

Since 1996 the Washington Center for Real Estate Research (WCRER) at Washington State University has been providing valuable apartment market statistics for communities throughout the state of Washington. The main goal of the surveys has been to estimate the vacancy rate for each county in addition to determining the average rent charged to the individuals who occupy these properties. The WCRER has become the largest apartment market researcher in Eastern Washington along with conducting research in three Western Washington counties. With permission and encouragement from Dupre + Scott (D+S), the Seattle-area research firm which conducts apartment research around the Puget Sound, WCRER has positioned itself to facilitate development of consistent, statewide apartment market data – at least in those areas representing a vast majority of the state’s apartments.

Market Coverage/Response Rates

The size of the overall apartment market is based on data from Census 2000 along with building permit data collected by the U.S. Bureau of the Census for the last three years. Once the total number of apartment units was tallied for each county, the rental share of those units was calculated. The rental share of apartments still uses 1990 Census proportions but it is anticipated Census 2000 data on this topic will become available before the September report.

The number of apartment units represented by the responses to the survey is compared to the total number of rental apartments in each market to produce a response rate. Response rates for both the D+S market research and the research conducted by the WCRER are combined to give an overall response rate for all the major counties in the State of Washington. The resulting statistic for the combined surveys was 51.2%, somewhat higher than the Fall survey. However, individual local market response rates ranged widely. While a 50.0% response rate may sound low, there are many contributing factors. Reasons for apartment managers not responding range from their complex not having enough units (D+S surveys are limited to projects with at least 20 units), to a manager’s unwillingness to give out private information for the survey. Neither the D+S survey nor the WCRER survey includes government-assisted housing. Collectively, these reasons often make it difficult for local response rates to exceed 50 percent of the rental units.

**WCRER and Dupre + Scott Apartment Market Surveys
Market Coverage**

County	2000 Apartments (5+ units)	2000-2002 Apartment Construction	2003 Rental Apartments	March 2003 Survey Responses	Response Rate
Benton/Franklin (Tri-Cities)	10,435	519	10,565	6,910	65.4%
Chelan/Douglas (Wenatchee)	3,525	58	3,434	1,297	37.8%

County	2000 Apartments (5+ units)	2000-2002 Apartment Construction	2003 Rental Apartments	March 2003 Survey Responses	Response Rate
Clark (Vancouver)	20,500	1,400	21,440	11,891	55.5%
Cowlitz (Longview/Kelso)	4,808	369	5,045	1,122	22.2%
Grant (Moses Lake)	1,976	76	2,010	635	31.6%
King (Seattle/Bellevue)	227,735	16,190	221,980	109,499	49.3%
Kitsap (Bremerton)	12,242	68	11,681	6,461	55.3%
Kittitas (Ellensburg)	2,538	--	2,512	1,633	65.0%
Lewis	1,996	29	1,766	533	30.2%
Pierce (Tacoma)	48,509	2,340	49,648	27,227	54.8%
Skagit (Mt. Vernon/Anacortes)	4,065	307	4,220	594	14.1%
Snohomish (Everett)	47,359	3,873	47,872	31,564	65.9%
Spokane	21,683	1,825	23,405	10,999	47.0%
Thurston (Olympia)	11,289	172	11,197	6,736	60.2%
Walla Walla	2,470	57	2,100	497	23.7%
Whatcom (Bellingham)	11,919	1,167	12,292	2,303	18.7%

County	2000 Apartments (5+ units)	2000-2002 Apartment Construction	2003 Rental Apartments	March 2003 Survey Responses	Response Rate
Whitman (Pullman)	4,270	370	4,506	4,197	93.1%
Yakima	7,441	94	7,246	2,719	37.5%
STATEWIDE	444,760	28,914	442,919	226,817	51.2%

Market Summary

The statewide vacancy rate for the fall was 7.0% reflecting the continuing trend of increasing vacancy. Apartment markets nationwide have seen record vacancies as tenants take advantage of the lowest mortgage rates in over 40 years, and become homeowners. Comparison to the year-ago statistic is most meaningful since no seasonal differences should be present. Kitsap County saw the largest increase in the vacancy rate, an increase of 6.0 percent to 9.1%, the highest recorded vacancy among the 20 counties studied. Pierce County was the only other market where the vacancy rate increased by a full point, reaching 6.7%. Snohomish County had the second highest overall vacancy. At the other extreme, vacancy was lowest in Whitman and Kitsap counties, where student enrollment at WSU and Central Washington kept apartments full.

Average rents ranged from a low of \$413 in Walla Walla County to a high of \$854 in King County. Since the largest share of apartments are located in the more expensive urban communities, it comes as no surprise that the statewide average rent of \$754 is closer to the prevailing level in Seattle than it is to Walla Walla's average rent.

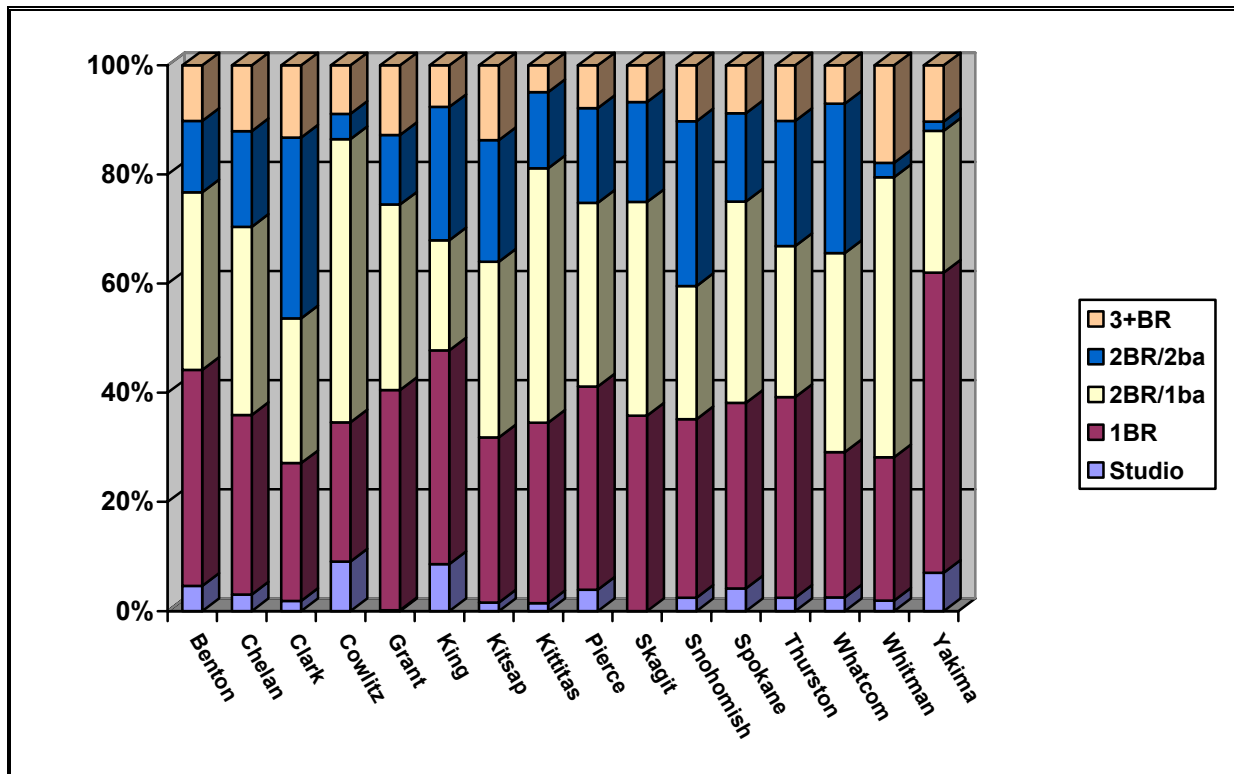
Summary Apartment Market Statistics – March 2003

Market (County)	Average Size	Average Rent	Number of Units	Number Vacant	Vacancy Rate
Benton/Franklin (Tri-Cities)	773 sq. ft.	\$596	6,910	269	3.9%
Chelan/Douglas (Wenatchee)	798 sq. ft.	\$526	1,297	88	6.8%
Clark (Vancouver)	911 sq. ft.	\$655	11,891	547	4.6%
Cowlitz (Longview/Kelso)	785 sq. ft.	\$496	1,122	63	5.6%
Grant (Moses Lake)	802 sq. ft.	\$494	635	32	5.0%
King (Seattle/Bellevue)	N/A	\$854	109,499	8,212	7.5%
Kitsap (Bremerton)	N/A	\$691	6,461	588	9.1%
Kittitas (Ellensburg)	717 sq. ft.	\$516	1,633	44	2.7%
Lewis	777 sq. ft.	\$508	533	14	2.8%
Pierce (Tacoma)	N/A	\$674	27,227	1,824	6.7%

Market (County)	Average Size	Average Rent	Number of Units	Number Vacant	Vacancy Rate
Skagit (Mt. Vernon/Anacortes)	N/A	\$689	594	23	3.9%
Snohomish (Everett)	N/A	\$774	31,564	2,841	9.0%
Spokane	835 sq. ft.	\$512	10,999	660	6.0%
Thurston (Olympia)	N/A	\$662	6,736	269	4.0%
Walla Walla	632 sq. ft.	\$413	497	17	3.4%
Whatcom (Bellingham)	N/A	\$661	2,303	71	3.1%
Whitman (Pullman)	763 sq. ft.	\$548	4,197	92	2.2%
Yakima	682 sq. ft.	\$439	2,719	150	5.5%
STATEWIDE	N/A	\$754	226,772	15,804	7.0%

The WCRER survey includes the average size of units within each apartment complex. The smallest apartment units are found in Walla Walla County where the average size is 632 sq. ft. The largest apartments are found in Clark County where the average apartment is a significantly larger 911 sq. ft. While these aggregate statistics are interesting, it is important to compare similar types of properties across the markets. As illustrated in this graphic, 1-bedroom or 2-bedroom, 1-bath units are most prevalent, and will be the basis of comparison.

Composition of Apartment Market Selected Washington Communities, March 2003



The graphic also clearly illustrates the differences in the composition of the apartment market from community to community. Studio apartments are most prevalent in Cowlitz and King counties, while 2-bedroom, 2-bath units are most frequently encountered in the more suburban Clark and Snohomish County areas. One-bedroom units are especially dominant in Yakima County, while units with three or more bedrooms are most significant in Clark, Kitsap and Whitman counties, but the similarity among those markets is unclear.

1-Bedroom Apartments

One-bedroom apartments are the most popular type of apartment unit in the state, accounting for 36.1% of all the units in the WCRER and D+S surveys. The statewide vacancy rate for 1-bedroom units rose from 6.0% last fall to 6.5% for the current survey. The average rent for 1-bedroom units was virtually unchanged, declining from \$661 last fall to \$656 in March. Vacancy rates varied from county to county throughout the state, with Lewis County having the lowest rate at 1.9%. The highest vacancy rate for these small units was 8.9% in Snohomish County, a level noticeably above six months ago. Average rent also ranged widely from a low of \$376 in Walla Walla County to \$750 in urban King County. The average size for a 1-bedroom unit was 670 sq. ft. The largest 1-bedroom apartments were found in Spokane County where the average size was 751 sq. ft., while in Grant County the average 1-bedroom unit was 542 sq. ft.

Apartment Summary Characteristics – March 2003 One-Bedroom Units

County	Average Size (Sq. Ft.)	Average Rent	Vacancy Rate
Benton/Franklin	632	\$513	2.5%
Chelan/Douglas	607	\$441	6.3%
Clark	701	\$569	4.7%
Cowlitz	658	\$444	5.9%
Grant	542	\$393	6.3%
King	663	\$750	6.8%
Kitsap	676	\$588	8.3%
Kittitas	606	\$416	4.8%
Lewis	620	\$415	1.9%
Pierce	671	\$564	6.3%
Skagit	634	\$590	3.0%
Snohomish	708	\$651	8.9%
Spokane	751	\$426	5.5%
Thurston	672	\$579	3.3%
Walla Walla	598	\$376	3.4%
Whatcom	664	\$577	2.8%
Whitman	583	\$397	2.7%
Yakima	563	\$401	4.6%
STATEWIDE	670	\$656	6.5%

2-Bedroom/1-Bath Apartments

The second most popular unit type in the state was the 2-bedroom/1bath apartment, which accounted for 25.3% of all the units responding to the survey. Average rent for a 2-bedroom/1-bath apartment was \$705, a \$5 decline from the survey conducted last. Average rents for 2-bedroom/1-bath units ranged from \$490 Yakima County to \$828 in King County. The vacancy rate for 2-bedroom/1-bath units throughout the state rose to 7.1% compared to 4.3% in September 2001. Vacancy rates ranged from a high of 9.9% in Snohomish County to a low of 1.4% in Kittitas County. In terms of unit size, Lewis County had the largest average size in the state (882 sq. ft.) while the smallest 2-bedroom/1-bath apartments were in Kittitas County (718 sq. ft.).

Apartment Summary Statistics – March 2003 Two-Bedroom/One Bath Units

County	Average Size (Sq. Ft.)	Average Rent	Vacancy Rate
Benton/Franklin	831	\$594	4.6%
Chelan/Douglas	847	\$537	6.0%
Clark	875	\$597	4.1%
Cowlitz	830	\$512	5.7%
Grant	856	\$511	5.1%
King	808	\$828	8.0%
Kitsap	833	\$648	7.9%
Kittitas	718	\$552	1.4%
Lewis	892	\$600	5.5%
Pierce	879	\$663	7.1%
Skagit	869	\$697	2.7%
Snohomish	881	\$730	9.9%
Spokane	832	\$525	7.1%
Thurston	847	\$639	3.9%
Walla Walla	764	\$499	2.9%
Whatcom	862	\$645	2.5%
Whitman	786	\$545	2.1%
Yakima	811	\$490	5.7%
STATEWIDE	836	\$705	7.1%

Time Trends

Consistency is the key to a more complete understanding of the time trends associated with different apartment markets. For example, seasonal patterns vary from community to community (e.g. academic year in Whitman and Kittitas counties; agricultural cycle in Yakima and Chelan/Douglas counties). Both WCRER and D+S conduct surveys in March and September – months which are less subject to seasonal variables. Results from the March 2002 and March 2003 surveys are shown in the following table. The statewide vacancy rate over the last year has gone up a scant 0.1% while the average rent of apartment units declined \$4. Skagit County had the largest increase in rent over the last year with a \$49 increase (7.7%), while the

average rent in Snohomish and Yakima counties each declined \$19 (2.4 and 4.1 percent, respectively) over the past year.

Vacancy Rate and Average Rent Comparisons – March Surveys

Counties	March 2002		March 2003	
	Vacancy Rate	Average Rent	Vacancy Rate	Average Rent
Benton/Franklin	3.4%	\$578	3.9%	\$596
Chelan/Douglas	5.7%	\$533	6.8%	\$526
Clark	5.0%	\$651	4.6%	\$655
Cowlitz	4.8%	\$482	5.6%	\$496
Grant	6.3%	\$452	5.0%	\$494
King	8.0%	\$869	7.5%	\$854
Kitsap	3.1%	\$659	9.1%	\$691
Kittitas	3.9%	\$507	2.7%	\$516
Lewis	n/a	n/a	2.8%	\$508
Pierce	5.7%	\$630	6.7%	\$674
Skagit	6.3%	\$640	3.9%	\$689
Snohomish	8.6%	\$793	9.0%	\$774
Spokane	6.1%	\$507	6.0%	\$512
Thurston	4.1%	\$615	4.0%	\$662
Walla Walla	n/a	n/a	3.4%	\$413
Whatcom	3.6%	\$633	3.1%	\$661
Whitman	3.6%	\$547	2.2%	\$548
Yakima	5.0%	\$458	5.5%	\$439
STATEWIDE	6.9%	\$758	7.0%	\$754

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