

POTOMAC TOWN CENTER Prince William County, Virginia

Lerner Enterprises (Lerner) is a partnership with the Mills Corp. on the development of a 67-acre parcel to be known as Potomac Town Center. The site is in Prince William County, Virginia, across Interstate 95 from Mills' highly successful Potomac Mills premium outlet center. Potomac Town Center is planned for full-price retail, including Macy's and Wegmans anchors, 500,000 square feet of office, a hotel, and 500 residential units. The project will be vertically integrated, with significant subterranean parking. While Mills was planning to develop the retail component, Lerner was considering the opportunity to develop the residential, hospitality, and office components of the development.

RCLCO was retained to conduct a strategic market analysis to determine the depth of opportunity for the residential and hospitality components of the Potomac Town Center project, and to help identify a product and positioning strategy that will ensure success in this rapidly evolving marketplace. This was a unique and challenging engagement in that it represented a very urban product format in a market that is maturing but still largely suburban in nature. The key complication of the engagement revolved around managing how to manage construction costs to support a price positioning that represented a reasonable level of market risk.



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