



SIMON | ANDERSON TEAM

# SEATTLE & PUGET SOUND APARTMENT MARKET DYNAMICS

2022

EOY  
Q3 & YTD  
RESEARCH

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# HOW TO USE THIS STUDY



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



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



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



# APARTMENT EXPERTS

## OUR EXPERTISE



5 TO 50 UNITS



50+ UNITS

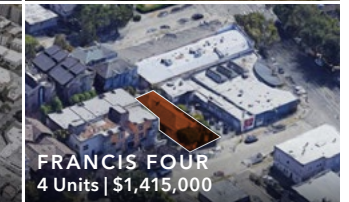
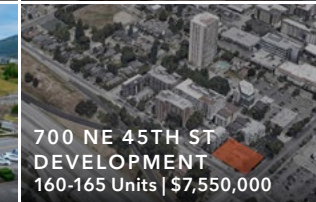
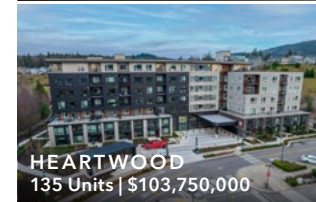
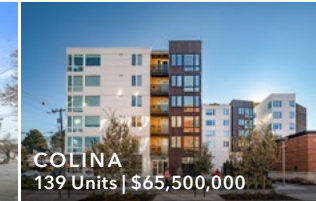
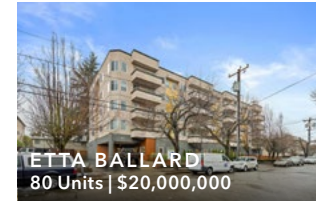


DEVELOPMENT



MICROS

## OUR RECENT SALES



## DOWNLOAD PRIOR RESEARCH REPORTS



Q1 2022 REPORT



Q2 2022 REPORT



Q3 2022 REPORT



2022 DEVELOPMENT REPORT



2022 MICRO REPORT



Q3 2022 EASTERN WASHINGTON REPORT

## BROKERS

### Dylan Simon

Executive Vice President



### Jerrid Anderson

Executive Vice President



### Matt Laird

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 is the most active apartment broker in Seattle, where he sold 22 apartment buildings in 2021. Jerrid has brokered more than \$1 billion in urban apartment and land sales and holds numerous sales records in Seattle.

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

Vice President



### Winslow Lee

Associate Vice President



### Max Frame

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

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

# PUGET SOUND

The Pacific Northwest continues to solidify its standing as a flight-to-quality market.



Renter demand – evidenced by rising rental rates and falling vacancy – continued to surge through mid-year. However, the third quarter brought about a marked slowdown across all markets: With the exception of East King County, urban markets – and their suburban counterparts – experienced slowing rental rates, rising vacancy, or both.



Notably, the inevitable slowing of apartment sales due to threats of recession and massively rising interest rates is not yet evident in the data. In fact, quarterly sales volume is nearly on pace with previous years, and cap rates have yet to reflect interest rates nearly doubling from 12 months prior. That said, expect quite a different picture once end-of-year Q4 sales are posted.

## Inventory

	Units	Buildings
<b>Total</b>	386,093	8,486
<b>5 to 50-Units</b>	100,535	6,662
<b>50+ Units</b>	285,558	1,824
<b>12-Month Deliveries</b>	10,958	287
<b>Average Unit Size</b>	825 SF	

## Rent & Vacancy

	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ LAST QUARTER ]
	Q3 2021	12-Month Change	Q2 2022	90-Day Change	Q3 2022
<b>Rent</b>	\$1,870	▲ 5%	\$1,991	▼ 2%	\$1,961
<b>Vacancy</b>	4.9%	▲ 60 bps	5.4%	▲ 10 bps	5.5%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

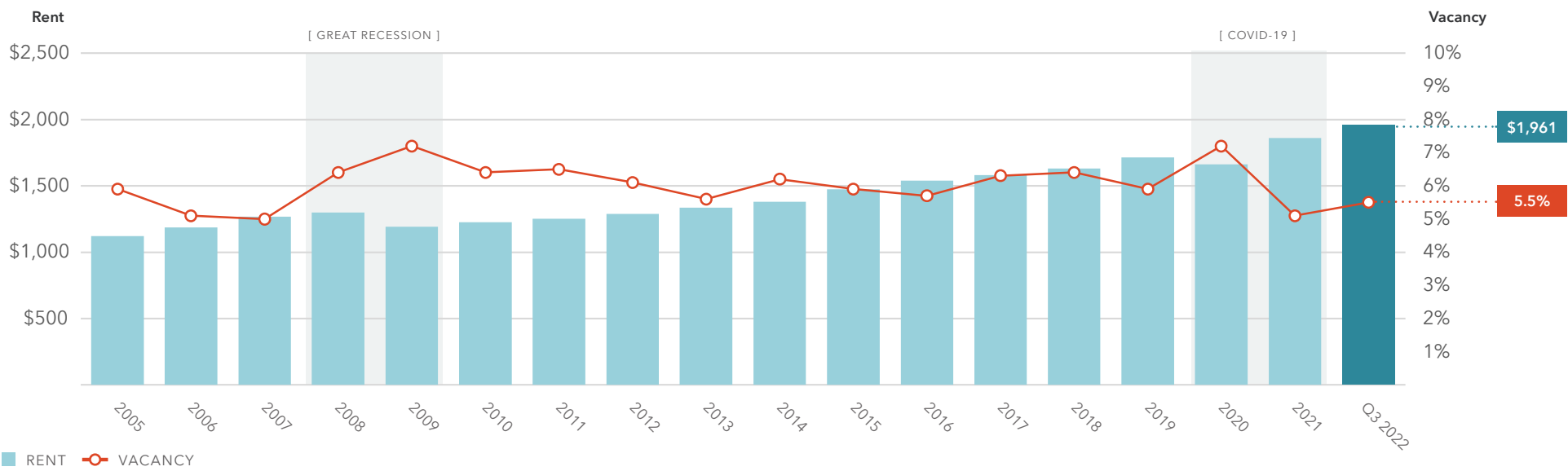
## Historical Sales Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	508	482	456	484	356	469	141	▼ 27%	89	▲ 16%	103
<b>Sales Volume</b>	\$5.7B	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$3.2B	▼ 45%	\$1.2B	▲ 45%	\$1.8B
<b>Price/Unit</b>	\$197K	\$226K	\$238K	\$281K	\$274K	\$332K	\$351K	▼ 19%	\$287K	▼ 1%	\$283K
<b>Price/SF</b>	\$206	\$237	\$258	\$324	\$291	\$358	\$364	▲ 2%	\$377	▼ 2%	\$371
<b>Cap Rate</b>	5.4%	4.9%	5.0%	4.8%	5.0%	4.6%	4.6%	▼ 37 bps	4.1%	▲ 9 bps	4.2%

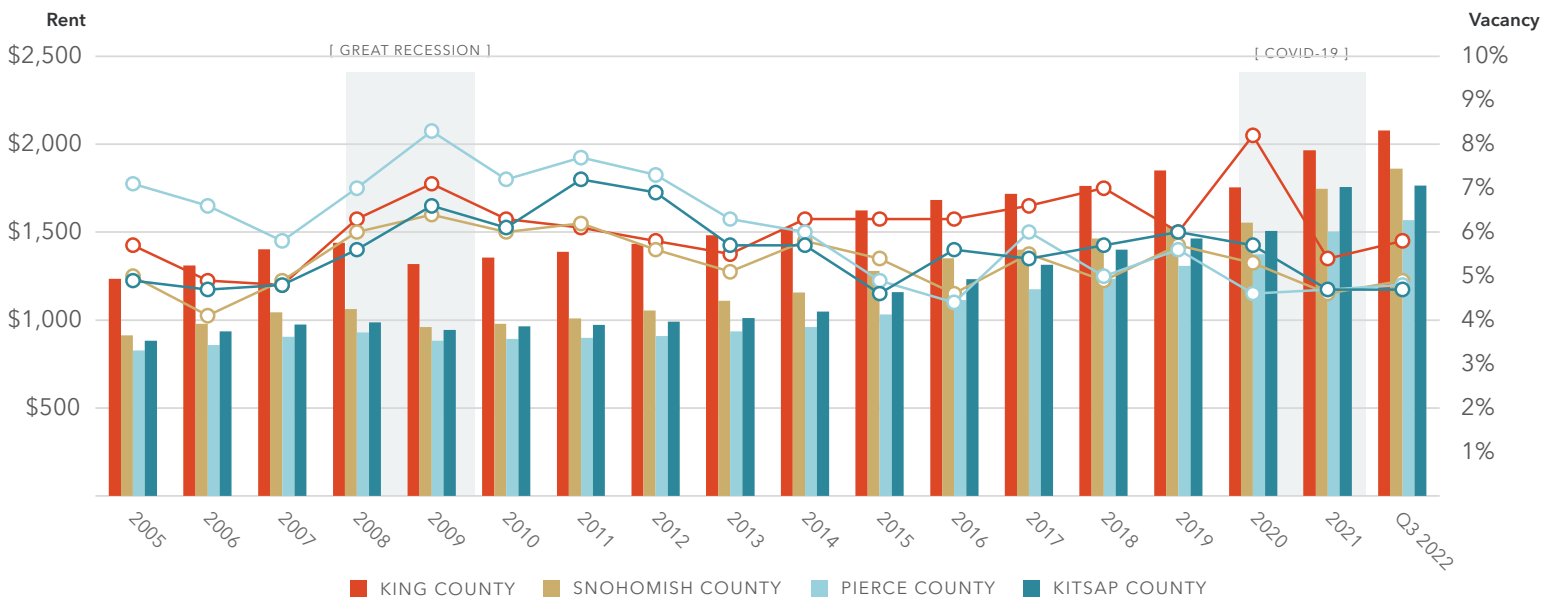
ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# REGIONAL HISTORIC RENT VS. VACANCY

## Puget Sound Region



## Counties



Q3 2022		
	Rent	Vacancy
King	\$2,078	5.8%
Snohomish	\$1,862	4.9%
Pierce	\$1,569	4.8%
Kitsap	\$1,765	4.7%

# REGIONAL BUILDING INCOME VELOCITY

## North King

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$1,649	▲ 7%	\$1,761	▲ 0.3%	\$1,766
RENT/SF	\$2.20	▲ 7%	\$2.35	▲ 0.4%	\$2.36
VACANCY	5.5%	▼ 80 bps	4.6%	▲ 10 bps	4.7%

## Kitsap

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$1,776	▼ 1%	\$1,812	▼ 3%	\$1,765
RENT/SF	\$2.05	▼ 0.5%	\$2.09	▼ 2%	\$2.04
VACANCY	3.2%	▲ 150 bps	4.2%	▲ 50 bps	4.7%

## Seattle

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$2,035	▲ 2%	\$2,105	▼ 1%	\$2,082
RENT/SF	\$3.03	▲ 2%	\$3.13	▼ 1%	\$3.10
VACANCY	5.7%	▲ 140 bps	6.5%	▲ 60 bps	7.1%

## Pierce

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$1,513	▲ 4%	\$1,578	▼ 1%	\$1,569
RENT/SF	\$1.79	▲ 3%	\$1.86	▼ 1%	\$1.85
VACANCY	3.6%	▲ 120 bps	4.8%	No Change	4.8%

## Snohomish

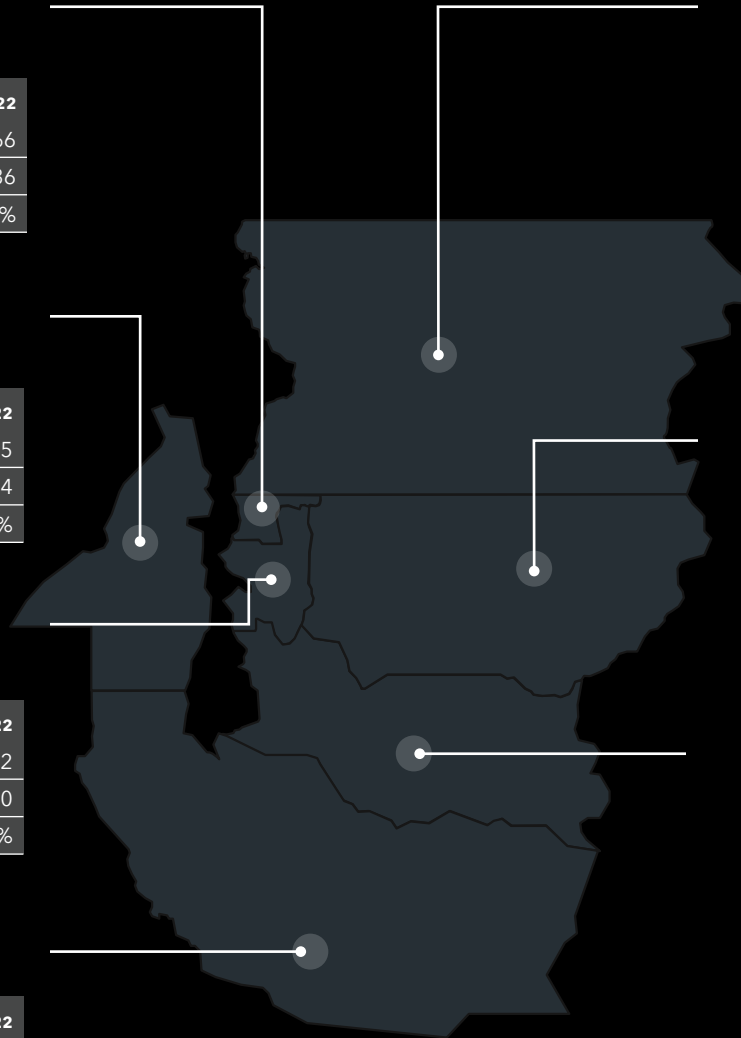
	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$1,745	▲ 7%	\$1,881	▼ 1%	\$1,862
RENT/SF	\$2.00	▲ 7%	\$2.16	▼ 1%	\$2.14
VACANCY	4.1%	▲ 80 bps	5.4%	▼ 50 bps	4.9%

## East King

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$2,314	▲ 6%	\$2,566	▼ 4%	\$2,464
RENT/SF	\$2.61	▲ 7%	\$2.90	▼ 4%	\$2.78
VACANCY	6.5%	▼ 90 bps	5.7%	▼ 10 bps	5.6%

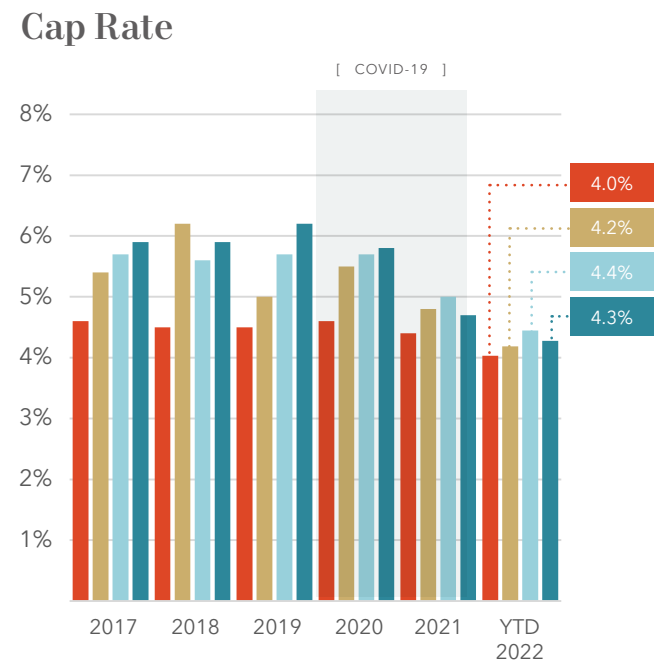
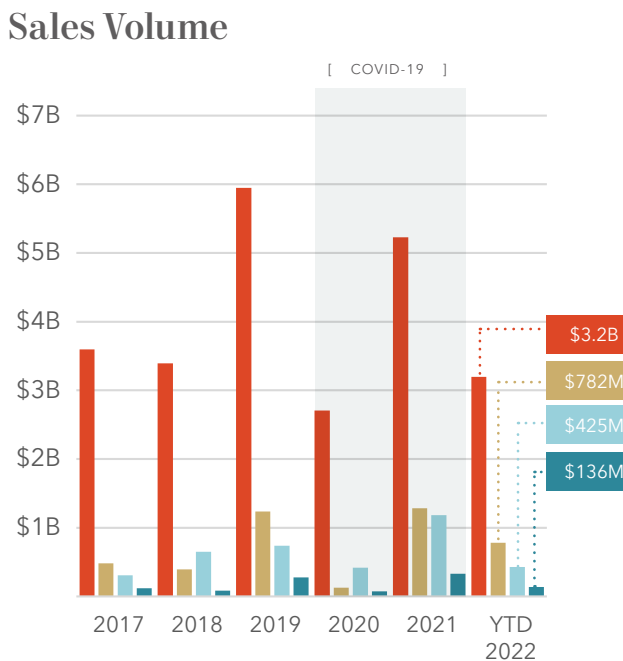
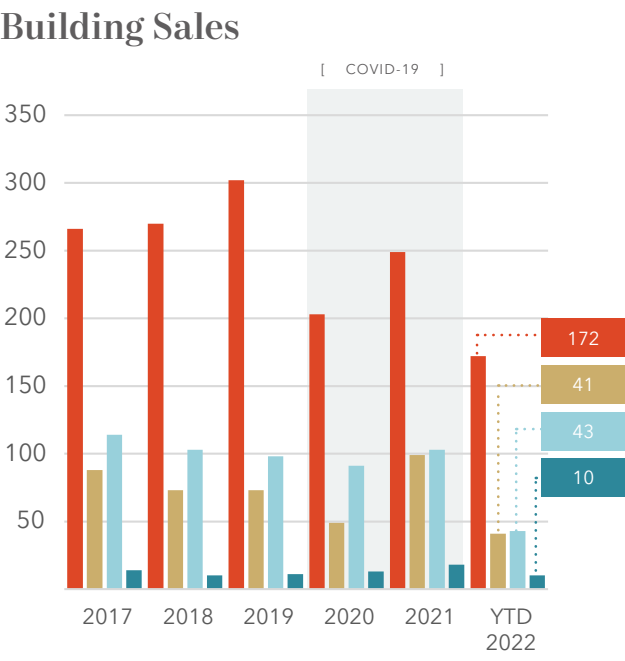
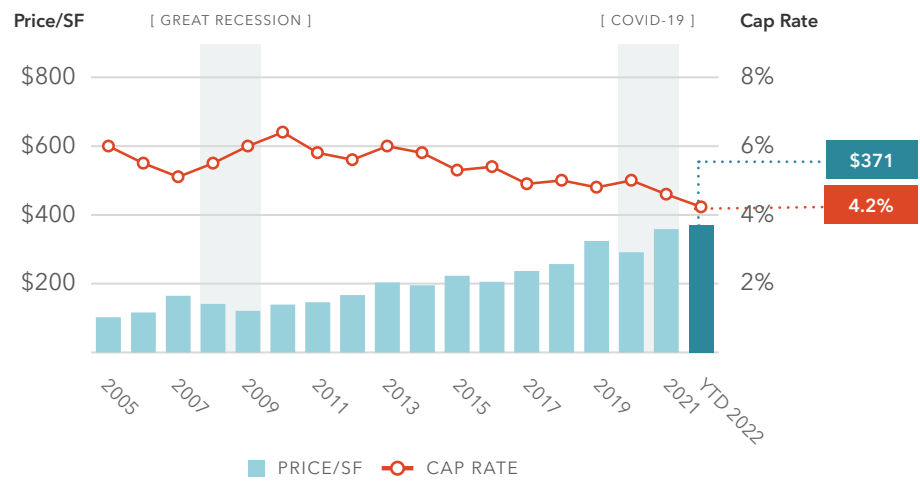
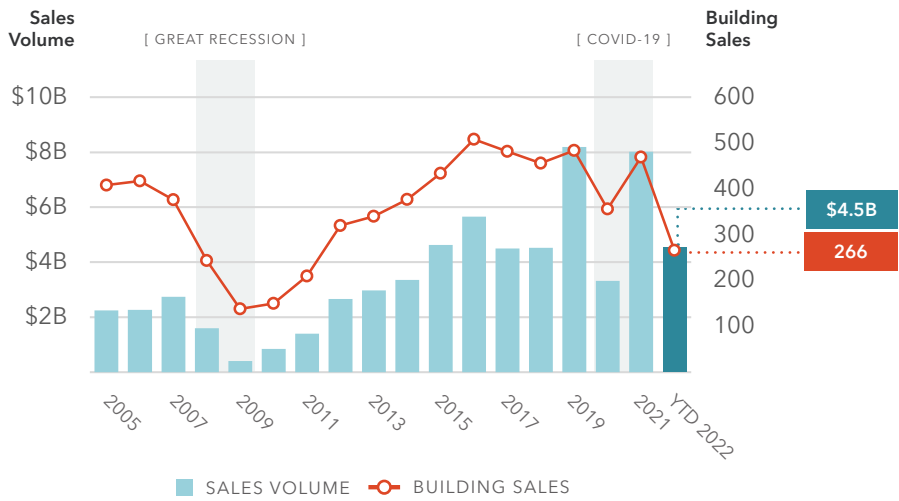
## South King

	Q3 2021	12-MO CHANGE	Q2 2022	90-DAY CHANGE	Q3 2022
RENT	\$1,656	▲ 8%	\$1,798	▼ 0.3%	\$1,792
RENT/SF	\$1.94	▲ 8%	\$2.11	▼ 0.5%	\$2.10
VACANCY	3.4%	▲ 40 bps	3.7%	▲ 10 bps	3.8%



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# PUGET SOUND REGIONAL HISTORIC SALES



■ KING COUNTY ■ SNOHOMISH COUNTY ■ PIERCE COUNTY ■ KITSAP COUNTY

# REGIONAL SALES PRICING VELOCITY

## North King

	2020	2021	YTD 2022
PRICE/UNIT	\$229K	\$367K	\$ 244K
PRICE/SF	\$251	\$430	\$363
CAP RATE	4.3%	4.3%	4.2%

## Kitsap

	2020	2021	YTD 2022
PRICE/UNIT	\$196K	\$255K	\$ 253K
PRICE/SF	\$212	\$291	\$259
CAP RATE	5.8%	4.7%	4.3%

## Seattle

	2020	2021	YTD 2022
PRICE/UNIT	\$399K	\$397K	\$ 323K
PRICE/SF	\$516	\$473	\$498
CAP RATE	4.7%	4.5%	4.0%

## Pierce

	2020	2021	YTD 2022
PRICE/UNIT	\$202K	\$251K	\$ 217K
PRICE/SF	\$210	\$257	\$263
CAP RATE	5.7%	5.0%	4.4%

## Snohomish

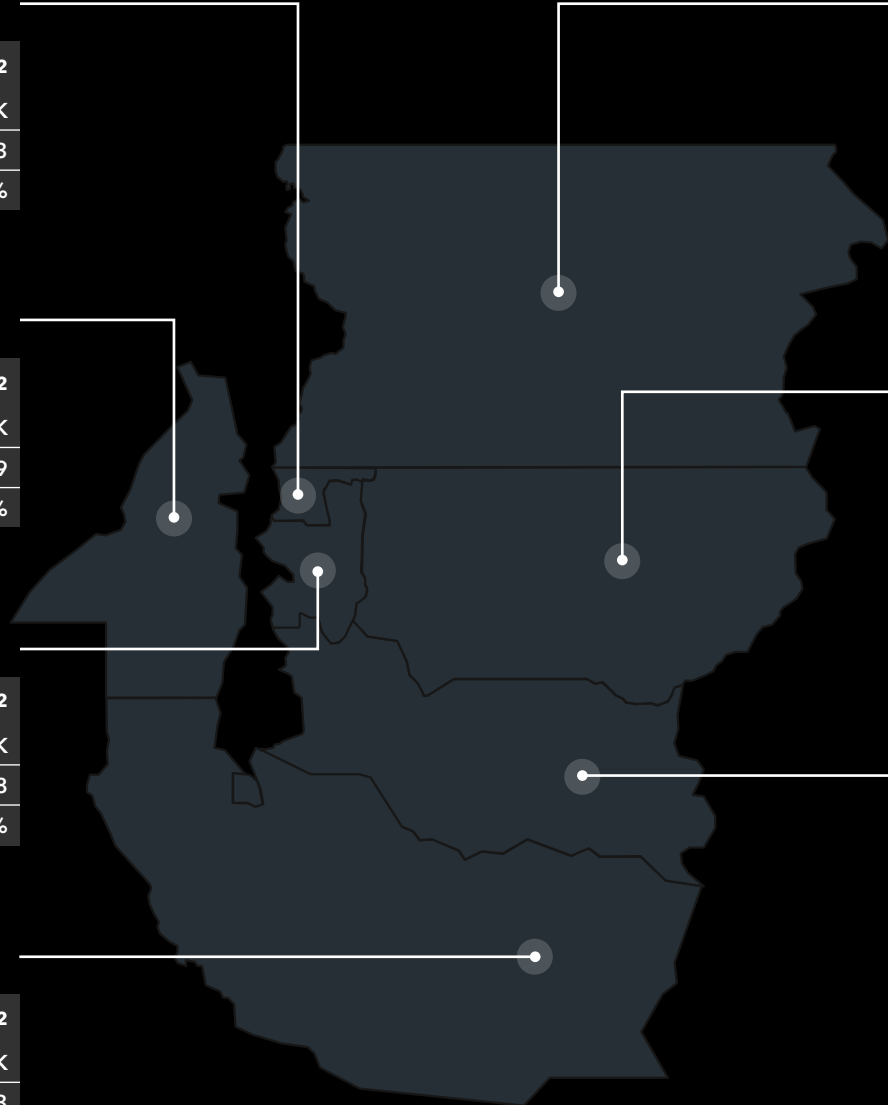
	2020	2021	YTD 2022
PRICE/UNIT	\$193K	\$272K	\$ 276K
PRICE/SF	\$232	\$320	\$302
CAP RATE	5.5%	4.8%	4.2%

## East King

	2020	2021	YTD 2022
PRICE/UNIT	\$340K	\$478K	\$ 526K
PRICE/SF	\$337	\$516	\$601
CAP RATE	4.5%	3.8%	3.7%

## South King

	2020	2021	YTD 2022
PRICE/UNIT	\$230K	\$306K	\$ 234K
PRICE/SF	\$240	\$347	\$303
CAP RATE	4.8%	4.6%	4.3%



ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS





As cities around the globe struggle to find their way in a hyper-inflationary environment, the Pacific Northwest continues to demonstrate economic vigor in the form of wage growth, job stability, and lifestyle desirability.

# SEATTLE



**JERRID ANDERSON**  
Executive Vice President  
Seattle Market Expert

Seattle's urban neighborhoods are regaining their footing as far as renter demand, but investors are still wary to pay a premium to reenter these markets.



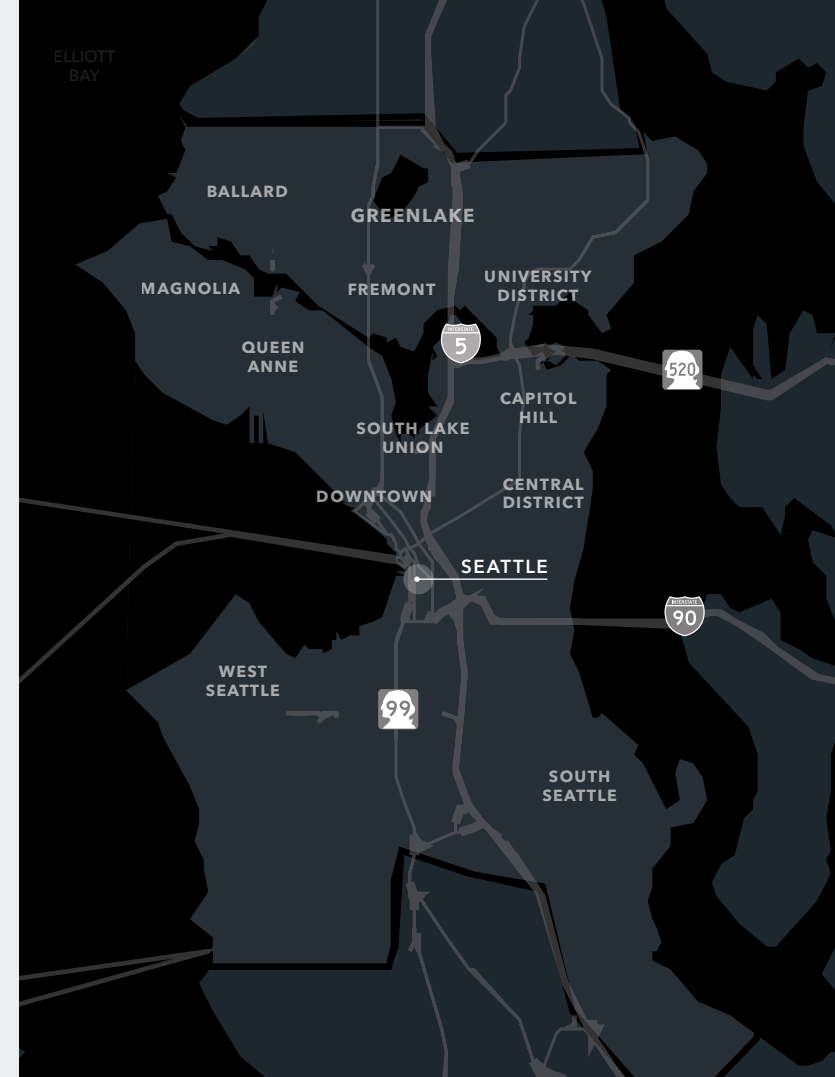
#### SALES INSIGHT

Sales volume and pricing slid during the height of COVID. Then, the path to greater pricing recovery experienced briefly from mid-2021 to early 2022 was stymied due to a lack of employers requiring their staff to return to downtown offices. Of course, this was also coupled with rising borrowing costs, as well.

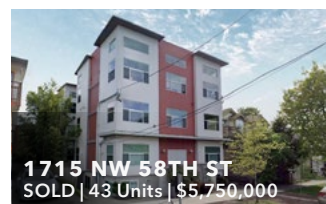
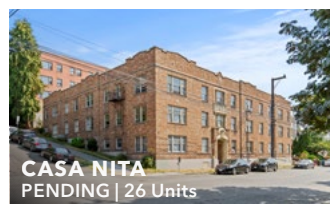
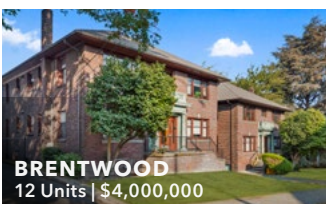
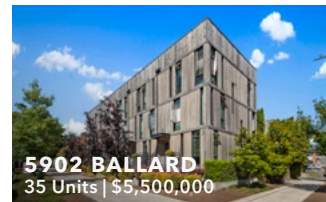


#### RENT / VACANCY INSIGHT

Renters clearly prefer to remain in Seattle's urban neighborhoods post-COVID, as demonstrated by rising rental rates and falling vacancy until mid-2022. Even so, third-quarter data illustrates that a limited return to work is hurting sustained rental rate growth. Similarly, continued urban development is causing some imbalances in supply and demand.



## Our Recent Listings

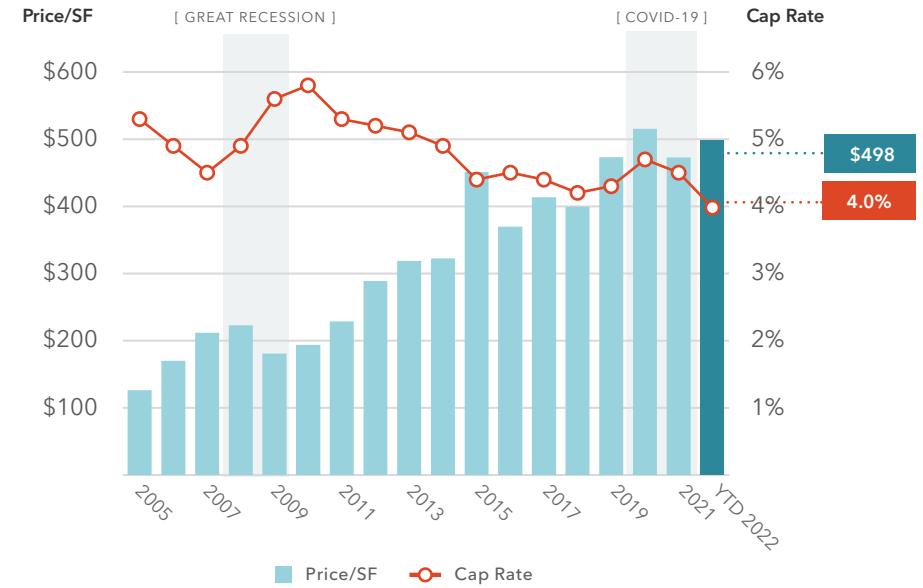
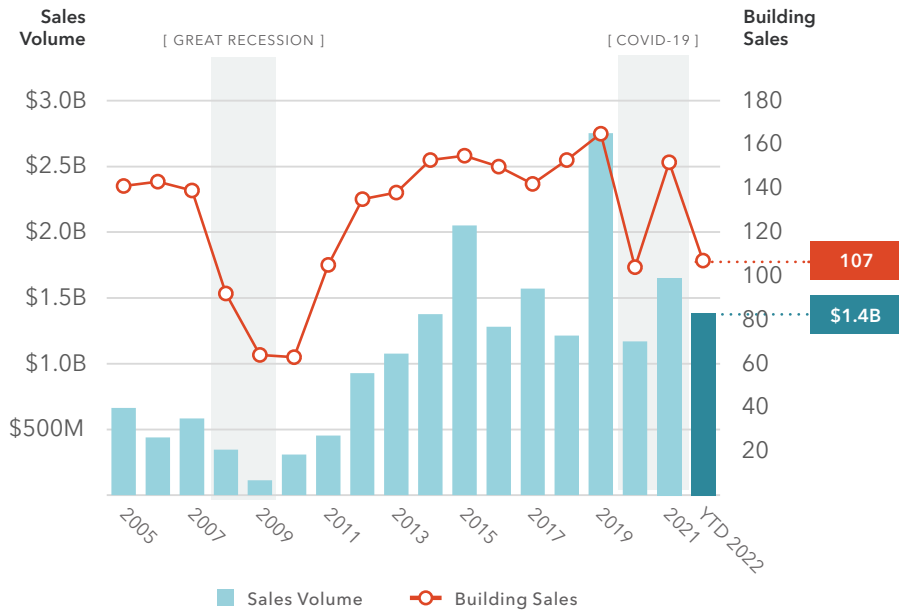


## Inventory

	Units	Buildings
Total	125,324	3,759
5 to 50-Units	46,761	3,196
50+ Units	78,563	563
12-Month Deliveries	6,136	32
Average Unit Size	678 SF	



## SALES TRENDS



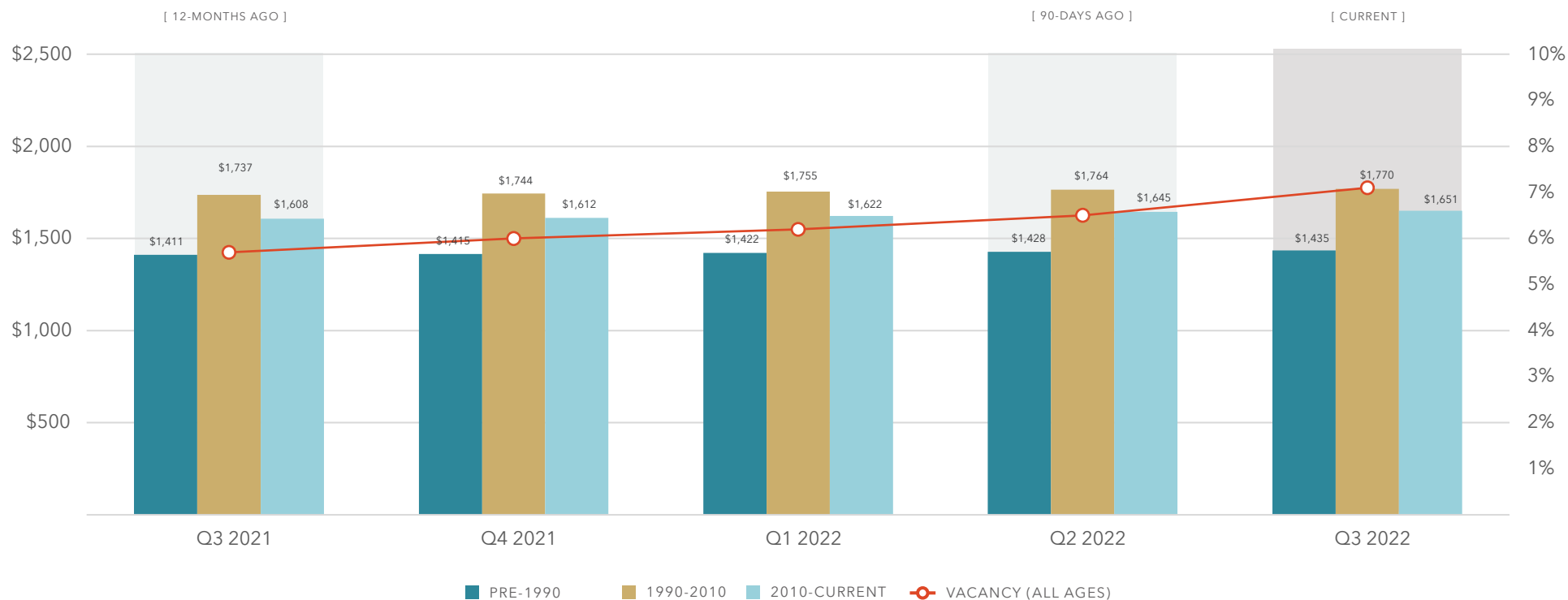
## Historical Sales

							[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
	2016	2017	2018	2019	2020	2021	Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	150	142	153	165	104	152	43	▼ 14%	33	▲ 12%	37
<b>Sales Volume</b>	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$1.4B	\$593M	▼ 16%	\$330M	▲ 50%	\$496M
<b>Price/Unit</b>	\$335K	\$380K	\$326K	\$399K	\$399K	\$396K	\$450K	▼ 31%	\$333K	▼ 7%	\$311K
<b>Price/SF</b>	\$370	\$413	\$400	\$473	\$516	\$473	\$499	▼ 1%	\$489	▲ 1%	\$492
<b>Cap Rate</b>	4.5%	4.4%	4.2%	4.3%	4.7%	4.5%	4.1%	▲ 14 bps	3.8%	▲ 43 bps	4.2%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



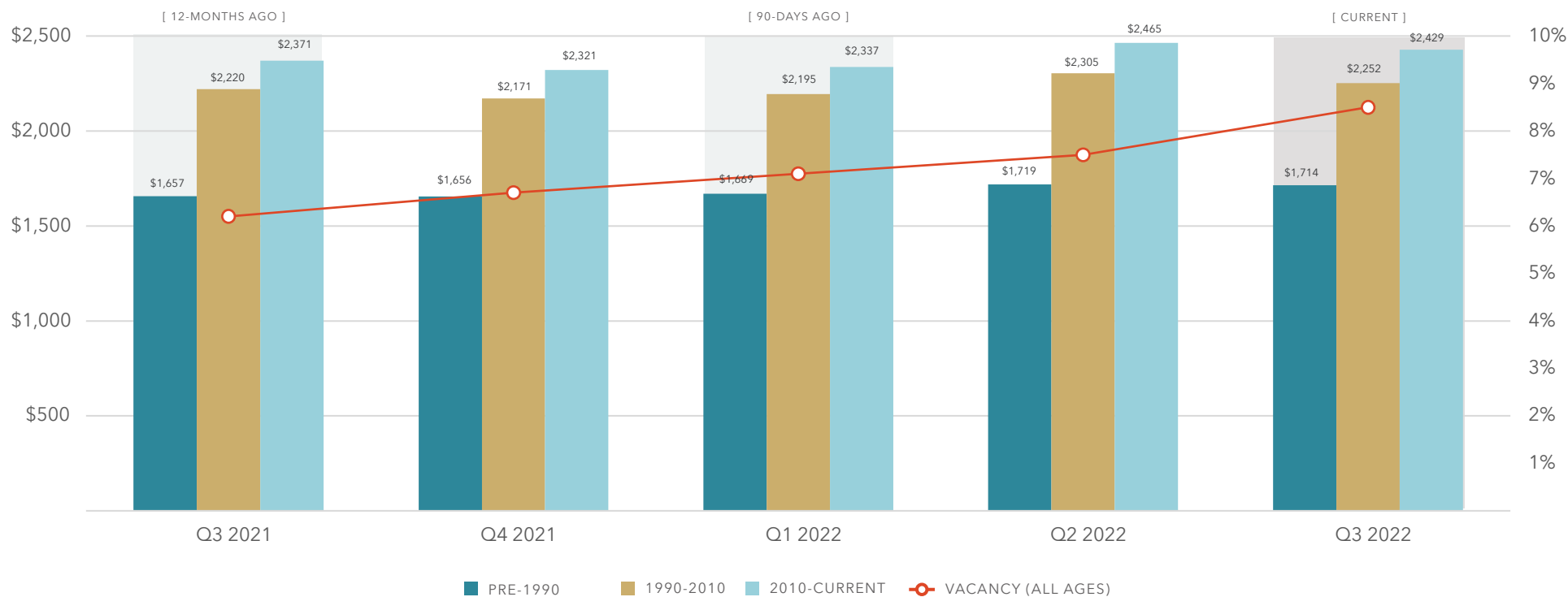
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,371	\$1,411	\$1,434	\$1,454	\$1,453	\$1,481	\$1,477	▲ 2%	\$1,499	▲ 0.4%	\$1,505
<b>Rent/SF</b>	\$2.18	\$2.24	\$2.28	\$2.31	\$2.31	\$2.35	\$2.35	▲ 2%	\$2.38	▲ 0.4%	\$2.39
<b>Vacancy</b>	5.4%	5.4%	5.1%	5.0%	7.0%	4.8%	4.9%	▼ 20 bps	4.7%	No Change	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	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,975	\$1,994	\$2,019	\$2,144	\$1,904	\$2,184	\$2,226	▲ 2%	\$2,313	▼ 1.5%	\$2,279
<b>Rent/SF</b>	\$2.86	\$2.89	\$2.93	\$3.11	\$2.76	\$3.17	\$3.23	▲ 2%	\$3.36	▼ 1.5%	\$3.31
<b>Vacancy</b>	8.2%	9.6%	9.6%	5.9%	11.5%	6.7%	6.2%	▲ 230 bps	7.5%	▲ 100 bps	8.5%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS



# NORTH KING



**WINSLOW LEE**  
Associate Vice President  
North Sound Market Expert

Consistency is key in North King with rents and sale cap rates staying strong.



#### SALES INSIGHT

In 2022, we've seen more sales of smaller properties. Specifically, North King has accumulated \$39 million in total sales volume year-to-date, but it's also recorded more sales than last year. Additionally, we're also seeing more private groups selling their smaller properties and exiting Seattle, whereas the larger institutional companies are holding tight. Meanwhile, cap rates were at 3.7% for the quarter and, with the Fed announcing several rate increases, these are all but certain to increase as we head into 2023.

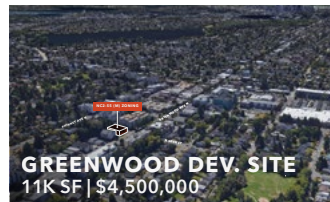
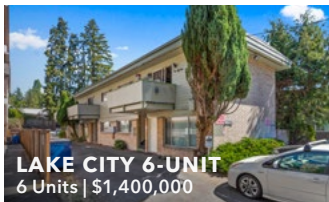


#### RENT / VACANCY INSIGHT

Rents for North King County have stayed consistent from last quarter with vacancy just under 5% and rents slightly higher. Compared to last year, we've seen an 8% increase in rental rates with a decrease in vacancy. This can be attributed to employers moving back into offices and life returning to normal post-COVID.



## Our Recent Listings



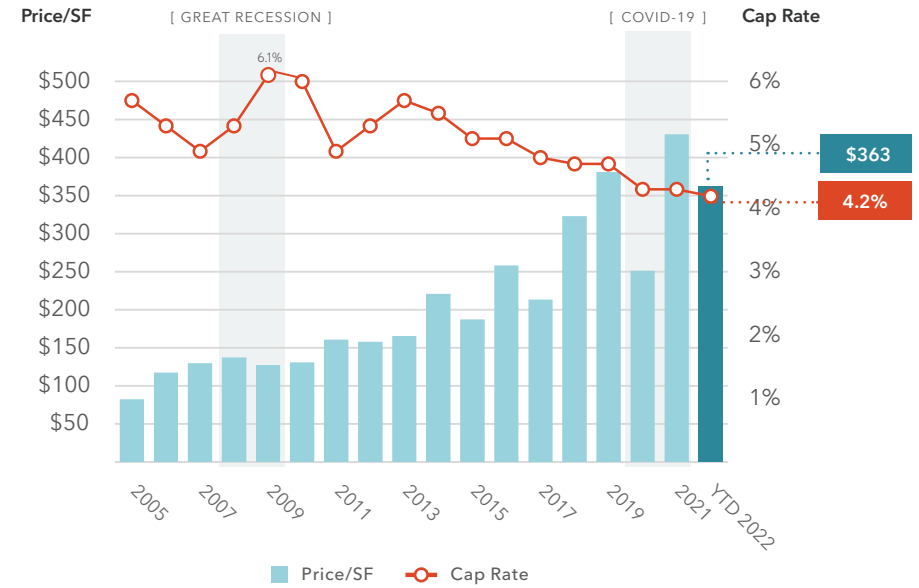
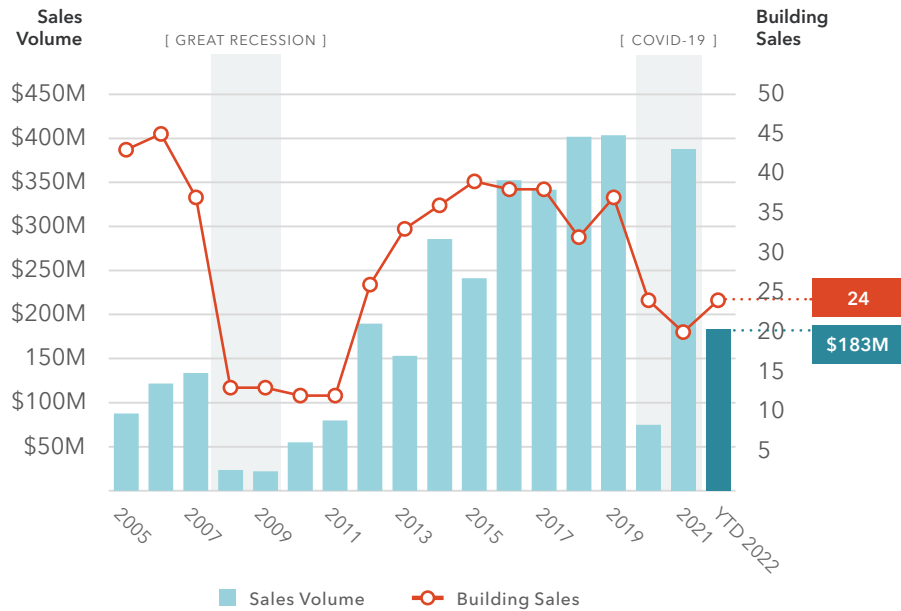
[VIEW LISTINGS ON OUR WEBSITE](#)

[VIEW CURRENT LISTINGS](#)

## Inventory

	Units	Buildings
Total	25,265	731
5 to 50-Units	8,928	606
50+ Units	16,337	125
12-Month Deliveries	475	4
Average Unit Size	753 SF	

## SALES TRENDS



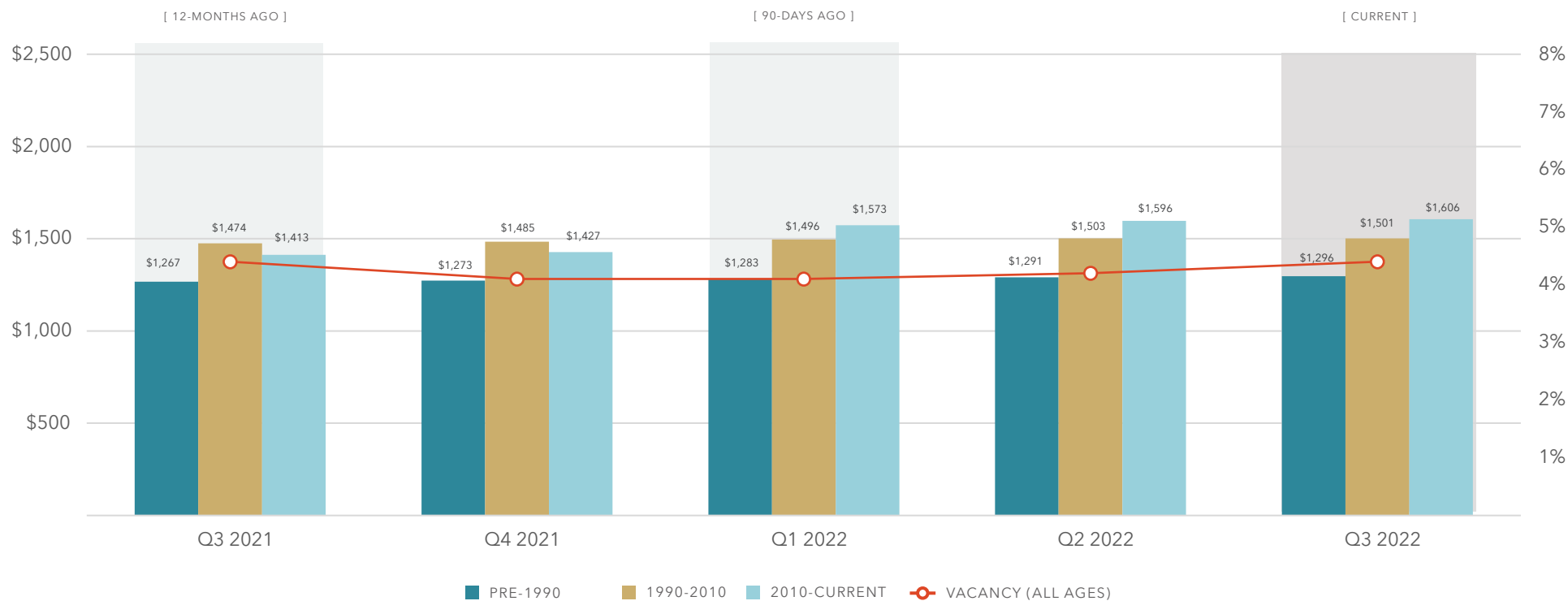
## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	38	38	32	37	24	20	5	▲ 80%	7	▲ 29%	9
<b>Sales Volume</b>	\$353M	\$342M	\$402M	\$404M	\$75M	\$387M	\$179M	▼ 79%	\$29M	▲ 31%	\$39M
<b>Price/Unit</b>	\$213K	\$262K	\$281K	\$288K	\$229K	\$367K	\$425K	▼ 46%	\$243K	▼ 6%	\$228K
<b>Price/SF</b>	\$258	\$213	\$323	\$381	\$251	\$430	\$435	▼ 25%	\$372	▼ 12%	\$327
<b>Cap Rate</b>	5.1%	4.8%	4.7%	4.7%	4.3%	4.3%	5.1%	▼ 143 bps	4.1%	▼ 45 bps	3.7%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



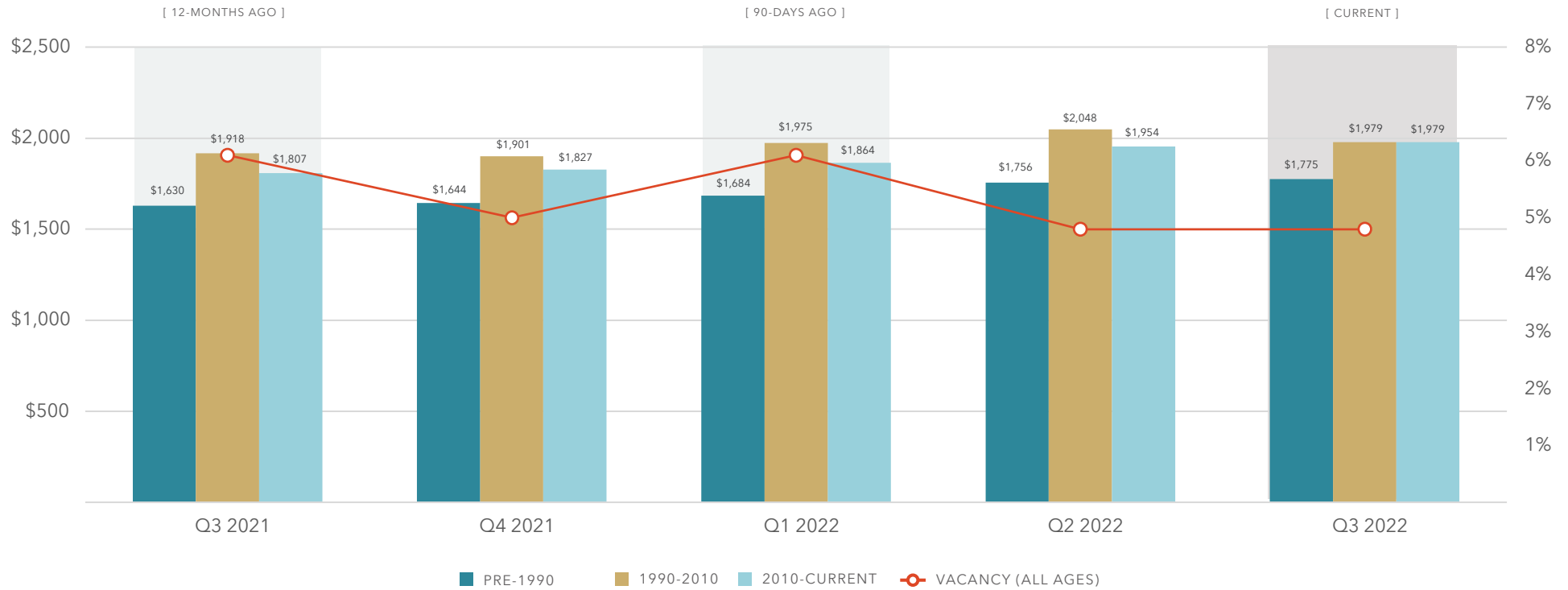
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,205	\$1,243	\$1,260	\$1,281	\$1,296	\$1,323	\$1,315	▲ 3%	\$1,353	▲ 0.4%	\$1,358
<b>Rent/SF</b>	\$1.62	\$1.67	\$1.70	\$1.72	\$1.74	\$1.78	\$1.77	▲ 3%	\$1.82	▲ 0.4%	\$1.83
<b>Vacancy</b>	3.9%	4.1%	4.3%	4.4%	5.9%	4.1%	4.4%	No Change	4.2%	▲ 20 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	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-Day Change	Q3 2022
<b>Rent</b>	\$1,499	\$1,533	\$1,563	\$1,615	\$1,593	\$1,765	\$1,754	▲ 8%	\$1,889	▲ 0.3%	\$1,894
<b>Rent/SF</b>	\$1.99	\$2.03	\$2.07	\$2.14	\$2.11	\$2.34	\$2.33	▲ 8%	\$2.51	No Change	\$2.51
<b>Vacancy</b>	4.3%	6.0%	7.4%	6.0%	7.1%	5.0%	6.1%	▼ 130 bps	4.8%	No Change	4.8%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

# EAST KING



**MATT LAIRD**  
Vice President  
King County Market Expert

East King continues to set records in the entire market, outpacing itself quarter after quarter.



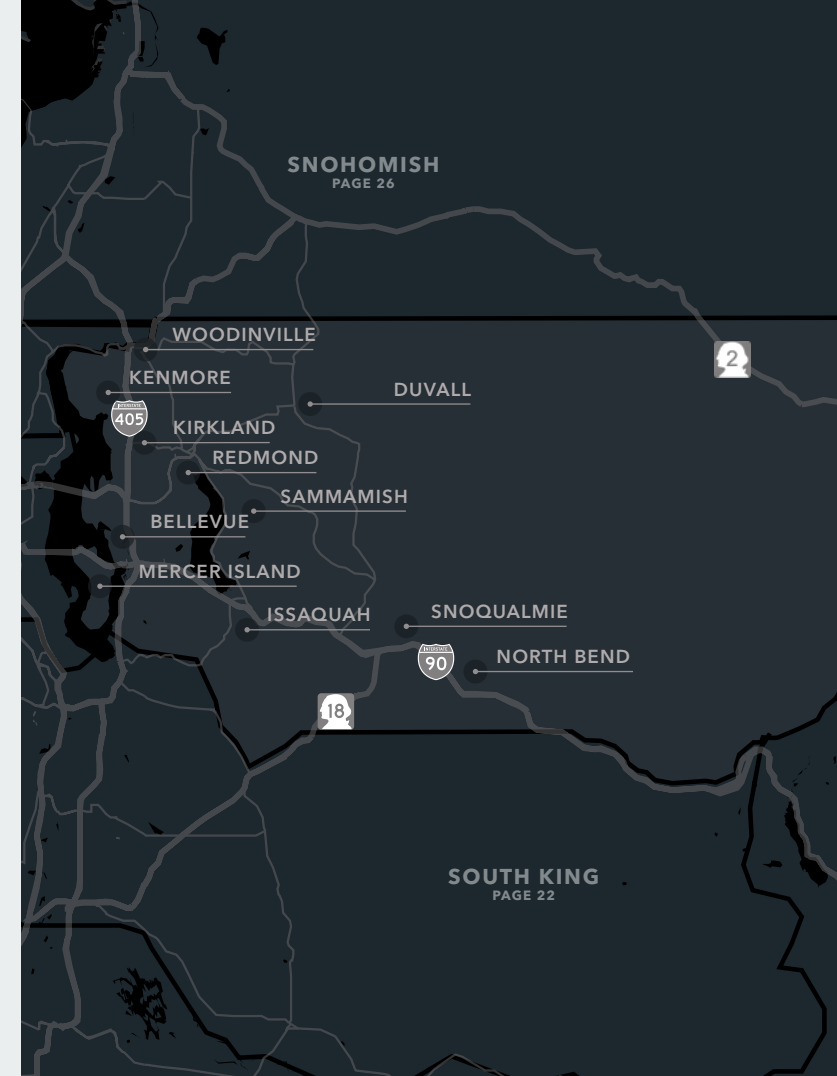
#### SALES INSIGHT

East King continues to lead the region at \$517,000 per unit and \$580 per square foot. Current sales volume is also consistent with years past (\$934 million to date), with 2021 proving to be an outlier. Accordingly, investors continue to seek out opportunities as Fortune 500 companies keep increasing their footprints in Bellevue and surrounding neighborhoods. In fact, East King multifamily investments are some of the most sought-after nationwide.

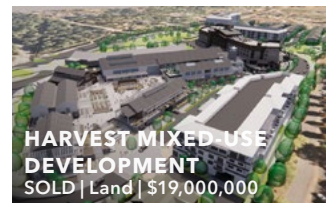
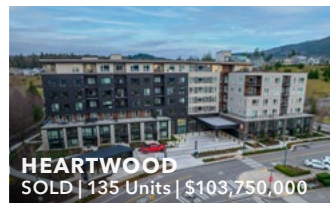
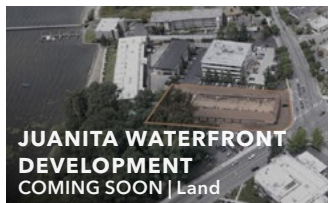


#### RENT / VACANCY INSIGHT

East King rents continue to rise with an average growth of 6% year-over-year. Vacancy has also continued to shrink across the board. And, by consistently claiming the highest rental rates in the entire region, East King is just as attractive for investors as it is for developers. As such, we continue to see new product delivered in Bellevue, Redmond, Bothell, and Woodinville.



## Our Recent Listings



[VIEW LISTINGS ON OUR WEBSITE](#)

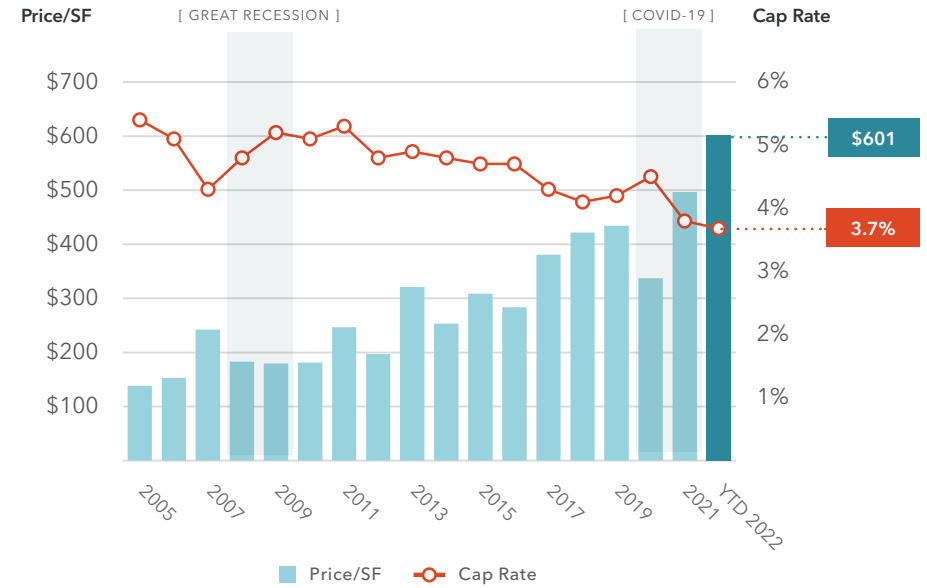
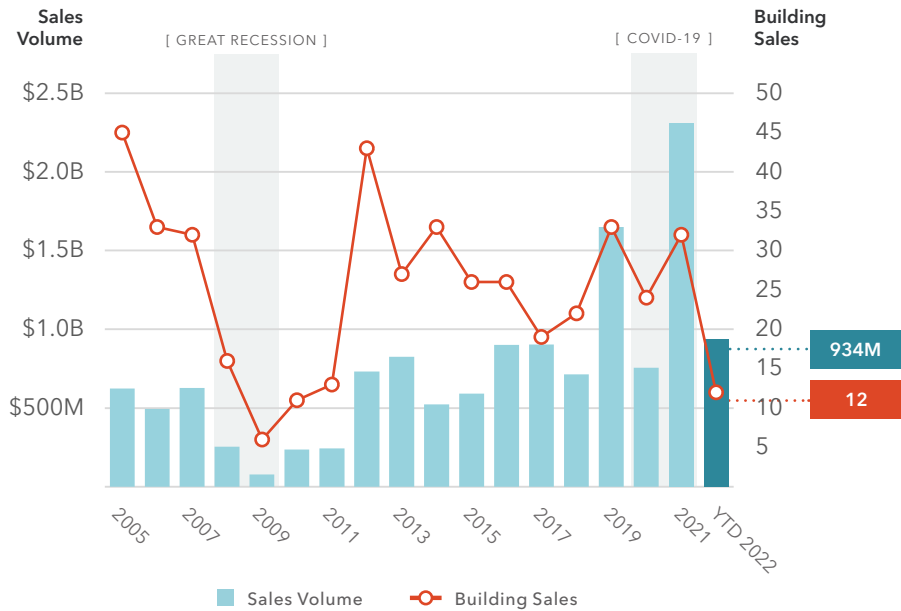
[VIEW CURRENT LISTINGS](#)

## Inventory

	Units	Buildings
Total	58,407	551
5 to 50-Units	4,905	285
50+ Units	53,502	266
12-Month Deliveries	1,222	6
Average Unit Size	886 SF	



## SALES TRENDS



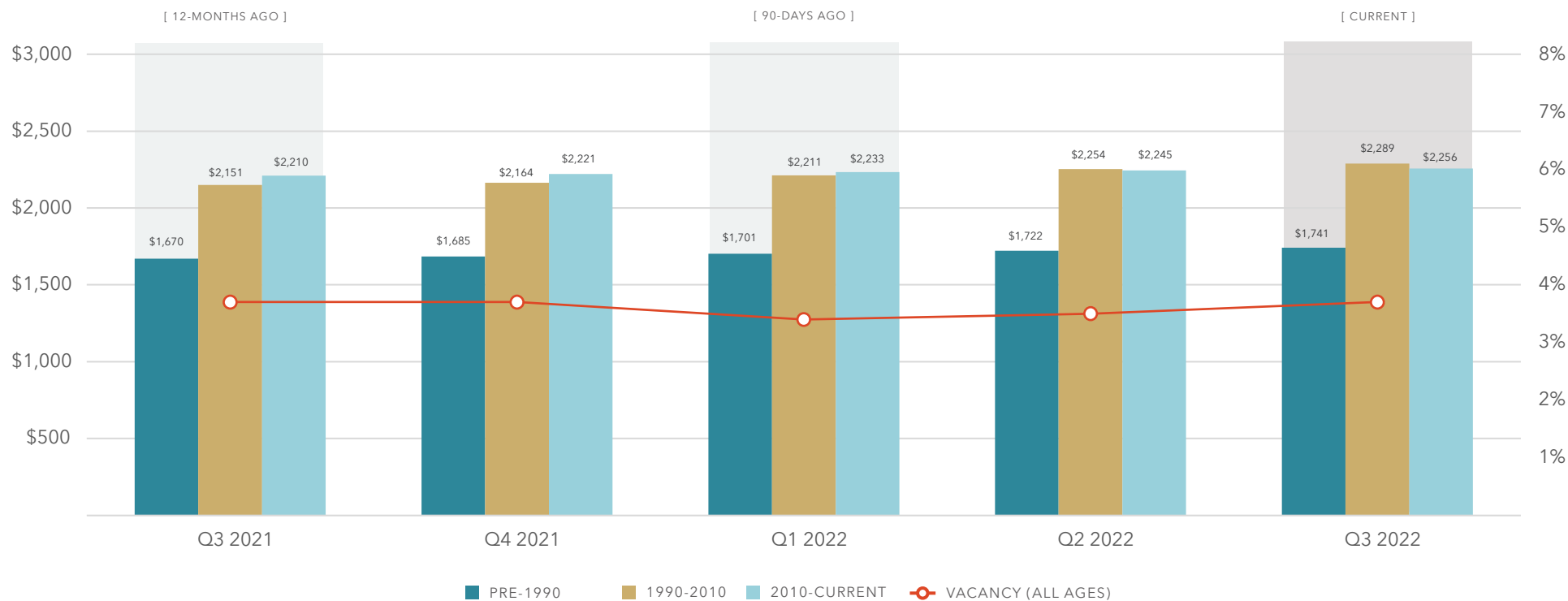
## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	26	19	22	33	24	32	13	▼ 54%	3	▲ 100%	6
<b>Sales Volume</b>	\$900M	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$1.1B	▼ 58%	\$69M	▲ 606%	\$485M
<b>Price/Unit</b>	\$310K	\$373K	\$447K	\$383K	\$340K	\$478K	\$530K	▼ 2%	\$498K	▲ 4%	\$517K
<b>Price/SF</b>	\$284	\$381	\$422	\$434	\$337	\$496	\$518	▲ 12%	\$599	▼ 3%	\$580
<b>Cap Rate</b>	4.7%	4.3%	4.1%	4.2%	4.5%	3.8%	3.9%	▲ 12 bps	3.8%	▲ 22 bps	4.0%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



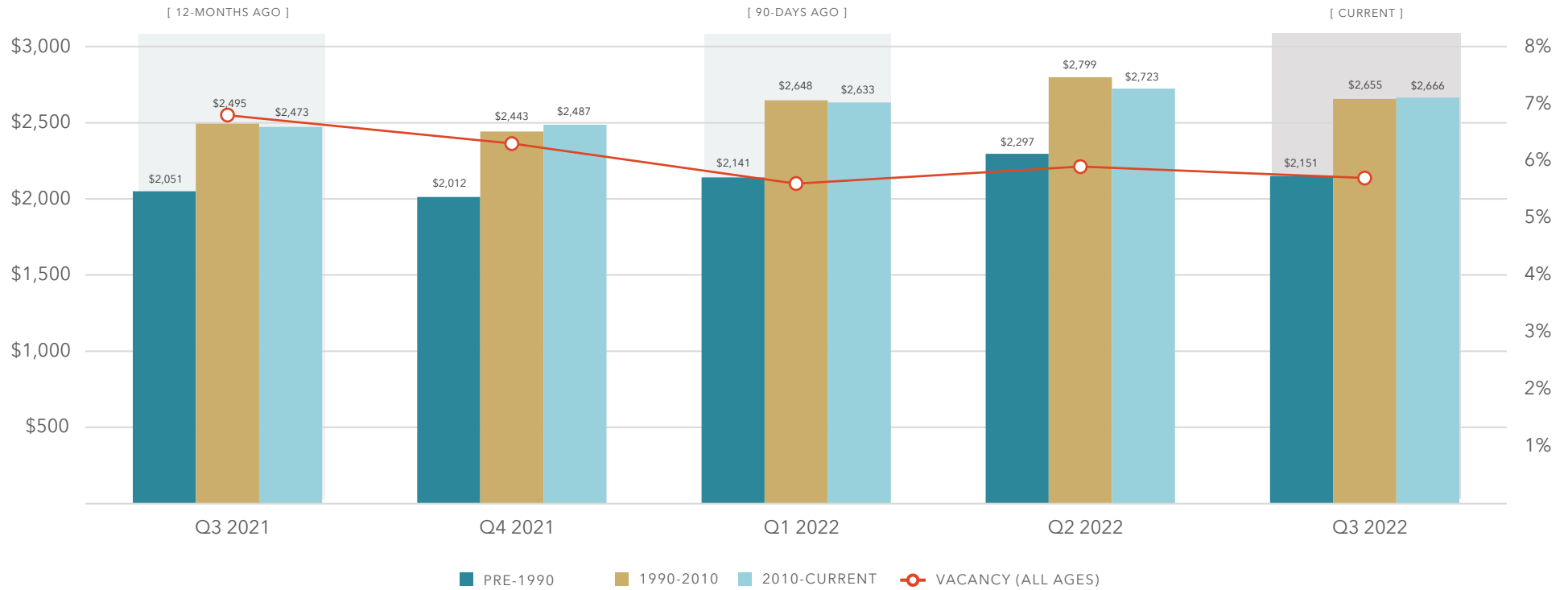
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,589	\$1,664	\$1,704	\$1,746	\$1,757	\$1,822	\$1,807	▲ 5%	\$1,870	▲ 1%	\$1,891
<b>Rent/SF</b>	\$1.75	\$1.83	\$1.88	\$1.92	\$1.94	\$2.01	\$1.99	▲ 5%	\$2.06	▲ 1%	\$2.08
<b>Vacancy</b>	5.4%	5.1%	4.5%	4.5%	5.9%	3.7%	3.7%	No Change	3.5%	▲ 20 bps	3.7%

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	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,926	\$1,943	\$2,024	\$2,138	\$2,033	\$2,321	\$2,343	▲ 7%	\$2,606	▼ 4%	\$2,497
<b>Rent/SF</b>	\$2.18	\$2.20	\$2.29	\$2.42	\$2.30	\$2.63	\$2.65	▲ 6%	\$2.95	▼ 4%	\$2.82
<b>Vacancy</b>	7.9%	6.5%	7.2%	8.1%	8.5%	6.3%	6.8%	▼ 110 bps	5.9%	▼ 20 bps	5.7%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

# SOUTH KING



**BRANDON LAWLER**  
Vice President  
South Sound Market Expert

For investors looking for stability, look no further than South King County which boasts the highest occupancy in the region.



#### SALES INSIGHT

Overall sales volume in South King has slowed in 2022, but total transactions will be similar to 2021. However, despite fewer institutional transactions this year, we don't expect this trend to continue - especially as loans start to mature from the massive sales in 2015 and 2016. Rather, we believe that the negative sales metrics (cap rate, price per unit, and price per square foot) are the direct results of the decrease in overall institutional sales.

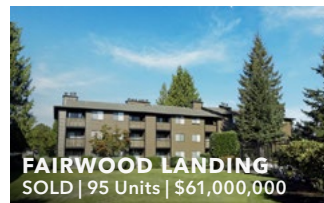


#### RENT / VACANCY INSIGHT

South King County continues to boast the highest occupancy across the Puget Sound. Year-over-year, we see little to no supply due to the lack of new construction and continued demand for suburban apartments directly south of Seattle and Bellevue. Therefore, investors looking for stability should look no further than South King County.



## Our Recent Listings



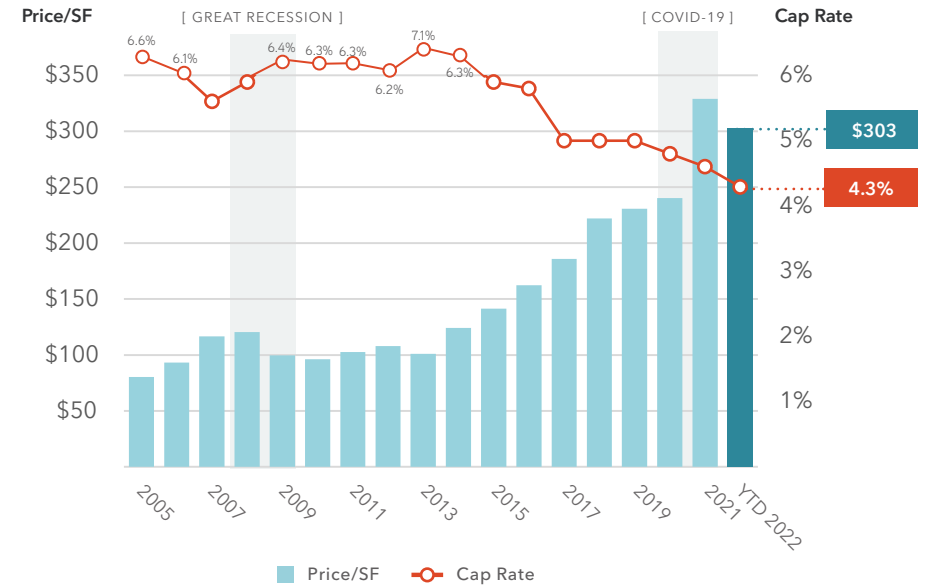
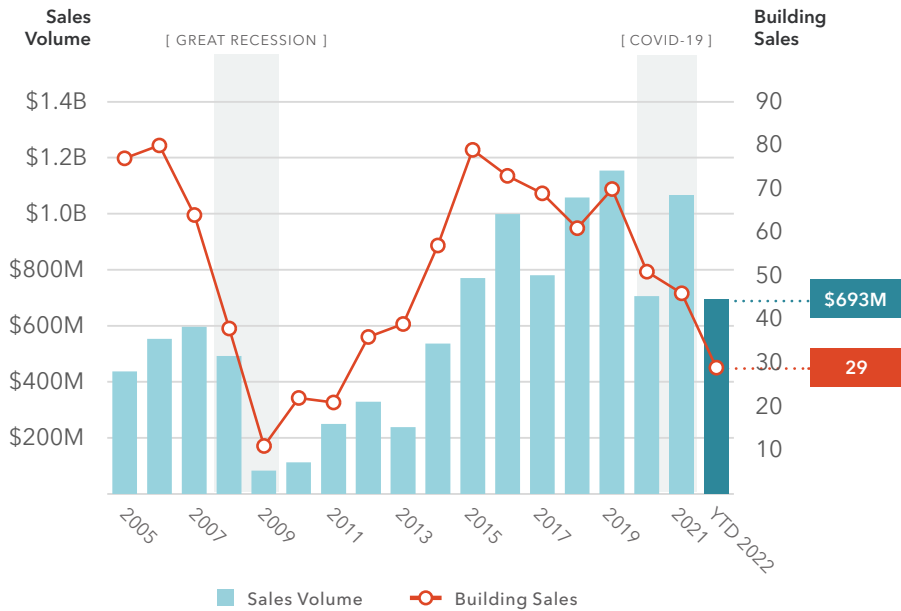
[VIEW LISTINGS ON OUR WEBSITE](#)

[VIEW CURRENT LISTINGS](#)

## Inventory

	Units	Buildings
Total	58,076	912
5 to 50-Units	10,538	623
50+ Units	47,538	289
12-Month Deliveries	307	3
Average Unit Size	857 SF	

## SALES TRENDS



## Historical Sales

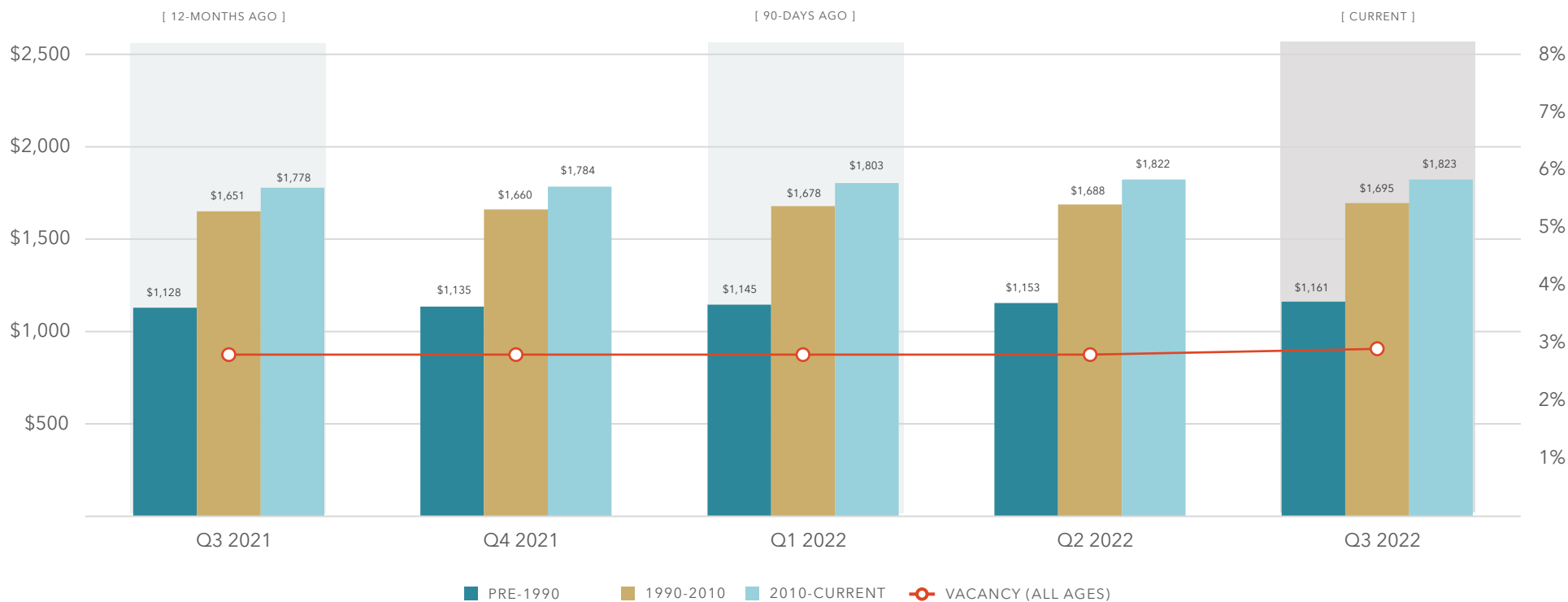
							[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
	2016	2017	2018	2019	2020	2021	Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	73	69	61	70	51	46	13	▼ 38%	12	▼ 33%	8
<b>Sales Volume</b>	\$999.1M	\$781.2M	\$1.1B	\$1.2B	\$705.5M	\$1.1B	644.6M	▼ 67%	\$240M	▼ 12%	\$212M
<b>Price/Unit</b>	\$155K	\$169K	\$216K	\$202K	\$230K	\$306K	\$ 315K	▼ 27%	\$249K	▼ 7%	\$231K
<b>Price/SF</b>	\$162	\$186	\$222	\$231	\$240	\$329	\$334	▼ 11%	\$302	▼ 2%	\$296
<b>Cap Rate</b>	5.8%	5.0%	5.0%	5.0%	4.8%	4.6%	4.4%	▲ 57 bps	4.3%	▲ 64 bps	5.0%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS



# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



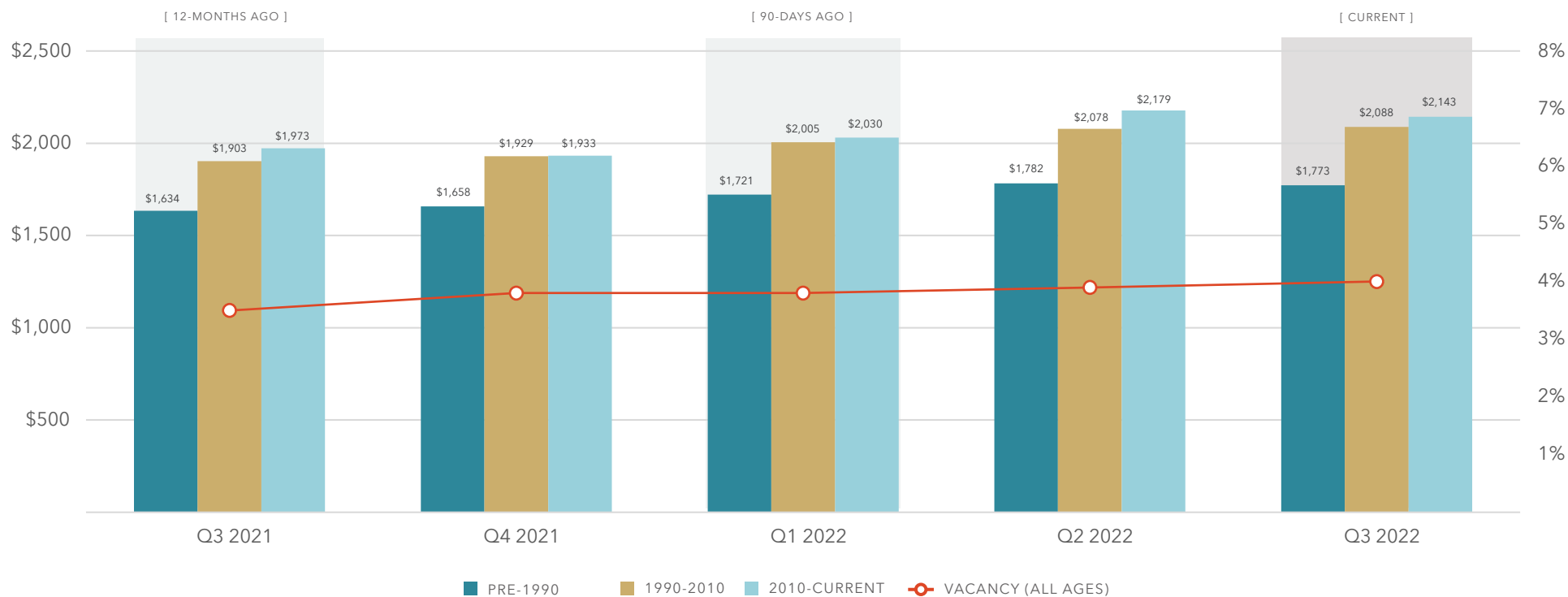
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,032	\$1,078	\$1,115	\$1,150	\$1,166	\$1,192	\$1,186	▲ 3%	\$1,211	▲ 0.7%	\$1,219
<b>Rent/SF</b>	\$1.30	\$1.36	\$1.41	\$1.46	\$1.48	\$1.51	\$1.50	▲ 3%	\$1.53	▲ 0.7%	\$1.54
<b>Vacancy</b>	4.1%	4.2%	4.6%	4.1%	3.9%	2.8%	2.8%	▲ 10 bps	2.8%	▲ 10 bps	2.9%

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	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,319	\$1,386	\$1,440	\$1,511	\$1,545	\$1,742	\$1,725	▲ 9%	\$1,884	▼ 0.4%	\$1,876
<b>Rent/SF</b>	\$1.53	\$1.61	\$1.67	\$1.75	\$1.79	\$2.02	\$2.00	▲ 9%	\$2.19	▼ 0.5%	\$2.18
<b>Vacancy</b>	5.0%	5.2%	6.2%	5.7%	5.7%	3.8%	3.5%	▲ 50 bps	3.9%	▲ 10 bps	4.0%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS



**WINSLOW LEE**  
Associate Vice President  
North Sound Market Expert

Year after year, we continue to see rent growth paired with low vacancy.



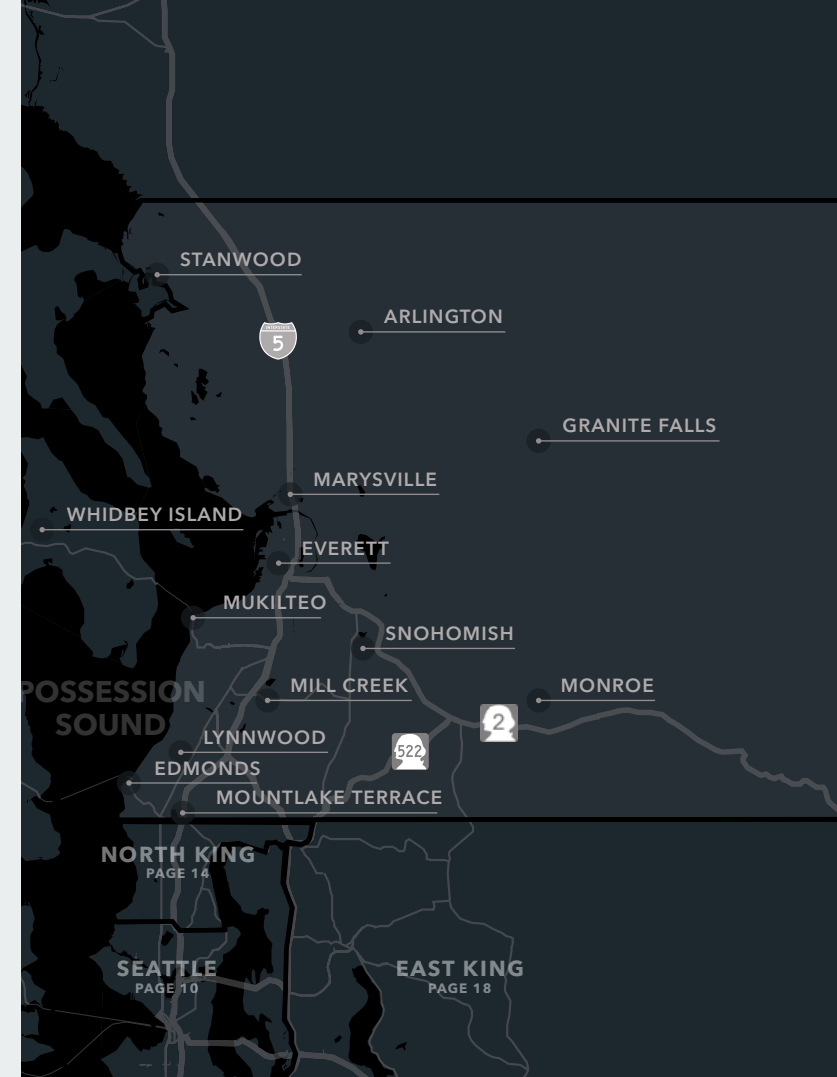
#### SALES INSIGHT

In Q3, Snohomish saw its lowest cap rate within the last 10 years at 4.3% per sale. Moreover, investors were willing to pay a premium for properties with the highest dollar per unit (\$280,000). And, after a record-breaking 2021 (\$1.3 billion), Snohomish is on track to approach \$1 billion in sales. In particular, investors looking outside of Seattle and its jurisdiction tend to focus on expanding cities, such as Lynnwood, Monroe, Lake Stevens, and more.



#### RENT / VACANCY INSIGHT

Rents stayed consistent quarter-over-quarter, but have risen 5% since last year. Notably, Snohomish recorded the largest rent growth (33%) in the last six years in the entire region, thereby making it one of the best regions to invest in during the last decade. And, with some of the largest units, on average, Snohomish is sought out by residents who are willing to pay a premium for more space.



## Our Recent Listings



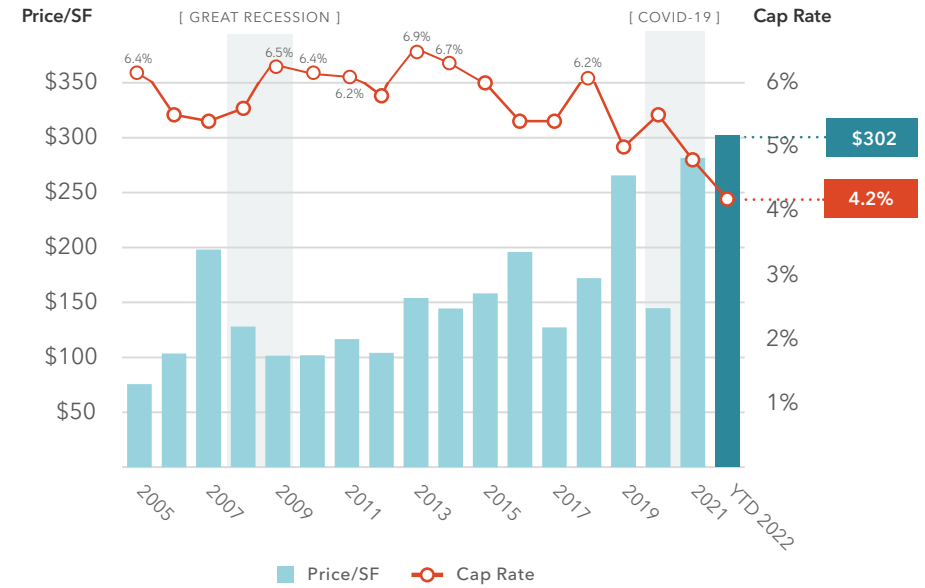
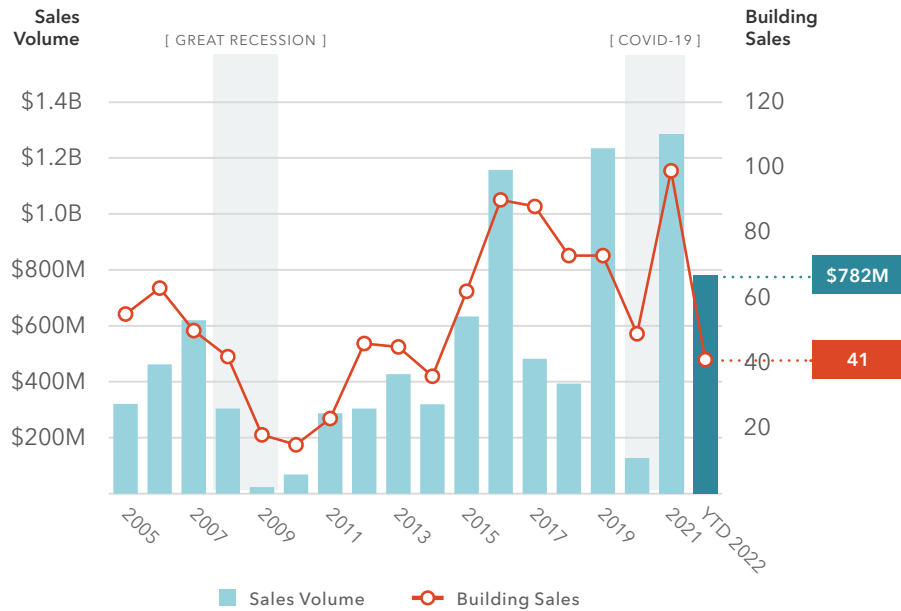
[VIEW LISTINGS ON OUR WEBSITE](#)

[VIEW CURRENT LISTINGS](#)

## Inventory

	Units	Buildings
Total	47,115	984
5 to 50-Units	10,145	774
50+ Units	36,970	210
12-Month Deliveries	1,425	9
Average Unit Size	876 SF	

## SALES TRENDS



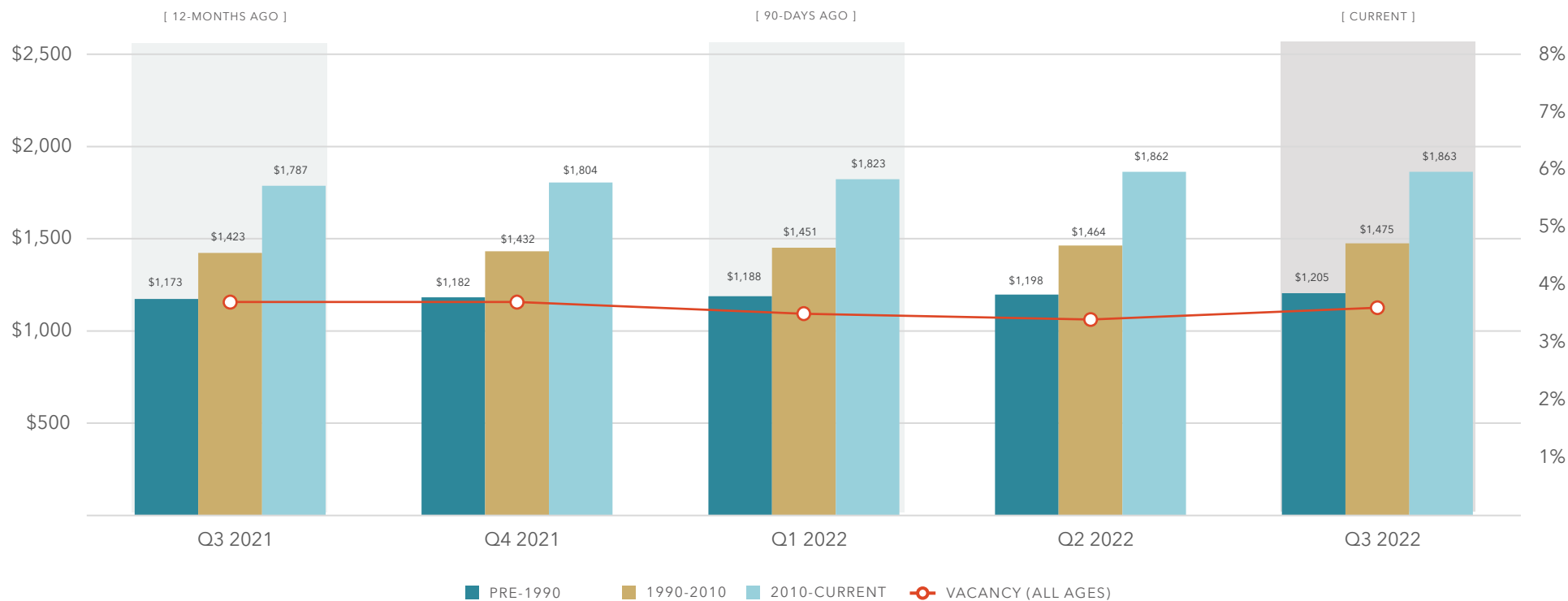
## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	90	88	73	73	49	99	37	▼ 51%	13	▲ 38%	18
<b>Sales Volume</b>	\$1.2B	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$256M	▼ 25%	\$318M	▼ 40%	\$192M
<b>Price/Unit</b>	\$186K	\$121K	\$169K	\$228K	\$164K	\$261K	\$195K	▲ 43%	\$273K	▲ 3%	\$280K
<b>Price/SF</b>	\$196	\$127	\$172	\$266	\$145	\$282	\$281	▼ 3%	\$304	▼ 11%	\$271
<b>Cap Rate</b>	5.4%	5.4%	6.2%	5.0%	5.5%	4.8%	4.9%	▼ 72 bps	4.6%	▼ 41 bps	4.2%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



## Historical Rent & Vacancy Trends

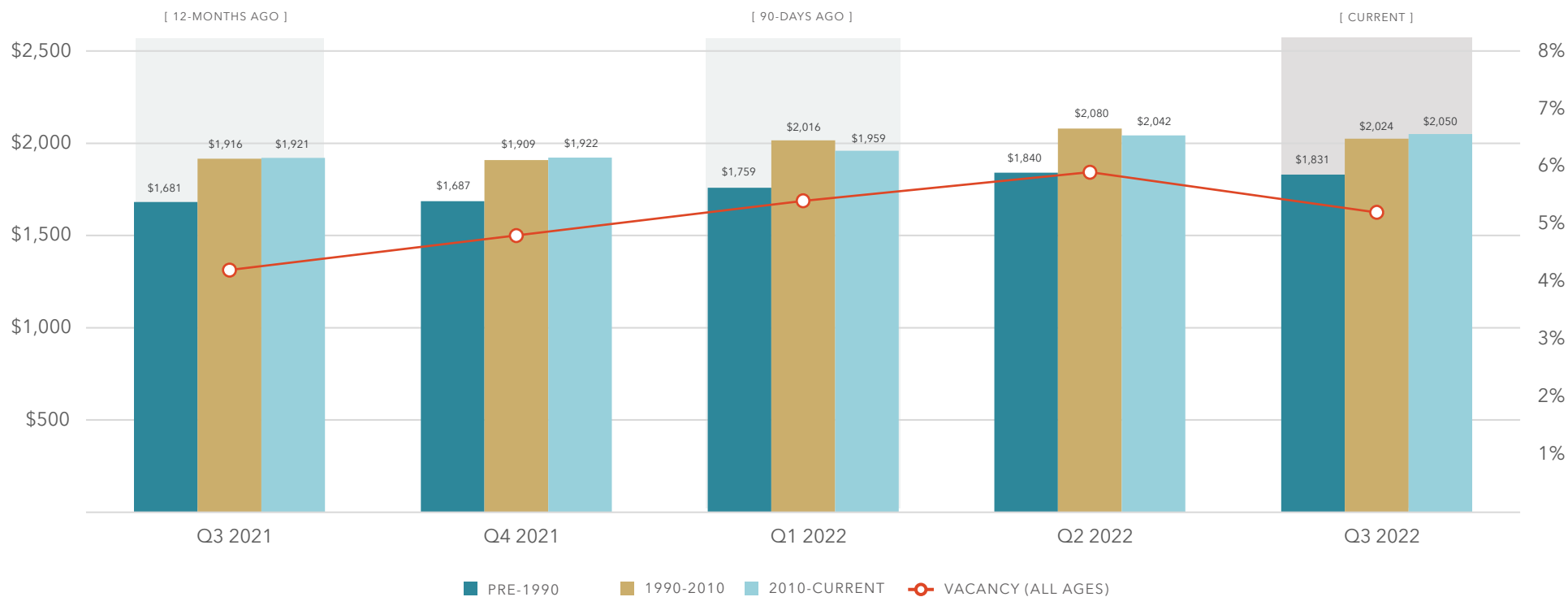
	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,108	\$1,156	\$1,194	\$1,228	\$1,260	\$1,294	\$1,284	▲ 3%	\$1,317	▲ 0.6%	\$1,325
<b>Rent/SF</b>	\$1.27	\$1.32	\$1.36	\$1.40	\$1.44	\$1.48	\$1.47	▲ 3%	\$1.51	▲ 0.7%	\$1.52
<b>Vacancy</b>	4.3%	4.8%	4.5%	4.9%	4.6%	3.7%	3.7%	▼ 10 bps	3.4%	▲ 20 bps	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	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,390	\$1,439	\$1,509	\$1,580	\$1,601	\$1,819	\$1,819	▲ 7%	\$1,971	▼ 1%	\$1,948
<b>Rent/SF</b>	\$1.59	\$1.65	\$1.73	\$1.81	\$1.83	\$2.08	\$2.08	▲ 7%	\$2.26	▼ 1%	\$2.23
<b>Vacancy</b>	4.7%	5.7%	5.0%	6.0%	5.5%	4.8%	4.2%	▲ 100 bps	5.9%	▼ 70 bps	5.2%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS



**BRANDON LAWLER**  
Vice President  
South Sound Market Expert

Strong metrics and compressed cap rates show Pierce County continues to be attractive for investors looking south.



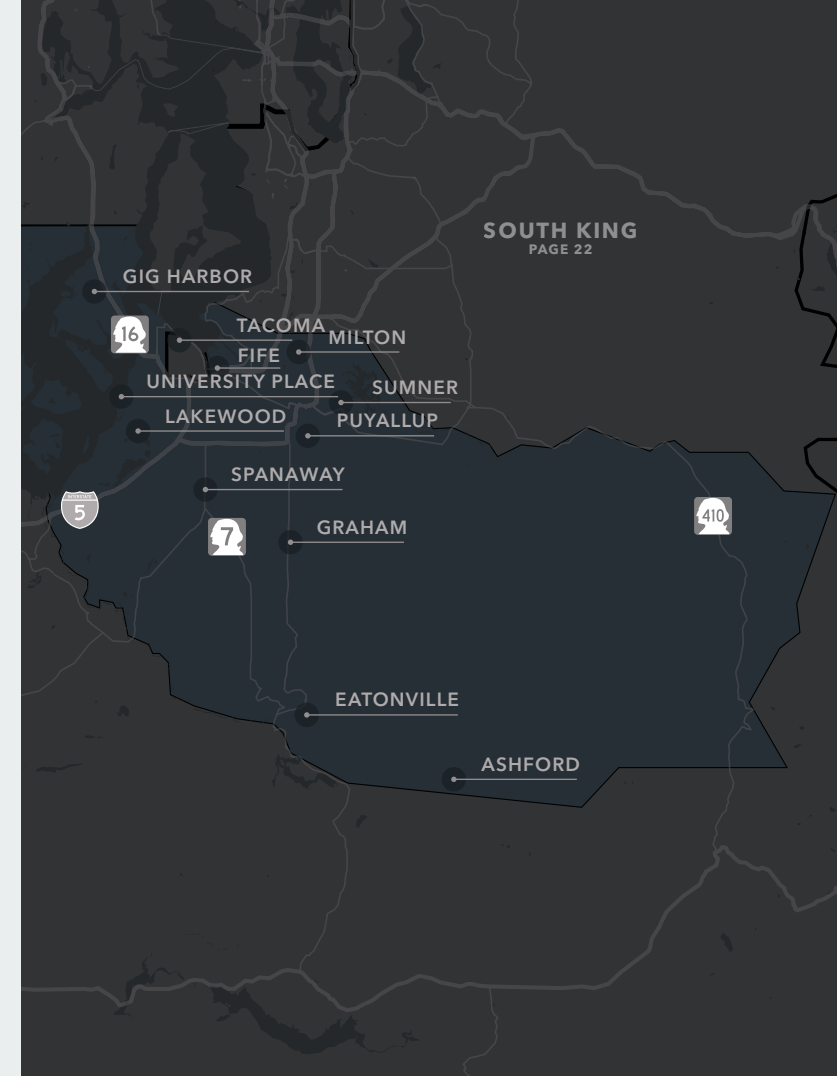
#### SALES INSIGHT

Overall apartment sales are down dramatically from years past: This market has averaged 103 sales per year for the last six years, but it's looking at just 50 to 60 transactions in 2022. Even so, the county isn't waving the white flag yet; cap rates continue to compress and sales metrics are still very strong. As pricing approached that of King County, the frenzy for Pierce lost some steam, but the county still provides some of the best returns in the Puget Sound.



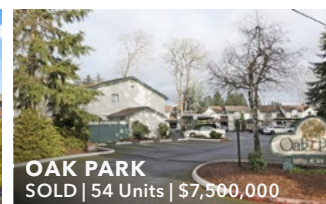
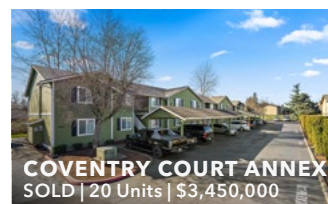
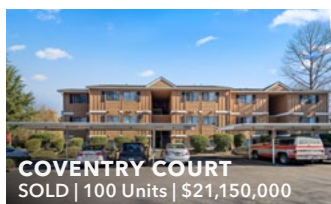
#### RENT / VACANCY INSIGHT

Overall vacancy in Pierce County remains below 4% for the third consecutive year. Many worried that the rush to suburbia during COVID would slow once the world returned to normal. Yet, despite a mere 3% growth in rent, rents continue to tick upward. Expect newer buildings and renovated units to help rent levels in Pierce trend in the right direction.



**SOUTH KING**  
PAGE 22

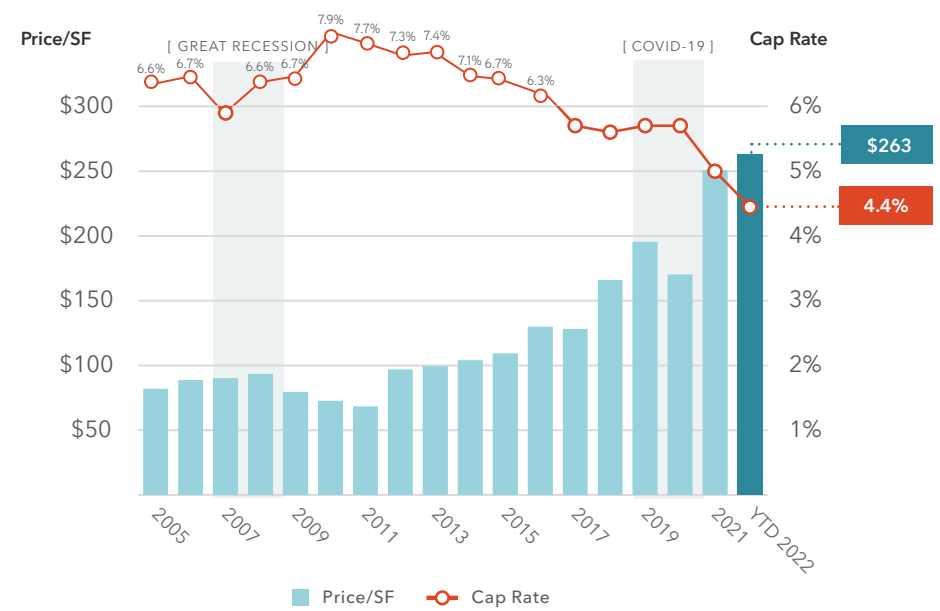
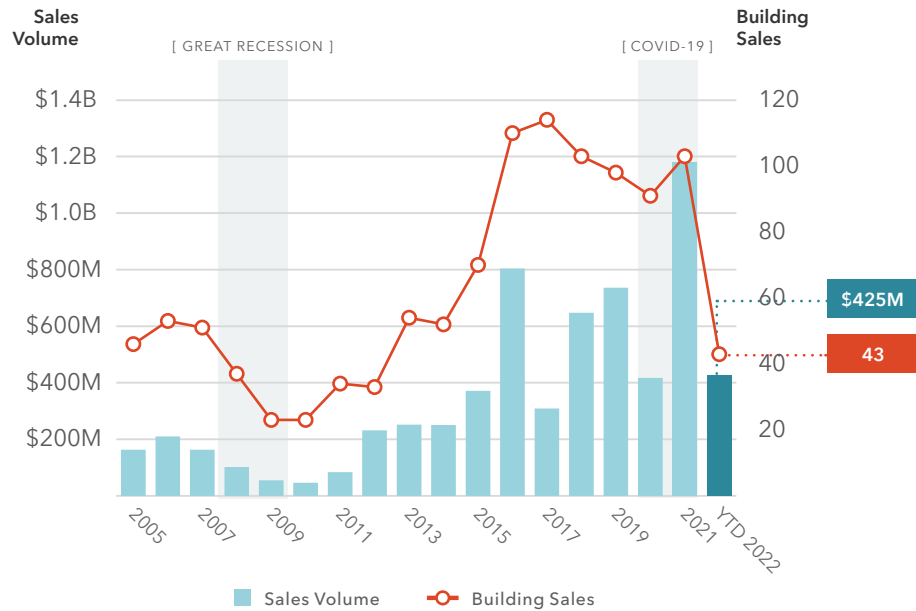
## Our Recent Listings



## Inventory

	Units	Buildings
<b>Total</b>	61,720	1,360
<b>5 to 50-Units</b>	17,003	1,047
<b>50+ Units</b>	44,717	313
<b>12-Month Deliveries</b>	1,390	14
<b>Average Unit Size</b>	857 SF	

## SALES TRENDS



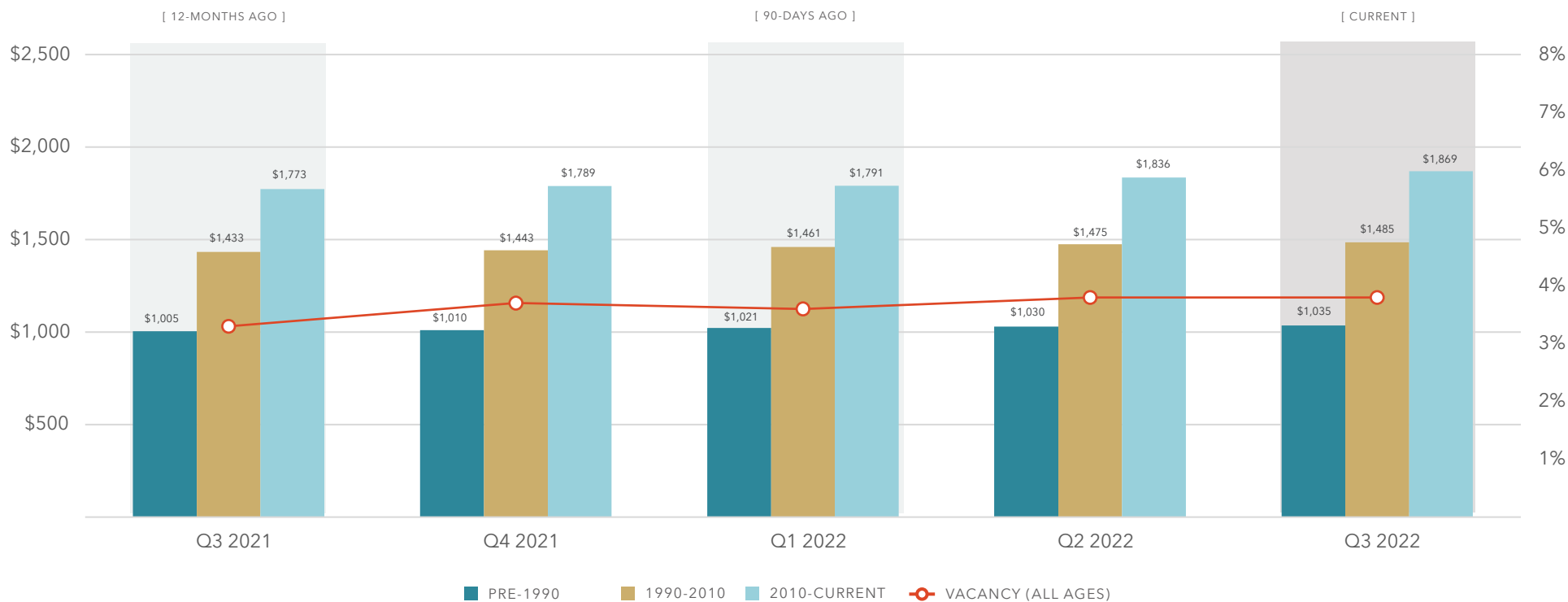
## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	110	114	103	98	91	103	28	▼ 32%	19	No Change	19
<b>Sales Volume</b>	\$804M	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$466M	▼ 58%	\$221M	▼ 12%	\$196M
<b>Price/Unit</b>	\$127K	\$118K	\$151K	\$174K	\$171K	\$249K	\$248K	▼ 18%	\$234K	▼ 13%	\$203K
<b>Price/SF</b>	\$130	\$128	\$166	\$195	\$170	\$251	\$219	▲ 9%	\$270	▼ 11%	\$240
<b>Cap Rate</b>	6.3%	5.7%	5.6%	5.7%	5.7%	5.0%	5.1%	▼ 60 bps	4.5%	▼ 2 bps	4.5%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



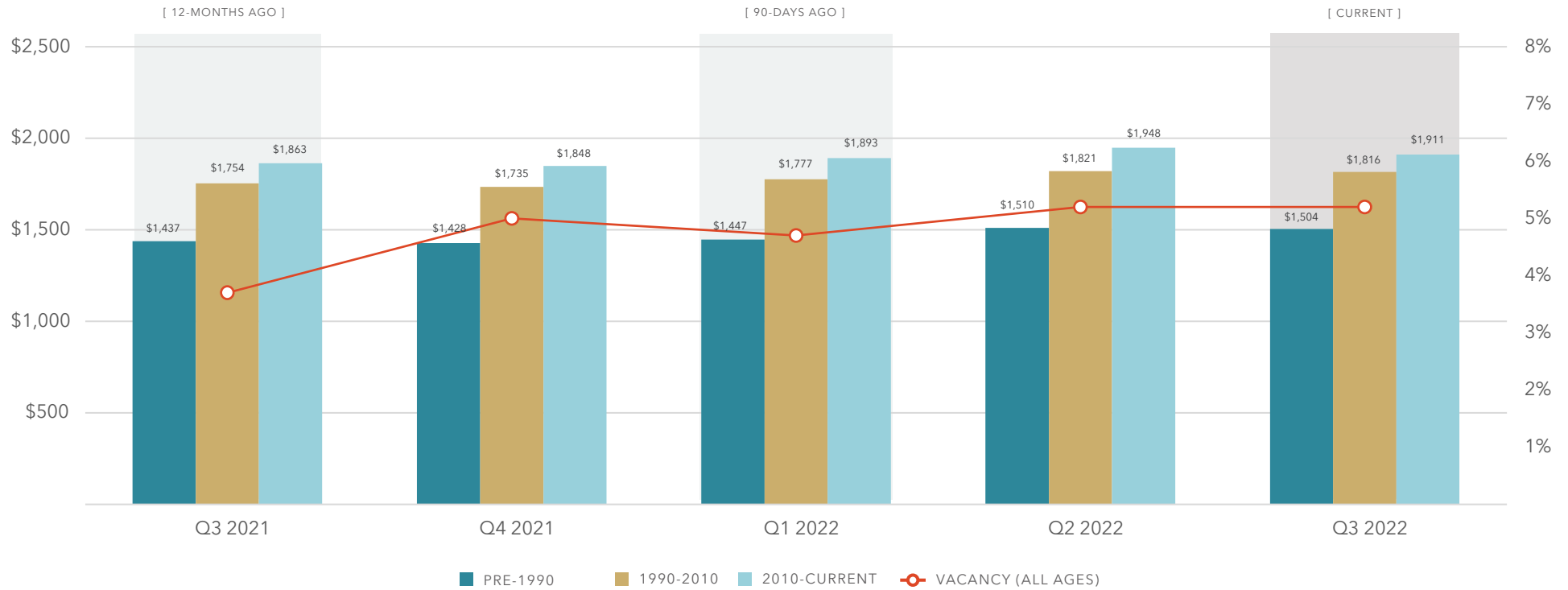
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$911	\$957	\$993	\$1,028	\$1,051	\$1,089	\$1,083	▲ 3%	\$1,111	▲ 0.6%	\$1,118
<b>Rent/SF</b>	\$1.17	\$1.23	\$1.27	\$1.32	\$1.35	\$1.40	\$1.39	▲ 4%	\$1.43	▲ 0.7%	\$1.44
<b>Vacancy</b>	4.4%	4.6%	4.3%	4.2%	3.7%	3.7%	3.3%	▲ 50 bps	3.8%	No Change	3.8%

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	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-Day Change	Q3 2022
<b>Rent</b>	\$1,163	\$1,230	\$1,297	\$1,377	\$1,455	\$1,607	\$1,620	▲ 4%	\$1,694	▼ 1%	\$1,682
<b>Rent/SF</b>	\$1.34	\$1.42	\$1.49	\$1.59	\$1.68	\$1.85	\$1.87	▲ 4%	\$1.95	▼ 1%	\$1.94
<b>Vacancy</b>	4.4%	6.6%	5.3%	6.1%	5.0%	5.0%	3.7%	▲ 150 bps	5.2%	No Change	5.2%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS



**MATT LAIRD**  
Vice President  
Kitsap Market Expert

Institutional demand in Kitsap County continues to grow, proven by average sales in the \$300K per unit range.



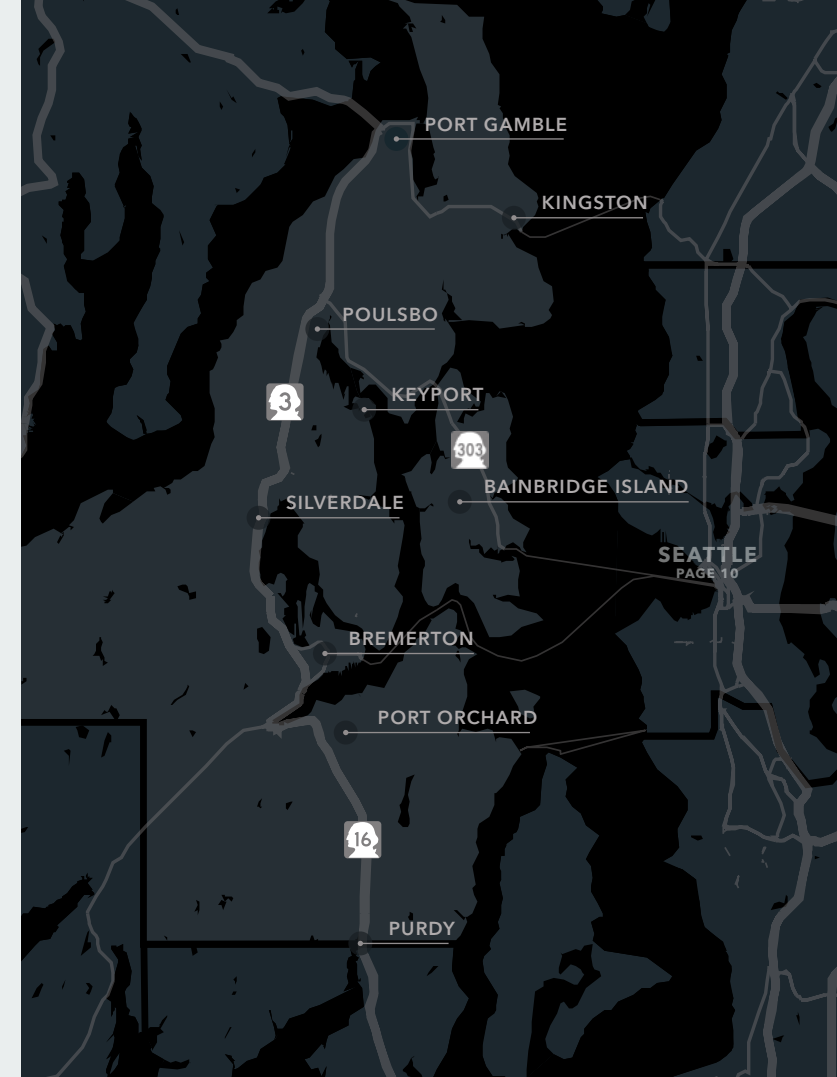
#### SALES INSIGHT

Kitsap County had its highest sales volume in 2021, so its regression in overall sales is not a surprise. While there have been fewer sales this year, sales volume is up 33% with a total of \$136 million. Notably, institutional interest has continued in Kitsap and the average price per unit consistently sits around \$300,000 per unit, which is a main effect of this trend.

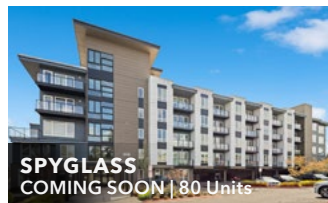
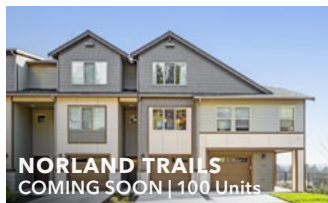


#### RENT / VACANCY INSIGHT

Overall rent trends have continued to rise since we started tracking data, most recently with a 4.6% increase last quarter. In fact, rent increases seem inevitable at this point and continue to impress. Plus, the major difference in rent prices for classic versus renovated units shows just how compelling it can be to renovate units and push for a higher-quality renter as demand in Kitsap is still strong.



## Our Recent Listings



[VIEW LISTINGS ON OUR WEBSITE](#)

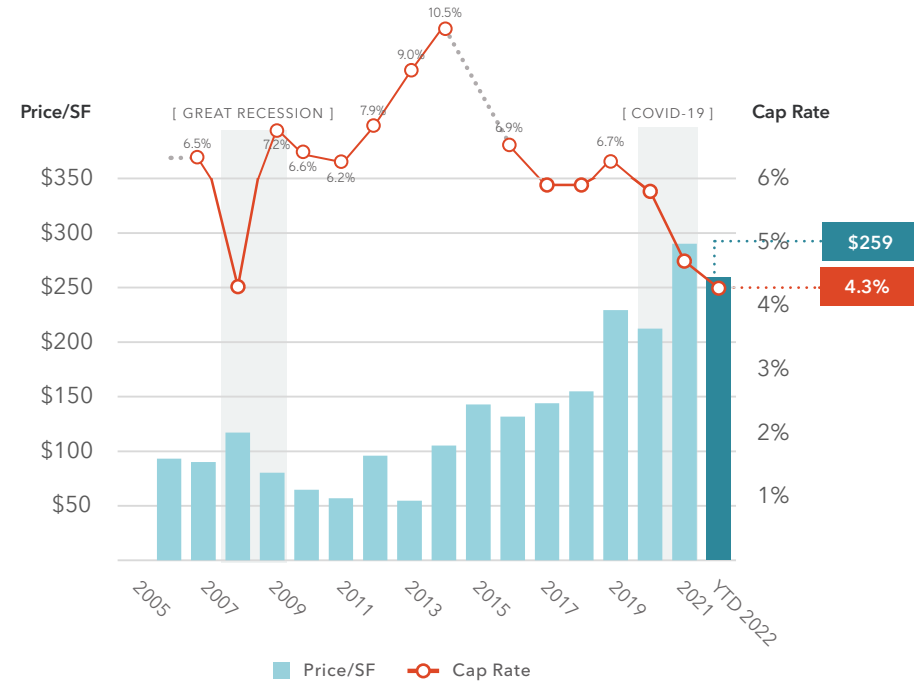
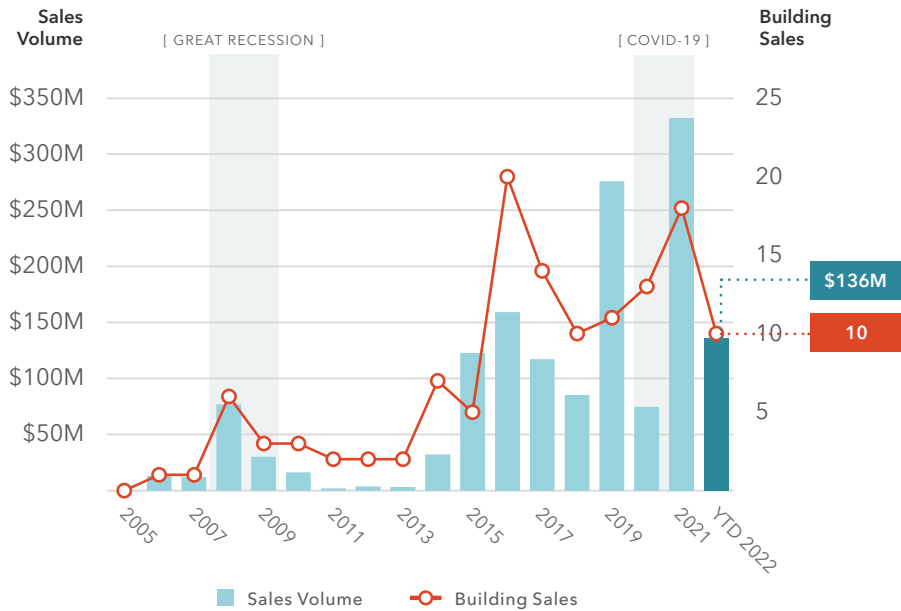
[VIEW CURRENT LISTINGS](#)

## Inventory

	Units	Buildings
Total	10,186	189
5 to 50-Units	2,255	131
50+ Units	7,931	58
12-Month Deliveries	3	219
Average Unit Size	867 SF	



## SALES TRENDS



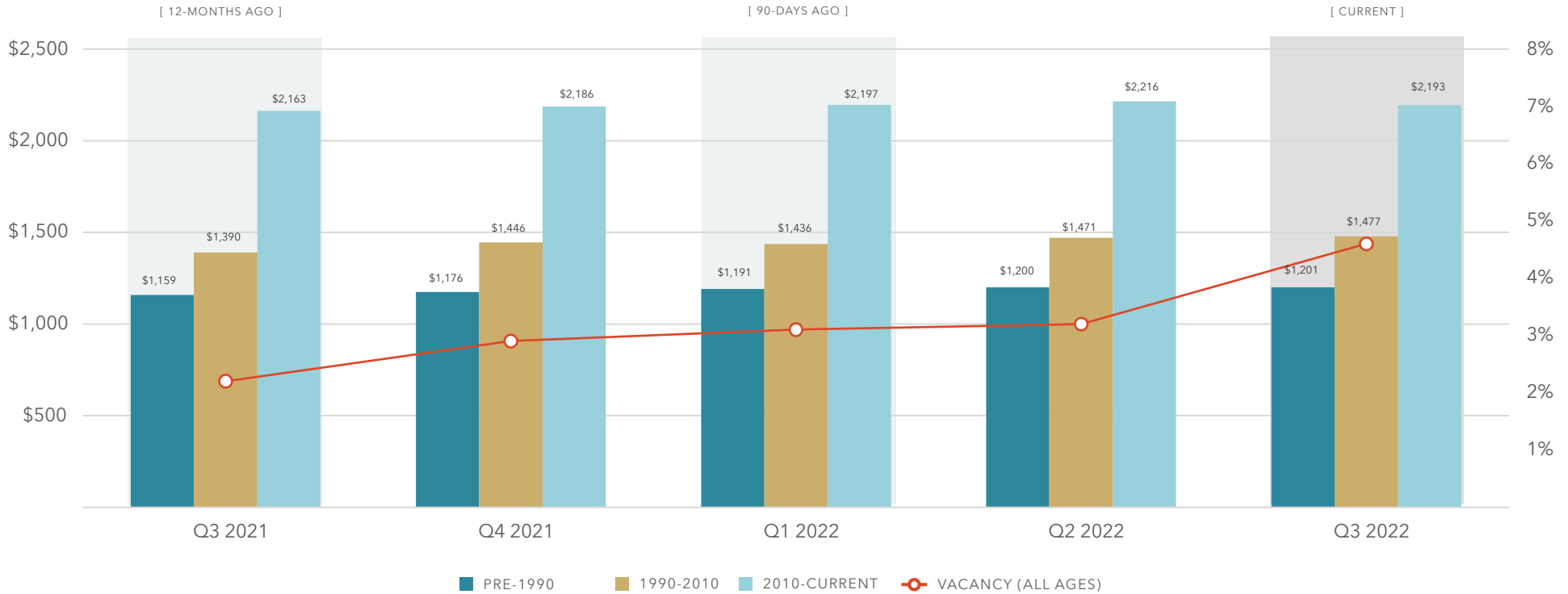
## Historical Sales

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ]		[ 90-DAYS AGO ]		[ CURRENT ]
							Q3 2021	12-Month Change	Q2 2022	90-day Change	Q3 2022
<b>Building Sales</b>	20	14	10	11	13	18	3	▲ 100%	2	▲ 200%	6
<b>Sales Volume</b>	\$159M	\$117M	\$85M	\$276M	\$75M	\$332M	\$98M	▲ 33%	\$3M	▲ 4,822%	\$131M
<b>Price/Unit</b>	\$118K	\$132K	\$138K	\$222K	\$196K	\$255K	\$303K	▼ 3%	\$179K	▲ 64%	\$294K
<b>Price/SF</b>	\$132	\$144	\$155	\$229	\$212	\$290	\$333	▼ 10%	\$165	▲ 82%	\$300
<b>Cap Rate</b>	6.9%	5.9%	5.9%	6.2%	5.8%	4.7%	4.4%	▼ 27 bps	Not Reported	NA	4.1%

ALL BUILDING AGES, 5+ UNIT APARTMENT BUILDINGS

# RENT & VACANCY: 5 TO 50 UNIT BUILDINGS

## 12-Month Rent vs. Vacancy



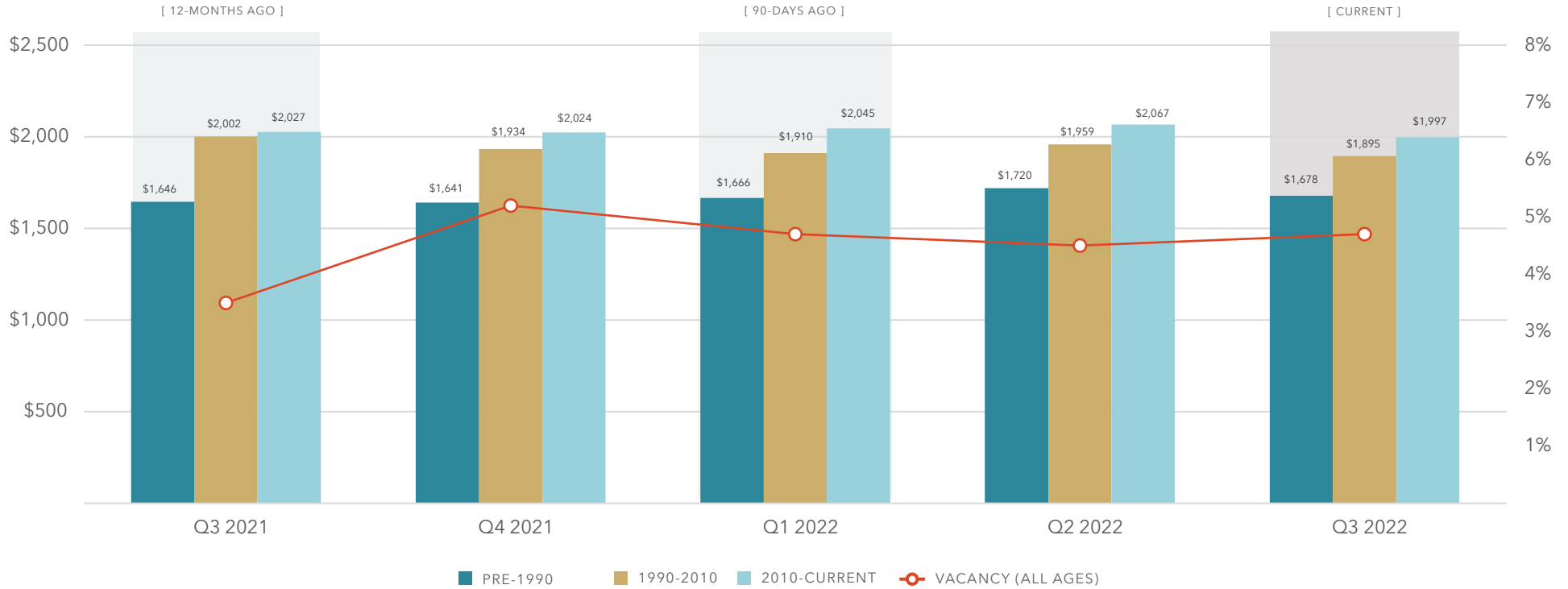
## Historical Rent & Vacancy Trends

	2016	2017	2018	2019	2020	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,122	\$1,179	\$1,224	\$1,283	\$1,323	\$1,399	\$1,371	▲ 4%	\$1,423	▲ 0.1%	\$1,424
<b>Rent/SF</b>	\$1.33	\$1.40	\$1.46	\$1.53	\$1.57	\$1.67	\$1.63	▲ 4%	\$1.69	No Change	\$1.69
<b>Vacancy</b>	5.1%	4.6%	5.4%	4.4%	3.5%	2.9%	2.2%	▲ 240 bps	3.2%	▲ 140 bps	4.6%

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	2021	[ 12-MONTHS AGO ] Q3 2021	12-Month Change	[ 90-DAYS AGO ] Q2 2022	90-Day Change	[ CURRENT ] Q3 2022
<b>Rent</b>	\$1,248	\$1,333	\$1,427	\$1,492	\$1,535	\$1,811	\$1,836	▼ 1%	\$1,869	▼ 3%	\$1,815
<b>Rent/SF</b>	\$1.43	\$1.53	\$1.64	\$1.71	\$1.76	\$2.08	\$2.11	▼ 1%	\$2.15	▼ 3%	\$2.09
<b>Vacancy</b>	5.7%	5.6%	5.8%	6.4%	6.2%	5.2%	3.5%	▲ 120 bps	4.5%	▲ 20 bps	4.7%

ALL BUILDING AGES, 50+ UNIT APARTMENT BUILDINGS

# TEAM OVERVIEW

**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 more than \$1 billion in 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 ensures smooth transactions from marketing through closing.

**Brandon Lawler**

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 Vice President



Winslow is an apartment broker specializing in sales of apartment buildings and development land with expertise in King & Snohomish Counties.

**Max Frame**

Associate Vice President



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

**Henry Ruf**

Associate



Henry specializes in the sale of King County apartment buildings. Henry graduated from the Washington State University Carson College of Business with a B.A. in Finance and a minor in Economics.

**Jack Counihan**

Financial Analyst



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

**Cassie Pieters**

Team 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.

**Ashley Woodliff**

Marketing Coordinator



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



# 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

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King County Registrar

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Pierce County Planning & Public Works Department

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Real Capital Analytics

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Simon | Anderson Multifamily Team Research

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Snohomish County Registrar

### RENT, VACANCY, & INVENTORY

CoStar

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Simon | Anderson Multifamily Team Research

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