

THE SILVER LINE

ENVISIONING A NEW TYSONS CORNER



DECEMBER 2013

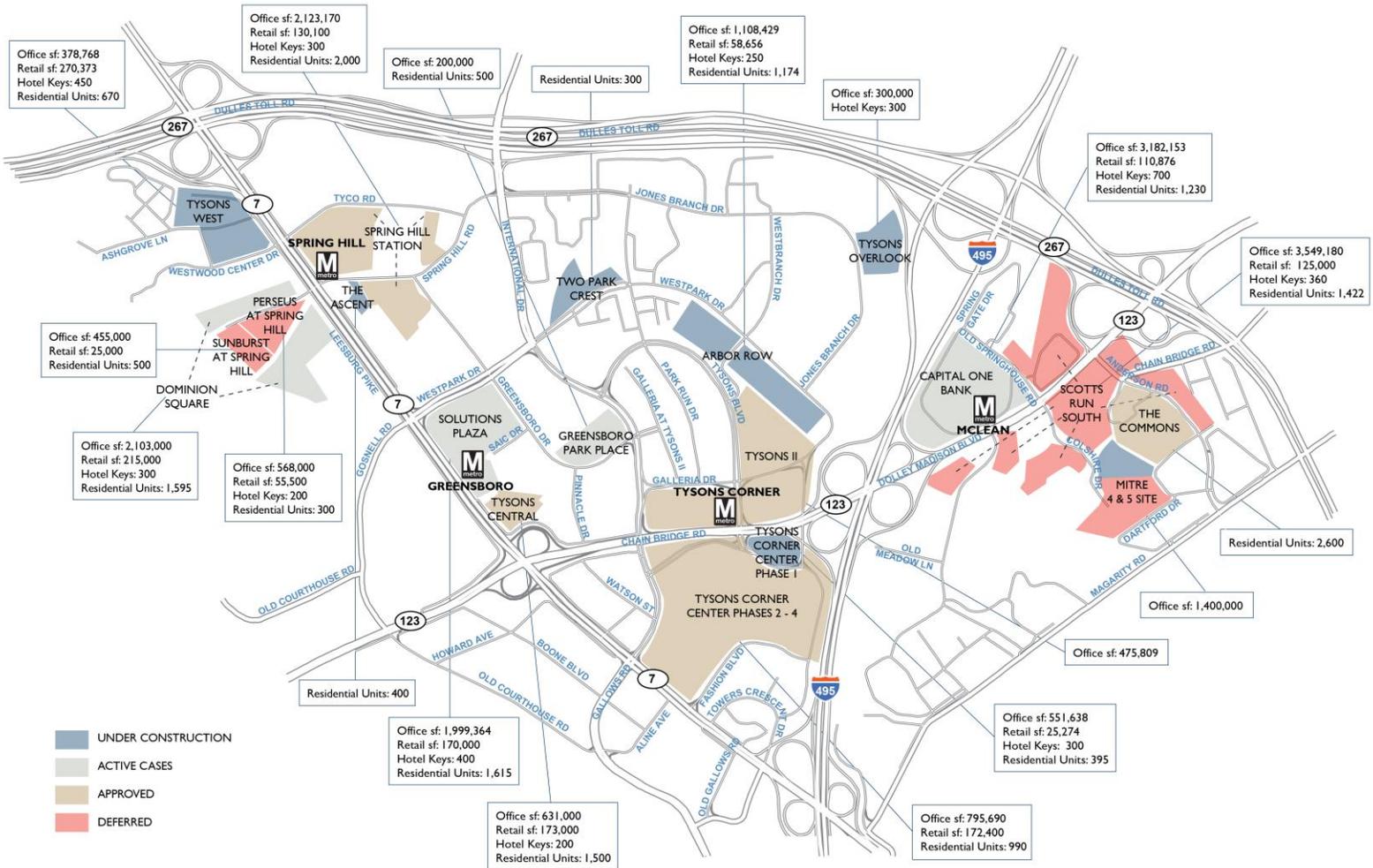
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SILVER LINE METRO STATIONS



SILVER LINE

OVERVIEW

This report focuses on the Dulles Metrorail extension (the Silver Line) in Fairfax County, Virginia and its impacts on demographics, development and the overall real estate market. Fairfax County's growth as an information technology and government contractor center has warranted an expansion of public transportation. A 2009 report issued by the Metropolitan Washington Airports Authority (MWAA) indicated that the Dulles and Route 28 Corridors (encompassing such areas as Tysons Corner, McLean, Falls Church, Vienna, Reston, Herndon, Chantilly and parts of Loudoun County) generated 4.0 percent of the metro area's economy in 1980. At the time of this report, that portion had jumped to 25.0 percent.

The expansion of public transportation, in the form of an extended rail line and increased bus service, will bring a number of benefits to the region. There will be more direct service to Virginia from Washington, DC. The structural changes will ensure economic competitiveness. Lastly, commuting time will be reduced as the Silver Line will relieve some of the congestion on the Blue and Orange Lines. Per a MWAA report, rush hour trains on the Blue Line run every 14 minutes. When the Silver Line opens, that time will be reduced to every 12 minutes.

SILVER LINE STATIONS

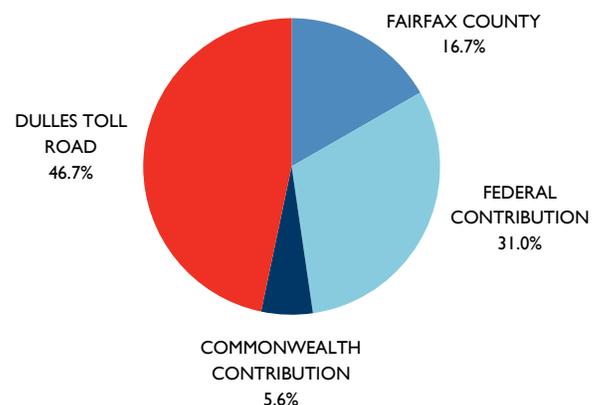
PHASE I	PHASE II
Spring Hill	Reston Town Center
Greensboro	Herndon
Tysons Corner	Innovation Center
McLean	Dulles International Airport
Wiehle – Reston East	Route 606
	Route 272

March 2014 is the anticipated date for the start of service on the Silver Line. Construction of Phase I is expected to be completed by the close of 2013. The system will then go under 90 days of testing and staff training.

The \$3.2 billion project consists of an 11.7 mile extension from East Falls Church to Wiehle Avenue in Reston. Phase I adds five new stations to the route: Spring Hill, Greensboro, Tysons Corner, McLean and Wiehle – Reston East. Additionally, pedestrian bridges along Routes 123 and 7, and the Dulles Airport Highway Corridor have been installed.

Phase 2 will extend the railway 11.4 miles northwest from Wiehle Avenue to Washington's Dulles International Airport out to Route 772. Six stations will be added to the route: Reston Town Center, Herndon, Innovation Center, Dulles International Airport, Route 606 and Route 772. On May 14, 2013, the MWAA announced that Phase 2's design-build portion was awarded to a joint venture between Clark Construction Group and Kiewit Infrastructure South Co, which bid \$1.18 billion.

CURRENT PROJECT FUNDING PHASE I



The issue of funding has also been a heated topic over the last several years. As of today, the entire project will likely cost up to \$6 billion. Almost 50.0% of funding will come from revenue raised by the Dulles Toll Road while the Federal government will cover a third of the cost.

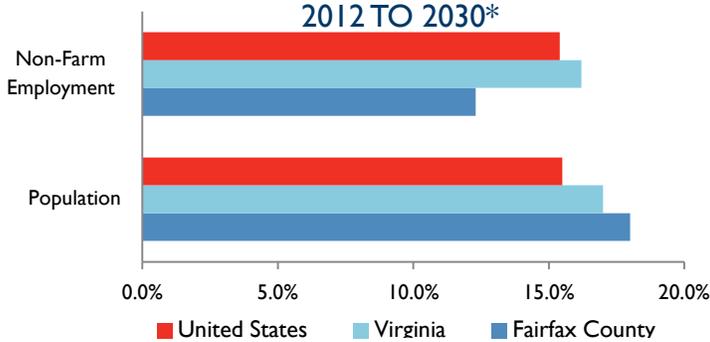
SILVER LINE

POPULATION AND DEVELOPMENT

A 2012 report produced by Fairfax County’s Department of Neighborhood and Community Services listed Fairfax’s population at 1.1 million persons. Compared to 1970, this is a 144 percent increase. Population density for the county is estimated at 406.83 per square mile with the highest densities on the eastern side of the county, nearest to Washington, DC.

The population of Fairfax County has some of the highest educational attainment in the country. Almost 60 percent of those aged 25 years or more have attained a college degree or higher. Fifty-six percent of the residents work in the management, business, science, and arts occupations. In 2011, median household income was recorded as \$105,797.

CUMULATIVE PERCENTAGE CHANGE FROM 2012 TO 2030*



The addition of the Silver Line extension will cause a dramatic population increase in the Tysons Urban Center over the next few decades. According to the “Report to Board of Supervisors on Tysons,” there are 17,000 residents and 105,000 persons employed within the Tysons Urban Center. The report predicts that by 2050 the Tysons area may have up to 100,000 residents and 200,000 employees.

A survey of the population within a three-mile radius of each future station has, at the minimum, 80,000 persons. The largest population is in the radius of the Tysons Corner station. As such, automobile congestion remains a major burden in the area. A primary component of the Tysons redevelopment plan is to minimize the number of residents commuting to work by automobile and encourage them to either walk or rely on public transportation. The 20-year plan proposes: retail and office developments to be located within ¼ mile of the Tysons rail stations; streets and roadways redesigned to

accommodate pedestrian traffic (including adding bicycle lanes), and expanded local bus service.

Fairfax County has planned a significant redesign of the Tysons Urban Center which encompasses the Metro Stations of McLean, Tysons Corner, Greensboro and Spring Hill. In 2010, a comprehensive 20-year redevelopment plan for Tysons was approved. The plan focuses on its transformation from a suburb to an urban center with mixed-use developments (office, retail, hotel, arts/civic and residential). One of the plan’s stated goals is to create four jobs for every household.

Employers who relocate to stops along the Silver Line will not have to sacrifice access to a young, professional workforce. A portion of “Gen Y” individuals have eschewed car ownership for reliance on public transportation and the excitement of urban living. The enhanced public transportation to the suburbs will allow them to work in employment hubs like Tysons Corner, but still live in Downtown DC or Arlington.

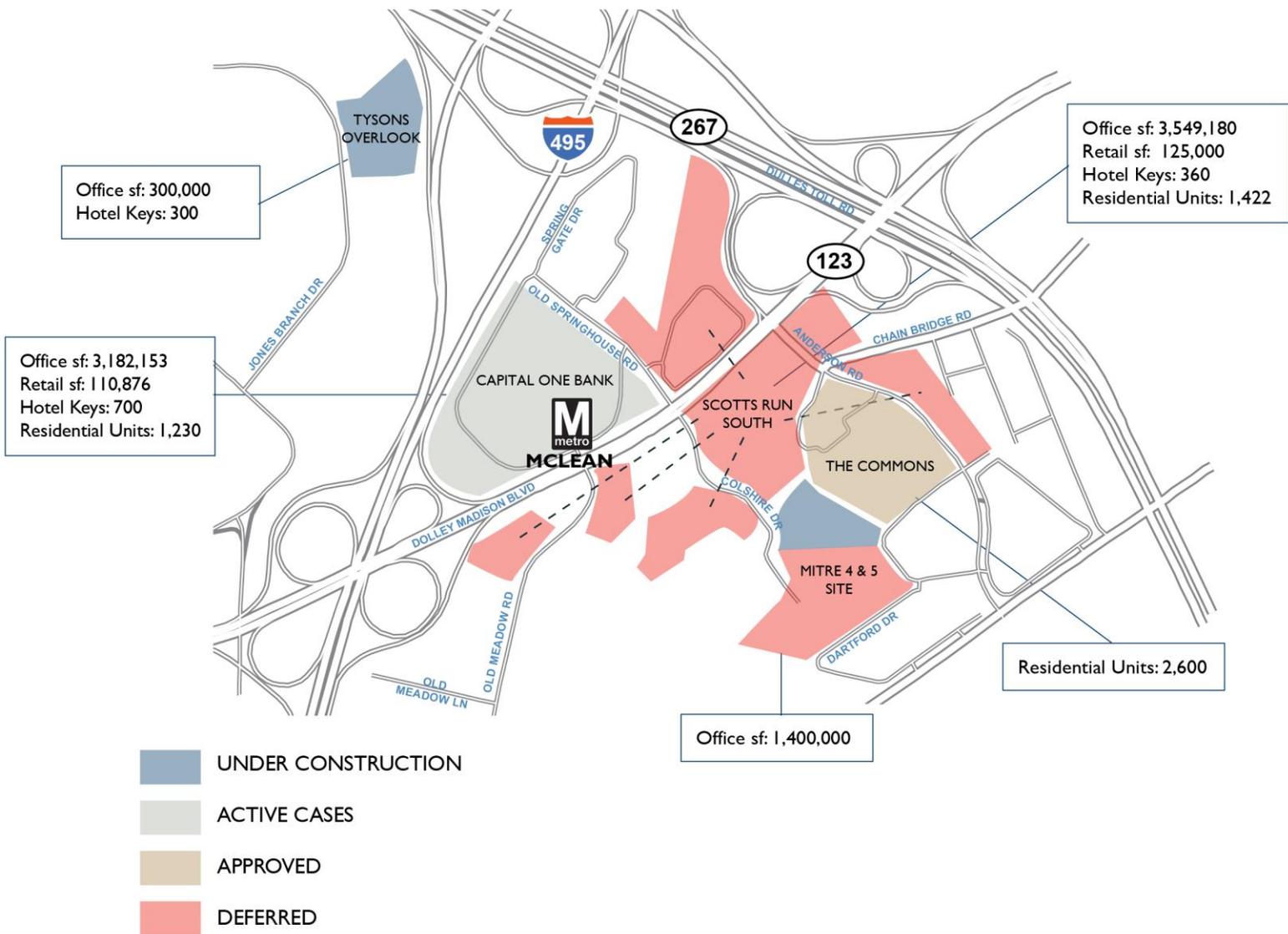
Between October 2012 and September 2013, developers submitted 19 applications to rezone 240 acres in the Tysons Urban Center area. Seven applications have been approved so far, which per the report, will deliver 8.0 million square feet (msf) of non-residential development that can accommodate 21,000 new employees and 9.0 msf of residential development which could house 12,000 people. Eight remaining applications are under review and another four have been deferred.

A number of proposed developments will be structured as micro-communities with office, retail and residential components. As stated earlier, residents will be within walking distance of the five stations to discourage car usage. Additionally, parks and walking trails will be incorporated into a number of the development communities.

Fairfax County has 408,119 housing units with single family homes, both attached and detached, accounting for a majority of housing. It is estimated that multifamily housing will increase significantly in the coming years accounting for 39.1 percent of housing units by 2040. Around the stations that make up Phase I, an estimated 13,000 units could come on line.

METRO STATIONS

MCLEAN



METRO STATIONS

MCLEAN

The first stop on the Silver Line, McLean station, is located at the intersection of Scotts Crossing Road and Dolley Madison Boulevard. McLean station has five bus bays, a “Kiss & Ride” drop off on the south side of the station and a pedestrian bridge over Route 123. In addition, Cityline Partners is using a parcel awaiting redevelopment to build a temporary parking lot with more than 700 spaces across from the McLean station.

MRP’s 7940 Jones Branch Drive (300,000 sf) is under construction and will deliver in Q1 2015 with over half of the property leased to LMI. The building is part of the Tysons Overlook campus which will include a 300-room hotel tower. In June, Fairfax County approved the zoning for LCOR’s multifamily development, The Commons, located between Anderson Road and Route 123. The plan is for LCOR to build seven residential buildings totaling about 2.6 msf.

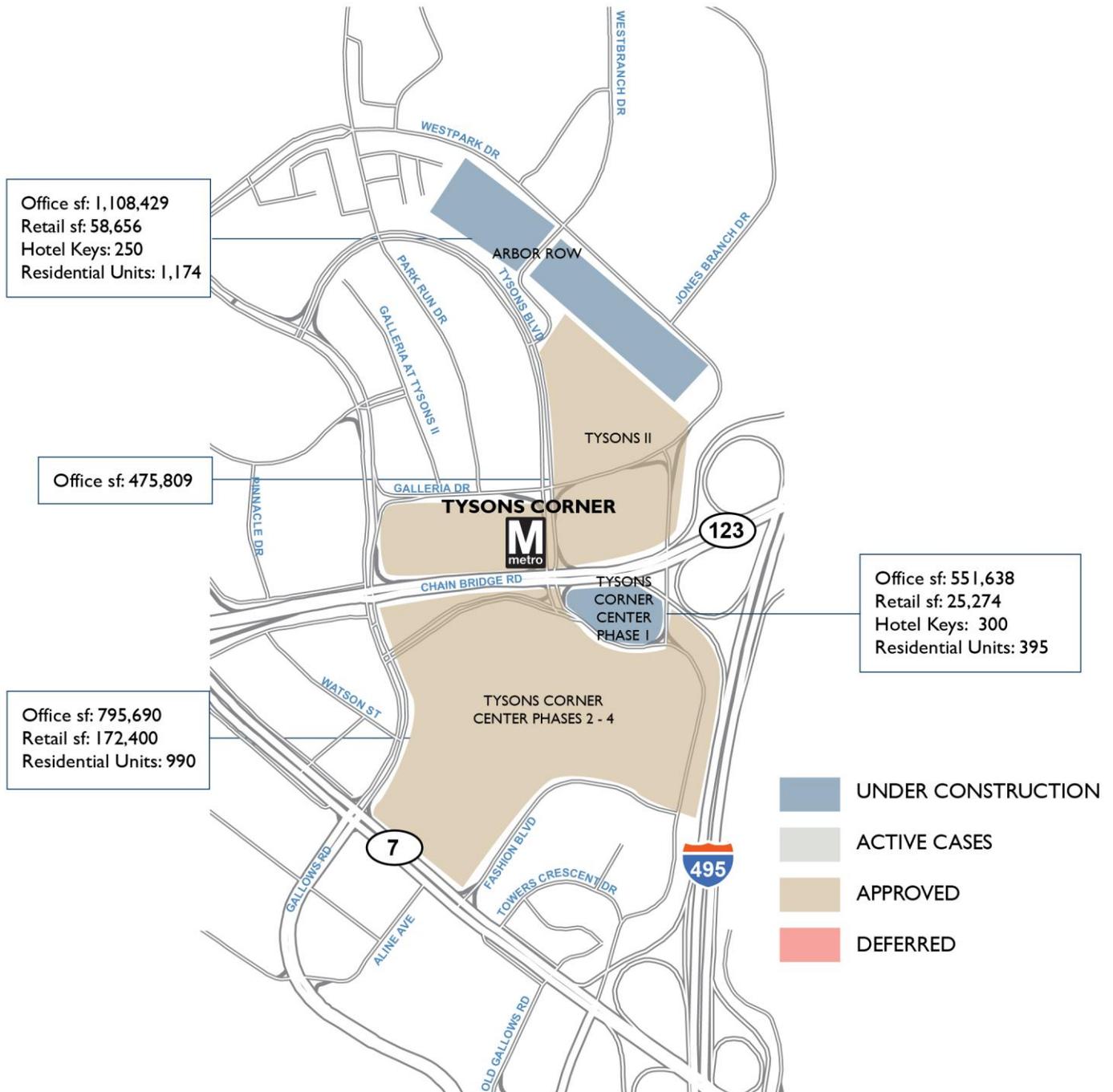
While no immediate projects are scheduled to break ground, the future may see some significant development near McLean station. Cityline Partners’ Scotts Run Station South received zoning approval in April of this year. Much like the Arbor Row development, Scotts Run will contain a mix of office, residential, hotel and retail space totaling 6.7 msf. Plans for Scotts Run Station’s North development are on hold.

Capital One Bank was granted approval to add an additional 3.2 msf of office space, 1.2 msf of residential and a 416,886-sf hotel to its existent campus off Route 123. Additionally, the developer has proposed to build a 30,000-sf public community center on the campus. In Q4 2013, the MITRE Corporation broke ground on an additional 340,000-sf office building and a parking garage.

PROJECT	PLAN TYPE	OFFICE SF	RETAIL SF	HOTEL KEYS	RESIDENTIAL UNITS	OWNER	COMMENTS
Tysons Overlook	Office	300,000	–	300	–	MRP Realty	Office property delivers Q1 2015. LMI leased half.
The Commons	Residential	–	–	–	2,600	LCOR	Approved. Q2 2014 groundbreaking anticipated.
Scotts Run South	Mixed-Use	3,549,180	125,000	360	1,422	Cityline Partners	Approved
Capital One Bank	Mixed-Use	3,182,153	110,876	700	1,230	Capital One Bank	Approved
MITRE 4 & 5 Site	Office	1,400,000	–	–	–	The MITRE Corporation	MITRE 4 (340,000 sf) is under construction, MITRE 5 is deferred.
TOTALS		8,431,333	235,876	1,360	5,252		

METRO STATIONS

TYSONS CORNER



METRO STATIONS

TYSONS CORNER

The Tysons Corner station is located near the intersection of Chain Bridge Road and Tysons Boulevard. The station includes a pedestrian bridge over Route 123, bicycle facilities and a drop off for buses. According to the MWAA, during peak rush hour trains will run every six minutes.

In the vicinity of the station, The Macerich Company's Vita Apartments is under construction and will deliver in 2014 bringing 395 units to the market. Tysons Tower at 7900 Tysons One Place (526,364 rsf) will deliver in Q2 2014 with Intelsat as its anchor office tenant. Both projects are part of Phase I for the Tysons Corner Center project.

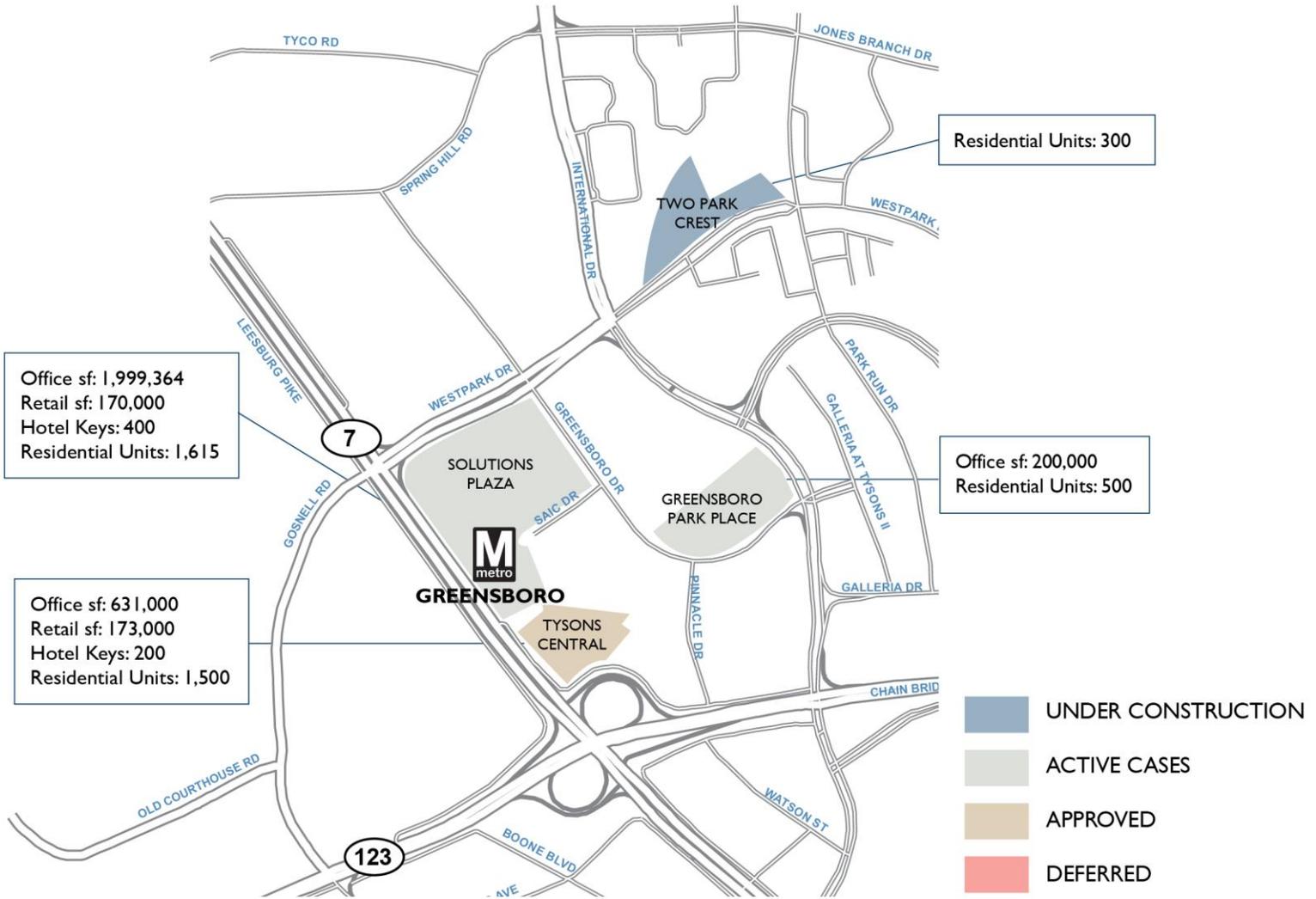
A number of construction projects received zoning approval and will deliver in the next few years. Cityline Partners received zoning approval in November 2012 for the mixed-use Arbor Row development. The development will contain: four office buildings, a hotel, 58,000 sf of retail space, and up to 1,174 multifamily apartments.

Lerner's Tysons II, located at 1775 Tysons Boulevard, will commence vertical construction in Q1 2014. The 475,809-sf office property has plans to meet LEED platinum certification upon completion, which is anticipated for Q2 2016.

PROJECT	PLAN TYPE	OFFICE SF	RETAIL SF	HOTEL KEYS	RESIDENTIAL UNITS	OWNER	COMMENTS
Tysons Corner Center Phase I	Mixed-Use	551,638	25,274	300	395	The Macerich Company	Under construction. Expected to open in 2014.
Tysons Corner Center Phases 2-4	Mixed-Use	795,690	172,400	—	990	The Macerich Company	Approved
Arbor Row	Mixed-Use	1,108,429	58,656	250	1,174	Cityline Partners	Approved
Tysons II	Office	475,809	—	—	—	Lerner Enterprises	Groundbreaking in Q1 of 2014. Estimated completion in Q2 2016.
TOTALS		2,931,566	256,330	550	2,559		

METRO STATIONS

GREENSBORO



METRO STATIONS

GREENSBORO

The third stop on the Silver Line, Greensboro station, is located just north of the intersection of Leesburg Pike and Chain Bridge Road. There is only a pedestrian entrance to the station. Bus route 422 will service Greensboro.

Fairfax County's revitalization plan divides the area around Greensboro Station into North and South subdistricts. The 76-acre South subdistrict is described as bounded by "Route 7 on the east, Route 123 on the south, and Gosnell and Old Courthouse Roads on the west". The plan envisions the development of mixed-use properties and the creation of a three to four acre civic commons where public activities can occur.

The North subdistrict is encompassed by "Route 7 on the west, International Drive on the north and east, and Route 123 on the south". It is described as office-oriented with some surrounding retail and two hotels on the 102 acres. The north subdistrict is centered around

the new Metro Station and the goal is to transform this district into a "vibrant 24-hour mixed-use area with an increased intensity and diversity of land use".

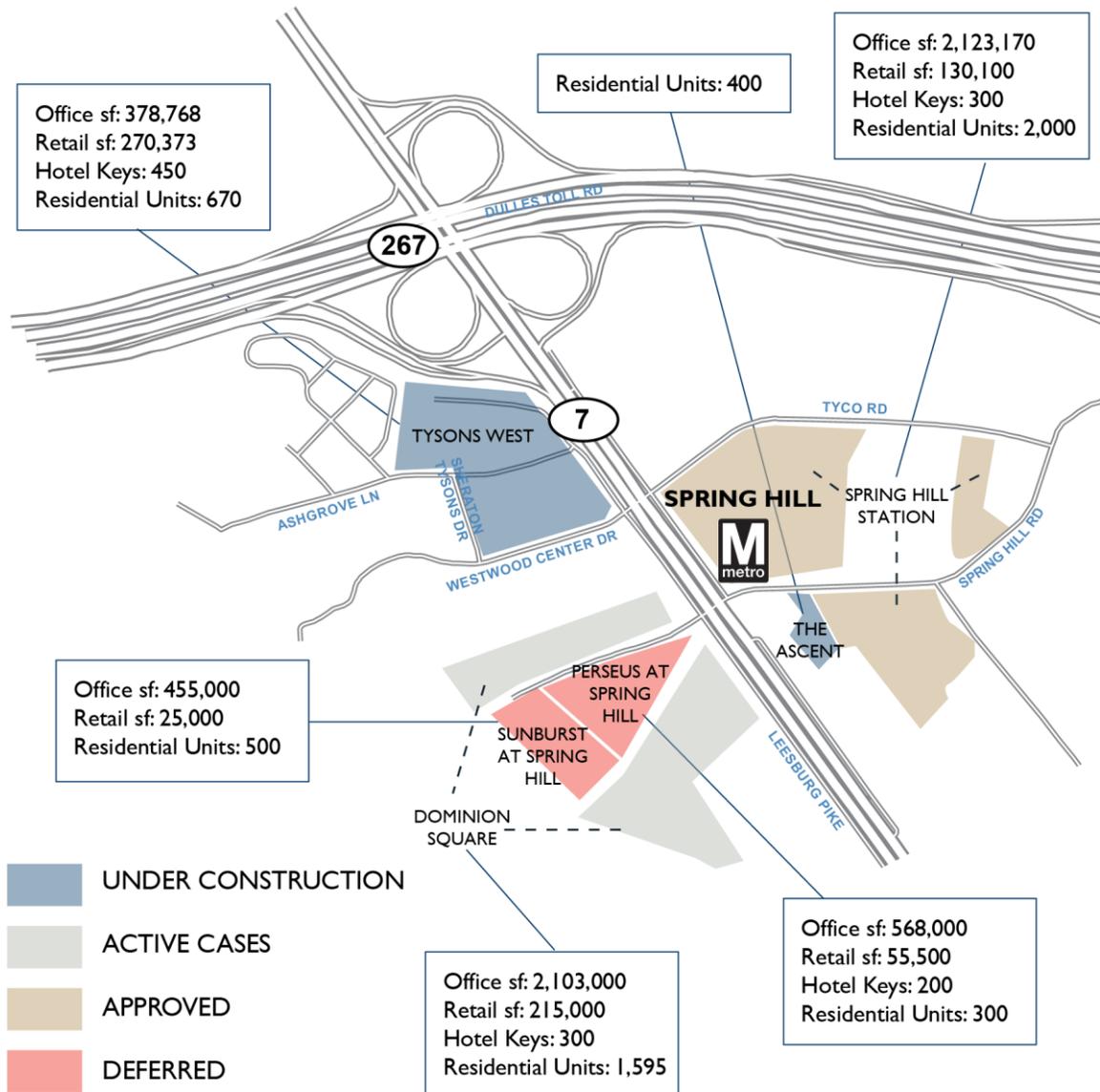
There are only two planned projects on the horizon near the Greensboro Station. This past July, the Meridian Group purchased SAIC's campus located between Solutions Drive and Leesburg Pike for \$85 million. Known as Solutions Plaza, The Meridian Group plans to renovate the three existing office properties (640,000 sf total) and redevelop the 18-acre campus into a mixed-use development containing 1.3 msf of residential space, 2.0 msf of office space, a 400-room hotel and 170,000 sf of retail space.

The second planned development is NV Commercial's/Clyde's Real Estate Group's Tysons Central. The project will cover less than 6 acres and may include a 631,000-sf office building, 173,000 sf of retail space, 1.4 msf of residential space and a hotel.

PROJECT	PLAN TYPE	OFFICE SF	RETAIL SF	HOTEL KEYS	RESIDENTIAL UNITS	OWNER	COMMENTS
Solutions Plaza	Mixed-Use	1,999,364	170,000	400	1,615	The Meridian Group	Pending approval
Tysons Central	Mixed-Use	631,000	173,000	200	1,500	NV Commercial /Clyde's Real Estate Group	Approved
Greensboro Park Place	Mixed-Use	200,000	-	-	500	Beacon Capital	Pending approval
Park Crest	Residential	-	-	-	300	Northwestern Mutual	Under Construction
TOTALS		2,830,364	343,000	600	3,915		

METRO STATIONS

SPRING HILL



METRO STATIONS

SPRING HILL

Spring Hill station is located at the intersection of Spring Hill Road and Leesburg Pike. Like the McLean station, it contains a “Kiss & Ride” and a pedestrian bridge. The station will also be serviced by bus routes 424, 432, 574 and 724.

As with other areas in the Tysons Urban Center, the focus of redevelopment will be around the Metro station. The Spring Hill district benefits from access to Leesburg Pike, the Dulles Airport Access Road and the Toll Road. Fairfax County envisions the area surrounding the station as a mixed-use development with an emphasis as an “arts and entertainment center” complete with art galleries and theaters.

The Georgelas Group’s Spring Hill Station development is situated between Turning Hill Lane and Spring Hill Road. The proposed development will contain close to 6.0 msf of office, retail, residential and hotel space. The Ascent at

Spring Hill Station, a 26-floor apartment building, is currently under construction on that site. Once completed, it will be the tallest apartment building in Tysons.

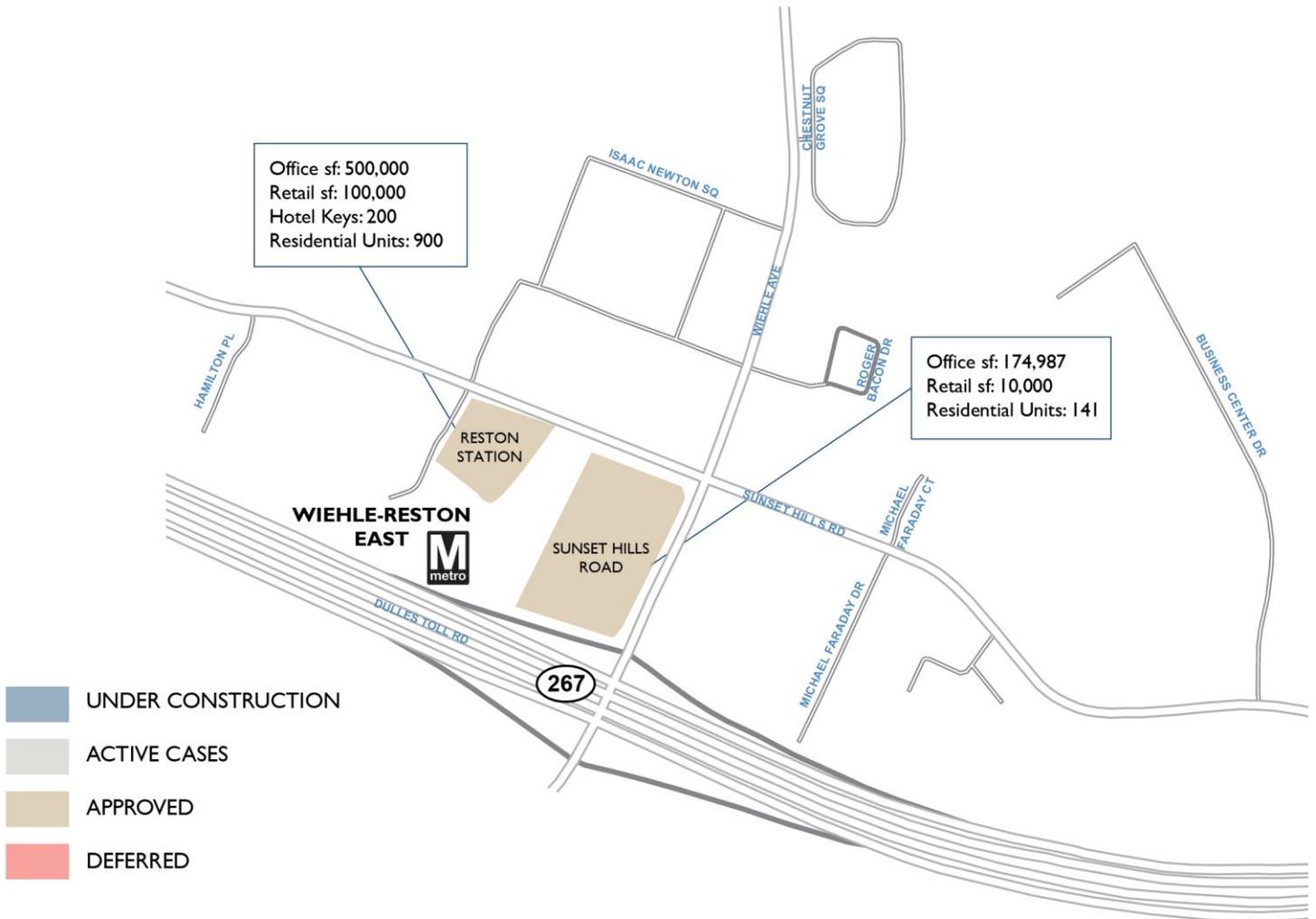
CARS DBI LLC’s Dominion Square will cover 19.6 acres in two different sections --- the west land bay and the east land bay. The west land bay will be mixed-use with a heavy presence of residential development while the east bay will be more office heavy.

Tysons West is a two-phase, mixed use project that will measure 1.7 msf. Phase I completed this summer and consists of a 24-hour Walmart and a fitness center. Lastly, Perseus Realty, LLC and Sunburst Hospitality Corp applied to rezone the area around 1577 Spring Hill Road into a mixed-use development totaling 1.8 msf. The application has been deferred.

PROJECT	PLAN TYPE	OFFICE SF	RETAIL SF	HOTEL KEYS	RESIDENTIAL UNITS	OWNER	COMMENTS
Tysons West	Mixed-Use	378,768	270,373	450	670	Tysons West Residential, LLC JBG/Tysons Hotel, LLC	Walmart and a fitness center have opened.
Spring Hill Station	Mixed-Use	2,123,170	130,100	300	2,000	The Georgelas Group	The multifamily Ascent at Spring Hill Station will deliver in 2014.
Dominion Square	Mixed-Use	2,103,000	215,000	300	1,595	CARS DBI LLC	Pending approval
Sunburst at Spring Hill Metro	Mixed-Use	455,000	25,000	-	500	Sunburst Hospitality Corp.	Deferred
Perseus at Spring Hill Metro	Mixed-Use	568,000	55,500	200	300	Perseus Realty, LLC	Deferred
Total		5,627,938	695,973	1,250	5,065		

METRO STATIONS

WIEHLE – RESTON EAST



METRO STATIONS

WIEHLE – RESTON EAST

The Wiehle – Reston East Station is the last stop on Phase I and is located at the intersection of Wiehle Avenue and Dulles Toll Road. There will be several bus routes serving the station. Additionally, the station has a “Kiss & Ride” and pedestrian bridge that crosses Dulles Toll Road.

Unlike the other stations in Phase I, Wiehle – Reston East is the only one that will provide permanent parking. The seven-story underground garage is a public/private endeavor that measures 1.5 msf and provides 2,300 spaces for public parking. It is scheduled to open to the public in February 2014.

On top of the garage, Comstock Partners, the garage’s developer, is planning to build a 1.3 msf mixed-use project. It will include a hotel and 100,000 sf of retail space in addition to a 900-unit apartment building. The office portion of the development will be in the form of two buildings with 16 and 15 stories, respectively.

Bozzuto Development Corporation is awaiting approval for zoning on a site located at the south side of Sunset Hills Road, west of the intersection of Wiehle Avenue and north of Dulles Toll Road. The proposed development covers 5.5 acres. Bozzuto and the land’s owner, Charles Veatch, propose a 400,000-sf, seven-story residential property that will provide up to 10,000 sf of ground floor retail space and almost 175,00 sf of office space.

Wiehle – Reston East Station does not have any apartment properties under construction surrounding it but there are two underway near the future Reston Town Center stop. Boston Properties’ The Avant at Reston Town Center measures 355,668 sf and will deliver 359 units by year’s end. Commercial Realty Company’s Parc Reston will deliver 360 units by summer 2014. Both properties promise luxury amenities.

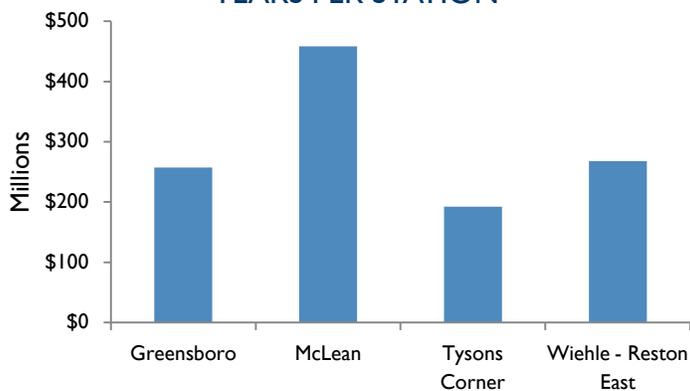
PROJECT	PLAN TYPE	OFFICE SF	RETAIL SF	HOTEL KEYS	RESIDENTIAL UNITS	OWNER	COMMENTS
Sunset Hills Road	Mixed-Use	174,987	10,000	–	141	Bozzuto Development Corporation	Retail space is on the ground floor.
Reston Station	Mixed-Use	500,000	100,000	200	900	Comstock Partners	A total of 1.3 msf in development.
Total		674,987	110,000	200	1,041		

SILVER LINE INVESTMENT POTENTIAL

OVERVIEW

Northern Virginia's office investment sales volume for 2012 totaled \$1.8 billion, down from \$3.3 billion the previous year. The average price psf also fell by 11.0% to average \$300 psf. So far, fourteen buildings traded hands in eleven transactions at the close of Q3 2013. Sales volume for the first three quarters was \$627 million, a 28.4 percent decrease compared to this time last year.

TOTAL OFFICE SALES VOLUME OVER 3 YEARS PER STATION



Despite an overall slowdown in investment sales for Northern Virginia, the Silver Line expansion has drawn investor notice. Since 2010, \$1.2 billion in investor transactions have been executed within the vicinity of Phase I. Most of the traded properties within Tysons are clustered between the McLean and Greensboro stations which recorded \$458 million and \$257 million in transactions, respectively. Notable this year was the purchase of the SAIC campus near the Greensboro station by The Meridian Group for \$85 million. The only user sale within Tysons in the same time period was Kaiser Permanente's purchase of the 236,900-sf 8008 Westpark Drive for \$55.7 million or \$235 psf. There were no transactions by the Spring Hill station.

In the vicinity of where the Wiehle-Reston East station falls, \$268 million in sales were executed over the last three years. A majority of the buyers were investors as user sales only accounted for 6.0 percent of the sales volume. Some notable transactions included: Grosvenor Americas, Inc.'s purchase of the 254,332-sf Campus at Sunrise for \$63 million or \$248 psf; Spear Street Capital's purchase of the 250,000-sf Campus

MID/HIGHRISE MULTIFAMILY SALES IN RESTON/HERNDON & TYSONS/MCLEAN

PROPERTY	UNITS	PRICE
Archstone Reston Landing	400	\$253,266
Westerly at Worldgate	320	\$224,276
Archstone Charter Oak	261	\$216,475
Metropolitan of Fairfax	244	\$242,828
Park Crest	131	\$450,382

*Source: Real Capital Analytics

Commons for \$64.4 million or \$258 psf; and Westbrook Partners' purchase of the 215,722-sf One Dulles Corner for \$39.5 million or \$183 psf.

Investors are also cognizant of the future population increase's affect on high-end multifamily apartments. According to Delta Associates, the effective rent average for class A high-rise properties in north and west Fairfax, at \$2,396 per month in Q2, was the highest in Northern Virginia. The proposed apartments should be able to command top dollar as a result of their proximity to the stations, retail centers, luxury amenities and the overall higher income of the area. This may spur investors to upgrade recently purchased properties to match the offerings of future new construction.

Sales of mid/highrise apartments over the last few years have been centered in the Reston/Herndon submarket. The Archstone Reston Landing sold in February for \$100.3 million to AvalonBay Communities as part of a 69-building portfolio sale. January saw the purchase of Westerly at Worldgate for \$71.8 million to a joint venture between Goldman Sach, Greystar RE Partners and Ivanhoe Cambridge.

METRO INVESTMENT CASE STUDY

RB CORRIDOR/ORANGE LINE

The opening of the Silver Line in 2014 represents the first new Metro line since the debut of the Green Line in 1991. The four stations through Tysons and one in Reston mark the first new Metro stations in Northern Virginia since the Blue Line was expanded to Van Dorn Street and Franconia-Springfield in 1997 and 1991, respectively. Prior to the openings of these stations, serving the southeastern portion of Fairfax County, the last major Metro development in the region was an extension of the Orange Line from Ballston to its current terminus in Vienna in 1986. The addition of stops in East Falls Church, West Falls Church, Dunn Loring and Vienna extended the Orange Line by 9.11 miles and had a significant impact on public transportation throughout Northern Virginia and Tysons.

Even more relevant to the anticipated impact of the Silver Line is how the Orange Line transformed the Rosslyn-Ballston Corridor of Arlington. On July 1, 1977, the Orange Line's Rosslyn stop opened. This was followed by a 2.63 mile extension of the system and the opening of the Court House, Clarendon, Virginia Square and Ballston stations on December 1, 1979.

According to Arlington County, it was crucial the Metro follow the path of Wilson Boulevard and Fairfax Drive to revive the aging commercial center of the community. With this in mind, an alternative plan for the Metro to follow I-66 was abandoned. Rosslyn experienced explosive development with Metro's arrival and the 1980s would bring similar growth throughout the corridor.

In the 1970s, Arlington County floated a number of plans for transit-oriented development. The two preeminent goals were to preserve existing residential neighborhoods and to create mixed, high density use within a quarter mile of each Metro station in the RB Corridor. These objectives, particularly the latter, are now being emulated by Fairfax County for the transformation of Tysons. As noted previously in this report, the current infrastructure in Tysons cannot support the voluminous growth expected to occur between now and 2050. By encouraging development within walking distance of Metro stops, Arlington was able to experience dramatic growth unaccompanied by an increase in road traffic. Omitting parking structures near Silver Line stops will help Tysons realize these same benefits.



METRO INVESTMENT CASE STUDY

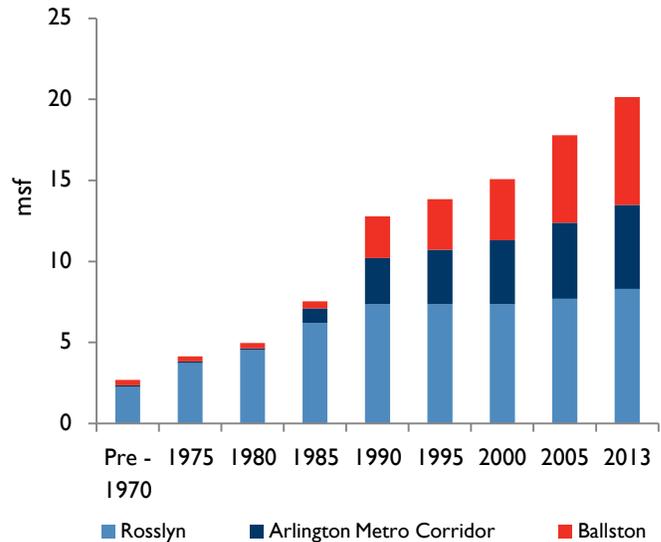
RB CORRIDOR/ORANGE LINE

OFFICE MARKET

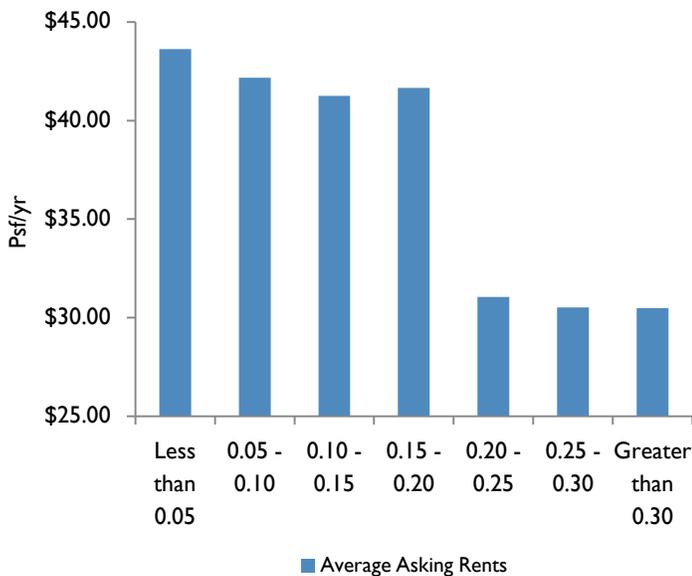
Prior to the Metro's debut in Rosslyn in 1977, the RB Corridor had 26 office buildings with over 25,000 sf; a total of just over 4.1 msf of space. Within a decade, the number of these buildings had doubled to 52 and a total of just over 9 msf. Today, that figure is at 101 properties totaling 20.2 msf. The construction pipeline in this submarket remains active as new projects continue to deliver and new proposed projects are a frequent occurrence.

In line with the original vision for the corridor, 92% of the rentable office square footage in the RB Corridor is within a quarter mile of a Metro stop. While the RB Corridor undoubtedly would have experienced growth with or without the Orange Line, it is apparent that the ease of access via public transportation is responsible for this market's transformation and ability to command the highest office rents in Northern Virginia.

OFFICE BUILDINGS OVER 20,000 SF



AVERAGE ASKING RENTS BASED ON DISTANCE TO METRO (IN MILES)



As of the third quarter of 2013, the direct average asking rental rate across all asset classes in the RB Corridor stood at \$43.35 psf. As noted previously, over 90% of the office inventory can be found within a quarter mile of a Metro stop. Therefore, it comes as no surprise that properties beyond this radius experience as much as a 30% discount in rental rates.

Within a quarter mile radius of the Metro, few properties deviate from the average asking rent by more than a few dollars. However, buildings with direct, internal Metro access were able to ask an approximately 6% premium over market averages. Given Fairfax County is encouraging a similar pattern of development along the Silver Line, within a quarter mile radius of Metro stops, this pattern is likely to be echoed. Developments with ease of access to the Metro will become the standard, while projects farther out will face steep discounts in asking rents.

METRO INVESTMENT CASE STUDY

RB CORRIDOR/ORANGE LINE

MULTIFAMILY MARKET

The RB Corridor also experienced a significant boom in residential housing units after the introduction of the Metro. The majority of this growth did not occur until the 1990s, indicating that residential development trailed office construction. Prior to the Metro's opening, the entire RB Corridor contained 23 multifamily projects with over 100 units. Combined, these developments totaled about 6,000 units. Today, there are 74 such projects totaling just under 200,000 units.

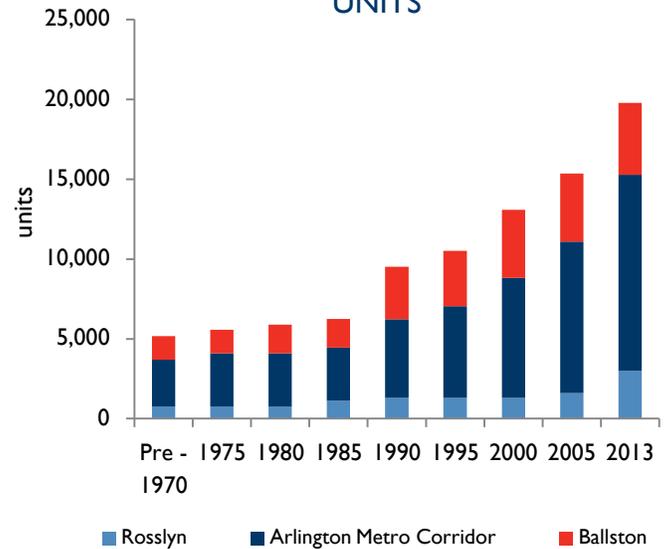
After experiencing significant office development in Rosslyn with little change to the residential market, Arlington County put plans in place to ensure the remainder of development along the RB Corridor included both residential and office components. The result of such planning is evidenced by the number of units constructed in Ballston and throughout the Arlington Metro Corridor and the accompanying spike in population.

At the time of the Orange Line's inception, Arlington County estimated its population would double by 2000. While this has not occurred, the county has experienced a near 45% increase in population. In 1980, Arlington County had a population of 153,000 and that figure today is estimated to be just over 221,000. The county is one of the most densely populated in the United States with 8,252 persons per square mile in 2013.

Arlington has a total of 228,700 jobs, with 26% of these being government employment. According to Arlington County, the area will be home to 308,800 jobs by 2040. In recent years, Arlington has become home to the highest concentration of 25-34 year olds in the region.

Average effective rents for multifamily properties throughout the RB Corridor can vary significantly depending on distance to a Metro stop. Properties within 0.05 miles of a Metro stop were able to command up to a 23% premium over average effective rents. A comparable property over a quarter mile from a Metro stop experienced an 18% discount from average effective rents.

MULTIFAMILY PROJECTS OVER 100 UNITS



*Source: CoStar Group

AVERAGE EFFECTIVE RENTS BASED ON DISTANCE TO METRO (IN MILES)



*Source: CoStar Group

OUTLOOK

The Silver Line

In 1989, 10 years after the Metro came to the entire RB Corridor, Arlington County published a report detailing “Early Visions” for the RB Corridor. The report summarized existing development, most notably in Rosslyn, and placed emphasis on the initial planning and implementation of Metro-centric development. In addition, the report detailed challenges as the vision for the RB Corridor came to fruition. As Tysons Corner prepares for the opening of the Silver Line in early 2014, the development of the RB Corridor offers a glimpse at what might be expected in decades to come.

Just as Arlington County envisioned its population doubling by 2000, Fairfax County has predicted the population of Tysons Corner will grow to 100,000 by 2050. With 9.0 msf of residential development (6,700 dwelling units) currently proposed, the groundwork for such tremendous growth is undeniably in place.

At the time of the Metro’s delivery, RB Corridor planners sought to encourage dense office development within a quarter mile radius of Metro stops and preserve existing low-density residential neighborhoods outside these circles. The consequences of this planning became readily apparent soon after the Metro’s 1977 debut in Rosslyn. Without ground floor retail space and limited residential development near the Metro, Rosslyn came to become abandoned at night and an example of what planners did not want to see throughout the rest of the RB Corridor.

As a result of what occurred in Rosslyn, Arlington County put policies in place to emphasize mixed-use development with a balance of office, residential and ground-floor retail space. In a similar fashion, Fairfax County has revised Tysons Corner’s land use plan to

encourage integration of office, retail and residential facilities in transit-oriented locations. Encouraging this redevelopment will eliminate a separation between neighborhood employees, residents and retail patrons, resulting in a 24/7 live/work/play environment so highly desired by investors, developers, corporations and their employees.

Perhaps the most obvious difference between the RB Corridor’s redevelopment and Tysons anticipated redevelopment is that today, Tysons Corner is already home to the largest concentration of office space in Northern Virginia. Therefore, the Silver Line’s introduction is not only a means to spark new development, but an attempt to combat the existing infrastructure congestion throughout the area.

To combat increased traffic congestion, Fairfax County intentionally omitted any Metro-operated parking garages at the four Tysons Corner stops. Such a decision was also executed in the RB Corridor, ensuring extensive development could occur without increasing traffic counts on Arlington roads. In addition to the Silver Line, other forms of public transportation will be improved, including the Tysons Circulator. Infrastructure modifications will divert traffic from already congested major roadways.

While the transformation of Tysons Corner will take decades to realize, it will ultimately be a walkable urban center. It is already touted as the “Downtown of Fairfax County” with its strong employment base which continues to grow. Its location between Dulles Airport and Washington, D.C. will become even more attractive to a variety of businesses once Phase II completes in 2018.

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Published by Cushman & Wakefield Research
For more information, contact:

CONTRIBUTORS

Paula F. Munger

Managing Director, Research
Mid-Atlantic | Southeast
Tysons Corner, VA
T +1 (703) 847 2785
E paula.munger@cushwake.com

Alexander J. Ragonese

Analyst - Americas
Research
Tysons Corner, VA
T +1 (703) 847 2736
E alexander.ragonese@cushwake.com

Daniela R. Stundel

Senior Research Analyst – Americas
Research
Philadelphia, PA
T +1 (215) 963 4046
E daniela.stundel@cushwake.com

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