

UNIVERSITY *of* WASHINGTON

WASHINGTON STATE APARTMENT MARKET REPORT

WASHINGTON CENTER FOR REAL ESTATE RESEARCH
RUNSTAD DEPARTMENT OF REAL ESTATE
COLLEGE OF BUILT ENVIRONMENTS

1st Quarter 2024

BE BOUNDLESS



EXECUTIVE SUMMARY

This report provides a summary of rent and vacancy rate trends for the state, the Puget Sound region, and the rest of the state, as well as detailed rent and vacancy rate statistics for those counties for which data are available. This is a change from our reports for the 4th quarter 2023 and earlier, which included data for only a selected set of counties.

Apartment rents increased across the state during the 1st quarter 2024, with the quarterly rate of growth increasing to 2.6%. Average rents increased by 2.7% in the Puget Sound region and 2.4% in the rest of the state. Vacancy rates have continued to stagnate across the state, averaging 5.2% statewide, 5.4% in the Puget Sound region, and 4.6% elsewhere in the state.

The average apartment rent statewide across all bedroom types was \$1,793, representing a 2.6% increase from the prior quarter as well as a 2.6% increase over a year earlier. Of the individual counties reported on, King and Snohomish counties continue to have the highest apartment rent levels (\$2,034 and \$1,894, respectively), while Columbia and Pend Oreille counties continue to have the lowest levels (\$582 and \$643). Annual rent growth has been highest in Okanogan County (6.6%) and lowest in Clark County (-1.4%).

Vacancy rates are highest in Pend Oreille County (24.1%) and lowest in Asotin County (0.6%). Vacancy rates declined year-over-year in 14 counties (Kitsap, Chelan, Franklin, Grays Harbor, Spokane, Pacific, Stevens, Thurston, Benton, Cowlitz, Jefferson, Mason, San Juan and Yakima) with the largest year-over-year decline seen in Kitsap (-2.5%) and the smallest year-over-year decline seen in Benton, Cowlitz, Jefferson, Mason, San Juan and Yakima (-0.1%). Vacancy rates increased in 17 counties; the largest increase was in Kittitas County (+4%) and the lowest increase was seen in Pend Oreille County (+0.1%).

MARKET ANALYSIS

RENT TRENDS

Apartment rents increased in the 1st quarter 2024 (see Figure 1). Rents increased by 2.6% on average across the state, 2.7% in the Puget Sound region and by 2.4% in the rest of the state.

The current statewide annual rate of rent growth is 2.6%; this means that average rent levels for the 1st quarter 2024 were 2.6% higher than those for the 1st quarter 2023. The annual growth rate for the Puget Sound region was 2.8%, while that for the rest of the state was 1.8%.

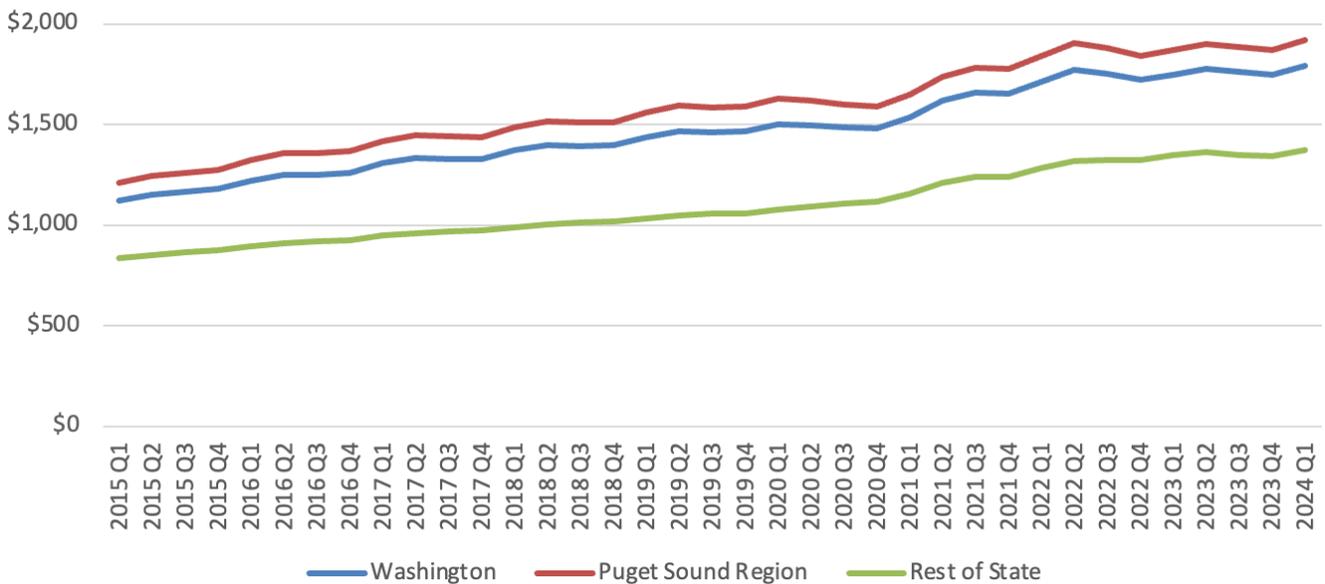


Figure 1. Historical Apartment Rents

VACANCY RATE TRENDS

Figure 2 shows a slight decline in statewide vacancy rates during the 1st quarter 2024. The current statewide vacancy rate is 5.2%, which represents an increase of about 0.3 percentage points over a year earlier. The gap between the average vacancy rates in the Puget Sound region and the rest of the state has increased very slightly (+0.1%); those regions currently have vacancy rates of 5.4% and 4.6%, respectively. For almost all the periods shown, vacancy rates in the Puget Sound region have been higher than elsewhere in the state. Year-over-year, vacancy rates increased 0.1 percentage points in the Puget Sound region and 0.8 percentage points elsewhere in the state.

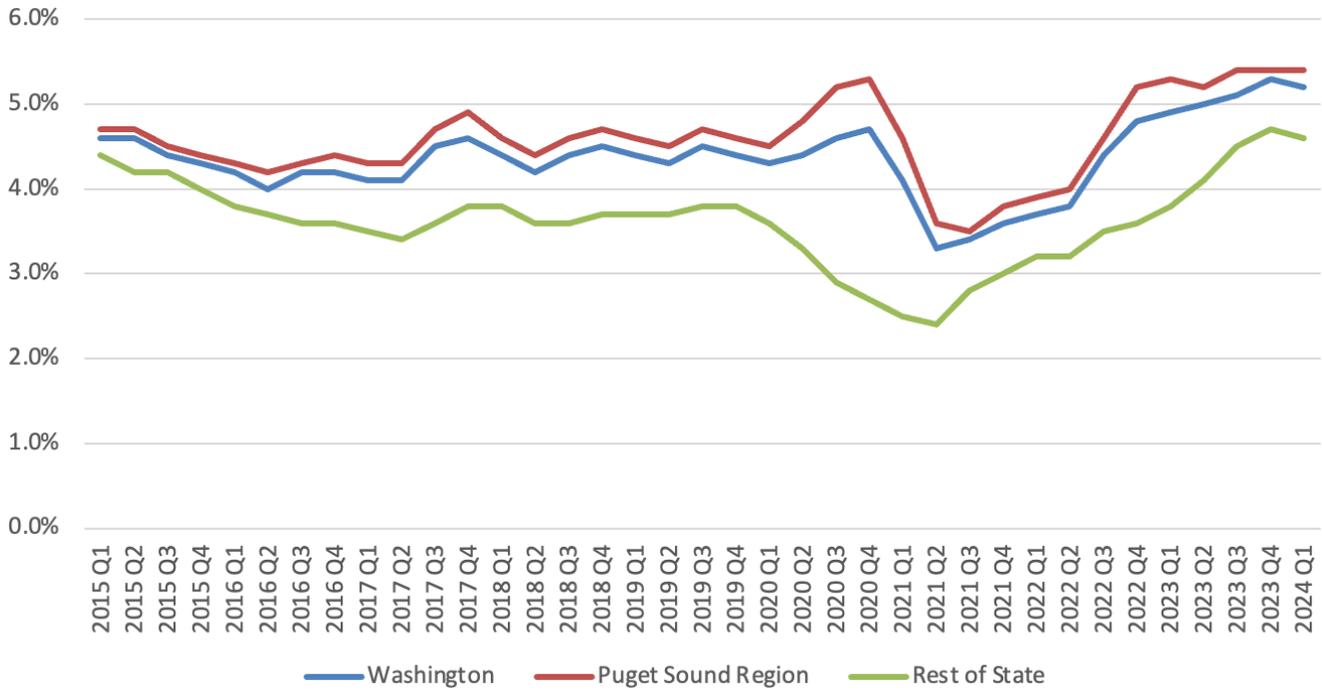


Figure 2. Historical Apartment Vacancy Rates

STATISTICS BY UNIT TYPE AND COUNTY

Rents across all apartment types averaged \$1,788, ranging from a low of \$582 in Columbia County to a high of \$2,034 in King County (see Table 1). Annual rent growth rates averaged 1.9%, with a low of -1.4% in Clark County and a high of 6.6% in Okanogan County. The lowest rents per square foot are in Columbia and Stevens counties (\$0.58/SF and \$0.83/SF respectively), while the highest rents per square foot are in King and Snohomish counties (\$2.63/SF and \$2.13/SF respectively).

Table 1. Statistics for All Types of Units

County	Number of Units	Average SF	Average Rent	Rent Per SF	Rent Growth/Year	Vacancy Units	Vacancy Percent	Vacancy Growth/Year
Adams	-	-	-	-	-	-	-	-
Asotin	312	847	\$1,218	\$1.44	5.2%	2	0.6%	0.2%
Benton	12,485	884	\$1,337	\$1.52	2.5%	756	6.2%	-0.1%
Chelan	1,921	790	\$1,582	\$1.95	2.1%	134	7.0%	-1.6%
Clallam	440	866	\$876	\$1.04	0.9%	12	2.8%	0.4%
Clark	34,935	916	\$1,589	\$1.73	-1.4%	1,737	5.0%	1.6%
Columbia	26	1,011	\$582	\$0.58	1.1%	2	7.7%	0.8%
Cowlitz	2,118	797	\$1,248	\$1.54	1.5%	47	2.2%	-0.1%
Douglas	561	1,028	\$1,587	\$1.58	2.9%	24	4.8%	0.0%
Ferry	-	-	-	-	-	-	-	-
Franklin	2,491	950	\$1,234	\$1.31	0.9%	70	2.8%	-1.1%
Garfield	-	-	-	-	-	-	-	-
Grant	2,383	920	\$1,191	\$1.30	4.0%	121	5.1%	0.8%
Grays Harbor	914	799	\$926	\$1.12	2.6%	38	4.1%	-0.4%
Island	729	774	\$1,075	\$1.41	1.1%	17	2.3%	0.6%
Jefferson	115	919	\$747	\$0.90	1.2%	7	5.8%	-0.1%
King	256,247	774	\$2,034	\$2.63	2.1%	13,764	5.4%	0.0%
Kitsap	11,125	847	\$1,629	\$1.93	4.3%	537	4.8%	-2.5%
Kittitas	1,914	870	\$1,229	\$1.41	-0.3%	112	5.9%	4.0%
Klickitat	99	802	\$774	\$0.96	1.0%	8	8.0%	1.4%
Lewis	1,148	877	\$1,020	\$1.14	2.0%	20	1.8%	0.3%
Lincoln	-	-	-	-	-	-	-	-
Mason	288	696	\$804	\$1.29	1.8%	8	2.9%	-0.1%
Okanogan	291	838	\$784	\$0.98	6.6%	17	6.0%	1.4%
Pacific	117	916	\$832	\$0.91	1.3%	5	4.0%	-0.2%
Pend Oreille	105	827	\$643	\$0.85	1.0%	25	24.1%	0.1%
Pierce	58,468	846	\$1,594	\$1.88	2.0%	3,286	5.6%	0.0%
San Juan	46	924	\$1,238	\$1.21	1.1%	2	4.5%	-0.1%
Skagit	2,543	850	\$1,405	\$1.66	3.4%	78	3.1%	0.5%
Skamania	72	792	\$873	\$1.17	1.0%	7	9.1%	0.6%
Snohomish	49,747	890	\$1,894	\$2.13	1.5%	2,636	5.3%	0.2%
Spokane	36,451	901	\$1,289	\$1.42	1.9%	1,609	4.4%	-0.3%
Stevens	48	833	\$695	\$0.83	1.1%	3	7.0%	-0.2%
Thurston	16,878	877	\$1,592	\$1.82	3.9%	774	4.6%	-0.2%
Wahkiakum	-	-	-	-	-	-	-	-
Walla Walla	1,142	714	\$1,212	\$1.70	1.5%	88	7.7%	1.4%
Whatcom	9,573	802	\$1,500	\$1.86	2.6%	317	3.4%	0.9%
Whitman	2,755	783	\$1,040	\$1.34	1.2%	171	6.2%	0.3%
Yakima	5,783	850	\$937	\$1.10	1.9%	126	2.2%	-0.1%
Total	514,270	824	\$1,788	\$2.20	1.90%	26,560	5.18%	0.08%

Vacancy rates across these markets averaged 5.18%, ranging from 0.6% in Asotin County to 24.1% in Pend Oreille County. Changes in vacancy rates from a year earlier averaged a positive 0.08 percentage points, ranging from -2.5 percentage points in Kitsap County to 4.0 percentage points in Kittitas County.

Geographical patterns of rents for one- and two-bedroom units are quite similar to those for all bedroom types as a group (see Tables 2 and 3). More rural counties such as Pend Oreille, Columbia, Stevens and Jefferson consistently have the lowest average rents, while King County has the highest rents. Annual rent growth rates were lowest in Clark County and highest in Asotin County for one-bedroom units (-1.8% and 6.3% respectively). Annual rent growth rates for two-bedroom units were also lowest in Clark County (-1.6%) but were highest in Okanogan County (9.8%). Vacancy rates for one-bedroom units were lowest in Asotin and Lewis counties (0.5% and 1.1% respectively) and highest in Pend Oreille County (36.1%). For two-bedroom units, vacancy rates were lowest in Asotin County (0.7%) and highest in Pend Oreille County (17.6%). Annual changes in vacancy rates for one-bedroom units were lowest in Kitsap County (-2.5 percentage points) and highest in Okanogan County (2.7 percentage points). Two-bedroom units also saw the lowest annual changes in vacancy rates in Kitsap County (-2.5 percentage points) and the highest in Kittitas County (6.2 points).

Table 2. Statistics for One-Bedroom Units

County	Number of Units	Average SF	Average Rent	Rent Per SF	Rent Growth/Year	Vacancy Units	Vacancy Percent	Vacancy Growth/Year
Adams	-	-	-	-	-	-	-	-
Asotin	55	679	\$1,140	\$1.68	6.3%	0	0.5%	0.1%
Benton	4,323	699	\$1,161	\$1.68	2.8%	212	5.0%	-0.5%
Chelan	692	691	\$1,449	\$2.10	0.6%	50	7.2%	-1.8%
Clallam	118	601	\$764	\$1.30	0.8%	2	2.1%	0.1%
Clark	10,077	702	\$1,408	\$2.00	-1.8%	505	5.0%	1.4%
Columbia	-	-	-	-	-	-	-	-
Cowlitz	497	611	\$1,048	\$1.52	0.8%	8	1.6%	0.2%
Douglas	56	567	\$1,217	\$2.25	1.2%	2	3.7%	-0.1%
Ferry	-	-	-	-	-	-	-	-
Franklin	729	723	\$1,204	\$1.63	1.4%	23	3.2%	-1.3%
Garfield	-	-	-	-	-	-	-	-
Grant	635	705	\$1,264	\$1.77	4.4%	37	5.9%	1.4%
Grays Harbor	137	677	\$873	\$1.29	1.2%	8	5.7%	-0.9%
Island	250	624	\$1,061	\$1.78	0.2%	5	2.1%	1.1%
Jefferson	8	716	\$649	\$0.91	1.2%	0	1.8%	-0.1%
King	113,051	682	\$1,926	\$2.83	2.2%	6,144	5.4%	0.0%
Kitsap	3,810	662	\$1,441	\$2.21	5.0%	183	4.9%	-2.5%
Kittitas	524	605	\$897	\$1.51	1.4%	22	4.2%	2.5%
Klickitat	38	577	\$779	\$1.35	1.2%	2	4.7%	0.0%
Lewis	293	687	\$822	\$1.21	1.3%	3	1.1%	0.0%
Lincoln	-	-	-	-	-	-	-	-
Mason	133	694	\$880	\$1.48	1.7%	5	3.6%	-0.1%
Okanogan	75	597	\$740	\$1.33	0.6%	6	8.2%	2.7%
Pacific	21	651	\$644	\$1.00	1.5%	1	5.6%	-0.1%
Pend Oreille	33	739	\$584	\$0.79	1.1%	12	36.1%	0.6%
Pierce	21,618	669	\$1,380	\$2.05	2.0%	1,155	5.3%	0.0%
San Juan	-	-	-	-	-	-	-	-
Skagit	766	631	\$1,313	\$2.13	2.6%	27	3.5%	0.5%
Skamania	26	646	\$629	\$1.16	1.0%	2	8.2%	0.8%
Snohomish	17,225	693	\$1,663	\$2.41	1.3%	931	5.4%	0.2%
Spokane	11,695	685	\$1,099	\$1.60	1.3%	574	4.9%	-0.2%
Stevens	13	700	\$655	\$0.94	1.1%	1	7.0%	-0.2%
Thurston	5,484	680	\$1,421	\$2.10	4.9%	249	4.5%	-0.4%
Wahkiakum	-	-	-	-	-	-	-	-
Walla Walla	339	633	\$1,163	\$1.84	-1.5%	25	7.4%	2.1%
Whatcom	3,159	618	\$1,320	\$2.15	1.7%	96	3.1%	0.8%
Whitman	975	588	\$871	\$1.48	0.9%	63	6.5%	0.0%
Yakima	1,935	666	\$844	\$1.24	1.7%	46	2.4%	-0.1%
Total	198,790	680	\$1,682	\$2.47	1.95%	10,399	5.21%	0.03%

Table 3. Statistics for Two-Bedroom Units

County	Number of Units	Average SF	Average Rent	Rent Per SF	Rent Growth/Year	Vacancy Units	Vacancy Percent	Vacancy Growth/Year
Adams	-	-	-	-	-	-	-	-
Asotin	219	833	\$1,248	\$1.50	5.1%	2	0.7%	0.2%
Benton	5,897	968	\$1,410	\$1.46	2.6%	325	5.6%	0.4%
Chelan	772	947	\$1,764	\$1.86	1.2%	65	8.4%	-1.2%
Clallam	177	930	\$921	\$1.01	0.8%	8	4.3%	1.0%
Clark	19,189	973	\$1,617	\$1.66	-1.6%	990	5.2%	1.8%
Columbia	9	807	\$417	\$0.52	1.1%	1	11.1%	0.8%
Cowlitz	1,128	884	\$1,419	\$1.63	1.8%	25	2.2%	-0.2%
Douglas	359	1,039	\$1,602	\$1.55	3.0%	17	5.1%	0.0%
Ferry	-	-	-	-	-	-	-	-
Franklin	1,176	1,032	\$1,303	\$1.29	0.6%	32	2.8%	-0.8%
Garfield	-	-	-	-	-	-	-	-
Grant	1,009	947	\$1,316	\$1.39	3.5%	54	5.3%	0.8%
Grays Harbor	335	919	\$970	\$1.05	3.7%	12	3.6%	0.0%
Island	281	813	\$1,101	\$1.39	1.4%	8	2.9%	0.7%
Jefferson	86	885	\$760	\$0.90	1.2%	5	5.3%	-0.1%
King	81,238	982	\$2,355	\$2.40	2.4%	4,233	5.2%	0.1%
Kitsap	5,364	911	\$1,666	\$1.83	4.2%	247	4.6%	-2.5%
Kittitas	946	847	\$1,196	\$1.40	0.7%	74	7.9%	6.2%
Klickitat	31	877	\$843	\$0.96	1.1%	2	5.2%	-0.7%
Lewis	490	878	\$1,052	\$1.21	1.7%	7	1.5%	0.2%
Lincoln	-	-	-	-	-	-	-	-
Mason	64	850	\$690	\$0.88	1.2%	2	2.6%	-0.1%
Okanogan	103	820	\$831	\$1.05	9.8%	6	5.5%	1.6%
Pacific	77	932	\$857	\$0.92	1.2%	2	2.3%	-0.1%
Pend Oreille	29	950	\$796	\$0.83	1.0%	5	17.6%	0.3%
Pierce	26,905	948	\$1,707	\$1.79	2.2%	1,454	5.4%	0.1%
San Juan	16	885	\$1,136	\$1.36	1.1%	1	4.3%	-0.1%
Skagit	1,128	891	\$1,391	\$1.56	4.1%	33	2.9%	0.3%
Skamania	34	878	\$896	\$1.17	1.0%	2	6.5%	0.7%
Snohomish	23,897	961	\$1,960	\$2.04	1.5%	1,286	5.4%	0.2%
Spokane	17,895	975	\$1,332	\$1.37	2.0%	768	4.3%	-0.3%
Stevens	16	900	\$718	\$0.80	1.1%	1	7.0%	-0.2%
Thurston	8,039	954	\$1,664	\$1.74	3.4%	384	4.8%	0.0%
Wahkiakum	-	-	-	-	-	-	-	-
Walla Walla	433	880	\$1,387	\$1.58	0.7%	40	9.3%	2.3%
Whatcom	4,024	901	\$1,605	\$1.77	2.7%	134	3.4%	0.9%
Whitman	1,314	825	\$1,068	\$1.30	1.7%	78	6.0%	0.5%
Yakima	1,890	921	\$1,010	\$1.09	1.4%	37	2.0%	0.0%
Total	204,570	964	\$1,911	\$1.98	1.93%	10,340	5.06%	0.22%

DATA AND METHODS

This report includes data on multi-family buildings that were constructed at least two years prior to the survey to avoid issues related to the timing of take-up of new units. The same restriction also applies to the statewide, Puget Sound, and rest-of-state data shown and discussed in the report for Figures 1 and 2. However, Figure 3 (*Distribution of Units by Number of Bedrooms*), has no restriction on building construction date to reflect the most accurate unit mix in the market as of the end of the quarter being reported. The numbers of units surveyed in each county are listed in Tables 1 through 3. Note that the All Apartments category includes units of all sizes, ranging from studios to four or more bedrooms.

This report focuses on one and two-bedroom apartments, which make up the majority of the units across the state, as well as all apartment sizes considered as a group. One and two-bedroom units comprise 77.7% of apartments in the Puget Sound counties (King, Kitsap, Pierce, Snohomish, and Thurston) and 78.8% elsewhere in the state (see Figure 3). The percentage is lower in the Puget Sound region due to the greater proportion of studio apartments. Note that the term “rest of state” is used in this report to refer to all counties other than the five in the Puget Sound region, not just those listed in the tables.

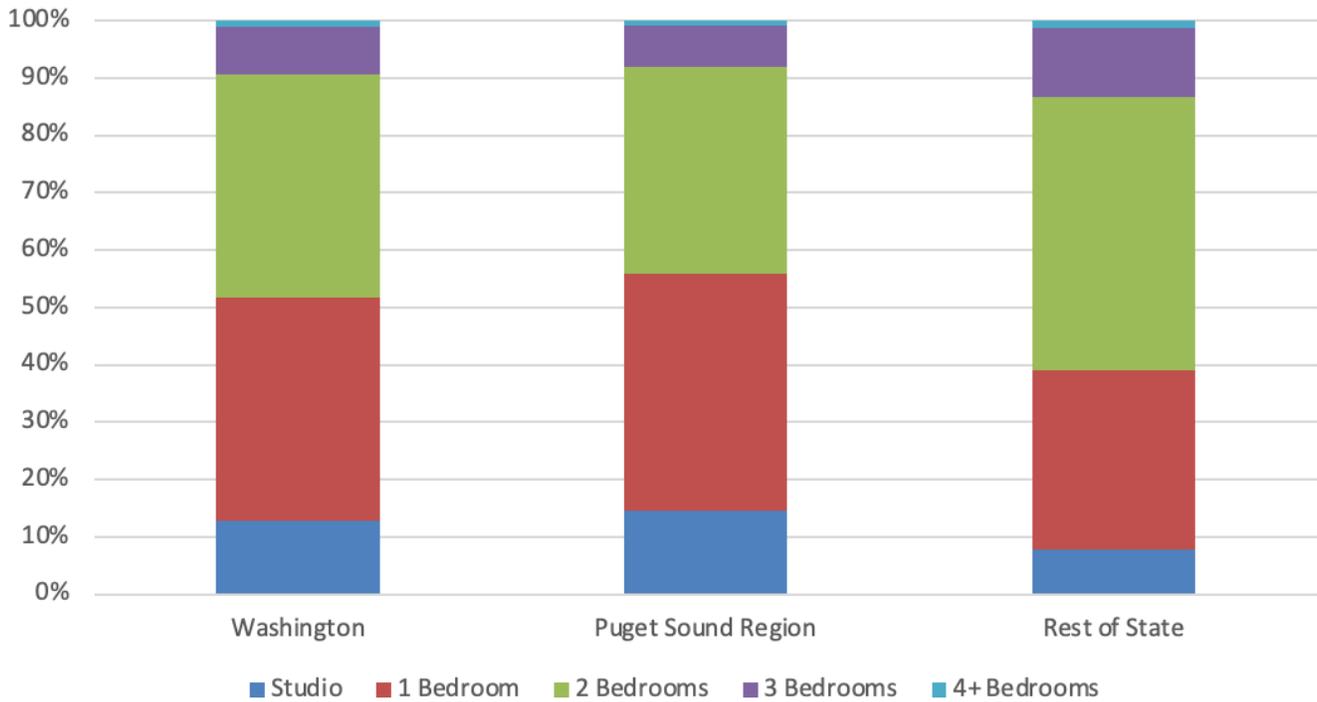


Figure 3. Distribution of Units by Number of Bedrooms

The underlying data analyzed here are sourced from CoStar, a recognized international provider of commercial property data. CoStar's verified data is sourced through primary research, data provided by market participants, public record and data feeds. Among these is CoStar's Apartments.com network, the largest online multi-family marketplace. This multi-faceted, comprehensive approach provides the most robust and current rental market data available. Because this is a modified approach to data collection and analysis, the statistics presented here cannot be compared directly with statistics in reports published by WCRER prior to the 3rd quarter 2022.

Note that, except for the number of units and the number of vacant units, which are sums, the totals in Tables 1 through 3 are weighted averages, with the weights being the number of units in the survey for each county. The rent growth per year represents a percentage change (i.e., the change in rent levels as a percentage of the rent level a year earlier), while the vacancy growth per year is a percentage *point* change (i.e., the current vacancy rate *minus* the rate a year earlier).

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