

top 50 construction projects in Maryland

Squarefeet

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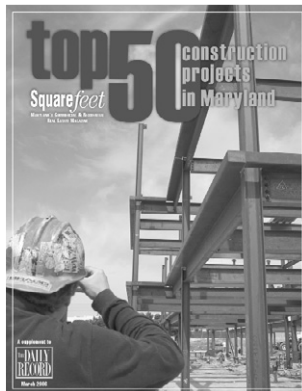
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Cover design by Kimberly Shilling

top 50 construction projects in Maryland

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Methodology

The list of the top 50 commercial real estate projects was compiled using data solicited from economic development agencies; the largest commercial real estate and construction firms in the state; **CoStar Group Inc.**, a research firm that tracks the commercial real estate market; and public records of real estate transactions.

The list of top 10 residential projects was created based on information supplied by **Hanley Wood**, a Washington-based, business-to-business media network serving the housing and construction industries, and interviews with the companies involved.

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Commercial real estate soars

State economy creates new jobs to drive '06 real estate industry

By Alan Dessoff

Special to The Daily Record

With a market driven by a robust state economy that is creating new jobs requiring additional office space, public officials and private-sector authorities are optimistic about the outlook for commercial real estate in Maryland in 2006.

“The pace has been quick and hasn’t slowed down. It looks really great for this year,” said Chris Foster, deputy secretary of the **Department of Business and Economic Development**.

A current overall average vacancy rate of 11.1 percent that includes both office (10.6 percent) and industrial/flex space (11.4 percent) reflects continuing stability in Maryland’s commercial real estate market, said Aaron Ahlburn, senior research manager of **CoStar Group**. The firm’s data covers more than 11,000 buildings in Baltimore City and Anne Arundel, Baltimore, Carroll, Frederick, Harford, Howard, Montgomery, Prince George’s and Washington counties.

Also, “we’re seeing a healthy amount of construction overall,” with more than 8 million square feet in office/industrial development under way in the covered areas, Ahlburn said.



FILE PHOTO

"The pace has been quick and hasn't slowed down."

Chris Foster

Department of Business and Economic Development

Anirban Basu, chairman and CEO of **Sage Policy Group** in Baltimore, said office construction alone totals about 2.6 million square feet in the Baltimore area and 13.6 million in the Washington area, which includes Northern Virginia.

"Fortunately, absorption continues to be strong and that has kept office vacancy rates benign," Basu said. Baltimore and Washington can boast some of the lowest office vacancy rates nationwide and "that will continue into 2006," he projects.

The booming office market reflects a growth in Maryland of federal government jobs and professional and business services, due largely to the favorable impact on the state of the military base closing and realignment process. Maryland figures to gain more than 9,000 new jobs as a result of BRAC, and while most will be around Fort George G. Meade in Anne Arundel County and Aberdeen Proving Ground in Harford County, other areas of the state also will see new jobs and a demand for office space to house them, authorities say.

"BRAC is a big issue. A lot of government contractors that have been in the Crystal City, Va. area for a long time are going to be moving and Fort Meade will benefit from that," Ahlburn said.

"A lot of contractors supporting the military commands are sniffing around and making phone calls. Anywhere within striking distance of Fort Meade and Aberdeen, we're starting to see the level of interest increase," Foster said.

Anne Arundel County in particular is in for a "superb" year in the office market with "a lot of job creation in those high-wage categories that rely so heavily on modern office base," Basu said.

But the ongoing federal defense and technology spending boom also is translating into job growth that supports the office market in other urban areas, he added. Ahlburn cites government leasing of space in Prince George's County and biotech companies that are

moving up the 270 corridor from Montgomery County into Frederick County in search of lower rents.

"One of these days the office market isn't going to look so rosy, but right now, in the short term, it's all systems go," Basu said.

Although they have no comparative data, state officials say Maryland's commercial real estate industry stacks up well against activities in neighboring states. In addition to office demand, they cite several transit-oriented mixed-use projects at various stages of planning and development near several Metro and MARC stations in the Baltimore and Washington areas.

Gov. Robert L. Ehrlich Jr. led a ceremonial groundbreaking last summer for one of the largest transit-oriented developments on 47.5 acres in Owings Mills. It will include more than 1.2 million square feet of office space and more than 225,000 square feet of retail as well as a 250-room hotel, five parking garages, 495 residential units, 60,000 square feet for Baltimore County Community College and a 40,000-square-foot public library.



FILE PHOTO

Robust residential

Maryland's economy buoys residential real estate for 2006

By JOSEPH PATRICK BULKO
Special to The Daily Record

Despite an expected slowing of the housing market in 2006, Maryland's strong economy should propel the residential real estate industry to another exceptional year.

"The market will slow — no doubt — but not a lot," said Boyce Thompson, editorial director of Builder Magazine. "Prices have stopped their big surge, and homes stay on the market much longer. Interest rates are still low and should stay low throughout year. This will help sustain sales."

"The new Federal Reserve chief, Ben Bernanke, will continue to push interest rates past 4 percent, likely to the 4.5 percent to 4.75 percent range," said Fred Flick, a consultant for the Maryland Association of Realtors. During the first half of 2006, Flick believes that one-point 30-year fixed loans will stay in the 6.25 percent to 6.5 percent range and 1-year adjustable-rate mortgages (ARMs) rates in the 5.25 percent to 5.50 percent range.

The National Association of Realtors has pointed out that the major metropolitan areas in Maryland have experienced net in-migration and that the state has experienced considerable job and income growth, said Flick.

Strong income growth will maintain solid annual housing price appreciation in the 5 percent to 7 percent



MAXIMILIAN FRANZ

range, Flick continued. “Maryland unemployment rates should stay in the low 4 percent range well into 2006.”

“The entire country is watching the Washington-Baltimore region” for the first signs of weakness, noted Thompson. “It seems that the high end of the market is softer.”

“Things are hopping in Howard County and southern Carroll County again,” gushed Jean Legal of Long & Foster Real Estate in Columbia. “Last Fall, there were doom and gloom predictions, which I thought were ridiculous. Things slowed down a bit, but I expect a pretty good Spring market.” She mentioned an upcoming “huge condominium project” in downtown Columbia.

“In Howard County, there are many age-restricted communities,” Legal said about the attractiveness of adult-only housing developments. “They’re new and nice. Residents seem to like them. The over-55 people like it here and want to stay here.”

Thompson noted the “tear-down market,” where old structures are replaced with new ones, and the “urban market,” where old buildings are re-used and rehabilitated, as methods to create viable locations for new housing.

“Inclusionary Housing,” which refers to mandated low and middle income housing mixed into higher income developments, is the key issue facing the Baltimore region, according to Michael A. Sarbanes, executive director of Citizens Planning & Housing Association. “There is regional continual severe pressure on affordable housing.”

“By the end of 2005,” he continued, “Howard and Anne Arundel counties had no housing

“The market will slow – no doubt – but not a lot.”

Boyce Thompson
editorial director of *Builder Magazine*

selling below \$140,000 — the first time this has occurred. There’s steak and caviar — the Lexuses and Hummers — but no Chevys.”

Housing affects transportation, education, economic development and attractiveness of the region to business, Sarbanes said. “The future of regional economies and neighborhoods depends on balanced housing. Past policies of building inclusionary housing all in one place have created problems.”

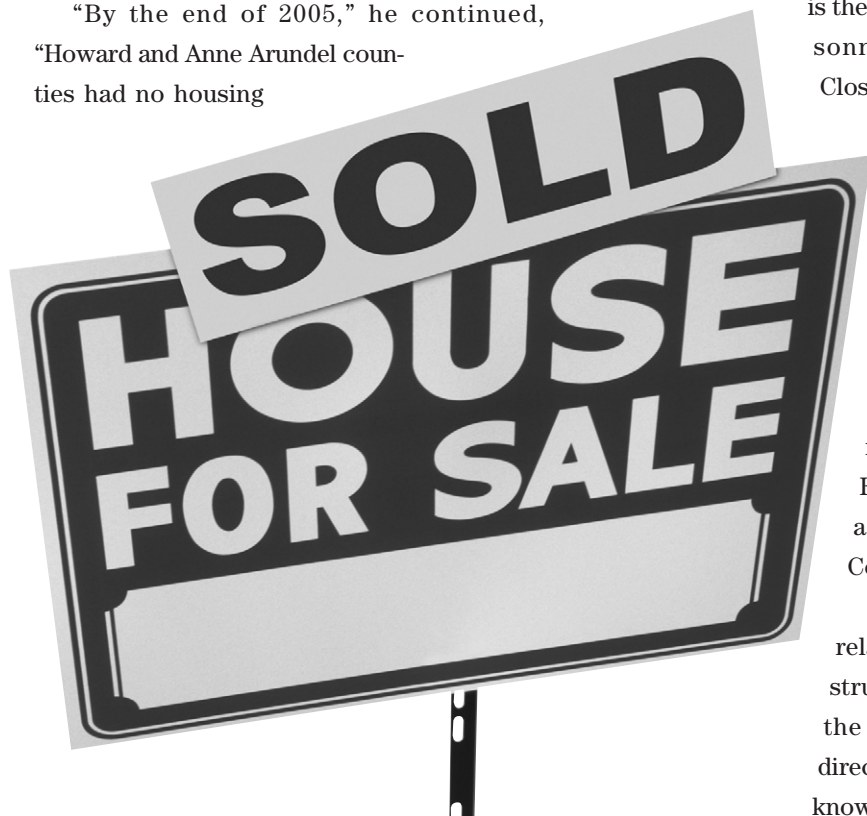
To address this crisis, he said that counties must take responsibility to house their entire work force, not just those with high paying jobs. Substantial development is required in older abandoned areas of city. It is necessary to create efficient mass transit connecting workers and jobs, and new “rules of the game” for developers must be established so that affordable housing works for them.

Adding to concerns about housing availability and costs is the looming transfer of thousands of military personnel as part of the Base Realignment and Closure Committee (BRAC) recommendations.

According to a report by the Downtown Partnership of Baltimore, the state of Maryland could gain over 100,000 residents in the next few years from “direct, prime contractor, sub-contractor, general spin off and construction jobs and their families” due to BRAC transfers.

These moves begin in 2006, with the majority occurring between 2008 and 2012. Fort George G. Meade in Anne Arundel County and Aberdeen Proving Ground in Harford County are the targets for the relocations.

“Tens of thousands of new housing units, related commercial space, and improved infrastructure will be constructed to accommodate the expected growth,” the report stated. The direct effect on the local housing market won’t be known for some time.



2006 TOP RESIDENTIAL PROJECTS

#1 Rombro Condominiums

Builder: CAM Construction Co. Inc.

Address: 22 S. Howard St.
Baltimore, MD 21201

County: Baltimore City

Units: 17 condominiums

Cost: \$215,000 to \$409,000

Start date: March 2005

Estimated completion date: February 2006

Owner: 22 S. Howard Street Loft Group LLC

Square feet: 21,000

Architect: Kann & Associates

Engineer: Colbert, Matz, Rosenfelt (civil), Skarda & Associates (structural), Seigel, Rutherford, Bradstock & Ridgeway (mechanical/electrical)

Construction manager: CAM Construction Co. Inc.

Major subcontractors: James C. Stahl LLC, Hirsch Electric LLC, Leonard Kraus, Spear Window and Glass

#2 Abingdon Estates

Builder: Lennar Homes

Address: 1329 Hidden Brook Court
Abingdon, MD 21009

County: Harford

Cost: \$464,000 to mid-\$500,000s

Start date: 2005

Estimated completion date: Summer 2006

Developer: Lennar Baltimore

Units: 22 homes

Developer: Struever Bros. Eccles & Rouse

General contractor: Struever Bros. Eccles & Rouse

#3 The Sterling at the Metro

(located at the White Flint Metro Station)

Builder: WFP Frontlot LLC

Address: 10700 Old Georgetown Road
Rockville, MD 20852

County: Montgomery

Units: 197 units

Cost: From \$400,000s to \$800,000s

Start date: Fourth quarter 2004

Estimated completion date: Fourth quarter 2006

Developer: Donohoe Cos.

General contractor: WFP Frontlot LLC

Architect: VOA Architects

Engineer: Tadjer Cohen Edelson (structural); Girard Engineering (mechanical, electric and plumbing)

#4 Clipper Mill

Builder: Ryland Homes

Address: 2092 Clipper Park Road
Hamden, MD 21211

County: Baltimore City

Units: 38 two-car luxury townhomes

Cost: Mid-\$300,000s

Start date: June 2005

Estimated completion date: April 2006

Developer: Struever Bros. Eccles & Rouse

General contractor: Struever Bros. Eccles & Rouse

2006 TOP RESIDENTIAL PROJECTS

#5 The Silverton Condominiums

Builder: Silver Spring Square Residential LLC
(a member of the JBC family)

Address: 1201 East West Highway
Silver Spring, MD 20910

County: Montgomery

Units: 209

Cost: From \$300,000 to \$550,000

Start Date: 2004

Estimated completion date: March 2006

Developer: Silver Spring Square Residential LLC

General contractor: Clark Construction

#6 Avalon at Decoverly (Phase II)

Builder: AvalonBay Communities Inc.

Address: Decoverly and Diamondback Drives, Rockville

County: Montgomery

Units: 196

Cost: Apartment rentals undetermined

Start date: August 2005

Estimated completion date: 116 units in June 2006

Developer: AvalonBay Communities Inc.

General contractor: AvalonBay Communities Inc.

Architect: Niles Bolton Associates

#7 Centerpoint

Builder: Struever Bros. Eccles & Rouse

Address: 8 N. Howard St.
Baltimore, MD 21201

County: Baltimore City

Units: 394

Cost: Apartment rentals \$795 to \$1800/month

State date: November 2002

Estimated completion date: March 2006

Developer: Harold A. Dawson Co.

General contractor: Struever Bros. Eccles & Rouse

SEE TOP RESIDENTIAL PROJECTS PAGE 13



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