WASHINGTON, D.C.
MULTIFAMILY REPORT

FIRST QUARTER 2021

MARKET AT A GLANCE

OCCUPANCY RATE 94.4%
Down **150 bps** since 1Q20

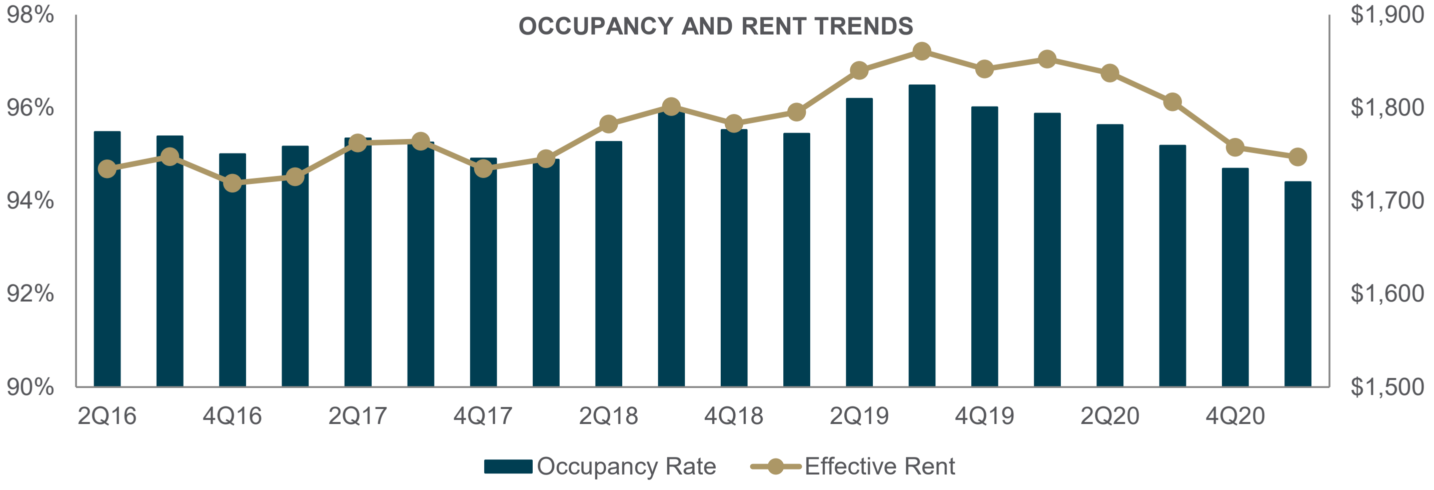
EFFECTIVE RENT $1,747
Down **5.7%** since 1Q20

RENT PAYMENT TRACKER (APRIL 1-13) 89.3%
Down **80 bps** YoY

OCCUPANCY AND RENT TRENDS

CENTRAL D.C. WELCOMES NEW WAVE OF RENTERS

With over 2,600 multifamily units brought to inventory in the first quarter of 2021, Washington, D.C. ranked third amongst all major U.S. metros for robust development activity. Metrowide, 580 net units were absorbed, of which 400 net units were in the Central D.C. submarket. This quarter marked the submarket's first positive absorption rate since the onset of the pandemic, signifying an end to the city's mass exodus amid a global pandemic and changeover in administration. Effective rent in the Central D.C. area still commands a 26% premium over the market average of $1,747, down from the 37% premium observed pre-pandemic. Steady job creation also incited positive change for the metro's economy over the past year. Developers proceeded on notable projects like Marriott's headquarters in Bethesda and Microsoft's office expansion in Arlington, both are slated to generate thousands of new positions upon completion in 2022. Apartment operators are hopeful that a recovering job market and a new wave of in-migration will help bolster the metro's occupancy rate beyond its first quarter average of 94.4% and closer to its five-year average of 95.2%.



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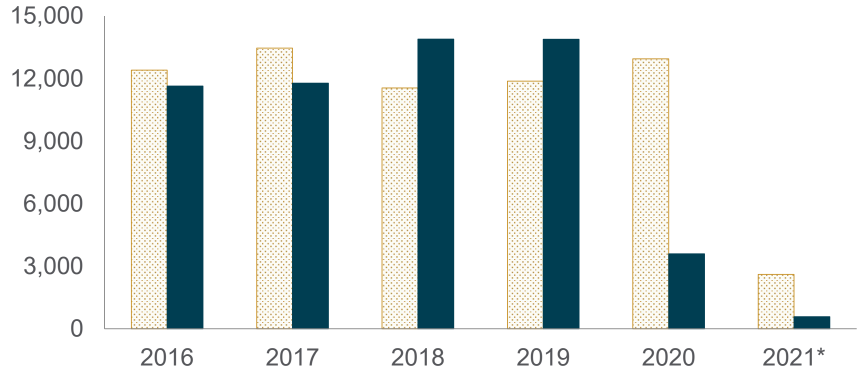
DELIVERIES AND DEMAND

DELIVERIES 2,608 Units YTD

NET ABSORPTION 579 Units YTD



*Year to date

ECONOMIC TRENDS

	2020	Change	2021
UNEMPLOYMENT*	2.9%	290 BPS CHANGE	5.8%
EMPLOYMENT*	3.4m	-6.8% CHANGE	3.2m
EXISTING SFH SALES**	78.5k	13.8% CHANGE	89.3k
POPULATION**	6.3m	0.9% CHANGE	6.4m
10-YEAR TREASURY**	0.87%	70 BPS CHANGE	1.61%

*February; **March

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SUBMARKET BREAKDOWN

	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
SUBMARKET NAME	1Q21	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	1Q21	Q-o-Q Change	Y-o-Y Change	1Q21	Annual	1Q21	Annual
Bethesda/Chevy Chase	92.7%	-10	-330	$2,210	-1.6%	-9.0%	203	-229	228	228
Central Alexandria	94.3%	-80	-240	$1,532	0.1%	-5.7%	-103	-75	0	242
Central DC	91.4%	80	-450	$2,203	-1.7%	-13.4%	401	-1,492	0	829
College Park/Greenbelt	95.0%	-20	-80	$1,673	0.4%	0.8%	-26	-93	0	0
Columbia Pike	93.7%	-20	-280	$1,665	-2.4%	-10.1%	-38	-114	0	329
Crystal City/Pentagon City	92.0%	0	-320	$1,859	-2.5%	-18.5%	-6	9	0	498
Downtown Silver Spring	94.8%	-10	-60	$1,789	-0.2%	-6.1%	-16	-88	0	0
East Alexandria	94.3%	30	-170	$1,831	-1.2%	-9.0%	59	208	0	552
East Silver Spring/Takoma Park/Adelphi	96.2%	-110	-30	$1,405	-0.5%	-1.4%	-205	-50	0	0
Frederick	97.8%	50	280	$1,492	1.7%	6.9%	111	679	49	357
Fredericksburg/Stafford	97.5%	40	150	$1,473	3.0%	10.5%	57	437	0	231
Gaithersburg	95.7%	-50	-70	$1,621	-1.1%	-1.7%	-80	-111	0	0
Germantown	95.7%	-30	-10	$1,602	0.3%	2.6%	96	414	130	440
Hyattsville/Riverdale	95.1%	-100	-120	$1,444	0.2%	-1.5%	-166	-213	0	0
Landover/Bowie	95.3%	-20	50	$1,660	0.3%	2.3%	-6	124	37	37
Laurel/Beltsville	96.2%	-20	40	$1,555	-0.5%	3.4%	-26	60	0	0
Loudoun County	95.5%	-60	-70	$1,689	-1.0%	-0.9%	-107	451	0	593
Manassas/Far Southwest Suburbs	96.7%	-40	0	$1,536	0.2%	3.3%	-66	-5	0	0
Navy Yard/Capitol South	90.2%	-110	-450	$2,266	-2.7%	-10.9%	672	3,579	982	4,749
North Arlington	93.3%	-30	-290	$2,102	-0.2%	-12.8%	-78	-262	0	643
North Central DC	93.4%	-30	-340	$1,709	-1.8%	-7.4%	-63	-625	0	0
Northeast DC	93.1%	-90	-230	$2,060	-0.5%	-11.3%	497	520	728	1,070
Northeast Montgomery County	95.9%	-50	20	$1,574	-0.6%	1.7%	-43	17	0	0
Northwest DC	91.2%	-110	-470	$1,951	-3.8%	-13.7%	-239	-944	0	122
Reston/Herndon	93.2%	-50	-200	$1,818	0.3%	-4.5%	4	-236	123	175
Rockville/North Bethesda	94.3%	-60	-190	$1,895	-0.6%	-4.8%	100	-46	246	366
Seven Corners/Baileys Crossroads/Annandale	95.4%	-90	-40	$1,616	1.5%	-4.4%	-106	97	0	156
South Fairfax County	94.2%	-60	-180	$1,653	-0.5%	-4.4%	-133	-411	0	0
South Prince George's County/St. Charles	96.7%	-10	120	$1,467	0.8%	3.6%	17	320	40	66
Southeast DC	96.7%	-30	40	$1,267	-0.2%	0.5%	-82	105	0	0
Suitland/District Heights/Capitol Heights	95.6%	-20	20	$1,462	-0.1%	1.9%	-35	38	0	0
Tysons Corner/Falls Church/Merrifield	94.5%	50	-130	$1,833	-0.9%	-9.8%	173	32	45	400
West Alexandria	94.7%	-110	-90	$1,538	-0.5%	-7.0%	-122	-93	0	0
West Fairfax County	95.5%	30	-30	$1,751	1.3%	-3.9%	47	257	0	312
Wheaton/Aspen Hill	94.8%	-60	-10	$1,650	0.0%	-2.4%	-81	-128	0	0
Woodbridge/Dale City	96.3%	-20	0	$1,547	1.6%	4.0%	-32	6	0	0
TOTALS	**94.4%**	**-30**	**-150**	**$1,747**	**-0.6%**	**-5.7%**	**579**	**2,140**	**2,608**	**12,395**

Document sources: Berkadia Research; RealPage; Federal Reserve Bank of St. Louis; Moody's

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