

2021 MULTIFAMILY RENTAL HOUSING TRENDS FOR MWCOCG REGION

Analysis of CoStar data

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Planning Directors Technical Advisory Committee
March 22, 2023

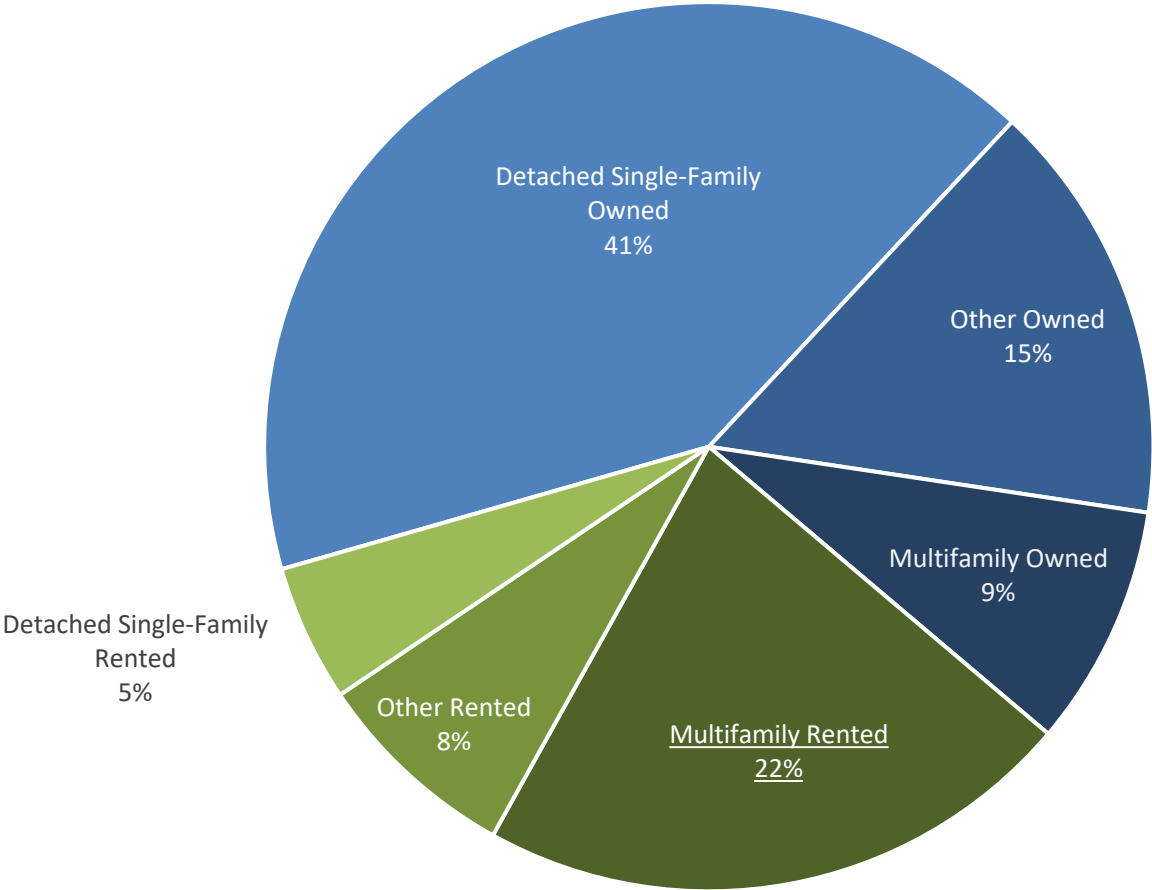
About the Multifamily Rental Construction Report

- 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

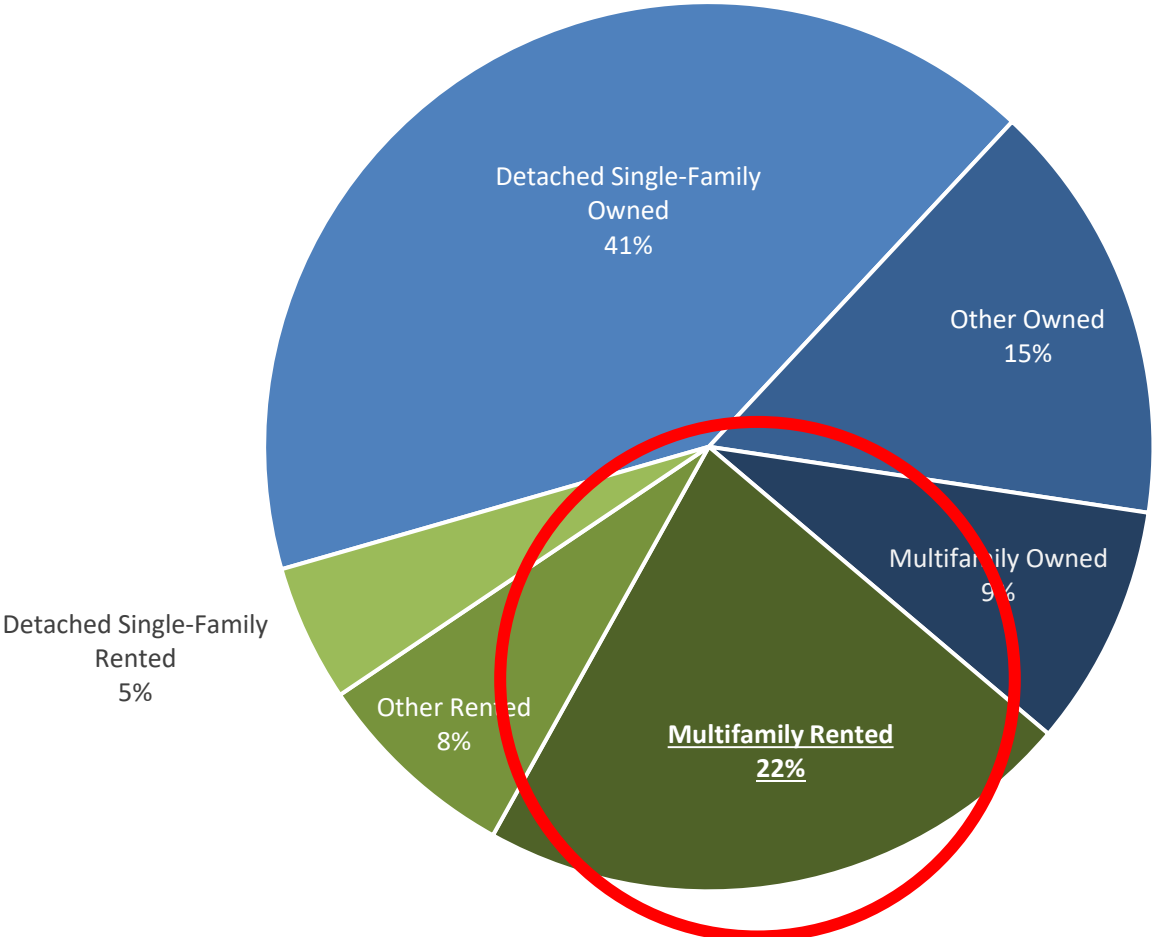
Occupied Housing in Washington MSA by Tenure and Number of Units in Structure



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

Source: 2021 American Housing Survey, Washington MSA

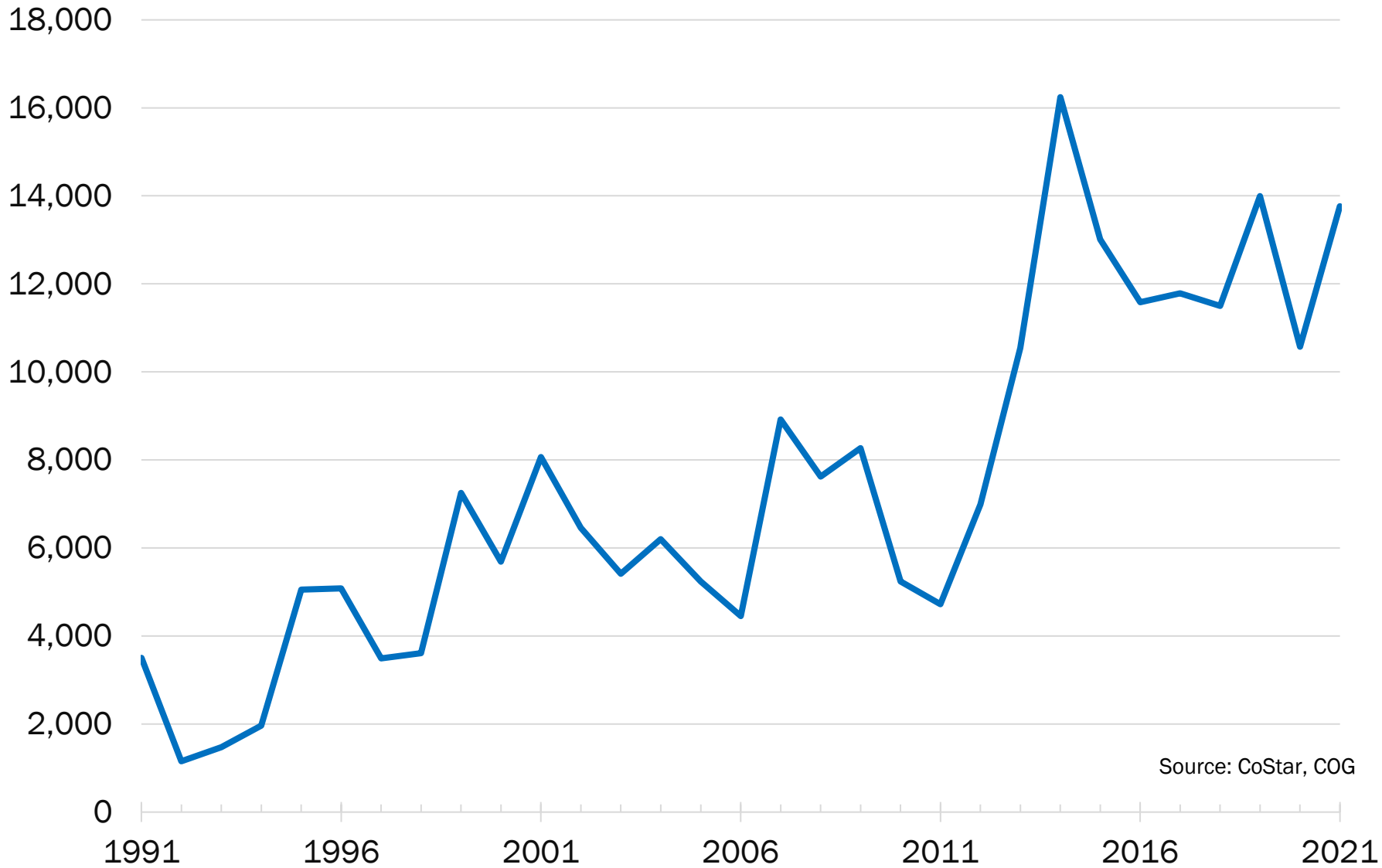
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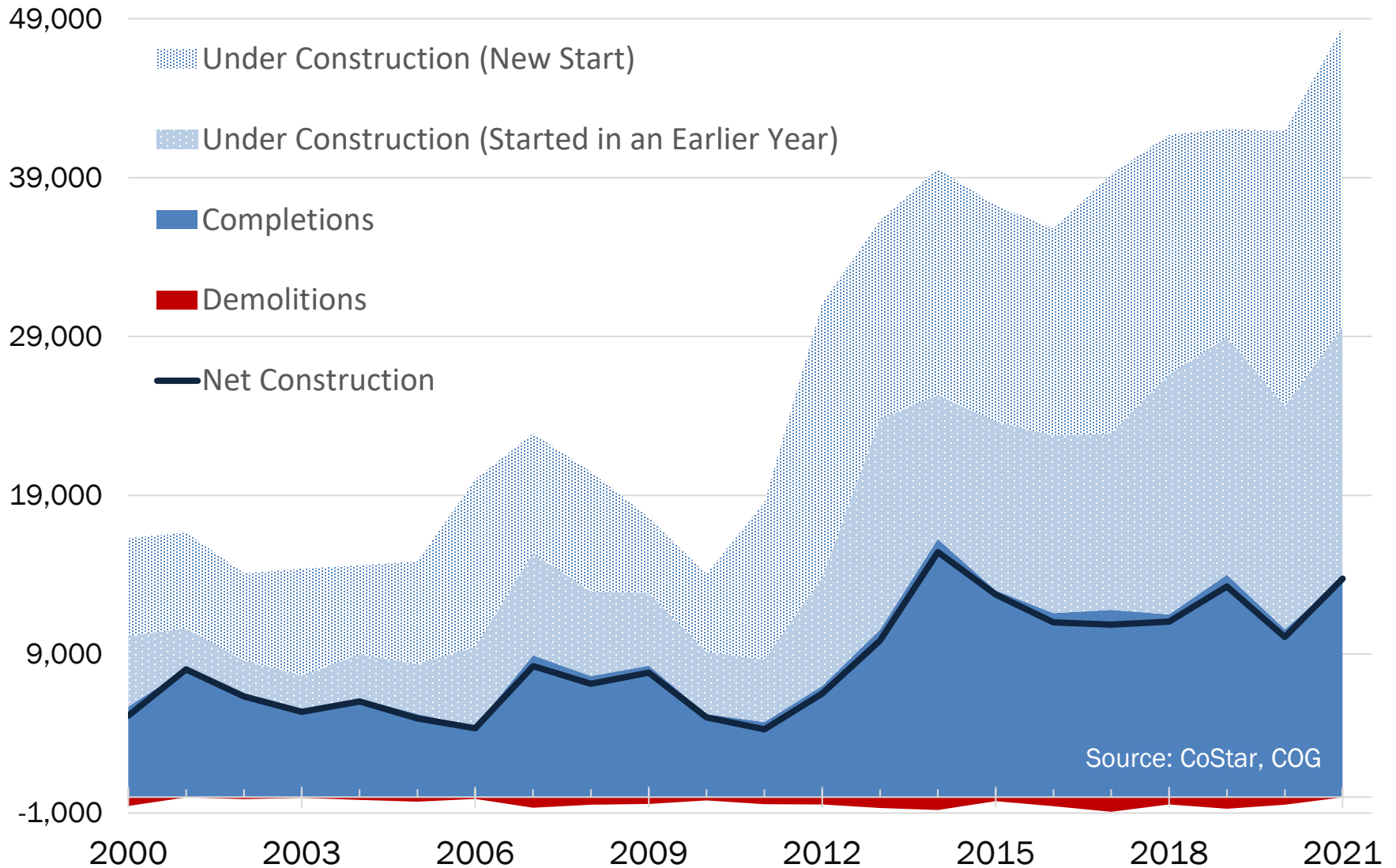
Source: 2021 American Housing Survey, Washington MSA

Number of New Units of Multifamily Rental Housing 1991 - 2021



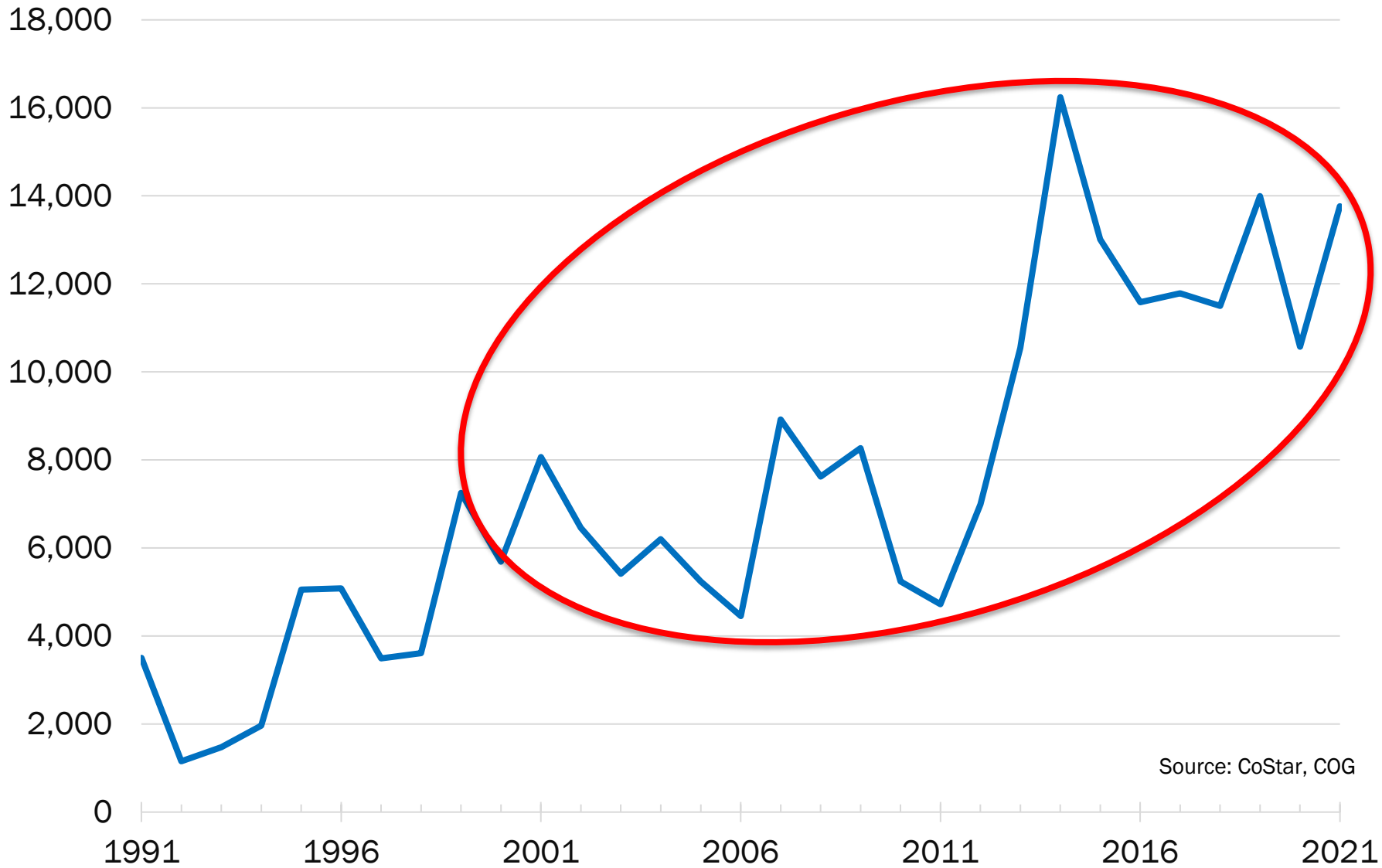
Source: CoStar, COG

Net Construction of Multifamily Rental Housing 2000 - 2021



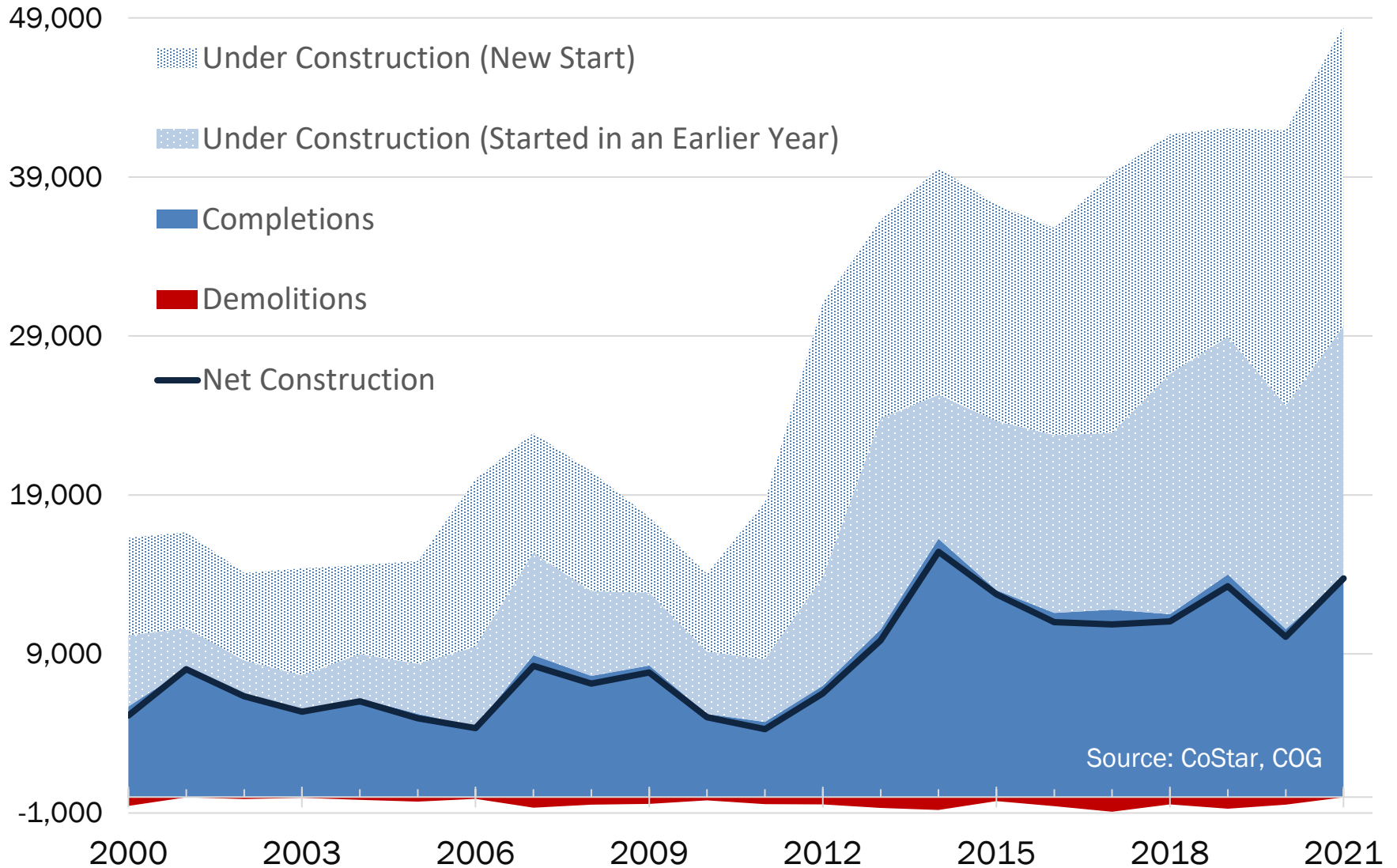
Source: CoStar, COG

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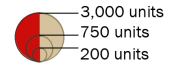
Source: CoStar, COG

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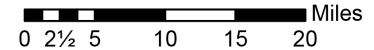
Source: CoStar, COG

Multifamily Rental Projects by Number of Units in 2021



2021 Completions Completions before 2021

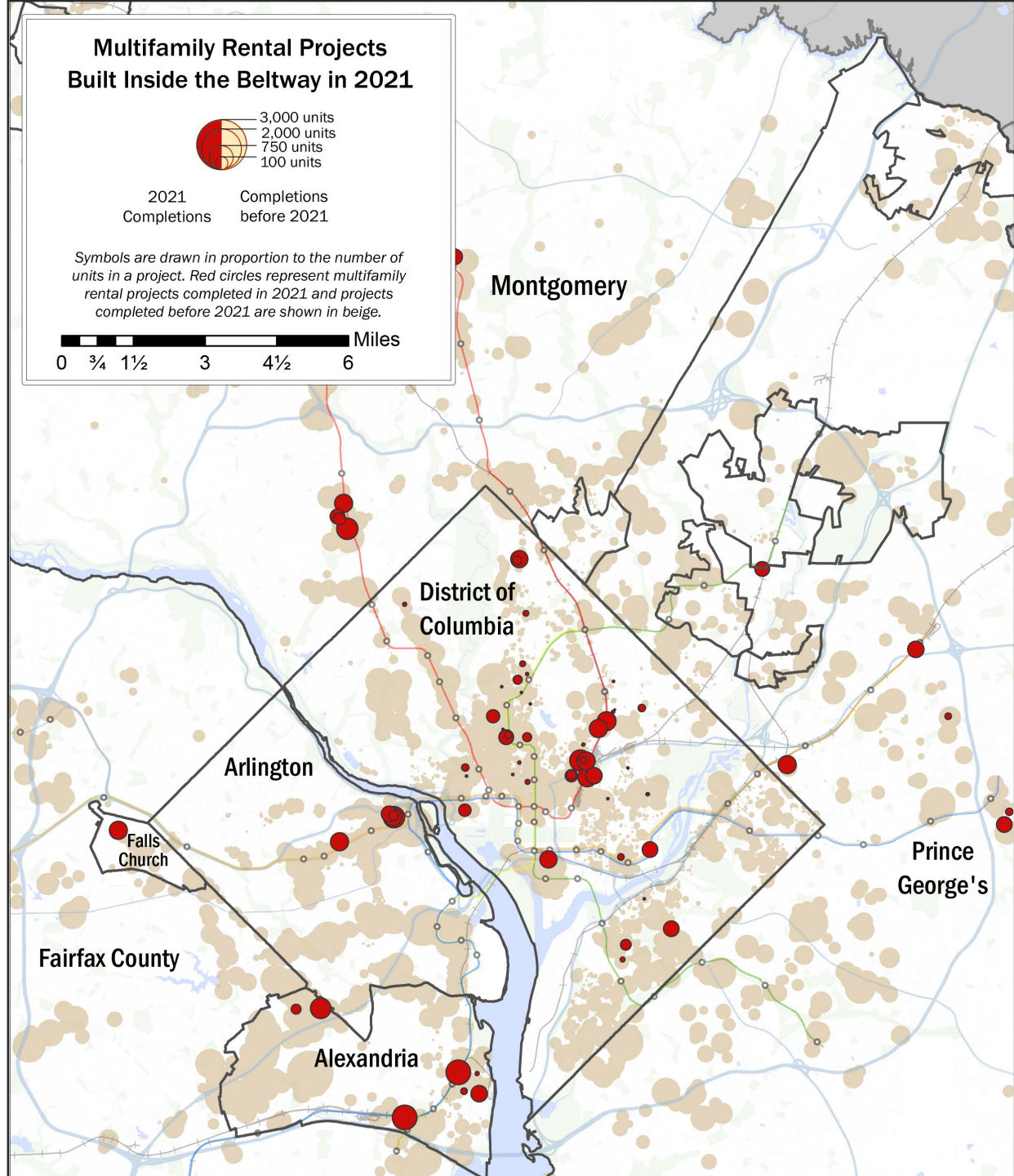
Symbols are drawn in proportion to the number of units in a project. Red circles represent multifamily projects completed in 2021 and projects completed before 2021 are shown in beige.



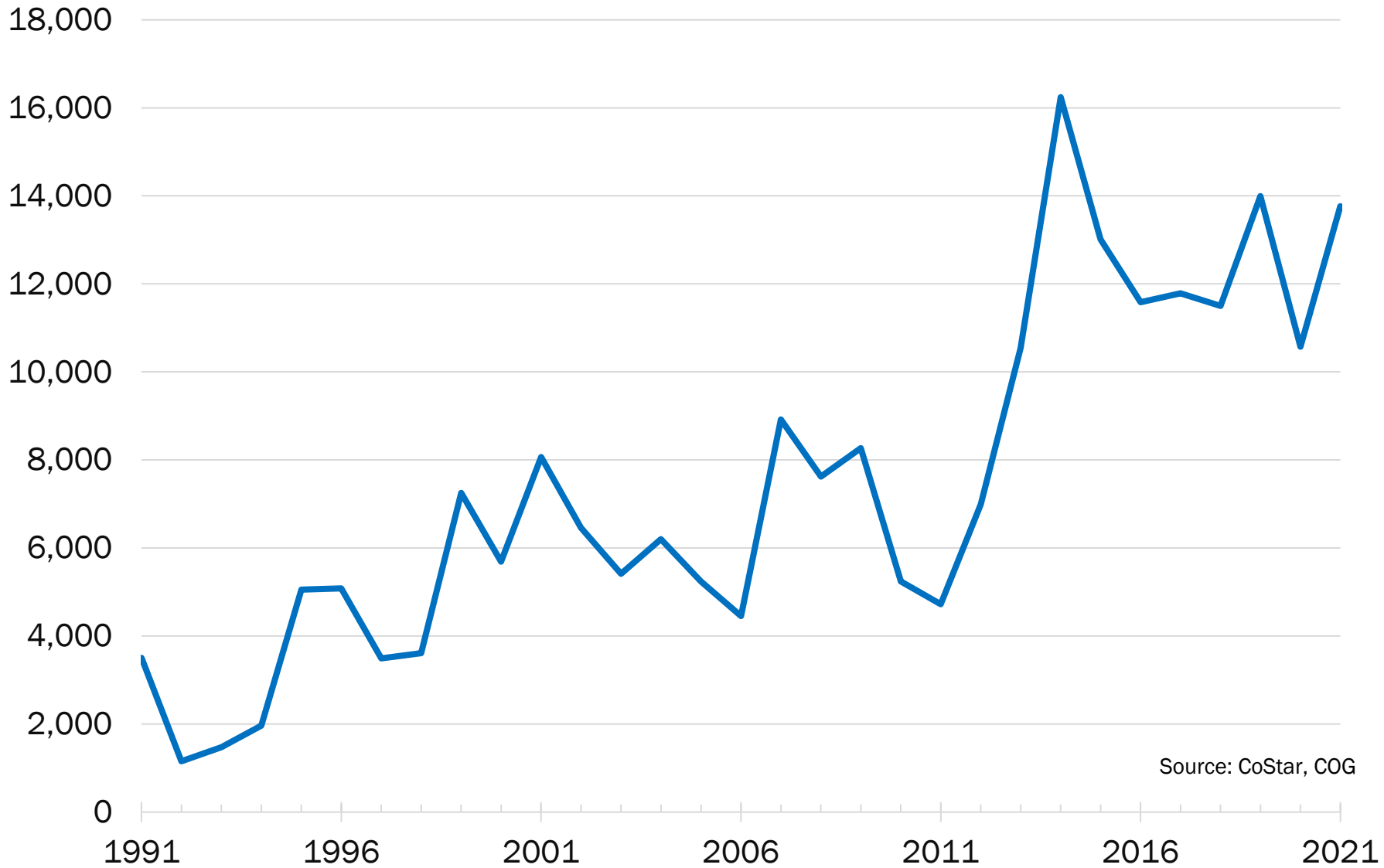
- Units completed in 2021 and shown in red
- Units built in earlier years are beige
- In 2021, new construction was primarily in the core and near Metrorail stations
- 75 percent of 2021 construction was built inside the Beltway



- Alexandria, Bethesda, NoMa and along Phase 1 of the Silver Line all had significant multifamily construction in 2021.
- While recent construction has concentrated around transit stations, historical patterns show dispersed apartment construction along major arterial roads.

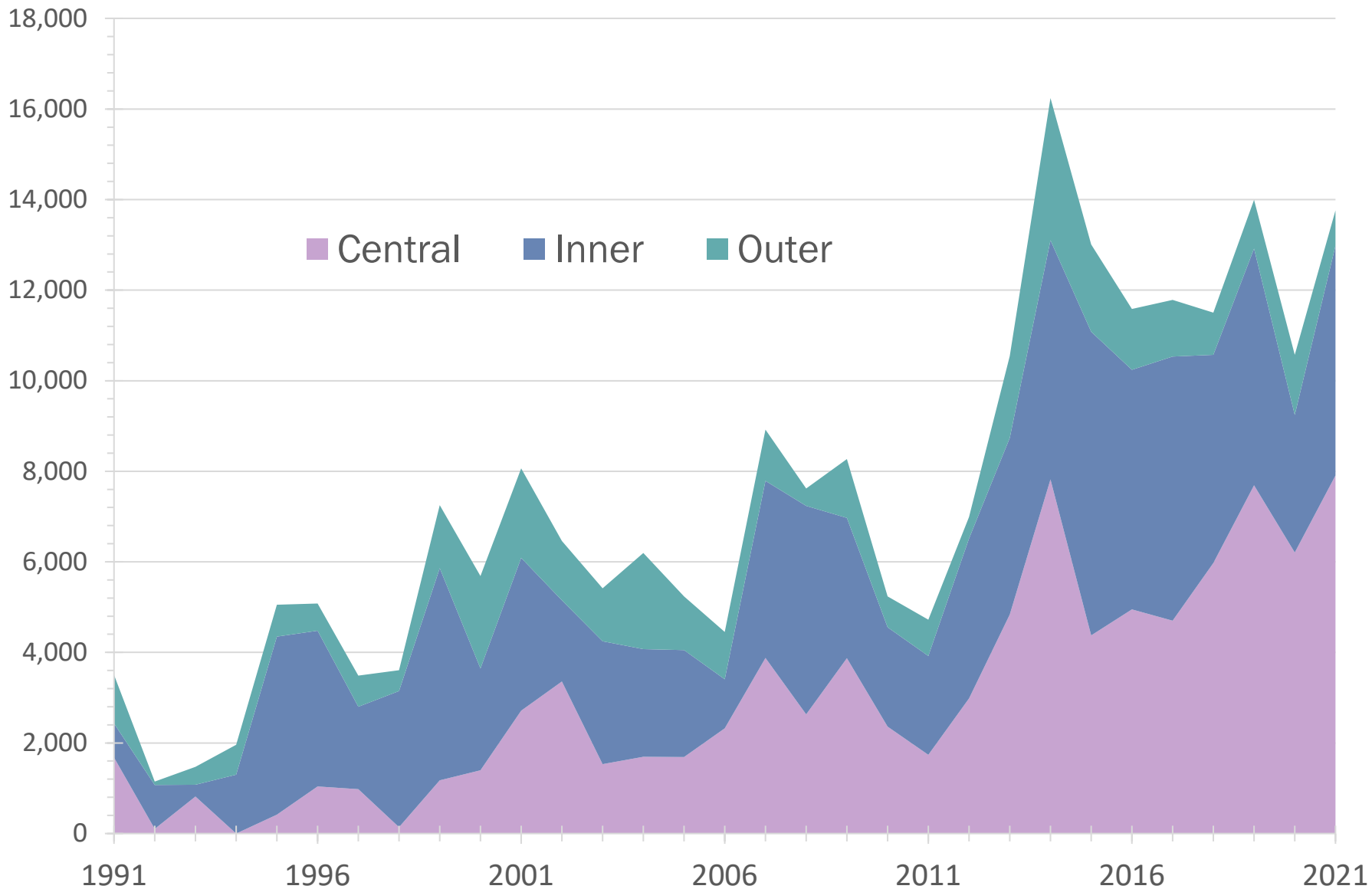


Number of New Units of Multifamily Rental Housing 1991 - 2021



Source: CoStar, COG

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

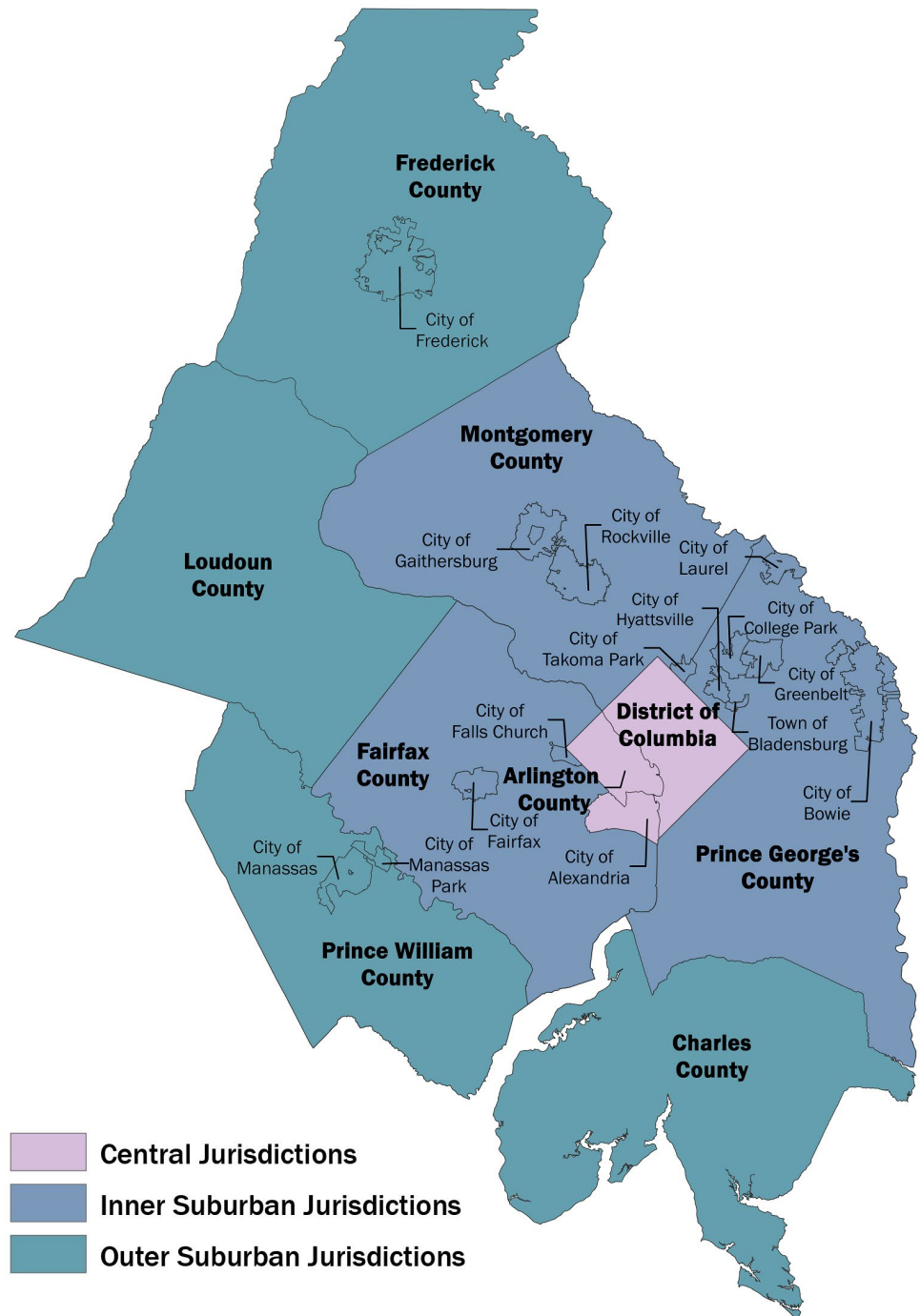
Frederick County

Loudoun County

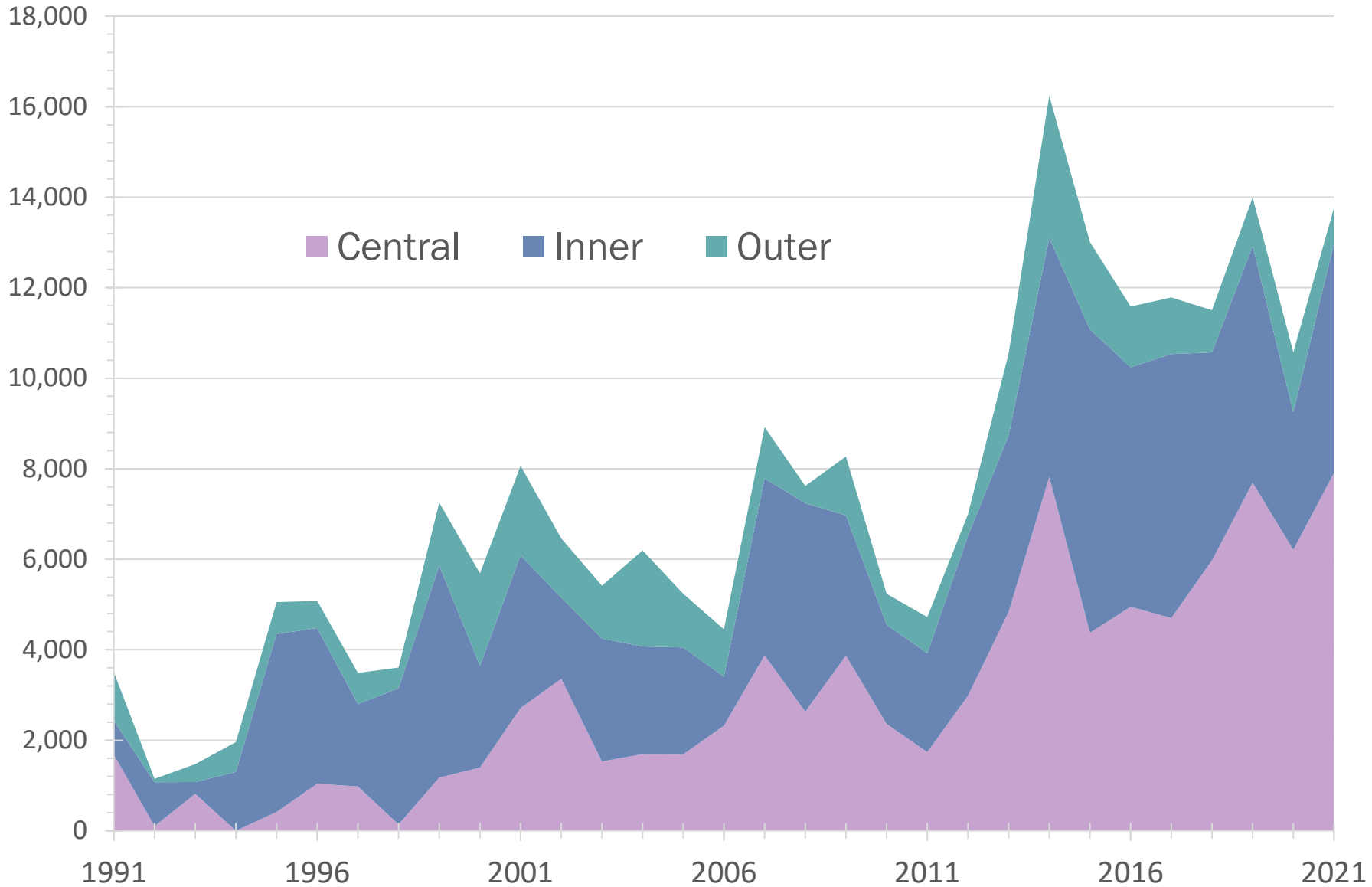
Prince William County

City of Manassas

City of Manassas Park



New Multifamily Rental Units by Jurisdictional Group



Largest Projects in 2021

Project Name	Street Address	Jurisdiction	Buildings	Stories	Units	1BR Effective Rent
Platform	1100 N Fayette St, Alexandria, VA	City of Alexandria	4	6	628	\$2,134
Dylan & Reese	2455 Mandeville Ave, Alexandria, VA	City of Alexandria	1	12	591	\$2,026
Judd & Weiler	1611 Eckington PI NE, Washington, DC	District of Columbia	4	8	457	\$2,012
The Elm	4710 Elm St, Bethesda, MD	Montgomery County	2	27	456	\$2,924
Evo	1771 N Pierce St, Arlington, VA	Arlington County	1	27	455	\$2,839
Park + Ford	4401 Ford Ave, Alexandria, VA	City of Alexandria	2	14	425	\$2,022
Faraday Park	11201 Reston Station Blvd, Reston, VA	Fairfax County	1	7	407	\$1,925
Vyne at One Loudoun	44819 Atwater Dr, Ashburn, VA	Loudoun County	8	6	378	\$2,017
The Ian Apartments	2249 Woodland Grove PI, Herndon, VA	Fairfax County	1	5	375	\$2,001
Press House	331 N St NE, Washington, DC	District of Columbia	2	11	356	\$2,493

- The ten largest apartment projects represent 33% of the region's 13,764 new multifamily rental units built in 2021.



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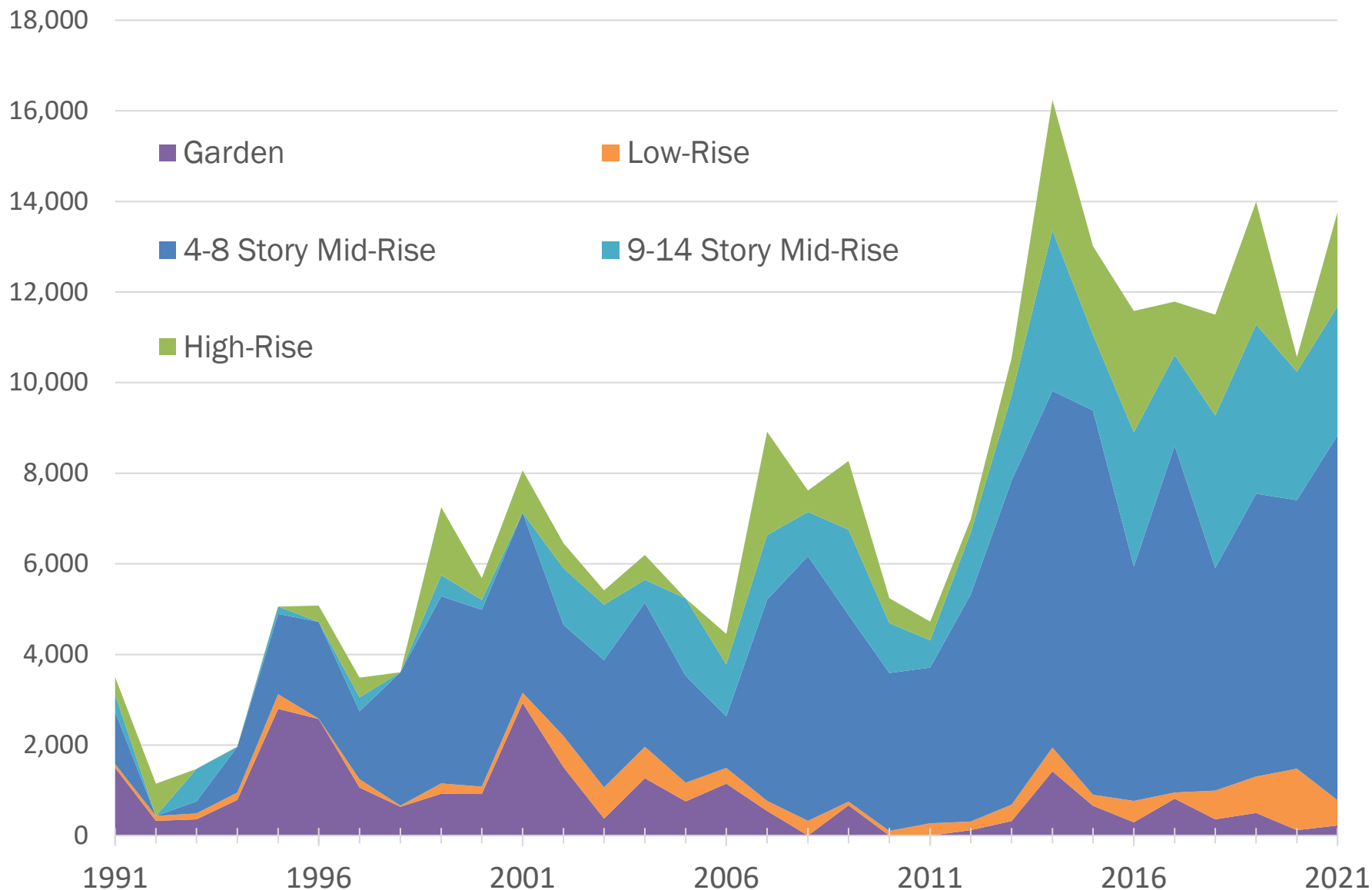
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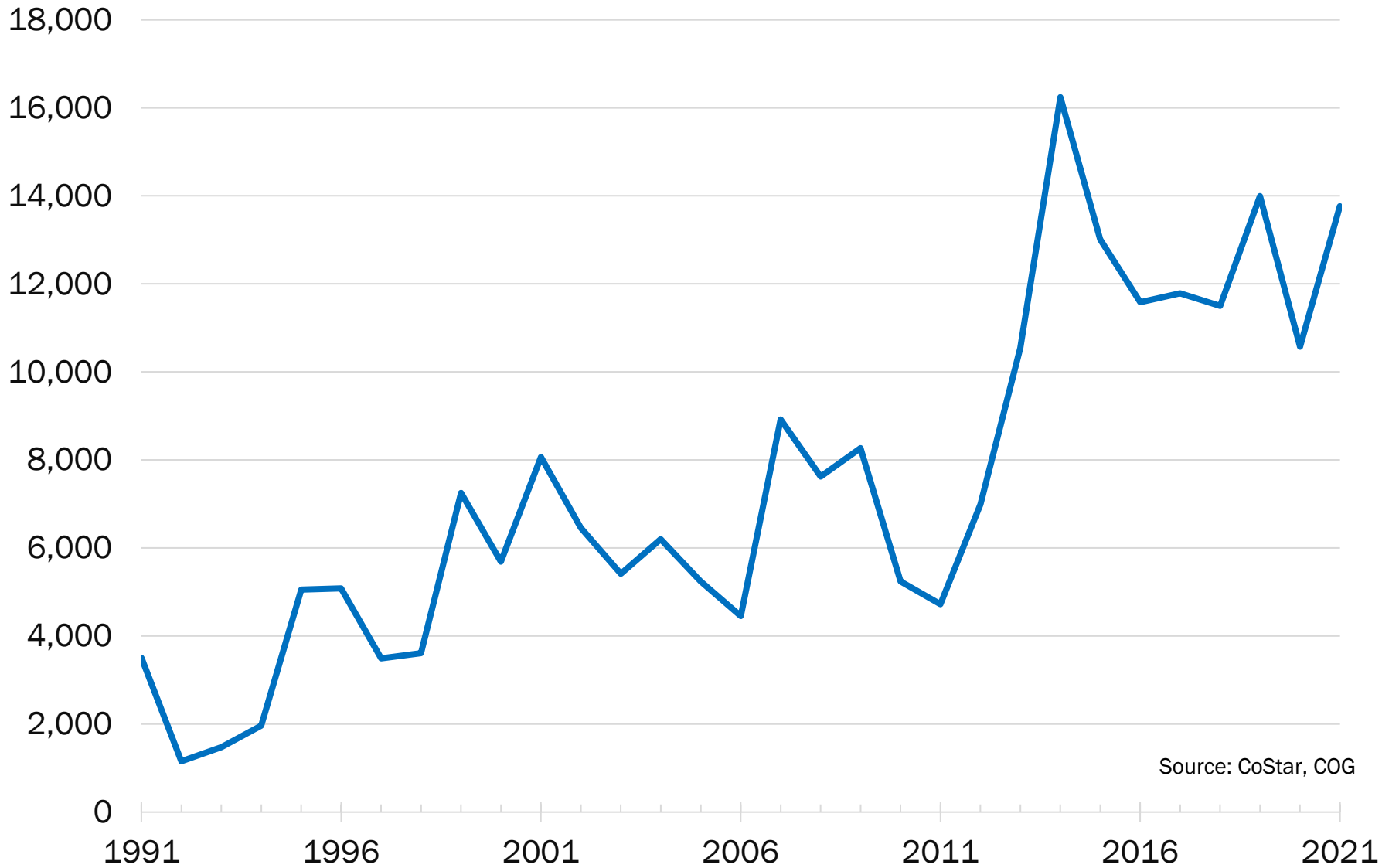
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- The ten largest apartment projects represent 33% of the region's 13,764 new multifamily rental units built in 2021.
- All ten of the largest projects were within Activity Centers.
- Three of the ten were in Metrorail station walksheds and seven were within a half-mile of a station entrance.

New Units of Multifamily Rental Housing by Building Style

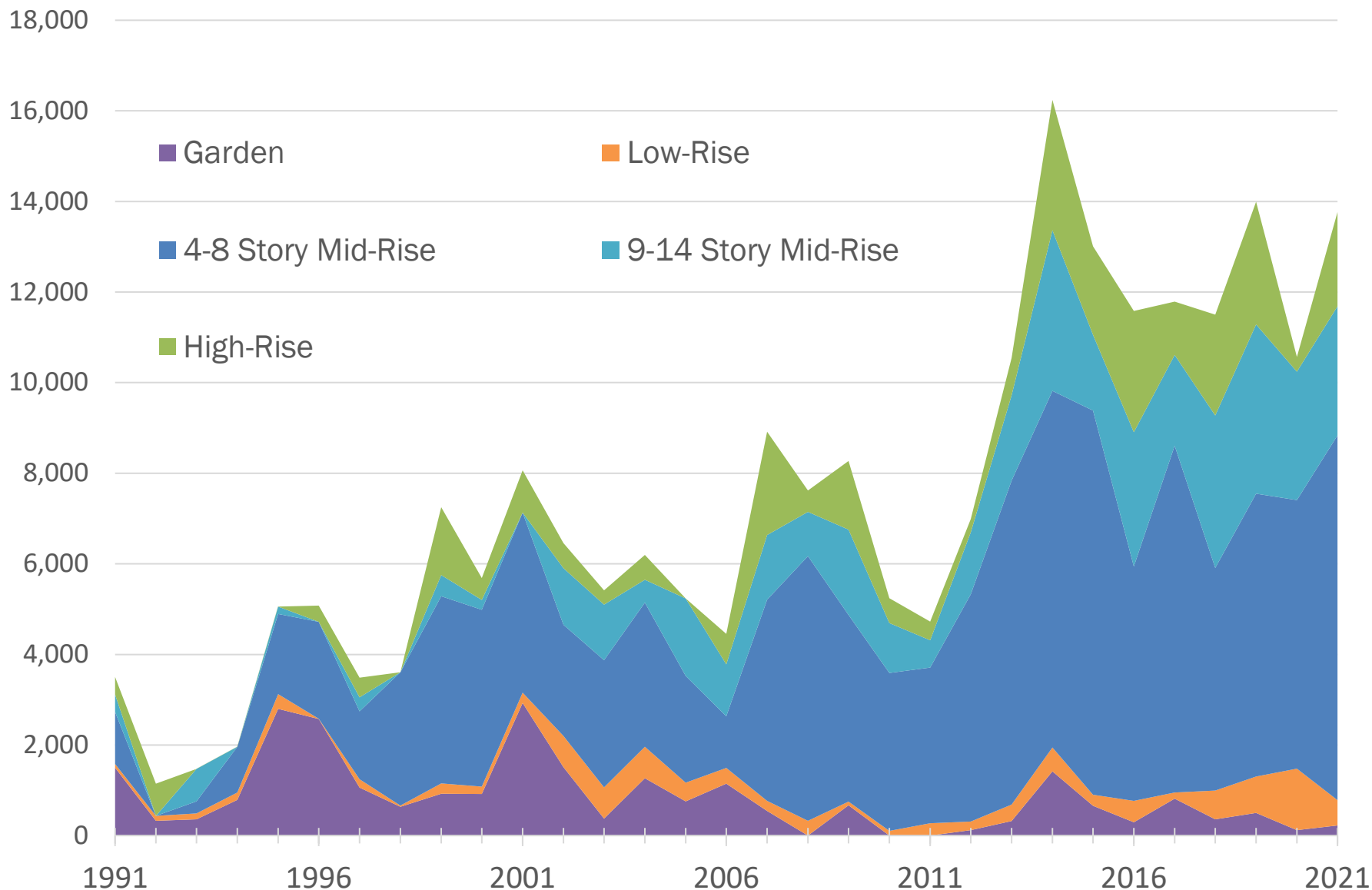


Number of New Units of Multifamily Rental Housing 1991 - 2021

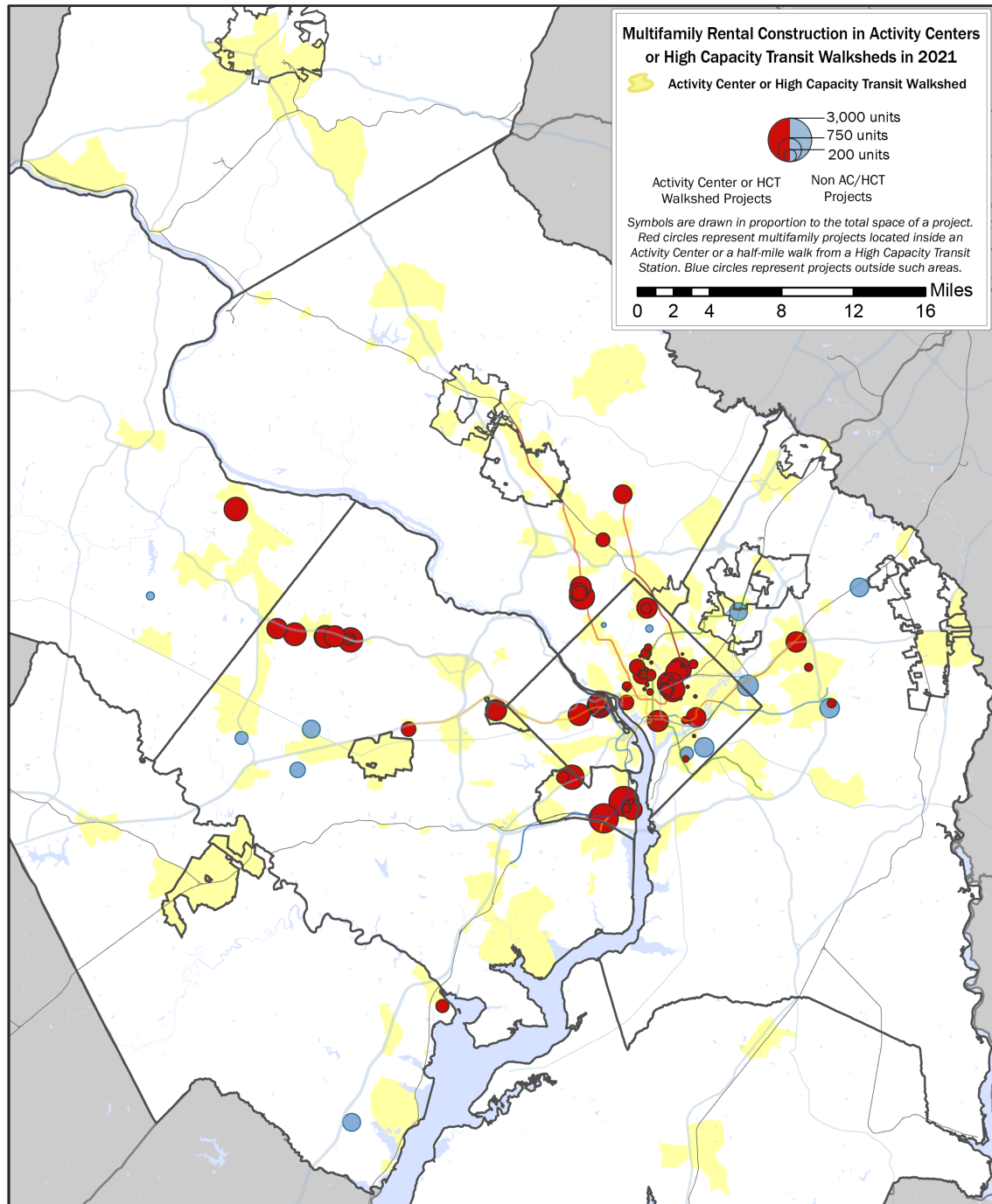


Source: CoStar, COG

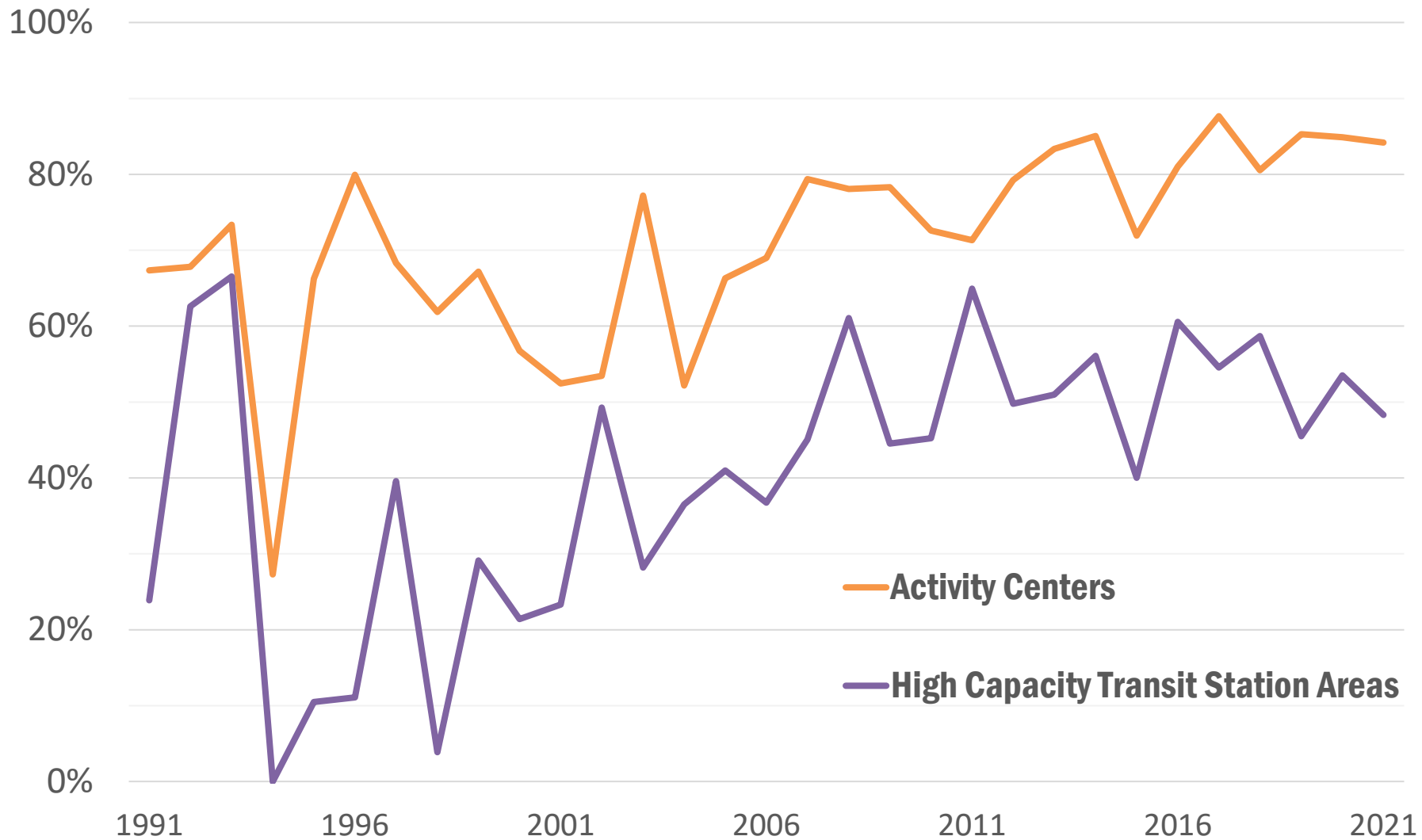
New Units of Multifamily Rental Housing by Building Style



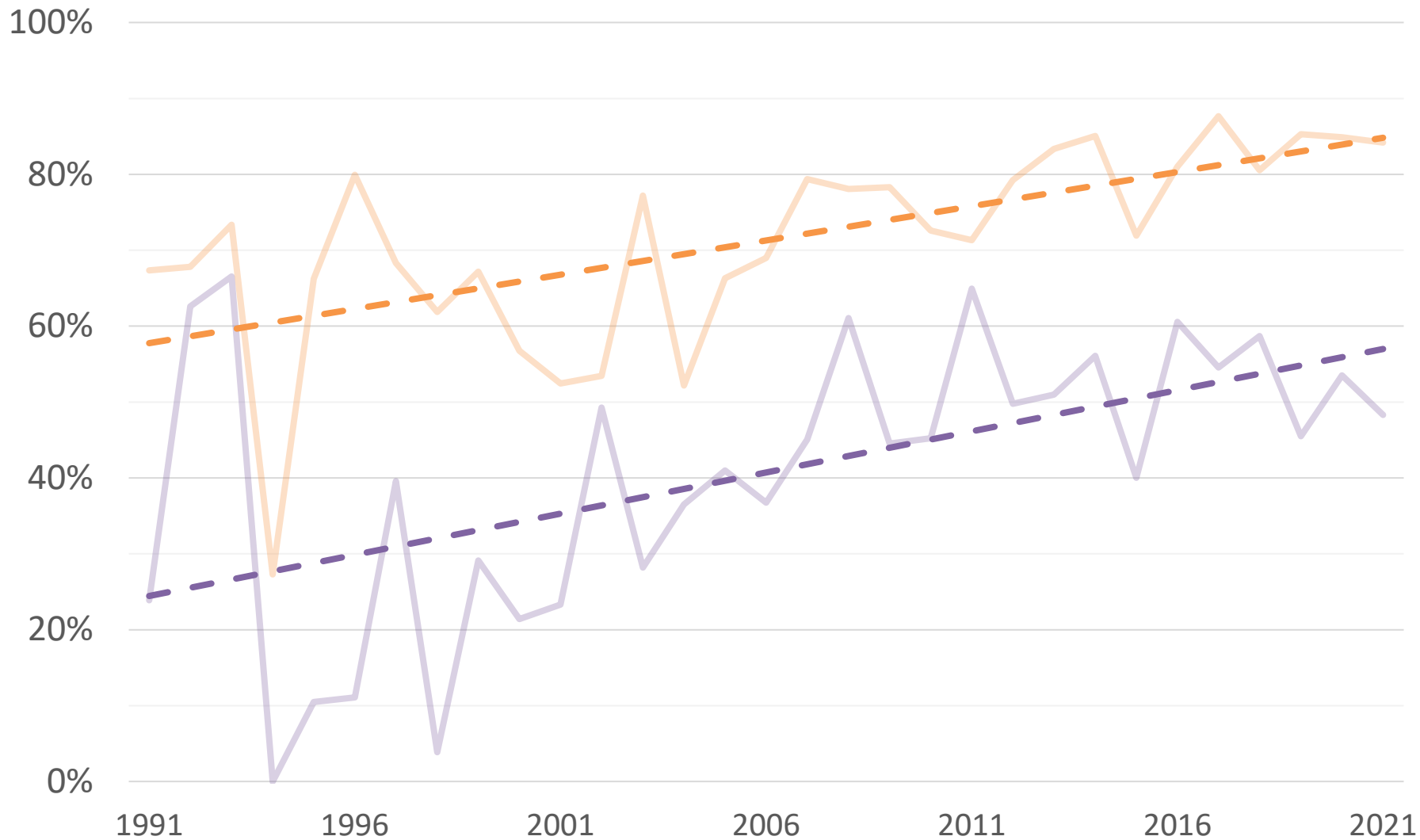
- In 2021, 85% of new multifamily rental units were within one of the region's 141 Activity Centers or within a half-mile walk of one of the 199 High-Capacity Transit Stations.
- This exceeds the target of 75% set by the COG Board in 2019.
- The NoMa Activity Center had 1,428 new units, the most of any Activity Center.



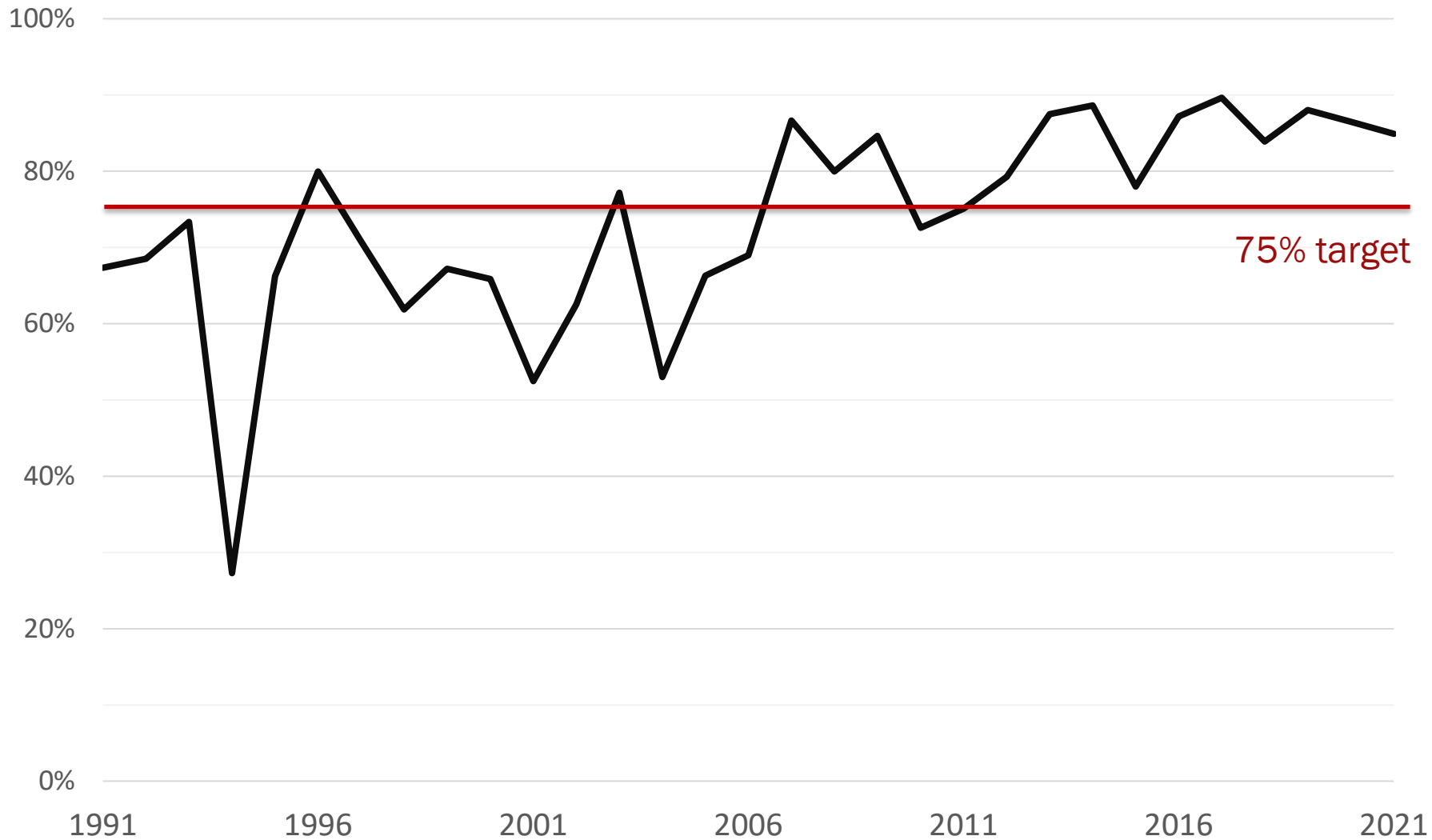
Activity Center and HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



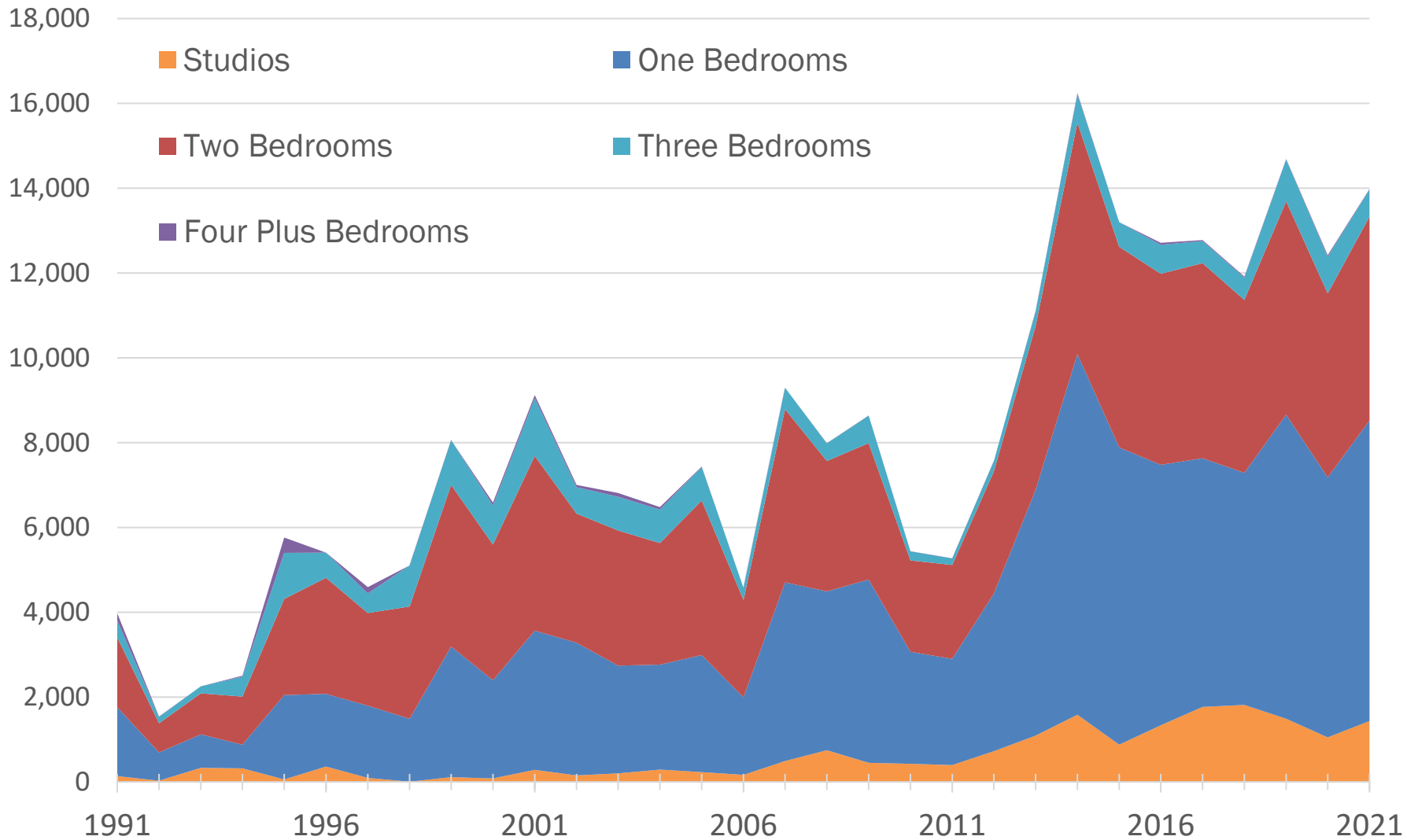
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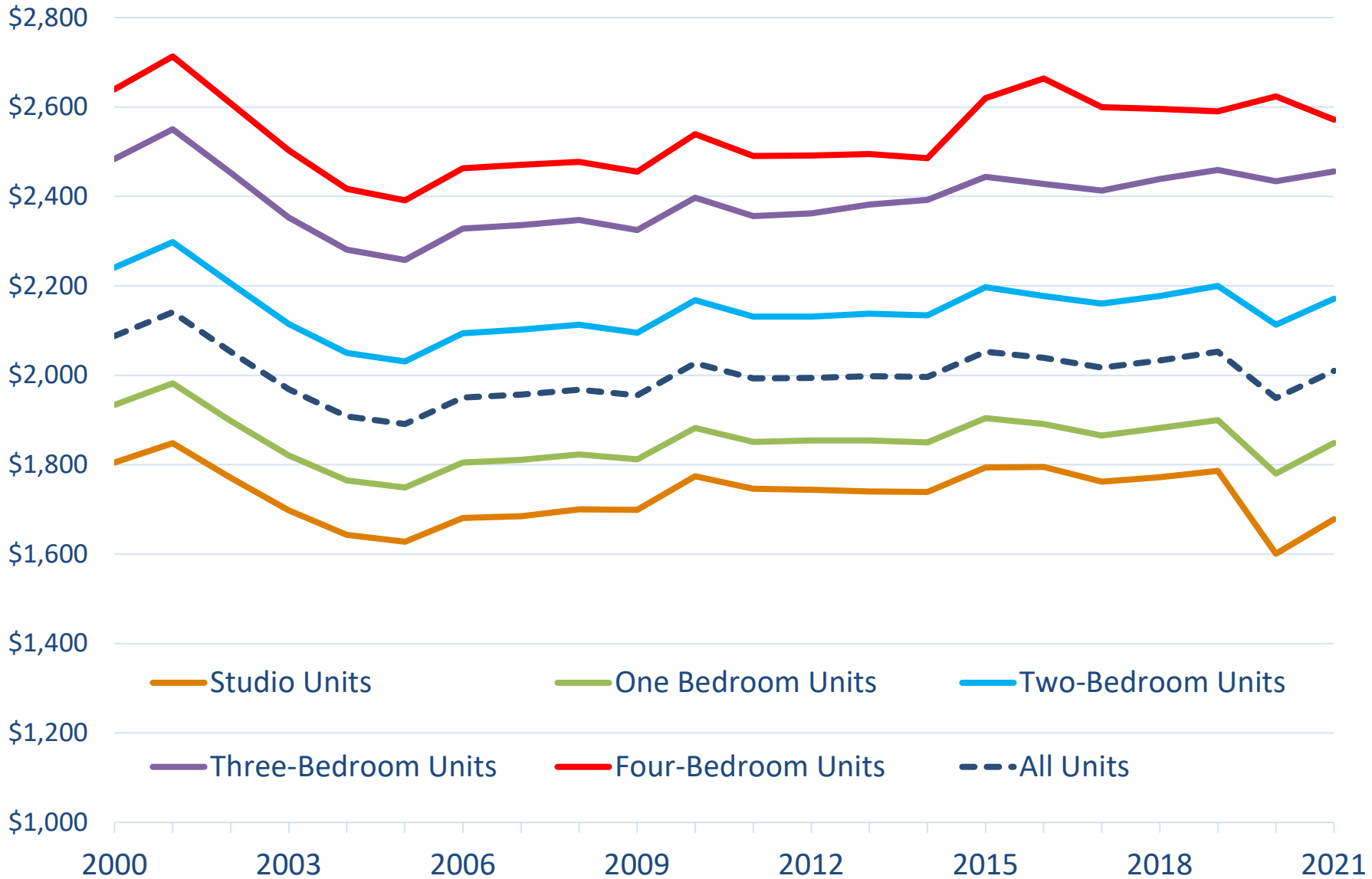
Either Activity Center or HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



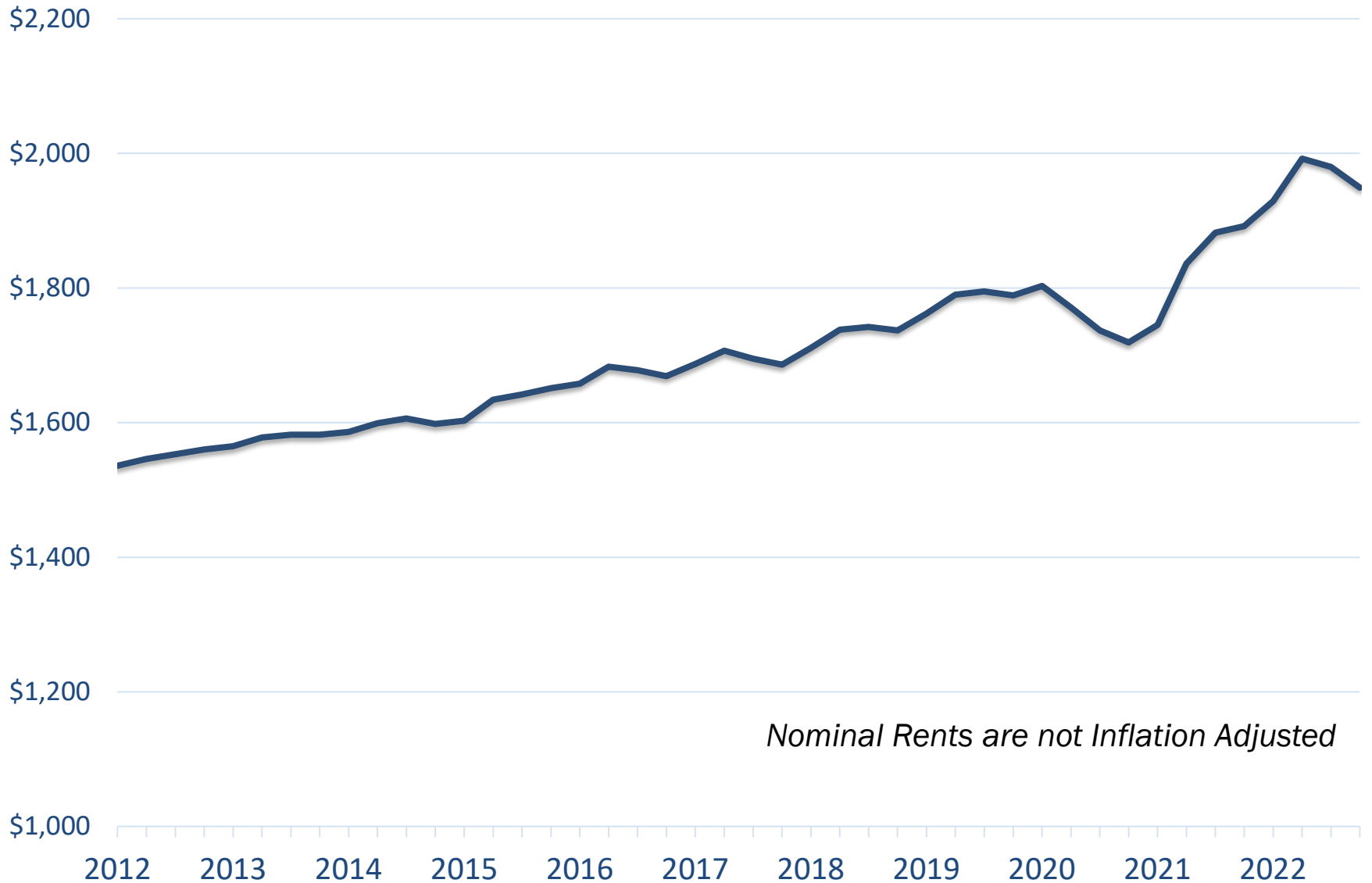
Number of New Units of Multifamily Rental Housing by Unit 1991 - 2021



Average Effective Rents for Rental Apartments



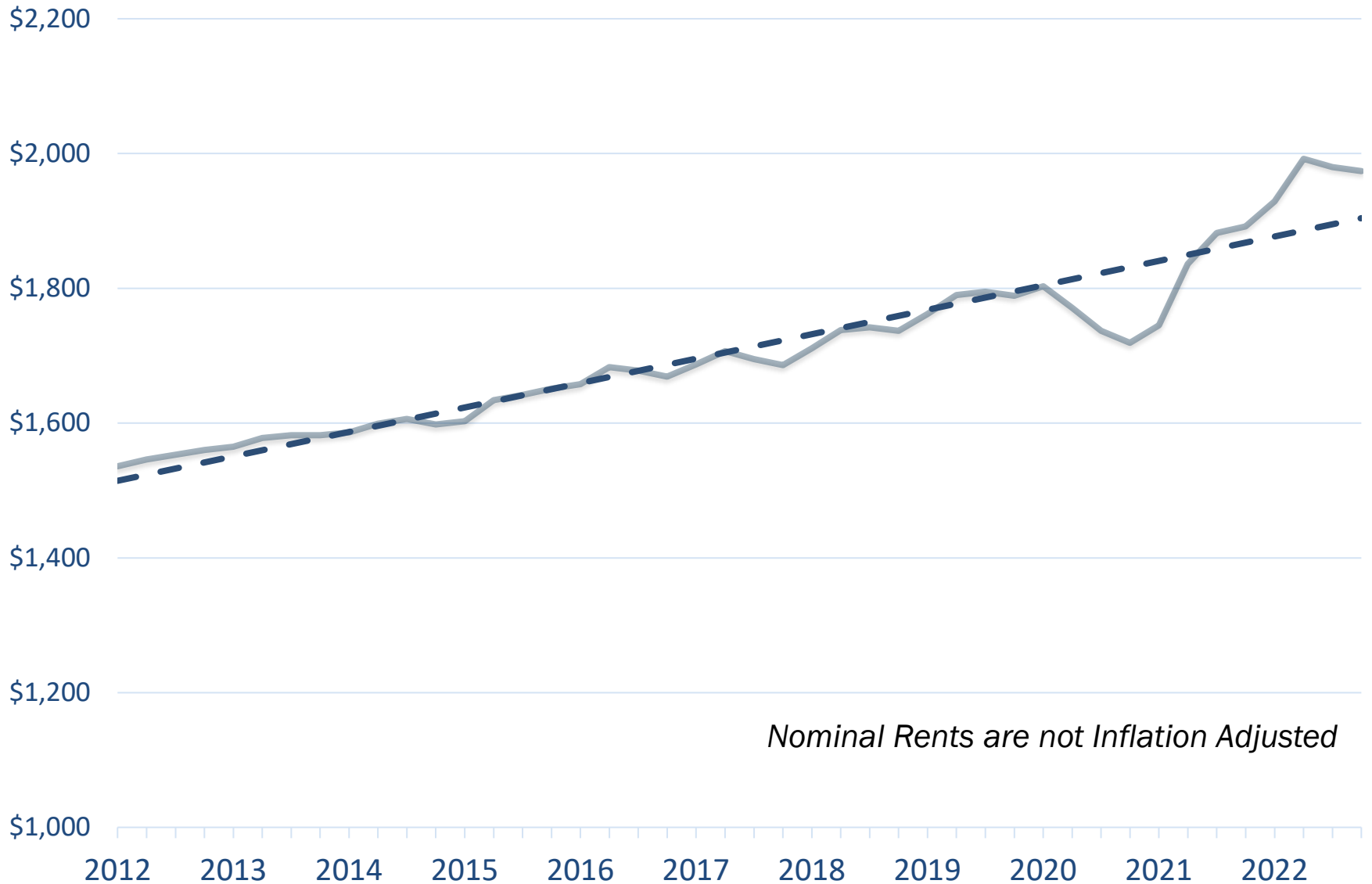
Nominal Average Effective Rents



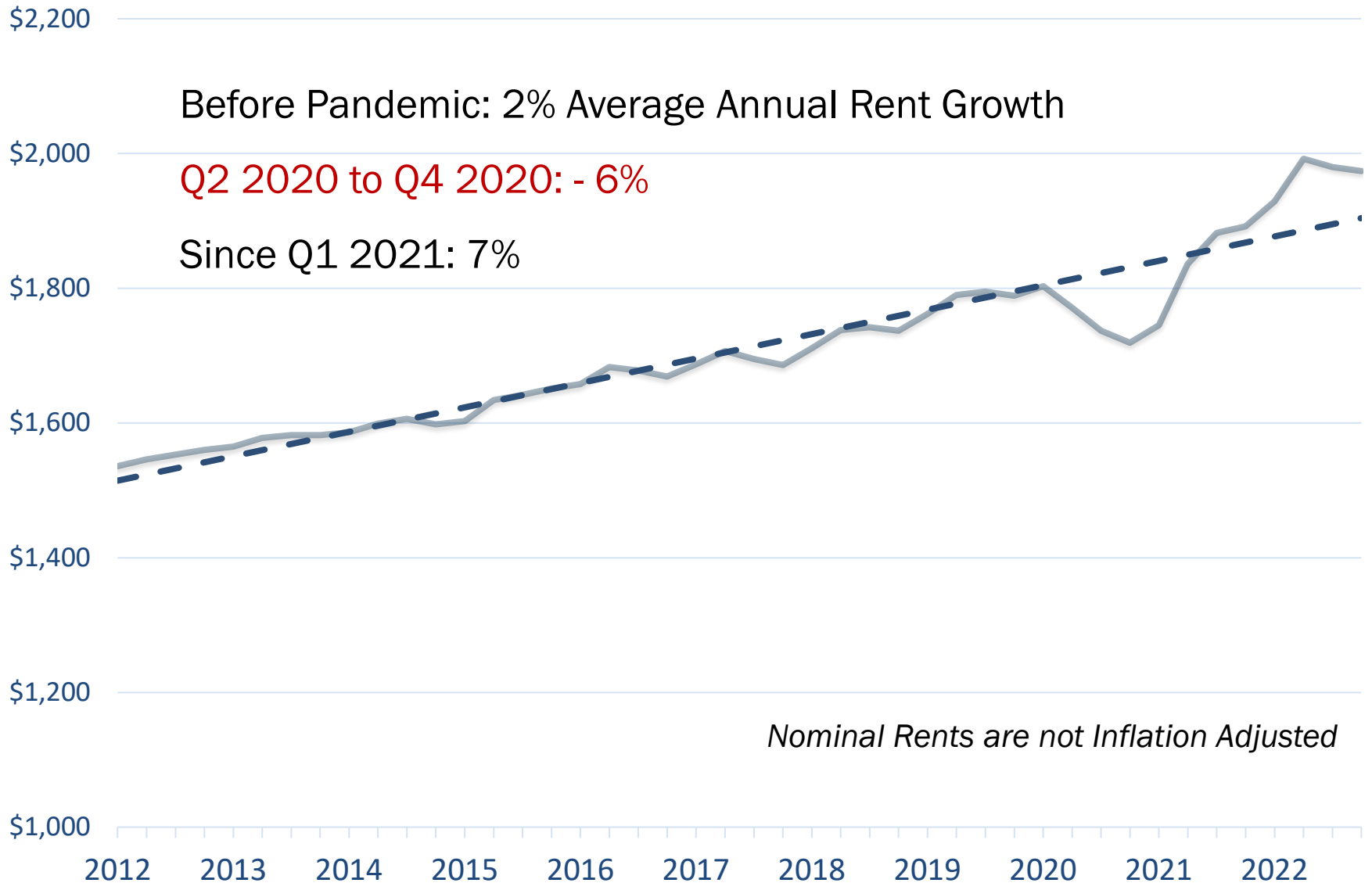
Nominal Rents are not Inflation Adjusted



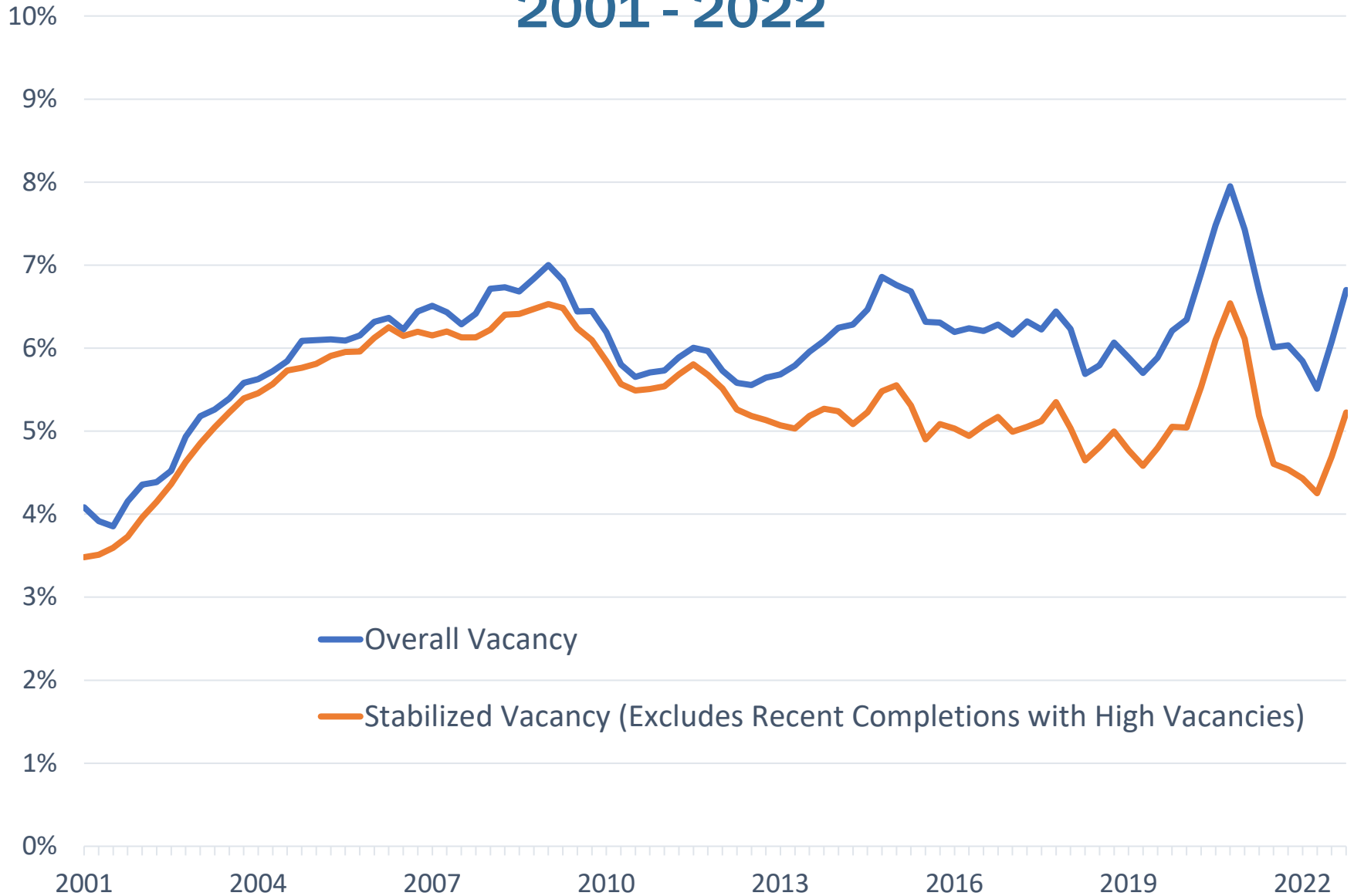
Average Effective Rent Trendline



Average Effective Rent Trendline



Quarterly Multifamily Rental Vacancy Rate 2001 - 2022



Key Findings

- In 2021, 110 new multifamily buildings were completed, adding 13,764 units
- 119,980 new units have been built since 2012, which is the most of any ten-year period in almost 50 years
- Nominal average rents rose 10.5 percent from 2020 to 2021. When accounting for inflation, rents rose only 3.1 percent and are still below pre-pandemic levels.
- Median rents in multifamily buildings were between 25% and 40% of median renter income, depending on bedrooms per unit
- Just under half of all units built in 2021 were within a half-mile walk from a Metrorail station, while 28 percent of units built before 2021 are in a Metro walkshed.
- About 85% of new units were located within one of the region's 141 Activity Centers or HCT Station Areas, surpassing the Board target.

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