

Yardi® Matrix

DC Strikes A Balance

Multifamily Report Fall 2019

Transaction Volume Remains High

Leisure, Hospitality Drive Job Gains

Rent Growth Stays Above US Average

SPEED
LIMIT
35

WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Supply Steady, Occupancy Close Behind

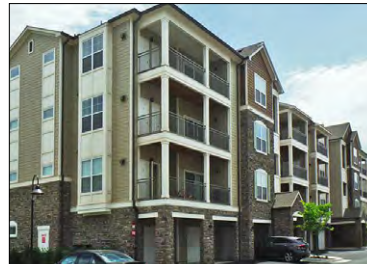
Multifamily rents in Washington, D.C., have picked up since June 2019, after several years of below-trend growth caused a supply surplus. Rents were up 3.5% year-over-year through October, 30 basis points above the national rate. Meanwhile, occupancy improved 10 basis points over 12 months, reaching 95.6% as of September. The rapid addition of high-paying jobs, coupled with strong population growth, is likely to support D.C.'s economic expansion and maintain its advantage in the Mid-Atlantic region.

Employment growth was led by leisure and hospitality, which gained 17,100 of the 38,800 jobs added in the 12 months ending in September. Roughly 24 million tourists visited the District in 2018, a record number for the ninth consecutive year. And with the city's population expanding, developers continue to build. Several large mixed-use projects are underway, including the \$640 million redevelopment of the former Fannie Mae headquarters, Boston Properties' Reston Gateway, Hoffman-Madison Waterfront's multibillion-dollar The Wharf, and Brookfield Properties' \$1.4 billion Halley Rise.

Investor interest tempered slightly, but it is still likely to surpass the \$4.5 billion mark for all of 2019, making it the third-best year for transaction volume this cycle. Despite the metro's solid development pipeline, we expect rents to continue rising, albeit at a slower pace.

Recent Washington, D.C. Transactions

Atley on the Greenway



City: Ashburn, Va.
Buyer: Fairfield Residential
Purchase Price: \$141 MM
Price per Unit: \$284,274

Loren



City: Falls Church, Va.
Buyer: Sachs Investing
Purchase Price: \$70 MM
Price per Unit: \$378,378

Hidden Creek



City: Gaithersburg, Md.
Buyer: JEM Holdings
Purchase Price: \$67 MM
Price per Unit: \$223,333

Capital Crossing



City: Suitland, Md.
Buyer: Castle Lanterra Properties
Purchase Price: \$52 MM
Price per Unit: \$144,847