

2018 MULTIFAMILY RENTAL HOUSING TRENDS FOR MWCOCG REGION

Analysis of CoStar data

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Council of Governments

About the Multifamily Rental Construction Report

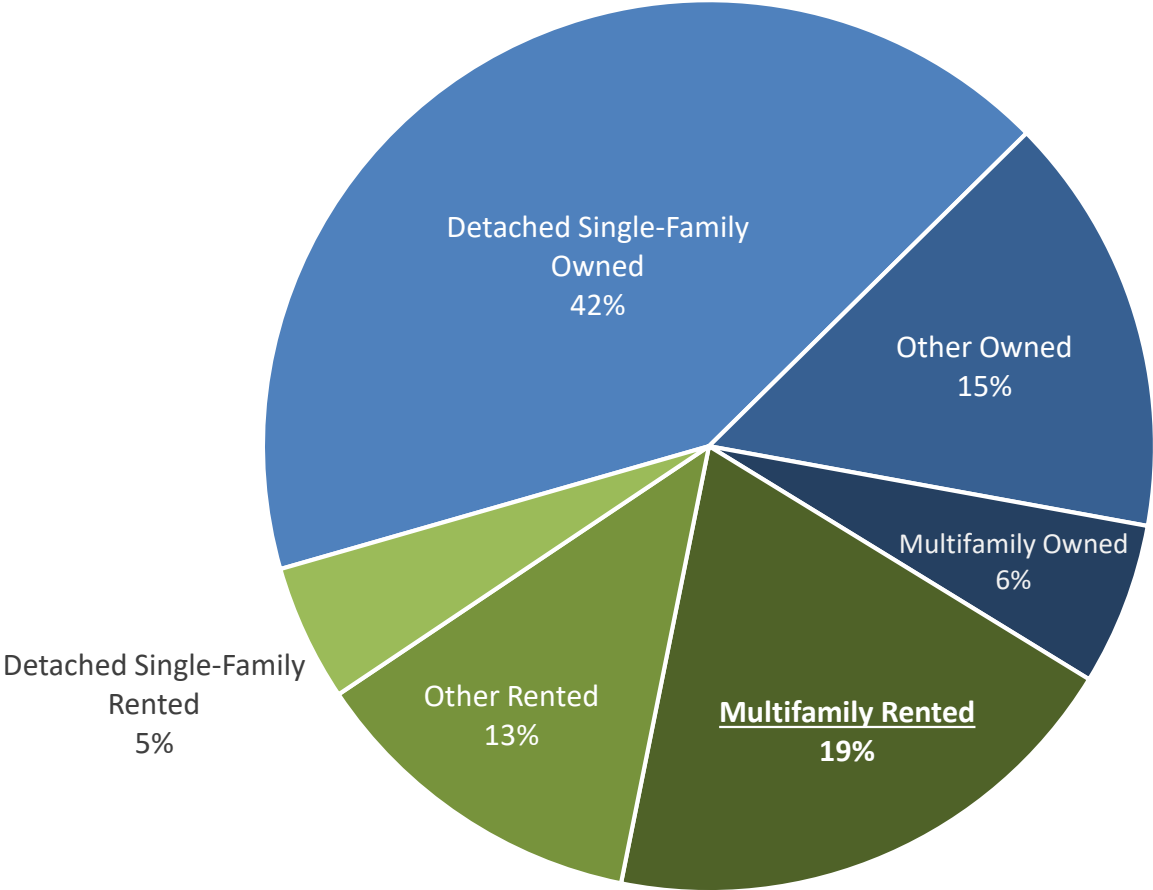
- Annual analysis of completed multifamily rental real estate projects in COG region using data from CoStar's database of properties.
 - Excludes
 - All Single-Family residences
 - Projects with 4 units or fewer
 - Condos and Co-ops
 - Military, student and assisted living housing
 - Database contains 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

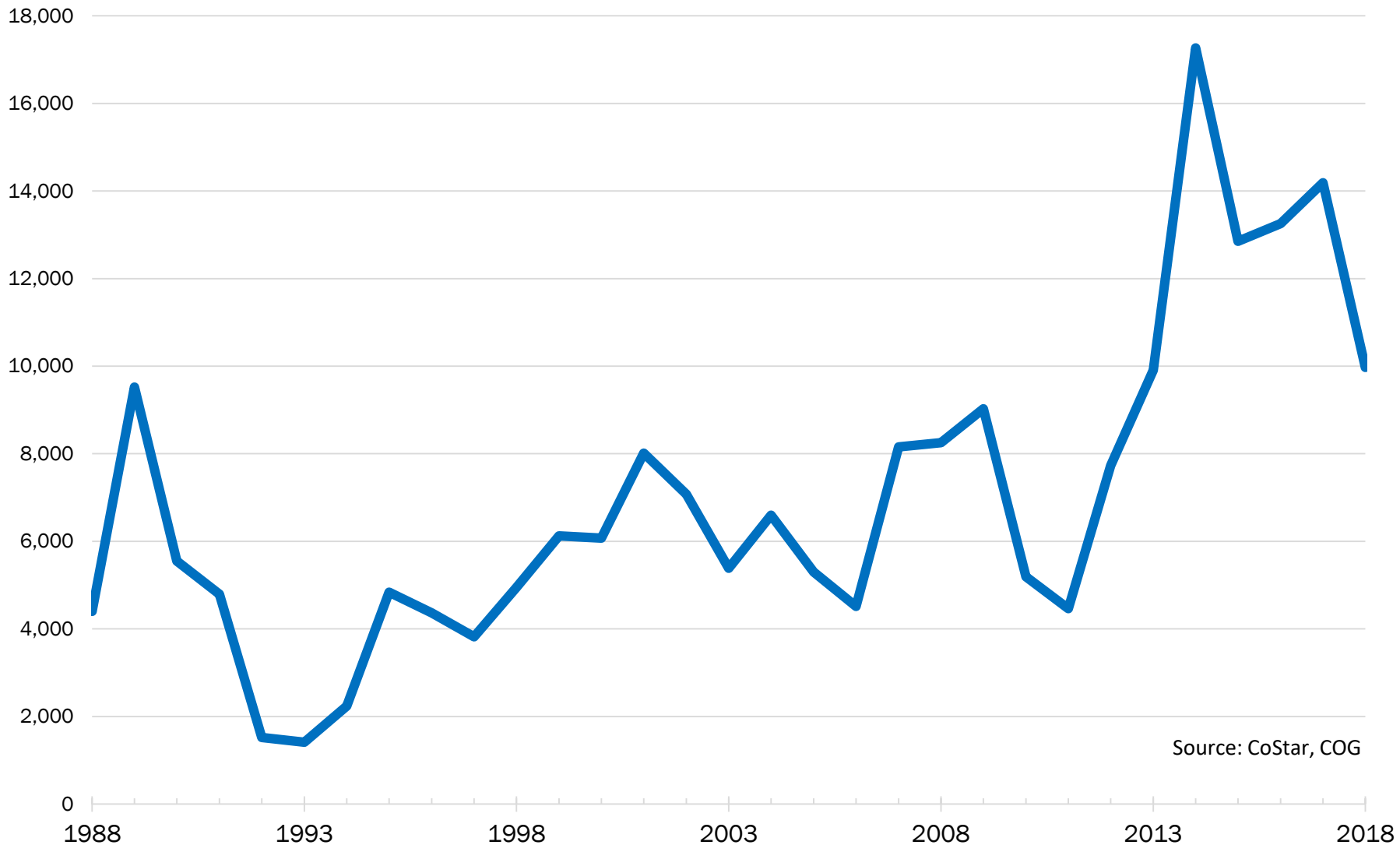
Occupied Housing in Washington MSA by Tenure and Number of Units in Structure



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

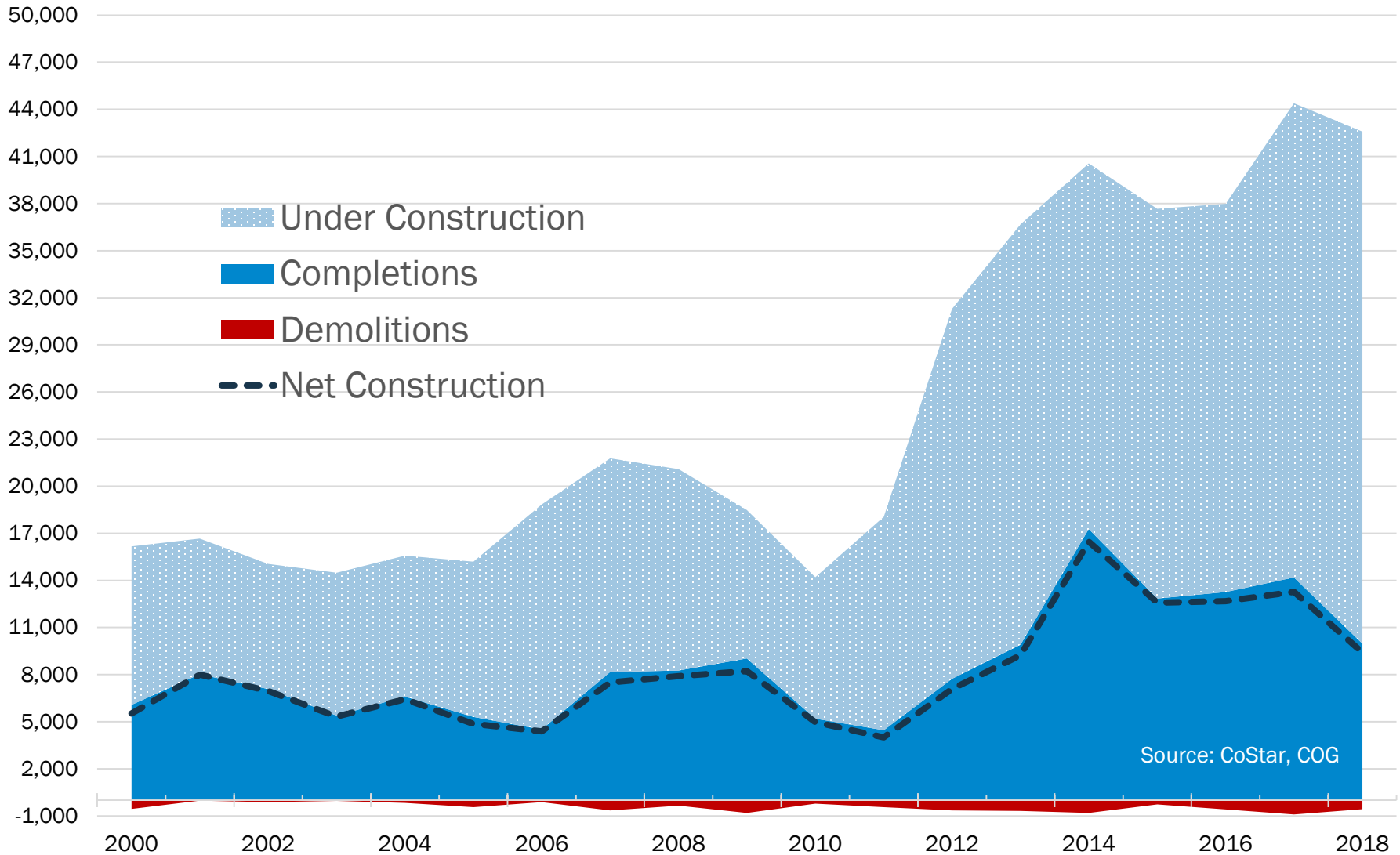
Source: 2017 American Housing Survey, Washington MSA

Number of New Units of Multifamily Rental Housing 1988 - 2018



Source: CoStar, COG

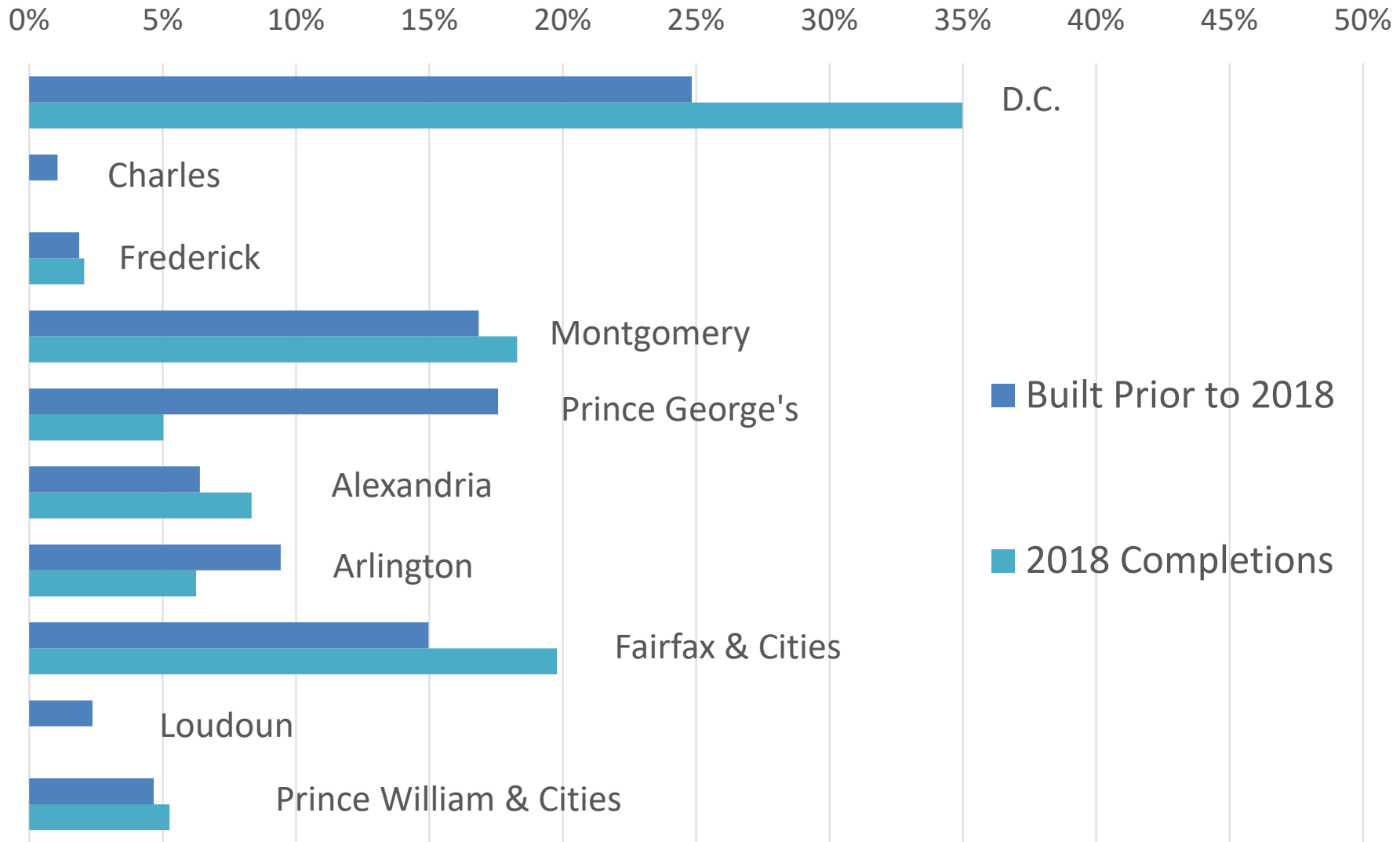
Net Construction of Multifamily Rental Housing 2000 - 2018



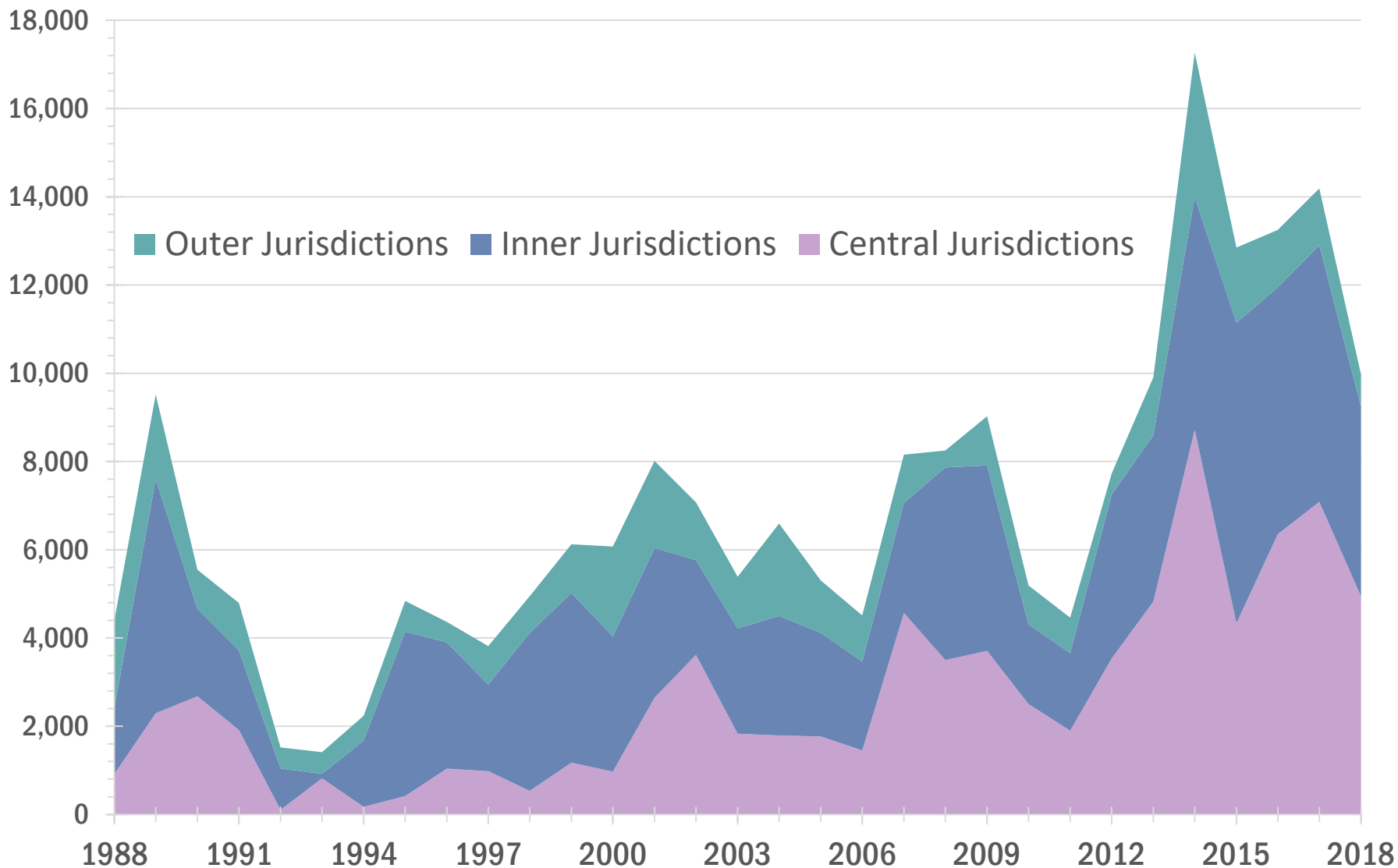
Source: CoStar, COG



Share of Multifamily Rental Units by Jurisdiction



New Multifamily Rental Units by Jurisdictional Group



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

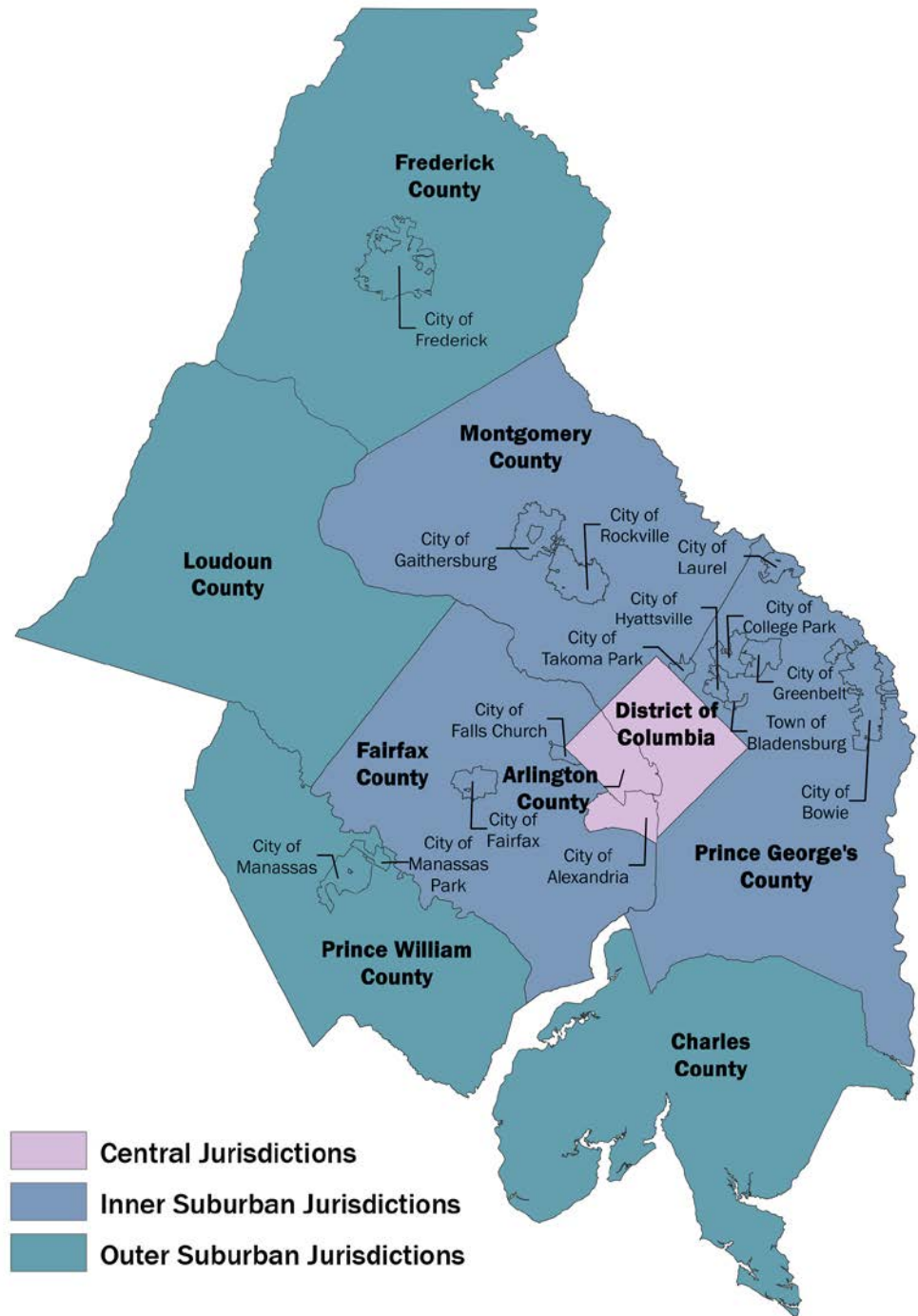
Frederick County

Loudoun County

Prince William County

City of Manassas

City of Manassas Park

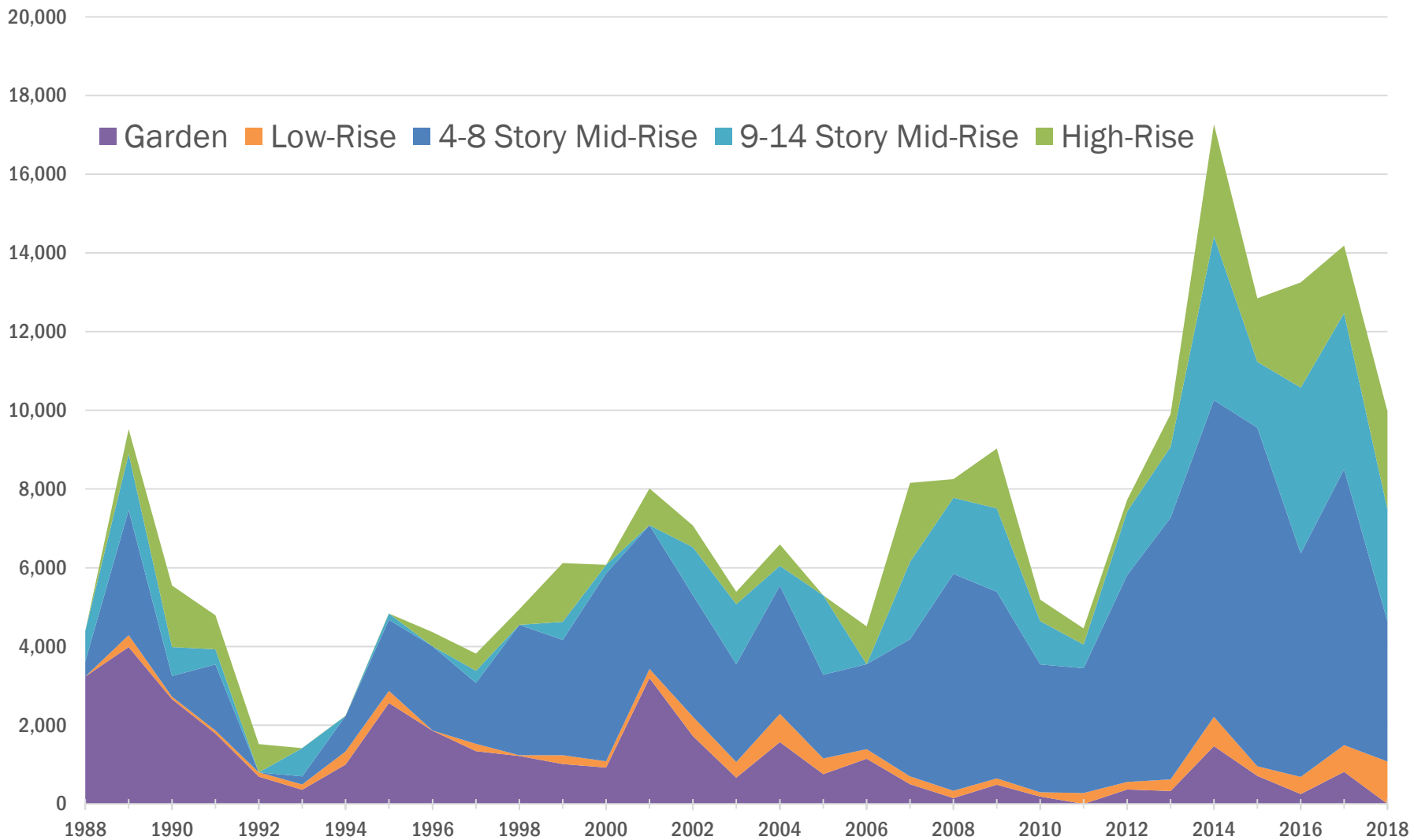


Largest Projects in 2018

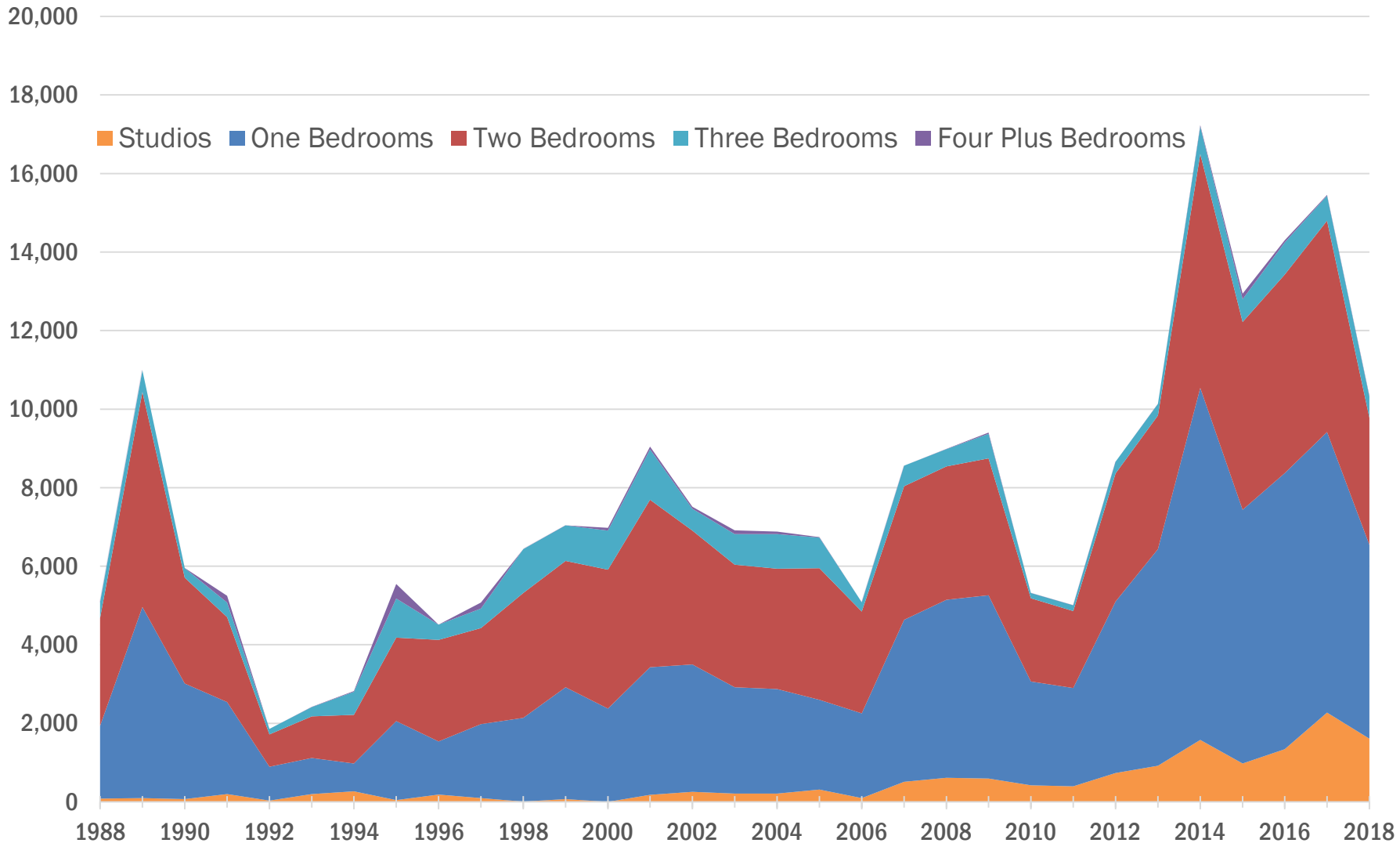
Project Name	Street Address	Jurisdiction	Buildings	Stories	Units	Parking	1BR Effective Rent
Signature	11850 Freedom Dr, Reston, VA	Fairfax County	2	21	508	1,286	\$1,897
Exo	1897 Oracle Way, Reston, VA	Fairfax County	2	16	457	--	\$1,488
Altaire	400 Army Navy Dr, Arlington, VA	Arlington	2	20	451	453	\$2,525
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.

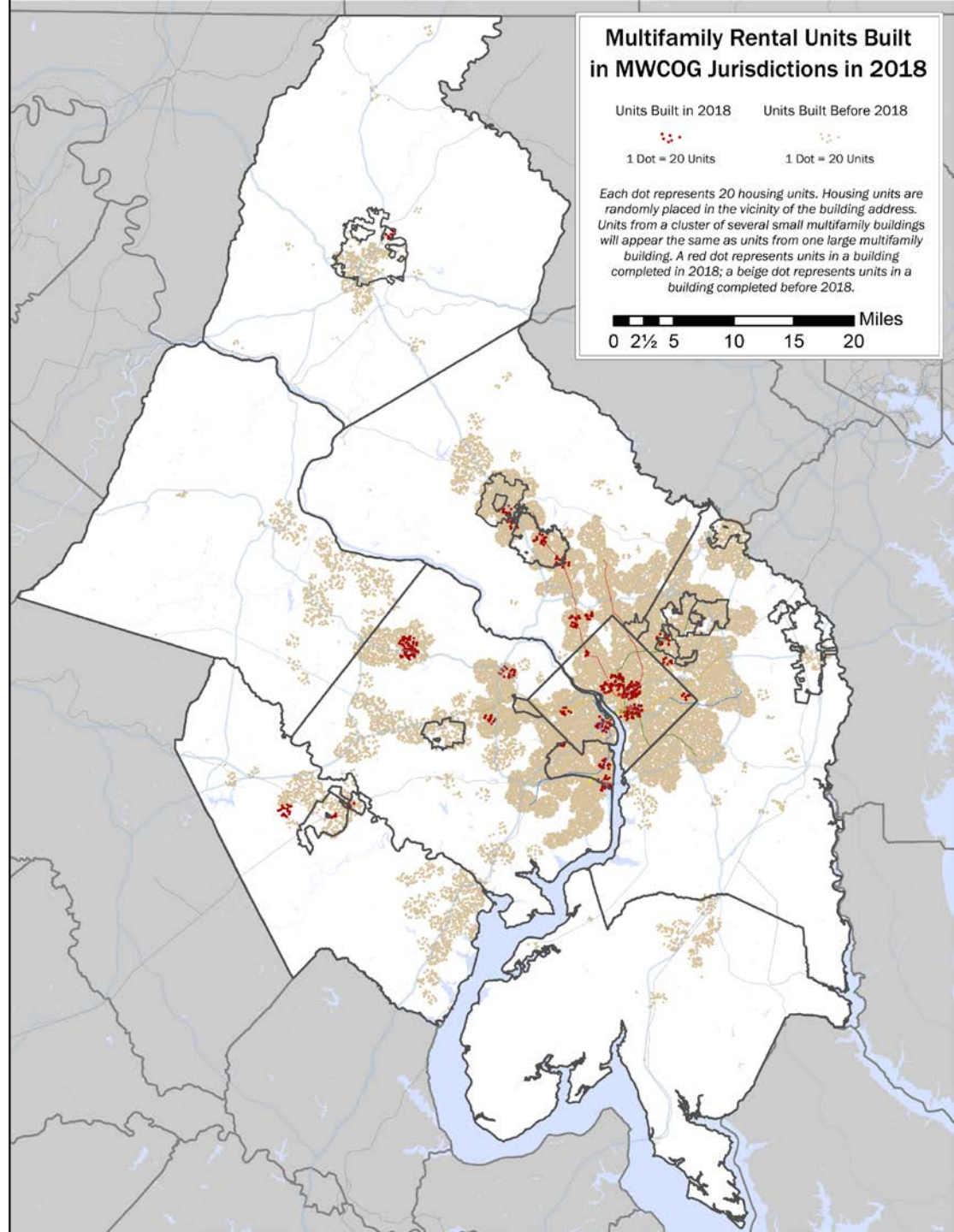
New Units of Multifamily Rental Housing by Building Style



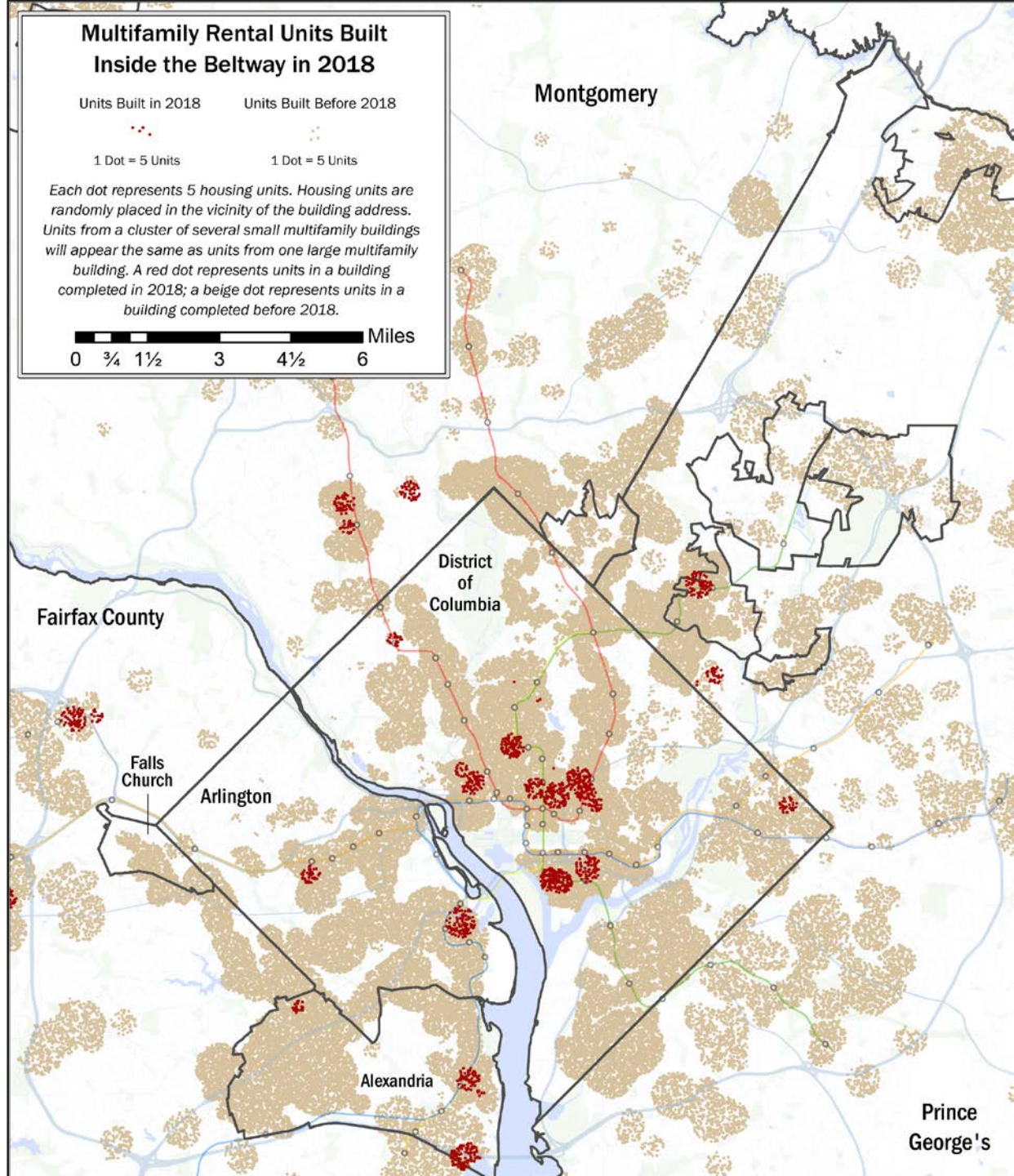
Number of New Units of Multifamily Rental Housing by Unit 1988 - 2018



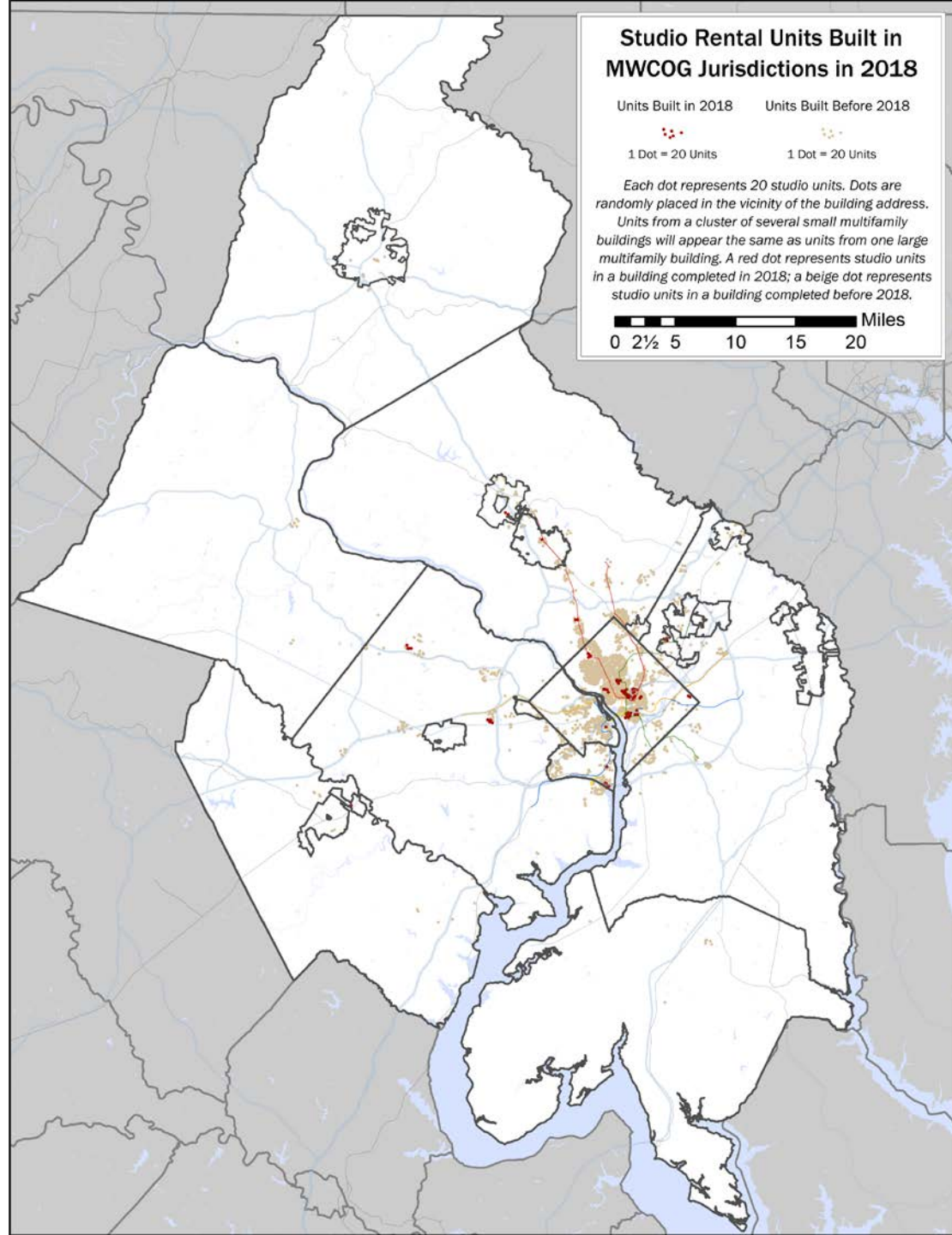
- In 2018, new construction was primarily in the core and near Metrorail stations



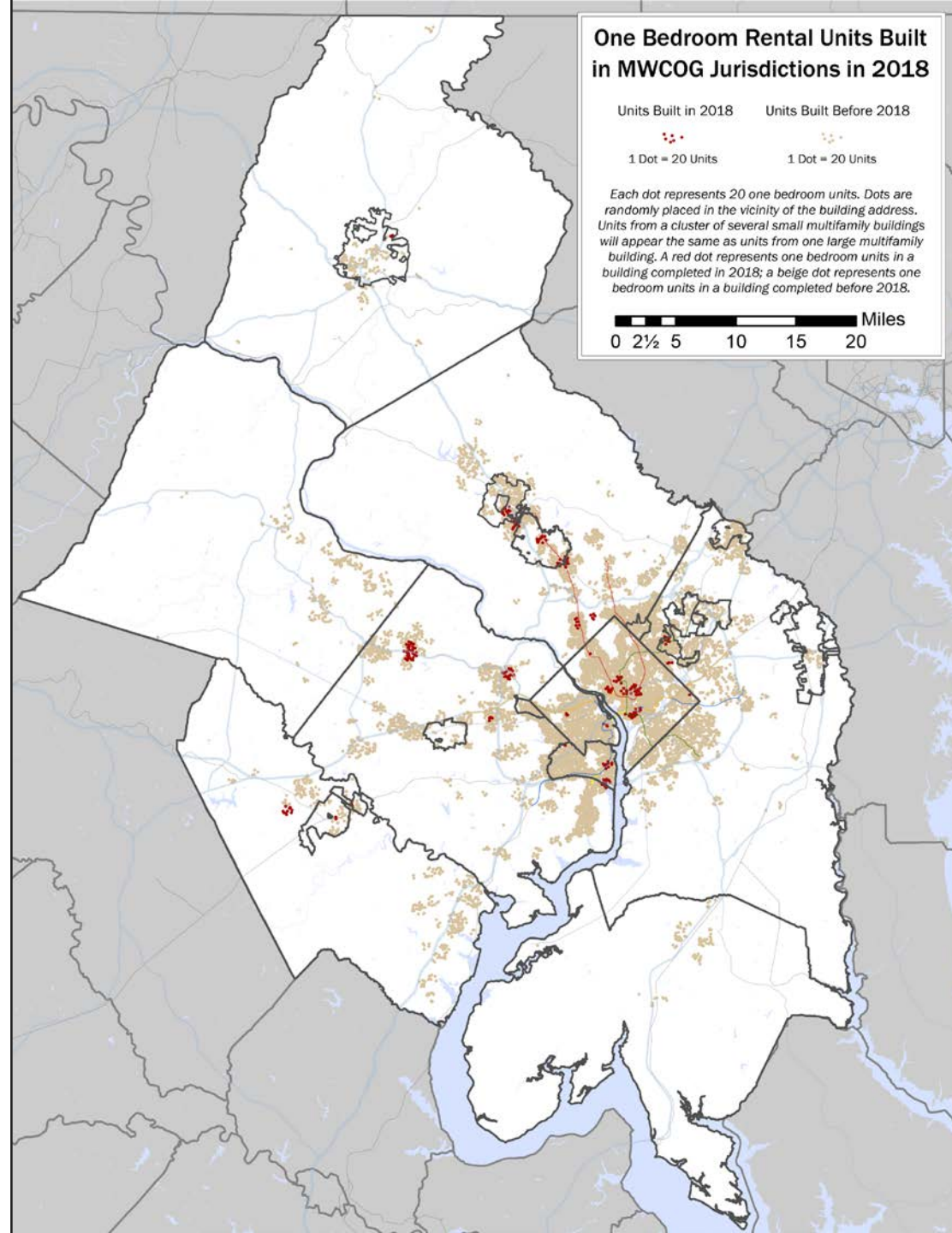
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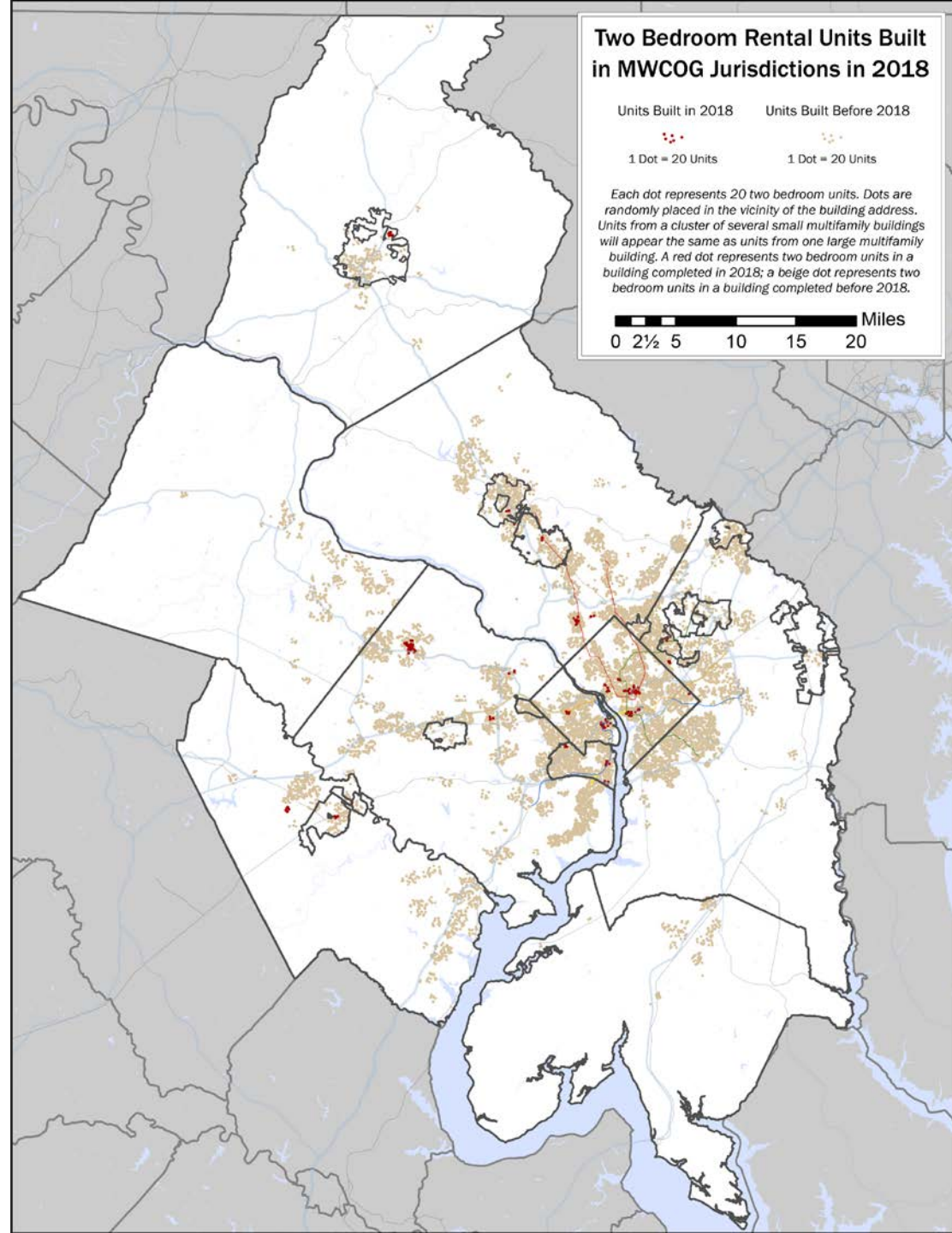
- Studio apartments represent 8 percent of all rental units in the region
- 17% of all studio apartment units in the region have been built within that past five years.
- 54% of all studio apartment units are in the District of Columbia



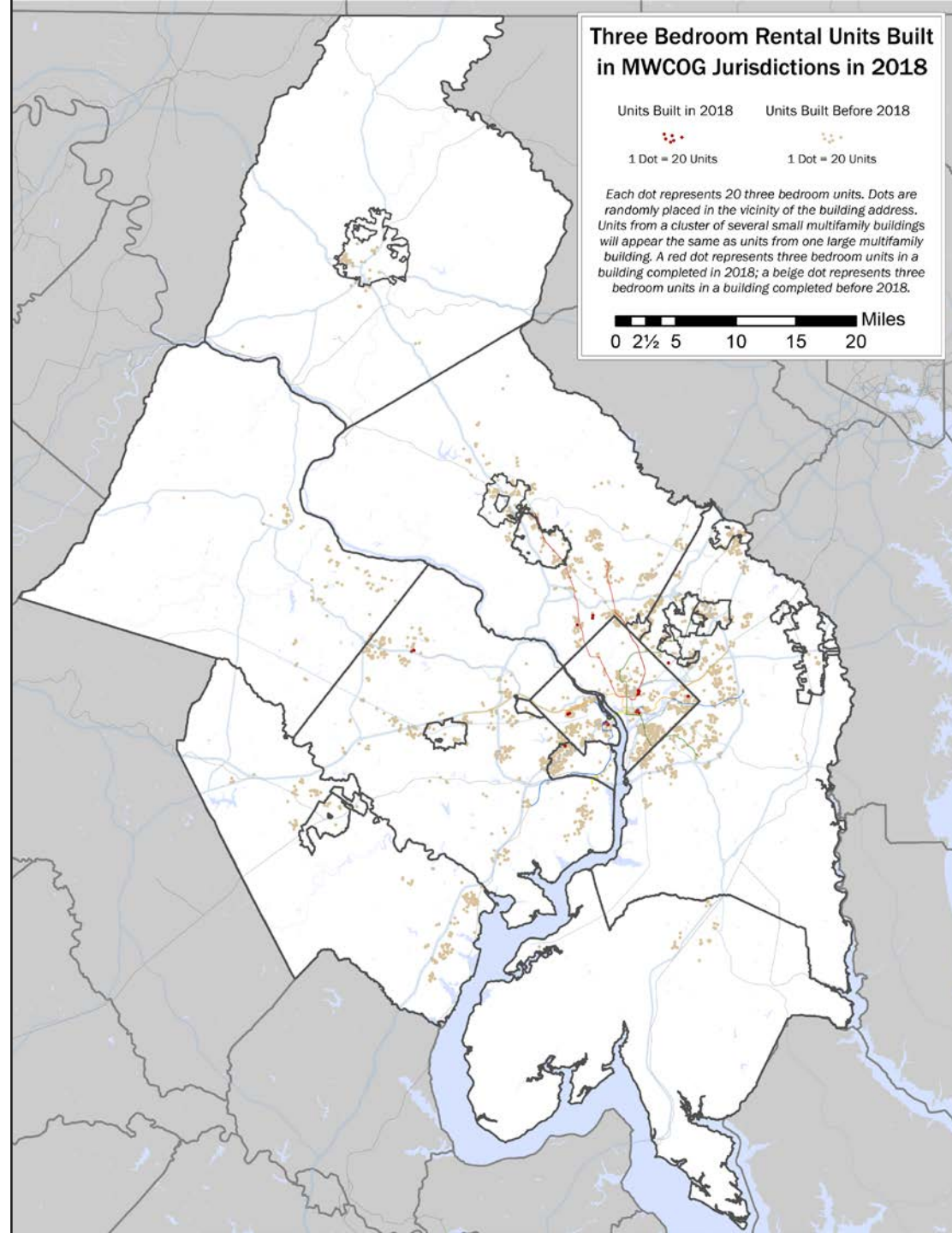
- One bedroom apartments are the most common unit size, accounting for 43% of all units
- In 2018, 48% percent of all new units were one bedroom apartments



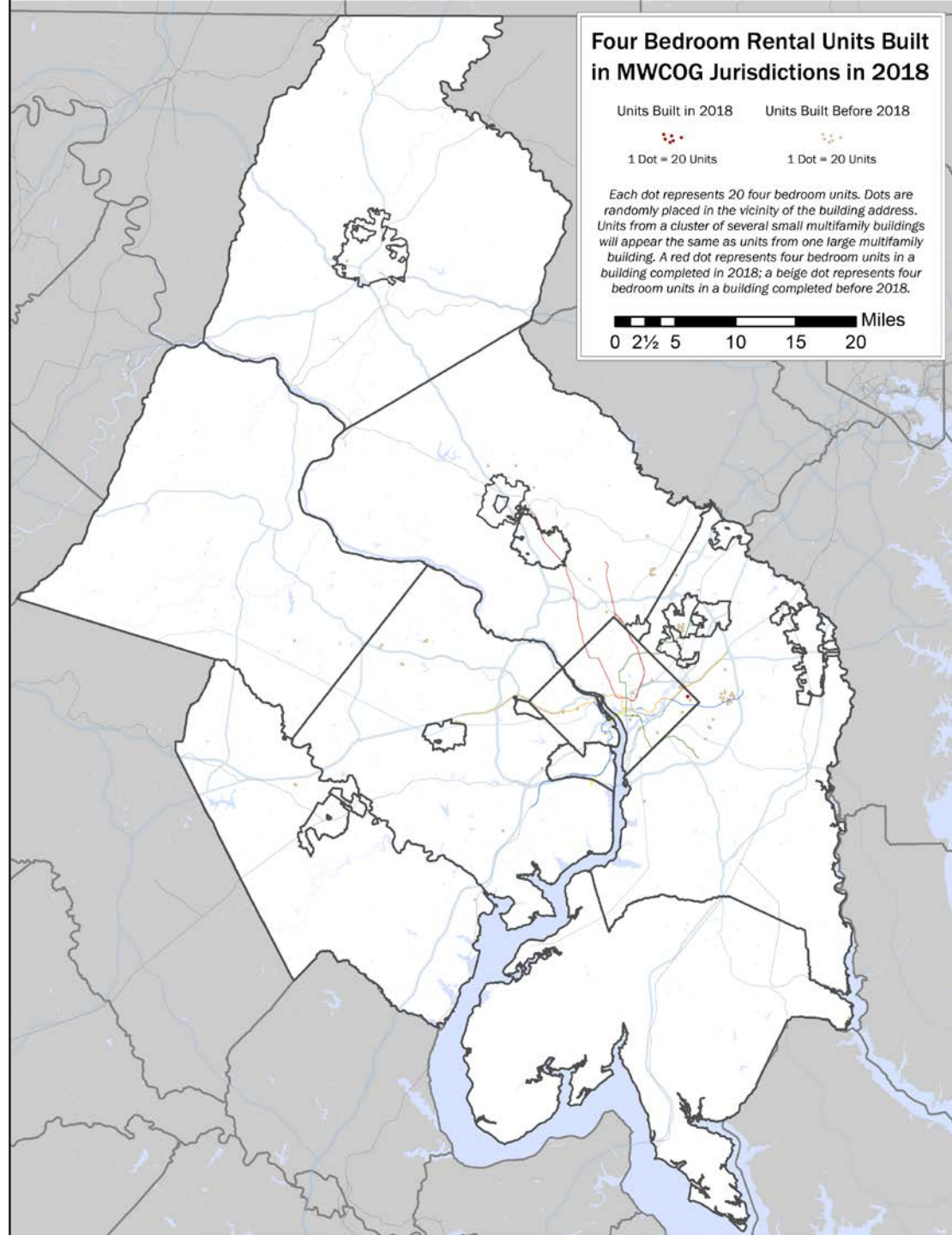
- Two bedrooms units account for 41% percent of all units in the region but only 31% of units built in 2018.



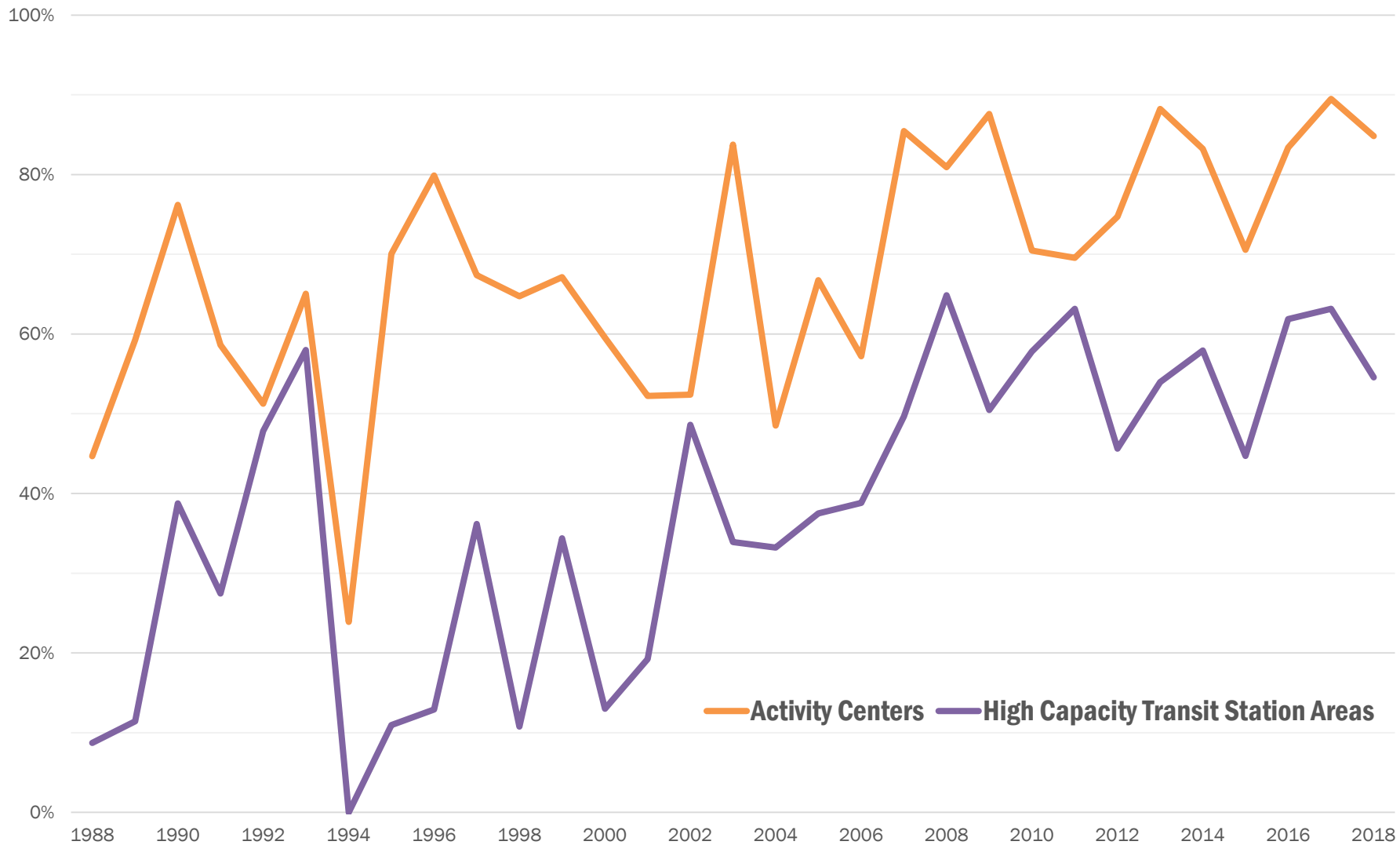
- Three bedroom apartments account for 9% of all units in the region but only 5% of units built in 2018.



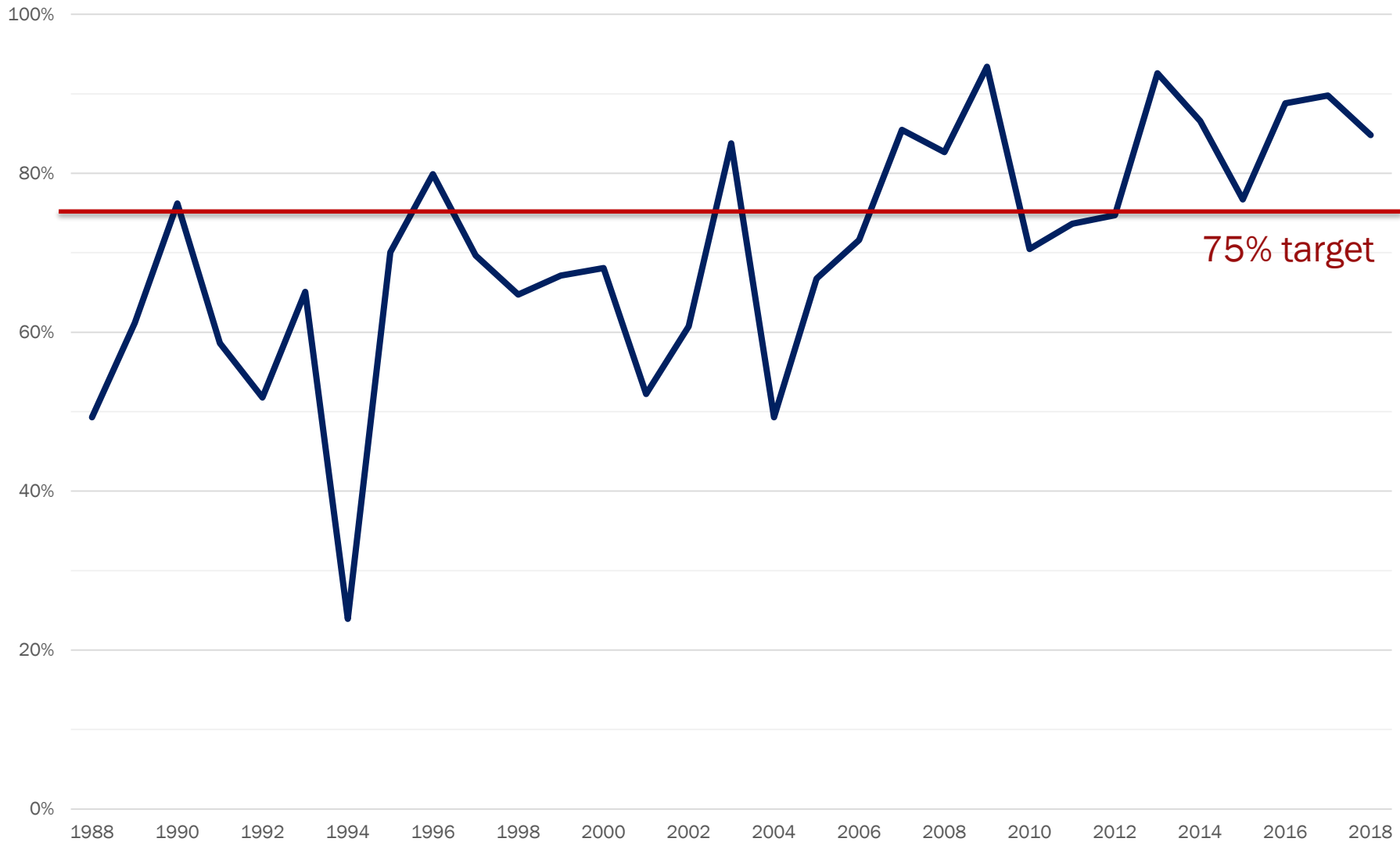
- There are only 3,373 apartments with four or more bedrooms in the COG region, accounting for less than one percent of all units



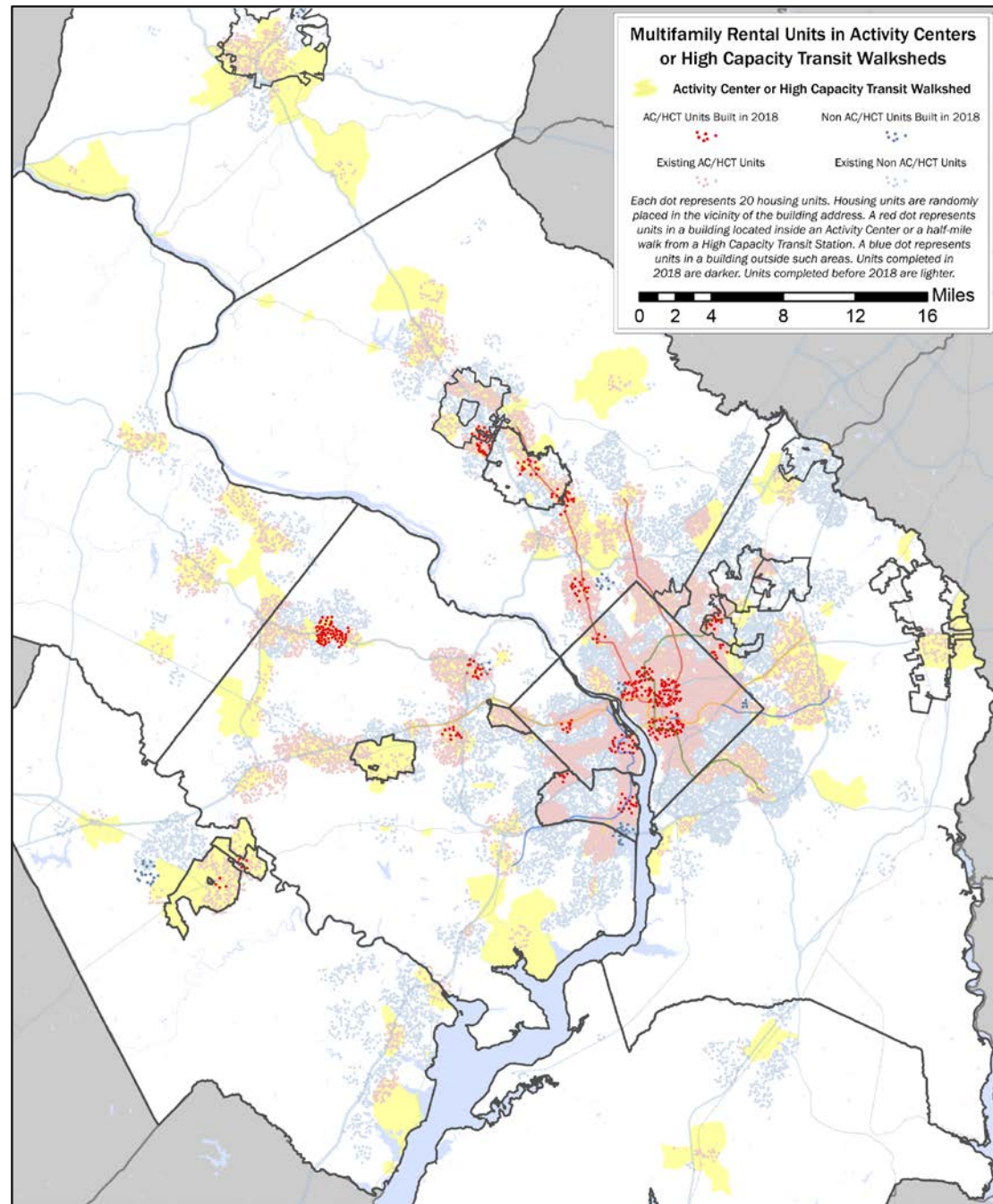
Activity Center and HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



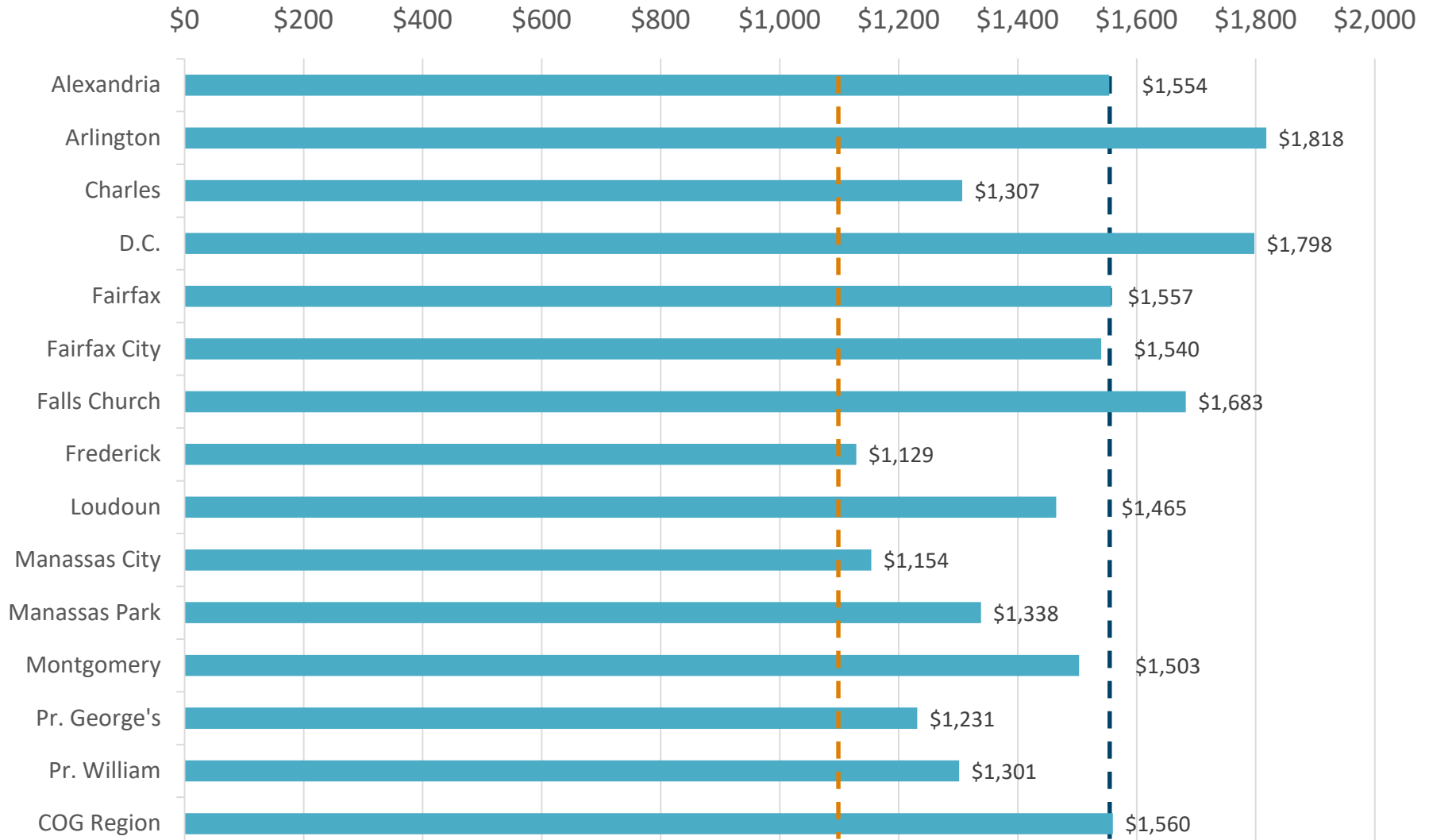
Either Activity Center or HCT Station ½ Mile Walkshed Share of New Multifamily Rental Units



- 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



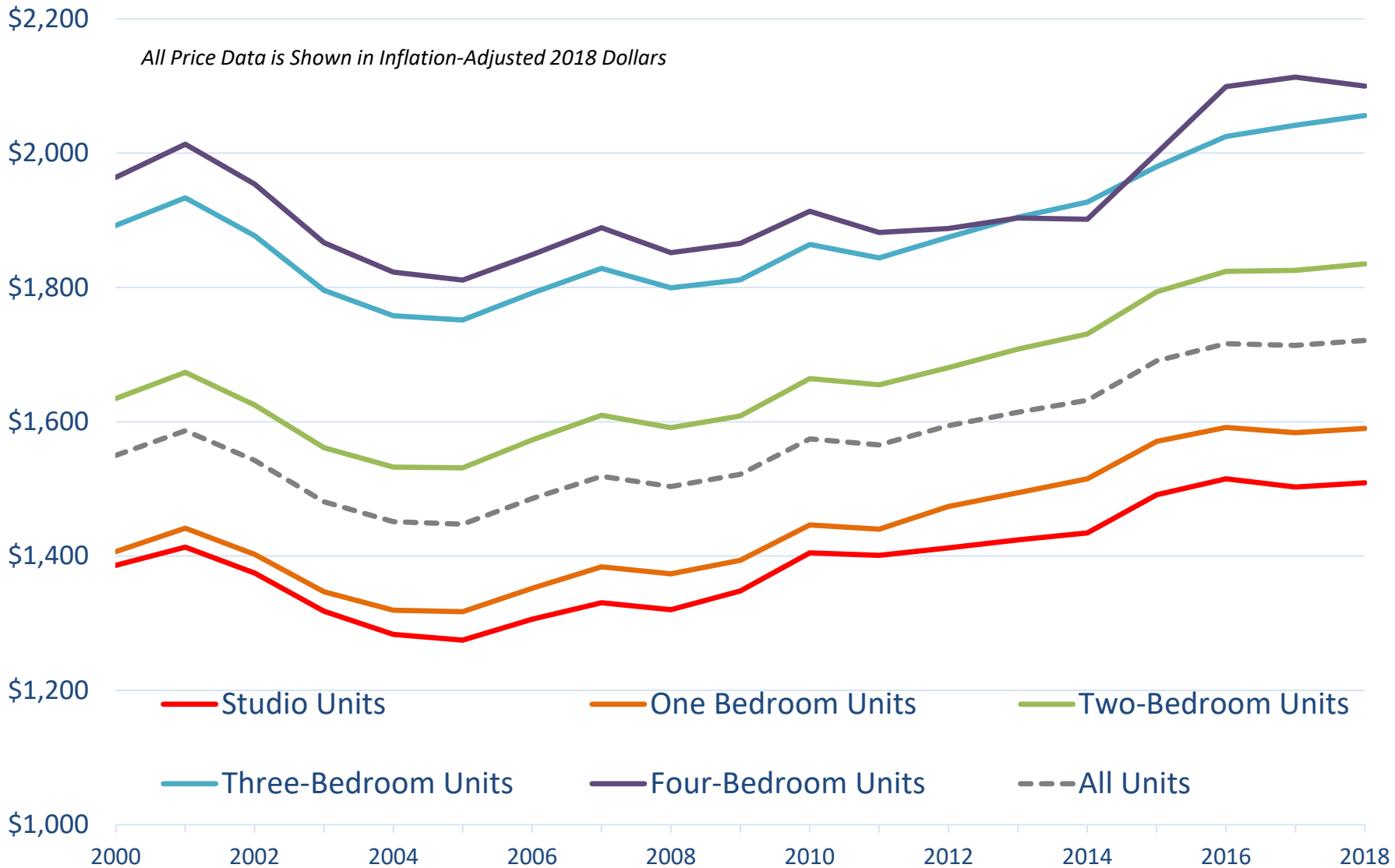
Average Effective Rents for One-Bedroom Units at End of 2018



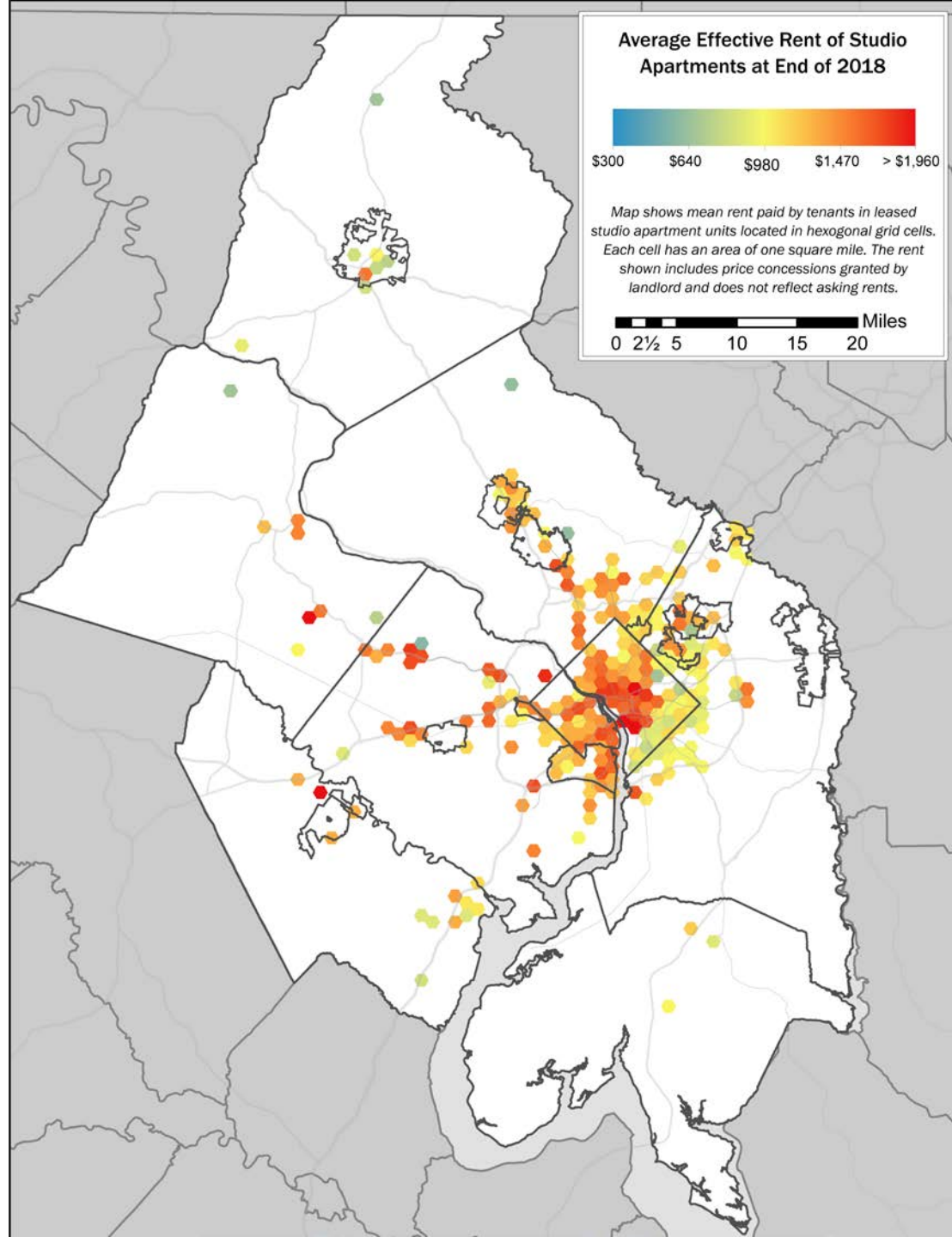
~\$1,100: monthly rent affordable to median tenant income in 1 BR rental (~\$52,500) in Washington MSA



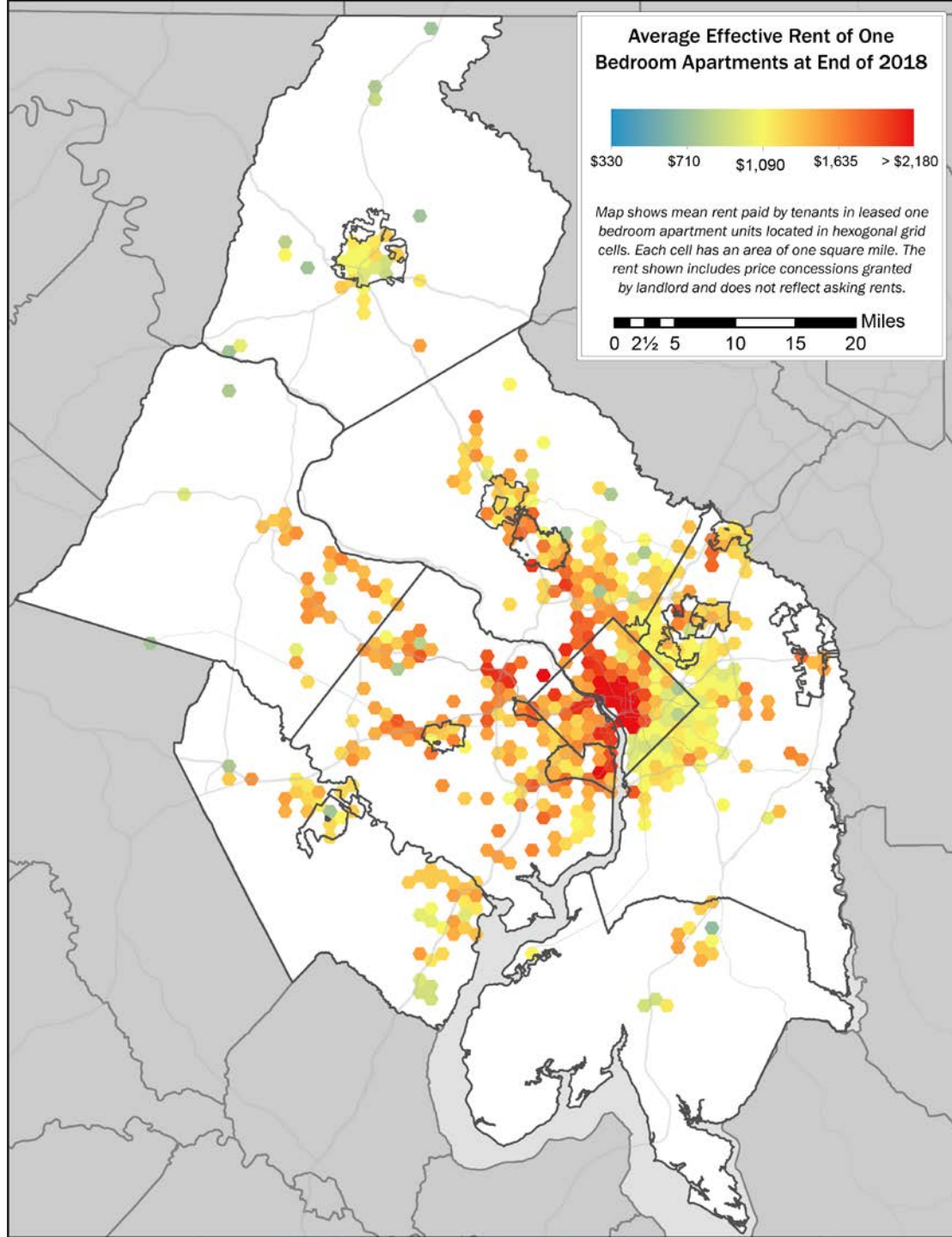
Average Effective Rents for Rental Apartments



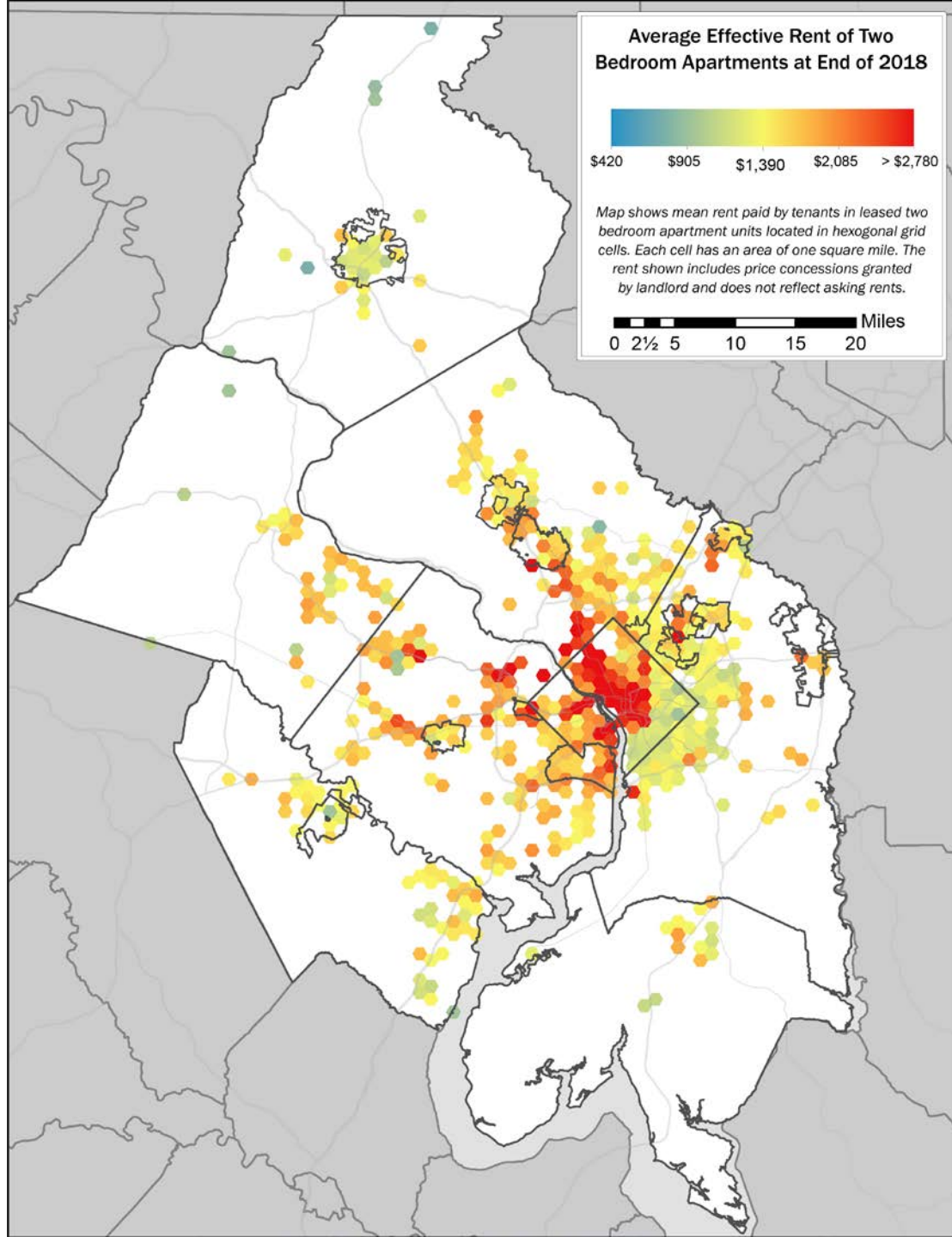
- Average effective rents were calculated for buildings within one square mile hexagonal grid cells to map the variations in rents across the region.
- The regional mean effective rent for studio apartments was \$1,509 at the end of 2018.
- The median income for a studio renter was about \$47,000 and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



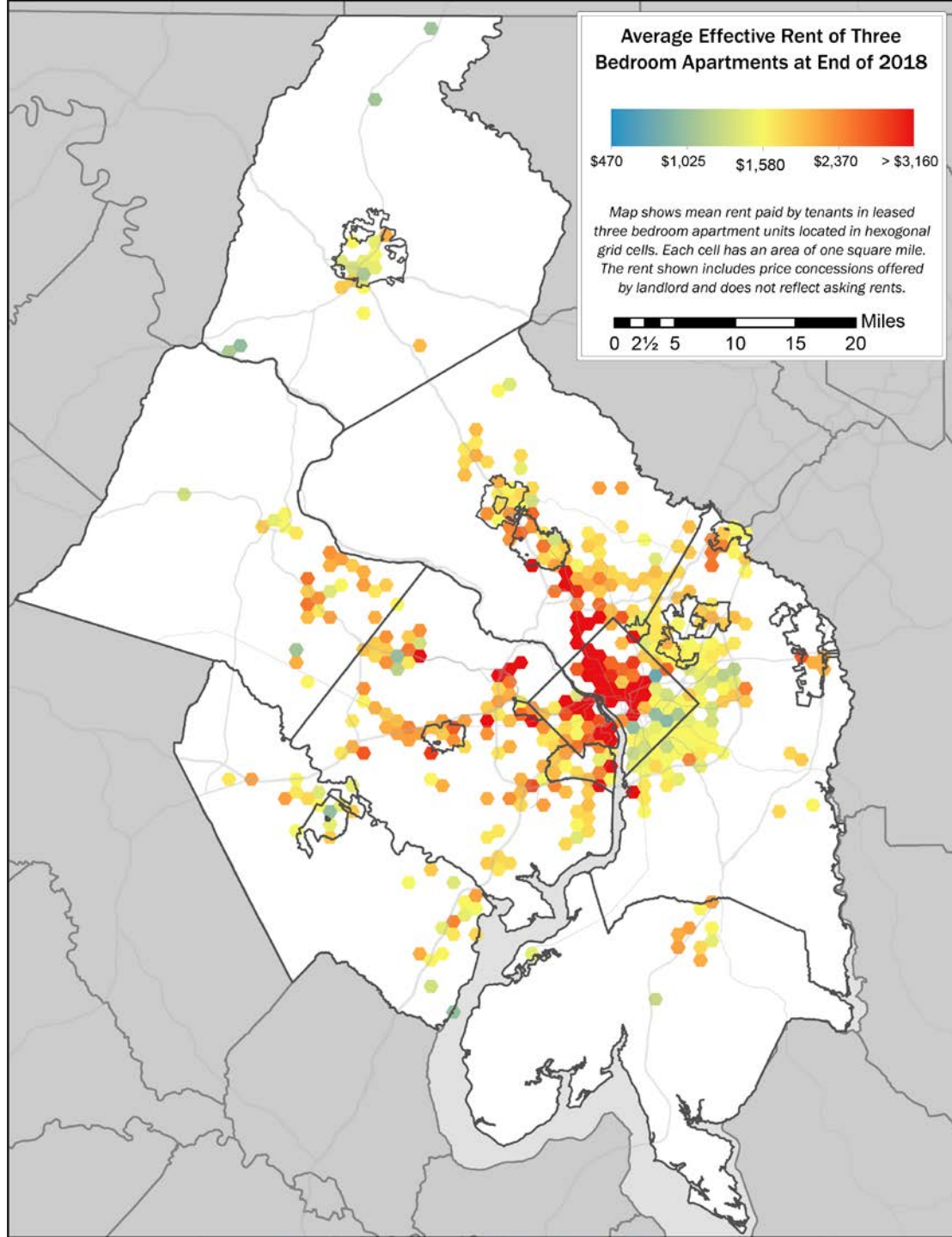
- The regional mean effective rent for one bedroom apartments was \$1,560 at the end of 2018.
- The median income for a one bedroom renter was about \$52,500 and would require an approximate rent of \$1,090 to be affordable.



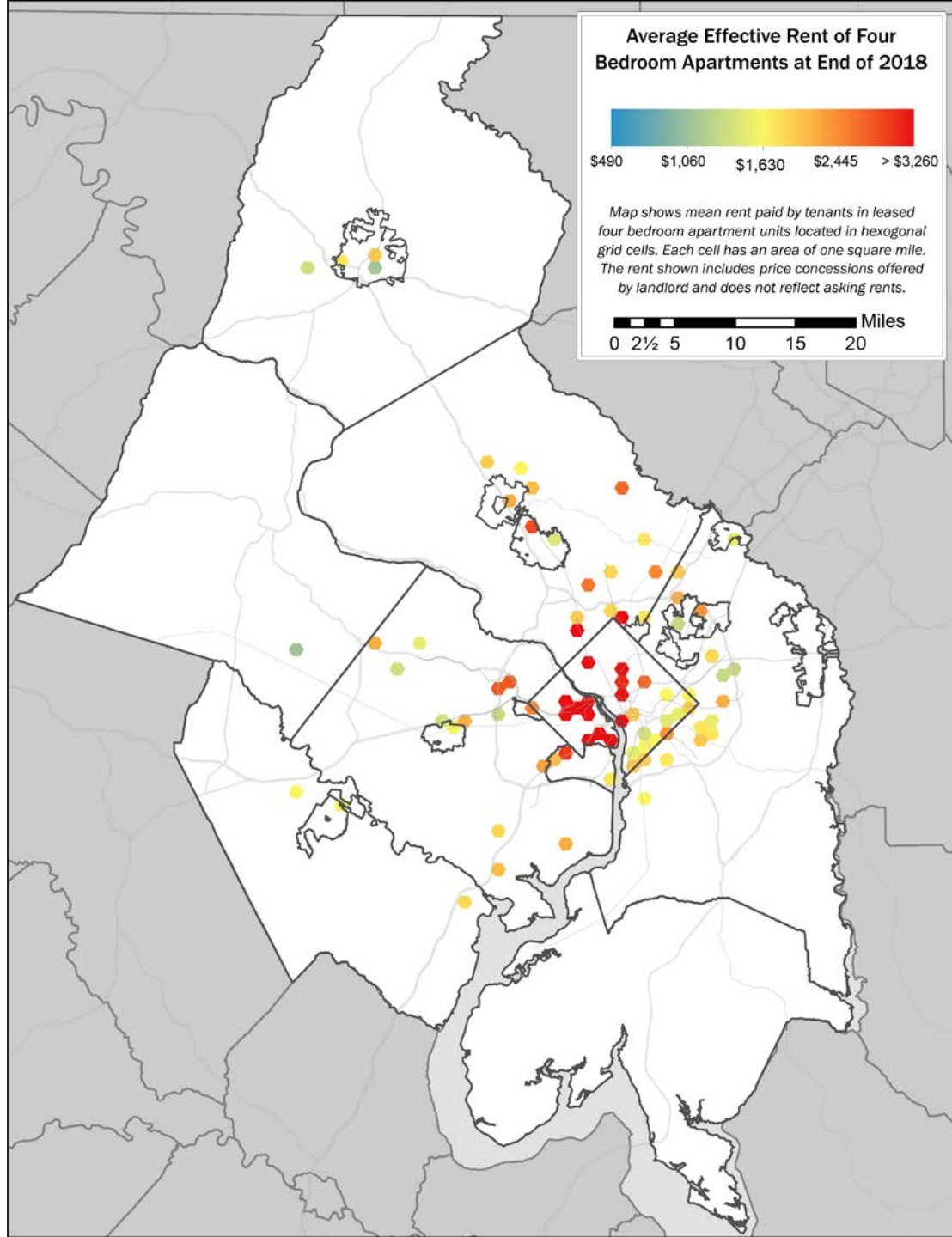
- The regional mean effective rent for two bedroom apartments was \$1,835 at the end of 2018.
- The median income for a two bedroom renter was about \$66,500 and would require an approximate rent of \$1,390 to be affordable.



- 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.



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