

2016 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOCG REGION

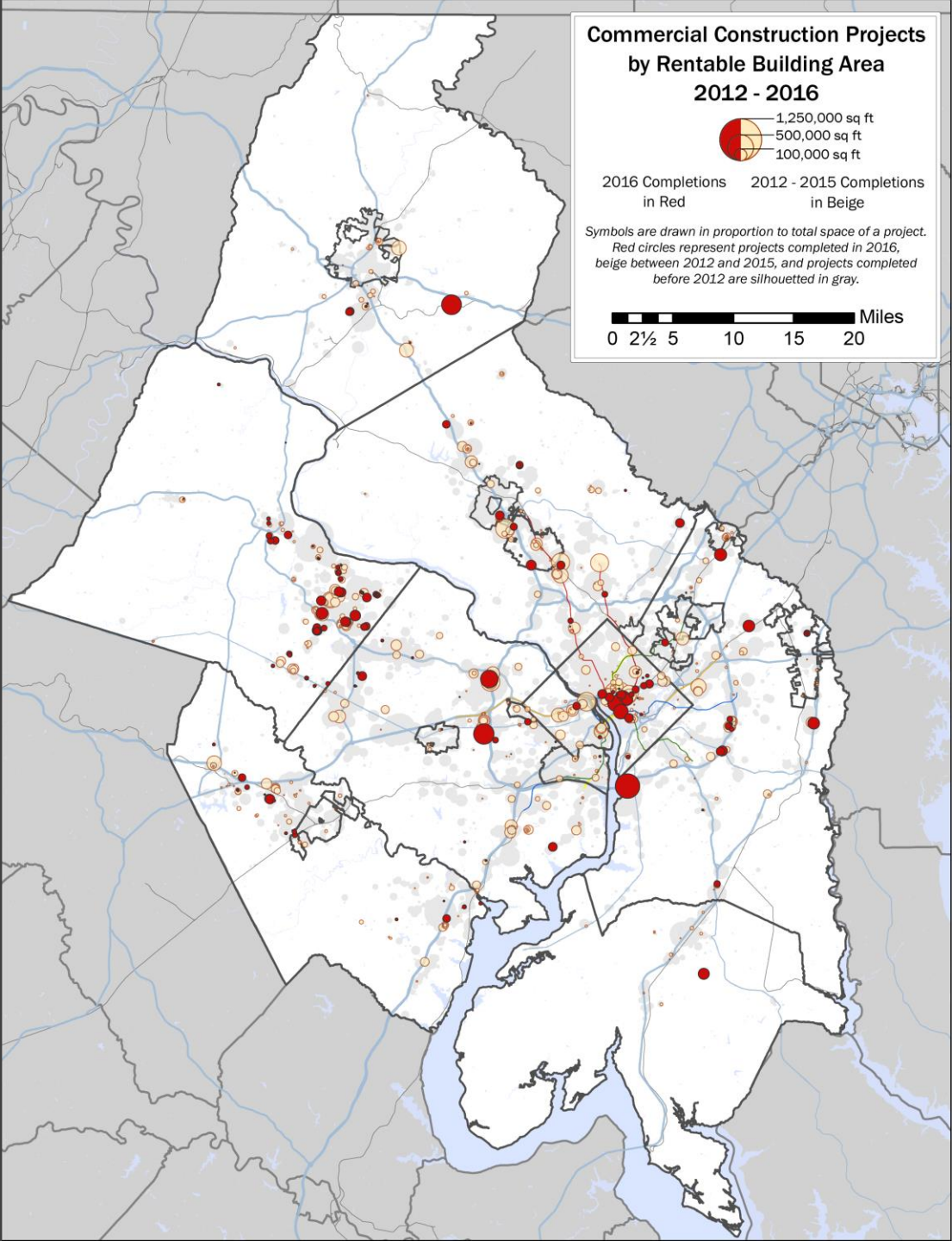
John Kent
Regional Planner

Region Forward Coalition
July 21, 2017

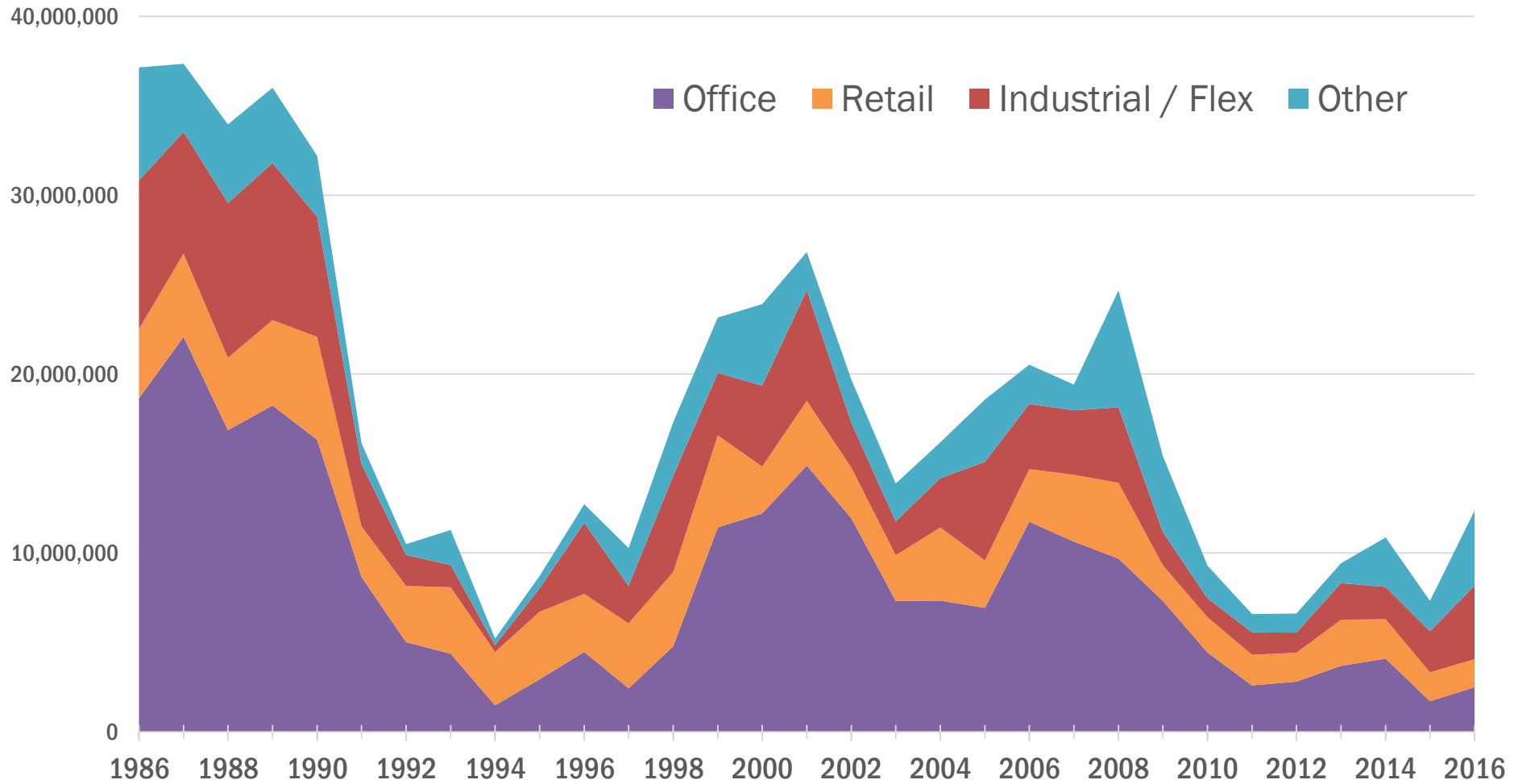


Metropolitan Washington
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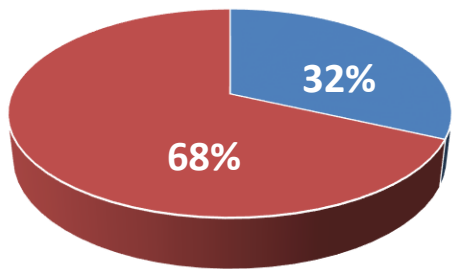
- Analysis of completed commercial real estate projects from CoStar database
- In 2016, region had the most new square footage built since 2009
- Rate of new construction still below pre-Recession levels
- Industrial/Flex and Hospitality sectors are growing; Office and Retail struggle
- Construction down in Metro station areas and Activity Centers
- High Office vacancy rates but low Retail and Industrial/Flex vacancy rates
- Retail excludes Mixed-Use Retail in Office or Residential buildings



Square Footage of Completed Commercial Construction by Structure Type, 1986 - 2016

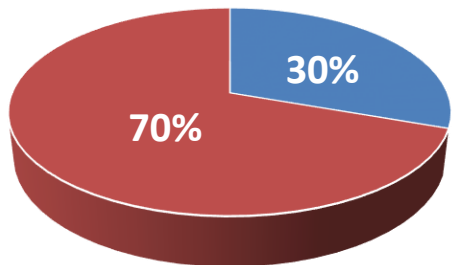


Prior to 2012



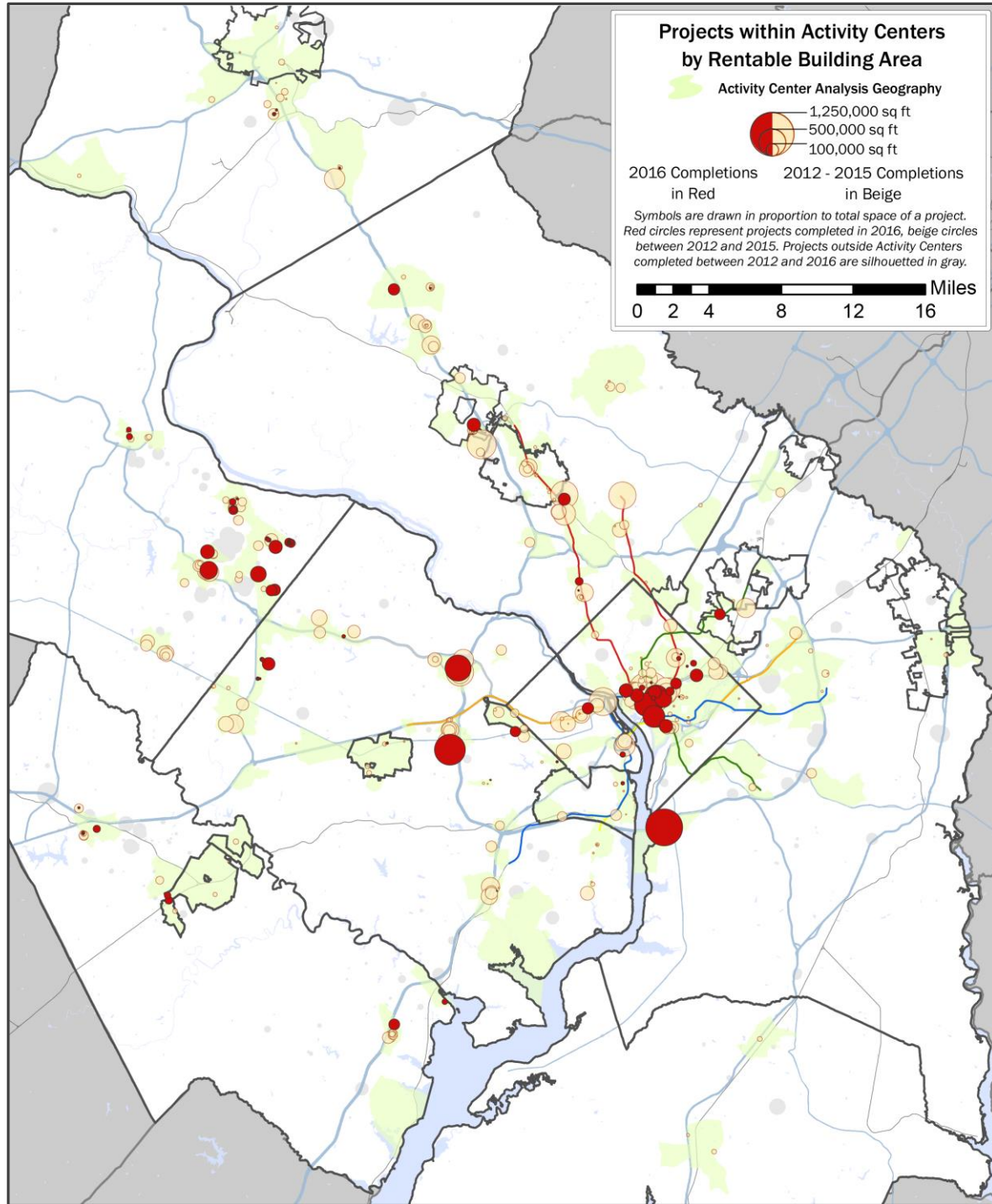
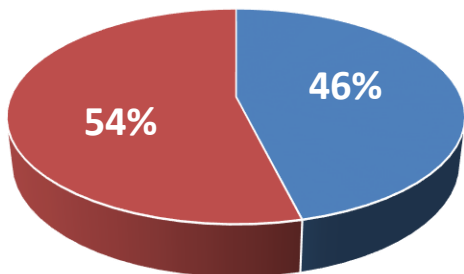
■ Non-Activity Center ■ Activity Center

2012 - 2015



■ Non-Activity Center ■ Activity Center

2016

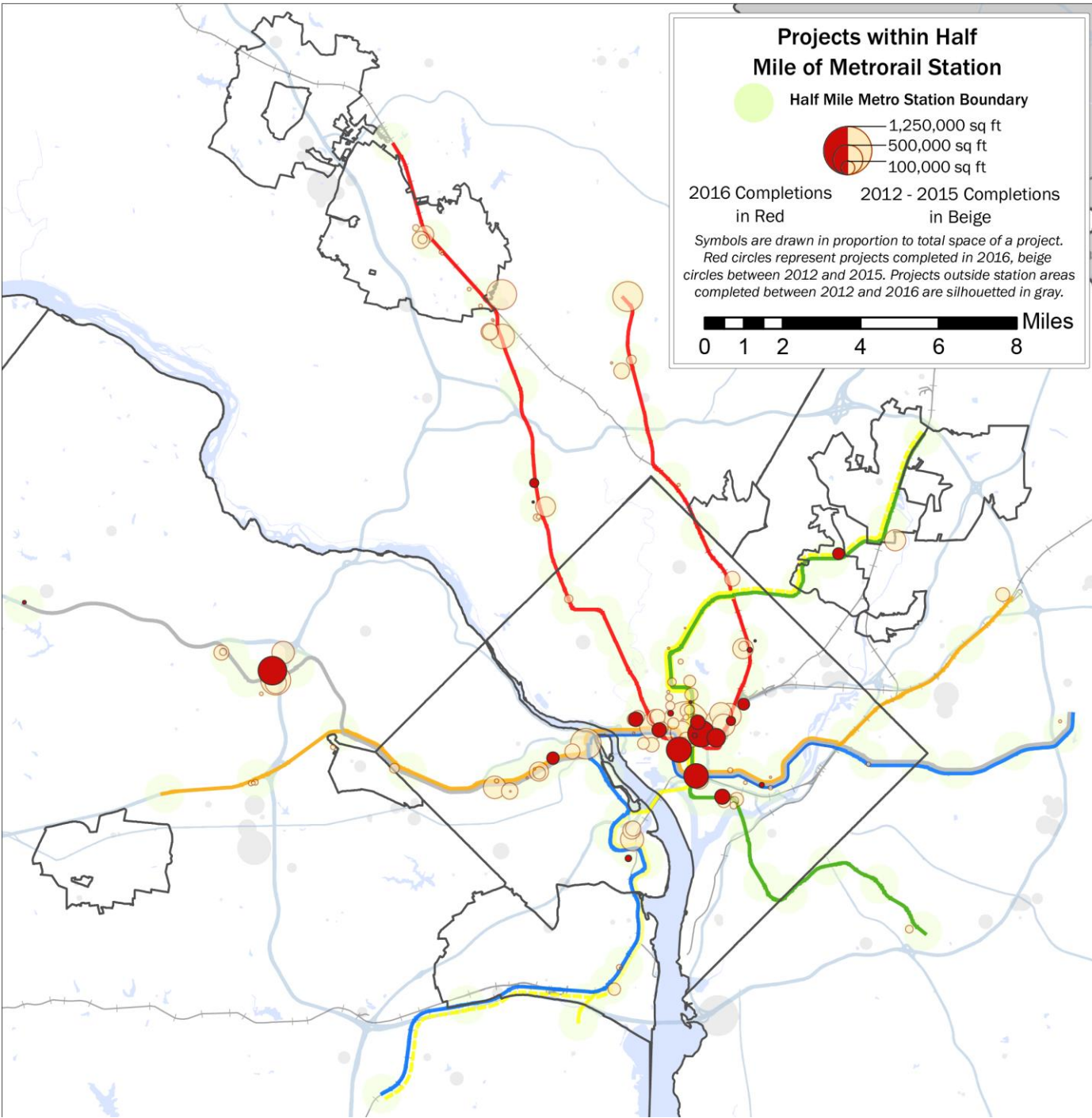


- Since 2012, 55 Metro stations have had at least one commercial construction project located within a half mile

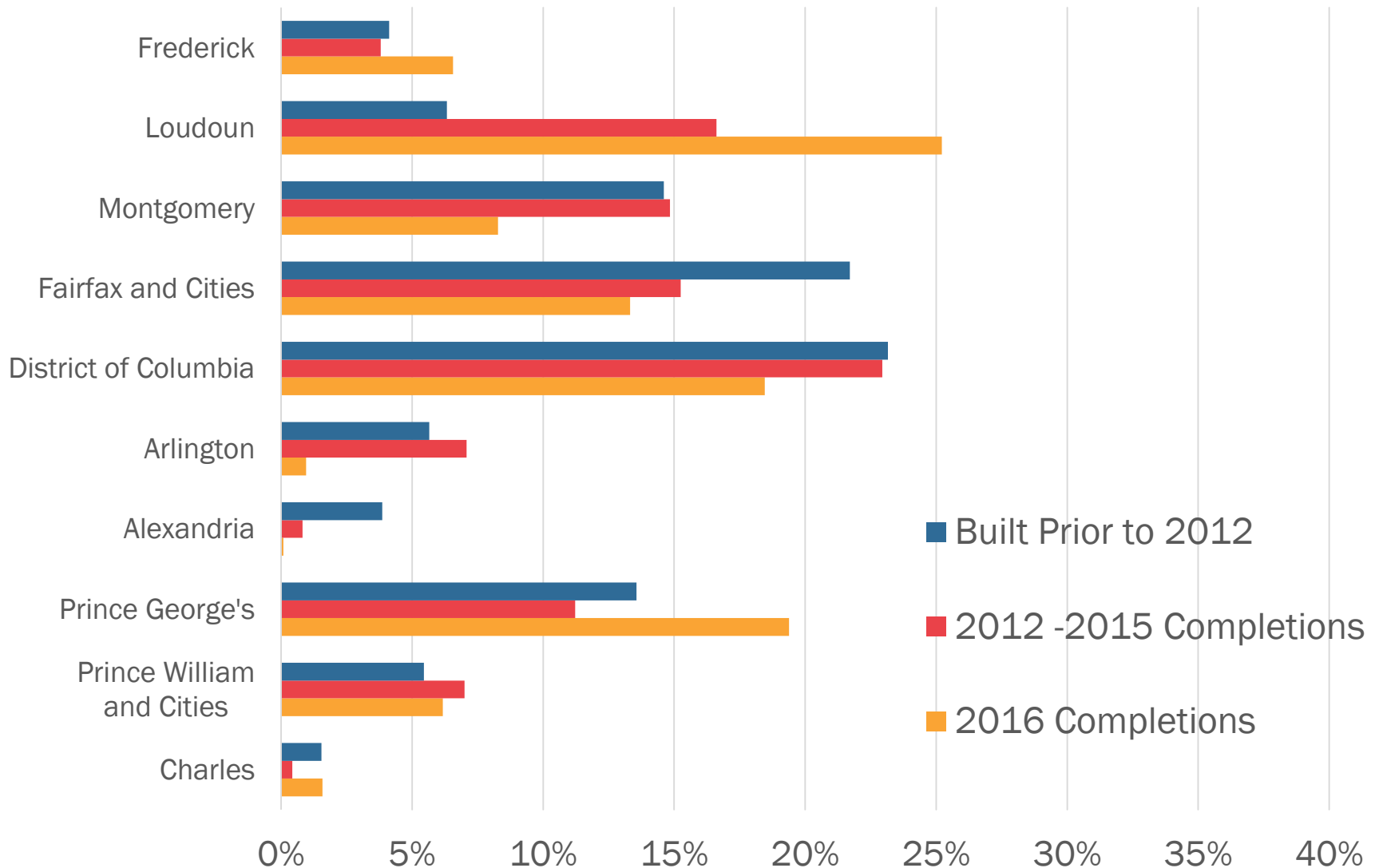
 - 36 stations have had no projects

- From 2012 – 2015, about 40% of new construction with within half a mile of a Metro station

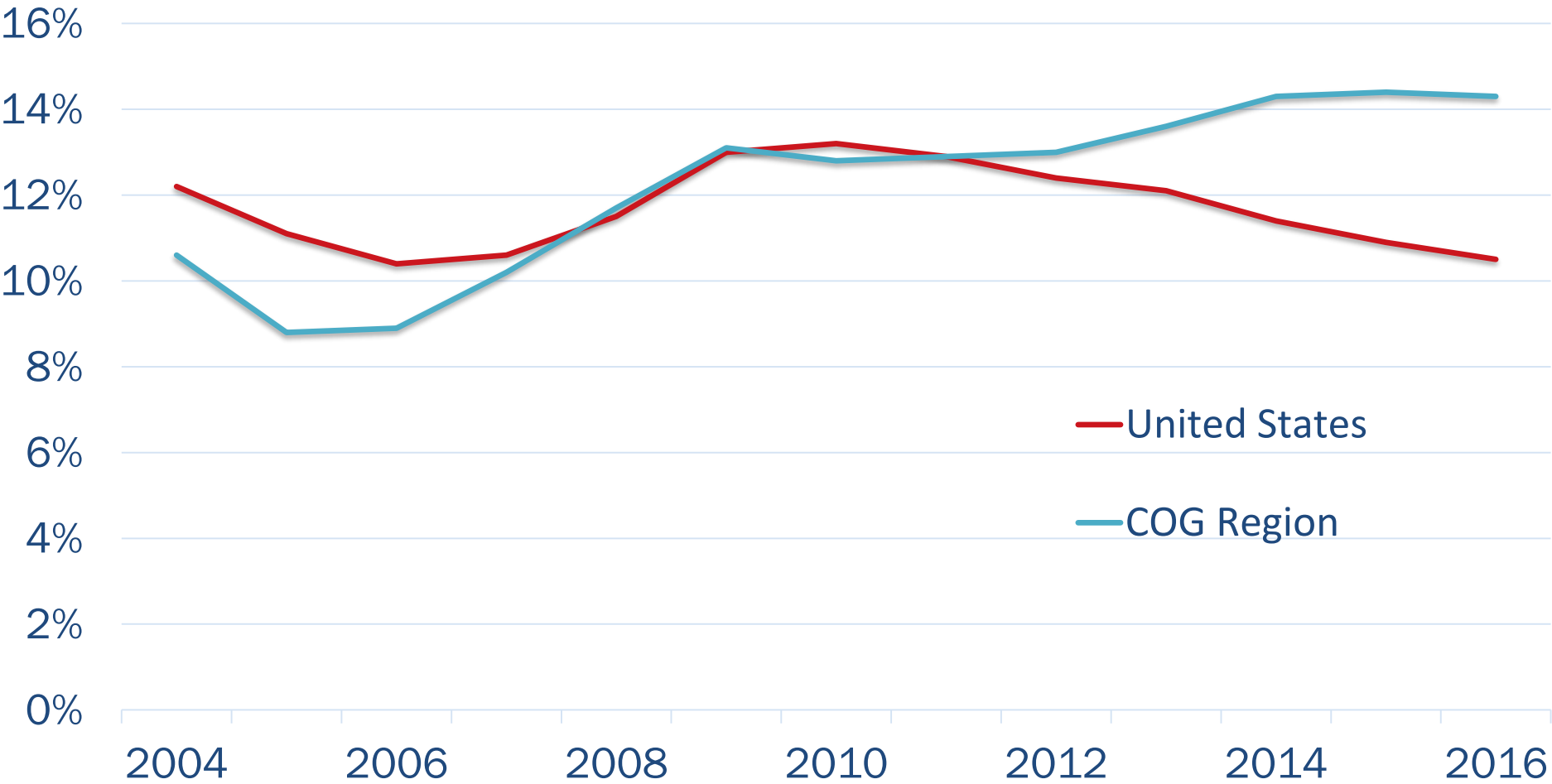
 - In 2016, the Metro share fell to 23%



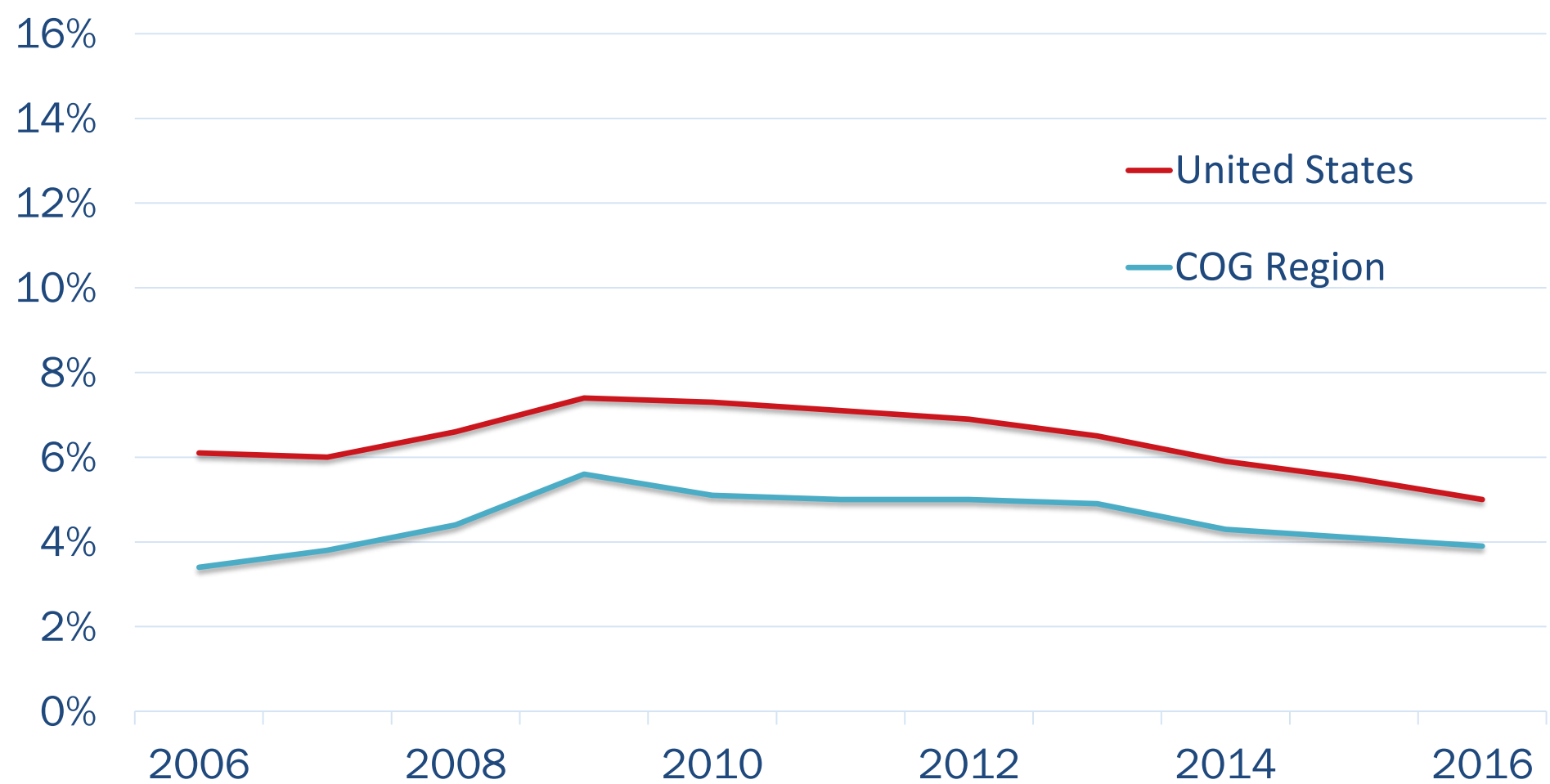
Share of New Commercial Space by Jurisdiction



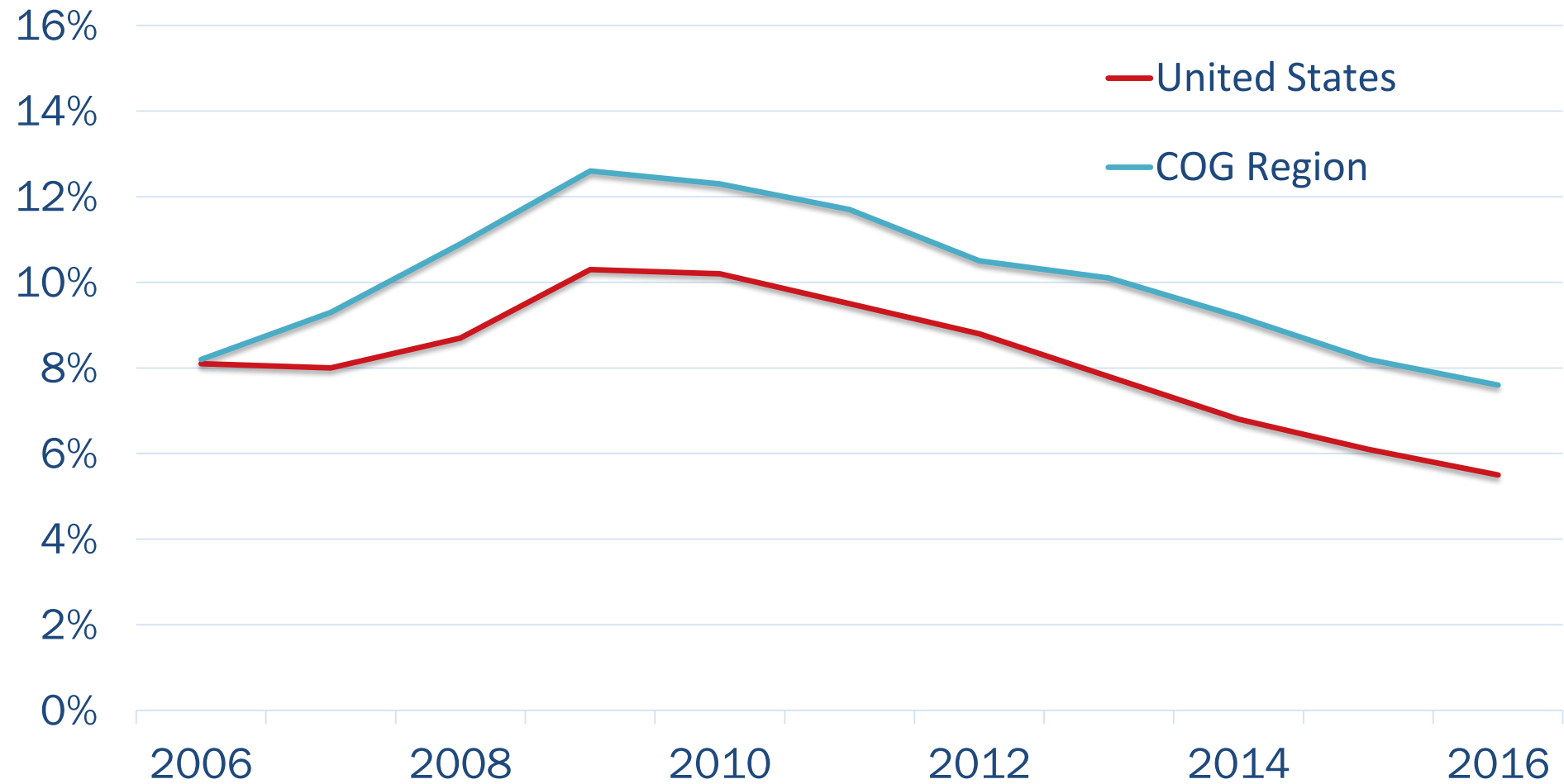
Vacancy Rate for Office Space 2004 - 2016



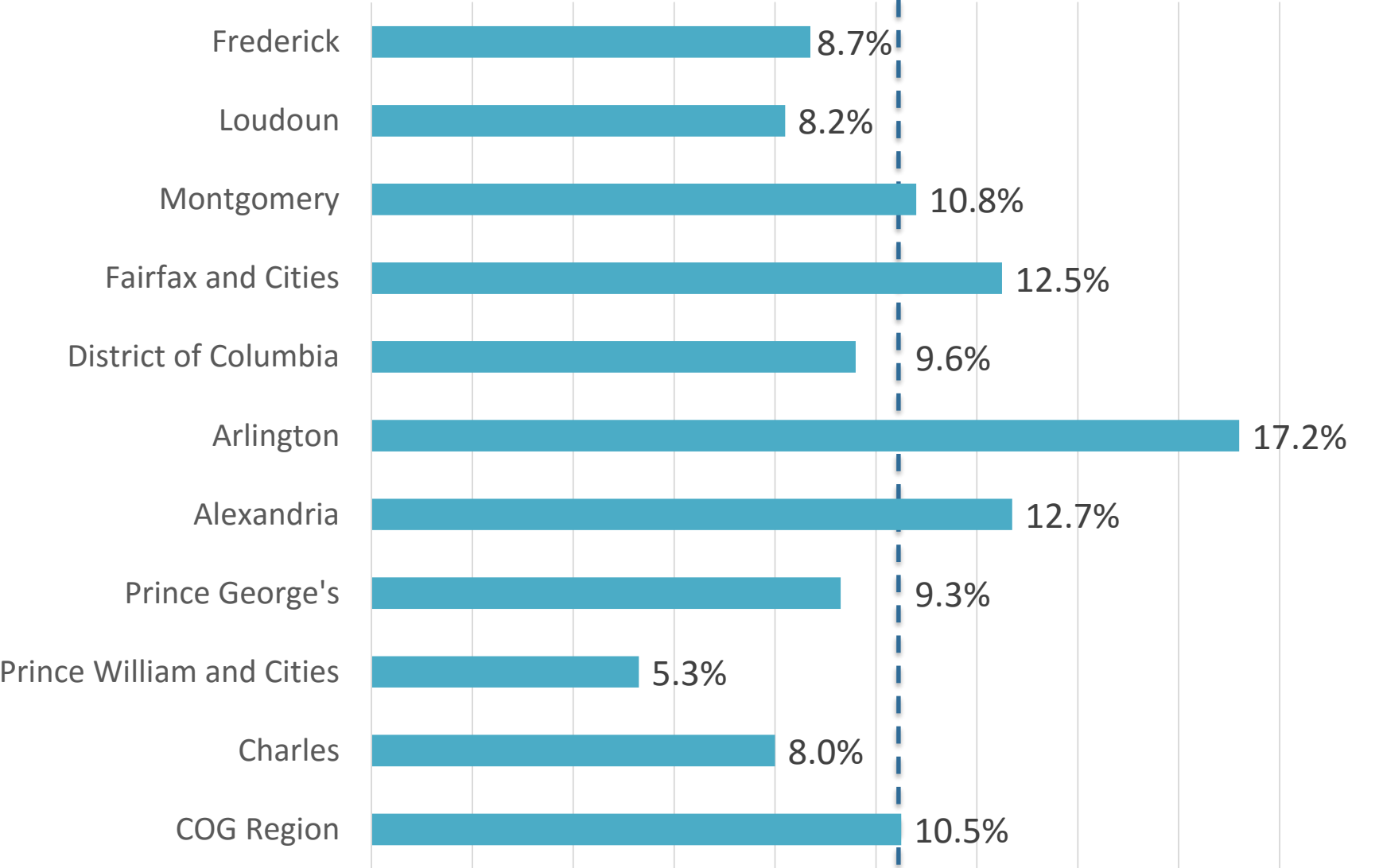
Vacancy Rate for Retail Space 2006 - 2016



Vacancy Rate for Industrial and Flex Space 2006 - 2016



2016 Year End Commercial Vacancy Rates by Jurisdiction



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