

DELTA ASSOCIATES'
WASHINGTON METRO
MULTIFAMILY MARKET OVERVIEW | Q4 2022



03.07.23



DELTA
ASSOCIATES
A Transwestern Company

PRESENTED BY:
WILLIAM RICH, CRE

DELTA ASSOCIATES'
WASHINGTON METRO MULTIFAMILY MARKET

APARTMENT MARKET OVERVIEW

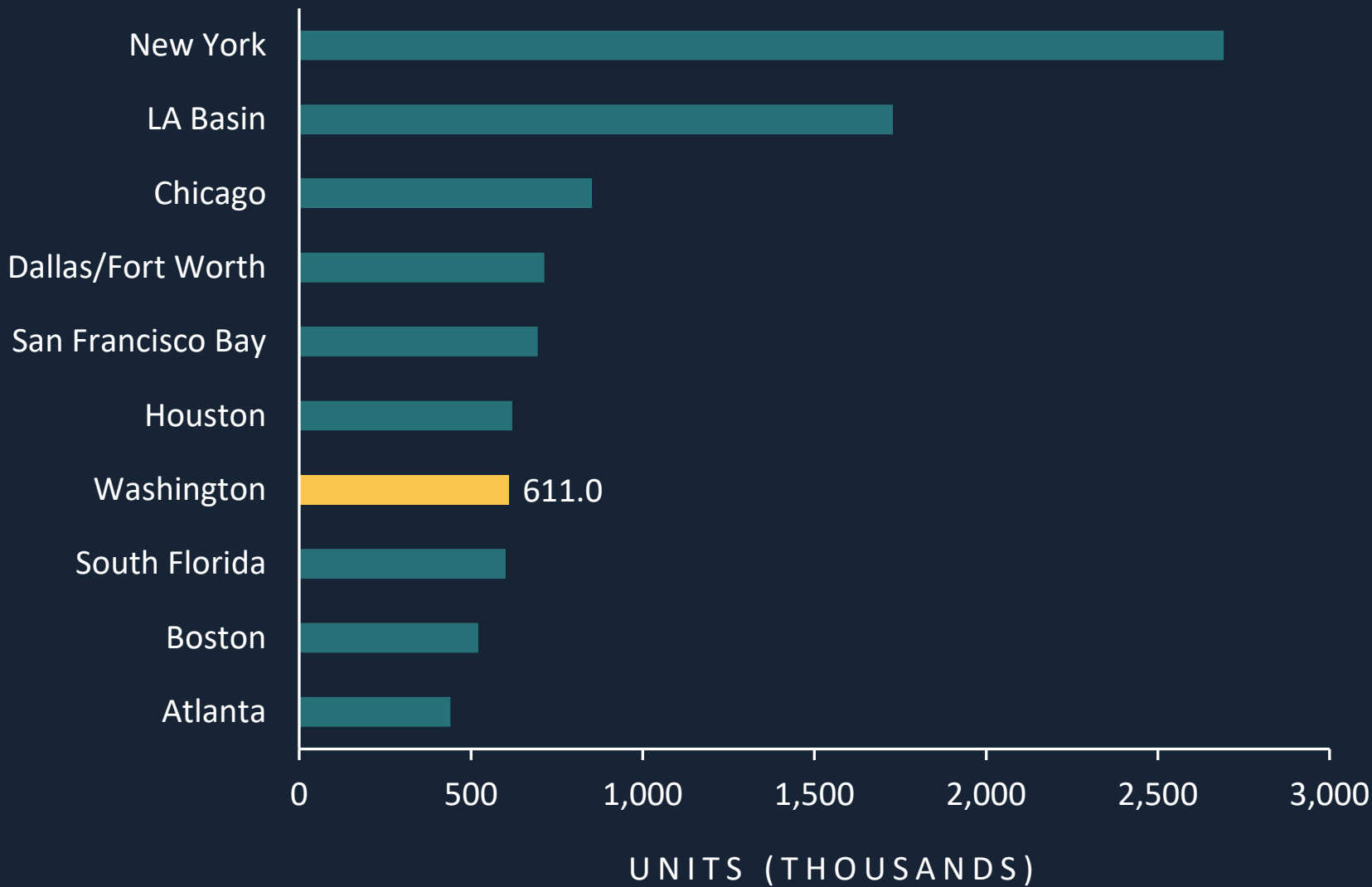


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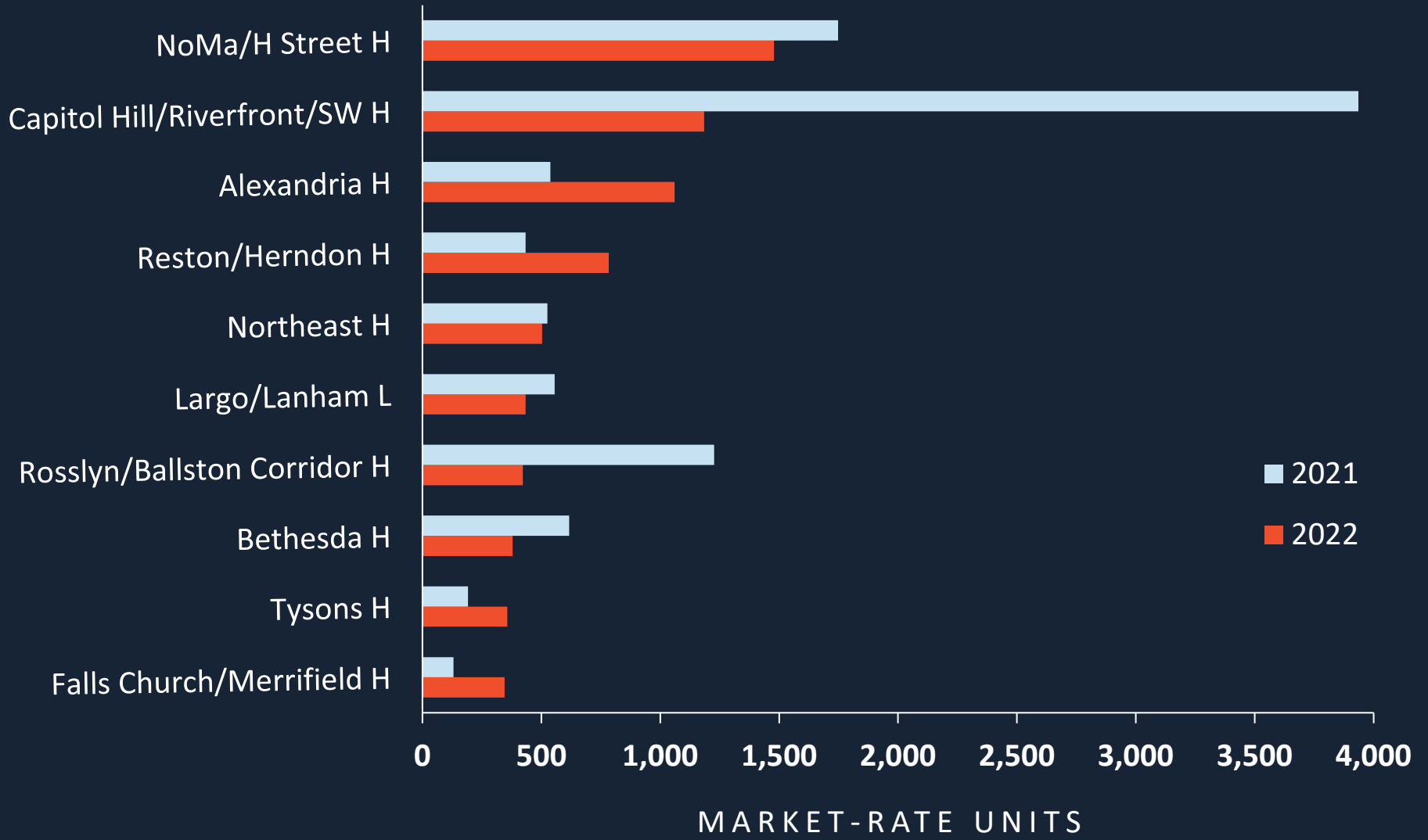
LARGEST APARTMENT MARKETS

Selected Metro Areas | 2021



CLASS A APARTMENT ABSORPTION

Top 10 Submarkets in Washington Metro Area | 2022

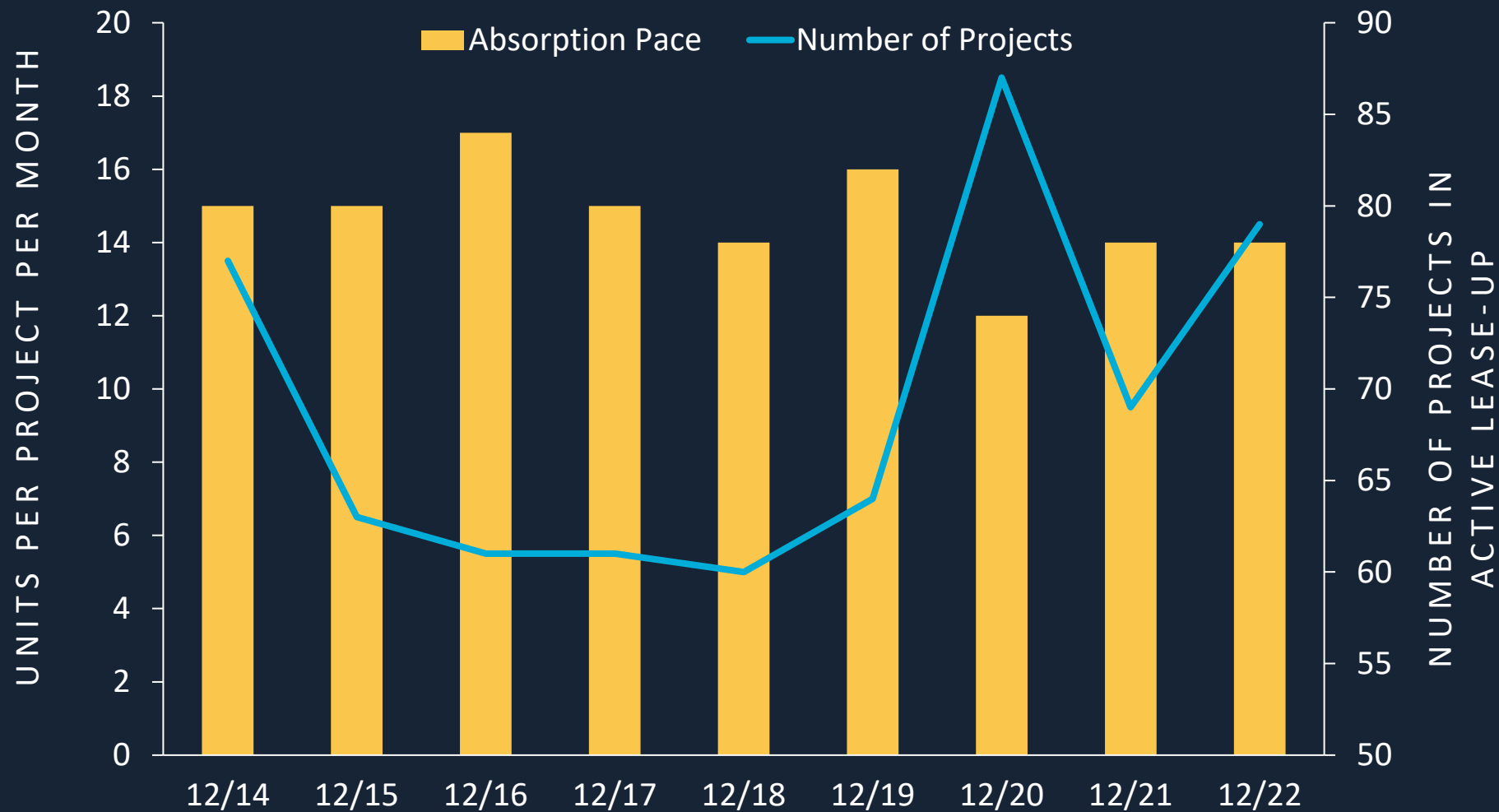


Source: Delta Associates; March 2023.

H= Mid/High-Rise L=Low-Rise

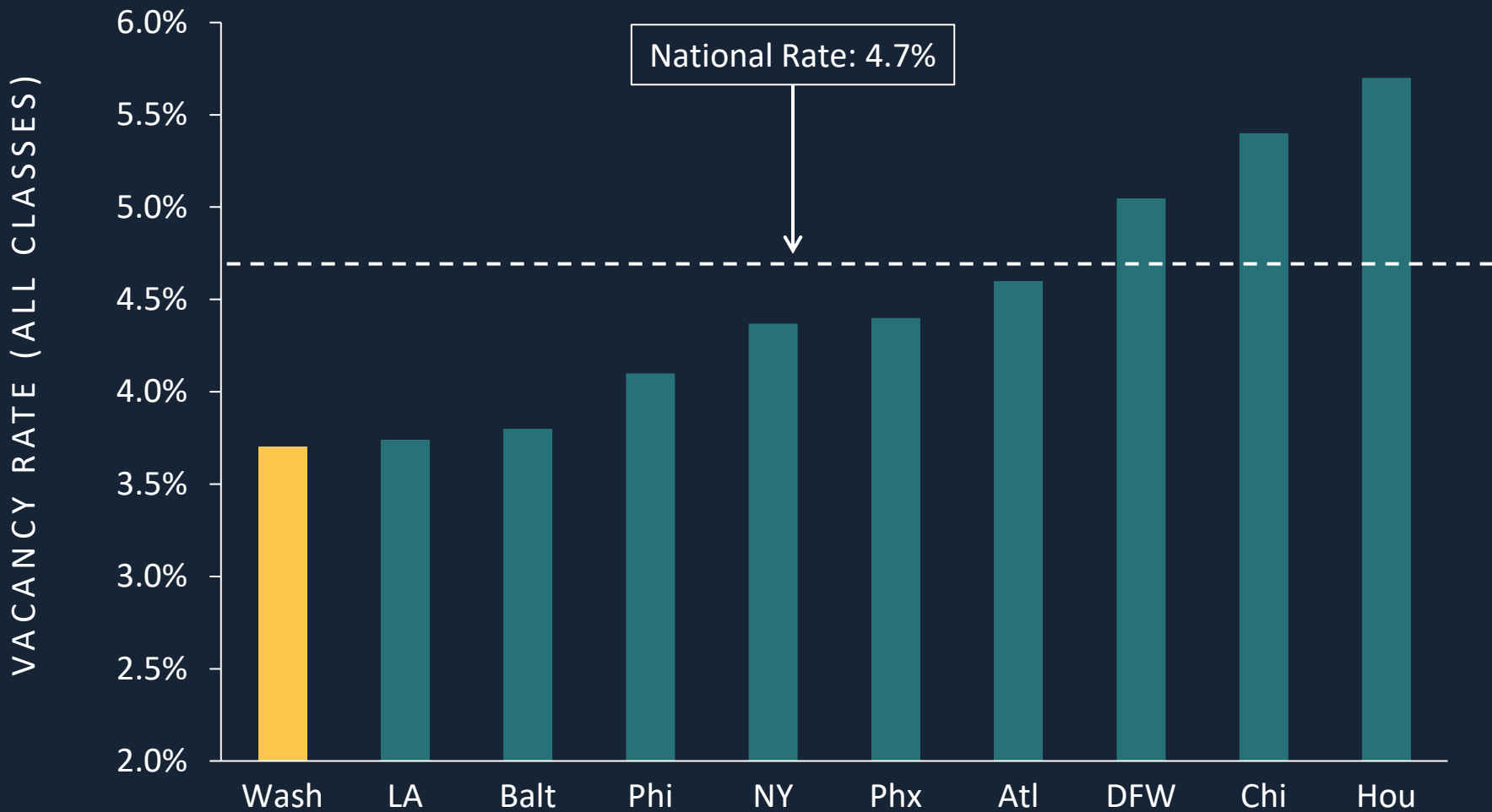
CLASS A APARTMENT ABSORPTION PACE

Apartments in Initial Lease-Up | Washington Metro Area



STABILIZED APARTMENT VACANCY RATES

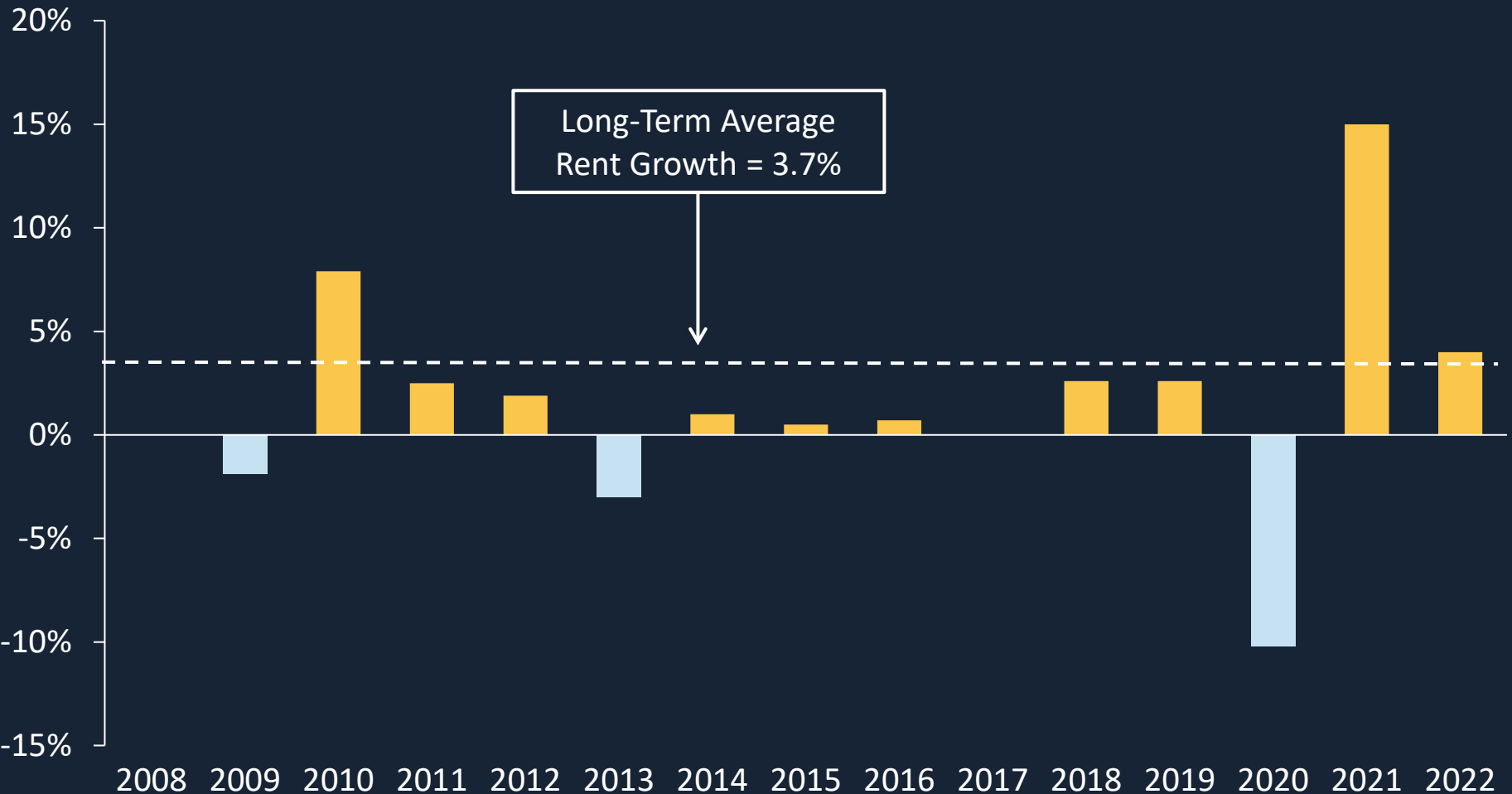
Major Apartment Markets | Third Quarter 2022



Source: Reis, Delta Associates; March 2023.

ANNUAL EFFECTIVE RENT GROWTH

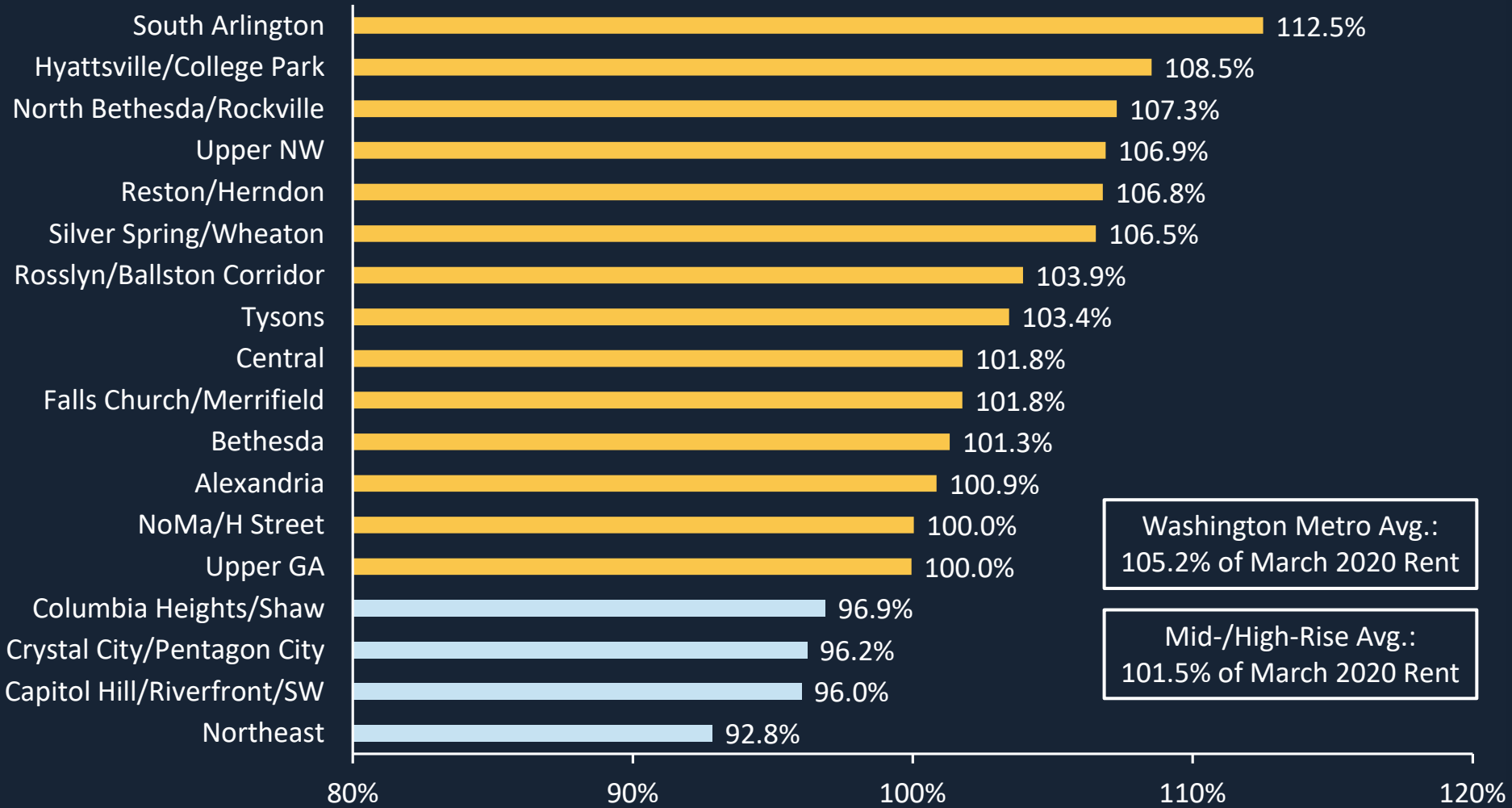
Class A Apartments | Washington Metro Area | 2008 - 2022



Source: Delta Associates; March 2023.

CLASS A APARTMENT RENT RECOVERY

High-Rise Submarkets | Dec. 2022 Rent as a % of Mar. 2020

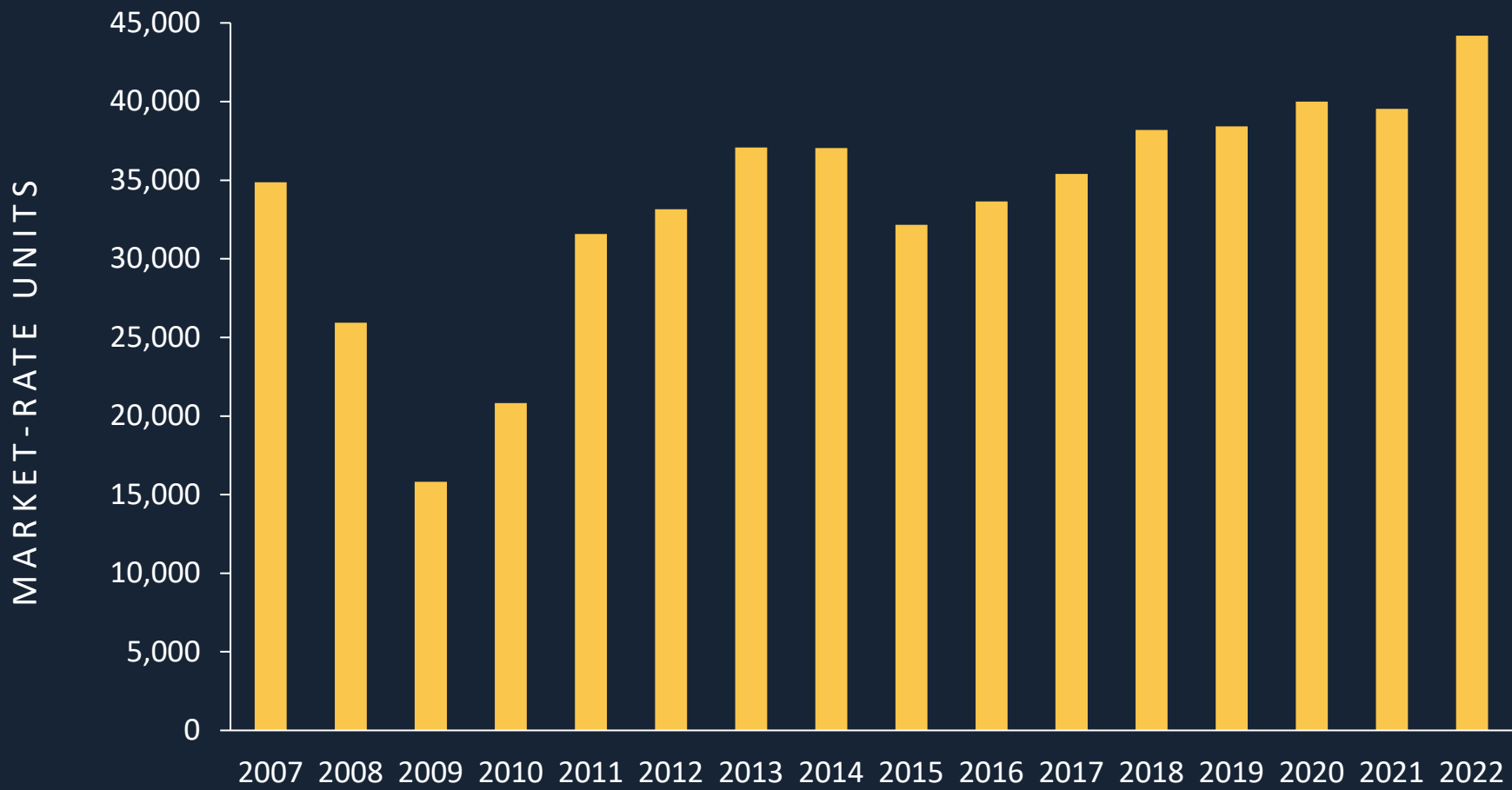


Source: Delta Associates; March 2023.

Note: Same-store rents from March 2020 to December 2022.

36-MONTH APT. DEVELOPMENT PIPELINE*

Washington Metro Area | 2007 - 2022

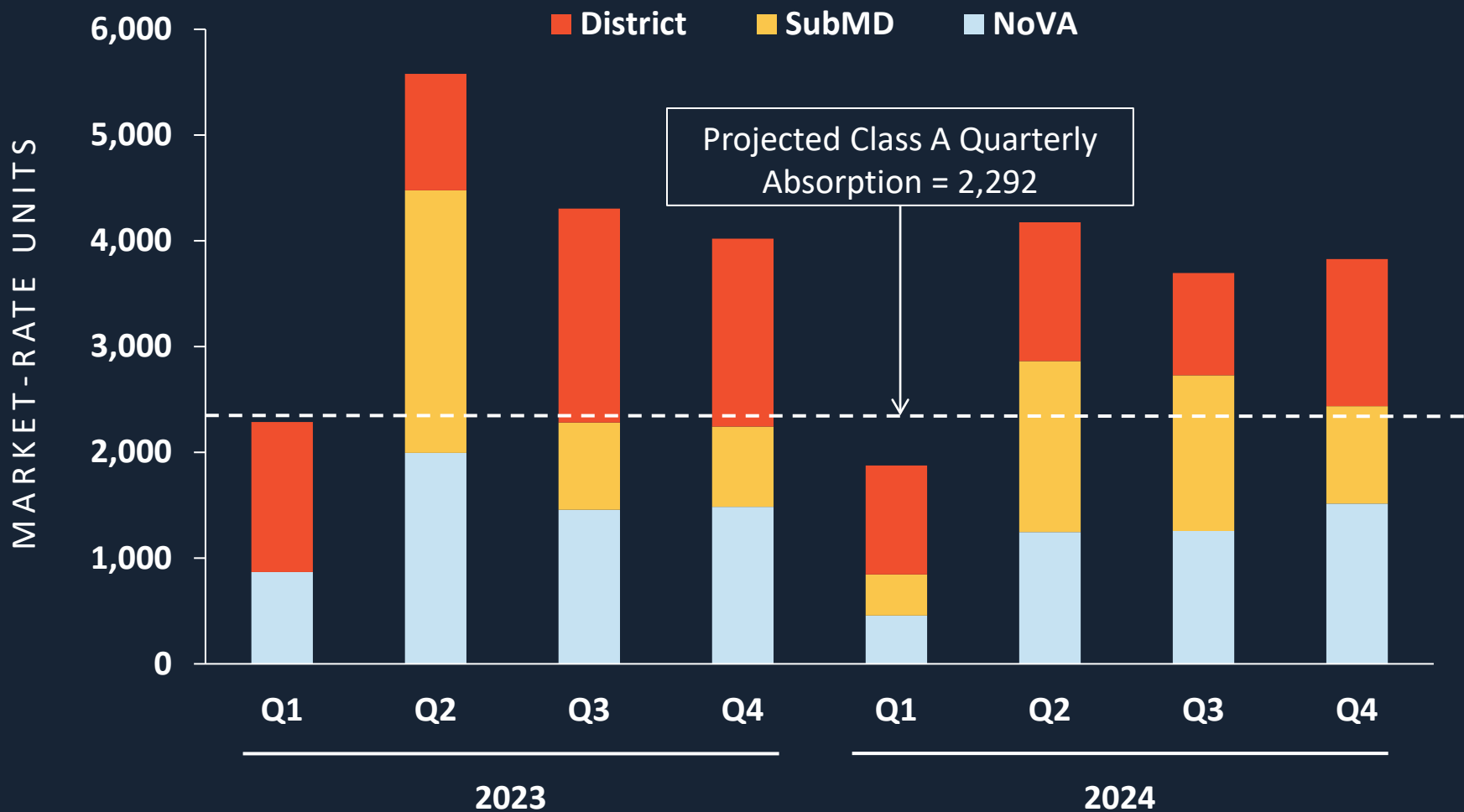


Source: Delta Associates; March 2023.

*Market-Rate Units Planned and Under Construction After Attrition.

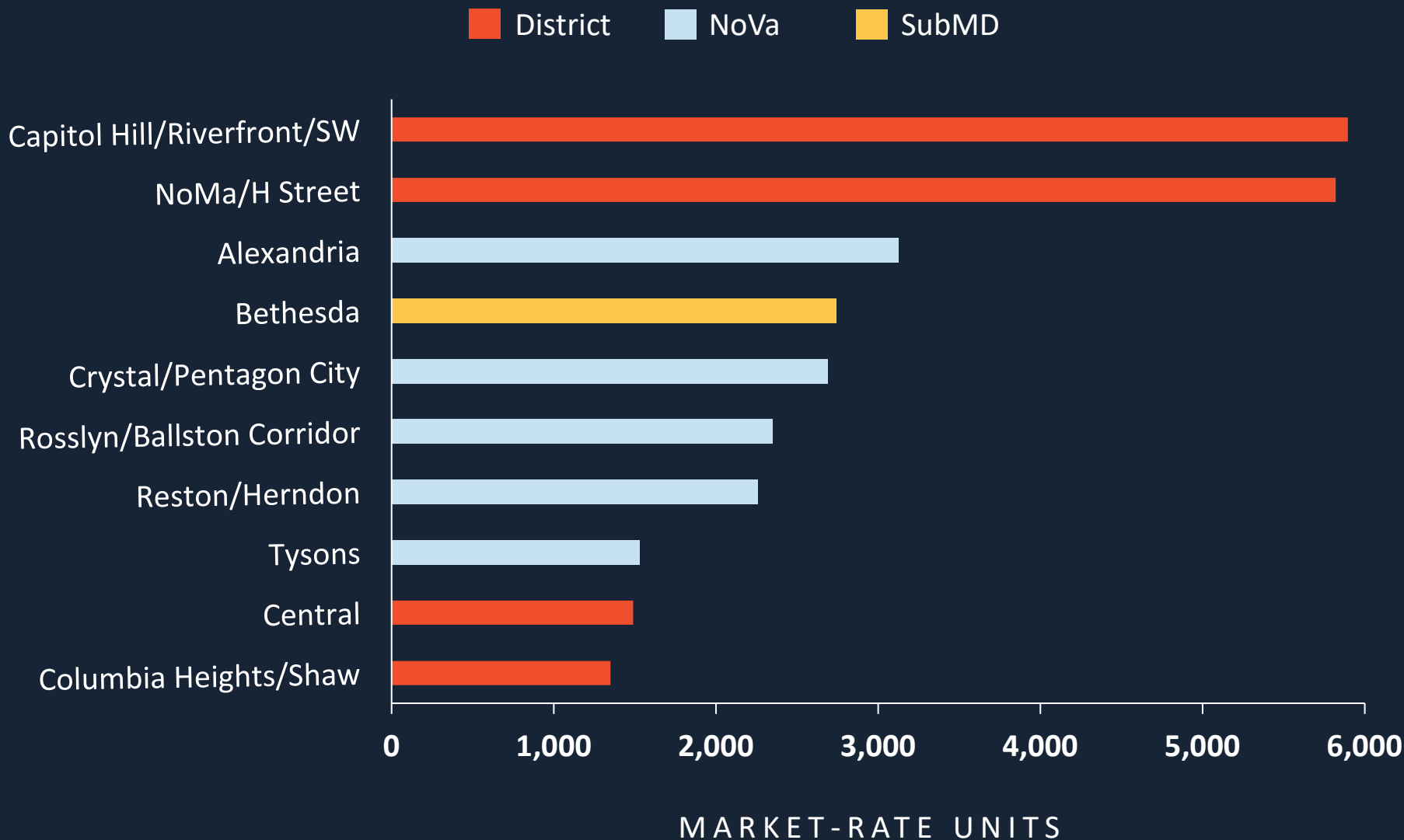
PROJECTED DELIVERIES

Washington Metro Area | 2023 - 2024



36-MONTH APT. DEVELOPMENT PIPELINE

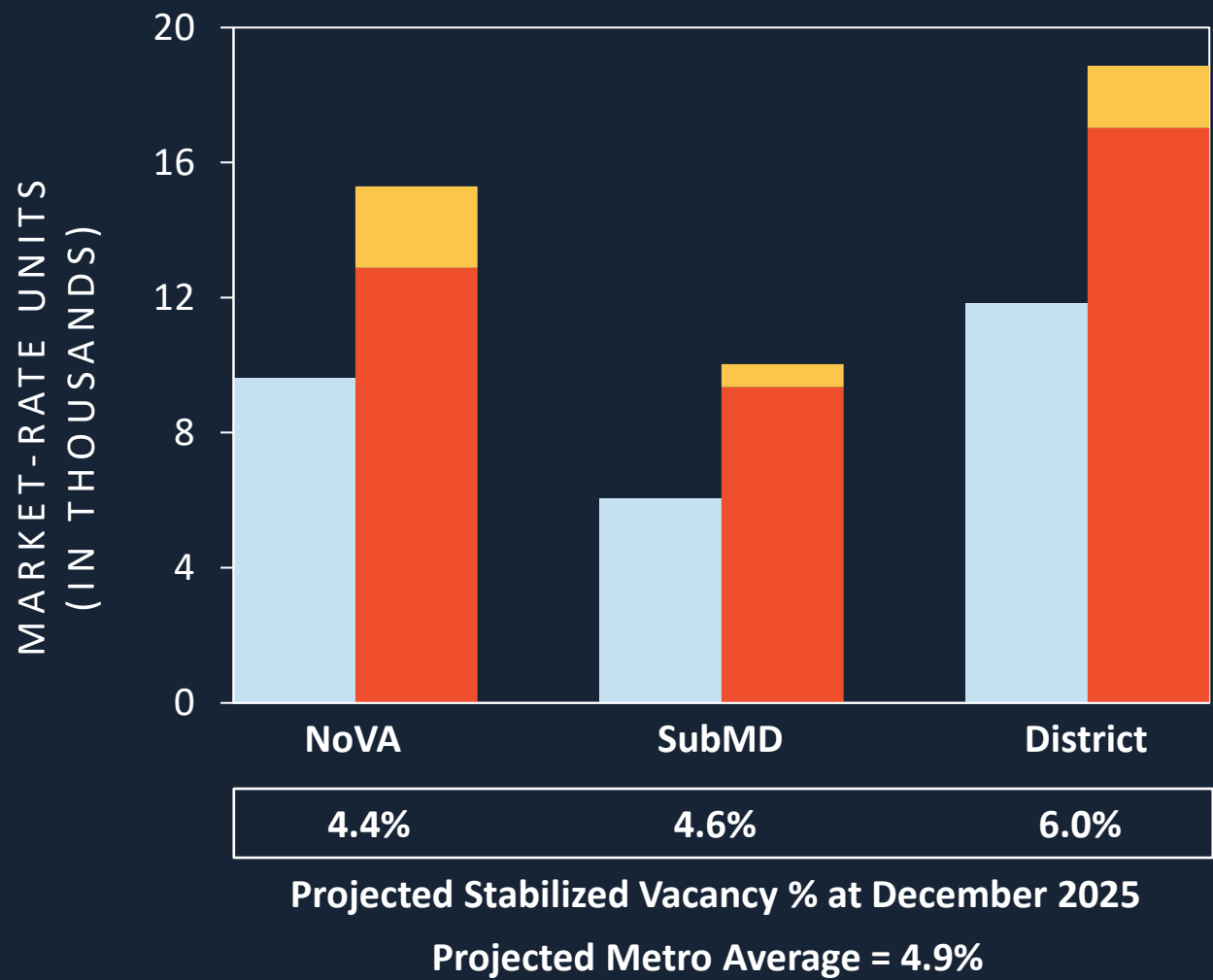
Top 10 HR Submarkets in Washington Metro Area | Q4 2022




Source: Delta Associates; March 2023.

APT. DEMAND & SUPPLY PROJECTIONS


Washington Metro Area | 36 Mo. Ending December 2025




DEMAND

 Net Absorption:
9,167/Year = 27,500

SUPPLY ¹

 Planned and may deliver by 12/25:
4,937 units

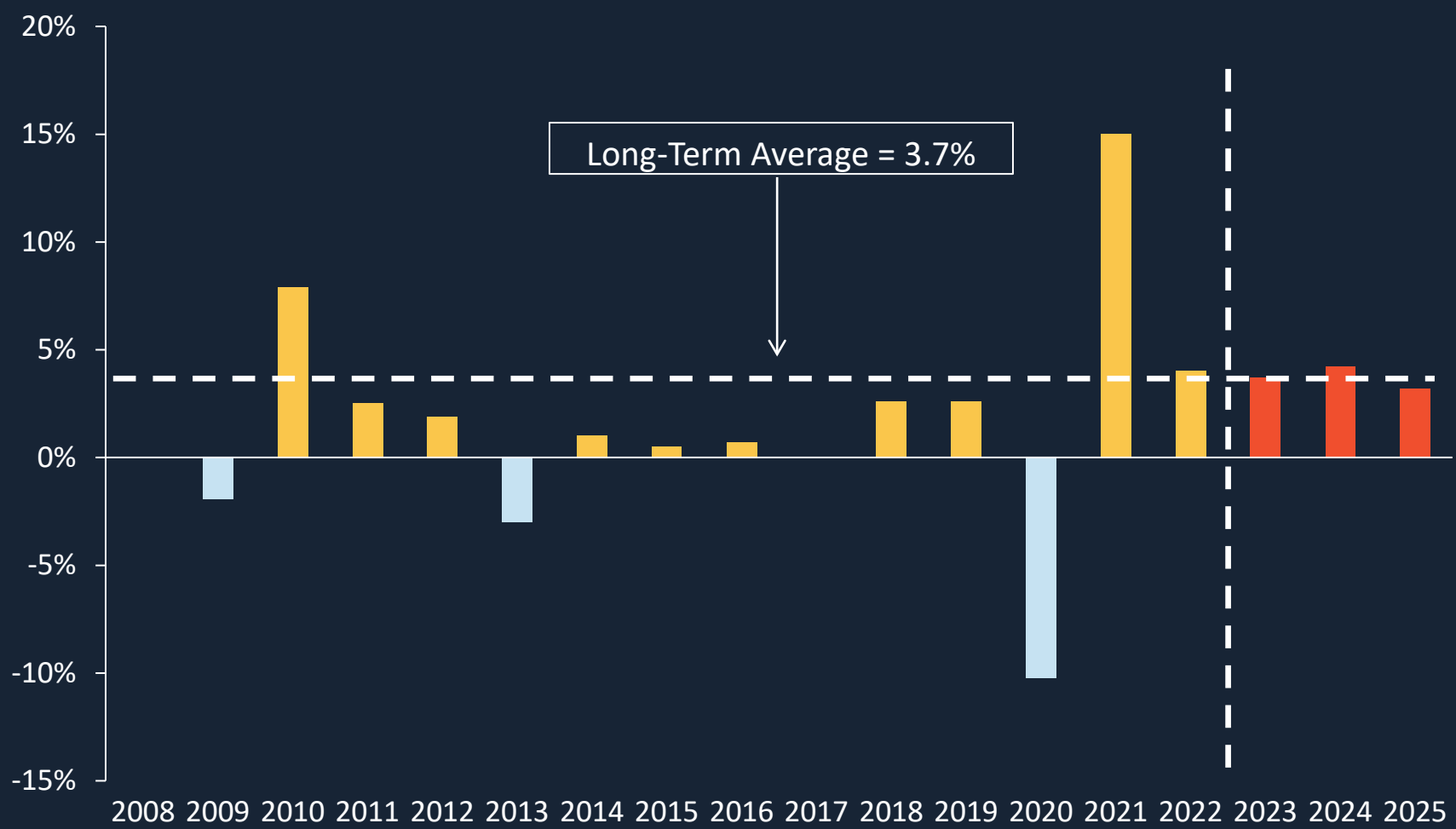
 Under construction supply:
39,254 units ²

Total = 44,191 units

¹ Probable supply after projected attrition.
² Includes unleased units at projects in lease-up.

ANNUAL APARTMENT RENT GROWTH

Class A Apartments | Washington Metro Area | 2008 - 2025



Source: Delta Associates; March 2023.

DELTA ASSOCIATES'
WASHINGTON METRO MULTIFAMILY MARKET

CONDOMINIUM MARKET OVERVIEW

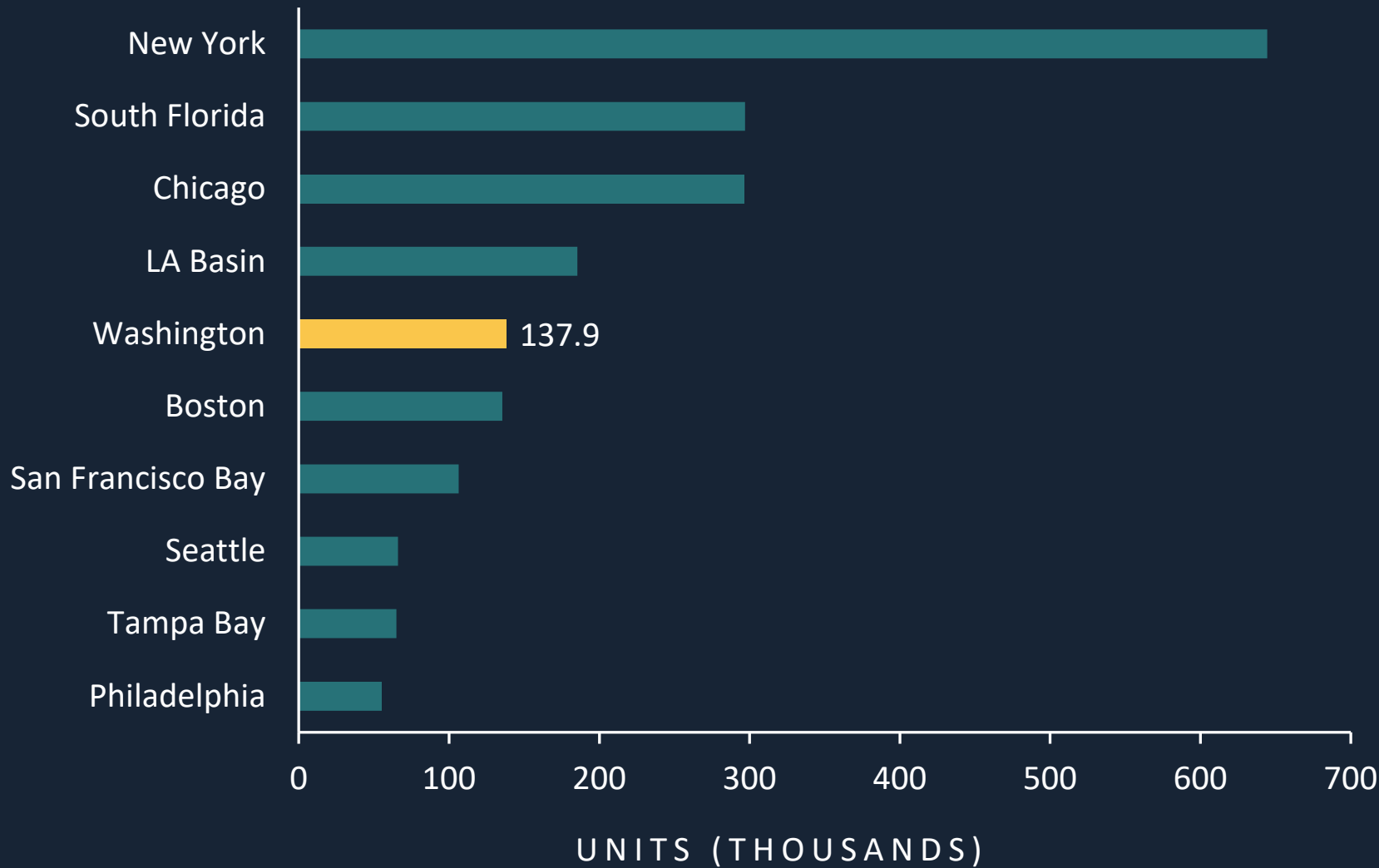


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LARGEST CONDOMINIUM MARKETS

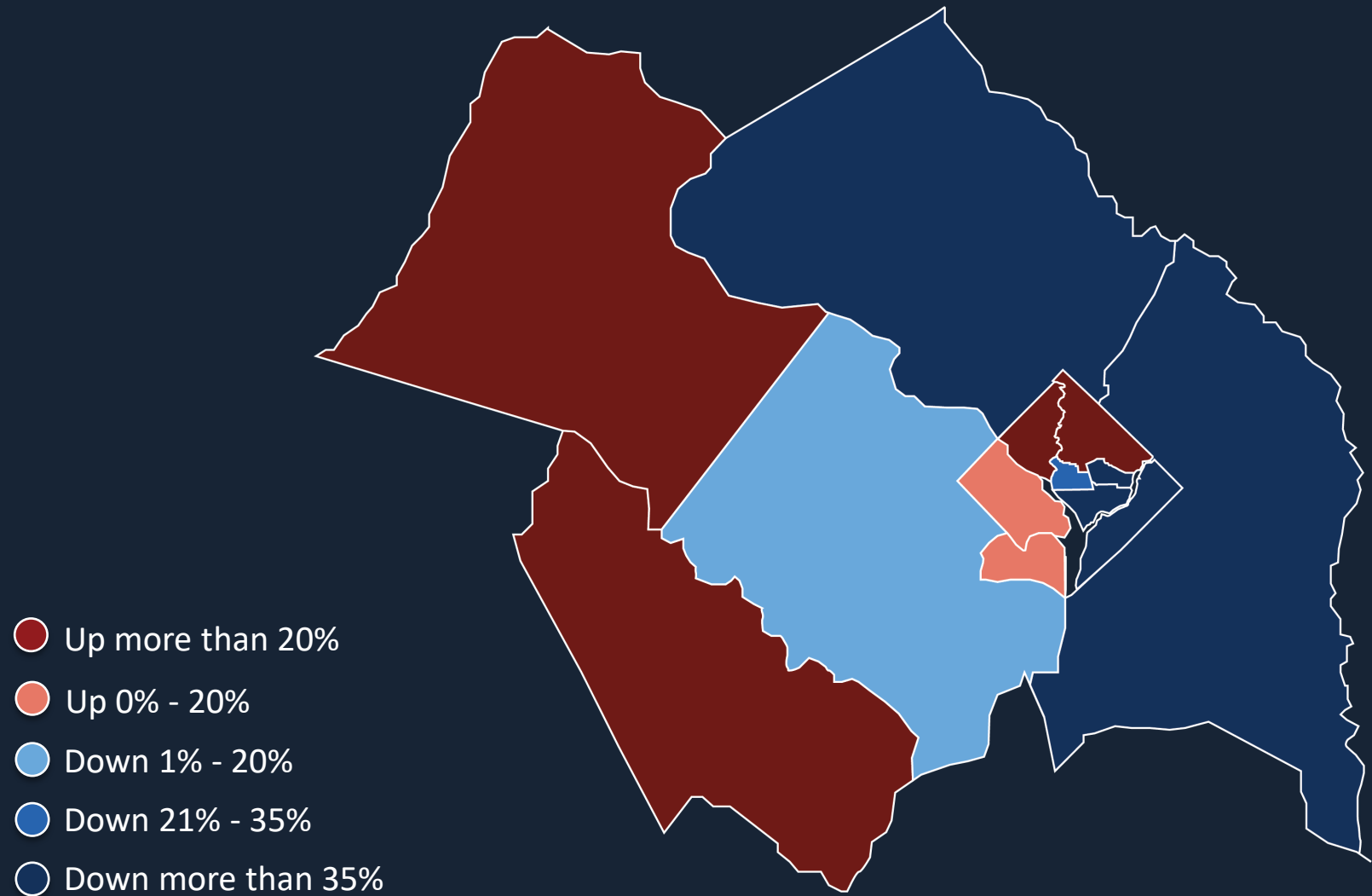
Selected Metro Areas | 2021



Source: U.S. Census Bureau, Delta Associates; March 2023.

NEW CONDOMINIUM SALES ACTIVITY

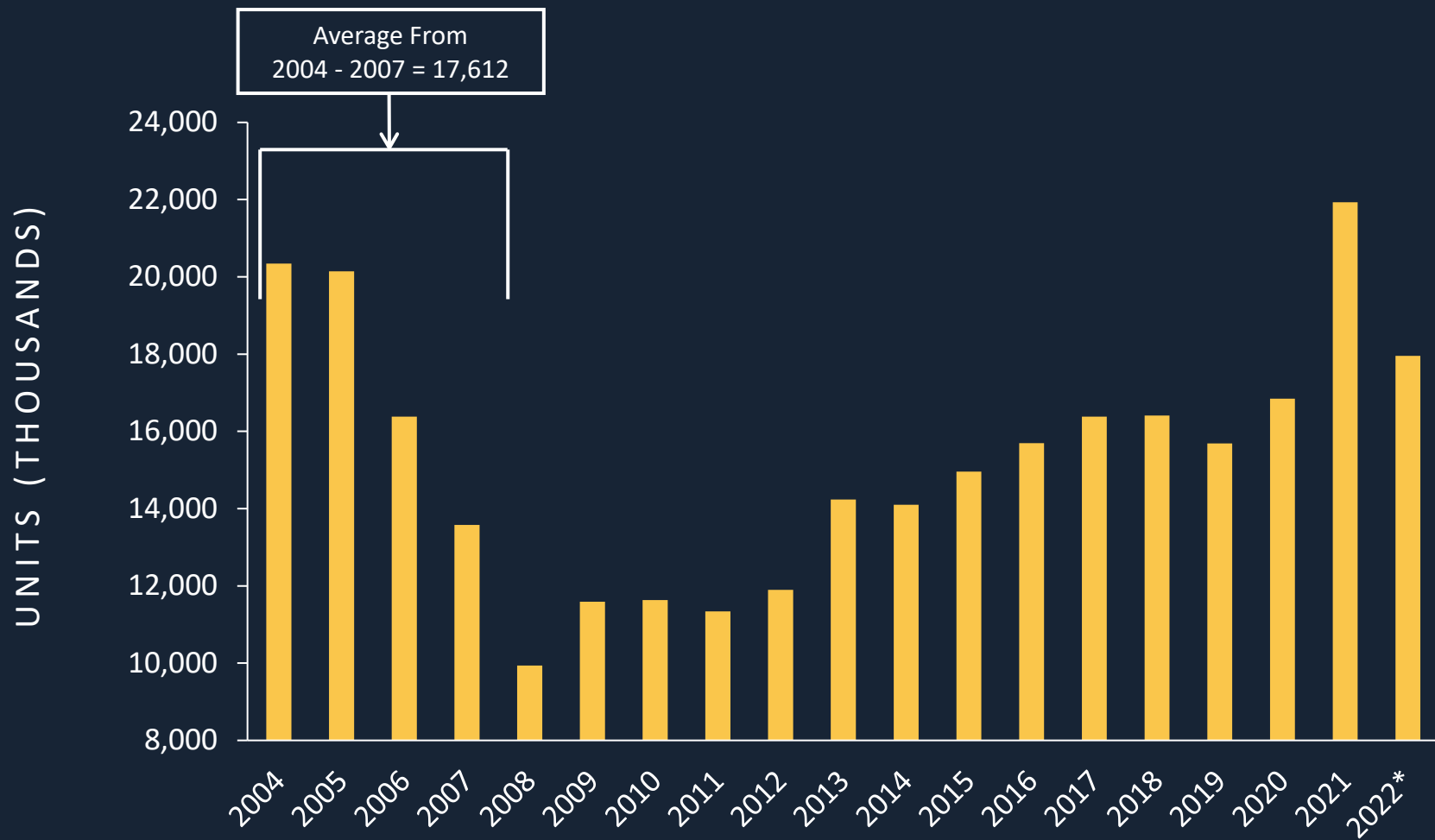
Washington Metro Area | 2022 Compared to 2021



Source: Delta Associates; March 2023.

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2022

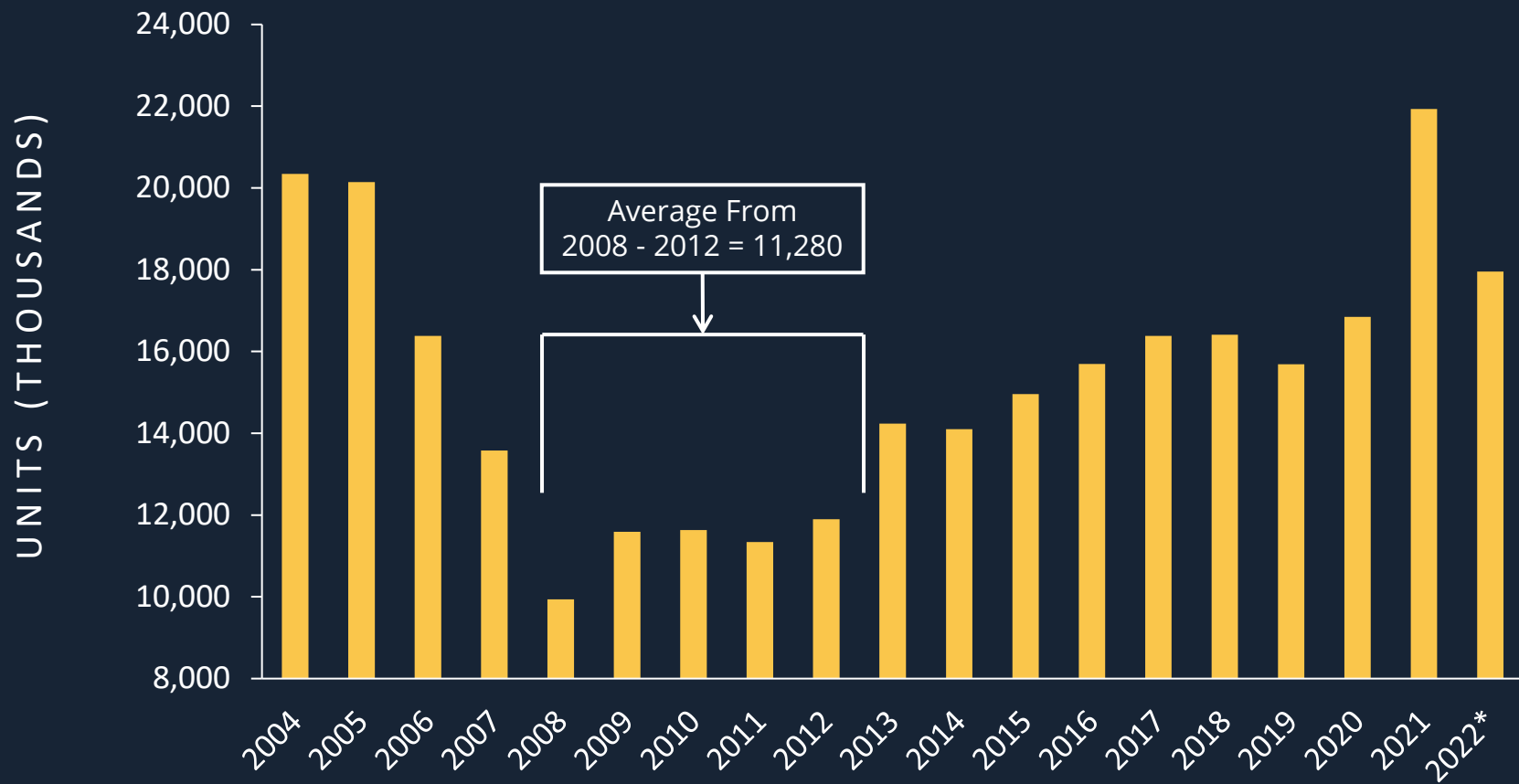


Source: Bright MLS, Delta Associates; March 2023.

*12 months ending November 2022.

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2022

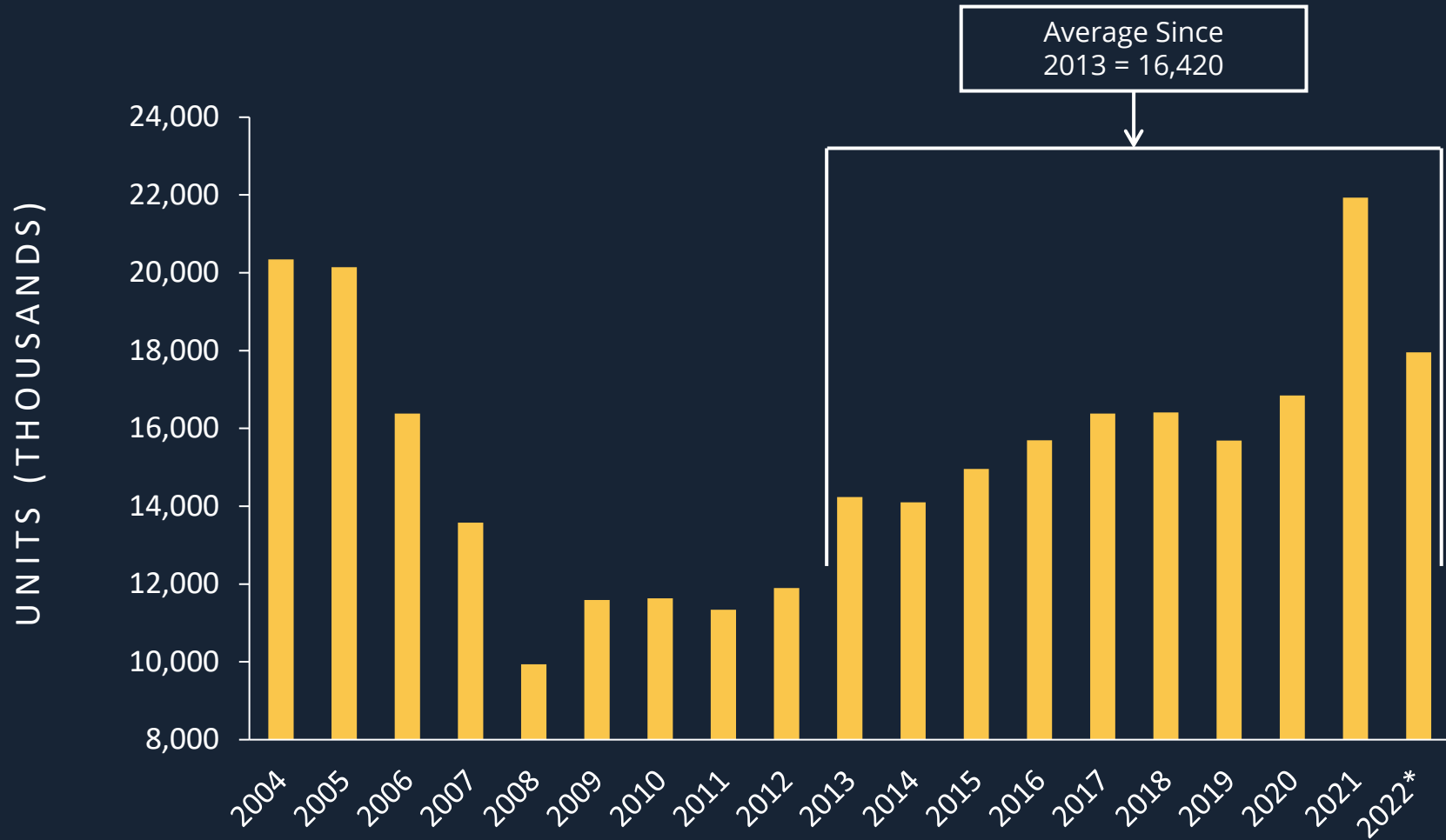


Source: Bright MLS, Delta Associates; March 2023.

*12 months ending November 2022.

ANNUAL CONDOMINIUM RESALES

Washington Metro Area | 2004 - 2022

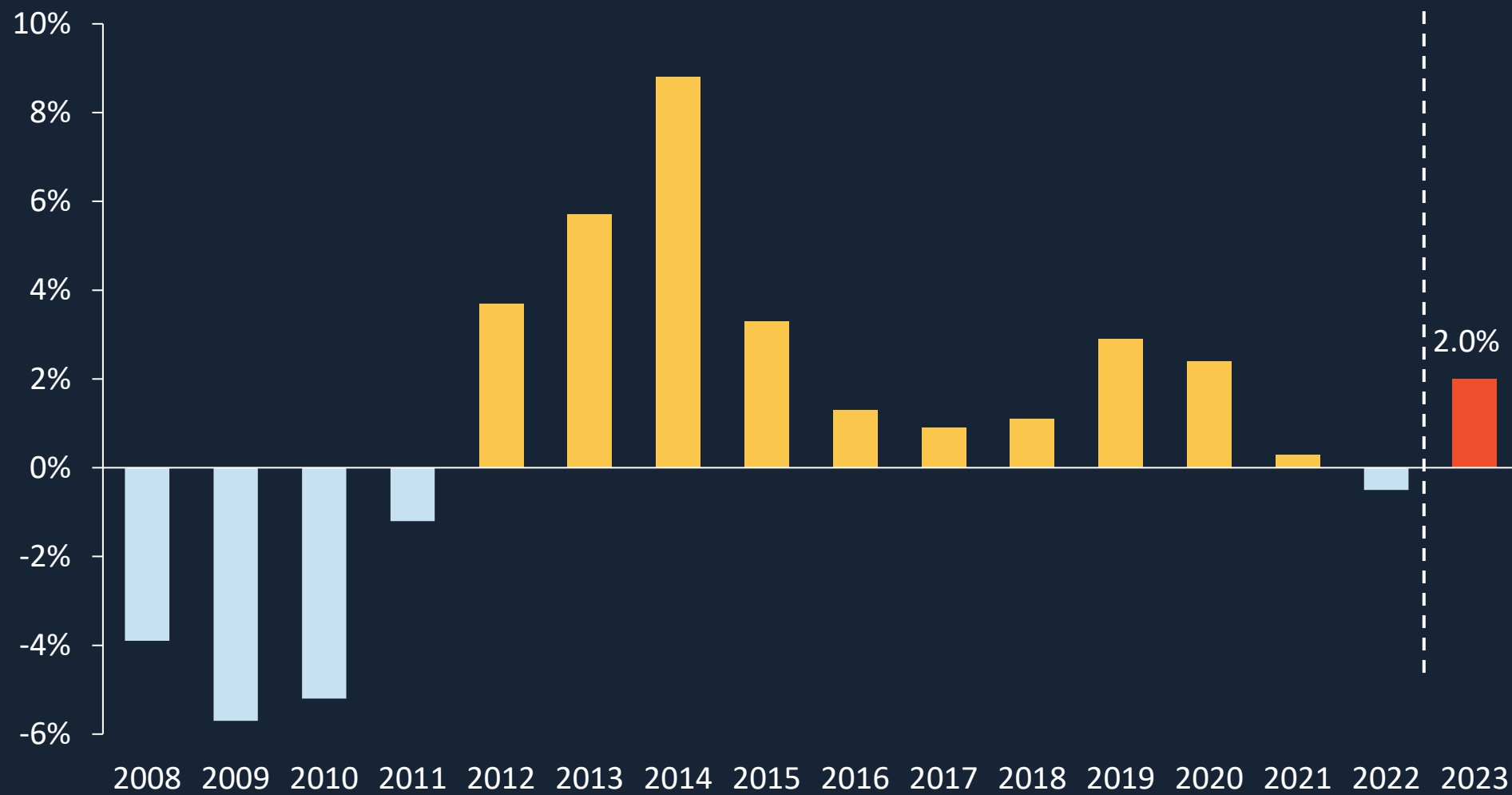


Source: Bright MLS, Delta Associates; March 2023.

*12 months ending November 2022.

NEW CONDOMINIUM SALES PRICE CHANGE

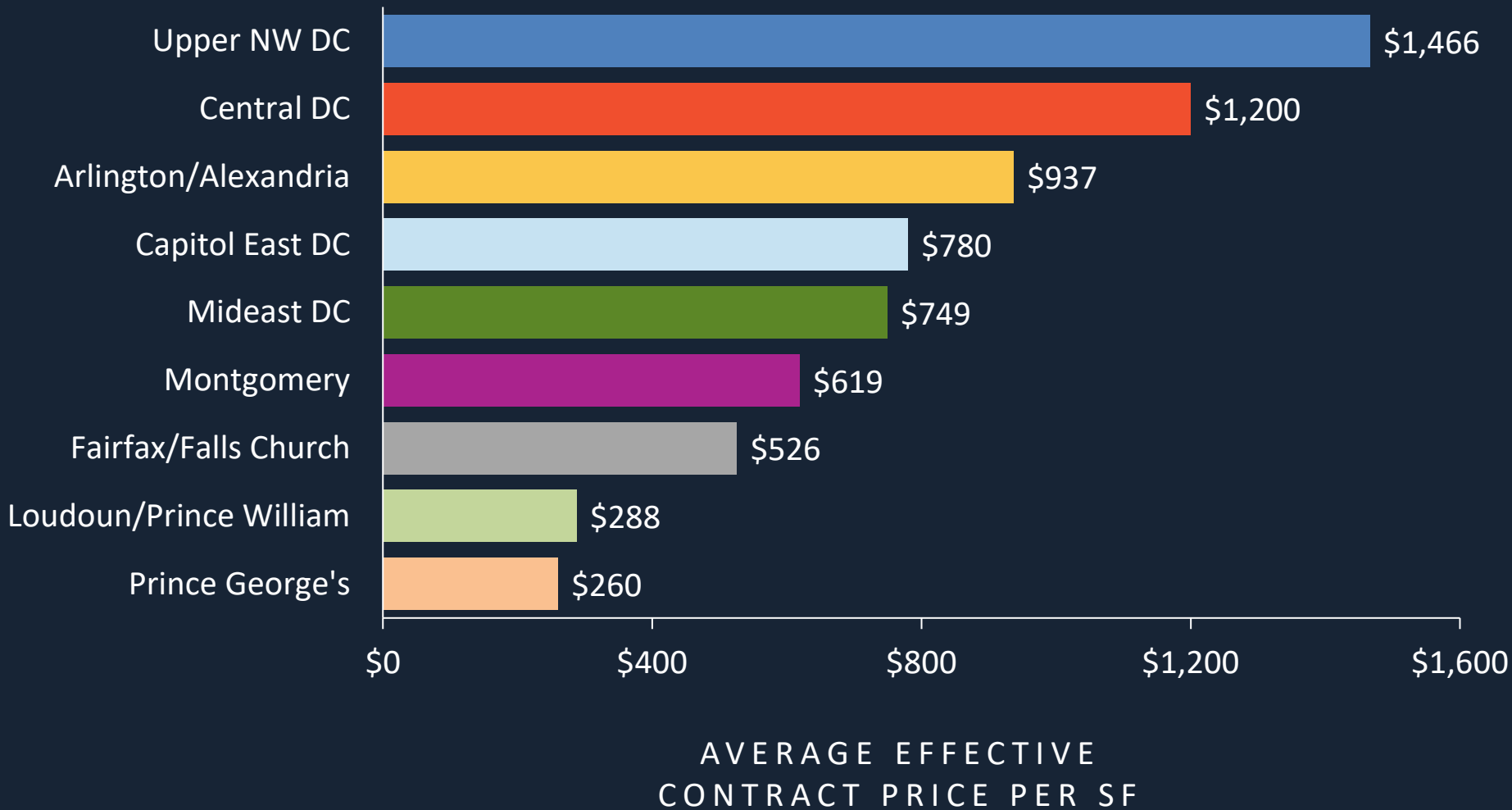
Washington Metro Area | 2008 - 2023



Source: Delta Associates; March 2023.

NEW CONDOMINIUM PRICES

Washington Metro Area | Fourth Quarter 2022 *

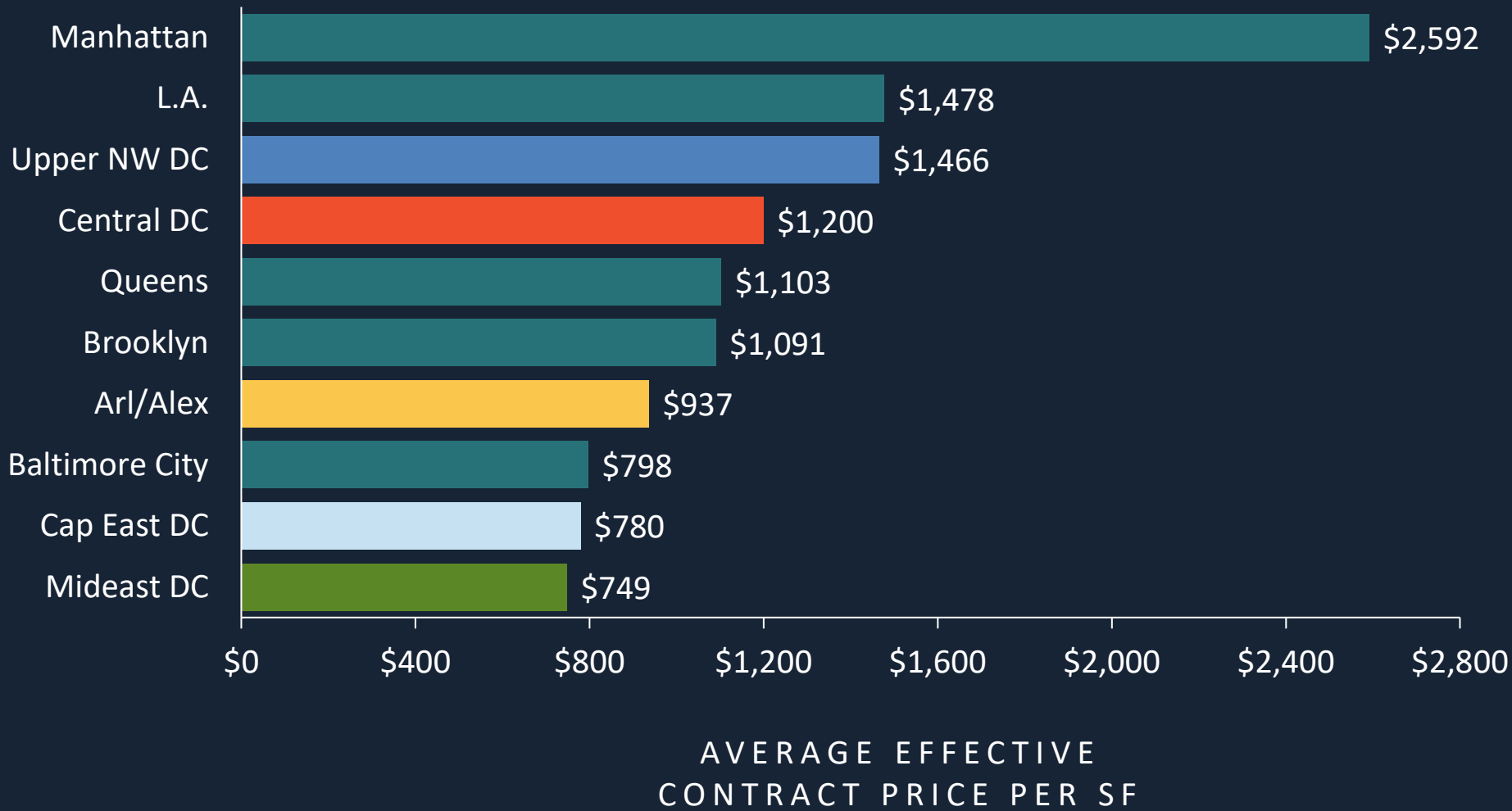


Source: Delta Associates; March 2023.

* Reflects prices of condo projects currently selling, so averages should not be compared from quarter to quarter since locations of projects change each quarter.

NEW CONDOMINIUM PRICES

Selected Cities in the U. S. | Fourth Quarter 2022 *

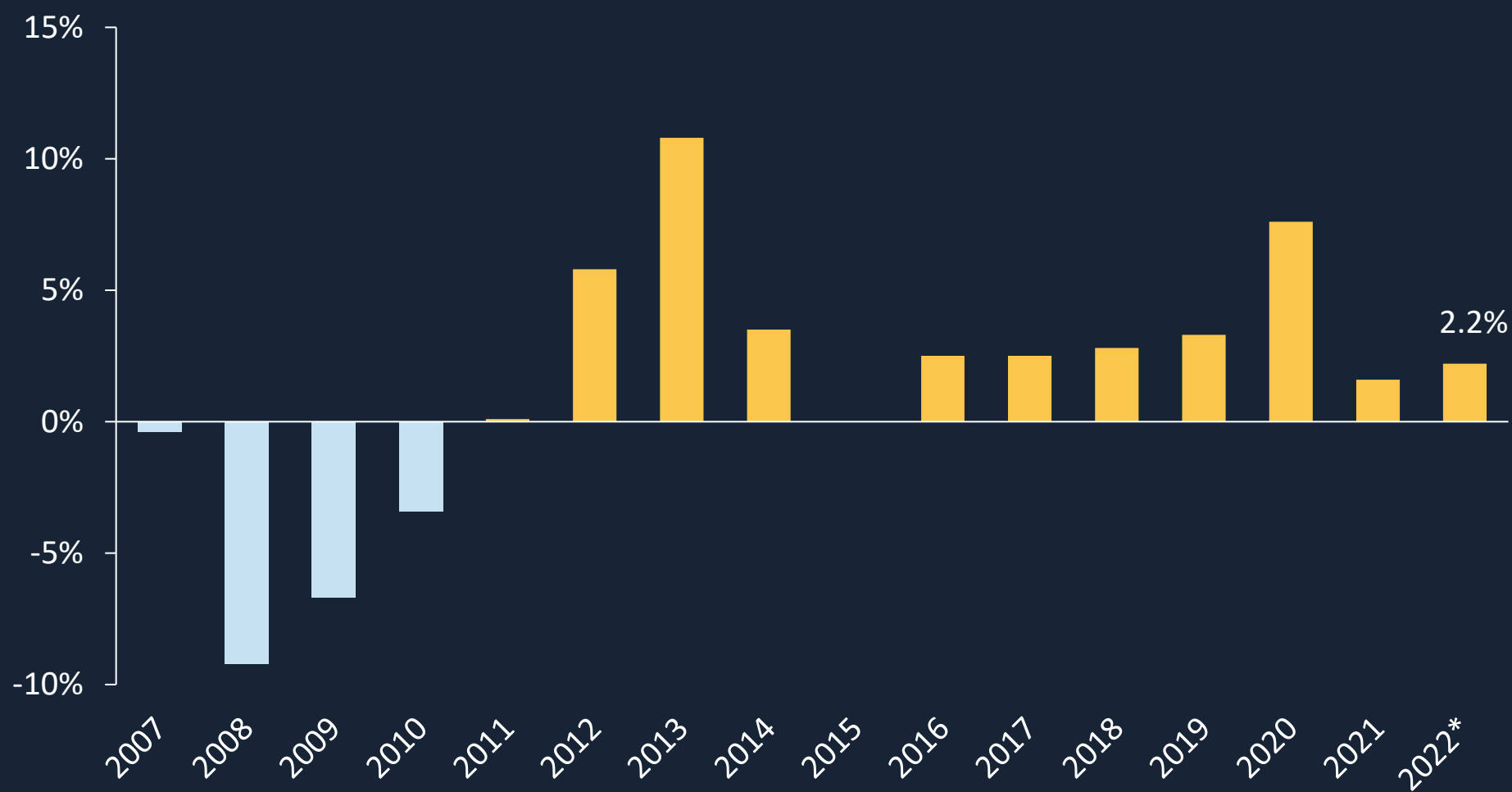


Source: Miller Samuel, Delta Associates; March 2023.

*Condo prices in Manhattan, Brooklyn, Queens, and Los Angeles are as of Q3 2022.

RESALE CONDO SALES PRICE CHANGE

Washington Metro Area | 2007 - 2022

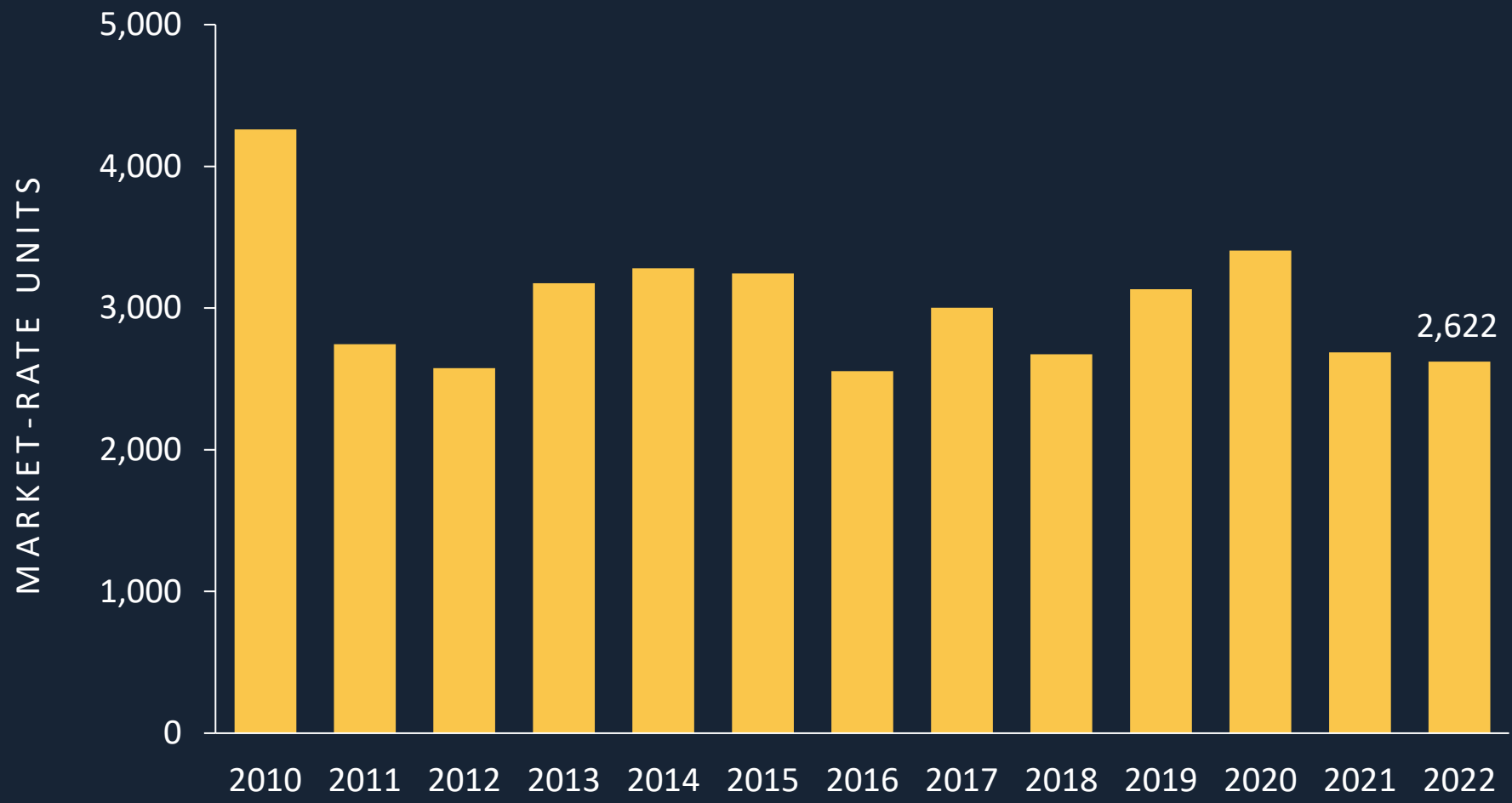


Source: Bright MLS, Delta Associates; March 2023.

* 12 months ending November 2022.

UNSOLD CONDOS ACTIVELY MARKETING

Washington Metro Area | 2010 - 2022

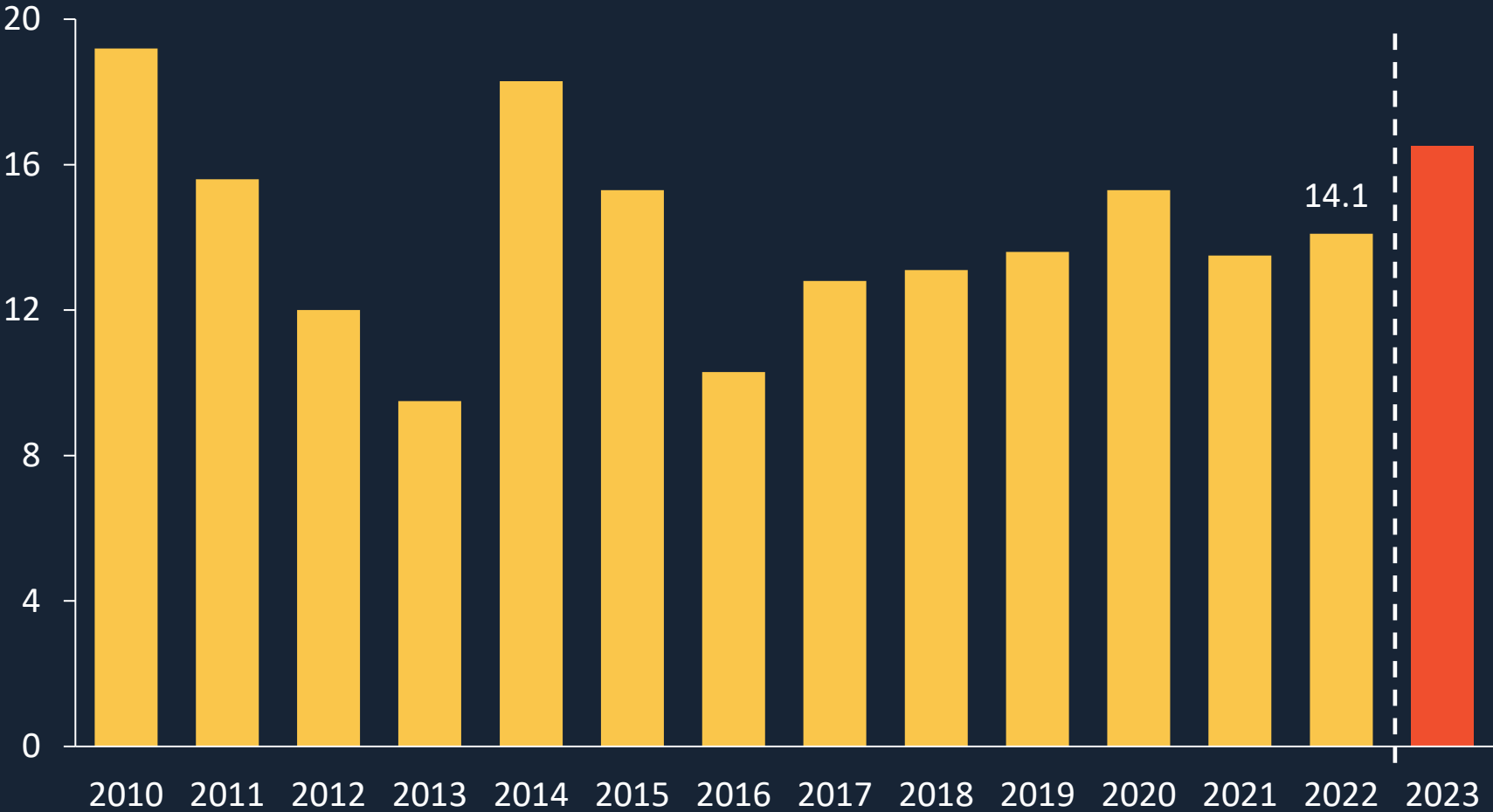


Source: Delta Associates; March 2023.

Note: Number of units are for December of each year.

MONTHS OF NEW CONDOMINIUM SUPPLY

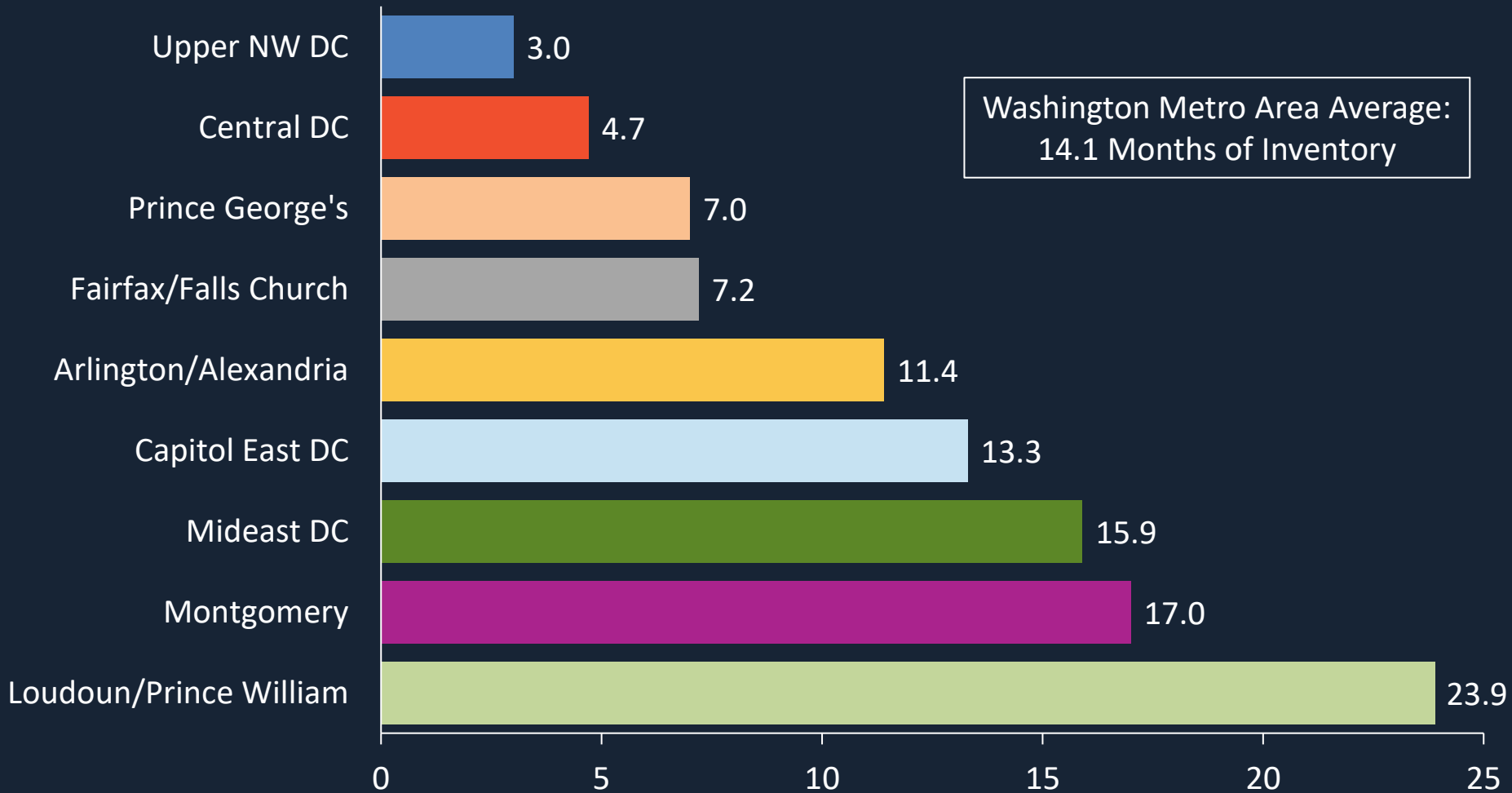
Washington Metro Area | 2010 - 2023



Source: Delta Associates; March 2023.

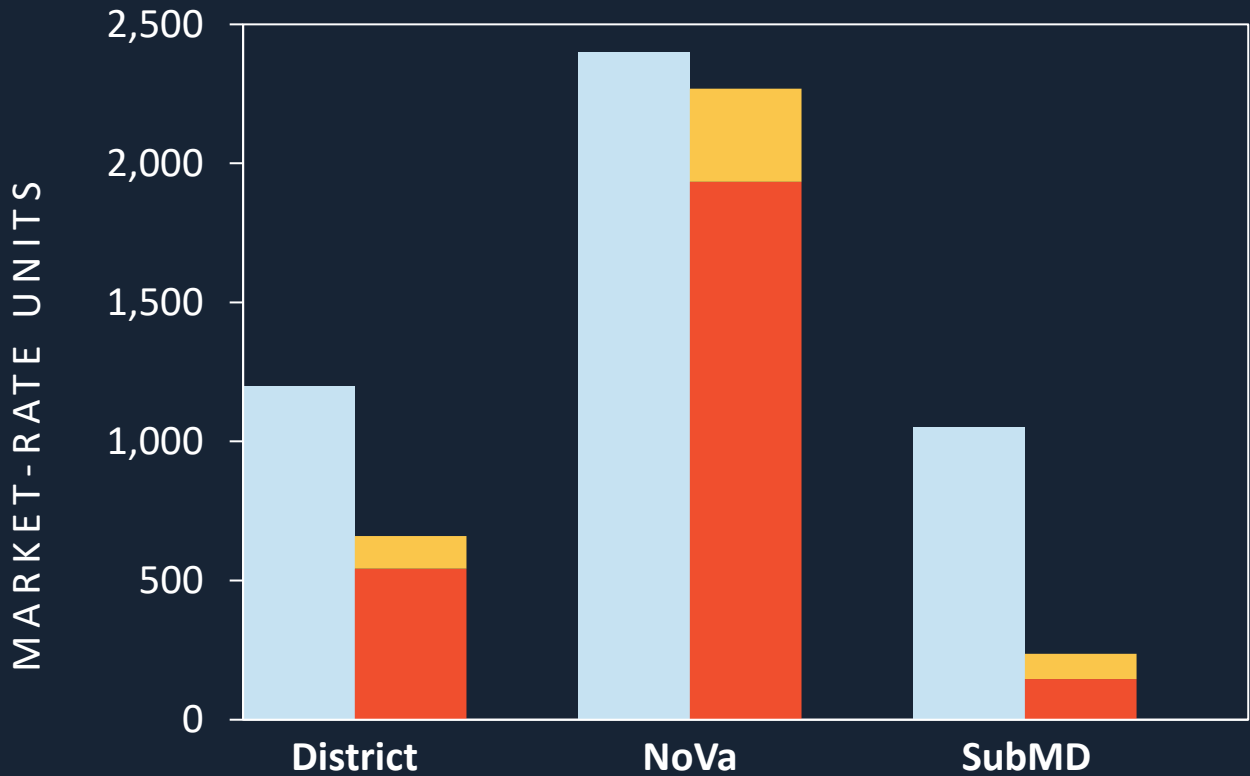
MONTHS OF NEW CONDOMINIUM SUPPLY

Washington Metro Area Submarkets | Fourth Quarter 2022



CONDO DEMAND & SUPPLY PROJECTIONS

Washington Metro Area | 36 Mo. Ending December 2025



DEMAND

Net Absorption:
1,550/Year = 4,650

SUPPLY ¹

Planned and may
begin marketing by
12/25: 544 units

Under construction
and/or marketing:
2,622 units ²

Total = 3,166 units

¹ Probable supply after projected
attrition.

² Includes unsold units at projects
selling.

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