



CAMI JONER/The Columbian

Apartment rents are up and vacancies are down, a trend that could launch a new round of apartment construction in Clark County to follow the 157-unit Grandview Place development. In its final stages of construction, its developers have so far leased 55 apartments in the complex.

APARTMENTS ON WAY?

With vacancies down and rents up, county may see more rental construction

By CAMI JONER
Columbian staff writer

With apartment vacancies down and rents going up, investors may be poised to build new rental housing projects in Clark County after a long dry spell.

But it won't happen if the county continues to lose jobs, said Charlie Kleier, an executive vice president with NAI Norris Beggs and Simpson commercial real estate firm. The apartment market has strengthened because of a steady influx of new county residents and be-

CLARK COUNTY APARTMENTS

For March

Year	Average monthly rent	Vacancy rate
2009	\$741	4.8 percent
2008	\$721	3.7 percent
2007	\$721	3.1 percent
2006	\$683	3.6 percent
2005	\$669	4.8 percent
2004	\$681	6.4 percent

Source: Washington Center for Real Estate Research, Pullman

cause fewer people can get a mortgage loan to buy a house. Instead, they are sitting tight in rental housing.

However, employment trends play a critical role in whether new apartment

projects break ground or remain idle, Kleier said.

Clark County's unemployment rate climbed into record territory in May, with 13.2 percent of its work force unemployed. It was up from a 5.8 percent jobless rate in 2008, according to state figures.

Despite the troubled job market, an increase in new residents will likely boost demand for housing. The slowdown in single-family home construction here also has pushed all land values and general construction costs into a lower range that makes apartment projects pencil out for developers.

Residential tracts that are now being



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appraised for \$200,000 to \$250,000 an acre are down from a high of \$400,000 an acre during the height of the 2005 housing boom, said Kleier, who specializes in the apartment market.

"I think you're going to see it shift back down to where the apartments won't have to compete with (single-family) housing, and that helps those devel-

opers," he said.

In all of 2008, only two multi-family housing projects were proposed in the county as compared with 2007's 34 projects.

This year, new proposals include the proposed 157-unit Vista Dell Apartments in Hazel Dell and 134-unit The Promenade in Orchards. Start dates have not been set for the projects, submitted as development applications to Clark County's Department of Community Development.

If built, the two complexes

would join 154 units in the newly constructed Grandview Place, a \$20 million project at Southeast 192nd Avenue and 20th Street in Vancouver.

"The upside of building apartments right now is they are supported by household growth," said Rick Ruggiero, Grandview Place developer and owner of Portland-based Courtesy Development Group.

Local population growth was evidenced in April when 855 drivers swapped their out-of-county licenses for local ones. It was a 9.5 percent increase from

the 781 new licenses issued the same month last year.

That has placed higher demand on the county's approximately 7,200 apartment units.

"Vacancies have been decreasing and rents are increasing," Kleier said.

Vacancies inch up

However, vacancy rates inched up once again in March, as reported by the Washington Center for Real Estate Research in Pullman.

Center director Glenn Crellin

suspects that more recent job losses have helped drive vacancies higher.

The vacancy rate is also affected by single-family homes placed on the rental market because they have not sold, Crellin said.

"We don't capture that in our statistics, but it certainly plays a role," he said.

Economic woes have also caused families to double up, with adult children living with their folks and single renters taking on roommates, Crellin said.