



MULTIFAMILY REPORT

DC Retains Its Appeal

July 2024

Construction Pipeline Robust

Occupancy Above US Average

Investments Double YoY

WASHINGTON, D.C. MULTIFAMILY



Solid Fundamentals Drive Washington DC

Washington, D.C.'s multifamily market saw healthy fundamentals in the middle of the second quarter. Advertised asking rents were up 0.6% on a trailing three-month basis through May, to \$2,179, 30 basis points ahead of the national rate. The working-class Renter-by-Necessity segment was also up 0.6%, while the upscale segment rose 0.7%. The occupancy rate in stabilized properties across the metro settled at 95.0%, 50 basis points above the national average.

The metro added 24,200 jobs in the 12 months ending in March, representing a 1.1% expansion of the labor pool. As of March, D.C.'s unemployment rate was 2.8%, well below the national average, according to Bureau of Labor Statistics data. A recent report commissioned by The Office of the Deputy Mayor for Planning and Economic Development looked at the benefit of a new stadium built for the Washington Commanders football team. The proposed 65,000-seat stadium would generate \$1.3 billion in annual economic revenue and thousands of jobs.

Developers completed 4,157 units year-to-date through May. The pipeline comprised 31,189 units under construction and an additional 215,000 units in the planning and permitting stages. Investment volume improved from last year, to a total of \$938 million through May. This was more than double the \$422 million recorded in the same period in 2023, with D.C. bucking nationwide trends.

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Recent Washington, D.C. Transactions

Mason at Van Dorn



City: Alexandria, Va.
Buyers: Shoreham Capital, Bridge Investment Group
Purchase Price: \$225 MM
Price per Unit: \$190,678

Flats 8300



City: Bethesda, Md.
Buyer: AIR Communities
Purchase Price: \$130 MM
Price per Unit: \$361,624

Rock Creek Terrace



City: Rockville, Md.
Buyers: Hudson Valley Property Group, AHI
Purchase Price: \$109 MM
Price per Unit: \$206,464

The Point at Falls Church



City: Arlington, Va.
Buyer: Pantzer Properties
Purchase Price: \$100 MM
Price per Unit: \$467,290