



MULTIFAMILY REPORT

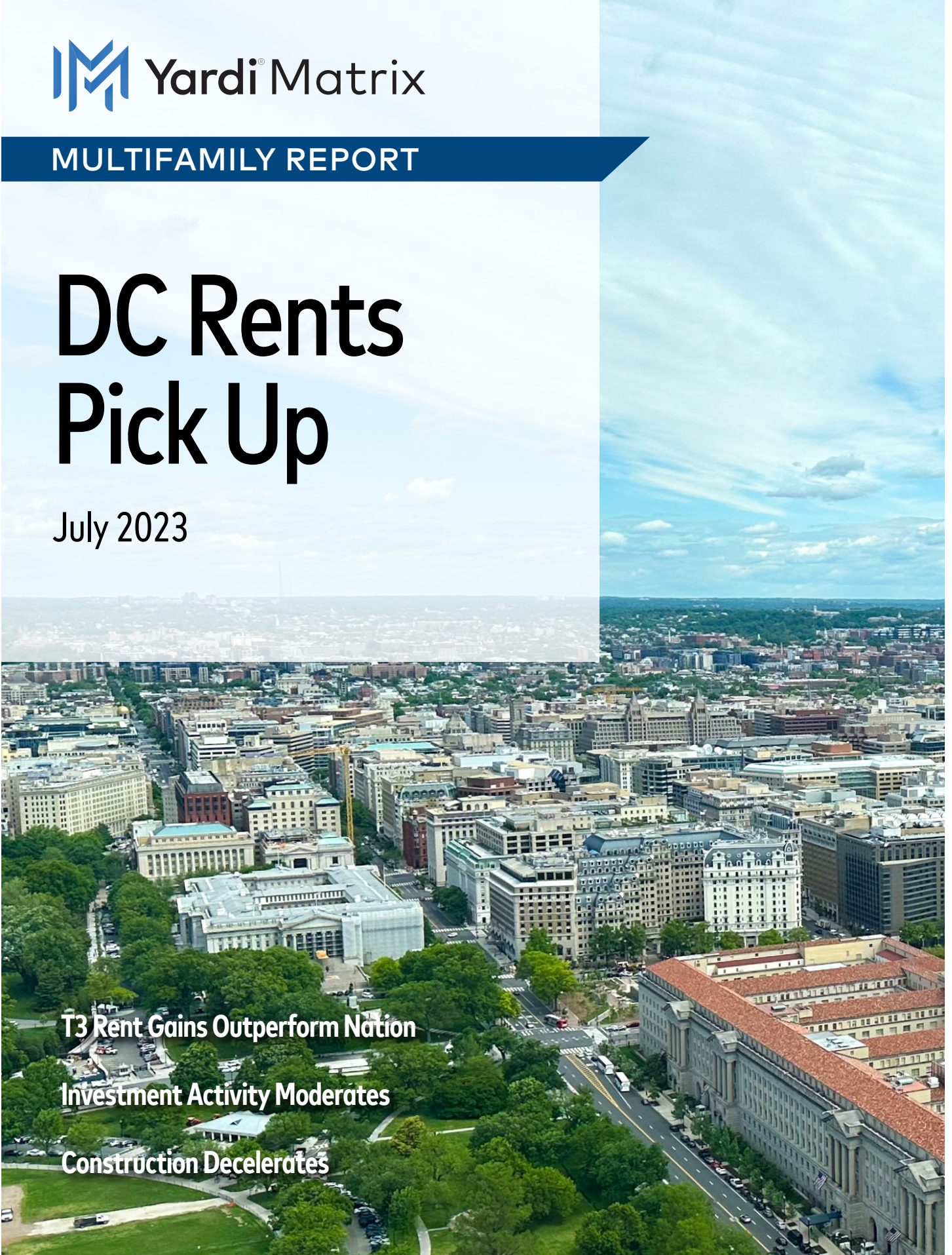
DC Rents Pick Up

July 2023

T3 Rent Gains Outperform Nation

Investment Activity Moderates

Construction Decelerates



WASHINGTON, D.C., MULTIFAMILY



Rate Growth Rebounds, Occupancy Above 95%

Washington, D.C.'s multifamily market showcased strengthening fundamentals, with rent growth rebounding in the second quarter of 2023, up 0.6% on a trailing three-month basis through May, to \$2,098. Meanwhile, the U.S. average appreciated 0.3%, to \$1,716. Occupancy in stabilized assets marked a 50-basis-point decline year-over-year through April but stayed healthy, at 95.1%.

The District's job market contracted to record lows, at 2.4% in April, outperforming the 3.4% national rate. Employment expanded by 2.1%, or 74,800 jobs, in the 12 months ending in March, trailing the 3.1% U.S. figure. The ongoing recovery of leisure and hospitality led gains, adding 27,400 positions, followed by education and health services (19,900 jobs) and professional and business services (12,400 jobs). Three sectors lost 2,100 positions combined—trade, transportation and utilities, financial activities and information. Growth is expected in trade, transportation and utilities, as United Airlines announced plans to significantly expand its Boeing 787 fleet and add 1,100 positions at Dulles International Airport.

Developers brought 3,841 units online in 2023 through May and had an additional 29,750 units under construction, as well as more than 230,000 apartments in the planning and permitting stages. Meanwhile, investment volume totaled just \$635 million, and the average price per unit declined 5.2% year-over-year, to \$277,622 as of May, still significantly above the \$179,358 U.S. figure.

Market Analysis | July 2023

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Recent Washington, D.C., Transactions

Windsor Kingstowne



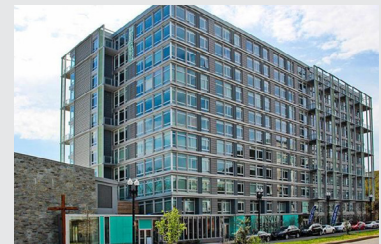
City: Alexandria, Va.
Buyer: GID
Purchase Price: \$179 MM
Price per Unit: \$321,942

The Ivy Rockville



City: Rockville, Md.
Buyer: Fairstead
Purchase Price: \$90 MM
Price per Unit: \$428,571

Valo



City: Washington, D.C.
Buyer: Bernstein Management
Purchase Price: \$82 MM
Price per Unit: \$371,041

Maven at Wheaton



City: Silver Spring, Md.
Buyer: 29th Street Capital
Purchase Price: \$64 MM
Price per Unit: \$275,862