

REAL ESTATE

# Mass. Ave. HQ building to become luxury condos

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A group of developers plans to turn an association headquarters building into 160 residences in an area of D.C. fast becoming loaded with luxury living.

RCP Development, Faison Enterprises and the Carlyle Group's real estate arm have acquired the Massachusetts Avenue headquarters of the American Road and Transportation Builders Association for the project.

Though Massachusetts Avenue is rapidly becoming a major luxury-housing corridor, most of the development has been on empty lots. This will be the first project there to replace commercial space with residences.

Old school and institutional buildings, hotels and even hospitals have been converted into residential uses. But office-to-residential conversions are rare.

Steve Etminani, a principle of RCP, says his group plans to turn the 35,000-square-foot headquarters building and its lot into a 200,000-square-foot residential building. Zoning for the site allows for a large residential project.

Etminani wouldn't disclose the purchase price, but says, "It wasn't cheap."

While the developers' office-to-residential project marks a first for the east side of downtown, Etminani says the booming housing market hasn't eclipsed the longtime lucrative office market.

"It's really not an apples-to-apples comparison," he says.

Had the developers bought a 200,000-square-foot office building, they might not have chosen to redevelop the site for residences because it would have been more valuable as office space.

Last year, Monument Realty bought Congressional Quarterly's former offices near Dupont Circle for \$13.5 million, with plans to turn the 56,000-square-foot building into luxury residential units.

Office-to-residential conversions are still new in Washington, says Gerry Widdicombe, director of economic development for the Downtown D.C. Business Improvement District ([www.downtowndc.org](http://www.downtowndc.org)).

But with office buildings selling for an average of \$325 a square foot and condos selling for \$450 a square foot, it's likely more developers will start looking to see if they can profit from the \$125-a-square-foot difference.

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