



## MULTIFAMILY REPORT

# DC Finds Its Footing

February 2022



**Pipeline Remains Consistent**

**Transactions Keep Up the Pace**

**Rent Growth Feels Seasonal Pinch**



# WASHINGTON, D.C. MULTIFAMILY



## DC Wraps Up Solid Year

Even with rent expansion decelerating in the fourth quarter, Washington, D.C., multifamily had a banner year in 2021, in line with nationwide trends. Metro D.C. rents, although up only 0.2% in the last quarter, clocked in at 9.7% for the year. That was below the 13.5% national rate of growth, but still well above the area's performance during the past decade. Meanwhile, occupancy was up a healthy 150 basis points in the 12 months ending in November 2021, to 95.3%.

The city's economy is making significant strides, with the metro adding 124,900 positions in the 12 months ending in October 2021, led by leisure and hospitality (46,000 jobs gained) and professional and business services (32,800). Meanwhile, unemployment dropped to a tight 3.5% as of November, according to preliminary Bureau of Labor Statistics data. However, the Washington, D.C., economy hasn't yet recovered all jobs lost since March 2020, with many workers dropping out of the workforce, either temporarily or by way of retirement.

Developers remained busy and 11,922 units came online last year, in line with the city's five-year average. Meanwhile, an additional 38,594 units were under construction at the beginning of 2022. Likewise, transaction activity remained on track, with \$5.7 billion in assets trading, most of which were in suburban submarkets.

## Market Analysis | February 2022

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### Recent Washington, D.C. Transactions

#### North Park



City: Chevy Chase, Md.  
Buyer: AIR Communities  
Purchase Price: \$110 MM  
Price per Unit: \$354,839

#### The Shelby



City: Alexandria, Va.  
Buyer: 29th Street Capital  
Purchase Price: \$82 MM  
Price per Unit: \$341,667

#### Magnolia Falls



City: Fredericksburg, Va.  
Buyer: Bonaventure Realty Group  
Purchase Price: \$52 MM  
Price per Unit: \$260,500

#### Wakefield Terrace



City: Waldorf, Md.  
Buyer: R4 Capital  
Purchase Price: \$35 MM  
Price per Unit: \$171,569