



COMMERCIAL BROKER QUARTERLY

WINTER
2005

INSIDE THIS ISSUE

In & Out.....5

On The Horizon.....8

Do-Not-Fax Update10

News and Notes.....12

Member Spotlight.....15

The official newsletter of the Greater Washington Commercial Association of REALTORS®

DC OFFICE SECURED; WDCAR RETURNS HOME



GWCAR is excited to announce the location of its newest office in the District of Columbia in the new National Association of REALTORS® building on Capitol Hill. The official address will be 500 New Jersey Avenue NW, Suite 310, Washington, DC 20001.

The 1,600 square-foot space will serve as a service location for GWCAR and GCAAR members and as the official home of the Washington, DC Association of REALTORS®.

The associations' find the space to be a more appropriate, efficient location for its needs. The location will be open Monday through Friday from 8:30 a.m. to Noon and from 1 p.m. to 5 p.m. Every service available at GWCAR's main office in Silver Spring will be available at the DC office, including member enrollment and a REALTOR® Store. Small meetings and classes may also be held at the location.

After a hiatus without a local office, WDCAR President Elizabeth Blakleslee is relieved for the association to have a presence again in DC.

See DC OFFICE, Page 3

MARKET WRAP-UP

Washington Outpaces the Nation at Year's End

Northern Virginia and Maryland Suburbs Maintain Momentum

By Katie Gorretta
Research Associate, Akridge

The fourth quarter of 2004 capped off one of the strongest performing years in the metropolitan Washington, DC office market in recent history. The thriving regional economy, bolstered by the injection of federal procurement dollars and solid job growth, has translated into a 9.2% area-wide vacancy

See MARKET, Page 6

Virginia General Assembly Takes Up Issue of Title Insurance

During the 2005 Virginia legislative session, the legislature passed a bill dealing with title insurance and the authority of insurers to offer negotiated rates. Here is some background on the issue:

Since 1985, title insurance rates in Virginia could be negotiated, meaning that major players in the commercial real estate field could negotiate their rates during the closing process. This led to some pretty major savings. Further, residential agents, homebuyers, lenders and closers also had the

See VA TITLE INSURANCE, Page 13

DIGEST BOX

IN CASE YOU MISSED IT

■ GWCAR donated \$1,000 to the National Association of REALTORS® tsunami relief fund. This money will be used to build "core houses," permanent structures that in some cases will be built on the foundation of the previous homes of those displaced by the disaster.

■ The association received a RPAC fundraising award from the Virginia Association of REALTORS® (VAR) for collecting 118% of its 2004 goal. This is even more outstanding since 2004 was the first year GWCAR was considered a local association by VAR. **Way to go Virginia members!**

■ For the third consecutive year, the Association of Foreign Investors in Real Estate (AFIRE) named Washington, DC as the world's **top urban real estate market**. AFIRE's annual survey examines low vacancy rates, increased value in real estate and global investment.

■ According to a new study by Delta Associates, the research arm of Virginia-based Transwestern Commercial Services, **the retail market in the nation's capital is the strongest in the nation**. The reason: Strong job growth. According to the report, the DC metro area economy generated more than 65,000 new payroll jobs in the year ending in September, representing a 2.3% growth rate that outpaces the current national growth rate at 1.3%.

CALENDAR

APRIL 6
GWCAR Board of Directors Meeting

APRIL 7
2005 GWCAR Commercial Awards Dinner
Four Seasons Hotel, 2800 Pennsylvania Ave. NW (Georgetown), Washington, DC
COST: \$175 per person; \$1,500 per table of 10

APRIL 8
Special GWCAR awards pullout section in the *Washington Business Journal*. All award winners will be included.

MAY 9-13
NAR Midyear Meetings & Trade Expo
Marriott Wardman Park and Omni Shoreham hotels
Look for details regarding special events for GWCAR members coming soon.

Quote of the Quarter

“ **Not to screw things up.** ”
— Phillip Thomas on his goals in taking over from John Donovan at Carr America.

ALL SIGNS POINT TO...



FYI: In 2004, all regional residential markets bested expectations, making it the best year on record. Prince George's County seems to be the next "hot spot" in the metro area.

For complete details, please turn to page 1 for our quarterly market overview.

PRESIDENT'S POINTS

My goals for 2005 are simple:

- Continue to improve GWCAR's healthy financial situation;
- Vault our public policy efforts to be the leader in local commercial real estate issues; and
- Weaving member involvement in the community into industry culture.

We already have made great strides toward achieving these goals. Now, I ask that you:

- Provide us your feedback on GWCAR events and get involved with a committee or task force;
- Make your 2005 RPAC pledge now and let us know of any forthcoming issues that prove troublesome for our industry; and
- Stay tuned for information on how you can help promote GWCAR's community involvement projects.

THE overall goal for 2005: Further demonstrating how much of a leader our association is, and our members are, in our industry.



BOB SCHWARTZ
2005 President



STARTING LINEUP

The 2005 Board of Directors is sworn in December 6, 2004, at the Annual Holiday Party, Board Installation & Annual Meeting.

A publication of the
Greater Washington Commercial
Association of REALTORS®

REALTOR®

President
Robert C. Schwartz
Jones Lang LaSalle

President-Elect
Douglas Olson
Monument Realty

Treasurer
Marty Almquist
Equity Office Properties

Immediate Past President
Brendan Cassidy
Cassidy & Pinkard

DC Regional Directors
Thomas Fulcher (Chairman)
Studley
Peter Cole
Republic Properties Corporation

Dan Dooley
Tishman Speyer Properties

Michael Katcher
Cushman & Wakefield

Susan Pepper
Grubb & Ellis

Maryland Regional Directors
Anne DuMont (Chairwoman)
Boston Properties

Dave DiNardo
Grubb & Ellis

Gary Edell
Penrose Real Estate Services

Kevin McGloin
Advantis Real Estate Services

Greg Prossner
Spaulding & Slye Colliers International

Virginia Regional Directors
Christopher Sowick (Chairman)
Trammell Crow Company

David Millard
Cushman & Wakefield

Anne Rosenau
Cushman & Wakefield

Kirk Boyd
Coldwell Banker Commercial
Capitol Realty Services

Randy Lennon
Charles E. Smith Commercial Realty

President Appointees
Chris Flynn
Transwestern Commercial Services

Mark Gilday
Bregman, Berbert, Schwartz & Gilday

Chief Executive Officer/Publisher
Chuck Ebert, CAE, RCE

General Counsel
Abraham J. Greenstein, Esquire

Editor
Robert Treadway

Editorial Advisory Board
Edwin Gotico (Chairman)
Cassidy & Pinkard

Patrick Foley
HBW Group

Mark Heschmeyer
CoStar Group

Amanda Swinson
West, Lane & Schlager

The Greater Washington Commercial Association of REALTORS® is a professional trade association representing more than 650 commercial real estate practitioners.

8757 Georgia Avenue, Suite 600, Silver Spring, MD 20910 • Phone: 301.590.2000 • Fax: 301.590.2248 • www.gwcar.org

DC OFFICE SECURED

OFFICE, continued from page 1

“Having association services available nearby will make our lives as agents easier,” Blakeslee said. “Also, I like the irony of having an office in close proximity to Capitol Hill in view of the fact that DC has no voting representation there. Maybe we can capitalize—pun intended—on our close proximity to Congress.”

“Maybe we can capitalize — pun intended — on our close proximity to Congress.”

The official opening of the office will occur this spring, likely before the NAR Midyear Meetings. Look for details regarding open house and reception celebrations coming soon.

NAR’s DC headquarters is a 12-story, ClassA, “green” building. It will house NAR’s DC staff of government affairs, research & regulatory affairs, public affairs and some finance & HR personnel, about 100 total. They will occupy about five floors or 40,000 square feet while the other seven floors will be leased to tenants by GWCAR member firm Cassidy & Pinkard. NAR’s main headquarters are in Chicago. ■



THE JBG COMPANIES

4445 Willard Avenue
Chevy Chase, MD 20815
(240)333-3600 • jbg.com



**Sterling ‘R’ RPAC
Contributors
(\$1,000 or more)**

**Chuck Ebert, CAE, RCE
GWCAR/WDCAR
/CAR/GCAAR**

CAPITAL CLUB (\$250-\$999)

**Tom Fulcher
Studley**

**Mary Rudolph
WDCAR/GWCAR**

**Doug Olson
Monument Realty**

**Chris Sowick
Trammell Crow Company**

OTHER CONTRIBUTORS

**Dave Bevirt
Cassidy &
Pinkard**

**Randy Lennon
Charles E. Smith
Commercial
Realty**

**Susan Pepper
Grubb & Ellis**

**Nicholas Pappas
Eastdil**

**Robert
Treadway
WDCAR/
GWCAR**



RPAC: YOUR DRIVING FORCE IN BUSINESS!

COUNCIL OF THE DISTRICT OF COLUMBIA—COMMITTEES 2005

<p>Committee of the Whole – All Councilmembers Linda R. Cropp, Chair</p> <p>Christopher Murray, Clerk Room 410 cmurray@dccouncil.us 202.724.8196 fax 202.724.8085</p>	<p>Committee on Consumer & Regulatory Affairs Jim Graham, Chairman Sharon Ambrose Kwame Brown David Catania Adrian Fenty</p> <p>Fernando Rivera, Clerk Room 112 frivera@dccouncil.us 202.724.8198 fax: 202.724.8109</p>
<p>Committee on Economic Development Sharon Ambrose, Chair Jack Evans Kwame Brown Vincent C. Gray Vincent B. Orange, Sr.</p> <p>David Grosso, Clerk Room 119 dgrosso@dccouncil.us 202.724.8792 fax: 202.724.8054</p>	<p>Committee on Education, Libraries, Recreation Kathy Patterson, Chair Marion Barry Vincent C. Gray Phil Mendelson Carol Schwartz</p> <p>Tameria Lewis, Clerk Room 116 tlewis@dccouncil.us 202.724.8195 fax: 202.724.8118</p>
<p>Committee on Finance & Revenue Jack Evans, Chair Sharon Ambrose Marion Barry Vincent B. Orange, Sr. Kathy Patterson</p> <p>Eric Goulet, Clerk Room 114 egoulet@dccouncil.us 202.724.8206 fax: 202.724.8023</p>	<p>Committee on Government Operations Vincent B. Orange, Sr., Chair Adrian Fenty Jim Graham Phil Mendelson Carol Schwartz</p> <p>Donna Cooper, Clerk Room 117 dmcooper@dccouncil.us 202.724.8191 fax 202.724.8076</p>
<p>Committee on Health David Catania, Chair Jack Evans Jim Graham Vincent C. Gray Vincent B. Orange, Sr.</p> <p>Jordan Hutchinson, Clerk Room 115 jhutchinson@dccouncil.us 202.724.8170 fax: 202.724.8087</p>	<p>Committee on Human Services Adrian Fenty, Chair Marion Barry Vincent C. Gray Kathy Patterson Carol Schwartz</p> <p>William Singer, Clerk Room 113 wsinger@dccouncil.us 202.724.8204 fax: 202.724.8120</p>
<p>Committee on the Judiciary Phil Mendelson, Chair Sharon Ambrose Kwame Brown David Catania Kathy Patterson</p> <p>Clerk Room 109</p> <p>202.724.7808 fax: 202.724.8099</p>	<p>Committee on Public Services Carol Schwartz, Chair Marion Barry Kwame Brown Adrian Fenty Jim Graham.</p> <p>Adam Maier, Clerk Room 113 amaier@dccouncil.us 202.724.8024 fax: 202.724.8071</p>

IN & OUT:

A Changing of the Guard



DONOVAN

Come June 1, there will be a passing of the baton at CarrAmerica.

John Donovan has announced that he will retire from his post as the head of CarrAmerica's Metropolitan Washington, DC market on May 31 with **Phillip Thomas** taking over.

Donovan, who just turned 61, wants to rebalance and de-stress his life.

"I believe that, with conspicuous exceptions, commercial real estate is a 'young person's business,'" he says. "It's time for me to pursue other interests, live life at a much less intense tempo and make room for younger people at CarrAmerica to grow."

It should be noted that Donovan hired his successor nearly 19 years ago as a rookie leasing agent one year out of college.

"He has been my mentor and friend ever since," Thomas, 41, says.

Both Donovan and Thomas say that their company is so strong because of its very high professional standards and its talented and dedicated people.

"We have such a great team here, with such long-term leaders as Bob Carr and Jamie Williams on the development side and Steve Bralower on the leasing/management side," Thomas says. "There's a deep bench of talent."

Thomas says Donovan has had a leading role in CarrAmerica's success in DC, strategically advising the company as to where we grow and what buildings, what neighborhoods to be active in. He also helped a great deal with the transition from the privately-held Oliver Carr Company to CarrAmerica the REIT.

Thomas's goal in his new role is simple: "Not to screw

things up," he laughs. "I'm looking forward to helping the company grow and keeping it focused on the CarrAmerica mission of doing things the right way and doing things well."

He also wants to get back to ground-up development, where he thinks CarrAmerica can really add value. At the present time, they have two developments with Douglas Development Corporation in the works and are also looking at both land and building acquisitions in DC, Virginia and Maryland.

Donovan says he sees some good and bad emerging trends in the metro area. He thinks the increasingly sophisticated, 24/7 downtown DC environment and multi-use quasi-urban submarkets like the Rosslyn-Ballston corridor, Reston Town Center and Alexandria are outstanding additions to the community. Subjects of concern are led by traffic congestion worsening, real estate tax levels soaring and outer suburb development mushrooming in generally insufficiently planned and managed ways.

Both men say the limited development envelope coupled with a strong economy due in large part to government have worked to make metropolitan Washington the country's hottest market.

"There will be plenty of time to ponder 'life after CarrAmerica' while floating around on my boat."

— *John Donovan*

"Washington's fundamentals are so basically strong that it's no wonder that our commercial real estate market is one of only 2 or 3 that has stayed healthy in recent years," Donovan says.

He admits he doesn't have any specific retirement plans, but his first official act will be to pack up his wife, dog and cat and head for their Massachusetts summer home-this time for the entire summer.

"I need to complete my full-time CarrAmerica role first and then see what life is like starting on June 1," Donovan says. "There will be plenty of time to ponder 'life after CarrAmerica' while floating around on my boat."

Come the fall, he has no plans to speak of other than to spend more time foxhunting and to increase



THOMAS

See *IN & OUT*, Page 15

MARKET WRAP-UP — FOURTH QUARTER 2004

MARKET, continued from page 1

rate, down from 11.2% a year ago. This continues to be the lowest in the nation among major metropolitan areas!

Net absorption for the greater Washington market totaled 11.6 million square feet for the year with 4.7 million of that coming in the fourth quarter. Space absorption continues to be driven by the federal government, law firms and government contractors.

Overall market rental rates increased throughout 2004 to reflect a net gain of 1% in the metro area for the year. Class A effective rents in downtown DC led the region, with the full service rates averaging \$41.15 per square foot. These are the second highest average rents in the nation, behind only the Midtown Manhattan submarket.

In the fourth quarter, 2.7 million square feet of construction broke ground in the metro area including the third phase of the Portals in Southwest, Republic Square on Capitol Hill and 1101 New York Avenue in the East End. These starts and others in the region bring the total amount of space under construction at year end to 11.6 million sf in the metro area, an indication of a dynamic and lively development market. This is the largest amount of space under construction in the country for large metropolitan markets. 61% of space under construction at the end of the fourth quarter was pre-leased, compared with 65% a year ago.

Economists are predicting a record 76,000 jobs centered in professional business services, or “knowledge-based” fields, to be added to the regional economy in 2005. This is a result of the rapid acceleration of economic recovery that the area has experienced in the last two years, well ahead of the national economy. This recovery can be largely attributed to the federal dollars that have poured into the Washington area as a result of the bolstered effort to fight the “War on Terror” by the Department of Defense, Department of Homeland Security and the government contractors who support them.

The DC metro area enjoys the lowest unemployment rate in the U.S. at 3.1%, down from 3.4% in 2003. The national rate of unemployment is 5.5%. The area also leads the nation in job growth for 2004, generating over 73,000 jobs in the 12-month period, ending in October. This is almost a 60% better job growth than the rest of the country. While the majority of these jobs were added to the professional and business services sector, there were also strong gains in the retail, service and construction divisions, reflecting a diversely growing

economy. Gains in these areas are reflective of the high percentage of discretionary income that residents of the DC area enjoy as well as an active development market.

DISTRICT OF COLUMBIA

The District of Columbia continues to be the best performing major city in the nation economically. Net absorption was at record levels in 2004, totaling 2.5 million square feet at year end, 1.1 million of that occurring in the fourth quarter alone. The District’s vacancy rate also decreased to 6.0% in 2004 from 7.1% in 2003 to become the lowest rate since 2000.

With a limited supply of large blocks of space over 100,000 square feet available in downtown Washington, large law firms are driving the Class A development climate as they are forced to begin their space search up to 3 to 4 years prior to their existing lease expirations. The lively development climate in the District has seen the traditional boundaries of the East End pushed outward to accommodate this specific demand for new Class A product. As an example, two developers have planned two 200,000 sf Class A projects proposed to begin soon in the 700 block of 6th Street NW as well as three large office projects near the north side of 12th and New York Avenue NW, one of which has broken ground and is scheduled to deliver in 2007.

The District saw large law firms dominate the leasing activity during 2004. Some of the largest leases signed last year include White and Case signing at One Metro Center for 136,000 sf; Miller & Chevalier for 118,000 sf at Metropolitan Square; Heller Ehrman White & McAuliffe at 1717 Rhode Island Avenue NW for an 83,000 sf pre-lease and Morrison & Foerster signing a 77,000 sf pre-lease for 1700 K Street NW.

Although there were 6.2 million square feet under construction at the end of the fourth quarter, 60% of that is pre-leased. While the vacancy rate might edge up a few notches in 2005, the overall health of the market remains strong due to high demand for space, evidenced by the 1 million square feet of space that was 81% pre-leased prior to delivery in the fourth quarter.

With increasing pressure on the District to retain its tenancy from competition in Northern Virginia, Southwest has become a promising new submarket for developers starting speculative construction. In an attempt to lure offices considering making the jump across the Potomac and to continue feeding the appetite of the GSA and its contractors, developers with projects in Southwest are touting amenities such as river views, close proximity to major freeways and access to four

See MARKET, Page 7

MARKET WRAP-UP — FOURTH QUARTER 2004

MARKET, continued from page 6

Metro lines. The increasing competition has also kept rents in check in the District, witnessing only a 2% growth rate for the year as compared to a 1% increase in Northern Virginia and a 1% decrease in rates in Suburban Maryland.

NORTHERN VIRGINIA

Northern Virginia surged forward in 2004 and has started to enjoy a significant revival from the tech fallout of 2001. The main catalyst behind the recovery is the amount of federal procurement dollars that have been infused into the local economy. While federal spending occurred throughout the metro area, Northern Virginia reaped the bulk of the benefits in 2004 with skyrocketing job growth and the largest level of absorption since 2000.

Driving that large absorption figure was the delivery of the first phase of the 1.7 million sf U.S. Patent & Trademark Office in Old Town Alexandria in the fourth quarter, contributing 1.4 million sf of net absorption to the market. Northern Virginia totaled 2.6 million sf of absorption in the fourth quarter, bringing the total for 2004 to 6.6 million sf. Only 1.4 million sf were absorbed in 2003.

Northern Virginia also saw an abundance of large leases signed in 2004 that will continue to affect absorption figures in future years. These transactions included the Corporate Executive Board's 620,000 sf pre-lease for the Waterview project in Rosslyn. The EPA also signed a 400,000 sf pre-lease for Potomac Yard in Crystal City; Booz Allen & Hamilton signed for 242,000 sf to occupy half of One Dulles Tower in Herndon; SRA International signed a pre-lease for 191,000 sf at 3434 Washington Blvd. in the RB Corridor; and Northrop Grumman for 166,000 sf at Independence Center in the Route 28 South Corridor.

The overall vacancy rate for Northern Virginia was 11.1% at the end of the fourth quarter, down from 13.9% in 2003. The Dulles Corridor continued to have the highest rate of vacancy in the area, but has made vast strides in the last year reducing their vacancy by almost 4%. Due to the heightened level of leasing activity in the area, Northern Virginia saw its rental rates gradually creep up, yielding a 1% increase across all submarkets. Average Class A effective rental rates in the Rosslyn-Ballston corridor were at \$30.35 at year's end, second in the close-in Northern Virginia submarkets to Crystal City's \$31.90 effective rents. Rents are predicted to gradually increase through 2006 as rent concessions drop further.

There were 4.5 million sf under construction in Northern Virginia at the end of 2004, of which 59% was pre-leased. 1.2 million sf of that figure commenced construction in the fourth quarter. Last year at the same time there were 5.8 million sf under construction, of which 81% was pre-leased. The large percentage of pre-leased space came primarily from the PTO headquarters that delivered in the fourth quarter.

Demand for office space will continue to be driven by the federal government and its contractors in Northern Virginia through 2005 before it begins to recede in 2006. Space requirements driven by brisk job growth are likely to outpace development in the coming years, resulting in lower vacancy rates and heightened rents.

SUBURBAN MARYLAND

Suburban Maryland held steady in the fourth quarter and saw its vacancy tick down slightly while absorption and leasing have made modest gains to try to keep up with the District and Northern Virginia. While there were only 263,000 sf absorbed in all of 2003, 967,000 sf were absorbed in the fourth quarter of 2004 alone. Maryland's office market experienced 2.5 million sf for the year, concentrated mainly in Montgomery County. This is the highest level of absorption since 1994.

The overall vacancy rate in Suburban Maryland came in at 10.1% for 2004, slightly lower than 11.7% at the end of 2003. A mixture of business sectors contributed to the leasing activity for the year, including private companies, non-profit firms and the federal government. Historically one of the largest users of office space in Maryland, the National Institutes for Health have seen their funding levels drop in 2004 due to a federal budget re-focused on fighting the "War on Terror". This has resulted in a diminished demand for large-block space in the biotechnology and health sectors, traditionally drivers for the market.

On the flipside, there are emerging pockets in Suburban Maryland that are seeing gradual development and leasing activity, centered along Metro's red line, the 1-270 Corridor and Silver Spring. The delivery of the Discovery Communications, Inc. headquarters in 2003 has prompted interest from several service-related companies and associations to locate to the area. The Bethesda/Chevy Chase submarket has seen development pick up with the Mills Corporation initiating a ground breaking of the 412,000 sf mixed use, Chevy Chase Center at 5452 Wisconsin Avenue NW with a 200,000 sf pre-lease for the office portion of the project.

See MARKET, Page 13

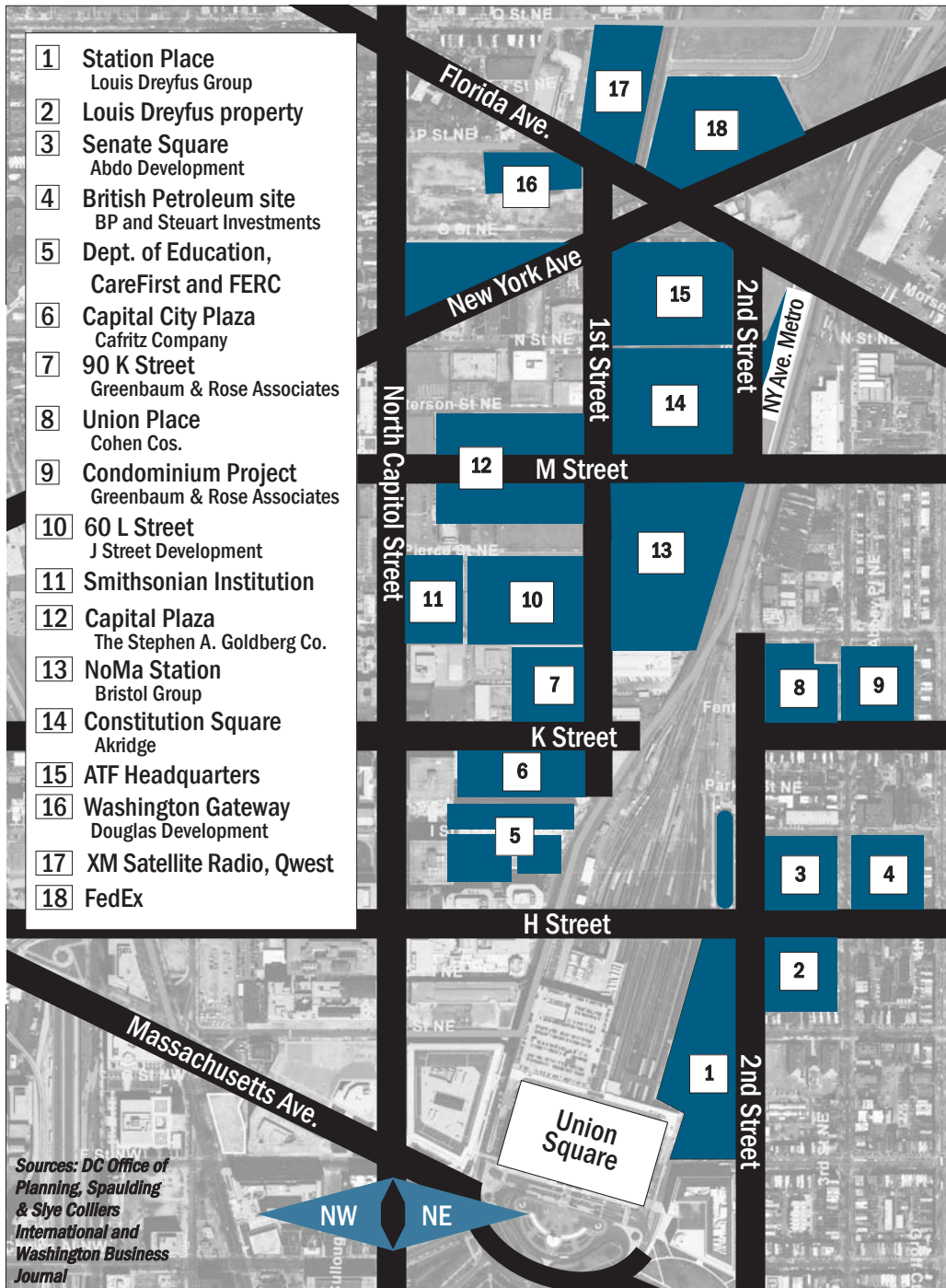
on the horizon

This issue: DISTRICT OF COLUMBIA

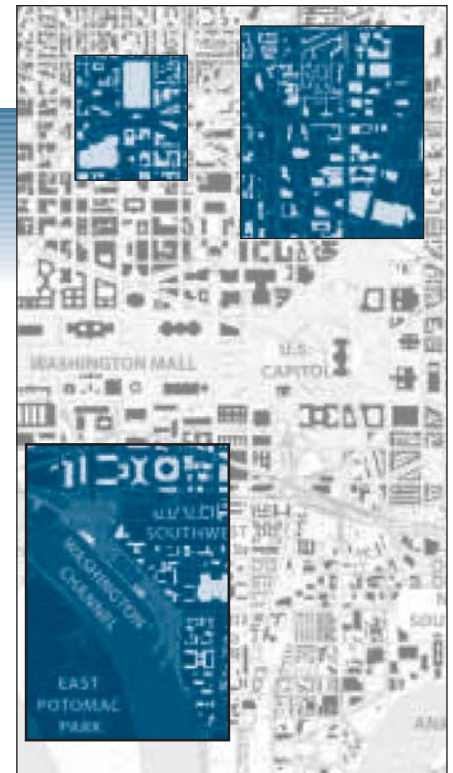
Convention Center area; NoMA; Southwest Waterfront

A series of graphical looks at hot spots of development in the metro region

North of Mass. Avenue (NoMa)



Sources: DC Office of Planning, Spaulding & Slye Colliers International and Washington Business Journal



A DIAMOND IN THE ROUGH FINALLY GETS POLISHED

DC's NoMa corridor is taking off. The New York Avenue Metrorail station opened in November and a number of projects will enable companies to join CNN, XM Satellite Radio, CareFirst, Bureau of Alcohol, Tobacco & Firearms (ATF), the Securities & Exchange Commission (SEC), the Department of Education and the Federal Energy Regulatory Commission (FERC):

- * A planned retail, work and restaurant pavilion near the new Metro station
- * Capital Plaza: M Street at First Street NE—2 million sf
- * 60 L Street—1 million sf
- * NoMa Station—1.8 million sf (including existing 408,000 sf building)
- * 90 K Street—1.3 million sf
- * Constitution Square—2 million sf
- * Station Place I & II—SEC Headquarters
- * Station Place III—500,000 sf
- * Capital City Plaza—320,000 sf

Old Convention Center Site

THE HEART OF THE CITY GROWS STRONG

The Old Convention Center building in Washington DC came tumbling down on a chilly Sunday morning in December, and as the rubble

gets cleared away, the city awaits final plans for the site and the DC Council's resolution regarding a convention center headquarters hotel. As of January 2005, Mayor Anthony Williams and the DC Council Chair Linda

Cropp have different views on what should happen at the old site.

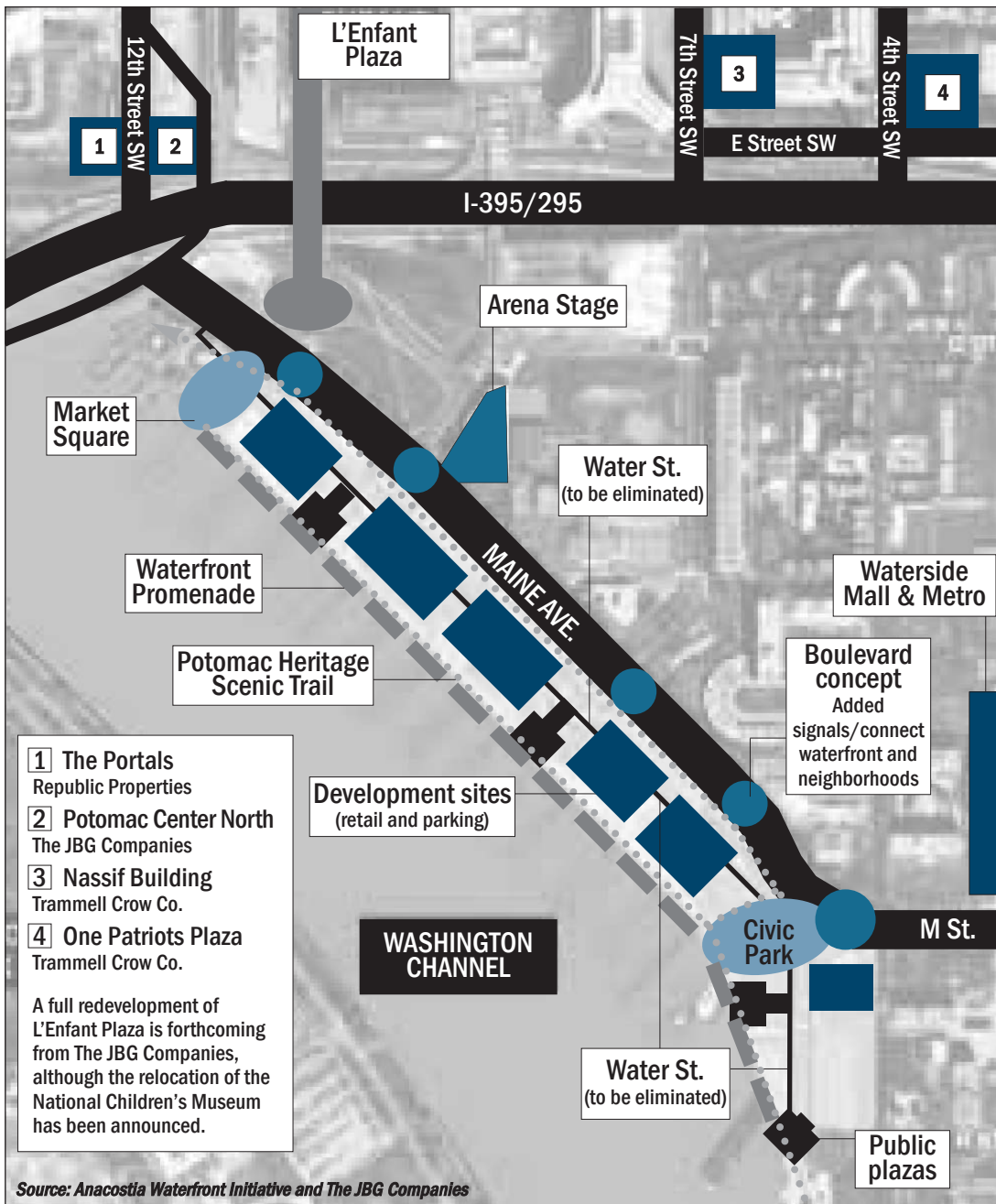
The Mayor's proposal for the old convention center site, previously approved by the DC Council, would bring high-end retail like

Nordstrom's and Bloomingdales, as well as housing, office space, a new center-city library and 2,200 parking spaces.

Williams' proposal for a headquarters hotel

See OLD SITE, Page 11

Southwest Waterfront



UNLOCKING A NEW GATEWAY TO THE NATION'S CAPITAL

The Southwest Waterfront will be a true urban destination, where maritime activity and commerce mix with culture and housing to form a vibrant neighborhood.

A widened riverside promenade will be anchored by major public plazas—Market Square and a civic park—while piers will provide public access to the water.

Pedestrian spaces will be lined with shops and restaurants, with residences located above.

Building on existing assets like the Fish Wharf and Arena Stage, the Southwest Waterfront will be a lively destination for residents, visitors and tourists alike.

[Editor's note: Look for our feature on the Anacostia Waterfront Initiative later this year.]

do-not-fax

UPDATE UPDATE UPDATE UPDATE UPDATE **UPDATE!**

Proponents of Fax Bill Look Ahead to 109th Congress

Before adjourning, the Senate passed S. 2603, the “Junk Fax Prevention Act of 2004,” by unanimous consent.

This was a result of months of hard work by NAR and the Fax Ban Coalition, in addition to the grassroots efforts of all our organizations’ members. However, due to some tag-along provisions, including Sen. John McCain’s (R-AZ) “Boxing Bill,” the House was unwilling to accept the Senate-passed bill. NAR, GWCAR and the coalition will work to get final legislation approved early in the 109th Congress.

GWCAR believes this action is a positive step in our efforts to pass this legislation before July 1, when the FCC’s proposed regulations are scheduled to take effect. The compromise language in



S. 2603, which would restore the “established business relationship” (EBR) provision so that appropriate faxing can remain a viable method of communication for associations and businesses, could provide an excellent starting point for renewed discussions in January, in particular since the House leadership indicated that they would have been willing to accept S. 2603 if the extraneous provisions had not been attached. REALTORS will continue early next year to work with Congress to pass this important legislation.

GWCAR thanks everyone who in the past 18 months made calls and wrote letters to their members of Congress on this issue. While we are disappointed that Congressional passage of this important issue was not secured during the 108th legislative session, we could not have gotten this far without your efforts. ■

Any builder can be a one-hit wonder.

In the world of general contracting, greatness is measured not on the merits of a single project, but on the consistent delivery of outstanding work—project after project.

Major law firms rely on Kfoury because we consistently deliver only the highest-quality craftsmanship. In fact, we’ve built out millions of square feet of space for over 85 law firms.

Just ask Hogan & Hartson. As one of the largest and most prestigious law firms in the world, they demand uncompromising performance from us every time. And have we delivered? For over 20 years and counting...



Great Team. Great Work.

Reston, Virginia • www.kfoury.com

OLD CONVENTION CENTER SITE

OLD SITE, continued from page 9

immediately to the west of the Convention Center on Massachusetts Avenue would add additional ballroom and meeting space to the new Convention Center's capacity, with a total estimated cost of \$500 million, privately financed. The Mayor's economic development team touts the tax revenues, spin-off jobs and other benefits that would come from the two separate developments.

Hines, lead developer of the project, would have mostly

housing with 772 units of condos and some affordable apartments along with 275,000 sf of retail, 300,000 sf of offices and 50,000 sf set aside for a new DC Library branch.

In a turnaround after the Council's initial approval, Council Chair Linda Cropp asserts that the Old Convention Center site is DC owned and wants to build the headquarters hotel there, limiting the economic opportunities that would come from the Mayor's two-pronged approach.

Stay tuned for late-breaking news on DC's decision. ■

Estimated Benefits from Old Convention Center Site and Headquarters Hotel Projects

	OCC site	HQ Hotel	Total
Total Development Cost	\$900 million	\$500 million	\$1.4 billion
LSDBE Contracting	\$315 million	\$175 million	\$490 million
Construction jobs	\$7.58 million	\$2 million	\$9.58 million
Permanent jobs	\$3.54 million	\$1.22 million	\$4.76 million
Spin-off jobs	\$1.21 million	\$5 million	\$6.21 million
New taxes	\$409 million	\$205 million	\$614 million
Land payments to District	\$225 million		\$225 million

WATT, TIEDER, HOFFAR & FITZGERALD, L.L.P.

Real Estate Law
Construction Law
That's What We Do

- Transactions
- Leasing
- Project Finance
- Construction

Real Estate • Construction • Surety
Labor & Employment
Tysons Corner • Irvine • San Francisco
Italy • Germany
(703) 749-1000 • contactus@wthf.com
www.wthf.com

Comstock
Images

PRINCIPAL REALTY ADVISORS, INC.

is now known as

SLOAN STREET
CORPORATE REAL ESTATE ADVISORS

Debra Stracke Anderson CCIM, SIOR
President and CEO
debrasa@sloanstreetadvisors.com

SLOAN STREET ADVISORS, INC.
10700 Hunters Run Ct.
Vienna, VA 22181-2837 USA

www.sloanstreetadvisors.com
Telephone: +1 (703) 758-7479
Facsimile: +1 (703) 758-7471

Washington DC Affiliate of **ITRA** Realty Group
North America, Latin America, Europe and the Pacific Rim

Senate Panel Pencils in March TRIA Hearing

The U.S. Senate Banking Committee is considering holding a hearing in March to debate whether an extension is in order for the Terrorism Risk Insurance Act.

Industry lobbyists say TRIA will be the first insurance-related issue the committee will address. However, the timing of the hearing is a bit surprising, given that a Treasury report on the utility of the program is not due until mid-year.

Aon Corp. of Chicago recently issued a report that makes the case for TRIA to be extended. "After a fairly chaotic introduction, TRIA—with a few exceptions—has largely fulfilled its short-term public policy goal of creating a readily available supply of terrorism capacity at affordable prices," the report says. ■

Source: National Underwriter, Life and Health Financial Services Edition (January 18)

Terrorism Insurance: Many Companies Go Without

Many companies in the United States and Germany—two of the world's biggest economies—are opting not to take out terrorism insurance coverage.

That's risky. These firms stand to lose big should another attack of Sept. 11 proportions affect their operations, say analysts.

In the U.S., a Marsh Inc. survey shows that only about 45 percent of companies have taken out some form of terrorism coverage on their commercial property-insurance policies.

Stephen Lundin, head of Marsh's national property practice, notes that more firms purchased this type of insurance in geographic areas where the risk of future attack is perceived to be greater than companies with offices and operations in other markets.

In Germany, less than 3 percent of the companies there have subscribed to Extremus Versicherungs AG, the government bailout fund. ■

Source: Wall Street Journal (December 13, 2004)

And They're Off!

2006 Mayor's Race in DC Starts Early

The District of Columbia Council's January 2 swearing-in ceremony seemed more like a campaign kick-off rally for several members of the Council who spoke after taking the oath of office.

Longtime Ward 2 Councilman Jack Evans reviewed the tremendous progress the city has made on many fronts: Development, revitalizing neglected neighborhoods, balancing the budget and delivering services. He then promised to put the city's taxes to work to improve availability and delivery of health care services to all DC residents.

Ward 4 incumbent Adrian Fenty did not acknowledge the city's progress under Mayor Anthony Williams, but rather focused on the failure to deliver services to city residents. Fenty promised reform of DC Public Schools and improvements in public safety.

Newly-elected Ward 8 Councilman Marion Barry recited his employment history, "civil rights worker, school board, councilman, mayor, mayor, councilman, mayor...and now councilman" and followed with an attack on the Council's vote to approve the stadium financing agreement for the District's new major league baseball team, the Washington Nationals. Barry criticized the closing of DC General Hospital and promised a major summer jobs program for DC youth.

None of the remarks at the ceremonies were particularly business-friendly, even though most of the initiatives announced would require continued growth of the District's tax base to fund them.

Also considered likely to run for the top office are Ward 5's Vincent Orange and Council Chair Linda Cropp, whose current terms expire in 2006. A run for mayor would force them to give up a re-election campaign for their current seats on the Council.

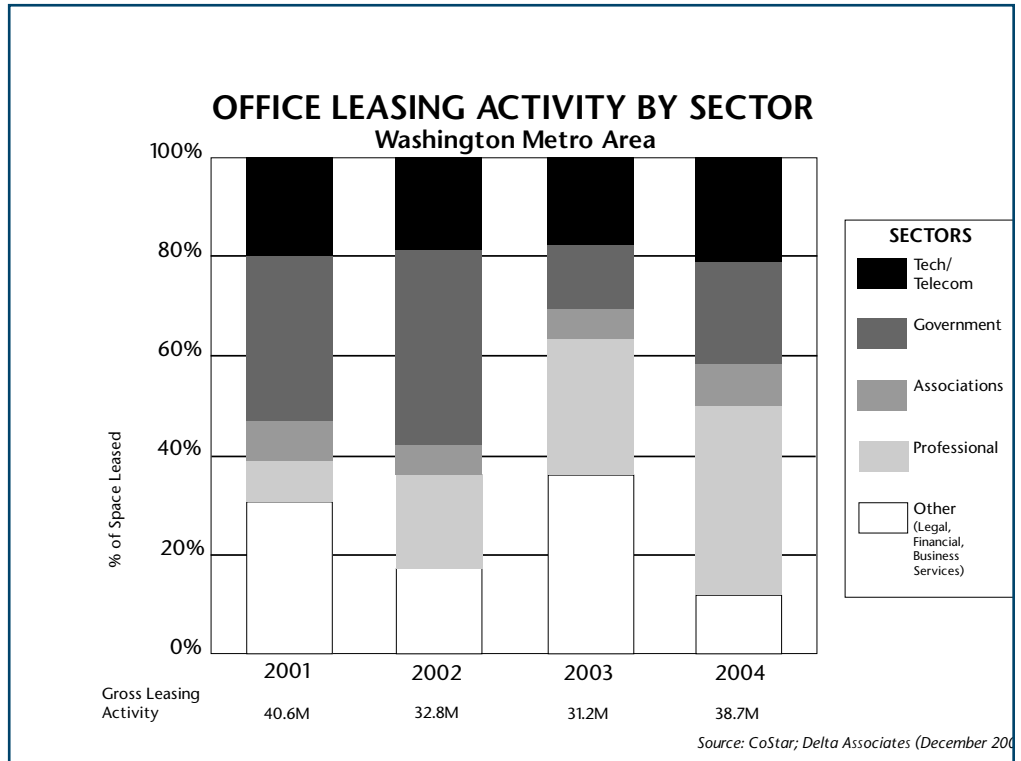
All DC Council members put considerable weight on prime committee assignments to advance their political careers. Chairwoman Cropp reduced the number of committees this year and held key committee chairmanships for incumbents, angering the newly elected Barry, Vincent Gray from Ward 7 and At-Large Councilman Kwame Brown, but her plan was approved in the Council's first legislative session on January 4. ■

MARKET WRAP-UP — FOURTH QUARTER 2004

MARKET, continued from page 6

Rental rates in Suburban Maryland have been relatively stable throughout 2004, while experiencing a slight decrease at year's end as the recovery in the job market has been slower than the District and Northern Virginia. Average Class A effective rates in Montgomery County were at \$26.25 in the fourth quarter of 2004.

The outlook is promising for Suburban Maryland as its economic cycle gains ground in job growth and increased demand for space drives expanded development. Rental rates are expected to edge up slowly and the vacancy rates continue to decline.



SUMMARY

The large positive absorption numbers the region saw in 2004 and those predicted for 2005 can be directly credited to the need to house new jobs created, primarily by the federal government's expenditures. This trend is expected to continue through 2005, but slowly taper off in following years. These regional economic indicators help to explain the increased demand for office space driven by a growing workforce, a higher percentage of pre-leased space coming to the market as a result of competitive space searches and a rise in rental rates due to lower vacancy. ■

Virginia Title Insurance

VA TITLE INSURANCE, continued from page 1

authority to negotiate.

In November of 2004, one of the larger title insurance companies requested the Bureau of Insurance to issue an opinion as to whether the Code of Virginia allowed for negotiation of title insurance rates. The Bureau issued an administrative letter stating that the Code did not directly address negotiation and because of that all title insurance rates needed to be published, thus removing negotiation. The larger title insurance companies wanted published rates, which ultimately meant that smaller companies would not be able to compete, thus forcing them out of the market.

The Virginia Association of REALTORS® (VAR)

drafted a bill, which would reverse the Bureau's decision and codify negotiation. The bill passed both the Virginia House and Senate and is currently on its way to the Governor's office for signing. VAR believes that the bill is good for everyone involved by basically following the premise that competition and an open marketplace is always better for the consumer.

If you are interested in reading a copy of the legislation here is a link to the bill:

<http://leg1.state.va.us/cgi-bin/legp504.exe?051+sum+HB2821>. ■

Top REALTOR® Public Policy Issues for 2005

1. Protection against new or increased taxes; oppose duplicate tax on real estate commissions, tax on closing costs, transaction taxes; fight for real property tax relief, lower rates
2. Support higher professional development standards for REALTORS®
3. Promote housing affordability/encourage creation of moderate priced housing for workforce (teachers, firemen, health workers, emergency and police); support “continuing education” for first-time homebuyers (financial literacy); emphasize support for raising incomes of low/moderate income families wishing to build wealth through homeownership; support initiatives for senior citizens - homestead deduction, etc.
4. Call for continued community development and continued economic development to prevent flight of jobs, tax base; call attention to neglected zones
5. Support transportation initiatives to reduce congestion on region’s roads and increase quality of life in region
6. Support initiatives to strengthen schools/education - support rational funding, community involvement with schools
7. Support renewal of DC First-Time Homebuyer federal tax credit
8. Support government budget restraint/ responsible government
9. Call for more consistency, predictability in government action and enforcement of laws and regulations
10. Insurance availability/affordability; fight stigmatization of both persons and properties
11. Smart Growth - demand construction of infrastructure and services to support
12. Resist government intrusion on property rights
13. Integration of new varieties of service (no-service, low-service, e-offices)
14. Tenant rights/rent control statutes
15. Protect ease of commercial development
16. Support for DC voting rights in Congress

OTHER ISSUES OF IMPORTANCE

- * Educate public about title insurance costs and regulation
- * Support sustained growth in surrounding counties to deal with shrinking supply of affordable housing
- * Support 45- (or 40-) year mortgage

BBG|BBGM Brennan Beer Gorman Architects
Brennan Beer Gorman Monk Interiors

1030 15th St NW, Ste 900 Washington DC 20005 Tel 202 452 1644
www.bbg-bbgm.com

For less than the cost of your daily
**grandedouble
mochanonfat
soynowhip
caramellatte**
you could protect yourself from
burdensome regulatory actions.

 REALTORS®
Political
Action
Committee

RPAC contributions are given to candidates who support housing and real estate-related issues. RPAC affords REALTORS® a strong, unified voice and strengthens our political advocacy program through grassroots activities and federal, state & local lobbying efforts. There's only one way to protect your investment in real estate—and that's by investing in RPAC!

Have you made your 2005 RPAC donation? There are numerous payment options for your convenience, several for just pennies a day. Is that too high of a price to protect your future?

VISIT WWW.GWCAR.ORG TO MAKE YOUR PLEDGE TODAY!

RPAC: YOUR DRIVING FORCE IN BUSINESS!

member spot light

William Laughlin will head the newly formed Laughlin-Miller, REALTORS® two Virginia offices and its property management and leasing divisions.

Paul Dougherty is leaving M.J. Melody/CB Richard Ellis.



ALMQUIST

Marty Almquist has moved to Equity Office Properties to be its Managing Director of Leasing for Virginia.

Kirk Boyd was appointed to Coldwell Banker Commercial Capitol Realty Services' national advisory board for the 2005-2007 term in Tysons Corner.

Congratulations to the following members who were Grubb & Ellis Circle of Excellence Winners in 2004: **Marty Almquist, Eric Berkman, Joe Camarda, Randy Harrell** and **Jonathan Hipp**.

Congratulations to **Lois Zambo**, Studley, for recognized by Washington Business Journal in their "Women Who Mean Business" contest.

Donald Griffith joined Foley & Lardner as Senior Counsel in the securities litigation, enforcement and regulatory practice.

Terry Frassetto joined McShea Management as Senior Vice President, Portfolio Manager in Gaithersburg.

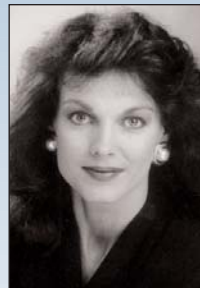


McVAY

Brian McVay left his role as Executive Managing Director and Mid-Atlantic Region Area Leader for Cushman & Wakefield to resume being a commercial broker.

Elaine Gray joined Cassidy & Pinkard as Vice President of Corporate Communications and Marketing.

Patricia Henderson joined Studley as Public Relations Manager.



ANDERSON

Debra Stracke Anderson of Principal Realty Advisors was elected to IRTA Realty Group's Board of Directors.

.....
If you have an anniversary, move, promotion or milestone you would like published in CBQ, please contact us at info@gwcar.org.

IN & OUT: A CHANGING OF THE GUARD

IN & OUT, continued from Page 5

his community service activities. "But who knows?," he says.

Thomas was 2002 GWCAR President and 2003 REALTOR® of the Year, while Donovan was awarded the 2003 Brendan McCarthy

Memorial Award based in large part on his activities in the community.

Both have been long-time GWCAR members and see the association as an important piece of the puzzle in the regional market.

"GWCAR serves us through education, lobbying and networking efforts. This is a great market with a lot of camaraderie and GWCAR plays a big part in that," Thomas says.

"I'd like to see GWCAR continue to represent the interests of the real estate community. The better the brokers are, the better all of us are."

Donovan has no doubt that Thomas, who he thinks is a model broker, will work to advance the professionalism of his peers.

"I've watched with great satisfaction how he's grown," Donovan says. "He's an ideal successor." ■

The 2005 Annual Commercial Awards Dinner

Hosted by the Greater Washington Commercial Association of REALTORS®

GOLD SPONSORS: CB Richard Ellis; Charles E. Smith Commercial Realty; Cushman & Wakefield; Tishman Speyer Properties; Transwestern Commercial Services; Watt, Tieder, Hoffar & Fitzgerald LLP **SILVER SPONSORS:** Akridge; CarrAmerica; Jones Lang LaSalle; Louis Dreyfus Group; Monument Realty; Republic Properties Corporation; Trammell Crow Company; Washington Business Journal **BRONZE SPONSORS:** Boston Properties; Grubb & Ellis; Hickok Warner Cole Architects; James G. Davis Construction Corporation; The JBG Companies; Studley **COCKTAIL RECEPTION SPONSORS:** Douglas Development Corporation; HBW Group **WINE SPONSOR:** Greenstein DeLorme & Luchs, P.C. **PROGRAM SPONSOR:** Opus East **CIGAR SPONSOR:** Newmark

Thursday, April 7, 2005

Reception: 6 p.m. · Dinner/Program: 7 p.m.

The Four Seasons Hotel-Georgetown · 2800 Pennsylvania Avenue NW · Washington, DC

COST: \$175 per person; Tables of 10 for \$1,500 each

EVENT HIGHLIGHTS: Considered the Greater Washington Commercial Association of REALTORS®' premier event of the year, this is the association's opportunity to honor the top commercial brokers, owners and developers in the metropolitan area. **This year, Adam Singer (Studley) will be recognized for his career-long service to the industry and community with the Brendan McCarthy Memorial Award.**

A portion of proceeds from this event will be donated to Singer's charity of choice, the Juvenile Diabetes Research Foundation.

Reservations must be received by Friday, April 1. Tables are limited.

Register online at www.gwcar.org or return the RSVP card enclosed..

If you or your firm is interested in sponsoring this event please contact Charmaine Flanagan, Education & Events Coordinator, at 301.590.8787 or at cflanagan@gcaar.com.



G R E A T E R
W A S H I N G T O N
C O M M E R C I A L
A S S O C I A T I O N
O F R E A L T O R S ®

8757 Georgia Avenue, Suite 600
Silver Spring, MD 20910

PRSR STD
US Postage
PAID
Suburban MD
Permit 6511