

PRIVATE INVESTMENT

Private property owners in the area are also making improvements to their real estate holdings. More than 2 million sq. ft. of Class A leasable office space was renovated in the past five years (2007-2012) and more than \$2 billion in investment is planned. Projects include extensive alterations at L’Enfant Plaza, including upgrades to the below grade shopping concourse, a new hotel, and an additional office building. In addition, “The Wharf,” a new multi-block neighborhood along the Southwest waterfront is scheduled to break ground in 2013.

The area’s potential transformation as recommended by the SW Ecodistrict Plan, the community’s development momentum, the proximity to the National Mall, and availability of public space is beginning to garner the interest of museum and memorial sponsors looking to acquire federal land for new facilities and commemorative works.

MARKET STUDY: POTENTIAL DEVELOPMENT PROGRAM BASELINE

In 2011, The DC Office of Planning prepared a market study and conducted a survey to identify a potential real estate development program for the Study Area. This study evaluated demographic trends; the residential, office, hotel, and retail markets; and the city’s projected development pipeline to prepare a potential development program that would transform the Study Area into a livable mixed-use neighborhood. The study provided baseline assumptions used to identify a range of development scenarios that were modeled to assess their environmental and economic performance. The market study identified the baseline land use mix and important considerations that were used to guide development of the proposed revitalization scenario. A summary of the market study follows.

Land Use	Baseline Assumptions	Considerations
Residential	1,000 minimum residential units to establish neighborhood identity and support ancillary retail	<ul style="list-style-type: none"> • Current citywide projects planned or in the construction pipeline will likely limit residential demand in this area until 2020. • A well-connected, attractive streetscape and park amenities will be required to attract new residential development to this area. • Density bonus and housing credits will help to incentivize and improve financial feasibility.
Hotel	600 hotel units	<ul style="list-style-type: none"> • In addition to planned hotels in the pipeline, 300 rooms can be absorbed by 2020; an additional 300 can be absorbed by 2030. • Hotels are more feasible than residential in near-term; hotels will contribute to use mix until residential demand can be absorbed.
Office	2,000,000 s.f.	<ul style="list-style-type: none"> • Due to center city location, office will likely be absorbed.
Retail	100,000 s.f. retail can be absorbed today	<ul style="list-style-type: none"> • New residential and hotel development will generate demand for retail. • Successful retail will require limiting the number and size of internal employee-only federal cafeterias and convenience services. • Residents, workers, and visitors surveyed desire places to eat and shop.
Cultural	1,000,000 sq. ft. of public or private museums, memorials, or other civic institutions.	<ul style="list-style-type: none"> • Demand based on private sponsorship. • Trends indicate one new museum every 10 years, one new memorial every one year. (This suggests one to three new museums and more than a dozen memorial sites in the monumental core by 2025.) • Four sites in the Study Area are called out in NCPC’s 2001 <i>Memorials and Museums Master Plan</i> for future commemorative works and cultural facilities.