

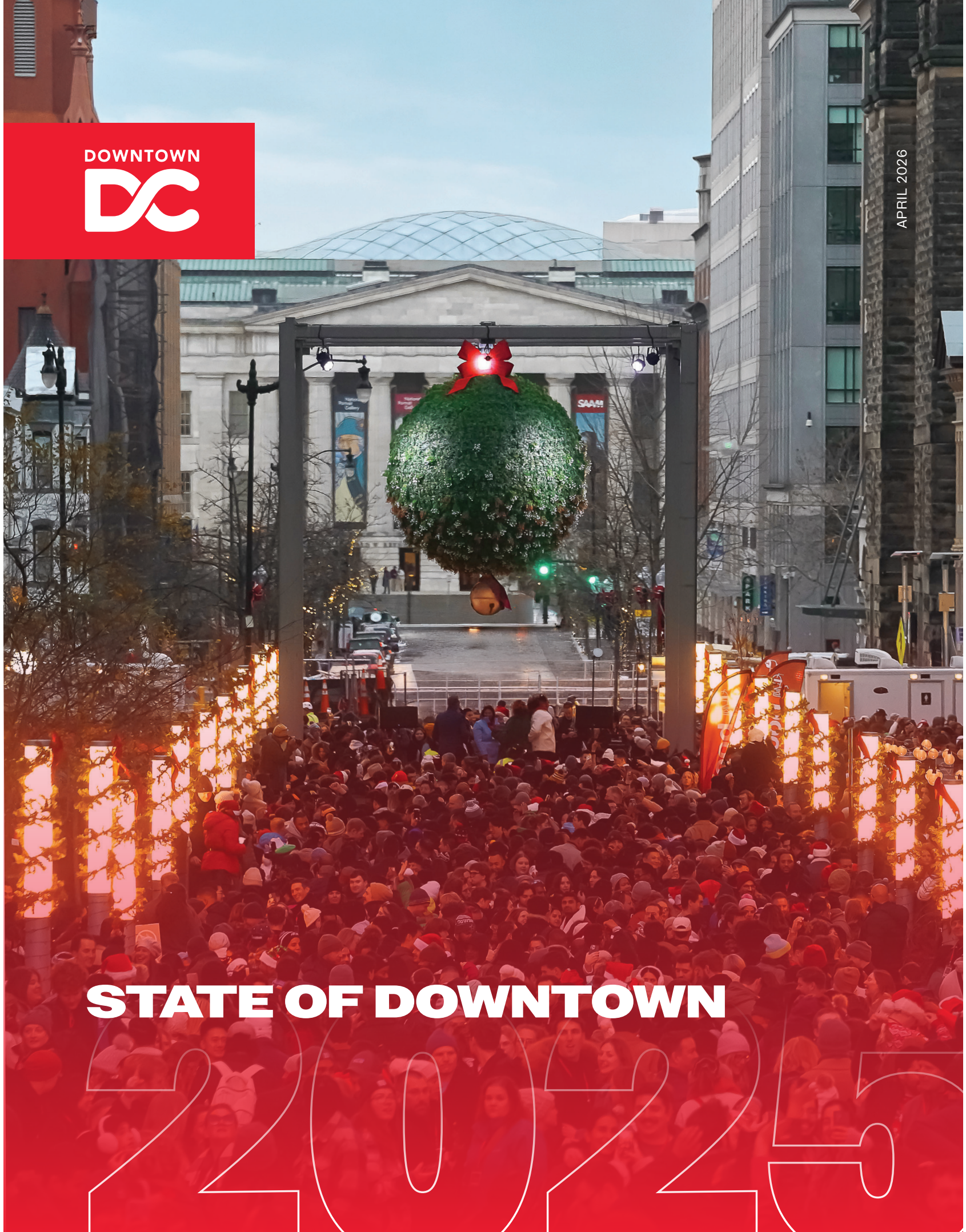
DOWNTOWN



APRIL 2026

STATE OF DOWNTOWN

2025



Contents



About the BID



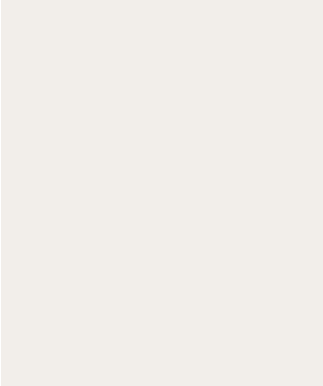
Celebrating Continued Momentum



Signals for Optimism



Headwinds Continue



Cover Image: On December 13, 2025, Downtown DC become the official GUINNESS WORLD RECORDS™ title holder for the most couples kissing the under the mistletoe with 1,435 couples.

IGY
TON

Virgin



Downtown DC is the most diverse and exciting neighborhood in one of the most important cities in the world.

Locals and visitors find all the best experiences of D.C. in 140 walkable and transit-rich blocks: shopping and dining; parks, art, music, sports, theater, history; business, education, and government — and a bright future.

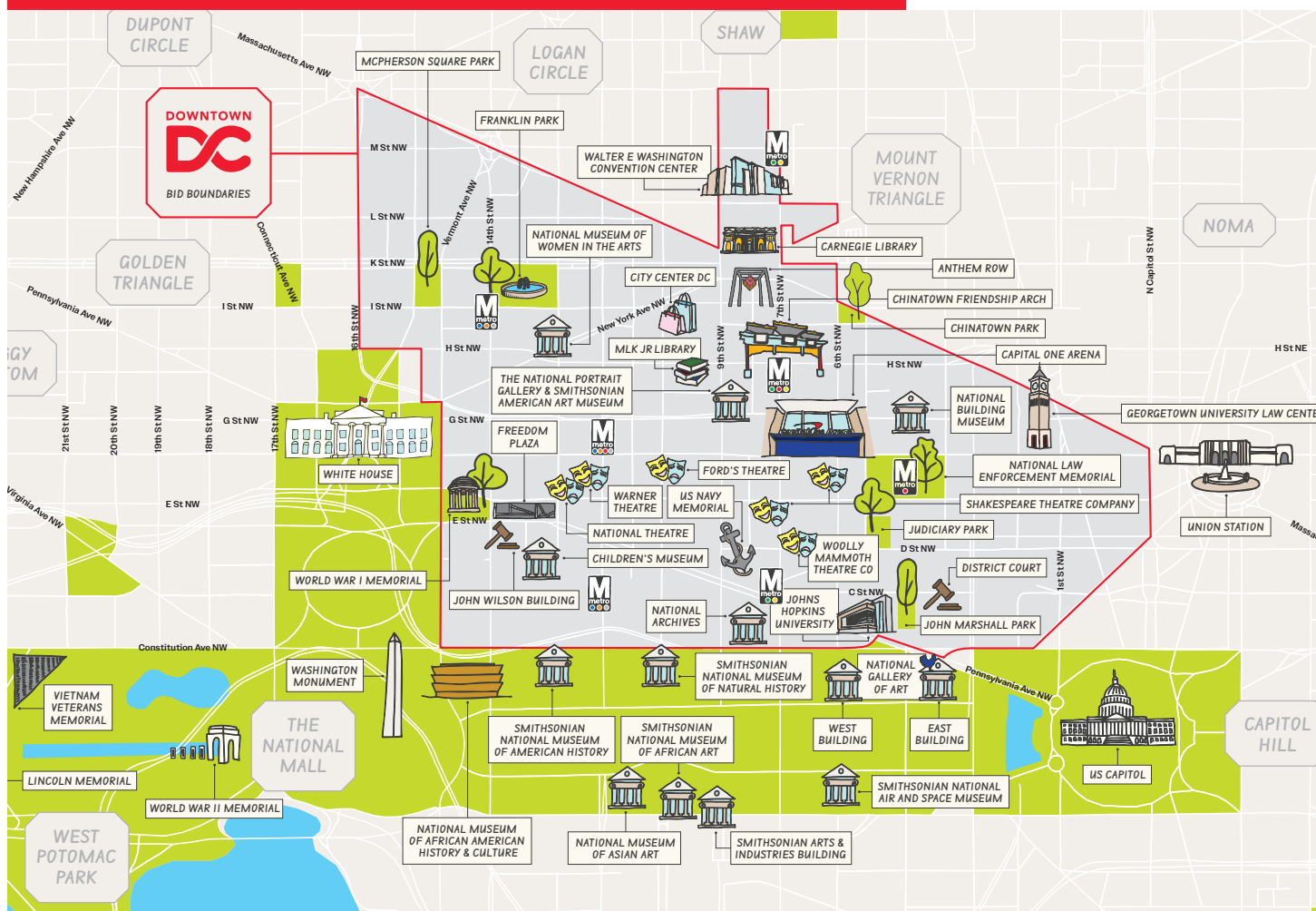
The DowntownDC Business Improvement District (BID) was founded in 1997 as the city's first private nonprofit organization where property owners agree to tax themselves to fund services that enhance people's experiences in the neighborhood. The BID's area includes 530 properties and is defined by Massachusetts Avenue on the north, including the Walter E. Washington Convention Center at Mount Vernon Square, to Constitution Avenue on the south, and from Louisiana Avenue on the east to 16th Street on the west.

1.0
SQUARE MILE

98
MILLION SQUARE FEET

140
BLOCK AREA

530
PROPERTIES



Successes, Shifts, and the State of Downtown DC

President John F. Kennedy once said that “change is the law of life” and from our perspective at the DowntownDC BID, nothing could be more true.

As this report publishes in the spring of 2026, Downtown DC is still seeing the partly-sunny/partly-cloudy skies of a year ago, but with a very different context than a year prior. 2025 introduced shifts both expected and surprising, with impacts that were swift and continue to unfold.

It’s no secret that the federal presence that’s been a positive factor in Downtown DC for many years took a different turn last year.

Office attendance improved thanks to renewed mandates for in-person work, while employment was hit negatively by widespread layoffs and other reductions. Positive trends for cultural and entertainment attendance and crime were balanced by decreases in tourism and foot traffic brought on by a surge in immigration enforcement and National Guard deployment on our streets that created unease among in-region visitors and out-of-region tourists.

Achievements are always accompanied by challenges for us in Downtown, and we’ve endeavored to keep a positive outlook and continue actively collaborating with the many parties committed to the success of our area.

Strong partnerships and decisive actions by the District government continued to make the right impacts on violent crime, which decreased for the second year in a row and has fallen nearly 70% from a 2023 peak.

Universities from Howard to Georgetown to Johns Hopkins increased their presence, turning outdated office space into dynamic places for learning and growth.

Culture and entertainment, hallmarks of what people love about Downtown, saw continued growth this year, and Capital One Arena is in the midst of its game changing renovations as we speak. The BID’s newly formed Downtown Arts, Culture and Entertainment Coalition is an important move for building on these strengths as a lever for economic impact.

While we saw retail in a more stable position than recent years thanks to stronger demand for food and beverage establishments, the sector is ultimately still in a wobbly place.

Multifamily housing conversions are in demand and better enabled by new City provisions, yet falling short of what's needed to reach our long-term goal of increased Downtown residents.

Almost \$52M in investments guided by the Downtown Action Plan is helping revitalize public spaces and incentivize businesses, but we need to keep the pressure on for the full \$400M called for in the Plan.

To close with the words of another wise person: “If you don’t like something, change it.”

While we cannot control everything that affects us, we’re taking this advice from Maya Angelou and continuing to work with our many wonderful partners across the public and private sectors to make the changes happen that will benefit our Downtown community, the District, and our entire region.



Michael McCarthy
Chairman,
Board of Directors
DowntownDC BID



Gerren Price
President & CEO
DowntownDC BID

Public Safety Strides Maintained

Building on momentum from the 2024 Secure D.C. bill and the creation of Safe Commercial Corridors Grants, D.C. took further action on public safety in 2025 by unanimously passing the Peace D.C. Omnibus bill. The legislation included numerous provisions aimed at reducing violent crime and streamlining inefficiencies in existing criminal justice processes. These policies, alongside other initiatives, contributed to further declines in violent crime across Downtown DC, as well as the rest of the city.

VIOLENT CRIME INCIDENTS

↓ 69%

PROPERTY CRIME INCIDENTS

↓ 5%

In Downtown DC since 2023 Peak

Members of MPD supporting community outreach events.

Credit: Metropolitan Police Department



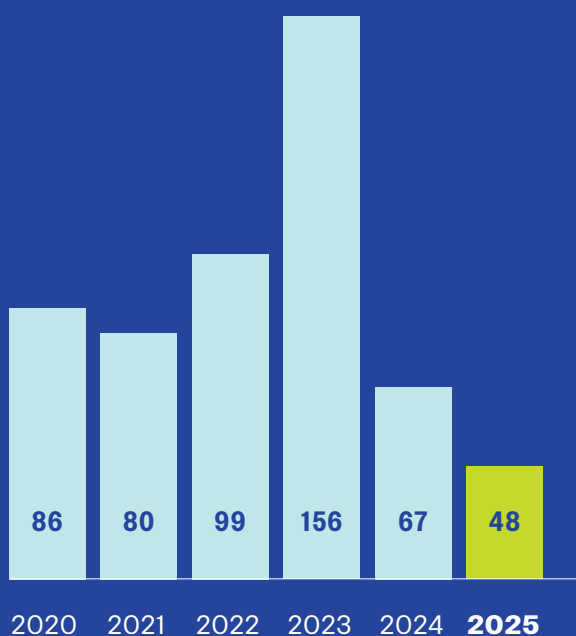
Violent crime incidents in Downtown DC fell for the second straight year in 2025. There were 48 violent crime incidents in 2025, a 69% reduction since the recent peak in 2023 (156). Total crime incidents have fallen by 11% since the post-pandemic peak in 2023. Trendlines indicate that violent crime was already heading downward as of July 2025, prior to the federal takeover of Metropolitan Police Department (MPD) and the deployment of the National Guard. It is not clear if the federal takeover had any impact on property crime trends, which were slightly elevated from last year.



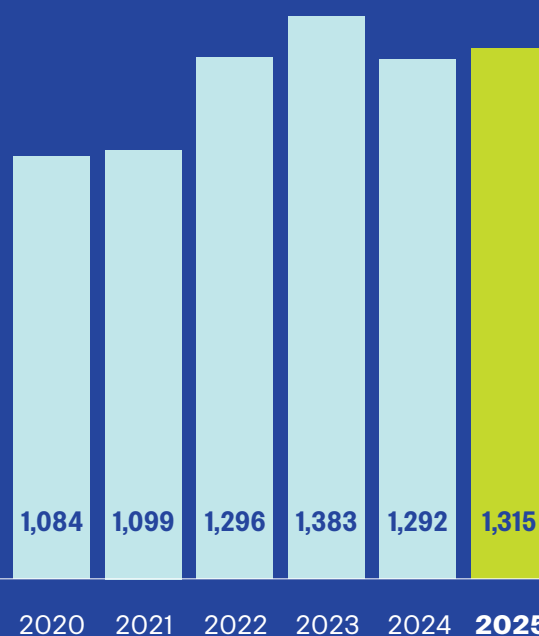
Members of MPD supporting community outreach events.
 Credit: Metropolitan Police Department

DOWNTOWN DC CRIME INCIDENTS

Violent Crime



Property Crime



Cultural Attendance Growth

Cultural attendance was up a robust 9% from the previous year, reaffirming Downtown DC's status as a regional hub for arts, entertainment, and live sports as well as the importance of cultural attractions in driving Downtown activity.

To further bolster culture and entertainment activity, the DowntownDC BID launched the Downtown Arts, Culture and Entertainment Coalition in 2025. This coalition is made up of cultural anchors and entertainment institutions, and will advance shared goals and priorities amongst the members.

A key recommendation of both the Downtown Action Place and the Gallery Place-Chinatown Task Force is to activate and enliven Downtown DC outside of work hours which would increase foot traffic and visitation. The Downtown Arts, Culture and Entertainment Coalition will support this effort.

The cast of "Guys and Dolls" at Shakespeare Theatre Company.

Credit: Teresa Castracane Photography





Artist Tawny Chatmon leads a tour during the October 2025 National Museum of Women in the Arts (NMWA) Nights.

Credit: Farrah Skeiky for NMWA

DOWNTOWN DC CULTURE/ENTERTAINMENT VENUE ATTENDANCE

CAPITAL ONE ARENA*

2025 **1.74 M** ↑
2024 1.73 M

Capital One Arena's \$515 million renovation was in full swing in 2025. The first of four construction phases was completed during a four-month period in the summer. For the eight months the arena was open, total attendance was 1% higher than attendance for the same period in 2024.

MUSEUMS

3.62 M ↑
3.07 M

Museum attendance increased by 18% from 2024, thanks in large part to a significant jump in attendance at the National Portrait Gallery/ Smithsonian American Art Museum, which had its highest annual attendance since 2018.

THEATERS

646 K ↓
703 K

The only cultural destination category with a decline in attendance in 2025 was theater and performing arts venues, which saw attendance shrink by 8% despite many institutions reporting robust ticket sales during the holiday season.

Sources: Monumental Sports & Entertainment, individual museums and performing arts venues

*Note: Capital One Arena data excludes June-September for both years to account for the summer renovation closure.

Continued University Investment

National and local universities continue to drive new investment in D.C., particularly in Downtown East, where Georgetown University has once again expanded the footprint of its Capitol Campus.

Universities are converting obsolete office space into classrooms, offices, and event venues, supporting Downtown’s goal to repurpose 10 million square feet over 10 years. In 2025, university expansion downtown, both within and beyond the DowntownDC BID, totaled more than 660,000 square feet, meeting about two thirds of this annual target.

GEORGETOWN

JOHNS HOPKINS

SQUARE FEET IN AND NEAR DOWNTOWN DC

2.2 MILLION

585,000

STUDENTS IN 2025

6,000

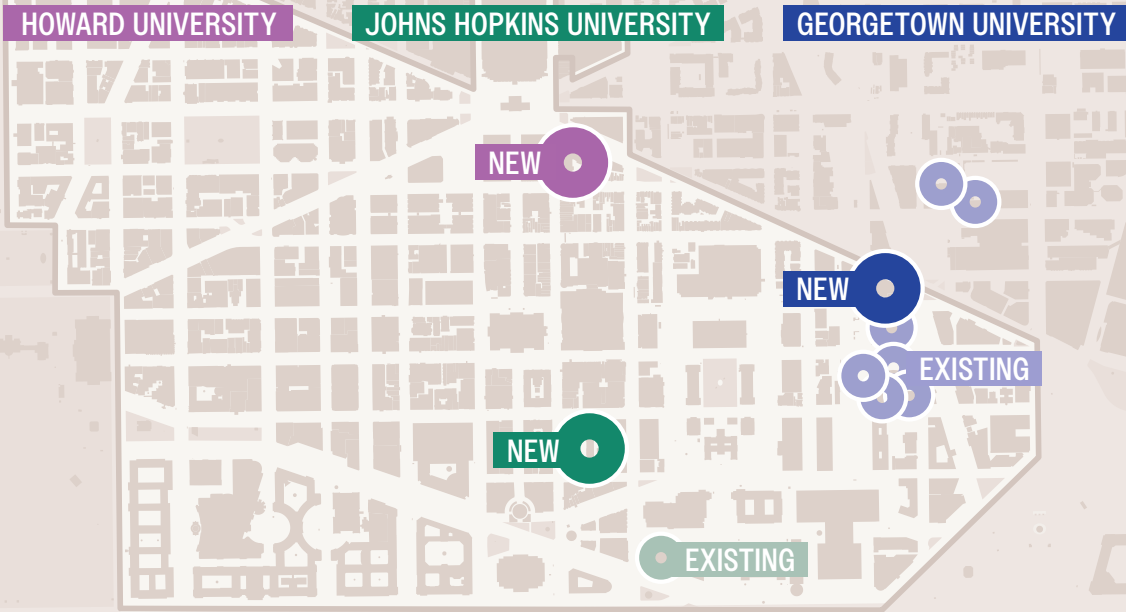
2,500

Georgetown University opened 111 Massachusetts Avenue in November 2025, converting an obsolete office building to much needed classrooms and administrative space.

Credit: Georgetown University



DOWNTOWN EAST UNIVERSITY BUILDING PRESENCE



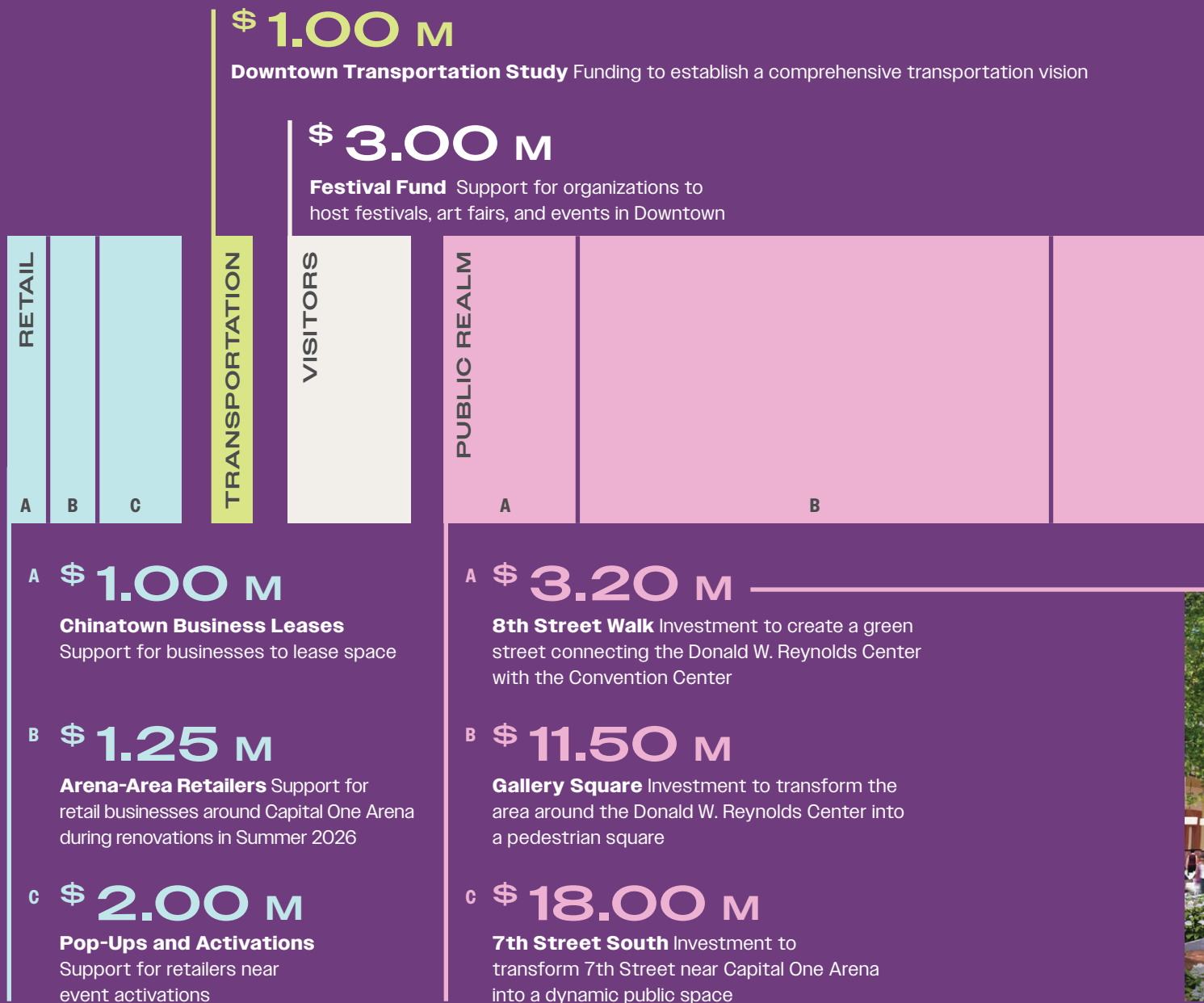
NEW UNIVERSITY INVESTMENT IN THE GREATER DOWNTOWN AREA (IN SQUARE FEET)

STANFORD UNIVERSITY	10,000 SF	Purchased November 2025
UNC CHAPEL HILL	11,000 SF	Leased August 2025
UNIVERSITY OF MICHIGAN	11,600 SF	Leased October 2025
INDIANA UNIVERSITY	59,000 SF	Purchased March 2026
HOWARD UNIVERSITY	94,700 SF	Leased February 2026
JOHNS HOPKINS UNIVERSITY	151,300 SF	Purchased January 2026
GEORGETOWN UNIVERSITY	325,000 SF	Opened in November 2025

Sources: Georgetown University, Johns Hopkins University, Washington Business Journal

Needs Outpace Public Investment

COMMITTED INVESTMENTS FROM THE DOWNTOWN ACTION PLAN



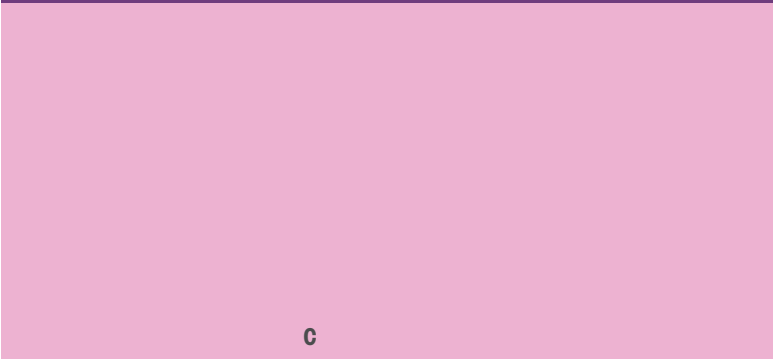


The Downtown Action Plan has helped spur direct investment in businesses, events, and the public realm by giving policymakers and the private sector a clear roadmap for transformative growth of the Downtown DC economy.

Since its release in 2024, over \$52 million has been invested in initiatives for Downtown DC on top of the \$515 million for the Capital One Arena renovation. These investments range from major public realm revitalizations to targeted support for high-growth businesses, start-up incubators, and dynamic retailers. However, there is more to be done to reach the \$400 million of needed investment identified in the Plan.

Some of the largest committed investments from the Downtown Action Plan are in public realm improvements in Gallery Place-Chinatown. More than \$30 million will go into infrastructure improvements to create dynamic, green public spaces throughout the neighborhood. Additionally, retail investments are activating vacant storefronts and providing stability for existing businesses during the Capital One Arena renovation.

\$ 52 M OF \$ 400 M
COMMITTED TO DATE



C



OTHER

\$ 11.20 M

All other investments

SIGNALS FOR OPTIMISM

Mayor Bowser’s Gallery Place-Chinatown Task Force proposed “8 Big Ideas” for potential future uses of this area, including green spaces and pedestrian-centric promenades.

Credit: Office of the Mayor Gallery Place-Chinatown Task Force

Policy Wins, But More Needed

Mayor Bowser and the D.C. Council worked together in 2025 to strengthen policy that can support Downtown.

The RENTAL Act has been a marquee success, giving much needed support for both market-rate and affordable housing providers. There are more opportunities to boost housing production on the horizon, with the upcoming DC 2050 Comprehensive Plan rewrite and other legislative initiatives.

These policy wins have provided much needed tailwinds to Downtown's economic health, but the work is not complete.

Ongoing policy proposals that could further boost Downtown DC's attractiveness include changes to Building Energy Performance Standards (BEPS) and the Parking Equivalent Act, each of which are needed to lower barriers to real estate investment, business attraction, and job growth.

District of Columbia City Council Meeting Session

Credit: Craig Hudson for the Washington Post





FOCUS	2025 POLICY WINS	FUTURE POLICY NEEDS
Residential Conversions	Mayor Bowser’s RENTAL Act passed , reforming housing policies and processes aimed at increasing new housing development.	There have been fewer applications to the Housing in Downtown (HID) tax abatement program than anticipated, indicating that improvements to the program are necessary to help meet long-term housing goals.
Attraction & Retention	The FY26 budget included \$5 million to support the Vitality Fund , the District’s existing incentive for businesses within targeted, high-growth sectors to relocate, expand, or remain in the District.	Councilmember Pinto’s Prosper DC legislative package , which includes matching grants to support the DC tech economy, and pathways for arts and cultural organizations to utilize vacant retail space at no cost, could help draw new companies and uses Downtown.
Tax Policy	The DC Council passed legislation to reclassify tax assessments of residential conversions at permitting , instead of occupancy certification, lowering carrying costs that can help make more conversions viable.	The “30% Rule” for assessments means a building’s tax bill does not change, even if it is sold at a hefty discount. Right-sizing property taxes to reflect the actual sales price will attract more investment, which is essential to transforming obsolete office buildings
Regulatory Environment	The Vacant to Vibrant Act passed in 2025 , which right-sized the time period before a conversion project is deemed vacant, giving developers the necessary time to complete conversions.	Many legacy regulations, designed for ‘ground up’ construction, aren’t well-suited for the complexities of conversion projects. Updating energy modeling and modernizing egress requirements are two examples that help conversions move forward while still meeting DC’s sustainability and life safety goals.

Retail Vacancy Stabilizing, Still High

The retail market appears to be stabilizing, as vacancy has held steady and retail space openings marginally outpaced closings in 2025. However, vacancy remains more than double pre-pandemic rates, hovering around 25% for nearly two years.

In line with data showing flat retail spending, retail brokers active in the market have reported that many building owners are keeping spaces filled by agreeing to increased reimbursement for buildout costs or forgiving rent to retain existing tenants. While this may keep spaces filled for now, the underlying market dynamics continue to degrade and drag down the trajectory of Downtown DC's transformation.

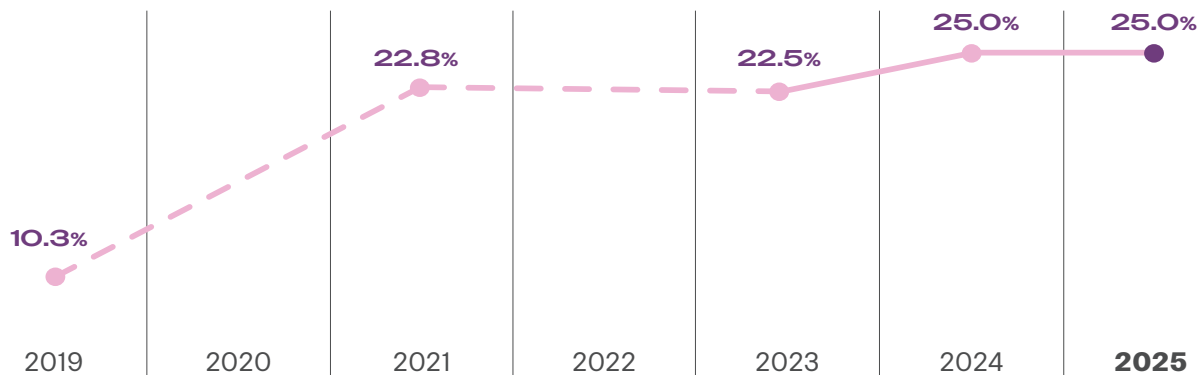
RETAIL OPENINGS 2025

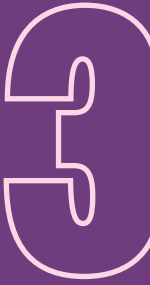
+45

RETAIL CLOSINGS 2025

-36

DOWNTOWN DC RETAIL VACANCY RATE HISTORY



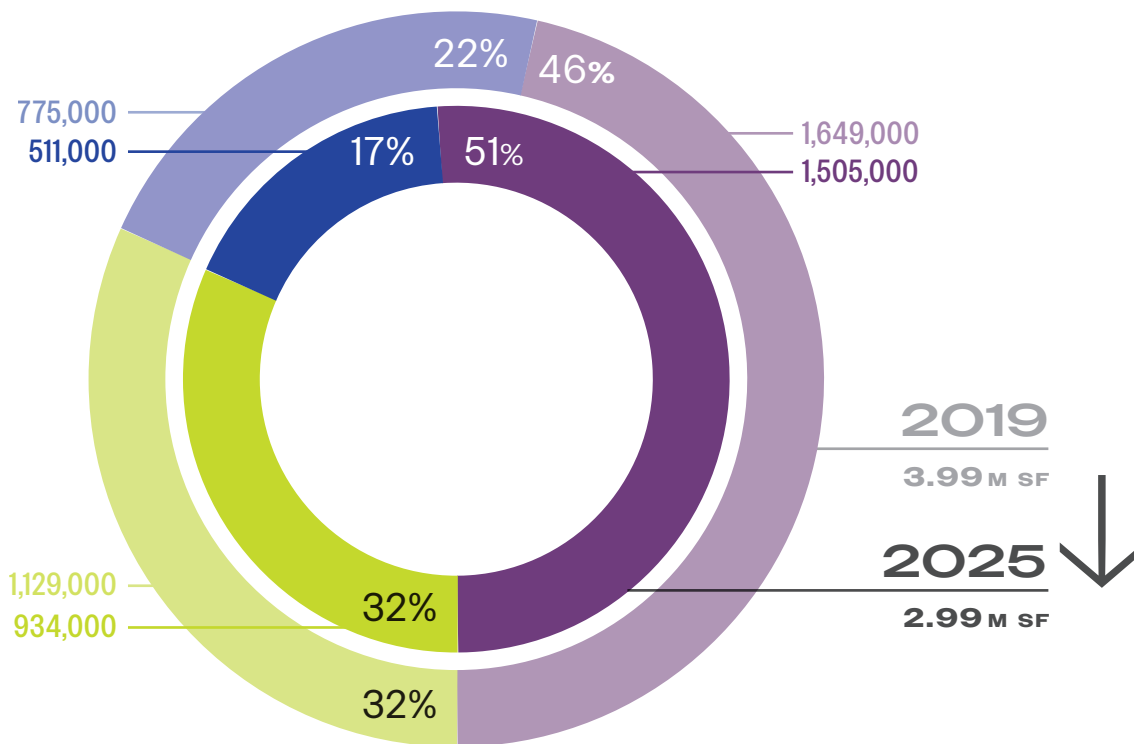


Food & Beverage and Experiential Retail Growth

Food and beverage uses are increasing as a share of all occupied retail space in Downtown DC and now account for more than half of all retail space in Downtown, up from 46% in 2019. Notably, coffee shops and casual dining restaurants have increased space since 2019 (+33% and

+14%, respectively). Other non-food and beverage retail types that have increased space since 2019 include entertainment uses (+24%) and gift-oriented retail (+31%), which reflect national trends focused on experiences and tourism.

DOWNTOWN DC CHANGE IN OCCUPIED RETAIL SPACE (IN SQUARE FEET)



SF CHANGE FROM 2019

- 9% FOOD & BEVERAGE
- 34% SERVICE RETAIL
- 17% SHOPPER'S GOODS

Source: Dochter & Alexander Retail Advisors

Note: Retail vacancy data was collected in spring of each year, except 2025 which was collected in the fall to provide most updated data. Data not available for 2020 or 2022.



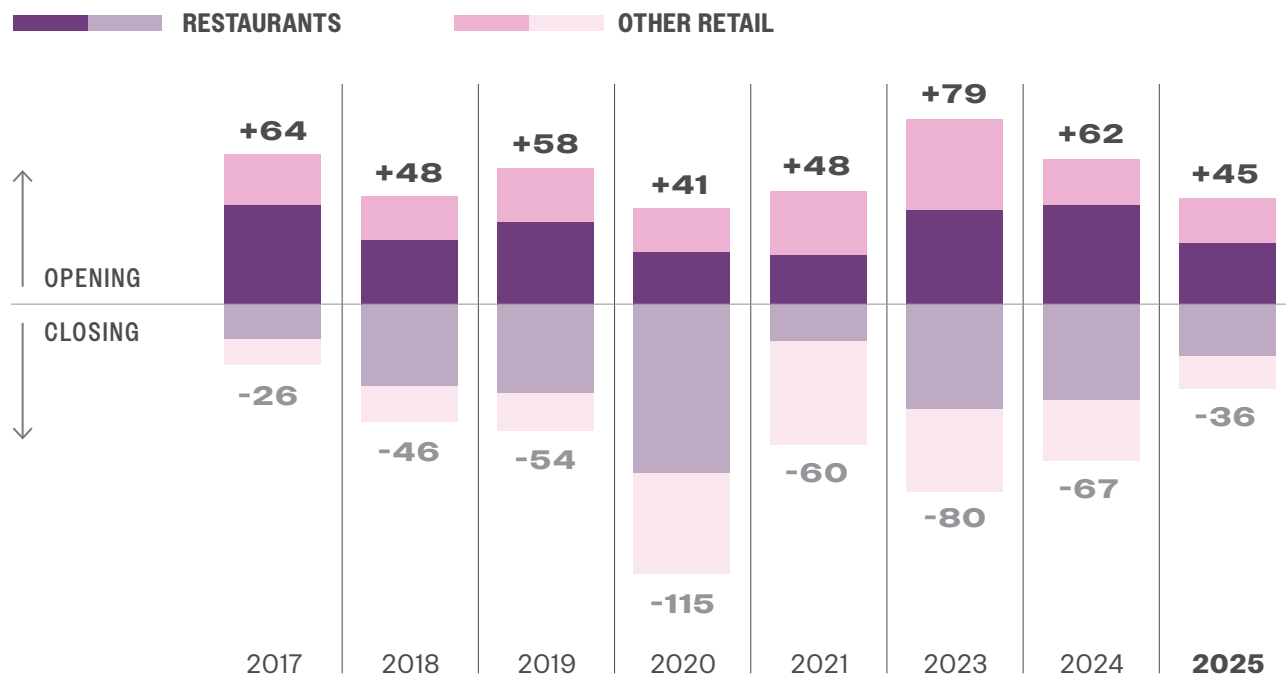
Peruvian Connection on 950 F Street NW
 Credit: DowntownDC BID

More restaurant openings than closings in 2025

Downtown DC saw a net increase of six new restaurant openings in 2025. However, other types of retail had more closings than openings. In 2025, the overall number of closings, 36,

was the lowest since 2017. The total combined number of retail openings and closings decreased for the third straight year, further indicating stabilization in the post-pandemic retail market.

DOWNTOWN DC RETAIL OPENINGS & CLOSINGS



Source: Dochter & Alexander Retail Advisors

Note: Retail openings and closings data was collected in spring of each year, except 2025 which was collected in the fall to provide most updated data. Data not available for 2022.

New Openings Generating Excitement

The recent opening of Barnes & Noble in the historic Woodies Building is a positive sign for the F Street retail corridor. Next door, Netflix has announced a new ground floor “entertainment hub” as part of its new office, which will include an experiential events space and public-facing, interactive street frontage.



Barnes & Noble on 1025 F Street NW

Credit: DowntownDC BID



H&M on 1025 G Street NW

Credit: Yelp

Omakase Room by Tadayoshi on 699 14th Street NW

Credit: Kevin Parisi for Omakase Room



Visitation Up, Tourism Down

A 2.5% increase in overall Downtown DC foot traffic in 2025 marked continued progress from prior years. Office attendance rates increased following the federal return to office mandate, while trips by regional and out-of-market visitors declined following the federal takeover of MPD and the surge of federal law enforcement in August.

DOWNTOWN DC OFFICE ATTENDANCE (AVG MARCH - DECEMBER)



Credit: DowntownDC BID



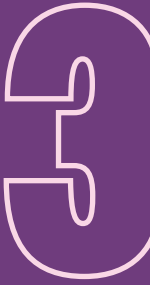
Office Workers Up

Downtown DC's office attendance rates jumped in 2025, with a noticeable increase aligned with the federal government's return-to-office directives, that took effect in March.

From March through December, office attendance was 48% of pre-pandemic activity, up from 44% during the same period in 2024, reaching a new monthly high of 51% of pre-pandemic office activity in July. Year-over-year growth eased slightly in the fall when federal job cuts went into effect and the federal government shutdown occurred. However, rates remained above their 2024 average.

Source: Kastle

Note: Annual averages exclude January and February due to atypical behavior patterns of the inauguration and federal transfer of power.

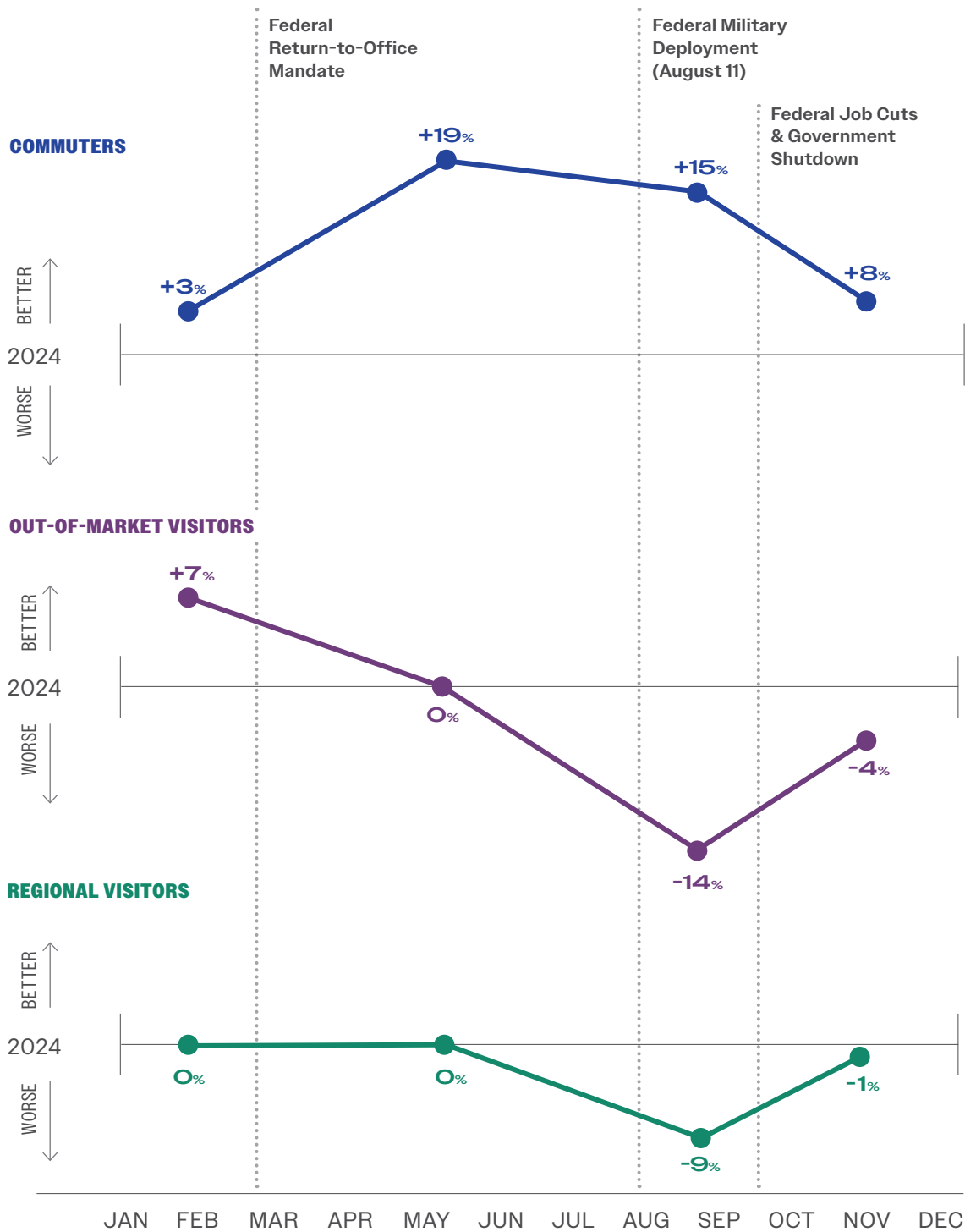


Regional and Out-of-Market Visitation Declined

After years of increasing regional and out-of-market visitor activity, the mobilization of the National Guard and federal law enforcement coincided with a

large drop in visitation. Regional visitation recovered by the fall, while out-of-market tourist visitation continued to fluctuate throughout the rest of the year.

2025 YEAR-OVER-YEAR % CHANGE IN AVERAGE VISITS



Source: Placer.ai

Despite Demand, Residential Growth Lags

RESIDENTIAL UNITS IN 2025

186
COMPLETED

702
UNDER CONSTRUCTION

2,988
ANNOUNCED

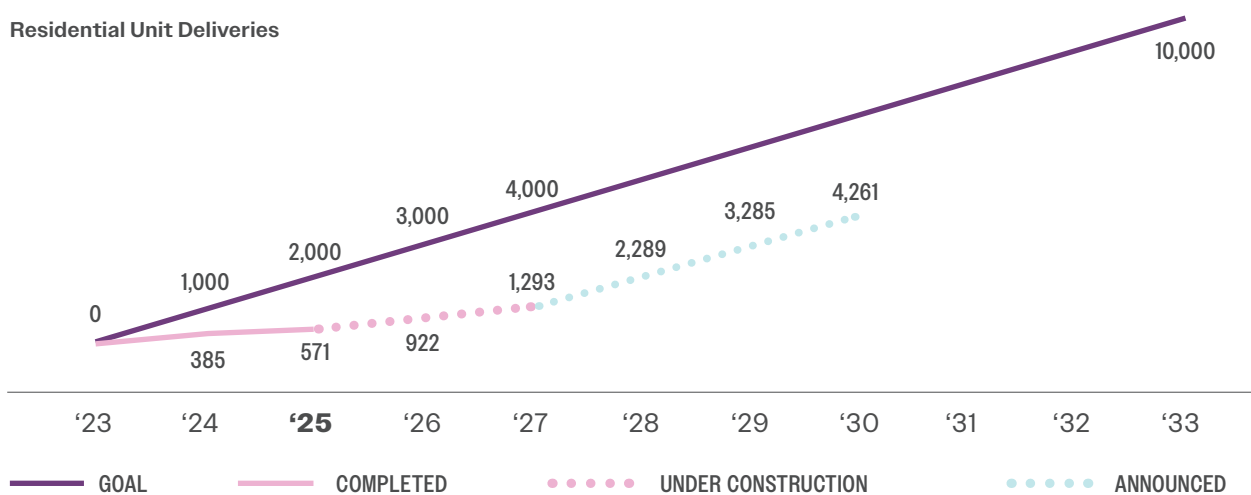
Accolade, a new 186-unit apartment building at 1425 New York Avenue, opened in 2025 as the second-largest office-to-residential conversion in Downtown DC to date. The innovative project features The Roost, which provides 57 furnished hotel rooms within the same building.

Despite this important milestone, Downtown is significantly behind the residential conversion

goal set by the Downtown Action Plan. This goal aims to increase the Downtown residential population, including areas beyond the BID boundary, by 15,000 people, or about 10,000 housing units, by 2033. Even if all announced conversions are completed by 2033, Downtown will only reach about 40% of this goal. More action is needed to spur construction of already-planned projects and expand the pipeline to include additional planned projects.

PROGRESS TOWARDS DOWNTOWN ACTION PLAN RESIDENTIAL GOALS

Residential Unit Deliveries



Source: CoStar

Note: Downtown Action Plan goal is for 15,000 residents by 2033. 10,000 units are derived from assuming 1.5 residents per unit. Projections above assume all units under construction deliver by 2027 and those announced by 2030.

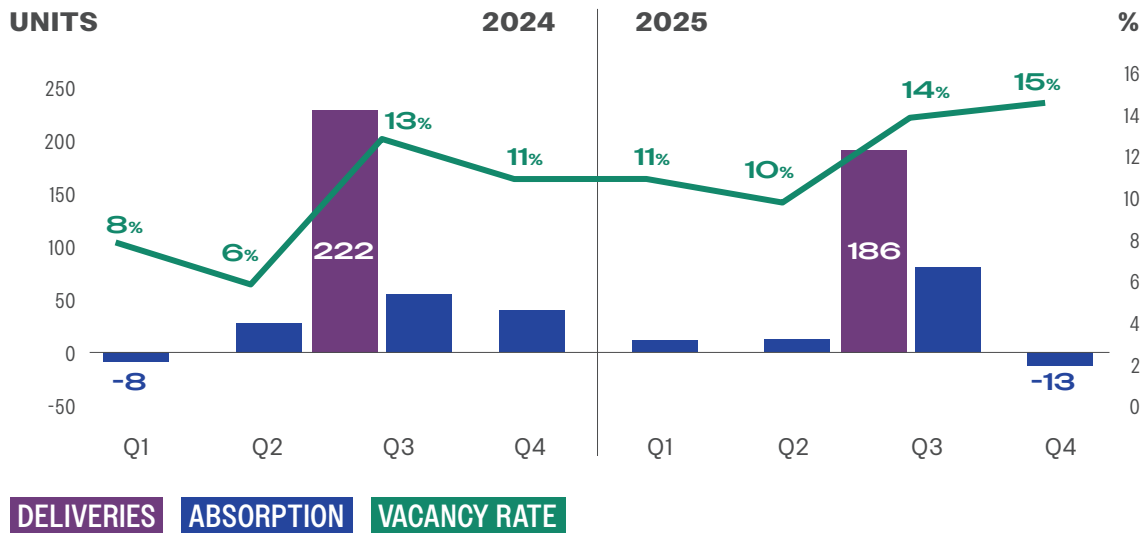


New Buildings are Leasing Well

Demand for new residential development is strong. Projects are leasing well, although new leasing slowed in Q4 2025, which

may indicate that the federal surge of National Guard and federal law enforcement deterred new rental activity.

CLASS A APARTMENT MARKET HISTORY

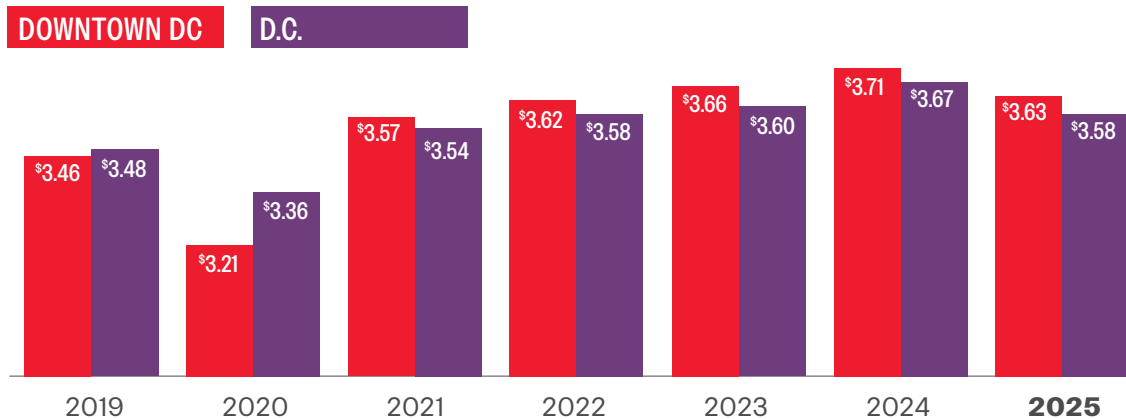


Rents Down Across the City

One challenge to new projects starting construction is a lack of rent growth. Class A apartment rents decreased 2% both across D.C. and in Downtown DC in 2025,

reflecting broader economic challenges driven by federal job cuts and other headwinds. This is the first dip in Class A rents since 2020.

CLASS A APARTMENT ASKING RENTS

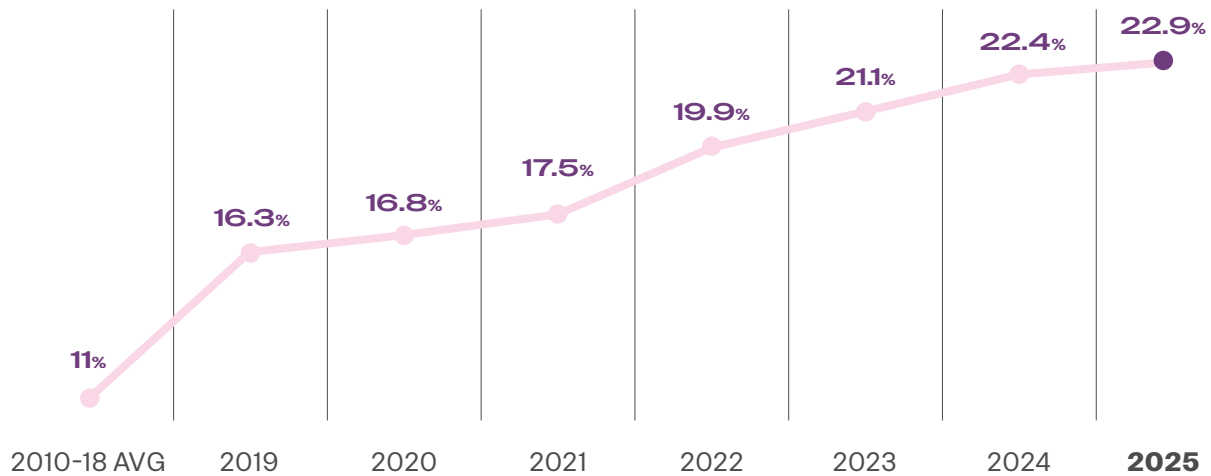


Sources: CoStar, Fortune

Challenges Remain for Non-Trophy Office

The office market continued to struggle in 2025, with some signs of stabilization as new long-term realities took shape. Efforts to reduce the total amount of office space in Downtown DC provided some benefit to overall market health. In 2025, about 3.6M square feet, or about 4%, of total Downtown office space was demolished or repurposed, including areas beyond the BID boundary. Continued healthy leasing activity and reductions in total office space should continue to improve the position of the office market in the future.

DOWNTOWN DC OFFICE SPACE VACANCY RATE



Vacancy Bottoming Out

Office vacancy in Downtown DC increased by only 0.5% in 2025, about half the growth rate from the year before, thanks in large part to the impact of vacant inventory coming offline. Vacancy remains significantly above the pre-pandemic average of 11%.

600 5th Street NW, a new trophy office building in Downtown East, is opening in 2026 with a sizeable pre-lease from D.C.-based law firm Crowell & Moring.

Credit: Washington Business Journal

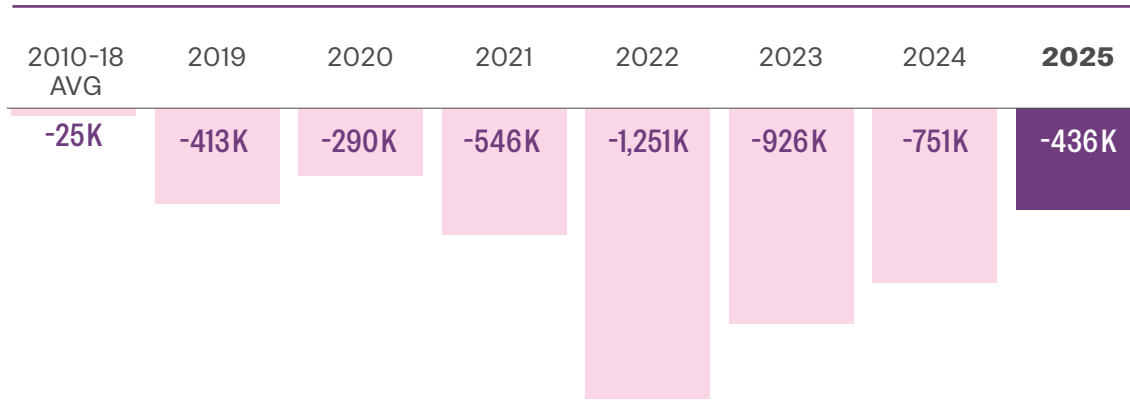
Source: CoStar

Occupied Space Evens Out

Annual absorption, defined as the net change in occupied office space, was at its lowest level since 2020. While it's still problematic that 436,000 square feet of net office space became vacant in 2025,

that is an improvement compared to prior years when occupied office space declines approached and even surpassed one million square feet annually.

DOWNTOWN DC OFFICE SPACE ANNUAL ABSORPTION (IN SQUARE FEET)



Trophy Office Remains a Bright Spot

Trophy office space had a vacancy rate of 11% at the end of 2025, significantly outperforming the rest of the office market. Two new office buildings were under construction in Downtown DC in 2025: BXP's 320,000 square feet building at 725 12th Street NW and Stonebridge and Rockefeller

Group's redevelopment of WMATA's former headquarters at 600 5th Street NW. 725 12th Street NW is nearly 90% pre-leased by two law firms, Cooley and McDermott, Will & Emery, while 600 5th Street NW opened in spring 2026 and is more than 50% pre-leased by the law firm Crowell & Moring.

DOWNTOWN DC OFFICE SPACE VACANCY RATE (BY BUILDING CLASS)



Source: Lincoln Property Company for trophy, CoStar for Class A and B

Note: Trophy vacancy is for the East End office submarket, which is substantially similar to the DowntownDC BID boundary.

Office Sales Volume Grew, Values Dropped

Market values continue to diverge from assessed values for properties sold in 2025.

Sales prices for office buildings Downtown, including those beyond the DowntownDC BID boundary, were 34% of assessed values. This is a further drop from the 2024 level of 44% of assessed values.

However, more than 3.5 million square feet of office space was transacted in 2025, the highest level since 2015. This was the second straight year with healthy sales volume in Downtown, which is a positive signal for market liquidity and the perceived long-term value of investment in Downtown DC.

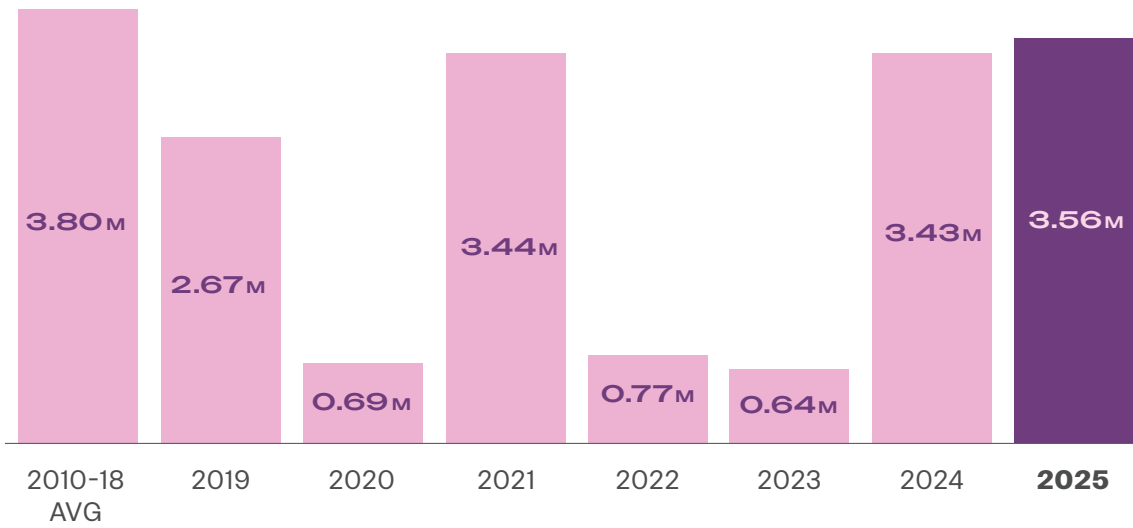
While a sustained reduction in sales prices is a major challenge for owners, the volume does demonstrate that buyers are seizing opportunities for new investments on a lower basis, recognizing the long-term value and prospect of growth Downtown.



1401 H Street NW sold for \$118 million, the third-largest office sale in Downtown DC in 2025, although this was 65% of the property's most recent assessed value (\$182 million).

Credit: Washington Business Journal

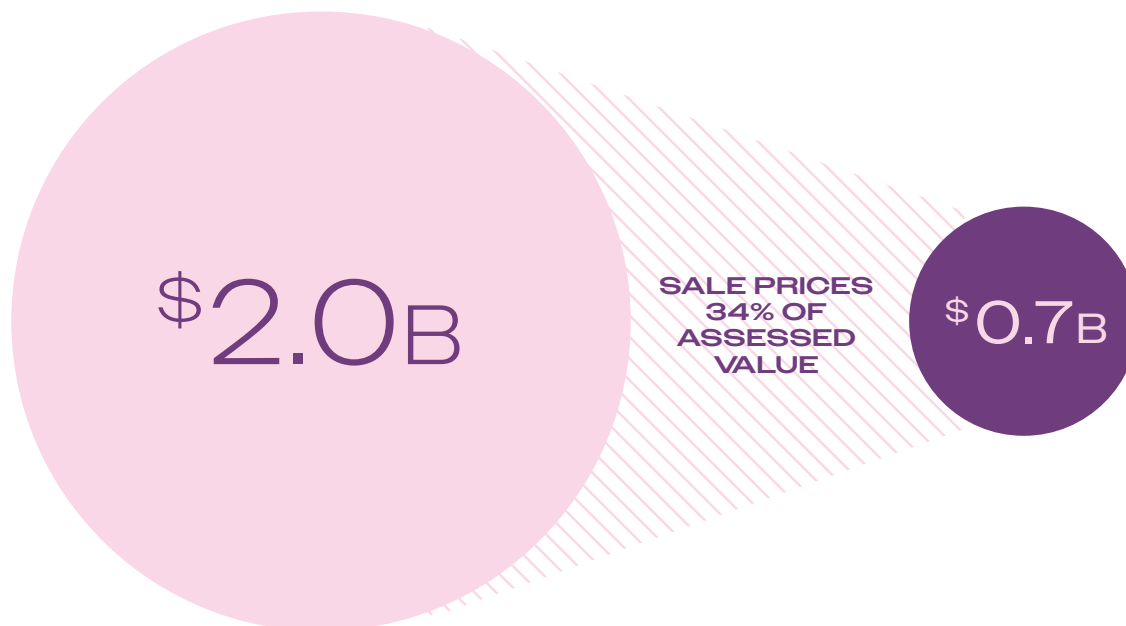
DOWNTOWN DC OFFICE SALES VOLUME (IN SQUARE FEET)



2025 OFFICE SALES IN DOWNTOWN COMEBACK PLAN BOUNDARY

2025 Assessed Value

Recent Sale Price



Employment Declined with Federal Job Losses

The loss of nearly 6,000 jobs hit Downtown DC in 2025—the first decline since 2020. The decline was driven by reductions to the federal workforce initiated by the Trump administration’s temporary advisory organization known as DOGE.

Total federal employment nationwide declined by 14%, or about 317,000 jobs, representing one of the largest reductions in modern American history. Given the existing federal employment base, these reductions had an outsize impact in the region and Downtown DC in particular. The reductions also had ripple effects on non-federal employment and the broader regional economy.

JOBS IN DOWNTOWN DC

	2025		2024-2025 CHANGE	
	#	%		
FEDERAL GOVERNMENT	67,660	33%	(6,170)	-8.4%
D.C. GOVERNMENT	10,190	5%	(880)	-8.0%
PRIVATE OFFICE-USING	71,090	35%	(110)	-0.2%
PRIVATE NON OFFICE-USING	55,380	27%	1,210	2.2%
TOTAL	204,320	100%	(5,950)	-2.8%



The Ronald Reagan Building is slated to become the new headquarters for the Federal Bureau of Investigation (FBI), which will retain thousands of federal employees in Downtown DC that were previously planned to be relocated to Maryland. However, virtually all of the 2,500-3,000 US Agency for International Development (USAID) employees previously housed at the building were laid off in 2025.

Credit: Ajay Suresh

Downtown DC Employment

Employment in Downtown DC shrank by 2.8% in 2025, down to 204,000 jobs from 210,000 in 2024. Post-pandemic job growth, positive every year since 2020, was wiped out.

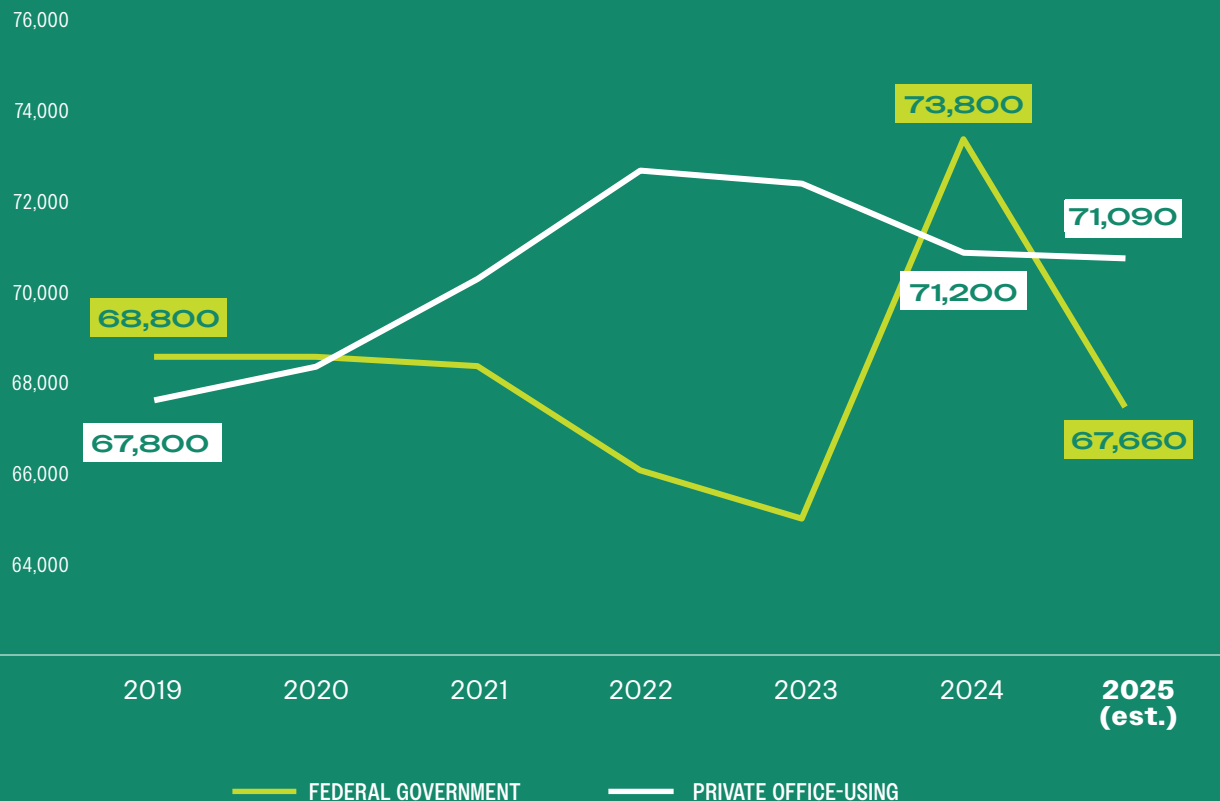
In addition to the loss of 6,000 federal government jobs, private office-using employment also declined slightly, led by job losses in sectors such as professional services. Private non-office using jobs, which are primarily made up of service jobs such as food service, grew slightly, underscoring the growth of food and beverage uses as a share of Downtown commercial activity.

Total employment is now 1.3% below 2019 levels. However, private office-using employment increased during the same period, with 4.9% more office jobs in 2025 than in 2019, softening the impact of the decline in federal employment.

D.C. Employment

D.C. employment fell by 17,000 jobs, or 2.2%, in 2025, with total employment remaining below pre-pandemic levels. The unemployment rate rose to 6.7% in December 2025, up from 5.5% a year earlier. Federal employment across all of D.C. accounted for 23% of all jobs at the end of 2025, down from 25% in 2024.

OFFICE-USING EMPLOYMENT IN DOWNTOWN DC



HEADWINDS CONTINUE

Sources: Bureau of Labor Statistics, JobsEQ

Note: Not seasonally adjusted. Data is an annual average of monthly data. December data is preliminary. Graph above assumes all federal employment is office-using. However, it is likely this figure contains some small amount of service jobs.

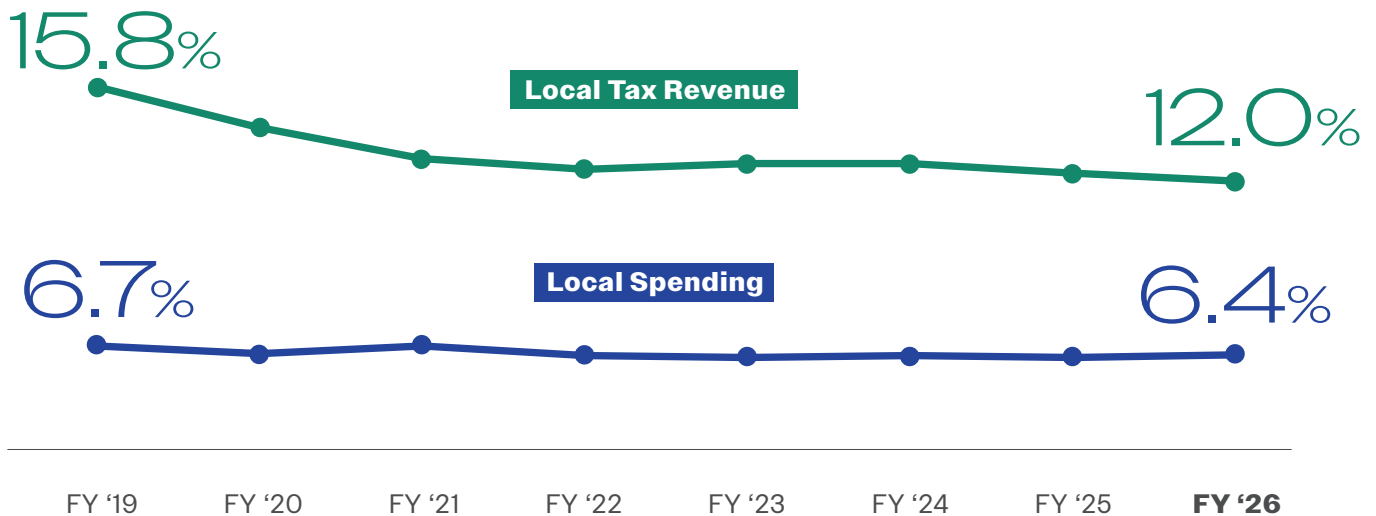
Declining Tax Revenue Limits Public Services

Downtown DC’s tax revenue remains a major driver of the District’s tax base—and remains below pre-pandemic levels, a hit to District-provided services for all.

It is also a net contributor to the budget, generating more in property, sales, and other taxes than it costs to provide public services.

Downtown DC’s status as a net fiscal contributor emphasizes the importance of a strong Downtown in supporting services and programs across the city. Since 2019, Downtown DC’s net fiscal impact has decreased by over \$451 million. If Downtown was achieving its pre-pandemic level tax revenues, its additional fiscal impact could fund a range of District priorities in all parts of the city.

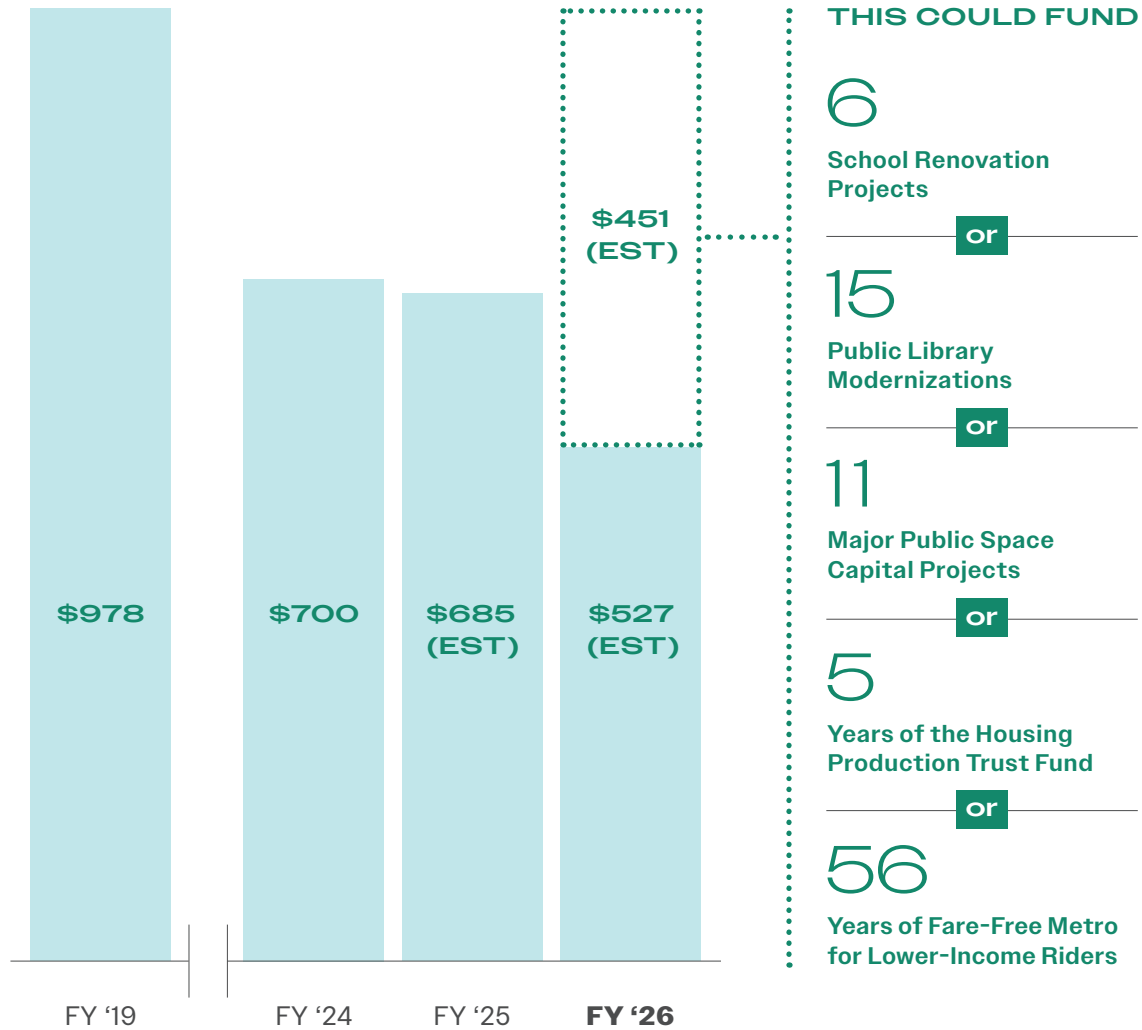
DOWNTOWN DC’S NET FISCAL IMPACT AS A % OF D.C.



Sources: RCLCO, Bureau of Labor Statistics, Office of the Chief Financial Officer, D.C. Public Schools, District Department of Transportation, D.C. Deputy Mayor for Planning and Economic Development, Washington Metropolitan Transit Authority (WMATA), D.C. Public Library

Note: Not seasonally adjusted. Local tax revenue is local fund revenues, local spending is local fund expenditures and transfers.

DOWNTOWN DC'S NET FISCAL IMPACT (IN MILLIONS, FY2026 DOLLARS)



\$527M

PROJECTED NET FISCAL IMPACT OF DOWNTOWN DC IN FY 2026

-\$451M

CHANGE IN NET FISCAL IMPACT SINCE 2019, largely driven by declines in office and retail property values

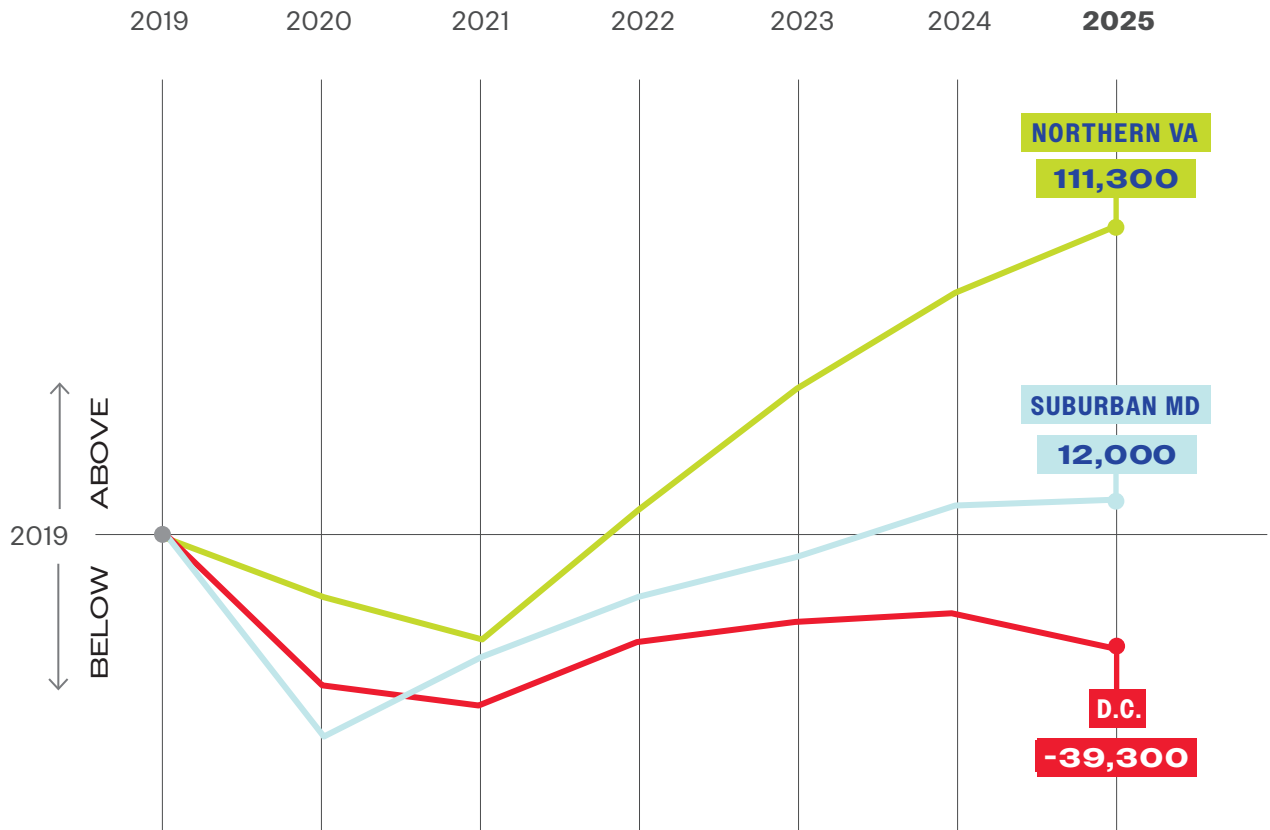
HEADWINDS CONTINUE

Job and Investment Growth Lagged Region

Employment in D.C. remains below pre-pandemic levels, well behind Northern Virginia and the Maryland suburbs, which have both surpassed pre-pandemic job growth. Northern Virginia has added more than 110,000 jobs since 2019.

Conversely, D.C.'s total employment is more than 23,000 jobs below 2019 levels. While all jurisdictions lost federal and private office using jobs in 2025, D.C. is most vulnerable to these challenges, having never recovered from pandemic-era job losses.

CHANGE IN REGIONAL JOBS SINCE 2019



Source: Bureau of Labor Statistics

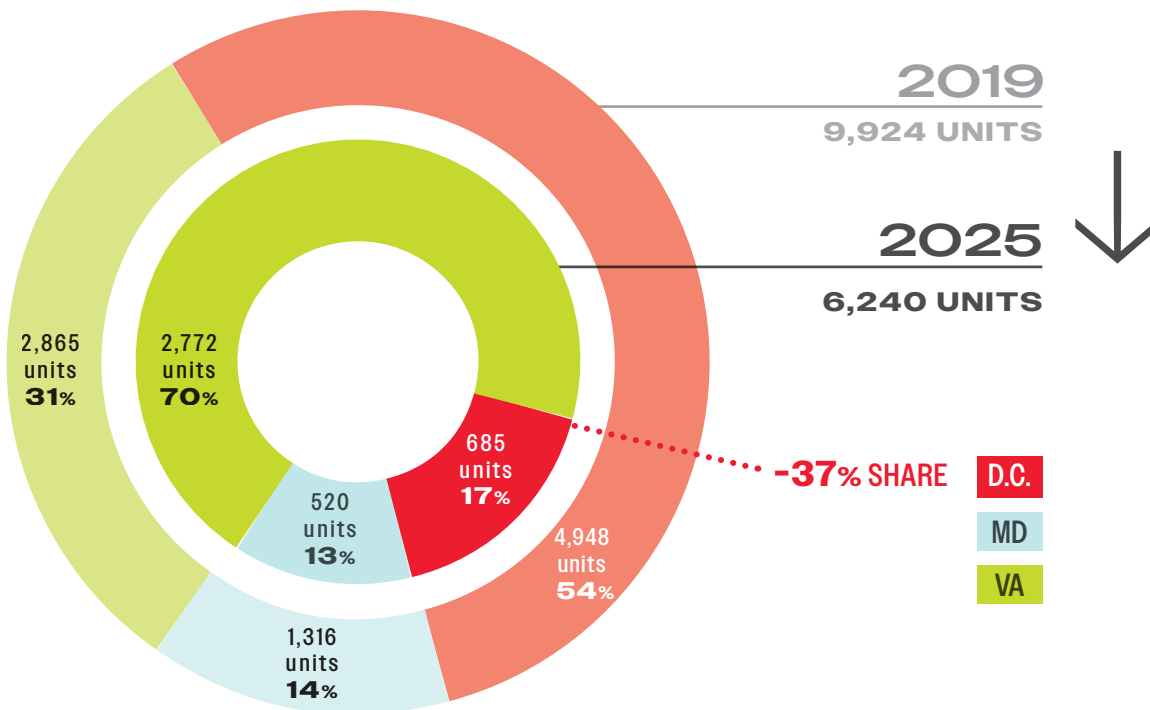
Note: Not seasonally adjusted.

New Investment

D.C. is also lagging neighboring jurisdictions in other key metrics for regional investment, such as business formation. There are only

21% more new businesses in D.C. than in 2019, compared to 31% more in Maryland and 37% more in Virginia.

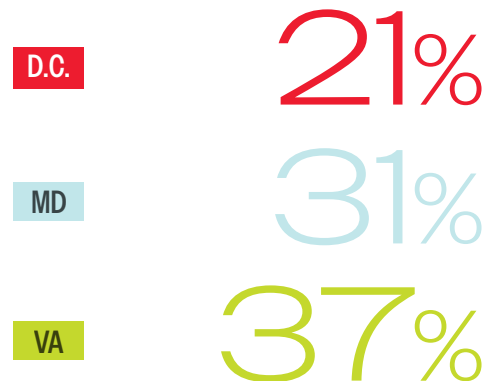
REGIONAL MULTIFAMILY CONSTRUCTION STARTS (HOUSING UNITS)



Development

New construction activity has decreased across the region, driven by national trends in higher construction costs as well as local challenges with federal job cuts and economic uncertainty. Meanwhile, D.C.'s share of regional construction activity has declined. In 2019, D.C. built more than half of the region's total apartments and condos. In 2025, that share fell to 17%. By contrast, Northern Virginia is now building 70% of the region's new multifamily units and its total units under construction in the aggregate have increased since 2019.

INCREASE IN BUSINESS FORMATION SINCE 2019



Region Trails National Peers

Despite the D.C. metro’s incredible levels of education and household income, it lacks momentum in key areas that hold back transformational economic progress. More investment and policy initiatives are needed to address the following deficits:

D.C. HAS STRONG UNDERLYING ECONOMIC FUNDAMENTALS

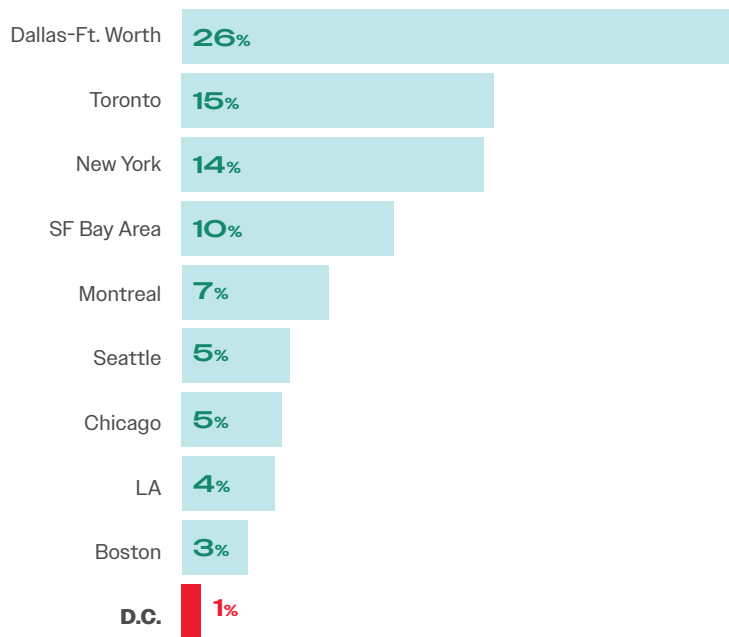
54%

D.C. METRO AREA RESIDENTS WITH A BACHELOR’S DEGREE OR HIGHER

\$126K

MEDIAN INCOME IN D.C. METRO AREA

PERCENT CHANGE IN TECH WORKFORCE SIZE, 2021–2024 (METRO AREA COMPARISON)



a. Lagging Tech Talent Growth

Tech talent remains a weak spot for the D.C. region, which is lagging national peers in attracting talent. The D.C. region has the 4th largest tech workforce but ranks last in recent workforce growth among the ten largest metro areas by tech workforce size.

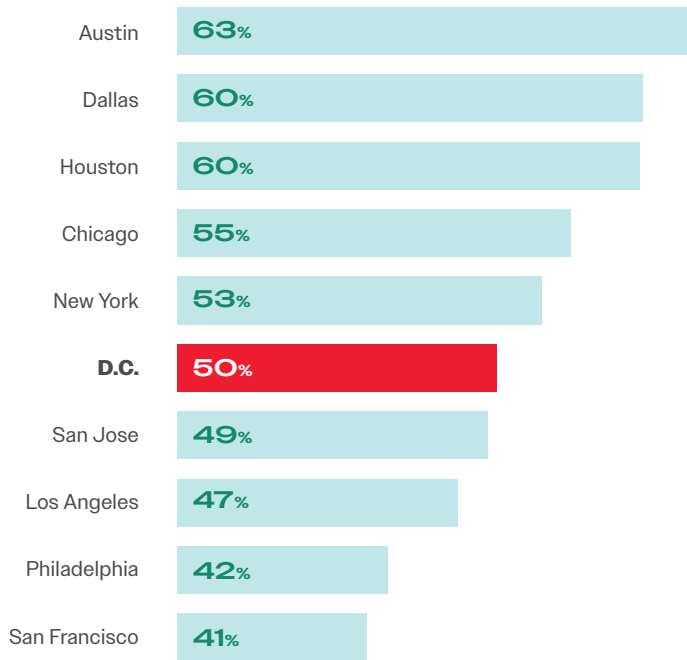
Sources: Bureau of Labor Statistics, CBRE, Brookings Institute, U.S. Census, Lightcast

Note: Cities are those with more than 50,000 tech workers. Data is for people aged 25 or older; Large metro areas defined as those with more than 1 million in population.

OFFICE WORKERS IN THE OFFICE, 2025 METRO AREA COMPARISON

b. Lagging Large City Office Attendance Rate

Our partial rebound in office attendance weighs down real estate market performance. In 2025, the D.C. region ranked 6th among the ten largest metro areas by office workers in the office, with an annual average of 50%.

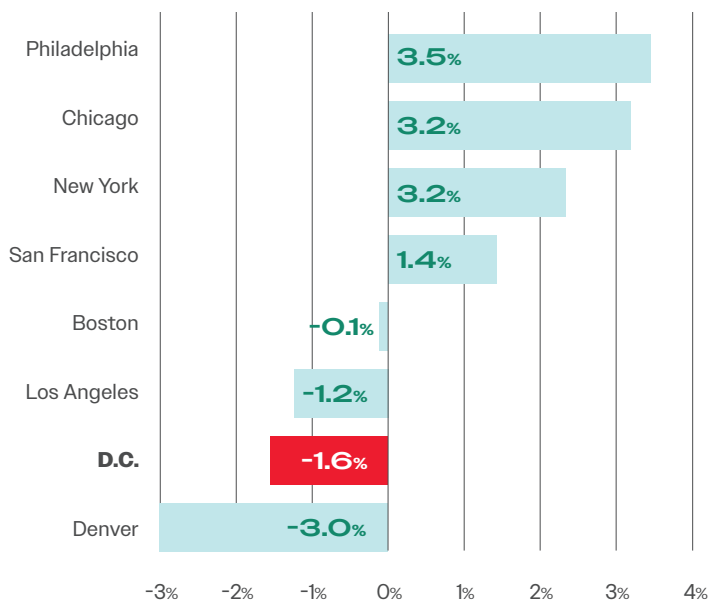


CHANGE IN 12-MONTH HOTEL OCCUPANCY RATE, 2024-2025

c. Declining Tourism

After several years of growth, we're now suffering from a decline in tourist activity, a key economic driver.

In the D.C. region, there was a 1.6% drop in hotel occupancy in 2025, the second worst among peer hospitality markets. Only Denver saw a larger decline, while other markets saw positive growth.

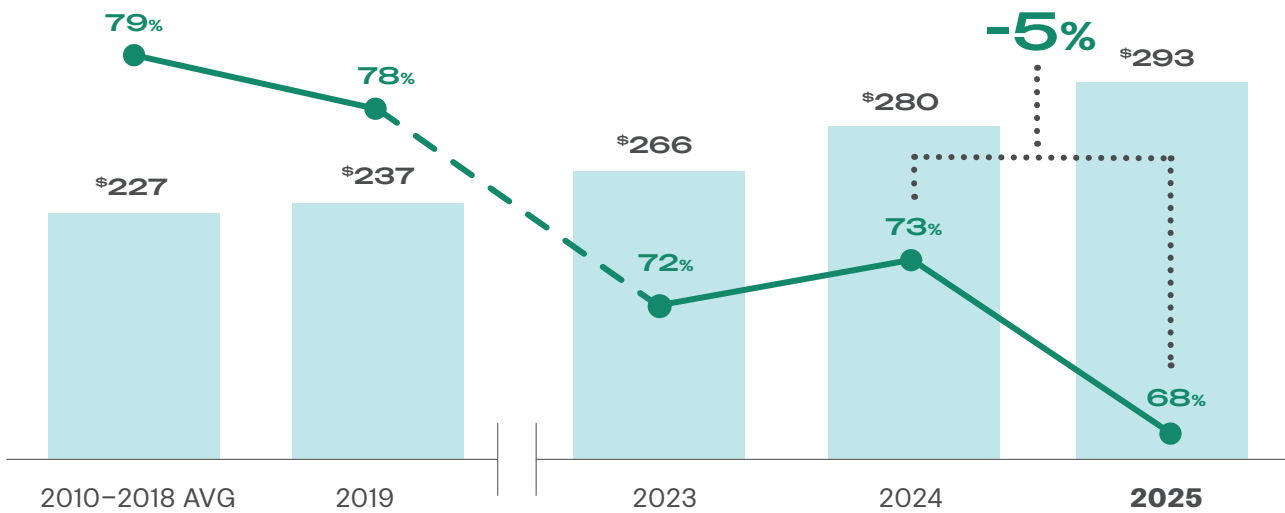


Setbacks for Hotels and Tourism

The year saw setbacks in the Downtown DC tourism market.

Activities such as the mobilization of the National Guard and deployment of federal immigration enforcement reduced both regional and out-of-market visitation. As a result, hotel occupancy dropped to 68% in Downtown DC, down from 73% in 2024 and well below the pre-Covid average of 79% (2010–2018).

DOWNTOWN DC HOTEL OCCUPANCY AND AVERAGE DAILY RATE



The opening of Mint House Hotel (1010 Vermont Ave) was a bright spot in the face of fundamental challenges to the tourism and hospitality markets.

Credit: Annabel Taylor

International Tourism

Destination D.C., which promotes and tracks tourism and special events in the city, forecasted that international visitation in D.C. decreased more than 5% in 2025, from 2.2 to 2.1 million people. The drop is reflective of national trends, with international tourism down 6% in the U.S., attributable to the national political climate. International travelers are particularly important as an economic driver for tourism because they stay longer and, on average, spend four times as much as domestic visitors.

VISITORS IN 2025

2.1M

International Visitors

5.1%

Estimated Decrease In
International Visitation



World Pride Visitation Fell Short

Destination D.C. also announced that an estimated 1.2 million people attended World Pride 2025 in D.C. from May 17 to June 8. Those numbers fell short of the projected 2-3 million visitors and nearly \$800 million in economic impact in the lead up to the event.

1.2M

Attended World Pride

52%

Below Projections
of 2-3M



National Mall Memorials and Museums

Attendance at museums on the National Mall fell by 13% in 2025 and are now nearly 50% below the ten-year pre-pandemic average. Annual visitation to memorials on the National Mall fell by 19%, and are now about 10% below the prepandemic ten-year average.

27M

National Mall Memorials

↓ 19% lower than 2024

↓ 10% lower than pre-pandemic
10-year average

13M

National Mall Museums

↓ 13% lower than 2024

↓ 50% lower than pre-pandemic
10-year average

**The DowntownDC BID thanks the following
for their contributions to this report:**

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DC Office of the Chief Financial Officer (OFCO)
Destination DC
District Department of Transportation (DDOT)
Dochter & Alexander Retail Advisors
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National Portrait Gallery
National Theatre
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Sixth & I Historic Synagogue
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The Hamilton Live
U.S. Bureau of Labor Statistics (BLS)
U.S. General Services Administration (GSA)
U.S. National Park Service (NPS)
Warner Theatre
Washington Metropolitan Area Transit Authority (WMATA)
Washington DC Economic Partnership (WDCEP)
Woolly Mammoth Theatre

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SENIOR LEADERSHIP**

Gerren Price

President and Chief Executive Officer

Rachel Hartman

*Chief Strategy Officer and Executive Director,
DowntownDC Foundation*

Gerry Widdicombe

Chief Financial Officer

Samala Satterwhite

Director of Administration

Mark Simpson

Director of Planning and Economic Development

Lukas Umana

Senior Director of Public Space Operations and Activations

Ebony P. Walton

Director of Marketing and Communications

Ishan Heru

Director of Homeless Services

PUBLICATION STAFF

Mark Simpson

Director of Planning and Economic Development

Ebony P. Walton

Director of Marketing and Communications

Martina Tinong

Marketing and Communications Associate

Sojung Kim

Planning and Economic Development Associate

RESEARCH AND ANALYSIS

HR&A Advisors

CREATIVE AND EDITORIAL DESIGN

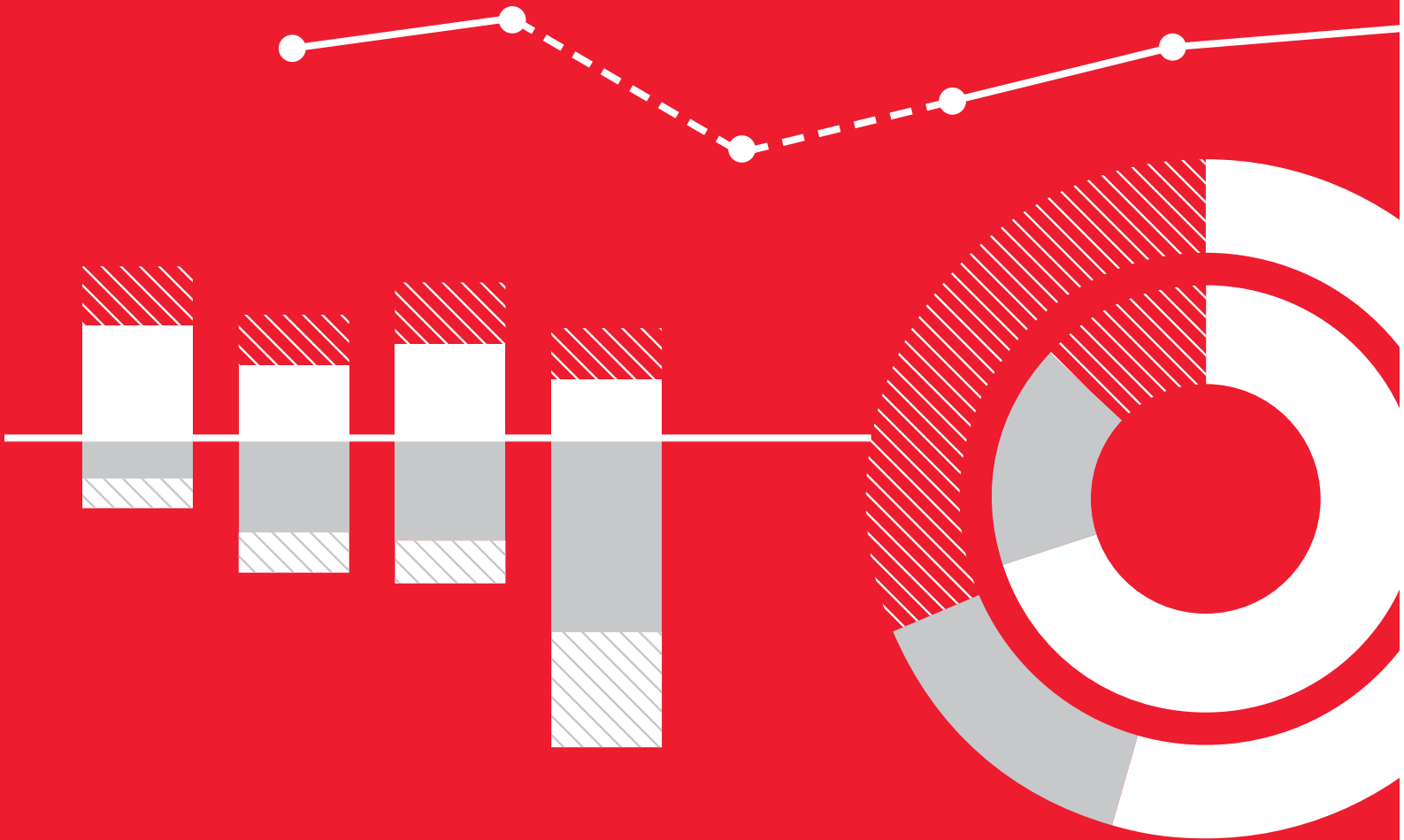
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DOWNTOWN



STATE OF DOWNTOWN

2025