



DISTRICT OF COLUMBIA HOUSING MONITOR

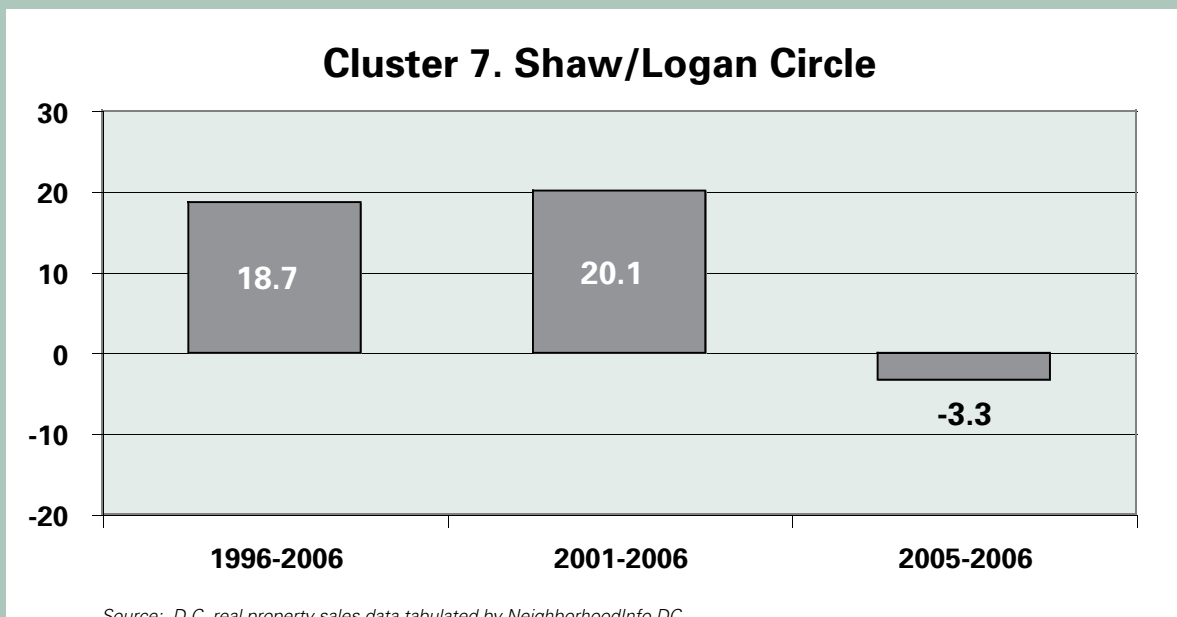
SUMMER 2007

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- Housing Market Update
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IN THE SPOTLIGHT

FIGURE 4A. ANNUAL PERCENTAGE CHANGE IN MEDIAN SALES PRICE OF SINGLE-FAMILY HOMES



The quarterly *District of Columbia Housing Monitor* uses the most recent available data to illuminate housing market and affordable housing trends in the city. In addition, each report includes a *special focus* section that analyzes, in greater depth, developments that are shaping the Washington, D.C., housing landscape. In this issue, the special section looks at home sales trends in neighborhoods throughout the city through 2006.

The information presented in this report is supplemented by data provided on the NeighborhoodInfo DC web site (<http://www.NeighborhoodInfoDC.org/housing>).

Key findings:

- *Sales volume for single-family homes in the fourth quarter of 2006 fell below levels one, five, and ten years earlier. Sales prices of houses and condominiums are down from one year ago.* Sales of single-family homes and condominiums have continued to slow, resulting in an overall price decline. Sales of single-family homes were down 17.6 percent between the fourth quarters of 2005 and 2006, while condominium sales were off by 2.7 percent. Although condominium prices rebounded somewhat from the third quarter, real prices of both single-family homes and condominiums are down from one year earlier.
- *Monthly real estate listings of single-family homes, condominiums, and cooperatives decreased slightly in the first quarter of 2007, but units continued to spend longer on the market before being sold.* Average monthly real estate listings for single-family homes, condominium, and cooperative units decreased in the first quarter of 2007 but remained higher than averages between 2001 and 2005. Half of all homes for sale spent 60 days or more on the market before being sold in the first quarter of 2007, while almost a quarter were on the market 120 days or more.
- *Wards 1 and 8 had the strongest price growth in single-family homes between the fourth quarters of 2005 and 2006, while Ward 2 had the steepest price decline. Condominium sales and prices grew markedly in Wards 7 and 8 in 2006.* Ward 1 had the strongest growth in single-family home prices over the year, with an inflation-adjusted increase of 9.5 percent between the fourth quarters of 2005 and 2006, while Ward 8 prices were up 9.0 percent. Single-family home prices in Ward 2 continued moving downward, with a 13 percent decline from the fourth quarter of 2005. Condominium sales were up 48.7 percent in Ward 7 and 82.4 percent in Ward 8. In Ward 8, condominium sales accounted for over a third of all homeownership property sales in 2006.
- *The construction of new multifamily housing, along with rental conversions, has led to a steep increase in condominium housing in the District of Columbia.* Home building in the District of Columbia remained strong in early 2007. The construction of new multifamily housing, along with conversions of some existing rental properties, has resulted in a net addition of 11,558 condominium units to the housing stock between 2001 and 2006, compared with an increase in 832 single-family houses and a net loss of 100 cooperative units.
- *Cumulative losses of Section 8 housing totaled 1,389 units between 2000 and 2006.* As of January 1, 2007, the District of Columbia had 11,326 active housing units subsidized under Section 8 and other federal multifamily programs. Contracts for over a third of these units are set to expire between January and December 2007, putting these units at risk of being lost from the city's affordable housing stock. A total of 1,389 units have been lost to the Section 8 program since 2000, representing about 11 percent of the city's Section 8 housing stock.
- *While such neighborhoods as Shaw and Logan Circle have been the hot performing markets over the past ten years, home prices have flattened or fallen in many of these neighborhoods recently.* Many neighborhoods that experienced extraordinary growth in home prices in the past five to ten years have started to see a slump in sales, reflective of the overall market. One such set of neighborhoods is cluster 7 (Shaw/Logan Circle), where the median price of single-family homes has dropped 3.3 percent in real terms between 2005 and 2006. Neighborhood clusters with similar price patterns generally include other higher-priced neighborhoods, such as cluster 4 (Georgetown/Burleith), cluster 6 (Dupont Circle/Connecticut Avenue/K Street), and cluster 22 (Brookland/Brentwood).
- *Other neighborhoods, including Ivy City and Columbia Heights, experienced slower, but nonetheless solid, price growth between 2005 and 2006.* Other neighborhood clusters, while having cooled in the recent housing market adjustment, maintained moderate price growth trends through 2006. Cluster 23 (Ivy City/Arboretum) experienced very strong price growth over the past five years,

with an average annual real price increase for single-family homes of 22.5 percent between 2001 and 2006. Prices in this cluster increased at a slower, but robust, rate of 8.0 percent between 2005 and 2006. Other neighborhood clusters experiencing slower but moderate price increases between 2005 and 2006 include cluster 2 (Columbia Heights/Mount Pleasant), cluster 17 (Takoma/Brightwood), cluster 26 (Capitol Hill/Lincoln Park), and cluster 34 (Twining/Fairlawn).

- *Despite the overall market slowdown, several neighborhoods east of the Anacostia River, such as Congress Heights and Bellevue, experienced accelerating price growth through 2006.* Some areas, particularly lower-valued neighborhoods in the northeast and southeast, continued to show strong and accelerating price growth through 2006. For example, in cluster 39 (Congress Heights/Bellevue), prices rose 27.4 percent from 2005 to 2006. The median sales price in this cluster still remained well below the citywide median, however. The remaining neighborhood clusters in Ward 8 are all experiencing accelerating price growth, including cluster 28 (Historic Anacostia) and cluster 38 (Douglas/Shipleigh Terrace).

- *The condominium market has been more susceptible to the housing slowdown than the single-family home market, which has led to sharper recent price drops in neighborhoods like Columbia Heights and Mount Pleasant. Nonetheless, other neighborhoods, such as Foggy Bottom, continued to show strong price growth for condominiums in 2006.* The city's condominium market has exhibited more price volatility than the single-family home market, with a larger median price decrease for condominiums between 2005 and 2006 than for single-family homes. The median real sales price in one of the city's largest condominium markets, cluster 2 (Columbia Heights/Mount Pleasant), fell 15.2 percent between 2005 and 2006. Other clusters with similar price drops include cluster 12 (North Cleveland Park/Forest Hills) and cluster 25 (NoMa/Union Station/Stanton Park). In other neighborhoods, such as cluster 5 (West End/Foggy Bottom), condominium prices continued to have strong growth through 2006. Condominium sales have also increased notably in neighborhoods east of the Anacostia river.

Housing Market Update

Home Sales

Sales volume for single-family homes in the fourth quarter fell below levels one, five, and ten years earlier. Sales prices of houses and condominiums are down from one year ago.

As was the case in recent *Housing Monitors*, sales of single-family homes and condominiums have continued to slow, resulting in an overall price decline. Total sales of single-family homes in the District of Columbia fell substantially between the third and fourth quarters of 2006, which is partly attributable to normal seasonal fluctuations in the housing market. Nonetheless,

sales of single-family homes were down 17.6 percent from the prior year, dropping from 1,023 to 843 sales between the fourth quarters of 2005 and 2006 (table 1 and figure 1). The fourth quarter 2006 sales volume was also considerably lower than in the fourth quarters of 2001 (1,021 sales) and 1996 (987 sales). The total number of single-family home sales for 2006 was 12.0 percent lower than in 2005.

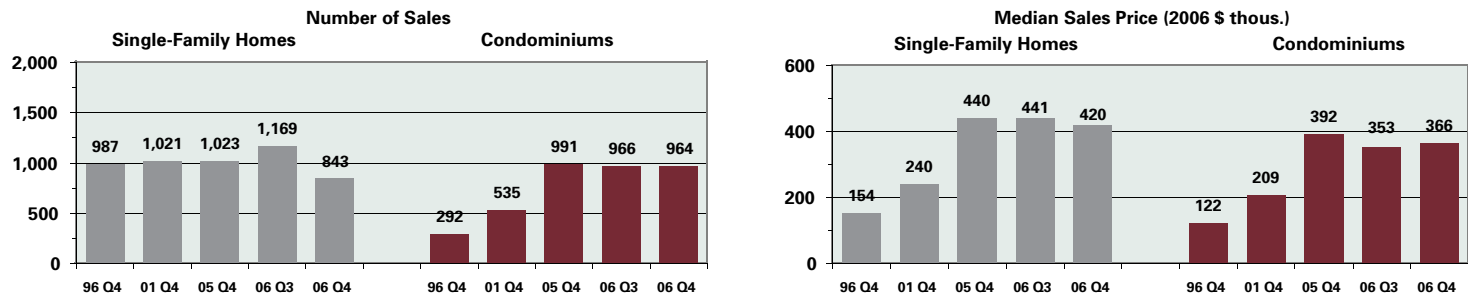
As with single-family homes, condominium sales in the city were down from 991 sales in the fourth quarter of 2005 to 964 sales in the fourth quarter of 2006, a decline of 2.7 percent. For the entire year, sales volume is also down. There were 25.1 percent fewer sales of condominiums in 2006 than in 2005. Condominium sales

Table 1: Home Sales by Ward, Washington, D.C., 1996 – 2006 Q4

	D.C. Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Single-Family Home Sales									
Number of Sales									
2006 Q4	843	71	42	104	171	126	138	135	56
2006 Q3	1,169	99	73	149	230	166	175	156	121
2006 Q2	1,129	98	78	147	212	175	181	146	92
2006 Q1	798	66	42	84	162	130	130	121	63
2005	4,478	423	294	544	851	733	790	567	276
2001-2004 (annual average)	4,552	494	343	632	850	708	793	472	262
1996-2000 (annual average)	4,611	504	376	727	857	677	772	465	233
Median sales price (2006 \$ thousands)									
2006 Q4	420	565	880	837	460	376	503	255	265
2006 Q3	441	543	845	835	473	370	530	260	269
2006 Q2	450	543	1,067	909	470	375	514	260	259
2006 Q1	411	546	862	842	437	379	500	247	249
2005	443	516	929	885	434	361	509	227	212
2001-2004	298	327	683	733	299	210	336	142	143
1996-2000	167	159	422	454	171	132	162	108	105
Percent change, median sales price									
2006 Q3 - 2006 Q4	-4.7	4.1	4.1	0.2	-2.6	1.6	-5.2	-1.8	-1.5
2005 Q4 - 2006 Q4	-4.6	9.5	-13.0	-1.8	-1.0	1.1	-2.8	0.8	9.0
2001 Q4 - 2006 Q4 (annualized)	11.8	15.7	7.2	5.4	16.8	17.9	10.7	14.7	13.8
1996 Q4 - 2006 Q4 (annualized)	10.6	13.7	11.5	8.4	10.8	11.8	13.6	9.1	9.5
Percent units sold, owner occupants									
2006 Q4	90.8	85.9	85.3	97.9	89.3	91.7	95.1	87.3	86.0
2006 Q3	90.3	93.5	95.0	94.4	94.5	93.6	91.1	87.6	67.0
2006 Q2	92.3	96.5	97.1	96.5	95.2	93.3	92.6	85.8	73.9
2006 Q1	91.9	93.3	94.1	98.8	95.1	87.2	94.1	89.8	75.6
Condominium Sales									
Number of Sales									
2006 Q4	964	205	408	95	19	47	67	55	68
2006 Q3	966	224	346	142	21	35	99	58	41
2006 Q2	1,135	250	392	233	17	40	83	83	37
2006 Q1	756	189	242	109	23	40	80	33	40
2005	5,103	914	1,684	737	132	143	1,237	154	102
2001-2004 (annual average)	2,789	509	1,082	556	37	82	374	69	79
1996-2000 (annual average)	1,856	287	765	498	16	44	197	28	22
Median sales price (2006 \$ thousands)									
2006 Q4	366	344	443	360	280	242	353	189	181
2006 Q3	353	350	410	361	285	195	340	180	161
2006 Q2	374	404	410	405	275	236	390	180	155
2006 Q1	355	410	420	359	204	240	320	180	210
2005	381	411	413	390	279	271	361	160	126
2001-2004	270	280	313	266	158	168	269	104	99
1996-2000	146	157	156	150	144	121	131	57	57
Percent change, median sales price									
2006 Q3 - 2006 Q4	3.8	-1.7	8.0	-0.1	-1.8	23.8	3.8	5.0	12.8
2005 Q4 - 2006 Q4	-6.6	-15.6	3.4	-11.9	26.0	-0.8	-2.3	11.0	35.5
2001 Q4 - 2006 Q4 (annualized)	11.8	9.2	13.9	10.7	7.0	24.1	14.0	22.6	19.2
1996 Q4 - 2006 Q4 (annualized)	11.6	8.2	13.8	9.6	8.2	6.8	13.0	12.6	14.4
Percent units sold, owner occupants									
2006 Q4	75.5	82.0	70.1	89.7	66.7	66.7	78.8	76.5	68.4
2006 Q3	73.4	69.1	80.9	92.1	65.0	50.0	79.2	45.1	27.5
2006 Q2	73.3	70.9	74.0	87.3	41.2	64.1	80.5	52.6	55.6
2006 Q1	75.1	73.0	72.6	97.1	65.0	65.0	82.4	52.0	55.6

Sources: D.C. Real Property database tabulated by NeighborhoodInfo DC.

Figure 1. Single-Family Home and Condominium Quarter-to-Quarter Sales Trends, 1996 Q4 - 2006 Q4, Washington, D.C.



Source: D.C. real property sales data tabulated by NeighborhoodInfo DC.

volume remains much higher than levels five and ten years ago, however.

The slowdown in sales continued to affect prices. Although condominium prices rebounded somewhat from the third quarter, real prices of both single-family homes and condominiums were down from one year earlier. The median sales price of a single-family home in the District of Columbia was \$420,000 in the fourth quarter of 2006, an inflation-adjusted decline of 4.6 percent from one year earlier, when the median price was \$440,000. The median price of a condominium was \$366,000 in the fourth quarter of 2006, up from the median price of \$353,000 in the third quarter of 2006, but 6.6 percent lower in real terms than the fourth quarter 2005 price of \$392,000.

Monthly real estate listings of single-family homes, condominiums, and cooperatives decreased slightly in the first quarter of 2007, but units continued to spend longer on the market before being sold.

Average monthly real estate listings for single-family homes, condominiums, and cooperative units decreased in the first quarter of 2007 but remained higher than averages between 2001 and 2005.¹ The average number of single-family housing units listed for sale was 1,209 per month for the first quarter of 2007, a decrease from 1,405 units per month for 2006, but still considerably higher than the 774 listings per month in 2005 (table 2). Listings of condominium and cooperative housing units also decreased from an average of 1,647 listings per month in 2006 to 1,410 in the first quarter of 2007. Still, this is almost twice the average

number of listings per month (736) reported in 2005 and considerably higher than between 2001 and 2004.

Listings per sale for single-family homes in the first quarter of 2007 were the same as in 2006, with 4.4 listed homes per sale. Listings per sale were down for condominium and cooperative units, however, with 4.7 listings per sale in the first quarter of 2007, down from 5.6 listings per sale in 2006.

Houses listed for sale continue to spend longer on the market than in recent years, a trend that has continued since 2005. The percentages of single-family, condominium, and cooperative housing units spending 60 days or more, 90 days or more, and 120 days or more on the market in the first quarter of 2007 were all higher than in 2006. Half of all homes for sale spent 60 days or more on the market before being sold in the first quarter of 2007, compared with 35 percent of homes in 2006. Almost a quarter of housing units were on the market 120 days or more in the first quarter of 2007, compared with only 12 percent in 2006.

Wards 1 and 8 had the strongest price growth in single-family homes between the fourth quarters of 2005 and 2006, while Ward 2 had the steepest price decline. Condominium sales and prices grew markedly in Wards 7 and 8 in 2006.

Consistent with citywide trends, sales of single-family homes were down in all wards, except Ward 8, in 2006. Sales volume dropped 20 percent or more between 2005 and 2006 in Wards 1, 2, and 6, and were down 18.6 percent in Ward 5 (table 1). Total sales of homes were up

¹ Data were obtained from the Metropolitan Regional Information Systems, Inc. (MRIS) web site, <http://www.mris.com/reports/stats/>, and are used with permission.

Table 2: Real Estate Listing Trends by Housing Type, Washington, D.C., 1997 – 2007 Q1

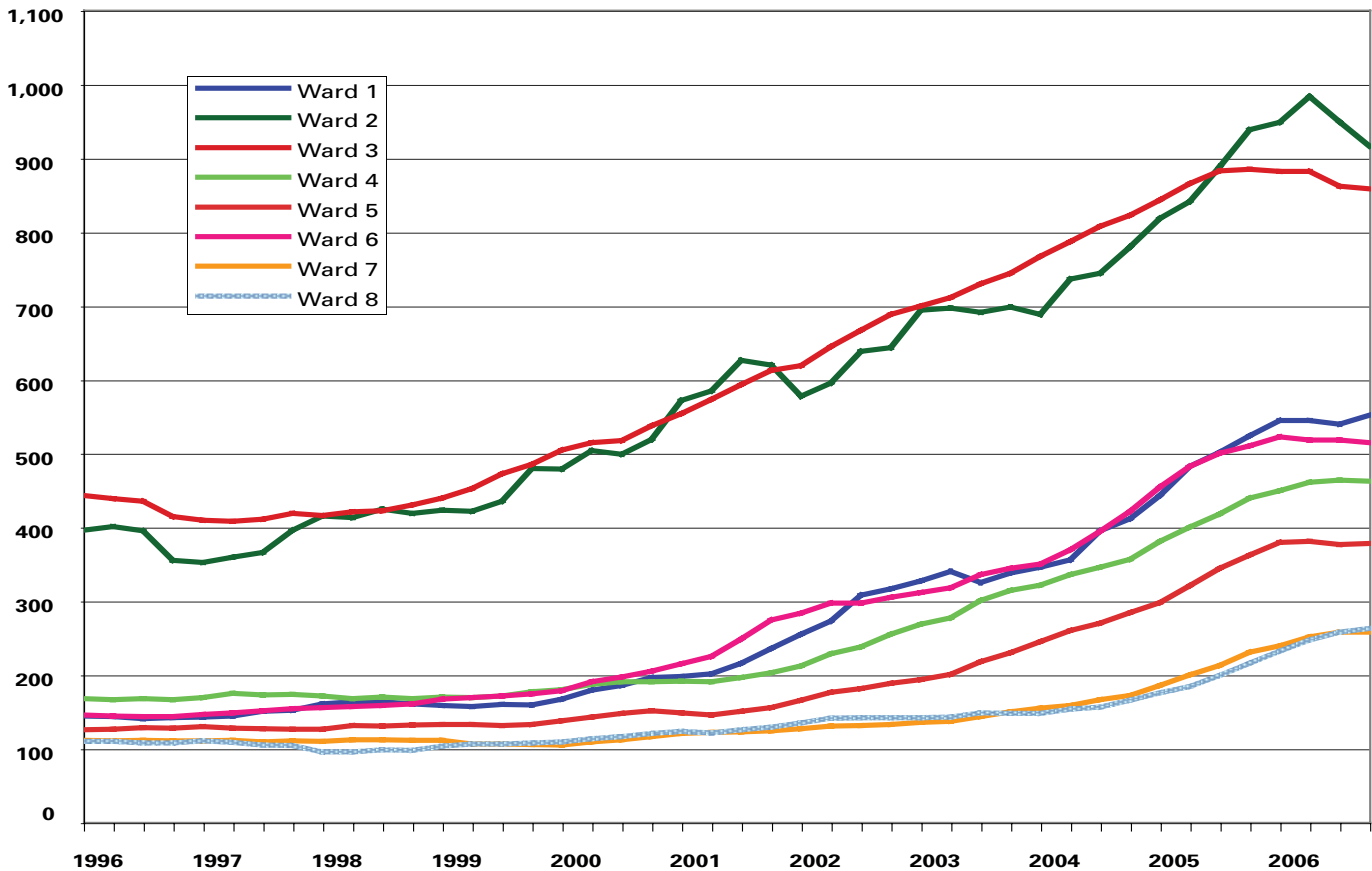
Year	Single-Family Homes		Condo/Coop Units		Percentage of All Housing Sales by Days on the Market		
	Listings/Month	Listings/Sale	Listings/Month	Listings/Sale	60+ Days	90+ Days	120+ Days
2007 Q1	1,209	4.4	1,410	4.7	50	37	25
2006	1,405	4.4	1,647	5.6	35	21	12
2005	774	1.8	736	2.1	16	9	6
2001-2004	843	1.9	438	1.6	18	12	8
1997-2000	1,679	4.4	783	4.0	n/a	n/a	n/a

Source: Metropolitan Regional Information Systems, Inc., data tabulated by NeighborhoodInfo DC. (Data used with permission.)

Notes: Listings are current active listings from monthly reports. n/a = Data not available for these years.

Figure 2. Single-Family Home Price Trends by Ward, 1996 – 2006 Q4 (Quarterly), Washington, D.C.

Four-quarter moving average of median price (2006 \$ thousands)



Source: D.C. real property sales data tabulated by NeighborhoodInfo DC.

20.3 percent in Ward 8 between 2005 and 2006, the only increase in sales volume over the year. The remaining wards experienced declines in sales ranging from 1.6 percent in Ward 7 to 11 percent in Ward 3.

Despite the drop in sales volume, Ward 1 had the strongest growth in single-family home prices over the year, with an inflation-adjusted increase of 9.5 percent between the fourth quarters of 2005 and 2006 (table 1 and figure 2). Ward 8 had a comparable level of price growth. The median fourth quarter 2006 single-family home price in Ward 8 was \$265,000, up 9.0 percent from the fourth quarter of 2005. As was the case in previous *Housing Monitors*, single-family home prices in Ward 2 continued moving downward after peaking in the second quarter of 2006. Although prices rose from the third quarter, the median sales price of a single-family home in Ward 2 was \$880,000 in the fourth quarter of 2006—a 13 percent decline from the fourth quarter of 2005. Prices in Wards 3, 4, and 6 were also down over the year, while prices in Wards 5 and 7 rose modestly.

Again consistent with citywide trends, sales and prices of condominium units were down in most wards. The largest decline in condominium sales was in Ward 6, where sales fell from 1,237 in 2005 to 329 in 2006, a drop of 73.4 percent. Most of this decrease was in the Downtown and the Southwest Waterfront areas, where many new condominium units are being built. Ward 3 also experienced a significant drop in condominium sales, with 21.4 percent fewer sales in 2006 than in 2005. Ward 1 had the second highest number of condominium sales in 2006, after Ward 3, but its sales volume was down 5.0 percent from 2005.

Although the sales volume was not nearly as large as in Wards 1, 2, 3, and 6, there were notable increases in condominium sales in Wards 5, 7, and 8 in 2006. Condominium sales were up 13.3 percent in Ward 5 since 2005, with 162 total sales in 2006. Wards 7 and 8 experienced even larger growth, with increases of 48.7 percent in Ward 7 (229 total sales in 2006) and 82.4 percent in Ward 8 (186 sales). In Ward 8, condominium sales accounted for over a third of all homeownership property sales (single-family homes and condominiums) in 2006. These

numbers suggest that condominium ownership may be becoming an increasingly important form of homeownership in these wards, a trend we discuss further in the special focus section.

Median sales prices of condominium units were down in Wards 1, 3, 5, and 6 between the fourth quarters of 2005 and 2006, with Ward 1 experiencing the largest inflation-adjusted price drop of 15.6 percent. The second largest price decline was in Ward 3, where the median price was down 11.9 percent over the year. Ward 2 had the highest condominium prices among all wards, with a median price of \$443,000 in the fourth quarter of 2006. In contrast to most other wards, prices of condominiums in Wards 7 and 8 rose significantly, although still lagged behind median prices in other wards. The median sales price of a condominium unit in Ward 7 in the fourth quarter of 2006 was \$189,000, up 11.0 percent from the fourth quarter of 2005. Over the same period, the median price rose 35.5 percent in Ward 8 to \$181,000 in the fourth quarter of 2006. Prices in Ward 4 were also up over the year, but the volume of condominium sales was very low, with only 80 sales in 2006.

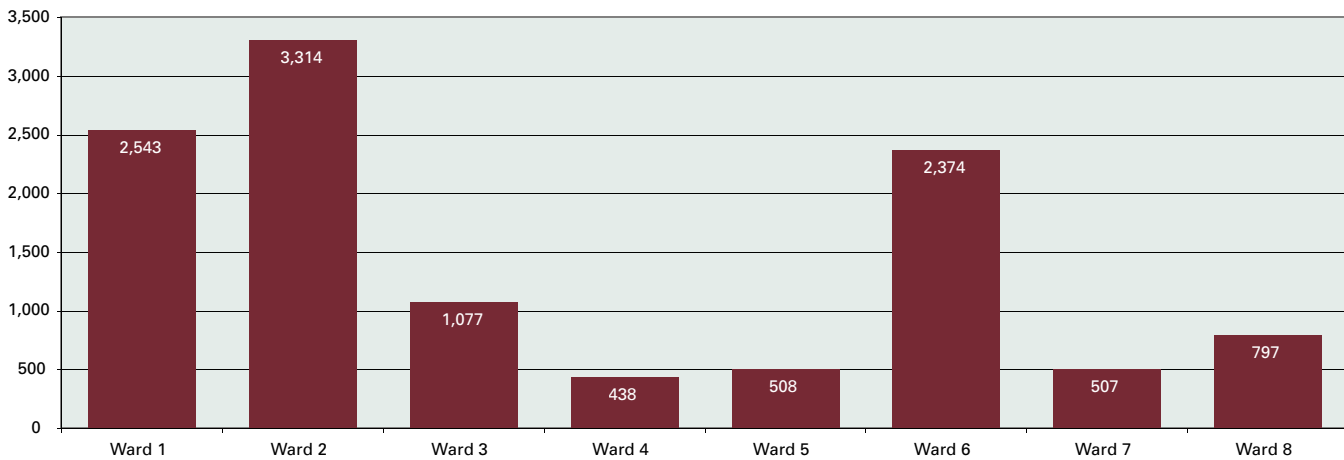
Housing Stock

The construction of new multifamily housing, along with rental conversions, has led to a steep increase in condominium housing in the District of Columbia.

Home building remained strong in early 2007. According to data provided by the D.C. Office of Planning, in the first quarter of 2007, building permits were issued for the construction of at least 1,067 new housing units.² Unlike in previous years, a large share of these new units, 43 percent, were single-family homes. Unfortunately, tracking new construction remains a challenge in the District of Columbia because of data quality issues. Of the nine permits issued for new multifamily housing construction in the first quarter of 2007, one did not have information on the number of units to be built and so is not included in the count of 1,067 units. Nevertheless, even this incomplete unit count was higher than the total reported by the

² In the Spring 2007 *Housing Monitor*, we reported a total of 2,105 new units authorized by building permits in 2006. This count was obtained from the U.S. Census Building Permits Survey, which, we have since learned, underreported new construction in the District of Columbia in 2006. We have therefore replaced the Census counts with more complete data provided to us by the D.C. Office of Planning (OP) for 2006 and 2007. Total new units in permits compiled by OP was 3,379 in 2006. We are very grateful to Art Rodgers at OP for compiling these data and making them available to us.

Figure 3. Net Change in Number of Condominium Units, 2001 – 2006, Washington, D.C.



Source: D.C. real property data tabulated by NeighborhoodInfo DC.

Census Building Permits Survey for new construction in the first quarter of 2007. It was also higher than the first quarters of any of the previous years between 2000 and 2005.

The construction of new multifamily housing continues to change the housing landscape in the city, with increasing numbers of condominium units in all wards. The number of ownership housing units (single-family homes plus condominium and cooperative housing) has risen from 132,380 to 144,661 units between 2001 and 2006, a net increase of 12,281 housing units.³ By far, the largest share of this increase has been units in condominium ownership (figure 3), with a net of 11,558 condominiums added to the housing stock between 2001 and 2006, bringing the total to 41,486 units in 2006. The greatest net increases in condominiums have been in Ward 2 (3,314 units), Ward 1 (2,543 units), and Ward 6 (2,374 units). Ward 2 had the largest number of condominiums at the end of 2006, with 14,077 units; the second highest number was Ward 3, with 9,258 units.

The number of single-family homes increased as well,

although much more modestly. There was a net increase of 823 single-family homes between 2001 and 2006, giving the city a total of 92,902 single-family homes (both attached and detached) in 2006. Wards 1 and 2 had small net losses of single-family homes over this period (20 homes or fewer), but all other wards had net increases. The largest growth in single-family homes between 2001 and 2006 was in Ward 8 (405 net new homes) and Ward 7 (208 homes).

The number of cooperatively owned housing units has declined slightly since 2001, with a net loss of 100 cooperative units through 2006. All of this loss was in three wards: Ward 1 (39 units), Ward 8 (42 units), and Ward 7 (19 units).

Unfortunately, there is no reliable, comprehensive data source on numbers of rental units in the District of Columbia, so we cannot report on changes in this segment of the housing stock. Some of the increase in condominium units reported above can be attributed to the conversion of existing rental apartment buildings to condominium ownership.

³ Numbers of ownership units were tabulated by NeighborhoodInfo DC from the D.C. Real Property database.

Affordable Housing Update

This section of the *Housing Monitor* focuses on Washington, D.C.'s federally subsidized multifamily housing, primarily units assisted under the project-based Section 8 Housing Assistance Payments program (Section 8).⁴ Preserving federally assisted housing projects is an important part of the city's strategy for providing an adequate supply of affordable housing for low-income and working families.

Cumulative losses of Section 8 housing totaled 1,389 units through 2006.

As of January 1, 2007, the District of Columbia had 11,326 active housing units subsidized under Section 8 and other federal multifamily programs (table 3).⁵ Contracts for over a third of these units (4,095 units) are set to expire between January and December 2007, putting these units at risk of being lost from the city's affordable housing stock. If past experience is a guide, however, many of these units will have their rental assistance contracts renewed—although for shorter terms. During the previous 12 months (January to December 2006), 3,310 assisted units were renewed, almost half of them (1,428 units) for terms of one to two years. Three contracts with a total of 442 units were renewed for terms of 10 years or more.

Beginning with this issue of the *Housing Monitor*, we will start tracking cumulative losses from the project-based Section 8 housing stock. As noted above, the vast majority of owners renew their Section 8 contracts for short terms. Over time, however, projects will drop out of the

program, leading to a slow but steady decline in the city's federally assisted units. The last line of table 3 tracks these cumulative losses from 2000 through 2006.

A total of 1,389 units have been lost to the Section 8 program since 2000, representing about 11 percent of the city's Section 8 housing stock. Almost all of these units exited the program through contract expirations. Only 9 units were in buildings terminated from the program by the U.S. Department of Housing and Community Development (HUD) for some cause.⁶ The largest numbers of lost units have been in Ward 8 (667 units), Ward 5 (328 units), and Ward 2 (179 units). The number of lost units has fluctuated from year to year, without any clear trend, with 304 units lost in 2001, 89 units lost in 2002, and 123 units lost in 2006.

Losses to the Section 8 program may not necessarily result in a net loss in affordable housing. Some properties may continue to be subsidized by other programs after leaving Section 8, or they may be purchased by the current tenants, through the District of Columbia's Tenant Opportunity to Purchase Act, and kept affordable. Nonetheless, exits from the program do represent a loss of a valuable federal subsidy, since the Section 8 funds cannot be subsequently reallocated to another property.

Additional detailed reports on Section 8 and other multifamily projects are available on our web site: www.NeighborhoodInfoDC.org/housing.

Table 3: Housing Units in Section 8 Multifamily Projects by Ward, Washington, D.C., 1996 – 2006 Q4

	D.C. Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Current active units (as of 01/01/07)	11,326	2,020	1,232	58	54	1,776	1,632	1,228	3,326
Upcoming expiring (Jan 2007 - Dec 2007)	4,095	353	212	40	0	149	989	741	1,611
Renewals (Jan 2006 - Dec 2006)	3,310	640	474	0	0	420	0	194	1,582
Expirations (Jan 2006 - Dec 2006)	123	0	99	0	0	24	0	0	0
Cumulative losses (Jan 2000 - Dec 2006)	1,389	84	179	0	0	328	80	51	667

Sources: HUD Section 8 database (7/3/07 and earlier) tabulated by NeighborhoodInfo DC.

⁴ For more explanation of these data and the Section 8 housing program, please see the Summer 2006 *Housing Monitor* (p. 9).

⁵ The number of active units reported will vary from quarter to quarter because of updating delays in the HUD database upon which these figures are based, as well as other revisions to project information made by HUD in this file. Data in this report are derived from the July 3, 2007 update of the HUD database.

⁶ The most common reason for a Section 8 property to be terminated from the program is failure to pass successive HUD housing quality inspections.

Special Section: Neighborhood Sales Trends

For the special section of this quarter's *District of Columbia Housing Monitor*, we examine trends in sales volume and prices of single-family homes and condominiums in the city's 39 neighborhood clusters (map 1) through 2006.⁷ Washington, D.C., comprises diverse neighborhood housing markets, with distinct trends and conditions. While the overall cooling of the housing market has affected many neighborhoods, some areas continue to show strong price growth.

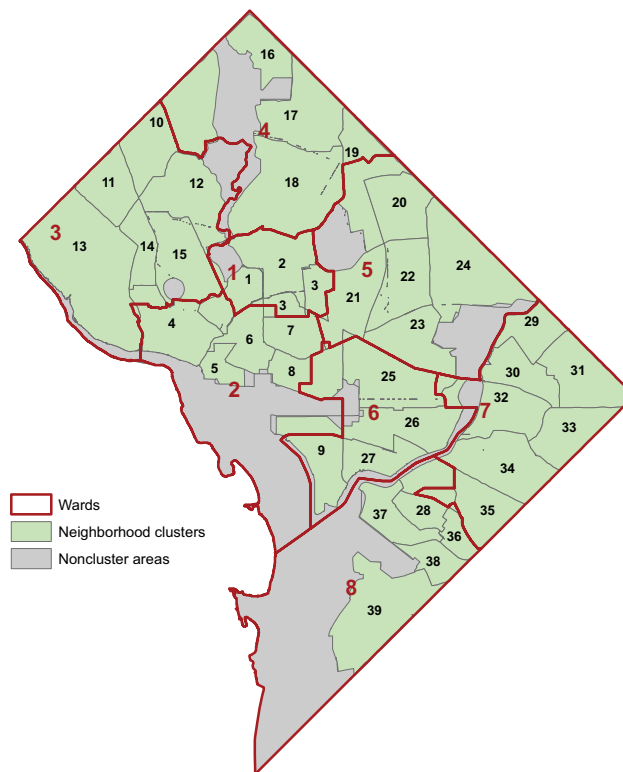
While such neighborhoods as Shaw and Logan Circle have been the hot performing markets over the past ten years, home prices have flattened or fallen in many of these neighborhoods more recently.

As noted earlier, sales volumes and prices of single-family homes have fallen between 2005 and 2006. Many neighborhoods that experienced extraordinary growth in home prices in the past five to ten years have

started to see a slowdown in sales, reflective of the overall market. One such set of neighborhoods is cluster 7 (Shaw/Logan Circle). Single-family home prices have been very robust in cluster 7 since 1996. The annual increase of inflation-adjusted, median home prices was 18.7 percent from 1996 to 2006, with an even faster growth rate of 20.1 percent from 2001 to 2006 (table 4a and figure 4a). Since 2005, however, the median price in cluster 7 has dropped in real terms, down 3.3 percent, from \$516,000 to \$499,000 between 2005 and 2006.

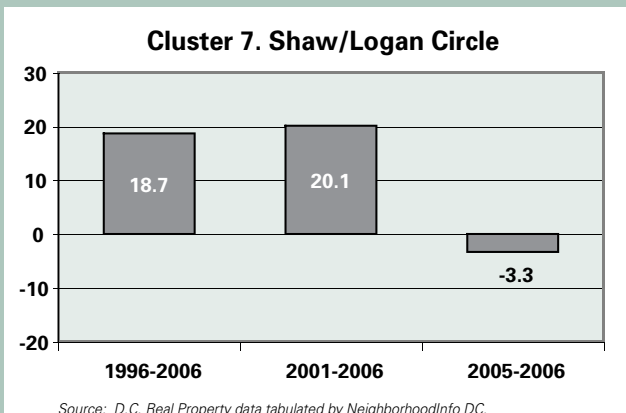
Neighborhood clusters with similar price patterns generally include other higher-priced neighborhoods, such as cluster 4 (Georgetown/Burleith), cluster 6 (Dupont Circle/Connecticut Avenue/K Street), and cluster 22 (Brookland/Brentwood). All of these neighborhoods may be experiencing price corrections from the extraordinary, and unsustainable, price increases during the beginning of the decade.

Map 1. Washington, D.C., Wards and Neighborhood Clusters



⁷ Neighborhood clusters are groups of three to six neighborhoods, developed by the D.C. Office of Planning for community planning and analysis purposes. We identify each cluster with only two or three neighborhood names; a full list of neighborhoods in each cluster can be found at <http://www.neighborhoodinfodc.org/nclusters/nclusters.html>.

Figure 4a. Annual Percentage Change in Median Sales Price of Single-Family Homes



Other neighborhoods, including Ivy City and Columbia Heights, experienced slower, but nonetheless solid, price growth through 2006.

Other neighborhood clusters, while having cooled in the recent housing market adjustment, maintained good, moderate price growth trends. Cluster 23 (Ivy City/Arboretum) experienced very strong price growth over the past five years, with an average annual price increase for single-family homes of 22.5 percent between 2001 and 2006 (figure 4b). The inflation-adjusted, median home price rose from \$109,000 to \$300,000 during this period. Prices increased at a slower, but robust, rate of 8.0 percent between 2005 and 2006.

Other neighborhood clusters that saw slower, but moderate, price increases between 2005 and 2006 include cluster 2 (Columbia Heights/Mount Pleasant), cluster 17 (Takoma/Brightwood), cluster 26 (Capitol Hill/Lincoln Park), and cluster 34 (Twining/Fairlawn).

Despite the overall market slowdown, several neighborhoods east of the Anacostia River, such as Congress Heights and Bellevue, experienced accelerating price growth through 2006.

As noted, the housing market slowdown has not affected all neighborhoods in the District of Columbia. Some areas, particularly lower-valued neighborhoods in the northeast and southeast, continued to show strong and accelerating price growth, most likely a result of affordable housing opportunities disappearing in other neighborhoods.

One such example is cluster 39 (Congress Heights/Bellevue), which has been experiencing accelerating price growth since 1996. The annual increase in the median sales price of single-family homes in cluster 39 has risen from 9.4 percent from 1996 to 2006, to 16.0 percent from 2001 to 2006, to the most recent high of 27.4 percent from 2005 to 2006 (figure 4c). Between 1996 and 2006, the median price in cluster 39 grew from \$107,000 to \$263,000, still well below citywide median of \$434,000 for 2006.

The remaining neighborhood clusters in Ward 8 all experienced accelerating price growth through 2006, including cluster 28 (Historic Anacostia) and cluster 36 (Woodland/Fort Stanton). Cluster 32 (River Terrace/Benning) in Ward 7 fits a similar pattern, but most of the rest of this ward have seen a slowing of price growth between 2005 and 2006. Cluster 3 (Howard University/Le Droit Park), while having a recent fall-off in price growth, might nonetheless be included in this group as well as the most recent price increase was so strong (19.5 percent between 2005 and 2006).

The condominium market has been more susceptible to the housing slowdown than the single-family home market, which has led to sharper recent price drops in neighborhoods like Columbia Heights and Mount Pleasant. Nonetheless, other neighborhoods, such as Foggy Bottom, continued to show strong price growth for condominiums in 2006.

The city's condominium market has exhibited more price volatility than the single-family home market, with a larger median price decrease for condominiums between 2005

Figure 4b. Annual Percentage Change in Median Sales Price of Single-Family Homes

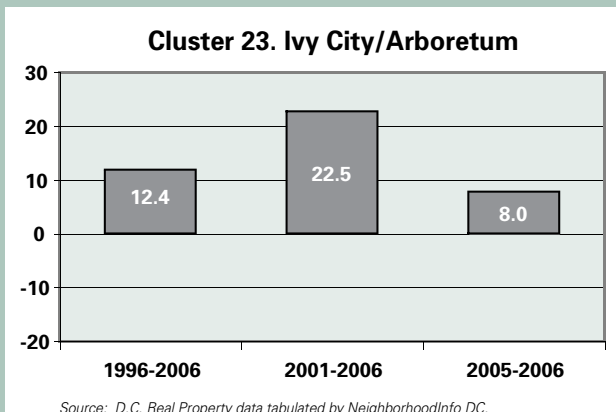
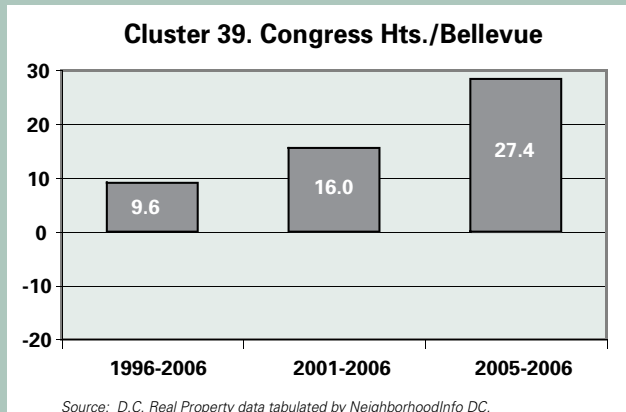


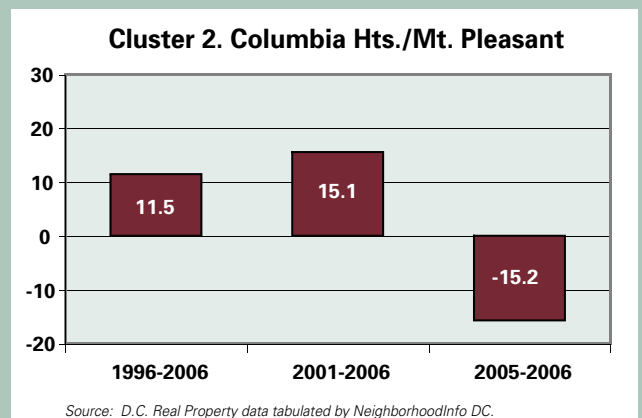
Figure 4c. Annual Percentage Change in Median Sales Price of Single-Family Homes



and 2006 (5.5 percent) than for single-family homes (2.0 percent). One of the city's largest condominium markets is in cluster 2 (Columbia Heights/Mount Pleasant). Sales of condominium units in cluster 2 grew from only 18 in 1996 to 361 in 2006 and, over the same period, the median, inflation-adjusted price rose from \$111,000 to \$328,000, an average annual increase of 11.5 percent (table 4b and figure 4d). The median condominium price in cluster 2 fell 15.2 percent, however, between 2005 and 2006, bringing the median price down to \$328,000. Other clusters with similar price drops include cluster 12 (North Cleveland Park/Forest Hills) and cluster 25 (NoMa/Union Station/Stanton Park).

In other neighborhoods, however, condominium prices continued to have strong growth through 2006. Cluster 5 (West End/Foggy Bottom), like cluster 2, witnessed a very rapid growth in its condominium market over the past ten years. The median price of a condominium unit grew 15.8 percent from 1996 to 2006 and grew 17.9 percent from 2001 to 2006 (figure 4e). Unlike cluster 2, however, price growth remained positive and steady in the most recent year, with an increase of 8.7 percent from 2005 to 2006. Other clusters with still appreciating condominium markets include cluster 1 (Kalorama Heights/Adams Morgan) and cluster 26 (Capitol Hill/Lincoln Park). Cluster 15 (Cleveland Park/Woodley Park) and cluster 24 (Woodridge/Fort Lincoln) even show accelerating condominium price growth through 2006, although cluster 24 has a very low sales volume.

Figure 4d. Annual Percentage Change in Median Sales Price of Condominiums



Another interesting change over the past ten years is the development of burgeoning condominium markets in neighborhoods where none existed before, particularly in Wards 7 and 8. Cluster 33 (Capitol View/Marshall Heights) went from zero (0) condominium sales in 1996 and 2001 to 38 sales in 2006. The condominium market in cluster 35 (Fairfax Village/Naylor Gardens) has quintupled from 23 to 116 sales between 1996 and 2006, while the volume of sales in cluster 39 (Congress Heights/Bellevue) grew almost tenfold over this same period, from 14 to 108 sales. As with single-family homes, median prices in neighborhoods east of the Anacostia river remained considerably below the citywide median price for condominiums, which was \$360,000 in 2006. Nonetheless, it appears that condominiums are becoming an increasingly important form of homeownership in more neighborhoods throughout the city.

Figure 4e. Annual Percentage Change in Median Sales Price of Condominiums

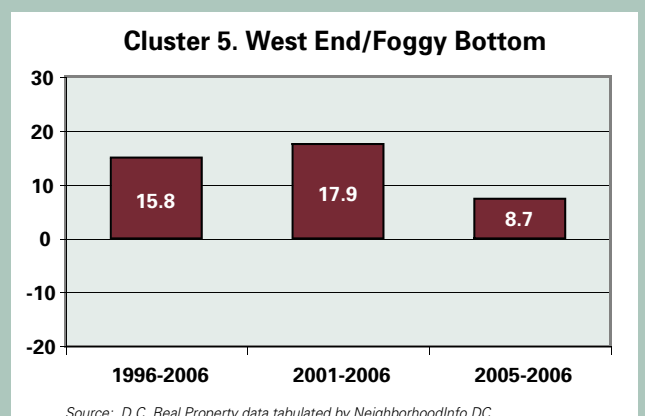


Table 4a: Single-Family Home Sales by Ward and Neighborhood Cluster, Washington, D.C., 1996 – 2006

Ward Neighborhood Cluster	No. of Sales				Median Sales Price (2006 \$ thous.)				Annual Percentage Change in Median Sales Price		
	1996	2001	2005	2006	1996	2001	2005	2006	1996-2006	2001-2006	2005-2006
Washington, D.C. Total	3,841	4,344	4,478	3,939	153	209	443	434	11.0	15.7	-2.0
Ward 1	427	519	423	334	141	222	516	544	14.4	19.7	5.5
1 Kalorama Hts./Adams Morgan	40	45	38	35	312	723	915	989	12.2	6.5	8.1
2 Columbia Hts./Mt. Pleasant	326	310	292	223	128	199	469	489	14.3	19.7	4.3
3 Howard Univ./Le Droit Pk.	70	184	101	82	139	227	542	648	16.6	23.4	19.5
Ward 2	281	317	294	235	347	615	929	880	9.8	7.4	-5.3
4 Georgetown/Burleith	194	239	209	176	385	649	965	879	8.6	6.2	-9.0
5 West End/Foggy Bottom	12	9	10	14	292	-	806	695	9.0	-	-13.7
6 Dupont Circle/Conn. Av./K St.	20	26	31	27	300	577	900	845	10.9	7.9	-6.1
7 Shaw/Logan Circle	75	73	68	51	90	200	516	499	18.7	20.1	-3.3
Ward 3	557	588	544	484	405	607	885	863	7.9	7.3	-2.4
11 Friendship Hts./AU Pk.	144	145	145	122	380	524	836	787	7.6	8.5	-5.9
12 N. Cleveland Pk./Forest Hills	68	70	63	50	370	643	857	929	9.7	7.6	8.4
13 Spring Valley/Palisades	199	209	193	145	482	683	959	935	6.9	6.5	-2.5
14 Cathedral Hts./McLean Gardens	15	21	14	15	559	666	959	915	5.1	6.6	-4.6
15 Cleveland Pk./Woodley Pk.	69	74	67	75	482	797	1,187	1,235	9.9	9.2	4.0
Ward 4	716	790	851	775	164	199	434	462	10.9	18.3	6.6
10 Hawthorne/Barnaby Woods	160	151	136	144	370	552	815	821	8.3	8.3	0.7
16 Colonial Village/Shepherd Pk.	45	40	33	41	328	472	686	696	7.8	8.1	1.4
17 Takoma/Brightwood	130	151	165	170	162	203	403	439	10.5	16.7	9.1
18 Brightwood Pk./Crestwood	376	423	484	405	144	182	418	434	11.7	18.9	3.7
19 Lamond Riggs/Queens Chapel	77	76	95	92	141	156	316	338	9.1	16.7	6.8
Ward 5	569	643	733	597	125	154	361	375	11.6	19.5	3.8
20 N. Michigan Pk./Michigan Pk.	96	73	96	81	161	176	341	375	8.8	16.3	9.9
21 Edgewood/Bloomingdale	186	255	230	185	116	161	413	421	13.8	21.3	2.0
22 Brookland/Brentwood	75	75	87	70	128	171	397	373	11.2	16.9	-6.3
23 Ivy City/Arboretum	80	99	139	95	93	109	278	300	12.4	22.5	8.0
24 Woodridge/Fort Lincoln	97	108	147	130	148	163	385	393	10.3	19.2	1.9
Ward 6	654	805	790	624	141	272	509	513	13.8	13.5	0.8
9 SW Employment Area/Waterfront	16	86	13	14	243	446	583	650	10.3	7.8	11.4
25 NoMa/Union Station/Stanton Pk.	396	447	501	417	120	205	480	449	14.1	17.0	-6.5
26 Capitol Hill/Lincoln Pk.	236	254	275	208	177	318	568	585	12.7	13.0	3.0
27 Near Southeast/Navy Yard	28	39	23	23	102	126	443	408	14.9	26.4	-7.9
Ward 7	455	429	567	558	109	124	227	253	8.8	15.3	11.4
29 Eastland Gardens/Kenilworth	7	7	15	13	-	-	271	315	-	-	16.3
30 Mayfair/Hillbrook	32	22	32	28	99	130	208	218	8.2	10.9	4.4
31 Deanwood/Burrville	113	121	182	181	91	106	215	240	10.2	17.7	11.8
32 River Terrace/Benning	79	73	90	63	105	127	206	245	8.8	14.0	18.7
33 Capitol View/Marshall Hts.	71	85	127	130	109	114	215	240	8.2	16.1	11.8
34 Twining/Fairlawn	116	98	109	96	115	131	253	274	9.0	15.8	8.1
35 Fairfax Village/Naylor Gardens	46	29	24	32	174	194	372	413	9.0	16.4	11.1
Ward 8	182	253	276	332	104	129	212	260	9.6	15.1	22.9
28 Historic Anacostia	20	34	44	34	103	105	212	260	9.7	19.8	22.9
36 Woodland/Fort Stanton	14	11	6	10	112	175	-	345	11.9	14.6	-
37 Sheridan/Barry Farm	7	38	23	37	-	125	167	215	-	11.4	28.6
38 Douglas/Shipleigh Terrace	13	50	46	71	87	143	211	263	11.7	13.0	24.8
39 Congress Hts./Bellevue	90	92	122	153	107	125	206	263	9.4	16.0	27.4

Source: D.C. Real Property data tabulated by NeighborhoodInfo DC.

Notes: Median sales price not shown if fewer than ten sales in the year. Data for cluster 8 not shown because of too few overall sales. Since neighborhood clusters do not conform to ward boundaries, ward totals will not exactly equal the sum of cluster numbers.

Table 4b: Condominium Sales by Ward and Neighborhood Cluster, Washington, D.C., 1996 – 2006

Ward Neighborhood Cluster	No. of Sales				Median Sales Price (2006 \$ thous.)				Annual Percentage Change in Median Sales Price		
	1996	2001	2005	2006	1996	2001	2005	2006	1996-2006	2001-2006	2005-2006
Washington, D.C. Total	1,248	2,251	5,103	3,821	125	199	381	360	11.2	12.6	-5.5
Ward 1	190	449	914	868	139	198	411	370	10.3	13.3	-10.0
1 Kalorama Hts./Adams Morgan	172	262	368	282	151	239	424	461	11.8	14.0	8.8
2 Columbia Hts./Mt. Pleasant	18	93	313	361	111	163	387	328	11.5	15.1	-15.2
3 Howard Univ./Le Droit Pk.	20	128	275	244	105	180	418	385	13.8	16.5	-7.8
Ward 2	463	863	1,684	1,388	128	216	413	425	12.7	14.5	2.9
4 Georgetown/Burleith	45	70	100	60	170	250	456	415	9.4	10.6	-9.0
5 West End/Foggy Bottom	101	239	339	276	114	216	454	494	15.8	17.9	8.7
6 Dupont Circle/Conn. Av./K St.	228	375	432	347	126	205	381	378	11.6	13.0	-0.9
7 Shaw/Logan Circle	67	134	499	490	113	208	417	420	14.0	15.1	0.7
Ward 3	335	559	737	579	136	213	390	379	10.8	12.2	-2.8
11 Friendship Hts./AU Pk.	6	61	181	48	-	362	414	416	-	2.8	0.4
12 N. Cleveland Pk./Forest Hills	79	128	131	70	122	198	381	334	10.6	11.1	-12.3
13 Spring Valley/Palisades	79	75	100	68	137	233	350	303	8.3	5.4	-13.4
14 Cathedral Hts./McLean Gardens	119	208	236	286	150	211	385	380	9.8	12.5	-1.2
15 Cleveland Pk./Woodley Pk.	50	74	76	111	167	235	400	523	12.1	17.3	30.6
Ward 4	10	26	132	80	167	216	279	260	4.5	3.9	-6.7
17 Takoma/Brightwood	6	23	70	14	-	217	344	316	-	7.8	-8.1
18 Brightwood Pk./Crestwood	4	3	62	66	-	-	256	256	-	-	0.0
19 Lamond Riggs/Queens Chapel	0	0	4	36	-	-	-	190	-	-	-
Ward 5	46	51	143	162	116	107	271	234	7.3	17.0	-13.7
21 Edgewood/Bloomingdale	6	13	78	84	-	77	288	261	-	27.7	-9.5
24 Woodridge/Fort Lincoln	22	13	16	12	118	121	197	255	8.0	16.1	29.4
Ward 6	152	237	1,237	329	116	159	361	341	11.4	16.4	-5.6
8 Downtown/N. Capitol St.	43	41	894	290	161	246	414	428	10.3	11.7	3.4
9 SW Employment Area/Waterfront	70	99	331	61	113	137	318	315	10.8	18.2	-0.9
25 NoMa/Union Station/Stanton Pk.	23	74	177	106	106	153	345	328	11.9	16.4	-5.1
26 Capitol Hill/Lincoln Pk.	15	37	120	54	109	186	335	371	13.0	14.8	10.4
Ward 7	28	32	154	229	57	56	160	182	12.4	26.6	13.5
31 Deanwood/Burrville	2	1	5	35	-	-	-	187	-	-	-
32 River Terrace/Benning	1	1	43	18	-	-	167	144	-	-	-13.9
33 Capitol View/Marshall Hts.	0	0	30	38	-	-	146	174	-	-	19.2
35 Fairfax Village/Naylor Gardens	23	26	59	116	54	55	145	180	12.8	26.9	24.6
Ward 8	24	34	102	186	51	75	126	175	13.0	18.4	39.0
28 Historic Anacostia	0	0	18	26	-	-	122	219	-	-	78.9
36 Woodland/Fort Stanton	0	22	0	30	-	79	-	189	-	19.2	-
37 Sheridan/Barry Farm	0	2	32	8	-	-	118	-	-	-	-
39 Congress Hts./Bellevue	14	2	44	108	60	-	134	166	10.8	-	23.7

Source: D.C. Real Property data tabulated by NeighborhoodInfo DC.

Notes: Median sales price not shown if fewer than ten sales in the year. Data for clusters 10, 16, 20, 22, 23, 27, 29, 30, 34, and 38 not shown because of too few overall sales. Since neighborhood clusters do not conform to ward boundaries, ward totals will not exactly equal the sum of cluster numbers.

For More Information:

Electronic versions of current and past editions of the *District of Columbia Housing Monitor* and more detailed data tables are available online at www.NeighborhoodInfoDC.org.

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