



# Mid-Atlantic Multifamily Market Report

## Flight to Quality and Stability Drives Demand for Multifamily Assets

The Mid-Atlantic multifamily market softened slightly in the second quarter of 2022, on the back of several quarters of tight market fundamentals. The region and country have seen strong public health recovery in recent months and markets should see more gradual expansion in the next year.

In the second quarter, most Mid-Atlantic metro markets surveyed by Newmark experienced slightly reduced demand and therefore modest downward pressure on occupancy. Effective rent growth has remained the same or decreased in all Mid-Atlantic markets, as pricing continues to correct for the lowered pandemic-related rents. The Washington Metro recorded annual effective rent growth of 10.4%, while the District of Columbia measured 8.7%.

All four of the Mid-Atlantic multifamily markets' competitive conditions are supported by an exceptionally well-positioned labor force anchored by federal and state government employment. The region also boasts growth in high-wage sectors like Professional and Business Services, Financial Services, and Information. These demand drivers, combined with a relatively tight homeownership market, have contributed to developer optimism for future multifamily demand and have boosted construction pipelines, although evolving market uncertainty could dampen forecasts slightly. The increasing pipeline has modestly rebalanced the region's anticipated supply and demand. However, all four markets boast occupancy rates in excess of 96%, supporting the need for greater supply, despite elevated construction and material costs.

Mid-sized metro markets and suburbs have experienced the greatest amount of multifamily activity over the last year. In Richmond, the smallest of the Mid-Atlantic multifamily markets, year-to-date net absorption measured 587 units, less than only Washington, but representing a larger percentage of inventory at 0.53%. Conversely, Hampton Roads and Baltimore recorded negative net occupancy at mid-year. The region's overall occupancy remains elevated, at 97.3%.

Mid-Atlantic investment activity maintained a steady pace in the second quarter. The mid-sized metros of Hampton Roads and Richmond still capture a relatively large share of investment volume, which is consistent with the national trend of increased institutional investment in emerging markets, particularly in the Sun Belt. Given increasing cost of capital and softening yield compression in primary markets, risk-averse investors may begin to reduce exposure in secondary markets.

The best investment opportunities are anticipated to follow the areas with the greatest economic growth potential. Areas of future growth continue to be focalized in Maryland's pharmaceutical and biotechnology nodes, Baltimore suburbs' cybersecurity corridor, and Northern Virginia's technology hubs. Long-term flexibility in working arrangements and greater affordability in secondary markets could support above average demand in smaller metro areas despite economic uncertainty. Multifamily investments in the Mid-Atlantic remain a relative safe harbor for return-driven investors, who are focused on the flight to quality and stability in primary, as well as secondary and tertiary markets. The region's multifamily assets continue to perform well, and serve as hedges against current market conditions, including inflation and interest-rate increases.

### Mid-Atlantic Multifamily Markets: Key Statistics

	Baltimore Metro Area	Hampton Roads Metro Area	Richmond Metro Area	Washington Metro Area
Total Inventory (Units)	235,682	142,628	109,266	664,559
Overall Occupancy Rate	96.7%	97.4%	96.8%	96.5%
Year-to-Date Absorption (Units)	-1,451	-1,139	587	2,944
Effective Rent (Per Unit)	\$1,615	\$1,380	\$1,415	\$2,002
Effective Rent (Per SF)	\$1.81	\$1.45	\$1.56	\$2.31
1-Year Effective Rent Change	9.6%	11.2%	12.4%	10.4%
5-Year Average Effective Rent Change	4.7%	6.1%	6.9%	2.8%
YTD Deliveries	295	812	1,461	6,222
Under Construction (Units)	5,560	3,315	7,414	34,521
3-Year Delivery Pipeline (Units)	6,248	4,083	8,386	37,952

# Baltimore Metro Area Multifamily Market

## Baltimore Recovery Softens; Strong Top-of-Market Investment Activity

The Baltimore metro area's multifamily market softened slightly in the second quarter of 2022, though market conditions remain relatively tight. Occupancy decreased by 80 basis points this quarter, to 96.7%. Effective rents increased from the first quarter, to \$1,615/unit. The region's net absorption registered negative 1,907 multifamily units during the second quarter, down from 456 units during the first quarter of 2022. Baltimore City recorded absorption of negative 843 units in the second quarter, compared to negative 1,064 units in the suburbs. Although this marks a notably negative period of quarterly net absorption, forecasted growth in the suburbs during the second half of 2022, should support positive occupancy by year-end. There were limited deliveries in the second quarter, but the active construction pipeline is healthy at 5,560 units. An additional 688 units are planned to break ground in the near term, bringing the region's three-year development pipeline to 6,248 units.

### Economic and Multifamily Market Outlook

Economic recovery continued gradually in the Baltimore metro area in the second quarter of 2022. The region's unemployment rate has fallen 210 basis points over the last year to 3.6%, identical to the national rate. Baltimore added 52,800 jobs in the 12 months ending in May 2022. Baltimore's office-using employment sectors, which often boast above-average wages, have grown notably over the last year. Professional Business Services employment has grown 3.3% since May 2021, adding 8,300 jobs to the market. The region benefits from the Port of Baltimore, which is an important asset for supporting the shipping and logistics needs of the e-commerce industry. This growing sector continues to provide opportunities for future multifamily demand in the Baltimore market, regardless of market conditions.

### Market Summary

	Current Quarter	Year Ago Period	36-Month Forecast
Total Inventory (Units)	235,682	233,418	↑
Occupancy Rate	96.7%	96.3%	→
Quarterly Net Absorption (Units)	-1,907	1,574	→
12-Month Effective Rent Change	9.6%	7.0%	↓
Quarterly Deliveries (Units)	38	465	↑

# NEWMARK

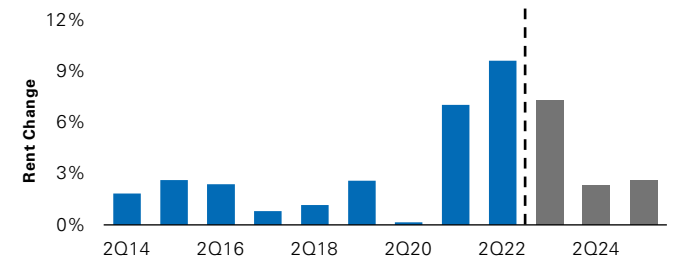
### Economy

- **Payroll Employment:** 1,415,400 at May 2022.
- **Historical Job Change:** 52,800 jobs added in the 12 months ending May 2022.
- **Projected Job Change:** Newmark forecasts an average increase of 21,796 jobs per annum from 2022-2025.
- **Unemployment Rate:** 3.6% in May 2022, down 210 basis points from May 2021.
- **Average Household Income:** \$114,077 in 2021.

Source: Moody's, U.S. Bureau of Labor Statistics, Esri, Newmark Research; July 2022

### Market Analysis

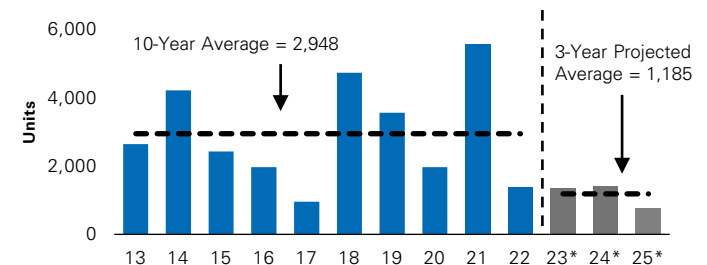
#### ANNUAL AVERAGE EFFECTIVE RENT CHANGE



Source: Real Capital Analytics, Newmark Research; July 2022

Note: Effective rent change is calculated using same-store method for the trailing 12 months

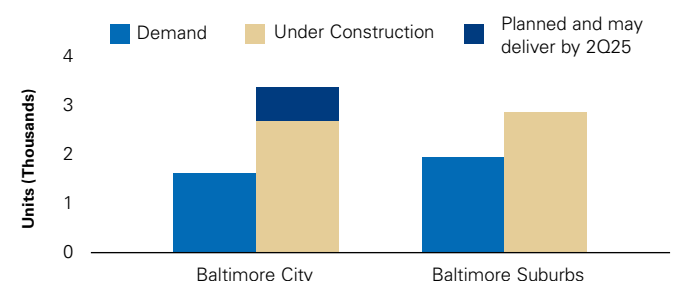
#### MULTIFAMILY ABSORPTION PROJECTION



\*12 months ending in second quarter

Source: Real Capital Analytics, Newmark Research; July 2022

#### DEMAND AND DELIVERY PROJECTIONS 2Q22 -2Q25



Source: Real Capital Analytics, Newmark Research; July 2022

## Economic and Multifamily Market Outlook (Continued)

In the next three years, new supply is expected to outpace demand in both Baltimore City and Baltimore Suburbs. Overall, this will likely result in a decrease in the region's overall occupancy rate by 110 basis points to 95.6%. Regional occupancy rates have been tight, holding over 95.0% for the last two years. Baltimore's construction pipeline has been trending up, which will apply some downward pressure on occupancy rates. Rent growth remains elevated at 9.6%, but this elevated rate is partly attributed to a market correction to early 2021 pricing, which was suppressed by pandemic influences. Rent growth is anticipated to slow, with forecasted annual appreciation under 3% by 2024.

### Investment Sales Activity Modestly Rises

The Baltimore area's multifamily market registered \$3.4 billion in sales volume for the 12 months ending in second-quarter 2022. Quarterly volume rebounded from the first quarter registering \$788.9 million. The largest single property transaction of the quarter was Echelon at Odenton, purchased by Hamilton Zanze & Co. from Crow Holdings for \$419,803 per unit. Priced well above-average, this sale is representative of recent investor preference for quality assets and has contributed to the increase in per-unit pricing in 2022. Overall pricing in the Baltimore metro area has been steadily rising since mid-2020, and currently registers \$228,402 per unit. The average pro-forma cap rate measured 4.9% for the 12 months ending in the second quarter of 2022. This rate has been steadily declining as real estate investors target multifamily.

### Multifamily Investment Sales Outlook

Baltimore's multifamily investment activity has decelerated in 2022, but transaction volume remains elevated relative to the five-year trend. Macroeconomic headwinds are providing some downward pressure on the market activity, which may be more evident in the second half of 2022. Still, multifamily generally holds a competitive demand and pricing edge over alternative asset classes in the current real estate investment environment. The stability of multifamily since 2020 will continue attracting investors, albeit potentially below the exceptional pace set in 2021. Asset pricing on a per-unit basis rose to its highest level of the cycle, supporting greater optimism for high-quality assets in the region. Significant price compression is not expected, though rising interest rates and the increased cost of capital may temper some investment activity in the period ahead. Nonetheless, the inflation-resistant nature of real estate could act as a counterweight to Federal Reserve actions.

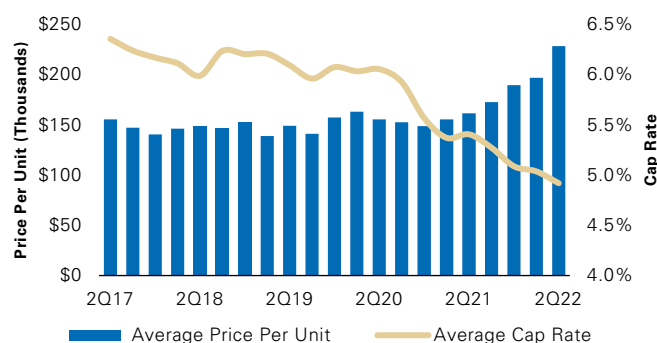
## Metro Area Multifamily Investment Sales Market Summary

	Metro Region
12-Month Transaction Volume at 2Q 2022	\$3.4 B
12-Month Transaction Volume at 2Q 2021	\$2.9 B
2Q 2022 Average Price Per Unit	\$228,402
2Q 2022 Average Cap Rate	4.9%

Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

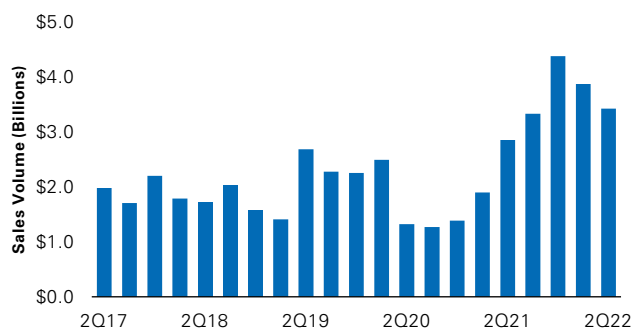
## Investment Sales Analysis

### AVERAGE MULTIFAMILY CAP RATE AND PRICE PER UNIT



Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

### TRAILING 12-MONTH MULTIFAMILY TRANSACTION VOLUME



Source: Real Capital Analytics, Newmark Research; July 2022

## Notable Recent Multifamily Sales Transactions

Multifamily Asset Name	Sale Price (Millions)	Price/Unit	Buyer	Seller	City
Renaissance Hills at Ellicott City	\$210.2	\$244,965	Fieldstone Properties	Morgan Properties	Ellicott City
Echelon at Odenton	\$102.4	\$419,803	Hamilton Zanze & Co.	Crow Holdings	Odenton
The Residence at Waterstone	\$101.0	\$396,078	Hamilton Zanze & Co., DCA Partners	Elite Street Capital	Pikesville
Riverstone at Owings Mills	\$93.0	\$287,037	Carter Multifamily	Continental Realty Corp	Owings Mills
Versailles	\$62.8	\$298,810	Livingston Street Capital	ROSS Investment Management	Towson

Source: Real Capital Analytics, Newmark Research; July 2022

## Market Statistics – Occupancy and Absorption

	Total Inventory (Units)	Overall Occupancy Rate	2019 Absorption (Units)	2020 Absorption (Units)	2021 Absorption (Units)	2Q 2022 Absorption (Units)	YTD 2022 Absorption (Units)
<b>Baltimore Metro Area</b>	<b>235,682</b>	<b>96.7%</b>	<b>1,642</b>	<b>5,042</b>	<b>5,060</b>	<b>-1,907</b>	<b>-1,451</b>
Baltimore City	72,786	95.7%	623	1,144	2,263	-843	-661
Baltimore Metro Suburbs	162,896	97.1%	1,019	3,898	2,797	-1,064	-790

## Market Statistics – Effective Rents and Deliveries

	Total Inventory (Units)	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Baltimore Metro Area</b>	<b>235,682</b>	<b>\$1,615</b>	<b>\$1.81</b>	<b>9.6%</b>	<b>4.7%</b>	<b>295</b>	<b>5,560</b>	<b>6,248</b>
Baltimore City	72,786	\$1,487	\$1.87	9.4%	3.5%	199	2,690	3,378
Baltimore Metro Suburbs	162,896	\$1,672	\$1.78	9.7%	5.3%	96	2,870	2,870

## Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Baltimore City</b>	<b>72,786</b>	<b>95.7%</b>	<b>\$1,487</b>	<b>\$1.87</b>	<b>9.4%</b>	<b>3.5%</b>	<b>199</b>	<b>2,690</b>	<b>3,378</b>
Baltimore City East	17,520	95.9%	\$1,679	\$2.16	10.2%	3.7%	161	1,645	1,774
Baltimore City North	18,135	94.5%	\$1,306	\$1.57	9.5%	4.2%	0	0	0
Baltimore City West	18,026	96.8%	\$1,183	\$1.58	8.8%	4.6%	0	0	287
Downtown Baltimore	19,105	95.5%	\$1,771	\$2.17	9.1%	1.5%	38	1,045	1,317
<b>Baltimore Suburbs</b>	<b>162,896</b>	<b>97.1%</b>	<b>\$1,672</b>	<b>\$1.78</b>	<b>9.7%</b>	<b>5.3%</b>	<b>96</b>	<b>2,870</b>	<b>2,870</b>
Annapolis	10,032	97.0%	\$2,100	\$2.38	12.3%	5.2%	0	818	818
Columbia/North Laurel	16,793	97.2%	\$1,932	\$2.00	9.6%	5.1%	0	625	625
Ellicott City/Elkridge	9,493	96.9%	\$1,972	\$2.05	7.4%	5.1%	0	190	190
Far North Baltimore Suburbs	13,752	98.0%	\$1,578	\$1.65	11.3%	6.0%	0	272	272
Northeast Anne Arundel County	12,740	97.7%	\$1,680	\$1.92	11.6%	5.2%	0	0	0
Northwest Anne Arundel County	13,891	96.1%	\$2,018	\$2.00	10.6%	4.8%	0	300	300
Owings Mills/Pikesville/Randallstown	19,516	97.0%	\$1,609	\$1.55	8.0%	4.7%	96	229	229
Parkville/Carney/Perry Hall	12,484	97.4%	\$1,440	\$1.66	9.3%	6.1%	0	0	0
Southeast Baltimore County	19,686	96.4%	\$1,351	\$1.61	9.8%	5.7%	0	340	340
Southwest Baltimore County	18,535	96.9%	\$1,417	\$1.59	7.8%	5.3%	0	0	0
Towson/Hunt Valley	15,974	97.9%	\$1,672	\$1.65	10.8%	4.7%	0	96	96

\*Units under construction plus those planned and likely to deliver within the next 36 months.

Note: Column totals may not be exact due to rounding. Rent growth calculated using same-store method.

Source: Real Capital Analytics, Newmark Research; July 2022

# Hampton Roads Metro Area Multifamily Market

## Occupancy Contracts Slightly; New Supply to Loosen Tight Fundamentals

Multifamily market fundamentals remained tight in the second quarter of 2022, although some indicators have begun to soften. Occupancy decreased by 90 basis points, to 97.4%, and effective rents increased by 3.8% from the first quarter. Given the market's elevated occupancy, a slight decline in demand may loosen the market and permit more lease trade outs, notwithstanding current market and social conditions. Average effective rents increased 11.2% over the last year. Regional absorption measured negative 785 units in the second quarter of 2022. There are 3,315 units under construction; 547 units delivered in the past three months. There are currently 768 planned units set to deliver in the next three years, bringing the region's total development pipeline to 4,083 units.

Total multifamily investment activity measured \$490.6 million in the second quarter. This is in-line with the elevated levels recorded in the first quarter of 2022 and steady investor activity is supporting the continued downward pressure on cap rates, which averaged 4.9% over the last year. Private investors have acquired \$746.9 million in multifamily assets in the region through mid-2022. Private investment activity is in-line with the record pace set in 2021, in which private buyers acquired \$1.5 billion in multifamily assets in the Hampton Roads area. Growing demand for alternative multifamily assets including senior living and 55+ communities is also driving investor attention to the area. Hampton Roads has seen a steady rise in its population of retirees and older generations in recent years.

Labor growth in the Hampton Roads region was steady in the second quarter. As of May 2022, annual employment gains measured 10,900 jobs and the unemployment rate measured 3.4%, down 130 basis points over the last year.

### Economic and Multifamily Market Outlook

The stability of Hampton Roads' economic drivers will continue to support a strong multifamily market. Though demand is expected to decrease and lag new supply over the next three years, the region's occupancy rate of 97.4% has created very tight conditions. Rising future supply and modestly slowing demand is expected to reduce occupancy by 160 basis points by June 2025. Although this new supply will soften market fundamentals, it will ultimately provide for greater fluidity of renters and increase opportunities for owners to capitalize on lease trade outs. Given the market's concentration of federal agencies, including the world's largest naval base (Naval Station Norfolk), federal spending, employment growth among high-wage labor sectors, and the region's strong position in attracting new residents will support multifamily demand moving forward.

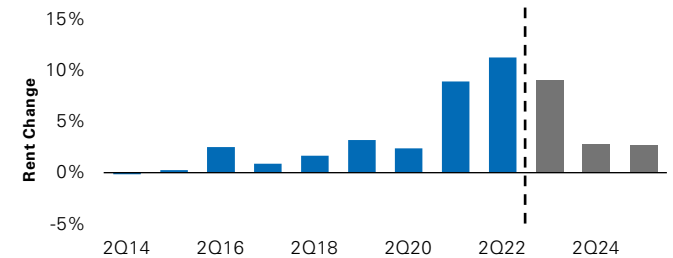
### Economy

- **Payroll Employment:** 780,600 at May 2022.
- **Historical Job Change:** 10,900 jobs added in the 12 months ending May 2022.
- **Unemployment Rate:** 3.4% in May 2022, down 130 basis points from May 2021.
- **Average Household Income:** \$88,911 in 2021.

Source: Moody's, U.S. Bureau of Labor Statistics, Esri, Newmark Research; July 2022

### Market Analysis

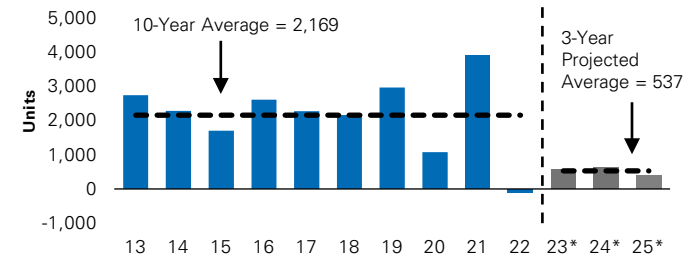
#### ANNUAL AVERAGE EFFECTIVE RENT CHANGE



Source: Real Capital Analytics, Newmark Research; July 2022

Note: Effective rent change is calculated using same-store method for the trailing 12 months

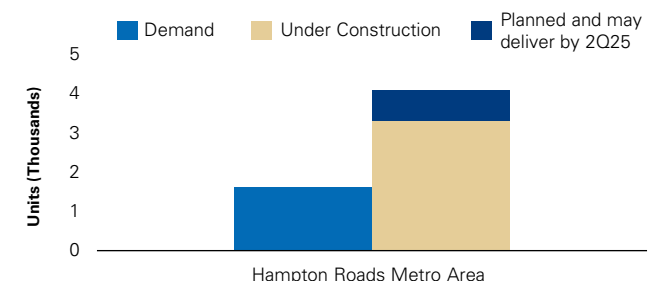
#### MULTIFAMILY ABSORPTION PROJECTION



\*12 months ending in first quarter

Source: Real Capital Analytics, Newmark Research; July 2022

#### DEMAND AND DELIVERY PROJECTIONS 2022 -2025



Source: Real Capital Analytics, Newmark Research; July 2022



## RESEARCH Q2 2022

### Market Summary

	Current Quarter	Year Ago Period	36-Month Forecast
Total Inventory (Units)	142,628	141,752	↑
Occupancy Rate	97.4%	98.0%	→
Quarterly Net Absorption (Units)	-785	1,193	↑
12-Month Effective Rent Change	11.2%	8.9%	↓
Quarterly Deliveries (Units)	547	381	→

### Metro Area Multifamily Investment Sales Market Summary

	Metro Region
12-Month Transaction Volume at 2Q 2022	\$4.0 B
12-Month Transaction Volume at 2Q 2021	\$1.1 B
2Q 2022 Average Price Per Unit	\$168,778
2Q 2022 Average Cap Rate	4.9%

Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

### Market Statistics – Occupancy and Absorption

	Total Inventory (Units)	Overall Occupancy Rate	2019 Absorption (Units)	2020 Absorption (Units)	2021 Absorption (Units)	2Q 2022 Absorption (Units)	YTD 2022 Absorption (Units)
<b>Hampton Roads Metro Area</b>	<b>142,628</b>	<b>97.4%</b>	<b>2,138</b>	<b>2,628</b>	<b>2,540</b>	<b>-785</b>	<b>-1,139</b>

### Market Statistics – Effective Rents and Deliveries

	Total Inventory (Units)	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Hampton Roads Metro Area</b>	<b>142,628</b>	<b>\$1,380</b>	<b>\$1.45</b>	<b>11.2%</b>	<b>6.1%</b>	<b>812</b>	<b>3,315</b>	<b>4,083</b>

### Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Hampton Roads Metro Area</b>	<b>142,628</b>	<b>97.4%</b>	<b>\$1,380</b>	<b>\$1.45</b>	<b>11.2%</b>	<b>6.1%</b>	<b>812</b>	<b>3,315</b>	<b>4,083</b>
Chesapeake	10,616	97.9%	\$1,515	\$1.52	10.1%	4.9%	0	270	270
Hampton/Poquoson	17,586	96.2%	\$1,376	\$1.40	12.6%	6.4%	53	159	159
Newport News	26,961	96.9%	\$1,274	\$1.37	14.7%	7.4%	32	176	405
Northern Norfolk	15,596	98.1%	\$1,137	\$1.31	6.9%	4.5%	0	0	0
Portsmouth/Suffolk	16,509	97.8%	\$1,296	\$1.41	11.4%	6.7%	119	835	919
Southern Norfolk	12,369	97.9%	\$1,430	\$1.56	9.1%	3.7%	234	1,217	1,217
Virginia Beach East	18,675	97.6%	\$1,558	\$1.59	11.7%	7.1%	0	400	613
Virginia Beach West	17,377	97.6%	\$1,455	\$1.50	8.5%	5.3%	175	220	382
Williamsburg / Jamestown	6,939	97.7%	\$1,582	\$1.56	15.3%	7.2%	199	38	119

\*Units under construction plus those planned and likely to deliver within the next 36 months.  
Note: Column totals may not be exact due to rounding. Rent growth calculated using same-store method.

### Notable Recent Multifamily Sales Transactions

Project	Sale Price (Millions)	Price/Unit	Buyer	Seller	City
Bend at Arbordale	\$100.0	\$346,021	Inland Real Estate Group	Bonaventure Property Management	Williamsburg
The Ellipse	\$80.0	\$282,686	The Accend Companies	Landmark Hotel Group	Hampton
Spring Water Apartments	\$75.2	\$298,413	NorthRock Companies	SL Nusbaum Realty	Virginia Beach
Sterling Manor	\$70.0	\$338,164	Capital Square 1031	Chaucer Creek Capital	Williamsburg

Source: Real Capital Analytics, Newmark Research; July 2022

# Richmond Metro Area Multifamily Market

## Investment Activity Accelerates; Occupancy Expansion Slows

Richmond's multifamily market softened slightly in the second quarter of 2022, with decreasing occupancy rates and asking rents. Average effective rents increased 12.4% over the past 12 months on a same-store basis, a slightly lower growth rate than in the first quarter of 2022. Exceptionally high rent growth in the region is expected to slow over the next three years, but balanced supply and demand through June 2025 should keep rent growth in line with pre-pandemic rates, settling around 4% in 2024-2025.

Net absorption measured negative 427 units in the second quarter, the lowest quarterly total over the last 12 months. The region's occupancy rate measured 96.8%, down 100 basis points from last quarter. There are 7,414 units under construction; 726 units delivered in the second quarter. Approximately 972 units are planned to begin construction and likely to deliver within the next three years, bringing the region's development pipeline to 8,386 units. Furthermore, the market's occupancy rate is expected to increase 20 basis points over the next three years.

The market's high occupancy rate, sturdy demand, and status as an appealing secondary market are supporting investment activity in Richmond. Total multifamily investment activity measured \$522.4 million on the quarter, much higher than the 10-year average of \$162.4 million. Average multifamily cap rates have fallen 100 basis points over the last year, and 30 basis points over the last quarter, to 4.7%.

### Economic and Multifamily Market Outlook

Richmond's economic development has been instrumental in supporting its multifamily market over the last decade. The region gained 12,800 jobs during the 12 months ending in May 2022. The Richmond market is home to several Fortune 500 companies, including Capital One and Altria, as well as noteworthy "Eds and Meds" employers including VCU, University of Richmond, and state government offices. The market's healthy share of high-wage jobs, and its affordability relative to the nearby Washington market make it attractive to investors seeking the historical stability of Mid-Atlantic real estate and the upside of a diversified secondary market. However, despite the region's optimistic economic drivers and business-friendly environment, macroeconomic factors could suppress investment activity in the period ahead. Increased interest rates will not singly arrest investment activity, but the increased cost of capital could result in some deceleration in the second half of the year. Seasonality in real estate investing could further suppress volume in the third quarter, as historically this period represents the lowest share of annual investment activity.

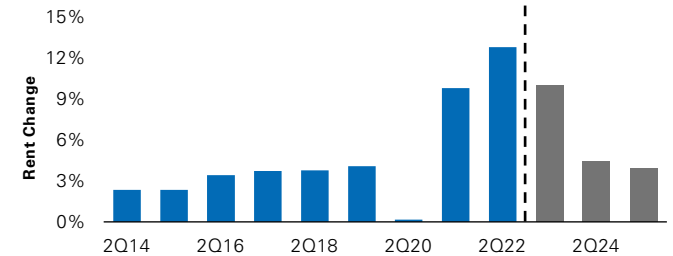
### Economy

- **Payroll Employment:** 674,100 at May 2022.
- **Historical Job Change:** 12,800 jobs were gained in the 12 months ending May 2022.
- **Unemployment Rate:** 3.2% in May 2022, down 220 basis points from May 2021.
- **Average Household Income:** \$95,784 in 2021.

Source: Moody's, U.S. Bureau of Labor Statistics, Esri, Newmark Research; July 2022

### Market Analysis

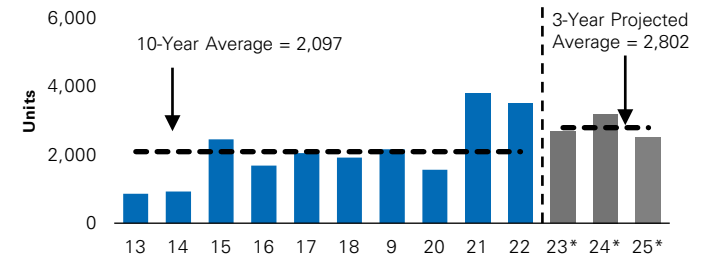
#### ANNUAL AVERAGE EFFECTIVE RENT CHANGE



Source: Real Capital Analytics, Newmark Research; July 2022

Note: Effective rent change is calculated using same-store method for the trailing 12 months

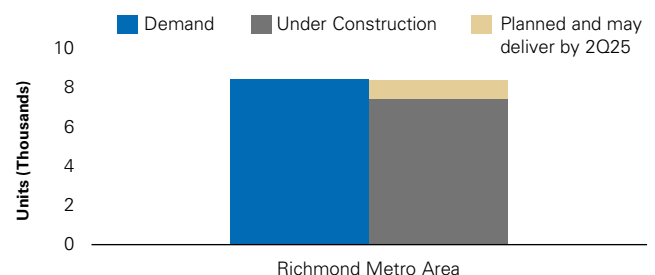
#### MULTIFAMILY ABSORPTION PROJECTION



\*12 months ending in second quarter

Source: Real Capital Analytics, Newmark Research; July 2022

#### DEMAND AND DELIVERY PROJECTIONS 2022 -2025



Source: Real Capital Analytics, Newmark Research; July 2022

## RESEARCH Q2 2022

### Market Summary

	Current Quarter	Year Ago Period	36-Month Forecast
Total Inventory (Units)	109,266	105,626	↑
Occupancy Rate	96.8%	96.8%	↓
Quarterly Net Absorption (Units)	-427	1,555	→
12-Month Effective Rent Change	12.4%	9.8%	↓
Quarterly Deliveries (Units)	726	967	↑

### Metro Area Multifamily Investment Sales Market Summary

	Metro Region
12-Month Transaction Volume at 2Q 2022	\$1.8 B
12-Month Transaction Volume at 2Q 2021	\$742.0 M
2Q 2022 Average Price Per Unit	\$176,334
2Q 2022 Average Cap Rate	4.7%

Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

### Market Statistics – Occupancy and Absorption

	Total Inventory (Units)	Overall Occupancy Rate	2019 Absorption (Units)	2020 Absorption (Units)	2021 Absorption (Units)	2Q 2022 Absorption (Units)	YTD 2022 Absorption (Units)
<b>Richmond Metro Area</b>	<b>109,266</b>	<b>96.8%</b>	<b>1,507</b>	<b>2,504</b>	<b>5,469</b>	<b>-427</b>	<b>587</b>

### Market Statistics – Effective Rents and Deliveries

	Total Inventory (Units)	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Richmond Metro Area</b>	<b>109,266</b>	<b>\$1,415</b>	<b>\$1.56</b>	<b>12.4%</b>	<b>6.9%</b>	<b>1,461</b>	<b>7,414</b>	<b>8,386</b>

### Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Richmond Metro Area</b>	<b>109,266</b>	<b>96.8%</b>	<b>\$1,415</b>	<b>\$1.56</b>	<b>12.4%</b>	<b>6.9%</b>	<b>1,461</b>	<b>7,414</b>	<b>8,386</b>
Chesterfield County	14,930	96.7%	\$1,577	\$1.54	12.4%	7.1%	175	1,455	1,455
Downtown Richmond/ The Fan	12,107	97.6%	\$1,420	\$1.79	5.9%	2.8%	188	951	1,004
East Richmond	19,104	95.2%	\$1,272	\$1.48	13.7%	6.7%	0	199	487
Hanover County	5,517	98.0%	\$1,629	\$1.61	13.8%	6.3%	0	0	0
Northwest Richmond	12,130	96.7%	\$1,496	\$1.68	15.1%	7.0%	28	1,291	1,291
Petersburg/ Colonial Heights/ Hopewell	9,181	97.0%	\$1,111	\$1.20	9.4%	5.2%	79	0	0
Southside	21,746	97.2%	\$1,307	\$1.49	12.8%	9.2%	48	1,091	1,468
Tuckahoe/Westhampton	14,551	96.8%	\$1,636	\$1.70	14.9%	8.0%	943	2,427	2,681

\*Units under construction plus those planned and likely to deliver within the next 36 months.  
Note: Column totals may not be exact due to rounding. Rent growth calculated using same-store method.

### Notable Recent Multifamily Sales Transactions

Project	Sale Price (Millions)	Price/Unit	Buyer	Seller	City
11 North at White Oak	\$154.5	\$130,448	AION Partners	C-III Investment Management	Richmond
Aden Park and Glenway Green	\$124.0	\$230,483	AION Partners	Hivernan Realty Group	Richmond
Hunter's Chase Apartments	\$79.2	\$247,500	Capital Square 1031	Hamilton Zanze & Co.	Midlothian
Everleigh Apartments	\$66.0	\$400,000	Eagle Realty Group	Greystar Management	Henrico

Source: Real Capital Analytics, Newmark Research; July 2022



# Washington Metro Area Multifamily Market

## Virginia Drives Region's Growth; Investors Seeking Proven Stability

The Washington metro area's multifamily market remained tight in the second quarter, with a sturdier increase in annual effective rent growth, increased total inventory, and more second quarter deliveries, despite recording a slight decrease to occupancy. The demand of negative 1,756 units was notably down from the first quarter of 2022 with demand of 4,495 units. Quarterly demand has been quite varied between the three substate areas, measuring 32 units in Northern Virginia, negative 1,429 units in Suburban Maryland, and negative 154 units in the District of Columbia. Though decreased general activity is partially a result of market uncertainty and recessionary pressures, it can also be explained by seasonality. The current summer lull in market activity was, for the most part, expected, even though market uncertainty can exacerbate these conditions. The District's overall occupancy rate is 95.7%, Northern Virginia's measures 96.9%, and Suburban Maryland's occupancy rate in the second quarter of 2022 was 96.7%. The region's occupancy rate decreased in every market in the second quarter, however, because of how tight market conditions are, it is not a significant drop, and is more of a flattening.

Meanwhile, the occupancy growth of the Navy Yard/Capitol Hill/Southwest submarket has been particularly noteworthy in recent quarters. This trend is bolstered by the fact that NoMa and Navy Yard have had the biggest pipelines in the District recently. The Navy Yard/Capitol Hill/Southwest submarket and the Northeast DC/NoMa/H Street submarket have pipelines of 5,093 and 4,747 units, respectively. Despite the robust construction pipeline, occupancy in the Navy Yard/Capitol Hill/Southwest measures 94.8%, and that of Northeast DC/NoMa/H Street measures 95.5%, slightly below the District's overall average.

Region-wide, per-unit effective rents increased 10.4% over the last 12 months. Rent growth was supported by the metro area's suburbs, as Northern Virginia and Suburban Maryland recorded growth of 12.8% and 8.9%, respectively. Elevated annual rent growth can be partially attributed to low rents measured in early 2021. Additionally fueling strong rent appreciation, lease trade-out rates have been rising, concurrent with increased demand, and average concessions have been contracting in the Washington metro for the last 6 months. Though exceptionally high lease trade-out rates have been registered in secondary markets, fast-growing suburban nodes within primary markets, such as Northern Virginia, could see trade-out rates in excess of those of the urban core. Rents are projected to remain positive for the next three years, though growth will slow to about 2.7% by early 2025.

### Economy

- **Payroll Employment:** 3,292,300 at May 2022.
- **Historical Job Change:** 96,600 jobs added in the 12 months ending May 2022.
- **Unemployment Rate:** 3.3% in May 2022, down 180 basis points from May 2021.
- **Average Household Income:** \$144,743 in 2021.

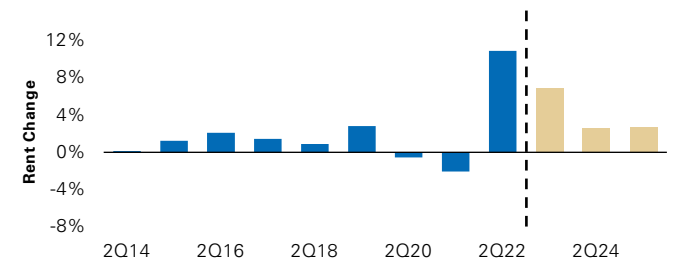
Source: Moody's, U.S. Bureau of Labor Statistics, Esri, Newmark Research; July 2022

### Market Summary

	Current Quarter	Year Ago Period	36-Month Forecast
Total Inventory (Units)	664,559	651,854	↑
Occupancy Rate	96.5%	95.3%	↑
Quarterly Net Absorption (Units)	-1,551	7,950	↑
12-Month Effective Rent Change	10.4%	-2.1%	↓
Quarterly Deliveries (Units)	3,594	3,108	↑

### Market Analysis

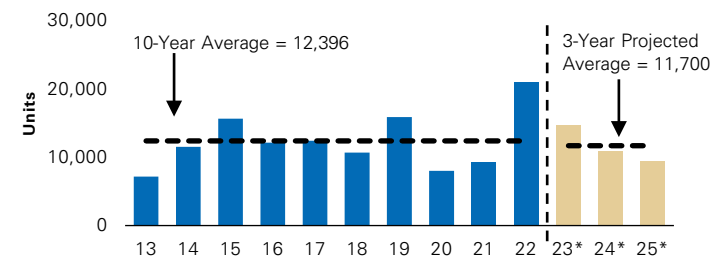
#### ANNUAL AVERAGE EFFECTIVE RENT CHANGE



Source: Real Capital Analytics, Newmark Research; July 2022

Note: Effective rent change is calculated using same-store method for the trailing 12 months

#### MULTIFAMILY ABSORPTION PROJECTION



\*12 months ending in second quarter

Source: Real Capital Analytics, Newmark Research; July 2022

## RESEARCH Q2 2022

A total of 34,521 units are under construction and 13,934 units delivered in the region during the second quarter. Approximately 3,431 units are planned and likely to deliver within the next three years, bringing the region's development pipeline to 37,952 units. Construction and material cost remains high and supply-chain issues continue, but developers in the region are bullish about future demand for newly-built rentals. It is worth noting that while interest rates remain elevated, they have settled to a certain degree, and market activity should pick up soon after Labor Day. Nonetheless, investor interest is high in Northern Virginia, where there is greater ease of business transaction because of the absence of laws like those regulated by TOPA in the District. Concurrently, despite Washington's history of steady occupancy gains and forecasted employment growth, the region's robust pipeline, and developer optimism for new product will result in supply outweighing demand in aggregate over the next three years.

### Economic and Multifamily Market Outlook

The Washington metro area's employment base recovered 96,600 jobs in the 12 months ending in May 2022. The region's unemployment rate was 3.3% in May and has declined 180 basis points from one year ago. Though labor market recovery was strong through the first quarter, the second quarter saw recovery stagnate slightly, due in part to increasing inflation and concerns of impending recessionary pressures. Despite these challenges, the Washington metro area continues to hold a competitive advantage thanks to its economic stability, with a large and highly-educated workforce, and growth among its private sector demand drivers as a backbone. Although the federal government and associated activities have been the anchor of the region's economy, private sector diversification over the last 20 years has been a catalyst for new economic expansion, and thus, multifamily demand. Though economic diversification may soften the federal insulation effect the region holds during periods of economic downturns, it has also provided a stronger growth engine during periods of prosperity. Rental demand should further be supported by the particularly tight home ownership market in the Washington metro area. High interest rates continue to apply greater financial pressure on prospective home buyers and may continue to encourage more rental activity.

The region's economic drivers for the period ahead – including life sciences, technology, and the federal government and its associated contractors – are supporting multifamily growth in the urban core and alternative suburban areas. This includes off-Metrorail areas of Montgomery and Fairfax Counties, and in technology-focused markets along the Dulles Toll Road. The growth of high-wage jobs in suburban markets is encouraging for continued growth in Northern Virginia's future demand, which is forecasted to absorb the most multifamily units over the next three years among the three substate areas in the region.

Bullish multifamily demand forecasts have bolstered the region's development pipeline, ensuring the region's forecasted supply outweighs demand, on balance. Newmark projects that the region's occupancy rate will decrease to 96.3% over the next three years. Though occupancy decreased this quarter, and market conditions turned slightly downward, momentum should rebuild in the coming months, though possibly slower than expected in early 2022. Nonetheless, a robust pipeline of new supply should slowly reduce occupancy as projects deliver and encourage lease turnover and trade-outs. Still, forecasted regional occupancy in excess of 95.0% is healthy, particularly for a market as large as the Washington metro.

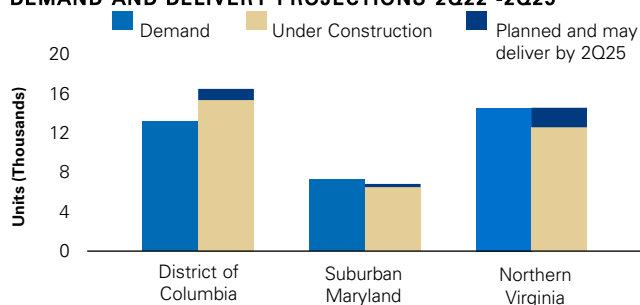
### Current Conditions

- The region absorbed negative 1,551 units during the second quarter of 2022, down from 4,495 units absorbed in first-quarter 2022.
- The region's occupancy rate decreased 80 basis points from first-quarter to 96.5%.
- The average effective rent increased 10.4% over the past 12 months, a lower rate than the 10.6% of first-quarter 2022.

Source: Moody's, U.S. Bureau of Labor Statistics, Esri, Newmark Research; July 2022

### Demand and Delivery Projections

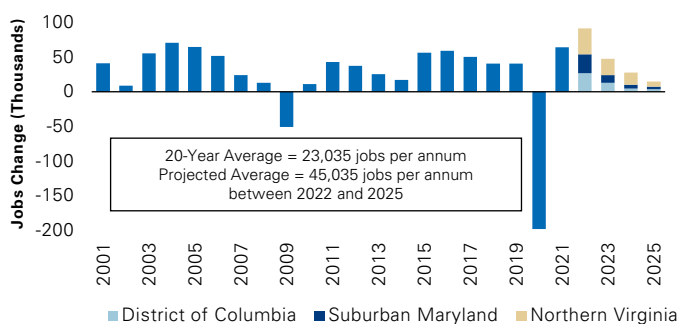
#### DEMAND AND DELIVERY PROJECTIONS 2022 -2025



Source: Newmark Research, July 2022

### Payroll Job Growth Forecast

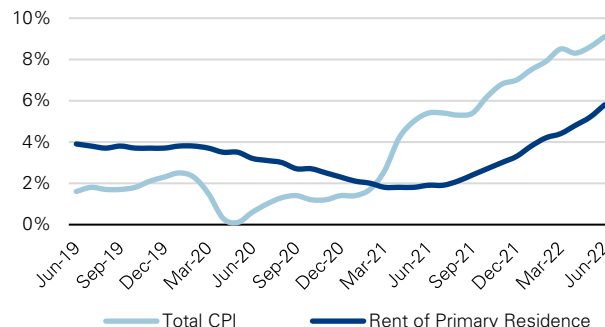
#### WASHINGTON METRO AREA | 2001 - 2025



Source: U.S. Bureau of Labor Statistics; forecast by Newmark Research with reference to data from the Stephen S. Fuller Institute and Moody's Analytics; July 2022

### Inflation and the Consumer Price Index

#### CONSUMER PRICE INDEX – ANNUAL PERCENTAGE CHANGE



Sources: U.S. Bureau of Labor Statistics, Newmark Research; July 2022

## Investment Sales Volume Moderates in Second Quarter, Consistently Decreasing Cap Rates

The Washington area multifamily market registered \$2.3 billion in quarterly sales volume in the second quarter of 2022, on-par with the five-year average but an increase from the first quarter of 2022. The 12-month trailing average cap rate measured 4.6% in the second quarter, which is 40 basis points lower than a year ago. One challenge facing investors in the Washington market is the limited supply of multifamily assets on the market. For much of the pandemic, investment activity in the District of Columbia was hampered by the inability to adhere to TOPA regulations. While TOPA adherence is no longer an issue for investors, policies which cause uncertainty in closing timelines, such as TOPA and ROFR, are challenging investors given the unclear direction of future interest rate increases. Northern Virginia has fewer of these regulations and combined with its history of strong economic expansion, has captured an outsized share of multifamily investment activity within the Washington market. In the second quarter, Northern Virginia recorded \$1.2 billion in multifamily sales activity, or 50.5% of the market's overall sales activity.

## Multifamily Investment Sales Outlook

Multifamily investment activity in the Washington metro has maintained its velocity through mid-2022. Macroeconomic headwinds have recently emerged, slowing some of the anticipated growth drivers. Increasing interest rates may apply some downward pressure on investor demand, but the effects of this uncertainty will be most pronounced in markets where property sales are subject to uncontrolled closing schedules.

The Mid-Atlantic has historically been targeted by investors for its stability during periods of economic uncertainty. Given inflation, slowing economic indicators, and the competitive advantage of residential over alternative assets, safety-minded investors may focus on Washington's multifamily market. Regional cap rates continue to decline and are expected to remain low, but modest upward pressure could be registered in some areas given the constrained availability of quality investments. A subtle easing of the region's yield compression could help to limit the leakage of investors to higher-return secondary markets. Washington's high occupancy rate and economic fundamentals, particularly in the suburbs, are expected to be stalwarts in driving continued investor demand.

Outside of the urban core of the District, investment opportunities in the period ahead will be most attractive in areas boasting dynamic economic growth, such as the healthcare nodes in Montgomery County and the technology corridor connecting Arlington, Tysons, and Reston. Suburban Maryland's stable fundamentals, strong demographics, and emerging economic drivers will support its position as a safe investment market.

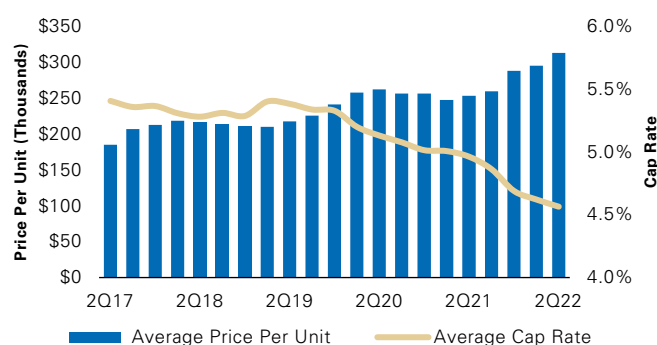
## Metro Area Multifamily Investment Sales Market Summary

	Metro Region
12-Month Transaction Volume at 2Q 2022	\$12.6 B
12-Month Transaction Volume at 2Q 2021	\$8.3 B
2Q 2022 Average Price Per Unit	\$313,131
2Q 2022 Average Cap Rate	4.6%

Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

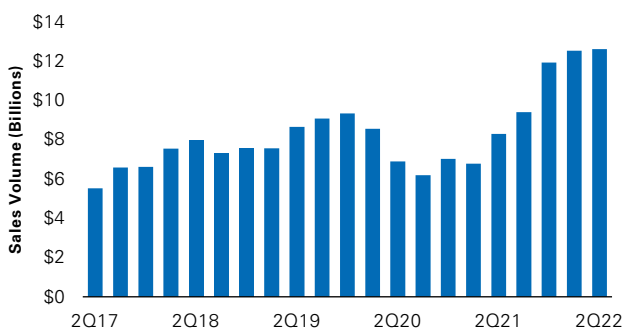
## Investment Sales Analysis

### AVERAGE MULTIFAMILY CAP RATE AND PRICE PER UNIT



Note: Values are trailing 12-month averages  
Source: Real Capital Analytics, Newmark Research; July 2022

### TRAILING 12-MONTH MULTIFAMILY TRANSACTION VOLUME



Source: Real Capital Analytics, Newmark Research; July 2022

## Notable Recent Multifamily Sales Transactions

Project	Sale Price (Millions)	Price/Unit	Buyer	Seller	City
Evo	\$334.6	\$735,477	Cortland	Penzance/The Baupost Group	Arlington
Aubrey	\$266.5	\$805,000	Cortland	Penzance/The Baupost Group	Arlington
The Willard (Bethesda)*	\$185.0	\$357,834	AIR	Dweck Properties	Bethesda
Denizen at Eisenhower Square	\$158.5	\$471,726	Pantzer Properties	Rushmark Properties	Alexandria
Rivergate	\$98.5	\$245,025	Capital Square 1031	The Shidler Group	Woodbridge

Source: Real Capital Analytics, Newmark Research; July 2022

\*Sale was leasehold interest

## Market Statistics – Occupancy and Absorption

	Total Inventory (Units)	Overall Occupancy Rate	2019 Absorption (Units)	2020 Absorption (Units)	2021 Absorption (Units)	2Q 2022 Absorption (Units)	YTD 2022 Absorption (Units)
<b>Washington Metro Area</b>	<b>664,559</b>	<b>96.5%</b>	<b>11,537</b>	<b>4,357</b>	<b>28,728</b>	<b>-1,551</b>	<b>2,944</b>
District of Columbia	166,002	95.7%	4,115	1,216	11,558	-154	856
Suburban Maryland	228,250	96.7%	3,260	706	7,374	-1,429	136
Northern Virginia	270,307	96.9%	4,162	2,435	9,796	32	1,952

## Market Statistics – Effective Rents and Deliveries

	Total Inventory (Units)	Effective Rent (Per Unit)	Effective Rent (Per SF)	1- Year Effective Rent Growth	5-Year Average Effective Rent Growth	2021 Deliveries (Units)	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Washington Metro Area</b>	<b>664,559</b>	<b>\$2,002</b>	<b>\$2.31</b>	<b>10.4%</b>	<b>2.8%</b>	<b>13,934</b>	<b>6,222</b>	<b>34,521</b>	<b>37,952</b>
District of Columbia	166,002	\$2,153	\$2.82	8.7%	1.3%	6,924	1,867	15,381	16,519
Suburban Maryland	228,250	\$1,825	\$2.01	8.9%	3.5%	1,117	1,743	6,513	6,845
Northern Virginia	270,307	\$2,060	\$2.25	12.8%	3.3%	5,893	2,612	12,627	14,589

## District of Columbia Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>District of Columbia</b>	<b>166,002</b>	<b>95.7%</b>	<b>\$2,153</b>	<b>\$2.82</b>	<b>8.7%</b>	<b>1.3%</b>	<b>1,867</b>	<b>15,381</b>	<b>16,519</b>
Central DC/West End/Shaw/ Mt. Vernon Triangle	49,765	95.8%	\$2,483	\$3.39	11.6%	0.4%	101	2,426	2,502
Navy Yard/Capitol Hill/ Southwest	21,116	94.8%	\$2,661	\$3.34	9.9%	3.0%	610	4,774	5,093
North Central DC/Columbia Heights/Petworth	18,713	94.8%	\$1,800	\$2.53	5.5%	0.7%	61	978	1,209
Northeast DC/NoMa/H Street	25,158	95.5%	\$2,278	\$2.83	8.1%	1.0%	792	4,441	4,747
Northwest DC/Georgetown/ Friendship Heights	21,866	95.5%	\$2,222	\$2.92	12.7%	0.9%	144	1,523	1,666
Southeast DC	29,384	97.0%	\$1,293	\$1.60	2.5%	2.4%	159	1,239	1,302

\*Units under construction plus those planned and likely to deliver within the next 36 months.

Note: Column totals may not be exact due to rounding. Rent growth calculated using same-store method.

Source: Real Capital Analytics, Newmark Research; July 2022

## Suburban Maryland Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Suburban Maryland</b>	<b>228,250</b>	<b>96.7%</b>	<b>\$1,825</b>	<b>\$2.01</b>	<b>8.9%</b>	<b>3.5%</b>	<b>1,743</b>	<b>6,513</b>	<b>6,845</b>
Bethesda/Chevy Chase	14,813	96.5%	\$2,484	\$2.59	9.2%	1.8%	330	2,503	2,559
College Park/Greenbelt	10,765	96.4%	\$1,801	\$1.91	7.1%	3.4%	472	393	393
Downtown Silver Spring	14,130	96.9%	\$1,946	\$2.21	8.6%	1.2%	0	956	956
East Silver Spring/ Takoma Park/Adelphi	17,608	97.8%	\$1,525	\$1.92	8.3%	2.5%	0	0	0
Frederick	11,863	97.7%	\$1,786	\$1.85	13.6%	7.1%	0	0	0
Gaithersburg	16,352	97.7%	\$1,881	\$1.98	12.1%	3.9%	193	268	268
Germantown	8,449	96.6%	\$1,975	\$2.05	15.3%	5.6%	0	212	212
Hyattsville/Riverdale	17,345	96.2%	\$1,581	\$1.94	6.7%	3.4%	0	284	485
Landover/Bowie	18,194	96.1%	\$1,802	\$1.98	6.2%	3.7%	296	984	984
Laurel/Beltsville	14,615	97.0%	\$1,711	\$1.90	6.3%	4.2%	0	0	0
Northeast Montgomery County	9,312	97.2%	\$1,713	\$1.83	7.8%	3.4%	0	0	0
Rockville/North Bethesda	21,356	96.4%	\$2,183	\$2.23	11.4%	2.5%	258	755	830
South Prince George's County/St. Charles	22,431	96.5%	\$1,618	\$1.87	7.1%	4.2%	194	158	158
Suitland/District Heights/ Capitol Heights	17,628	95.7%	\$1,576	\$1.76	6.4%	3.5%	0	0	0
Wheaton/Aspen Hill	13,389	97.2%	\$1,900	\$2.06	11.6%	3.4%	0	0	0

## Northern Virginia Submarket Statistics – All Classes

	Total Inventory (Units)	Overall Occupancy Rate	Effective Rent (Per Unit)	Effective Rent (Per SF)	1-Year Effective Rent Change	5-Year Effective Rent Change	YTD 2022 Deliveries (Units)	Under Construction (Units)	Pipeline* (Units)
<b>Northern Virginia</b>	<b>270,307</b>	<b>96.9%</b>	<b>\$2,060</b>	<b>\$2.25</b>	<b>12.8%</b>	<b>3.3%</b>	<b>2,612</b>	<b>12,627</b>	<b>14,589</b>
Central Alexandria	12,880	97.6%	\$1,764	\$2.05	14.1%	2.6%	0	0	0
Columbia Pike	15,032	97.3%	\$1,976	\$2.31	15.8%	1.9%	0	0	0
Crystal City/Pentagon City	14,539	96.5%	\$2,297	\$2.49	15.5%	0.6%	0	2,633	2,633
East Alexandria	20,876	96.5%	\$2,125	\$2.52	9.8%	2.2%	1,187	1,306	1,687
Fredericksburg/Stafford	14,926	97.3%	\$1,780	\$1.75	8.2%	7.2%	200	431	468
Loudoun County	17,673	97.1%	\$2,030	\$2.06	13.6%	4.2%	76	97	97
Manassas/Far Southwest Suburbs	15,965	97.9%	\$1,783	\$1.87	12.1%	5.6%	0	0	0
North Arlington	31,681	96.4%	\$2,529	\$2.91	11.6%	2.1%	184	1,893	2,325
Reston/Herndon	21,466	96.4%	\$2,158	\$2.15	14.1%	3.5%	216	1,232	2,205
Seven Corners/Bailey's Crossroads/Annandale	11,682	96.7%	\$1,869	\$1.97	10.8%	2.9%	0	480	480
South Fairfax County	22,854	97.2%	\$1,920	\$2.14	13.9%	3.0%	0	1,106	1,106
Tysons/Falls Church/Merrifield	27,788	96.3%	\$2,177	\$2.35	13.2%	2.8%	514	1,949	2,088
West Alexandria	11,100	96.8%	\$1,887	\$2.16	19.6%	3.5%	235	213	213
West Fairfax County	17,027	97.6%	\$2,086	\$2.22	11.7%	3.7%	0	969	969
Woodbridge/Dale City	14,818	97.1%	\$1,796	\$1.98	10.8%	4.9%	0	318	318

\*Units under construction plus those planned and likely to deliver within the next 36 months.

Note: Column totals may not be exact due to rounding. Rent growth calculated using same-store method.

Source: Real Capital Analytics, Newmark Research; July 2022



*For more information:***District of Columbia**

1899 Pennsylvania Avenue, NW  
Suite 300  
Washington, DC 20006  
t 202-331-7000

**Tysons**

1420 Spring Hill Road  
Suite 600  
McLean, VA 22102  
t 703-448-2000

**RESEARCH****Matt Kruczlnicki**

Director, Research  
202-312-5757  
matthew.kruczlnicki@nrmk.com

**Adam Reiskin**

Research Analyst  
202-312-5763  
adam.reiskin@nrmk.com

**MULTIFAMILY****Christine Espenshade**

Vice Chairman  
202-312-5741  
christine.espenshade@nrmk.com

**Robert Garrish**

Vice Chairman  
202-312-5479  
robert.garrish@nrmk.com

**Greg Bury**

Vice President  
202-312-5765  
gregory.bury@nrmk.com

**Catherine Cheng**

Vice President  
202-312-5764  
catherine.cheng@nrmk.com

**FINANCE****Shawn McDonald**

Vice Chairman  
703-918-0229  
shawn.mcdonald@nrmk.com

**Anthony Hebenstreit**

Director  
703-918-4673  
anthony.hebenstreit@nrmk.com

**LAND SALES****Mark Anstine**

Executive Managing Director  
703-575-2101  
mark.anstine@nrmk.com

**Dan Lockard**

Senior Managing Director  
703-575-2103  
dan.lockard@nrmk.com

**Eugene Howard**

Director  
703-575-2108  
eugene.howard@nrmk.com

## GLOSSARY

**Absorption:** Net change in occupied units over a specific period.

**Effective Rent:** The price at which a unit leases after factoring in all concessions and discounts, calculated over the lease period.

**Inventory:** Professionally managed, investment-grade apartment buildings with 40 or more units.

**Occupancy Rate:** The number of physically occupied units, expressed as a percentage of total inventory.

**Pipeline:** Units under construction, plus those planned and likely to deliver within the next 36 months.

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at [nrmk.com/research](http://nrmk.com/research).

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