



(DRAFT)
**EXISTING CONDITIONS
ANALYSIS BY DOWNTOWN
ECONOMIC SECTOR**

RESEARCH SUMMARY
DOWNTOWN D.C.

Prepared for DowntownDC BID and Golden Triangle BID
July 27, 2023

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REPORT AUTHORS

Project Director:

Erin Talkington, Managing Director

► P: (240) 396-2353 | E: ETALKINGTON@RCLCO.COM

Project Managers:

Jacob Ross, Principal

► P: (240) 404-6811 | E: JROSS@RCLCO.COM

Additional Authors:

Evan Farrar, Associate



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KEY TAKEAWAYS

- ▶ **Washington, D.C., is lagging behind other major cities when it comes to diversifying the mix of commercial and residential land uses in its Downtown.** Today, Downtown D.C. offers fewer housing options for its employees than the downtowns of almost every other major city.
- ▶ **The office inventory in Downtown D.C. is poorly positioned to respond to recent shifts in space demand and tenant preferences,** given the older vintage of most of its office buildings. Newer office spaces have generally performed well, while older spaces have borne the brunt of recent stress amid a flight to quality. However, vacant space is largely dispersed throughout Downtown D.C., suggesting that office conversions are unlikely to be a “silver bullet.”
- ▶ **Housing options in Downtown D.C. are scarce and cater to a relatively narrow market audience,** due to a lack of segmentation across price points and product types. Along with clear supply constraints, the price points of new units in Downtown D.C. limit housing opportunities for its employees, especially relative to other employment cores with larger, more diverse, and/or more attainably priced housing inventories.
- ▶ **Retail continues to suffer from pandemic-induced stress.** Smaller retail spaces along central commercial corridors are at a particular disadvantage given their dependence on office employees.
- ▶ **Bright spots in Downtown D.C. include its robust hospitality market and its variety of cultural and entertainment anchors,** which drive foot traffic throughout the Downtown area. In Downtown D.C., hotel room demand is nearing pre-pandemic levels, and hotel revenues have already surpassed them. At the same time, the array of cultural and entertainment venues in Downtown D.C. represents a significant competitive advantage over other downtowns.

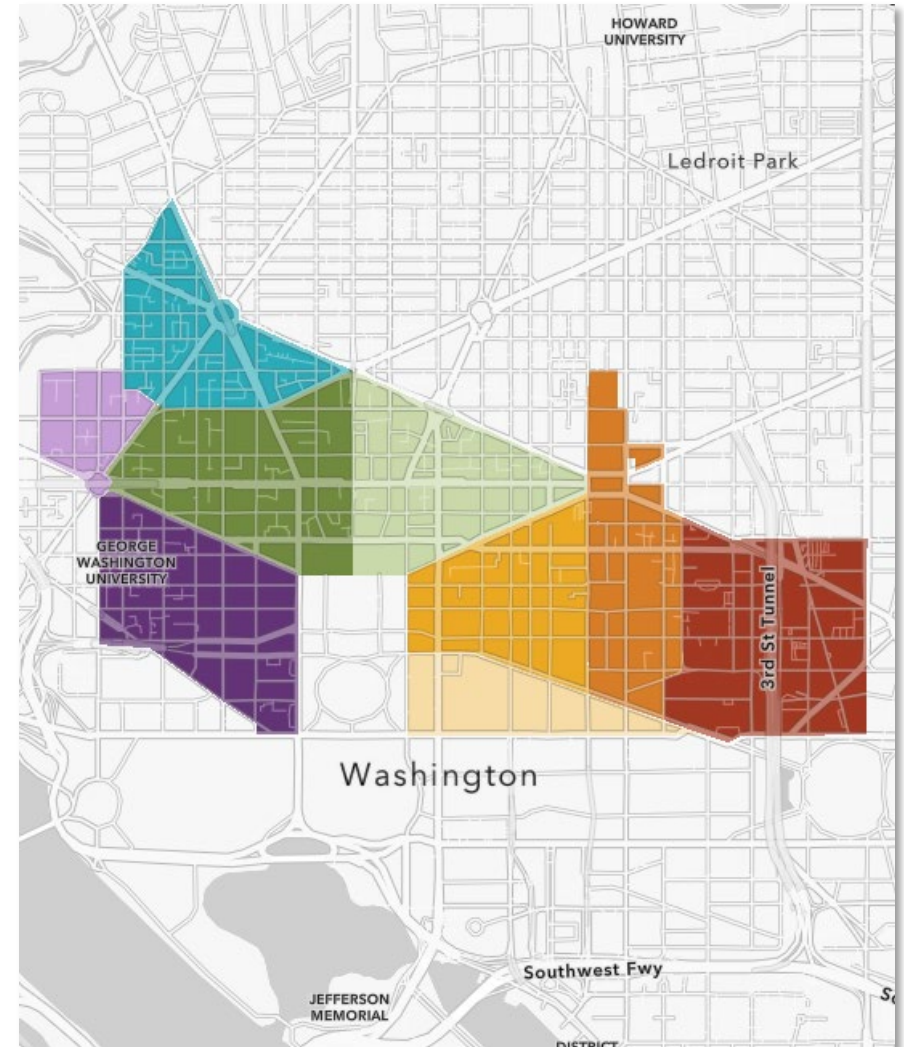
RELEVANT GEOGRAPHIES

RELEVANT GEOGRAPHIES

DOWNTOWN D.C. IS COMPOSED OF MANY DISTINCT NEIGHBORHOODS, OR SUBAREAS, THAT CREATE A UNIQUE AND MULTIFACETED BUILT ENVIRONMENT

Map and Summary of Downtown Subareas
Downtown D.C.; July 2023

GEOGRAPHY	RENTAL UNITS	FOR- SALE UNITS	OFFICE RBA (SF)	HOTEL ROOMS	RETAIL RBA (SF)
SUBAREAS					
Downtown East / Judiciary Square	1,439	257	10.3M	1,770	351k
Dupont Circle	1,799	1,500	7.1M	1,456	722k
Farragut Square / 19th Street	359	142	31.4M	2,318	1.1M
Federal Triangle	0	0	8.2M	263	51k
Foggy Bottom	1,189	261	11.3M	473	141k
Gallery Place / Chinatown	907	937	13.0M	1,434	1.2M
McPherson Square / Franklin Park	1,388	866	21.1M	3,929	1.0M
Metro Center / 15th Street	463	488	21.4M	3,577	1.4M
West End	933	1,160	2.7M	2,273	240k
BID BOUNDARIES					
DowntownDC BID	4,197	2,548	72.7M	10,973	3.9M
Golden Triangle BID	0	36	36.9M	2,096	1.7M
Rest of Downtown	4,280	3,027	16.8M	4,424	550k
ALL DOWNTOWN	8,477	5,611	126.4M	17,493	6.1M



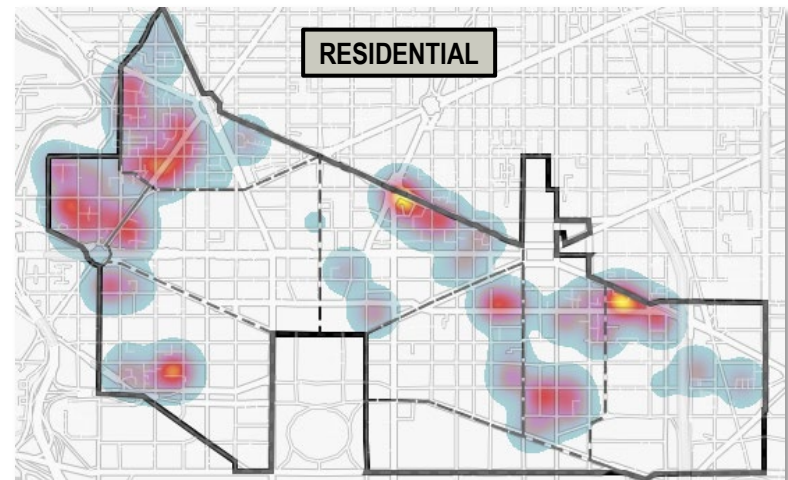
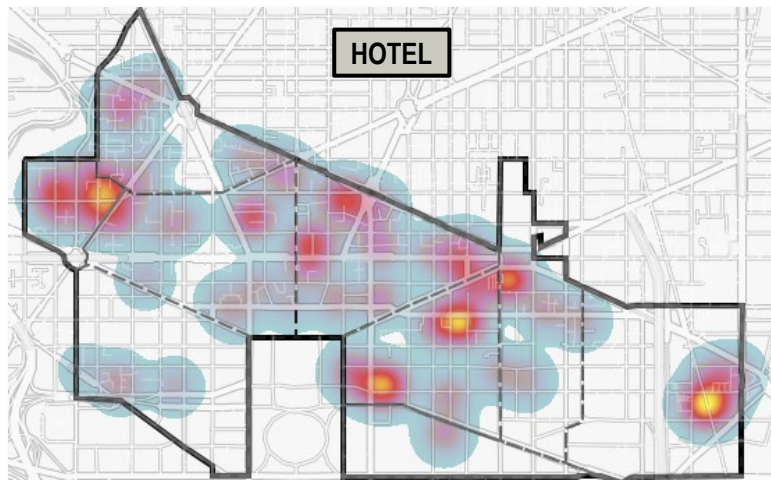
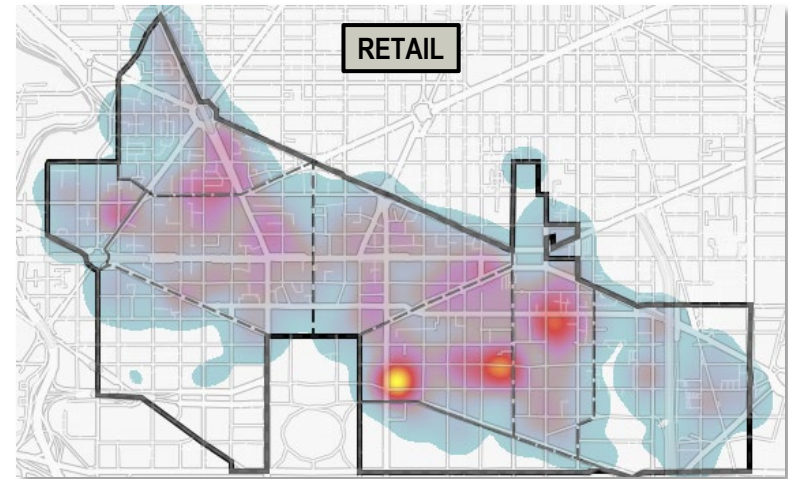
Source: CoStar; D.C. OTR; RCLCO

INVENTORY ANALYSIS

DOWNTOWN LAND USES MIX

DOWNTOWN D.C. IS THE HISTORIC OFFICE CORE OF THE REGION, AND IS LARGELY DOMINATED BY COMMERCIAL USES

Heat Maps of Real Estate Inventory by Product Type
Downtown D.C.; July 2023



Source: CoStar; D.C. OTR; RCLCO

OFFICE INVENTORY

IN PART, THE OFFICE-CENTRIC NATURE OF DOWNTOWN D.C. IS DUE TO THE LONGTIME PRESENCE OF THE FEDERAL GOVERNMENT, ALTHOUGH NEWER OFFICE NODES HAVE EMERGED OVER TIME

- In addition to space in federally owned buildings, federal agencies also occupy leased space in private buildings, totaling 6.3 million square feet or 5.8% of privately owned and operated space in Downtown D.C. In total, the federal government occupies 23.7 million square feet of office space in Downtown D.C., including both owned and leased space.

Map and Summary of Downtown Office Supply by Ownership
Downtown D.C.; July 2023

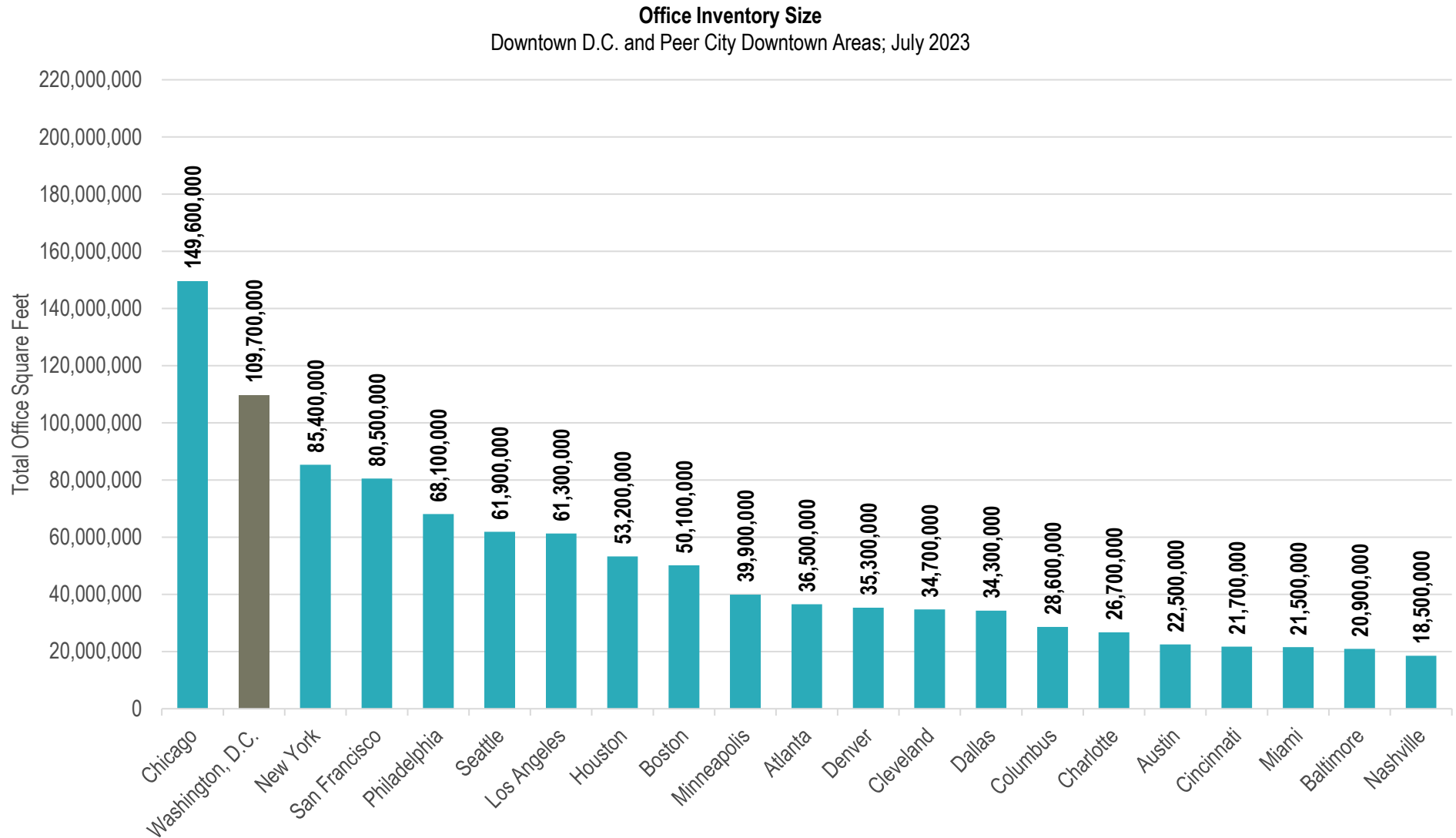


SUBAREA	FEDERAL				PRIVATE/OTHER			
	BUILDINGS	TOTAL RBA	AVERAGE SIZE	% OF INVENTORY	BUILDINGS	TOTAL RBA	AVERAGE SIZE	% OF INVENTORY
Downtown East / Judiciary Square	7	3,068,000	438,000	17.6%	35	7,227,000	206,000	6.6%
Dupont Circle	0	0	N/A	0.0%	187	7,064,000	38,000	6.5%
Farragut Square / 19th Street	10	44,000	4,000	0.3%	179	31,324,000	175,000	28.7%
Federal Triangle	7	7,908,000	1,130,000	45.3%	1	255,000	255,000	0.2%
Foggy Bottom	6	2,672,000	445,000	15.3%	32	8,609,000	269,000	7.9%
Gallery Place / Chinatown	1	197,000	197,000	1.1%	101	12,837,000	127,000	11.8%
McPherson Square / Franklin Park	4	1,320,000	330,000	7.6%	109	19,809,000	182,000	18.2%
Metro Center / 15th Street	2	2,231,000	1,116,000	12.8%	77	19,156,000	249,000	17.6%
West End	0	0	N/A	0.0%	23	2,692,000	117,000	2.5%
ALL DOWNTOWN	37	17,440,000	471,000	100.0%	744	108,974,000	146,000	100.0%

Source: CoStar; RCLCO

OFFICE PEER CITY COMPARISON

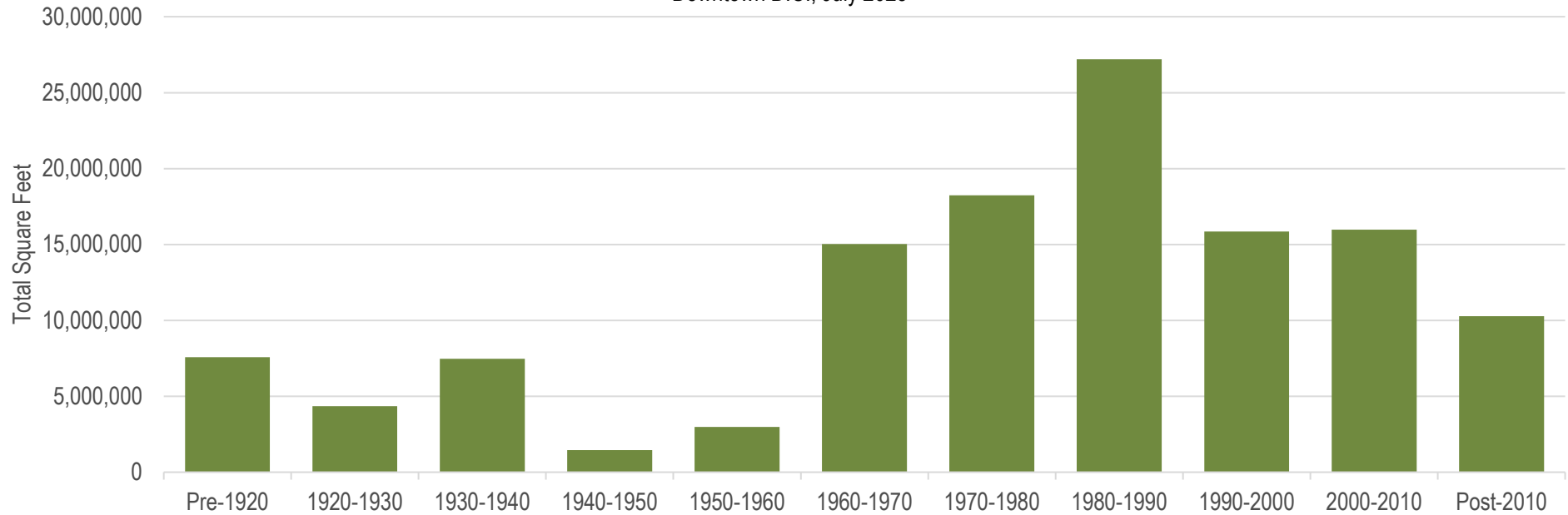
DOWNTOWN D.C. IS HOME TO AN ESPECIALLY LARGE OFFICE INVENTORY, EVEN RELATIVE TO PEER CITIES



Source: CoStar; RCLCO

THE MODAL OFFICE BUILDING IN DOWNTOWN IS AN UNRENOVATED, 1980S BUILDING IN THE FARRAGUT/19TH STREET AREA

Office RBA by Year Built
Downtown D.C.; July 2023



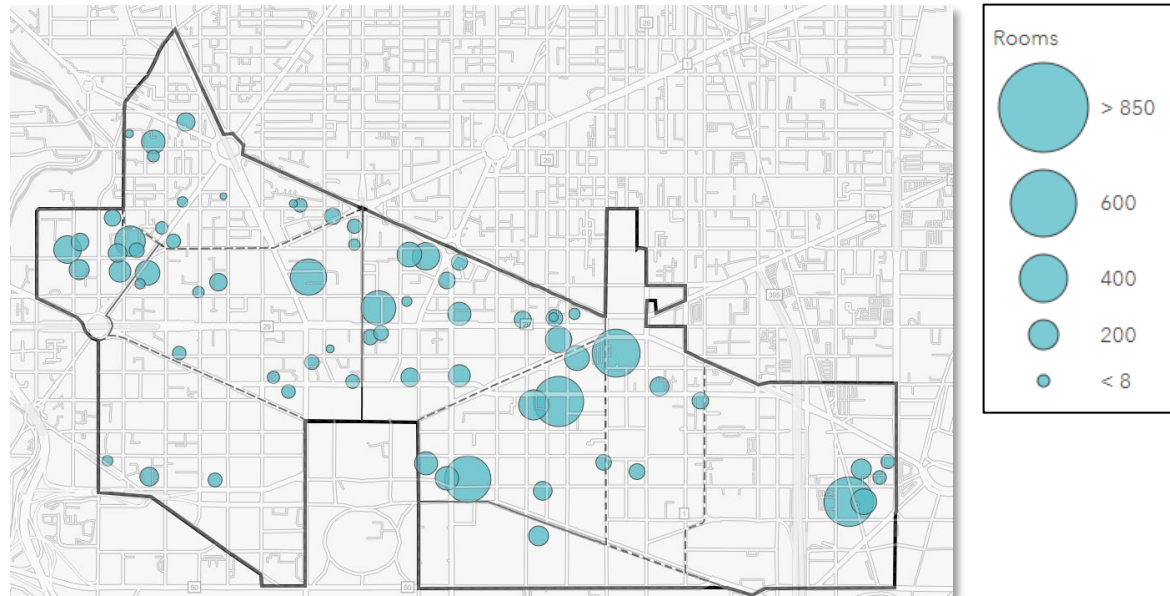
SUBAREA	RBA BY YEAR BUILT										
	Pre-1920	1920-1930	1930-1940	1940-1950	1950-1960	1960-1970	1970-1980	1980-1990	1990-2000	2000-2010	Post-2010
Downtown East / Judiciary Square	93,917	252,033	260,352	0	1,028,683	488,011	2,152,251	1,807,550	1,294,313	1,543,695	1,374,239
Dupont Circle	912,902	121,696	328,352	435,167	187,909	2,018,357	1,150,875	1,253,578	11,798	189,788	440,517
Farragut Square / 19th Street	460,555	330,756	0	162,743	694,241	7,533,156	7,626,827	7,023,573	1,918,141	3,060,129	2,543,755
Federal Triangle	255,000	0	5,332,632	0	0	0	0	0	2,575,340	0	0
Foggy Bottom	1,034,460	5,971	1,168,049	0	0	1,899,987	2,872,344	1,635,144	400,000	960,126	1,305,686
Gallery Place / Chinatown	984,730	79,765	0	105,471	22,472	201,564	1,222,315	1,010,489	3,387,613	3,799,017	2,220,760
McPherson Square / Franklin Park	1,656,268	1,449,337	199,850	466,832	890,254	2,060,114	1,440,669	5,584,947	2,538,013	3,872,258	970,608
Metro Center / 15th Street	2,161,606	2,044,352	176,185	288,187	147,884	813,440	1,779,342	6,490,956	3,519,688	2,548,999	1,416,681
West End	13,332	58,422	0	0	2,373	17,881	0	2,388,848	211,347	0	0

Source: CoStar; RCLCO

HOTEL INVENTORY

DOWNTOWN D.C. IS ALSO HOME TO A ROBUST INVENTORY OF HOTELS, WHICH PROVIDE VISITORS WITH ACCESS TO ITS LARGEST OFFICE NODES AND MANY CULTURAL ATTRACTIONS

Map and Summary of Downtown Hotel Supply
Downtown D.C.; July 2023

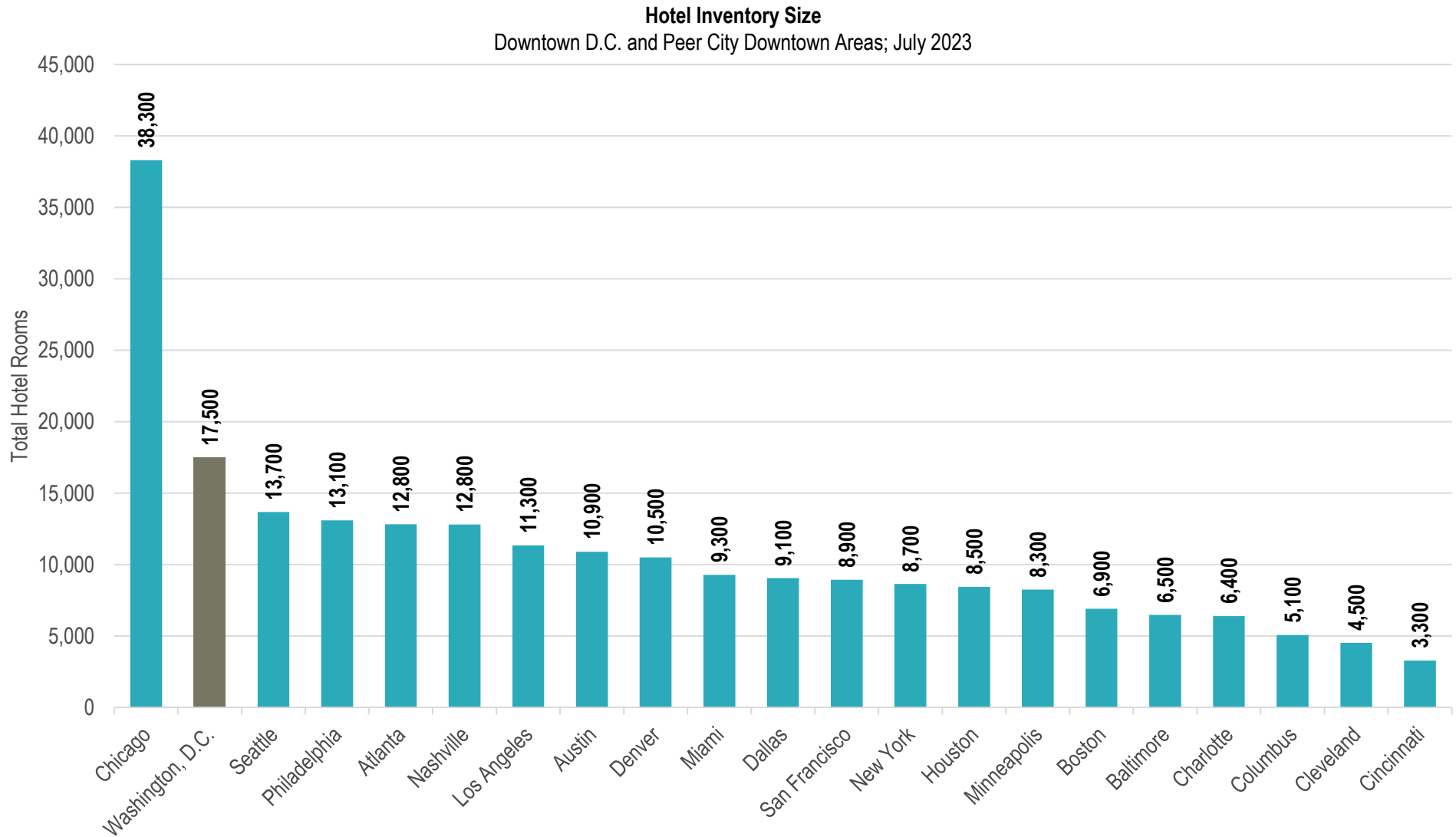


SUBAREA	TOTAL PROPERTIES	TOTAL ROOMS	AVERAGE SIZE (ROOMS)	% OF DOWNTOWN INVENTORY
Downtown East / Judiciary Square	5	1,770	354	10.1%
Dupont Circle	11	1,456	132	8.3%
Farragut Square / 19th Street	13	2,318	178	13.3%
Federal Triangle	1	263	263	1.5%
Foggy Bottom	3	473	158	2.7%
Gallery Place / Chinatown	4	1,434	359	8.2%
McPherson Square / Franklin Park	16	3,929	246	22.5%
Metro Center / 15th Street	8	3,577	447	20.4%
West End	8	2,273	284	13.0%
ALL DOWNTOWN	69	17,493	254	100.0%

Source: CoStar; RCLCO

HOTEL PEER CITY COMPARISON

DOWNTOWN D.C. CONTAINS A LARGER HOTEL INVENTORY THAN MOST PEER CITIES

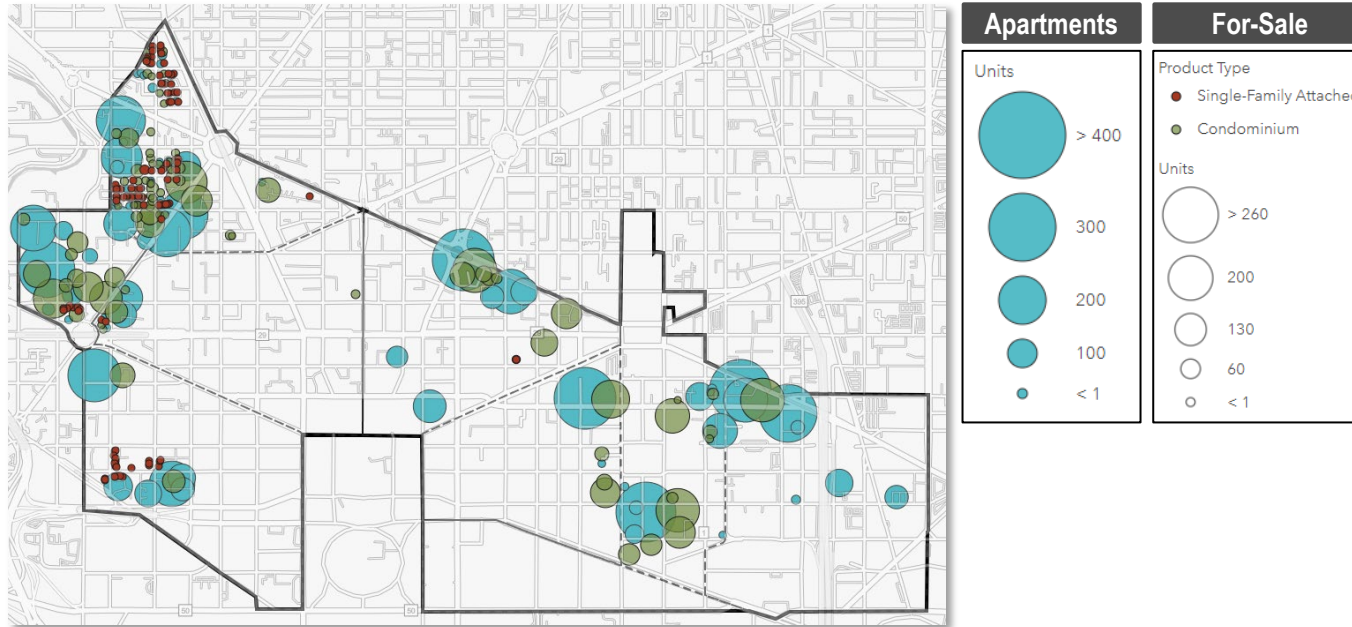


Source: CoStar; RCLCO

RESIDENTIAL INVENTORY

HOUSING IS SCARCE IN DOWNTOWN D.C., PARTICULARLY ALONG CENTRAL COMMERCIAL CORRIDORS

Map and Summary of Downtown Residential Supply
Downtown D.C.; July 2023



GEOGRAPHY	RENTAL APARTMENTS				SINGLE-FAMILY ATTACHED				CONDOMINIUMS			
	TOTAL PROPERTIES	TOTAL UNITS	AVERAGE NUMBER OF UNITS	% OF DOWNTOWN INVENTORY	TOTAL PROPERTIES	TOTAL UNITS	AVERAGE NUMBER OF UNITS	% OF DOWNTOWN INVENTORY	TOTAL PROPERTIES	TOTAL UNITS	AVERAGE NUMBER OF UNITS	% OF DOWNTOWN INVENTORY
Downtown East / Judiciary Square	7	1,439	206	17.0%	0	0	N/A	0.0%	1	257	257	4.7%
Dupont Circle	30	1,799	60	21.2%	81	98	1	67.6%	49	1,402	29	25.6%
Farragut Square / 19th Street	4	359	90	4.2%	2	2	1	1.4%	5	140	28	2.6%
Federal Triangle	0	0	N/A	0.0%	0	0	N/A	0.0%	0	0	N/A	0.0%
Foggy Bottom	6	1,189	198	14.0%	25	25	1	17.2%	2	236	118	4.3%
Gallery Place / Chinatown	9	907	101	10.7%	0	0	N/A	0.0%	10	937	94	17.1%
McPherson Square / Franklin Park	6	1,388	231	16.4%	2	11	6	7.6%	7	855	122	15.6%
Metro Center / 15th Street	2	463	232	5.5%	0	0	N/A	0.0%	4	488	122	8.9%
West End	8	933	117	11.0%	9	9	1	6.2%	11	1,151	105	21.1%
ALL DOWNTOWN	72	8,477	118	100.0%	119	145	1	100.0%	89	5,466	61	100.0%

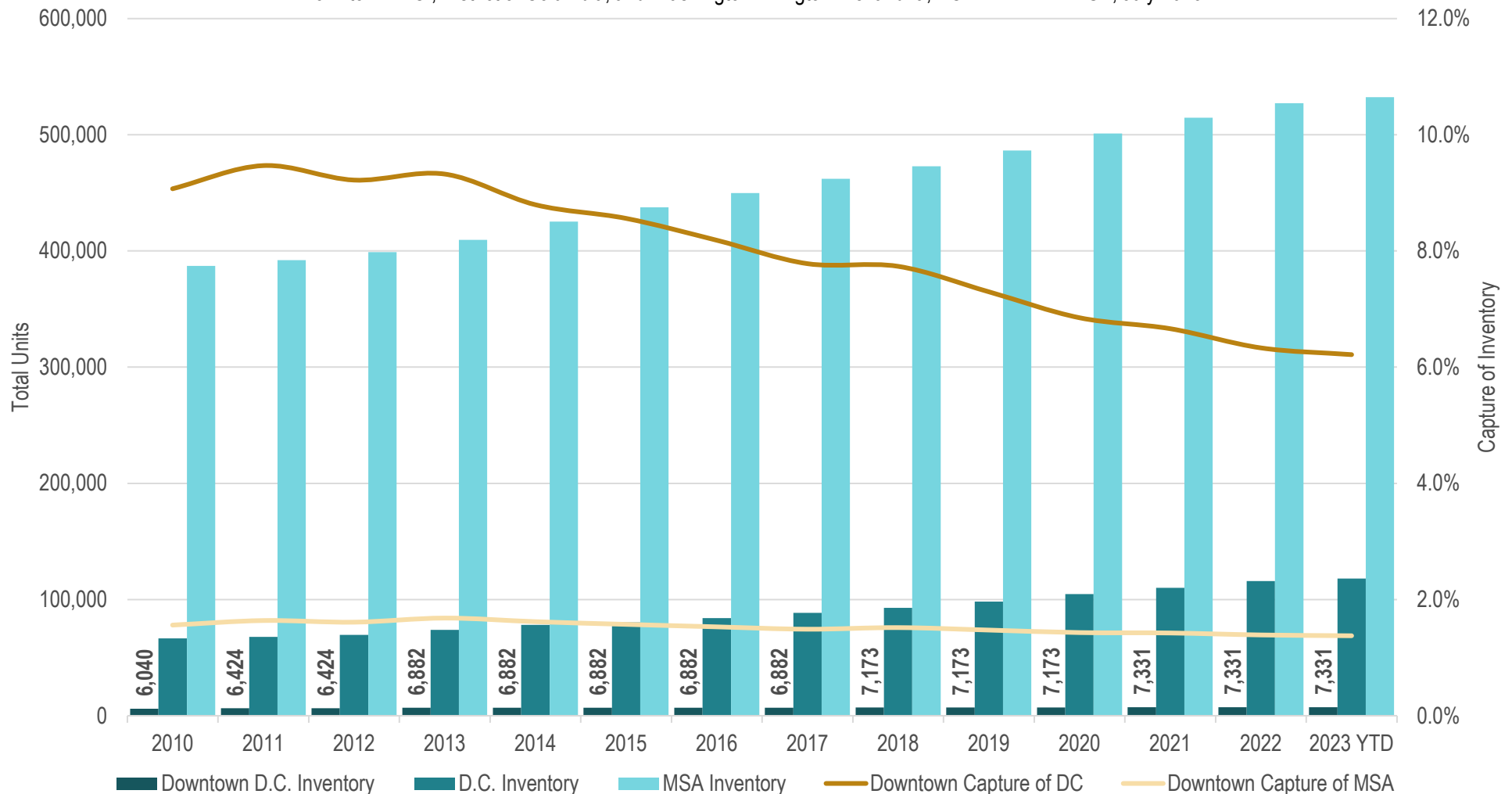
Source: CoStar; Open Data DC; RCLCO

DOWNTOWN CAPTURE OF REGIONAL APARTMENT INVENTORY

DOWNTOWN D.C. REPRESENTS A SMALLER SHARE OF THE REGIONAL APARTMENT INVENTORY THAN IT HAS IN THE PAST, GIVEN ITS LACK OF RECENT HOUSING DEVELOPMENT

Rental Apartment Inventory

Downtown D.C., District of Columbia, and Washington-Arlington-Alexandria, DC-VA-MD-WV MSA; July 2023

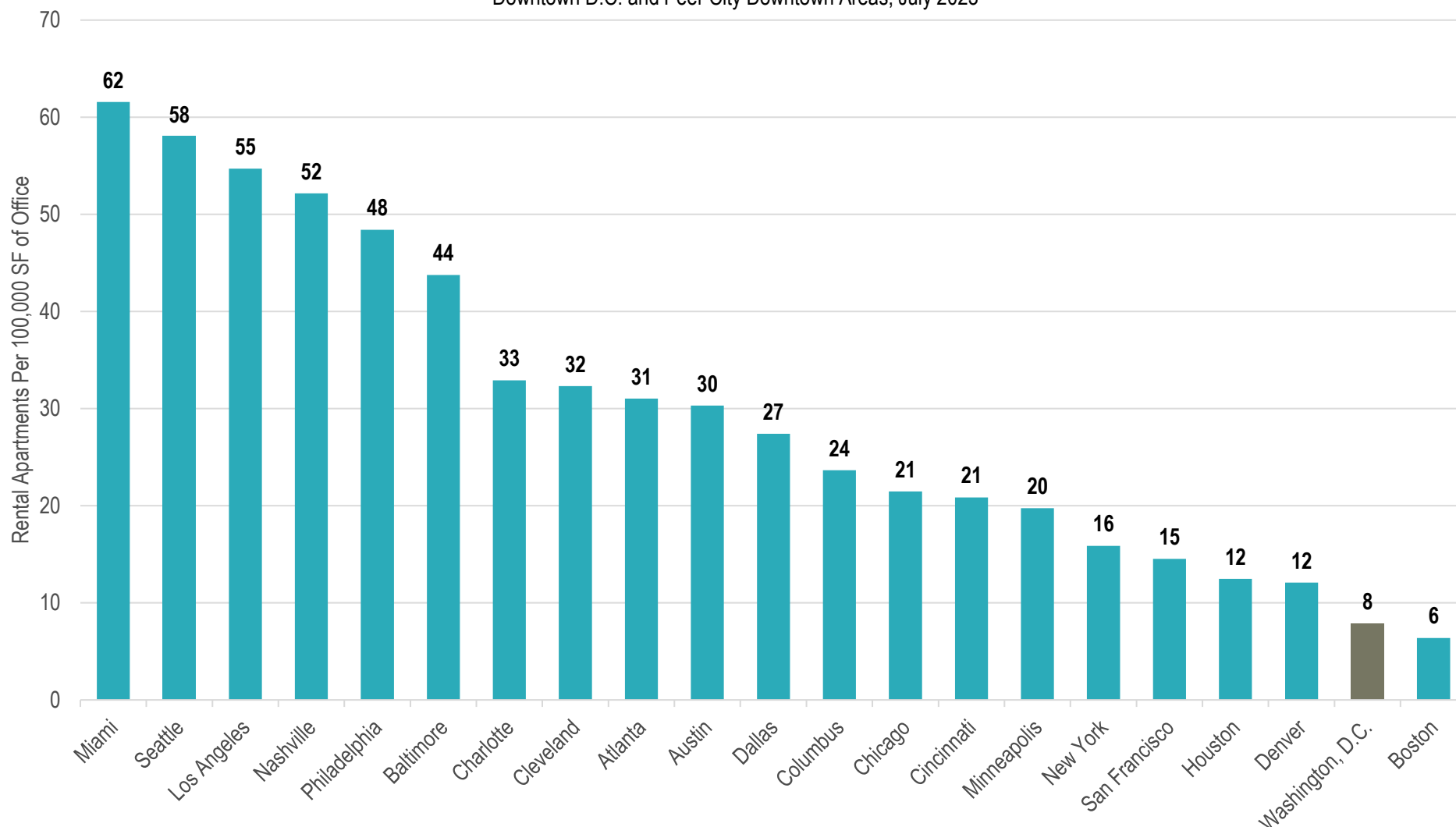


Source: CoStar; RCLCO

APARTMENT PEER CITY COMPARISON

DOWNTOWN D.C. OFFERS FEWER HOUSING OPTIONS FOR ITS EMPLOYEES THAN THE DOWNTOWNS OF OTHER MAJOR CITIES

Rental Apartments Per 100,000 Square Feet Office
Downtown D.C. and Peer City Downtown Areas; July 2023

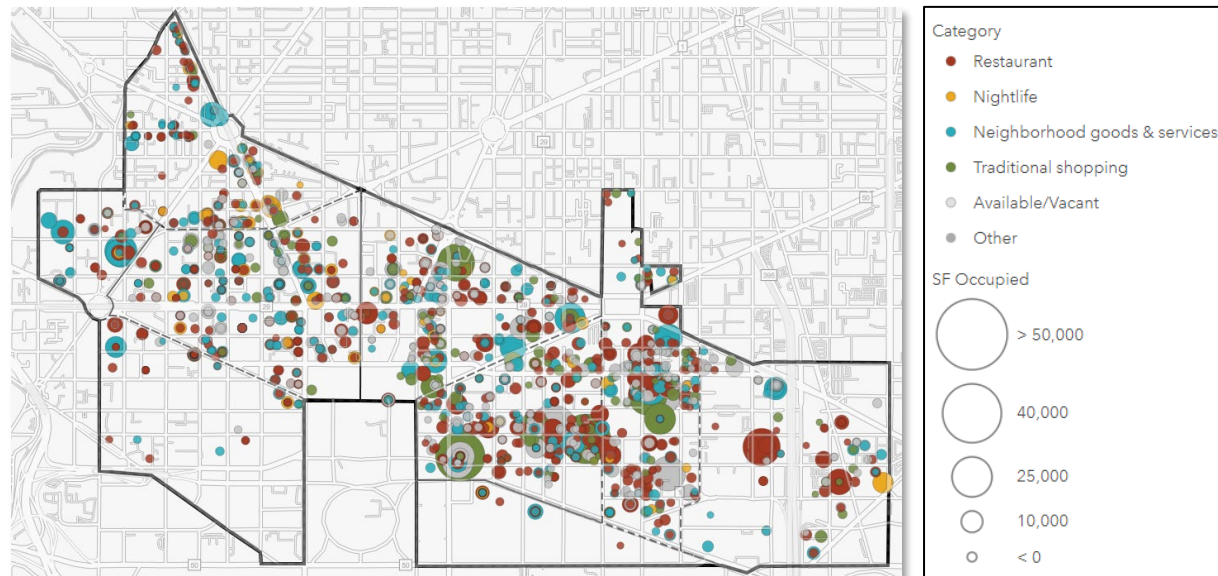


Source: CoStar; RCLCO

RETAIL INVENTORY

THE RETAIL INVENTORY OF DOWNTOWN D.C. REFLECTS THE NATURE OF ITS DAYTIME POPULATION: LARGELY EMPLOYMENT-CENTRIC, WITH SOME NEIGHBORHOOD GOODS AND SERVICES AT THE PERIPHERY

Map and Summary Downtown Retail Supply by Type
Downtown D.C.; July 2023



TYPE OF RETAIL

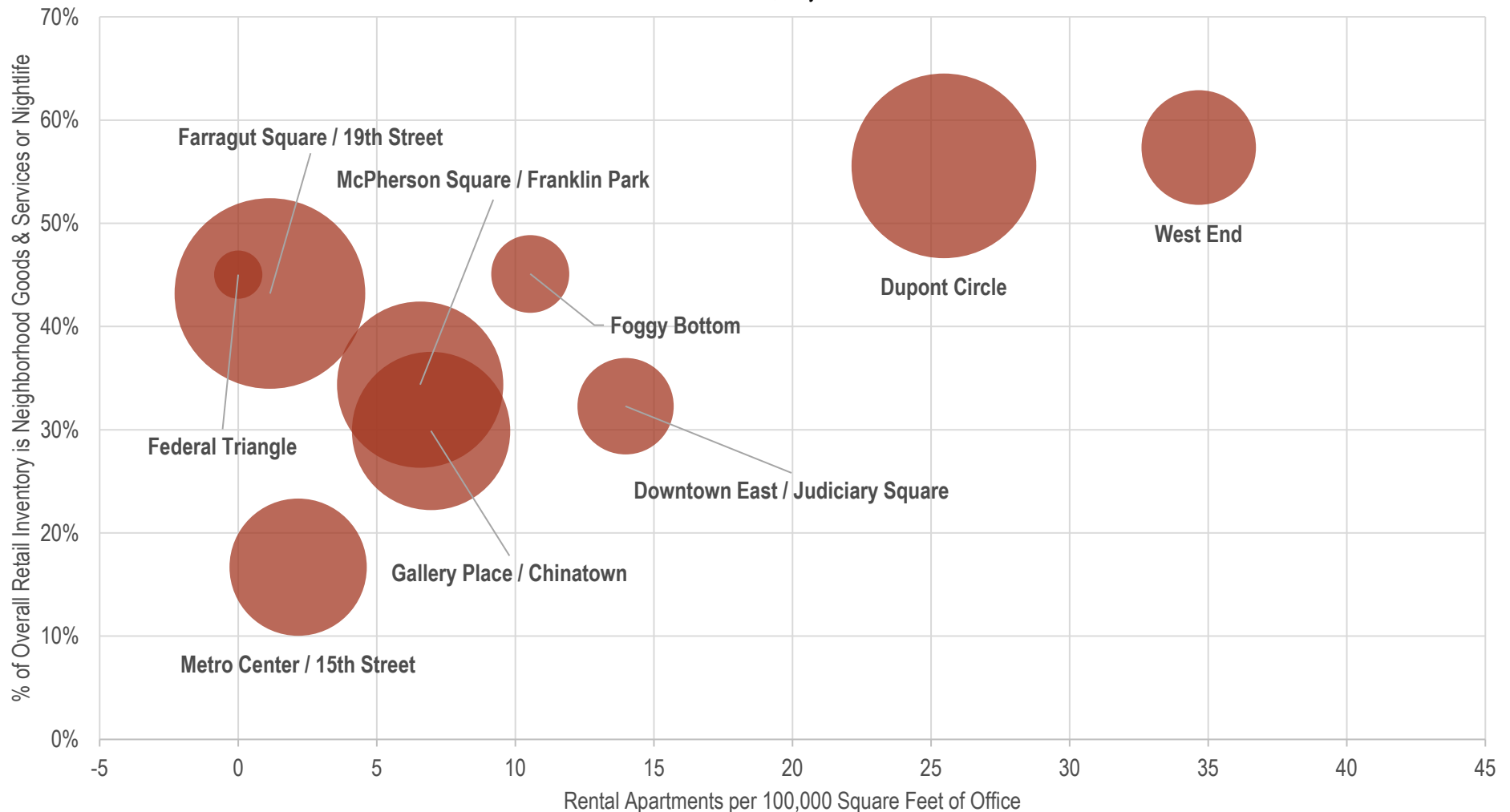
GEOGRAPHY	TOTAL SPACES	NEIGHBORHOOD GOODS & SERVICES	RESTAURANT	TRADITIONAL SHOPPING	NIGHTLIFE	TOTAL SF	VACANCY RATE
Downtown East / Judiciary Square	57	70,670	153,454	28,807	16,236	269,167	23.4%
Dupont Circle	195	155,933	201,794	52,925	162,729	573,381	20.6%
Farragut Square / 19th Street	257	256,656	339,115	107,263	82,818	785,853	29.4%
Federal Triangle	25	15,430	24,614	1,950	6,339	48,333	4.9%
Foggy Bottom	49	41,333	67,570	1,391	15,305	125,599	11.0%
Gallery Place / Chinatown	193	205,077	418,415	130,799	29,063	783,354	32.7%
McPherson Square / Franklin Park	190	208,549	353,990	139,091	49,674	751,304	24.9%
Metro Center / 15th Street	190	156,165	412,142	466,697	19,758	1,054,762	23.7%
West End	42	112,561	89,718	1,529	10,117	213,925	10.9%
ALL DOWNTOWN	1,198	1,222,374	2,060,812	930,452	392,039	4,605,677	25.3%

Source: CoStar; RCLCO

NEIGHBORHOOD-SERVING RETAIL

MORE RESIDENTIAL SUBAREAS CONTAIN A GREATER DIVERSITY OF RETAIL OPTIONS, INCLUDING GROCERY STORES, NIGHTLIFE, AND SERVICES

Amount and Share of Neighborhood Goods & Services Retail by Subarea
Downtown D.C.; July 2023



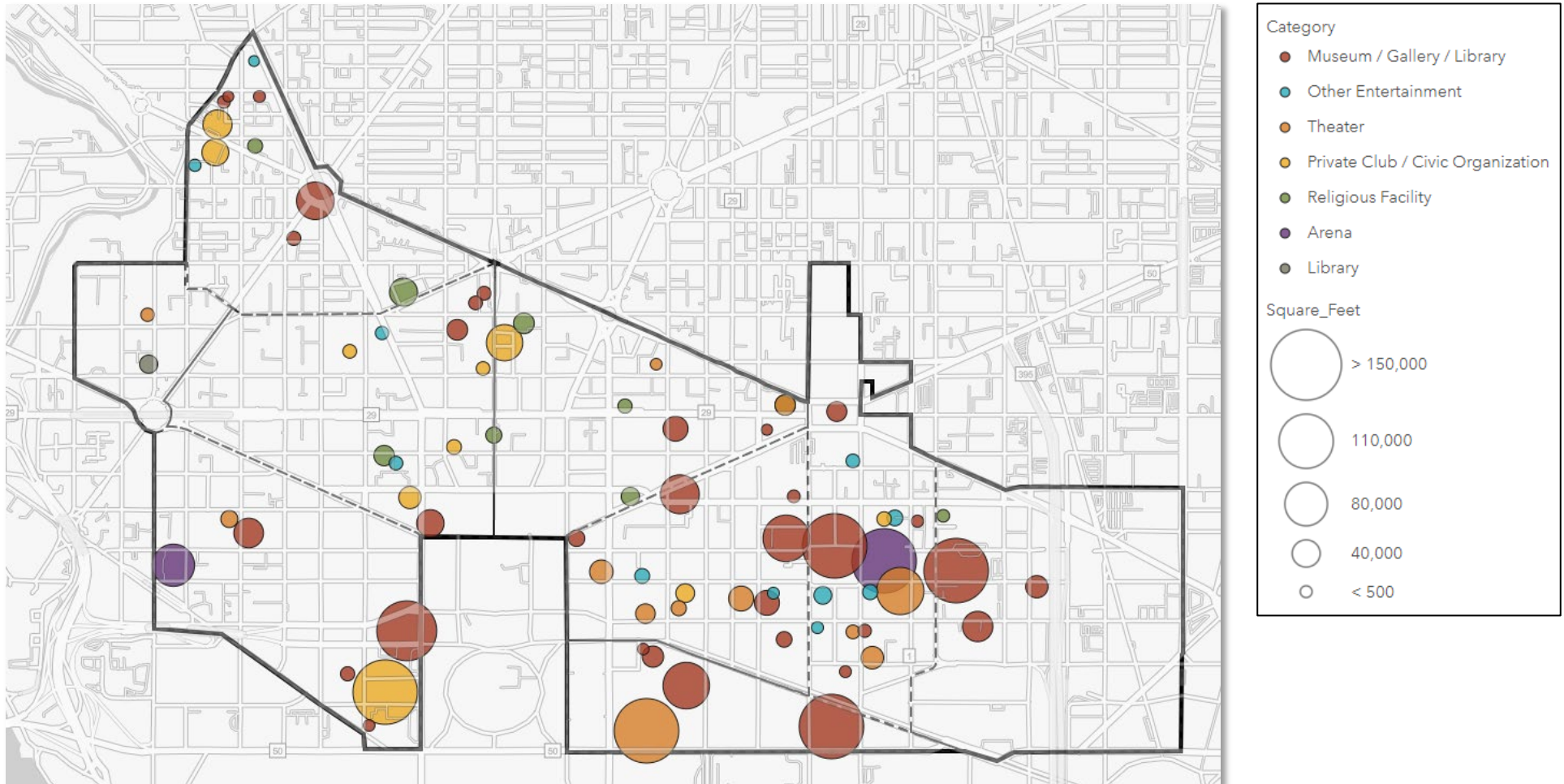
Note: Bubbles sized by total neighborhood goods & services and nightlife square feet.

Source: CoStar; RCLCO

CULTURAL/ENTERTAINMENT INVENTORY

DOWNTOWN D.C. IS HOME TO A VAST ARRAY OF ENTERTAINMENT ANCHORS AND CULTURAL INSTITUTIONS

Map of Downtown Cultural/Entertainment Inventory by Type
Downtown Washington, D.C.; July 2023

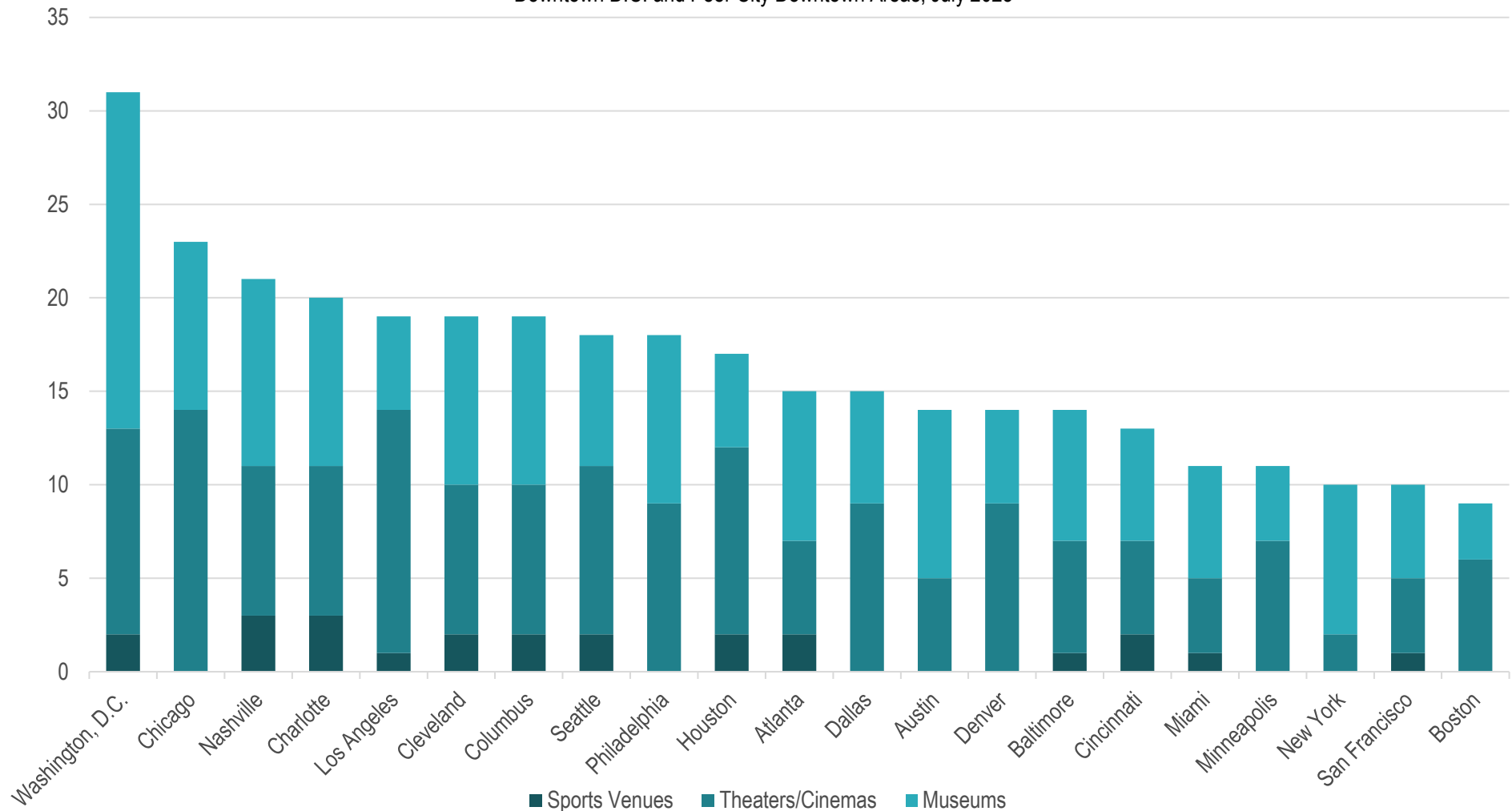


Source: CoStar; BID Websites; RCLCO

CULTURAL/ENTERTAINMENT PEER CITY COMPARISON

DOWNTOWN D.C. HAS MORE CULTURAL AND ENTERTAINMENT VENUES THAN ITS PEERS, MARKING A KEY COMPETITIVE ADVANTAGE RELATIVE TO OTHER REGIONS

Cultural/Entertainment Venues by Type
Downtown D.C. and Peer City Downtown Areas; July 2023



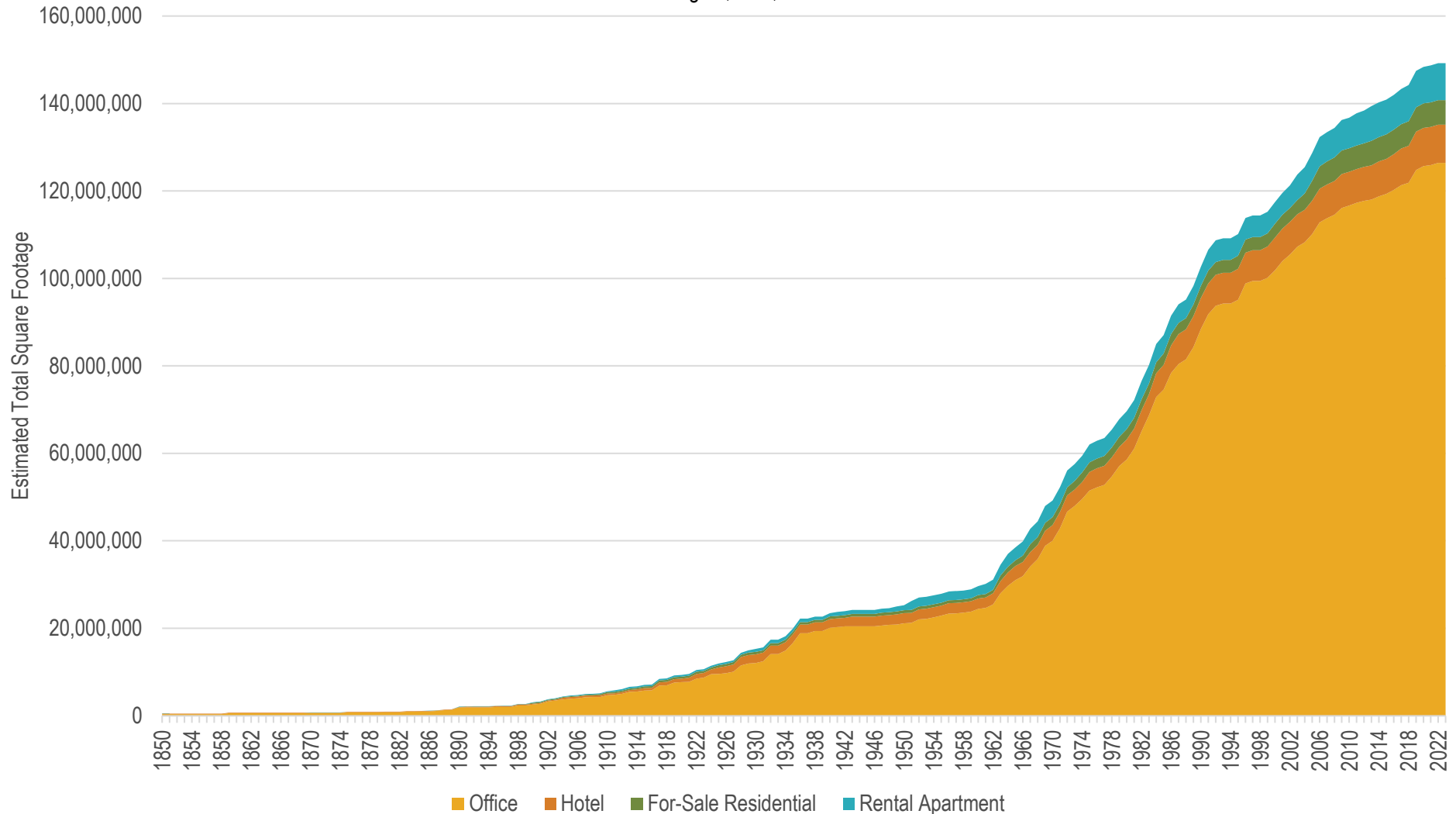
Source: CoStar; BID Websites; RCLCO

RECENT HISTORICAL TRENDS

HISTORICAL DEVELOPMENT TRAJECTORY

DOWNTOWN D.C. HAS STRUGGLED TO MEANINGFULLY DIVERSIFY ITS BUILT ENVIRONMENT

Cumulative Development by Land Use
Downtown Washington, D.C.; 1850-2023 YTD

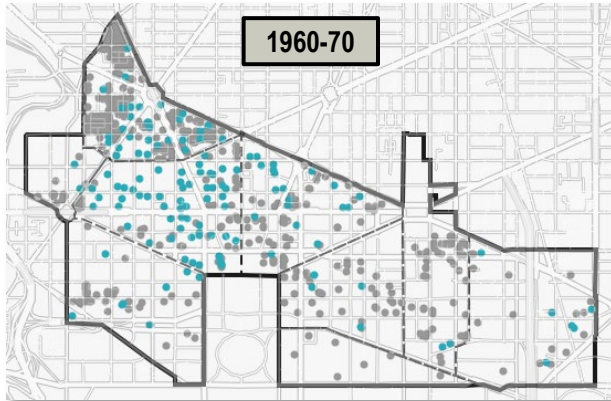


Note: Development totals based on buildings that are present in Downtown today; does not include buildings that were torn down and subsequently replaced.

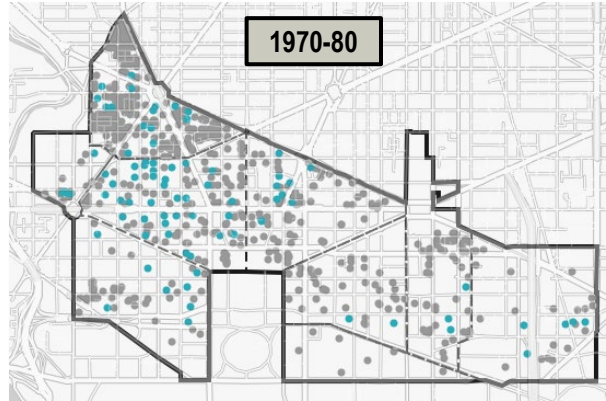
Source: CoStar; D.C. OTR; RCLCO

HISTORICAL DEVELOPMENT TRAJECTORY

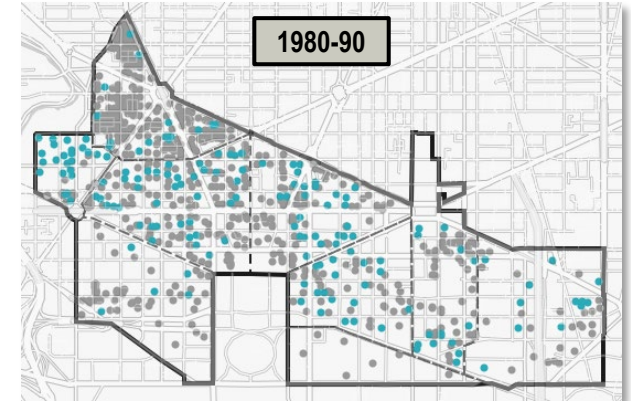
AS THE COMMERCIAL CORE OF DOWNTOWN D.C. DENSIFIED, LESS CENTRAL AREAS SAW ACCELERATED GROWTH



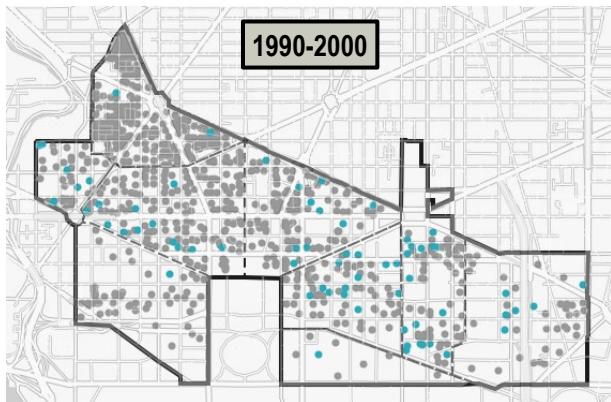
Development concentrated in Farragut / K St.



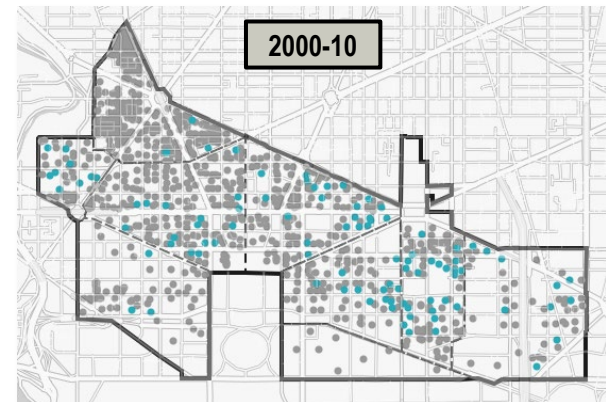
Golden Triangle continues to densify



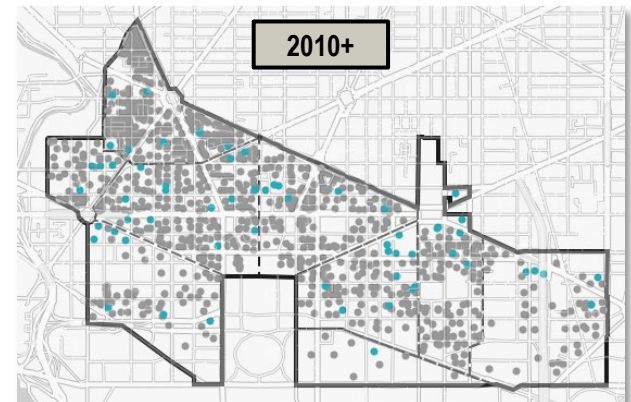
Development accelerates, and spreads to Metro Center, East End



Overall pace of development slows; Metro Center sustains momentum



Growth concentrated in Gallery Place / Chinatown, following opening of MCI Center (1997)

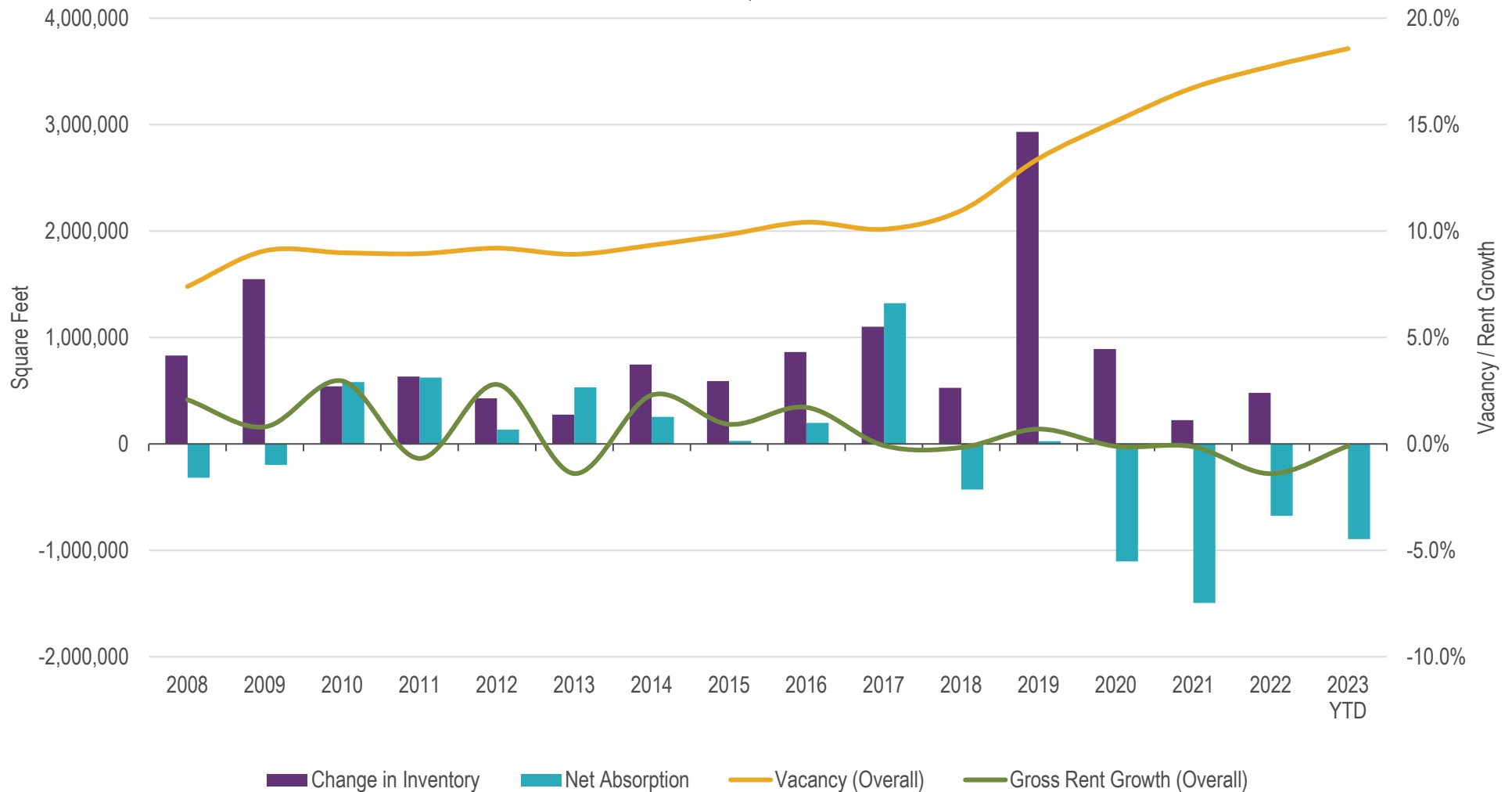


Development more dispersed; no clear growth area

OFFICE MARKET TRENDS

AS A RESULT, DOWNTOWN D.C. HAS BEEN PARTICULARLY VULNERABLE TO RECENT TRENDS IN THE OFFICE SECTOR, WHICH FACES SUSTAINED STRUCTURAL RISK

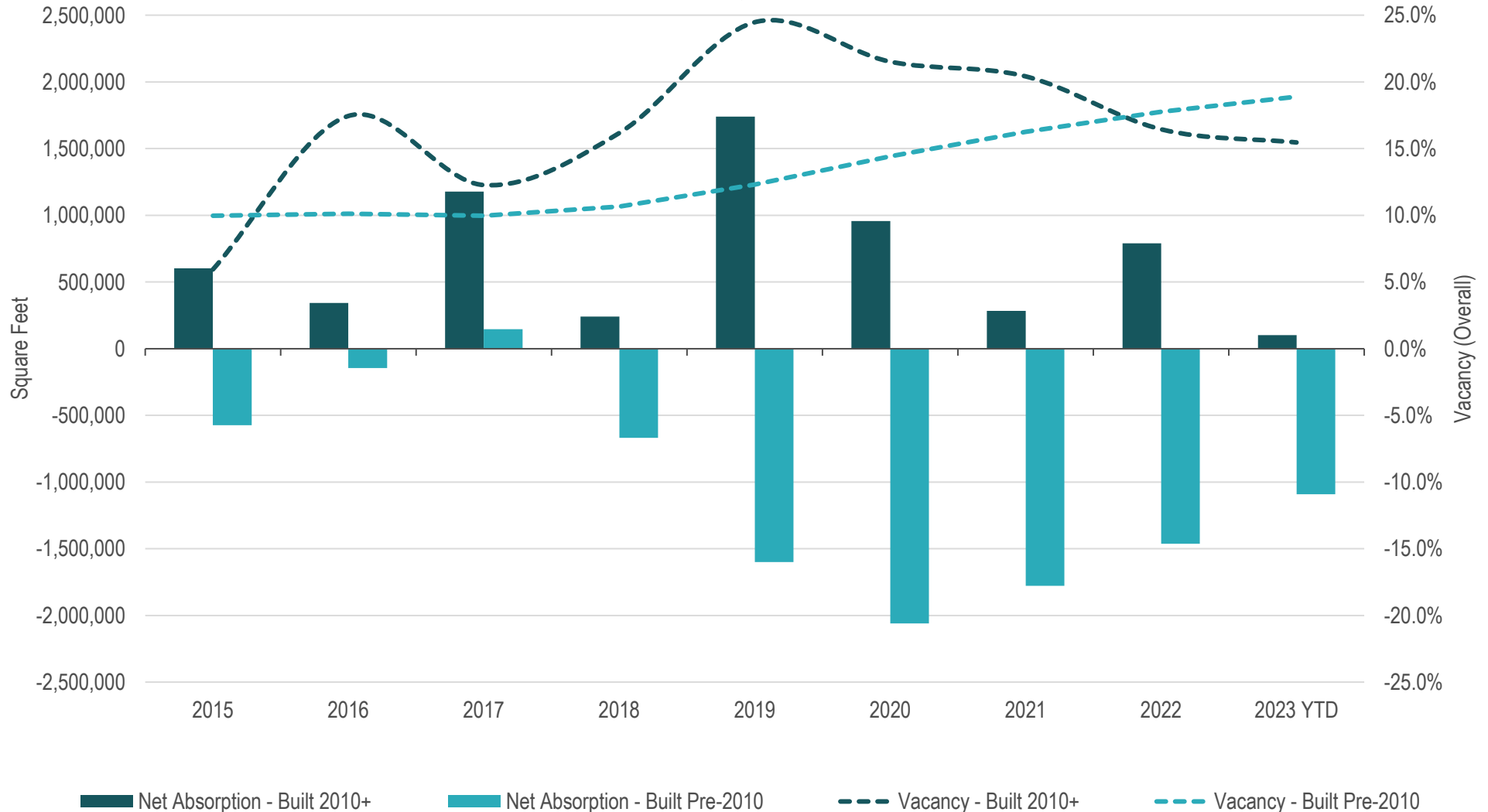
Office Completions, Absorption, Vacancy, and Rent Growth
Downtown D.C.; 2008-2023 YTD



Source: CoStar; RCLCO

OLDER OFFICE PRODUCT HAS BORNE THE BRUNT OF RECENT STRESS AMID A FLIGHT TO QUALITY

Office Absorption and Vacancy by Year Built
Downtown D.C.; 2015-2023 YTD



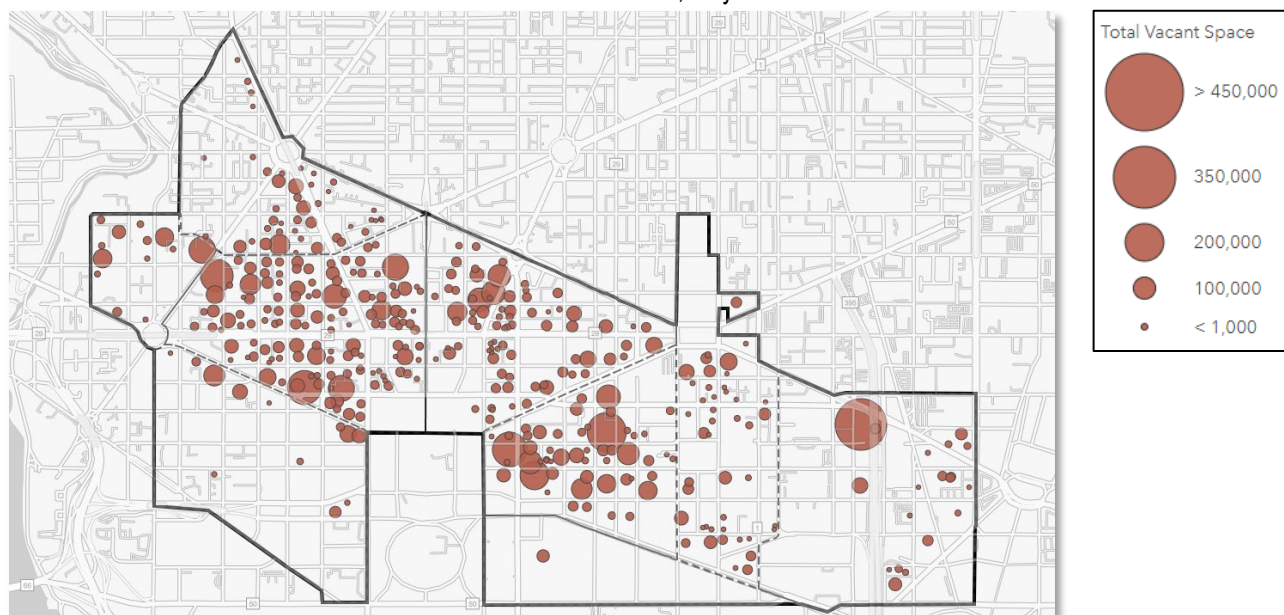
Source: CoStar; RCLCO

VACANT OFFICE SPACE

WHILE THERE ARE “PROBLEM AREAS” WITH REGARD TO OFFICE VACANCIES, VACANT SPACE IS LARGELY DISPERSED, MEANING THAT OFFICE CONVERSIONS ARE UNLIKELY TO BE A SILVER BULLET

Map and Summary of Vacant Office Space

Downtown D.C.; July 2023



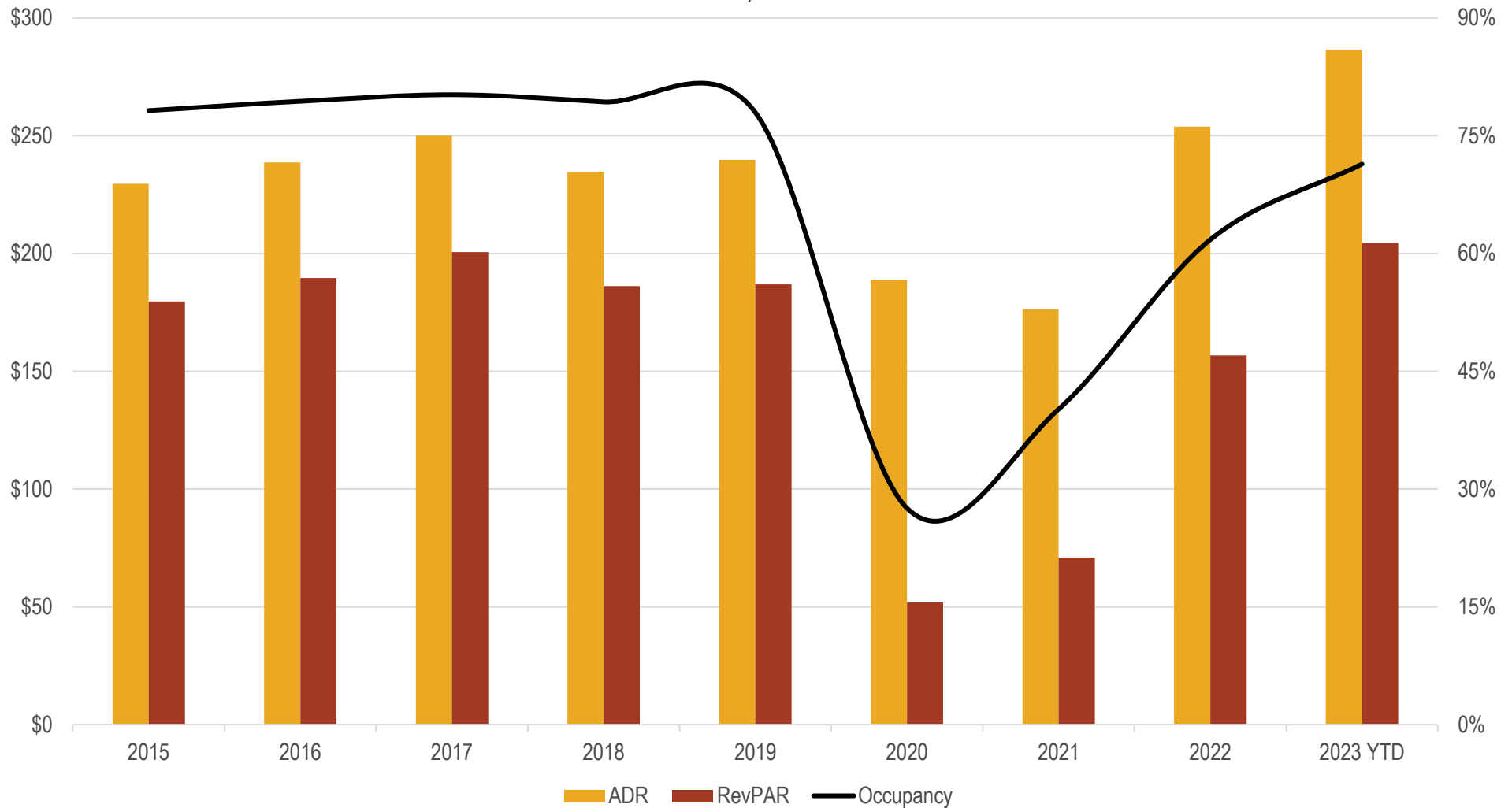
SUBAREA	VACANT SPACE	% OF VACANT SPACE	TOTAL SPACE	% OF ALL OFFICE SPACE	OVERALL VACANCY %
Downtown East / Judiciary Square	1,124,412	5.9%	10,295,044	8.1%	10.9%
Dupont Circle	1,200,394	6.3%	7,064,139	5.6%	17.0%
Farragut Square / 19th Street	6,607,229	34.9%	31,367,624	24.8%	21.1%
Federal Triangle	76,578	0.4%	8,162,972	6.5%	0.9%
Foggy Bottom	671,935	3.6%	11,281,767	8.9%	6.0%
Gallery Place / Chinatown	1,327,149	7.0%	13,034,196	10.3%	10.2%
McPherson Square / Franklin Park	3,577,164	18.9%	21,129,150	16.7%	16.9%
Metro Center / 15th Street	3,560,497	18.8%	21,387,320	16.9%	16.6%
West End	770,495	4.1%	2,692,203	2.1%	28.6%
ALL DOWNTOWN	18,915,853	100.0%	126,414,415	100.0%	15.0%

Source: CoStar; RCLCO

HOTEL MARKET TRENDS

AVERAGE DAILY RATES HAVE FULLY REBOUNDED FROM PANDEMIC LOWS AS BUSINESS AND LEISURE TRAVEL HAVE RESUMED, BOOSTING HOTEL PERFORMANCE

ADR, RevPAR, and Occupancy
Downtown D.C.; 2015-2023 YTD



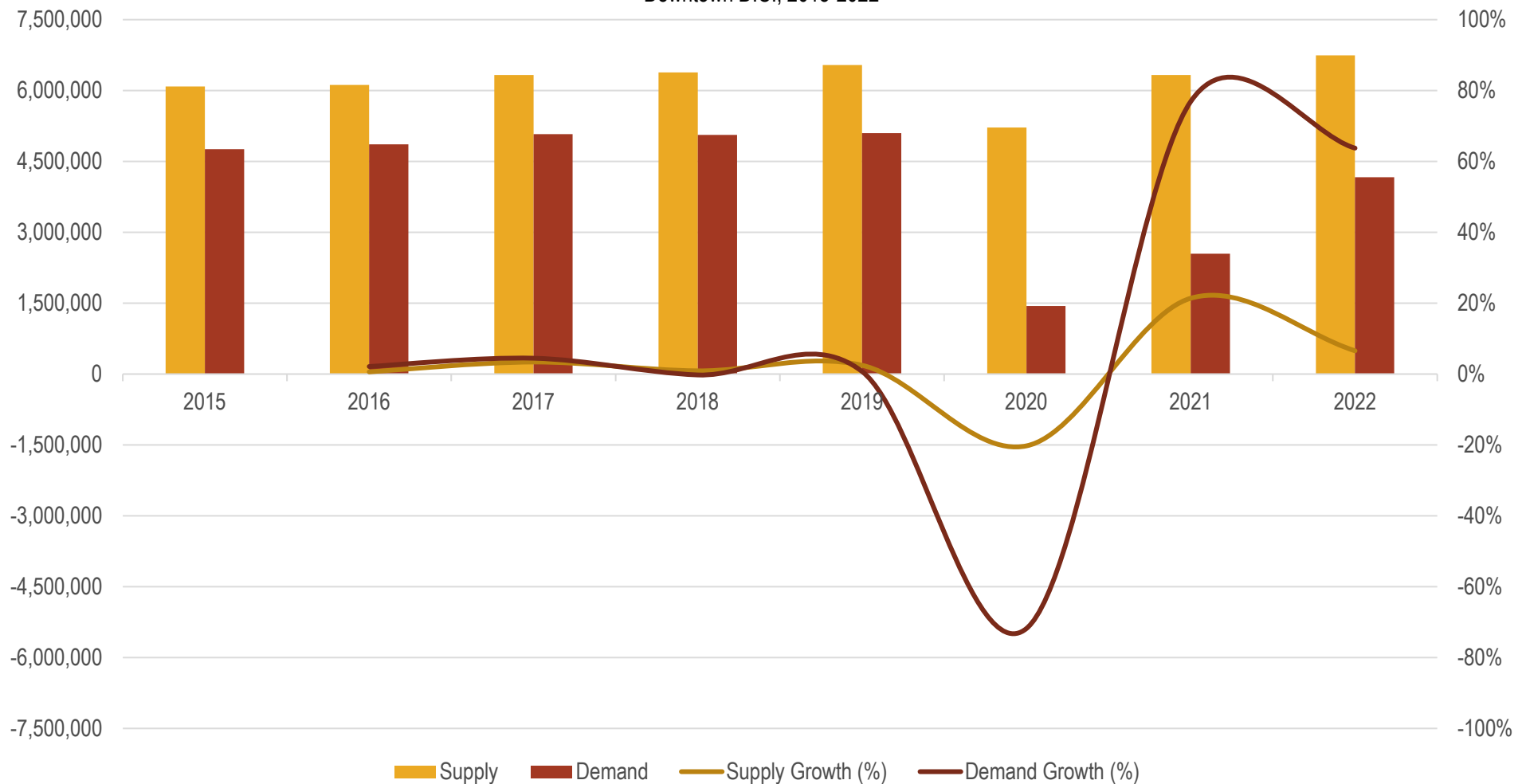
Source: Smith Travel Research; RCLCO

HOTEL SUPPLY AND DEMAND

TOTAL ROOM NIGHTS HAVE NOT YET REACHED PRE-PANDEMIC LEVELS, BUT DEMAND GROWTH REMAINS ABOVE TREND

- While complete data is not yet available for 2023, total year-to-date demand (from January through May) in the Golden Triangle exceeds 2019 demand over the same months and is approaching 2019 levels for the hotels within the DowntownDC BID area. All together, hotel demand in Downtown D.C. from January to May of 2023 is 95% of hotel demand over the same range of months in 2019.

Hotel Supply and Demand
Downtown D.C.; 2015-2022

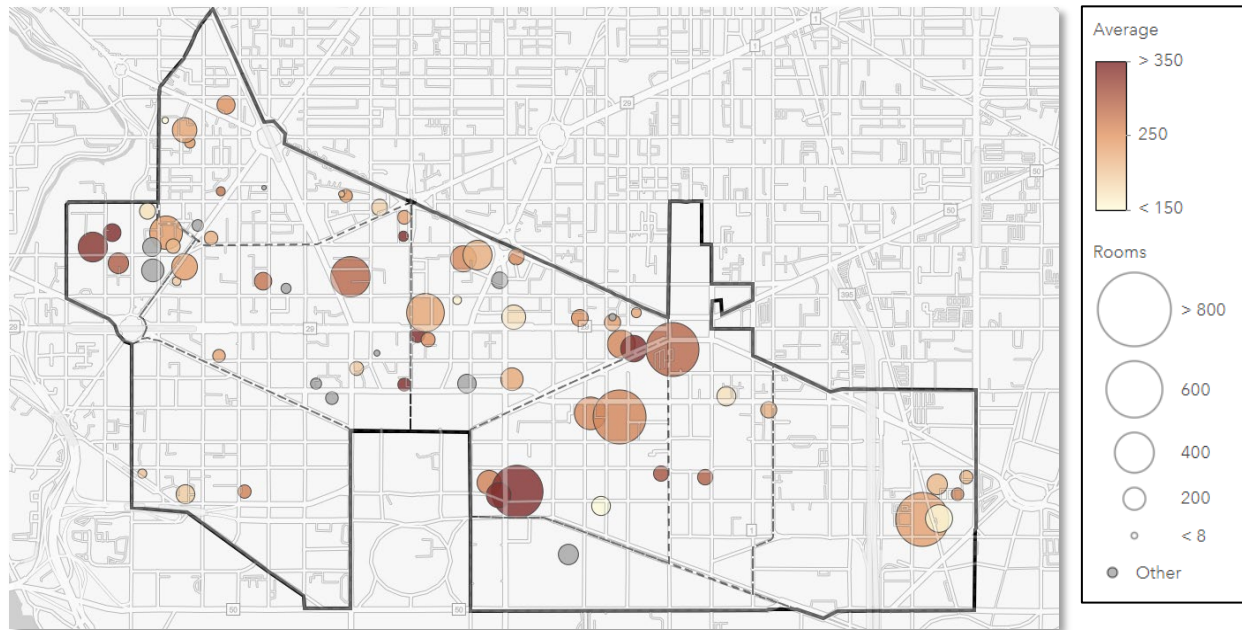


Source: Smith Travel Research; RCLCO

HOTEL RACK RATES

PROXIMITY TO KEY ATTRACTIONS—SUCH AS THE CONVENTION CENTER—DRIVES NIGHTLY RATE PREMIUMS, BUT HIGH-PERFORMING HOTELS ARE WELL-DISPERSED THROUGHOUT DOWNTOWN

Hotel Rack Rates
Downtown D.C.; July 2023



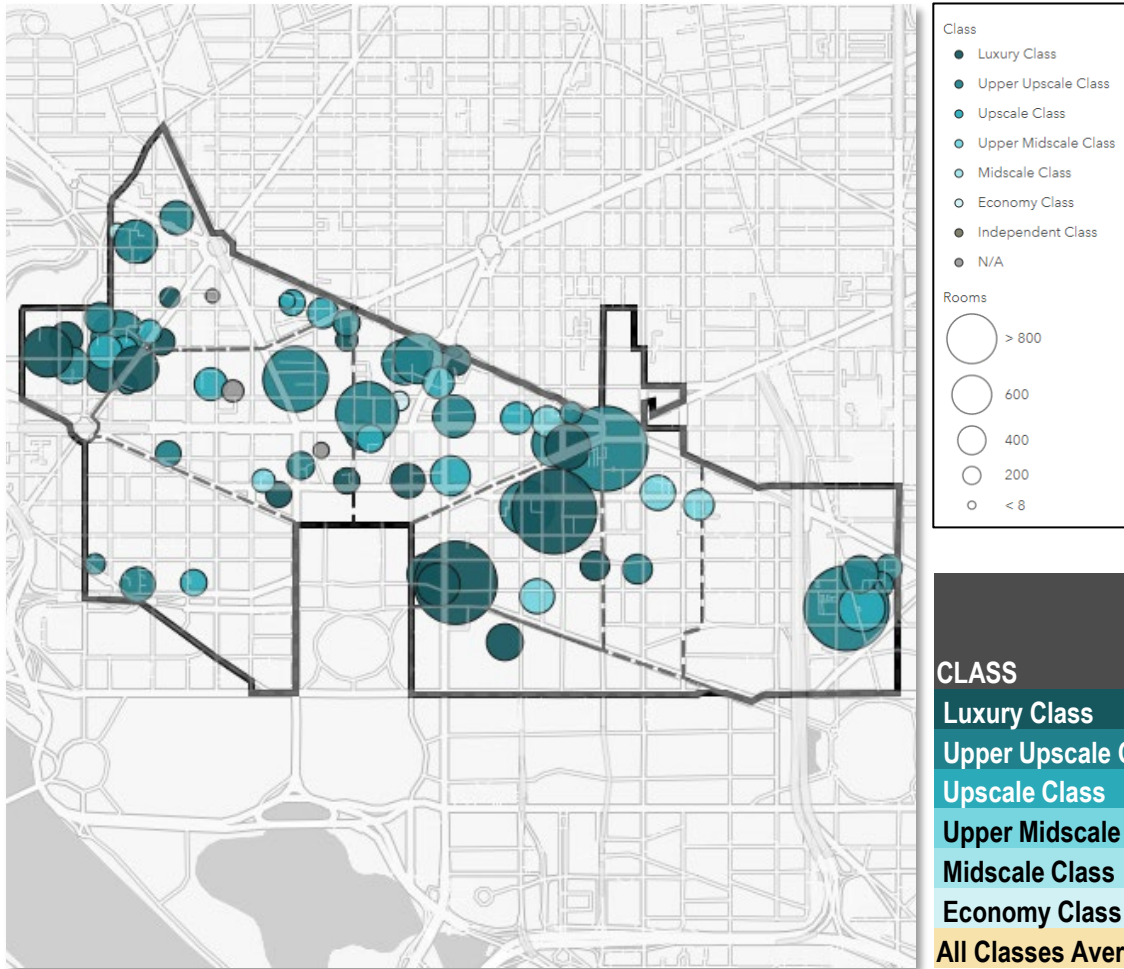
SUBAREA	NUMBER OF HOTELS	TOTAL ROOMS	AVG. NUMBER OF ROOMS	AVG. RACK RATE
Downtown East / Judiciary Square	5	1,770	354	\$217
Dupont Circle	11	1,456	132	\$211
Farragut Square / 19th Street	13	2,318	178	\$232
Federal Triangle	1	263	263	N/A
Foggy Bottom	3	473	158	\$221
Gallery Place / Chinatown	4	1,434	359	\$264
McPherson Square / Franklin Park	16	3,929	246	\$239
Metro Center / 15th Street	8	3,577	447	\$296
West End	8	2,273	284	\$216
ALL DOWNTOWN	69	17,493	254	\$239

Source: Smith Travel Research; RCLCO

HOTEL CLASSES

LUXURY HOTELS ARE CONCENTRATED IN METRO CENTER AND WEST END; AVERAGE RACK RATES DROP OFF FOR LOWER-QUALITY PRODUCT

Hotels by Class
Downtown D.C.; July 2023



Average Rack Rate by Class
Downtown D.C.; July 2023



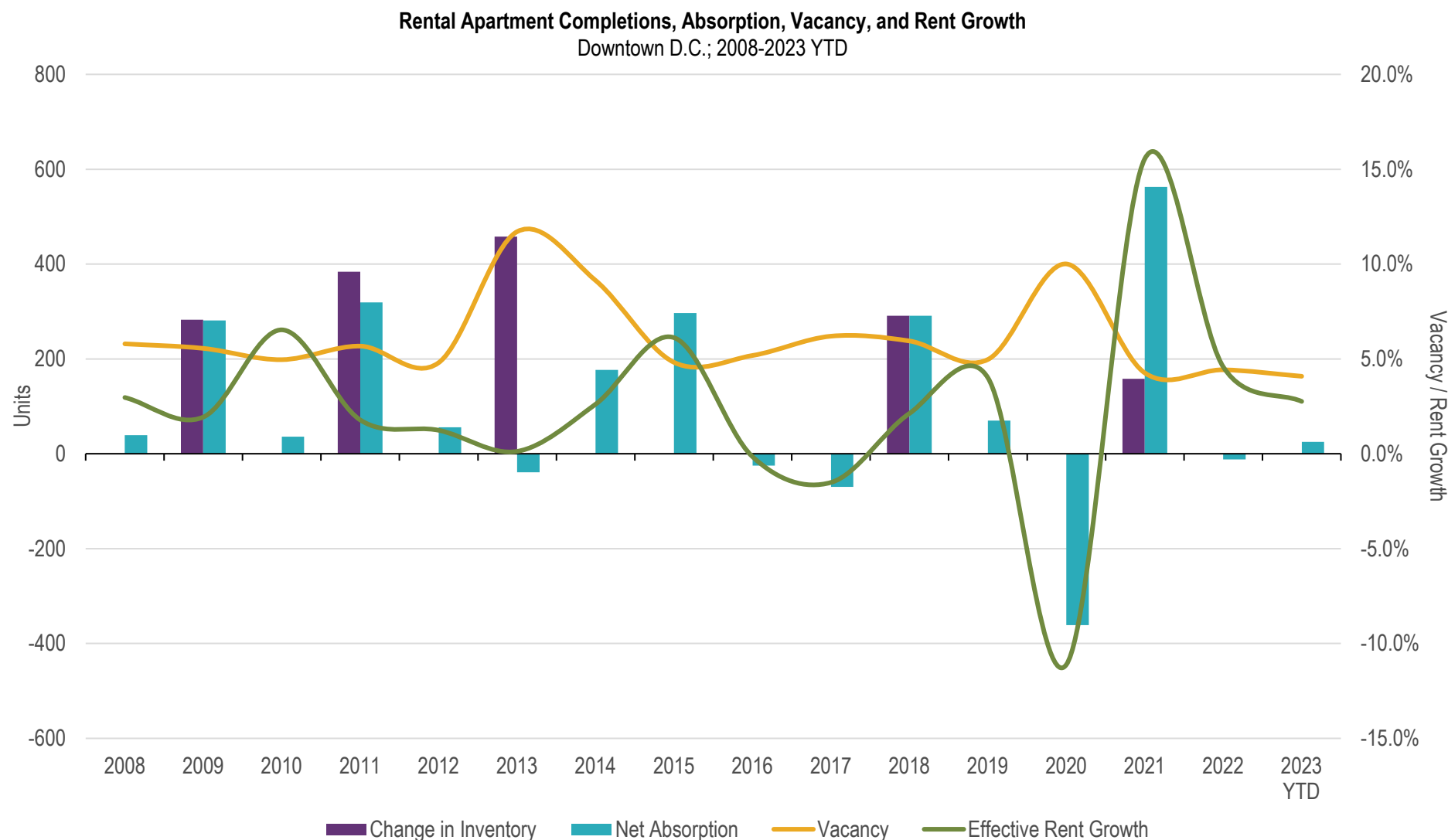
CLASS	NUMBER OF HOTELS	TOTAL ROOMS	AVG. NUMBER OF ROOMS	AVG. RACK RATE
Luxury Class	19	5,649	297	\$278
Upper Upscale Class	25	7,905	316	\$247
Upscale Class	14	2,631	188	\$177
Upper Midscale Class	5	1,001	200	\$171
Midscale Class	1	40	40	\$143
Economy Class	1	75	75	\$159
All Classes Average*	69	17,493	254	\$239

*Note: Totals and averages include unclassified and independent hotels.

Source: Smith Travel Research; RCLCO

APARTMENT MARKET TRENDS

AFTER SEVERAL YEARS OF INSTABILITY, APARTMENT MARKET FUNDAMENTALS IN DOWNTOWN D.C. HAVE NOW SETTLED AND MIRROR PRE-PANDEMIC CONDITIONS



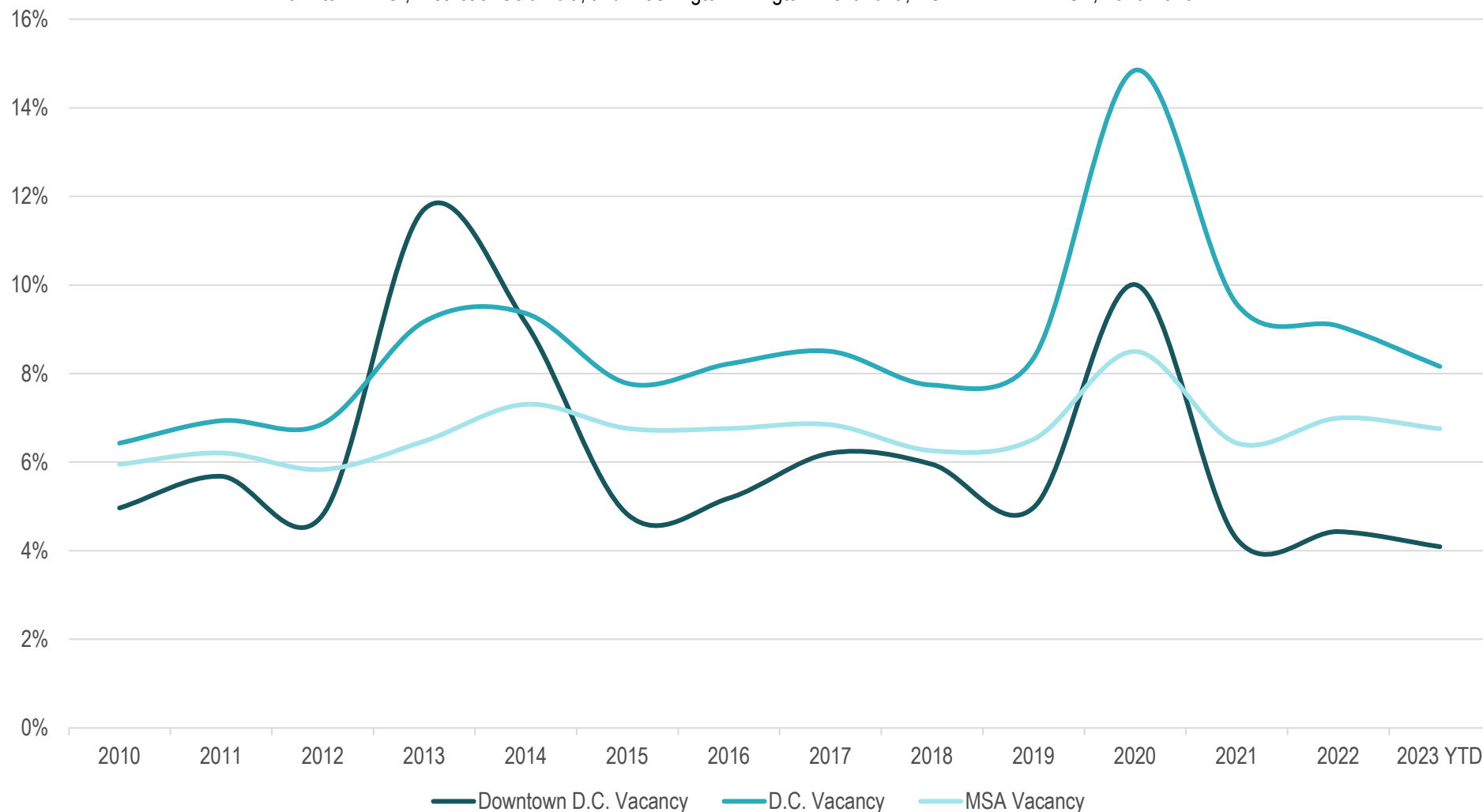
Source: CoStar; RCLCO

APARTMENT VACANCY

A LACK OF APARTMENT DEVELOPMENT IN DOWNTOWN D.C. HAS PLACED DOWNWARD PRESSURE ON VACANCY RATES

Rental Apartment Vacancy

Downtown D.C., District of Columbia, and Washington-Arlington-Alexandria, DC-VA-MD-WV MSA; 2010-2023 YTD

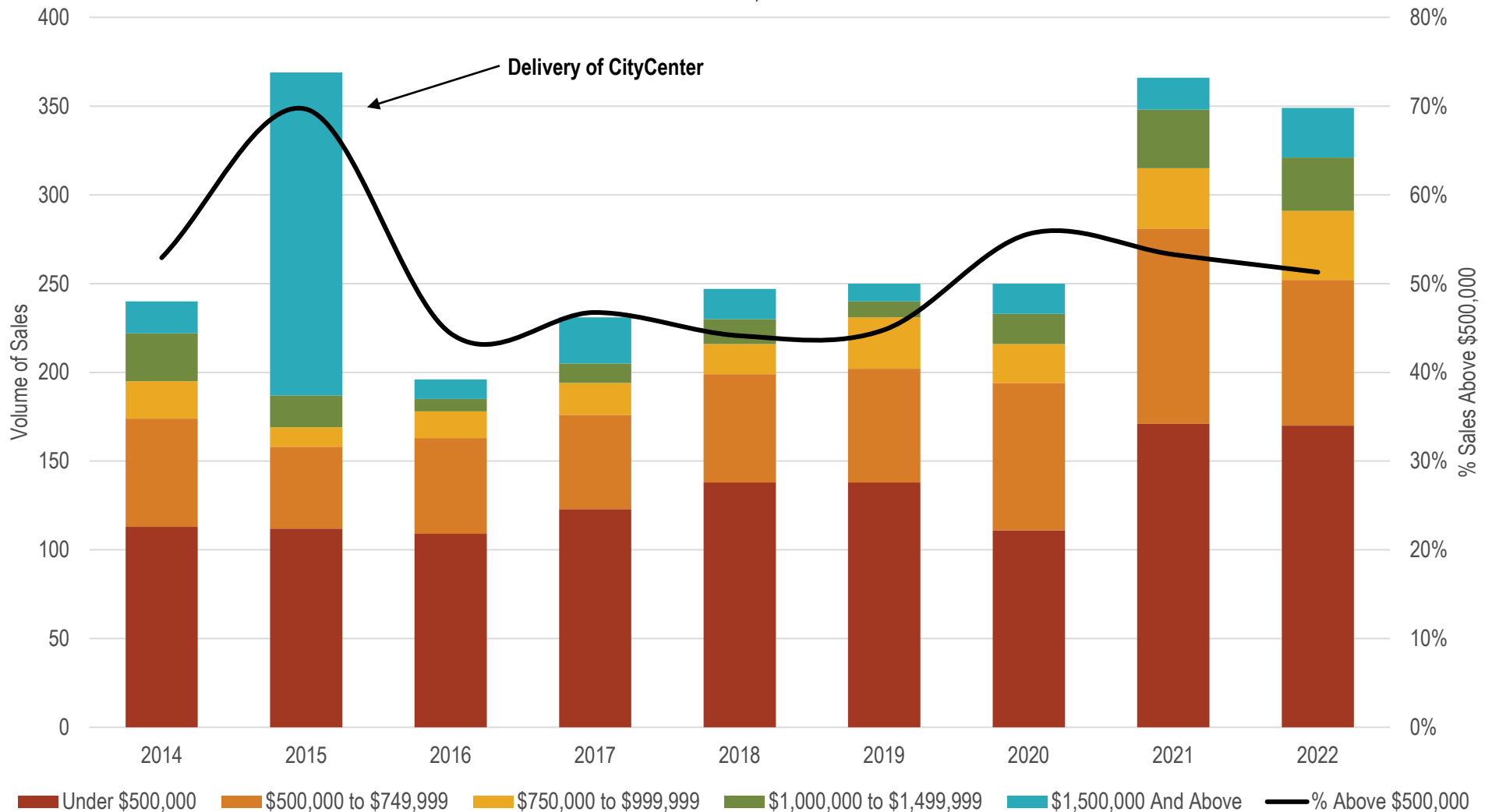


Source: CoStar; RCLCO

FOR-SALE MARKET TRENDS

DOWNTOWN D.C. HAS SEEN STEADY PRICE APPRECIATION IN ITS FOR-SALE RESIDENTIAL MARKET, WITH NEW CONDOMINIUM DELIVERIES RAISING THE PRICE CEILING

Volume and Price Distribution of All Sales
Downtown D.C.; 2014-2022

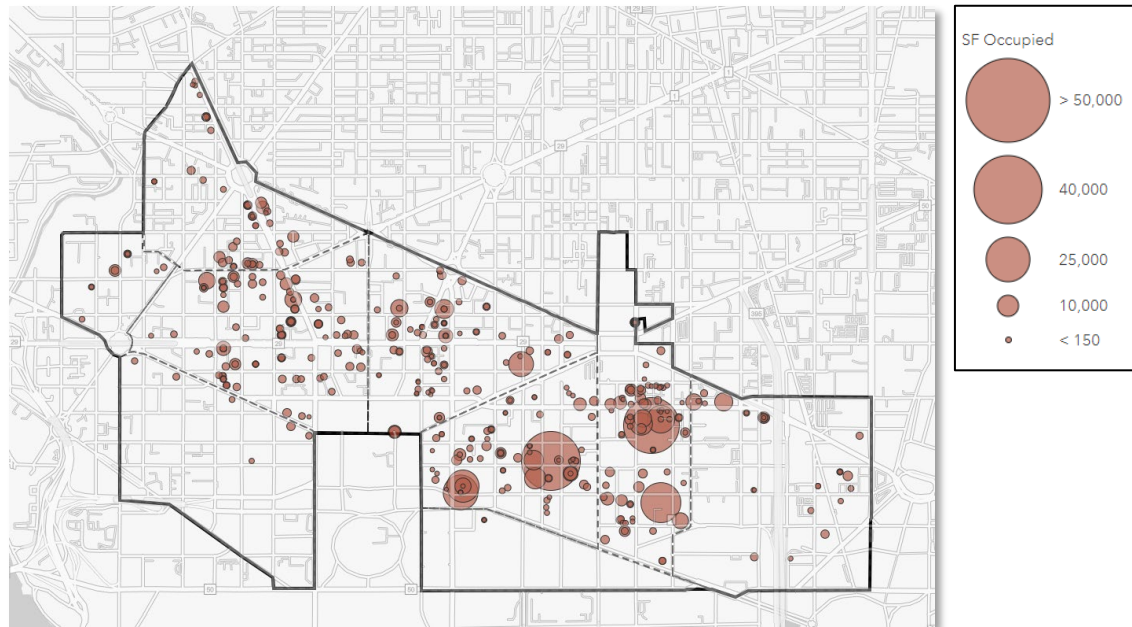


Source: RealQuest; RCLCO

RETAIL MARKET TRENDS

PANDEMIC-INDUCED STRESS IN THE RETAIL MARKET HAS APPEARED TO PERSIST, WITH A DECLINE IN DAYTIME FOOT TRAFFIC DRIVING ELEVATED VACANCIES ALONG COMMERCIAL CORRIDORS

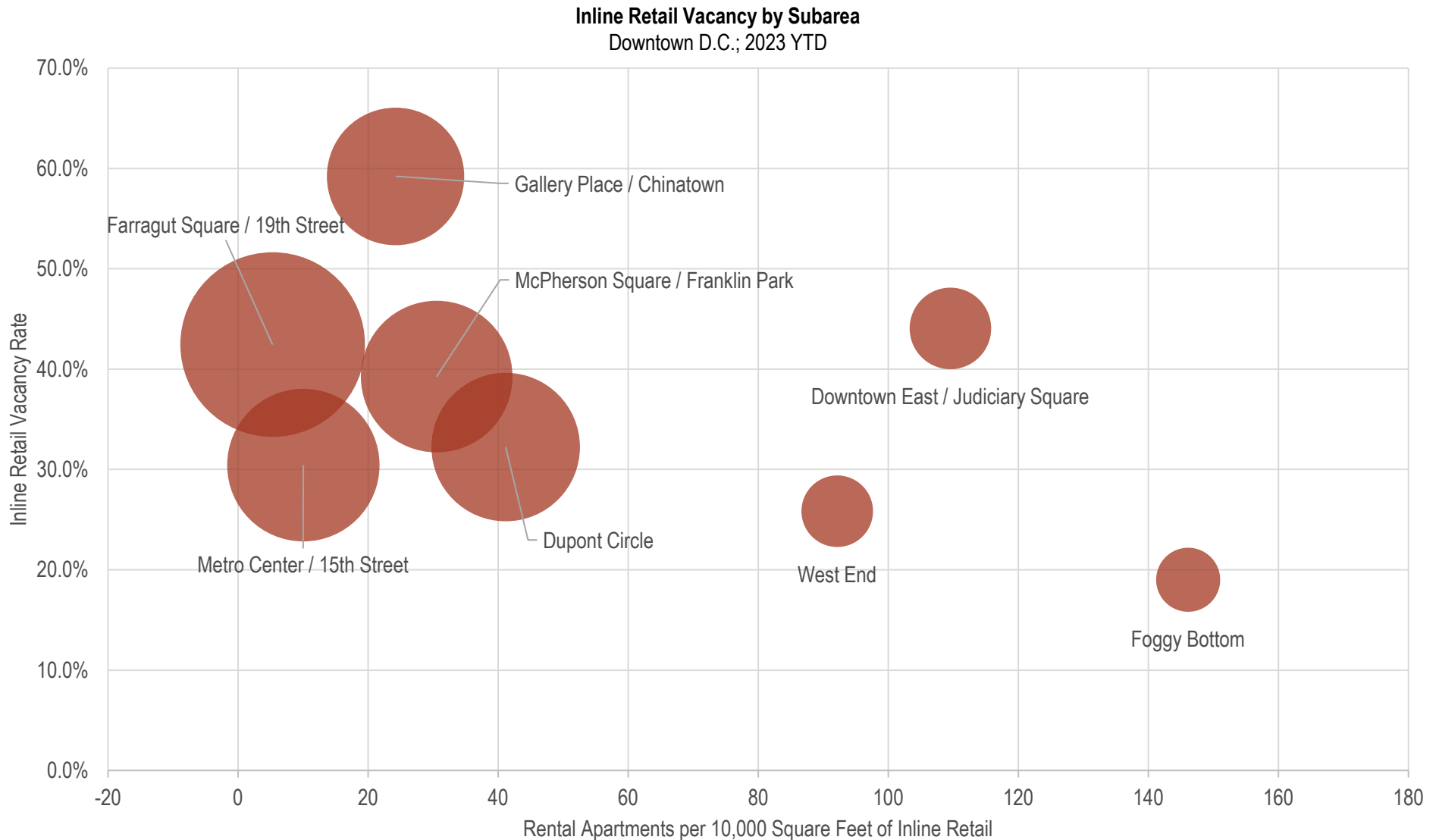
Map and Summary of Vacant Retail Space
Downtown D.C.; 2023 YTD



GEOGRAPHY	TOTAL VACANT SPACES	TOTAL VACANT SQUARE FEET	MEDIAN SIZE OF VACANT SPACE	% OF DOWNTOWN VACANT SPACE
Downtown East / Judiciary Square	26	82,100	2,109	5.3%
Dupont Circle	47	148,900	2,678	9.6%
Farragut Square / 19th Street	97	327,300	2,678	21.0%
Federal Triangle	3	2,500	560	0.2%
Foggy Bottom	6	15,500	2,535	1.0%
Gallery Place / Chinatown	88	379,800	2,585	24.4%
McPherson Square / Franklin Park	86	248,900	2,174	16.0%
Metro Center / 15th Street	76	327,900	1,787	21.0%
West End	10	26,200	2,229	1.7%
ALL DOWNTOWN	439	1,558,900	2,678	100.0%

Source: CoStar; Tochter & Alexander; RCLCO

INLINE RETAIL IS MORE WELL-OCCUPIED IN SUBAREAS WITH A LARGER 24/7 MARKET AUDIENCE



Note: RCLCO filtered for retail spaces smaller than 7,500 square feet as a proxy for inline retail. Bubbles sized by total amount of inline retail.

Source: CoStar; RCLCO

COMPETITIVE POSITIONING

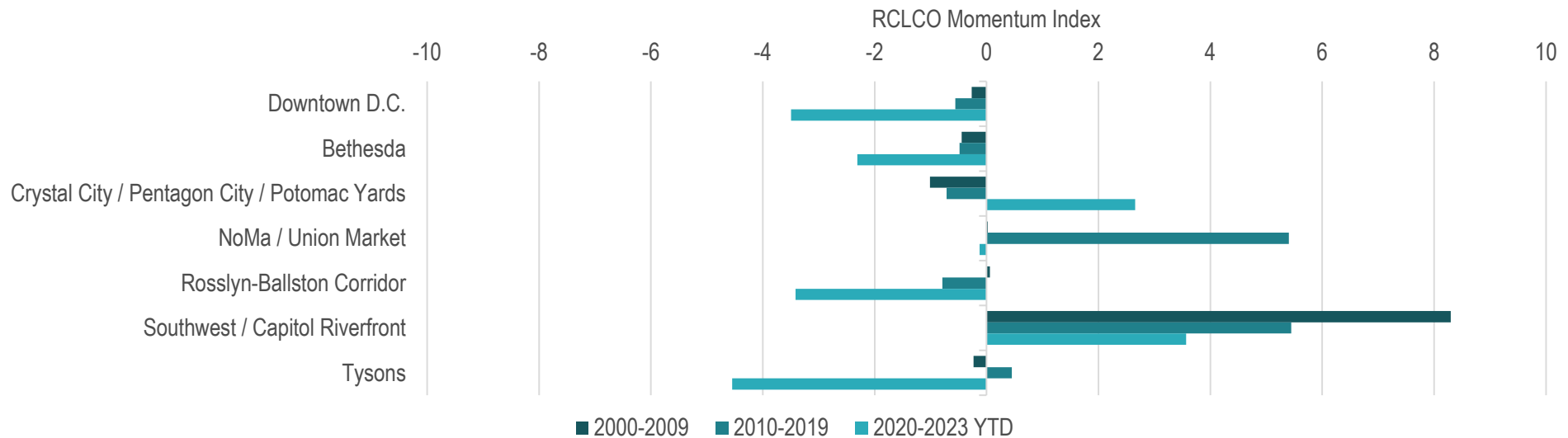
OFFICE MARKET SHARE

WHILE DOWNTOWN D.C. IS STILL THE DOMINANT OFFICE SUBMARKET IN TERMS OF OVERALL SCALE, IT HAS LOST MARKET SHARE TO EMERGING SUBMARKETS THROUGHOUT THE REGION, ESPECIALLY IN THE WAKE OF THE PANDEMIC

- To understand office market competition between Downtown and more emerging office submarkets, RCLCO constructed a momentum index based on over/underperformance relative to each submarket's fair share of MSA net absorption.

RCLCO Momentum Index

Downtown D.C. and Regionally Competitive Submarkets; 2008-2023 YTD

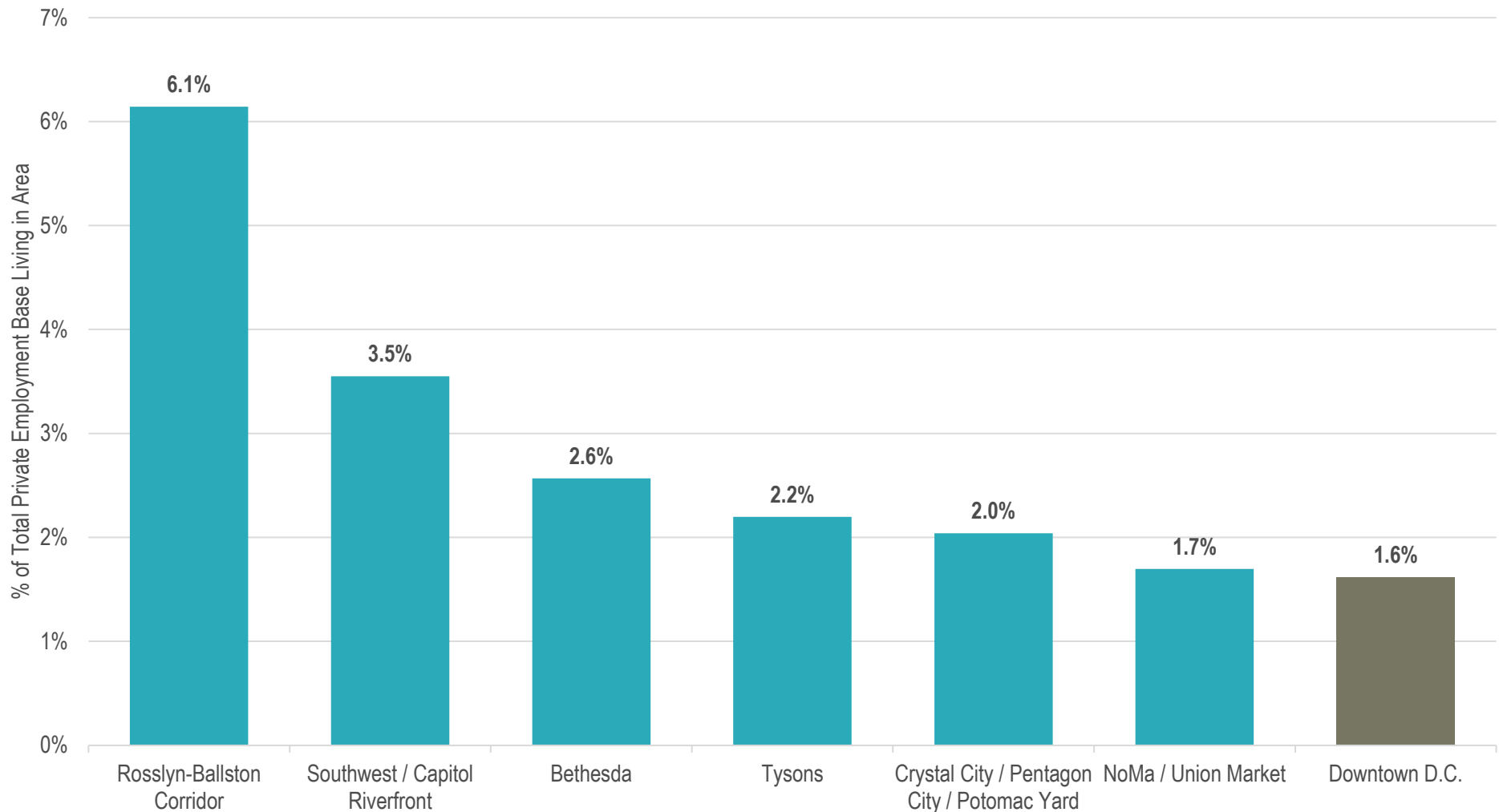


SUBMARKET	2000-2009			2010-2019			2020-2023 YTD		
	NET ABSORPTION	FAIR SHARE OF MSA NET ABSORPTION	MOMENTUM INDEX	NET ABSORPTION	FAIR SHARE OF MSA NET ABSORPTION	MOMENTUM INDEX	NET ABSORPTION	FAIR SHARE OF MSA NET ABSORPTION	MOMENTUM INDEX
Downtown D.C.	1,178,859	1,604,378	-0.27	339,451	767,165	-0.56	-1,108,475	-444,252	-3.50
Bethesda	78,166	141,325	-0.45	32,686	63,131	-0.48	-51,484	-39,370	-2.31
Crystal City / Pentagon City / Potomac Yards	-2,356	207,442	-1.01	28,460	99,183	-0.71	214,353	-58,583	2.66
NoMa / Union Market	78,962	77,058	0.02	365,559	57,084	5.40	33,494	-38,301	-0.13
Rosslyn-Ballston Corridor	380,043	358,154	0.06	38,697	183,789	-0.79	-255,605	-105,810	-3.42
Southwest / Capitol Riverfront	289,651	31,159	8.30	228,420	35,422	5.45	116,725	-25,556	3.57
Tysons	294,686	384,120	-0.23	265,317	182,909	0.45	-391,225	-110,313	-4.55

Source: CoStar; RCLCO

DUE TO A LACK OF HOUSING OPTIONS, FEWER PEOPLE WHO WORK IN DOWNTOWN D.C. ALSO LIVE THERE

Employment Base Living in Submarket
Downtown D.C. and Regionally Competitive Submarkets; 2019

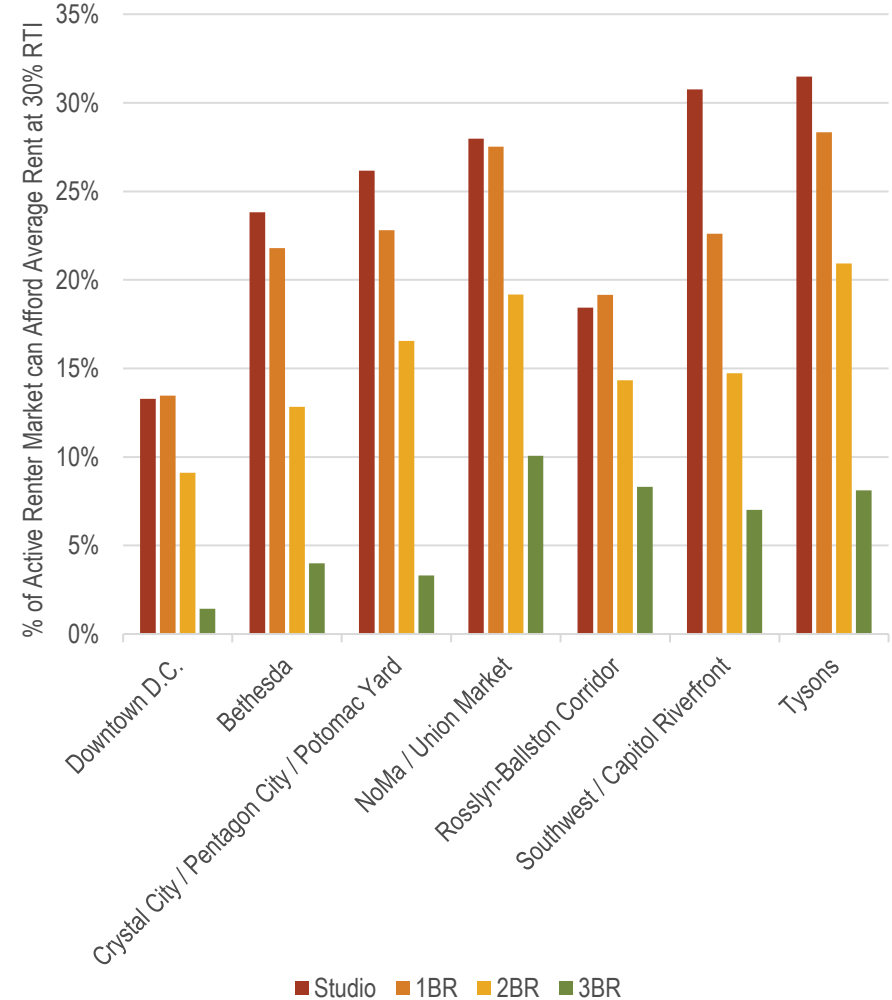
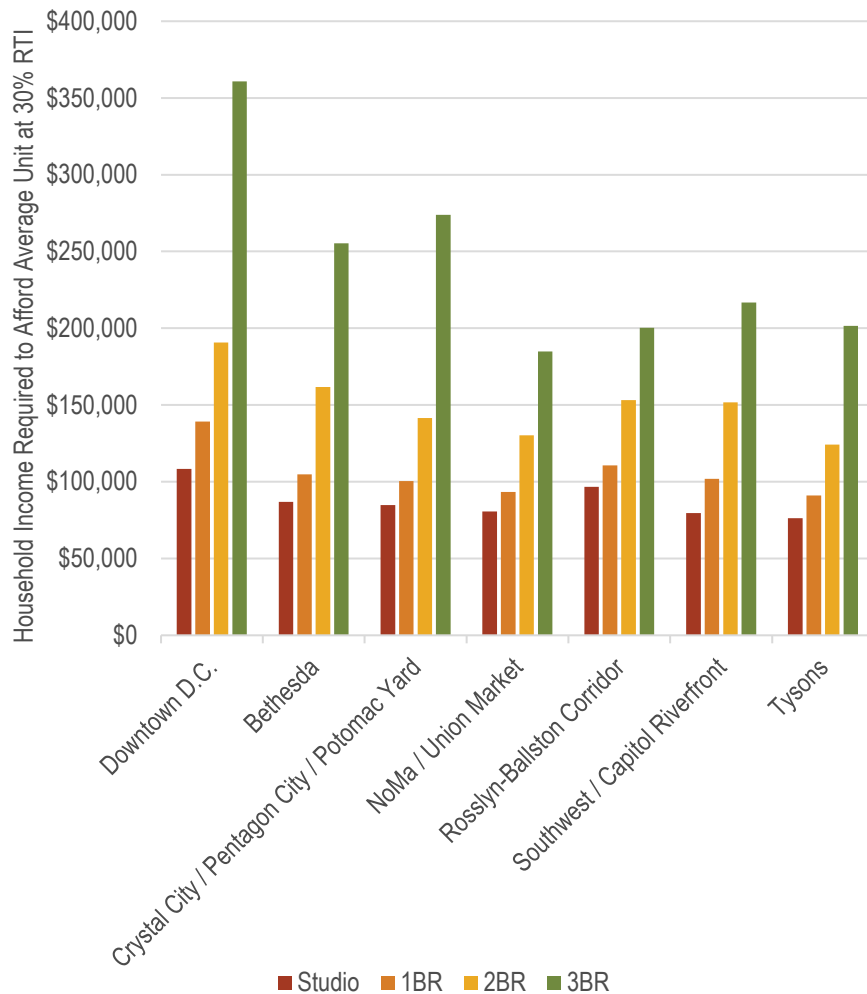


Source: U.S. Census LEHD; RCLCO

HOUSING AFFORDABILITY

THE FEW HOUSING OPTIONS THAT DO EXIST FOR PROSPECTIVE RENTERS IN DOWNTOWN D.C. ARE ALSO PROHIBITIVELY EXPENSIVE FOR MOST HOUSEHOLDS, AND THEREFORE CATER TO A NARROWER MARKET AUDIENCE

Affordability of Newer Apartments (Built 2010+) by Submarket
Downtown D.C. and Regionally Competitive Submarkets; July 2023



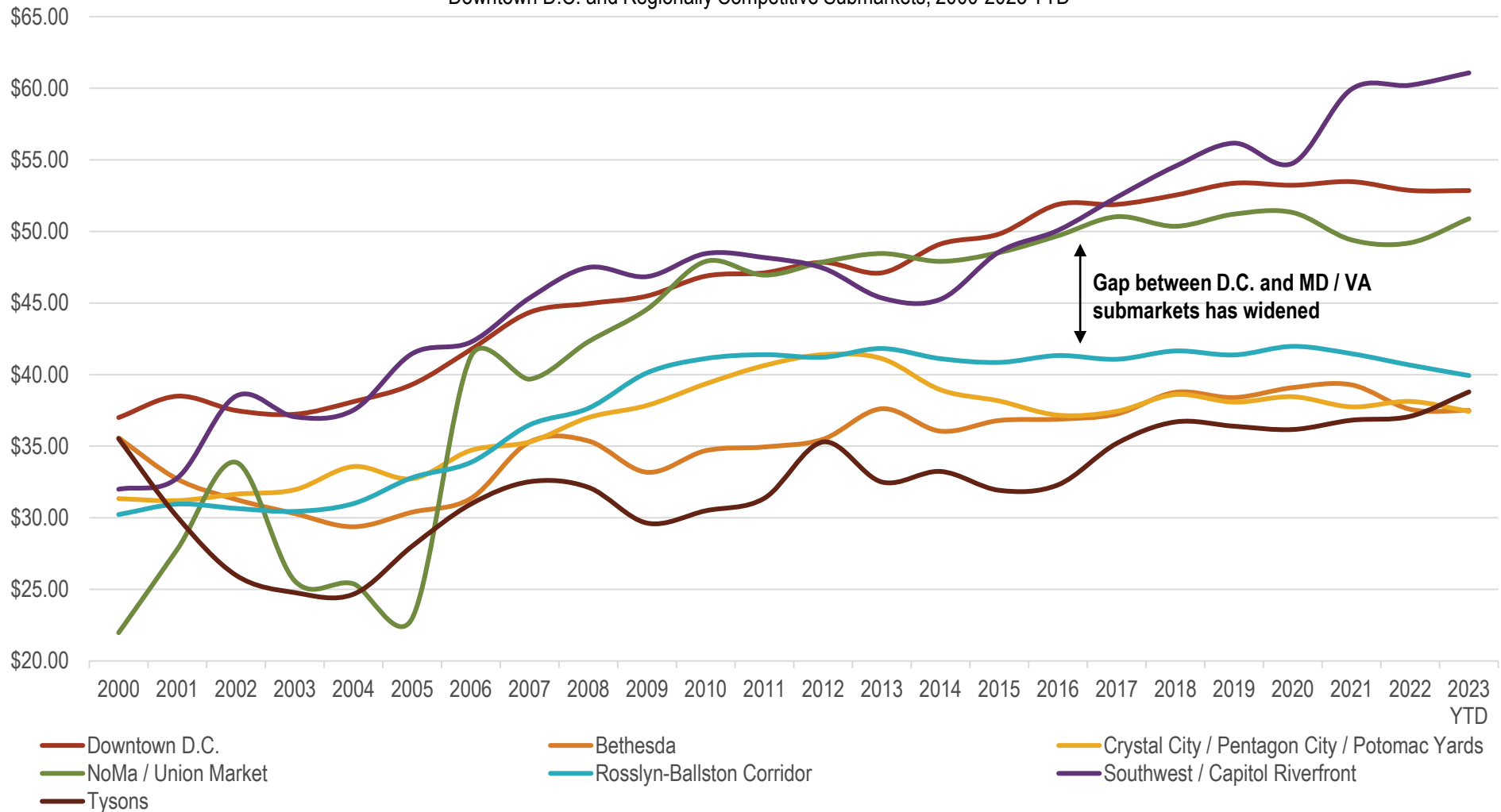
Source: CoStar; ACS PUMS; RCLCO

OFFICE RENT TRENDS

ONE OF DOWNTOWN D.C.'S PRIMARY VULNERABILITIES IS THE ABILITY FOR FIRMS TO LEASE NEWER AND HIGH-QUALITY SPACE AT SIMILAR IF NOT SUPERIOR PRICE POINTS IN EMERGING SUBMARKETS ELSEWHERE IN THE REGION

Average Base Office Rent

Downtown D.C. and Regionally Competitive Submarkets; 2000-2023 YTD



Source: CoStar; RCLCO

SWOT ANALYSIS

THE OFFICE MARKET IN DOWNTOWN D.C. FACES CHALLENGES IN ADAPTING TO MODERN TRENDS AND SHIFTS IN DEMAND

STRENGTHS

- **The historical significance of Downtown D.C.** as the core office area of the Washington, D.C., region gives it an established reputation, despite recent stress. This reputation is an attractive quality for businesses seeking a prestigious address, particularly those seeking proximity to government agencies (e.g. federal contractors).
- **The presence of the federal government** has attracted and sustained a significant portion of office demand, offering stability and reliability even during periods of economic downturn. While federal hybrid work policies have persisted post-pandemic, the federal presence has buffered overall occupancy in the market, including in the legacy, privately-owned product that is suffering the most amid the ongoing flight to quality.
- The **large office stock** in Downtown surpasses that of many peer cities, making it an attractive choice for businesses seeking ample office space and proximity to a diverse tenant mix.

WEAKNESSES

- **The predominant focus on commercial** uses and lack of a mixed-use environment may hinder post-pandemic office market performance, as modern trends favor more integrated and vibrant office spaces that cater to diverse needs and preferences, and that are proximate to the locations in which employees live.
- Older office buildings, particularly unrenovated 1980s-vintage product, might face challenges in meeting the **evolving demands of businesses and tenants**, as they lack modern amenities, energy-efficient features, and technological capacity.
- The **dispersion of vacant office space** throughout Downtown D.C. makes large-scale office conversions less feasible as a solution to address high vacancy rates, potentially leading to a prolonged challenge in filling vacancies and repurposing underutilized properties.

OPPORTUNITIES

- The **emergence of newer office nodes** throughout Downtown D.C. presents the opportunity to accelerate mixed-use development, attract unique businesses, and improve the public realm.
- **Strategic renovations** can competitively reposition older office properties while catering to modern preferences and technological needs, justifying the price premium of Downtown D.C. office space vis-à-vis competitive submarkets elsewhere in the region.
- Sustained decline in office valuations makes **more complex conversions** financially feasible, mitigating oversupply in the Downtown office market while also diversifying land use in office-dominated areas (e.g. Golden Triangle).

THREATS

- **Long-term structural risk** in the office sector, driven by the persistence of hybrid work arrangements and the decoupling of employment growth and space demand, could lead to prolonged challenges in filling vacancies and retaining tenants, especially in older office properties that may face obsolescence and limited appeal to modern businesses.
- If Downtown D.C. fails to adapt to the demand for more integrated and dynamic office spaces, **emerging submarkets** in the region might continue to draw market share away from Downtown due to their ability to compete on price and quality of space, leading to decreased demand for office space in the Downtown area and increased competition for tenants.

Source: RCLCO

ROBUST FUNDAMENTALS CREATE OPPORTUNITY TO EXPAND HOUSING OPTIONS IN DOWNTOWN D.C.

STRENGTHS

- **Market fundamentals** for both for-sale and rental residential remain strong in the wake of pandemic disruptions. Rental apartment buildings are very well-occupied, likely due to clear supply constraints. On the for-sale side, condominium deliveries included as part of major mixed-use developments (e.g. CityCenter) have pushed the price ceiling in the market, increasing the desirability of Downtown living.
- **The large amount of office employment in Downtown D.C.** provides a built-in demand pool for housing in the neighborhood.

WEAKNESSES

- **The scarcity of housing options** is a significant challenge today, especially along central commercial corridors, where the long-time focus on commercial development has limited housing availability. By comparison, competitive submarkets elsewhere in the region have managed to diversify their housing stock and increase the supply of rental and for-sale housing, augmenting Downtown's competitive disadvantage.
- The rental and for-sale residential markets in Downtown D.C. cater to **narrow market audiences** due to a lack of price point and product type segmentation. As a result, a renter household actively on the market is more likely to choose to live outside of Downtown, where a greater diversity of housing options are available at a more accessible price point.
- Today, there are **relatively few neighborhood goods and services** in Downtown D.C., given the largely tourism- and office-centric nature of its retail market.

OPPORTUNITIES

- Amid the ongoing decline in office values, **opportunities to convert obsolete office buildings into residential** are emerging, which would add much-needed housing options in areas where office predominates today. However, it is worth emphasizing that office-to-residential conversions are expensive and can be financially infeasible in many cases. Additionally, public realm improvements are likely necessary to make living in office-dominated neighborhoods desirable for the segment of the rental market that can afford it.
- The **advent of more entertainment-focused retail** and other creative ways of filling in vacant ground-floor space along central corridors will increase activity in Downtown D.C. and make it a more desirable place to live long-term. This transformation has the potential to create a positive feedback loop, whereby added residential also serves to expand the retail market audience.

THREATS

- Absent a substantial change in the development trajectory and pace of public improvements in Downtown D.C., **competitive submarkets** are likely to eat away at its potential market share, as they continue to diversify their housing stock beyond the narrow band of residential products available in Downtown D.C. today.
- **Safety concerns and deficiencies in the public realm** are likely to deter prospective residents if not addressed going forward.

Source: RCLCO

THE HOTEL MARKET IN DOWNTOWN D.C. CONTINUES TO SHOW STRENGTH, AND IS AN IMPORTANT DRIVER OF TRAFFIC

STRENGTHS

- The Downtown D.C. hotel market benefits from a **variety of hotel options**, well-segmented by price and location, that offer access to the major office nodes and key attractions in the neighborhood. This environment reflects the diversity and resilience of local hotel demand drivers, with strong business and leisure travel.
- **Specific locational drivers**, such as the Convention Center, Capital One Arena, and the various tourist attractions in and around Downtown D.C., contribute to the ability of its hotels to command premium rates, especially during peak event seasons and periods of increased tourist activity.

WEAKNESSES

- The **lack of a fine-grained, mixed-use environment** in Downtown D.C. may limit the potential to drive additional value and demand for hotels in the post-pandemic era, where travelers increasingly seek more dynamic and integrated experiences, blurring the lines between work, leisure, and accommodation.
- The hotel market is **heavily exposed to fluctuations in travel demand**, economic downturns, travel restrictions, and shifts in consumer behavior, which can significantly impact occupancy rates and revenue streams. The impact of this dynamic was most recently felt during the COVID-19 pandemic, which the Downtown D.C. hotel market has only just recovered from.

OPPORTUNITIES

- Introducing more **mixed-use developments** that incorporate hotels alongside residential, retail, and entertainment spaces can create a dynamic and integrated experience for travelers, encouraging longer stays and repeat visits to Downtown D.C.
- The shift in demand in favor of more experiential/immersive travel will gradually incentivize **enhanced product segmentation** (e.g. focusing on unique amenities such as spa/wellness facilities, culinary experiences, etc.), which could help deepen the competitive advantage of Downtown D.C. over outlying submarkets by attracting a broader market audience.

THREATS

- **Technological disruptions**, including the ongoing shift towards remote work and virtual conferences, could limit hotel demand stemming from business travel, although Downtown D.C. will continue to be a natural location for other events that prop up hotel demand (e.g. global political summits).
- **Safety concerns** may limit the appeal of staying in more centrally located hotels if travelers have a choice to stay elsewhere.

Source: RCLCO

THE OFFICE-CENTRIC NATURE OF DOWNTOWN D.C. PRESENTS CHALLENGES FOR ITS RETAIL IN THE WAKE OF THE PANDEMIC

STRENGTHS

- The presence of **cultural and entertainment anchors**, such as the Convention Center and Capital One Arena, drives foot traffic to retail-heavy areas, providing opportunities for retailers to attract a wide range of customers seeking shopping experiences intertwined with leisure and entertainment.
- While the pandemic has caused significant disruption, Downtown D.C. still boasts a **significant daytime population** that provides retailers with ample opportunities to reach a steady stream of potential customers.
- Downtown D.C.'s retail market, specifically its restaurant offerings and traditional shopping, is particularly **well-suited to tourists**, who have driven a significant share of traffic to the Downtown area since the pandemic.

WEAKNESSES

- The predominantly **employee-driven nature** of the daytime population may pose challenges for retail businesses, especially during periods of reduced office activity or remote work, impacting foot traffic and consumer spending. These challenges are likely to be particularly common for central commercial corridors (19th St., K St., etc.), along which vacancy rates among smaller, ground-floor spaces are pushing 50-60%.
- **Persistent stress** in the retail market following the pandemic suggests a need for adaptation to changing consumer behaviors and preferences, with some retailers facing difficulties in sustaining occupancy and sales levels.

OPPORTUNITIES

- **Growing the 24/7 market audience** through increased residential development can create a more dynamic retail environment, ensuring consistent foot traffic from residents and tourists alike. Already, neighborhoods in Downtown D.C. with a greater mix of residential and commercial uses are showing more resilience as vacancy rates in the commercial core remain elevated post-pandemic.
- **Leveraging the cultural and entertainment offerings in Downtown D.C.** can attract residents from outside the area, promoting evening and weekend foot traffic, and generating opportunities for retailers to cater to diverse customer segments. Additionally, greater public realm activation and placemaking efforts can help make Downtown D.C. feel like more of a destination where visitors from the wider region want to spend time.

THREATS

- The **predominantly office-centric audience** might continue to constrain retail performance in the post-pandemic era, as remote work and stagnant office activity may continue to impact consumer behavior and spending patterns.
- **Failure to adapt to changing retail trends** and preferences could lead to decreased occupancy rates and potential vacancies in retail spaces, especially if retailers fail to provide unique experiences or align with evolving customer demands favoring more experiential retail models.

Source: RCLCO

THE NUMBER OF CULTURAL AND ENTERTAINMENT ANCHORS IN DOWNTOWN D.C. IS A KEY COMPETITIVE ADVANTAGE

STRENGTHS

- The cultural and entertainment anchors in Downtown D.C. are **unique and varied**, driving foot traffic from multiple sources to different areas within Downtown. For example, Capital One Arena attracts sports fans and concertgoers from throughout the region to Gallery Place/Chinatown, supporting surrounding retail businesses in the process. By contrast, the Convention Center and the National Portrait Gallery cater to very different audiences, but similarly benefit Downtown by increasing activity and foot traffic.
- Cultural institutions and entertainment venues in Downtown D.C. provide a **strong sense of place**, unique identity, and aesthetic variation in the built environment.

WEAKNESSES

- Many entertainment venues (e.g. theaters, entertainment-oriented retail) **lack substantial integration with other venues and surrounding uses**, meaning that while these uses create significant traffic, that traffic is less likely to result in spillover benefits to other uses and the public realm.
- While cultural institutions and entertainment anchors have succeeded in attracting a broad tourist audience, which has propped up overall Downtown D.C. visitation in the wake of the COVID-19 pandemic, **emerging competition from outlying submarkets** and **public realm deficiencies** have caused activity sourced from the wider region to decline.

OPPORTUNITIES

- Cultural institutions and entertainment venues—particularly large ones like the Convention Center and Capital One Arena—have **spurred development** in their respective areas, demonstrating how these anchors can be very effective at incentivizing mixed-use development in areas that otherwise might struggle to attract private investment.
- Further **integrating these venues with existing retail and public space activations** would help Downtown D.C. deepen its competitive advantage over other submarkets in the wider region.

THREATS

- **Lack of substantive investment in public realm improvements** could potentially limit foot traffic to these cultural and entertainment anchors and could even incentivize some to relocate away from Downtown D.C.

Source: RCLCO

DISCLAIMERS

CRITICAL ASSUMPTIONS

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

We assume that the economy and real estate markets will continue to recover, albeit at a moderating pace over the next 12 to 24 months. However, stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when an economic and real estate expansion will end. With the above in mind, we assume that the long-term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- ▶ COVID-19 pandemic continues to ease and does not require re-imposition of lockdown measures that could materially impact consumer confidence and the economy
- ▶ GDP, employment, and household growth and other key demographic and economic patterns
- ▶ The cost of development and construction
- ▶ Tax laws, monetary policy, and other major legislation (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- ▶ Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- ▶ Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand
- ▶ Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.



APPENDIX: SUPPORTING EXHIBITS

I. PROFILES OF PEER CITY DOWNTOWNS

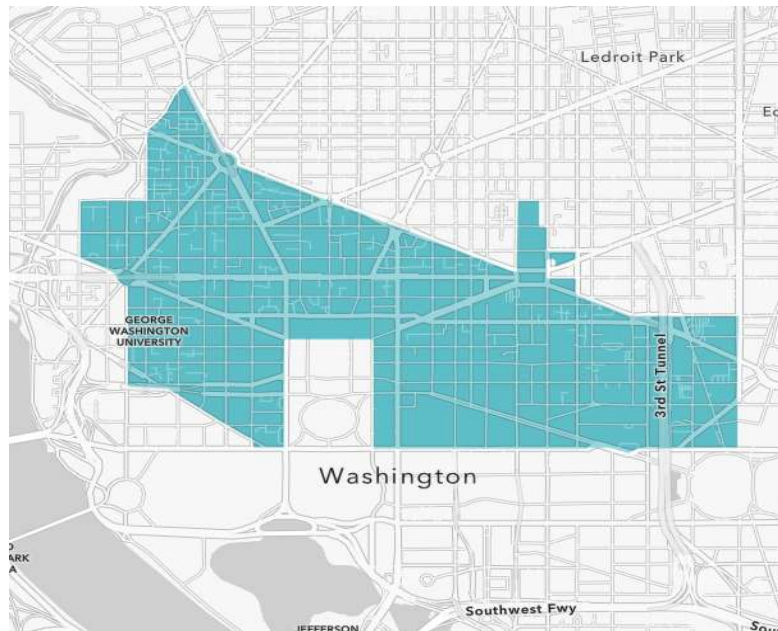
52

Exhibit I-1	Summary Downtown Characteristics; Downtown Washington, D.C.; July 2023
Exhibit I-2	Summary Downtown Characteristics; Downtown New York; July 2023
Exhibit I-3	Summary Downtown Characteristics; Downtown Los Angeles; July 2023
Exhibit I-4	Summary Downtown Characteristics; Downtown San Francisco; July 2023
Exhibit I-5	Summary Downtown Characteristics; Downtown Boston; July 2023
Exhibit I-6	Summary Downtown Characteristics; Downtown Miami; July 2023
Exhibit I-7	Summary Downtown Characteristics; Downtown Philadelphia; July 2023
Exhibit I-8	Summary Downtown Characteristics; Downtown Seattle; July 2023
Exhibit I-9	Summary Downtown Characteristics; Downtown Chicago; July 2023
Exhibit I-10	Summary Downtown Characteristics; Downtown Atlanta; July 2023
Exhibit I-11	Summary Downtown Characteristics; Downtown Denver; July 2023
Exhibit I-12	Summary Downtown Characteristics; Downtown Minneapolis; July 2023
Exhibit I-13	Summary Downtown Characteristics; Downtown Austin; July 2023
Exhibit I-14	Summary Downtown Characteristics; Downtown Cleveland; July 2023
Exhibit I-15	Summary Downtown Characteristics; Downtown Columbus; July 2023
Exhibit I-16	Summary Downtown Characteristics; Downtown Cincinnati; July 2023
Exhibit I-17	Summary Downtown Characteristics; Downtown Baltimore; July 2023
Exhibit I-18	Summary Downtown Characteristics; Downtown Nashville; July 2023
Exhibit I-19	Summary Downtown Characteristics; Downtown Charlotte; July 2023
Exhibit I-20	Summary Downtown Characteristics; Downtown Dallas; July 2023
Exhibit I-21	Summary Downtown Characteristics; Downtown Houston; July 2023

I. PROFILES OF PEER CITY DOWNTOWNS

Exhibit I-1

Summary Downtown Characteristics Downtown Washington, D.C. July 2023



SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	109,716,523
% Change in Office Inventory (2010-2022)	8.65%
Office Average Asking Rent	\$52.85
RENTAL APARTMENTS	
Total Rental Apartment Units	8,612
% Change in Rental Apartment Inventory (2010-2022)	19.02%
Rental Apartment Average Asking Rent	\$2,796
HOTEL	
Total Hotel Rooms	17,493
% Change in Hotel Inventory (2010-2022)	14.86%
Est. Average Hotel ADR	\$260
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	11
Total Museums ¹	18

¹ Only included spaces from comprehensive inventory that are 10,000 square feet or more.
Source: CoStar; RCLCO

Exhibit I-2

Summary Downtown Characteristics
Downtown New York
July 2023

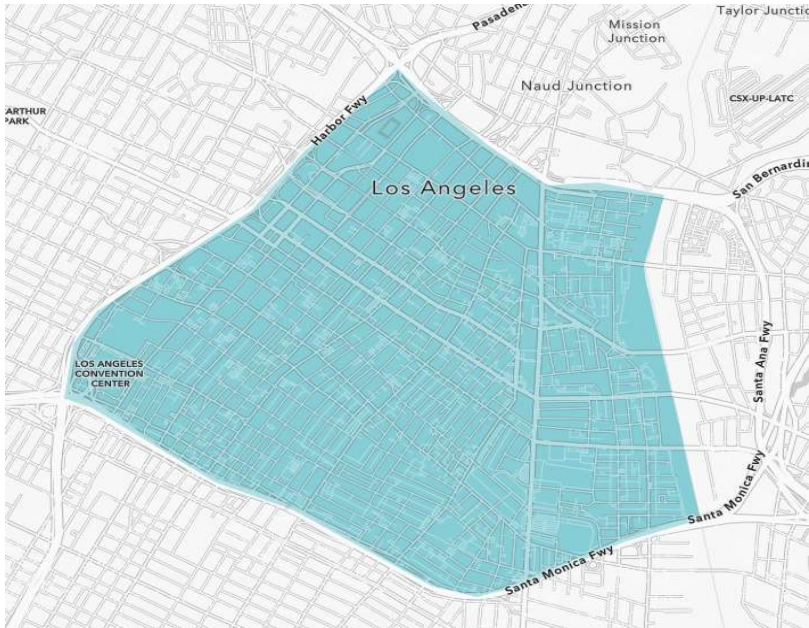


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	85,371,135
% Change in Office Inventory (2010-2022)	11.47%
Office Average Asking Rent	\$48.42
RENTAL APARTMENTS	
Total Rental Apartment Units	13,543
% Change in Rental Apartment Inventory (2010-2022)	23.56%
Rental Apartment Average Asking Rent	\$4,380
HOTEL	
Total Hotel Rooms	8,650
% Change in Hotel Inventory (2010-2022)	106.20%
Est. Average Hotel ADR	\$261
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	2
Total Museums	8

Exhibit I-3

Summary Downtown Characteristics
Downtown Los Angeles
July 2023

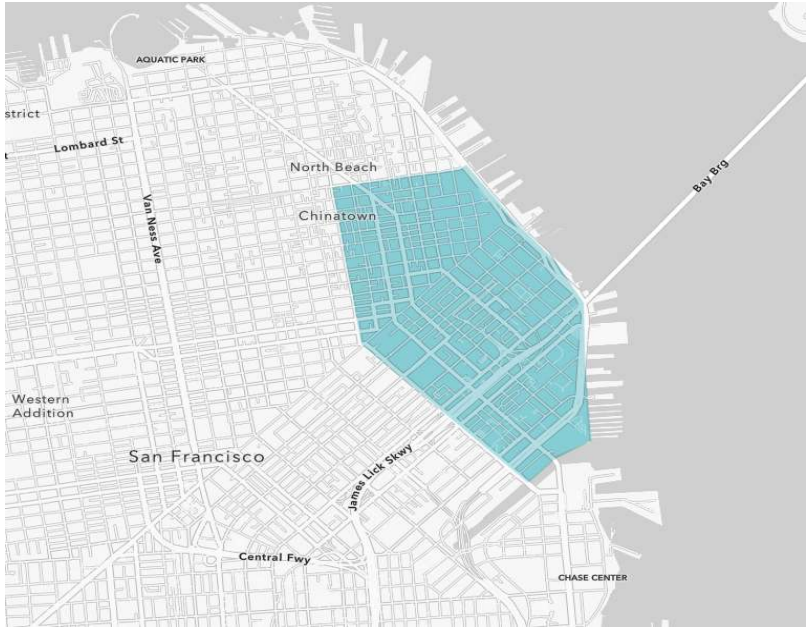


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS		
OFFICE		
Total Office Square Feet		61,274,111
% Change in Office Inventory (2010-2022)		4.06%
Office Average Asking Rent		\$33.96
RENTAL APARTMENTS		
Total Rental Apartment Units		33,516
% Change in Rental Apartment Inventory (2010-2022)		91.98%
Rental Apartment Average Asking Rent		\$2,663
HOTEL		
Total Hotel Rooms		11,339
% Change in Hotel Inventory (2010-2022)		46.94%
Est. Average Hotel ADR		\$221
OTHER		
Total Major Sports Stadiums/Venues		1
Total Theaters/Cinemas		13
Total Museums		5

Exhibit I-4

Summary Downtown Characteristics
Downtown San Francisco
July 2023

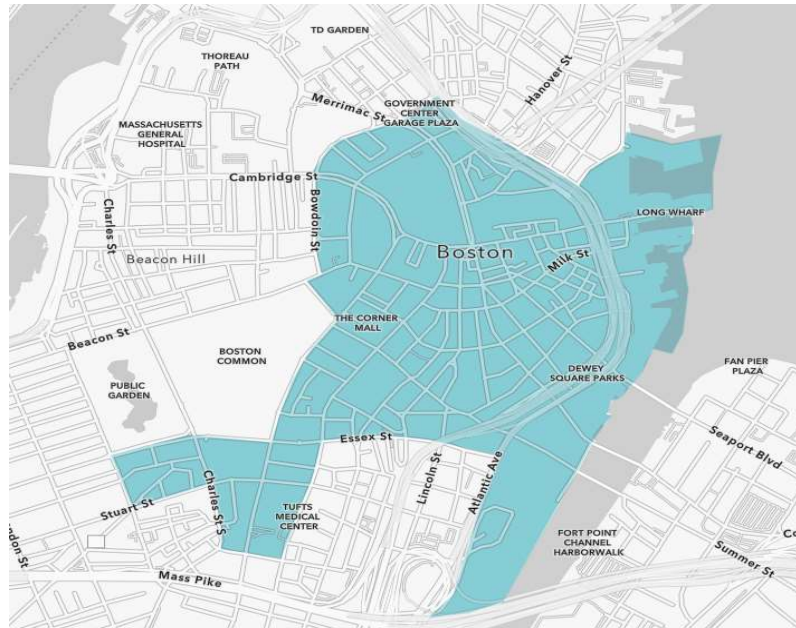


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	80,541,273
% Change in Office Inventory (2010-2022)	9.34%
Office Average Asking Rent	\$48.07
RENTAL APARTMENTS	
Total Rental Apartment Units	11,706
% Change in Rental Apartment Inventory (2010-2022)	60.11%
Rental Apartment Average Asking Rent	\$3,686
HOTEL	
Total Hotel Rooms	8,941
% Change in Hotel Inventory (2010-2022)	4.66%
Est. Average Hotel ADR	\$275
OTHER	
Total Major Sports Stadiums/Venues	1
Total Theaters/Cinemas	4
Total Museums	5

Exhibit I-5

Summary Downtown Characteristics Downtown Boston July 2023

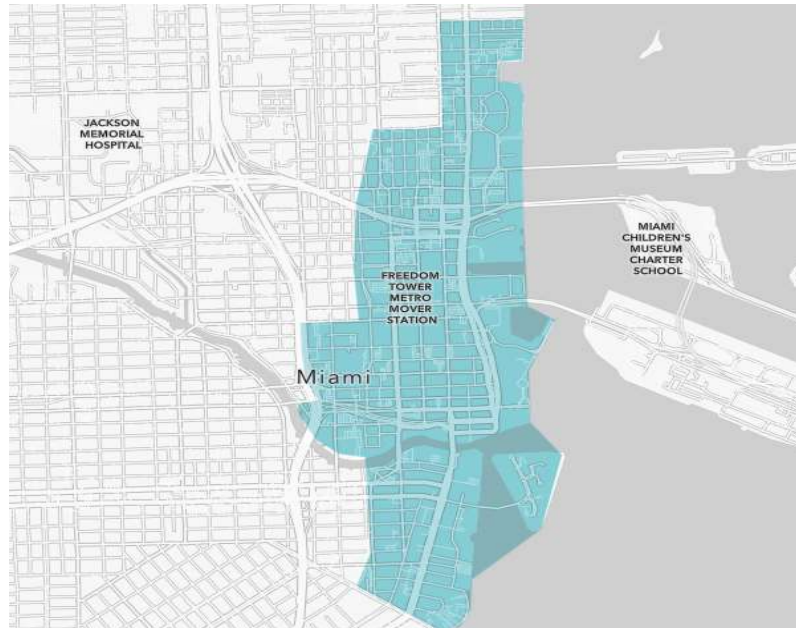


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	50,106,919
% Change in Office Inventory (2010-2022)	1.64%
Office Average Asking Rent	\$41.26
RENTAL APARTMENTS	
Total Rental Apartment Units	3,197
% Change in Rental Apartment Inventory (2010-2022)	75.47%
Rental Apartment Average Asking Rent	\$3,834
HOTEL	
Total Hotel Rooms	6,909
% Change in Hotel Inventory (2010-2022)	17.11%
Est. Average Hotel ADR	\$283
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	6
Total Museums	3

Exhibit I-6

Summary Downtown Characteristics Downtown Miami July 2023

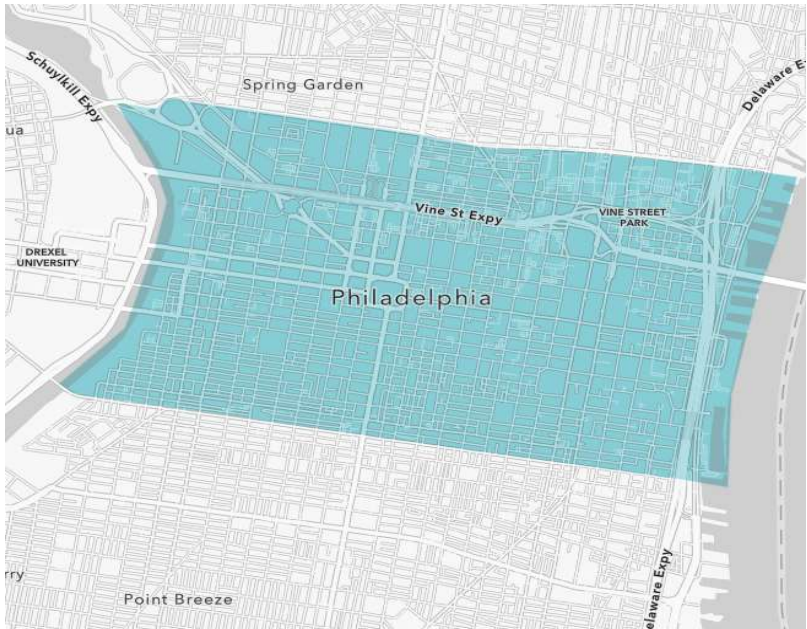


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	21,494,241
% Change in Office Inventory (2010-2022)	8.69%
Office Average Asking Rent	\$59.95
RENTAL APARTMENTS	
Total Rental Apartment Units	13,233
% Change in Rental Apartment Inventory (2010-2022)	225.94%
Rental Apartment Average Asking Rent	\$2,888
HOTEL	
Total Hotel Rooms	9,294
% Change in Hotel Inventory (2010-2022)	40.39%
Est. Average Hotel ADR	\$259
OTHER	
Total Major Sports Stadiums/Venues	1
Total Theaters/Cinemas	4
Total Museums	6

Exhibit I-7

Summary Downtown Characteristics
Downtown Philadelphia
July 2023

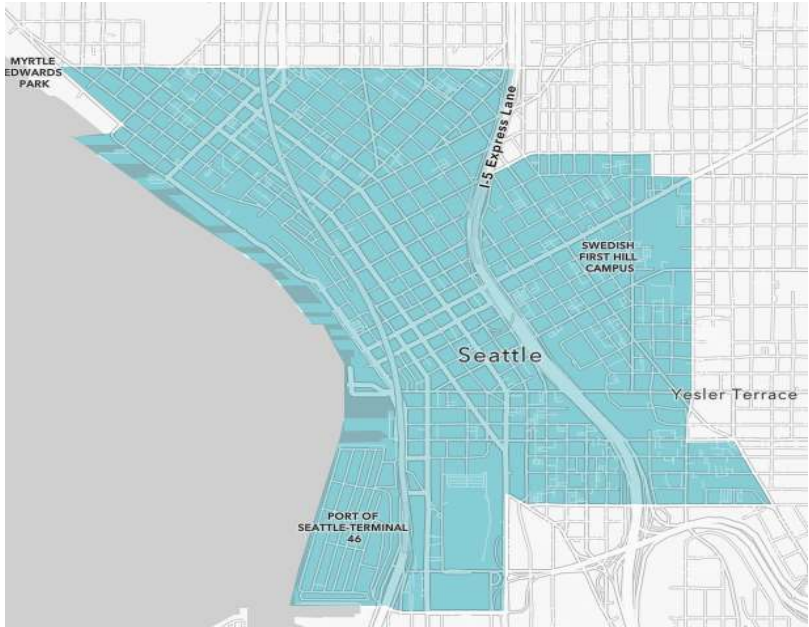


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	68,051,181
% Change in Office Inventory (2010-2022)	3.19%
Office Average Asking Rent	\$30.80
RENTAL APARTMENTS	
Total Rental Apartment Units	32,934
% Change in Rental Apartment Inventory (2010-2022)	46.11%
Rental Apartment Average Asking Rent	\$2,245
HOTEL	
Total Hotel Rooms	13,099
% Change in Hotel Inventory (2010-2022)	30.93%
Est. Average Hotel ADR	\$213
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	9
Total Museums	9

Exhibit I-8

Summary Downtown Characteristics
Downtown Seattle
July 2023



Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	61,899,574
% Change in Office Inventory (2010-2022)	23.80%
Office Average Asking Rent	\$35.58
RENTAL APARTMENTS	
Total Rental Apartment Units	35,911
% Change in Rental Apartment Inventory (2010-2022)	82.76%
Rental Apartment Average Asking Rent	\$2,194
HOTEL	
Total Hotel Rooms	13,685
% Change in Hotel Inventory (2010-2022)	33.77%
Est. Average Hotel ADR	\$223
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	9
Total Museums	7

Exhibit I-9

Summary Downtown Characteristics
Downtown Chicago
July 2023

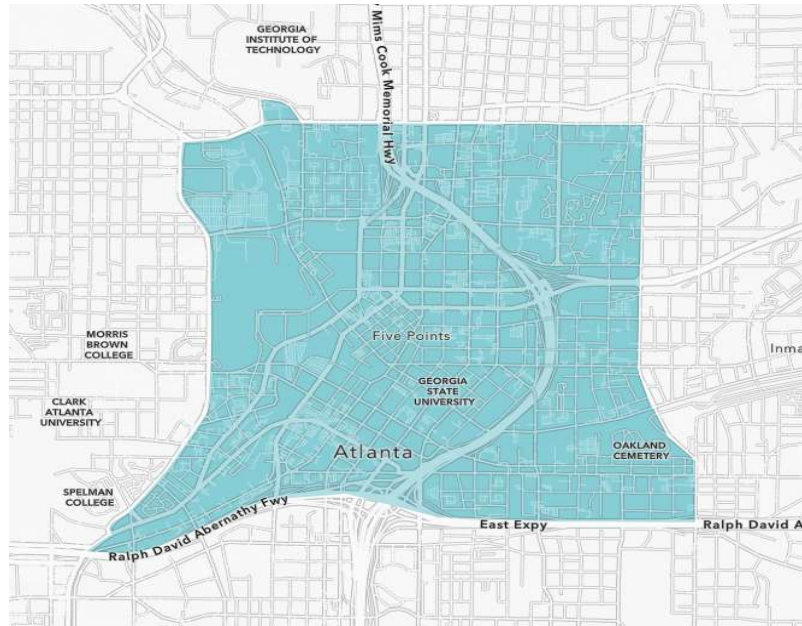


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	149,579,094
% Change in Office Inventory (2010-2022)	2.95%
Office Average Asking Rent	\$27.13
RENTAL APARTMENTS	
Total Rental Apartment Units	32,096
% Change in Rental Apartment Inventory (2010-2022)	94.28%
Rental Apartment Average Asking Rent	\$2,843
HOTEL	
Total Hotel Rooms	38,310
% Change in Hotel Inventory (2010-2022)	21.15%
Est. Average Hotel ADR	\$225
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	14
Total Museums	9

Exhibit I-10

Summary Downtown Characteristics Downtown Atlanta July 2023

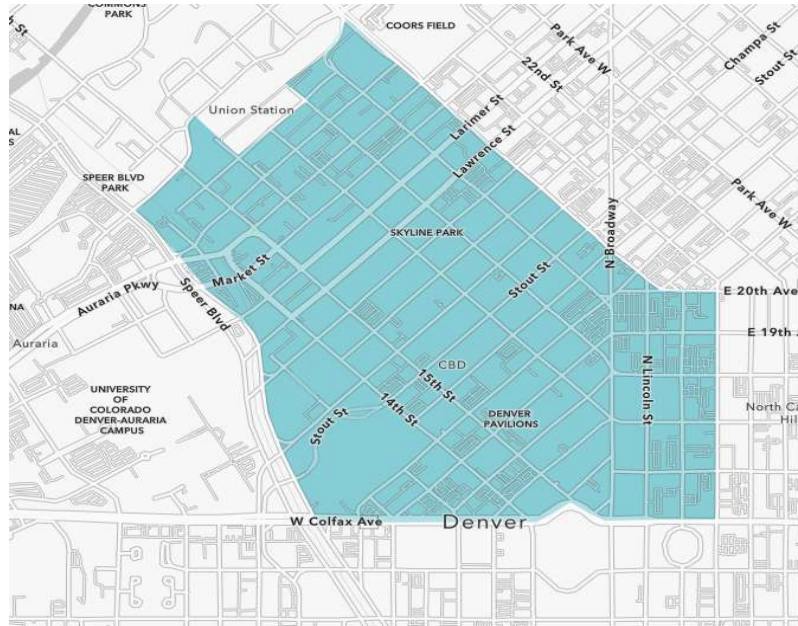


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	36,505,399
% Change in Office Inventory (2010-2022)	0.14%
Office Average Asking Rent	\$28.88
RENTAL APARTMENTS	
Total Rental Apartment Units	11,329
% Change in Rental Apartment Inventory (2010-2022)	56.16%
Rental Apartment Average Asking Rent	\$1,635
HOTEL	
Total Hotel Rooms	12,820
% Change in Hotel Inventory (2010-2022)	10.35%
Est. Average Hotel ADR	\$192
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	5
Total Museums	8

Exhibit I-11

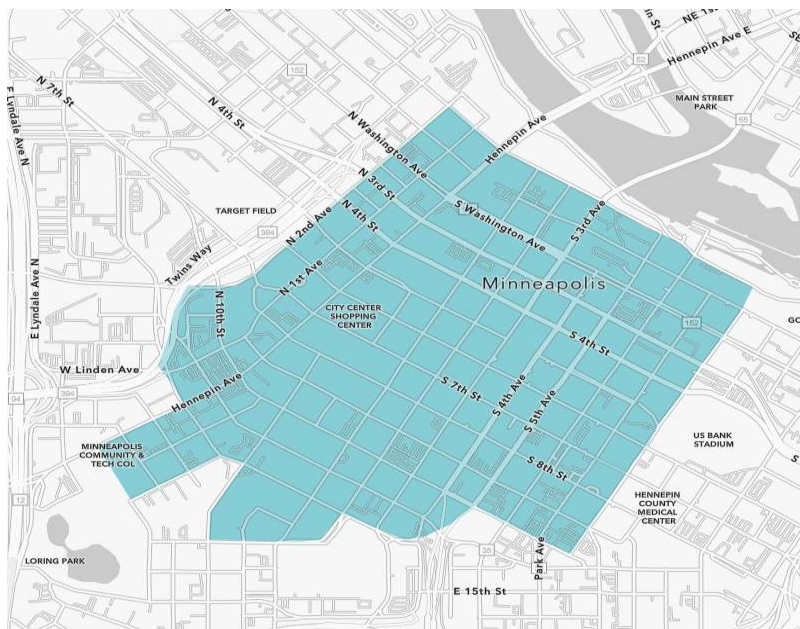
Summary Downtown Characteristics Downtown Denver July 2023



Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	35,312,614
% Change in Office Inventory (2010-2022)	8.72%
Office Average Asking Rent	\$26.13
RENTAL APARTMENTS	
Total Rental Apartment Units	4,264
% Change in Rental Apartment Inventory (2010-2022)	52.45%
Rental Apartment Average Asking Rent	\$1,887
HOTEL	
Total Hotel Rooms	10,510
% Change in Hotel Inventory (2010-2022)	43.50%
Est. Average Hotel ADR	\$205
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	9
Total Museums	5

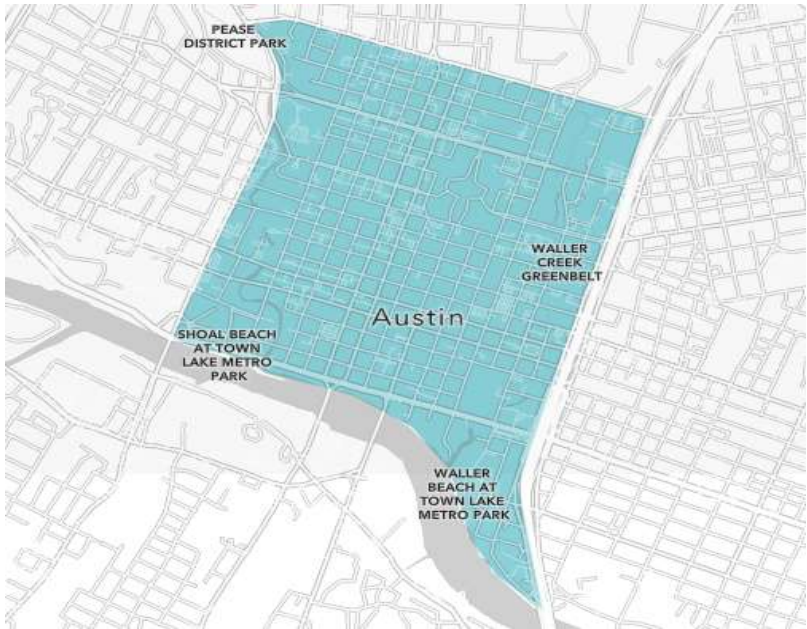
Summary Downtown Characteristics
Downtown Minneapolis
July 2023



SUMMARY CHARACTERISTICS		
OFFICE		
Total Office Square Feet		39,902,115
% Change in Office Inventory (2010-2022)		11.27%
Office Average Asking Rent		\$18.95
RENTAL APARTMENTS		
Total Rental Apartment Units		7,881
% Change in Rental Apartment Inventory (2010-2022)		143.99%
Rental Apartment Average Asking Rent		\$1,742
HOTEL		
Total Hotel Rooms		8,263
% Change in Hotel Inventory (2010-2022)		42.35%
Est. Average Hotel ADR		\$171
OTHER		
Total Major Sports Stadiums/Venues		0
Total Theaters/Cinemas		7
Total Museums		4

Exhibit I-13

Summary Downtown Characteristics
Downtown Austin
July 2023



Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	22,472,862
% Change in Office Inventory (2010-2022)	42.75%
Office Average Asking Rent	\$39.30
RENTAL APARTMENTS	
Total Rental Apartment Units	6,810
% Change in Rental Apartment Inventory (2010-2022)	153.98%
Rental Apartment Average Asking Rent	\$2,953
HOTEL	
Total Hotel Rooms	10,907
% Change in Hotel Inventory (2010-2022)	139.09%
Est. Average Hotel ADR	\$268
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	5
Total Museums	9

Exhibit I-14

Summary Downtown Characteristics
Downtown Cleveland
July 2023

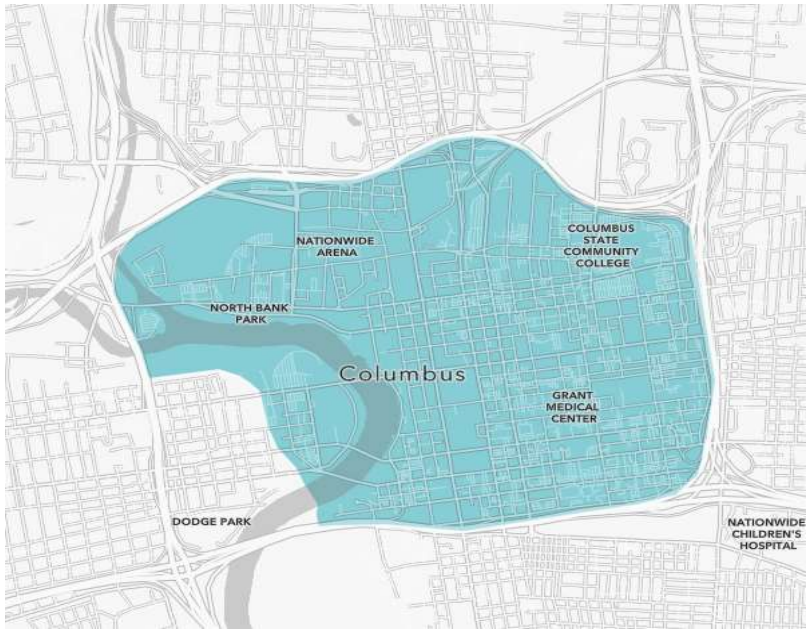


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	34,675,765
% Change in Office Inventory (2010-2022)	3.23%
Office Average Asking Rent	\$19.65
RENTAL APARTMENTS	
Total Rental Apartment Units	11,204
% Change in Rental Apartment Inventory (2010-2022)	57.60%
Rental Apartment Average Asking Rent	\$1,433
HOTEL	
Total Hotel Rooms	4,532
% Change in Hotel Inventory (2010-2022)	30.79%
Est. Average Hotel ADR	\$165
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	8
Total Museums	9

Exhibit I-15

Summary Downtown Characteristics
Downtown Columbus
July 2023

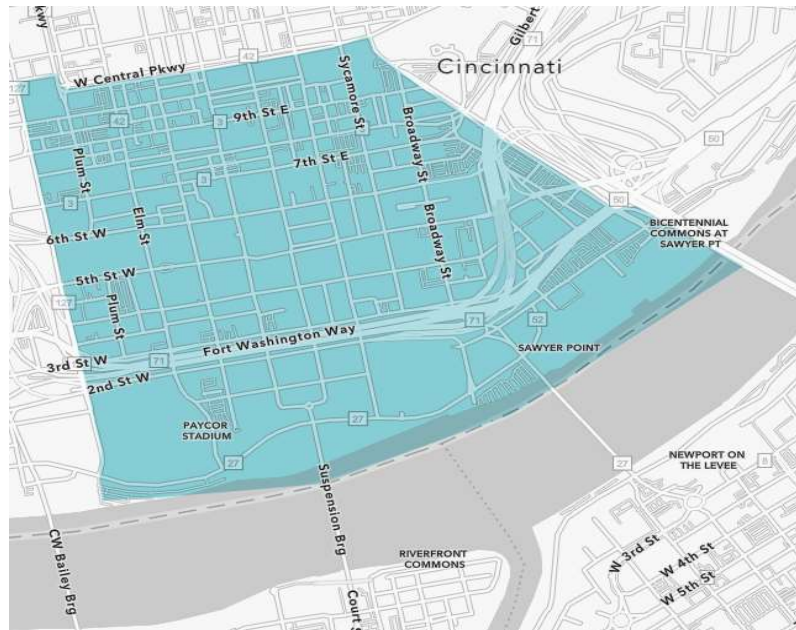


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	28,593,576
% Change in Office Inventory (2010-2022)	5.66%
Office Average Asking Rent	\$18.60
RENTAL APARTMENTS	
Total Rental Apartment Units	6,758
% Change in Rental Apartment Inventory (2010-2022)	96.39%
Rental Apartment Average Asking Rent	\$1,465
HOTEL	
Total Hotel Rooms	5,075
% Change in Hotel Inventory (2010-2022)	49.37%
Est. Average Hotel ADR	\$164
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	8
Total Museums	9

Exhibit I-16

Summary Downtown Characteristics Downtown Cincinnati July 2023

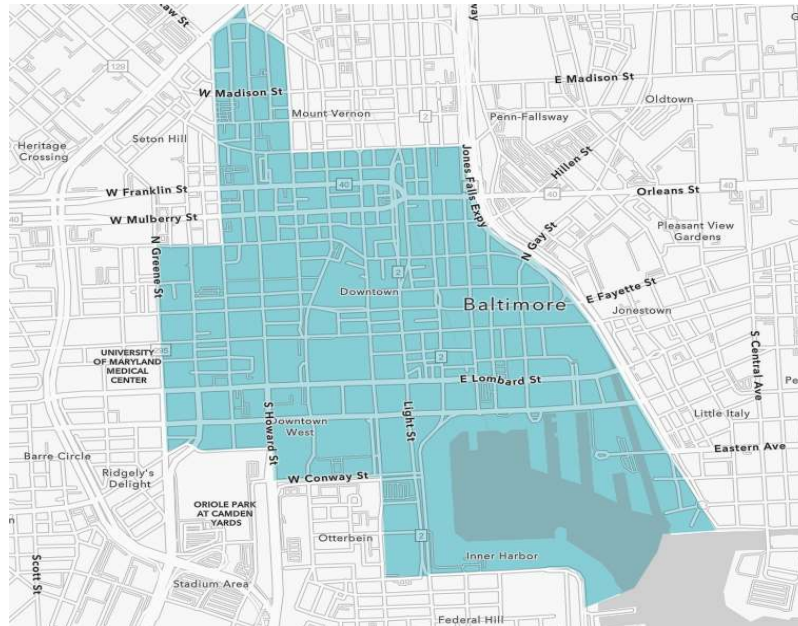


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	21,730,171
% Change in Office Inventory (2010-2022)	8.76%
Office Average Asking Rent	\$15.97
RENTAL APARTMENTS	
Total Rental Apartment Units	4,530
% Change in Rental Apartment Inventory (2010-2022)	103.32%
Rental Apartment Average Asking Rent	\$1,782
HOTEL	
Total Hotel Rooms	3,292
% Change in Hotel Inventory (2010-2022)	99.64%
Est. Average Hotel ADR	\$172
OTHER	
Total Major Sports Stadiums/Venues	2
Total Theaters/Cinemas	5
Total Museums	6

Exhibit I-17

Summary Downtown Characteristics Downtown Baltimore July 2023

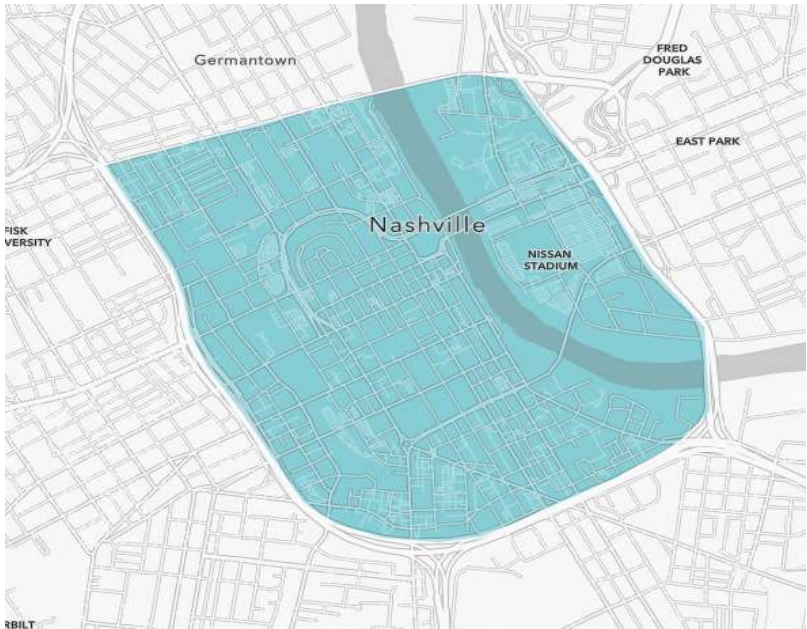


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	20,912,670
% Change in Office Inventory (2010-2022)	1.21%
Office Average Asking Rent	\$23.25
RENTAL APARTMENTS	
Total Rental Apartment Units	9,149
% Change in Rental Apartment Inventory (2010-2022)	91.10%
Rental Apartment Average Asking Rent	\$1,558
HOTEL	
Total Hotel Rooms	6,479
% Change in Hotel Inventory (2010-2022)	7.89%
Est. Average Hotel ADR	\$154
OTHER	
Total Major Sports Stadiums/Venues	1
Total Theaters/Cinemas	6
Total Museums	7

Exhibit I-18

Summary Downtown Characteristics
Downtown Nashville
July 2023

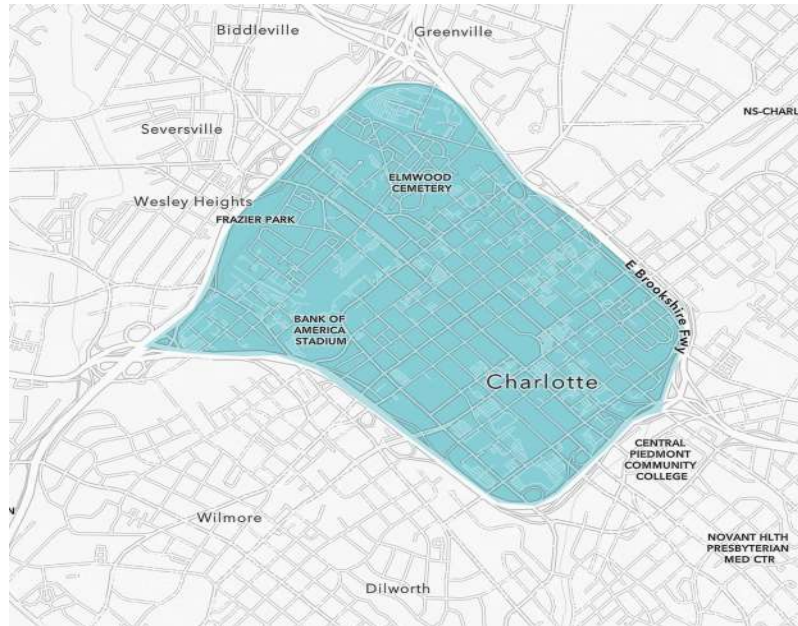


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	18,478,349
% Change in Office Inventory (2010-2022)	41.70%
Office Average Asking Rent	\$33.76
RENTAL APARTMENTS	
Total Rental Apartment Units	9,638
% Change in Rental Apartment Inventory (2010-2022)	484.21%
Rental Apartment Average Asking Rent	\$2,239
HOTEL	
Total Hotel Rooms	12,816
% Change in Hotel Inventory (2010-2022)	240.41%
Est. Average Hotel ADR	\$285
OTHER	
Total Major Sports Stadiums/Venues	3
Total Theaters/Cinemas	8
Total Museums	10

Exhibit I-19

Summary Downtown Characteristics Downtown Charlotte July 2023

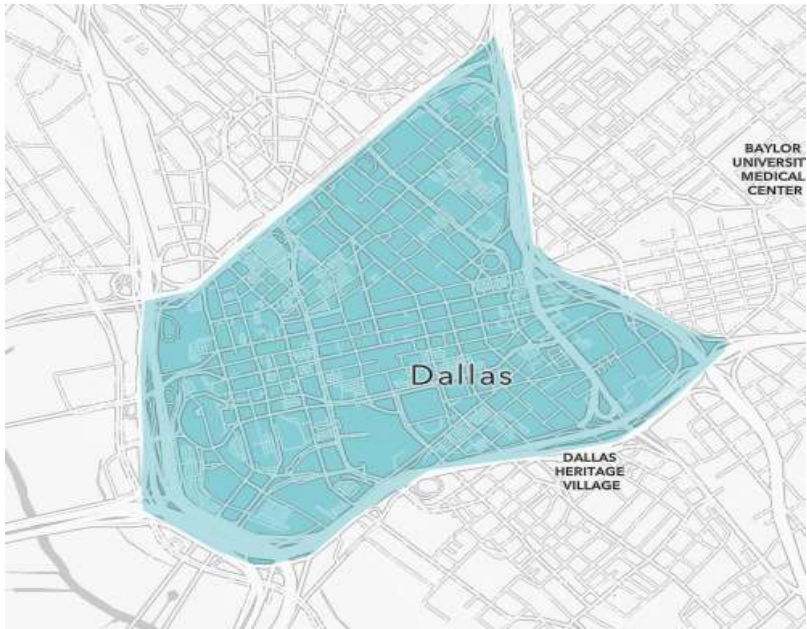


Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	26,708,855
% Change in Office Inventory (2010-2022)	22.46%
Office Average Asking Rent	\$35.92
RENTAL APARTMENTS	
Total Rental Apartment Units	8,790
% Change in Rental Apartment Inventory (2010-2022)	155.37%
Rental Apartment Average Asking Rent	\$2,082
HOTEL	
Total Hotel Rooms	6,404
% Change in Hotel Inventory (2010-2022)	62.70%
Est. Average Hotel ADR	\$199
OTHER	
Total Major Sports Stadiums/Venues	3
Total Theaters/Cinemas	8
Total Museums	9

Exhibit I-20

Summary Downtown Characteristics
Downtown Dallas
July 2023



Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS	
OFFICE	
Total Office Square Feet	34,318,311
% Change in Office Inventory (2010-2022)	3.76%
Office Average Asking Rent	\$24.08
RENTAL APARTMENTS	
Total Rental Apartment Units	9,406
% Change in Rental Apartment Inventory (2010-2022)	110.76%
Rental Apartment Average Asking Rent	\$2,215
HOTEL	
Total Hotel Rooms	9,059
% Change in Hotel Inventory (2010-2022)	58.54%
Est. Average Hotel ADR	\$202
OTHER	
Total Major Sports Stadiums/Venues	0
Total Theaters/Cinemas	9
Total Museums	6

Exhibit I-21

Summary Downtown Characteristics
Downtown Houston
July 2023



Source: CoStar; RCLCO

SUMMARY CHARACTERISTICS		
OFFICE		
Total Office Square Feet		53,246,180
% Change in Office Inventory (2010-2022)		11.38%
Office Average Asking Rent		\$25.66
RENTAL APARTMENTS		
Total Rental Apartment Units		6,644
% Change in Rental Apartment Inventory (2010-2022)		215.63%
Rental Apartment Average Asking Rent		\$2,389
HOTEL		
Total Hotel Rooms		8,451
% Change in Hotel Inventory (2010-2022)		71.77%
Est. Average Hotel ADR		\$212
OTHER		
Total Major Sports Stadiums/Venues		2
Total Theaters/Cinemas		10
Total Museums		5



AUSTIN

501 Congress Ave, Suite 150
Austin, TX 78701

LOS ANGELES

11601 Wilshire Boulevard, Suite 1650
Los Angeles, CA 90025

ORLANDO

964 Lake Baldwin Lane, Suite 100
Orlando, FL 32814

WASHINGTON, DC

7200 Wisconsin Avenue, Suite 1110
Bethesda, MD 20814