Saving DC’s Rental Housing Market Strike Force

February 19th, 2021
Ground Rules

• Respect the Process
• Be Present and Engaged
• Follow the Facilitators’ Directions
• Allow Every Voice to be Heard
• Speak Courteously and Respectfully to Others
• Maintain Zero Tolerance for Any Comment (Verbal or Written) that is Meant to Attack or Intimidate Another Person, or is Obscene
Process Review: Public Meeting Regulations

- Notice shall be provided when meetings are scheduled and when the schedule is changed.
- Except for emergency meetings, a public body shall provide notice as early as possible, but not less than 48 hours or 2 business days, whichever is greater, before a meeting.
- This meeting will be recorded for public record.
- A copy of the meeting summary will be made available for public inspection as soon as practicable, but no later than 3 business days after the meeting.
Public Comment Period

- Public observers will have 15 minutes set aside at the end of every meeting for verbal comments. If you would like to make a verbal comment please make your request known using the Question and Answer function.
- The facilitator will call on each name as it appears and the attendee will be invited directly into the Zoom room. Please note your video will remain disabled.
- We ask all commenters to be respectful of time and reserve space for additional voices.
- Written comments can also be provided using the Question and Answer function at any point during the meeting. These comments will be a part of the public meeting record.
February 12th Meeting
Summary
State of the DC Multifamily Rental Market

Apartment & Office Building Association of Metropolitan Washington (AOBA)

By: Randi Marshall, Vice President of Government Affairs, D.C.
February 19, 2021
State of the DC Multifamily Rental Market

Presentation Outline

- Rental Unit Inventory
- Market Rents
- Vacancy Rates
The Downtown submarket has been the location of the highest density of multifamily rental units in the District since 2006. This submarket includes the neighborhoods of Dupont Circle, Logan Circle and Foggy Bottom. In the past, the second and third largest submarkets of rental units have been Adams Morgan/Columbia Heights and Anacostia/Southeast.

However, in the last decade the submarkets of SW/Navy Yard and H Street/NOMA have added just over 20,000 rental units, with another 9,000 units still in the pipeline.
Although, the construction of Class A luxury units, via large high-rise buildings, have been the focus of discussion when talking about rental housing in the District. The multifamily rental market is still largely supported by smaller and older Class B and Class C buildings, which represent approximately 60% of multifamily rental units in the District.
Before the pandemic, rents had increased an average of just over 2% year-over-year. As the pandemic continues, we are seeing rents being reduced by an average of 6% across the District, with the Connecticut Ave, Downtown, and H Street/NOMA submarkets nearing reductions of rent of 10%. These submarkets were hit particularly hard in two ways: 1) Demand from students, interns, and young professionals dropped due to the halt of in-person instruction at universities, hiring freezes, and telework. 2) The draw of neighborhood amenities, such as restaurants and retail were shutdown, making these submarkets less desirable for the high asking rent.

Data Source: CoStar

### State of the DC Multifamily Rental Market
#### Market Rents by Submarket
**2019 Q4 vs 2020 Q4**

<table>
<thead>
<tr>
<th>Location</th>
<th>Period 1</th>
<th>Period 2</th>
<th>% Change</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADAMS MORGAN/COLUMBIA HEIGHTS</td>
<td>2019 Q4</td>
<td>$2,119</td>
<td>$1,988</td>
<td>2.10%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANACOSTIA SOUTHEAST</td>
<td>2019 Q4</td>
<td>$1,185</td>
<td>$1,198</td>
<td>2.28%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td>1.08%</td>
</tr>
<tr>
<td>BRIGHTWOOD FORT TOTTEN</td>
<td>2019 Q4</td>
<td>$1,851</td>
<td>$1,744</td>
<td>1.98%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITOL HILL</td>
<td>2019 Q4</td>
<td>$2,432</td>
<td>$2,307</td>
<td>1.59%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONNECTICUT AVE NW</td>
<td>2019 Q4</td>
<td>$2,277</td>
<td>$2,051</td>
<td>4.56%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOWNTOWN</td>
<td>2019 Q4</td>
<td>$2,562</td>
<td>$2,321</td>
<td>2.24%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td>$2,056</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEORGETOWN WISCONSIN AVE</td>
<td>2019 Q4</td>
<td>$2,126</td>
<td>$2,056</td>
<td>1.91%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td>$2,316</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H STREET/NOMA</td>
<td>2019 Q4</td>
<td>$2,585</td>
<td>$2,336</td>
<td>3.38%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td>$2,056</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOWER NORTH EAST</td>
<td>2019 Q4</td>
<td>$1,400</td>
<td>$1,400</td>
<td>1.99%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW/NAVY YARD</td>
<td>2019 Q4</td>
<td>$2,776</td>
<td>$2,577</td>
<td>1.13%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td>$2,017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DISTRICTWIDE</td>
<td>2019 Q4</td>
<td>$2,139</td>
<td>$2,017</td>
<td>2.31%</td>
</tr>
<tr>
<td></td>
<td>2020 Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Source: CoStar
Although, Class A rental units saw the largest decrease in rents, in an attempt to compete more aggressively in the market, units in smaller low-rise Class C properties, which are largely located in the Anacostia/Southeast and Lower Northeast submarkets saw a nominal change. One reason being, is that many housing providers that manage smaller older properties with few amenities cannot afford to drop rents and remain operational. Those properties are near or at their rent floor. Normally, Class C multifamily buildings increase rents by 2.5%, but this past year their rents stayed flat.
State of the DC Multifamily Rental Market

Vacancy Rates by Submarket
2019 Q4 vs 2020 Q4

The District has a unique multifamily rental market that supports a transient professional workforce and student/intern population. Normally, an ideal vacancy rate regardless of building type, is between 3% - 6%. Currently, the average vacancy rate in the District is 14.7%, with submarkets such as SW/Navy Yard, Capitol Hill, and Georgetown/Wisconsin Ave, are seeing vacancy rates at 31%, 27%, and 18% respectively. This is largely due to these submarkets catering to this transient population and also have a large number of new units entering the market with low demand.
State of the DC Multifamily Rental Market
Vacancy Rates by Class/Building Type
2019 Q4 vs 2020 Q4

Once again smaller older Class B and C properties have lower vacancy rates compared to units in luxury Class A buildings. The Anacostia/Southeast, Lower Northeast, and Brightwood/Fort Totten submarkets often support residents who have, or want to establish, roots in the District. It should be stated that the eviction moratorium has allowed renters to stay in place, even when rent was in arrears. Multifamily rental properties which housed renters that had the resources to relocate during the pandemic or take advantage of the competitive rent across the District saw higher turnover and sharper vacancy rates.

Data Source: CoStar

State of the DC Multifamily Rental Market
Vacancy Rates by Class/Building Type
2019 Q4 vs 2020 Q4

Once again smaller older Class B and C properties have lower vacancy rates compared to units in luxury Class A buildings. The Anacostia/Southeast, Lower Northeast, and Brightwood/Fort Totten submarkets often support residents who have, or want to establish, roots in the District. It should be stated that the eviction moratorium has allowed renters to stay in place, even when rent was in arrears. Multifamily rental properties which housed renters that had the resources to relocate during the pandemic or take advantage of the competitive rent across the District saw higher turnover and sharper vacancy rates.

Data Source: CoStar

State of the DC Multifamily Rental Market
Vacancy Rates by Class/Building Type
2019 Q4 vs 2020 Q4

Once again smaller older Class B and C properties have lower vacancy rates compared to units in luxury Class A buildings. The Anacostia/Southeast, Lower Northeast, and Brightwood/Fort Totten submarkets often support residents who have, or want to establish, roots in the District. It should be stated that the eviction moratorium has allowed renters to stay in place, even when rent was in arrears. Multifamily rental properties which housed renters that had the resources to relocate during the pandemic or take advantage of the competitive rent across the District saw higher turnover and sharper vacancy rates.

Data Source: CoStar
Question and Answer
What do we know about eviction?

**The eviction process** negatively impacts the health and wellbeing, financial stability and future housing opportunities for renters.

(Desmond and Kimbro 2015; Desmond 2016)

**Eviction disproportionately** affects tenants who are Black, Latinx, and women.

(Hepburn et al 2020)

**Drivers of eviction** include income volatility among low-income renters; rising rents relative to income; the lack for rental assistance for most eligible households; and the limited supply of affordable housing.

(Desmond 2015)

**Eviction filings** are far more common than evictions, and have consequences for tenants whether or not they result in eviction.

**Serial Eviction** is when landlords file for eviction on the same tenant in the same unit, multiple times per year, often without the intent to remove the tenant.

(Leung et al 2020; Immergluck et al 2021; Garboden and Rosen 2019; Public Justice Center 2017)
NOTICE TO TENANT OF PAYMENT REQUIRED TO AVOID EVICTION

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.

A tenant may be evicted by the landlord for nonpayment of rent if the landlord has served the tenant with a Notice of Intent to File for Eviction. If the Notice of Intent to File for Eviction is not served properly, the tenant may not be evicted. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement. If you are unable to pay the rent, you should contact your landlord as soon as possible to work out an agreement.
Key Findings

Landlords in the District filed about **32,000 residential eviction notices annually** with the Court.

Eleven percent of DC renters - or about **1 out of every 9 renter households** - received at least one eviction filing in 2018. Many received more than one.

93 percent of filings are for **non-payment of rent**.

Nearly **one quarter** of filings are for tenants who have a **rental subsidy**.

The **rate of eviction filings** in the District is among the highest nationwide.
Serial Filing

60% of households who received filing, received more than one filing

Washington, DC (2018)
Eviction Filings
57% of filings are in Wards 7 and 8
Washington, DC (2018)
Neighborhood Hotspots in Eviction Filing Rates
Washington, DC (2018)
At the time of the filing, the typical renter in Washington, DC owes $1,207

- About 12 percent of renters summoned to court owe less than $600
- Nearly two-thirds of renters owe less than the citywide median rent of $1,487 when they are summoned to court

By the time eviction occurs, the typical household owes $2,241
20 property owners filed half of all eviction filings in 2018, but owned 21% of the total units in DC
Landlord and Tenant Legal Representation

Nearly all landlords are represented by a lawyer

In contrast, very few tenants have representation
- Tenants arrived in Court represented by an attorney in only 1.78 percent of cases
- In an additional 1-3 percent of cases, a tenants seeks legal representation through the Tenant Resource Center for assistance in their case.
Filing Fees and Filings Rates

The filing fee in DC is the lowest of major cities.
Thank you.
Question and Answer
Discussion
Public Comment Period

- Public observers will have 15 minutes set aside at the end of every meeting for verbal comments. If you would like to make a verbal comment please make your request known using the Question and Answer function.

- The facilitator will call on each name as it appears and the attendee will be invited directly into the Zoom room. Please note your video will remain disabled.

- We ask all commenters to be respectful of time and reserve space for additional voices.

- Written comments can also be provided using the Question and Answer function at any point during the meeting. These comments will be a part of the public meeting record.
Closing Comments & Adjourn