

WEST HALF

The background image shows a modern, multi-story building with a distinctive architectural style featuring cantilevered balconies. In the foreground, a large crowd of people, many wearing red shirts, is gathered, suggesting a public event or game. A red banner with white text is visible on the building's facade, partially obscured by the title. The banner includes the text 'WEST HALF', 'Let's Go Nats!', and 'JBG SMITH'.

Nicholas Wright & Carter Ramos
Virginia Tech Program in Real Estate
Colvin Institute of Real Estate Development
2020 Case Study Challenge



GAME PLAN

Strong Direction

Great Leadership

Incredible Attributes

REMEMBER TO DREAM
VOTE 2020

REMEMBER TO DREAM
VOTE 2020

GATSBY

GATSBY

GATSBY

WEST HALF

WEST HALF

WEST HALF

WEST HALF

WEST HALF

HALF H 1200

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

STOP

PAST



PRESENT



2003 - 2019

OVERVIEW

Multi-family residential with
ground floor retail

465 rentable units

65,000 SF of retail

West Half sits at the centerfield
entrance of Nationals Park



LOCATION

1201 Half Street SE
Washington, D.C.
20003

Nearby Destinations

- Nationals Park
- Audi Field
- The Yards Park

Transportation

- Navy Yard Metro Station
- I-695, I-295



LOCATION

1201 Half Street SE
Washington, D.C.
20003

Nearby Destinations

- Nationals Park
- Audi Field
- The Yards Park

Transportation

- Navy Yard Metro Station
- I-695, I-295



LOCATION

1201 Half Street SE
Washington, D.C.
20003

Nearby Destinations

- Nationals Park
- Audi Field
- The Yards Park

Transportation

- Navy Yard Metro Station
- I-695, I-295





INNOVATION

Iconic Silhouette

- A necessity due to the millions of viewers each year
- Compliments the natural incline of stadium seating in Nationals Park
- Increased viewing angles for residents

Cantilever Design

- Maximized floorspace



INNOVATION

Iconic Silhouette

- A necessity due to the millions of viewers each year
- Compliments the natural incline of stadium seating in Nationals Park
- Increased viewing angles for residents

Cantilever Design

- Maximized floorspace



INNOVATION

Design-Assist

- Architect, engineer, and contractor collaborating to assist completion of design

Design-Assist's Role in West Half

- Unique design
 - Created challenges related to the building's plumbing and structure
- Time & money



FEASIBILITY & MARKET ANALYSIS

- 4,339 new households
- \$100 million increase in food and beverage spending
- Attendance of over 2.2 million at Nationals Park in 2019

Average Asking Rent

- \$2,478
- 14% higher than other 4 & 5 star comps in D.C.

NEARBY COMPS



MAREN

0.4 miles away

\$2,775/month

25% vacancy (built 2020)



DOCK 79

0.4 miles away

\$2,583/month

8.5% vacancy (built 2016)



THE KELVIN

adjacent to site

\$2,887/month

52.9% vacancy (built 2020)

FINANCING

JBG Smith transitioned to a public REIT during the development of West Half

Original Strategy

- For sale condominiums

REIT Strategy

- Rentable apartment units

Project Cost: *\$231 Million*

Loan Amount: *\$145 Million*
60% LTC

LIBOR plus 2.85%



FINANCING

Assumptions

- Sale after 5 years
 - \$325,249,829
- Sale after 10 years
 - \$362,112,838
- 4.5% cap rate for residential
- 5.9% cap rate for retail
- 95% stabilized occupancy at year 3

Return On Investment	Year 5	Year 10
NOI	\$14.7m	\$16.5m
Levered IRR	31.8%	17.9%
Unlevered IRR	11.5%	9.4%
Equity Multiple	3.78x	4.21x

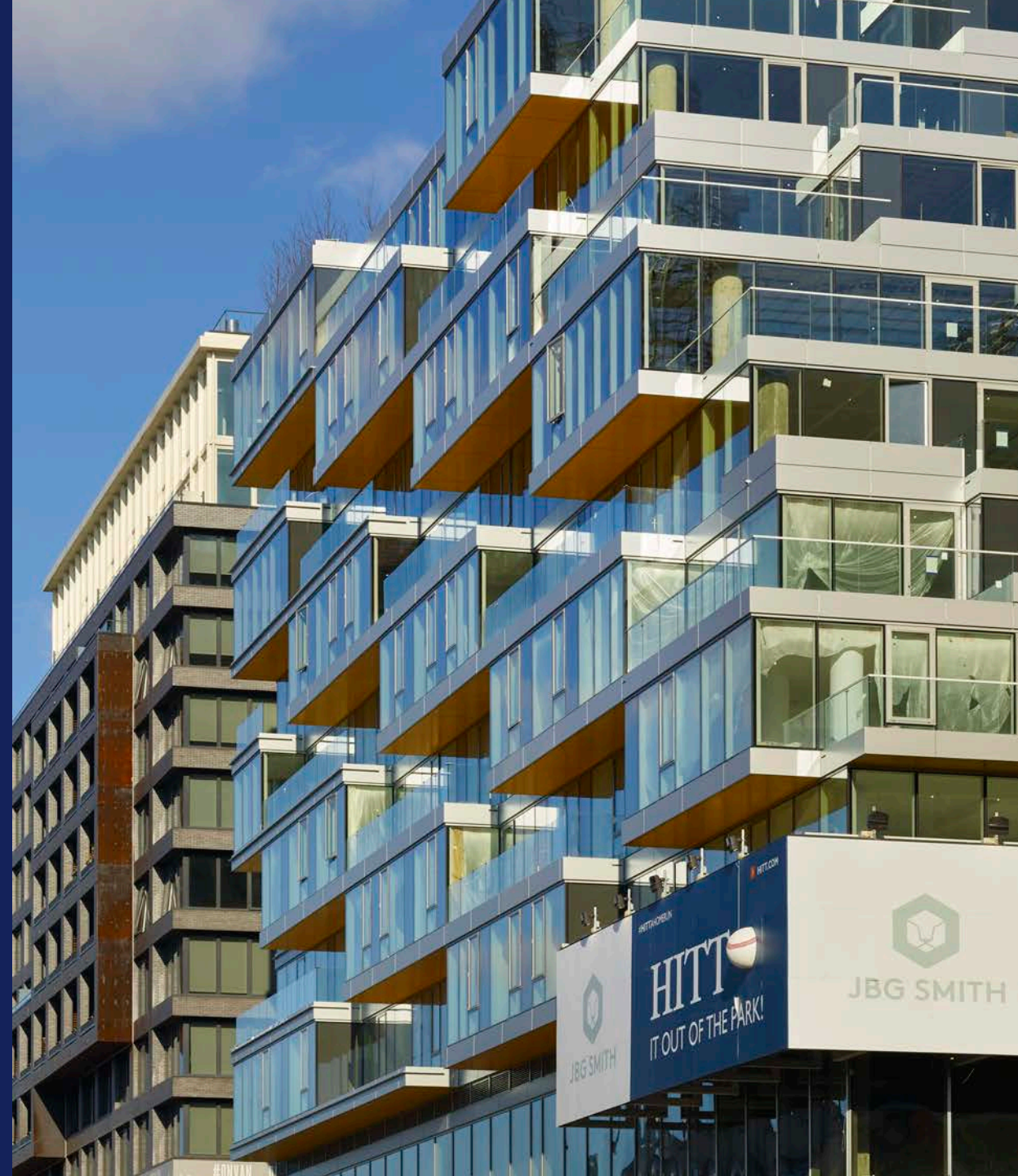
PLANNING & ENTITLEMENT

Ballpark District Growth

- +2,832 HHs (since 2010)
- Property values have grown by \$1 Billion

Support from D.C.

- Office of Planning did not apply PUDs to neighborhood





PLANNING & ENTITLEMENT

Gameday Experience

- "Entertainment District", digital signs

Activate Street Life

- Woonerf
- Privately developed
- \$8 Million (\$2.2 million from D.C.)

Height of Buildings Act of 1910

- Design of building left minimal room for amenities
- 2015 Penthouse Amendment



PLANNING & ENTITLEMENT

Gameday Experience

- "Entertainment District", digital signs

Activate Street Life

- Woonerf
- Privately developed
- \$8 Million (\$2.2 million from D.C.)

Height of Buildings Act of 1910

- Design of building left minimal room for amenities
- 2015 Penthouse Amendment



PLANNING & ENTITLEMENT

Gameday Experience

- "Entertainment District", digital signs

Activate Street Life

- Woonerf
- Privately developed
- \$8 Million (\$2.2 million from D.C.)

Height of Buildings Act of 1910

- Design of building left minimal room for amenities
- 2015 Penthouse Amendment



ENVIRONMENTAL ISSUES

Contamination

- Industrial prior use
- Heavily polluted soil

JBG Smith Underwriting

- Estimated 50% soil contamination
- 100% of soil was contaminated

Cost over \$1 million to remediate

SUSTAINABILITY

Green Roofs

Building Orientation

Brownfield Redevelopment

Walkability & Transit

LEED Gold Certification



A modern office lobby with a light-colored wood-paneled wall on the left and a perforated metal wall on the right. The floor is a light, polished material. In the center, there are several colorful armchairs (orange, green, and beige) arranged in a circular pattern. A staircase is visible in the background. The ceiling has recessed lighting.

CHALLENGES

- COVID-19
 - High vacancies
 - Slowed down leasing
 - Underperforming *1205 Collection*



SUCCESS

West Half

- Outperforming JBG Smith's COVID-19 projections
- Strong existing tenants
- Optimism despite the pandemic
- Awards, features, and recognition

PROJECT BENEFITS

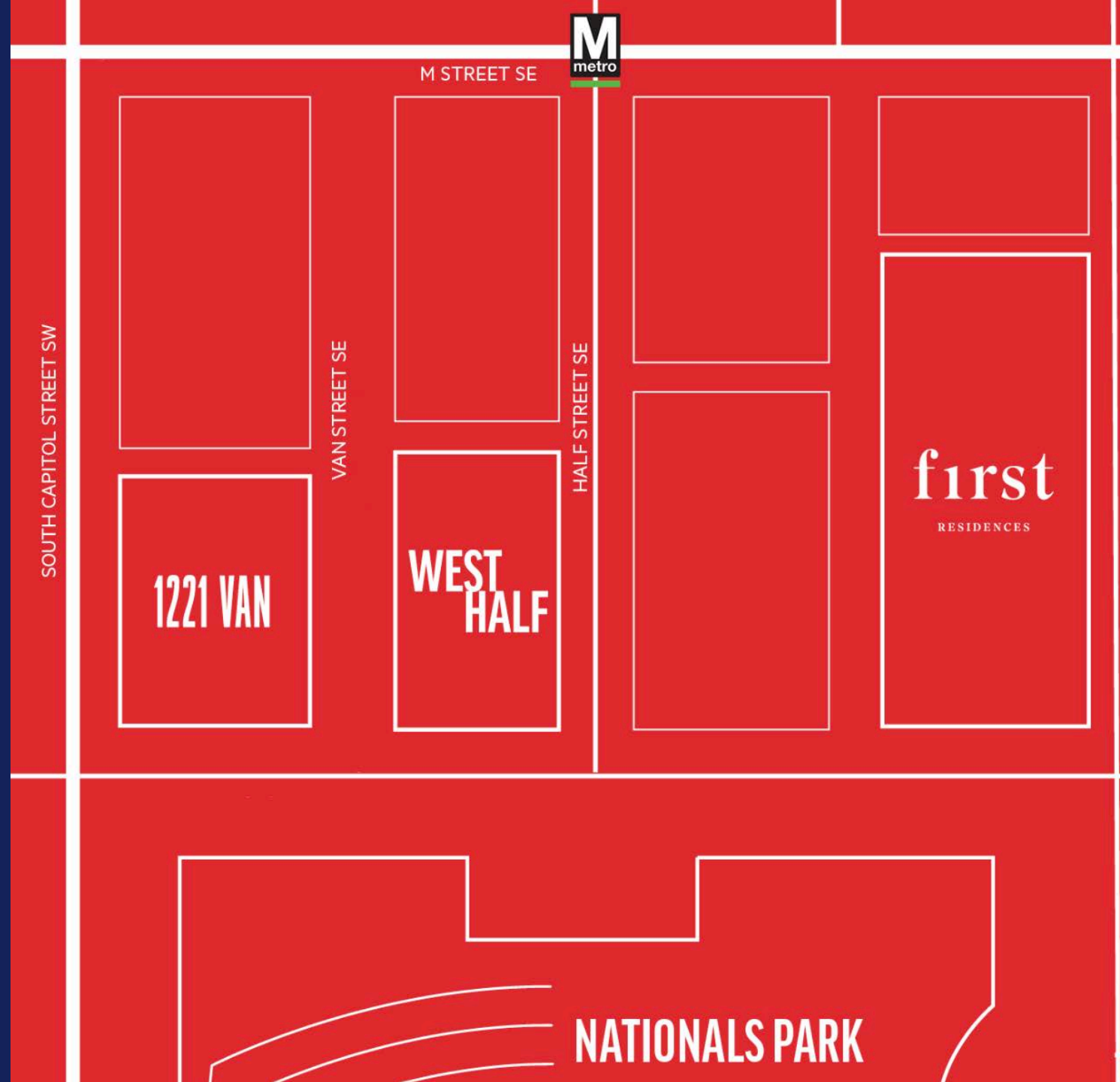
Revitalization

Placemaking

- 1221 Van
- First Residences

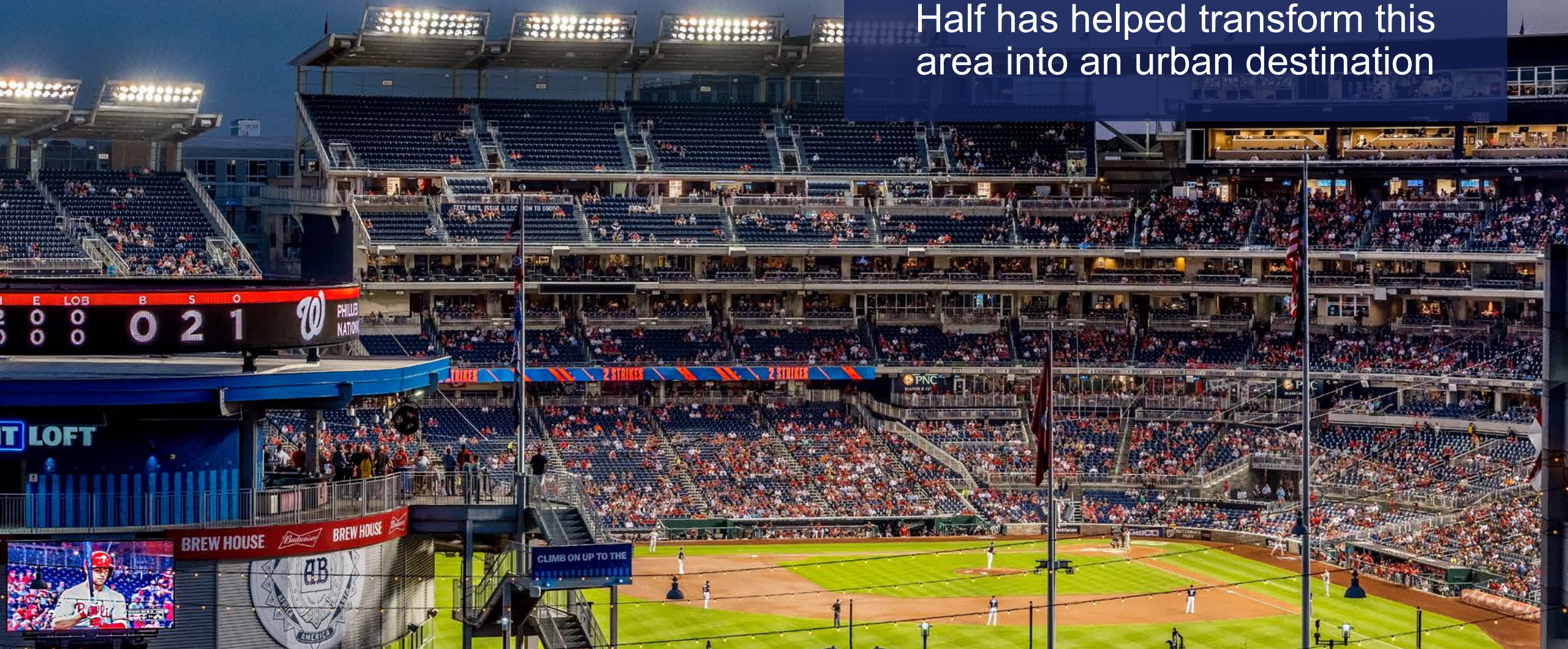
Tax Revenue

- West Half and the Capitol Riverfront Submarket have generated tax benefits
- City will allocate funds to improve schools, infrastructure, and other community needs



CONCLUSION

JBG Smith's development of West Half has helped transform this area into an urban destination



Questions?

