

SIMON | ANDERSON MULTIFAMILY TEAM

Puget Sound & Washington State Apartment Sales Specialists

20

*SEATTLE & PUGET SOUND*  
APARTMENT MARKET DYNAMICS

23

Q1 2023

km Kidder  
Mathews

# HOW TO USE THIS STUDY

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



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



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



*Eastern Washington Market  
Research available at*

**[SIMONANDERSONTEAM.COM/RESEARCH](https://simonandersonteam.com/research)**

# APARTMENT SALES EXPERTS

## OUR EXPERTISE



5 - 50 UNITS



50+ UNITS



DEVELOPMENT



MICROS

## DOWNLOAD PRIOR RESEARCH REPORTS

↓ Q4 2022 REPORT

↓ Q3 2022 REPORT

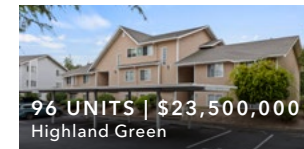
↓ Q2 2022 REPORT

↓ Q1 2022 REPORT

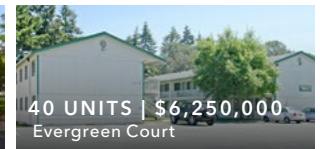
↓ 2022 DEVELOPMENT  
PIPELINE REPORT

↓ 2022 MICRO REPORT

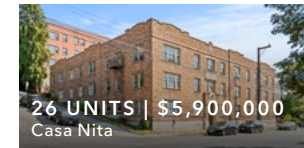
## SELECT RECENT SALES



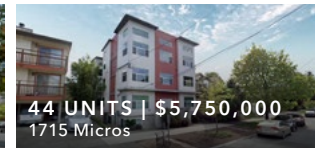
96 UNITS | \$23,500,000  
Highland Green



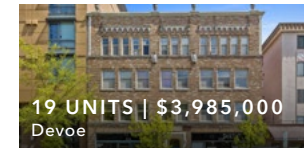
40 UNITS | \$6,250,000  
Evergreen Court



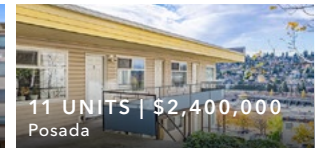
26 UNITS | \$5,900,000  
Casa Nita



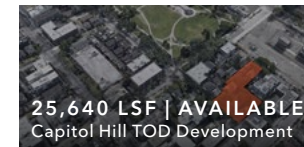
44 UNITS | \$5,750,000  
1715 Micros



19 UNITS | \$3,985,000  
Devoe



11 UNITS | \$2,400,000  
Posada



25,640 LSF | AVAILABLE  
Capitol Hill TOD Development



40 UNITS | PENDING  
4729 21st Ave NE Development

## Meet the Team

### TEAM FOUNDERS

**Dylan Simon**  
EXECUTIVE VICE PRESIDENT



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

**Jerrid Anderson**  
EXECUTIVE VICE PRESIDENT



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

**Matt Laird**  
VICE PRESIDENT



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

**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 the sale of apartment buildings and development land across the Puget Sound, 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.



*This year marks a tidal shift as apartment investors regroup amidst a rapidly changing economy and capital markets environment.*



The 12 months of 2022 gave us the most volatile interest rate environment in four decades. Accordingly, pricing dynamics shifted from immense pricing velocity and investor demand at the start of the year to a risk-off, wait-and-see mentality by the start of 2023.



Pricing in Puget Sound slowed massively in Q4 2022, and data captured in the last 90 days was the leading indicator of a stalled marketplace. Although it's not yet evidenced in capital rate expansion, expect higher capitalization rates and lower prices per square foot and per-unit sales until mid-year, at the earliest.



Throughout the region, rental income increased year-over-year, despite declining in Q4 2022. These trends captured the traditional seasonality of the Puget Sound market, although they might also serve as a precursor of a slowing economy.



Given that vacancy increased in every market during the last 12 months, expect decreased occupancy in the near-term - even if rental rates follow their traditional spring run-up. The potential for a slowing economy in 2023 will likely appear first in declining occupancy and then rental rates.

## INVENTORY

	Units	Buildings
TOTAL	381,618	8,493
5 TO 50-UNITS	100,824	6,684
50+ UNITS	280,794	1,809
12-MONTH DELIVERIES	12,435	86
AVERAGE UNIT SIZE	801 SF	

## RENT & VACANCY

	12 MONTHS AGO	12-Month Change	90 DAYS AGO	90-Day Change	LAST QUARTER
RENT	Q4 2021 \$1,861	▲ 2%	Q3 2022 \$1,955	▼ 3%	Q4 2022 \$1,900
VACANCY	5.1%	▲ 140 bps	6.0%	▲ 50 bps	6.5%

All building ages, 5+ unit apartment buildings

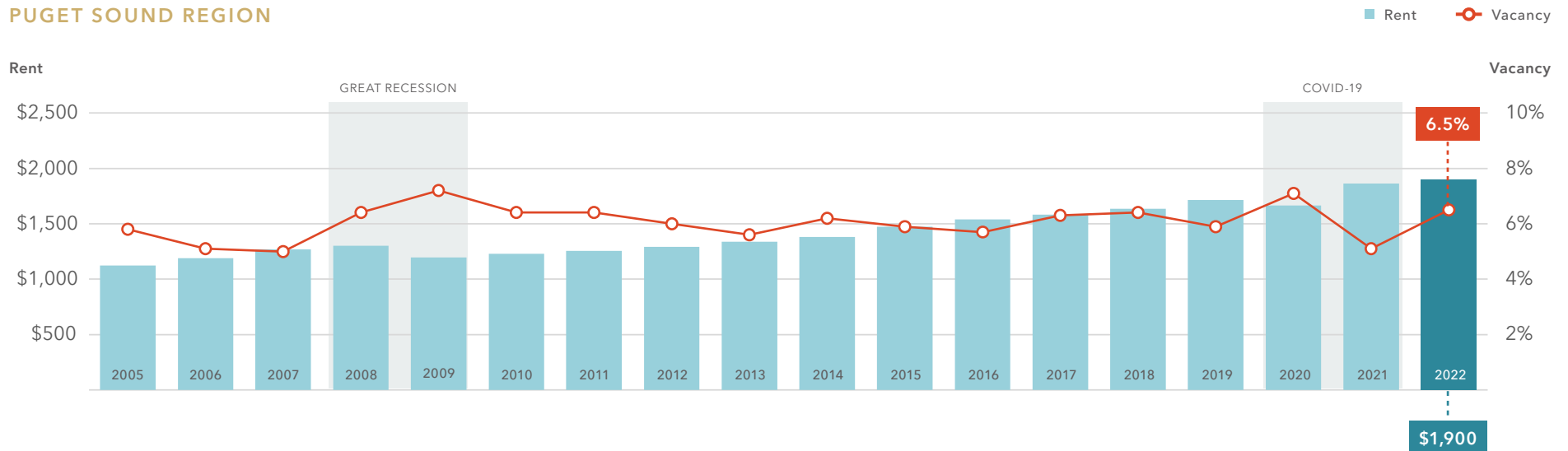
## HISTORICAL SALES TRENDS

	2016	2017	2018	2019	2020	2021	12 MONTHS AGO Q4 2021	12-Month Change	LAST QUARTER Q4 2022	Y-O-Y Change	2022
BUILDING SALES	508	483	456	483	355	468	174	▼ 59%	72	▼ 28%	338
SALES VOLUME	\$5.7B	\$4.5B	\$4.5B	\$8.2B	\$3.3B	\$8.0B	\$3.5B	▼ 63%	\$1.3B	▼ 27%	\$5.8B
PRICE/UNIT	\$197K	\$226K	\$238K	\$281K	\$274K	\$332K	\$350K	▼ 23%	\$271K	▼ 14%	\$285K
PRICE/SF	\$206	\$237	\$258	\$325	\$291	\$358	\$384	▼ 4%	\$369	▲ 8%	\$387
CAP RATE	5.4%	4.9%	5.0%	4.8%	5.0%	4.6%	4.3%	▼ 7 bps	4.2%	▼ 47 bps	4.1%

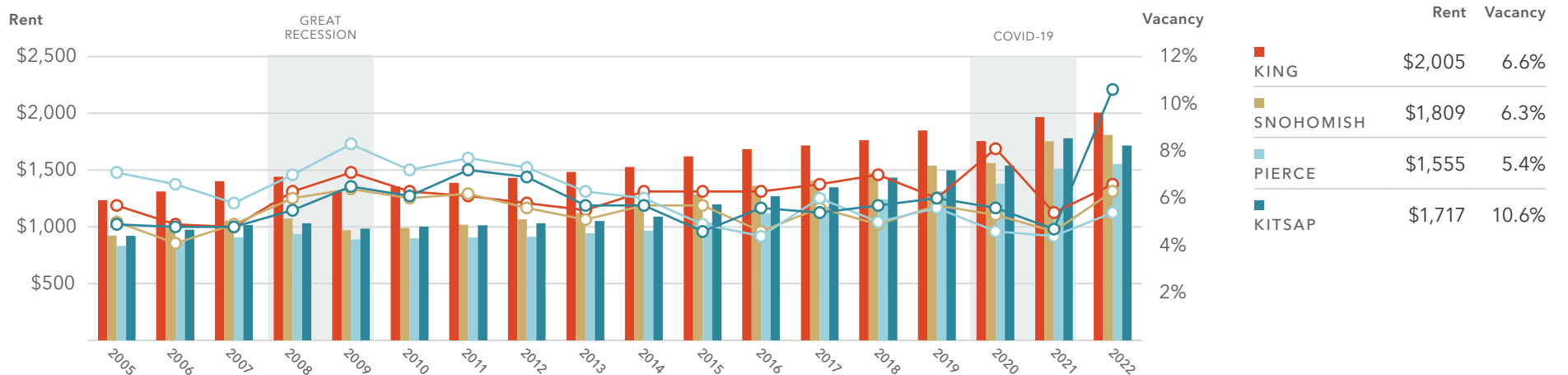
All building ages, 5+ unit apartment buildings

# REGIONAL HISTORIC RENT VS. VACANCY

## PUGET SOUND REGION



## 2022 COUNTY BREAKDOWN



# REGIONAL BUILDING INCOME VELOCITY

## NORTH KING

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,663	▲ 4%	\$1,767	▼ 2%	\$1,733
RENT/SF	\$2.22	▲ 4%	\$2.36	▼ 2%	\$2.31
VACANCY	4.7%	▲ 60 bps	4.9%	▲ 40 bps	5.3%

## KITSAP

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,779	▼ 3%	\$1,788	▼ 4%	\$1,717
RENT/SF	\$2.07	▼ 4%	\$2.08	▼ 4%	\$1.99
VACANCY	4.7%	▲ 590 bps	4.9%	▲ 570 bps	10.6%

## SEATTLE

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$2,004	▲ 0.1%	\$2,068	▼ 3%	\$2,006
RENT/SF	\$2.98	No Change	\$3.08	▼ 3%	\$2.98
VACANCY	6.0%	▲ 180 bps	7.7%	▲ 10 bps	7.8%

## PIERCE

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,511	▲ 3%	\$1,575	▼ 1%	\$1,555
RENT/SF	\$1.78	▲ 3%	\$1.86	▼ 2%	\$1.83
VACANCY	4.4%	▲ 100 bps	5.1%	▲ 30 bps	5.4%

## SNOHOMISH

	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,753	▲ 3%	\$1,865	▼ 3%	\$1,809
RENT/SF	\$2.02	▲ 3%	\$2.15	▼ 3%	\$2.08
VACANCY	4.6%	▲ 170 bps	5.3%	▲ 100 bps	6.3%

## EAST KING

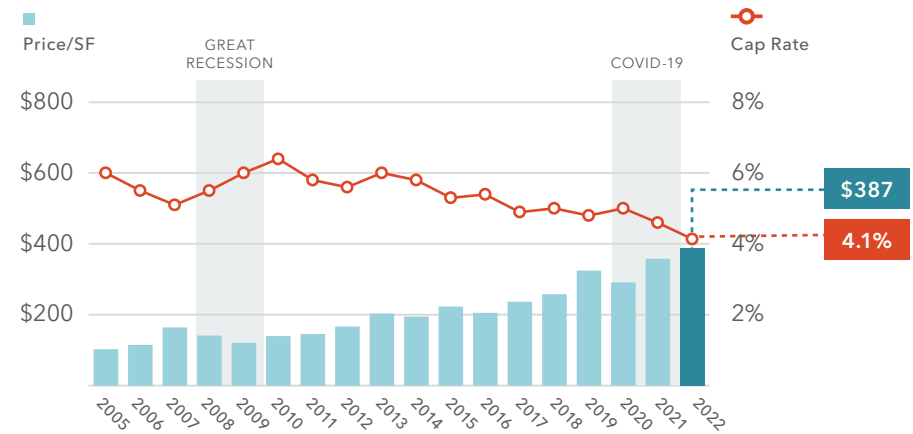
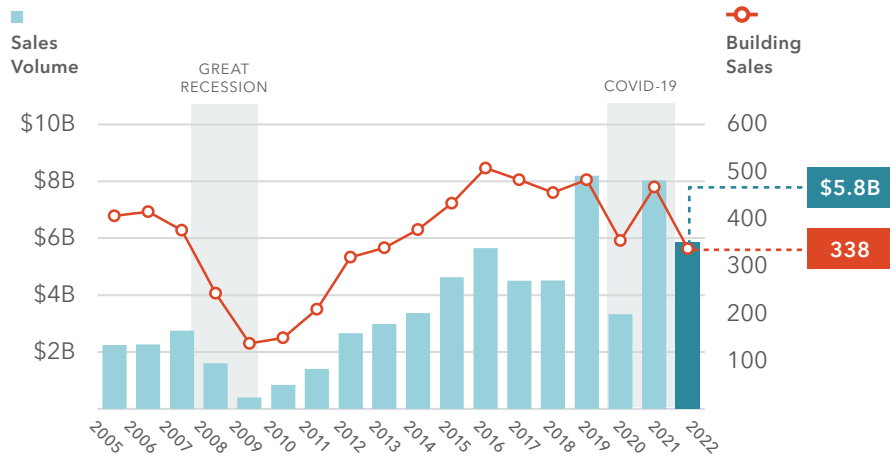
	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$2,295	▲ 2%	\$2,448	▼ 4%	\$2,350
RENT/SF	\$2.60	▲ 2%	\$2.77	▼ 4%	\$2.66
VACANCY	6.1%	▲ 30 bps	6.0%	▲ 40 bps	6.4%

## SOUTH KING

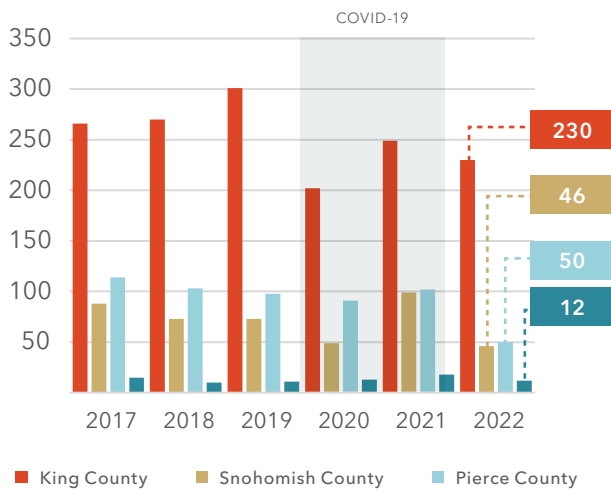
	Q4 2021	12-Mo Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,673	▲ 5%	\$1,789	▼ 2%	\$1,749
RENT/SF	\$1.96	▲ 5%	\$2.10	▼ 2%	\$2.05
VACANCY	3.6%	▲ 110 bps	4.3%	▲ 40 bps	4.7%

All building ages, 5+ unit apartment buildings

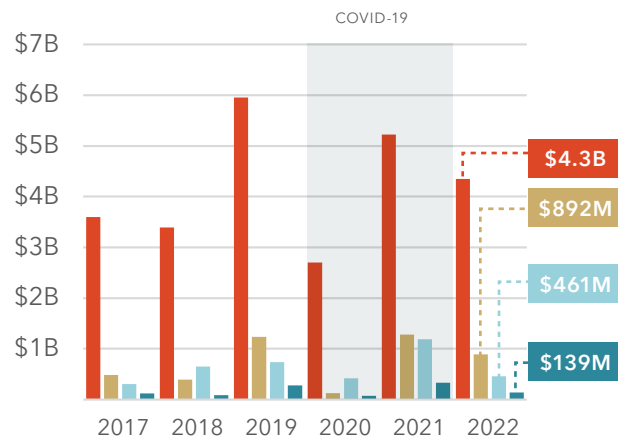
# REGIONAL HISTORIC SALES



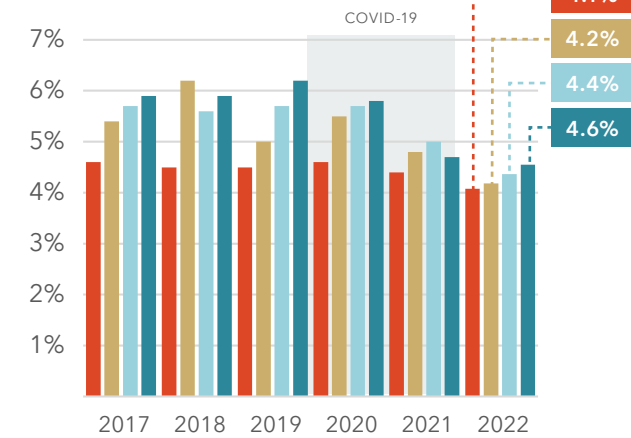
## BUILDING SALES



## SALES VOLUME



## CAP RATE



# REGIONAL SALE PRICING VELOCITY

## NORTH KING

	2020	2021	2022
PRICE/UNIT	\$234K	\$367K	\$244K
PRICE/SF	\$249	\$430	\$357
CAP RATE	4.3%	4.3%	4.2%

## SNOHOMISH

	2020	2021	2022
PRICE/UNIT	\$164K	\$261K	\$272K
PRICE/SF	\$145	\$283	\$307
CAP RATE	5.5%	4.8%	4.2%

## KITSAP

	2020	2021	2022
PRICE/UNIT	\$196K	\$255K	\$233K
PRICE/SF	\$212	\$290	\$252
CAP RATE	5.8%	4.7%	4.6%

## EAST KING

	2020	2021	2022
PRICE/UNIT	\$340K	\$478K	\$470K
PRICE/SF	\$337	\$496	\$526
CAP RATE	4.5%	3.8%	3.7%

## SEATTLE

	2020	2021	2022
PRICE/UNIT	\$399K	\$396K	\$313K
PRICE/SF	\$516	\$473	\$475
CAP RATE	4.7%	4.5%	4.0%

## SOUTH KING

	2020	2021	2022
PRICE/UNIT	\$230K	\$306K	\$229K
PRICE/SF	\$240	\$329	\$289
CAP RATE	4.8%	4.6%	4.5%

## PIERCE

	2020	2021	2022
PRICE/UNIT	\$171K	\$249K	\$213K
PRICE/SF	\$170	\$250	\$264
CAP RATE	5.7%	5.0%	4.4%

All building ages, 5+ unit apartment buildings



*In each market shift of the last 20 years, the Puget Sound economy demonstrated resilience. 2023 will once again prove the Puget Sound's diversified economy will best the nation in economic stability.*





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

*Buyer demand for Seattle apartments remains robust with an average of 5.3 offers on listings since Q2 2022. That said, buyers are also accepting lower returns due to interest rates.*



#### Sales Insight

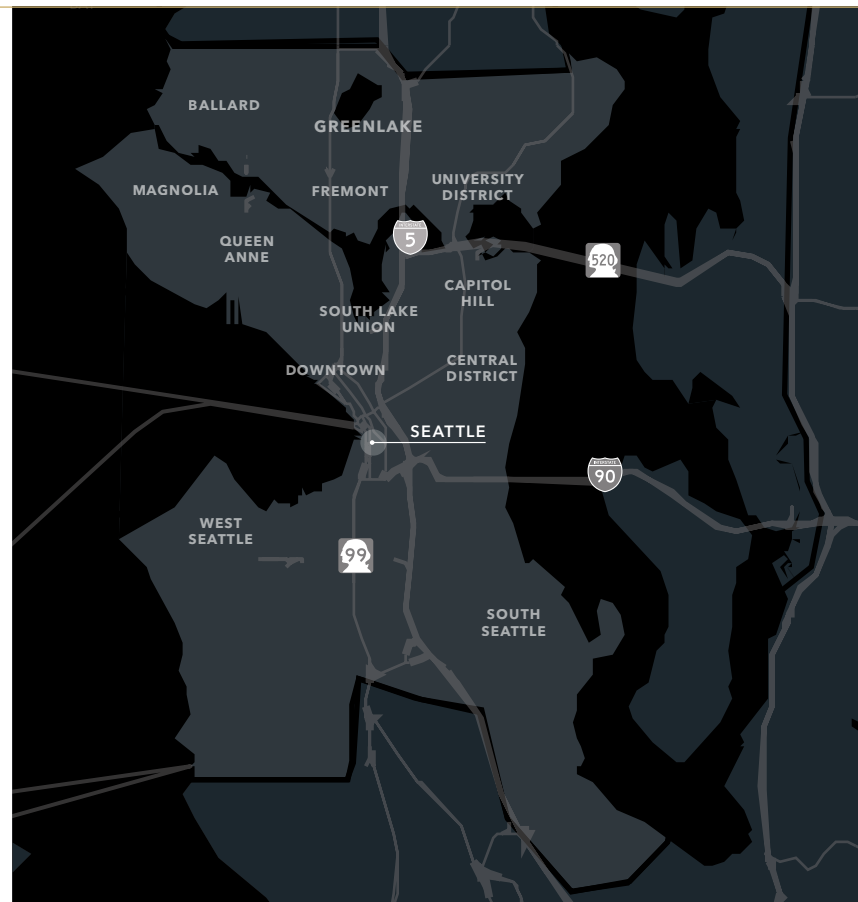
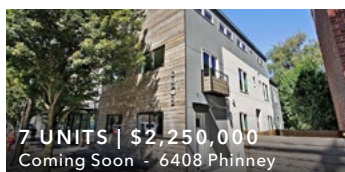
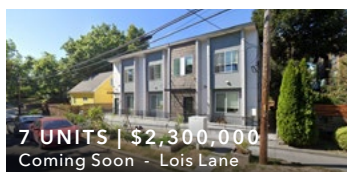
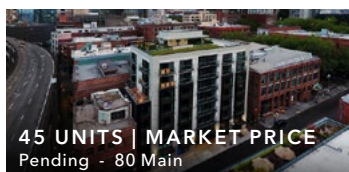
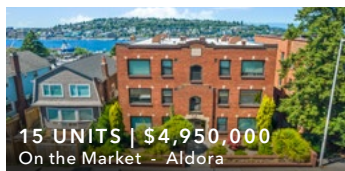
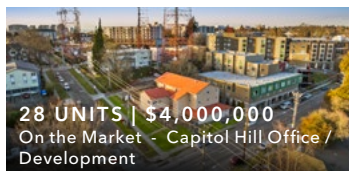
Apartment sales averaged \$475 per square foot from 2019 to 2022. However, Q4 2022 reverted to 2018 pricing, which was the last time interest rates edged above 5%. In this case, “listers” (owners who are not serious about selling) will try to hold onto what was, while “sellers” with multiple offers will select the most qualified buyer and complete their sale.



#### Rent / Vacancy Insight

Average vacancy for apartment buildings was up 1.6% from 2021. Even so, vacancy is 2% lower than pandemic rents, holding steady between 2022 and 2021 averages. Keep in mind that the luxury apartment market (\$3,000+ per month) is still susceptible to rent declines as higher wage earners are laid off for the first time in many years.

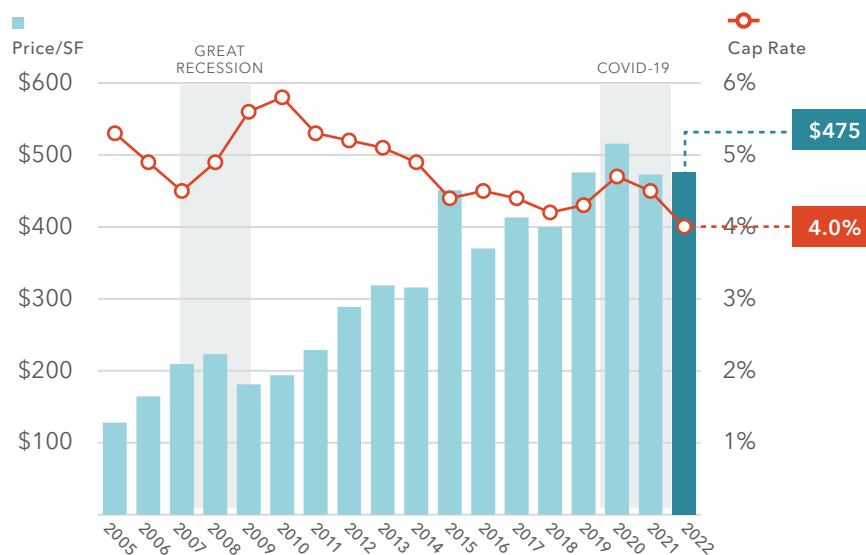
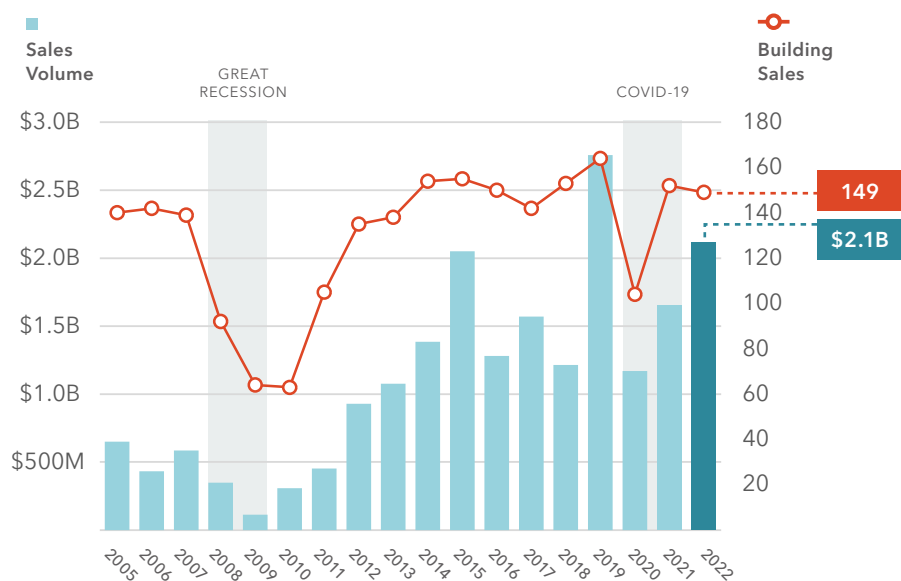
#### OUR RECENT LISTINGS



#### INVENTORY

	Units	Buildings
TOTAL	119,285	3,736
5 TO 50 UNITS	46,586	3,197
50+ UNITS	72,699	539
12-MONTH DELIVERIES	6,039	32
AVERAGE UNIT SIZE	676 SF	

# SALES TRENDS



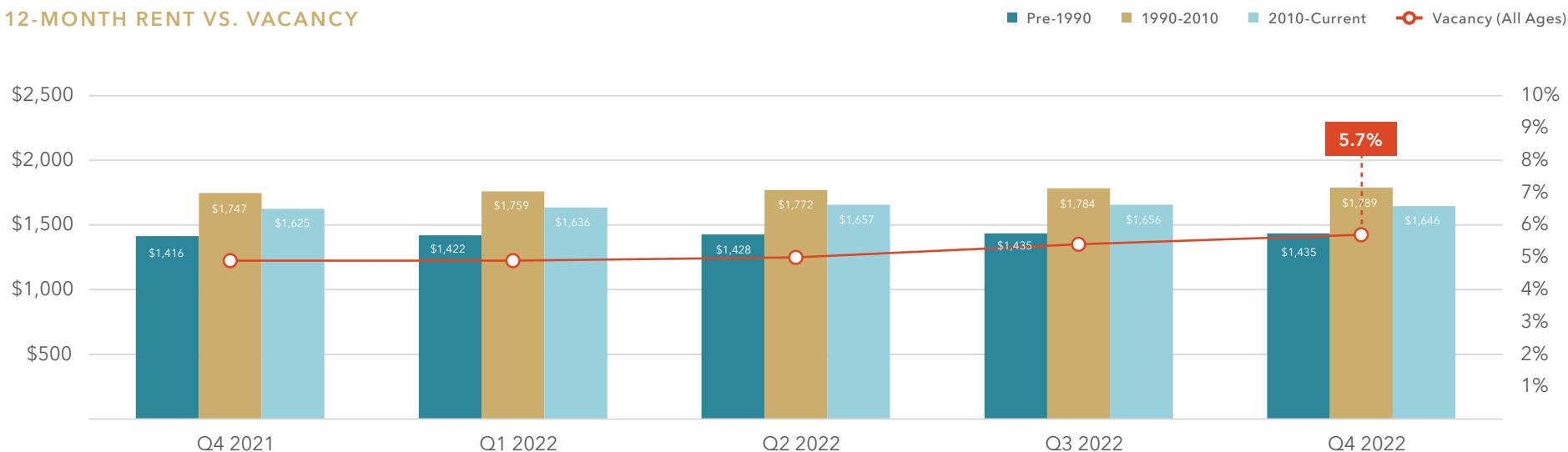
## HISTORICAL SALES

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	150	142	153	164	104	152	62	▼ 32%	42	▼ 2%	149
SALES VOLUME	\$1.3B	\$1.6B	\$1.2B	\$2.8B	\$1.2B	\$1.7B	\$827M	▼ 12%	\$730M	▲ 28%	\$2.1B
PRICE/UNIT	\$335K	\$380K	\$326K	\$402K	\$399K	\$396K	\$398K	▼ 27%	\$289K	▼ 21%	\$313K
PRICE/SF	\$370	\$413	\$400	\$476	\$516	\$473	\$477	▼ 13%	\$418	▲ 1%	\$475
CAP RATE	4.5%	4.4%	4.2%	4.3%	4.7%	4.5%	4.2%	▼ 14 bps	4.1%	▼ 50 bps	4.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



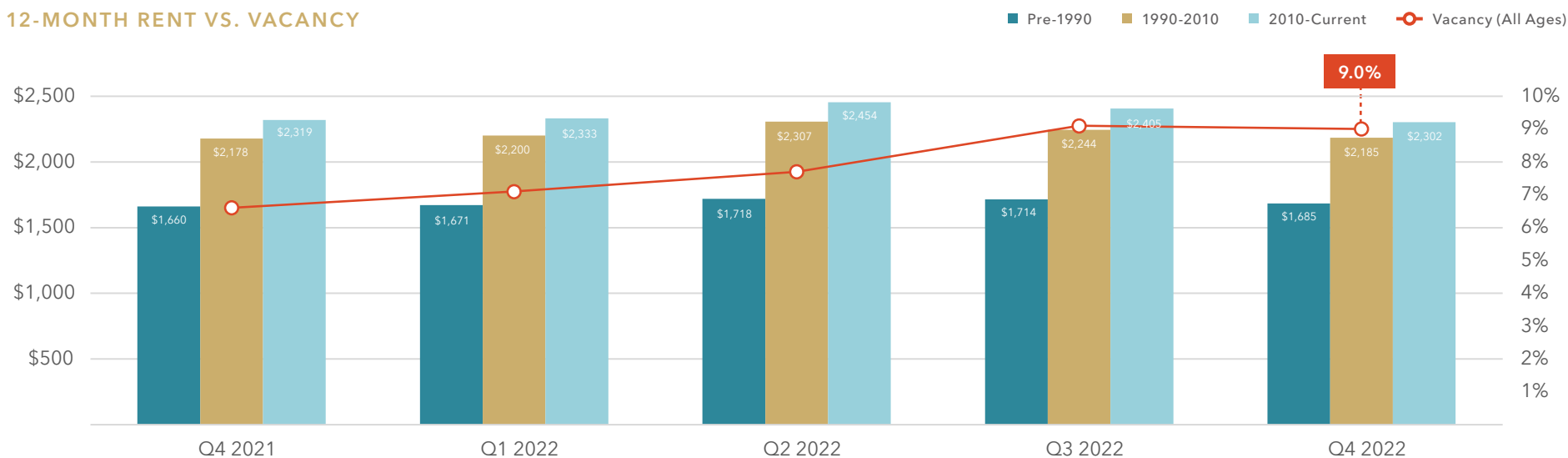
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,375	\$1,415	\$1,438	\$1,457	\$1,456	\$1,484	\$1,484	▲ 2%	\$1,508	▼ 0.1%	\$1,507
RENT/SF	\$2.18	\$2.24	\$2.28	\$2.31	\$2.31	\$2.36	\$2.36	▲ 1%	\$2.39	No Change	\$2.39
VACANCY	5.4%	5.5%	5.1%	5.0%	7.1%	4.9%	4.9%	▲ 80 bps	5.4%	▲ 30 bps	5.7%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,971	\$1,990	\$2,016	\$2,143	\$1,904	\$2,183	\$2,183	▼ 0.2%	\$2,261	▼ 4%	\$2,178
RENT/SF	\$2.86	\$2.89	\$2.93	\$3.11	\$2.76	\$3.17	\$3.17	▼ 0.3%	\$3.28	▼ 4%	\$3.16
VACANCY	8.2%	9.7%	9.6%	5.9%	11.5%	6.6%	6.6%	▲ 240 bps	9.1%	▼ 10 bps	9.0%

All building ages, 50+ unit apartment buildings



## NORTH KING



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

*Rents continue to trend up year after year in North King, providing one of the most consistent and safe investment markets in the Puget Sound.*



### Sales Insight

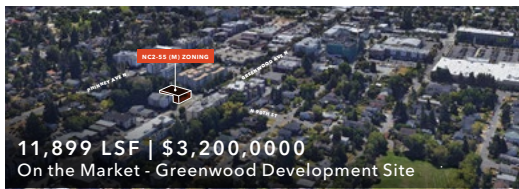
North King finished the year with \$192 million in sales volume with 26 transactions, the majority of which were smaller properties. In fact, the number of transactions in this submarket was the most since 2019, with volume equating to almost half of 2021's total. While 2022 began with a flurry of investment activity, this slowed by the end of the year due to the rise in interest rates. Nevertheless, we continue to see transactions for smaller properties, whereas owners of properties with 50 or more units continue to hold. Additionally, the average cap rate for the year was 4.2%, which was one point lower than it was in 2021.



### Rent / Vacancy Insight

Rents for North King have been rising since 2016. Even moving into Q4 2022, rents continued to increase despite a typically more challenging leasing time of the year. Vacancy also increased by nearly a full basis point from last year for buildings with fewer than 50 units, while larger properties (50+ units) increased only 0.3 basis points (bps). Historically, investors have pegged 5% as a standard vacancy for properties; therefore, considering this is the toughest part of the leasing season, it's so far been a success for North King owners.

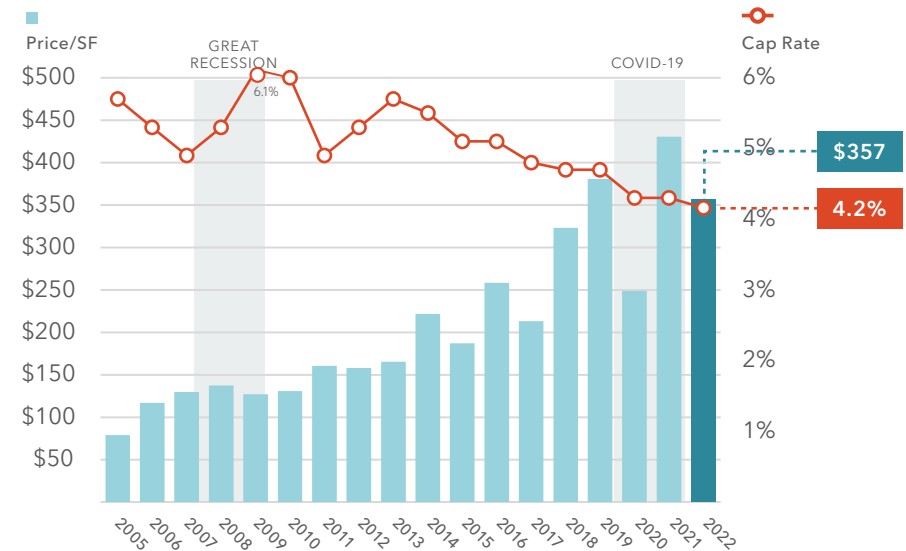
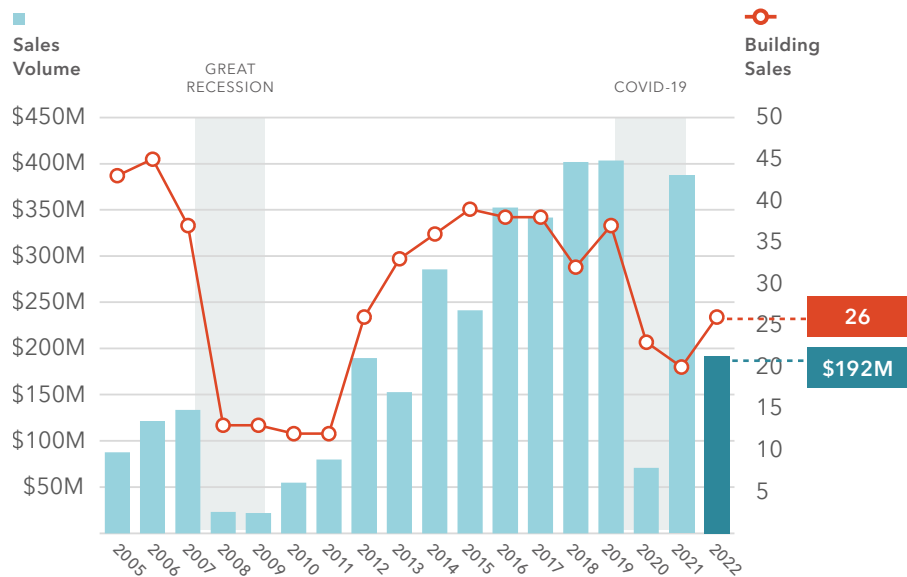
### OUR RECENT LISTINGS



### INVENTORY

	Units	Buildings
TOTAL	25,241	729
5 TO 50 UNITS	8,927	607
50+ UNITS	16,314	122
12-MONTH DELIVERIES	459	6
AVERAGE UNIT SIZE	753 SF	

# SALES TRENDS



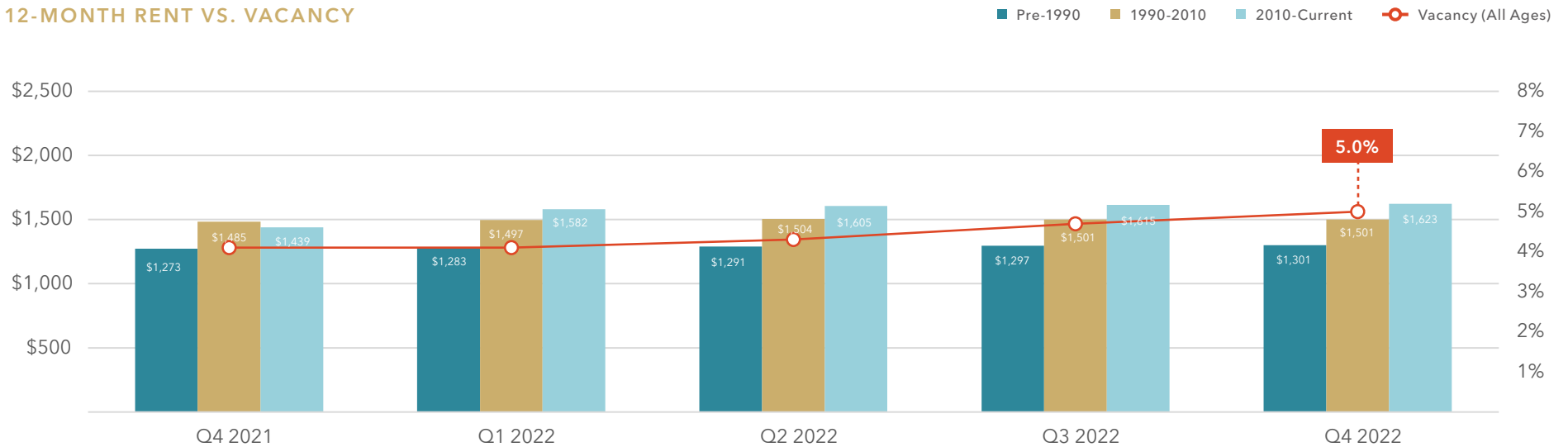
## HISTORICAL SALES

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	38	38	32	37	23	20	12	▼ 83%	2	▲ 30%	26
SALES VOLUME	\$353M	\$342M	\$402M	\$404M	\$71M	\$387M	\$200M	▼ 95%	\$9M	▼ 50%	\$192M
PRICE/UNIT	\$213K	\$262K	\$281K	\$288K	\$234K	\$367K	\$329K	▼ 27%	\$239K	▼ 34%	\$244K
PRICE/SF	\$258	\$213	\$323	\$381	\$249	\$430	\$427	▼ 33%	\$285	▼ 17%	\$357
CAP RATE	5.1%	4.8%	4.7%	4.7%	4.3%	4.3%	4.2%	▼ 28 bps	3.9%	▼ 4 bps	4.2%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



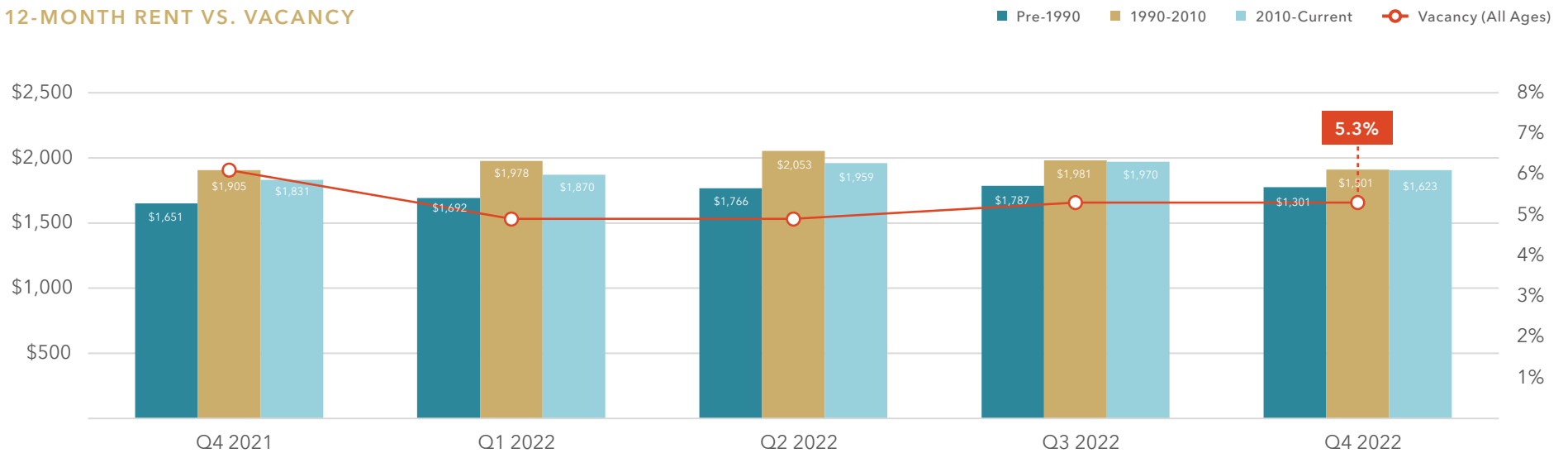
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,206	\$1,244	\$1,261	\$1,282	\$1,297	\$1,325	\$1,325	▲ 3%	\$1,360	▲ 0.2%	\$1,363
RENT/SF	\$1.62	\$1.67	\$1.70	\$1.73	\$1.75	\$1.78	\$1.78	▲ 3%	\$1.83	▲ 0.5%	\$1.84
VACANCY	3.9%	4.1%	4.3%	4.4%	5.9%	4.1%	4.1%	▲ 90 bps	4.7%	▲ 30 bps	5.0%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,501	\$1,537	\$1,566	\$1,618	\$1,599	\$1,770	\$1,770	▲ 5%	\$1,895	▼ 2%	\$1,850
RENT/SF	\$1.99	\$2.04	\$2.08	\$2.14	\$2.12	\$2.35	\$2.35	▲ 4%	\$2.51	▼ 2%	\$2.45
VACANCY	4.3%	6.0%	7.4%	6.0%	7.2%	5.0%	5.0%	▲ 30 bps	4.9%	▲ 40 bps	5.3%

All building ages, 50+ unit apartment buildings

## EAST KING



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

*No surprises here. East King is once again the top dog, leading the region in both sales and rental rates.*



### Sales Insight

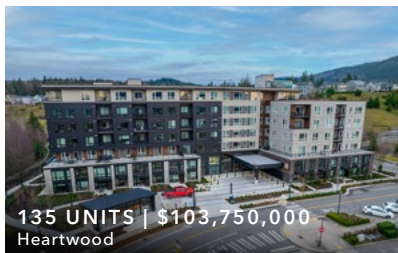
East King hit the golden trifecta in sales metrics with highest average price per unit, highest average price per square foot and lowest average cap rate. This clearly indicates that investor demand for East King has not slowed. Notably, our team had the privilege of listing and selling Heartwood – the highest price per unit and highest price per square foot sale in East King – for \$767,000 per unit and \$762 per square foot, respectively.



### Rent / Vacancy Insight

East King has been the region's top rental market for the last several years and it continued its reign in 2022. Specifically, the region boasted the highest average rental rates for small and large buildings at a whopping \$2,350 per month to best second-place Seattle by an impressive 14%. Undoubtedly, renter demand remains exceptionally strong for the oasis that is East King.

## OUR RECENT LISTING



*View our listings  
online at*

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

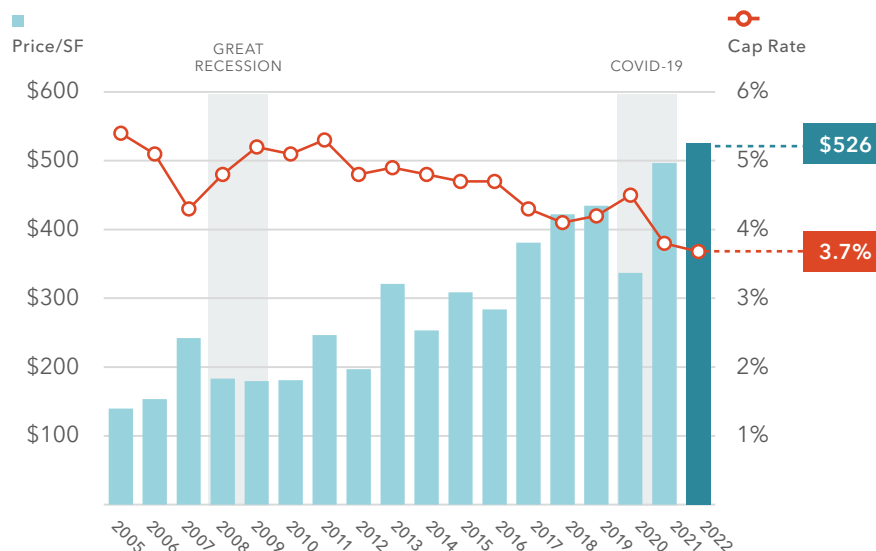
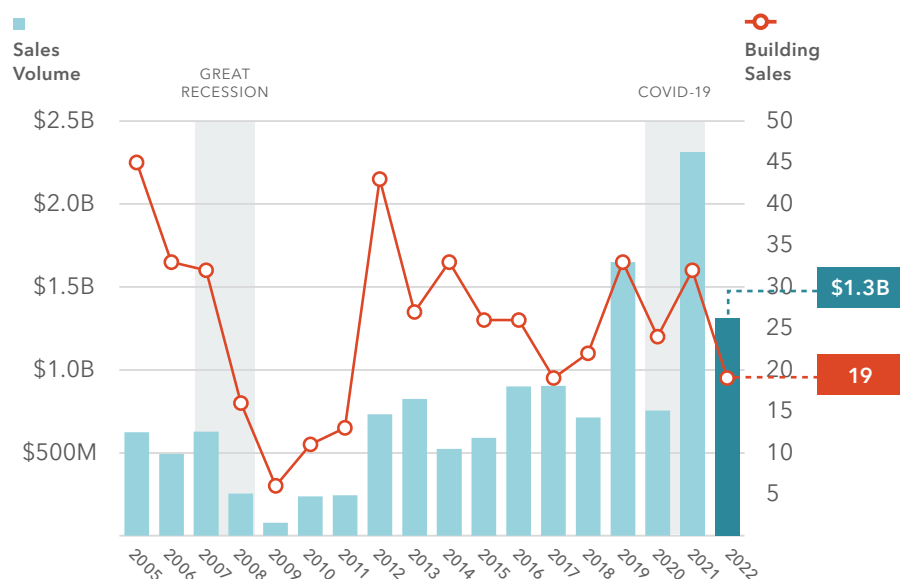


## INVENTORY

	Units	Buildings
TOTAL	57,437	549
5 TO 50 UNITS	4,913	286
50+ UNITS	52,524	263
12-MONTH DELIVERIES	1,200	5
AVERAGE UNIT SIZE	552 SF	



# SALES TRENDS



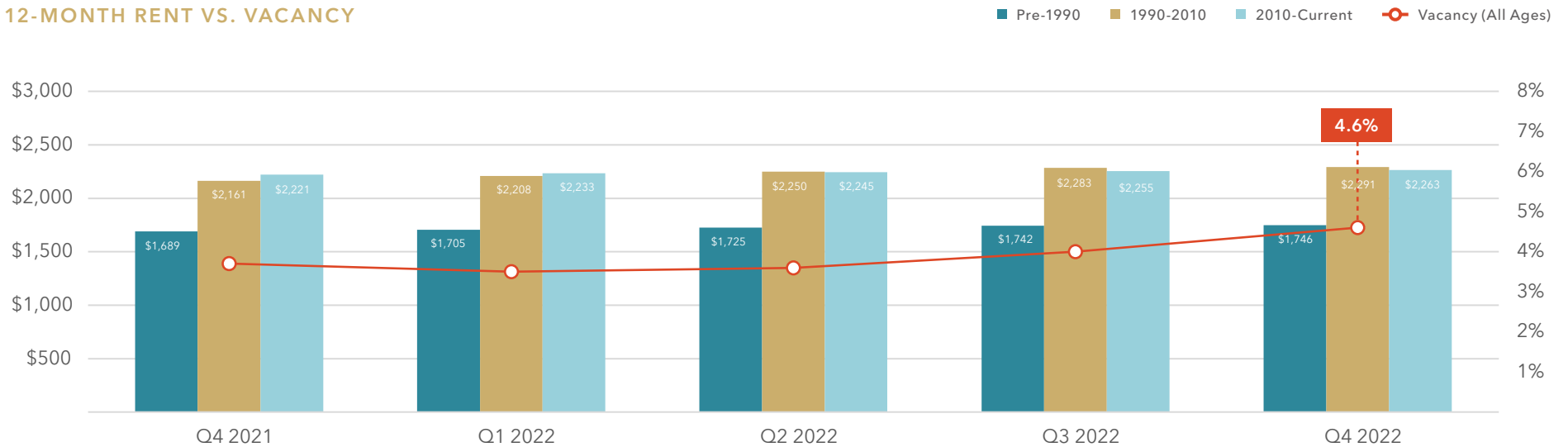
## HISTORICAL SALES

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	26	19	22	33	24	32	7	No Change	7	▼ 41%	19
SALES VOLUME	\$900M	\$904M	\$713M	\$1.7B	\$754M	\$2.3B	\$515M	▲ 27%	\$375M	▼ 43%	\$1.3B
PRICE/UNIT	\$310K	\$373K	\$447K	\$383K	\$340K	\$478K	\$476K	▼ 21%	\$374K	▼ 2%	\$470K
PRICE/SF	\$284	\$381	\$422	\$434	\$337	\$496	\$546	▼ 27%	\$396	▲ 6%	\$526
CAP RATE	4.7%	4.3%	4.1%	4.2%	4.5%	3.8%	3.8%	Not Reported	Not Reported	▼ 12 bps	3.7%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



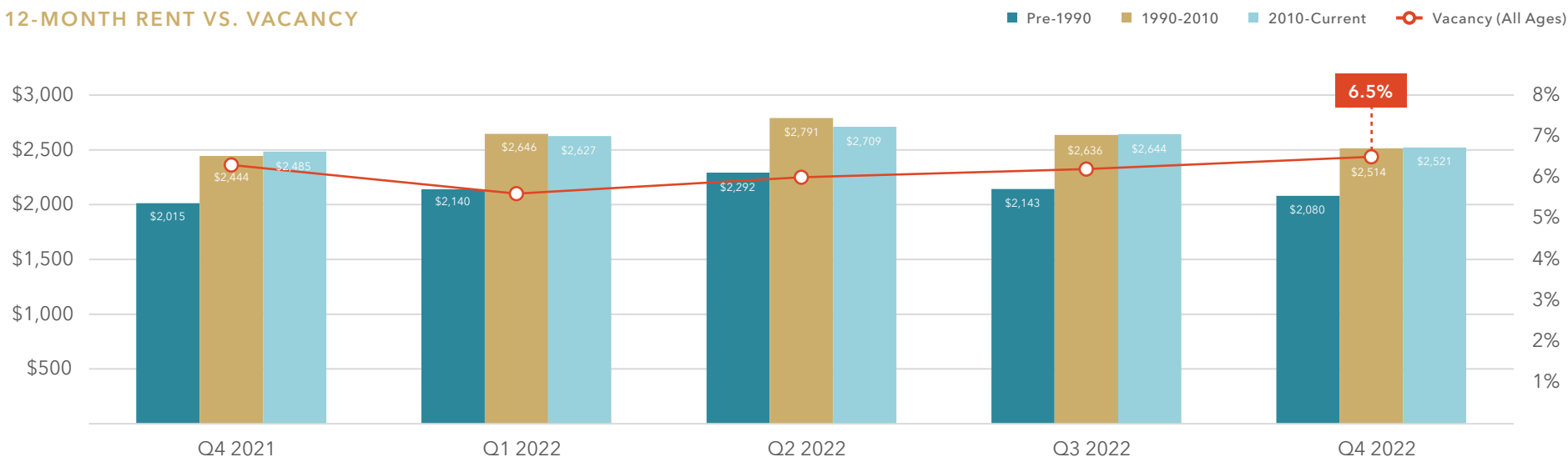
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,591	\$1,665	\$1,706	\$1,748	\$1,759	\$1,823	\$1,823	▲ 4%	\$1,889	▲ 0.3%	\$1,894
RENT/SF	\$1.75	\$1.84	\$1.88	\$1.93	\$1.94	\$2.01	\$2.01	▲ 4%	\$2.08	▲ 0.3%	\$2.09
VACANCY	5.4%	5.1%	4.6%	4.5%	5.9%	3.7%	3.7%	▲ 90 bps	4.0%	▲ 60 bps	4.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,926	\$1,945	\$2,027	\$2,141	\$2,036	\$2,322	\$2,322	▲ 2%	\$2,480	▼ 4%	\$2,377
RENT/SF	\$2.18	\$2.21	\$2.30	\$2.43	\$2.31	\$2.63	\$2.63	▲ 2%	\$2.81	▼ 4%	\$2.69
VACANCY	7.9%	6.5%	7.2%	8.1%	8.5%	6.3%	6.3%	▲ 20 bps	6.2%	▲ 30 bps	6.5%

All building ages, 50+ unit apartment buildings

## SOUTH KING



**Brandon Lawler**  
VICE PRESIDENT  
SOUTH KING MARKET EXPERT

*With leading occupancy and continual cap rate compression, South King County continues to impress through difficult market conditions.*



### Sales Insight

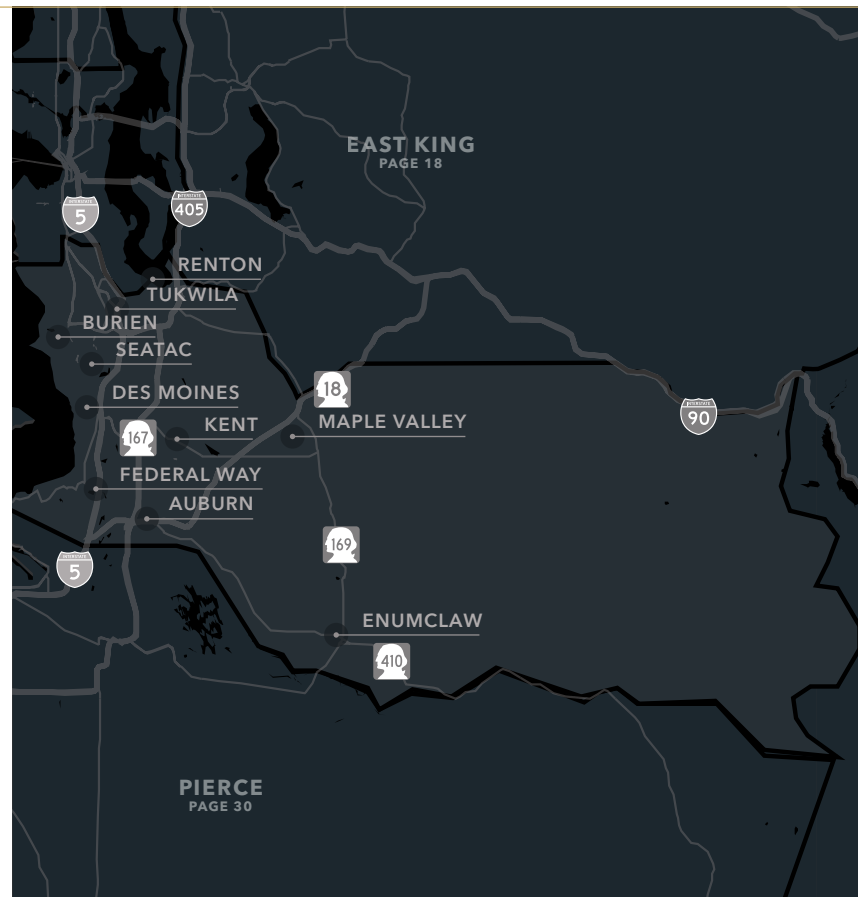
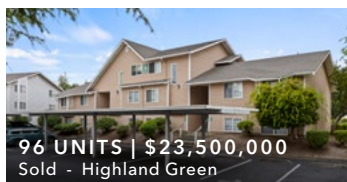
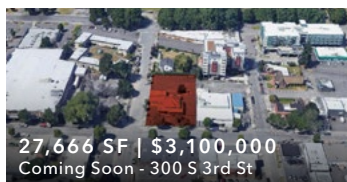
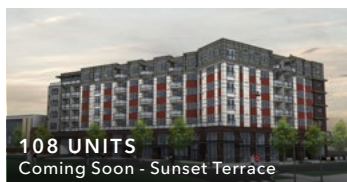
Overall sales volume has continually dropped every single year since 2019. That said, cap rate compression has also continued to compress annually, thereby demonstrating confidence from investors in the future of South Sound.



### Rent / Vacancy Insight

The story of South King County has been that of extremely high occupancy as rents slowly increase year-over-year. And, with the light rail soon becoming a reality and new apartments beginning to get absorbed into the area, South King's occupancy levels will be tested in 2023.

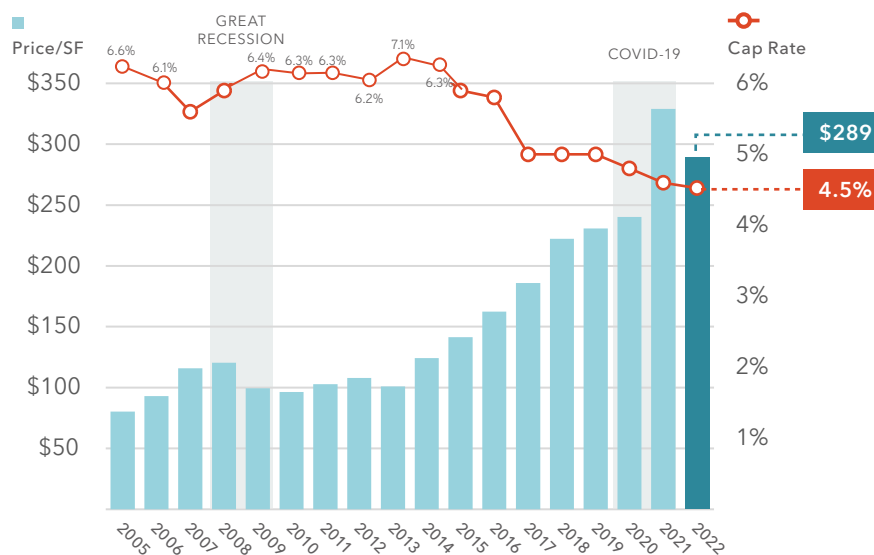
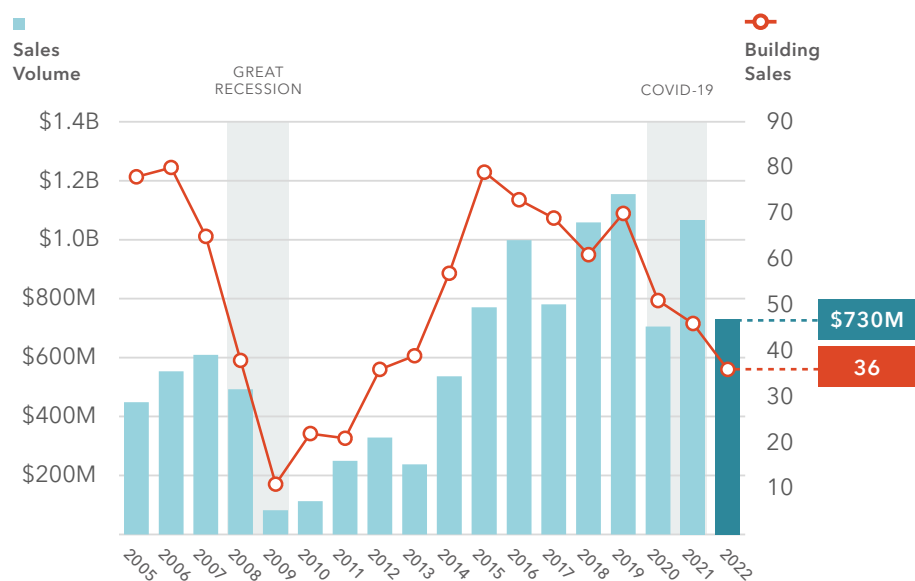
## OUR RECENT LISTINGS



## INVENTORY

	Units	Buildings
TOTAL	58,293	919
5 TO 50 UNITS	10,589	626
50+ UNITS	47,704	293
12-MONTH DELIVERIES	473	5
AVERAGE UNIT SIZE	915 SF	

# SALES TRENDS



## HISTORICAL SALES

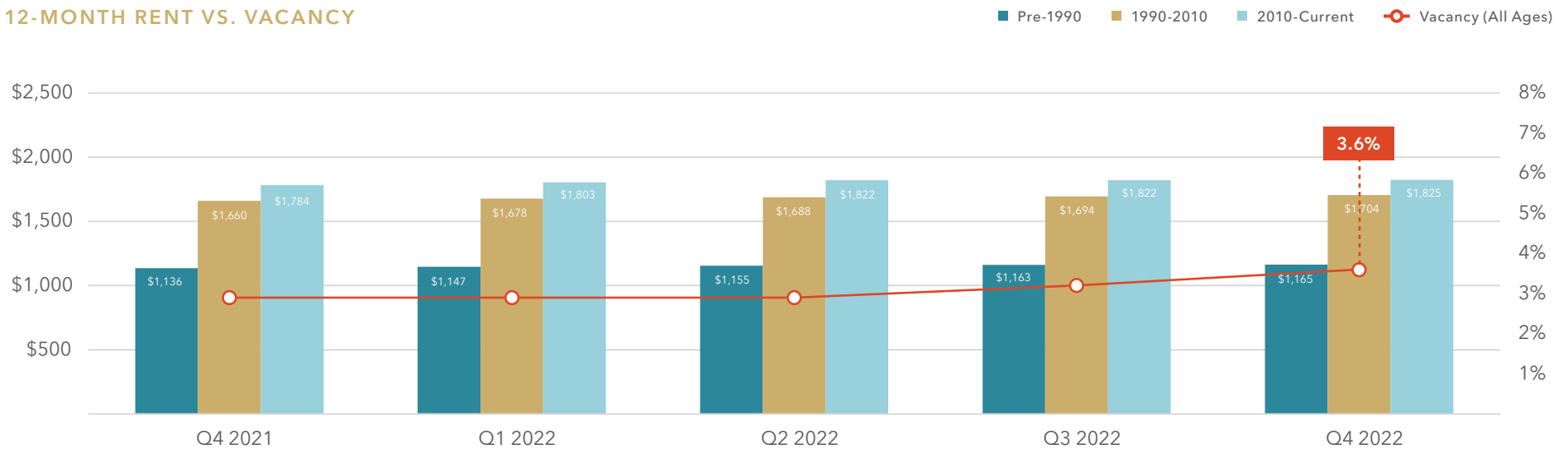
	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	73	69	61	70	51	46	13	▼ 46%	7	▼ 22%	36
SALES VOLUME	\$999M	\$781M	\$1.1B	\$1.2B	\$705M	\$1.1B	\$297M	▼ 88%	\$37M	▼ 32%	\$730M
PRICE/UNIT	\$155K	\$169K	\$216K	\$202K	\$230K	\$306K	\$330K	▼ 38%	\$206K	▼ 25%	\$229K
PRICE/SF	\$162	\$186	\$222	\$231	\$240	\$329	\$370	▼ 38%	\$231	▼ 12%	\$289
CAP RATE	5.8%	5.0%	5.0%	5.0%	4.8%	4.6%	4.7%	▲ 53 bps	5.2%	▼ 18 bps	4.5%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



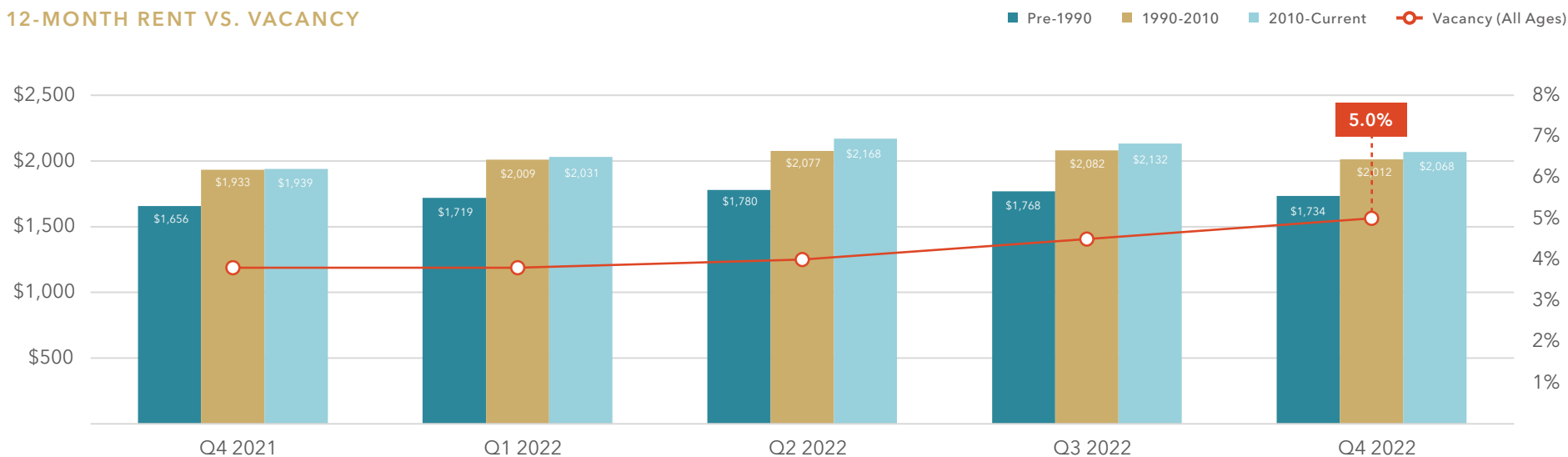
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,032	\$1,078	\$1,115	\$1,150	\$1,166	\$1,193	\$1,193	▲ 3%	\$1,221	▲ 0.2%	\$1,224
RENT/SF	\$1.30	\$1.36	\$1.41	\$1.46	\$1.48	\$1.51	\$1.51	▲ 3%	\$1.55	No Change	\$1.55
VACANCY	4.1%	4.2%	4.6%	4.1%	3.9%	2.9%	2.9%	▲ 70 bps	3.2%	▲ 40 bps	3.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,321	\$1,388	\$1,443	\$1,513	\$1,547	\$1,743	\$1,743	▲ 5%	\$1,872	▼ 2%	\$1,827
RENT/SF	\$1.53	\$1.61	\$1.67	\$1.75	\$1.79	\$2.02	\$2.02	▲ 5%	\$2.17	▼ 2%	\$2.12
VACANCY	5.0%	5.2%	6.2%	5.5%	5.5%	3.8%	3.8%	▲ 120 bps	4.5%	▲ 50 bps	5.0%

All building ages, 50+ unit apartment buildings



**Winslow Lee**  
ASSOCIATE VICE PRESIDENT  
SNOHOMISH MARKET EXPERT

*Snohomish investors continue to seek investments across the county with reduced opportunities to purchase.*



#### Sales Insight

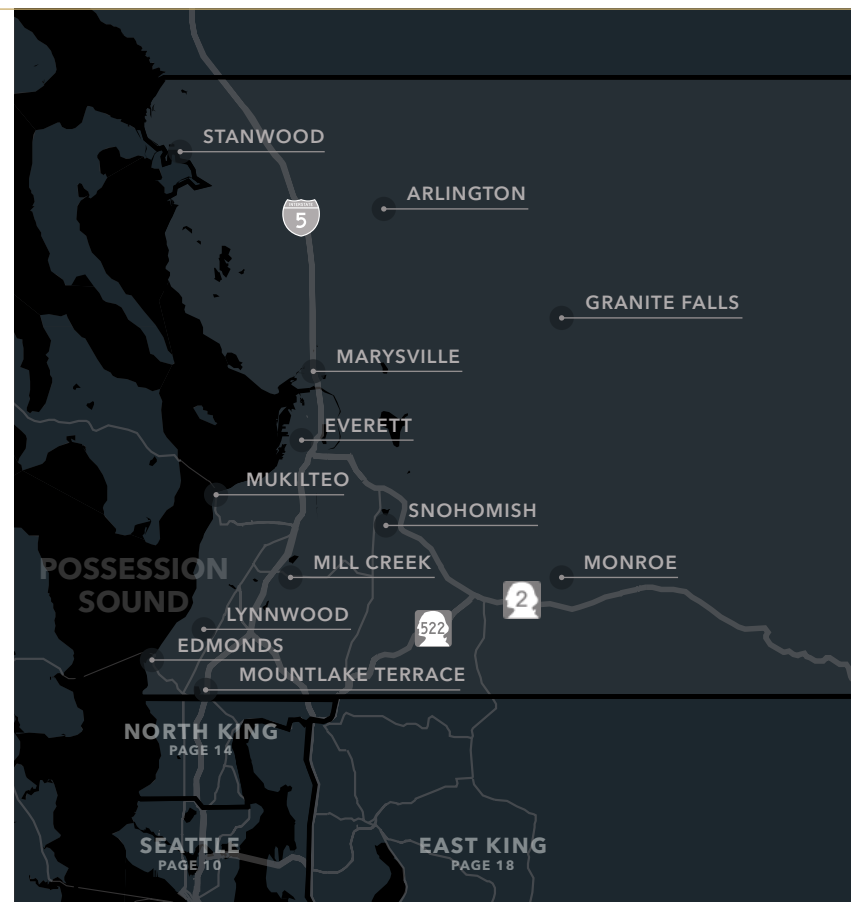
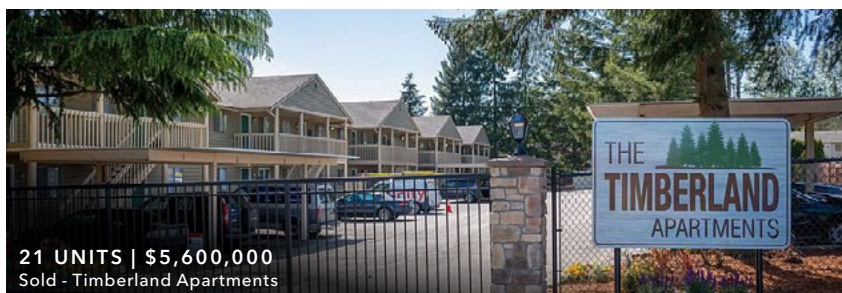
Sales lagged in Snohomish County to a total of five transactions in Q4 2022 as compared to 34 sales in Q4 2021. Conversely, transaction volume was on pace to hit \$1 billion in 2022, but rising interest rates slowed sales toward the end of the year. However, even with sales volume and transactions down from 2021, price per unit and price per square foot increased, proving that Snohomish is still a very attractive market for investors.



#### Rent / Vacancy Insight

Rents continued to increase year-over-year in Snohomish County. With some of the largest units in the Puget Sound, renters have been enticed by larger spaces with many making it their home and office. Here, a slight increase in vacancy in Q4 can be attributed to seasonality and the annual slowdown of the holiday months. As such, we fully expect vacancy to trend in the right direction come springtime.

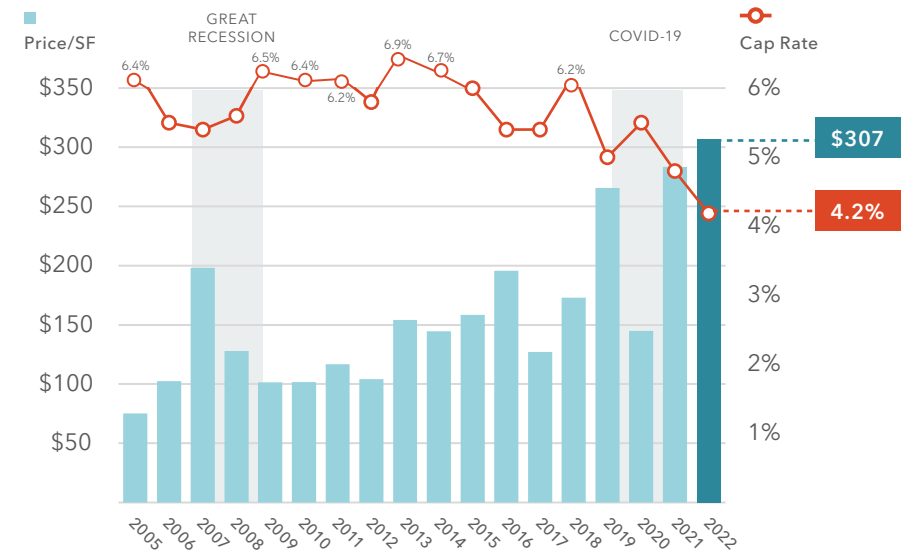
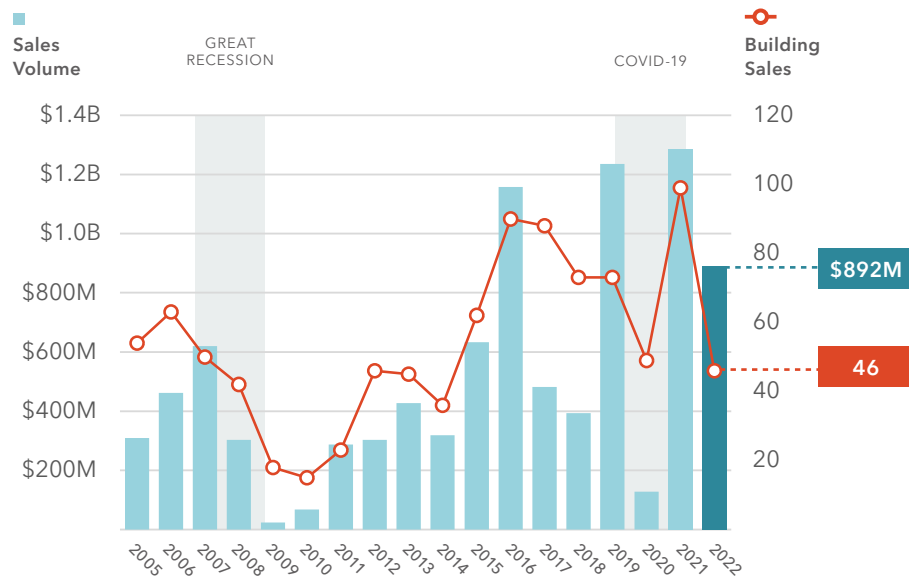
#### OUR RECENT SALE



#### INVENTORY

	Units	Buildings
TOTAL	47,935	991
5 TO 50 UNITS	10,250	778
50+ UNITS	37,685	213
12-MONTH DELIVERIES	1,901	15
AVERAGE UNIT SIZE	874 SF	

# SALES TRENDS



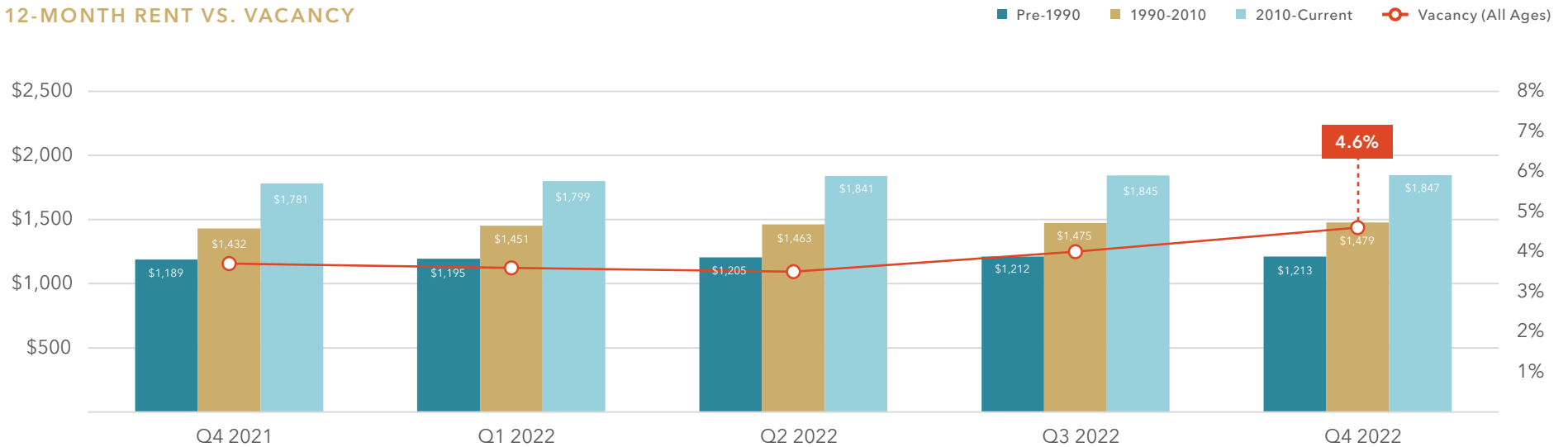
## HISTORICAL SALES

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	90	88	73	73	49	99	34	▼ 85%	5	▼ 54%	46
SALES VOLUME	\$1.2B	\$482M	\$394M	\$1.2B	\$128M	\$1.3B	\$941M	▼ 88%	\$109M	▼ 31%	\$892M
PRICE/UNIT	\$186K	\$121K	\$169K	\$228K	\$164K	\$261K	\$327K	▼ 27%	\$240K	▲ 4%	\$272K
PRICE/SF	\$196	\$127	\$173	\$266	\$145	\$283	\$325	▲ 7%	\$348	▲ 8%	\$307
CAP RATE	5.4%	5.4%	6.2%	5.0%	5.5%	4.8%	4.4%	Not Reported	Not Reported	▼ 22 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

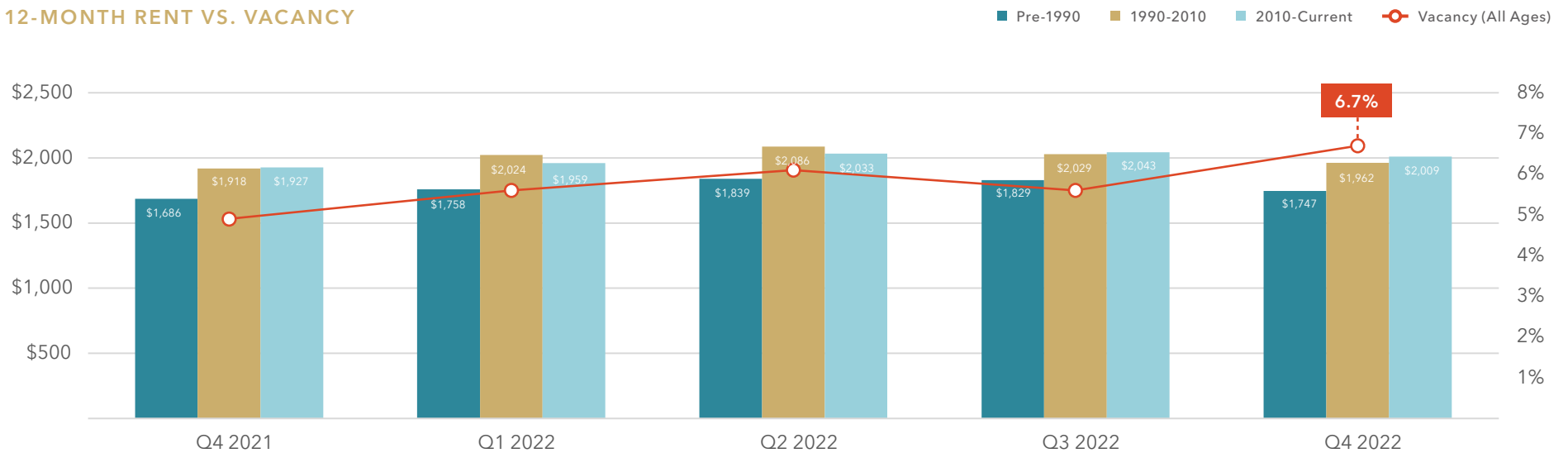
	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,118	\$1,166	\$1,204	\$1,238	\$1,270	\$1,305	\$1,305	▲ 3%	\$1,336	▲ 0.2%	\$1,339
RENT/SF	\$1.28	\$1.33	\$1.38	\$1.42	\$1.45	\$1.50	\$1.50	▲ 3%	\$1.53	▲ 1%	\$1.54
VACANCY	4.3%	4.9%	4.5%	4.9%	4.5%	3.7%	3.7%	▲ 90 bps	4.0%	▲ 60 bps	4.6%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,398	\$1,446	\$1,517	\$1,589	\$1,609	\$1,825	\$1,825	▲ 3%	\$1,950	▼ 3%	\$1,884
RENT/SF	\$1.60	\$1.66	\$1.74	\$1.82	\$1.85	\$2.09	\$2.09	▲ 3%	\$2.24	▼ 4%	\$2.16
VACANCY	4.7%	5.8%	5.0%	5.9%	5.4%	4.9%	4.9%	▲ 180 bps	5.6%	▲ 110 bps	6.7%

All building ages, 50+ unit apartment buildings

## PIERCE



**Brandon Lawler**  
VICE PRESIDENT  
PIERCE MARKET EXPERT

*After a raging 2021 in the Pierce County market, sales were down more than 50% in 2022, although cap rates compressed dramatically.*



### Sales Insight

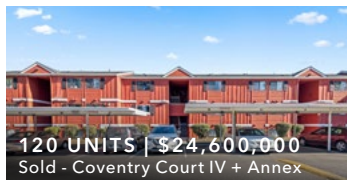
Cap rates dropped more than 60 bps in Pierce County, in addition to compressing into the 4% range for the first time in the county's history. We anticipate that this will expand as interest rates increase in 2023.



### Rent / Vacancy Insight

Overall, operations in Pierce County were steady in 2022. While vacancy and rent didn't seem to move, delinquency in Pierce improved significantly as the county continues to help apartment owners.

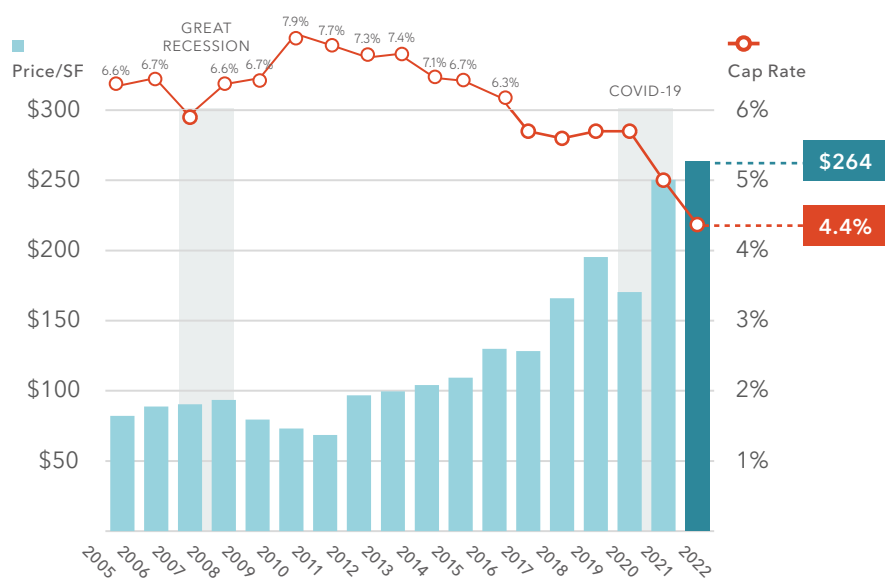
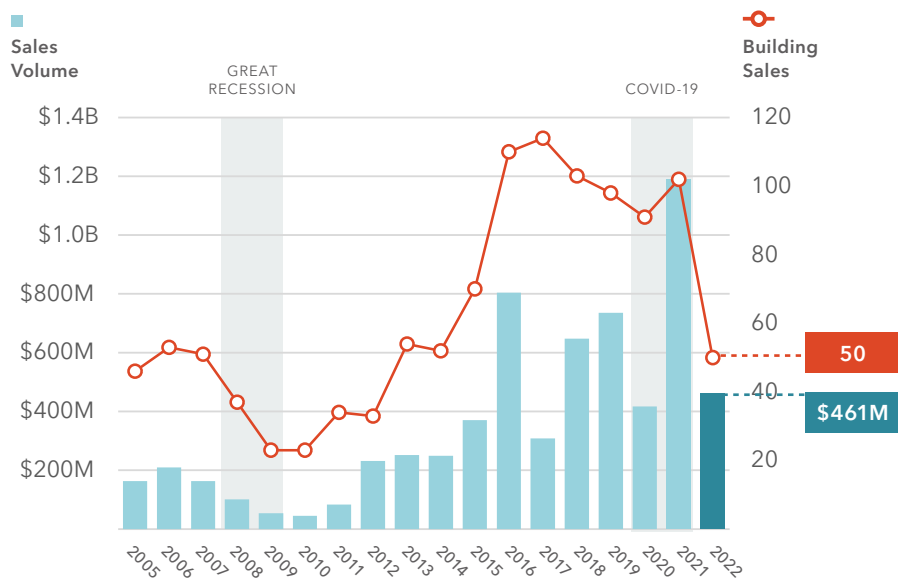
## OUR RECENT LISTINGS



## INVENTORY

	Units	Buildings
TOTAL	62,426	1,373
5 TO 50 UNITS	17,241	1,056
50+ UNITS	45,185	317
12-MONTH DELIVERIES	1,565	17
AVERAGE UNIT SIZE	854 SF	

# SALES TRENDS



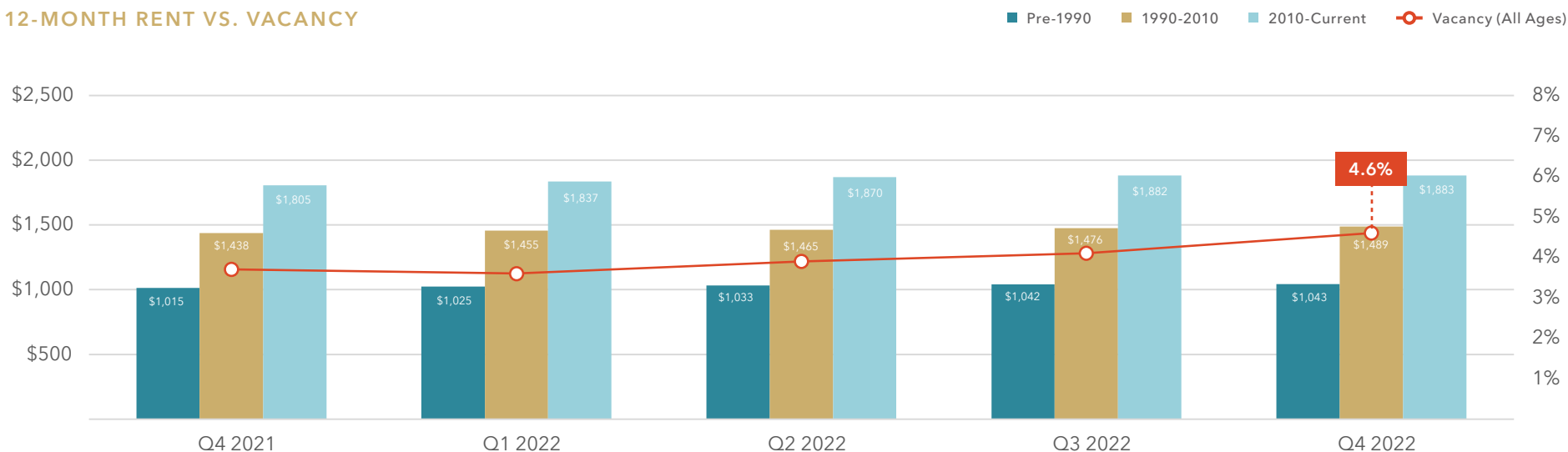
## HISTORICAL SALES

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	110	114	103	98	91	102	43	▼ 84%	7	▼ 51%	50
SALES VOLUME	\$804M	\$309M	\$647M	\$736M	\$418M	\$1.2B	\$579M	▼ 94%	\$35M	▼ 61%	\$461M
PRICE/UNIT	\$127K	\$118K	\$151K	\$174K	\$171K	\$249K	\$286K	▼ 33%	\$191K	▼ 14%	\$213K
PRICE/SF	\$130	\$128	\$166	\$195	\$170	\$250	\$303	▼ 12%	\$266	▲ 5%	\$264
CAP RATE	6.3%	5.7%	5.6%	5.7%	5.7%	5.0%	4.4%	▼ 40 bps	4.0%	▼ 63 bps	4.4%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



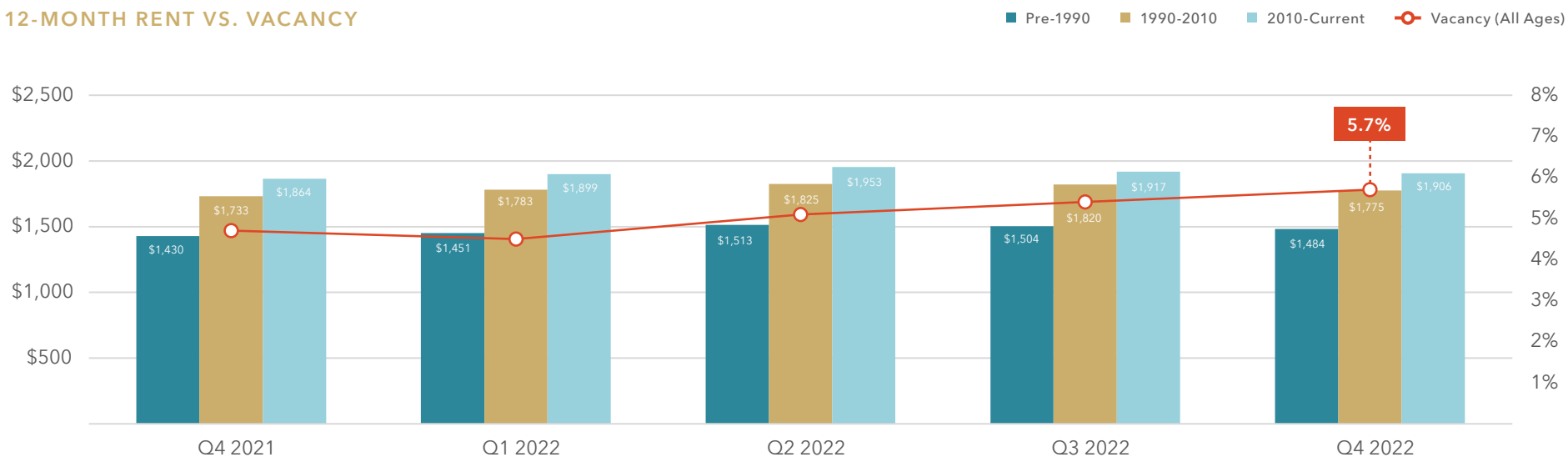
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$914	\$960	\$996	\$1,030	\$1,053	\$1,093	\$1,093	▲ 3%	\$1,123	▲ 0.3%	\$1,126
RENT/SF	\$1.17	\$1.23	\$1.28	\$1.32	\$1.35	\$1.41	\$1.41	▲ 3%	\$1.45	No Change	\$1.45
VACANCY	4.5%	4.6%	4.3%	4.2%	3.7%	3.7%	3.7%	▲ 90 bps	4.1%	▲ 50 bps	4.6%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,170	\$1,236	\$1,303	\$1,383	\$1,460	\$1,614	\$1,614	▲ 3%	\$1,687	▼ 1%	\$1,662
RENT/SF	\$1.34	\$1.42	\$1.50	\$1.59	\$1.68	\$1.86	\$1.86	▲ 3%	\$1.94	▼ 2%	\$1.91
VACANCY	4.4%	6.6%	5.3%	6.1%	5.0%	4.7%	4.7%	▲ 100 bps	5.4%	▲ 30 bps	5.7%

All building ages, 50+ unit apartment buildings



**Matt Laird**  
VICE PRESIDENT  
KITSAP MARKET EXPERT

*In recent years Kitsap is the darling market for sales, rent and vacancy metrics, Kitsap County had a bit of a lackluster year.*



#### Sales Insight

Kitsap experienced a steep drop in sales activity from last year, with both its number of transactions and its total volume falling to levels nearly half those of 2021. As a result, expect to see activity pick back up this year as buyers head across the water for higher in-place returns and greater upside.

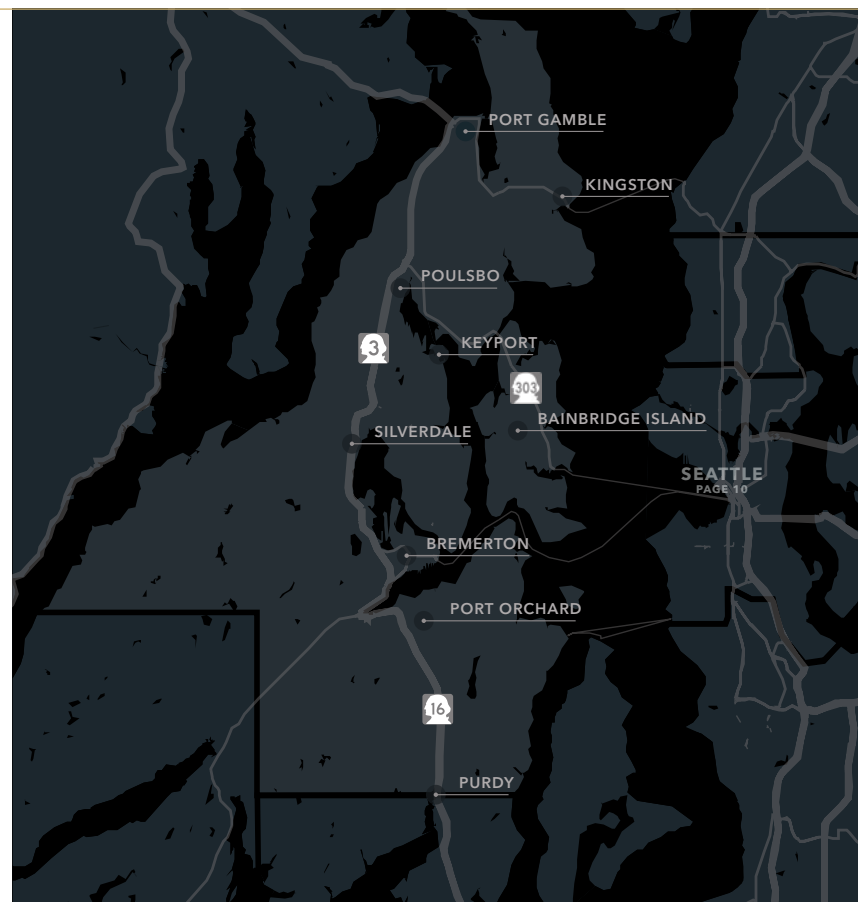


#### Rent / Vacancy Insight

While Kitsap rents didn't repeat last year's huge jump in rent growth, they managed to increase incrementally and remain strong. What's more, vacancy jumped significantly due to new buildings coming online and navigating the lease-up process. Here, vacancy should normalize and average rents increase as these buildings lease-up.

*View our listings  
online at*

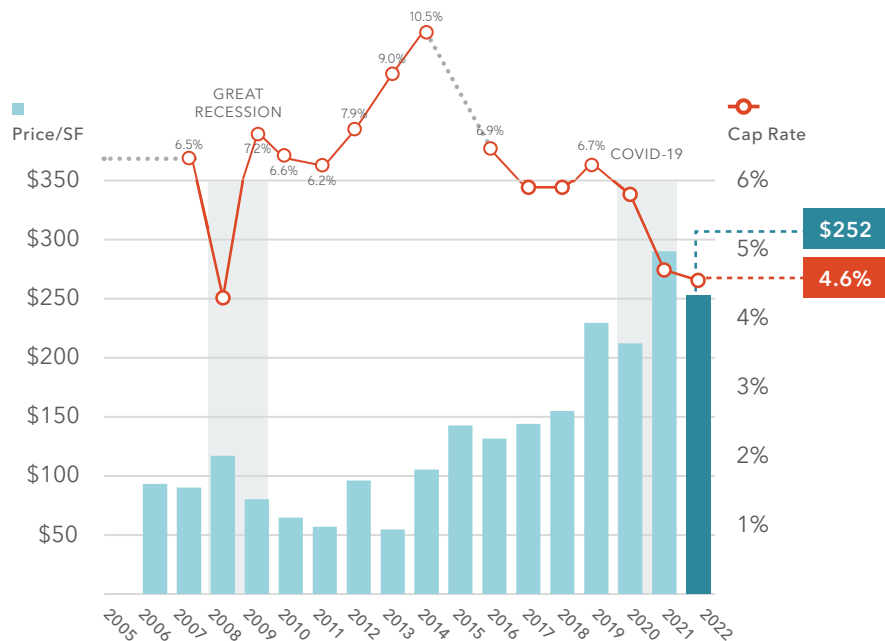
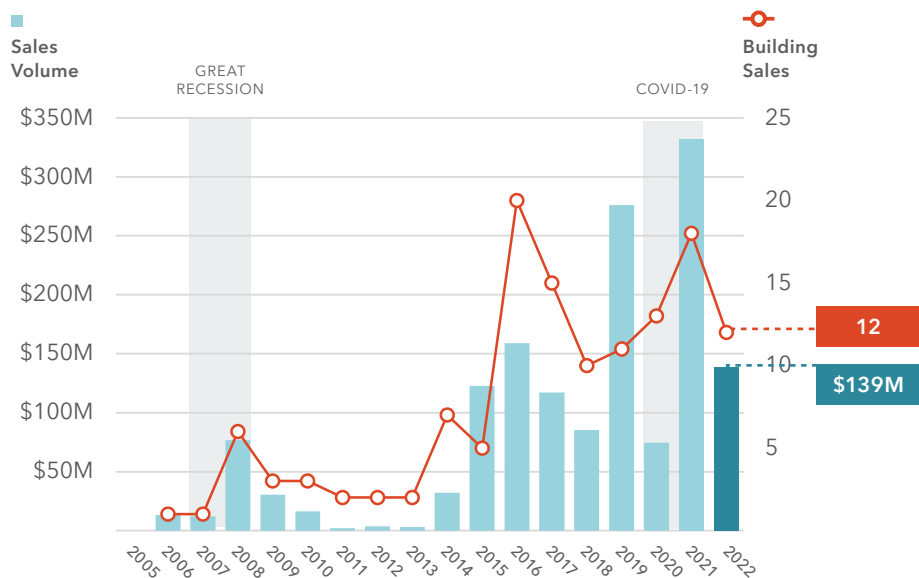
[SIMONANDERSONTEAM.COM/LISTINGS](https://simonandersonteam.com/listings)



#### INVENTORY

	Units	Buildings
TOTAL	11,001	196
5 TO 50 UNITS	2,318	134
50+ UNITS	8,683	62
12-MONTH DELIVERIES	798	6
AVERAGE UNIT SIZE	862 SF	

# SALES TRENDS



## HISTORICAL SALES

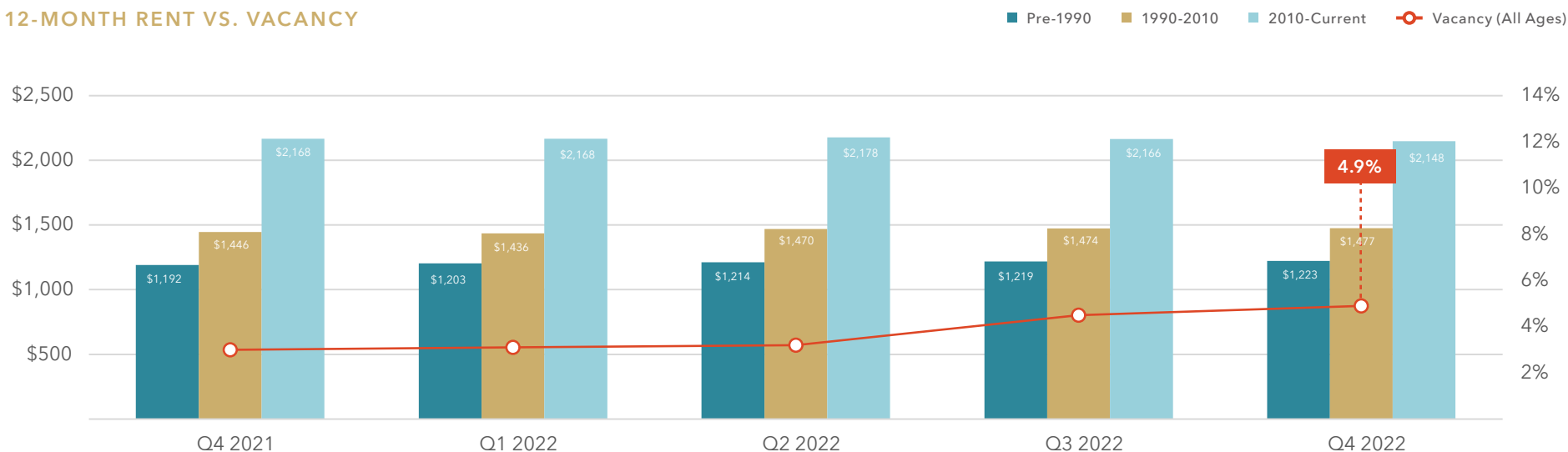
	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q4 2022	Annual Change	2022
BUILDING SALES	20	15	10	11	13	18	3	▼ 33%	2	▼ 33%	12
SALES VOLUME	\$159M	\$117M	\$85M	\$276M	\$75M	\$332M	\$128M	▼ 98%	\$3M	▼ 58%	\$139M
PRICE/UNIT	\$118K	\$132K	\$138K	\$222K	\$196K	\$255K	\$320K	▼ 58%	\$134K	▼ 9%	\$233K
PRICE/SF	\$132	\$144	\$155	\$229	\$212	\$290	\$388	▼ 43%	\$219	▼ 13%	\$252
CAP RATE	6.9%	5.9%	5.9%	6.2%	5.8%	4.7%	4.5%	▲ 116 bps	5.7%	▼ 15 bps	4.6%

All building ages, 5+ unit apartment buildings



# RENT & VACANCY | 5 TO 50 UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



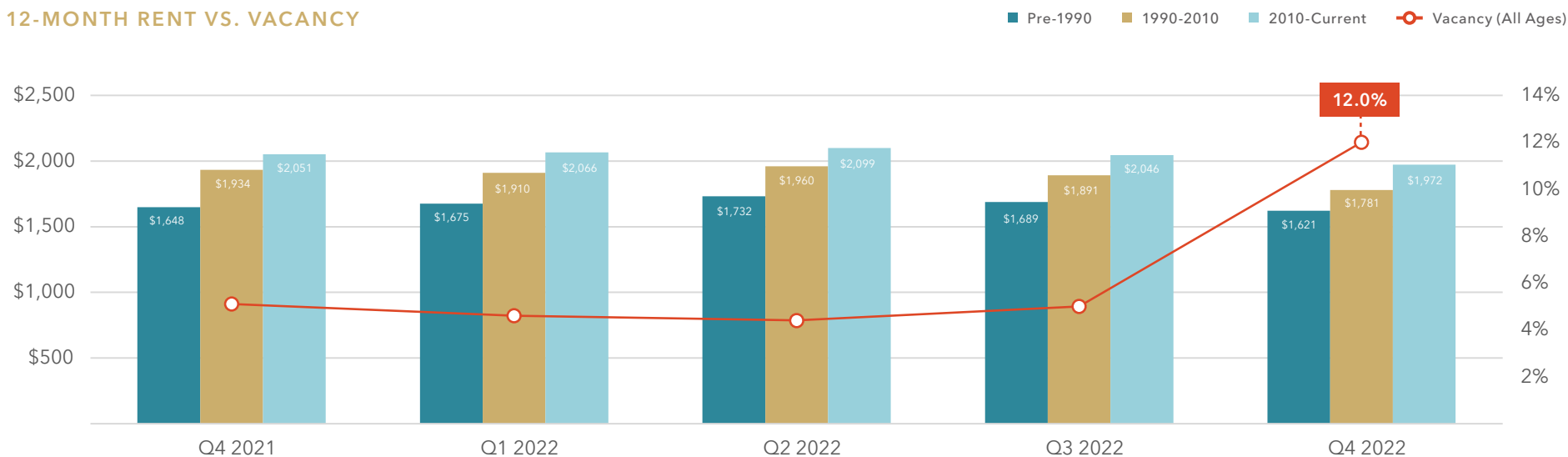
## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,143	\$1,199	\$1,243	\$1,300	\$1,341	\$1,416	\$1,416	▲ 2%	\$1,438	No Change	\$1,438
RENT/SF	\$1.36	\$1.43	\$1.48	\$1.55	\$1.60	\$1.69	\$1.69	▲ 2%	\$1.72	No Change	\$1.72
VACANCY	5.1%	4.6%	5.4%	4.4%	3.5%	3.0%	3.0%	▲ 190 bps	4.5%	▲ 40 bps	4.9%

All building ages, 5+ unit apartment buildings

# RENT & VACANCY | 50+ UNIT BUILDINGS

## 12-MONTH RENT VS. VACANCY



## HISTORICAL RENT & VACANCY

	2016	2017	2018	2019	2020	2021	Q4 2021	12-Month Change	Q3 2022	90-Day Change	Q4 2022
RENT	\$1,286	\$1,369	\$1,461	\$1,524	\$1,569	\$1,832	\$1,832	▼ 4%	\$1,840	▼ 4%	\$1,758
RENT/SF	\$1.49	\$1.58	\$1.69	\$1.76	\$1.81	\$2.12	\$2.12	▼ 4%	\$2.13	▼ 5%	\$2.03
VACANCY	5.7%	5.6%	5.8%	6.4%	6.2%	5.1%	5.1%	▲ 690 bps	5.0%	▲ 700 bps	12.0%

All building ages, 50+ unit apartment buildings

# TRUSTWORTHY. *STRATEGIC.* INNOVATIVE. RIGOROUS.

## Team Founders

**Dylan Simon**  
EXECUTIVE VICE  
PRESIDENT



**Jerrid Anderson**  
EXECUTIVE VICE  
PRESIDENT



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

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

**Matt Laird**  
VICE PRESIDENT



**Brandon Lawler**  
VICE PRESIDENT



**Winslow Lee**  
ASSOCIATE  
VICE PRESIDENT



**Max Frame**  
ASSOCIATE  
VICE PRESIDENT



### Specialties

Puget Sound Region

Development Land

5+ Unit Apartment Buildings

### Specialties

South King County

Pierce County

5+ Unit Apartment Buildings

### Specialties

North King County

Snohomish County

5+ Unit Apartment Buildings

### Specialties

Eastern Washington

Development Land

5+ Unit Apartment Buildings

**Jack Counihan**  
FINANCIAL ANALYST



**Cassie Pieters**  
TEAM ASSISTANT



**Ashley Woodliff**  
MARKETING COORDINATOR



## NOTES

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

## DATA SOURCES

### SALES

CoStar

King County Registrar

Pierce County Planning & Public Works  
Department

Real Capital Analytics

Simon | Anderson Multifamily Team Research

Snohomish County Registrar

### RENT, VACANCY & INVENTORY

CoStar

Simon | Anderson Multifamily Team Research

## *Simon/Anderson Multifamily Team*

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