

WASHINGTON, D.C.

2023 MARKET AT A GLANCE

Occupancy Rate

95.9%



UNCHANGED YOY

Effective Rent

\$2,111



UP 3.0% YOY

Rent Share of Wallet

19.5%



DOWN 20 BPS YOY

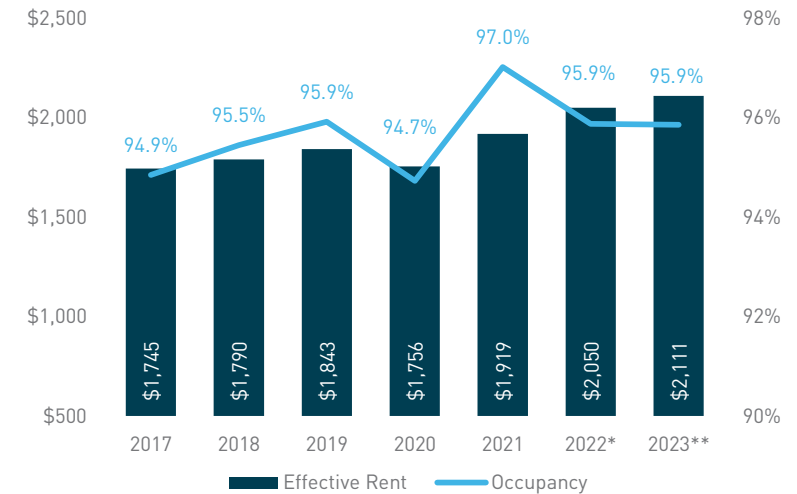
Influx of New Apartment Inventory Facilitating Robust Leasing Activity

As individuals continue to migrate to the metro area and single-family home construction remains restrained, apartment developers are working to fill the housing gap in Washington, D.C. Builders are scheduled to bring more than 17,500 apartment units online over the next four quarters, the highest annual deliveries on record. While new inventory is set to begin lease-up in nearly every submarket, a metro-leading 2,200 units are on pace to be completed in the Northeast DC area. Home to the H Street and NoMa neighborhoods, the Northeast DC submarket provides more affordable rents with highly sought-after community amenities and proximity to major employers downtown. A significant share of the new inventory will come with the 500-unit The Hale. The high-rise property is scheduled to begin lease-up and is expected to be completed by year-end. The Class A community is a part of a wave of luxury apartments coming online across the metro targeting renters by choice or people priced out of homeownership due to limited availability and rising mortgage rates. Part of these individuals are coming from outside the metro as annual net migration accelerated in the last two years and is projected to rise again in 2023 as employers continue to hire, albeit at a more measured pace. Employment growth and continued household formation will strengthen apartment demand as annual net absorption is forecast to triple year over year. Leasing activity is expected to nearly keep pace with the influx of new inventory to hold occupancy at 95.9% by year-end.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

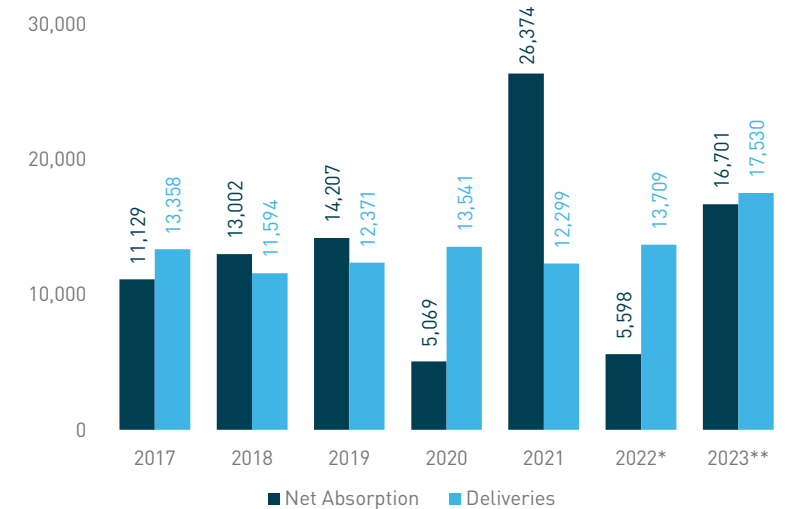
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

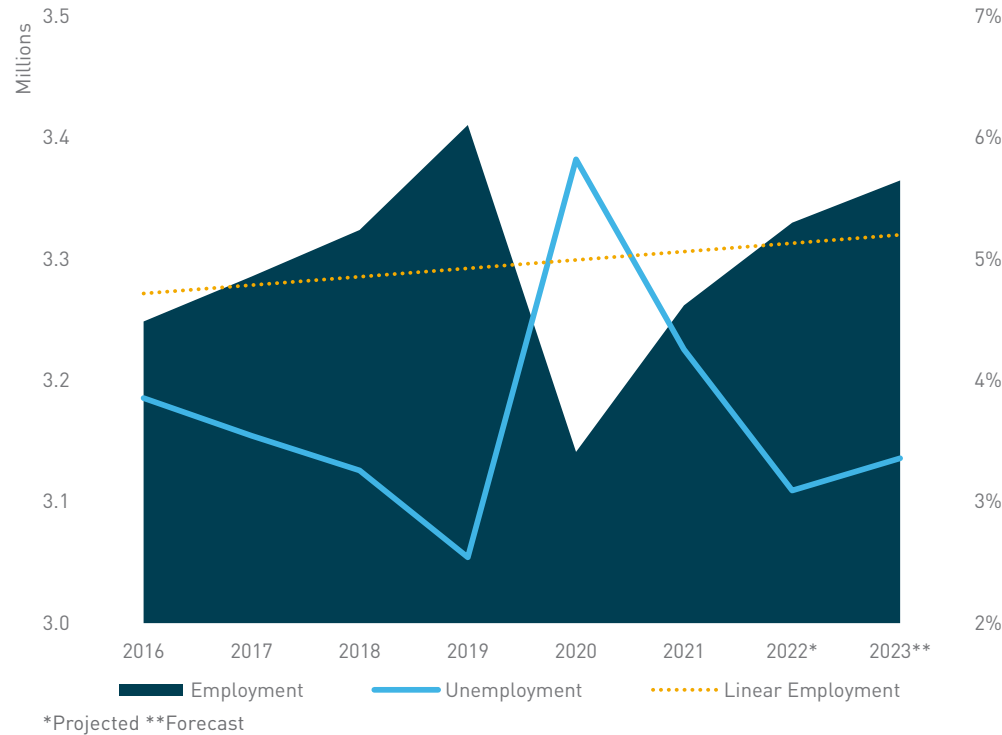
Absorption & Deliveries



*Projected **Forecast

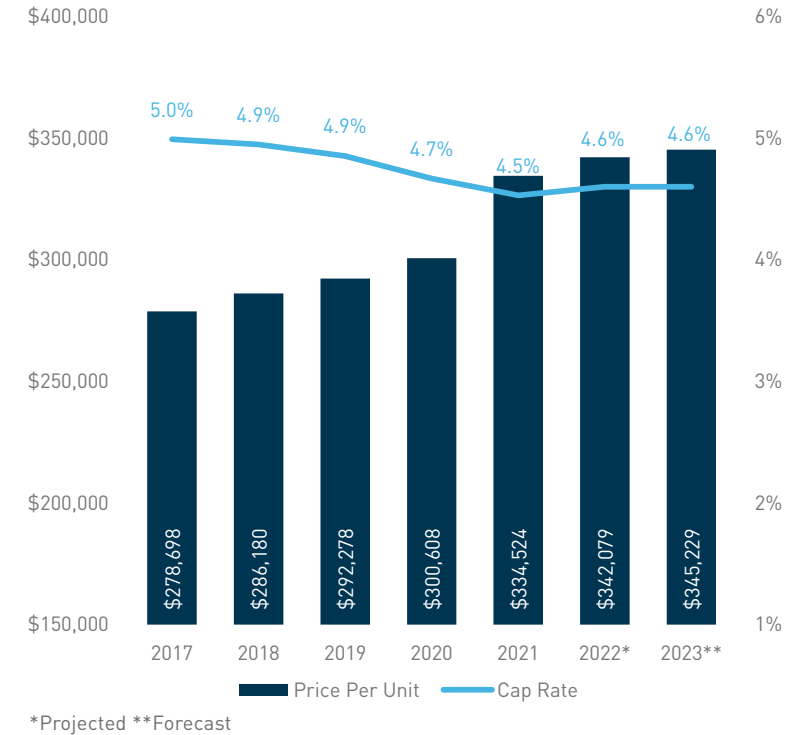
Employment Trends

Market Employment Trends



Sales Trends

Price Per Unit & Cap Rate



<p>Employment</p> <p>3,364,600</p> <p>↑</p> <p>UP 1.0% YOY</p>	<p>Unemployment</p> <p>3.4%</p> <p>↑</p> <p>UP 30 BPS YOY</p>	<p>Median Household Income</p> <p>\$129,636</p> <p>↑</p> <p>UP 3.7% YOY</p>
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<p>Price Per Unit</p> <p>\$345,229</p> <p>↑</p> <p>UP 0.9% YOY</p>	<p>Cap Rate</p> <p>4.6%</p> <p>=</p> <p>UNCHANGED YOY</p>
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