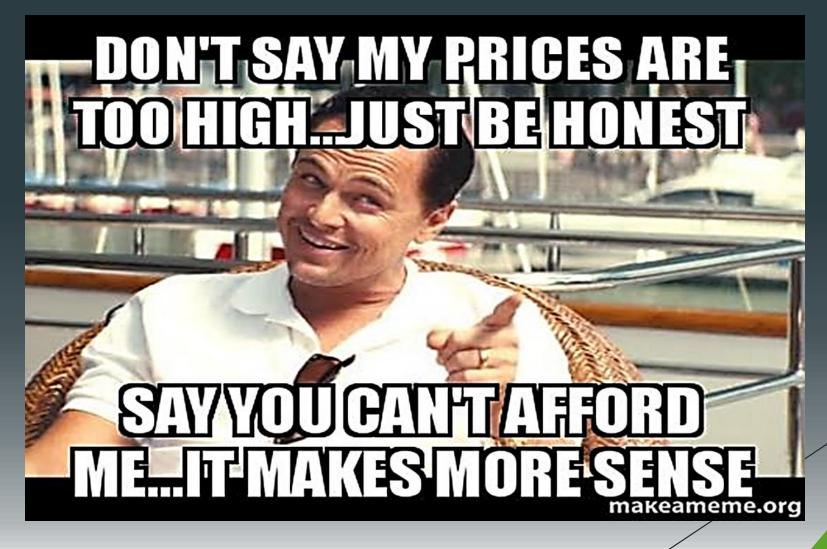
Multi-Family Market: Spokane and Kootenai Counties

> Jim Lalonde President Prodigy Property Management



#### 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 inmigration 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

### Thank You

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