



**MULTIFAMILY REPORT**

# DC's Tricky, Surprising Year

Winter 2021

**Per-Unit Prices Hit New Peak**

**Employment Steadily Improving**

**Deliveries Set for Rebound**

# WASHINGTON, D.C. MULTIFAMILY



## Development Endures

Washington, D.C.'s multifamily market continues to benefit from the presence of the federal government and related industries, which helped prop up fundamentals in 2020 to a certain extent, at least when compared to other large coastal markets. Nonetheless, rents were down 0.7% on a trailing three-month basis as of December, to \$1,758, above the \$1,462 national average. Meanwhile, the metro's occupancy rate in stabilized communities declined 100 basis points in the 12 months ending in November 2020, to 94.2%, the metro's lowest level over the past decade.

The metro's employment market shrank by 181,100 positions in the 12 months ending in November 2020—representing a 6.1% drop—with most sectors recording losses, ranging from 23.4% for leisure and hospitality to 2.0% for the professional and business services sector. Even so, metro D.C.'s economy bounced back relatively quickly, from a 10.0% unemployment rate in April 2020 to nearly half of that in just seven months.

A total of 9,582 units reached completion in 2020, marking an 18.1% drop from the previous year and the lowest level in almost a decade. However, developers were working on more than 42,000 apartments at the end of the year, placing Washington, D.C., among the country's top-performing markets for construction activity.

## Market Analysis | Winter 2021

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### Recent Washington, D.C. Transactions

#### Southern Towers



City: Alexandria, Va.  
Buyer: CIM Group  
Purchase Price: \$506 MM  
Price per Unit: \$218,009

#### Cadence at Crown



City: Gaithersburg, Md.  
Buyer: JRK Property Holdings  
Purchase Price: \$158 MM  
Price per Unit: \$294,144

#### DelRay Tower



City: Alexandria, Va.  
Buyer: Caruthers Properties  
Purchase Price: \$145 MM  
Price per Unit: \$436,746

#### Station on Silver



City: Herndon, Va.  
Buyer: UDR  
Purchase Price: \$128 MM  
Price per Unit: \$320,000