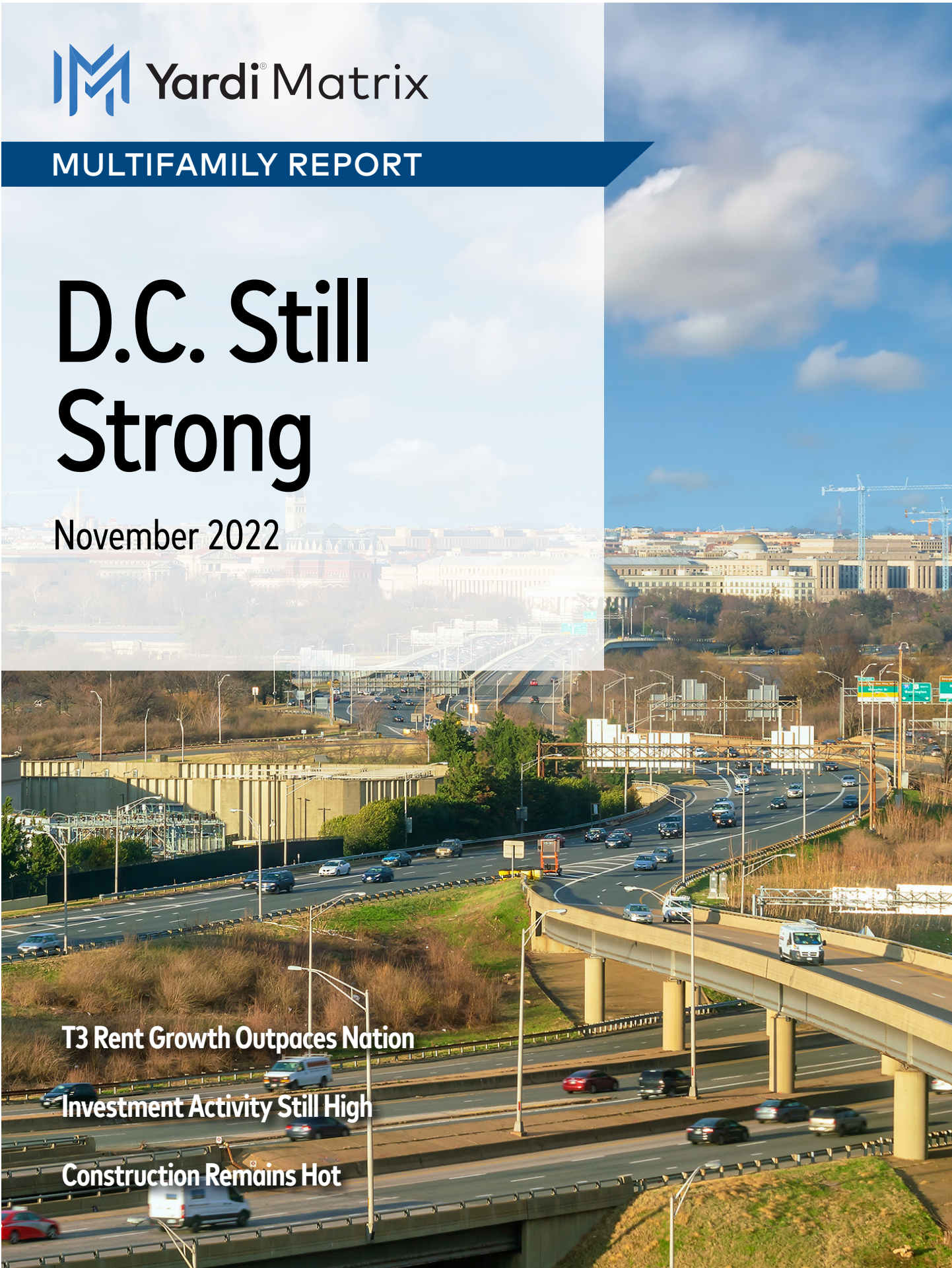




MULTIFAMILY REPORT

D.C. Still Strong

November 2022



T3 Rent Growth Outpaces Nation

Investment Activity Still High

Construction Remains Hot

WASHINGTON, D.C. MULTIFAMILY



D.C. Multifamily Holds Its Own

The U.S. capital's multifamily market continued to record solid numbers through the first three quarters of the year. Rent growth on a trailing three-month basis in the metro stood at 0.3%, 10 basis points over the moderating national rate. The overall average rent was \$2,103, well outpacing the \$1,718 U.S. figure.

The district's employment market stood at 3.2% year-over-year, with the metro adding 75,000 jobs in the 12 months ending in July. Mirroring many other markets, job growth was driven by the recovering leisure and hospitality sector, which added 32,900 positions through the interval. D.C. local authorities are rolling out the district's first public-private partnership through its DC Smart Street Lighting initiative. The \$309 million project will replace existing public lighting with energy-efficient LED lights, as ongoing challenges generate the need for new technology in infrastructure.

Development activity in the district was strong, with 34,014 units underway and a total of 10,000 units added year-to-date through September. Despite elevated construction throughout the decade, the average occupancy rate in stabilized properties remained high, even rising 20 basis points, at 95.6% as of August. In investment, multifamily sales had another strong year, with \$4.2 billion recorded through the same period. With D.C. being one of the largest multifamily markets in the nation, Yardi Matrix expects rent growth to close the year at around 7.3%.

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Recent Washington, D.C. Transactions

Cortland Pentagon City



City: Arlington, Va.
Buyer: Cortland
Purchase Price: \$305 MM
Price per Unit: \$571,536

Vistas of Annandale



City: Annandale, Va.
Buyer: CIM Group
Purchase Price: \$276 MM
Price per Unit: \$258,685

Willard Towers



City: Chevy Chase, Md.
Buyer: AIR Communities
Purchase Price: \$176 MM
Price per Unit: \$335,238

The Benjamin at Landover Hills



City: Landover Hills, Md.
Buyer: Dantes Partners
Purchase Price: \$139 MM
Price per Unit: \$191,197