



# WHY D.C.?

**CBRE**



We're excited to bring you our perspective on what I think is one of the most vibrant markets in the country. This "Why D.C.?" report brings together CBRE's industry-leading research and local insight to give you the most important highlights of what makes us special.

Known for being the iconic home to our nation's capital, we are also home to some of the country's most livable, vibrant communities. From Washington, D.C., to Tysons, Virginia and Bethesda, Maryland, our growing and eclectic neighborhoods are increasingly popular places to live, work and play.

Our diversifying economy is the fifth largest region in the country, and we are home to 15 Fortune 500 company headquarters, including our new neighbor, Amazon. Businesses know that they can benefit from international airports and flexible transportation options.

Businesses also know that our workforce is the most educated in the country and that nearly half of adults hold a bachelor's degree or more. This produces a vibrant economy and unique opportunities for commercial real estate in office, retail and multifamily products.

We hope that you will enjoy learning about our region as much as we love living and working here.

Sincerely,

Kyle

Executive Managing Director  
Mid-Atlantic Region

# AT A **GLANCE**

Where We Live

**PG 6**

Who We Are

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Our Economy

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How We Spend Our Money

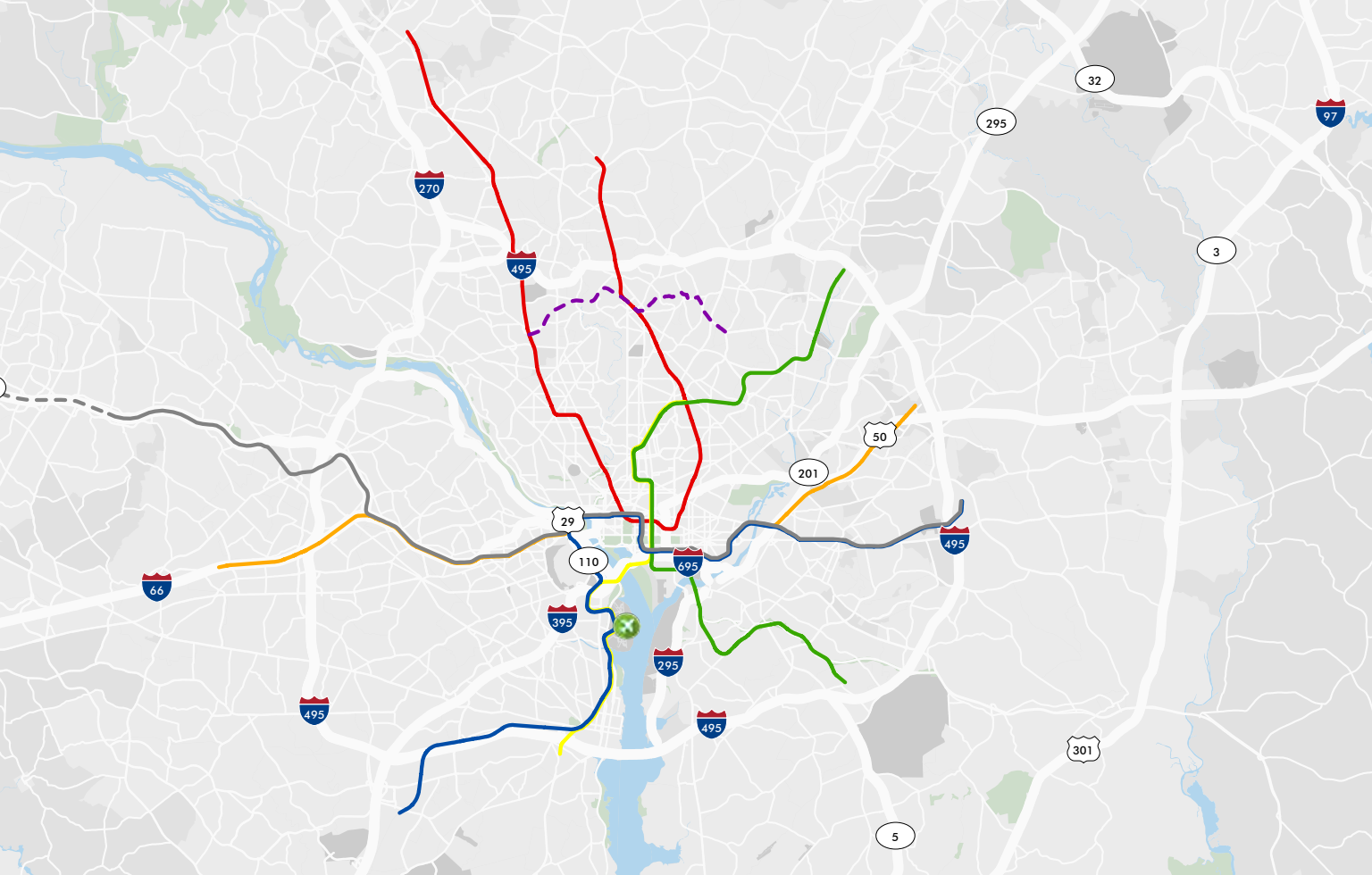
**PG 22**

How We Get Around

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Reimagining Neighborhoods

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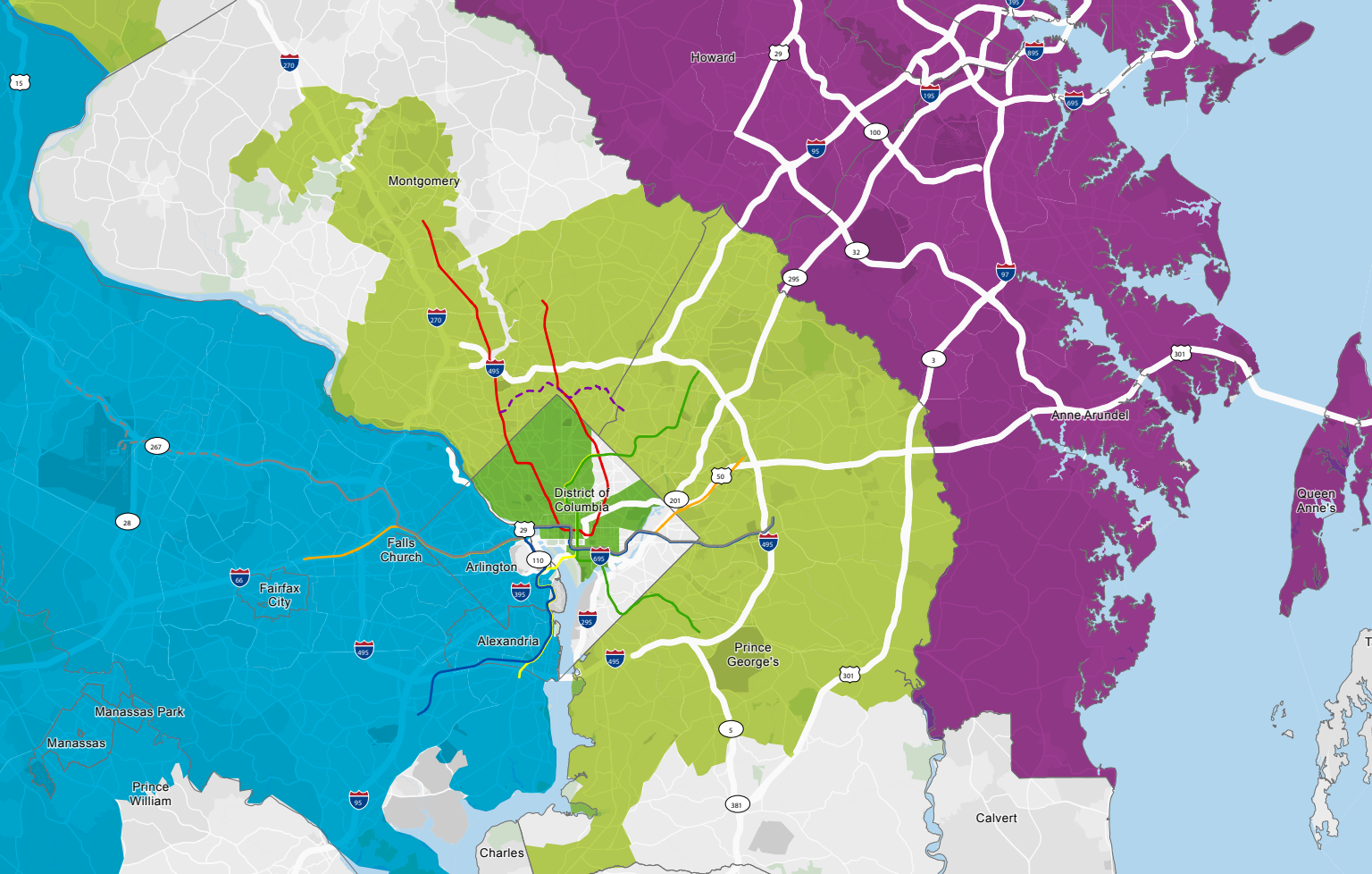


# WASHINGTON, D.C.

## *Metropolitan Statistical Area*

With scenic environments of the nation's capital and over 222,000 acres of parks, we enjoy a high quality of life. The D.C. region is the fourth most walkable in the U.S., and our cities are consistently ranked highly amongst best places to live.





# SUBMARKETS

## *Northern Virginia & Suburban Maryland*

The Washington, D.C. region spans across Virginia, Maryland, and West Virginia, and the District of Columbia. It has thriving neighborhoods and job centers throughout the region connected by world-class infrastructure.

# WHERE

WHERE WE LIVE  
*Iconic. Liveable. Eclectic.*





## WALKABLE ENVIRONMENT

**#2** region for Affordability in Combined Housing + Transportation Costs<sup>1</sup>

**#4** region for Walkable Urbanism<sup>2</sup>

**#5** most Livable City in U.S. (D.C.)<sup>3</sup>

**#5** best Place to Live (D.C. region)<sup>4</sup>

## D.C. HAS THE

highest concentration of **Foreign Consulates and Embassies** in U.S., with 186.<sup>5</sup>

**400** international associations<sup>6</sup>

**1,000** internationally owned companies<sup>7</sup>

## HOUSING

affordable compared to other top markets

**37%** of units are multifamily rental<sup>8</sup>

**\$1,741** average multifamily asking rent per unit<sup>9</sup> is  
**21%** median income<sup>10</sup>

<sup>1</sup> George Washington University and Smart Growth America (2019). *Foot Traffic Ahead: Ranking Walkable Urbanism in America's Largest Metros*, 2019. Washington: George Washington University School of Business.

<sup>2</sup> George Washington University and Smart Growth America (2019). *Foot Traffic Ahead: Ranking Walkable Urbanism in America's Largest Metros*, 2019. Washington: George Washington University School of Business.

<sup>3</sup> The Economist (2019). *Global Livability Index 2019*

<sup>4</sup> U.S. News (2019). *125 Best Places to Live in the USA, 2019*. Washington, D.C. region ranks #19 overall and #5 among "Extra Large TCities" of 2.5 million or more.

<sup>5</sup> DC Chamber of Commerce (2018). *Washington, DC International Business Guide*.

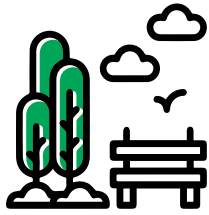
<sup>6</sup> DC Chamber of Commerce (2018). *Washington, DC International Business Guide*.

<sup>7</sup> DC Chamber of Commerce (2018). *Washington, DC International Business Guide*.

<sup>8</sup> US Census, American Community Survey 5-year 2017. Table B25032, *Tenure by units in structure*.

<sup>9</sup> CoStar (Q3, 2019). Multifamily statistics, Washington, DC MSA. Effective rent per unit.

<sup>10</sup> US Census, American Community Survey 5-year 2017. Median household income, Washington, DC MSA.



## PARKS AND OUTDOORS

Region has over **222,000** acres of national, state, and local parks.<sup>11</sup>

**98%** of D.C. residents live within a 10-minute walk of a park<sup>12</sup>

### Notable parks include:

- The National Mall
- Rock Creek Park
- Theodore Roosevelt Island
- Great Falls Park
- National Zoo
- Manassas National Battlefield
- Seneca Creek State Park

D.C. has **1,000** acres of parkland, **73** recreation facilities, and **50** aquatic facilities.<sup>13</sup>

**6,700** acres of National Parks and Monuments.<sup>14</sup>

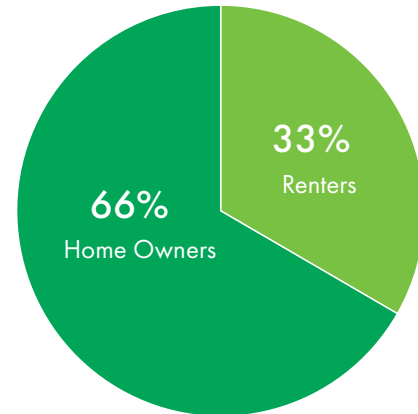
**#1** Most Fit City (Arlington, VA)<sup>15</sup>

**#5** Most Fit City (Washington, D.C.)<sup>16</sup>



## HOME OWNERSHIP

**66%** home ownership rate (v.s. 65% in U.S.)<sup>17</sup>



Source: U.S. Census



Median Home Value<sup>18</sup>

**\$607,200** (D.C.)

**\$424,600** (D.C. Region)

**\$217,600** (U.S.)

<sup>11</sup> U.S. Geological Survey (2019). *Mapping public lands in the United States. PAD-US Map*; CBRE, Q4 2019

<sup>12</sup> Trust for Public Land (2019). *ParkScore*.

<sup>13</sup> DC Office of the Chief Financial Officer (2019). *2020 HAO Department of Parks and Recreation*.

<sup>14</sup> U.S. Geological Survey (2019). *Mapping public lands in the United States. PAD-US Map*; CBRE, Q4 2019.

<sup>15</sup> American College of Sports Medicine (2019). *ACSM American Fitness Index*. Indianapolis: American College of Sports Medicine.

<sup>16</sup> American College of Sports Medicine (2019). *ACSM American Fitness Index*. Indianapolis: American College of Sports Medicine.

<sup>17</sup> US Census, American Community Survey 1-year 2017. Table B25033, Total population in occupied housing units by tenure by units in structure.

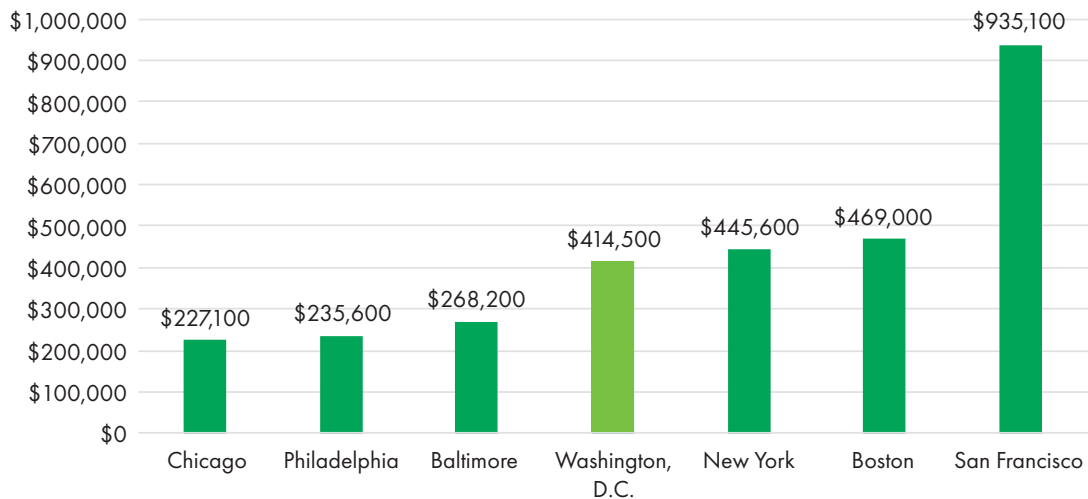
<sup>18</sup> US Census, American Community Survey 1-year 2017. Table B25077, Median value (dollars).



## COMPARABLE METROPOLITAN REGIONS<sup>19</sup>

### Median Home Value

Zillow Home Value Index (2019)



Source: Zillow

<sup>19</sup> Zillow (2019). Home Values: Zillow Home Value Index (ZHVI), Fall 2019.



# WHO

## WHO WE ARE

*Smart & Diverse*

We are the most educated workforce in the country with almost half of adults holding a college degree. Our global and millennial workforce also enjoys access to top institutions of higher learning.



The D.C. region ranks **first** in level of education among large regions.

## COMPARISON OF TOP EDUCATED REGIONS<sup>20</sup>

25+ years old with Bachelor's Degree or higher.

Washington, D.C. **49.9%**

San Jose **49.2%**

San Francisco **47.4%**

Boston **46.4%**

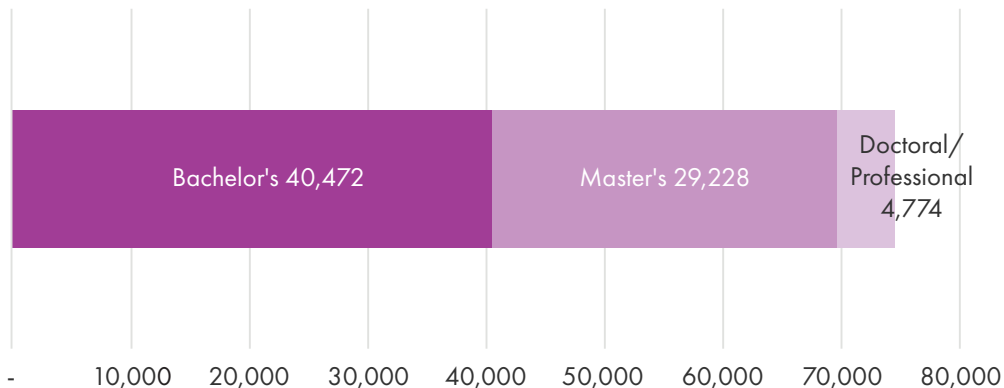
Denver **42.1%**

Seattle **41.2%**

**74,474**

Bachelor's and Graduate Degrees awarded in the D.C. Region in 2017-2018<sup>21</sup>

## DEGREES AWARDED IN D.C. REGION, 2017-2018



Source: U.S. National Center for Education Statistics


<sup>20</sup> US Census, American Community Survey 1-year 2017. Table S1501, Educational Attainment.

<sup>21</sup> U.S. National Center for Education Statistics (2019). I-PEDS Database, 2018-2018; CBRE, Q4 2019

**6<sup>th</sup>** largest region  
in the U.S.

**6.25M** people<sup>22</sup>  **3.46M** workforce<sup>23</sup>

D.C. is ranked the **third**  
smartest city in America.<sup>24</sup>

 **23%**  
immigrants.<sup>25</sup>

**8<sup>th</sup>** largest concentration of  
immigrants among large metro  
areas.<sup>26</sup>

**78K** new immigrants in 2017.<sup>27</sup>

**65%** of recent immigrants to the  
D.C. region have a Bachelor's  
degree or higher.<sup>28</sup>

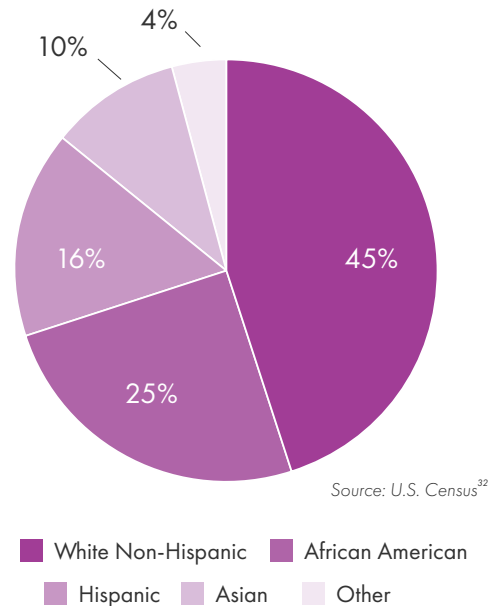
**#6** 

destination for young, educated  
and mobile workers<sup>29</sup>

**#2** best city for millennials (D.C. Region)<sup>30</sup>

**Top 10** millennial concentration in the U.S.<sup>31</sup>

## DIVERSITY



<sup>22</sup> US Census, American Community Survey 1-year 2017. Total population.

<sup>23</sup> US Bureau of Labor Statistics. Civilian Labor Force, September, 2019.

<sup>24</sup> WallethHub (July, 2019). Most and Least Educated Cities in America.

<sup>25</sup> US Census, American Community Survey 5-year 2017. Table S0501 Selected Characteristics of the Native and Foreign-Born Population

<sup>26</sup> US Census, American Community Survey 5-year 2017. Table S0701 Geographic Mobility by Selected Characteristics in the United States.

<sup>27</sup> US Census, American Community Survey 5-year 2017. Table S0701 Geographic Mobility by Selected Characteristics in the United States.

<sup>28</sup> US Census, American Community Survey 5-year 2017; I-PUMS USA 5% sample data; CBRE, Q4 2019

<sup>29</sup> CBRE Q3, 2019. MarketFlash: DC Among top in attracting young, educated talent.

<sup>30</sup> American University (2017). 2017 Greater Washington Index: Millennials. Washington: Kogod School of Business.

<sup>31</sup> CBRE (2018). 2018 Scoring Tech Talent.

<sup>32</sup> US Census, American Community Survey 5-year 2017. Table B03002 Hispanic or Latino Origin by Race

# 230

institutions of  
higher learning



# 47

Bachelor's or Graduate  
degree-granting institutions<sup>33</sup>



# 31

MAJOR  
UNIVERSITIES

American University

Catholic University

Gallaudet University

Georgetown University

George Mason University

Howard University

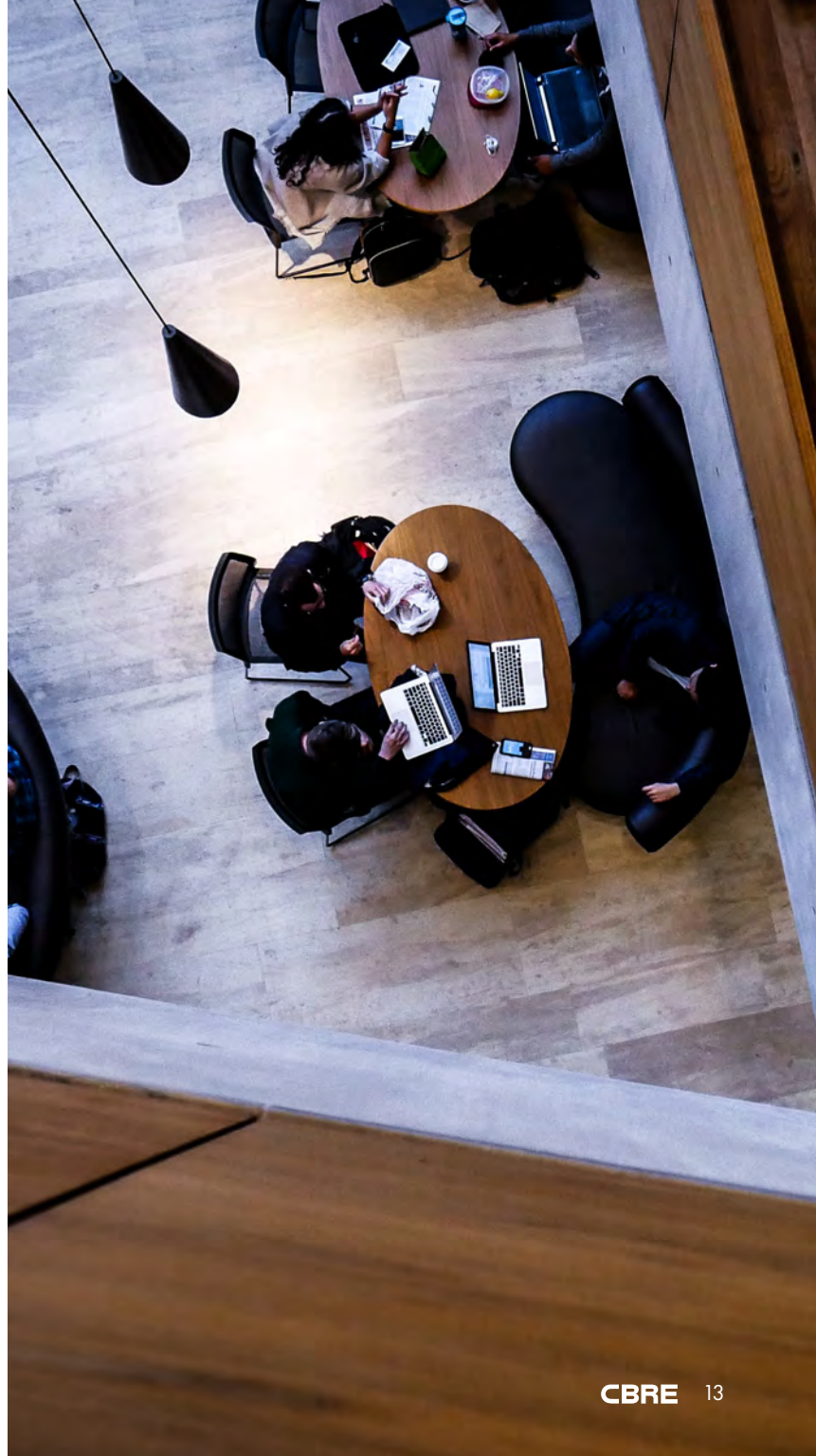
The George Washington University

University of the District of Columbia

University of Maryland

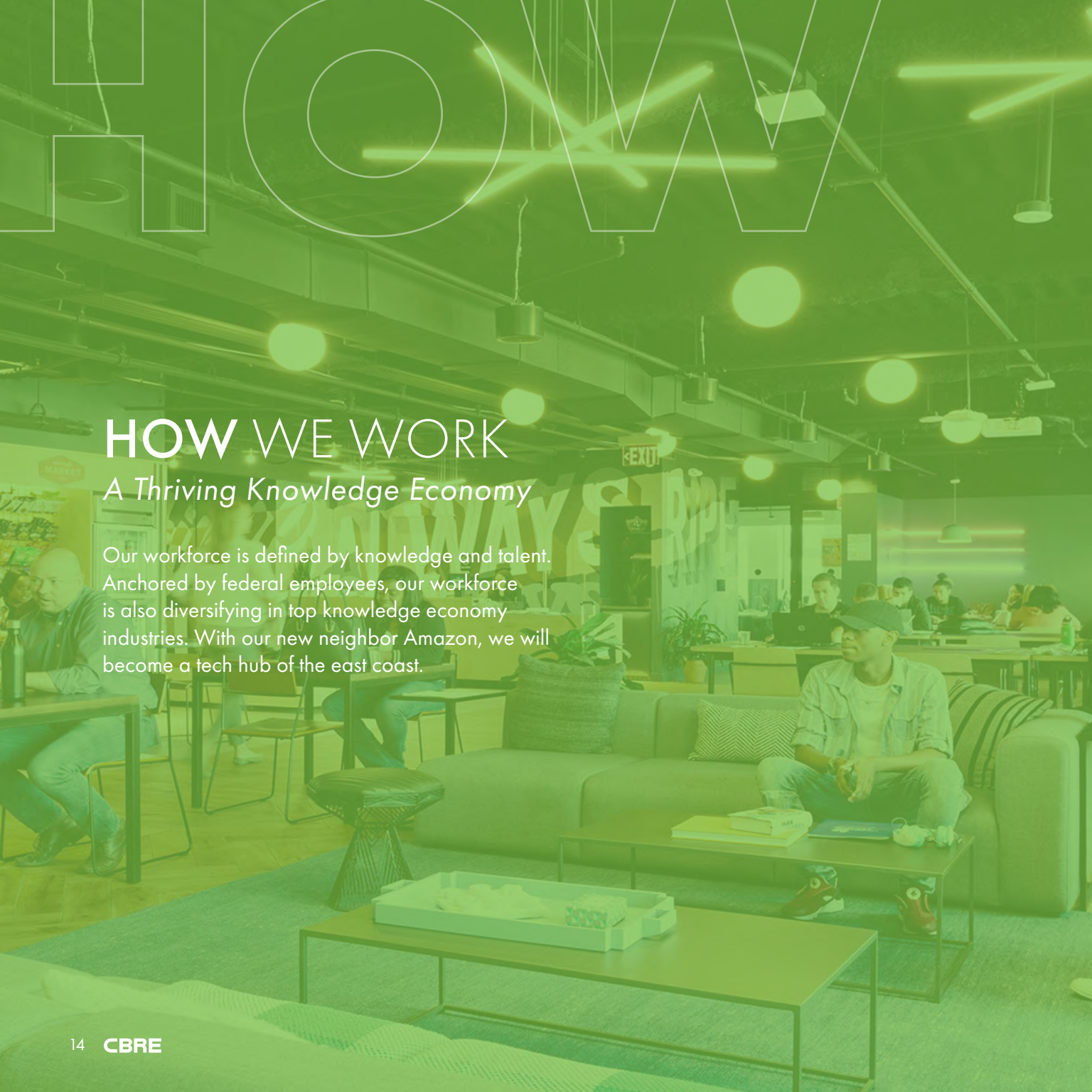
University of Virginia/Virginia Tech Campus

+ more



<sup>33</sup> U.S. National Center for Education Statistics (2019). *I-PEDS Database, 2018-2018; CBRE, Q4 2019*





# HOW WE WORK

## *A Thriving Knowledge Economy*

Our workforce is defined by knowledge and talent. Anchored by federal employees, our workforce is also diversifying in top knowledge economy industries. With our new neighbor Amazon, we will become a tech hub of the east coast.



# HIGH INCOME CITY

**\$97,147**

median household income<sup>34</sup>

**1.5X vs. U.S.**

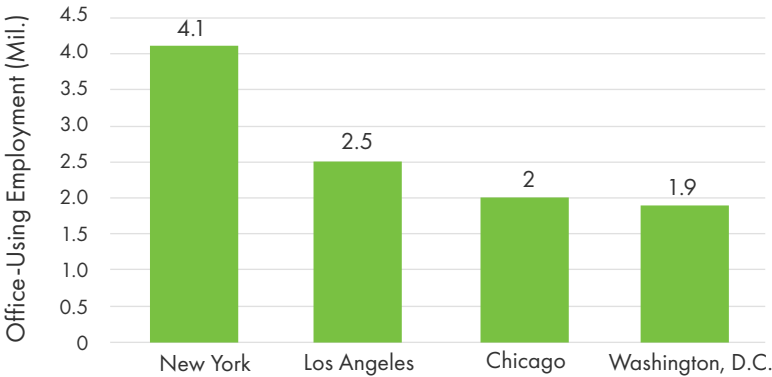


**VS**



**6 of Top 10** median income counties in the U.S. are in the D.C. region<sup>35</sup>

## **4th** Largest Office Using Employment in U.S. Metropolitan Regions<sup>36</sup>



Source: U.S. Bureau of Labor Statistics, September 2019.



**363K** federal employees in the nation's capital<sup>37</sup>

**\$68** billion in federal contracts

**13%** of all U.S. federal contracts<sup>38</sup>

<sup>34</sup> US Census, American Community Survey 5-year 2017. Table S1903 Median income in the past 12 months (in 2017 inflation-adjusted dollars)

<sup>35</sup> U.S. News (Dec 6, 2018). The 10 Richest Counties in the U.S.

<sup>36</sup> U.S. Bureau of Labor Statistics. Employment, Hours, and Earnings-State and Metro Area, Sept. 2019

<sup>37</sup> U.S. Bureau of Labor Statistics. Employment, Hours, and Earnings-State and Metro Area, Sept. 2019

<sup>38</sup> CBRE (2019). Federal Contracting in the Washington, D.C. Region: The Room Where it Happens.



## Major private sector employers



*\*excluding retail, dining, medical, universities*

## NONPROFITS & ADVOCACY IN D.C.



over **12,000**  
nonprofit  
organizations

of these, over **3,800** are civic  
leagues, chambers of commerce,  
lobbying and advocacy  
organizations<sup>39</sup>

<sup>39</sup> Independent Sector (2016). *The Nonprofit Sector in the District of Columbia*.



## TOP OCCUPATIONS

mostly in knowledge economy<sup>40</sup>



D.C. Region  
accounts for  
**3.2%** of total U.S.  
knowledge workers

**10%** in "high tech" employment  
vs. 5% in U.S.

**11%** work for federal  
government

### Occupation

### Employment

Legal	13%
Business and Financial Operations	10%
Sales	9%
Food Preparation and Serving	8%
Management	8%
Computer and Mathematical	7%
Education, Training, and Library	6%
Healthcare Practitioners and Technical	5%
Transportation and Material Moving	4%
Construction and Extraction	4%

<sup>40</sup> US Census, American Community Survey 5-year 2017; I-PUMS USA 5% sample data; CBRE, Q4 2019

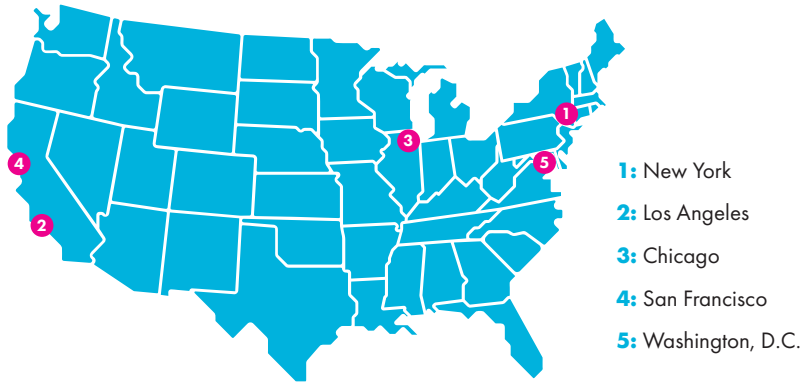




# OUR ECONOMY

*An Enduring National  
Economic Engine*

5th Largest Economy in U.S.<sup>41</sup>



**\$541  
BILLION**  
GDP (2018)

## DIVERSIFYING ECONOMY

long-term annual growth rate of employment by industry<sup>42</sup>

Industry	Annual Growth Rate
Education and Medical	2.1%
Other Services	1.6%
Retail and Entertainment	1.5%
Construction, Mining, and Manufacturing	1.3%
<b>Total Employment</b>	<b>1.1%</b>
Professional, Business Services, and Information	0.9%
Other Government	0.8%
Financial Activities	0.8%
Transportation, Utilities, and Wholesale	0.4%
Federal Government	-0.5%

Source: U.S. Bureau of Labor Statistics  
Note: Long-term growth, Oct 2010. – Oct. 2019

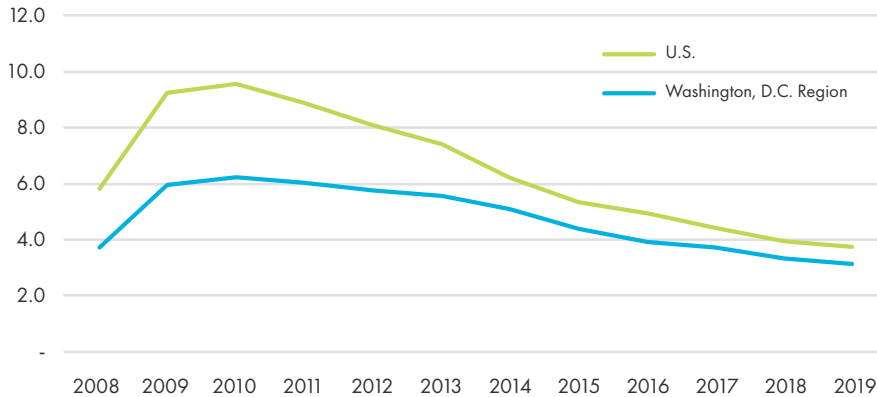
<sup>41</sup> Bureau of Economic Analysis. *Regional Economic Accounts, GDP and Personal Income, CAGDP2 Gross domestic product by county and metropolitan area, nominal, 2018.*

<sup>42</sup> U.S. Bureau of Labor Statistics. *Employment, Hours, and Earnings-State and Metro Area, Sept. 2019*



## D.C. REGION VERSUS U.S.<sup>43</sup>

Annual Unemployment Rate



The Washington, D.C. region is **2.7%** of the U.S. economy in 2018. Our recession-resistant economy posted **0.3% growth** in 2009 versus -2.5% for the U.S., and our unemployment rate is consistently lower.<sup>44</sup>

LOW  
UNEMPLOYMENT

**3.1%**

(D.C. Region)

VS

**3.7%**

(U.S.)<sup>45</sup>

(2019)



## FOREIGN INVESTMENTS

**23%** of office investment in the D.C. region for 2018 is from foreign buyers, totaling \$2.5 billion.<sup>48</sup>

New York	<b>27%</b>	Chicago	<b>19%</b>
San Francisco	<b>13%</b>	Dallas	<b>13%</b>
Los Angeles	<b>17%</b>	Atlanta	<b>13%</b>

**#9** major "American City of the Future for Connectivity"<sup>46</sup>

**6th** largest destination for foreign capital in commercial real estate.<sup>47</sup>

<sup>43</sup> U.S. Bureau of Labor Statistics. *Unemployment, seasonally adjusted. January 2019*

<sup>44</sup> Bureau of Economic Analysis. *Regional Economic Accounts, GDP and Personal Income, CAGDP2 Gross domestic product by county and metropolitan area, nominal, 2018.*

<sup>45</sup> U.S. Bureau of Labor Statistics. *Unemployment, seasonally adjusted. Sept. 2019*

<sup>46</sup> fDi Magazine (2019). *American Cities of the Future 2019/20 Winners.*

<sup>47</sup> Real Capital Analytics (2019); CBRE, Q4 2019.

<sup>48</sup> Real Capital Analytics (2019).

# FORTUNE 500 (2019)

Top destination for Fortune 500 companies



Virginia

## Name (Rank)

Amazon (5\*)  
 Freddie Mac (40)  
 Nestle USA (76\*\*)  
 General Dynamics (92)  
 Capital One Financial (98)  
 Northrop Grumman (108)  
 DXC Technology (122)  
 AES Corp. (296)  
 Leidos Holdings (311)  
 Hilton Worldwide Holdings (345)  
 Booz Allen Hamilton (475)

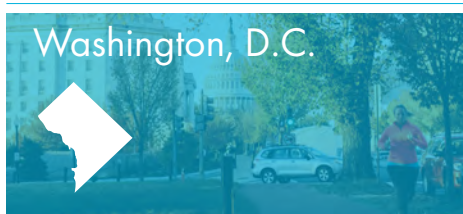
## Revenue (\$Bil.)

\$232.9  
 \$73.6  
 \$93.5  
 \$36.2  
 \$32.4  
 \$30.1  
 \$24.6  
 \$10.7  
 \$10.2  
 \$8.9  
 \$6.2

Source: Fortune Magazine

\*Amazon HQ2 soon to open in Arlington, Virginia

\*\* Nestle is #76 as a global Fortune 500 company



Washington, D.C.

## Name (Rank)

Fannie Mae (22)  
 Danaher (160)

## Revenue (\$Bil.)

\$120.1  
 \$19.9



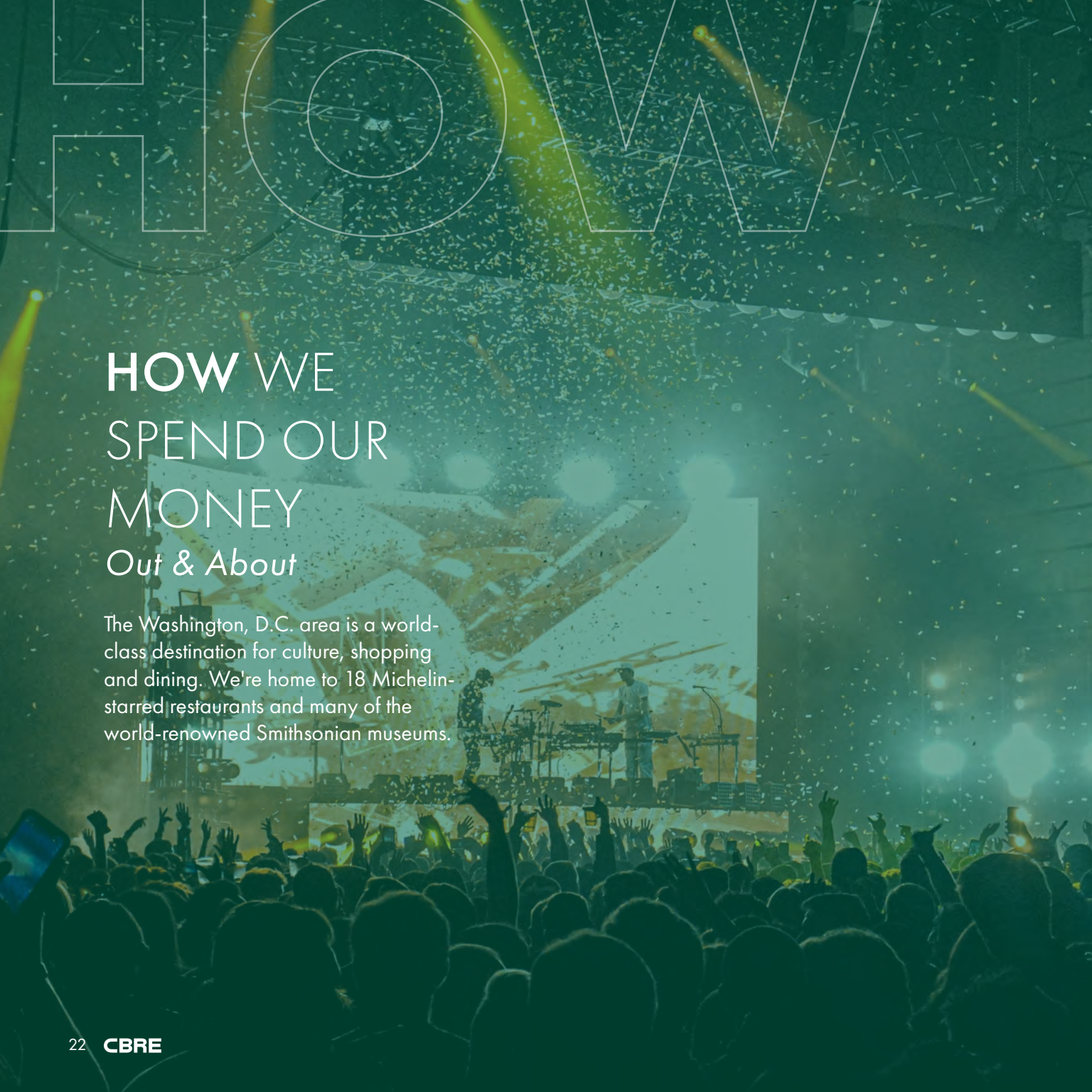
Maryland

## Name (Rank)

Lockheed Martin (60)  
 Marriott International (151)

## Revenue (\$Bil.)

\$53.8  
 \$20.8



# HOW WE SPEND OUR MONEY

*Out & About*

The Washington, D.C. area is a world-class destination for culture, shopping and dining. We're home to 18 Michelin-starred restaurants and many of the world-renowned Smithsonian museums.





## MAJOR SHOPPING DESTINATION



+



Tysons Corner Center and Tysons Galleria combine to be **largest retail shopping mall complex in the U.S.**



Three major malls served by Metrorail:  
Tysons Corner Center, Tysons Galleria  
and Fashion Centre at Pentagon City.

The only major malls served by transit in the U.S.

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## **\$7.8 BILLION** IN VISITOR SPENDING

**21.9 million** annual visitors to D.C. (2018)<sup>49</sup>

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## **84** MUSEUMS IN WASHINGTON, D.C.<sup>50</sup>



**4** museums in Top 20  
Most Visited in the World<sup>51</sup>

**21** Smithsonian Museums  
with free admission

<sup>49</sup> Events DC (2019). *Destination DC announces 1.1 million more domestic visitors to Washington, D.C. in 2018.*

<sup>50</sup> Open Data DC (2019). *Museums in DC.*

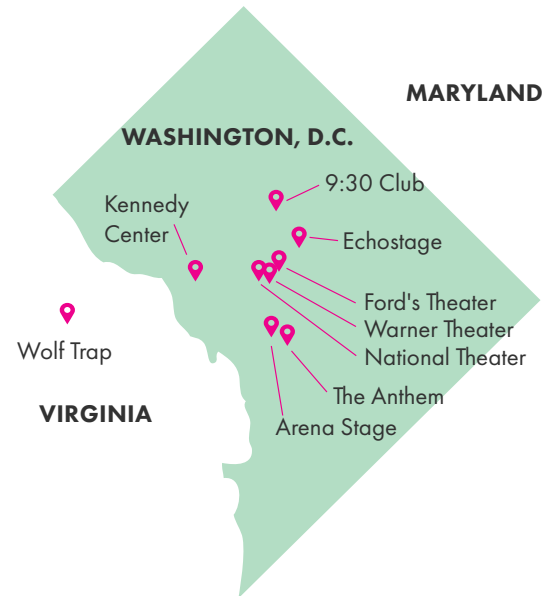
TEA / AECOM (2018). *Theme Index: Museum Index 2018, Global Attractions*

<sup>51</sup> *Attendance Report.*





## PERFORMING ARTS VENUES



## SPORTS FACILITIES

### **FedEx Field (82K CPTY)**

Washington Redskins

**FedExField**

### **Nationals Park (42K CPTY)**

Washington Nationals



### **Capital One Arena (21K CPTY)**

Capitals, Mystics, Wizards



### **Audi Field (20K CPTY)**

D.C. United



**Audi Field**





## RESTAURANTS + DINING

# 18

Michelin Star  
Restaurants  
(2020)



**2,788** restaurants in the District of Columbia<sup>52</sup>  
**\$14.3 billion** in retail and restaurant sales in FY 2018.<sup>53</sup>

D.C. **#1** city in money spent on dining out  
(\$5,600 annually per person)<sup>54</sup>

D.C. **#3** city in disposable income (\$59,735 after at-home  
food, housing, transportation and health care)<sup>55</sup>

<sup>52</sup> CBRE, Q4 2019.

<sup>53</sup> Washington DC Economic Partnership. WDCEP Releases DC Development Report: 2018/2019 Edition.

<sup>54</sup> U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Metropolitan Statistical Area Tables, 2017-2018

<sup>55</sup> U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, Metropolitan Statistical Area Tables, 2017-2018



# HOW

## WE GET AROUND

### *Flexible Options*

We have flexible commute options ranging from our Metro system, rapid buses, walking, biking and using dockless e-bikes and scooters. Our highway infrastructure leads the country in innovative express lanes and the region continues to invest in improving and expanding its transit network.



## GLOBAL AIRPORTS

**8<sup>th</sup>** busiest airport system in U.S.

## PASSENGERS:

**DCA** - 23.6M<sup>56</sup>

**IAD** - 24.6M<sup>57</sup>

**BWI** - 26.7M<sup>58</sup>

**436 miles** of mixed-use and bike trails<sup>59</sup>

over **4,300** Capital Bikeshare bikes

**500** bikeshare stations

over **6,200** dockless scooters and bikes permitted



**#4 region** for alternative commuting<sup>60</sup>

**34%** of trips via transit, walk, or bike



## INNOVATIVE HIGHWAYS

most express lanes in the U.S.

I-495 HOT lanes (14 miles)

I-95 HOT lanes (31 miles)

I-66 variable tolls (10 miles)

MD Intercounty Connector (18 miles)



## EXPANSIONS

I-95 Southern Extension (10 miles)

## ANNUAL RAIL TRANSIT PASSENGERS (2018):

**WMATA** – 229.2 M

**VRE** – 4.6 M

**MARC** – 8.9 M

## REGIONAL RAIL NETWORK:

WMATA Metro Rail

**118** miles of track

**91** stations



## EXPANDING RAIL TRANSIT

### SILVER LINE PHASE 2

**23** miles

**6** new metro stations rail from Dulles to Downtown D.C. opening in 2020

### PURPLE LINE

**16.2** miles of light rail

**21** stations

### D.C. STREETCAR

**2.4** miles of streetcar on H Street NE

**9** stations

**37** miles of total streetcar planned

**33** minutes average work commute time

<sup>56</sup> Metropolitan Washington Airports Authority. *Reagan air traffic statistics, Aug 2018-July 2019*

<sup>57</sup> Metropolitan Washington Airports Authority. *Dulles air traffic statistics, Aug 2018-July 2019*

<sup>58</sup> BWI Airport, Statistics, Aug 2018 – July 2019

<sup>59</sup> Washington Area Bicyclist Association (August 13, 2018). *The capital trails coalition's new trail network map.*

<sup>60</sup> U.S. Federal Highway Administration. *National Household Travel Survey, 2017*

<sup>61</sup> U.S. Federal Transit Administration. *National Transit Database, 2018.*



# NEIGHBORHOODS

## REIMAGINING NEIGHBORHOODS

*Developing Mixed-Use,  
Walkable Vibrancy for the Future*

The future of real estate is increasingly providing live-work-play environments everywhere from Downtown to the suburbs. The Washington, D.C. region is developing some of the most iconic of these environments for the future, completely reimagining the community experience with open space, retail and work interconnected to home by walking, biking and accessible transit.



PIKE & ROSE  
Rockville, MD



DISTRICT WHARF  
Washington, D.C.



ST. ELIZABETHS PLAZA  
Washington, D.C.



THE BORO  
Tysons Corner, VA



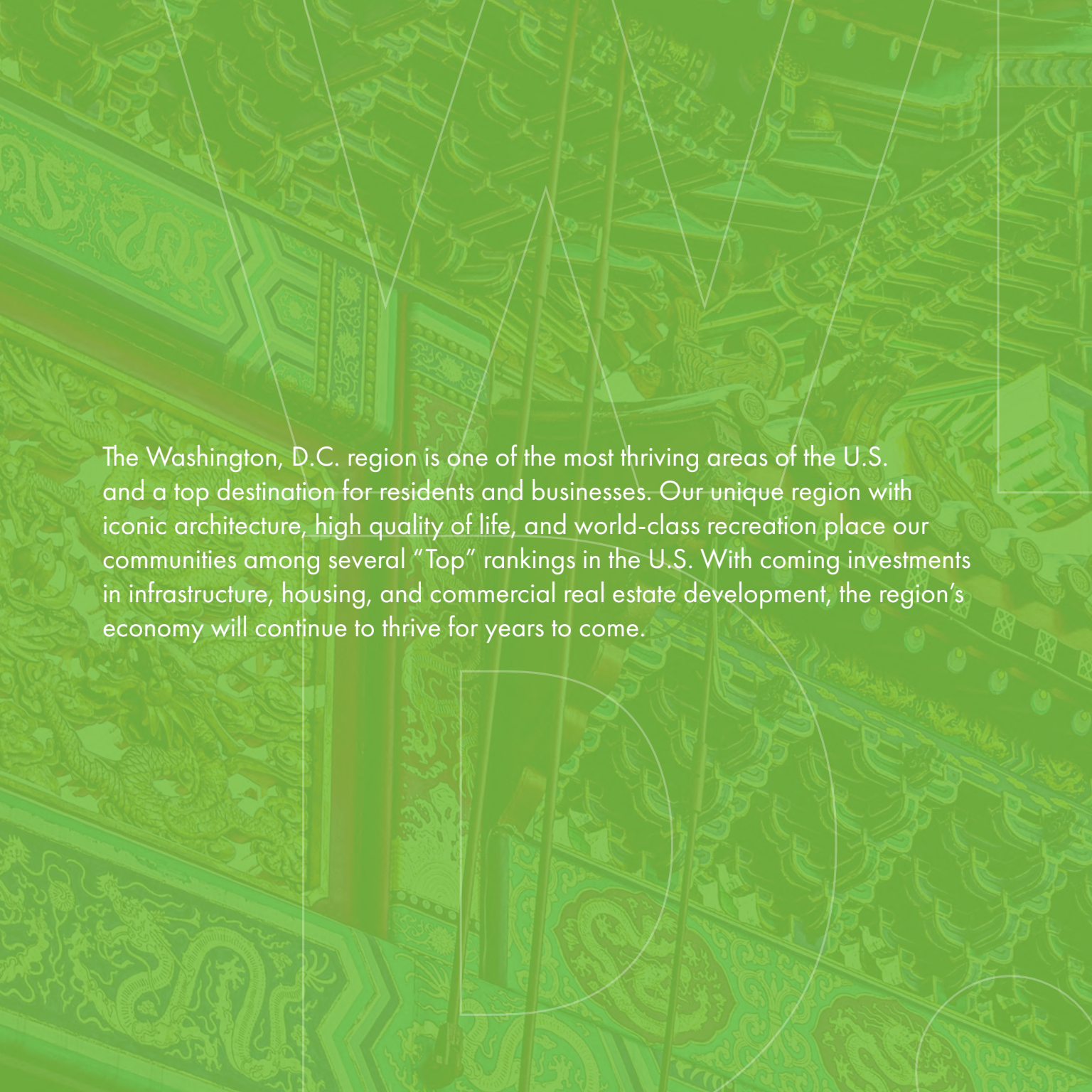
BURNHAM PLACE  
Washington, D.C.



CITY CENTER  
Washington, D.C.





The background of the entire page is a photograph of a highly ornate, traditional Chinese ceiling. The ceiling features intricate carvings of dragons and other mythical creatures, with a rich pattern of red, gold, and dark wood tones. A semi-transparent green overlay covers the entire image. Overlaid on this green background are several thin, white geometric lines: a large circle in the lower half, a large triangle in the upper half, and several intersecting lines that create a sense of depth and structure.

The Washington, D.C. region is one of the most thriving areas of the U.S. and a top destination for residents and businesses. Our unique region with iconic architecture, high quality of life, and world-class recreation place our communities among several “Top” rankings in the U.S. With coming investments in infrastructure, housing, and commercial real estate development, the region’s economy will continue to thrive for years to come.





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