



Multi-Family Market: Spokane and Kootenai Counties

Jim Lalonde
President
Prodigy Property Management

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TOO HIGH...JUST BE HONEST**

**SAY YOU CAN'T AFFORD
ME...IT MAKES MORE SENSE**

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General Market Comments - Spokane County

- ▶ 883 units delivered in 2021
- ▶ Market vacancy remained low, less than 4% through-out the year
- ▶ Significant in-migration supported huge rent increases in summer months
- ▶ Rents increased by an average of 20% by mid-summer, then softened slightly in the fall and winter

Rents - Spokane County (A Product)

- ▶ Rent Rolls, on average, moved from \$1.31/Sq ft to \$1.58/Sq ft
- ▶ Average rents on 2 bed apartments moved from \$1595 to \$1895, and in some cases higher

Multi-Family Sales - Spokane County

- ▶ Significant competition for buyers, as our local markets have the attention of institutional investors
- ▶ 2021 was a record year for Sales volume, 12-month trailing is at 228 million
- ▶ CAP rates expectedly compressed down into the 4's, with one sale at 3.5%

Salish Flats

- ▶ Sale Price \$45,000,000
- ▶ Price/Unit \$208,333
- ▶ Cap Rate 4.8%



Serrano Apartments

- ▶ Sale Price \$34,400,000
- ▶ Price/Unit \$115,050
- ▶ Cap Rate 4.8%



Meadow Ridge

- ▶ Sale Price \$16,500,000
- ▶ Price/Unit \$158,654
- ▶ Cap Rate 3.5%



2022 Outlook - Spokane County

- ▶ 630 units are projected to be delivered in 2022
- ▶ Occupancy will remain strong due to continued in-migration and short housing supply
- ▶ Rents will continue to rise, but at a slower pace than 2021
- ▶ We don't expect to meet the high-water mark in rents that were achieved last summer
- ▶ High rents are here to stay

General Market Comments - Kootenai County

- ▶ 442 units delivered in 2021
- ▶ Market vacancy remained low, less than 4% through-out the year
- ▶ Significant in-migration supported huge increases in summer months
- ▶ Rents increased by an average of 20% by mid-summer, then softened slightly in the fall and winter

Rents - Kootenai County (A Product)

- ▶ Rent Rolls, on average, moved from \$1.38/Sq ft to \$1.65/Sq ft
- ▶ Average rents on 2 bed apartments moved from \$1445 to \$1895, and in some cases higher

Multi-Family Sales - Kootenai County

- ▶ Significant competition for buyers, as our local markets have the attention of institutional investors
- ▶ 2021 did not see significant sales volume in Kootenai County
- ▶ Post Falls off-market 330-unit property sold for \$63,000,000, \$190,909/door, 4.25% CAP

2022 Outlook - Kootenai County

- ▶ 362 units are projected to be delivered in 2022
- ▶ Occupancy will remain strong due to continued in-migration and short housing supply
- ▶ Rents will continue to rise, but at a slower pace than 2021
- ▶ We don't expect to meet the high-water mark in rents that were achieved last summer
- ▶ High rents are here to stay

Key take-aways

- ▶ Rental market will remain strong thru 2022
- ▶ Vacancy should remain below 5% through the year
- ▶ Competition from out of market brokers has increased considerably over the past two years
- ▶ Sale prices will remain high with the extreme competition among buyers for multi-family assets

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Thank You

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