

Yardi® Matrix

Washington's Long Run

Multifamily Report Summer 2017

Core Submarkets Saturated

**Investors Focus
On Suburban Areas**

**Deliveries Maintain
Tepid Rent Growth**

WASHINGTON, D.C., MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2017

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Strong Fundamentals Fuel Heavy Development

Although trailing U.S. employment growth, the expansion of Washington, D.C.'s multifamily market remains one of the most vigorous in the country. Young professionals are drawn to the city's well-paying jobs, pushing up demand for upscale communities in transit-oriented and live-work-play areas. However, with rents up just 1.1% year-over-year in July, the metro's robust construction pipeline—third largest in the country—is raising some concerns of overbuilding.

Two large infrastructure projects—the Silver Line metro expansion in Northern Virginia and the \$6.5 billion Purple Line light-rail service in Suburban Maryland—are creating many opportunities for transit-oriented development. At the same time, several large mixed-use projects are in the works, most of them around the District's core. The list of multi-phase developments under construction includes The Wharf, PN Hoffman and Madison Marquette's \$2.5 billion project, as well as the 2.2 million-square-foot Capitol Crossing, which is slated for completion in 2022.

The metro has more than 31,000 units underway, roughly 11,500 of which are slated to come online by year-end. With developers delivering some 30,000 units since the beginning of 2015, the metro's occupancy rate in stabilized properties was 95.8% as of July, down 30 basis points year-over-year. With the large number of deliveries bound to keep growth tepid, Yardi Matrix expects rents to increase by 1.4% in 2017.

Recent Washington, D.C., Transactions

The Enclave



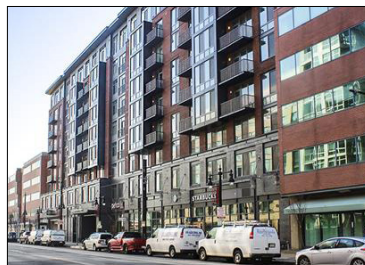
City: Silver Spring, Md.
Buyer: Hampshire Properties
Purchase Price: \$209 MM
Price per Unit: \$186,774

University View



City: College Park, Md.
Buyer: Rockpoint Group
Purchase Price: \$167 MM
Price per Unit: \$333,360

Anthology



City: Washington, D.C.
Buyer: Multi-Employer Property Trust
Purchase Price: \$521 MM
Price per Unit: \$521,173

The Ashborough



City: Ashburn, Va.
Buyer: CBRE Global Investors
Purchase Price: \$119 MM
Price per Unit: \$236,111

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