

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 as well as conducting research in six 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, and 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 is based on Census 2000 data.

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 48.4%. 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. Significantly, in smaller communities larger proportions of the multifamily market are dependent on Federal or state money. 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	September 2003 Survey Responses	Response Rate
Benton/Franklin (Tri-Cities)	10,435	519	10,936	5,719	52.3%
Chelan/Douglas (Wenatchee)	3,525	58	3,357	1,137	33.9%
Clallam (Port Angeles/Sequim)	2,392	6	2,357	208	8.8%

County	2000 Apartments (5+ units)	2000-2002 Apartment Construction	2003 Rental Apartments	September 2003 Survey Responses	Response Rate
Clark (Vancouver)	20,500	1,400	21,112	11,651	55.2%
Cowlitz (Longview/Kelso)	4,808	369	5,048	1,169	23.2%
Grant (Moses Lake)	1,976	76	2,003	419	20.9%
Grays Harbor (Aberdeen/Hoquiam)	2,684	24	2,616	224	8.6%
Island (Oak Harbor)	2,112	55	1,991	147	7.4%
King (Seattle/Bellevue)	227,735	16,190	212,703	102,931	48.4%
Kitsap (Bremerton)	12,242	68	11,547	5,744	49.7%
Kittitas (Ellensburg)	2,538	--	2,500	1,645	65.8%
Lewis (Centralia/Chehalis)	1,996	29	2,015	255	12.7%
Pierce (Tacoma)	48,509	2,340	49,222	26,427	53.7%
Skagit (Mt. Vernon/Anacortes)	4,065	307	4,228	594	14.0%
Snohomish (Everett)	47,359	3,873	46,109	28,749	62.4%
Spokane	21,683	1,825	24,457	10,767	44.0%
Thurston (Olympia)	11,289	172	11,129	6,506	58.5%

County	2000 Apartments (5+ units)	2000-2002 Apartment Construction	2003 Rental Apartments	September 2003 Survey Responses	Response Rate
Walla Walla	2,470	57	2,484	548	22.1%
Whatcom (Bellingham)	11,919	1,167	12,248	2,002	16.3%
Whitman (Pullman)	4,270	370	4,552	3,857	84.7%
Yakima	7,441	94	7,211	2,113	29.3%
STATEWIDE	451,948	28,999	439,825	212,812	48.4%

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 – September 2003

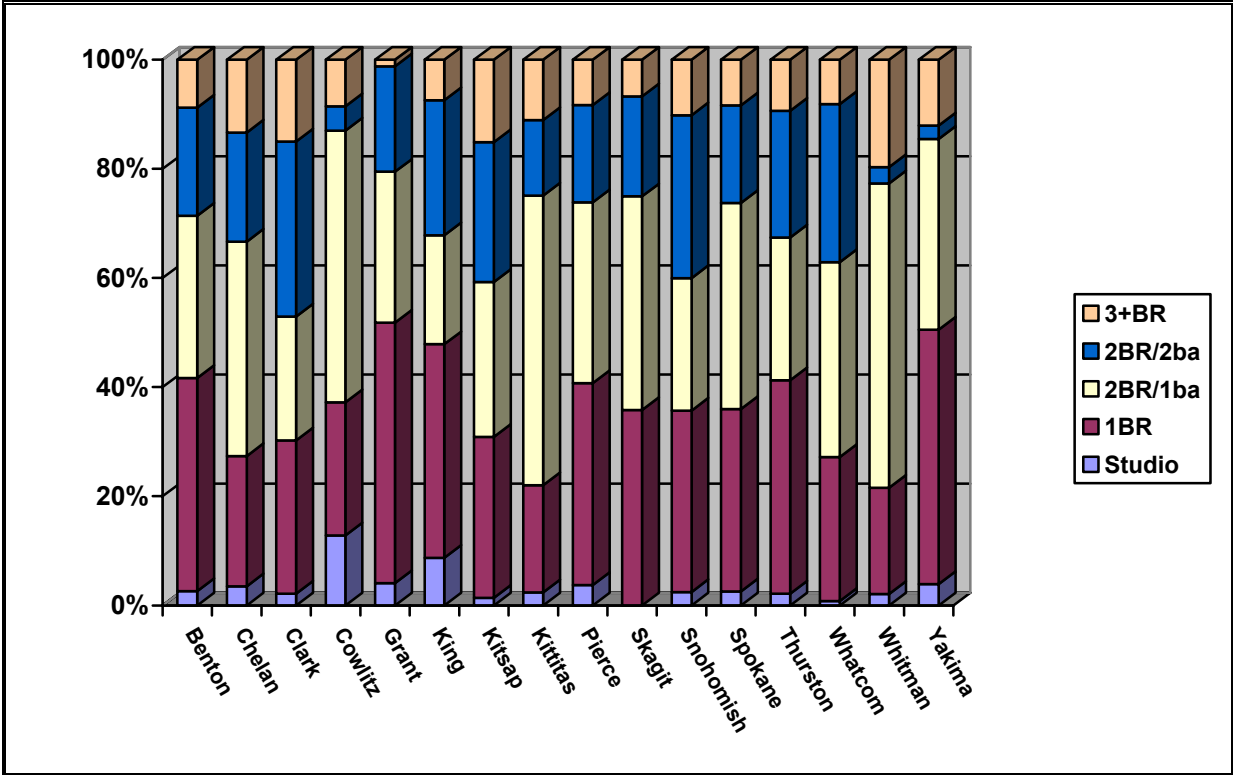
Market (County)	Average Size	Average Rent	Number of Units	Number Vacant	Vacancy Rate
Benton/Franklin (Tri-Cities)	778 sq. ft.	\$606	5,719	315	5.5%
Chelan/Douglas (Wenatchee)	825 sq. ft.	\$542	1,137	66	5.8%
Clallam (Port Angeles/Sequim)	747 sq. ft.	\$447	208	11	5.3%
Clark (Vancouver)	917 sq. ft.	\$663	11,651	618	5.3%
Cowlitz (Longview/Kelso)	770 sq. ft.	\$489	1,169	65	5.6%
Grant (Moses Lake)	744 sq. ft.	\$469	419	25	6.0%
Grays Harbor	743 sq. ft.	\$434	224	9	4.0%

Market (County)	Average Size	Average Rent	Number of Units	Number Vacant	Vacancy Rate
(Aberdeen/Hoquiam)					
Island (Oak Harbor)	801 sq. ft.	\$519	147	3	2.0%
King (Seattle/Bellevue)	n/a	\$857	102,931	7,617	7.4%
Kitsap (Bremerton)	n/a	\$725	5,944	213	3.7%
Kittitas (Ellensburg)	728 sq. ft.	\$566	1,645	20	1.2%
Lewis (Centralia/Chehalis)	743 sq. ft.	\$427	255	6	2.4%
Pierce (Tacoma)	n/a	\$675	26,427	1,823	6.9%
Skagit (Mt. Vernon/Anacortes)	n/a	\$687	594	463	7.7%
Snohomish (Everett)	n/a	\$762	28,749	2,587	9.0%
Spokane	815 sq. ft.	\$532	10,767	485	4.5%
Thurston (Olympia)	n/a	\$670	6,506	306	4.7%
Walla Walla	686 sq. ft.	\$433	548	34	6.2%
Whatcom (Bellingham)	n/a	\$673	2,002	126	6.3%
Whitman (Pullman)	784 sq. ft.	\$512	3,857	89	2.3%
Yakima	718 sq. ft.	\$476	2,113	76	3.6%
STATEWIDE	N/A	\$757	213,012	14,957	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 686 square feet. The largest apartments are found in Clark County where the average apartment is a significantly larger 917 square feet. 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 units with one bath are most prevalent, and will be the basis of comparison.

Composition of Apartment Market

Selected Washington Communities, September 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 35.7% of all the units in the WCRER and D+S surveys. The statewide vacancy rate for 1-bedroom units declined from 6.6% last fall to 6.3% for the current survey. The average rent for 1-bedroom units was unchanged at \$661. Vacancy rates varied from county to county throughout the state, with Grays Harbor County having the lowest rate at 1.3%. The highest vacancy rate for these small units was again 8.9% in Snohomish County, a level identical to 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 672 square feet. The largest 1-bedroom apartments were found in Snohomish County where the average size was 706 square feet, while in Grant County the average 1-bedroom unit was 552 square feet, nearly 22 percent smaller.

Apartment Summary Characteristics – September 2003

One-Bedroom Units

County	Average Size (Sq. Ft.)	Average Rent	Vacancy Rate
Benton/Franklin	638	\$513	2.5%
Chelan/Douglas	614	\$441	6.3%
Clallam	674	\$416	5.6%
Clark	695	\$569	4.7%
Cowlitz	654	\$444	5.9%
Grant	552	\$393	6.3%
Grays Harbor	623	\$402	1.3%
Island	n/a	n/a	n/a
King	670	\$750	6.8%
Kitsap	690	\$588	8.3%
Kittitas	560	\$416	4.8%
Lewis	633	\$415	1.9%
Pierce	678	\$564	6.3%
Skagit	634	\$590	3.0%
Snohomish	706	\$651	8.9%
Spokane	660	\$426	5.5%
Thurston	664	\$579	3.3%
Walla Walla	605	\$376	3.4%
Whatcom	672	\$577	2.8%
Whitman	562	\$397	2.7%
Yakima	604	\$401	4.6%
STATEWIDE	672	\$661	6.3%

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 \$698, a \$12 decline from the survey conducted last year. Average rents for 2-bedroom/1-bath units ranged from \$457 in Grays Harbor County to \$814 in King County. The vacancy rate for 2-bedroom/1-bath units throughout the state remained steady at 7.1%. Vacancy rates ranged from a high of 10.3% in Snohomish County to a low of 1.0% in Grays Harbor County. In terms of unit size, Snohomish County had the largest average size in the state (882 sq. ft.) while the smallest 2-bedroom/1-bath apartments were in Kittitas County (705 sq. ft.).

Apartment Summary Statistics – September 2003

Two-Bedroom/One Bath Units

County	Average Size (Sq. Ft.)	Average Rent	Vacancy Rate
Benton/Franklin	822	\$607	6.0%
Chelan/Douglas	839	\$537	4.5%

County	Average Size (Sq. Ft.)	Average Rent	Vacancy Rate
Clallam	794	\$469	5.4%
Clark	868	\$603	6.3%
Cowlitz	827	\$513	5.8%
Grant	858	\$502	3.4%
Grays Harbor	823	\$457	1.0%
Island	801	\$519	4.8%
King	806	\$814	8.1%
Kitsap	876	\$686	4.1%
Kittitas	705	\$575	1.4%
Lewis	846	\$544	4.4%
Pierce	890	\$666	7.3%
Skagit	868	\$692	5.0%
Snohomish	882	\$711	10.3%
Spokane	844	\$543	5.2%
Thurston	847	\$651	5.1%
Walla Walla	793	\$499	4.5%
Whatcom	859	\$641	8.0%
Whitman	786	\$500	1.3%
Yakima	789	\$510	4.2%
STATEWIDE	838	\$698	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 September 2002 and September 2003 surveys are shown in the following table. The statewide vacancy rate over the last year has gone up 0.4% while the average rent of apartment units declined \$2. Kittitas County had the largest increase in rent over the last year with a \$30 increase (5.6%), while the average rent in Snohomish County declined \$33 (4.2%), reflecting the high vacancy rate. Whitman County reported a larger percentage decline 4.3% (\$23), caused primarily by shifting composition of the market to more 1-bedroom units as increasing numbers of students are opting to live without roommates.

Vacancy Rate and Average Rent Comparisons – September Surveys

Counties	September 2002		September 2003	
	Vacancy Rate	Average Rent	Vacancy Rate	Average Rent
Benton/Franklin	2.7%	\$611	5.5%	\$606
Chelan/Douglas	6.2%	\$539	5.8%	\$542
Clallam	n/a	n/a	5.3%	\$447
Clark	4.8%	\$663	5.3%	\$663
Cowlitz	5.9%	\$497	5.6%	\$489
Grant	5.2%	\$482	6.0%	\$499
Grays Harbor	n/a	n/a	4.0%	\$434

Counties	September 2002		September 2003	
	Vacancy Rate	Average Rent	Vacancy Rate	Average Rent
Island	n/a	n/a	2.0%	\$519
King	7.4%	\$866	7.4%	\$857
Kitsap	2.7%	\$705	3.7%	\$725
Kittitas	2.3%	\$536	1.2%	\$566
Lewis	2.6%	\$504	2.4%	\$527
Pierce	6.0%	\$649	6.9%	\$675
Skagit	3.1%	\$678	7.7%	\$687
Snohomish	8.5%	\$795	9.0%	\$762
Spokane	5.9%	\$516	4.5%	\$532
Thurston	4.4%	\$657	4.7%	\$670
Walla Walla	3.4%	\$415	6.2%	\$433
Whatcom	2.6%	\$654	6.3%	\$673
Whitman	1.6%	\$535	2.3%	\$512
Yakima	5.3%	\$465	3.6%	\$476
STATEWIDE	6.6%	\$759	7.0%	\$757

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