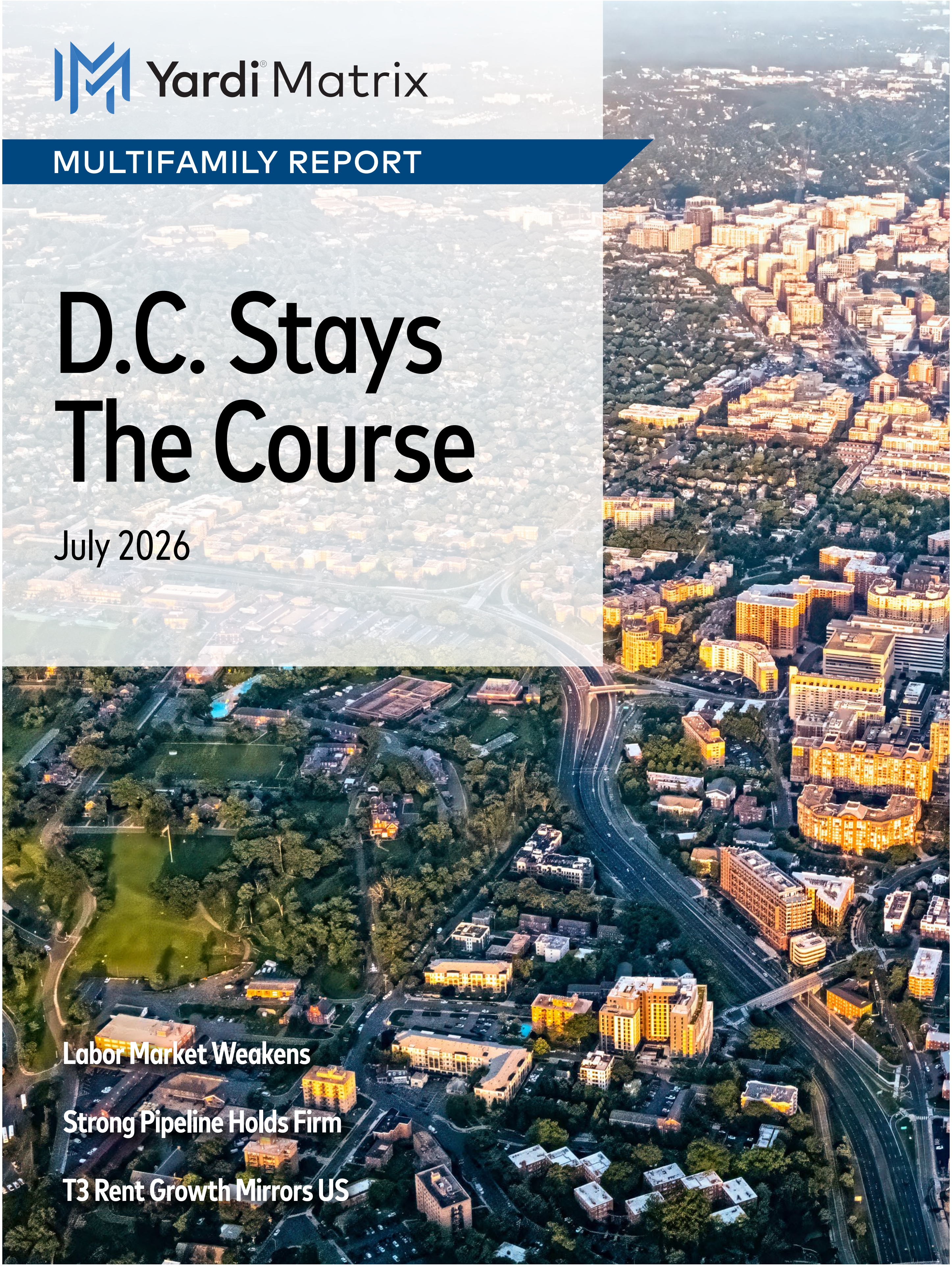
Yardi Matrix

MULTIFAMILY REPORT

D.C. Stays The Course

July 2026



Labor Market Weakens

Strong Pipeline Holds Firm

T3 Rent Growth Mirrors US

WASHINGTON, D.C. MULTIFAMILY

Yardi Matrix

Economic Strain Meets Development Momentum

Washington, D.C.'s average advertised asking rents recorded a 0.3% increase, on a trailing three-month basis through May, reaching $2,227. The growth rate was on par with the national average. Highlighting continued demand, the metro's occupancy rate settled at 94.2% as of April. The figure was 10 basis points above the national average.

The District lost 122,300 net jobs in the 12 months ending in February. The government sector recorded the sharpest decline in employment, shedding 56,300 jobs and accounting for the largest share of overall losses during the period. As of April, the metro's unemployment rate was 5.1%, according to preliminary Bureau of Labor Statistics data. Despite economic challenges, several projects are moving along across Washington, D.C. The National Capital Planning Commission approved a preliminary plan for the 70,000-person stadium reshaping RFK Campus, with completion targeted for 2030.

During the first five months of 2026, developers added 4,101 units to D.C.'s stock. Construction activity remained elevated with more than 21,000 units under construction and an additional 235,000 units in the planning and permitting stages. Investment activity also picked up. Year-to-date through May, transaction volume reached $1.2 billion, well above the $866 million that traded during the same period in 2025.

Market Analysis | July 2026

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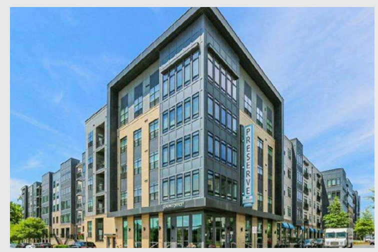
Recent Washington, D.C. Transactions

The Grand

City: Bethesda, Md.
Buyer: ORLO
Purchase Price: $180 MM
Price per Unit: $330,275

Preserve at Westfields



City: Chantilly, Va.
Buyer: Eaton Vance Real Estate Investment Group
Purchase Price: $138 MM
Price per Unit: $231,477

The Reed

City: Rockville, Md.
Buyer: Comstock Cos., Benefit Street Partners
Purchase Price: $110 MM
Price per Unit: $263,789

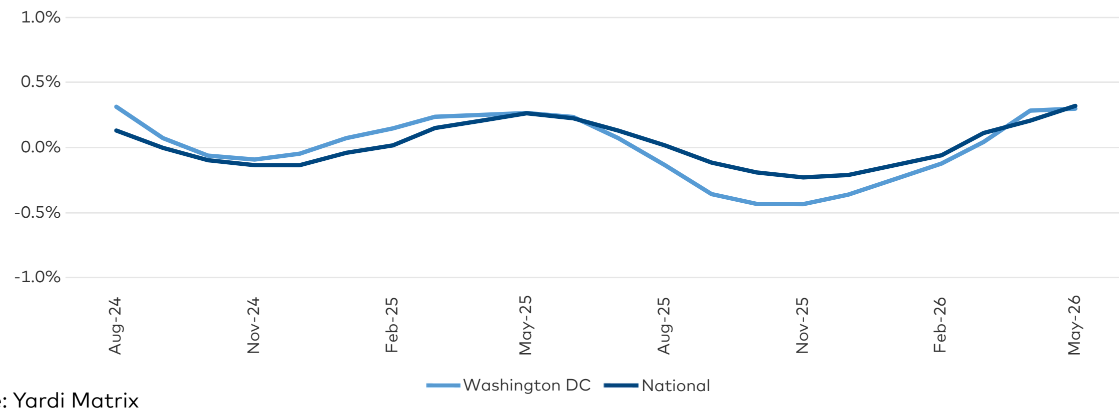
The Albemarle

City: Washington, D.C.
Buyer: WC Smith
Purchase Price: $70 MM
Price per Unit: $296,967

RENT TRENDS

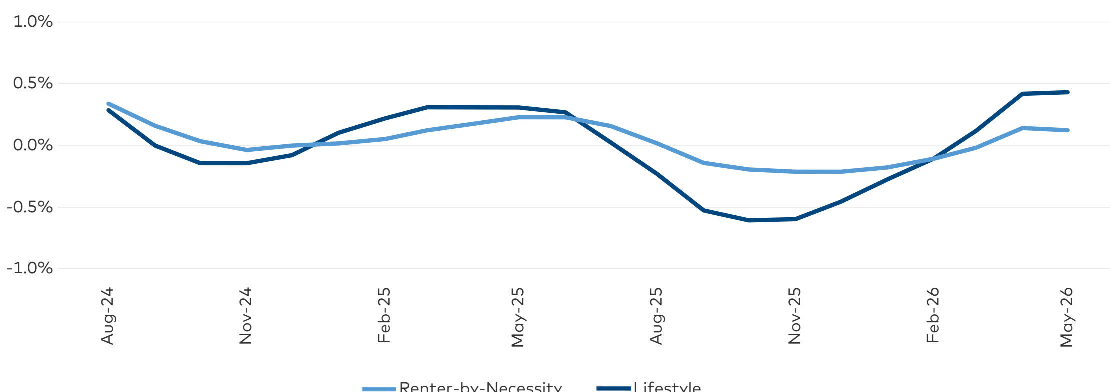
- Metro D.C.'s average advertised asking rents were up 0.3%, on a trailing three-month (T3) basis through May. Growth was on par with the national rate. Year-over-year, the metro's figure dropped 1.2% to $2,227, while the national average increased 0.2% to $1,767.
- Growth was uneven across quality segments. Average advertised asking rents for working-class Renter-by-Necessity properties saw a 10 basis-point increase, to $1,882. Rents for upscale Lifestyle assets recorded a 0.4% uptick to $2,567. Year-over-year, the RBN figure slid 0.5%, while the Lifestyle average dropped 1.5%.
- The District's average overall occupancy rate for stabilized properties was 94.2% as of April. Despite dropping 90 basis points year-over-year, the figure was above the national average of 94.1%. RBN occupancy stood at 93.8%, with Lifestyle occupancy at 94.5%.
- At the submarket level, Chambersburg led gains with advertised asking rents climbing 5.8% year-over-year to $1,226. Two other Northern Virginia submarkets rounded out the top three: Hagerstown (up 5.6% to $1,556) and Martinsburg (up 5.0% to $1,547). At the other end of the spectrum were three Washington D.C.–Suburban Maryland submarkets: Lexington Park (down 7.0% to $1,764), Logan Circle/West Mount Vernon (down 6.0% to $2,590) and Fairland (down 4.5% to $1,848). Northern Virginia's Colonial Village/North Highlands/Roslyn was the most expensive submarket, with advertised asking rents increasing 1.5% to $2,988.

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

- Washington, D.C.'s unemployment rate was 5.1% as of April, according to preliminary Bureau of Labor Statistics data. This marked a 10-basis-point improvement month-over-month, while remaining well above the U.S. average of 4.3%.

- The metro's employment dropped 2.4% through February, while the national average was down just 10 basis points. All but one sector saw job losses during the 12-month period ending in February. The mining, logging and construction sector added 700 jobs to the workforce. All in all, the metro recorded a net loss of 122,300 jobs, with government (-56,300 jobs) and professional and business services (-40,400) registering the sharpest declines.

- Inova celebrated topping-out milestones at its Alexandria and Franconia-Springfield campuses, which span 1.4 million square feet combined. The two projects will reshape health-care offerings across Northern Virginia and are expected to come online in 2028. Another project expected to boost the local economy is in the incipient phase. The National Capital Planning Commission approved the preliminary plan for a new stadium at RFK Campus, replacing the one that closed in 2019. The proposed project will span 30 acres and accommodate 70,000 people. Other proposed improvements include parking garages and lots totaling 8,000 spaces, but these are still under review. If the timeline holds, construction is expected to wrap up by 2030.

Washington, D.C. Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
15	Mining, Logging and Construction	177.8	5.0%
65	Education and Health Services	531.7	15.1%
55	Financial Activities	158.4	4.5%
30	Manufacturing	75.6	2.1%
80	Other Services	184	5.2%
50	Information	79.1	2.2%
40	Trade, Transportation and Utilities	469.2	13.3%
70	Leisure and Hospitality	324.3	9.2%
60	Professional and Business Services	796.5	22.6%
90	Government	732.2	20.7%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Metro D.C. added some 14,000 residents between 2021 and 2022, marking a 0.2% increase. Meanwhile, the U.S. saw a 0.4% increase.

- According to U.S. Census Bureau estimates, the metro had 6,465,724 residents as of July 1, 2025.

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 the first five months of 2026, developers added 4,101 units to D.C.'s stock. Completions accounted for 0.6% of existing inventory, and clocked in 10 basis points below the national average. Nearly 95% of the recently delivered units were in Lifestyle assets, 3.8% in fully affordable communities and the remainder in RBN properties. Yardi Matrix expects the metro to gain some 7,200 units by the end of the year.

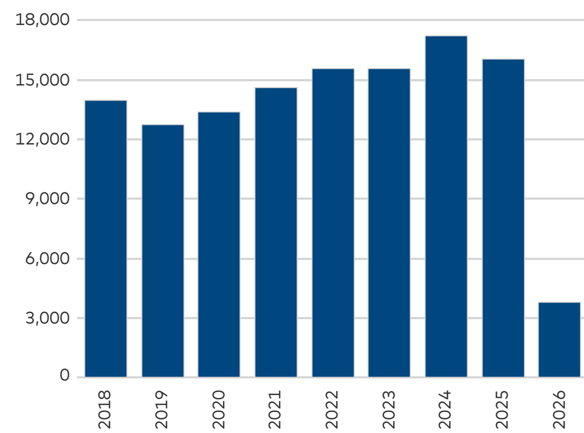
- Washington, D.C., had 21,281 units under construction as of May. Nearly two-thirds of the units underway were concentrated in Lifestyle assets, 30% made up fully affordable projects, while RBN accounted for 5.4%. The pipeline included an additional 235,000 units moving through the planning and permitting stages.

- Larger projects are moving forward in the metro. Developers broke ground on 3,660 units across 12 projects during the first five months of 2026. In contrast, developers started work on 1,892 units across 11 developments during the same period of 2025.

- With 1,561 units under construction, the Barry Farms/St Elizabeths submarket led construction activity. Merrifield/Tyson's Corner/Vienna (954), Old Town Alexandria/Potomac Yard (935), Ashburn/Dulles/Sterling (917) and Herndon/Reston (819) rounded out the top five.

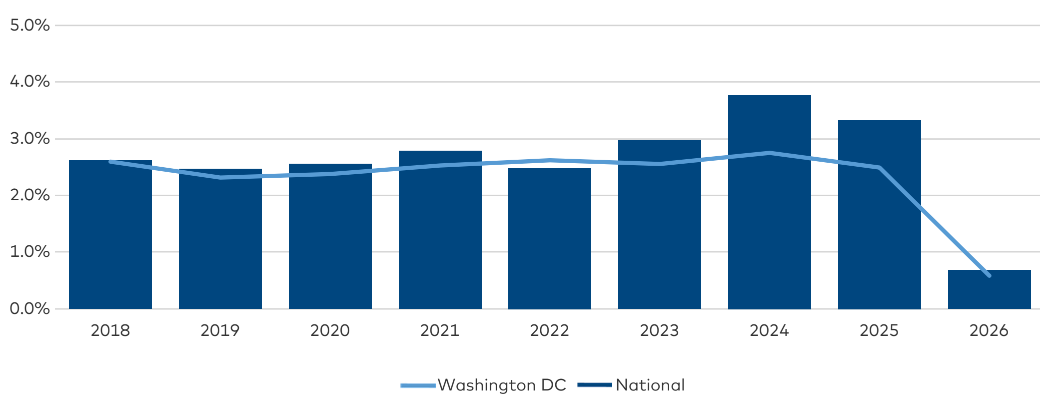
- The 553-unit Mira and Ador in the Ballston/East Falls Church submarket was the largest project underway. A joint venture including Insight Property Group, FCP, Moriarty and PGIM Real Estate started construction on the LEED Gold-proposed project in late 2025. The two-building development is expected to come online in early 2028.

Washington, D.C. Completions (as of May 2026)



Source: Yardi Matrix

Washington, D.C. vs. National Completions as a Percentage of Total Stock (as of May 2026)

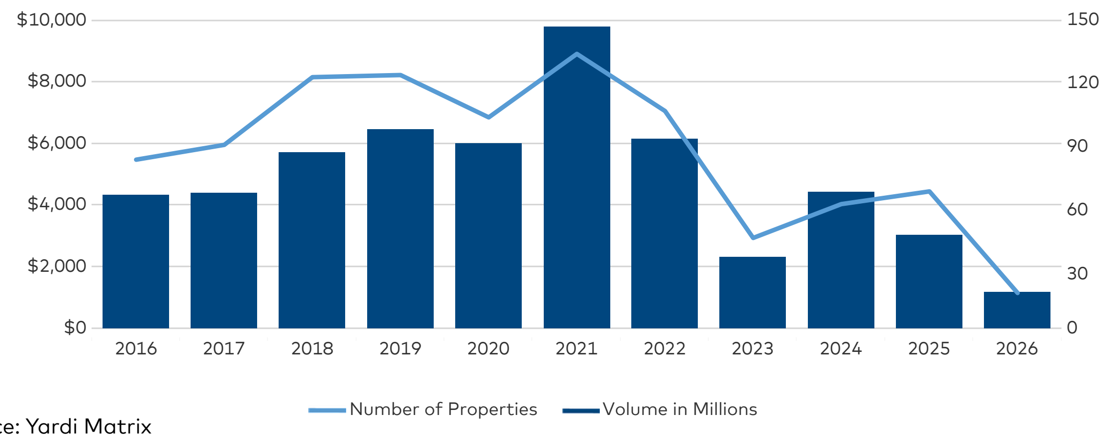


Source: Yardi Matrix

TRANSACTIONS

- In the first five months of the year, investors closed $1.2 billion in multifamily transactions across Metro D.C. Transaction volume marked a 38% increase compared to the same period in 2025, when sales amounted to $866 million. Last year's total came to just over $3 billion, bringing the average of the past five years to $5.1 billion.
- As of May, the metro's average per-unit price settled at $286,848. The figure was well above the U.S. average of $185,821. Across D.C., Lifestyle assets traded for $350,305 per unit, while RBN properties averaged $193,139 per unit.
- Notable recent transactions included ORLO's $180 million acquisition of the 545-unit The Grand in East Rockville. Brookfield Properties sold the 16-story property for $330,275 per unit. The buyer secured a $129.3 million Freddie Mac loan to fund the purchase, with the help of CBRE Capital Markets.

Washington, D.C. Sales Volume and Number of Properties Sold (as of May 2026)



Source: Yardi Matrix

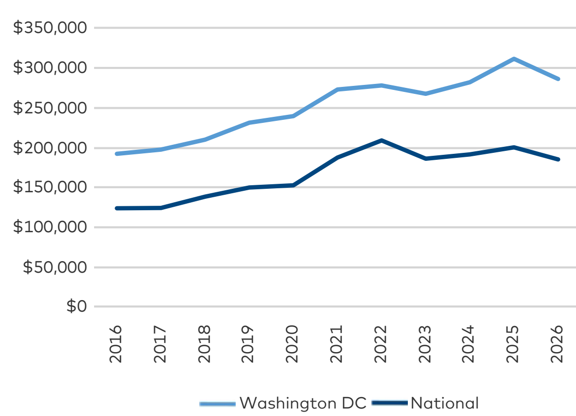
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Brentwood/Trinidad/Woodridge	544
Dale City/Lorton/Woodbridge	330
East Rockville	310
Herndon/Reston	236
West Foggy Bottom	186
Colonial Village/North Highlands/Roslyn	151
Huntington/Beacon Hill	151

Source: Yardi Matrix

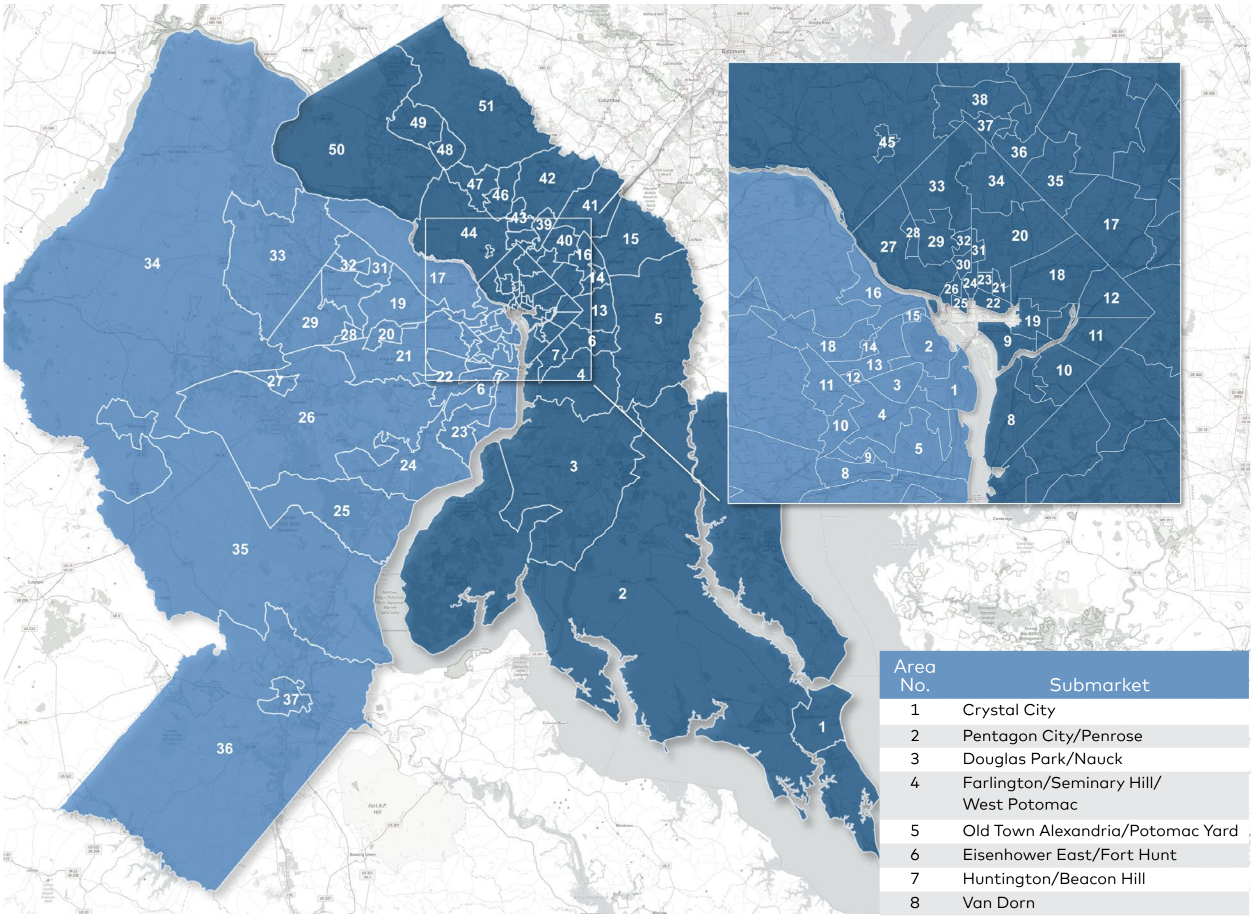
[1] From June 2025 to May 2026

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



Source: Yardi Matrix

WASHINGTON, D.C. SUBMARKETS



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

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

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

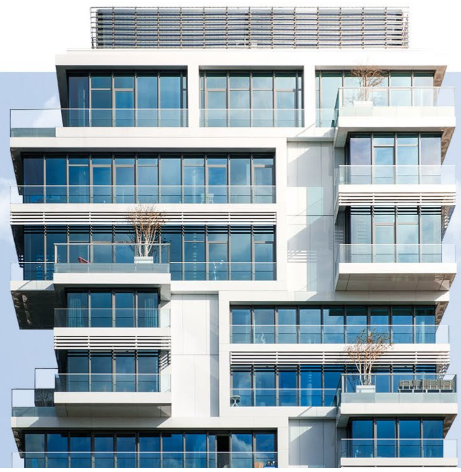
The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

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.

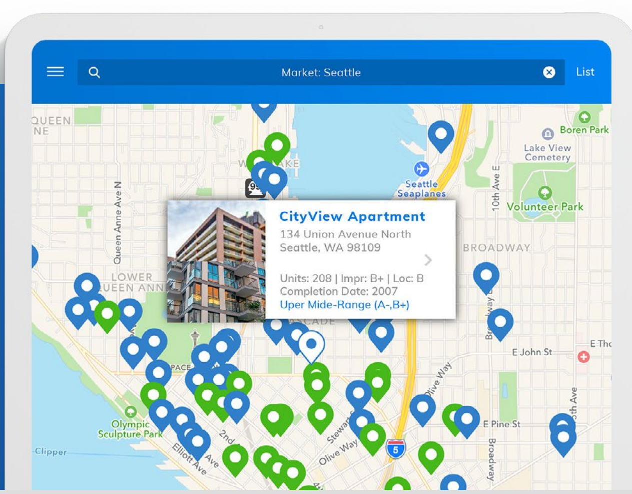
Yardi Matrix

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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