

THE WALL STREET JOURNAL.

U.S. Edition | March 16, 2018 | Today's Paper | Video

New Construction Is Racing to Meet Demand

LAND IS SHORT, SO DEVELOPMENT MUST BE BASED AROUND RENOVATION OR RESALE OF OLDER BUILDINGS

By Joseph Dobrian

New constructions in the Washington area include luxury condo and rental apartments. Neighborhoods that haven't heretofore been associated with luxury product are now attracting it, and some suburban neighborhoods have become trendy as well. The greater Washington area isn't cheap, but it's still considered a bargain relative to many other large cities, so new product tends not to stay on the market long.

ROBUST HOUSING MARKET

According to Marin Hagen, a real estate agent at Coldwell Banker Residential Brokerage | NRT Northeast, "the Washington, D.C., housing market is robust, with sales volume up 13.51% in 2017 from 2016.

"We're seeing movement into the city by people from the outer suburbs: empty-nesters and people tired of long commutes. Also, more than ever, Washington is attractive to retirees," she comments. "And we have so many cultural opportunities—many of them free."

"We are seeing a lot of demand for luxury one-level living, 2,000 to 4,000 square feet, from about \$1.5 million to about \$5 million, and supply is not keeping up with demand in all residential neighborhoods.

"Projects like City Center, Westlight, 1055 High and 22 West have been very successful, and neighborhoods like Kalorama, Shaw, Dupont Circle, and West End are in demand for scaled-down projects [that suit]



The Altamont in Kalorama: old-fashioned design, modern conveniences.

convenient, dynamic lifestyles."

Washington's highest-end price point for single-family detached homes is approximately \$5 million, Ms. Hagen says, and \$2 million to \$5 million is considered the upper bracket—not as high as many other East and West Coast urban markets.

MODERN HOMES

"We currently are offering a great apartment, across from the historic Meridian Hill Park, at Crescent Place, for \$1,199,000," she continues, "and a sleek, renovated Kalorama apartment for \$950,000, plus an exceptionally charming modern home overlooking Rock Creek Park in Forest Hills for \$2.3 million. We recently placed a client in The Hepburn, a new luxury apartment building connected to the Washington Hilton Hotel, on a reduced-term rental."

Mei-Mei Venners is director of sales for Westlight, a luxury condo development in Washington's West End. She notes that

the West End, Georgetown, and Kalorama (which is Greek for "fine view") are perennial magnets for the affluent buyer, especially those who are used to cosmopolitan cities. The Westlight, she notes, offers easy access to three bridges, as well as an easy walk to a major hospital and retail.

"We're the only new construction in the West End," she says. "There's no land that developers can parcel together, so almost all product has been renovations of existing buildings or resales in older buildings.

"Our units are priced between \$1,000 and \$1,500 per square foot, averaging about \$1,250. Most comparable buildings have only a handful of large units. Westlight has 71 total units but offers 49 different floorplans, and mostly larger spaces.

"There are 36 with three bedrooms or three bedrooms plus den. Only eight of the 71 units are one-bedroom; we have 26 units remaining.

"This is very different, for Washington: a modern building in the heart of a traditional city. It was a very complicated building to build, but fascinating architecturally. It has 10 stories, with cantilevered floor-to-ceiling glass walls. All units have corner windows.

"The developer, Anthony Lanier, knows that our buyers want the vibrancy of the city but don't want to hear or smell it. They also don't want to hear their neighbors, or smell their cooking. He knows that people will want to personalize their spaces, so he provides the infrastructure that will let them do it."

The Westlight also offers full-time concierge service,

porters who run errands, and on-site engineers to change air filters and inset light bulbs.

The latest luxury rental options include The Bartlett, at Pentagon City in Arlington, Va., which offers luxury rental apartments, upscale services and 40,000 square feet of amenities. There's also 1221 Van, a luxury rental building located in the vibrant Ballpark District. Units at 1221 Van range from 400-square-foot studios to 1,700-square-foot two-bedroom units; rents range from \$1,700 to \$8,200.

In Washington's Kalorama neighborhood, the Altamont is a co-op of 50 residences that combine old-fashioned design with modern conveniences.

"WE'VE SEEN A BOOM IN LUXURY DEVELOPMENT IN THE PAST SIX YEARS, BUT SUPPLY IS NOT KEEPING UP WITH DEMAND."



The Westlight: a luxury condo development in Washington's West End.