

DOWNTOWNDC ECONOMY UPDATE

WINTER 2021



Vice-President Harris, Second Gentleman Emhoff, and Mayor Bowser support the Annual Downtown Holiday Market. Photo credit: Government of the District of Columbia, Office of the Mayor

OVERVIEW

The COVID 19 pandemic continues to negatively impact the DowntownDC economy. The economy performed worse in Winter 2021 than it did in Fall 2020.



ONLY 10% OF DOWNTOWNDC OFFICE WORKERS WERE WORKING FROM THEIR OFFICES IN FEBRUARY 2021 - SAME AS OCT 2020 AND UP FROM 5% IN JULY 2020

The DowntownDC economy is performing at 16% of its pre-pandemic levels as opposed to 18% in Fall 2020 and 12% in Summer 2020. Find a full analysis of DowntownDC economic activity at the end of this report.



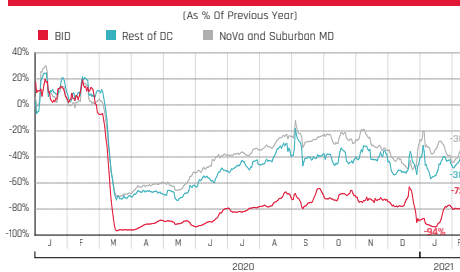
DAYTIME POPULATION DROPPED TO 45,000 IN FEB 2021 FROM 256,000 IN FEB 2020 - DOWN FROM 47,000 IN OCT 2020 AND UP FROM 35,000 IN JULY 2020



HOTEL REVENUE IN 4Q 2020 WAS 11% OF 4Q 2019 - UP FROM 9% IN 3Q 2020 AND 3% IN 2Q 2020

Key to preparing the DowntownDC and DC economies for recovery has been the DC government's flexibility and responsiveness with restaurant and retail regulations and its many grant programs, capped by the recent \$100 million Bridge Fund. The city's relief funding and the federal government's PPP rounds one and two and the DowntownDC BID's own grant program have been instrumental in allowing businesses to cover their overhead and payroll so they can survive until the DowntownDC and DC economic recovery can start.

Regional Restaurant Sales



Source: MarginEdge and DowntownDC BID



THE RETAIL VACANCY RATE REACHED A RECORD HIGH OF **19%** IN FEBRUARY 2021 - UP FROM 12% AT THE END OF 2019

What's Next?

What happens next continues to depend on the pace of decline in the spread of COVID-19th as well as the speed of vaccinations and the effectiveness of the various vaccines. DowntownDC's recovery is tied to the City's lifting of COVID-19 restrictions, especially the reopening of culture and entertainment venues. The return of the office worker appears likely to progress slowly until around Labor Day, when 30% to 50% of DowntownDC's office worker should be in the office each day.



METRORAIL WEEKDAY RIDERSHIP FOR JANUARY 2021 WAS 9% OF JANUARY 2020 RIDERSHIP- UP FROM 8% IN SEPT, 4% IN JUNE AND 2% IN APRIL 2020

CURRENT DEVELOPMENT

There were no development project deliveries in DowntownDC in fourth quarter of 2020 or the first two months of 2021. One project broke ground during this period: The Victims of Communism Museum at 900 15th Street NW, an estimated \$7 million project. At the end of February 2021, six projects totalling \$287 million were under construction in DowntownDC.

The six projects in DowntownDC currently under construction totalling \$287 million are (1) renovation of the National Bank of Washington's historic building and new office construction at 619 14th Street NW, (2) Milken Foundation's museum dedicated to the American Dream at the northwest corner of Pennsylvania Avenue and 15th Street NW, (3) World War I Memorial, (4) office renovation of 1425 New York Avenue NW, (5) Franklin Park renovation and (6) Victims of Communism Museum.

Only four projects broke ground in 2020, totalling \$51 million – the lowest total since 2009 when no projects broke ground in DowntownDC. These projects are (1) the Franklin Park renovation, (2) the renovation of the 1425 New York Avenue NW office building, (3) the Chinatown Arch's restoration and (4) the Victims of Communism Museum.

Slowing Development Pipeline

The fourth quarter of 2020 marked the 2nd quarter in 2020 that no new projects delivered.

There were 19 development projects planned in DowntownDC at the end of February 2021 totalling \$2.3 billion, including Johns Hopkins University's (JHU) purchase and re-development

of 650 Pennsylvania Avenue NW, the redevelopment of the Washington Metropolitan Area Transit Authority's (WMATA) current headquarters, four hotels, three apartment buildings and Georgetown University's renovation of an office building into a graduate school facility. No new development projects were announced in January and February 2021, 4Q 2020 and 3Q 2020; one new was announced in 2Q 2020 and four were announced in 1Q 2020.



DOWNTOWNDC'S 19 PLANNED DEVELOPMENT PROJECTS (\$2.3 BILLION TOTAL INVESTMENT) ARE ESTIMATED TO GENERATE \$50 MM IN NEW ANNUAL TAXES.

EMPLOYMENT

DowntownDC employment was an estimated 182,000 as of December 2020 (the latest date for which Bureau of Labor Statistics data is available), a decline of 6,600 jobs, or 3.5%, from the 188,600 DowntownDC jobs at the end of 2019. This decline is primarily due to the lower sales levels at hotels, restaurants and the layoffs of office service workers. December 2020's employment total is only up slightly from 181,600 as of September 2020 and 179,700 as of June 2020.

DowntownDC's employment base continued to be primarily office workers working mainly for the federal and DC governments, professional services firms (lawyers and consultants and non-profits/associations). While most of these workers were not working at their offices, they were still employed.

DC hit an all-time employment high of 800,000 jobs at the beginning of 2020. DC's December 2020 employment was 752,400 (not seasonally adjusted), a decrease of 52,100 from December 2019, or a decline of 6.5%. This is a slightly larger decline than both the rest of the region (a 4.8% decline) and the nation (a 6.0% decline).

While DC's overall employment total has not changed much since April 2020, there has been significant change in several employment sectors:

- Food Services employment has grown by 16,100 jobs since April 2020, but is still down 19% from December 2019. This is partially due to federal and DC grants.
- Professional and Business Services employment, though not Legal Services, has declined by 8,800 jobs since April 2020 (many lost jobs were in the support services for office workers, who are not in their offices at this time).



DOWNTOWNDC AND DC'S EMPLOYMENT PERFORMANCE HAS SEEN ONLY MINIMAL IMPROVEMENT SINCE JULY 2020.

- Other Services employment, which includes non-profits and associations, has declined by 3,400 jobs since April 2020.

DC's December 2020 seasonally adjusted unemployment rate was 8.8% (36,038 unemployed residents)—about the same rate for May – November 2020 – but down substantially from a 11.1% unemployment rate in April 2020 (45,122 unemployed residents), but up from 5.2% in February 2020 (21,300 unemployed residents).

DC Employment During the Pandemic -- Key DowntownDC Sectors
(all numbers in thousands)

Employment Sectors	Dec	Dec	Annual Change		Sept 2020 Year Over	July 2020 Year Over	April 2020 Year Over	Change From
	2020	2019	#	%	Year Change	Year Change	Year Change	April to Dec 2020
					# (a)	# (a)	# (a)	
Total DC Employment	752.4	804.5	(52.1)	-6.5%	(54.1)	(53.8)	(59.5)	7.4
Federal Government	201.4	195.8	4.6	2.3%	4.6	2.0	1.4	3.2
DC Government	38.5	38.4	0.2	0.5%	0.4	(2.0)	0.8	(0.6)
Private	508.2	565.1	(56.9)	-10.1%	(54.8)	(53.8)	(61.6)	4.7
Professional and Business Services (b)	165.1	174.0	(8.9)	-5.1%	(8.5)	(5.5)	(0.1)	(8.8)
Legal Services	29.2	29.3	(0.1)	-0.3%	(0.1)	(0.1)	0.6	(0.7)
Admin. Support, Waste Mgt (c)	36.9	47.6	(10.7)	-22.5%	(11.2)	(9.9)	(7.2)	(3.5)
Other Services (d)	75.3	79.1	(3.8)	-4.8%	(1.1)	(1.9)	(0.4)	(3.4)
Food Services & Drinking Places	35.3	54.5	(19.2)	-35.2%	(20.0)	(22.3)	(35.3)	16.1
Retail Trade	23.5	24.4	(0.8)	-3.3%	(1.0)	(1.3)	(2.1)	1.3
Accommodations	10.8	15.3	(5.5)	-33.7%	(5.2)	(5.8)	(6.1)	0.6
Arts, Entertainment & Recreation	4.9	9.6	(4.7)	-49.0%	(5.4)	(5.1)	(5.5)	0.8

Source: Bureau of Labor Statistics (Not Seasonally Adjusted) and Downtown DC BID
(a) Change in employment from the stated month in 2019 to the stated month 2020.
(b) Professional and business services including legal, administrative, support, waste management, scientific and technical services.

(c) Administrative and support and waste management and remediation services.
(d) Business, civic, grantmaking, religious, professional, labor and similar organizations.

OFFICE

A recent DowntownDC BID survey showed that only 10% of office workers occupied their offices in DowntownDC in February 2021 (the same as Fall 2020 and up from 5% in July).

In February 2021, DowntownDC and the Rest of DC reported record office vacancy rates of 16.3% and 12.3%, respectively, with record vacant office square footage (SF) of 9.3 million and 12.8 million, respectively. These vacancy rates have climbed by 4.3% and 3.2%, respectively, since the end of 2018.

While other large cities experienced significant increases in sublet space in recent months, this was not the case in DowntownDC and the rest of DC with sublet space as a percentage of total office space in February 2021 at 1.5% and 1.0%, respectively, and only up slightly from the end of 2018 when the sublease vacancy rate was 0.7% for both DowntownDC and the Rest of DC.



16.3% OFFICE VACANCY RATE IS A NEW RECORD FOR DOWNTOWNDC IN FEB 2021 -- 9.3 MILLION SF OF VACANT OFFICE SPACE

DowntownDC recorded a decrease in leased space (negative absorption) for January 2020 through February 2021 of 765,000 SF and negative absorption of 460,000 SF for 2019. The Rest of DC recorded similar negative absorption for January 2020 through February 2021 of 1.3 million SF.

While vacancy rates rose significantly over the past three years, occupied office space in Downtown DC in February 2021 was 1.6 million SF below its 3Q 2018 occupancy high of 49.6 million SF, a decrease of 3.2%. Also, as of February 2021, the Rest of DC was 2.0 million SF below its 3Q 2020 occupancy high of 93.7 million, a decrease of 2.1%.

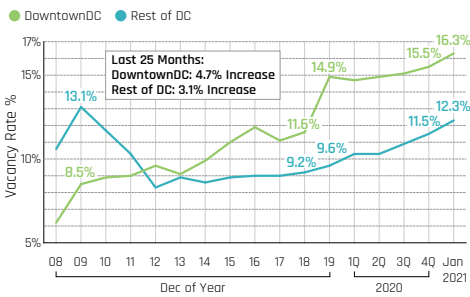
While average asking rents remained in the \$53 per SF to \$55 per SF range over the past five years, effective rents have declined from an average of \$46 per SF in 2017 to \$42 per SF in 2020. The reason for the decline of almost 10% in effective rents is that office lease concessions increased as follows:

- Tenant Improvement Allowances increased from \$87 per SF to \$108 per SF
- Months of Free Rent increased from 11.3 months to 14.8 months

In the city's February 2021 revenue projections for FY 2022, the total assessed value of DC's large office property sector was estimated to have declined by 10.7% between January 2020 and January 2021.

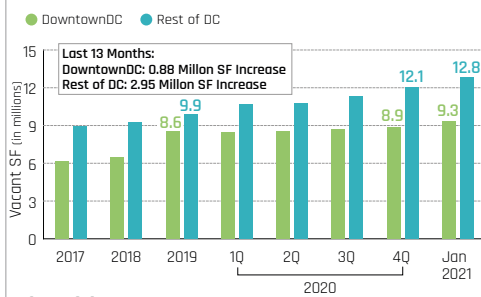
With 137,000 SF of office development under construction in DowntownDC and another 2.4 million SF in the Rest of DC in February and a few previously announced federal government agency moves to Prince George's County, office vacancy rates were expected to continue to rise over the next 12 to 24 months by one to three percent.

Vacancy Rate



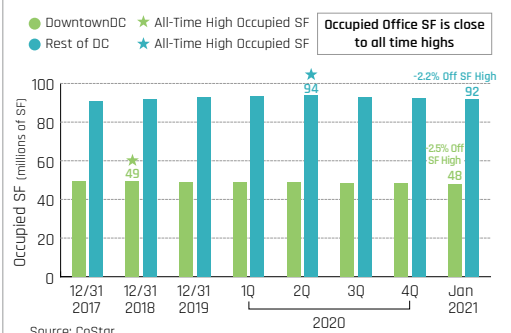
Source: CoStar

Vacant Office Square Feet

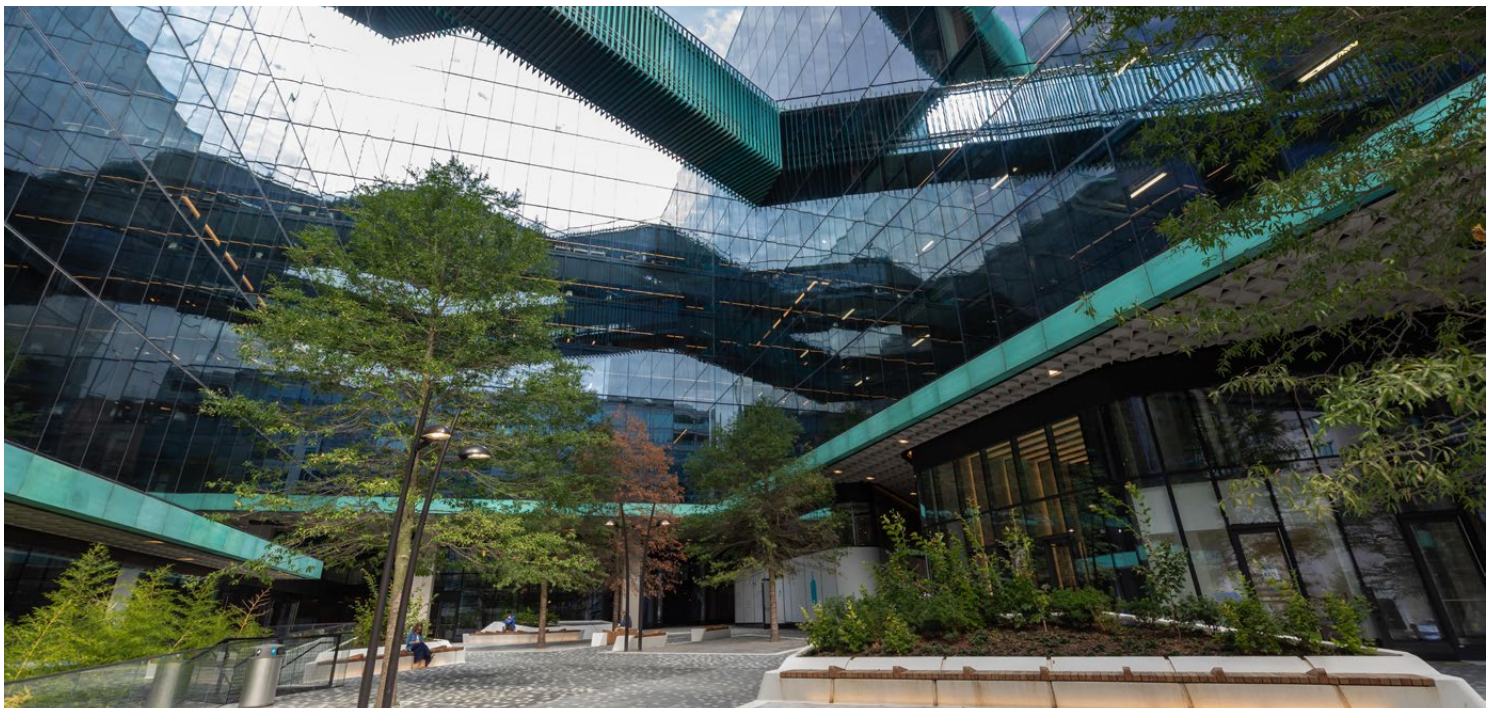


Source: CoStar

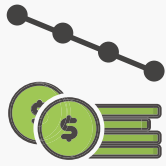
Occupied Office Square Feet



Source: CoStar



Fannie Mae Headquarters at Midtown Center at 1100 15th St NW. Photo credit: Kristen Franklin

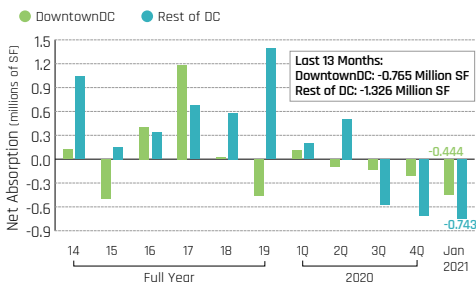


EFFECTIVE OFFICE RENTS DECLINED BY ALMOST 10% FROM 2018 TO 2020

Office space leasing volume in both DowntownDC and the Rest of DC during 4Q 2020 was at about 40% and 70%, respectively, of 2015–2019 average leasing volumes as many tenants adopted a “wait and see” approach to the pandemic before making major decisions about their long-term work from home policy of or renovations to their existing office space.

Uncertainty in the leasing market spilled over into the office sales markets in 2020. There were only five office building sales in the Downtown DC BID area in 2020 compared to an average of 13 office

Office Space Net Absorption

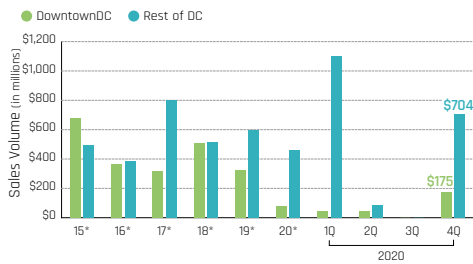


Source: CoStar

building sales over the previous seven years. In the past few months there have been two office building sales at over \$1,000 per SF: 1000 F Street NW for \$106 million and \$1,223 per SF and the recently reported sale of 49% of Midtown Center (the Fannie Mae headquarters building) at 1100 and 1150 15th Street NW for \$490 million and \$1,128 per SF. There have only been eight other sales over \$1,000 per SF in the DowntownDC BID ever. The annual office sales volume average for 2015-2019 for DowntownDC was \$1.7 billion from 10 to 15 building sales per year compared to \$299 million in five building sales for 2020.



TWO OFFICE BUILDING SOLD FOR OVER \$1,000 PER SF IN THE PAST FOUR MONTHS



Source: CoStar
*Quarterly sales volume for the year for comparison purposes. To get full year sales, multiply by four.



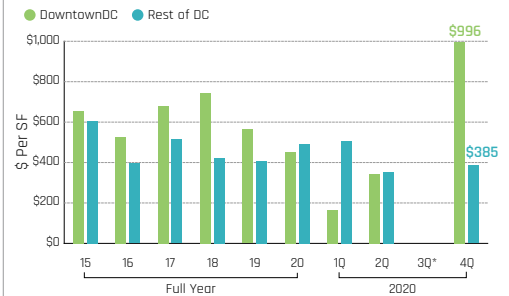
NEAR RECORD OFFICE OCCUPANCY FOR DOWNTOWN AND DC IN FEB 2021 - ONLY DOWN 2% FROM RECENT RECORD LEVELS

In February 2021, there remain several major concerns in the DowntownDC office market: (1) the speed of the roll-out of the COVID vaccines, (2) the effectiveness of those vaccines over more than six months, (3) the impact of working from home, (4) the amount of co-working space the market can support and (5) the continued departure of U.S. General Services Administration tenants from DowntownDC and the Rest of DC to other DC or suburban submarkets. (6) The health and safety of public transportation.



OFFICE SALES SLOWED CONSIDERABLY IN 2020 AND THE FIRST TWO MONTHS OF 2021 - ONLY SIX SALES COMPARED TO 2013-2019 AVERAGE OF 13 SALES PER YEAR.

Office Sales -- \$ Per SF



Source: CoStar
*No office building sales in 3Q 2020

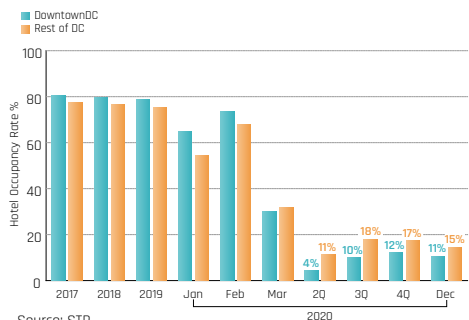
HOTELS, CONVENTION CENTER & TOURISM

The three main sources of demand for DowntownDC hotels—business travel, conventions and tourism—continued to be very weak in the Winter of 2021. Nevertheless, 30 of DowntownDC’s 33 hotels were open (91%) and 10,258 hotel rooms of 11,972 hotel rooms were available (86%). Only the Marriott Marquis, Hotel Monaco and the Madison Hotel remained temporarily closed. No hotels in DowntownDC have closed permanently during the pandemic.



INAUGURATIONS USUALLY BRING THE CITY A \$50 MILLION BUMP IN HOTEL ROOM SALES AND A \$55 MILLION BUMP IN RESTAURANT SALES - BUT NOT THIS YEAR

Hotel Occupancy*



Source: STR
*Based on total hotel rooms (open hotels and temporarily closed hotels)

DowntownDC hotel occupancy was 11% for December 2020 and 12% for 4Q 2020 —up from 10% in 3Q 2020 and 4% in 2Q 2020. This compares to much higher occupancy rates in 2019: 64% in December 2019, 76% in 4Q 2019 and 79% for all of 2019.

DowntownDC BID hotel room rates during 4Q 2020 were 69% of 4Q 2019 levels. The DowntownDC hotel room rate premium to the Rest of DC was 28% for 4Q 2020, — a historically high premium.

In 4Q 2020, DowntownDC and the Rest of DC hotel revenues were 11% and 15% of 4Q 2019 revenues respectively. This is up considerably from 2Q 2020, when revenues were just 3% and 7%, respectively, as a percent of 2Q 2019 revenue.

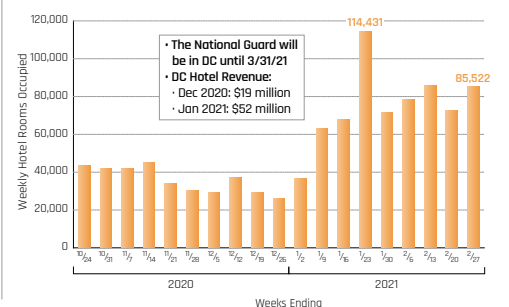
The Walter E. Washington Convention Center closed in March 2020 and has remained essentially closed since then, though it hosted a few private games, events and programs with no public attendance.

All DowntownDC tourist attractions were closed in January and February 2021. And, almost all other DC tourist attractions were also closed during these two months.

The DC area’s three airports continued to report low passenger volumes: —just 31% of 2019 volumes for 4Q 2020. —from 23% of pre-pandemic passenger levels for 3Q 2020 and way up from April 2020’s 4%. Reagan National’s passenger volumes have not recovered as much as Dulles and BWI. Regan National was at 21% for 4Q 2020 compared to 4Q 2019 passenger volumes while Dulles and BWI were at 33% and 39%, respectively.

With the rollout of multiple vaccines, DC is preparing to welcome back visitors of all kinds. EventsDC and DestinationDC are leading the city’s efforts to market the city.

DC Occupied Hotel Rooms



• The National Guard will be in DC until 3/31/21
• DC Hotel Revenue:
• Dec 2020: \$19 million
• Jan 2021: \$52 million

CULTURE & ENTERTAINMENT

Since the end of December 2020, all DowntownDC's culture and entertainment venues have been closed – most have been closed since March 2020.



NO CULTURE & ENTERTAINMENT VENUES WERE OPEN TO THE PUBLIC IN JAN AND FEB 2021

In the summer and fall, four DowntownDC museums reopened and then closed again as the number of COVID cases rose: The National Museum of Women in the Arts (reopened Aug 1st and reclosed on Dec 24th), The National Portrait Gallery and The Smithsonian American Art Museum (reopened Sept 18th and reclosed Nov 23rd) and Planet Word (grand opening on Oct 22nd and it closed on Nov 23rd). Downtown's list of museums will grow from the current 11 to 13 over the next two years: the Milken Foundation's museum about the American Dream is under construction at 1500 Pennsylvania Avenue NW with a 2023

opening date, and the recently announced Victims of Communism Museum is under construction at 900 15th Street NW with a 2021 opening date.

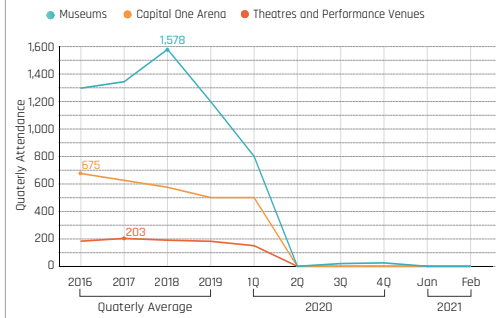
The Capital One Arena remains closed to fans. The Wizards and Capitals are scheduled to play almost full seasons: Wizards (39 home games compared to 41 in a normal season, from Dec 23, 2020 to May 16, 2021) and Capitals (29 home games compared to 41 in a normal season, from Jan 14, 2021 to May 6, 2021).

DowntownDC's seven theatres/performance spaces have all been closed since mid-March 2020.

What DowntownDC is missing in the Winter of 2021 with all Culture & Entertainment venues being closed is best shown by looking back at 2019: 7.5 million culture and entertainment patrons visited DowntownDC in 2019:

- 2 million at the Capital One Arena (2.5 million attendance is the annual average for 2013 – 2018)

Culture & Entertainment Attendance



Source: Venues and DowntownDC BID

- 4.8 million at nine museums (now eleven with the 2020 grand openings of the National Children's Museum and Planet Word)
- 727,000 at eight theatres and performance venues.

DC Arts, Entertainment and Recreation employment this year declined by 49%, from 9,600 in December 2019 to 4,900 in December 2020.



Downtown Dining Experience. Photo credit: Interstellar Studio



Interiors of the apartments of the historical Landsburgh building in the Penn Quarter. Photo credit: Kevin A. Koski

HOUSING

The DowntownDC, DC and DMV apartment markets saw dramatic declines in rents and record high vacancy rates in the second half of 2020. In DowntownDC, rents declined 24% and the vacancy rate rose to a record 11.1% in 4Q 2020.



APARTMENT RENTS DECLINED BY 24% IN 2020 TO \$2.52 PER SF/MTH

The condo market remained strong as prices and sales volumes remained at pre-pandemic levels and very low interest rates helped maintain prices. In DowntownDC, condo prices increased to \$654 in 4Q 2020 a 6% increase over 2019 — back to levels of 2016-2018 after a sub-par 2019.



APARTMENT VACANCY MORE THAN DOUBLED IN 2020 TO 11.1% -- A RECORD HIGH

Class A apartment rents in DowntownDC declined to \$2.52 per SF per month in December 2020 from \$3.30 per SF per month in June 2020 and December 2019, a decline of 24% in both cases. DC overall Class A apartment rents also declined dramatically in December 2020 to \$2.80 per SF per month from \$3.38 per SF per month at the end of 2019, a decline of 17%. The suburbs experienced rent drops of 16% to 17% from December 2019 to December 2020



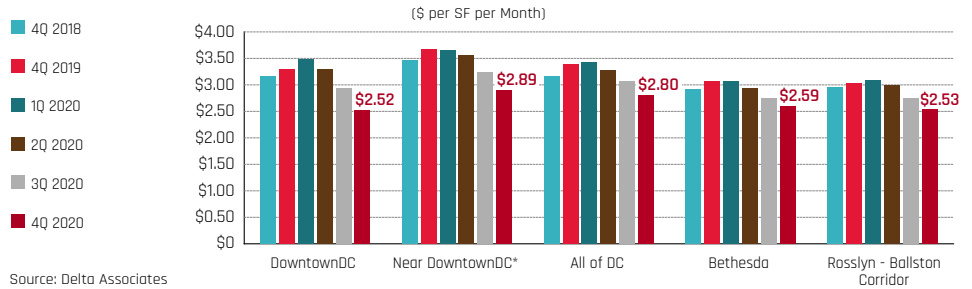
CONDO PRICES REMAIN STRONG ON SOLID SALES VOLUME IN 2020

Class A apartment vacancy rates in DowntownDC were 11.1% in December 2020 (up from 5.9% in June and 4.9% at the end of 2019) and 8.3% for DC overall (up from 6.8% in June and 4.8% at the end of 2019). In DC, occupied apartments only declined by 1,515 apartments in 2020, just

0.6%, while 7,212 new units were delivered in 2020, an increase of 4.6%.

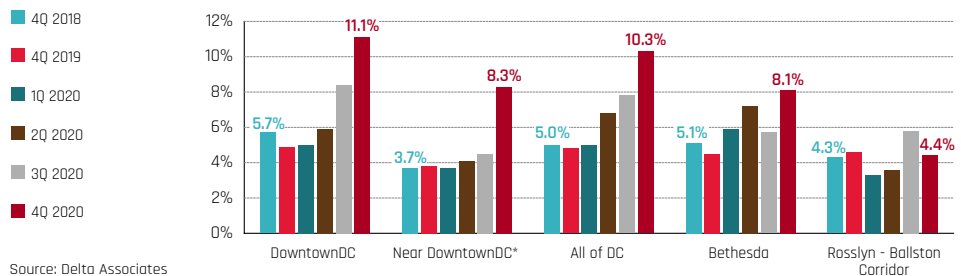
Condo resale prices in DowntownDC remained strong at \$654 per SF for 4Q 2020 and \$886 per SF for 2020 at CityCenterDC. DowntownDC and CityCenterDC condo sales volumes were the same as previous years.

DC Region Class A Apartment Rents



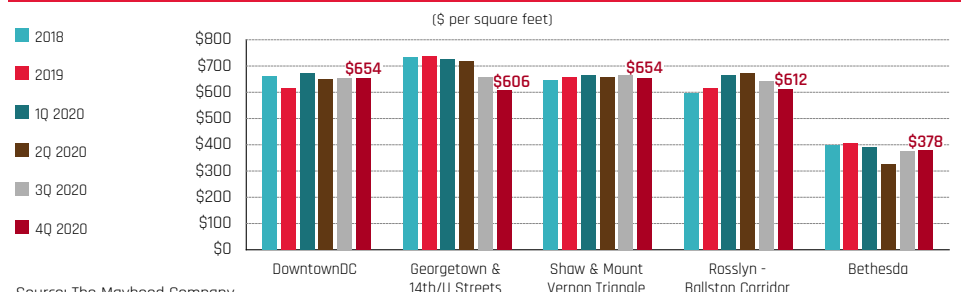
Source: Delta Associates
*Includes the area five blocks north and west of DowntownDC.

Class A Apartments Vacancy Rates



Source: Delta Associates
*Includes the area five blocks north and west of DowntownDC.

DC Region Condo Prices



Source: The Mayhood Company

SHOPPING

There has been only a slight change in the number of open destination stores since Fall 2020: a total of 71 of DowntownDC's 73 destination shopping stores (97%) were open in February 2021 as two stores closed permanently since Fall 2020. However, sales remain at 40%-60% of pre-pandemic levels as in Fall 2020 (but up from 30%-50% in Summer 2020).

In February 2021, 80% of DowntownDC's 230 service and convenience retailers were open—the same as in Fall 2020. Barbershops, hair and nail salons, dry cleaners and small convenience stores have been particularly hard hit with sales of only 10% to 20% of pre-pandemic levels.

Many office building landlords have offered percentage rents or rent deferrals/lease extensions to their retail tenants.

The overall DowntownDC retail vacancy rate has risen to 19% in Winter 2021 from 18% in Fall 2020 and 10% at the end of 2019. The current lack of street activity is making it difficult to attract destination stores to DowntownDC.

Since the start of the pandemic in March 2020, there have been nine permanent closings and one opening of destination stores. Several closings have been due to longer-term chain bankruptcy trends that were accelerated by the pandemic, particularly, the growth of online shopping. Three new destination stores were under construction in DowntownDC at CityCenterDC in February 2021 (Chanel, Akris and Giorgio Armani) and one retailer that has not yet been announced.

The following nine destination shopping stores permanently closed since March 2020 and four since November 2020: lou lou Boutique on the 900 block of F Street NW, Bed Bath & Beyond in Gallery Place on 7th Street NW, Uniqlo and Jos A Banks on the 1000 block of F Street NW, Men's Warehouse on the 1300 block of F Street NW, Urban Outfitters and Aveda on the 700 block of Seventh Street NW, and Alxis Bittar and Coudalie at CityCenterDC. The only opening has been Lululemon which opened on the 1000 block of F Street NW in Summer 2020.

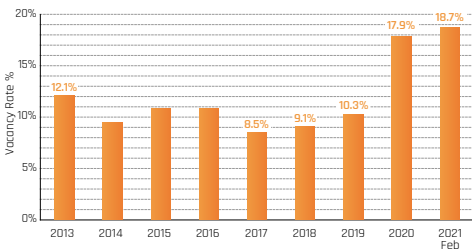
Since March 2020, seven service and other retailers have closed and there have been no openings.

The DowntownDC BID supported local destination retailers, Potomac River Running and Coup Foudre, and approximately ten service and convenience retailers with its Pandemic Assistance Grant Program in February 2021.



DURING WINTER 2021, THE AVERAGE DOWNTOWNDC STORE REPORTS SALES OF ONLY 20% TO 40% OF PRE-PANDEMIC LEVELS

Retail Vacancy



Source: Dochter & Alexander (2017 - 2020) and DowntownDC BID (2013 - 2016 and 2020)

Destination Store Net Change

Time Period	Net Change in # of Destination Stores											
	Net #	-8	-6	-4	-2	0	2	4	6	8	10	12
2014	12*											
2015	12*											
2016	1											
2017	3											
2018	(4)											
2019	(1)											
2020	(9)											
1Q 2020	(2)											
2Q 2020**	0											
3Q 2020**	(3)											
4Q 2020**	(3)											
Jan 2021**	0											
Feb 2021**	(1)											
Under Construction	3											
Planned	1											

Source: DowntownDC BID * CityCenterDC stores opened. ** 2Q 2020 - Feb 2021: 9 closings and 1 opening.



Lululemon Store at 1090 F St NW. Photo credit: Interstellar Studio

DINING

The past twelve months have been very difficult for Downtown and DC restaurants

- In February 2021, 70 of DowntownDC's 130 destination restaurants offered indoor dining (55%), 47 offered outdoor dining (36%), 41 offered takeout or delivery (32%) – a total of 90 destination restaurants were open in some capacity (69%) and 40 were temporarily closed (31%).
- In February 2021, 135 of DowntownDC's 171 quick service restaurants (QSRs) are open (79%) and 36 are temporarily closed (21%). 131 QSRs are offering takeout or delivery (77%). 24 QSRs are offering indoor dining (14%). 11 QSRs are offering outdoor dining (6%).

The Downtown and DC restaurants have had to react to many changes in necessary city health restrictions and consumer dining attitudes. Nevertheless, the industry persisted. Federal, city and the DowntownDC BID's grant programs have strongly supported DowntownDC and DC restaurants, which are a key amenity to city living and employment. In addition to grant funding from several programs, the DC government has strongly supported its restaurants with flexible regulations for outdoor dining and open communications of health and other issues.

As the health measures worsened in November and December 2020, the city appropriately tightened the restrictions on outdoor and indoor dining and then suspended indoor dining from Dec 23, 2020 to Jan 15, 2021, only to extend the suspension to Jan 22, 2021 due to the unprecedented security for the Presidential Inauguration after the assault on the Capitol on Jan 6, 2021.

The Federal and DC Government have disbursed close to \$250 million to DC restaurants or approximately 5.6% of the

city's \$4.5 billion in annual DC restaurant sales (per the FY 2020 DC budget). The recent second round of PPP and the proposed \$25 billion restaurant relief funding are estimated to provide another \$160 million for DC restaurants, potentially bringing the total restaurant support to \$410 million or 9.2% of pre-pandemic annual sales.

There have been 12 permanent closings of Destination Restaurant during the pandemic (8% of the pre-pandemic total). The closings were:

- 2Q 2020: Fado's Irish Pub, Momofuku and The Source
- 3Q 2020: Poca Madre, Maddy's Tap Room, Taco Bamba, Thai Chili, Billy Goat Tavern and Legal Seafood
- 4Q 2020: Olivia
- Jan/Feb 2021: Cedar and Circa

Destination Restaurant Openings during the pandemic were:

- Jan/Feb 2021: Farmbird at 860 E Street NW
- Under Construction (9 total): Truluck's at 700 K Street NW, The Cheesecake Factory at 733 15th Street NW, Yardbird at 901 New York Avenue NW, a restaurant by Immigrant Food at Planet Word, a new café/restaurant in Franklin Park and Philotimo, Dauphine's, Shoto and Akedo at Midtown Center at 1100 15th Street NW.
- Announced (4 total): The Ardent at 200 Massachusetts Avenue NW, Love, Makato at 200 Massachusetts Avenue NW, Bar Spero at 250 Massachusetts Avenue NW and Five Iron Golf at 575 Seventh Street NW

There have been 18 permanent closings of QSRs during the pandemic, or 10% of the pre-pandemic QSR total.



ONLY 8% OF DOWNTOWNDC DESTINATION RESTAURANT HAVE CLOSED DURING THE PANDEMIC

Quick Service Restaurant Openings During the pandemic were:

- 2Q 2020: District/Bowls & Urban Roast DC at 916 G Street NW
- 3Q 2020: Wawa at One Thomas Circle
- 4Q 2020: Kura Sushi Bar at 614 H Street NW and Halal Burger at 641 Indiana Avenue NW
- Under Construction (2 total): Grazie Nonna/ Bad Fortune/Sweet Blossom at Midtown Center at 1100 15th Street NW and Wawa at 125 H Street NW
- Announced (5 total): Smashburger at 808 Seventh Street NW, Chef Tzurit Or's Tatte Bakery and Café at 250 Massachusetts Avenue NW, Fox Trot Grocery and Restaurant at 650 Massachusetts Avenue NW, Pho Patrol at 12th and E Streets NW and Pow Pow at 13th and I Streets NW

Destination Restaurant Net Change

Time Period	Net Change in # of Destination Restaurants											
	Net #	-12	-10	-8	-6	-4	-2	0	2	4	6	8
2012	(2)											
2013	4											
2014	(2)											
2015	7											
2016	4											
2017	5											
2018	(4)											
2019	(4)											
2020	(11)											
1Q 2020	(1)											
2Q 2020*	(3)											
3Q 2020*	(6)											
4Q 2020*	(1)											
Jan 2021*	1											
Feb 2021*	(2)											
Under Construction	7											
Announced	4											

Source: DowntownDC BID * 2Q 2020 - Feb 2021: 12 closings and 1 opening.

DOWNTOWNDC ECONOMIC ACTIVITY SUMMARY-WINTER 2020-2021

Economic Sector	DOWNTOWNDC			Activity Components For Winter 2020-2021				Winter 2020-2021 Sales as a % of 2019	Winter 2020-2021 Weighted Economic Activity as a % of Winter 2019-2020
	SF (in millions)	% of DowntownDC	% of City (a)	Open or Closed	% Open or Occupied Winter 2019-2020	% Open or Occupied Winter 2020-2021			
1 Office	74.6	76.4%	42%	Partially Open	82%	9%	98%	7.85%	
2 Housing	6.5	6.7%	2%	Open	94%	86%	94%	5.72%	
3 Hotels	6.1	6.2%	33%	Open	64%	11% (b)	69% (c)	0.74%	
4 Retail	4.0	4.1%	N/A	N/A	88%	81%	N/A	N/A	
A Restaurants	1.6	1.7%	N/A	Open	100%	70%	35%	0.42%	
B Destination Shopping	0.7	0.7%	N/A	Open	100%	96%	45%	0.31%	
C Other Retail	1.0	1.0%	N/A	Open	100%	80%	65%	0.53%	
D Vacant	0.7	0.7%	N/A	N/A	NA	NA	NA	0.00%	
5 Convention Center	2.3	2.4%	100%	Closed	100%	0%	0%	0.00%	
6 Museums	2.0	2.0%	11%	Partially Open	100%	0%	0%	0.00%	
7 Universities	1.5	1.5%	5%	Closed	100%	20%	80% (d)	0.25%	
8 Entertainment	0.7	0.7%	33%	Closed	100%	0%	0%	0.00%	
Total	97.7	100.0%						15.81%	

Source: DowntownDC BID, CoStar, Delta Associates, The Mayhood Company, STR and Dochter & Alexander and MarginEdge.

(a) DowntownDC BID area is one square mile, or 1.6% of DC's land area. (b) 86% of hotel rooms are available, but only 11% are being booked. (c) Average Daily Rate for Downtown DC hotel rooms as a % of 2019. (d) Assumed attendance level as a % of 2019.

