



**MULTIFAMILY REPORT**

# DC Braves The Storm

Summer 2020



**Investment Volume Drops**

**Rents Contract Across the Metro**

**Employment Takes Smaller Hit**

# WASHINGTON, D.C., MULTIFAMILY



## Demand Softens, Development Hums Along

Anchored by the presence of the federal government and related industries, multifamily fundamentals in Washington, D.C., remained relatively healthy—at least when compared to other large coastal gateways. Even so, the pandemic-induced economic crisis has taken a toll on rent expansion. As of August, rents were down 0.3% to \$1,819 on a trailing three-month basis, but remained above the \$1,463 national average. Meanwhile, the metro's occupancy in stabilized assets dropped to 94.8% as of July, down 80 basis points in 12 months, but still 30 basis points above the U.S. figure.

The metro's employment pool shrank by more than 270,000 positions in the 12 months ending in June, equal to an 8.0% decrease. In D.C. alone, more than 73,500 people filed for unemployment benefits, with the number of new claims declining in August and early September as some businesses resumed activities.

More than 4,500 units came online across metro D.C. in the first eight months of the year, with an additional 39,731 apartments underway as of August. We expect a total of 9,136 units to be completed in 2020, taking into consideration the fact that many projects are facing significant delays due to the health crisis. Considering current volatility and softening demand brought by the unfolding downturn, we expect the average rent to drop 2.4% in 2020.

## Market Analysis | Summer 2020

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Jack Kern

Director of Research  
and Publications  
[Jack.Kern@Yardi.com](mailto:Jack.Kern@Yardi.com)  
(800) 866-1124 x2444

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Author

#### Razvan Cimpean

Senior Associate Editor

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

#### Potomac Vista



City: Woodbridge, Va.  
Buyer: Jair Lynch Real Estate  
Partners  
Purchase Price: \$82 MM  
Price per Unit: \$199,755

#### The Point at Palisades



City: Manassas Park, Va.  
Buyer: Pantzer Properties  
Purchase Price: \$71 MM  
Price per Unit: \$233,553

#### The Shawmut



City: Washington, D.C.  
Buyer: Capital Security Advisors  
Purchase Price: \$49 MM  
Price per Unit: \$680,556

#### 1840



City: Silver Spring, Md.  
Buyer: Quest Management Group  
Purchase Price: \$23 MM  
Price per Unit: \$144,778