

TRANSWESTERN

Mid-Atlantic
Region



Development Project Cost:

\$50,000,000

“DRI worked closely with us to enhance a fully designed, new base building and qualify for LEED Gold Certification. Their ability to coordinate changes in an efficient and prompt manner resulted in a sustainable headquarters building for the MBA and the community. We would without hesitation recommend DRI to other Associations seeking a new headquarters building.”

Teresa F. Betz
Director of Facilities
Management
Mortgage Bankers Association



“DRI proved to be a very knowledgeable partner in the Washington, D.C. market. The collaboration on our development at 1331 L Street was handled with thorough professionalism on the part of DRI’s team members, which made for a smooth project from start to finish. We commend the DRI team for the excellent results at 1331 L Street.”

Marce Sanchez
Vice President,
Construction & Development
Paramount Group, Inc.



1331 L Street, N.W.
Washington, D.C.

Development-Principal, Agency Leasing, Investment Sales, Tenant Advisory

OPPORTUNITY/CHALLENGE

DRI/Transwestern identified a strategically located mid-block site at 1331 L Street that others thought was too challenged to develop, due to ownership issues and physical constraints. The site was bordered on all four sides by alleys and L Street providing virtually no room for construction staging. The owners understood the strategic location and DRI/Transwestern’s vision but did not want to sell the property.

SOLUTION

Recognizing the unique value of the site, DRI/Transwestern worked with the property owners to negotiate a commercially feasible ground lease. Then DRI/Transwestern’s seasoned development team designed a 170,000 SF Class “A” office building to maximize the value of the site, raised the capital and began construction. The team forged relationships and worked closely with surrounding property owners to solve the mid-block construction staging issues. The team’s hard work and vision were validated when a local Transwestern broker identified a user interested in taking the entire building, the Mortgage Bankers Association (MBA). However the MBA needed significant design changes as well as a tight budget and completion date to accommodate the expiration of their existing lease. The DRI/Transwestern team worked closely with the existing design and construction teams to implement the required changes. Construction groups worked overtime to meet the expedited schedule. Additionally, through extensive planning and meetings with local utilities, DRI/Transwestern was able to significantly accelerate the installation of permanent electrical power to facilitate earlier interior work which yielded considerable time savings near the end of construction.

Shortly after delivery/closing, Mortgage Bankers Association (MBA) needed the resources of a full service firm to re-energize leasing of this asset. Transwestern successfully leased 47,862 square feet in a 12 month period, to stabilize income and ready the asset for sale. Transwestern co-brokered the sale of asset to CoStar Group and renegotiated existing debt structure/short fall for Mortgage Bankers Association. Transwestern subsequently relocated Mortgage Bankers Association into 42,753 square feet at 1717 Rhode Island Avenue, N.W.

VALUE ADDED BY DRI/TRANSWESTERN

The experienced DRI/Transwestern team was able to use its deep market experience and vision to capitalize on a site overlooked by others to achieve the following:

- Identified strategic site others thought too difficult to develop
- Negotiated commercially feasible ground lease with owners and solved mid-block construction staging issues with neighbors
- Designed Class A building with broad market appeal
- The design and location were validated by pre-sale to user, Mortgage Bankers Association
- Implemented mid-project, major design changes to accommodate the MBA
- On-time, under budget completion
- Construction of one Washington, D.C.’s first Gold LEED®-NC buildings
- Enhanced returns for DRI/Transwestern and Paramount Group through pre-sale to a user avoiding both the cost and time of a full multi-tenant lease-up
- Successfully leased excess space that Mortgage Bankers Association (MBA) was not occupying and stabilized the asset for sale, on behalf of MBA.
- Relocated Mortgage Bankers Association to another location that better served their needs.

