

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Bellingham, WA

Core-Based Statistical Area Code: 13380

The Bellingham, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 64.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Bellingham, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	95	93	89	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	6	6	(7)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	6.6%	6.6%	-7.6%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	4.0%	5.3%	6.6%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$951	\$984	\$970	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-3.3%	1.1%	3.1%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>

	2020	2019	2018	2020	2019	2018
GDP growth (%)	-5.3%	9.8%	8.6%	-3.4%	2.3%	2.9%

	2019	2018	2017	2019	2018	2017
Median household income	\$69,372	\$62,268	\$61,186	\$87,470	\$84,423	\$81,284

Demographic	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	1.9	3.0	2.7	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	231	229	225	331,501	328,330	326,838	
Population growth (%)	1.02%	1.59%	1.66%	0.97%	0.46%	0.53%	<i>Population is growing faster than nationally</i>

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	1.9%	1.8%	3.8%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	42	99	180	78,063	189,629	94,740	
Absorption of units in past 12 months	452	590	225	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	5.0%	6.6%	2.6%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,366	\$1,358	\$1,300	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	5.1%	4.9%	3.0%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,361	\$1,355	\$1,293	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	5.3%	5.0%	2.8%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	16.5%	15.8%	15.3%	16.3%	16.3%	15.2%	<i>Renting is less affordable than nationally</i>

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Inventory	9,030	8,988	8,578	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	280	505	306	369,993	387,542	434,591	
Net delivered units, as % of inventory	3.1%	5.6%	3.6%	2.2%	2.3%	2.6%	
Units under construction	350	398	234	681,402	692,701	687,551	
Units under construction, as % of inventory	3.9%	4.4%	2.7%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	21.1	11.5	(23.9)	16.2	14.7	(21.3)	<i>More jobs per delivered units than nationally</i>

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Total investment acquisitions (in million \$)	\$42	\$10	\$3	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$271,883	\$382,000	\$131,692	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	4.6%	4.6%	4.7%	5.2%	5.2%	5.3%	<i>Cap rates are lower than nationally</i>

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.1%	2.9%	3.5%	12.2%	2.9%	3.5%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	29,338	46,638	7,493	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	52,056	30,211	65,671	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.5%	0.9%	1.9%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$24.5	\$24.4	\$23.8	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	3.3%	3.3%	0.8%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.3	0.3	(0.2)	1,134	1,092	(870)	<i>Slower office job creation than nationally</i>

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Inventory in sq. ft.	3,541,353	3,512,015	3,489,297	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	15,000	15,000	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.4%	0.4%	-	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Total investment acquisitions (in million \$)	\$4	\$6	\$1	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$102	\$165	\$227	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.4%	7.4%	7.5%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

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## Bellingham, WA

Core-Based Statistical Area Code: 13380

### IV. Industrial

	Bellingham, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	0.7%	0.8%	2.3%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	13,534	169,587	9,773	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	192,582	188,821	220,979	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.7%	1.6%	1.9%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.7	\$9.5	\$9.1	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	6.0%	5.0%	3.8%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	11,540,422	11,526,888	11,347,840	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	11,200	14,071	119,247	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.1%	0.1%	1.1%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	29,750	29,750	39,750	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.3%	0.3%	0.4%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$32	\$4	\$3	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$107	\$94	\$82	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	5.9%	5.9%	6.0%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Bellingham, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	1.1%	1.8%	1.7%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	68,093	685	27,632	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	52,840	12,379	76,009	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.5%	0.1%	0.8%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$18.2	\$17.9	\$17.2	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	5.6%	4.3%	1.3%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.50	0.00	(0.90)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	9,632,013	9,563,920	9,579,173	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-	-	-	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	-	-	-	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$10	\$17	\$14	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$346	\$110	\$208	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.4%	7.4%	7.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Bellingham, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	9.8	9.9	7.1	15,362	15,397	12,896	
Y/Y change ('000)	1.8	1.8	(3.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.3%	10.6%	8.0%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Bremerton-Silverdale, WA

Core-Based Statistical Area Code: 14740

The Bremerton-Silverdale, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 64.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Bremerton-Silverdale, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	92	91	90	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	2	1	(6)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	2.1%	0.9%	-6.4%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.4%	4.4%	5.4%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,026	\$991	\$945	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	8.5%	7.7%	9.0%	4.8%	4.5%	6.7%	<i>Wages are rising faster than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	0.5%	1.6%	2.7%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$79,624	\$76,945	\$73,026	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic	0.0	1.9	2.2	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Net domestic migration ('000)	273	272	270	331,501	328,330	326,838	
Population ('000)	0.18%	1.01%	1.11%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
Population growth (%)							
<b>II. Multifamily</b>							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators	4.5%	3.4%	5.8%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Vacancy rate	23	66	128	78,063	189,629	94,740	
Absorption of units over the quarter	409	514	277	714,672	731,349	376,273	
Absorption in past 12 months	4.4%	5.5%	3.1%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	\$1,728	\$1,759	\$1,479	\$1,543	\$1,532	\$1,387	
Market asking rent per unit	16.8%	19.7%	2.3%	11.3%	10.6%	0.5%	
Market asking rent per unit, y/y % chg	\$1,722	\$1,754	\$1,467	\$1,534	\$1,523	\$1,367	<i>Rents are rising faster than nationally</i>
Effective rent per unit	17.4%	20.0%	2.2%	12.2%	11.6%	-0.1%	<i>Renting is less affordable than nationally</i>
Effective rent per unit, y/y % chg	19.3%	20.4%	17.9%	16.3%	16.3%	15.2%	
Rent as a percent of 2-person annual wage income							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators	9,353	9,330	8,945	17,112,020	17,034,566	16,401,950	
Inventory	300	186	276	369,993	387,542	434,591	
Net delivered units in past 12 months	3.2%	2.0%	3.1%	2.2%	2.3%	2.6%	
Net delivered units, as % of inventory	120	256	284	681,402	692,701	687,551	<i>Construction is weaker than nationally</i>
Units under construction	1.3%	2.7%	3.2%	4.0%	4.1%	4.2%	<i>Fewer jobs per delivered units than nationally</i>
Units under construction, as % of inventory	6.3	4.3	(22.5)	16.2	14.7	(21.3)	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions	\$92	\$98	\$15	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Total investment acquisitions (in million \$)	\$425,926	\$302,615	\$225,358	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Transaction sales price per unit	4.6%	4.6%	4.8%	5.2%	5.2%	5.3%	<i>Cap rates are lower than nationally</i>
Market cap rate							
<b>III. Office</b>							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators	4.3%	4.1%	5.1%	12.2%	4.1%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Vacancy rate	(13,186)	29,420	(23,704)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over the quarter	39,657	29,139	(21,489)	(39,446,204)	(88,926,760)	(74,605,520)	<i>The area has stronger absorption than nationally</i>
Absorption in sq.ft. over 12 months	0.8%	0.6%	-0.4%	-0.5%	-1.2%	-1.0%	
Absorption in past 12 months as % of inventory	\$23.1	\$23.1	\$22.5	\$34.4	\$34.3	\$34.3	
Market rent per sq.ft.	2.7%	3.2%	1.1%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	0.2	0.3	(0.1)	1,134	1,092	(870)	<i>Slower office job creation than nationally</i>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>							
	5,132,805	5,145,991	5,093,148	7,237,517,312	7,222,925,312	7,276,806,144	
Supply indicators	-	-	-	59,502,409	57,367,205	45,533,641	
Inventory in sq. ft.	-	-	-	0.8%	0.8%	0.6%	
Net delivered over 12 months, in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Net delivered units, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Under construction in sq.ft.	-	-	-				
Under construction, as % of inventory							
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions	\$18	\$8	\$9	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Total investment acquisitions (in million \$)	\$160	\$146	\$122	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Transaction sale price per sq.ft.	7.8%	7.8%	7.9%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>
Market cap rate							

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Bremerton-Silverdale, WA

Core-Based Statistical Area Code: 14740

### IV. Industrial

	Bremerton-Silverdale, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	1.5%	1.3%	1.3%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(2,755)	11,203	122,595	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	12,261	137,611	162,707	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	0.3%	3.8%	4.5%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$11.9	\$11.7	\$11.2	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	6.3%	5.5%	3.6%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	3,659,713	3,662,468	3,647,452	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	18,638	131,189	134,781	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.5%	3.6%	3.7%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	27,186	31,986	23,638	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.7%	0.9%	0.6%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$3	\$3	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$138	\$152	\$73	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.2%	6.2%	6.2%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Bremerton-Silverdale, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	3.3%	3.4%	3.4%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	19,841	(1,730)	2,165	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	16,709	(967)	(38,419)	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	0.1%	0.0%	-0.3%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$17.6	\$17.4	\$16.7	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	5.3%	4.2%	1.4%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	(0.10)	0.10	0.20	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	13,221,119	13,201,278	13,204,410	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-	-	7,398	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	-	-	0.1%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	19,500	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	-	-	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$24	\$17	\$18	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$127	\$163	\$171	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.2%	7.2%	7.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Bremerton-Silverdale, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	9.5	9.8	7.1	15,362	15,397	12,896	
Y/Y change ('000)	1.6	1.6	(2.8)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.3%	10.7%	7.9%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Kennewick-Richland, WA

Core-Based Statistical Area Code: 28420

The Kennewick-Richland, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 76.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Kennewick-Richland, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	119	119	114	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	5	6	(5)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.3%	4.8%	-4.5%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	4.0%	5.3%	6.2%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,109	\$1,100	\$1,211	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-7.0%	-3.2%	12.0%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.0%	3.7%	2.8%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$68,283	\$64,908	\$63,617	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	1.4	1.7	2.6	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	304	300	295	331,501	328,330	326,838	
Population growth (%)	1.30%	1.52%	1.76%	0.97%	0.46%	0.53%	<i>Population is growing faster than nationally</i>

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	3.2%	3.5%	4.8%	4.6%	4.6%	
Absorption of units over the quarter	28	75	27	78,063	189,629	94,740	
Absorption of units in past 12 months	527	526	251	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	4.5%	4.5%	2.3%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,249	\$1,240	\$1,092	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	14.4%	14.0%	5.5%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,244	\$1,236	\$1,085	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	14.7%	14.0%	6.0%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	12.9%	12.9%	10.3%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	11,607	11,579	11,081	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	352	640	288	369,993	387,542	434,591	
Net delivered units, as % of inventory	3.0%	5.5%	2.6%	2.2%	2.3%	2.6%	
Units under construction	219	159	352	681,402	692,701	687,551	
Units under construction, as % of inventory	1.9%	1.4%	3.2%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	13.9	8.6	(18.8)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$105	\$63	\$15	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$187,632	\$187,841	\$94,163	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	5.0%	5.0%	5.3%	5.2%	5.2%	5.3%	<i>Cap rates are lower than nationally</i>

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	6.2%	6.9%	5.9%	12.2%	6.9%	
Absorption in sq.ft. over the quarter	53,842	(112,319)	93,103	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	14,347	53,608	(24,803)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.2%	0.7%	-0.3%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$22.4	\$22.3	\$21.8	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.7%	3.2%	0.9%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	(1.7)	(1.7)	(0.4)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	7,375,706	7,321,864	7,361,359	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	41,422	66,422	25,000	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.6%	0.9%	0.3%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	15,800	15,800	53,422	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.2%	0.2%	0.7%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$4	\$22	\$9	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$141	\$152	\$102	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	7.8%	7.8%	7.8%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Kennewick-Richland, WA

Core-Based Statistical Area Code: 28420

### IV. Industrial

	Kennewick-Richland, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	3.3%	3.2%	5.4%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(15,997)	(98,354)	43,870	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	245,316	305,183	(24,145)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	2.3%	2.9%	-0.2%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.9	\$9.7	\$9.3	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	5.9%	4.9%	3.6%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	10,622,324	10,638,321	10,377,008	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	21,300	37,300	69,620	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.2%	0.4%	0.7%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	16,500	16,500	32,400	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.2%	0.2%	0.3%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$17	\$4	\$9	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$607	\$111	\$105	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.0%	6.0%	6.0%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Kennewick-Richland, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	3.4%	3.6%	4.3%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	45,199	27,973	(49,675)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	163,556	68,682	13,423	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.3%	0.5%	0.1%	0.7%	0.4%	-0.3%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$16.5	\$16.3	\$15.8	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	4.4%	3.8%	1.6%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.90	1.10	0.10	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	13,016,598	12,971,399	12,853,042	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	35,056	34,530	26,717	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.3%	0.3%	0.2%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	18,845	21,314	36,030	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.2%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$30	\$37	\$18	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$245	\$152	\$138	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	6.9%	6.9%	6.9%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

### VI. Hotel/Lodging

	Kennewick-Richland, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	11.4	11.8	8.5	15,362	15,397	12,896	
Y/Y change ('000)	2.0	2.2	(3.6)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.5%	9.9%	7.5%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Longview, WA

Core-Based Statistical Area Code: 31020

The Longview, WA commercial real estate market is about the same compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 50.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

	Longview, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
<b>Economic</b>							
Total non-farm employment ('000)	41	41	40	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	2	1	(1)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.8%	1.7%	-3.2%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	5.2%	5.7%	7.0%	4.2%	4.7%	6.7%	<b>Unemployment rate is higher than nationally</b>
Average weekly wages	\$1,035	\$994	\$947	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	13.1%	12.7%	9.2%	4.8%	4.5%	6.7%	<b>Wages are rising faster than nationally</b>
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-2.6%	5.2%	4.4%	-3.4%	2.3%	2.9%	
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Median household income	\$55,497	\$59,225	\$49,456	\$87,470	\$84,423	\$81,284	
<b>Demographic</b>							
Net domestic migration ('000)	1.0	1.7	1.8	0	0	0	<b>Area is experiencing net domestic in-migration</b>
Population ('000)	111	110	109	331,501	328,330	326,838	
Population growth (%)	0.89%	1.58%	1.75%	0.97%	0.46%	0.53%	<b>Population growth is slower than nationally</b>
<b>II. Multifamily</b>							
<b>Demand indicators</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Vacancy rate	4.8%	4.7%	4.3%	4.6%	4.6%	6.6%	<b>The area has a higher vacancy rate than nationally</b>
Absorption of units over the quarter	(2)	(6)	12	78,063	189,629	94,740	
Absorption in past 12 months	(13)	1	(12)	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	-0.5%	0.0%	-0.4%	4.2%	4.3%	2.3%	<b>The area has lower absorption than nationally</b>
Market asking rent per unit	\$1,109	\$1,107	\$1,087	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	2.0%	1.9%	1.8%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,103	\$1,101	\$1,082	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	1.9%	2.0%	1.7%	12.2%	11.6%	-0.1%	<b>Rents are rising more slowly than nationally</b>
Rent as a percent of 2-person annual wage income	12.3%	12.8%	13.1%	16.3%	16.3%	15.2%	<b>Renting is more affordable than nationally</b>
<b>Supply indicators</b>							
Inventory	2,663	2,665	2,677	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	-	-	-	369,993	387,542	434,591	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.6%	
Units under construction	-	-	-	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	-	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	-	-	-	16.2	14.7	(21.3)	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$9	\$9	\$7	\$86,764	\$63,211	\$47,522	<b>Sales transactions are not rising as fast than nationally</b>
Transaction sales price per unit	\$70,746	\$91,832	\$110,606	\$235,199	\$231,697	\$212,033	<b>Prices are not rising as fast than nationally</b>
Market cap rate	6.0%	6.0%	6.0%	5.2%	5.2%	5.3%	<b>Cap rates are higher than nationally</b>
<b>III. Office</b>							
<b>Demand indicators</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Vacancy rate	2.2%	2.2%	2.6%	12.2%	2.2%	2.6%	<b>The area has a lower vacancy rate than nationally</b>
Absorption in sq.ft. over the quarter	240	11,307	2,727	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	7,057	9,544	(3,470)	(39,446,204)	(88,926,760)	(74,605,520)	<b>The area has stronger absorption than nationally</b>
Absorption in past 12 months as % of inventory	0.4%	0.6%	-0.2%	-0.5%	-1.2%	-1.0%	
Market rent per sq.ft.	\$20.5	\$20.4	\$19.9	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	3.1%	3.8%	1.0%	0.1%	-0.3%	-1.5%	<b>Rents are rising faster than nationally</b>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)	
<b>Supply indicators</b>							
Inventory in sq. ft.	1,727,063	1,726,823	1,720,006	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$0	\$24	\$0	\$28,031	\$29,974	\$21,646	<b>Sales transactions are not rising as fast than nationally</b>
Transaction sale price per sq.ft.	\$0	\$439	\$91	\$305	\$306	\$301	<b>Prices are not rising as fast than nationally</b>
Market cap rate	7.7%	7.7%	7.8%	7.0%	7.0%	7.0%	<b>Cap rates are higher than nationally</b>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Longview, WA

Core-Based Statistical Area Code: 31020

### IV. Industrial

	Longview, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	1.2%	1.6%	2.7%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	50,140	12,696	50,100	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	134,110	134,070	18,970	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.8%	1.8%	0.3%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.9	\$7.7	\$7.4	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	6.9%	5.5%	4.4%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	7,345,130	7,294,990	7,211,020	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	23,900	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.3%	-	-	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	30,000	53,900	23,900	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.4%	0.7%	0.3%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$0	\$3	\$3	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$53	\$144	\$73	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.8%	5.8%	5.9%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Longview, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	2.5%	2.6%	2.2%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	6,796	(1,859)	3,092	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(7,010)	(10,714)	33,869	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-0.1%	-0.2%	0.6%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$14.2	\$13.9	\$13.5	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	4.7%	3.5%	1.4%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	0.20	0.30	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	5,371,647	5,364,851	5,378,657	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	6,200	6,200	-	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	0.1%	0.1%	-	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	6,200	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	0.1%	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$9	\$0	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$238	\$155	\$81	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.0%	7.1%	7.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Longview, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	3.6	3.7	2.8	15,362	15,397	12,896	
Y/Y change ('000)	0.5	0.5	(0.7)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.7%	9.1%	7.1%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Mount Vernon-Anacortes, WA

Core-Based Statistical Area Code: 34580

The Mount Vernon-Anacortes, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 62.5**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Mount Vernon-Anacortes, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	51	51	48	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	3	2	(4)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	6.0%	3.9%	-7.7%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	4.2%	5.5%	7.1%	4.2%	4.7%	6.7%	<b>Unemployment rate is higher than nationally</b>
Average weekly wages	\$1,064	\$1,087	\$1,046	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-4.7%	7.0%	2.6%	4.8%	4.5%	6.7%	<b>Wages are rising at a slower pace than nationally</b>

	2020	2019	2018	2020	2019	2018
GDP growth (%)	-5.4%	0.9%	1.6%	-3.4%	2.3%	2.9%
Median household income	\$67,175	\$73,206	\$66,066	\$87,470	\$84,423	\$81,284

Demographic	2020	2019	2018	2020	2019	2018
Net domestic migration ('000)	1.3	1.0	1.6	0	0	0
Population ('000)	131	129	128	331,501	328,330	326,838
Population growth (%)	1.24%	1.14%	1.49%	0.97%	0.46%	0.53%

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Vacancy rate	3.9%	0.7%	3.2%	4.6%	4.6%	6.6%
Absorption of units over the quarter	35	1	47	78,063	189,629	94,740
Absorption of units in past 12 months	80	92	73	714,672	731,349	376,273
Absorption in past 12 months as % of inventory	4.4%	5.1%	4.2%	4.2%	4.3%	2.3%
Market asking rent per unit	\$1,369	\$1,361	\$1,311	\$1,543	\$1,532	\$1,387
Market asking rent per unit, y/y % chg	4.5%	4.5%	2.9%	11.3%	10.6%	0.5%
Effective rent per unit	\$1,359	\$1,357	\$1,305	\$1,534	\$1,523	\$1,367
Effective rent per unit, y/y % chg	4.2%	4.4%	2.9%	12.2%	11.6%	-0.1%
Rent as a percent of 2-person annual wage income	14.7%	14.4%	14.4%	16.3%	16.3%	15.2%

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Inventory	1,821	1,787	1,741	17,112,020	17,034,566	16,401,950
Net delivered units in past 12 months	96	72	72	369,993	387,542	434,591
Net delivered units, as % of inventory	5.3%	4.0%	4.1%	2.2%	2.3%	2.6%
Units under construction	-	96	96	681,402	692,701	687,551
Units under construction, as % of inventory	-	5.4%	5.5%	4.0%	4.1%	4.2%
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	30.2	26.4	(55.6)	16.2	14.7	(21.3)

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Total investment acquisitions (in million \$)	-	\$1	\$13	\$86,764	\$63,211	\$47,522
Transaction sales price per unit	-	\$127,778	\$203,238	\$235,199	\$231,697	\$212,033
Market cap rate	5.2%	5.2%	5.2%	5.2%	5.2%	5.3%

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Vacancy rate	0.7%	0.6%	2.3%	12.2%	0.6%	2.3%
Absorption in sq.ft. over the quarter	(1,642)	9,744	7,557	14,567,728	5,676,582	(34,912,824)
Absorption in sq.ft. over 12 months	22,587	31,786	16,226	(39,446,204)	(88,926,760)	(74,605,520)
Absorption in past 12 months as % of inventory	1.6%	2.2%	1.1%	-0.5%	-1.2%	-1.0%
Market rent per sq.ft.	\$23.7	\$23.6	\$23.0	\$34.4	\$34.3	\$34.3
Market rent growth, y/y % chg.	3.0%	3.6%	1.1%	0.1%	-0.3%	-1.5%
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Inventory in sq. ft.	1,452,475	1,454,117	1,429,888	7,237,517,312	7,222,925,312	7,276,806,144
Net delivered over 12 months, in sq.ft.	-	-	7,800	59,502,409	57,367,205	45,533,641
Net delivered units, as % of inventory	-	-	0.5%	0.8%	0.8%	0.6%
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
Total investment acquisitions (in million \$)	\$1	\$8	\$2	\$28,031	\$29,974	\$21,646
Transaction sale price per sq.ft.	\$41	\$146	\$75	\$305	\$306	\$301
Market cap rate	7.9%	7.8%	8.0%	7.0%	7.0%	7.0%

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Mount Vernon-Anacortes, WA

Core-Based Statistical Area Code: 34580

### IV. Industrial

	Mount Vernon-Anacortes, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	1.1%	1.6%	7.8%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	23,561	295,222	111,041	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	336,288	423,768	(34,559)	502,819,872	454,349,376	223,162,272	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	7.3%	9.2%	-0.8%	3.0%	2.7%	1.4%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$9.0	\$8.9	\$8.5	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	5.7%	5.9%	5.2%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	4,624,848	4,601,287	4,288,560	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	28,000	28,000	-	283,714,234	297,459,785	307,128,078	<i>Less deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.6%	0.6%	-	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	28,000	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	0.7%	3.0%	2.8%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$24	\$2	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$108	\$78	\$27	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.6%	6.5%	6.4%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Mount Vernon-Anacortes, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.3%	4.2%	1.9%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	727	(6,051)	53,236	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(155,564)	(103,055)	142,444	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-2.4%	-1.6%	2.1%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$19.5	\$19.2	\$18.3	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	6.2%	4.7%	1.5%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.40	0.40	(0.40)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	6,481,221	6,480,494	6,635,777	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively more units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	3,010	-	3,062	21,047,385	28,105,270	41,736,234	<i>Less delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.0%	-	0.0%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	3,010	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	0.0%	-	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$3	\$2	\$8	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$81	\$148	\$244	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.1%	7.1%	7.0%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Mount Vernon-Anacortes, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	4.8	4.9	3.7	15,362	15,397	12,896	
Y/Y change ('000)	0.7	0.6	(1.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	9.4%	9.7%	7.7%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Olympia-Tumwater, WA

Core-Based Statistical Area Code: 36500

The Olympia-Tumwater, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 72.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is stronger than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Olympia-Tumwater, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	123	122	117	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	6	7	(5)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.3%	5.6%	-4.4%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	3.5%	4.5%	5.8%	4.2%	4.7%	6.7%	<b>Unemployment rate is lower than nationally</b>
Average weekly wages	\$1,100	\$1,093	\$1,140	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-4.3%	-1.5%	9.9%	4.8%	4.5%	6.7%	<b>Wages are rising at a slower pace than nationally</b>

GDP growth (%)	2020	2019	2018	2020	2019	2018
		-2.2%	1.9%	6.2%	-3.4%	2.3%

Median household income	2019	2018	2017	2019	2018	2017
		\$78,512	\$72,703	\$71,765	\$87,470	\$84,423

Demographic	Olympia-Tumwater, WA			U.S.			
	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	3.7	3.1	4.5	0	0	0	<b>Area is experiencing net domestic in-migration</b>
Population ('000)	294	290	286	331,501	328,330	326,838	
Population growth (%)	1.52%	1.40%	1.93%	0.97%	0.46%	0.53%	<b>Population is growing faster than nationally</b>

Demand indicators	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.7%	2.7%	6.0%	4.6%	4.6%	6.6%	<b>The area has a lower vacancy rate than nationally</b>
Absorption of units over the quarter	47	40	169	78,063	189,629	94,740	
Absorption of units in past 12 months	718	840	448	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	5.3%	6.2%	3.5%	4.2%	4.3%	2.3%	<b>The area has stronger absorption than nationally</b>
Market asking rent per unit	\$1,535	\$1,510	\$1,395	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	10.0%	9.7%	5.4%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,528	\$1,504	\$1,390	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	9.9%	9.7%	5.5%	12.2%	11.6%	-0.1%	<b>Rents are rising more slowly than nationally</b>
Rent as a percent of 2-person annual wage income	16.0%	15.8%	14.0%	16.3%	16.3%	15.2%	<b>Renting is more affordable than nationally</b>

Supply indicators	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Inventory	13,673	13,627	12,980	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	235	662	756	369,993	387,542	434,591	
Net delivered units, as % of inventory	1.7%	4.9%	5.8%	2.2%	2.3%	2.6%	
Units under construction	732	765	605	681,402	692,701	687,551	
Units under construction, as % of inventory	5.4%	5.6%	4.7%	4.0%	4.1%	4.2%	<b>Construction is stronger than nationally</b>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	26.4	9.8	(7.1)	16.2	14.7	(21.3)	<b>More jobs per delivered units than nationally</b>

Sales transactions	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Total investment acquisitions (in million \$)	\$101	\$69	\$3	\$86,764	\$63,211	\$47,522	<b>Sales transactions are rising faster than nationally</b>
Transaction sales price per unit	\$338,233	\$215,155	\$134,375	\$235,199	\$231,697	\$212,033	<b>Prices are rising faster nationally</b>
Market cap rate	4.6%	4.6%	4.7%	5.2%	5.2%	5.3%	<b>Cap rates are lower than nationally</b>

### III. Office

Demand indicators	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.6%	2.7%	3.0%	12.2%	2.7%	3.0%	<b>The area has a lower vacancy rate than nationally</b>
Absorption in sq.ft. over the quarter	11,559	46,445	(14,489)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	47,358	21,310	(36,585)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.4%	0.2%	-0.3%	-0.5%	-1.2%	-1.0%	<b>The area has stronger absorption than nationally</b>
Market rent per sq.ft.	\$23.5	\$23.4	\$23.0	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.1%	2.4%	0.6%	0.1%	-0.3%	-1.5%	<b>Rents are rising faster than nationally</b>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.2	0.8	0.1	1,134	1,092	(870)	<b>Stronger office job creation than nationally</b>

Supply indicators	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Inventory in sq. ft.	11,302,559	11,291,000	11,255,201	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	4,853	36,853	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	0.0%	0.3%	0.8%	0.8%	0.6%	
Under construction in sq.ft.	11,000	11,000	11,000	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.1%	0.1%	0.1%	2.0%	2.0%	2.1%	<b>Construction activity is slower than nationally</b>

Sales transactions	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Total investment acquisitions (in million \$)	\$4	\$55	\$8	\$28,031	\$29,974	\$21,646	<b>Sales transactions are not rising as fast than nationally</b>
Transaction sale price per sq.ft.	\$99	\$157	\$212	\$305	\$306	\$301	<b>Prices are not rising as fast than nationally</b>
Market cap rate	7.8%	7.8%	7.8%	7.0%	7.0%	7.0%	<b>Cap rates are higher than nationally</b>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Olympia-Tumwater, WA

Core-Based Statistical Area Code: 36500

### IV. Industrial

	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.1%	3.1%	3.2%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(40,094)	12,875	77,916	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	3,409,152	3,527,162	235,012	502,819,872	454,349,376	223,162,272	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	18.5%	19.1%	1.6%	3.0%	2.7%	1.4%	
Market rent per sq.ft.	\$8.3	\$8.1	\$7.8	\$9.8	\$9.5	\$9.0	<i>Rent growth is slower than nationally</i>
Market rent growth, y/y % chg.	7.3%	6.2%	5.0%	8.6%	7.2%	4.6%	
<b>Supply indicators</b>							
Inventory in sq. ft.	18,434,042	18,474,136	15,024,890	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	3,702,424	3,560,540	109,400	283,714,234	297,459,785	307,128,078	<i>More deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	20.1%	19.3%	0.7%	1.7%	1.8%	1.9%	
Under construction in sq.ft.	67,476	209,360	3,702,424	508,025,152	466,780,896	340,499,936	<i>Less delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	0.4%	1.1%	24.6%	3.0%	2.8%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$2	\$18	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$106	\$64	\$151	\$144	\$127	\$110	<i>Prices are not rising as fast as nationally</i>
Market cap rate	5.3%	5.4%	5.4%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Olympia-Tumwater, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	2.3%	2.6%	3.5%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	49,486	3,936	(63,789)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	200,873	87,598	(177,538)	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.4%	0.6%	-1.2%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$19.6	\$19.3	\$18.8	\$22.5	\$22.3	\$21.9	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	4.3%	3.3%	1.0%	2.8%	2.1%	0.8%	<i>The area has stronger retail trade job creation than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.40	0.80	0.20	372.10	387.70	(473.90)	
<b>Supply indicators</b>							
Inventory in sq. ft.	14,449,627	14,400,141	14,248,754	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	16,228	16,228	-	21,047,385	28,105,270	41,736,234	<i>Less delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.1%	0.1%	-	0.2%	0.3%	0.4%	
Under construction in sq.ft.	27,857	8,582	54,500	50,577,712	53,660,692	52,556,572	<i>Construction activity is slower than nationally</i>
Under construction, as % of inventory	0.2%	0.1%	0.4%	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$35	\$33	\$48	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$233	\$191	\$170	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	6.5%	6.5%	6.5%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

### VI. Hotel/Lodging

	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	11.0	10.4	8.9	15,362	15,397	12,896	
Y/Y change ('000)	1.7	1.5	(2.2)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	8.9%	8.5%	7.6%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Portland-Vancouver-Hillsboro, OR-WA

Core-Based Statistical Area Code: 38900

The Portland-Vancouver-Hillsboro, OR-WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 60.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	1,212	1,190	1,133	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	65	59	(113)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.6%	5.2%	-9.1%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	4.1%	4.7%	7.3%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,163	\$1,139	\$1,107	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.3%	6.4%	2.3%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.2%	2.1%	5.4%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$78,439	\$75,599	\$71,931	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	10.3	7.4	6.4	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	2,510	2,492	2,475	331,501	328,330	326,838	
Population growth (%)	0.71%	0.70%	0.73%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.7%	4.6%	6.8%	4.6%	4.6%	6.6%	<i>The area has a higher vacancy rate than nationally</i>
Absorption of units over the quarter	712	2,588	1,322	78,063	189,629	94,740	
Absorption of units in past 12 months	10,377	10,987	6,201	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	5.1%	5.4%	3.2%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,516	\$1,522	\$1,388	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	9.3%	9.3%	0.8%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,505	\$1,508	\$1,366	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	10.2%	10.0%	0.6%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	14.9%	15.2%	14.2%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory	202,964	202,246	192,642	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	6,459	6,875	7,178	369,993	387,542	434,591	
Net delivered units, as % of inventory	3.2%	3.4%	3.7%	2.2%	2.3%	2.6%	
Units under construction	4,487	5,000	8,923	681,402	692,701	687,551	
Units under construction, as % of inventory	2.2%	2.5%	4.6%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	10.0	8.5	(15.7)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$1,515	\$1,054	\$773	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Transaction sales price per unit	\$296,474	\$249,265	\$266,952	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	4.5%	4.6%	4.6%	5.2%	5.2%	5.3%	<i>Cap rates are lower than nationally</i>

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	11.4%	11.4%	9.8%	12.2%	11.4%	9.8%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	54,755	(59,596)	(903,611)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(512,957)	(1,471,323)	(1,913,502)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.5%	-1.5%	-1.9%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$28.8	\$28.8	\$28.0	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	2.7%	-0.1%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	15.6	19.3	(5.8)	1,134	1,092	(870)	<i>Slower office job creation than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators							
Inventory in sq. ft.	99,810,560	99,755,808	100,297,120	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	1,439,088	1,578,248	1,178,672	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	1.4%	1.6%	1.2%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	888,966	930,451	2,139,363	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.9%	0.9%	2.1%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Sales transactions							
Total investment acquisitions (in million \$)	\$161	\$107	\$396	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$240	\$177	\$584	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.3%	6.2%	6.3%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Portland-Vancouver-Hillsboro, OR-WA

Core-Based Statistical Area Code: 38900

### IV. Industrial

	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.0%	4.6%	4.6%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,768,798	739,885	(1,087,166)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	3,107,888	251,924	1,615,841	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	1.3%	0.1%	0.7%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$10.4	\$10.2	\$9.7	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	7.0%	5.9%	5.5%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	234,533,024	232,764,224	231,425,136	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,817,230	1,807,149	3,812,689	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.8%	0.8%	1.6%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	4,972,770	5,052,069	4,379,505	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	2.1%	2.2%	1.9%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$349	\$200	\$241	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$192	\$139	\$100	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	5.7%	5.7%	5.7%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.1%	4.1%	4.1%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	77,902	289,680	(287,206)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	114,431	(250,677)	(973,661)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.1%	-0.2%	-0.8%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$23.0	\$22.7	\$22.7	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	1.4%	0.3%	2.2%	2.8%	2.1%	0.8%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	1.10	1.90	(3.40)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	118,920,976	118,843,080	118,806,544	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	113,151	30,844	155,069	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.1%	0.0%	0.1%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	530,500	598,393	479,488	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.4%	0.5%	0.4%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$297	\$196	\$138	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$261	\$246	\$241	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.6%	6.6%	6.6%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

### VI. Hotel/Lodging

	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	104.3	102.4	71.8	15,362	15,397	12,896	
Y/Y change ('000)	16.7	15.0	(53.7)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.6%	8.6%	6.3%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Seattle-Tacoma-Bellevue, WA

Core-Based Statistical Area Code: 42660

The Seattle-Tacoma-Bellevue, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 72.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Seattle-Tacoma-Bellevue, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	2,079	2,061	1,964	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	107	103	(160)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.4%	5.3%	-7.5%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	3.5%	4.9%	6.1%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,411	\$1,398	\$1,380	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-0.2%	2.2%	-0.7%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>

GDP growth (%)	2020	2019	2018	2020	2019	2018
		0.0%	4.5%	7.8%	-3.4%	2.3%

Median household income	2019	2018	2017	2019	2018	2017
		\$94,027	\$87,910	\$82,133	\$87,470	\$84,423

Demographic	2020	2019	2018	2020	2019	2018
	Net domestic migration ('000)	9.4	2.2	7.0	0	0
Population ('000)	4,019	3,978	3,938	331,501	328,330	326,838
Population growth (%)	1.03%	1.02%	1.25%	0.97%	0.46%	0.53%

*Area is experiencing net domestic in-migration*  
*Population is growing faster than nationally*

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Vacancy rate	4.9%	4.7%	7.1%	4.6%	4.6%
Absorption of units over the quarter	1,266	4,282	1,140	78,063	189,629	94,740
Absorption of units in past 12 months	17,178	17,052	2,936	714,672	731,349	376,273
Absorption in past 12 months as % of inventory	5.0%	5.0%	0.9%	4.2%	4.3%	2.3%
Market asking rent per unit	\$1,863	\$1,879	\$1,684	\$1,543	\$1,532	\$1,387
Market asking rent per unit, y/y % chg	10.7%	10.4%	-2.7%	11.3%	10.6%	0.5%
Effective rent per unit	\$1,850	\$1,866	\$1,646	\$1,534	\$1,523	\$1,367
Effective rent per unit, y/y % chg	12.4%	12.0%	-3.9%	12.2%	11.6%	-0.1%
Rent as a percent of 2-person annual wage income	15.1%	15.4%	13.7%	16.3%	16.3%	15.2%

*The area has a higher vacancy rate than nationally*  
*The area has stronger absorption than nationally*  
*Rents are rising faster than nationally*  
*Renting is more affordable than nationally*

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Inventory	340,927	339,708	323,916	17,112,020	17,034,566
Net delivered units in past 12 months	9,708	9,496	7,637	369,993	387,542	434,591
Net delivered units, as % of inventory	2.8%	2.8%	2.4%	2.2%	2.3%	2.6%
Units under construction	23,067	22,097	21,983	681,402	692,701	687,551
Units under construction, as % of inventory	6.8%	6.5%	6.8%	4.0%	4.1%	4.2%
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	11.0	10.9	(21.0)	16.2	14.7	(21.3)

*Construction is stronger than nationally*  
*Fewer jobs per delivered units than nationally*

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Total investment acquisitions (in million \$)	\$3,229	\$3,060	\$1,592	\$86,764	\$63,211
Transaction sales price per unit	\$341,743	\$361,965	\$266,226	\$235,199	\$231,697	\$212,033
Market cap rate	4.1%	4.1%	4.2%	5.2%	5.2%	5.3%

*Sales transactions are rising faster than nationally*  
*Prices are rising faster nationally*  
*Cap rates are lower than nationally*

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Vacancy rate	9.6%	9.7%	7.4%	12.2%	9.7%
Absorption in sq.ft. over the quarter	968,506	315,225	(1,025,274)	14,567,728	5,676,582	(34,912,824)
Absorption in sq.ft. over 12 months	(1,074,667)	(3,068,447)	748,638	(39,446,204)	(88,926,760)	(74,605,520)
Absorption in past 12 months as % of inventory	-0.5%	-1.5%	0.4%	-0.5%	-1.2%	-1.0%
Market rent per sq.ft.	\$38.2	\$38.2	\$37.8	\$34.4	\$34.3	\$34.3
Market rent growth, y/y % chg.	1.1%	0.2%	-3.3%	0.1%	-0.3%	-1.5%
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	18.9	23.5	(1.3)	1,134	1,092	(870)

*The area has a lower vacancy rate than nationally*  
*The area has stronger absorption than nationally*  
*Rents are rising faster than nationally*  
*Slower office job creation than nationally*

Supply indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Inventory in sq. ft.	199,952,560	198,984,064	201,027,232	7,237,517,312	7,222,925,312
Net delivered over 12 months, in sq.ft.	4,075,670	3,826,764	4,678,663	59,502,409	57,367,205	45,533,641
Net delivered units, as % of inventory	2.0%	1.9%	2.3%	0.8%	0.8%	0.6%
Under construction in sq.ft.	10,282,322	10,965,960	10,974,314	142,297,840	141,203,264	155,258,080
Under construction, as % of inventory	5.1%	5.5%	5.5%	2.0%	2.0%	2.1%

*More delivered space relative to inventory than nationally*  
*Construction activity is more robust than nationally*

Sales transactions	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4
	Total investment acquisitions (in million \$)	\$1,417	\$2,550	\$2,806	\$28,031	\$29,974
Transaction sale price per sq.ft.	\$349	\$540	\$666	\$305	\$306	\$301
Market cap rate	5.6%	5.6%	5.6%	7.0%	7.0%	7.0%

*Sales transactions are not rising as fast than nationally*  
*Prices are not rising as fast than nationally*  
*Cap rates are lower than nationally*

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Seattle-Tacoma-Bellevue, WA

Core-Based Statistical Area Code: 42660

### IV. Industrial

	Seattle-Tacoma-Bellevue, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	4.3%	4.7%	5.1%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	2,525,653	3,413,087	1,462,302	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	7,516,199	6,452,848	2,376,886	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	2.3%	2.0%	0.7%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$12.4	\$12.2	\$11.4	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	8.7%	8.2%	4.2%	8.6%	7.2%	4.6%	<i>Rents are rising faster than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	324,802,592	322,276,960	317,286,496	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	5,061,623	4,197,228	4,024,832	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.6%	1.3%	1.3%	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	8,627,801	9,709,956	5,995,245	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	2.7%	3.0%	1.9%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$747	\$735	\$841	\$34,773	\$30,151	\$29,578	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$236	\$194	\$166	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	4.8%	4.9%	4.9%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Seattle-Tacoma-Bellevue, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	2.6%	2.8%	2.7%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	141,401	432,243	221,500	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(195,634)	(115,535)	139,105	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	-0.1%	-0.1%	0.1%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$27.6	\$27.5	\$26.7	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	3.1%	3.6%	2.7%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	3.30	3.90	4.70	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	177,417,024	177,275,632	177,612,672	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-254,822	-186,799	465,835	21,047,385	28,105,270	41,736,234	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	-0.1%	-0.1%	0.3%	0.2%	0.3%	0.4%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	1,384,401	1,237,987	503,393	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.8%	0.7%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$547	\$534	\$247	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$332	\$352	\$322	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.9%	5.9%	6.0%	7.0%	7.0%	7.0%	<i>Cap rates are lower than nationally</i>

### VI. Hotel/Lodging

	Seattle-Tacoma-Bellevue, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	179.3	180.2	125.7	15,362	15,397	12,896	
Y/Y change ('000)	38.8	36.2	(81.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.6%	8.7%	6.4%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Spokane-Spokane Valley, WA

Core-Based Statistical Area Code: 44060

The Spokane-Spokane Valley, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 64.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Spokane-Spokane Valley, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	262	260	241	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	17	17	(18)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	7.1%	7.0%	-6.8%	4.1%	4.0%	-6.0%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	3.7%	4.9%	6.4%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$1,092	\$1,073	\$1,044	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.5%	3.5%	5.4%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
GDP growth (%)	-2.1%	2.7%	5.0%	-3.4%	2.3%	2.9%	
Median household income	2020: \$59,646	2019: \$58,546	2018: \$53,321	2020: \$87,470	2019: \$84,423	2018: \$81,284	
Demographic	2020	2019	2018	2020	2019	2018	
Net domestic migration ('000)	5.7	8.0	7.1	0	0	0	<i>Area is experiencing net domestic in-migration</i>
Population ('000)	575	568	559	331,501	328,330	326,838	
Population growth (%)	1.15%	1.65%	1.53%	0.97%	0.46%	0.53%	<i>Population is growing faster than nationally</i>
II. Multifamily							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	4.0%	4.2%	4.0%	4.6%	4.6%	6.6%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	58	3	489	78,063	189,629	94,740	
Absorption of units in past 12 months	795	1,226	1,235	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	2.3%	3.5%	3.6%	4.2%	4.3%	2.3%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$1,219	\$1,243	\$1,079	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	13.0%	16.2%	5.7%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,213	\$1,238	\$1,073	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	13.0%	16.6%	5.6%	12.2%	11.6%	-0.1%	<i>Rents are rising faster than nationally</i>
Rent as a percent of 2-person annual wage income	12.8%	13.3%	11.8%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	34,756	34,694	33,960	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	859	1,196	1,295	369,993	387,542	434,591	
Net delivered units, as % of inventory	2.5%	3.4%	3.8%	2.2%	2.3%	2.6%	
Units under construction	1,426	1,323	1,474	681,402	692,701	687,551	
Units under construction, as % of inventory	4.1%	3.8%	4.3%	4.0%	4.1%	4.2%	<i>Construction is stronger than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	20.3	14.2	(13.5)	16.2	14.7	(21.3)	<i>More jobs per delivered units than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$43	\$94	\$71	\$86,764	\$63,211	\$47,522	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sales price per unit	\$138,574	\$170,640	\$121,766	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Market cap rate	5.2%	5.2%	5.4%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
III. Office							
Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	6.9%	7.6%	7.7%	12.2%	7.6%	7.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	144,621	276,007	(41,146)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	188,711	2,944	167,607	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.9%	0.0%	0.8%	-0.5%	-1.2%	-1.0%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$20.6	\$20.6	\$20.0	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	3.3%	3.2%	2.4%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	1.0	1.7	(0.5)	1,134	1,092	(870)	<i>Slower office job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	21,349,360	21,204,738	21,160,648	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	10,446	(22,740)	141,614	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.0%	-0.1%	0.7%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	41,500	41,500	32,283	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.2%	0.2%	0.2%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$25	\$58	\$10	\$28,031	\$29,974	\$21,646	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$191	\$178	\$99	\$305	\$306	\$301	<i>Prices are rising faster nationally</i>
Market cap rate	8.0%	8.0%	8.1%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Spokane-Spokane Valley, WA

Core-Based Statistical Area Code: 44060

### IV. Industrial

	Spokane-Spokane Valley, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	3.3%	3.2%	3.4%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,523,943	253,019	254,118	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	1,836,221	566,396	854,093	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	3.7%	1.2%	1.8%	3.0%	2.7%	1.4%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$7.7	\$7.6	\$7.3	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	6.3%	5.2%	3.9%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	49,083,864	47,559,920	47,247,640	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,826,400	366,703	1,047,415	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	3.7%	0.8%	2.2%	1.7%	1.8%	1.9%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	368,642	1,975,642	2,066,500	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	0.8%	4.2%	4.4%	3.0%	2.8%	2.1%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$181	\$18	\$16	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$121	\$69	\$63	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.7%	6.7%	6.6%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Spokane-Spokane Valley, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	3.6%	3.9%	4.4%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	99,192	140,421	46,046	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	386,600	333,454	(17,765)	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	1.1%	0.9%	0.0%	0.7%	0.4%	-0.3%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$14.7	\$14.4	\$14.0	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	5.1%	3.8%	1.4%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.80	0.20	(0.90)	372.10	387.70	(473.90)	<i>The area has weaker retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	36,743,164	36,643,972	36,356,564	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	102,764	102,246	33,974	21,047,385	28,105,270	41,736,234	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.3%	0.3%	0.1%	0.2%	0.3%	0.4%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	35,096	40,987	100,764	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.1%	0.1%	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$42	\$40	\$16	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$209	\$103	\$145	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.3%	7.4%	7.4%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Spokane-Spokane Valley, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	22.6	23.7	15.2	15,362	15,397	12,896	
Y/Y change ('000)	4.5	4.4	(9.3)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.6%	9.1%	6.3%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Walla Walla, WA

Core-Based Statistical Area Code: 47460

The Walla Walla, WA commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 44.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

	Walla Walla, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
<b>Economic</b>							
Total non-farm employment ('000)	30	30	28	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	1	2	(1)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.6%	5.7%	-2.8%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	3.9%	4.1%	5.6%	4.2%	4.7%	6.7%	<b>Unemployment rate is lower than nationally</b>
Average weekly wages	\$869	\$886	\$831	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	-4.6%	-2.7%	-15.9%	4.8%	4.5%	6.7%	<b>Wages are rising at a slower pace than nationally</b>
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-7.2%	-1.2%	1.0%	-3.4%	2.3%	2.9%	
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Median household income	\$61,285	\$59,704	\$54,157	\$87,470	\$84,423	\$81,284	
<b>Demographic</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
Net domestic migration ('000)	0.2	0.1	0.0	0	0	0	<b>Area is experiencing net domestic in-migration</b>
Population ('000)	61	61	61	331,501	328,330	326,838	
Population growth (%)	0.38%	0.47%	0.16%	0.97%	0.46%	0.53%	<b>Population growth is slower than nationally</b>
<b>II. Multifamily</b>							
<b>Demand indicators</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Vacancy rate	3.0%	6.0%	3.1%	4.6%	4.6%	6.6%	<b>The area has a lower vacancy rate than nationally</b>
Absorption of units over the quarter	27	58	2	78,063	189,629	94,740	
Absorption of units in past 12 months	134	109	(3)	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	15.2%	12.8%	-0.4%	4.2%	4.3%	2.3%	<b>The area has stronger absorption than nationally</b>
Market asking rent per unit	\$975	\$969	\$938	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	3.9%	4.1%	2.5%	11.3%	10.6%	0.5%	
Effective rent per unit	\$969	\$966	\$936	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	3.6%	3.9%	2.5%	12.2%	11.6%	-0.1%	<b>Rents are rising more slowly than nationally</b>
Rent as a percent of 2-person annual wage income	12.8%	12.5%	13.0%	16.3%	16.3%	15.2%	<b>Renting is more affordable than nationally</b>
<b>Supply indicators</b>							
Inventory	879	852	745	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	137	137	-	369,993	387,542	434,591	
Net delivered units, as % of inventory	15.6%	16.1%	-	2.2%	2.3%	2.6%	
Units under construction	-	-	137	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	18.4%	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	9.5	11.7	-	16.2	14.7	(21.3)	<b>Fewer jobs per delivered units than nationally</b>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	-	-	-	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	-	-	-	\$235,199	\$231,697	\$212,033	
Market cap rate	5.0%	5.0%	5.1%	5.2%	5.2%	5.3%	<b>Cap rates are lower than nationally</b>
<b>III. Office</b>							
<b>Demand indicators</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Vacancy rate	2.6%	3.3%	0.7%	12.2%	3.3%	0.7%	<b>The area has a lower vacancy rate than nationally</b>
Absorption in sq.ft. over the quarter	5,343	(233)	-	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(14,242)	(19,585)	20,470	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-2.0%	-2.7%	2.8%	-0.5%	-1.2%	-1.0%	<b>The area has lower absorption than nationally</b>
Market rent per sq.ft.	\$20.2	\$20.1	\$19.5	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	3.4%	3.8%	1.1%	0.1%	-0.3%	-1.5%	<b>Rents are rising faster than nationally</b>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.0	0.1	0.0	1,134	1,092	(870)	
<b>Supply indicators</b>							
Inventory in sq. ft.	726,739	721,396	740,981	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$0	\$0	\$3	\$28,031	\$29,974	\$21,646	<b>Sales transactions are not rising as fast than nationally</b>
Transaction sale price per sq.ft.	\$0	\$0	\$154	\$305	\$306	\$301	<b>Prices are not rising as fast than nationally</b>
Market cap rate	7.5%	7.5%	7.6%	7.0%	7.0%	7.0%	<b>Cap rates are higher than nationally</b>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Walla Walla, WA

Core-Based Statistical Area Code: 47460

### IV. Industrial

	Walla Walla, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	12.4%	12.5%	11.2%	4.2%	4.6%	5.5%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	4,000	15,506	(2,443)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	(43,678)	(50,121)	(136,882)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-1.4%	-1.6%	-4.2%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.7	\$7.5	\$7.3	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	5.9%	4.9%	3.8%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	3,210,027	3,206,027	3,253,705	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	-	1.7%	1.8%	1.9%	
Under construction in sq.ft.	-	-	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	-	3.0%	2.8%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	-	-	\$1	\$34,773	\$30,151	\$29,578	
Transaction sale price per sq.ft.	-	-	\$91	\$144	\$127	\$110	
Market cap rate	5.9%	5.9%	6.0%	6.3%	6.3%	6.4%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Walla Walla, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	6.4%	3.5%	4.2%	4.6%	4.8%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(78,419)	21,492	22,923	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	(49,815)	51,527	(47,194)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	-1.9%	1.9%	-1.8%	0.7%	0.4%	-0.3%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$13.9	\$13.7	\$13.1	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	5.9%	4.6%	1.5%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.00	0.00	0.20	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	2,589,968	2,668,387	2,639,783	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively fewer units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	9,100	29,183	20,977	21,047,385	28,105,270	41,736,234	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.4%	1.1%	0.8%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$5	\$8	\$23	\$24,585	\$21,801	\$18,723	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$99	\$96	\$163	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	7.1%	7.1%	6.9%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Walla Walla, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	2.4	2.6	2.2	15,362	15,397	12,896	
Y/Y change ('000)	0.2	0.4	(0.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.1%	8.8%	7.9%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Wenatchee, WA

Core-Based Statistical Area Code: 48300

The Wenatchee, WA commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 62.5**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is about the same than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Wenatchee, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	45	46	43	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	2	1	(4)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	4.9%	3.2%	-8.0%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	4.6%	4.9%	6.3%	4.2%	4.7%	6.7%	<b>Unemployment rate is higher than nationally</b>
Average weekly wages	\$815	\$732	\$697	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	16.3%	8.8%	-0.6%	4.8%	4.5%	6.7%	<b>Wages are rising faster than nationally</b>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-0.6%	-1.8%	1.8%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$60,532	\$61,714	\$58,990	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.5	0.7	0.6	0	0	0	<b>Area is experiencing net domestic in-migration</b>
Population ('000)	121	120	119	331,501	328,330	326,838	
Population growth (%)	0.69%	0.99%	0.81%	0.97%	0.46%	0.53%	<b>Population growth is slower than nationally</b>

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	7.2%	4.3%	13.8%	4.6%	4.6%	6.6%	<b>The area has a higher vacancy rate than nationally</b>
Absorption of units over the quarter	70	31	45	78,063	189,629	94,740	
Absorption of units in past 12 months	260	235	164	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	13.4%	12.5%	9.7%	4.2%	4.3%	2.3%	<b>The area has stronger absorption than nationally</b>
Market asking rent per unit	\$1,566	\$1,541	\$1,384	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	13.1%	11.4%	4.1%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,558	\$1,531	\$1,374	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	13.4%	11.1%	3.5%	12.2%	11.6%	-0.1%	<b>Rents are rising faster than nationally</b>
Rent as a percent of 2-person annual wage income	22.0%	24.0%	22.7%	16.3%	16.3%	15.2%	<b>Renting is less affordable than nationally</b>
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	1,943	1,873	1,684	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	142	205	296	369,993	387,542	434,591	
Net delivered units, as % of inventory	7.3%	10.9%	17.6%	2.2%	2.3%	2.6%	
Units under construction	-	137	142	681,402	692,701	687,551	
Units under construction, as % of inventory	-	7.3%	8.4%	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	14.8	6.8	(12.5)	16.2	14.7	(21.3)	<b>Fewer jobs per delivered units than nationally</b>
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$4	\$31	\$86,764	\$63,211	\$47,522	
Transaction sales price per unit	-	\$264,286	\$138,556	\$235,199	\$231,697	\$212,033	
Market cap rate	5.0%	5.0%	5.1%	5.2%	5.2%	5.3%	<b>Cap rates are lower than nationally</b>

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	0.1%	0.4%	0.6%	12.2%	0.4%	0.6%	<b>The area has a lower vacancy rate than nationally</b>
Absorption in sq.ft. over the quarter	4,071	4,080	-	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	7,222	3,151	(4,081)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.5%	0.2%	-0.3%	-0.5%	-1.2%	-1.0%	<b>The area has stronger absorption than nationally</b>
Market rent per sq.ft.	\$23.4	\$23.3	\$22.7	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	3.1%	3.7%	1.0%	0.1%	-0.3%	-1.5%	<b>Rents are rising faster than nationally</b>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	-	-	-	1,134	1,092	(870)	
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	1,540,158	1,536,087	1,532,936	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$8	\$0	\$28,031	\$29,974	\$21,646	
Transaction sale price per sq.ft.	\$0	\$197	\$0	\$305	\$306	\$301	
Market cap rate	7.4%	7.4%	7.4%	7.0%	7.0%	7.0%	<b>Cap rates are higher than nationally</b>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Wenatchee, WA

Core-Based Statistical Area Code: 48300

### IV. Industrial

	Wenatchee, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	0.0%	0.0%	1.3%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	0	0	7,000	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	43,235	50,235	(30,659)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.3%	1.5%	-0.9%	3.0%	2.7%	1.4%	
Market rent per sq.ft.	\$11.3	\$11.0	\$10.6	\$9.8	\$9.5	\$9.0	<i>Rent growth is slower than nationally</i>
Market rent growth, y/y % chg.	6.0%	5.0%	3.9%	8.6%	7.2%	4.6%	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,356,242	3,356,242	3,313,007	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	-	1.7%	1.8%	1.9%	
Under construction in sq.ft.	-	-	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	-	3.0%	2.8%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	-	\$1	\$2	\$34,773	\$30,151	\$29,578	
Transaction sale price per sq.ft.	-	\$186	\$100	\$144	\$127	\$110	<i>Cap rates are lower than nationally</i>
Market cap rate	5.7%	5.7%	5.7%	6.3%	6.3%	6.4%	

### V. Retail

	Wenatchee, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	0.6%	0.5%	0.6%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(2,000)	16,000	8,402	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	1,785	12,187	2,853	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.0%	0.3%	0.1%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$16.5	\$16.2	\$15.6	\$22.5	\$22.3	\$21.9	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	5.8%	4.5%	1.4%	2.8%	2.1%	0.8%	<i>The area has stronger retail trade job creation than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.00	0.10	(0.10)	372.10	387.70	(473.90)	
<b>Supply indicators</b>							
Inventory in sq. ft.	4,811,214	4,813,214	4,809,429	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-	-	-	21,047,385	28,105,270	41,736,234	
Net delivered units, as % of inventory	-	-	-	0.2%	0.3%	0.4%	
Under construction in sq.ft.	-	-	-	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$8	\$4	\$2	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$316	\$208	\$113	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.3%	7.3%	7.4%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Wenatchee, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	6.2	6.5	4.7	15,362	15,397	12,896	
Y/Y change ('000)	0.9	0.9	(2.1)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	13.7%	14.3%	11.0%	10.2%	10.4%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Yakima, WA

Core-Based Statistical Area Code: 49420

The Yakima, WA commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 48.0**

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Yakima, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	88	88	84	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	4	4	(4)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.2%	4.7%	-4.0%	4.1%	4.0%	-6.0%	<b>Job creation is stronger than nationally</b>
Unemployment rate (%)	5.9%	6.3%	7.7%	4.2%	4.7%	6.7%	<b>Unemployment rate is higher than nationally</b>
Average weekly wages	\$971	\$980	\$915	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	5.9%	12.2%	6.8%	4.8%	4.5%	6.7%	<b>Wages are rising faster than nationally</b>
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-0.3%	1.1%	5.1%	-3.4%	2.3%	2.9%	
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Median household income	\$69,560	\$65,127	\$64,557	\$87,470	\$84,423	\$81,284	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
Demographic							
Net domestic migration ('000)	(1.6)	(1.2)	(0.7)	0	0	0	<b>Area is experiencing net domestic out-migration</b>
Population ('000)	252	252	251	331,501	328,330	326,838	
Population growth (%)	0.13%	0.37%	0.31%	0.97%	0.46%	0.53%	<b>Population growth is slower than nationally</b>

### II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	2.1%	2.1%	5.1%	4.6%	4.6%	6.6%	<b>The area has a lower vacancy rate than nationally</b>
Absorption of units over the quarter	0	38	74	78,063	189,629	94,740	
Absorption of units in past 12 months	174	248	305	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	3.1%	4.4%	5.6%	4.2%	4.3%	2.3%	<b>The area has lower absorption than nationally</b>
Market asking rent per unit	\$877	\$875	\$830	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	5.7%	6.9%	1.9%	11.3%	10.6%	0.5%	
Effective rent per unit	\$875	\$873	\$828	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	5.6%	6.8%	1.8%	12.2%	11.6%	-0.1%	<b>Rents are rising more slowly than nationally</b>
Rent as a percent of 2-person annual wage income	10.4%	10.2%	10.4%	16.3%	16.3%	15.2%	<b>Renting is more affordable than nationally</b>
	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Supply indicators							
Inventory	5,609	5,610	5,436	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	-	-	426	369,993	387,542	434,591	
Net delivered units, as % of inventory	-	-	7.8%	2.2%	2.3%	2.6%	
Units under construction	168	168	-	681,402	692,701	687,551	
Units under construction, as % of inventory	3.0%	3.0%	-	4.0%	4.1%	4.2%	<b>Construction is weaker than nationally</b>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>	-	-	(8.2)	16.2	14.7	(21.3)	
	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$3	\$2	\$86,764	\$63,211	\$47,522	<b>Sales transactions are rising faster than nationally</b>
Transaction sales price per unit	\$121,765	\$96,286	\$96,875	\$235,199	\$231,697	\$212,033	<b>Prices are rising faster nationally</b>
Market cap rate	6.4%	6.4%	6.4%	5.2%	5.2%	5.3%	<b>Cap rates are higher than nationally</b>

### III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Vacancy rate	6.3%	6.9%	6.9%	12.2%	6.9%	6.9%	<b>The area has a lower vacancy rate than nationally</b>
Absorption in sq.ft. over the quarter	33,582	(18,679)	6,901	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	36,467	9,786	24,142	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	0.7%	0.2%	0.5%	-0.5%	-1.2%	-1.0%	<b>The area has stronger absorption than nationally</b>
Market rent per sq.ft.	\$20.1	\$20.0	\$19.5	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	2.9%	3.1%	1.4%	0.1%	-0.3%	-1.5%	<b>Rents are rising faster than nationally</b>
Y/Y chg.in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	0.1	0.2	0.1	1,134	1,092	(870)	<b>Stronger office job creation than nationally</b>
	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Supply indicators							
Inventory in sq. ft.	5,258,446	5,224,864	5,221,979	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	44,095	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	0.8%	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	<b>2021 Q4</b>	<b>2021 Q3</b>	<b>2020 Q4</b>	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$2	\$16	\$28,031	\$29,974	\$21,646	<b>Sales transactions are not rising as fast than nationally</b>
Transaction sale price per sq.ft.	\$124	\$27	\$143	\$305	\$306	\$301	<b>Prices are not rising as fast than nationally</b>
Market cap rate	8.2%	8.2%	8.3%	7.0%	7.0%	7.0%	<b>Cap rates are higher than nationally</b>

# NAR Commercial Real Estate Metro Market Report | 2021.Q4

## Yakima, WA

Core-Based Statistical Area Code: 49420

### IV. Industrial

	Yakima, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	1.7%	1.9%	3.0%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	62,036	197,224	(450,533)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	311,320	(201,249)	(467,446)	502,819,872	454,349,376	223,162,272	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	1.3%	-0.9%	-2.0%	3.0%	2.7%	1.4%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$7.3	\$7.1	\$6.8	\$9.8	\$9.5	\$9.0	
Market rent growth, y/y % chg.	6.2%	5.2%	4.1%	8.6%	7.2%	4.6%	<i>Rent growth is slower than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	23,216,552	23,154,516	22,905,232	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	17,940	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	0.1%	-	-	1.7%	1.8%	1.9%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	-	17,940	17,940	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	0.1%	0.1%	3.0%	2.8%	2.1%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$29	\$2	\$8	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$49	\$8	\$29	\$144	\$127	\$110	<i>Prices are rising faster nationally</i>
Market cap rate	6.5%	6.4%	6.4%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

### V. Retail

	Yakima, WA			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
<b>Demand indicators</b>							
Vacancy rate	2.2%	2.5%	2.8%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	43,515	9,102	(2,923)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	116,791	70,353	438	76,321,048	48,774,088	(28,079,124)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.9%	0.5%	0.0%	0.7%	0.4%	-0.3%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$14.4	\$14.2	\$13.7	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	5.3%	4.0%	1.6%	2.8%	2.1%	0.8%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.90	0.30	0.30	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	12,967,439	12,923,924	12,850,648	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively more units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	35,930	41,615	9,945	21,047,385	28,105,270	41,736,234	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.3%	0.3%	0.1%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	6,000	-	35,430	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.0%	-	0.3%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$14	\$19	\$9	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$307	\$137	\$93	\$237	\$204	\$192	<i>Prices are rising faster nationally</i>
Market cap rate	7.1%	7.1%	7.3%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

### VI. Hotel/Lodging

	Yakima, WA			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	7.6	7.8	5.7	15,362	15,397	12,896	
Y/Y change ('000)	1.3	1.3	(2.4)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.6%	8.9%	6.8%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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