

HILTON WASHINGTON Washington, D.C.

RCLCO assisted Lowe Enterprises Real Estate Group in the acquisition of the historic Hilton Washington in May 2007. The 1,108-key hotel, one of the largest in Washington, was purchased for \$290M with the Canyon Johnson Urban Fund, with an aggressive \$142M plan to completely revitalize and update the hotel as one of Washington's leading meeting properties.

The unique entitlements for the hotel, completed in 1965, included 241,000 square feet of unused FAR that the sponsor believed could be accommodated on a large and under-utilized hotel amenity deck. RCLCO's role was to help assess the highest and best use for that additional development, hospitality, and residential, taking into account the need to optimize performance on the existing repositioned asset.

Luxury condominium units were determined to represent the best and most synergistic use for the site, despite the current market softness, leveraging the "A" location and monument views that are unrivaled in the city. RCLCO, working closely with the development team, architects, and future sales and marketing team, prepared a number of unit configuration and massing scenarios, including a detailed analysis of the target market audiences that each would serve, the competitive landscape for each, and the probable pricing power in recovering market scenarios.

The project is currently in the advanced pre-development phase, and the residential program is undergoing final optimization as the historic landmark status of the property is being finalized.

