

MARKET AT A GLANCE



OCCUPANCY RATE

95.9%

Up **40 bps** since 1Q19



EFFECTIVE RENT

\$1,818

Up **2.8%** since 1Q19



DELIVERIES

3,457

Units YTD

MULTIFAMILY TRENDS

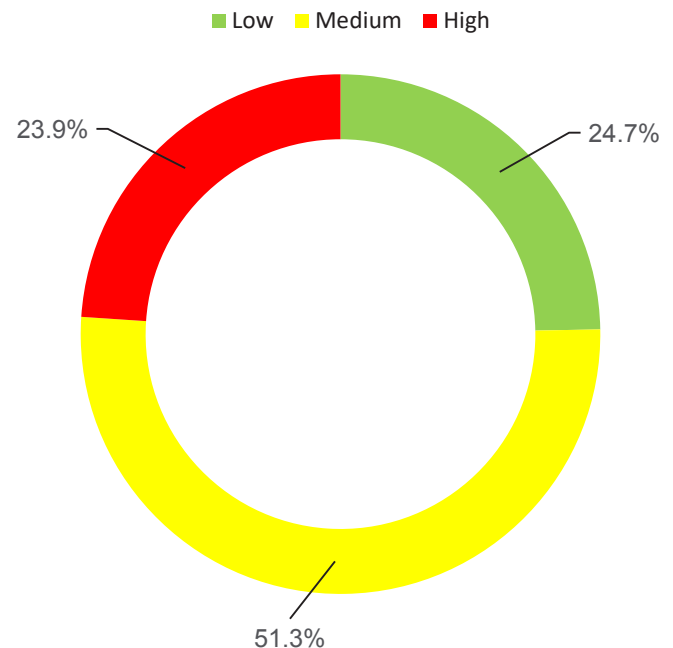
INFLUX OF NEW APARTMENT INVENTORY FACING DEMAND HURTLES IN D.C.

Coming into the COVID-19 pandemic, the Washington, D.C., apartment market was among the healthiest in the country due to expanding employment and costly homeownership boosting rental household formation. While the pandemic affected the service industry, the federal government and supporting jobs provided a buffer from falling into deep economic hardship. To also help local businesses and residents, the DMV legislatures created financial assistance bills. Aid in this crisis hasn't been limited to the public sector; Amazon donated \$1 million to four D.C.-region community foundations for food, housing, and emergency assistance. The regional legislatures declared the pandemic a public health emergency and shutdown nonessential businesses through May. The District's latest projections have the outbreak peaking in the DMV this summer, which could drive stay-at-home orders to last longer than many other metros. In this case, renters may reflect the nationwide trend of increased lease renewals amid the pandemic. While this shift will benefit existing apartment operators, new communities are expected to have to increase incentives to attract renters as more than 3,400 units came online in the first quarter and construction is underway on approximately 29,700 units. With construction deemed essential, work will continue on many of these projects, though completion timelines could shift, due in part to more limited labor and disruptions to the construction supply chain.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing and hunting	0.1%	1.1%
Finance and insurance	3.6%	4.7%
Health care and social assistance	12.9%	16.0%
Information	2.9%	2.2%
Transportation and warehousing	2.7%	4.4%
Utilities	0.3%	0.4%
Wholesale trade	2.2%	4.7%
Total	24.7%	33.4%
MEDIUM		
Administrative and waste services	7.8%	7.4%
Educational services	3.6%	2.3%
Manufacturing	2.1%	10.1%
Mining, quarrying, and oil and gas extraction	0.0%	0.5%
Other services, except public administration	7.0%	3.6%
Professional and technical services	20.3%	7.5%
Retail trade	10.5%	12.2%
Total	51.3%	43.6%
HIGH		
Accommodation and food services	11.4%	11.1%
Arts, entertainment, and recreation	1.9%	1.9%
Construction	6.4%	6.1%
Management of companies and enterprises	1.7%	1.9%
Real estate and rental and leasing	2.4%	1.8%
Unclassified	0.1%	0.1%
Total	23.9%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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