

SIMON | ANDERSON MULTIFAMILY TEAM

Washington State Apartment Sales Specialists

20 *EASTERN WASHINGTON* APARTMENT MARKET DYNAMICS 23

Q2 2023

HOW TO USE THIS STUDY



Discover the latest apartment investment sales, vacancy, and rent data in Eastern Washington.



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.



EASTERN WASHINGTON'S APARTMENT EXPERT

OUR EXPERTISE



5 - 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

DOWNLOAD PRIOR RESEARCH REPORTS

↓ Q1 2023 EASTERN
WASHINGTON REPORT

↓ Q4 2022 EASTERN
WASHINGTON REPORT

↓ Q3 2022 EASTERN
WASHINGTON REPORT

Max Frame
VICE PRESIDENT



Eastern Washington Specialist

Max is an apartment broker specializing in the sale of apartments in Eastern Washington. Born and raised in the region, Max pairs his local market knowledge and expertise with Kidder Mathews' national outreach and exposure.

Our Recent Eastern Washington Sales



View our listings online at

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

EASTERN WASHINGTON



Sales Insight

Despite rising interest rates, our Q1 2023 transaction volume and sales volume exceeded Q4 2022, thanks to significant portfolio sales across Eastern Washington, including our team's Yakima two property portfolio sale (\$6.6M), an East Wenatchee two property portfolio sale (\$9.2M), a Walla Walla two property portfolio sale (\$19.9M), and a Spokane two property portfolio sale (\$30.4M).



Rent / Vacancy Insight

Expect a decrease in occupancy in the near future despite a traditional spring run-up in rental rates, as every market experienced an increase in vacancy in the past 12 months. The potential for a continued slowing economy in 2023 will likely appear first in declining occupancy and then rental rates.



Key Takeaways

- Out of all Eastern Washington markets, buyers are still most confident in Spokane's continuous market incline and willing to pay aggressively to enter this market.
- We've received an average of five offers on our last four Eastern WA listings; buyers are actively searching for return and finding it in Eastern WA markets.
- Landlord favorability East of the mountains continues to drive wealth from Seattle into Eastern WA, benefiting owners outside the urban core.

INVENTORY

	Units	Buildings
TOTAL	73,297	1,796
5 TO 50-UNITS	21,061	1,420
50+ UNITS	52,236	376
12-MONTH DELIVERIES	1,725	27
AVERAGE UNIT SIZE	890 SF	

RENT & VACANCY

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
RENT	Q1 2022 \$1,237	▲ 2%	Q4 2022 \$1,251	▲ 1%	Q1 2023 \$1,266
VACANCY	5.0%	▲ 160 bps	6.0%	▲ 60 bps	6.6%

All building ages, 5+ unit apartment buildings

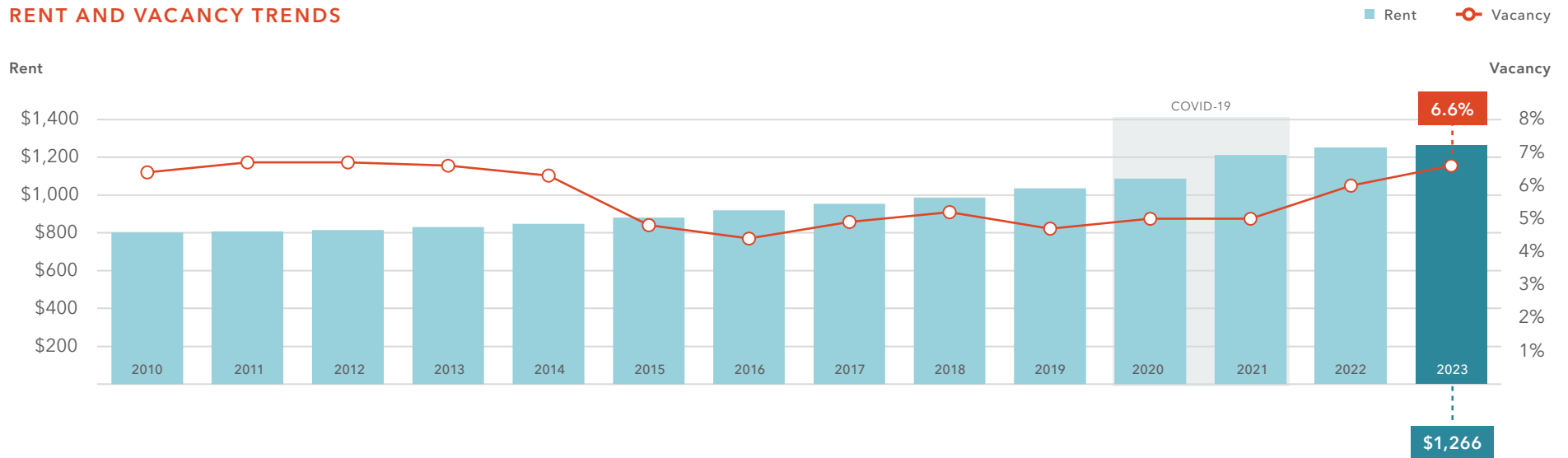
HISTORICAL SALES

	2017	2018	2019	2020	2021	2022	Q1 2022	12-Month Change	Q4 2022	90-Day Change	Q1 2023
BUILDING SALES	86	111	113	116	124	88	20	▼ 10%	16	▲ 13%	18
SALES VOLUME	\$179M	\$372M	\$406M	\$170M	\$529M	624M	\$64M	▲ 66%	\$69M	▲ 55%	\$107M
PRICE/UNIT	\$75K	\$95K	\$105K	\$92K	\$146K	\$136K	\$115K	▲ 34%	\$135K	▲ 14%	\$154K
PRICE/SF	\$79	\$101	\$108	\$112	\$165	\$185	\$167	▲ 19%	\$210	▼ 5%	\$199
CAP RATE	6.8%	6.5%	6.4%	6.1%	5.7%	5.0%	5.4%	▲ 9 bps	5.0%	▲ 43 bps	5.5%

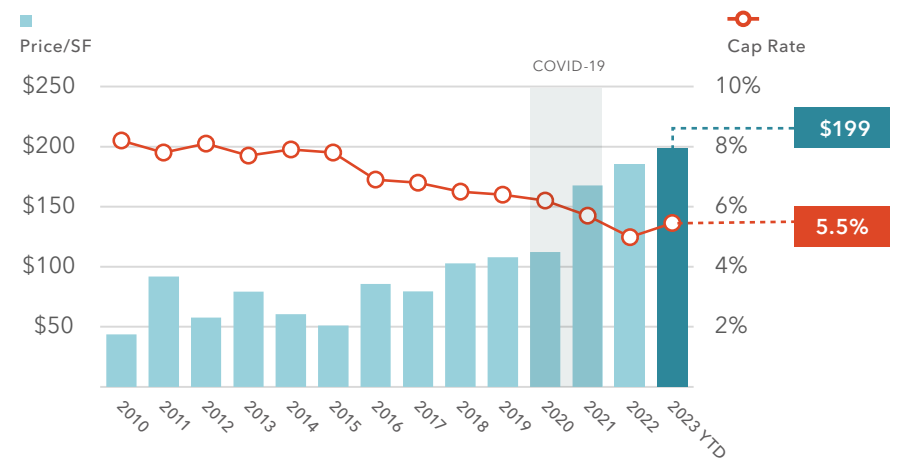
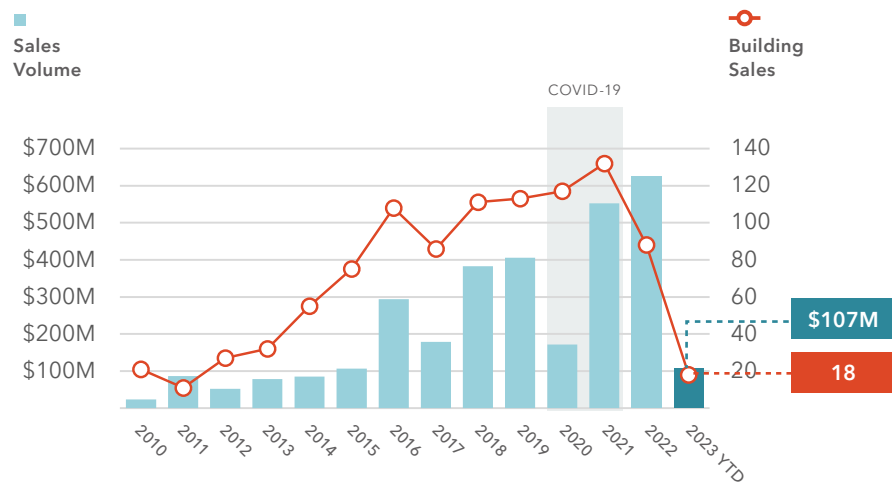
All building ages, 5+ unit apartment buildings

HISTORIC TRENDS

RENT AND VACANCY TRENDS



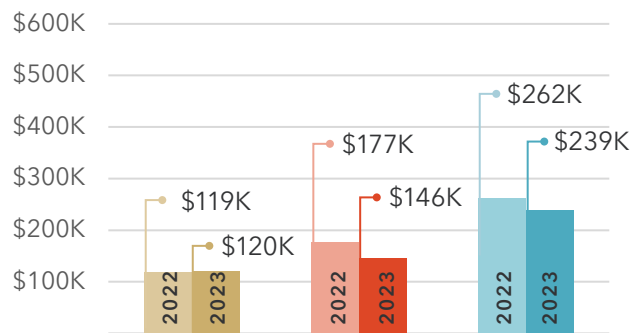
SALES TRENDS



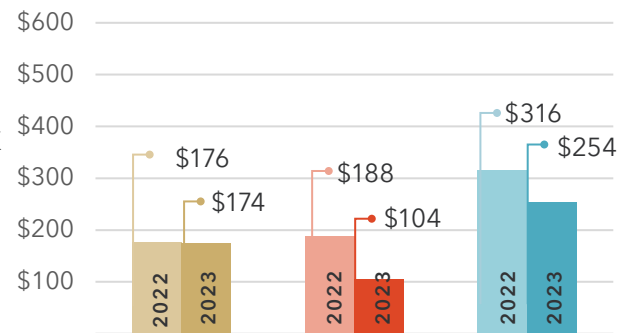
SALES VELOCITY

5 TO 50 UNITS

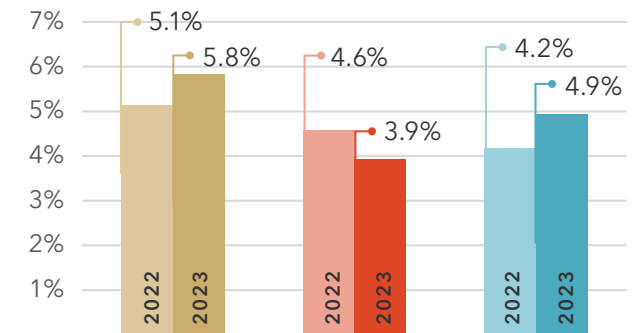
PRICE PER UNIT



PRICE PER SQUARE FOOT

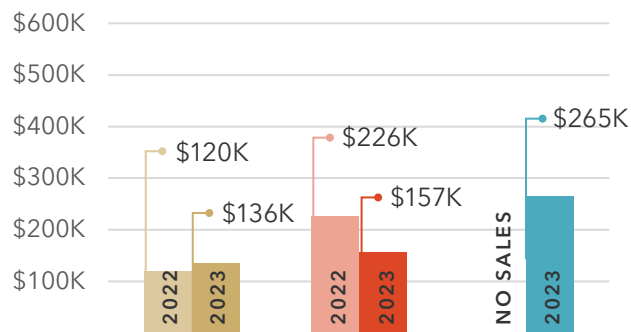


CAP RATE

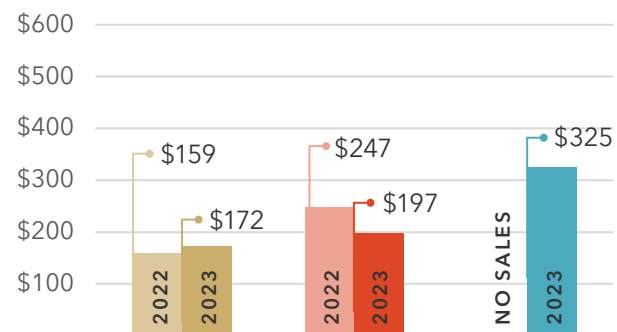


50+ UNITS

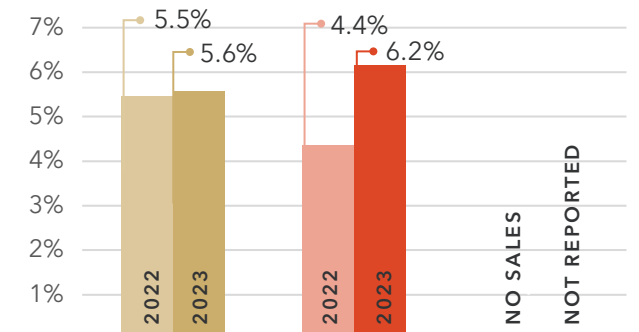
PRICE PER UNIT



PRICE PER SQUARE FOOT



CAP RATE



■ PRE-1980 ■ 1980-2010 ■ 2010-CURRENT

EASTERN WASHINGTON'S MOST ACTIVE MARKETS

REGIONAL SALES PRICING VELOCITY

WENATCHEE VALLEY
CHELAN & DOUGLAS COUNTIES

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	1	2	1	2
SALES VOLUME	\$5M	\$5M	\$4M	\$9M
PRICE/UNIT	\$154K	\$136K	\$147K	\$126K
PRICE/SF	\$297	\$206	\$278	\$94
CAP RATE	5.2%	5.7%	4.7%	4.4%

YAKIMA COUNTY

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	4	4	1	2
SALES VOLUME	\$8M	\$8M	11M	\$7M
PRICE/UNIT	\$106K	\$111K	\$126K	-
PRICE/SF	\$146	\$124	\$158	\$219
CAP RATE	6.1%	4.9%	6.1%	5.0%

TRI-CITIES
FRANKLIN & BENTON COUNTIES

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	6	4	3	1
SALES VOLUME	\$24M	\$155M	\$7M	\$2M
PRICE/UNIT	\$154K	\$202K	\$136K	\$93K
PRICE/SF	\$173	\$245	\$247	\$234
CAP RATE	4.4%	4.7%	6.3%	7.1%

GRANT COUNTY

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	1	3	1	-
SALES VOLUME	\$1M	\$4M	\$3M	-
PRICE/UNIT	\$110K	\$108K	\$125K	-
PRICE/SF	\$154	\$182	\$297	-
CAP RATE	4.8%	4.3%	-	-

SPOKANE COUNTY

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	12	14	9	10
SALES VOLUME	\$37M	\$247M	\$42M	\$55M
PRICE/UNIT	\$143K	\$141K	\$147K	\$168K
PRICE/SF	\$164	\$205	\$181	\$207
CAP RATE	4.8%	4.5%	4.4%	5.7%

WALLA WALLA COUNTY

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
BUILDING SALES	-	-	1	3
SALES VOLUME	-	-	\$1M	\$35M
PRICE/UNIT	-	-	\$143K	\$149K
PRICE/SF	-	-	\$144	\$217
CAP RATE	-	-	-	5.4%

All building ages, 5+ unit apartment buildings

TRUSTWORTHY. *STRATEGIC.* INNOVATIVE. RIGOROUS.

Team Founders

Dylan Simon
EXECUTIVE VICE
PRESIDENT



Jerrid Anderson
EXECUTIVE VICE
PRESIDENT



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

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

Max Frame
VICE PRESIDENT



Specialties

Eastern Washington

Development Land

5+ Unit Apartment Buildings

Matt Laird
FIRST VICE PRESIDENT



Specialties

Puget Sound Region

Development Land

5+ Unit Apartment Buildings

Winslow Lee
VICE PRESIDENT



Specialties

North King County

Snohomish County

5+ Unit Apartment Buildings

JD Fuller
ASSOCIATE



Specialties

I-5 Corridor

5+ Unit Apartment Buildings

Jack Counihan
FINANCIAL ANALYST



Specialties

Apartment Valuations

Market Research

NOTES

Sales data for the Eastern Washington region is inclusive to all market-rate apartment buildings with at least five units in Okanogan, Ferry, Stevens, Pend Oreille, Chelan, Douglas, Lincoln, Spokane, Kittitas, Grant, Adams, Whitman, Yakima, Benton, Franklin, Walla Walla, Columbia, Garfield, Asotin, Klickitat.

Vacancy data includes Yakima, Spokane, Benton, Franklin, Chelan, Douglass, Walla Walla, and Kittitas Counties.

DATA SOURCES

SALES

CoStar

SCOUT - Spokane County

Real Capital Analytics

Simon | Anderson Multifamily Team Research

RENT, VACANCY & INVENTORY

CoStar

Simon | Anderson Multifamily Team Research

Simon/Anderson Multifamily Team

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