

DELTA ASSOCIATES'  
**WASHINGTON METRO AREA**  
MULTIFAMILY MARKET OVERVIEW



01.19.2017



**DELTA**  
ASSOCIATES  
A Transwestern Company

By William Rich,  
Multifamily Practice Director

# DELTA ASSOCIATES' MULTIFAMILY MARKET OVERVIEW

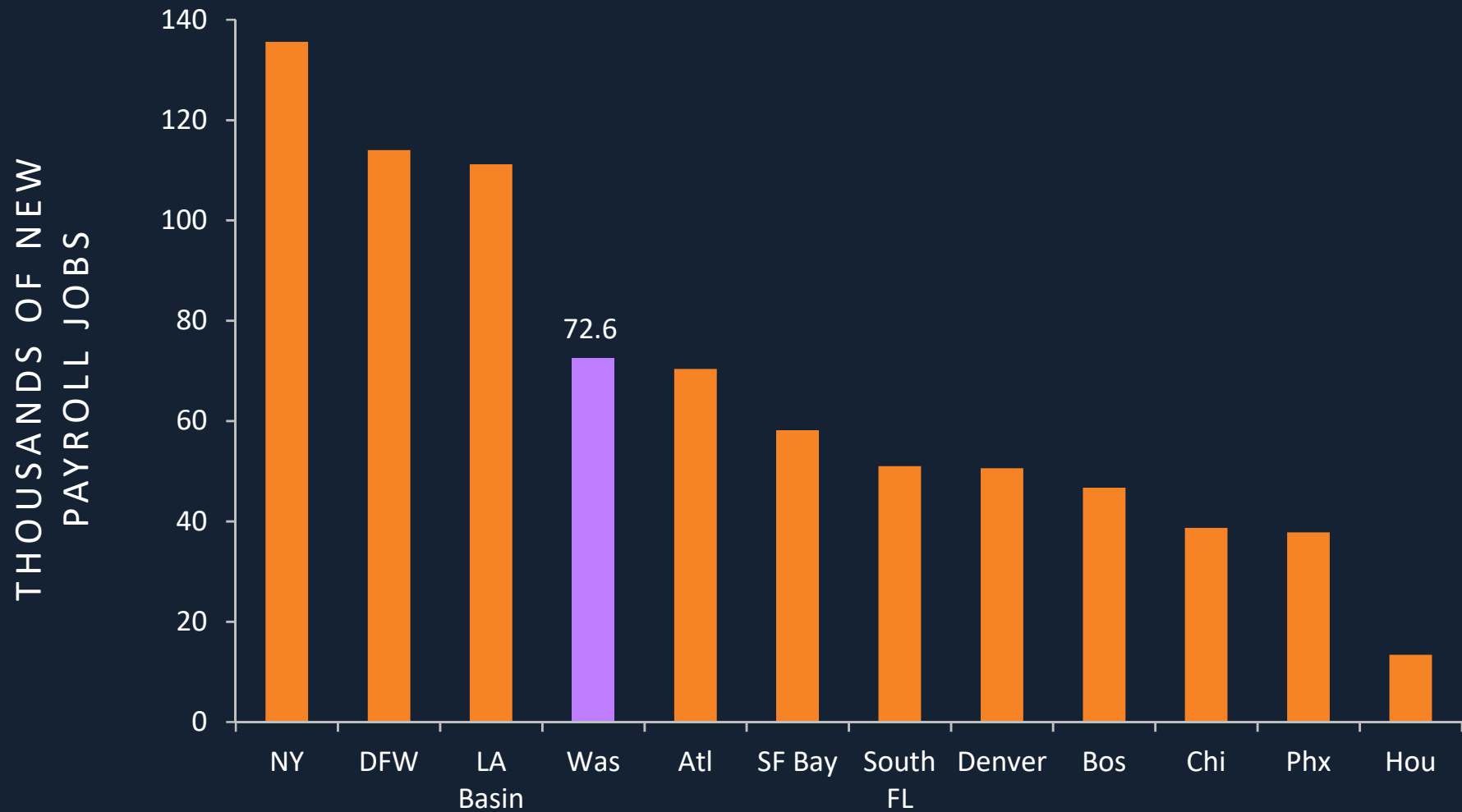
## THE REGIONAL ECONOMY



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# PAYROLL JOB GROWTH

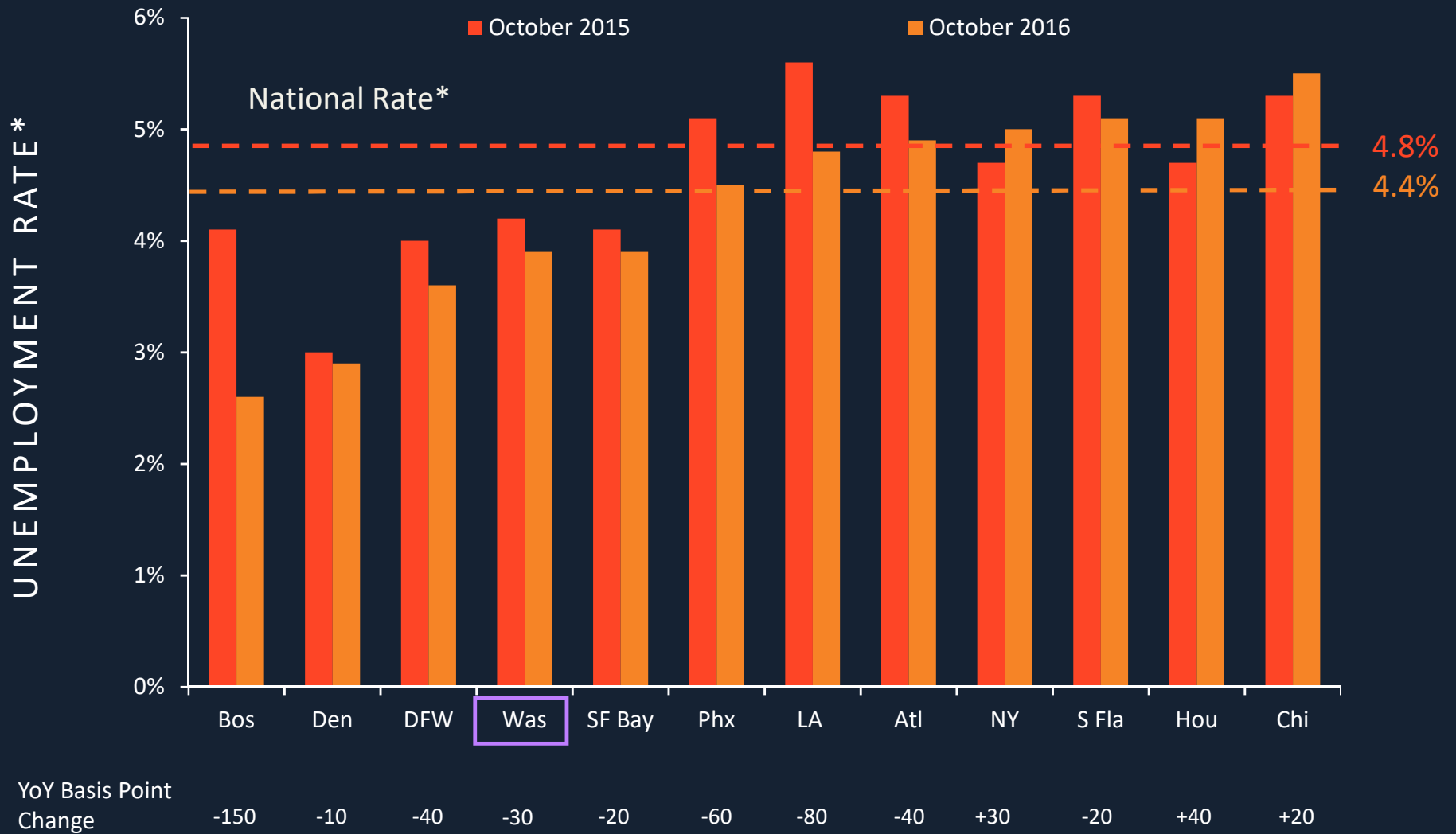
Selected Large Metro Areas | 12 Months Ending October 2016



Source: Bureau of Labor Statistics, Delta Associates; January 2017.

# UNEMPLOYMENT RATE

Selected Large Metro Areas | October 2015 vs. October 2016

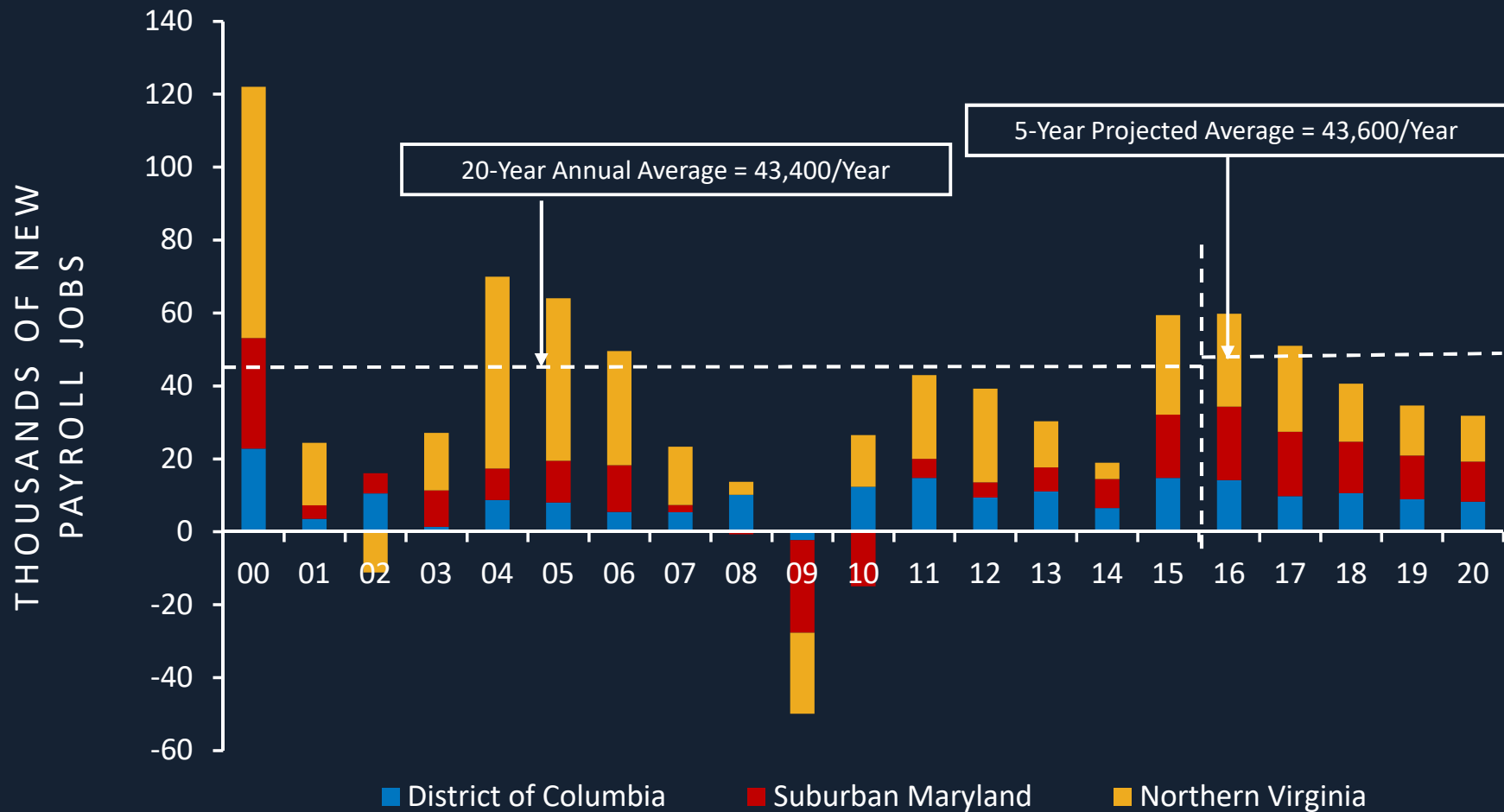


Source: Bureau of Labor Statistics, Delta Associates; January 2017.

\*Not seasonally adjusted.

# PROJECTED JOB GROWTH

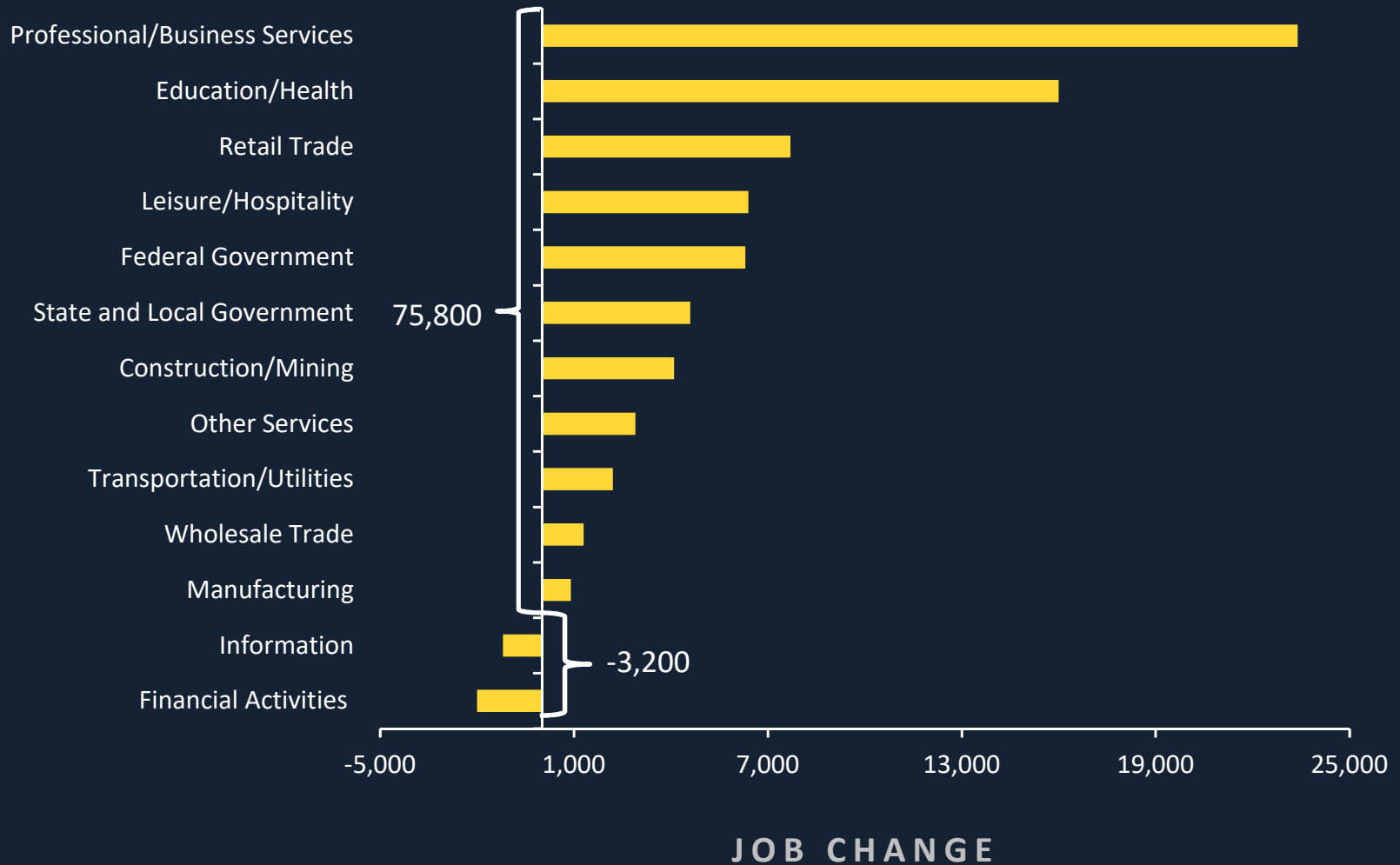
Washington Metro Area



Source: Bureau of Labor Statistics, George Mason University Center for Regional Analysis, Delta Associates; January 2017.

# PAYROLL JOB GROWTH

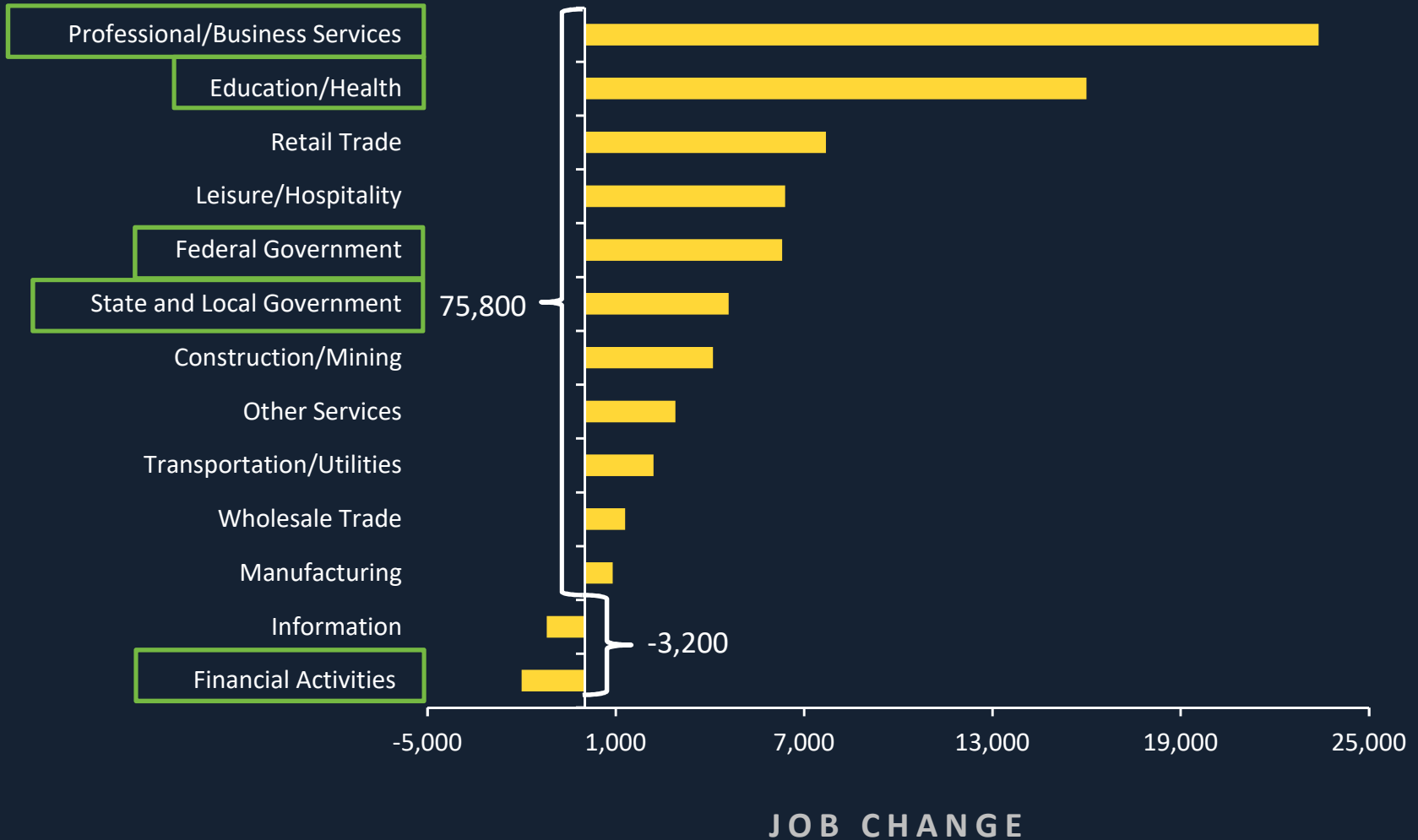
Washington Metro Area | 12 Months Ending October 2016



Source: Bureau of Labor Statistics, Delta Associates; January 2017.

# JOB CHANGES THAT SUPPORT CLASS A APARTMENTS & CONDOS

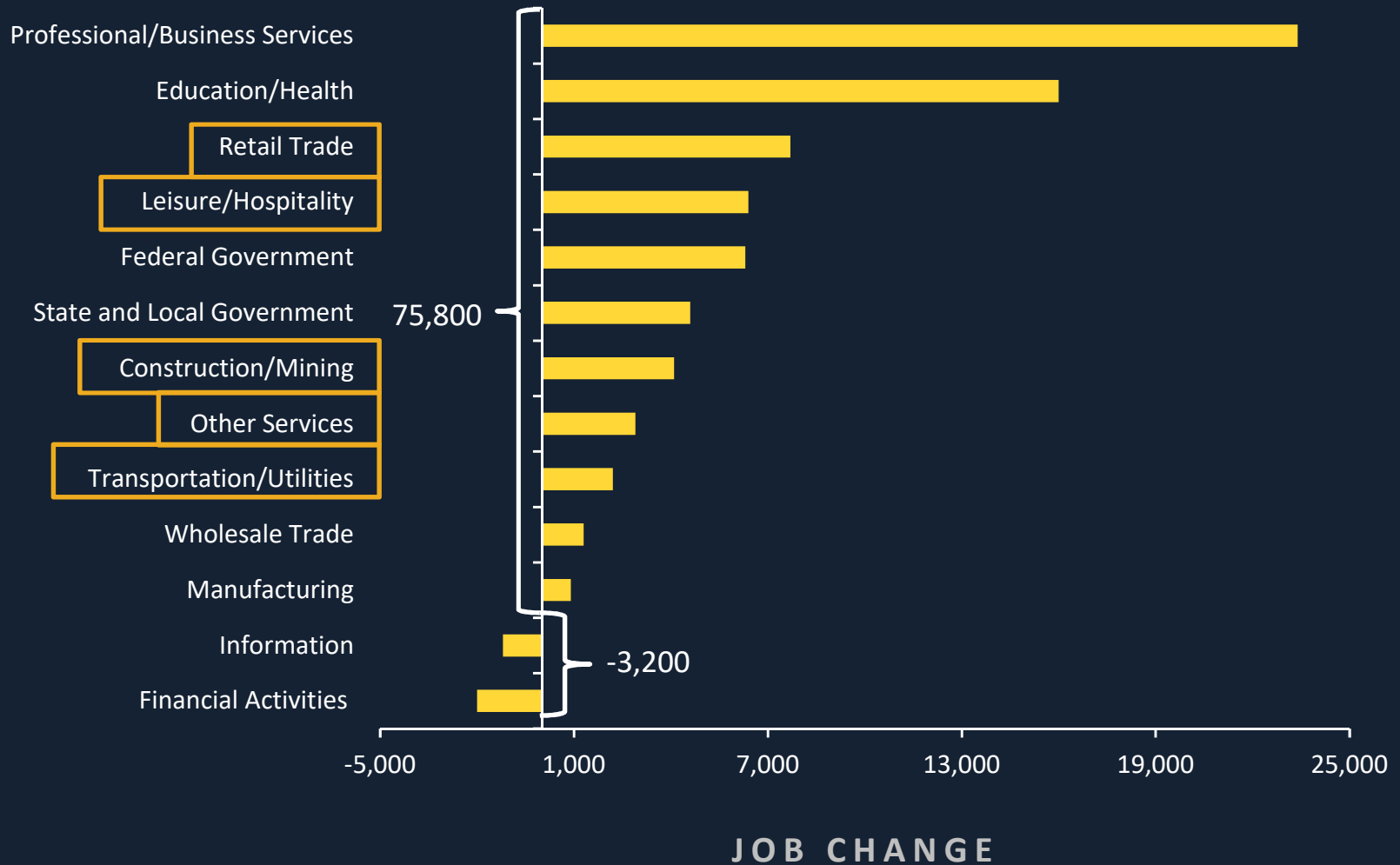
Washington Metro Area | 12 Months Ending October 2016



Source: Bureau of Labor Statistics, Delta Associates; January 2017.

# JOBS THAT SUPPORT CLASS B APARTMENTS

Washington Metro Area | 12 Months Ending October 2016



Source: Bureau of Labor Statistics, Delta Associates; January 2017.



DELTA ASSOCIATES'  
MULTIFAMILY MARKET OVERVIEW

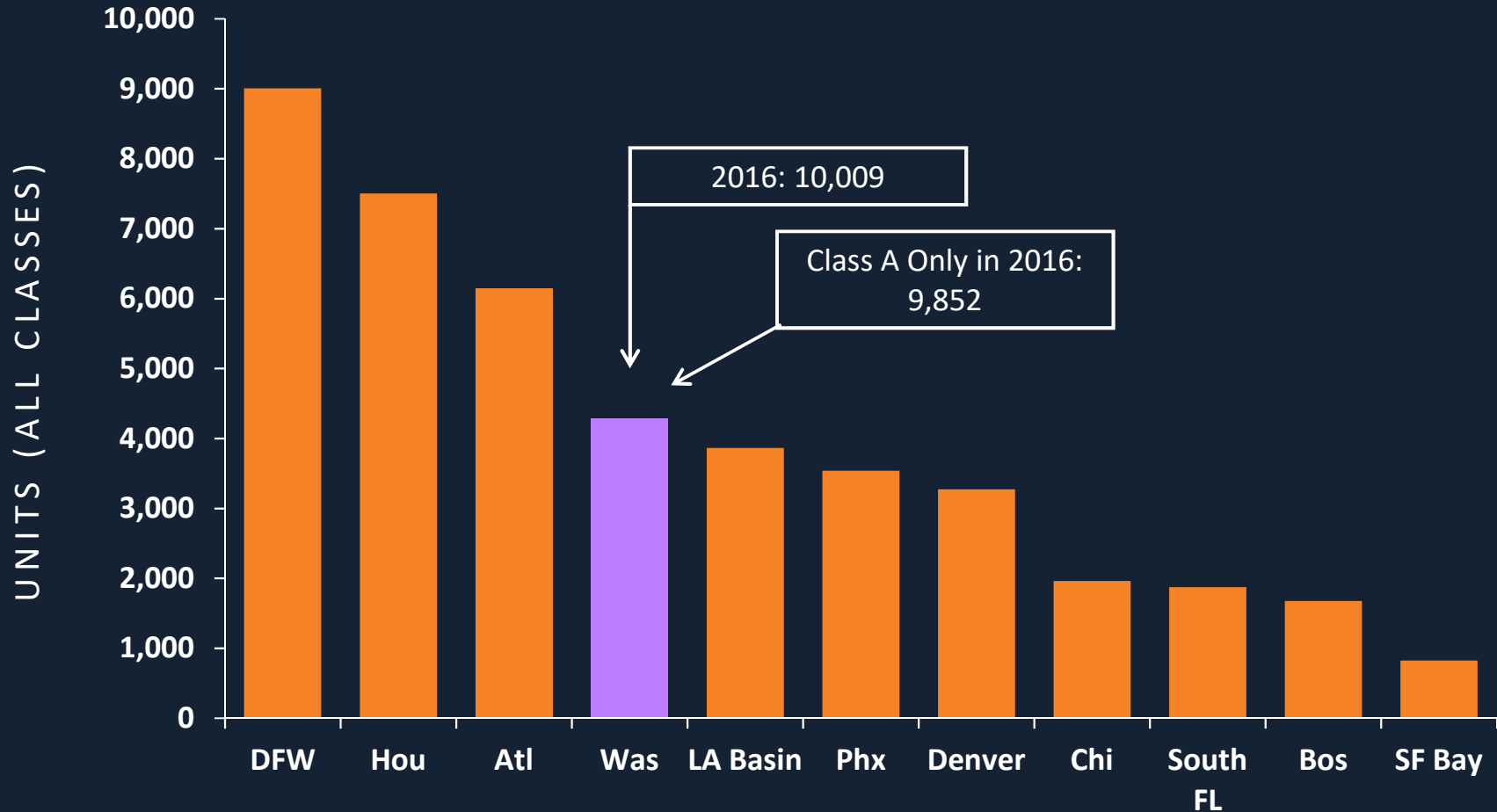
THE WASHINGTON METRO AREA  
APARTMENT MARKET



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# LONG-TERM ANNUAL APARTMENT ABSORPTION

National Market Leaders

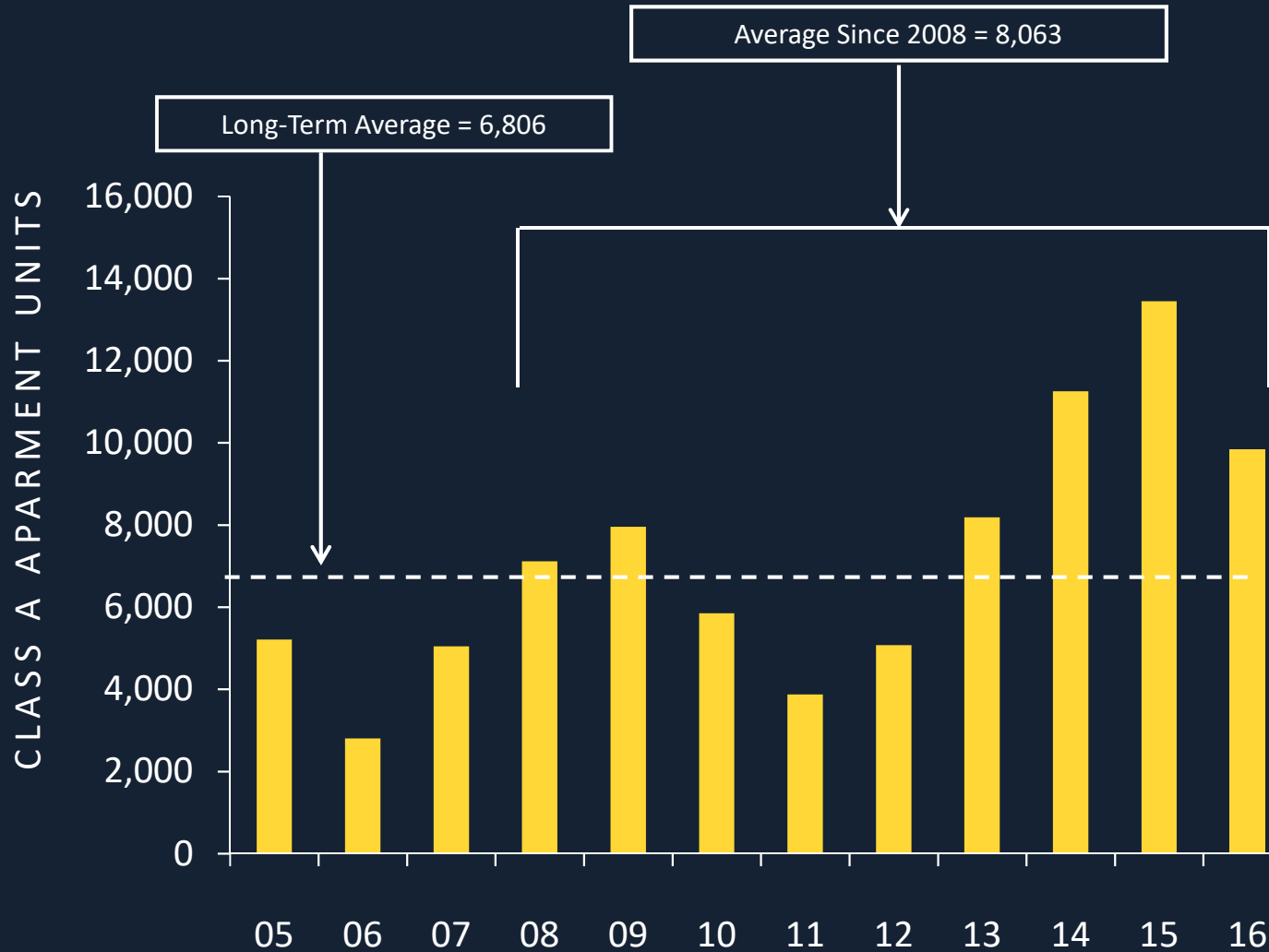


Source: REIS, Delta Associates; January 2017.

Note: Excludes NY metro to conserve scale.

# CLASS A APARTMENT ABSORPTION

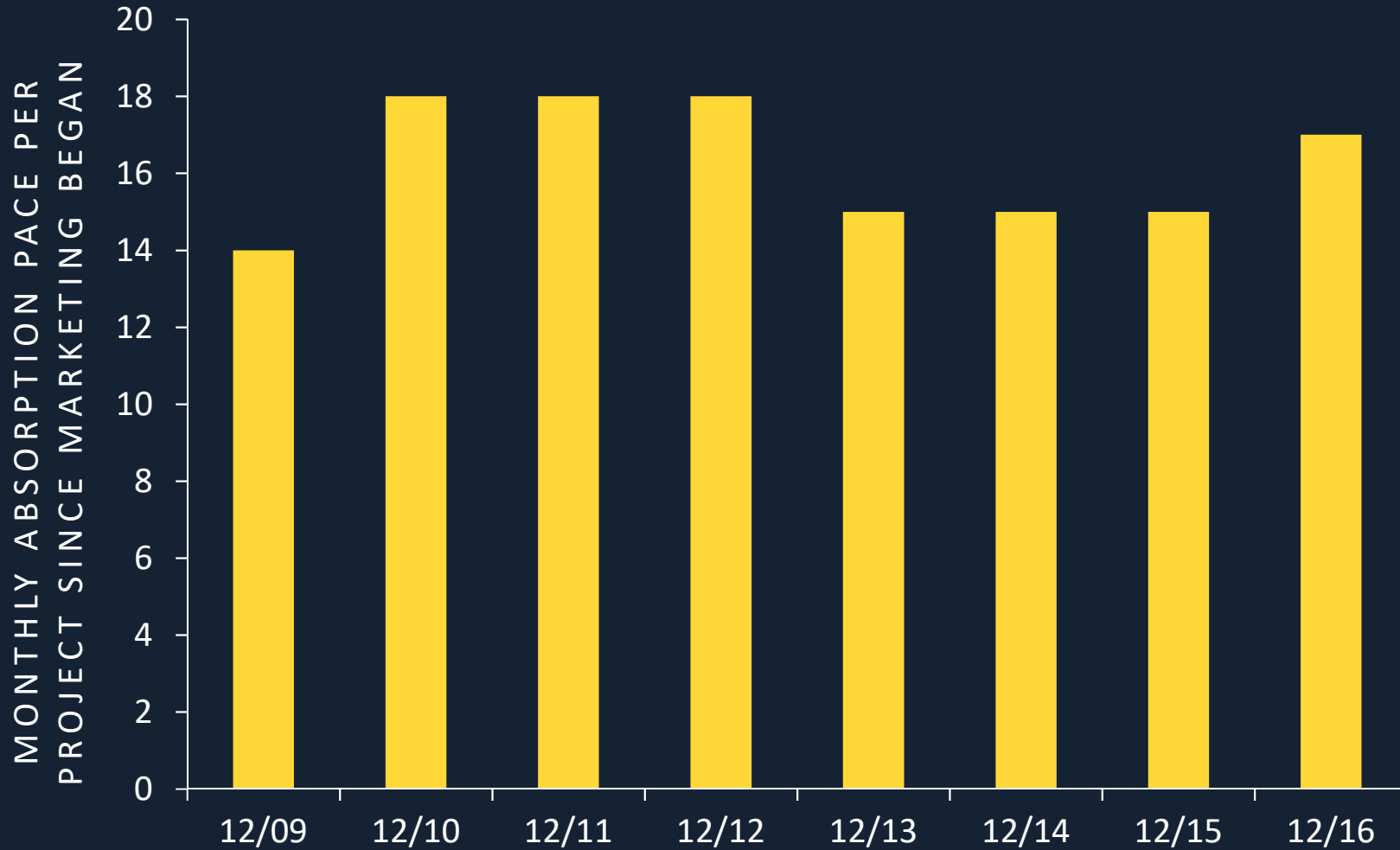
Washington Metro Area



Source: Delta Associates; January 2017.

# ABSORPTION PACE PER PROJECT PER MONTH

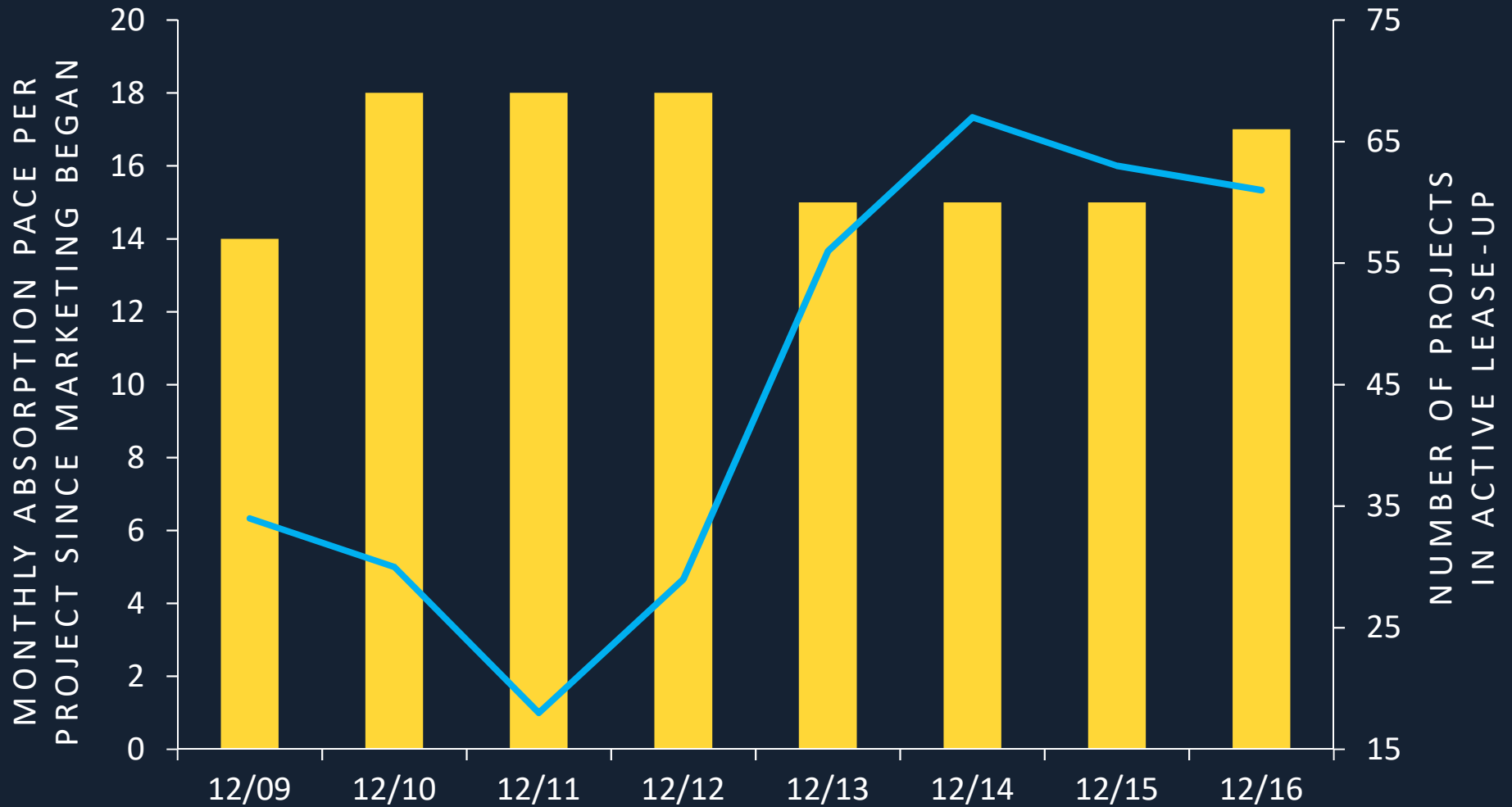
Class A Projects in Initial Lease-Up | Washington Metro Area



Source: Delta Associates; January 2017.

# ABSORPTION PACE PER PROJECT PER MONTH

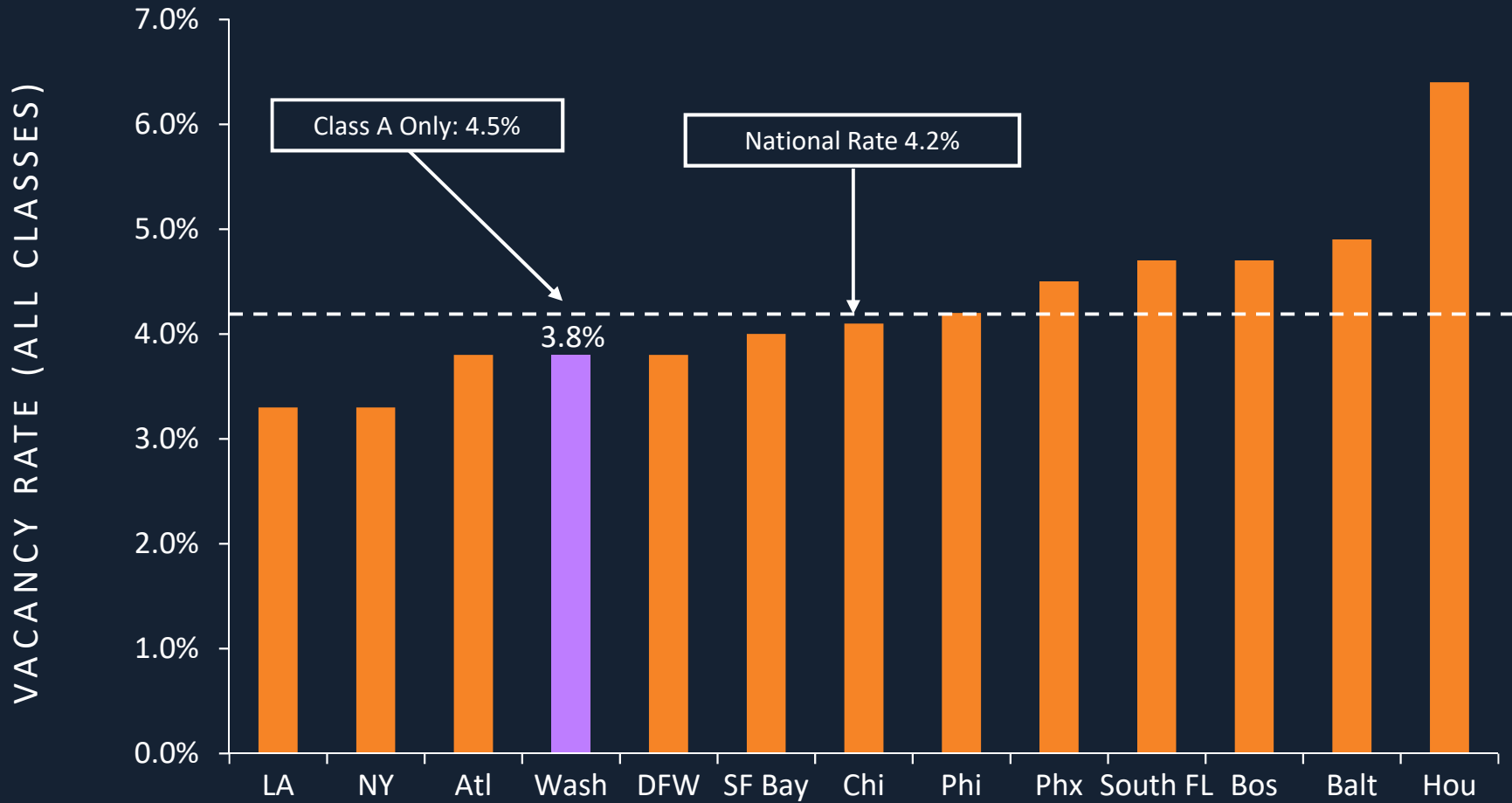
Class A Projects in Initial Lease-Up | Washington Metro Area



Source: Delta Associates; January 2017.

# STABILIZED APARTMENT VACANCY RATES

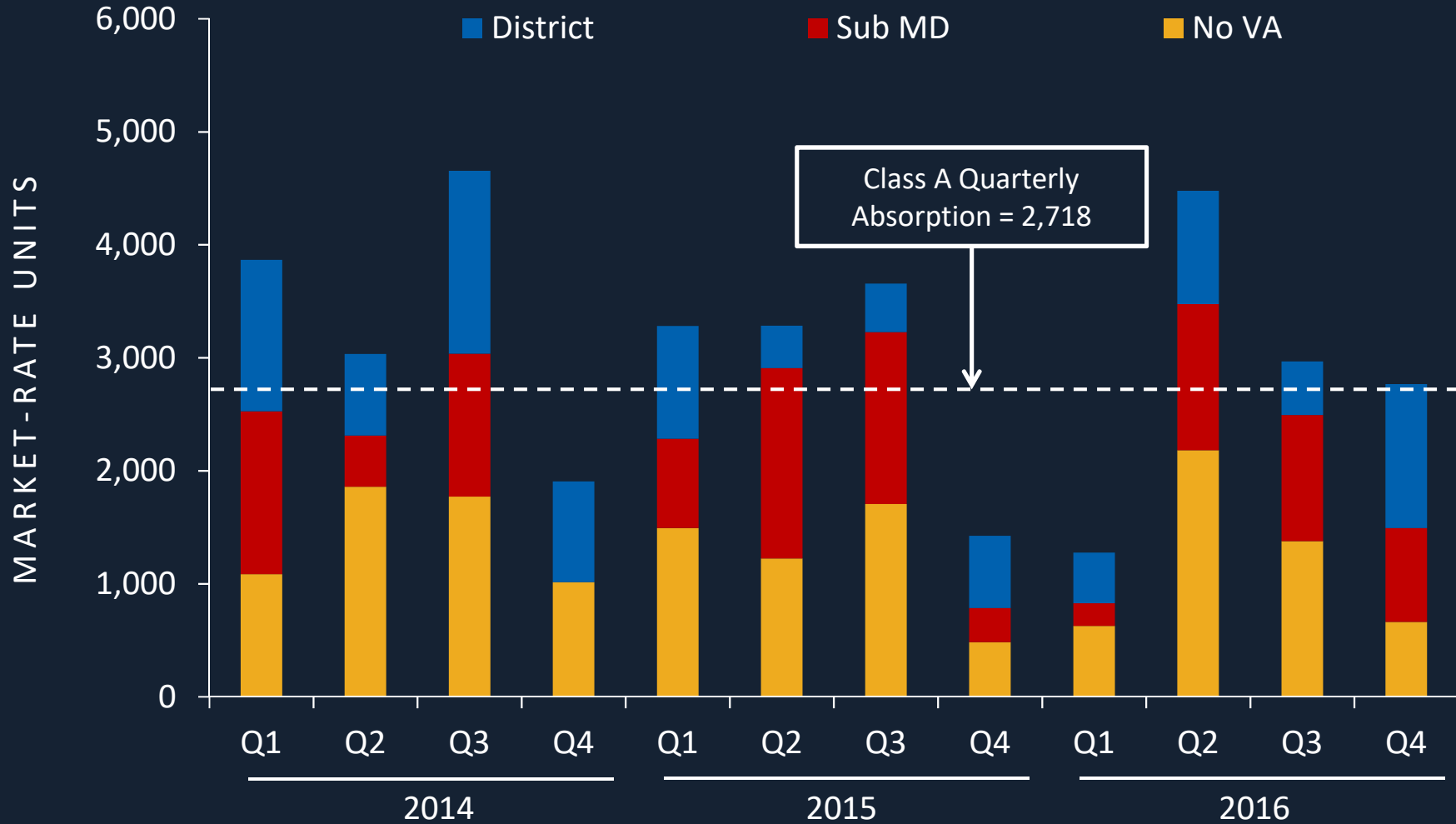
Major Apartment Markets | Fourth Quarter 2016



Source: REIS, Delta Associates; January 2017.

# CLASS A APARTMENT DELIVERIES

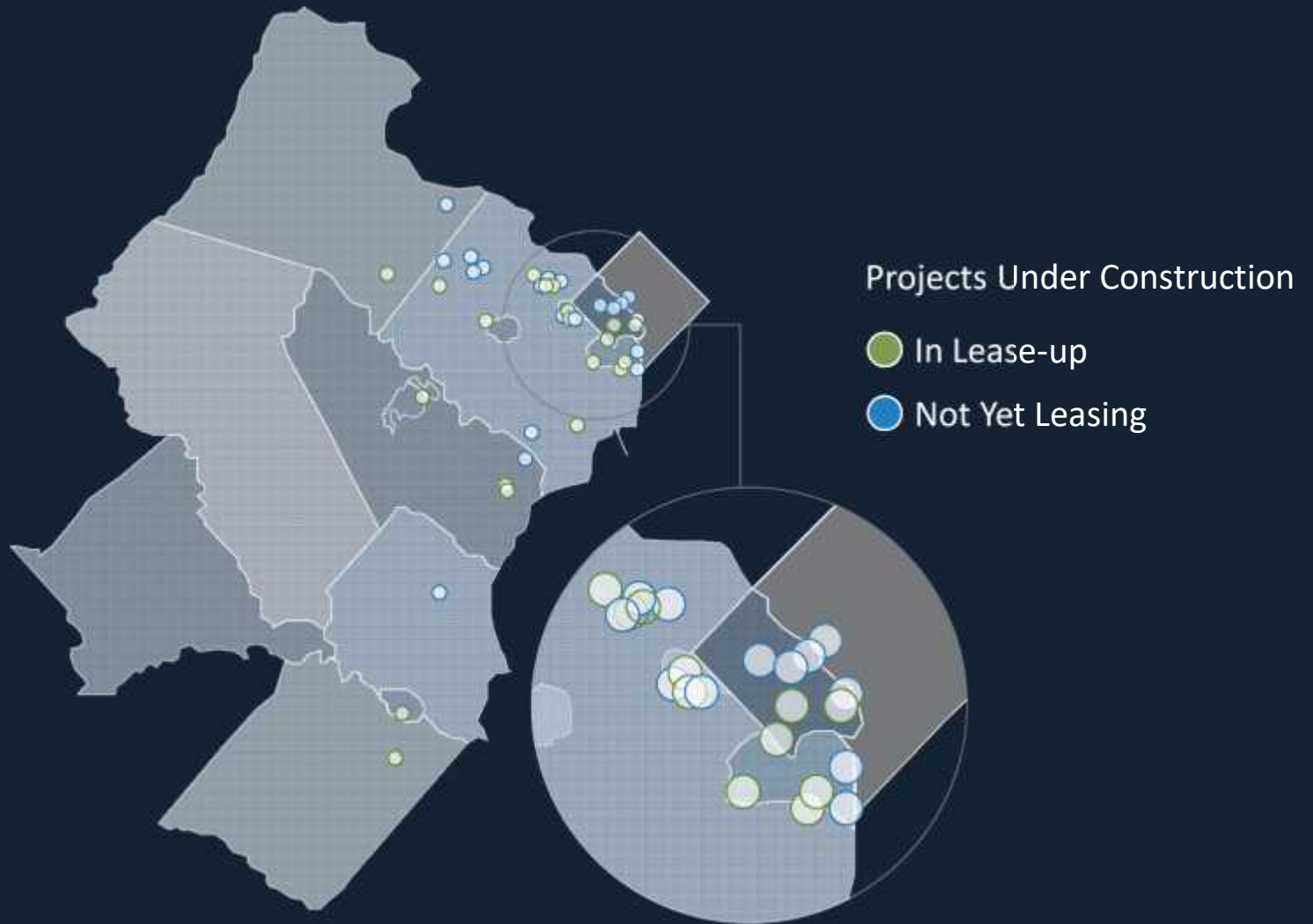
Washington Metro Area | 2014 - 2016



Source: Delta Associates; January 2017.

# APARTMENT PROJECTS CURRENTLY UNDER CONSTRUCTION

Northern Virginia | Fourth Quarter 2016

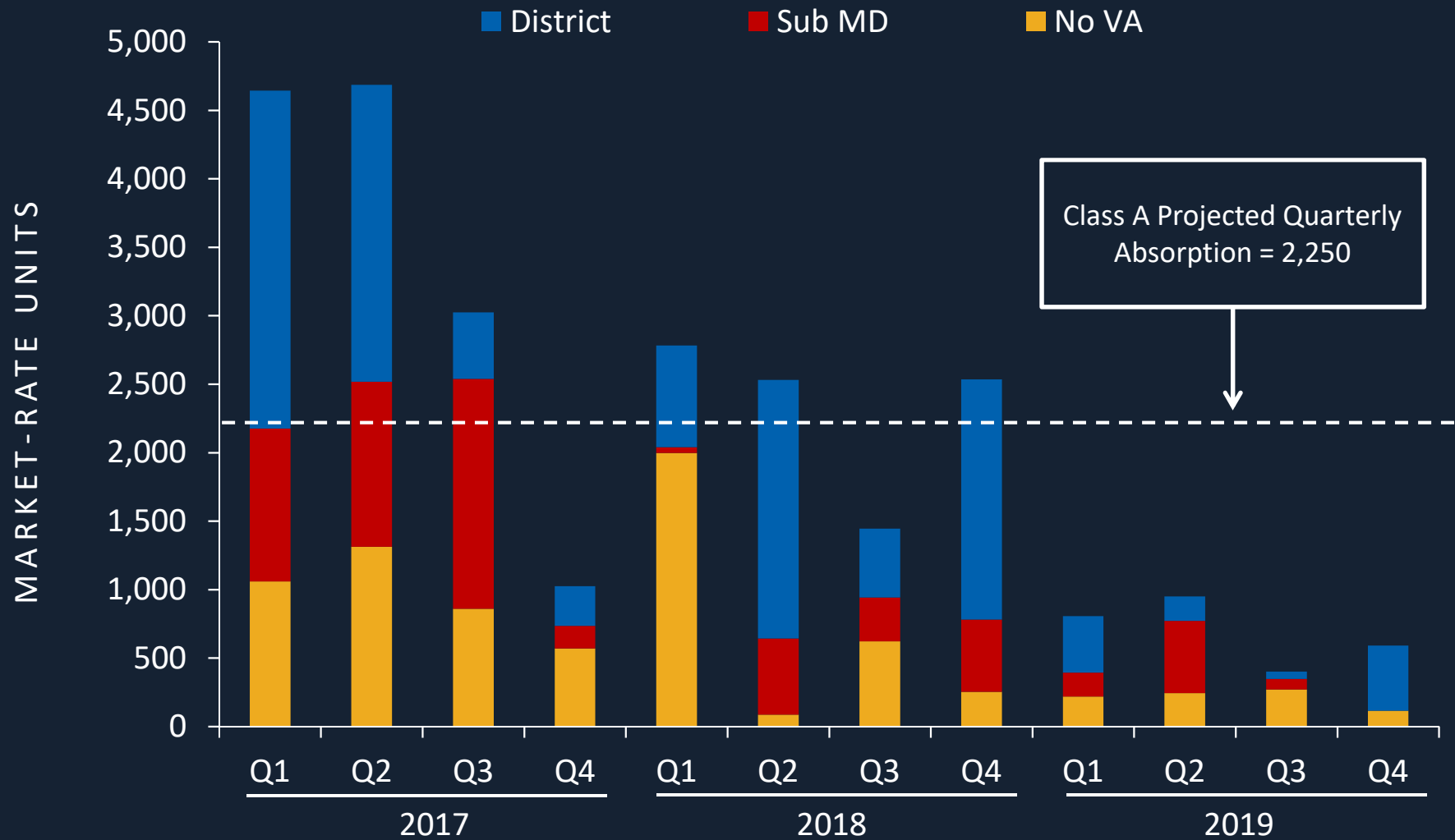


Source: Delta Associates; January 2017.



# PROJECTED DELIVERIES

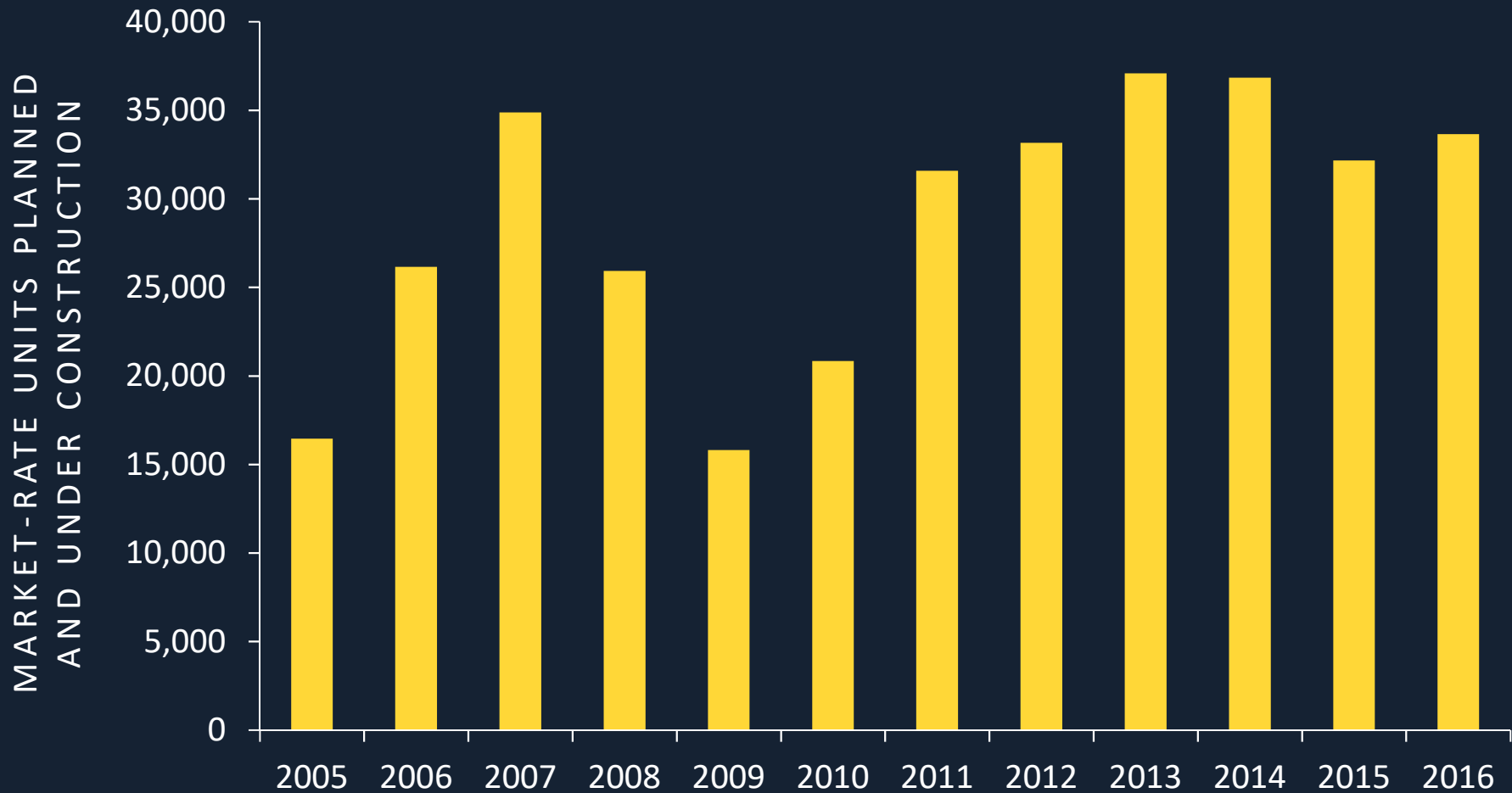
36-Month Development Pipeline | Washington Metro Area | 2017 - 2019



Source: Delta Associates; January 2017.

# APARTMENT DEVELOPMENT PIPELINE

Washington Metro Area

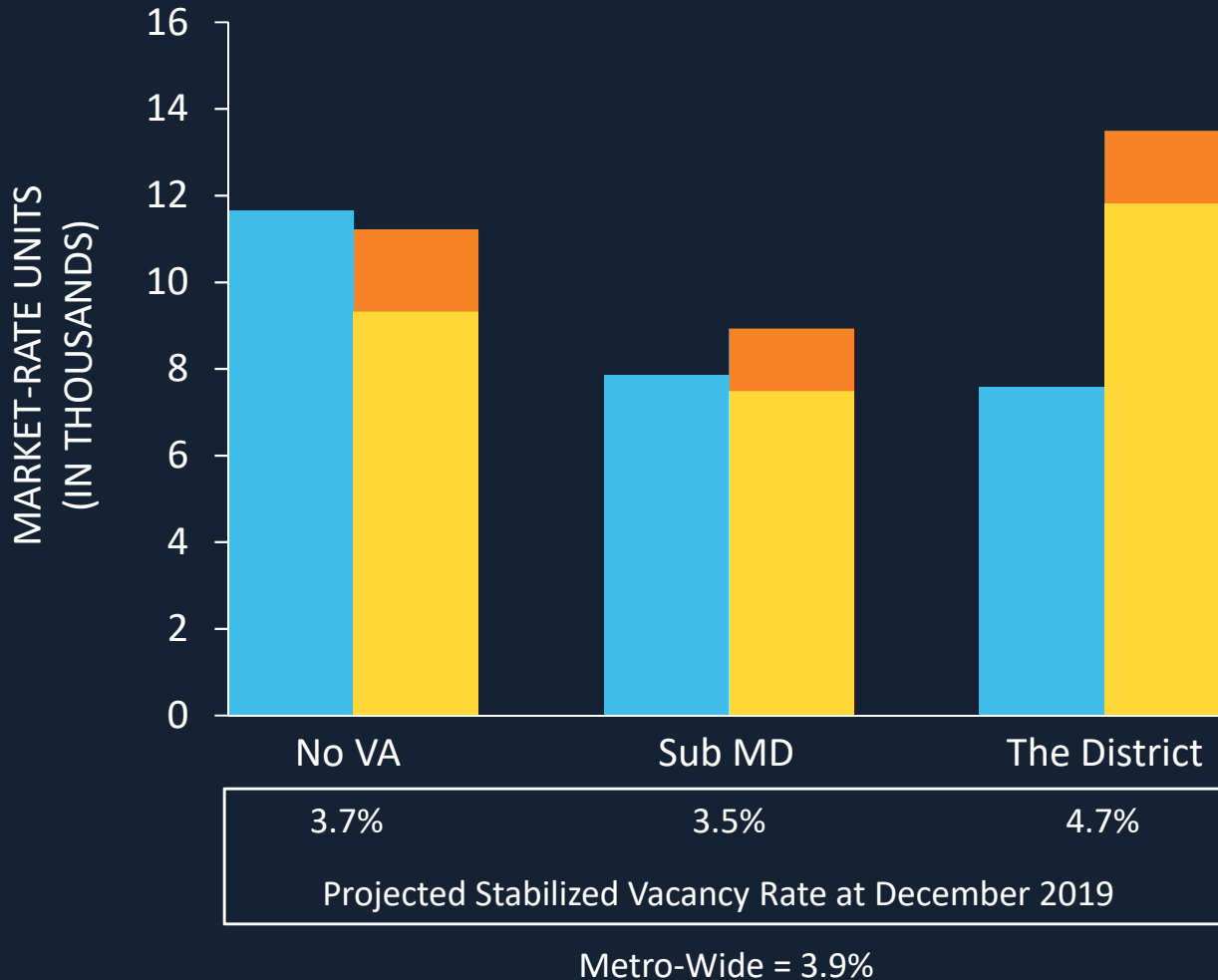


Source: Delta Associates; January 2017.

Note: Data is from Fourth Quarter of each year.

# APT. DEMAND AND SUPPLY PROJECTIONS

Washington Metro Area | 36 Months Ending December 2019



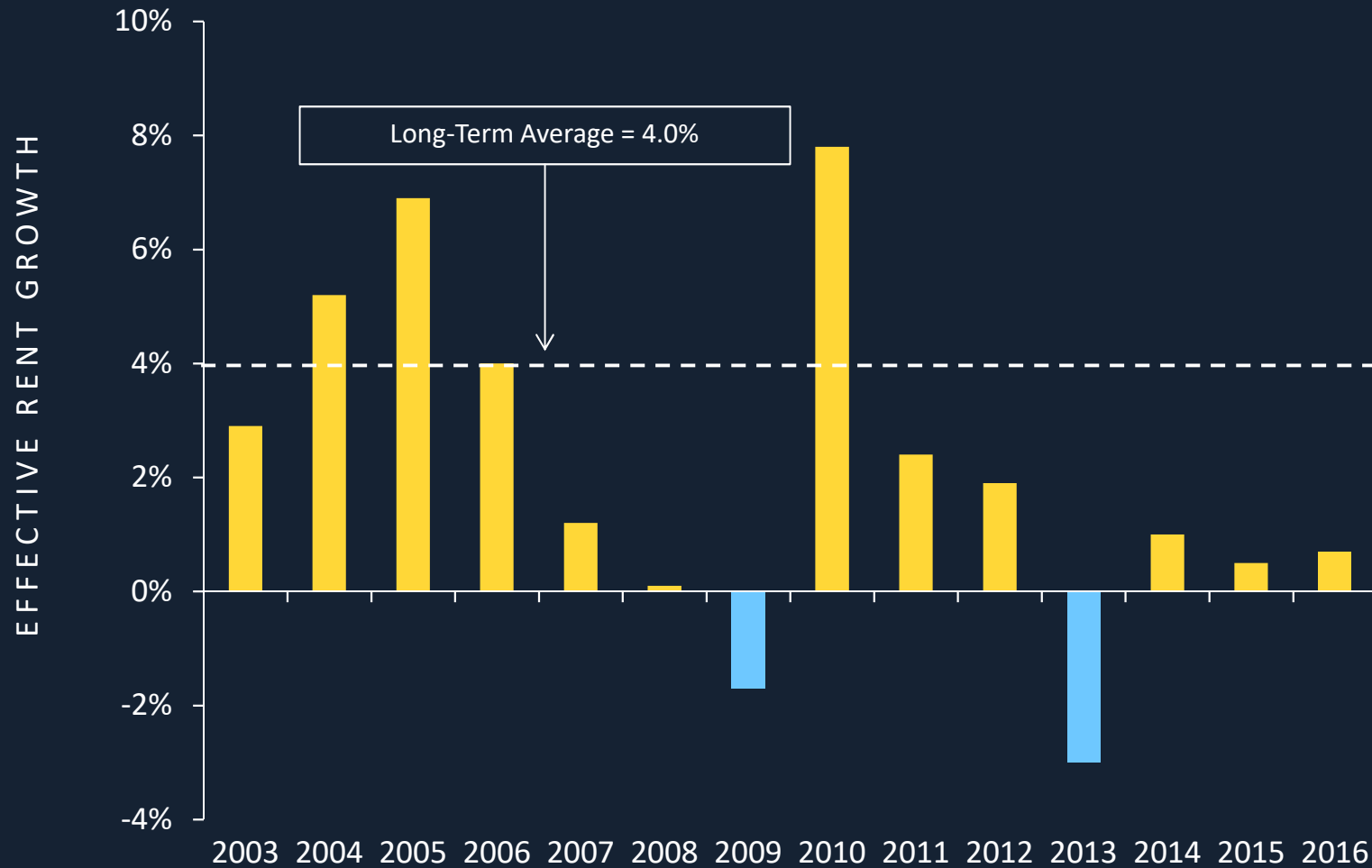
DEMAND	
<span style="color: #00AEEF;">■</span>	Net Absorption: 9,033/Year = 27,100
SUPPLY	
<span style="color: #FF9900;">■</span>	Planned and may deliver by 12/19: 5,026 units <sup>1</sup>
<span style="color: #FFD700;">■</span>	Under construction: 28,623 units <sup>2</sup>
Total = 33,649 units	

<sup>1</sup> Probable supply after projected attrition.

<sup>2</sup> Includes unleased units at projects in lease-up.

# ANNUAL CLASS A APARTMENT RENT GROWTH

Washington Metro Area\* | 2003 - 2016



Source: Delta Associates; January 2017.

\* Historic data includes Anne Arundel and Howard counties.

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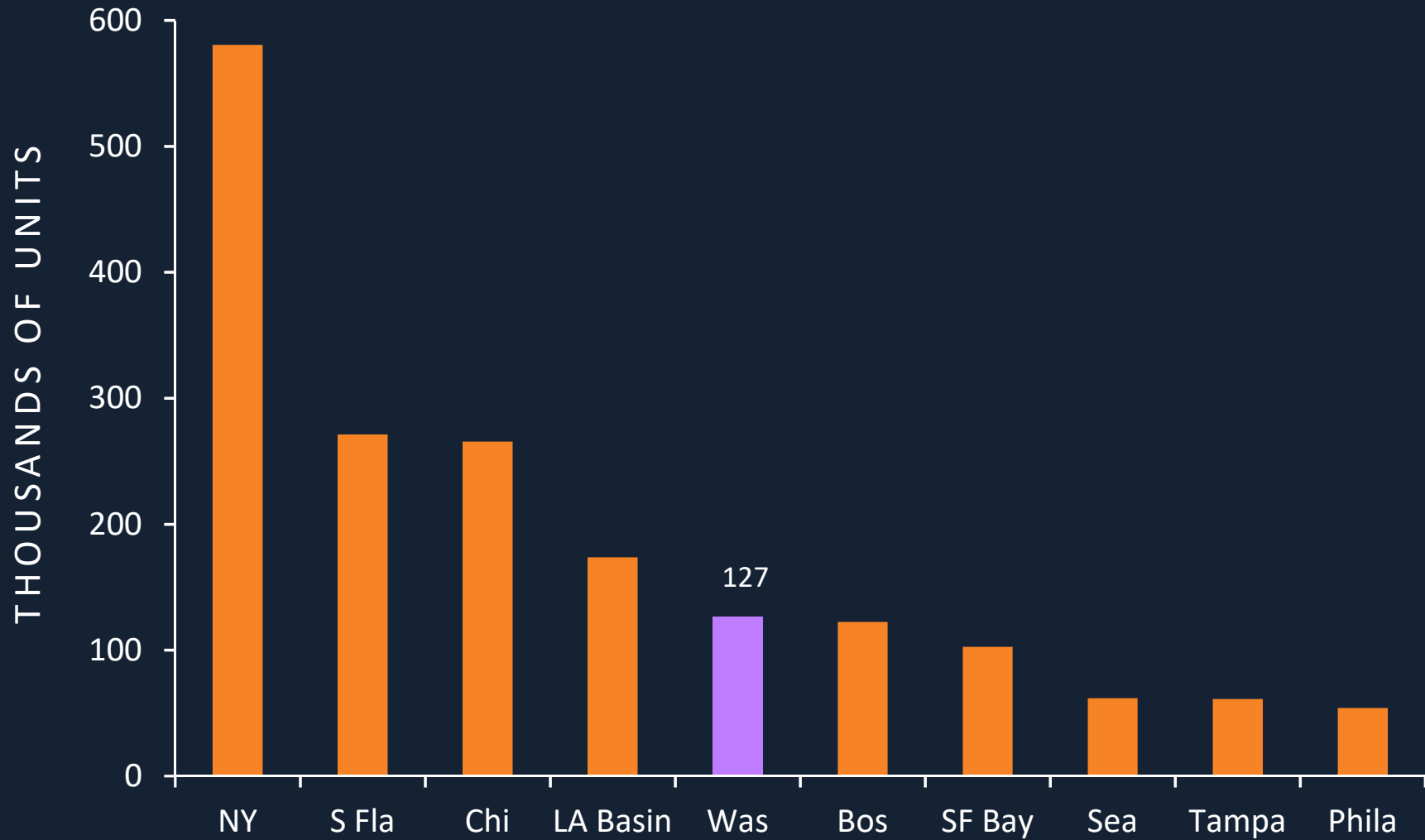
THE WASHINGTON METRO AREA  
CONDOMINIUM MARKET



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# LARGEST CONDOMINIUM MARKETS

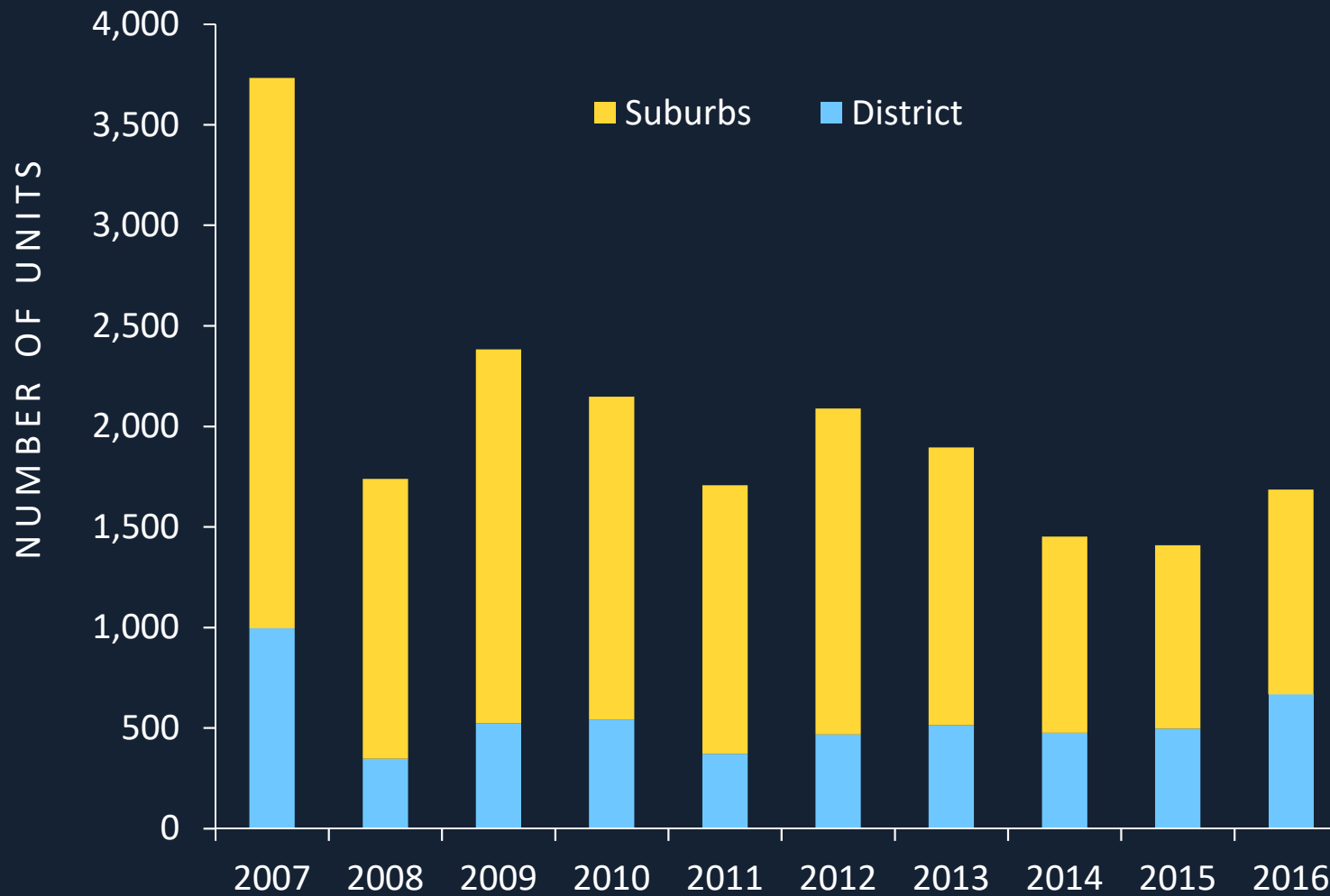
Select Metro Areas | 2015



Source: U.S. Census Bureau, Delta Associates; January 2017.

# ANNUAL NEW CONDOMINIUM SALES

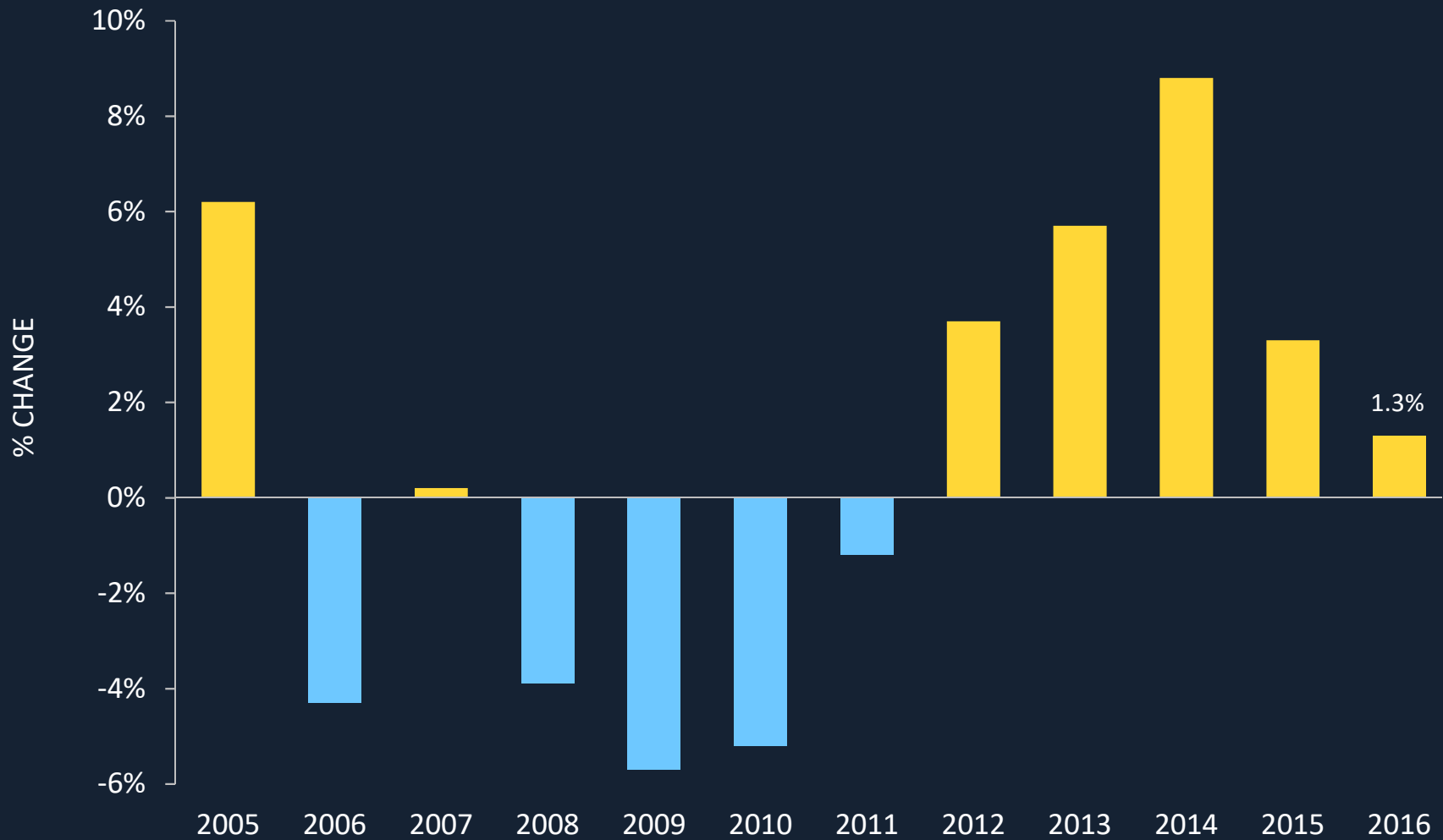
Washington Metro Area



Source: Delta Associates; January 2017.

# EFFECTIVE NEW CONDO SALES PRICE CHANGE

Washington Metro Area | 2005 - 2017

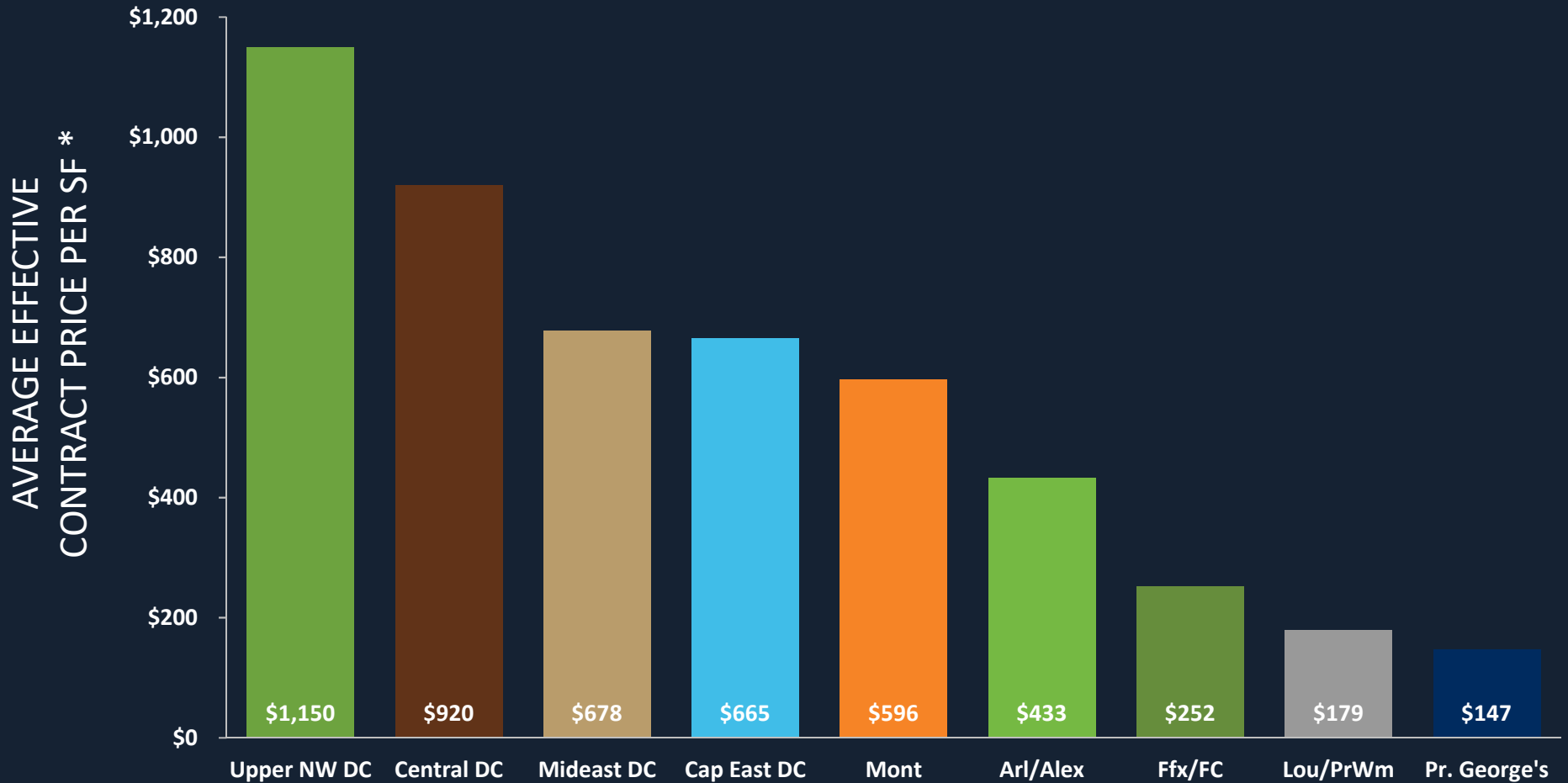


Source: Delta Associates; January 2017.



# NEW CONDOMINIUM PRICES PER SF\*

Washington Metro Area | Fourth Quarter 2016

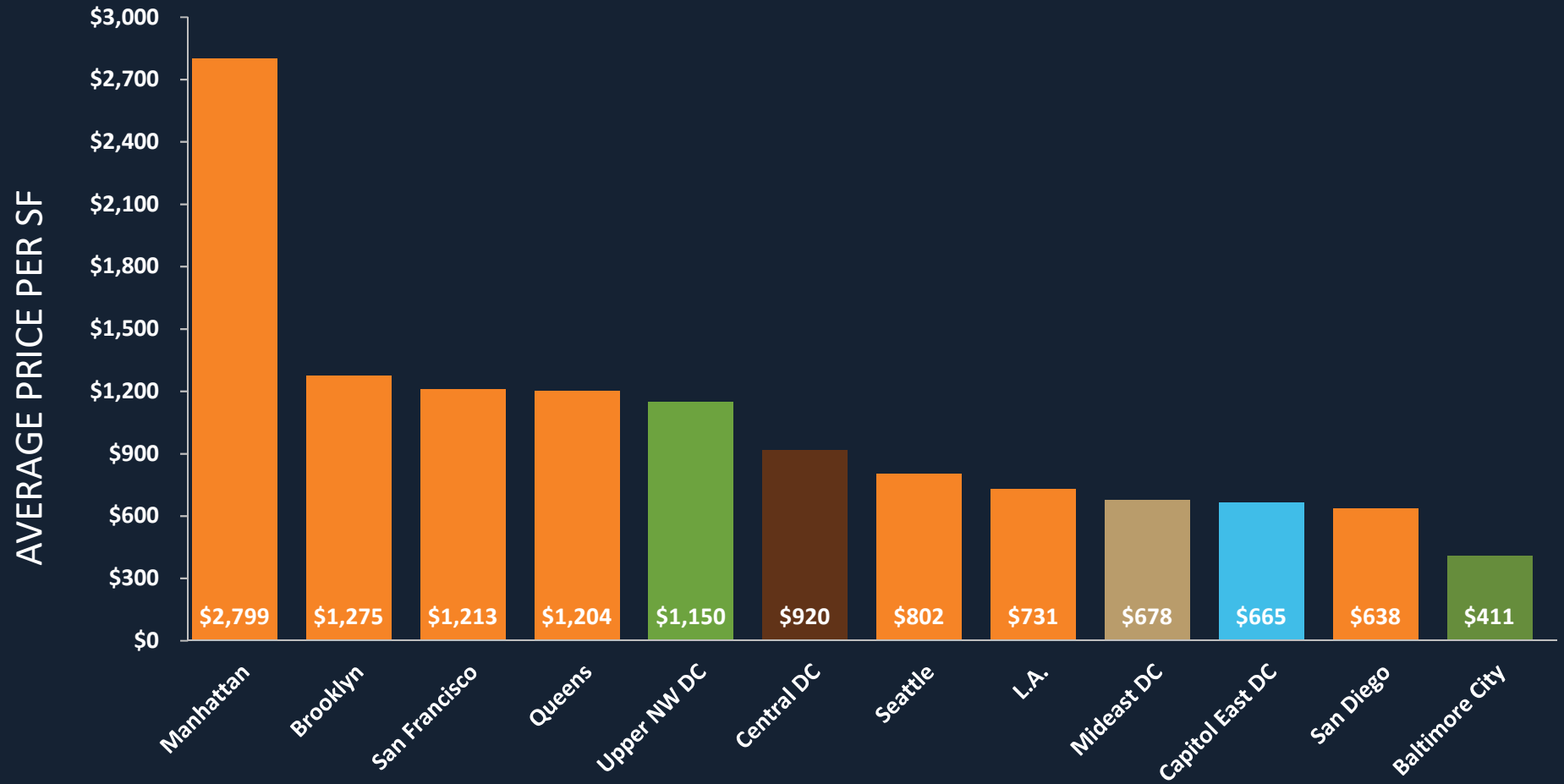


\* Reflects prices of condo projects currently selling, so averages should not be compared from quarter to quarter since locations of projects change each quarter.

Source: Delta Associates; January 2017.

# NEW CONDOMINIUM PRICES PER SF

Selected Downtown Areas in the U.S. | Fourth Quarter 2016\*

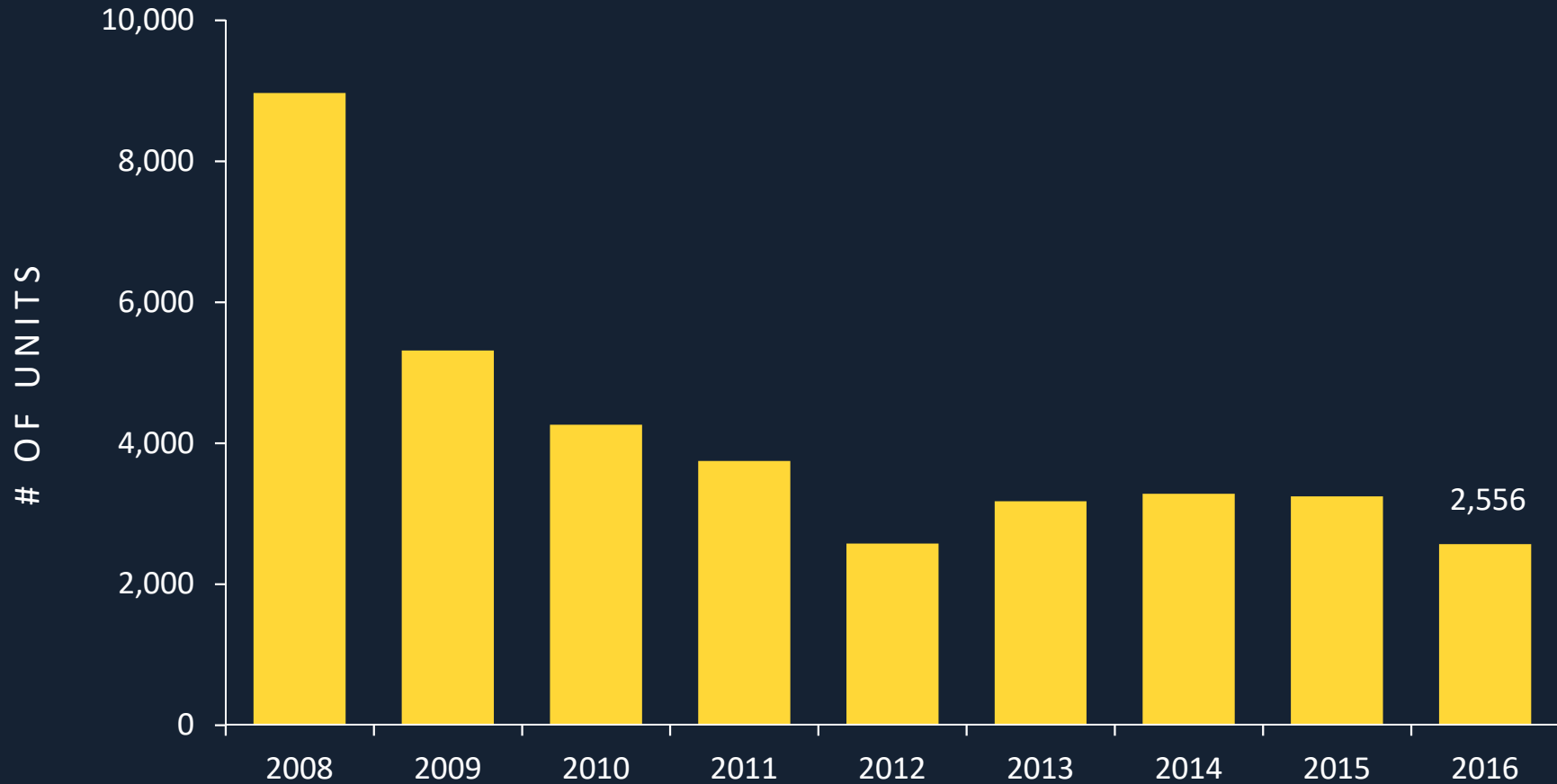


Source: The Mark Company, Corcoran Sunshine Marketing Group, Delta Associates, January 2017.

\* Fourth Quarter 2016 except for Manhattan, Brooklyn & Queens, which are as of Third Quarter 2016.

# NEW CONDOS ACTIVELY MARKETING OR U/C

Washington Metro Area

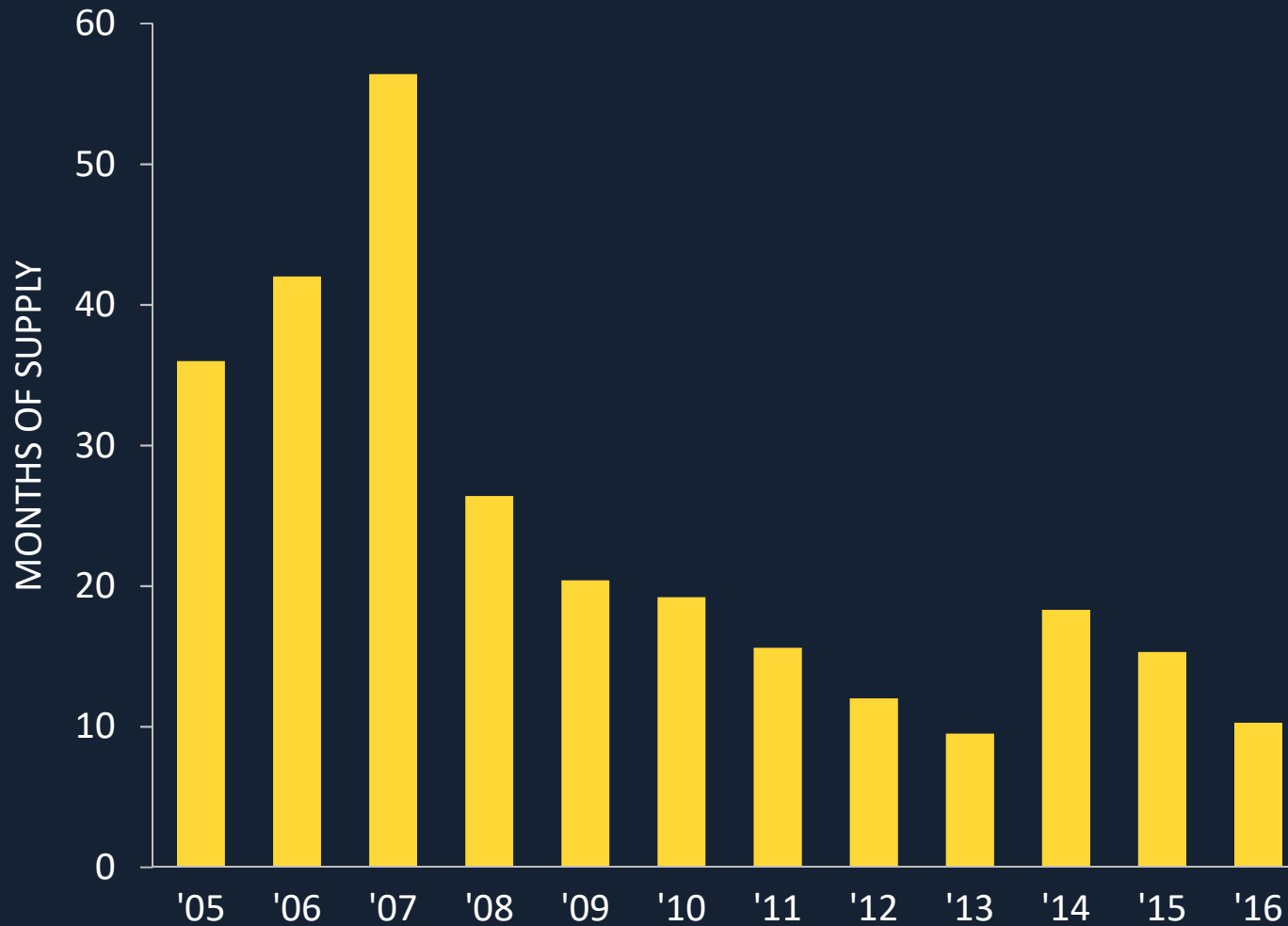


Source: Delta Associates; January 2017.

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

# MONTHS OF NEW CONDOMINIUM SUPPLY

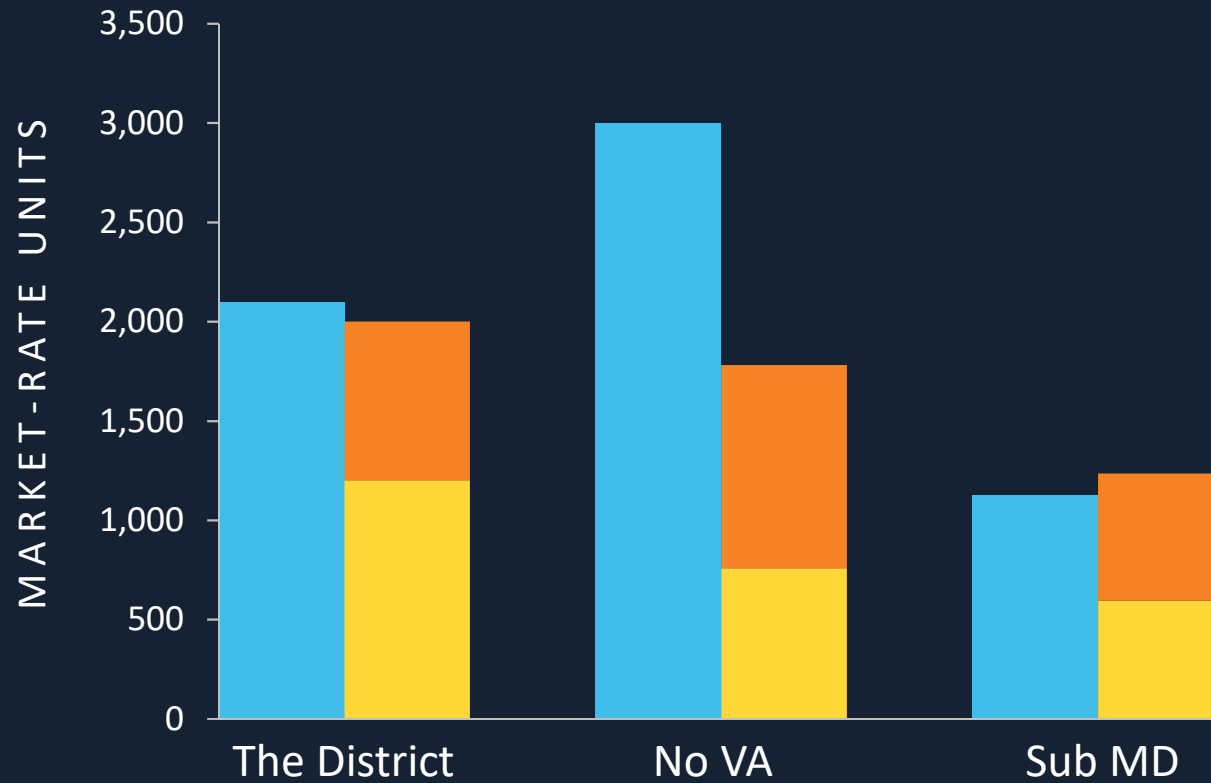
Washington Metro Area | 2005 - 2017



Source: Delta Associates; January 2017.

# CONDO DEMAND AND SUPPLY PROJECTIONS

Washington Metro Area | 36 Months Ending December 2019



## DEMAND

Net Sales: 2,075/Year = 6,225 units

## SUPPLY

Planned and May Begin Marketing by 12/19: 2,460 units <sup>1</sup>

Under Construction and/or Marketing: 2,556 units <sup>2</sup>

Total = 5,016 units

<sup>1</sup> Probable supply after projected attrition.

<sup>2</sup> Includes unleased units at projects in lease-up.

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