WASHINGTON, D.C., December 10, 2007 -- A new analysis of the Washington, D.C., housing market confirms the recent market slowdown, but also shows that inflation-adjusted single-family home prices rose over 20 percent between 2005 and 2006 in some Ward 8 neighborhoods. The report also documents the growth in condominium housing throughout the city and the loss of federally subsidized housing in the Section 8 program.

The quarterly District of Columbia Housing Monitor tracks residential sale prices, changes in the housing stock, and the supply of affordable housing. The latest edition also examines neighborhood trends in sales of single-family homes and condominiums.

Key findings:
- Home building remained strong as the District entered 2007. The construction of new multifamily housing, along with conversions of some rental properties, resulted in a net addition of 11,558 condominium units between 2001 and 2006, compared with an increase of 832 single-family houses and a net loss of 100 cooperative units.
- Despite the overall market slowdown, several neighborhoods east of the Anacostia River saw prices accelerate through 2006. For example, inflation-adjusted prices for single-family homes in the Ward 8 neighborhoods of Congress Heights and Bellevue rose 27.4 percent from 2005 to 2006. Prices in Ward 7 neighborhoods grew an average of 11.4 percent.
- As of January 1, 2007, the District of Columbia had 11,326 active housing units subsidized under Section 8 and other federal multifamily programs. Since 2000, 1,389 units have left the Section 8 program—about 11 percent of the Section 8 housing stock. While some of these units have been transferred to New Communities and other city-funded subsidy programs, the loss of federal subsidies continues to drive up demand for local spending on affordable housing.

"The data through 2006 show that, while overall the housing market has slowed, some neighborhoods continue to have moderate or even robust price increases," said series author Peter Tatian. "Prices in Wards 7 and 8, in particular, continue their strong upward trend."

Tatian is a senior research associate in the Urban Institute's Metropolitan Housing and Communities Policy Center and the director of NeighborhoodInfo DC.

"The Housing Monitor reports are a valuable tool in the assessment of the District's housing market," said Leila Finucane Edmonds, director of the D.C. Department of Housing and Community Development. "The findings in this report validate what we see daily. The report will be useful as the department continues its efforts to provide affordable housing opportunities to District residents."

The report, available online at http://www.NeighborhoodInfoDC.org/housing, is produced by NeighborhoodInfo DC, a partnership between the Urban Institute and the Local Initiatives Support Corporation. The District of Columbia Housing Monitor is made possible by funding from the Fannie Mae Foundation.
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