

JBG COMPANIES: THE ARTISAN CONDOMINIUM Washington, D.C.

RCLCO was retained by The JBG Companies (JBG) to conduct an independent analysis of the proposed pricing and likely supply and demand dynamics for condominium units at a mixed-use development in downtown Washington, D.C.

Located in the East End/Penn Quarter submarket of downtown Washington, D.C., the property is immediately across from the Federal Bureau of Investigation (FBI) headquarters and is conveniently located equidistant (approximately three blocks) from four Metro stations. The subject property is located within easy walking distance of The Mall, the MCI Center, Chinatown and numerous other restaurants and nightlife options that have revitalized this portion of downtown. The 156 residential units are configured in an eleven-story building with underground parking.

The primary objective of this engagement was to determine the market opportunity for new condominiums at the subject site, including the appropriate price positioning and likely absorption.

Based upon our findings, we determined that Sovereign Row was well positioned for for-sale condominium development. We prepared a statistical demand and supply forecast, based upon the demographic, historical resale and new unit sale data, and competitive supply data, for units in the anticipated price range.

We also evaluated the competitiveness of the planned unit sizes, mix, features, and project amenities, and provided recommendations regarding any changes that we believe will be necessary to market the units successfully.

We also made recommendations regarding achievable prices for the units in the development, based upon an analysis of prices achieved at competitive developments, our judgment regarding achievable adjustments for

this location and project, the expected level of competition, the results of the interviews, and the demand analysis.

