

The ongoing economic uncertainty resulting from the pandemic and political instability could have an impact on the Washington DC housing market in 2023. While the city has a strong job market and economy, any external shocks to the wider economy could have an impact on the housing market. All eyes have been on the Federal Reserve as the unprecedented pace of their interest rate hikes attempt to rein in inflation. These historic increases have created turmoil for lenders, especially among local banks, which further complicates the already challenging housing market. The current market climate characterized by increased

costs of borrowing, large concessions, and record-high vacancies has created challenges for owners, who are finding it increasingly difficult to sell or refinance their properties. While D.C. didn't experience large rent decreases in recent years, the market did experience some of the highest concession packages in the country. Inflation has also significantly impacted commodity and construction prices. Overall, the Washington DC housing market is expected to remain strong in 2023, and the recent funding for affordable housing and infrastructure projects also provides a potential avenue for socially responsible investment opportunities.

Washington, D.C.

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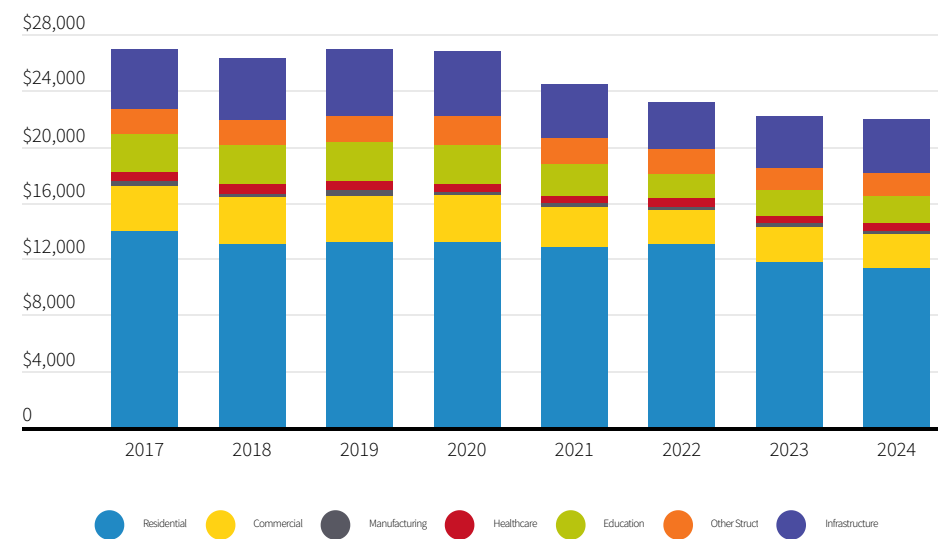
Total Construction Market Volume by Sector (x \$1m, Nominalized 2012\$)

	2017	2018	2019	2020	2021	2022	2023	2024
Total Increase	0.2%	-2.9%	3.0%	-0.9%	-8.5%	-5.6%	-3.9%	-1.2%
Residential	3.3%	-6.7%	0.8%	-0.3%	-2.4%	1.3%	-9.4%	-3.2%
Commercial	1.2%	2.3%	2.8%	-2.1%	-14.1%	-12.3%	-2.3%	-4.7%
Manufacturing	-12.8%	-2.6%	6.9%	-7.9%	-1.6%	7.6%	6.0%	-9.7%
Healthcare	3.8%	-2.5%	2.9%	-2.2%	-7.2%	-8.9%	-1.0%	1.9%
Education	2.1%	1.0%	1.2%	-1.4%	-18.9%	-17.3%	-0.4%	4.3%
Other Structure*	5.2%	1.7%	1.5%	11.8%	-13.3%	-13.8%	-2.9%	1.8%
Infrastructure	-11.3%	1.2%	11.2%	-5.8%	-14.0%	-13.2%	12.3%	3.8%

◀ HISTORIC FORECAST ▶

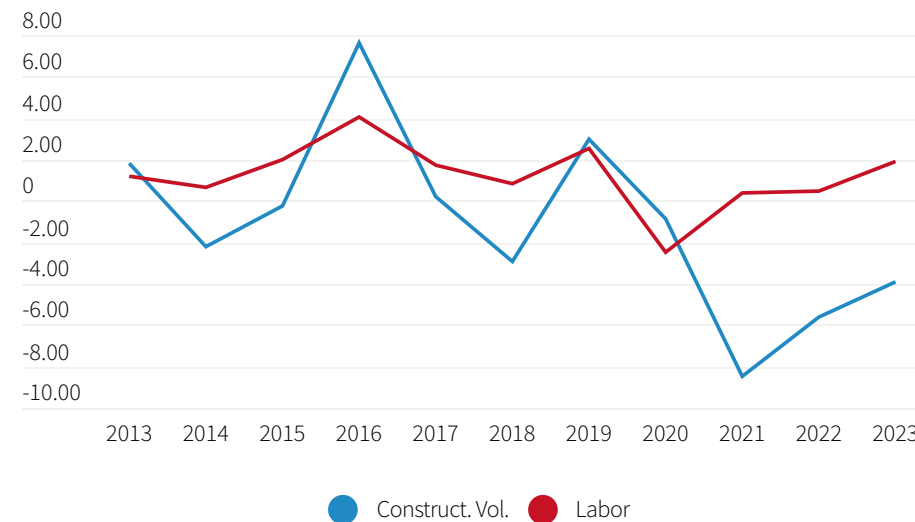
* This includes religious buildings, amusement, government communications, and public recreation projects.

Annual Volume (x\$1M, 2012\$)



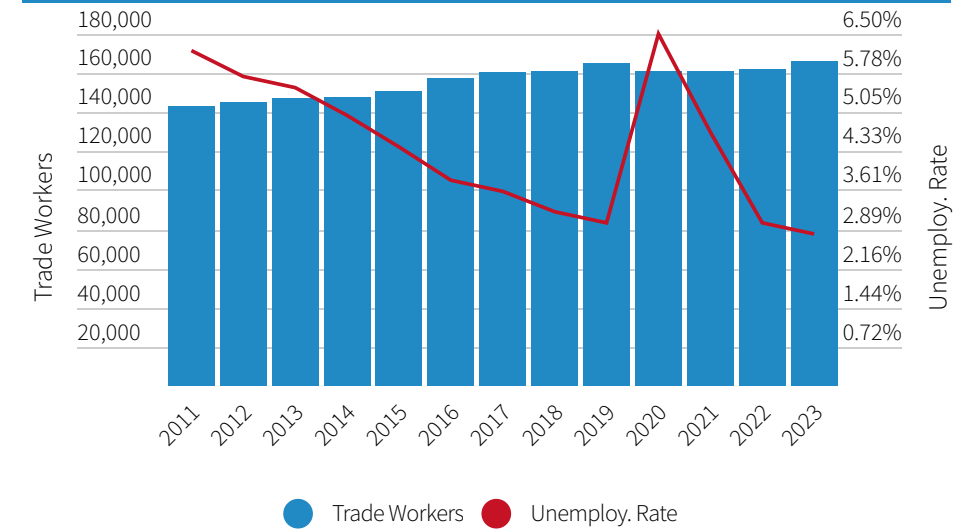
SOURCE: IHS-Market

Construction Volume vs Labor - Annual Increase/Decrease



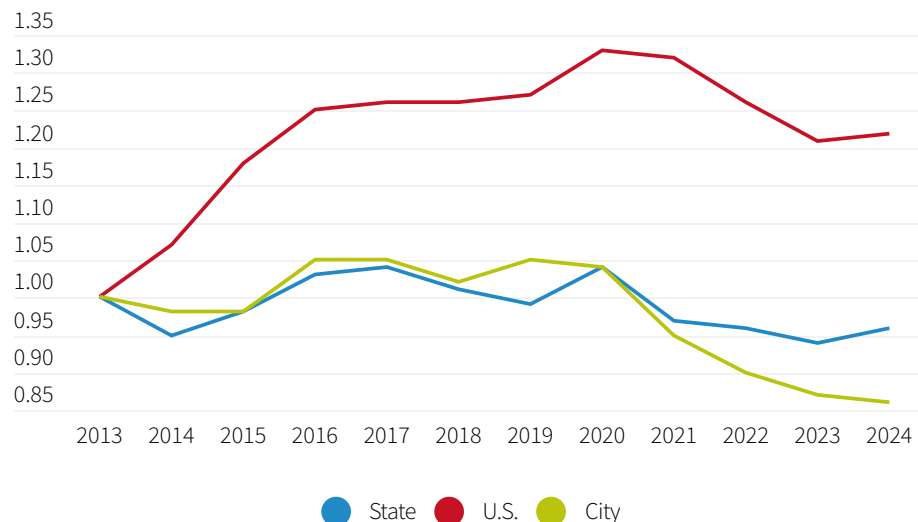
SOURCE: ReedConnect

Regional Construction Employment



SOURCE: U.S. Bureau of Labor Statistics

Construction Spending Index 2013-2024 (2013=1.0)



SOURCE: IHS-Market

Top Regional Projects Sorted by Construction Value

Project Name	Location	Value
Burnham Place at Union Station	Washington DC	\$8.5B
FBI Headquarters	Washington DC	\$2B
The Parks at Walter Reed	Washington DC	\$1B
Waterfront Station	Washington DC	\$750M
McMilan Park Reservoir Redevelopment	Washington DC	\$720M
Howard University Hospital Relocation	Washington DC	\$650M
Northeast Heights	Washington DC	\$650M
Barry Farm Mixed-Use Development	Washington DC	\$550M
CMC for Cannon House Office Building Renovation	Washington DC	\$525M
Naval History & Heritage Command Museum	Washington DC	\$475M

SOURCE: ReedConnect