

A publication by



CBRE

WASHINGTON, DC

DEVELOPMENT REPORT

2017 / 2018
EDITION

AC HOTEL WASHINGTON DC

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WASHINGTON, DC DEVELOPMENT REPORT

2017/2018 EDITION



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ABOUT

WDCEP

The Washington DC Economic Partnership (WDCEP) is a non-profit, public-private organization whose core purpose is to actively position, promote, and support economic development and business opportunities in Washington, DC.

Our mission is to promote DC's economic and business opportunities and support business retention and attraction activities. Through historical knowledge of the city's business and economic climate; accurate analytics, data, and research; and community partners and access, WDCEP is the central organization in Washington, DC that connects public and private sectors, neighborhoods, and communities to local, national, and international audiences. WDCEP's purpose and success

aligns with its partners in the city: to facilitate dynamic relationships with technology visionaries, artists, real estate entrepreneurs, non-profits, and global enterprise leaders based on independent thinking and objective insights. We stay one step ahead of the vibrant and evolving economic landscape by monitoring the pulse of DC's developers, startups, entrepreneurs, and big and small businesses.

Learn more at wdcep.com or engage with us @WDCEP.



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CBRE's research sets the world standard for market-based commercial real estate by providing clients with accurate and timely insight. The greater Washington, D.C. team prepares quarterly reports on office, industrial and retail sectors with hotel, multi-housing and other specialty reports for Washington, D.C. Metro and Baltimore. In addition, CBRE's research provides thought leadership initiatives aimed at helping clients understand new and evolving business and economic trends impacting the local real estate market.

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THE DC DEVELOPMENT REPORT

The DC Development Report is a summary of the major development and construction projects in the District of Columbia. WDCEP tracks major development/construction projects throughout the year and performs an annual "development census" in the month of August. This research and outreach receives contributions from more than 100 developers, architects, contractors, and economic development organizations and results in updates to more than 400 projects. While our database of

projects is constantly being updated, for the purposes of this publication all data reflects project status, design, and information as of August 2017.

Although every attempt was made to ensure the quality of the information contained in this document, WDCEP and CBRE makes no warranty or guarantee as to its accuracy, completeness, or usefulness for any given purpose.

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An aerial night view of a city featuring a prominent white arch bridge over a body of water, modern illuminated buildings, and a highway interchange with light trails from traffic. The scene is set against a dark sky with a hint of twilight.

DEVELOPMENT OVERVIEW

**ECONOMIC OVERVIEW
DEVELOPMENT OVERVIEW
MOST ACTIVE**

E ECONOMIC OVERVIEW

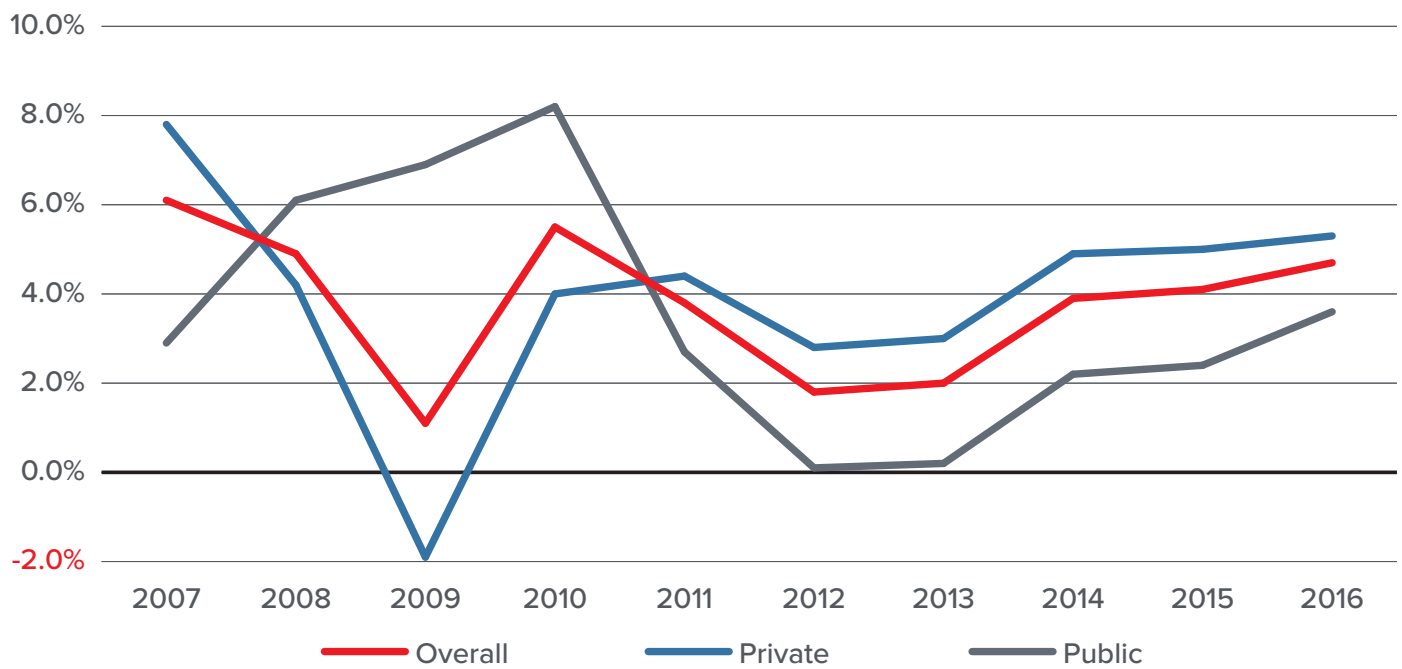
By: Wei Xie, Regional Research Manager, CBRE

GROSS DOMESTIC PRODUCT GROWTH

The overall economy in the District of Columbia remains in a healthy, expansionary mode, having grown 4.7% over the year between 2015 and 2016—far outpacing the national average rate of 2.8% for the same period. Growth in the private industries

(5.3%) surpassed that of the public sector (3.6%), a trend that has been consistent since 2011. Continued rise in private-industry activity will help further diversify and balance the city’s economy, making it less dependent on the government sector.

DC GDP YEAR-OVER-YEAR GROWTH RATE



Source: CBRE, U.S. Bureau of Economic Analysis; October 2017.



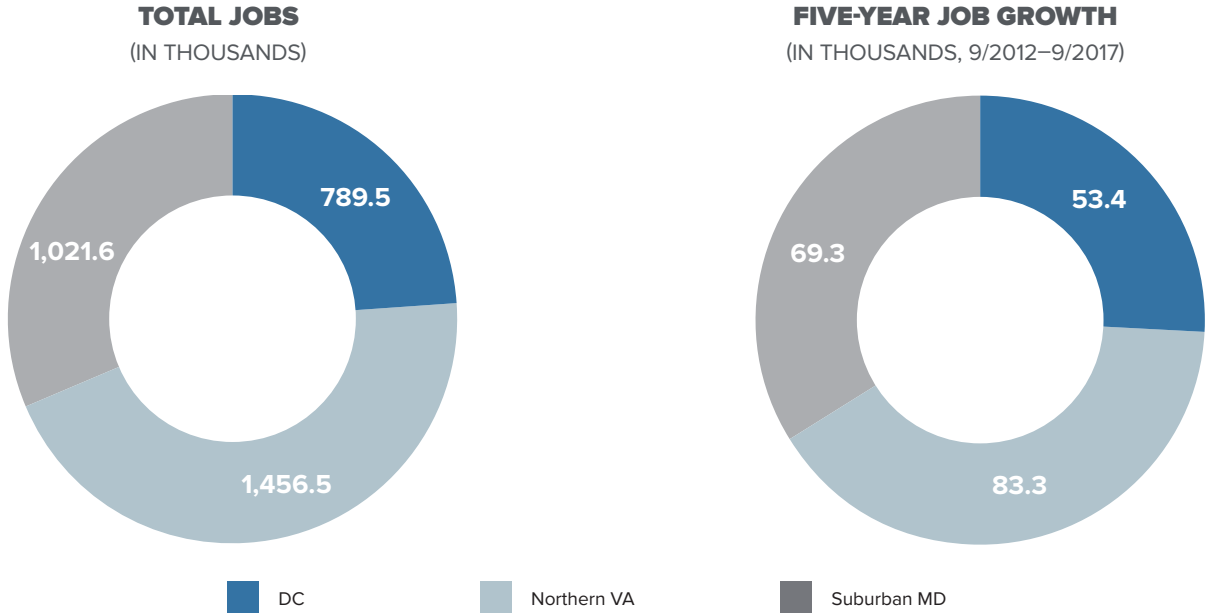


LABOR MARKET OVERVIEW

DC posted modest employment gains in September 2017, adding 5,500 nonfarm jobs over the year, or an increase of 0.7%. Mirroring trends in the GDP stats, employment growth was concentrated in the private sector. Although government employment accounts for 30% of the total labor pool, it did not contribute any growth, instead shedding 100 jobs over the year.

Relative to their respective share of the total labor market within the greater metro region, DC’s job growth over the past five

years outpaced its suburban counterparts. While DC accounts for 24% of the total employment, it contributed 26% of the new jobs. In comparison, Northern Virginia and Suburban Maryland contributed 74% of the job growth, while making up 76% of the labor pool. DC employment grew 7.3% between September 2012 and September 2017, higher than the 6.6% growth posted by the suburban markets over the same period.



Source: CBRE, U.S. Bureau of Labor Statistics; September 2017.

Unemployment rate in DC ended September at 6.5%.¹ While this was significantly down from the historical high of 10.5% recorded in 2011, it compares unfavorably to the same time last year (5.9%) and a recent low of 5.8% in March 2017.

The labor force among DC residents continues to expand and totaled 401,800 in September 2017—a 24% growth from the 2007 level. Labor force participation rate was at 69.7%, higher than the national average of 63.1%.

1. Bureau of Labor Statistics (9/2017, preliminary seasonally adjusted)

LABOR MARKET TRENDS BY SECTOR

Federal Government

The federal government remains the largest employer in DC, totaling 197,400 jobs as of September 2017. However, this sector has contributed to virtually no employment gains since 2007, having instead lost 15,800 jobs since its peak level in 2011.

Professional and Business Services

With the largest private-sector labor pool, the professional and business services sector ended September at 167,200 jobs—a gain of 2,100 over the year. The sector has posted employment gains every year post-recession, totaling 21,800 jobs.

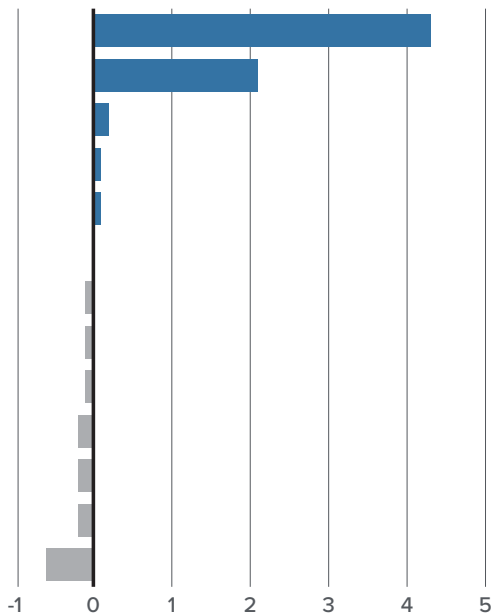
Education Services

The education sector is a major contributor of employment growth in the city, having added 2,100 jobs between September 2016 and September 2017. Employers in the education field have consistently expanded in DC, with an aggregate growth of 64% since 2007.

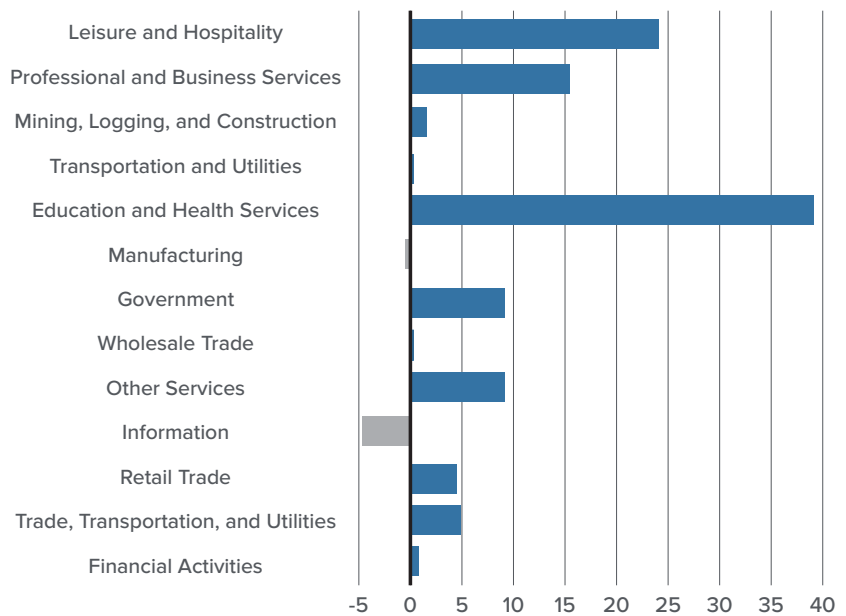
Leisure and Hospitality

Reflective of the burgeoning restaurant scene in the city, the leisure and hospitality sector has added 4,300 jobs over the year, of which 3,600 were accounted for by the food services and drinking places subsector. Strong growth was seen in full-services restaurants (3,100 new jobs, or 11% over the year) as well as limited-service restaurants and other eating places (1,400 new jobs, or 9% over the year).

DC EMPLOYMENT GROWTH 2016–2017*
(THOUSANDS OF JOBS)



DC EMPLOYMENT GROWTH 2007–2017*
(THOUSANDS OF JOBS)



Source: CBRE, U.S. Bureau of Labor Statistics; October 2017 (*based on September-to-September changes).



OFFICE EMPLOYMENT GROWTH VS. SPACE DEMAND

Between the two recent recessions—a period of both healthy economic growth and office real estate performance in the DC metro region—the market added on average 30,400 office jobs and absorbed 5.7 million sq. ft. of office space per year, a rate of 189 sq. ft. of demand per new job. Between 2009 and 2014, the compound effect of the recession and sequestration led to softening market conditions.

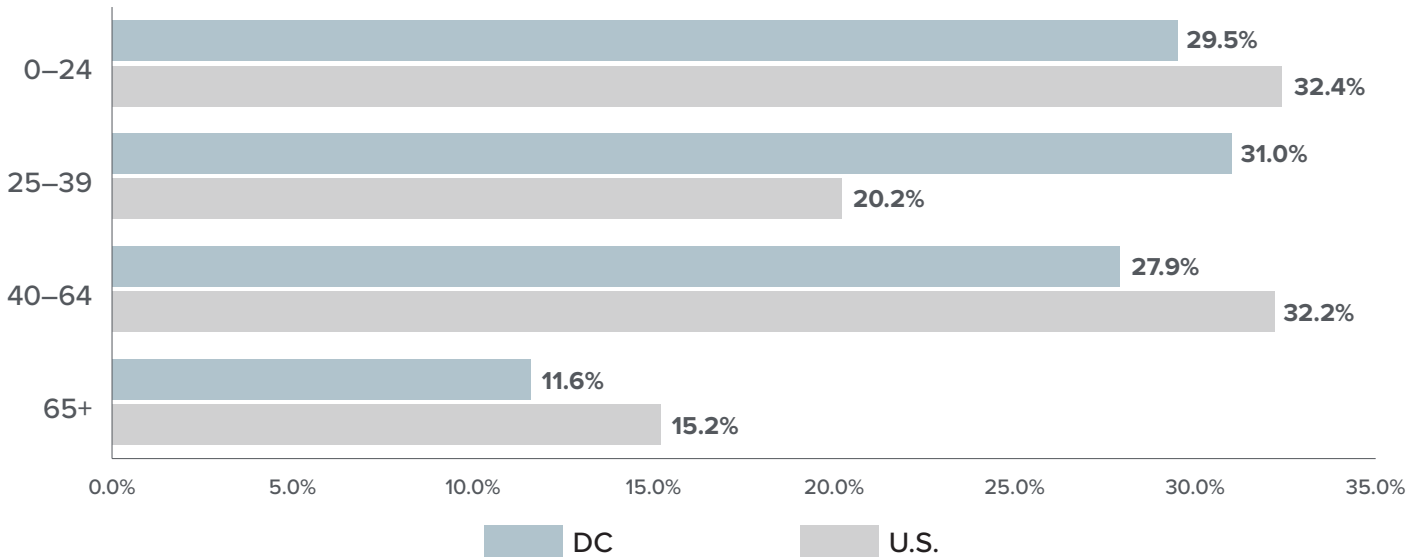
The region entered a period of steady albeit slow recovery in 2015, adding 22,200 office jobs annually. However, employment growth is no longer translating into office space demand in the traditional sense, with the new rate down to 26 sq. ft. per new job. This is due to a combination of factors such as shadow vacancy getting filled up, densification, telework, and hoteling. While employment growth remains critical for the region’s overall economic health, its relationship with office space absorption is no longer linear.

POPULATION

DC’s overall population posted steady growth of 1.8% between 2015 and 2016. Of note, the number of young professionals—aged 25 to 39—increased at a higher rate of 2.7% over the year, with an aggregate expansion of 39% from 2007 to 2016. The share of this age cohort in total population rose over the same period as well, up from 25.9% to 31.0%. This compares to the national average of 20.2%.

As the labor market tightens nationally and talent acquisition remains a key priority for employers, the influx of educated young professionals serves as a major attraction for firms to come and grow in the city.

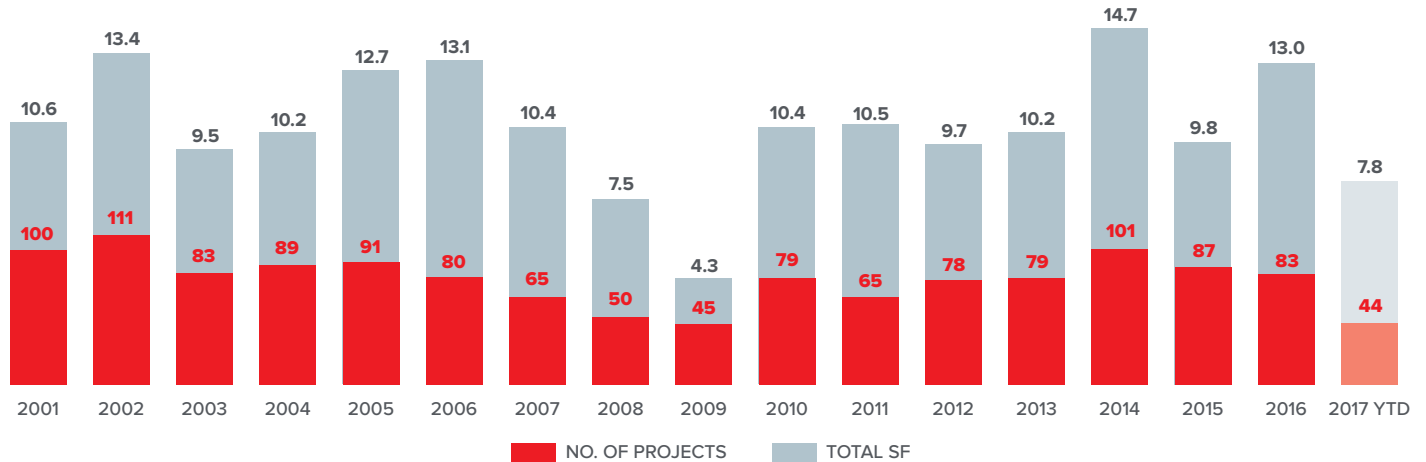
DC POPULATION BY AGE (2016)



Source: CBRE, U.S. Census Bureau; October 2017

D DEVELOPMENT OVERVIEW

DC DEVELOPMENT GROUNDBREAKINGS (AUGUST 2017, SQ. FT. IN MILLIONS)¹



SUMMARY OF PROJECTS (AUGUST 2017)

| | PROJECTS | SQ. FT. | ESTIMATED VALUE (\$B) |
|---------------------------|--------------|--------------------|-----------------------|
| Completed | 1,303 | 171,644,812 | \$54.3 |
| 2001 | 78 | 10,542,838 | \$2.2 |
| 2002 | 84 | 9,311,374 | \$2.2 |
| 2003 | 94 | 11,410,828 | \$3.1 |
| 2004 | 93 | 11,483,445 | \$2.7 |
| 2005 | 83 | 10,153,302 | \$2.4 |
| 2006 | 96 | 12,941,323 | \$3.7 |
| 2007 | 72 | 11,621,355 | \$3.6 |
| 2008 | 78 | 12,178,289 | \$4.1 |
| 2009 | 82 | 12,248,868 | \$4.4 |
| 2010 | 51 | 7,977,660 | \$2.5 |
| 2011 | 54 | 5,489,253 | \$2.3 |
| 2012 | 67 | 7,665,994 | \$2.5 |
| 2013 | 79 | 11,328,101 | \$4.7 |
| 2014 | 71 | 11,533,842 | \$4.6 |
| 2015 | 69 | 6,181,685 | \$2.6 |
| 2016 | 97 | 12,832,149 | \$4.5 |
| 2017 YTD | 55 | 6,744,506 | \$2.3 |
| Under Construction | 156 | 28,967,223 | \$11.5 |
| 2017 delivery | 52 | 8,812,791 | \$3.8 |
| 2018 delivery | 72 | 11,858,347 | \$4.8 |
| 2019 delivery | 27 | 6,636,585 | \$2.1 |
| 2020 delivery | 5 | 1,659,500 | \$0.8 |
| Pipeline | 423 | 123,424,376 | \$37.7 |
| Near Term | 219 | 31,740,943 | \$11.7 |
| Long Term | 204 | 91,683,433 | \$26.0 |

1. All projects



PROJECTS COMPLETED

| | # OF PROJECTS | SQ. FT. | UNITS | ROOMS |
|-----------------|---------------|------------|--------|--------|
| Office | 260 | 55,032,273 | -- | -- |
| Retail | 374 | 7,852,575 | -- | -- |
| Residential | 625 | 67,065,597 | 67,393 | -- |
| Hospitality | 119 | 17,691,315 | -- | 16,818 |
| Quality of Life | 276 | 20,702,627 | -- | -- |

Total Estimated Value of Projects: **\$54.3 billion**



171.6 MILLION
Square Feet Completed

PROJECTS UNDER CONSTRUCTION

| | # OF PROJECTS | SQ. FT. | UNITS | ROOMS |
|-----------------|---------------|------------|--------|-------|
| Office | 35 | 7,857,030 | -- | -- |
| Retail | 69 | 1,610,331 | -- | -- |
| Residential | 91 | 13,889,795 | 15,860 | -- |
| Hospitality | 15 | 3,116,084 | -- | 2,639 |
| Quality of Life | 24 | 1,517,772 | -- | -- |

Total Estimated Value of Projects: **\$11.5 billion**



29.0 MILLION
Square Feet Under Construction

PROJECTS NEAR TERM

| | # OF PROJECTS | SQ. FT. | UNITS | ROOMS |
|-----------------|---------------|------------|--------|-------|
| Office | 42 | 5,710,374 | -- | -- |
| Retail | 106 | 1,993,471 | -- | -- |
| Residential | 150 | 17,844,012 | 19,537 | -- |
| Hospitality | 24 | 2,267,970 | -- | 2,178 |
| Quality of Life | 27 | 2,583,609 | -- | -- |

Total Estimated Value of Projects: **\$11.7 billion**

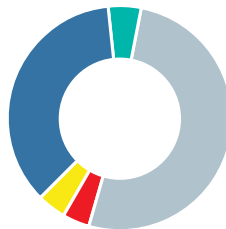


31.7 MILLION
Square Feet Near Term

PROJECTS LONG TERM

| | # OF PROJECTS | SQ. FT. | UNITS | ROOMS |
|-----------------|---------------|------------|--------|-------|
| Office | 61 | 29,107,430 | -- | -- |
| Retail | 106 | 3,900,035 | -- | -- |
| Residential | 126 | 42,065,198 | 43,863 | -- |
| Hospitality | 27 | 3,227,194 | -- | 3,599 |
| Quality of Life | 35 | 3,322,216 | -- | -- |

Total Estimated Value of Projects: **\$26.0 billion**



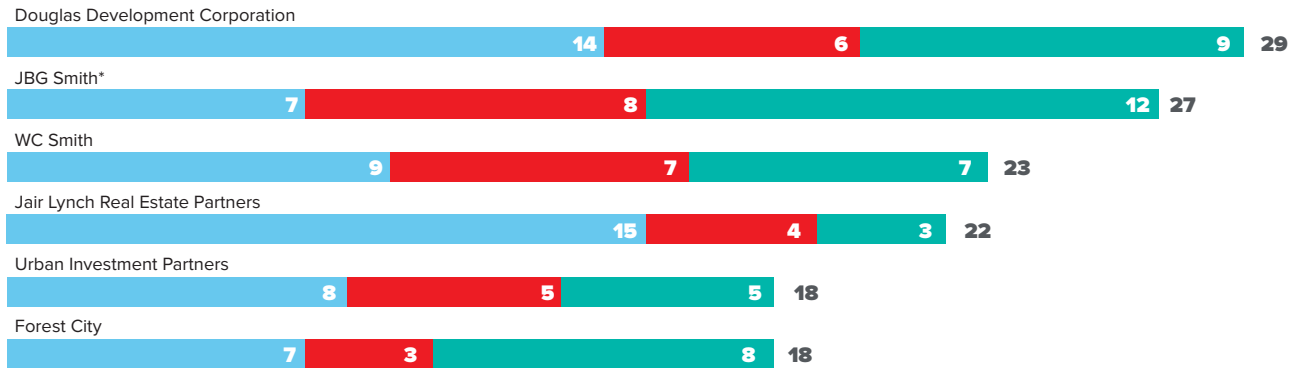
91.7 MILLION
Square Feet Long Term

D DEVELOPMENT OVERVIEW

The figures below list the developers, architects and contractors that have been the most active in contributing to DC's development activity since 2012.

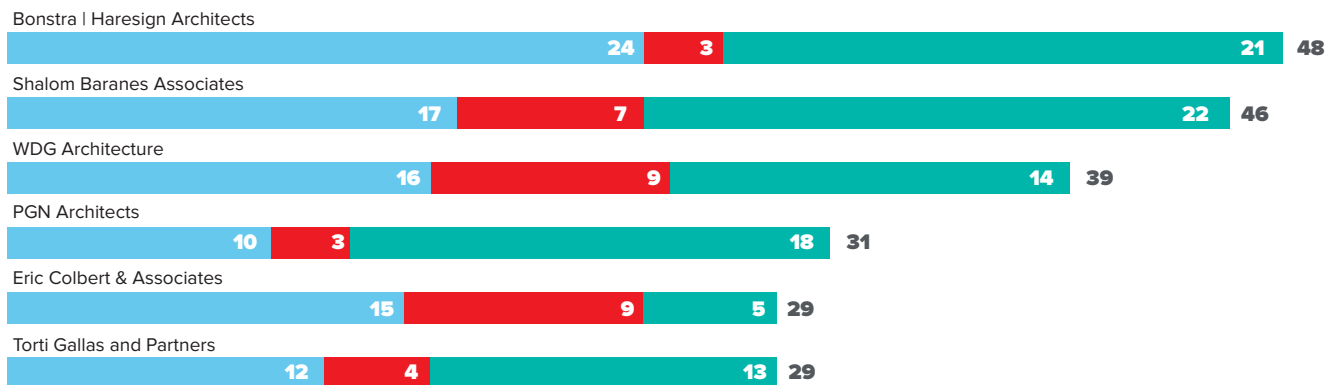
■ Completed
■ Under Construction
■ Pipeline

MOST ACTIVE DEVELOPERS SINCE 2012 (# OF PROJECTS)¹



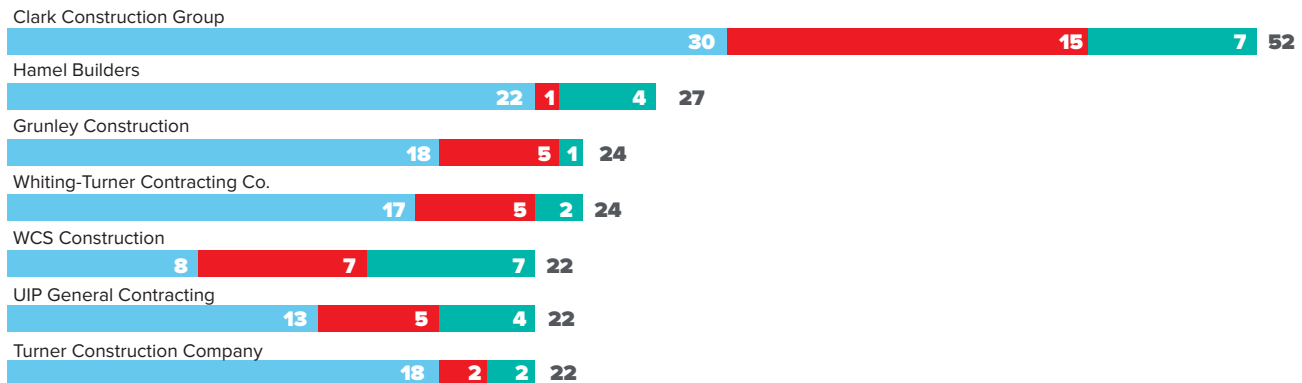
If measured by sq. ft. of projects (all status) the most active developers include JBG (10.2M sq. ft.), Forest City (7.9M sq. ft.), Akridge (7.1M sq. ft.), Douglas Development (7.2M sq. ft.), and MRP Realty (5.6M sq. ft.).

MOST ACTIVE ARCHITECTS SINCE 2012 (# OF PROJECTS)¹



If measured by sq. ft. of projects (all status) the most active architects include Shalom Baranes Associates (21.3M sq. ft.), WDG Architecture (15.5M sq. ft.), Torti Gallas and Partners (10.8M sq. ft.), SK+I Architectural (9.7M sq. ft.), and Perkins Eastman DC (8.8M sq. ft.).

MOST ACTIVE GENERAL CONTRACTORS SINCE 2012 (# OF PROJECTS)¹



If measured by sq. ft. of projects (all status) the most active contractors include Clark Construction Group (21.1M sq. ft.), Whiting-Turner Construction Co. (6.2M sq. ft.), Balfour Beatty Construction (5.4M sq. ft.), Grunley Construction (5.3M sq. ft.), and WCS Construction (4.7M sq. ft.).

¹ Projects completed since January 2012, under construction or in the pipeline as of August 2017 (excludes government agencies and colleges/universities). Only companies with 10 or more projects since 2012 are included in sq. ft. calculations.
 *Includes projects developed as The JBG Companies.



SLS Hotel



2601 Virginia Avenue



V Street Residential



AC Hotel by Marriott



The Wharf Parcel 4



Insignia on M



DEVELOPMENT BY SECTOR

OFFICE
RETAIL
RESIDENTIAL
HOSPITALITY
QUALITY OF LIFE



Washington DC's Premier Transportation Provider



We can provide service around the world!

LEISURE SERVICES

Winery & Brewery Tours
DC Tours
Weddings, Proms
Birthdays, Anniversaries
Concerts, Festivals, Sports Events
And More!

CORPORATE SERVICES

Metro Shuttles
Executive Car Services
Airport Transfers
Corporate Shuttles
Team-Building
And More!



CEO Kristina Bouweiri
Founder, Sterling Women



OFFICE DEVELOPMENT IN WASHINGTON, DC

OFFICE

ICE

OFFICE

By: Tim Whitebread, Research Analyst, CBRE

The office market in the District of Columbia is one of the largest and most active in the U.S. Typically considered strictly a “government town,” the area continues to diversify its’ tenant base and attract occupiers from a wide range of industries—a trend that is expected to intensify in coming years.

OFFICE RBA INVENTORY¹

123.9M

Square Feet (Q3 2017)

NET ABSORPTION¹

77,218

Square Feet (Q4 2016-Q3 2017)

OFFICE VACANCY RATE¹

11.7%

DIRECT VACANCY (Q3 2017)

OVERALL AVG. ASKING RENT¹

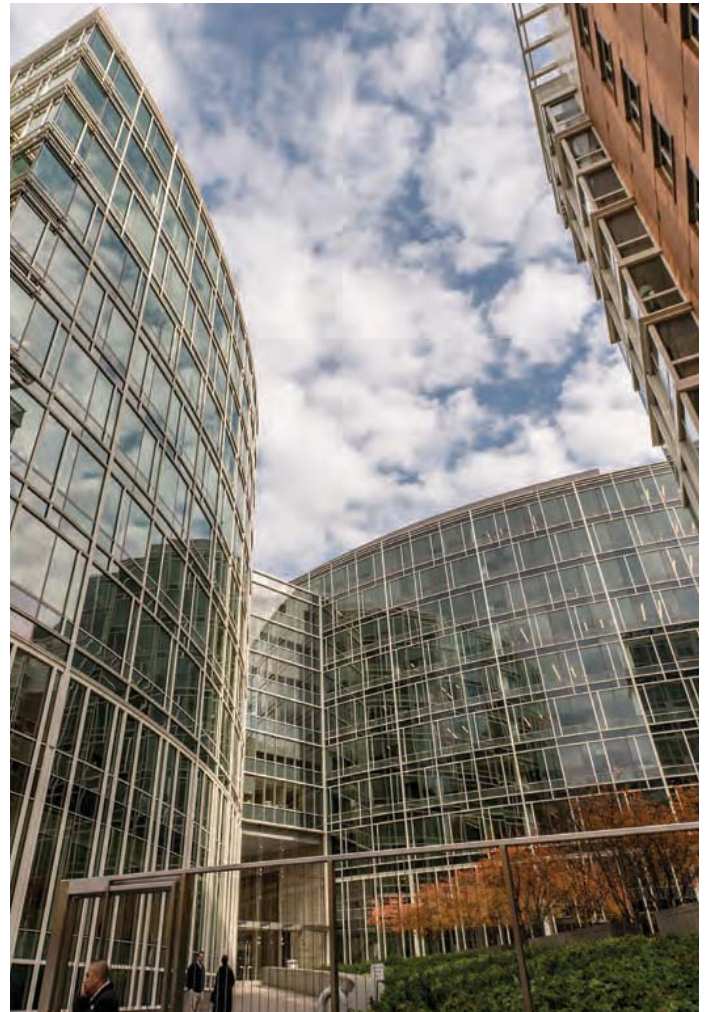
\$54.47

FULL SERVICE (Q3 2017)

However, government agencies and law firms occupy roughly 45% of leased space in the nation’s capital, allowing the industries to have a marked effect on market fundamentals.

Ongoing job growth in DC has not lead to large amounts of occupancy gain due to a variety of factors, as DC has posted 77,218 sq. ft. of net absorption over the past twelve months. By and large, real estate costs are businesses’ second largest expense (after payroll compensation), causing occupiers to become increasingly conscious of their footprint, and striving to become as efficient as possible. New trends in workplace design, including teleworking and hoteling, have allowed tenants to reduce their space needs and densify requirements. Further, the efficiencies offered by newly constructed and newly renovated office buildings produce increased space utilization for occupiers.

Leasing activity in DC has slowed substantially over the past two years. The 7.1 million sq. ft. of leasing activity during 2016 was 29% lower than the ten-year average of 10.0 million sq. ft., while 2017 is forecast to be 43% below the ten-year average. The primary reason for the slow-down in activity in 2017 is the lack of federal government leasing, which leased only 691,000 sq. ft. during the year—a 69% decrease from the trailing five-year average. Following President Trump’s election, the General Services Administration was without a full-time Administrator until Emily Murphy was nominated in September 2017. The agency is currently undergoing a wholesale reorganization, which will further delay pending leasing decisions.



¹ CBRE (non-owner-occupied buildings greater than 50,000 sq. ft.)



TOP 30 LARGEST DC OFFICE LEASES SIGNED (Q1 2017–Q3 2017)

| TENANT | ADDRESS | SUBMARKET | SQ. FT. | BUSINESS TYPE | CLASS | TYPE | QUARTER |
|--|-------------------------------|--------------------|---------|----------------------|-------|-------------------------|---------|
| GSA (Department of Education) | 550 12th St., SW | Southwest | 314,243 | Government (Federal) | A | Renewal | Q2 |
| GSA (Citizenship & Immigration Services) | 20 Massachusetts Ave., NW | Capitol Hill | 260,922 | Government (Federal) | A | Renewal | Q1 |
| DC Government (Department of the Environment & Public Schools) | 1200 1 st St., NE | NoMA | 199,822 | Government (Local) | A | Renewal | Q1 |
| Akin Gump | 2001 K St., NW (North Bldg) | CBD | 189,268 | Legal | T | Prelease | Q1 |
| DC Government (Department of General Services) | 1050 1 st St., NE | NoMA | 164,110 | Government (Local) | A | New | Q1 |
| DC Government | 1015 Half St., SE | Capitol Riverfront | 118,720 | Government (Local) | A | New | Q3 |
| Urban Institute | 500 L'Enfant Plaza, SW | Southwest | 115,000 | Other (Non-profits) | A | Prelease | Q1 |
| Amtrak | 10 G St., NE | NoMA | 106,360 | Transportation | A | Renewal | Q3 |
| Paul Hastings | 2050 M St., NW | CBD | 97,000 | Legal | T | Prelease | Q1 |
| GSA (Consumer Finance Protection Bureau) | 1990 K St., NW | CBD | 96,000 | Government (Federal) | B | Renewal | Q2 |
| Bates White | 2001 K St., NW (North Bldg) | CBD | 86,001 | Business Services | T | Prelease | Q3 |
| Goodwin Procter LLP | 1900 N St., NW | CBD | 80,329 | Legal | T | Prelease | Q3 |
| Facebook | 575 7 th St., NW | East End | 73,840 | Technology | T | New | Q3 |
| Quinn Emanuel Urquhart & Sullivan LLP | 1300 Eye St., NW | East End | 71,931 | Legal | A | Sublease | Q1 |
| Washington Gas | 1000 Maine Ave., SW | Southwest | 70,056 | Energy | A | Prelease | Q2 |
| GSA-Surface Transportation Board | 395 E St., SW | Southwest | 63,825 | Government (Federal) | A | Renewal/ Contraction | Q3 |
| Bank of America | 1800 K St., NW | CBD | 61,722 | Financial Services | A | New | Q2 |
| MacFadden & Associates | 555 12 th St., NW | East End | 57,309 | Business Services | T | Expansion | Q2 |
| Fish & Richardson | 901 15 th St., NW | East End | 54,623 | Legal | A | Sublease | Q1 |
| GSA (Surface Transportation Board) | 250 E St., SW | Southwest | 52,720 | Government (Federal) | A | New | Q1 |
| Yelp! | 575 7 th St., NW | East End | 52,703 | Technology | T | New | Q3 |
| American Association for Justice | 777 6 th St., NW | East End | 50,803 | Other (Non-profits) | A | Renewal | Q1 |
| National Committee for Quality Assurance | 1100 13 th St., NW | East End | 48,868 | Other (Non-profits) | A | Renewal/ Expansion | Q1 |
| Hollingsworth | 1350 Eye St., NW | East End | 48,543 | Legal | A | Renewal/ Contraction | Q2 |
| Hughes Hubbard & Reed LLP | 1775 Eye St., NW | CBD | 47,411 | Legal | A | Renewal | Q1 |
| GSA (Department of Homeland Security) | 90 K St., NE | NoMA | 46,803 | Government (Federal) | A | Renewal | Q3 |
| GSA (FAA) | 1250 Maryland Ave., SW | Southwest | 45,118 | Government (Federal) | A | Renewal | Q2 |
| Rally Health | 3000 K St., NW | Georgetown | 43,424 | Technology | A | Renewal/ Expansion | Q3 |
| Morgan Stanley | 1747 Pennsylvania Ave., NW | CBD | 40,329 | Financial Services | A | Expansion | Q2 |
| FiscalNote | 1201 Pennsylvania Ave., NW | East End | 38,411 | Technology | A | New | Q2 |

Source: CBRE, Q3 2017.

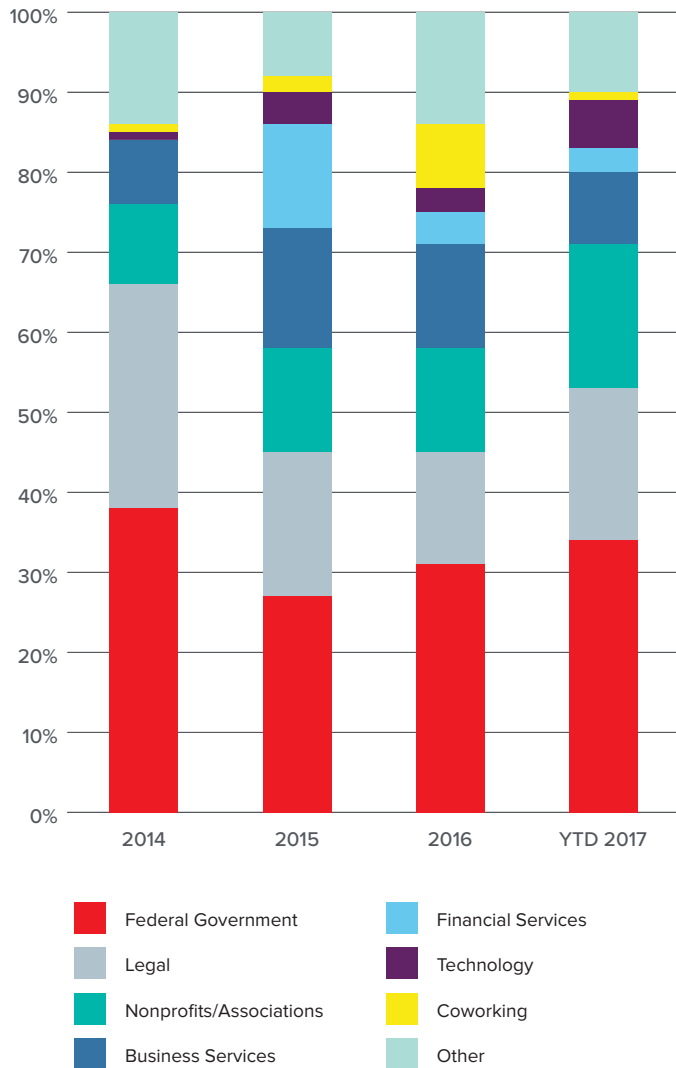
While the federal government and law firms remain in contraction mode, tenants from non-traditional industries such as co-working, nonprofits and trade associations, technology, and consulting have become drivers of demand. Year-to-date, these tenants have contributed 602,000 sq. ft. of occupancy gain, while the federal government and legal sectors have

contracted by 359,000 sq. ft. DC's concentration of highly-skilled workers, combined with a strong amenity base and rebounding economy has helped to attract a wide array of tenants. In addition, the DC government has demonstrated their willingness to offer generous incentive packages to large companies to relocate or remain in DC.



TENANT DIVERSIFICATION: SIGNED LEASES

(2014–Q3 2017)



Source: CBRE, Q3 2017.

TOP NONPROFIT & TRADE ASSOCIATION LEASES

(Q1–Q3 2017)

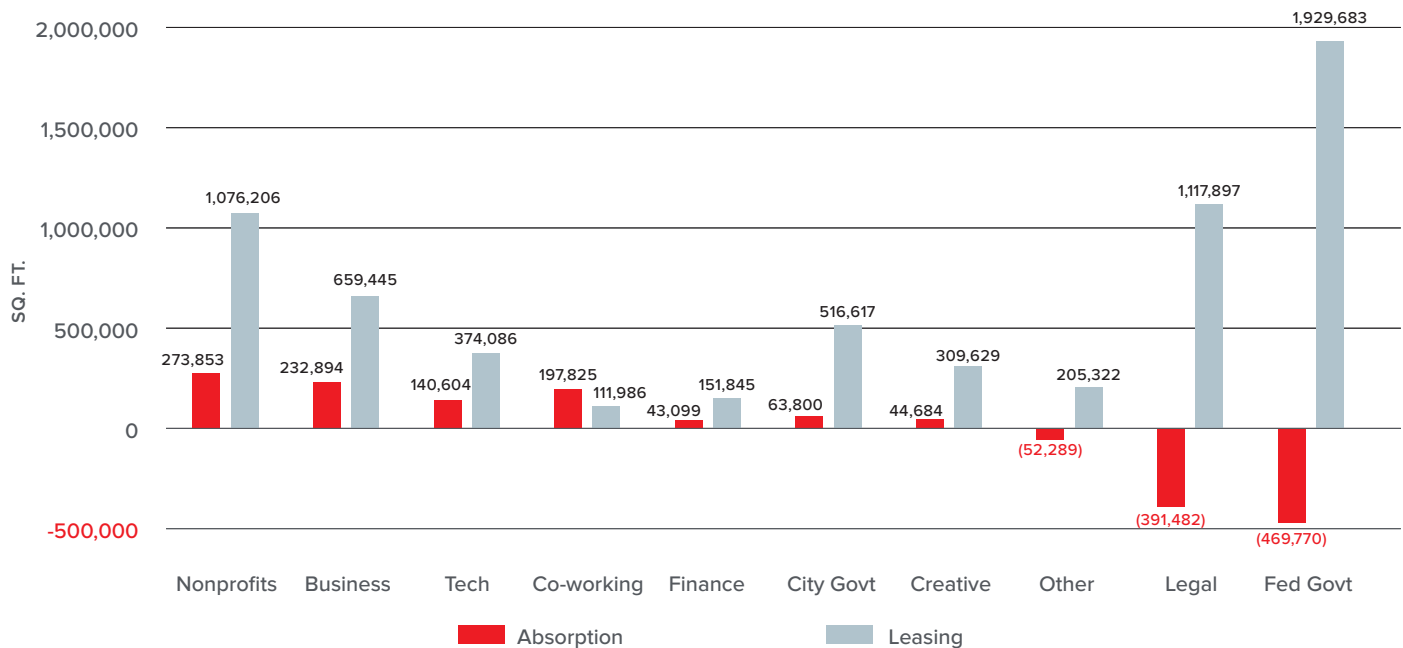
| TENANT NAME | SQ. FT. | ADDRESS | SUBMARKET | TYPE |
|---|---------|----------------------------------|--------------------|----------|
| Urban Institute | 140,055 | 500 L'Enfant Plaza, SW | Southwest | Prelease |
| American Association for Justice | 50,803 | 777 6 th Street, NW | East End | Renewal |
| National Committee for Quality Assurance | 48,868 | 1100 13 th Street, NW | East End | Renewal |
| Smithsonian Institution | 36,370 | 600 Maryland Avenue, SW | Southwest | Renewal |
| American Gas Association | 29,912 | 400-444 North Capitol Street, NW | Capitol Hill | Renewal |
| Motion Picture Association of America | 27,854 | 1301 K Street, NW | East End | New |
| National Parks Conservation Association | 27,742 | 777 6 th Street, NW | East End | Renewal |
| International Monetary Fund | 25,344 | 1875 Eye Street, NW | CBD | New |
| American Fuel & Petroleum Manufacturers Association | 24,852 | 1800 M Street, NW | CBD | New |
| Credit Union National Association | 22,143 | 99 M Street, SE | Capitol Riverfront | Prelease |

Source: CBRE, Q3 2017.

The industry that has contributed the largest amount of net absorption in over the past twelve months is the nonprofit and trade association sector, with 274,000 sq. ft. of occupancy gain. Tenants from this industry occupy 13% of the total leased square footage in DC, but have accounted for 19% of the total sq. ft. leased over the past year.



NET ABSORPTION BY SECTOR (Q4 2016–Q3 2017)



Source: CBRE, Q3 2017.

Leasing activity in the co-working sector has slowed considerably over the past year, with only 198,000 sq. ft. of leases signed, compared to 380,000 sq. ft. in the twelve months prior. The slow-down in new leasing is likely attributed to these providers decelerating their growth trajectory as they seek to stabilize current locations.

Despite this slow-down, co-working providers have contributed 85,000 sq. ft. of occupancy gain year-to-date. MakeOffices opened a 44,000-sq.-ft. location at The Wharf, and New York City based firm The Yard will open a 32,000-sq.-ft. location at 700 Pennsylvania Avenue, SE in Q4 2017. Additionally, eleven co-working providers are currently in the market looking for space totaling roughly 320,000 sq. ft.

A sector that is growing rapidly in the DC market, as well as markets globally, is the technology sector. Technology firms

have accounted for 374,000 sq. ft. of leasing activity over the past twelve months, surpassing the preceding year’s total of 180,000 sq. ft. Much of this leasing activity has been net new demand, with the sector contributing 141,000 sq. ft. of occupancy gain.

In CBRE’s 2017 Scoring Tech Talent Report, Washington, DC was ranked #4 in North America in terms of technology labor market conditions, including appeal to technology employers and employees. Technology and innovation are growth industries so it is no surprise that tenants from this sector are driving occupancy gain—this trend is likely to continue as more technology companies are founded, become successful and grow. For example, Mapbox, a DC-based open source mapping platform, announced in Q4 2017 a planned expansion into 17,000 sq. ft. in Downtown DC after a \$164 million funding round.²

2. Washington Business Journal (11/15/17)



OFFICE DEVELOPMENT

| | INVENTORY (MSF) | 2016-3Q2017 LEASING VOLUME (MSF) | 2016-3Q2017 NET ABSORPTION (SF) | VACANCY RATE (%) |
|--------------|-----------------|----------------------------------|---------------------------------|------------------|
| Trophy | 13.0 (10.5%) | 1.8 (17.1%) | 1,044,000 | 12.3 |
| Class A | 72.3 (58.3%) | 7.1 (69.4%) | 882,000 | 11.9 |
| Class B/C | 38.6 (31.2%) | 1.4 (13.5%) | (1,672,000) | 13.8 |
| TOTAL | 123.9 | 10.3 | 254,000 | 12.5 |

Source: CBRE, Q3 2017.

The DC office market is becoming increasingly segmented, with Trophy and Class A space greatly outperforming Class B and Class C space in net absorption, gross leasing and vacancy metrics.

The Trophy market has recorded 1.04 million sq. ft. of net absorption since 2016, and contributed 17.1% of gross leasing over that timeframe despite making up only 10.5% of the total market inventory. Trophy vacancy (12.3%) is slightly elevated due to recent deliveries not yet being fully stabilized. Vacancy in the Trophy space will continue to swell over the next two years as 4.0 million sq. ft. of space delivers to the market, which is currently 48.9% leased.

Class A assets make up much of the DC market inventory (58.3%) and have dominated leasing activity—totaling 7.1 million sq. ft. since 2016. The Class A vacancy rate of 11.9% is 60 basis points (bps) below the DC average of 12.5%. However, tenants that have signed preleases at new developments will vacate 2.1 million sq. ft. of Class A office space over the next three years, which may

increase the Class A vacancy rate by as much as 290 bps. Further, renovation and repositioning projects will add nearly 1.8 million sq. ft. of vacant Class A space to the market over the next few years pushing the vacancy rate even higher.

The Class B and C inventory currently comprises 38.6 million sq. ft. in DC, with an overall vacancy rate of 13.8%. In 2012, the Class B and C market measured 41.9 million sq. ft. and had an overall vacancy rate of just 9.3%. Meaning that over the past five years, 3.3 million sq. ft. of Class B and Class C product has been removed from the inventory, repositioned, or repurposed altogether. Over the next few years, an additional 2.6 million sq. ft. of Class B and C product may be repositioned or demolished, primarily in the CBD. As these buildings undergo demolition or renovation, over one million sq. ft. of vacant space will be removed from the inventory or reclassified in another asset class, possibly lowering the Class B and C vacancy rate by 190 bps.

Steady demand for high-quality office space has prompted developers to continue to break ground on new development projects, with over 4.5 million sq. ft. currently under construction and an additional 1.3 million sq. ft. being renovated. Three buildings have delivered year-to-date totaling 539,007 sq. ft.—two full-scale renovations (900 19th Street, NW and 2000 K Street, NW) and one ground up development (800 Maine Avenue, SW). Stanton Development and EastBanc’s project at 700 Pennsylvania Avenue, SE will be the final building to deliver in 2017. The 156,503-sq.-ft. office building is currently 20% preleased to New York City based co-working firm, The Yard.

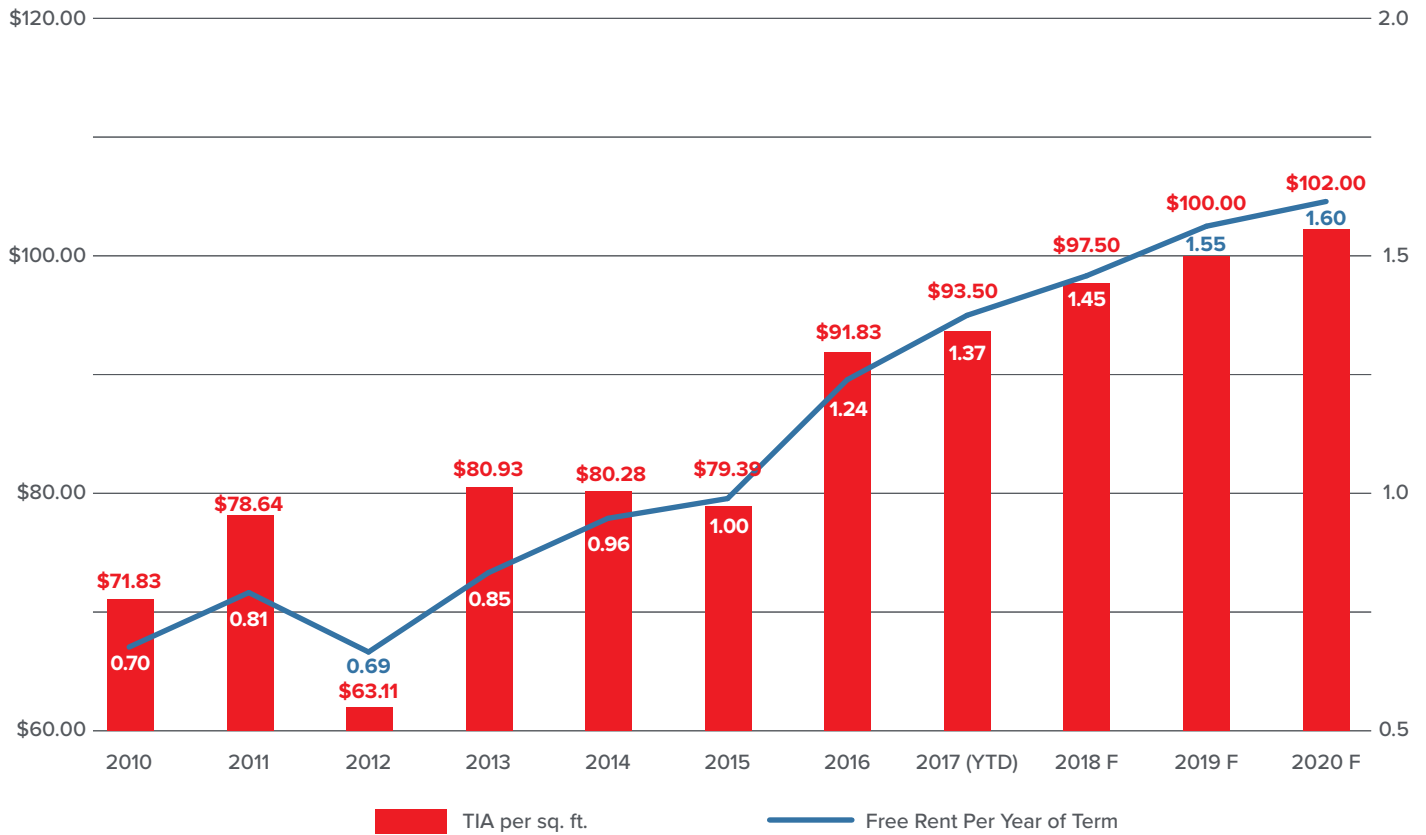
2017 DELIVERIES

| ADDRESS | SUBMARKET | OFFICE SQ. FT. | PERCENT PRELEASED AT DELIVERY* | DEVELOPER | DELIVERY TIMING |
|---------------------------------|--------------|----------------|--------------------------------|--------------------------------|-----------------|
| 900 19 th Street, NW | CBD | 104,365 | 0.0% | Tishman Speyer | Q1 2017 |
| 2000 K Street, NW | CBD | 222,118 | 2.8% | Tishman Speyer | Q3 2017 |
| 800 Maine Avenue, SW | Southwest | 212,524 | 70.0% | PN Hoffman & Madison Marquette | Q3 2017 |
| 700 Pennsylvania Avenue, SE | Capitol Hill | 156,503 | 20.1% | Stanton Development & EastBanc | Q4 2017 |

Source: CBRE, Q3 2017. *Building has delivered and signed subsequent leases since delivering to the market.



HISTORIC & PROJECTED TROPHY/CLASS A CONCESSION PACKAGES IN DC



Source: CBRE, Q3 2017 (F = forecast).

As of Q3 2017, rental abatements for all office building classes narrowly exceed one month free per year of lease term and TIA packages average \$87 per sq. ft. (when normalized for a ten-year lease term). The influx of Trophy and Class A office space over the next three years will make the top segment of the market even more competitive, forcing landlords to offer increasingly aggressive concession packages, via rent abatement and tenant improvement allowance (TIA), to attract and retain tenants.



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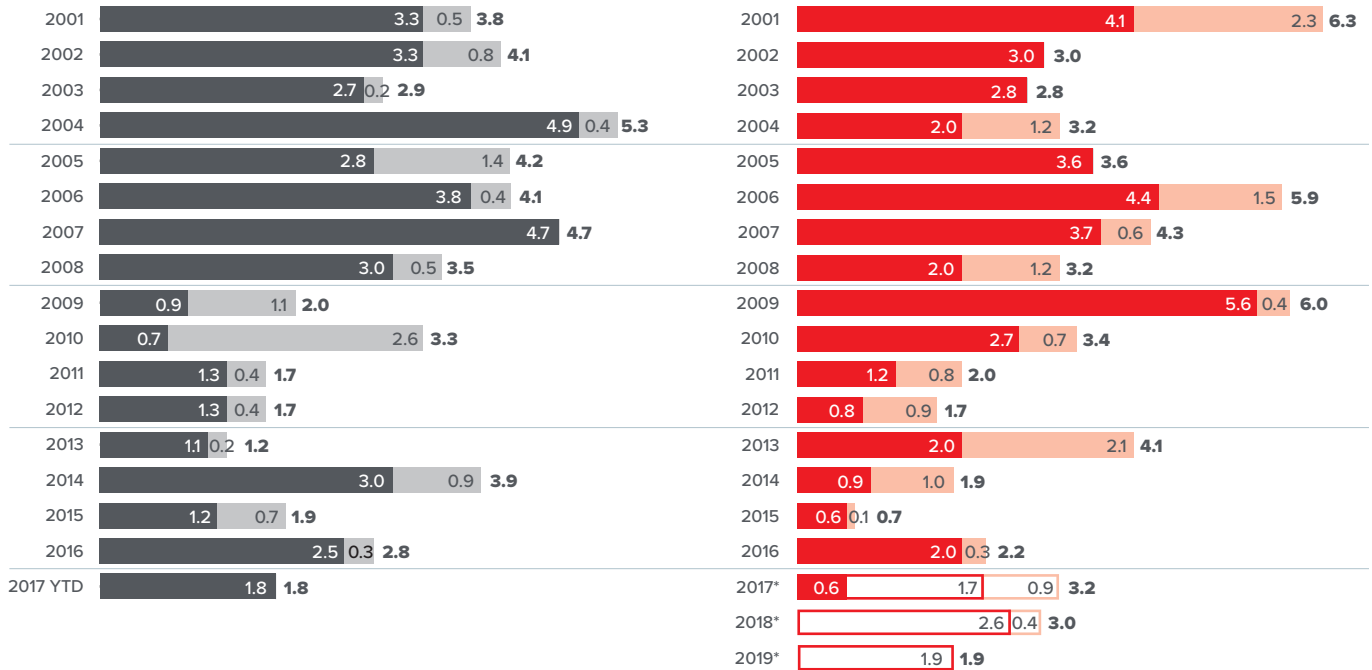
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* Preliminary figures. Nov. 2017



OFFICE SQ. FT. (AUGUST 2017, IN MILLIONS)

GROUNDBREAKINGS: PRIVATE GOVT
 COMPLETED: PRIVATE GOVT
 PROJECTED: PRIVATE GOVT



*projections based on targeted delivery dates of projects under construction as of August 2017

OFFICE DEVELOPMENT (AUGUST 2017)

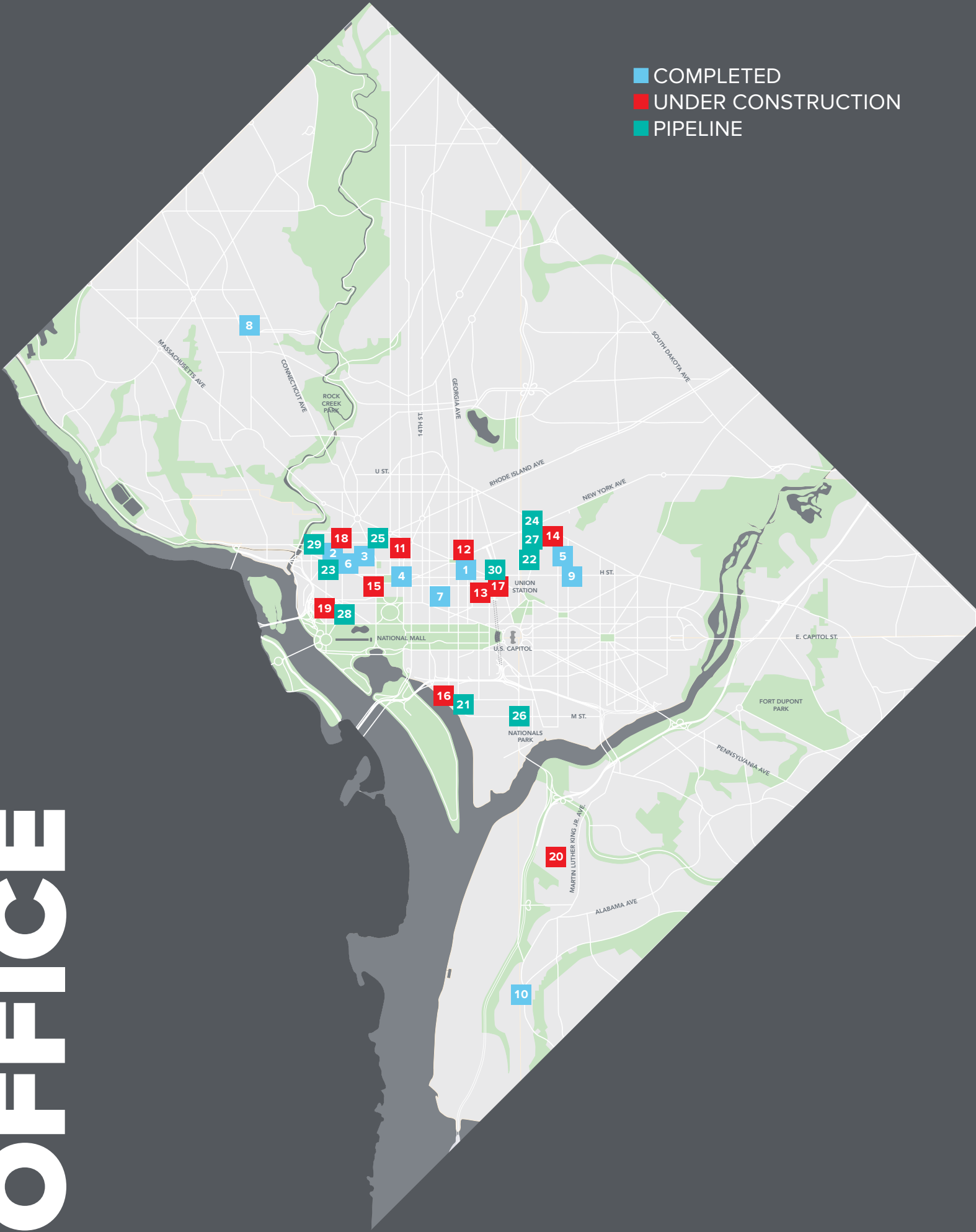
| | PROJECTS | OFFICE SQ. FT. |
|-------------------------------|------------|-------------------|
| COMPLETED (SINCE 2001) | 260 | 55,032,273 |
| 2007 | 16 | 4,276,463 |
| 2008 | 18 | 3,236,432 |
| 2009 | 21 | 6,033,060 |
| 2010 | 10 | 3,408,455 |
| 2011 | 8 | 1,987,719 |
| 2012 | 8 | 1,658,359 |
| 2013 | 20 | 4,127,439 |
| 2014 | 11 | 1,925,674 |
| 2015 | 4 | 651,500 |
| 2016 | 19 | 2,211,006 |
| 2017 YTD | 5 | 671,153 |
| UNDER CONSTRUCTION | 35 | 7,857,030 |
| 2017 DELIVERY | 12 | 2,549,999 |
| 2018 DELIVERY | 13 | 3,031,942 |
| 2019 DELIVERY | 8 | 1,877,089 |
| 2020 DELIVERY | 2 | 398,000 |
| PIPELINE | 103 | 34,817,804 |
| NEAR TERM | 42 | 5,710,374 |
| LONG TERM | 61 | 29,107,430 |
| TOTAL | 398 | 97,707,107 |

Source: WDCEP Research (August 2017)



OFFICE

- COMPLETED
- UNDER CONSTRUCTION
- PIPELINE





| PROJECT | WARD | LOCATION | DEVELOPER(S) | OFFICE SF | EST. VALUE (\$M) ¹ | DELIVERY ² |
|--|---|----------|---|--|-------------------------------|-----------------------|
| TOP OFFICE PROJECTS COMPLETED (Q3 2016–AUGUST 2017) | | | | | | |
| 1 | 600 Massachusetts Avenue | 2 | 600 Massachusetts Ave., NW | Gould Property Company / Oxford Properties Group | 381,592 | \$206 Q4 16 |
| 2 | 2000 K Street | 2 | 2000 K St., NW | Tishman Speyer | 228,576 | Q2 17 |
| 3 | 1800 K Street | 2 | 1800 K St., NW | Deutsche Asset & Wealth Management | 200,000 | \$40 Q4 16 |
| 4 | Lafayette Building (Phase II) | 2 | 811 Vermont Ave., NW | General Services Administration | 189,000 | \$20 Q1 17 |
| 5 | Uline Arena | 6 | 1140 3 rd St., NE | Douglas Development Corporation | 172,157 | \$125 Q4 16 |
| 6 | 900 19 th | 2 | 900 19 th St., NW | Tishman Speyer | 110,577 | \$14 Q1 17 |
| 7 | 1000 F Street | 2 | 1000 F St., NW | Douglas Development Corporation | 94,000 | \$32 Q1 17 |
| 8 | Chancery of Morocco | 3 | 3508 International Dr., NW | Kingdom of Morocco | 49,000 | \$19 Q1 17 |
| 9 | Apollo | 6 | 610 H St., NE | Insight Property Group | 32,000 | \$195 Q4 16 |
| 10 | DHS Office Building | 8 | 4049 South Capitol St., SW | Department of General Services / City Interests | 31,000 | \$12 Q4 16 |
| TOP OFFICE PROJECTS UNDER CONSTRUCTION | | | | | | |
| 11 | Midtown Center | 2 | 1150 15 th St., NW | Carr Properties | 821,000 | \$350 Q4 17 |
| 12 | 655 New York Avenue | 6 | 655 New York Ave., NW | Douglas Development Corporation / Brookfield Office Properties | 653,474 | \$185 Q2 18 |
| 13 | 250 Massachusetts Avenue | 2 | 250 Massachusetts Ave., NW | Property Group Partners | 507,764 | \$275 Q4 19 |
| 14 | Four Constitution Square | 6 | 150 M St., NE | StonebridgeCarras, LLC | 505,000 | \$250 Q2 19 |
| 15 | Consumer Financial Protection Bureau HQ Modernization | 2 | 1700 G St., NW | General Services Administration | 503,000 | \$139 Q4 17 |
| 16 | The Wharf (Phase I) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 500,000 | \$1,326 Q4 17 |
| 17 | 200 Massachusetts Avenue | 2 | 200 Massachusetts Ave., NW | Property Group Partners | 381,746 | \$200 Q2 18 |
| 18 | 2050 M Street | 2 | 2050 M St., NW | Tishman Speyer | 353,200 | Q4 19 |
| 19 | Harry S. Truman Building Modernization (Ph IC) | 2 | 2201 C St., NW | General Services Administration | 290,536 | \$97 Q3 18 |
| 20 | Center Building (DHS HQ) | 8 | St. Elizabeths West Campus | General Services Administration | 284,000 | \$155 Q4 17 |
| TOP OFFICE PROJECTS PIPELINE (NEAR TERM) | | | | | | |
| 21 | The Wharf (Phase II) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 547,504 | \$1,150 2021 |
| 22 | Sentinel Square (Phase III) | 6 | 45 L St., NE | Trammell Crow Company | 545,000 | \$250 2020 |
| 23 | 2100 Pennsylvania Avenue | 2 | 2100 Pennsylvania Ave., NW | Boston Properties / George Washington University | 423,562 | 2022 |
| 24 | Lacebark Alley | 6 | 50 Patterson St. & 1250 1 st St., NE | JBG Smith / Brandywine Realty Trust | 366,161 | \$275 2020 |
| 25 | 1700M | 2 | 1700 M St., NW | Vornado Realty Trust | 335,000 | 2020 |
| 26 | 25 M | 6 | 25 M St., SE | Akridge / Brandywine Realty Trust | 275,000 | \$85 2020 |
| 27 | 44 M Street at Tyber Place | 6 | 44 M St., NE | Skanska USA | 243,655 | \$200 2019 |
| 28 | William McChesney Martin Jr. Building | 2 | 2000 C St., NW | Federal Reserve Board | 218,000 | \$373 2020 |
| 29 | 2100 L Street | 2 | 2100 L St., NW | Akridge / Argos Group | 182,000 | \$147 2020 |
| 30 | AIPAC HQ expansion | 6 | 251 H St., NW | American Israel Public Affairs Committee | 162,400 | 2021 |

1) may include non-office components & pipeline values may include additional phases (\$ in millions)

2) delivery date may reflect phase I delivery or final phase delivery for pipeline projects



DEVELOPMENT HIGHLIGHTS

Image courtesy of Douglas Development



WARD 6

655 NEW YORK AVENUE

LOCATION: 655 New York Avenue, NW
DEVELOPER(S): Douglas Development / Brookfield
ARCHITECT(S): Shalom Baranes Associates
CONTRACTOR(S): James G Davis Construction Corp.
LEED: Platinum **EST. VALUE:** \$185 million
STATUS: Under Construction
TARGETED DELIVERY: Q2 2018

SPECS: 655 New York Avenue will be the new home for The Advisory Board which will lease about 500,000 sq. ft. with a 2019 move-in. The project will total 653,000 sq. ft. of office space, 80,500 sq. ft. of retail space, and 185 bicycle spaces.

Image courtesy of WDG



WARD 2

MIDTOWN CENTER

LOCATION: 1150 15th Street, NW
DEVELOPER(S): Carr Properties
ARCHITECT(S): SHoP / WDG
CONTRACTOR(S): Clark Construction Group
LEED: Gold **EST. VALUE:** \$350 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The former HQ of The Washington Post was razed and the site will be redeveloped into a 13-story, 865,000 sq. ft. office building with approximately 44,000 sq. ft. of retail space. Fannie Mae will consolidate several local offices and 3,500 employees into the new building as a primary HQ location.

Image courtesy of Akridge



WARD 8

COLUMBIAN QUARTER

LOCATION: Suitland Parkway & Howard Road, SE
DEVELOPER(S): Redbrick LMD
ARCHITECT(S): HOK
CONTRACTOR(S): Clark Construction
LEED: Gold **EST. VALUE:** \$800 million
STATUS: Near-Long Term
TARGETED DELIVERY: 2021

SPECS: Columbian Quarter is a multi-phase project with plans to deliver approximately 1.6 million sq. ft. of office space in three buildings along with 50,700 sq. ft. of retail space. Plans also include 692 residential units, 980 parking spaces below grade, and 760 bicycle spaces.



WARD 2

1701 RHODE ISLAND AVENUE

LOCATION: 1701 Rhode Island Avenue, NW
DEVELOPER(S): Akridge
ARCHITECT(S): Hickok Cole Architects
CONTRACTOR(S): Whiting-Turner Contracting
EST. VALUE: \$90 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2018

SPECS: The former YMCA building will be redeveloped into a 100,000 sq. ft. boutique office building. The project will feature four sides of floor-to-ceiling glass with a range of amenities including a landscaped rooftop terrace and conference facilities.

DEVELOPMENT HIGHLIGHTS



Image courtesy of Akridge



WARD 2

2100 L STREET

LOCATION: 2100 L Street, NW
DEVELOPER(S): Akridge / Argos Group
ARCHITECT(S): WDG / Jan Hendrix / Martinez & Johnson
CONTRACTOR(S): James G Davis Construction Corp.
LEED: Platinum **EST. VALUE:** \$147 million
STATUS: Near Term
TARGETED DELIVERY: Q1 2020

SPECS: 2100 L is a 10-story, 190,000 sq. ft. office project that will be built on the former Humane Society Headquarters site. The project also includes about 8,000 sq. ft. of retail space and amenities ranging from an art gallery with private outdoor terraces and an outdoor pocket park. The site is located adjacent to the Thaddeus Stevens School which will undergo a \$20 million renovation, led by Akridge, in a separate phase.

Image courtesy of City Interests



WARD 7

PARKSIDE PARCEL 12 (BLOCK H)

LOCATION: Kenilworth Terrace, NE & Grant Place, NE
DEVELOPER(S): City Interests
ARCHITECT(S): Gensler
LEED: Gold **EST. VALUE:** \$225 million
STATUS: Near Term
TARGETED DELIVERY: Q4 2021

SPECS: Parkside Parcel 12 (Block H) is a 10-story office project and component of the 3.1 million Parkside Mixed-Use Development. The building will feature approximately 456,000 sq. ft. of office space and 7,200 sq. ft. of retail. A new pedestrian bridge will provide a direct connection to the Minnesota Avenue Metrorail station.

Image courtesy of Gensler



WARD 6

99 M STREET

LOCATION: 1st & M Street, SE
DEVELOPER(S): Skanska
ARCHITECT(S): Gensler
CONTRACTOR(S): Skanska
LEED: Gold **EST. VALUE:** \$116 million
STATUS: Under Construction
TARGETED DELIVERY: Q1 2018

SPECS: 99 M Street will be an 11-story, 234,000 sq. ft. office building with 11,000 sq. ft. of ground floor retail. The building will feature a 4,300 sq. ft. green rooftop terrace and four levels of underground parking with about 150 spaces.

Image courtesy of Gensler



WARD 2

2112 PENNSYLVANIA AVENUE

LOCATION: 2112 Pennsylvania Avenue, NW
DEVELOPER(S): Skanska
ARCHITECT(S): Gensler
CONTRACTOR(S): Skanska
LEED: Gold **EST. VALUE:** \$125 million
STATUS: Under Construction
TARGETED DELIVERY: Q2 2018

SPECS: Skanska is developing a 250,000 sq. ft. trophy-class office speculative project, with 10,000 sq. ft. of retail space, under a ground lease with The George Washington University. Cleary Gottlieb signed a lease for approximately half of the office space in early 2016.



DEVELOPMENT HIGHLIGHTS

Image courtesy of PNI Hoffman



WARD 6

THE WHARF (PHASE II)

LOCATION: Southwest Waterfront
DEVELOPER(S): Hoffman-Madison Waterfront
ARCHITECT(S): ODA Architecture / WDG / Rafael Vinoly Architects / Morris Adjmi Architects / Studio Architecture / Hollwich Kushner / Perkins Eastman DC / SHoP
EST. VALUE: \$1.1 billion
STATUS: Near Term
TARGETED DELIVERY: 2021

SPECS: Phase II of The Wharf will deliver 550,000 sq. ft. of office space in three buildings as well as two below grade parking garages. Plans also call for 120,000 sq. ft. of retail space, a 116-room hotel, 317 residential units (apartments & condos), 200+ slip marina, and four acres of public park/open space.

Image courtesy of Trammell Crow



WARD 6

SENTINEL SQUARE (PHASE III)

LOCATION: 45 L Street, NE
DEVELOPER(S): Trammell Crow
ARCHITECT(S): SmithGroupJJR
CONTRACTOR(S): Clark Construction Group / Rand Construction
LEED: Silver **EST. VALUE:** \$250 million
STATUS: Near Term
TARGETED DELIVERY: Q1 2020

SPECS: Phase III of Sentinel Square will be an 11-story, 545,000 sq. ft. office building with approximately 11,000 sq. ft. of retail space. The building is 87% preleased to the Federal Communications Commission, who signed a lease in December 2016.

Image courtesy of SmithGroupJJR



WARD 6

DC WATER HQ

LOCATION: 125 O Street, SE
DEVELOPER(S): DC Water
ARCHITECT(S): SmithGroupJJR
CONTRACTOR(S): Skanska
LEED: Platinum **EST. VALUE:** \$60 million
STATUS: Under Construction
TARGETED DELIVERY: Q2 2018

SPECS: DC Water is building a new six-story, 151,300 sq. ft. HQ office building for 350 employees on a 2.75-acre site. The new building will wrap around and be attached to the historic O Street Main Pumping Station.

Image courtesy of Property Group Partners

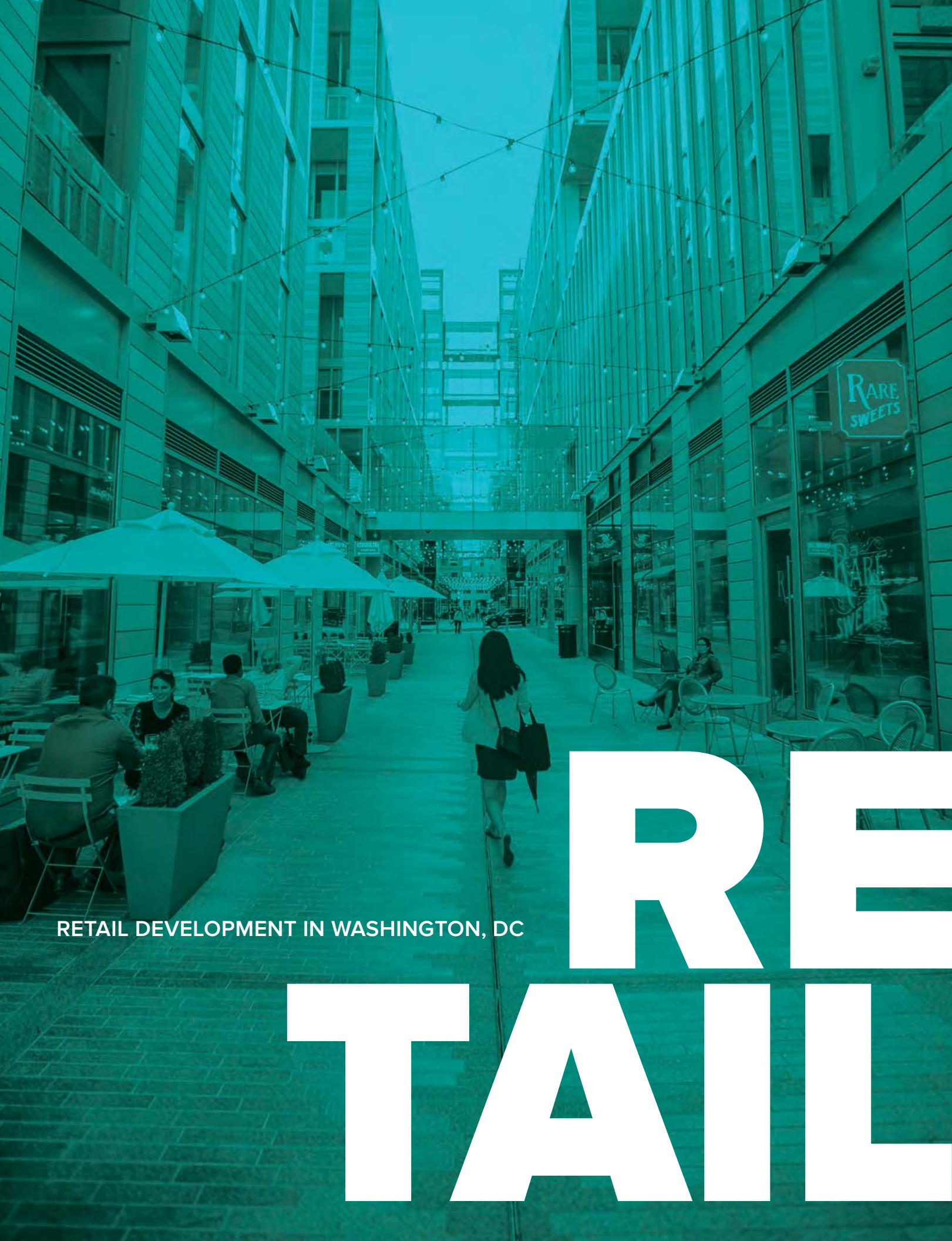


WARD 2

CAPITOL CROSSING

LOCATION: 200 & 250 Massachusetts Avenue, NW
DEVELOPER(S): Property Group Partners
ARCHITECT(S): Kevin Roche John Dinkeloo & Associates / SOM / Kohn Pedersen Fox & Associates
CONTRACTOR(S): Balfour Beatty Construction
LEED: Platinum **EST. VALUE:** \$725 million
STATUS: Under Construction
TARGETED DELIVERY: Q2 2018–Q4 2019

SPECS: Capitol Crossing will be a three-block, 2.2 million sq. ft. mixed-use development that will be built above I-395. The north block will contain two office buildings totaling 954,000 sq. ft. and up to 55,000 sq. ft. of retail space. The entire project will go beyond LEED Platinum with on-site co-generation and stormwater treatment facility.



RETAIL DEVELOPMENT IN WASHINGTON, DC

RE TAIL TAIL

RETAIL

By: Sandra Illich, Retail Research Analyst, CBRE

Since 2010, the District of Columbia's population has increased by 13% to more than 681,170—its highest level since the 1970's and it is projected to grow to more than 842,200 by 2030.¹ In 2016, 22 million people visited DC and spent a total of \$7.3 billion.² Growing tourism coupled with a daytime population of over one million make DC a hub for retail and commercial growth.

2016 TAXABLE RETAIL & RESTAURANT SALES³

\$13.9B

RETAIL DELIVERIES IN 2017⁴

819K

Square Feet

POPULATION GROWTH⁵

12.6%

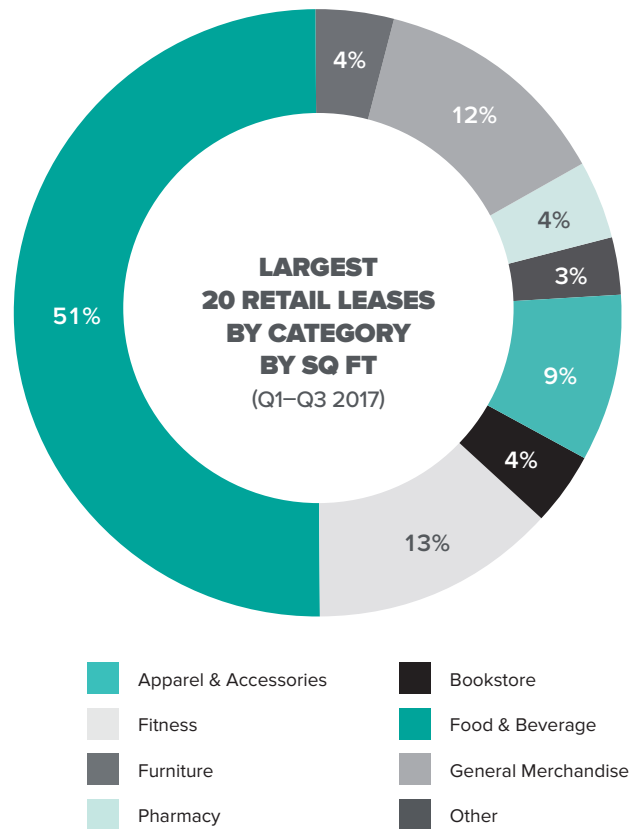
2010–2016

NEW GROCERY STORES⁶

38

Since 2000—
8 more in the pipeline

More than half of DC's residents hold a bachelor's degree or higher (55% compared to 31% of U.S. population) and 21% of the residents are millennials (ages 25-34).⁷ With an average household income of \$117,316⁸ and a significant population (54%) of millennials whom eat out at least once a week⁹, DC is a prime city for growing retail corridors and restaurant hubs.



1. Metropolitan Washington Council of Government. Growth Trends, to 2045, Cooperative Forecasting in Metropolitan Washington, November 2016. 2. DestinationDC (2016 Visitor Statistics) 3. Office of the Chief Financial Officer (FY 2018 Proposed Budget & Financial Plan). In 2016 DC started collecting sales tax for online purchases. Year denotes fiscal year (October–September) 4. WDCEP Research, August 2017 (projected 2017 deliveries based on projects under construction) 5. U.S. Census 6. WDCEP Research, August 2017. 7. U.S. Census Bureau, Population Division July 1, 2016 8. CBRE Fast Report, 2017. 9. Morgan Stanley Research

THE EVOLVING RETAIL LANDSCAPE

U.S. retail sales in Q2 2017 were \$1.26 trillion and e-commerce accounted for 8.9% of sales, a rate that has doubled since the end of 2010.¹⁰ While retail sales have averaged 4.1% yearly growth since the end of the Great Recession online sales have powered this growth averaging 14.6% per year since 2010.¹¹ Business Insider forecasts that U.S. consumers will spend \$632 billion online by 2020, a 64% increase from 2016.¹² Amazon is clearly the leader in online U.S. sales with some estimates having their online market share of 34% expected to grow to 50% by 2021.¹³

This means that pure-play retailers will struggle to remain relevant and will have to adapt in order to survive. Retailers must develop a good online platform and an impressive physical store, where consumers can interact and be exposed to new and different experiences. Brick and mortar stores will continue to play a crucial role in the consumer’s journey. Major retailers will continue opening stores in growing neighborhoods of DC as a way of branding their store and merchandise with the reputation of the area. Physical stores will also be used as delivery points and offer additional insight into their customer data.

In DC, taxable retail sales increased by \$983 million from 2015 to 2016—an 11.7% increase.¹⁴ This compares to a 3.0% increase from 2014–2015. While there are several contributing factors such as significant growth in population, workforce, and tourists, one noteworthy cause can be attributed to the DC government starting to collect sales tax for online purchases in 2016.

Even with the pressure of e-commerce competition on traditional retail concepts, DC developers still plan on building nearly six million sq. ft. of retail/restaurant space in their mixed-use projects. However, the tenant mix has and will continue to adjust to the new realities of the overall retail market with food & beverage and entertainment uses seeing a significant prioritization in the merchandising plans of developers and landlords. An example of this can be found in The Wharf’s tenant mix with nearly two-thirds of retail establishments focused on restaurants & entertainment. Overall, DC’s food & beverage industry has seen an influx of new concepts and openings over the past 10 years with a 22% increase in restaurants & bars from 2007–2016, compared to 14% nationally.¹⁵

The increase and quality of eating establishments have lead DC to be named “Restaurant City of the Year” by Bon Appetit in 2016 and 13 restaurants earning stars in the 2018 Michelin Guide. Furthermore, numerous local restaurant chains have received private investments to expand nationally including Cava Grill (\$98.9 million), SweetGreen (\$126.5 million), Matchbox (\$35.3 million), and &Pizza (\$40.5 million).¹⁶

“In DC, taxable retail sales increased by \$983 million from 2015 to 2016—an 11.7% increase”

10. Retail Indicators Branch, U.S. Census Bureau (Q2 2017, Estimated Quarterly U.S. Retail Sales—Q2 2017 preliminary. Last revised August 17, 2017) 11. Retail Indicators Branch, U.S. Census Bureau (Q2 2017, Estimated Quarterly U.S. Retail Sales. Last revised August 17, 2017) 12. BI Insider. Amazon accounts for 43% of US online retail sales (2/3/17) 13. Wahba, Phil. Amazon Will Make Up 50% of All U.S. E-Commerce by 2021. Fortune (4/10/17). 14. Office of the Chief Financial Officer (FY 2018 Proposed Budget & Financial Plan). 15. BLS (Quarterly Census of Employment and Wages) 16. WDCEP Research & Pitchbook (as of Q3 2017)

TOP DC RETAIL LEASES BY SF (Q1 2017–Q3 2017)

| RETAILER | ADDRESS | SQ. FT. | TYPE | SUBMARKET |
|---------------------------------------|-------------------------------|---------|-----------------------|---------------------------|
| Target | 3505 Connecticut Ave NW | 25,300 | General Merchandise | Uptown/Friendship Heights |
| Ross | 1060 Brentwood Rd NE | 25,134 | Apparel & Accessories | Northeast |
| Punch Bowl Social | 1250 Half St SE | 24,078 | Food & Beverage | Capitol Riverfront |
| Planet Fitness | 3200 Pennsylvania Ave SE | 20,141 | Fitness | Southeast |
| District Winery | 385 Water St SE | 17,000 | Food & Beverage | Capitol Riverfront |
| Washington Sports Club* | 2251 Wisconsin Ave NW | 15,637 | Fitness | Georgetown |
| Wawa | 1222 Wisconsin Ave NW | 13,854 | Food & Beverage | Georgetown |
| Union Square Café | 200 Massachusetts Ave NW | 13,000 | Food & Beverage | East End |
| Roche Bobois | 5301 Wisconsin Ave NW | 11,161 | Furniture | Uptown/Friendship Heights |
| Truluck's Seafood, Steak & Crab House | 700 K St NW | 10,313 | Food & Beverage | East End |
| CVS/Pharmacy | Alabama Ave SE @ Good Hope Rd | 10,032 | Pharmacy | South East |
| Amazon Books | 3040 M St NW | 9,932 | Bookstore | Georgetown |
| Mi Vida | 800 Maine Ave SW | 9,500 | Food & Beverage | Southwest |
| Wawa | 1111 19 th St NW | 9,469 | Food & Beverage | CBD |
| Vidalia | 1990 M St NW | 9,157 | Food & Beverage | CBD |
| Vapiano | 1800 M St NW | 9,124 | Food & Beverage | CBD |
| Five Below | 3810 Fort Lincoln Dr NE | 9,000 | General Merchandise | Northeast |
| Founding Farmers* | 1900 Pennsylvania Ave NW | 8,530 | Food & Beverage | CBD |
| The Showroom LLC | 1099 14th St NW | 8,306 | Venue | East End |
| Succotash | 915 F St NW | 7,862 | Food & Beverage | East End |

Source: CBRE, Q3 2017 (*renewal)



SELECT RETAIL SUBMARKET HIGHLIGHTS

14th & U Street

- 14th Street and U Street, also known as the Greater U Street Historic District, is in the heart of DC. The area has a high concentration of millennials with 46% of its population between the ages of 20–34.¹⁷
- Food & beverage uses occupy 50% of all retail space in this neighborhood.¹⁸
- Some of the major openings in the first three quarters of 2017 included Lululemon (apparel), Madewell (apparel), Franklin Hall (beer hall), TaKorean (restaurant), Bresca (restaurant), Arepa Zone (restaurant), Bindaas (restaurant) and Jinya Ramen Bar.
- Whole Foods plans to open their second store in the neighborhood as part of the 433 multifamily-unit 965 Florida Avenue development in 2020.
- Neighborhood anchor tenants include Trader Joe’s, Whole Foods, Room & Board, West Elm, Barcelona Wine Bar, Le Diplomate, Shinola, Soul Cycle, Lululemon, Pearl Dive Oyster Palace, and District Distillery.

Capitol Riverfront ¹⁹

- Capitol Riverfront is well on its way to becoming an entertainment destination. The 390,000 sq. ft. of existing retail space is expected to more than double to 900,000 sq. ft. by 2020. In addition, it is home to Nationals Park and the future site of D.C. United’s new 19,000-seat stadium (scheduled spring/summer 2018 opening).
- There are an estimated 6,000 residents in Capitol Riverfront and the population is expected to more than double to 14,000 by 2019 based on the development pipeline.

- 17 new businesses opened in the first three quarters of 2017, including District Winery, The Salt Line (restaurant), Orangetheory Fitness, Taylor Gourmet (restaurant), and Steadfast Supply (a retail store that provides a platform for independent brands and designers).
- According to RealPage, Capitol Riverfront and adjacent communities are the 5th busiest neighborhoods for residential construction in the country with 1,483 new market-rate and affordable apartments completed in 2016.²⁰

Downtown DC ²¹

- Downtown DC is anchored by the Capitol One Arena, DC’s main concert and sports venue. The heavily trafficked thoroughfare commands the highest retail rents in the city and is filled with fast casual and full-service restaurants popular with locals and tourists alike.
- The 1.6 million sq. ft. CityCenterDC (Phase I) was constructed in 2014 and quickly became home to luxury brands in DC. The project currently blends retail, dining, and fitness with a new phase delivering in 2019 featuring a 360-room Conrad Hotel. The average CityCenterDC retail sales in 2016 were reported in the \$800–\$1,000 per sq. ft. range with a top performance of \$3,000 per sq. ft.
- In August 2017, Monumental Sports & Entertainment (MSE), negotiated a 10-year naming right deal with Capital One Bank, for \$100 million. This deal is ranked among the most lucrative naming rights deals in the U.S. MSE will invest \$40 million to upgrade Capitol One Arena’s (formerly the Verizon Center) facilities and technologies.
- 49% of the retail is food & beverage and as of April 2017, Downtown DC had 164 destination restaurants.
- 8.2 million people attended Downtown DC’s culture and entertainment venues in 2016.

17. Esri, 2016 Estimates & Projections 18. Georgetown BID 19. Capitol Riverfront BID 20. www.realpage.com/mpf-research/nations-10-busiest-submarkets-construction-navy-yardcapitol-south-district-columbia/
21. DowntownDC BID and Monumental Sports

Georgetown²²

- Georgetown is filled with a mix of small boutiques, national tenants, and over 70 home decor retailers.
- Through fall 2017, 24 retailers & restaurants opened (compared to 22 closings), including Subway, Sweetgreen, Bibibop, Falafel, Acaiberry, Blue Bottle Coffee, Boulangerie Coffee, Kung Fu Tea, and Oki Bowl Ramen.
- 15 restaurants & retailers are scheduled to open in 2018, such as Café Georgetown, Capital One Café, District Pizza, Insomnia Cookies, Say Cheese!, and Wawa.
- Over 26% of visitors come from the top 3% of the country's most affluent households, with discretionary spending power in excess of \$32,000 per year per household.
- 35% of Georgetown sales come from domestic U.S. visitors and 7% come from international visitors with top markets in the U.K., Canada, China, France, Brazil and the UAE.

H Street, NE

- H Street spans just over one-and-a-half miles and has returned to its roots as a thriving, commercial hub with more than 100 retail stores and a collection of international restaurants. The corridor has seen an influx of trendy bars, restaurants, street art, music venues and several new mixed-use projects over the past several years.
- Retail & restaurant openings through the first three quarters of 2017 included Whole Foods, Dio Wine Bar, Sospeso (restaurant), Turning Natural (restaurant,) and Bar Elena (replacing the Boundary Road restaurant).
- The Apollo mixed-use project delivered in late 2016 and as of Q3 2017, its 431 units were 98% occupied.²³ In addition, the project includes a 44,000 sq. ft. Whole Foods (Q1 2017 opening) and a 32,000 sq. ft. WeWork (summer 2017 opening).

NoMa & Union Market

- The two neighborhoods, separated by New York & Florida Avenues, NE, complement each other with NoMa providing a strong daytime population in excess of 54,000 workers and increasing residential base while Union Market is known as a unique restaurant & food destination.
- The NoMa Parks Foundation is spearheading the effort to create six parks and public spaces, including the 2.5-acre NoMa Green (construction expected in 2018).
- Already home to Harris Teeter, a 50,000 sq. ft. flagship REI, and Michelin star-rated Masseria restaurant, the area will welcome Blue Bottle Coffee (Q4 2017), Trader Joe's (2018), and a Latin marketplace concept by Chef Garces (2018).
- DC's first Virgin Hotel (178 rooms) will open in 2019 at 411 New York Avenue, NE.

Shaw

- Shaw benefits from its proximity to Downtown DC, a recent influx of young professionals, and its integration with mass transit. There has been over \$3.5 billion in new development since 2001, creating over 5,000 new residential units.
- Even with this massive growth of mixed-use projects the neighborhood has seen a strong trend of smaller and more unique stores and restaurants entering the market. In 2016, Shaw welcomed 40 new businesses and in 2017 it is expected to see at least 36 new businesses open.²⁴
- Major retail & restaurant openings through the first three quarters of 2017, included Union Kitchen Grocery, Supra (DC's first Georgian restaurant), Tiger Fork (Cantonese restaurant), Maxwell Wine Bar, Sugar Shack, and Nocturne (a 50-seat speakeasy, located under the donut shop).

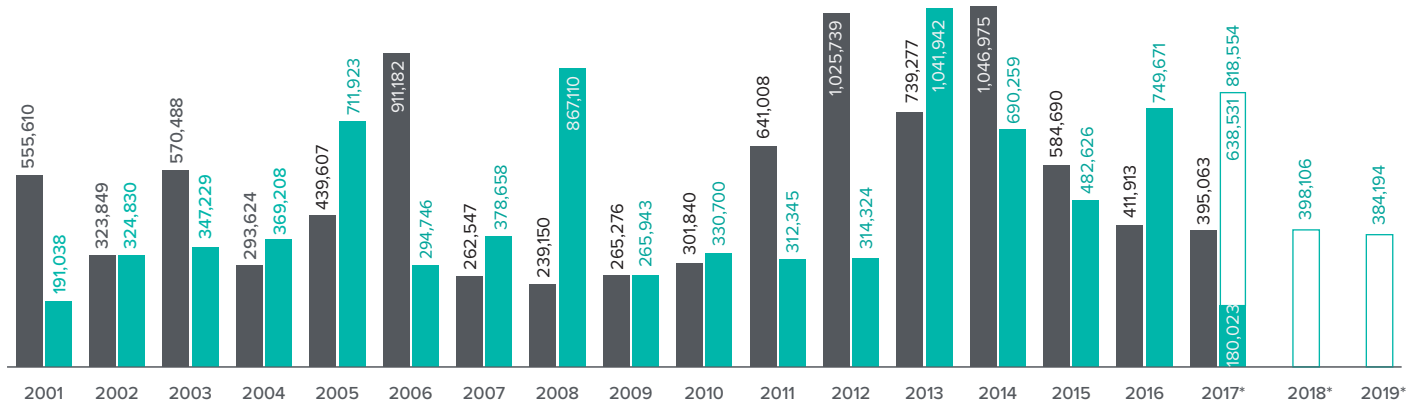
22. Georgetown BID 23. CoStar (accessed November 2017) 24. Shaw Main Streets (www.capitalcommunitynews.com/content/shaw-streets-april-2017)

RETAIL DEVELOPMENT



RETAIL DEVELOPMENT (SQ. FT., AUGUST 2017)

■ GROUNDBREAKING ■ COMPLETED □ PROJECTED



Source: WDCEP Research (August 2017)

*projections based on targeted delivery dates of projects under construction as of August 2017



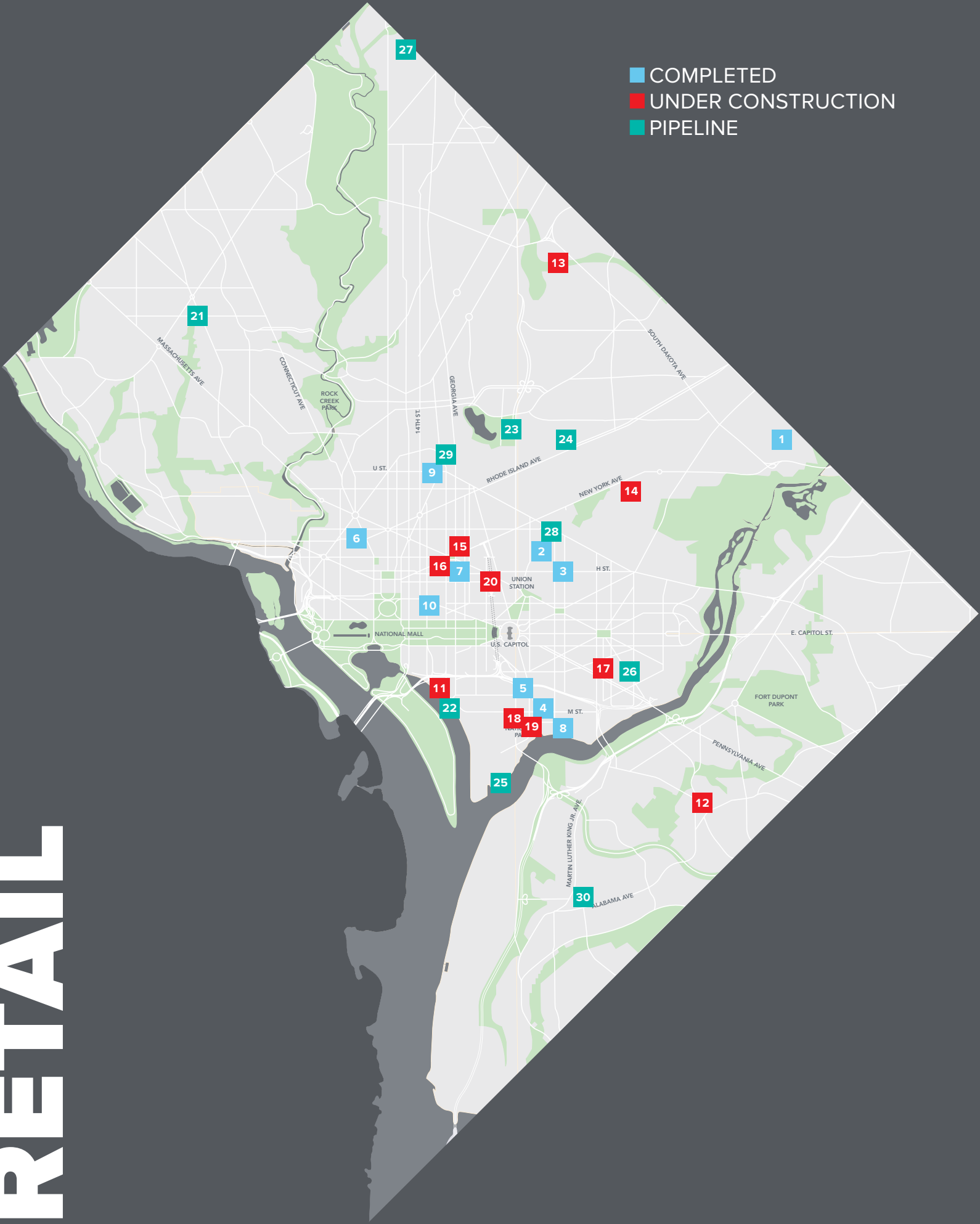
RETAIL DEVELOPMENT (AUGUST 2017)

| | PROJECTS | RETAIL SQ. FT. |
|-------------------------------|------------|-------------------|
| COMPLETED (SINCE 2001) | 374 | 7,852,575 |
| 2001 | 18 | 191,038 |
| 2002 | 23 | 324,830 |
| 2003 | 19 | 347,229 |
| 2004 | 22 | 369,208 |
| 2005 | 26 | 711,923 |
| 2006 | 24 | 294,746 |
| 2007 | 22 | 378,658 |
| 2008 | 21 | 867,110 |
| 2009 | 27 | 265,943 |
| 2010 | 11 | 330,700 |
| 2011 | 11 | 312,345 |
| 2012 | 16 | 314,324 |
| 2013 | 26 | 1,041,942 |
| 2014 | 27 | 690,259 |
| 2015 | 25 | 482,626 |
| 2016 | 37 | 749,671 |
| 2017 YTD | 19 | 180,023 |
| UNDER CONSTRUCTION | 69 | 1,610,331 |
| 2017 DELIVERY | 16 | 638,531 |
| 2018 DELIVERY | 33 | 398,106 |
| 2019 DELIVERY | 17 | 384,194 |
| 2020 DELIVERY | 3 | 189,500 |
| PIPELINE | 212 | 5,893,506 |
| NEAR TERM | 106 | 1,993,471 |
| LONG TERM | 106 | 3,900,035 |
| TOTAL | 655 | 15,356,412 |

Source: WDCEP Research (August 2017)

RETAIL

- COMPLETED
- UNDER CONSTRUCTION
- PIPELINE





| PROJECT | WARD | LOCATION | DEVELOPER(S) | RETAIL SF | EST. VALUE (\$M) ¹ | DELIVERY ² |
|---------|------|----------|--------------|-----------|-------------------------------|-----------------------|
|---------|------|----------|--------------|-----------|-------------------------------|-----------------------|

TOP RETAIL PROJECTS COMPLETED (Q3 2016–AUGUST 2017)

| | | | | | | | |
|----|--|---|------------------------------|---|---------|-------|---------|
| 1 | The Shops at Dakota Crossing (Phase III) | 5 | 2438 Market St., NE | Ft. Lincoln New Town Corp. / Trammell Crow / CSG Urban Partners | 135,000 | \$60 | 2016-17 |
| 2 | Uline Arena | 6 | 1140 3 rd St., NE | Douglas Development Corporation | 73,057 | \$125 | Q4 16 |
| 3 | Apollo | 6 | 610 H St., NE | Insight Property Group | 59,000 | \$195 | Q4 16 |
| 4 | F1rst | 6 | 1st & N Sts., SE | Grosvenor Americas / McCaffery Interests / Clark Enterprises | 25,729 | \$150 | Q2 17 |
| 5 | One Hill South | 6 | 28 K St., SE | The Related Companies / Ruben Companies | 23,700 | \$100 | Q1 17 |
| 6 | 2225 M | 2 | 23rd & M Sts., NW | Eastbanc / Warrenton Group / Dantes Partners | 19,700 | \$34 | Q2 17 |
| 7 | 600 Massachusetts Avenue | 2 | 600 Massachusetts Ave., NW | Gould Property Company / Oxford Properties Group | 19,418 | \$206 | Q4 16 |
| 8 | Pavilion P2B | 6 | 385 Water St., SE | Forest City Washington | 19,202 | | Q3 17 |
| 9 | 13IU | 1 | 1300 U St., NW | The JBG Companies | 15,019 | \$66 | Q3 17 |
| 10 | Trump International Hotel, The Old Post Office | 2 | 1100 Pennsylvania Ave., NW | Trump Hotel Collection | 15,000 | \$200 | Q3 16 |

TOP RETAIL PROJECTS UNDER CONSTRUCTION

| | | | | | | | |
|----|--|---|-------------------------------|---|---------|---------|-------|
| 11 | The Wharf (Phase I) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 190,000 | \$1,326 | Q4 17 |
| 12 | Skyland Town Center (Ph I - Block 2) | 7 | Alabama Ave. & Naylor Rd., SE | Rappaport / WC Smith / Washington East Foundation | 117,000 | \$175 | 2020 |
| 13 | The Modern at Fort Totten | 5 | 5180 South Dakota Ave., NE | Morris & Gwendolyn Cafritz Foundation | 104,701 | \$135 | Q3 17 |
| 14 | Hecht Warehouse District (Pappas Building) | 5 | 1401 Okie St., NE | Douglas Development Corporation | 95,335 | \$9 | Q4 17 |
| 15 | 655 New York Avenue | 6 | 655 New York Ave., NW | Douglas Development Corporation / Brookfield Office Properties | 80,551 | \$185 | Q2 18 |
| 16 | Anthem Row | 2 | 800 K St., NW | The Meridian Group | 70,000 | \$142 | Q1 19 |
| 17 | 700 Penn | 6 | 700 Pennsylvania Ave., SE | Stanton Development / Eastbanc / Jarvis Company / Dantes Partners / Clark Enterprises | 60,000 | \$227 | Q4 17 |
| 18 | West Half | 6 | 1201 Half St., SE | JBG Smith | 60,000 | \$200 | Q1 20 |
| 19 | 1250 | 6 | 1250 Half St., SE | Jair Lynch Real Estate Partners / MacFarlane Partners | 60,000 | \$152 | Q3 19 |
| 20 | 250 Massachusetts Avenue | 2 | 250 Massachusetts Ave., NW | Property Group Partners | 58,372 | \$275 | Q4 19 |

TOP RETAIL PROJECTS PIPELINE (NEAR TERM)

| | | | | | | | |
|----|---------------------------------|---|---------------------------------------|--|---------|---------|---------|
| 21 | 3900 Wisconsin Avenue | 3 | 3900 Wisconsin Ave., NW | Roadside Development / Sekisui House | 200,000 | | 2022 |
| 22 | The Wharf (Phase II) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 119,559 | \$1,150 | 2021 |
| 23 | McMillan Sand Filtration Site | 5 | North Capitol St. & Michigan Ave., NW | Vision McMillan Partners (Jair Lynch Real Estate Partners / Trammell Crow Company / EYA) | 80,000 | \$720 | 2021 |
| 24 | Bryant Street (Phase I) | 5 | 680 Rhode Island Ave., NE | MRP Realty / B&R Associates LP | 72,000 | | 2020/21 |
| 25 | Riverpoint | 6 | 2100 2 nd St., SW | Akridge / Western Development / Redbrick LMD / Orr Partners / Jefferson Apartment Group | 70,441 | \$220 | 2020 |
| 26 | Beckert's Park | 6 | 415 14 th St., SE | Foulger-Pratt / Safeway | 70,000 | \$125 | 2020 |
| 27 | Georgia Eastern | 4 | 7828 Georgia Ave., NW | Douglas Development Corporation | 56,079 | | 2021 |
| 28 | Press House at Union District | 6 | 301 N St., NE | Foulger-Pratt | 50,674 | \$150 | 2020 |
| 29 | 965 Florida Avenue | 1 | 965 Florida Ave., NW | MRP Realty / Ellis Development Group / JBG Smith | 49,156 | \$120 | 2020 |
| 30 | Saint Elizabeths East (Phase I) | 8 | Saint Elizabeths East Campus | Redbrick LMD / Gragg Cardona Partners / DMPED | 47,000 | \$240 | 2019 |

1) may include non-retail components & pipeline values may include additional phases (\$ in millions)

2) delivery date may reflect phase I delivery or final phase delivery for pipeline projects

R DEVELOPMENT HIGHLIGHTS

Image courtesy of PN Hoffman



WARD 6

THE WHARF (PHASE I)

LOCATION: Southwest Waterfront
DEVELOPER(S): Hoffman-Madison Waterfront
ARCHITECT(S): Perkins Eastman / BBGM / FOX / Handel / Kohn Pedersen Fox & Assoc. / MTFA / SK+I / SmithGroupJJR / WDG
CONTRACTOR(S): Clark Construction Group / Donohoe Construction / Balfour Beatty Construction / Cianbro / CBG Building Company
LEED: Gold **EST. VALUE:** \$1.3 billion
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The 2.0 million sq. ft. Phase I consists of 500,000 sq. ft. of office, 190,000 sq. ft. of retail, 870 residential units, 690 hotel rooms, and 140,000 sq. ft. of cultural and entertainment space (including The Anthem—a 6,000 person capacity concert/event hall). Phase I delivered in October 2017.

Image courtesy of WC Smith



WARD 6

AGORA

LOCATION: 800 New Jersey Avenue, SE
DEVELOPER(S): WC Smith
ARCHITECT(S): SK+I Architectural Design Group
CONTRACTOR(S): WCS Construction
LEED: Silver **EST. VALUE:** \$141 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The Agora will consist of 334 loft-style apartment units featuring 10-foot ceilings and a 39,000 sq. ft. Whole Foods with two levels of grocery parking above the store. It is the second phase of the 1.4 million sq. ft. mixed-use The Collective master development.



WARD 5

THE MODERN AT FORT TOTTEN

LOCATION: 5180 South Dakota Avenue, NE
DEVELOPER(S): Morris & Gwendolyn Cafritz Foundation
ARCHITECT(S): Shalom Baranes Associates / EE&K / MV+A Architects
CONTRACTOR(S): Foulger-Pratt
LEED: Silver **EST. VALUE:** \$135 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2017

SPECS: Phase I will deliver 105,000 sq. ft. of retail space (on two levels) and 520 apartments, including 141 affordable/senior units, in three buildings. The overall development will include up to 333,550 sq. ft. of retail space and 929 residential units. Phase I was completed in September 2017.

Image courtesy of Redbrick LMD



WARD 8

SAINT ELIZABETHS EAST (PHASE I)

LOCATION: Saint Elizabeths East Campus
DEVELOPER(S): Redbrick LMD / Flaherty & Collins / AEDC / Gragg Cardona Partners / DMPED
ARCHITECT(S): Cunningham + Quill Architects
EST. VALUE: \$300 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2020

SPECS: The 15.8-acre Phase I will focus on the land closest to the Congress Heights Metrorail Station and include 252 mixed-income rental units (adaptive reuse of historic, former hospital buildings), 60–100 townhomes, and a 171,000 sq. ft. office building with 47,000 sq. ft. of retail space. The redevelopment vision for the 183-acre East Campus calls for up to five million sq. ft. of mixed-use development and the DC government is investing approximately \$100 million in infrastructure improvements on the campus.

Image courtesy of MidCity



WARD 5

RIA

LOCATION: Rhode Island Avenue & 14th Street & Montana Avenue, NE
DEVELOPER(S): MidCity
ARCHITECT(S): Perkins Eastman DC
LEED: Silver **EST. VALUE:** \$450 million
STATUS: Near - Long Term
TARGETED DELIVERY: 2020–2023

SPECS: The 20-acre site that currently encompasses existing housing and a former shopping center will be redeveloped into a mixed-use neighborhood with eight new city blocks, 182,000 sq. ft. of retail space and 1,429 residential units (20% affordable). Phase I (Block 7) will include 331 residential units, including 200 senior units, and 54 bicycle spaces.

Image courtesy of MRP Realty



WARD 5

BRYANT STREET

LOCATION: 680 Rhode Island Avenue, NE
DEVELOPER(S): MRP Realty / B&R Associates
ARCHITECT(S): SK+I Architectural Design Group
LEED: Gold
STATUS: Near - Long Term
TARGETED DELIVERY: 2020–2031

SPECS: The 13-acre Rhode Island Avenue Shopping Center will be redeveloped into a 1.75 million sq. ft. mixed-use project with 1,450 residential units, and 275,000 sq. ft. of retail/entertainment space, anchored by Alamo Draft House. Phase I will consist of two buildings (closest to the Metrorail tracks) totaling 490 residential units and 72,000 sq. ft. of retail space.

Image courtesy of Akridge



WARD 6

RIVERPOINT

LOCATION: 2100 2nd Street, SW
DEVELOPER(S): Akridge / Western Development Corporation / Redbrick LMD / Jefferson Apartment Group / Orr Partners
ARCHITECT(S): Antunovich Associates
LEED: Silver **EST. VALUE:** \$220 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2020

SPECS: The former U.S. Coast Guard office building will be redeveloped into 485 residential units and up to 70,400 sq. ft. of retail space.



WARD 7

SHOPS AT PENN HILL

LOCATION: 3200 Pennsylvania Avenue, SE
DEVELOPER(S): Jair Lynch Real Estate Partners
LEED: Certified
STATUS: Near Term
TARGETED DELIVERY: Q4 2018 (Phase I)

SPECS: The existing Penn Branch Shopping Center site will be redeveloped into 85,000 sq. ft. of retail, 38,000 sq. ft. of office, 100–150 units of senior housing, and 350 parking spaces. The existing center will be renovated (expected summer 2018 completion) and a new mixed-use building will be constructed on the existing rear parking lot (expected 2020 delivery). The project received \$2.1 million from DC's Neighborhood Prosperity Fund.

R

DEVELOPMENT HIGHLIGHTS



WARD 6

APOLLO

LOCATION: 610 H Street, NE
DEVELOPER(S): Insight Property Group
ARCHITECT(S): SK+I Architectural Group
CONTRACTOR(S): John Moriarty & Associates
LEED: Silver **EST. VALUE:** \$195 million
STATUS: Completed
TARGETED DELIVERY: Q4 2016

SPECS: The Apollo is a 431-unit apartment building with 59,000 sq. ft. of retail space anchored by a 47,000 sq. ft. Whole Foods, and 165 bicycle spaces. Other tenants include WeWork, Wyndown, the Daily Rider, and Solid State Books.



WARD 7

EAST RIVER PARK

LOCATION: Minnesota Avenue & Benning Road, NE
DEVELOPER(S): Cedar Realty Trust
STATUS: Long Term

SPECS: Plans for the redevelopment of the East River Park Shopping Center call for about 280 residential units, 120,000 sq. ft. of retail space (anchored by a grocery store), 33,000 sq. ft. of office space, and 622 parking spaces.

Image courtesy of Cedar Realty Trust



WARD 5

EDISON

LOCATION: 1240 4th Street, NE
DEVELOPER(S): EDENS / LCOR / San Oh & Company
ARCHITECT(S): SK+I Architectural Design Group
CONTRACTOR(S): James G. Davis Construction Corporation
LEED: Certified **EST. VALUE:** \$55 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: As part of the Union Market District, the Edison is a six-story, 188-unit apartment building with approximately 27,000 sq. ft. of ground floor retail anchored by a Trader Joe's (2018 opening). The building offers its own fiber optic Wi-Fi network with commercial-grade routers in each unit.



WARD 6

BECKERT'S PARK

LOCATION: 415 14th Street, SE
DEVELOPER(S): Foulger-Pratt / Safeway
ARCHITECT(S): BKV Group
LEED: Gold **EST. VALUE:** \$125 million
STATUS: Near Term
TARGETED DELIVERY: Q1 2020

SPECS: An existing Safeway grocery store will be razed and reconstructed to include 329 apartment units anchored by a new 60,000 sq. ft. Safeway and an additional 10,000 sq. ft. of retail space.

Image courtesy of Foulger-Pratt

DEVELOPMENT HIGHLIGHTS



Image courtesy of Gensler



WARD 6

DISTRICT WINERY (PAVILION P2B)

LOCATION: 385 Water Street, SE
DEVELOPER(S): Forest City
ARCHITECT(S): Gensler
CONTRACTOR(S): Monarc Construction / Potomac Construction Services
STATUS: Completed
TARGETED DELIVERY: Q3 2017

SPECS: Parcel P2B located near Yards Park features a two-story, 19,000 sq. ft. retail pavilion which is home to District Winery—a boutique urban winery, restaurant, and event space. The site includes an outdoor terrace on the upper floor with views of Yards Park and the Anacostia River.



WARD 6

700 PENN

LOCATION: 700 Pennsylvania Avenue, SE
DEVELOPER(S): Stanton Development / Eastbanc / The Jarvis Company / Clark Enterprises / Dantes Partners
ARCHITECT(S): Esocoff & Associates Architects
CONTRACTOR(S): McCullough Construction / Clark Construction
LEED: Gold **EST. VALUE:** \$226 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The site of the former Hine Junior High School was redeveloped into approximately 156,000 sq. ft. of office space (anchored by co-working provider The Yard), 162 apartments, and 60,000 sq. ft. of retail space (anchored by a 11,000 sq. ft. Trader Joe's). Trader Joe's opened in September 2017 and the 34-unit affordable housing building was completed in Q4 2016.

Image courtesy of the Capitol Riverfront BID



WARD 6

1250

LOCATION: 1250 Half Street, SE
DEVELOPER(S): Jair Lynch Real Estate Partners / MacFarlane Partners
ARCHITECT(S): R.D. Jones & Associates / Hord Coplan Macht Inc
CONTRACTOR(S): Lend Lease
LEED: Silver **EST. VALUE:** \$152 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2019

SPECS: 1250 Half Street is a 10-story, mixed-use development located just north of the Washington National's Ballpark and will include 439 apartment units with 60,000 sq. ft. of retail space, anchored by a 24,000 sq. ft. Punch Bowl Social.

Image courtesy of Hickok Cole Architects



WARD 6

300 M

LOCATION: 300 M Street, NE
DEVELOPER(S): The Wilkes Company
ARCHITECT(S): WDG / Hickok Cole Architects
CONTRACTOR(S): HITT
LEED: Gold **EST. VALUE:** \$132 million
STATUS: Near Term
TARGETED DELIVERY: Q1 2020

SPECS: 300 M is a 12-story, mixed-use project that will include up to 440 apartments and approximately 10,000 sq. ft. of retail space. Plans also call for three levels of below grade parking with about 170 spaces.

R DEVELOPMENT HIGHLIGHTS

Image courtesy of WC Smith



WARD 7

SKYLAND TOWN CENTER (PH I - BLOCK 2)

LOCATION: Alabama Avenue & Naylor Road, SE
DEVELOPER(S): Rappaport / WC Smith / Washington East Foundation
ARCHITECT(S): Torti Gallas and Partners
CONTRACTOR(S): WCS Construction / L.F. Jennings Inc.
LEED: Silver **EST. VALUE:** \$175 million
STATUS: Under Construction
TARGETED DELIVERY: Q1 2020

SPECS: The redevelopment of the 18.5-acre Skyland Shopping Center will result in up to 320,000 sq. ft. of retail space, 450–500 residential units and 1,700 parking spaces. Plans for Phase I—Block 2 include 263 apartments above approximately 117,000 gross sq. ft. of retail space (84,000 net rentable sq. ft.), anchored by a CVS. Land development is currently underway.

Image courtesy of Four Points



WARD 8

REUNION SQUARE

LOCATION: Martin Luther King Jr. Avenue & W Street, SE
DEVELOPER(S): Four Points / Curtis Development
STATUS: Near – Long Term

SPECS: The 9.5-acre site is located between U and Chicago Streets along the western side of Martin L. King Jr. Avenue, SE. The 2008 approved PUD and 2011 First Stage PUD calls for approximately 1.54 million sq. ft. mixed-use development in three phases, totaling 892,000 sq. ft. of office space, 450 residential units and 171,400 sq. ft. of retail in eight new buildings. The first phase, an 82,000 sq. ft. office building (2235 Shannon Place), delivered in Q4 2014.

Image courtesy of The Menkiti Group



WARD 8

MLK GATEWAY

LOCATION: Martin Luther King Jr. Avenue & Good Hope Road, SE
DEVELOPER(S): The Menkiti Group
ARCHITECT(S): Cunningham + Quill Architects
LEED: Silver **EST. VALUE:** \$25 million
STATUS: Near Term
TARGETED DELIVERY: 2020

SPECS: Plans for MLK Gateway call for 28,500 sq. ft. of office space and approximately 22,000 sq. ft. of retail space. Expected retail tenants include a fresh food market, a coffee concept, a full-service restaurant, and a local bank.



WARD 5

ALEXANDER CRUMMELL SCHOOL

LOCATION: 1900 Gallaudet Street, NE
DEVELOPER(S): StonebridgeCarras LLC / The Jarvis Company
ARCHITECT(S): Hickok Cole Architects
STATUS: Near Term

SPECS: The redevelopment plans for the site call for a community center to be built in the former Alexander Crummell School building (c. 1911) with 320 apartments, 22,000 sq. ft. of retail space and 35,000 sq. ft. of industrial space (occupied by ProFish) to be built on the surrounding site. Plans also include community uses such as an urban garden, daycare, health clinic, and culinary school.



RESIDENTENTIAL

RESIDENTIAL DEVELOPMENT IN WASHINGTON, DC

RESIDENTIAL

By: Dan Kaczowka, Research Coordinator, CBRE

DC's population is trending towards levels that it has not achieved since the 1970s, when the population was nearly 757,000 people.

| TOTAL DC HOUSEHOLDS ¹ | MARKET RATE RENTAL UNITS ² | MARKET RATE APARTMENT VACANCY ² | RESIDENTIAL UNITS UNDER CONSTRUCTION ³ |
|----------------------------------|---------------------------------------|--|---|
| 300,470 | 42,511 | 4.0% | 15,860 |
| 9.3% increase from 2011–2016 | Class A + B | Class A + B | |

The population within the District of Columbia continued its upward trend in 2016, bringing the total to 681,170 residents. This represents 12.6% growth since 2010.

The wage and salary employment also achieved a net increase of 1.7% in 2017, bringing the five-year total to 7.7%. Despite the growth being slightly down from previous years, and lower than the national average, the slowing pace is a result of the population growth outpacing the rise in work force opportunities. However, wage growth continued in DC as annual per capita income grew to \$76,606 in 2017—9.6% increase since 2014.¹



MULTIFAMILY MARKET FUNDAMENTALS

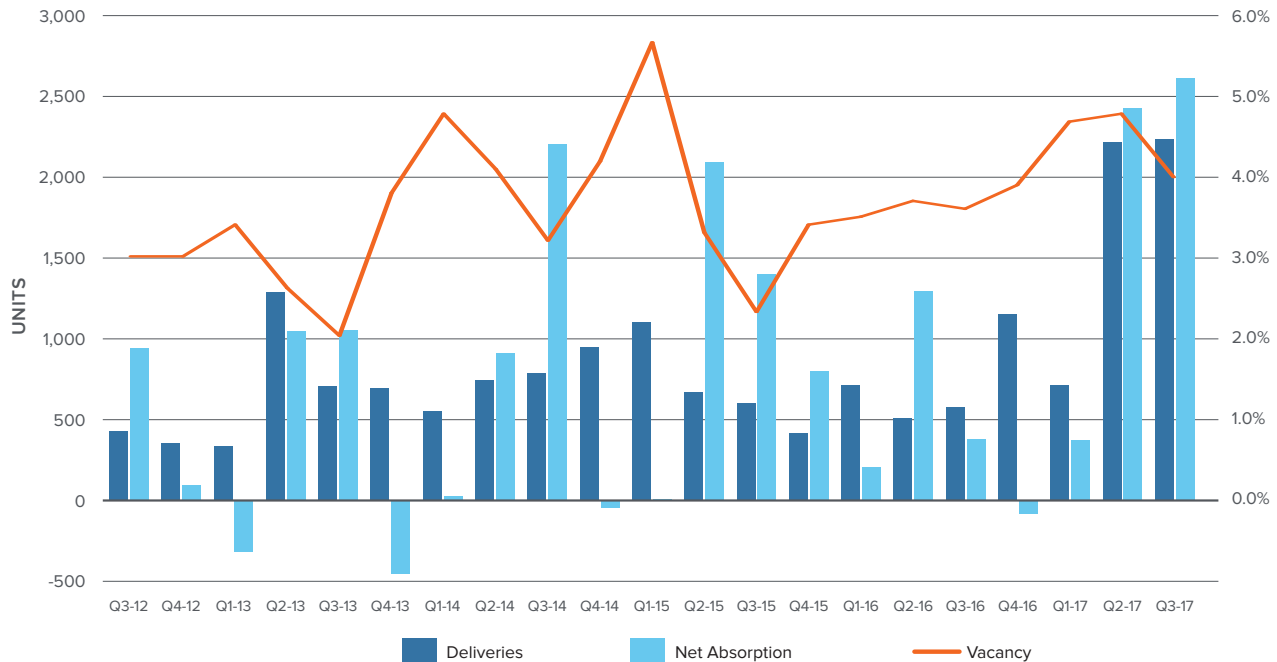
Through Q3 2017, there were 5,171 rental apartment units delivered in DC in 2017. Though DC has encountered a record number of units being delivered, absorption remains strong as demand has outpaced supply with 5,414 units having been absorbed through September 2017—leading the DC region and the highest in DC's history.

As absorption remains strong, the concessions offered have decreased through the year. Concessions as a percentage of base rents decreased 10 basis points from January 2017 to 1.4%.

While rent growth has not been as strong as previous years, effective rents increased 3.1% from Q1 2017 to Q3 2017, where the average of Class A and Class B rents stand at \$2,393 per unit per month.²

1. Office of the Chief Financial Officer. District of Columbia and Economic Trends; September 2017 2. Delta Associates Q3 2017 Report (inventory includes institutional-grade projects & does not include garden-style product)
3. WDCRP Research, August 2017. Includes major renovations & non-market rate units

DC MARKET RATE RENTAL SUPPLY & DEMAND (CLASS A + B)



Source: CBRE, AxioMetrics, Delta Associates, Q3 2017

Construction starts have slipped in 2017, as only 2,854 units began construction. Construction starts in 2017 were 31% lower than the total volume from 2016, which had 4,143 units break ground, and 12.6% lower than the five-year average of construction starts from 2013–2017 (3,265 units broke ground on average). The ten-year average of construction starts from 2008–2017 was 2,867 units per year and construction in 2017 in DC was slightly lower than that average.⁴

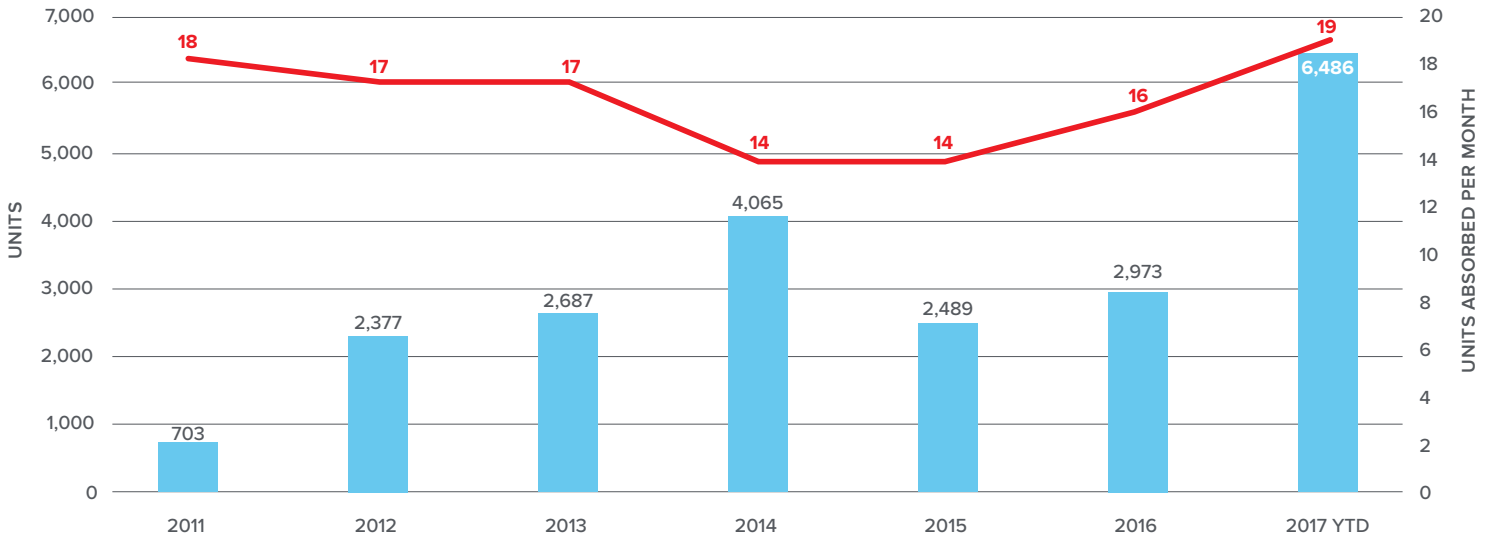
A main contributor to this decrease in starts is attributed to higher construction costs as lumber prices have increased roughly 20% in the trailing 12-months. Some firms have estimated that costs have risen roughly \$20 per square foot.⁵ In addition, 13 projects representing 3,986 residential units have been stalled due to local activists challenging the development’s DC government approvals to the DC Court of Appeals.⁶

This reduction in construction starts will allow for lease-up properties to stabilize and for existing units to achieve higher rent growth. When comparing 2017 effective rent to 2016, rent growth has posted negative numbers at 1.0% decrease. With a low vacancy rate and high absorption numbers, DC is poised for a rebound in 2018 and beyond with rent projections forecasted to increase at an average annual increase of 3.5% over the next 36 months.

Deliveries are projected to begin a downward trend over the next 36 months. It is estimated that in DC 4,822 units are projected to deliver in 2018, 4,737 units in 2019, and 1,473 units in 2020.⁴ While the market will remain tight in 2018 with many projects in lease-up (the timeframe for a new multifamily property to attract tenants and reach stabilized occupancy), rent growth will begin to increase with minimal concessions offered.

4. Delta Associates Q3 2017 Report 5. Rosenthal, Louis. The Canadian Lumber Tariff’s Possible Effect on Apartment Construction. AXIOMetrics, April 28, 2017 (www.axiometrics.com/resources/axio-media/blogs/the-canadian-lumber-tariff-s-possible-effect-on-apartment-construction/) 6. Banister, Jon. BISONOW. When Public Approval Means Naught: How Federal Judges Are Delaying 4,000 Units Of D.C. Housing (7/18/17), www.bisnow.com/washington-dc/news/multifamily/broken-process-why-4000-units-of-dc-housing-are-stuck-in-federal-court-76657-76664.

DC APARTMENT ABSORPTION PACE



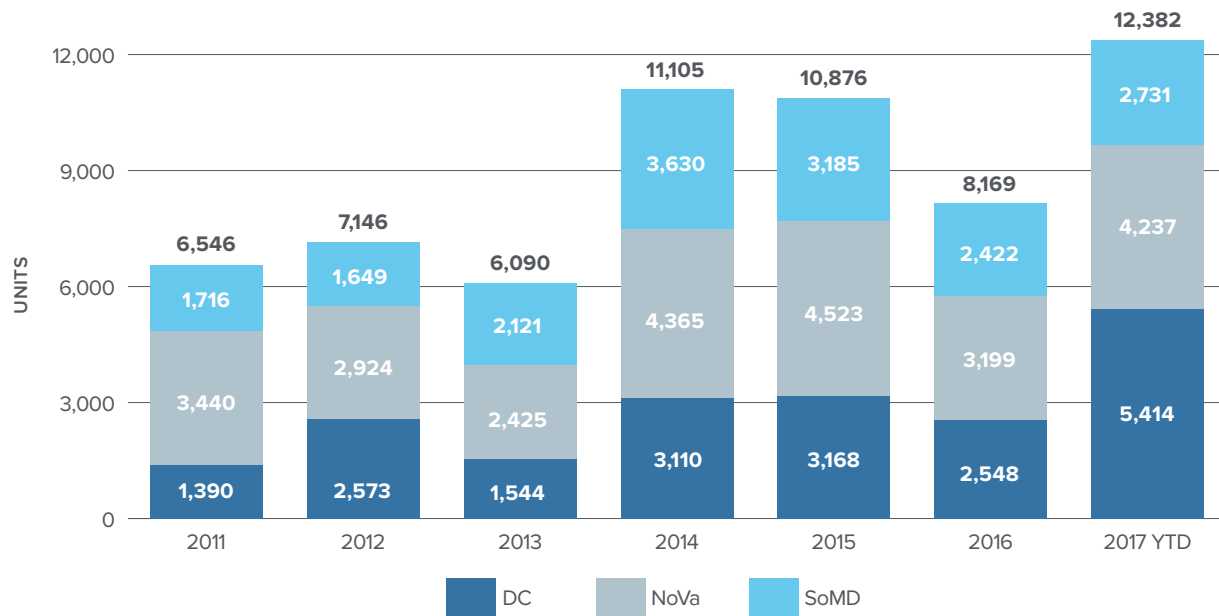
Source: Delta Associates, Q3 2017 (Class A and B apartment communities. Absorption pace is the rate that apartment communities absorb unoccupied units per month during lease-up.)

DC METRO AVERAGE VACANCY



Source: Delta Associates 2017 (Class A and B apartment communities)

METRO ABSORPTION



Source: Delta Associates. Class A and B apartment communities. YTD = January-September.

DC RENTAL RATES BY NEIGHBORHOOD

MULTIFAMILY RENTAL RATES BY NEIGHBORHOOD (Q3 2017)

| NEIGHBORHOOD | EFFECTIVE RENT | OCCUPANCY % |
|--------------------------------------|----------------|-------------|
| Anacostia/Northeast DC | \$1,665 | 96.0% |
| Brookland/Fort Totten | \$1,923 | 95.2% |
| Capitol Hill/SW | \$2,236 | 95.6% |
| Downtown/Logan Circle | \$2,506 | 95.4% |
| Dupont Circle/Adams Morgan | \$2,132 | 96.2% |
| Foggy Bottom | \$2,465 | 94.4% |
| Howard U/Mt. Pleasant/Brightwood | \$2,268 | 95.7% |
| NW DC-Georgetown | \$2,085 | 93.9% |
| Woodley Park-Cleveland Park-Van Ness | \$2,217 | 95.5% |

Source: Axiometrics 3Q 2017 Report

MULTIFAMILY AMENITIES⁷

As new product continues to deliver, the traditional amenities in nearly all new apartments built in DC, such as rooftop pools and a 24-hour fitness center, will no longer be enough to set developers' projects apart from their competitors. As renters' preferences have shifted over the years, developers have become more in tune with the residences' preferences. For example, WC Smith's The Collective will offer a virtual golf simulator, Peloton cycle room, full-size basketball court, outdoor singles tennis court, and hydro massage beds.

Apart from the location, the most sought-after amenity by renters is package management systems. With the exponential growth from ecommerce and grocery delivery services, it will become imperative for apartment communities to implement these refrigerated lockers to protect and preserve the renters' packages when they are not home.

OUTLOOK

As DC's population continues to grow the multifamily market's existing supply is expected to be absorbed at a consistent pace, allowing for robust future rent growth. With construction starts beginning to slow down and vacancy rates below the national average, the future of the DC's multifamily market is positioned to strengthen in the near-term outlook.

7. National Multifamily Housing Council & Package Concierge. What Apartment Renters Want. January 21, 2016 (<http://packageconcierge.com/blog/what-apartment-renters-want/>)



The Collective

1138 apartments | 53,000 SF of retail | 105,000 SF of amenity space



THE GARRETT
At The Collective



AGORA
At The Collective



park chelsea
At The Collective



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RESIDENTIAL DEVELOPMENT



RESIDENTIAL UNITS (AUGUST 2017)

| | GROUNDBREAKINGS | | COMPLETED | | PROJECTED | |
|----------|-----------------|-------|-----------|-------|-----------|-----|
| | RENTAL | HO | RENTAL | HO | RENTAL | HO |
| 2001 | 3,155 | 1,148 | 1,484 | 920 | 3,865 | 922 |
| 2002 | 4,138 | 1,914 | 2,920 | 591 | 5,949 | 521 |
| 2003 | 2,390 | 1,624 | 3,454 | 635 | 3,481 | 289 |
| 2004 | 1,004 | 2,531 | 2,711 | 1,837 | 3,481 | 289 |
| 2005 | 2,817 | 3,020 | 1,828 | 2,128 | 3,970 | 922 |
| 2006 | 3,155 | 1,210 | 1,399 | 2,584 | 3,970 | 922 |
| 2007 | 2,817 | 758 | 2,547 | 2,586 | 3,970 | 922 |
| 2008 | 1,460 | 246 | 3,121 | 1,161 | 3,970 | 922 |
| 2009 | 753 | 173 | 2,721 | 912 | 3,970 | 922 |
| 2010 | 3,539 | 446 | 1,385 | 524 | 3,970 | 922 |
| 2011 | 5,023 | 499 | 1,574 | 369 | 3,970 | 922 |
| 2012 | 5,702 | 556 | 3,443 | 482 | 3,970 | 922 |
| 2013 | 4,194 | 679 | 3,932 | 567 | 3,970 | 922 |
| 2014 | 5,244 | 997 | 5,991 | 318 | 3,970 | 922 |
| 2015 | 5,210 | 811 | 2,595 | 743 | 3,970 | 922 |
| 2016 | 6,648 | 765 | 4,991 | 646 | 3,970 | 922 |
| 2017 YTD | 4,177 | 281 | 3,865 | 429 | 3,970 | 922 |
| 2018* | | | 5,949 | 521 | 3,970 | 922 |
| 2019* | | | 3,481 | 289 | 3,970 | 922 |

*projections based on targeted delivery dates of projects under construction as of August 2017 (HO = condo / single-family)

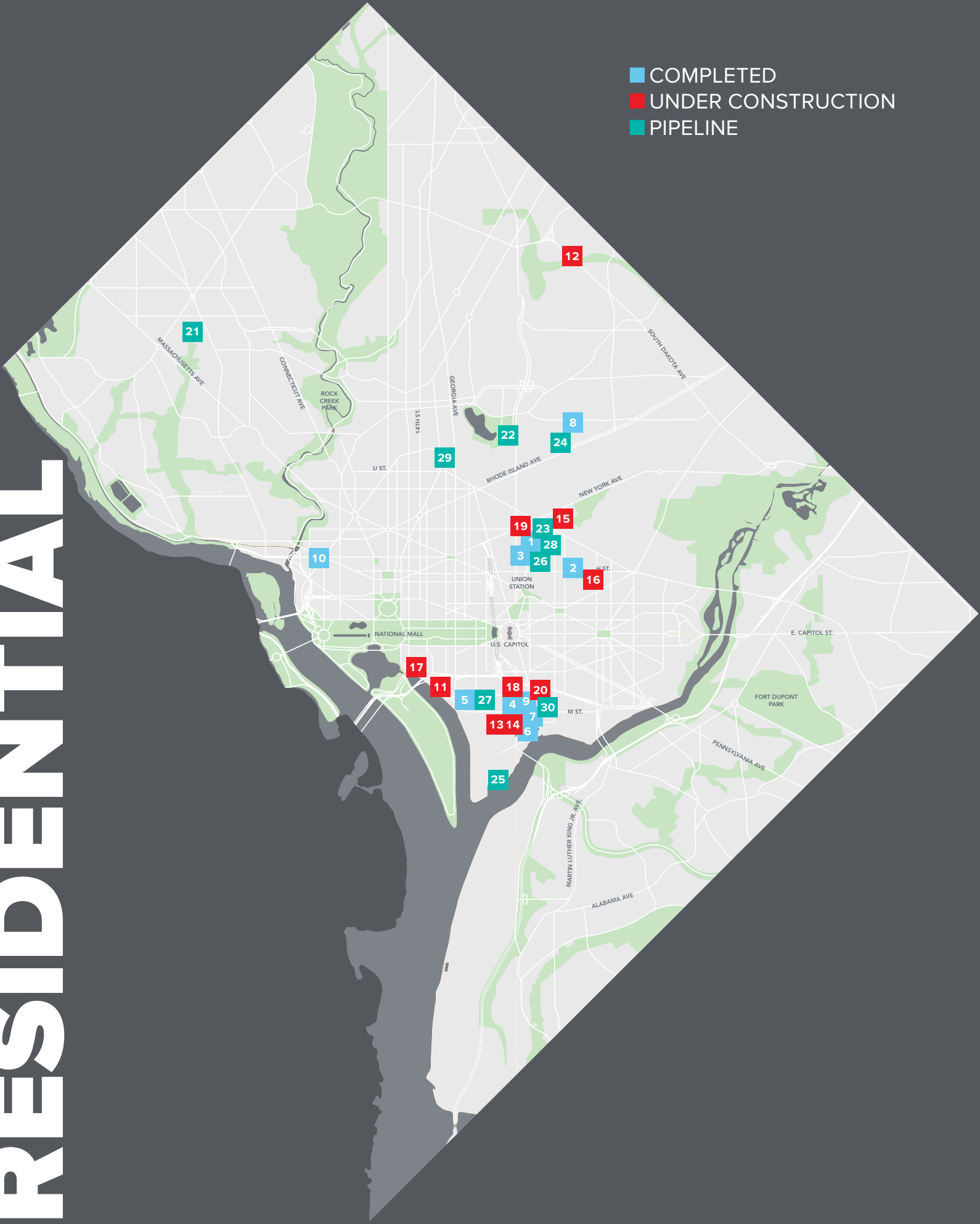
RESIDENTIAL DEVELOPMENT (AUGUST 2017)

| | PROJECTS | SQ. FT. | UNITS | RENTAL | H.O. | CONDOS |
|---------------------------|------------|--------------------|----------------|---------------|---------------|---------------|
| COMPLETED | 625 | 67,065,597 | 67,393 | 49,961 | 17,432 | 13,485 |
| 2001 | 28 | 2,571,032 | 2,404 | 1,484 | 920 | 409 |
| 2002 | 32 | 3,750,300 | 3,511 | 2,920 | 591 | 173 |
| 2003 | 47 | 3,936,855 | 4,089 | 3,454 | 635 | 546 |
| 2004 | 46 | 4,572,470 | 4,548 | 2,711 | 1,837 | 1,640 |
| 2005 | 44 | 4,170,870 | 3,956 | 1,828 | 2,128 | 2,061 |
| 2006 | 45 | 4,340,551 | 3,983 | 1,399 | 2,584 | 2,335 |
| 2007 | 49 | 5,825,803 | 5,133 | 2,547 | 2,586 | 2,083 |
| 2008 | 39 | 4,229,734 | 4,282 | 3,121 | 1,161 | 1,092 |
| 2009 | 35 | 3,589,130 | 3,633 | 2,721 | 912 | 718 |
| 2010 | 21 | 2,186,187 | 1,909 | 1,385 | 524 | 146 |
| 2011 | 22 | 1,899,277 | 1,943 | 1,574 | 369 | 269 |
| 2012 | 31 | 4,010,523 | 3,925 | 3,443 | 482 | 173 |
| 2013 | 36 | 3,764,803 | 4,499 | 3,932 | 567 | 463 |
| 2014 | 35 | 5,836,063 | 6,309 | 5,991 | 318 | 139 |
| 2015 | 38 | 2,963,007 | 3,338 | 2,595 | 743 | 564 |
| 2016 | 46 | 5,394,938 | 5,637 | 4,991 | 646 | 288 |
| 2017 YTD | 31 | 4,024,054 | 4,294 | 3,865 | 429 | 386 |
| UNDER CONSTRUCTION | 91 | 13,889,795 | 15,860 | 14,128 | 1,732 | 1,426 |
| 2017 DELIVERY | 35 | 4,034,058 | 4,892 | 3,970 | 922 | 808 |
| 2018 DELIVERY | 39 | 5,609,198 | 6,470 | 5,949 | 521 | 447 |
| 2019 DELIVERY | 15 | 3,574,539 | 3,770 | 3,481 | 289 | 171 |
| 2020 DELIVERY | 2 | 672,000 | 728 | 728 | | |
| PIPELINE | 276 | 59,909,210 | 63,400 | 30,440 | 4,344 | 4,113 |
| NEAR TERM | 150 | 17,844,012 | 19,537 | 14,492 | 2,855 | 2,469 |
| LONG TERM | 126 | 42,065,198 | 43,863 | 15,948 | 1,489 | 1,644 |
| TOTAL | 992 | 140,864,602 | 146,653 | 94,529 | 23,508 | 19,024 |

Source: WDCEP Research (August 2017)

RESIDENTIAL

- COMPLETED
- UNDER CONSTRUCTION
- PIPELINE



| PROJECT | WARD | LOCATION | DEVELOPER(S) | UNITS | TYPE ¹ | EST. VALUE (\$M) ² | DELIVERY ³ | |
|---|--------------------------|----------|------------------------------|--|-------------------|-------------------------------|-----------------------|-------|
| TOP RESIDENTIAL PROJECTS COMPLETED (3Q 2016 - AUGUST 2017) | | | | | | | | |
| 1 | AVA NoMa | 6 | 55 M St., NE | AvalonBay | 438 | R | \$145 | Q1 17 |
| 2 | Apollo | 6 | 610 H St., NE | Insight Property Group | 431 | R | \$195 | Q4 16 |
| 3 | Camden NoMa (Phase II) | 6 | 61 Pierce St., NE | Camden Property Trust | 405 | R | \$70 | Q1 17 |
| 4 | One Hill South | 6 | 28 K St., SE | The Related Companies / Ruben Companies | 383 | R | \$100 | Q1 17 |
| 5 | Eliot on 4 th | 6 | 1001 4 th St., SW | Forest City Washington | 365 | R | \$100 | Q1 17 |
| 6 | F1rst | 6 | 1 st & N Sts., SE | Grosvenor Americas / McCaffery Interests / Clark Enterprises | 325 | R | \$150 | Q2 17 |
| 7 | Insignia on M | 6 | 1111 New Jersey Ave., SE | Donohoe Companies | 324 | R | \$90 | Q1 17 |
| 8 | Edgewood Commons I | 5 | 601 Edgewood St., NE | Community Preservation & Development Corporation | 292 | R | \$69 | Q4 16 |
| 9 | ORE 82 | 6 | 82 I St., SE | Greystar Development / RCP Development Company | 227 | R | \$65 | Q4 16 |
| 10 | Varsity on K | 2 | 950 24 th St., NW | Varsity Investment Group | 197 | R | \$14 | Q1 17 |

TOP RESIDENTIAL PROJECTS UNDER CONSTRUCTION

| | | | | | | | | |
|----|-----------------------------|---|------------------------------|---|-----|-------|---------|-------|
| 11 | The Wharf (Phase I) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 870 | R / O | \$1,326 | Q4 17 |
| 12 | The Modern at Fort Totten | 5 | 5180 South Dakota Ave., NE | Morris & Gwendolyn Cafritz Foundation | 520 | R | \$135 | Q3 17 |
| 13 | West Half | 6 | 1201 Half St., SE | JBG Smith | 465 | R | \$200 | Q1 20 |
| 14 | 1250 | 6 | 1250 Half St., SE | Jair Lynch Real Estate Partners / MacFarlane Partners | 439 | R | \$152 | Q3 19 |
| 15 | 1270 4 th Street | 5 | 1270 4 th St., NE | Level 2 Development / EDENS / Trammell Crow Residential | 432 | R | \$150 | Q4 18 |
| 16 | AVEC | 6 | 901 H St., NE | Rappaport / WC Smith / Lustine Realty Co. | 419 | R | \$200 | Q3 19 |
| 17 | The Portals (Phase V) | 6 | 1331 Maryland Ave., SW | Republic Properties Corporation | 373 | R | \$220 | Q3 19 |
| 18 | 2 Eye Street (Phase I) | 6 | 2 I St., SE | Crescent Development / RCP Development Company | 355 | R | | Q1 19 |
| 19 | The Belgard | 6 | 33 N St., NE | Wood Partners / MacFarlane Partners | 346 | R | \$150 | Q1 18 |
| 20 | Agora | 6 | 800 New Jersey Ave., SE | WC Smith | 334 | R | \$141 | Q4 17 |

TOP RESIDENTIAL PROJECTS PIPELINE (NEAR TERM)

| | | | | | | | | |
|----|-------------------------------|---|---------------------------------------|--|-----|-------|-------|---------|
| 21 | 3900 Wisconsin Avenue | 3 | 3900 Wisconsin Ave., NW | Roadside Development / Sekisui House | 700 | R / O | | 2022 |
| 22 | McMillan Sand Filtration Site | 5 | North Capitol St. & Michigan Ave., NW | Vision McMillan Partners (Jair Lynch Real Estate Partners / Trammell Crow Company / EYA) | 660 | R / O | \$720 | 2021 |
| 23 | Armature Works | 6 | 1200 3 rd St., NE | Trammell Crow Company / High Street Residential | 635 | R / O | | 2021 |
| 24 | Bryant Street (Phase I) | 5 | 680 Rhode Island Ave., NE | MRP Realty / B&R Associates LP | 490 | R | | 2020/21 |
| 25 | Riverpoint | 6 | 2100 2 nd St., SW | Akridge / Western Development / Redbrick LMD / Orr Partners / Jefferson Apartment Group | 485 | R | \$220 | 2020 |
| 26 | Storey Park | 6 | 1005 1 st St., NE | Perseus Realty / Four Points / Greencourt Capital | 460 | R | | 2019/20 |
| 27 | Waterfront Station II | 6 | 1000 4 th St., SW | PN Hoffman / Paramount Dev. / ER Bacon Dev. / CityPartners / Affordable Housing Dev. / DMPED | 443 | R | \$157 | 2021 |
| 28 | 300 M | 6 | 300 M St., NE | The Wilkes Company | 440 | R | \$132 | 2020 |
| 29 | 965 Florida Avenue | 1 | 965 Florida Ave., NW | MRP Realty / Ellis Development Group / JBG Smith | 433 | R | \$120 | 2020 |
| 30 | The Garrett | 6 | 150 Eye St., SE | WC Smith | 375 | R | \$170 | 2020 |

1) R = rental; O = ownership

2) may include non-residential components

3) delivery date may reflect phase I delivery or final phase delivery for pipeline projects

R

DEVELOPMENT HIGHLIGHTS

Image courtesy of Roadside Development



WARD 3

3900 WISCONSIN AVENUE

LOCATION: 3900 Wisconsin Avenue, NW
DEVELOPER(S): Roadside Development / Sekisui House
ARCHITECT(S): Shalom Baranes Associates
STATUS: Near Term
TARGETED DELIVERY: Q3 2022

SPECS: The site of the former Fannie Mae headquarters will be redeveloped into 1.1 million sq. ft. of mixed-use development. Plans call for 700 residential units, 200,000 sq. ft. of retail space (anchored by an 80,000 sq. ft. Wegmans grocery store), 68,000 sq. ft. of office/cultural uses, and a 140-150-room hotel. The existing 228,000 sq. ft. building (c. 1958 & 1962) will be incorporated into the overall development plan.

Image courtesy of The Menkiti Group



WARD 6

CAPITOL VISTA

LOCATION: New Jersey Avenue & H Street, NW
DEVELOPER(S): The Menkiti Group / Dantes Partners / Spectrum Management / Bailey Real Estate Partners
ARCHITECT(S): Grimm + Parker & Associates
CONTRACTOR(S): Hamel Builders
EST. VALUE: \$34 million
STATUS: Near Term
TARGETED DELIVERY: Q4 2020

SPECS: Plans call for an eight-story affordable housing building with 104 apartment units and 3,200 sq. ft. of retail space.



WARD 3

BROADCAST

LOCATION: 4620-4626 Wisconsin Avenue, NW
DEVELOPER(S): Urban Investment Partners
ARCHITECT(S): Hickok Cole Architects
CONTRACTOR(S): UIP General Contracting
LEED: Gold **EST. VALUE:** \$65 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2019

SPECS: An existing three-story office building will be converted and expanded into an eight-story residential building with 146 residential units and 11,000 sq. ft. of retail with 3,500 sq. ft. dedicated for a sit-down restaurant. As part of the project the Chesapeake House will be renovated.



WARD 7

DEANWOOD TOWN CENTER

LOCATION: Nannie Helen Burroughs & Division Avenue, NE
DEVELOPER(S): The Warrenton Group
ARCHITECT(S): Torti Gallas Urban
STATUS: Long Term

SPECS: Deanwood Town Center will consist of two buildings totaling 183 residential units and 16,000 sq. ft. of retail space. Most of the units will be deemed affordable with 18 being considered for market rate. The unit mix is anticipated to include 3BR, 4BR and 5BR units.

Image courtesy of Neighborhood Development Company



WARD 5

1164 BLADENSBURG ROAD

LOCATION: 1164 Bladensburg Road, NE
DEVELOPER(S): Neighborhood Development Company
ARCHITECT(S): Grimm + Parker & Associates
CONTRACTOR(S): Hamel Builders
EST. VALUE: \$25 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2019

SPECS: The site of a former fast food restaurant will be redeveloped into a residential building with 63 affordable units.

Image courtesy of PN Hoffman



WARD 6

THE BOWER

LOCATION: 1300 4th Street, SE
DEVELOPER(S): PN Hoffman
ARCHITECT(S): WDG Architecture / Handel Architects
CONTRACTOR(S): Clark Construction Group
LEED: Gold **EST. VALUE:** \$70 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2018

SPECS: The former site of Navy Yard Building 137 will be constructed into an 11-story residential building with 137 condos, 13,000 sq. ft. of retail space, and 112 parking spaces. The project is part of The Yards mixed-use development.

WARD 7



KENILWORTH COURTS REDEVELOPMENT

LOCATION: Kenilworth Avenue, Douglas Street, Anacostia Avenue, Quarles Street, NE
DEVELOPER(S): The Warrenton Group / DC Housing Authority / Michaels Development Corporation
ARCHITECT(S): Torti Gallas and Partners
STATUS: Long Term
TARGETED DELIVERY: 2021+

SPECS: A 26-building, four-acre public housing complex will be redeveloped into 530 residential units (a mix of apartments and townhouses) and 4,500 sq. ft. of commercial space. The total project will include five four-story buildings, one of which will be dedicated to senior housing.

WARD 1



131U

LOCATION: 1300 U Street, NW
DEVELOPER(S): The JBG Companies
ARCHITECT(S): BBGM / David M. Schwarz Architects
CONTRACTOR(S): Balfour Beatty Construction
STATUS: Completed
TARGETED DELIVERY: Q3 2017

SPECS: A former one-story retail strip shopping center was redeveloped into an eight-story, 130-unit apartment building with 15,000 sq. ft. of retail space. The retail is anchored by a Rite Aid and future restaurant.



WARD 6

ELIOT ON 4TH

LOCATION: 1001 4th Street, SW
DEVELOPER(S): Waterfront Associates / Forest City Washington / Vornado Realty Trust
ARCHITECT(S): Perkins Eastman DC
CONTRACTOR(S): James G. Davis Construction Corporation
LEED: Gold **EST. VALUE:** \$100 million
STATUS: Completed
TARGETED DELIVERY: Q1 2017

SPECS: Eliot on 4th is an 11-story, 365-unit apartment building with 5,000 sq. ft. of retail space and two levels of underground parking. The project includes 12 rental townhomes that are integrated into the building's first two floors. The project is part of the former Waterside Mall redevelopment.



WARD 6

DOCK 79

LOCATION: 100 Potomac Avenue, SE
DEVELOPER(S): MRP Realty / FRP Development Corp
ARCHITECT(S): SK+I Architectural Design Group
CONTRACTOR(S): Paradigm Companies
LEED: Certified **EST. VALUE:** \$100 million
STATUS: Completed
TARGETED DELIVERY: Q3 2016

SPECS: The site of a former concrete plant was developed into a nine-story residential building consisting of 305 rental units, 16,000 sq. ft. of retail, and 286 parking spaces.



WARD 6

UNION PLACE (PHASE II)

LOCATION: 200 K Street, NE
DEVELOPER(S): Toll Brothers
ARCHITECT(S): Davis, Carter, Scott
CONTRACTOR(S): Tishman Construction / ADC Builders
EST. VALUE: \$92 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: Plans for Phase II of Union Place call for a 14-story residential building with 525 units and 8,500 sq. ft. of retail space. The project is part of the 850,000 sq. ft. Union Place mixed-use development.



WARD 1

3619 GEORGIA AVENUE

LOCATION: 3619 Georgia Avenue, NW
DEVELOPER(S): The Warrenton Group
ARCHITECT(S): Bonstra | Haresign Architects
CONTRACTOR(S): McCullough Construction
EST. VALUE: \$8 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2019

SPECS: The site is located at the corner of Georgia Avenue and Princeton Place, NW and was occupied by an existing one story building and a surface parking lot. The project is a six-story, 27-unit residential building with 3,000 sq. ft. of ground floor retail.

Image courtesy of Level 2 Development



WARD 5

THE HIGHLINE AT UNION MARKET

LOCATION: 320 Florida Avenue, NE
DEVELOPER(S): Level 2 Development / Clark Enterprises Inc. / Federal Capital Partners
ARCHITECT(S): Eric Colbert & Associates, PC
CONTRACTOR(S): Clark Construction
LEED: Silver **EST. VALUE:** \$101 million
STATUS: Under Construction
TARGETED DELIVERY: Q1 2019

SPECS: A former Burger King site will be redeveloped into 317 residential units, 9,200 sq. ft. of retail space, and 136 parking spaces. Plans also call for the creation of a new park to the west of the building.



WARD 5

BANNEKER RIDGE AT FORT LINCOLN

LOCATION: 3111–3157 Fort Lincoln Drive & 3100–3170 Cityscape Drive, NE
DEVELOPER(S): Fort Lincoln New Town Corporation / The Concordia Group
CONTRACTOR(S): Ryan Homes
EST. VALUE: \$15 million
STATUS: Completed
TARGETED DELIVERY: Q2 2017

SPECS: Banneker Ridge at Fort Lincoln is a residential development consisting of 42 townhomes (2,800–3,360 sq. ft.), each with a two-car garage, three bedrooms, 2.5 baths, and a loft option. The project is part of Fort Lincoln New Town, a 362-acre mixed-use urban renewal area in northeast DC.



WARD 7

STRAND RESIDENCES

LOCATION: 5119–5127 Nannie Helen Burroughs Avenue, NE
DEVELOPER(S): The Warrenton Group / Washington Metropolitan CDC / NHP Foundation
ARCHITECT(S): PGN Architects PLLC
LEED: Gold **EST. VALUE:** \$28 million
STATUS: Near Term
TARGETED DELIVERY: Q2 2020

SPECS: The Strand Residences will be built adjacent to the historic Strand Theatre and will feature approximately 1,400 sq. ft. of retail space on the ground-level, 1,200 sq. ft. of community/business incubator space, and 86 affordable residential units. The historic Strand Theatre will be renovated as part of the project.

Image courtesy of Bonstra | Haresign Architects



WARD 4

3825 GEORGIA AVENUE

LOCATION: 3825–3829 Georgia Avenue, NW
DEVELOPER(S): Donatelli Development / Mosaic Urban Partners
ARCHITECT(S): Bonstra | Haresign Architects
CONTRACTOR(S): McCullough Construction LLC
EST. VALUE: \$6 million
STATUS: Completed
TARGETED DELIVERY: Q2 2017

SPECS: The vacant site at 3825 Georgia Avenue was redeveloped into a five-story, 32-unit residential building featuring projecting window bays and a brick masonry face.

R DEVELOPMENT HIGHLIGHTS

Image courtesy of WC Smith



WARD 6

AVEC

LOCATION: 901 H Street, NE
DEVELOPER(S): Rappaport / WC Smith / Lustine Realty Company
ARCHITECT(S): Torti Gallas and Partners
CONTRACTOR(S): WCS Construction
LEED: Silver **EST. VALUE:** \$200 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2019

SPECS: AVEC is a two-block redevelopment project consisting of 419 residential units on top of approximately 53,400 gross sq. ft. of retail space and a three-level, 309-space underground parking garage. Amenities include collaborative workspace, dog park, community garden, and rooftop pool.

Image courtesy of City Interests



WARD 8

SOUTH CAPITOL MULTIFAMILY

LOCATION: 4001 South Capitol Street, SW
DEVELOPER(S): City Interests / Michaels Development Corporation
ARCHITECT(S): Hickok Cole Architects
CONTRACTOR(S): Prestige Building Company
EST. VALUE: \$58 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2018

SPECS: The former South Capitol Street Shopping Center site will be redeveloped into 195 affordable residential units along with 5,000 sq. ft. of retail space and 109 parking spaces.



WARD 5

BROOKLAND PRESS

LOCATION: 806 Channing Place, NE
DEVELOPER(S): Douglas Development Corporation
ARCHITECT(S): Eric Colbert & Associates / GTM Architects / Parker Rodriguez
CONTRACTOR(S): McCullough Construction
LEED: Silver **EST. VALUE:** \$56 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2017

SPECS: Brookland Press contains two six-story buildings with a total of 295 apartments and 65 parking spaces. A former government printing facility (c. 1920s) on the site was converted into residential use and a new six-story building was constructed, connected by a covered walkway over Channing Place. The project was completed in September 2017.

Image courtesy of A&R Development



WARD 7

CAPITOL GATEWAY MARKETPLACE

LOCATION: 58th & East Capitol Streets, NE
DEVELOPER(S): A&R Development / DC Housing Authority
ARCHITECT(S): Lessard Design / Bowman Consulting
CONTRACTOR(S): Clark Builders Group
LEED: Silver **EST. VALUE:** \$100 million
STATUS: Near Term

SPECS: The five-story Capitol Gateway multi-family building calls for 312 affordable apartment units with the potential for up to 17,000 sq. ft. of ground floor retail space. There is also an opportunity for a 135,000 sq. ft. large-format retailer and a restaurant pad site (up to 8,800 sq. ft.) on the 10-acre site.

HOSPITALITY DEVELOPMENT IN WASHINGTON, DC

HOSPITALITY CITY

MANDARIN ORIENTAL

HOSPITALITY

By: Kannan Sankaran, Managing Director, CBRE Hotels, Consulting

The Washington, DC metropolitan market area is the fourth largest hotel market (based on supply of hotel rooms) with nearly 111,000 rooms, including more than 30,000 rooms within the District of Columbia.

ANNUAL VISITORS¹

22.0M

3.3% INCREASE FROM 2015

HOTEL OCCUPANCY RATE²

78.4%

Q3 2016–Q2 2017

HOTEL ROOM INVENTORY²

30,274

Q3 2016–Q2 2017

REVPAR²

\$183.62

Q3 2016–Q2 2017

| LARGEST METRO HOTEL MARKETS (NUMBER OF ROOMS) | | | |
|---|----------------|-----------|--------|
| Orlando | 123,130 | Atlanta | 96,492 |
| New York | 115,772 | Houston | 85,532 |
| Chicago | 114,462 | Dallas | 82,501 |
| WASHINGTON, DC | 110,908 | Phoenix | 64,221 |
| Los Angeles | 99,875 | San Diego | 61,448 |

Source: STR (Q2 2017)

After declining 1.6% in 2013 due in large part to the federal government budget sequestration that took effect in March and the shutdown that took place in October that impacted hotels in the regional market area, the DC metro hotel market rebounded with strong annual RevPAR growth exceeding the long run average (3.1%) in 2014 through projected year-end 2017. While hotels in the regional market area on average enjoyed record occupancy levels in 2016 (72.1% as compared to the previous peak in 2000 of 71.8%), growth in new supply is projected to outpace the increase in demand each successive year from 2017 through 2020, thereby slowing growth in RevPAR from 4.7% in 2017 to 1.1% in 2020.

Within the District of Columbia, occupancy continued to exceed historical records in 2016, the fourth consecutive year that the average hotel in DC attained a record level, finishing the year at 78.4%. Furthermore, average occupancy in DC over the last four quarters (Q3 2016 to Q2 2017) was 78.4%, compared to the entire DC metro area at 72.2% and the U.S. at 65.6%. In terms of rate growth, hotels in DC and the metro area achieved strong respective growth levels of 6.9% and 5.3% over the past four quarters compared to just 2.7% nationally. Similarly, achieved RevPAR growth for the period Q3 2016 through Q2 2017 was 7.6% and 6.8% for DC and DC metro area hotels respectively, more than doubling the 3.2% RevPAR growth at the national level.

Between the second quarters of 2012 and 2017, the DC metro market area added more than 5,800 guestrooms to the regional inventory. Based on the increase in hotel rooms available during the indicated timeframe, the DC metro market was the sixth fastest growing metro hotel market, with more than 3,000 of the added rooms within DC alone. Furthermore, there are more than 11,000 rooms in the supply pipeline in the metro region, from those in the planning stage to those that are under construction, including 4,000+ rooms in the nation's capital.

1. DestinationDC (2016 Visitor Statistics) 2. CBRE Hotels' Americas Research & STR. Hotel Metrics, Trailing Twelve Months through Q2 2017. RevPAR = Revenue per Available Room. Figures represent hotels in the District of Columbia.



NET INCREASE IN ROOMS IN MAJOR METRO MARKETS (Q2 2012-Q2 2017)

| | | | |
|----------|--------|-------------------------|--------------|
| New York | 21,216 | WASHINGTON, D.C. | 5,826 |
| Houston | 11,215 | Denver | 5,068 |
| Austin | 7,327 | Orlando | 5,048 |
| Miami | 6,529 | Pittsburgh | 4,999 |
| Chicago | 6,478 | Dallas | 4,927 |

Source: STR

DC's tourism outlook remains strong, with 22.0 million visitors in DC in 2016, including two million international travelers. 2016 represented the seventh consecutive year of record level visitation to the nation's capital.³ Top attractions include the Lincoln Memorial, the National Air & Space Museum, and the National Museum of Natural History, with each attracting over seven million visitors. In addition, the National Museum of African-American History & Culture, which opened in September 2016, has hosted more than 2.8 million visitors during its first 12 months of operation.⁴ Furthermore, the opening of the Museum of the Bible (November 2017) is expected to see three million visitors in its first year of operation.⁵

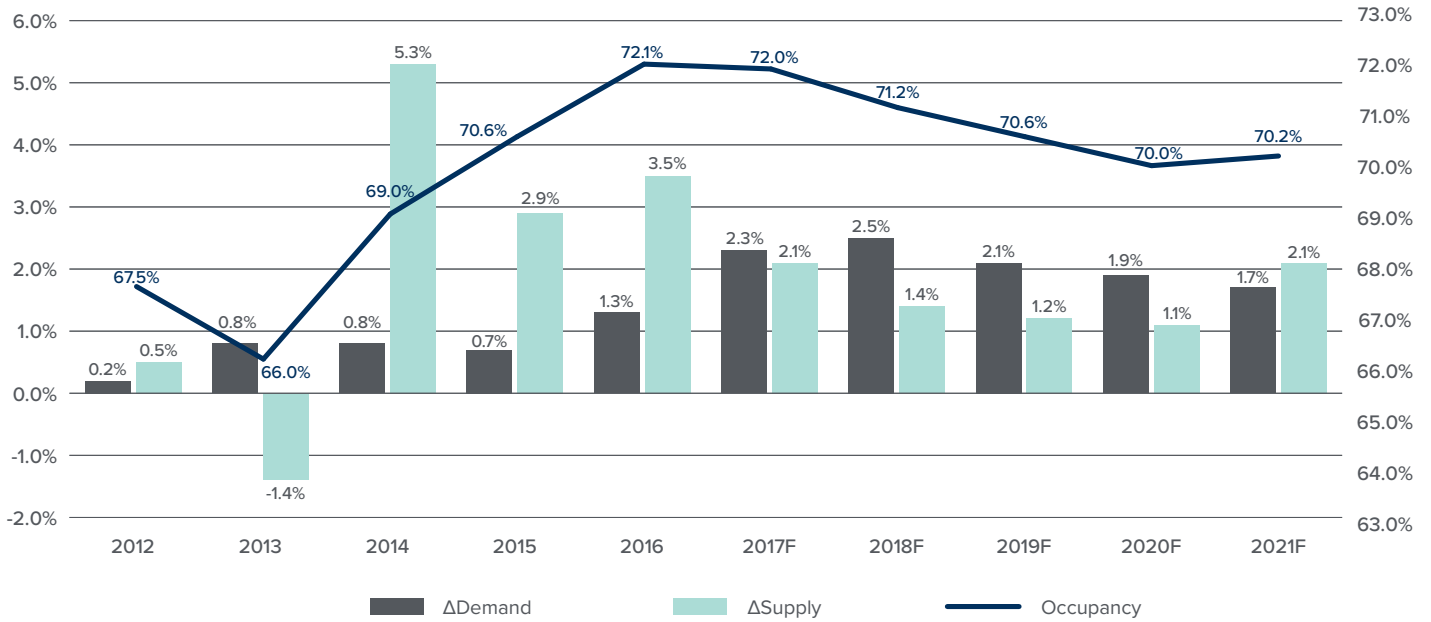
In mid-October, The Wharf mixed-use development kicked off its grand opening celebration. The project, which has transformed DC's Southwest Waterfront neighborhood into a prime waterfront destination along a one-mile stretch of the Potomac River, features a mix of restaurants, retailers, entertainment venues, residences, and businesses. Along with three new hotels—InterContinental, Canopy, and Hyatt House—totaling over 600 guestrooms and suites The Wharf features three music venues, including the 6,000-person capacity The Anthem.

Investor interest in hotels (from those that have yet to be developed to existing properties) in the DC metro area continues to remain strong, in large part due to the relative stability of the regional hotel market historically as compared to other top hotel markets during periods of uncertainty or economic contraction. Going forward, the average annual growth in RevPAR for the DC metro area hotels is projected to be 2.3% for the period from 2016 through 2019, topping top RevPAR markets such as New York (0.1%) and San Francisco (-1.5%).



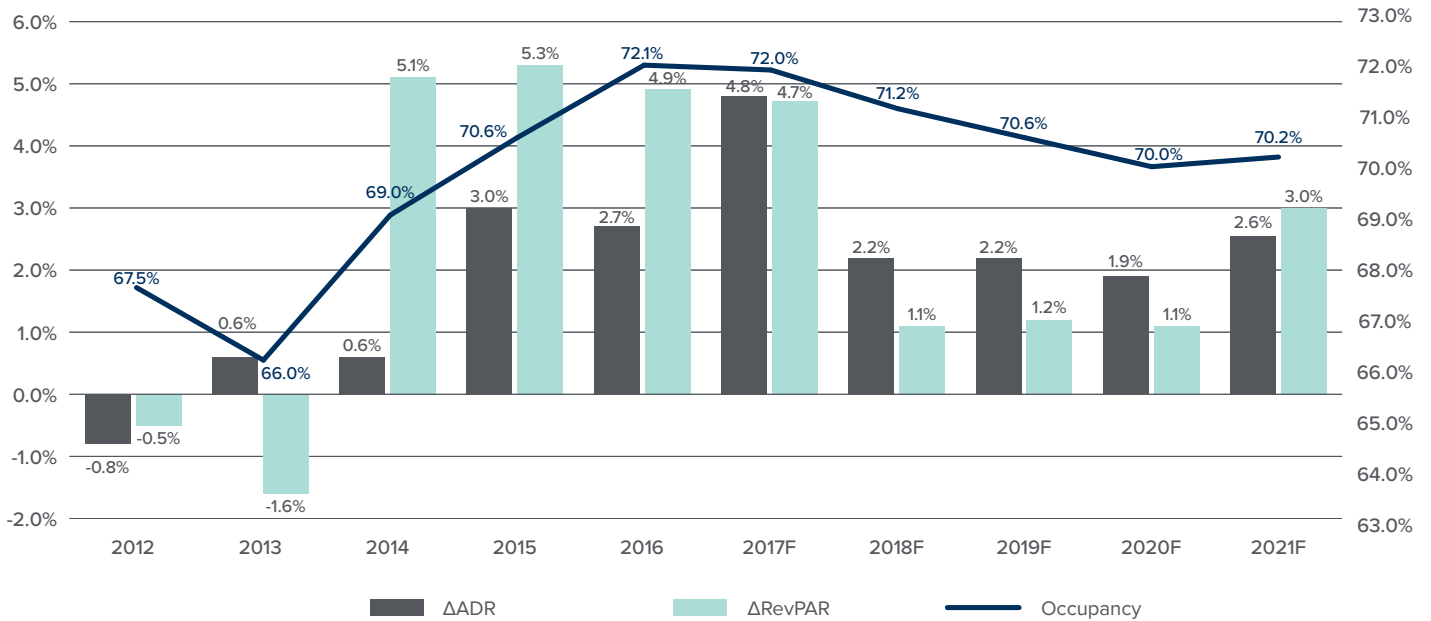
3. Destination DC (2016 Visitor Statistics) 4. <http://newsdesk.siedu/about/stats> (accessed November 2017) 5. NBC News (www.nbcnews.com/news/religion/museum-bible-opens-washington-d-c-celebration-amid-cynicism-n821996)

DC METRO AREA HOTEL TRENDS: SUPPLY, DEMAND, AND OCCUPANCY

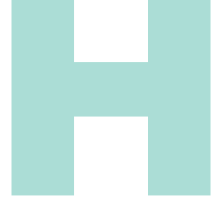


Source: CBRE Hotels' Americas Research; STR (F=forecast)

DC METRO AREA HOTEL TRENDS: AVERAGE DAILY RATE, REVPAR & OCCUPANCY



Source: CBRE Hotels' Americas Research; STR (F=forecast)



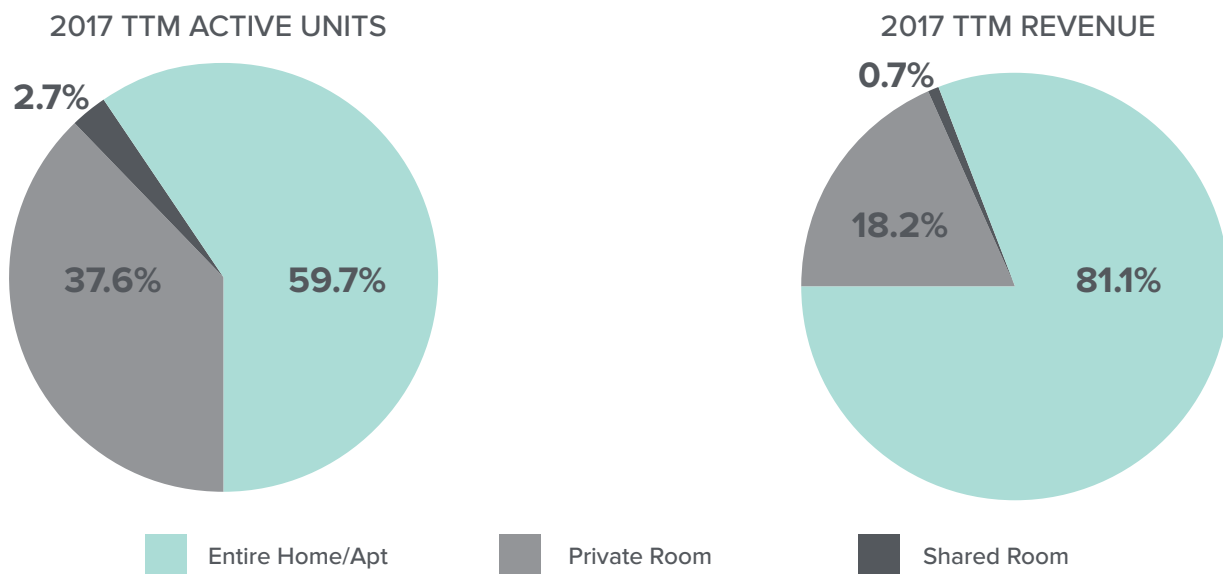
In addition to hotels, the lodging environment also consists of Airbnb units. Following is an overview of Airbnb’s presence in the DC region. The estimates of Airbnb performance come from Airdna, a firm that provides data and analytics on Airbnb rental performance for more than four million Airbnb listings worldwide. Figure 1 shows the total number of units available, sold, and revenue generated from July 2016 through June 2017 along with the calculated occupancy, Average Daily Rate (ADR), RevPAR, and year-over-year growth rates. Figure 2 shows the percent of units and revenue by unit type for the trailing 12 months (TTM) from July 2016–June 2017.

FIGURE 1: AIRBNB PERFORMANCE (JUNE 2017)

| METRIC | 2017 | Y-O-Y CHANGE |
|----------------------|----------------------|---------------|
| Occupancy | 55.7% | -1.9% |
| ADR | \$137.86 | 15.1% |
| RevPAR | \$ 76.76 | 12.9% |
| Available Supply | 2,356,409 | 80.4% |
| Units Sold | 1,312,390 | 77.0% |
| TOTAL REVENUE | \$180,992,841 | 103.8% |

Source: Airdna, CBRE Hotels’ Americas Research, Q2 2017

FIGURE 2: PERCENT OF ACTIVE UNITS AND REVENUE BY LISTING TYPE



Source: Airdna, CBRE Hotels’ Americas Research (TTM = trailing twelve months, July 2016–June 2017)

While Airbnb can be a direct competitor to traditional hotels in certain markets, it is extremely difficult to quantify the impact, particularly when hotels are achieving year-over-year record occupancy levels in DC. This suggests that in the DC metro market Airbnb is accommodating a high percentage of incremental demand in the market as opposed to taking away business from hotels.

Among other factors, Airbnb does have an impact on ADR—normally at times of high occupancy, due to scarcity of available

rooms (particularly during peak periods of demand), hotel operators would be able to drive higher rates as a result of supply and demand.

One interesting note is that traditional hotels still have a significant advantage in terms of suitability to the corporate traveler. In the DC metro market, only 16.1% of Airbnb units were categorized as “business travel ready”, meaning they meet a set of criteria defined by Airbnb that render a unit as being appropriate for business travelers.

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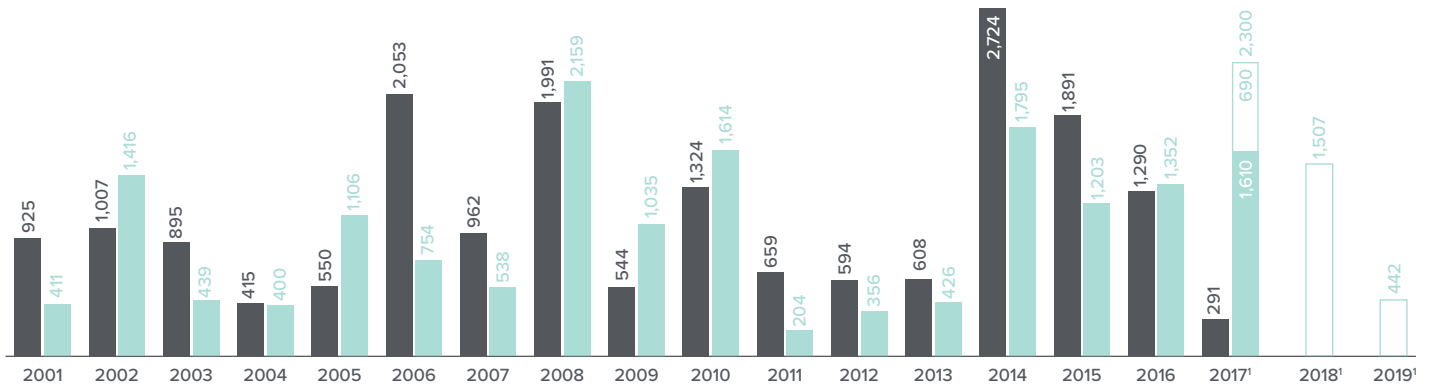
WE ARE WASHINGTON DC

HOSPITALITY DEVELOPMENT



HOTEL ROOMS (AUGUST 2017)

■ GROUNDBREAKING ■ COMPLETED □ PROJECTED



Source: WDCRP Research, August 2017



Editor's note: In 2017, community projects were moved from Hospitality to Quality of Life

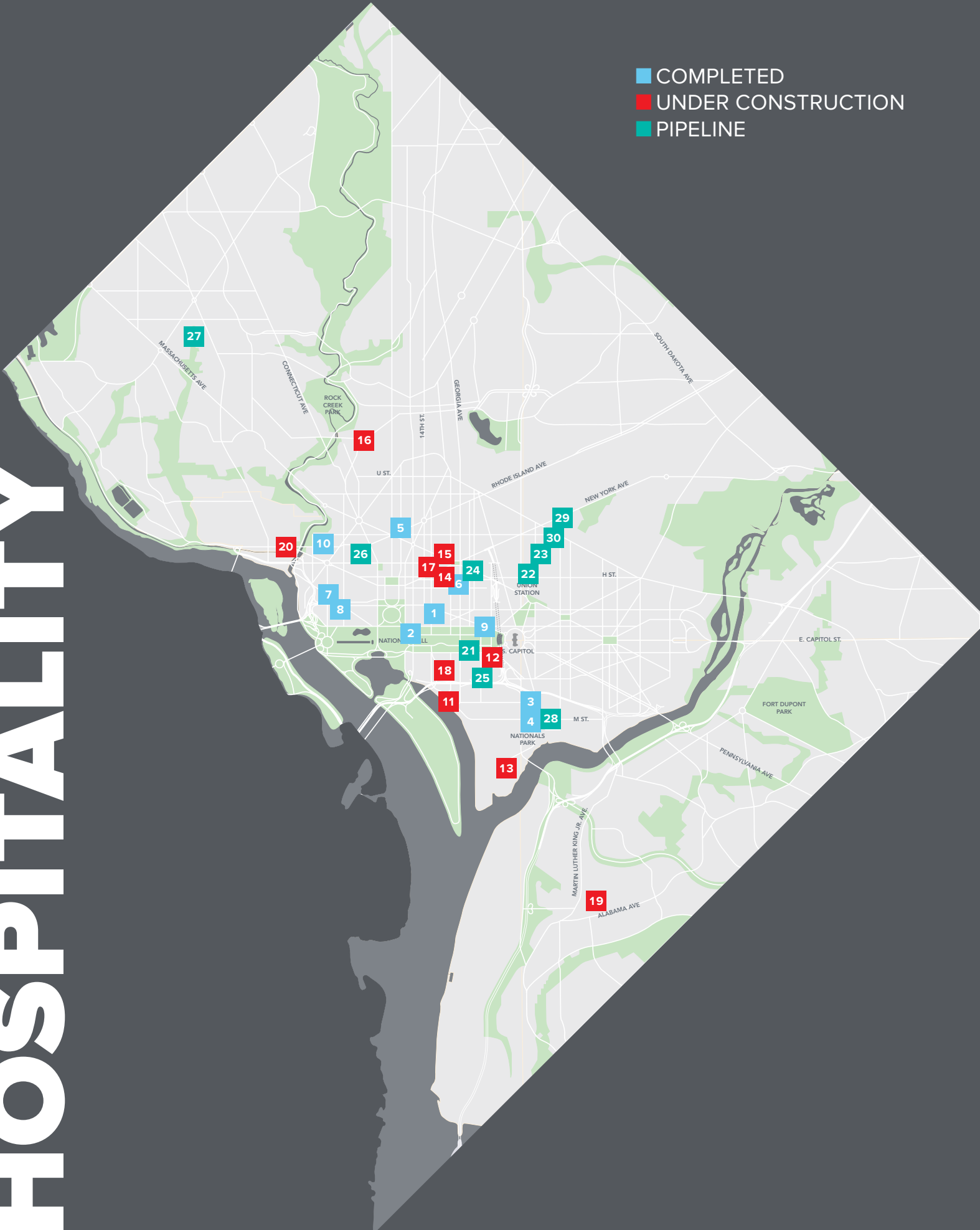
DC HOSPITALITY DEVELOPMENT (AUGUST 2017)

| | PROJECTS | HOSPITALITY SQ. FT. | ROOMS | NET NEW ROOMS ² |
|----------------------|------------|---------------------|---------------|----------------------------|
| COMPLETED | 119 | 17,691,315 | 16,818 | 6,822 |
| 2001 | 7 | 433,000 | 411 | 175 |
| 2002 | 13 | 915,600 | 1,416 | 409 |
| 2003 | 8 | 2,967,083 | 439 | 86 |
| 2004 | 8 | 1,664,481 | 400 | 400 |
| 2005 | 11 | 932,800 | 1,106 | 890 |
| 2006 | 7 | 919,100 | 754 | 238 |
| 2007 | 5 | 690,500 | 538 | -10 |
| 2008 | 8 | 3,122,253 | 2,159 | 132 |
| 2009 | 6 | 669,965 | 1,035 | 207 |
| 2010 | 3 | 865,000 | 1,614 | |
| 2011 | 3 | 134,100 | 204 | 204 |
| 2012 | 5 | 64,000 | 356 | |
| 2013 | 4 | 282,070 | 426 | 305 |
| 2014 | 8 | 1,540,863 | 1,795 | 1,795 |
| 2015 | 8 | 425,465 | 1,203 | 546 |
| 2016 | 9 | 1,763,835 | 1,352 | 1,023 |
| 2017 YTD | 6 | 301,200 | 1,610 | 422 |
| UNDER CONSTR. | 15 | 3,116,084 | 2,639 | 1,872 |
| 2017 DELIVERY | 2 | 1,060,000 | 690 | 690 |
| 2018 DELIVERY | 11 | 1,598,529 | 1,507 | 873 |
| 2019 DELIVERY | 2 | 457,555 | 442 | 309 |
| PIPELINE | 51 | 5,495,164 | 5,777 | 5,407 |
| NEAR TERM | 24 | 2,267,970 | 2,178 | 2,178 |
| LONG TERM | 27 | 3,227,194 | 3,599 | 3,229 |
| TOTAL | 185 | 26,302,563 | 25,234 | 14,101 |

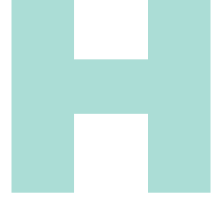
1. projections based on projects under construction as of August 2017. 2. Net new rooms only reflect rooms in hotel projects or rooms added/removed in redevelopment projects (rooms are removed from inventory based on project's status).

HOSPITALITY

- COMPLETED
- UNDER CONSTRUCTION
- PIPELINE



DEVELOPMENT PIPELINE



| PROJECT | WARD | LOCATION | DEVELOPER(S) | HOSPITALITY SF | HOTEL ROOMS | EST. VALUE (\$M) ¹ | DELIVERY ² | | |
|---|------|---|--------------|---|---|-------------------------------|-----------------------|---------|---------|
| TOP HOSPITALITY PROJECTS COMPLETED (3Q 2016–AUGUST 2017) | | | | | | | | | |
| 1 | | Trump International Hotel, The Old Post Office | 2 | 1100 Pennsylvania Ave., NW | Trump Hotel Collection | 536,000 | 263 | \$200 | Q3 16 |
| 2 | | National Museum of African-American History & Culture | 2 | The National Mall | Smithsonian | 409,000 | | \$385 | Q3 16 |
| 3 | | Homewood Suites | 6 | 50 M St., SE | C/G Investments / Englewood LLC | 135,200 | 195 | \$60 | Q4 16 |
| 4 | | F1rst (Residence Inn by Marriott) | 6 | 1233 1 st St., SE | McCaffery Interests / Grosvenor Americas / Clark Enterprises Inc. | 127,200 | 170 | \$150 | Q1 17 |
| 5 | | The Darcy | 2 | 1515 Rhode Island Ave., NW | KHP Capital Partners | 87,600 | 226 | | Q2 17 |
| 6 | | Pod Hotel | 2 | 627–631 H St., NW | Modus Hotels / Monument Realty / Cafritz Interests | 61,400 | 245 | \$60 | Q1 17 |
| 7 | | Hotel Hive | 2 | 2224 F St., NW | Abdo Development | 25,000 | 83 | | Q1 17 |
| 8 | | U.S. Diplomacy Center (Phase I) | 2 | 2201 C St., NW | General Services Administration | 22,375 | | \$35 | Q4 16 |
| 9 | | National Gallery of Art (expansion) | 2 | 4 th & Constitution Ave., NW | National Gallery of Art | | | \$69 | Q3 16 |
| 10 | | Fairmont Washington | 2 | 2401 M St., NW | MetLife | | 415 | \$27 | Q1 17 |
| TOP HOSPITALITY PROJECTS UNDER CONSTRUCTION | | | | | | | | | |
| 11 | | The Wharf (Phase I) | 6 | Southwest Waterfront | Hoffman-Madison Waterfront | 630,000 | 690 | \$1,326 | Q4 17 |
| 12 | | Museum of the Bible | 6 | 300 D St., SW | Museum of the Bible | 430,000 | | \$400 | Q4 17 |
| 13 | | D.C. United Stadium | 6 | 100 Potomac Ave., SW | D.C. United / DC Government | 421,000 | | \$287 | Q2 18 |
| 14 | | CityCenterDC (Conrad Hotel) | 2 | 950 New York Ave., NW | Hines / Qatari Diar | 358,000 | 360 | \$270 | Q1 19 |
| 15 | | Columbia Place | 2 | 901 L St., NW | Quadrangle Dev. / Capstone Dev. / Marriott | 350,000 | 504 | \$225 | Q3 18 |
| 16 | | The Line DC | 1 | 1770 Euclid St., NW | Foxhall Partners / Friedman Capital Advisors / Sydel Group | 172,041 | 227 | \$100 | Q1 18 |
| 17 | | Eaton by Langham | 2 | 1201 K St., NW | Pacific Eagle Holdings | 172,000 | 209 | | Q2 18 |
| 18 | | International Spy Museum | 6 | 900 L'Enfant Plaza, SW | JBG Smith | 140,000 | | \$162 | Q3 18 |
| 19 | | Entertainment and Sports Arena | 8 | 1100 Alabama Ave., SE | Events DC / DC Government | 116,500 | | \$65 | Q3 18 |
| 20 | | Latham Hotel | 2 | 3000 M St., NW | Thor Equities | 99,555 | 82 | | Q1 19 |
| TOP HOSPITALITY PROJECTS PIPELINE (NEAR TERM) | | | | | | | | | |
| 21 | | National Air and Space Museum | 2 | The National Mall | Smithsonian | 687,000 | | \$976 | 2025 |
| 22 | | Storey Park | 6 | 1005 1 st St., NE | Perseus Realty / Four Points / Greencourt Capital | 184,436 | 235 | | 2019/20 |
| 23 | | Armature Works | 6 | 1200 3 rd St., NE | Trammell Crow Company / High Street Residential | 147,000 | 200 | | 2020 |
| 24 | | SLS Lux Hotel & Residences | 6 | 901 5 th St., NW | Peebles Corporation / MacFarlane Partners | 137,950 | 175 | \$135 | 2019 |
| 25 | | 555 E Street | 6 | 555 E St., SW | CityPartners / Potomac Investment Properties / Adams Investment Group | 130,000 | 252 | \$120 | 2019/20 |
| 26 | | AC Hotel | 2 | 1112 19 th St., NW | OTO Development | 125,650 | 219 | | 2019/20 |
| 27 | | 3900 Wisconsin Avenue | 3 | 3900 Wisconsin Ave., NW | Roadside Development / Sekisui House | 125,000 | 140 | | 2022 |
| 28 | | Parcel L Hotel | 6 | 227 Tingey St., SE | Forest City Washington | 114,800 | 225 | | 2019/20 |
| 29 | | Virgin Hotel | 5 | 411 New York Ave., NE | Brook Rose Development / D. B. Lee Development | 111,440 | 178 | | 2019/20 |
| 30 | | Press House at Union District | 6 | 301 N St., NE | Foulger-Pratt | 80,366 | 175 | \$150 | 2020 |

1) may include non-hospitality components & pipeline values may include additional phases (\$ in millions)

2) delivery date may reflect phase I delivery or final phase delivery for pipeline projects



DEVELOPMENT HIGHLIGHTS

Image courtesy of Hines



CITYCENTERDC (CONRAD HOTEL)

LOCATION: 950 New York Avenue, NW
DEVELOPER(S): Hines / Qatari Diar
ARCHITECT(S): Herzog & de Meuron / HKS PC
CONTRACTOR(S): Turner Construction Company
LEED: Silver **EST. VALUE:** \$270 million
STATUS: Under Construction
TARGETED DELIVERY: Q1 2019

SPECS: As part of the CityCenterDC redevelopment of the former convention center site, the new 11-story, 360-room luxury Conrad Hotel will feature 30,000 sq. ft. of retail and complement the first mixed-use phase (2013–14 delivery). Hines entered into a 99-year ground lease with the DC government for the entire CityCenterDC project.

Image courtesy of WDG Architecture



AC HOTEL

LOCATION: 1112 19th Street, NW
DEVELOPER(S): OTO Development
ARCHITECT(S): WDG Architecture
STATUS: Near Term
TARGETED DELIVERY: Q4 2019

SPECS: The former site of Smith & Wollensky will be redeveloped into a 219-room AC Hotel by Marriott. Amenities include lounge and bar, cub room, meeting room, fitness center, and a rooftop terrace.

Image courtesy of SmithGroupJJR



MUSEUM OF THE BIBLE

LOCATION: 300 D Street, SW
DEVELOPER(S): Museum of the Bible
ARCHITECT(S): SmithGroupJJR
CONTRACTOR(S): Clark Construction Group
LEED: Certified **EST. VALUE:** \$400 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The eight-story, former home of the Washington Design Center was transformed into the Museum of the Bible. The building's façade was restored, interior gutted and reinforced, and a two-story glass addition was built on the roof. Plans also include a 472-seat performing arts center and 500-1,000 person capacity ballroom. The museum opened in November 2017.

Image courtesy of Foulger-Pratt



PRESS HOUSE AT UNION DISTRICT

LOCATION: 301 N Street, NE
DEVELOPER(S): Foulger-Pratt
ARCHITECT(S): Torti Gallas and Partners / AA Studio
CONTRACTOR(S): Foulger-Pratt
LEED: Gold **EST. VALUE:** \$150 million
STATUS: Near Term
TARGETED DELIVERY: 2020

SPECS: Plans for Press House at Union District call for 372 residential units, 175 hotel rooms, 25,700 sq. ft. of office space, and 25,300 sq. ft. of ground floor retail. The project will rehabilitate and incorporate a 36,000 sq. ft. historical structure.

DEVELOPMENT HIGHLIGHTS

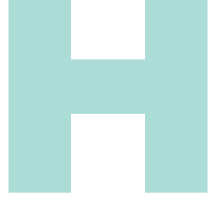


Image courtesy of Events DC



WARD 8

ENTERTAINMENT AND SPORTS ARENA

LOCATION: 1100 Alabama Avenue, SE
DEVELOPER(S): Events DC / DC Government
ARCHITECT(S): Marshall | Moya Design / ROSSETTI
CONTRACTOR(S): Smoot Construction DC / Gilbane Building Company
LEED: Silver **EST. VALUE:** \$65 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: The Entertainment and Sports Arena (ESA) is part of the Saint Elizabeths East Campus redevelopment project. The ESA will be a 116,500 sq. ft. facility to serve as the Washington Wizards training complex and the Washington Mystics home arena. The arena is expected to hold 4,200 seats and bring in 380,000 visitors annually.

Image courtesy of the International Spy Museum



WARD 6

INTERNATIONAL SPY MUSEUM

LOCATION: 900 L'Enfant Plaza, SW
DEVELOPER(S): JBG Smith / International Spy Museum
ARCHITECT(S): Hickok Cole Architects / Rogers Stirk Harbour + Partners
CONTRACTOR(S): Clark Construction Group
LEED: Certified **EST. VALUE:** \$162 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: The new six-story, 140,000 sq. ft. museum at L'Enfant Plaza will be located directly in front of the glass atrium on the Plaza facing 10th Street. The International Spy Museum plans to move from their 800 F Street, NW location in 2018.



WARD 2

NATIONAL LAW ENFORCEMENT MUSEUM

LOCATION: 400 block of E Street, NW
DEVELOPER(S): NLEOMF
ARCHITECT(S): Davis Buckley Architects & Planners
CONTRACTOR(S): Clark Construction Group
LEED: Silver **EST. VALUE:** \$80 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: The 55,000 sq. ft. NLEM is an extension of the National Law Enforcement Officers Memorial and will occupy three below-grade levels and two at-grade pavilions in the 400 block of E Street, NW.



WARD 6

D.C. UNITED STADIUM

LOCATION: 100 Potomac Avenue, SW
DEVELOPER(S): D.C. United / DC Government
ARCHITECT(S): Marshall | Moya Design / Populous
CONTRACTOR(S): Turner Construction Company
LEED: Gold **EST. VALUE:** \$287-\$300 million
STATUS: Under Construction
TARGETED DELIVERY: Q2 2018

SPECS: The new 19,000-seat Audi Field will include approximately 17,000 sq. ft. of retail space along 1st Street, 31 suites, and a 40,000 sq. ft. public plaza at the main entrance. The DC government assembled the land and will handle infrastructure work and D.C. United will be responsible for stadium construction.

WE'RE THE FOUNDATION.

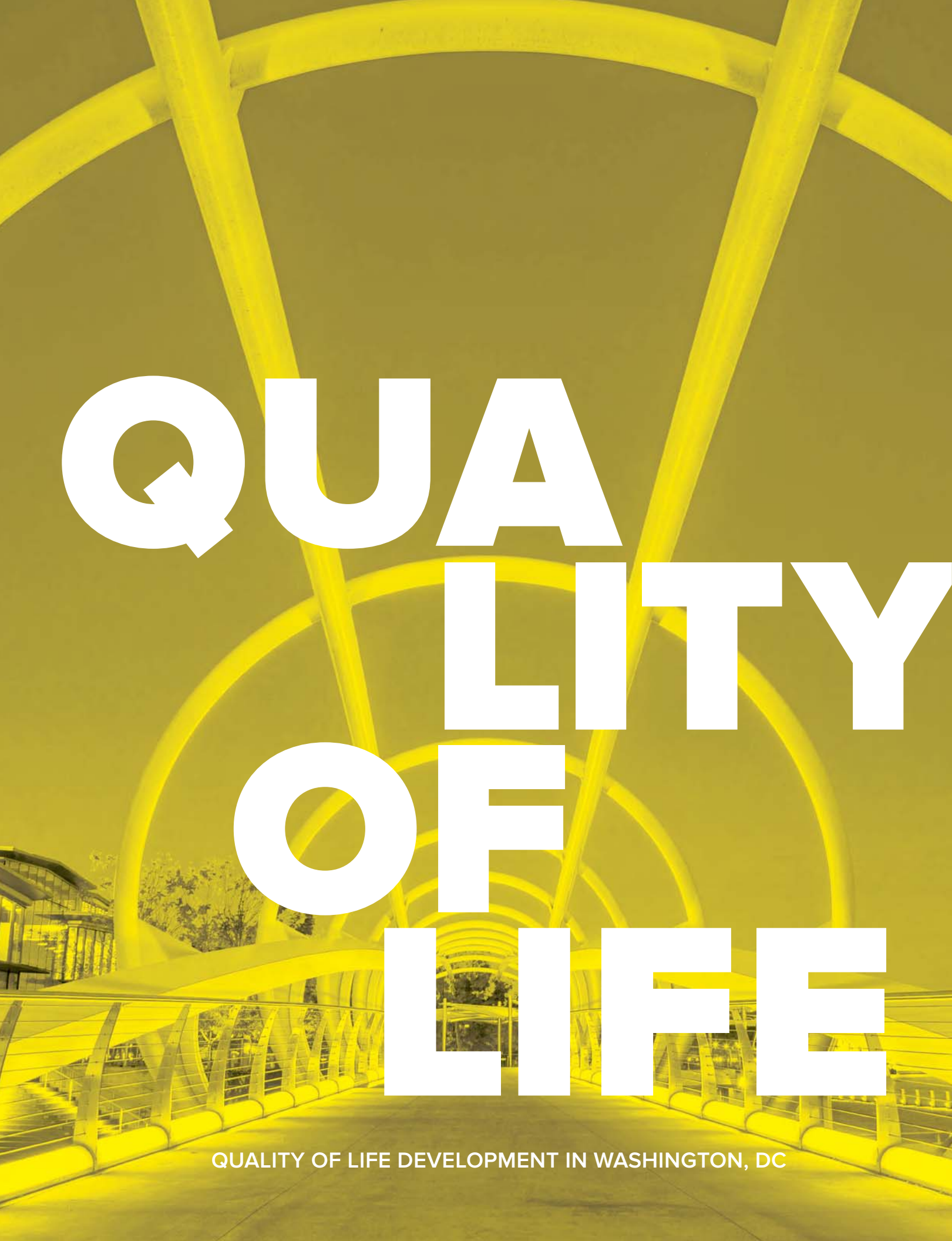
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QUALITY OF LIFE

QUALITY OF LIFE DEVELOPMENT IN WASHINGTON, DC

QUALITY OF LIFE

Since 2001, more than 20 million sq. ft. of education, medical, and community space has been built or modernized in DC, with an additional 1.5 million sq. ft. currently under construction.

TOTAL COLLEGE ENROLLMENT¹

~80,000

PUBLIC SCHOOL ENROLLMENT²

90,061

RECREATION CENTERS AND PARKS³

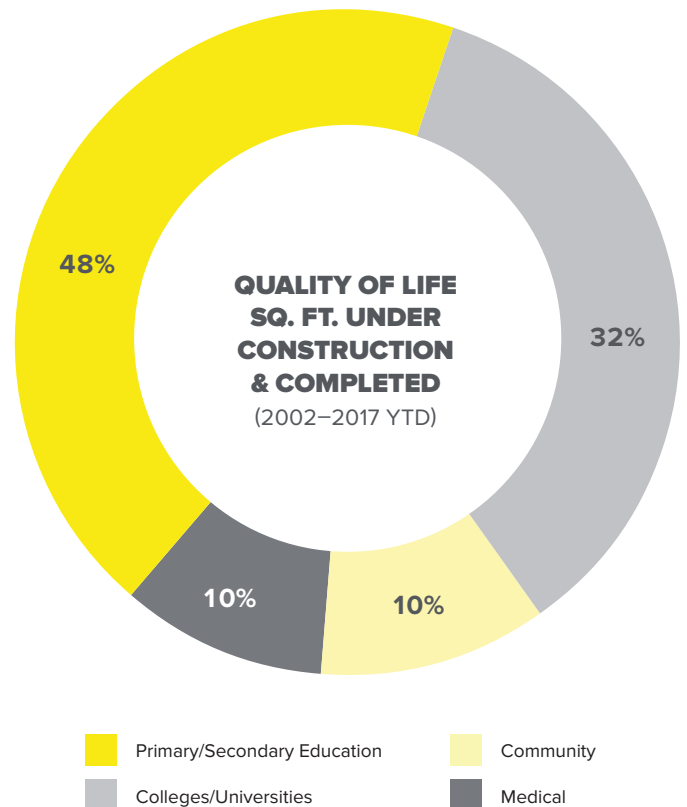
262

PUBLIC LIBRARIES⁴

26

Last year set a record of 2.4 million square feet of deliveries, while 2017 remains on pace to reach 1.4 million square feet of deliveries. The majority of deliveries over the last 15 years (2002–2017 YTD) comes from education with primary and secondary schools (public and private) contributing to 48% of the 21.2 million square feet completed since 2002 and currently under construction. Additionally, DC public school enrollment has seen a 3.1% increase since 2016.

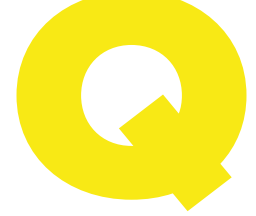
Community uses comprise about 10% of all quality of life development completed since 2002 or under construction, and is driven by new or modernized public libraries and recreation/community centers. Major projects currently under construction include the Martin Luther King Jr. Library (350,000 sq. ft.), the Palisades Recreation Center (12,000 sq. ft.), and Phase III of THEARC (9,300 sq. ft.). Park projects underway in 2017 include Phase I of the Constitution Gardens renovation and the 3rd & L Street Park in NoMa. The 11th Street Bridge Park along the Anacostia River is in the planning phase and will feature cultural amenities including performance space, play areas, public art, and an environmental education center.



Editor's note: In 2017, community projects were moved from Hospitality to Quality of Life

1. DC schools belonging to the Consortium of Universities of the Washington Metropolitan Area, NYU Washington, DC and University of California's Washington Center. 2. District of Columbia Office of the State Superintendent of Education, 2016–17 School Year General Education Enrollment Audit Data and Overview. Includes public schools and public charter schools. 3. Open Data DC, DC Department of Parks and Recreation. Data accessed 11/1/2017. 4. DC Public Library, <https://www.dclibrary.org/hours-locations>

QUALITY OF LIFE DEVELOPMENT



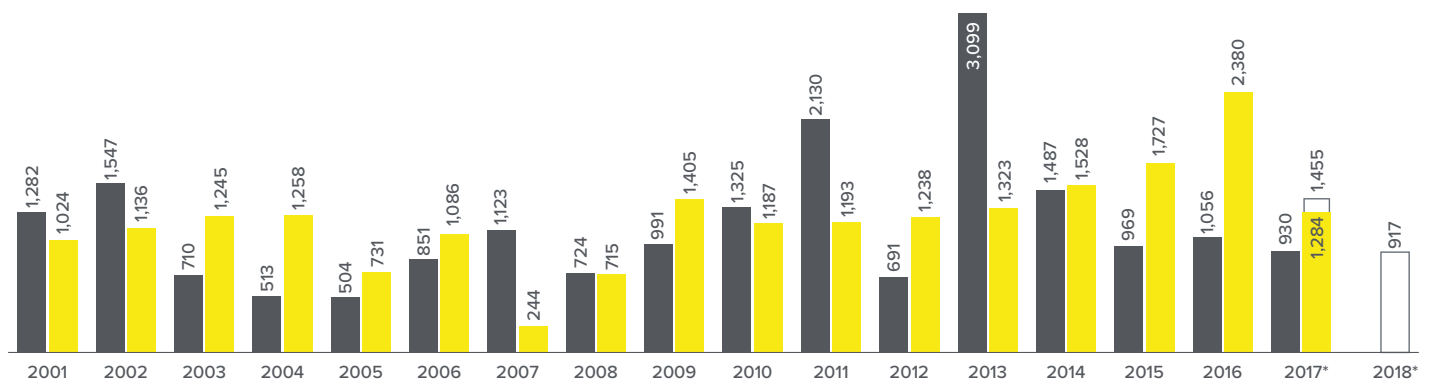
Helping to connect DC's parks and neighborhood spaces is more than 100 miles of bike lanes and trails with plans to build an additional seven miles in 2017.^{5,6} Current regulations in DC require bicycle parking in all office, retail, and service buildings with car parking.⁷ Bicycle spaces required should equal at least 5% of the number of car parking available, with some newly constructed, non-residential buildings required to offer showers and changing facilities.^{8,9} DC was among the first cities in the U.S. to introduce a bike sharing program and is currently ranked third in the nation in percentage of commuters who bike to work¹⁰. Trip data from Capital Bikeshare shows average annual growth in ridership of 13% between 2012 and 2016. There are currently 23 Capital Bikeshare stations in DC with plans to open 8 additional stations in Wards 7 and 8.^{9,11}

QUALITY OF LIFE DEVELOPMENT (AUGUST 2017)

| | PROJECTS | SQ. FT. |
|---------------------------|------------|-------------------|
| COMPLETED | 276 | 20,702,627 |
| 2001 | 18 | 1,023,876 |
| 2002 | 17 | 1,135,500 |
| 2003 | 19 | 1,245,094 |
| 2004 | 18 | 1,258,381 |
| 2005 | 15 | 730,708 |
| 2006 | 17 | 1,086,106 |
| 2007 | 4 | 244,004 |
| 2008 | 11 | 715,410 |
| 2009 | 21 | 1,404,656 |
| 2010 | 15 | 1,186,818 |
| 2011 | 17 | 1,193,187 |
| 2012 | 19 | 1,237,579 |
| 2013 | 18 | 1,322,988 |
| 2014 | 13 | 1,528,010 |
| 2015 | 19 | 1,727,039 |
| 2016 | 24 | 2,379,575 |
| 2017 YTD | 11 | 1,283,696 |
| UNDER CONSTRUCTION | 24 | 1,517,772 |
| 2017 DELIVERY | 7 | 170,832 |
| 2018 DELIVERY | 15 | 916,840 |
| 2019 DELIVERY | 1 | 30,100 |
| 2020 DELIVERY | 1 | 400,000 |
| PIPELINE | 62 | 5,905,825 |
| NEAR TERM | 27 | 2,583,609 |
| LONG TERM | 35 | 3,322,216 |
| TOTAL | 362 | 28,126,224 |

QUALITY OF LIFE DEVELOPMENT (AUGUST 2017, SQ. FT. IN THOUSANDS)

■ GROUNDBREAKING ■ COMPLETED □ PROJECTED

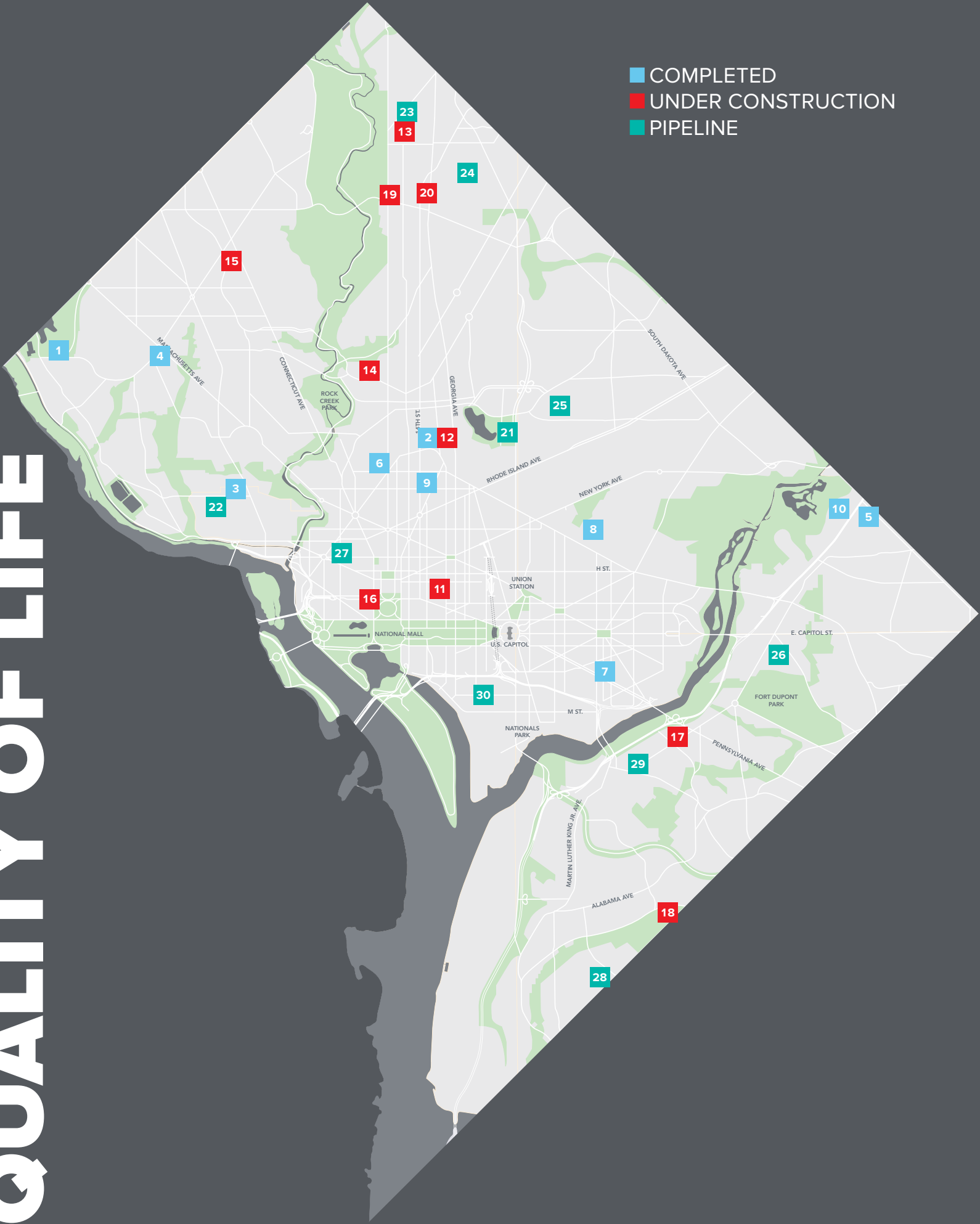


* projections based on targeted delivery dates of projects under construction as of August 2017

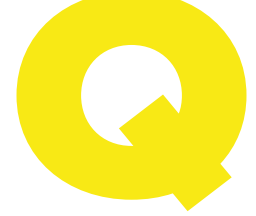
5. DDOT, <https://ddot.dc.gov/page/bicycle-lanes> 6. DDOT, DC Bike Map 2012 https://ddot.dc.gov/sites/default/files/dc/sites/ddot/publication/attachments/dc_bike_map_2012_full_version.pdf 7. Exceptions include C-3-C, C-4, and C-5 districts. 8. Zoning Regulations of 2016, Chapter 11-C8, Subtitle 11-C General Rules 9. Applies to newly constructed, non-residential buildings that require long-term bicycle parking and occupy more than 25,000 square feet in gross floor area. 10. WTOP Surprising stats: How many people bike to work around DC and more <https://wtop.com/local/2017/05/many-people-really-bike-work-around-dc-surprising-stats/> 11. Capital Bikeshare Blog, <https://www.capitalbikeshare.com/blog/east-of-the-anacostia-river-network-expansion>

QUALITY OF LIFE

- COMPLETED
- UNDER CONSTRUCTION
- PIPELINE



DEVELOPMENT PIPELINE



| PROJECT | WARD | LOCATION | DEVELOPER(S) | QUALITY OF LIFE SF | EST. VALUE (\$M) ¹ | DELIVERY ² |
|---|---|----------|-------------------------------|---|-------------------------------|-----------------------|
| TOP QUALITY OF LIFE PROJECTS COMPLETED (3Q 2016–AUGUST 2017) | | | | | | |
| 1 | New Sibley | 3 | 5255 Loughboro Rd., NW | Sibley Memorial Hospital / Johns Hopkins Medicine | 470,000 | \$242 Q3 16 |
| 2 | Howard Plaza Towers (West) | 1 | 2251 Sherman Ave., NW | Howard University / Corvias | 260,000 | \$36 Q3 17 |
| 3 | Duke Ellington School of the Arts | 2 | 3500 R St., NW | DC Public Schools / Department of General Services | 258,072 | \$179 Q3 17 |
| 4 | AU East Campus | 3 | 3501 Nebraska Ave., NW | American University | 242,934 | \$115 Q1 17 |
| 5 | Ron Brown College Preparatory High School | 7 | 4800 Meade St., NE | DC Public Schools / Department of General Services | 180,000 | Q3 17 |
| 6 | Marie Reed Elementary School | 1 | 2201 18 th St., NW | DC Public Schools / Department of General Services | 140,000 | \$62 Q3 17 |
| 7 | Watkins Elementary School Modernization | 6 | 420 12 th St., SE | DC Public Schools / Department of General Services | 70,826 | \$44 Q3 17 |
| 8 | MSSD Residence Hall | 5 | 800 Florida Ave., NE | Gallaudet University | 68,500 | \$28 Q4 16 |
| 9 | Garrison Elementary School | 2 | 1200 S St., NW | DC Public Schools / Department of General Services | 61,040 | \$31 Q3 17 |
| 10 | Kenilworth-Parkside Recreation Center | 7 | 4321 Ord St., NE | Department of General Services / Department of Parks and Recreation | 31,359 | \$17 Q2 17 |

TOP QUALITY OF LIFE PROJECTS UNDER CONSTRUCTION

| | | | | | | |
|----|--|---|---|--|---------|------------|
| 11 | Martin Luther King Jr. Library | 2 | 9 th & G Sts., NW | DC Public Library / Jair Lynch Real Estate Partners | 350,000 | \$208 2020 |
| 12 | Howard Plaza Towers (East) | 1 | 2251 Sherman Ave., NW | Howard University / Corvias | 260,000 | \$36 Q2 18 |
| 13 | Parks at Walter Reed (Delano Hall—Building 11) | 4 | 6800 Georgia Ave., NW | Hines / Urban Atlantic / Triden Development Group | 170,000 | Q3 17 |
| 14 | Bancroft Elementary School | 1 | 1755 Newton St., NW | DC Public Schools / Department of General Services | 146,000 | \$76 Q3 18 |
| 15 | Murch Elementary School | 3 | 4810 36 th St., NW | DC Public Schools / Department of General Services | 112,700 | \$83 Q3 18 |
| 16 | Corcoran Gallery of Art | 2 | 500 17 th St., NW | George Washington University | 100,000 | \$80 Q2 18 |
| 17 | Orr Elementary School | 8 | 2200 Minnesota Ave., SE | DC Public Schools / Department of General Services | 68,000 | \$47 Q4 18 |
| 18 | THE ARC (Phase III) | 8 | 18 th St. & Mississippi Ave., SE | WC Smith / Building Bridges Across the River | 67,340 | \$34 Q4 17 |
| 19 | Milton Gottesman Jewish Day School of the Nation's Capital | 4 | 6045 16 th St., NW | Jewish Primary Day School | 60,000 | \$22 Q3 17 |
| 20 | Beacon Center | 4 | 6100 Georgia Ave., NW | The Community Builders / Emory United Methodist Church | 58,000 | \$43 Q4 18 |

TOP QUALITY OF LIFE PROJECTS PIPELINE (NEAR TERM)

| | | | | | | |
|----|---|---|---------------------------------------|--|-----------|--------------|
| 21 | McMillan Sand Filtration Site | 5 | North Capitol St. & Michigan Ave., NW | Vision McMillan Partners (Jair Lynch Real Estate Partners / Trammell Crow Company / EYA) | 1,017,500 | \$720 2021+ |
| 22 | Georgetown University Hospital Pavilion | 2 | 3800 Reservoir Rd., NW | Georgetown University | 497,000 | \$560 2022 |
| 23 | Children's National Health Research Center | 4 | 6825 16 th St., NW | Children's National Medical Center | 400,000 | \$250 2019 |
| 24 | Calvin Coolidge Senior High School | 4 | 6315 5 th St., NW | DC Public Schools / Department of General Services | 286,300 | \$163 2019 |
| 25 | St. Paul's College Seminary & Residence | 5 | 3025 4 th St., NE | Elm Street Development / Boundary Companies | 124,450 | |
| 26 | New Fort Dupont Ice Arena | 7 | 3779 Ely Pl., SE | Department of General Services | 78,000 | \$20 |
| 27 | Thaddeus Stevens School | 2 | 1050 21 st St., NW | Akridge / Argos Group / DC Public Schools / Department of General Services | 40,000 | \$20 2018 |
| 28 | Early Childhood Academy Public Charter School | 8 | 885 Barnaby St., SE | Menkiti Group / TenSquare | 38,000 | \$18 2019 |
| 29 | Bread for the City | 8 | 17 th & Good Hope Rd., SE | Bread for the City | 30,000 | \$20 2019/20 |
| 30 | Southwest Library | 6 | 900 Wesley Pl., SW | DC Public Library | 22,032 | \$18 2020 |

1) may include non-education/community components & pipeline values may include additional phases (\$ in millions)

2) delivery date may reflect phase I delivery or final phase delivery



DEVELOPMENT HIGHLIGHTS

Image courtesy of Trammell Crow



WARD 2

GEORGETOWN UNIVERSITY HOSPITAL PAVILION

LOCATION: 3800 Reservoir Road, NW
DEVELOPER(S): MedStar Georgetown University Hospital / Trammell Crow
ARCHITECT(S): Shalom Baranes Associates / HKS PC
CONTRACTOR(S): Clark Construction Group
EST. VALUE: \$560 million
STATUS: Near Term
TARGETED DELIVERY: Q1 2022

SPECS: Plans for the new hospital pavilion call for a new six-story, 497,000 sq. ft. medical facility on an existing parking lot and renovations to the existing hospital. Programmatic highlights of the new pavilion include 32 operating rooms, a 32 treatment bay emergency department, 156 private patient rooms and a new rooftop helipad.

Image courtesy of WC Smith



WARD 8

THEARC (PHASE III)

LOCATION: 18th Street & Mississippi Avenue, SE
DEVELOPER(S): WC Smith / Building Bridges Across the River
ARCHITECT(S): Sanchez Palmer
CONTRACTOR(S): WCS Construction
LEED: Silver **EST. VALUE:** \$34 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: THEARC Phase III (93,000 sq. ft.) is an expansion of the Town Hall Education, Arts and Recreation Campus that WC Smith built in 2005 to provide a venue for cultural, educational, and recreational activities for residents in the area. Phase III includes the Bishop Walker School for Boys, an expanded clinic run by Children's National Medical Center, The Phillips Collection, AppleTree Institute for Education Innovation, the David Lynch Foundation, and a black box theater.

Conceptual design courtesy of Events DC



WARD 7

RFK STADIUM CAMPUS

LOCATION: 2400 East Capitol Street, NE
DEVELOPER(S): Events DC
ARCHITECT(S): OMA
STATUS: Near - Long Term
TARGETED DELIVERY: 2021

SPECS: The recommended short-term elements, which can be designed and built over the next two to five years, include three multi-purpose recreation and community playing fields, a market hall (offering concessions, prepared food and groceries), a sports & recreation complex, three pedestrian bridges that will connect the main site to Kingman and Heritage Islands, and a memorial to Robert F. Kennedy. A long-term development plan for the 190-acre site could include a 20,000-seat arena or NFL stadium.

Image courtesy of Mecanoo / Martinez & Johnson



WARD 2

MARTIN LUTHER KING JR. LIBRARY

LOCATION: 9th & G Streets, NW
DEVELOPER(S): DC Public Library / Jair Lynch Real Estate Partners
ARCHITECT(S): Mecanoo / Martinez & Johnson
CONTRACTOR(S): Smoot Construction DC / Gilbane Building Company
LEED: Gold **EST. VALUE:** \$208 million
STATUS: Under Construction
TARGETED DELIVERY: 2020

SPECS: Renovation plans call for major modernization of the existing four-story, 440,000 sq. ft. library with a one-story penthouse/roof garden addition. The first floor will include performance spaces and level A will include a 19,000 sq. ft. maker space.

DEVELOPMENT HIGHLIGHTS



Image courtesy of American University



WARD 3

AU EAST CAMPUS

LOCATION: 3501 Nebraska Avenue, NW
DEVELOPER(S): American University
ARCHITECT(S): Stantec Architecture
CONTRACTOR(S): Skanska
LEED: Gold **EST. VALUE:** \$115 million
STATUS: Completed
TARGETED DELIVERY: Q1 2017

SPECS: American University built a total of five buildings (246,000 sq. ft.) with underground and surface parking on a previous 901-space parking lot (8.1 acres). There are three residence halls (590 beds) and two interconnected academic/administrative buildings.

Image courtesy of Bell Architects



WARD 7

KENILWORTH-PARKSIDE RECREATION CENTER

LOCATION: 4321 Ord Street, NE
DEVELOPER(S): Department of Parks and Recreation / Department of General Services
ARCHITECT(S): BELL Architects
CONTRACTOR(S): Coakley & Williams Construction
LEED: Gold **EST. VALUE:** \$17 million
STATUS: Completed
TARGETED DELIVERY: Q2 2017

SPECS: A portion of the former Kenilworth Elementary School was adapted and re-used and a new gymnasium was constructed along with an outdoor pool with a pool house, and a new parking lot. The activities in the recreation center include a boxing room, a fitness center, computer lab, large multi-purpose room, demonstration kitchen, senior's lounge, and teen lounge.

Image courtesy of Northern Real Estate Urban Ventures



WARD 4

BEACON CENTER

LOCATION: 6100 Georgia Avenue, NW
DEVELOPER(S): The Community Builders / Emory United Methodist Church
ARCHITECT(S): Torti Gallas Urban
CONTRACTOR(S): Ellisdale Construction & Development
EST. VALUE: \$43 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2018

SPECS: The Beacon Center will be a mixed-use project wrapped around the existing Emory United Methodist Church. Plans call for 19,000 sq. ft. of renovated and new church space, two residential buildings totaling 99 units of affordable and transitional housing, 8,000 sq. ft. of office space, meeting and classroom space, and 2,500 sq. ft. of retail space.

Image courtesy of OMA+OLIN

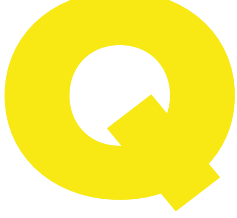


WARD 8

ANACOSTIA CROSSING—11TH STREET BRIDGE PARK

LOCATION: 11th Street Bridge
DEVELOPER(S): 11th Street Bridge Park / Building Bridges Across the River / DC Department of Transportation
ARCHITECT(S): Olin / OMA
EST. VALUE: \$50 million
STATUS: Near Term
TARGETED DELIVERY: 2021

SPECS: The 11th Street Bridge Park is designed to connect the two communities on each side of the Anacostia River. The project will include an amphitheater, a boat launch, community farm, hammock grove and classrooms to teach students about river systems. The Bridge Park design will be the length of three football fields and two see-sawing planes will create a triangulated park totaling 132,300 sq. ft. (116 ft. at its widest point), using the previous piers that held up the old 11th Street Bridge before it was replaced.



DEVELOPMENT HIGHLIGHTS

Image courtesy of SOME



WARD 7

THE CONWAY CENTER

LOCATION: 4430 Benning Road, NE
DEVELOPER(S): SOME
ARCHITECT(S): Wiencek + Associates
CONTRACTOR(S): Bozzuto Construction
LEED: Silver **EST. VALUE:** \$90 million
STATUS: Under Construction
TARGETED DELIVERY: Q4 2017

SPECS: The 180,000 sq. ft. Conway Center will include 202 affordable residential units, workforce & senior housing, SOME's Center for Employment Training, 37,700 sq. ft. for a medical/dental clinic and administrative offices, and 2,000 sq. ft. of retail/café space.

Image courtesy of DC Department of Parks & Recreation



WARD 5

EDGEWOOD RECREATION CENTER

LOCATION: 300 Evarts Street, NE
DEVELOPER(S): Department of Parks and Recreation / Department of General Services
ARCHITECT(S): Moody Nolan Inc
LEED: Gold **EST. VALUE:** \$21 million
STATUS: Near Term
TARGETED DELIVERY: Q4 2018

SPECS: Plans call for approximately 15,000 sq. ft. of recreation space including a rooftop urban farm, playgrounds, and athletic courts and fields. The site will also be certified as an emergency shelter for the community with a natural gas powered generator.

Image courtesy of Coakley & Williams Construction



WARD 4

MILTON GOTTESMAN JEWISH DAY SCHOOL OF THE NATION'S CAPITAL

LOCATION: 6045 16th Street, NW
DEVELOPER(S): Jewish Primary Day School
ARCHITECT(S): Geier Brown Renfrow Architects
CONTRACTOR(S): Coakley & Williams Construction
LEED: Silver **EST. VALUE:** \$22 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: The Jewish Primary Day School North Campus (2nd–6th grades) project will incorporate 27,300 sq. ft. of renovated space and approximately 32,200 sq. ft. of new space to accommodate a newly created middle school (7th & 8th grades). The project includes an addition of a third story to an existing building, a new core area with a gymnasium and multi-purpose room, and a new middle school wing.



WARD 3

MURCH ELEMENTARY SCHOOL

LOCATION: 4810 36th Street, NW
DEVELOPER(S): DC Public Schools / Department of General Services
ARCHITECT(S): R. McGhee & Associates / Hord Coplan Macht
CONTRACTOR(S): MCN Build
EST. VALUE: \$83 million
STATUS: Under Construction
TARGETED DELIVERY: Q3 2018

SPECS: The modernization of 47,700 sq. ft. Murch Elementary School includes the renovation of the existing school building plus a 65,000 sq. ft. addition to accommodate about 700 students while also providing adequate cafeteria, gym, and media space to support the current academic program.



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NEIGHBORHOOD DEVELOPMENT

**ADAMS MORGAN
ANACOSTIA**

CAPITOL RIVERFRONT / SOUTHWEST WATERFRONT

MINNESOTA & BENNING

MT. VERNON TRIANGLE / NOMA / UNION MARKET



NEIGHBORHOOD DEVELOPMENT

ADAMS MORGAN

PROJECT STATUS

- Completed (2001–2012)
- Completed (2013–8/2017)
- Under Construction
- Pipeline



Project boundaries are estimates (2015 Orthophoto, DC government)

ADAMS MORGAN has seen an influx of new development over the past five years. During the 12-year timeframe from 2001–2012 more than 1,000 residential units were built or underwent significant renovations in the highlighted area above. However, approximately 880 residential units have been developed since 2013, with another 420 units under construction. Of these 1,300 new units, it is estimated that more than 1,000 units are net new. These investments, along with the amenities in the neighborhood, has contributed to a 9% population increase since 2010.¹

Acclaimed chefs have followed this increase in density with The Michelin Guide featuring seven restaurants in the neighborhood including Roofers Union, The Diner, Sakuramen, Mintwood Place, Jack Rose Dining Saloon, Lapis (Bib Gourmand), and Tail Up Goat (one star).

The neighborhood will also soon welcome The Line DC hotel which will feature restaurants from James Beard-recognized chefs Spike Gjerde and Erik Bruner-Yang. The 227-room hotel will restore and preserve the First Church of Christ, Scientist church building and construct a nine-story addition.

| | PROJECTS | TOTAL SF | EDUCATION SF | HOTEL ROOMS | RESIDENTIAL UNITS | RETAIL SF | EST. VALUE (\$ MILLIONS) |
|-------------------------|-----------|------------------|----------------|--------------|-------------------|----------------|--------------------------|
| COMPLETED (2001–2012) | 32 | 1,864,923 | 96,400 | 1,070 | 1,011 | 86,995 | \$434 |
| COMPLETED (2013–8/2017) | 12 | 934,626 | 140,000 | | 884 | 30,100 | \$285 |
| UNDER CONSTRUCTION | 4 | 549,703 | | 227 | 420 | 30,403 | \$150 |
| PIPELINE | 7 | 461,000 | | | 351 | 8,000 | \$92 |
| TOTALS | 55 | 3,810,252 | 236,400 | 1,297 | 2,666 | 155,498 | \$960 |

1. Esri, 2017 estimates & projections

NEIGHBORHOOD DEVELOPMENT: **ADAMS MORGAN**



1. THE HEPBURN



2. KALORAMA CENTER



3. REED ROW



4. ADAMS ROW



5. 1800 COLUMBIA ROAD



6. THE ADAMO



7. 1777 COLUMBIA ROAD



8. THE LINE DC



9. ONTARIO 17



10. THE CITADEL



11. MERIDIAN CRESCENT



12. 2300 16TH STREET

Image courtesy of Perkins Eastman

NEIGHBORHOOD DEVELOPMENT

ANACOSTIA

PROJECT STATUS

- Completed (2001–2012)
- Completed (2013–8/2017)
- Under Construction
- Pipeline



Project boundaries are estimates (2015 Orthophoto, DC government)

LOCATED NEAR THE BANKS OF THE ANACOSTIA RIVER, Anacostia and adjacent neighborhoods are enjoying a renaissance with burgeoning small businesses, large-scale development plans, and a thriving arts scene. Cultural destinations in the area include the Anacostia Arts Center, Honfleur Art Gallery, Craig Kraft Studios, and the Anacostia Playhouse. In addition, Busboys and Poets plans to open a restaurant and training center at 2004–2010 Martin Luther King Jr. Avenue.

Over the next 10 years, Anacostia is expected to see nearly six million sq. ft. of mixed-use development. The 25.4-acre Barry Farm (a New Communities Initiative) redevelopment plan will be led by

A&R Development, the DC Housing Authority and Preservation of Affordable Housing. The master plan includes 1,400 mixed-income residential units, 55,000 sq. ft. of retail space, a redefined street grid and a new central park.

Furthermore, Four Points and Curtis Properties are partnering to redevelop a 9.5-acre site, located between U and Chicago Streets along the western side of Martin L. King Jr. Avenue, SE. The master plan for Reunion Square calls for approximately 1.6 million sq. ft. of mixed-use development. And Redbrick has plans for a 2.4 million sq. ft. mixed-use project, Columbian Quarter, on 6.2 acres along Howard Road.

| | PROJECTS | TOTAL SF | EDUCATION / MEDICAL SF | OFFICE SF | RESIDENTIAL UNITS | RETAIL SF | EST. VALUE (\$ MILLIONS) |
|-------------------------|-----------|------------------|------------------------|------------------|-------------------|----------------|--------------------------|
| COMPLETED (2001–2012) | 24 | 1,763,458 | 394,500 | 125,000 | 945 | 13,500 | \$328 |
| COMPLETED (2013–8/2017) | 7 | 477,350 | | 80,549 | 278 | 1,500 | \$440 |
| UNDER CONSTRUCTION | 3 | 151,000 | | | 207 | 15,000 | \$89 |
| PIPELINE | 17 | 5,979,564 | | 2,473,450 | 2,760 | 304,554 | \$2,788 |
| TOTALS | 51 | 8,371,372 | 394,500 | 2,678,999 | 4,190 | 334,554 | \$3,645 |

NEIGHBORHOOD DEVELOPMENT: ANACOSTIA



1. COLUMBIAN QUARTER



2. ANACOSTIA CROSSING

Image courtesy of OMA + OLIN



3. MLK GATEWAY

Image courtesy of the Menkiti Group



4. 2004-2010 MARTIN LUTHER KING JR AVENUE



5. REUNION SQUARE

Image courtesy of Four Points



6. 2235 SHANNON PLACE



7. MAPLE VIEW FLATS

Image courtesy of Chapman Development



8. GRANDVIEW ESTATES



9. SHERIDAN STATION (PHASE I)



10. SHERIDAN STATION (PHASE III)



11. BARRY FARM RECREATION CENTER

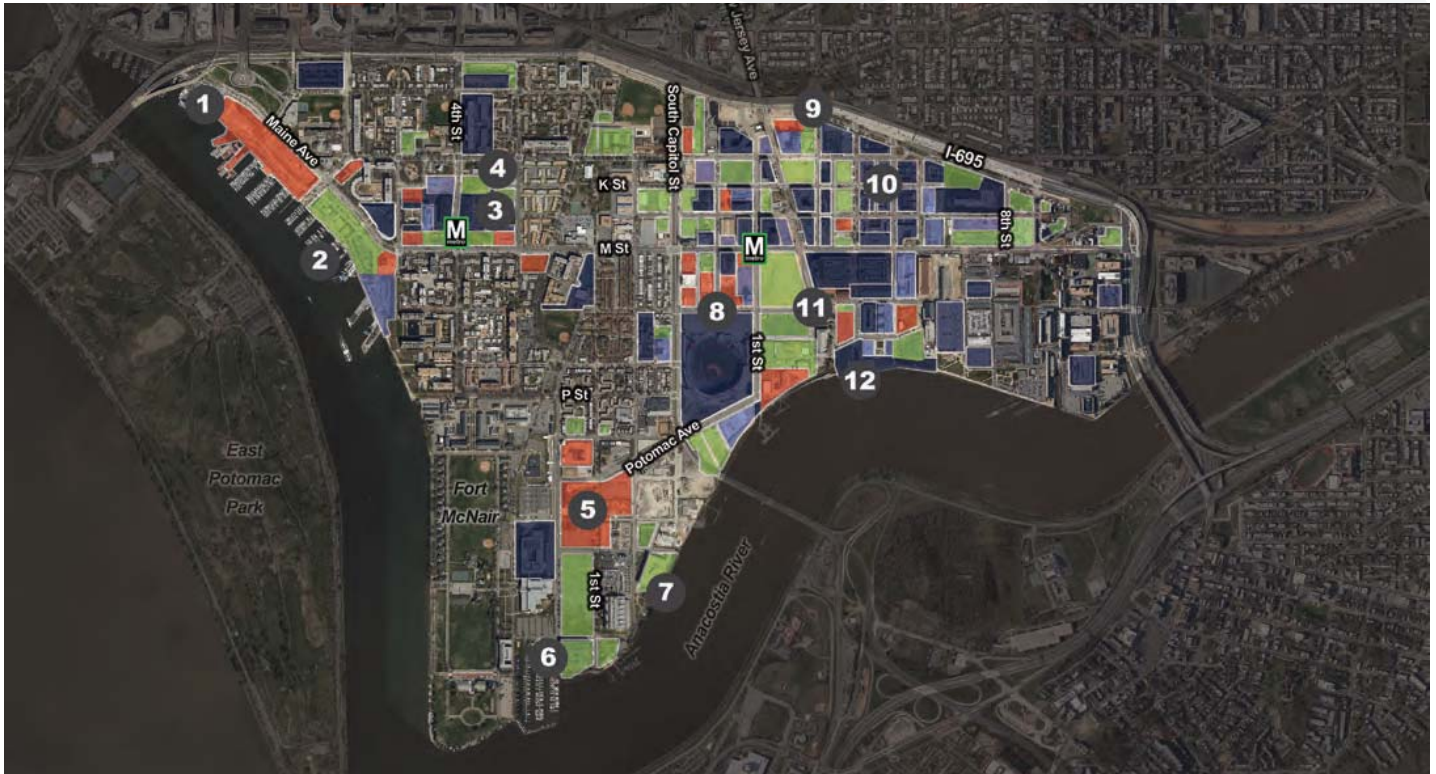


12. BARRY FARM

CAPITOL RIVERFRONT / SOUTHWEST WATERFRONT

PROJECT STATUS

- Completed (2001–2012)
- Completed (2013–8/2017)
- Under Construction
- Pipeline



Project boundaries are estimates (2015 Orthophoto, DC government)

THE HIGHLIGHTED AREA ABOVE represents approximately one-third of the 4.8 square mile Anacostia Waterfront Initiative (AWI) planning area. The AWI was established in 2000 and is a collaboration of 20 federal and DC agencies that own or control land along the Anacostia River. Over the past 16 years, this area has seen nearly 17 million sq. ft. of development including almost 9,000 residential units and 406,000 sq. ft. of retail space.

The latest addition to DC’s waterfront is the mile-long The Wharf mixed-use development.¹ The project features 26 restaurants & bars, 16 retailers, and three entertainment venues, including the 6,000-person The Anthem music hall.

Further east, the Capitol Riverfront is becoming a sports & entertainment destination. It is already home to Nationals Park (Washington Nationals), which drew 2.5 million regional fans in 2017, and in spring/summer 2018 it will welcome the 19,000-seat D.C. United Stadium (Audi Field).

Finally, there is still another 17 million sq. ft. of development yet to come, led by the 1.2 million sq. ft. Phase II of The Wharf which is expected to start construction in fall 2018.

| | PROJECTS | TOTAL SF | HOTEL ROOMS | OFFICE SF | RESIDENTIAL UNITS | RETAIL SF | EST. VALUE (\$ BILLIONS) |
|-------------------------|------------|-------------------|--------------|-------------------|-------------------|------------------|--------------------------|
| COMPLETED (2001–2012) | 43 | 12,152,713 | 204 | 6,158,750 | 4,783 | 170,980 | \$3.38 |
| COMPLETED (2013–8/2017) | 20 | 4,619,507 | 533 | 14,500 | 4,194 | 234,933 | \$1.49 |
| UNDER CONSTRUCTION | 22 | 7,115,805 | 690 | 998,200 | 4,861 | 455,078 | \$3.05 |
| PIPELINE | 48 | 16,905,604 | 776 | 4,682,889 | 9,937 | 690,133 | \$5.17 |
| TOTALS | 133 | 40,793,629 | 2,203 | 11,854,339 | 23,775 | 1,551,124 | \$13.09 |

1. Phase I delivered in October 2017.

NEIGHBORHOOD DEVELOPMENT: **CAPITOL RIVERFRONT / SOUTHWEST WATERFRONT**



1. THE WHARF (PHASE I)



2. THE WHARF (PHASE II)

Image courtesy of WDG



3. WATERFRONT STATION



4. WATERFRONT STATION II

Image courtesy of PN Hoffman



5. D.C. UNITED STADIUM



6. RIVERPOINT

Image courtesy of Akridge

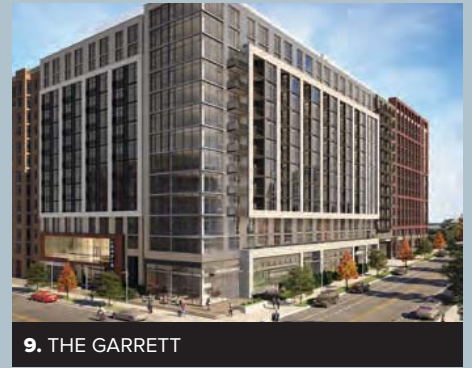


7. 1900 HALF STREET



8. HALF STREET

Image courtesy of the Capitol Riverfront BID



9. THE GARRETT

Image courtesy of WC Smith



10. CAPITOL QUARTER



11. THE YARDS

Image courtesy of the Capitol Riverfront BID



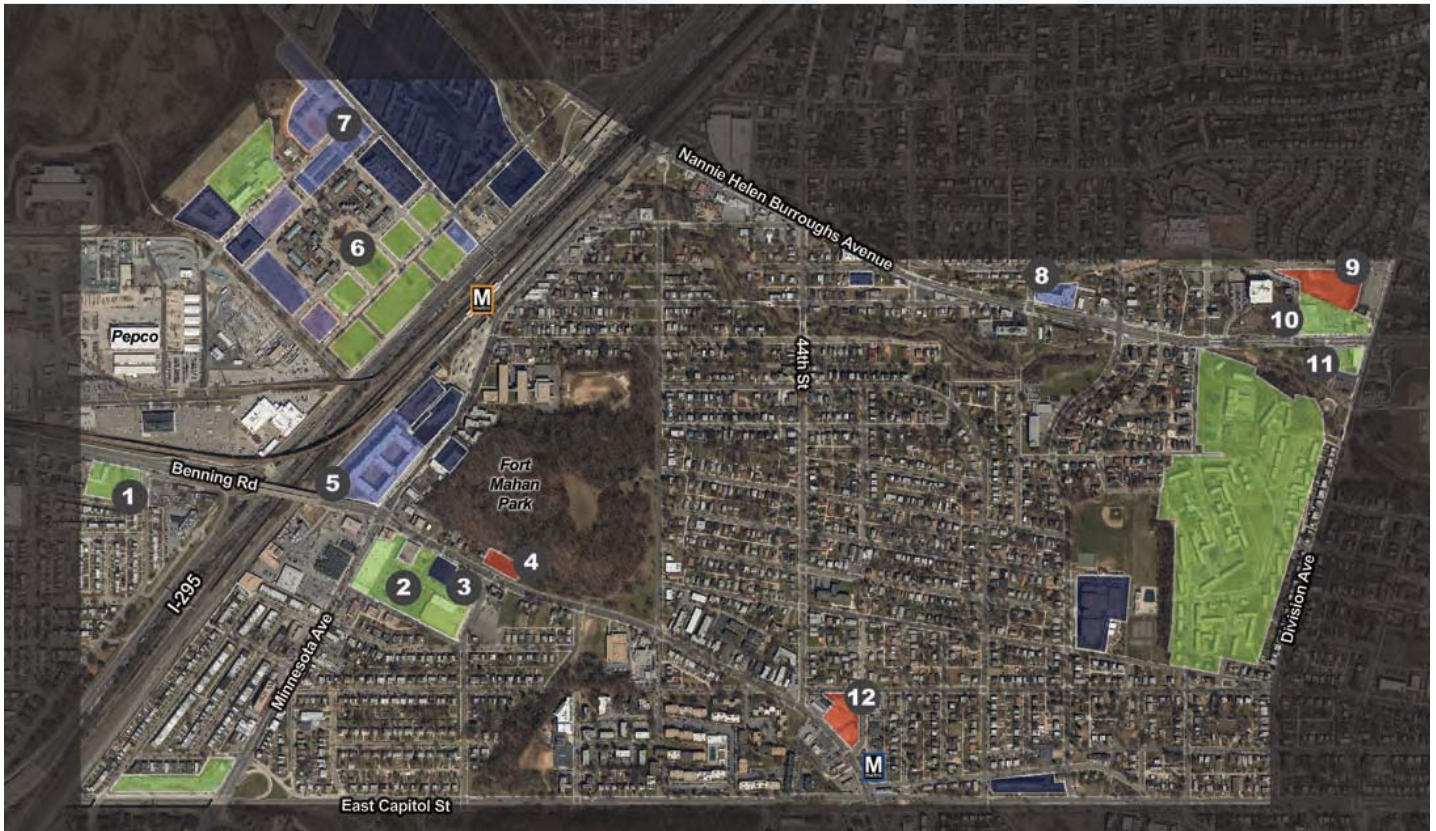
12. YARDS PARK

Image courtesy of the Capitol Riverfront BID

MINNESOTA & BENNING

PROJECT STATUS

- Completed (2001–2012)
- Completed (2013–8/2017)
- Under Construction
- Pipeline



Project boundaries are estimates (2015 Orthophoto, DC government)

ANCHORED BY TWO METRORAIL STATIONS this area of northeast DC is expected to see more than four million sq. ft. of development over the next 10 years. The 3.1 million sq. ft. Parkside Mixed-Use Development by City Interests is a multi-phased project that has already delivered 384 residential units with another 950 units and more than 550,000 sq. ft. of office space in the pipeline.

In addition, Cedar Realty Trust purchased the East River Park Shopping Center for \$39.0 million in 2016 and plans to redevelop the 150,000 sq. ft. center into 119,500 sq. ft. of retail space (anchored by a

grocery store), 280 residential units and 33,000 sq. ft. of office space with a total of 622 parking spaces on multiple levels.

Finally, as part of the DC government’s New Communities Initiative the Lincoln Heights and Richardson Dwellings neighborhoods, located on 28 acres near Division & Nannie Helen Burroughs Avenues, will be redeveloped as healthy mixed-income communities with 1,609 new housing units of varying types, a new mixed-use town center, and a new primary health care facility.

| | PROJECTS | TOTAL SF | EDUCATION / MEDICAL SF | OFFICE SF | RESIDENTIAL UNITS | RETAIL SF | EST. VALUE (\$ MILLIONS) |
|-------------------------|-----------|------------------|------------------------|----------------|-------------------|----------------|--------------------------|
| COMPLETED (2001–2012) | 12 | 1,574,503 | 229,493 | 222,500 | 923 | 6,500 | \$317 |
| COMPLETED (2013–8/2017) | 7 | 983,216 | 42,588 | 3,438 | 857 | 23,790 | \$217 |
| UNDER CONSTRUCTION | 3 | 385,204 | 37,659 | 34,534 | 423 | 2,054 | \$123 |
| PIPELINE | 15 | 4,043,757 | 70,290 | 643,864 | 3,020 | 198,916 | \$1,056 |
| TOTALS | 37 | 6,986,680 | 380,030 | 904,336 | 5,223 | 231,260 | \$1,713 |

NEIGHBORHOOD DEVELOPMENT: MINNESOTA & BENNING



1. 3450 EADS STREET

Image courtesy of the Neighborhood Development Company



2. EAST RIVER PARK

Image courtesy of Cedar Realty Trust



3. BENNING NEIGHBORHOOD LIBRARY



4. ST. STEPHENS APARTMENTS



5. PARK 7



6. PARKSIDE MIXED-USE DEVELOPMENT

Image courtesy of City Interests



7. METROTOWNS AT PARKSIDE



8. NANNIE HELEN AT 4800



9. DEANWOOD HILLS

Image courtesy of The Warrenton Group



10. DEANWOOD TOWN CENTER



11. STRAND RESIDENCES



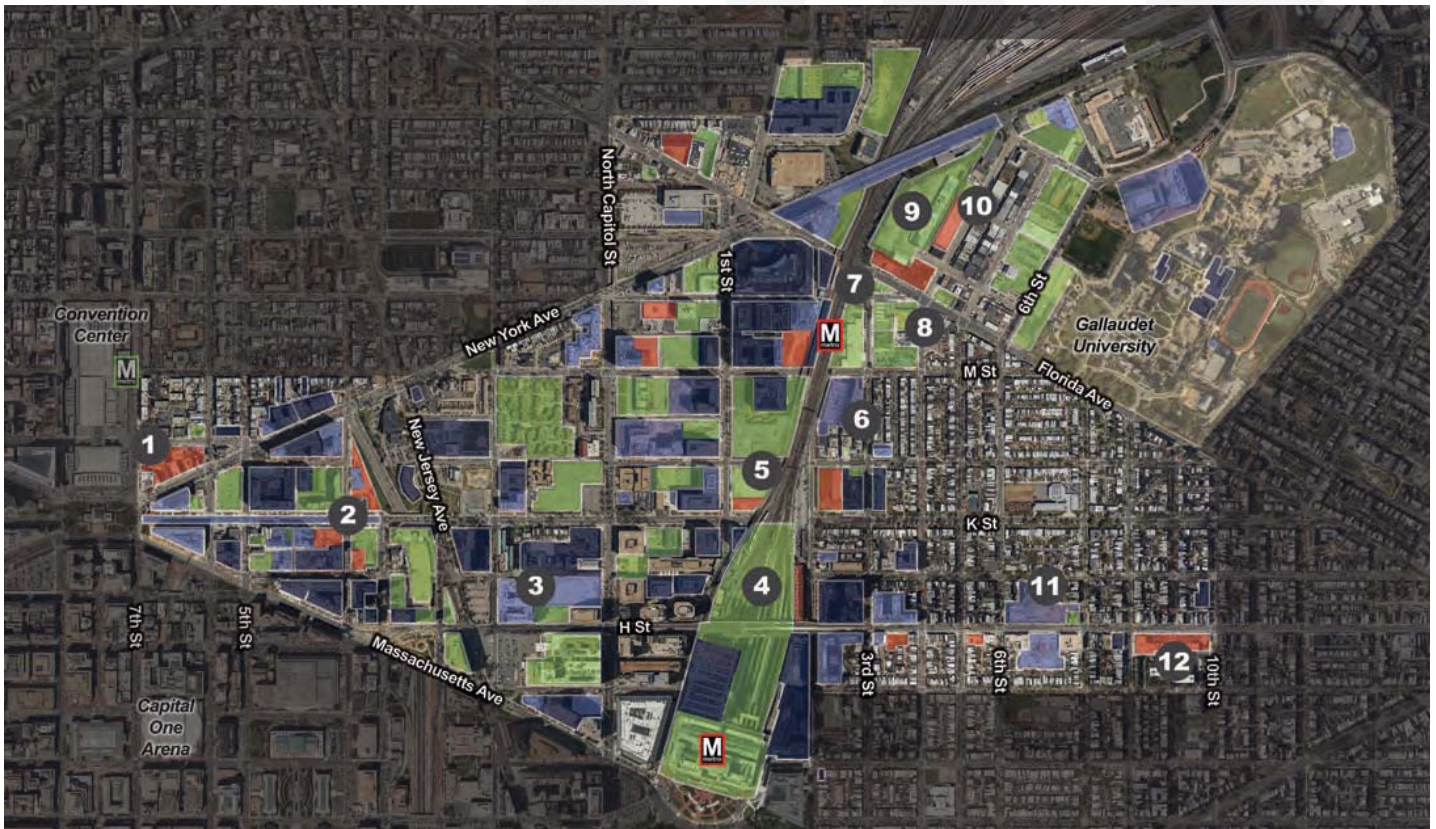
12. THE CONWAY CENTER

Image courtesy of SOME

MT. VERNON TRIANGLE / NOMA / UNION MARKET

PROJECT STATUS

- Completed (2001–2012)
- Completed (2013–8/2017)
- Under Construction
- Pipeline



Project boundaries are estimates (2015 Orthophoto, DC government)

AS DEVELOPMENT CONTINUES ITS EASTERN PUSH, areas of DC that were former parking lots or low-density industrial uses have given way to mixed-use developments and established new neighborhoods such as Mt. Vernon Triangle, NoMa, and Union Market.

Since 2001, 20.9 million sq. ft. of new buildings have been built or undergone significant renovation. This includes over 10,600 units of housing, 8.4 million sq. ft. of office space and 720,000 sq. ft. of retail space

in the area highlighted above. This investment has resulted in a 62% increase in residential population since 2010.¹

Even with all of this growth, there is 34.6 million sq. ft. of additional development still to come, including 4.8 million sq. ft. currently under construction. With an estimated 16,500 net new residential units coming to market over the next 10–15 years the area could conservatively see an additional 30,000 residents.

| | PROJECTS | TOTAL SF | HOTEL ROOMS | OFFICE SF | RESIDENTIAL UNITS | RETAIL SF | EST. VALUE (\$ BILLIONS) |
|-------------------------|------------|-------------------|--------------|-------------------|-------------------|------------------|--------------------------|
| COMPLETED (2001–2012) | 55 | 13,018,668 | 650 | 6,320,410 | 5,359 | 330,941 | \$3.93 |
| COMPLETED (2013–8/2017) | 40 | 7,915,811 | 590 | 2,079,181 | 5,317 | 392,539 | \$2.64 |
| UNDER CONSTRUCTION | 17 | 4,774,767 | | 1,250,774 | 3,654 | 276,078 | \$1.76 |
| PIPELINE | 58 | 29,833,044 | 2,258 | 8,041,015 | 13,901 | 948,079 | \$7.50 |
| TOTALS | 170 | 55,542,290 | 3,498 | 17,691,380 | 28,231 | 1,947,637 | \$15.83 |

1. Esri, 2017 estimates & projections

NEIGHBORHOOD DEVELOPMENT: MT. VERNON TRIANGLE / NOMA / UNION MARKET



1. 655 NEW YORK AVENUE

Image courtesy of Douglas Development



2. THE LYDIAN

Image courtesy of The Wilkes Company



3. 77 H



4. BURNHAM PLACE

Image courtesy of Akridge



5. STOREY PARK



6. ULINE ARENA

Image courtesy of Douglas Development



7. ARMATURE WORKS

Image courtesy of Trammell Crow



8. PRESS HOUSE AT UNION MARKET

Image courtesy of Foulger-Pratt



9. MARKET TERMINAL

Image courtesy of Gensler



10. 1270 4TH STREET

Image courtesy of EDENS



11. APOLLO



12. AVEC

Image courtesy of WC Smith



An aerial, high-angle photograph of a modern university campus. The buildings are multi-story, with prominent green roofs and large glass facades. A swimming pool is visible on the left side of the image. The campus is surrounded by dense green trees, and the overall scene is bathed in warm, golden light, suggesting late afternoon or early morning. The text 'APPENDIX' is overlaid in large, white, bold letters across the top half of the image.

APPENDIX

METHODOLOGY
ACKNOWLEDGEMENTS

A APPENDIX

THE GOAL OF THE WASHINGTON DC ECONOMIC PARTNERSHIP was to create a comprehensive database of development activity that would help us find answers to the following questions:

- What is the make-up of development activity?
- Where is the development activity occurring?
- What are the trends?
- How much is being invested in our community?

However, before we could begin to collect development information we had to create a methodology to give us guidance on what data to assemble on each project and which projects to include in our database. For a detailed explanation of our methodology please visit www.wdcep.com.

While our database of projects is constantly being updated, for the purposes of this publication, all data reflects project status, design and information as of August 2017.

WHERE DO WE GET OUR INFORMATION?

To capture the most comprehensive inventory, we use a variety of sources to gather information about development activity, and whenever possible, we contact the developers directly to get the most up-to-date and accurate information available and do site location visits to verify the project's status. Often our research uncovers discrepancies in available data on project information such as square footage, cost, number of units, etc. When this occurs, we try to reconcile the differences by speaking directly with parties involved in the development. Some of our sources include:

PRIMARY SOURCES

- Architects
- Building Permit Data
- Certificates of Occupancy
- Developers
- DC Office of Planning
- DC Office of the Deputy Mayor for Planning & Economic Development
- DC Office of the Chief Financial Officer
- DC Office of Zoning
- General Contractors
- Project Managers

SECONDARY SOURCES

- Brokers
- Business Improvement Districts
- Media & Newspapers
- Neighborhood Newsletters & Blogs

ADDING OR UPDATING INFORMATION

If you are looking for information about a specific project and you do not see it on our list, it may have been omitted for one of the following reasons.

- 1. IT DID NOT MEET THE \$5 MILLION THRESHOLD**
- 2. WE ARE MISSING A KEY PIECE OF INFORMATION**
- 3. WE HAVE QUESTIONS ABOUT THE VALIDITY OF THE DATA**
- 4. WE MAY NOT KNOW ABOUT IT**

To add or update a record in our database, please contact:

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The Washington DC Economic Partnership would like to thank the following organizations for their contributions to this year's DC Development Report.

| | | |
|---|---|-------------------------------|
| 11th Street Bridge Park | EDENS | Perkins Eastman DC |
| A&R | Erkiletian Development | Perkins+Will |
| Akridge | Forest City | PN Hoffman |
| American University | Forrester Construction | Potomac Investment Properties |
| Antunovich Associates | Fort Lincoln New Town Corporation | Property Group Partners |
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| Armed Forces Retirement Home | Gensler | Redbrick |
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| Carr Properties | Hickok Cole Architects | Somerset Development |
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| DC Curbed | Mill Creek Residential Trust | Urban Matters Development |
| DC Department of Consumer & Regulatory Affairs | Mount Vernon Triangle CID | Urban Turf |
| DC Department of Parks & Recreation | MRP Realty | Valor |
| DC Housing Authority | Neighborhood Development Company | Warrenton Group |
| DC Water | NoMa BID | Washington Business Journal |
| Ditto | Office of Planning | Washington Post |
| Donohoe Companies | Office of the Chief Technology Officer | WC Smith |
| Douglas Development | Office of the Deputy Mayor for Planning & Economic Development | WDG Architecture |
| DowntownDC BID | Paradigm | Wilkes Company |



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