



## MULTIFAMILY REPORT

# DC Charts New Course

February 2023

**Rent Growth Slows**

**Transactions Decelerate**

**Pipeline Remains Strong**

# WASHINGTON, D.C., MULTIFAMILY



## New Signs of Momentum In the District

Like most U.S. rental markets, Washington, D.C., is readjusting after the strongest period of rent growth ever recorded in the metro and the nation. Rates were down 0.4% in the fourth quarter of 2022, while the U.S. average contracted by 0.2%. Year-over-year, metro D.C. rents were up 4.2%. Meanwhile, occupancy held up relatively well, down just 20 basis points in 12 months.

The economy continued to show solid figures, with the metro gaining 64,400 jobs in a year and unemployment at a tight 3.1%. There is no shortage of large-scale projects, and the announcements keep coming. Already the country's No. 1 data center market, Northern Virginia will receive a significant boost from Amazon, which intends to invest a whopping \$35 billion in facilities in the area, on top of its ongoing HQ2 project. Meanwhile, the Silver Line extension project was completed, providing a public transit connection between Dulles International and the District, with the opening of the development's last six stations.

A total of 11,917 units came online in 2022, a volume that is relatively in line with Washington, D.C.'s five-year average. The area continues to display a sizeable pipeline, with 32,872 apartments underway at the start of 2023. And while transaction activity decelerated toward the end of last year, the metro closed 2022 at almost \$5.8 billion in multifamily sales. That was far from 2021's record \$9.2 billion, but nonetheless, still a historically strong year.

## Market Analysis | February 2023

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### Recent Washington, D.C., Transactions

#### Benjamin at Landover Hills



City: Landover Hills, Md.  
Buyer: Dantes Partners  
Purchase Price: \$139 MM  
Price per Unit: \$191,197

#### The Point at Ashburn



City: Ashburn, Va.  
Buyer: TGM Associates  
Purchase Price: \$126 MM  
Price per Unit: \$305,085

#### Mode at Hyattsville



City: Hyattsville, Md.  
Buyer: Carter Multifamily  
Purchase Price: \$104 MM  
Price per Unit: \$261,364

#### Midtown at Camp Springs



City: Camp Springs, Md.  
Buyer: Croatan Investments  
Purchase Price: \$89 MM  
Price per Unit: \$304,983