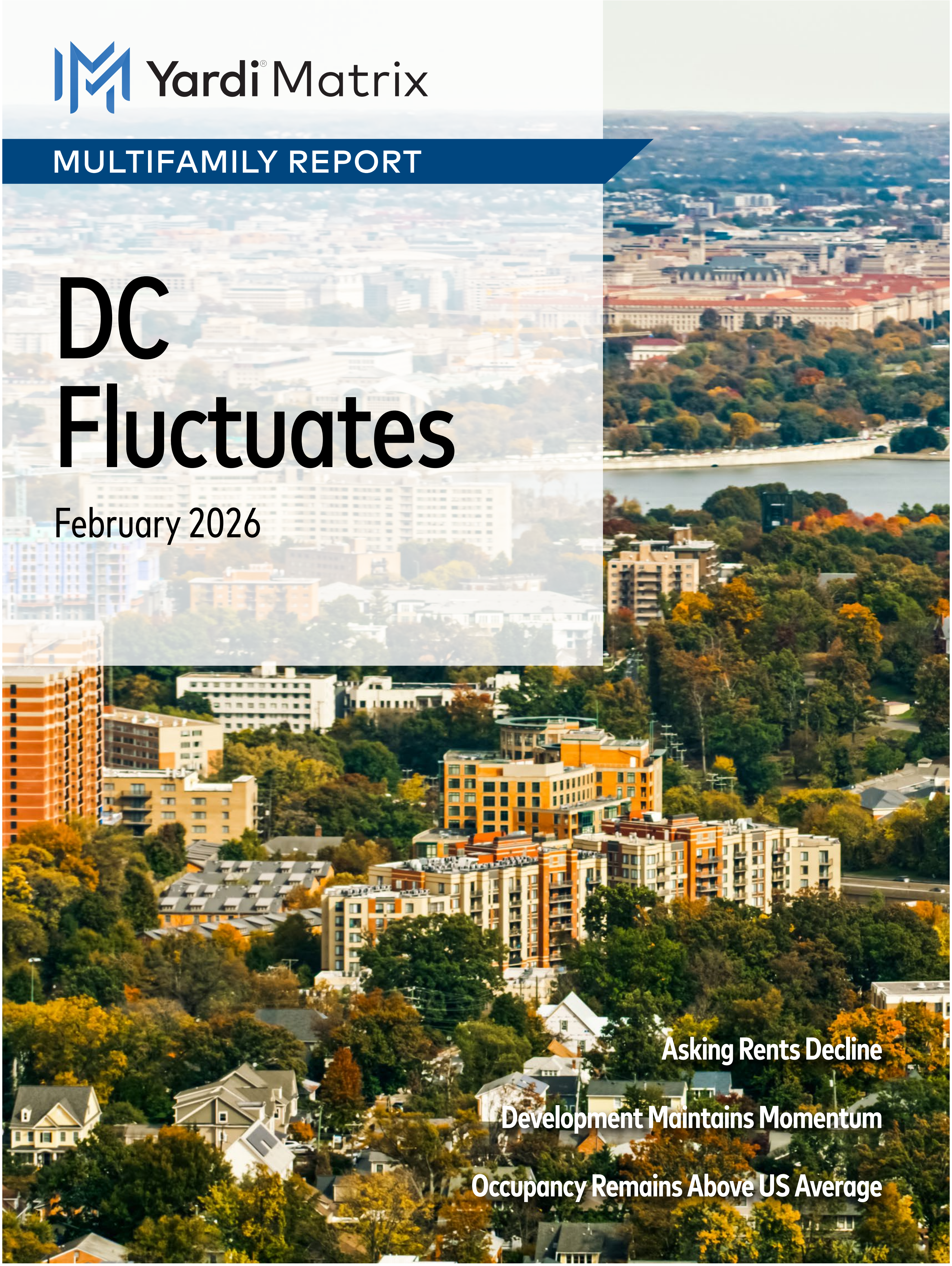
Yardi Matrix

MULTIFAMILY REPORT

DC Fluctuates

February 2026



Asking Rents Decline

Development Maintains Momentum

Occupancy Remains Above US Average

WASHINGTON, D.C. MULTIFAMILY

Yardi Matrix

Robust Pipeline, Softening Metrics

Washington, D.C., fundamentals cooled at the end of 2025, amid a steadily expanding pipeline. Average advertised asking rents dipped 0.5% on a trailing three-month basis through December, to $2,191, exceeding the 0.3% national decline, which lowered the U.S. average to $1,737. Year-over-year, metro D.C. rates were down 1.0%, while the national average remained flat.

The metro's job market showed mixed performance across sectors. Education and health services was the largest growing sector, adding 14,300 jobs during the 12 months ending in September. The largest loss (16,700 jobs) was recorded in the government sector. Overall, Washington, D.C., shed 1,400 net jobs. The area's unemployment rate was 6.1% as of November 2025, according to preliminary data from the Bureau of Labor Statistics. Meanwhile, D.C.'s largest office-to-residential conversion kicked off construction. Post Brothers secured $465 million in C-PACE financing for The Geneva, which is set to deliver 532 units. The project will also include an affordable component.

Developers delivered more than 15,500 units during the past year, as an additional 19,943 units were under construction going into 2026. Multifamily sales in metro Washington, D.C., exceeded $2.3 billion last year, remaining well below the $4.4 billion recorded in 2024.

Recent Washington, D.C., Transactions

Park Place at Van Dorn

City: Alexandria, Va.
Buyer: Pacific Urban Investors
Purchase Price: $114 MM
Price per Unit: $400,000

Vetra Southpoint

City: Fredericksburg, Va.
Buyer: Covenant Capital Group
Purchase Price: $36 MM
Price per Unit: $230,769

Market Analysis | February 2026

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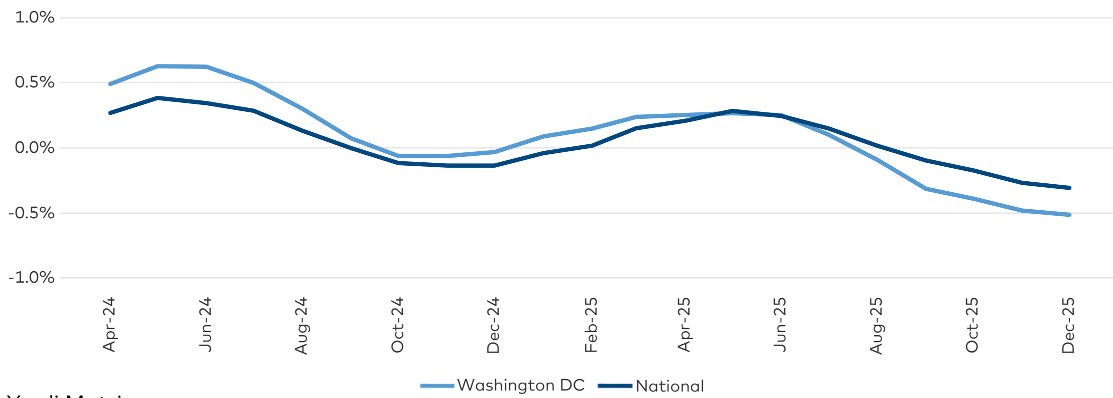
RENT TRENDS

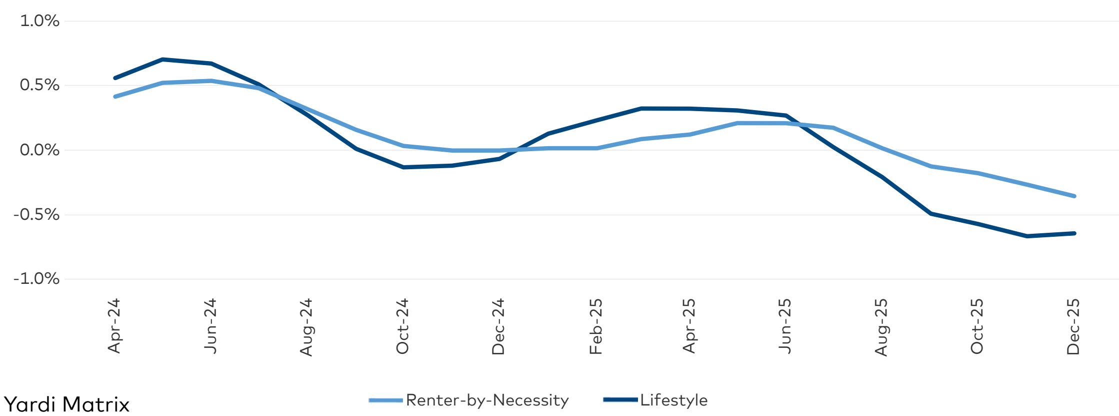
- Washington, D.C., average advertised asking rents were down 0.5%, on a trailing three-month (T3) basis through December, to $2,191. This was 20 basis points below the national average, which was down 0.3%, to $1,737. Year-over-year, the metro's average fell 1.0% in 2025, while the U.S. figure stood flat.
- The Lifestyle segment recorded a 0.6% drop, on a T3 basis through December, settling at $2,513. The average in the working-class Renter-by-Necessity segment saw a 0.4% decline, reaching $1,872. Year-over-year, the Lifestyle figure slid 1.6%, while RBN rates contracted just 0.5%.
- As of November, average occupancy in metro D.C.'s stabilized stock declined 40 basis points year-over-year, to 94.9%, though it continued to outperform the 94.6% U.S. figure. Lifestyle assets saw a 20-basis-point contraction, to 95.4%, while RBN properties recorded a steeper, 50-basis-point decline, to 94.3%.
- Across the 102 Washington, D.C., submarkets tracked by Yardi Matrix, about two-thirds registered year-over-year declines in advertised asking rents in 2025. Meanwhile, Cheverly/Glenarden/Landover Hills posted the strongest growth, with the average rising 5.5%, to $1,815. California/Leonardtown/Prince Frederick followed with a 4.8% increase to $1,934, while Hillcrest Heights/Marlow Heights rents rose 4.2%, to $1,575. All three are suburban Maryland submarkets. Penn Quarter remained the priciest area, despite a 2.6% decline bringing its average to $2,944.

Washington, D.C. vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Washington, D.C. Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Metro D.C.'s unemployment rate was 6.1% as of November 2025, according to preliminary data from the BLS. The rate jumped 210 basis points over 12 months, and also sat 160 basis points above the national average.

- Metro D.C. lost 1,400 net jobs in the 12 months ending in September 2025. Education and health services supported gains, with 14,300 jobs added, followed by mining, logging and construction (13,100 jobs). At the other end of the spectrum, government (-16,700) and professional and business services (-12,600) shed the most positions.

- The Virginia Passenger Rail Authority has implemented service changes to support major construction work on the Long Bridge Project. From January 2026 through 2030, daytime work periods will be needed to advance the $2.3 billion project. Seven new bridges are set to smoothen passenger rail services linking Arlington, Va., and Washington, D.C. Recently, VPRA and partners broke ground on a series of Alexandria-area projects. These projects align with the Long Bridge timeline. Among them, the $238.4 million Alexandria Fourth Track will add 6 miles of new rail tracks and supporting systems between Arlington and Alexandria. Meanwhile, D.C.'s largest office-to-residential conversion project is also underway. Post Brothers received $465 million in C-PACE financing for The Geneva. Mavik provided an additional $110 million.

Washington, D.C., Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	534	14.6%
15	Mining, Logging and Construction	192.9	5.3%
80	Other Services	196.1	5.4%
70	Leisure and Hospitality	350.4	9.6%
55	Financial Activities	161.3	4.4%
30	Manufacturing	68.3	1.9%
50	Information	82.2	2.2%
40	Trade, Transportation and Utilities	466.4	12.8%
60	Professional and Business Services	835	22.8%
90	Government	769.6	21.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Between 2019 and 2022, Washington, D.C., added almost 150,000 net residents, marking a 2.4% increase.

- The population continued to rise. Between mid-2023 and mid-2024, the metro added some 90,000 people, for a 1.4% surge, according to the most recent Census estimates.

Washington, D.C. vs. National Population

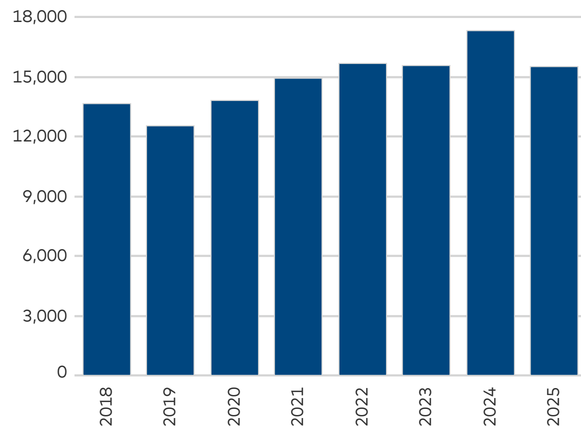
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Metro D.C.	6,196,585	6,250,309	6,332,069	6,346,083

Source: U.S. Census

SUPPLY

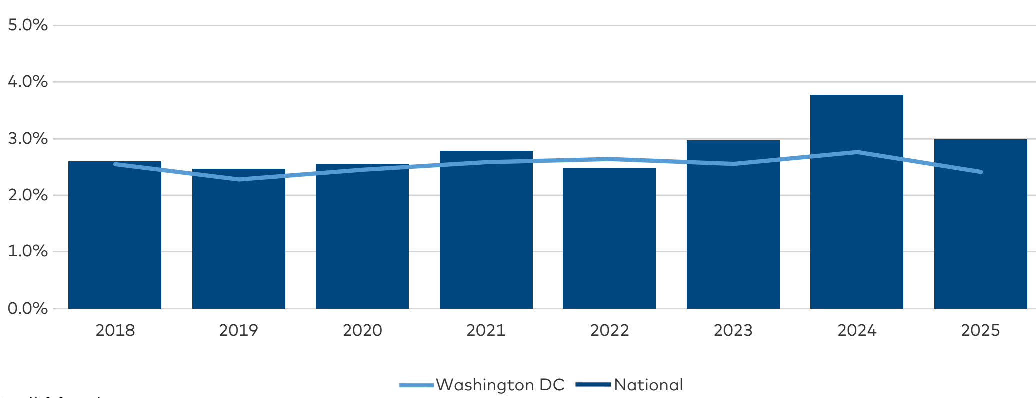
- During 2025, developers added 15,509 units to D.C.'s stock. Completions accounted for 2.4% of existing inventory and was 60 basis points below the U.S. average. More than 85% of all recently delivered units were in Lifestyle properties, some 12% were in fully affordable communities and the remaining were in RBN properties. Completions were also in line with the approximately 15,500-unit average of the previous five years.
- Washington, D.C., had 19,943 units under construction as of December. The pipeline also included 230,000 units in the planning and permitting stages. More than 70% of all units underway are concentrated in Lifestyle assets, some 25% in fully affordable projects, with the remaining roughly 4% being RBN developments.
- Construction activity held steady across the metro, with developers breaking ground on more than 7,500 units across 32 projects last year. This was mostly in line with 2024 levels, when nearly 8,300 units across 33 properties began construction.
- With 10,516 units underway, the Northern Virginia component of the metro continued to lead the pipeline. The District followed, with 5,350 apartments underway, followed by suburban Maryland (4,077 units). At the submarket level, Barry Farms/Saint Elizabeths kept its lead with 1,930 units underway. Ashburn/Dulles/Sterling (1,403 units) and Old Town Alexandria/Potomac Yard (1,134 units) rounded out the podium.
- The 757-unit multifamily component of the Bridge District mixed-use development was the largest project underway going into 2026. Redbrick started work on it in 2023. Citizens Financial Group provided construction financing.

Washington, D.C., Completions
(as of December 2025)



Source: Yardi Matrix

Washington, D.C. vs. National Completions as a Percentage of Total Stock (as of December 2025)



Source: Yardi Matrix

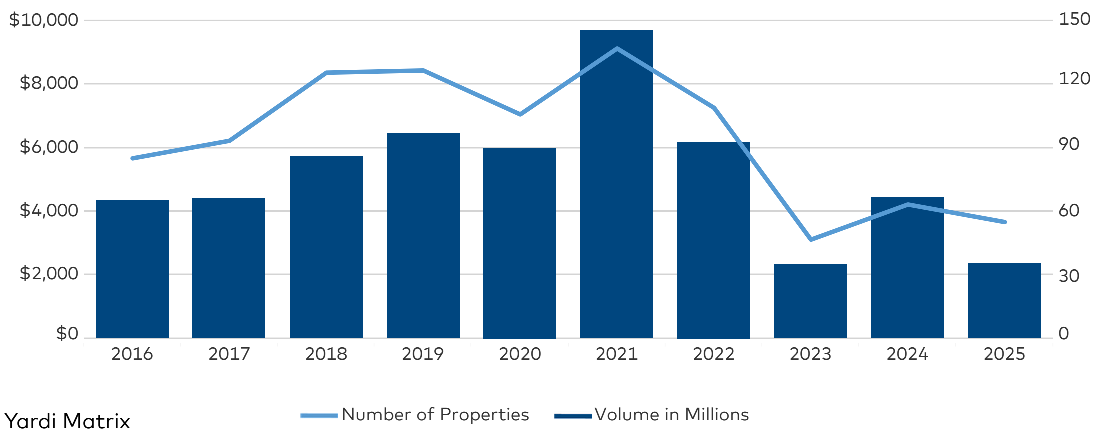
TRANSACTIONS

- Metro D.C. multifamily deals totaled a little more than $2.3 billion last year. Investor activity cooled compared to the $4.4 billion registered in 2024. The sales volume was also significantly below the roughly $5.7 billion average of the previous five years.

- The metro's average per-unit price settled at $313,551 for the year, well above the $205,495 U.S. average. The figure marked a 10.9% decline compared to the $282,766 average of 2024. Lifestyle assets traded at $388,343 per unit. while RBN assets sold for $156,818 per unit.

- Cortland was the biggest net buyer in the market in 2025 by far, with its blockbuster $1.6 billion portfolio acquisition from Elme Communities. Of the 19 properties involved in the deal, 16 are located across metro D.C., and total 4,533 units. Just one of the 16 communities is located within the District, with the other 15 across Northern Virginia.

Washington, D.C., Sales Volume and Number of Properties Sold (as of December 2025)



Source: Yardi Matrix

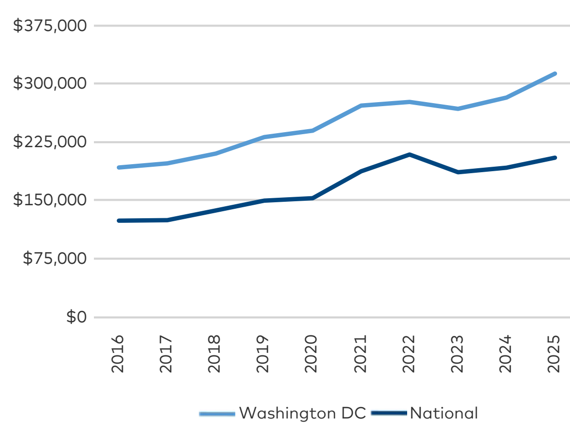
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Brentwood/Trinidad/Woodridge	514
Lee Highway/McLean	291
Downtown Bethesda	194
West Foggy Bottom	186
Colonial Village/North Highlands/Roslyn	151
South Herndon	147
Eisenhower East/Fort Hunt	114

Source: Yardi Matrix

[1] From January 2025 to December 2025

Washington, D.C. vs. National Sales Price per Unit



Source: Yardi Matrix

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MULTI-HOUSING NEWS

Finding Value in Volatile Markets, the CRC Way

By Olivia Bunescu

With more than six decades in real estate, Continental Realty Corp. is a Baltimore-based owner and operator investing and operating across the Mid-Atlantic. As market conditions evolve, the firm continues to refine its multifamily strategy using data-driven insights and long-standing relationships, according to Executive Vice President & Head of Multifamily Operations Dana Caudell.

How would you describe the multifamily landscape across the markets where you operate?

CRC's multifamily portfolio is concentrated in the Southeast and Mid-Atlantic regions, where we continue to see strong fundamentals and consistent outperformance relative to national trends. These markets benefit from sustained demand, steady rent growth and healthy absorption across a range of asset types.

Which lessons from past cycles do you find most valuable in responding to volatility and changing renter dynamics?

We have learned that discipline, data and relationships sustain performance through volatility. The most relevant lesson from past cycles is the importance of maintaining a long-term view while staying agile in the short term. Markets change, but fundamentals such as sound underwriting, strong operations and the resident experience remain constant.

When evaluating new markets, what criteria guide your decisions?

When evaluating properties, we prioritize well-located communities with quality construction, appealing design and potential for operational or strategic enhancements. Our goal is to identify assets that align with our investment philosophy—those positioned for stability today and meaningful value creation over time.

How do you decide when it makes sense to pursue a repositioning opportunity versus a stabilized asset?

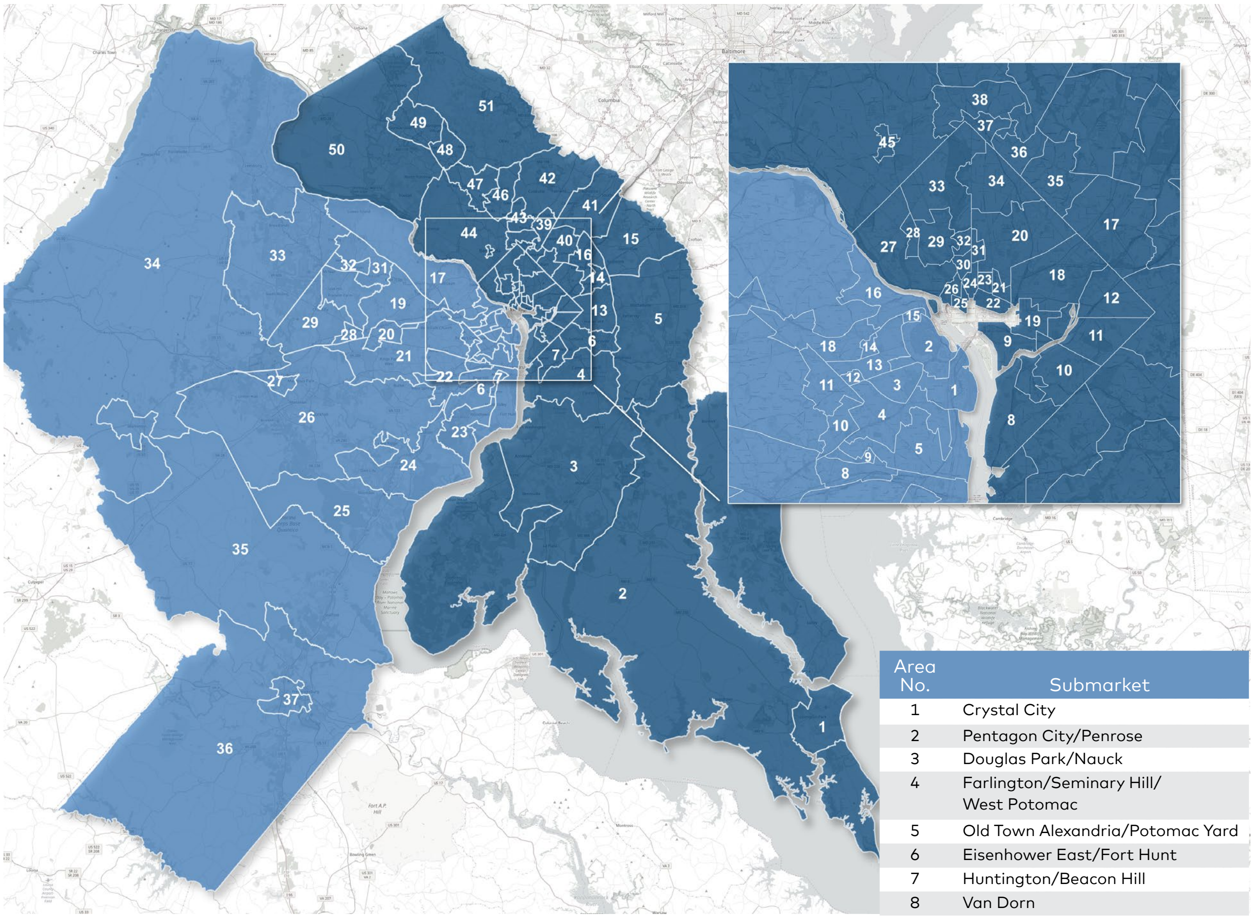
Our decisions are guided by market fundamentals and cycle positioning. During periods of expansion, we target value-add opportunities that can drive NOI growth, while in more mature or supply-constrained markets, we focus on Class A assets that offer durable income and long-term appreciation.

What do you see as the most significant challenges and the greatest opportunities shaping the multifamily sector over the next few years?

The long-term fundamentals remain strong. Population growth, migration patterns and the rising cost of homeownership continue to drive demand for quality rental housing, particularly in the Southeast and Mid-Atlantic, where we are especially active. We see opportunity in technology and advanced analytics to optimize performance, improve the resident experience and identify emerging submarkets positioned for sustained growth.

(Read the complete interview on multihousingnews.com.)

WASHINGTON, D.C. SUBMARKETS



Area No.	Submarket
1	Lexington Park
2	California/Leonardtown/ Prince Frederick
3	St. Charles/Waldorf
4	Camp Springs/Fort Washington
5	Bowie/Lake Arbor/Largo
6	Forestville/Suitland
7	Hillcrest Heights/Marlow Heights
8	Congress Heights/Congress Park
9	Barry Farms/St. Elizabeths
10	Anacostia/Garfield Heights
11	Fort Dupont Park/Marshall Heights
12	Deanwood
13	Seat Pleasant/Walker Mill
14	Cheverly/Glenarden/Landover Hills
15	Goddard/Glenn Dale
16	West Greenbelt/East Riverdale
17	Bladensburg/Riverdale Park
18	Brentwood/Trinidad/Woodridge
19	Capitol Hill
20	Brookland/South Petworth
21	North Capitol
22	Penn Quarter
23	Logan Circle/West Mount Vernon
24	South 16th Street/Scott Circle Corridor
25	East Foggy Bottom
26	West Foggy Bottom

Area No.	Submarket
27	Georgetown/Wesley Heights/ South Glover Park
28	West Cleveland Park/Wisconsin Avenue
29	East Cleveland Park/Woodley Park
30	Adams Morgan/North Dupont Circle
31	Columbia Heights
32	Mount Pleasant
33	North Connecticut Ave. Corridor
34	Brightwood/16th Street Heights
35	Chillum/Queens Chapel
36	Takoma Park
37	Downtown Silver Spring
38	West Silver Spring
39	East Silver Oak/White Oak
40	College Park
41	Beltsville/Laurel/South Laurel
42	Fairland
43	Wheaton
44	Chevy Chase/Potomac
45	Downtown Bethesda
46	Aspen Hill/Rossmoor
47	East Rockville
48	East Gaithersburg/Redland
49	Germantown/Montgomery Village
50	West Gaithersburg
51	Olney

Area No.	Submarket
1	Crystal City
2	Pentagon City/Penrose
3	Douglas Park/Nauck
4	Farlington/Seminary Hill/ West Potomac
5	Old Town Alexandria/Potomac Yard
6	Eisenhower East/Fort Hunt
7	Huntington/Beacon Hill
8	Van Dorn
9	Landmark/Foxchase
10	Alexandria West
11	Bailey's Crossing
12	Columbia Heights West
13	Arlington Heights/Clarendon
14	Ashton Heights/Buckingham
15	Fort Myers Heights/Radnor
16	Colonial Village/ North Highlands/Roslyn
17	Lee Highway/McLean
18	Ballston/East Falls Church
19	Merrifield/Tyson's Corner/Vienna
20	Fairfax
21	Burke/Falls Church/Jefferson
22	Annandale/Franconia/Springfield
23	Mount Vernon
24	Dale City/Lorton/Woodbridge
25	Dumfries/Triangle
26	Prince George/Manassas
27	Manassas
28	Fair Oaks
29	Bull Run/Centreville/Chantilly
30	South Herndon
31	North Reston
32	Herndon/Reston
33	Ashburn/Dulles/Sterling
34	Gainesville/Leesburg
35	Stafford/Warrenton
36	Falmouth/Spotsylvania
37	Fredericksburg

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

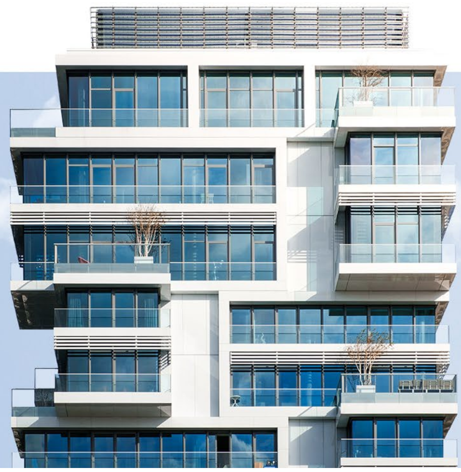
Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.

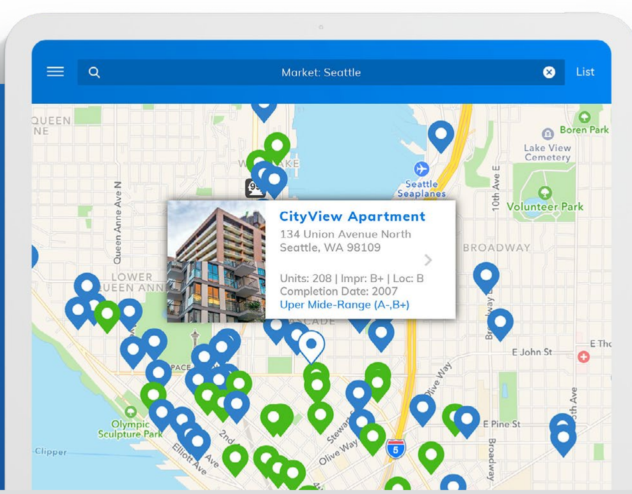
Yardi Matrix



Power your business with the industry's leading data provider

MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily provides accurate data on nearly **23.5 million units**, covering over **92% of the U.S. population.**

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