

Snohomish County Apartment Rent Price Report and Affordability Analysis Methodology

Source of Data

Apartment rent information is derived from The Apartment Vacancy Report published semi-annually by Dupre + Scott Apartment Advisers, Inc.¹ Dupre + Scott summarize their methodology as follows: "Questionnaires are mailed to either the property manager or owner of apartment buildings with 20+ units in King, Pierce and Snohomish counties. The owners/managers are asked to complete the questionnaire as of the 10th of March for the Spring survey and the 10th of September for the Fall survey. A unit is considered vacant if no rent is received on it by the due date for the information. Average rent figures reported are for rents in occupied units. All new construction, i.e., properties still leasing up, are excluded from the totals so as not to skew the averages."

Description of Price Indicators

Average Rent shown on the price report is calculated by Dupre + Scott as the current average for each apartment unit type for the time period indicated. Rents asked following the turnover of an apartment unit may be higher. Average Rent/SF shown on the price report is calculated by Dupre + Scott on the basis of actual rent per net rentable square foot. Market Vacancy as calculated by Dupre + Scott excludes newly constructed apartment units still in lease-up.

Geographic Coverage

Dupre + Scott's apartment rent information is reported at the countywide level and by 9 subarea markets. As shown on the Apartment Rent Price Report Market Subarea Map, 7 of the 9 subareas comprise most of Snohomish County's Southwest Urban Growth Area. The East County Subarea includes apartments in buildings with 20+ units in areas adjacent to Lake Stevens, Snohomish, and Monroe. Not included in the East County Subarea are Index, Sultan, and Gold Bar because of the lack of apartment units in buildings with 20+ units. The North County Subarea comprises apartments in buildings with 20+ units in the areas adjacent to Marysville, Arlington, and Stanwood. Separate apartment information breakdowns are not available for incorporated vs. unincorporated areas.

Representativeness of Database

The Apartment Vacancy Report survey generally represents a sampling of 70 to 75 percent of all the 20+ unit apartment buildings in the region. In June 1998, Dupre + Scott estimated that 20+ unit apartment buildings comprise about 60% of the regional rental market. Another

¹ Prior to Fall 1995, The Apartment Vacancy Report was published under the name of "The Cain and Scott Apartment Vacancy Report." A summary of the apartment vacancy report is also published semi-annually in the Central Puget Sound Real Estate Research Report (previously published under the name Seattle-Everett Real Estate Research Report). The Snohomish County Apartment Rent Price Report utilized the figures published in The Apartment Vacancy Report.

estimated 30% of renters in the region live in buildings with fewer than 20 units and an estimated 10% rent houses.²

Dupre + Scott conducts an annual survey of smaller rental properties (including single family homes, multi-plexes with 2-4 units and 5-19 unit apartment buildings). Spring 1999 results indicated that “smaller rental properties, excluding single-family, typically rent at a discount of 5% to 10%.”³ Single family homes tend to rent for more than units in both large and small buildings. Survey results show “that single-family housing rents for a premium of about \$150, depending on unit type.”⁴ The Snohomish County small property vacancy rate, reported in Spring 1999, was 2.8%.

Rent Price Report Quantitative Analysis

Dupre + Scott data on average rent, average rent/SF, market vacancy, and units surveyed was manually entered into an Excel spreadsheet format. All other computations in the apartment rent price report, such as “% of countywide rent” or “% change from year earlier”, were calculated by statistical formulas written within the Excel spreadsheet format.

Affordability Analysis

Information generated in the Rent Price Report was used to calculate the Apartment Rent/Income Ratio and Price Index. 1998 median household income for Snohomish County was also estimated and used in the affordability analysis. In the past, income figures were directly obtained from Market Profile Analysis-Consumer and Business Demographic Reports published by Strategic Mapping Inc. Strategic Mapping published 1998 income data which indicated county household income decreased from 1997 to 1998. The proposed decrease in income contradicts other income data sources and known trends. Therefore, after additional research on the subject, 1998 income was derived using Strategic Mapping’s 1997 income figure (\$46,780) and the percent change in income between 1997 and 1998 indicated by income figures developed by the Office of Financial Management (2.1%). This resulted in a 1998 income estimate of \$47,762.

A preliminary, 1999 household income estimate of \$49,195 was derived in order to relate the most current rental market information to income trends and affordability. This figure was calculated by applying the percent change between 1998 and 1999 indicated by OFM’s preliminary income figures (3.0%) to our 1998 income estimate.

² Rhodes, Elizabeth. “The Small Building Advantage,” The Seattle Times, June 14, 1998, p. G4.

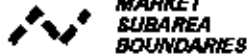
³ Dupre + Scott Apartment Advisors, Inc. The 1 to 19 Unit Apartment Report, Spring 1999, vol. 2, p. ii.

⁴ Dupre + Scott Apartment Advisors, Inc. The 1 to 19 Unit Apartment Report, Spring 1999, vol. 2, p. i.

Snohomish County Tomorrow
Growth Monitoring Program

Apartment Rent Price Report Market Subarea Map

Legend:

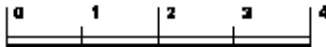


**MARKET
SUBAREA
BOUNDARIES**

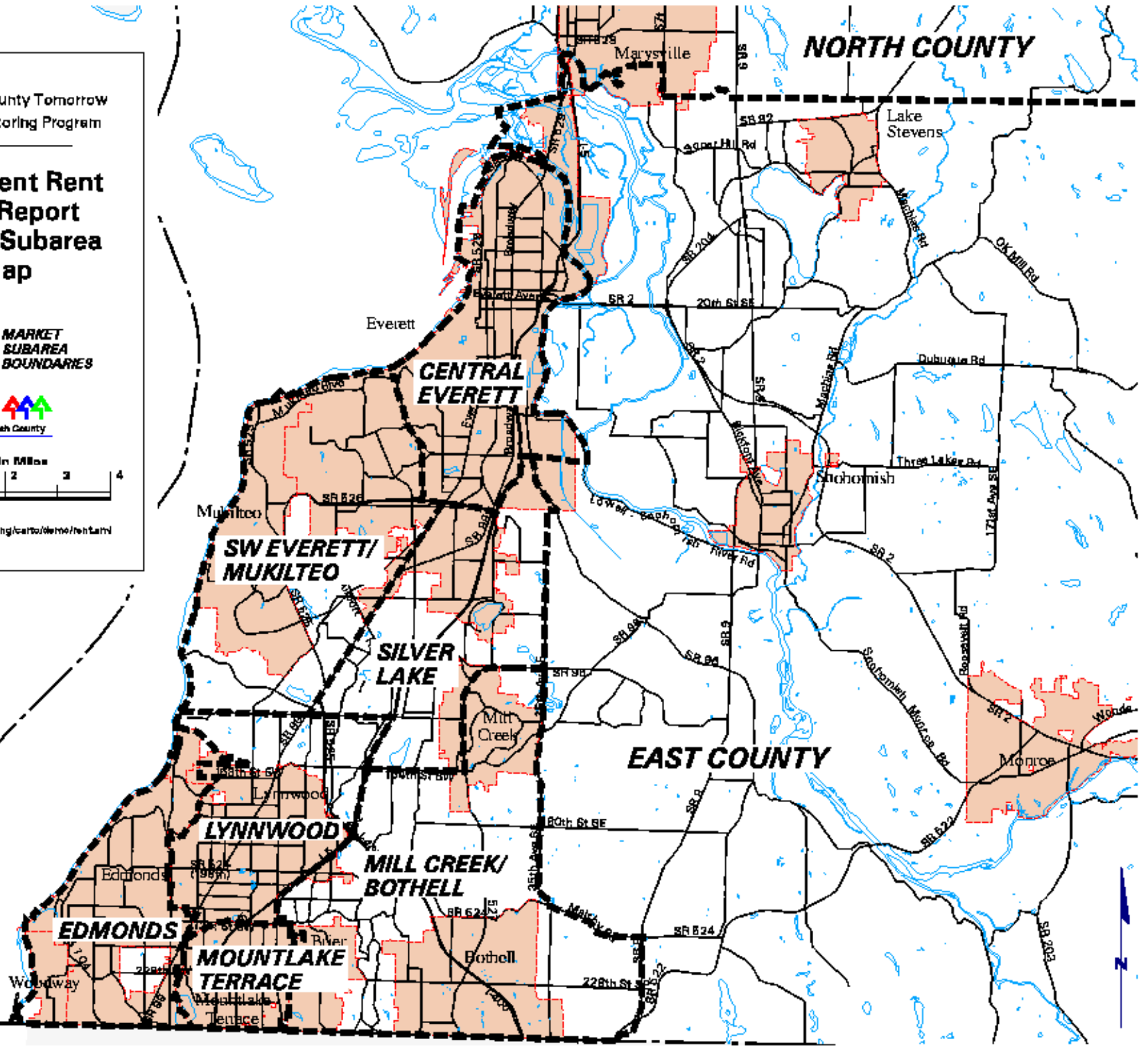


Snohomish County

Scale in Miles



July 1997, cbl, /gls/plng/carto/demo/rentamr



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