

2019 MULTIFAMILY RENTAL HOUSING TRENDS FOR MWCOCG REGION

Analysis of CoStar data

John Kent
Regional Planner
Department of Community Planning and Services

Planning Directors Technical Advisory Committee
September 18, 2020



Metropolitan Washington
Council of Governments

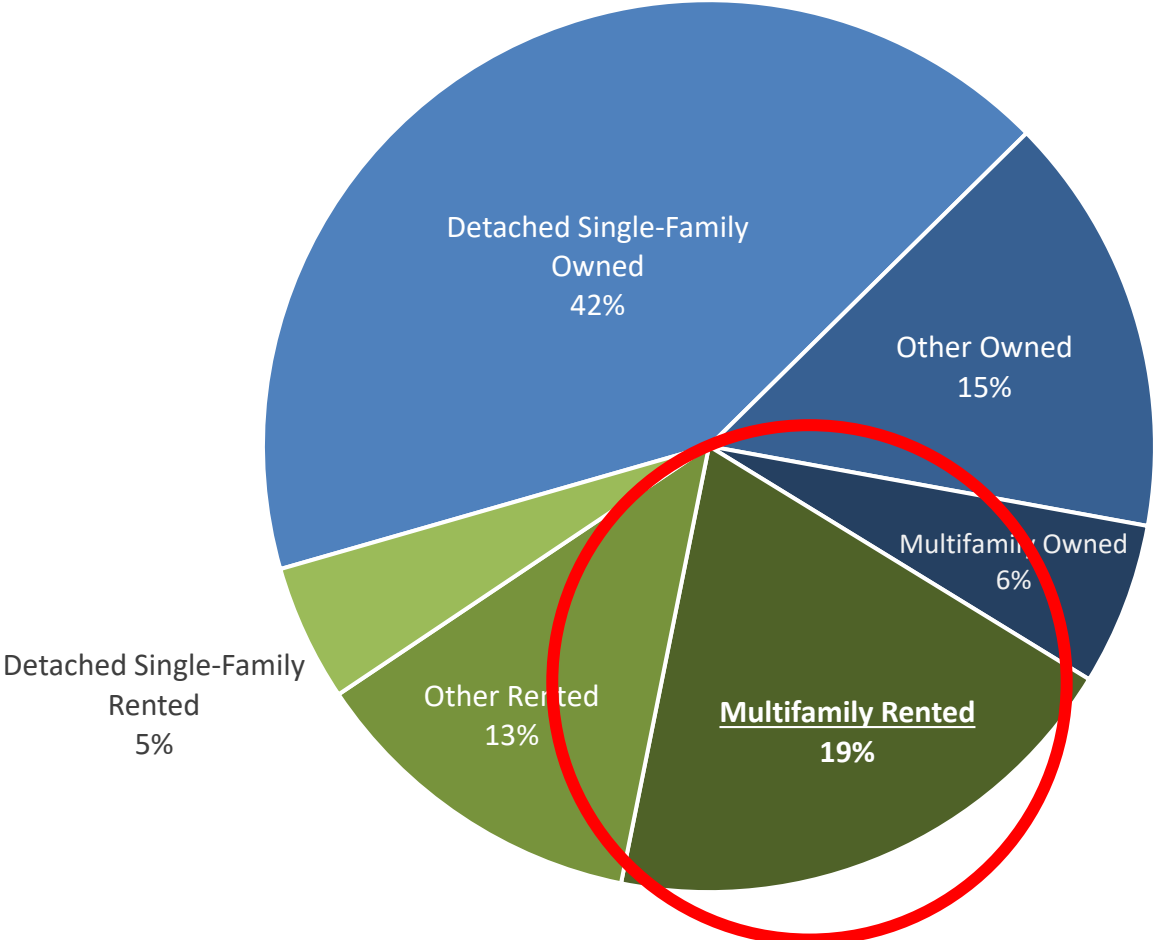
About the Multifamily Rental Construction Report

- 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?

- 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

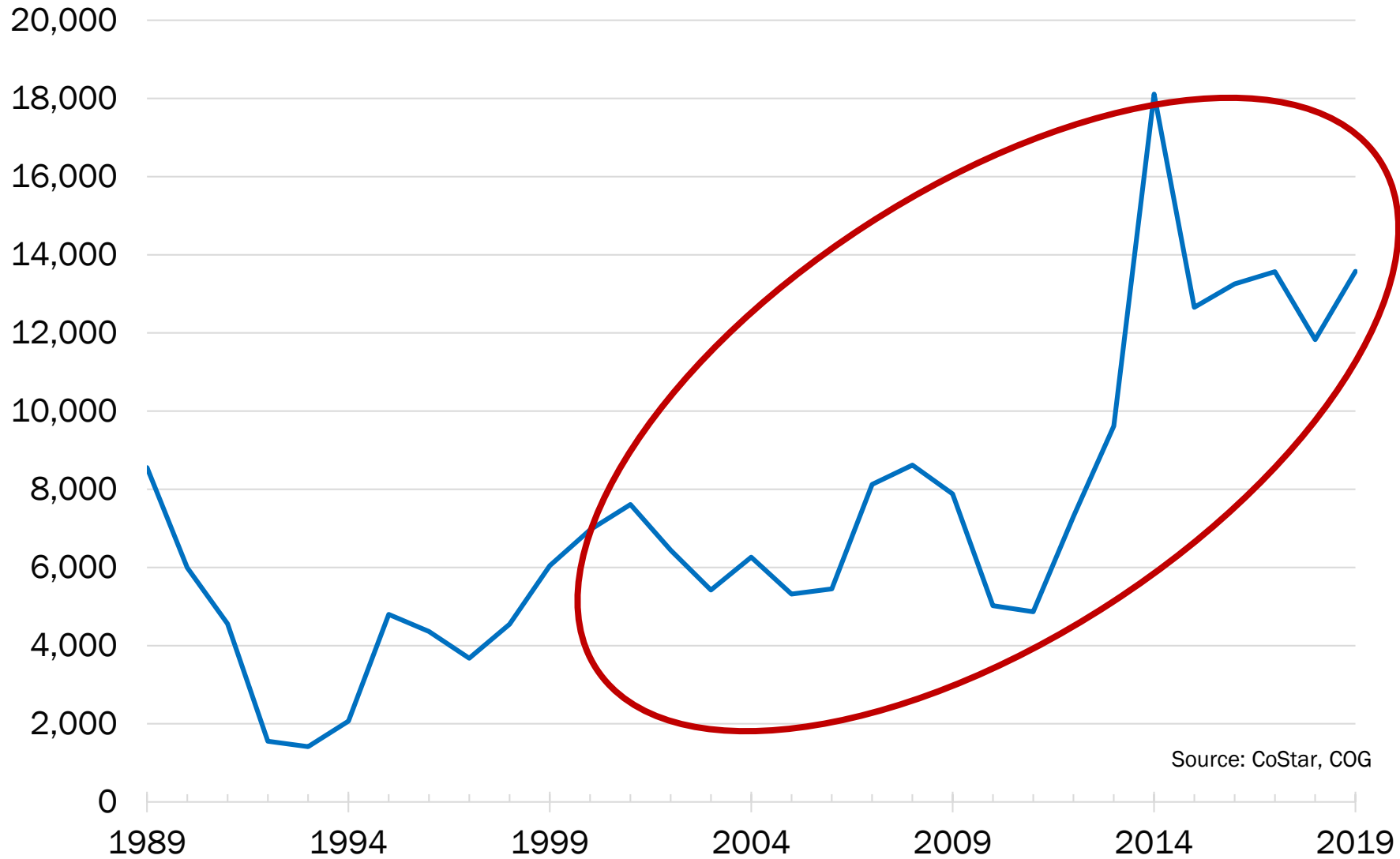
Occupied Housing in Washington MSA by Tenure and Number of Units in Structure



"Other" housing includes attached single-family, duplexes, triplexes, quadplexes, house boats, trailer parks and vehicles

Source: 2017 American Housing Survey, Washington MSA

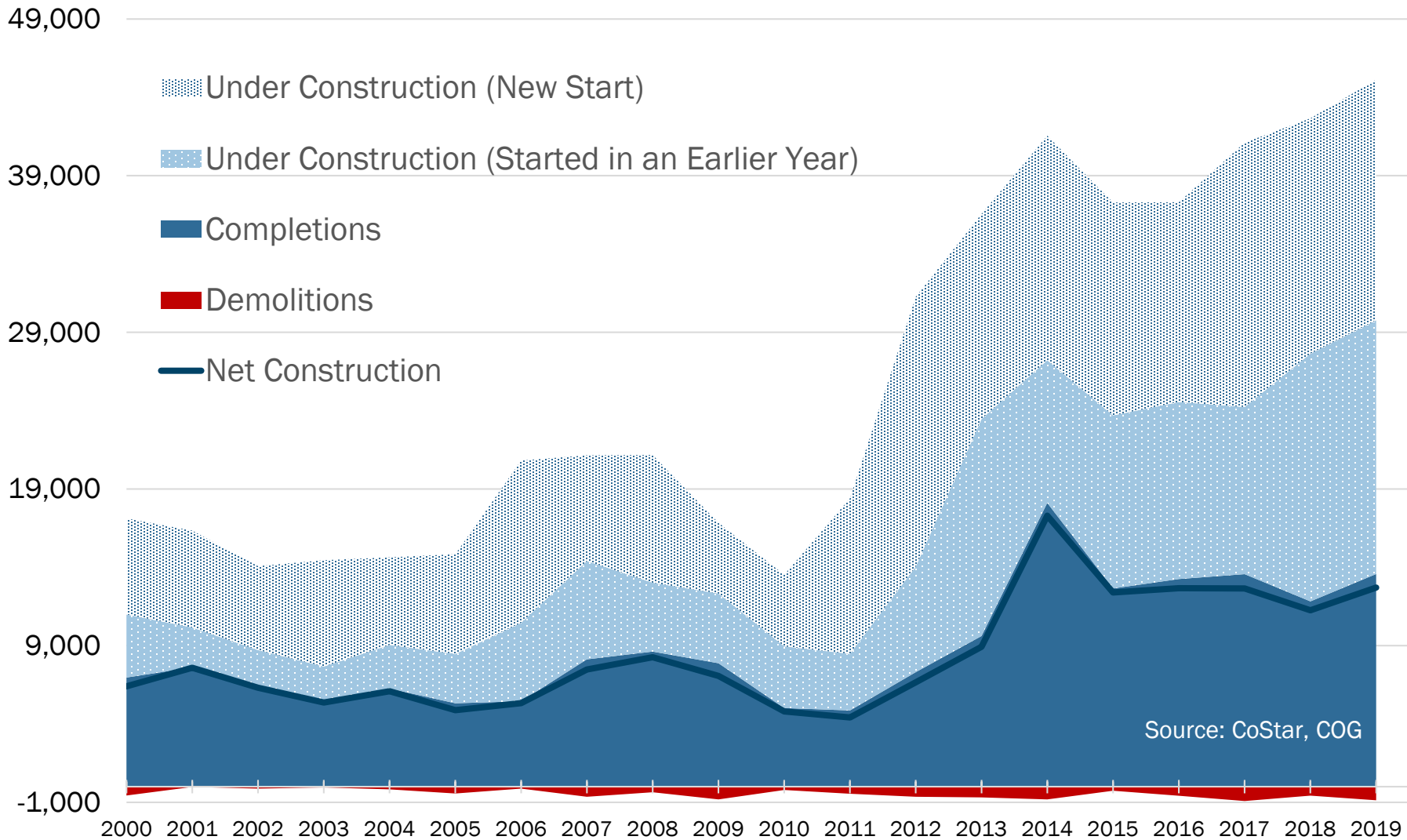
Number of New Units of Multifamily Rental Housing 1989 - 2019



Source: CoStar, COG



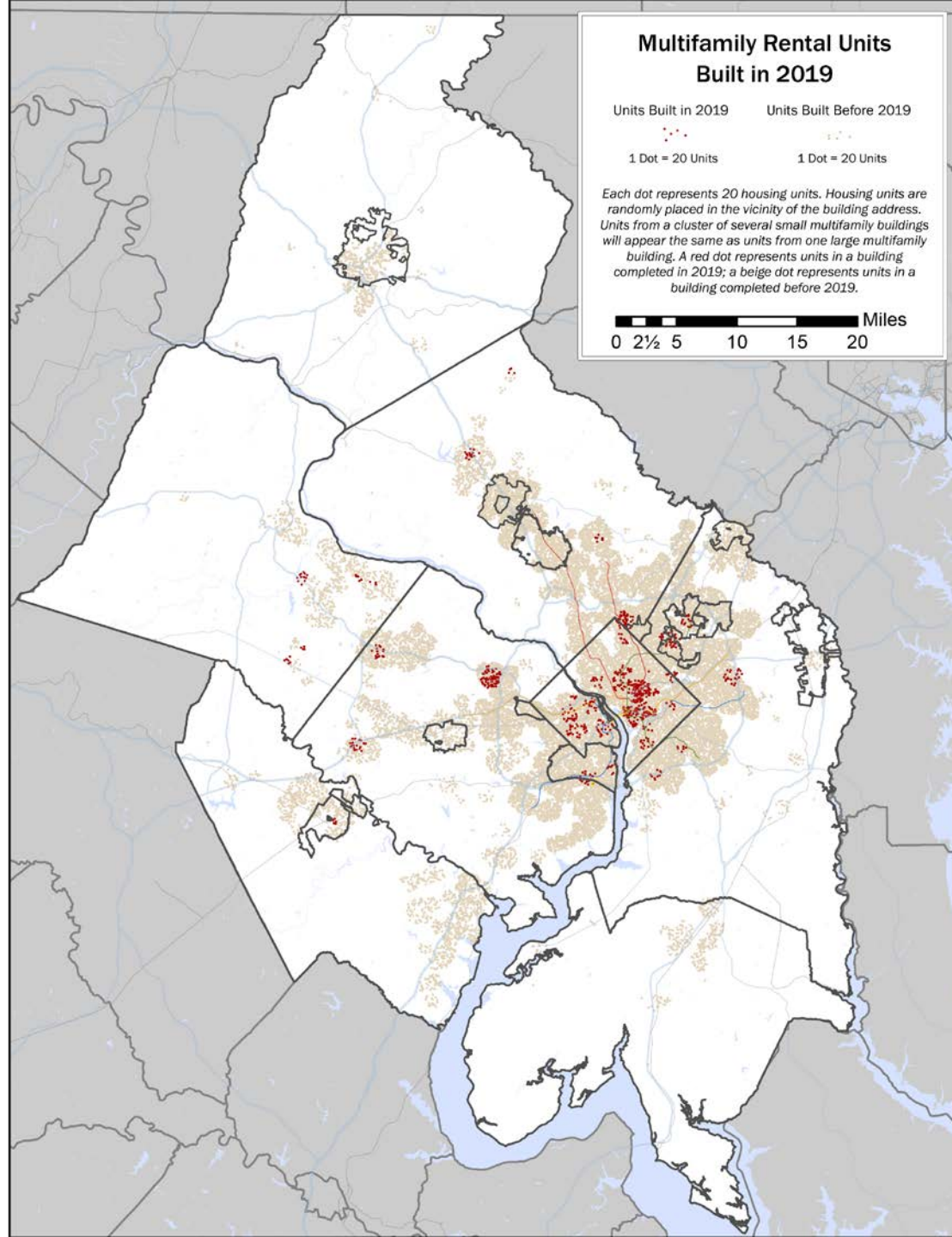
Net Construction of Multifamily Rental Housing 2000 - 2019



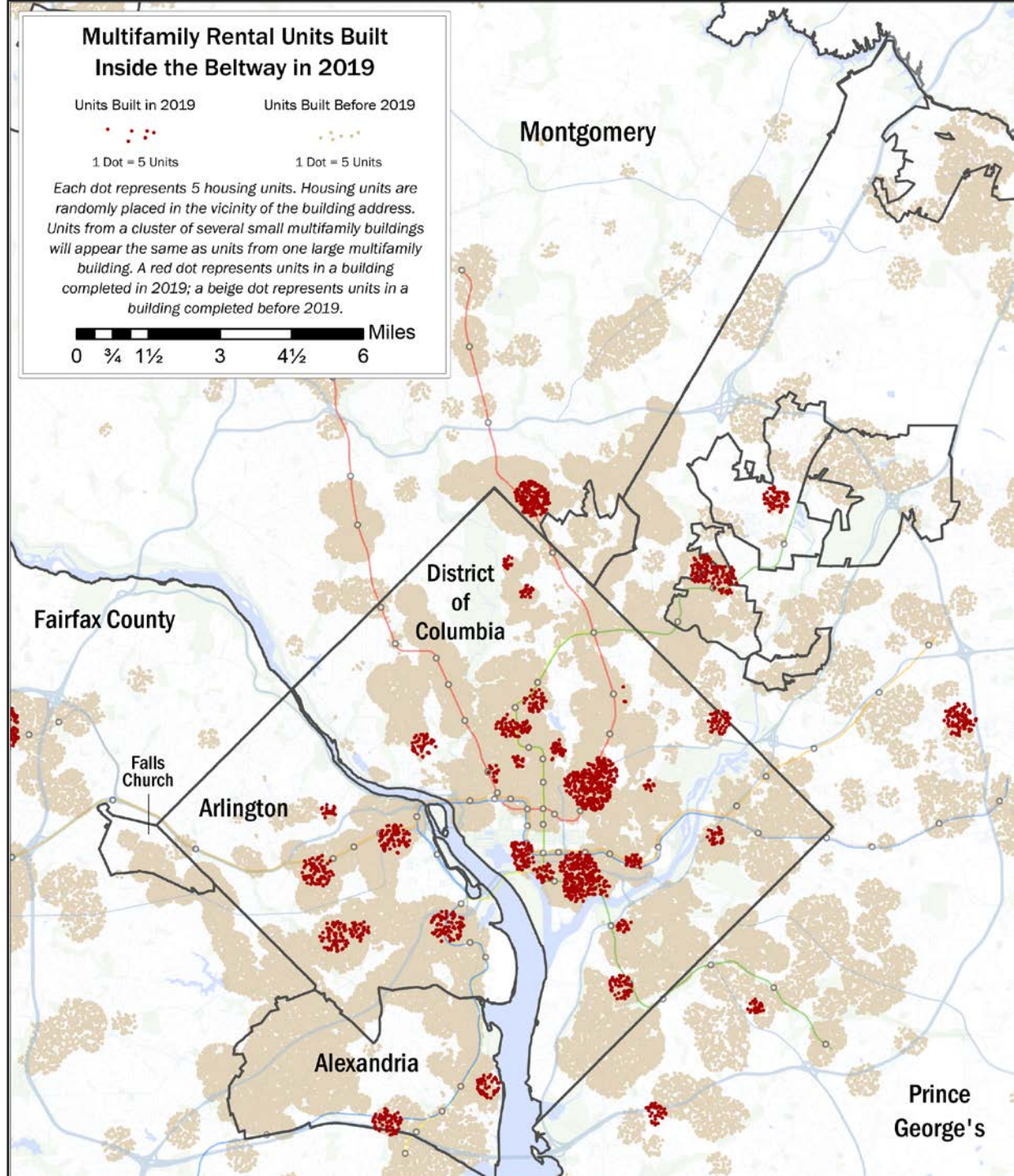
Source: CoStar, COG



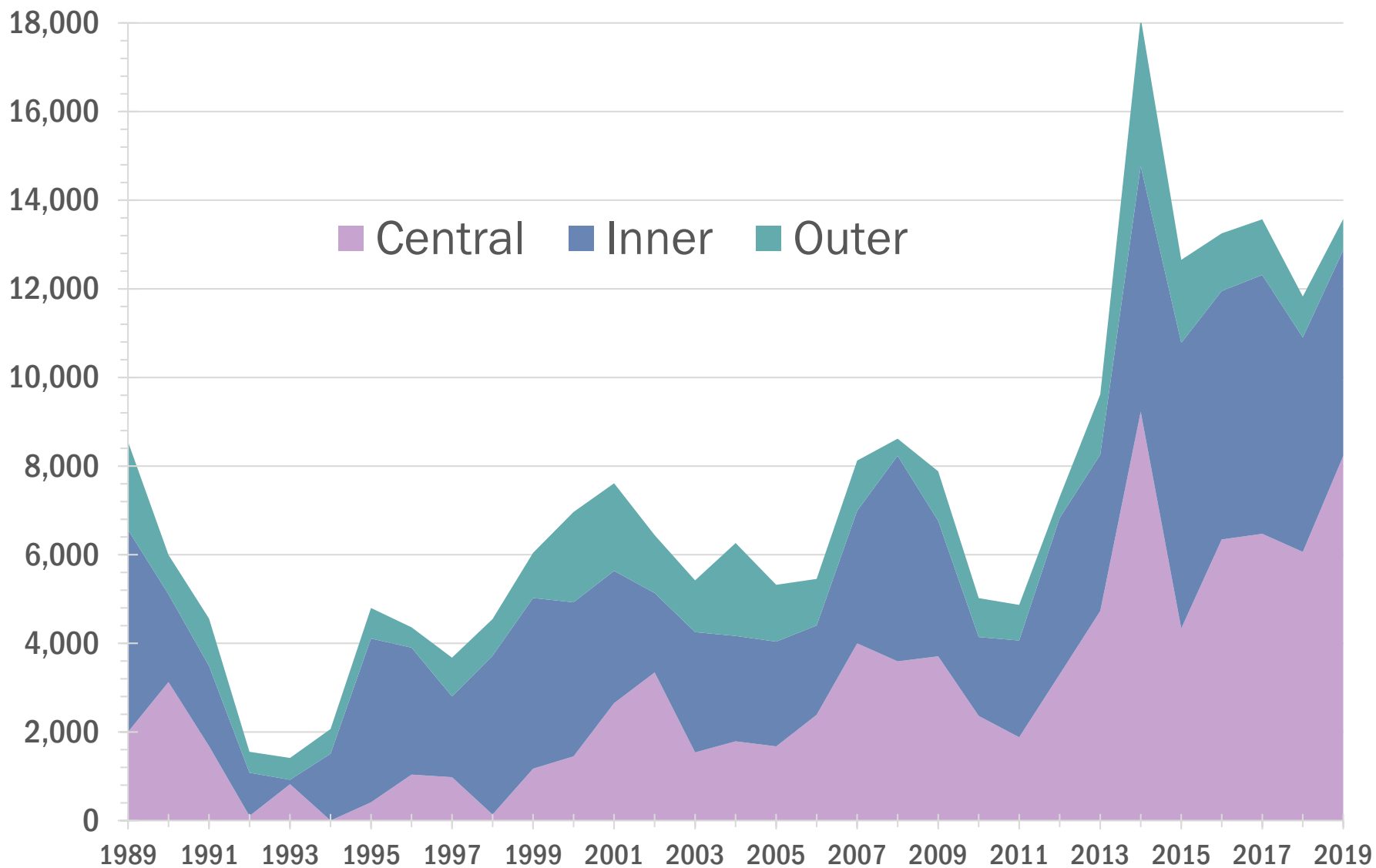
- Units completed in 2019 and shown in red
- Units built in earlier years are beige
- In 2019, new construction was primarily in the core and near Metrorail stations



- NoMa, Southwest Waterfront, Silver Spring and Tysons all had significant multifamily construction in 2019.
- While recent construction has concentrated around transit stations, historical patterns show dispersed apartment construction along major arterial roads.



New Multifamily Rental Units by Jurisdictional Group



Central Jurisdictions

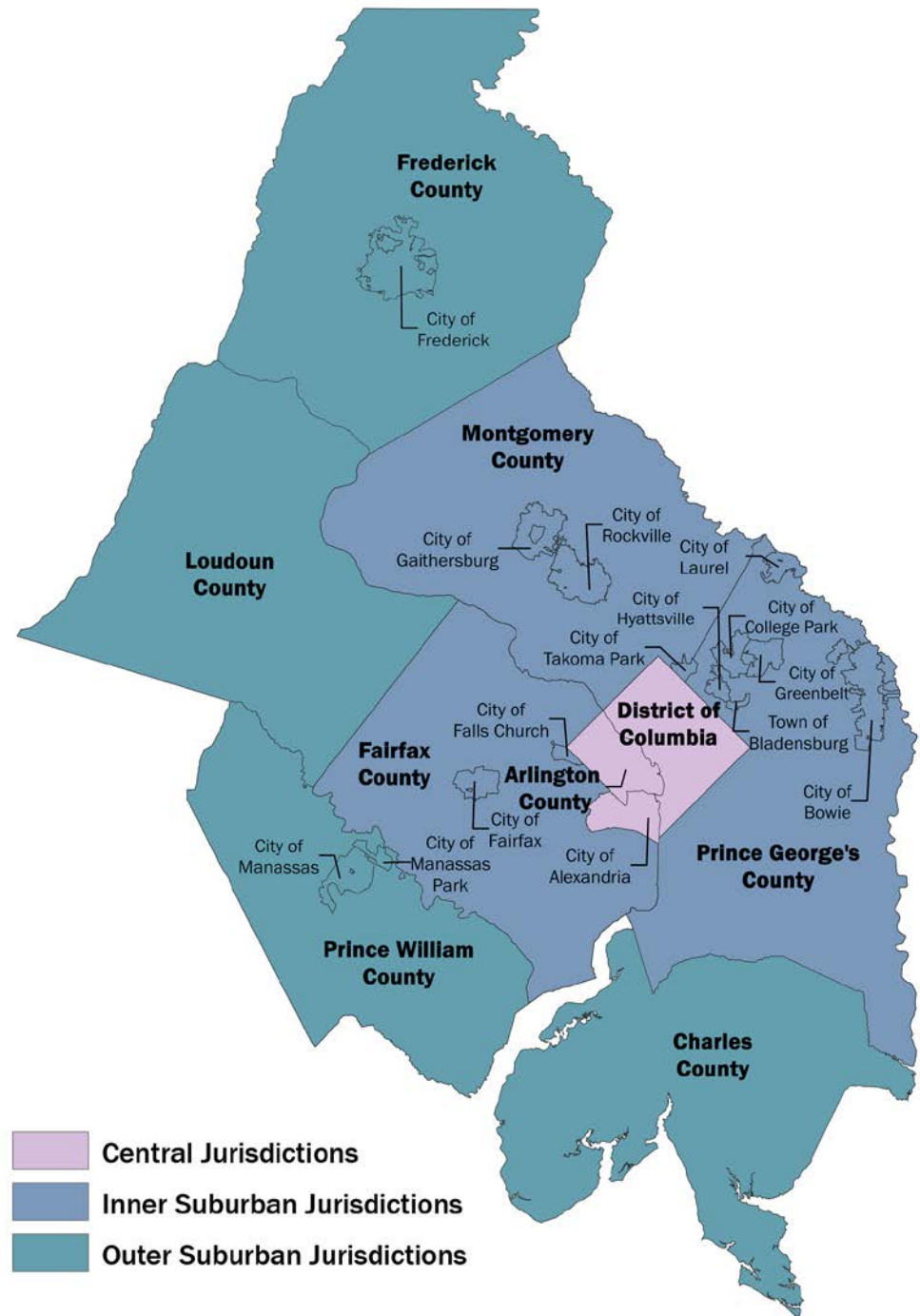
District of Columbia
Arlington County
City of Alexandria

Inner Jurisdictions

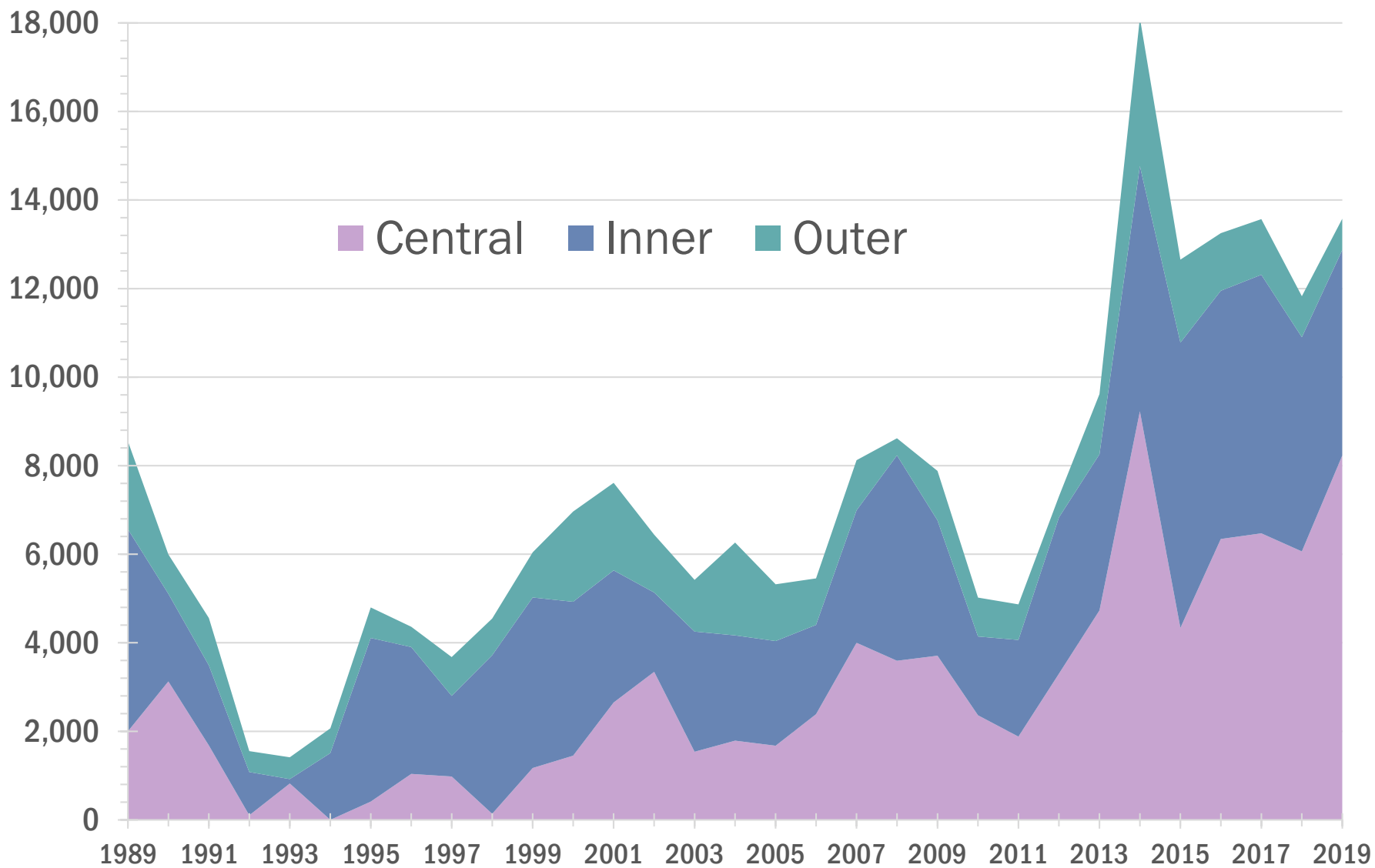
Fairfax County
Montgomery County
Prince George's County
City of Falls Church
City of Fairfax

Outer Jurisdictions

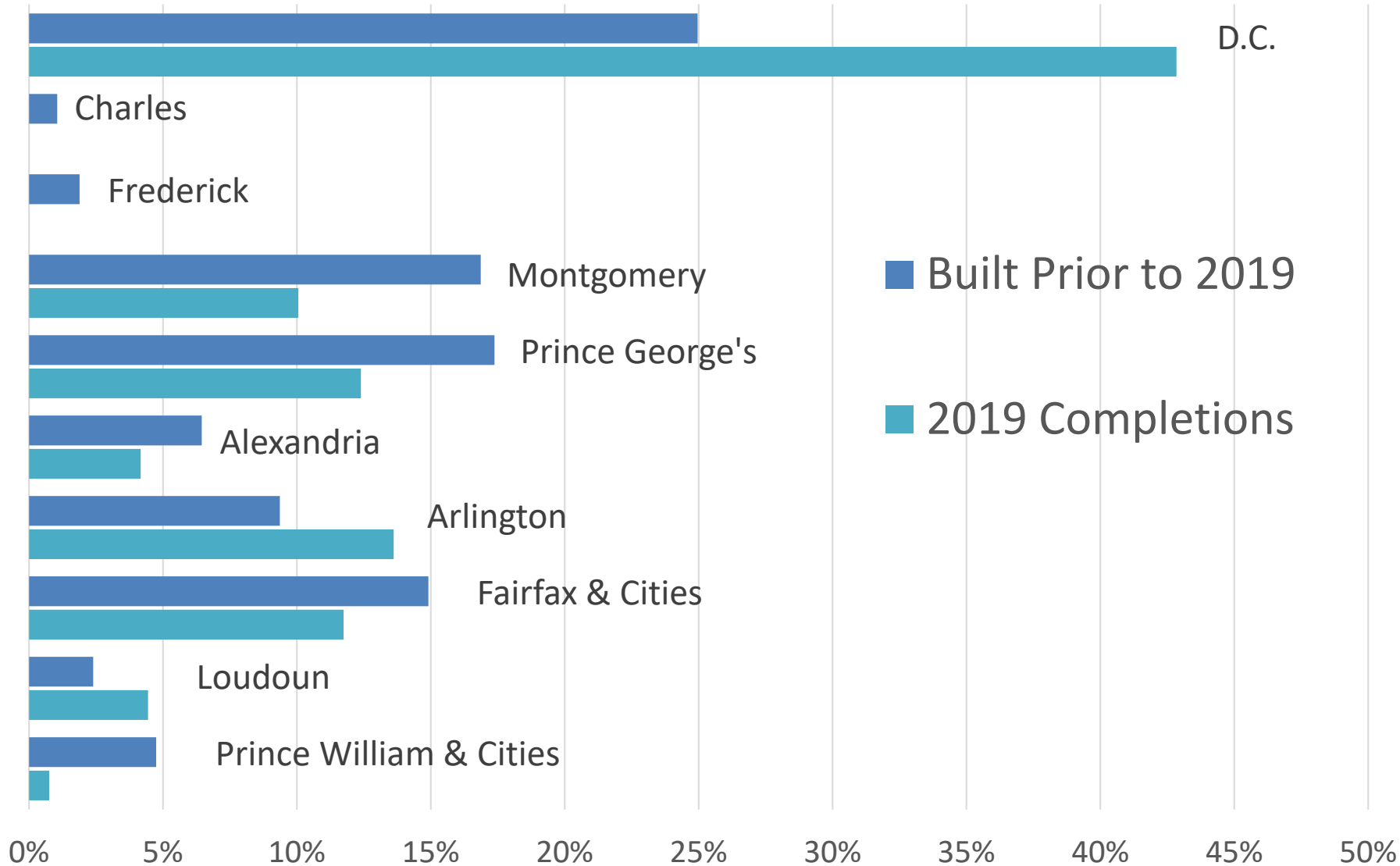
Charles County
Frederick County
Loudoun County
Prince William County
City of Manassas
City of Manassas Park



New Multifamily Rental Units by Jurisdictional Group



Share of Multifamily Rental Units by Jurisdiction



Largest Projects in 2019

Project Name	Street Address	Jurisdiction	Buildings	Stories	Units	1BR Effective Rent
NOVEL South Capitol	2 I St SE, Washington, DC	District of Columbia	2	13	539	\$2,424
Union Place	200 K St NE, Washington, DC	District of Columbia	1	14	525	\$2,519
West Half	1201 Half St SE, Washington, DC	District of Columbia	2	10	462	\$2,312
The Witmer	710 12th St, Arlington, VA	Arlington County	1	25	440	\$2,404
The Batley	1270 4th St NE, Washington, DC	District of Columbia	1	12	432	\$2,399
Glenarden Hills	8441 Marvin Wilson Way, Glenarden, MD	Prince George's County	30	3	430	\$1,745 (2BRs)
Origin @ Ballston Quarter	700 N Randolph St, Arlington, VA	Arlington County	1	22	406	\$2,359
Rise	8305 Greensboro Dr, McLean, VA	Fairfax County	1	27	404	\$2,126
Thayer and Spring	915 Silver Spring Ave, Silver Spring, MD	Montgomery County	1	10	399	\$1,864
Lumen at Tysons	1747 Tysons Central St, Tysons, VA	Fairfax County	1	30	398	\$2,273

- The ten largest apartment projects represent 34% of the region's 13,576 new multifamily rental units built in 2019.



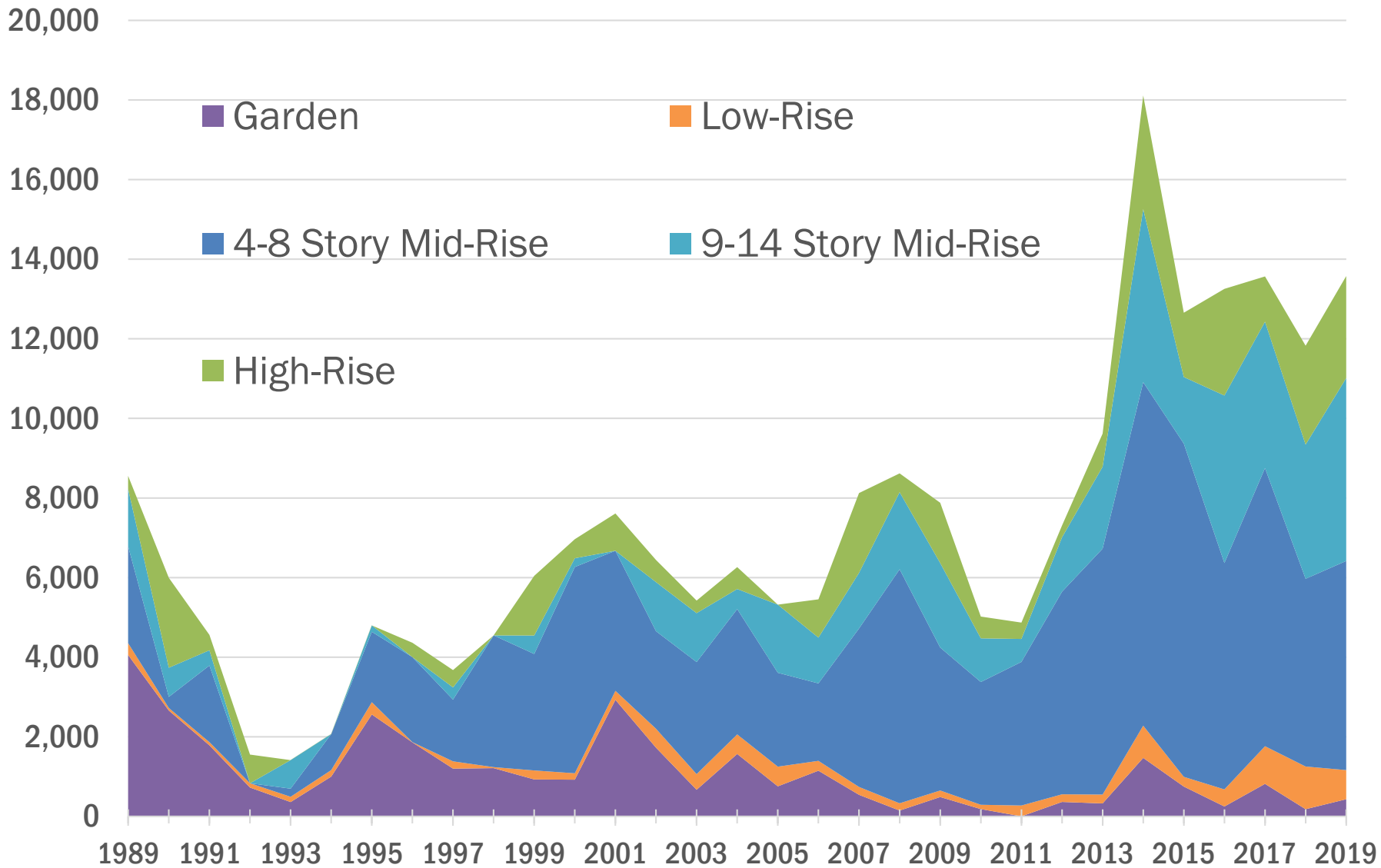


Largest Projects in 2019

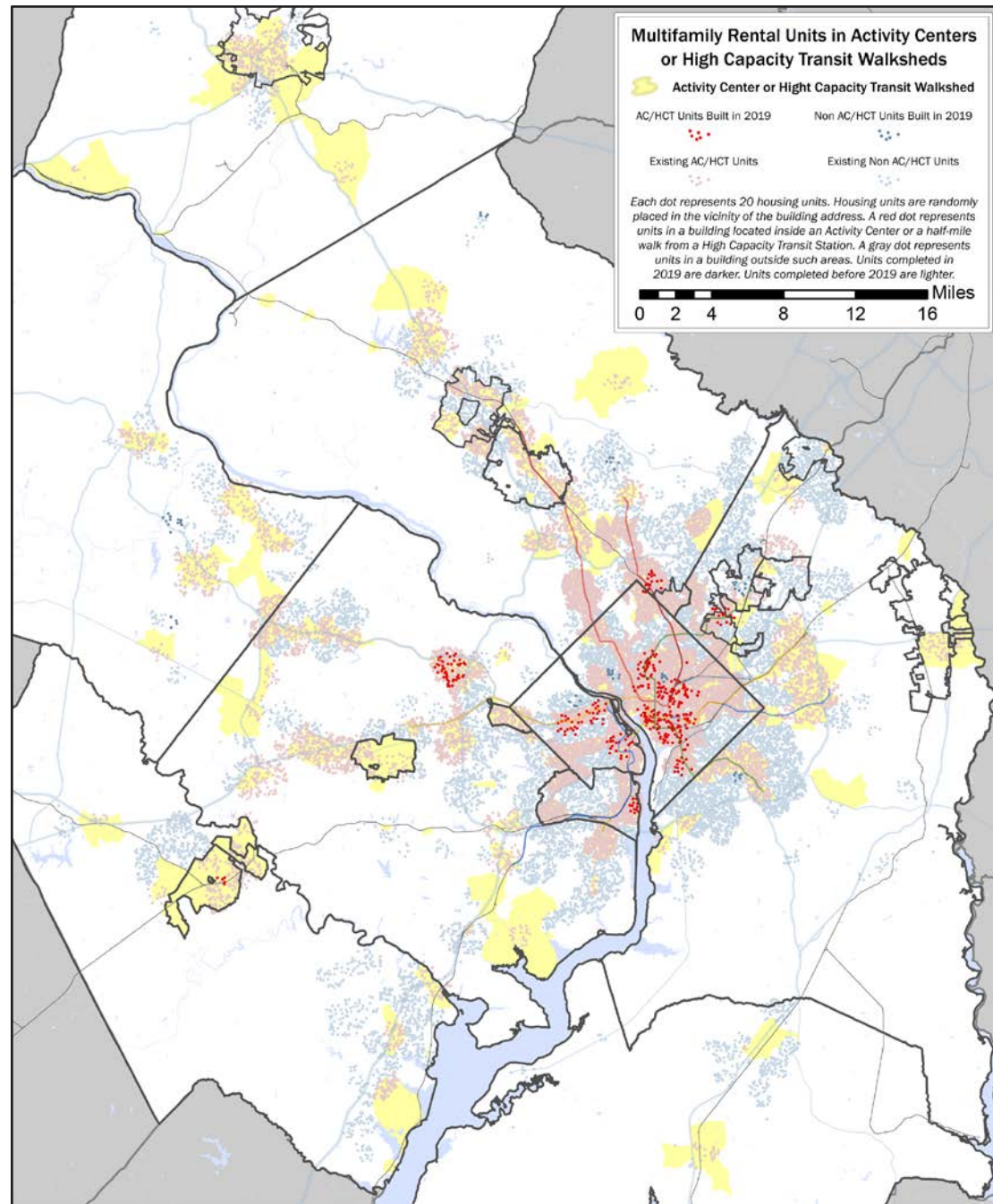
Project Name	Street Address	Jurisdiction	Buildings	Stories	Units	1BR Effective Rent
NOVEL South Capitol	2 I St SE, Washington, DC	District of Columbia	2	13	539	\$2,424
Union Place	200 K St NE, Washington, DC	District of Columbia	1	14	525	\$2,519
West Half	1201 Half St SE, Washington, DC	District of Columbia	2	10	462	\$2,312
The Witmer	710 12th St, Arlington, VA	Arlington County	1	25	440	\$2,404
The Batley	1270 4th St NE, Washington, DC	District of Columbia	1	12	432	\$2,399
Glenarden Hills	8441 Marvin Wilson Way, Glenarden, MD	Prince George's County	30	3	430	\$1,745 (2BRs)
Origin @ Ballston Quarter	700 N Randolph St, Arlington, VA	Arlington County	1	22	406	\$2,359
Rise	8305 Greensboro Dr, McLean, VA	Fairfax County	1	27	404	\$2,126
Thayer and Spring	915 Silver Spring Ave, Silver Spring, MD	Montgomery County	1	10	399	\$1,864
Lumen at Tysons	1747 Tysons Central St, Tysons, VA	Fairfax County	1	30	398	\$2,273

- The ten largest apartment projects represent 34% of the region's 13,576 new multifamily rental units built in 2019.
- Four of the five largest projects were in the District of Columbia.
- The four largest new apartment buildings in Virginia were over 20 stories.

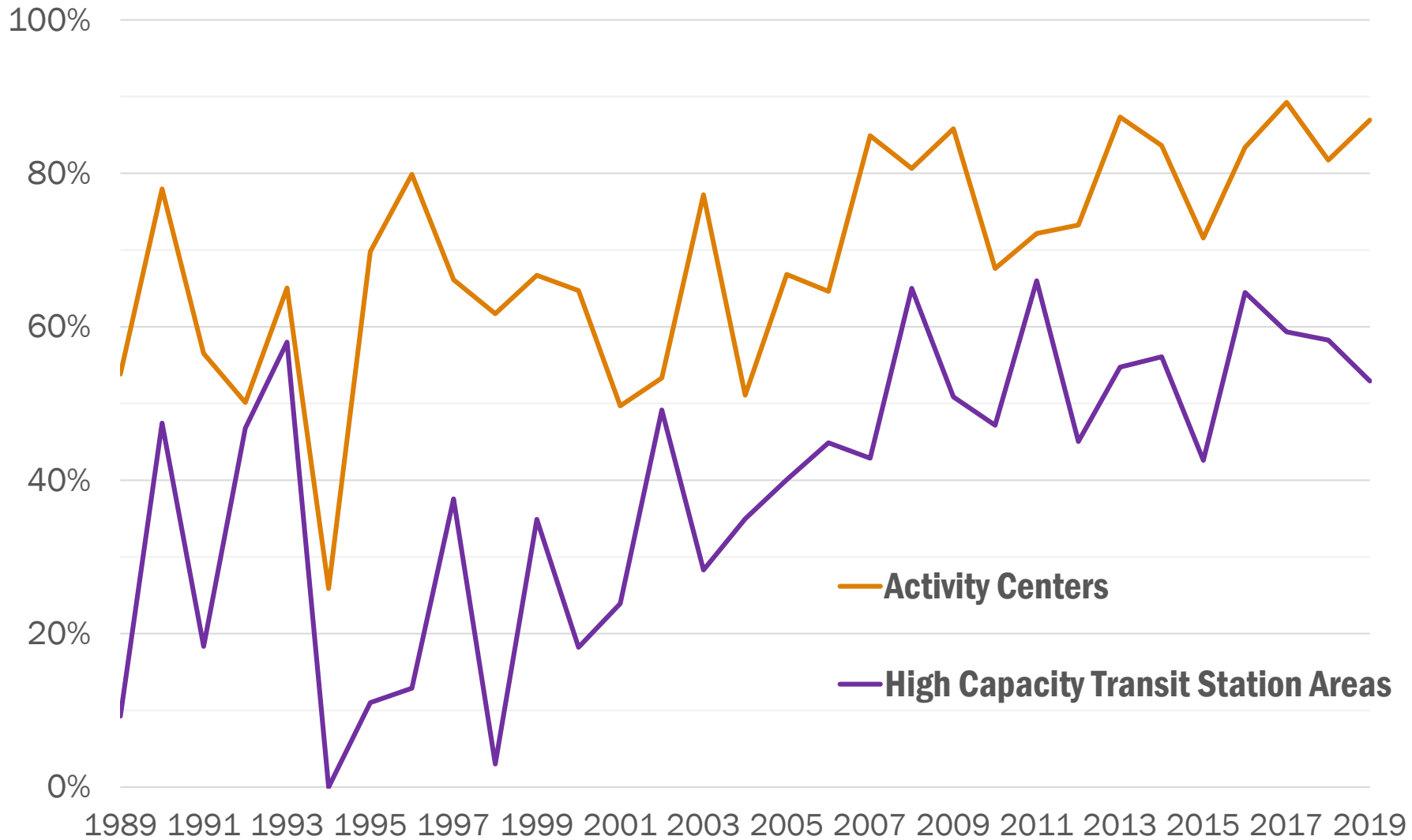
New Units of Multifamily Rental Housing by Building Style



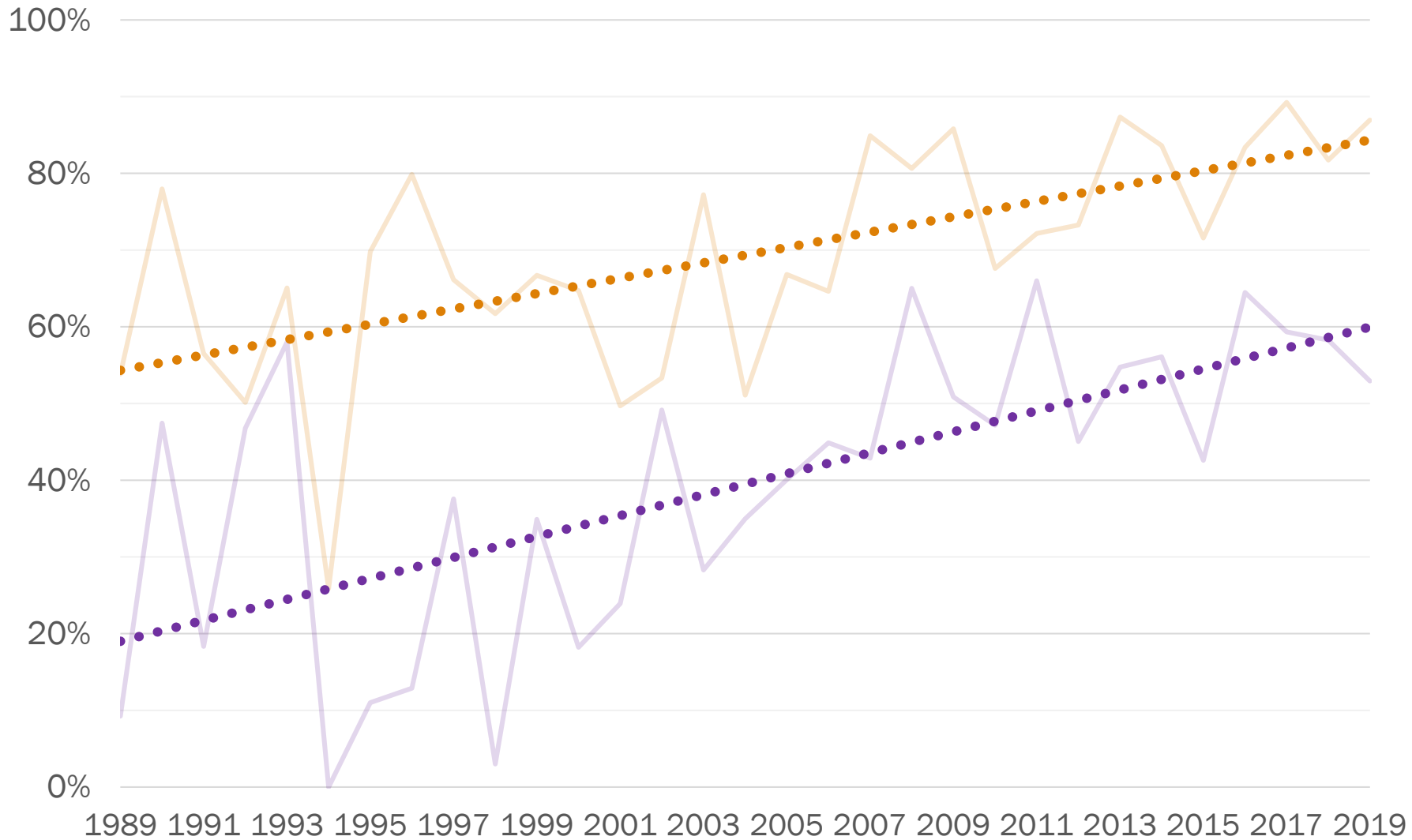
- In 2019, 90% of new multifamily rental units were within one of the region's 141 Activity Centers or within a half-mile walk of one of the 199 High Capacity Transit Stations.
- This exceeds the target of 75% set by the COG Board last year.



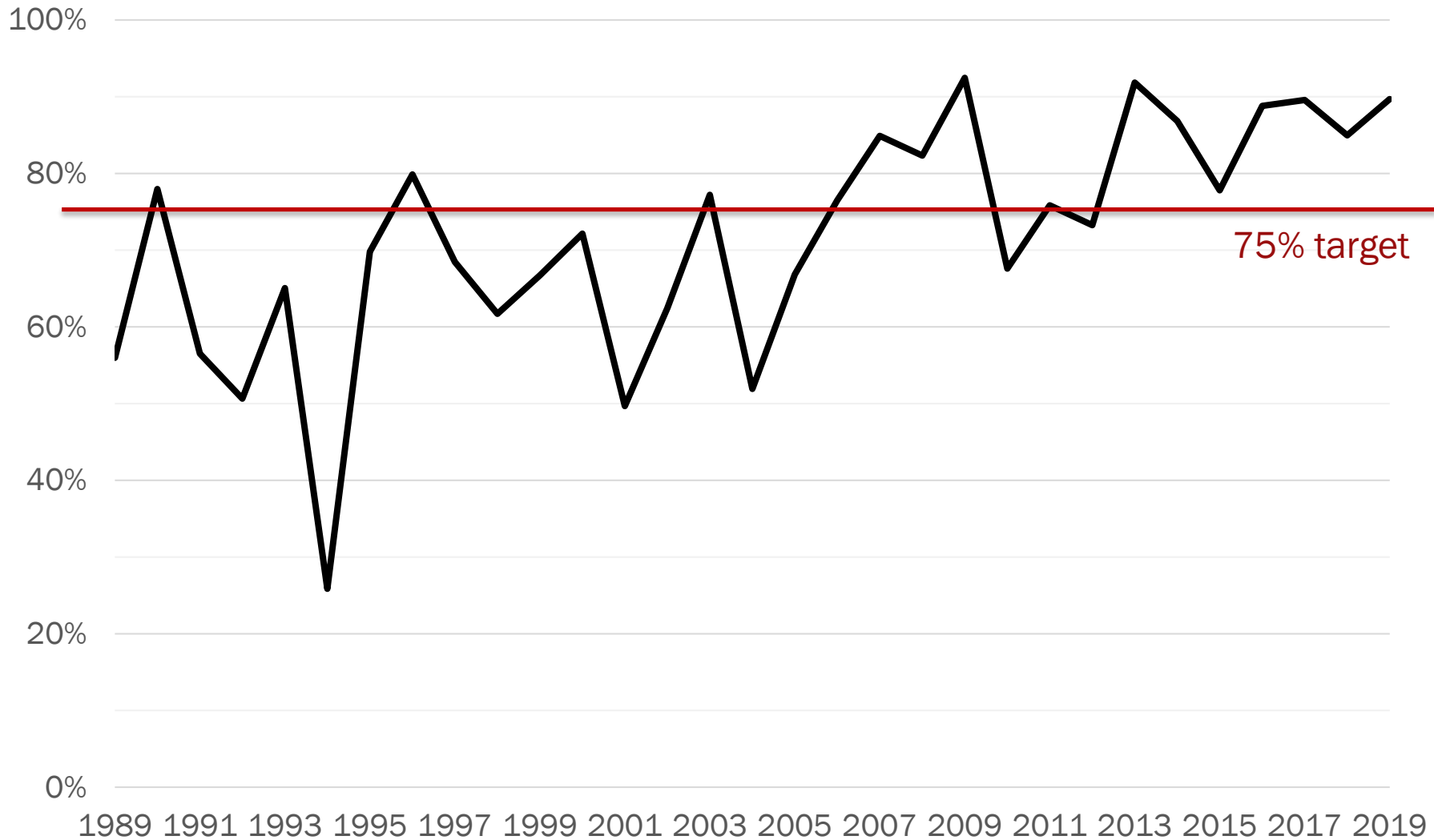
Activity Center and HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



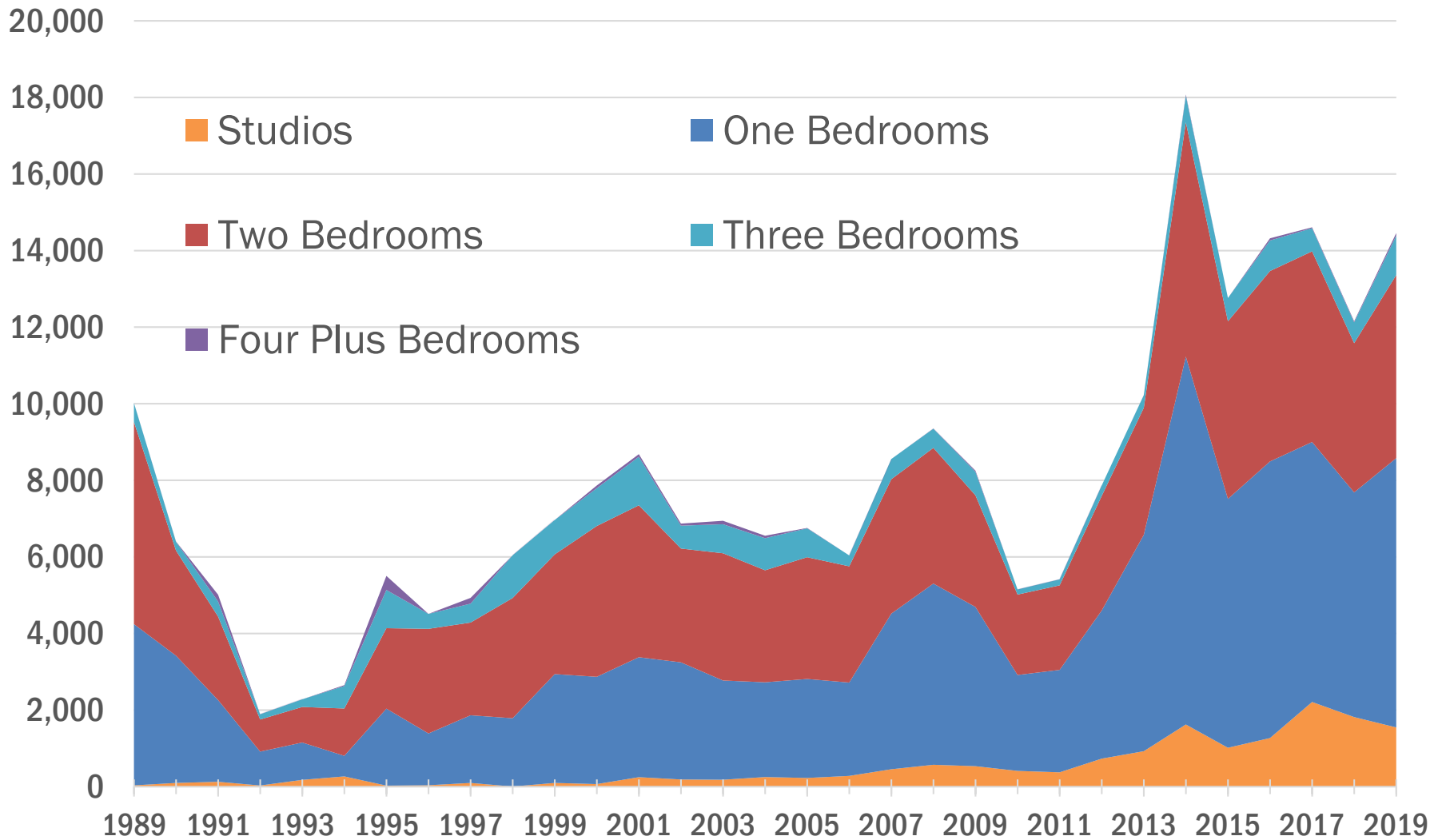
Activity Center and HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



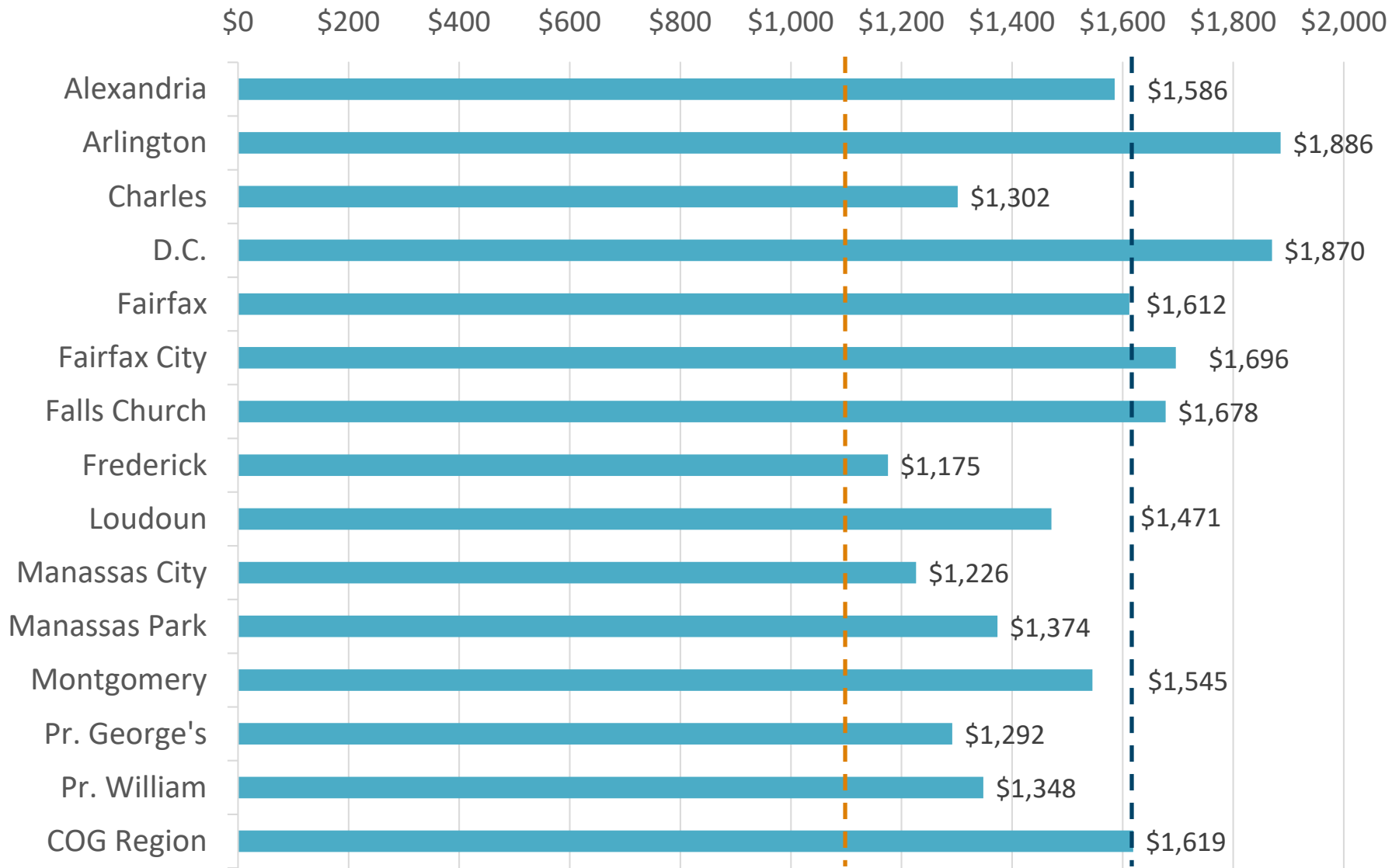
Either Activity Center or HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



Number of New Units of Multifamily Rental Housing by Unit 1989 - 2019



Average Effective Rents for One-Bedroom Units at End of 2019

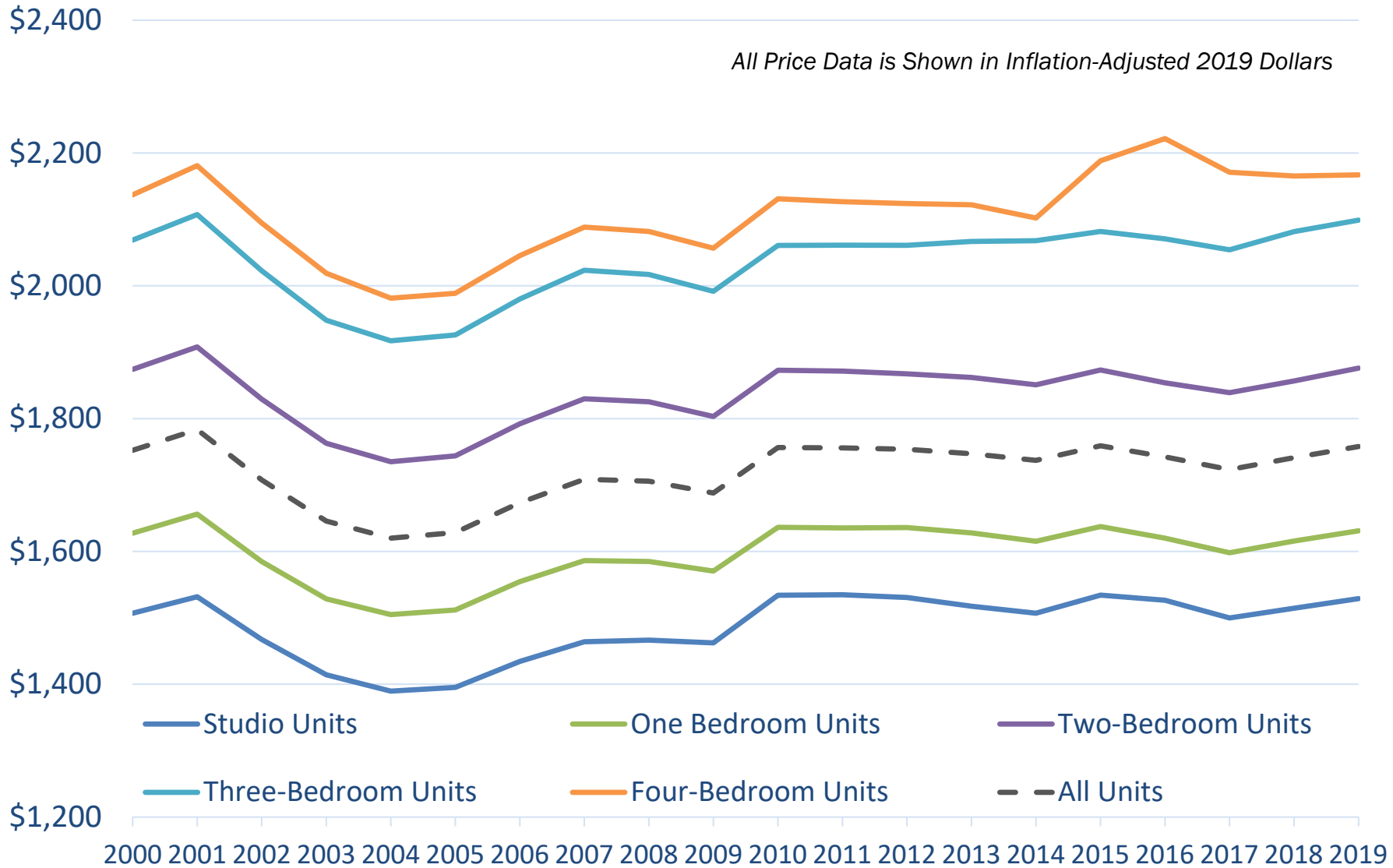


~\$1,120: monthly rent affordable to median tenant income in 1 BR rental (~\$53,500) in Washington MSA

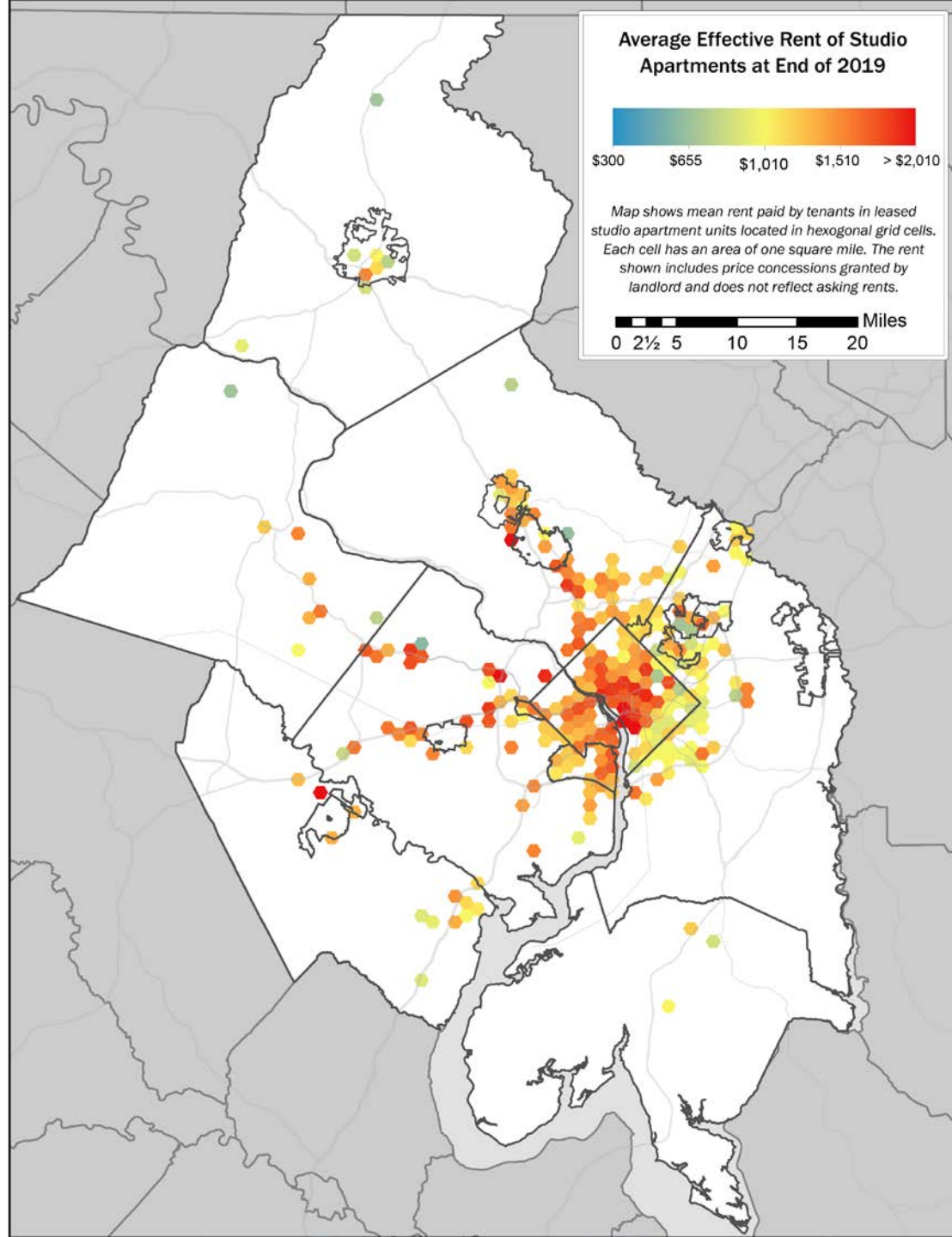


Average Effective Rents for Rental Apartments

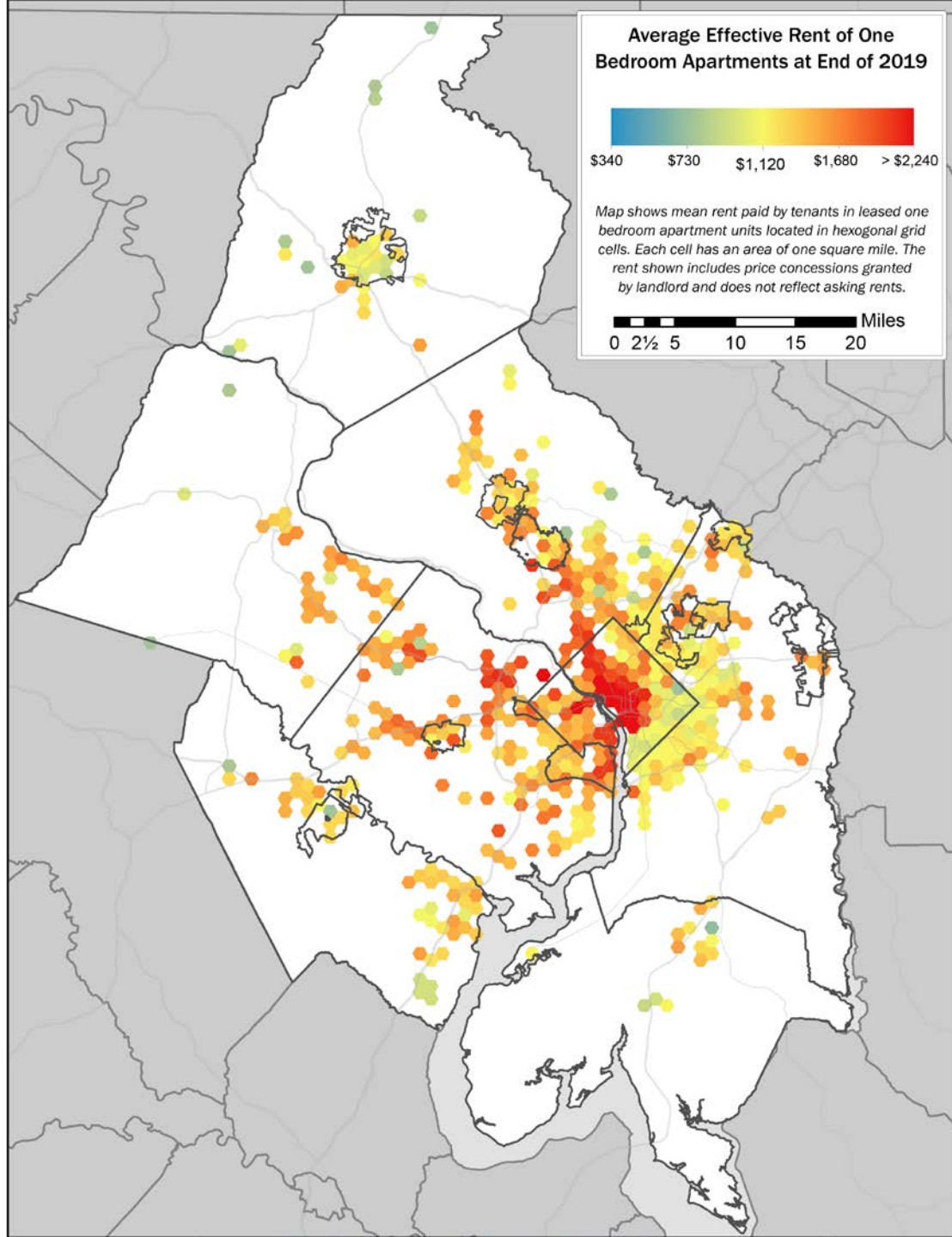
All Price Data is Shown in Inflation-Adjusted 2019 Dollars



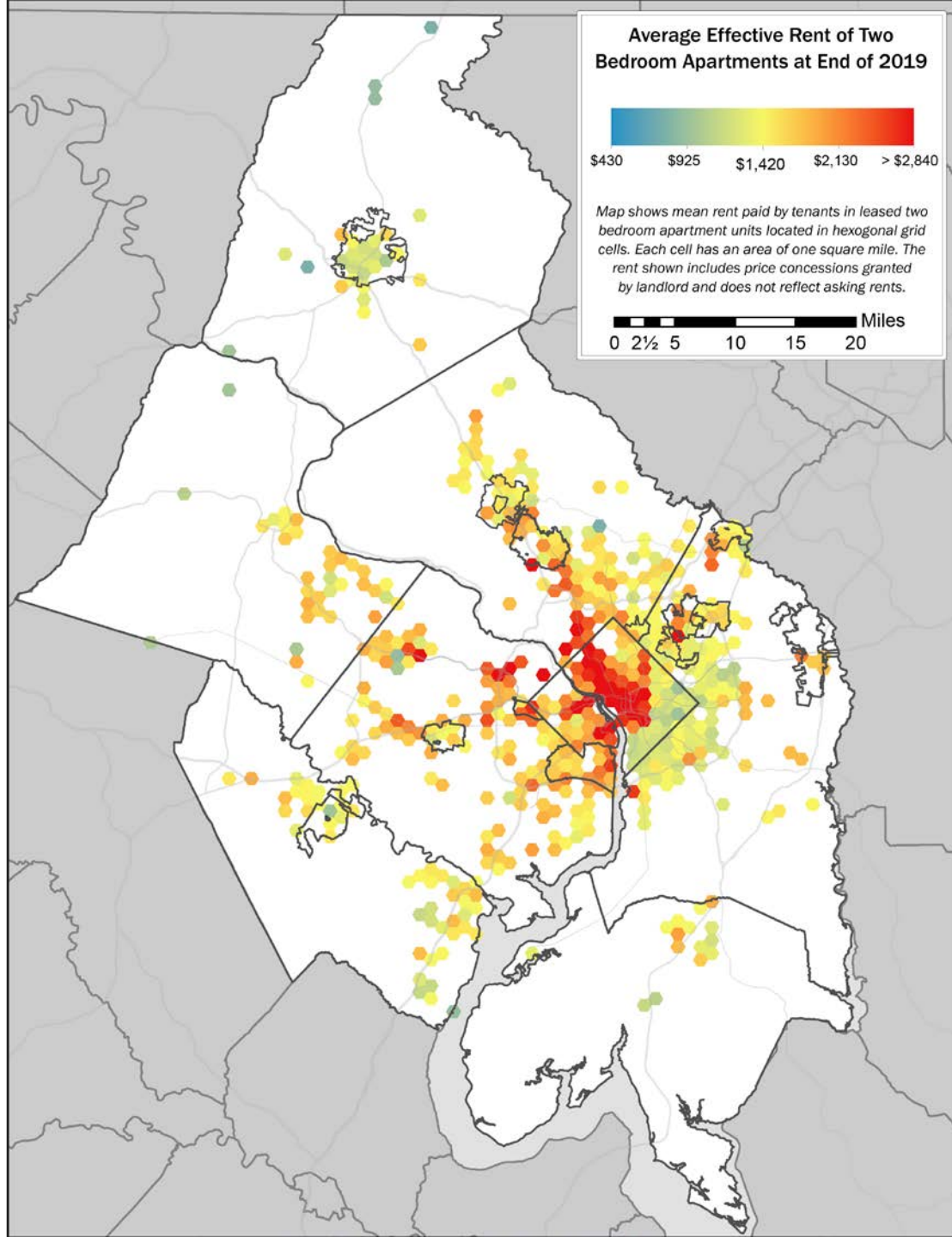
- Average effective rents were calculated for buildings within one square mile hexagonal grid cells to map the variations in rents across the region.
- The regional median effective rent for studio apartments was \$1,487 at the end of 2019.
- The median income for a studio renter was about \$48,500 and would require an approximate rent of \$1,010 to be affordable.



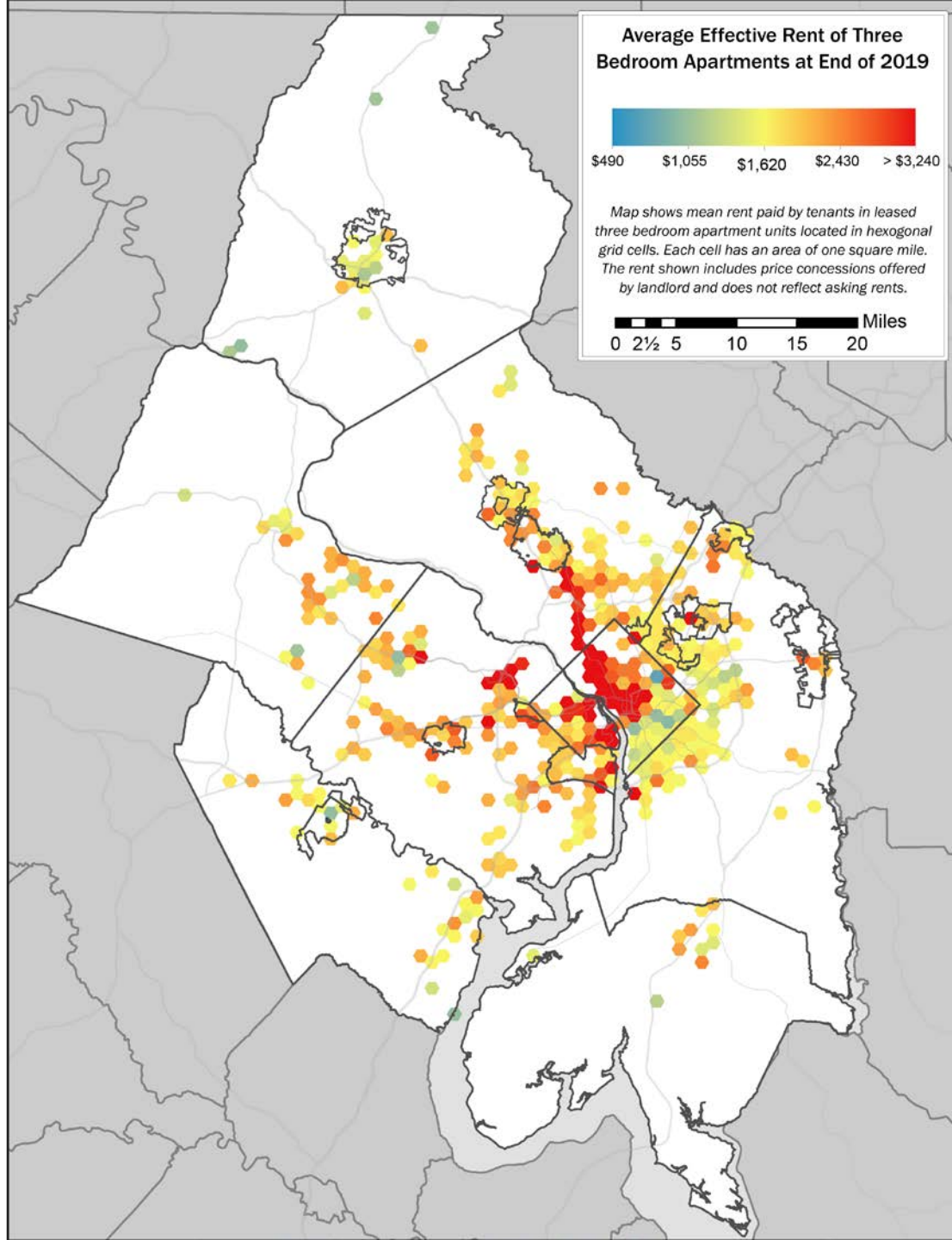
- The regional median effective rent for one bedroom apartments was \$1,487 at the end of 2019.
- The median income for a one bedroom renter was about \$53,500 and would require an approximate rent of \$1,120 to be affordable.



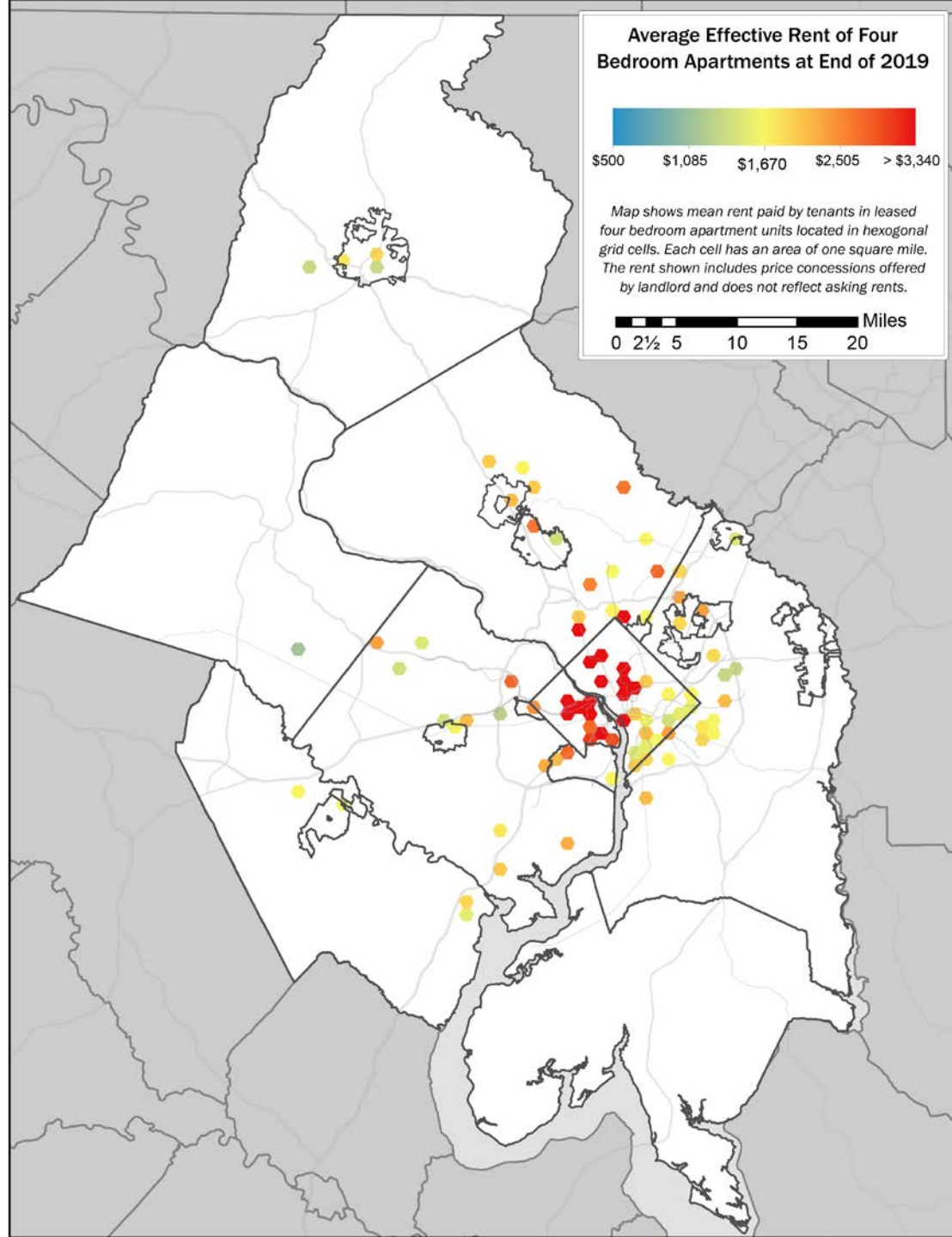
- The regional median effective rent for two bedroom apartments was \$1,616 at the end of 2019.
- The median income for a two bedroom renter was about \$68,500 and would require an approximate rent of \$1,420 to be affordable.



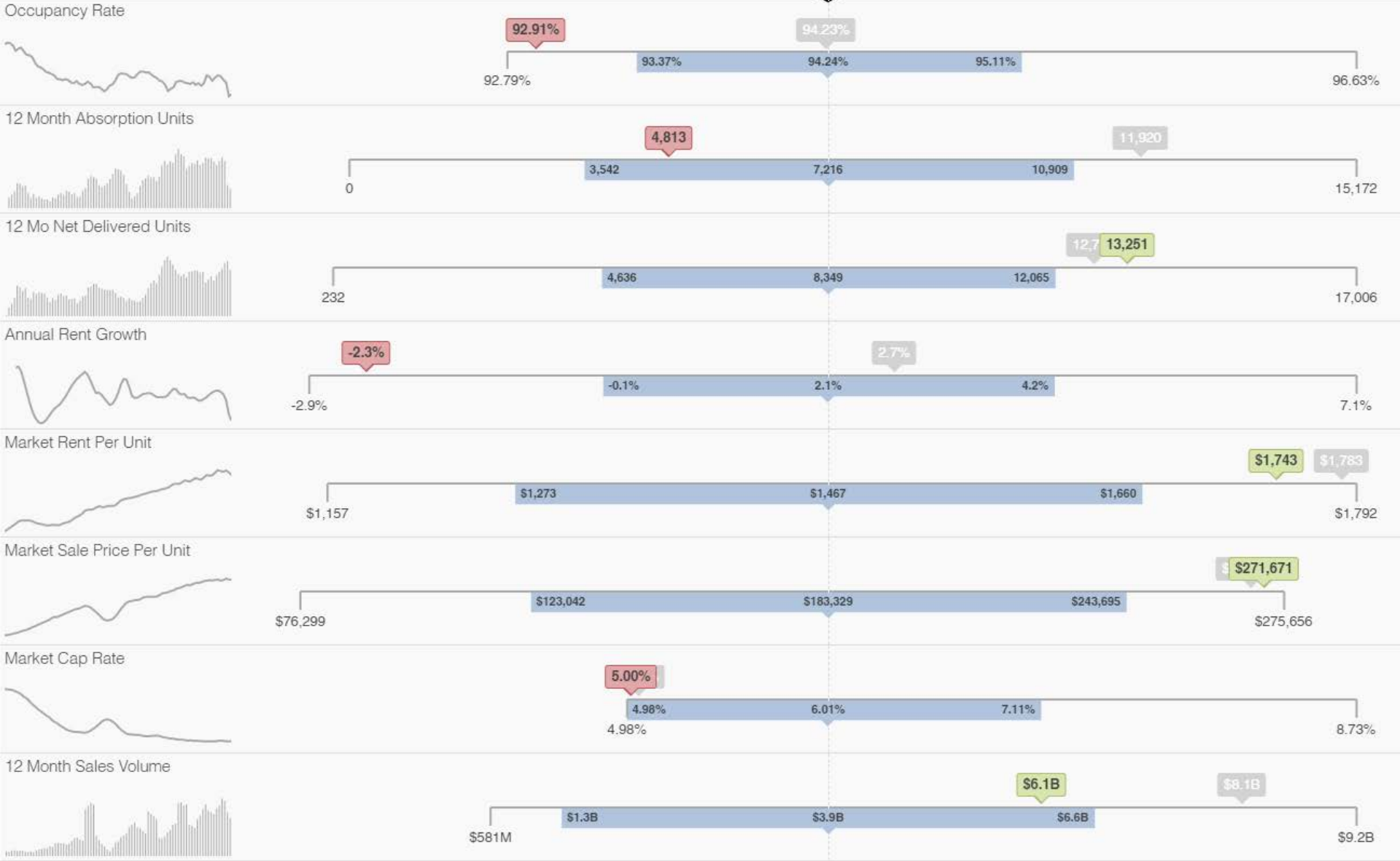
- The regional median effective rent for three bedroom apartments was \$1,795 at the end of 2019.
- The median income for a three bedroom renter was about \$77,500 and would require an approximate rent of \$1,620 to be affordable.



- The regional median effective rent for apartments with four or more bedrooms was \$1,836 at the end of 2019.
- The median income for a four or more bedroom renter was about \$80,000 and would require an approximate rent of \$1,670 to be affordable.



All Time Average (2000 - 2020)



John Kent

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

mwkog.org

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



Metropolitan Washington
Council of Governments