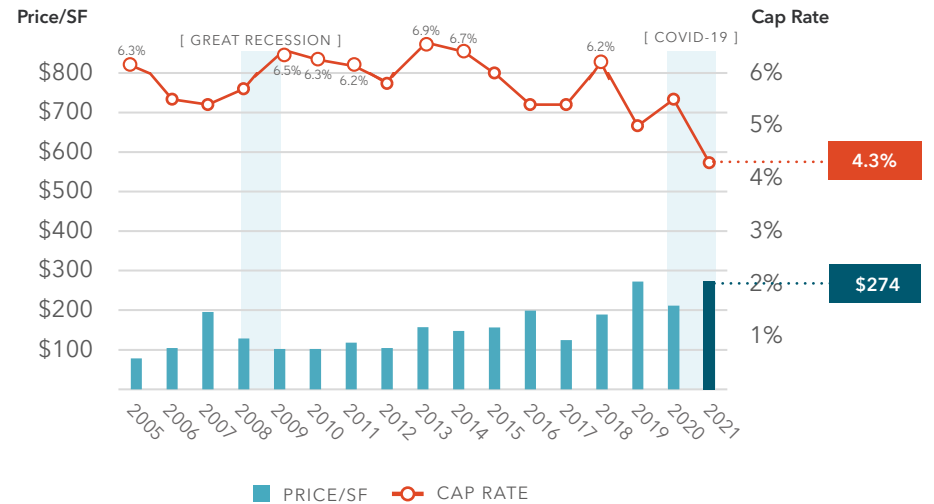
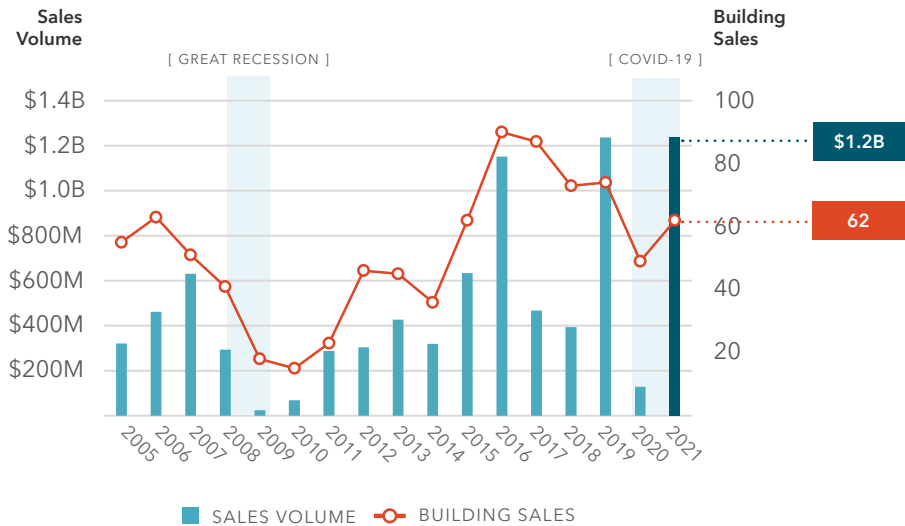
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 45,466 | 1,641 |
| 5 to 50-Units | 10,015 | 761 |
| 50+ Units | 35,451 | 880 |
| 12-Month Deliveries | 1,659 | 12 |
| Average Unit Size | 882 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

■ PRE-1990

601
TOTAL BUILDINGS

7,341
TOTAL UNITS

833 SF
AVERAGE UNIT SIZE

■ 1990-2010

117
TOTAL BUILDINGS

1,742
TOTAL UNITS

1,056 SF
AVERAGE UNIT SIZE

■ 2010-CURRENT

23
TOTAL BUILDINGS

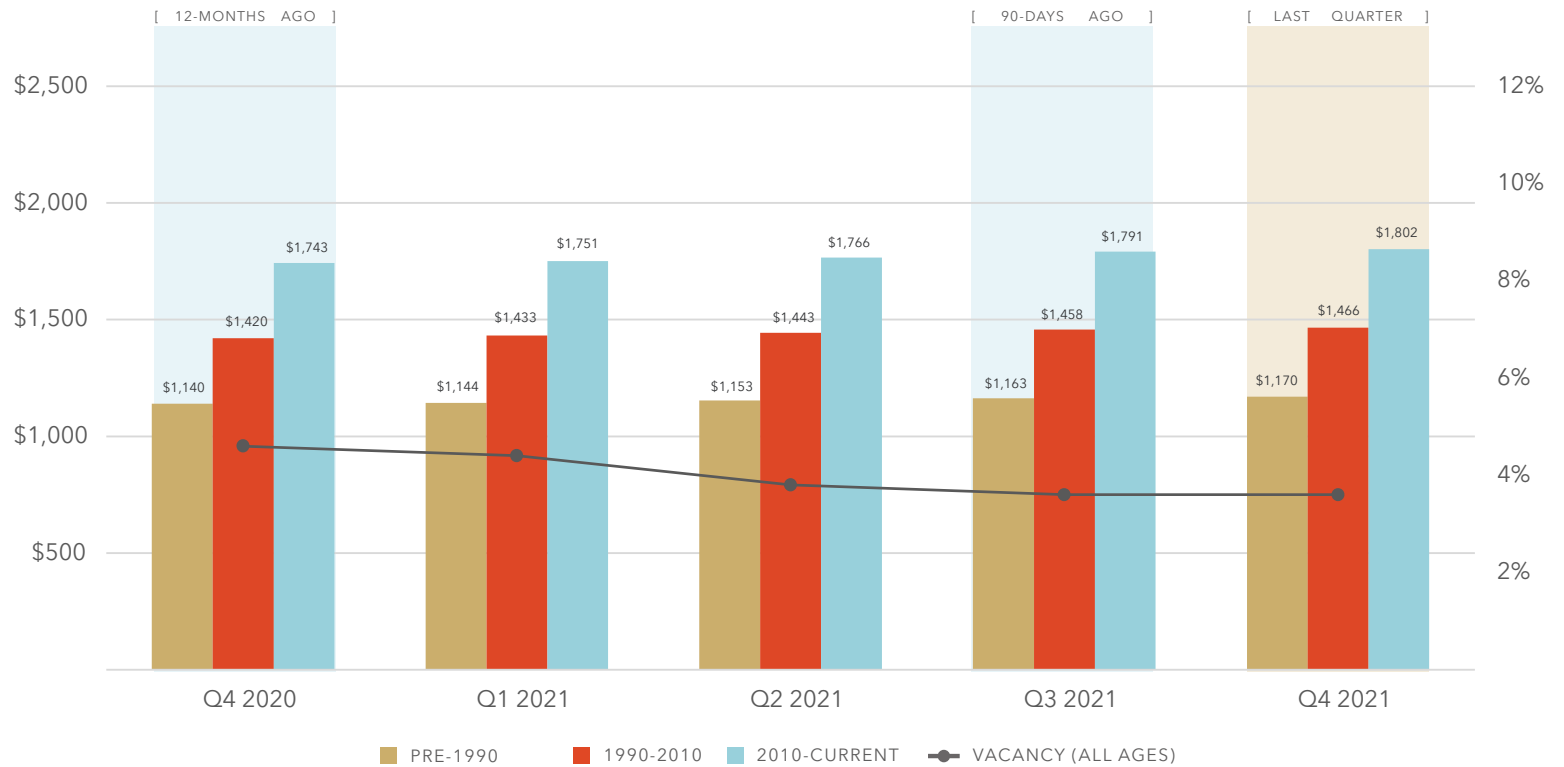
649
TOTAL UNITS

968 SF
AVERAGE UNIT SIZE

SNOHOMISH

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



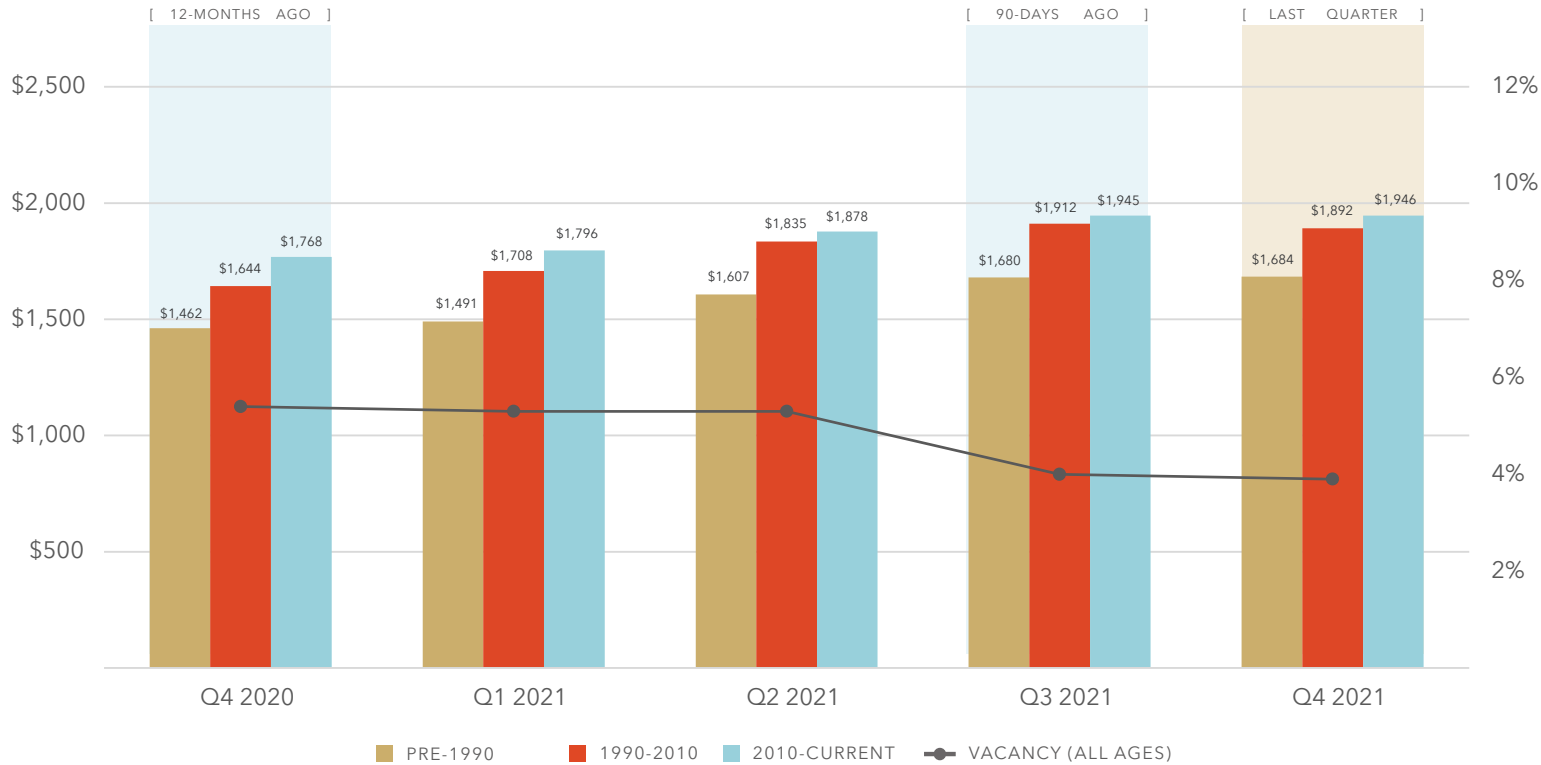
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,099 | \$1,149 | \$1,186 | \$1,219 | \$1,252 | ▲ 3% | \$1,280 | ▲ 1% | \$1,288 |
| Rent/SF | \$1.24 | \$1.30 | \$1.35 | \$1.38 | \$1.42 | ▲ 3% | \$1.45 | ▲ 1% | \$1.46 |
| Vacancy | 4.3% | 4.7% | 4.4% | 4.8% | 4.6% | ▼ 100 bps | 3.6% | - | 3.6% |

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] | 12-Month Change | Q3 2021 [90-DAYS AGO] | 90-Day Change | Q4 2021 [LAST QUARTER] |
|----------------|---------|---------|---------|---------|----------------------|-----------------|-----------------------|---------------|------------------------|
| Rent | \$1,384 | \$1,431 | \$1,503 | \$1,571 | \$1,590 | ▲ 14% | \$1,818 | ▼ 0.3% | \$1,812 |
| Rent/SF | \$1.58 | \$1.63 | \$1.71 | \$1.79 | \$1.81 | ▲ 14% | \$2.07 | ▼ 1% | \$2.06 |
| Vacancy | 4.7% | 5.7% | 4.9% | 6.0% | 5.4% | ▼ 150 bps | 4.0% | ▼ 10 bps | 3.9% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990

100

TOTAL BUILDINGS

15,660

TOTAL UNITS

846 SF

AVERAGE UNIT SIZE

1990-2010

65

TOTAL BUILDINGS

13,057

TOTAL UNITS

930 SF

AVERAGE UNIT SIZE

2010-CURRENT

35

TOTAL BUILDINGS

6,548

TOTAL UNITS

857 SF

AVERAGE UNIT SIZE

SALES TRENDS

Snohomish had a record 2021: Building sales increased by 25% with sales volume topping \$1.2 billion, which trails only Urban King and the Eastside in total sales volume.

01

Cap rates also dropped significantly to 4.3% (compared to 5.5% last year), proving that this was where investors wanted to be this last year.

02

Price per unit and price per square foot also rose dramatically, making Snohomish County one of the most competitive markets in the Puget Sound.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|----------------------------------|--|-------------------------------------|------------------------------------|---------------------------------------|
| 5 TO 50 UNITS | 43 ▲ 4% CHANGE Y-O-Y | \$139M ▲ 141% CHANGE Y-O-Y | \$224K ▲ 69% CHANGE Y-O-Y | \$250 ▲ 54% CHANGE Y-O-Y | 4.3% ▼ 117 BPS CHANGE Y-O-Y |
| 50+ UNITS | 19 ▲ 375% CHANGE Y-O-Y | \$1.1B ▲ 1,469% CHANGE Y-O-Y | \$305K ▲ 27% CHANGE Y-O-Y | \$328 ▲ 16% CHANGE Y-O-Y | 4.2% NOT REPORTED |

Historical Sales Trends

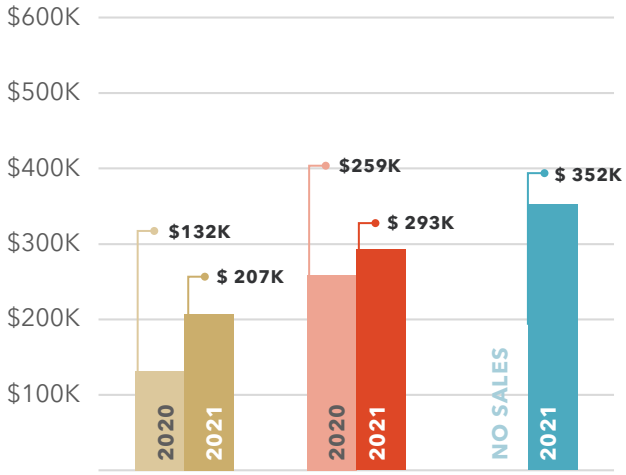
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 90 | 87 | 73 | 74 | 49 | 11 | ▲ 163% | 29 | ▲ 27% | 62 |
| Sales Volume | \$1.2B | \$466M | \$393M | \$1.2B | \$127M | \$87.5M | ▲ 926% | \$898M | ▲ 869% | \$1.2B |
| Price/Unit | \$185K | \$121K | \$169K | \$228K | \$175K | \$230K | ▲ 29% | \$297K | ▲ 42% | \$249K |
| Price/SF | \$199 | \$125 | \$189 | \$272 | \$212 | \$277 | ▲ 10% | \$306 | ▲ 29% | \$274 |
| Cap Rate | 5.4% | 5.4% | 6.2% | 5.0% | 5.5% | 5.3% | ▼ 87 bps | 4.4% | ▼ 120 bps | 4.3% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

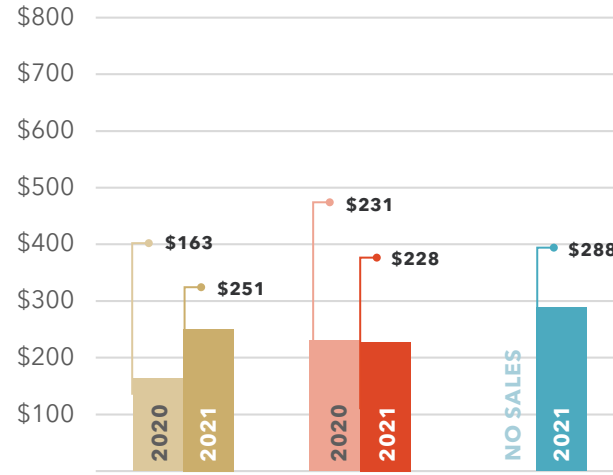
SALES VELOCITY

5 TO 50-UNITS

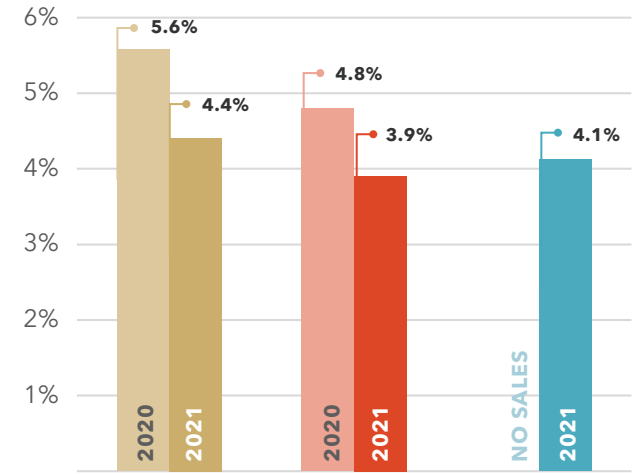
Price/Unit



Price/SF

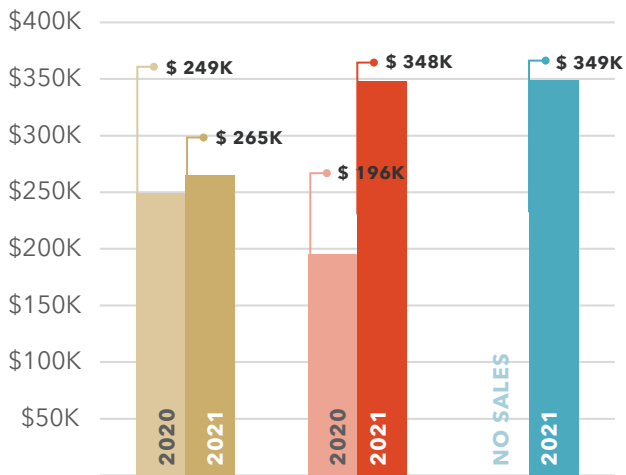


Cap Rate

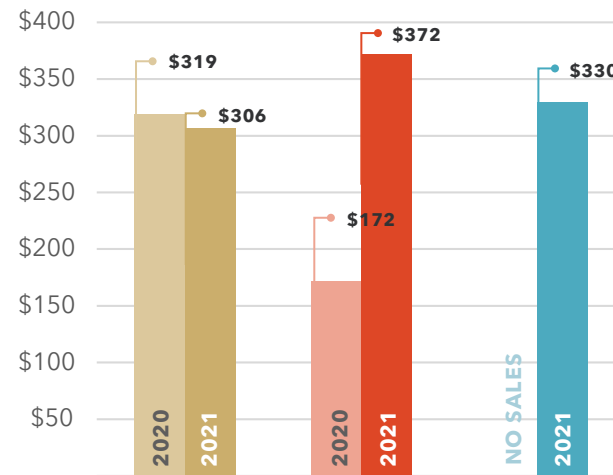


50+ UNITS

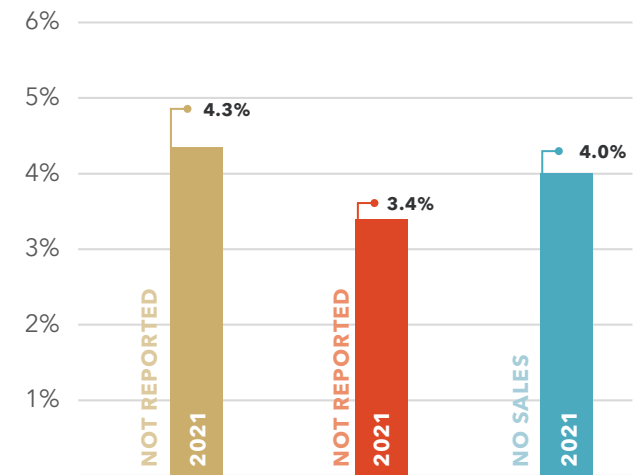
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|--------------------------|------------------------|--------------|-------|-------|--------|--------------|------------|------------|----------|----------|
| 218 10th St | 218 10th St | Snohomish | 1977 | 5 | 4,926 | \$1,450,000 | 12/27/2021 | \$290,000 | \$294 | - |
| Meritage at Mill Creek | 14924 41st Ave SE | Mill Creek | 2009 | 24 | 41,400 | \$11,900,000 | 12/17/2021 | \$495,833 | \$287 | 4.0% |
| Achilles Apts | 5804 Highway Pl | Everett | 1969 | 12 | 7956 | \$2,440,000 | 12/16/2021 | \$203,333 | \$307 | - |
| Hawthorne Manor | 2302-2320 Colby Ave | Everett | 1948 | 28 | 13,380 | \$4,750,000 | 12/16/2021 | \$203,333 | \$355 | 4.7% |
| 2305-2307 Colby Ave | 2305-2307 Colby Ave | Everett | 1900 | 8 | 3,283 | \$970,000 | 12/13/2021 | \$121,250 | \$296 | - |
| 2506 Hartford Dr | 2506 Hartford Dr | Lake Stevens | 1911 | 6 | 4,115 | \$1,000,000 | 12/3/2021 | \$166,667 | \$243 | - |
| Parkside Townhomes | 3207 Smokey Point Dr | Arlington | 1976 | 24 | 21,600 | \$5,100,000 | 11/24/2021 | \$212,500 | \$236 | 5.5% |
| The Armar | 6511 Armar Rd | Marysville | 1968 | 11 | 10,670 | \$2,635,000 | 11/19/2021 | \$239,545 | \$247 | 4.1% |
| Elm Way Apartments | 533 Elm Way | Edmonds | 1967 | 5 | 7,219 | \$2,425,000 | 11/17/2021 | \$485,000 | \$336 | - |
| Saratoga | 8020 Mukilteo Speedway | Mukilteo | 1978 | 20 | 20,000 | \$5,500,000 | 11/5/2021 | \$275,000 | \$275 | 4.1% |
| Meadowdale Townhouses | 5226-5325 149th St SW | Edmonds | 1983 | 27 | 38,340 | \$7,900,000 | 10/28/2021 | \$292,593 | \$206 | 4.5% |
| Kingscourt Apartments | 2424 Rucker Ave | Everett | 1969 | 10 | 7,904 | \$2,298,500 | 10/27/2021 | \$229,850 | \$291 | - |
| 202 N Gifford Ave | 202 N Gifford Ave | Arlington | 1948 | 5 | 5,726 | \$985,000 | 10/25/2021 | \$197,000 | \$172 | 5.5% |
| Pinnacle Townhomes | 16503 6th Ave W | Lynnwood | 2015 | 30 | 44,734 | \$12,500,000 | 10/19/2021 | \$416,667 | \$279 | 3.9% |
| 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 | - |
| SonRise | 7801 47th Ave NE | Marysville | 2016 | 36 | 35,000 | \$10,375,000 | 8/27/2021 | \$288,194 | \$296 | 4.4% |
| 5623 186th Pl SW | 5623 186th Pl SW | Lynnwood | 1979 | 11 | 12,496 | \$2,777,000 | 8/27/2021 | \$252,455 | \$222 | - |
| Park View II 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% |
| 1501 44th St SE | 1501 44th St SE | Everett | 1979 | 9 | 6,000 | \$1,230,000 | 8/23/2021 | \$136,667 | \$205 | 2.7% |
| 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% |
| 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 | - |

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-------------------------------|--------------------------|------------|-------|-------|--------|-------------|-----------|------------|----------|----------|
| Smokey Point Villa Apartments | 17313-17315 Smokey Point | Arlington | 1960 | 30 | 22,946 | \$4,480,000 | 5/19/2021 | \$149,333 | \$195 | 1.8% |
| 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% |
| 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 | Everett | 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 |
|----------------------------|-------------------------|-------------------|-------|-------|---------|---------------|------------|------------|----------|----------|
| Bluwater | 11311 19th Ave SE | Everett | 1991 | 152 | 140,280 | \$54,500,000 | 12/20/2021 | \$358,553 | \$389 | - |
| Grand Avenue Apartments | 2938 Grand Ave | Everett | 2015 | 220 | 210,530 | \$75,750,000 | 12/17/2021 | \$344,318 | \$360 | - |
| Helm | 128 127th St SE | Everett | 2020 | 192 | 200,000 | \$76,750,000 | 12/15/2021 | \$399,740 | \$384 | 4.0% |
| Quilceda Gardens | 1248 Cedar Ave | Marysville | 1985 | 61 | 58,860 | \$15,800,000 | 12/14/2021 | \$259,016 | \$268 | 4.7% |
| Terra Verde | 1415 W Casino Rd | Everett | 1980 | 73 | 40,259 | \$15,475,000 | 11/30/2021 | \$211,986 | \$384 | - |
| Saratoga | 11812 E Gibson Rd | Everett | 1990 | 107 | 100,152 | \$35,100,000 | 11/10/2021 | \$328,037 | \$350 | - |
| Cascadia Point | 8710 5th Ave W | Everett | 1990 | 121 | 112,344 | \$38,000,000 | 11/10/2021 | \$314,050 | \$338 | - |
| Mirabella | 805 112th St SE | Everett | 1989 | 117 | 126,087 | \$40,000,000 | 11/10/2021 | \$341,880 | \$317 | - |
| Fulton's Crossing | 120 SE Everett Mall Way | Everett | 1986 | 504 | 400,680 | \$148,600,000 | 11/10/2021 | \$294,841 | \$371 | - |
| Nickel Creek | 3702 204th St SW | Lynnwood | 1986 | 192 | 168,518 | \$68,800,000 | 11/10/2021 | \$358,333 | \$408 | - |
| Avana One Six Four II | 3305 164th St SW | Lynnwood | 2016 | 82 | 98,795 | \$26,798,747 | 11/9/2021 | \$326,814 | \$271 | - |
| Avana One Six Four I | 3333 164th St SW | Lynnwood | 2016 | 424 | 456,592 | \$138,569,131 | 11/9/2021 | \$326,814 | \$303 | - |
| Evergreen Grove Apartments | 2709 Lincoln Way | Lynnwood | 1983 | 73 | 77,290 | \$16,500,000 | 11/4/2021 | \$226,027 | \$213 | 4.8% |
| Maple Glen | 5424 212th St SW | Mountlake Terrace | 1986 | 106 | 112,870 | \$30,800,000 | 10/28/2021 | \$290,566 | \$273 | - |
| Monterra in Mill Creek | 13401 Dumas Rd | Mill Creek | 2003 | 139 | 135,759 | \$55,000,000 | 10/14/2021 | \$395,683 | \$405 | 3.4% |
| 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

- As we've seen with Urban King County, Urban Tacoma saw a recent spur of suburbanization -pushing the vacancy rate above 6.3% for the first time since 2017.
- With new deliveries along the Stadium/Hilltop LightRail station - as well as more tech startups entering (tech)oma - we expect demographics and the quality of tenants in urban Tacoma to continue to attract an increasing number of out-of-market investors.
- Urban Tacoma will also continue to be an oasis away from Seattle, where tenants can get a big-city feel at a 35% discount from Seattle prices, as well as a 40% discount from East King County.

Rent & Vacancy

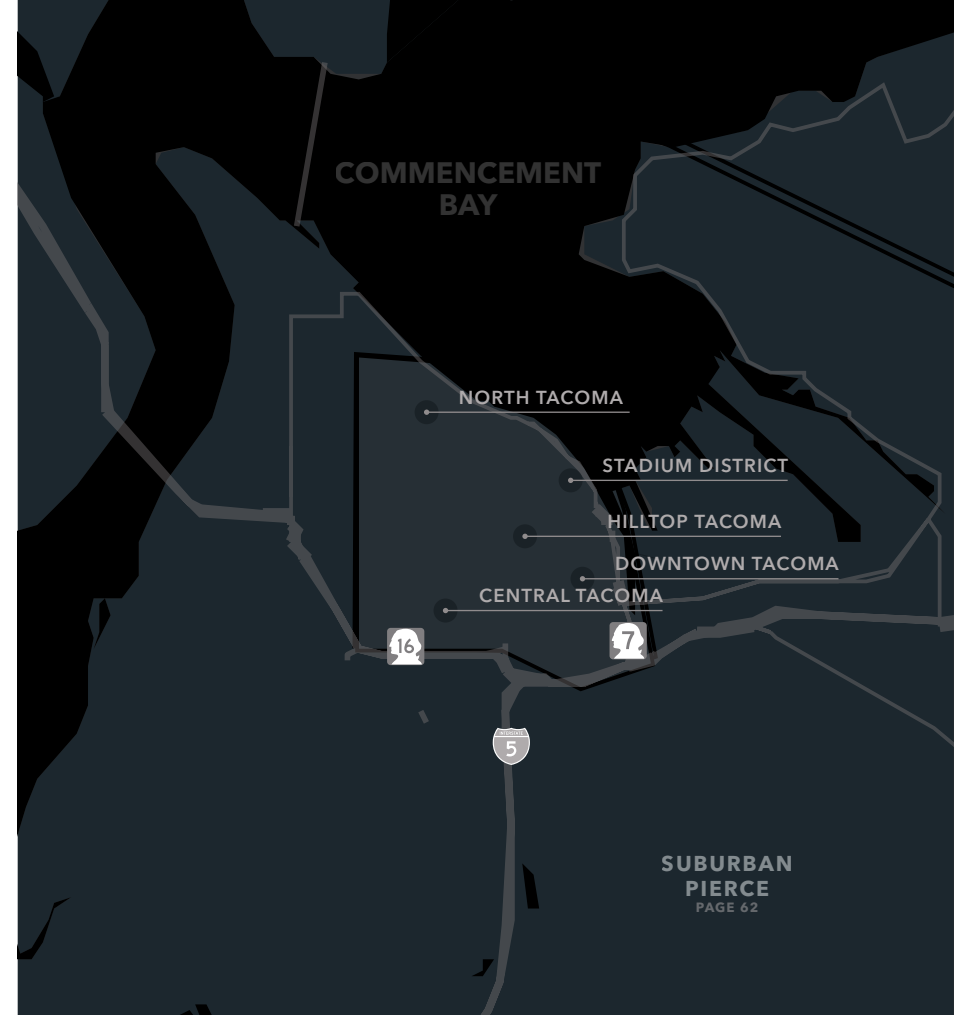
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,289 | ▲ 4.2% | \$1,367 | ▼ 1.8% | \$1,343 |
| Vacancy | 4.0% | ▲ 10 bps | 4.1% | ▲ 220 bps | 6.3% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|---------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 4 | ▲ 50% | 6 | 16 | ▲ 19% | 19 |
| Sales Volume | \$14.5M | ▼ 22% | \$11.3M | \$27.5M | ▲ 410% | \$140M |
| Price/Unit | \$179K | ▼ 7% | \$168K | \$145K | ▲ 43% | \$208K |
| Price/SF | \$221 | ▲ 23% | \$270 | \$181 | ▲ 50% | \$270 |
| Cap Rate | 6.0% | ▼ 145 bps | 4.6% | 6.1% | ▼ 178 bps | 4.3% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

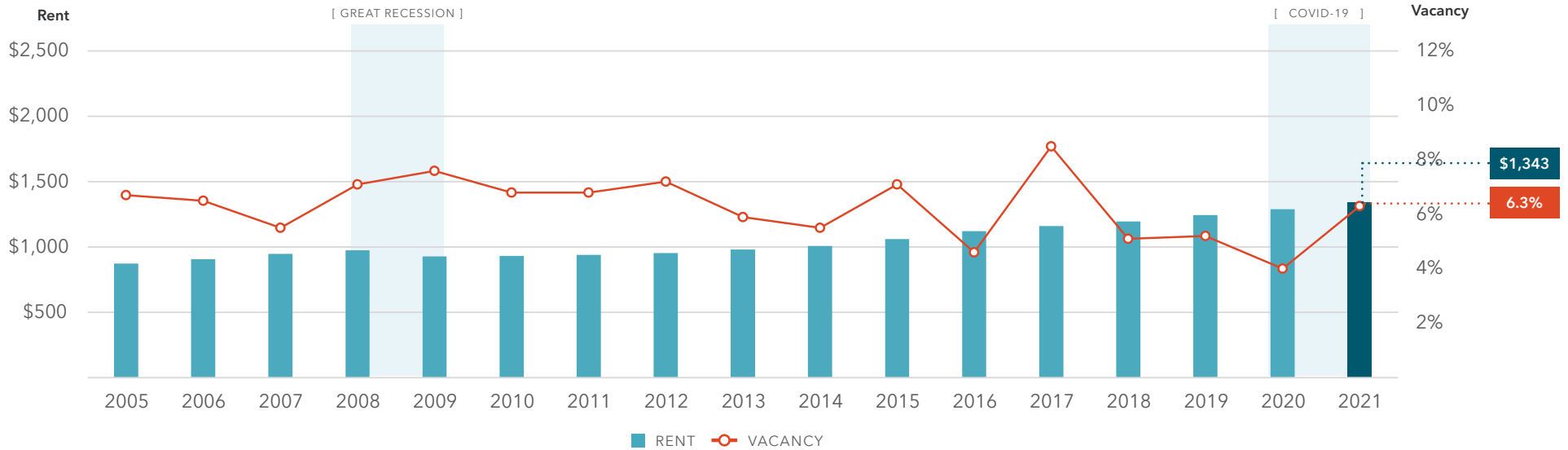


Inventory

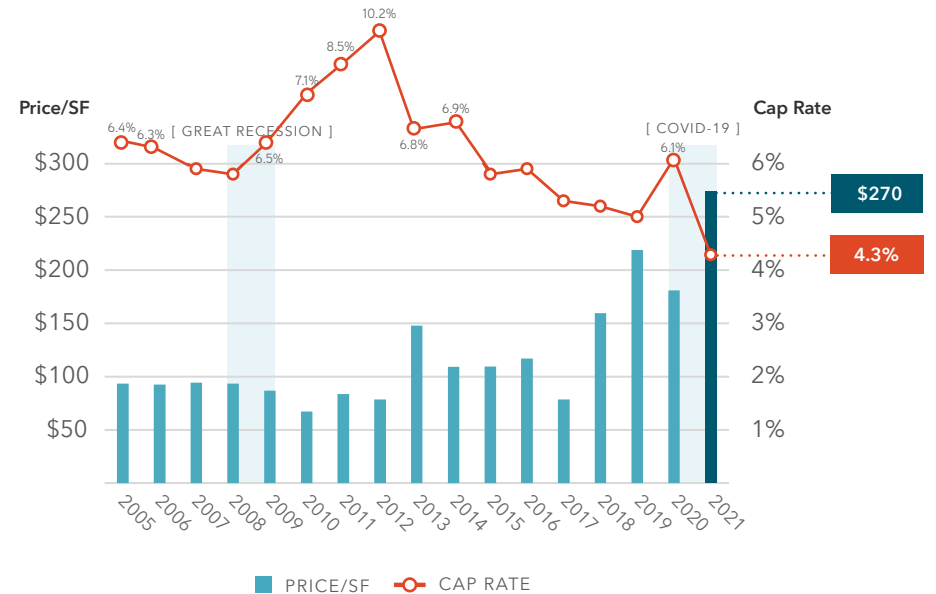
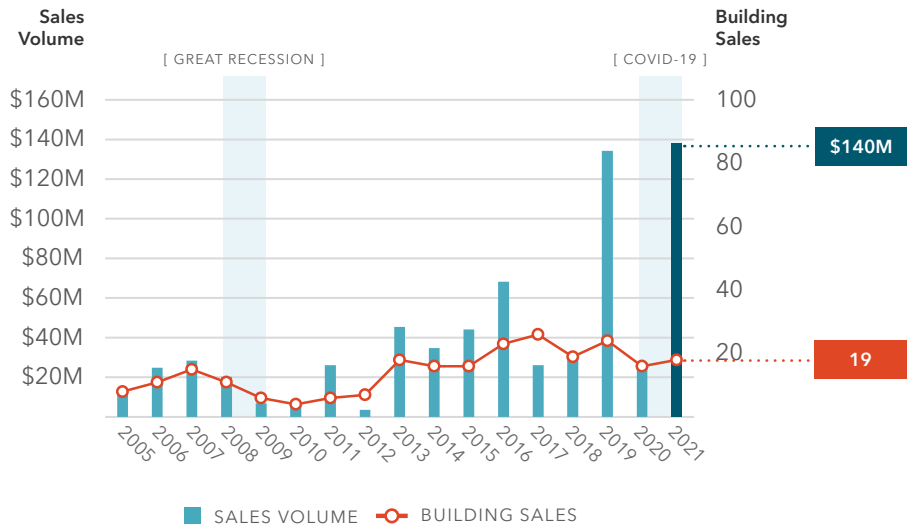
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 7,283 | 293 |
| 5 to 50-Units | 3,668 | 259 |
| 50+ Units | 3,615 | 34 |
| 12-Month Deliveries | 441 | 3 |
| Average Unit Size | 690 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

■ PRE-1990

237
TOTAL BUILDINGS

3,228
TOTAL UNITS

704 SF
AVERAGE UNIT SIZE

■ 1990-2010

10
TOTAL BUILDINGS

203
TOTAL UNITS

835 SF
AVERAGE UNIT SIZE

■ 2010-CURRENT

2
TOTAL BUILDINGS

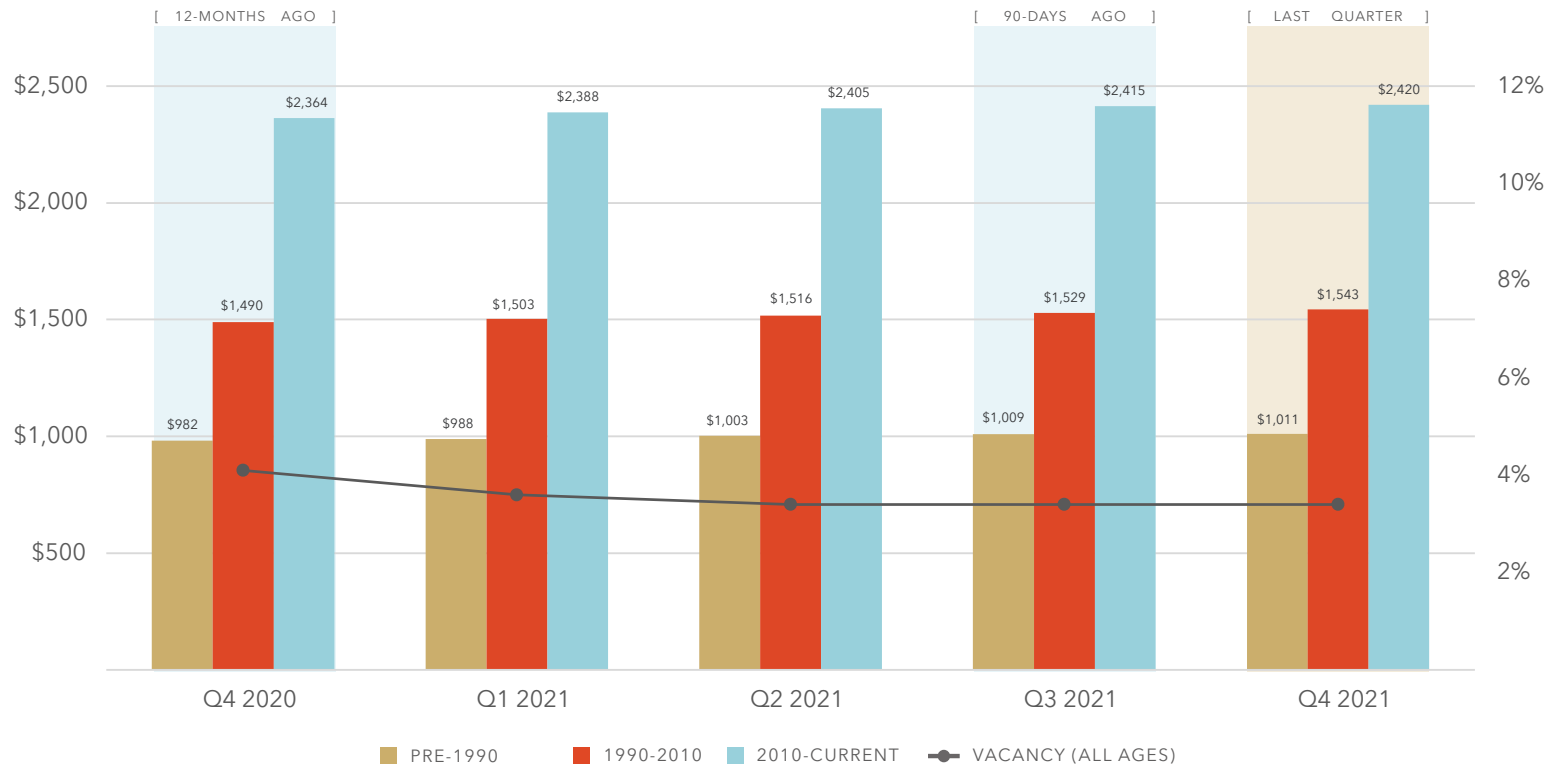
74
TOTAL UNITS

809 SF
AVERAGE UNIT SIZE

URBAN TACOMA

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



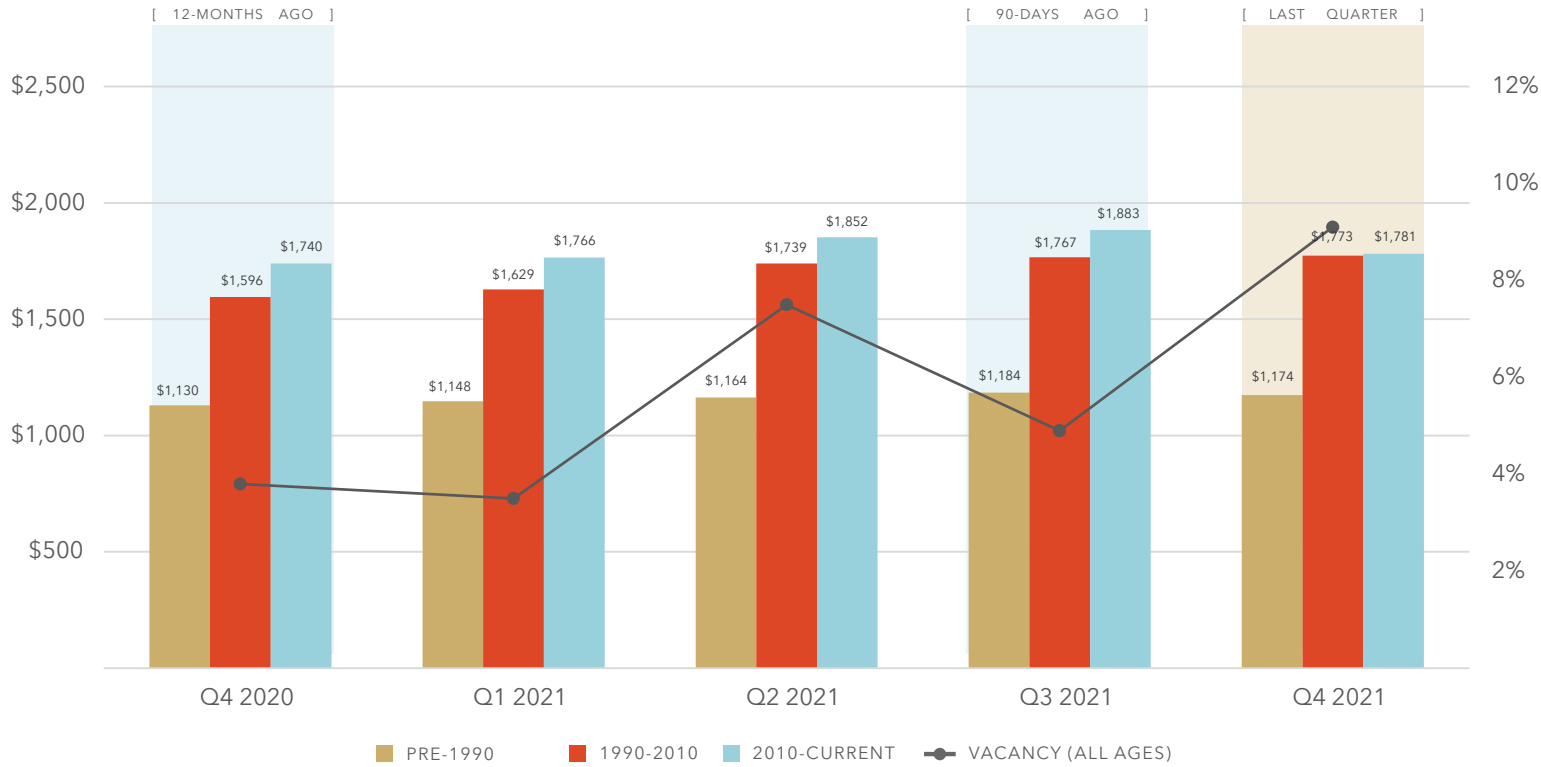
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|--------|--------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$947 | \$989 | \$1,017 | \$1,042 | \$1,056 | ▲ 3% | \$1,085 | - | \$1,085 |
| Rent/SF | \$1.36 | \$1.42 | \$1.46 | \$1.50 | \$1.52 | ▲ 3% | \$1.56 | - | \$1.56 |
| Vacancy | 4.8% | 5.1% | 4.6% | 4.9% | 4.1% | ▼ 70 bps | 3.4% | - | 3.4% |

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] | 12-Month Change | Q3 2021 [90-DAYS AGO] | 90-Day Change | Q4 2021 [LAST QUARTER] |
|----------------|---------|---------|---------|---------|------------------------|-----------------|-------------------------|---------------|--------------------------|
| Rent | \$1,221 | \$1,260 | \$1,302 | \$1,366 | \$1,429 | ▲ 5% | \$1,536 | ▼ 3% | \$1,496 |
| Rent/SF | \$1.81 | \$1.87 | \$1.93 | \$2.03 | \$2.12 | ▲ 5% | \$2.28 | ▼ 3% | \$2.22 |
| Vacancy | 4.2% | 12.3% | 5.6% | 5.4% | 3.8% | ▲ 530 bps | 4.9% | ▲ 420 bps | 9.1%* |

*NEW CONSTRUCTION LEASE-UPS
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

792 SF
AVERAGE UNIT SIZE

2010-CURRENT ■

9
TOTAL BUILDINGS

1,270
TOTAL UNITS

713 SF
AVERAGE UNIT SIZE

SALES TRENDS

Private, middle-market interest in Urban Tacoma remained strong, with 18 sales of properties with less than 50 units. This 20% y-o-y increase demonstrates that, although pricing is going up, local investors continue to believe in this rental market and plant their flags at home.

01

Investors are also betting on substantial continued rent growth in Tacoma. Here, an all-time low cap rate of 4.3% rivals that of Urban King County.

02

With a good mix of North Tacoma/Stadium district sales - along with many newly renovated, post-value-add transactions - we saw a massive uptick in sales dynamics: an increase of nearly 50% y-o-y in both price per unit and price per square foot. Clearly, Tacoma is roaring out of the pandemic and low interest rates are making these sales pencil.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|--|--|---|---|--|
| 5 TO 50 UNITS | <p>18</p> <p>▲ 20% CHANGE Y-O-Y</p> | <p>\$54.7M</p> <p>▲ 251% CHANGE Y-O-Y</p> | <p>\$196K</p> <p>▲ 58% CHANGE Y-O-Y</p> | <p>\$271</p> <p>▲ 70% CHANGE Y-O-Y</p> | <p>4.3%</p> <p>▼ 278 BPS CHANGE Y-O-Y</p> |
| 50+ UNITS | <p>1</p> <p>NO CHANGE Y-O-Y</p> | <p>\$85.5B</p> <p>▲ 618% CHANGE Y-O-Y</p> | <p>\$428K</p> <p>▲ 126% CHANGE Y-O-Y</p> | <p>\$252</p> <p>▲ 15% CHANGE Y-O-Y</p> | <p>NOT REPORTED</p> |

Historical Sales Trends

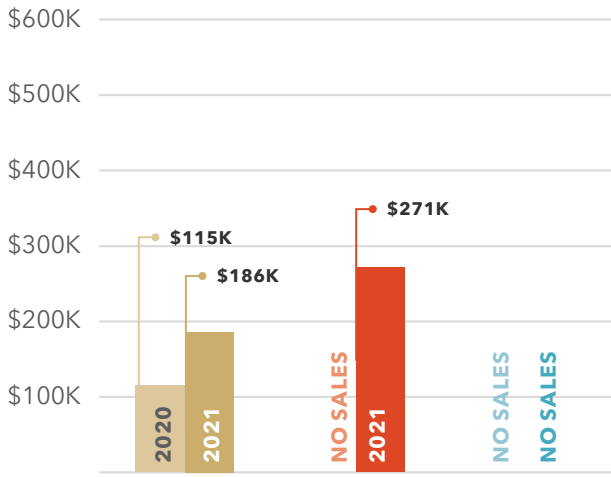
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|---------|---------|---------|----------|---------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 23 | 26 | 19 | 24 | 16 | 4 | ▲ 50% | 6 | ▲ 19% | 19 |
| Sales Volume | \$68.3M | \$26.0M | \$30.9M | \$134.2M | \$27.5M | \$14.5M | ▼ 22% | \$11.3M | ▲ 410% | \$140M |
| Price/Unit | \$97K | \$65K | \$141K | \$168K | \$145K | \$179K | ▼ 7% | \$168K | ▲ 43% | \$208K |
| Price/SF | \$117 | \$79 | \$160 | \$219 | \$181 | \$221 | ▲ 23% | \$270 | ▲ 50% | \$270 |
| Cap Rate | 5.9% | 5.3% | 5.2% | 5.0% | 6.1% | 6.0% | ▼ 145 bps | 4.6% | ▼ 178 bps | 4.3% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

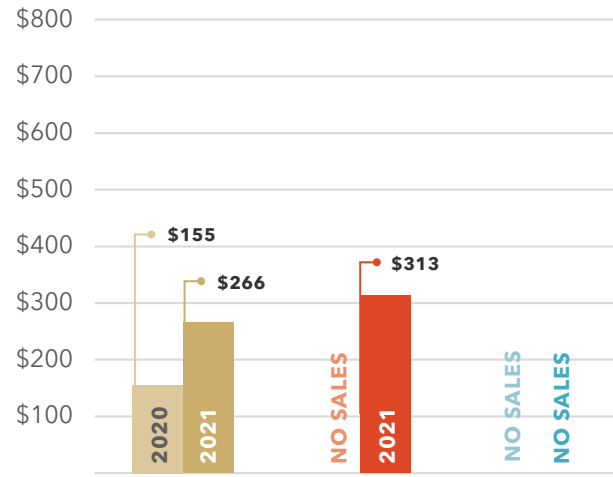
SALES VELOCITY

5 TO 50-UNITS

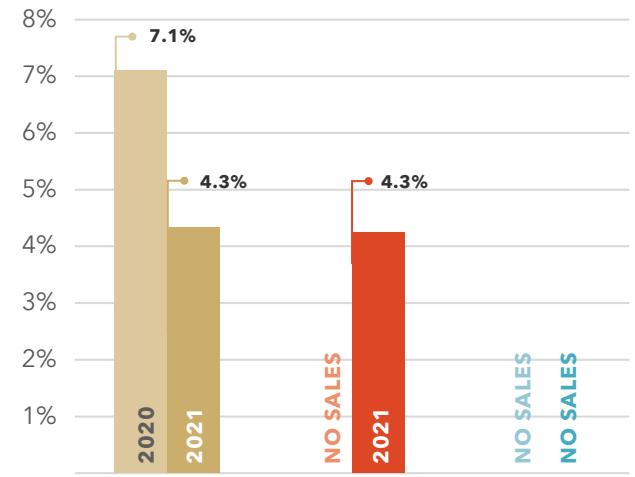
Price/Unit



Price/SF

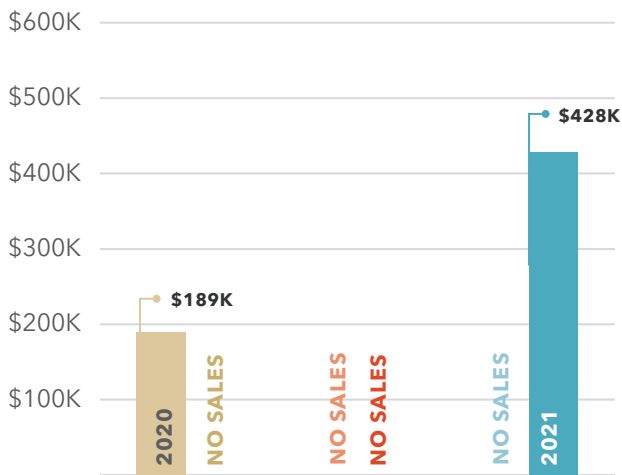


Cap Rate

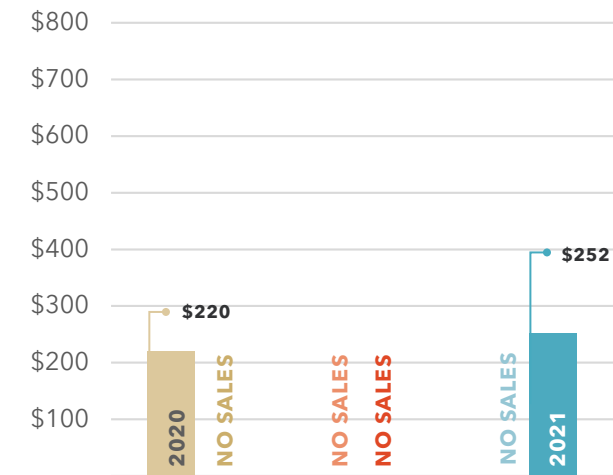


50+ UNITS

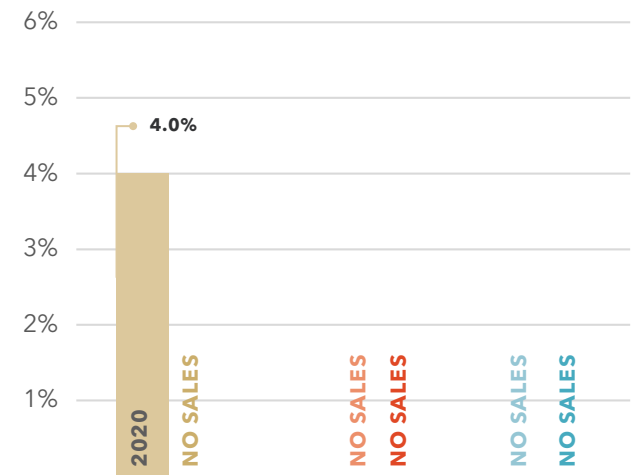
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|------------------------|-----------------------|--------|-------|-------|--------|--------------|------------|------------|----------|----------|
| 1224 N I St | 1224 N I St | Tacoma | 1900 | 9 | 5,396 | \$850,000 | 12/14/2021 | \$94,444 | \$157 | - |
| 815 N 5th St | 815 N 5th St | Tacoma | 1888 | 12 | 7,578 | \$1,650,000 | 12/14/2021 | \$137,500 | \$218 | - |
| 1928 W Union Ave | 1928 W Union Ave | Tacoma | 1999 | 12 | 22,156 | \$2,094,000 | 11/2/2021 | \$174,500 | \$212 | 4.6% |
| North Bay Villa | 1109-1111 N L St | Tacoma | 1962 | 16 | 6,660 | \$2,520,000 | 10/28/2021 | \$157,500 | \$378 | 4.5% |
| Ross Apartments | 612-614 S 18th St | Tacoma | 1908 | 10 | 5,040 | \$1,950,000 | 10/15/2021 | \$195,000 | \$387 | - |
| 511 N C St | 511 N C St | Tacoma | 1894 | 9 | 8,223 | \$2,220,000 | 10/11/2021 | \$246,667 | \$270 | - |
| Parkside Apartments | 215 S G St | Tacoma | 1907 | 28 | 20,458 | \$5,195,800 | 9/22/2021 | \$185,564 | \$254 | 3.0% |
| Hanna Heights | 415 6th Ave | Tacoma | 2007 | 36 | 32,000 | \$13,250,000 | 8/27/2021 | \$368,056 | \$414 | 3.9% |
| 3202 Pacific Ave | 3202 Pacific Ave | Tacoma | 1951 | 8 | 5,959 | \$1,300,000 | 8/20/2021 | \$162,500 | \$218 | - |
| 415-419 S Fawcett Ave | 415-419 S Fawcett Ave | Tacoma | 1900 | 6 | 7,347 | \$2,390,700 | 8/20/2021 | \$398,450 | \$325 | - |
| 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

- Tenants chasing suburbia: It's not just a story told in Seattle; Tacoma is seeing it, too. As the urban Tacoma rental market saw an uptick in vacancy, suburban Pierce County continues to see extremely low vacancy rates at 3.4%.
- Notably, locations that were once feared are now being chased by Puget Sound investors. Specifically, markets like Lakewood, Parkland and South Tacoma are seeing consistent rent growth, thereby contributing to the suburban Pierce County market's all-time high rent growth of 10% y-o-y.
- Throughout the past two years, suburban Pierce has been low on vacancy and high on delinquency. Fortunately, we're starting to see this delinquency flatten out and, with Pierce being a more landlord-friendly market than King, we expect this trend to continue.

Rent & Vacancy

| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,361 | ▲ 10.0% | \$1,511 | ▼ 0.9% | \$1,497 |
| Vacancy | 4.3% | ▼ 120 bps | 3.1% | ▲ 30 bps | 3.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|--------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 24 | ▼ 4% | 23 | 74 | ▼ 26% | 55 |
| Sales Volume | \$218M | ▲ 93% | \$421M | \$388M | ▲ 93% | \$747M |
| Price/Unit | \$210K | ▼ 6% | \$198K | \$173K | ▲ 5% | \$181K |
| Price/SF | \$205 | ▲ 24% | \$255 | \$171 | ▲ 35% | \$231 |
| Cap Rate | 5.8% | ▼ 129 bps | 4.5% | 5.7% | ▼ 101 bps | 4.7% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

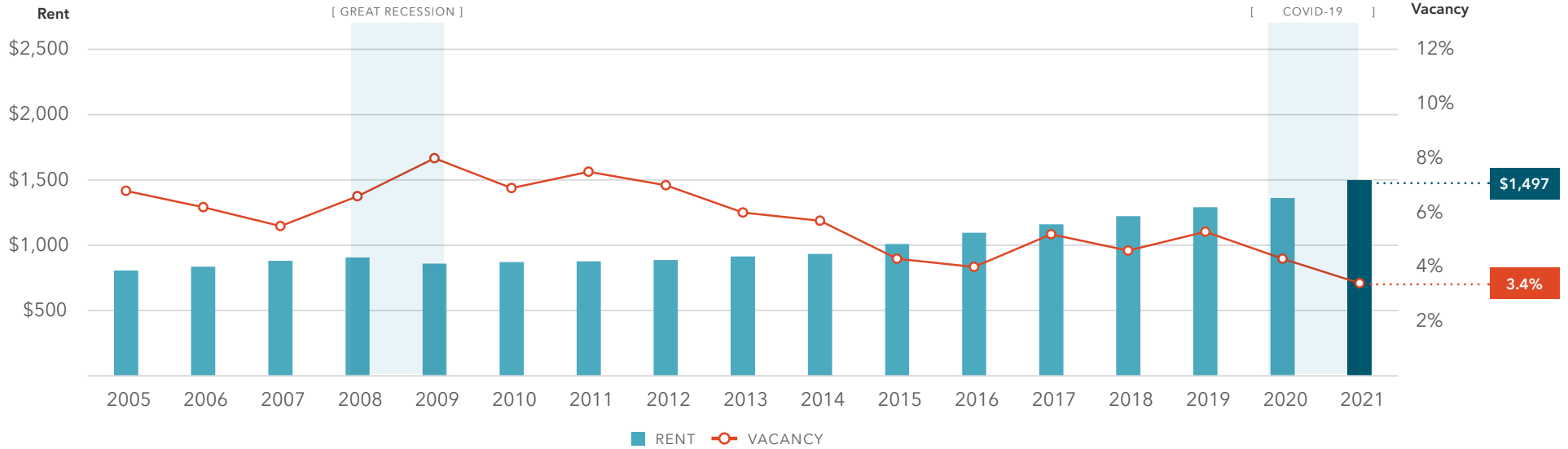


Inventory

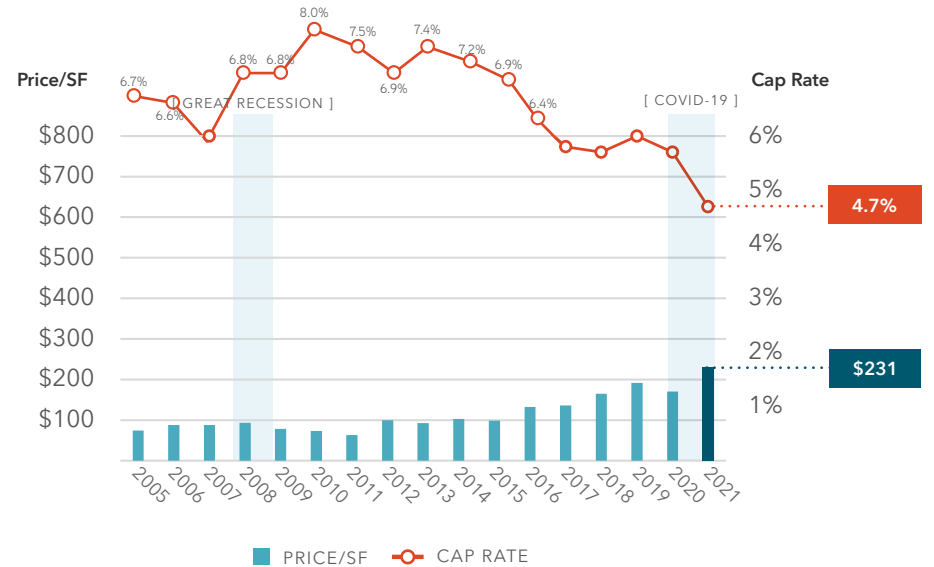
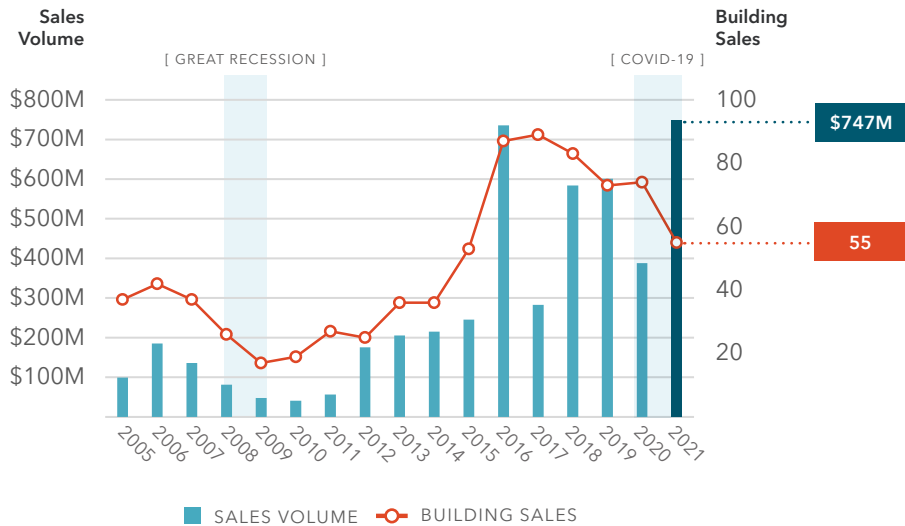
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 52,566 | 1,037 |
| 5 to 50-Units | 12,918 | 769 |
| 50+ Units | 39,648 | 268 |
| 12-Month Deliveries | 609 | 8 |
| Average Unit Size | 876 SF | |

HISTORICAL TRENDS

Rent & Vacancy Trends



Sales Trends



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

INVENTORY
BY BUILDING AGE

PRE-1990

646

TOTAL BUILDINGS

10,786

TOTAL UNITS

769 SF

AVERAGE UNIT SIZE

1990-2010

72

TOTAL BUILDINGS

1,190

TOTAL UNITS

1,043 SF

AVERAGE UNIT SIZE

2010-CURRENT

32

TOTAL BUILDINGS

668

TOTAL UNITS

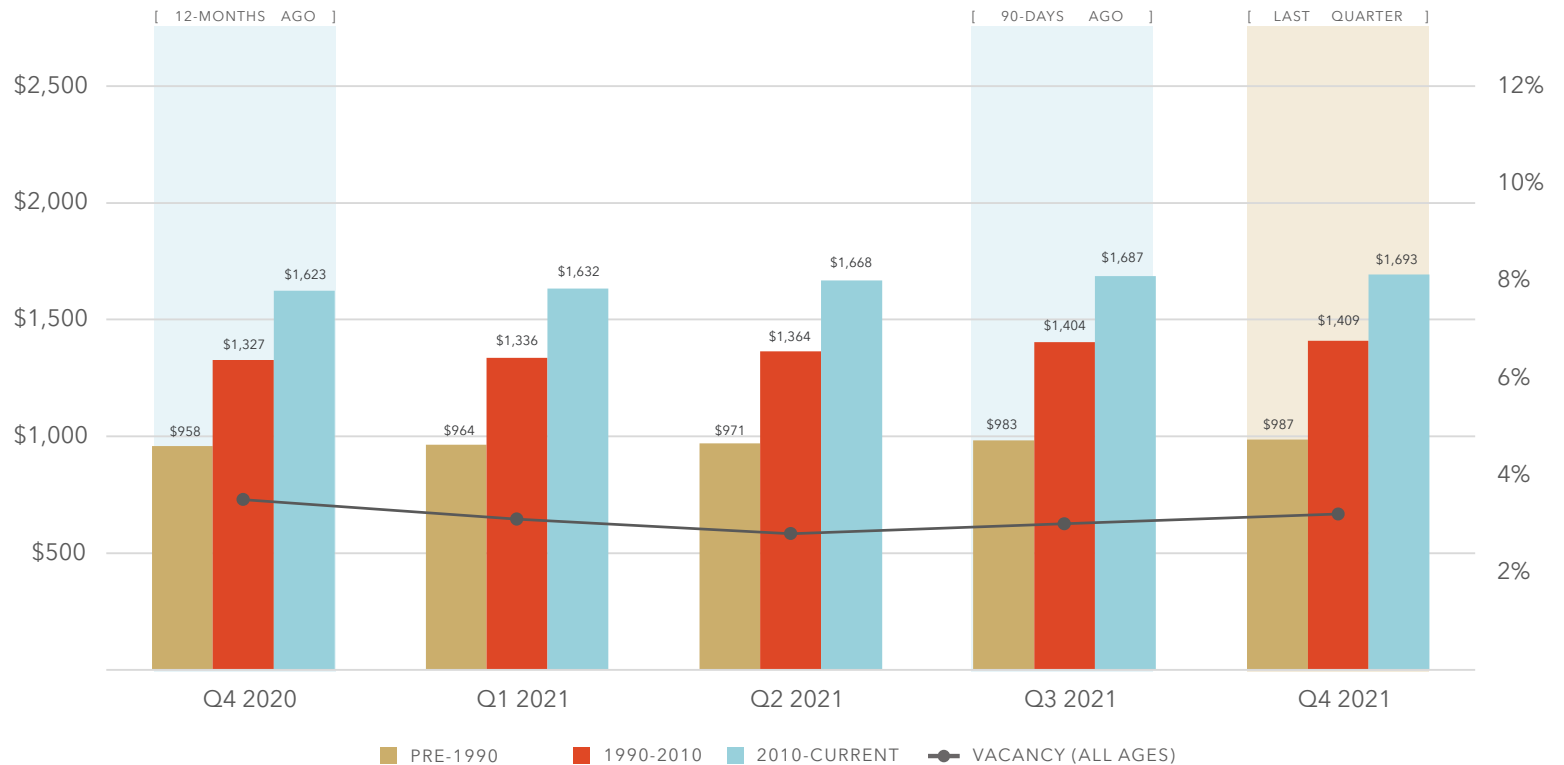
1,086 SF

AVERAGE UNIT SIZE

SUBURBAN PIERCE

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



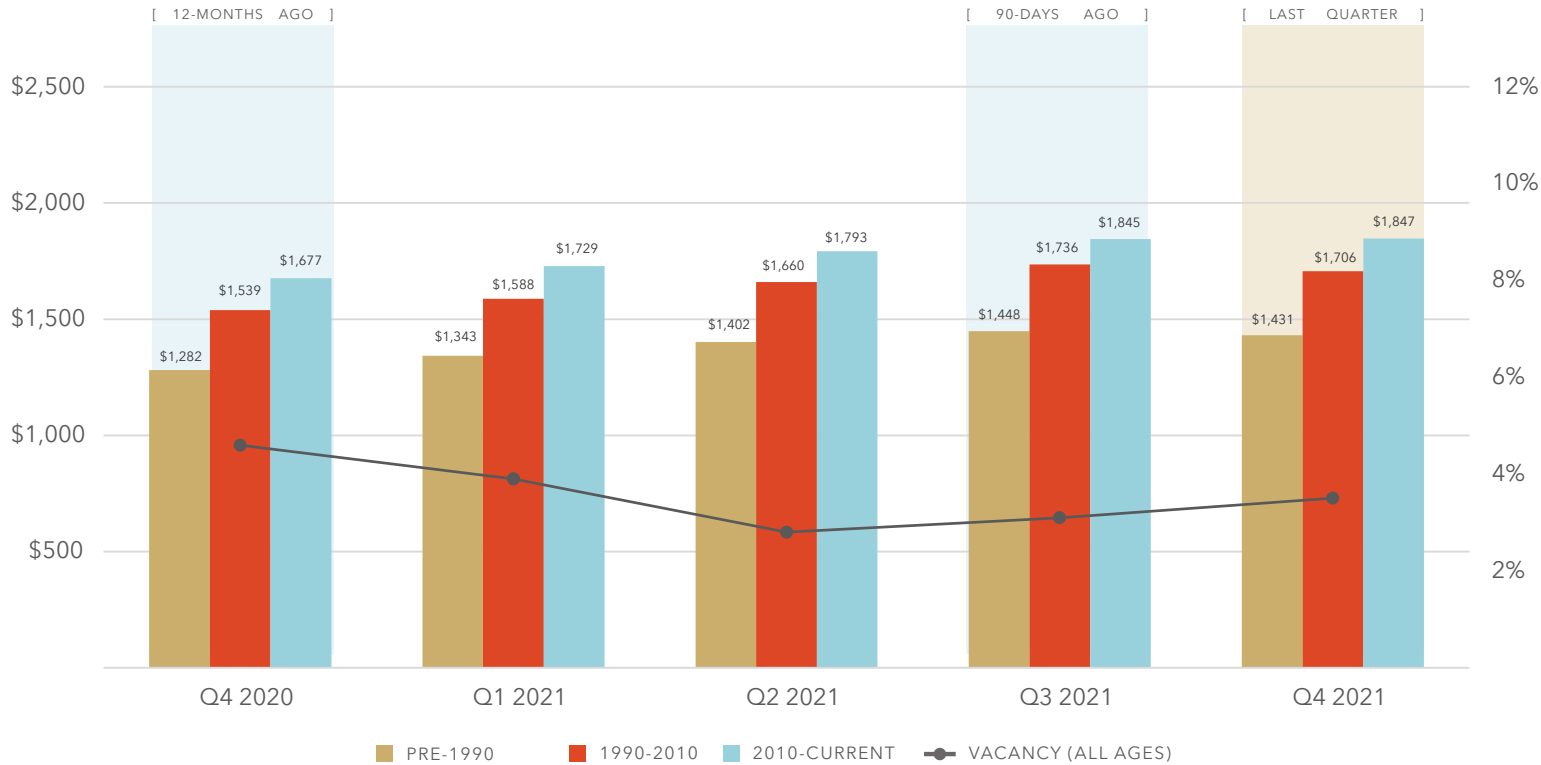
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|--------|--------|--------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$885 | \$931 | \$968 | \$1,004 | \$1,028 | ▲ 4% | \$1,060 | ▲ 0.4% | \$1,064 |
| Rent/SF | \$1.11 | \$1.17 | \$1.21 | \$1.26 | \$1.29 | ▲ 4% | \$1.33 | ▲ 1% | \$1.34 |
| Vacancy | 4.2% | 4.3% | 4.1% | 4.0% | 3.5% | ▼ 30 bps | 3.0% | ▲ 20 bps | 3.2% |

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 | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,141 | \$1,211 | \$1,277 | \$1,354 | \$1,434 | ▲ 11% | \$1,609 | ▼ 1% | \$1,592 |
| Rent/SF | \$1.29 | \$1.37 | \$1.44 | \$1.53 | \$1.62 | ▲ 11% | \$1.82 | ▼ 1% | \$1.80 |
| Vacancy | 4.0% | 5.5% | 4.8% | 5.7% | 4.6% | ▼ 110 bps | 3.1% | ▲ 40 bps | 3.5% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

150

TOTAL BUILDINGS

19,735

TOTAL UNITS

816 SF

AVERAGE UNIT SIZE

1990-2010 ■

68

TOTAL BUILDINGS

11,902

TOTAL UNITS

963 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

48

TOTAL BUILDINGS

7,892

TOTAL UNITS

965 SF

AVERAGE UNIT SIZE

SALES TRENDS

Institutional investors betting on suburban Pierce County was the story of 2021. Here, the 12 sales of buildings with more than 50 units resulted in a 137% increase in sales volume in this market sector. Plus, the rental market is also strong and economic drivers continue to influence the market. As such, out-of-state and national investors are taking notice.

01

Echoing what we saw across all of the South Puget Sound, the all-time low area cap rate of 4.7% was backed by more new-construction sales; increased investor confidence in what was once a risky market; and buyers betting on the rent increase in suburban Pierce.

02

While most investors south of Seattle focus on price per unit, don't let the stagnancy of that sales metric fool you; price per square foot increased more than 35% y-o-y, proving that the sales market is on the uptick.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|--------------------------|-------------------------------|------------------------------|------------------------------|--------------------------------|
| 5 TO 50 UNITS | 43 ▼ 36% CHANGE Y-O-Y | \$130M ▲ 2% CHANGE Y-O-Y | \$163K ▲ 44% CHANGE Y-O-Y | \$217 ▲ 100% CHANGE Y-O-Y | 4.9% ▼ 81 BPS CHANGE Y-O-Y |
| 50+ UNITS | 12 ▲ 71% CHANGE Y-O-Y | \$617M ▲ 137% CHANGE Y-O-Y | \$249K ▲ 6% CHANGE Y-O-Y | \$283 ▲ 19% CHANGE Y-O-Y | 4.0% ▼ 130 BPS CHANGE Y-O-Y |

Historical Sales Trends

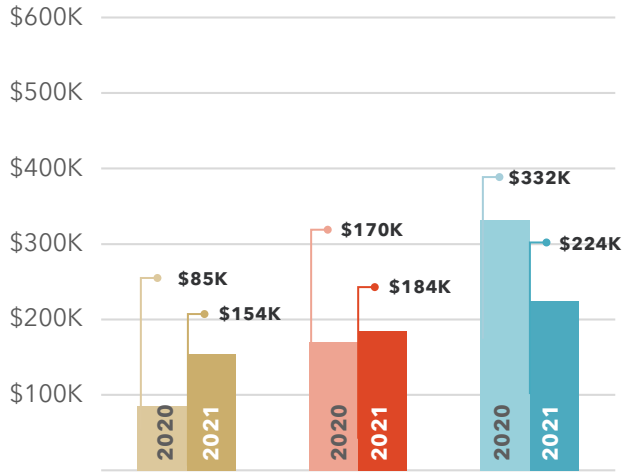
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|--------|--------|--------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 87 | 89 | 83 | 73 | 74 | 24 | ▼ 4% | 23 | ▼ 26% | 55 |
| Sales Volume | \$735M | \$283M | \$583M | \$600M | \$388M | \$218M | ▲ 93% | \$421M | ▲ 93% | \$747M |
| Price/Unit | \$131K | \$127K | \$150K | \$177K | \$173K | \$210K | ▼ 6% | \$198K | ▲ 5% | \$181K |
| Price/SF | \$132 | \$137 | \$165 | \$192 | \$171 | \$205 | ▲ 24% | \$255 | ▲ 35% | \$231 |
| Cap Rate | 6.4% | 5.8% | 5.7% | 6.0% | 5.7% | 5.8% | ▼ 129 bps | 4.5% | ▼ 101 bps | 4.7% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

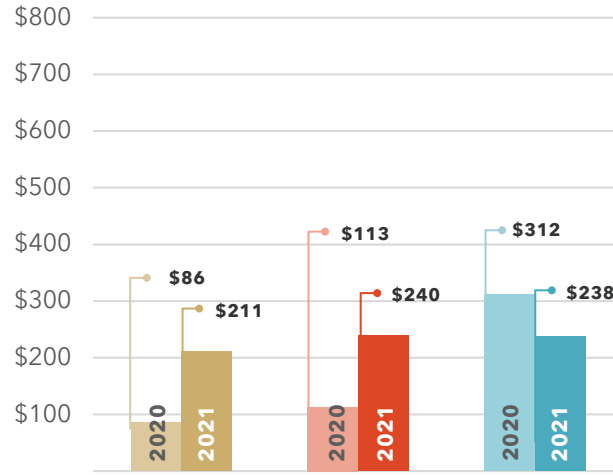
SALES VELOCITY

5 TO 50-UNITS

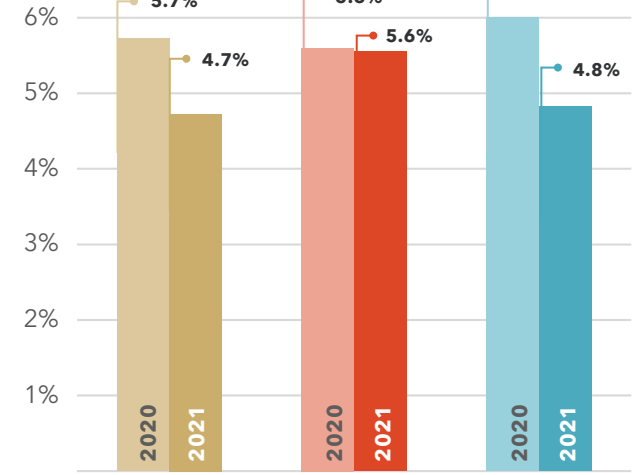
Price/Unit



Price/SF

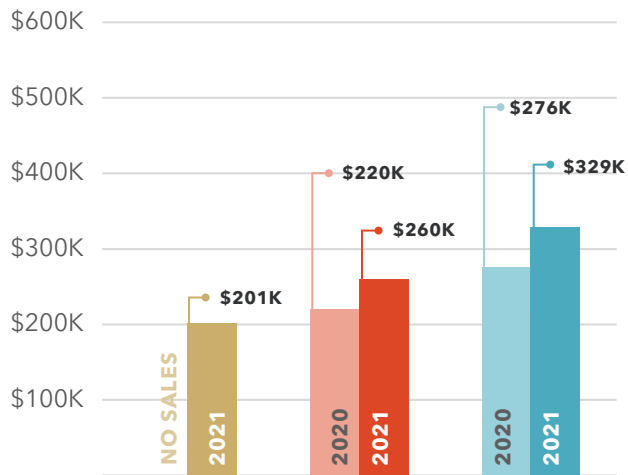


Cap Rate

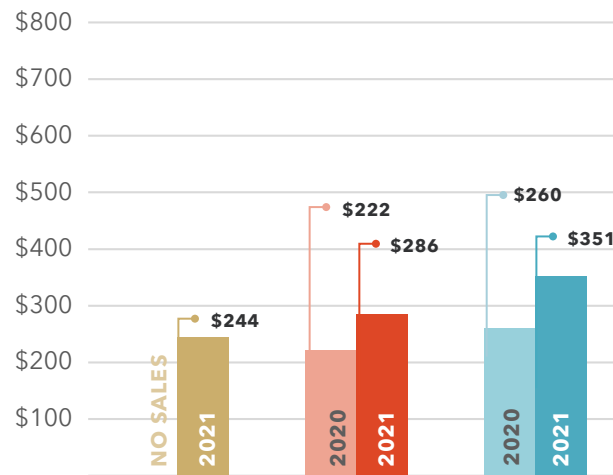


50+ UNITS

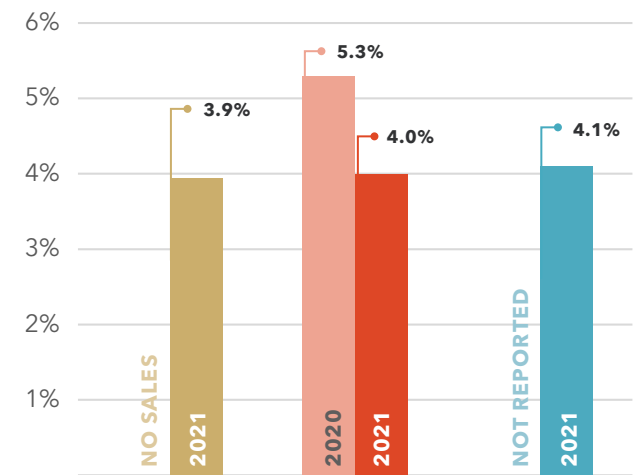
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|----------------------------|----------------------------|------------------|-------|-------|--------|--------------|------------|------------|----------|----------|
| 214 E Division Ct | 214 E Division Ct | Tacoma | 1990 | 9 | 3,000 | \$1,220,000 | 12/30/2021 | \$135,556 | \$407 | 5.0% |
| Gen Villa Apartments | 12413 Bridgeport Way SW | Lakewood | 1955 | 14 | 5,726 | \$1,900,000 | 12/28/2021 | \$135,714 | \$198 | |
| Madrona Apartments | Madrona Apartments | Tacoma | 1989 | 21 | 13,983 | \$2,450,000 | 12/20/2021 | \$116,667 | \$175 | |
| 5124 N Highland St | 5124 N Highland St | Ruston | 1965 | 8 | 5,754 | \$1,200,000 | 12/14/2021 | \$150,000 | \$209 | |
| Park Terrace Apartments | 5136-5138 N Pearl St | Ruston | 1963 | 22 | 16,496 | \$3,300,000 | 12/14/2021 | \$150,000 | \$200 | |
| 4707 S Puget Sound Ave | 4707 S Puget Sound Ave | Tacoma | 2002 | 5 | 4,996 | \$1,360,000 | 12/13/2021 | \$272,000 | \$272 | 5.8% |
| 3402 S M St | 3402 S M St | Tacoma | 1967 | 6 | 5,848 | \$945,000 | 12/10/2021 | \$157,500 | \$162 | |
| 202 Carter St | 202 Carter St | Eatonville | 1979 | 14 | 13,464 | \$2,135,000 | 12/6/2021 | \$152,500 | \$159 | 5.4% |
| Town Centre Village | 10240 Bridgeport Way SW | Lakewood | 2005 | 37 | 47,930 | \$9,270,000 | 12/1/2021 | \$250,541 | \$182 | 5.0% |
| Chandelle Apartments | 3418 90th St S | Lakewood | 1987 | 32 | 22,400 | \$5,000,000 | 11/22/2021 | \$156,250 | \$223 | 4.5% |
| 5110 Chicago Ave SW | 5110 Chicago Ave SW | Tacoma | 1977 | 42 | 26,250 | \$5,487,400 | 11/17/2021 | \$130,652 | \$209 | |
| 7316 River Rd E | 7316 River Rd E | Puyallup | 1950 | 7 | 4,512 | \$833,625 | 11/16/2021 | \$119,089 | \$185 | |
| South Hill Apartments | 9908 158th St E | Puyallup | 1979 | 20 | 13,040 | \$3,500,000 | 11/5/2021 | \$175,000 | \$268 | 4.0% |
| 334-340 4th St SW | 334-340 4th St SW | Puyallup | 1968 | 8 | 4,500 | \$1,030,000 | 10/26/2021 | \$128,750 | \$229 | |
| Unionaire Apartment | 1902 S Union Ave | Tacoma | 1964 | 47 | 31,036 | \$7,750,000 | 10/18/2021 | \$164,894 | \$250 | 3.4% |
| Clover Creek Apartments | 12502 Addison St | Lakewood | 1965 | 15 | 13,216 | \$2,700,000 | 10/15/2021 | \$180,000 | \$204 | 5.1% |
| Mckinley Apartments | 802 E 34th St | Tacoma | 1921 | 15 | 10,371 | \$2,195,300 | 10/8/2021 | \$146,353 | \$212 | 4.8% |
| Huntington Place | 2008 S Meridian | Puyallup | 2020 | 38 | 40,200 | \$10,825,000 | 10/4/2021 | \$284,868 | \$269 | 4.7% |
| Evergreen Ridge Apartments | 12615-12623 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 | Fife | 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 | Parkland | 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 | Lakewood | 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 | 14619-14627 Murray Rd SW | Tacoma | 1977 | 17 | 12,900 | \$1,750,000 | 3/2/2021 | \$102,941 | \$136 | 6.3% |

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-----------------------|-----------------------|------------------|-------|-------|--------|-------------|-----------|------------|----------|----------|
| 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% |
| 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% |
| 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 | Lakewood | 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% |

50+ Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|------------------------------|-------------------------|------------------|-------|-------|---------|---------------|------------|------------|----------|----------|
| 207 East | 207 Meridian Ave E | Edgewood | 2020 | 288 | 275,622 | \$122,000,000 | 12/15/2021 | \$423,611 | \$443 | 4.0% |
| Grand Pacific Apartments | 7015 S D St | Tacoma | 2020 | 134 | 101,008 | \$33,500,000 | 11/12/2021 | \$250,000 | \$332 | - |
| James | 4828 123rd St SW | Lakewood | 1976 | 144 | 105,296 | \$32,550,000 | 11/10/2021 | \$226,042 | \$309 | 4.0% |
| Avery on Pearl | 1202 N Pearl St | Tacoma | 1987 | 330 | 264,332 | \$98,000,000 | 10/28/2021 | \$296,970 | \$371 | 3.5% |
| Wellstone at Bridgeport | 12535 Bridgeport Way SW | Lakewood | 2019 | 208 | 184,950 | \$72,400,000 | 10/1/2021 | \$348,077 | \$391 | 4.0% |
| 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 Apartments | 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 Pkwy SW | Lakewood | 1977 | 91 | 75,562 | \$10,500,000 | 6/8/2021 | \$115,385 | \$139 | 4.1% |
| 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

- The Kitsap market remains quite desirable to renters, apartment investors, and developers alike. Here, the expanding ferry and fast-ferry options make it continually easier for residents to travel to and from Seattle. There are even rumblings of a new, all-electric fast ferry in works.
- Likewise, steady job and demand drivers; robust rent growth; and untapped development opportunities continue to lure developers across the Sound to the promised land. As a result, expect to see an increasing number of projects being proposed and breaking ground, as well as the sales of development sites to become more common.
- During the last 12 months, Kitsap has experienced exceptional rental dynamics, with vacancy dropping 240 basis points to a healthy 4.5%, coupled with impressive and region-leading rent growth of 17%.

Rent & Vacancy

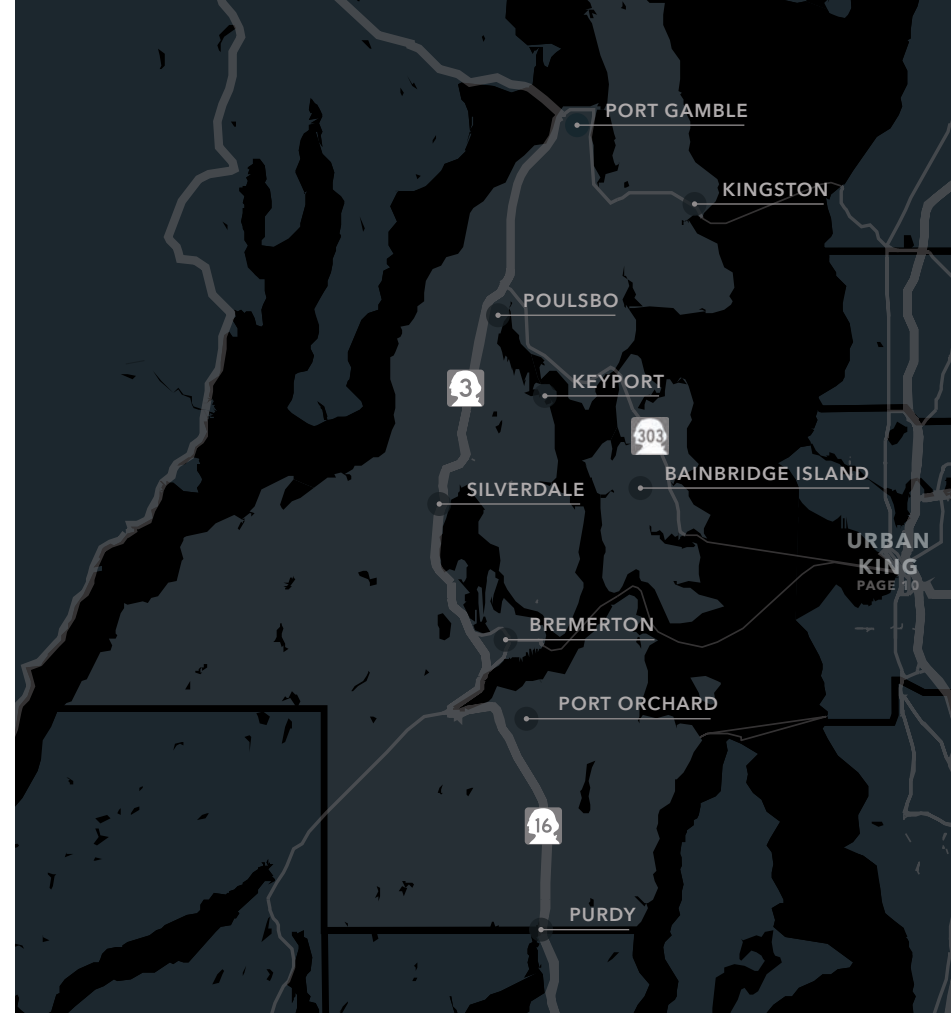
| | [12-MONTHS AGO] | | [90-DAYS AGO] | | [LAST QUARTER] |
|---------|-------------------|-----------------|-----------------|---------------|------------------|
| | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
| Rent | \$1,467 | ▲ 18% | \$1,754 | ▼ 2% | \$1,723 |
| Vacancy | 5.8% | ▼ 240 bps | 3.4% | ▲ 110 bps | 4.5% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

Sales

| | [12-MONTHS AGO] | | [LAST QUARTER] | | | |
|----------------|-------------------|-----------------|------------------|---------|--------------|--------|
| | Q4 2020 | 12-Month Change | Q4 2021 | 2020 | Y-O-Y Change | 2021 |
| Building Sales | 3 | - | 3 | 13 | ▲ 8% | 15 |
| Sales Volume | \$15.1M | ▲ 753% | \$128M | \$74.8M | ▲ 249% | \$262M |
| Price/Unit | \$225K | ▲ 23% | \$276K | \$196K | ▼ 2% | \$194K |
| Price/SF | \$236 | ▲ 36% | \$321 | \$212 | ▲ 11% | \$234 |
| Cap Rate | 6.2% | ▼ 167 bps | 4.5% | 5.8% | ▼ 138 bps | 4.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

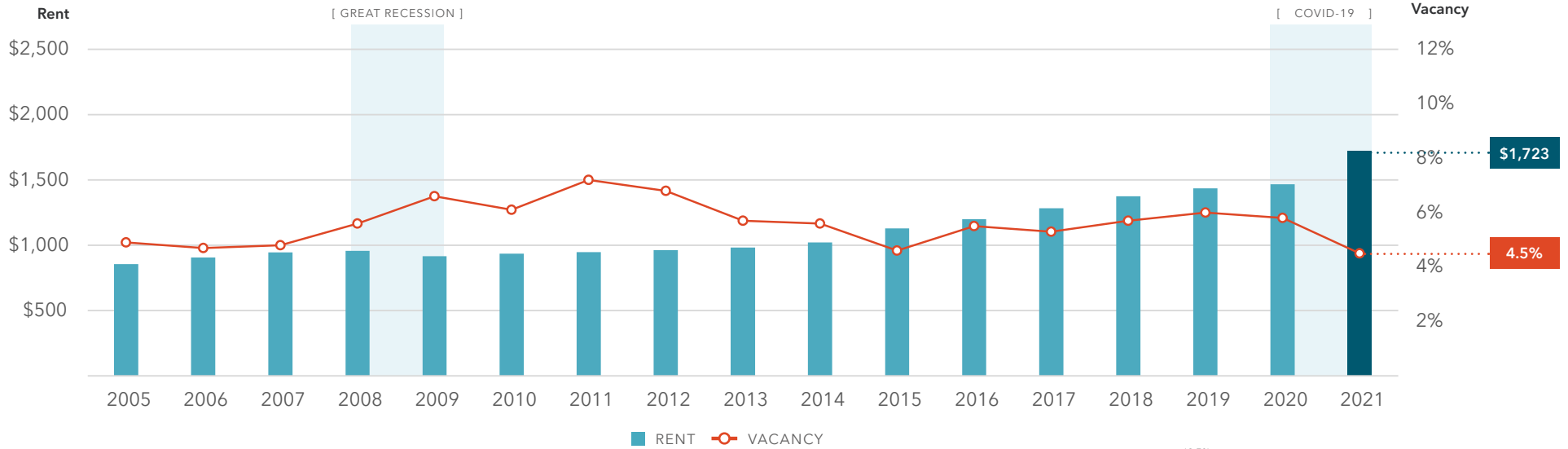


Inventory

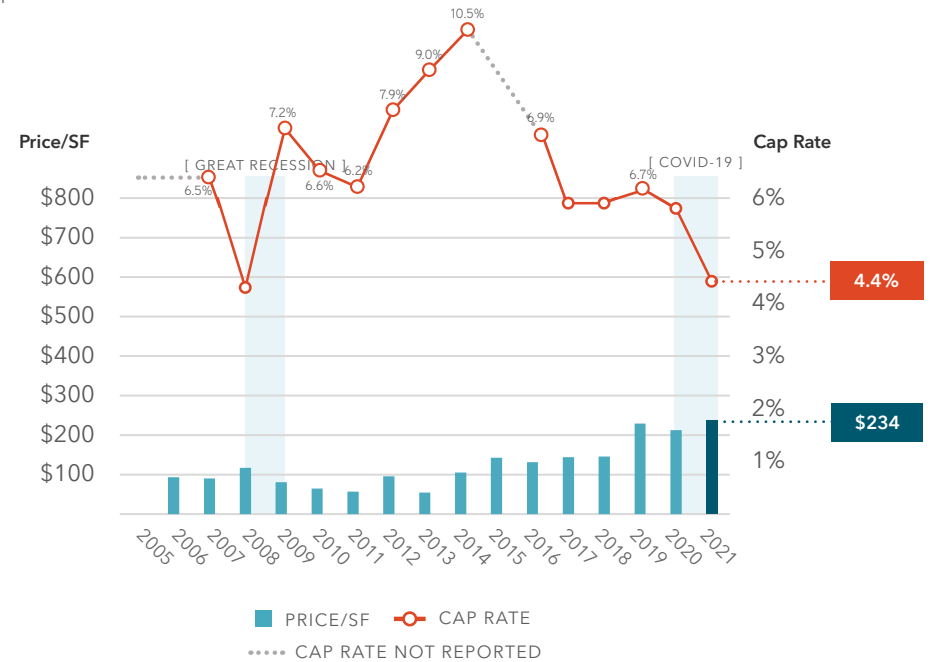
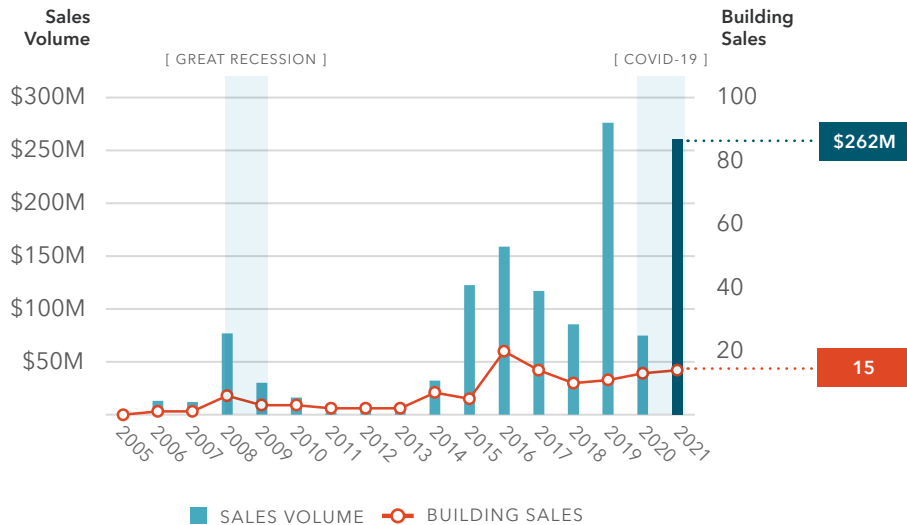
| | Units | Buildings |
|---------------------|--------|-----------|
| Total | 9,896 | 179 |
| 5 to 50-Units | 2,083 | 121 |
| 50+ Units | 7,813 | 58 |
| 12-Month Deliveries | 300 | 4 |
| Average Unit Size | 863 SF | |

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

784 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

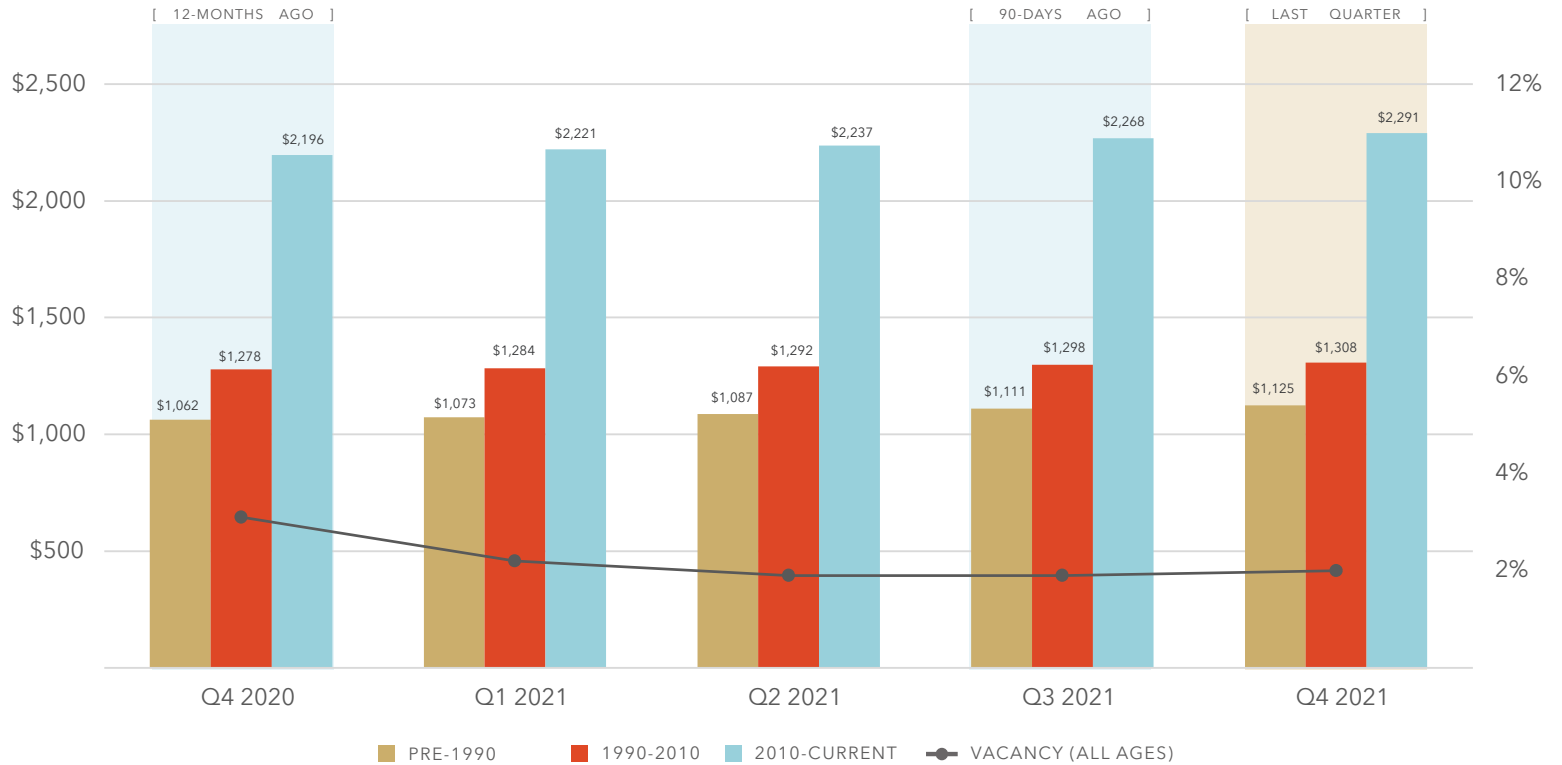
979 SF

AVERAGE UNIT SIZE

KITSAP

RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

12-Month Rent vs. Vacancy



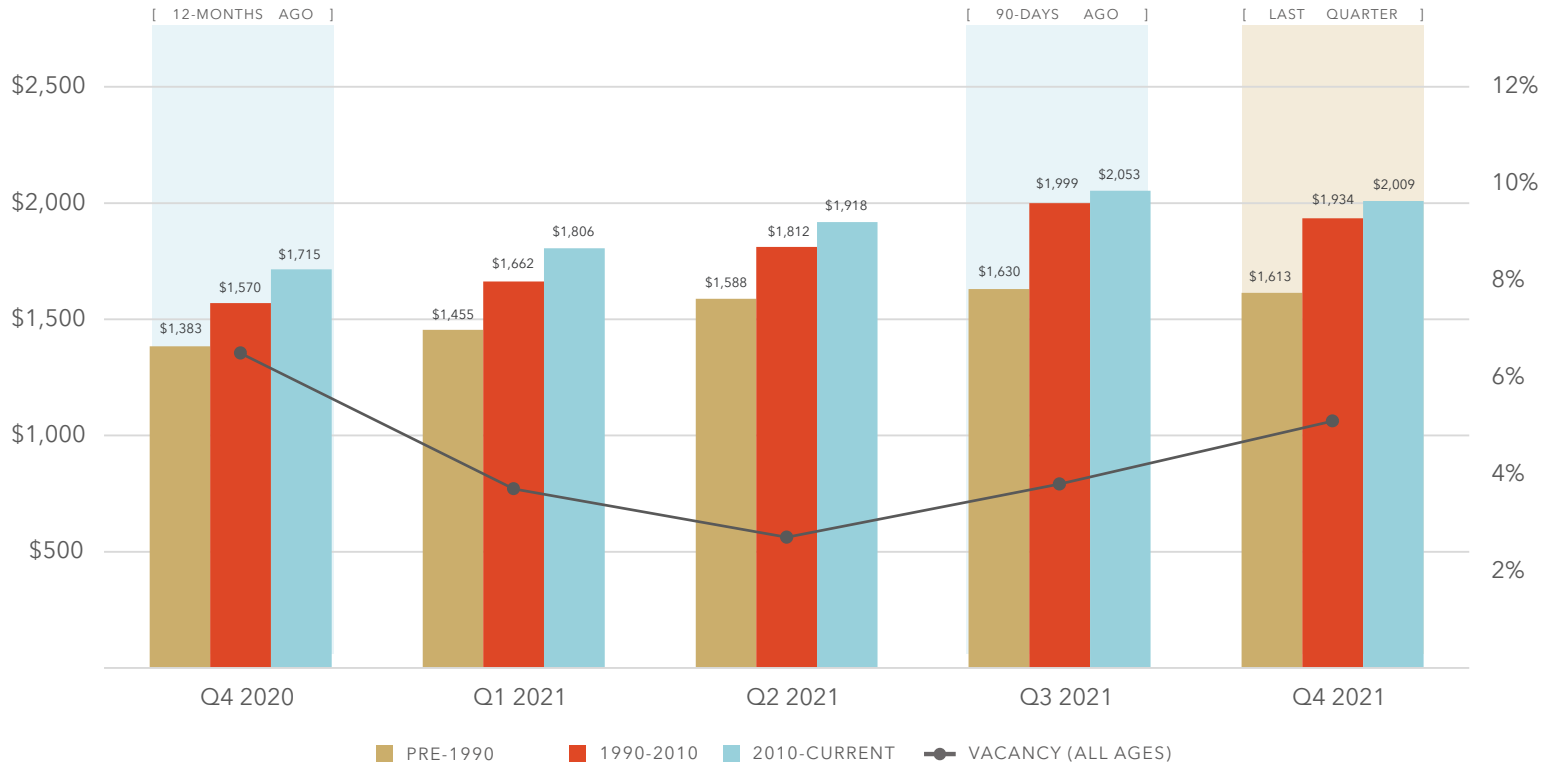
Historical Rent & Vacancy Trends

| | 2016 | 2017 | 2018 | 2019 | 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,038 | \$1,095 | \$1,136 | \$1,190 | \$1,223 | ▲ 5% | \$1,266 | ▲ 1% | \$1,280 |
| Rent/SF | \$1.26 | \$1.33 | \$1.38 | \$1.44 | \$1.48 | ▲ 5% | \$1.54 | ▲ 0.6% | \$1.55 |
| Vacancy | 5.0% | 4.6% | 5.3% | 4.3% | 3.1% | ▼ 110 bps | 1.9% | ▲ 10 bps | 2.0% |

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 | Q4 2020 | 12-Month Change | Q3 2021 | 90-Day Change | Q4 2021 |
|----------------|---------|---------|---------|---------|---------|-----------------|---------|---------------|---------|
| Rent | \$1,223 | \$1,310 | \$1,409 | \$1,471 | \$1,504 | ▲ 19% | \$1,824 | ▼ 2% | \$1,786 |
| Rent/SF | \$1.41 | \$1.51 | \$1.62 | \$1.70 | \$1.73 | ▲ 19% | \$2.10 | ▼ 2% | \$2.06 |
| Vacancy | 5.6% | 5.6% | 5.8% | 6.4% | 6.5% | ▼ 140 bps | 3.8% | ▲ 130 bps | 5.1% |

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

INVENTORY BY BUILDING AGE

PRE-1990 ■

32

TOTAL BUILDINGS

3,886

TOTAL UNITS

812 SF

AVERAGE UNIT SIZE

1990-2010 ■

14

TOTAL BUILDINGS

2,599

TOTAL UNITS

962 SF

AVERAGE UNIT SIZE

2010-CURRENT ■

11

TOTAL BUILDINGS

1,257

TOTAL UNITS

841 SF

AVERAGE UNIT SIZE

SALES TRENDS

Sales volume in Kitsap County more than tripled since 2020, with \$261 million in apartment transactions in 2021. Expect this trend to continue as more investors look to Kitsap for higher returns.

01

The sale of Ambrose in December 2021 marked an important milestone: Institutional-caliber investors are jumping on the Kitsap bandwagon and are willing to pay Seattle/Eastside pricing for their piece of the pie.

02

The Kitsap craze isn't limited to properties with more than 200 units: Our team listed a beautiful little six-unit apartment building in Bremerton and generated significant interest, eventually selling it for \$50,000 over list price for a record-setting price per unit.

03

2021 Sales

| | BUILDING SALES | SALES VOLUME | PRICE/UNIT | PRICE/SF | CAP RATE |
|---------------|--------------------------|-------------------------------|------------------------------|-----------------------------|--------------------------------|
| 5 TO 50 UNITS | 11 NO CHANGE | \$39M ▲ 25% CHANGE Y-O-Y | \$171K ▲ 3% CHANGE Y-O-Y | \$207 ▲ 32% CHANGE Y-O-Y | 4.5% ▼ 149 BPS CHANGE Y-O-Y |
| 50+ UNITS | 4 ▲ 100% CHANGE Y-O-Y | \$223M ▲ 416% CHANGE Y-O-Y | \$258K ▲ 14% CHANGE Y-O-Y | \$310 ▲ 9% CHANGE Y-O-Y | 4.2% ▼ 46 BPS CHANGE Y-O-Y |

Historical Sales Trends

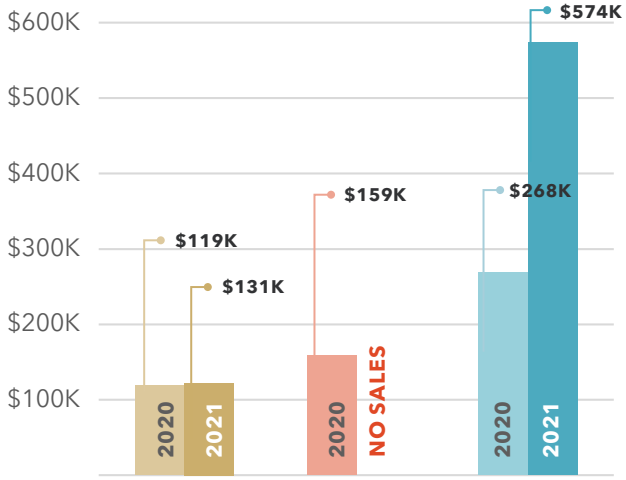
| | 2016 | 2017 | 2018 | 2019 | 2020 | [12-MONTHS AGO] Q4 2020 | 12-Month Change | [LAST QUARTER] Q4 2021 | Y-O-Y Change | 2021 |
|-----------------------|--------|--------|---------|--------|---------|------------------------------|-----------------|-----------------------------|--------------|--------|
| Building Sales | 20 | 14 | 10 | 11 | 13 | 3 | - | 3 | ▲ 15% | 15 |
| Sales Volume | \$159M | \$117M | \$85.4M | \$276M | \$74.8M | \$15.1M | ▲ 753% | \$128M | ▲ 251% | \$262M |
| Price/Unit | \$118K | \$132K | \$138K | \$222K | \$196K | \$179K | ▲ 54% | \$276K | ▼ 1% | \$194K |
| Price/SF | \$132 | \$144 | \$146 | \$229 | \$212 | \$236 | ▲ 36% | \$321 | ▲ 10% | \$234 |
| Cap Rate | 6.9% | 5.9% | 5.9% | 6.2% | 5.8% | 6.2% | ▼ 167 bps | 4.5% | ▼ 136 bps | 4.4% |

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

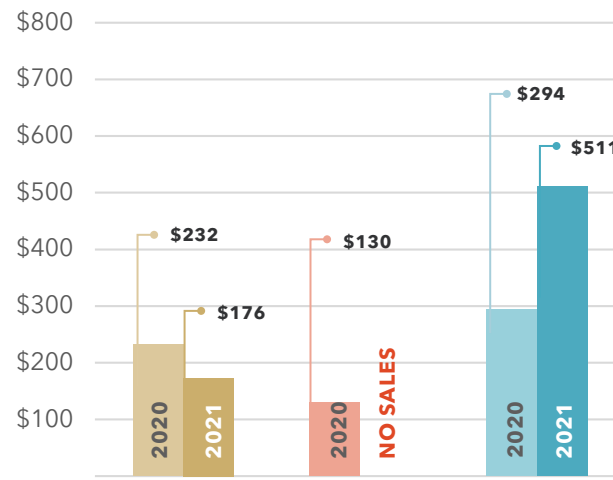
SALES VELOCITY

5 TO 50-UNITS

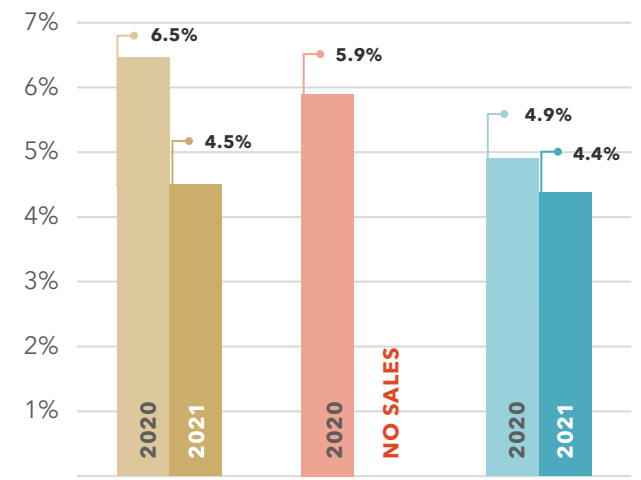
Price/Unit



Price/SF

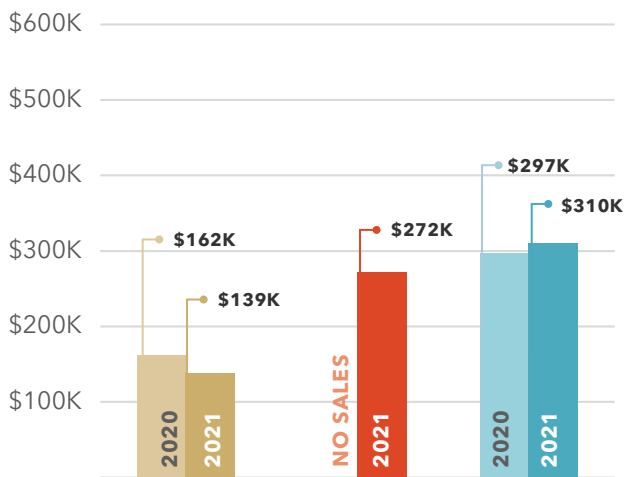


Cap Rate

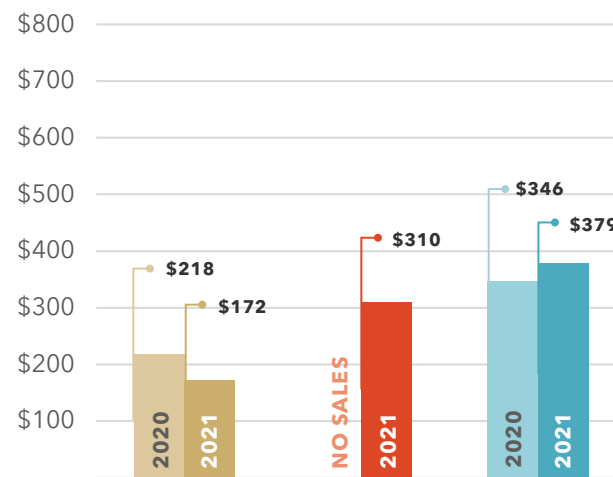


50+ UNITS

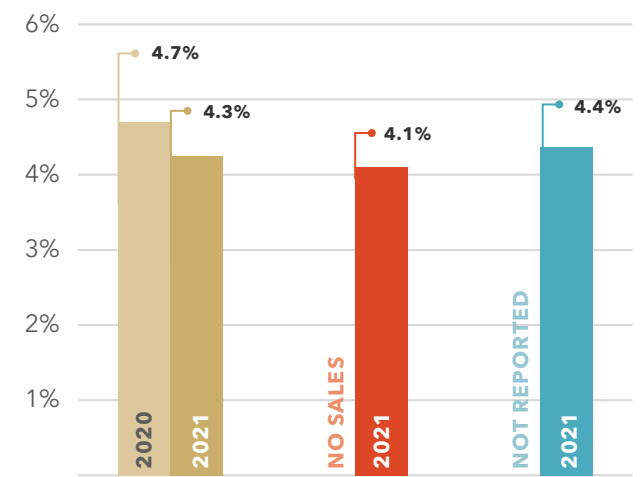
Price/Unit



Price/SF



Cap Rate



■ PRE-1990 ■ 1990-2010 ■ 2010-CURRENT

SALES DETAILS: 2021 SALES

5 to 50-Units

| Property | Address | City | Built | Units | NRSF | Price | Sale Date | Price/Unit | Price/SF | Cap Rate |
|-------------------------------|---------------------------|-------------------|-------|-------|--------|--------------|------------|------------|----------|----------|
| Charleston 6 | 333 S Charleston Ave | Bremerton | 1982 | 6 | 6,120 | \$1,250,000 | 12/29/2021 | \$208,333 | \$204 | 4.7% |
| 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% |
| Hidden Terrace | 4955 Hidden Terrace Ln SE | Port Orchard | 1976 | 18 | 12,780 | \$1,692,390 | 5/3/2021 | \$94,022 | \$132 | 3.0% |
| Manchester Heights | 1750 Jackson Ave SE | Port Orchard | 1978 | 34 | 28,390 | \$3,196,740 | 5/3/2021 | \$94,022 | \$113 | 3.0% |
| Holly Terrace | 4945 Hidden Terrace Ln SE | Port Orchard | 1975 | 40 | 28,400 | \$3,760,870 | 5/3/2021 | \$94,022 | \$132 | 3.0% |
| 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 |
|-----------------------------|--------------------------|--------------|-------|-------|---------|--------------|------------|------------|----------|----------|
| Seaglass Village Apartments | 1619 Wheaton Way | Bremerton | 1941 | 182 | 142,469 | \$35,500,000 | 12/30/2021 | \$195,055 | \$249 | - |
| Ambrose | 4520-4568 Bay Vista Blvd | Bremerton | 2020 | 216 | 180,915 | \$92,000,000 | 12/22/2021 | \$425,926 | \$509 | 4.4% |
| 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 market-rate apartment buildings with at least five units in King, Snohomish, Pierce, and Kitsap Counties.

DATA SOURCES

SALES

CoStar

King County Registrar

Kitsap County Application Services

Pierce County Planning & Public Works Department

Real Capital Analytics

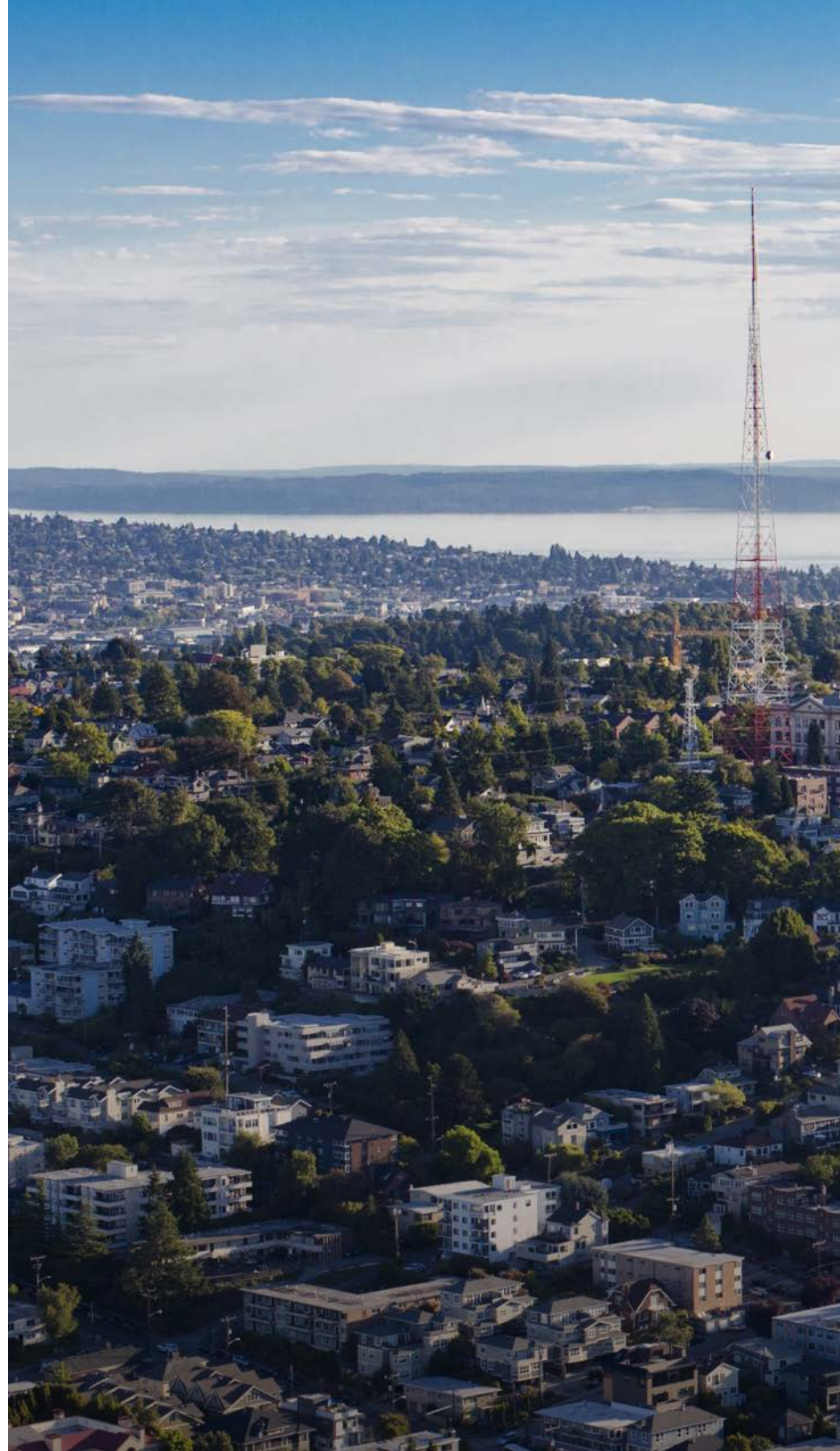
Simon | Anderson Multifamily Team Research

Snohomish County Registrar

RENT, VACANCY, AND INVENTORY

CoStar

Simon | Anderson Multifamily Team Research





SIMON | ANDERSON TEAM

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