



Keller Williams, Capital Properties
1918 18th Street, NW
Washington, DC 20009
202-342-7700

Gary A. Robinson II &
Yeon Kyung Chung
320 3rd St NE Rear
Washington, DC 20002

Dear Gary & Bobbi,

This letter in reply to your request to provide the rental potential of your alley building at 320 3rd St NE Rear once it was rehabilitated as either a warehouse or artist studio.

Rental of a simple warehouse space in the industrial area of Washington, DC and the surrounding suburbs are typically less than \$1 per square foot a month. The cost of artist studio space is much the same with the high end being about \$1.50 per square foot per month. Over the years, as property values have increased on Capitol Hill, we have witnessed most of this type of user move to the fringes of the city or to the Maryland or Virginia suburbs. Some of these areas have established dedicated industrial parks with unfettered access or thriving arts communities such as there are in the Brookland, Hyattsville and Mt. Ranier areas. There has always been a struggle to establish such a community in the Capitol Hill area but with little success. Other more attractive alternatives have also been introduced into the market in Washington such as the Art Walk at Monroe St. and live-work artists' studios which have become more popular as the cost of living in the Washington DC area increases.

It is difficult for us to see how you could rehabilitate 320 3rd St NE Rear to the point that it would be secure, climate controlled, allow for a modest profit on your investment, and still be competitively priced for a sole use warehouse or artist studio space market. These users will continue to be drawn to the more competitively priced market with better amenities. Cost aside, this property would not be particularly attractive to most warehouse or office space users because of the limited alley access. Demand from local users at the price you would have to charge is almost non-existent.

Best of luck and we hope you find this information useful.

Respectfully,

Lina McAuliffe, Realtor

The Cox and Cox Group

Keller Williams, Capital Properties

Board of Zoning Adjustment
District of Columbia
CASE NO.19014
EXHIBIT NO.38