

2018 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOG REGION

Analysis of CoStar data

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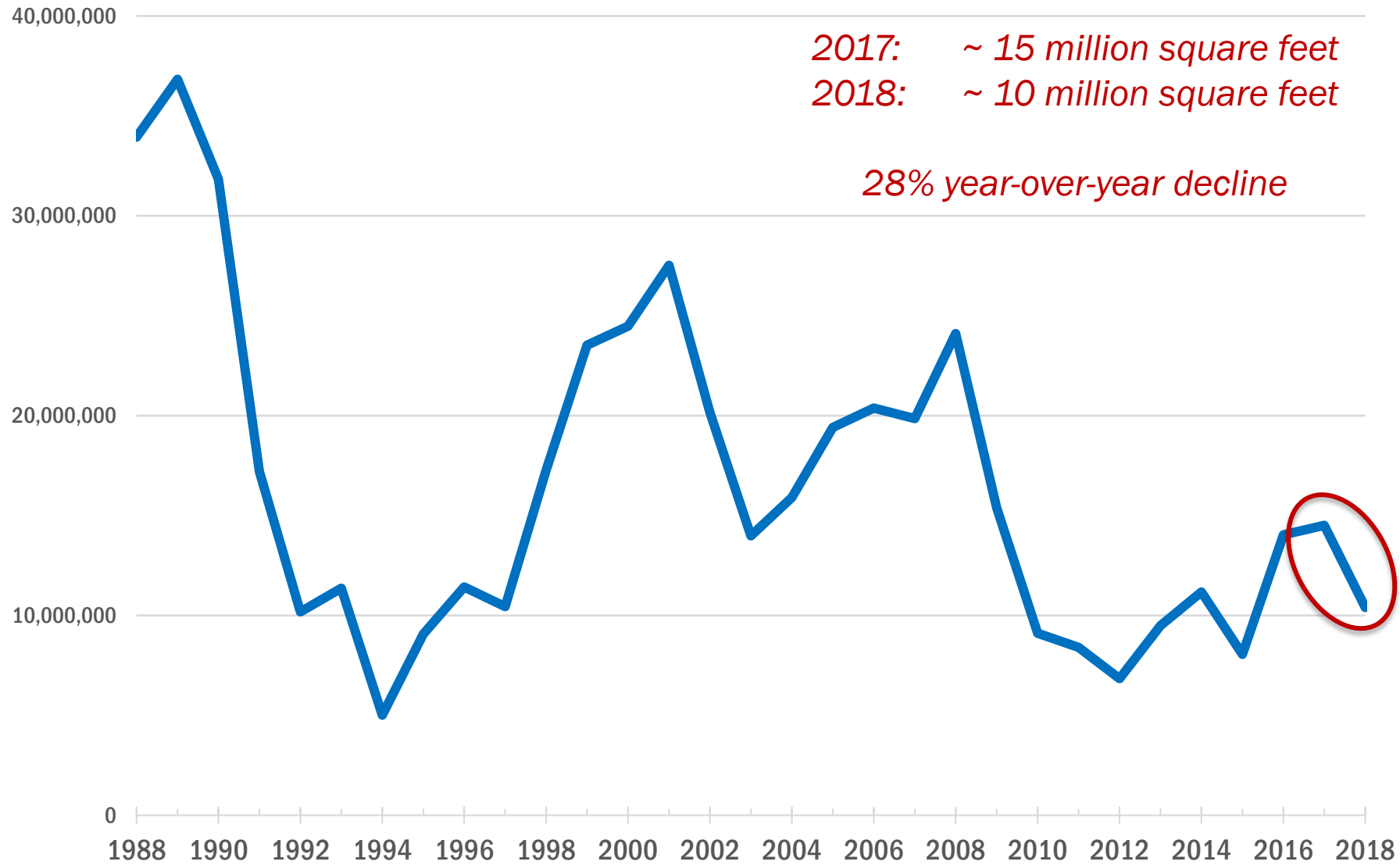
Region Forward Coalition
July 26, 2019

About the Commercial Construction Report

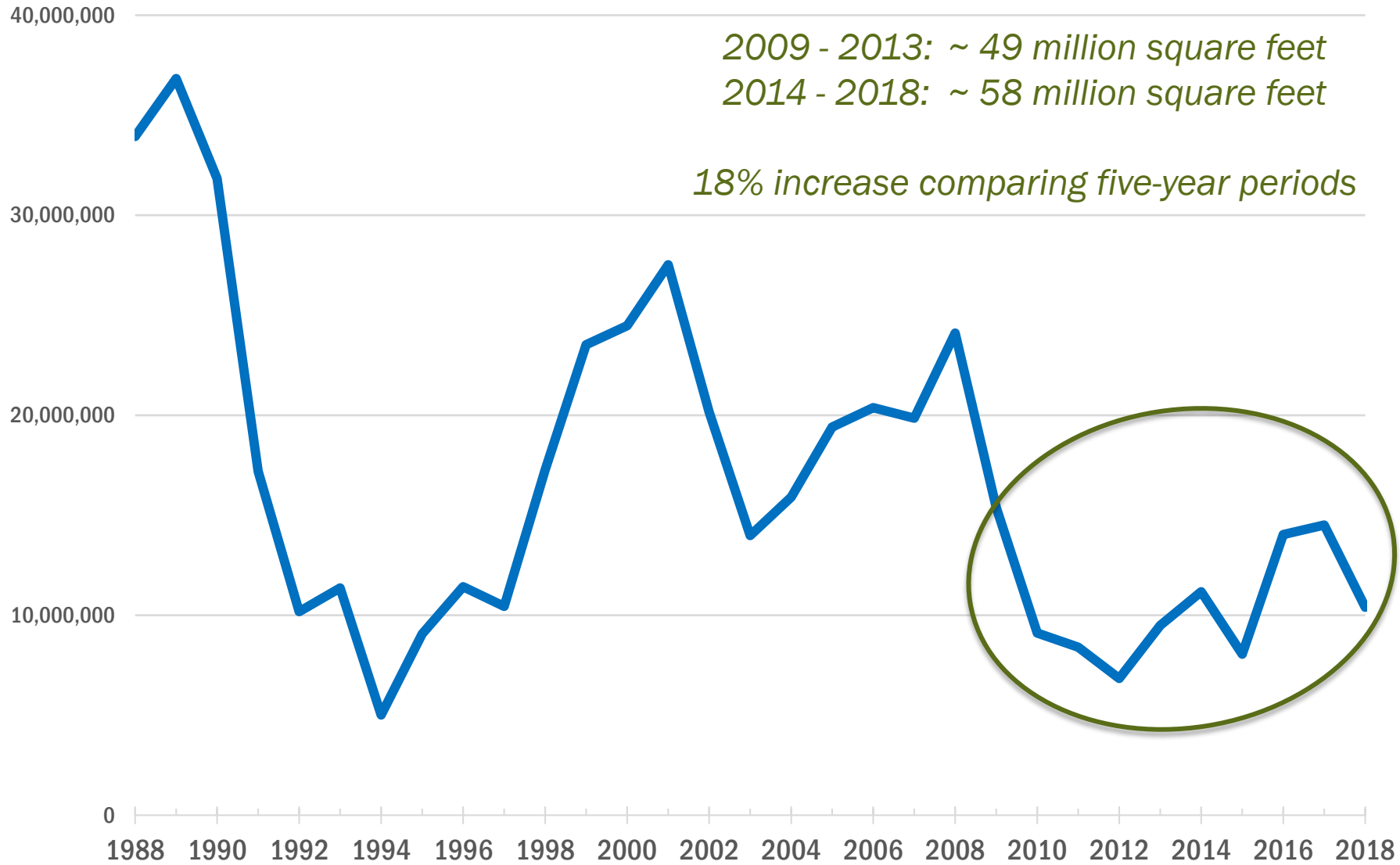
- 2018 report was published earlier this month
- Annual analysis of completed regional commercial real estate projects using data from CoStar's database of properties.
 - Includes office, retail, industrial, flex, healthcare, hospitality, sports and entertainment and specialty buildings
 - Generally, government buildings—including courts, administrative buildings and public schools—are omitted from the database



Square Footage of Completed Commercial Construction 1988 - 2018



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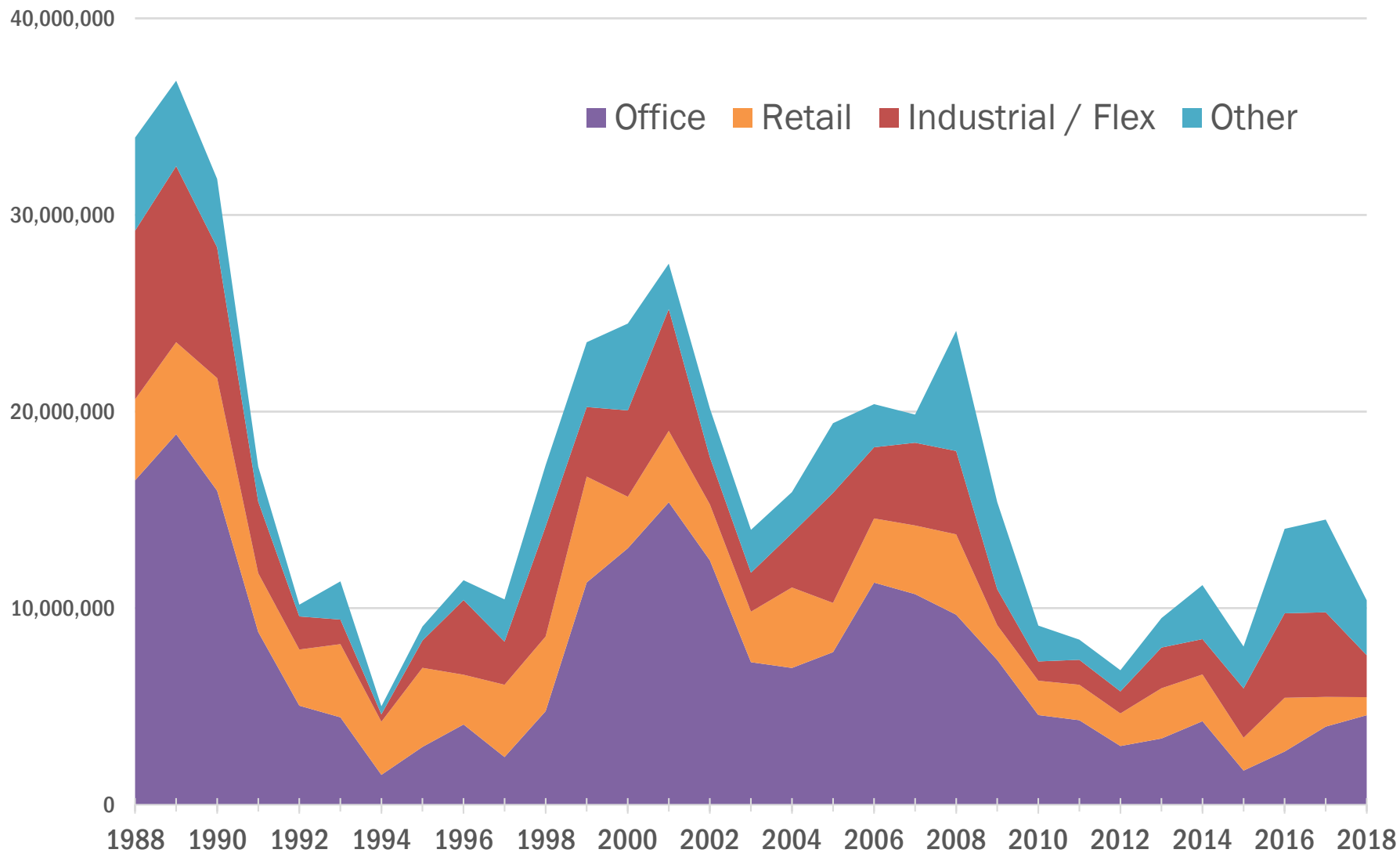


Largest Projects in 2018

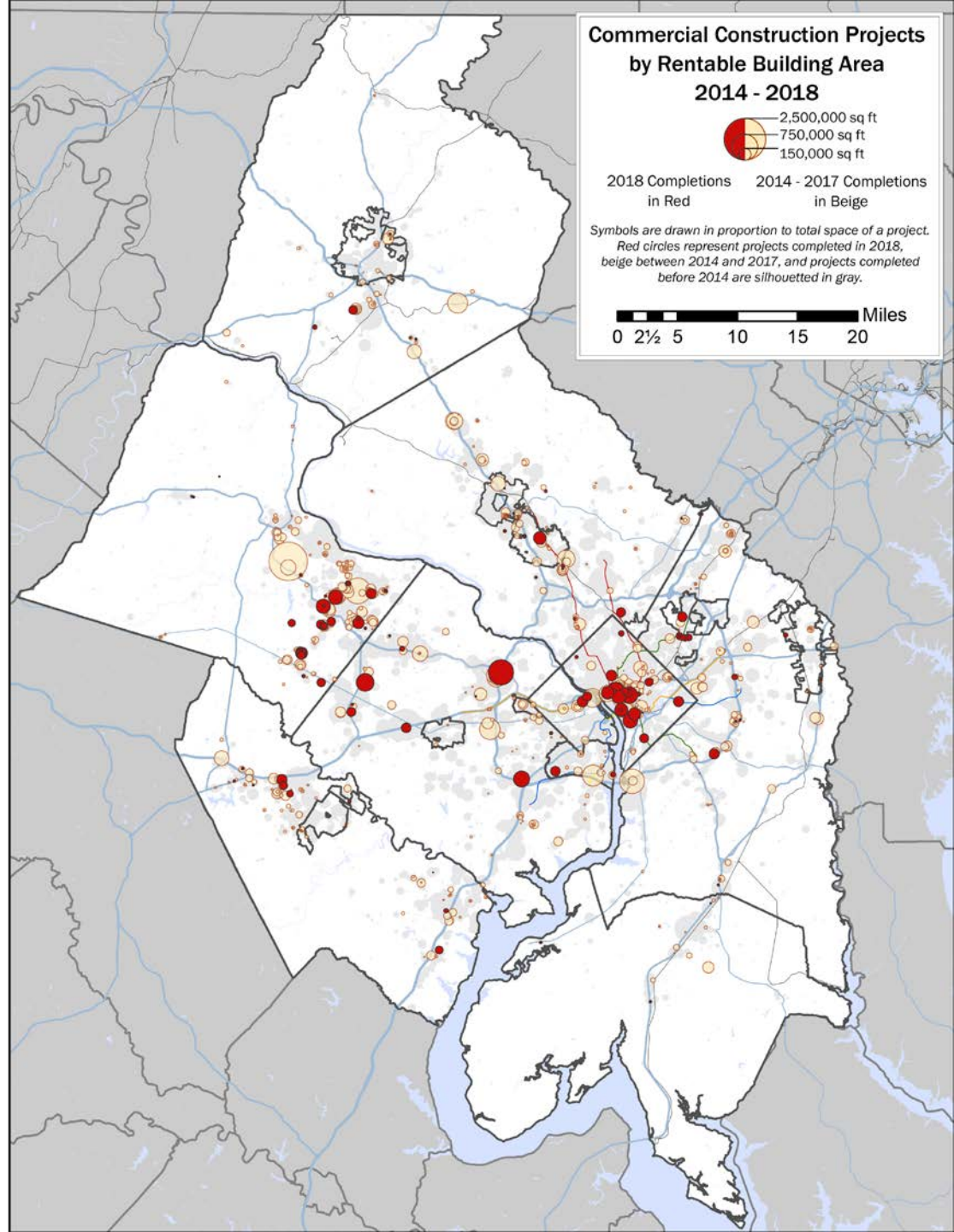
Project Name	Land Use	Jurisdiction	Stories	RBA
Capital One Tower	Office	Fairfax County	32	975,000
Dulles Discovery 3	Office	Fairfax County	7	480,000
Fannie Mae HQ - Midtown Center East Tower	Office	District of Columbia	12	454,450
Capitol Crossing	Office	District of Columbia	12	425,420
Fannie Mae HQ - Midtown Center West Tower	Office	District of Columbia	12	414,271
St. James	Sports & Entertainment	Fairfax County	--	396,000
Audi Field	Sports & Entertainment	District of Columbia	--	331,155
ACC 9	Data Center	Loudoun	1	320,000
One Freedom Plaza	Office	District of Columbia	13	286,850
1000 Maine at the Wharf	Office	District of Columbia	11	267,560

- The ten largest projects represent 42% of the region's 10.4 million square feet of new commercial space.
- Seven of the ten largest projects were office buildings. Office construction was at the highest level in eight years.

Square Footage of Completed Commercial Construction by Structure Type, 1988 - 2018



- All COG counties added commercial space in 2018.
- Office building construction primarily around Metrorail stations and in the District of Columbia
- Loudoun County had significant construction in industrial/flex space



Central Jurisdictions

District of Columbia

Arlington County

City of Alexandria

Inner Jurisdictions

Fairfax County

Montgomery County

Prince George's County

City of Falls Church

City of Fairfax

Outer Jurisdictions

Charles County

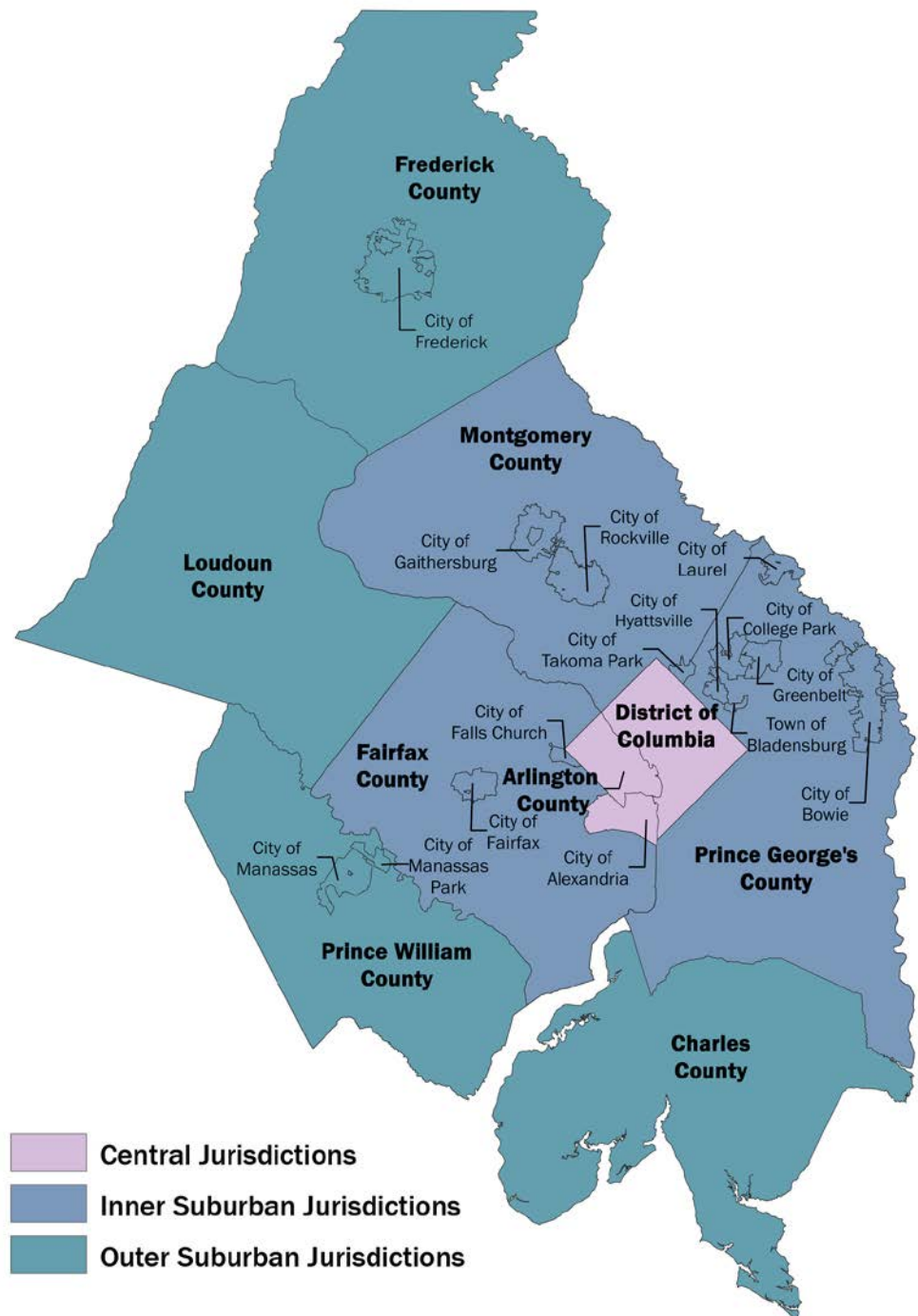
Frederick County

Loudoun County

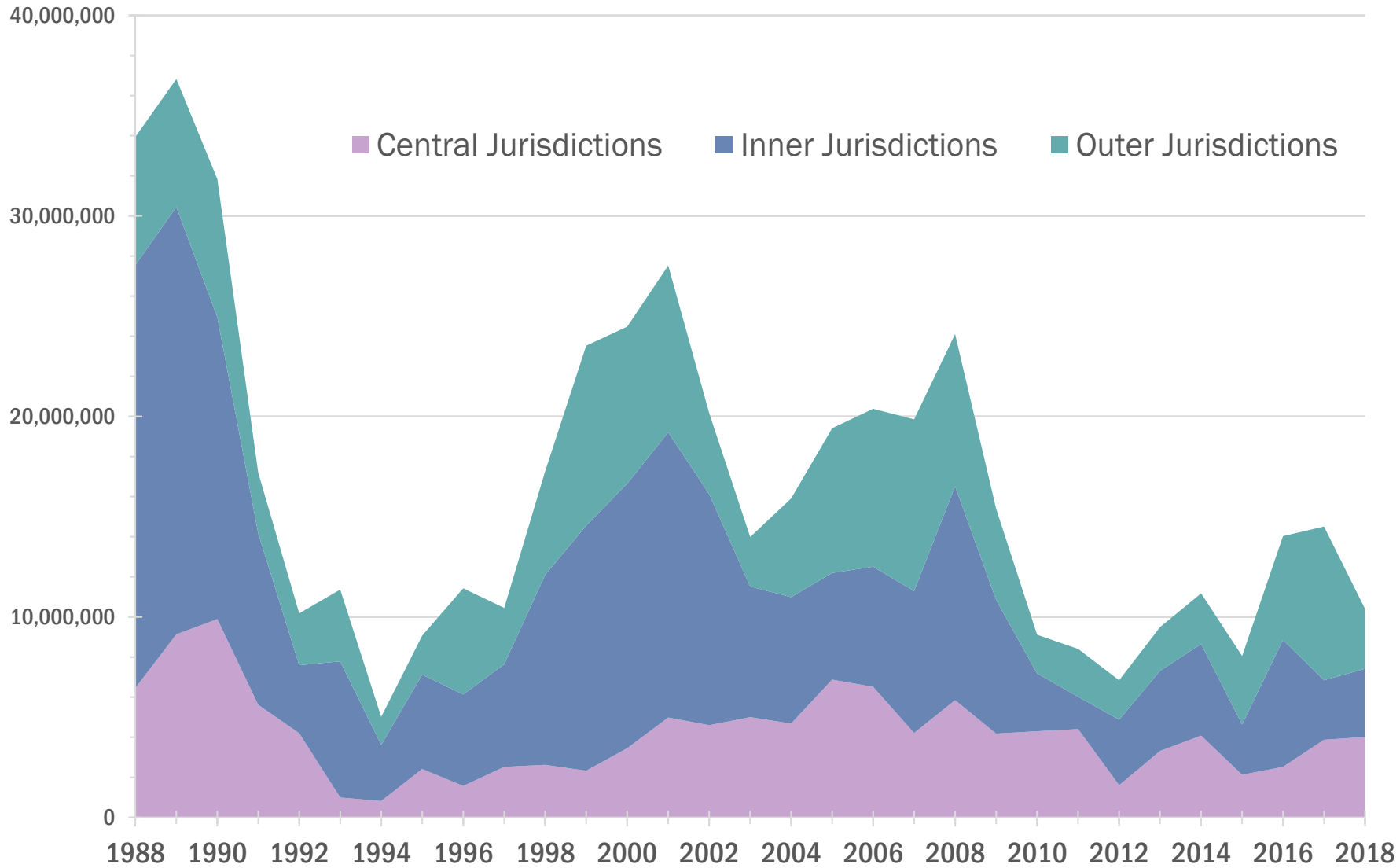
Prince William County

City of Manassas

City of Manassas Park

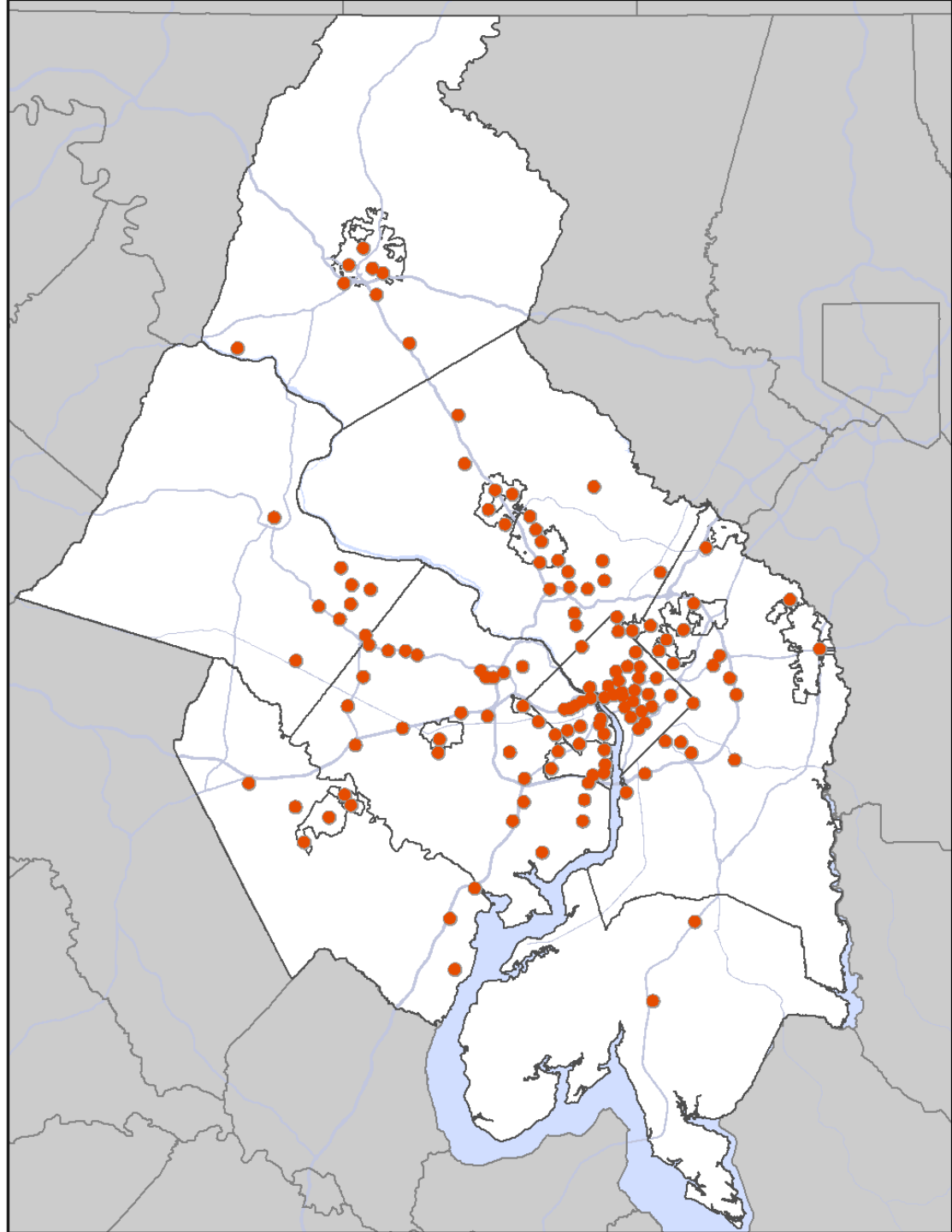


Commercial Construction by Jurisdictional Group



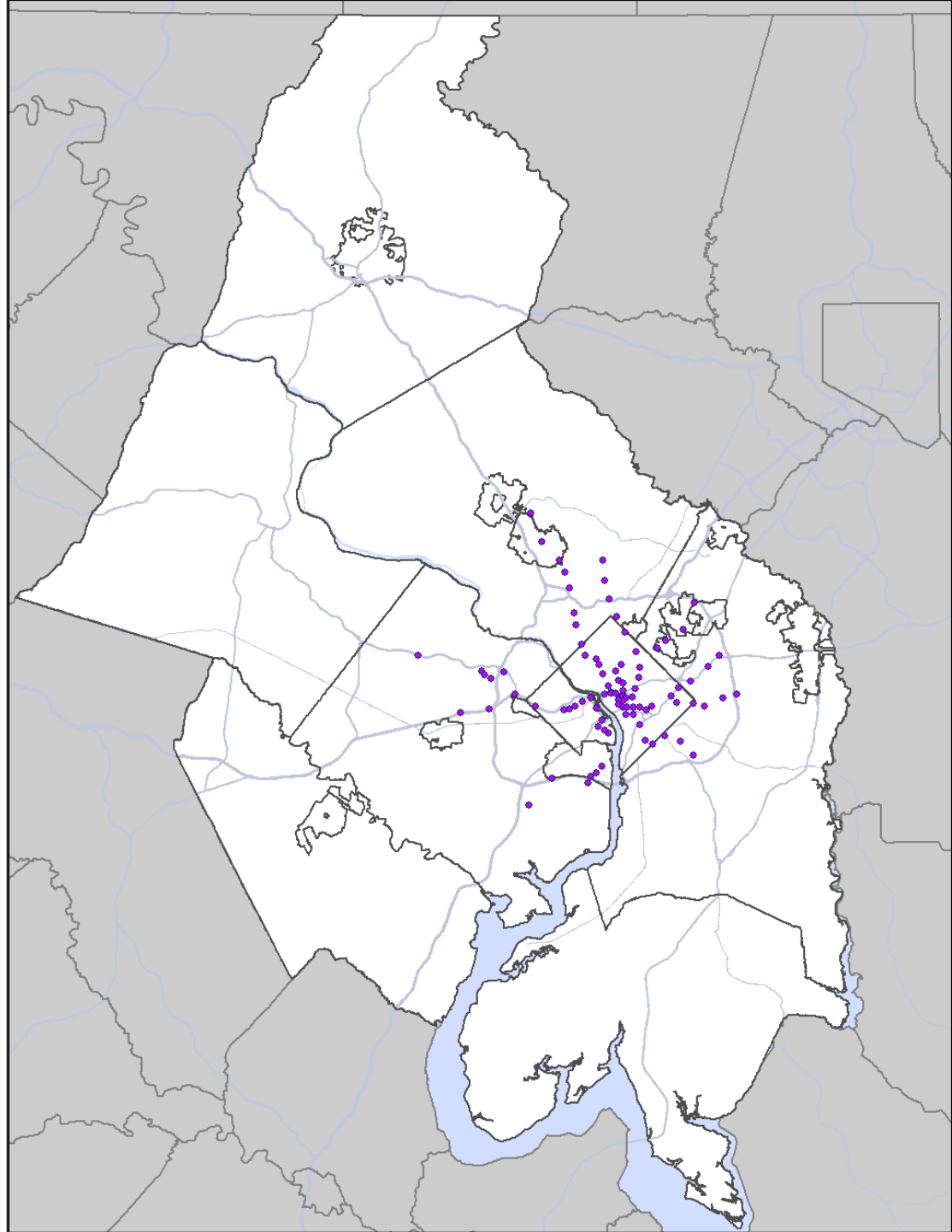
Construction in Activity Centers

- COG Board approved 141 Activity Centers in 2013
- Priority growth areas
 - major employment centers
 - mixed-use neighborhoods
 - walkable or transit-oriented communities

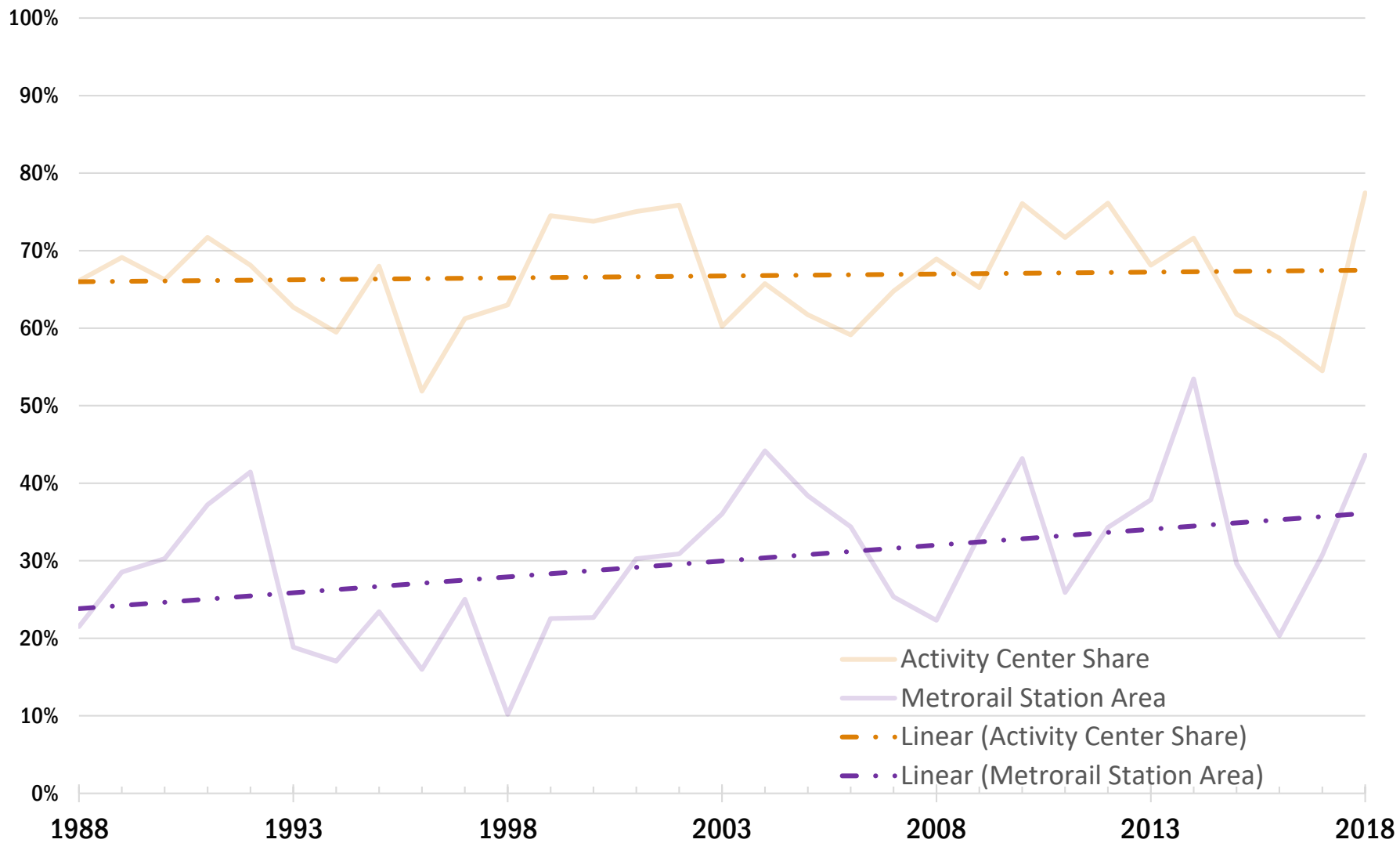


Construction in Metrorail Station Areas

- COG staff analyze development patterns within a half-mile of WMATA's 91 Metrorail stations

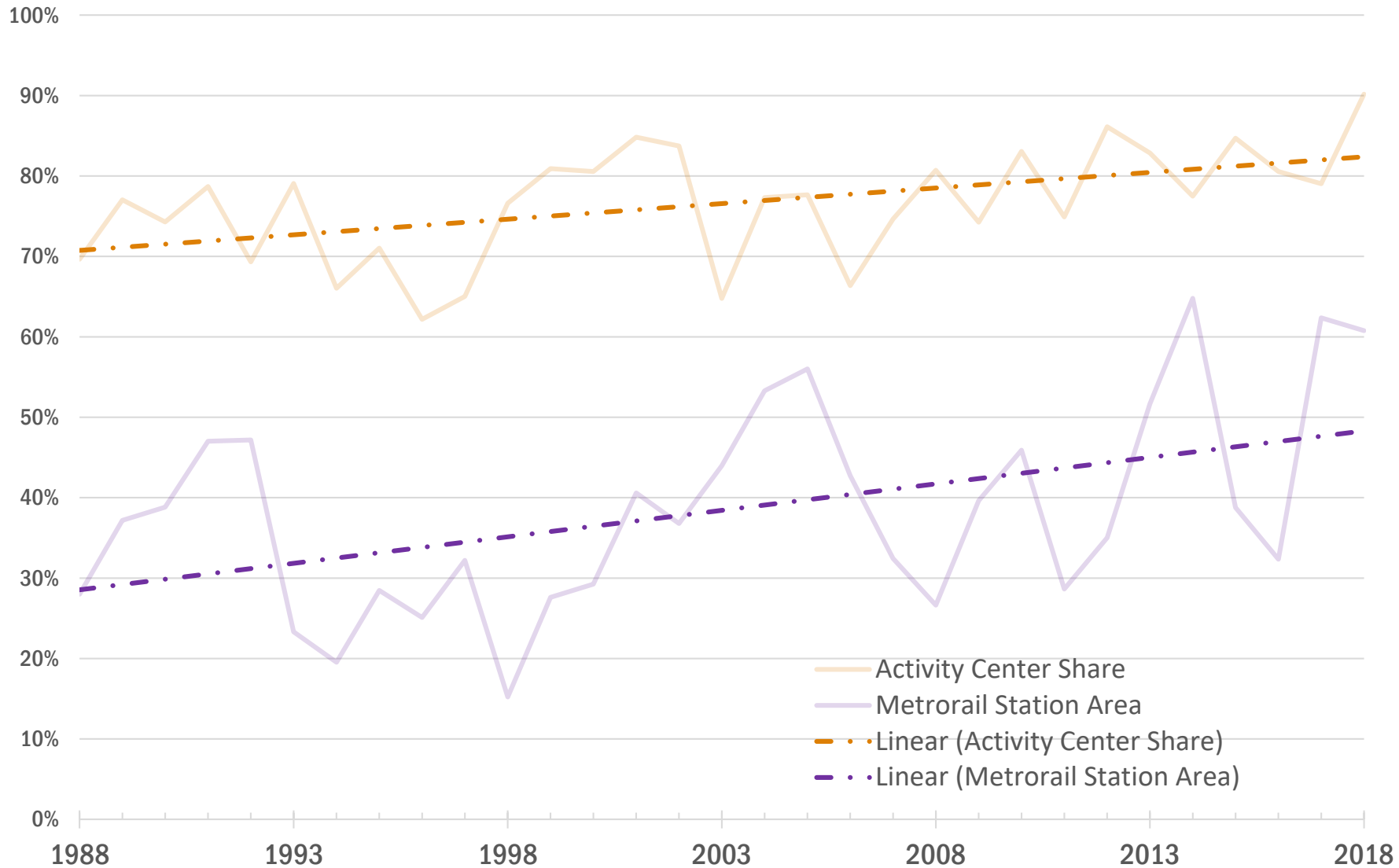


Construction in Activity Centers and Metrorail Station Areas, 1988 - 2018

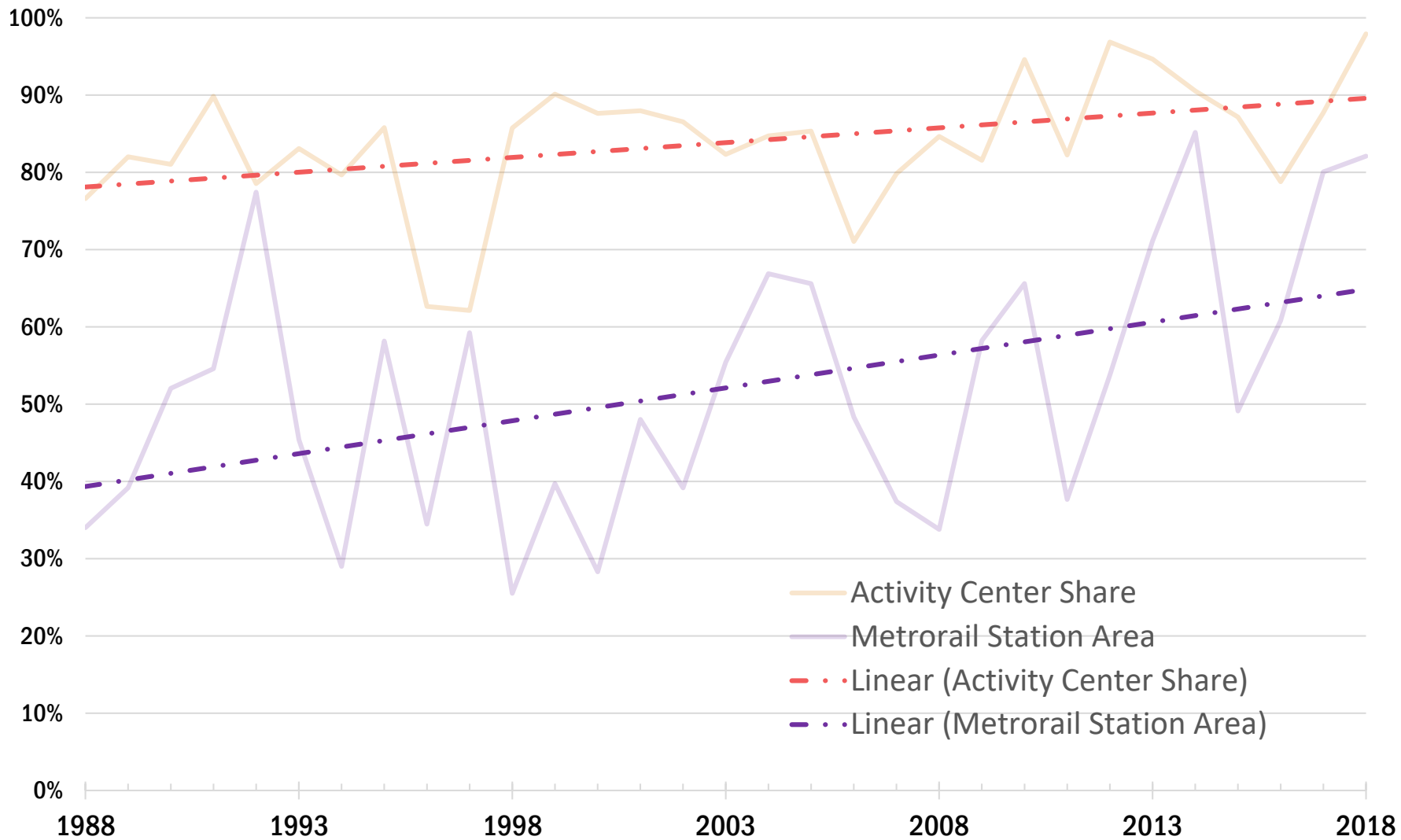


Office, Retail, Hospitality, Healthcare, Sports and Entertainment

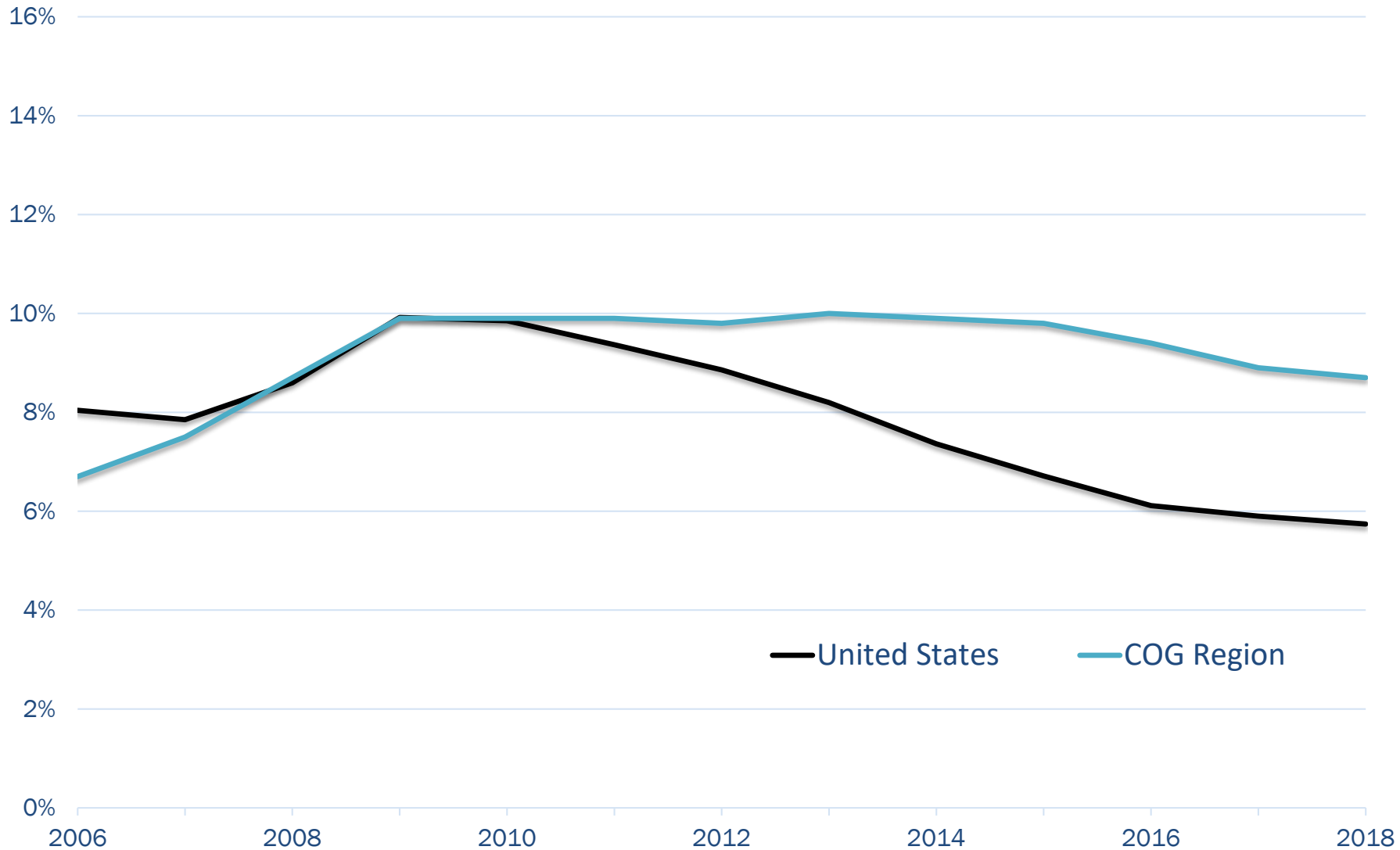
Construction in Activity Centers and Metrorail Station Areas, 1988 - 2018



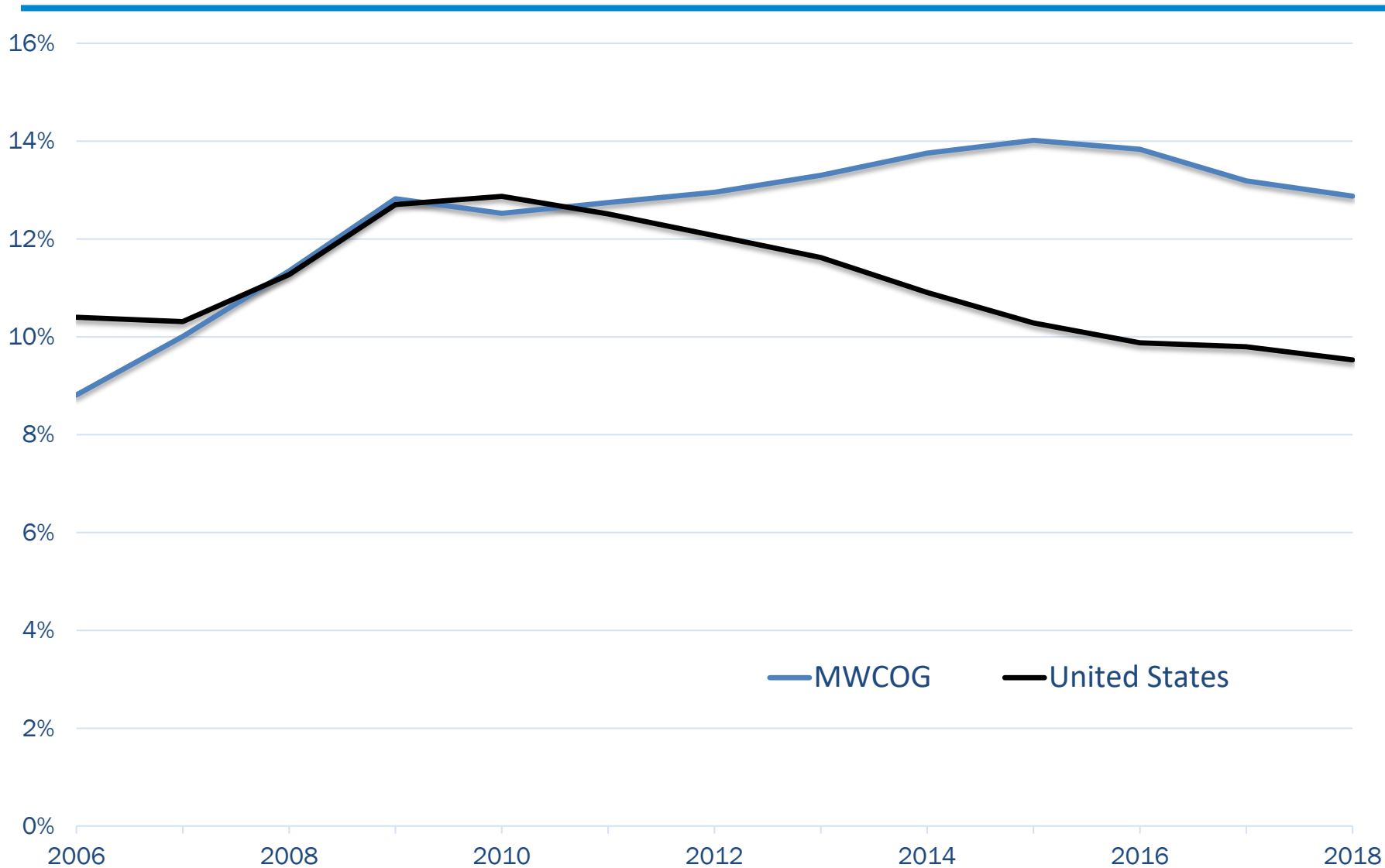
Office Construction in Activity Centers and Metrorail Station Areas, 1988 - 2018



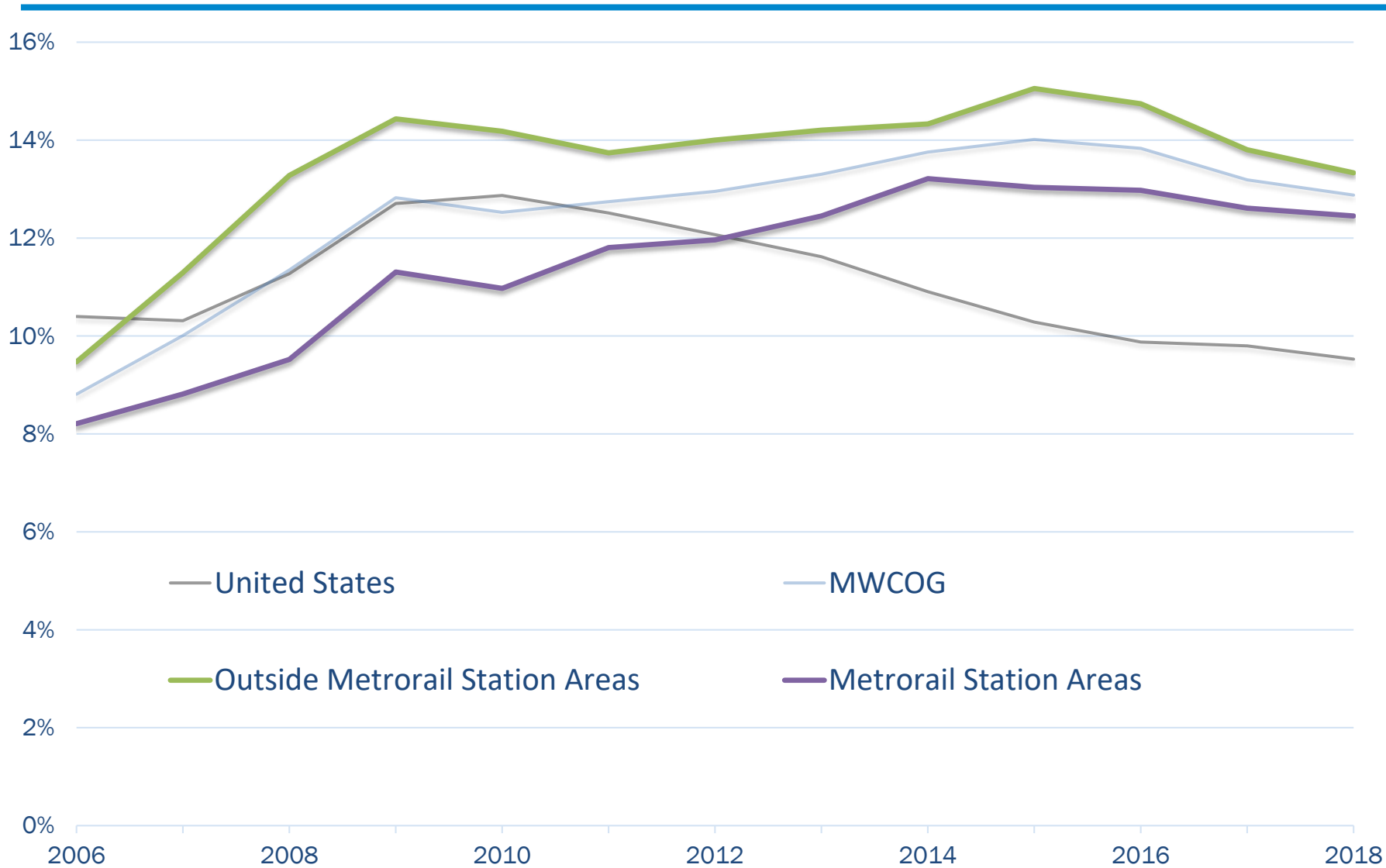
Vacancy Rate for Commercial Space, 2006 - 2018



Vacancy Rate for Office Space, 2006 - 2018

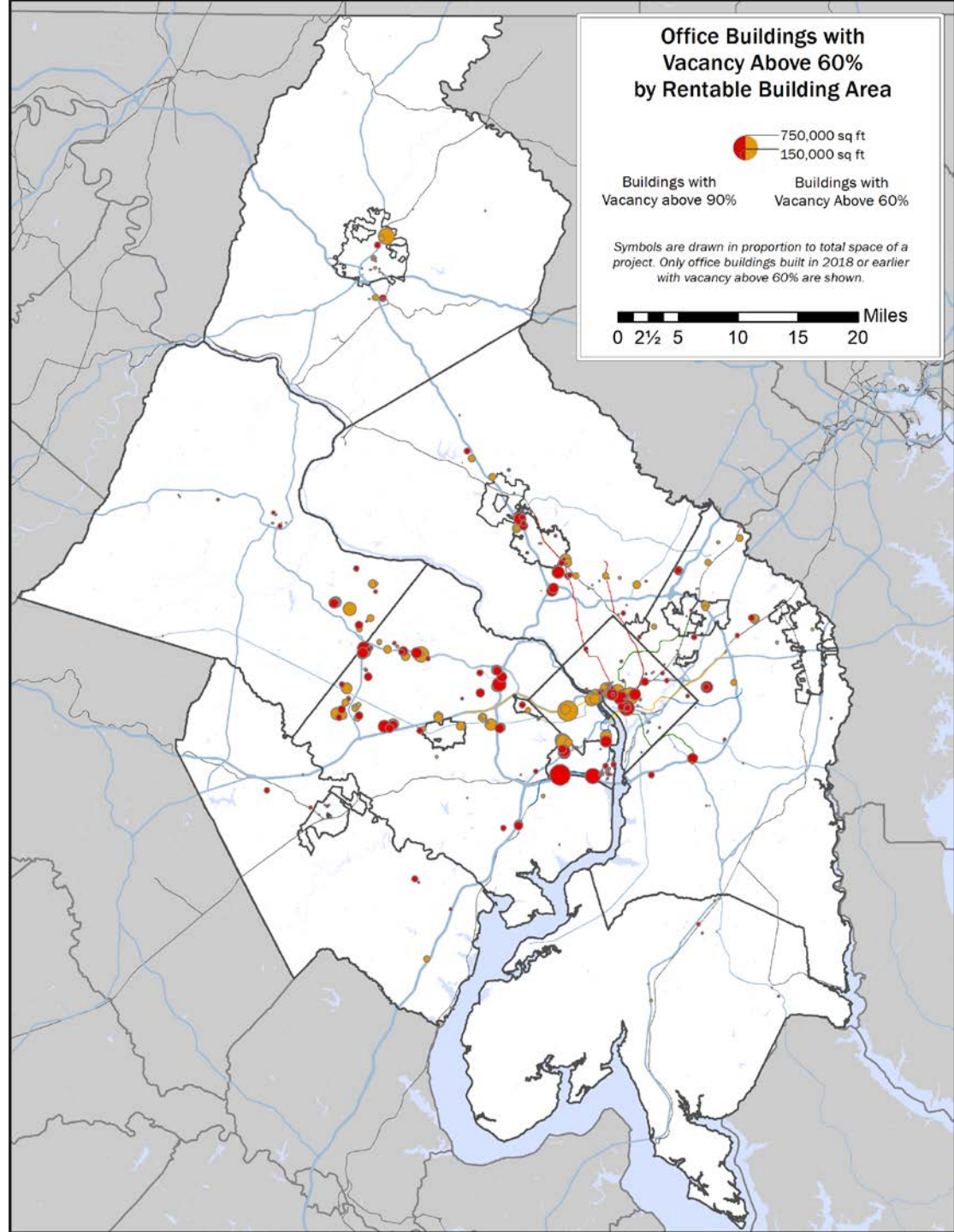


Vacancy Rate for Office Space, 2006 - 2018

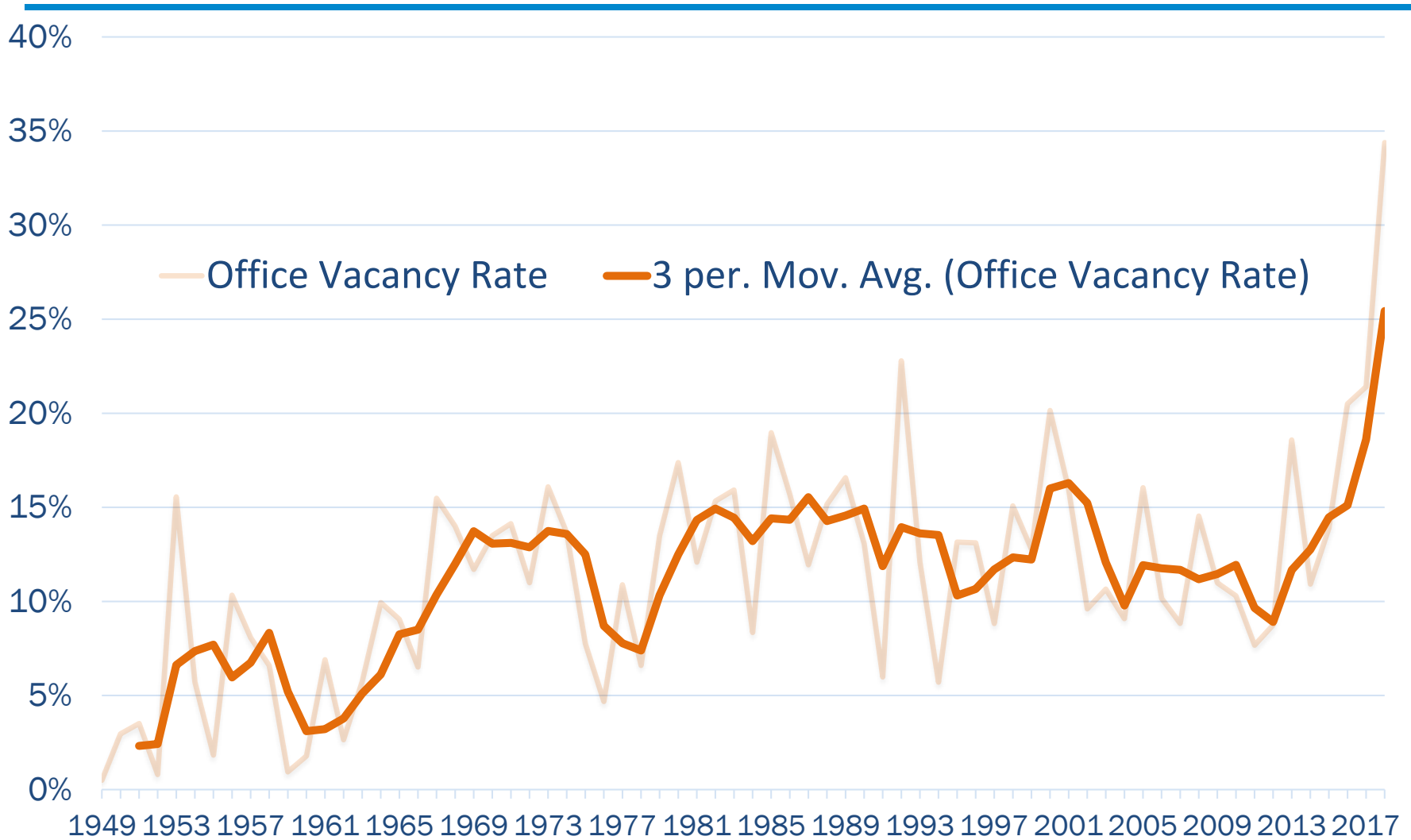


High Vacancy Office Buildings

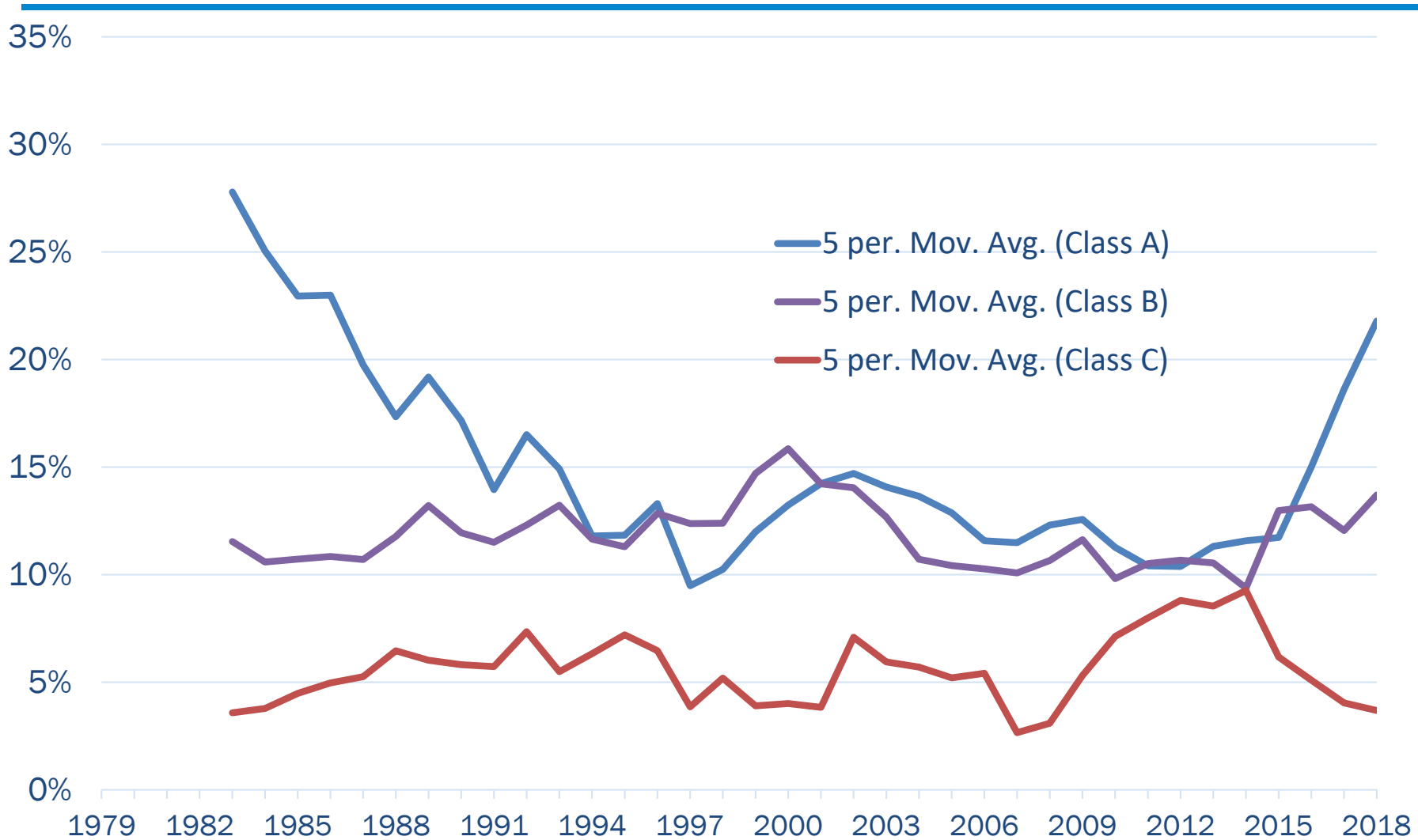
- Red dots are office buildings with more than 90% of space unoccupied
- Orange dots have more than 60% of space unoccupied
- High vacancy office buildings exist in both core and in suburbs; near both highways and transit stations



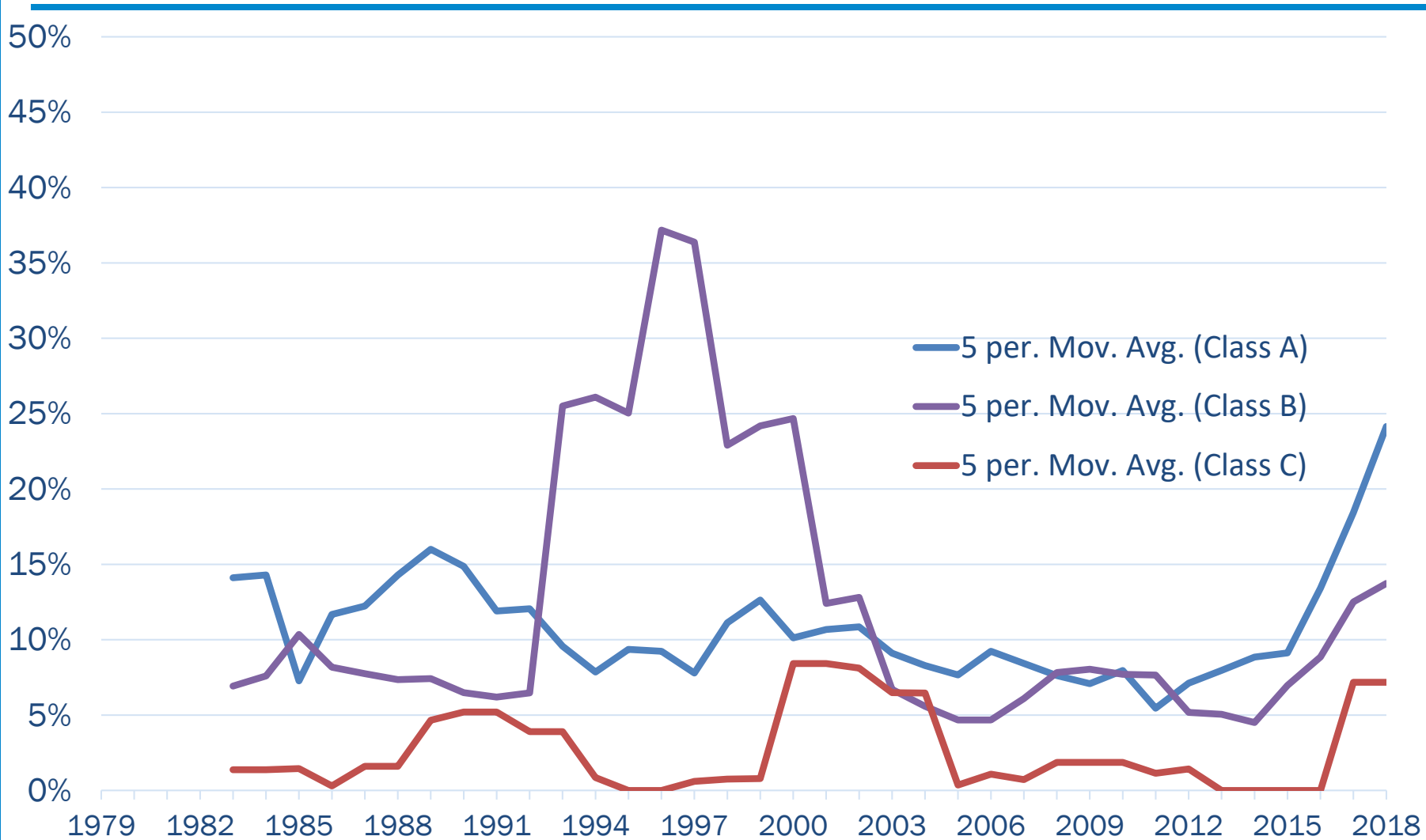
Office Vacancy Rate by Year of Construction or Renovation



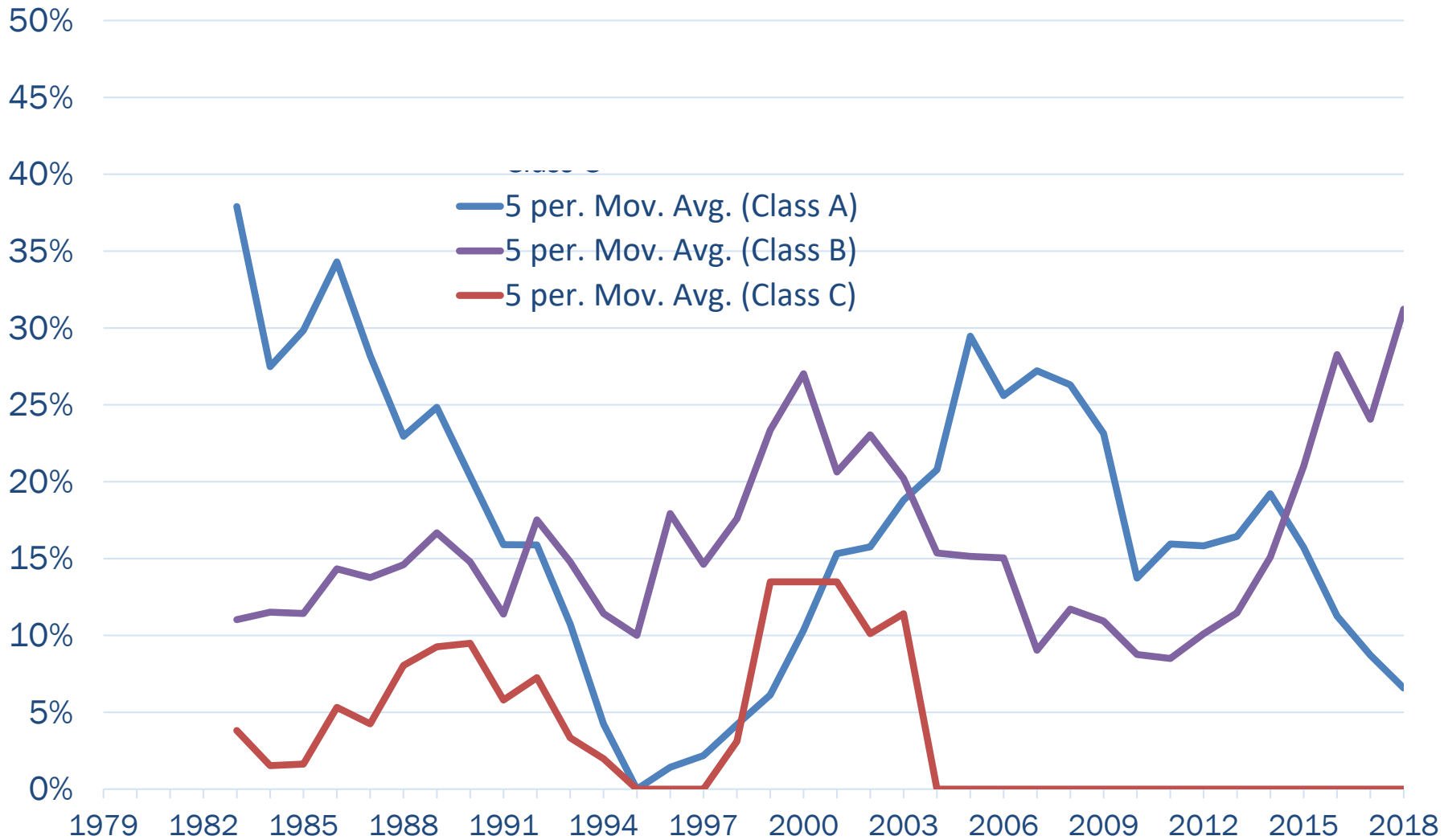
Office Vacancy Rate by Class and Year of Construction or Renovation



D.C. Metro Station Area Office Vacancy Rate by Class and Year of Construction or Renovation



D.C. Metro Station Area Office Vacancy Rate by Class and Year of Construction or Renovation



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