



Media Release

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Statistics on Washington's housing market and other useful information are available on WCRER's Web site: www.cbe.wsu.edu/~wcrer. For other information on real estate markets around the State of Washington, or general information about the real estate industry in the state (excluding legal questions), readers can reach the WCRER at 1-800-835-9683.



Washington Apartment Market

Housing markets were in the news throughout 2004 as households purchased their first homes or moved to a home which was closer to their "dream home." As attention focused on single-family housing because of mortgage interest rates which remained near 40-year lows, the rental apartment market was in the shadows, largely hidden by the surging ownership society.

The plight of the apartment market was especially apparent in national statistics, where the nationwide vacancy rate reached a record high of 12.0 percent in the second quarter and remained at 11.5 percent in the third quarter. That third quarter measure represents the same time period covered by vacancy and rent surveys conducted by Dupre + Scott, a Seattle-area consulting firm, and by WCRER. The conditions in Washington's apartment market in September was very unlike the national statistics.

Aggregating the similar, but not quite identical, data from the two Washington studies indicates that roughly 6.9 percent of the state's market rate apartments were vacant in September, indicating our apartment market is much stronger than the national average. Unfortunately, landlords in Washington are accustomed to ever lower vacancy, so it is little consolation to be told they are better off than their counterparts in other states.

Wide disparities exist across markets with the highest overall vacancy rate report for Skagit County (9.8%). At the other extreme, there were no vacant units in Lewis County (Centralia/Chehalis) and very little vacancy (1.1%) in college-dominated Whitman County (home to WSU).

The overall vacancy rate was virtually unchanged from a year ago (0.1% lower), but local vacancies were prone to changes. Vacancies were higher than a year ago in ten markets—and lower in ten markets. No wonder the aggregate seems so stable.

The average rent across all types of apartments was \$753, representing a drop of \$4 from last year. These aggregate rents increased in 15 counties and declined in just five, including both King and Snohomish counties, which are the two largest apartment markets in the state.

To more meaningfully assess rents, however, standardization of apartment styles is important. The most common apartment style in Washington is the one-bedroom apartment, accounting for over one-third of all apartments in the state. Average rent for a one-bedroom apartment ranged from \$355 in Grant County (Moses Lake), to \$736 in King County. Apartment sizes differed greatly, too, with one-bedroom units ranging from an average of 480 square feet in Grant County to 703 square feet in Snohomish County.

Two-bedroom/one-bath apartments are the second largest group. For this type of unit, the average rent was \$704, with local averages ranging from \$467 in Clallam County (Port Angeles/Sequim) to \$804 in King County.

A brief caveat is required. Dupre + Scott data (for the communities from Bellevue to Olympia) is collected from apartment complexes with at least 20 units. Meanwhile, WCRER data is collected from projects having at least five units.