

Yardi® Matrix

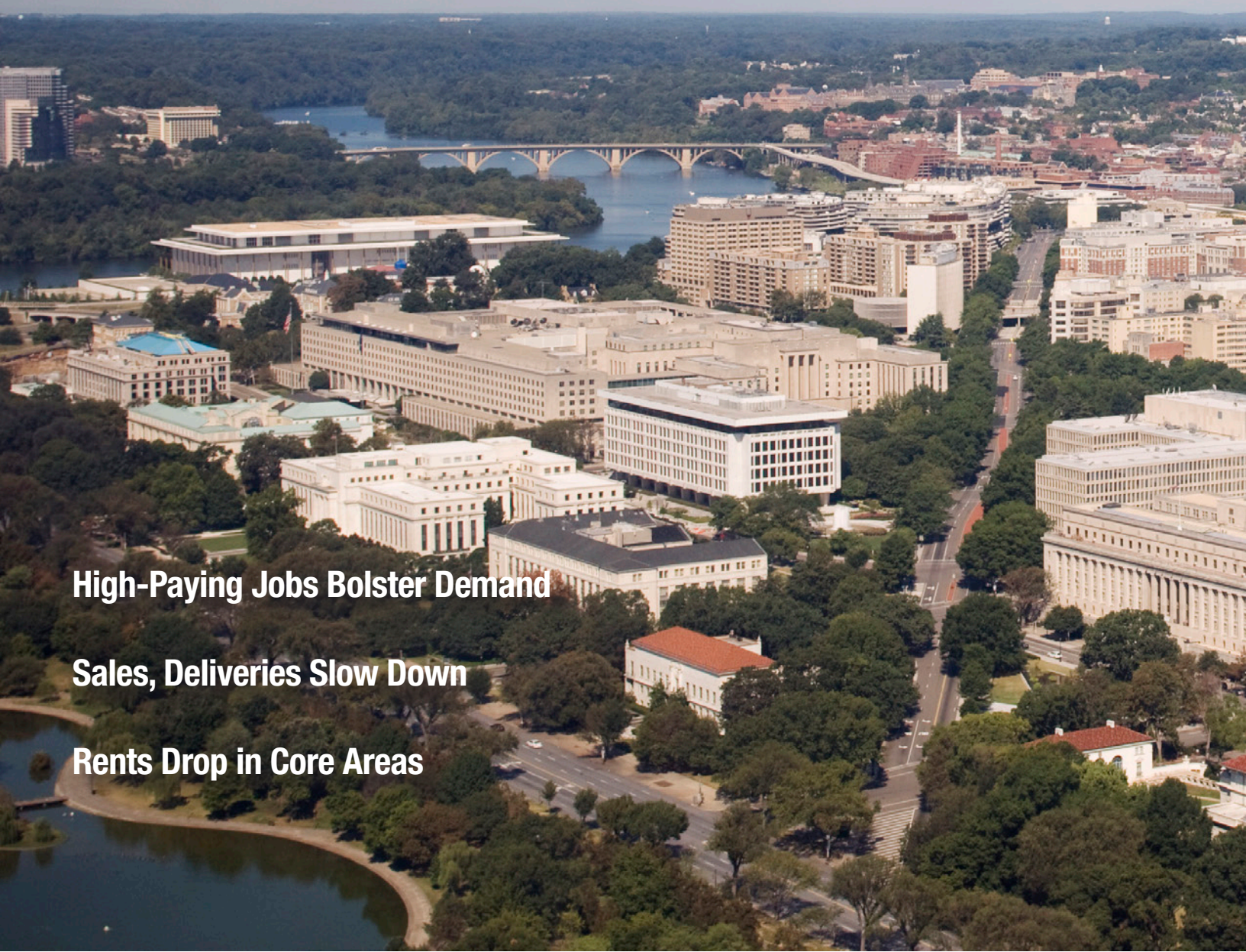
DC Growth Levels Off

Multifamily Report Winter 2018

High-Paying Jobs Bolster Demand

Sales, Deliveries Slow Down

Rents Drop in Core Areas



WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Overbuilding Tempers Growth

More than 50,000 units came online in metro Washington, D.C., since 2014 and overbuilding is finally taking its toll on the District, with rents dropping across most core submarkets as of November. However, anchored by a still-stable public sector and having Northern Virginia and Suburban Maryland as counterweights for D.C., the metro remains one of the most stable U.S. multifamily markets.

Washington's economy is slowly diversifying, with professional and business services gaining 16,600 jobs through September. The addition of high-paying positions is driving the metro's economy, fueling demand for office space and upscale residential units, while at the same time generating jobs in lower-paying sectors. The second phase of the Silver Line expansion, set to link Ashburn to the city by 2020, continues to fuel transit-oriented developments, such as Soave Enterprises' proposed 3,700-unit mixed-use project along the line. Meanwhile, the \$6.5 billion Purple Line light-rail project in Suburban Maryland broke ground, with completion expected for 2022. In addition, several large projects are moving forward, including the \$2.5 billion The Wharf and The Boro in Tysons.

Development dampened, as only 7,600 units came online in 2017 through November. However, the metro has 25,128 units underway, making overbuilding a lingering issue. And as occupancy dropped by 50 basis points in 12 months to 95.4%, rent growth is likely to remain flat in the foreseeable future.

Recent Washington, D.C. Transactions

The Citizen at Shirlington Village



City: Arlington, Va.
Buyer: Waterton
Purchase Price: \$144 MM
Price per Unit: \$355,556

Fenestra



City: Rockville, Md.
Buyer: Morguard N. American Residential
Purchase Price: \$129 MM
Price per Unit: \$263,265

The Parker



City: Alexandria, Va.
Buyer: PASSCO Real Estate
Purchase Price: \$116 MM
Price per Unit: \$321,807

The Point Manassas



City: Manassas, Va.
Buyer: Pantzer Properties
Purchase Price: \$115 MM
Price per Unit: \$203,180

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