Greenprint of Growth

*Summary of Findings*

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STUDY OBJECTIVES

**Quantify** and **qualify** the nature of regional development trends

**Ground truth** the anecdotal information prevalent in the marketplace

**Forecast** the likely development activity at and around Green Line Corridor station areas through 2030

**Estimate** the number of jobs and amount of tax revenue to be created at and around Green Line Corridor station areas through 2030
The Re-Urbanization of Real Estate
DENSIFICATION ALREADY UNDERWAY
THE REGION IS REORIENTING ITS GROWTH PATTERNS

About 20% of the region’s household growth between 2005 and 2015 is currently taking place within walkable, urban, transit-oriented areas.

The growth of Gen Y, increased demand for Transit-Oriented Development, and demand for sophisticated urbanity in part driving this trend.

Source: MWCOG Regional Activity Centers, RCLCO
RCLCO Consumer Research shows:

- 77% of Generation Y plan to live in an Urban Core, and is re-urbanizing America year over year
- This is where the future of growth is – capturing Gen Y will be critical to economic vitality through 2050

Note: Number of 22-year olds is based upon birth rate and does not factor in death rates and migration.

Source: U.S. Centers for Disease Control and Prevention
The D.C. region’s historical Favored Quarter has emanated due west.

Growth in the post 1960s period followed this trajectory.

 Boomers and retirees may continue to favor the westward trajectory of historical growth.

Younger households and new economy employment is redrawing the investment map.

Gen X and Gen Y are driving demand for urban locations.

Bulk of household growth through 2030 driven by 18-34 year old households.
DC/MD/VA METRO AREA
MORE DEMAND FOR TOD THAN SUPPLY

SOURCE: RCLCO
Implications for Development in Washington, D.C.
The questions that the Capitol Riverfront BID have asked are even more important given the above background.

They raise questions of:

- Regional (and global) **competitiveness**
- Economic **sustainability**
- District **fiscal health**
- Public **return on investment**
The Green Line - Redrawing the Investment Map
## FOCUS ON THE FACTS
### A CHANGING REALITY

### CONVENTIONAL WISDOM

1. Young professionals are primarily flocking to the Rosslyn-Ballston corridor.
2. The District’s residential growth is concentrated in NW D.C. along the Red Line.
3. The District’s Red Line is the “high-income” corridor.
4. The Green Line corridor economy is driven by public sector jobs.
5. The region’s future growth will be concentrated westward.

### CURRENT TRENDS

1. The Green Line corridor outcompeted the Rosslyn-Ballston corridor at attracting young professionals in the 2000’s.
2. Green Line residential growth outpaced NW D.C. areas along the Red Line in the 2000’s.
3. New Green Line households have top-of-market incomes.
4. The Green Line is a magnet for high-paying, private sector jobs.
5. The Green Line is and will continue to be a regional economic engine and growth corridor.
Washington, D.C. has re-emerged as a regional and national destination for young, affluent, professional households.

It’s population resurgence has manifested in a percentage growth in 2010 that was the highest in the nation.

While D.C. recaptured the mantle as the region’s growth market, the Green Line station areas repositioned themselves as destinations of choice.
THESE HOUSEHOLDS ARE CHOOSING THE GREEN LINE OVER ALL OTHER OPTIONS

1990-2000

- GREEN LINE CORRIDOR: 373
- NW DC RED LINE: 418
- VA ROSSLYN-BALLSTON: 1,491
- NW DC ORANGE LINE: 597

2000-2010

- GREEN LINE CORRIDOR: 3,466
- NW DC RED LINE: 2,354
- VA ROSSLYN-BALLSTON: 3,395
- NW DC ORANGE LINE: 406
Over the past ten years, **multifamily units** added near **Green Line Corridor station areas** outpaced Northwest D.C. Red Line station areas.

Over the next 20 years, the **Green Line Corridor study area** may see market-driven demand for **8,100 housing units**, **4.35 million SF** of office and approximately **400,000 SF** of retail.
Unveiling the New Green Line Householder
New households moving into Green Line station areas may have incomes that are twice as high as existing data suggests prevails in these submarkets.

Restaurants and retailers that can locate proximate to this spending power and household growth concentration may have the advantage of harnessing an underserved high-income market.
THE NEW 100% LOCATION?
SOME GREEN LINE STATIONS SET TOP-OF-MARKET PRICES

By 2010, the for-sale multifamily pricing at certain Green Line stations caught up to and even eclipsed pricing in the top of market, high-priced Dupont Circle neighborhood.
The Green Line as an Employment Destination
Of the 24,600 net new jobs added to the District of Columbia between 2004 and 2010, 11,200 of them were added within a quarter mile of the Green Line station areas.

That represents 46% of the city’s total employment growth.
Real Estate, Legal, Architecture, Engineering, Management, and Scientific/Technical jobs all gravitated to the station areas under investigation in numbers that were far in excess of their capture in either NW D.C. Red Line station areas in D.C., Orange Line station areas in D.C., or the R-B corridor in Virginia.
The above findings suggest in clear terms that the Green Line station areas, are in fact the most competitive locations in the District for high wage employment growth. They are the places where professional employment – private sector professional employment – wants to locate, and where employers should be looking for locations to meet this demand.
Over the next twenty years in the Green Line Corridor, RCLCO forecasts market-driven demand for:

- 8,100 housing units (20%)
- 4.35M square feet of office space (21%), and approximately
- 400,000 square feet of retail (22%)

As well as
- 550 construction jobs
- $2.32 billion in tax revenue, and
- 19,000 permanent jobs
Over the next twenty years in the Capitol Riverfront BID, RCLCO forecasts market-driven demand for:

• 6,000 housing units
• 5.3M square feet of office space, and approximately
• 287,000 square feet of retail

As well as…

• 21,000 permanent jobs
• $2.28 B fiscal impact
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5. The Green Line is and will continue to be a regional economic engine and growth corridor.
The Green Line Corridor and the entirety of the Capitol Riverfront are poised to add **billions of dollars** in tax revenue to the District while adding **thousands of jobs and housing units** over the next two decades.

The public sector paved the way 20 years ago, and the **private sector has responded** in a major way.

We are at the beginning of the next **30 years of continued strong investment** along the Green Line Corridor.

The **Green Line Corridor** has already cemented its role as a **destination of choice** for employers and their employees.

The Green Line Corridor plays a significant role in the future of the regional economy, and **the future is now**.
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