

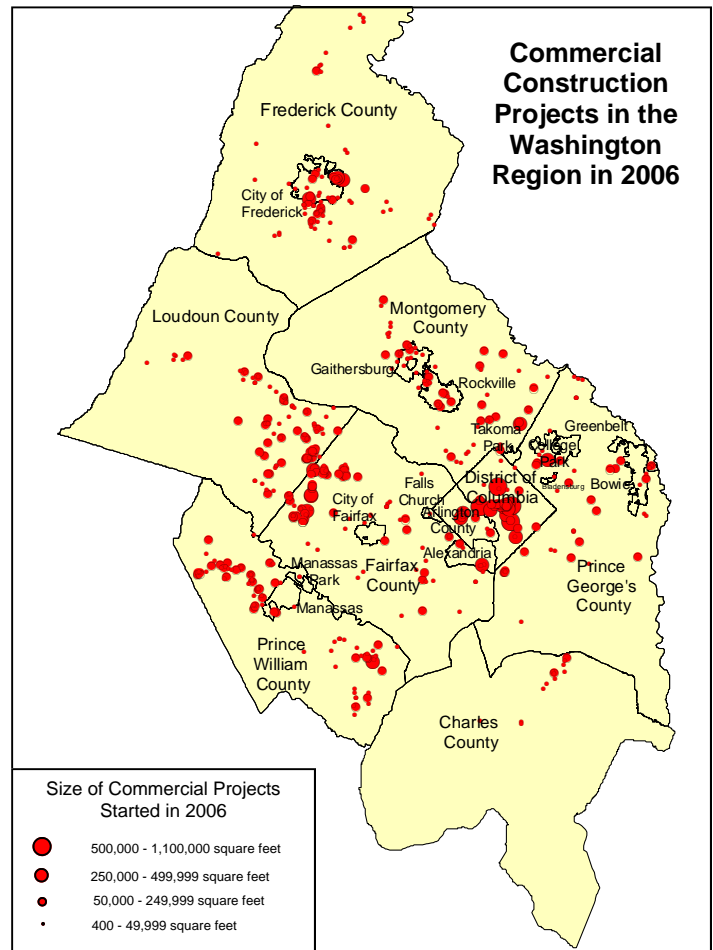
Commercial Construction Indicators 2006 Annual Summary



Metropolitan
Washington
Council of
Governments

Construction Highlights in 2006

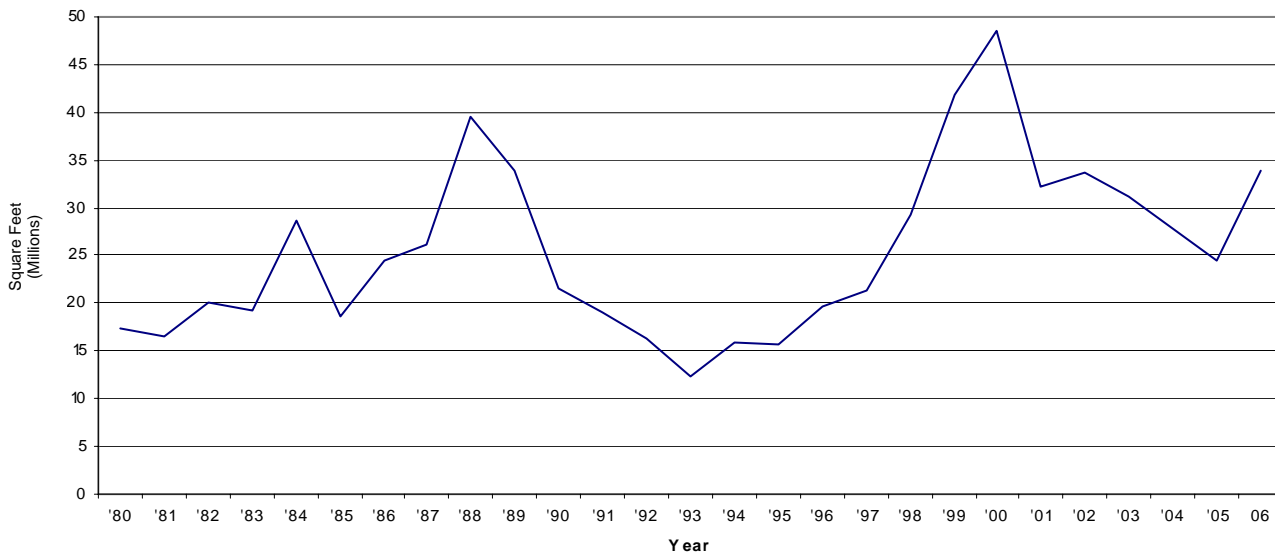
- ◆ In 2006, **519** commercial construction projects were initiated in the Washington region. These projects **added more than 33.9 million square feet** of space, valued at more than **\$5.8 billion**.
- ◆ Between 2005 and 2006, the level of new construction increased nearly 9.5 million square feet, or **39 percent**. This year's totals marks the fifth greatest amount of commercial construction started since 1980.
- ◆ The **Washington Nationals Stadium** in the District of Columbia was the region's largest project at 1.05 million square feet of space and an estimated cost of \$611 million. The next largest projects were the **Walterview** Mixed Use project in Arlington and **Station Place Phase III** office building in the District of Columbia, with 630,000 square feet and 505,000 square feet of space, respectively.



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Commercial Construction Starts, 1980-2006 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 2006 held the greatest share of commercial construction, creating 39 percent of the region's new commercial space. Construction in this sector added nearly 12.9 million square feet to the region's total space. Four of the seven categories of commercial construction experienced increases from 2005. Office construction saw the biggest increase, with an additional 6.2 million square feet in 2006, followed by Retail with 2.8 million square feet. Educational & Medical increased 750,000 square feet, while 'Other' had nearly two million more square feet started than in the previous year.

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

A total of 54 commercial construction projects, accounting for more than 9.3 million square feet of space, were started in Metrorail station areas in 2006. The new space amounted to 28 percent of the region's construction activity, compared to 22 percent in 2005. Twenty-three new commercial projects, totaling over 2.7 million square feet, began construction in commuter rail station areas in 2006. Thirty-five percent of all commercial projects starting in 2006 were located in Metrorail and Commuter Rail areas, compared to 25 percent in 2005.

◆ **Inner Jurisdictions capture the most new construction space in 2006**

The inner suburbs added 197 projects and over 13.7 million square feet of space in 2006. These jurisdictions held a 40 percent share of the region's commercial construction activity, compared to 46 percent in 2005. The central jurisdictions captured 25 percent of the region's commercial development in 2006. These jurisdictions added 46 new projects and more than 8.5 million square feet of new space, a 73 percent increase from the previous year. In the outer suburbs, 276 new projects were started totaling 11.6 million square feet of additional space, an increase of 56 percent from the previous year.

◆ **Northern Virginia led the region in Commercial Construction in 2006**

Northern Virginia led the region in the construction of new commercial space, most notably in the Office category. Northern Virginia added 279 projects and more than 16.9 million square feet of new space in 2006. Northern Virginia saw a net increase of 41 percent in new commercial space from 2005 to 2006. Suburban Maryland added 210 new projects in 2006, totaling more than 10.4 million square feet. Suburban Maryland saw a two percent decline in new commercial space compared to the previous year but experienced an increase in office projects. The District of Columbia added 30 new projects and over 6.5 million square feet of new space in 2006. The District's overall square footage of new commercial space increased 64 percent from the previous year's construction with a 72 percent rise in office space.

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

A total of 204 commercial construction projects, contributing more than 19.5 million square feet of space, were started in Regional Activity Centers in 2006. The new space in these centers account for nearly 58 percent of the region's new construction activity, compared with 55 percent in 2005. A total of 253 commercial projects and nearly 22.8 million square feet of space began construction in Regional Activity Clusters in 2006. The development represents 67.4 percent of the region's new commercial construction activity, compared with 55 percent in 2005.

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

Private firms added 457 commercial construction projects to the region in 2006. The percentage of new construction by private firms increased by 50 percent from 2005.

Government agencies started 14 percent of the region's new space in 2006, a nine percent decrease in new construction from 2005. Of this construction, federal entities began three percent; state entities began three percent; and local governments began nine percent, mostly to build schools.

The largest project initiated by the Federal government was the National Oceanic and Atmospheric Administration's (NOAA) Center for Climate and Weather Prediction project in College Park, which added 268,000 square feet of new space.

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

Definition of Jurisdictional Groups

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.

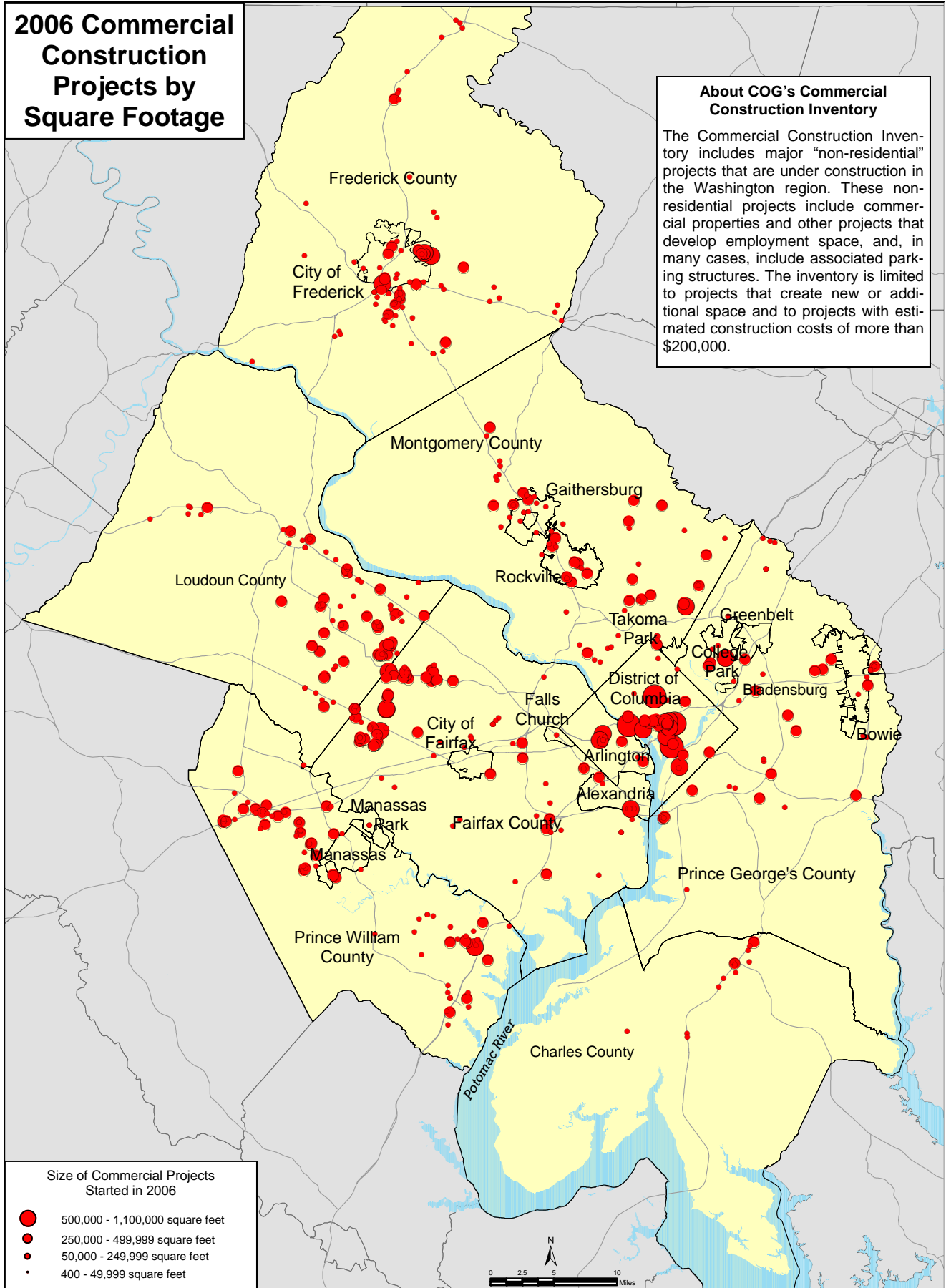
Outer Suburban Jurisdictions - Charles and Frederick Counties and the City of Frederick in Maryland; Loudoun and Prince William Counties, and the Cities of Manassas and Manassas Park in Virginia.

Regional Numbers and Trends

2006 Commercial Construction Projects by Square Footage

About COG's Commercial Construction Inventory

The Commercial Construction Inventory includes major "non-residential" projects that are under construction in the Washington region. These non-residential projects include commercial 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 and to projects with estimated construction costs of more than \$200,000.



Size of Commercial Projects Started in 2006

- 500,000 - 1,100,000 square feet
- 250,000 - 499,999 square feet
- 50,000 - 249,999 square feet
- 400 - 49,999 square feet

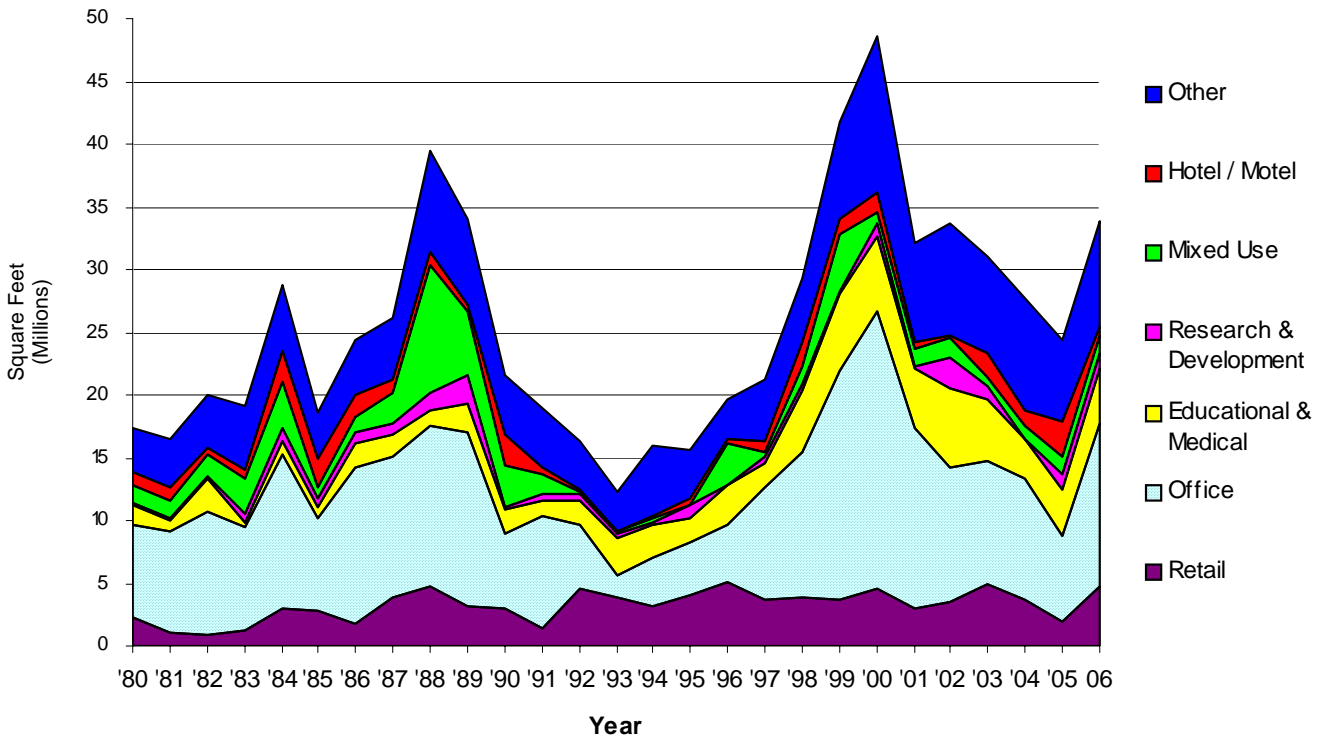
Commercial Construction by Structure Type

- ◆ As in recent years, **office development** held the greatest share of commercial construction in 2006, creating 39 percent of the region's new commercial space. This sector of construction added over 12.9 million square feet to the region's total.
- ◆ The largest office project started in 2006 was the 505,000 square foot Phase III of Station Place in the District of Columbia.
- ◆ Four of the seven commercial structure types experienced increases from 2005. **Office** construction saw the biggest increase, with an additional 6.2 million square feet in 2006, followed by **Retail** with 2.8 million square feet. **Educational & Medical** increased 750,000 square feet, while **Other** (Flex, Warehouse, and Institutional) had nearly two million more square feet started than in the previous year.

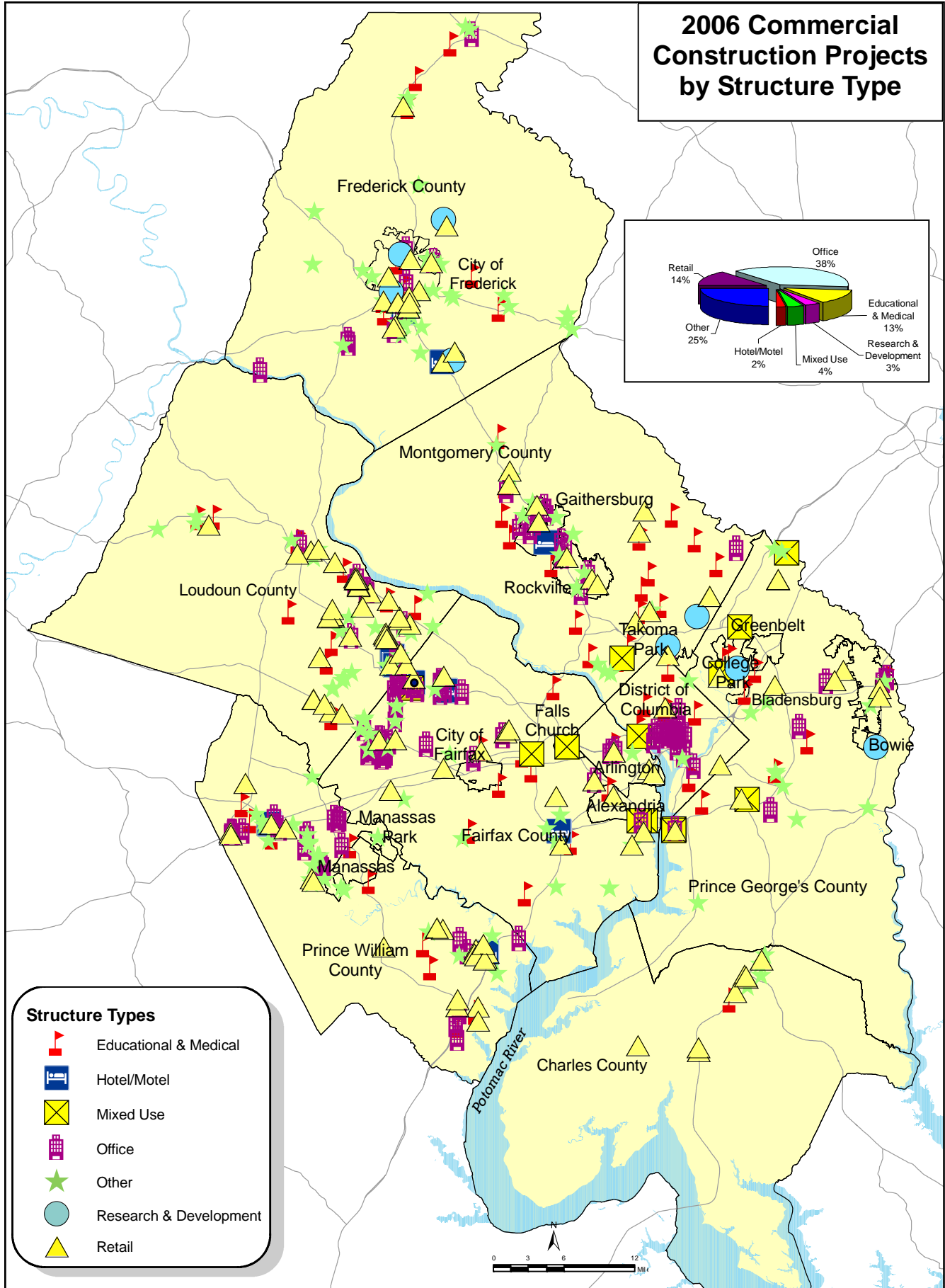
Commercial Construction Starts, 2005 and 2006 by Structure Type

	2006			2005		
	Projects	Square Feet	Value	Projects	Square Feet	Value
Retail	139	4,738,396	\$488,544,185	93	1,992,344	\$171,417,698
Office	121	12,914,995	\$2,135,216,248	97	6,694,385	\$1,073,598,884
Educational & Medical	72	4,532,046	\$1,106,556,646	69	3,787,548	\$717,858,271
Research & Development	8	1,136,614	\$437,229,997	11	1,164,712	\$205,355,000
Mixed Use	14	1,396,536	\$391,470,841	19	1,531,930	\$164,761,199
Hotel/Motel	10	725,828	\$135,099,997	9	2,742,848	\$645,684,998
Other	155	8,470,568	\$1,127,916,050	132	6,506,915	\$553,283,462
Total	519	33,914,983	\$5,822,033,964	430	24,420,682	\$3,531,959,512

Commercial Construction Starts, 1980-2006 Total Square Feet by Structure Type and Year



Commercial Construction by Structure Type



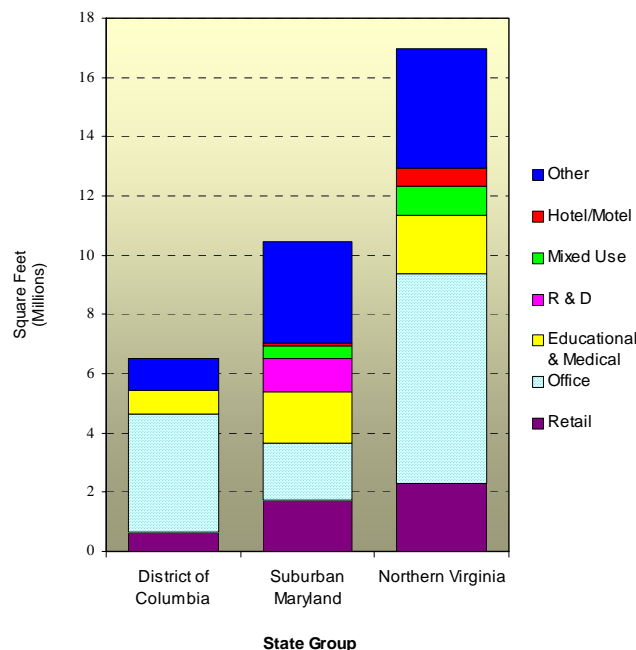
Commercial Construction by State Group

The **District of Columbia** added **30 new projects** and over **6.5 million square feet** of new space in 2006. The District's overall square footage of new commercial space increased 64 percent from the previous year construction starts with a 72 percent rise in office space.

Suburban Maryland added **210 new projects** in 2006, totaling more than **10.4 million square feet**. Suburban Maryland saw a two percent decline in new commercial space compared to the previous year, but experienced an increase in office projects.

Northern Virginia led the region in the construction of new commercial space, most notably in the Office category. Northern Virginia added **279 projects** and more than **16.9 million square feet** of new space in 2006. Northern Virginia saw a **net increase of 41 percent** in new commercial space from 2005 to 2006. Projects in Northern Virginia amounted to half of all the new commercial space started in 2006.

Commercial Construction Starts, 2006
Total Square Feet by Structure Type and State Group



Commercial Construction Starts, 2005 and 2006
by Structure Type and State Group

		2006			2005		
		Projects	Square Feet	Value	Projects	Square Feet	Value
District of Columbia	Retail	2	664,000	\$71,000,000	5	126,074	\$19,500,000
	Office	19	3,974,477	\$932,000,000	11	2,304,912	\$589,500,000
	Educational & Medical	7	803,000	\$240,639,999	6	559,303	\$154,350,000
	Research & Development	0	0	\$0	0	0	\$0
	Mixed Use	0	0	\$0	1	125,000	\$3,500,000
	Hotel/Motel	0	0	\$0	0	0	\$0
	Other	2	1,067,000	\$617,000,000	6	862,970	\$95,000,000
Subtotal	30	6,508,477	\$1,860,639,999	29	3,978,259	\$861,850,000	
Suburban Maryland	Retail	52	1,755,293	\$168,339,276	30	732,580	\$57,912,146
	Office	31	1,883,358	\$306,033,093	24	1,128,940	\$134,853,984
	Educational & Medical	36	1,745,507	\$390,681,348	32	1,992,181	\$364,930,497
	Research & Development	8	1,136,614	\$437,229,997	10	1,159,712	\$202,855,000
	Mixed Use	7	424,828	\$64,955,841	7	526,439	\$45,861,199
	Hotel/Motel	3	99,000	\$35,999,998	4	2,260,090	\$580,999,999
	Other	73	3,395,994	\$264,219,477	54	2,803,027	\$201,746,279
Subtotal	210	10,440,594	\$1,667,459,030	161	10,602,969	\$1,589,159,104	
Northern Virginia	Retail	85	2,319,103	\$249,204,909	58	1,133,690	\$94,005,552
	Office	71	7,057,160	\$897,183,155	62	3,260,533	\$349,244,900
	Educational & Medical	29	1,983,539	\$475,235,299	31	1,236,064	\$198,577,774
	Research & Development	0	0	\$0	1	5,000	\$2,500,000
	Mixed Use	7	971,708	\$326,515,000	11	880,491	\$115,400,000
	Hotel/Motel	7	626,828	\$99,099,999	5	482,758	\$64,684,999
	Other	80	4,007,574	\$246,696,573	72	2,840,918	\$256,537,183
Subtotal	279	16,965,912	\$2,293,934,935	240	9,839,454	\$1,080,950,408	
Region	Retail	139	4,738,396	\$488,544,185	93	1,992,344	\$171,417,698
	Office	121	12,914,995	\$2,135,216,248	97	6,694,385	\$1,073,598,884
	Educational & Medical	72	4,532,046	\$1,106,556,646	69	3,787,548	\$717,858,271
	Research & Development	8	1,136,614	\$437,229,997	11	1,164,712	\$205,355,000
	Mixed Use	14	1,396,536	\$391,470,841	19	1,531,930	\$164,761,199
	Hotel/Motel	10	725,828	\$135,099,997	9	2,742,848	\$645,684,998
	Other	155	8,470,568	\$1,127,916,050	132	6,506,915	\$553,283,462
Total	519	33,914,983	\$5,822,033,964	430	24,420,682	\$3,531,959,512	

Commercial Construction by Jurisdictional Group

Central Jurisdictions

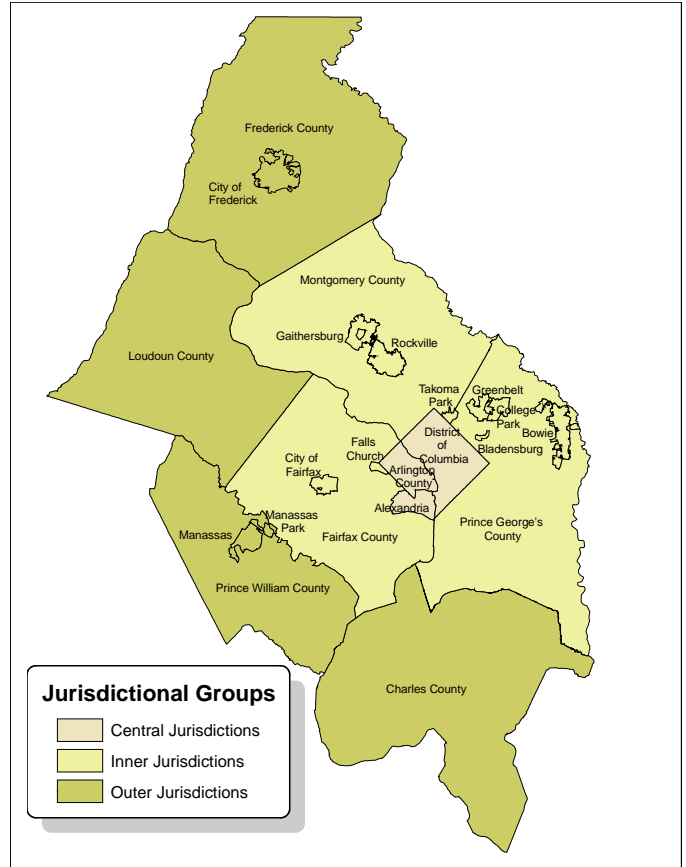
The **central jurisdictions**, comprised of the **District of Columbia, City of Alexandria, and Arlington County**, captured 25 percent of the region's commercial development in 2006. These jurisdictions added **46 new projects** and more than **8.5 million square feet** of new space, a **73 percent increase** from the previous year. The central jurisdictions had a 36.5 percent share of new office development in the region, just slightly more than the 36 percent of the region's office development in 2005.

Inner Suburbs

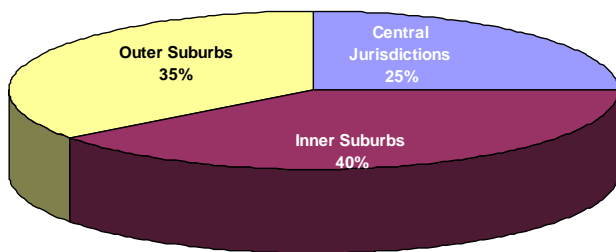
The **inner suburbs**, consisting of **Fairfax, Montgomery, and Prince George's counties** (and cities therein) added **197 projects** and over **13.7 million square feet** of space in 2006. These jurisdictions held a 40 percent share of the region's commercial construction activity, compared to 46 percent in 2005. Nearly half of the region's new office construction occurred in the inner suburbs, an increase in the region's share of office projects from the previous year. In 2005, the inner suburbs held a 36 percent share of the region's office construction.

Outer Suburbs

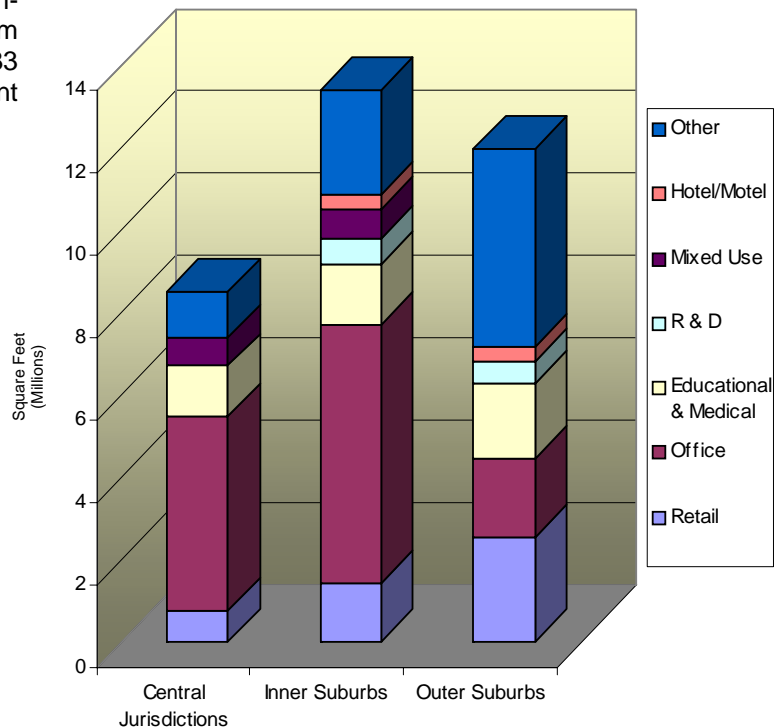
In the **outer suburbs** of **Charles, Frederick, Loudoun, and Prince William counties** (and cities therein), **276 new projects** were started, totaling more than **11.6 million square feet** of additional space, an increase of 56 percent from the previous year. The new space constituted 35 percent of the region's overall development: Fifteen percent of the region's new office development occurred in the outer suburbs. The outer suburbs experienced a two percent increase in office development from the previous year. In 2005, the outer suburbs held a 33 percent share of new development and an eight percent share of the region's new office space.



2006 Commercial Construction by Jurisdictional Group



**Commercial Construction Starts, 2006
Total Square Feet by Structure Type and Jurisdiction**



2006 Commercial Construction within Jurisdictions

- ◆ **Fairfax County**, with 81 new projects and over **7.4 million square feet** of new development, led the region in new commercial construction space in 2006. The **District of Columbia** added 30 new projects and over **6.5 million square feet** of new space, followed by **Loudoun County** with **3.6 million square feet** of new space and **Prince William County** with **3.86 million square feet** of new commercial development. The **City of Frederick** experienced a 268 percent increase from 2005, the largest percentage jump in the region.

Commercial Construction in the Washington Region, 2005 and 2006

by Jurisdiction

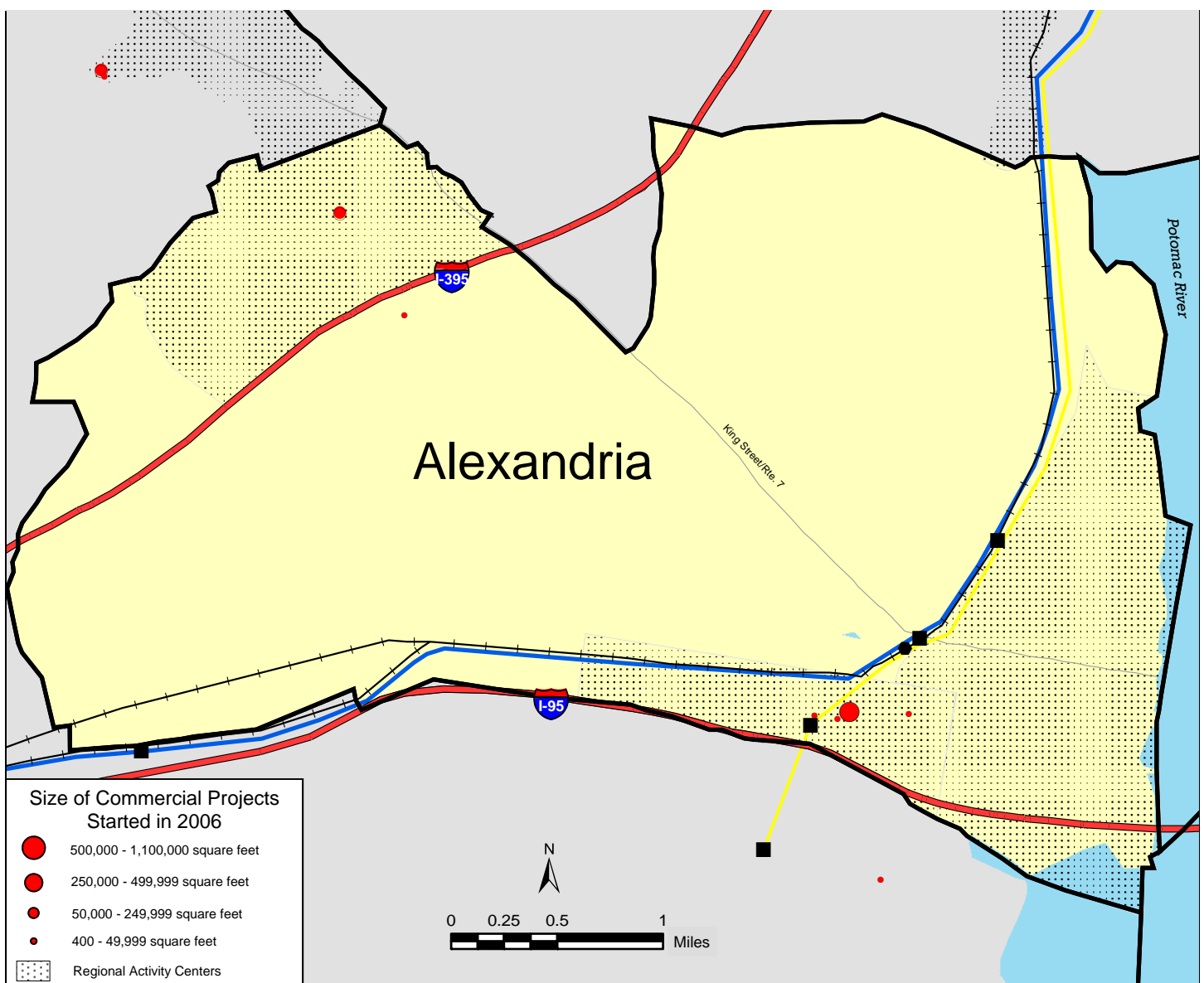
	2006			2005		
	Projects	Square Feet	Value	Projects	Square Feet	Value
District of Columbia	30	6,508,477	\$1,860,639,999	29	3,978,259	\$861,850,000
Suburban Maryland*						
Charles County	14	348,324	\$37,417,658	19	613,934	\$137,941,598
Frederick County*	81	3,801,012	\$709,514,910	57	2,099,670	\$164,458,355
City of Frederick*	16	2,025,257	\$516,185,538	11	550,160	\$68,266,000
Montgomery County*	67	3,719,278	\$529,968,189	60	4,017,020	\$555,704,034
City of Gaithersburg*	6	398,029	\$24,857,445	9	550,814	\$37,920,829
City of Rockville*	11	1,054,320	\$159,924,161	14	1,066,919	\$110,262,723
City of Takoma Park *	0	0	\$0	2	4,996	\$700,000
Prince George's County*	48	2,571,980	\$390,558,273	25	3,872,345	\$731,055,117
City of Bowie*	8	380,966	\$48,097,999	3	215,500	\$25,999,999
City of College Park*	4	358,526	\$91,099,999	0	0	\$0
City of Greenbelt*	0	0	\$0	0	0	\$0
Town of Bladensburg*	1	30,100	\$6,000,000	0	0	\$0
Subtotal	210	10,440,594	\$1,667,459,030	161	10,602,969	\$1,589,159,104
Northern Virginia						
Arlington County	10	1,625,386	\$520,495,759	11	586,032	\$83,000,000
City of Alexandria	6	384,258	\$92,750,000	4	367,606	\$72,700,000
Fairfax County	81	7,410,803	\$878,672,481	58	2,993,703	\$339,264,371
City of Fairfax	0	0	\$0	4	262,487	\$65,007,999
City of Falls Church	1	11,850	\$6,900,000	2	169,000	\$57,700,000
Loudoun County	96	3,674,313	\$335,490,975	72	2,792,474	\$190,285,083
City of Manassas	0	0	\$0	2	192,000	\$29,999,999
City of Manassas Park	0	0	\$0	0	0	\$0
Prince William County	85	3,859,302	\$459,625,720	87	2,476,152	\$242,992,956
Subtotal	279	16,965,912	\$2,293,934,935	240	9,839,454	\$1,080,950,408
Regional Total*	519	33,914,983	\$5,822,033,964	430	24,420,682	\$3,531,959,512

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

2006 Commercial Construction within Jurisdictions

CITY OF ALEXANDRIA

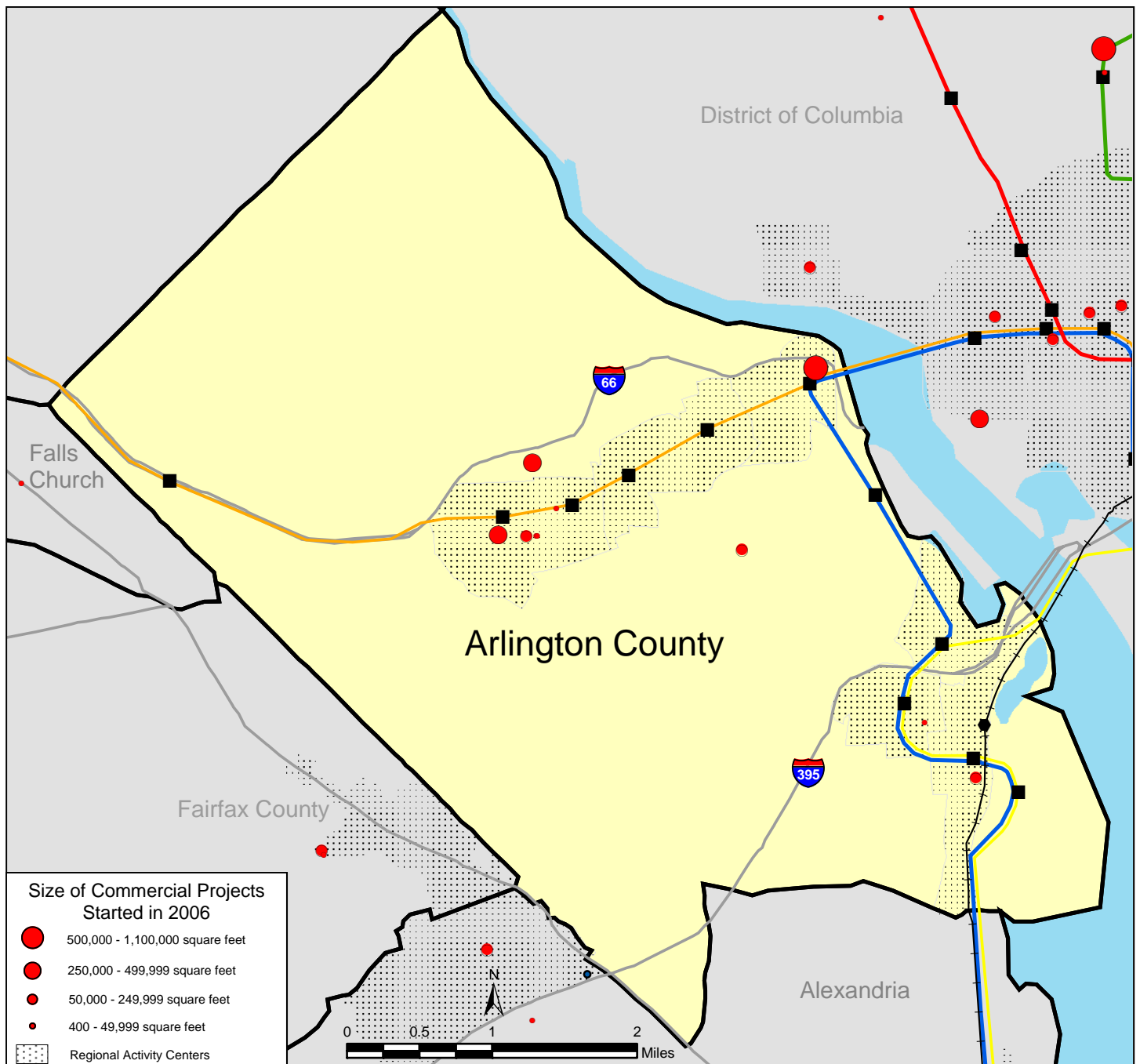
- ◆ Six new commercial construction projects added **more than 384,000 square feet** of new space to the City of Alexandria in 2006. The amount is just slightly above the 367,606 square feet of new space added in 2005.
- ◆ The **Carlyle Overlook office building** was the largest project in the city, adding over 250,000 square feet of space.
- ◆ The **Science Classroom at the Donald L. Bisdorf Building** expansion at Northern Virginia Community College added nearly 75,000 square feet of space to the campus.



2006 Commercial Construction within Jurisdictions

ARLINGTON COUNTY

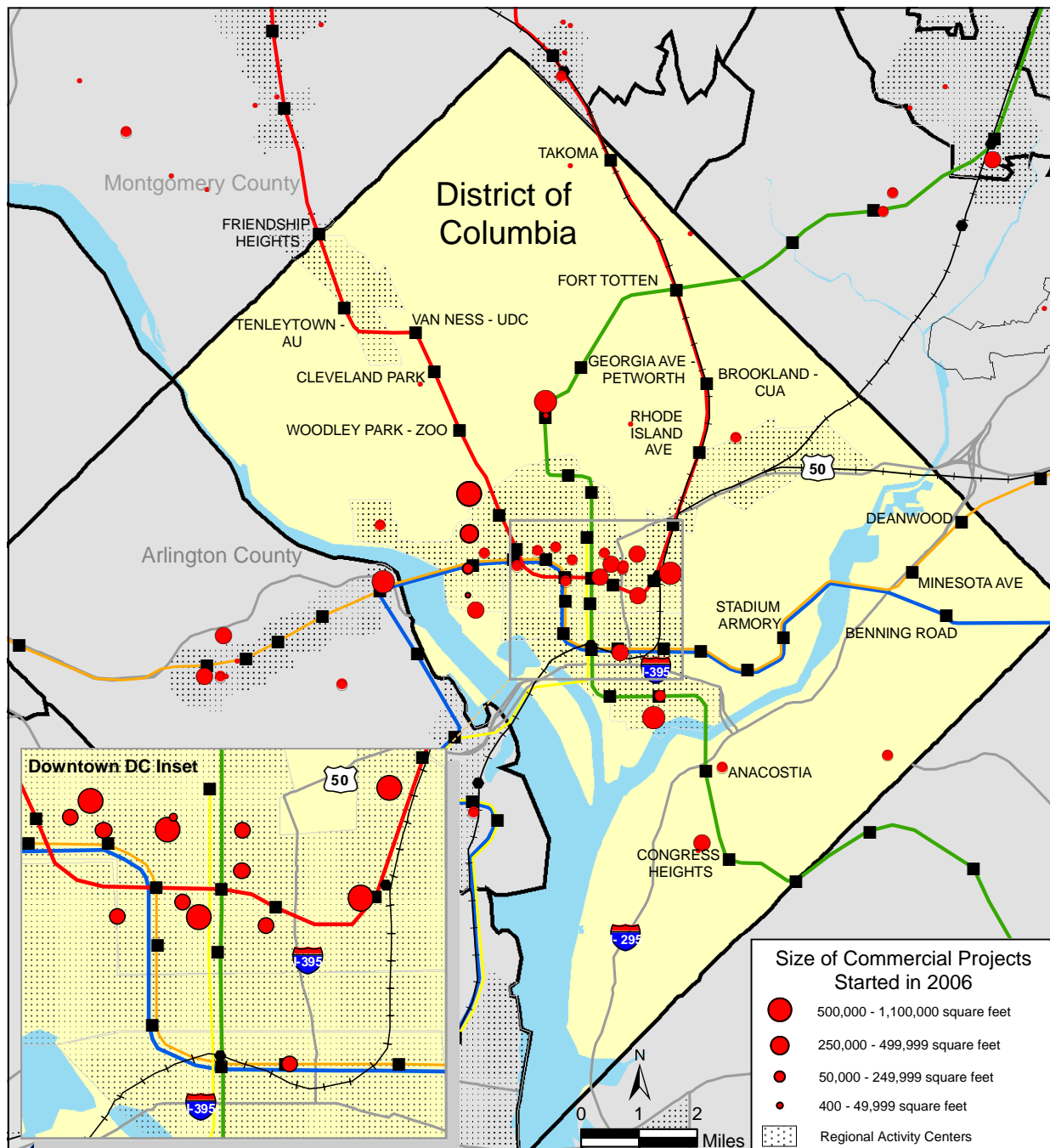
- ◆ Ten commercial construction projects added just over **1.6 million square feet** of space in Arlington County. The amount of new development increased five percent from the previous year.
- ◆ Significant projects include **the Waterview mixed use project** with 630,000 square feet, the new Washington-Lee High School with 350,000 square feet, the NRECA II Office building with 260,000 square feet of space, and the Liberty Center Office Phase II project with 183,000 square feet of space.



2006 Commercial Construction within Jurisdictions

DISTRICT OF COLUMBIA

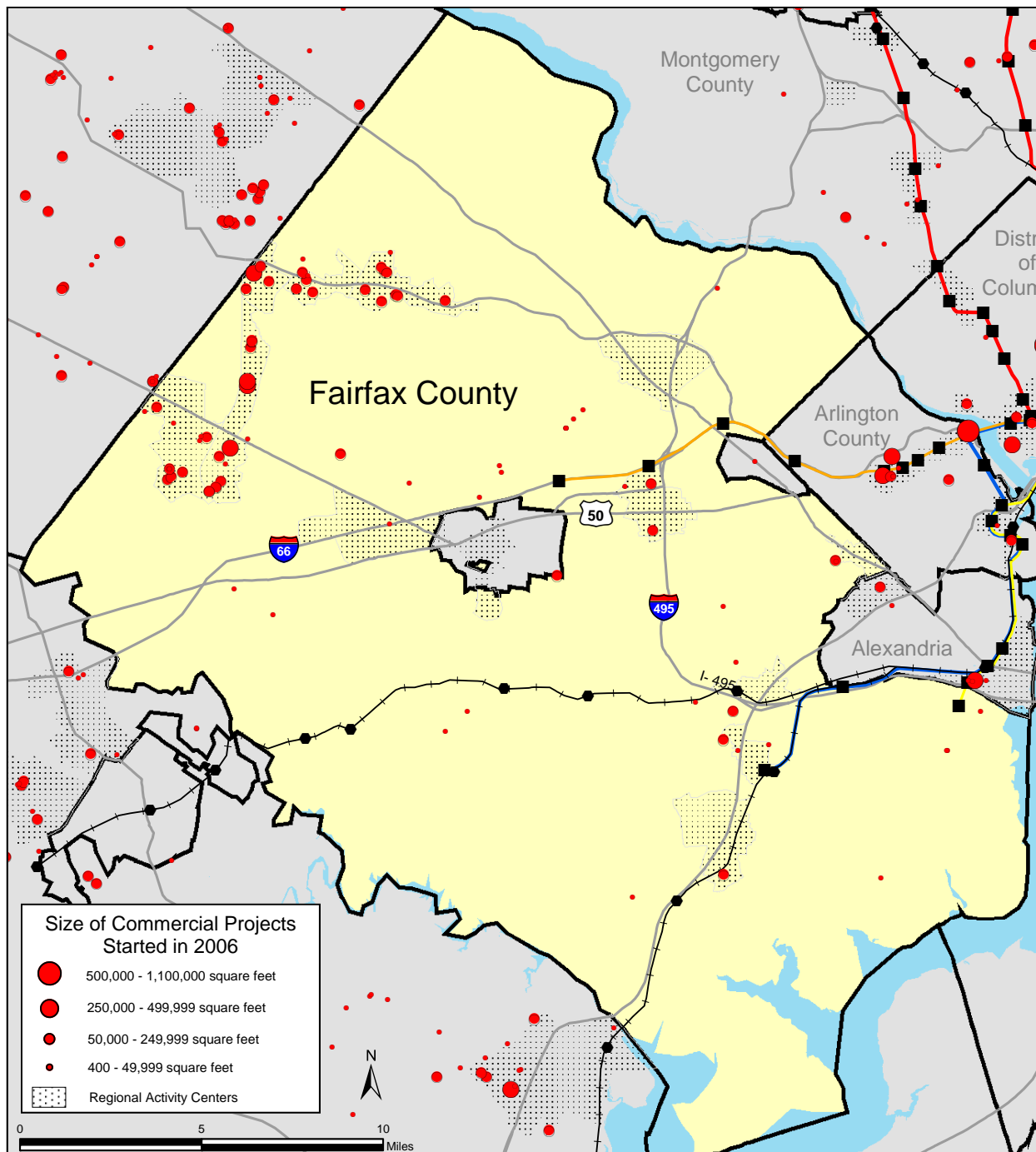
- ◆ The District of Columbia added 30 new projects and **more than 6.5 million square feet** of space in 2006. The new Washington Nationals Stadium, located in Southeast Washington along the Anacostia River, was the largest project to break ground with over one million square feet of space.
- ◆ **Office projects** continued to dominate the amount of new space added in the District, constituting nearly 61 percent of the District's development. The **Station Place Phase III** office building was the largest new office project in the District with 505,000 million square feet of space.
- ◆ Other significant projects in the District in 2006 included the **DC USA Retail Mall** at 1400 Park Road NW, and the **Capitol City Plaza Office Building** located at 77 K Street NE.



2006 Commercial Construction within Jurisdictions

FAIRFAX COUNTY

- ◆ Fairfax County added 81 new commercial construction projects and **more than 7.4 million square feet** of space in 2006. The amount of new construction in Fairfax County increased 137 percent from the previous year.
- ◆ Office and Other space were again the largest categories of new construction. The **Dulles Discovery** project, located near Dulles International Airport, was the largest building project in the jurisdiction. The project added 425,000 square feet of warehouse (Other category) space and 375,000 square feet of office space to Fairfax County.
- ◆ Other significant projects include the **Long & Foster Headquarters Office Building** in Chantilly with 285,000 square feet of space and the **South Lake at Dulles Corner Liberty Center III** in Herndon with 267,000 square feet of office space.



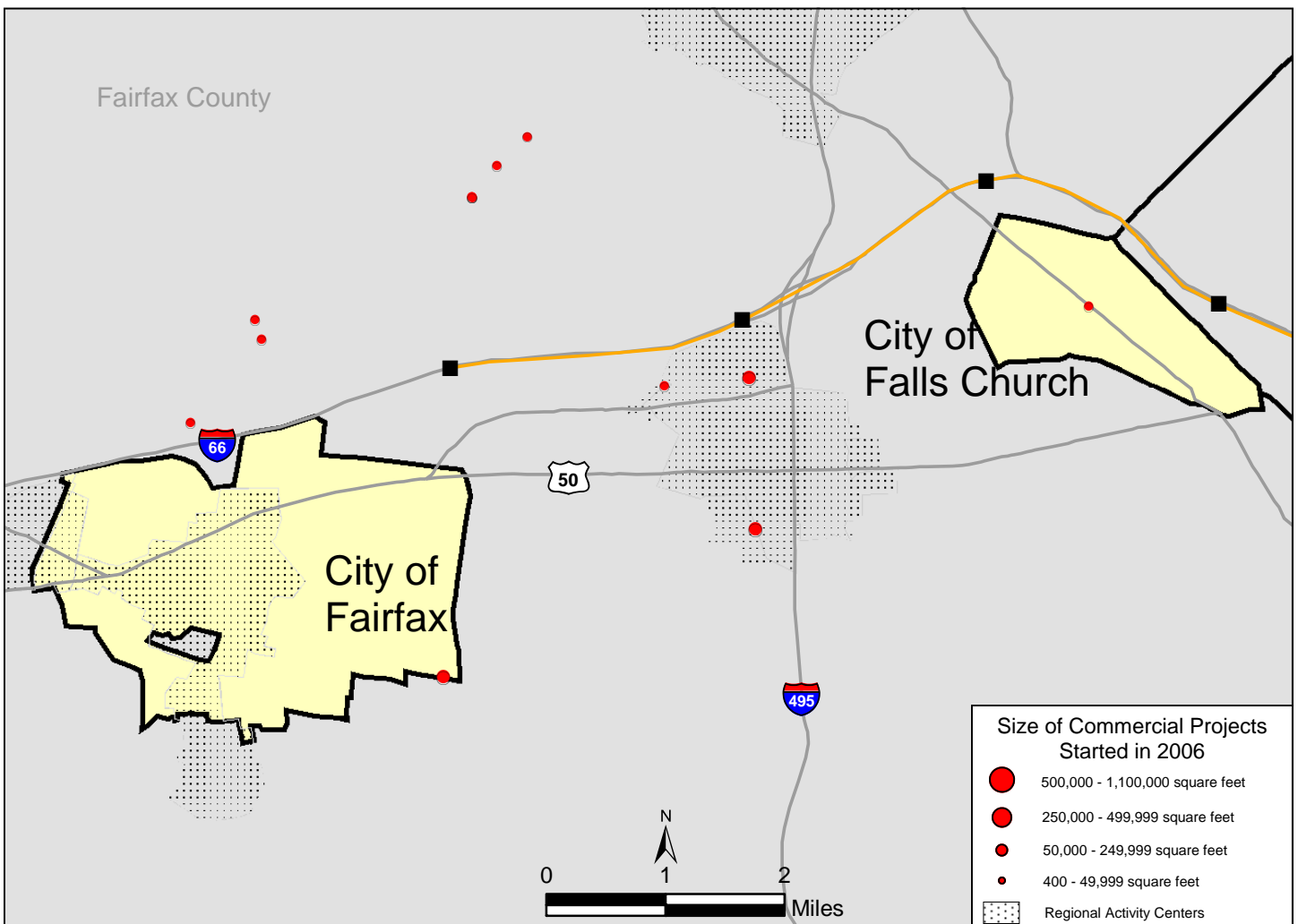
2006 Commercial Construction within Jurisdictions

CITY OF FAIRFAX

- ◆ No major commercial construction projects started in the City of Fairfax in 2006.

CITY OF FALLS CHURCH

- ◆ One project, the Read Building at 402 W. Broad Street, added **11,850 square feet** of new space in the City of Falls Church in 2006.



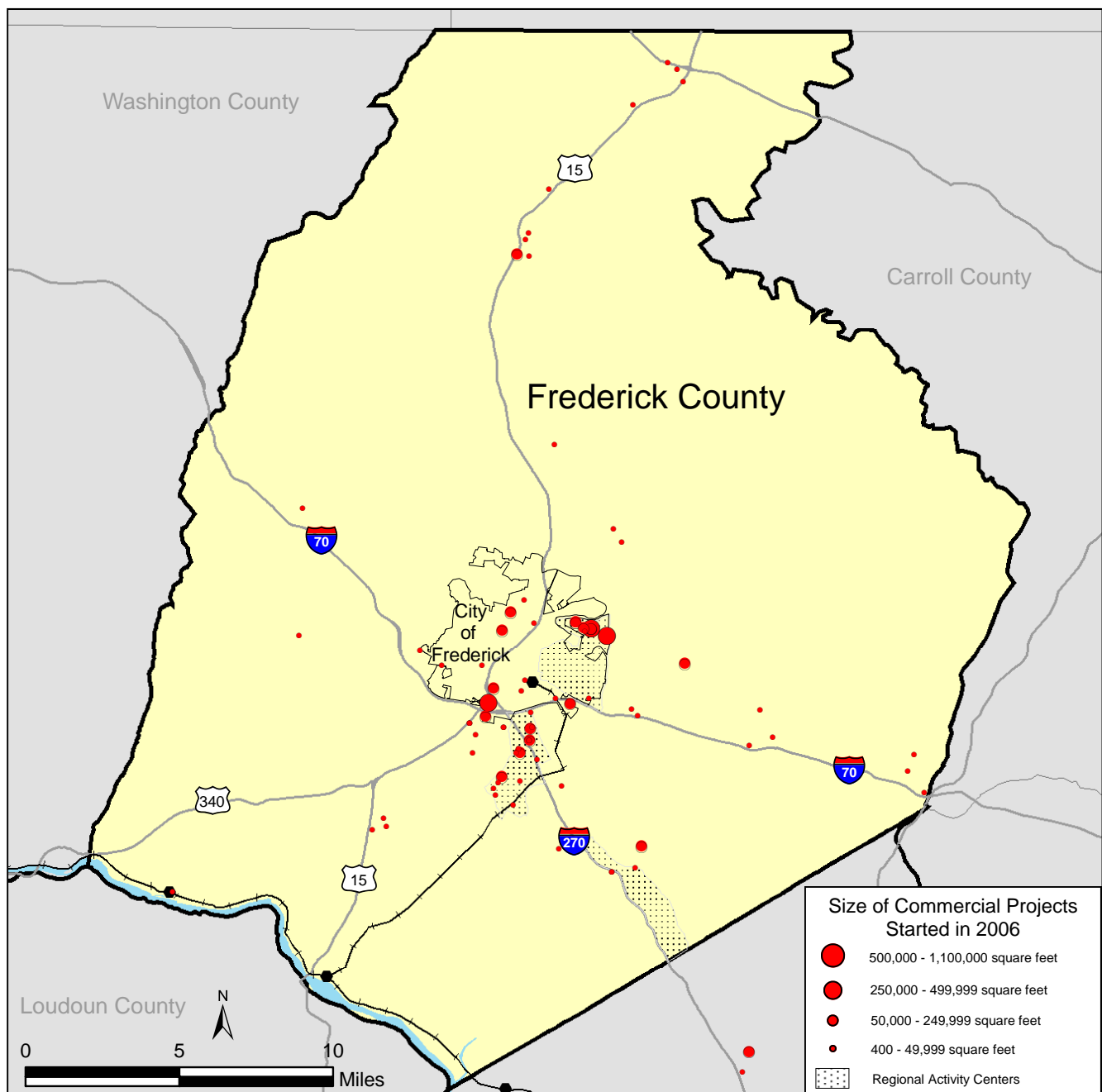
2006 Commercial Construction within Jurisdictions

FREDERICK COUNTY

- ◆ Eighty-one commercial construction projects started in Frederick County in 2006. These projects added **3.8 million square feet** of new space, an 81 percent increase from 2005. The largest projects in the county (outside the City of Frederick) were **Oakdale High School** (242,000 square feet) and a 202,000 square foot **Storage Facility/Warehouse** located at 4420 Buckeystown Pike.

CITY OF FREDERICK

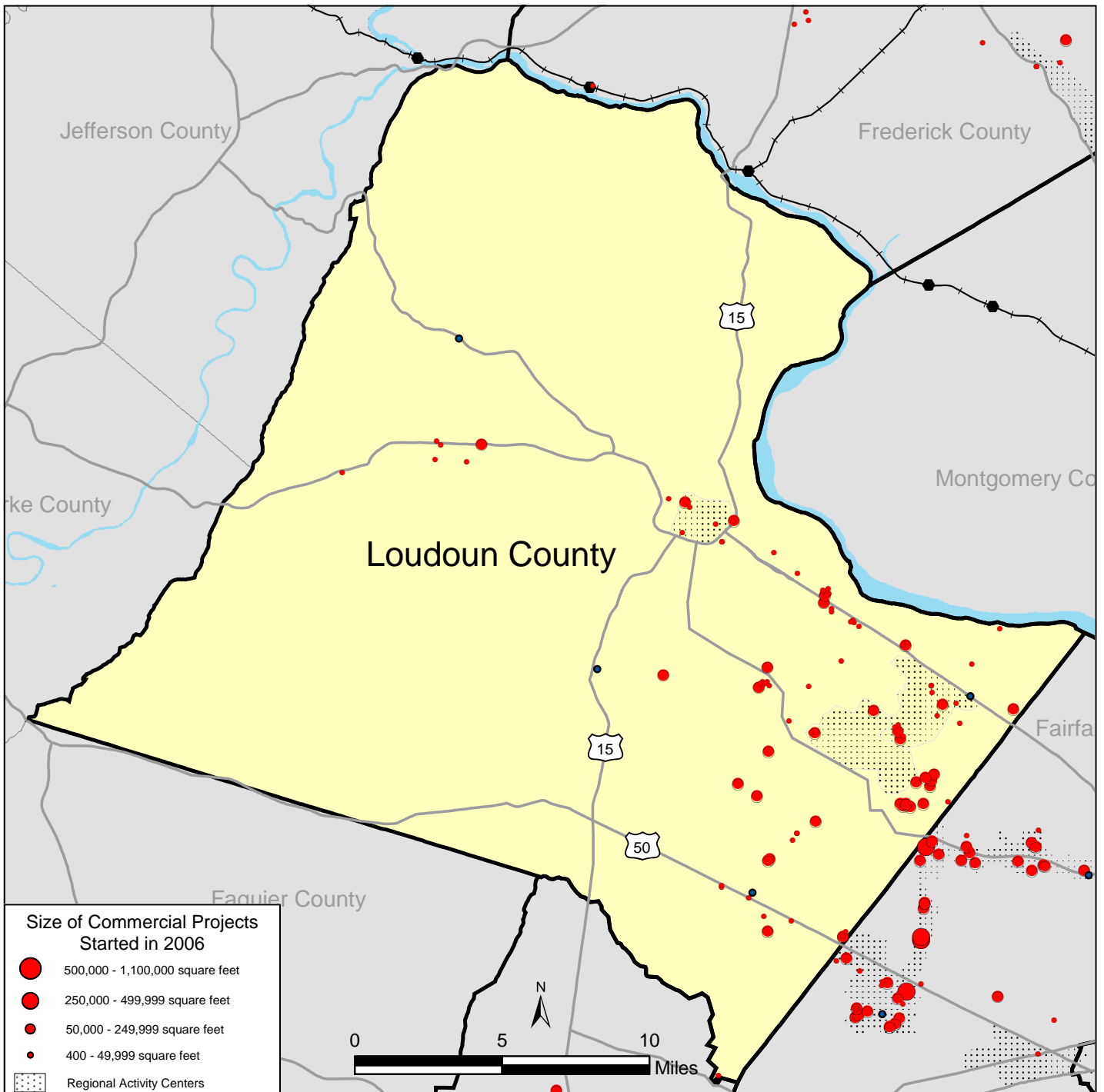
- ◆ Sixteen projects began in the City of Frederick in 2006. These projects added **two million square feet** of space, a 268 percent increase from 2005. Notable projects included the **Aldi Regional Headquarters and Distribution Facility** with 498,000 square feet of space, and the **MedImmune** expansion project, which totaled over 350,000 square feet.



2006 Commercial Construction within Jurisdictions

LOUDOUN COUNTY

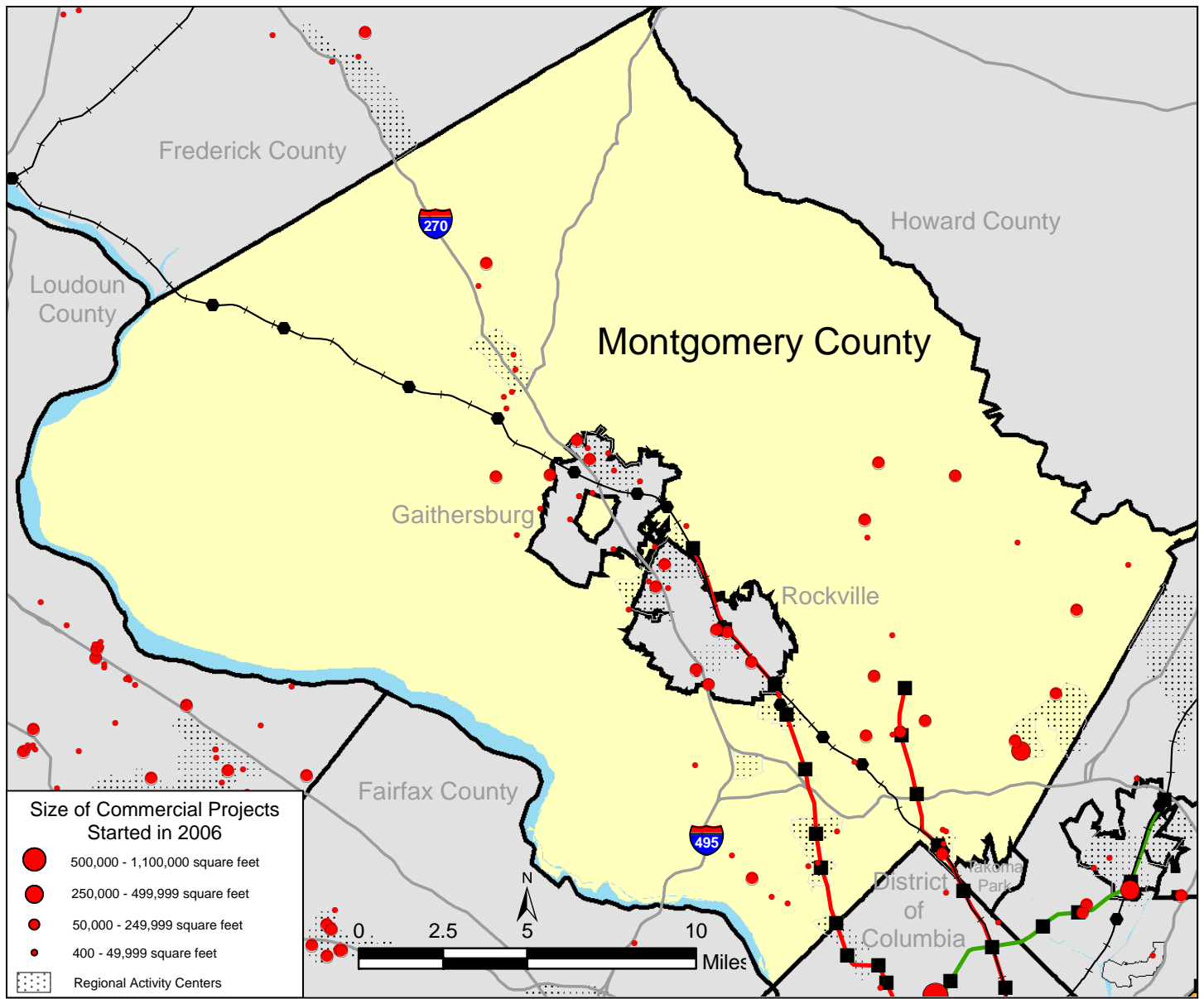
- ◆ In 2006, Loudoun County added 96 projects creating **more than 3.6 million square feet** of space, an increase of 43 percent from the previous year.
- ◆ The largest projects in Loudoun County were the **Belmont Executive Building A**, which added 130,000 square feet and a **Target** retail store which added 125,000 square feet.



2006 Commercial Construction within Jurisdictions

MONTGOMERY COUNTY

- ◆ Montgomery County added 67 commercial construction projects and **more than 3.7 million square feet** in 2006. This amount of construction represented a seven percent decrease from the preceding year.
- ◆ A 250,000 square foot **office building** at the **FDA Headquarters at White Oak** was the largest office project starting in Montgomery County in 2006. Other noteworthy projects include the **Silver Spring Gateway** project with 200,000 square feet of space.



2006 Commercial Construction within Jurisdictions

CITY OF GAITHERSBURG

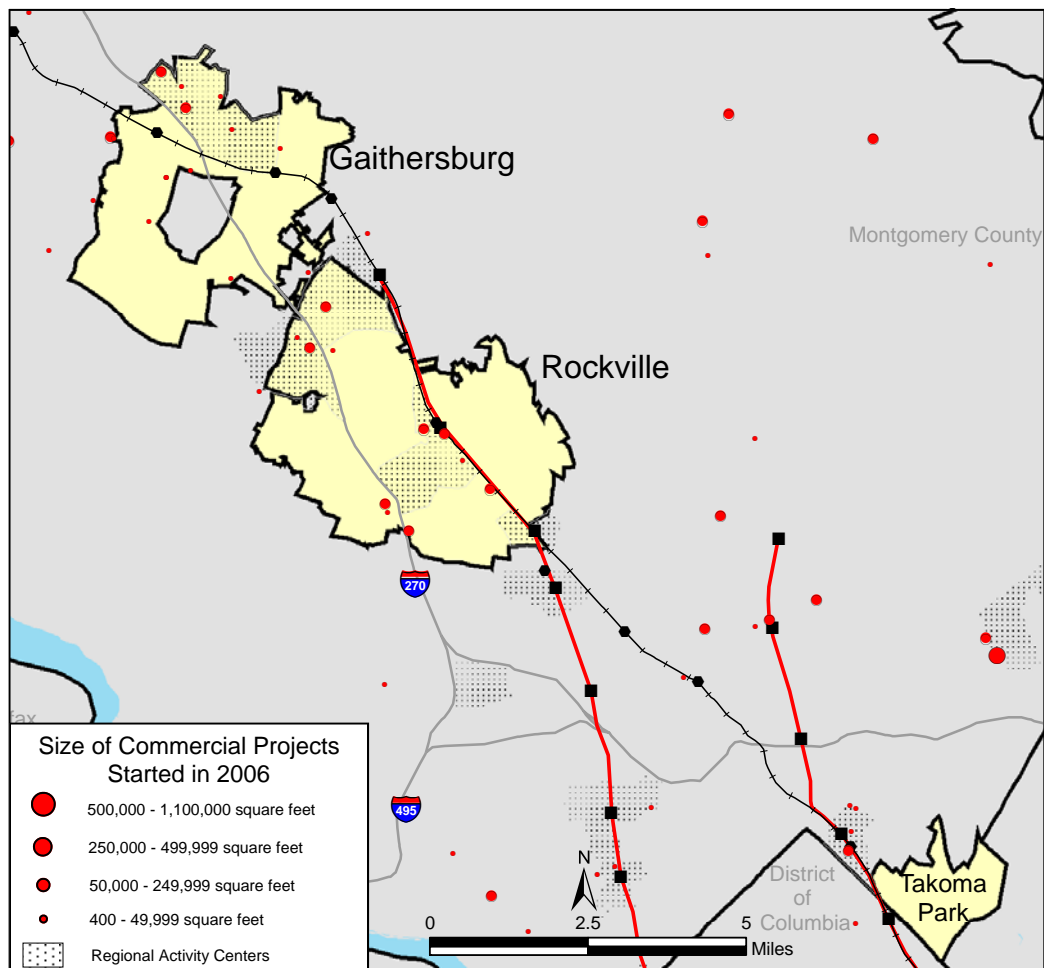
- ◆ Six commercial construction projects added **398,000 square feet** of space to the City of Gaithersburg in 2006. The largest office project was the **Monument Corporate Center** office building with 200,000 square feet of space.

CITY OF ROCKVILLE

- ◆ Eleven commercial construction projects added more than **one million square feet** of space to the City of Rockville in 2006. The **Four Irvington Centre** office building was the largest project, adding more than 234,000 square feet of space. The **2000 Tower Oaks Boulevard** office building and the **American Speech-Hearing-Language Association** headquarters building added 198,000 square feet and 170,000 square feet of space, respectively.

CITY OF TAKOMA PARK

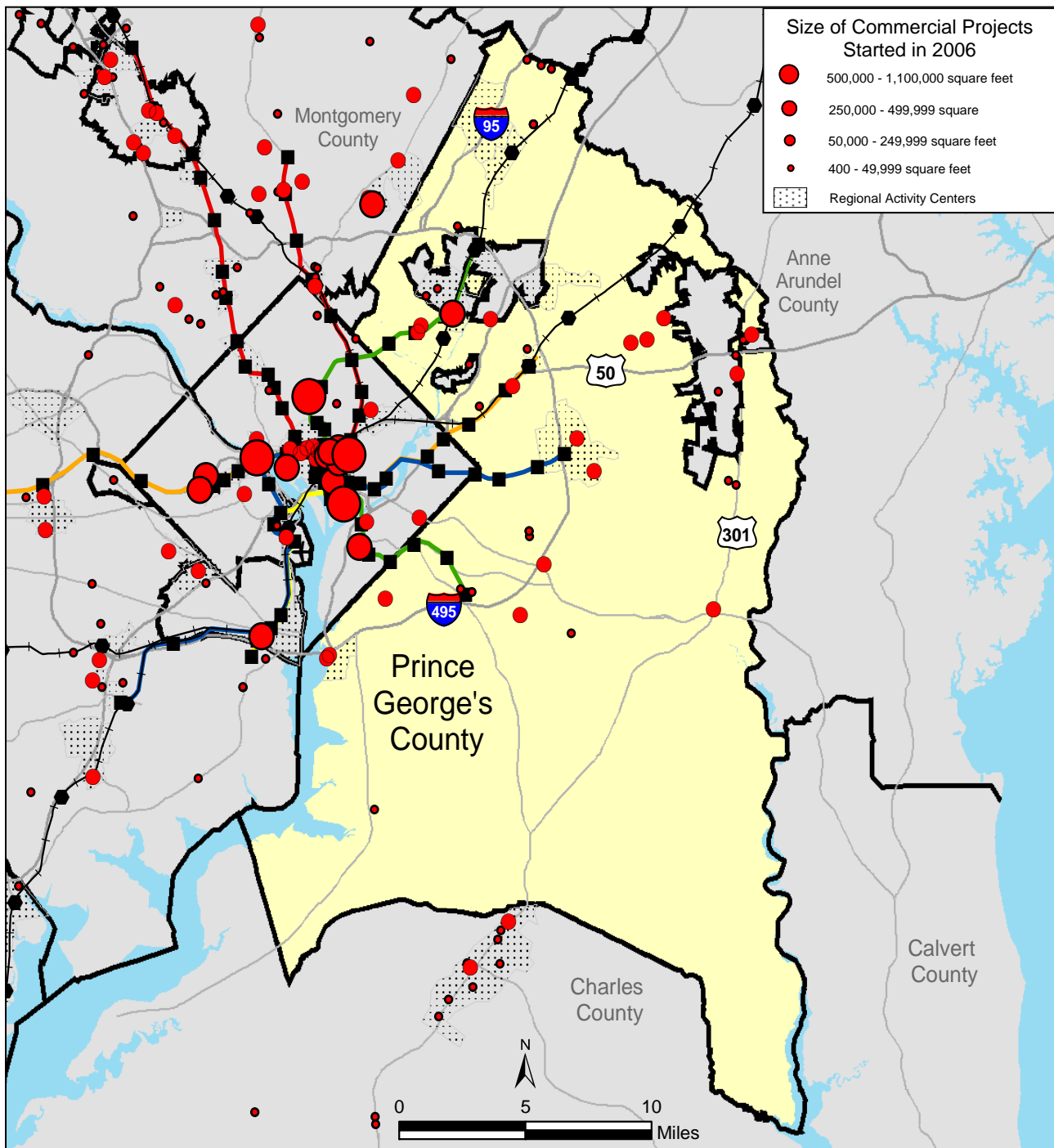
- ◆ No major commercial construction projects started in the City of Takoma Park in 2006.



2006 Commercial Construction within Jurisdictions

PRINCE GEORGE'S COUNTY

- ◆ Prince George's County added 48 new commercial construction projects in 2006 with **nearly 2.6 million square feet** of space, a decrease of 34 percent from the previous year.
- ◆ The largest projects were the mixed use project at the **University Town Center** and the **Metropolitan Shops**, which added 200,000 and 177,000 square feet, respectively.
- ◆ Commercial construction continued at **National Harbor** in 2006 with four mixed use projects totaling more than **250,000 square feet of space**.



2006 Commercial Construction within Jurisdictions

CITY OF BOWIE

- ◆ Eight commercial construction projects were started in the City of Bowie in 2006. They added **380,900 square feet** of new space. The largest project was the new **International Masonry Training Center**, which added **106,000 square feet** of space.
- ◆ Other significant projects in Bowie in 2006 included a **Giant** grocery store with 73,000 square feet of space and **The Shoppes at Highbridge** with 60,000 square feet of space.

CITY OF COLLEGE PARK

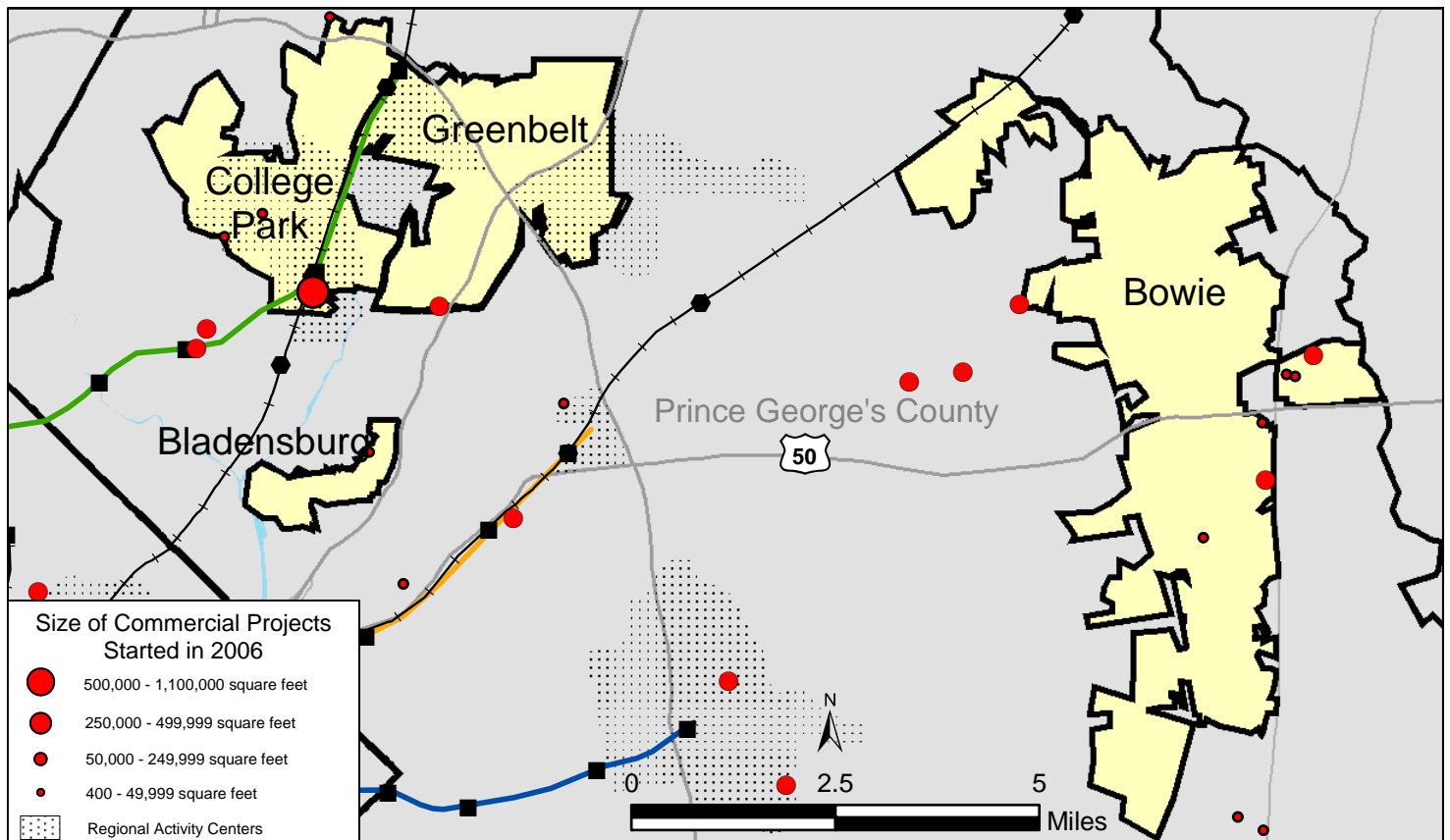
- ◆ Four commercial construction projects were started in the City of College Park in 2006. They added **358,500 square feet** of new space. The largest project was the **NOAA Center for Weather and Climate Prediction** at the M-Square Research Park, adding **268,700 square feet** of space.

CITY OF GREENBELT

- ◆ No major commercial construction projects started in the City of Greenbelt in 2006.

TOWN OF BLADENSBURG

- ◆ One commercial project was started in the Town of Bladensburg in 2006. This project was the **Center for Sports and Fine Arts** at the Elizabeth Seton High School with **30,100 square feet** of space.



2006 Commercial Construction within Jurisdictions

PRINCE WILLIAM COUNTY

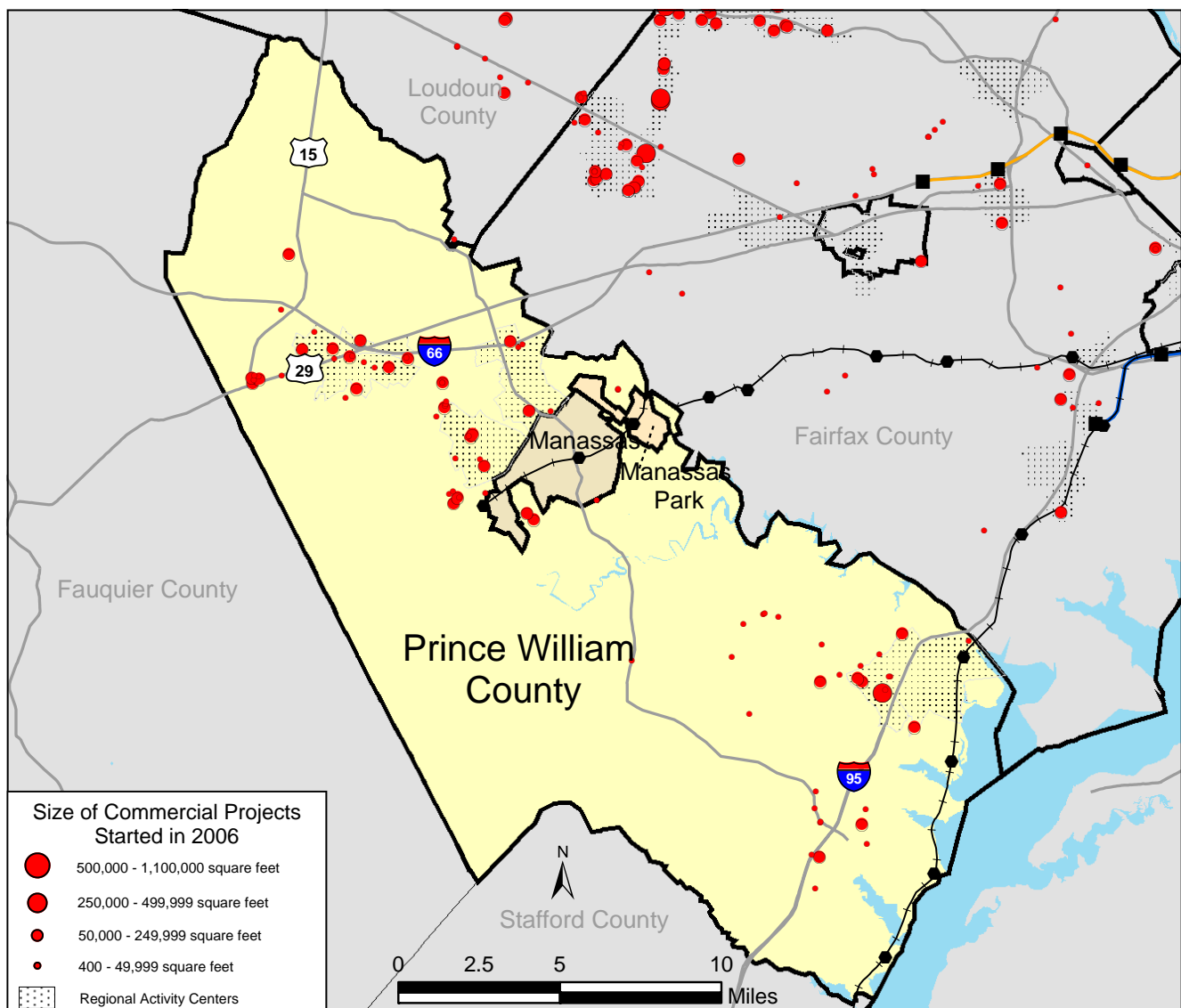
- ◆ Prince William County added 85 commercial construction projects in 2006 and **nearly 3.9 million square feet**, an increase of 56 percent from the preceding year.
- ◆ A **Costco Wholesale** store was the largest project in 2006, adding **338,000 square feet** of space.
- ◆ Other significant projects include over 210,000 square feet of retail and office space in the Madison Crescent development in the Gainesville area.

CITY OF MANASSAS

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

CITY OF MANASSAS PARK

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



Metrorail and Commuter Rail Station Areas

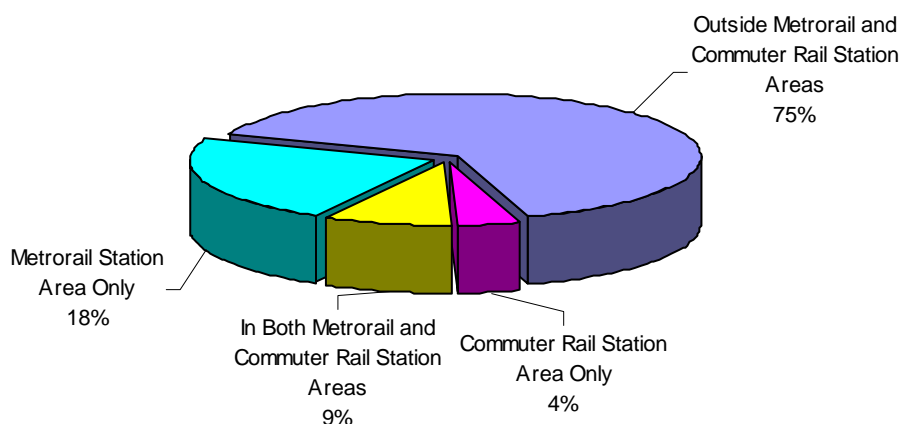
METRO RAIL STATION AREAS

- ◆ **Fifty-four projects** totaling **nearly 9.4 million square feet** of space were started in Metrorail station areas in 2006. Metrorail station areas are defined as the half-mile radius surrounding each station.
- ◆ These projects accounted for **28 percent of the region's total construction**, compared with 22 percent in 2005.
- ◆ Construction around the **Navy Yard Station** in the District of Columbia resulted in **nearly 1.3 million square feet** of new space. The **Union Station** area, also in the District of Columbia, experienced the second greatest amount of construction activity, adding **1.1 million square feet** of space. The **Rosslyn** station area in Arlington County added **630,000 square feet** of space.

COMMUTER RAIL STATION AREAS

- ◆ **Twenty-three** commercial construction projects, totaling over **2.7 million square feet** of space, were started in Commuter Rail Station Areas in 2006. Commuter rail station areas are defined as the half-mile radius surrounding each station. These projects account for eight percent of the region's total construction, compared with 10 percent in 2005.
- ◆ Construction around **Union Station** resulted in nearly 1.1 million square feet of space. The **L'Enfant Plaza** station area in the District of Columbia gained more than 317,000 square feet of space, while the **Alexandria Station** area

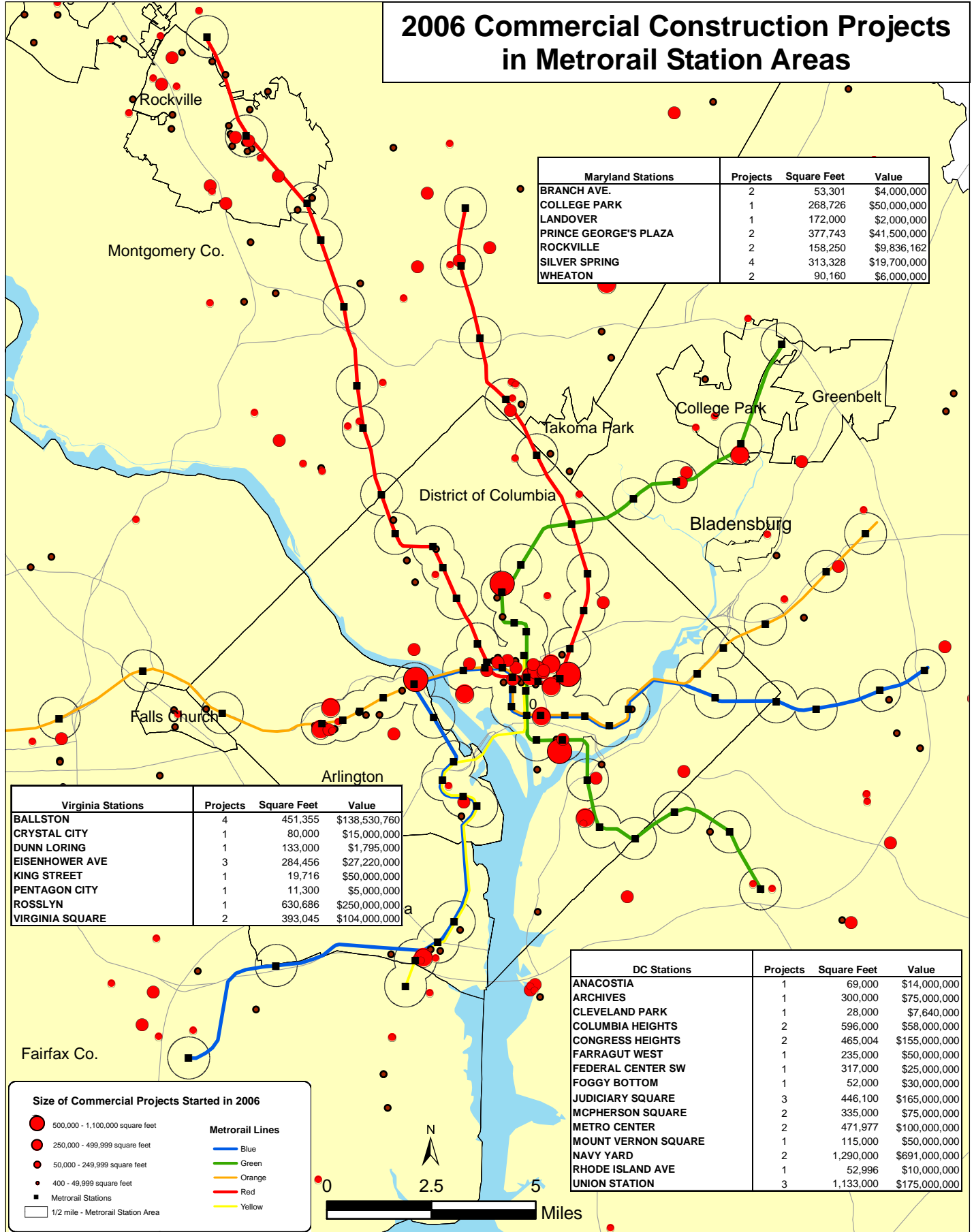
**2006 Commercial Construction Projects
in Metrorail and Commuter Rail Station Areas**



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	54	9,370,593	\$2,420,221,916	28%
Outside Metrorail Station Area Total	466	24,544,390	\$3,401,812,048	72%
Regional Total	520	33,914,983	\$5,822,033,964	
Commuter Rail Station Area Total	23	2,759,249	\$445,316,002	8%
Outside Commuter Rail Station Area Total	497	31,155,734	\$5,376,717,962	92%
Regional Total	520	33,914,983	\$5,822,033,964	
Metrorail and Commuter Rail Station Area Total	61	11,970,339	\$3,318,551,759	35%
Outside Metrorail and Commuter Rail Station Area Total	459	21,944,644	\$2,503,482,205	65%
Regional Total	520	33,914,983	\$5,822,033,964	

Metrorail and Commuter Rail Station Areas

2006 Commercial Construction Projects in Metrorail Station Areas

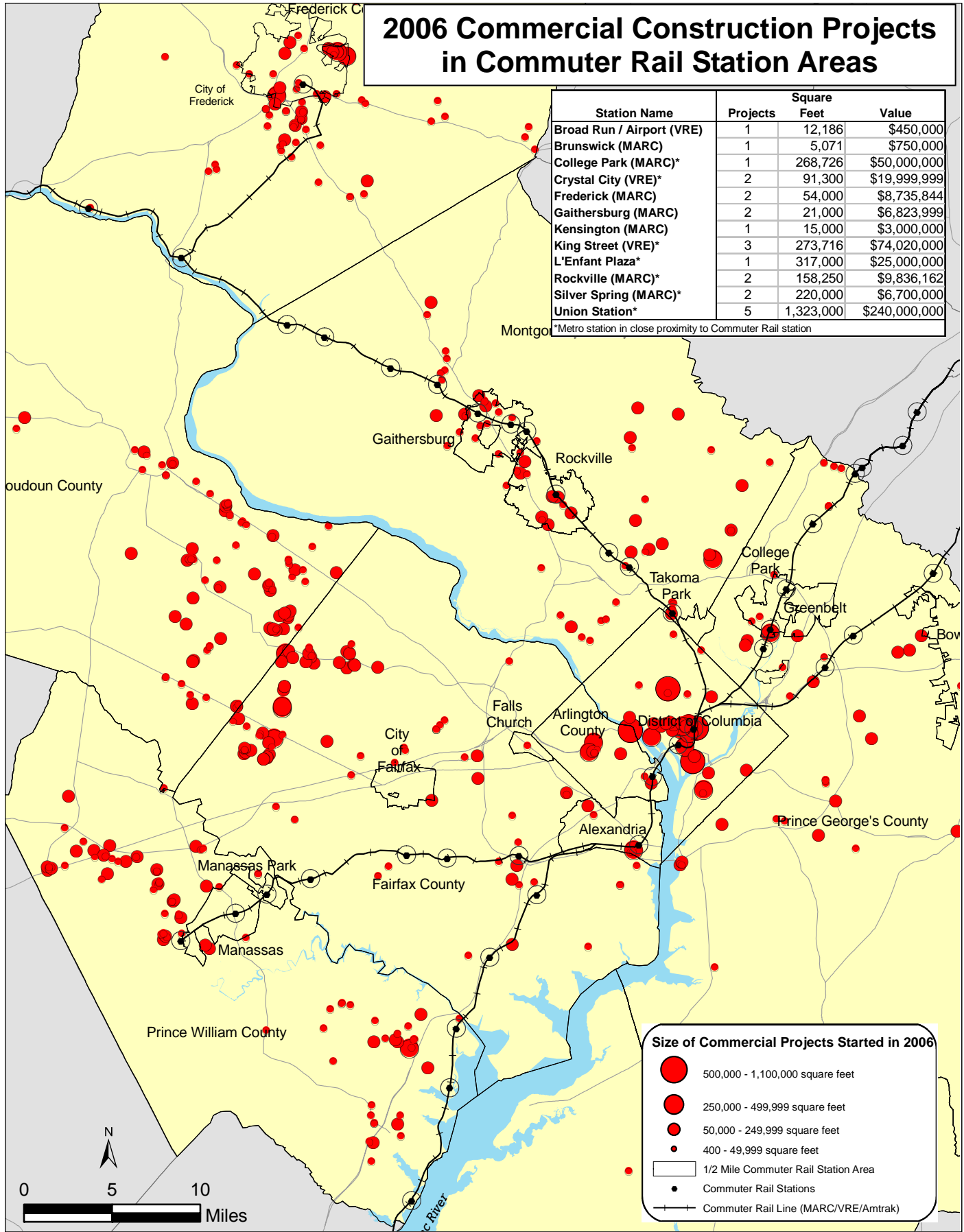


Metrorail and Commuter Rail Station Areas

2006 Commercial Construction Projects in Commuter Rail Station Areas

Station Name	Square		Value
	Projects	Feet	
Broad Run / Airport (VRE)	1	12,186	\$450,000
Brunswick (MARC)	1	5,071	\$750,000
College Park (MARC)*	1	268,726	\$50,000,000
Crystal City (VRE)*	2	91,300	\$19,999,999
Frederick (MARC)	2	54,000	\$8,735,844
Gaithersburg (MARC)	2	21,000	\$6,823,999
Kensington (MARC)	1	15,000	\$3,000,000
King Street (VRE)*	3	273,716	\$74,020,000
L'Enfant Plaza*	1	317,000	\$25,000,000
Rockville (MARC)*	2	158,250	\$9,836,162
Silver Spring (MARC)*	2	220,000	\$6,700,000
Union Station*	5	1,323,000	\$240,000,000

*Metro station in close proximity to Commuter Rail station



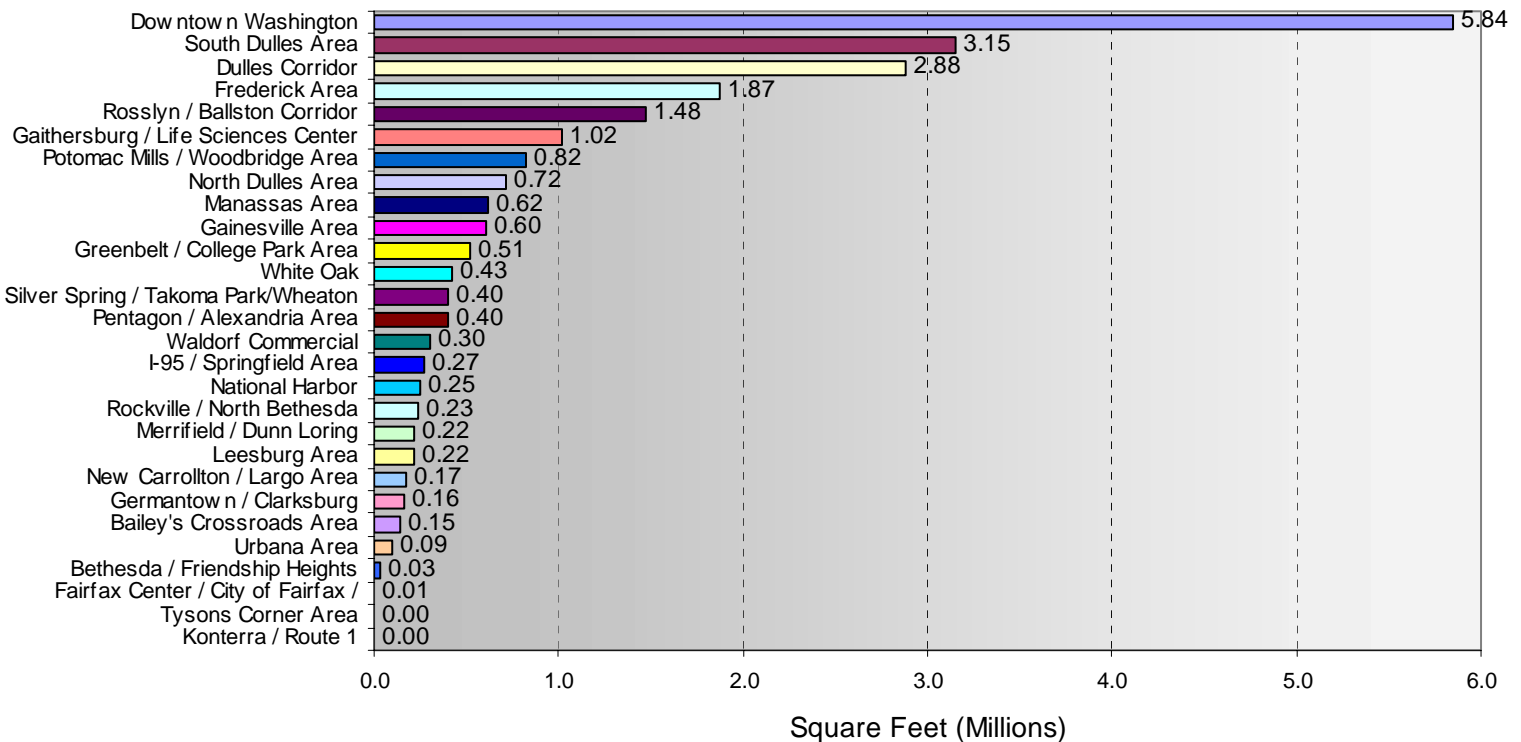
Size of Commercial Projects Started in 2006

- 500,000 - 1,100,000 square feet
- 250,000 - 499,999 square feet
- 50,000 - 249,999 square feet
- 400 - 49,999 square feet
- 1/2 Mile Commuter Rail Station Area
- Commuter Rail Stations
- Commuter Rail Line (MARC/VRE/Amtrak)

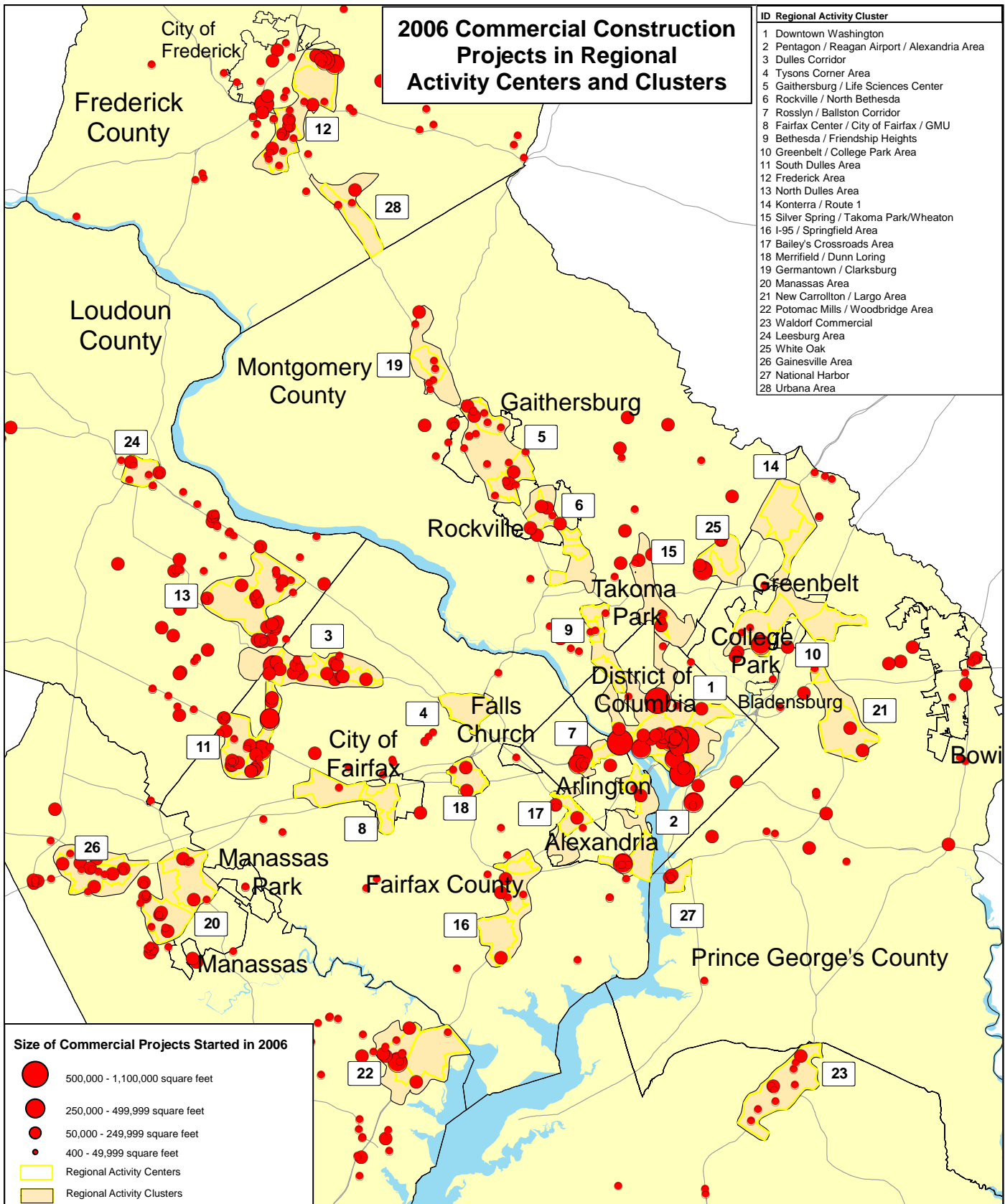
Regional Activity Centers and Clusters

- ◆ A total of **204 commercial projects**, contributing more than **19.5 million square feet** of space, were started in **Regional Activity Centers** in 2006. The new space accounts for 57.5 percent of the region's new construction activity, compared with 51 percent in 2005. The **Downtown Washington** activity center captured the largest share of new commercial development, with 14 projects and nearly three million square feet of space. **Dulles East** had the second highest amount of space, with nearly 2.3 million square feet.
- ◆ A total of **253 commercial projects** and nearly **22.9 million square feet** of space began construction in **Regional Activity Clusters** in 2006. The development represents over two-thirds of the region's new commercial construction activity, compared with 55 percent in 2005. **Downtown Washington** received the greatest amount of space, with 25 projects and **over 5.8 million square feet** of space.

**2006 Commercial Construction Projects
by Regional Activity Cluster**



Regional Activity Centers and Clusters



Regional Activity Centers and Clusters

Commercial Construction in the Washington Region, 2006 by Regional Activity Center

ID	Regional Activity Center	2006			Percent of Regional Commercial Construction
		Projects	Square Feet	Value	
DC CORE					
1	Downtown Washington	14	2,978,077	\$760,000,000	
2	Federal Center/Southwest	3	1,607,000	\$716,000,000	
3	Georgetown	1	180,000	\$50,000,000	
4	Monumental Core	0	0	\$0	
5	New York Avenue	1	52,996	\$9,999,999	
	Subtotal	19	4,818,073	\$1,535,999,999	14.2%
MIXED-USE CENTERS					
6	Eisenhower Avenue	4	304,172	\$77,220,000	
7	Downtown Alexandria	0	0	\$0	
8	Ballston/Virginia Square	5	494,400	\$158,530,760	
9	Clarendon/Court House	0	0	\$0	
10	Crystal City	1	80,000	\$14,999,999	
11	Pentagon City	1	11,300	\$5,000,000	
12	Rosslyn	1	630,686	\$250,000,000	
13	Friendship Heights	0	0	\$0	
14	Bailey's Crossroads/Skyline	1	55,062	\$2,000,000	
15	Bethesda CBD	2	27,450	\$14,999,999	
16	Silver Spring CBD	2	220,000	\$6,700,000	
17	White Flint	0	0	\$0	
18	Twinbrook	0	0	\$0	
	Subtotal	17	1,823,070	\$529,450,758	5.4%
EMPLOYMENT CENTERS					
19	The Pentagon	0	0	\$0	
20	Herndon	5	605,829	\$75,683,400	
21	Merrifield/Dunn Loring	3	219,574	\$9,445,000	
22	Reston East	1	195,890	\$19,589,000	
23	Reston West	6	938,100	\$165,749,997	
24	Tysons Corner	0	0	\$0	
25	National Institutes of Health	1	3,650	\$10,900,000	
26	Rock Spring Park	0	0	\$0	
	Subtotal	16	1,963,043	\$281,367,397	5.8%
SUBURBAN EMPLOYMENT CENTERS					
27	Beauregard Street	1	75,000	\$15,000,000	
28	Waldorf Commercial	11	301,513	\$24,517,658	
29	Beltway South	0	0	\$0	
30	Dulles Corner	4	840,000	\$65,000,000	
31	Dulles East	13	2,287,221	\$235,767,548	
32	Dulles West	12	852,094	\$80,718,127	
33	Fairfax Center	1	11,000	\$2,999,999	
34	I-95 Corridor/Engineer Proving Ground	1	63,330	\$6,333,000	
35	Springfield	1	4,232	\$423,200	
36	City of Fairfax-GMU	0	0	\$0	
37	Md. 85/355 Evergreen Point	18	713,310	\$39,822,396	
38	Downtown Leesburg	6	218,687	\$28,150,000	
39	Corporate Dulles	3	135,571	\$4,736,670	
40	Germantown	2	17,501	\$4,650,000	
41	North Frederick Avenue	5	358,473	\$19,955,671	
42	Rockville Town Center	3	171,890	\$20,066,162	
43	Shady Grove/King Farm/Life Sciences Center	3	434,605	\$56,499,999	
44	White Oak	2	103,000	\$4,650,000	
45	US 1 Green Line	3	314,526	\$76,100,000	
46	Greenbelt	0	0	\$0	
47	New Carrollton	1	3,500	\$480,000	
48	US 1	3	314,526	\$76,100,000	
49	Konterra	0	0	\$0	
50	Potomac Mills	8	675,092	\$124,765,000	
	Subtotal	101	7,895,071	\$886,735,430	23.3%
EMERGING EMPLOYMENT CENTERS					
51	Airport/Monocacy Blvd.	9	1,156,979	\$106,451,426	
52	Urbana	1	15,000	\$2,999,999	
53	Route 28 North	11	467,746	\$44,692,478	
54	Largo Center	2	165,518	\$25,099,000	
55	National Harbor	4	245,807	\$64,955,843	
56	Bull Run - Sudley Area	5	200,624	\$16,750,000	
57	Innovation	7	294,916	\$24,482,000	
58	Gainesville	10	397,439	\$47,059,500	
59	Woodbridge	2	136,900	\$3,650,000	
	Subtotal	51	3,080,929	\$336,140,246	9.1%
Inside Regional Activity Centers		204	19,580,186	\$3,569,693,830	57.7%
Outside Regional Activity Centers		316	14334797	2252340134	42.3%
Regional Total		520	33,914,983	\$5,822,033,964	100.0%

Regional Activity Centers and Clusters

Commercial Construction in the Washington Region, 2006 by Regional Activity Cluster

ID Regional Activity Cluster	2006			
	Projects	Square Feet	Value	Percent of Regional Commercial Construction
1 Downtown Washington	25	5,843,473	\$1,664,639,999	17.2%
2 Pentagon / Reagan Airport / Alexandria Area	6	395,472	\$97,219,999	1.2%
3 Dulles Corridor	19	2,882,174	\$389,022,394	8.5%
4 Tysons Corner Area	0	0	\$0	0.0%
5 Gaithersburg / Life Sciences Center	17	1,015,422	\$163,829,442	3.0%
6 Rockville / North Bethesda	4	233,641	\$26,066,162	0.7%
7 Rosslyn / Ballston Corridor	7	1,475,086	\$492,530,760	4.3%
8 Fairfax Center / City of Fairfax / GMU	1	11,000	\$2,999,999	0.0%
9 Bethesda / Friendship Heights	3	31,100	\$25,899,999	0.1%
10 Greenbelt / College Park Area	4	514,526	\$82,600,000	1.5%
11 South Dulles Area	26	3,153,315	\$317,235,674	9.3%
12 Frederick Area	28	1,872,841	\$146,573,822	5.5%
13 North Dulles Area	16	719,647	\$64,698,148	2.1%
14 Konterra / Route 1	0	0	\$0	0.0%
15 Silver Spring / Takoma Park/Wheaton	6	403,488	\$25,699,998	1.2%
16 I-95 / Springfield Area	5	274,882	\$26,919,008	0.8%
17 Bailey's Crossroads Area	3	145,110	\$18,000,000	0.4%
18 Merrifield / Dunn Loring	3	219,574	\$9,445,000	0.6%
19 Germantown / Clarksburg	7	158,164	\$31,153,593	0.5%
20 Manassas Area	16	621,952	\$47,577,912	1.8%
21 New Carrollton / Largo Area	3	169,018	\$25,579,000	0.5%
22 Potomac Mills / Woodbridge Area	11	823,792	\$129,115,000	2.4%
23 Waldorf Commercial	11	301,513	\$24,517,658	0.9%
24 Leesburg Area	6	218,687	\$28,150,000	0.6%
25 White Oak	4	425,000	\$40,649,999	1.3%
26 Gainesville Area	14	602,776	\$60,695,500	1.8%
27 National Harbor	4	245,807	\$64,955,843	0.7%
28 Urbana Area	4	94,125	\$12,599,999	0.3%
Inside Regional Activity Clusters	253	22,851,585	\$4,018,374,908	67.4%
Outside of Regional Activity Clusters	267	11,063,398	\$1,803,659,056	32.6%
Regional Total	520	33,914,983	\$5,822,033,964	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 metropolitan Washington 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 the use of properties in a large-scale development. These projects are either 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.

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

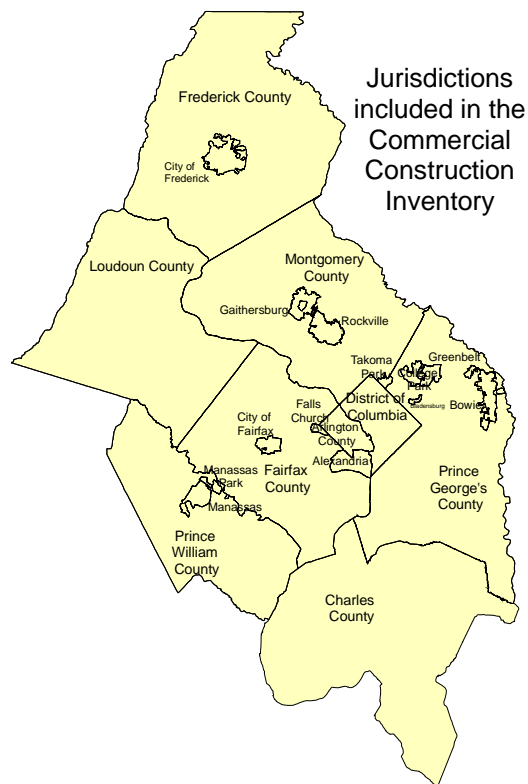
ABOUT COG'S COMMERCIAL CONSTRUCTION INVENTORY

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).



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