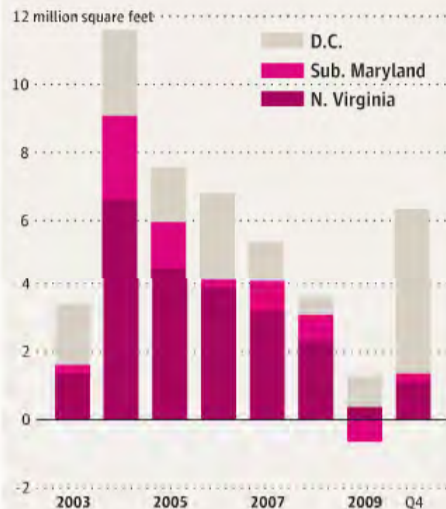


Commercial Real Estate

Delta market trends

Metro-area office absorption

The region's overall 2010 office absorption rates, excluding sublet space, saw a big boost from the past three years, meeting the 15-year annual average of 6.4 million square feet. The District submarket led the region with a total absorption of 5.08 million square feet by the year's end.



Source: Delta Associates, a research affiliate of Transwestern, based on its proprietary analysis of CoStar Group Inc. data. Delta can be reached at 703-836-5700.

Notable sales and leases

Chesapeake Lodging Trust agreed to buy the Courtyard Washington Capitol Hill/Navy Yard hotel in Southeast D.C. for \$68 million, or \$330,000 a room. The Annapolis-based hotel real estate investment trust will fund the acquisition by assuming \$37.7 million of existing mortgage debt and borrowing the rest. The seller was not disclosed. The 204-room hotel, built in 2006, is three blocks from Nationals Park.

The **Office of the Comptroller of the Currency** signed a 15-year lease with **David Nassif Associates** for 640,000 square feet at Constitution Center, 400 Seventh St. SW. The contract dollar amount is \$488.6 million. The OCC is currently headquartered at **Piedmont Realty Trust's** 250 E St. SW. It has additional space at 400 Virginia Ave. NW and Patriot's Plaza. The agency's new digs include some of the space the Securities and Exchange Commission signed for last summer and later said it would not need.

McLean-based **QinetiQ North America Operations LLC** will consolidate its offices near Marine Corps Base Quantico into one location, leasing more than 70,000 square feet at the Quantico Corporate Center. **Silver Cos.** will start construction this spring on the 140,000-square-foot, four-story building.

Fibertek Inc. leased 49,300 square feet at 13605 Dulles Technology Drive in Herndon. **CresaPartners LLC's** Thomas Birnbach and Dennis Tapiero represented the tenant. **CB Richard Ellis Group Inc.** represented the landlord, **Liberty Property Trust.**

McLean-based **Insight Property Group LLC** bought an apartment community in Fredericksburg, Va., for \$18.25 million. The acquisition of the 200-unit Townsend Square Apartment community is Insight's sixth since the company was formed in October 2009. The community is off U.S. Route 1 and near Interstate 95 and the Fredericksburg Virginia Railway Express station. Townsend Square was completed in 1995.



Mary Fitch, who heads D.C.'s American Institute of Architects chapter, says firms are hiring architects based on what markets they are in. "Things are getting better but we aren't completely out of the woods yet." File photo by Joanne S. Lawton

Turning the corner

Architecture firms begin to hire again

By Tierney Plumb

While most industries were in a recession, architecture was in a depression, but Washington-area firms are starting to return to pre-crisis staffing levels.

At the end of 2010 and beginning of 2011, signs of stable demand finally emerged for architecture firms, according to the American Institute of Architects' Architecture Billings Index.

The index, compiled from a monthly survey of architecture firms around the country, has shown an increase in billings for three months in a row.

"Things are getting better, but we aren't completely out of the woods yet," said Mary Fitch, executive director of the AIA's D.C. chapter. "More firms seem to be hiring, but it really depends on the market they are in."

Fox Architects LLC, which has offices in McLean and D.C. and laid off people during the recession, made nine hires in 2010. The 52-person firm hopes to hire eight people in 2011.

Fox's interior design staff is the busiest division now, doing quick-turnaround projects to help landlords market their spaces. The firm's architecture studio was slow in 2010, but momentum is building: Fox recently won a contract for the renovation of Jefferson Plaza 1, one of two buildings that make up a 517,305-square-foot office complex in Crystal City (see story, Page 18).

Baltimore-based RTKL Associates Inc.'s 175-person D.C. office, which has seen a

steady stream of commercial interiors work over the past few quarters, has hired five employees during the past few months and is on the prowl for about five more.

RTKL's office takes public and private sector jobs, as well as commercial, retail and residential projects, and it is also doing work outside of the U.S., particularly in China, according to an RTKL spokesman, who said the company is always looking for experienced, Mandarin-speaking employees.

Since November, SmithGroup has added 18 people to its D.C. office in the commercial interiors, base building and health care sectors, said Russell Perry, managing director of the office, which trimmed its staff by more than a dozen in response to the recession.

"I think we've turned the corner. We have now been hiring regularly for four to five months," he said. "We see plenty of work for everyone, and we've got more coming. We know we are competing with other firms for new employees."

SmithGroup's current work includes the Holy Cross Hospital project in Montgomery County that was recently approved by the state. The firm also is studying seven law schools across the U.S., which could result in design projects.

The D.C. office has a "long way to go" to return to optimal staffing levels, Perry said, but "this is building back our capacity. We are over 160 people again, which is good."

D.C.-based Bell Architects PC, which recently won a contract to design vegetative green roofs at University of the District of Columbia's Van Ness campus, is looking for

candidates with experience in energy retrofits and building-envelope upgrades.

"A year ago, if someone had left the firm, the position would have remained open," said spokeswoman Meredith Kablick. "Now we are hiring to fill vacated positions."

The 10-person firm, which laid off two employees in September, hired one person in February and would like to hire more later this year.

Hickok Cole Architects Inc., a 65-person firm in Georgetown, plans to add two to six employees in 2011 if projects in the pipeline stay on schedule. Last year, Hickok rehired two employees who had been laid off and also hired four new ones.

David Bourke, managing principal of Interior Architects Inc. in D.C., said the office has hired five people since the start of the year and IA hopes to add five more by midyear.

"We did bring some people back at the end of 2010 to bring us back to 2008 and 2009 levels," said Bourke, adding that all the new hires in 2011 represent growth.

D.C.-based Rippeteau Architects PC, which made a new hire a month ago, has seen a slump in retail work but steady demand for office build-out projects. In 2010, Rippeteau was the first firm to use D.C.'s new paperless building permit filing and processing system, which has sped up the work flow and shortened the laborious application process.

"We are not yet up to full strength yet, which is seven people working full time, but we do have some reasonable work currently," said Darrel Rippeteau, head of the firm. "I have an optimistic outlook, based on the way things have gone in the past two months, but things are still squishy and uncertain."

tplumb@bizjournals.com