



MULTIFAMILY REPORT

DC's Tricky, Surprising Year

Winter 2021

Per-Unit Prices Hit New Peak

Employment Steadily Improving

Deliveries Set for Rebound

WASHINGTON, D.C. MULTIFAMILY



Development Endures

Washington, D.C.'s multifamily market continues to benefit from the presence of the federal government and related industries, which helped prop up fundamentals in 2020 to a certain extent, at least when compared to other large coastal markets. Nonetheless, rents were down 0.7% on a trailing three-month basis as of December, to \$1,758, above the \$1,462 national average. Meanwhile, the metro's occupancy rate in stabilized communities declined 100 basis points in the 12 months ending in November 2020, to 94.2%, the metro's lowest level over the past decade.

The metro's employment market shrank by 181,100 positions in the 12 months ending in November 2020—representing a 6.1% drop—with most sectors recording losses, ranging from 23.4% for leisure and hospitality to 2.0% for the professional and business services sector. Even so, metro D.C.'s economy bounced back relatively quickly, from a 10.0% unemployment rate in April 2020 to nearly half of that in just seven months.

A total of 9,582 units reached completion in 2020, marking an 18.1% drop from the previous year and the lowest level in almost a decade. However, developers were working on more than 42,000 apartments at the end of the year, placing Washington, D.C., among the country's top-performing markets for construction activity.

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Recent Washington, D.C. Transactions

Southern Towers



City: Alexandria, Va.
Buyer: CIM Group
Purchase Price: \$506 MM
Price per Unit: \$218,009

Cadence at Crown



City: Gaithersburg, Md.
Buyer: JRK Property Holdings
Purchase Price: \$158 MM
Price per Unit: \$294,144

DelRay Tower



City: Alexandria, Va.
Buyer: Caruthers Properties
Purchase Price: \$145 MM
Price per Unit: \$436,746

Station on Silver



City: Herndon, Va.
Buyer: UDR
Purchase Price: \$128 MM
Price per Unit: \$320,000