

Yardi® Matrix

MULTIFAMILY REPORT

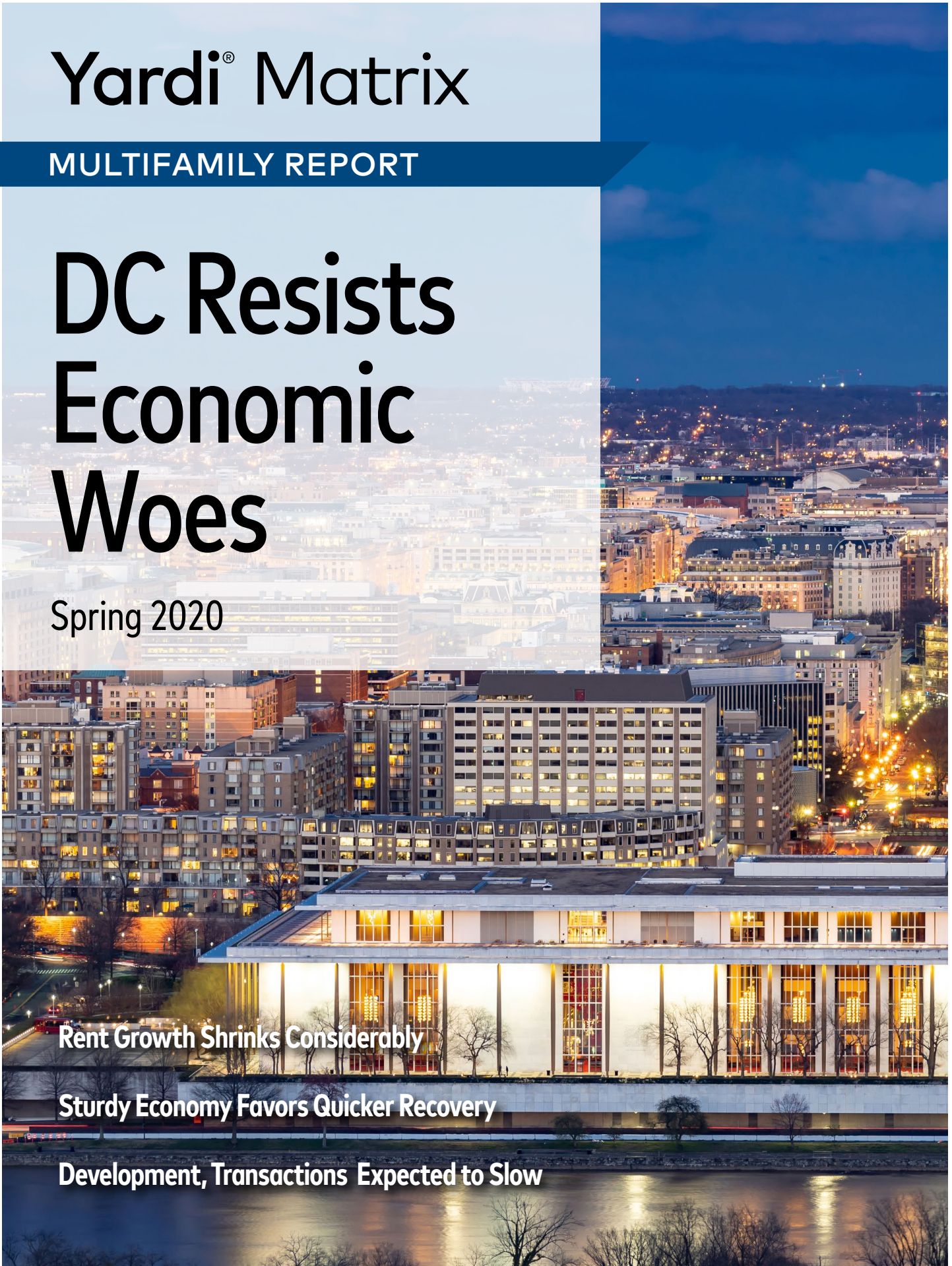
DC Resists Economic Woes

Spring 2020

Rent Growth Shrinks Considerably

Sturdy Economy Favors Quicker Recovery

Development, Transactions Expected to Slow



WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

DC Stumbles, But Does Not Fall

While the COVID-19 pandemic and ensuing downturn are sure to take their toll on the rental sector, metro D.C. multifamily entered the storm relatively well prepared thanks to a sturdy economy and an employment composition that favors quicker recoveries compared to other large U.S. markets. That said, the metro's average rent contracted by 70 basis points month-over-month and 10 basis points on a trailing three-month basis as of April, as the first effects of the health crisis began to emerge.

The District's unemployment rate jumped to 6.0% as of March and more than 1.3 million unemployment claims had been filed across D.C., Virginia and Maryland through mid-May, but the area's economy carries a key silver lining for the long run. Although coastal gateway metros were the first to feel the swift shock of the pandemic, D.C.'s economy is relatively sturdy due to the federal government and related industries, which give the area a very stable employment base. Coupled with a phased reopening, this gives the Mid-Atlantic region a recovery head start.

Nearly 1.3 billion in multifamily assets traded, while some 2,984 units came online across metro D.C. through the first third of 2020, with an additional 35,283 apartments underway. With the impact of the health crisis becoming increasingly apparent, we expect both construction and transactions to slow down this year.

Market Analysis | Spring 2020

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Recent Washington, D.C. Transactions

The Cosmopolitan at Reston
Town Center



City: Reston, Va.
Buyer: Cherner Development
Purchase Price: \$120 MM
Price per Unit: \$416,667

Inigo's Crossing



City: North Bethesda, Md.
Buyer: JRK Property Holdings
Purchase Price: \$109 MM
Price per Unit: \$230,180

Westchester Tower



City: College Park, Md.
Buyer: Hampshire Properties
Purchase Price: \$66 MM
Price per Unit: \$216,997

South Pointe



City: Temple Hills, Md.
Buyer: Signature Properties
Purchase Price: \$43 MM
Price per Unit: \$109,487