

Save DC Public Land

THE 1617 PROJECT

FEBRUARY 11, 2024

ZC Case 23-02 -- SUPPLY & DEMAND DOESN'T WORK FOR LOWER-INCOME RESIDENTS OR WHEN REAL ESTATE INTERESTS COLLUDE TO KEEP HOUSING COSTS HIGH

There are Tens of Thousands of Vacant Units in DC, Yet Housing Prices Aren't Dropping

Facts:

There were/are about 40k empty housing units in DC, (likely more now).

[Pre-pandemic], the average vacancy rate in the District is 14.7%, with submarkets such as SW/Navy Yard, Capitol Hill, and Georgetown/Wisconsin Ave, are seeing vacancy rates at 31%, 27%, and 18% respectively .

*DHCD Report, Saving DC's Rental Housing Market Strike Force, **citing from "The State of the DC Multifamily Rental Market"** analysis by the Apartment & Office Building Association of Metropolitan Washington (AOBA), published by Randi Marshall, Vice President of Government Affairs, D.C., February 19, 2021, at page 13.*

These thousands of housing units throughout DC remain empty on purpose, to keep rents high:

- Press Release, "Attorney General Schwalb Sues RealPage & Residential Landlords for Rental Price-Fixing, Illegally Raising Thousands of District Residents' Rents" published on November 1, 2023, <https://oag.dc.gov/release/attorney-general-schwalb-sues-realpage-residential>
- Article, "D.C. sues landlords, RealPage, alleges collusion to increase rents" by Justin Wm. Moyer, in the Washington Post, published on November 1, 2023, <https://archive.ph/u4vTk>

The alleged "housing "crisis is manufactured.

Any downward pressure on housing prices has be *de minimus* and occurring only within the high-end housing segment

Facts:

Nearly 90% of the residential units constructed over past 20 years have been Class A studios and one-bedrooms.

This segment of housing is the only segment coming down in price ever so slightly, but driving up costs for all other segments.

- Article, "Rent Comes Down for the Wealthy, While Rising for the Rest, Surplus of new housing is driving down prices at the top of the market" by Will Parker, Wall Street Journal, dated February 6, 2024, <https://archive.ph/3ARmb>
- Article, "This Map Shows Where Rents Are Dropping in D.C." by Morgan Baskin, published by Dcist, December 7, 2020, <https://dcist.com/story/20/12/07/this-map-shows-where-rents-are->

[dropping-in-d-c/](#), quoting the article: "While rents as a whole are down by a more modest percentage across the city, certain neighborhoods have seen striking drops in Class A rental prices."

Chairman Anthony Hood understands this:

12 I can tell you some of the concerns that I've had,
13 not just with this case, I hear all this about affordable
14 housing, and we talk about it all the time. And I'm going
15 to start really getting on this because, from my standpoint
16 and I've said this previously, affordable housing, it seems
17 like the more housing we get the more the price goes up. I
18 hear the argument, Mr. Dettman, that if you increase the
19 supply -- let me make sure I got my economics right -- if you
20 increase the supply the cost comes down. We increase the
21 supply, and it goes up. And that's Anthony Hood's opinion.
22 I'm a realist. I'm going by what I see, not what I hear.
23 Because if I go by what I hear, yes, everything is
24 affordable. I only know of maybe one or two real good
25 affordable projects that I've dealt with in the city.

May 10, 2018, DC Zoning Transcript,
[https://app.dcoz.dc.gov/Content/Search/Download.aspx?
exhibitid=148734](https://app.dcoz.dc.gov/Content/Search/Download.aspx?exhibitid=148734), Video link:
<https://www.youtube.com/watch?v=oTFXDTg8KPg>

Bottom line: Building more luxury housing on public land is criminal at this point.

We must use public land to serve the public need for much more truly affordable housing for families and to repair the displacement harms of the past, not perpetuate them.

Save DC Public Land: Working for a Safe & Affordable U Street www.savedcpublicland.org/the1617project

Informing: The DC Zoning Commission, in ZC Case 23-02