

Yardi[®] Matrix

DC Shows Its Resilience

Multifamily Report Spring 2019



Rent Growth Rebounds

Development Remains Elevated

Transaction Volume Hits Cycle Peak

WASHINGTON, D.C. MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2019

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Bogdan Odagescu

Senior Associate Editor

Transactions, Absorption Remain Strong

Mostly due to strong supply, Washington, D.C.'s multifamily market underperformed against U.S. averages for the better part of this cycle. However, the city's solid job gains during last year's second half have helped the metro's rent gains rebound to 2.8% year-over-year. Although development powered through, absorption has kept up pace and the occupancy rate in stabilized properties inched up 20 basis points over 12 months, to 95.3%.

The metro added 53,800 positions last year for a 1.9% expansion, with professional and business services (17,900 jobs) leading growth. Albeit incrementally, Amazon's commitment to create 25,000 jobs in its National Landing HQ2 campus over the next decade is expected to strengthen both the area's economy and real estate sector. Meanwhile, multibillion-dollar infrastructure developments such as the Silver Line expansion and the Purple Line light-rail project are moving forward.

A total of \$6 billion in multifamily assets traded for a new cycle peak in metro D.C. in 2018, while 11,277 units came online, marking another active year for the gateway market. With 12,229 units expected to be delivered and employment gains slated to remain healthy, supply and demand are bound to stay in relative balance, leading to a 1.3% rent growth in 2019.

Recent Washington, D.C. Transactions

Finley at Fairfax Corner



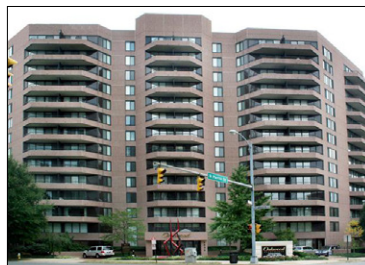
City: Fairfax, Va.
Buyer: CBRE Global Investors
Purchase Price: \$134 MM
Price per Unit: \$290,217

Montgomery White Oak



City: Silver Spring, Md.
Buyer: The Donaldson Group
Purchase Price: \$87 MM
Price per Unit: \$146,537

Oakwood Arlington



City: Arlington, Va.
Buyer: Mapletree US Management
Purchase Price: \$70 MM
Price per Unit: \$380,434

The Policy



City: Washington, D.C.
Buyer: UIP Property Management
Purchase Price: \$22 MM
Price per Unit: \$351,855