COMMERCIAL CONSTRUCTION INDICATORS: 2015 REPORT

July 2016

Metropolitan Washington
Council of Governments

COMMERCIAL CONSTRUCTION INDICATORS 2015
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ABOUT COG
The Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association that brings area leaders together to address major regional issues in the District of Columbia, suburban Maryland, and Northern Virginia. COG's membership is comprised of 300 elected officials from 22 local governments, the Maryland and Virginia state legislatures, and U.S. Congress.

CREDITS
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Cover Photo: Cranes at the Wharf, (Payton Chung, Flickr)

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FIGURES AND TABLES

ABOUT COG'S COMMERCIAL CONSTRUCTION INVENTORY

The Commercial Construction Inventory focuses on "non-residential" projects that have been completed in metropolitan Washington. These include office, retail, industrial, flex, healthcare, religious, educational, utility, and some government properties and other projects that develop employment space, and in many cases, include associated parking structures. The inventory is limited to projects that create new or additional space. Staff at the Metropolitan Washington Council of Governments compiled this report by analyzing commercial property records from the CoStar subscription database (www.costar.com).

In this report, the Washington region refers to the areas surrounding the District of Columbia that are members of COG, shown below.

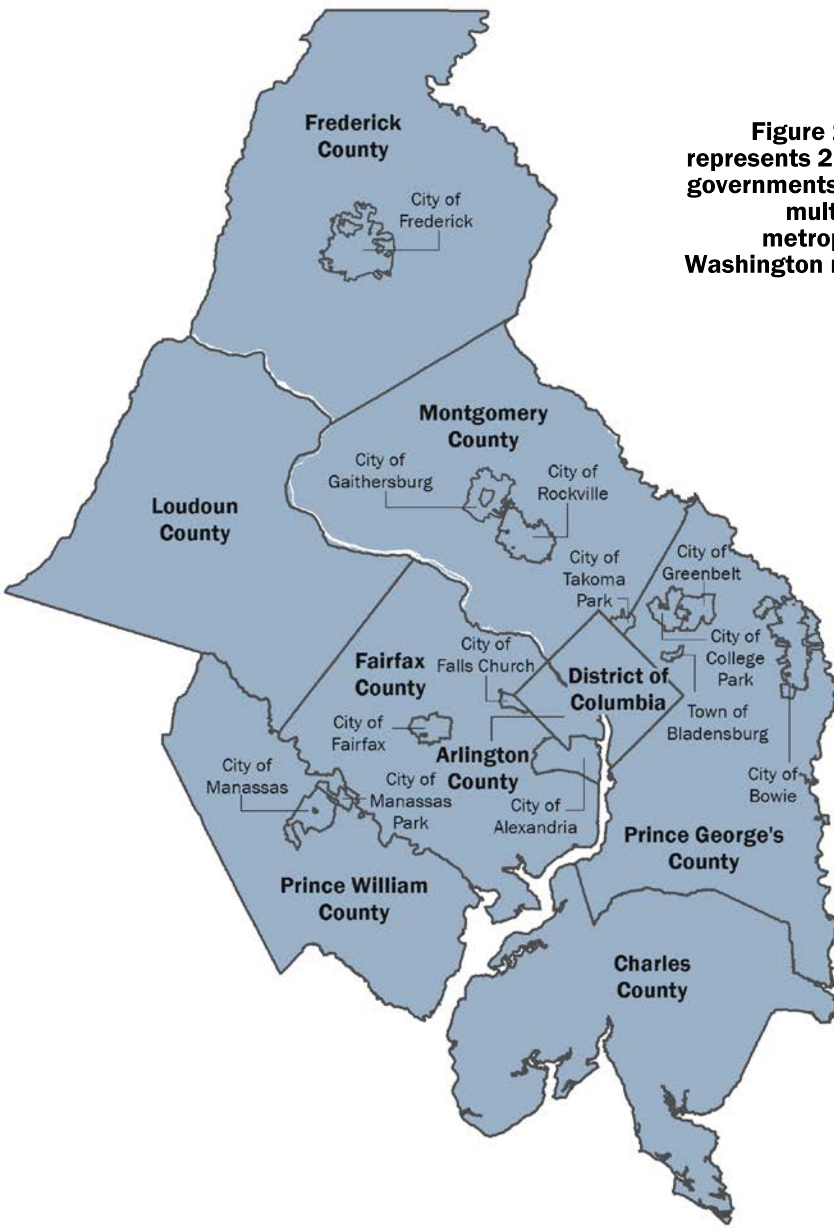


Figure 1. COG represents 22 local governments in the multi-state metropolitan Washington region.

Commercial Construction at a Glance

The Washington commercial real estate market is experiencing declining rates of new construction, particularly in the office sector. In 2015, 126 commercial construction projects were completed in the Washington region adding more than 7.4 million square feet of new commercial space. This represents a decline of more than 3 million square feet from 2014 and one of the lowest years of production—aside from 1995, 2011 and 2012—in the past 35 years.

Northern Virginia produced more than 4.1 million square feet of commercial construction in 2015. Suburban Maryland and the District of Columbia produced 1.9 and 1.4 million square feet respectively.

Collectively, outer jurisdictions led regional commercial construction with 43 percent of all projects in the metropolitan Washington region. Inner jurisdictions hosted 37 percent of construction while 20 percent of regional construction was built in the region's central jurisdictions.

Central Jurisdictions-The District of Columbia, Arlington County, and the City of Alexandria in Virginia
Inner Suburban Jurisdictions– Montgomery and Prince George's Counties, and the Cities of Bowie, College Park, Gaithersburg, Greenbelt, Rockville, and Takoma Park in Maryland, Fairfax County and the Cities of Fairfax and Falls Church in Virginia.
Outer Suburban Jurisdictions– Charles and Frederick Counties and the City of Frederick in Maryland; Loudoun and Prince William Counties, and the Cities of Manassas and Manassas Park in Virginia.

Figure 2. Definition of Jurisdiction Groups

From 2014 to 2015, commercial construction within Activity Center declined 31 percent. In 2015, 60 percent of all commercial construction occurred within Activity Centers. Typically, between 65 to 75 percent of construction has been sited in such communities. Between 2011 and 2014, 71 percent of all commercial construction was within Activity Centers.

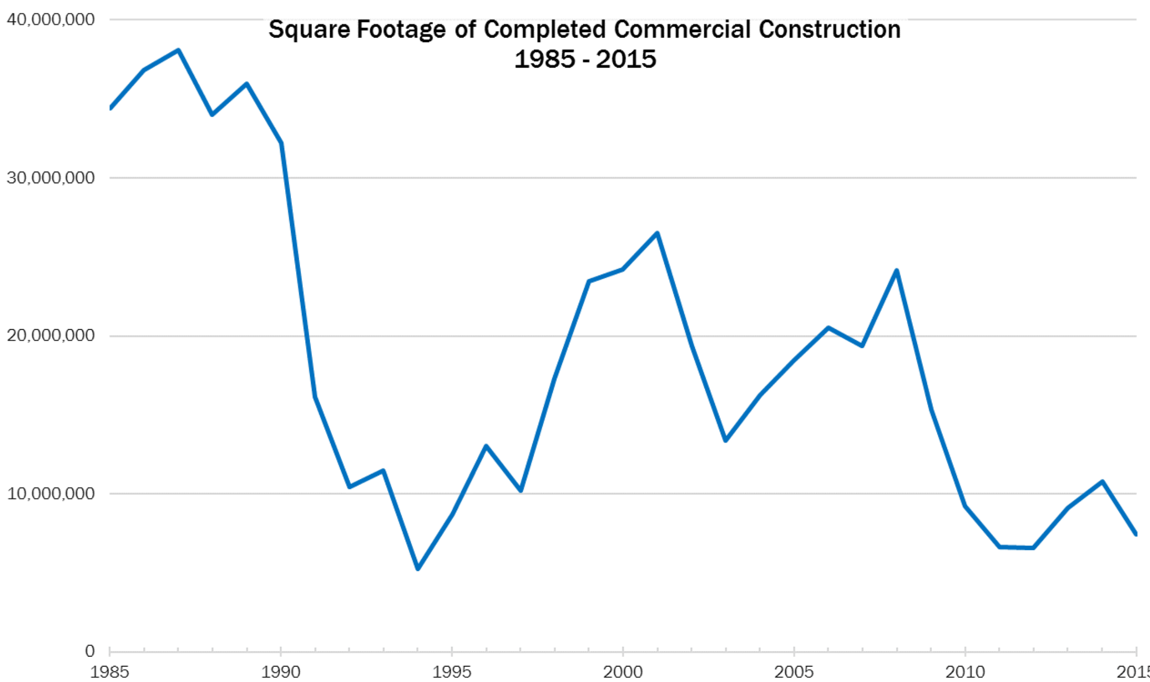


Figure 3

Source: CoStar, COG

Twenty-eight projects representing 27 percent of all regional commercial construction by square feet were sited within a half mile of a Metrorail station in 2015. Construction declined 67 percent from 2014 when 56 percent of construction was located near a metro station.

Industrial space held the greatest share of commercial construction in 2015, creating 28 percent of the region's new space. The 2.1 million square feet of new industrial space is the most since 2008 and was driven primarily by warehouse construction and data centers. Warehouses comprised 65 percent of all new industrial space built in 2015, while data centers were 21 percent of all industrial construction. Four of the ten largest projects by square feet were industrial buildings, including a 320,000 square foot data center in Ashburn, Loudoun County. The largest single project completed in the Washington region was an 11-story, 478,882 square foot office building at 601 Massachusetts Ave NW near the Mount Vernon Square Metro station. While office buildings have historically led the regional commercial construction market, new office space declined 59 percent from 2014 to 2015 and represented only 23 percent of commercial space built. Retail space represented 22 percent of all commercial construction.

The overall regional vacancy rate for commercial space was 10.8 percent at the end of 2015. Vacancy rates remain high compared to both current national trends and regional historical trends.

Figure 4. 10 Largest Projects by Rentable Building Area (RBA) from 2011 to 2014

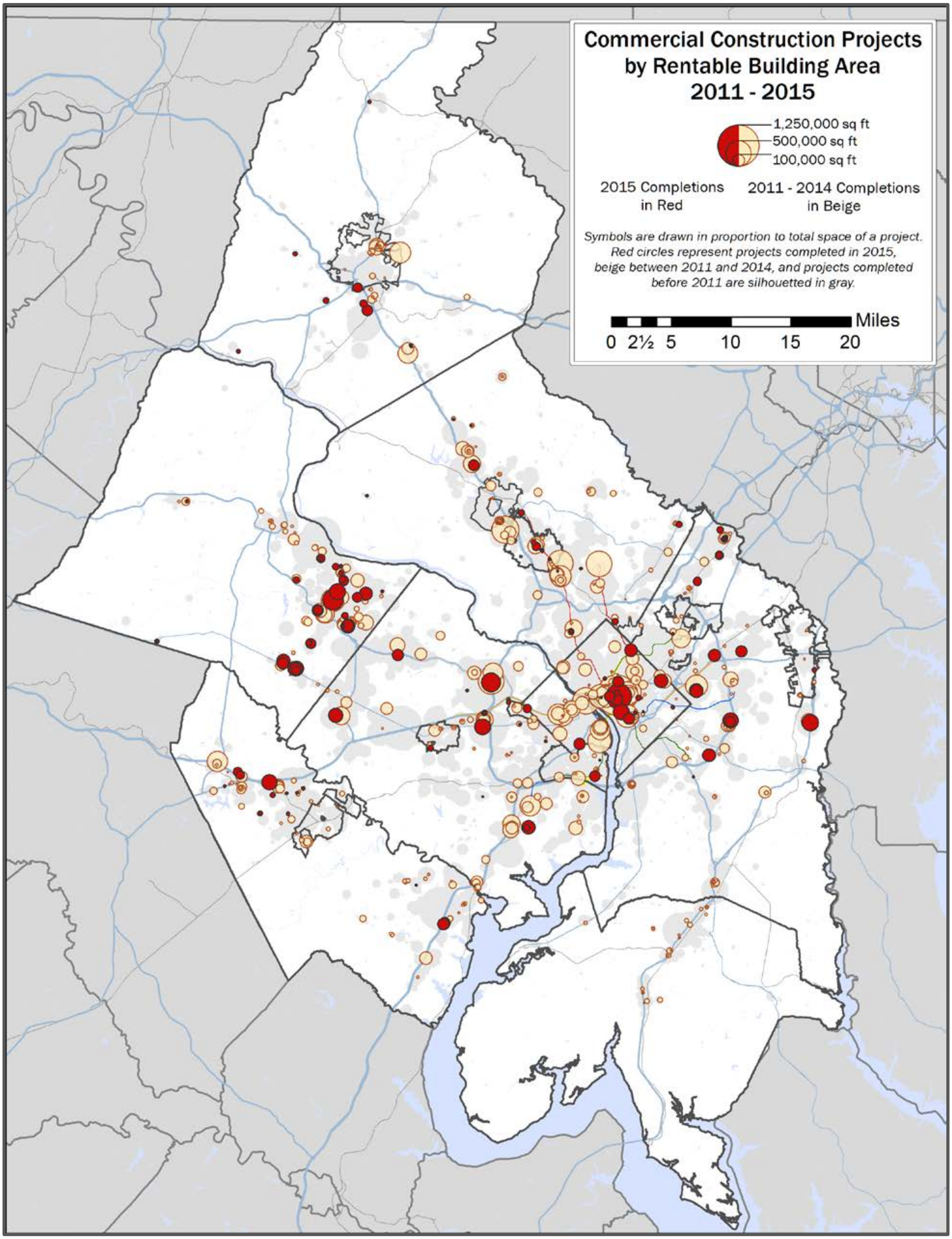
Project Name	Year	Land Use	Address	City	Jurisdiction	State	Stories	RBA
Marriott Marquis	2014	Hotel	901 Massachusetts Ave NW	Washington	District of Columbia	DC	14	1,262,000
National Cancer Institute	2012	Office	9609 Medical Center Dr	Rockville	Montgomery	MD	7	585,130
1812 North Moore	2013	Office	1812 N Moore St	Arlington	Arlington	VA	35	535,381
Tysons Tower	2014	Office	7900 Tysons One Pl	McLean	Fairfax	VA	22	528,290
NIAID	2014	Office	5601 Fishers Ln	Rockville	Montgomery	MD	10	515,717
NPR HQ	2013	Office	1111 N Capitol St NE	Washington	District of Columbia	DC	7	450,000
Potomac Yards Renaissance & Residence	2011	Hotel	2800 S Potomac Ave	Arlington	Arlington	VA	13	439,960
Square 54	2011	Office	2200 Pennsylvania Ave NW	Washington	District of Columbia	DC	10	432,900
ACC7	2014	Flex (Data Center)	21625 Gresham Dr	Ashburn	Loudoun	VA	1	407,820
1015 Half Street	2011	Office	1015 Half St SE	Washington	District of Columbia	DC	10	391,605

Source: CoStar, COG

Figure 5. 10 Largest Projects by Rentable Building Area (RBA) in 2015

Project Name	Land Use	Address	City	Jurisdiction	State	Stories	RBA
601 Mass Ave	Office	601 Massachusetts Ave NW	Washington	District of Columbia	DC	11	478,882
ACC7 Phase 2	Industrial (Data Center)	21625 Gresham Dr	Ashburn	Loudoun	VA	1	320,000
Hyatt Regency at Tysons Corner Center	Hotel	7901 Tysons One Pl	McLean	Fairfax	VA	18	266,513
Collington Park Phase I	Industrial (Warehouse)	16115 Queens Ct	Upper Marlboro	Prince George's	MD	1	220,800
Ashburn Crossing COPT Data Center Phase I	Flex	21265 Smith Switch Rd	Ashburn	Loudoun	VA	1	200,000
Mid-County Human Services Center	Health Care	8221 Willow Oaks Corporate Dr	Fairfax	Fairfax	VA	4	200,000
Hyatt Place	Hotel	400 E St SW	Washington	District of Columbia	DC	11	196,343
Steeplechase A5	Industrial (Warehouse)	1200 Hampton Park Blvd	Capitol Heights	Prince George's	MD	1	175,854
FedEx Distribution Center	Industrial (Distribution)	7303 Cushing Rd	Manassas	Prince William	VA	1	175,308
COPT Stonecroft	Office	4870 Stonecroft Blvd	Chantilly	Fairfax	VA	5	159,300

Source: CoStar, COG



Source: CoStar, COG

Figure 6

Activity Centers

Activity Centers are the locations that will accommodate the majority of the region's future growth. They include existing urban centers, priority growth areas, traditional towns, and transit hubs. In 2013, the COG Board of Directors approved 141 Activity Centers for the metropolitan Washington region.

From 2011 through 2014, 71 percent of all construction by square feet was located in Activity Centers; in 2015, the share fell to 60 percent.

Arcola was the Activity Center with the most development in 2015, with six projects totaling about 700,000 square feet. Between 2011 and 2014, ten projects at 2.6 million total square feet were completed in the Downtown DC Activity Center, making it the region's leader.

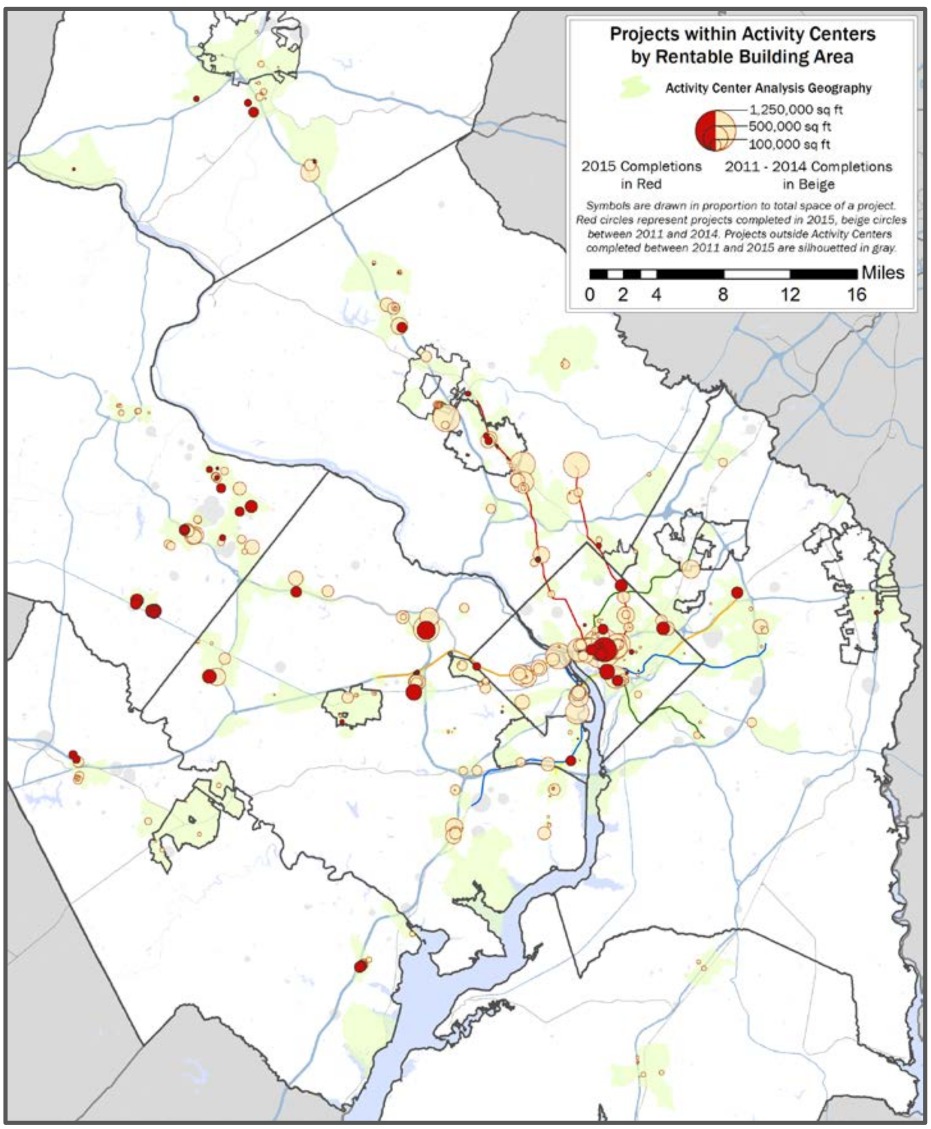


Figure 7 Source: CoStar, COG

Figure 8 Activity Centers Totals

Jurisdiction	Built Prior to 2011			2011 -2014 Completions			2015 Completions			Est. 2015 Year
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	End Vacancy Rate
Inside of Activity Centers Total	**18,331**	**671,336,458**	**67.5%**	**286**	**23,497,286**	**71.1%**	**67**	**4,434,455**	**59.8%**	**11.3%**
Annandale	168	2,572,296	0.3%	4	13,164	0.0%	0	0	0.0%	9.8%
Arcola	5	48,378	0.0%	0	0	0.0%	6	692,016	9.3%	26.0%
Ashburn	45	2,460,798	0.2%	6	285,750	0.9%	4	137,075	1.8%	6.2%
Ashburn Station	54	4,166,043	0.4%	12	1,195,572	3.6%	2	160,169	2.2%	13.0%
Baileys Crossroads-Western Gateway	160	7,129,730	0.7%	2	165,427	0.5%	1	5,000	0.1%	25.8%
Ballston	56	8,110,382	0.8%	6	982,124	3.0%	0	0	0.0%	19.7%
Beacon-Groveton	35	735,116	0.1%	1	3,148	0.0%	0	0	0.0%	11.8%
Beauregard	54	4,557,297	0.5%	0	0	0.0%	0	0	0.0%	25.2%
Beltway South	99	5,645,392	0.6%	2	143,193	0.4%	0	0	0.0%	23.6%
Bethesda	415	11,826,035	1.2%	3	283,102	0.9%	2	40,342	0.5%	10.6%
Bowie MARC	1	13,000	0.0%	0	0	0.0%	0	0	0.0%	0.0%
Bowie Town Center	100	4,354,088	0.4%	1	2,800	0.0%	1	15,000	0.2%	11.1%
Braddock Road Metro Area	354	6,204,709	0.6%	2	4,035	0.0%	0	0	0.0%	9.9%
Branch Ave	31	1,318,665	0.1%	2	44,000	0.1%	0	0	0.0%	4.8%
Brookland	175	1,609,973	0.2%	2	298,000	0.9%	0	0	0.0%	2.8%
Brunswick	27	246,242	0.0%	0	0	0.0%	1	10,000	0.1%	10.8%
Capitol Heights-Addison Rd	105	679,504	0.1%	0	0	0.0%	0	0	0.0%	10.4%
Capitol Hill	259	5,468,562	0.5%	3	9,046	0.0%	0	0	0.0%	7.6%
Capitol Riverfront	190	3,016,263	0.3%	5	198,500	0.6%	1	9,755	0.1%	11.5%
Carlyle-Eisenhower East	97	6,755,792	0.7%	1	150,400	0.5%	0	0	0.0%	10.3%
Centreville	71	2,261,592	0.2%	0	0	0.0%	0	0	0.0%	5.8%
City of Falls Church	270	3,717,921	0.4%	3	134,377	0.4%	1	52,988	0.7%	5.0%
City of Manassas	322	5,646,217	0.6%	3	21,340	0.1%	0	0	0.0%	8.1%
City of Manassas Regional Airport	36	1,539,323	0.2%	2	24,800	0.1%	0	0	0.0%	4.4%
Clarendon	76	1,997,018	0.2%	2	306,007	0.9%	0	0	0.0%	24.4%
Clarksburg	20	1,162,925	0.1%	6	60,402	0.2%	2	5,300	0.1%	43.0%
College Park	23	1,337,880	0.1%	1	268,762	0.8%	1	6,000	0.1%	6.5%
Columbia Heights	424	3,219,627	0.3%	4	22,537	0.1%	1	8,600	0.1%	3.2%
Columbia Pike Town Center	50	1,253,098	0.1%	0	0	0.0%	0	0	0.0%	3.8%
Columbia Pike Village Center	31	252,994	0.0%	0	0	0.0%	0	0	0.0%	2.9%
Courthouse	65	4,811,458	0.5%	0	0	0.0%	0	0	0.0%	11.2%
Crystal City	86	14,966,193	1.5%	4	1,070,858	3.2%	0	0	0.0%	17.4%
Downtown DC	458	27,667,738	2.8%	10	2,571,633	7.8%	3	612,195	8.3%	6.7%
Downtown Frederick	573	4,874,035	0.5%	0	0	0.0%	0	0	0.0%	7.3%
Dulles East	67	6,304,065	0.6%	0	0	0.0%	0	0	0.0%	13.3%
Dulles South	336	19,941,793	2.0%	5	390,083	1.2%	1	159,300	2.1%	17.0%
Dulles Town Center	136	6,692,623	0.7%	1	141,000	0.4%	1	124,000	1.7%	13.4%
Dunn Loring-Merrifield	252	14,064,759	1.4%	4	482,053	1.5%	4	244,255	3.3%	11.1%
Dupont	659	17,445,417	1.8%	4	506,947	1.5%	0	0	0.0%	6.1%
East Frederick Rising	172	3,220,383	0.3%	2	33,420	0.1%	0	0	0.0%	14.6%
Fairfax Center	124	11,983,302	1.2%	1	4,000	0.0%	0	0	0.0%	13.7%
Fairfax City	252	6,999,203	0.7%	6	161,409	0.5%	1	20,664	0.3%	12.7%
Fairfax Innovation Center	48	6,608,177	0.7%	0	0	0.0%	0	0	0.0%	14.5%
Farragut Square	428	61,785,145	6.2%	3	585,017	1.8%	1	91,000	1.2%	10.9%
Fort Belvoir	3	637,697	0.1%	0	0	0.0%	0	0	0.0%	0.0%
Fort Belvoir North Area	263	9,042,658	0.9%	5	652,989	2.0%	0	0	0.0%	15.2%
Fort Detrick	26	565,630	0.1%	1	9,208	0.0%	0	0	0.0%	2.6%
Fort Totten	35	566,542	0.1%	1	121,608	0.4%	1	130,000	1.8%	3.4%
Francis Scott Key Mall	294	9,555,300	1.0%	8	118,171	0.4%	2	130,000	1.8%	11.3%
Friendship Heights	189	7,727,323	0.8%	1	40,828	0.1%	0	0	0.0%	6.4%
Gainesville	71	2,299,326	0.2%	9	307,850	0.9%	2	112,195	1.5%	3.4%
Gaithersburg Central	180	3,800,369	0.4%	0	0	0.0%	0	0	0.0%	7.6%
Gaithersburg Kentlands	106	3,358,137	0.3%	0	0	0.0%	0	0	0.0%	1.0%
Gaithersburg Metropolitan Grove	34	2,727,291	0.3%	1	90,000	0.3%	0	0	0.0%	12.8%
George Mason University	0	0	0.0%	0	0	0.0%	0	0	0.0%	7.2%
Georgetown	292	3,279,349	0.3%	1	4,887	0.0%	1	80,000	1.1%	11.3%
Germantown	151	6,728,823	0.7%	9	612,885	1.9%	0	0	0.0%	0.0%
Glenmont	17	224,754	0.0%	1	527,192	1.6%	0	0	0.0%	26.2%
Golden Mile	137	3,155,540	0.3%	1	4,285	0.0%	0	0	0.0%	2.6%
Greenbelt	11	130,094	0.0%	0	0	0.0%	0	0	0.0%	0.0%
Grosvenor	1	6,000	0.0%	0	0	0.0%	1	18,000	0.2%	6.5%
H Street	277	1,533,542	0.2%	5	22,774	0.1%	0	0	0.0%	17.8%
Herndon	103	9,002,874	0.9%	0	0	0.0%	0	0	0.0%	1.0%
Huntington-Penn Daw	50	855,465	0.1%	4	125,439	0.4%	0	0	0.0%	2.3%
Hybla Valley-Gum Springs	52	1,411,855	0.1%	4	165,918	0.5%	0	0	0.0%	8.1%
Innovation	27	1,555,226	0.2%	1	45,000	0.1%	1	28,437	0.4%	8.0%
Jefferson Tech Park	28	398,750	0.0%	0	0	0.0%	0	0	0.0%	4.4%
Kensington	177	2,041,688	0.2%	0	0	0.0%	1	87,855	1.2%	9.4%
King Street-Old Town	479	7,711,278	0.8%	1	4,439	0.0%	0	0	0.0%	14.1%
Konterra	36	2,430,661	0.2%	1	58,994	0.2%	0	0	0.0%	7.2%
Regional Total	*32,389*	*994,974,535*	*100.0%*	*523*	*33,042,661*	*100.0%*	*126*	*7,411,000*	*100.0%*	*10.8%*

Jurisdiction	Built Prior to 2011			2011 -2014 Completions			2015 Completions			Est. 2015 Year
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	End Vacancy Rate
Outside of Activity Centers Total	**14,058**	**323,638,077**	**32.5%**	**237**	**9,545,375**	**28.9%**	**59**	**2,976,545**	**40.2%**	**9.7%**
La Plata	135	1,799,579	0.2%	7	62,404	0.2%	0	0	0.0%	21.7%
Landmark-Van Dorn	137	6,440,550	0.6%	1	72,850	0.2%	0	0	0.0%	9.7%
Landover Mall	58	3,002,929	0.3%	4	241,250	0.7%	0	0	0.0%	9.2%
Landover Metro	125	6,744,186	0.7%	1	6,299	0.0%	0	0	0.0%	8.9%
Langley Park	55	1,033,388	0.1%	0	0	0.0%	0	0	0.0%	6.8%
Largo Town Center-Morgan Blvd	189	5,837,954	0.6%	1	6,500	0.0%	0	0	0.0%	5.8%
Leesburg	386	4,633,452	0.5%	8	125,399	0.4%	0	0	0.0%	9.4%
Life Sciences Center-Gaithersburg Crown	92	8,015,398	0.8%	14	905,440	2.7%	0	0	0.0%	0.0%
Loudoun Gateway Station	4	704,393	0.1%	0	0	0.0%	0	0	0.0%	6.7%
Manassas Park	62	1,436,391	0.1%	0	0	0.0%	0	0	0.0%	9.5%
McLean	159	2,558,750	0.3%	1	76,343	0.2%	0	0	0.0%	1.5%
McMillan-Old Soldiers Home	61	1,163,980	0.1%	1	1,500	0.0%	0	0	0.0%	3.5%
Minnesota Ave	180	1,445,066	0.1%	1	2,790	0.0%	1	196,343	2.6%	8.6%
Monumental Core	39	11,553,744	1.2%	0	0	0.0%	0	0	0.0%	0.7%
National Harbor	13	3,674,307	0.4%	0	0	0.0%	0	0	0.0%	1.1%
Naylor-Southern Ave	58	1,077,331	0.1%	0	0	0.0%	1	110,000	1.5%	17.9%
New Carrollton	150	5,336,823	0.5%	0	0	0.0%	1	145,562	2.0%	8.3%
New York Avenue Corridor	245	4,923,308	0.5%	2	256,408	0.8%	0	0	0.0%	0.0%
NIH-Walter Reed National Military Medical Ctr	3	40,621	0.0%	0	0	0.0%	0	0	0.0%	8.5%
NoMa	465	13,145,580	1.3%	6	1,500,588	4.5%	0	0	0.0%	9.8%
North Woodbridge	117	1,369,719	0.1%	1	25,000	0.1%	0	0	0.0%	3.1%
Olney	74	1,330,999	0.1%	4	77,572	0.2%	0	0	0.0%	5.4%
Oxon Hill	85	1,828,351	0.2%	0	0	0.0%	0	0	0.0%	0.0%
Pentagon	0	0	0.0%	0	0	0.0%	0	0	0.0%	2.1%
Pentagon City	13	3,534,101	0.4%	0	0	0.0%	0	0	0.0%	4.6%
Poplar Point	178	1,470,601	0.1%	1	46,000	0.1%	0	0	0.0%	2.9%
Port Towns	354	4,055,570	0.4%	0	0	0.0%	0	0	0.0%	1.3%
Potomac Shores	14	392,278	0.0%	0	0	0.0%	2	187,500	2.5%	0.8%
Potomac Town Center	76	4,142,524	0.4%	8	306,851	0.9%	1	2,956	0.0%	13.9%
Potomac Yard	136	2,185,096	0.2%	1	15,000	0.0%	0	0	0.0%	11.9%
Prince George's Plaza	30	3,504,350	0.4%	0	0	0.0%	1	94,000	1.3%	10.9%
Reston Town Center	96	12,363,109	1.2%	1	175,000	0.5%	0	0	0.0%	20.9%
Rhode Island Ave Metro	130	2,413,633	0.2%	2	73,350	0.2%	0	0	0.0%	18.2%
Rock Spring	51	6,880,719	0.7%	1	66,000	0.2%	1	25,000	0.3%	10.8%
Rockville King Farm-Research Ctr-Shady Grove	47	1,282,411	0.1%	0	0	0.0%	0	0	0.0%	36.0%
Rockville Montgomery College	120	3,302,347	0.3%	0	0	0.0%	0	0	0.0%	9.7%
Rockville Tower Oaks	10	876,889	0.1%	0	0	0.0%	4	92,183	1.2%	8.9%
Rockville Town Center	156	3,732,854	0.4%	3	369,220	1.1%	1	5,025	0.1%	28.3%
Rockville Twinbrook	213	7,379,330	0.7%	4	542,266	1.6%	0	0	0.0%	8.1%
Rosslyn	59	10,622,002	1.1%	2	673,916	2.0%	2	103,254	1.4%	12.3%
Route 28 Central	120	6,552,751	0.7%	2	98,434	0.3%	0	0	0.0%	7.7%
Route 28 North	0	0	0.0%	0	0	0.0%	0	0	0.0%	23.5%
Route 28 South	108	4,505,631	0.5%	2	202,218	0.6%	0	0	0.0%	8.1%
Seven Corners	56	2,176,313	0.2%	2	117,000	0.4%	0	0	0.0%	13.9%
Shirlington	9	836,507	0.1%	0	0	0.0%	1	26,400	0.4%	5.9%
Silver Spring	358	11,057,040	1.1%	1	32,000	0.1%	1	98,000	1.3%	4.3%
Southwest Waterfront	71	4,120,105	0.4%	1	391,605	1.2%	0	0	0.0%	0.9%
Springfield	121	5,840,857	0.6%	2	92,257	0.3%	0	0	0.0%	8.0%
St. Elizabeths	28	386,270	0.0%	0	0	0.0%	1	3,360	0.0%	6.3%
Stadium Armory	101	981,566	0.1%	1	10,915	0.0%	0	0	0.0%	14.3%
Suitland	72	643,613	0.1%	1	4,304	0.0%	0	0	0.0%	16.3%
Takoma Park	80	782,737	0.1%	1	15,000	0.0%	1	266,513	3.6%	14.8%
Tysons Central 123	137	17,301,883	1.7%	3	832,547	2.5%	0	0	0.0%	16.0%
Tysons Central 7	42	6,629,035	0.7%	0	0	0.0%	0	0	0.0%	2.4%
Tysons East	32	4,406,988	0.4%	0	0	0.0%	0	0	0.0%	1.2%
Tysons West	82	5,933,911	0.6%	2	165,662	0.5%	1	81,000	1.1%	4.0%
U-14th Street Corridor	527	4,034,288	0.4%	5	224,092	0.7%	3	14,284	0.2%	10.0%
Urbana	55	595,522	0.1%	4	431,898	1.3%	0	0	0.0%	10.1%
Vienna	2	416,324	0.0%	0	0	0.0%	0	0	0.0%	10.7%
Virginia Square	46	2,345,969	0.2%	1	4,000	0.0%	0	0	0.0%	4.2%
Waldorf	339	7,183,077	0.7%	2	33,159	0.1%	0	0	0.0%	0.8%
Walter Reed	122	782,357	0.1%	0	0	0.0%	1	2,929	0.0%	22.3%
West End	104	13,945,197	1.4%	2	512,775	1.6%	0	0	0.0%	6.3%
West Hyattsville Metro	60	1,080,470	0.1%	0	0	0.0%	0	0	0.0%	12.5%
Westphalia	15	765,537	0.1%	1	69,567	0.2%	0	0	0.0%	5.9%
Wheaton	164	2,928,385	0.3%	3	212,080	0.6%	0	0	0.0%	19.2%
White Flint	148	6,093,790	0.6%	5	795,824	2.4%	0	0	0.0%	9.3%
White Oak-FDA	96	4,455,857	0.4%	1	12,956	0.0%	0	0	0.0%	4.8%
Wiehle-Reston East	138	9,238,591	0.9%	1	115,000	0.3%	0	0	0.0%	15.5%
Yorkshire	75	663,951	0.1%	1	20,674	0.1%	0	0	0.0%	7.5%
Regional Total	*32,389*	*994,974,535*	*100.0%*	*523*	*33,042,661*	*100.0%*	*126*	*7,411,000*	*100.0%*	*10.8%*

Source: CoStar, COG

Metrorail Station Areas

Since 2011, 48 of the Washington Metropolitan Area Transit Authority's 91 Metrorail stations have had at least one project sited within a half mile of a station entrance. The Mt Vernon Sq 7th St-Convention Center station area was the most active; its 2.2 million square feet of space from six projects represented 5.5 percent of all new commercial space in the entire region.

Ninety-two projects, totaling a combined 13.9 million square feet of rentable space, were completed in Metrorail station areas between 2011 and 2014, accounting for 42 percent of all square footage of commercial construction during that time. Metrorail's share of construction fell to 27 percent in 2015, from 28 projects totaling two million square feet.

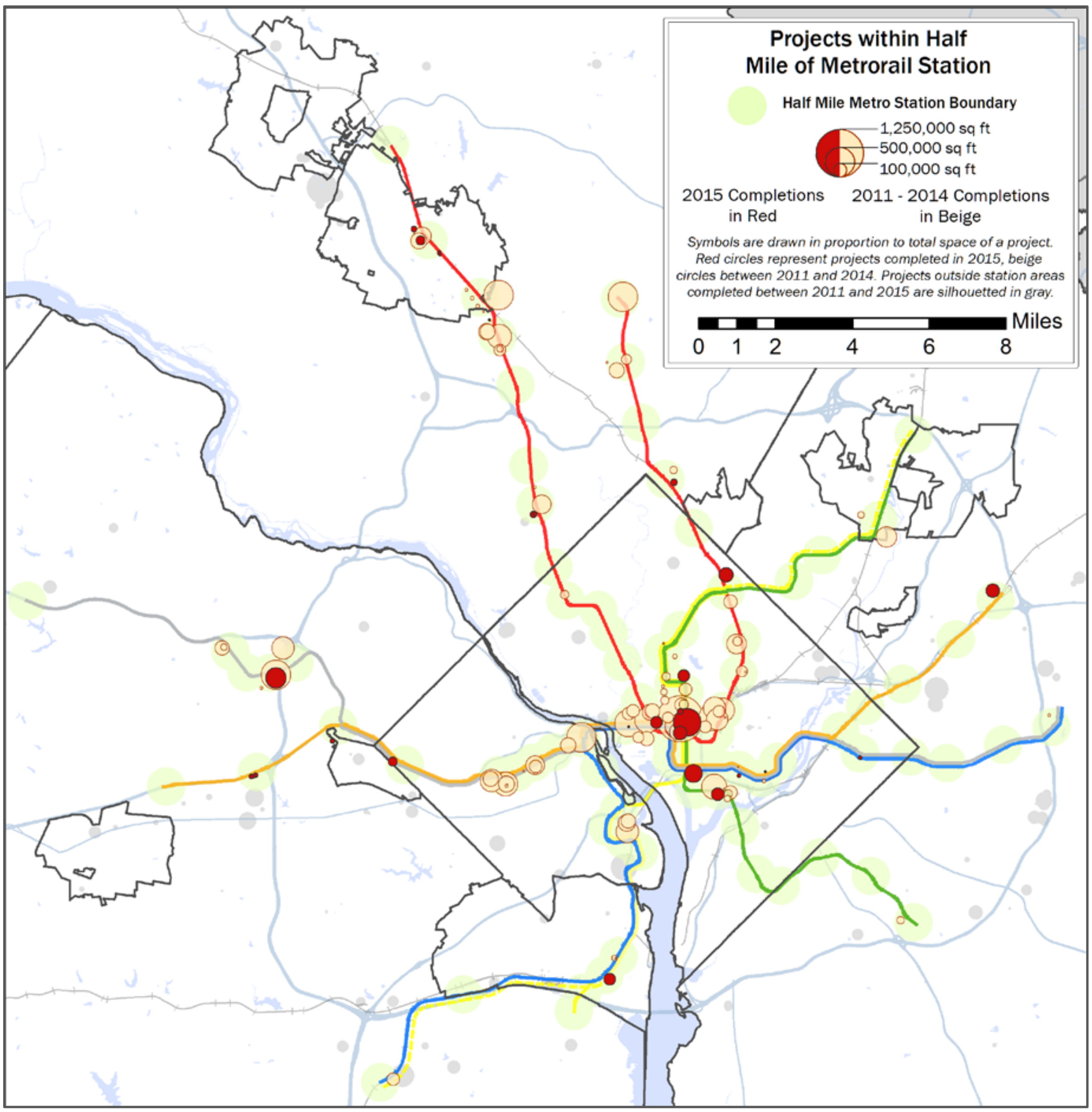


Figure 9

Source: CoStar, COG

Figure 10. Metrorail Station Totals

Metrorail Station Area	2011 -2014 Completions			2015 Completions			State
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	
Ballston-MU	6	982,124	3.0%	0	0	0.0%	VA
Benning Road	0	0	0.0%	1	12,032	0.2%	DC
Bethesda	2	231,426	0.7%	2	40,342	0.5%	MD
Braddock Road	2	23,000	0.1%	0	0	0.0%	VA
Branch Ave	1	38,000	0.1%	0	0	0.0%	MD
Brookland-CUA	2	298,000	0.9%	0	0	0.0%	DC
Clarendon	2	306,007	0.9%	0	0	0.0%	VA
College Park-U of MD	2	299,362	0.9%	0	0	0.0%	MD
Columbia Heights	3	20,305	0.1%	0	0	0.0%	DC
Crystal City	1	308,898	0.9%	0	0	0.0%	VA
Dunn Loring-Merrifield	0	0	0.0%	3	44,255	0.6%	VA
Dupont Circle	1	99,150	0.3%	0	0	0.0%	DC
East Falls Church	0	0	0.0%	1	52,988	0.7%	VA
Eastern Market	1	1,046	0.0%	1	9,755	0.1%	DC
Farragut North	3	690,258	2.1%	0	0	0.0%	DC
Farragut West	2	204,101	0.6%	0	0	0.0%	DC
Federal Center SW	0	0	0.0%	1	196,343	2.6%	DC
Foggy Bottom-GWU	2	536,230	1.6%	1	2,929	0.0%	DC
Fort Totten	1	121,608	0.4%	1	130,000	1.8%	DC
Franconia-Springfield	1	95,000	0.3%	0	0	0.0%	VA
Gallery Pl-Chinatown	2	9,040	0.0%	1	113,218	1.5%	DC
Glenmont	1	527,192	1.6%	0	0	0.0%	MD
King St-Old Town	0	0	0.0%	1	87,855	1.2%	VA
Largo Town Center	1	6,500	0.0%	0	0	0.0%	MD
McLean	1	296,257	0.9%	0	0	0.0%	VA
McPherson Square	1	75,000	0.2%	1	91,000	1.2%	DC
Metro Center	3	745,212	2.3%	0	0	0.0%	DC
Mt Vernon Sq 7th St-Convention Ctr	4	1,724,241	5.2%	2	498,977	6.7%	DC
Navy Yard-Ballpark	5	580,105	1.8%	1	98,000	1.3%	DC
New Carrollton	0	0	0.0%	1	110,000	1.5%	MD
NoMa-Gallaudet	6	1,500,588	4.5%	0	0	0.0%	DC
Pentagon	2	322,000	1.0%	0	0	0.0%	VA
Potomac Ave	1	10,915	0.0%	1	3,360	0.0%	DC
Rhode Island Ave-Brentwood	2	73,350	0.2%	0	0	0.0%	DC
Rockville	2	365,800	1.1%	4	92,183	1.2%	MD
Rosslyn	2	673,916	2.0%	0	0	0.0%	VA
Shaw-Howard U	1	98,243	0.3%	0	0	0.0%	DC
Silver Spring	1	32,000	0.1%	1	26,400	0.4%	MD
Spring Hill	2	165,662	0.5%	0	0	0.0%	VA
Tenleytown-AU	1	40,828	0.1%	0	0	0.0%	DC
Twinbrook	5	546,436	1.7%	0	0	0.0%	MD
Tysons Corner	2	536,290	1.6%	1	266,513	3.6%	VA
U Street/Afro-Amer Civil War Mem/Cardozo	4	125,849	0.4%	1	81,000	1.1%	DC
Union Station	1	93,140	0.3%	0	0	0.0%	DC
Virginia Square-GMU	1	4,000	0.0%	0	0	0.0%	VA
West Falls Church-VT/UVA	0	0	0.0%	1	16,867	0.2%	VA
Wheaton	3	212,080	0.6%	0	0	0.0%	MD
White Flint	6	799,224	2.4%	1	3,400	0.0%	MD
DC Metrorail Station Area Totals	46	7,047,209	21.3%	12	1,236,614	16.7%	DC
MD Metrorail Station Area Totals	24	3,058,020	9.3%	9	272,325	3.7%	MD
VA Metrorail Station Area Totals	22	3,713,154	11.2%	7	468,478	6.3%	VA
Inside Metrorail Station Areas Total	92	13,818,383	41.8%	28	1,977,417	26.7%	--
Outside Metrorail Station Areas Total	431	19,224,278	58.2%	98	5,433,583	73.3%	--
Regional Total	523	33,042,661	100.0%	126	7,411,000	100.0%	--

Note: Station areas with no construction between 2011 and 2015 are omitted

Source: CoStar, COG

Commuter Rail Station Areas

Most of the construction near MARC or VRE stations occurred at those that also had a Metrorail station. From 2011 to 2014, 15 projects with 1.6 million square feet of space were completed within a half mile of a commuter rail station. However, only six of those projects, totaling 170,055 square feet, were in station areas that weren't also serviced by Metrorail. Backlick Road VRE was the station with the largest such project.

In 2015, commuter rail station areas received 518,781 square feet of new space from nine projects, all of which in places that also had a Metrorail station.

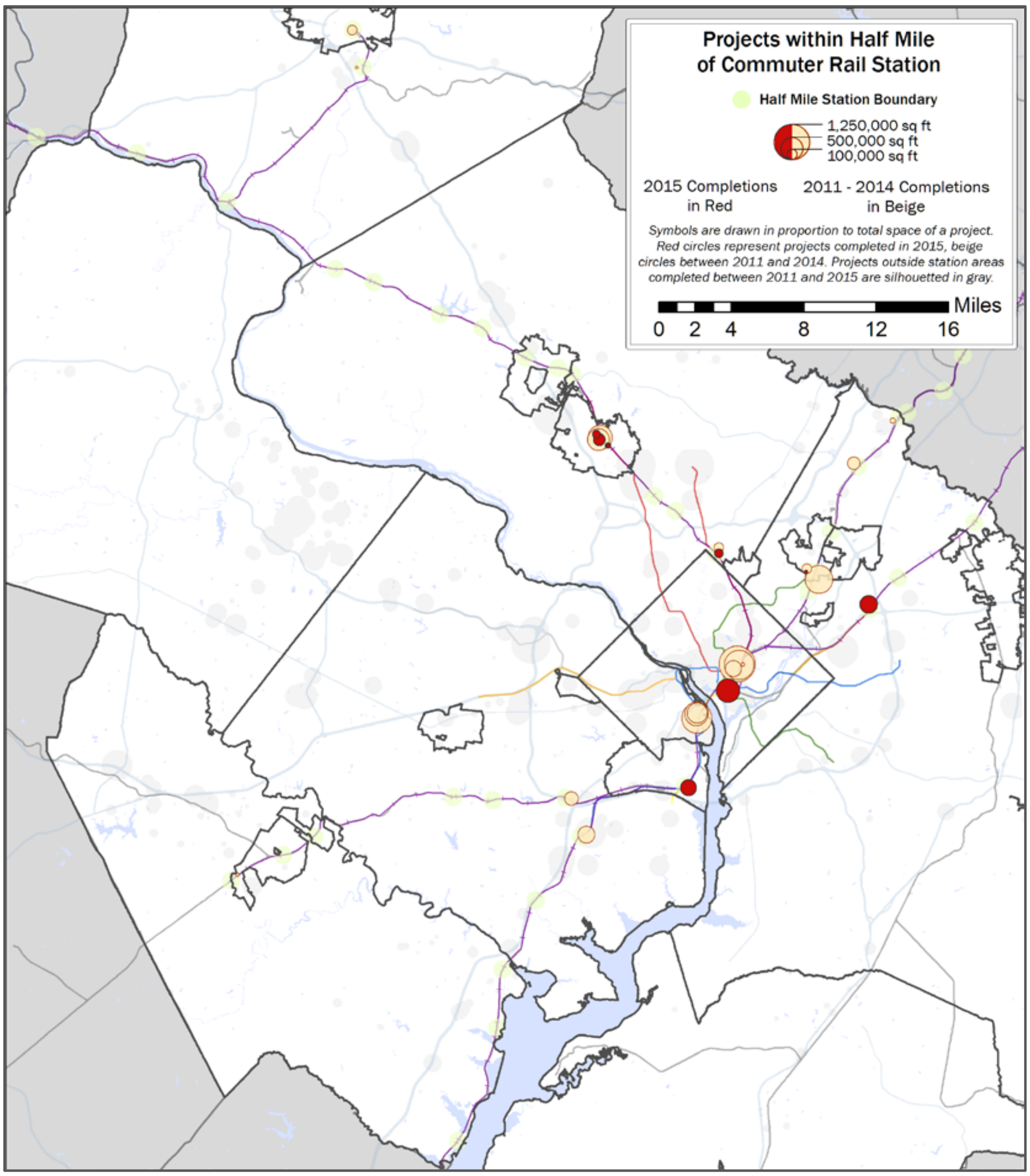


Figure 11

Source: CoStar, COG

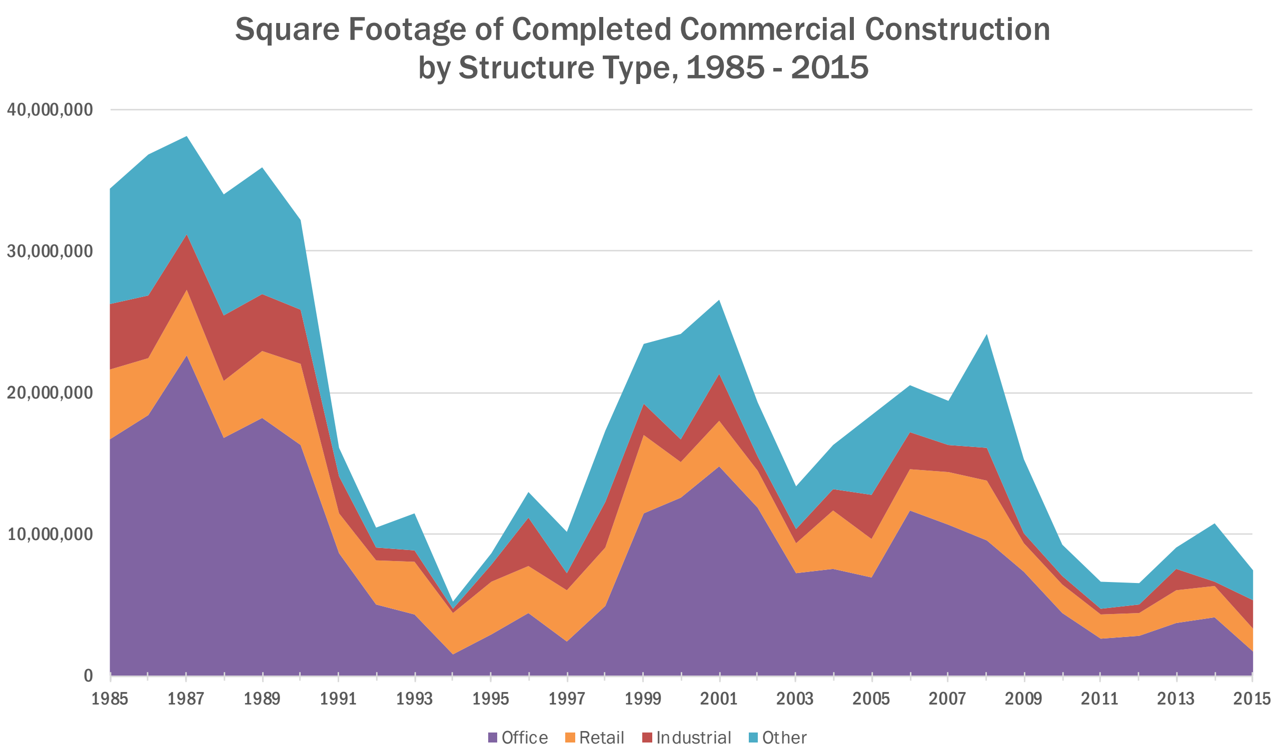
Commercial Construction by Structure Type

Industrial buildings were the only structure type to see an increase in new space from 2014 to 2015 and became the market sector with the most construction for the first time since 1950. The office market had been the leader in new construction in the region every year since 1997.

Figure 12. Square Foot of New Construction by Structure Type

Structure Type	2011 - 2014			2015		
	Projects	Square Feet	Percent of Total	Projects	Square Feet	Percent of Total
Office	103	13,209,791	40.0%	28	1,697,736	22.9%
Retail	314	7,936,570	24.0%	56	1,594,412	21.5%
Industrial	39	2,823,481	8.5%	18	2,100,689	28.3%
Flex	22	3,075,953	9.3%	6	373,073	5.0%
Health Care	11	1,001,759	3.0%	4	401,136	5.4%
Hospitality	18	3,611,490	10.9%	10	1,076,211	14.5%
Specialty	15	1,351,617	4.1%	4	167,743	2.3%
Sports & Entertainment	1	32,000	0.1%	0	0	0.0%

Source: CoStar, COG



Source: CoStar, COG

Figure 13

Office Construction

Construction of new office space declined by 59 percent from 2014 to 2015. From 2011 to 2014, 13.2 million square feet of office space was completed from 103 projects. Twenty-eight new office projects were completed in 2015 with a combined total of 1.7 million new square feet of rentable space. This figure represents the smallest total since 1994. The overall regional vacancy rate for office space was 14.9 percent at the end of 2015.

The 11-story, 478,882 square foot office building at 601 Massachusetts Ave NW near the Mount Vernon Square Metro station was the largest project in the entire region in 2015.

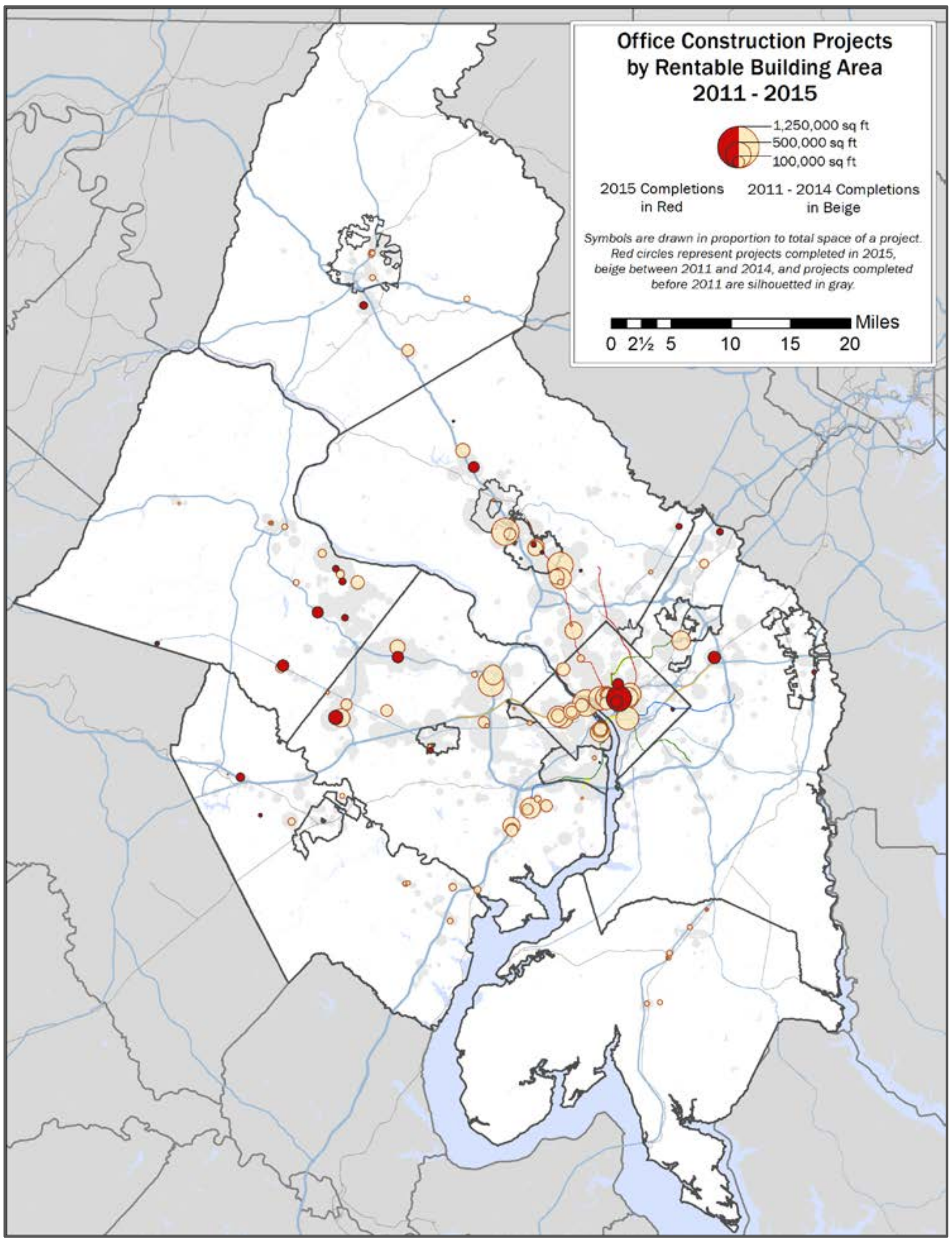
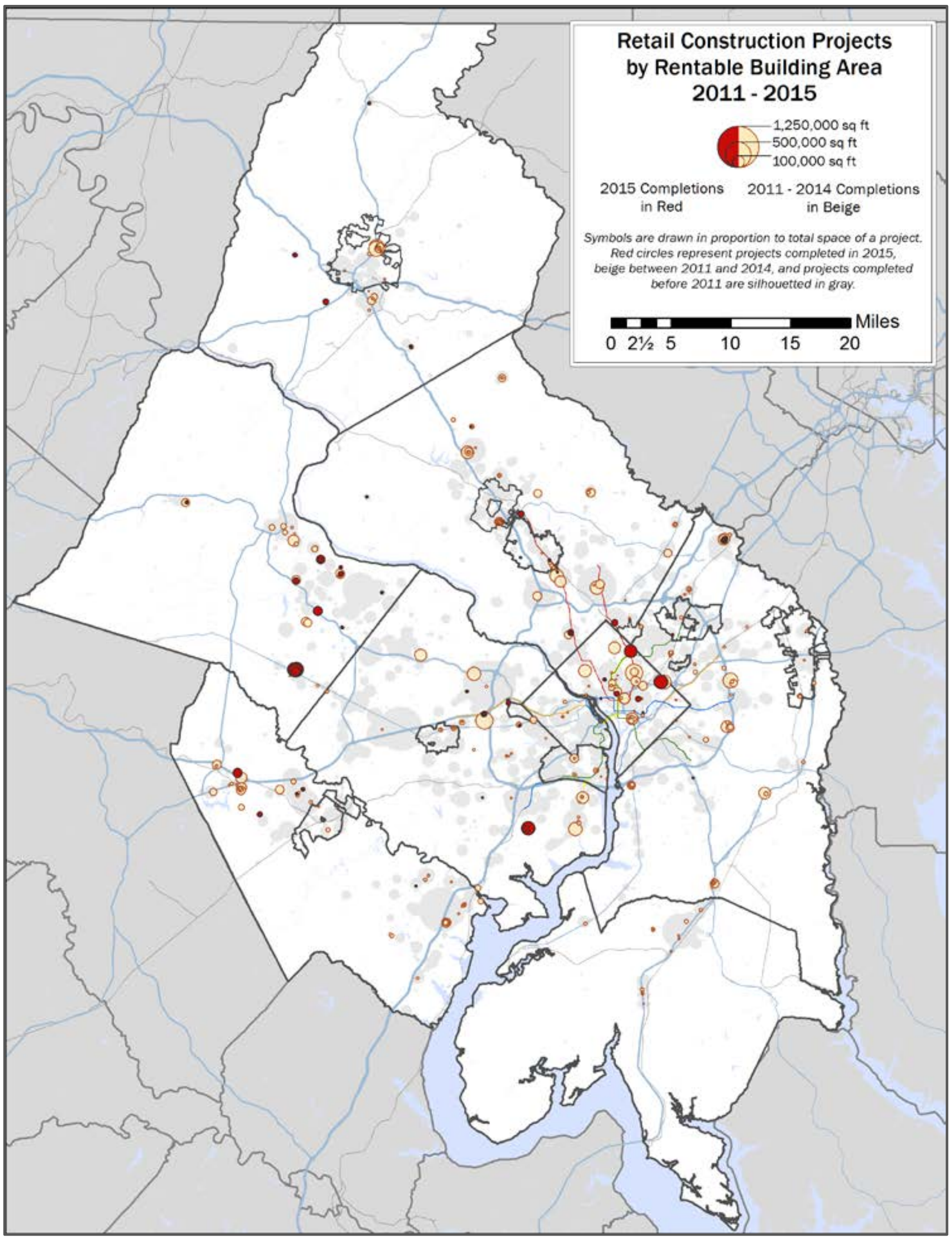


Figure 14 Source: CoStar, COG

Retail Construction

Construction of new retail space declined by 28 percent from 2014 to 2015. From 2011 to 2014, 7.9 million square feet of retail space was completed from 314 projects. Fifty-six new retail projects were completed in 2015 with a combined total of 1.6 million new square feet of rentable space. The overall regional vacancy rate for retail space was 4.5 percent at the end of 2015.

The 153,037 square foot Dulles Landing Shopping Center located within the Arcola Activity Center in Loudoun County was the largest retail project in 2015.



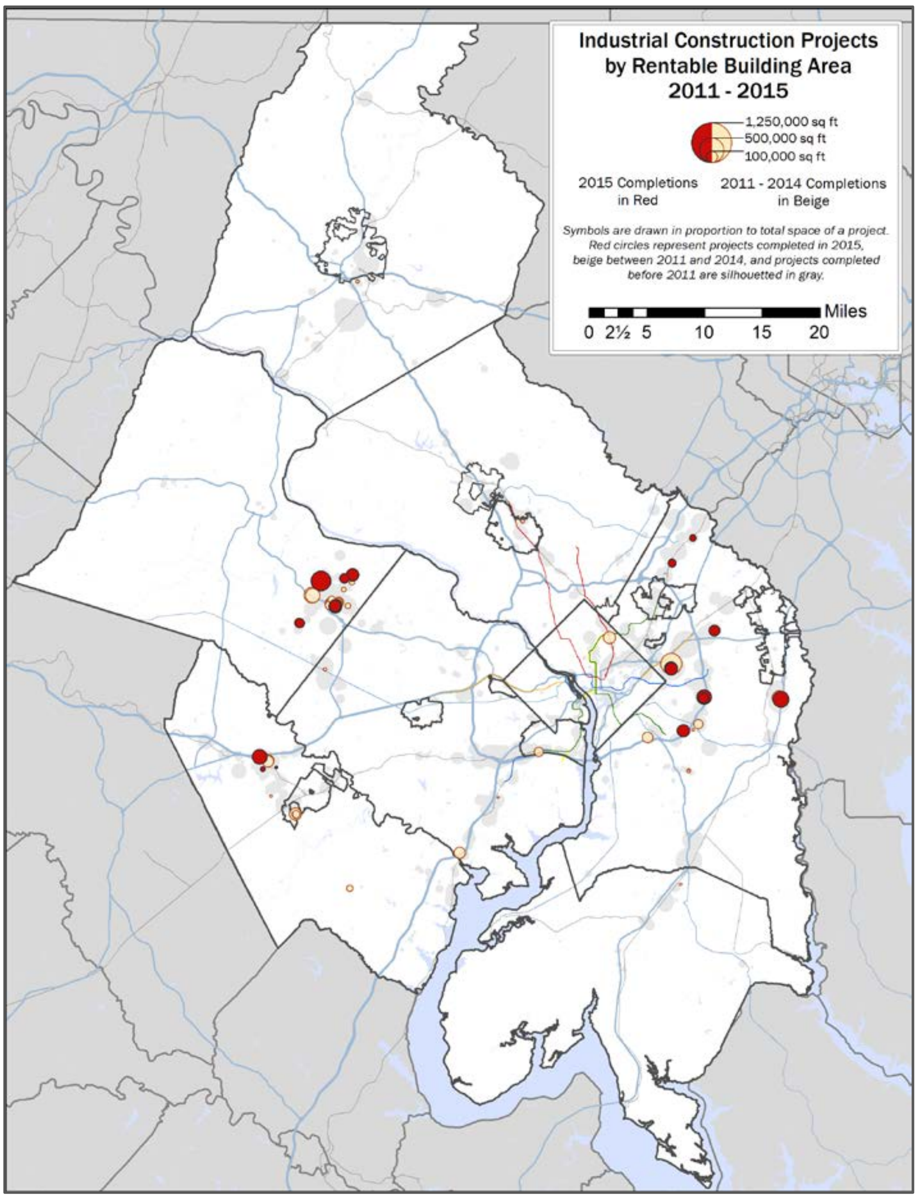
Source: CoStar, COG

Figure 15

Industrial Construction

Construction of new industrial space increased by 478 percent from 2014 to 2015. From 2011 to 2014, 2.8 million square feet of industrial space was completed from 39 projects. Eighteen new industrial projects were completed in 2015 with a combined total of 2.1 million new square feet of rentable space—the highest total since 2008. The overall regional vacancy rate for industrial space was 7.5 percent at the end of 2015.

Warehouses and Data Centers accounted for the majority of industrial construction. ACC7 Phase 2, a 320,000 square foot data center in Ashburn, Loudoun County was the largest industrial project in 2015.



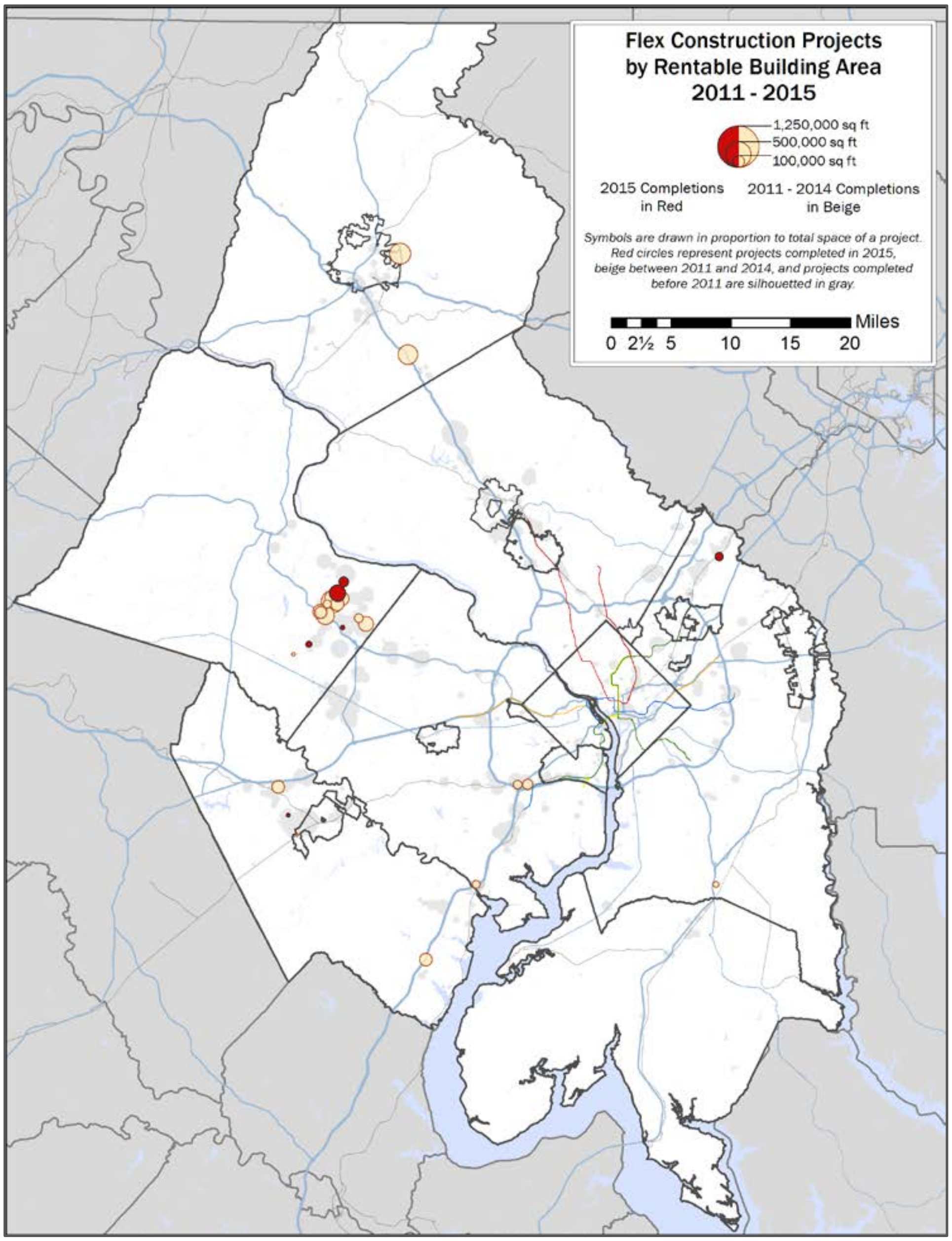
Source: CoStar, COG

Figure 16

Flex Space Construction

Construction of new flex space decreased by 478 percent from 2014 to 2015. From 2011 to 2014, 3.1 million square feet of flex space was completed from 22 projects. Six new flex space projects were completed in 2015 with a combined total of 373,073 new square feet of rentable space. The overall regional vacancy rate for flex space was 11.3 percent at the end of 2015.

Ashburn Crossing COPT Data Center Phase I, a 200,000 square foot data center in Ashburn, Loudoun County was the largest flex space project in 2015.



Source: CoStar, COG

Figure 17

Healthcare Construction

Construction of new healthcare space decreased by 42 percent from 2014 to 2015. From 2011 to 2014, one million square feet of healthcare space was completed from 11 projects. Four new healthcare projects were completed in 2015 with a combined total of 401,136 new square feet of rentable space.

The Mid-County Human Services Center, a 200,000 square foot rehabilitation center in the Dunn Loring-Merrifield Activity Center in Fairfax County was the largest healthcare project in 2015.

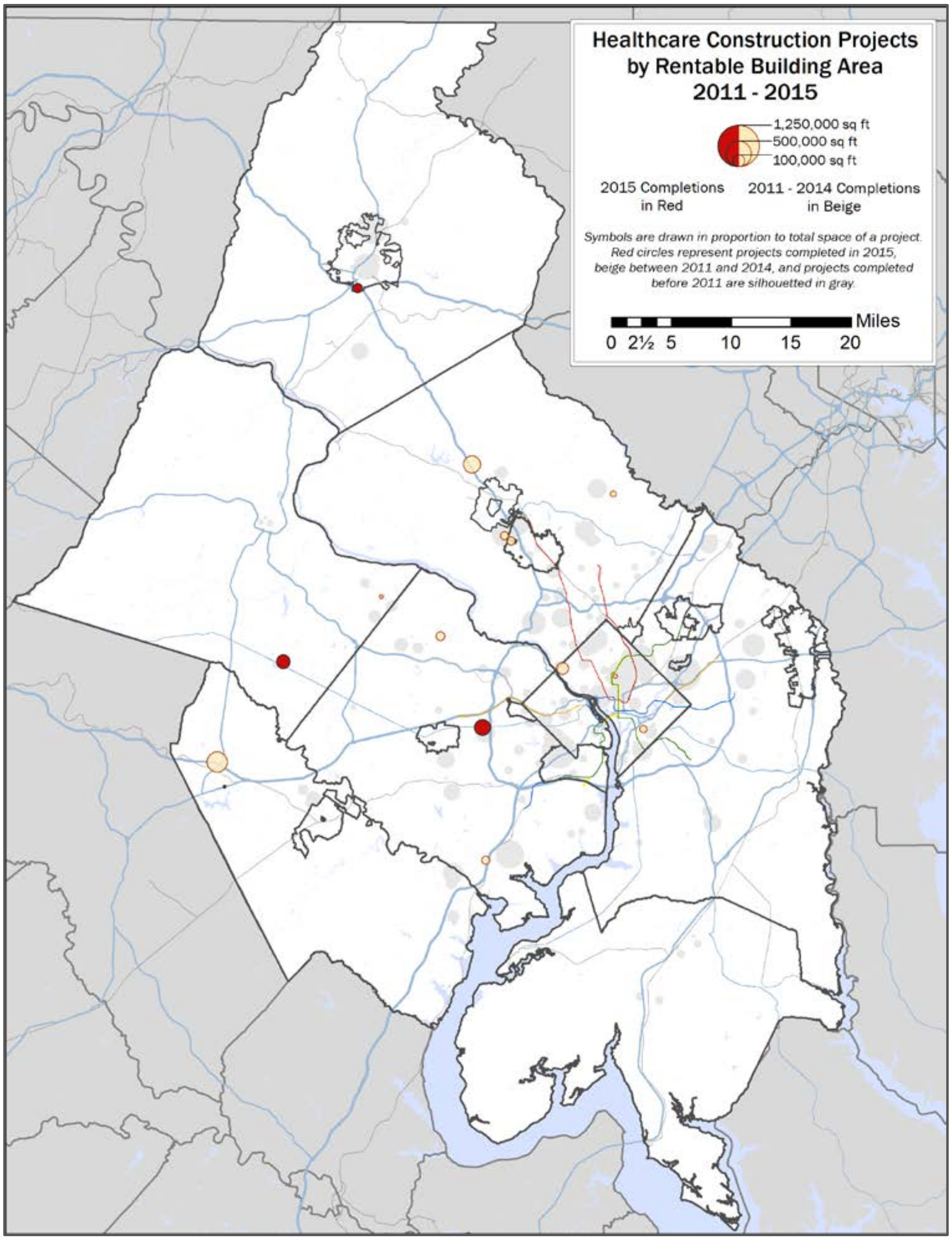


Figure 18 Source: CoStar, COG

Hospitality Construction

Construction of new hospitality space decreased by 42 percent from 2014 to 2015. From 2011 to 2014, 3.6 million square feet of hospitality space were completed from 18 projects. Ten new hospitality projects were completed in 2015 with 1.1 million total square feet of rentable space.

The Hyatt Regency at Tysons Corner Center, an 18-story, 266,513 square foot hotel near the Tysons Corner Metrorail station in Fairfax County was the largest hospitality project in 2015. Completed in 2014, the 14-story, 1.3 square foot Marriot Marquis hotel near the Mt Vernon Square 7th St-Convention Center in the District of Columbia is the largest project of any structure type built since 2011.

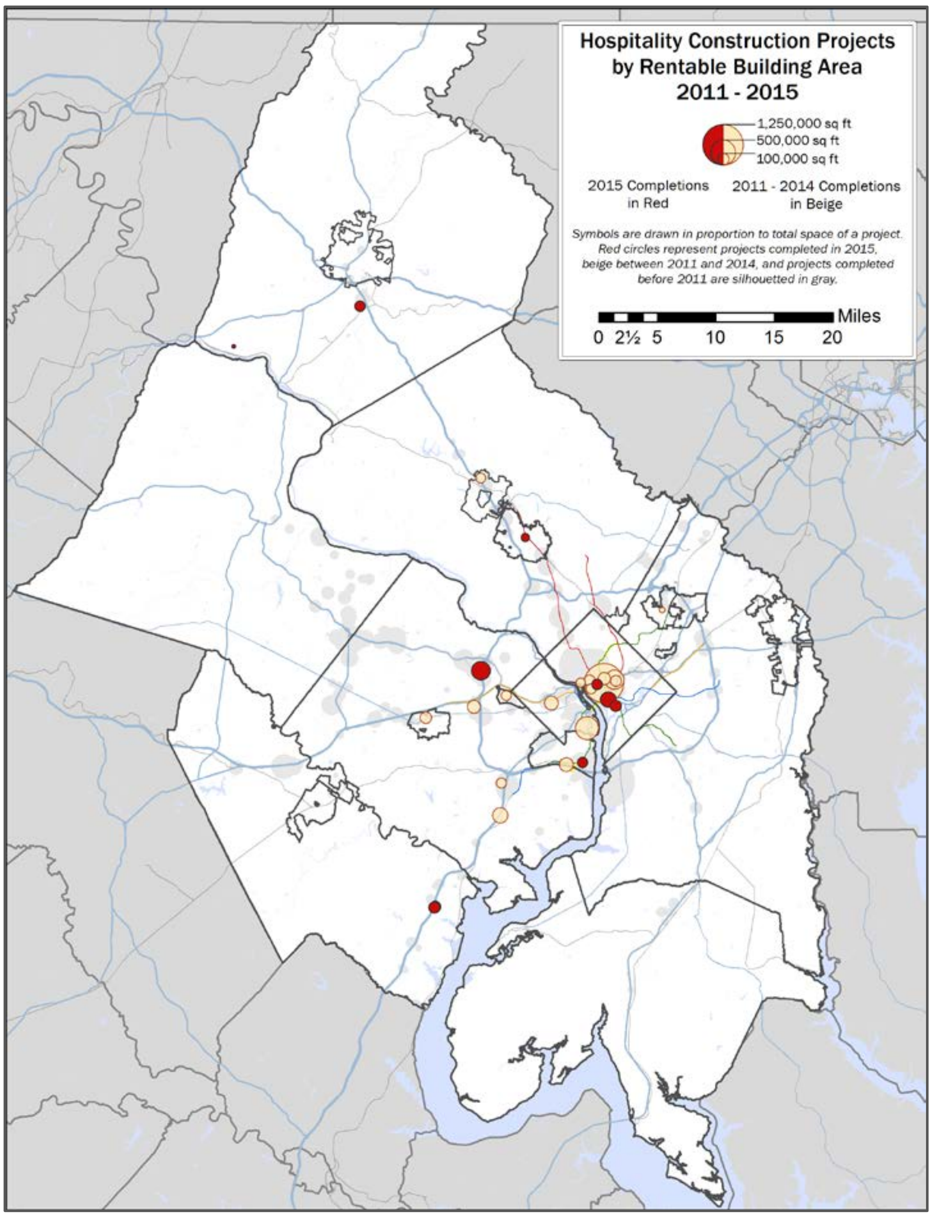


Figure 19

Source: CoStar, COG

Commercial Construction by State

The District of Columbia added 68 new projects and about eight million square feet of new space between 2011 and 2014. The District added 15 projects in 2015, totaling 1.4 million square feet. Total square footage of new commercial space in the District declined by more than 63 percent from 2014.

Between 2011 to 2014, 218 new projects and about 9.8 million square feet of new space were added to Suburban Maryland jurisdictions. Forty-six new projects with 1.9 million square feet of total space were added in 2015. In Maryland, total square footage of new commercial space declined by about 62 percent from 2014.

Northern Virginia jurisdictions added 237 new projects and about 15.3 million square feet of new space between 2011 and 2014. Sixty-five new projects were added in 2015, totaling 4.1 million square feet. Total square footage of new commercial space in Virginia increased by 12 percent from 2014.

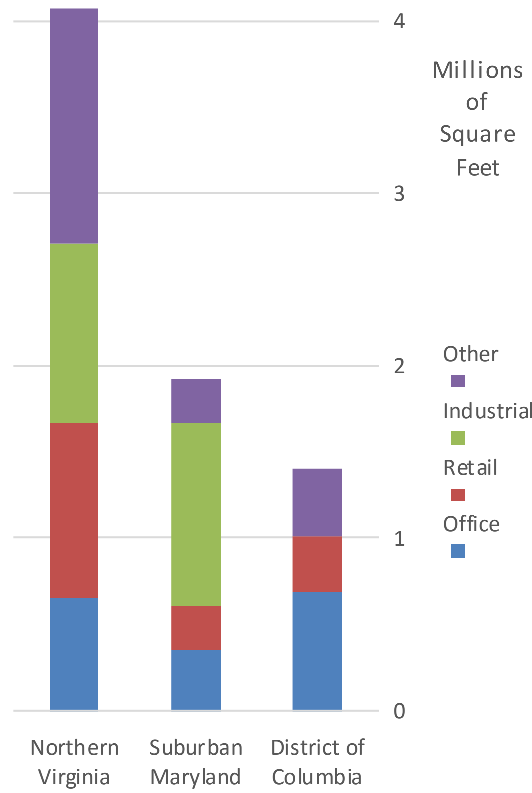


Figure 20. 2015 Projects by Rentable Building Area

Source: CoStar, COG

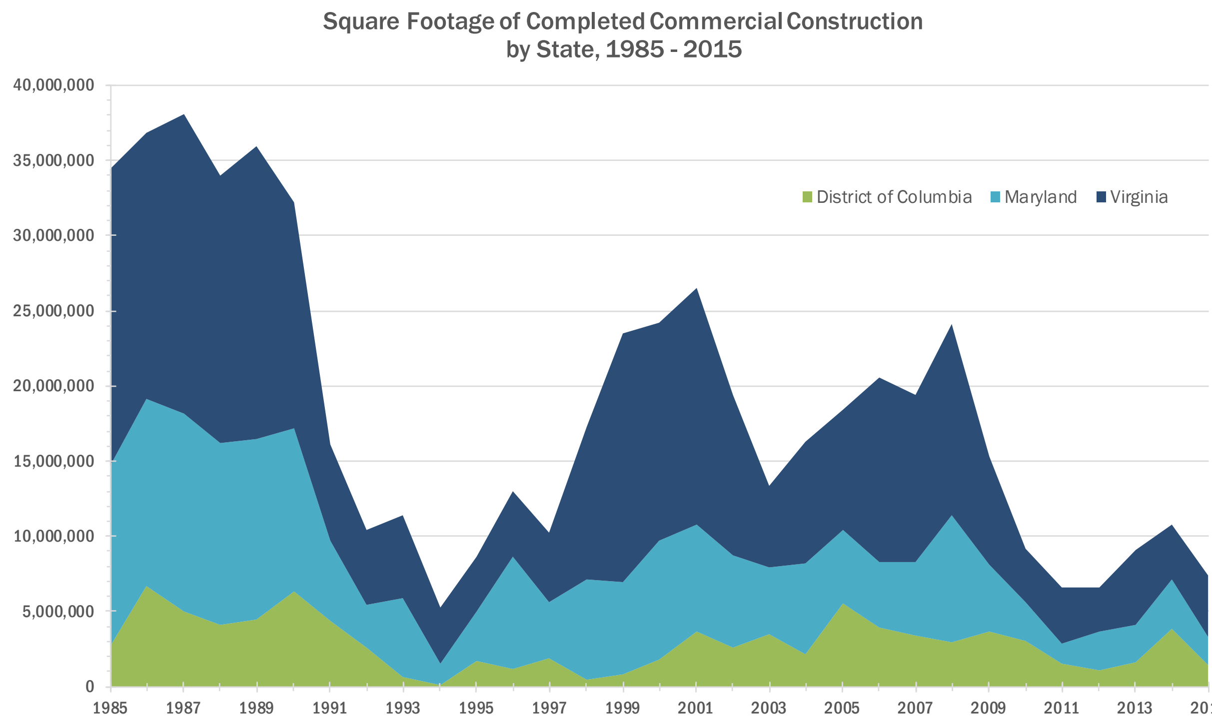


Figure 21

Note: This stacked area chart shows cumulative values

Source: CoStar, COG

Commercial Construction by Regional "Ring"

COG groups jurisdictions into three "rings" for analysis purposes. The Central jurisdictions— the District of Columbia, Alexandria and Arlington—added 97 new projects and about 11.6 million square feet of new space between 2011 and 2014. These jurisdictions added 20 projects in 2015, totaling 1.7 million square feet. Total square footage of new commercial space in Central Jurisdictions declined by 61 percent from 2014. At the end of 2015, the vacancy rate for Central jurisdictions was 11.6 percent.

Between 2011 to 2014, 233 new projects and about 8.5 million square feet of space were added to the Inner Suburban jurisdictions of Fairfax, Montgomery, and Prince George's County counties, Falls Church, and Fairfax City. Fifty-seven projects with 3.5 million square feet of space were added in 2015. Total square footage of new commercial space declined by about 37 percent from 2014. The overall vacancy rate for Inner jurisdictions was 11.5 percent at the end of 2015.

The Outer jurisdictions of Charles, Frederick, Loudoun and Prince William Counties, Manassas, and Manassas Park added 193 projects and 33 million square feet of space from 2011 to 2014. Sixty-one projects were added in 2015, totaling 8.3 million square feet. New commercial increased by 33 percent from 2014. At the end of 2015, the vacancy rate for Outer jurisdictions was 7.9 percent.

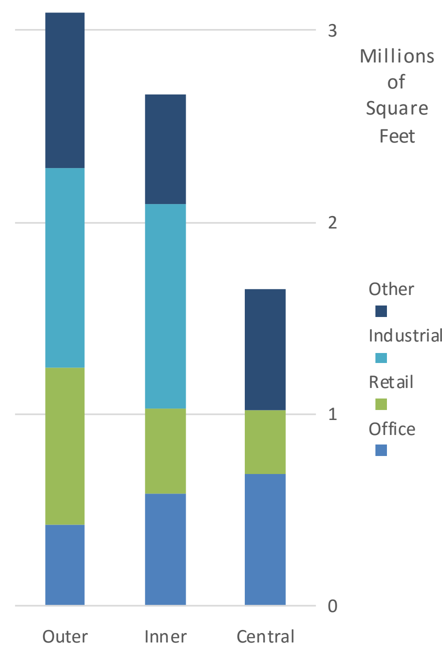


Figure 22. 2015 Projects by Rentable Building Area

Source: CoStar, COG

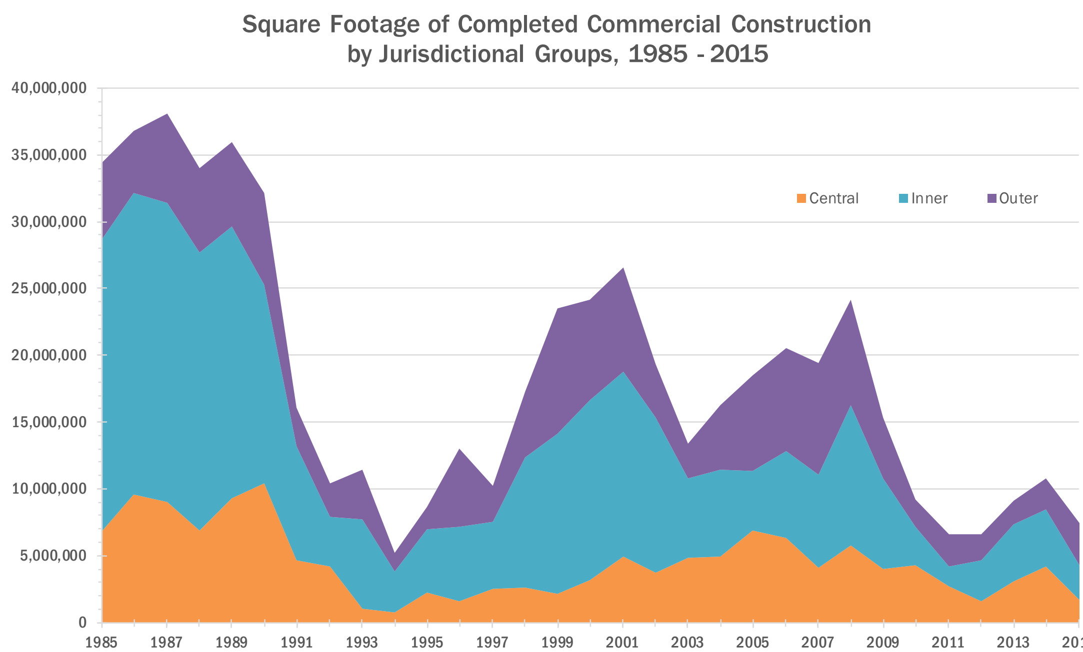


Figure 23

Note: This stacked area chart shows cumulative values

Source: CoStar, COG

Commercial Construction by Jurisdiction

In 2015, Loudoun County led the region with 32 projects and 2.3 million square feet of new space, a 109 percent increase from 2014. The county accounted for 31 percent of all commercial space constructed in 2015. The District of Columbia was the jurisdiction with the most commercial construction between 2011 and 2014 with eight million square feet of new space from 68 projects.

Bowie, Greenbelt, and Manassas Park are the only jurisdictions with no construction in the past five years, while Charles County was the sole county to have no new commercial buildings in 2015.

Figure 24 Commercial Construction Totals for Each COG Member Jurisdiction

Jurisdiction	Built Prior to 2011			2011 -2014 Completions			2015 Completions			Estimated 2015 Year
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	End Vacancy Rate
District of Columbia	**7,407**	**220,958,356**	**22.1%**	**68**	**8,021,609**	**24.3%**	**15**	**1,408,776**	**19.0%**	**10.0%**
Suburban Maryland Jurisdictions										
Charles	985	15,817,890	1.6%	24	220,506	0.7%	0	0	0.0%	9.5%
Frederick	2,232	42,311,829	4.2%	33	1,586,839	4.8%	10	263,821	3.6%	8.9%
City of Frederick	*1,100*	*18,299,511*	*1.8%*	*20*	*1,010,670*	*3.1%*	*1*	*59,000*	*0.8%*	*9.6%*
Rest of County	*1,132*	*24,012,318*	*2.4%*	*13*	*576,169*	*1.7%*	*9*	*204,821*	*2.8%*	*5.5%*
Montgomery	4,455	146,357,096	14.7%	78	5,039,470	15.3%	16	314,889	4.2%	11.0%
Gaithersburg	*488*	*17,415,175*	*1.7%*	*14*	*279,143*	*0.8%*	*0*	*0*	*0.0%*	*9.8%*
Rockville	*518*	*20,934,198*	*2.1%*	*9*	*572,020*	*1.7%*	*5*	*97,208*	*1.3%*	*13.4%*
Takoma Park	*100*	*1,082,438*	*0.1%*	*2*	*18,600*	*0.1%*	*0*	*0*	*0.0%*	*7.2%*
Rest of County	*3,349*	*106,925,285*	*10.7%*	*53*	*4,169,707*	*12.6%*	*11*	*217,681*	*2.9%*	*10.1%*
Prince George's	5,734	137,825,466	13.8%	83	2,910,960	8.8%	20	1,349,364	18.2%	10.2%
College Park	*230*	*6,124,622*	*0.6%*	*4*	*337,334*	*1.0%*	*1*	*6,000*	*0.1%*	*4.7%*
Bladensburg	*97*	*3,571,364*	*0.4%*	*0*	*0*	*0.0%*	*0*	*0*	*0.0%*	*4.0%*
Bowie	*195*	*4,594,037*	*0.5%*	*2*	*9,418*	*0.0%*	*1*	*15,000*	*0.2%*	*9.1%*
Greenbelt	*89*	*1,070,203*	*0.1%*	*0*	*0*	*0.0%*	*0*	*0*	*0.0%*	*24.4%*
Rest of County	*5,123*	*122,465,240*	*12.3%*	*77*	*2,564,208*	*7.8%*	*18*	*1,328,364*	*17.9%*	*10.0%*
Maryland subtotal	**13,406**	**342,312,281**	**34.3%**	**218**	**9,757,775**	**29.5%**	**46**	**1,928,074**	**26.0%**	**10.4%**
Northern Virginia Jurisdictions										
Alexandria	1,477	38,520,723	3.9%	12	343,115	1.0%	2	90,811	1.2%	12.2%
Arlington	886	54,524,313	5.5%	17	3,210,905	9.7%	2	152,988	2.1%	17.3%
Fairfax	4,623	210,891,524	21.1%	63	4,749,973	14.4%	14	980,970	13.2%	12.8%
Fairfax City	249	7,186,766	0.7%	6	161,409	0.5%	1	20,664	0.3%	9.0%
Falls Church	256	3,628,511	0.4%	3	134,377	0.4%	0	0	0.0%	4.0%
Loudoun	1,840	64,275,293	6.4%	71	4,405,379	13.3%	32	2,268,317	30.6%	8.5%
Manassas City	332	6,918,791	0.7%	5	46,140	0.1%	0	0	0.0%	5.8%
Manassas Park	60	1,399,870	0.1%	0	0	0.0%	0	0	0.0%	4.2%
Prince William	1,886	47,097,955	4.7%	60	2,211,979	6.7%	14	560,400	7.6%	6.2%
Virginia subtotal	**11,609**	**434,443,746**	**43.5%**	**237**	**15,263,277**	**46.2%**	**65**	**4,074,150**	**55.0%**	**11.6%**
COG Region Total	**32,422**	**997,714,383**	**100.0%**	**523**	**33,042,661**	**100.0%**	**126**	**7,411,000**	**100.0%**	**10.8%**

Source: CoStar, COG

District of Columbia

Construction of new commercial space declined by 63 percent from 2014 to 2015. From 2011 to 2014, eight million square feet of new space was completed from 68 projects. Fifteen new projects were completed in 2015 with a combined total of 1.4 million new square feet of rentable space. The overall vacancy rate for the District was ten percent at the end of 2015.

The District hosts the largest project completed since 2010—the 14-story, 1.3 million square foot Marriot Marquis hotel near the Mt Vernon Sq 7th St-Convention Center Metrorail station in the Downtown DC Activity Center; the biggest commercial building in 2015—601 Mass Ave, an 11-story, 478,882 square foot office building—was again erected in the same neighborhood.

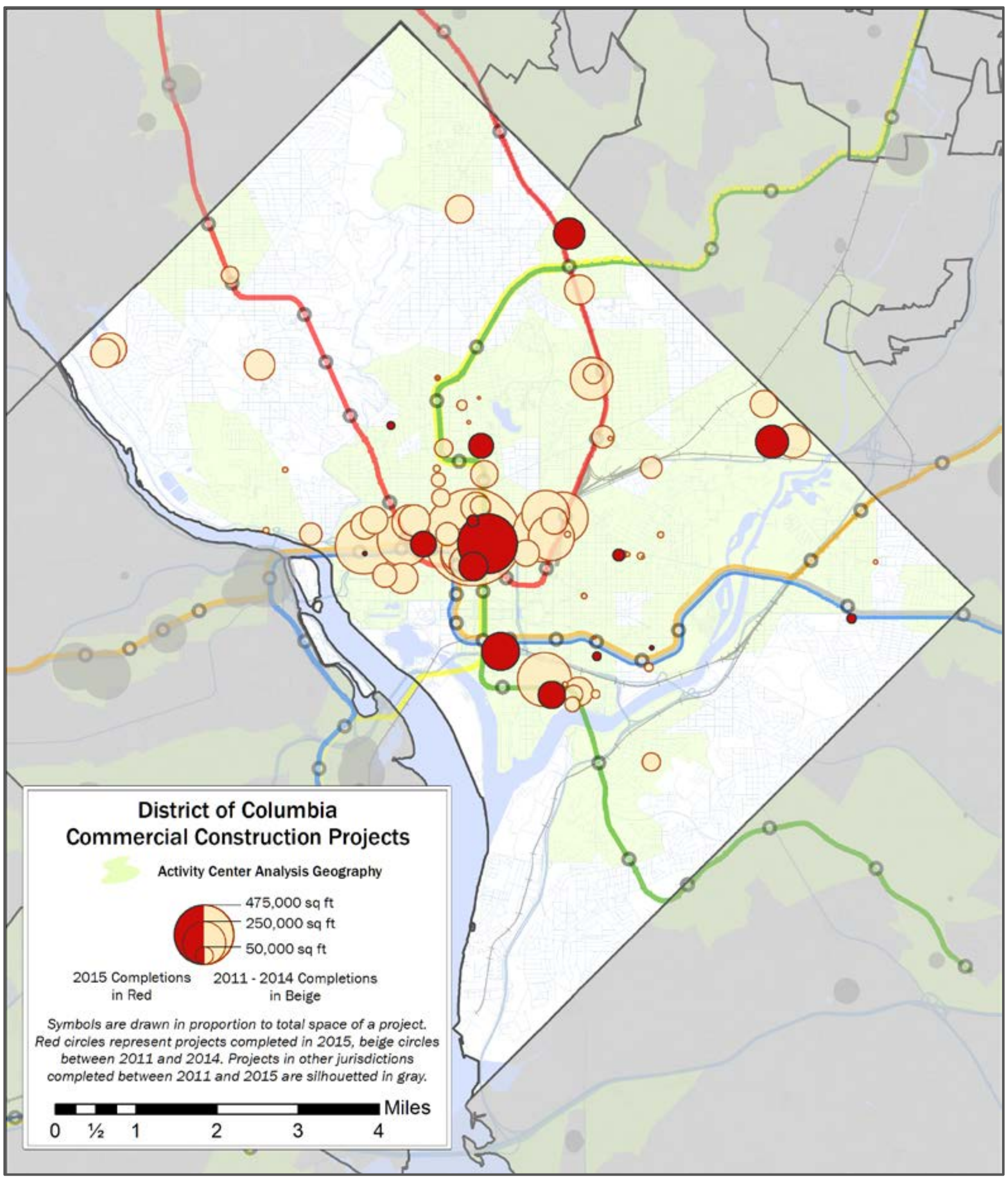


Figure 25 Source: CoStar, COG

Charles County

No new commercial buildings were completed in Charles County in 2015. From 2011 to 2014, Charles County represented one percent of all regional construction with 24 projects and 220,506 square feet of space. The projects were all small office and retail buildings, mostly along the US 301 Highway. The vacancy rate was 9.5 percent at the end of 2015.

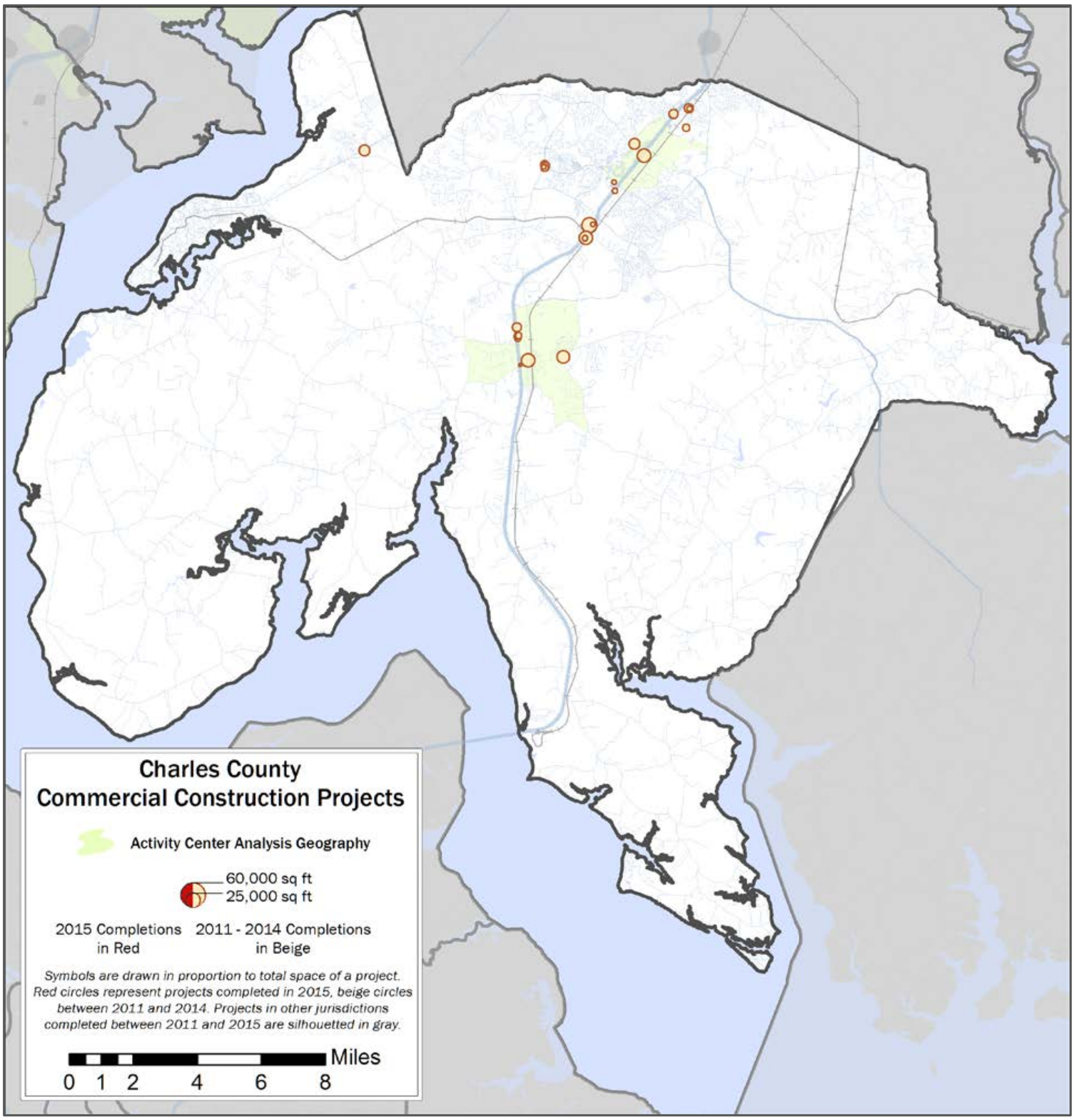


Figure 26

Source: CoStar, COG

Frederick County

Construction of new commercial space in Frederick County declined by 43 percent from 2014 to 2015. From 2011 to 2014, 1.6 million square feet of new space was completed from 33 projects, most of which were located in the City of Frederick. In 2015, however, all but one of Frederick County's ten completed commercial construction projects were located outside of the city. The overall vacancy rate for the county was 8.9 percent at the end of 2015. The parts of the county outside of the city had a lower rate of 5.5 percent.

The largest project in 2015 was a four-story, 87,000 square foot Homewood Suites hotel off Buckeystown Pike in the Francis Scott Key Mall Activity Center.

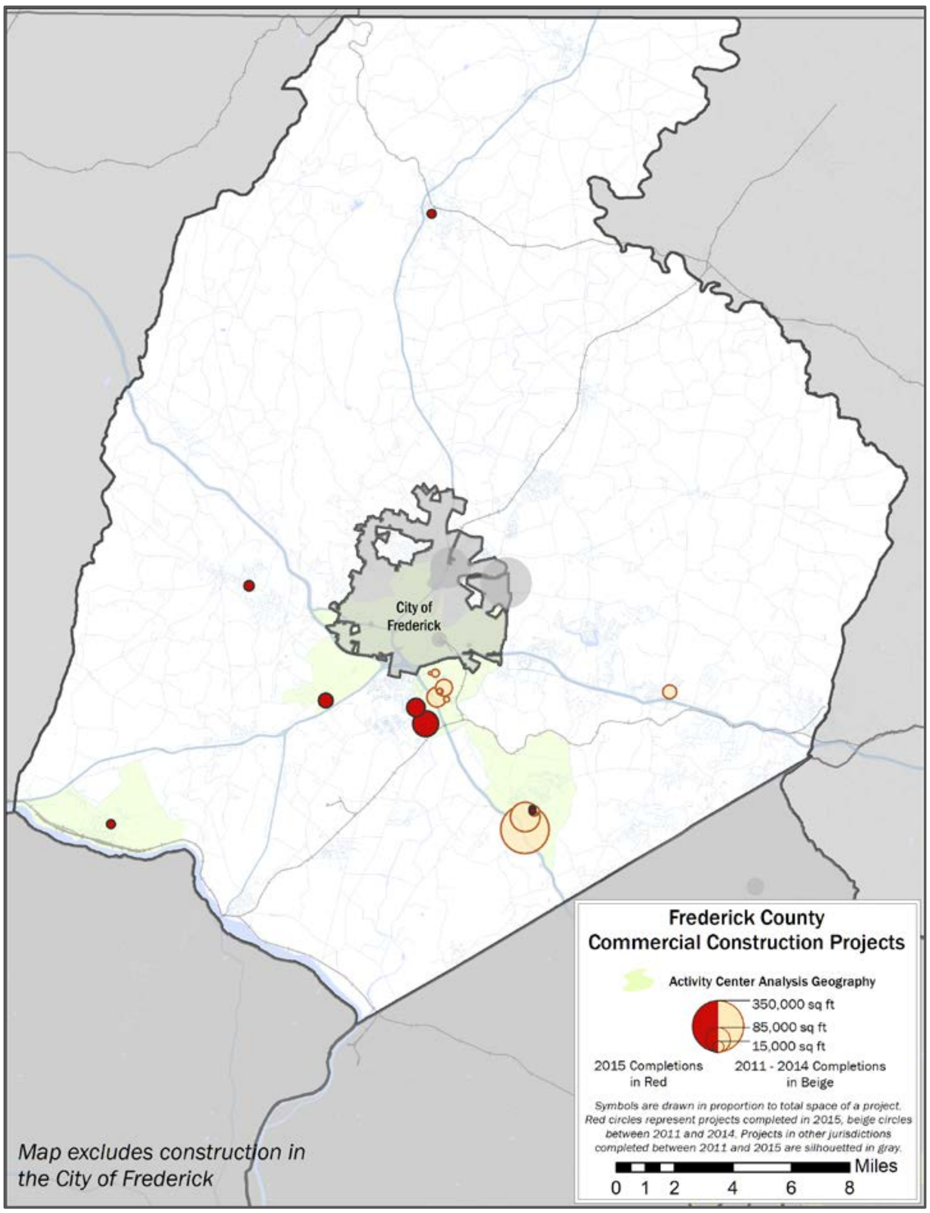


Figure 27

Source: CoStar, COG

City of Frederick

Between 2011 and 2014, one million square feet of new space was completed from 20 projects in the City of Frederick. Construction of new commercial space declined 22 percent from 2014 to 2015, when only one project was completed—the 59,000 square foot Genesis HealthCare Ballenger Creek Center, a single-story "skilled nursing facility." The overall vacancy rate in the city was 9.6 percent at the end of 2015.

The largest project completed between 2011 and 2014 was the three-story, 341,271 square foot National Cancer Institute Facility, a flex space devoted to research and development located at 8560 Progress Drive.

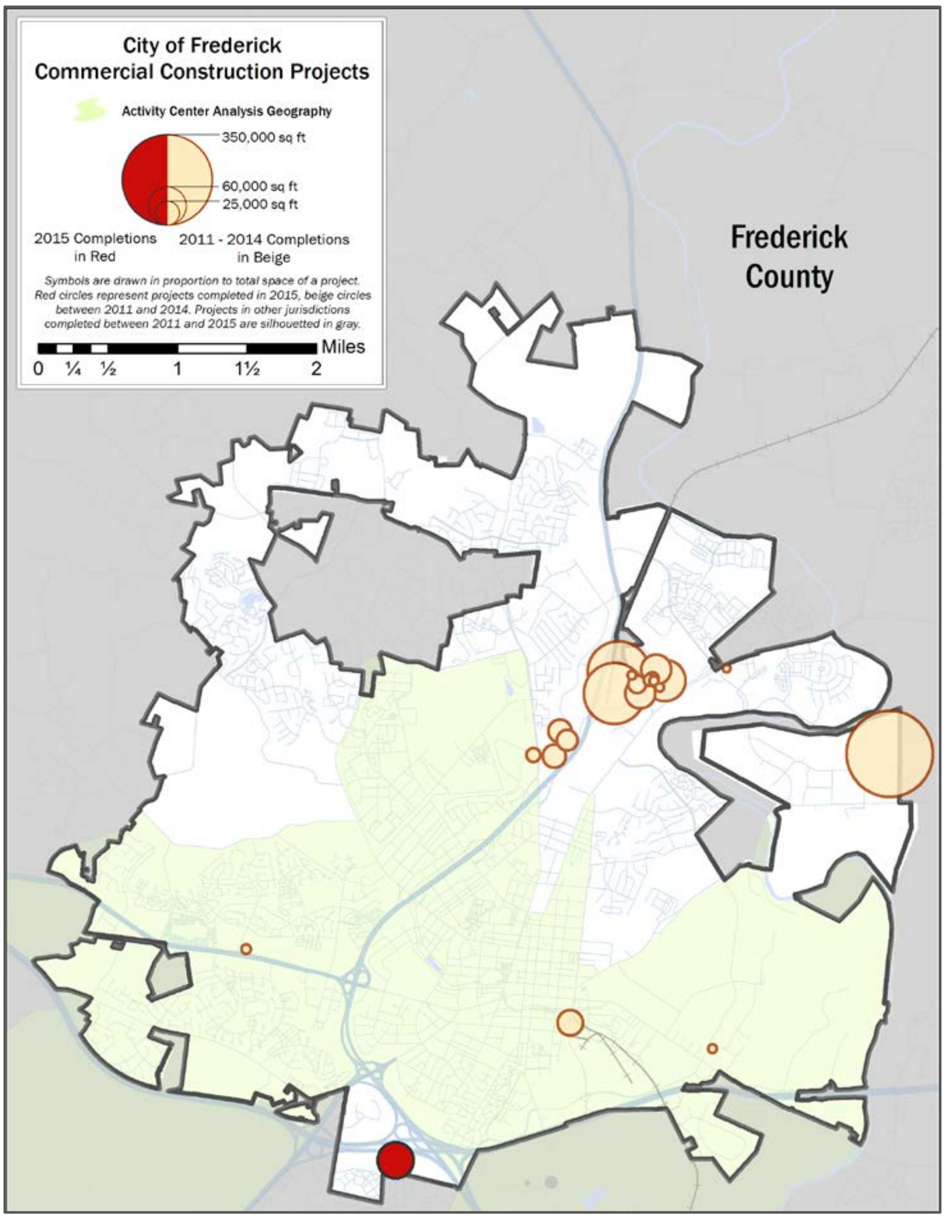


Figure 28 Source: CoStar, COG

Montgomery County

Construction of new commercial space in Montgomery County declined by 85 percent from 2014 to 2015. Five million square feet of new space was completed from 33 projects between 2011 and 2014. Most construction during that period occurred outside of the county's cities. In 2015, 16 projects were completed, adding 314,889 square feet of new space—about a third of which was in Rockville. The overall vacancy rate for the county was 11 percent, the highest among the four suburban Maryland counties.

The largest project in the last five years is the seven-story, 585,130 square foot National Cancer Institute at NIH Shady Grove, completed in 2012. The office building is located in unincorporated Montgomery County, sandwiched between the borders of Rockville and Gaithersburg, and is in the Life Sciences Center-Gaithersburg Crown Activity Center.

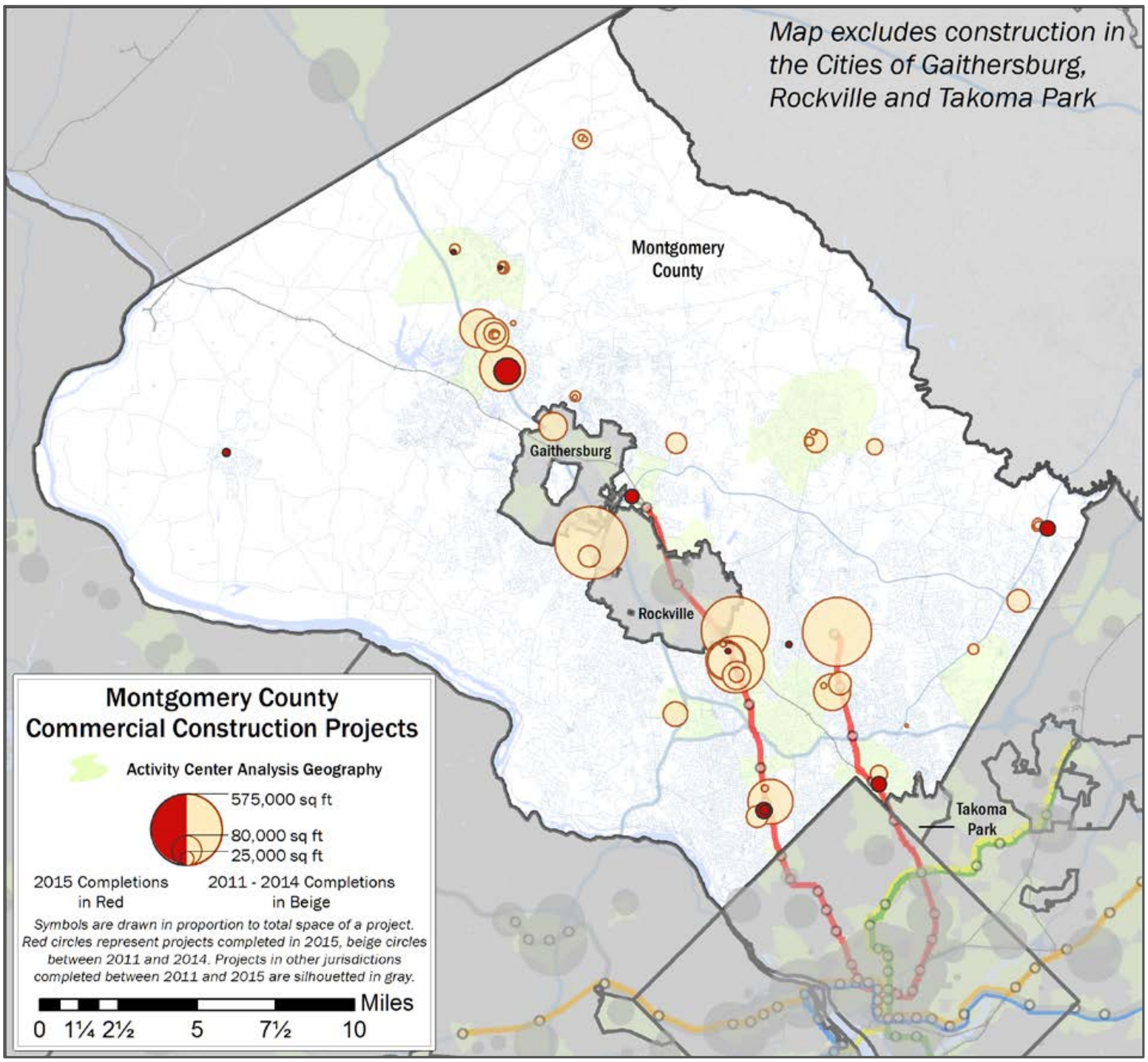


Figure 29

Source: CoStar, COG

Cities of Gaithersburg, Rockville, and Takoma Park

Between 2011 and 2014, 869,763 square feet of new space was completed from 25 projects in the three cities. Rockville accounted for 66 percent of this construction. In 2015, Rockville was the only city among the three to have any new commercial development; five new projects added just under 100,000 square feet of space. Rockville's vacancy rate of 13.4 was well above the county-wide rate of 11 percent; both Gaithersburg and Takoma Park had lower rates than the rest of the county.

The largest project completed between 2011 and 2014 was the three-story, 341,271 square foot National Cancer Institute Facility, a flex space devoted to research and development located at 8560 Progress Drive.

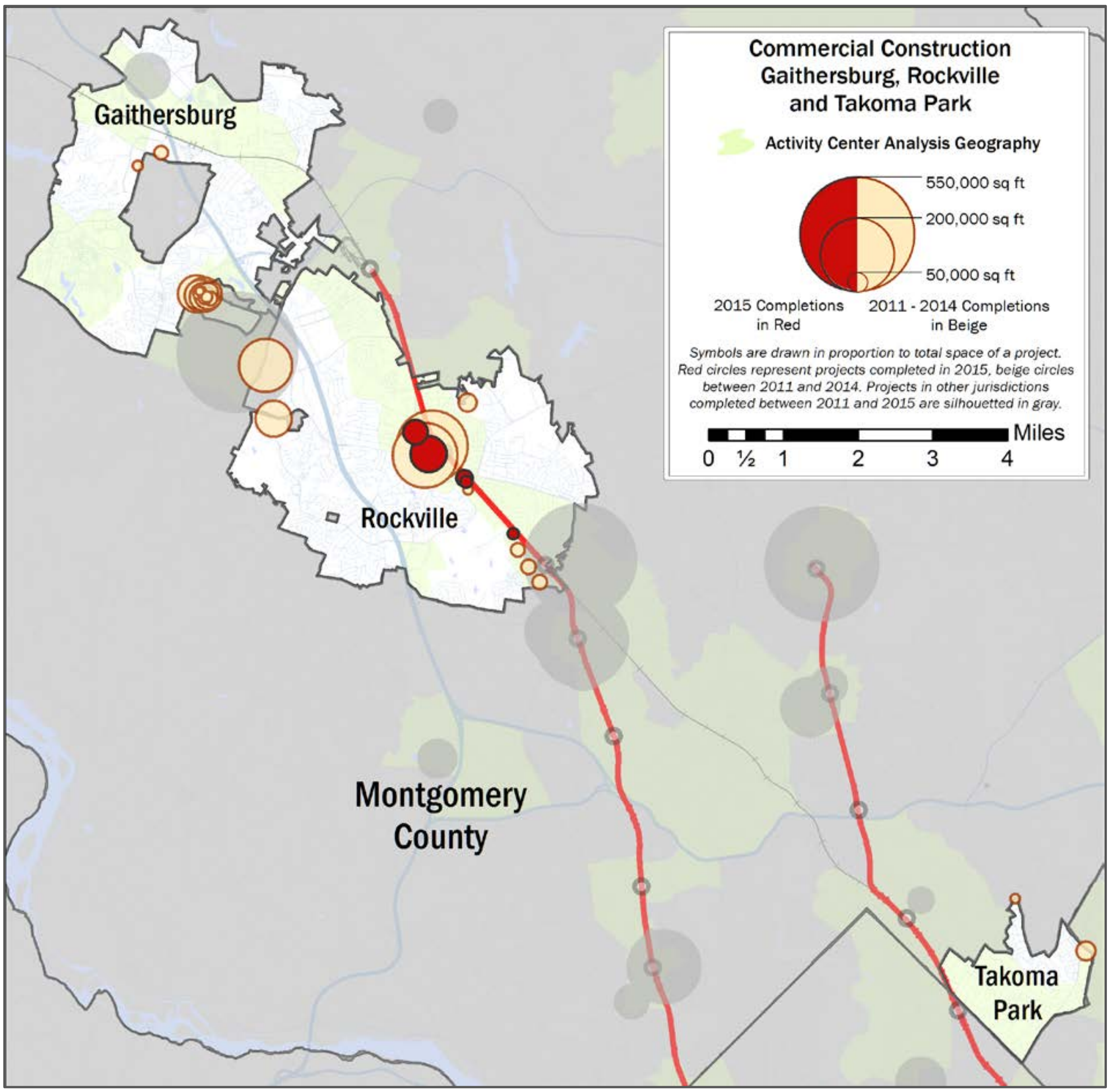


Figure 30

Source: CoStar, COG

Prince George's County

Construction of commercial space in Prince George's County increased by 71 percent in 2015. Between 2011 and 2014, 2.9 million square feet of new space was completed from 83 projects. In 2015, 20 projects were completed, adding 1.3 million square feet of new space. The overall vacancy rate for the county was 10.2 percent.

The largest project in 2015 was the single-story, 220,800 square foot Collington Park Phase I industrial warehouse in Upper Marlboro.

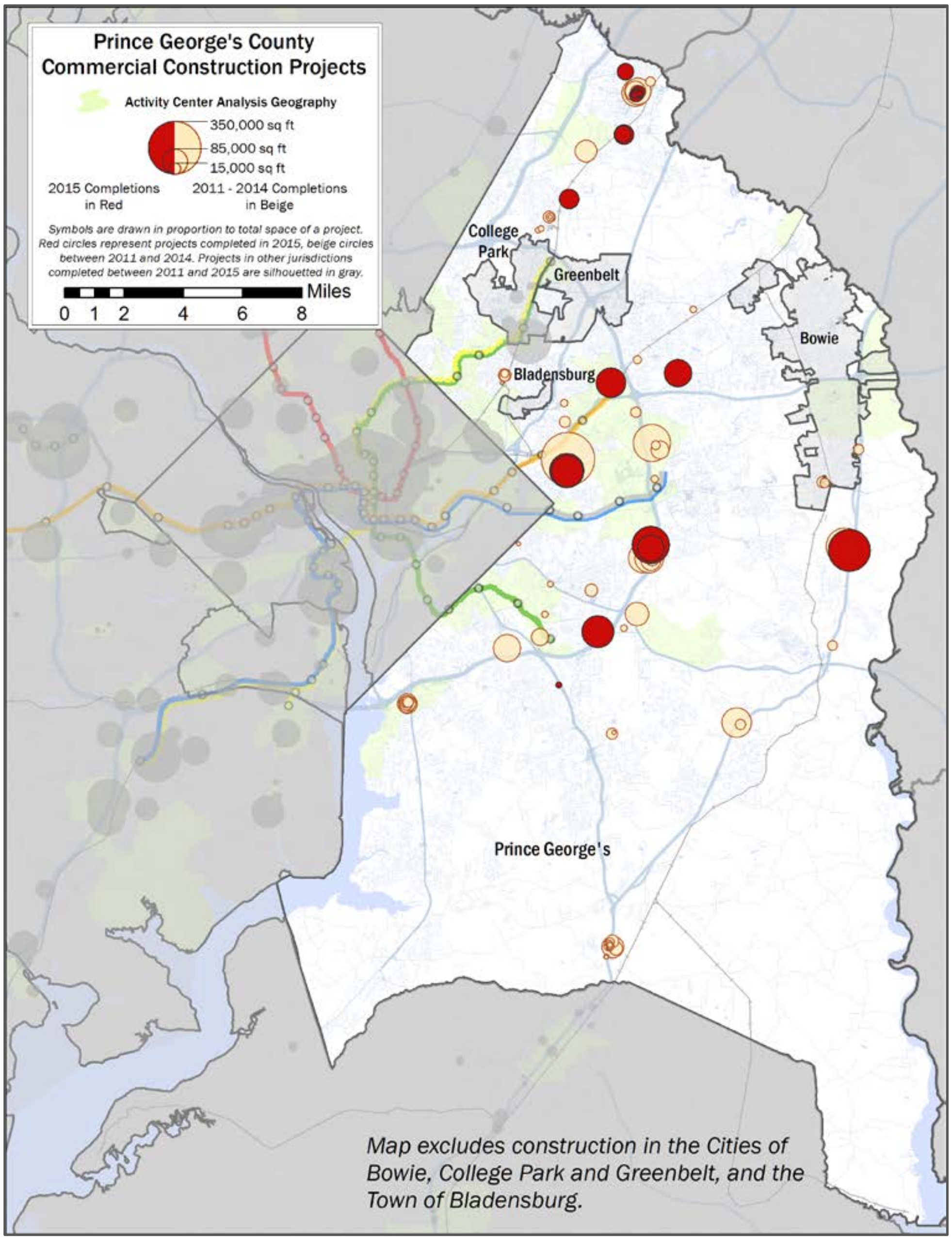


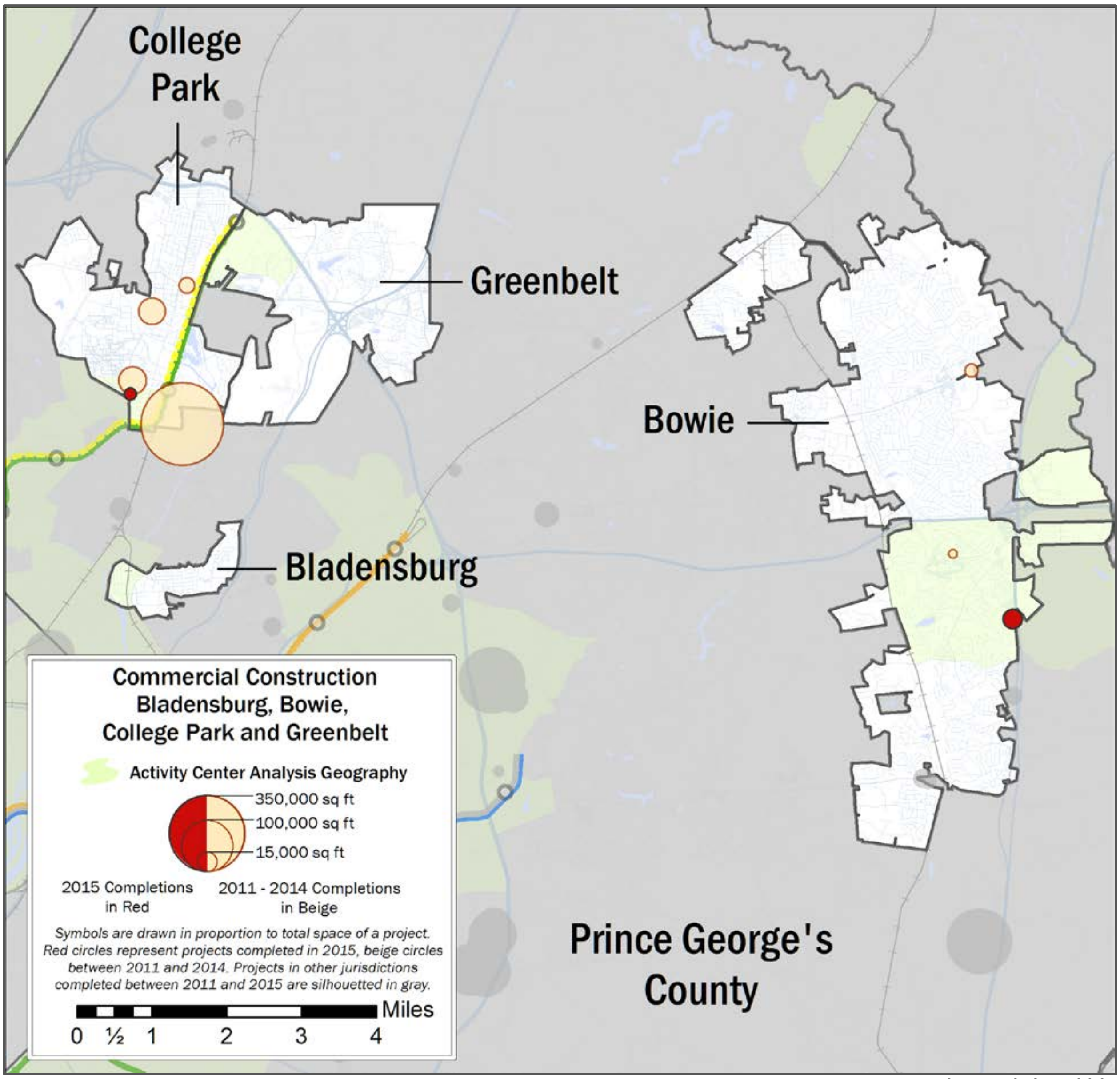
Figure 31

Source: CoStar, COG

Bladensburg, Bowie, College Park, and Greenbelt

Between 2011 and 2014, 346,752 square feet of new space was completed from six projects in College Park and Bowie. In 2015, the two cities saw two projects completed, with 21,000 square feet. No projects have been completed in Bladensburg and Greenbelt since 2009. Bladensburg has the lowest vacancy rate—at four percent—among COG members, while Greenbelt's 24.4 percent rate is the highest.

The largest project completed in 2015 was the two-story, 15,000 square foot medical office building in the Bowie Town Center Activity Center.



Source: CoStar, COG

Figure 32

Arlington County

Construction of new commercial space declined by 50 percent from 2014 to 2015. From 2011 to 2014, 3.2 million square feet of new space was completed from 17 projects. Only two projects were completed in 2015, totaling 152,988 square feet of rentable space. The overall vacancy rate for Arlington was 17.3 percent at the end of 2015—the highest among counties in the region.

The largest new project in Arlington between 2011 and 2015 was a 35-story, 535,381 square foot office building next to the Rosslyn Metrorail station that was completed in 2013. This property is notable as the tallest commercial building in the region—and also because it has remained completely vacant, as of the end of 2015.

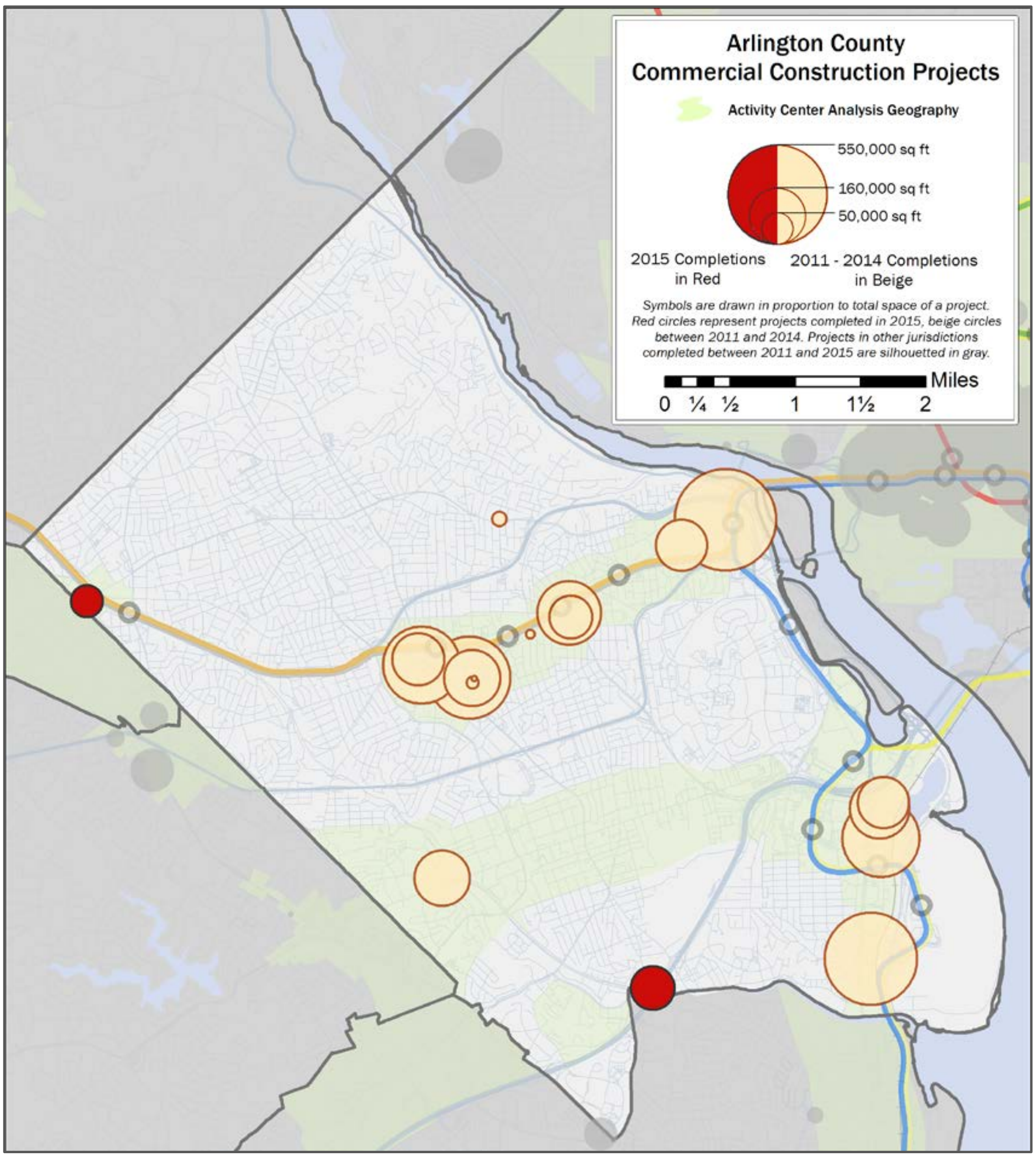
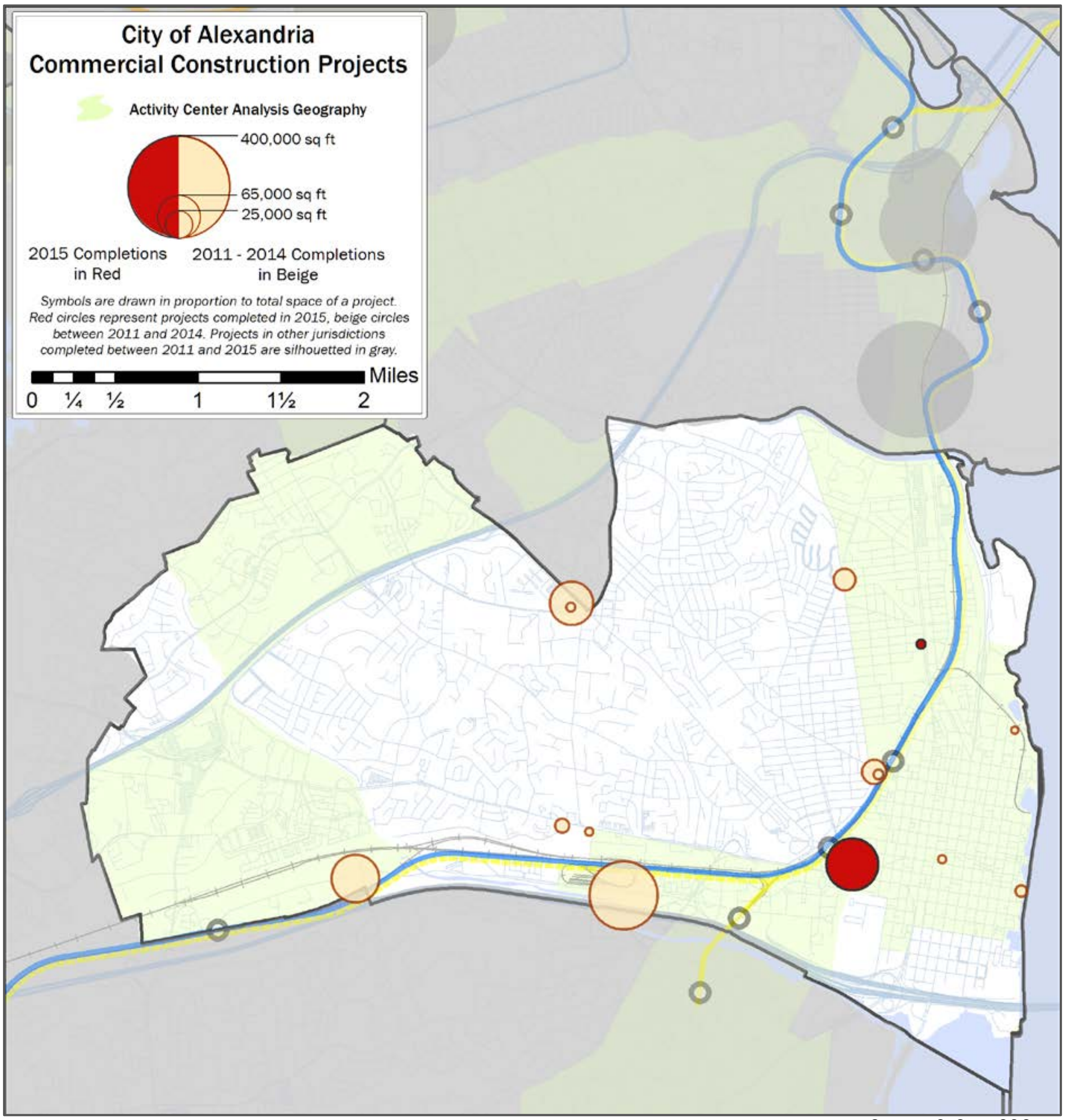


Figure 33 Source: CoStar, COG

City of Alexandria

From 2014 to 2015, Alexandria commercial construction increased by four percent. From 2011 to 2014, 343,115 square feet of new space was completed from 12 projects. Only two projects were completed in 2015, totaling 90,811 square feet of rentable space. The overall vacancy rate for Alexandria was 12.2 percent at the end of 2015.

The largest project completed in 2015 was the six-story, 87,855 square foot Hilton Garden Inn near the King St-Old Town Metrorail station.



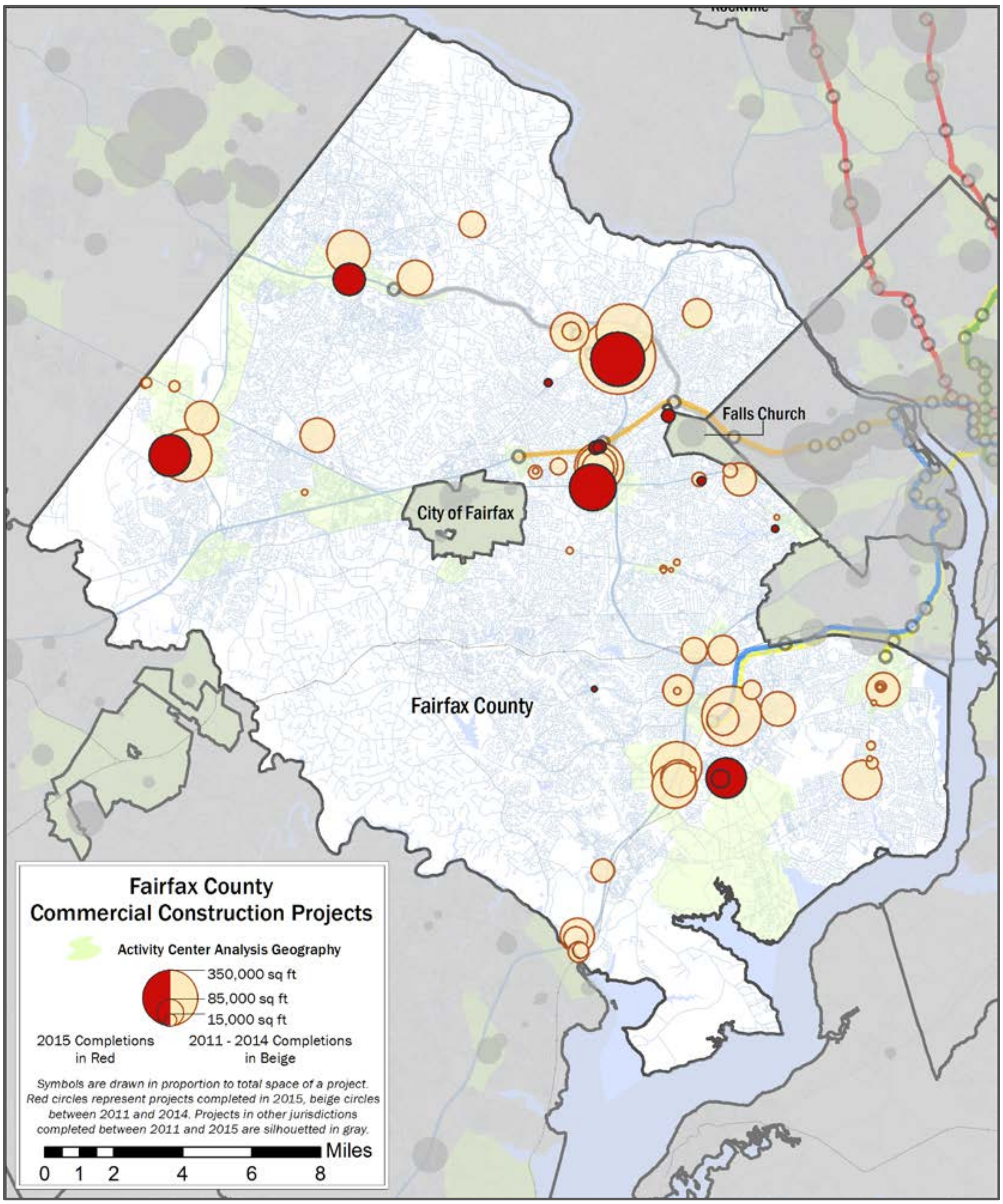
Source: CoStar, COG

Figure 34

Fairfax County

Construction of new commercial space declined 24 percent from 2014 to 2015. From 2011 to 2014, 4.7 million square feet of new space was completed from 63 projects. Fourteen projects were completed in 2015, totaling 980,970 square feet of rentable space. The overall vacancy rate for Fairfax County was 12.8 percent at the end of 2015.

The largest new project in 2015 was the 18-story, 266,513 square foot Hyatt Regency at Tysons Corner Center hotel in the Tysons Central 123 Activity Center.



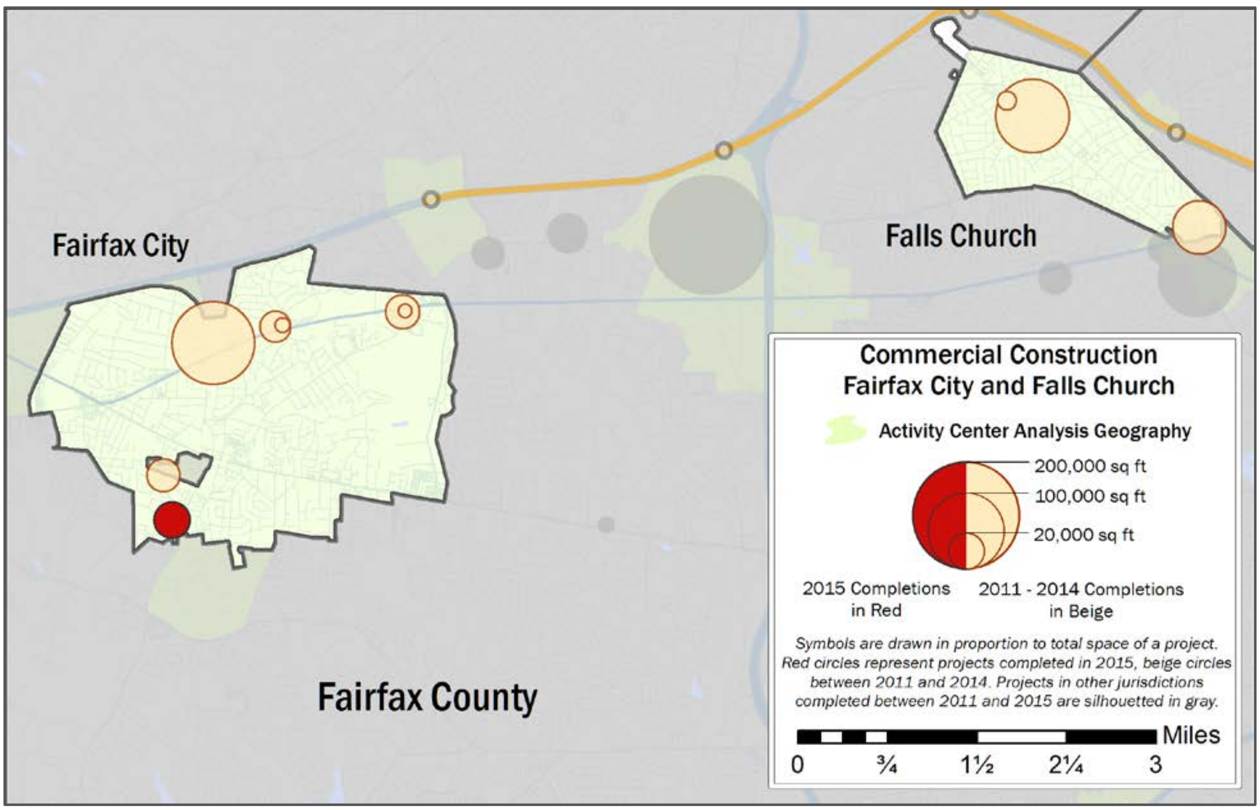
Source: CoStar, COG

Figure 35

Cities of Fairfax and Falls Church

Combined construction of new commercial space in the two cities declined 84 percent from 2014 to 2015. From 2011 to 2014, 161,409 square feet of new space was completed from six projects in Fairfax City; Falls Church added three new projects with 134,377 square feet of space. The only project completed in 2015 was a three-story, 20,664 square foot office building called Canfield Village in the City of Fairfax.

At the end of 2015, the overall vacancy rate was nine percent for the City of Fairfax, and four percent for the City of Falls Church.



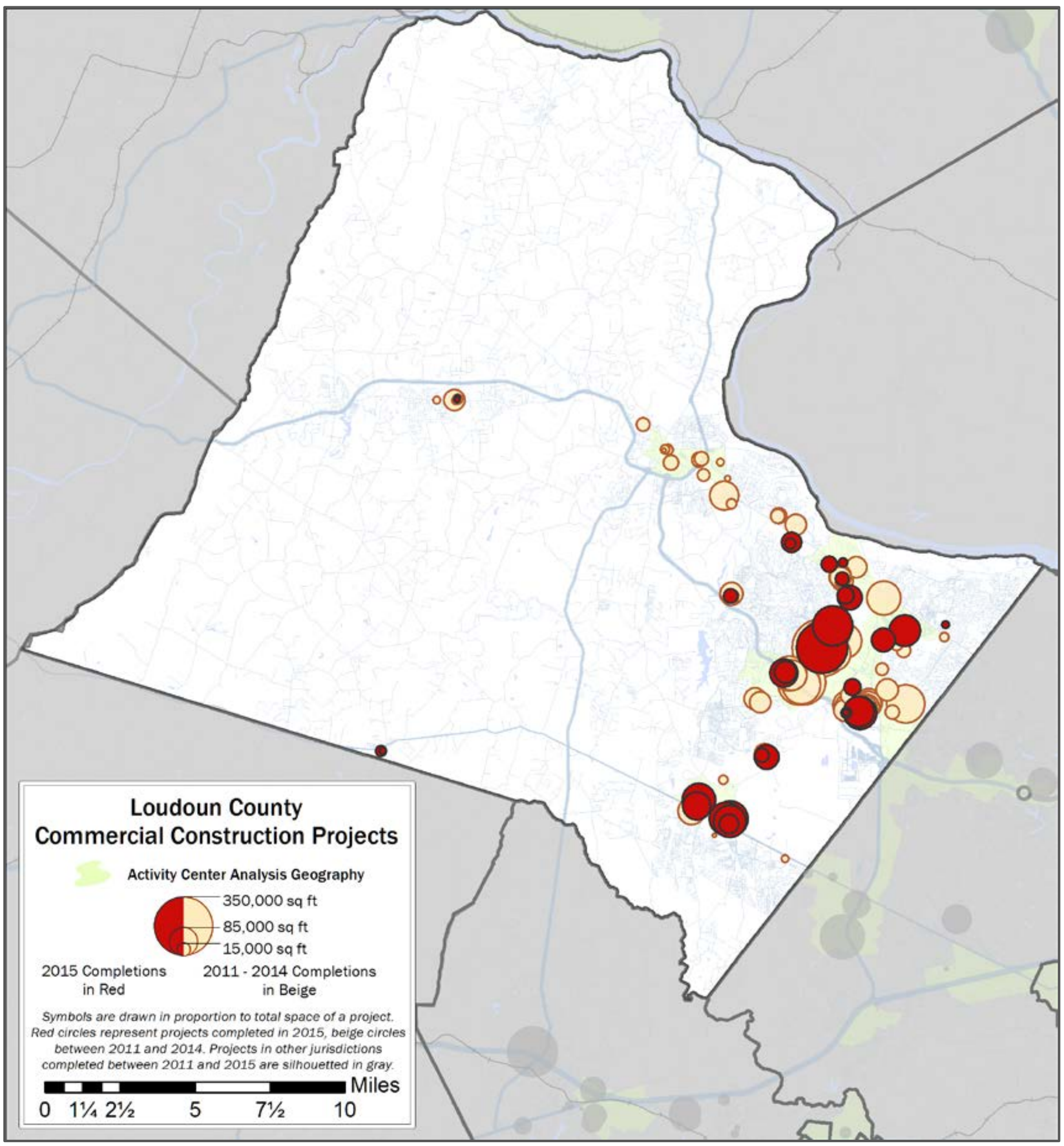
Source: CoStar, COG

Figure 36

Loudoun County

Construction of new commercial space increased by 109 percent from 2014 to 2015, the largest increase in the region. From 2011 to 2014, 71 projects were completed with 4.4 million square feet of new space. Thirty-two new projects were completed in 2015 with a combined total of 2.3 million new square feet of rentable space. Loudoun experienced the most commercial construction in 2015 and accounted for 31 percent of all new space. The overall vacancy rate for the county was 8.5 percent at the end of 2015.

The largest new project from 2011 through 2014 was the ACC7 data center, a single-story, 407,820 flex space building in Ashburn, completed in 2014. The smaller Phase 2 of the ACC7 site was the biggest new project in 2015, at 320,000 square feet.



Source: CoStar, COG

Figure 37

Prince William County, Manassas and Manassas Park

In Prince William County, construction of new commercial space declined 22 percent from 2014 to 2015. From 2011 to 2014, 2.2 million square feet of new space was completed from 60 projects. Fourteen projects, with 560,400 square feet of space, were completed in 2015.

In Manassas City, five projects with 46,140 square feet of new space were completed between 2011 and 2014. No projects were built in 2015 in Manassas City and none since 2010 in Manassas Park. At the end of 2015, the vacancy rate stood at 6.2 percent in Prince William County, at 5.8 percent in Manassas City, and at 4.2 percent in Manassas Park.

The largest new project in 2015 was the single-story, 175,308 square foot FedEx Distribution Center near the I-66 interchange with Prince William Parkway.

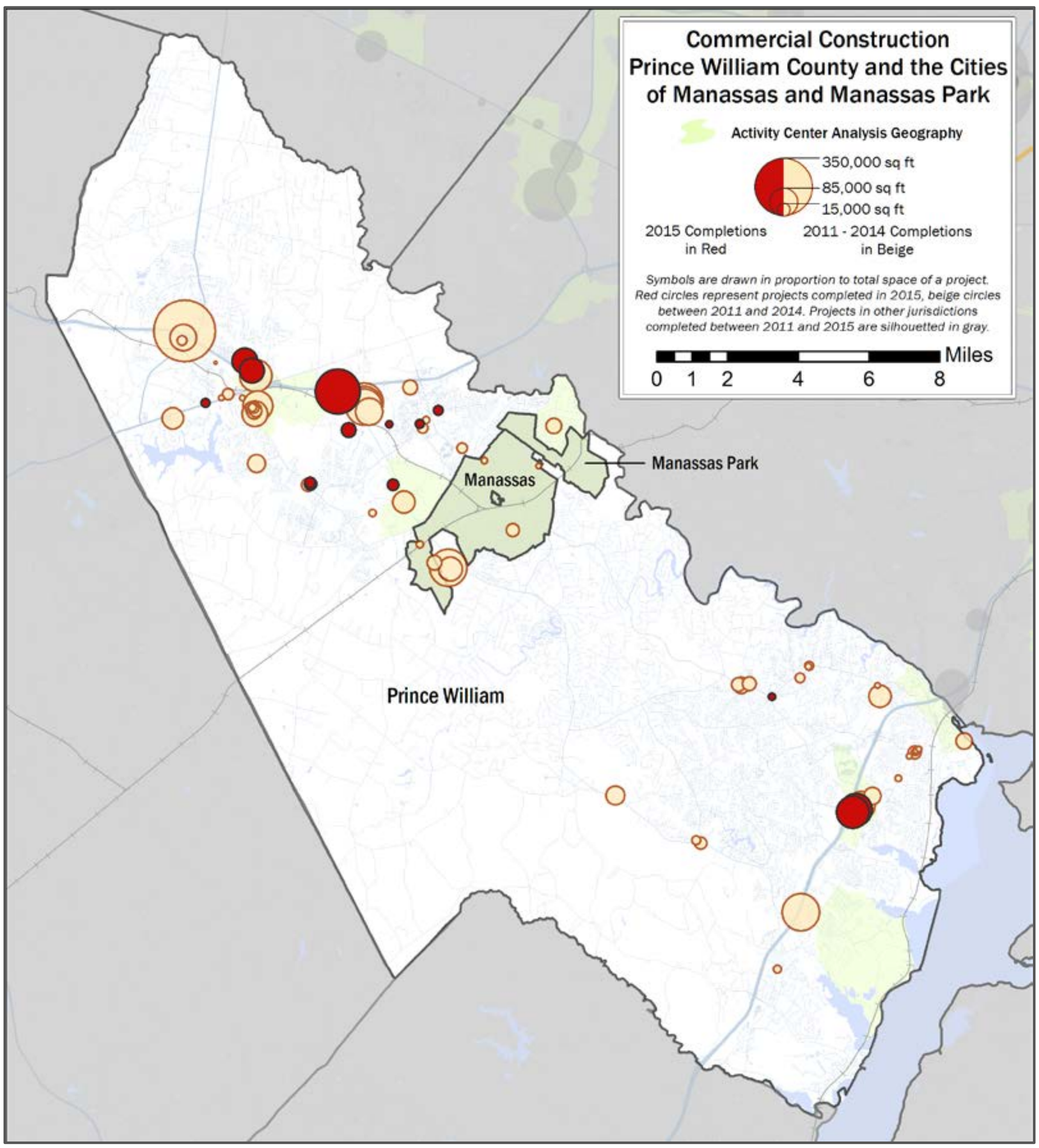


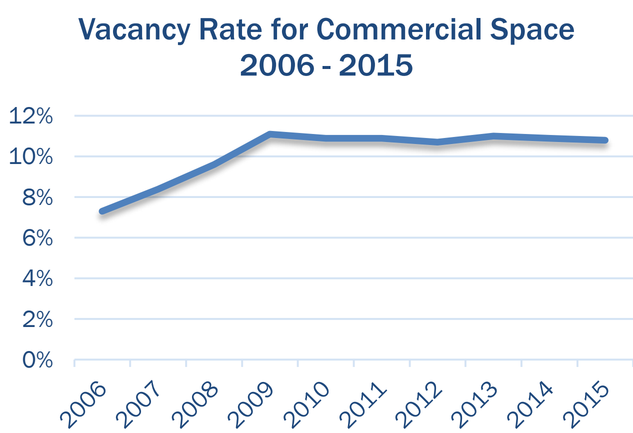
Figure 38

Source: CoStar, COG

Vacancy Rates

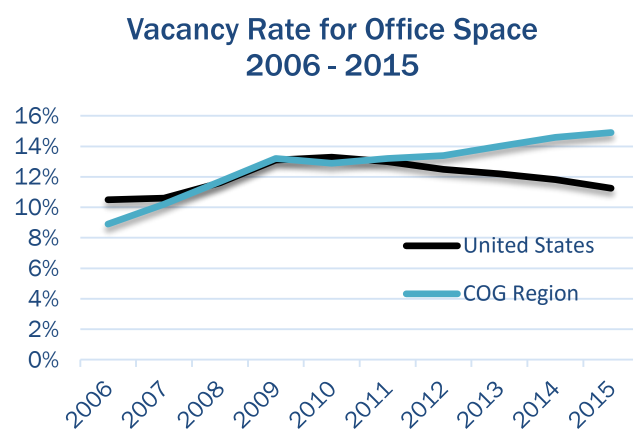
The region is experiencing high vacancy rates when compared to both current national trends and regional historical trends. Since 2009, the overall regional commercial real estate vacancy rate has hovered around 11 percent; the office rate, however, has climbed to 14.9 percent in 2015, the highest in over 20 years. The rates of vacant retail and industrial/flex space peaked in 2009 and 2010, respectively, and have since fallen modestly but consistently to 4.5 and 8.7 percent in 2015. Regional vacancy rates in all sectors still remain above their pre-recession levels.

Figure 39



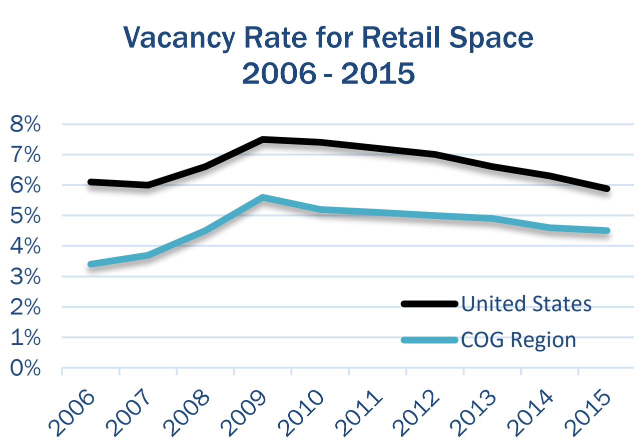
Source: CoStar, COG

Figure 40



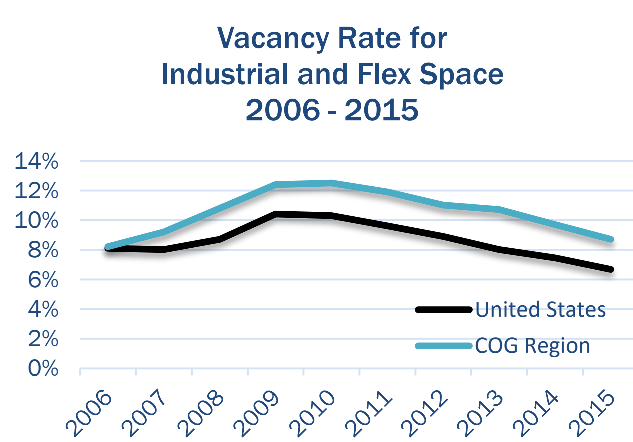
Source: CoStar, COG

Figure 41



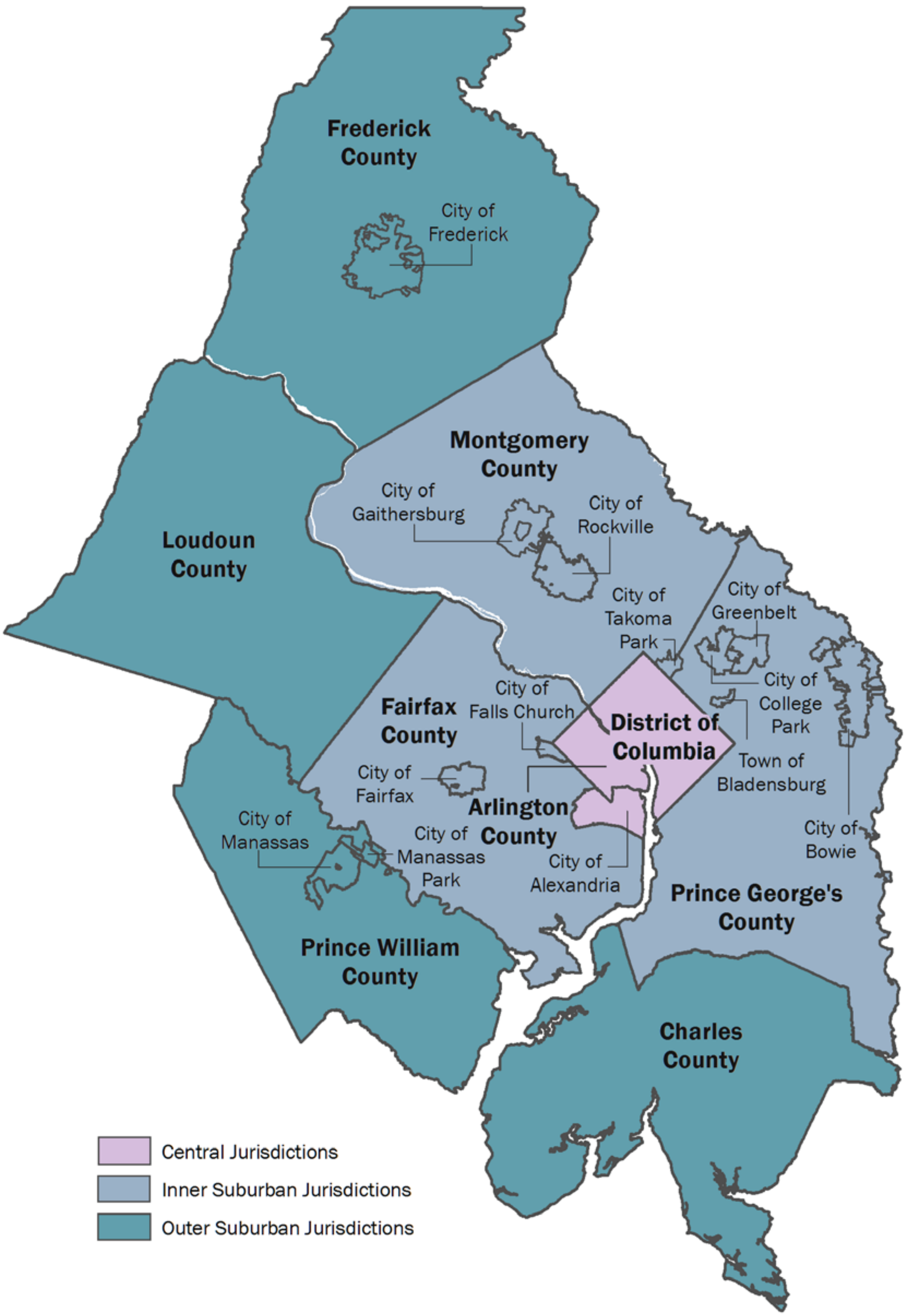
Source: CoStar, COG

Figure 42



Source: CoStar, COG

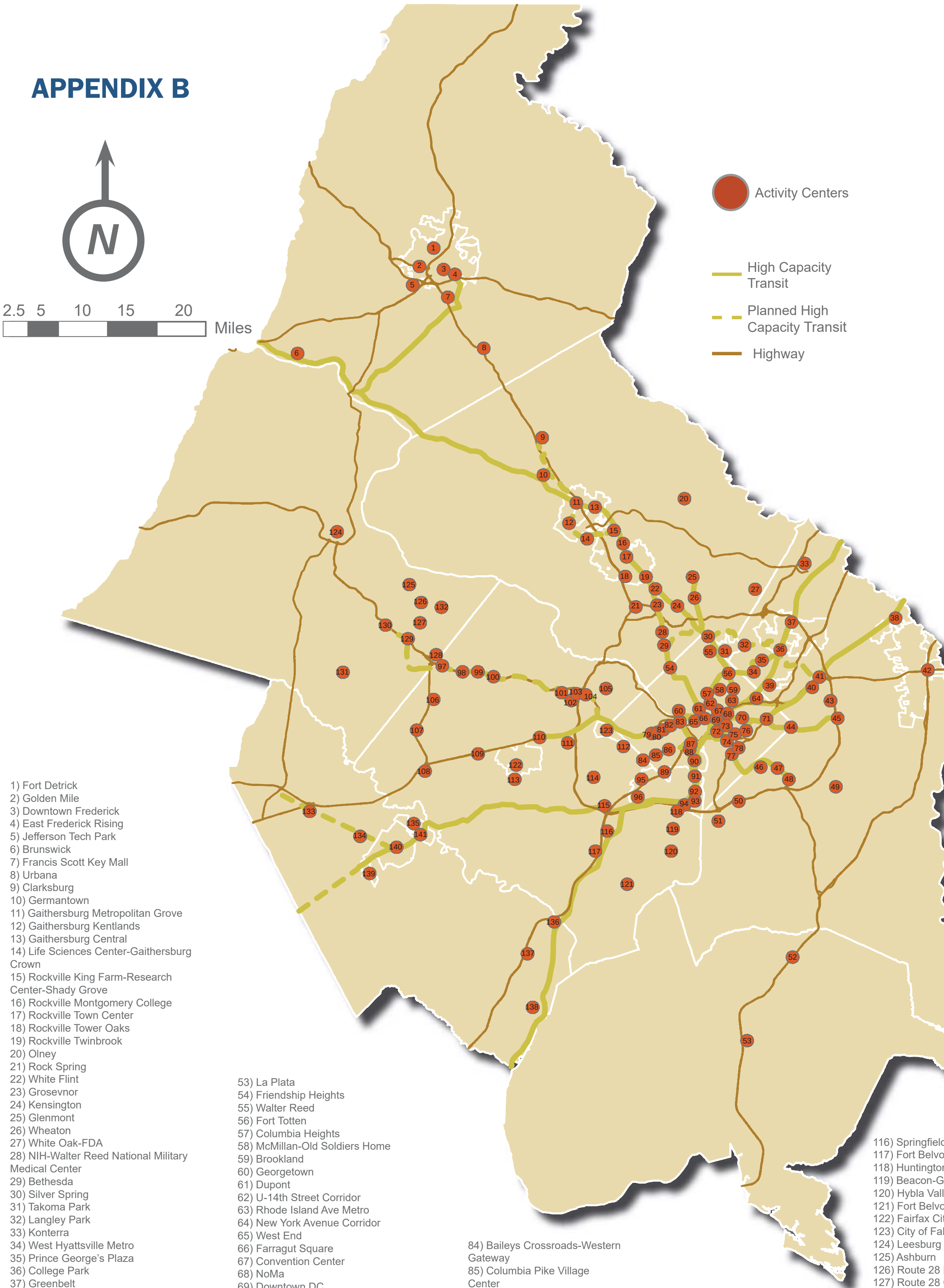
APPENDIX A. MAP OF REGIONAL "RING" JURISDICTIONAL GROUPINGS



Regional Activity Centers Map

Submitted to COG Board for Approval January 13, 2013

APPENDIX B



1) Fort Detrick
2) Golden Mile
3) Downtown Frederick
4) East Frederick Rising
5) Jefferson Tech Park
6) Brunswick
7) Francis Scott Key Mall
8) Urbana
9) Clarksburg
10) Germantown
11) Gaithersburg Metropolitan Grove
12) Gaithersburg Kentlands
13) Gaithersburg Central
14) Life Sciences Center-Gaithersburg Crown
15) Rockville King Farm-Research Center-Shady Grove
16) Rockville Montgomery College
17) Rockville Town Center
18) Rockville Tower Oaks
19) Rockville Twinbrook
20) Olney
21) Rock Spring
22) White Flint
23) Grosevnor
24) Kensington
25) Glenmont
26) Wheaton
27) White Oak-FDA
28) NIH-Walter Reed National Military Medical Center
29) Bethesda
30) Silver Spring
31) Takoma Park
32) Langley Park
33) Konterra
34) West Hyattsville Metro
35) Prince George's Plaza
36) College Park
37) Greenbelt
38) Bowie MARC
39) Port Towns
40) Landover Metro
41) New Carrollton
42) Bowie Town Center
43) Landover Mall
44) Capitol Heights-Addison Rd
45) Largo Town Center-Morgan Blvd
46) Naylor-Southern Ave
47) Suitland
48) Branch Ave
49) Westphalia
50) Oxon Hill
51) National Harbor
52) Waldorf
53) La Plata
54) Friendship Heights
55) Walter Reed
56) Fort Totten
57) Columbia Heights
58) McMillan-Old Soldiers Home
59) Brookland
60) Georgetown
61) Dupont
62) U-14th Street Corridor
63) Rhode Island Ave Metro
64) New York Avenue Corridor
65) West End
66) Farragut Square
67) Convention Center
68) NoMa
69) Downtown DC
70) H Street
71) Minnesota Ave
72) Monumental Core
73) Capitol Hill
74) Capital Riverfront
75) Southwest Waterfront
76) Stadium Armory
77) St. Elizabeths
78) Poplar Point
79) Ballston
80) Virginia Square
81) Clarendon
82) Courthouse
83) Rosslyn
84) Baileys Crossroads-Western Gateway
85) Columbia Pike Village Center
86) Columbia Pike Town Center
87) Pentagon
88) Pentagon City
89) Shirlington
90) Crystal City
91) Potomac Yard
92) Braddock Road Metro Area
93) King Street-Old Town
94) Carlyle-Eisenhower East
95) Beauregard
96) Landmark-Van Dorn
97) Fairfax Innovation Center
98) Herndon
99) Reston Town Center
100) Wiehle-Reston East
101) Tysons West
102) Tysons Central 7
103) Tysons Central 123
104) Tysons East
105) McLean
106) Dulles East
107) Dulles South
108) Centreville
109) Fairfax Center
110) Vienna
111) Dunn Loring-Merrifield
112) Seven Corners
113) George Mason University
114) Annandale
115) Beltway South
116) Springfield
117) Fort Belvoir North Area
118) Huntington-Penn Daw
119) Beacon-Groveton
120) Hybla Valley-Gum Springs
121) Fort Belvoir
122) Fairfax City
123) City of Falls Church
124) Leesburg
125) Ashburn
126) Route 28 North
127) Route 28 Central
128) Route 28 South
129) Ashburn Station
130) Loudoun Gateway Station
131) Arcola
132) Dulles Town Center
133) Gainesville
134) Innovation
135) Yorkshire
136) North Woodbridge
137) Potomac Town Center
138) Potomac Shores
139) City of Manassas Regional Airpc
140) City of Manassas
141) Manassas Park

APPENDIX C

Commercial Construction Definitions

COMMERCIAL CONSTRUCTION PROJECT
A property with one or more completed buildings that allocates the majority of usable space to one the following categories: office, retail, industrial, flex, hospitality, health care, specialty, or sports and entertainment. Some government owned buildings are excluded from the CoStar dataset. Mixed-Use buildings with a residential primary use are also excluded.

COMPLETION
Projects with buildings that are completed and are ready for occupancy. A certificate of occupancy has been received.

SQUARE FEET OF SPACE / RENTABLE BUILDING AREA
The usable area of a project and its associated share of the common areas. Typically, rents are based on this area. It is the space the tenant will occupy in addition to the associated common areas of the building such as the lobby, hallways, bathrooms, equipment rooms, etc.

Structure Type (definitions taken from the CoStar Glossary[1])

OFFICE
Primary intended use is to house employees of companies that produce a product or service primarily for support services such as administration, accounting, marketing, information processing and dissemination, consulting, human resources management, financial and insurance services, educational and medical services, and other professional services. Government owned and operated office buildings are generally excluded.

RETAIL
Primary intended use is to promote, distribute or sell products and services to the general public. Retail buildings can be used for various sales opportunities, including, but not limited to, stand-alone (convenience stores to department stores), store fronts, strip centers (no anchors), neighborhood, community, regional, and super-regional malls, power centers, factory outlet centers, and fashion or specialty centers.

INDUSTRIAL
Adapted for a combination of uses such as assemblage, processing, and/or manufacturing products from raw materials or fabricated parts. Additional uses include warehousing, distribution, self-storage and maintenance facilities.

FLEX
Designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. At least half of the rentable area of the building must be used as office space. Flex buildings typically have ceiling heights under 18', with light industrial zoning. Flex buildings have also been called incubators, tech and showrooms.

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[1] http://www.costar.com/about/costar-glossary

HOSPITALITY
Includes all types of lodging facilities including hotels and motels. Hotels are facilities that offer lodging accommodations and a wide range of other services, e.g., restaurants, casinos, convention facilities, meeting rooms, recreational facilities, and commercial shops.

HEALTH CARE
Includes assisted living, congregate senior housing, continued care retirement communities, hospitals, rehabilitation centers, and skilled nursing facilities.

SPECIALTY
Includes cemeteries, mausoleums, some correctional facilities, lodges and meeting halls, marinas, movie, radio and television studios, some police and fire stations, some post offices, some public libraries, radio and TV transmission facilities, recycling centers, religious facilities, private schools, shelters, sorority and fraternity houses, trailer/camper parks, water retention facilities, and vineyards.

SPORTS AND ENTERTAINMENT
Includes amusement parks, stadiums, casinos, golf courses, stables, race tracks, swimming pools, theaters and concert halls.

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