

Arlington's Competitive Position

Analysis of Comparative Occupancy Costs to Evaluate Arlington's Locational Advantages for Office Tenants

Presentation to
Arlington Economic Development Commission
January 12, 2010

Purpose of the Analysis

- How does Arlington compare in the region in terms of costs associated with leasing office space?
- Is Arlington more competitive for certain types of office tenants?

What is the story we should be telling????

Scope of the Study

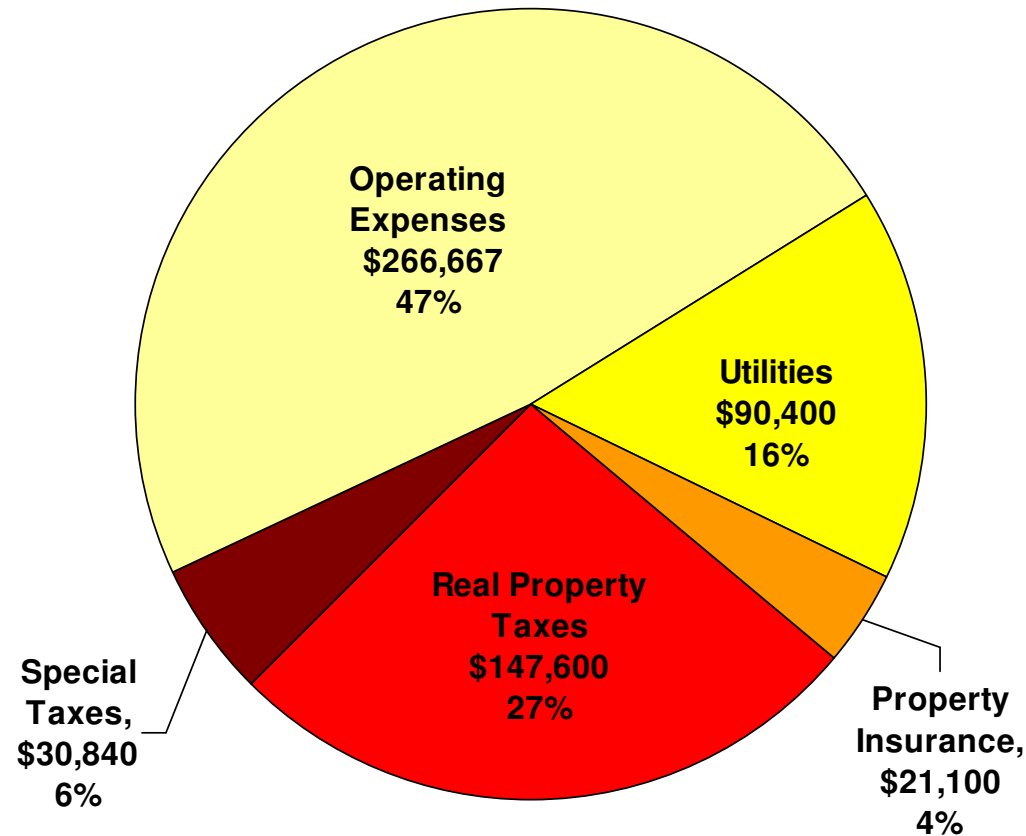
- **Contracted with Robert Charles Lesser Co (RCLCO)**
- **Submarkets**
 - Arlington (Rosslyn, Crystal, remainder RB)
 - Tyson's Corner
 - Washington (Downtown, Golden Triangle, NoMa, Capitol Riverfront)
 - Montgomery County (Bethesda, Rockville, Silver Spring)
- **Costs**
 - Pass-through costs and costs paid directly by tenant
 - Associated with "typical" office tenants: Corporation, Association, Federal Agency

General Study Results

- **Arlington is less expensive than Washington and Bethesda**
- **Rosslyn is the most expensive submarket in Arlington**
- **Tyson's Corner is slightly less expensive than Arlington**

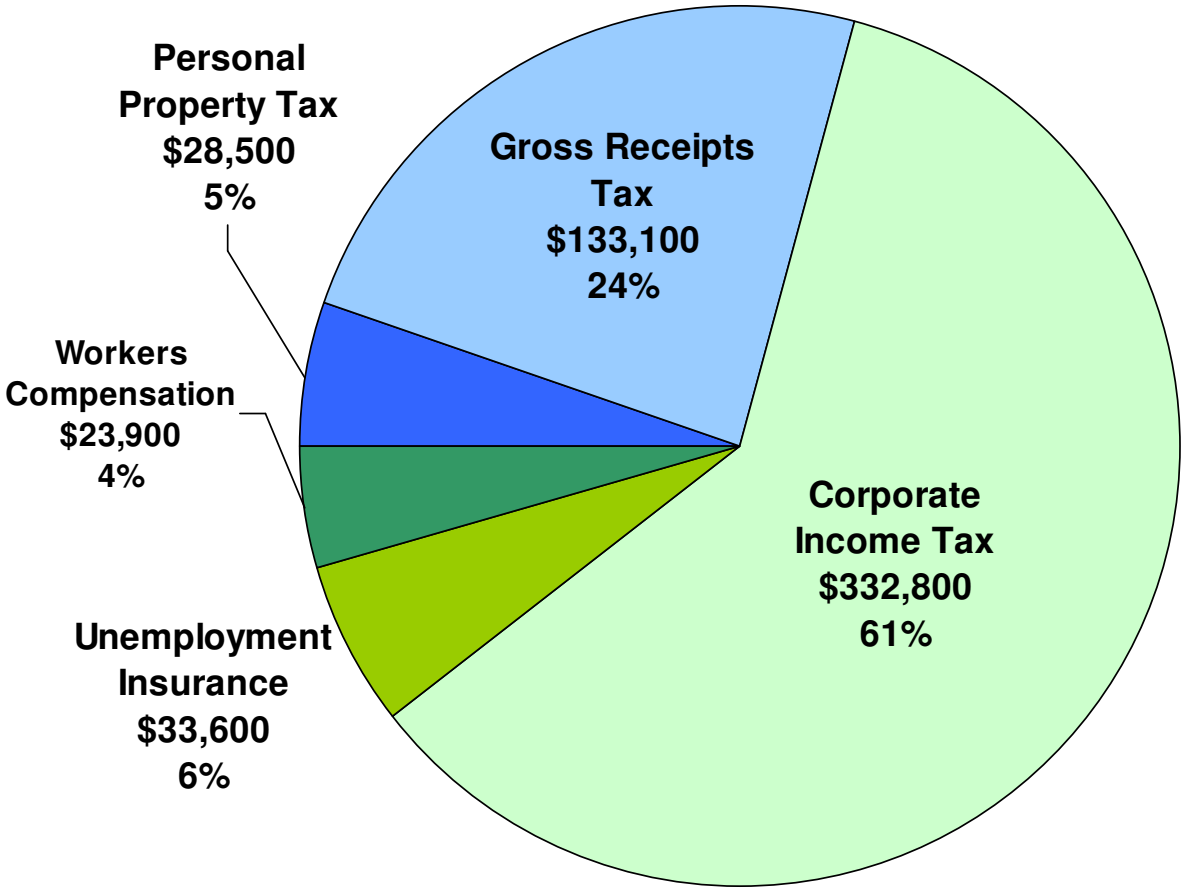
Costs Typically Included In A Full-Service Lease (Pass-Through)

Arlington Submarket Average for 40,000 SF Class A office Space. Does not include rent.

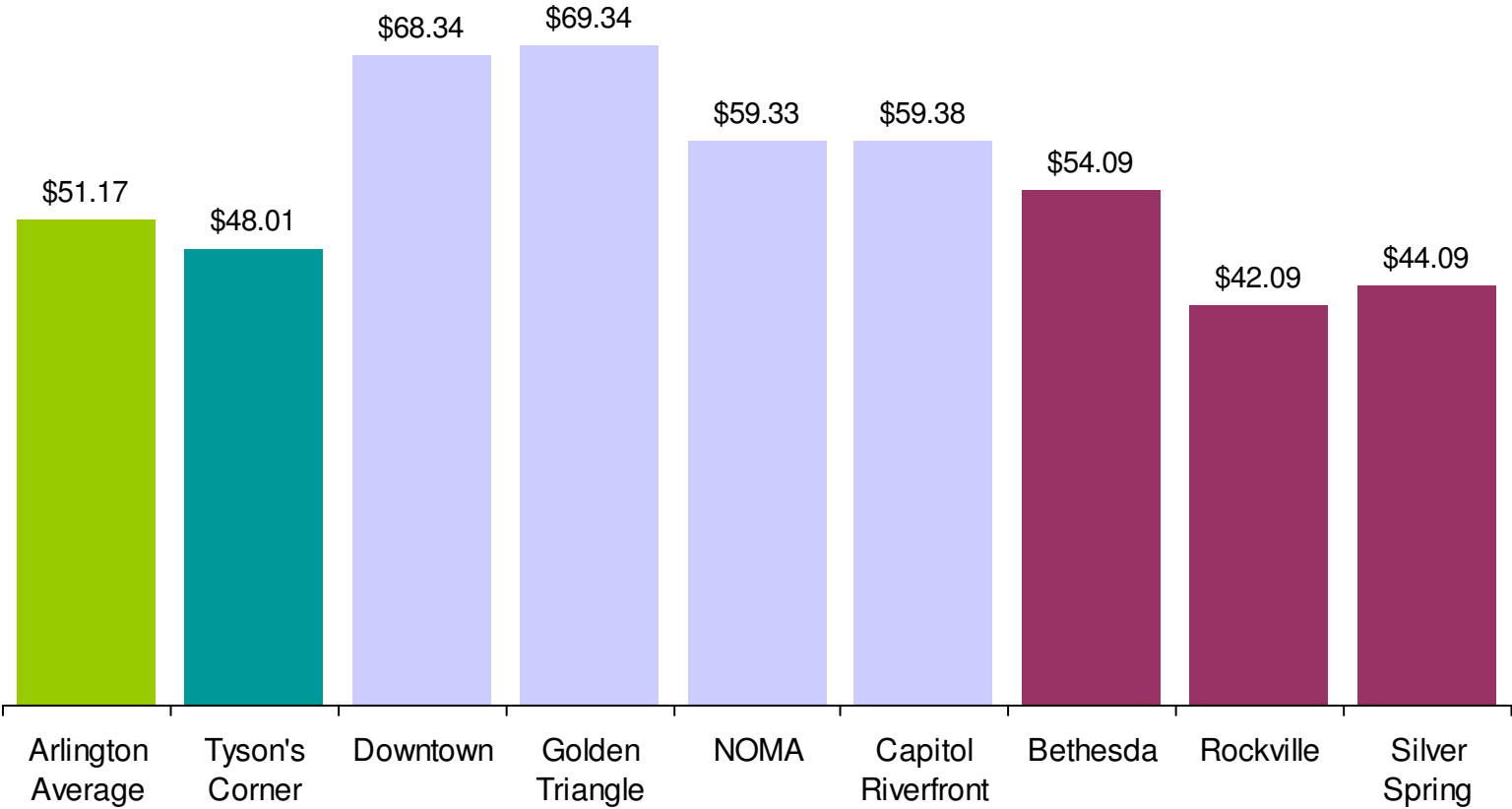


Costs Paid Directly by “Typical” Corporate Tenant

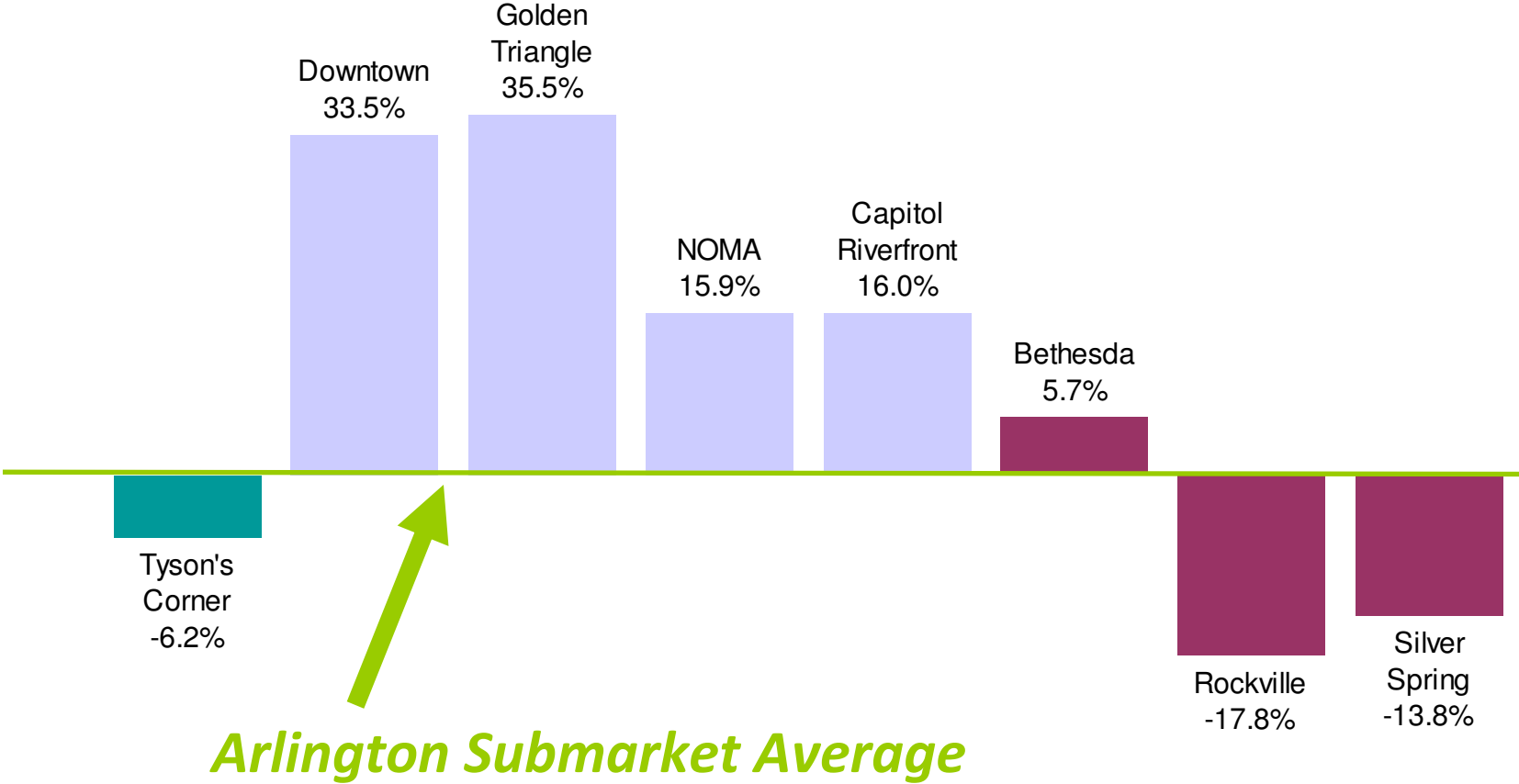
Arlington Submarket Average for 40,000 SF Class A Office Space.



Total Costs per RSF for a “Typical” Corporation



Total Costs Variance from Arlington Average: “Typical” Corporation



Using the Study

- 1. Very important to understand the specific components of cost in terms of**
 - Jurisdiction of tax
 - What taxes apply to specific businesses
- 2. The study is for comparative purposes and does not represent what an actual business may pay!**
- 3. AED does not offer tax advice or estimate the amount or type of taxes a business pays...Please see the Commissioner of Revenue!**