

2016 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOCG REGION

John Kent
Regional Planner

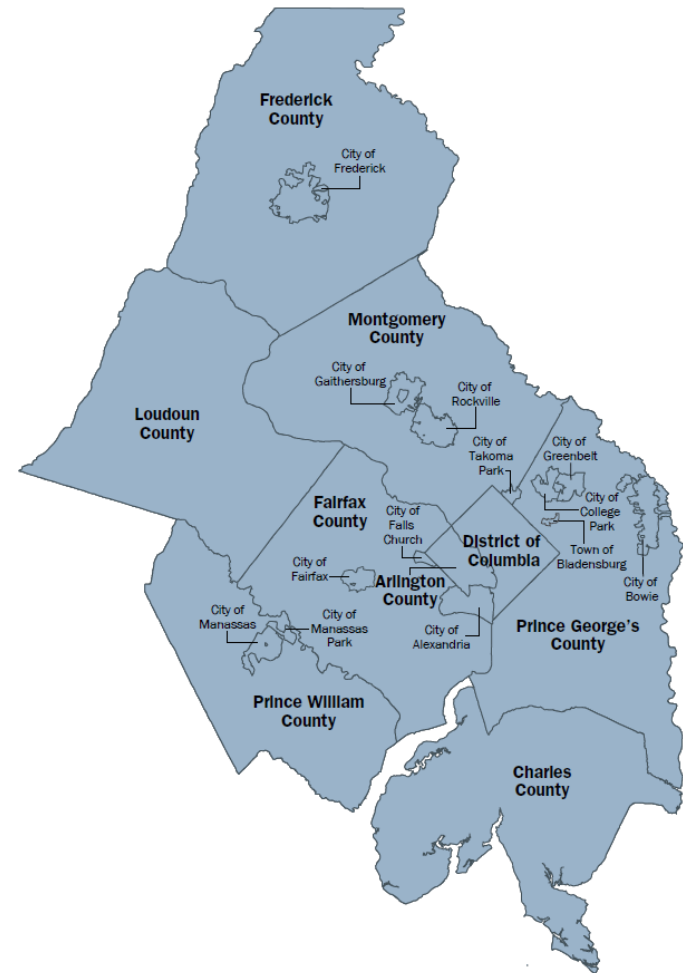
Planning Directors Technical Advisory Committee
May 19, 2017



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



2016 Commercial Construction Report

- This report primarily utilizes data from the CoStar database.
 - CoStar does not provide construction or project values
- Commercial Construction Activity
 - Completed Projects, not Starts
 - Office, Retail, Industrial/Flex, Healthcare, Hospitality, Specialty, and Sports / Entertainment sectors
 - CoStar omits most GSA owned and other government buildings
 - Report does not include Multi-Family buildings
 - Focus on 2016 data and also covers for 2012 - 2015



2016 Commercial Construction Summary

- 160 new commercial buildings
- 12.4 million sq. ft. of new space.
 - Most since 2009
 - 5 million sq. ft. higher than 2015
- 4.1 million sq. ft. of new industrial/flex space
 - 33% of total construction
 - Most since 2008
 - Warehouses/Distribution: 59%
 - Data Centers: 31%
- Historically, office buildings are usually leading sector
 - New office space increased 46 percent from 2015
 - Only 20 percent of total new commercial space.
- Retail space represented 13% of all commercial construction.
- Hotel and Hospital construction both higher than historical trends in 2016
- Q4 2016 vacancy rates for commercial real estate were a bit lower than 2015
 - Office: 14.6%
 - Retail: 4.2%
 - Industrial/Flex: 8.0%
- Metro Station areas and Activity Centers have lower shares of construction than historical norms



Largest Projects since 2012

2012 - 2015

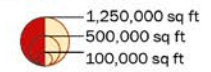
Project Name	Year	Land Use	Address	City	Jurisdiction	State	Stories	RBA	Parking Spaces
Marriott Marquis	2014	Hotel	901 Massachusetts Ave NW	Washington	District of Columbia	DC	14	1,262,000	
National Cancer Institute	2012	Office	9609 Medical Center Dr	Rockville	Montgomery County	MD	7	585,130	1,900
1812 North Moore	2013	Office	1812 N Moore St	Arlington	Arlington County	VA	35	535,381	480
Tysons Tower	2014	Office	7900 Tysons One Pl	McLean	Fairfax County	VA	22	528,290	300
NIAID	2014	Office	5601 Fishers Ln	Rockville	Montgomery County	MD	10	515,717	300
601 Mass Ave	2015	Office	601 Massachusetts Ave NW	Washington	District of Columbia	DC	11	478,882	200
NPR HQ	2013	Office	1111 N Capitol St NE	Washington	District of Columbia	DC	7	450,000	200
ACC7	2014	Flex (Data Center)	21625 Gresham Dr	Ashburn	Loudoun County	VA	1	407,820	
1717 K Street	2012	Office	1717 K St NW	Washington	District of Columbia	DC	12	385,791	279
Landover Logistics Center	2013	Industrial (Distribution)	1811 Cabin Branch Dr	Landover	Prince George's County	MD	1	360,550	261

2016

Project Name	Land Use	Address	City	Jurisdiction	State	Stories	RBA	Parking Spaces
MGM National Harbor	Hotel Casino	1 National Harbor Blvd	Oxon Hill	Prince George's	MD	24	945,288	4,797
Inova Women and Children's Hospital	Hospital	3300 Gallows Rd	Falls Church	Fairfax County	VA	11	660,000	
Costco Distribution Center	Industrial (Distribution)	5151 Intercoastal Ct	Monrovia	Frederick	MD	1	600,000	40
The Corporate Office Centre @ Tysons II	Office	1775 Tysons Blvd	McLean	Fairfax County	VA	18	476,913	
600 Mass Ave	Office	600 Massachusetts Ave NW	Washington	District of Columbia	DC	10	401,172	325
National Square	Office	500 D St SW	Washington	District of Columbia	DC	12	341,281	249
The Brick Yard - Building J	Industrial (Warehouse)	13150 Mid Atlantic Blvd	Laurel	Prince George's	MD	1	236,471	250
Staybridge Suites	Hotel	10500 Eastgate Dr	Hyattsville	Prince George's	MD	4	228,604	
44100 Digital Loudoun Plaza	Flex (Data Center)	44100 Digital Loudoun Plz	Ashburn	Loudoun	VA	1	221,000	
Collington Park Phase I - Building C	Industrial (Warehouse)	16101 Queens Ct	Upper Marlboro	Prince George's	MD	1	220,800	171

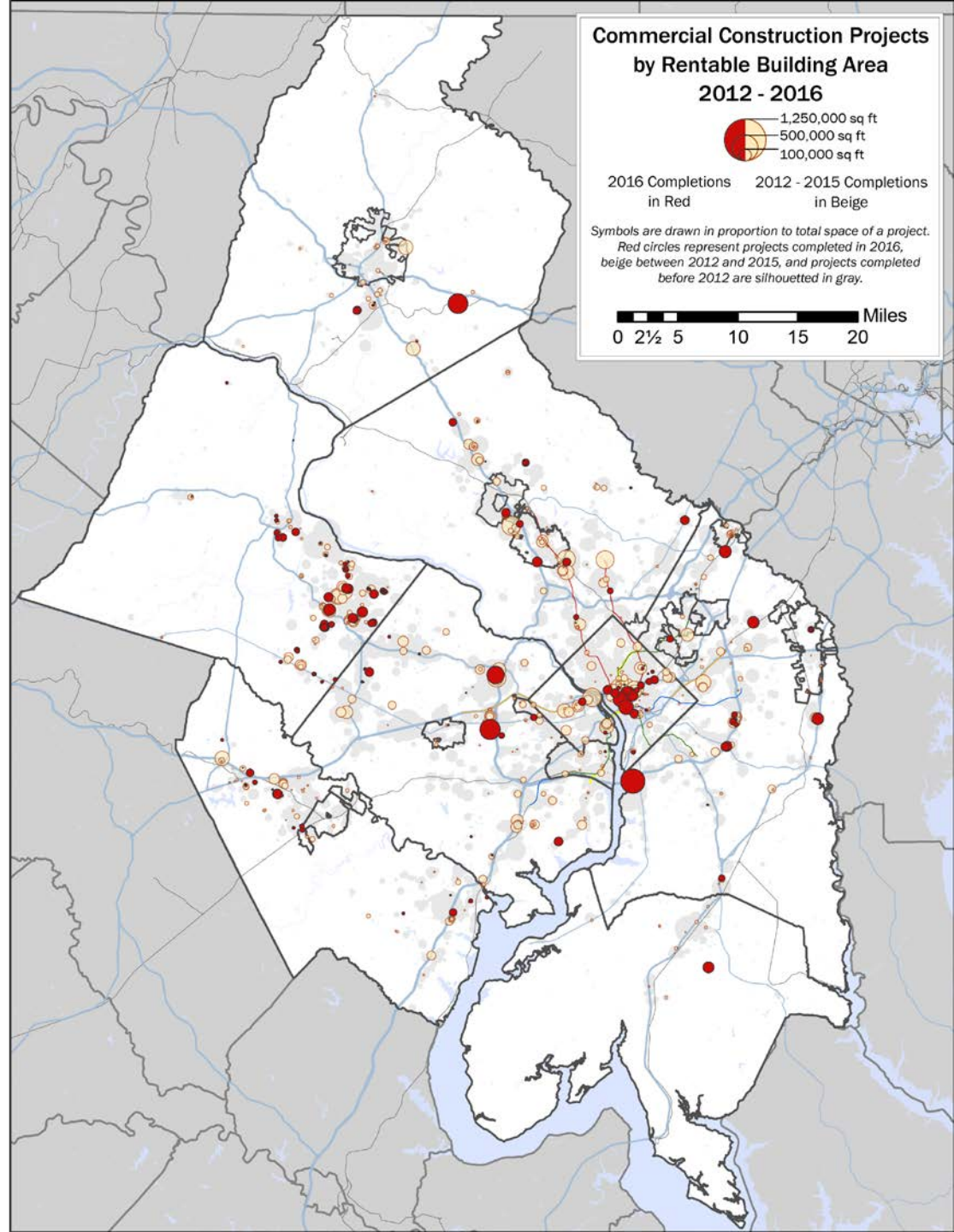
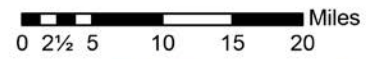


Commercial Construction Projects by Rentable Building Area 2012 - 2016

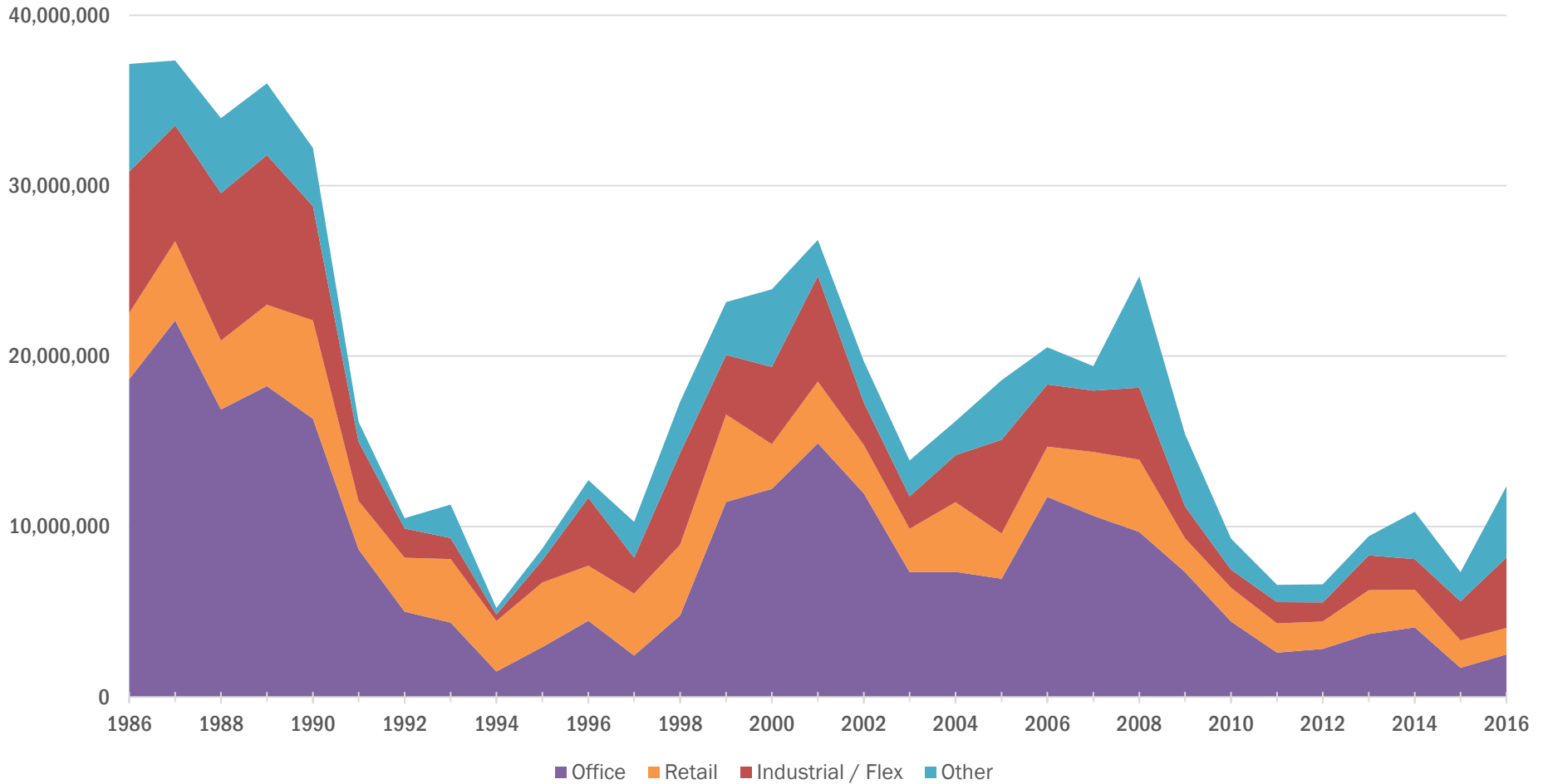


2016 Completions in Red 2012 - 2015 Completions in Beige

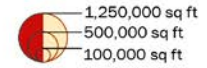
Symbols are drawn in proportion to total space of a project.
Red circles represent projects completed in 2016,
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Square Footage of Completed Commercial Construction by Structure Type, 1986 - 2016

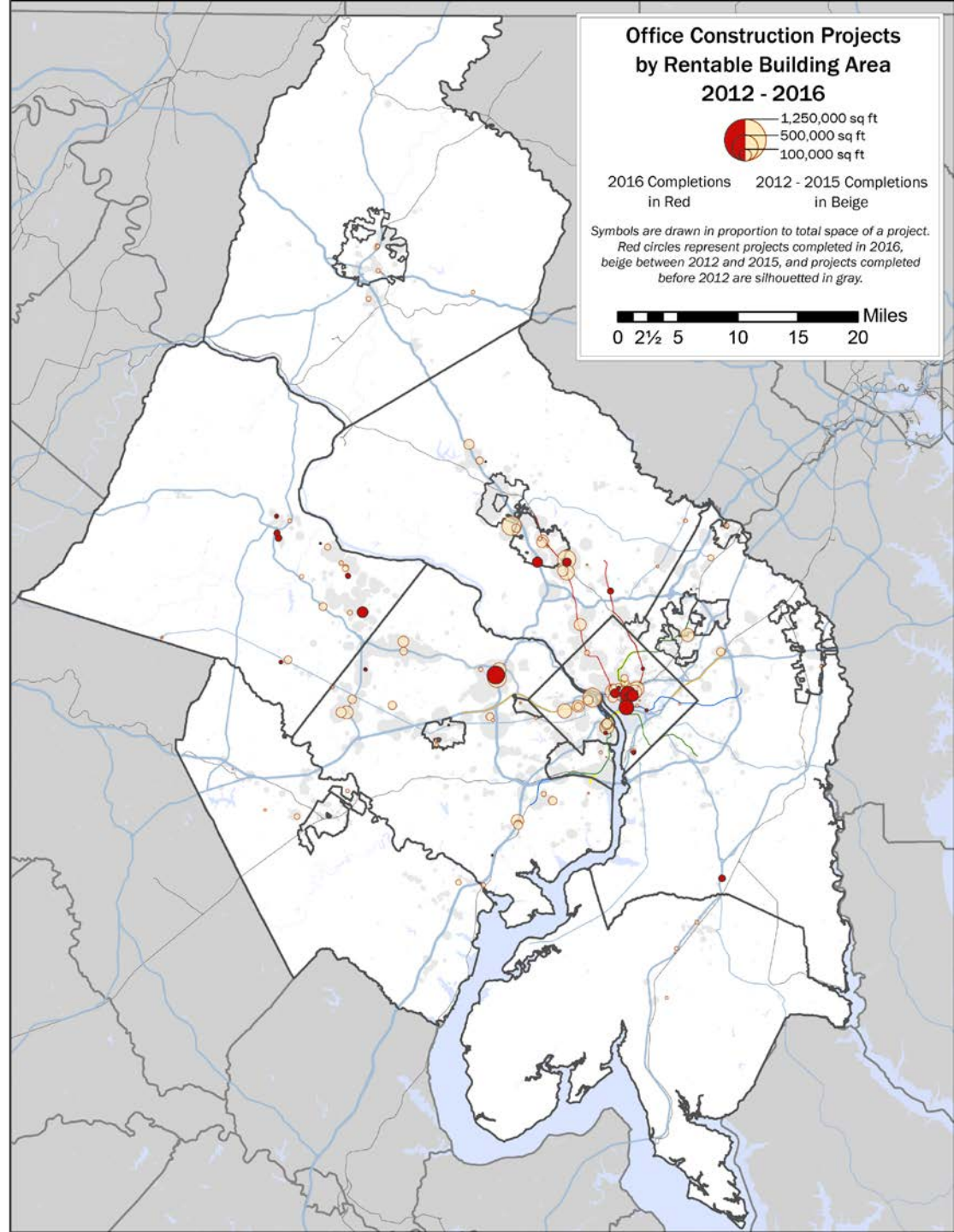
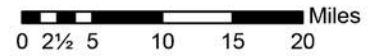


Office Construction Projects by Rentable Building Area 2012 - 2016

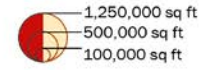


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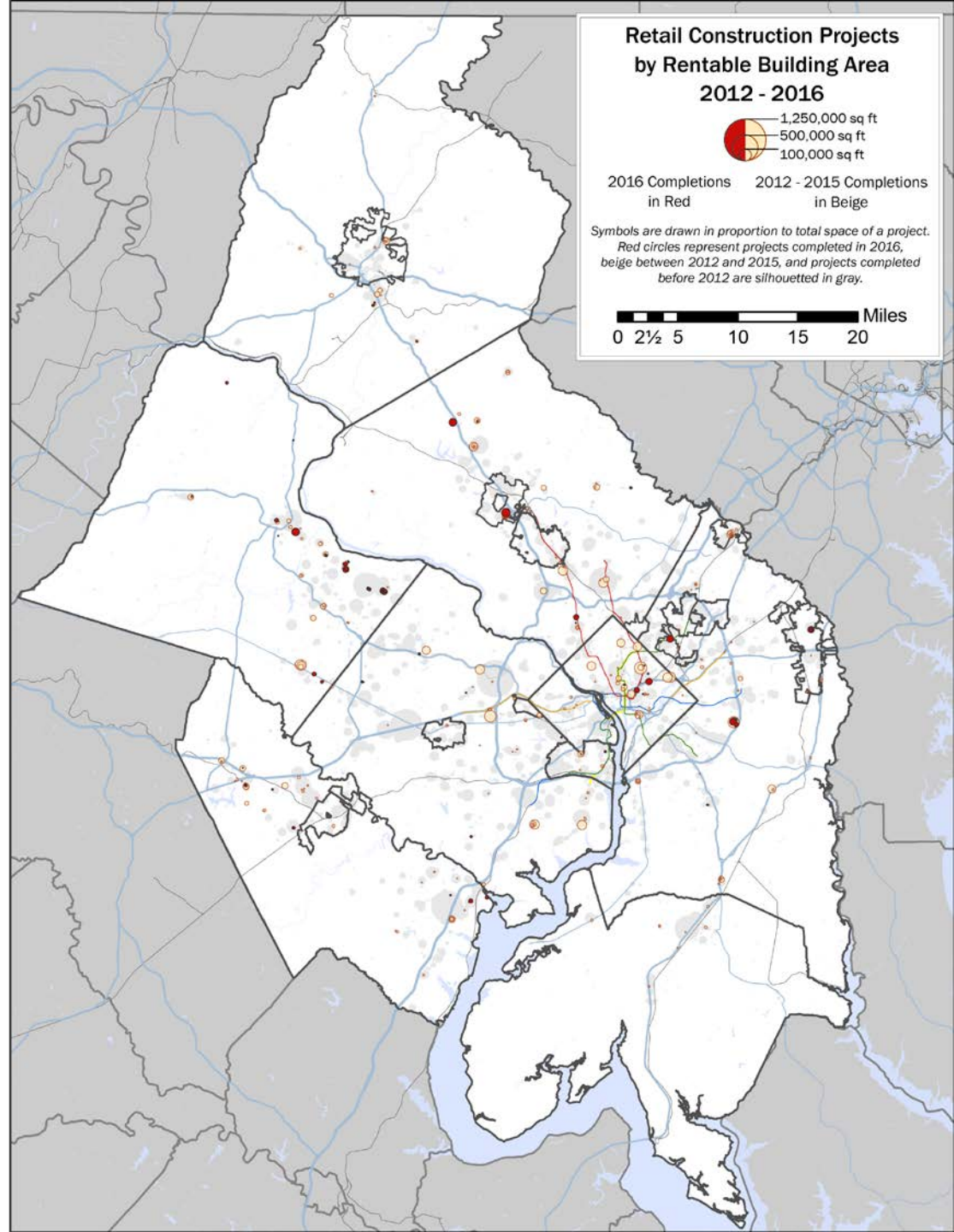
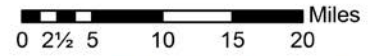


Retail Construction Projects by Rentable Building Area 2012 - 2016

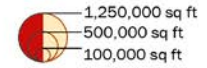


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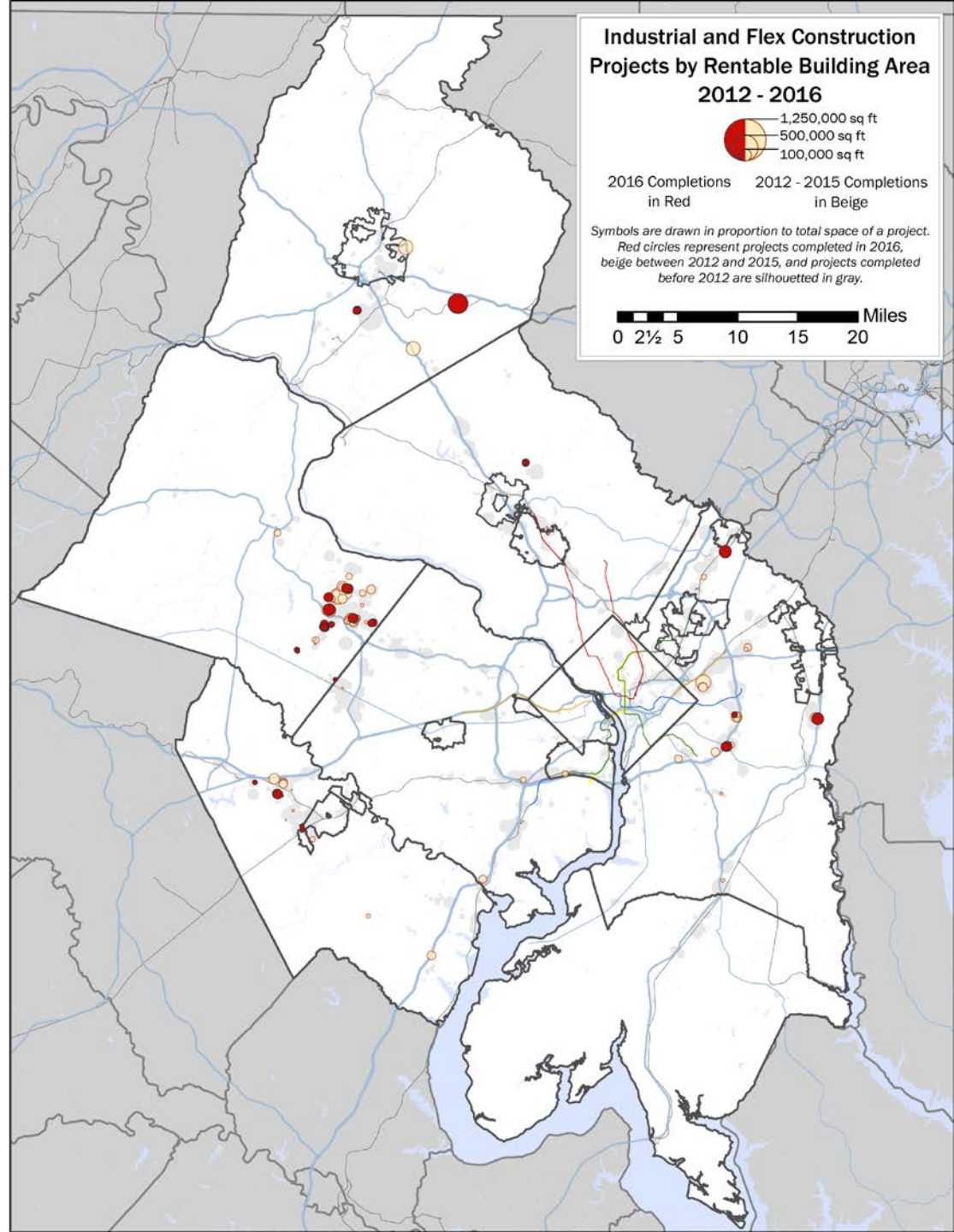
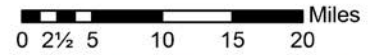


Industrial and Flex Construction Projects by Rentable Building Area 2012 - 2016

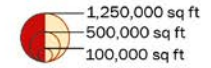


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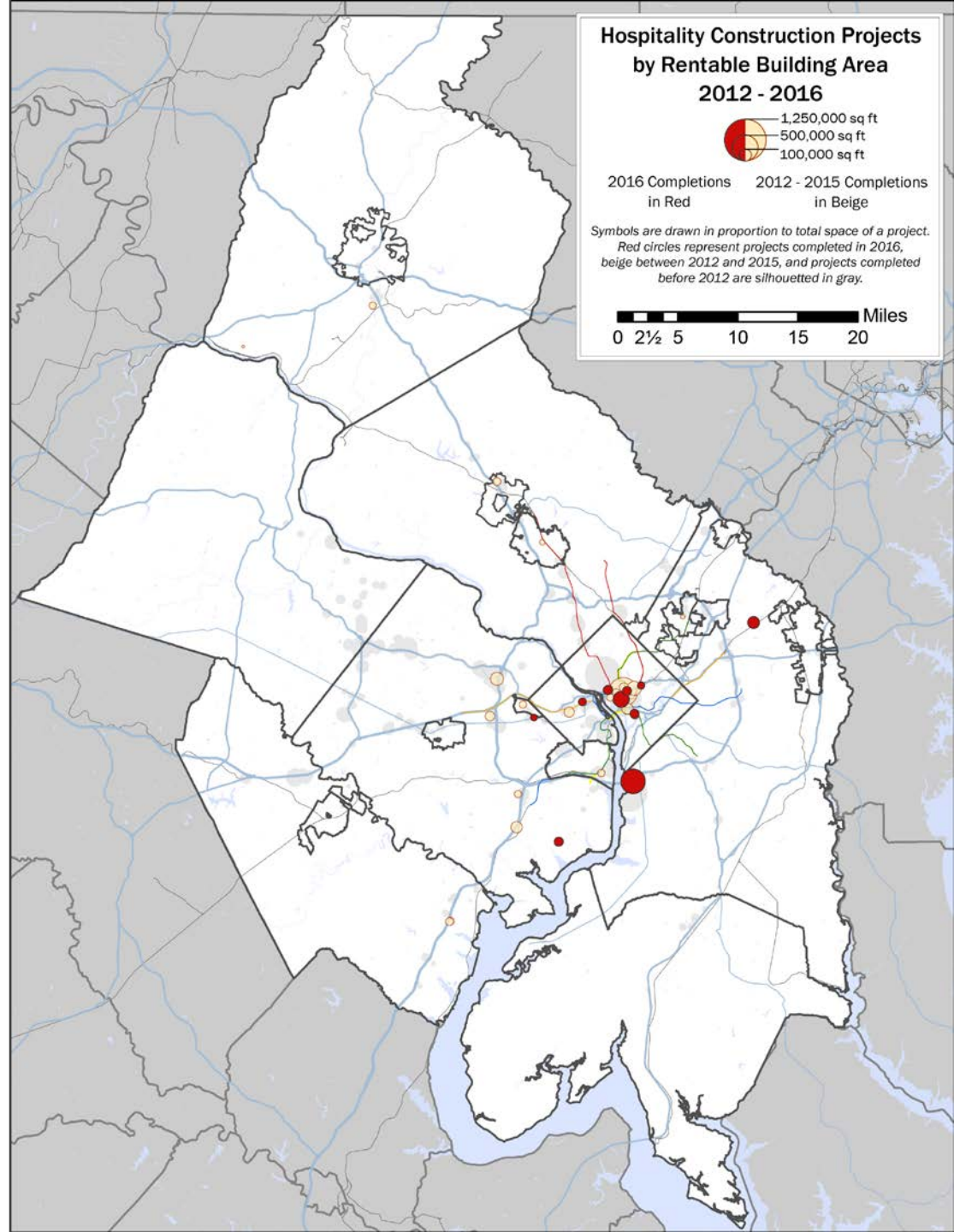
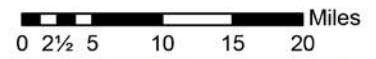


Hospitality Construction Projects by Rentable Building Area 2012 - 2016

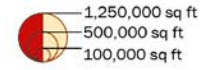


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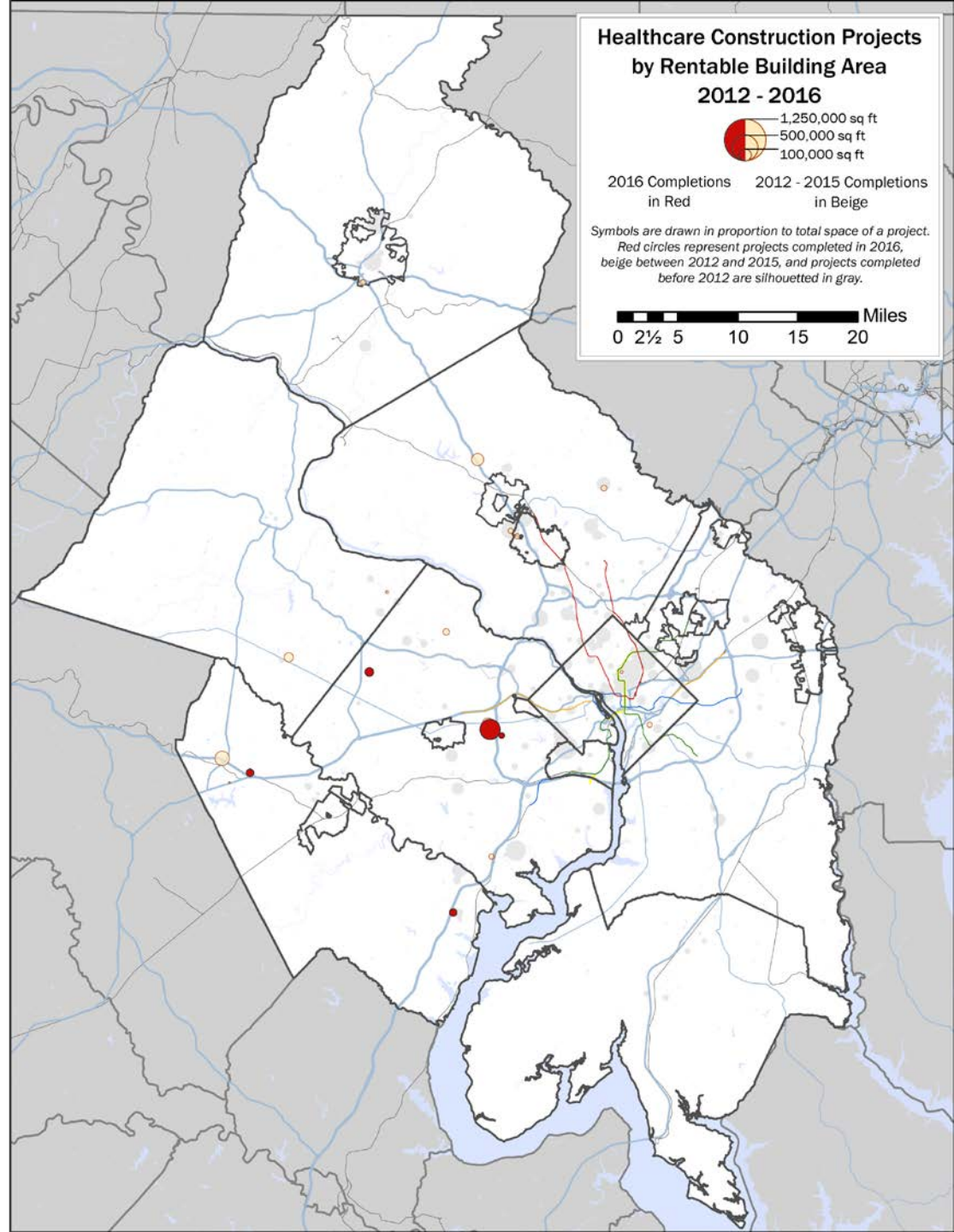
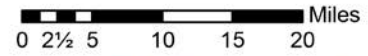


Healthcare Construction Projects by Rentable Building Area 2012 - 2016

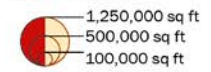


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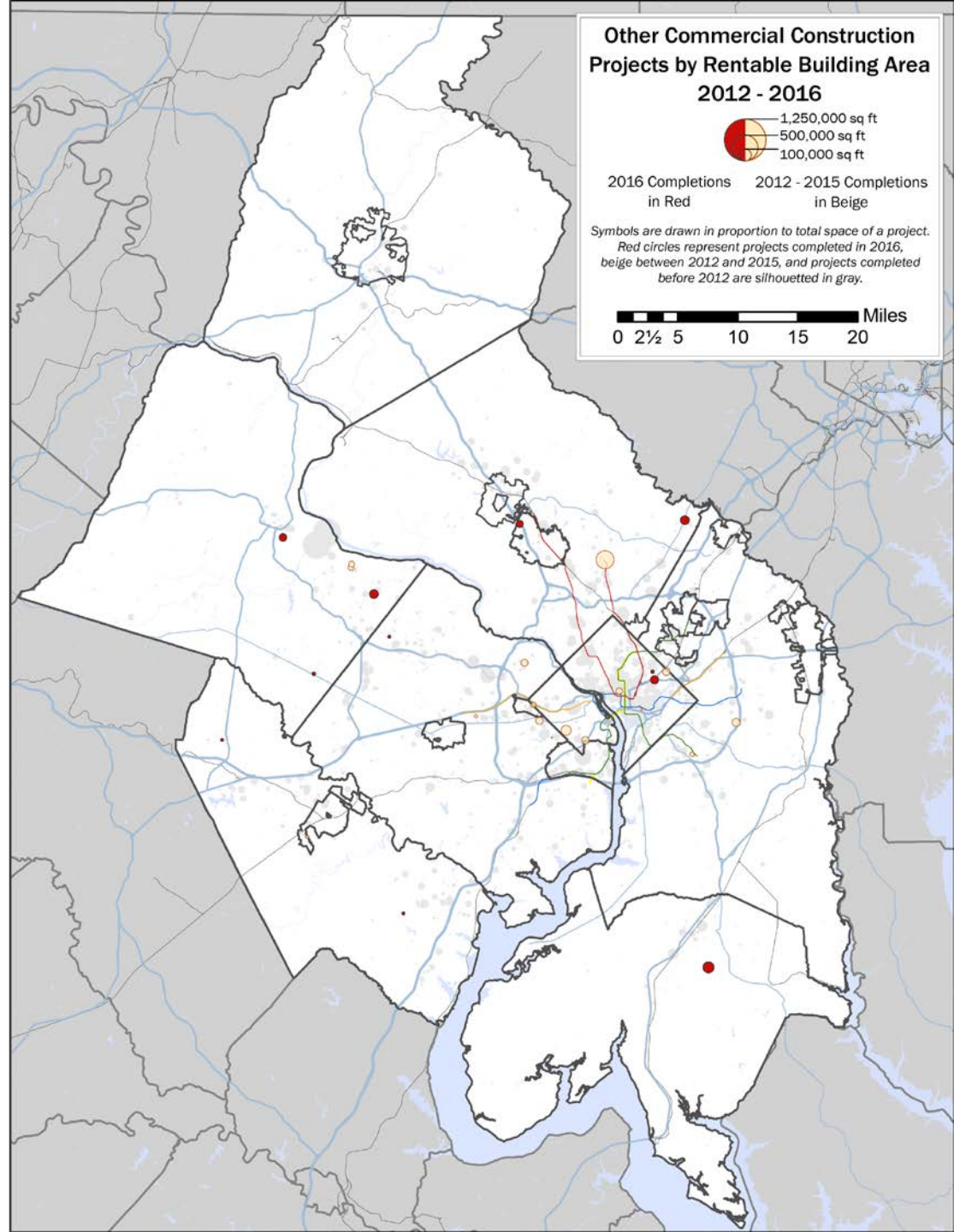
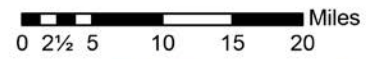


**Other Commercial Construction
Projects by Rentable Building Area
2012 - 2016**

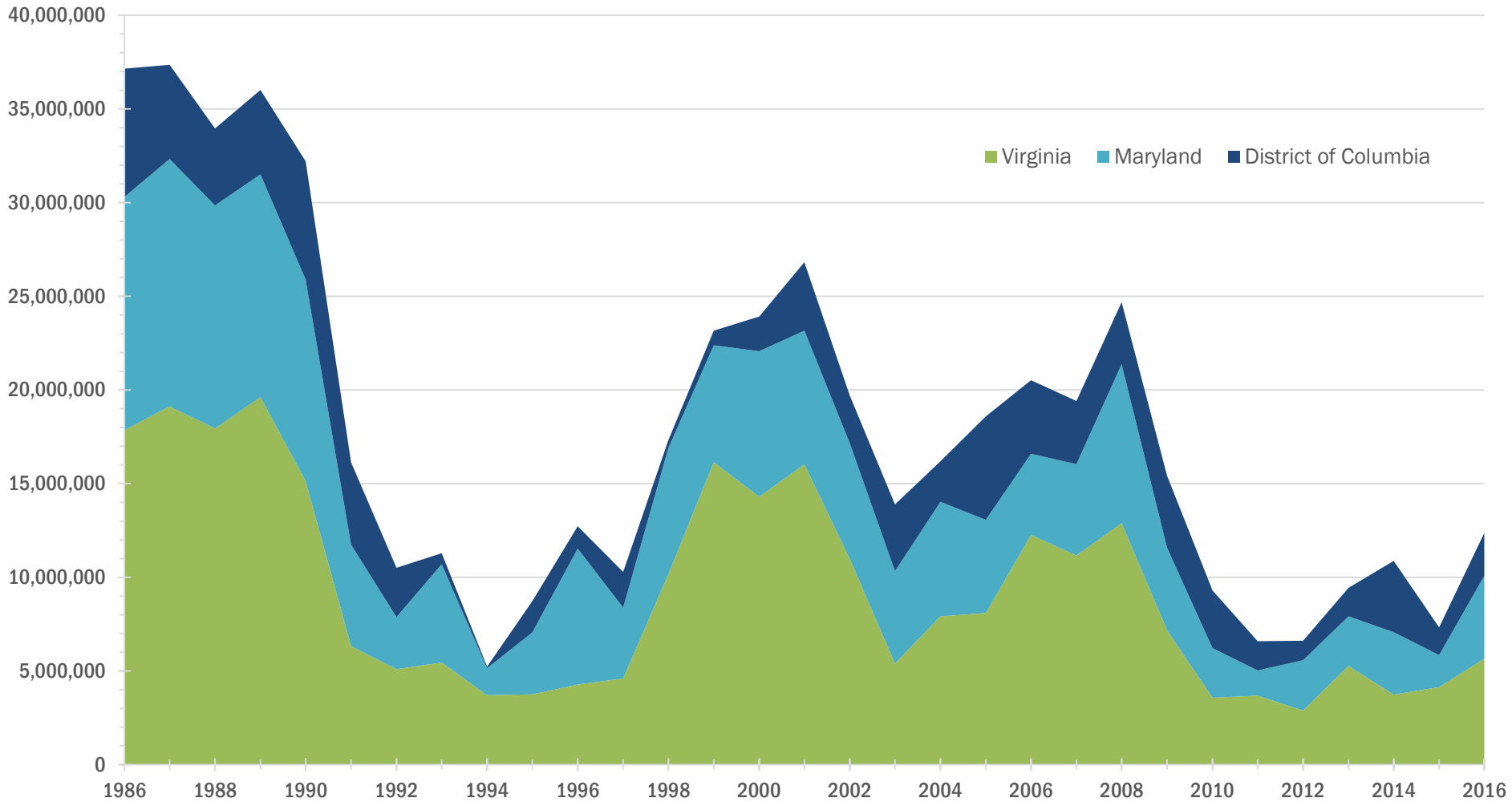


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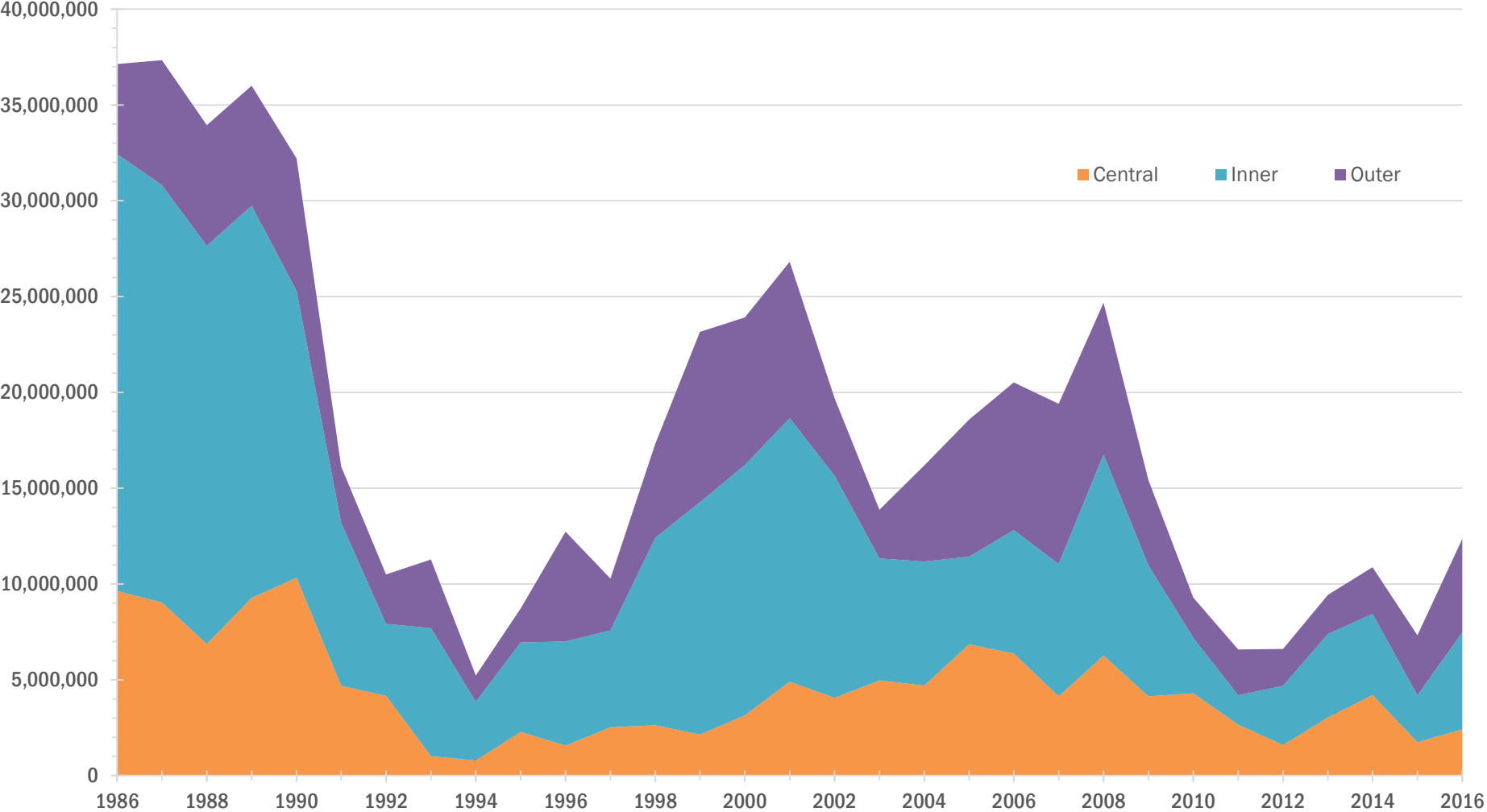
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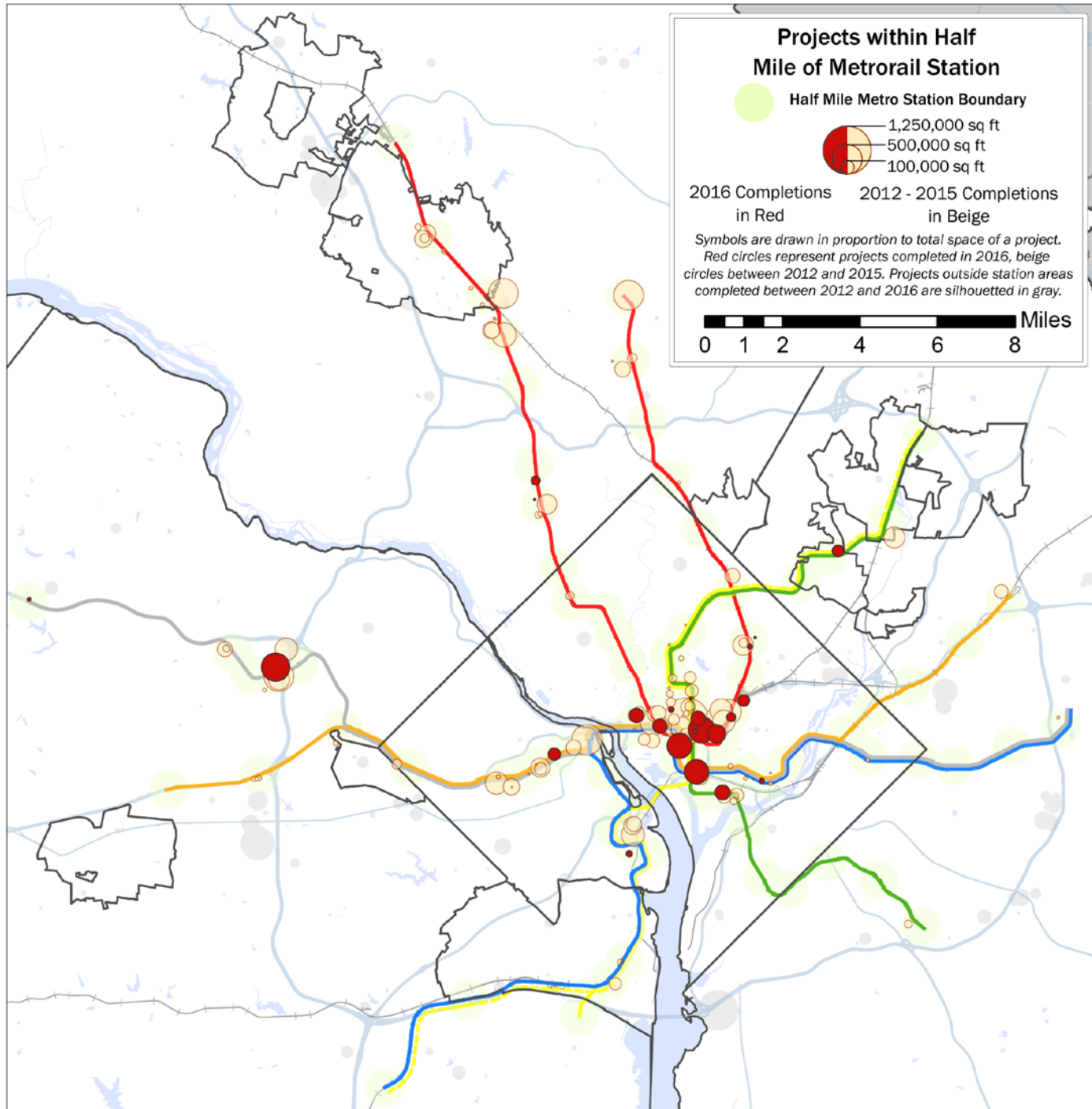


Square Footage of Completed Commercial Construction by State, 1986 - 2016



Square Footage of Completed Commercial Construction by Jurisdictional Groups, 1986 - 2016

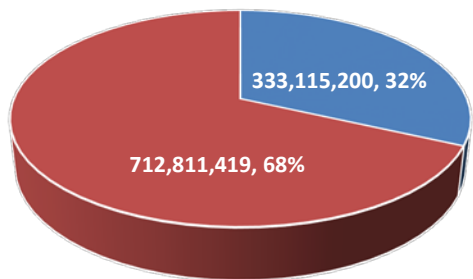




- Since 2012, 55 Metro stations have had at least one commercial construction project located within a half mile
 - 36 stations have had no projects
- From 2012 – 2015, about 40% of new construction with within half a mile of a Metro station
 - In 2016, the Metro share fell to 23%

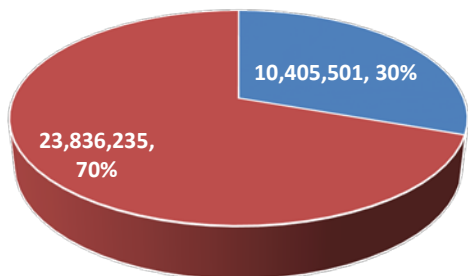
Metrorail Station Area	2012 - 2015 Completions			2016 Completions			State
	Projects	Square Feet	Regional Share	Projects	Square Feet	Regional Share	
Ballston-MU	4	476,965	1.4%	0	0	0.0%	VA
Benning Road	1	12,032	0.0%	0	0	0.0%	DC
Bethesda	3	268,714	0.8%	1	2,800	0.0%	MD
Braddock Road	2	23,000	0.1%	0	0	0.0%	VA
Branch Ave	1	38,000	0.1%	0	0	0.0%	MD
Brookland-CUA	2	298,000	0.9%	2	20,500	0.2%	DC
Capitol South	1	16,258	0.0%	0	0	0.0%	DC
Clarendon	3	309,707	0.9%	0	0	0.0%	VA
College Park-U of MD	1	268,762	0.8%	0	0	0.0%	MD
Columbia Heights	2	19,062	0.1%	0	0	0.0%	DC
Court House	0	0	0.0%	1	93,000	0.8%	VA
Crystal City	1	308,898	0.9%	1	25,000	0.2%	VA
Dunn Loring-Merrifield	3	44,255	0.1%	0	0	0.0%	VA
Dupont Circle	1	99,150	0.3%	0	0	0.0%	DC
East Falls Church	1	52,988	0.2%	0	0	0.0%	VA
Eastern Market	1	9,755	0.0%	0	0	0.0%	DC
Farragut North	3	690,258	2.0%	1	127,825	1.0%	DC
Farragut West	2	204,101	0.6%	0	0	0.0%	DC
Federal Center SW	1	196,343	0.6%	0	0	0.0%	DC
Federal Triangle	0	0	0.0%	1	379,015	3.1%	DC
Foggy Bottom-GWU	2	106,259	0.3%	1	124,626	1.0%	DC
Fort Totten	1	130,000	0.4%	0	0	0.0%	DC
Gallery Pl-Chinatown	3	121,675	0.4%	1	15,127	0.1%	DC
Georgia Ave-Petworth	1	2,403	0.0%	0	0	0.0%	DC
Glenmont	1	527,192	1.5%	0	0	0.0%	MD
Judiciary Square	0	0	0.0%	1	401,172	3.2%	DC
King St-Old Town	1	87,855	0.3%	0	0	0.0%	VA
Largo Town Center	1	6,500	0.0%	0	0	0.0%	MD
L'Enfant Plaza	0	0	0.0%	1	341,281	2.8%	DC
McLean	1	296,257	0.9%	0	0	0.0%	VA
McPherson Square	2	166,000	0.5%	1	21,527	0.2%	DC
Medical Center	0	0	0.0%	1	50,000	0.4%	MD
Metro Center	2	575,941	1.7%	0	0	0.0%	DC
Mt Vernon Sq 7th St-Convention Center	6	2,223,218	6.5%	1	118,000	1.0%	DC
Navy Yard-Ballpark	5	286,500	0.8%	1	132,000	1.1%	DC
New Carrollton	1	110,000	0.3%	0	0	0.0%	MD
NoMa-Gallaudet	5	1,393,214	4.1%	2	136,689	1.1%	DC
Pentagon	2	322,000	0.9%	0	0	0.0%	VA
Potomac Ave	2	14,275	0.0%	1	14,771	0.1%	DC
Prince George's Plaza	0	0	0.0%	1	83,000	0.7%	MD
Rockville	6	457,983	1.3%	0	0	0.0%	MD
Rosslyn	2	673,916	2.0%	0	0	0.0%	VA
Shaw-Howard U	1	98,243	0.3%	1	6,000	0.0%	DC
Silver Spring	1	4,978	0.0%	0	0	0.0%	MD
Spring Hill	2	165,662	0.5%	0	0	0.0%	VA
Tenleytown-AU	1	42,828	0.1%	0	0	0.0%	DC
Twinbrook	3	533,266	1.6%	0	0	0.0%	MD
Tysons Corner	3	802,803	2.3%	1	476,913	3.9%	VA
U Street/African-Amer Civil War Memorial/Cardozo	5	206,849	0.6%	0	0	0.0%	DC
Union Station	1	93,140	0.3%	1	200,000	1.6%	DC
Virginia Square-GMU	1	4,000	0.0%	0	0	0.0%	VA
West Falls Church-VT/UVA	1	16,867	0.0%	0	0	0.0%	VA
Wheaton	3	212,080	0.6%	0	0	0.0%	MD
White Flint	5	685,240	2.0%	0	0	0.0%	MD
Wiehle-Reston East	0	0	0.0%	1	10,029	0.1%	VA
DC Metrorail Station Area Totals	51	7,005,504	20.5%	16	2,038,533	16.5%	--
<i>Maryland Metrorail Station Area Totals</i>	<i>26</i>	<i>3,112,715</i>	<i>9.1%</i>	<i>3</i>	<i>135,800</i>	<i>1.1%</i>	--
<i>Virginia Metrorail Station Area Totals</i>	<i>27</i>	<i>3,585,173</i>	<i>10.5%</i>	<i>4</i>	<i>604,942</i>	<i>4.9%</i>	--
<i>Inside Metrorail Station Areas Total</i>	<i>104</i>	<i>13,703,392</i>	<i>40.0%</i>	<i>23</i>	<i>2,779,275</i>	<i>22.5%</i>	--
<i>Outside Metrorail Station Areas Total</i>	<i>445</i>	<i>20,538,344</i>	<i>60.0%</i>	<i>93</i>	<i>9,580,483</i>	<i>77.5%</i>	--
Regional Total	549	34,241,736	100.0%	116	12,359,758	100.0%	--

Prior to 2012



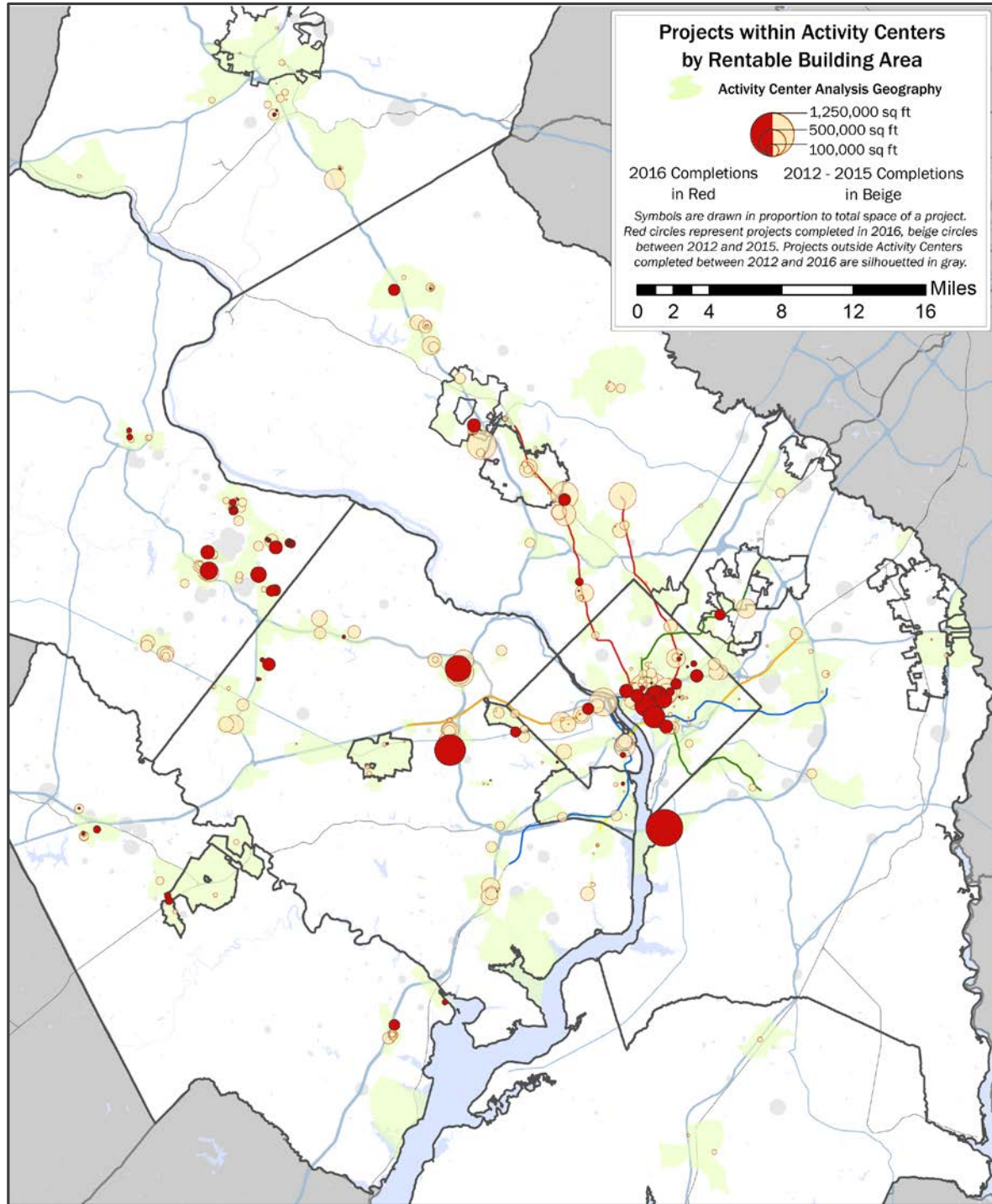
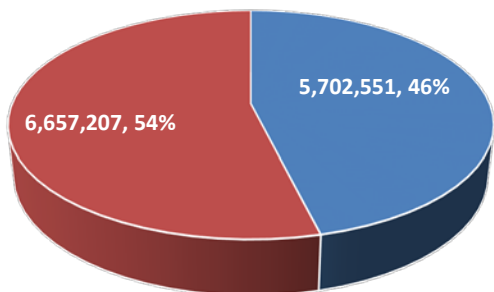
■ Non-Activity Center ■ Activity Center

2012 - 2015



■ Non-Activity Center ■ Activity Center

2016



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