

Region avoids rental slump

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The Washington area has managed to avoid a massive slump in the apartment market despite record-low interest rates that have caused many renters to buy, real estate analysts said.

Delta Associates, a District real estate research firm, said the bottom of the apartment market may be near, signaling that landlords are finally past a period when making ends meet was a struggle.

For the past several years, developers of apartment buildings in the region said they were stuck with half-empty buildings, particularly among their high-end properties. Many landlords gave out a month's rent, parking and other concessions in an effort to attract tenants.

But that is gradually changing, according to Delta Associates, which called the Washington-area apartment market the best in the nation.

About half of the garden-style apartments in the region raised their rent in the past 12 months, while most cities saw big rent declines across the board.

"This performance is even more remarkable in light of ... modest job gains locally and the lowest mortgage rates in 40 years, as well as building oversupply in some submarkets," Delta Associates said in a report this week.

For the past several years, apartment markets across the country have struggled, particularly with high vacancy rates in expensive buildings. But Delta said the market could be seeing a rebound. The area has filled 5,133 apartments in the past 12 months, a slight increase over the previous year. And vacancy rates ? at 2.4 percent ? are also lower.

Council approves waterfront plan

The D.C. Council on Tuesday approved Mayor Anthony A. Williams' plan to redevelop 50 acres of land along the Washington Channel in Southwest.

The redevelopment plan, which is part of a larger effort to refurbish most of the land along the Anacostia River, calls for 800 units of mixed-income housing and 580,000 square feet of commercial, retail and cultural space. The plan also calls for the tripling of open space, to 14 acres.

While the plan has been approved, the council still must approve the rezoning of the site and approve the closing of Water Street. Getting all of the District and federal agencies that own the land in Southwest together will also require time and work, officials said.

In other news ...

Local real estate firm the Bozzuto Group has pre-leased 70,000 square feet at 7850 Walker Drive, a four-story building scheduled for completion in June. The 84,000-square-foot property, owned by Atlantic Realty Companies, will be called Patriot West.

The District is scheduled to break ground today on the new Embassy Suites Washington/Convention Center at 1000 K St. NW. Representatives from the International Painters and Allied Trades Industry Pension Fund, a lead investor of the project, and Hilton Hotels Inc. will be present at the ceremony.

Meritage Properties bought 475 School St. SW, a 57,000-square-foot office building, for \$14.5 million. It is the second purchase for Meritage since it was founded earlier this year by former Tishman Speyer executive Andrew Nathan. The company bought 1411 K St. NW in June.