APARTMENT MARKET REPORT
Washington, DC

MPF RESEARCH

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SUBMARKETS

At the heart of MPF Research's operations, the company's database of individual apartment community performances is the largest in the industry. For the most recent quarter, occupancy and rent results were tracked for about 36,000 apartment communities with roughly 7.5 million units. Also, ongoing construction is monitored on a project-by-project basis in many cities.

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SNAPSHOT

Existing Units	532,139
Sampled Units	322,322
Percent Sampled	60.6%
SUPPLY	
Quarterly Supply	3,594 units
Annual Supply	10,085 units
Annual Inventory Change	1.9%
Five-Year Supply	34,945 units
Five-Year Peak in Annual Supply	10,085 units
Five-Year Trough in Annual Supply	2,993 units
Five-Year Average Annual Supply	6,670 units
DEMAND	
Quarterly Demand	1,198 units
Annual Demand	6,610 units
Five-Year Demand	38,545 units
Five-Year Annual Demand Peak	15,965 units
Five-Year Annual Demand Trough	227 units
Five-Year Average Annual Demand	6,716 units
OCCUPANCY	
Current Rate	94.9%
Quarterly Change	-0.4
Annual Change	-0.5
Five-Year Peak	96.0%
Five-Year Trough	93.7%
Five-Year Average	95.2%
Five-Year Average Annual Change	0.1
RENT	
Monthly Rent	$1,532
Rent Per Square Foot	$1.732
Quarterly Change	-2.1%
Annual Change	-0.3%
Five-Year Peak in Annual Change	5.5%
Five-Year Trough in Annual Change	-1.4%
Five-Year Average Annual Change	2.1%
REVENUE CHANGE	
Quarterly Change	-2.5%
Annual Change	-0.8%
Five-Year Peak in Annual Change	6.9%
Five-Year Trough in Annual Change	-2.5%
Five-Year Average Annual Change	2.2%
ONE-YEAR FORECAST	
Annual Supply	19,279 units
Annual Demand	10,570 units
Occupancy	93.5%
Annual Occupancy Change	-1.4
Annual Rent Change	-0.6%
Annual Revenue Change	-2.0%

Large supply volumes and slower economic growth weigh on the Washington, DC apartment market

The frenzied pace of construction has been the primary story in Washington, DC's apartment market for nearly two years. Construction volumes in the metro leapt to more than 20,000 units six quarters ago, and they have remained above that level through 4th quarter 2013. Meanwhile, new supply volumes have also grown. The delivery volume in 4th quarter 2013 was a 10-year high and ranked as the nation's largest completion volume. But with the surge of deliveries, fundamentals at the market's top end have softened. The market's middle and lower tiers have also struggled as the metro's economic growth has slowed meaningfully.

Washington, DC received 3,594 units in 4th quarter 2013. That was the largest quarterly supply volume among the 100 core U.S. metros, topping levels seen in larger markets like Houston (3,381 units) and Chicago (3,169 units). No other metro received more than 2,500 units in the quarter. The quarterly supply volume in DC pushed total completions for 2013 to 10,085 units, the metro's largest tally in more than two decades. It also ranked as the nation's second-highest delivery volume in 2013, behind Dallas' 10,487 units.

Even with the large supply volumes of late, construction levels in DC remain high. At the end of 4th quarter 2013, MPF Research identified 89 projects totaling 23,561 units under way in metro DC, the nation's second-largest construction volume.

In terms of revenue growth, the elevated levels of development have hung over the Washington, DC apartment market like a wet blanket. In 2013, annual revenue change turned negative for the first time since the recession. Revenue change measured -0.8% in 2013, compared to 6.9% in 2010. Causing revenues to drop have been far weaker performances on both the occupancy and pricing fronts.

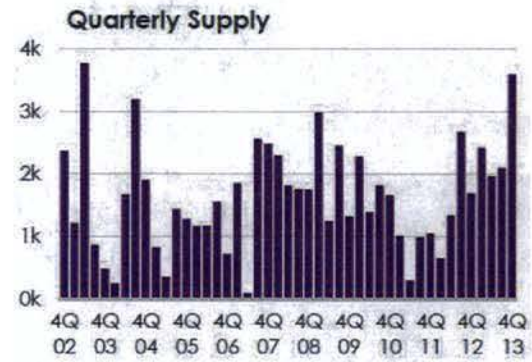
On the rent side, operators slashed effective prices for new leases 2.1% in 4th quarter, leading to a 0.3% rent cut year-over-year. Cuts were concentrated in market segments most impacted by new supply and construction. Among product age niches, apartments built since 2000 saw rental rates plunge 3.7% year-over-year. Among submarkets, all but one with construction volumes above 1,000 units saw year-over-year rent cuts of roughly 2% or more.

DC has also seen backtracking on the occupancy side, as occupancy fell 0.4 points in 4th quarter and 0.5 points in 2013. Those declines took the rate to 94.9%, the first reading below 95% since 1st quarter 2010. Occupancy losses were fairly widespread among market segments. Among middle- and lower-tier segments, losses were likely driven by a slowdown in job growth. Most notably, the federal government shed 9,500 jobs in the past year, that sector's largest cut since 1996.

Looking ahead, new supply volumes are projected to nearly double to 19,300 units over the next four quarters. Even with the favorable demographic tailwinds that DC has enjoyed in recent years, it is very unlikely that the metro can absorb enough of that new product to prevent a significant occupancy decline over the next year. Operators will likely cut rents in order to compete with massive amounts of new supply scheduled to come online.

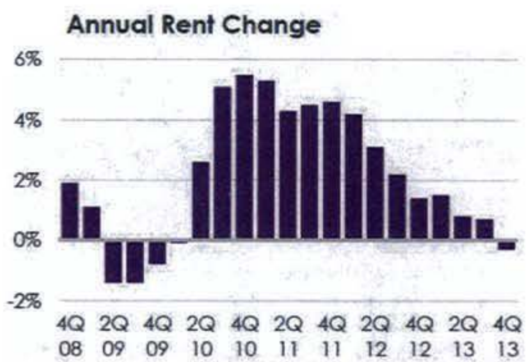
Metro DC's quarterly supply volume reaches a 10-year high

Six quarters ago, construction volumes in Washington, DC leapt to more than 20,000 units for the first time in more than two decades. Since then, construction volumes have remained high, which has caused supply levels to creep up. But in 4th quarter 2013, the pace picked up considerably, as the metro recorded its largest supply volume in 10 years. A total of 3,594 units completed in the metro in 4th quarter 2013. That was also the nation's largest completion volume. The only other metros to receive more than 2,500 units in the quarter were Houston (3,381 units) and Chicago (3,169 units), both of which have larger apartment stocks than Washington, DC. By comparison, DC has averaged quarterly supply volumes of 1,600 units over the past 10 years. The 4th quarter 2013 completions, which expanded the DC inventory base 0.7%, pushed the metro's annual completion volume to 10,085 units, the largest in more than two decades. It also ranked as the nation's second-highest delivery volume in 2013, behind Dallas' 10,489 units. Driving DC's supply volumes in both 4th quarter and the past year was the urban core. The five submarkets within the District of Columbia and the North Arlington submarket accounted for roughly half of the metro's supply in both 4th quarter and 2013.



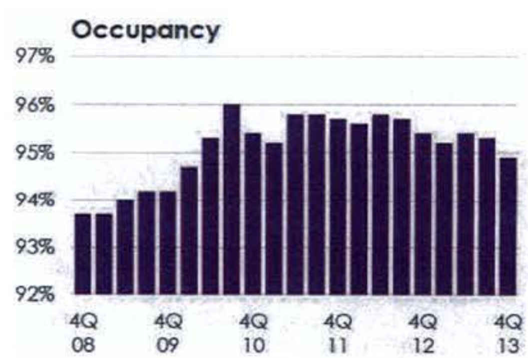
Under the strain of development, rent change turns negative

In the six quarters that construction volumes remained above 20,000 units, year-over-year rent growth levels in Washington, DC have steadily fallen. The metro logged post-recession low rent growth of just 0.7% a quarter ago. In 4th quarter 2013, DC's annual rent change performance turned negative. Apartment operators cut rental rates 0.3% year-over-year, the metro's first negative annual rent change performance since 1st quarter 2010. The slowdown was concentrated in market segments most vulnerable to new supply. Among product age niches, apartments built since 2000 saw rental rates plunge 3.7% year-over-year. By comparison, that niche saw annual rent growth of 5.9% two years ago. Most other age niches saw mild rent growth in the past year. Among submarkets, all but one with construction volumes above 1,000 units saw year-over-year rent cuts of roughly 2% or more. The two submarkets with more than 2,000 units under way recorded deeper cuts. Northeast DC, where 2,772 units were under way, saw rental rates fall 3.5% in 2013. Central DC, where 2,795 units were under way, saw rents fall 3.0%.



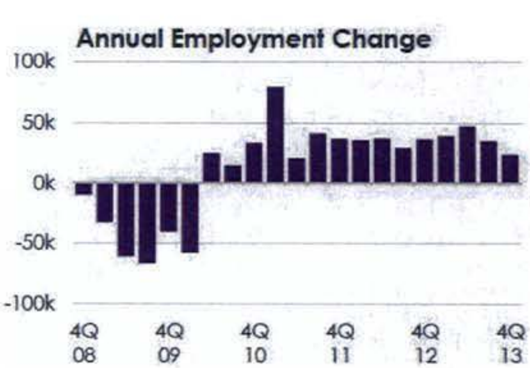
New supply pushes occupancy below 95%

Following the recession, it didn't take much time for the Washington, DC apartment market to return to essentially full status. Occupancy returned to the 95% mark in 2nd quarter 2010. But in recent quarters, as supply has increased, occupancy has decreased, finally dipping below 95% in 4th quarter 2013. Occupancy dropped 0.4 points in 4th quarter, as demand (1,198 units) failed to keep up with the decade-high supply (3,594 units). On an annual basis, occupancy fell 0.5 points, the sixth annual decrease in consecutive quarters. Unlike rent performance patterns, occupancy declines in the past year were seen across most market segments. Every product age niche saw occupancy decline in 2013, with all but the 1970s niche seeing declines of roughly 1 point. Among submarkets, nine saw occupancy improve in the past year. But improvement in six of those submarkets measured less than a half-point. Meanwhile, eight submarkets saw occupancy drop roughly 2 points or more. The steepest declines of 2.9 points came in Bethesda/Chevy Chase and Reston/Herndon.



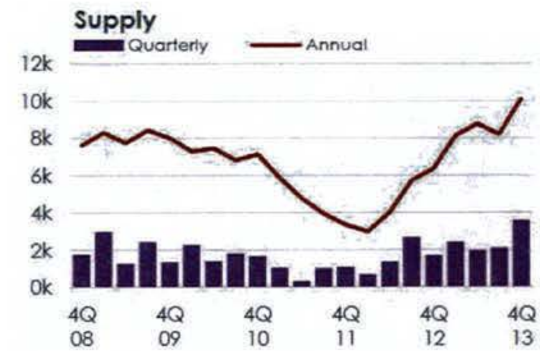
Job growth slows as the federal government makes cuts

The Washington, DC metro added fewer jobs in the past year than at any other time since mid-2011, according to the Bureau of Labor Statistics. The metro gained 24,100 jobs in the year-ending November 2013, resulting in a 0.8% expansion of the employment base. The slowdown traces to decreased hiring and job cuts in several key employment categories. But the most drastic cuts were seen in the federal government. That sector shed 9,500 jobs in the past year. That was the largest annual decline in that category since 1996 and related to a series of expense-cutting measures by the federal government in the past year.



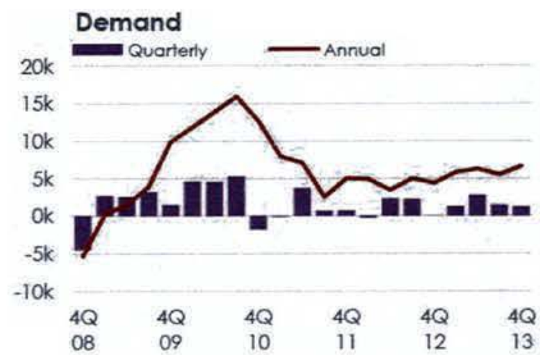
SUPPLY and DEMAND

Apartment development remains robust in Washington, DC. In 4th quarter, specifically, 15 properties totaling 3,594 units came online, a 10-year high quarter completion volume for the metro. These quarterly additions brought total completions for 2013 a two-decade high of 10,085 units, expanding the metro's inventory base 1.9%. At the end of 4th quarter 2013, MPF Research's project-by-project listing of construction activity showed work under way on 89 apartment communities totaling 23,561 units. Of those units, 19,279 are scheduled to come online over the next four quarters which would be a historical high for the metro. Although demand has been strong, it was not able to keep up with the robust supply volumes. The metro absorbed 6,610 units annually, about 2,400 units more than the decade average. In 4th quarter, specifically, the metro recorded demand for 1,198 units.



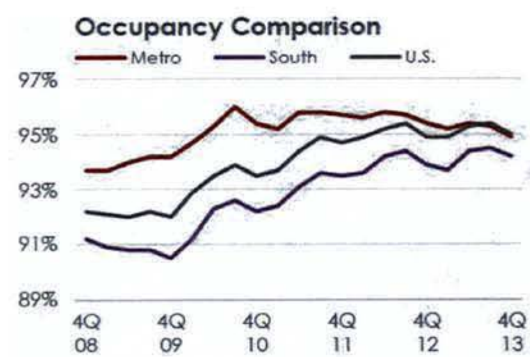
OCCUPANCY

With little change from quarter to quarter, occupancy in Washington, DC has hovered between roughly 95% and 96% for over three years. The metro has not seen year-over-year occupancy change of more than half a point in either direction since 4th quarter 2010. Most recently, occupancy inched down 0.4 points in 4th quarter 2013 and was down 0.5 points year-over-year. That backtracking took occupancy to 94.9%, the first time the rate in DC dipped below the 95% mark since 1st quarter 2010. DC's 4th quarter occupancy rate came in above the South region norm (94.2%), but slightly under the U.S. average (95.0%), according to preliminary results from MPF Research's 4th quarter survey. Viewed by product age niche, occupancy rates were around 95% in all but the 2000+ segment (94.0%).



RENT

For the first quarter since 1st quarter 2010, annual rent change dipped into negative territory in the Washington, DC metro. Same-store rental rates plummeted 2.1% in 2013's 4th quarter, taking effective prices down 0.3% year-over-year. By comparison, the metro logged annual rent growth of 1.4% 2012 and roughly 5.0% in 2010 and 2011. DC's annual rent change performance in 4th quarter 2013 landed below the preliminary averages for both the region (2.6%) and U.S. overall (2.8%). Among Washington DC's product age groups, the 2000+ segment dragged the metro down, posting a 3.7% cut, while flat-to-mild growth occurred across the other segments. The exception was the large stock of 1970s apartments, which posted the biggest rent increase (2.9%). As of 4th quarter 2013, rents in DC averaged $1,532 monthly, or $1.732 per square foot.

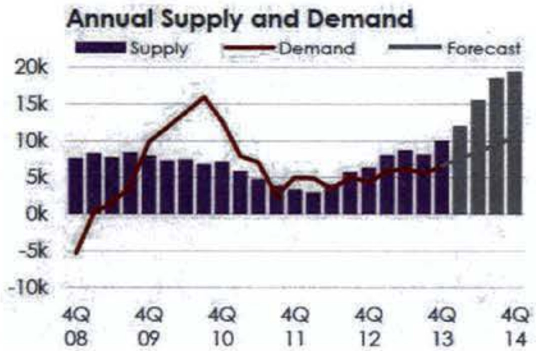


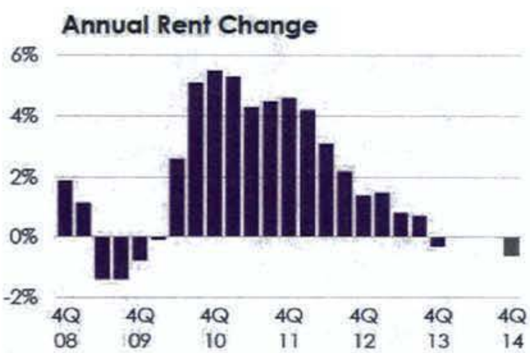
PERMITS

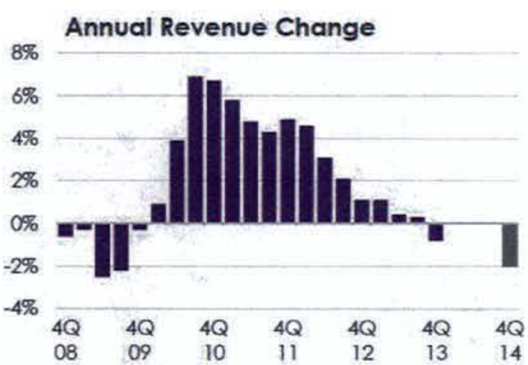
Annual multifamily building permit authorizations in Washington, DC reached the 10,000-unit mark for the seventh consecutive quarter. During the October-November 2013 time frame, specifically, 2,630 multifamily units were approved for construction. That two-month tally took approvals in 2013 to 11,624 units (with 10,146 of these authorized during the 11-month period ending in November). This annual volume, up 9.0% year-over-year, kept Washington, DC in the #4 spot nationally. The record for annual multifamily permitting activity in DC came in 1990, when about 14,200 units were approved.

EMPLOYMENT

According to preliminary figures from the Bureau of Labor Statistics, employers in Washington, DC added 24,100 jobs during the year-ending November 2013, resulting in an 0.8% expansion of the employment base. In terms of absolute job change, Washington, DC came in 23rd place nationally. Hiring was most pronounced in the Leisure/Hospitality Services segment, with notable gains posted in the Financial Services and Trade/Transportation/Utilities sectors. Thanks to solid growth of late, Washington, DC's total job count as of November 2013 stood roughly 131,200 positions, or 4.4%, above the employment level seen in 1st quarter 2008. That absolute job growth performance kept DC in the #4 position nationally. The metro's strongest job growth performance over the past couple of decades occurred during 1996, when gains topped the 148,000-job mark. More recently, annual job gains topped 79,000 in 1st quarter 2011.







ONE-YEAR FORECAST: 4Q 2014

Annual Supply (units)	19,279
Annual Demand (units)	10,570
Occupancy	93.5%
Annual Occupancy Change	-1.4
Annual Rent Change	-0.6%
Annual Revenue Change	-2.0%
Annual Jobs Change	44,000

TRENDS TO WATCH

Job growth is likely to return to solid territory next year

Washington, DC has had one of the nation's more stable economies. The metro recorded comparatively few job losses during the recession and was a leader for job growth coming out of the downturn. However, job growth in DC slowed to modest-to-moderate levels in 2013. But growth should accelerate again over the next year – barring any harm from the federal government and government-backed contracting firms. DC employers are expected to add 44,000 jobs during 2014. (It should be noted that actual job growth could be significantly less if the government cuts of sequestration, government shutdown or default harm the economy.) An additional 44,000 jobs would bring the metro's total job count 175,200 positions, or 5.9%, higher than the 1st quarter 2008 level. And it would continue to fuel solid demand for housing. The single-family home market is likely to claim a chunk of that demand. But home purchase is of little interest to some of DC's most prime renters – recent college graduates flocking to the urban core. And neither the for-sale nor for-rent sectors were hit hard in the downturn, so there's not a big hole to fill – and that should prevent some of the volatile shifts seen in still-recovering markets. As a result, MPF Research expects DC to absorb 10,570 units during 2014.

New supply will become an even larger factor

In 4th quarter 2013, construction volumes in the metro DC remained high, even as annual supply levels reached a two-decade high. And over the next year, the metro is scheduled to see its supply levels nearly double over 2013 volumes. A total of 19,279 units are slated to complete in 2014. That would be the nation's largest supply volume in 2014, and it would expand DC's inventory base 3.6%. Until 2013, new supply over the past two decades has never reached 10,000 units. The closest to that came in 2nd quarter 2003 and again in 2nd quarter 2008, when deliveries topped 9,000 units. Next year's delivery volume is significant enough to weigh on the metro's occupancy levels. And deliveries will be spread out fairly evenly over the next four quarters, when quarterly supply volumes are scheduled to range from 4,300 to 5,500 units. Four submarkets – Central DC, Northeast DC, Tysons Corner/Falls Church/Merrifield and Rockville/North Bethesda – are scheduled to receive roughly 43% of the metro's new supply next year, and each of those submarkets are slated to add more than 1,000 units. The remaining 10,867 units will be spread out among 22 other submarkets.

Another round of negative revenue change is expected next year

Over the next year, it is highly unlikely that demand in the Washington, DC metro will be able to match the scheduled new supply volume. As a result, occupancy is likely to drop. The expected decline of 1.4 points would leave occupancy at 93.5%. Meanwhile, the large amounts of future supply have apartment operators already adopting more conservative pricing strategies. In addition, the metro will face a crush of deliveries – more than 4,300 units – in each of the next four quarters, so initial lease-up may come slowly. With so much new supply in the picture, MPF Research anticipates that operators will cut same-store rental rates 0.6% in 2014. The forecast assumes decent growth in the bottom half of the market and deep cuts in the top end. Combining projected shifts in occupancy and rents, DC is expected to see revenues fall 2.0% in 2014, the weakest performance forecast nationally.

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
1	**14W** 1315 W St NW, Washington, DC 20009	Perseus Realty LLC/Jefferson Apartment Group	Conventional	231	7	07/11	02/13
1	**7th Flats** 1805 7th St NW, Washington, DC 20001	Ellis Development Group/Jarvis Company/Four Points	Conventional	205	9	08/11	06/13
1	**View 14** 2420 14th St NW, Washington, DC 20009	UDR Inc	Conventional	255	9	06/11	06/13
1	**District (The)** 1401 S St NW, Washington, DC 20009	The JBG Companies	Conventional	125	7	09/11	10/13
1	**1919 14th Street** 1919 14th St NW, Washington, DC 20009	Level 2 Development/Keener Squire Properties	Conventional	144	7	09/12	12/13
1	**77H** 77 H St NW, Washington, DC 20001	Clark Builders Group	Conventional	303	6	05/12	12/13
1	**Lyric 440 K** 440 K St NW, Washington, DC 20001	Quadrangle Development Corp	Conventional	234	14	05/12	12/13
3	**Aria on L** 300 L St NE, Washington, DC 20002	Ellisdale Construction	Conventional	60	6	03/12	03/13
3	**Ava H Street** 318 I St NE, Washington, DC 20002	AvalonBay Communities Inc	Conventional	138	6	12/11	03/13
3	**Highland Park II** 14 St NW & Irving St NW, Washington, DC 20010	Donatelli Development Inc	Conventional	144	9	05/11	03/13
3	**32thirty-two** 3232 Georgia Ave NW, Washington, DC 20010	Neighborhood Development Company/Mi Casa Inc	Affordable	69	6	04/12	05/13
3	**360 H Street** 360 H St NE, Washington, DC 20002	Steuart Investment Company/Albemarle Group	Conventional	215	6	10/11	05/13
3	**Flats 130 at Constitution Square II** 130 M St NE, Washington, DC 20002	StonebridgeCarras LLC	Conventional	203	13	11/11	07/13
3	**Brookland Works** 716 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	152	5	12/11	08/13
3	**Trilogy NoMa** 151 Q St NE, Washington, DC 20002	Mill Creek Residential Trust LLC	Conventional	603	5	08/11	08/13
3	**Portland Flats** 655 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	100	5	09/12	12/13
4	**Kennedy Row** 1717 E Capitol St SE, Washington, DC 20003	The JBG Companies/TRITEC Real Estate Company Inc	Conventional	130	4	02/12	05/13
4	**Camden South Capitol** 1345 S Capitol St SW, Washington, DC 20003	Camden Property Trust	Conventional	276	11	09/11	10/13
6	**Grayson Flats** 1200 N Rolfe St, Arlington, VA 22209	Insight Property Group	Conventional	67	4	10/11	02/13
6	**Sedona Clarendon Boulevard** 1510 Clarendon Blvd, Arlington, VA 22209	The JBG Companies	Conventional	474	13	06/11	08/13
6	**Parkland Gardens** 2103 N Glebe Rd, Arlington, VA 22207	AvalonBay Communities Inc	Conventional	227	3	07/12	10/13
6	**Slate Clarendon Boulevard** 1530 Clarendon Blvd, Arlington, VA 22209	The JBG Companies	Conventional	203	8	01/11	10/13
6	**View (The)** 4000 Wilson Blvd, Arlington, VA 22203	The Shooshan Company	Conventional	257	17	04/12	12/13
7	**Arlington Mill** 901 S Dinwiddie St, Arlington, VA 22204	Arlington Partnership for Affordable Housing	Affordable	122	4	08/12	12/13
9	**Post at Carlyle Square II** 501 Holland Ln, Alexandria, VA 22314	Post Properties Inc	Conventional	344	14	02/11	01/13
9	**Madison (The)** 800 N Henry St, Alexandria, VA 22314	Equity Residential/Trammell Crow Residential	Conventional	360	4	12/11	12/13
13	**Avalon Park Crest** 8250 Westpark Dr, Tysons Corner, VA 22102	AvalonBay Communities Inc	Conventional	354	6	01/11	03/13
14	**Icon at Dulles** 2341 Dulles Station Blvd, Herndon, VA 20171	JLB Partners	Conventional	457	4	05/11	09/13

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
17	**Enclave at Potomac Club (The)** 15200 Leicestershire St, Woodbridge, VA 22191	Fairfield Residential	Conventional	406	4	04/11	03/13
17	**Bainbridge River Oaks** 2940 Shumard Oak Dr, Woodbridge, VA 22191	The Bainbridge Companies	Conventional	294	4	10/11	06/13
18	**Haven at Cosner's Corner (The)** 9419 Cumberland Dr, Fredericksburg, VA 22408	Johnson Development Associates Inc	Conventional	290	3	08/11	01/13
22	**Citron *** 815 Pershing Dr, Silver Spring, MD 20910	Foulger-Pratt Companies	Affordable	222	4	07/11	06/13
22	**Heritage at Silver Spring (The)** 8021 Georgia Ave, Silver Spring, MD 20910	Priderock Capital Partners LLC	Conventional	210	9	08/11	09/13
22	**Eleven55 Ripley** 1155 Ripley St, Silver Spring, MD 20910	Home Properties Inc	Conventional	385	20	12/11	12/13
25	**Exchange at Wheaton (The)** 11215 Georgia Ave, Silver Spring, MD 20902	Patriot Realty	Conventional	486	17	11/11	12/13
26	**Victory Court** 209 Monroe St, Rockville, MD 20850	Victory Housing Inc	Senior	86	3	10/12	10/13
27	**Archstone Gaithersburg Station** 370 E Diamond Ave, Gaithersburg, MD 20877	Equity Residential	Conventional	389	5	05/11	01/13
28	**Elms at Clarksburg Village (The)** 12200 Elm Forest Ct, Clarksburg, MD 20871	Elm Street Development	Conventional	336	4	12/11	06/13
30	**Palette at Arts District** 5501 45th Ave, Hyattsville, MD 20781	Woodfield Investments	Conventional	243	5	12/11	04/13
33	**Harmony Place** 14909 Health Center Dr, Bowie, MD 20716	Questar Properties Inc	Conventional	286	4	05/12	12/13
					Total Units: 10,085		

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
1	**Apartments at CityCenter (The)** 900 9th St NW, Washington, DC 20001	Hines	Conventional	458	10	10/11	02/14
1	**Louis at 14th/U** 1920 14th St NW, Washington, DC 20009	The JBG Companies	Conventional	267	9	03/12	02/14
1	**17th & O Street** 17th St NW & O St NW, Washington, DC 20036	Dupont Development	Conventional	218	9	12/12	04/14
1	**450 K Street** 450 K St NW, Washington, DC 20001	Douglas Development	Conventional	233	13	07/12	04/14
1	**Jefferson at Market Place** 1550 7th St NW, Washington, DC 20001	Jefferson Apartment Group	Conventional	281	8	07/12	04/14
1	**455 Eye Street** 455 I St NW, Washington, DC 20001	Equity Residential	Conventional	174	11	01/13	05/14
1	**1250 9th Street** 1250 9th St NW, Washington, DC 20001	CityInterests & CAS Riegler	Conventional	70	6	08/13	08/14
1	**SeVerna on K (The)** 43 K St NW, Washington, DC 20001	Mission First Housing Development Corp/Golden Rule Apartments Inc	Affordable	133	9	02/13	09/14
1	**CityMarket at O Street** 707 O St NW, Washington, DC 20001	Roadside Development Inc	Conventional	400	9	05/12	10/14
1	**Meridian at Mount Vernon Triangle II** 415 L St NW, Washington, DC 20001	Steuart Investment Company/Paradigm Development	Conventional	393	14	02/13	11/14
1	**2221 14th Street** 2221 14th St NW, Washington, DC 20009	Douglas Development	Conventional	30	6	04/13	12/14
1	**13th & U Street** 13th St NW & U St NW, Washington, DC 20009	The JBG Companies	Conventional	138	8	08/13	01/15
2	**Woodley (The)** 2700 Woodley Rd NW, Washington, DC 20008	The JBG Companies	Conventional	211	8	06/12	03/14
2	**Cathedral Commons** 3336 Wisconsin Ave NW, Washington, DC 20016	Bozzuto Development	Conventional	137	7	11/12	09/14
2	**5333 Connecticut Avenue** 5333 Connecticut Ave NW, Washington, DC 20015	Calvin Cafritz Enterprises	Conventional	263	9	04/13	10/14

*** Originally planned or started as a for-sale condominium property but switched to rental during construction.**

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
2	**2251 Wisconsin Avenue** 2251 Wisconsin Ave NW, Washington, DC 20007	Chesapeake Realty Partners/Altus Realty Partners	Affordable	82	5	08/13	12/14
3	**Cornerstone** 625 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	310	4	07/12	02/14
3	**Vue (The)** 3333 Georgia Ave NW, Washington, DC 20010	Neighborhood Development Company	Affordable	112	8	02/13	03/14
3	**2M** 2 M St NE, Washington, DC 20002	2 M Street Redevelopment LLC/Warrenton Group	Conventional	315	12	02/12	05/14
3	**Takoma Central** 235 Carroll St NW, Washington, DC 20012	Level 2 Development	Conventional	156	3	09/12	06/14
3	**901 Monroe Street** 901 Monroe St NE, Washington, DC 20017	The Menkiti Group/Horning Brothers	Conventional	212	5	02/13	07/14
3	**Camden NoMa** 60 L St NE, Washington, DC 20002	Camden Property Trust	Conventional	320	14	10/11	07/14
3	**Petworth Safeway & Residences** 3830 Georgia Ave NW, Washington, DC 20011	Duball LLC	Conventional	220	5	12/12	08/14
3	**Elevation** 100 Florida Ave NE, Washington, DC 20002	MRP Realty	Conventional	400	14	10/12	09/14
3	**701 2nd Street** 701 2nd St NE, Washington, DC 20002	Fisher Brothers	Conventional	377	10	02/13	11/14
3	**Fort Totten Square** 5601 3rd St NE, Washington, DC 20011	The JBG Companies	Conventional	350	5	02/13	03/15
4	**Twelve12** 1212 4th St SE, Washington, DC 20003	Forest City Enterprises Inc	Conventional	225	10	09/12	04/14
4	**Park Chelsea** 880 New Jersey Ave SE, Washington, DC 20003	WC Smith	Conventional	433	13	06/12	11/14
4	**Akridge at Half Street** 1201 Half St SE, Washington, DC 20003	Akridge	Conventional	277	11	07/13	09/15
5	**Park 7** Benning Rd NE & Minnesota Ave NE, Washington, DC 20019	Donatelli Development Inc/Blue Skye Development	Affordable	376	4	09/12	06/14
5	**Sheridan Station III** 2625 Stanton Rd SE, Washington, DC 20020	WC Smith/District of Columbia Housing Authority	Conventional	133	4	09/13	11/14
6	**19Nineteen Clarendon** 1919 Clarendon Blvd, Arlington, VA 22201	Harkins Builders	Conventional	191	4	06/12	01/14
6	**1900 Wilson** 1900 Wilson Blvd, Arlington, VA 22201	ZOM Development Inc	Conventional	191	5	05/12	02/14
6	**2001 Clarendon Boulevard** 2001 Clarendon Blvd, Arlington, VA 22201	Elm Street Development	Conventional	154	6	02/13	05/14
6	**Tellus (The)** 2009 14th St N, Arlington, VA 22201	Erkiletian Construction Corp	Conventional	254	16	10/12	06/14
6	**Beacon (The)** 1200 N Irving St, Arlington, VA 22201	ZOM Development Inc	Conventional	186	10	11/12	08/14
6	**Station 650** Potomac Ave & Route 1, Arlington, VA 22207	Wood Partners	Conventional	183	5	09/13	03/15
7	**Pike 3400** 3400 Columbia Pike, Arlington, VA 22204	Penrose Columbia Pike Associates	Conventional	257	6	08/12	04/14
8	**Acadia at Metropolitan Park (The)** 575 12th Rd S, Arlington, VA 22202	Kettler	Conventional	411	19	09/12	03/15
9	**Kingsley (The)** 500 Madison St, Alexandria, VA 22314	Buchanan Partners/The Pinkard Group	Conventional	175	5	08/12	01/14
9	**Braddock Metro Place** 1260 Braddock Pl, Alexandria, VA 22314	Braddock Metro Place Investors LLC	Conventional	165	10	02/13	05/14
9	**Bell Del Ray** 625 E Monroe Ave, Alexandria, VA 22301	Woodfield Investments	Conventional	276	5	01/13	08/14
9	**Alric (The)** 731 Seaton Ave, Alexandria, VA 22305	The JBG Companies/MRP Realty	Conventional	323	5	02/13	12/14

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
9	**Frasier (The)** Pendleton St & N Washington St, Alexandria, VA 22314	Bozzuto Development/MGL Partners	Conventional	249	5	09/13	01/15
10	**Landmark Gateway** 631 S Pickett St, Alexandria, VA 22304	Mill Creek Residential Trust LLC	Conventional	360	5	01/13	05/14
13	**Two Park Crest** 8231 Crestwood Heights Dr, McLean, VA 22102	Clark Builders Group	Conventional	300	19	03/12	02/14
13	**Avenir Place** 2679 Avenir Pl, Merrifield, VA 22180	Mill Creek Residential Trust LLC	Conventional	628	7	09/11	08/14
13	**Ascent at Spring Hill Station (The)** 8421 Broad St, Falls Church, VA 22043	Greystar	Conventional	404	26	02/12	09/14
13	**Avalon Mosaic** 2987 District Ave, Fairfax, VA 22031	AvalonBay Communities Inc	Conventional	531	6	03/12	09/14
13	**VITA** 7902 Tysons One Place, McLean, VA 22102	Kettler	Conventional	429	30	04/12	11/14
14	**Avant at Reston Town Center (The)** 12025 Town Sq, Reston, VA 20190	Bozzuto Development/Boston Properties	Conventional	359	15	06/12	04/14
14	**Parc Reston** 1800 Jonathans Way, Reston, VA 20190	Renaissance Centro	Conventional	360	14	11/12	08/14
14	**BLVD Reston Station** Dulles Toll Rd & Wiehle Ave, Reston, VA 20190	Comstock	Conventional	450	20	12/11	01/15
15	**Fair Lakes** 12777 Fair Lakes Cir, Fairfax, VA 22033	The Bainbridge Companies/Chesapeake Realty	Conventional	150	6	11/12	02/14
16	**Huntington Metro** 6200 N Kings Hwy, Alexandria, VA 22303	Insight Property Group	Conventional	240	4	03/13	09/14
17	**Elan Potomac Heights** 15001 Potomac Heights Pl, Woodbridge, VA 22191	Greystar	Conventional	288	4	02/12	01/14
17	**Stonebridge Terrace** 14900 Potomac Town Pl, Woodbridge, VA 22191	Whiteco Residential LLC	Conventional	308	4	08/12	02/14
17	**Shorehaven** 2900 Shorehaven Way, Dumfries, VA 22026	The Franklin Johnston Group	Conventional	240	4	12/12	03/14
17	**Riverwoods at Lake Ridge** Minnieville Rd & Old Bridge Rd, Woodbridge, VA 22191	Osprey Property Company LLC	Affordable	72	3	06/13	04/14
18	**Haven at Celebrate Virginia II (The)** 1001 Dunes St, Fredericksburg, VA 22401	Johnson Development Associates Inc	Conventional	251	3	03/13	08/14
21	**Bainbridge Bethesda** 4918 Saint Elmo Ave, Bethesda, MD 20814	The Bainbridge Companies	Conventional	200	17	11/11	03/14
21	**Gallery at Bethesda (The)** 4800 Auburn Ave, Bethesda, MD 20814	Donohoe Development Company	Conventional	234	17	10/12	04/14
21	**Flats (The)** Woodmont Ave & Bethesda Ave, Bethesda, MD 20814	StonebridgeCarras LLC/PN Hoffman	Conventional	162	9	05/12	05/14
21	**7770 Norfolk Avenue** 7770 Norfolk Ave, Bethesda, MD 20814	The JBG Companies/ROSS Development	Conventional	244	17	09/13	04/15
21	**8300 Wisconsin Avenue** 8300 Wisconsin Ave, Bethesda, MD 20814	StonebridgeCarras LLC	Conventional	300	9	06/13	09/15
22	**Premier (The)** 8711 Georgia Ave, Silver Spring, MD 20910	Guardian Realty Investors	Conventional	160	13	10/12	01/14
22	**Residence at Thayer Avenue (The)** 814 Thayer Ave, Silver Spring, MD 20910	Landex Development	Affordable	52	4	06/13	07/14
22	**Fenwick Station** 8612 Second Ave, Silver Spring, MD 20910	Insight Property Group	Conventional	310	6	10/12	11/14
25	**Solaire Wheaton** 10914 Georgia Ave, Silver Spring, MD 20902	Washington Property Company	Conventional	232	6	07/12	03/14
25	**11411 Georgia Avenue** 11411 Georgia Ave, Silver Spring, MD 20902	Lowe Enterprises	Conventional	194	12	06/13	09/14
26	**PerSei** 11800 Rockville Pike, Rockville, MD 20852	Federal Realty Investment Trust	Conventional	174	5	01/13	06/14

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
26	**Fitzgerald Rockville Town Center** 196 E Montgomery Ave, Rockville, MD 20850	Duball LLC/CIM Urban Real Estate	Conventional	263	18	05/13	10/14
26	**Gables Upper Rock II** 70 Upper Rock Cir, Rockville, MD 20850	Gables Residential	Conventional	285	4	06/13	10/14
26	**Pallas** 11800 Rockville Pike, Rockville, MD 20852	Federal Realty Investment Trust	Conventional	319	18	01/13	11/14
26	**Terano (The)** 5700 Fishers Ln, Rockville, MD 20852	The JBG Companies	Conventional	206	5	10/13	02/15
26	**Galvan at Twinbrook** 1800 Rockville Pike, Rockville, MD 20852	The JBG Companies	Conventional	356	5	10/13	08/15
26	**Mallory Square** 9400 Key West Ave, Rockville, MD 20850	Woodfield Investments	Conventional	325	4	08/13	09/15
27	**BLVD Shady Grove Metro (The)** Shady Grove Rd & Frederick Rd, Gaithersburg, MD 20877	Comstock	Conventional	117	4	03/13	04/14
27	**Cadence at Crown (The)** 113 Ellington Blvd, Gaithersburg, MD 20878	Bozzuto Development	Conventional	538	5	12/12	07/14
27	**Bainbridge Shady Grove** 15955 Frederick Rd, Derwood, MD 20855	The Bainbridge Companies	Conventional	417	5	07/13	06/15
28	**Kingsview Village** Germantown Rd & Leaman Farm Rd, Germantown, MD 20874	Pleasants Development Inc	Conventional	195	4	01/13	03/14
29	**Homewood at Willow Ponds** 7407 Willow Rd, Frederick, MD 21702	Homewood Retirement Centers Inc	Senior	300	4	10/12	04/14
29	**Park at Walnut Ridge (The)** 2001 Wood Hollow Place, Frederick, MD 21702	Wood Partners	Conventional	204	4	12/12	04/14
29	**Residences at Prospect Hall** 889 Butterfly Ln, Frederick, MD 21703	The Matan Companies	Conventional	376	3	10/13	07/15
30	**3350 at Alterra** Toledo Ter & E West Hwy, Hyattsville, MD 20781	Grady Management Inc	Conventional	283	4	09/12	06/14
31	**Domain College Park** 3711 Campus Dr, College Park, MD 20740	The Hanover Company	Conventional	256	5	02/12	03/14
32	**Willows at Victoria Falls (The)** 14001 Belle Chase Blvd, Laurel, MD 20707	JPB Partners LLC	Senior	75	4	12/12	01/14
32	**Mark at Brickyard (The)** 12401 Brickyard Blvd, Beltsville, MD 20705	JLB Partners	Conventional	433	5	07/12	06/14
35	**Esplanade at National Harbor** 250 American Way, Oxon Hill, MD 20745	Bozzuto Development/Peterson Companies	Conventional	262	6	05/13	10/14
					Total Units: 23,561		

Note: Submarket map is available in the Methodology Section.

DEVELOPMENT HIGHLIGHTS

2251 Wisconsin Avenue undergoing renovation

Chesapeake Realty Partners and Altus Realty Partners are bringing 82 units of affordable housing to 2251 Wisconsin Avenue Northwest (east of the United States Naval Observatory). The property is located in the Glover Park neighborhood of the Northwest DC submarket. Owings Mills, MD-based Chesapeake Realty Partners and Arlington, VA-based Altus Realty Partners plan to renovate and expand the existing retail property and place the five-story affordable building on land currently used as a parking lot. 2251 Wisconsin Avenue is adjacent to a Whole Foods Market and the Washington Sports Club and is across the street from a Starbucks and CVS. The developers are aiming for a LEED Silver certification. Work on the project began in 3rd quarter 2013 and should wrap up in 4th quarter 2014.

Photo by MPF Research

The JBG Companies is DC's lead developer

Chevy Chase, MD-based The JBG Companies constructed the most units in the Washington, DC metro in 2013 and at the end of the year, the developer had the most units under construction. According to MPF's project-by-project listing of development activity, the developer completed 932 apartments in the past year, and has another 2,095 apartments in process. Among the finished projects is Slate Clarendon Boulevard, a conventional eight-story, 203-unit property in the North Arlington submarket, between I-66 and Arlington Boulevard. The JBG Companies began construction in 1st quarter 2011 and wrapped up in 4th quarter 2013. Among the unfinished projects is Galvan at Twinbrook, a five-story, 356-unit mixed-used development in the Rockville/North Bethesda submarket, near the intersection of I-270 and I-495. The developer began construction on that property in 4th quarter 2013 and should finish during 3rd quarter 2015.

Photo by MPF Research

Akridge at Half Street going up in Navy Yard/Capitol South

Locally-based developer Akridge is constructing Akridge at Half Street. The property is located at the entrance to Nationals Park, between M Street and N Street. The 11-story, 277-unit mixed-use conventional project is set to include offices and more than 700,000 square feet of retail space. Construction started in 3rd quarter 2013 and is expected to conclude in 3rd quarter 2015. Highlights include rooftop views of the baseball stadium, close proximity to I-695 and I-395, and an efficient LEED design.

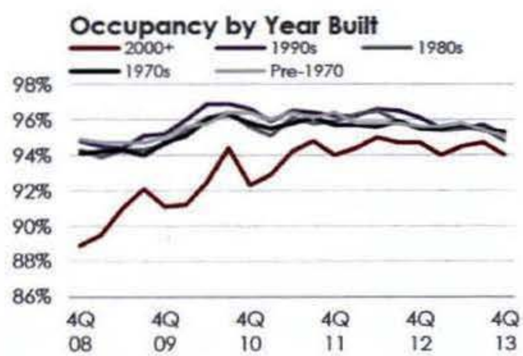
Photo by MPF Research

DEVELOPMENT LEADERS

Developer	Units Completed in the Last Four Quarters	Units Under Construction	Total Units
The JBG Companies	932	2,095	3,027
Bozzuto Dev elopment	252	1,855	2,107
Mill Creek Residential Trust LLC	603	988	1,591
Av alonBay Communities Inc	719	531	1,250
The Bainbridge Companies	294	767	1,061

SNAPSHOT

	OCCUPANCY			RENT		
	Current	Change		Monthly	Change	
Niche	Rate	Quarterly	Annual	Rent	Quarterly	Annual
YEAR BUILT						
2000+	94.0%	-0.7	-0.7	$1,894	-3.6%	-3.7%
1990s	95.1%	-0.6	-1.0	$1,641	-3.1%	0.2%
1980s	94.8%	-0.7	-0.7	$1,425	-2.0%	0.0%
1970s	95.3%	-0.1	-0.2	$1,464	-0.4%	2.9%
Pre-1970	95.1%	-0.3	-0.5	$1,366	-1.4%	0.7%
BUILDING HEIGHT						
Low-Rise	95.2%	-0.4	-0.4	$1,301	-1.6%	0.9%
Mid-Rise	94.5%	-0.3	-0.8	$1,503	-2.1%	-0.9%
High-Rise	94.8%	-0.6	-0.6	$1,898	-2.7%	-0.9%
UNIT TYPE						
Eff	94.8%	-0.6	-1.3	$1,407	-2.3%	-0.2%
1 BR	94.9%	-0.4	-0.6	$1,408	-2.5%	-0.6%
2 BR	94.9%	-0.4	-0.4	$1,595	-1.8%	-0.1%
3 BR	94.9%	-0.2	-0.3	$1,783	-2.0%	0.1%
AVERAGE	94.9%	-0.4	-0.5	$1,532	-2.1%	-0.3%



HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	95.7%	96.4%	95.7%	95.8%	95.5%	94.0%	96.2%	95.9%	95.7%	96.4%	96.4%	95.0%	95.6%
	1Q 12	95.6%	95.8%	95.6%	95.5%	95.4%	94.4%	96.2%	96.3%	95.7%	95.8%	96.2%	94.7%	95.7%
	2Q 12	95.8%	95.9%	95.8%	95.9%	95.2%	95.0%	96.6%	96.5%	95.6%	95.8%	96.2%	95.5%	95.4%
	3Q 12	95.7%	96.0%	95.6%	95.7%	95.6%	94.7%	96.5%	95.9%	95.9%	95.8%	95.9%	95.6%	95.5%
	4Q 12	95.4%	96.1%	95.5%	95.3%	95.2%	94.7%	96.1%	95.5%	95.5%	95.6%	95.6%	95.3%	95.4%
	1Q 13	95.2%	95.9%	95.2%	95.1%	95.2%	94.0%	95.5%	95.4%	95.5%	95.6%	95.5%	94.9%	95.2%
	2Q 13	95.4%	95.7%	95.3%	95.4%	95.5%	94.5%	95.5%	95.5%	95.7%	95.8%	95.7%	95.3%	95.0%
	3Q 13	95.3%	95.4%	95.3%	95.3%	95.1%	94.7%	95.7%	95.5%	95.4%	95.4%	95.6%	94.8%	95.4%
	4Q 13	94.9%	94.8%	94.9%	94.9%	94.9%	94.0%	95.1%	94.8%	95.3%	95.1%	95.2%	94.5%	94.8%
MONTHLY RENT	4Q 11	$1,500	$1,353	$1,387	$1,554	$1,756	$1,926	$1,623	$1,415	$1,407	$1,320	$1,256	$1,463	$1,893
	1Q 12	$1,502	$1,361	$1,388	$1,556	$1,749	$1,895	$1,628	$1,423	$1,435	$1,326	$1,266	$1,471	$1,886
	2Q 12	$1,528	$1,380	$1,410	$1,589	$1,781	$1,966	$1,692	$1,426	$1,416	$1,352	$1,286	$1,495	$1,911
	3Q 12	$1,550	$1,404	$1,427	$1,614	$1,805	$1,975	$1,696	$1,452	$1,450	$1,360	$1,307	$1,524	$1,939
	4Q 12	$1,519	$1,401	$1,397	$1,577	$1,778	$1,963	$1,616	$1,422	$1,423	$1,355	$1,289	$1,498	$1,896
	1Q 13	$1,541	$1,408	$1,423	$1,600	$1,804	$1,944	$1,674	$1,435	$1,425	$1,368	$1,300	$1,519	$1,909
	2Q 13	$1,553	$1,413	$1,427	$1,618	$1,817	$1,962	$1,678	$1,439	$1,436	$1,373	$1,304	$1,535	$1,926
	3Q 13	$1,568	$1,440	$1,444	$1,629	$1,831	$1,975	$1,694	$1,456	$1,462	$1,384	$1,318	$1,540	$1,964
	4Q 13	$1,532	$1,407	$1,408	$1,595	$1,783	$1,894	$1,641	$1,425	$1,464	$1,366	$1,301	$1,503	$1,898
RENT PER SQUARE FOOT	4Q 11	$1.701	$2.662	$1.900	$1.580	$1.456	$1.985	$1.737	$1.597	$1.539	$1.626	$1.444	$1.610	$2.178
	1Q 12	$1.699	$2.675	$1.896	$1.582	$1.451	$1.949	$1.727	$1.603	$1.579	$1.623	$1.457	$1.607	$2.168
	2Q 12	$1.738	$2.718	$1.933	$1.618	$1.479	$2.033	$1.810	$1.614	$1.566	$1.660	$1.479	$1.642	$2.227
	3Q 12	$1.758	$2.763	$1.956	$1.640	$1.492	$2.042	$1.811	$1.643	$1.588	$1.677	$1.498	$1.677	$2.247
	4Q 12	$1.725	$2.751	$1.915	$1.606	$1.473	$2.031	$1.730	$1.607	$1.562	$1.658	$1.475	$1.655	$2.193
	1Q 13	$1.748	$2.763	$1.945	$1.622	$1.491	$2.015	$1.787	$1.620	$1.561	$1.684	$1.487	$1.668	$2.219
	2Q 13	$1.759	$2.760	$1.950	$1.639	$1.504	$2.036	$1.790	$1.622	$1.570	$1.691	$1.495	$1.680	$2.235
	3Q 13	$1.774	$2.797	$1.973	$1.651	$1.511	$2.043	$1.808	$1.644	$1.599	$1.697	$1.513	$1.683	$2.268
	4Q 13	$1.732	$2.739	$1.922	$1.615	$1.470	$1.959	$1.752	$1.611	$1.599	$1.672	$1.486	$1.642	$2.200
ANNUAL RENT CHANGE	4Q 11	4.6%	6.7%	5.6%	4.1%	3.1%	5.9%	2.1%	4.8%	4.7%	4.5%	4.0%	3.9%	5.8%
	1Q 12	4.2%	5.9%	4.8%	4.0%	2.6%	3.5%	4.7%	4.6%	4.1%	4.4%	4.3%	3.6%	4.6%
	2Q 12	3.1%	2.9%	3.2%	3.3%	2.3%	3.2%	4.5%	2.3%	2.3%	3.2%	3.2%	3.1%	3.1%
	3Q 12	2.2%	3.2%	2.1%	2.4%	1.0%	1.0%	2.4%	2.1%	2.8%	2.7%	3.0%	2.5%	1.0%
	4Q 12	1.4%	2.6%	1.2%	1.5%	1.5%	0.7%	0.2%	1.1%	1.4%	2.4%	1.9%	2.0%	0.5%
	1Q 13	1.5%	2.2%	1.1%	1.4%	2.2%	0.7%	1.7%	1.3%	0.5%	2.3%	2.0%	2.1%	0.4%
	2Q 13	0.8%	1.7%	0.1%	0.9%	1.8%	-0.7%	0.0%	0.4%	2.3%	1.6%	1.2%	1.3%	-0.1%
	3Q 13	0.7%	1.3%	0.6%	0.5%	1.4%	-1.0%	0.4%	1.1%	0.7%	2.0%	1.9%	0.0%	0.0%
	4Q 13	-0.3%	-0.2%	-0.6%	-0.1%	0.1%	-3.7%	0.2%	0.0%	2.9%	0.7%	0.9%	-0.9%	-0.9%
ANNUAL REVENUE CHANGE	4Q 11	4.9%	7.8%	5.9%	4.6%	2.9%	7.6%	1.7%	5.1%	4.6%	4.5%	4.3%	4.1%	6.5%
	1Q 12	4.6%	6.5%	5.2%	4.4%	2.6%	5.0%	5.0%	5.8%	4.3%	4.2%	4.7%	3.6%	5.6%
	2Q 12	3.1%	2.7%	3.2%	3.3%	1.8%	4.0%	4.6%	2.7%	2.1%	2.6%	3.1%	3.0%	3.1%
	3Q 12	2.1%	3.5%	2.0%	2.3%	0.7%	0.9%	2.5%	2.2%	2.6%	2.4%	2.9%	2.3%	1.1%
	4Q 12	1.1%	2.3%	1.0%	1.0%	1.2%	1.4%	0.1%	0.7%	1.2%	1.6%	1.1%	2.3%	0.3%
	1Q 13	1.1%	2.3%	0.7%	1.0%	2.0%	0.3%	1.0%	0.4%	0.3%	2.1%	1.3%	2.3%	-0.1%
	2Q 13	0.4%	1.5%	-0.4%	0.4%	2.1%	-1.2%	-1.1%	-0.6%	2.4%	1.6%	0.7%	1.1%	-0.5%
	3Q 13	0.3%	0.7%	0.3%	0.1%	0.9%	-1.0%	-0.4%	0.7%	0.2%	1.6%	1.6%	-0.8%	-0.1%
	4Q 13	-0.8%	-1.5%	-1.2%	-0.5%	-0.2%	-4.4%	-0.8%	-0.7%	2.7%	0.2%	0.5%	-1.7%	-1.5%

		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	1,049	3,350	702	4,996	0.2%	0.7%	SAMPLE/ EXISTING UNITS	4Q 11	515,930	289,058	56.0%
	1Q 12	656	2,993	(227)	4,888	0.1%	0.6%		1Q 12	516,586	293,556	56.8%
	2Q 12	1,335	4,029	2,293	3,453	0.3%	0.8%		2Q 12	517,921	297,646	57.5%
	3Q 12	2,674	5,714	2,238	5,006	0.5%	1.1%		3Q 12	520,595	306,945	59.0%
	4Q 12	1,692	6,357	59	4,363	0.3%	1.2%		4Q 12	522,054	308,539	59.1%
	1Q 13	2,423	8,124	1,229	5,819	0.5%	1.5%		1Q 13	524,477	317,590	60.6%
	2Q 13	1,969	8,758	2,730	6,256	0.4%	1.6%		2Q 13	526,446	322,257	61.2%
	3Q 13	2,099	8,183	1,452	5,471	0.4%	1.5%		3Q 13	528,545	320,698	60.7%
	4Q 13	3,594	10,085	1,198	6,610	0.7%	1.9%		4Q 13	532,139	322,322	60.6%

SUBMARKETS

RANKINGS

OCCUPANCY	
Submarket	Rate
12 Seven Corners/Baileys Crossroads/ Annandale	97.0%
23 East Silver Spring/Takoma Park/Adelphi	96.8%
7 Columbia Pike	96.2%
13 Tysons Corner/Falls Church/Merrifield	95.8%
30 Hyattsville/Riverdale	95.7%

QUARTERLY OCCUPANCY CHANGE	
Submarket	Change
3 Northeast D.C.	3.0
35 South Prince George's County/St. Charles	1.1
34 Suitland/District Heights/Capitol Heights	1.0
31 College Park/Greenbelt	0.3
multiple submarkets	0.0

ANNUAL OCCUPANCY CHANGE	
Submarket	Change
33 Landover/Bowie	1.3
13 Tysons Corner/Falls Church/Merrifield	1.2
5 Southeast D.C.	0.6
35 South Prince George's County/St. Charles	0.4
multiple submarkets	0.3

QUARTERLY RENT CHANGE	
Submarket	Change
24 Northeast Montgomery County	1.6%
5 Southeast D.C.	1.5%
34 Suitland/District Heights/Capitol Heights	0.4%
23 East Silver Spring/Takoma Park/Adelphi	0.2%
21 Bethesda/Chevy Chase	0.0%

ANNUAL RENT CHANGE	
Submarket	Change
12 Seven Corners/Baileys Crossroads/ Annandale	4.3%
5 Southeast D.C.	4.2%
30 Hyattsville/Riverdale	3.5%
31 College Park/Greenbelt	3.3%
35 South Prince George's County/St. Charles	3.2%

Note: For metros with more than five submarkets, only the top five are shown.

New supply in 4Q is concentrated in the urban core

Washington, DC saw a decade-high supply volume in 4th quarter 2013, thanks largely to completions in the metro's urban core. In 4th quarter, a total of 1,869 units were delivered within the District of Columbia and North Arlington. That represented half of the metro's total quarterly supply volume. The metro's largest quarterly supply volume was delivered in Central DC (806 units), while the second-largest supply volume came in North Arlington (687 units). Meanwhile, additions in Navy Yard/Capitol South and Northeast DC combined for 376 units. Among urban core submarkets, supply during the quarter was absent in only Northwest DC and Southeast DC. Outside of the urban core, deliveries were more spread out. Only two of the 14 remaining Virginia submarkets received new supply, which totaled 482 units. Meanwhile, four of the 14 Maryland submarkets received supply in 4th quarter. The largest supply volume of 486 units was seen in Wheaton/Aspen Hill, followed by Downtown/ Silver Spring's supply volume of 385 units and Landover/Bowie's 286 units. Rockville/North Bethesda also received 86 units.

Occupancy spans the gamut in 4th quarter

Washington, DC's overall occupancy may have slipped below 95% in 4th quarter, but several submarkets continued to see tight rates. Two submarkets recorded rates around 97%: Seven Corners/Bailey's Crossroads/Annandale (97.0%) and East Silver Spring/Takoma Park/Adelphi (96.8%). Columbia Pike also recorded a rate above 96%. Meanwhile, occupancy approached 96% in four areas: Tysons Corner/Falls Church/Merrifield (95.8%), Hyattsville/Riverdale (95.7%), Southeast DC (95.6%) and Wheaton/Aspen Hill (95.6%). Nine other submarkets recorded occupancy above the essentially full mark of 95%. On the other hand, 19 submarkets posted occupancy below 95%. Of those, six recorded rates under 94%, with the lowest rate of 92.9% coming in Reston/ Herndon. That was Reston/Herndon's only reading below 95% since 4th quarter 2009. That submarket saw occupancy slide 2.3 points in 4th quarter and 2.9 points in 2013.

Few submarkets see noteworthy rent growth in 2013

As factors such as apartment construction have weighed on the DC market, most submarkets have seen rent performances fall to underwhelming or even disappointing levels. In fact, only a handful of submarkets saw anything more than modest rent growth in 2013. The top-performers in 4th quarter logged year-over-year rent increases of roughly 4%: Seven Corners/Baileys Crossroads/ Annandale (4.3%), Southeast DC (4.2%) and Hyattsville/Riverdale (3.5%). Rent growth levels were more modest at roughly 2% to 3% in eight other submarkets. On the flip side, 17 of DC's 35 submarkets recorded rent cuts in the past year. The largest cuts of 3.5% were seen in Northeast DC and West Alexandria. Four other areas recorded cuts of roughly 3%: Columbia Pike (-3.3%), Central DC (-3.0%), Loudoun County (-2.9%) and Bethesda/Chevy Chase (-2.5%).

OTHER HIGHLIGHTS

- Northeast DC posted the metro's best quarterly occupancy performance, as occupancy increased 3.0 points to 94.8%. Meanwhile, operators slashed rental rates 5.2% in the quarter.
- Three submarkets recorded quarterly rent cuts of roughly 5%: Northeast DC (-5.2%), Loudoun County (-4.7%) and Central Alexandria (-4.6%).
- Four submarkets recorded concession usage in more than 20% of surveyed units in 4th quarter: Frederick (24.7%), Manassas/Fauquier County (23.1%), Gaithersburg (20.5%) and Germantown (20.3%).

RANKINGS

MONTHLY RENT	
Submarket	Rate
1 Central D.C.	$2,346
21 Bethesda/Chevy Chase	$2,140
6 North Arlington	$2,138
8 Crystal City/Pentagon City	$2,059
2 Northwest D.C.	$1,986

CONCESSIONS	
Submarket	Rate
9 East Alexandria	0.0%
12 Seven Corners/Baileys Crossroads/ Annandale	0.0%
11 West Alexandria	0.0%
25 Wheaton/Aspen Hill	0.0%
21 Bethesda/Chevy Chase	1.6%

QUARTERLY REVENUE CHANGE	
Submarket	Change
34 Suitland/District Heights/Capitol Heights	1.4%
24 Northeast Montgomery County	1.2%
5 Southeast D.C.	1.1%
35 South Prince George's County/St. Charles	0.4%
multiple submarkets	-0.5%

ANNUAL REVENUE CHANGE	
Submarket	Change
5 Southeast D.C.	4.8%
12 Seven Corners/Baileys Crossroads/ Annandale	4.5%
35 South Prince George's County/St. Charles	3.6%
30 Hyattsville/Riverdale	3.3%
31 College Park/Greenbelt	2.8%

QUARTERLY DEMAND	
Submarket	Units
3 Northeast D.C.	883
1 Central D.C.	545
6 North Arlington	411
25 Wheaton/Aspen Hill	389
9 East Alexandria	313

ANNUAL DEMAND	
Submarket	Units
1 Central D.C.	1,562
3 Northeast D.C.	1,312
6 North Arlington	1,061
22 Downtown Silver Spring	796
13 Tysons Corner/Falls Church/Merrifield	530

QUARTERLY SUPPLY	
Submarket	Units
1 Central D.C.	806
6 North Arlington	687
25 Wheaton/Aspen Hill	486
22 Downtown Silver Spring	385
9 East Alexandria	360

ANNUAL SUPPLY	
Submarket	Units
3 Northeast D.C.	1,684
1 Central D.C.	1,497
6 North Arlington	1,228
22 Downtown Silver Spring	817
9 East Alexandria	704

ANNUAL INVENTORY GROWTH	
Submarket	Change
22 Downtown Silver Spring	7.3%
17 Woodbridge/Dale City	6.2%
3 Northeast D.C.	6.0%
4 Navy Yard/Capitol South	5.3%
multiple submarkets	5.1%

UNITS UNDER CONSTRUCTION	
Submarket	Units
1 Central D.C.	2,795
3 Northeast D.C.	2,772
13 Tysons Corner/Falls Church/Merrifield	2,292
26 Rockville/North Bethesda	1,928
9 East Alexandria	1,188

Note: For metros with more than five submarkets, only the top five are shown.

	Submarket Number (Key Below)	1	2	3	4	5	6	7	8	9	10	METRO
SUPPLY	Quarterly Supply	806	0	100	276	0	687	122	0	360	0	3,594
	Annual Supply	1,497	0	1,684	406	0	1,228	122	0	704	0	10,085
	Rank	2	18	1	9	18	3	16	18	5	18	
	Annual Removals	0	0	0	0	0	0	0	0	0	0	0
	Annual Inventory Change	3.8%	0.0%	6.0%	5.3%	0.0%	5.1%	0.8%	0.0%	5.0%	0.0%	1.9%
	Rank	9	18	3	4	18	5	16	18	7	18	
	Two-Year Supply	1,985	0	2,767	406	581	1,838	122	0	910	0	16,442
	Two-Year Inventory Change	5.1%	0.0%	9.3%	5.3%	2.2%	7.8%	0.8%	0.0%	6.6%	0.0%	3.1%
	Five-Year Supply	3,612	100	4,233	1,655	1,042	3,166	1,423	749	1,745	0	34,945
	Rank	2	29	1	6	13	3	10	16	5	31	
	Five-Year Inventory Change	9.6%	0.5%	15.6%	26.0%	3.9%	14.2%	10.2%	7.2%	13.4%	0.0%	7.0%
	Five-Year Avg Annual Change	1.6%	0.1%	2.7%	5.2%	0.8%	2.3%	1.9%	1.8%	2.4%	0.0%	1.3%
	Existing Units	41,080	20,995	29,707	8,019	27,498	25,528	15,339	11,192	14,722	12,126	532,139
	All Active Construction	2,795	693	2,772	935	509	1,159	257	411	1,188	360	23,561
	Rank	1	13	2	10	15	7	22	18	5	19	
DEMAND	Quarterly Demand	545	-121	883	127	-125	411	48	-198	313	-154	1,198
	Annual Demand	1,562	-516	1,312	227	138	1,061	97	-228	484	-57	6,610
	Two-Year Demand	1,516	-584	2,003	515	700	1,492	247	-228	724	-150	10,972
	Five-Year Demand	3,695	-119	7,044	1,360	653	3,153	1,314	871	1,777	315	38,545
OCCUPANCY	Current Rate	95.4%	94.6%	94.8%	94.9%	95.6%	95.2%	96.2%	93.4%	95.1%	95.4%	94.9%
	Rank	8	24	19	17	6	14	3	32	15	8	
	Quarterly Change	-0.4	-0.5	3.0	-1.6	-0.4	-0.8	-0.5	-1.6	0.0	-1.1	-0.4
	Annual Change	0.3	-2.5	-0.9	-2.1	0.6	-0.4	-0.2	-2.0	-1.3	-0.4	-0.5
	Rank	5	33	21	31	3	15	12	30	26	15	
	Two-Year Change	-0.7	-2.8	-1.1	2.0	0.7	-1.3	0.9	-1.8	-1.0	-1.3	-0.8
	Five-Year Change	1.9	-1.3	13.6	-1.6	-0.2	0.9	0.6	2.3	1.1	2.5	1.2
	Five-Year Average Rate	95.2%	96.0%	91.4%	96.1%	95.1%	96.0%	95.4%	94.8%	95.4%	95.8%	95.2%
	Rank	21	6	35	5	24	6	16	27	16	9	
RENT	Monthly Rent	$2,346	$1,986	$1,805	$1,833	$1,022	$2,138	$1,656	$2,059	$1,725	$1,420	$1,532
	Rank	1	5	7	6	35	3	12	4	9	20	
	Rent Per Square Foot	$3.200	$2.639	$2.317	$2.438	$1.282	$2.436	$1.941	$2.216	$2.027	$1.670	$1.732
	Rank	1	2	5	3	33	4	10	6	8	15	
	Quarterly Same-Store Change	-3.4%	-3.7%	-5.2%	-3.8%	1.5%	-2.7%	-2.3%	-3.7%	-1.5%	-4.6%	-2.1%
	Annual Same-Store Change	-3.0%	-0.2%	-3.5%	0.8%	4.2%	-2.0%	-3.3%	-1.7%	-1.9%	-0.9%	-0.3%
	Rank	32	19	34	13	2	27	33	24	26	21	
	Two-Year Same-Store Change	0.8%	-5.3%	1.0%	4.2%	7.0%	-2.9%	-1.3%	-2.4%	0.4%	-0.3%	1.1%
	Five-Year Same-Store Change	17.8%	7.9%	7.8%	17.3%	14.0%	11.8%	3.9%	12.5%	10.6%	8.8%	10.4%
	Rank	2	27	28	3	6	12	33	11	17	25	
	Five-Year Average Annual Change	3.7%	2.0%	2.9%	4.0%	2.6%	2.7%	1.6%	2.1%	2.5%	1.6%	2.1%
	Rank	2	21	4	1	7	5	28	17	8	28	
	Units with Concessions	7.1%	16.4%	13.1%	3.0%	2.2%	11.4%	5.5%	6.9%	0.0%	12.3%	9.7%
	Average Concession	10.3%	11.0%	8.9%	16.7%	2.7%	9.0%	6.8%	9.1%	n.a.	7.8%	7.1%
REVENUE	Quarterly Change	-3.8%	-4.2%	-2.2%	-5.4%	1.1%	-3.5%	-2.8%	-5.3%	-1.5%	-5.7%	-2.5%
	Annual Change	-2.7%	-2.7%	-4.4%	-1.3%	4.8%	-2.4%	-3.5%	-3.7%	-3.2%	-1.3%	-0.8%
	Rank	23	23	32	18	1	22	30	31	28	18	
	Two-Year Change	0.1%	-8.1%	-0.1%	6.2%	7.7%	-4.2%	-0.4%	-4.2%	-0.6%	-1.6%	0.3%
	Five-Year Change	19.7%	6.6%	21.4%	15.7%	13.8%	12.7%	4.5%	14.8%	11.7%	11.3%	11.6%
	Rank	3	32	1	7	11	15	34	9	18	20	
	Five-Year Average Annual Change	3.9%	1.9%	5.0%	3.9%	2.6%	2.5%	1.6%	2.7%	2.8%	1.6%	2.2%
ONE-YEAR FORECAST	Supply	2,657	693	2,422	658	509	976	257	0	939	360	19,279
	Rank	1	9	2	10	14	5	21	27	6	18	
	Inventory Growth Rate	6.5%	3.3%	8.2%	8.2%	1.9%	3.8%	1.7%	0.0%	6.4%	3.0%	3.6%
	Rank	6	16	2	2	21	15	23	27	7	17	
	Demand	1,363	292	1,442	255	251	623	141	0	428	215	10,570
	Occupancy Rate	92.8%	92.9%	92.1%	90.6%	94.7%	94.1%	95.6%	93.4%	92.2%	94.3%	93.5%
	Rank	26	24	32	34	10	15	3	21	31	12	
	Occupancy Change	-2.6	-1.7	-2.7	-4.3	-0.9	-1.1	-0.6	0.0	-2.9	-1.1	-1.4
	Rank	30	27	31	34	19	21	15	1	32	21	

Submarket Key

1 Central D.C.
2. Northwest D.C.
3. Northeast D.C.
4. Navy Yard/Capitol South
5. Southeast D.C.
6. North Arlington
7. Columbia Pike
8. Crystal City/Pentagon City
9. East Alexandria
10. Central Alexandria

	Submarket Number (Key Below)	11	12	13	14	15	16	17	18	19	20	METRO
SUPPLY	Quarterly Supply	0	0	0	0	0	0	0	0	0	0	3,694
	Annual Supply	0	0	354	457	0	0	700	290	0	0	10,085
	Rank	18	18	11	8	18	18	6	13	18	18	
	Annual Removals	0	0	0	0	0	0	0	0	0	0	0
	Annual Inventory Change	0.0%	0.0%	2.1%	3.3%	0.0%	0.0%	6.2%	2.8%	0.0%	0.0%	1.9%
	Rank	18	18	13	10	18	18	2	12	18	18	
	Two-Year Supply	0	0	1,032	457	191	289	700	604	139	357	16,442
	Two-Year Inventory Change	0.0%	0.0%	6.4%	3.3%	1.4%	1.5%	6.2%	6.0%	1.3%	2.6%	3.1%
	Five-Year Supply	136	0	1,641	1,105	497	710	1,454	604	513	1,105	34,945
	Rank	28	31	7	11	24	18	9	22	23	11	
	Five-Year Inventory Change	1.2%	0.0%	10.6%	8.4%	3.6%	3.7%	13.9%	6.0%	5.1%	8.5%	7.0%
	Five-Year Avg Annual Change	0.2%	0.0%	2.0%	1.5%	0.8%	0.7%	2.5%	1.2%	1.0%	1.7%	1.3%
	Existing Units	11,140	11,714	17,184	14,312	14,155	19,922	11,938	10,612	10,492	14,144	532,139
	All Active Construction	0	0	2,292	1,169	150	240	908	251	0	0	23,561
	Rank	28	28	3	6	27	25	11	24	28	28	
DEMAND	Quarterly Demand	0	-18	-157	-365	-16	-54	-36	-55	-89	-110	1,198
	Annual Demand	17	32	530	25	-65	0	412	87	-114	-217	6,610
	Two-Year Demand	-177	-17	842	-92	157	259	476	379	56	289	10,972
	Five-Year Demand	-18	198	1,872	920	834	1,044	1,268	598	697	902	38,545
OCCUPANCY	Current Rate	93.5%	97.0%	95.8%	92.9%	95.4%	95.4%	94.7%	94.3%	95.3%	94.8%	94.9%
	Rank	31	1	4	35	8	8	21	28	12	19	
	Quarterly Change	0.0	-0.2	-0.8	-2.3	-0.1	-0.2	-0.2	-0.4	-0.7	-0.7	-0.4
	Annual Change	0.1	0.2	1.2	-2.9	-0.5	0.0	-2.2	-1.8	-1.0	-1.5	-0.5
	Rank	9	8	2	34	17	10	32	29	22	28	
	Two-Year Change	-1.8	-0.2	-0.6	-3.8	-0.1	-0.1	-1.7	-2.0	-0.6	-0.3	-0.8
	Five-Year Change	-1.2	1.7	1.7	-0.8	2.8	2.0	0.0	0.2	2.1	0.0	1.2
	Five-Year Average Rate	95.2%	97.0%	95.7%	95.5%	95.8%	95.3%	96.0%	95.7%	95.2%	95.5%	95.2%
	Rank	21	1	11	13	9	18	6	11	21	13	
RENT	Monthly Rent	$1,444	$1,603	$1,665	$1,553	$1,549	$1,480	$1,226	$1,083	$1,299	$1,388	$1,532
	Rank	18	13	11	14	15	17	29	34	26	22	
	Rent Per Square Foot	$1.542	$1.704	$1.796	$1.565	$1.649	$1.643	$1.402	$1.066	$1.372	$1.422	$1.732
	Rank	19	13	12	18	16	17	29	35	31	27	
	Quarterly Same-Store Change	-2.0%	-0.5%	-1.8%	-3.0%	-1.4%	-2.9%	-2.0%	-2.2%	-1.2%	-4.7%	-2.1%
	Annual Same-Store Change	-3.5%	4.3%	0.7%	-1.5%	0.2%	2.1%	0.5%	-1.2%	0.7%	-2.9%	-0.3%
	Rank	34	1	15	23	18	8	17	22	15	31	
	Two-Year Same-Store Change	-2.8%	5.0%	3.8%	-1.8%	-0.8%	3.2%	2.6%	-0.6%	2.9%	0.1%	1.1%
	Five-Year Same-Store Change	2.0%	18.5%	10.3%	8.7%	10.1%	13.9%	11.0%	5.5%	14.3%	9.0%	10.4%
	Rank	34	1	19	26	20	7	16	32	4	23	
	Five-Year Average Annual Change	1.2%	3.4%	2.4%	2.1%	1.9%	2.5%	2.2%	1.3%	2.7%	2.2%	2.1%
	Rank	34	3	10	17	23	8	12	32	5	12	
	Units with Concessions	0.0%	0.0%	10.2%	10.4%	3.8%	17.0%	13.1%	11.1%	23.1%	11.6%	9.7%
	Average Concession	n.a.	n.a.	4.8%	8.0%	1.0%	3.0%	10.7%	7.8%	7.9%	4.9%	7.1%
REVENUE	Quarterly Change	-2.0%	-0.7%	-2.6%	-5.3%	-1.5%	-3.1%	-2.2%	-2.6%	-1.9%	-5.4%	-2.5%
	Annual Change	-3.4%	4.5%	1.9%	-4.4%	-0.3%	2.1%	-1.7%	-3.0%	-0.3%	-4.4%	-0.8%
	Rank	29	2	9	32	15	6	20	27	15	32	
	Two-Year Change	-4.6%	4.8%	3.2%	-5.6%	-0.9%	3.1%	0.9%	-2.6%	2.3%	-0.2%	0.3%
	Five-Year Change	0.8%	20.2%	12.0%	7.9%	12.9%	15.9%	11.0%	5.7%	16.4%	9.0%	11.6%
	Rank	35	2	17	29	14	6	21	33	4	25	
	Five-Year Average Annual Change	1.0%	3.6%	2.8%	2.1%	2.0%	2.7%	2.3%	1.2%	3.0%	2.0%	2.2%
ONE-YEAR FORECAST	Supply	0	0	2,292	719	150	240	908	251	0	0	19,279
	Rank	27	27	3	8	26	24	7	23	27	27	
	Inventory Growth Rate	0.0%	0.0%	13.3%	5.0%	1.1%	1.2%	7.6%	2.4%	0.0%	0.0%	3.6%
	Rank	27	27	1	10	26	25	4	20	27	27	
	Demand	-1	-24	950	600	119	95	784	137	0	2	10,570
	Occupancy Rate	93.5%	96.8%	89.4%	92.4%	95.3%	94.7%	94.1%	93.4%	95.3%	94.8%	93.5%
	Rank	19	1	35	29	5	9	14	20	6	8	
	Occupancy Change	0.0	-0.2	-6.4	-0.5	-0.1	-0.7	-0.6	-0.9	0.0	0.0	-1.4
	Rank	1	10	35	14	8	17	15	18	1	1	

Submarket Key

11. West Alexandria
12. Seven Corners/Baileys Crossroads/Annandale
13. Tysons Corner/Falls Church/Merrifield
14. Reston/Herndon
15. West Fairfax County
16. South Fairfax County
17. Woodbridge/Dale City
18. Fredericksburg/Stafford
19. Manassas/Fauquier County
20. Loudoun County

	Submarket Number (Key Below)	21	22	23	24	25	26	27	28	29	30	METRO
SUPPLY	Quarterly Supply	0	385	0	0	486	86	0	0	0	0	3,594
	Annual Supply	0	817	0	0	486	86	389	336	0	243	10,085
	Rank	18	4	18	18	7	17	10	12	18	15	
	Annual Removals	0	0	0	0	0	0	0	0	0	0	0
	Annual Inventory Change	0.0%	7.3%	0.0%	0.0%	4.8%	0.6%	3.0%	5.1%	0.0%	1.7%	1.9%
	Rank	18	1	18	18	8	17	11	5	18	15	
	Two-Year Supply	0	1,307	49	0	486	361	689	336	0	243	16,442
	Two-Year Inventory Change	0.0%	12.3%	0.3%	0.0%	4.8%	2.5%	5.4%	5.1%	0.0%	1.7%	3.1%
	Five-Year Supply	423	2,432	49	0	659	1,543	689	336	0	899	34,945
	Rank	25	4	30	31	20	8	19	26	31	14	
	Five-Year Inventory Change	4.1%	25.5%	0.3%	0.0%	6.6%	11.4%	5.4%	5.1%	0.0%	6.4%	7.0%
	Five-Year Avg Annual Change	1.0%	3.9%	0.0%	0.0%	0.6%	2.4%	1.1%	0.8%	0.0%	1.2%	1.3%
	Existing Units	10,732	11,970	16,548	7,762	10,691	15,057	13,566	6,922	8,178	14,886	532,139
	All Active Construction	1,140	522	0	0	426	1,928	1,072	195	880	283	23,561
	Rank	8	14	28	28	17	4	9	26	12	20	
DEMAND	Quarterly Demand	-221	185	-115	-33	389	60	-22	-70	-169	-122	1,198
	Annual Demand	-313	796	-21	-58	365	-29	232	227	-102	196	6,610
	Two-Year Demand	-297	1,164	-40	28	438	366	470	285	-208	97	10,972
	Five-Year Demand	117	2,046	218	32	495	2,112	636	333	181	947	38,545
OCCUPANCY	Current Rate	94.7%	94.4%	96.8%	95.1%	95.6%	95.3%	94.4%	94.4%	94.3%	95.7%	94.9%
	Rank	21	25	2	15	6	12	25	25	28	5	
	Quarterly Change	-1.8	-1.3	-0.7	-0.4	-0.3	-0.1	-0.2	-0.9	-1.8	-0.7	-0.4
	Annual Change	-2.9	0.3	-0.2	-0.7	-1.0	-0.8	-1.0	-1.3	-1.2	-0.2	-0.5
	Rank	34	5	12	19	22	20	22	26	25	12	
	Two-Year Change	-2.4	-1.0	-0.6	0.5	0.2	0.3	-1.6	-0.7	-2.4	-1.0	-0.8
	Five-Year Change	-1.7	-1.2	0.9	0.7	-0.3	5.3	-0.5	-0.2	2.5	0.7	1.2
	Five-Year Average Rate	96.2%	94.7%	96.7%	95.1%	96.2%	94.2%	95.3%	95.3%	95.1%	95.5%	95.2%
	Rank	3	28	2	24	3	30	18	18	24	13	
RENT	Monthly Rent	$2,140	$1,670	$1,256	$1,422	$1,413	$1,790	$1,372	$1,340	$1,124	$1,178	$1,532
	Rank	2	10	28	19	21	8	23	24	32	30	
	Rent Per Square Foot	$2.216	$1.949	$1.541	$1.502	$1.506	$1.799	$1.469	$1.444	$1.217	$1.538	$1.732
	Rank	6	9	20	23	22	11	25	26	34	21	
	Quarterly Same-Store Change	0.0%	-2.9%	0.2%	1.6%	-0.7%	-4.1%	-3.8%	-0.7%	-2.1%	-0.4%	-2.1%
	Annual Same-Store Change	-2.5%	-2.3%	2.3%	2.2%	1.9%	-2.0%	-1.8%	1.4%	1.8%	3.5%	-0.3%
	Rank	30	29	6	7	9	27	25	12	10	3	
	Two-Year Same-Store Change	2.4%	1.3%	4.4%	3.9%	4.6%	0.3%	2.0%	3.1%	1.2%	4.3%	1.1%
	Five-Year Same-Store Change	11.4%	9.4%	11.6%	13.0%	9.4%	1.8%	11.4%	8.9%	13.6%	14.3%	10.4%
	Rank	15	22	13	10	21	35	14	24	8	4	
	Five-Year Average Annual Change	2.0%	2.1%	2.2%	1.8%	1.8%	1.5%	2.4%	1.5%	2.1%	2.2%	2.1%
	Rank	21	17	12	25	25	30	10	30	17	12	
	Units with Concessions	1.6%	14.4%	6.6%	3.4%	0.0%	15.4%	20.5%	20.3%	24.7%	10.0%	9.7%
	Average Concession	8.4%	7.2%	4.7%	3.4%	n.a.	9.2%	4.3%	4.7%	7.3%	6.8%	7.1%
REVENUE	Quarterly Change	-1.8%	-4.2%	-0.5%	1.2%	-1.0%	-4.2%	-4.0%	-1.6%	-3.9%	-1.1%	-2.5%
	Annual Change	-5.4%	-2.0%	2.1%	1.5%	0.9%	-2.8%	-2.8%	0.1%	0.6%	3.3%	-0.8%
	Rank	35	21	6	11	12	25	25	14	13	4	
	Two-Year Change	0.0%	0.3%	3.8%	4.4%	4.8%	0.6%	0.4%	2.4%	-1.2%	3.3%	0.3%
	Five-Year Change	9.7%	8.2%	12.5%	13.7%	9.1%	7.1%	10.9%	8.7%	16.1%	15.0%	11.6%
	Rank	23	27	16	12	24	30	22	26	5	8	
	Five-Year Average Annual Change	1.8%	1.8%	2.5%	1.8%	1.6%	2.1%	2.0%	1.5%	2.4%	2.3%	2.2%
ONE-YEAR FORECAST	Supply	596	522	0	0	426	1,041	655	195	504	283	19,279
	Rank	12	13	27	27	17	4	11	25	16	19	
	Inventory Growth Rate	5.6%	4.4%	0.0%	0.0%	4.0%	6.9%	4.8%	2.8%	6.2%	1.9%	3.6%
	Rank	9	12	27	27	14	5	11	18	8	21	
	Demand	467	260	-5	3	263	356	411	155	309	205	10,570
	Occupancy Rate	93.8%	92.5%	96.8%	95.1%	94.3%	91.4%	93.0%	94.0%	92.4%	95.3%	93.5%
	Rank	17	28	2	7	13	33	23	16	30	4	
	Occupancy Change	-0.9	-1.9	0.0	0.0	-1.3	-3.9	-1.4	-0.4	-1.9	-0.4	-1.4
	Rank	19	28	1	1	25	33	26	11	28	11	

Submarket Key

21 Bethesda/Chevy Chase
22. Downtown Silver Spring
23. East Silver Spring/Takoma Park/Adelphi
24. Northeast Montgomery County
25. Wheaton/Aspen Hill
26. Rockville/North Bethesda
27. Gaithersburg
28. Germantown
29. Frederick
30. Hyattsville/Riverdale

	Submarket Number (Key Below)	31	32	33	34	35	METRO
SUPPLY	Quarterly Supply	0	0	286	0	0	3,594
	Annual Supply	0	0	286	0	0	10,085
	Rank	18	18	14	18	18	
	Annual Removals	0	0	0	0	0	0
	Annual Inventory Change	0.0%	0.0%	1.8%	0.0%	0.0%	1.9%
	Rank	18	18	14	18	18	
	Two-Year Supply	0	0	473	0	120	16,442
	Two-Year Inventory Change	0.0%	0.0%	2.9%	0.0%	0.6%	3.1%
	Five-Year Supply	819	0	743	252	611	34,945
	Rank	15	31	17	27	21	
	Five-Year Inventory Change	8.9%	0.0%	4.7%	1.5%	3.4%	7.0%
	Five-Year Avg Annual Change	2.3%	0.6%	0.8%	0.3%	0.7%	1.3%
	Existing Units	10,025	12,172	16,507	16,658	18,646	532,139
	All Active Construction	256	508	0	0	262	23,561
	Rank	23	16	28	28	21	
DEMAND	Quarterly Demand	25	-86	220	145	183	1,198
	Annual Demand	-51	34	482	7	59	6,610
	Two-Year Demand	177	-24	212	13	-117	10,972
	Five-Year Demand	789	702	739	210	618	38,545
OCCUPANCY	Current Rate	93.3%	94.9%	94.7%	93.2%	93.8%	94.9%
	Rank	33	17	21	34	30	
	Quarterly Change	0.3	-0.6	-0.2	1.0	1.1	-0.4
	Annual Change	-0.5	0.3	1.3	0.0	0.4	-0.5
	Rank	17	5	1	10	4	
	Two-Year Change	1.8	-0.1	-1.5	-0.2	-1.4	-0.8
	Five-Year Change	1.2	6.3	0.6	-0.4	0.3	1.2
	Five-Year Average Rate	93.4%	94.1%	94.5%	92.8%	93.9%	95.2%
	Rank	33	31	29	34	32	
RENT	Monthly Rent	$1,516	$1,295	$1,300	$1,111	$1,175	$1,532
	Rank	16	27	25	33	31	
	Rent Per Square Foot	$1.693	$1.417	$1.482	$1.327	$1.397	$1.732
	Rank	14	28	24	32	30	
	Quarterly Same-Store Change	-0.8%	-0.7%	-0.4%	0.4%	-0.7%	-2.1%
	Annual Same-Store Change	3.3%	-0.6%	0.8%	1.8%	3.2%	-0.3%
	Rank	4	20	13	10	5	
	Two-Year Same-Store Change	-0.2%	3.2%	3.7%	5.2%	4.3%	1.1%
	Five-Year Same-Store Change	10.5%	7.1%	13.3%	7.1%	7.7%	10.4%
	Rank	18	31	9	30	29	
	Five-Year Average Annual Change	0.9%	1.3%	2.2%	1.8%	1.9%	2.1%
	Rank	35	32	12	25	23	
	Units with Concessions	2.3%	7.4%	8.7%	10.9%	9.5%	9.7%
	Average Concession	8.3%	3.4%	7.5%	1.7%	8.7%	7.1%
REVENUE	Quarterly Change	-0.5%	-1.3%	-0.6%	1.4%	0.4%	-2.5%
	Annual Change	2.8%	-0.3%	2.1%	1.8%	3.6%	-0.8%
	Rank	5	15	6	10	3	
	Two-Year Change	1.6%	3.1%	2.2%	5.0%	2.9%	0.3%
	Five-Year Change	11.7%	13.4%	13.9%	6.7%	8.0%	11.6%
	Rank	18	13	10	31	28	
	Five-Year Average Annual Change	0.5%	2.0%	2.2%	1.7%	2.0%	2.2%
ONE-YEAR FORECAST	Supply	256	508	0	0	262	19,279
	Rank	22	15	27	27	20	
	Inventory Growth Rate	2.6%	4.2%	0.0%	0.0%	1.4%	3.6%
	Rank	19	13	27	27	24	
	Demand	235	319	-21	-77	18	10,570
	Occupancy Rate	93.3%	93.6%	94.6%	92.8%	92.6%	93.5%
	Rank	22	18	11	25	27	
	Occupancy Change	0.0	-1.3	-0.1	-0.4	-1.2	-1.4
	Rank	1	24	8	11	23	

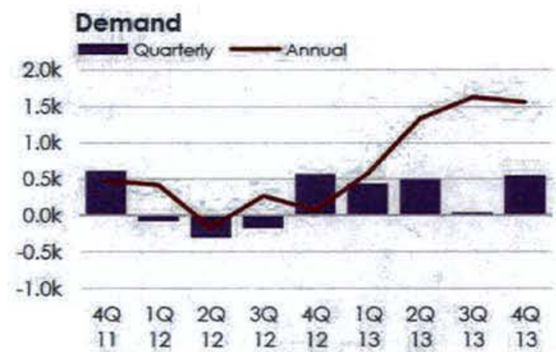
Submarket Key

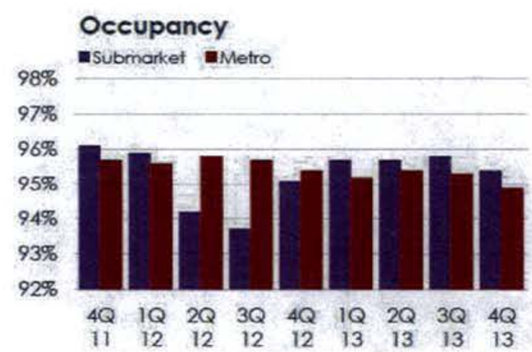
31 College Park/Greenbelt
32. Laurel/Beltsville
33. Landover/Bowie
34. Suitland/District Heights/Capitol Heights
35. South Prince George's County/St. Charles

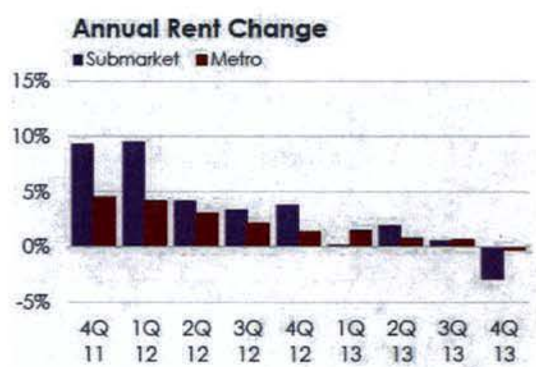
COMPARATIVE POSITIONING

SNAPSHOT

	SUBMARKET	METRO
Existing Units	41,080	532,139
Sampled Units	13,024	322,322
Percent Sampled	31.7%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	806	3,594
Annual Supply (units)	1,497	10,085
Annual Inventory Change	3.8%	1.9%
Five-Year Average Annual Supply (units)	625	6,670
Five-Year Peak in Annual Supply (units)	1,497	10,085
Five-Year Trough in Annual Supply (units)	244	2,993
Quarterly Demand (units)	545	1,198
Annual Demand (units)	1,562	6,610
OCCUPANCY		
Current Rate	95.4%	94.9%
Quarterly Change	-0.4	-0.4
Annual Change	0.3	-0.5
Five-Year Peak	98.2%	96.0%
Five-Year Trough	93.3%	93.7%
Five-Year Average	95.2%	95.2%
RENT		
Monthly Rent	$2,346	$1,532
Rent Per Square Foot	$3.200	$1.732
Quarterly Change	-3.4%	-2.1%
Annual Change	-3.0%	-0.3%
Five-Year Peak in Annual Change	9.5%	5.5%
Five-Year Trough in Annual Change	-3.0%	-1.4%
Five-Year Average Annual Change	3.7%	2.1%
REVENUE CHANGE		
Quarterly Change	-3.8%	-2.5%
Annual Change	-2.7%	-0.8%
Five-Year Peak in Annual Change	9.6%	6.9%
Five-Year Trough in Annual Change	-2.7%	-2.5%
Five-Year Average Annual Change	3.9%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	2,657	19,279
Annual Demand (units)	1,363	10,570
Occupancy	92.8%	93.5%
Annual Occupancy Change	-2.6	-1.4







SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
1	**14W** 1315 W St NW, Washington, DC 20009	Perseus Realty LLC/Jefferson Apartment Group	Conventional	231	7	07/11	02/13
1	**7th Flats** 1805 7th St NW, Washington, DC 20001	Ellis Development Group/Jarvis Company/Four Points	Conventional	205	9	08/11	06/13
1	**View 14** 2420 14th St NW, Washington, DC 20009	UDR Inc	Conventional	255	9	06/11	06/13
1	**District (The)** 1401 S St NW, Washington, DC 20009	The JBG Companies	Conventional	125	7	09/11	10/13
1	**1919 14th Street** 1919 14th St NW, Washington, DC 20009	Level 2 Development/Keener Squire Properties	Conventional	144	7	09/12	12/13
1	**77H** 77 H St NW, Washington, DC 20001	Clark Builders Group	Conventional	303	6	05/12	12/13
1	**Lyric 440 K** 440 K St NW, Washington, DC 20001	Quadrangle Development Corp	Conventional	234	14	05/12	12/13
					Total Units: 1,497		

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
1	**Apartments at CityCenter (The)** 900 9th St NW, Washington, DC 20001	Hines	Conventional	458	10	10/11	02/14
1	**Louis at 14th/U** 1920 14th St NW, Washington, DC 20009	The JBG Companies	Conventional	267	9	03/12	02/14
1	**17th & O Street** 17th St NW & O St NW, Washington, DC 20036	Dupont Development	Conventional	218	9	12/12	04/14
1	**450 K Street** 450 K St NW, Washington, DC 20001	Douglas Development	Conventional	233	13	07/12	04/14
1	**Jefferson at Market Place** 1550 7th St NW, Washington, DC 20001	Jefferson Apartment Group	Conventional	281	8	07/12	04/14
1	**455 Eye Street** 455 I St NW, Washington, DC 20001	Equity Residential	Conventional	174	11	01/13	05/14
1	**1250 9th Street** 1250 9th St NW, Washington, DC 20001	CityInterests & CAS Riegler	Conventional	70	6	08/13	08/14
1	**SeVerna on K (The)** 43 K St NW, Washington, DC 20001	Mission First Housing Development Corp/Golden Rule Apartments Inc	Affordable	133	9	02/13	09/14
1	**CityMarket at O Street** 707 O St NW, Washington, DC 20001	Roadside Development Inc	Conventional	400	9	05/12	10/14
1	**Meridian at Mount Vernon Triangle II** 415 L St NW, Washington, DC 20001	Steuart Investment Company/Paradigm Development	Conventional	393	14	02/13	11/14
1	**2221 14th Street** 2221 14th St NW, Washington, DC 20009	Douglas Development	Conventional	30	6	04/13	12/14
1	**13th & U Street** 13th St NW & U St NW, Washington, DC 20009	The JBG Companies	Conventional	138	8	08/13	01/15
					Total Units: 2,795		

● Completed
■ Under Construction

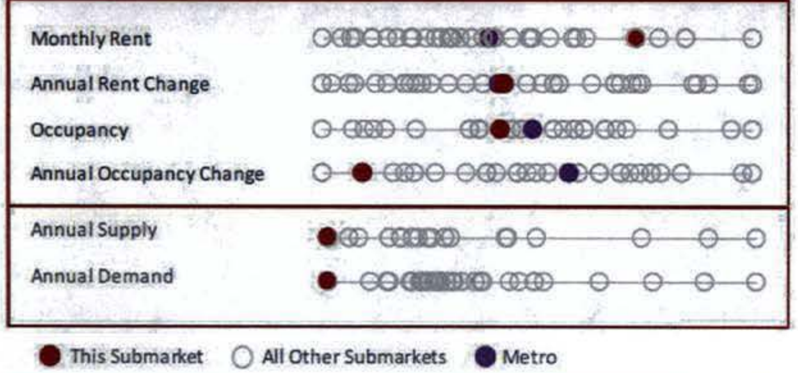
ZIP Code List:
20001, 20004, 20005, 20006, 20009, 20036, 20037, 20059

HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	96.1%	96.4%	96.1%	95.4%	97.2%	93.5%	98.1%	99.1%	96.6%	97.7%	n.a.	97.9%	96.0%
	1Q 12	95.9%	96.2%	96.4%	93.6%	95.7%	93.5%	96.3%	98.5%	95.2%	98.3%	n.a.	97.9%	95.8%
	2Q 12	94.2%	95.9%	93.6%	92.4%	98.9%	89.0%	96.8%	98.1%	94.8%	98.1%	n.a.	99.1%	93.8%
	3Q 12	93.7%	94.7%	93.2%	93.0%	97.0%	90.1%	95.3%	98.3%	93.6%	97.3%	100.0%	98.6%	93.4%
	4Q 12	95.1%	95.7%	95.0%	94.1%	96.3%	92.2%	95.0%	98.6%	95.4%	98.0%	88.9%	98.0%	94.9%
	1Q 13	95.7%	95.9%	95.5%	95.7%	96.7%	94.1%	95.4%	97.6%	95.9%	97.5%	n.a.	98.0%	95.6%
	2Q 13	95.7%	96.1%	95.4%	96.0%	96.2%	95.1%	95.2%	98.3%	93.2%	97.1%	100.0%	97.5%	95.6%
	3Q 13	95.8%	95.6%	95.8%	96.1%	98.4%	96.3%	94.1%	98.0%	91.2%	96.8%	100.0%	97.3%	95.7%
	4Q 13	95.4%	95.3%	95.4%	95.6%	98.4%	95.9%	91.1%	96.7%	94.5%	95.9%	n.a.	97.0%	95.3%
MONTHLY RENT	4Q 11	$2,274	$1,653	$2,311	$3,238	$3,781	$2,811	$2,800	$2,054	$2,189	$1,666	n.a.	$1,829	$2,304
	1Q 12	$2,279	$1,732	$2,273	$3,239	$4,141	$2,870	$2,926	$2,030	$2,076	$1,681	n.a.	$1,637	$2,316
	2Q 12	$2,274	$1,721	$2,236	$3,310	$3,970	$2,897	$2,830	$1,851	$1,944	$1,707	n.a.	$1,803	$2,304
	3Q 12	$2,399	$1,784	$2,349	$3,394	$4,117	$2,940	$2,991	$2,032	$2,049	$1,757	$4,188	$1,857	$2,429
	4Q 12	$2,377	$1,788	$2,327	$3,459	$4,147	$2,934	$2,874	$2,068	$2,151	$1,730	$4,213	$1,726	$2,411
	1Q 13	$2,350	$1,768	$2,295	$3,325	$4,347	$2,840	$2,911	$2,022	$1,980	$1,773	n.a.	$1,858	$2,378
	2Q 13	$2,414	$1,785	$2,370	$3,381	$4,388	$2,889	$3,012	$2,009	$1,869	$1,794	$2,072	$1,871	$2,448
	3Q 13	$2,432	$1,812	$2,386	$3,373	$4,085	$2,886	$3,049	$2,034	$2,156	$1,826	$4,025	$1,911	$2,461
	4Q 13	$2,346	$1,761	$2,285	$3,331	$4,134	$2,716	$2,972	$2,075	$2,221	$1,776	n.a.	$1,878	$2,372
RENT PER SQUARE FOOT	4Q 11	$3.255	$3.409	$3.307	$3.053	$3.065	$3.484	$3.439	$2.774	$2.868	$3.128	n.a.	$2.561	$3.302
	1Q 12	$3.207	$3.569	$3.150	$2.995	$3.211	$3.527	$3.424	$2.769	$2.861	$2.997	n.a.	$2.355	$3.255
	2Q 12	$3.210	$3.513	$3.137	$3.092	$3.231	$3.605	$3.366	$2.630	$2.677	$2.999	n.a.	$2.582	$3.250
	3Q 12	$3.253	$3.640	$3.199	$3.083	$3.103	$3.508	$3.524	$2.742	$2.822	$3.042	$2.499	$2.658	$3.287
	4Q 12	$3.289	$3.654	$3.196	$3.170	$3.164	$3.524	$3.440	$2.790	$3.071	$3.073	$2.514	$2.502	$3.332
	1Q 13	$3.261	$3.708	$3.183	$3.069	$3.355	$3.412	$3.424	$2.728	$3.139	$3.083	n.a.	$2.659	$3.294
	2Q 13	$3.332	$3.684	$3.314	$3.123	$3.254	$3.470	$3.549	$2.710	$2.817	$3.263	$3.174	$2.679	$3.370
	3Q 13	$3.280	$3.634	$3.265	$3.082	$3.026	$3.478	$3.593	$2.745	$2.800	$3.122	$2.402	$2.735	$3.312
	4Q 13	$3.200	$3.575	$3.132	$3.054	$3.144	$3.273	$3.536	$2.800	$2.979	$3.146	n.a.	$2.689	$3.228
ANNUAL RENT CHANGE	4Q 11	9.3%	10.1%	9.6%	7.6%	15.6%	9.7%	5.5%	12.6%	11.4%	8.8%	n.a.	12.2%	9.2%
	1Q 12	9.5%	13.0%	8.8%	6.6%	8.6%	9.2%	4.0%	5.3%	10.2%	11.4%	n.a.	9.6%	9.5%
	2Q 12	4.2%	6.7%	2.7%	4.4%	3.6%	5.1%	0.2%	-1.8%	1.0%	6.8%	n.a.	1.7%	4.3%
	3Q 12	3.4%	8.6%	2.3%	1.3%	-1.0%	0.9%	1.3%	3.2%	2.8%	11.2%	0.0%	6.0%	3.3%
	4Q 12	3.8%	7.1%	1.6%	4.6%	6.8%	4.1%	-0.6%	5.1%	5.7%	3.7%	n.a.	1.3%	4.0%
	1Q 13	0.2%	0.7%	0.1%	-0.4%	4.5%	-1.8%	5.0%	-1.6%	0.4%	3.4%	n.a.	5.0%	0.0%
	2Q 13	2.0%	4.2%	1.8%	0.2%	5.5%	-1.0%	6.2%	2.3%	4.5%	5.4%	n.a.	3.8%	1.9%
	3Q 13	0.6%	0.5%	1.2%	-0.1%	0.9%	-0.7%	2.0%	0.1%	3.4%	1.8%	-3.9%	2.9%	0.5%
	4Q 13	-3.0%	-1.1%	-2.5%	-5.3%	-4.7%	-8.3%	1.8%	0.4%	5.7%	1.3%	n.a.	3.6%	-3.3%
ANNUAL REVENUE CHANGE	4Q 11	9.6%	9.4%	10.6%	7.9%	14.2%	12.3%	5.4%	11.7%	10.3%	7.5%	n.a.	11.5%	9.5%
	1Q 12	9.5%	12.4%	9.9%	4.7%	7.5%	10.8%	4.2%	5.6%	7.7%	11.0%	n.a.	10.8%	9.5%
	2Q 12	1.6%	4.8%	-0.1%	0.6%	4.5%	-0.3%	-0.4%	-2.8%	-0.8%	6.1%	n.a.	2.5%	1.4%
	3Q 12	2.8%	8.7%	1.0%	0.6%	1.7%	-0.8%	-0.1%	3.1%	2.0%	11.9%	0.0%	6.3%	2.6%
	4Q 12	2.8%	6.4%	0.5%	3.3%	5.9%	2.8%	-3.7%	4.6%	4.5%	4.0%	n.a.	1.4%	2.9%
	1Q 13	0.0%	0.4%	-0.8%	1.7%	5.5%	-1.2%	4.1%	-2.5%	1.1%	2.6%	n.a.	5.1%	-0.2%
	2Q 13	3.5%	4.4%	3.6%	3.8%	2.8%	5.1%	4.6%	2.5%	2.9%	4.4%	n.a.	2.2%	3.7%
	3Q 13	2.7%	1.4%	3.8%	3.0%	2.3%	5.5%	0.8%	-0.2%	1.0%	1.3%	-3.9%	1.6%	2.8%
	4Q 13	-2.7%	-1.5%	-2.1%	-3.8%	-2.6%	-4.6%	-2.1%	-1.5%	4.8%	-0.8%	n.a.	2.6%	-2.9%

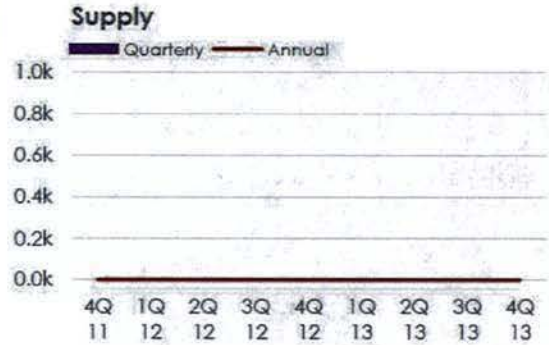
		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	216	551	608	481	0.6%	1.4%	SAMPLE/ EXISTING UNITS	4Q 11	39,095	10,144	25.9%
	1Q 12	0	551	(82)	415	0.0%	1.4%		1Q 12	39,095	10,426	26.7%
	2Q 12	390	941	(301)	(171)	1.0%	2.4%		2Q 12	39,485	11,612	29.4%
	3Q 12	16	622	(172)	266	0.0%	1.6%		3Q 12	39,501	12,618	31.9%
	4Q 12	82	488	562	67	0.2%	1.2%		4Q 12	39,583	12,242	30.9%
	1Q 13	231	719	434	574	0.6%	1.8%		1Q 13	39,814	12,730	32.0%
	2Q 13	460	789	493	1,342	1.2%	2.0%		2Q 13	40,274	12,645	31.4%
	3Q 13	0	773	37	1,628	0.0%	2.0%		3Q 13	40,274	12,624	31.3%
	4Q 13	806	1,497	545	1,562	2.0%	3.8%		4Q 13	41,080	13,024	31.7%

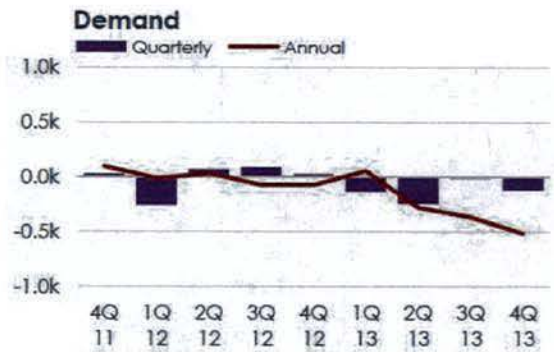
COMPARATIVE POSITIONING

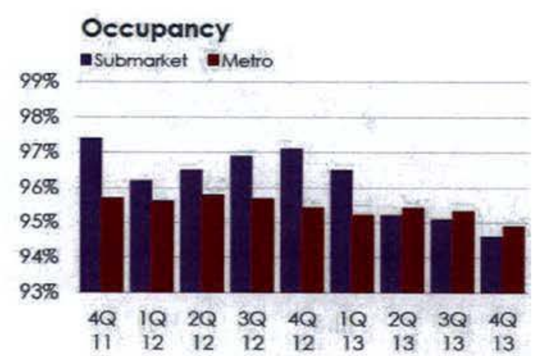


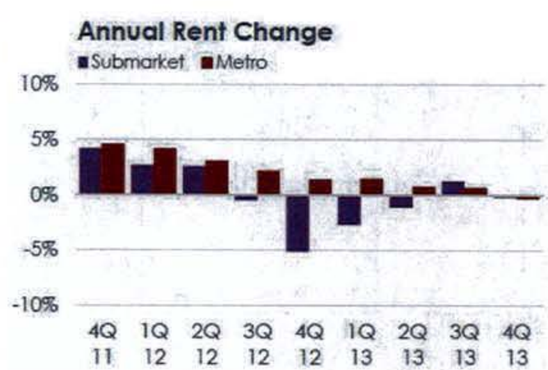
SNAPSHOT

	SUBMARKET	METRO
Existing Units	20,995	532,139
Sampled Units	9,630	322,322
Percent Sampled	45.9%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	0	3,594
Annual Supply (units)	0	10,085
Annual Inventory Change	0.0%	1.9%
Five-Year Average Annual Supply (units)	20	6,670
Five-Year Peak in Annual Supply (units)	100	10,085
Five-Year Trough in Annual Supply (units)	0	2,993
Quarterly Demand (units)	-121	1,198
Annual Demand (units)	-516	6,610
OCCUPANCY		
Current Rate	94.6%	94.9%
Quarterly Change	-0.5	-0.4
Annual Change	-2.5	-0.5
Five-Year Peak	98.2%	96.0%
Five-Year Trough	94.3%	93.7%
Five-Year Average	96.0%	95.2%
RENT		
Monthly Rent	$1,986	$1,532
Rent Per Square Foot	$2.639	$1.732
Quarterly Change	-3.7%	-2.1%
Annual Change	-0.2%	-0.3%
Five-Year Peak in Annual Change	9.8%	5.5%
Five-Year Trough in Annual Change	-5.1%	-1.4%
Five-Year Average Annual Change	2.0%	2.1%
REVENUE CHANGE		
Quarterly Change	-4.2%	-2.5%
Annual Change	-2.7%	-0.8%
Five-Year Peak in Annual Change	10.4%	6.9%
Five-Year Trough in Annual Change	-5.4%	-2.5%
Five-Year Average Annual Change	1.9%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	693	19,279
Annual Demand (units)	292	10,570
Occupancy	92.9%	93.5%
Annual Occupancy Change	-1.7	-1.4





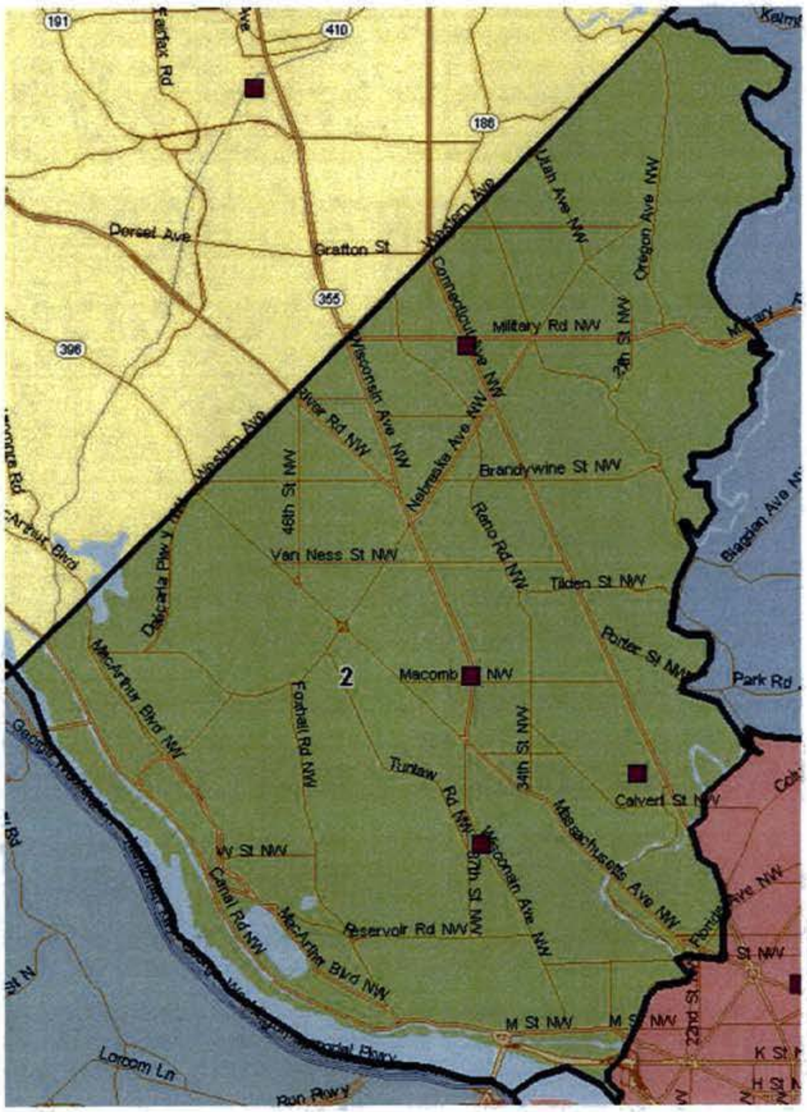




SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
	No properties completed during the last four quarters.						

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
2	**Woodley (The)** 2700 Woodley Rd NW, Washington, DC 20008	The JBG Companies	Conventional	211	8	06/12	03/14
2	**Cathedral Commons** 3336 Wisconsin Ave NW, Washington, DC 20016	Bozzuto Development	Conventional	137	7	11/12	09/14
2	**5333 Connecticut Avenue** 5333 Connecticut Ave NW, Washington, DC 20015	Calvin Cafritz Enterprises	Conventional	263	9	04/13	10/14
2	**2251 Wisconsin Avenue** 2251 Wisconsin Ave NW, Washington, DC 20007	Chesapeake Realty Partners/Altus Realty Partners	Affordable	82	5	08/13	12/14
							Total Units: 693



● Completed
■ Under Construction

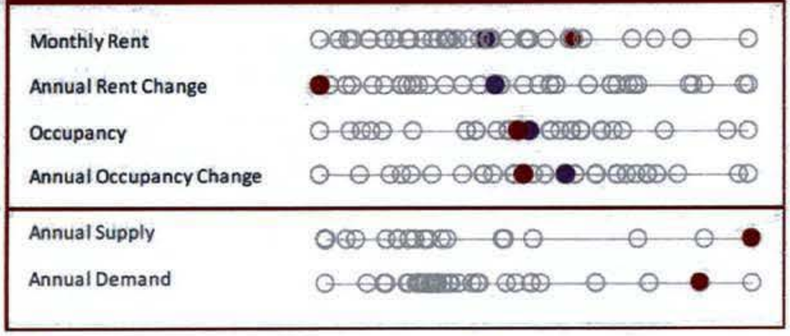
ZIP Code List:
20007, 20008, 20015, 20016, 20057

HISTORICAL DATA

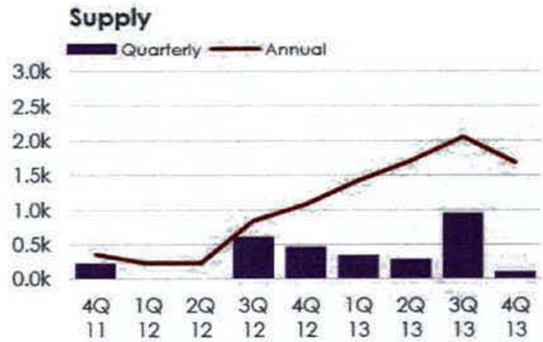
	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	97.4%	98.3%	97.0%	97.2%	97.0%	94.9%	n.a.	98.4%	95.0%	98.0%	97.9%	97.9%	97.3%
	1Q 12	96.2%	94.5%	96.8%	97.0%	95.5%	95.6%	n.a.	97.7%	96.1%	95.9%	98.4%	96.6%	96.0%
	2Q 12	96.5%	97.0%	96.1%	96.7%	98.0%	96.6%	n.a.	97.2%	93.6%	97.1%	98.2%	97.7%	96.2%
	3Q 12	96.9%	97.6%	96.6%	97.0%	94.5%	95.2%	n.a.	98.7%	95.4%	97.2%	99.3%	97.7%	96.7%
	4Q 12	97.1%	97.6%	96.8%	96.9%	97.6%	97.7%	n.a.	95.6%	96.0%	97.6%	97.7%	99.1%	96.8%
	1Q 13	96.5%	96.5%	96.4%	96.4%	98.3%	97.0%	n.a.	96.6%	96.5%	96.4%	98.9%	98.3%	96.0%
	2Q 13	95.2%	96.2%	94.4%	95.5%	96.1%	95.5%	n.a.	95.1%	96.2%	95.0%	95.8%	96.6%	95.0%
	3Q 13	95.1%	95.0%	95.1%	95.4%	96.1%	95.7%	n.a.	94.5%	95.7%	95.1%	97.2%	97.2%	94.7%
	4Q 13	94.6%	94.7%	94.5%	94.7%	94.9%	95.7%	n.a.	95.6%	95.3%	94.1%	94.9%	95.4%	94.5%
MONTHLY RENT	4Q 11	$2,047	$1,502	$1,951	$2,894	$3,562	$2,926	n.a.	$2,464	$2,149	$1,843	$1,833	$1,988	$2,068
	1Q 12	$2,034	$1,466	$1,955	$2,819	$3,591	$2,819	n.a.	$2,460	$2,073	$1,850	$1,805	$2,110	$2,043
	2Q 12	$2,027	$1,490	$1,930	$2,782	$3,600	$2,804	n.a.	$2,347	$2,072	$1,843	$1,743	$2,081	$2,040
	3Q 12	$2,034	$1,495	$1,939	$2,784	$3,592	$2,868	n.a.	$2,282	$2,103	$1,856	$1,795	$2,146	$2,036
	4Q 12	$1,952	$1,477	$1,856	$2,682	$3,567	$3,447	n.a.	$2,287	$1,899	$1,841	$1,729	$1,951	$1,968
	1Q 13	$1,982	$1,477	$1,874	$2,733	$3,537	$2,803	n.a.	$2,286	$1,851	$1,843	$1,775	$2,216	$1,966
	2Q 13	$2,001	$1,491	$1,891	$2,756	$3,736	$2,827	n.a.	$2,312	$1,890	$1,850	$1,801	$2,241	$1,986
	3Q 13	$2,062	$1,553	$1,939	$2,846	$3,511	$2,779	n.a.	$2,410	$1,907	$1,932	$1,832	$2,258	$2,052
	4Q 13	$1,986	$1,477	$1,862	$2,774	$3,406	$2,766	n.a.	$2,272	$1,912	$1,841	$1,726	$2,219	$1,973
RENT PER SQUARE FOOT	4Q 11	$2.744	$3.124	$2.607	$2.760	$2.448	$3.181	n.a.	$3.010	$2.738	$2.620	$2.179	$2.717	$2.792
	1Q 12	$2.708	$3.048	$2.609	$2.689	$2.484	$2.970	n.a.	$3.005	$2.659	$2.610	$2.146	$2.694	$2.756
	2Q 12	$2.683	$3.091	$2.576	$2.642	$2.472	$3.043	n.a.	$2.862	$2.657	$2.584	$2.072	$2.579	$2.746
	3Q 12	$2.699	$3.102	$2.594	$2.657	$2.466	$3.112	n.a.	$2.783	$2.697	$2.609	$2.134	$2.686	$2.746
	4Q 12	$2.625	$3.079	$2.487	$2.587	$2.452	$3.456	n.a.	$2.789	$2.435	$2.595	$2.055	$2.781	$2.659
	1Q 13	$2.638	$3.073	$2.512	$2.609	$2.447	$3.042	n.a.	$2.788	$2.374	$2.605	$2.111	$2.848	$2.652
	2Q 13	$2.671	$3.106	$2.537	$2.635	$2.584	$3.069	n.a.	$2.820	$2.424	$2.634	$2.141	$2.886	$2.688
	3Q 13	$2.740	$3.231	$2.599	$2.719	$2.429	$3.016	n.a.	$2.940	$2.445	$2.724	$2.177	$2.902	$2.762
	4Q 13	$2.639	$3.073	$2.496	$2.650	$2.356	$3.002	n.a.	$2.771	$2.452	$2.595	$2.052	$2.853	$2.656
ANNUAL RENT CHANGE	4Q 11	4.2%	7.4%	1.0%	6.9%	6.3%	3.0%	n.a.	11.2%	-0.2%	4.3%	7.2%	0.0%	4.3%
	1Q 12	2.7%	1.8%	3.0%	2.5%	6.4%	2.9%	n.a.	2.9%	-0.3%	3.6%	3.3%	-0.9%	3.1%
	2Q 12	2.6%	3.5%	2.7%	1.9%	0.1%	-8.1%	n.a.	2.9%	6.6%	3.2%	-1.9%	-10.7%	4.4%
	3Q 12	-0.5%	2.0%	-0.6%	-1.7%	-1.2%	-0.1%	n.a.	-5.3%	0.0%	0.9%	1.2%	-3.7%	-0.2%
	4Q 12	-5.1%	-1.9%	-5.4%	-7.7%	-0.9%	0.3%	n.a.	-7.3%	-10.5%	-3.2%	-5.7%	7.9%	-5.8%
	1Q 13	-2.7%	2.2%	-4.2%	-3.9%	-1.5%	1.6%	n.a.	-7.2%	-10.7%	0.3%	-1.6%	6.6%	-3.9%
	2Q 13	-1.1%	0.1%	-1.7%	-1.7%	5.9%	0.8%	n.a.	-1.5%	-8.8%	0.9%	3.4%	8.7%	-2.3%
	3Q 13	1.3%	3.7%	0.0%	1.9%	-1.6%	-3.1%	n.a.	5.6%	-9.3%	4.1%	2.0%	6.2%	0.6%
	4Q 13	-0.2%	-0.2%	-1.2%	1.9%	-4.6%	-4.9%	n.a.	-0.7%	0.7%	0.0%	-0.2%	2.8%	-0.5%
ANNUAL REVENUE CHANGE	4Q 11	4.8%	9.7%	0.6%	7.8%	4.0%	2.3%	n.a.	16.6%	-2.8%	4.8%	7.4%	-0.5%	5.1%
	1Q 12	2.7%	0.1%	3.6%	3.2%	4.7%	4.7%	n.a.	3.1%	0.4%	2.8%	4.2%	-0.4%	3.0%
	2Q 12	2.8%	3.6%	2.6%	3.0%	0.6%	-8.7%	n.a.	5.8%	4.6%	3.6%	-1.8%	-9.3%	4.4%
	3Q 12	-0.8%	2.7%	-1.2%	-2.4%	-3.9%	-1.6%	n.a.	-4.2%	0.2%	0.4%	1.7%	-5.5%	-0.3%
	4Q 12	-5.4%	-2.6%	-5.6%	-8.0%	-0.3%	3.1%	n.a.	-10.1%	-9.5%	-3.6%	-5.9%	9.1%	-6.3%
	1Q 13	-2.4%	4.2%	-4.6%	-4.5%	1.3%	3.0%	n.a.	-8.3%	-10.3%	0.8%	-1.1%	8.3%	-3.9%
	2Q 13	-2.4%	-0.7%	-3.4%	-2.9%	4.0%	-0.3%	n.a.	-3.6%	-6.2%	-1.2%	1.0%	7.6%	-3.5%
	3Q 13	-0.5%	1.1%	-1.5%	0.3%	0.0%	-2.6%	n.a.	1.4%	-9.0%	2.0%	-0.1%	5.7%	-1.4%
	4Q 13	-2.7%	-3.1%	-3.5%	-0.3%	-7.3%	-6.9%	n.a.	-0.7%	0.0%	-3.5%	-3.0%	-0.9%	-2.8%

		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	0	0	27	99	0.0%	0.0%	SAMPLE/ EXISTING UNITS	4Q 11	20,995	9,036	43.0%
	1Q 12	0	0	(256)	(11)	0.0%	0.0%		1Q 12	20,995	9,145	43.6%
	2Q 12	0	0	71	35	0.0%	0.0%		2Q 12	20,995	9,552	45.5%
	3Q 12	0	0	90	(71)	0.0%	0.0%		3Q 12	20,995	9,658	46.0%
	4Q 12	0	0	25	(73)	0.0%	0.0%		4Q 12	20,995	9,048	43.1%
	1Q 13	0	0	(134)	57	0.0%	0.0%		1Q 13	20,995	9,646	45.9%
	2Q 13	0	0	(244)	(278)	0.0%	0.0%		2Q 13	20,995	9,506	45.3%
	3Q 13	0	0	(15)	(366)	0.0%	0.0%		3Q 13	20,995	9,630	45.9%
	4Q 13	0	0	(121)	(516)	0.0%	0.0%		4Q 13	20,995	9,630	45.9%

COMPARATIVE POSITIONING

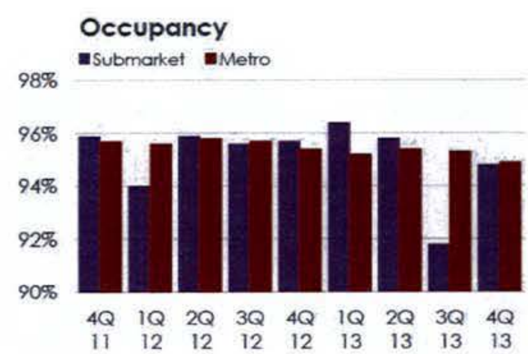


This Submarket ○ All Other Submarkets ● Metro



SNAPSHOT

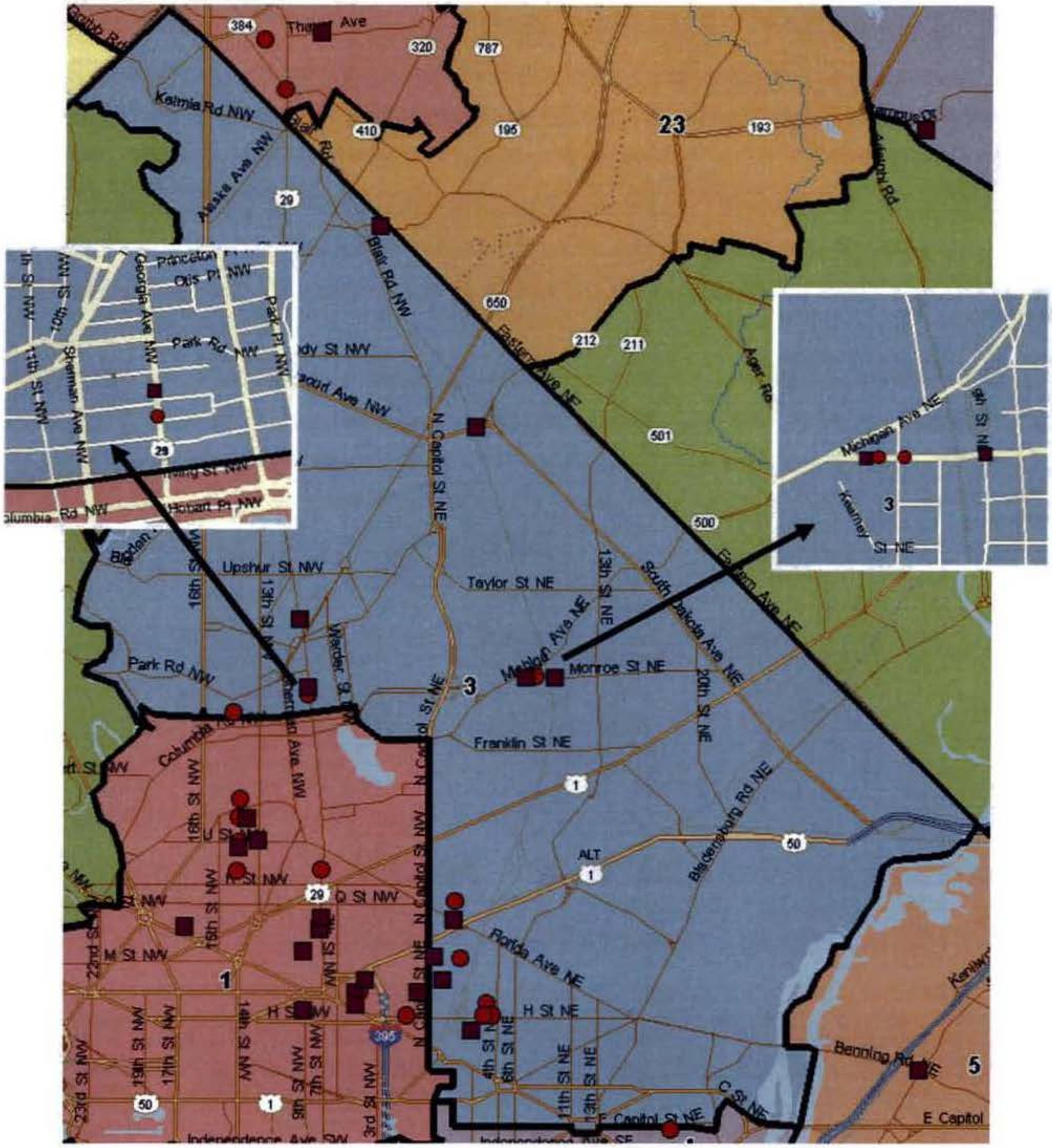
	SUBMARKET	METRO
Existing Units	29,707	532,139
Sampled Units	5,715	322,322
Percent Sampled	19.2%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	100	3,594
Annual Supply (units)	1,684	10,085
Annual Inventory Change	6.0%	1.9%
Five-Year Average Annual Supply (units)	775	6,670
Five-Year Peak in Annual Supply (units)	2,053	10,085
Five-Year Trough in Annual Supply (units)	160	2,993
Quarterly Demand (units)	883	1,198
Annual Demand (units)	1,312	6,610
OCCUPANCY		
Current Rate	94.8%	94.9%
Quarterly Change	3.0	-0.4
Annual Change	-0.9	-0.5
Five-Year Peak	96.4%	96.0%
Five-Year Trough	83.8%	93.7%
Five-Year Average	91.4%	95.2%
RENT		
Monthly Rent	$1,805	$1,532
Rent Per Square Foot	$2.317	$1.732
Quarterly Change	-5.2%	-2.1%
Annual Change	-3.5%	-0.3%
Five-Year Peak in Annual Change	10.2%	5.5%
Five-Year Trough in Annual Change	-6.7%	-1.4%
Five-Year Average Annual Change	2.9%	2.1%
REVENUE CHANGE		
Quarterly Change	-2.2%	-2.5%
Annual Change	-4.4%	-0.8%
Five-Year Peak in Annual Change	16.0%	6.9%
Five-Year Trough in Annual Change	-9.8%	-2.5%
Five-Year Average Annual Change	5.0%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	2,422	19,279
Annual Demand (units)	1,442	10,570
Occupancy	92.1%	93.5%
Annual Occupancy Change	-2.7	-1.4



SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
3	**Aria on L** 300 L St NE, Washington, DC 20002	Ellisdale Construction	Conventional	60	6	03/12	03/13
3	**Ava H Street** 318 I St NE, Washington, DC 20002	AvalonBay Communities Inc	Conventional	138	6	12/11	03/13
3	**Highland Park II** 14 St NW & Irving St NW, Washington, DC 20010	Donatelli Development Inc	Conventional	144	9	05/11	03/13
3	**32thirty-two** 3232 Georgia Ave NW, Washington, DC 20010	Neighborhood Development Company/Mi Casa Inc	Affordable	69	6	04/12	05/13
3	**360 H Street** 360 H St NE, Washington, DC 20002	Steuart Investment Company/Albemarle Group	Conventional	215	6	10/11	05/13
3	**Flats 130 at Constitution Square II** 130 M St NE, Washington, DC 20002	StonebridgeCarras LLC	Conventional	203	13	11/11	07/13
3	**Brookland Works** 716 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	152	5	12/11	08/13
3	**Trilogy NoMa** 151 Q St NE, Washington, DC 20002	Mill Creek Residential Trust LLC	Conventional	603	5	08/11	08/13
3	**Portland Flats** 655 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	100	5	09/12	12/13
					Total Units: 1,684		

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
3	**Cornerstone** 625 Monroe St NE, Washington, DC 20017	Bozzuto Development	Conventional	310	4	07/12	02/14
3	**Vue (The)** 3333 Georgia Ave NW, Washington, DC 20010	Neighborhood Development Company	Affordable	112	8	02/13	03/14
3	**2M** 2 M St NE, Washington, DC 20002	2 M Street Redevelopment LLC/Warrenton Group	Conventional	315	12	02/12	05/14
3	**Takoma Central** 235 Carroll St NW, Washington, DC 20012	Level 2 Development	Conventional	156	3	09/12	06/14
3	**901 Monroe Street** 901 Monroe St NE, Washington, DC 20017	The Menkiti Group/Horning Brothers	Conventional	212	5	02/13	07/14
3	**Camden NoMa** 60 L St NE, Washington, DC 20002	Camden Property Trust	Conventional	320	14	10/11	07/14
3	**Petworth Safeway & Residences** 3830 Georgia Ave NW, Washington, DC 20011	Duball LLC	Conventional	220	5	12/12	08/14
3	**Elevation** 100 Florida Ave NE, Washington, DC 20002	MRP Realty	Conventional	400	14	10/12	09/14
3	**701 2nd Street** 701 2nd St NE, Washington, DC 20002	Fisher Brothers	Conventional	377	10	02/13	11/14
3	**Fort Totten Square** 5601 3rd St NE, Washington, DC 20011	The JBG Companies	Conventional	350	5	02/13	03/15
					Total Units: 2,772		



- Completed
- Under Construction

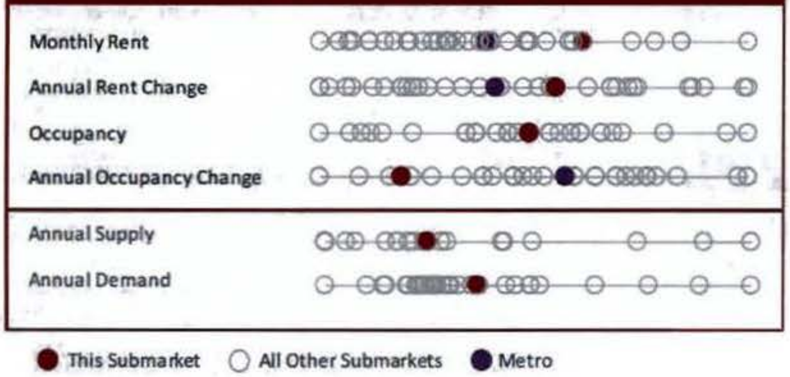
ZIP Code List:
20007, 20008, 20015, 20016, 20057

HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	95.9%	96.5%	95.7%	95.6%	96.1%	95.8%	100.0%	94.5%	96.0%	96.0%	97.9%	95.7%	95.6%
	1Q 12	94.0%	92.6%	93.2%	94.8%	99.3%	91.2%	n.a.	97.1%	98.3%	96.7%	95.5%	96.6%	87.6%
	2Q 12	95.9%	93.8%	95.7%	97.0%	99.2%	95.0%	n.a.	98.4%	99.1%	95.8%	99.3%	96.0%	94.7%
	3Q 12	95.6%	96.1%	95.5%	95.3%	95.5%	94.4%	96.0%	92.7%	95.8%	97.8%	98.5%	94.5%	96.0%
	4Q 12	95.7%	97.2%	96.2%	94.7%	94.6%	94.7%	99.2%	90.0%	96.5%	98.2%	98.2%	95.8%	94.5%
	1Q 13	96.4%	98.1%	96.2%	95.8%	94.9%	95.8%	99.2%	90.4%	97.4%	98.5%	97.3%	96.6%	95.6%
	2Q 13	95.8%	97.0%	96.2%	94.7%	95.4%	96.4%	97.6%	87.6%	95.8%	97.1%	96.5%	94.7%	97.2%
	3Q 13	91.8%	93.7%	93.0%	88.4%	95.4%	88.0%	97.6%	94.1%	88.7%	98.0%	98.9%	87.2%	98.2%
	4Q 13	94.8%	95.5%	94.2%	94.7%	96.0%	92.4%	97.6%	93.3%	95.2%	98.4%	98.6%	95.8%	92.2%
MONTHLY RENT	4Q 11	$1,875	$1,411	$1,714	$2,109	$2,520	$2,361	$1,222	$1,643	$1,507	$1,338	$1,474	$1,723	$2,388
	1Q 12	$1,932	$1,591	$1,807	$2,202	$2,237	$2,267	n.a.	$1,759	$1,684	$1,445	$1,643	$1,833	$2,247
	2Q 12	$1,868	$1,411	$1,736	$2,226	$2,552	$2,289	n.a.	$1,809	$1,698	$1,357	$1,432	$1,729	$2,201
	3Q 12	$1,812	$1,445	$1,707	$2,112	$2,136	$2,222	$1,222	$1,837	$1,556	$1,406	$1,386	$1,825	$2,029
	4Q 12	$1,858	$1,469	$1,746	$2,108	$2,327	$2,342	$1,222	$1,749	$1,526	$1,424	$1,368	$1,744	$2,258
	1Q 13	$1,880	$1,459	$1,754	$2,150	$2,605	$2,262	$1,227	$1,798	$1,674	$1,395	$1,367	$1,744	$2,268
	2Q 13	$1,820	$1,461	$1,685	$2,081	$2,327	$2,219	$1,286	$1,734	$1,471	$1,429	$1,393	$1,709	$2,199
	3Q 13	$1,941	$1,510	$1,751	$2,311	$2,702	$2,308	$1,286	$1,806	$1,697	$1,403	$1,409	$1,847	$2,321
	4Q 13	$1,805	$1,450	$1,680	$2,053	$2,641	$2,116	$1,286	$1,676	$1,761	$1,420	$1,441	$1,677	$2,111
RENT PER SQUARE FOOT	4Q 11	$2.244	$2.662	$2.290	$2.154	$2.061	$2.671	$1.737	$1.722	$1.728	$1.899	$1.870	$2.218	$2.394
	1Q 12	$2.347	$2.917	$2.421	$2.206	$1.940	$2.781	n.a.	$1.843	$1.829	$1.949	$1.993	$2.288	$2.569
	2Q 12	$2.382	$2.824	$2.425	$2.253	$2.092	$2.689	n.a.	$1.895	$1.946	$2.158	$2.161	$2.260	$2.595
	3Q 12	$2.344	$2.871	$2.433	$2.202	$1.899	$2.746	$1.737	$1.925	$1.831	$2.188	$1.939	$2.325	$2.593
	4Q 12	$2.349	$2.923	$2.466	$2.186	$1.959	$2.757	$1.737	$1.832	$1.795	$2.184	$1.922	$2.243	$2.662
	1Q 13	$2.392	$2.894	$2.473	$2.219	$2.148	$2.706	$1.743	$1.884	$1.919	$2.165	$2.055	$2.258	$2.674
	2Q 13	$2.300	$2.906	$2.375	$2.141	$1.961	$2.604	$1.828	$1.817	$1.731	$2.233	$1.957	$2.193	$2.593
	3Q 13	$2.484	$3.007	$2.503	$2.359	$2.216	$2.792	$1.828	$1.893	$1.842	$2.207	$2.136	$2.400	$2.737
	4Q 13	$2.317	$2.905	$2.384	$2.084	$2.148	$2.544	$1.828	$1.756	$1.912	$2.247	$2.053	$2.207	$2.543
ANNUAL RENT CHANGE	4Q 11	5.2%	9.5%	7.6%	2.5%	5.3%	4.1%	n.a.	2.7%	5.4%	9.6%	6.6%	3.4%	7.8%
	1Q 12	4.4%	9.7%	2.2%	3.5%	7.2%	0.5%	n.a.	6.0%	0.8%	15.6%	11.2%	4.6%	2.5%
	2Q 12	8.0%	6.1%	9.7%	9.2%	0.9%	9.9%	n.a.	8.1%	-6.2%	8.4%	3.8%	7.0%	9.8%
	3Q 12	3.5%	0.4%	4.8%	4.8%	-1.5%	2.8%	3.9%	0.5%	0.0%	9.8%	4.1%	4.3%	1.3%
	4Q 12	4.5%	6.1%	5.4%	3.2%	5.5%	2.1%	0.0%	6.4%	15.2%	6.3%	5.3%	7.4%	0.2%
	1Q 13	1.7%	-0.2%	2.3%	1.0%	6.0%	1.8%	n.a.	2.3%	4.0%	0.3%	-7.1%	1.0%	4.7%
	2Q 13	-1.6%	0.6%	-1.5%	-3.4%	1.7%	-2.8%	n.a.	-4.1%	-3.4%	3.1%	3.8%	-3.9%	-0.1%
	3Q 13	-0.8%	2.7%	-0.2%	-3.0%	-1.1%	-0.9%	5.3%	-1.7%	-9.0%	1.8%	-1.0%	-4.4%	5.4%
	4Q 13	-3.5%	-3.0%	-3.4%	-4.8%	0.4%	-6.5%	5.3%	-4.2%	-3.7%	2.8%	3.1%	-3.1%	-5.2%
ANNUAL REVENUE CHANGE	4Q 11	16.0%	31.6%	19.1%	9.7%	9.2%	26.0%	n.a.	3.0%	6.7%	7.9%	9.4%	2.5%	39.8%
	1Q 12	13.2%	24.4%	10.8%	10.2%	14.4%	17.3%	n.a.	10.6%	3.6%	15.5%	12.3%	6.1%	30.6%
	2Q 12	15.6%	17.4%	18.5%	15.2%	5.1%	24.1%	n.a.	10.5%	-2.6%	6.9%	5.2%	7.9%	29.7%
	3Q 12	8.2%	7.3%	11.0%	7.3%	-1.5%	11.5%	3.1%	-2.8%	0.3%	11.0%	5.9%	2.5%	19.9%
	4Q 12	4.3%	6.8%	5.9%	2.3%	4.0%	1.0%	-0.8%	1.9%	15.7%	8.5%	5.6%	7.5%	-0.9%
	1Q 13	4.1%	5.3%	5.3%	2.0%	1.6%	6.4%	n.a.	-4.4%	3.1%	2.1%	-5.3%	1.0%	12.7%
	2Q 13	-1.7%	3.8%	-1.0%	-5.7%	-2.1%	-1.4%	n.a.	-14.9%	-6.7%	4.4%	1.0%	-5.2%	2.4%
	3Q 13	-4.6%	0.3%	-2.7%	-9.9%	-1.2%	-7.3%	6.9%	-0.3%	-16.1%	2.0%	-0.6%	-11.7%	7.6%
	4Q 13	-4.4%	-4.7%	-5.4%	-4.8%	1.8%	-8.8%	3.7%	-0.9%	-5.0%	3.0%	3.5%	-3.1%	-7.5%

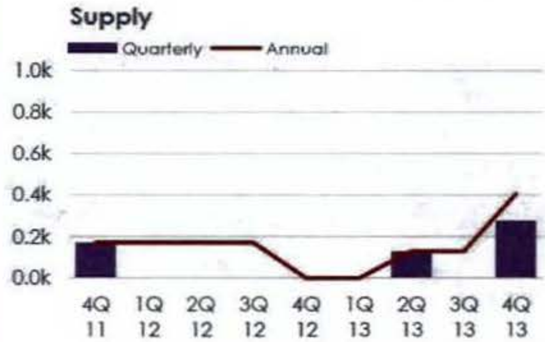
		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	227	357	1,068	2,480	0.8%	1.3%	SAMPLE/ EXISTING UNITS	4Q 11	27,173	4,399	16.2%
	1Q 12	0	227	(493)	2,067	0.0%	0.8%		1Q 12	27,173	3,940	14.5%
	2Q 12	0	227	501	1,860	0.0%	0.8%		2Q 12	27,173	5,403	19.9%
	3Q 12	614	841	517	1,713	2.3%	3.1%		3Q 12	27,787	5,352	19.3%
	4Q 12	469	1,083	249	761	0.8%	3.1%		4Q 12	28,023	5,666	20.2%
	1Q 13	342	1,425	466	1,653	1.2%	4.4%		1Q 13	28,365	5,686	20.0%
	2Q 13	284	1,709	125	1,355	1.0%	5.4%		2Q 13	28,649	5,926	20.7%
	3Q 13	958	2,053	(245)	627	3.3%	6.5%		3Q 13	29,607	6,570	22.2%
	4Q 13	100	1,684	883	1,312	0.3%	6.0%		4Q 13	29,707	5,715	19.2%

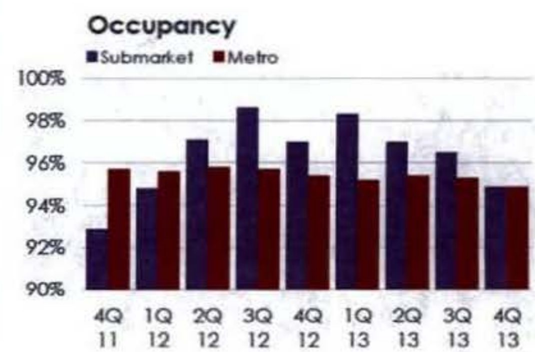
COMPARATIVE POSITIONING



SNAPSHOT

	SUBMARKET	METRO
Existing Units	8,019	532,139
Sampled Units	4,301	322,322
Percent Sampled	53.6%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	276	3,594
Annual Supply (units)	406	10,085
Annual Inventory Change	5.3%	1.9%
Five-Year Average Annual Supply (units)	339	6,670
Five-Year Peak in Annual Supply (units)	1,216	10,085
Five-Year Trough in Annual Supply (units)	0	2,993
Quarterly Demand (units)	127	1,198
Annual Demand (units)	227	6,610
OCCUPANCY		
Current Rate	94.9%	94.9%
Quarterly Change	-1.6	-0.4
Annual Change	-2.1	-0.5
Five-Year Peak	98.6%	96.0%
Five-Year Trough	89.9%	93.7%
Five-Year Average	96.1%	95.2%
RENT		
Monthly Rent	$1,833	$1,532
Rent Per Square Foot	$2.438	$1.732
Quarterly Change	-3.8%	-2.1%
Annual Change	0.8%	-0.3%
Five-Year Peak in Annual Change	8.7%	5.5%
Five-Year Trough in Annual Change	-0.9%	-1.4%
Five-Year Average Annual Change	4.0%	2.1%
REVENUE CHANGE		
Quarterly Change	-5.4%	-2.5%
Annual Change	-1.3%	-0.8%
Five-Year Peak in Annual Change	14.7%	6.9%
Five-Year Trough in Annual Change	-7.5%	-2.5%
Five-Year Average Annual Change	3.9%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	658	19,279
Annual Demand (units)	255	10,570
Occupancy	90.6%	93.5%
Annual Occupancy Change	-4.3	-1.4

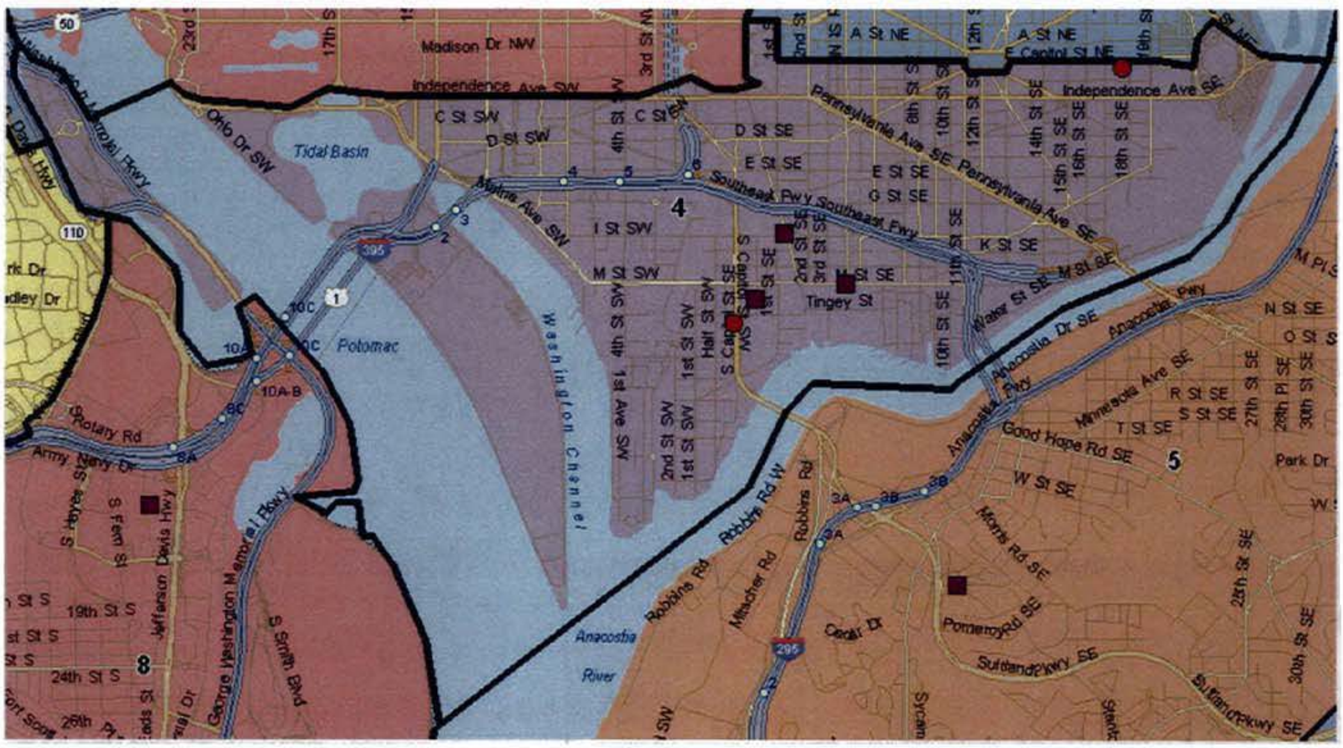




SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
4	**Kennedy Row** 1717 E Capitol St SE, Washington, DC 20003	The JBG Companies/TRITEC Real Estate Company Inc	Conventional	130	4	02/12	05/13
4	**Camden South Capitol** 1345 S Capitol St SW, Washington, DC 20003	Camden Property Trust	Conventional	276	11	09/11	10/13
						Total Units: 406	

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
4	**Twelve12** 1212 4th St SE, Washington, DC 20003	Forest City Enterprises Inc	Conventional	225	10	09/12	04/14
4	**Park Chelsea** 880 New Jersey Ave SE, Washington, DC 20003	WC Smith	Conventional	433	13	06/12	11/14
4	**Akridge at Half Street** 1201 Half St SE, Washington, DC 20003	Akridge	Conventional	277	11	07/13	09/15
						Total Units: 935	



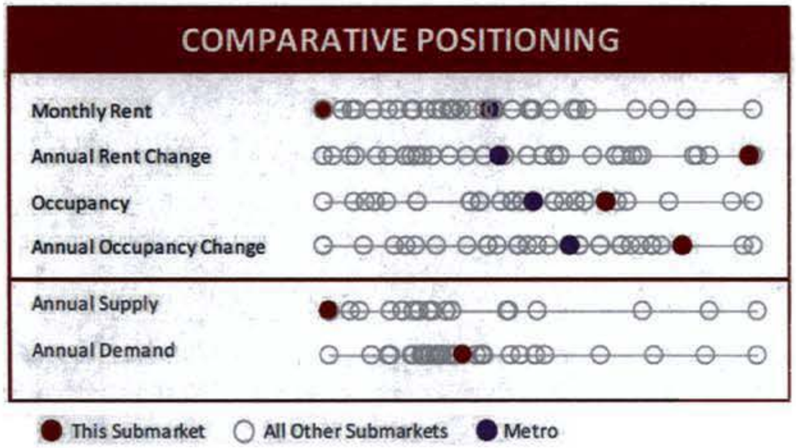
● Completed
■ Under Construction

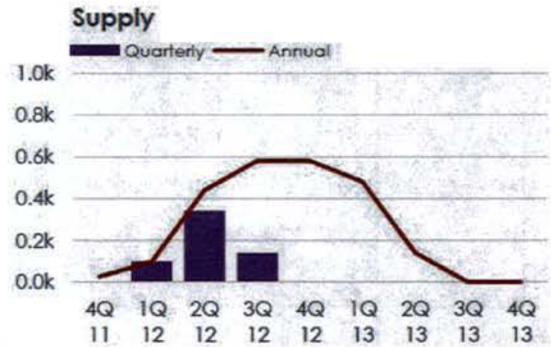
ZIP Code List:
20003, 20024, 20319

HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	92.9%	98.1%	91.1%	89.9%	100.0%	80.3%	n.a.	n.a.	99.2%	98.4%	n.a.	60.9%	97.2%
	1Q 12	94.8%	98.4%	93.4%	93.2%	90.5%	85.9%	n.a.	n.a.	99.0%	98.5%	n.a.	65.6%	97.5%
	2Q 12	97.1%	97.9%	96.9%	96.0%	100.0%	94.4%	n.a.	n.a.	100.0%	98.1%	n.a.	94.4%	97.6%
	3Q 12	98.6%	98.2%	98.7%	98.7%	100.0%	98.0%	n.a.	n.a.	100.0%	98.4%	n.a.	98.6%	98.6%
	4Q 12	97.0%	97.0%	97.0%	96.6%	98.9%	95.7%	n.a.	n.a.	100.0%	97.4%	n.a.	97.6%	96.9%
	1Q 13	98.3%	98.6%	98.1%	98.0%	100.0%	97.0%	n.a.	n.a.	100.0%	99.2%	n.a.	98.5%	98.2%
	2Q 13	97.0%	96.9%	96.6%	97.8%	100.0%	96.7%	n.a.	n.a.	99.7%	96.4%	n.a.	97.6%	97.0%
	3Q 13	96.5%	96.9%	96.3%	95.9%	99.0%	95.3%	n.a.	n.a.	99.8%	96.5%	n.a.	99.0%	96.1%
	4Q 13	94.9%	95.0%	94.9%	94.6%	97.9%	93.8%	n.a.	n.a.	99.2%	94.6%	n.a.	93.4%	95.2%
MONTHLY RENT	4Q 11	$1,702	$1,260	$1,644	$2,214	$2,320	$2,173	n.a.	n.a.	$1,848	$1,357	n.a.	$1,921	$1,673
	1Q 12	$1,729	$1,290	$1,684	$2,394	$2,671	$2,224	n.a.	n.a.	$2,000	$1,399	n.a.	$2,388	$1,669
	2Q 12	$1,686	$1,315	$1,648	$2,273	$2,618	$2,057	n.a.	n.a.	$1,957	$1,377	n.a.	$1,920	$1,642
	3Q 12	$1,694	$1,320	$1,632	$2,154	$2,321	$2,154	n.a.	n.a.	$1,871	$1,396	n.a.	$1,942	$1,646
	4Q 12	$1,731	$1,342	$1,702	$2,253	$2,369	$2,268	n.a.	n.a.	$1,599	$1,414	n.a.	$2,021	$1,680
	1Q 13	$1,818	$1,376	$1,824	$2,287	$2,304	$2,201	n.a.	n.a.	$1,775	$1,471	n.a.	$2,014	$1,784
	2Q 13	$1,838	$1,459	$1,768	$2,378	$2,335	$2,177	n.a.	n.a.	$1,920	$1,464	n.a.	$2,098	$1,806
	3Q 13	$1,909	$1,450	$1,892	$2,422	$2,350	$2,274	n.a.	n.a.	$1,957	$1,506	n.a.	$1,965	$1,901
	4Q 13	$1,833	$1,456	$1,784	$2,288	$2,436	$2,061	n.a.	n.a.	$1,959	$1,529	n.a.	$1,896	$1,822
RENT PER SQUARE FOOT	4Q 11	$2.313	$2.458	$2.361	$2.262	$1.727	$2.646	n.a.	n.a.	$1.955	$2.243	n.a.	$2.410	$2.299
	1Q 12	$2.435	$2.518	$2.395	$2.436	$2.515	$2.655	n.a.	n.a.	$2.323	$2.312	n.a.	$2.841	$2.391
	2Q 12	$2.414	$2.558	$2.399	$2.322	$2.428	$2.598	n.a.	n.a.	$2.273	$2.303	n.a.	$2.492	$2.398
	3Q 12	$2.335	$2.593	$2.398	$2.204	$1.730	$2.623	n.a.	n.a.	$1.979	$2.335	n.a.	$2.521	$2.297
	4Q 12	$2.478	$2.685	$2.505	$2.427	$1.764	$2.902	n.a.	n.a.	$1.431	$2.365	n.a.	$2.721	$2.432
	1Q 13	$2.505	$2.741	$2.595	$2.355	$1.718	$2.703	n.a.	n.a.	$1.589	$2.461	n.a.	$2.614	$2.485
	2Q 13	$2.456	$2.829	$2.433	$2.357	$1.738	$2.633	n.a.	n.a.	$2.032	$2.448	n.a.	$2.823	$2.412
	3Q 13	$2.540	$2.811	$2.609	$2.389	$1.752	$2.735	n.a.	n.a.	$2.070	$2.518	n.a.	$2.551	$2.538
	4Q 13	$2.438	$2.825	$2.461	$2.264	$1.816	$2.493	n.a.	n.a.	$2.073	$2.558	n.a.	$2.469	$2.432
ANNUAL RENT CHANGE	4Q 11	6.8%	5.8%	5.3%	10.6%	1.6%	11.1%	n.a.	n.a.	6.1%	6.0%	n.a.	4.6%	6.9%
	1Q 12	4.6%	5.8%	4.1%	4.6%	0.5%	1.2%	n.a.	n.a.	8.9%	5.5%	n.a.	6.0%	4.6%
	2Q 12	5.0%	4.1%	7.8%	2.4%	0.0%	1.4%	n.a.	n.a.	7.2%	6.3%	n.a.	2.5%	5.3%
	3Q 12	2.2%	7.9%	1.0%	-0.1%	0.7%	0.4%	n.a.	n.a.	2.7%	3.0%	n.a.	0.9%	2.2%
	4Q 12	3.4%	3.6%	5.3%	0.9%	2.1%	6.1%	n.a.	n.a.	-9.9%	4.1%	n.a.	9.9%	1.8%
	1Q 13	6.5%	4.0%	8.2%	5.6%	-0.5%	8.5%	n.a.	n.a.	n.a.	4.8%	n.a.	14.1%	5.3%
	2Q 13	4.6%	10.5%	1.2%	3.9%	5.3%	3.7%	n.a.	n.a.	1.9%	6.3%	n.a.	8.3%	3.8%
	3Q 13	5.6%	3.9%	5.7%	7.2%	1.2%	3.4%	n.a.	n.a.	4.6%	7.9%	n.a.	1.2%	6.6%
	4Q 13	0.8%	5.7%	0.9%	-3.7%	2.6%	-9.0%	n.a.	n.a.	18.8%	8.1%	n.a.	-5.1%	2.1%
ANNUAL REVENUE CHANGE	4Q 11	2.3%	6.7%	-0.9%	2.6%	3.7%	-4.2%	n.a.	n.a.	6.1%	7.0%	n.a.	-34.5%	6.9%
	1Q 12	3.2%	7.7%	1.3%	1.8%	-4.8%	-6.5%	n.a.	n.a.	9.2%	6.4%	n.a.	-27.3%	6.1%
	2Q 12	4.2%	3.6%	6.8%	1.1%	3.2%	-0.2%	n.a.	n.a.	8.5%	6.1%	n.a.	-2.7%	5.2%
	3Q 12	3.3%	7.8%	2.6%	1.1%	3.9%	3.2%	n.a.	n.a.	4.0%	2.3%	n.a.	-0.5%	3.4%
	4Q 12	7.5%	2.5%	11.2%	7.6%	1.0%	21.5%	n.a.	n.a.	-9.1%	3.1%	n.a.	46.6%	1.5%
	1Q 13	10.0%	4.2%	12.9%	10.4%	9.0%	19.6%	n.a.	n.a.	n.a.	5.5%	n.a.	47.0%	6.0%
	2Q 13	4.5%	9.5%	0.9%	5.7%	5.3%	6.0%	n.a.	n.a.	1.6%	4.6%	n.a.	11.5%	3.2%
	3Q 13	3.5%	2.6%	3.3%	4.4%	0.2%	0.7%	n.a.	n.a.	4.4%	6.0%	n.a.	1.6%	4.1%
	4Q 13	-1.3%	3.7%	-1.2%	-5.7%	1.6%	-10.9%	n.a.	n.a.	18.0%	5.3%	n.a.	-9.3%	0.4%

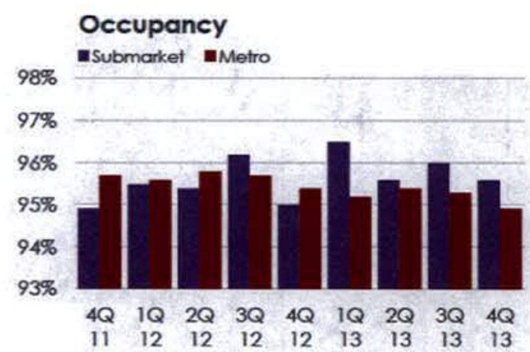
		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	170	170	(245)	(218)	2.3%	2.3%	SAMPLE/ EXISTING UNITS	4Q 11	7,613	3,301	43.4%
	1Q 12	0	170	144	43	0.0%	2.3%		1Q 12	7,613	2,959	38.9%
	2Q 12	0	170	172	85	0.0%	2.3%		2Q 12	7,613	3,274	43.0%
	3Q 12	0	170	122	206	0.0%	2.3%		3Q 12	7,613	3,221	42.3%
	4Q 12	0	0	(138)	300	0.0%	0.0%		4Q 12	7,613	2,996	39.4%
	1Q 13	0	0	92	245	0.0%	0.0%		1Q 13	7,613	3,511	46.1%
	2Q 13	130	130	34	120	1.7%	1.7%		2Q 13	7,743	4,104	53.0%
	3Q 13	0	130	(38)	(38)	0.0%	1.7%		3Q 13	7,743	4,171	53.9%
	4Q 13	276	406	127	227	3.6%	5.3%		4Q 13	8,019	4,301	53.6%

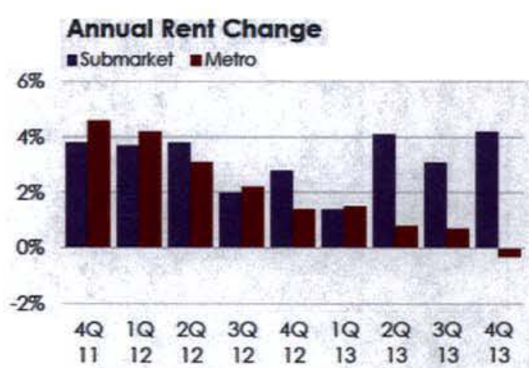




SNAPSHOT

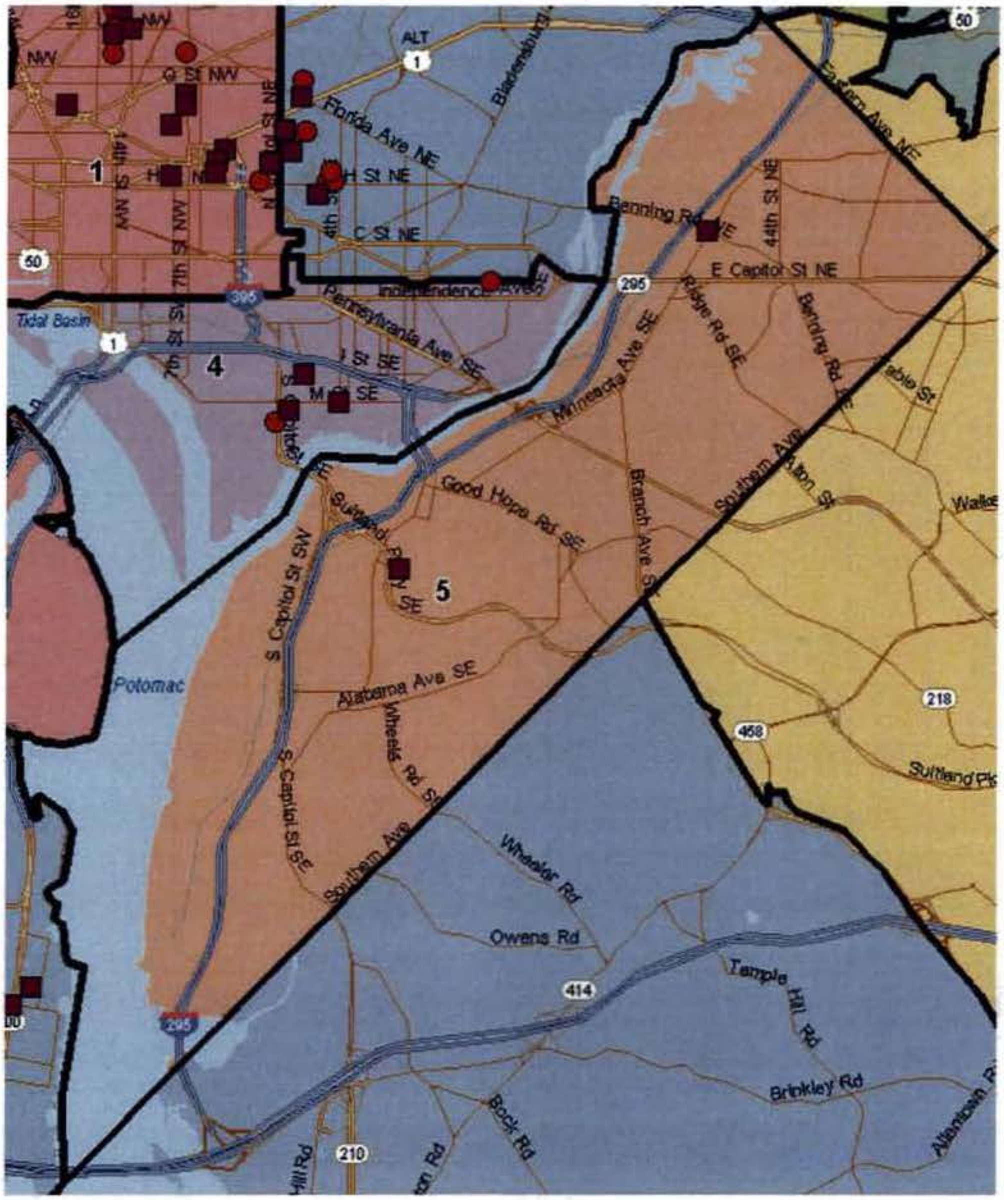
	SUBMARKET	METRO
Existing Units	27,498	532,139
Sampled Units	8,777	322,322
Percent Sampled	31.9%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	0	3,594
Annual Supply (units)	0	10,085
Annual Inventory Change	0.0%	1.9%
Five-Year Average Annual Supply (units)	208	6,670
Five-Year Peak in Annual Supply (units)	581	10,085
Five-Year Trough in Annual Supply (units)	0	2,993
Quarterly Demand (units)	-125	1,198
Annual Demand (units)	138	6,610
OCCUPANCY		
Current Rate	95.6%	94.9%
Quarterly Change	-0.4	-0.4
Annual Change	0.6	-0.5
Five-Year Peak	96.5%	96.0%
Five-Year Trough	93.1%	93.7%
Five-Year Average	95.1%	95.2%
RENT		
Monthly Rent	$1,022	$1,532
Rent Per Square Foot	$1.282	$1.732
Quarterly Change	1.5%	-2.1%
Annual Change	4.2%	-0.3%
Five-Year Peak in Annual Change	5.6%	5.5%
Five-Year Trough in Annual Change	-0.8%	-1.4%
Five-Year Average Annual Change	2.6%	2.1%
REVENUE CHANGE		
Quarterly Change	1.1%	-2.5%
Annual Change	4.8%	-0.8%
Five-Year Peak in Annual Change	5.5%	6.9%
Five-Year Trough in Annual Change	-1.2%	-2.5%
Five-Year Average Annual Change	2.6%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	509	19,279
Annual Demand (units)	251	10,570
Occupancy	94.7%	93.5%
Annual Occupancy Change	-0.9	-1.4





SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
	No properties completed during the last four quarters.						
Sub#	**Properties Under Construction**	**Developer**	**Property Type**	**Units**	**Stories**	**Start**	**Finish**
5	**Park 7** Benning Rd NE & Minnesota Ave NE, Washington, DC 20019	Donatelli Development Inc/Blue Skye Development	Affordable	376	4	09/12	05/14
5	**Sheridan Station III** 2625 Stanton Rd SE, Washington, DC 20020	WC Smith/District of Columbia Housing Authority	Conventional	133	4	09/13	11/14
							Total Units: 509



● Completed
■ Under Construction

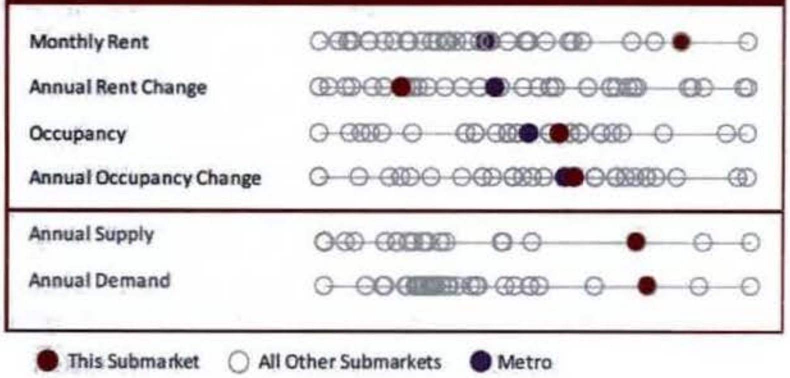
ZIP Code List:
20019, 20020, 20032

HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
OCCUPANCY	4Q 11	94.9%	92.9%	94.6%	95.3%	95.1%	97.6%	n.a.	95.1%	99.1%	94.2%	96.2%	93.9%	92.7%
	1Q 12	95.5%	93.0%	95.9%	95.7%	92.9%	99.3%	n.a.	97.3%	98.8%	94.5%	96.7%	93.4%	94.4%
	2Q 12	95.4%	92.3%	96.1%	95.4%	93.1%	95.9%	n.a.	96.6%	98.2%	95.0%	96.6%	93.2%	95.1%
	3Q 12	96.2%	95.0%	95.6%	96.6%	96.4%	97.7%	n.a.	95.3%	97.7%	95.8%	96.6%	96.0%	95.1%
	4Q 12	95.0%	92.4%	95.4%	95.3%	92.8%	98.5%	n.a.	90.1%	95.9%	94.8%	95.5%	95.2%	92.8%
	1Q 13	96.5%	95.8%	96.4%	96.7%	95.9%	97.5%	n.a.	95.1%	98.6%	96.2%	96.7%	97.2%	93.9%
	2Q 13	95.6%	95.0%	95.6%	95.8%	95.0%	96.2%	n.a.	96.5%	96.3%	95.4%	96.5%	96.1%	91.7%
	3Q 13	96.0%	94.1%	95.9%	96.0%	96.0%	97.7%	n.a.	96.3%	96.8%	95.5%	96.6%	96.3%	93.0%
	4Q 13	95.6%	95.8%	95.6%	95.4%	96.5%	97.7%	n.a.	95.1%	96.5%	95.1%	96.3%	95.3%	93.6%
MONTHLY RENT	4Q 11	$959	$806	$847	$1,026	$1,179	$1,149	n.a.	$758	$888	$951	$922	$984	$1,031
	1Q 12	$996	$789	$863	$1,049	$1,277	$1,163	n.a.	$762	$931	$993	$968	$1,013	$1,089
	2Q 12	$981	$810	$865	$1,029	$1,233	$1,165	n.a.	$755	$947	$983	$959	$974	$1,072
	3Q 12	$986	$751	$875	$1,031	$1,263	$1,149	n.a.	$765	$956	$973	$945	$1,016	$1,072
	4Q 12	$992	$808	$879	$1,056	$1,200	$1,168	n.a.	$759	$969	$985	$940	$1,028	$1,119
	1Q 13	$1,011	$785	$894	$1,064	$1,271	$1,154	n.a.	$757	$962	$1,006	$972	$1,041	$1,086
	2Q 13	$1,015	$830	$903	$1,079	$1,223	$1,163	n.a.	$775	$973	$1,007	$951	$1,058	$1,139
	3Q 13	$1,006	$791	$897	$1,065	$1,233	$1,161	n.a.	$797	$957	$996	$947	$1,059	$1,091
	4Q 13	$1,022	$846	$916	$1,077	$1,249	$1,168	n.a.	$815	$969	$1,013	$968	$1,061	$1,112
RENT PER SQUARE FOOT	4Q 11	$1.223	$1.575	$1.301	$1.165	$1.212	$1.317	n.a.	$1.100	$1.307	$1.212	$1.299	$1.168	$1.124
	1Q 12	$1.247	$1.542	$1.318	$1.197	$1.241	$1.333	n.a.	$1.100	$1.369	$1.237	$1.296	$1.214	$1.134
	2Q 12	$1.207	$1.584	$1.299	$1.143	$1.203	$1.290	n.a.	$1.096	$1.334	$1.199	$1.267	$1.128	$1.168
	3Q 12	$1.223	$1.473	$1.329	$1.149	$1.229	$1.328	n.a.	$1.111	$1.346	$1.201	$1.266	$1.188	$1.168
	4Q 12	$1.252	$1.584	$1.355	$1.184	$1.241	$1.336	n.a.	$1.101	$1.365	$1.242	$1.310	$1.205	$1.187
	1Q 13	$1.254	$1.539	$1.358	$1.186	$1.236	$1.334	n.a.	$1.099	$1.355	$1.242	$1.302	$1.219	$1.184
	2Q 13	$1.279	$1.627	$1.387	$1.208	$1.265	$1.344	n.a.	$1.125	$1.370	$1.270	$1.325	$1.239	$1.241
	3Q 13	$1.268	$1.551	$1.379	$1.192	$1.275	$1.337	n.a.	$1.157	$1.347	$1.257	$1.320	$1.240	$1.189
	4Q 13	$1.282	$1.659	$1.404	$1.201	$1.277	$1.345	n.a.	$1.183	$1.426	$1.269	$1.344	$1.237	$1.212
ANNUAL RENT CHANGE	4Q 11	3.8%	1.9%	3.6%	3.9%	4.2%	2.1%	n.a.	-3.1%	4.8%	4.7%	4.8%	3.7%	0.7%
	1Q 12	3.7%	14.3%	4.0%	3.4%	3.2%	2.4%	n.a.	-3.5%	7.7%	4.3%	4.4%	2.8%	2.8%
	2Q 12	3.8%	4.0%	5.1%	3.3%	2.8%	3.2%	n.a.	-4.8%	5.7%	4.6%	3.8%	2.5%	7.9%
	3Q 12	2.0%	-5.2%	4.6%	0.4%	1.2%	2.1%	n.a.	0.9%	8.8%	1.8%	-0.3%	4.0%	6.2%
	4Q 12	2.8%	0.6%	3.4%	2.8%	0.7%	-0.9%	n.a.	0.1%	6.8%	3.3%	1.0%	3.6%	7.2%
	1Q 13	1.4%	-0.8%	2.1%	1.3%	-0.4%	1.2%	n.a.	0.0%	2.6%	1.4%	0.8%	3.3%	-0.8%
	2Q 13	4.1%	2.7%	4.3%	4.2%	3.0%	0.7%	n.a.	2.7%	2.7%	4.7%	2.3%	5.8%	6.2%
	3Q 13	3.1%	5.3%	3.3%	3.3%	1.4%	1.1%	n.a.	4.2%	0.1%	3.7%	2.4%	4.7%	1.8%
	4Q 13	4.2%	4.7%	4.7%	3.7%	4.7%	3.9%	n.a.	7.4%	2.1%	4.1%	4.8%	4.3%	2.0%
ANNUAL REVENUE CHANGE	4Q 11	3.7%	0.9%	3.3%	3.9%	5.3%	1.0%	n.a.	-1.1%	6.7%	4.4%	5.9%	3.2%	-2.1%
	1Q 12	3.9%	12.4%	4.4%	3.5%	2.5%	3.2%	n.a.	2.5%	7.6%	3.6%	6.5%	-0.1%	0.7%
	2Q 12	4.6%	-1.2%	6.1%	3.5%	5.2%	2.9%	n.a.	-3.5%	6.0%	5.5%	5.6%	0.4%	11.9%
	3Q 12	4.9%	-3.5%	7.1%	3.2%	5.7%	5.0%	n.a.	3.1%	7.6%	4.7%	2.9%	6.5%	8.6%
	4Q 12	2.9%	0.1%	4.2%	2.8%	-1.6%	0.0%	n.a.	-4.9%	3.6%	3.9%	0.3%	4.9%	7.3%
	1Q 13	2.4%	2.0%	2.6%	2.3%	2.6%	-0.6%	n.a.	-2.2%	2.4%	3.1%	0.8%	7.1%	-1.3%
	2Q 13	4.3%	5.4%	3.8%	4.6%	4.9%	1.0%	n.a.	2.6%	0.8%	5.1%	2.2%	8.7%	2.8%
	3Q 13	2.9%	4.4%	3.6%	2.7%	1.0%	1.1%	n.a.	5.2%	-0.8%	3.4%	2.4%	5.0%	-0.3%
	4Q 13	4.8%	8.1%	4.9%	3.8%	8.4%	3.1%	n.a.	12.4%	2.7%	4.4%	5.6%	4.4%	2.8%

		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
SUPPLY/ DEMAND	4Q 11	0	27	302	8	0.0%	0.1%	SAMPLE/ EXISTING UNITS	4Q 11	26,917	7,927	29.4%
	1Q 12	99	99	245	99	0.4%	0.4%		1Q 12	27,016	8,298	30.7%
	2Q 12	342	441	305	515	1.3%	1.6%		2Q 12	27,358	8,560	31.3%
	3Q 12	140	581	364	1,118	0.5%	2.2%		3Q 12	27,498	9,602	34.9%
	4Q 12	0	581	(341)	576	0.0%	2.2%		4Q 12	27,498	8,908	32.4%
	1Q 13	0	482	363	686	0.0%	1.8%		1Q 13	27,498	9,602	34.9%
	2Q 13	0	140	(216)	195	0.0%	0.5%		2Q 13	27,498	9,224	33.5%
	3Q 13	0	0	105	(54)	0.0%	0.0%		3Q 13	27,498	9,125	33.2%
	4Q 13	0	0	(125)	138	0.0%	0.0%		4Q 13	27,498	8,777	31.9%

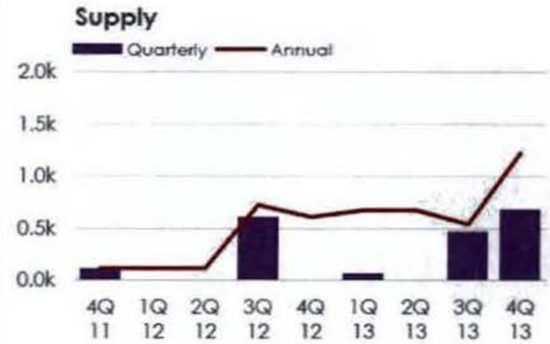
COMPARATIVE POSITIONING



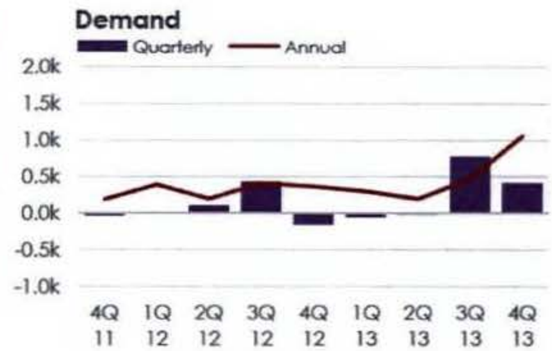
SNAPSHOT

	SUBMARKET	METRO
Existing Units	25,528	532,139
Sampled Units	13,130	322,322
Percent Sampled	51.4%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	687	3,594
Annual Supply (units)	1,228	10,085
Annual Inventory Change	5.1%	1.9%
Five-Year Average Annual Supply (units)	558	6,670
Five-Year Peak in Annual Supply (units)	1,257	10,085
Five-Year Trough in Annual Supply (units)	116	2,993
Quarterly Demand (units)	411	1,198
Annual Demand (units)	1,061	6,610
OCCUPANCY		
Current Rate	95.2%	94.9%
Quarterly Change	-0.8	-0.4
Annual Change	-0.4	-0.5
Five-Year Peak	98.2%	96.0%
Five-Year Trough	93.7%	93.7%
Five-Year Average	96.0%	95.2%
RENT		
Monthly Rent	$2,138	$1,532
Rent Per Square Foot	$2.435	$1.732
Quarterly Change	-2.7%	-2.1%
Annual Change	-2.0%	-0.3%
Five-Year Peak in Annual Change	9.7%	5.5%
Five-Year Trough in Annual Change	-3.6%	-1.4%
Five-Year Average Annual Change	2.7%	2.1%
REVENUE CHANGE		
Quarterly Change	-3.5%	-2.5%
Annual Change	-2.4%	-0.8%
Five-Year Peak in Annual Change	12.5%	6.9%
Five-Year Trough in Annual Change	-6.6%	-2.5%
Five-Year Average Annual Change	2.5%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	976	19,279
Annual Demand (units)	623	10,570
Occupancy	94.1%	93.5%
Annual Occupancy Change	-1.1	-1.4

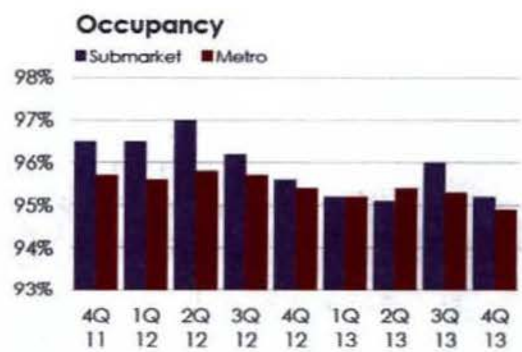
Supply



Demand



Occupancy

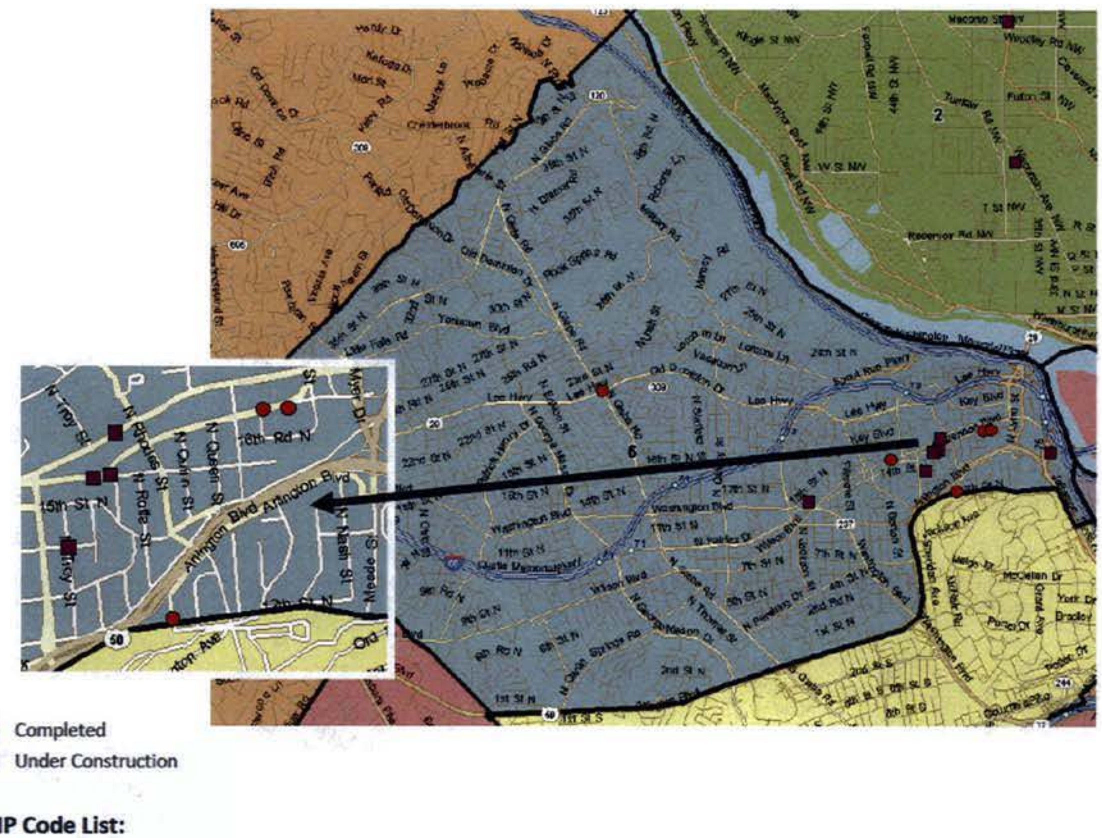


Annual Rent Change

SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
6	**Grayson Flats** 1200 N Rolfe St, Arlington, VA 22209	Insight Property Group	Conventional	67	4	10/11	02/13
6	**Sedona Clarendon Boulevard** 1510 Clarendon Blvd, Arlington, VA 22209	The JBG Companies	Conventional	474	13	06/11	08/13
6	**Parkland Gardens** 2103 N Glebe Rd, Arlington, VA 22207	AvalonBay Communities Inc	Conventional	227	3	07/12	10/13
6	**Slate Clarendon Boulevard** 1530 Clarendon Blvd, Arlington, VA 22209	The JBG Companies	Conventional	203	8	01/11	10/13
6	**View (The)** 4000 Wilson Blvd, Arlington, VA 22203	The Shooshan Company	Conventional	257	17	04/12	12/13
					Total Units: 1,228		

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
6	**19Nineteen Clarendon** 1919 Clarendon Blvd, Arlington, VA 22201	Harkins Builders	Conventional	191	4	06/12	01/14
6	**1900 Wilson** 1900 Wilson Blvd, Arlington, VA 22201	ZOM Development Inc	Conventional	191	5	05/12	02/14
6	**2001 Clarendon Boulevard** 2001 Clarendon Blvd, Arlington, VA 22201	Elm Street Development	Conventional	154	6	02/13	05/14
6	**Tellus (The)** 2009 14th St N, Arlington, VA 22201	Erkiletian Construction Corp	Conventional	254	16	10/12	06/14
6	**Beacon (The)** 1200 N Irving St, Arlington, VA 22201	ZOM Development Inc	Conventional	186	10	11/12	08/14
6	**Station 650** Potomac Ave & Route 1, Arlington, VA 22207	Wood Partners	Conventional	183	5	09/13	03/15
					Total Units: 1,159		



Completed

Under Construction

ZIP Code List:

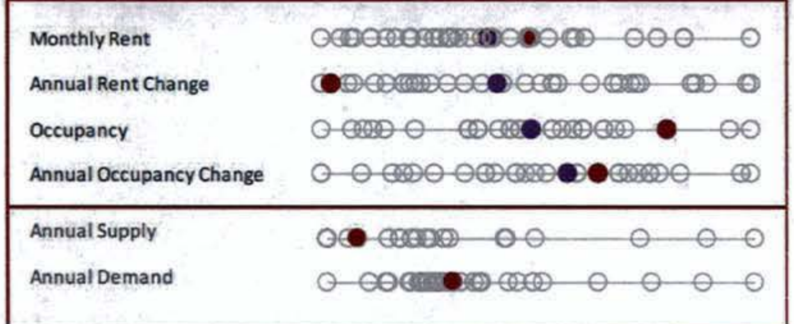
22201, 22203, 22205, 22207, 22209, 22213

HISTORICAL DATA

	Period	Total	Eff	1 BR	2 BR	3 BR	2000+	1990s	1980s	1970s	Pre-1970	Low-Rise	Mid-Rise	High-Rise
	4Q 11	96.5%	97.6%	96.5%	96.0%	98.8%	95.4%	96.4%	96.6%	100.0%	98.1%	98.0%	95.8%	96.5%
	1Q 12	96.5%	95.0%	96.5%	96.6%	98.5%	96.5%	95.7%	98.3%	n.a.	96.9%	97.9%	98.5%	96.0%
	2Q 12	97.0%	96.5%	96.9%	96.8%	99.5%	96.9%	95.9%	97.6%	n.a.	98.0%	98.0%	98.0%	96.6%
	3Q 12	96.2%	96.1%	96.5%	95.6%	97.7%	94.8%	97.6%	96.3%	100.0%	96.8%	99.0%	91.8%	96.9%
OCCUPANCY	4Q 12	95.6%	95.2%	95.9%	95.3%	95.4%	94.2%	96.5%	97.0%	100.0%	96.4%	98.3%	93.3%	95.9%
	1Q 13	95.2%	92.9%	95.3%	95.2%	95.9%	95.4%	94.4%	95.5%	n.a.	95.4%	97.8%	95.8%	94.6%
	2Q 13	95.1%	93.3%	95.1%	95.3%	95.1%	96.1%	93.3%	96.5%	n.a.	94.9%	96.2%	96.6%	94.5%
	3Q 13	96.0%	95.3%	95.9%	96.3%	96.4%	96.3%	95.4%	97.2%	97.1%	96.0%	98.2%	97.1%	95.4%
	4Q 13	95.2%	93.7%	94.9%	95.9%	95.7%	95.6%	94.0%	95.5%	n.a.	95.9%	97.9%	95.7%	94.7%
	4Q 11	$2,216	$1,606	$1,906	$2,671	$3,597	$2,538	$2,319	$2,084	$2,139	$1,700	$1,544	$2,102	$2,329
	1Q 12	$2,164	$1,585	$1,894	$2,509	$3,594	$2,442	$2,280	$2,130	n.a.	$1,700	$1,550	$1,936	$2,296
	2Q 12	$2,238	$1,597	$1,936	$2,690	$3,505	$2,533	$2,313	$2,232	n.a.	$1,720	$1,574	$2,014	$2,367
	3Q 12	$2,224	$1,629	$1,924	$2,610	$3,572	$2,495	$2,283	$2,356	$2,205	$1,742	$1,594	$2,167	$2,323
MONTHLY RENT	4Q 12	$2,176	$1,563	$1,864	$2,560	$3,531	$2,535	$2,172	$2,324	$2,343	$1,713	$1,556	$2,131	$2,295
	1Q 13	$2,180	$1,627	$1,890	$2,558	$3,566	$2,484	$2,253	$2,212	n.a.	$1,702	$1,575	$2,107	$2,291
	2Q 13	$2,172	$1,566	$1,881	$2,568	$3,514	$2,467	$2,218	$2,302	n.a.	$1,648	$1,499	$2,169	$2,281
	3Q 13	$2,230	$1,637	$1,917	$2,613	$3,641	$2,551	$2,304	$2,259	$2,514	$1,688	$1,567	$2,103	$2,366
	4Q 13	$2,138	$1,519	$1,824	$2,557	$3,514	$2,495	$2,192	$2,151	n.a.	$1,628	$1,522	$2,099	$2,248
	4Q 11	$2.530	$3.017	$2.581	$2.488	$2.222	$2.752	$2.502	$2.372	$2.326	$2.226	$2.224	$2.387	$2.591
	1Q 12	$2.480	$3.007	$2.577	$2.375	$2.236	$2.661	$2.460	$2.424	n.a.	$2.224	$2.203	$2.362	$2.531
	2Q 12	$2.561	$2.940	$2.634	$2.512	$2.215	$2.757	$2.523	$2.541	n.a.	$2.263	$2.266	$2.283	$2.646
	3Q 12	$2.532	$3.033	$2.619	$2.450	$2.277	$2.675	$2.490	$2.701	$2.398	$2.281	$2.265	$2.424	$2.586
RENT PER SQUARE FOOT	4Q 12	$2.450	$2.917	$2.516	$2.386	$2.236	$2.655	$2.325	$2.546	$2.548	$2.243	$2.212	$2.382	$2.501
	1Q 13	$2.491	$3.038	$2.571	$2.401	$2.264	$2.656	$2.458	$2.537	n.a.	$2.246	$2.264	$2.384	$2.542
	2Q 13	$2.482	$2.926	$2.560	$2.411	$2.217	$2.676	$2.395	$2.640	n.a.	$2.173	$2.154	$2.425	$2.538
	3Q 13	$2.531	$3.070	$2.609	$2.443	$2.348	$2.705	$2.513	$2.571	$2.734	$2.228	$2.252	$2.350	$2.610
	4Q 13	$2.435	$2.836	$2.479	$2.396	$2.228	$2.639	$2.391	$2.466	n.a.	$2.149	$2.188	$2.347	$2.488
	4Q 11	8.5%	8.3%	8.7%	7.6%	13.0%	13.8%	5.0%	0.1%	-7.7%	5.3%	1.6%	7.0%	9.4%
	1Q 12	8.3%	9.5%	9.7%	6.2%	9.2%	9.0%	8.4%	2.6%	n.a.	7.8%	8.7%	8.2%	8.2%
	2Q 12	4.1%	4.5%	3.8%	4.6%	3.7%	3.2%	3.8%	7.6%	n.a.	5.7%	4.6%	1.0%	4.7%
	3Q 12	-0.4%	0.8%	-1.4%	-0.1%	3.2%	-1.8%	-0.8%	4.3%	n.a.	2.2%	4.8%	1.2%	-1.2%
ANNUAL RENT CHANGE	4Q 12	-0.9%	-1.2%	0.5%	-1.9%	-3.6%	-1.5%	-5.2%	18.1%	9.6%	1.9%	4.3%	1.1%	-1.9%
	1Q 13	1.2%	2.7%	-0.4%	2.8%	2.7%	0.8%	1.9%	5.1%	n.a.	0.2%	1.1%	4.1%	0.8%
	2Q 13	-2.9%	-2.2%	-2.7%	-3.7%	-0.5%	-3.1%	-5.7%	6.8%	n.a.	-2.0%	-1.7%	4.0%	-4.3%
	3Q 13	-0.9%	-1.4%	-0.8%	-1.6%	1.5%	-0.8%	0.9%	-6.7%	14.0%	-2.1%	0.3%	-5.0%	-0.1%
	4Q 13	-2.0%	-4.2%	-3.1%	-0.8%	-0.3%	-2.5%	2.1%	-5.8%	n.a.	-4.4%	-1.4%	-1.4%	-2.2%
	4Q 11	9.0%	10.5%	8.8%	8.5%	13.9%	14.9%	4.4%	-0.4%	-7.7%	6.5%	1.7%	12.4%	9.0%
	1Q 12	9.9%	9.9%	10.4%	9.1%	13.9%	13.1%	8.3%	3.5%	n.a.	7.7%	8.5%	15.6%	9.0%
	2Q 12	4.7%	4.1%	4.2%	5.3%	5.2%	4.6%	3.2%	8.5%	n.a.	6.2%	4.3%	5.4%	4.6%
	3Q 12	-1.3%	-1.1%	-2.2%	-1.1%	2.9%	-3.8%	0.2%	4.7%	n.a.	0.8%	5.8%	-1.8%	-1.8%
ANNUAL REVENUE CHANGE	4Q 12	-1.8%	-3.6%	-0.1%	-2.6%	-7.0%	-2.7%	-5.1%	18.5%	9.6%	0.2%	4.6%	-1.4%	-2.5%
	1Q 13	-0.1%	0.6%	-1.6%	1.4%	0.1%	-0.3%	0.6%	2.3%	n.a.	-1.3%	1.0%	1.4%	-0.6%
	2Q 13	-4.8%	-5.4%	-4.5%	-5.2%	-4.9%	-3.9%	-8.3%	5.7%	n.a.	-5.1%	-3.5%	2.6%	-6.4%
	3Q 13	-1.1%	-2.2%	-1.4%	-0.9%	0.2%	0.7%	-1.3%	-5.8%	11.1%	-2.9%	-0.5%	0.3%	-1.6%
	4Q 13	-2.4%	-5.7%	-4.1%	-0.2%	0.0%	-1.1%	-0.4%	-7.3%	n.a.	-4.9%	-1.8%	1.0%	-3.4%

		SUPPLY		DEMAND		INVENTORY CHANGE				Existing	Sampled	Percent
	Period	Qtrly	Ann	Qtrly	Ann	Qtrly	Ann		Period	Units	Units	Sampled
	4Q 11	116	116	(37)	188	0.5%	0.5%		4Q 11	23,690	12,086	51.0%
	1Q 12	0	116	3	393	0.0%	0.5%		1Q 12	23,690	12,156	51.3%
	2Q 12	0	116	102	196	0.0%	0.5%		2Q 12	23,690	12,549	53.0%
	3Q 12	610	726	432	411	2.6%	3.1%	SAMPLE/	3Q 12	24,300	13,267	54.6%
SUPPLY/ DEMAND	4Q 12	0	610	(158)	367	0.0%	2.6%	EXISTING UNITS	4Q 12	24,300	11,621	47.8%
	1Q 13	67	677	(55)	300	0.3%	2.9%		1Q 13	24,367	13,258	54.4%
	2Q 13	0	677	(20)	193	0.0%	2.9%		2Q 13	24,367	13,060	53.6%
	3Q 13	474	541	777	476	1.9%	2.2%		3Q 13	24,841	13,464	54.2%
	4Q 13	687	1,228	411	1,061	2.8%	5.1%		4Q 13	25,528	13,130	51.4%

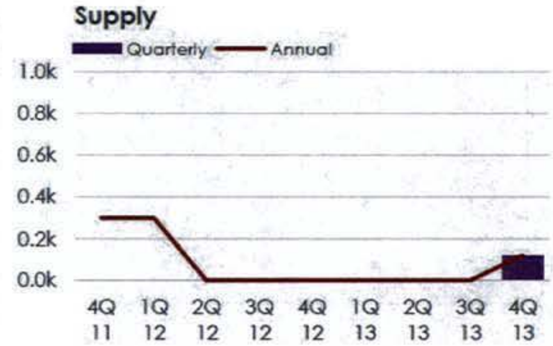
COMPARATIVE POSITIONING

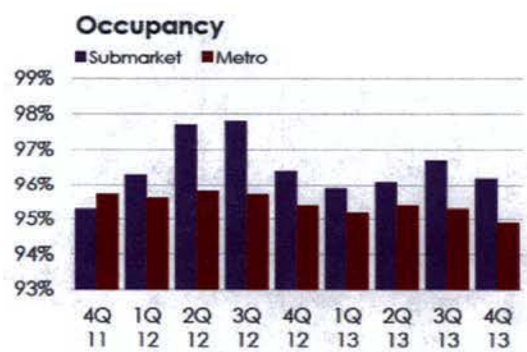


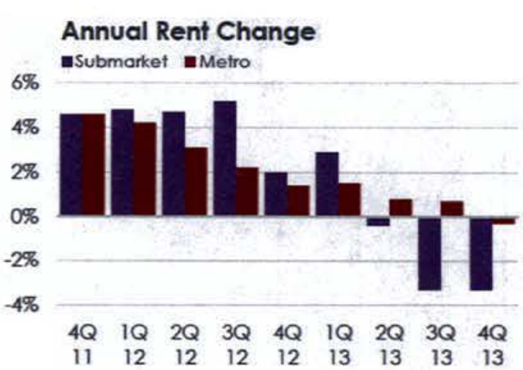
● This Submarket ○ All Other Submarkets ● Metro

SNAPSHOT

	SUBMARKET	METRO
Existing Units	15,339	532,139
Sampled Units	8,492	322,322
Percent Sampled	55.4%	60.6%
SUPPLY and DEMAND		
Quarterly Supply (units)	122	3,594
Annual Supply (units)	122	10,085
Annual Inventory Change	0.8%	1.9%
Five-Year Average Annual Supply (units)	266	6,670
Five-Year Peak in Annual Supply (units)	639	10,085
Five-Year Trough in Annual Supply (units)	0	2,993
Quarterly Demand (units)	48	1,198
Annual Demand (units)	97	6,610
OCCUPANCY		
Current Rate	96.2%	94.9%
Quarterly Change	-0.5	-0.4
Annual Change	-0.2	-0.5
Five-Year Peak	97.8%	96.0%
Five-Year Trough	90.7%	93.7%
Five-Year Average	95.4%	95.2%
RENT		
Monthly Rent	$1,656	$1,532
Rent Per Square Foot	$1.941	$1.732
Quarterly Change	-2.3%	-2.1%
Annual Change	-3.3%	-0.3%
Five-Year Peak in Annual Change	6.6%	5.5%
Five-Year Trough in Annual Change	-5.9%	-1.4%
Five-Year Average Annual Change	1.6%	2.1%
REVENUE CHANGE		
Quarterly Change	-2.8%	-2.5%
Annual Change	-3.5%	-0.8%
Five-Year Peak in Annual Change	9.0%	6.9%
Five-Year Trough in Annual Change	-7.8%	-2.5%
Five-Year Average Annual Change	1.6%	2.2%
ONE-YEAR FORECAST		
Annual Supply (units)	257	19,279
Annual Demand (units)	141	10,570
Occupancy	95.6%	93.5%
Annual Occupancy Change	-0.6	-1.4



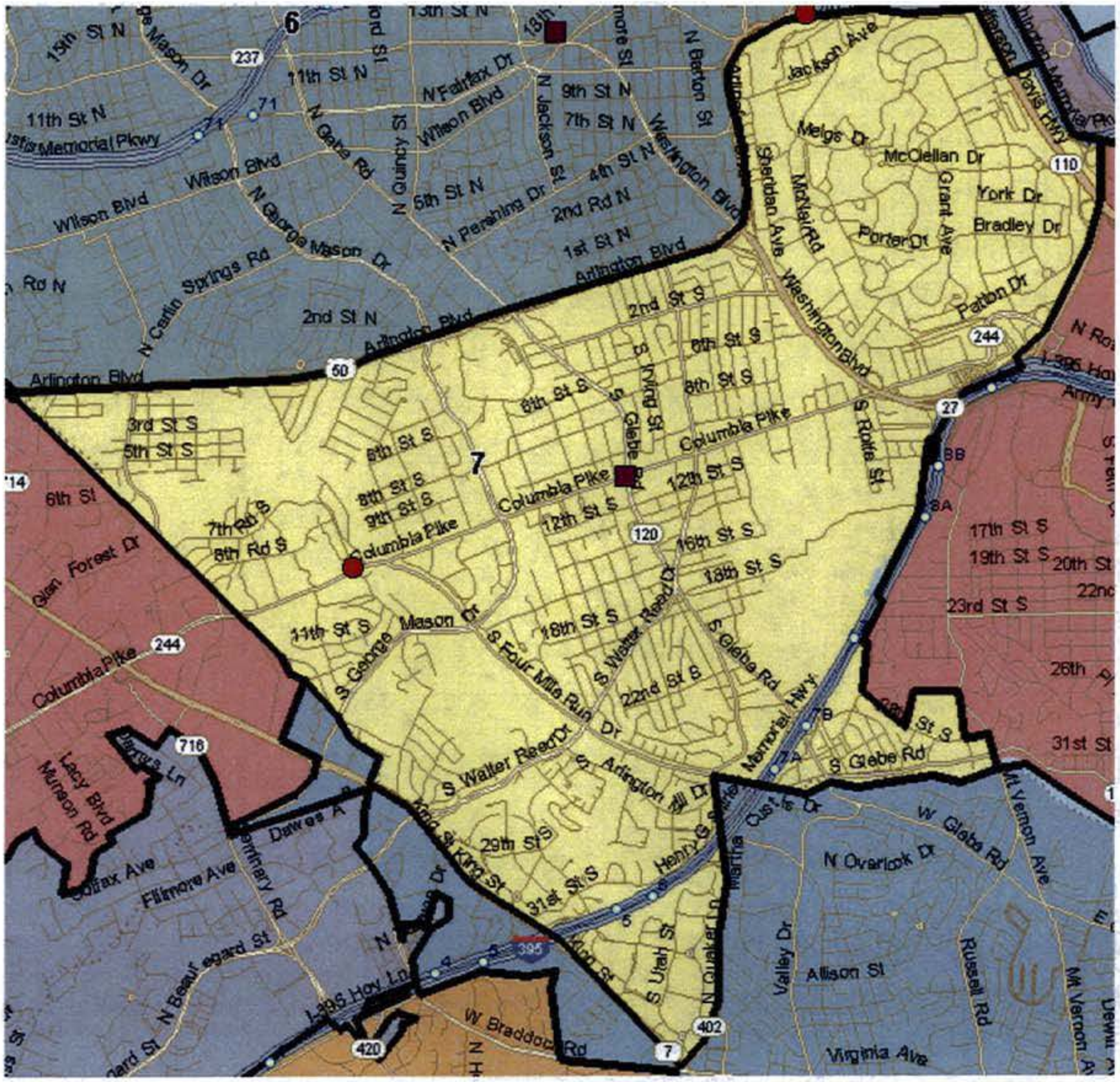




SUPPLY DETAILS AND MAP

Sub#	Properties Completed in the Last Four Quarters	Developer	Property Type	Units	Stories	Start	Finish
7	**Arlington Mill** 901 S Dinwiddie St, Arlington, VA 22204	Arlington Partnership for Affordable Housing	Affordable	122	4	08/12	12/13
							Total Units: 122

Sub#	Properties Under Construction	Developer	Property Type	Units	Stories	Start	Finish
7	**Pike 3400** 3400 Columbia Pike, Arlington, VA 22204	Penrose Columbia Pike Associates	Conventional	257	6	08/12	04/14
							Total Units: 257



● Completed

■ Under Construction

ZIP Code List:
22204, 22206, 22211