

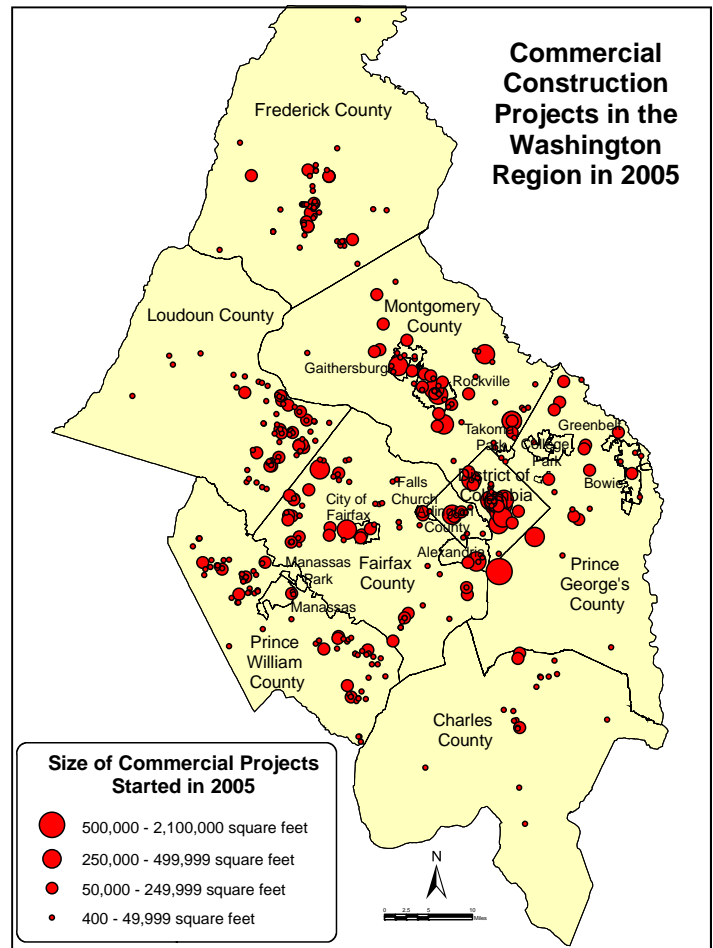
Commercial Construction Indicators 2005 Annual Summary



Metropolitan
Washington
Council of
Governments

Construction Highlights in 2005

- ◆ In 2005, **430** commercial construction projects were initiated in the Washington region. These projects **added more than 24.4 million square feet** of space, valued at more than **\$3.5 billion**.
- ◆ Between 2004 and 2005, the level of new construction decreased nearly 3.3 million square feet, a **decrease of 12 percent**. This year's totals marks the 11th greatest amount of commercial construction started since 1980.
- ◆ The **Gaylord National Resort and Convention Center** at National Harbor in Prince George's County was the region's largest project at 2.1 million square feet of space and an estimated cost of \$565 million. The next largest projects were the **Columbia Center** office building and **505 9th Street** office building, both in the District of Columbia, with 395,000 square feet and 322,000 square feet of space, respectively.

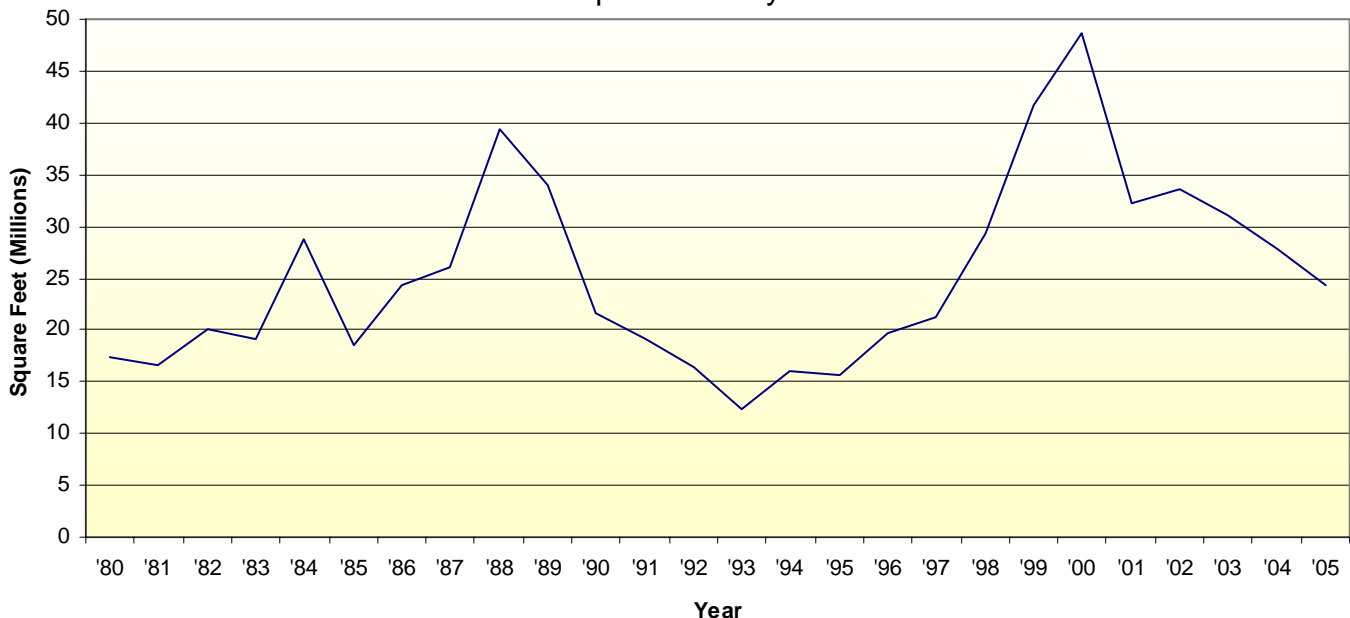


In this issue:

Regional Numbers and Trends.....	2 - 3
Construction by Structure Type and Year	4 - 5
Construction by State Group	6
Construction by Jurisdictional Group.....	7
Construction within Jurisdictions	8 - 20
Construction in Metrorail and Commuter Rail Station Areas.....	21 - 23
Construction in Activity Centers and Activity Clusters	24 - 27
Commercial Construction Definitions	27
About COG's Commercial Construction Inventory	28

Commercial Construction Starts, 1980-2005

Total Square Feet by Year



Regional Numbers and Trends

Commercial Construction at a Glance

◆ **Office Development holds greatest share of Commercial Construction in the region**

Office development in 2005 held the greatest share of commercial construction, creating 27 percent of the region's new commercial space. Construction in this sector added nearly 6.7 million square feet to the region's total space. Four out of the seven commercial structure types experienced increases from 2004. Hotel/Motel saw the biggest increase, with an additional 1.5 million square feet in 2005, followed by Research & Development with 1.1 million square feet over the 2004 totals. Educational & Medical increased 760,000 square feet, while Mixed Use had 450,000 more square feet started than in the previous year.

◆ **Less than a quarter of new space located in Metrorail Station Areas***

A total of 51 commercial construction projects, accounting for more than 5.4 million square feet of space, were started in Metrorail station areas in 2005. The new space was 22 percent of the region's construction activity, compared to 38 percent in 2004. Twenty-six new commercial projects, totaling nearly 2.4 million square feet, began construction in commuter rail station areas in 2005. The new space represents 10 percent of the region's new commercial development, compared to nine percent in 2004.

◆ **Inner Jurisdictions capture the most new construction space in 2005**

The central jurisdictions captured nearly 26 percent of the region's commercial development in 2005. These jurisdictions added 44 new projects and more than 4.9 million square feet of new space, a 32 percent decrease from the previous year. The inner suburbs added 149 projects and over 11.3 million square feet of space in 2005. These jurisdictions held a 46 percent share of the region's commercial construction activity, compared to 40 percent in 2004. In the outer suburbs, 237 new projects were started totaling nearly 8.2 million square feet of additional space, an increase of five percent from the previous year. The new space constitutes 28 percent of the region's development, compared to 31 percent in 2004.

Definition of Jurisdictional Groups

Central Jurisdictions - The District of Columbia; and, in Virginia, Arlington County, and the City of Alexandria.

Inner Suburban Jurisdictions - In Maryland, Montgomery and Prince George's Counties, and the Cities of Bowie, College Park, Gaithersburg, Greenbelt, Rockville and Takoma Park; and, in Virginia, Fairfax County, and the Cities of Fairfax and Falls Church.

Outer Suburban Jurisdictions - In Maryland, Charles and Frederick Counties, and the City of Frederick; and, in Virginia, Loudoun and Prince William Counties, and the Cities of Manassas and Manassas Park.

◆ **Suburban Maryland led the region in Commercial Construction in 2005**

Suburban Maryland led the region in the construction of new commercial space, most notably in the Hotel/Motel Category. Suburban Maryland added 161 projects and more than 10.6 million square feet of new space in 2005. Suburban Maryland saw a net increase of 10 percent in new commercial space from 2004 to 2005. Northern Virginia added 240 new projects in 2005, totaling more than 9.8 million square feet. Northern Virginia saw an 18 percent decline in new commercial space compared to the previous year, but experienced an increase in office projects. The District of Columbia added 29 new projects and nearly four million square feet of new space in 2005. The District's overall square footage of new commercial space decreased 34 percent from the previous year, but experienced a 55 percent rise in Educational & Medical project space.

◆ **Regional Activity Centers capture greater share of new commercial space**

A total of 149 commercial construction projects, contributing more than 12.5 million square feet of space, were started in Regional Activity Centers in 2005. The new space accounts for 55 percent of the region's new construction activity, compared with 46 percent in 2004. A total of 172 commercial projects and nearly 13.5 million square feet of space began construction in Regional Activity Clusters in 2005. The development represents 55 percent of the region's new commercial construction activity, compared with 54 percent in 2004.

◆ **Private firms increase share of new construction starts**

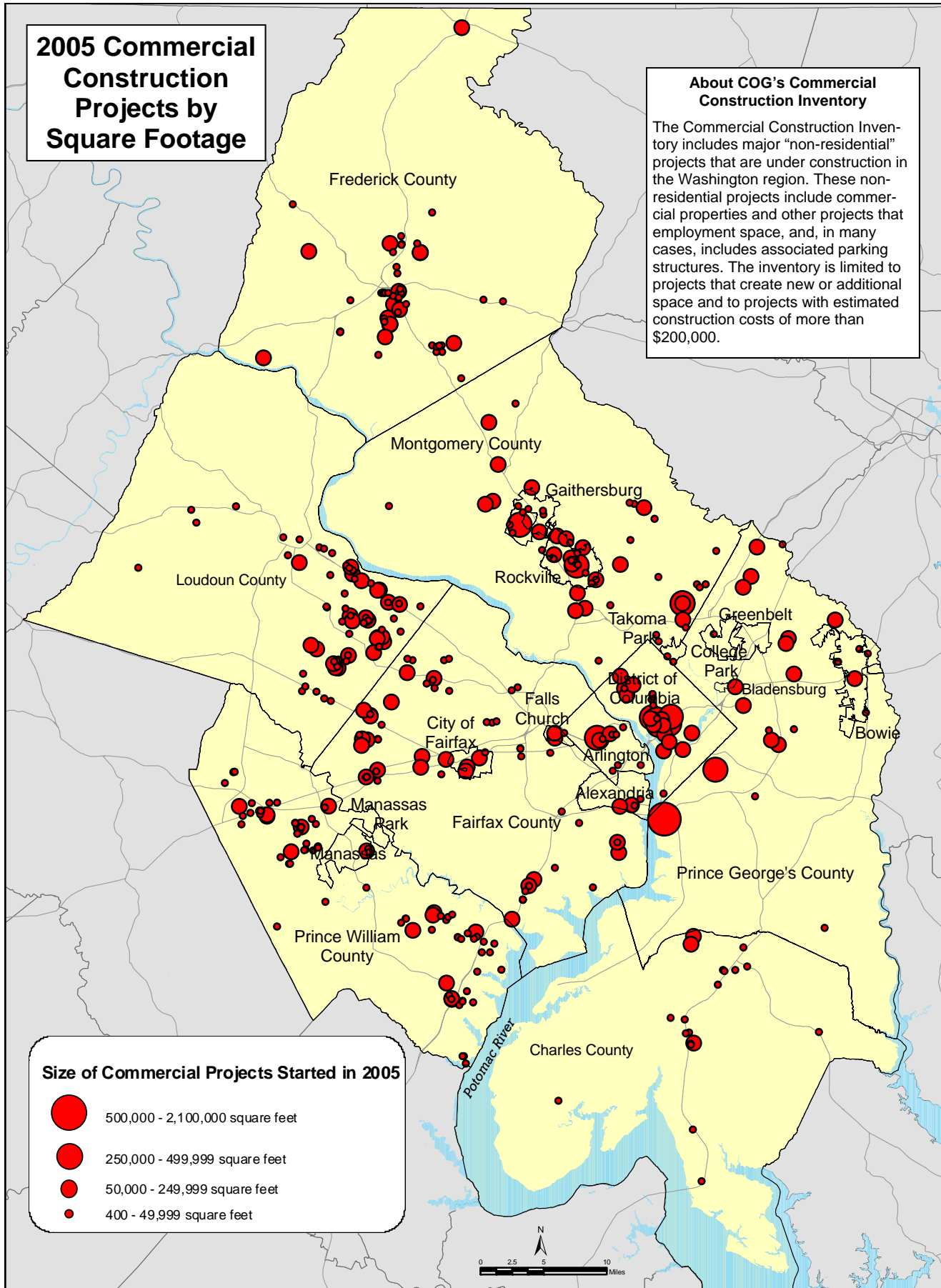
Private firms added 363 commercial construction projects in the region in 2005. The percentage of new construction by private firms increased from 70 percent in 2004.

Government agencies started 19 percent of the region's new space in 2005, an 11 percent decrease in new construction from 2004. Of this construction, federal entities began six percent; state entities began two percent; and local governments began 11 percent, typically building schools.

The largest government-initiated project was the Smithsonian's Museum Support Center Laboratory and Storage Building (POD 5) project, which added 309,000 square feet of new space.

* Metrorail station area is defined as the 1/2 mile radius surrounding each Metrorail station.

Regional Numbers and Trends



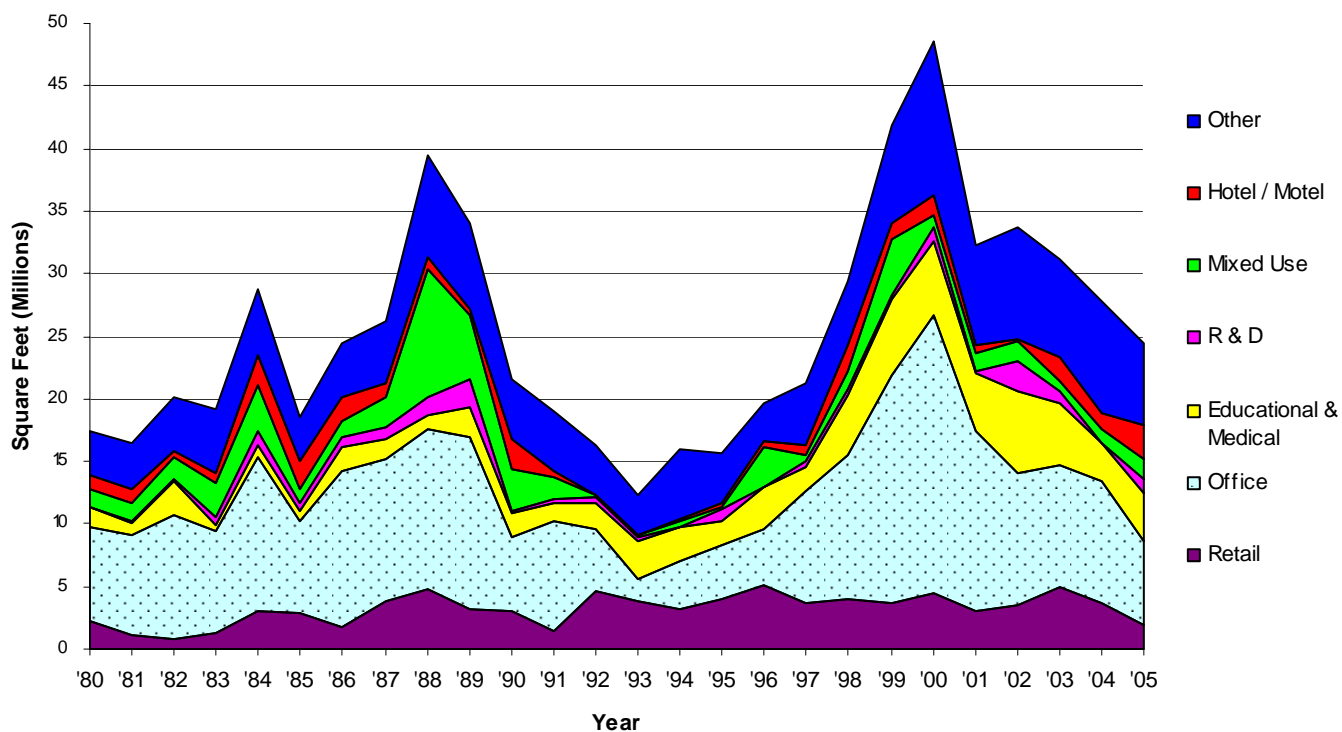
Commercial Construction by Structure Type

- ◆ As in recent years, **office development** in 2005 held the greatest share of commercial construction, creating 27 percent of the region's new commercial space. This sector of construction added nearly 6.7 million square feet to the region's total.
- ◆ Four out of the seven commercial structure types experienced increases from 2004. Hotel/Motel saw the biggest increase, with an additional 1.5 million square feet in 2005, followed by Research & Development with 1.1 million square feet over the 2004 totals. Educational & Medical increased 760,000 square feet, while Mixed Use had 450,000 more square feet started than in the previous year.

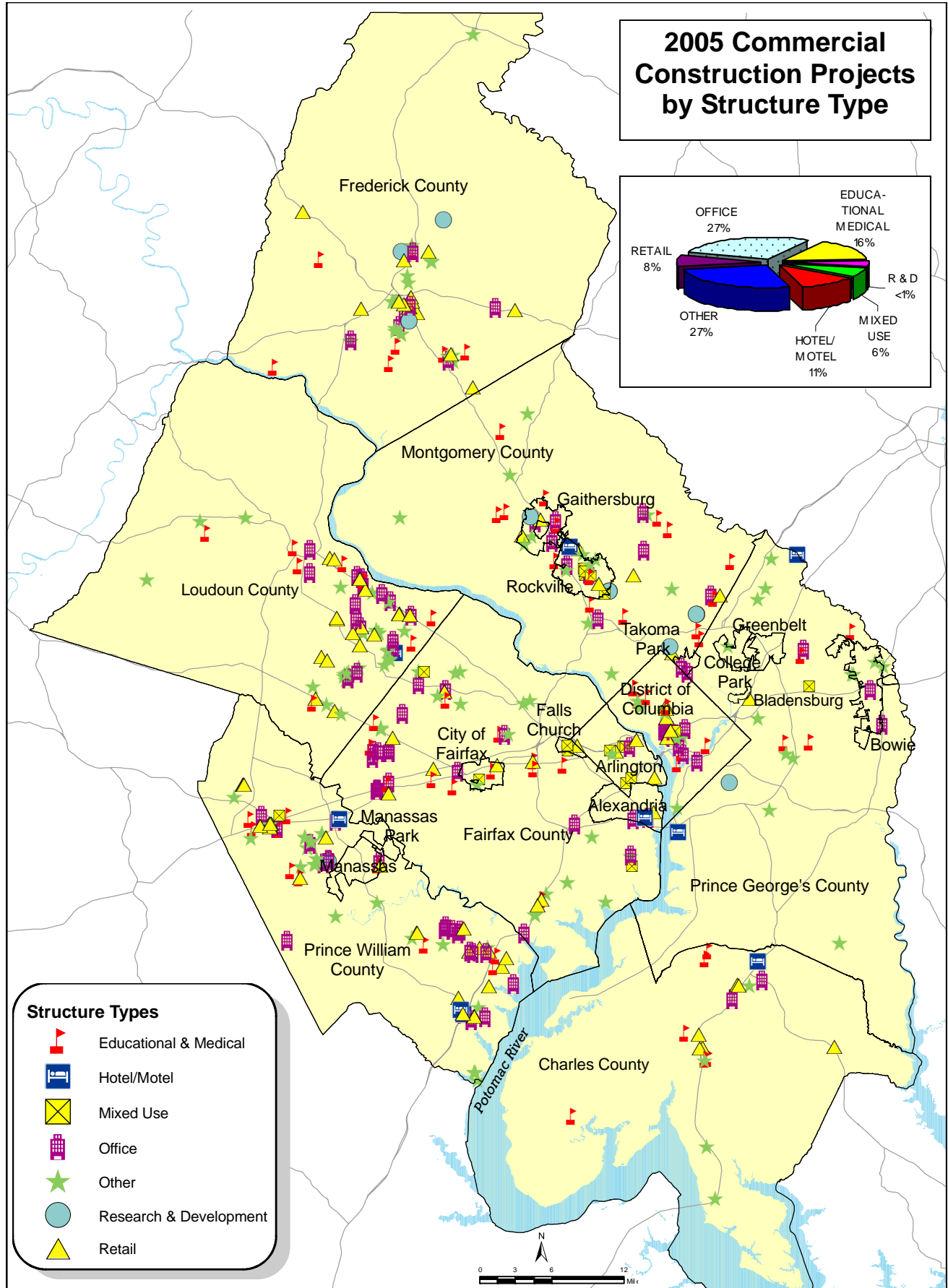
Commercial Construction Starts, 2004 and 2005 by Structure Type

	2005			2004		
	Projects	Square Feet	Value	Projects	Square Feet	Value
Retail	93	1,992,344	\$171,417,698	131	3,751,186	\$407,654,998
Office	97	6,694,385	\$1,073,598,884	108	9,627,566	\$1,549,974,839
Educational & Medical	69	3,787,548	\$717,858,271	63	3,028,184	\$518,353,451
R & D	11	1,164,712	\$205,355,000	1	85,000	\$100,000,000
Mixed Use	19	1,531,930	\$164,761,199	8	1,082,760	\$560,334,880
Hotel/Motel	9	2,742,848	\$645,684,998	19	1,195,377	\$123,500,000
Other	132	6,506,915	\$553,283,462	163	8,972,732	\$655,881,828
Total	430	24,420,682	\$3,531,959,512	493	27,742,805	\$3,915,699,996

Commercial Construction Starts, 1980 – 2005 Total Square Feet by Structure Type and Year



Commercial Construction by Structure Type



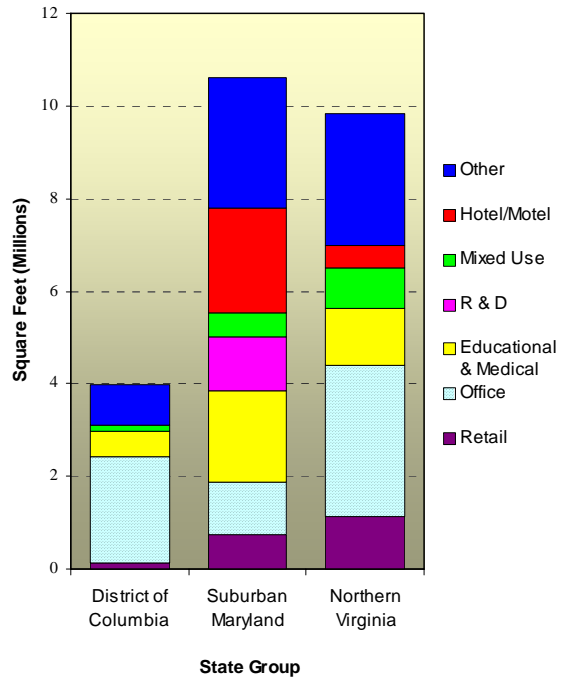
Commercial Construction by State Group

The **District of Columbia** added **29 new projects** and nearly **four million square feet** of new space in 2005. The District's overall square footage of new commercial space decreased 34 percent from the previous year, but experienced a 55 percent increase in Educational & Medical Projects. The District held a 16 percent share of the region's new commercial space and 34 percent of the new office space.

Suburban Maryland led the region in the total square footage of new projects, adding **161 new projects** in 2005, totaling nearly **10.6 million square feet**. Suburban Maryland saw a 10 percent increase in new commercial space compared to the previous year and experienced increases in educational & medical, research & development, mixed use and hotel/motel projects. Projects in suburban Maryland composed 43.4 percent of all new commercial space in the region and 17 percent of the new office space.

Northern Virginia added **240 projects** and more than **9.8 million square feet** of new space in 2005, a net decrease of 18 percent in new commercial space from 2004 to 2005. Projects in Northern Virginia constituted 40 percent of the new commercial space in the region and 49 percent of the new office space.

Commercial Construction Starts, 2005
Total Square Feet by Structure Type and State Group



Commercial Construction Starts, 2004 and 2005
by Structure Type and State Group

		2005			2004		
		Projects	Square Feet	Value	Projects	Square Feet	Value
District of Columbia	Retail	5	126,074	\$19,500,000	7	275,272	\$89,619,000
	Office	11	2,304,912	\$589,500,000	9	4,291,142	\$979,000,000
	Educational & Medical	6	559,303	\$154,350,000	11	361,939	\$78,071,000
	R & D	0	0	\$0	0	0	\$0
	Mixed Use	1	125,000	\$3,500,000	3	767,900	\$540,400,000
	Hotel/Motel	0	0	\$0	1	55,000	\$14,000,000
	Other	6	862,970	\$95,000,000	4	242,548	\$14,000,000
Subtotal	29	3,978,259	\$861,850,000	35	5,993,801	\$1,715,090,000	
Suburban Maryland	Retail	30	732,580	\$57,912,146	52	1,466,086	\$138,088,175
	Office	24	1,128,940	\$134,853,984	35	2,335,978	\$329,765,029
	Educational & Medical	32	1,992,181	\$364,930,497	23	1,114,853	\$196,969,953
	R & D	10	1,159,712	\$202,855,000	1	85,000	\$100,000,000
	Mixed Use	7	526,439	\$45,861,199	1	42,000	\$3,208,880
	Hotel/Motel	4	2,260,090	\$580,999,999	4	258,184	\$17,900,000
	Other	54	2,803,027	\$201,746,279	60	4,378,821	\$238,026,298
Subtotal	161	10,602,969	\$1,589,159,104	176	9,680,922	\$1,023,958,335	
Northern Virginia	Retail	58	1,133,690	\$94,005,552	72	2,009,828	\$179,947,823
	Office	62	3,260,533	\$349,244,900	64	3,000,446	\$241,209,810
	Educational & Medical	31	1,236,064	\$198,577,774	29	1,551,392	\$243,312,498
	R & D	1	5,000	\$2,500,000	0	0	\$0
	Mixed Use	11	880,491	\$115,400,000	4	272,860	\$16,726,000
	Hotel/Motel	5	482,758	\$64,684,999	14	882,193	\$91,600,000
	Other	72	2,840,918	\$256,537,183	99	4,351,363	\$403,855,530
Subtotal	240	9,839,454	\$1,080,950,408	282	12,068,082	\$1,176,651,661	
Region	Retail	93	1,992,344	\$171,417,698	131	3,751,186	\$407,654,998
	Office	97	6,694,385	\$1,073,598,884	108	9,627,566	\$1,549,974,839
	Educational & Medical	69	3,787,548	\$717,858,271	63	3,028,184	\$518,353,451
	R & D	11	1,164,712	\$205,355,000	1	85,000	\$100,000,000
	Mixed Use	19	1,531,930	\$164,761,199	8	1,082,760	\$560,334,880
	Hotel/Motel	9	2,742,848	\$645,684,998	19	1,195,377	\$123,500,000
	Other	132	6,506,915	\$553,283,462	163	8,972,732	\$655,881,828
Total	430	24,420,682	\$3,531,959,512	493	27,742,805	\$3,915,699,996	

Commercial Construction by Jurisdictional Group

Central Jurisdictions

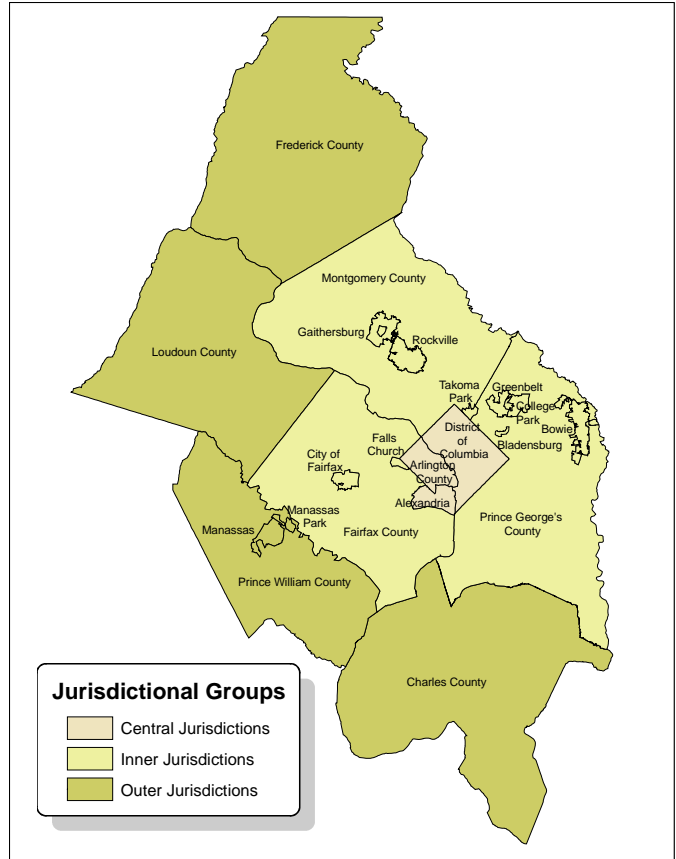
The **central jurisdictions**, composed of the **District of Columbia, City of Alexandria, and Arlington County**, captured 20 percent of the region's commercial development in 2005. These jurisdictions added **44 new projects** and more than **4.9 million square feet** of new space, a 32 percent decrease from the previous year. The central jurisdictions were just behind the inner suburbs in office development with a 35.9 percent share of the region's new office space. In 2004, 47 percent of the region's office development occurred in the central jurisdictions.

Inner Suburbs

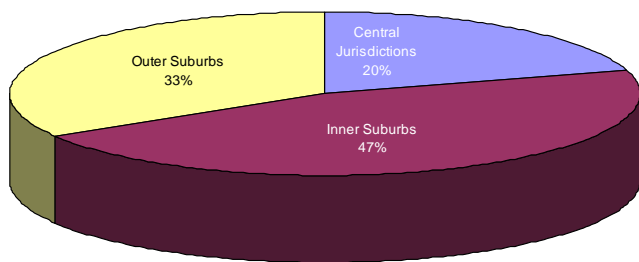
The **inner suburbs**, consisting of **Fairfax, Montgomery, and Prince George's counties** (and cities therein), held a 46 percent share of the region's commercial construction activity in 2005. These jurisdictions added **149 projects** and nearly **11.3 million square feet** of space. Thirty-six percent of the region's new office construction occurred in the inner suburbs, a decrease in the region's share of office projects from the previous year. In 2004, the inner suburbs held a 46 percent share of the region's new commercial construction and 38 percent of the region's office construction.

Outer Suburbs

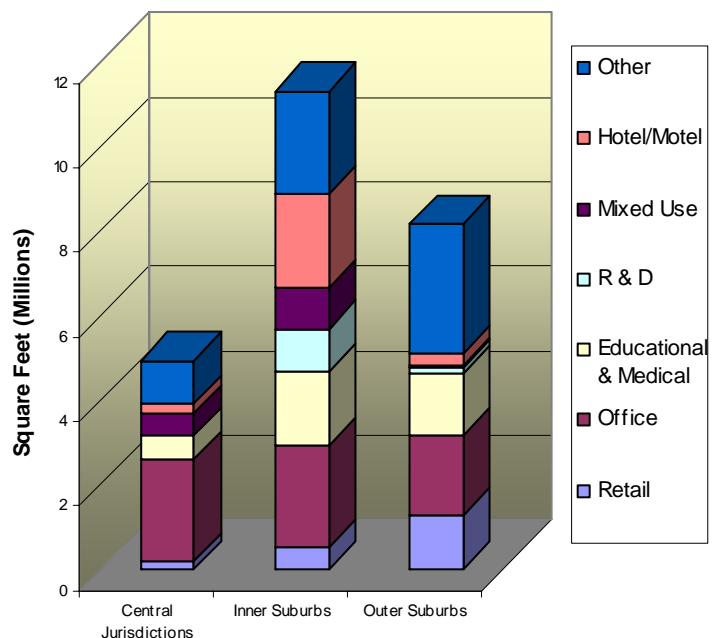
In the **outer suburbs** of **Charles, Frederick, Loudoun, and Prince William counties** (and cities therein), **237 new projects** were started, totaling nearly **8.2 million square feet** of additional space. The new space constituted 33.5 percent of the region's development; twenty-eight percent of the region's new office development occurred in the outer suburbs. The outer suburbs experienced a 32 percent increase in office development from the previous year. In 2004, the outer suburbs held 28 percent share of new development and 15 percent share of the region's new office space.



2005 Commercial Construction by Jurisdictional Group



**Commercial Construction Starts, 2005
Total Square Feet by Structure Type and Jurisdiction**



2005 Commercial Construction within Jurisdictions

- ◆ **Montgomery County**, with 60 new projects and over **four million square feet** of new development, led the region in new commercial construction space in 2005. The **District of Columbia** added 29 new projects and over **3.9 million square feet** of new space. **Prince George's County** had more than **3.8 million square feet** of new space and **Fairfax County** added **nearly three million square feet** of new commercial development.

Commercial Construction in the Washington Region, 2004 and 2005 by Jurisdiction

	2005			2004		
	Projects	Square Feet	Value	Projects	Square Feet	Value
District of Columbia	29	3,978,259	\$861,850,000	35	5,993,801	\$1,715,090,000
Suburban Maryland*						
Charles County	19	613,934	\$137,941,598	14	613,958	\$33,541,801
Frederick County*	57	2,099,670	\$164,458,355	63	1,278,112	\$70,998,121
City of Frederick*	11	550,160	\$68,266,000	14	279,504	\$15,931,652
Montgomery County*	60	4,017,020	\$555,704,034	54	2,970,082	\$386,839,213
City of Gaithersburg*	9	550,814	\$37,920,829	10	213,785	\$22,851,638
City of Rockville*	14	1,066,919	\$110,262,723	2	179,290	\$31,300,000
City of Takoma Park *	2	4,996	\$700,000	2	249,096	\$18,200,000
Prince George's County*	25	3,872,345	\$731,055,117	45	4,818,770	\$532,579,200
City of Bowie*	3	215,500	\$25,999,999	4	141,937	\$9,325,000
City of College Park*	0	0	\$0	2	480,000	\$36,000,000
City of Greenbelt*	0	0	\$0	3	197,839	\$13,350,000
Town of Bladensburg*	0	0	\$0	n/a**	n/a**	n/a**
Subtotal	161	10,602,969	\$1,589,159,104	176	9,680,922	\$1,023,958,335
Northern Virginia						
Arlington County	11	586,032	\$83,000,000	8	555,744	\$94,960,430
City of Alexandria	4	367,606	\$72,700,000	6	662,536	\$105,327,412
Fairfax County	58	2,993,703	\$339,264,371	78	4,803,064	\$547,080,769
City of Fairfax	4	262,487	\$65,007,999	2	32,100	\$1,100,000
City of Falls Church	2	169,000	\$57,700,000	2	152,000	\$21,000,000
Loudoun County	72	2,792,474	\$190,285,083	66	2,647,249	\$199,656,404
City of Manassas	2	192,000	\$29,999,999	5	171,345	\$14,725,000
City of Manassas Park	0	0	\$0	0	0	\$0
Prince William County	87	2,476,152	\$242,992,956	115	3,044,044	\$192,801,646
Subtotal	240	9,839,454	\$1,080,950,408	282	12,068,082	\$1,176,651,661
Regional Total*	430	24,420,682	\$3,531,959,512	493	27,742,805	\$3,915,699,996

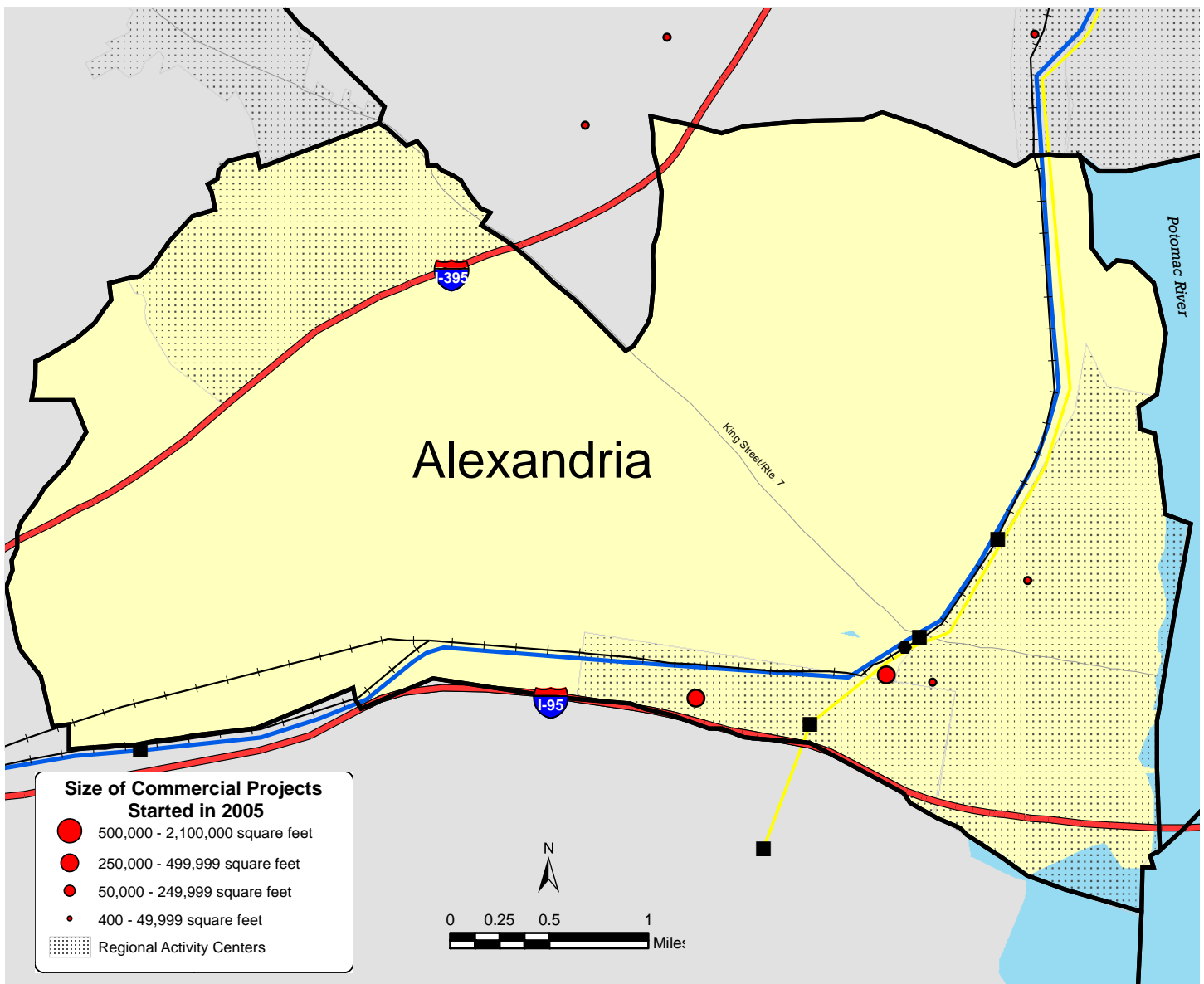
*NOTE: Starts in Maryland cities are included in appropriate county totals.

** Town of Bladensburg became a COG Member in 2005

2005 Commercial Construction within Jurisdictions

CITY OF ALEXANDRIA

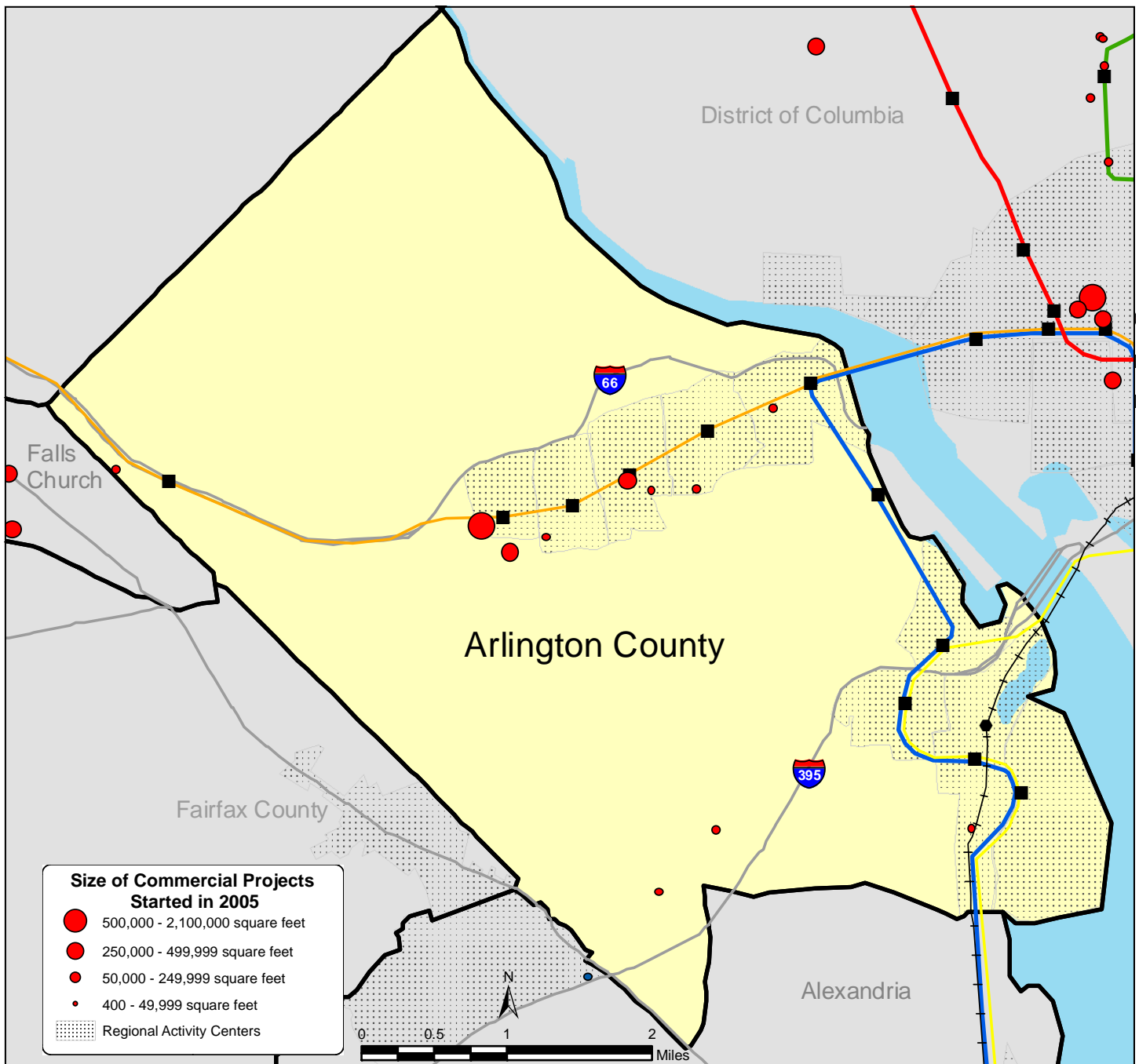
- ◆ Four new commercial construction projects added **more than 586,000 square feet** of new space to the City of Alexandria in 2005. The amount is just slightly below the 662,000 square feet of new space added in 2004.
- ◆ The new **Westin Carlyle Hotel** was the largest project in the city, adding over 229,000 square feet of space.
- ◆ The **Alexander Tech Center V** in the Eisenhower Avenue area added nearly 75,000 square feet of office space. The next largest project was the commercial portion of the Monarch Condominiums mixed use project, which added 45,000 square feet of space.



2005 Commercial Construction within Jurisdictions

ARLINGTON COUNTY

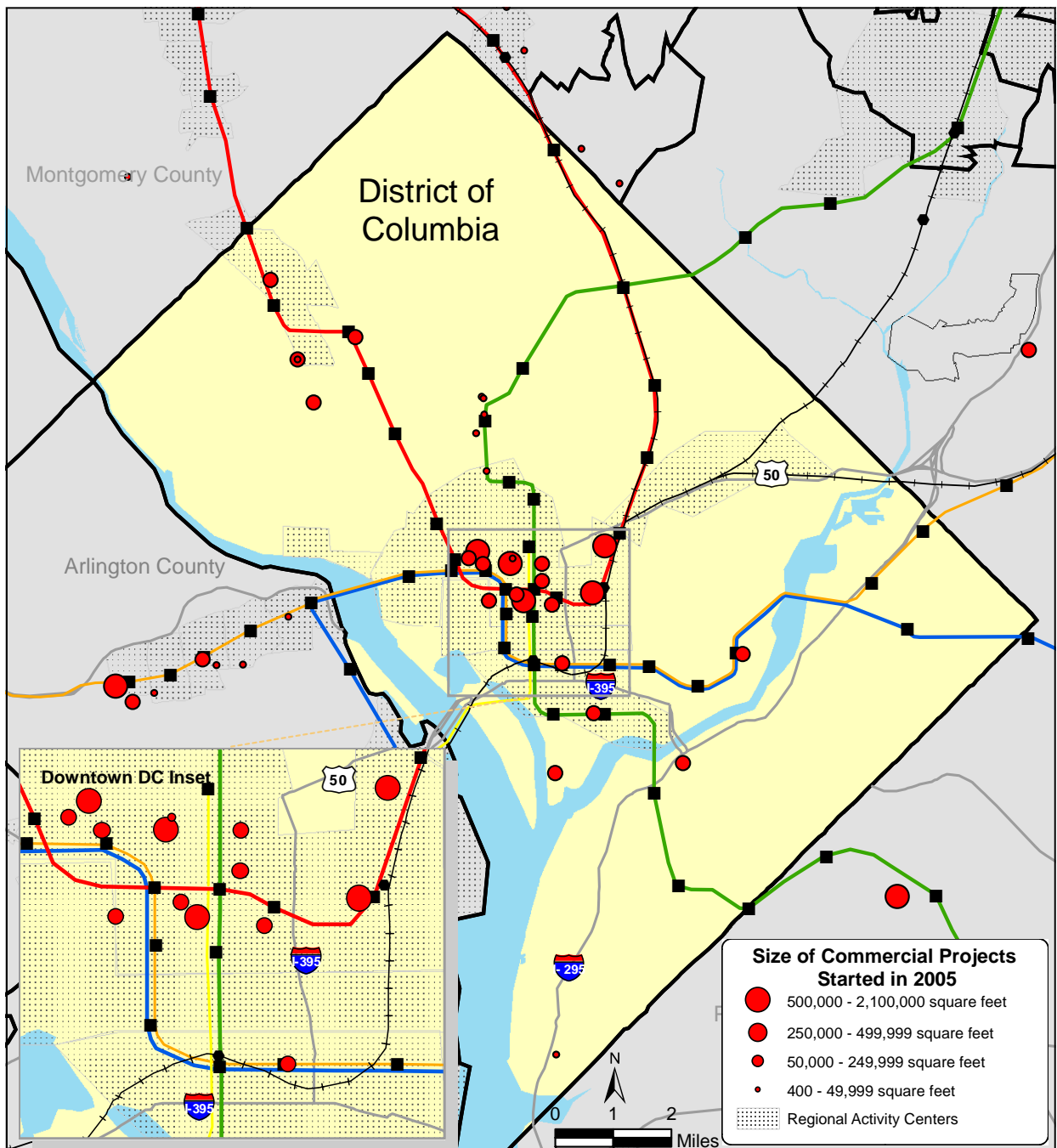
- ◆ Eleven commercial construction projects added just over **586,000 square feet** of space in Arlington County. The amount of new development increased five percent from the previous year.
- ◆ **Mixed Use** projects captured nearly 70 percent of new square footage added in Arlington County in 2005. Significant projects include **The Regent** (formerly 950 N. Glebe Road) with 249,000 square feet of office space and 14,000 square feet of retail space, and **Arlington Ice Skating Center**, with 145,000 square feet of space.



2005 Commercial Construction within Jurisdictions

DISTRICT OF COLUMBIA

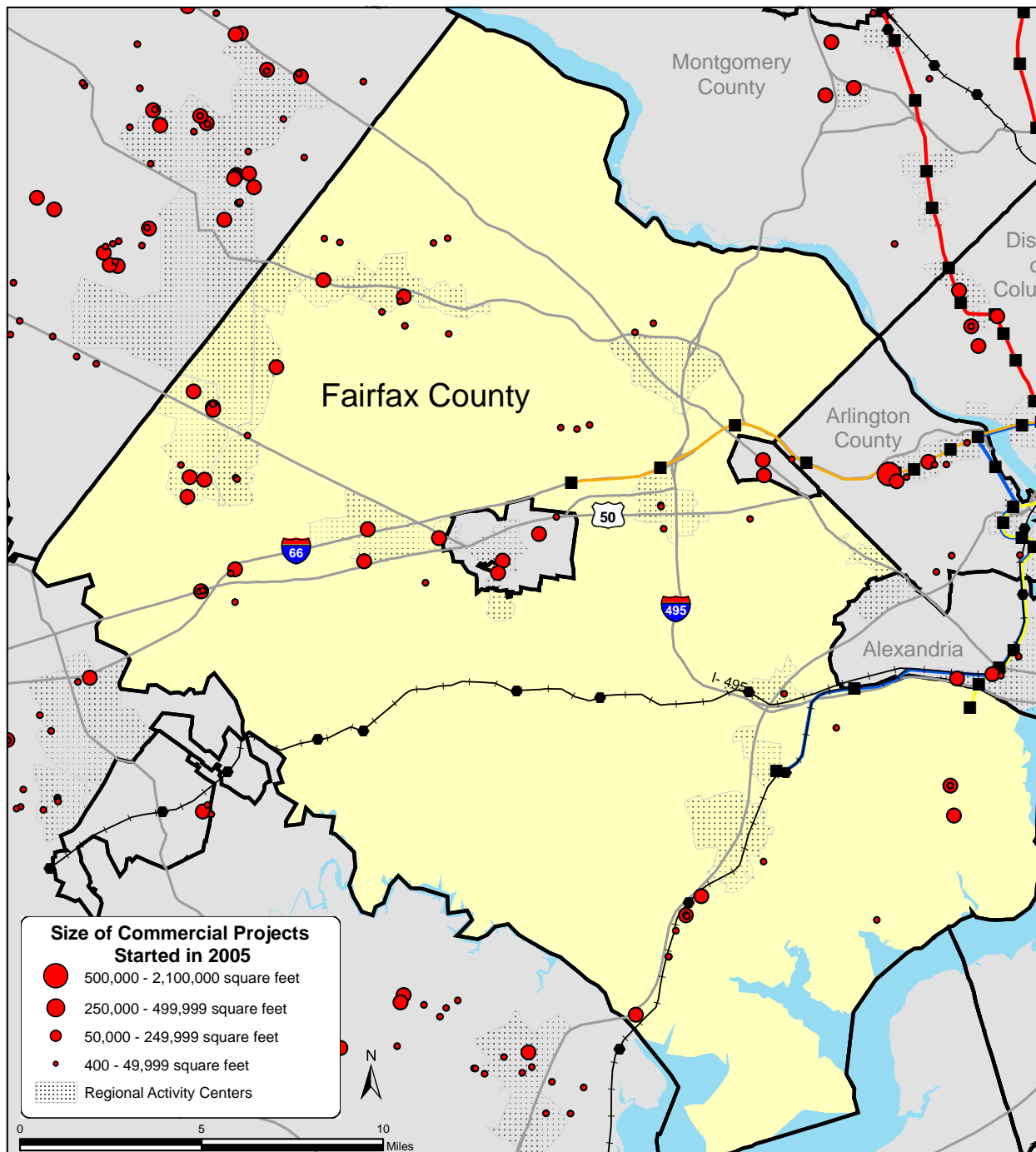
- ◆ The District of Columbia added 29 new projects and **nearly four million square feet** of space in 2005. The District saw a rise in educational and medical projects, but experienced a 34 percent decrease in overall commercial development from the previous year.
- ◆ **Office projects** continued to dominate the amount of new space added in the District, constituting nearly 58 percent of the District's development. The **Columbia Center** office building was the largest new project in the District with 395,000 million square feet of space.
- ◆ Other significant projects in the District in 2005 included **Capitol City Plaza**, the **505 9th Street** office development, and the **1101 K Street** office building.



2005 Commercial Construction within Jurisdictions

FAIRFAX COUNTY

- ◆ Fairfax County added 58 new commercial construction projects and **nearly three million square feet** of space in 2005. The amount of square footage developed in Fairfax County decreased 38 percent from the previous year, but had increases in the educational & medical and mixed use sectors, which rose 149 and 17 percent, respectively.
- ◆ Office and Other space were again the largest categories of the newly constructed space. **Bridgewater Corporate Center** in Centreville was the largest new office building project in the jurisdiction. The project added 200,000 square feet of office space to Fairfax County.
- ◆ Other significant projects include **the Monument III Office Building @ Worldgate** in Herndon additions with 193,000 square feet of space and the **Liberty Center III** in Chantilly with 160,000 square feet of space.



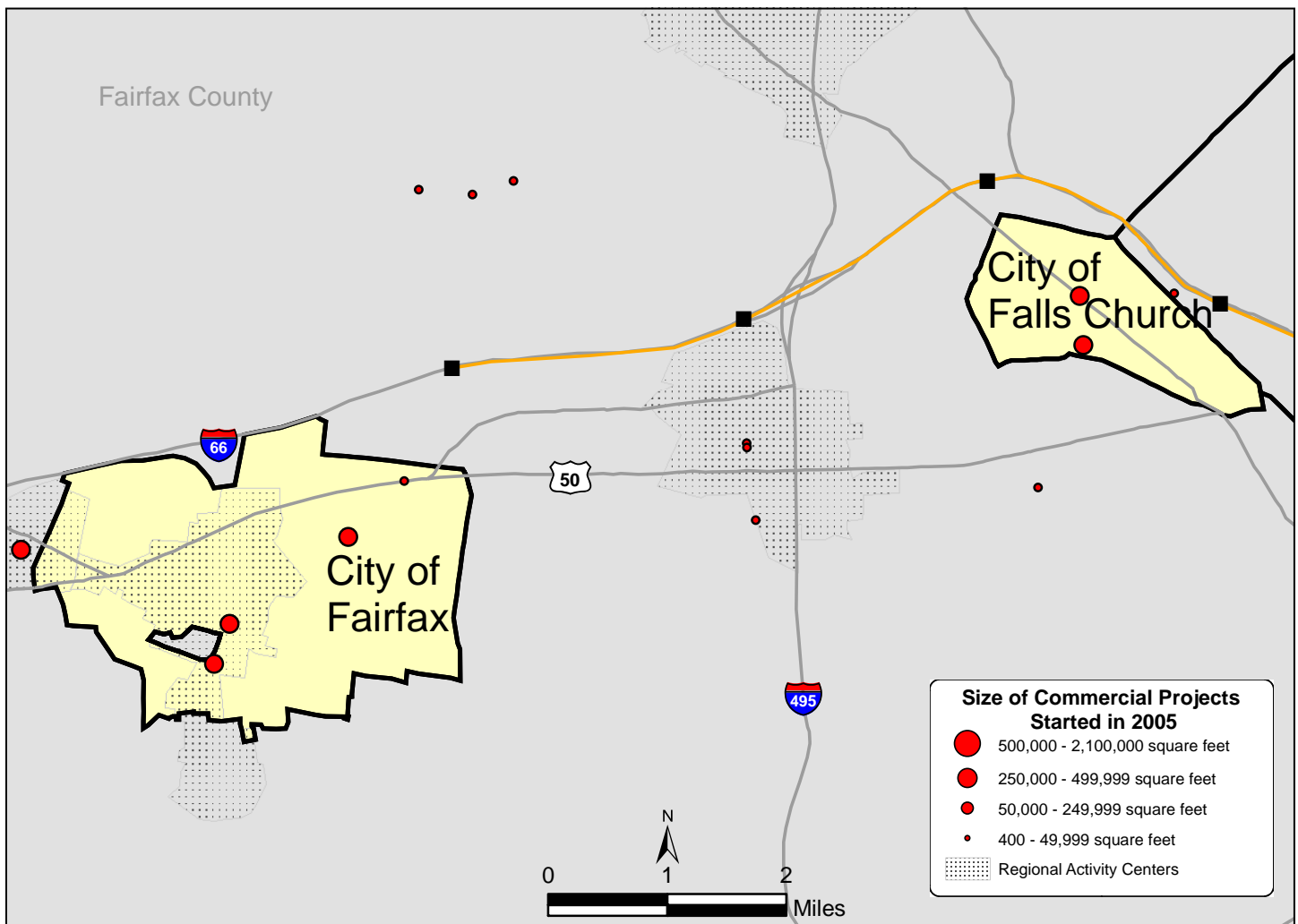
2005 Commercial Construction within Jurisdictions

CITY OF FAIRFAX

- ◆ Four construction projects added **more than 260,000 square feet** of space in the City of Fairfax in 2005. An office building in the **Old Town Fairfax redevelopment area** added over 107,000 square feet of office space.

CITY OF FALLS CHURCH

- ◆ Two projects added **169,000 square feet** of new space in the City of Falls Church in 2005. The largest project, the **500 S. Maple Street**, added 105,000 square feet of space.



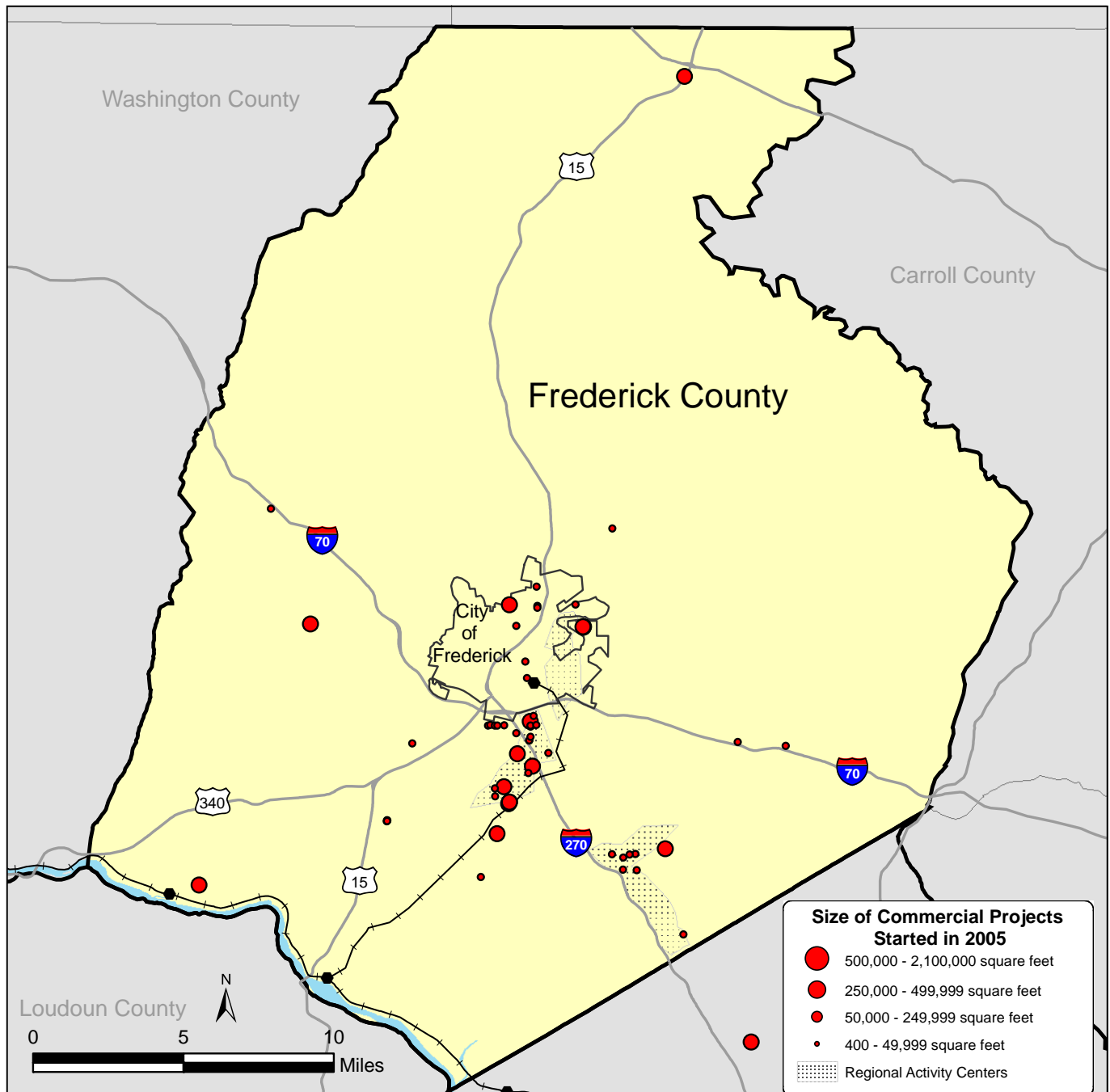
2005 Commercial Construction within Jurisdictions

FREDERICK COUNTY

- ◆ Fifty-seven commercial construction projects were started in Frederick County in 2005. These projects added **nearly 2.1 million square feet** of new space, a 64 percent increase from 2004. The largest project was a 145,000 square foot **storage/warehouse building**.

CITY OF FREDERICK

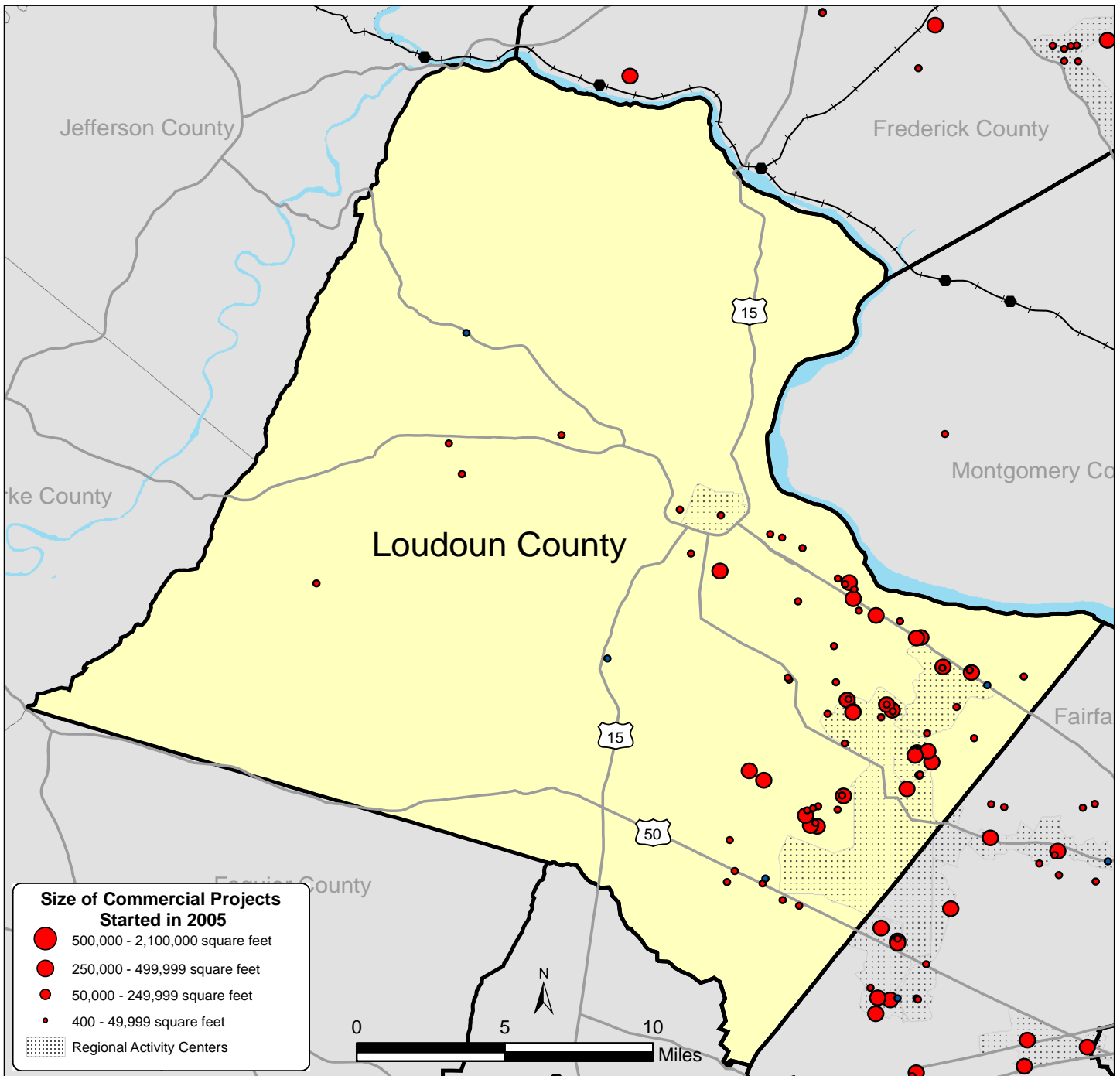
- ◆ Eleven projects began in the City of Frederick in 2005. These projects added **nearly 550,000 square feet** of space, a 97 percent increase from 2004. Notable projects included **NIAID Integrated Research Facility** with 145,000 square feet of space, and three buildings at the **Riverside Technology Park**, which totaled over 200,000 square feet.



2005 Commercial Construction within Jurisdictions

LOUDOUN COUNTY

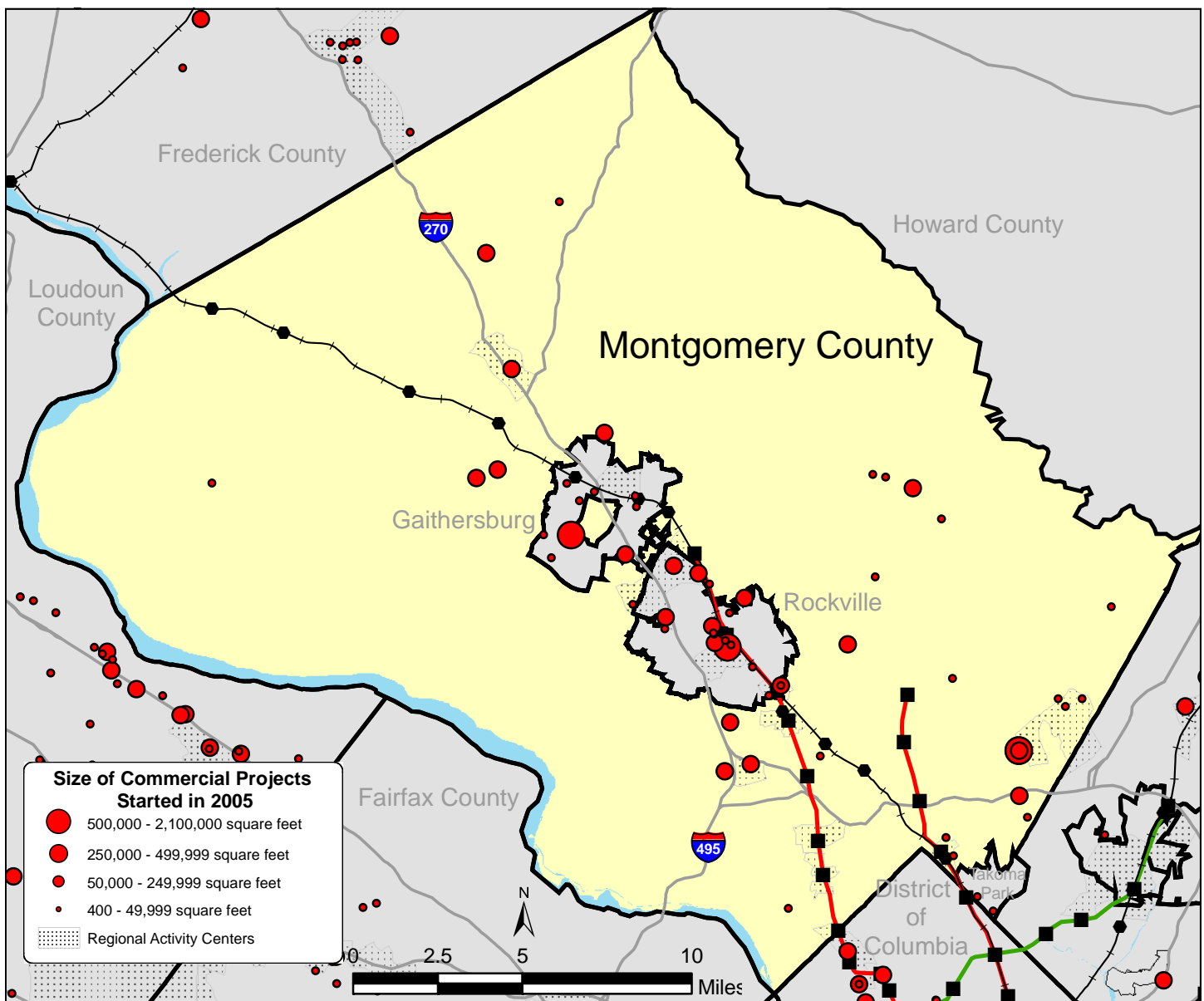
- ◆ In 2005, Loudoun County added 72 projects creating **nearly 2.8 million square feet** of space, an increase of five percent from the previous year.
- ◆ The **Loudoun Parkway Commons** flex building in Ashburn was the largest project in Loudoun County. It added 118,000 square feet of space.
- ◆ Other significant projects include: **Dulles Trade Center Building H1**, a flex building which added 110,000 square feet of Other (Flex) space; the **Dulles Woods 3** flex building; and a **Spring Hill Suites Hotel**, which added 102,000 and 93,000 square feet, respectively.



2005 Commercial Construction within Jurisdictions

MONTGOMERY COUNTY

- ◆ Montgomery County added 60 commercial construction projects and **over four million square feet** in 2005. This amount of construction represented a 35 percent increase from the preceding year.
- ◆ The **Opus Center at Rock Spring Park** was the largest office project in Montgomery County, adding 200,000 square feet of space. Other noteworthy projects include the **US Pharmacopoeia** with 141,000 square feet of new retail space, and the **Rockville Town Center** with 200,000 square feet of new space.



2005 Commercial Construction within Jurisdictions

CITY OF GAITHERSBURG

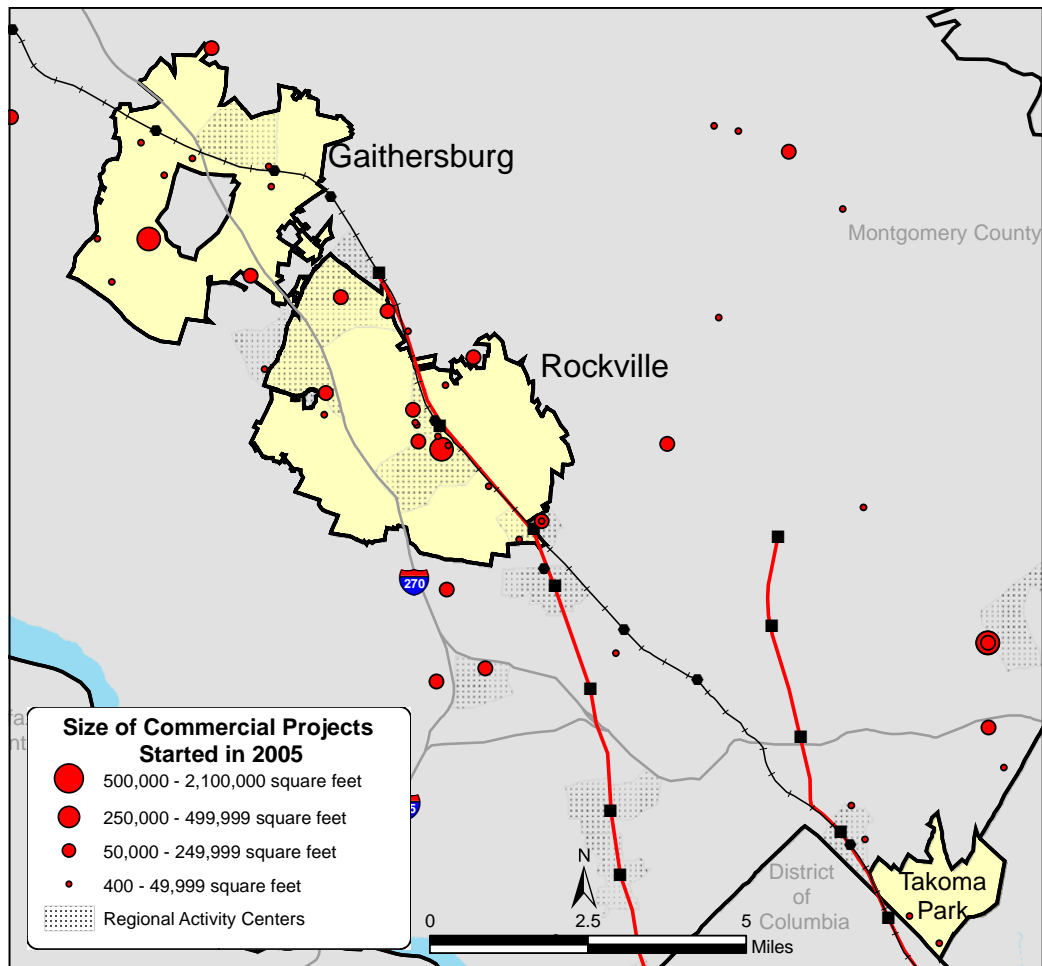
- ◆ Nine commercial construction projects added **over 550,000 square feet** of space to the City of Gaithersburg in 2005. The largest office project was the **Washingtonian Office Building** with 105,000 square feet of space.

CITY OF ROCKVILLE

- ◆ Two commercial construction projects added **nearly 180,000 square feet** of space to the City of Rockville in 2005. **Richard Montgomery High School** was the largest project, adding more than 309,000 square feet of space. **Rockville Town Center** and the **Rockville Regional Library** added 200,000 square feet and 135,000 square feet of space, respectively.

CITY OF TAKOMA PARK

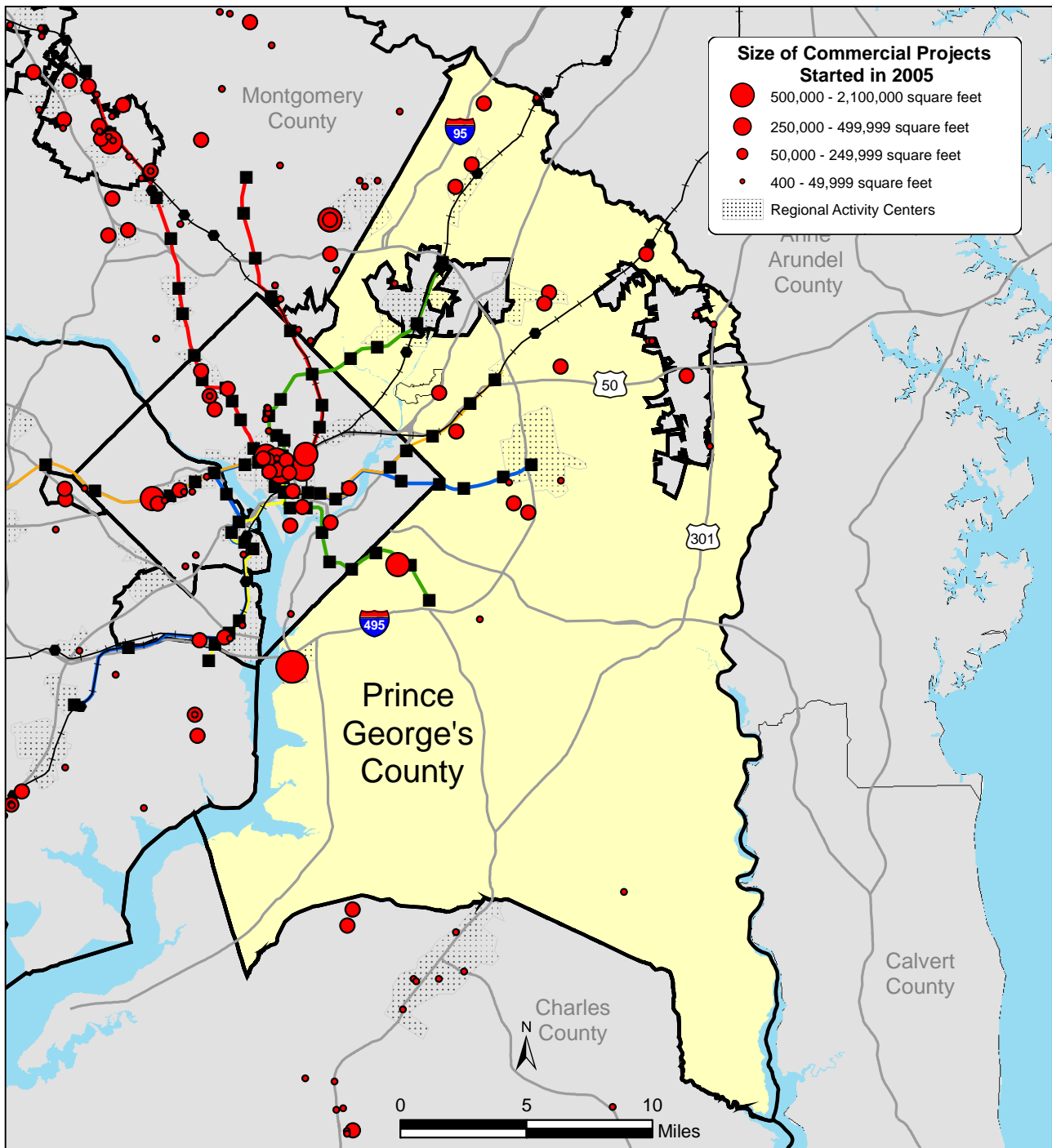
- ◆ Two construction projects, an **Office Building** on Orchard Avenue and the **Mangan Group Architects Office**, added 5,000 square feet of new space in the City of Takoma Park in 2005.



2005 Commercial Construction within Jurisdictions

PRINCE GEORGE'S COUNTY

- ◆ Prince George's County added 25 new commercial construction projects in 2005 with **nearly 3.9 million square feet** of space, a decrease of 20 percent from the previous year.
- ◆ The largest project was the **Gaylord National Resort and Convention Center**. This project, the region's largest, added **2.1 million square feet** of space.
- ◆ An office building at **Glendale Business Campus** added **145,000 square feet** of office space. A storage and laboratory project at the **Smithsonian's Museum Support Center** added 309,000 square feet of space.



2005 Commercial Construction within Jurisdictions

CITY OF BOWIE

- ◆ Three commercial construction projects were started in the City of Bowie in 2005. They added **215,500 square feet** of new space. The largest project was the new **2 Bowie Town Center Office Building**, adding **132,500 square feet** of space.

CITY OF COLLEGE PARK

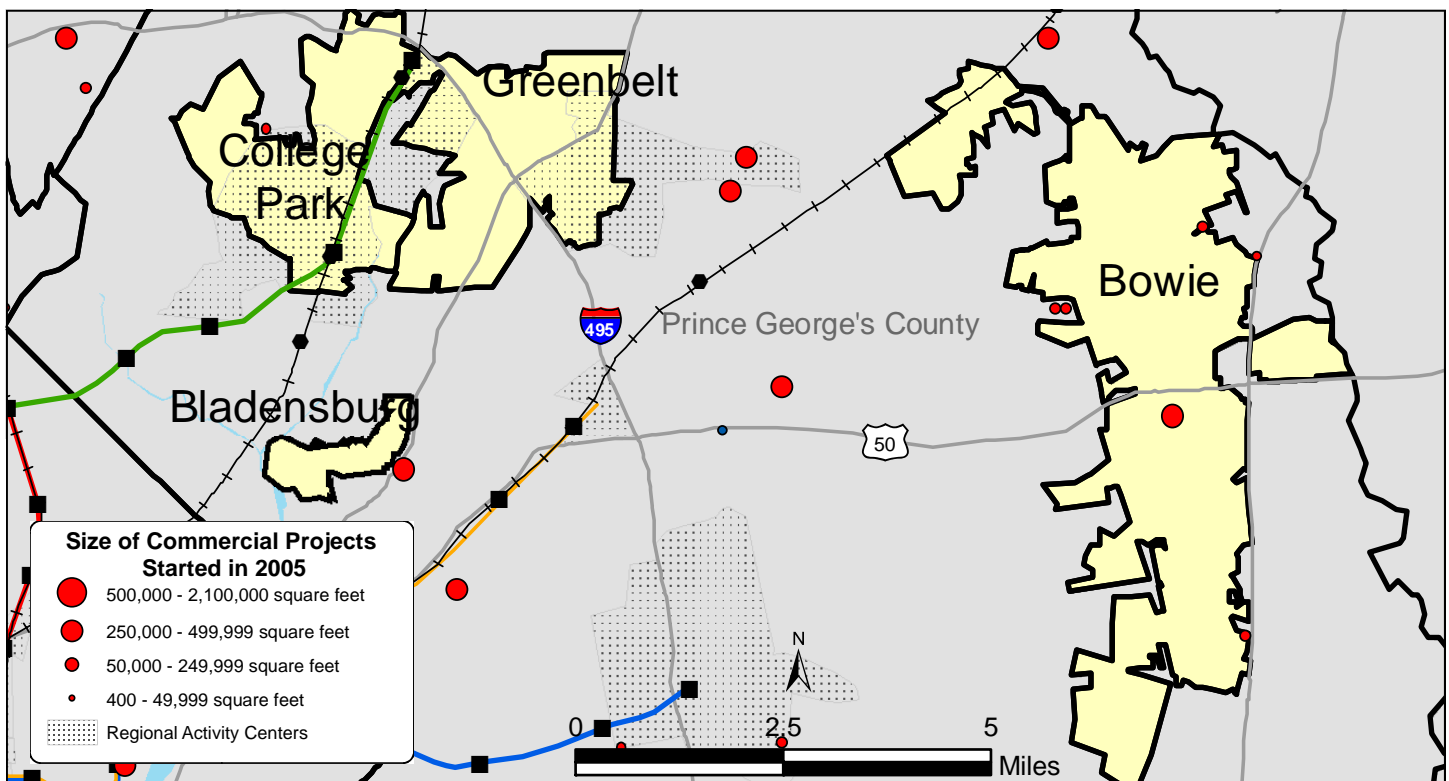
- ◆ No major commercial construction projects started in the City of College Park in 2005.

CITY OF GREENBELT

- ◆ No major commercial construction projects started in the City of Greenbelt in 2005.

TOWN OF BLADENSBURG

- ◆ No major commercial construction projects started in the Town of Bladensburg in 2005.



2005 Commercial Construction within Jurisdictions

PRINCE WILLIAM COUNTY

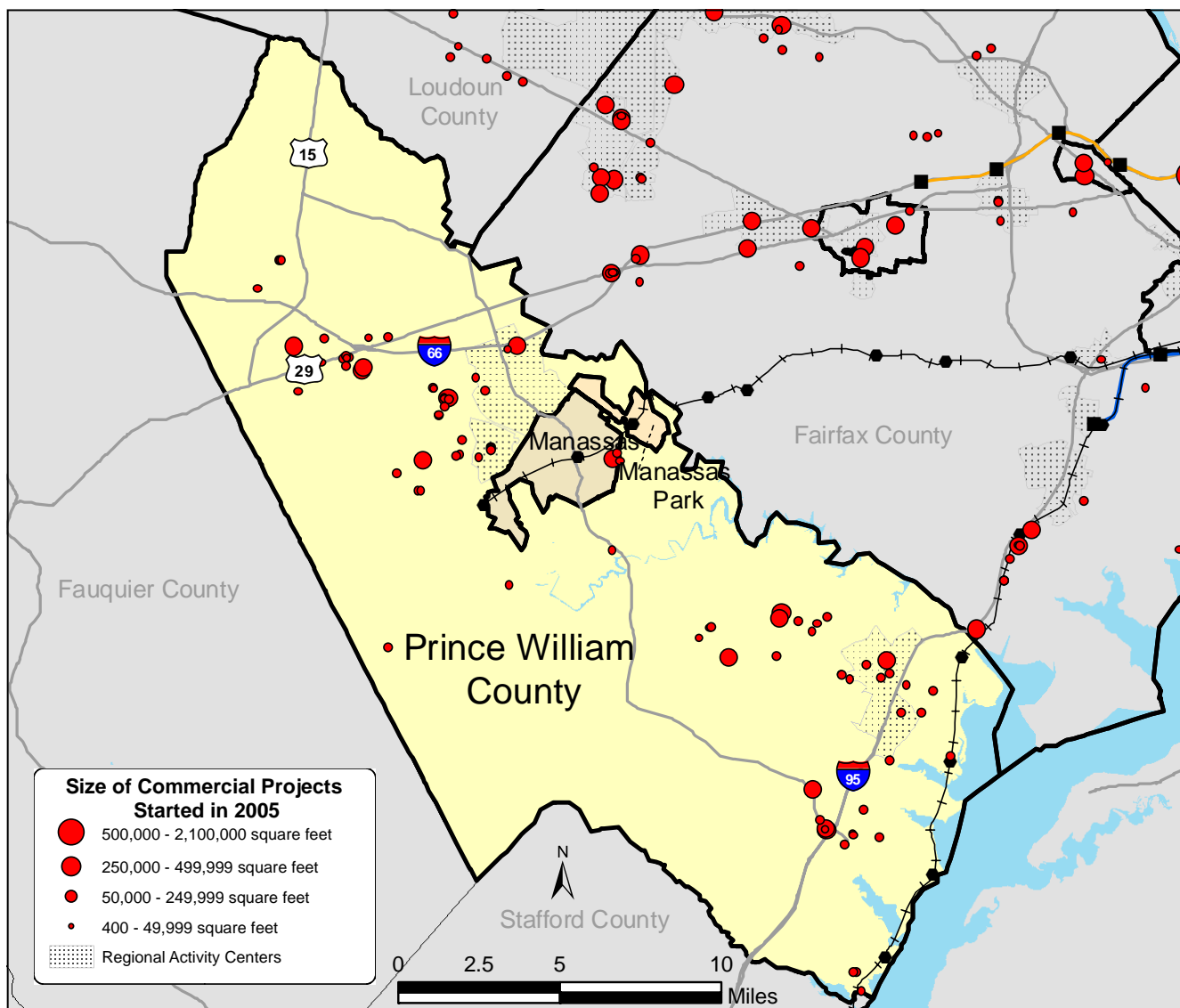
- ◆ Prince William County added 87 commercial construction projects in 2005, and nearly **2.5 million square feet**, a decrease of 19 percent from the preceding year.
- ◆ **Wentworth Green Middle School** was the largest project in 2005, adding **135,000 square feet** of space.
- ◆ Other significant projects include a new **Target** retail store in Woodbridge with more than **124,000 square feet** and Phase III of a **Prince William County Administrative Building** in Gainesville with nearly **114,000 square feet** of space.

CITY OF MANASSAS

- ◆ In the City of Manassas, two projects added **192,000 square feet** of new space. **Mayfield Intermediate School** added **150,000 square feet** and the **Signal Hill Office Building** added **42,000 square feet**.

CITY OF MANASSAS PARK

- ◆ No commercial construction projects started in the City of Manassas Park.



Metrorail and Commuter Rail Station Areas

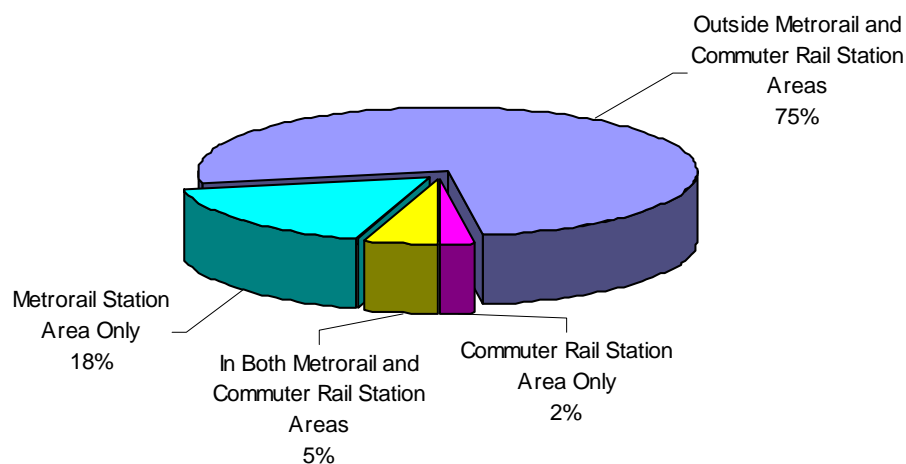
METRORAIL STATION AREAS

- ◆ **5.4 million square feet** of space were started in Metrorail station areas in 2005.
- ◆ These projects accounted for **22 percent of the region's total construction**, compared with 38 percent in 2004.
- ◆ Construction around the **Rockville Station** in Montgomery County resulted in **742,000 square feet** of new space. **Gallery Place/Chinatown** station area in the District of Columbia experienced the second greatest amount of construction activity, adding **514,000 square feet** of space. The **Ballston** station area in Arlington County, added **410,000 square feet** of space.

COMMUTER RAIL STATION AREAS

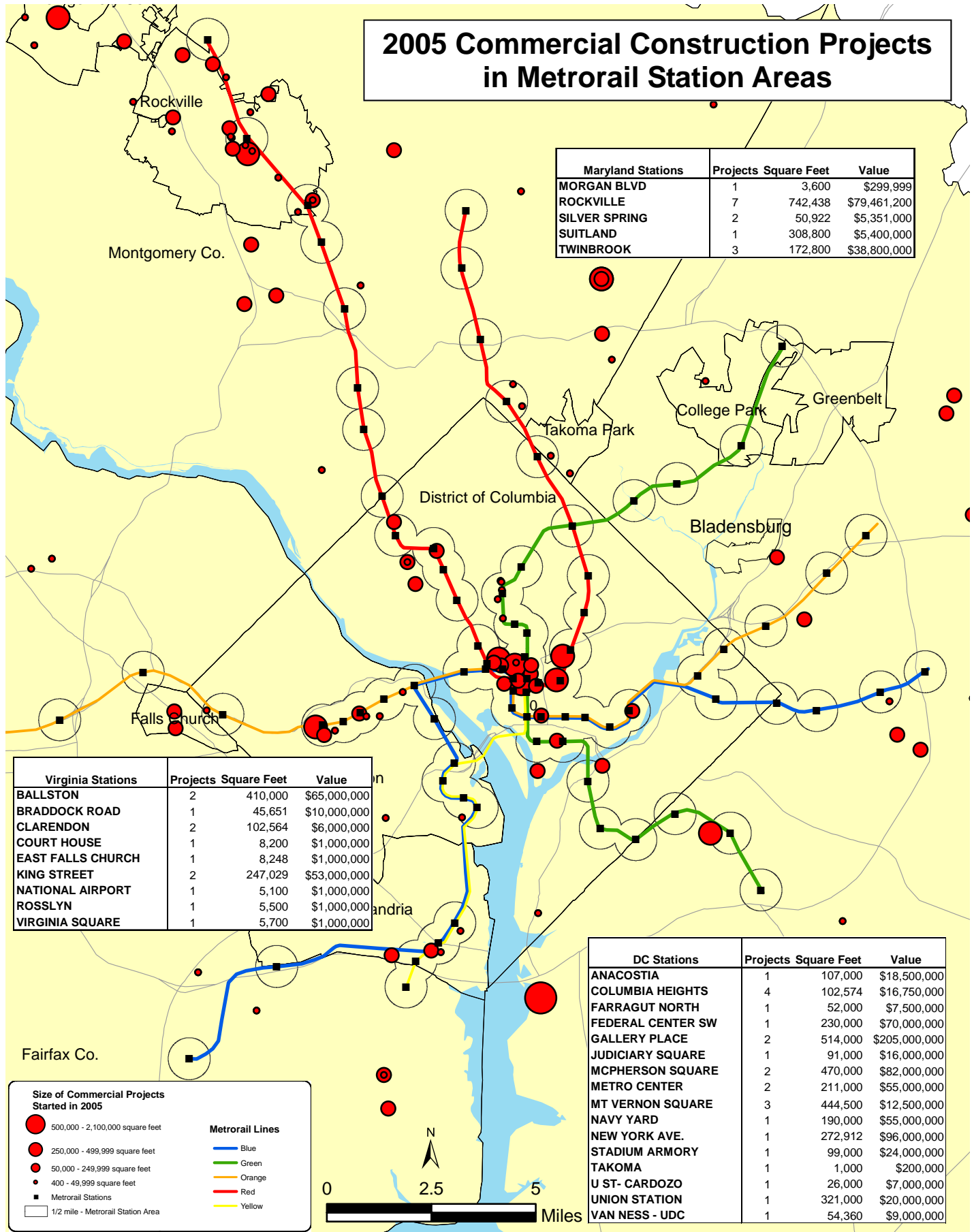
- ◆ **Twenty-six** commercial construction projects, totaling nearly **2.4 million square feet** of space, were started in Commuter Rail Station Areas in 2005. These projects account for 10 percent of the region's total construction, compared with 11 percent in 2004.
- ◆ Construction around the **Rockville** station resulted in nearly 1.6 million square feet of space. The **Alexandria** station area in the City of Alexandria gained more than 247,000 square feet of space, while the **L'Enfant Plaza** area in the District added 230,000 square feet of space.

**2005 Commercial Construction Projects
in Metrorail and Commuter Rail Station Areas**

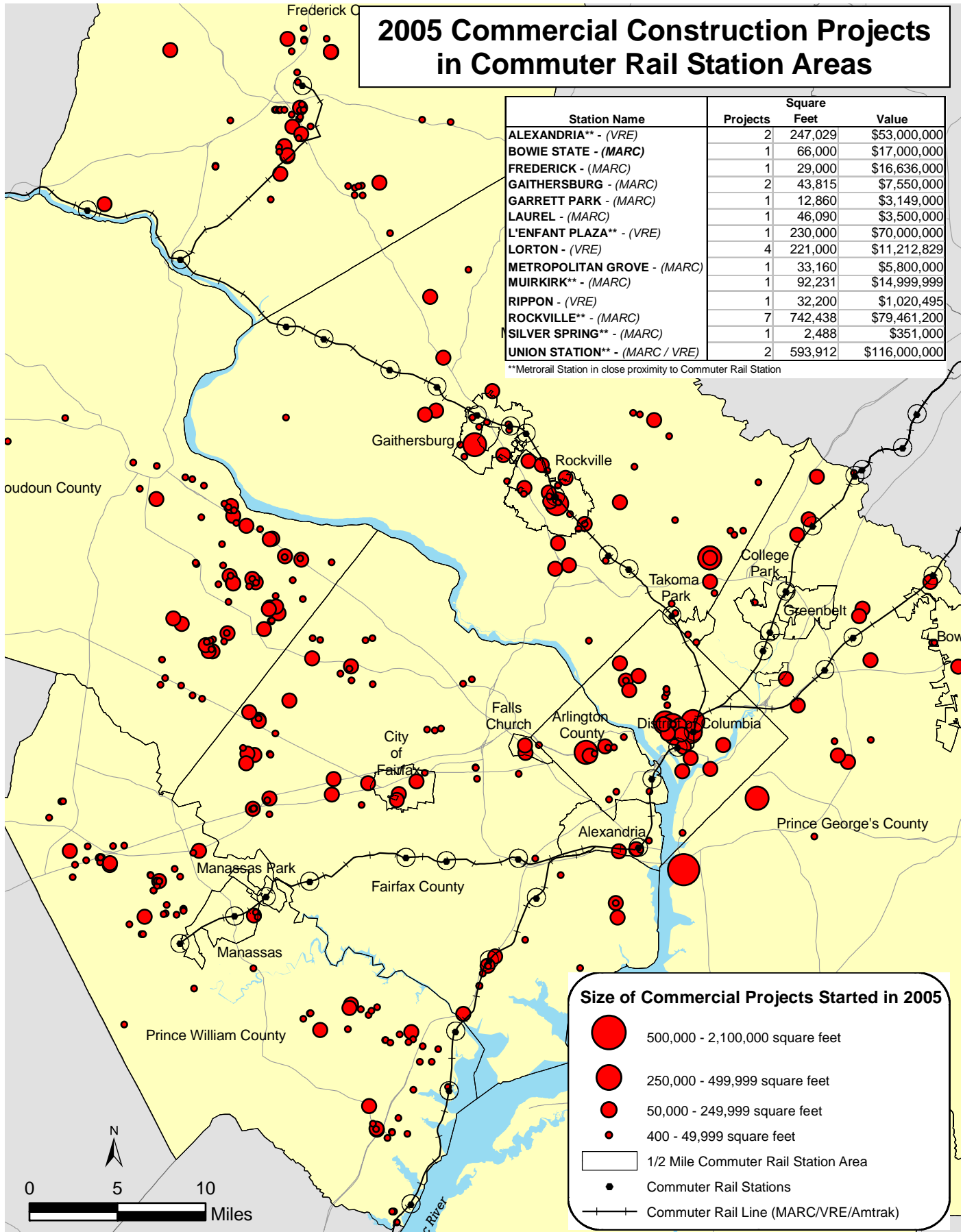


Commercial Construction in the Washington Region in Metrorail and Commuter Rail Station Areas				Percent of Regional Commercial Construction
	Projects	Square Feet	Value	
Metrorail Station Area Total	51	5,417,898	\$988,362,199	22%
Outside Metrorail Station Area Total	379	19,002,784	\$2,543,597,313	78%
Regional Total	430	24,420,682	\$3,531,959,512	
Commuter Rail Station Area Total	26	2,392,223	\$399,680,523	10%
Outside Commuter Rail Station Area Total	404	22,028,459	\$3,132,278,989	90%
Regional Total	430	24,420,682	\$3,531,959,512	
Metrorail and Commuter Rail Station Area Total	64	5,994,254	\$1,069,230,522	25%
Outside Metrorail and Commuter Rail Station Area Total	366	18,426,428	\$2,462,728,990	75%
Regional Total	430	24,420,682	\$3,531,959,512	

Metrorail and Commuter Rail Station Areas



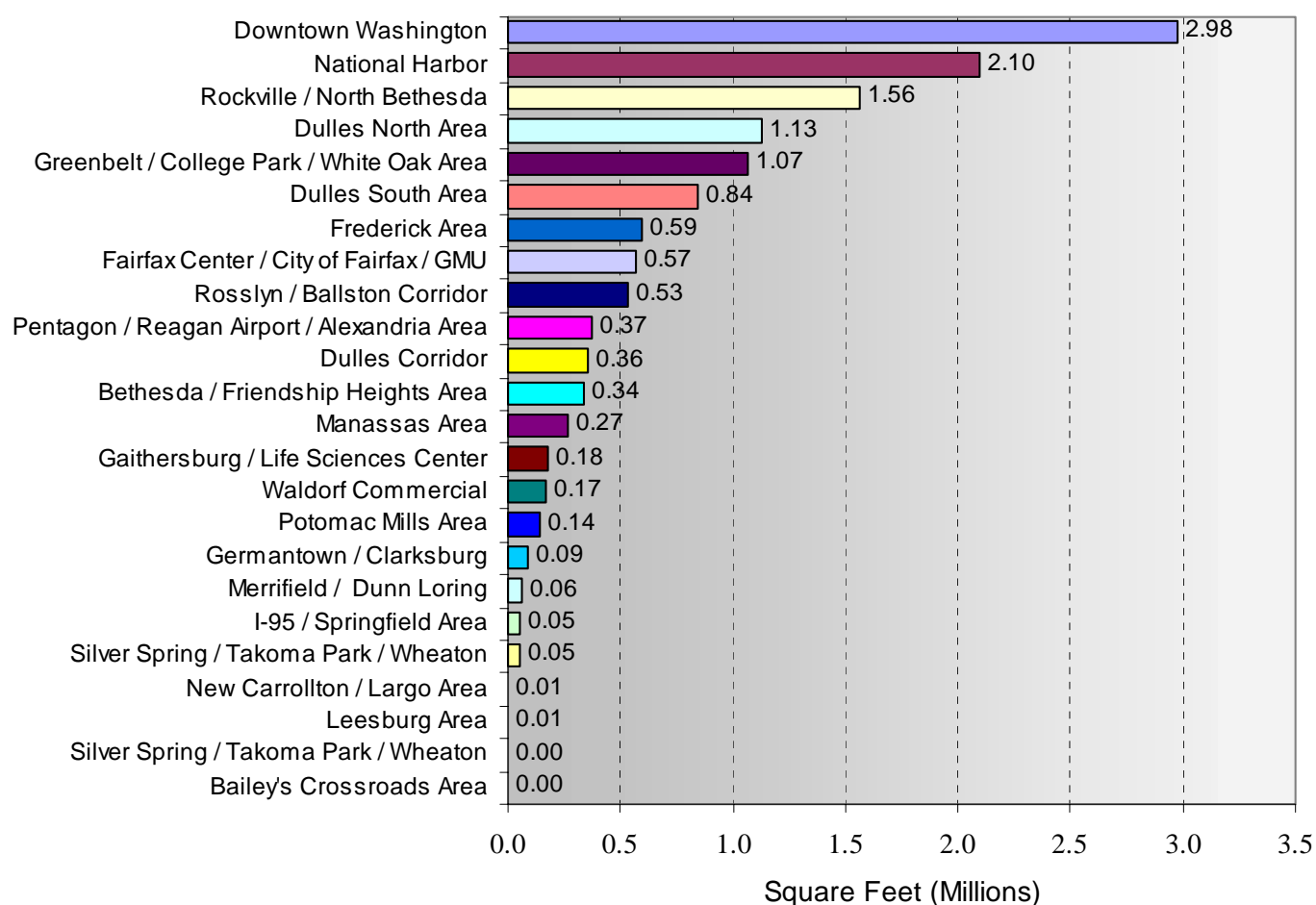
Metrorail and Commuter Rail Station Areas



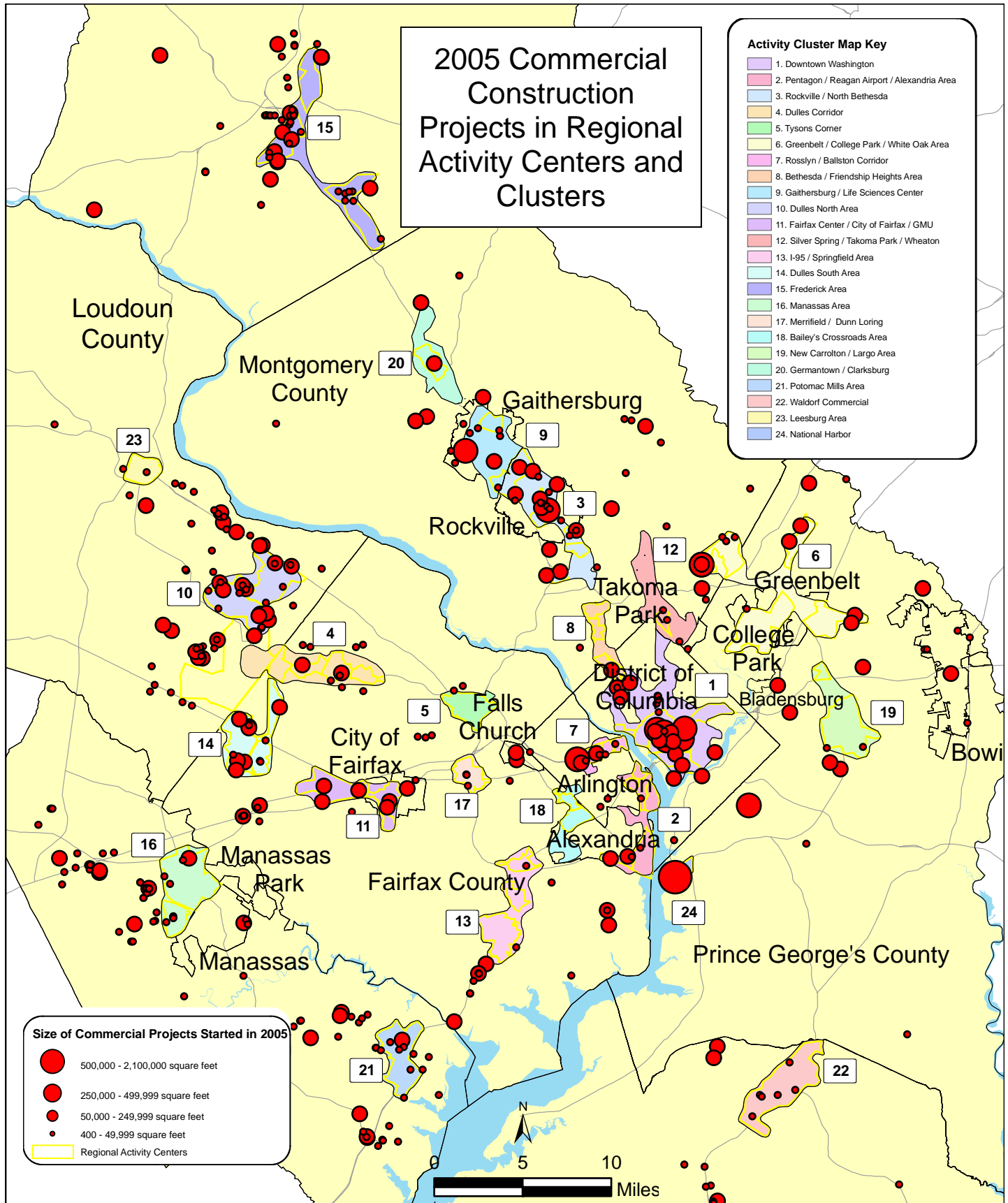
Regional Activity Centers and Clusters

- ◆ A total of 149 commercial construction projects, contributing more than 12.5 million square feet of space, were started in **Regional Activity Centers** in 2005. The new space accounts for 51 percent of the region's new construction activity, compared with 47 percent in 2004. The **Downtown Washington** activity center in the District of Columbia captured the largest share of new commercial development, with four projects and nearly 2.4 million square feet of space. **National Harbor** had the second highest amount of space, with 2.1 million square feet.
- ◆ A total of 172 commercial projects and nearly 13.5 million square feet of space began construction in **Regional Activity Clusters** in 2005. The development represents 55 percent of the region's new commercial construction activity, compared with 54 percent in 2004. **Downtown Washington** received the greatest amount of space, with 21 projects and nearly three million square feet of space.

2005 Commercial Construction Projects by Regional Activity Cluster



Regional Activity Centers and Clusters



Regional Activity Centers and Clusters

Commercial Construction in the Washington Region, 2005
by Regional Activity Center

		2005				2004			
ID	Regional Activity Center	Projects	Square Feet	Value	Percent of Regional Commercial Construction	Projects	Square Feet	Value	Percent of Regional Commercial Construction
DC CORE									
1	Downtown Washington	14	2,402,412	\$501,000,000		10	2,550,712	\$1,002,629,000	
2	Federal Center/Southwest	2	420,000	\$125,000,000		4	2,569,409	\$536,259,000	
3	Georgetown	0	0	\$0		1	214,000	\$84,000,000	
4	Monumental Core	0	0	\$0		0	0	\$0	
5	New York Avenue	0	0	\$0		0	0	\$0	
	Subtotal	16	2,822,412	\$626,000,000	11.6%	15	5,334,121	\$1,622,888,000	19.2%
MIXED-USE CENTERS									
6	Eisenhower Avenue	1	74,926	\$9,700,000		1	20,364	\$3,830,650	
7	Downtown Alexandria	2	63,336	\$15,000,000		1	42,560	\$2,976,000	
8	Ballston	2	410,000	\$65,000,000		0	0	\$0	
9	Clarendon	2	102,564	\$6,000,000		0	0	\$0	
10	Court House	1	8,200	\$1,000,000		0	0	\$0	
11	Crystal City	1	5,100	\$1,000,000		0	0	\$0	
12	Pentagon City	0	0	\$0		0	0	\$0	
13	Rosslyn	1	5,500	\$1,000,000		1	17,531	\$2,536,430	
14	Virginia Square	1	5,700	\$1,000,000		0	0	\$0	
15	Friendship Heights/Tenleytown	3	341,213	\$50,100,000		3	151,086	\$9,037,000	
16	Bailey's Crossroads/Skyline	0	0	\$0		0	0	\$0	
17	Bethesda CBD	0	0	\$0		0	0	\$0	
18	Silver Spring CBD	0	0	\$0		1	34,670	\$6,630,000	
19	White Flint	0	0	\$0		0	0	\$0	
20	Twinbrook	3	172,800	\$38,800,000		0	0	\$0	
	Subtotal	17	1,189,339	\$188,600,000	4.9%	7	266,211	\$25,010,080	1.0%
EMPLOYMENT CENTERS									
21	Tysons Corner	0	0	\$0		4	689,196	\$127,850,000	
22	The Pentagon	0	0	\$0		0	0	\$0	
23	Herndon	1	193,138	\$20,000,000		1	37,500	\$1,625,000	
24	Merrifield/Dunn Loring	3	62,440	\$8,974,200		1	80,000	\$8,000,000	
25	Reston East	0	0	\$0		1	60,800	\$4,000,000	
26	Reston West	2	157,255	\$21,000,000		2	393,000	\$7,939,000	
27	National Institutes of Health	0	0	\$0		2	490,000	\$117,000,000	
28	Rock Spring Park	1	200,000	\$35,000,000		0	0	\$0	
29	Shady Grove/King Farm/Life Sciences	4	247,888	\$25,520,000		0	0	\$0	
	Subtotal	11	860,721	\$110,494,200	3.5%	11	1,750,496	\$266,414,000	6.3%
SUBURBAN EMPLOYMENT CENTERS									
30	Beauregard Street	0	0	\$0		0	0	\$0	
31	Waldorf Commercial	6	167,577	\$13,466,100		5	195,108	\$16,075,000	
32	Beltway South	1	40,940	\$4,000,000		0	0	\$0	
33	Dulles Corner	0	0	\$0		1	3,000	\$500,000	
34	Dulles East	3	41,800	\$2,600,000		7	322,365	\$35,250,000	
35	Dulles West	8	705,493	\$64,761,000		13	915,134	\$84,608,569	
36	Fairfax Center I-95 Corridor/Engineer Proving	3	398,000	\$44,798,000		4	159,724	\$13,600,000	
37	Grounds	0	0	\$0		1	3,000	\$380,000	
38	Springfield	0	0	\$0		1	71,337	\$6,000,000	
39	City of Fairfax-GMU	2	168,487	\$27,008,000		4	784,600	\$117,742,900	
40	Downtown Leesburg	1	5,844	\$480,000		3	23,722	\$3,909,682	
41	Germantown	1	92,000	\$20,000,000		1	9,000	\$990,000	
42	North Frederick Avenue	1	1,815	\$300,000		2	44,940	\$6,910,000	
43	White Oak	6	749,307	\$181,025,000		3	119,645	\$9,570,863	
44	US 1/Green Line	1	1,841	\$999,999		0	0	\$0	
45	Greenbelt NASA	1	145,000	\$12,000,000		2	23,941	\$4,930,000	
46	New Carrollton/Transit Triangle	0	0	\$0		1	6,206	\$500,000	
47	Route 1	2	170,254	\$21,397,885		3	952,875	\$54,000,000	
48	Innovation	5	128,695	\$11,400,000		5	229,288	\$23,535,000	
49	Rockville Town Center	7	742,438	\$79,461,200		1	175,000	\$30,000,000	
	Subtotal	48	3,559,491	\$483,697,184	14.6%	57	4,038,885	\$408,502,014	14.6%
EMERGING EMPLOYMENT CENTERS									
50	Airport/Monocacy Boulevard	0	0	\$0		1	8,592	\$495,498	
51	Md 85/355 Evergreen Point	15	461,804	\$15,790,218		18	289,531	\$13,695,375	
52	Urbana	7	132,693	\$15,009,934		3	30,788	\$2,520,000	
53	28 North	4	119,184	\$10,350,000		15	499,937	\$28,269,000	
54	Corporate Dulles	19	1,011,538	\$47,058,972		3	137,356	\$7,200,000	
55	Largo Center Circle	1	6,600	\$6,923,000		1	15,007	\$4,000,000	
56	National Harbor	1	2,100,000	\$565,000,000		0	0	\$0	
57	Bull Run-Sudley Area	4	137,786	\$14,800,000		6	194,875	\$9,277,000	
58	Potomac Mills	6	111,392	\$4,302,242		12	362,802	\$18,059,086	
	Subtotal	57	4,080,997	\$679,234,366	16.7%	59	1,538,888	\$83,515,959	5.5%
Inside Regional Activity Centers		149	12,512,960	\$2,088,025,750	51.2%	149	12,928,601	\$2,406,330,053	46.6%
Outside Regional Activity Centers		281	11,907,722	\$1,443,933,762	48.8%	344	14,814,204	\$1,509,369,943	53.4%
Regional Total		430	24,420,682	\$3,531,959,512	100.0%	493	27,742,805	\$3,915,699,996	100.0%

Regional Activity Centers and Clusters

Commercial Construction in the Washington Region, 2005 by Regional Activity Cluster

ID Regional Activity Cluster	2005				2004				
	Projects	Square Feet	Value	Percent of Regional Commercial Construction	ID	Projects	Square Feet	Value	Percent of Regional Commercial Construction
1 Downtown Washington	21	2,979,346	\$651,750,000		1	24	5,502,115	\$1,659,166,000	
2 Pentagon / Reagan Airport / Alexandria Area	5	372,706	\$73,700,000		2	3	77,924	\$7,843,650	
3 Rockville / North Bethesda	18	1,564,271	\$187,330,723		3	2	252,000	\$37,103,520	
4 Dulles Corridor	4	358,126	\$43,880,000		4	7	566,300	\$25,054,000	
5 Tysons Corner	0	0	\$0		5	4	689,196	\$127,850,000	
6 Greenbelt / College Park / White Oak Area	10	1,066,402	\$215,422,884		6	8	1,096,461	\$68,500,863	
7 Rosslyn / Ballston Corridor	7	531,964	\$74,000,000		7	2	277,932	\$22,536,430	
8 Bethesda / Friendship Heights	3	341,213	\$50,100,000		8	6	664,086	\$128,037,000	
9 Gaithersburg Area / Life Sciences Center	6	177,338	\$20,621,550		9	8	173,193	\$23,212,000	
10 Dulles North Area	23	1,130,722	\$57,408,972		10	18	637,293	\$35,469,000	
11 Fairfax Center / City of Fairfax / GMU	5	566,487	\$71,806,000		11	10	954,324	\$133,592,900	
12 Silver Spring / Takoma Park / Wheaton	3	51,922	\$5,551,000		12	5	808,606	\$89,830,000	
13 I-95 / Springfield Area	2	54,940	\$9,750,000		13	3	146,596	\$9,380,000	
14 Dulles South Area	12	844,213	\$88,361,000		14	20	1,237,499	\$119,858,569	
15 Frederick Area	22	594,497	\$30,800,152		15	23	337,433	\$17,392,633	
16 Manassas Area	9	266,481	\$26,200,000		16	14	637,935	\$42,272,000	
17 Merrifield / Dunn Loring	3	62,440	\$8,974,200		17	1	80,000	\$8,000,000	
18 Bailey's Crossroads Area	0	0	\$0		18	1	29,098	\$8,147,000	
19 New Carrollton / Largo Area	2	10,200	\$7,222,999		19	3	23,955	\$4,840,000	
20 Germantown / Clarksburg	1	92,000	\$20,000,000		20	6	135,331	\$16,950,739	
21 Potomac Mills Area	8	141,656	\$6,002,242		21	13	486,438	\$20,809,086	
22 Waldorf Commercial	6	167,577	\$13,466,100		22	6	203,151	\$16,950,000	
23 Leesburg Area	1	5,844	\$480,000		23	3	23,722	\$3,909,682	
24 National Harbor	1	2,100,000	\$565,000,000		24	0	0	\$0	
Inside Regional Activity Clusters	172	13,480,345	\$2,227,827,822	55.2%		190	15,040,588	\$2,626,705,072	54.2%
Outside of Regional Activity Clusters	258	10,940,337	\$1,304,131,690	44.8%		303	12,702,217	\$1,288,994,924	45.8%
Regional Total	430	24,420,682	\$3,531,959,512	100%		493	27,742,805	\$3,915,699,996	100%

COMMERCIAL CONSTRUCTION DEFINITIONS

PROJECT: Any non-residential project with estimated construction costs of \$200,000 or more reported by McGraw-Hill Construction, or local government planning and economic development offices as being placed under construction.

START: Any project placed under construction or the demolition of an existing building for redevelopment of the site.

COMMERCIAL CONSTRUCTION: All non-residential development initiated in the Washington metropolitan region. This includes office buildings as well as other structure types listed below that create new employment space.

STRUCTURE TYPE:

Retail: Any building to be used exclusively for retail commercial purposes, including shopping centers, shopping malls, restaurants, and theaters.

Educational/Medical: Any facility to be used for educational or medical services such as a school, research building of a college or university, medical office, hospital, or clinic.

Office: Any building that will provide office space or serve an administrative function for public or local government use. This category often includes buildings that contain small amounts of street access retail without mixed-use or special zoning.

Mixed Use: Any project that combines uses in a large-scale development. These projects are in parcels zoned for mixed use or

have received a special exception to existing zoning. A mixed-use project would be any combination of office, retail, hotel, or residential space.

Research and Development: Separate facilities for research and development purposes distinguished from warehouse, manufacturing, distribution, or medical services facilities.

Hotel/Motel: Any hotel or motel facility. Does not include tourist homes or other residential buildings.

Other: Flex buildings, warehouses, recreational buildings (both private and school-related), gas stations, churches, funeral homes, childcare centers, and other miscellaneous non-residential buildings. This category also includes non-office institutional buildings such as libraries and courts.

SQUARE FEET: The total gross square footage of a building. In some projects, this figure may include parking. This figure does not include lot acreage.

CONSTRUCTION COST: The total *estimated* cost for construction to complete the building. This figure does not include "soft" costs for site location, engineering, architectural services, or site acquisition.

Note that this report includes revised data for previous construction. The revisions incorporate projects noted as under contract or under construction in earlier reports that were later dropped or deferred.

Commercial Construction Indicators Report

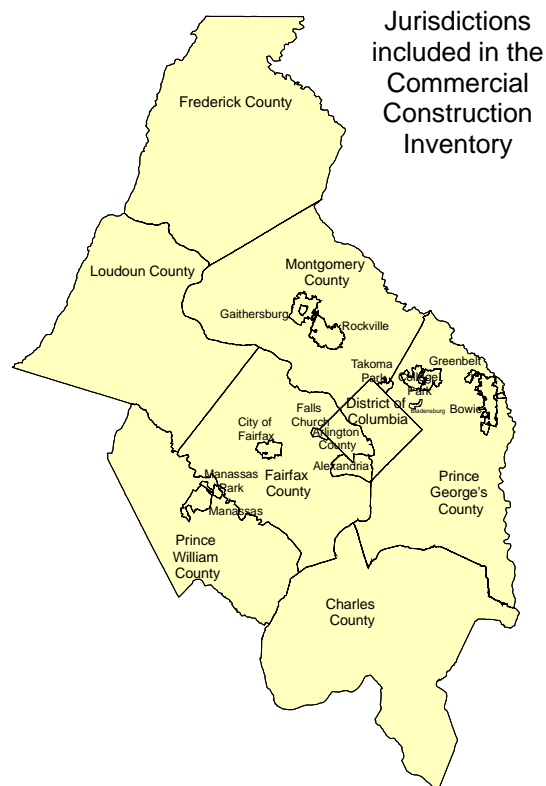
ABOUT COG'S COMMERCIAL CONSTRUCTION INVENTORY

Each year, the Metropolitan Washington Council of Governments (COG) releases a summary of the findings from its Commercial Construction Inventory. This report provides information on the level of commercial construction activity in the region during the previous year. The report provides details by jurisdiction, structure type, relationship to Metrorail stations, and more.

The Commercial Construction Inventory includes major "non-residential" projects that are under construction in the Washington region. The inventory only includes projects with estimated construction costs of more than \$200,000. The inventory includes both commercial properties and other projects that add employment space, and in many cases, includes associated parking structures.

In this report, the "Washington region" refers to the area surrounding the city of Washington, D.C. The Washington region comprises the following jurisdictions: the District of Columbia; the Maryland suburbs of Charles, Frederick, Montgomery, and Prince George's Counties, and the Cities of Bowie, College Park, Frederick, Gaithersburg, Greenbelt, Rockville, Takoma Park, and the Town of Bladensburg; and the Virginia suburbs of Arlington, Fairfax, Loudoun, and Prince William Counties, and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.*

*This definition of the Washington region differs from the Office of Management and Budget 1993 definition of the Washington Primary Metropolitan Statistical Area (PMSA) and from their 2003 definition of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA).



Metropolitan Washington Council of Governments
777 North Capitol Street, NE Suite 300
Washington, DC 20002-4239