

REIT Fast-Tracks D.C. Office Redevelopment With Building Emptied Out

October 6, 2020 | Jon Banister, Bisnow Washington, D.C. (<https://www.bisnow.com/author/jon-banister-59843>) (<mailto:jon.banister@bisnow.com>)

The pandemic has created a host of challenges for the office market, but it has also allowed one D.C. developer to move forward on a redevelopment faster than initially projected.



Columbia Property Trust (<https://www.bisnow.com/tags/columbia-property-trust>) is now four months ahead of schedule on its project to add three new floors of mass timber office space to its building at 80 M St. SE, one block from Nationals Park (<https://www.bisnow.com/tags/nationals-park>), the developer tells *Bisnow*.

The lack of workers coming into the office during the coronavirus pandemic allowed the developer to accelerate the construction process. It had previously expected to deliver in Q1 of 2022, but it is now on track to finish in Q4 of 2021, Columbia Property Trust Senior Vice President of Asset Management and Leasing David Cheikin (<https://www.bisnow.com/tags/david-cheikin>) said.

"One of the unexpected benefits of reduced occupancy is landlords' ability to do work in the absence of existing employees," Cheikin said. "The work starts with interior demolition and construction creating more dedicated elevating to the new penthouse floors. Because of decreased occupancy, and with tenants' cooperation, we were able to expedite that part of construction."

The developer filed plans in October 2019 (<https://www.bisnow.com/washington-dc/news/office/owner-of-office-building-near-nationals-park-looks-to-add-2-stories-with-mass-timber-101485>) for the redevelopment, designed by Hickok Cole (<https://www.bisnow.com/tags/hickok-cole>). It will add two full floors and a habitable penthouse totaling 105K SF of rentable office space, bringing the building to 10 stories. The redevelopment will use mass timber, a growing

trend (<https://www.bisnow.com/washington-dc/news/construction-development/new-research-facility-aims-to-spur-innovations-in-construction-99600>) in construction, and the new floors will have 16-foot ceilings.

Cheikin said he thinks having the space available sooner will help it attract tenants in what has become a more difficult market for landlords this year.

"The whole project is to try and accommodate occupiers' needs, and the more flexibility we can provide them and the sooner we can provide them with a box they can walk through to see what truly differentiates this project from other projects in Washington, the better it is for 80 M St.," Cheikin said.



In January, Columbia Property Trust signed a 60K SF lease

(<https://www.bizjournals.com/washington/news/2020/01/22/tenant-preleases-navy-yard-timber-expansion.html>) with the American Trucking Associations for the full eighth floor and part of the ninth floor. It is relocating to the Capitol Riverfront (<https://www.bisnow.com/tags/capitol-riverfront>) neighborhood from Ballston (<https://www.bisnow.com/tags/ballston>).

JLL (<https://www.bisnow.com/tags/jll>) Executive Managing Director Doug Mueller (<https://www.bisnow.com/tags/doug-mueller>), who is leading the project's leasing efforts, said ATA was drawn to the neighborhood because of the proximity of the Department of Transportation (<https://www.bisnow.com/tags/departments-of-transportation>) and the area's rapid development (<https://www.bisnow.com/washington-dc/news/neighborhood/how-the-ballpark-area-has-changed-since-the-nationals-last-playoff-series-101149>) over the last decade. When the trucking association was deciding between Capitol Riverfront office buildings, he said his leasing team used an 18-wheeler for scale to show the expansiveness of the ceiling heights.

"The product was the differentiator at the end of the day," Mueller said. "They had many options down there from which to choose, and this one stuck out to them."

The developer has about 80K SF of still available, including a contiguous 40K SF block on the ninth and 10th floors and the 40K SF seventh floor, which is not part of the new addition.

While tepid demand in the market increased D.C.'s office vacancy (<https://www.bisnow.com/washington-dc/news/office/dc-office-market-worsens-as-vacancy-hits-another-record-high-106175>) to record levels last quarter, Mueller said he is starting to see a surge in activity. He said he had a tour Friday with a Fortune 100 company, which he declined to name.

"We're starting to see the lobbyist types, the government affairs offices for big corporations starting to re-engage in the market in D.C.," Mueller said. "A lot of those firms had mandated no leasing until they got their sea legs about them and figured out what the COVID environment would mean. They're starting to understand they still have a need for space."

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See Also: Alexandria's Largest Office Tenant Considers Shrinking 2.4M SF Footprint ([/washington-dc/news/office/major-alexandria-office-tenant-considers-shrinking-24m-sf-footprint-108052](https://www.bisnow.com/washington-dc/news/office/major-alexandria-office-tenant-considers-shrinking-24m-sf-footprint-108052))

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