

2015 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOC REGION

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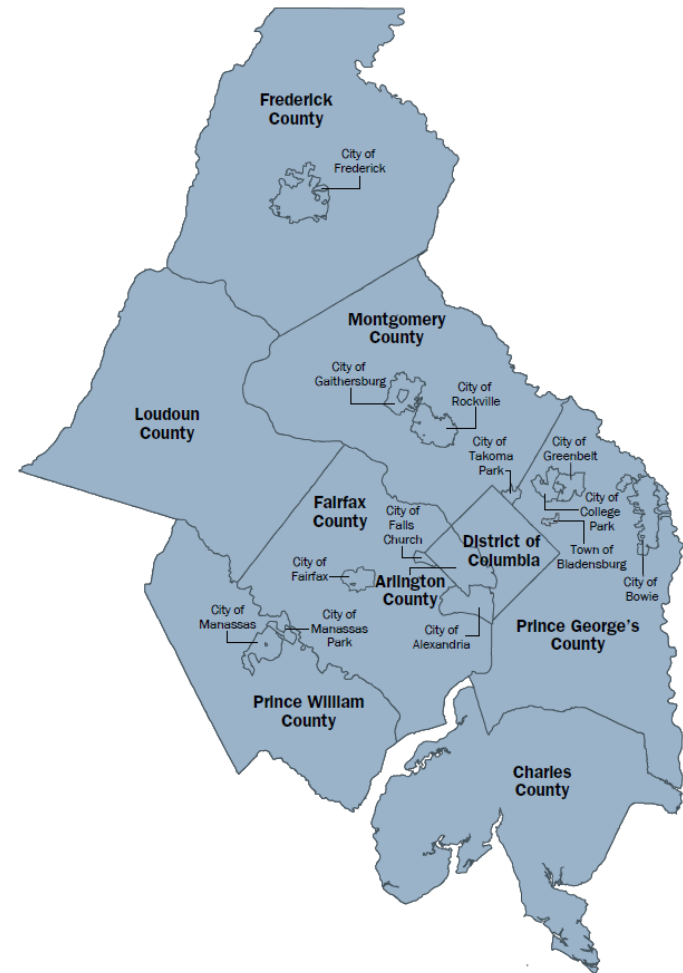
Planning Directors Technical Advisory Committee
June 17, 2016



Metropolitan Washington
Council of Governments

About COG

- Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association
- Brings area leaders together to address major regional issues in the District of Columbia, suburban Maryland, and Northern Virginia
- Membership is comprised of 300 elected officials from 22 local governments, the Maryland and Virginia state legislatures, and U.S. Congress



2015 Commercial Construction Report

- MWCOG has not released a full Commercial Construction Report since 2011.
- This report primarily utilizes data from the CoStar database.
 - Previous reports used difference sources
 - CoStar does **not** provide construction or project values
- Commercial Construction Activity
 - Completed Projects, not Starts
 - Office, Retail, Industrial, Multi-Family, Flex, Healthcare, Hospitality, Specialty, and Sports / Entertainment sectors
 - CoStar omits most GSA owned and other government buildings
 - Report will not include Multi-Family
 - Focus on 2015 and also update for 2011 – 2014



2015 Commercial Construction Summary

- 126 commercial construction projects
- 7.4 million sq. ft. of new space.
 - 4th lowest since 1980
 - 3 million fewer sq. ft. than 2014.
- 2.1 million sq. ft. of new industrial space
 - 28% of total construction
 - Most since 2008
 - Warehouses: 65%
 - Data Centers: 21%
- Historically, office buildings are usually leading sector
 - New office space declined 59 percent from 2014
 - Only 23 percent of total new commercial space.
- Retail space represented 22% of all commercial construction.
- Q4 2015 vacancy rate for commercial real estate was 10.8%
 - Office: 14.9%
 - Retail: 4.5%
 - Industrial: 7.6%
- Multi-Family sector is very strong
 - Second most sq. ft. of new construction (after 2014) since the 1960's



Largest Projects since 2011

2011 - 2014

Project Name	Year	Land Use	Address	City	Jurisdiction	State	Stories	RBA	Parking Spaces
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	1,900
1812 North Moore	2013	Office	1812 N Moore St	Arlington	Arlington	VA	35	535,381	480
Tysons Tower	2014	Office	7900 Tysons One Pl	McLean	Fairfax	VA	22	528,290	300
NIAID	2014	Office	5601 Fishers Ln	Rockville	Montgomery	MD	10	515,717	300
Winchester 81 Logistic Center	2014	Industrial (Distribution)	4027 Martinsburg Pike	Clear Brook	Frederick	VA	1	450,056	
NPR HQ	2013	Office	1111 N Capitol St NE	Washington	District of Columbia	DC	7	450,000	200
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	1,026
ACC7	2014	Flex (Data Center)	21625 Gresham Dr	Ashburn	Loudoun	VA	1	407,820	

2015

Project Name	Land Use	Address	City	Jurisdiction	State	Stories	RBA	Parking Spaces
601 Mass Ave	Office	601 Massachusetts Ave NW	Washington	District of Columbia	DC	11	478,882	200
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	400
Collington Park Phase I	Industrial (Warehouse)	16115 Queens Ct	Upper Marlboro	Prince George's	MD	1	220,800	171
Ashburn Crossing COPT Data Center Phase I	Flex	21265 Smith Switch Rd	Ashburn	Loudoun	VA	1	200,000	
Willow Oaks/Mid-County Human Services Center	Health Care (Rehabilitation Center)	8221 Willow Oaks Corporate Dr	Fairfax	Fairfax	VA	4	200,000	200
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	155
FedEx Distribution Center	Industrial (Distribution)	7303 Cushing Rd	Manassas	Prince William	VA	1	175,308	229
COPT Stonecroft	Office	4870 Stonecroft Blvd	Chantilly	Fairfax	VA	5	159,300	



Commercial Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Completions

○ ≈ 100,000 sq ft

2015 Completions

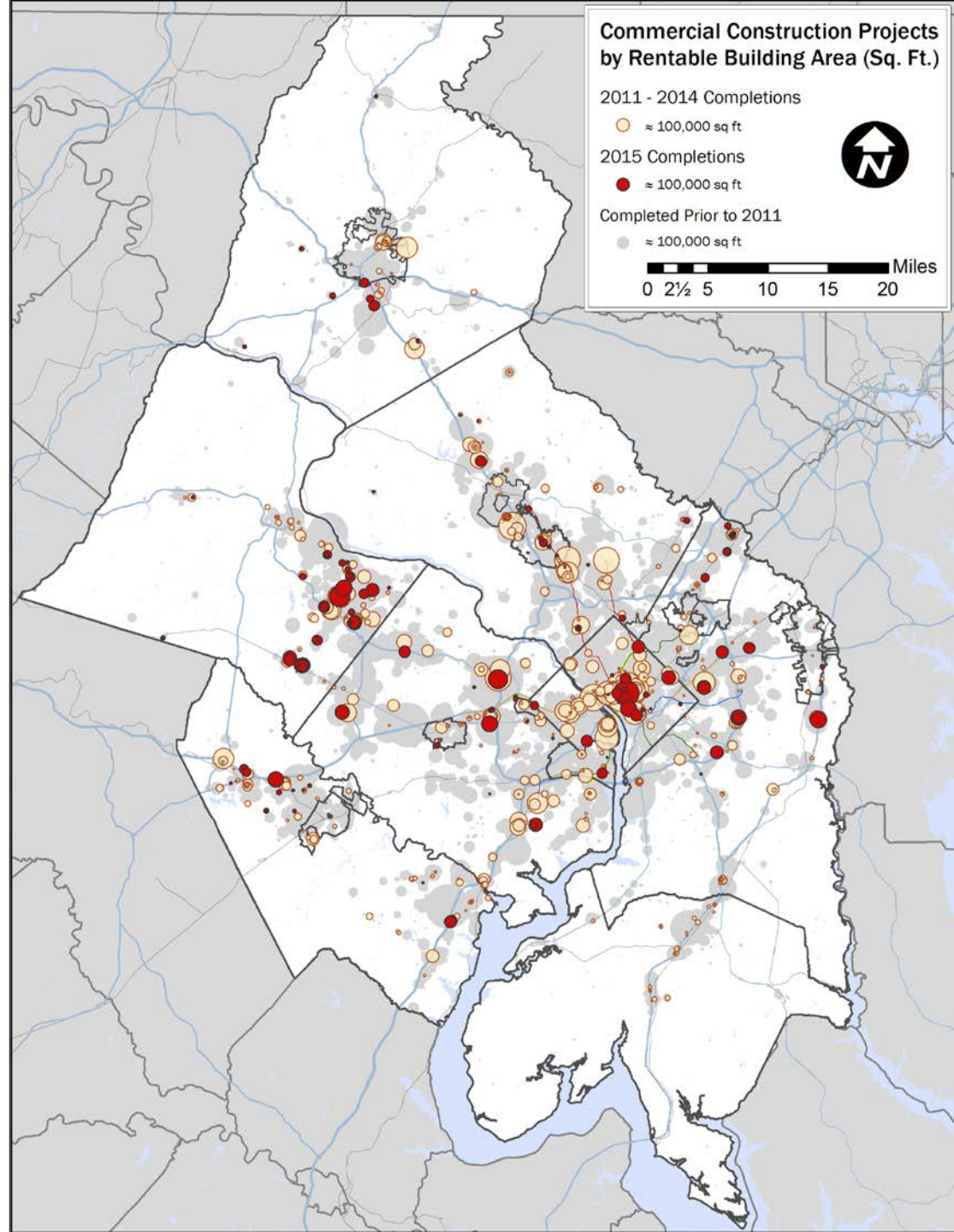
● ≈ 100,000 sq ft

Completed Prior to 2011

● ≈ 100,000 sq ft

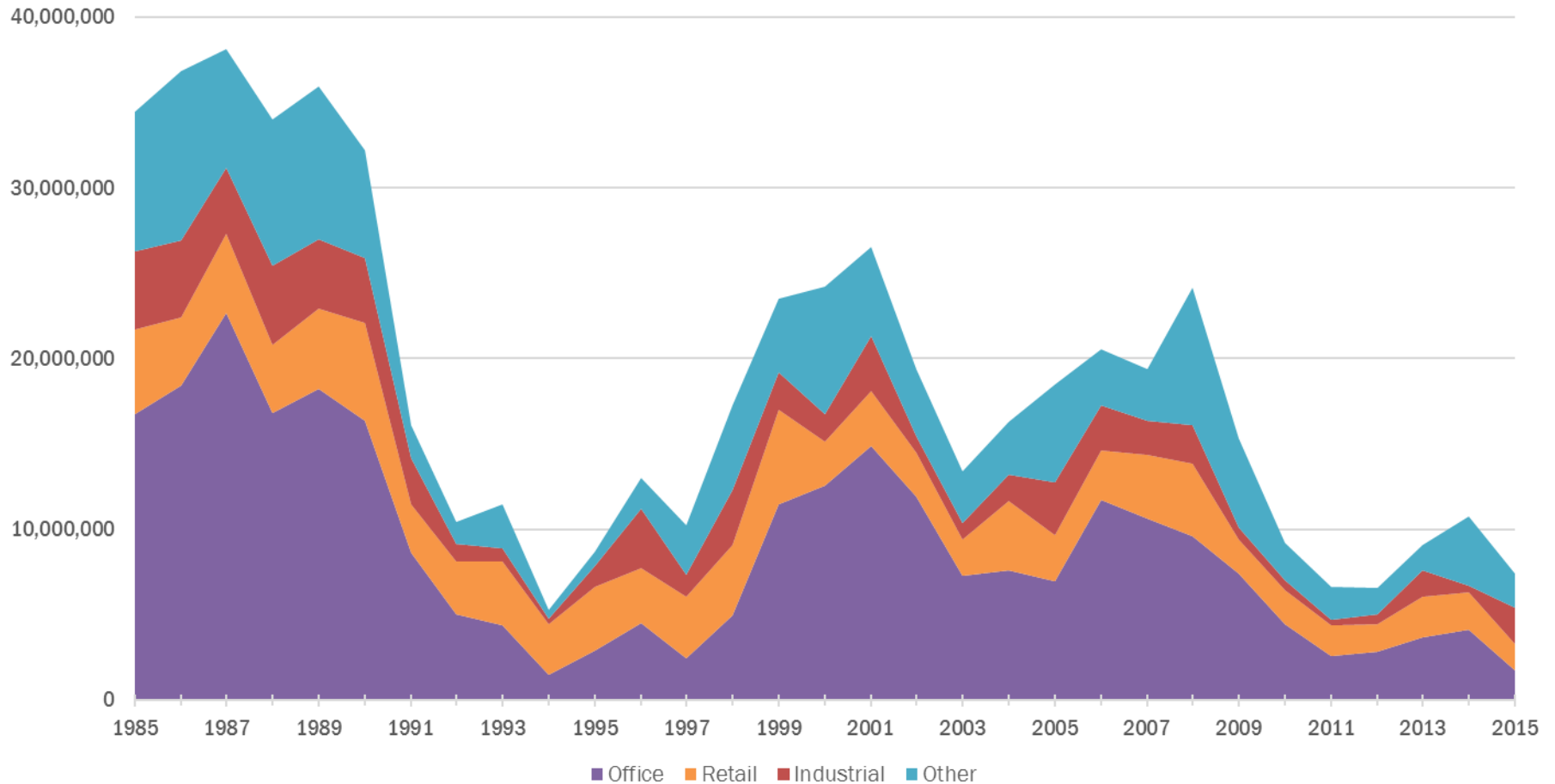


0 2½ 5 10 15 20 Miles



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Square Footage of Completed Commercial Construction by Property Type, 1985 - 2015



Office Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Office Completions

≈ 100,000 sq ft

2015 Office Completions

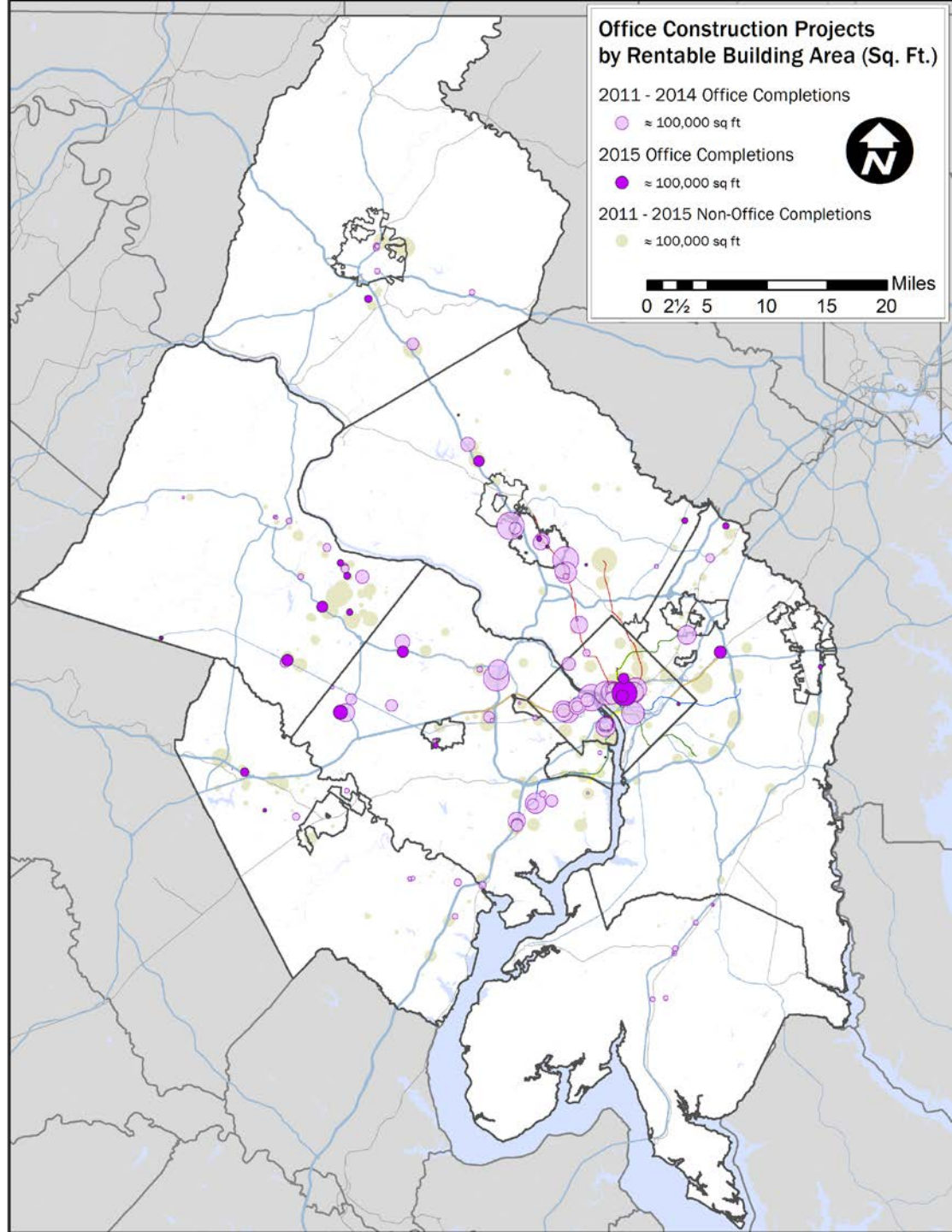
≈ 100,000 sq ft

2011 - 2015 Non-Office Completions

≈ 100,000 sq ft



0 2½ 5 10 15 20 Miles



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Retail Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Retail Completions

○ ≈ 100,000 sq ft

2015 Retail Completions

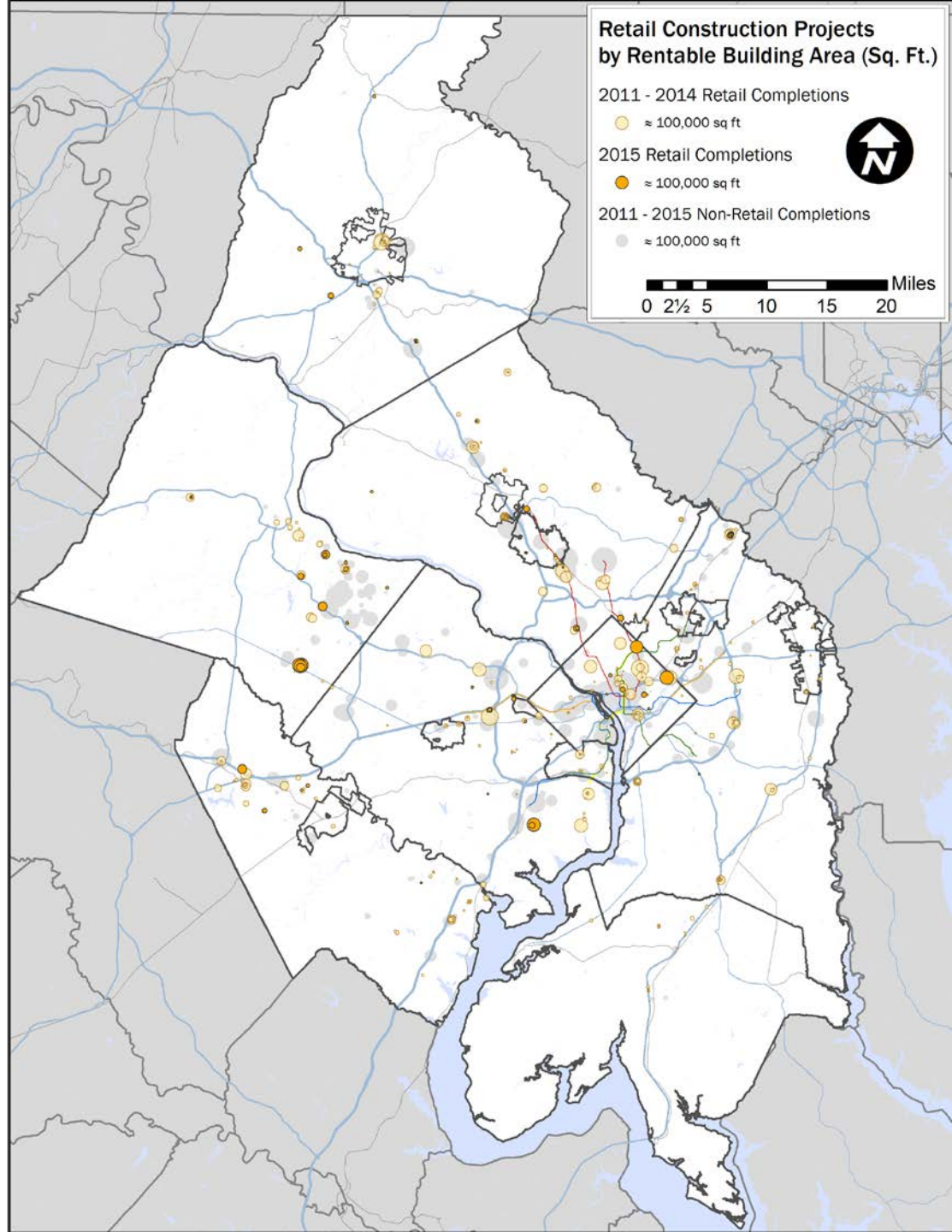
● ≈ 100,000 sq ft

2011 - 2015 Non-Retail Completions

● ≈ 100,000 sq ft



0 2½ 5 10 15 20 Miles



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Hospitality Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Hospitality Completions

≈ 100,000 sq ft

2015 Hospitality Completions

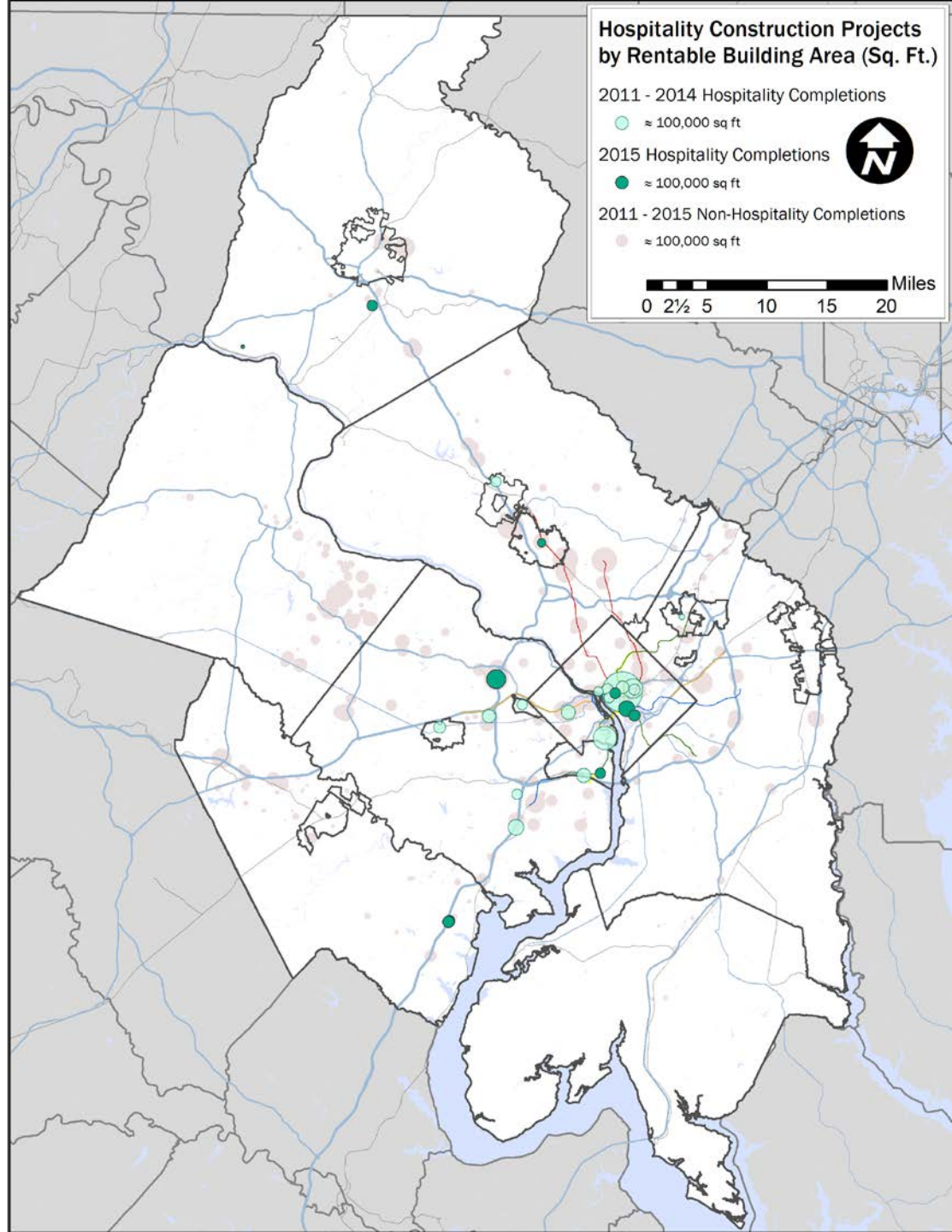
≈ 100,000 sq ft

2011 - 2015 Non-Hospitality Completions

≈ 100,000 sq ft



0 2½ 5 10 15 20 Miles



Industrial Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Industrial Completions

≈ 100,000 sq ft

2015 Industrial Completions

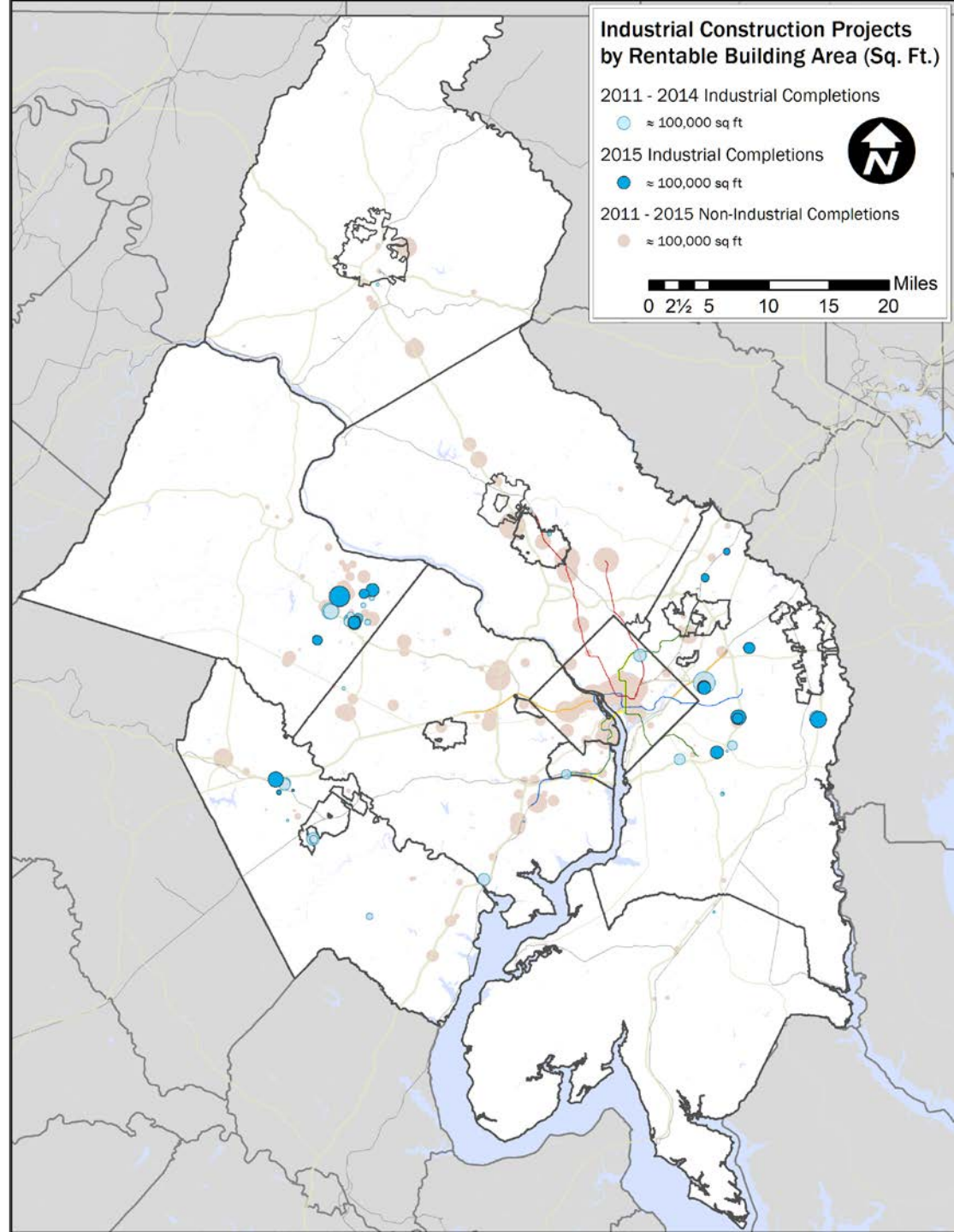
≈ 100,000 sq ft

2011 - 2015 Non-Industrial Completions

≈ 100,000 sq ft



0 2½ 5 10 15 20 Miles



Flex Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Flex Completions

○ ≈ 100,000 sq ft

2015 Flex Completions

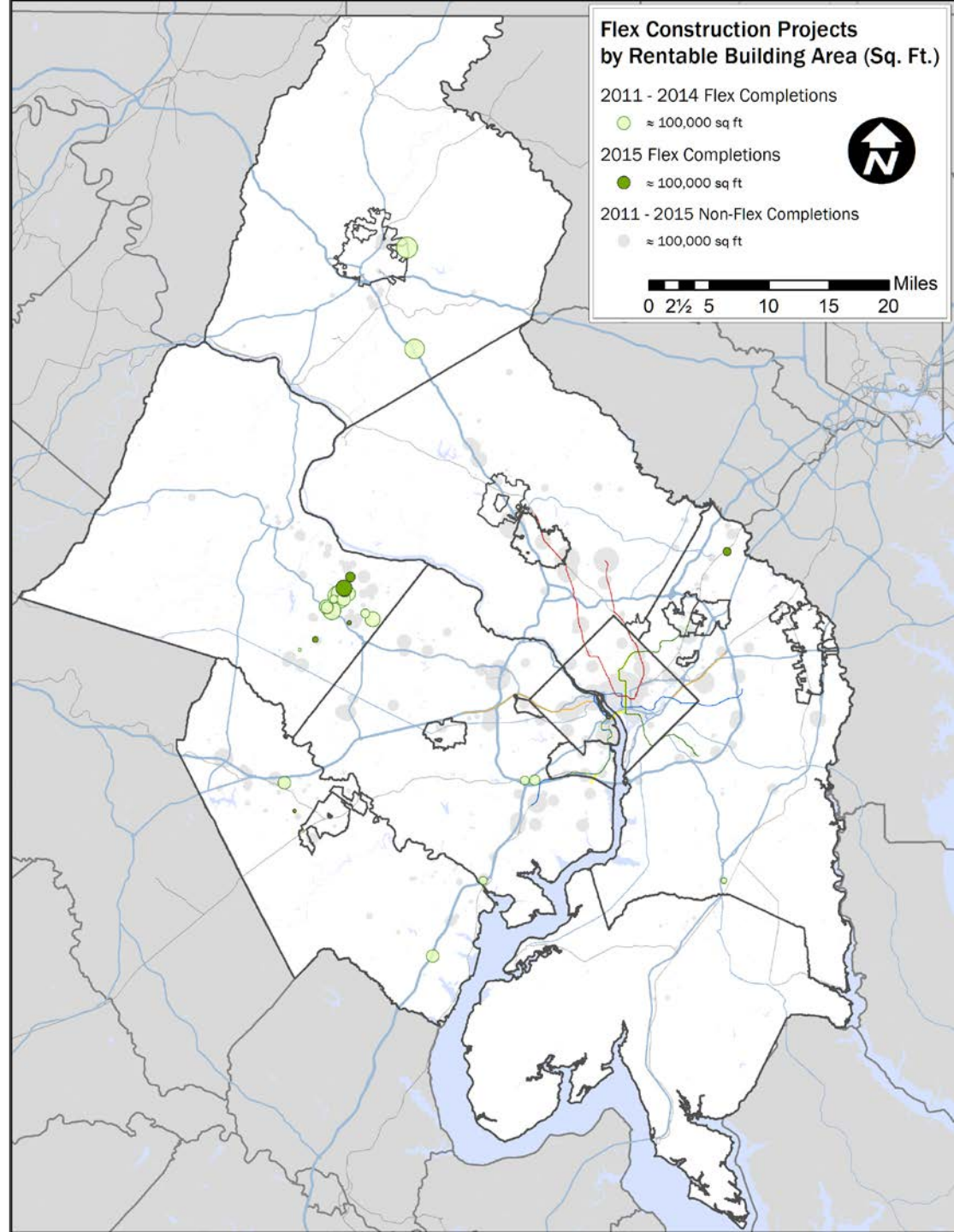
● ≈ 100,000 sq ft

2011 - 2015 Non-Flex Completions

● ≈ 100,000 sq ft



0 2½ 5 10 15 20 Miles



Healthcare Construction Projects by Rentable Building Area (Sq. Ft.)

2011 - 2014 Healthcare Completions

≈ 100,000 sq ft

2015 Healthcare Completions

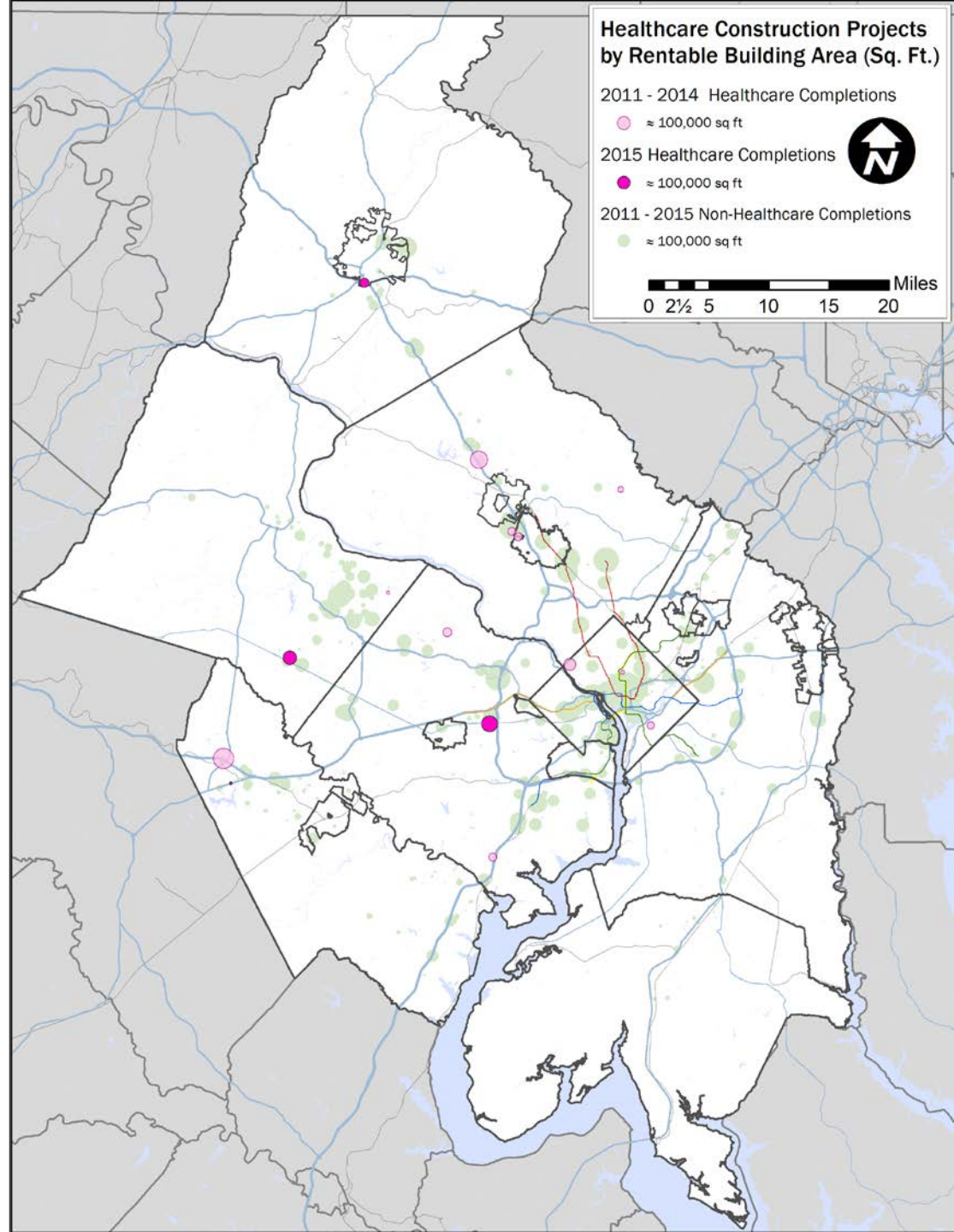
≈ 100,000 sq ft

2011 - 2015 Non-Healthcare Completions

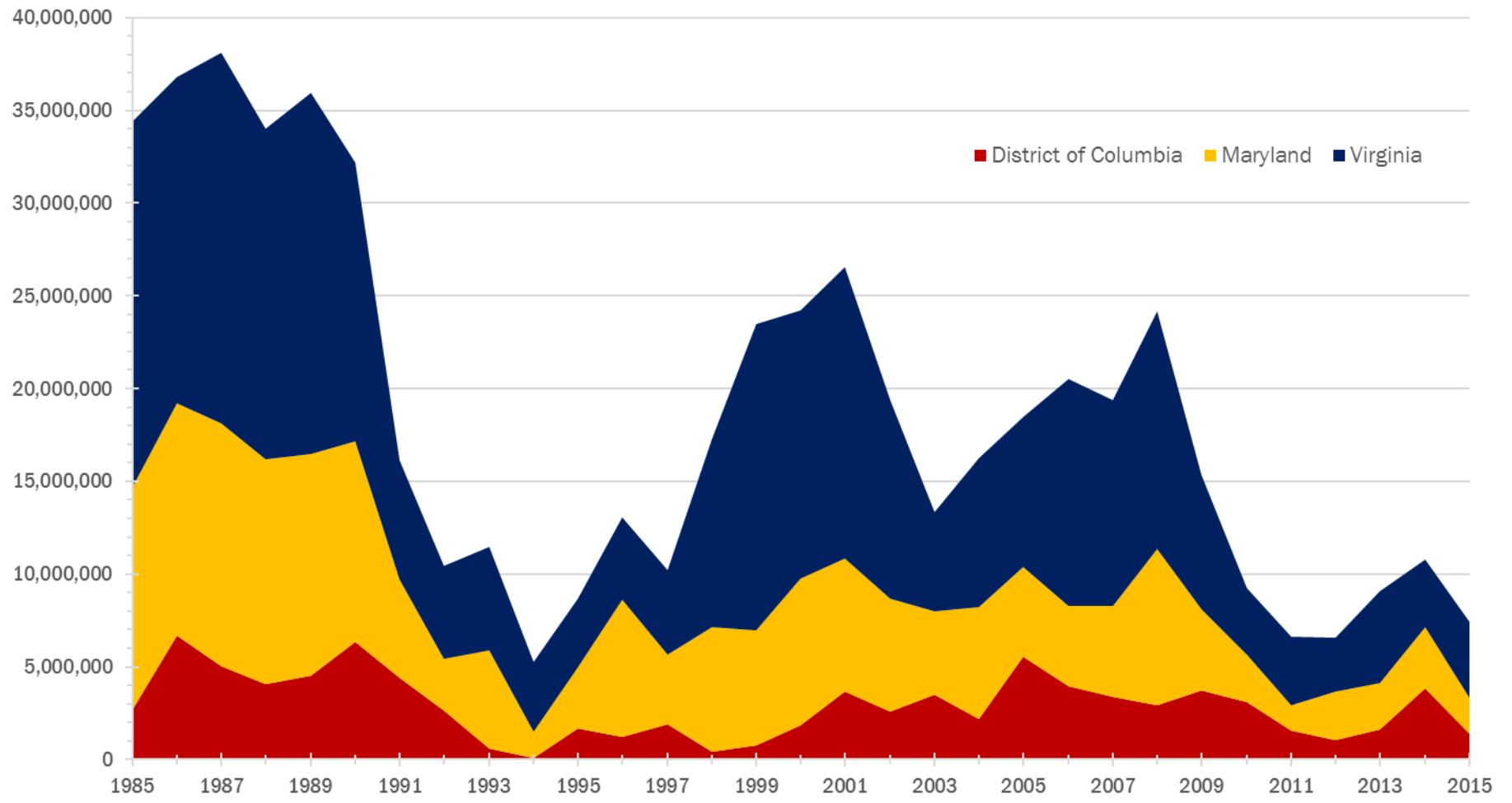
≈ 100,000 sq ft



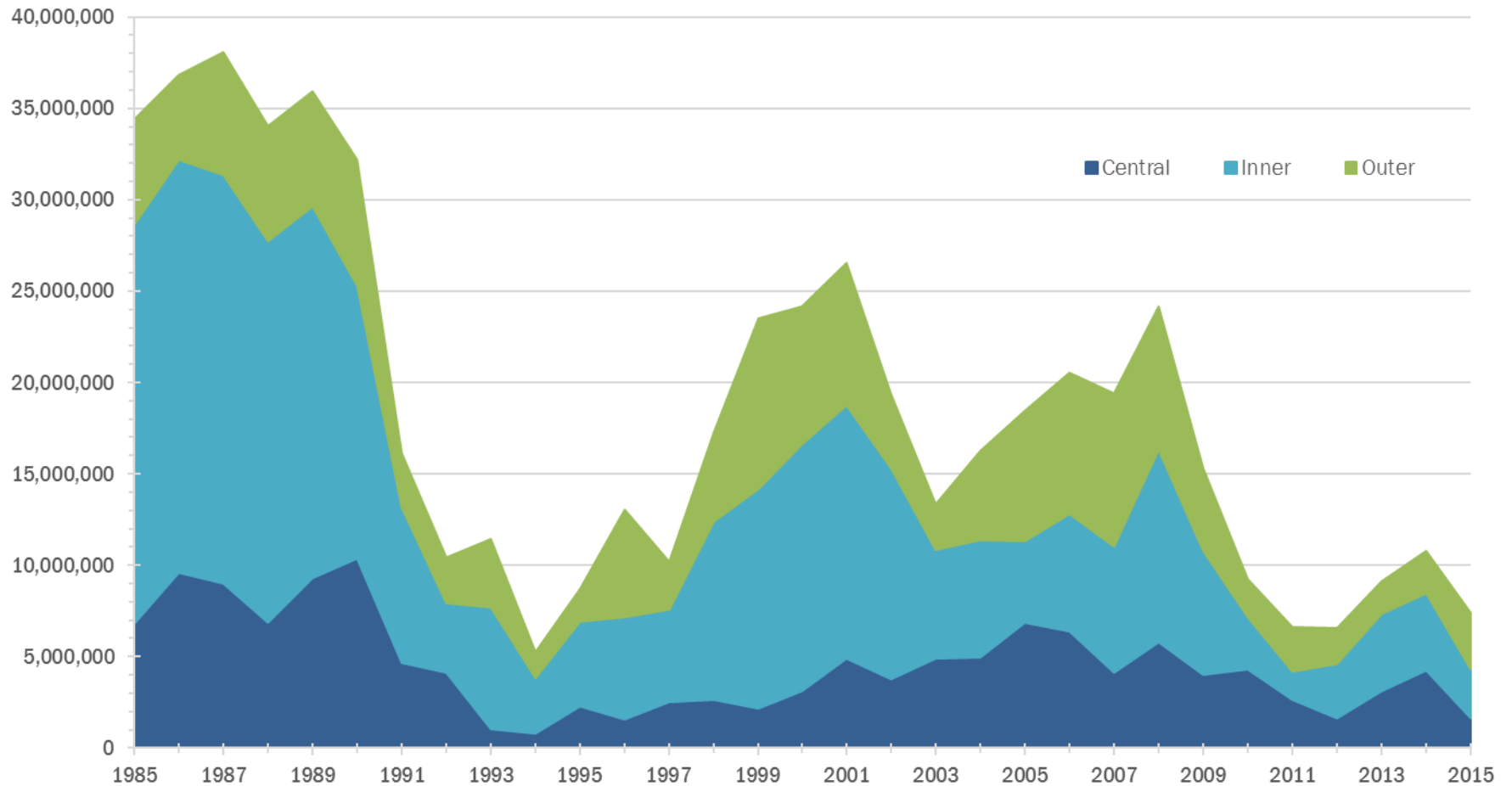
0 2½ 5 10 15 20 Miles



Square Footage of Completed Commercial Construction
by State, 1985 - 2015



Square Footage of Completed Commercial Construction by Jurisdictional Groups, 1985 - 2015



Projects within Half Mile of Metrorail Station

Half Mile Metro Station Boundary



2015 Completions

● ≈ 150,000 sq ft

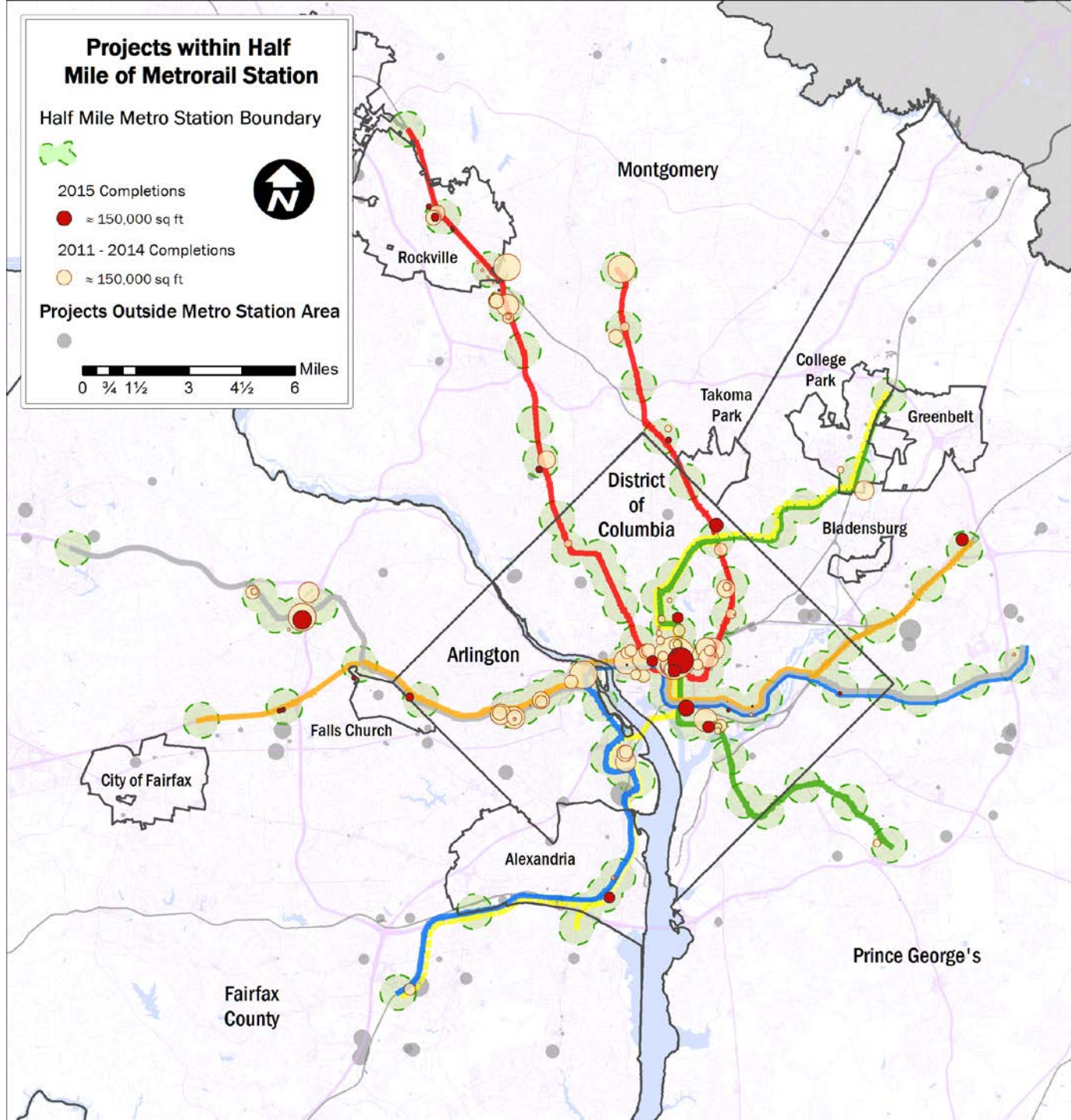
2011 - 2014 Completions

○ ≈ 150,000 sq ft

Projects Outside Metro Station Area



0 ¼ 1½ 3 4½ 6 Miles

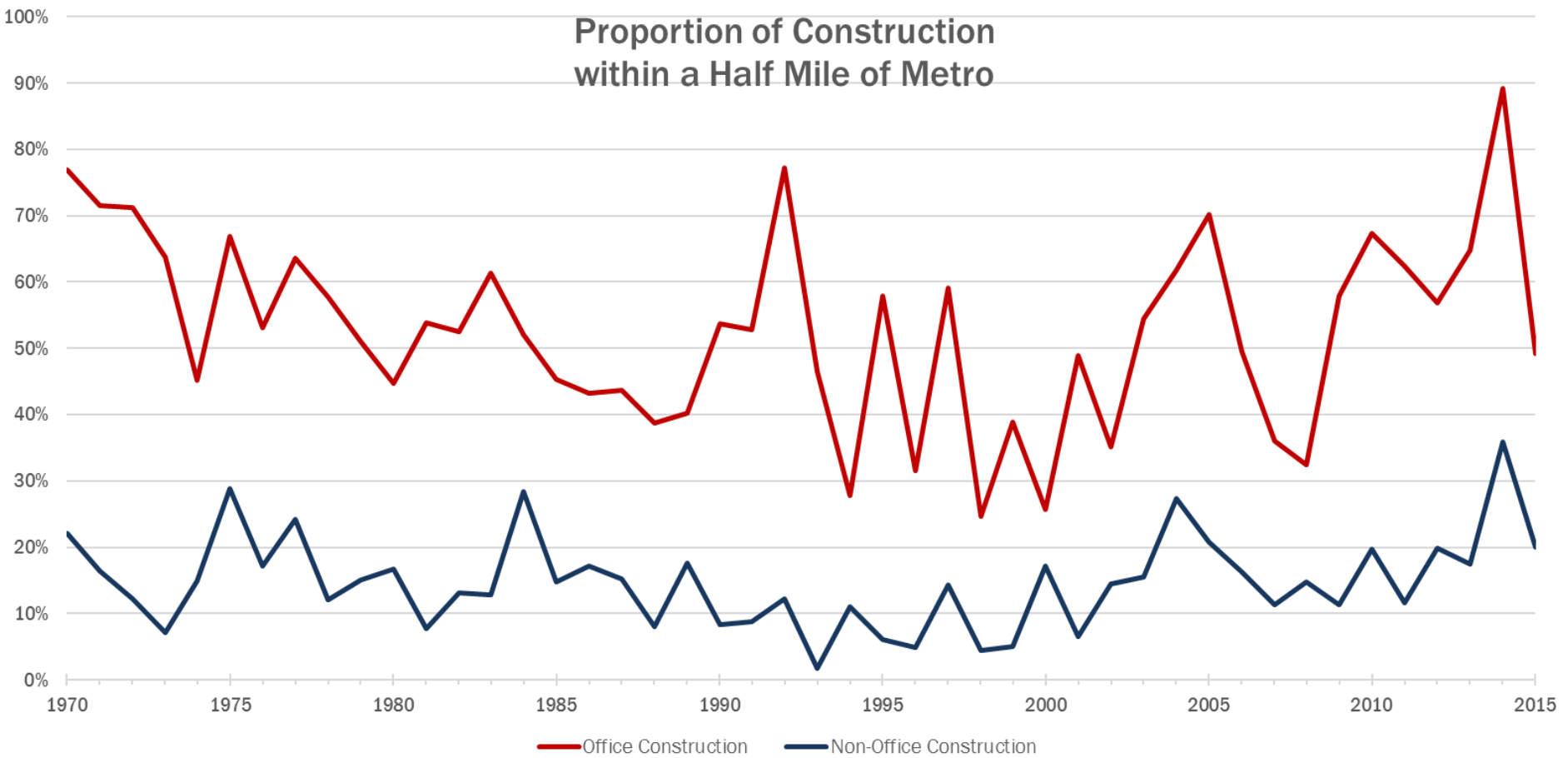


- Since 2011, 48 Metro stations have had at least one commercial construction project located within a half mile
 - 43 stations have had no projects
- From 2011 – 2014, about 42% of new construction with within half a mile of a Metro station
 - In 2015, the Metro share fell to 27%

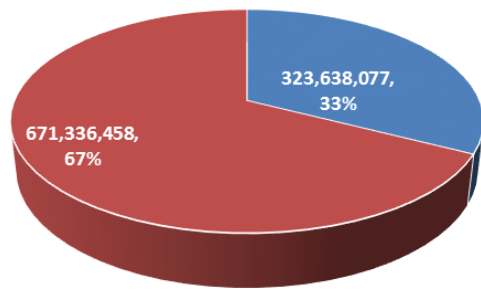
Metrorail Station Area	2011 -2014 Completions			2015 Completions			State
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	
Ballston-MU	6	982,124	3.0%	0	0	0.0%	VA
Benning Road	0	0	0.0%	1	12,032	0.2%	DC
Bethesda	2	231,426	0.7%	2	40,342	0.5%	MD
Braddock Road	2	23,000	0.1%	0	0	0.0%	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 Center	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/African-Amer Civil War Memorial/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
<i>DC Metrorail Station Area Totals</i>	<i>46</i>	<i>7,047,209</i>	<i>21.3%</i>	<i>12</i>	<i>1,236,614</i>	<i>16.7%</i>	<i>--</i>
<i>Maryland Metrorail Station Area Totals</i>	<i>24</i>	<i>3,058,020</i>	<i>9.3%</i>	<i>9</i>	<i>272,325</i>	<i>3.7%</i>	<i>--</i>
<i>Virginia Metrorail Station Area Totals</i>	<i>22</i>	<i>3,713,154</i>	<i>11.2%</i>	<i>7</i>	<i>468,478</i>	<i>6.3%</i>	<i>--</i>
<i>Inside Metrorail Station Areas Total</i>	<i>92</i>	<i>13,818,383</i>	<i>41.8%</i>	<i>28</i>	<i>1,977,417</i>	<i>26.7%</i>	<i>--</i>
<i>Outside Metrorail Station Areas Total</i>	<i>431</i>	<i>19,224,278</i>	<i>58.2%</i>	<i>98</i>	<i>5,433,583</i>	<i>73.3%</i>	<i>--</i>
Regional Total	523	33,042,661	100.0%	126	7,411,000	100.0%	--



Proportion of Construction within a Half Mile of Metro

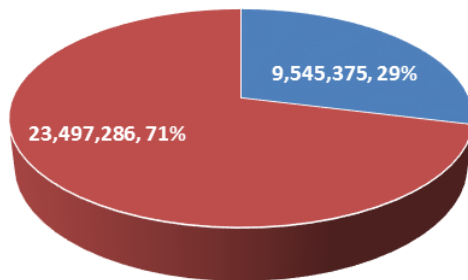


Prior to 2011



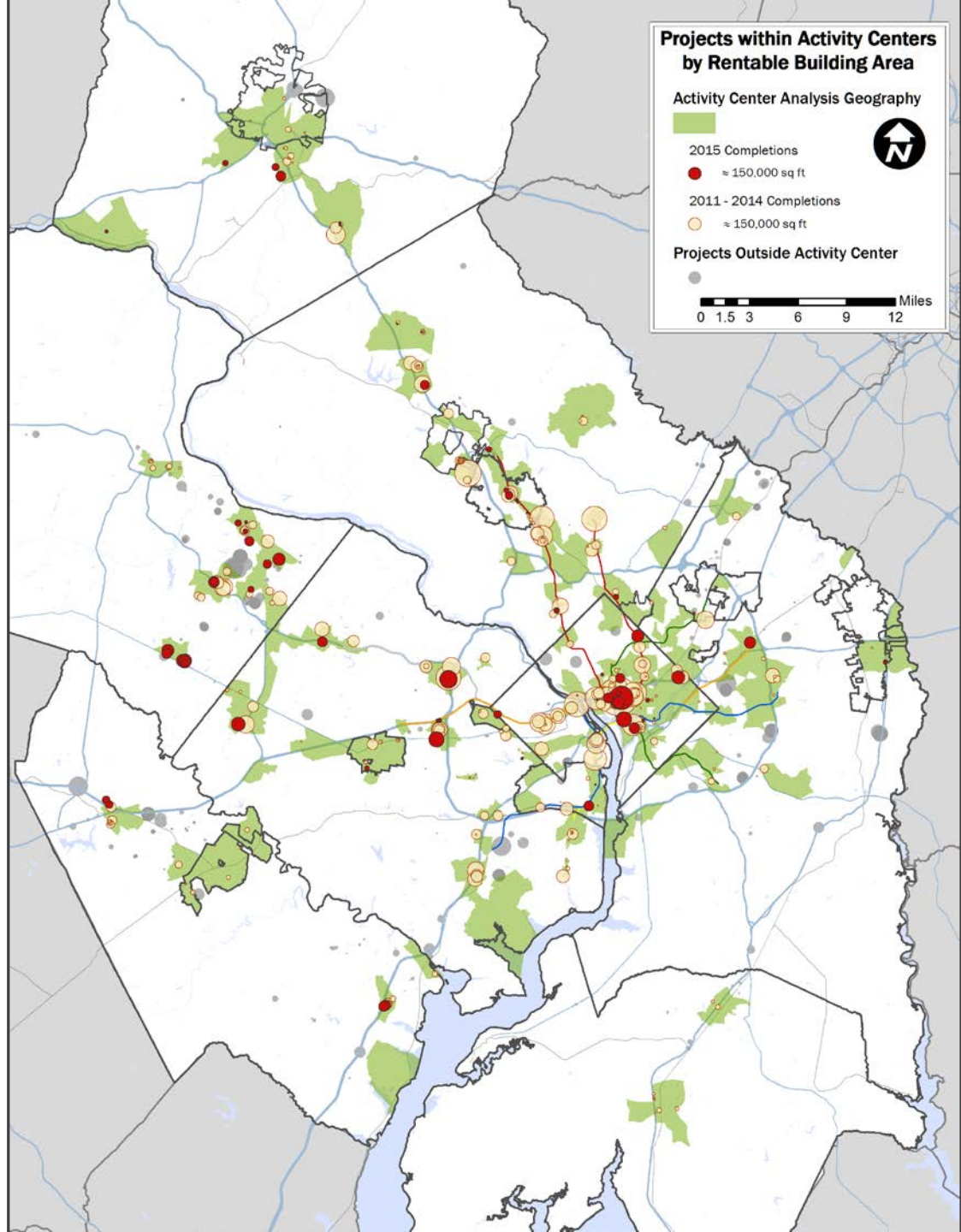
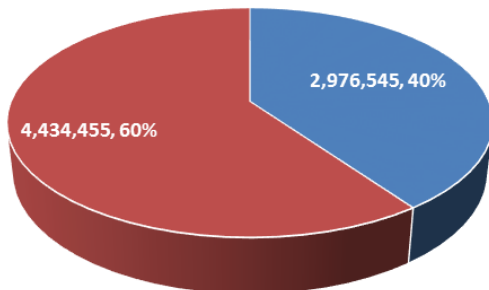
■ Non-Activity Center ■ Activity Center

2011 - 2014

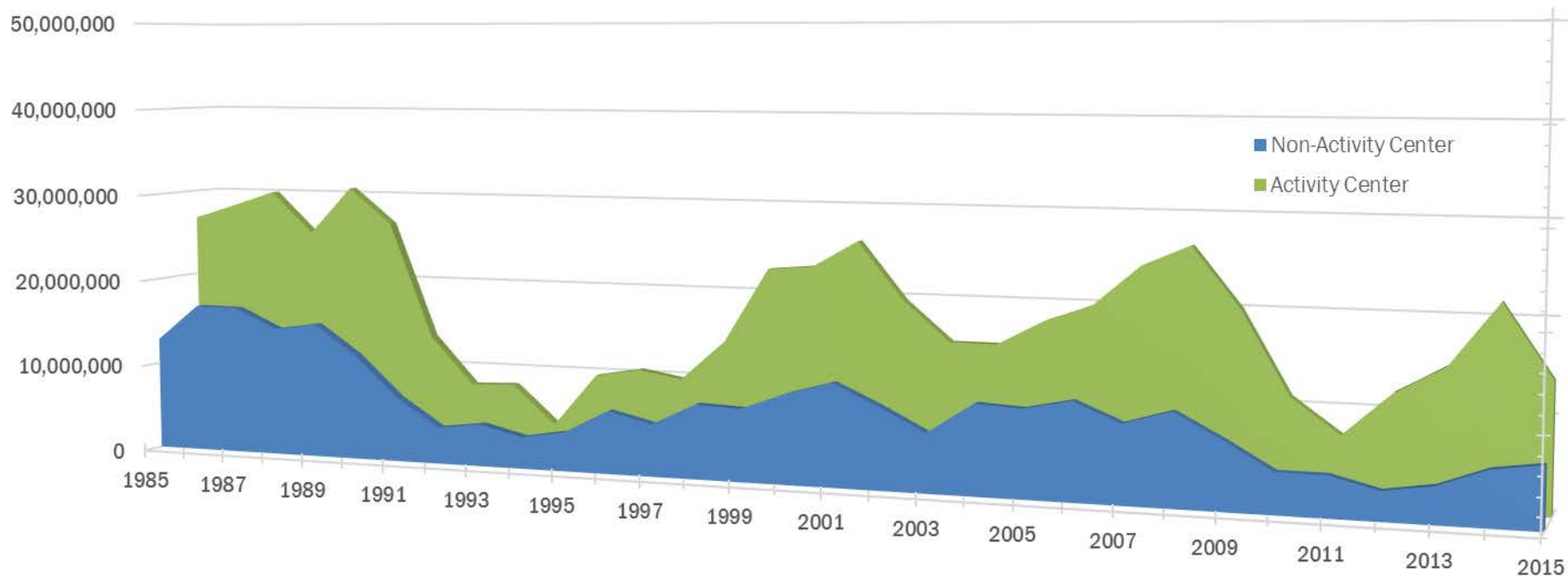


■ Non-Activity Center ■ Activity Center

2015



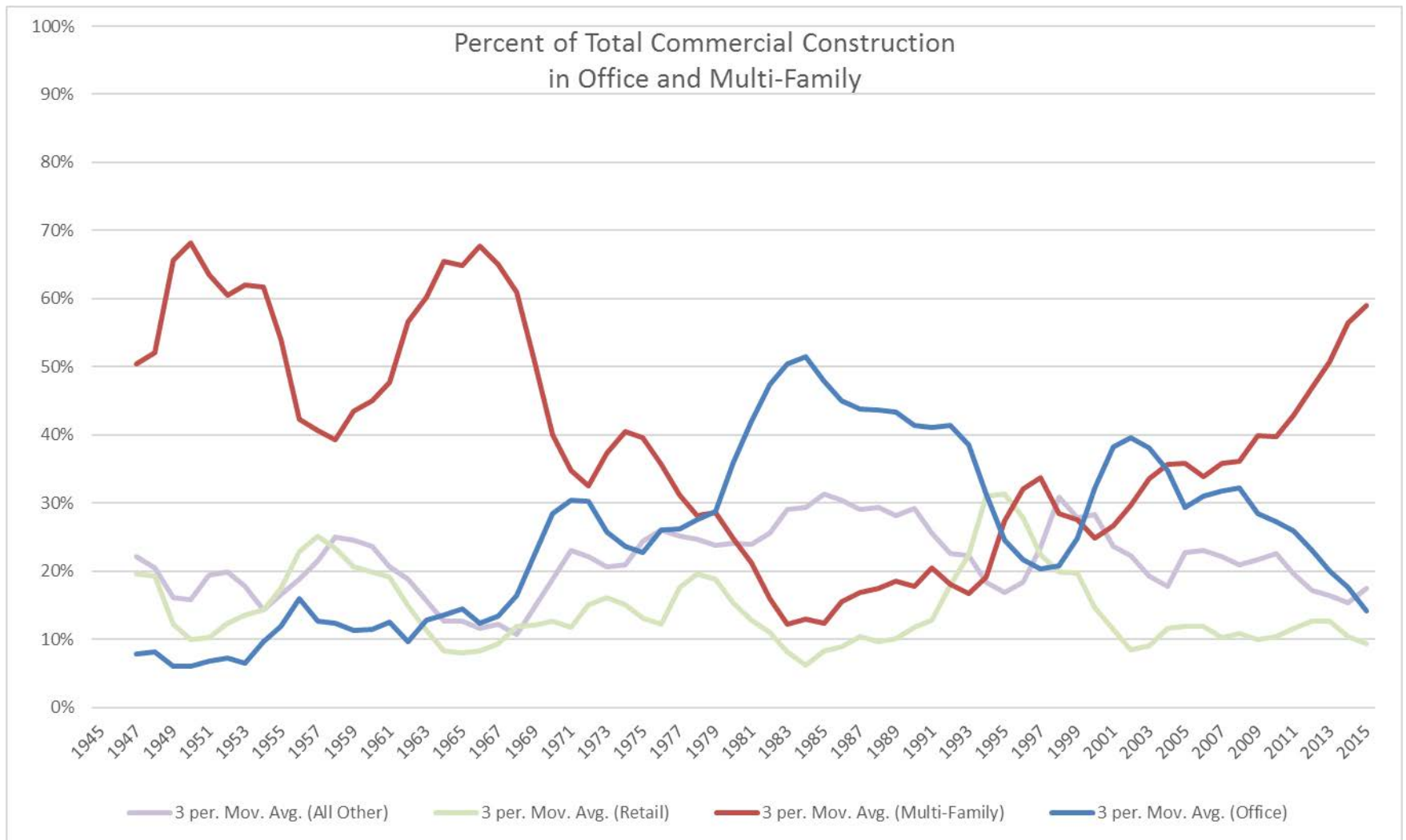
Square Footage of Completed Commercial Construction Activity Centers, 1985 - 2015



Activity Centers with Most Construction

Activity Center Name	Prior to 2011		2011 -2014		2015		Total	
	RBA	Projects	RBA	Projects	RBA	Projects	RBA	Projects
Downtown DC	27,667,738	458	2,571,633	10	612,195	3	30,851,566	471
NoMa	13,145,580	465	1,500,588	6	0	0	14,646,168	471
Ashburn Station	4,166,043	54	1,195,572	12	160,169	2	5,521,784	68
Crystal City	14,966,193	86	1,070,858	4	0	0	16,037,051	90
Ballston	8,110,382	56	982,124	6	0	0	9,092,506	62
Life Sciences Center-Gaithersburg Crown	8,015,398	92	905,440	14	0	0	8,920,838	106
Tysons Central 123	17,301,883	137	832,547	3	0	0	18,134,430	140
White Flint	6,093,790	148	795,824	5	0	0	6,889,614	153
Rosslyn	10,622,002	59	673,916	2	103,254	2	11,399,172	63
Dunn Loring-Merrifield	14,064,759	252	482,053	4	244,255	4	14,791,067	260
Arcola	48,378	5	0	0	692,016	6	740,394	11
Farragut Square	61,785,145	428	585,017	3	91,000	1	62,461,162	432
Fort Belvoir North Area	9,042,658	263	652,989	5	0	0	9,695,647	268
Germantown	6,728,823	151	612,885	9	0	0	7,341,708	160
Dulles South	19,941,793	336	390,083	5	159,300	1	20,491,176	342
Rockville Twinbrook	7,379,330	213	542,266	4	0	0	7,921,596	217
Glenmont	224,754	17	527,192	1	0	0	751,946	18
West End	13,945,197	104	512,775	2	0	0	14,457,972	106
Dupont	17,445,417	659	506,947	4	0	0	17,952,364	663
Urbana	595,522	55	431,898	4	0	0	1,027,420	59
Non-Activity Center	323,638,077	14,058	9,545,375	237	2,976,545	59	336,159,997	14,354
All Activity Centers	671,336,458	18,331	23,497,286	286	4,434,455	67	699,268,199	18,684
Total	994,974,535	32,389	33,042,661	523	7,411,000	126	1,035,428,196	33,038





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