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# DC Rebounds Once Again

Multifamily Report Fall 2018

**Solid Job Gains Sustain Demand**

**Prices Inch Up, Investment Accelerates**

**Rent Growth Recovers Despite Construction Boom**

# WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2018

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## Demand, Supply Strike a Balance

Backed by strong population growth and a steady economic expansion, Washington, D.C.'s multifamily market remained resilient, even as the construction boom endures. Rents rose 1.9% year-over-year through August, partially due to a strong rebound in higher-rated assets, as the city generated high-paying jobs at a good pace.

Metro D.C. added 51,600 positions in the 12 months ending in June, with just two sectors—education and health services and professional and business services—accounting for nearly two-thirds of gains. Washington's gateway market status and relative stability continue to draw capital and residents alike, with large-scale developments powering through toward completion. The list of high-profile projects includes mixed-use destinations such as PN Hoffman's \$2.5 billion The Wharf, the ongoing \$1.3 billion Capitol Crossing, as well as The Boro, a 4.2 million-square-foot development in Tysons Corner and Marriott's \$600 million campus in Bethesda, Md.

Investor appetite remains high and Washington, D.C., transaction volumes are likely to come close to a new cycle high in 2018. With roughly 10,700 apartments expected to come online for the year and factoring in job growth, demand and supply are likely to keep rent growth tepid in the foreseeable future. We expect rents to advance 1.4% in 2018.

### Recent Washington, D.C., Transactions

#### Oakwood Falls Church



City: Falls Church, Va.  
Buyer: Insight Property Group  
Purchase Price: \$132 MM  
Price per Unit: \$229,167

#### Milestone



City: Germantown, Md.  
Buyer: Hampshire Properties  
Purchase Price: \$118 MM  
Price per Unit: \$205,556

#### Flats at Bethesda Avenue



City: Bethesda, Md.  
Buyer: BlackRock  
Purchase Price: \$97 MM  
Price per Unit: \$601,235

#### Harbor's Edge



City: Oxon Hill, Md.  
Buyer: BDMG  
Purchase Price: \$52 MM  
Price per Unit: \$85,961