Q3 • 2026

TMGNorthwest MARKET PULSE



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ABOUT TMG

TMG Property Management Services NW offers comprehensive management for both single family and multifamily rentals. Locally owned and regionally focused, TMG has been helping clients reach their financial goals for over 40 years.

MARKET ANALYSIS

MARKET ANALYSIS & OVERVIEW

A snapshot of the local Single Family Housing Market

Third-quarter results across SW Washington, Portland, and the Tri-Cities reflect a more competitive rental environment following the peak summer leasing season. Average rents increased in SW Washington and Portland but remained relatively flat in the Tri-Cities. Days on market increased across all three regions, indicating slower leasing activity and continued renter price sensitivity. Competitive pricing, property condition, and effective marketing remain essential to attracting qualified residents.

The high cost of homeownership continues to support single family rental demand. Elevated home prices, mortgage payments, insurance, and maintenance expenses make purchasing difficult for many households. Single family rentals remain attractive to residents seeking additional space, private yards, garages, and established neighborhoods without the financial commitment of homeownership.

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KEY TOPIC

NEW CAPS, NEW CLAUSES

Decoding the Latest Rental Laws in Washington and Oregon

For single family rental owners operating across the Pacific Northwest, the legislative landscape has fundamentally transformed. Managing properties in both Oregon and Washington requires strict adherence to two distinct, statewide rent stabilization frameworks. As regional markets transition into a period of normalization, owners face a complex web of legal updates that dictate exactly how they price, communicate, and operate.

While both Washington and Oregon enforce strict caps on annual rent increases, the calculations, ceilings, and timelines vary between the states:

- **Washington's Framework (House Bill 1217):** Effective since mid-2025, this rent stabilization law caps combined rent and fee increases at 9.683%.
- **Oregon's Metric (ORS 90.323):** Oregon operates under a 9.5% allowable increase cap. Looking ahead, state offices have already announced that the maximum allowable increase will rise to a flat 10%.

Crucially, neither state allows any rent increases during the first 12 months of a tenancy. Furthermore, exemptions differ significantly: Washington exempts newer properties under 12 years old and certain owner-occupied spaces, while Oregon enforces a strict 15-year rolling exemption for new construction with no general small-landlord carveout.

Beyond the pricing math, recent legislative sessions have introduced critical updates to daily property management operations:

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SW Washington continues to demonstrate stability, with average rent increasing $100 to $2,573. Average days on market rose from 44 to 49 days, indicating a modest leasing slowdown. Average tenancy remained strong at 3.6 years, the longest of the three markets, while delinquency held steady at 0.54%. These figures suggest continued opportunities for measured rent growth, supported by strong resident retention.

Portland maintained the highest average rents, increasing $80 to $2,745. However, average days on market climbed from 48.5 to 57.5 days, representing the largest leasing slowdown among the three regions. Average tenancy declined slightly to 3.4 years, while delinquency increased to 0.92%. These trends highlight continued affordability concerns and competition, reinforcing the importance of appropriate pricing and proactive resident retention.

The Tri-Cities experienced relatively flat rent growth, with average rent holding at $2,380. Average days on market increased from 42 to 51 days, reflecting slower leasing activity following a strong second quarter. Average tenancy increased slightly to 2.2 years, while delinquency fell to 0%. Competition from newer housing continues to challenge older properties, making competitive pricing and desirable property features increasingly important.

Across all three markets, longer leasing periods reinforce the need for realistic rent expectations. Competitive pricing, proactive maintenance, early marketing, and resident retention remain key strategies for minimizing vacancies and protecting long-term rental income.

STRATEGIC TAKEAWAYS:

Southwest Washington:

- SW Washington continues to demonstrate stable rental demand, strong resident retention, and opportunities for measured rent growth
- Average rent increased by $100 to $2,573, while average days on market rose from 44 to 49 days, indicating a modest slowdown in leasing activity.
- Delinquency holds steady in Q3 at 0.53%.

Portland:

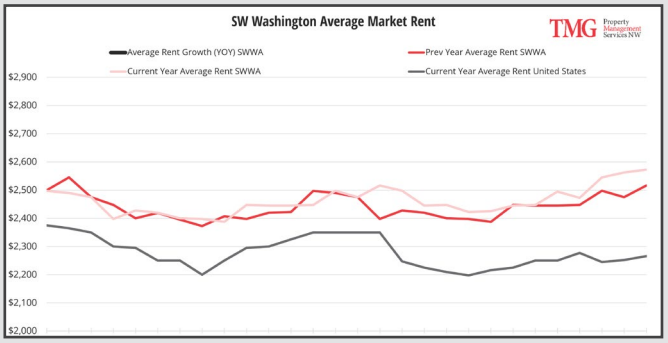
- The Portland market continues to support higher rental rates, although increased competition and renter price sensitivity are contributing to longer leasing periods.
- Average rent increased by $80 to $2,745 in Q3, while average days on market climbed from 48.5 to 57.5 days, suggesting a slowdown following the peak summer leasing season.
- Average length of tenancy declined slightly to 3.4 years, while delinquency increased to 0.92%, reinforcing the importance of resident retention and proactive collections.

Tri-Cities:

- The Tri-Cities is experiencing slower leasing activity and relatively flat rent growth amid continued competition from newer rental housing.
- Average rent remained relatively stable at $2,380, while average days on market increased from 42 to 51 days, indicating a slowdown from the strong leasing activity experienced in Q2.
- Average length of tenancy increased slightly to 2.2 years, while delinquency fell to 0%, reflecting positive collection performance despite longer leasing periods.

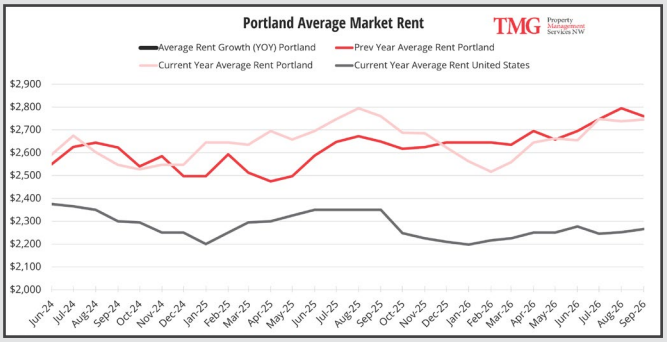
SW WASHINGTON *Rental Market*

Average Market Rent	Average Days on Market	Length of Tenancy (Years)	Delinquency
$2,573	49	3.6	.54%



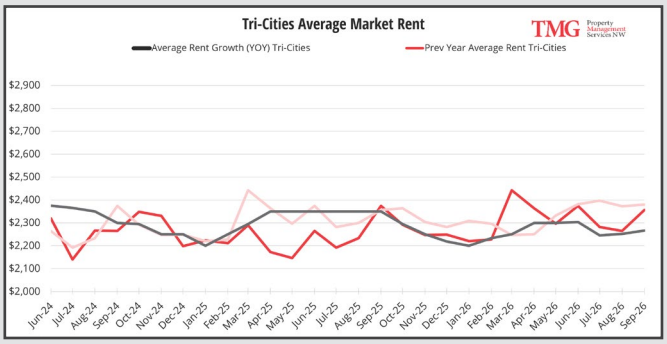
PORTLAND *Rental Market*

Average Market Rent	Average Days on Market	Length of Tenancy (Years)	Delinquency
$2,745	57.5	3.4	.92%



TRI-CITIES *Rental Market*

Average Market Rent	Average Days on Market	Length of Tenancy (Years)	Delinquency
$2,380	51	2.2	0%



All market data from this report is provided by Zillow.



1. Administrative Relief for Notices (Washington HB 2664): In a massive win for landlord logistics, Washington lawmakers passed a long-awaited fix that eliminates expensive, burdensome certified mail requirements for unlawful detainer and rental notices. Owners can now utilize standard, first-class U.S. mail for substitute service, eliminating the massive delays caused when tenants routinely refused to sign for certified letters at the post office.

2. The Portable Cooling Mandate (Washington ESSB 6200): Landlords in Washington can no longer issue blanket bans or charge additional fees for tenant-installed portable cooling devices, such as window ACs or floor-standing heat pumps. While owners retain the right to restrict units based on legitimate safety concerns—such as electrical capacity limits, code violations, or blocked egress windows—the baseline law shifts the right to safe cooling heavily toward the renter. Oregon maintains a similarly strict standard protecting tenant access to functional cooling.

The Bottom Line: Operating in the Pacific Northwest means abandoning old "mom-and-pop" assumptions. With cross-state rental markets favoring long-term retention over active turnover, compliance is paramount. Balancing the overlapping rules of the Portland and Seattle metro corridors requires meticulous legal precision to ensure your portfolio remains profitable and legally sound.

KEY TOPIC

TMG's PREVENTATIVE MAINTENANCE PROGRAM

Routine preventative maintenance is a cost-effective way to improve safety, efficiency, resident satisfaction, and long-term equipment reliabilty.

Protect your rental investment and reduce the risk of unexpected repairs with TMG's Preventative Maintenance Program. Owners can select routine services such as dryer duct cleaning, cadet heater cleaning, and tank or tankless water heater flushing. These services help improve safety and energy efficiency, extend equipment life, and address buildup before it leads to poor performance, resident complaints, or costly service calls.

TMG Maintenance will coordinate scheduling, access, final pricing, and service details, making it easier to stay ahead of maintenance while protecting the long-term value of your property. Contact your property manager or call TMG Maintenance directly to get started today!



WA: (360) 397-0300
OR: (503) 840-3999

24/7 AFTER HOURS EMERGENCY HOTLINE:
(833) 280-4371

TMG's in-house maintenance division provides in-house maintenance and repair services for our managed single family small community properties in the Vancouver, WA and Portland, OR areas.

CONTACT US TODAY!



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