



TMG *Multifamily* MARKET PULSE

A Snapshot of the Pacific Northwest Multifamily Housing Market

Rents continue to trend up across the U.S. and as we head into 2022 our submarket reports clearly show this unprecedented growth. Vancouver and surrounding cities continue to perform exceptionally well, partly due to the City of Portland's rent restrictions as investors look across the river for comparable deals with less hassle. Portland Metro, for all its "negative news," still had exceptional rent growth while absorbing over 10,000 units. Lots of action in the suburbs as tenants still looked for larger digs and a bit lower rent in those outlying areas. Our neighbors to the east in Tri-Cities enjoyed incredible rent growth at 14.4% with a vacancy rate 3.2%. They have a solid and varied economic base; agriculture, healthcare, manufacturing, retail, and construction (not to mention some great wineries too!). TMG officially opened our Tri-City office in October 2021. We've been managing property in the area for over 10 years and we're looking forward to providing an even a higher level of service to our local and out of the area investors. Read below for specific submarket snapshots.

[Jump to Vancouver
Market Report](#)

[Jump to Portland
Market Report](#)

[Jump to Salem
Market Report](#)

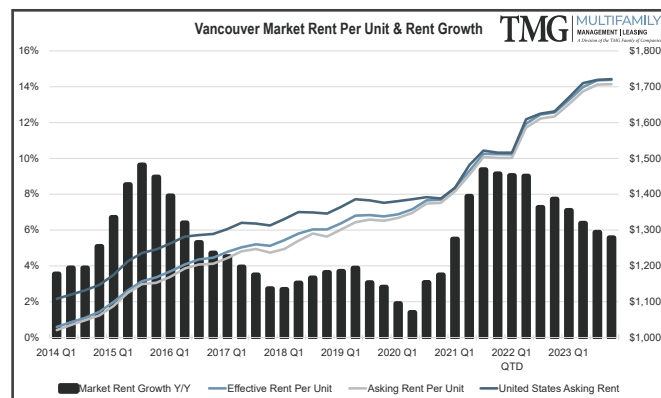
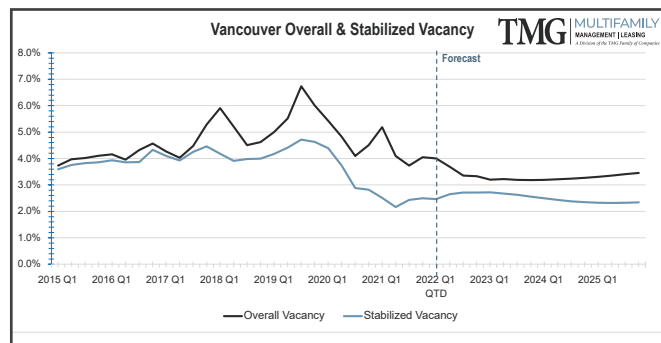
[Jump to Tri-Cities
Market Report](#)

VANCOUVER *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
1,767	1,850	4.0%	9.0%

- ▶ Vancouver's rent growth has outperformed the overall Portland-metro for the past six years. Year over year rent growth stands at 9.0%.
- ▶ Even before the pandemic, the Vancouver submarket consistently saw some of the strongest rent gains across Portland, with an average of 4.4% over the past five years.
- ▶ Vancouver rents currently sit at \$1,510/unit, just below the larger metro rents at \$1,520/unit. Over the past decade, cumulative rent gains amount to approximately 57.4% versus the larger metro growth of 47.2%.

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

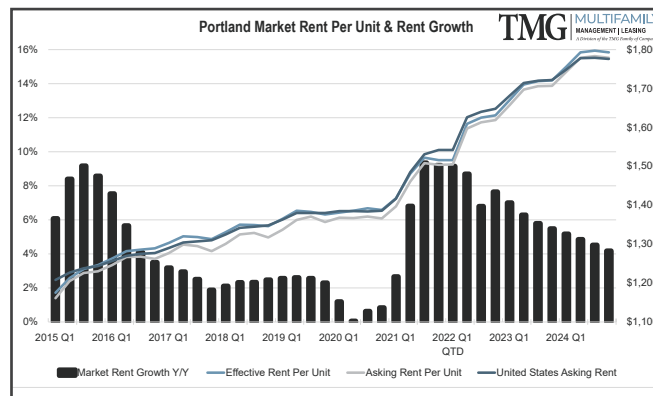
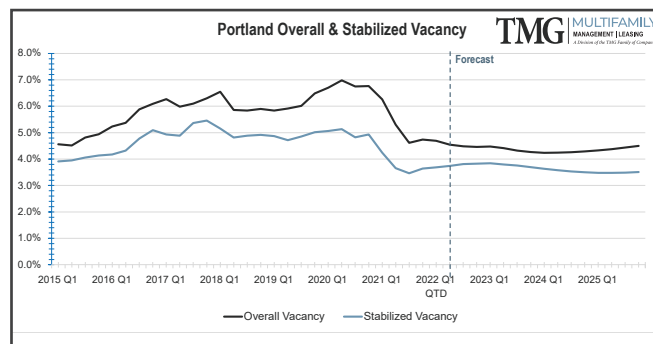


PORTLAND *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
6,395	10,355	4.7%	9.1%

- ▶ Vacancies in Portland have trended downward since mid-2020 and have dipped below the frictional 5% mark.
- ▶ Apartment demand remains strong going into 2022. The region, aside from its troubled downtown, still has robust in-migration, which underpins apartment demand.
- ▶ Average apartment rents rose by 9.1% over the past year, compared to the three-year average of 3.8% and the national average of 11.1%.
- ▶ 2021 gave way to substantial rent growth well over 10% in outlying suburban communities, and 5% growth in the pricier central submarkets.

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

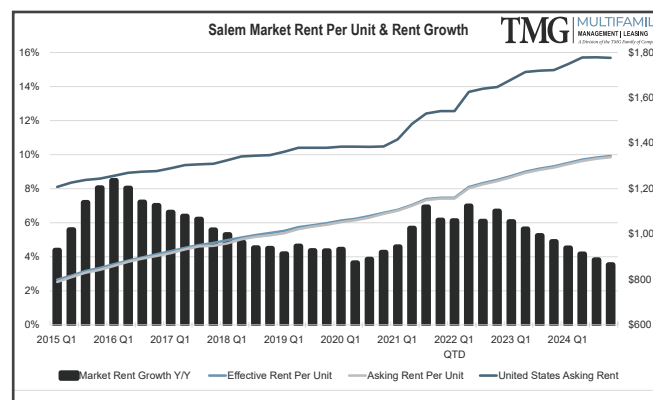
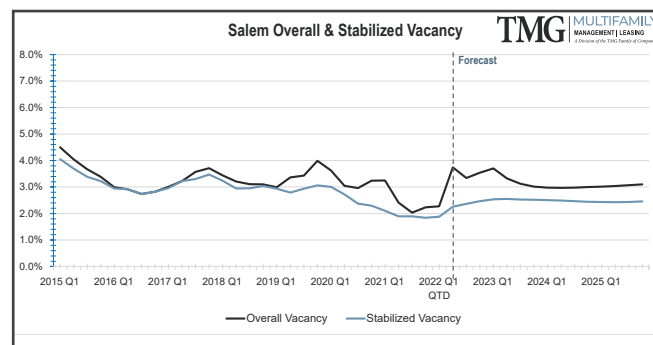


SALEM *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
407	655	2.3%	6.1%

- ▶ Rent growth in the Salem market was at 6.1% at the end of 2021. Cumulative rent gains over the past decade are 58.2% compared to the national average of 40%.
- ▶ Asking rents are still about 1/3 higher in the nearest major market, Portland, than in Salem. Annual rent growth is typically below the statewide rent cap of 7%.
- ▶ Salem's vacancy rate has remained under 6% for over a decade. At the end of 2021, Salem's 2.3% vacancy rate is below the current national average of 4.5%.

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

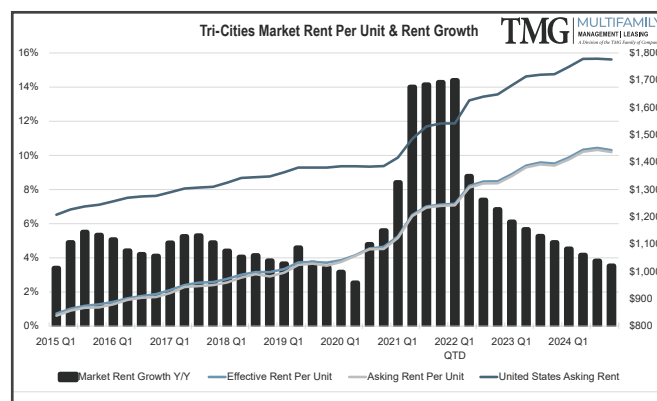
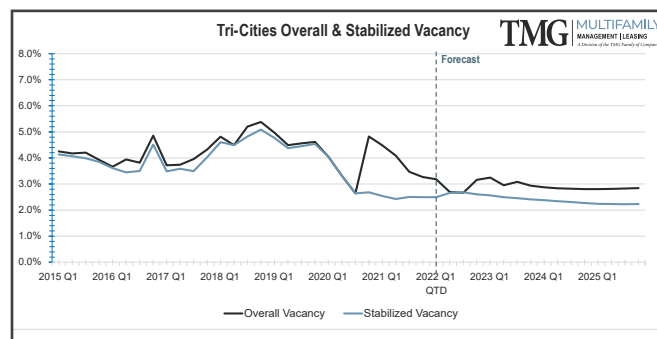


TRI-CITIES *Multifamily*

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
352	523	3.2%	14.4%

- ▶ Apartment rent growth in Tri-Cities was 14.6% in 2021, compared to a national average of 12.1%. Rents have consistently grown over the long term, with an average annual rent growth of 4.4% over the past decade.
- ▶ Vacancy rate has fluctuated in Tri-Cities over the past decade but has maintained a general downward trend over long term. The current market vacancy rate sits at 3.2%.
- ▶ Annual net absorption sits at 520 units over the course of 2021, with an average of 290 units per year over the past decade.

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



Eviction Moratoriums:

Washington: Washington’s eviction moratorium ended on **October 31, 2021**. Most property owners can legally initiate eviction proceedings while tenants continue to seek rental assistance. *Update January 10, 2022:* Washington State legislature is in session and considering major changes to SB 5160. At a minimum, this will include changes to the 14 Day Notice as well as changes to the ERP (Eviction Resolution Program) processes going forward, and will extend tenant timelines to pay.

Oregon: In December 2021, Oregon Legislature extended the state’s Eviction Moratorium through **September 30th, 2022**. This housing policy bill, known as Senate Bill 891, offers safe harbor for tenants that apply for rental assistance and provide documentation to their landlord before **June 30th, 2022**. This bill is the extension of the requirement for a 10-day or 14-day Notice to Pay or Vacate for Non-payment of Rent. Landlords must send an updated version of the tenant protection letter with these non-payment notices served. Additionally, another bill (Senate Bill 5561) allocated \$100 million for rental assistance. \$5 million was allocated to administrative costs to speed up the processing of rental assistance applications, and \$10 million was added to the Landlord Guarantee Fund for landlords to recover lost funds due to canceled, denied or unprocessed rental assistance applications.

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.



CARMEN VILLARMA

President, CPM

carmen.villarma@tmgnorthwest.com

Mobile: (360) 606-8201