WASHINGTON, D.C.

2025 MARKET AT A GLANCE

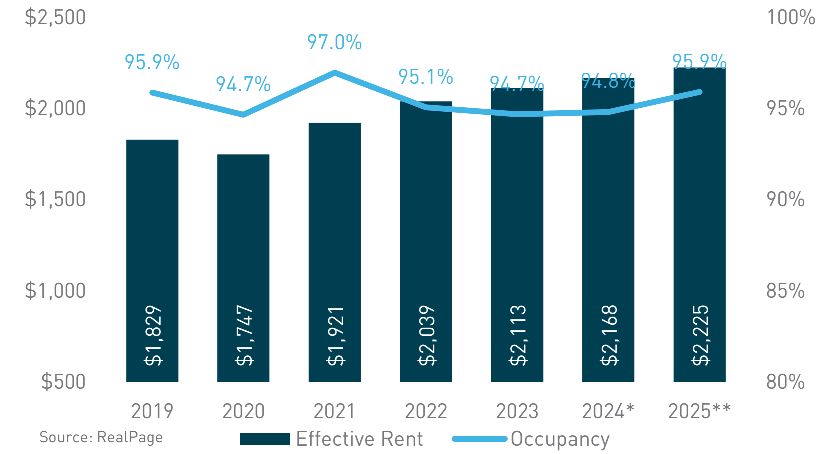
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
95.9%	$2,225	20.0%
UP 110 BPS YOY	UP 2.6% YOY	UNCHANGED YOY

Apartment Absorption Predicted to Surpass D.C. Development Boom

Persistent demand for housing is propelling apartment development in the Washington, D.C., metropolitan area. Builders are scheduled to bring more than 11,800 apartment units online over the next four quarters. Thousands of high-end units will be delivered in the central business district submarkets such as Navy Yard/Capitol South, Central DC, and Northeast DC. The areas are popular among renters seeking high-amenity, Class A units near employers, entertainment options, and dining choices. Furthermore, new housing options are needed to support Mayor Bowser's D.C. Comeback Plan, aiming to revitalize downtown and add 15,000 new residents by 2028. With household formation rising, residents are projected to lease 22,549 units by year-end, up from 13,508 newly leased units in 2024. According to Niche.com, the nation's capital is ranked as the fourth Best City for Young Professionals in America, a demographic driving strong demand. Renters are drawn to the area by the strong job market, especially the expanding tech industry, as well as the high quality of life, which includes a vibrant food scene and numerous museums. Heightened leasing activity, which is 45% greater than the record delivery volume, is expected to boost market occupancy. This will likely result in a 110-basis-point annual increase, reaching 95.9% by the fourth quarter of 2025. With healthy occupancy amid an expanding inventory, the average effective rent is forecast to reach $2,225 per month by year-end, up 2.6% year over year.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2024 are projected values. 2025 figures are forecast projections.

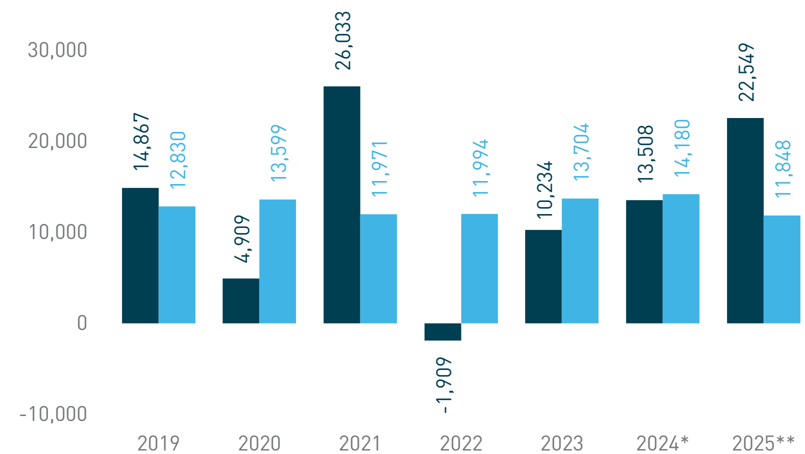
APARTMENT TRENDS



Source: RealPage

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.



Source: RealPage

*Projected **Forecast

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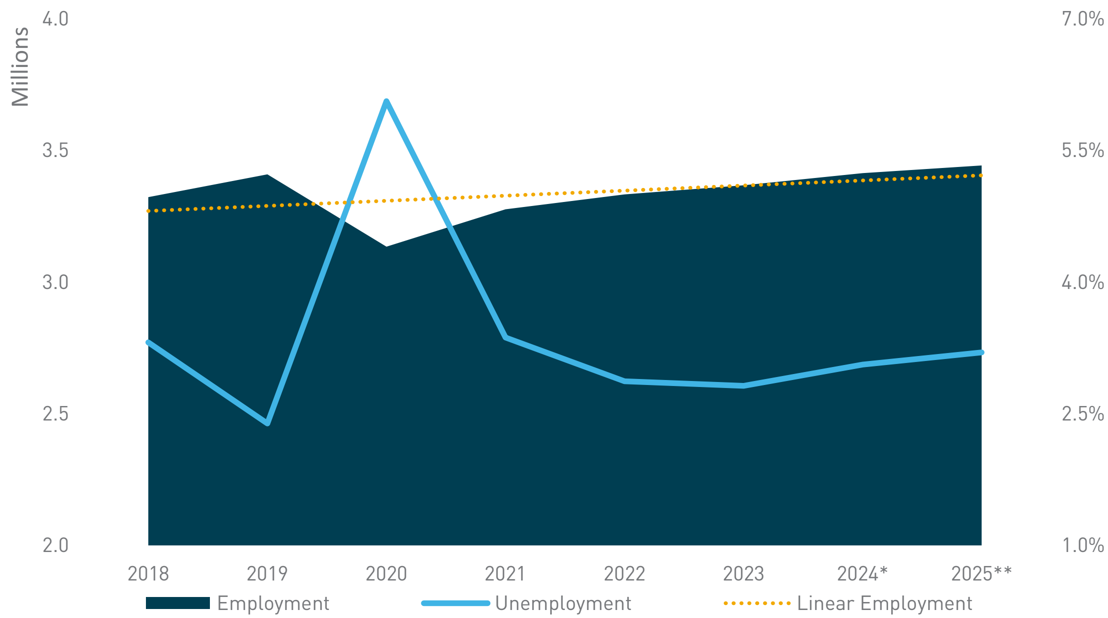
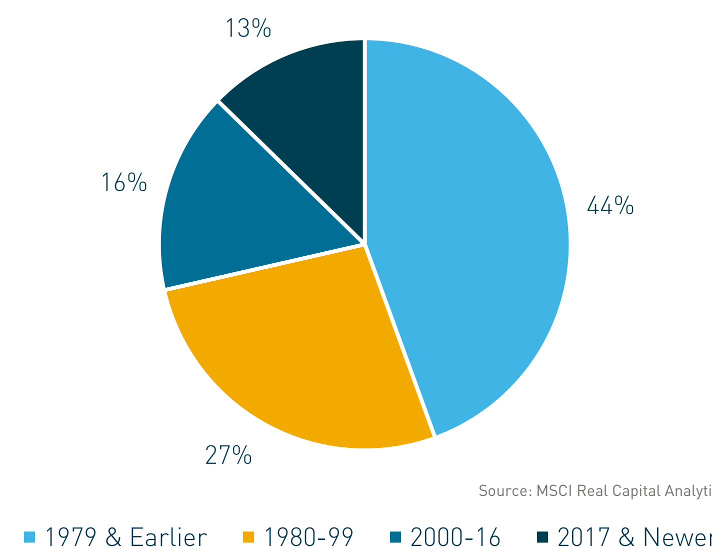
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



Source: MSCI Real Capital Analytics

*YTD through Oct.

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
3,442,800	3.2%	$133,742	$272,908	5.4%
UP 0.8% YOY	UP 10 BPS YOY	UP 3.0% YOY	DOWN 8.3% YOY	UP 100 BPS YOY