



Barry & Associates
APARTMENT APPRAISAL SPECIALISTS

Multifamily NW

Spring 2024 Apartment Report

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Barry & Associates

Apartment Appraisal Specialists

Topics Covered

1. Vacancies
2. Rent
3. Apartment Construction
4. Apartment Sales & Values
5. Apartment Forecasts



Rents & Vacancies – Spring Apartment Report 2024

Lowest Vacancies – Sub 5.25%

- Aloha – 4.9%
- Tigard/Tualatin – 4.9%
- Clackamas – 5.2%
- Outer NE Portland – 5.2%

Highest Vacancies – 7%+

- N Portland/St Johns – 9.3%
- NW Portland – 8.7%
- Downtown Portland – 7.5%
- East Vancouver – 7.0%

Highest Rents

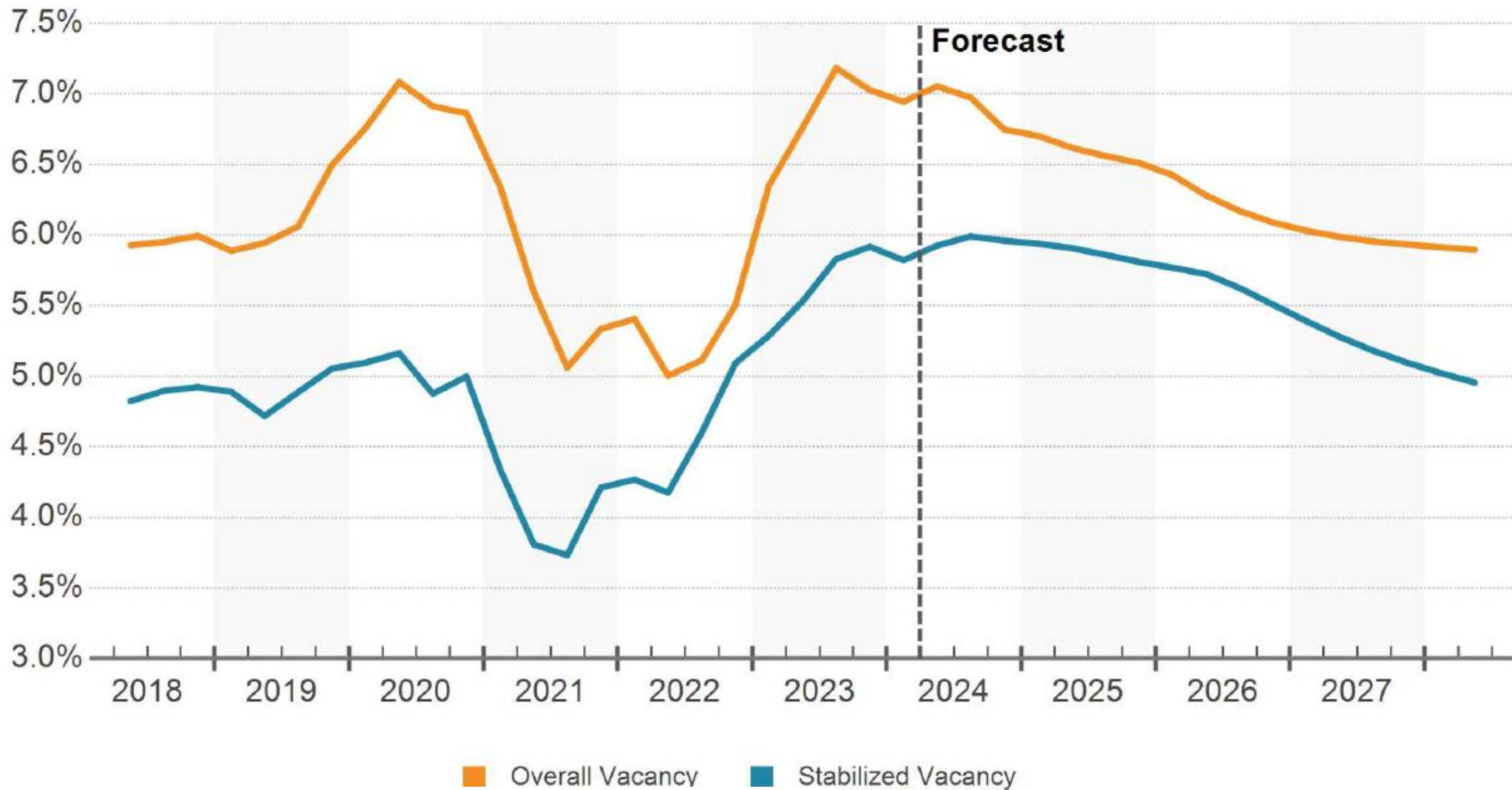
- NW Portland \$2.69/SF
- Downtown Portland \$2.68/SF
- N Portland/St. Johns \$2.35
- Inner/Central NE Portland \$2.21

Lowest Rents

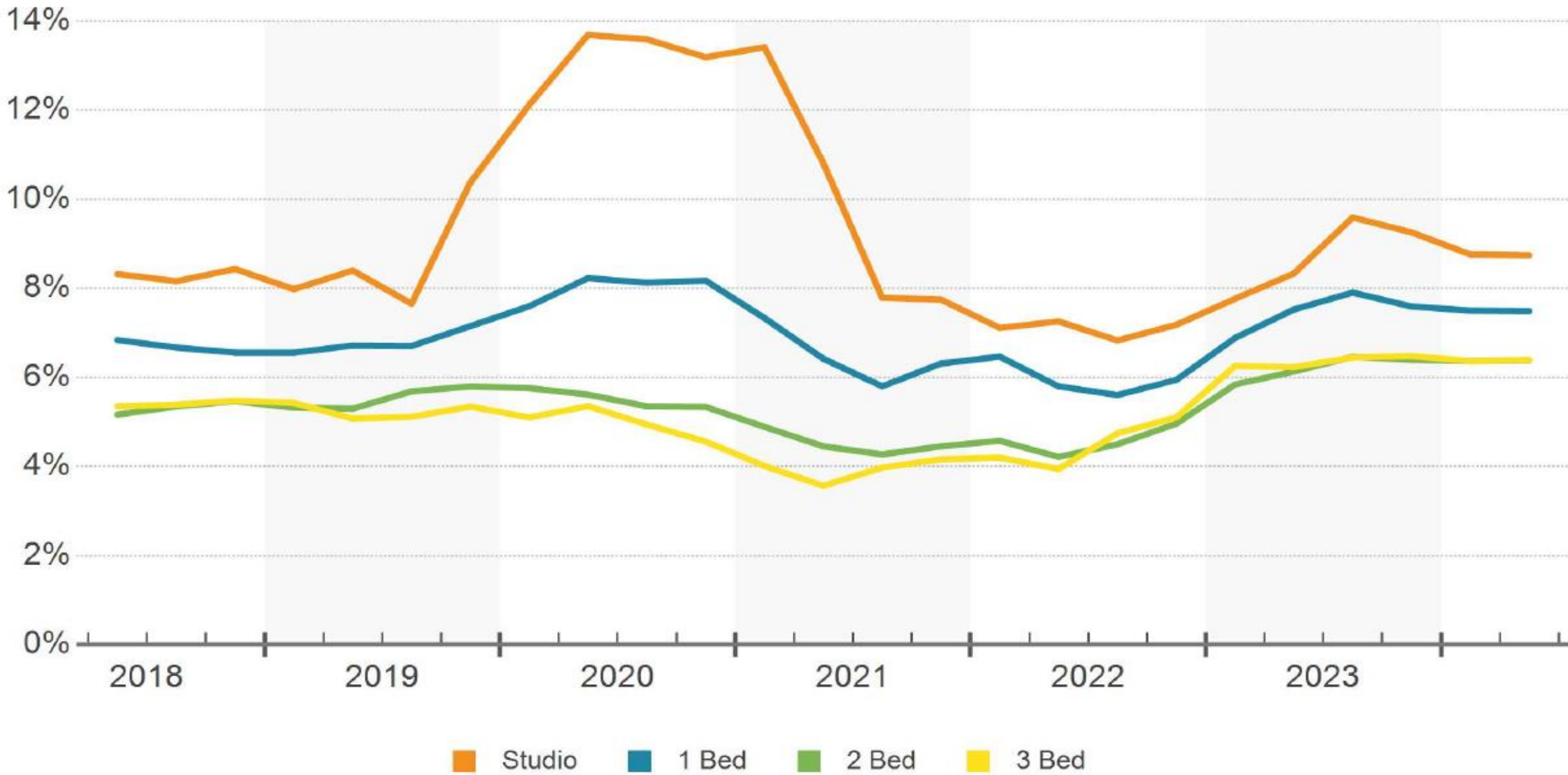
- Outer SE \$1.45
- Outer NE \$1.69
- West Vancouver \$1.88
- Oregon City/Gladstone \$1.84
- Milwaukie \$1.91



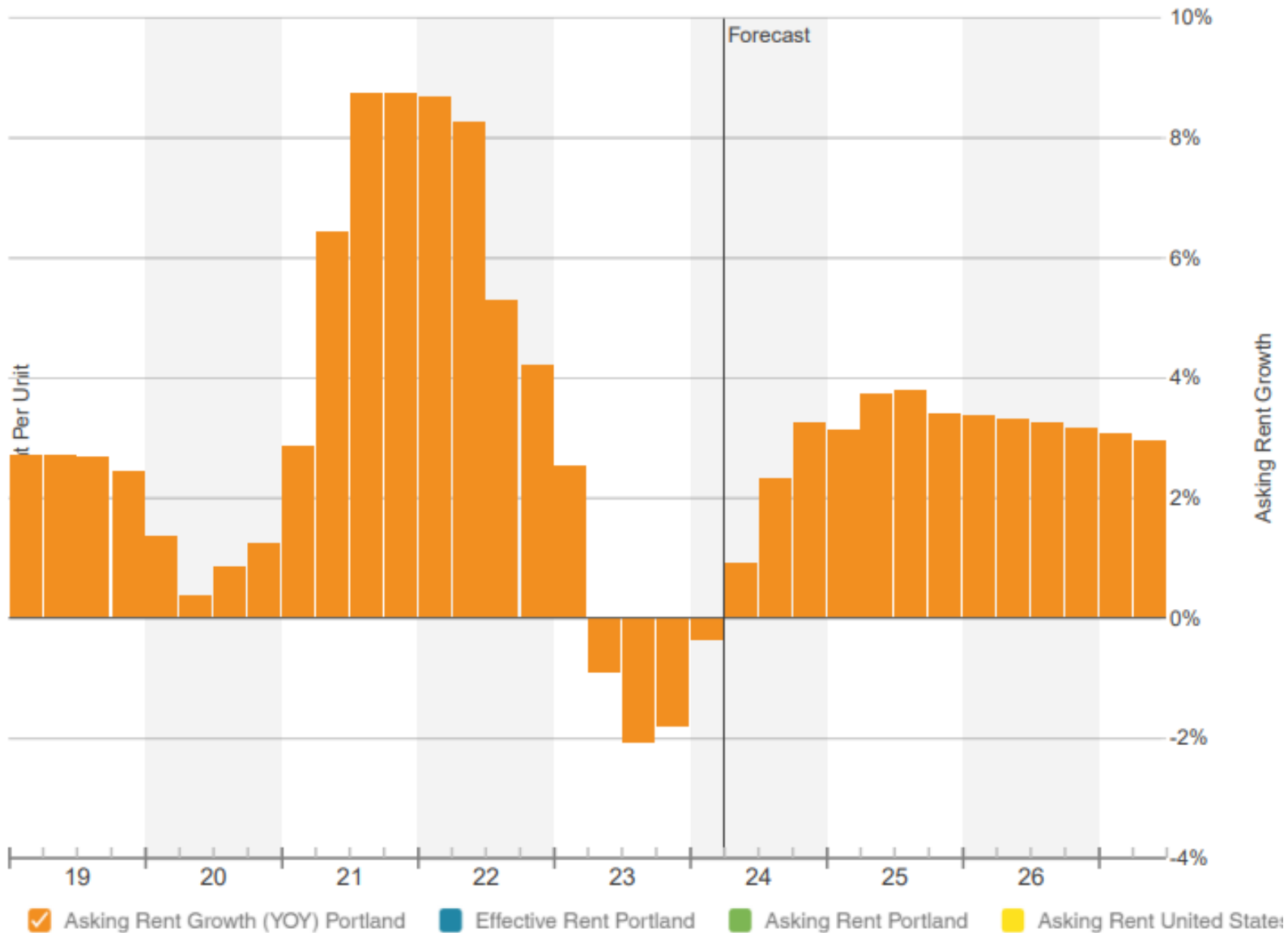
OVERALL & STABILIZED VACANCY



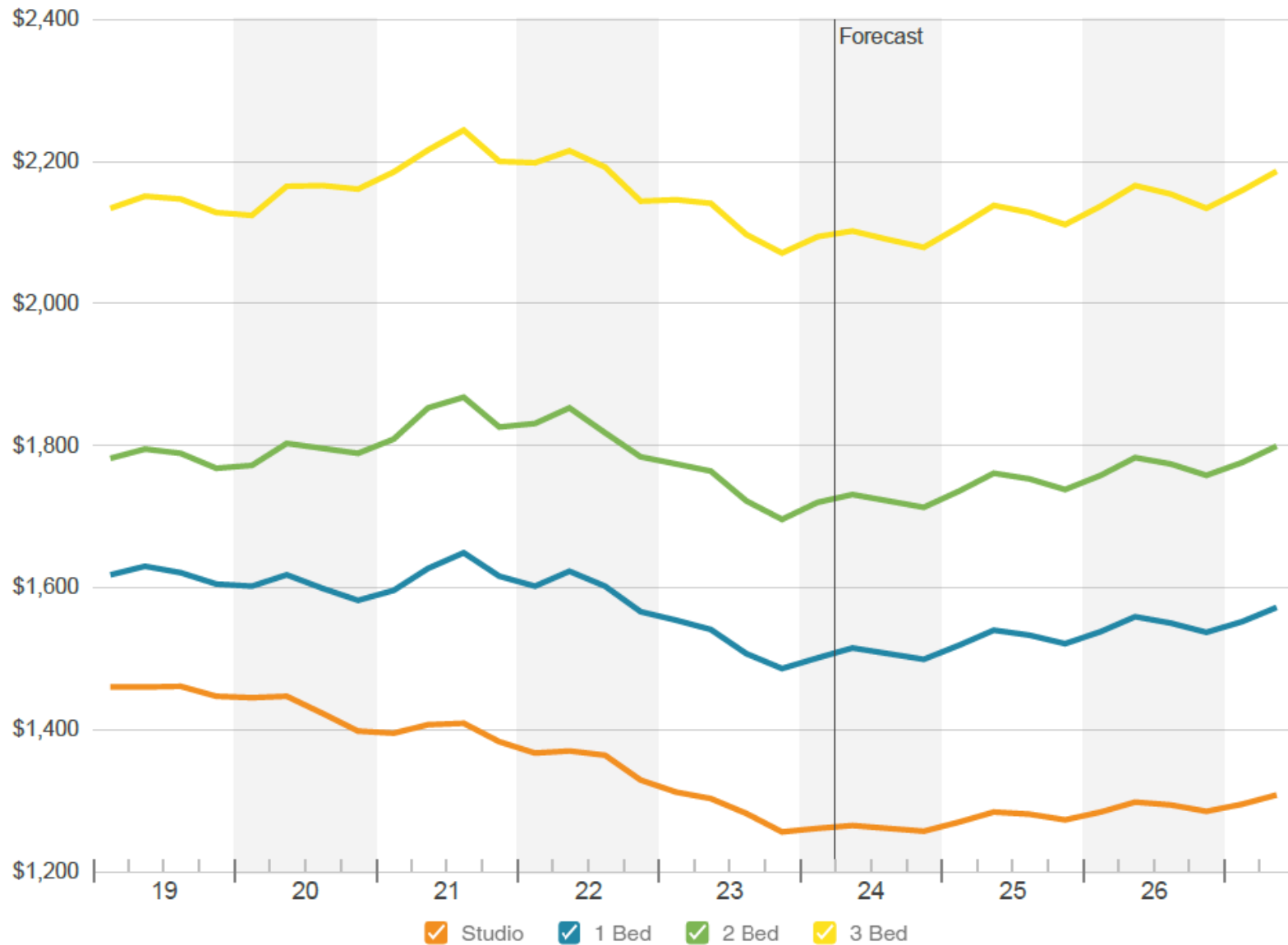
VACANCY BY BEDROOM



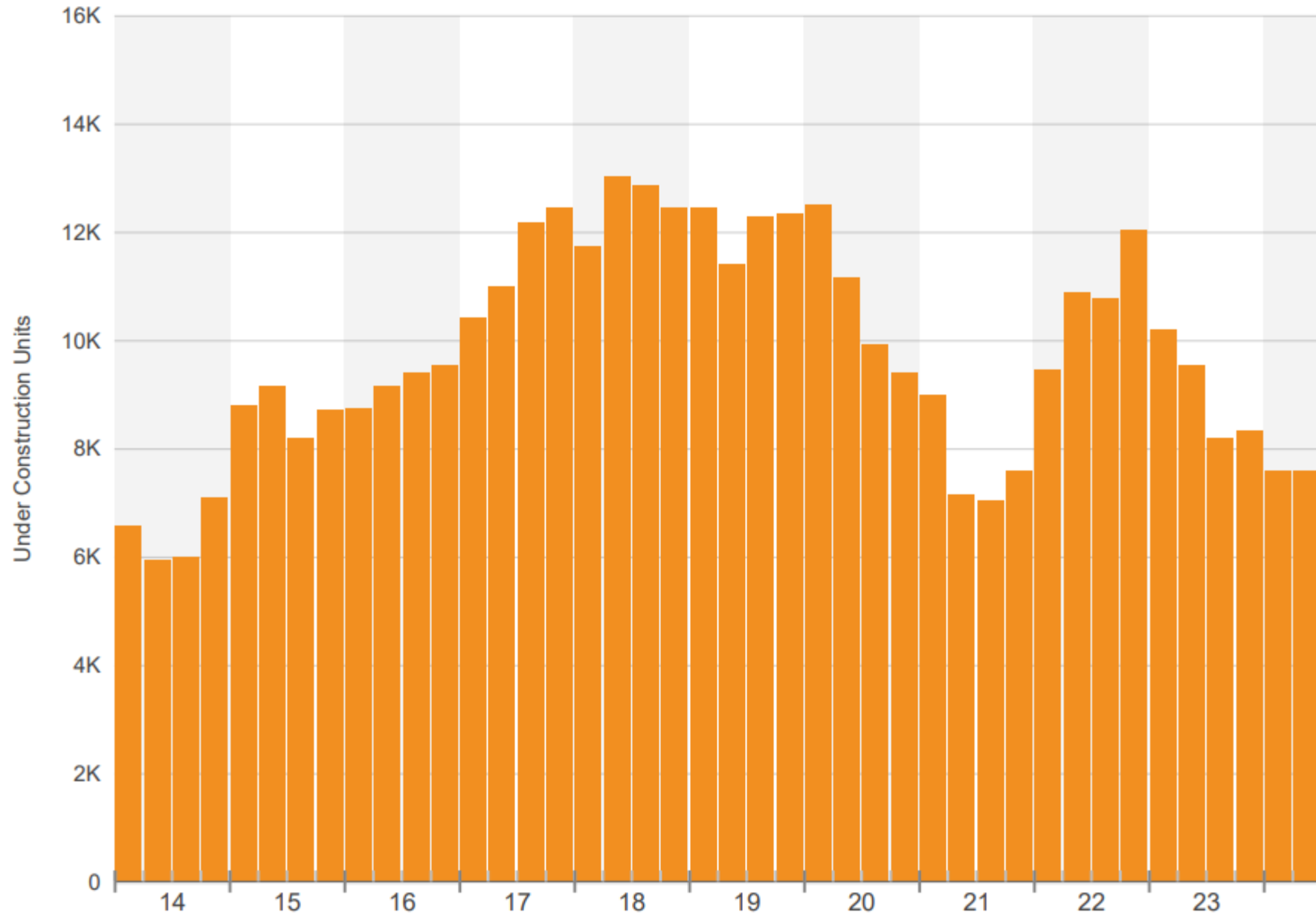
Market Rent Per Unit & Rent Growth



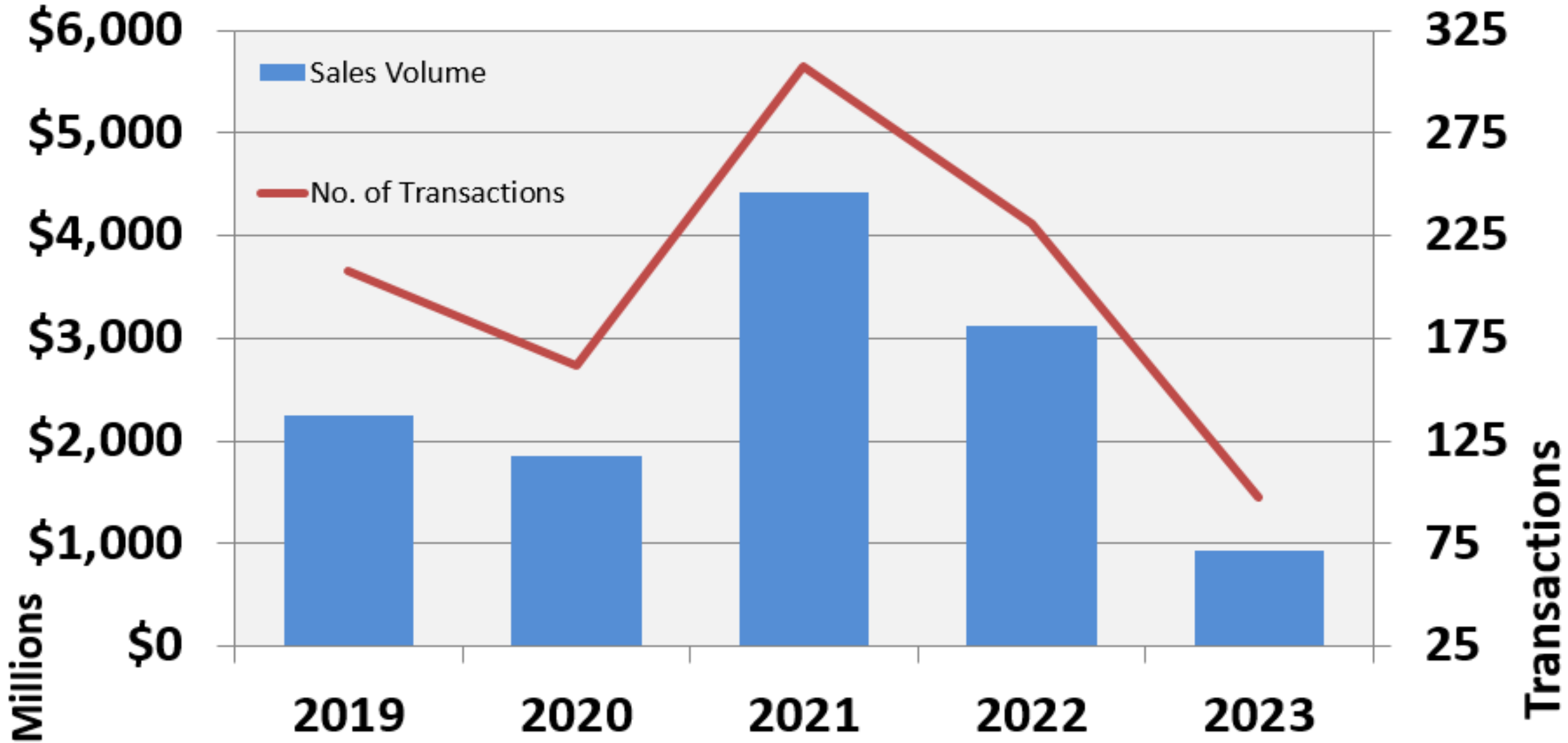
Market Rent Per Unit By Bedroom



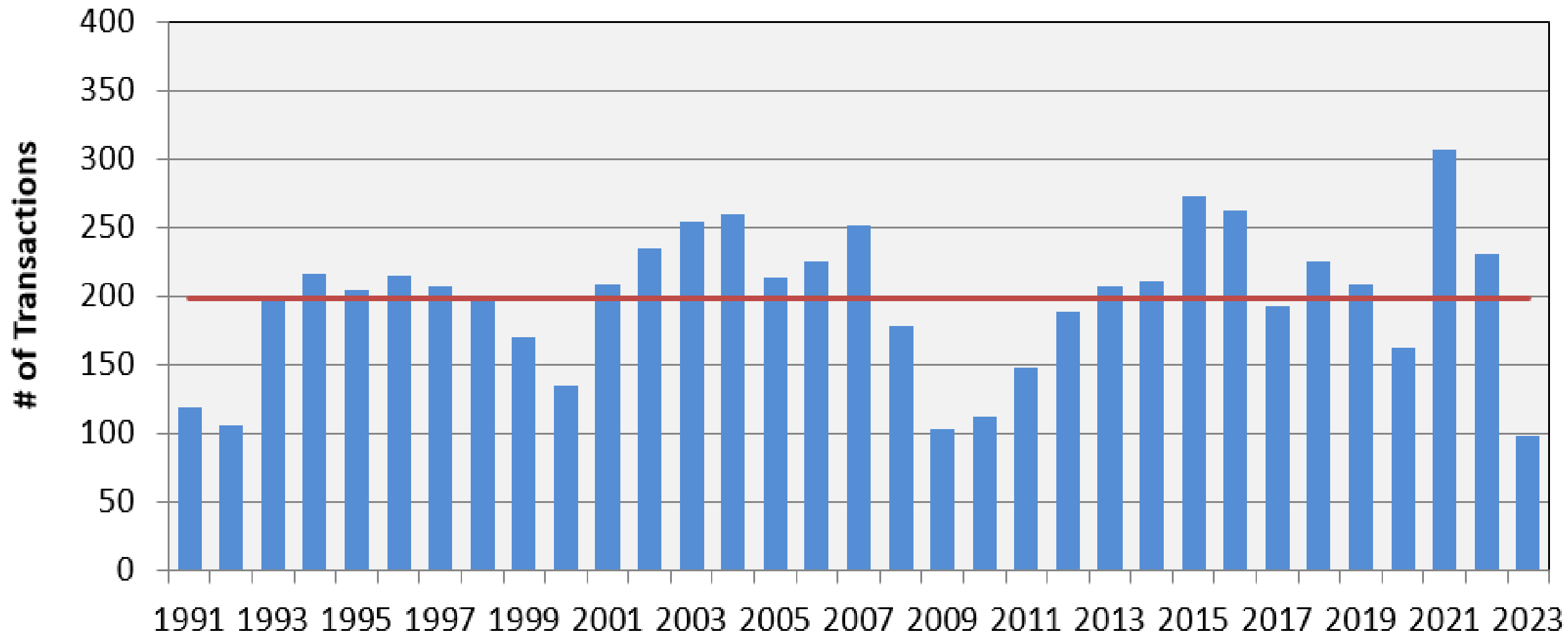
Under Construction



Apartment Sales Volume & Transactions Portland Metro Area - 2019-2023



Apartment Sales Volume & Transactions Portland Metro Area (1991 - 2023)



When will sales increase?

News

National Capital Markets

Bidders Returning To CRE, Sparking Hope For Valuation Clarity, JLL Says

January 11, 2024 | Dees Stribling, Bisnow National 

 Gantry · Feb 7 · 4 min read

Multifamily Sales Slow So Far This Year But Experts Think That Will Change

The bar is very low as 2023's total was down by 60%.

By Richard Berger | February 06, 2024

DECEMBER 19, 2023

Navigating Price Discovery Difficulties – Buyers and Sellers Stuck in Standoff

POSTED IN – MARKET RESEARCH | TREND ARTICLE

Features

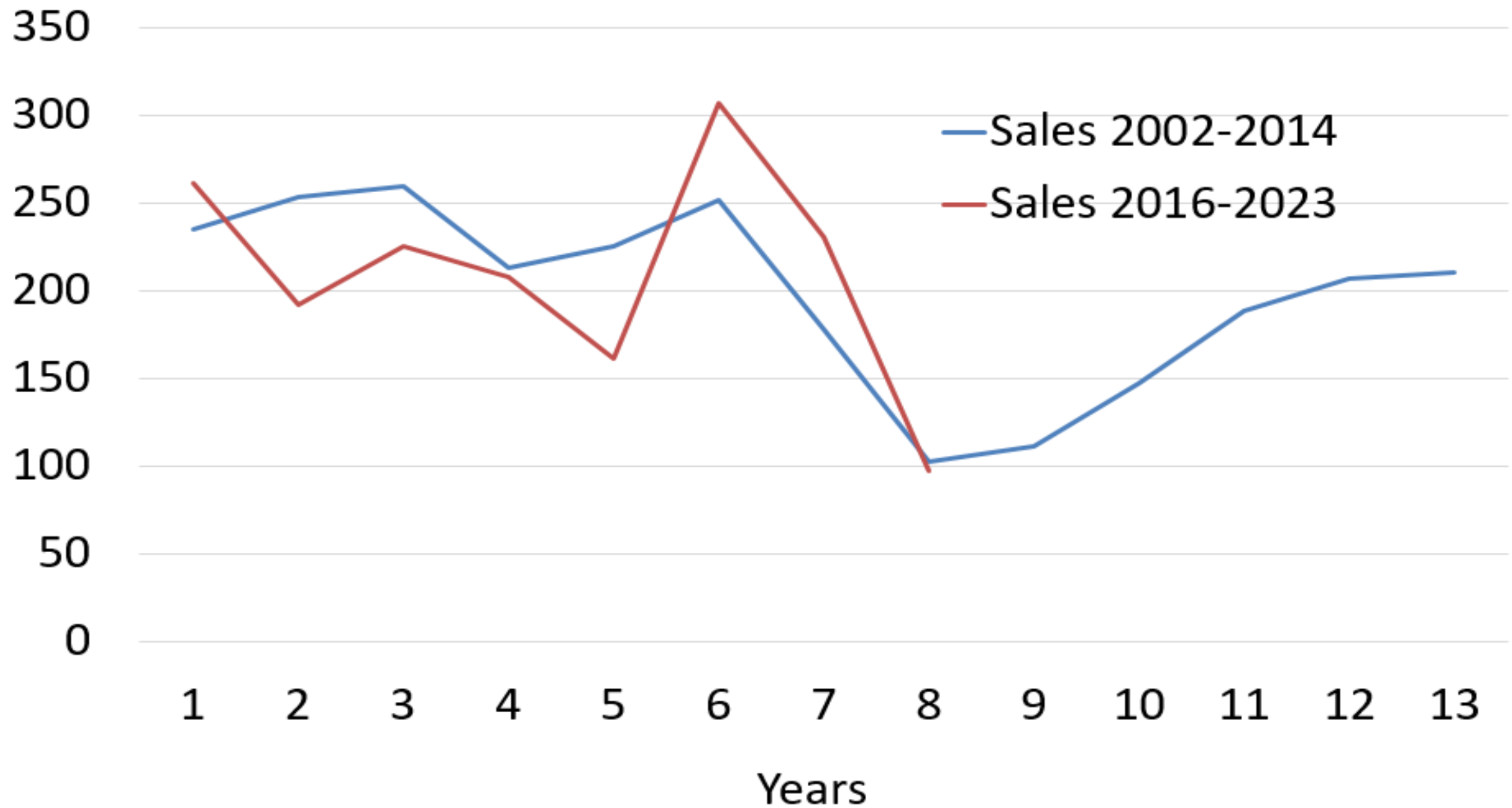
Multifamily Sales Slow So Far This Year But Experts Think That Will Change

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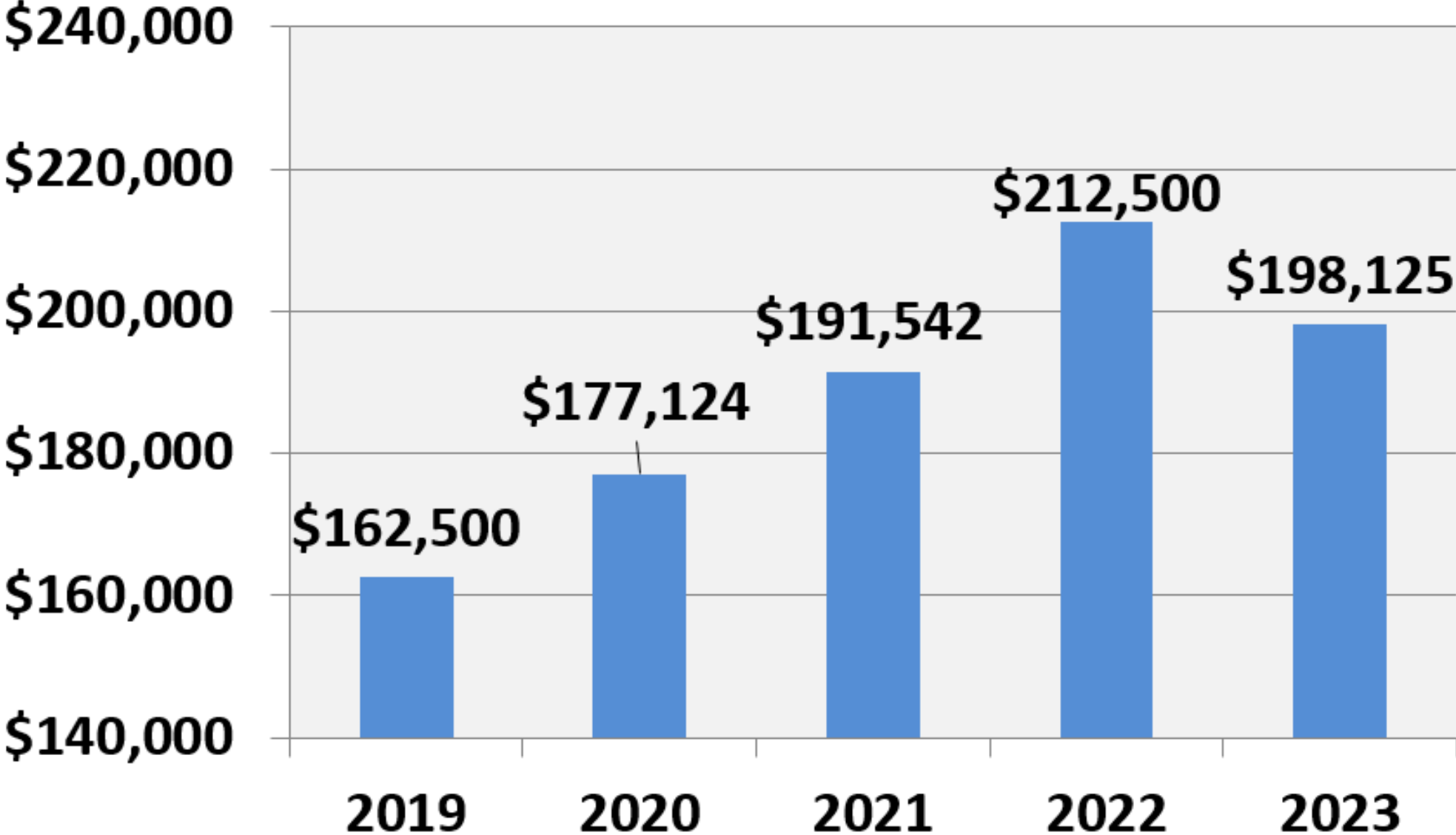
By Richard Berger | February 06, 2024 at 07:53 AM



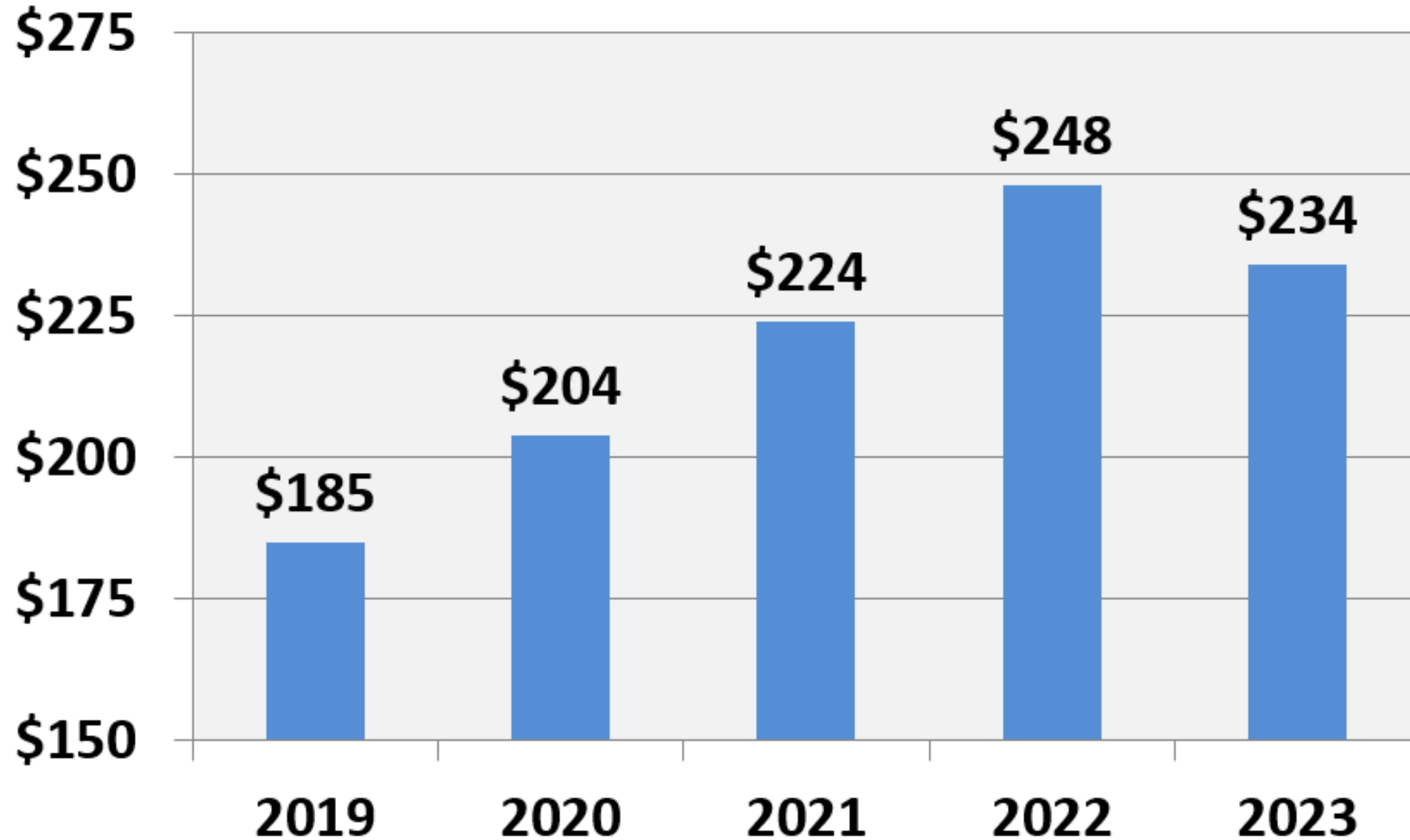
Apartment Transactions Portland Metro



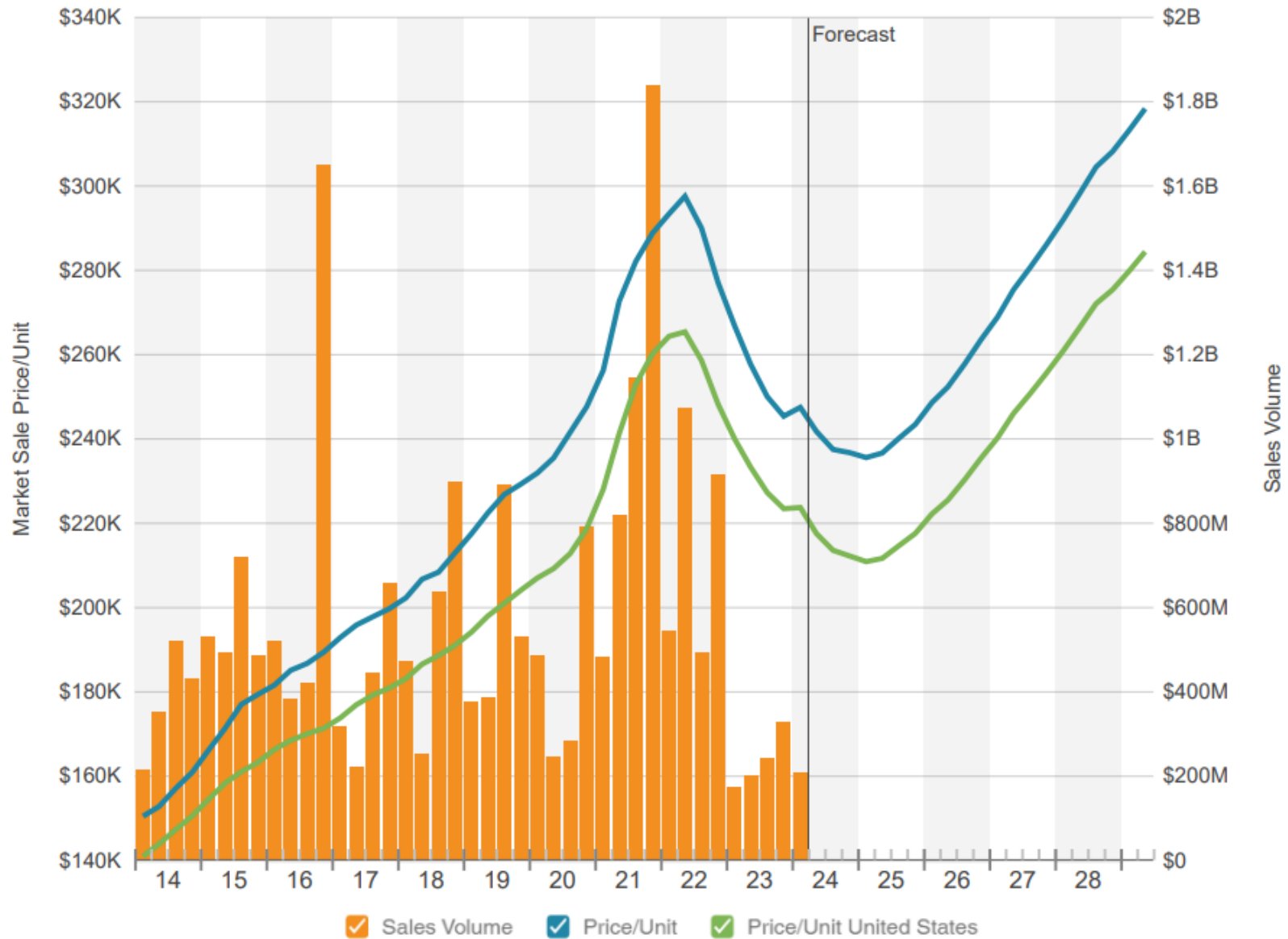
Portland Metro Area Median Price per Unit (2019 - 2023)



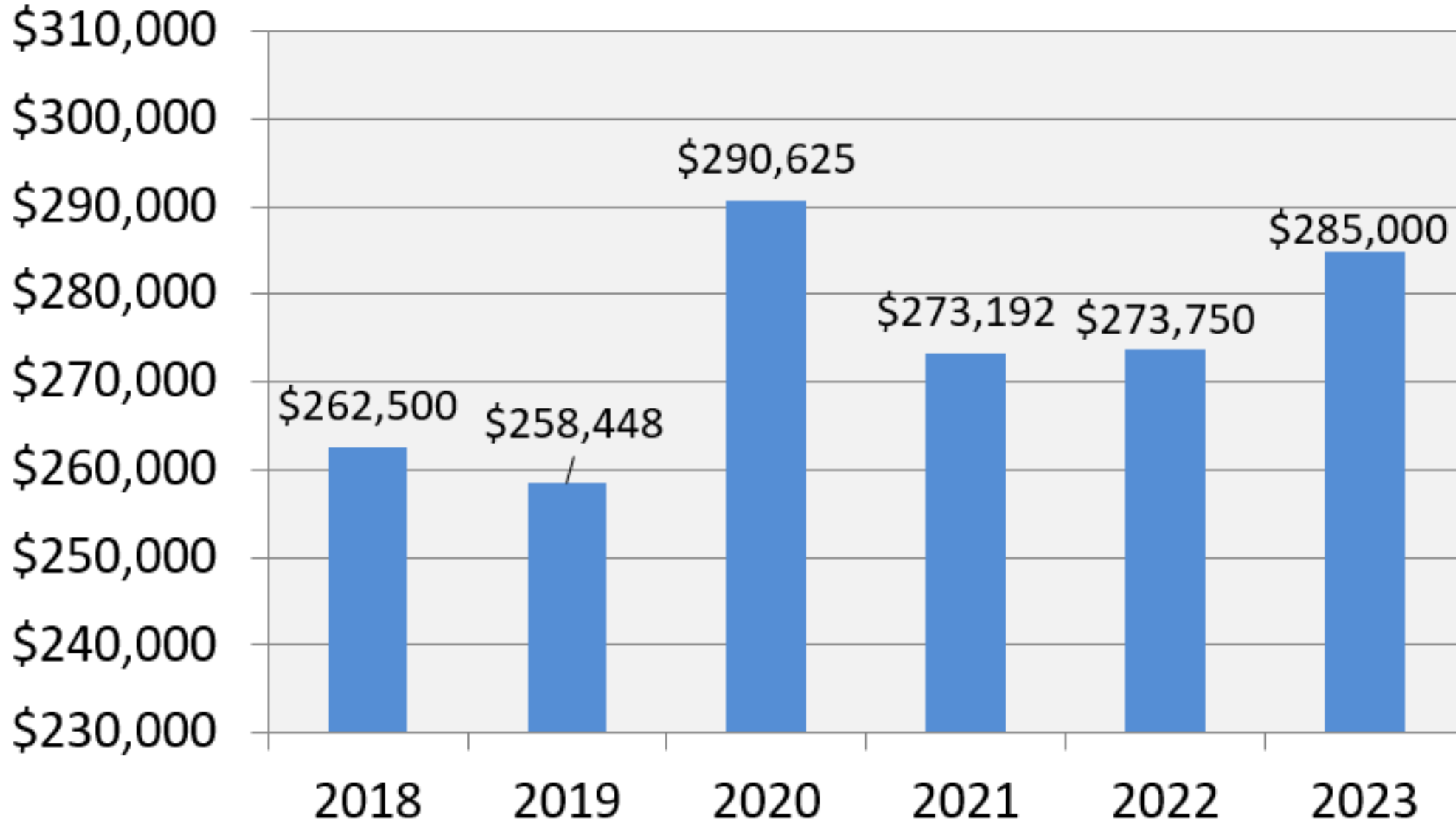
Portland Metro Area Median Price per Sq. Ft. (2019 - 2023)



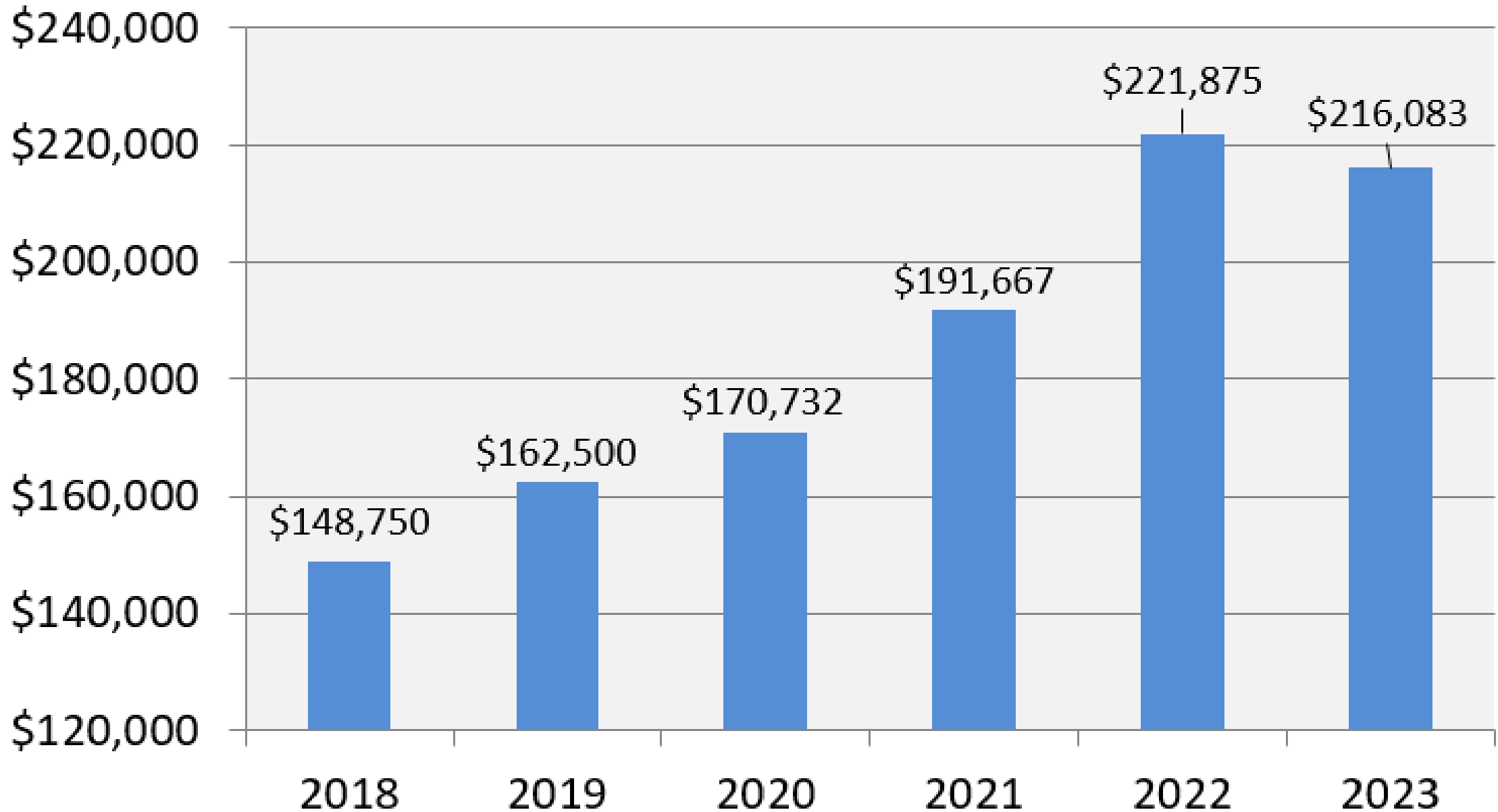
Sales Volume & Market Sale Price Per Unit



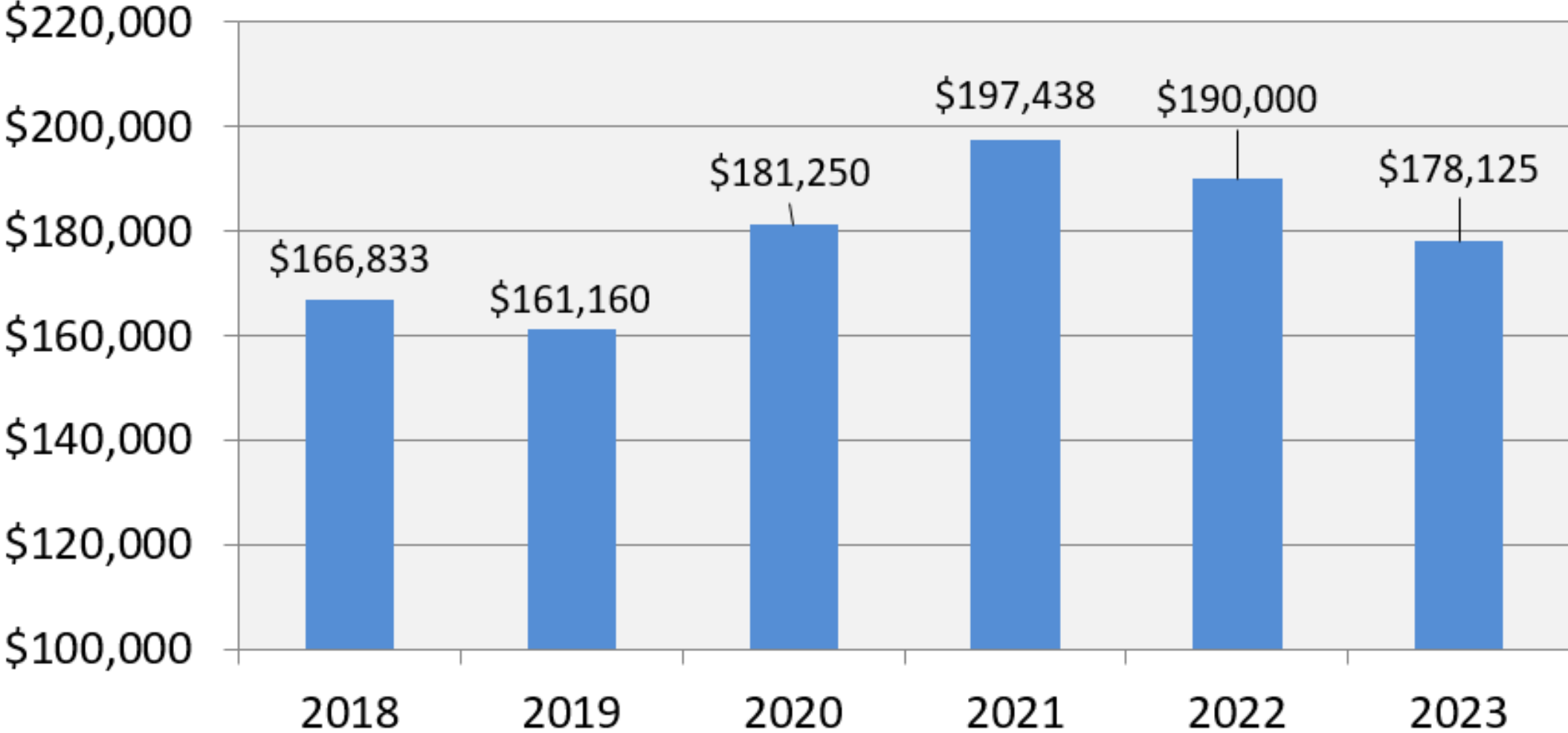
Median Price Per Unit - Built Since 2010 (2018 - 2023)



Median Price Per Unit - Wash, Clack, Clark County

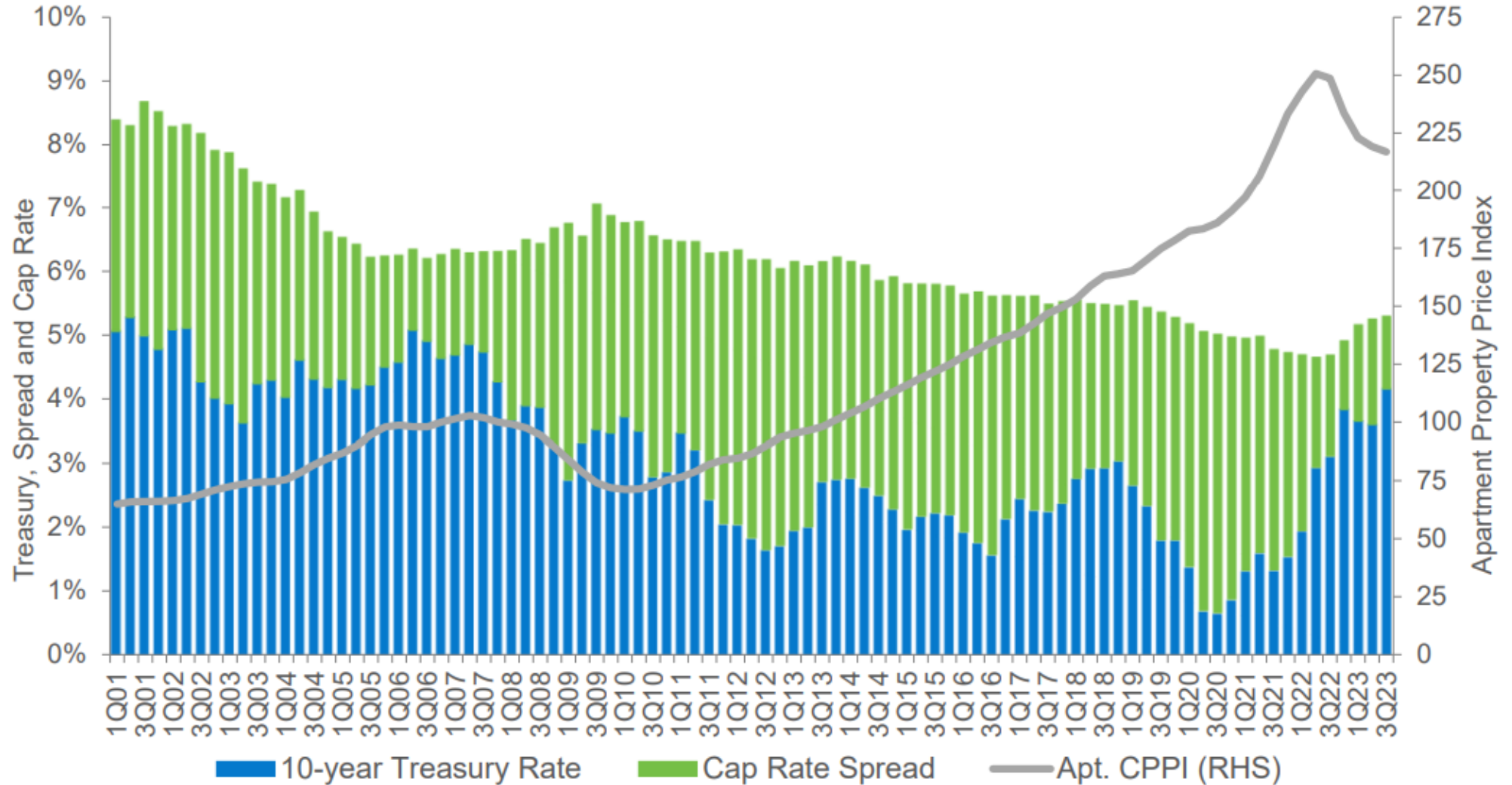


Median Price Per Unit - City of Portland 2018-2023



Capitalization Rates

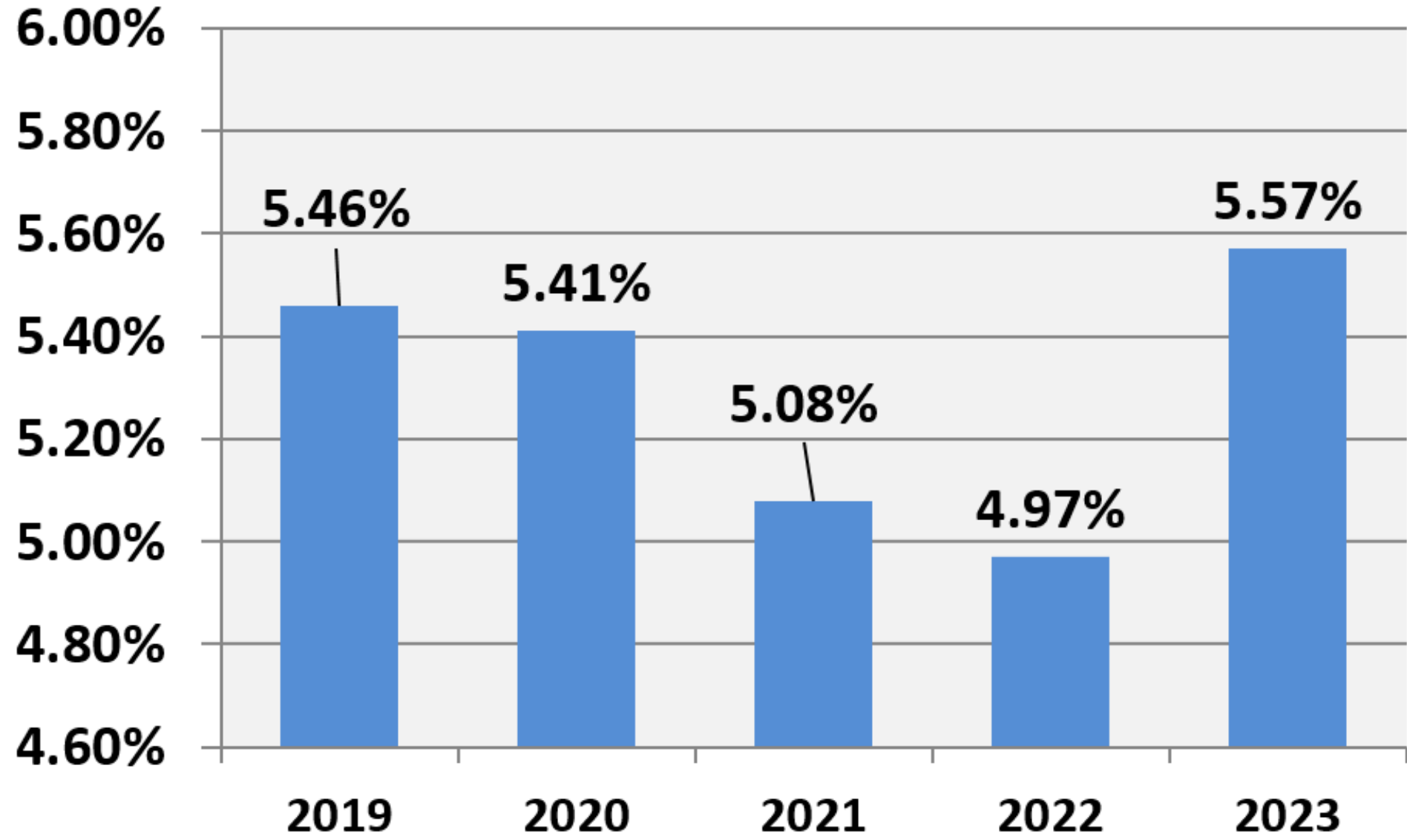
Exhibit 11: Multifamily Price Index, Cap Rate Spread and Treasury Rate



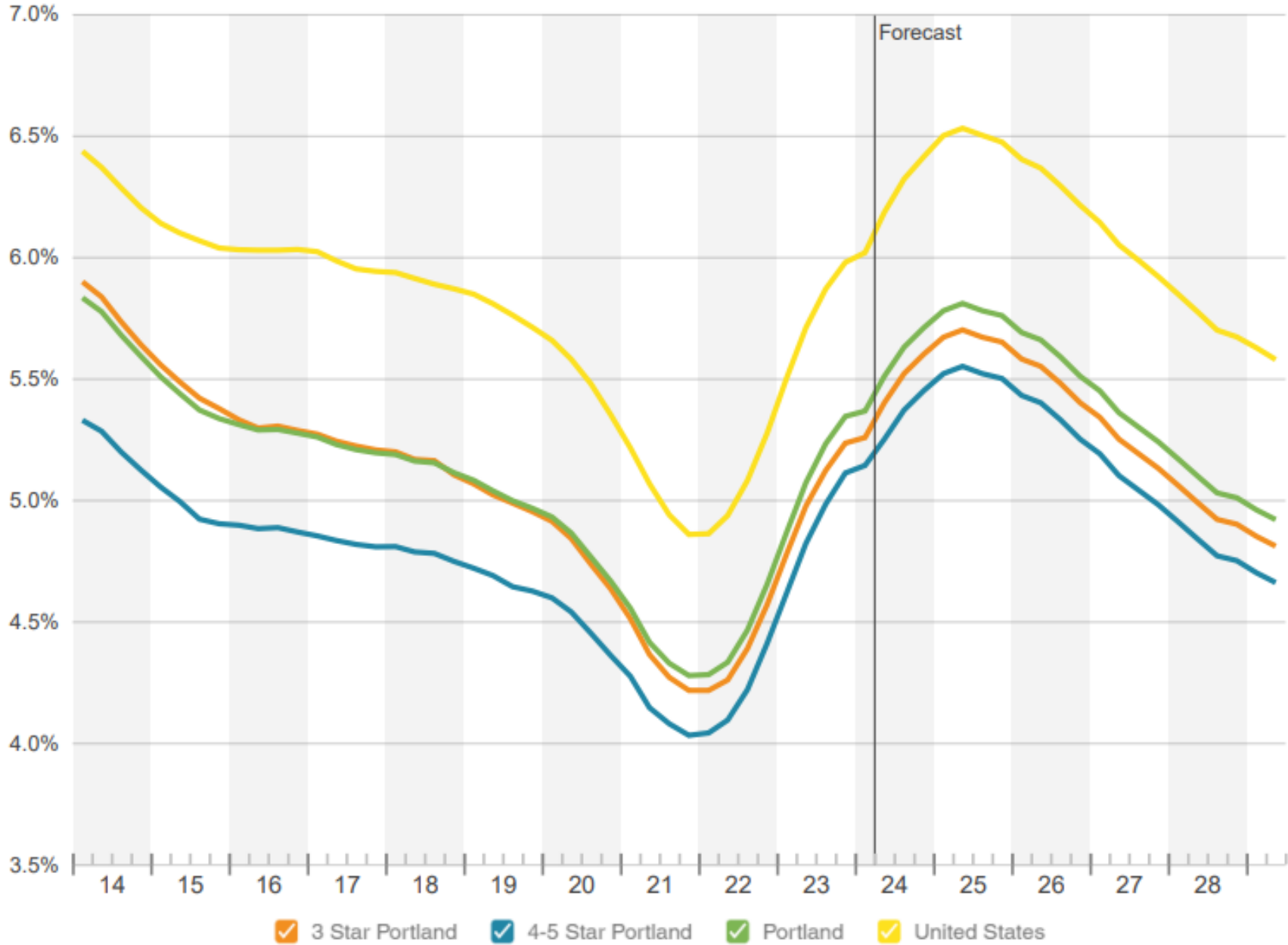
Sources: Freddie Mac, Real Capital Analytics CPPI, Federal Reserve Board, Moody's Analytics



Portland Metro Area Median Cap Rate For Apartments 2019-2023



Market Cap Rate



- **CoStar**
 - +40 BPS by early 2025
- **CBRE**
 - +25-50 BPS
- **Fannie Mae**
 - +40 BPS by end of 2024



Forecasts – Near Term Instability Remains

- **Apartment Construction** – Remain slow until fundamentals improve and financing improves
- **Vacancy** – Vacancies will remain stable in 2024 as completions slow and demographics improve, though no significant decline until 2025
- **Rents** – Turning positive in the second half of 2024
- **Expenses** – Continue to increase with insurance being at the front of owner's minds
- **Sales** – Sluggish start to 2024, though sales velocity will pick up in the 2nd half of 2024. No major increase from 2025.
- **Cap Rates** – Buyer expectations will further push up cap rates, especially with motivated sellers
- **Values** – Likely to see modest declines as buyers hold out for stronger opportunities

