



MULTIFAMILY REPORT

The District's Endurance

November 2023



RBN Rates Remain Stable

Investment Activity Slows

Employment Below US Figures

WASHINGTON, D.C. MULTIFAMILY



DC Overcomes Volatility With Stabilized Fundamentals

Washington, D.C.'s multifamily market displayed steady fundamentals, despite ongoing market volatility. Rents plateaued on a trailing three-month basis through September, reaching \$2,121, while national rates moved into negative territory, at -0.1%. The Renter-by-Necessity segment saw some limited growth, while the upscale segment saw a 0.1% contraction. In average occupancy rates in stabilized properties, the Lifestyle segment saw a 50-basis-point increase year-over-year, up to 95.7%.

The metro added 59,900 jobs in the 12 months ending in July, up 2.0%, but 60 basis points lower than the national rate. As of August, the unemployment rate clocked in at 5.0%, according to preliminary data from the Bureau of Labor Statistics. Education and health services added 21,700 positions, the largest addition to the workforce across all sectors. Employment rates are set to increase, with a \$500 million industrial facility coming to the suburbs. National Capital Business Park will encompass 3.5 million square feet and is taking shape along the Interstate 95 distribution corridor.

Developers had 33, 109 units under construction as of September. Of the projects underway, 6,800 units broke ground this year, a 42.8% decrease compared to the same interval in 2022. Investment activity saw a significant slowdown. Since the beginning of the year, \$1.6 billion in multifamily transactions have traded.

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Recent Washington, D.C. Transactions

The Elm



City: Bethesda, Md.
Buyer: AIR Communities
Purchase Price: \$220 MM
Price per Unit: \$482,962

Windsor Fair Oaks



City: Fairfax, Va.
Buyer: GID
Purchase Price: \$85.6 MM
Price per Unit: \$303,546

Jasper Columbia Pike



City: Arlington, Va.
Buyer: The Penzance Cos.
Purchase Price: \$105 MM
Price per Unit: \$390,334

Westchester West



City: Silver Spring, Md.
Buyer: Enterprise Community
Partners
Purchase Price: \$67 MM
Price per Unit: \$194,202