

Conventional Apartment Market Report – 1st Quarter 2015

Kootenai County, Idaho



Annual Comparison	2013		2014		2015
Overall Market Vacancy	3.1%	▼	2.1%	▼	.5%
Average Asking Rent (per square foot)	.788	▼	.768	▲	.80
Average Rental Rate (per unit)	\$660	▼	\$651	▲	\$699

Actual Forecast

▼ =
Vacancy Flat Vacancy

▲ ▲
Rent Rent

Please note: Actual-Compared to the preceding quarter. Forecast—Next 12 months compared to last 12 months.

Key Findings and Trends

- Market vacancy went down 170 basis points year over year and the market remains very strong.
- Rents remain strong. Expect this trend continuing.
- The Census Department estimated 147,300 as of 2014, which was a 1.5% growth rate since 2010.
- Personal income reached \$5.3 billion in 2013, which was a 3% current dollar growth over 2012.
- Multifamily building permits were 235 units in the first quarter 2015, compared to 209 for the same period in 2014.



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Kootenai County Conventional Apartment Market Report

Kootenai County Apartment Vacancy Survey

	2012				2013				2014				2015			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Overall Vacancy Rate	3.8%	2.8%	1.5%	3.1%	3.1%	5.2%	2.8%	2.1%	1.8%	1.8%	1.0%	0.5%				
Total Number of Apartment Units Surveyed:	1,668	1,446	1,552	1,637	1,118	1,445	1,514	1,427	1,260	1,021	1,753	696				
Vacancy Rate by Number of Bedrooms:																
Studio	5.8%	0.0%	1.9%	3.8%	5.8%		3.9%		1.9%							
One-Bedroom	2.8%	1.1%	0.9%	0.7%	3.6%	3.5%	2.1%	2.2%	1.0%	1.5%	1.4%	0.0%				
Two-Bedroom	4.1%	4.0%	1.4%	2.7%	0.6%	3.3%	2.5%	2.0%	1.6%	1.9%	0.9%	0.4%				
Three or more	4.4%	1.9%	2.7%	10.3%	5.4%	17.3%	7.0%	2.8%	4.5%	3.7%		3.6%				
Three-Bedroom																
Vacancy Rate by Geographic Area:																
Coeur d'Alene	4.7%	2.5%	1.3%	3.5%	0.9%	6.2%	2.7%	2.0%	1.7%	1.7%	1.1%	0.6%				
Post Falls	1.8%	4.3%	2.1%	1.9%	4.9%		3.7%	2.8%		2.6%	1.2%	0.0%				
Actual Rent Per Net Rentable Square Foot	\$0.818	\$0.810	\$0.804	\$0.810	\$0.85	\$0.833	\$0.083	\$0.785	\$0.813	\$0.841	\$0.834	\$0.777				
Total History All																
Market Vacancy					3.10%	2.30%	2.80%	2.20%	1.80%	1.80%	1.00%	0.50%				
Avg. Rental Rate					\$660.00	\$708.00	\$683.00	\$651.00	\$700.00	\$660.00	\$696.00	\$699.00				
Rent/NRSF					\$0.788	\$0.803	\$0.786	\$0.768	\$0.81	\$0.84	\$0.83	\$0.80				
Units Surveyed					1340	1242	1514	1224	1260	1021	1753	969				

Methodology:

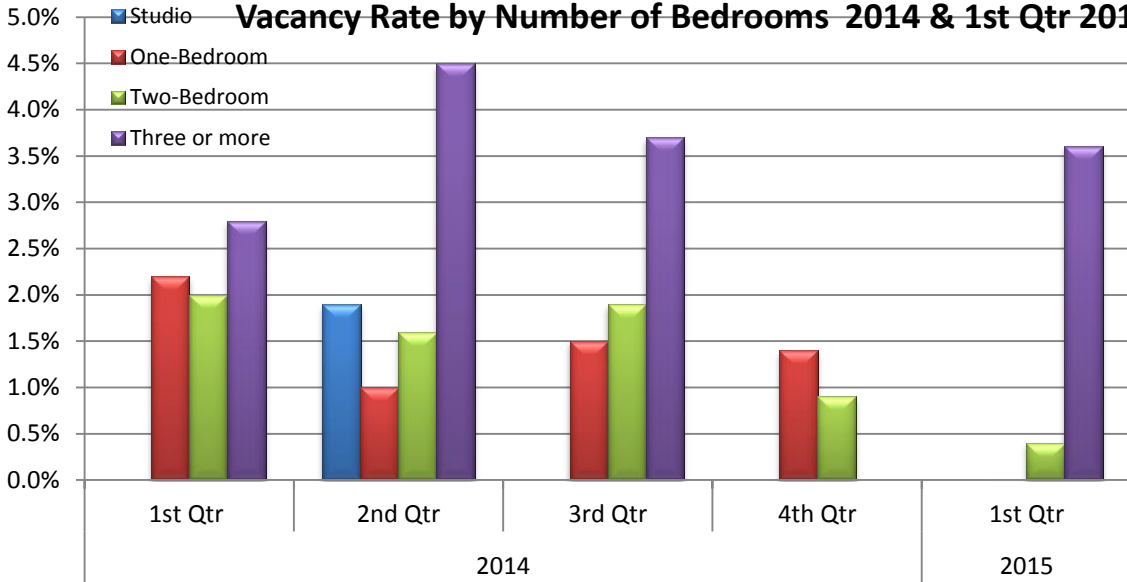
Each quarter the Runstad Center for Real Estate Studies at the University of Washington conducts a survey of apartment vacancy and rent conditions in the Kootenai County market. It is based upon a 50% (or 100%) sample of all apartment complexes built in 1963 or later and containing at least 10 apartment units. These projects include both owner-managed and professionally managed properties but exclude rent-subsidized units.

NAI Black is a leading Inland Northwest manager of conventional and governmentally assisted apartments, CBD, suburban and medical office buildings, shopping centers, business and industrial parks, corporate and governmental facilities, and common interest associations; as well as a leading commercial brokerage in Spokane, eastern Washington, and northern Idaho.



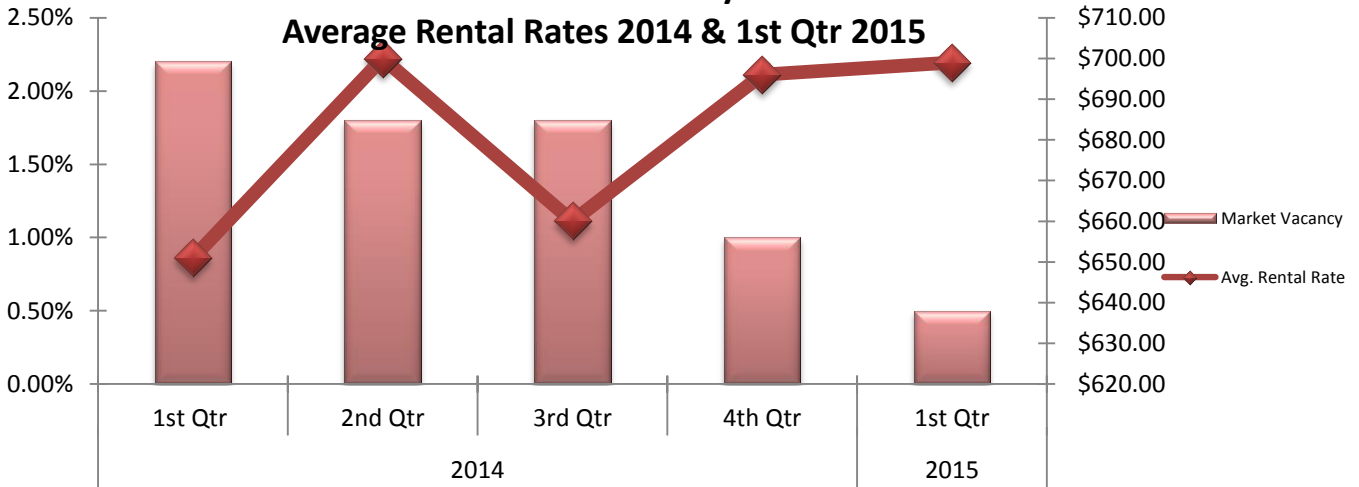
Kootenai County

Vacancy Rate by Number of Bedrooms 2014 & 1st Qtr 2015



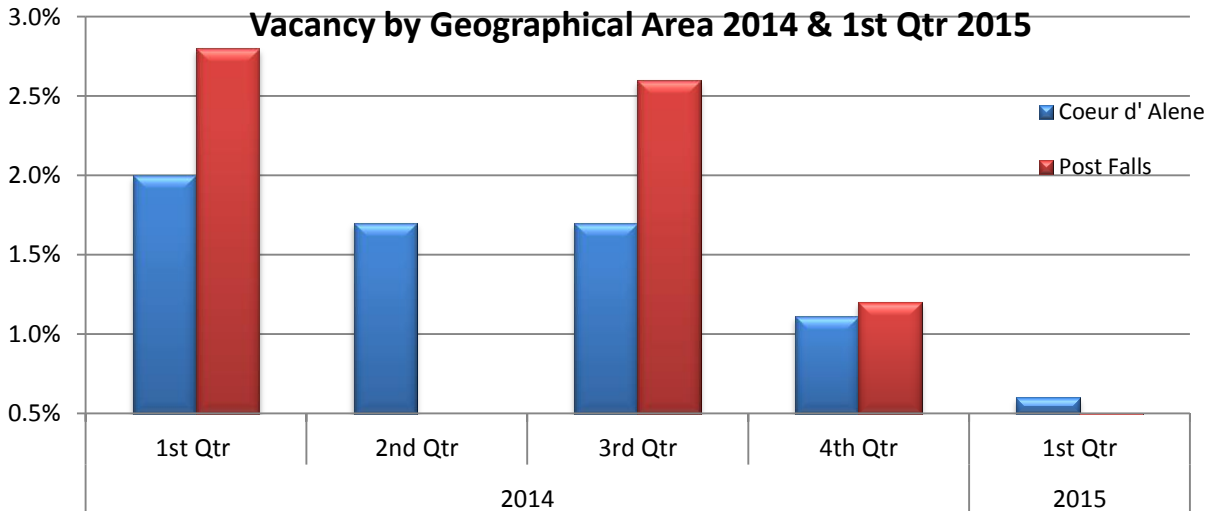
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Average Rental Rates 2014 & 1st Qtr 2015



Kootenai County

Vacancy by Geographical Area 2014 & 1st Qtr 2015



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