

Yardi® Matrix

DC Rebounds Once Again

Multifamily Report Fall 2018

Solid Job Gains Sustain Demand

Prices Inch Up, Investment Accelerates

Rent Growth Recovers Despite Construction Boom

WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Demand, Supply Strike a Balance

Backed by strong population growth and a steady economic expansion, Washington, D.C.'s multifamily market remained resilient, even as the construction boom endures. Rents rose 1.9% year-over-year through August, partially due to a strong rebound in higher-rated assets, as the city generated high-paying jobs at a good pace.

Metro D.C. added 51,600 positions in the 12 months ending in June, with just two sectors—education and health services and professional and business services—accounting for nearly two-thirds of gains. Washington's gateway market status and relative stability continue to draw capital and residents alike, with large-scale developments powering through toward completion. The list of high-profile projects includes mixed-use destinations such as PN Hoffman's \$2.5 billion The Wharf, the ongoing \$1.3 billion Capitol Crossing, as well as The Boro, a 4.2 million-square-foot development in Tysons Corner and Marriott's \$600 million campus in Bethesda, Md.

Investor appetite remains high and Washington, D.C., transaction volumes are likely to come close to a new cycle high in 2018. With roughly 10,700 apartments expected to come online for the year and factoring in job growth, demand and supply are likely to keep rent growth tepid in the foreseeable future. We expect rents to advance 1.4% in 2018.

Recent Washington, D.C., Transactions

Oakwood Falls Church



City: Falls Church, Va.
Buyer: Insight Property Group
Purchase Price: \$132 MM
Price per Unit: \$229,167

Milestone



City: Germantown, Md.
Buyer: Hampshire Properties
Purchase Price: \$118 MM
Price per Unit: \$205,556

Flats at Bethesda Avenue



City: Bethesda, Md.
Buyer: BlackRock
Purchase Price: \$97 MM
Price per Unit: \$601,235

Harbor's Edge



City: Oxon Hill, Md.
Buyer: BDMG
Purchase Price: \$52 MM
Price per Unit: \$85,961