

# 2018 MULTIFAMILY RENTAL HOUSING TRENDS FOR MWCOCG REGION

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## Analysis of CoStar data

John Kent  
Regional Planner  
Department of Community Planning and Services

Housing Directors Advisory Committee  
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Metropolitan Washington  
Council of Governments

# About the Multifamily Rental Construction Report

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- Annual analysis of completed multifamily rental real estate projects in COG region using data from CoStar's database of properties.
  - Excludes
    - All Single-Family residences
    - Projects with 4 units or fewer
    - Condos and Co-ops
    - Military, student and assisted living housing
  - Database contains average rents for each building but subsidized/rent restricted unit data is unreliable

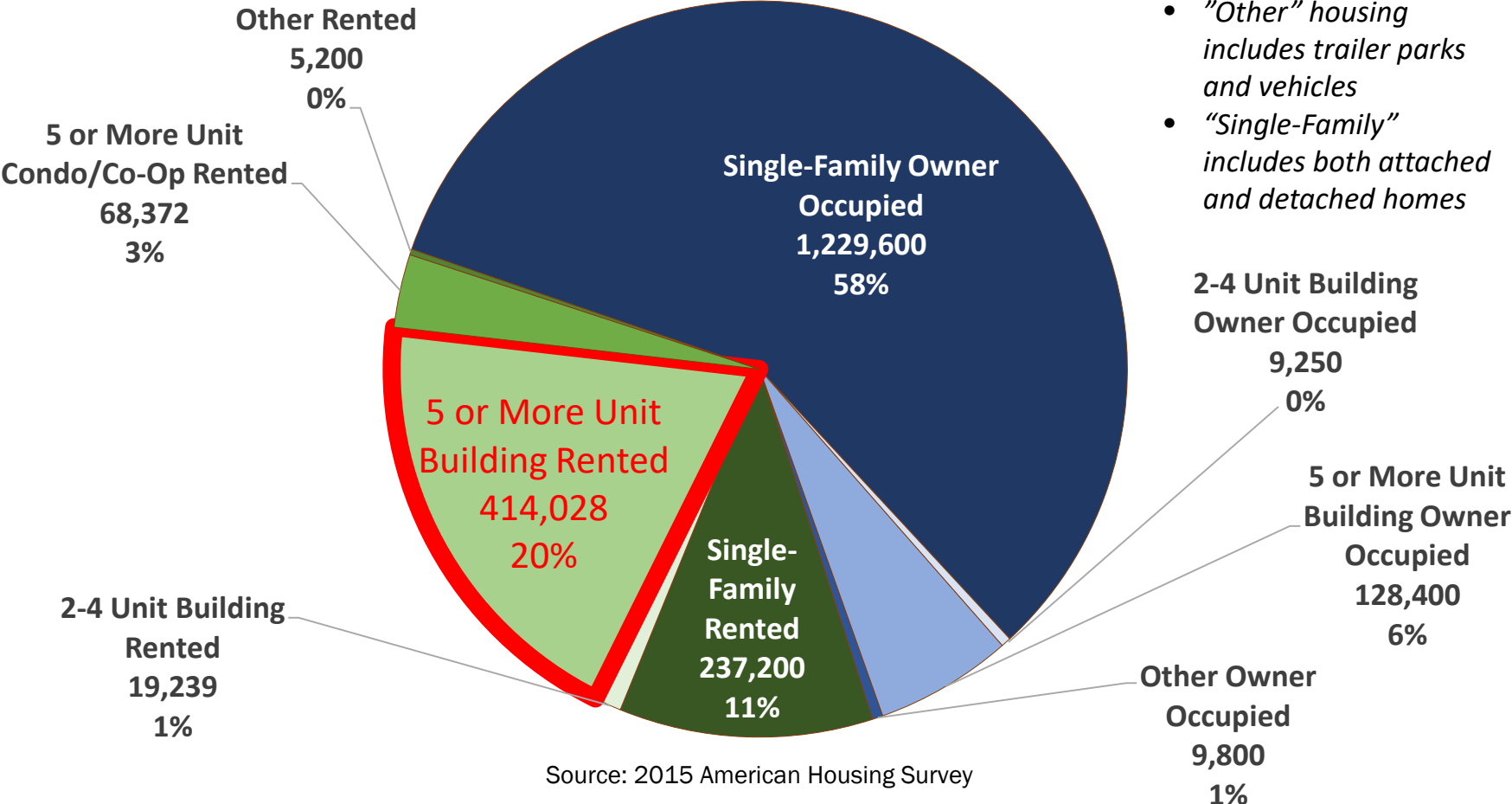


# What is CoStar?

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- DC-based firm providing inventory of commercial properties and available spaces
  - primarily marketed to real estate investors, developers, property managers and brokers
- Property data has over 180 attributes including...
  - Land use
  - Number of Units in Building
  - Year Built
  - Rents
  - Longitude and latitude
  - Vacant space
  - Market class
  - Square Feet of Units
- Database behind Apartments.com

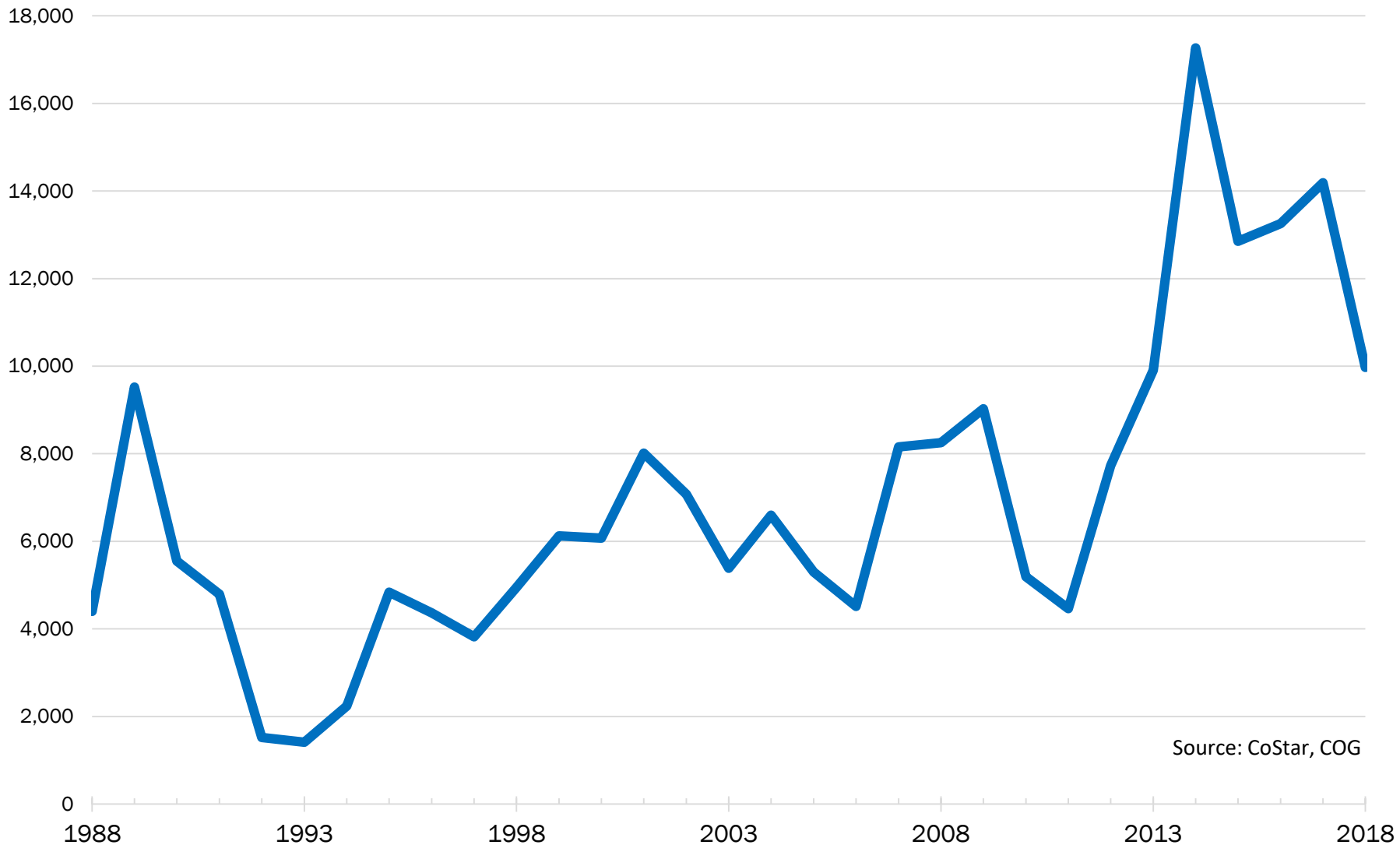
# Occupied Housing in Washington MSA by Tenure and Number of Units in Structure



- "Other" housing includes trailer parks and vehicles
- "Single-Family" includes both attached and detached homes

Source: 2015 American Housing Survey

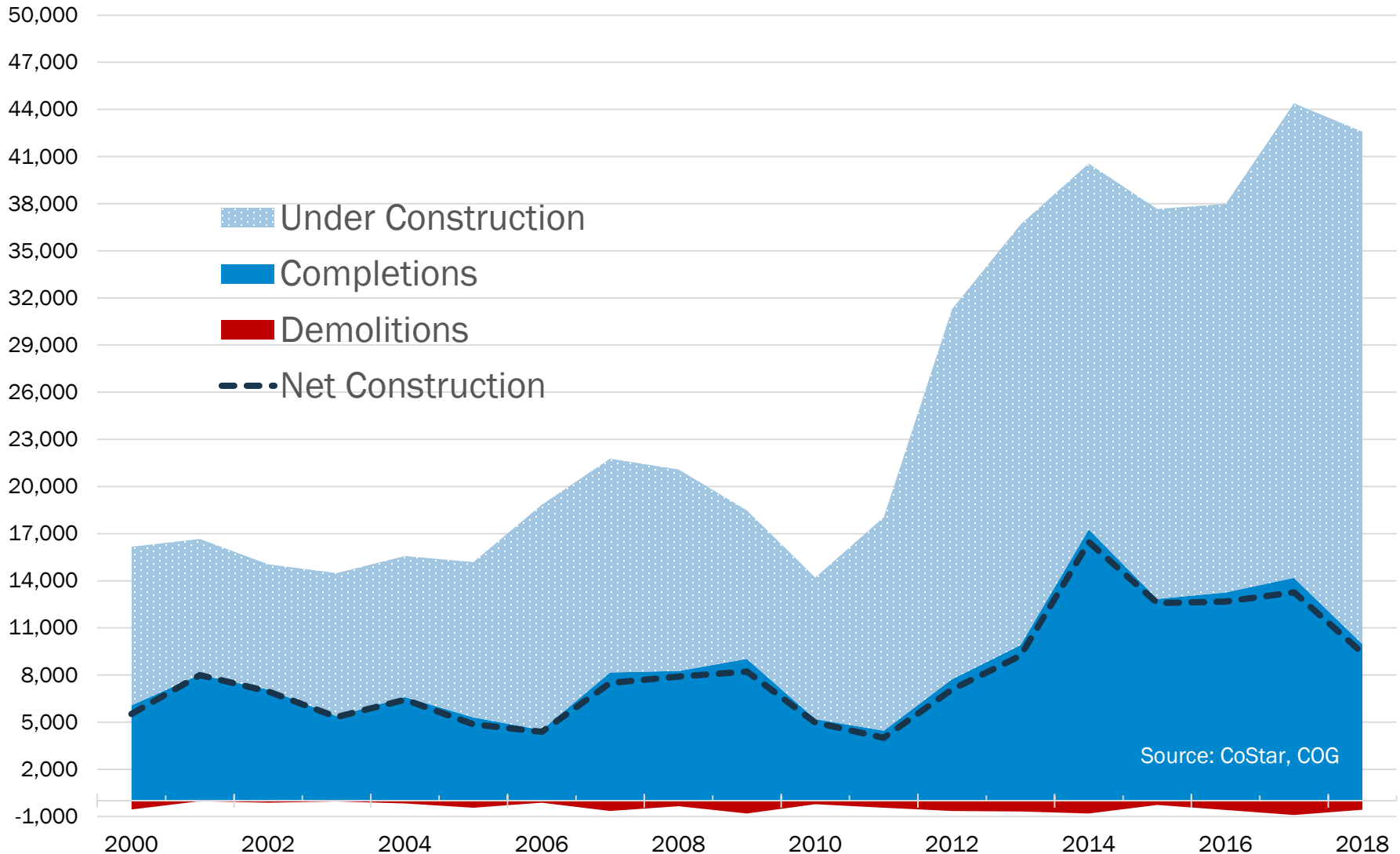
# Number of New Units of Multifamily Rental Housing 1988 - 2018



Source: CoStar, COG

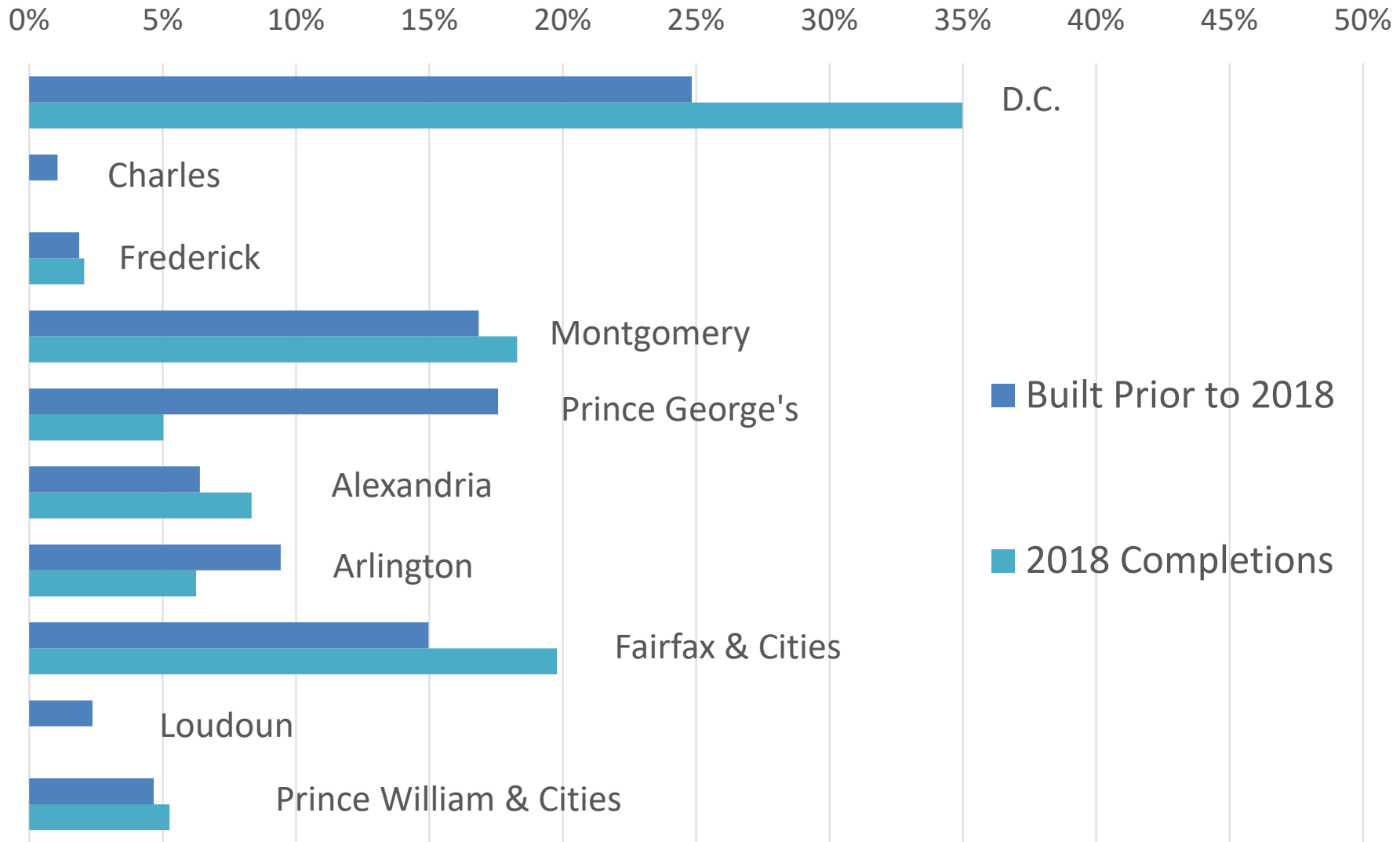


# Net Construction of Multifamily Rental Housing 2000 - 2018

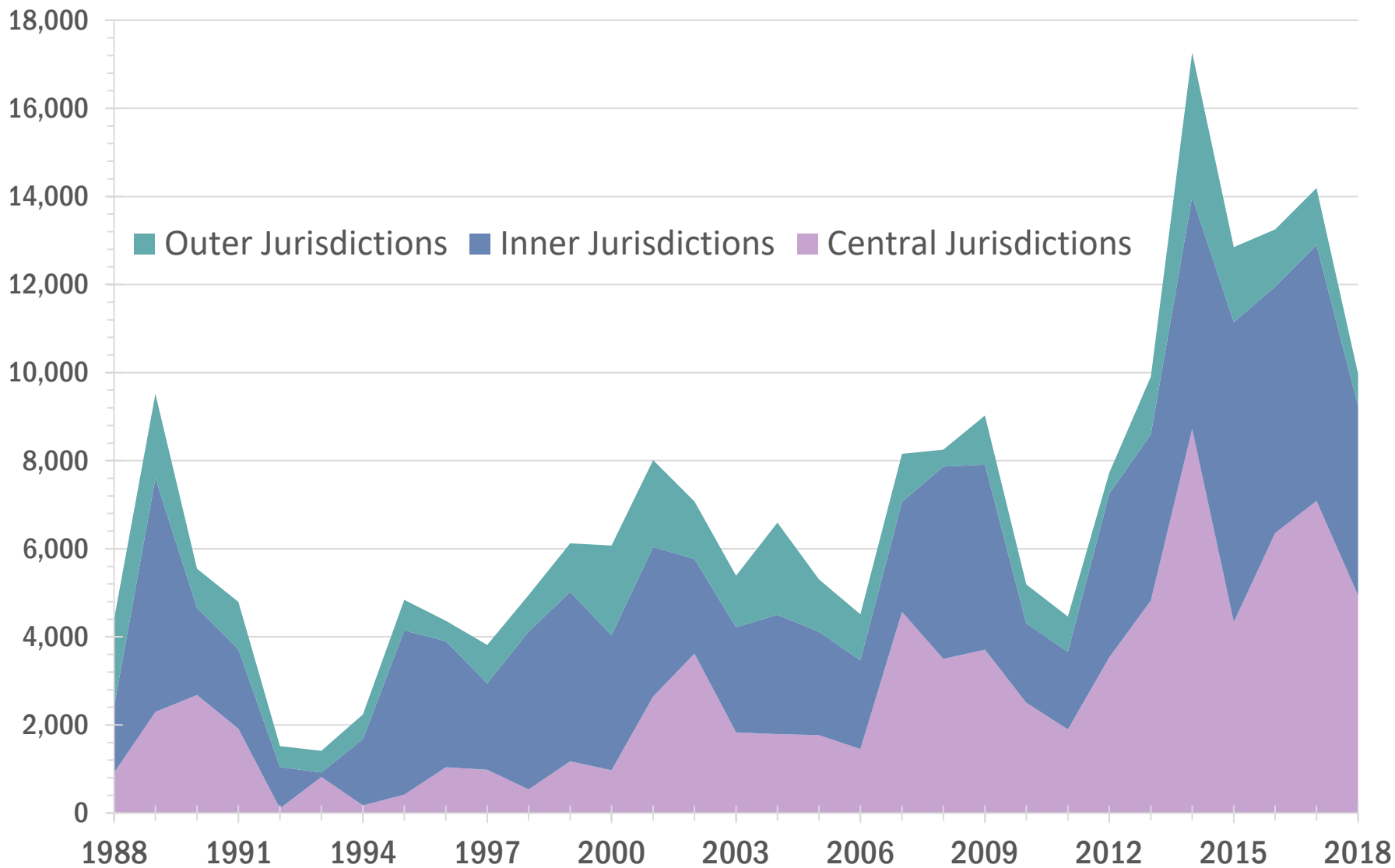


Source: CoStar, COG

# Share of Multifamily Rental Units by Jurisdiction



# New Multifamily Rental Units by Jurisdictional Group



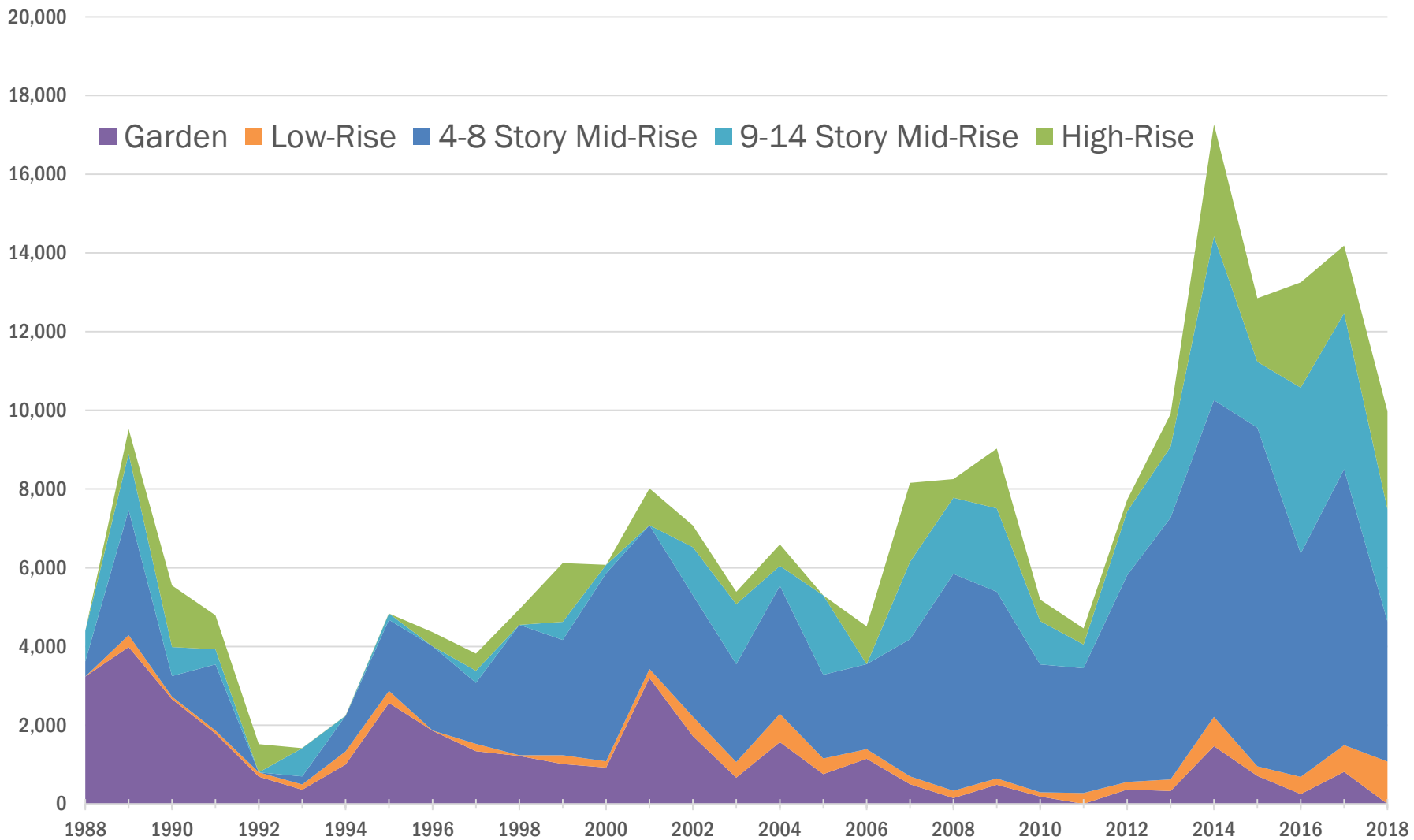


# Largest Projects in 2018

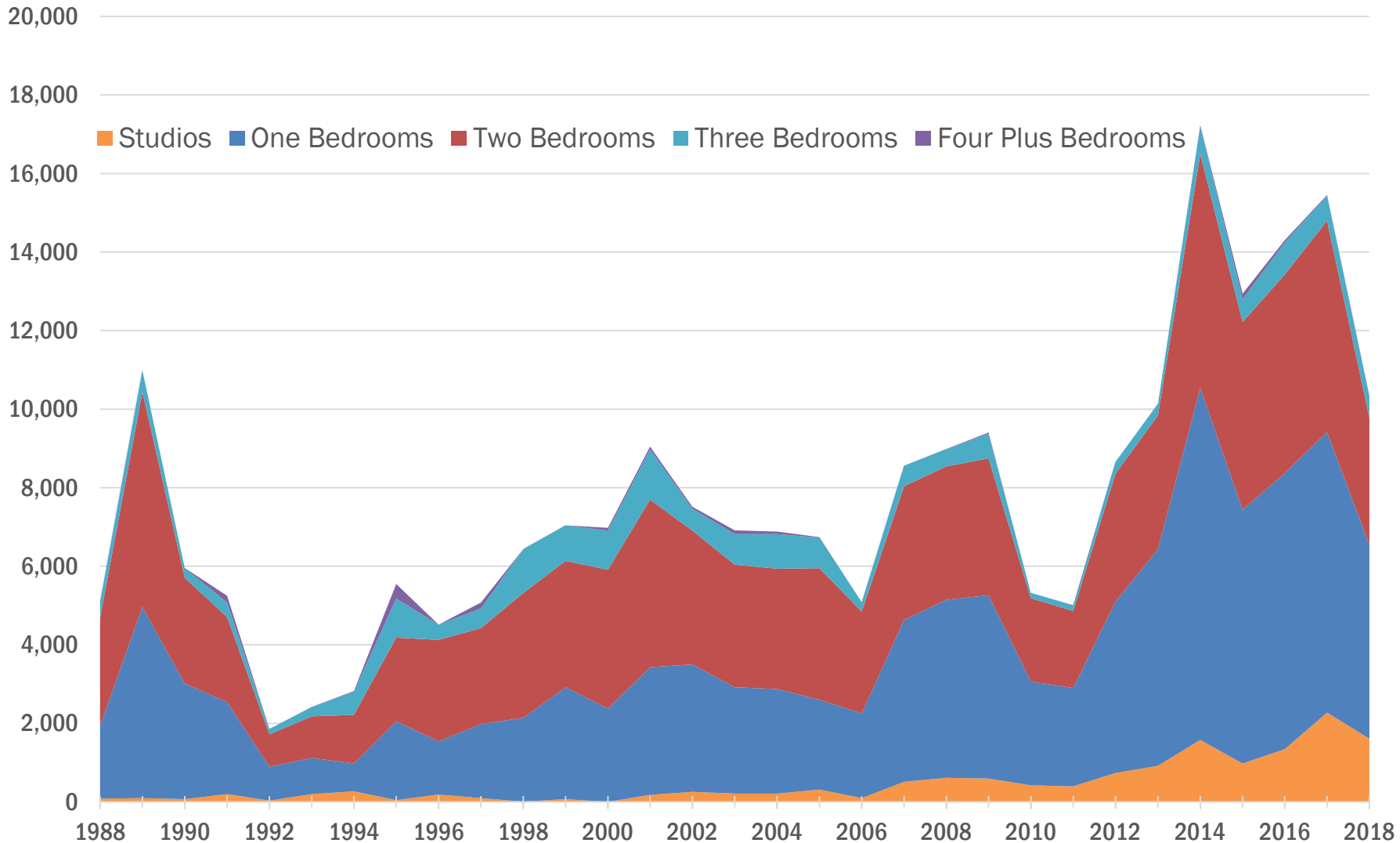
Project Name	Street Address	Jurisdiction	Buildings	Stories	Units	Parking	1BR Effective Rent
Signature	11850 Freedom Dr, Reston, VA	Fairfax County	2	21	508	1,286	\$1,897
Exo	1897 Oracle Way, Reston, VA	Fairfax County	2	16	457	--	\$1,488
Altaire	400 Army Navy Dr, Arlington, VA	Arlington	2	20	451	453	\$2,525
The Thornton	1199 S Washington St, Alexandria, VA	Alexandria	2	5	439	--	\$1,890
Escher	1900 Chapman Ave, Rockville, MD	Rockville	14	6	389	--	\$1,785
VY / Reston Heights	11830 Sunrise Valley Dr, Reston, VA	Fairfax County	1	5	385	--	\$1,617
Camden Washingtonian	10201 Washington Blvd, Gaithersburg, MD	Gaithersburg	1	5	365	--	\$1,588
The Edition	3401 E West Hwy, Hyattsville, MD	Hyattsville	1	4	351	416	\$1,678
The Belgard	33 N St NE, Washington, DC	District of Columbia	1	13	346	--	\$2,124
Abberly Avera Apartments	11601 Hokie Stone Loop, Manassas, VA	Prince William	13	1	336	--	\$1,442

- The ten largest apartment projects represent 44% of the region's 9,971 new multifamily rental units built in 2018.
- Five of the ten largest projects were mid-rise buildings. Mid-rise apartments have led the record pace of multifamily rental construction over the past decade.

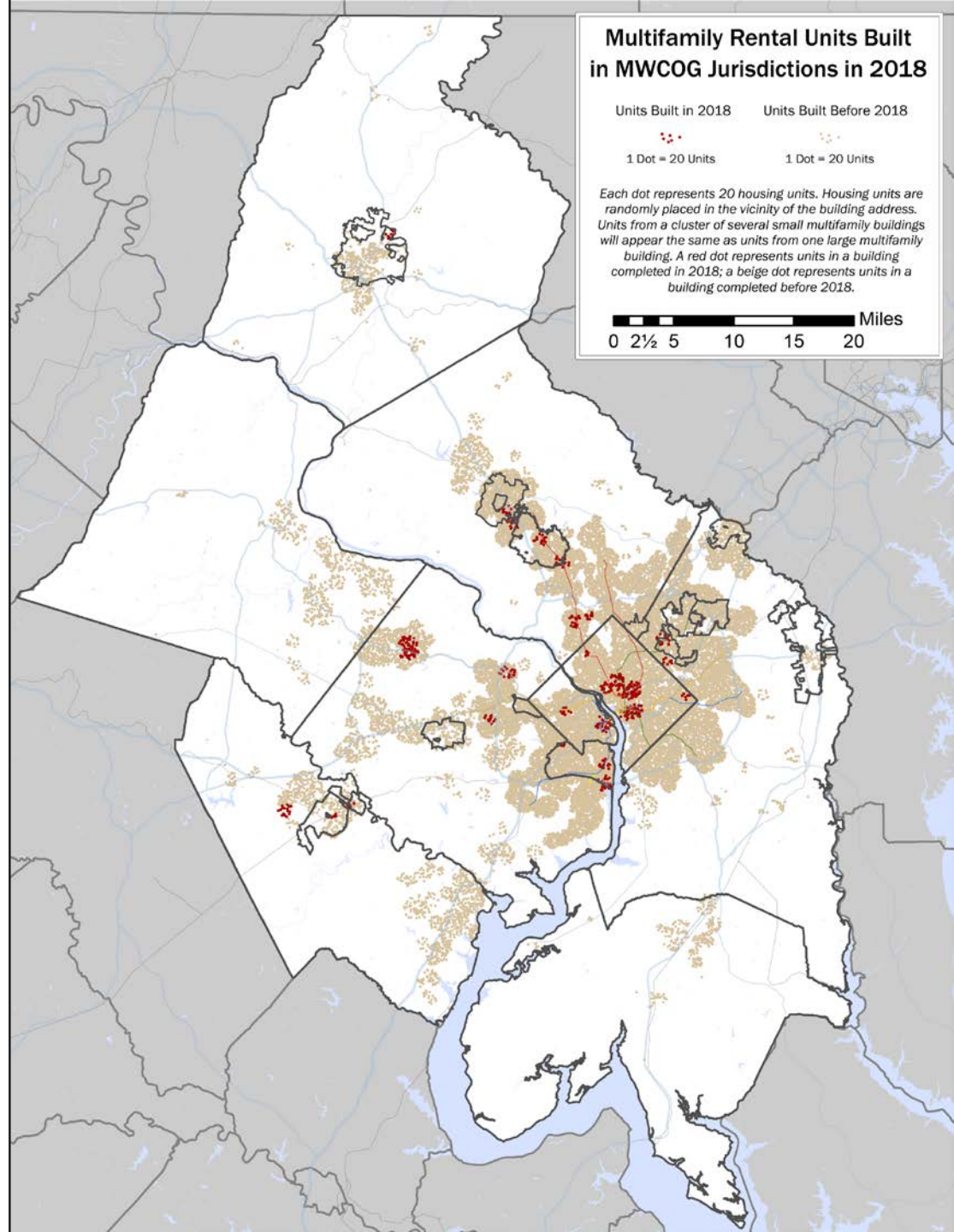
# New Units of Multifamily Rental Housing by Building Style



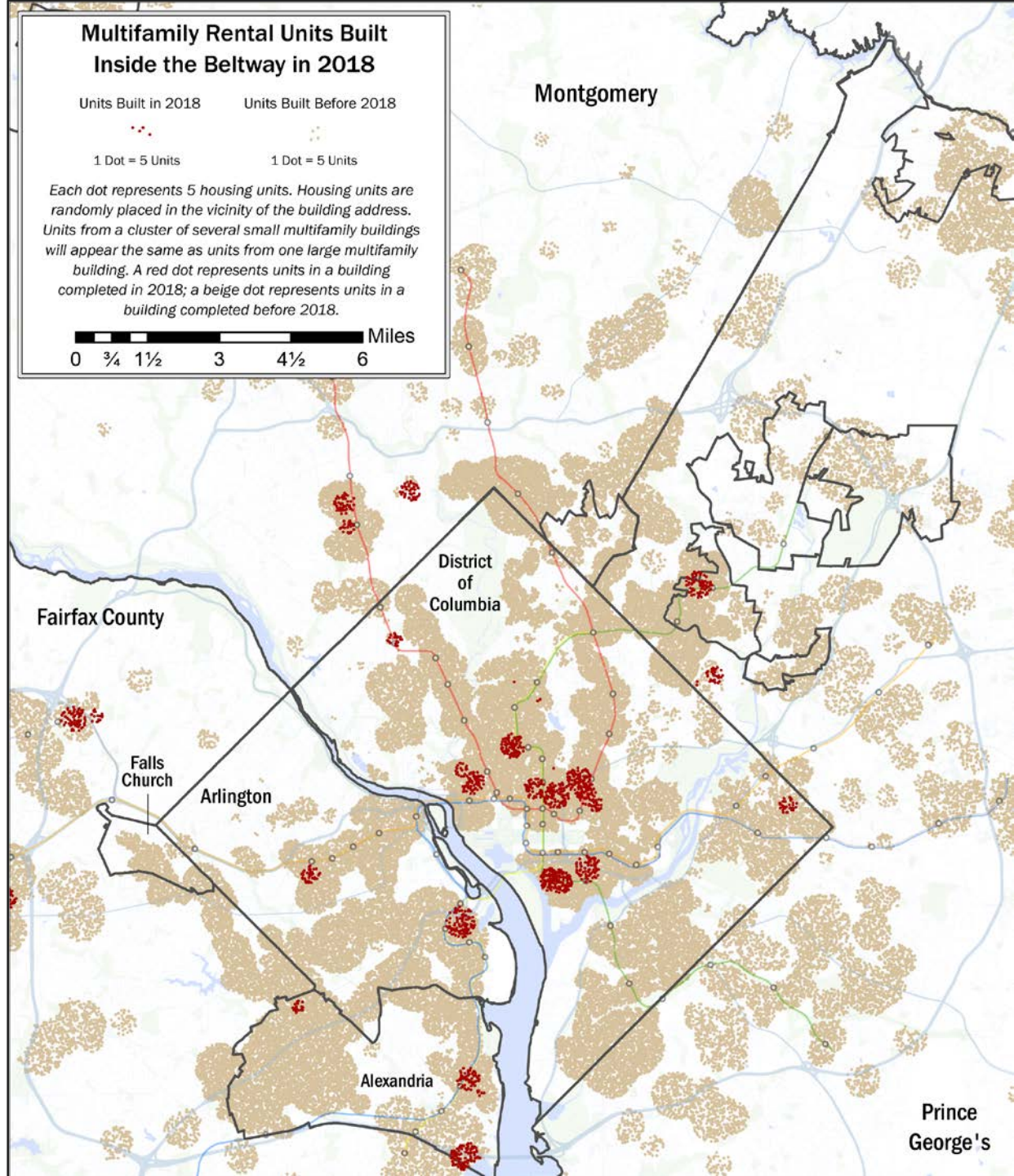
# Number of New Units of Multifamily Rental Housing by Unit 1988 - 2018



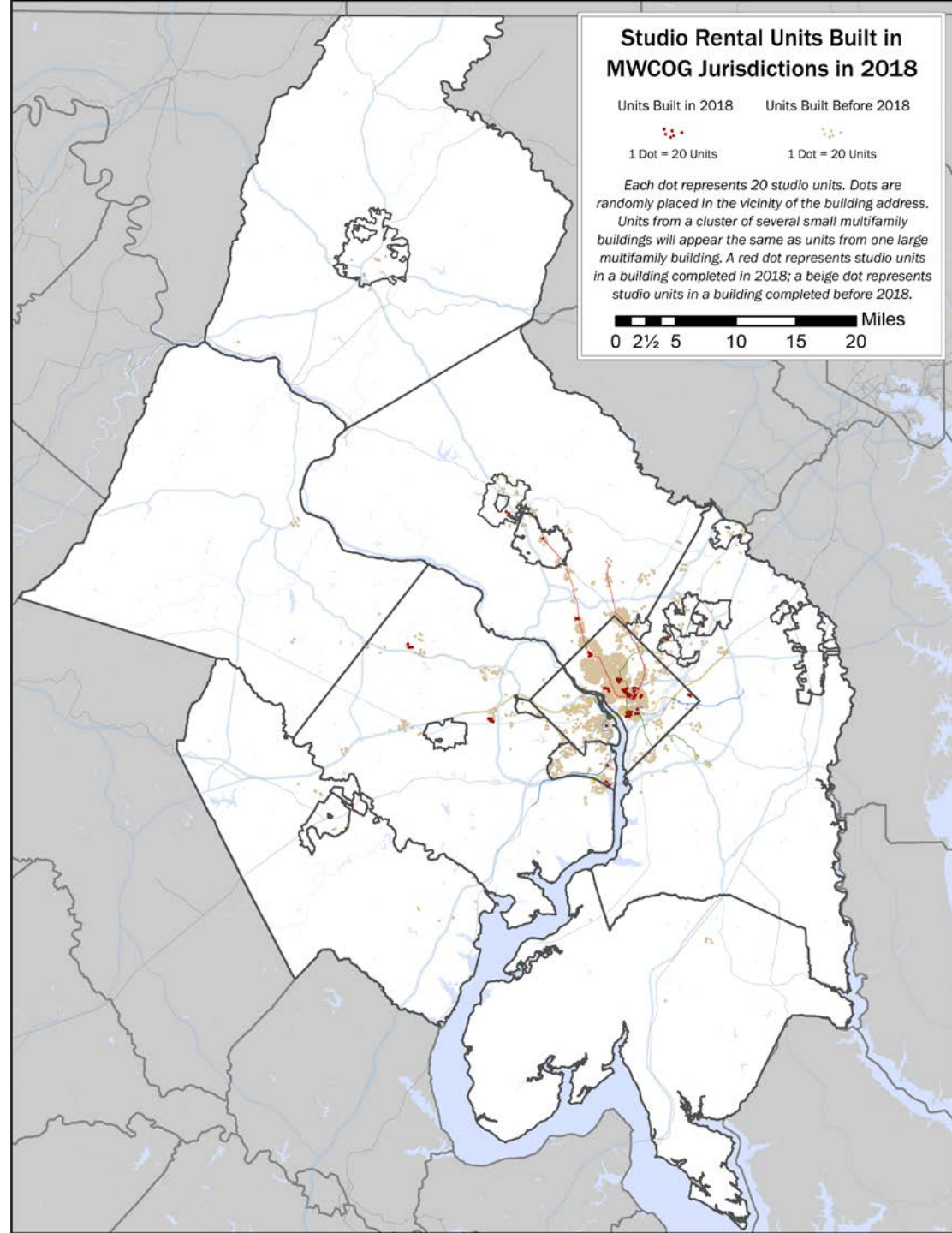
- In 2018, new construction was primarily in the core and near Metrorail stations



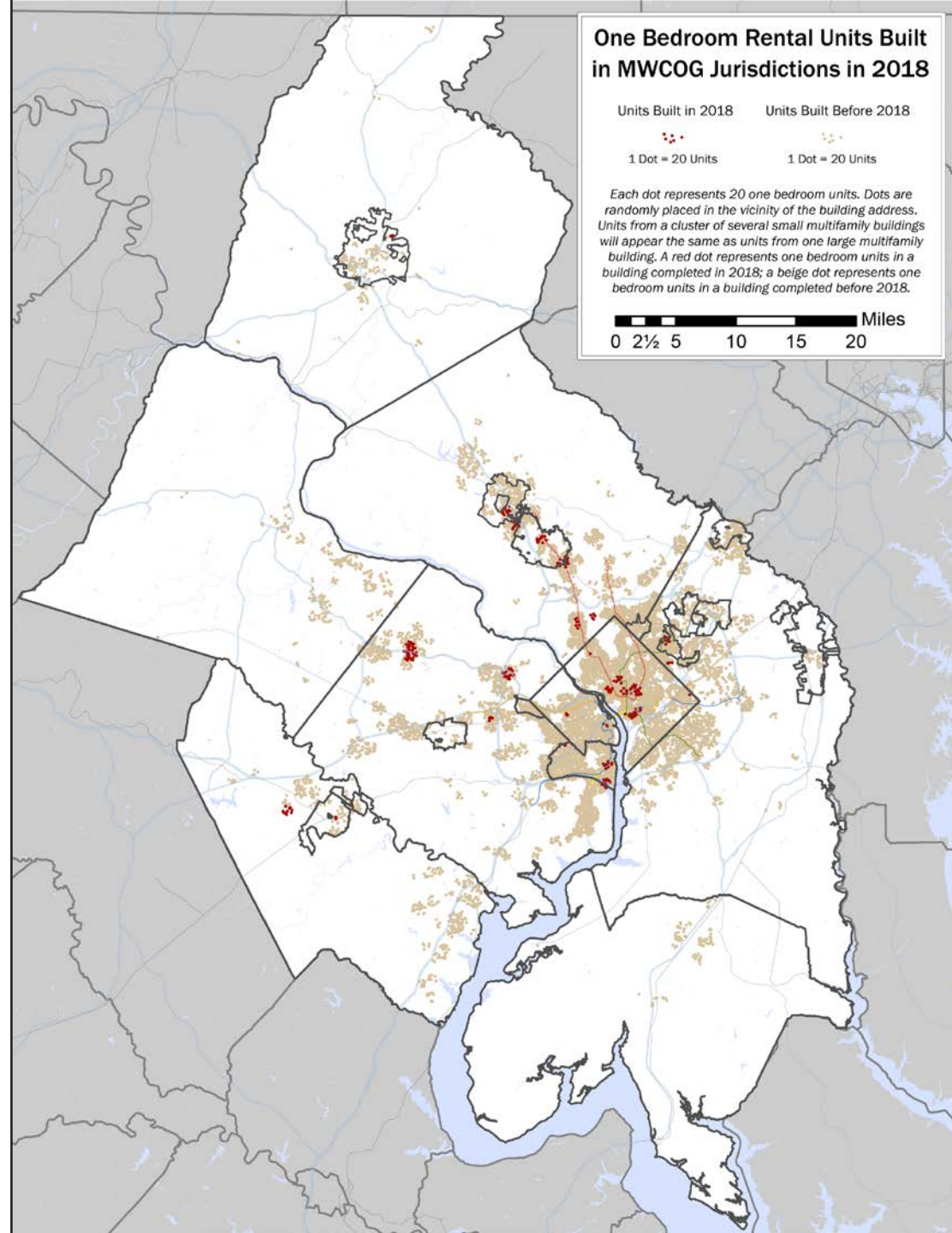
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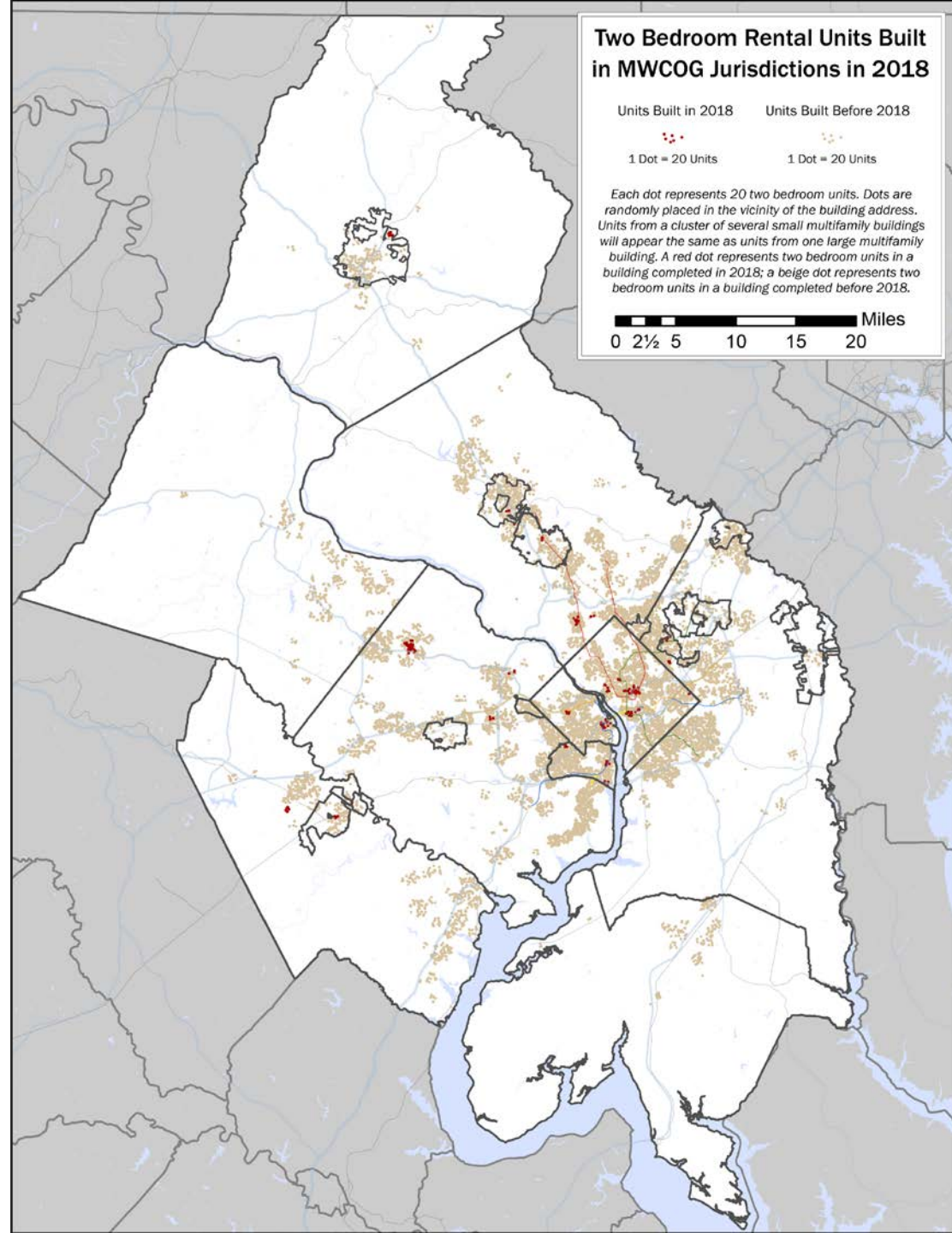
- Studio apartments represent 8 percent of all rental units in the region
- 17% of all studio apartment units in the region have been built within that past five years.
- 54% of all studio apartment units are in the District of Columbia



- One bedroom apartments are the most common unit size, accounting for 43% of all units
- In 2018, 48% percent of all new units were one bedroom apartments

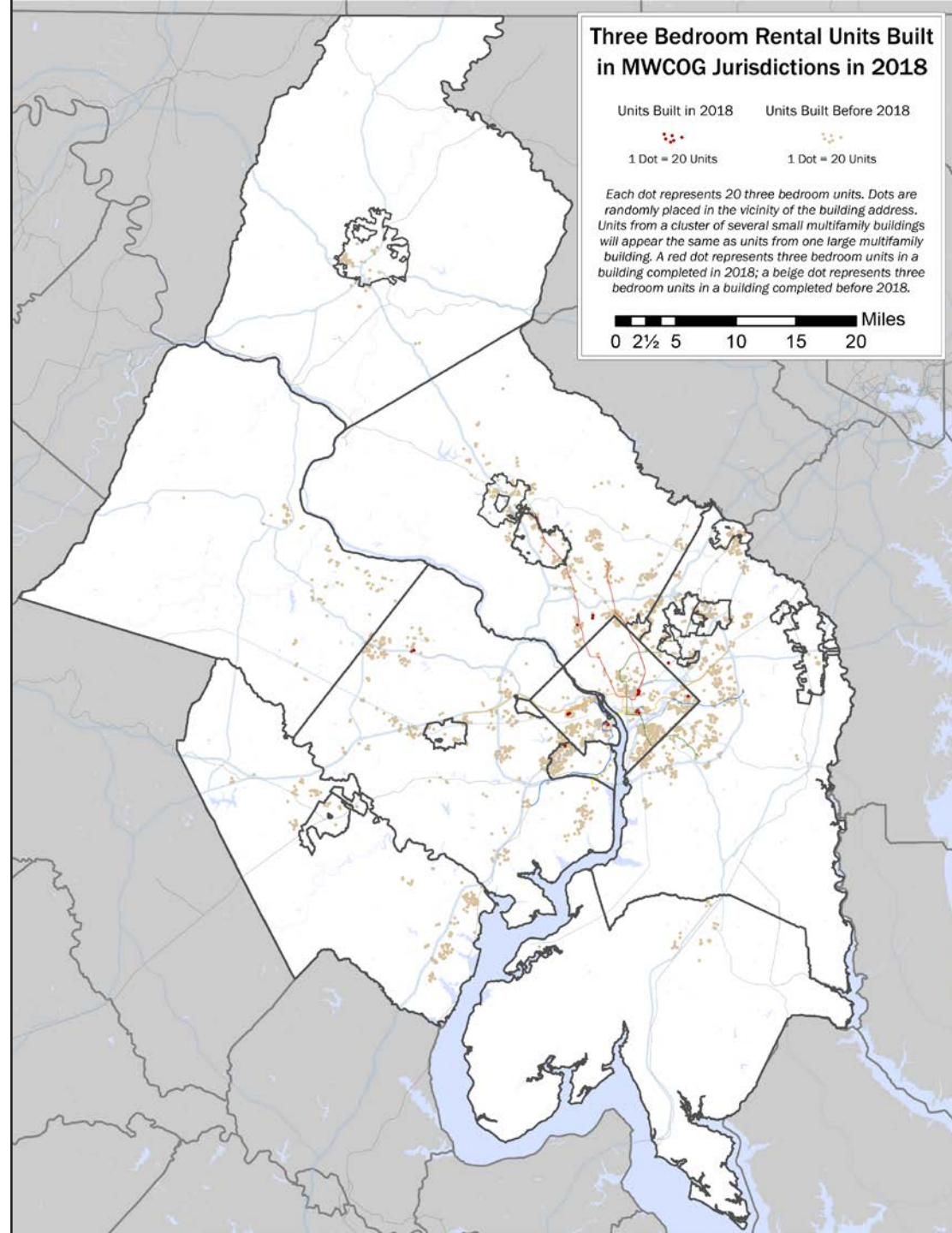


- Two bedrooms units account for 41% percent of all units in the region but only 31% of units built in 2018.

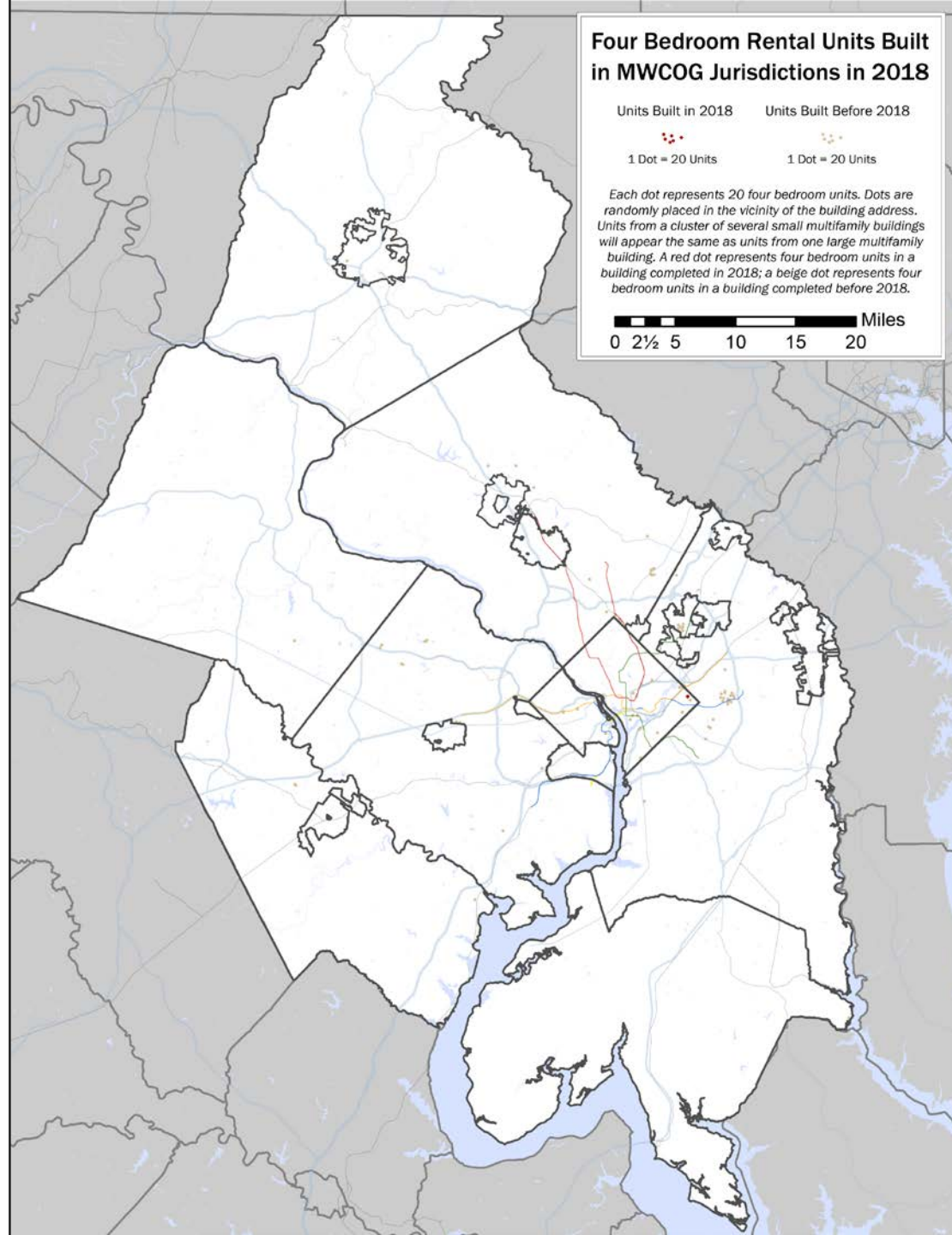




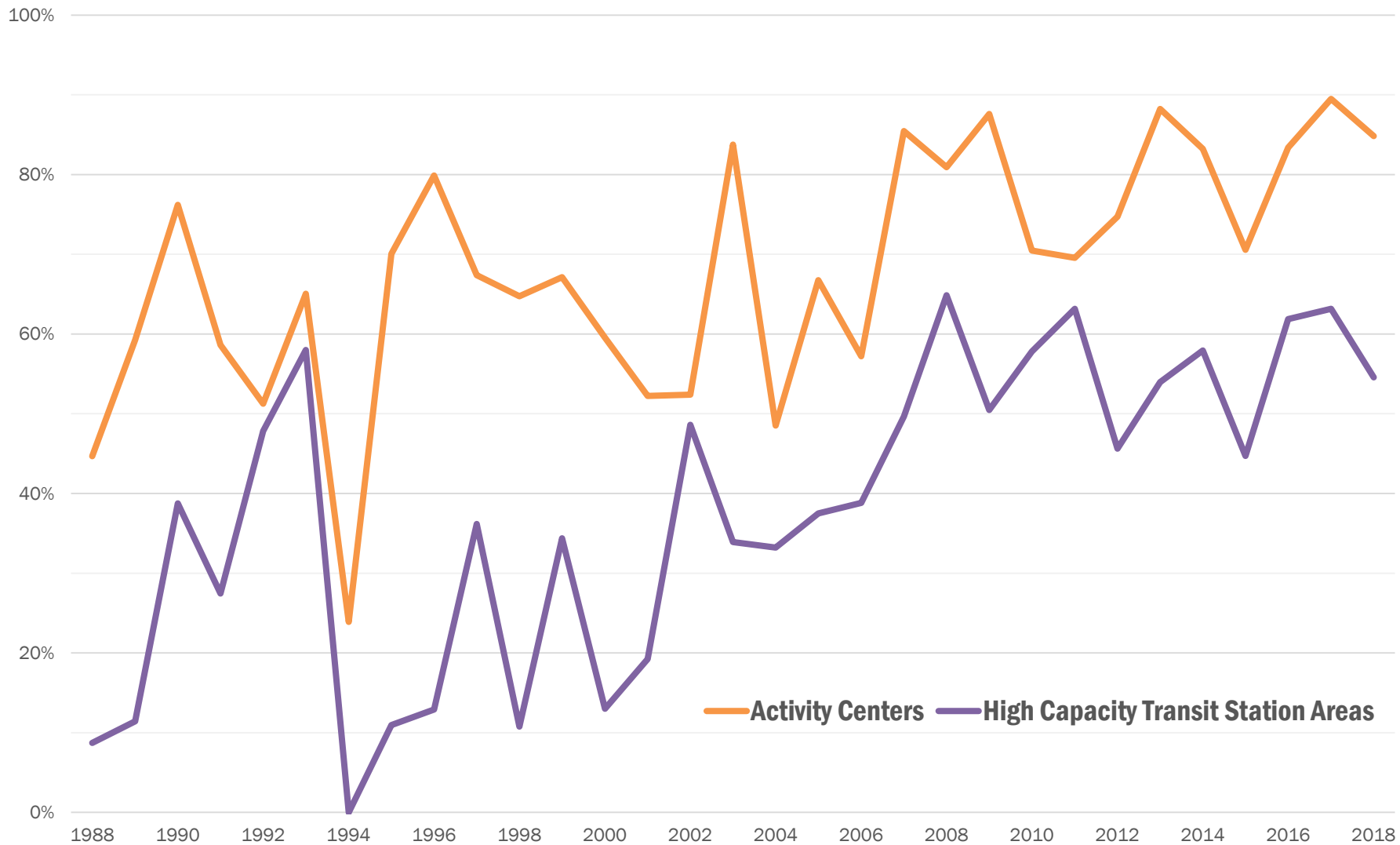
- Three bedroom apartments account for 9% of all units in the region but only 5% of units built in 2018.



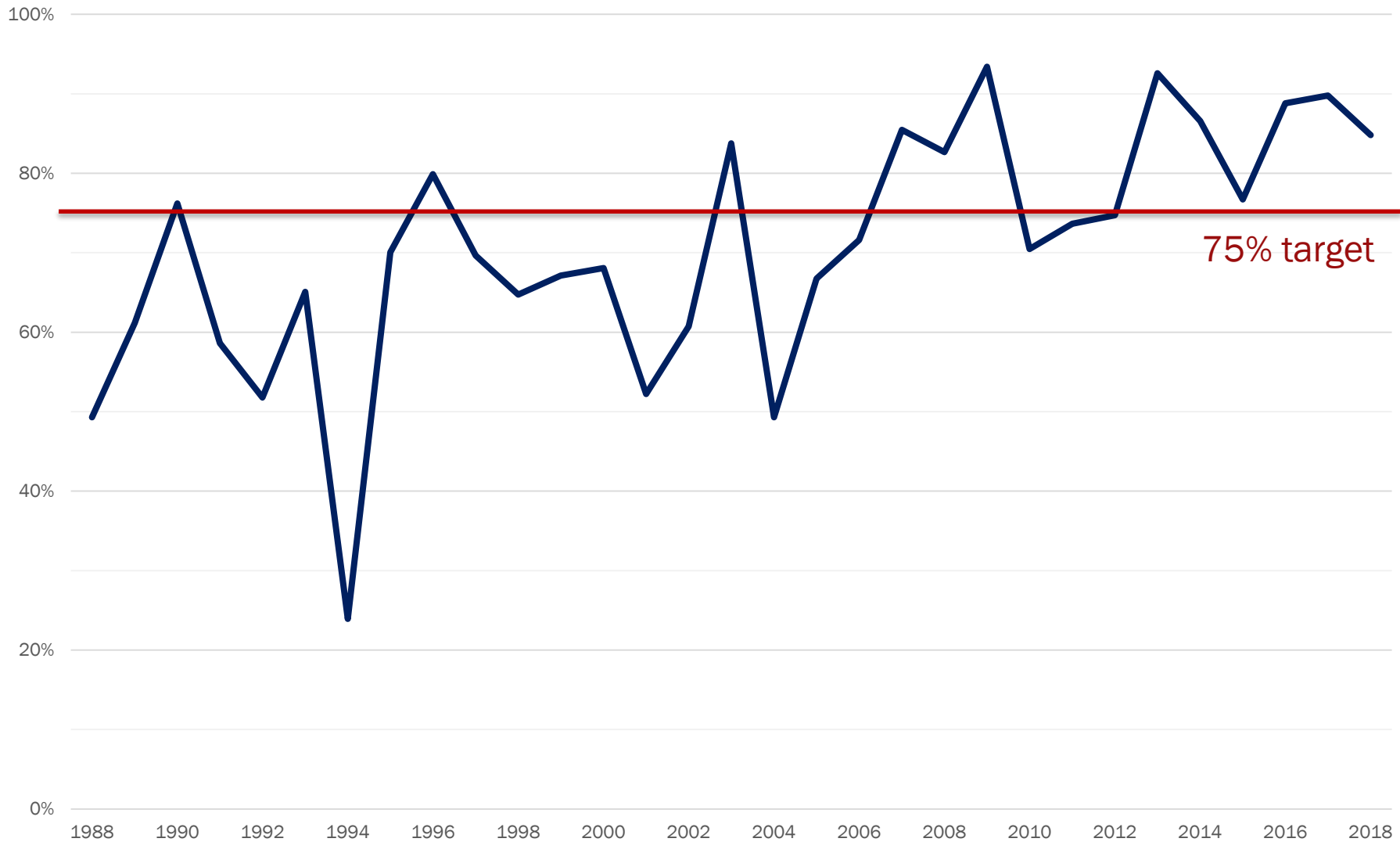
- There are only 3,373 apartments with four or more bedrooms in the COG region, accounting for less than one percent of all units



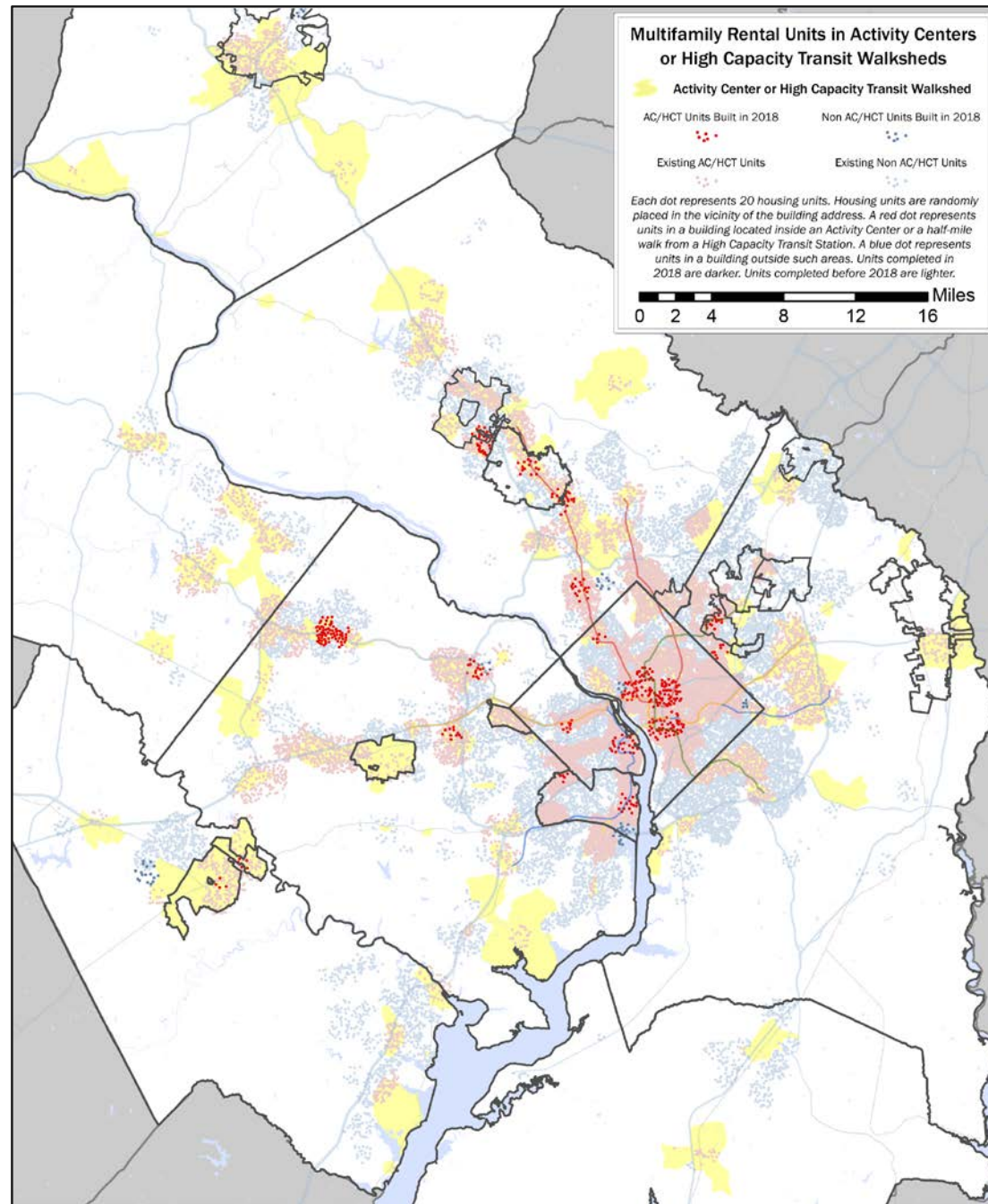
# Activity Center and HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



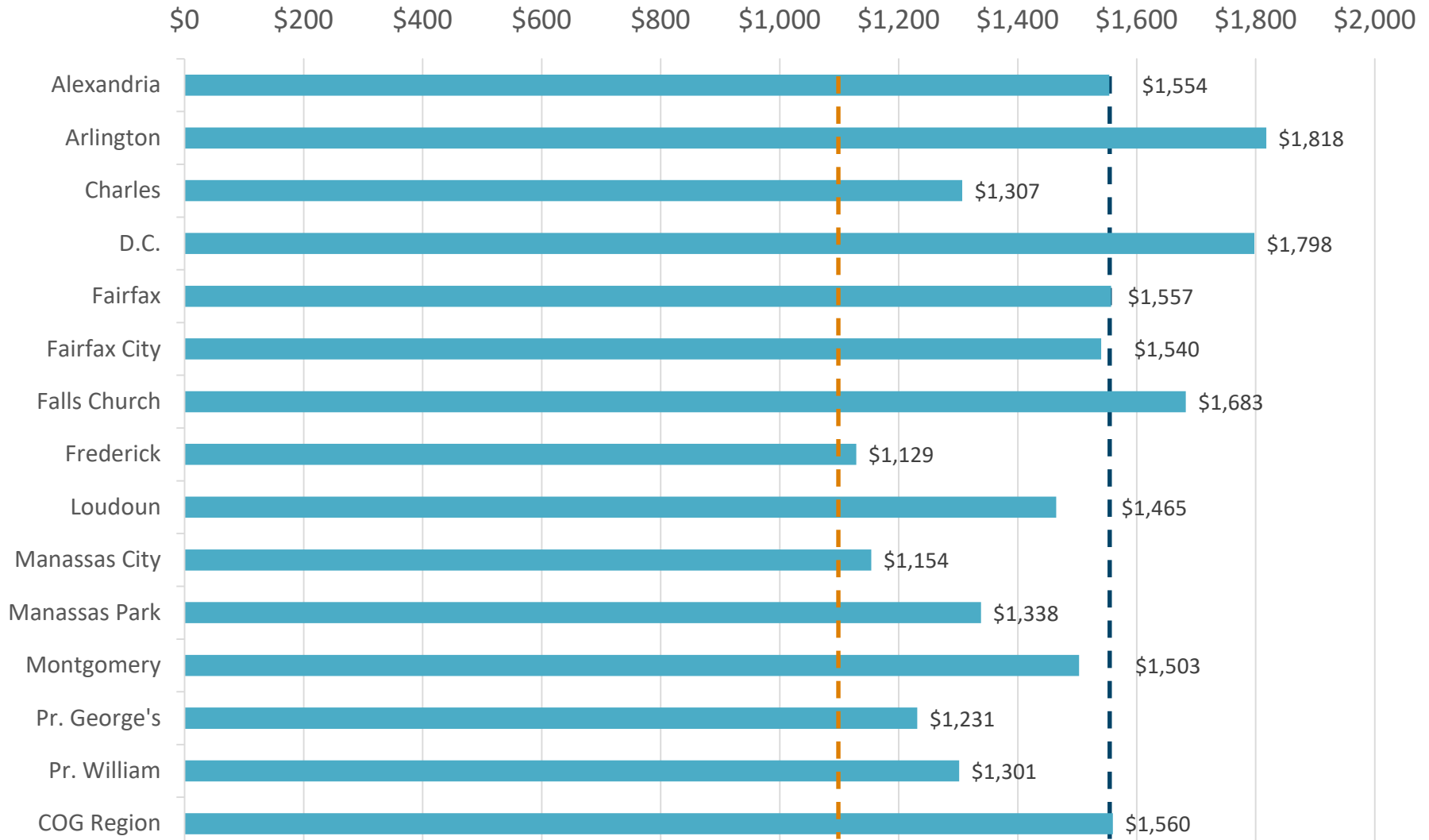
# Either Activity Center or HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



- In 2018, 85% of new multifamily rental units were in an Activity Center or within a half-mile walk of a High Capacity Transit Station



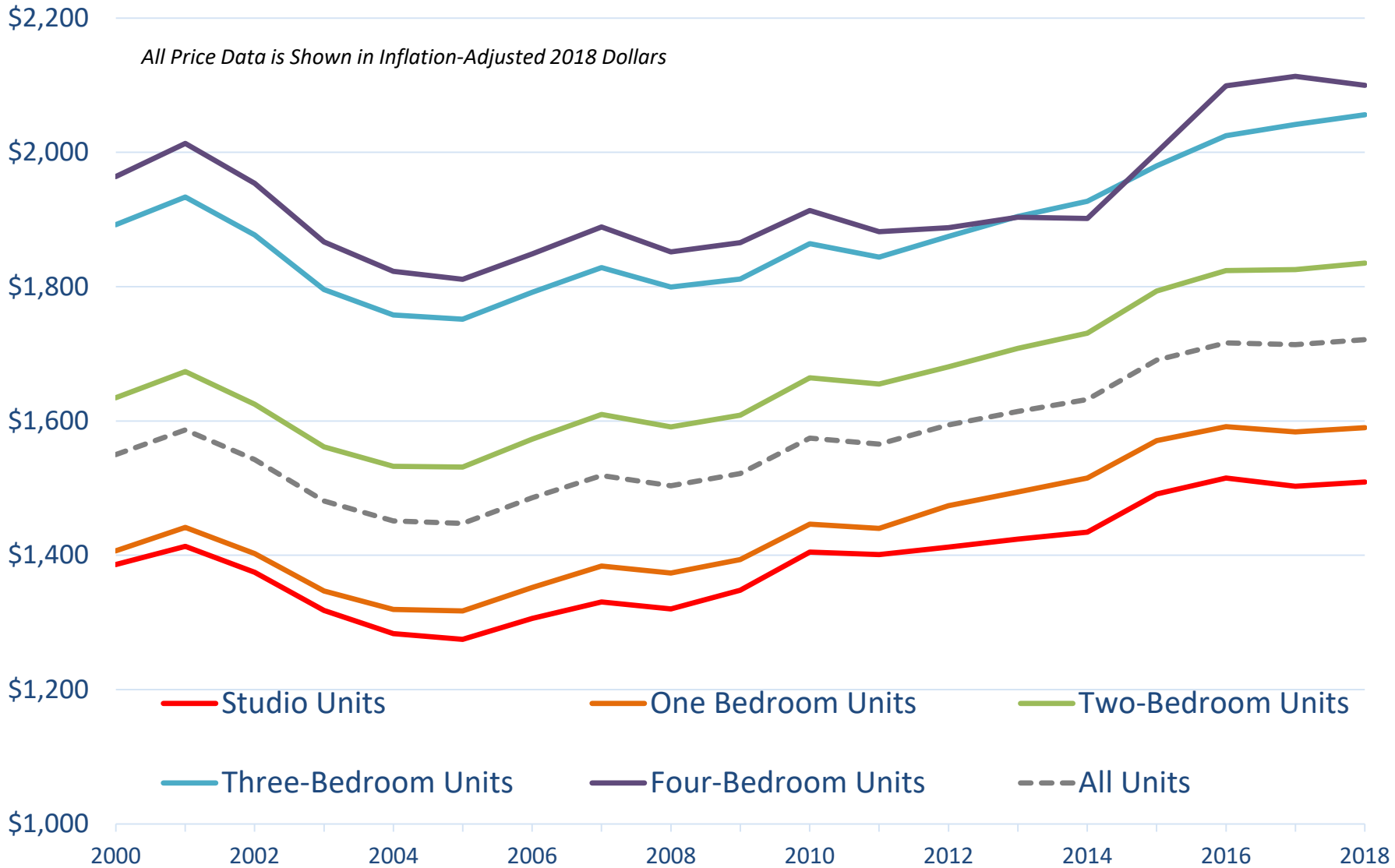
# Average Effective Rents for One-Bedroom Units at End of 2018



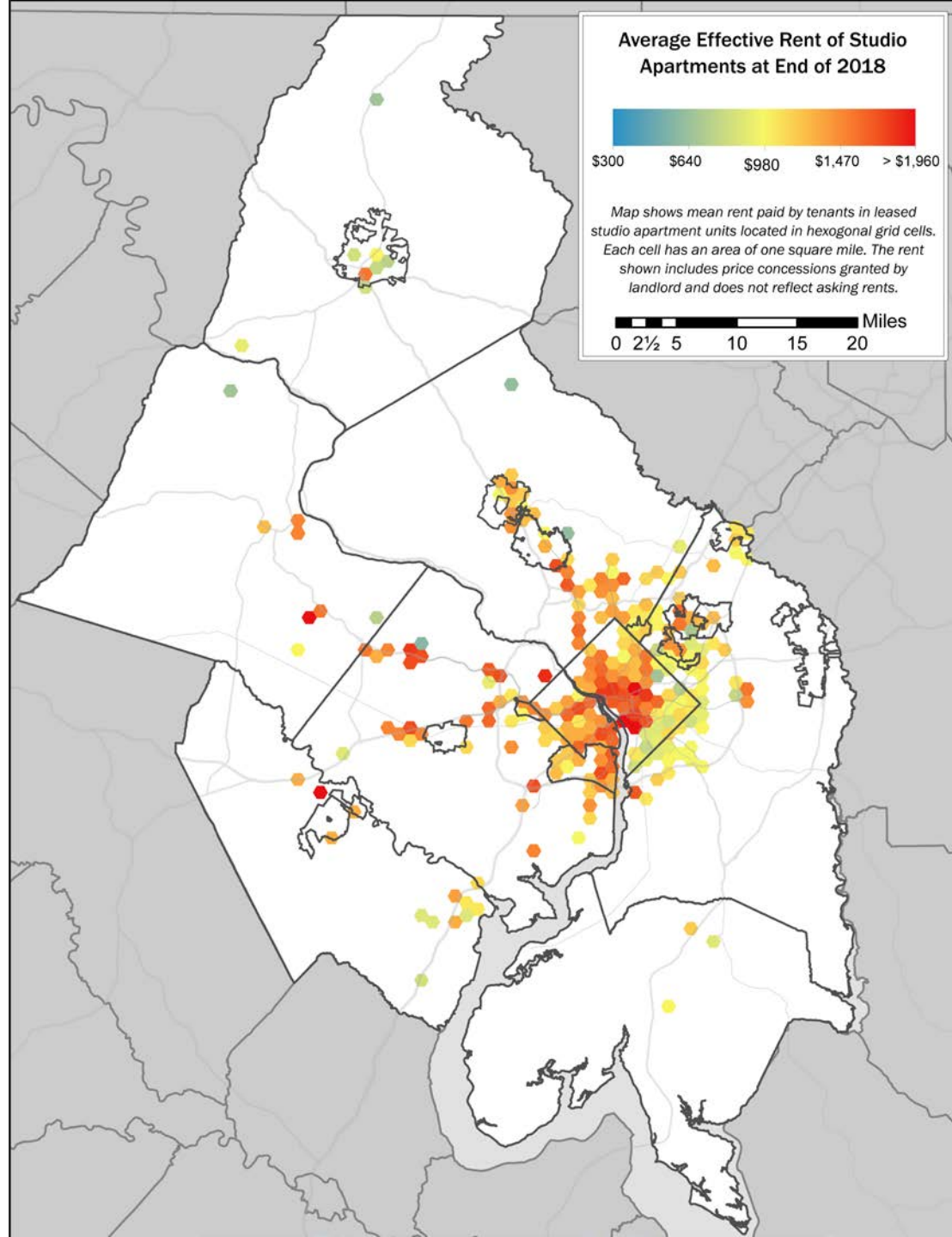
~\$1,100: monthly rent affordable to median tenant income in 1 BR rental (~\$52,500) in Washington MSA



# Average Effective Rents for Rental Apartments

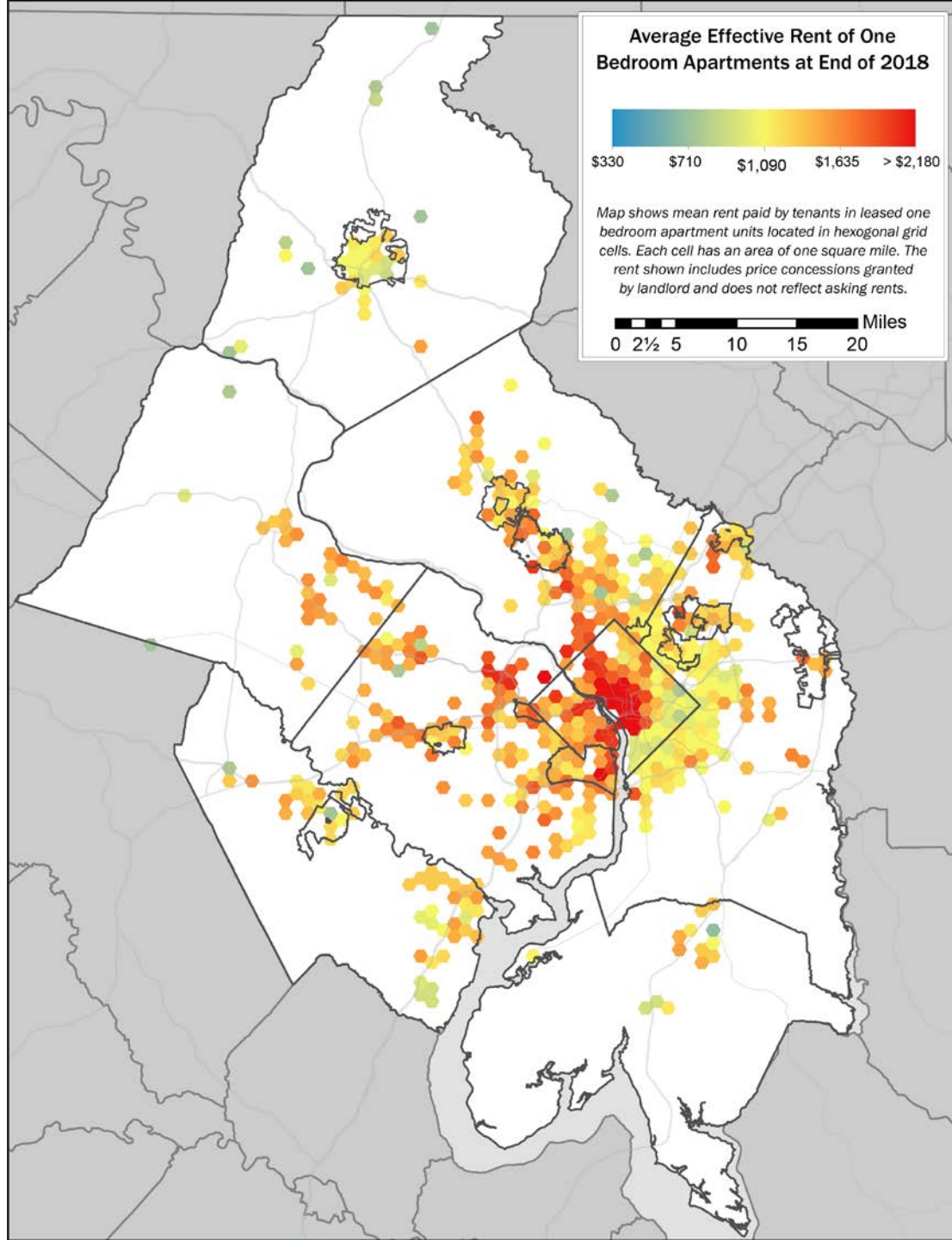


- Average effective rents were calculated for buildings within one square mile hexagonal grid cells to map the variations in rents across the region.
- The regional mean effective rent for studio apartments was \$1,509 at the end of 2018.
- The median income for a studio renter was about \$47,000 and would require an approximate rent of \$980 to be affordable.

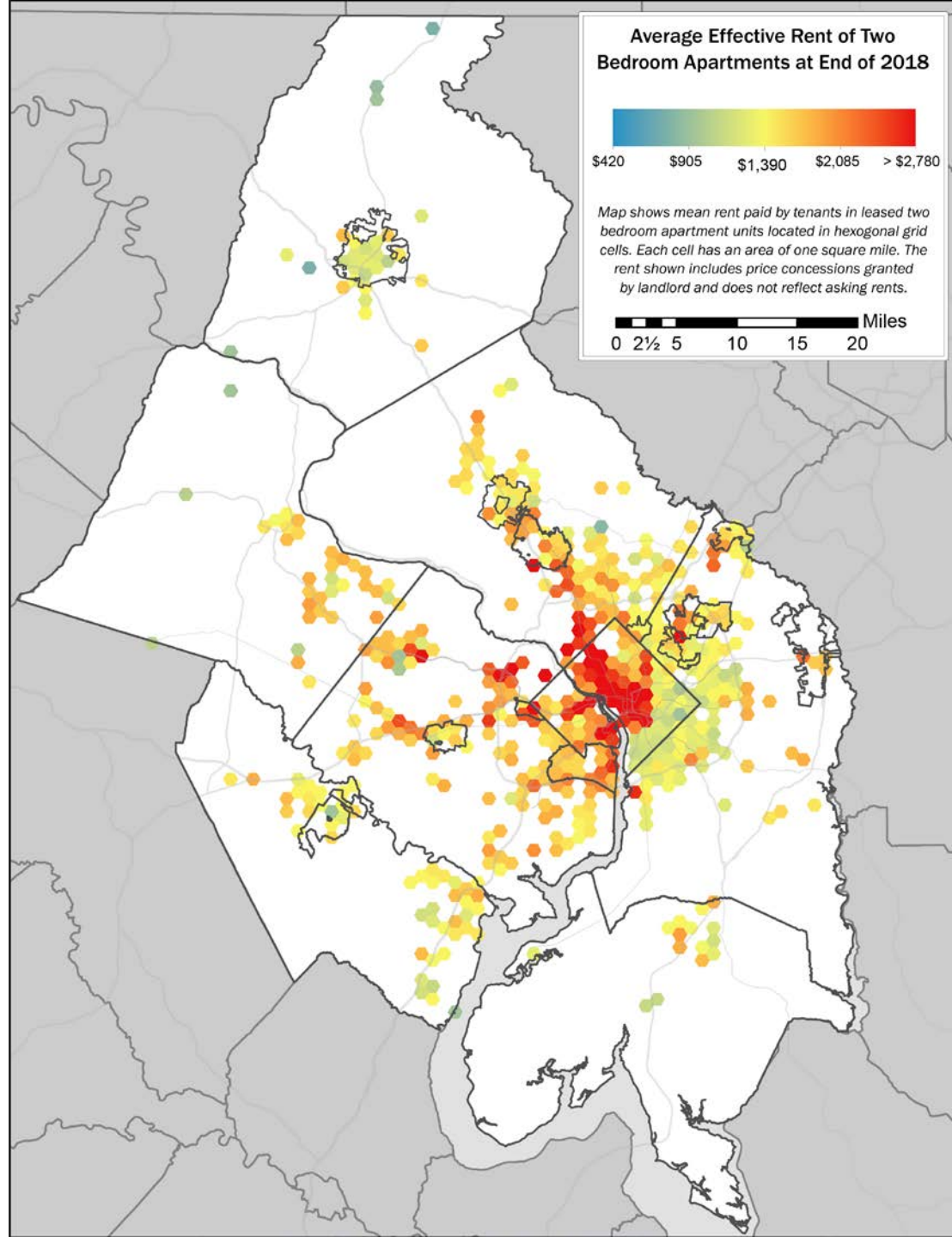




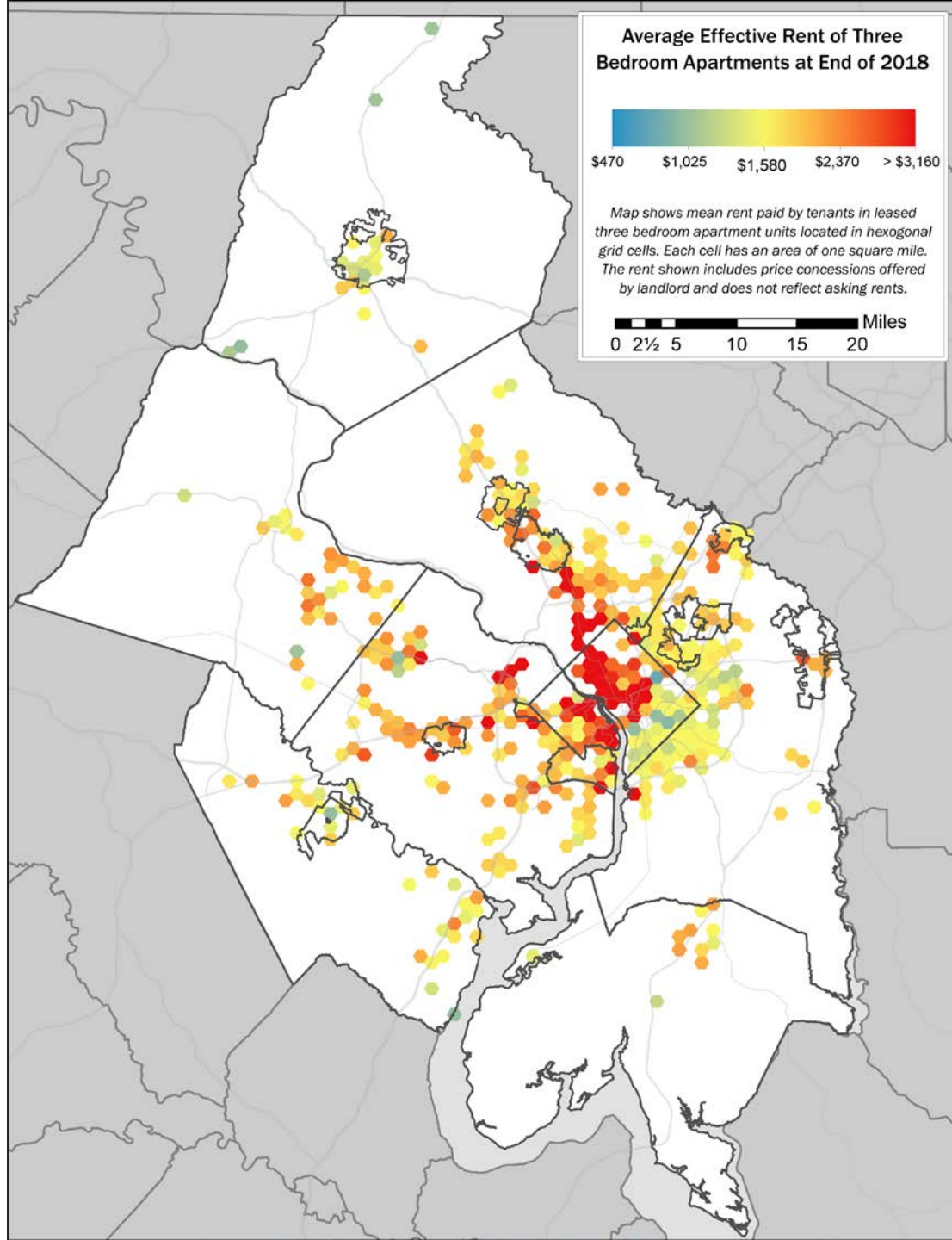
- The regional mean effective rent for one bedroom apartments was \$1,560 at the end of 2018.
- The median income for a one bedroom renter was about \$52,500 and would require an approximate rent of \$1,090 to be affordable.



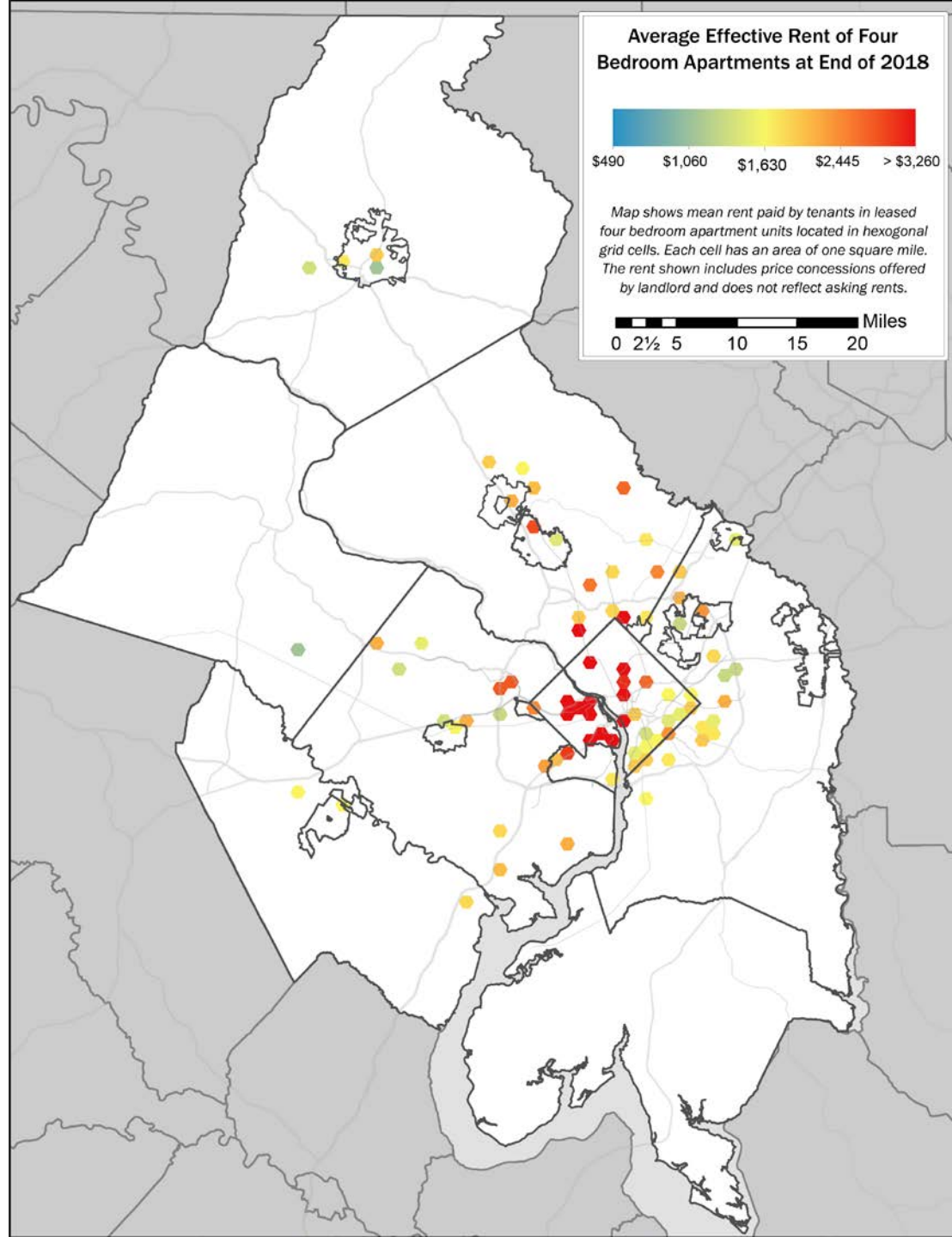
- The regional mean effective rent for two bedroom apartments was \$1,835 at the end of 2018.
- The median income for a two bedroom renter was about \$66,500 and would require an approximate rent of \$1,390 to be affordable.



- The regional mean effective rent for three bedroom apartments was \$2,056 at the end of 2018.
- The median income for a three bedroom renter was about \$76,000 and would require an approximate rent of \$1,580 to be affordable.



- The regional mean effective rent for apartments with four or more bedrooms was \$2,100 at the end of 2018.
- The median income for a four or more bedroom renter was about \$78,000 and would require an approximate rent of \$1,530 to be affordable.



## John Kent

Regional Planner  
(202) 962-3215  
jkent@mwkog.org

[mwkog.org](http://mwkog.org)

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777 North Capitol Street NE, Suite 300  
Washington, DC 20002



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