

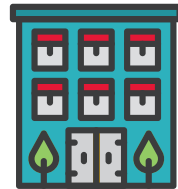
DOWNTOWNDC

LIVING

LIMITED SUPPLY

The DowntownDC BID's 7,054 housing units represented 7% of all built space in DowntownDC, and 2.2% of DC's approximately 325,000 housing units.

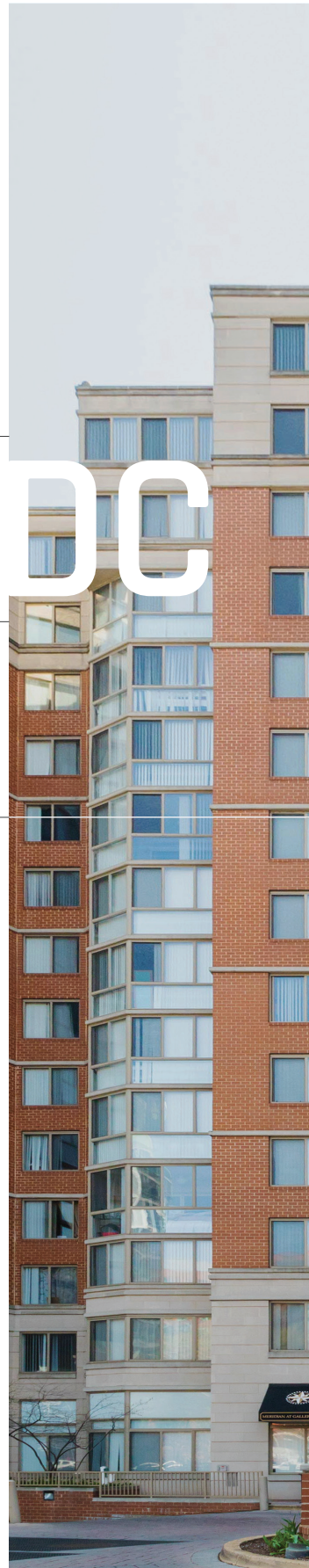
The DowntownDC BID's average Class A rent declined 3% in 2017 from \$3.29 per square foot (SF) in 2016 to \$3.19 per SF, and its vacancy rate increased from 2.9% to 5.6%. The 2017 rent decline and vacancy increase correlated with the rest of DC and the region. The modest decline in operating performance was the result of significant new apartment supply in other parts of DC and the region.



DOWNTOWNDC'S

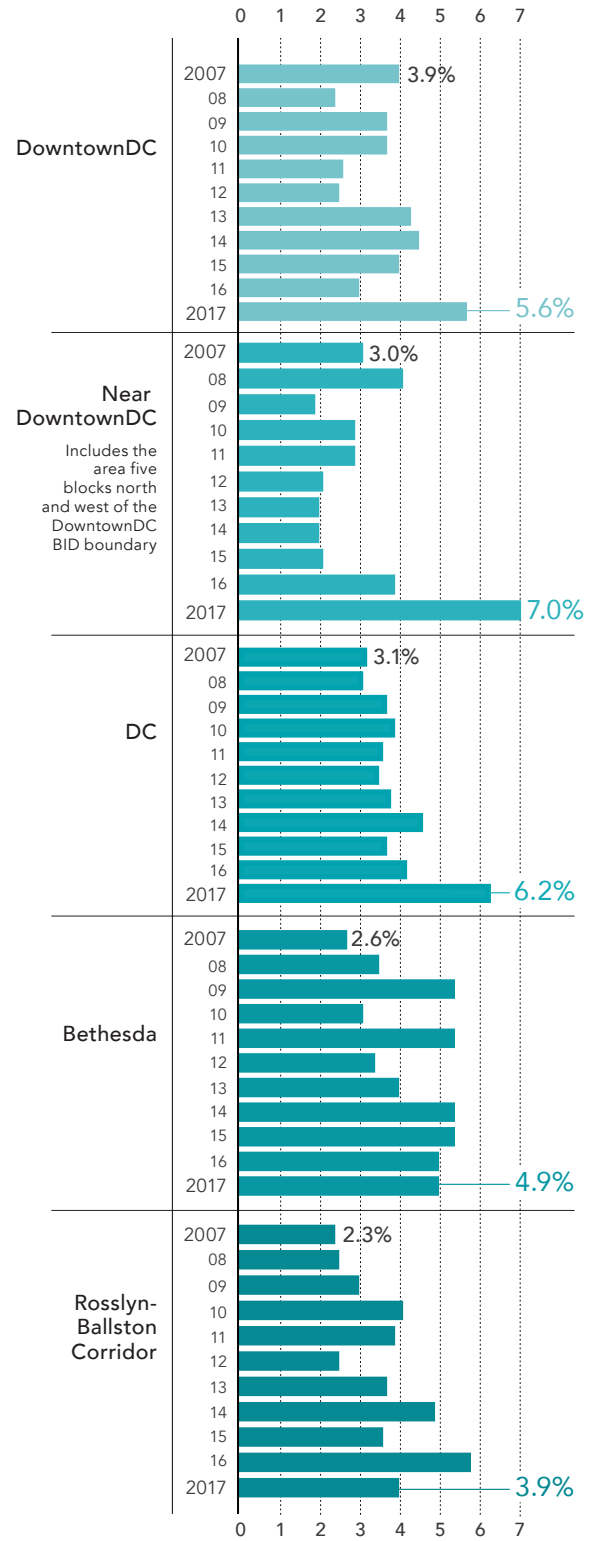
AVERAGE
APARTMENT RENT
\$3.19 PER SF

AVERAGE CONDO
RESALE PRICE
\$658 PER SF





CLASS A APARTMENTS VACANCY RATES



Source: Delta Associates

EFFECTIVE RESIDENTIAL RENT RATES

(per SF per month)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
DowntownDC BID Area	\$2.55	\$2.63	\$2.73	\$2.82	\$2.89	\$3.03	\$3.25	\$3.19	\$3.23	\$3.29	\$3.19
Near DowntownDC ⁽¹⁾	\$3.12	\$2.96	\$3.08	\$3.08	\$3.25	\$3.22	\$3.33	\$3.04	\$3.17	\$3.47	\$3.36
DC	\$2.77	\$2.68	\$2.62	\$2.86	\$3.00	\$3.04	\$3.05	\$3.01	\$3.00	\$3.11	\$3.03
Bethesda	\$2.62	\$2.60	\$2.46	\$2.74	\$2.77	\$2.82	\$2.79	\$2.72	\$2.82	\$2.85	\$2.85
Rosslyn-Ballston Corridor	\$2.21	\$2.23	\$2.35	\$2.50	\$2.63	\$2.71	\$2.68	\$2.68	\$2.77	\$2.72	\$2.78

Source: Delta Associates

(1) Includes the area five blocks north and west of the DowntownDC BID boundary.

DOWNTOWNDC'S RESIDENTIAL POPULATION IS YOUNGER THAN THAT OF THE DISTRICT. IN 2017, 34% OF DOWNTOWNDC RESIDENTS WERE 20-30 YEARS OF AGE.

Condo resale prices in the DowntownDC BID increased in 2017 from an average of \$643 per SF in 2016 to \$658 per SF. The 2017 average was still below other submarkets with average condo resale prices above \$700 per SF including Georgetown, 14th & U and the Mount Vernon Triangle.

The number of DowntownDC residents slightly declined from 9,831 residents in 2016 to 9,769 in 2017 due to the increase in the apartment vacancy rate.

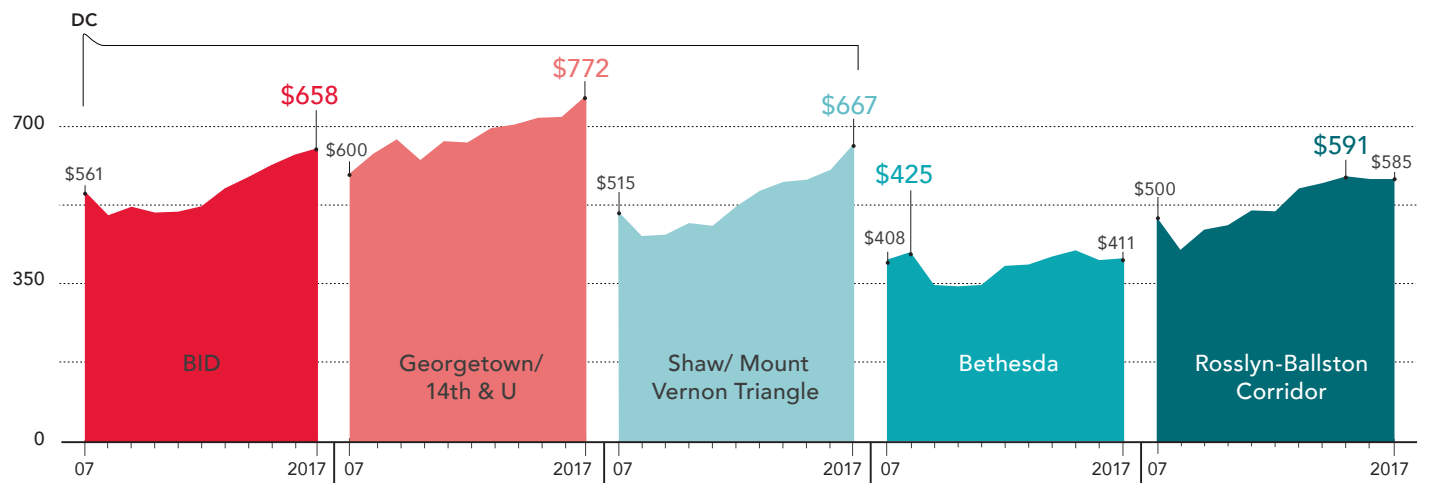
**DOWNTOWNDC
MEDIAN HOME VALUE:
\$536,482**

**DOWNTOWNDC
MEDIAN HOUSEHOLD
INCOME:
\$108,090**

The median home value in DowntownDC was \$536,482 in 2017 and the median household income was \$108,090 with 66% percent of households earning more than \$75,000. A total of 82% of DowntownDC residents in 2017 had earned a bachelor's degree or higher. DowntownDC's residential population is younger than that of the District. In 2017, 20% of residents were between the ages of 20-30 in the District and 34% of DowntownDC residents were 20-30 years of age in 2017.



CONDO RESALE PRICES
(per SF)

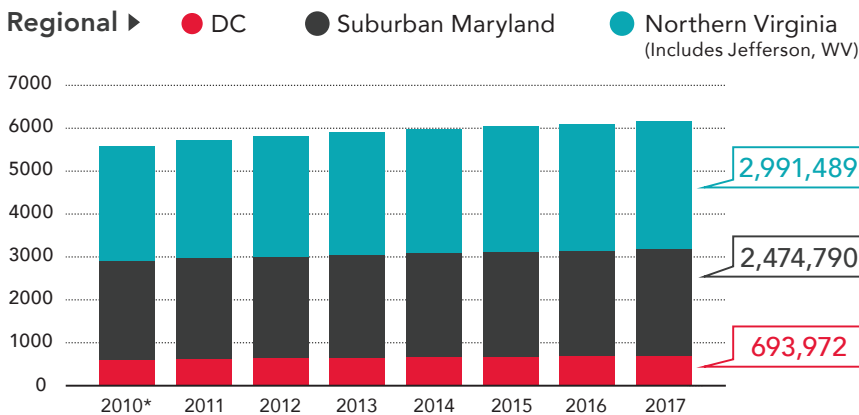
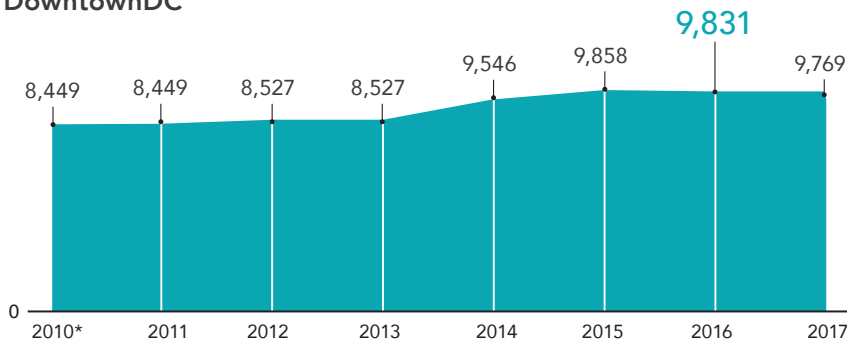


Source: The Mayhood Company



DOWNTOWNDC AND DC POPULATION

DowntownDC



* Census year

Source: U.S. Census Bureau, ESRI and DowntownDC BID

PLANNED RESIDENTIAL DEVELOPMENT

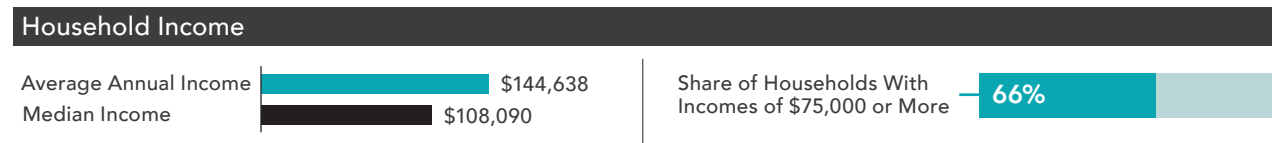
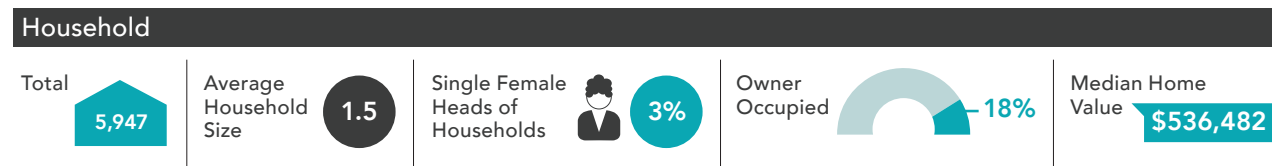
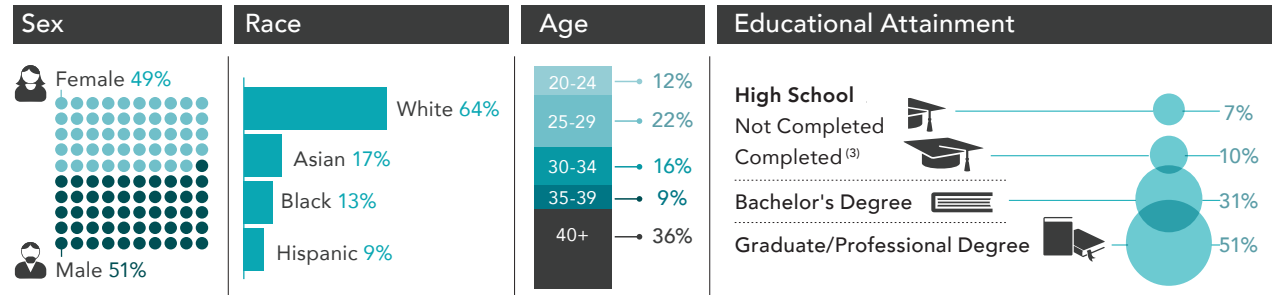
Modest residential development was planned for DowntownDC, with just two projects in the pipeline: a 133-unit condominium at 624 I Street by Monument Realty, and 65 apartments along with a 200-room hotel at 3rd & G streets by Renaissance Centro. A 150-unit apartment building at Capitol Crossing was being reevaluated.

Over 90% of DowntownDC housing has been the result of federal or District government intervention. These interventions have included guidelines and policies from the Pennsylvania Avenue Development Corporation, tax abatements and special zoning.

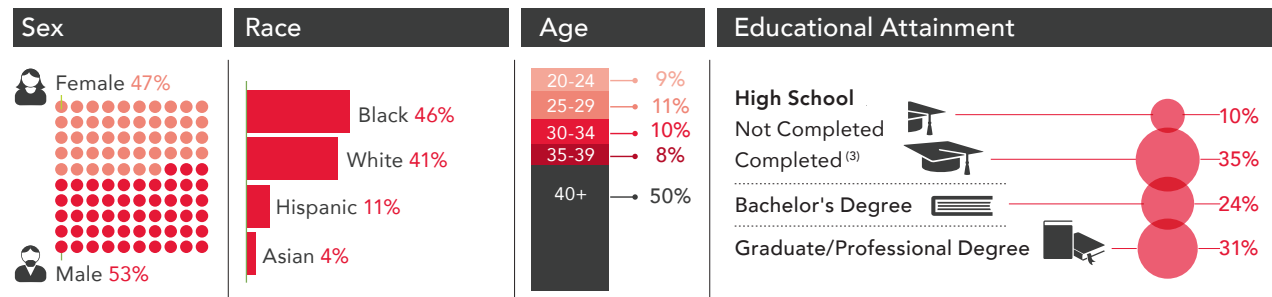
DOWNTOWNDC AND DC DEMOGRAPHICS



BID



DC

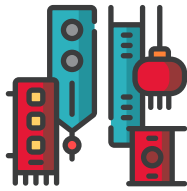


(3) Includes people who have completed some college and Associate Degrees

Source: ERSI forecasts courtesy of Washington, DC Economic Partnership

TENANTS TO PURCHASE WAH LUCK HOUSE

The Wah Luck House, a Section 8 apartment building with 153 apartments at 6th & H streets in Chinatown, announced in early 2018 that its residents would purchase their building through the city's Tenant Opportunity to Purchase Act (TOPA) for \$38 million. In addition, the building will undergo a \$39 million renovation, bringing the total project cost to \$77 million.



WAH LUCK HOUSE WILL REMAIN AS AFFORDABLE HOUSING



EFFORTS TO INCREASE HOUSING

DowntownDC's office buildings and hotels in 2017 continued to generate high returns for their owners and investors, making an investment in residential

development less appealing. District or federal government intervention may be necessary to increase DowntownDC's residential supply.

The DowntownDC and Golden Triangle BIDs in 2017 began working with the DC Government

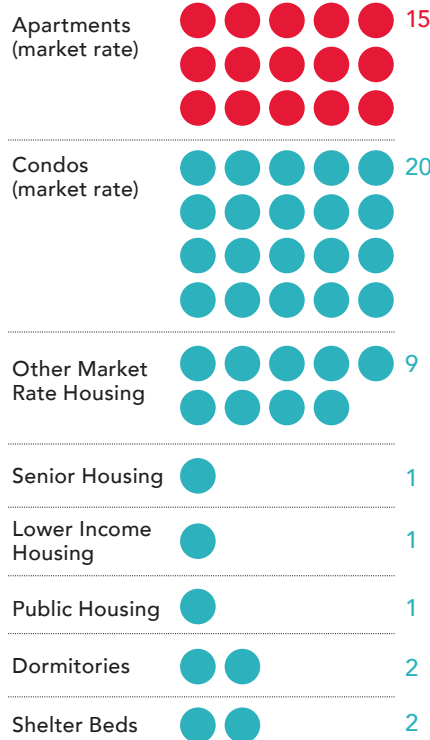
to create a pilot program to convert up to 400,000 SF of older office buildings into residential buildings by offering 10 year tax abatements of up to \$20 per SF.



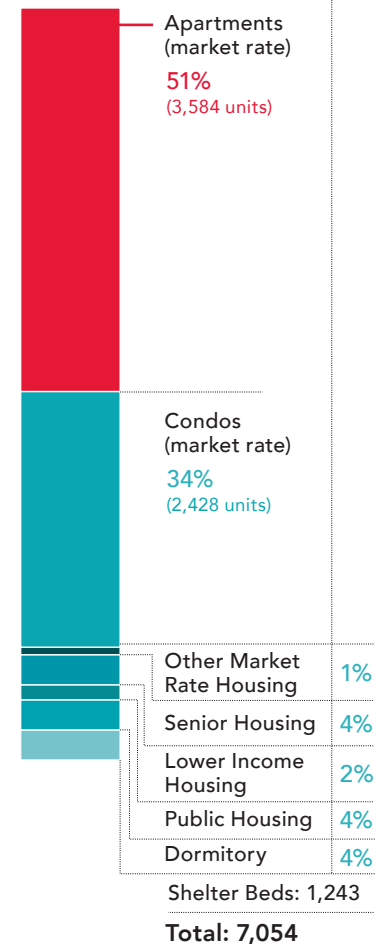
DOWNTOWNDC HOUSING TYPES, APRIL 2018



Number of Buildings



Residential Units



THE DOWNTOWNDC BID IN LATE 2017 BEGAN **INCLUDING APARTMENT RESIDENTS AS BID MEMBERS**

THE DOWNTOWN RESIDENTIAL CONVERSION PILOT PROGRAM WILL BOOST RESIDENTIAL SUPPLY

DOWNTOWNDC BID RESIDENTIAL INCLUSION

In late 2017, the approximately 5,100 residents living in DowntownDC's 3,584 market-rate apartments in 15 buildings became

members of the DowntownDC BID. BID residential members will receive new services from the BID including: enhanced cleaning and safety services; advocacy for good and reliable city services; improvements to the public realm, including the programming of Franklin Park after its reconstruction is complete; and residential networking events.