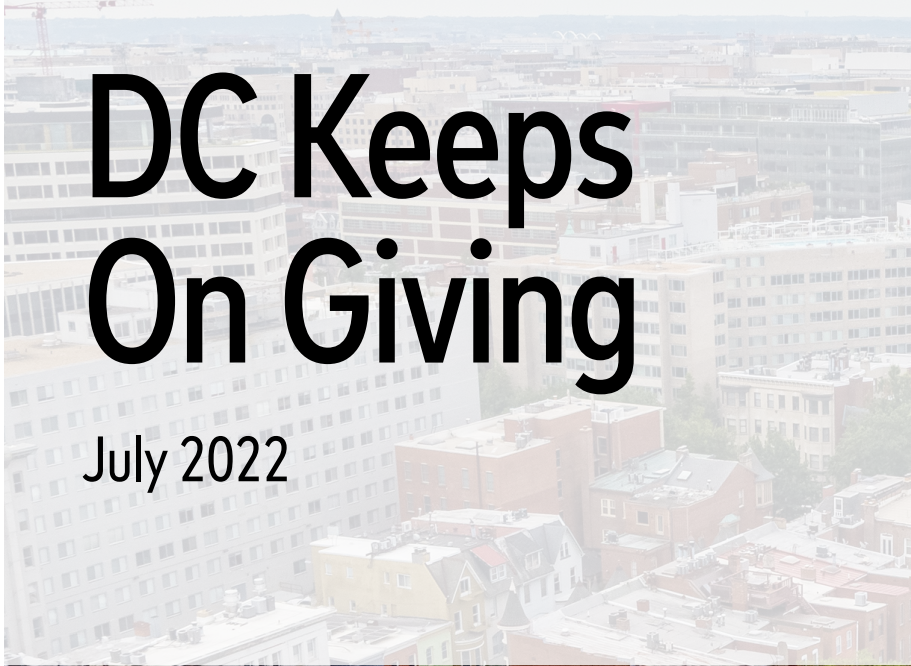




MULTIFAMILY REPORT

DC Keeps On Giving

July 2022



Development Decelerating, Still Strong

Rate Gains Accelerate Again

Investors Target Suburbs

WASHINGTON, D.C., MULTIFAMILY



Supply Forges Ahead, Occupancy Withstands

Coming off a hot 2021 for multifamily performance, Greater Washington, D.C., is once again picking up steam after a seasonal slowdown. Rent growth accelerated during the last quarter, with rates up 0.8% on a trailing three-month basis, just 20 basis points below the national figure. On a year-over-year basis, D.C. rates were up 10.0% as of May, putting the city in the lower third among major U.S. metros but still way ahead of pre-pandemic levels.

While lagging the national rate of economic recovery, metro D.C. still added 114,500 jobs in the 12 months ending in March, with only one sector—financial activities—losing positions (-3,200). The overall additions accounted for a 3.8% rise in employment in one year, trailing the U.S. figure by 90 basis points. Although unemployment was at a tight 3.0% as of April, the MSA still has 130,000 fewer people employed than it did at the beginning of 2020.

While the area is not immune to economic turbulence, Greater D.C. remains a high demand-high supply market. Case in point, the metro had 37,345 units under construction as of May, representing the country's fourth-largest pipeline, even as occupancy improved. Meanwhile, \$1.9 billion in rental assets traded across the metro in the first five months of the year, for an average price per unit of \$289,545. Per-unit prices have been on the rise for five consecutive years.

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Recent Washington, D.C., Transactions

The Parker



City: Alexandria, Va.
Buyer: Brookfield Properties
Purchase Price: \$136 MM
Price per Unit: \$377,778

Haven Largo



City: Largo, Md.
Buyer: FCP
Purchase Price: \$72 MM
Price per Unit: \$328,311

The Horizons



City: Arlington, Va.
Buyer: Dweck Properties
Purchase Price: \$69 MM
Price per Unit: \$301,032

Sky Terrace



City: Stafford, Va.
Buyer: Starwood Capital Group
Purchase Price: \$61 MM
Price per Unit: \$325,031