



Greysteel

D.C. MULTIFAMILY MARKET STATISTICS
MULTIFAMILY SALES 2014–2015

PREPARED FOR DISTRICT OF COLUMBIA
MULTIFAMILY HOUSING TASK FORCE

Greysteel is a commercial real estate investment services firm headquartered in Washington, D.C. We believe that clients are best served by a tightly integrated, collaborative, and conflict-free platform that aligns client interests with those of the firm and its professionals. Over the last four years, we have expanded from seven employees in one office to over 50 employees in six offices across the country, serving private and institutional investors with an array of investment profiles. Greysteel facilitates individual and portfolio transactions for Multifamily and Retail properties, including marketing and disposition, as well as debt, equity, and structured financing.

Clients rate our services with commentary such as “no nonsense, straight to the bottom line style” and “highest quality service and greatest availability of properties” – in short, we know how to get deals done with efficiency and precision, no matter how nuanced or complex.



HIGHLIGHTS

- A total of 131 properties transacted in the District of Columbia between 2014–2015, comprising 9,994 units and eclipsing \$2.5 billion in sales volume.
- Average trailing cap rates were 4.91% (Class A), 5.07% (Class B), and 6.88% (Class C).
- Northwest D.C. led the way in terms of dollar volume and number of units. Northeast D.C. ranked second in dollar volume. Notably, Southeast D.C. ranked second in unit volume.
- According to our analysis, roughly 32% of sales in 2014–2015 that went through the TOPA (Tenant Opportunity to Purchase Act) process were either purchased through a tenant association, or assigned their rights to a third party.
- In 2014–2015, affordable housing groups/non-profits directly contracted or were assigned by the tenant association on 15% of all multifamily sales in the District of Columbia.
- In the case of a tenant association formation, the period between offer of sale and close of escrow was further delayed by an average of 109 days.

CRITERIA AND METHODOLOGY

QUALIFIED SALES
10+ units per property
Arms-length closed transactions between 2014–2015
Minimum 90% interest
<i>*Excludes portfolio sale between Gables Residential and Clairon Partners</i>
Sources: Greysteel, Costar, Yardi Matrix, Real Capital Analytics, District of Columbia Public Records, Cartodb.

SURVEYED SALES
We surveyed a total of 191 properties that were offered for sale between Q2 2013–2015 from The Department of Housing and Community Development's (DHCD) Weekly Report (TOPA-Related Filings) provided by the Rental Conversion and Sale Division. Our analysis indicates that 54 of the 191 sales that were offered between Q2 2013–2015 closed during the 2014–2015 period. The analysis presented on page 6 titled "Escrow" and "Purchase Contracts" reflect information from this subset. We did not have offer of sale information for the remaining 77 sales that closed during the 2014–2015 period.

DISCLAIMERS
 This Analysis is solely for informational purposes only and is not an appraisal. While the information contained in this Analysis has been compiled from sources we believe to be reliable, neither Greysteel nor its representatives make any representations or warranties as to the accuracy or completeness of the information contained in this Analysis. All financial information and projections are provided for reference only. All references to transactions, square footage, distance, and other measurements are approximations and must be independently verified. Data can be provided upon request.

SUMMARY STATISTICS

CLASS	VOLUME	#UNITS	COUNT	AVG. PPU	AVG. SALE PRICE	W. AVG. SALE PRICE	AVERAGE CAP RATE
A	\$2,026,380,238	5,003	20	\$405,033	\$101,319,012	\$133,311,955	4.91%
B	\$306,250,657	2,056	23	\$148,955	\$13,315,246	\$38,437,531	5.07%
C	\$222,289,523	2,935	88	\$75,737	\$2,526,017	\$6,728,388	6.88%
Total	\$2,554,920,418	9,994	131	\$255,645	\$19,503,209	\$76,726,963	5.81%

YEAR	VOLUME	# UNITS	COUNT	AVG. PPU	AVG. SALE PRICE	W. AVG. SALE PRICE
2014	\$1,195,543,845	4,473	64	\$267,280	\$18,680,373	\$73,278,832
2015	\$1,359,376,573	5,521	67	\$246,219	\$20,289,203	\$79,326,006
Total	\$2,554,920,418	9,994	131	\$255,645	\$19,503,209	\$76,726,963

SUMMARY STATISTICS

QUADRANT	VOLUME	# UNITS	COUNT	AVG. PPU	AVG. SALE PRICE	W. AVG. SALE PRICE
NE	\$439,635,220	1,550	12	\$283,636	\$36,636,268	\$167,599,272
NW	\$1,683,750,933	4,650	66	\$362,097	\$25,511,378	\$82,748,210
SE	\$155,564,265	2,267	46	\$68,621	\$3,381,832	\$20,204,312
SW	\$275,970,000	1,527	7	\$180,727	\$39,424,286	\$49,360,753
TOTAL	\$2,554,920,418	9,994	131	\$255,645	\$19,503,209	\$76,726,963

AGE	VOLUME	# UNITS	COUNT	AVG. PPU	AVG. SALE PRICE	W. AVG. SALE PRICE
Less than 10 years	\$1,835,400,000	4,380	16	\$419,041	\$114,712,500	\$142,422,991
11–49 years	\$199,895,490	859	9	\$232,707	\$22,210,610	\$58,248,720
50+	\$519,624,928	4,755	106	\$109,280	\$4,902,122	\$19,324,236
Total	\$2,554,920,418	9,994	131	\$255,645	\$19,503,209	\$76,726,963

SIZE	VOLUME	# UNITS	COUNT	AVG. PPU	AVG. SALE PRICE	W. AVG. SALE PRICE
Less than 19 Units	\$106,937,233	916	66	\$116,744	\$1,620,261	\$1,702,111
20–49 Units	\$138,408,933	887	28	\$156,042	\$4,943,176	\$5,926,276
50–99 Units	\$111,564,000	864	12	\$129,125	\$9,297,000	\$9,109,105
100–199 Units	\$142,515,252	678	5	\$210,199	\$28,503,050	\$29,863,778
200+	\$2,055,495,000	6649	20	\$309,143	\$102,774,750	\$109,911,482
TOTAL	\$2,554,920,418	9,994	131	\$255,645	\$19,503,209	\$76,726,963

TENANT OPPORTUNITY TO PURCHASE ACT (TOPA) STATISTICS

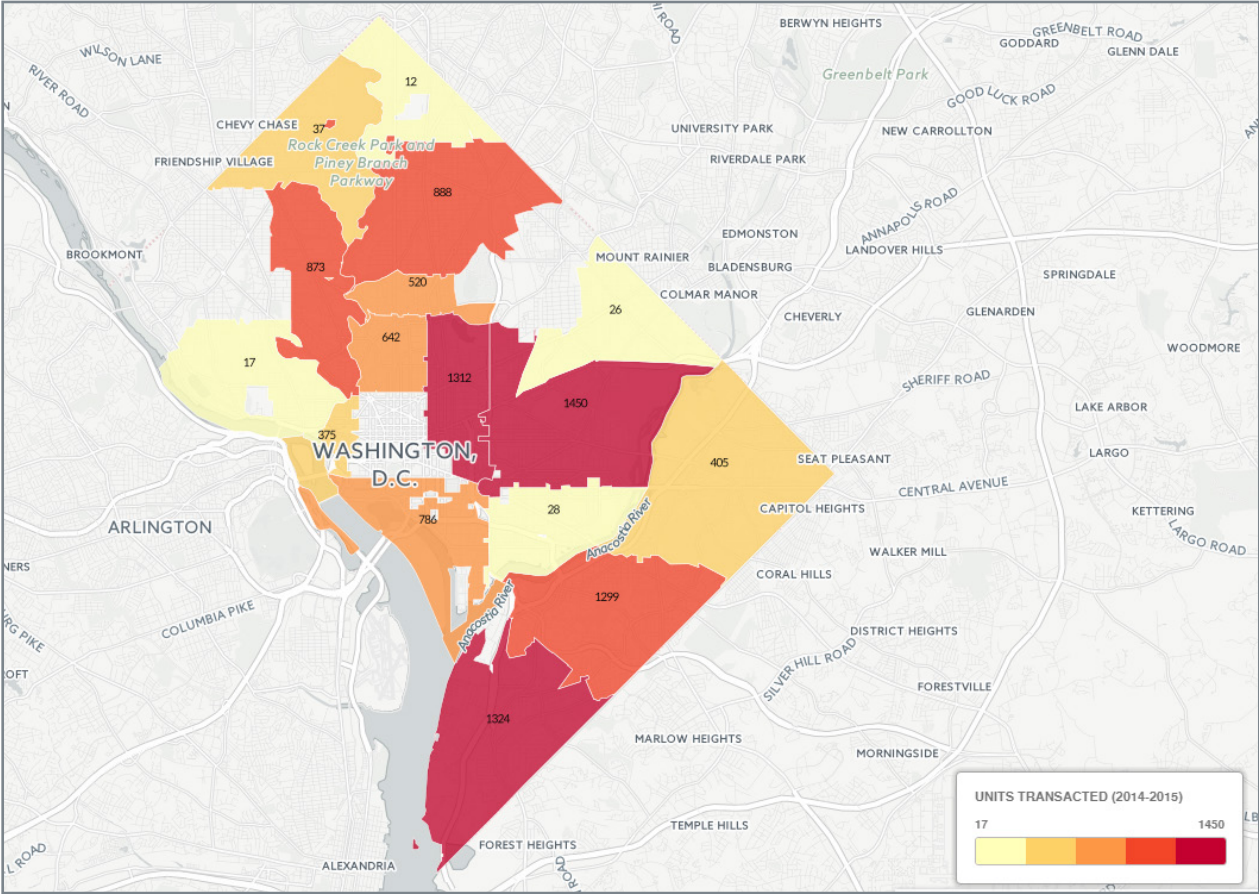
TOPA OUTCOMES	COUNT	% OF QUALIFIED SALES
TA Forms; No Purchase	7	5.34%
TA Forms; Purchase or Assign Rights	42	32.06%
Contract Purchaser	58	44.27%
Unknown	24	18.32%
TOTAL	131	100.00%

OTHER	COUNT	% OF QUALIFIED SALES
Purchase or Rights Assigned to Affordable Housing Developer or Non-Profit	20	15.27%
Vacant/New Construction (NO TOPA)	13	9.92%
TOTAL	33	25.19%

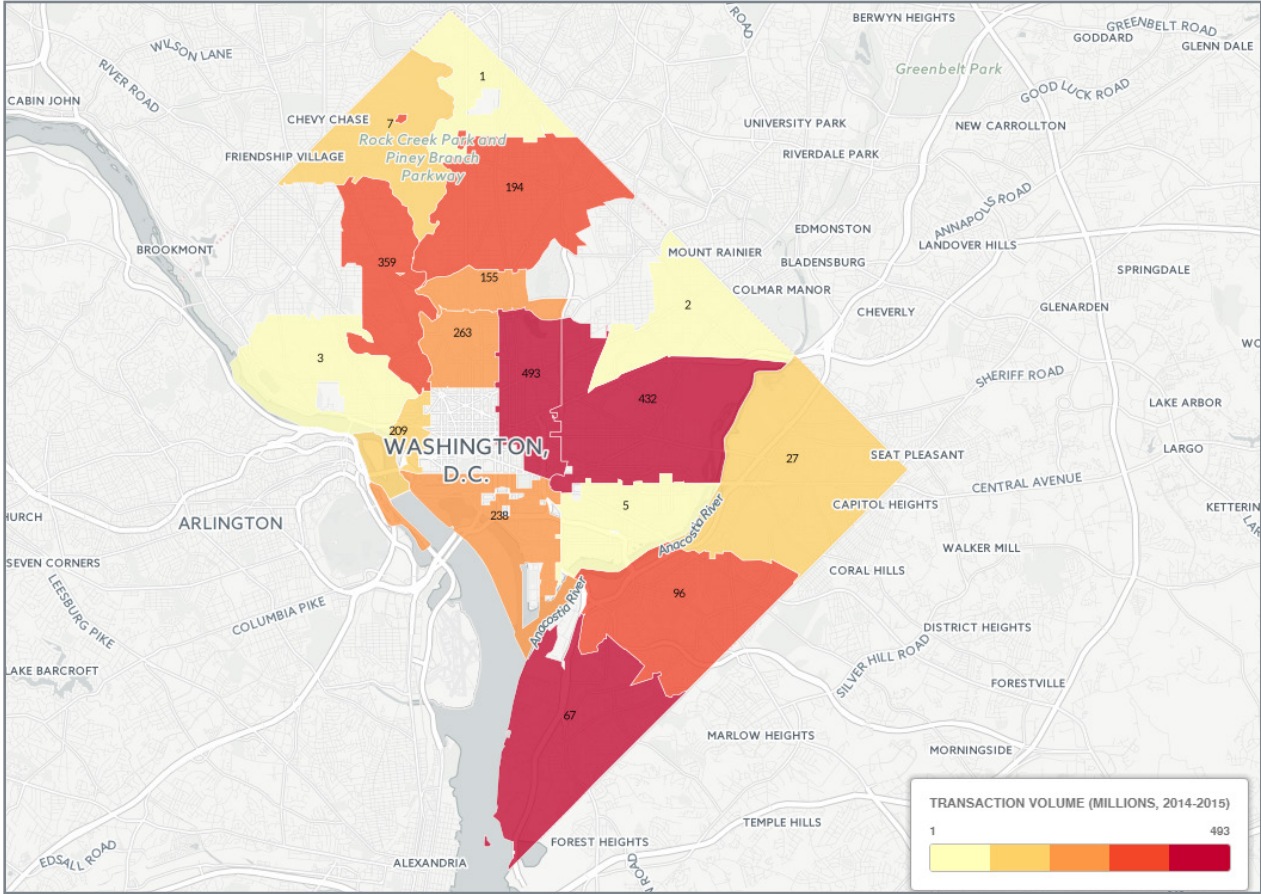
ESCROW	DAYS	# OF SURVEYED SALES
Avg Days Between Offer of Sale and Close No TOPA	160 days	24 sales (with offer dates)
Avg Days Between Offer of Sale and Close when TA Forms	411 days	28 sales (with offer dates)
Avg Days Between Offer of Sale and Close	302 days	54 sales (with offer dates)

PURCHASE CONTRACTS	# OF SURVEYED SALES	% OF SURVEYED SALES
Number of Offer of Sale with Contract (Outside Buyer)	40 sales	74.07%
Number of Offer of Sale without Contract (Owner offers to Tenants)	14 Sales	25.93%
Total	54 Sales	100%

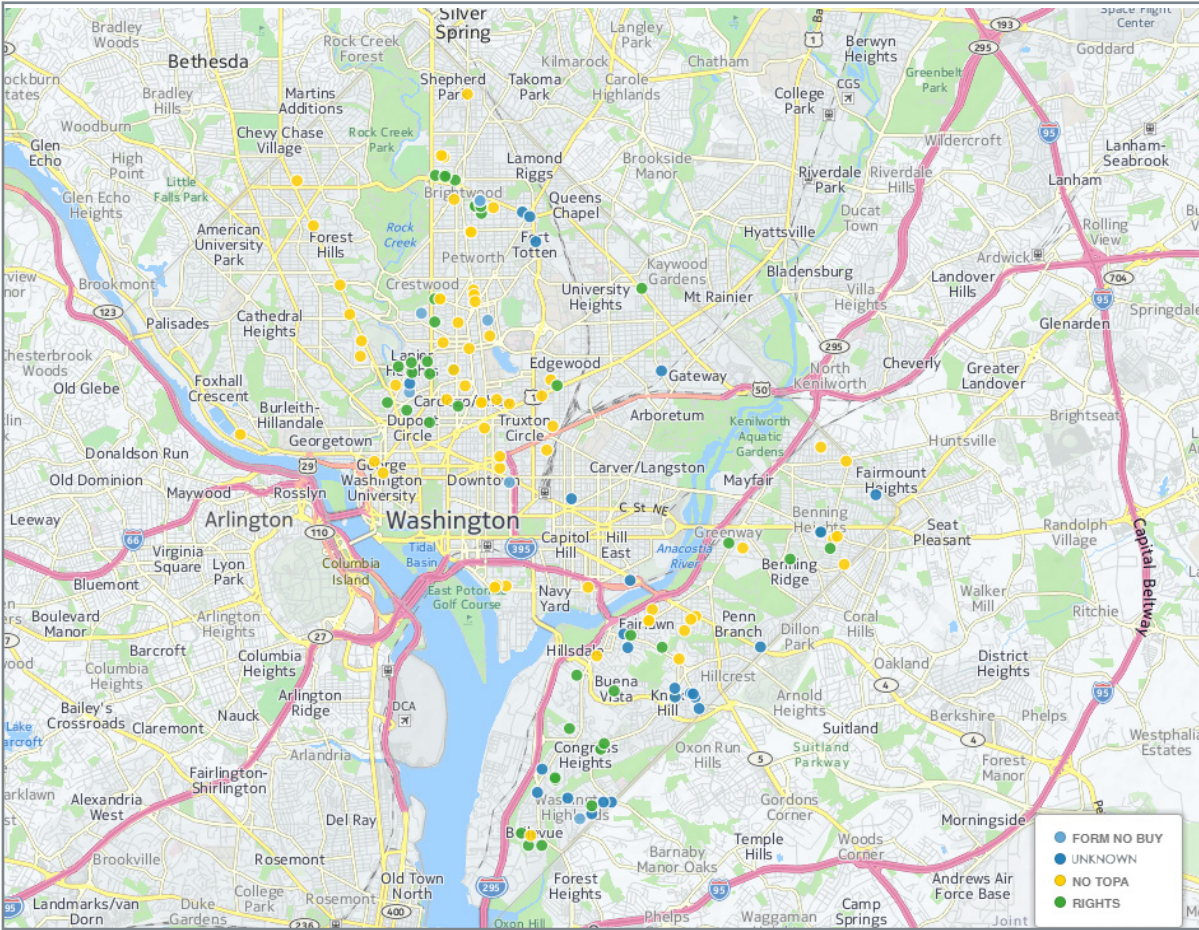
UNIT VOLUME BY ZIP CODE



DOLLAR VOLUME BY ZIP CODE



TOPA OUTCOMES BY ZIP CODE



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