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The WalkUP *Wake-Up* Call: DC 2016

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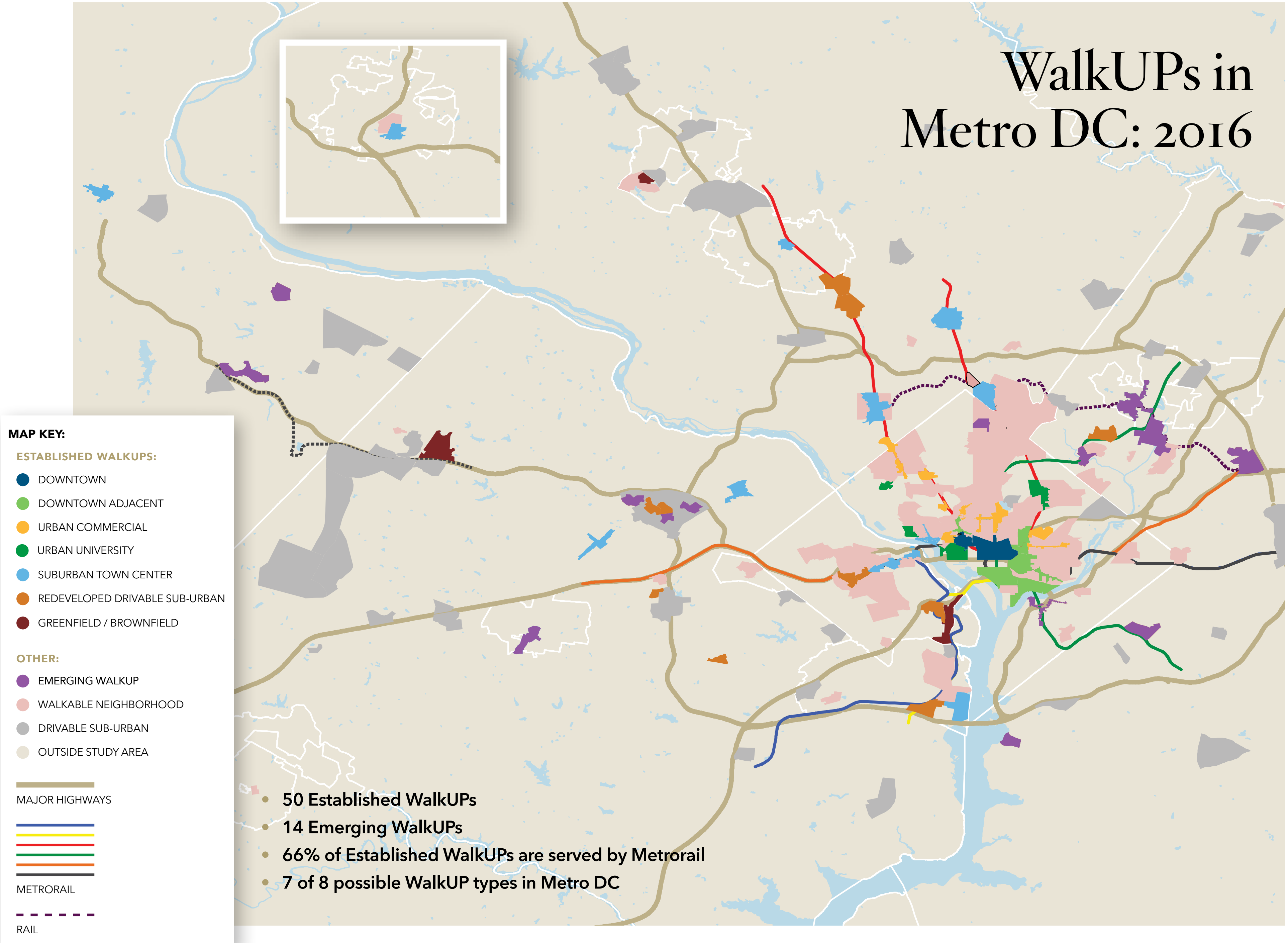
The George Washington University School of Business

WalkUPs in Metro DC: 2016



- 50 Established WalkUPs
- 14 Emerging WalkUPs
- 66% of Established WalkUPs are served by Metrorail
- 7 of 8 possible WalkUP types in Metro DC

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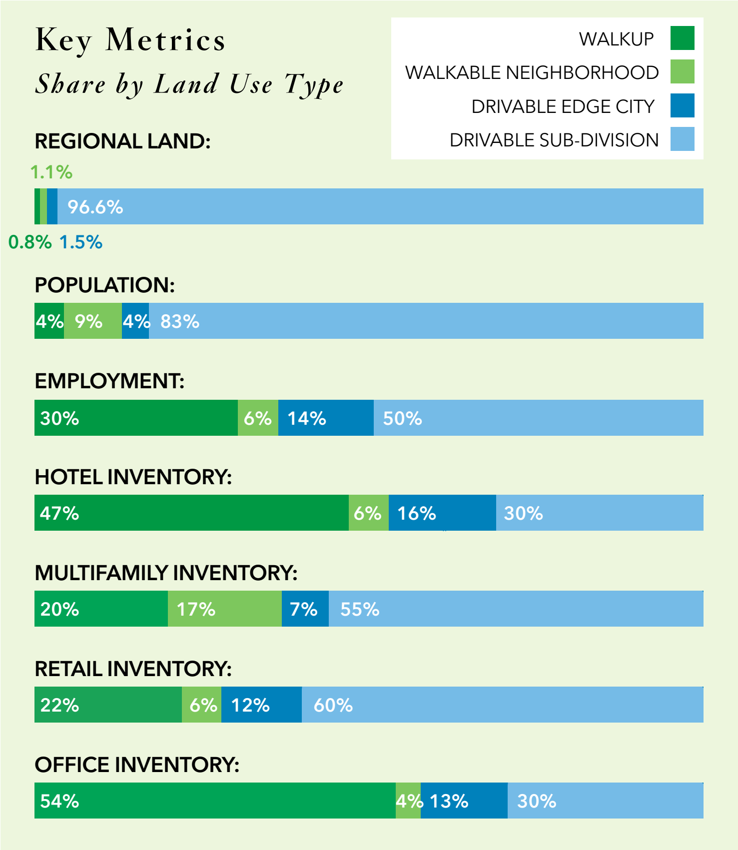
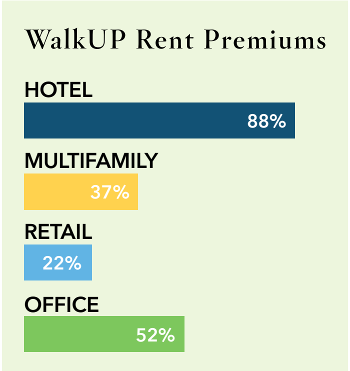
Metro DC:
Leading the Nation in Walkable Urbanism

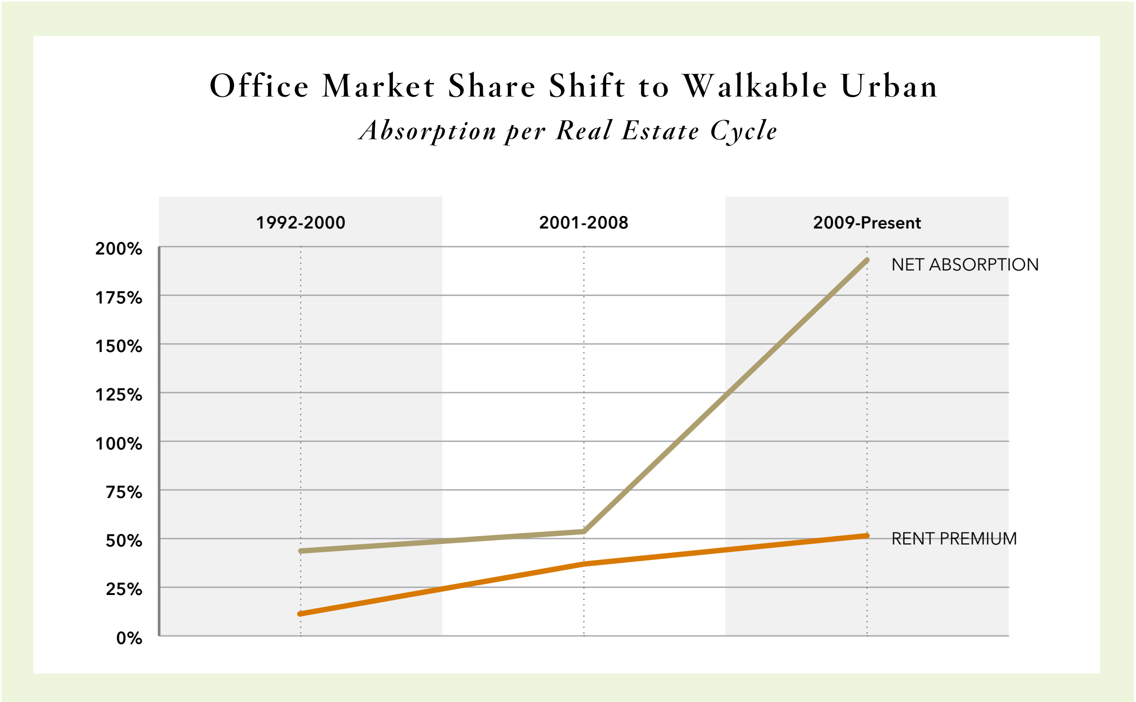
For this 2016 update, we have refined and expanded the WalkUPs identified from the 2012 GWU *WalkUP Wake-Up Call: DC* report to increase the accuracy and rigor of our analysis. Walkable urban land is tremendously scarce in the DC metro area, but it has high pent-up demand. WalkUPs and walkable neighborhoods *combined* are only 1.8 percent of the region's area, but they face tremendous development pressure for all real estate product types except industrial. This scarcity has profound economic and social consequences.



A sky-high 195 percent of net absorption in the office market in the current real estate cycle has landed in the 50 established WalkUPs in the DC area. This has happened due to the hollowing out of drivable sub-urban business parks, strip retail, and isolated apartment complexes. This demand is reflected in rental rates across the income real estate products this research examined.

In 2015, hotel REVPAR in WalkUPs outperformed their Drivable Suburban counterparts by 88 percent (Data Source: Smith Travel Research). Walkable urban office, retail, and multifamily housing have similar substantial premiums versus drivable sub-urban office, retail, and multifamily housing (Data Source: CoStar).





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Economic Ranking

We ranked each established WalkUP in the DC Metro by a composite rent premium, using the average rent by product in the region as a whole as the baseline. This is a conservative estimate of each place's value, as the baseline average includes all land, including WalkUPs and walkable neighborhoods. All rents were discounted by vacancy rates and weighted by occupied square footage.

	RANK	METRO AREA	COMPOSITE INDEX	RENT PER SQUARE FOOT*		
				Office	Retail	Multi-Family
PLATINUM	1	14th and U	1.82	$43.35	$45.06	$42.71
	2	Columbia Heights	1.70	$39.23	$63.04	$30.71
	3	Dupont Circle	1.67	$40.79	$78.70	$36.96
	4	Capitol Hill	1.66	$47.84	$48.61	$32.37
	5	Downtown BID + Mount Vernon Triangle	1.64	$48.14	$50.70	$34.45
	6	Shaw	1.59	$52.12	$41.38	$32.22
	7	Foggy Bottom	1.58	$46.85	n.d.	$32.21
	8	Golden Triangle	1.55	$45.30	$59.15	$44.55
	9	Tenleytown	1.53	$36.68	$62.49	$22.86
	10	Adams Morgan BID	1.51	$47.44	$36.94	$32.26
GOLD	11	Union Station	1.48	$48.97	n.d.	$19.62
	12	Georgetown BID	1.47	$39.14	$53.46	$19.45
	13	Southwest	1.43	$42.37	n.d.	$29.27
	14	Friendship Heights	1.42	$38.27	$49.37	$27.03
	15	Clarendon	1.42	$31.56	$39.87	$33.63
	16	West End	1.38	$40.68	n.d.	$0.74
	17	NoMa	1.34	$38.46	$26.39	$30.14
	18	Courthouse	1.33	$36.73	$46.60	$28.82
	19	Atlas District	1.30	$31.25	$31.75	$29.67
	20	McLean Revitalization District	1.27	$27.68	$53.73	$23.70
	21	Capitol Riverfront BID	1.26	$33.78	$35.86	$29.40
	22	Reston Town Center	1.24	$35.16	$39.79	$16.87
	23	Bethesda	1.23	$31.95	$41.04	$26.55
	24	Brookland - CUA	1.21	$36.45	$26.60	$28.51
	25	Ballston	1.21	$33.72	$45.70	$19.20
	26	Vienna - Maple Avenue	1.19	$23.57	$41.45	$22.74
	27	Woodley Park	1.18	$38.28	$45.33	$15.99
	28	King Street - Carlyle	1.17	$33.67	$33.79	$25.06
SILVER	29	Van Ness	1.12	$22.32	$39.61	$26.12
	30	Pentagon City	1.11	n.d.	$48.00	$15.17
	31	Rosslyn	1.08	$28.32	$55.78	$29.07
	32	Crystal City BID	1.07	$29.15	$31.32	$25.51
	33	White Flint	1.05	$24.49	$27.62	$25.35
	34	Old Town Alexandria	1.05	$27.28	$34.04	$20.86
	35	Silver Spring	1.02	$24.27	$28.70	$23.76
	36	Downtown Rockville	1.00	$30.34	$27.27	$18.60
COPPER	37	Virginia Square - GMU	0.92	$29.43	$26.36	$20.85
	38	Wheaton	0.91	$32.34	$17.94	$16.51
	39	Greensboro	0.91	$18.14	$24.82	$19.54
	40	Union Market - Gallaudet	0.91	$25.48	$24.23	$19.97
	41	Twinbrook	0.90	$27.08	n.d.	$18.80
	42	Kentlands	0.89	$28.23	$19.09	$21.95
	43	Annandale	0.85	$26.40	$22.43	$22.60
	44	Merrifield	0.80	$20.86	$27.95	$16.84
	45	Prince George's Plaza TOD	0.79	$39.87	$24.61	$14.09
	46	Tysons II	0.78	$17.18	$21.57	$18.80
	47	Leesburg	0.76	$22.75	n.d.	$16.52
	48	Downtown Frederick	0.74	$22.25	$23.02	$15.55

NOT RANKED:
American University
Georgetown University

*Data Source: CoStar, adjusted for occupancy

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Social Equity Ranking

George Washington University has developed one of the only place-based social equity metrics, though it continues to evolve. There is significant general interest in creating places that are inclusive and accessible, ideally also achieving high economic performance. Measuring place-based social equity performance is a helpful tool for coordinating private and public sector effort to achieve this goal.

For metro DC, we created a five-part index composed of the following elements, weighted as indicated:

- **15% Public park open space per capita**
  (Source: Local jurisdictions)
- **10% Transit accessible population**
  (Source: EPA Smart Location Database)
- **15% Supply of housing**
  (Source: 2010 Census)
- **40% Percent of income spent on housing**
  by a household earning 80 percent of the area median income
  (Source: HUD Location Affordability Index)
- **20% Percent of income spent on transportation**
  by a household earning 80 percent of the area median income
  (Source: HUD Location Affordability Index)

	RANK	METRO AREA	Composite Index	Public Parks/ Open Space per Capita	Transit-Accessible Population	Housing Supply (DU/Acre)	% INCOME SPENT ON	
							Housing*	Transport*
PLATINUM	1	Silver Spring	69	0.94	309,444	36.7	32%	10%
GOLD	2	Adams Morgan BID	62	0.03	122,157	37.8	36%	9%
	3	Courthouse	62	0.00	180,395	42.4	39%	9%
	4	Capitol Riverfront BID	62	8.61	69,063	5.1	26%	10%
	5	Ballston	62	0.33	255,328	36.7	39%	10%
	6	Downtown BID + Mount Vernon Triangle	60	1.62	359,371	11.9	37%	10%
	7	Columbia Heights	59	0.00	76,828	37.4	38%	9%
	8	Union Station	59	106.89	21,923	0.0	39%	10%
	9	Dupont Circle	58	1.00	119,995	25.5	37%	9%
	10	14th and U	58	0.32	116,111	31.9	39%	9%
	11	Friendship Heights	58	0.67	69,762	53.0	40%	12%
	12	Union Market - Gallaudet	57	24.79	8,823	0.1	27%	11%
	13	Pentagon City	57	0.04	154,158	26.0	37%	10%
	14	Foggy Bottom	57	2.60	159,981	11.1	35%	9%
	15	Bethesda	57	0.45	177,905	31.2	39%	11%
	16	West End	57	7.23	66,677	31.2	40%	9%
SILVER	17	Prince George's Plaza TOD	53	3.70	29,424	3.3	28%	12%
	18	Woodley Park	53	0.11	25,002	26.4	38%	10%
	19	Crystal City BID	53	4.09	183,961	15.6	39%	11%
	20	Rosslyn	52	0.53	75,548	16.3	37%	10%
	21	Downtown Rockville	52	0.55	13,474	24.0	35%	12%
	22	Southwest	51	5.97	136,952	8.4	38%	10%
	23	Virginia Square - GMU	51	0.63	34,520	30.3	40%	11%
	24	Atlas District	50	0.00	38,888	14.8	37%	11%
	25	Clarendon	50	0.95	31,688	24.0	40%	11%
	26	Capitol Hill	50	2.57	147,840	6.5	39%	10%
	27	Downtown Frederick	48	5.56	15,157	6.4	32%	13%
	28	Twinbrook	48	0.00	41,004	9.4	36%	12%
	29	Shaw	48	0.44	94,610	7.9	38%	11%
COPPER	30	Golden Triangle	47	2.52	64,600	4.3	39%	10%
	31	Georgetown BID	46	16.14	19,986	7.4	41%	11%
	32	Wheaton	46	0.08	79,193	11.4	39%	13%
	33	White Flint	46	1.48	77,615	12.5	40%	12%
	34	Old Town Alexandria	46	0.54	65,017	9.8	40%	12%
	35	Tysons II	45	13.20	866	0.8	38%	11%
	36	King Street - Carlyle	45	0.00	23,877	9.1	39%	11%
	37	Brookland - CUA	45	0.25	52,604	2.5	37%	12%
	38	Merrifield	45	1.56	1,066	2.5	35%	13%
	39	NoMa	44	0.52	36,033	0.7	39%	11%
	40	Greensboro	44	0.00	4,880	5.8	39%	11%
	41	Georgetown University	44	0.17	5,516	0.8	39%	11%
	42	Kentlands	44	0.28	5,459	8.8	39%	12%
LEAD	43	Van Ness	42	0.54	22,713	9.2	42%	13%
	44	Reston Town Center	42	0.97	25,928	5.7	41%	13%
	45	Leesburg	41	0.00	0	2.9	36%	16%
	46	Tenleytown	41	1.02	13,143	5.9	41%	13%
	47	McLean Revitalization District	39	0.00	6,913	4.1	41%	15%
	48	American University	38	0.25	4,586	1.3	41%	15%
	49	Annandale	37	0.00	3,842	0.6	41%	15%
	50	Vienna - Maple Avenue	37	0.00	3,977	1.7	42%	16%

*Spending by households earning 80% AMI

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Emerging & Potential WalkUPs

In addition to the 50 established WalkUPs, we have identified 14 emerging WalkUPs and 7 potential WalkUPs that are places to watch for future development potential. With demand for WalkUPs far outpacing supply, it is critical to the future economic and social health of our region that we create more of these places. However, that will not happen without concentrated and coordinated investment from the private and public sectors.

Emerging:

METRO AREA	METRO AREA	METRORAIL STATIONS		Population Density	Job Density	Area	Parks Operating Ratio	#Transit-Accessible Jobs
		Current	Planned	(P/Acre)	(J/Acre)	(Acres)		
Suitland	Prince George's	1	0	0.5	17	305	1.2	6,801
National Harbor	Prince George's	0	0	2.1	19	162	0.0	53
Fairfax City	Fairfax	0	0	8.9	21	274	0.0	5,831
Anacostia	DC	1	0	5.2	4	169	58.0	23,844
Tysons I	Fairfax	1	0	0.0	71	89	0.0	700
Tysons East End	Fairfax	1	0	6.2	34	140	5.4	6,900
Tysons West End	Fairfax	1	0	1.4	43	170	8.4	3,850
New Carrollton TOD	Prince George's	1	0	8.9	16	535	0.9	34,531
West Hyattsville TOD	Prince George's	1	0	11.8	3	165	5.8	23,560
Walter Reed	DC	0	0	8.1	1	131	0.5	16,912
Riverdale Park	Prince George's	1	3	5.7	3	612	27.4	23,416
College Park	Prince George's	0	2	17.9	30	460	0.2	22,479
Ashburn Station	Loudoun	0	1	1.4	5	392	0.0	0
One Loudoun	Loudoun	0	0	1.2	4	236	0.0	0

Potential:

METRO AREA	METRO AREA	METRORAIL STATIONS		Population Density	Job Density	Area	Parks Operating Ratio	#Transit-Accessible Jobs
		Current	Planned	(P/Acre)	(J/Acre)	(Acres)		
Springfield Town Center	Fairfax	1	0	5.81	23.73	214		
Potomac Yards	Alexandria	0	0	6.66	10.23	124		
Herndon TOD	Fairfax	0	1	0.00	30.09	40		
Langley Park	Prince George's	0	3	39.35	8.64	315		
Moorfield Station	Loudoun	0	1	0.01	0.01	389		
Reston International Center	Fairfax	0	1	1.38	23.21	324		
Largo		1	0	3.43	5.21	1,913		

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