



# TMG Northwest MARKET PULSE

## A Snapshot of the Pacific Northwest Single Family Property Management Market

This report highlights several important trends observed in the regions where TMG offers services, including a continued high demand for single family rental homes and significant increases in turnover costs due to rising building material prices and increases in overall labor costs.

In Q3 2024, cost increases aligned with the peak rental activities during the summer months and are not representative of all quarters. Additionally, with costs including insurance and property taxes increasing by an average of 8-10% year-over-year, it is crucial for property owners and managers to be strategic regarding maintenance and upgrades. Prioritizing high-impact improvements, and ensuring properties meet current tenant expectations to remain competitive, allows for maximum rent as well as a reduction in vacant days.

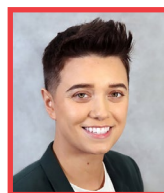
There continues to be a rising demand for single family rental homes across the markets that TMG serves, as highlighted in this Q3 report, primarily due to rising homeownership costs. Single family rental homes have lower delinquency and longer-term tenancies than apartments, however, overall costs can be higher. TMG's ability to maintain a steady market presence and incorporate effective management practices, helps property investors achieve consistent returns.

### LEGAL KNOWLEDGE: RENT INCREASES

In 2024, Oregon implemented notable changes to its landlord-tenant laws, primarily Senate Bill 611 which revised the cap on rent increases. Under the new law, landlords can only raise rents by a maximum of 10% annually, regardless of inflation rates. Previously, the cap was set at 7% plus inflation, which sometimes allowed increases as high as 14%. This new legislation aims to balance housing affordability and rental market stability by limiting excessive rent hikes. Additionally, landlords are still restricted to only one rent increase within any 12-month period.

Earlier in 2024, Washington State considered a bill to cap rent increases at 7% per year for lease renewals. This bill narrowly passed the house but failed to pass in the Senate. Currently, there is no cap on rent increases in Washington. TMG continues to consider reasonability of rent during vacancy and tenant retention strategies when addressing rent pricing. Rent may only be increased once per 12 month period in Washington with 60 days' notice.

This Market Pulse is brought to you by **TMG Northwest**, an AMO accredited property management company providing a full suite of management services for single family and multifamily rental properties. TMG specializes in the leasing and maintenance of single family homes, condos, and plexes, offering unrivaled personal attention to our property owners. Locally owned and regionally focused, TMG has been helping clients reach their financial goals for more than 30 years.



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**QUARTERLY FACT:** More than 50% of all single family renters have at least one pet. This is why TMG has a clear **pet policy for renters** and encourages investors to consider allowing pets at their properties.



Property  
Management  
Services NW

**Vancouver/Clark County**  
7710 NE Vancouver Mall Drive  
Vancouver, WA 98662

**Portland-Metro**  
16250 SW Upper Boones Ferry Rd, Ste 250  
Portland, OR 97224

**Salem**  
698 12th Street SE, Ste. 240A  
Salem, OR 97301

**Tri-Cities**  
30 S Louisiana Street  
Kennewick, WA 99336

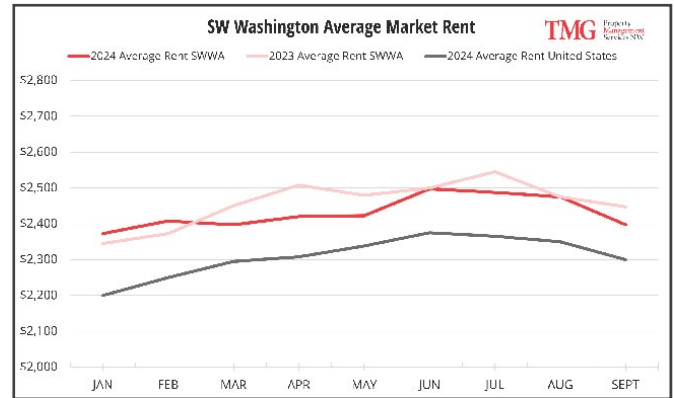


# SW WASHINGTON Rental Market

- ▶ Average rent in SWWA, though remaining steadily below last year's average throughout this year, continues to outpace the the national average by \$100 month-over-month.
- ▶ Single family rental homes in SWWA stayed on the market for an average of 37.5 days in Q3, outperforming the national average of 51 days.
- ▶ Delinquency rates for SWWA stand at 1.67%, significantly outperforming the national average of 15%, signaling a stable rental environment and consistent tenant payments.
- ▶ Despite market fluctuations, TMG tenants in SWWA show stability, with an average tenancy length of over 4.5 years in the same home, compared to the national average of 3 years.

[Read the Full SWWA Zillow Report](#)

Average Market Rent	Average Days on Market	TMG Average Length of Tenancy (Years)	Delinquency
<b>\$2,398</b>	<b>37.5</b>	<b>4.62</b>	<b>1.67%</b>

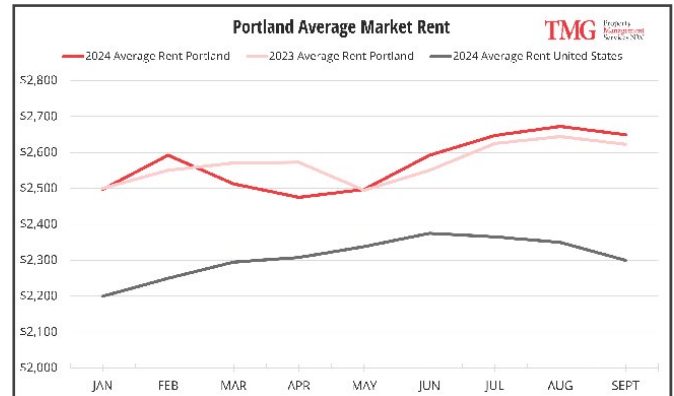


# PORTLAND Rental Market

- ▶ Portland followed a similar trajectory to SWWA, with rents rising above the national average by \$300, and remaining slightly above last year's rental rates since the middle of Q2.
- ▶ At 40.5 days, single family rental homes in Portland tend to remain on the market longer than other TMG regions, though still below the national average of 51 days on market.
- ▶ Portland-metro sees a low delinquency rate of 1.44%, demonstrating tenant reliability and effective rent control in a market with higher than average rental prices.
- ▶ TMG tenants in PDX stay about 3.75 years, slightly higher than the national average of 3 years.

[Read the Full Portland Zillow Report](#)

Average Market Rent	Average Days on Market	TMG Average Length of Tenancy (Years)	Delinquency
<b>\$2,649</b>	<b>40.5</b>	<b>3.79</b>	<b>1.44%</b>

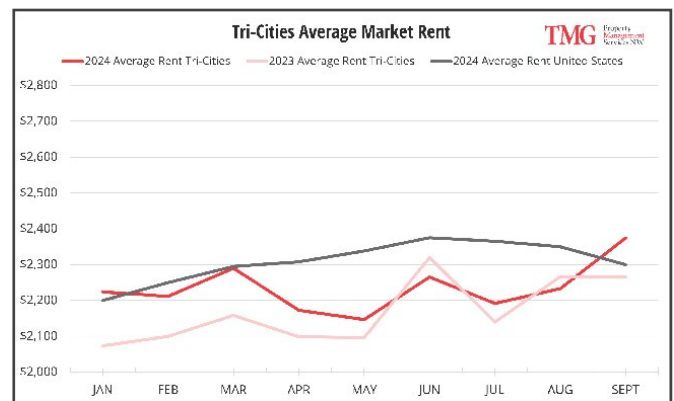


# TRI-CITIES Rental Market

- ▶ This year, average rent in the Tri-Cities has remained higher than last year, though the region saw a slight dip in rents during the summer months before returning to above market at the end of Q3.
- ▶ Notably, the Tri-Cities region saw the shortest average time on the market at just 28.6 days.
- ▶ The Tri Cities region boasts the lowest delinquency rate at just 0.66%, which could be attributed to rising interest rates that have made homeownership unattainable for many qualified buyers, leading to a more stable tenant pool.
- ▶ \*Average length of tenancy is low in Tri-Cities. TMG has only operated in this market for a few years. Tenancy length is expected to eventually match or outpace other TMG markets in addition to the national average.

[Read the Full Tri-Cities Zillow Report](#)

Average Market Rent	Average Days on Market	TMG Average Length of Tenancy (Years)	Delinquency
	<b>28.6</b>	<b>1.80*</b>	<b>0.66%</b>



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