



## MARKET AT A GLANCE



**OCCUPANCY RATE** **95.5%**  
Down **10 bps** since 3Q16



**ASKING RENT** **\$1,757**  
Up **1.1%** since 3Q16

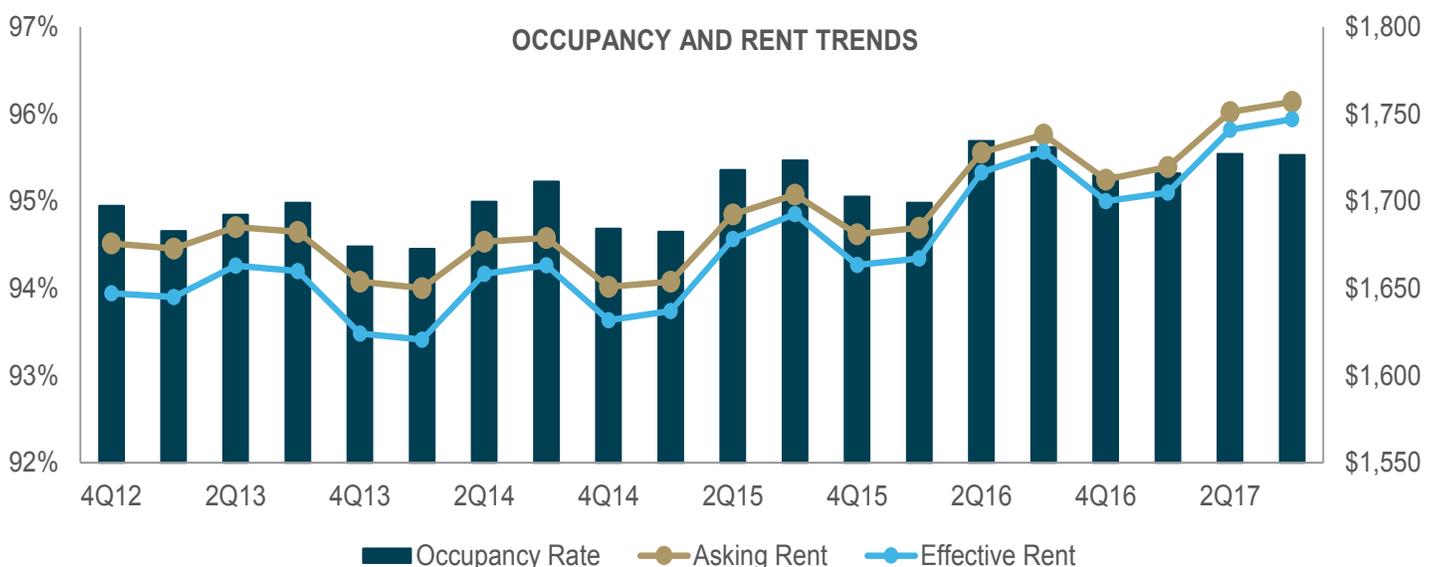


**CONCESSIONS** **0.6%**  
Up **10 bps** since 3Q16

## OCCUPANCY AND RENT TRENDS

### APARTMENT DEMAND BOOSTS AMID ACCELERATED HIRING IN D.C.

Healthy apartment demand in the third quarter kept occupancy elevated in the Washington, D.C., metropolitan area. Residents newly occupied 3,504 net units during the last three months. While absorption was seasonally down from the second quarter, the latest leasing activity slightly outpaced the 3,283 apartment deliveries in the third quarter to hold occupancy at 95.5%. While unchanged quarter over quarter, apartment occupancy was 40 basis points higher than the five-year average. Residents were attracted to new inventory as leasing activity was highest in the Capitol Hill/Southwest submarket during the third quarter. With absorption nearly keeping pace with the 568 units added to the area, the Capitol Hill/Southwest occupancy was a healthy 95.3% in September, almost level with the 95.4% five-year average. Apartment operators capitalized on the demand by raising the submarket asking rent to an average of \$2,235 per month in September, up 1.2% from June. At the same time, metrowide average asking rent advanced 0.3% to \$1,757 per month in September while concessions held at an average of 0.6% of asking rent.



# WASHINGTON, D.C.

MULTIFAMILY REPORT

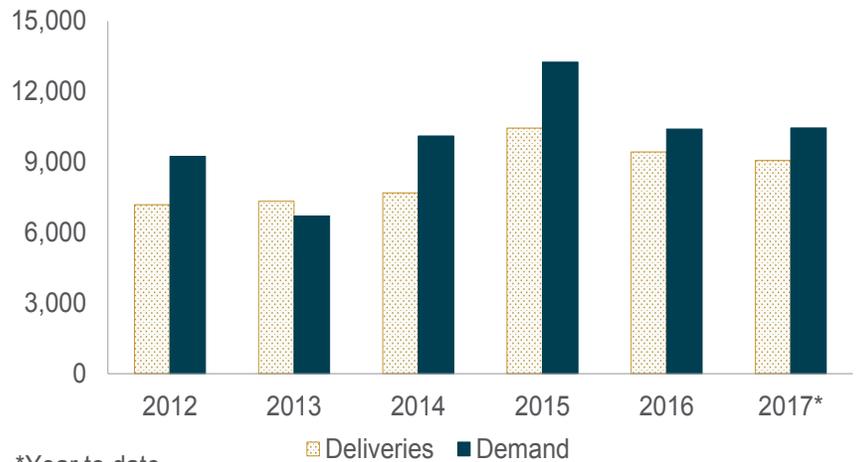
## DELIVERIES AND DEMAND



**DELIVERIES** 9,075  
Units YTD



**NET ABSORPTION** 10,457  
Units YTD



\*Year to date

## ECONOMIC TRENDS

2016 3.8% ..... **UNEMPLOYMENT\*** ..... 2017 3.6%  
**-20 BPS CHANGE**

2016 3.24m ..... **EMPLOYMENT\*** ..... 2017 3.31m  
**2.2% CHANGE**

2016 80.1k ..... **EXISTING SFH SALES\*\*** ..... 2017 89.3k  
**11.5% CHANGE**

2016 \$389.1k ..... **MEDIAN SFH PRICE\*\*** ..... 2017 \$407.2k  
**4.7% CHANGE**

2016 1.63% ..... **10-YEAR TREASURY\*\*** ..... 2017 2.20%  
**60 BPS CHANGE**

\*August; \*\*September

Supporting elevated rental demand in the Washington, D.C., metropolitan area was the rising labor force. Employers created 70,800 net jobs annually through August 2017, to expand total nonfarm employment 2.2%. The local growth outpaced the 1.4% national average increase at the same time. The latest expansion in the D.C. workforce was up from 1.8% growth during the preceding year. Supporting the uptick in hiring were additions in the education and health services sector. These organizations added a metro-leading 21,000 net jobs since August of 2016 to expand 4.8%. In addition, employers in the professional and business services segment also contributed significantly to the rise in the labor force. The largest employment sector in the metro had 16,100 new positions for a 2.2% annual growth. The leisure and hospitality industry nearly kept pace, with 13,700 personnel recruited for a 4.3% increase. The additional employees were needed as the metro attracted a record-high 20 million domestic visitors in 2016, a 3.6% increase from the prior year.



# WASHINGTON, D.C.

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Anacostia/Northeast DC	95.1%	94.8%	-6.7%	-2.4%	\$1,718	\$1,677	403	1,548	442	1,776
Brookland/Ft. Totten	95.3%	95.6%	8.8%	-1.4%	\$1,895	\$1,869	213	231	224	224
Capitol Hill/Southwest	95.3%	95.3%	0.5%	2.2%	\$2,187	\$2,235	512	2,749	568	2,876
Charles County	92.8%	93.0%	0.6%	0.8%	\$1,487	\$1,499	115	312	144	326
College Park/Greenbelt	94.8%	94.9%	2.3%	1.9%	\$1,423	\$1,450	32	235	0	220
Columbia Pike/Shirlington	96.7%	96.3%	1.2%	-0.6%	\$1,821	\$1,810	-16	-73	0	0
Culpeper County	97.1%	98.1%	1.5%	4.3%	\$918	\$958	-9	14	0	0
District Heights	94.8%	95.8%	2.4%	3.5%	\$1,238	\$1,281	-33	127	0	0
Downtown/Logan Circle	96.2%	95.3%	0.6%	-2.4%	\$2,581	\$2,519	343	264	316	449
Dupont Circle/Adams Morgan	97.1%	96.9%	1.8%	-1.1%	\$2,172	\$2,147	300	142	132	190
Falls Church/Annandale	96.5%	95.5%	1.3%	0.1%	\$1,697	\$1,699	174	135	185	410
Foggy Bottom	96.5%	95.9%	-5.2%	-3.3%	\$2,564	\$2,479	38	-43	0	0
Forest Heights/Oxon Hill	94.4%	95.0%	2.7%	3.2%	\$1,261	\$1,302	4	102	0	0
Fredericksburg City	96.5%	97.0%	-0.9%	3.9%	\$1,167	\$1,213	-11	25	0	0
Howard U./Mt. Pleasant/Brightwood	96.3%	95.8%	3.6%	9.8%	\$2,075	\$2,279	88	21	43	192
Hyattsville	96.7%	97.0%	4.2%	2.4%	\$1,309	\$1,340	45	56	0	0
Landover	95.1%	95.6%	4.6%	3.1%	\$1,429	\$1,473	305	786	278	726
Laurel	95.9%	95.6%	1.0%	2.3%	\$1,369	\$1,400	205	572	204	633
Loudoun County	95.8%	95.9%	4.6%	1.0%	\$1,607	\$1,623	-15	131	6	109
NE Alexandria/Glebe Road	96.7%	96.7%	5.5%	2.5%	\$1,578	\$1,617	22	0	0	0
Northwest D.C./Georgetown	95.5%	95.1%	5.9%	1.2%	\$2,030	\$2,055	79	-56	0	0
Old Town	95.0%	94.7%	-1.3%	0.3%	\$2,075	\$2,081	-6	37	0	72
Pentagon City/Crystal City	95.8%	95.9%	0.6%	0.3%	\$2,159	\$2,166	1	607	0	623
Prince William County	95.3%	95.5%	4.6%	-0.7%	\$1,425	\$1,415	-50	409	0	373
Rosslyn/Ballston	95.9%	95.4%	3.1%	-2.7%	\$2,375	\$2,312	325	768	269	994
SE Fairfax County	95.8%	95.4%	3.0%	-0.8%	\$1,673	\$1,659	-88	231	0	357
Seminary Road/Landmark	95.7%	95.6%	4.7%	0.7%	\$1,583	\$1,594	11	-24	0	0
Spotsylvania County	94.6%	94.6%	3.3%	1.3%	\$1,249	\$1,265	-1	453	0	479
Stafford County	95.6%	96.3%	5.1%	0.5%	\$1,286	\$1,292	95	130	108	108
Tysons Corner/Fairfax City	95.7%	95.9%	1.2%	-0.4%	\$1,942	\$1,934	188	780	148	757
Western Fairfax County	95.7%	95.6%	4.4%	1.3%	\$1,747	\$1,769	18	193	113	227
Woodley Pk./Cleveland Pk./Van Ness	95.9%	95.2%	5.1%	-0.8%	\$2,226	\$2,209	215	85	103	214
<b>TOTALS</b>	<b>95.6%</b>	<b>95.5%</b>	<b>2.0%</b>	<b>1.1%</b>	<b>\$1,738</b>	<b>\$1,757</b>	<b>3,504</b>	<b>10,945</b>	<b>3,283</b>	<b>12,335</b>



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