



TMG *Multifamily* MARKET PULSE

A Snapshot of the Pacific Northwest Multifamily Housing Market

There is only good news for multifamily investors! While 2020 had a lulling effect at its start, it rebounded quickly in the second half of 2020 and has continued to gain momentum in nearly all markets. Class B & C properties stayed strong throughout 2020 & 2021 and Class A properties had notable gains in Q2 2021. Overall, Q2 rents in nearly all metro markets were higher than pre-COVID levels, and signs point to continued growth. Vacancy in many markets is at an all-time low even as new construction properties are coming on line at a steady pace. Net absorption is nearly 5x higher than this time last year and 4.5% above pre-COVID 2019 levels. Read below for specific submarket snapshots.

[Jump to Vancouver Market Report](#)

[Jump to Portland Market Report](#)

[Jump to Salem Market Report](#)

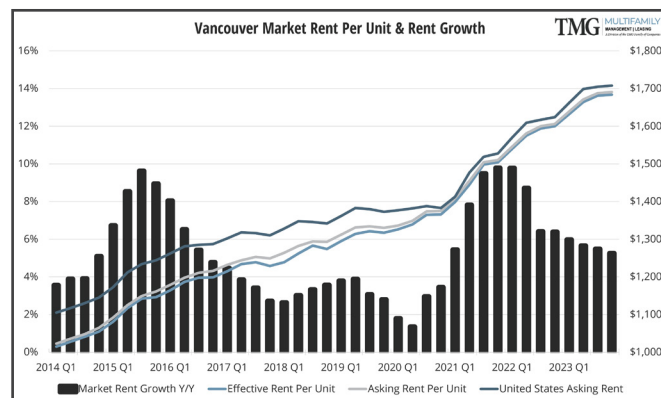
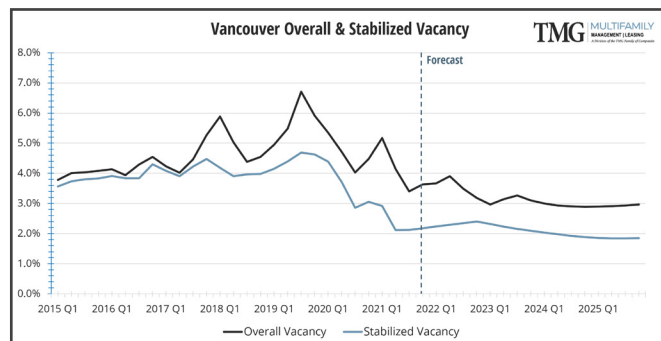
[Jump to Tri-Cities Market Report](#)

VANCOUVER *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
1,709	1,881	3.3%	9.4%

- ▶ Construction has continued at a quicker pace in Vancouver than almost anywhere else in the metro. Despite this construction surge, demand is high and vacancies remain low.
- ▶ Vancouver's year-over-year rent growth is consistently outpacing the Portland metro's overall performance.
- ▶ Vancouver has around 940 units under construction, more than almost any other area submarket, set to expand existing inventory by 2.9%.

[Click Here to Read the Vancouver CoStar Report](#)

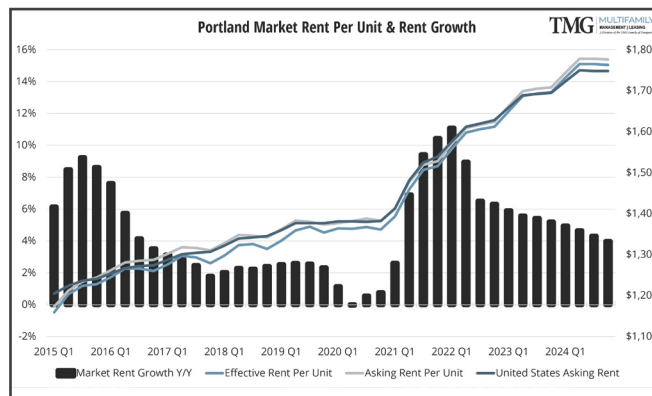
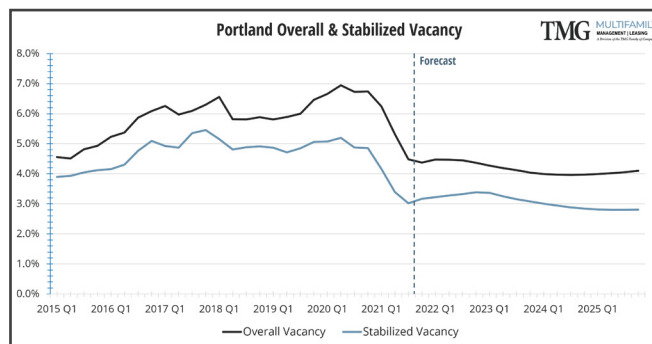


PORTLAND *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
6,612	11,204	4.4%	9.4%

- ▶ Vacancies have trended downward since mid-2020, and have dipped below the frictional 5% mark.
- ▶ Apartment demand remains strong going into Q4 2021. The region's affordability and high quality of life are driving robust in-migration, which underpins apartment demand.
- ▶ Average rent levels are rising fast. Market rent metro-wide is currently \$1,520 per month.
- ▶ Portland's outlying suburban communities continue to post the strongest rent growth, while Downtown Portland has seen some visible rent growth in 2021 following a more than 6% decrease in 2020.

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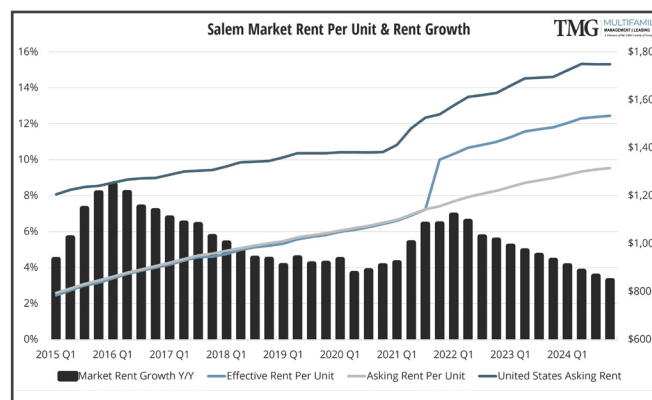
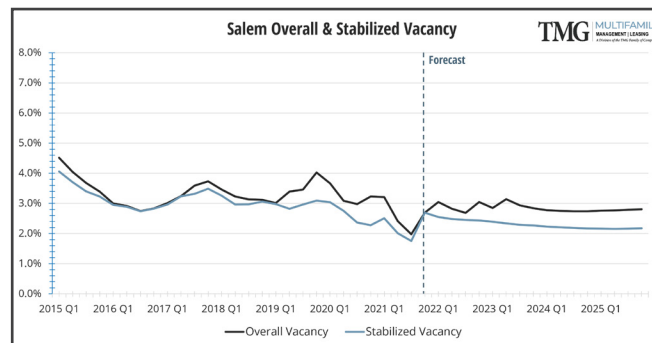


SALEM *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
597	843	2.0%	6.3%

- ▶ The strength of Salem's apartment sector has helped it weather lingering effects of the pandemic.
- ▶ Boasting exceptionally low vacancy rates, Salem's 2.0% is substantially lower than the national figure of 4.5%.
- ▶ Continued demand for apartments has fueled strong rent growth in Salem, which is now performing near the top of all Oregon metros.
- ▶ Cumulative rent gains over the past ten years of 57.1% outpace national performance at 39.4%.

[Click Here to Read the Salem CoStar Report](#)

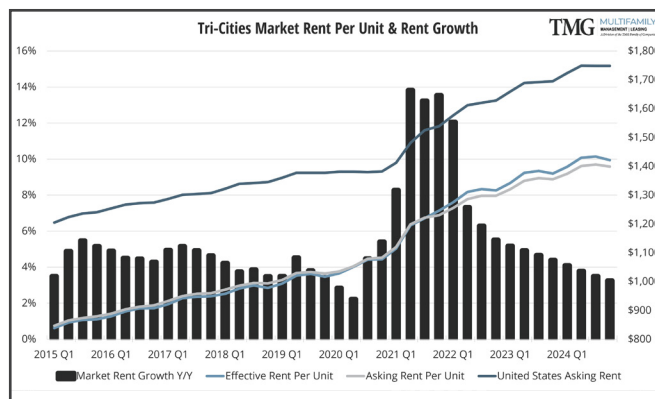
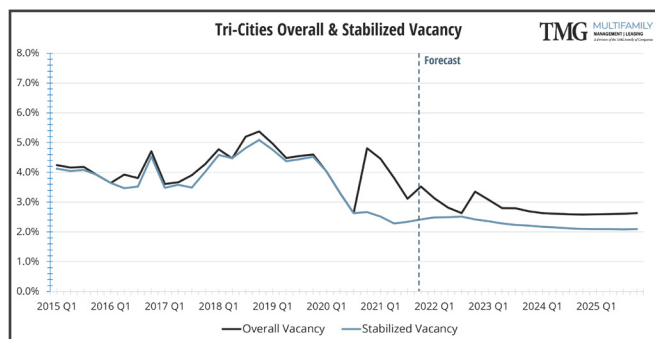


TRI-CITIES *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
507	461	3.0%	13.7%

- ▶ Apartment rents in the Tri-Cities market rose at a 13.7% annual rate by the start of Q4 2021, and have posted an average annual gain of 6.4% over the past three years.
- ▶ In addition to the 540 units delivered over the past three years, there are 340 units currently underway.
- ▶ Vacancies were somewhat below the 10-year average at the start of Q4 2021, but were essentially flat over the past 4 quarters.

[Click Here to Read the Kennewick/Richland CoStar Report](#)



Eviction Moratoriums:

On **August 26, 2021**, the US Supreme Court struck down the CDC's federal eviction moratorium, declaring it unconstitutional. Any landlords who had cases on hold due solely to a receipt of a CDC declaration may now proceed with termination of tenancy due to non-payment.

Oregon: Oregon's Eviction Moratorium ended on **June 30, 2021**, and regular rent payments resumed on **July 1, 2021**. The grace period for repayment of rent balances owed during the Emergency Period (April 1, 2020 - June 30, 2021) in Oregon ends **February 28, 2022**. Several Emergency Senate Bills (SB 282, SB 278) have provided "safe haven" periods of 60-90 days for tenants who are unable to pay their rent and offers them time to apply for rental assistance under the OERAP program. SB 278 has also offered a Landlord Guarantee Program (LGP) which provides funding for landlords with tenants unable to pay rent during the safe haven period.

Washington: Washington's "The Bridge" eviction moratorium was extended through **October 31, 2021**. At a glance, this Proclamation does not further limit any actions when it comes to addressing past due rent. Rent increases are permitted as of **July 1, 2021**. Tenants are still required to pay rent on time, as has been expected since **August 1, 2021**. All of Washington is required to participate in an Eviction Resolution Pilot Program (ERP) through local dispute resolution centers to assist tenants in achieving reasonable repayment plans before serving a 14-day notice to vacate.

This Market Pulse is brought to you by **TMG Multifamily**, an AMO accredited property management company providing a full suite of management services for existing apartments, new developments, lease-ups, and mixed-use properties. TMG partners with investors to proactively identify strategic opportunities and maximize their return on investment. Locally owned and regionally focused, TMG has been helping clients reach their financial goals for more than 30 years.



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