

Case Study:

250 E Street, SW



Key Information

Client

Piedmont Office
Realty Trust

Location

Washington, DC

Topline

New Lease
GSA
Multi-Tenant Building

Contact Us



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The Challenge

After just one lease term, in a building customized to their specific needs, the Office of the Comptroller of the Currency (OCC) was forced to consolidate into a large block of government leased space in Southwest Washington which the U.S. General Services Administration (GSA) desperately needed to backfill. This left the building owner, Piedmont Office Realty Trust (Piedmont), with a completely vacant 330,000 square foot, 20-year old building. Piedmont then hired CBRE to re-tenant the building and the Federal Lessor Advisory Group (FLAG) partnered with a private sector leasing team to “intro-

duce” the building to the market. The timing of this assignment presented the additional challenge of happening at the same time as the Federal Government instituted its “freeze the footprint” mandate which caused most federal agencies to simply execute short-term, in-place extensions instead of allowing the market to compete for leases as they expired.

The Solution

The CBRE team worked with Piedmont to develop a renovation and leasing plan that put money towards base building updates for a multi-tenant occupancy. The final plan was inclusive of a complete renovation of the building’s main entrance lobby, the conversion of a small underutilized gym on the P1 level into a large, Class-A fitness facility and the creation of a modern, comfortable and appealing roof top terrace that would be available for tenant use. While that renovation plan was being implemented, a leasing center was built-out on the top floor to show off the unique views the building provided. Finally, an entire mid-building floor was demolished and “white boxed” to aid prospective tenants in visualizing what their improvements could look like. While all this was happening, the CBRE team hosted several invite-only lunches with the top brokers in DC, including GSA brokers, during which a presentation was given and questions were answered about what was happening at the building. Once the renovations were complete, inquiries and tours began and but soon interest took off as word got out about the quality of the renovation and the fantastic value that the building presented. CBRE FLAG developed an aggressive GSA pursuit strategy and closely monitored competitive properties’ leasing activity to fully understand what rent strategies should be used on individual deals.

The Results

After essentially re-introducing an asset no one had ever seen back to the market and weathering a temporary freeze in leasing by the Federal Government, the building is now over 96% leased with a combination of four GSA leases, three leases with the District of Columbia Government and one private sector lease. Persistence and sticking to the leasing strategy paid off as CBRE turned one of the largest vacancies in Piedmont’s portfolio into one of its biggest success stories.