research/newsroom/news/2024/01/16/delinquency-rates-for-commercial-properties-increased-in-fourth-quarter-2023).

Across all commercial property types, 3.2% of loans were delinquent in Q4 of 2023, the MBA said, up from 2.7% in the quarter before. Office-backed loans had the highest delinquency rate, followed by hospitality with 6.1%.

Multifamily delinquencies also edged up quarter-over-quarter, from 0.9% to 1.2%, as did industrial delinquencies, from 0.6% to 0.9%. Only retail delinquencies didn't budge over Q4 2023, staying flat at 5%.

The MBA expects conditions to improve somewhat in 2024 in anticipation of an improved interest rate environment (https://www.bisnow.com/national/news/capital-markets/fed-interest-rate-december-fomc-meeting-122060).

“Long-term interest rates have come down from their highs of last year, which should provide some relief to some loans, but many properties and loans still face higher rates, uncertainty about property values and – for some properties – changes in fundamentals,” MBA Head of Commercial Real Estate Research Jamie Woodwell said in a statement.

Apart from the challenging increase in interest rates in 2022 and 2023, some new market realities are setting in as office usage remains well below pre-pandemic levels despite some major companies' return-to-office efforts.

Overall office vacancies reached a record high of 19.6% at the end of 2023, according to Moody's Analytics data released earlier this month (https://www.bisnow.com/national/news/office/office-vacancy-across-america-is-at-its-highest-in-four-decades-122324). That is up from 18.8% at the end of 2022 and more than the previous record of 19.3% reached in both 1986 and 1991.

Vacancies stand to increase even more as large leases expire and the appetite to renew has been replaced with the urge to downsize office footprints among many corporate users. About 217M SF of U.S. office space has leases with expiration dates in 2024 or 2025, CRED iQ reports (https://cred-iq.com/blog/2024/01/12/over-200-million-square-feet-of-office-leases-set-to-expire/).

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See Also: Philadelphia Industrial Assets Worth More Than Multifamily For First Time In City History (/philadelphia/news/industrial/philadelphia-industrial-assets-worth-more-than-multifamily-for-first-time-in-city-history-126724)

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Office Leasing Picks Up In D.C., But Not Enough To Stop Rising Vacancy

April 11, 2024 | Emily Wishingrad, Washington, D.C. (https://www.bisnow.com/author/emily-wishingrad-664704) (mailto:emily.wishingrad@bisnow.com)

Office leasing activity in the nation's capital was up significantly in the first quarter, with a series of big lease renewals showing that tenants are becoming increasingly comfortable committing to downtown D.C. for the long haul.

But that renewal activity hasn't stopped the bleeding in the market, as net demand remained negative last quarter and vacancy continued to rise.

“There’s no denying the state of the market is pretty weak, and office is obviously a rough spot to be in right now,” Savills (https://www.bisnow.com/tags/savills) Research Director Arty Maharajh told *Bisnow*. “But the reality of it is there’s deals being done.”

The quarter’s leasing volume was dominated by large, long-term lease extensions, with some tenants even extending prematurely. That contributed to 1.7M SF of deals being done during the first quarter, according to Savills, up from just under 1M SF the same time last year.

“We had a very strong leasing quarter,” said JLL (https://www.bisnow.com/tags/jll) Research Director Tammy Shoham, whose firm recorded 39 leases of more than 10K SF in its Q1 report.

Of the 10 largest deals of the quarter, eight were tenants recommitting to their footprints through restructuring deals or renewals, Savills reported. The three largest deals of the quarter totaled more than 785K SF of tenants recommitting to their space.

The quarter's largest deal came from The Washington Post signing an early extension of its headquarters footprint, committing to around 300K SF for another 13 years at Hines (https://www.bisnow.com/tags/hines)' One Franklin Square, as *Bisnow* first reported (https://www.bisnow.com/washington-dc/news/office/washington-post-renews-downtown-dc-lease-for-13-years-122997).

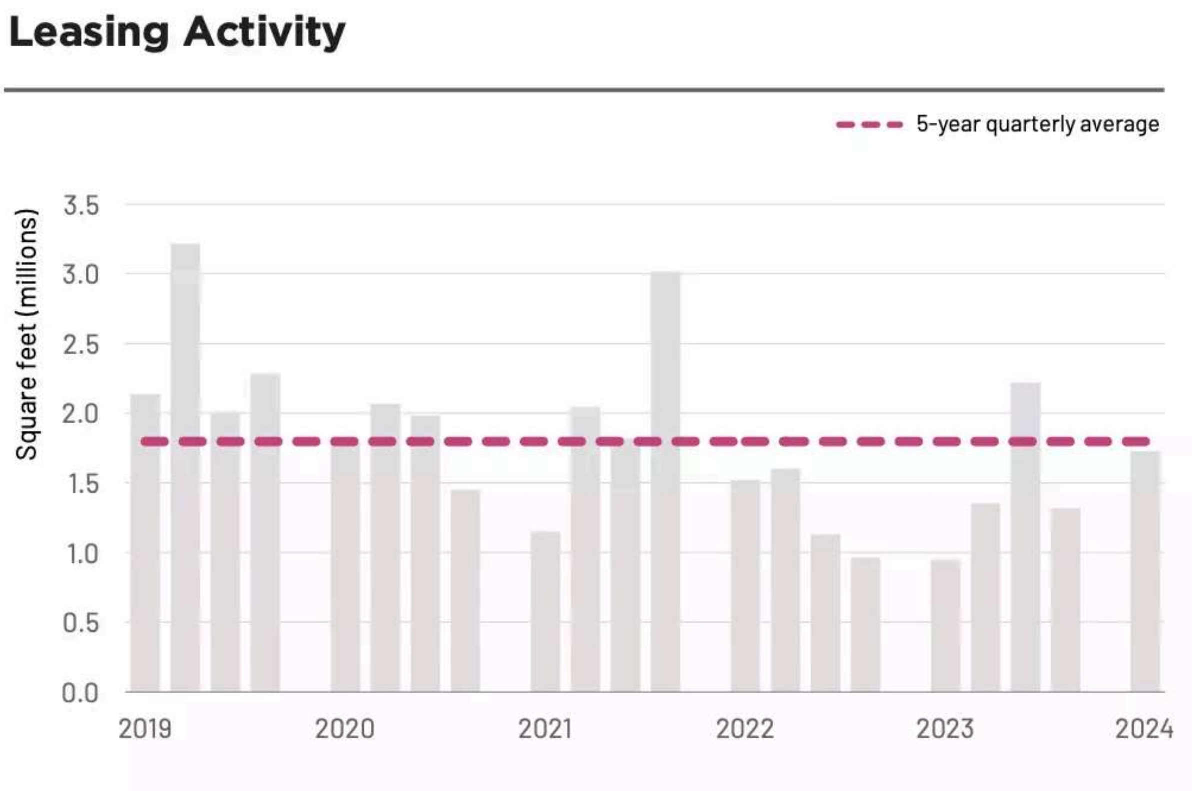
Law firm Finnegan, Henderson, Farabow, Garrett & Dunner renewed a 214K SF lease at Boston Properties (https://www.bisnow.com/tags/bxp)' 901 New York Ave. NW through 2042 while downsizing by 38K SF (https://www.bisnow.com/national/news/office/boston-properties-shifts-into-offense-with-three-joint-venture-buyouts-122661).

The D.C. Department of General Services signed an extension of its Southwest Waterfront footprint, inking 274K SF.

There were also a few cases of growth — a rarity in today’s market.

World Bank Group’s International Bank for Reconstruction and Development grew by 19K SF at 1899 Pennsylvania Ave. NW, inking a renewal for 57K SF, according to CBRE.

“Tenants are getting more familiar with the remote, hybrid pattern, employees coming into the office, so they’re willing to do leases,” Maharajh said. “They’re willing to do longer leases. They’re willing to transact.”



JLL’s data shows 59% of Q1 leases were renewals, including a “rising number of blend-and-extend agreements.”

But even amid the strong activity, the office market is experiencing the pain of rightsizing.

“It’s not enough to offset the giveback of space and the reduction of space yet,” Colliers (https://www.bisnow.com/tags/colliers) Research Manager Miles Rodnan said.

Vacancy again reached an all-time high during Q1, with Colliers measuring the percentage of empty office space at 19.4%, up from 19.1% the previous quarter and 18.5% in Q1 2023.

The brokerages also recorded negative net absorption. By JLL’s measurement, 424K SF of space was given back to the market.

“What it really tells us is that we still have companies that are downsizing and moving to smaller spaces, and we’re going to continue to see that,” JLL's Shoham said.

Savills found the market had a net occupancy loss of 550K SF this year, but that represented an improvement from negative net absorption of 900K SF in Q1 2023, Maharajh said.

“We're still hemorrhaging a lot of space,” he said.

“It’s possible we’re starting to claw out of this thing, in at least being knowledgeable about what to do,” he added. “People are a little bit more knowledgeable about how to move forward as opposed to moving backwards.”

CORRECTION, APRIL 11, 3:40 P.M. ET: *A previous version of this story misstated the leased square footage for law firm Finnegan Henderson and the D.C. Department of General Services. It has been updated.*

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See Also: Philadelphia Industrial Assets Worth More Than Multifamily For First Time In City History (/philadelphia/news/industrial/philadelphia-industrial-assets-worth-more-than-multifamily-for-first-time-in-city-history-126724)

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There's enough empty office space in Greater Washington to fill the Pentagon 12 times

Washington Business Journal (District of Columbia)

January 17, 2024 Wednesday

WASHINGTON BUSINESS JOURNAL

Length: 678 words

Byline: Tristan Navera

Body

Office vacancy rates in Greater Washington hit new highs at the end of 2023 as vast swaths of space were added to the vacancy rolls, according to new market reports from commercial real estate brokerages.

Nearly 80 million of the region's 364.8 million square feet of privately owned office space is now sitting empty, per CBRE, a commercial real estate service giant. That's more than 12 times the size of the 6.5 million-square-foot Pentagon.

The numbers don't include the 47 million square feet of office space owned by the General Services Administration, which has had *its own problems keeping offices filled* amid work-from-home trends.

In the fourth quarter, four major brokerages show each region of D.C. recorded negative absorption - in other words, more space was given up than occupied.

CBRE puts the vacancy rate in D.C. at 21.2%, up from the third quarter rate of 20.9%. The firm said vacancy increased seven-tenths of a point in 2023.

JLL places the District's year-end vacancy rate at 18.9%, Colliers at 18.8% and Savills at 22.4%, with most brokerages indicating they had not seen figures this high for as long as they have been tracking the D.C. office market. The numbers differ because the researcher operations at major brokerages use different methodologies for calculating how much space is empty or available for lease.

Things aren't much better in Northern Virginia, where the vacancy rate ranges from Colliers' 20% to CBRE's 23.3%, In suburban Maryland, the rate ranges from Colliers' 18.1%. to JLL's 23.4%.

Given the trends, many in the industry are finding silver linings. Ben Plaisted, co-regional manager of the D.C. market for Savills, noted that law firms and the defense industry have been actively leasing space.

Savills shows the total amount of leases signed in 2023 was 5.8 million square feet compared to 5.2 million square feet in 2022. While that's still half the leasing seen in a typical pre-pandemic year, he said it showed some tenants, now accustomed to hybrid work, are ready to make longer-term decisions again.

"I think things are starting to normalize. Clients are saying they want to be in the office two or three days a week," Plaisted told me. "So people are starting to want to make better and more long-term decisions when they see the value of people coming together. The demand side feels a lot better to me."

Most of the leases signed in the last quarter of the year were either renewals or net contractions of office space. Only a few exceptions made each brokerage's list of largest quarterly deals, generally professional services or nonprofits in the 20,000-square-foot range. CBRE shows the government accounting for three six-figure renewals in the District, while Amazon committed to remaining in nearly 350,000 square feet of Crystal City space.

But the long-term remains murky. JLL noted, for instance, that 39 million square feet of leases will expire in D.C. by 2029.

Michael Hartnett, who leads JLL's Mid-Atlantic research division, said the highest-quality trophy real estate gained a net 507,000 square feet of absorption in 2023 while the rest of the market lost a net 849,000 square feet. Some tenants are upgrading their space amid the so-called flight to quality, and the signs point to those trends continuing in 2024 and 2025.

Combine this with an extremely tepid pipeline of top-of-market construction - only Skanska's 1700 M St. NW and Stonebridge and Rockefeller Group's WMATA headquarters re-do are set to open in 2024 and 2026, respectively - and you have a market that's going to force change for office building owners. Leaders are now tracking dozens of office-to-residential conversions in the region, while *many new investors are looking to buy and upgrade* office buildings as their prices continue to fall.

"I think we're seeing a plateau for vacancy growth overall, but it also speaks to where the market is today, which is favoring better positioned and better-located assets," Hartnett said.

Load-Date: January 17, 2024

Out of the Office: DC's office space is emptier than ever

wjla.com/features/i-team/out-of-the-office-washington-dc-office-space-vacant-vacancy-k-street-corridor-work-from-home-remote-real-estate-business-economy-for-lease-rent-available-cbre-group-inc-jll

by Mitch Blacher

Mon, August 5th 2024 at 7:25 PM
Updated Tue, August 6th 2024 at 11:20 PM

"Office Space for Lease" signs like this one at 1850 M Street are now the norm for vacant office buildings in downtown D.C. (7News)

WASHINGTON (7News) — The K Street corridor of Washington D.C. was once bustling with lawyers, lobbyists, and government staff -- but now shows signs of an office exodus. Many of the once-crowded office towers now fly ‘for lease,’ ‘for rent,’ or ‘office available’ banners.

According to CBRE Group Inc and JLL, two of the world's largest commercial real estate firms, nearly a quarter of all office space in D.C. is empty. Between April 2024 and June 2024 alone, more than half a million square feet of office space was vacated, a record high for the capital.

Fewer office workers mean fewer customers for the restaurants and retailers on the ground floor. Even a local and presidential favorite is feeling the impact.

SEE ALSO |DC seeks to revive downtown by filling vacant spaces with pop-up businesses

"It's like day and night," said Kostas Fostieris, chef and owner of Greek Deli & Catering. “Vacancy, vacancy, for rent, for rent. Everywhere."

Fostieris described a line out the door before the COVID-19 pandemic. Now, it's a steady, but slow trickle of customers.

Yet, Mayor Muriel Bowser's administration's 2023 economic forecast claims D.C.’s empty offices are nothing new. According to the forecast, “For the last two decades, Downtown has seen traditional office occupancy decrease and vacancy rates increase. The pandemic has only worsened these trends.”

The administration’s economic forecast says 42% of jobs in D.C. can now be done remotely. Office entry records, published by office security firm Kastle, show between 40% and 45% of Washington area office workers are back in the office. Nationally, about 51% are.

READ MORE |How District leaders hope to keep to downtown DC alive amid businesses leaving, vacancies

“We’ve been working with Congress. We’ve been working with Mayor Bowser to talk about what we could do with these properties,” said Marc Selvitelli, CEO of NAIOP, theCommercial Real Estate Development Association.

Selvitelli said his association and its members have been collaborating with the Bowser administration on reimagining and repurposing the city’s unused office space. D.C. is one of dozens of American cities rethinking how to use vacant office space.

“This is in any municipality, any state throughout the country. This isn’t a big city issue. This is an American issue,” he said.

Apr 17, 2024 - Real Estate

Town Talker

The office building market downturn is dragging D.C.

Cuneyt Dil

Illustration: Rebecca Zisser/Axios

It's ugly out there for office building owners. Their investments were sky-high during Washington's renaissance — and now their net worths have tumbled as white-collar workers would rather WFH than clock-in downtown.

Why it matters: As D.C.'s office market gets pummeled, the plight of bruised real estate titans is also a drag on the rest of the city.

Catch up quick: The commercial real estate sector — largely composed of offices for the feds, law firms, and downtown companies of all sizes — brought in gobs of tax dollars during the 2010s boom.

- The fat cats who owned the construction cranes and the real estate got richer.
- City Hall got richer, too. From 2012 to 2020, tax revenue from commercial properties increased 58%, public data shows. The Wilson Building — where progressive lawmakers unseated business-friendly old timers — suddenly had more and more money to tackle homelessness and affordable housing.
- All the while, D.C. grew faster than the U.S. economy at a clip of about 6%. Then came the pandemic.

- The office market's downturn and its ripples have a lot to do with it. Since peaking in 2021, taxes from commercial properties dropped 10.3% to $1.65 billion in 2023.

- "This is something that absolutely affects everyone," says Gerren Price, who leads the Downtown Business Improvement District. "The city relies significantly on commercial tax property revenues to support the broader budget. We're already feeling it."

Zoom in: Consider 1899 L Street NW. It sold for $44 million in 2004. Its value on paper has since climbed to $66 million. But the reality of telework meant the 12-story office building recently sold for $22.6 million, the Washington Business Journal reports.

- A building across from Franklin Park that cost $100 million in 2018 sold for a $64 million markdown last December, the Washington Post recently noted. Another building on 14th Street lost $44 million in value, selling for $18.2 million in January.

Behind the scenes: Many office building owners are challenging the taxman's assessment of their properties, arguing (as recent real sales show) that they are overvalued — therefore overtaxed.

- Property sales are also down. That's another revenue source for the city drying up.

- "We've been observing transactions have gone just to a handful a month. We used to have dozens," says Fitzroy Lee, a deputy to the CFO, an independent D.C. office that in these lean times is all the more influential. "We used to get investors all over, internationally."

The intrigue: So-called "zombie buildings" are everywhere in America — offices with high vacancies and bleak finances, especially due to high interest rates.

when the debts came due last year, according to CRED iQ, an industry data collector. Observers call it a slow-moving train wreck. Smaller regional banks that hold many of the loans are often extending grace periods in hopes of weathering the storm until interest rates fall and activity picks up.

Converting those offices isn't so easy.

- Bernstein Management Corp. paid $15 million in 2022 to buy 1735 K Street NW for an office-to-residential project.

- But turning the 12-story building into luxury apartments would cost about $50 million, says CEO Joshua Bernstein. With borrowing and construction costs increasing, the math didn't add up.

- "It's just completely uneconomical," he tells me. "We'll be sitting on our hands on that one ... We could make other investments that are far more attractive."

What's next: Some buildings might just need to come down, an ironic reversal from the days when empty downtown land was gobbled up and turned into blocky office buildings.

- Bernstein predicts some midblock office towers may be demolished for the sake of making neighboring structures more attractive, providing more air and light. "It's an astonishing devastation of value," he says.

Everyone's talking about reviving downtown, and I'm wondering: Did anyone consider this idea? Town Talker is a weekly column on local money and power. Send your tips for rejuvenating downtown to cuneyt@axios.com

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Oct 20, 2024

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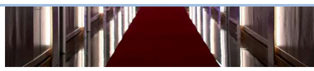

Updated Oct 16, 2024

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EPA considers scrapping buildings amid low worker turnout

Greenwire

July 12, 2024 Friday

Section: TODAY'S STORIES; Vol. 10; No. 9

Length: 1137 words

Body

By Kevin Bogardus EPA plans to consolidate its sprawling Washington headquarters and could let some prime real estate go as office space remains empty since the Covid-19 pandemic. The agency's push to shrink its real estate footprint could save millions of taxpayer dollars as many federal employees continue to telework rather than commute to the office. Federal agencies have been under increasing pressure to better utilize their headquarters buildings in the nation's capital - or turn over barren cubicles to someone else - as the response to the virus outbreak has wound down. Threats to EPA, however, loom on the horizon.

The agency anticipates completing the assessment next year, which could give former President Donald Trump, who has pushed to take the agency apart, reason to downsize it even further if he wins the White House. Dan Coogan, a deputy assistant administrator in the agency's mission support office, said in an internal email obtained by POLITICO's E&E News that EPA's space in the Federal Triangle campus costs more than $90 million each year and accounts for 40 percent of the agency's lease costs. Yet much of that space is unoccupied week to week with several staffers on remote and telework schedules. In addition, Coogan said Congress, as part of the fiscal 2024 budget it passed, requires agencies to report facilities that are not meeting a 60 percent occupancy rate. Bipartisan legislation under consideration on Capitol Hill would enforce that standard. "To meet a 60% occupancy rate, EPA would have to release multiple buildings in the Federal Triangle," Coogan said in the email sent to agency employees on Thursday. He added, "Whatever the appropriate threshold is for our space use, as good stewards of taxpayer dollars, we cannot continue operating with so much of our space underused." Freeing up office space would allow EPA to spend savings from rent to upgrade its facilities to improve the hybrid work approach the agency has taken, according to Coogan. EPA's headquarters in downtown Washington includes an assortment of adjacent offices, including the William Jefferson Clinton and Ronald Reagan buildings, which are blocks from the

White House. The agency leases those facilities from the General Services Administration, said EPA spokesperson Remmington Belford. Unused office space released by the environmental agency would go back to the federal government's landlord. "When an agency identifies space or buildings within GSA-leased space that they can vacate, the agency returns unneeded space to GSA," Belford said. Bills are moving in Congress to have agencies use their buildings more often. Lawmakers were shocked last year when the Government Accountability Office found 17 out of 24 agencies used 25 percent or less of their office space. In March, the House passed H.R. 6276 , the "Utilizing Space Efficiently and Improving Technologies (USE IT) Act," sponsored by Rep. Scott Perry (R-Pa.). Among its provisions, the bill would require agencies to return office space if occupancy rates falls below 60 percent. The legislation has not moved in the Senate. Other lawmakers are trying to reduce civil servants' telework. Sens. Mitt Romney (R-Utah) and Joe Manchin (I-W.Va.) introduced S. 4266 , the "Back to Work Act," which would cap telework to 40 percent of the days within an employee's pay period. The Senate has not voted on that bill yet. President Joe Biden has also pressed agencies to have staff work in person at least 50 percent of the time, a goal some have struggled to meet. Further, Washington Mayor Muriel Bowser, a Democrat, has called on the administration to bring back federal employees or open up that office space to someone else. GSA has begun to offload some real estate. Last year, the agency announced it would dispose of 23 properties - including the Nebraska Avenue Complex, the former Homeland Security Department headquarters - removing 3.5 million square feet from the federal government's portfolio and saving more than $1 billion over 10 years. Telework, however, remains popular among EPA employees and has been expanded under the Biden administration. American Federation of Government Employees Council 238, the agency's largest union, recently won a new contract that allows employees to report to the office twice during a two-week pay period. That feature will last for years, although the agency has indicated to union officials it wants to rebargain the telework article at the deal's midway point in March 2026. Assessment expected by 'mid-2025' In his email, Coogan said the mission support office will soon launch "a comprehensive space analysis" of EPA's Federal Triangle campus. Architects and engineers will tour offices and take measurements during the work day. "I anticipate that we will complete our assessment in mid-2025," Coogan said. "OMS will then work with senior career leaders from across national programs and the agency's unions to evaluate our options and determine a path forward." That means the decision to release office space in EPA headquarters could fall during a potential second Trump administration. Trump's prior team also cut back on the agency's real estate. During his first term, EPA closed a finance center and research operations in the Las Vegas area; announced plans to transfer a Houston laboratory to Ada, Oklahoma; and proposed to shutter an Arlington, Virginia, office and shift roughly 1,200 EPA employees to its Washington headquarters. Belford with EPA said the agency has now completed its consolidation of the Arlington facility and that staff have been relocated to the Federal Triangle campus. If returned to office, Trump appointees may go further this time. Project 2025, a proposal drafted by Trump's conservative allies for the next Republican president, would have EPA consolidating its labs and relocating its regional branches . Trump has disavowed the plan, although many of his former staff helped write it. Time for 'space-sharing' In his email, Coogan said he will follow up with staff on the plan to release office space and "right-size" the agency's campus. "Like public and private workplaces across the country, we should expect EPA's workspaces in the future to shift more towards hoteling and space-sharing," Coogan said. The mission support office is developing tools to streamline scheduling and sharing of cubes as well as offices and meeting rooms among staff, "ensuring consistency, efficiency, and user-friendliness," according to the deputy assistant administrator. Coogan acknowledged sharing space is "a cultural shift" for several of EPA's employees. "But just as our use of and need for office space has changed as we take advantage of flexibilities to work off-site, our relationship with space in the coming years also must change," Coogan said.

Load-Date: August 9, 2024

Gluesenkamp Perez introduces bill to reduce unused office space in federal government

The Chronicle (Centralia, Washington)

November 8, 2023 Wednesday

Section: STATE AND REGIONAL NEWS

Length: 375 words

Byline: The Chronicle, Centralia, Wash.

Body

Nov. 8—A bipartisan pair of first-year lawmakers want the federal government to reduce the amount of leased office space that goes unused.

On Monday, U.S. Rep. Marie Gluesenkamp Perez, D-Washougal, and Rep. Chuck Edwards, R-Flat Rock, North Carolina, introduced the Federal Use it or Lose it Leases (FULL) Act.

In a news release, Gluesenkamp Perez said if passed, the legislation would require:

—Federal tenants to submit an annual report on monthly occupancy rates to the General Services Administration (GSA)

—Federal tenants to prepare written procedures for returning infrequently used office space to the GSA

—Independent leasing authorities to submit annual reports on occupancy and space utilization to congressional committees

"Flexibility in where federal employees work has let public servants spend more time coaching Little League and less time commuting in traffic — and telework has been especially beneficial for our rural communities. But federal policy needs to keep up so taxpayers don't foot the bill for empty office space," Gluesenkamp Perez said in a statement. "The bipartisan FULL Act will help inform how leases are renewed and ensure unused space can be effectively repurposed. I'm grateful for Rep. Edwards' partnership on this effort to reduce government waste and ensure your tax dollars are used responsibly."

According to the release, federal agencies spent more than $1 billion annually on furnishings between 2020 and 2022, during the "maximum telework period." Occupancy in federal Washington, D.C., offices is roughly half of the pre-pandemic level.

More than half of federal leases will expire in the next five years.

"The FULL Act will help prevent taxpayers from footing the bill for unused federal office space by making sure the federal government only leases the office space it needs and will use. As federal telework levels remain high, agencies' D.C. HQ offices are sitting mostly empty," said Edwards. "This legislation will enable Congress to effectively perform oversight of government spending on office leases by requiring federal agencies to use it or lose it."

Load-Date: November 10, 2023

WASHINGTON D.C.

Abysmal DC office market shows no signs of recovery

Donald Trump and Kamala Harris (Getty; Illustration by The Real Deal)

By TRD Staff

JUL 23, 2024, 3:54 PM

The Washington, D.C., office market shows no signs of improving and the upcoming presidential election is unlikely to change that.

The district's office market is suffering with its highest vacancy rate ever, increasing foreclosures and diminishing property values, the Wall Street Journal reported.

The usual suspects — remote work and high interest rates — have reduced property values by tens of billions of dollars, and loan defaults are common, according to the publication.

The Biden administration has struggled to get the D.C.-based federal workforce back to the office on a regular basis. The administration told Congress in April that it is working toward a goal in which those eligible for telework are in the even harder. Although some expect Trump to try to force more workers to return to their desks, he has promised to abolish the Department of Education. The elimination of more than 2,500 agency employees would more than offset a back-to-work mandate.

The district's office vacancy rate has steadily increased over the past five years. The rate rose from less than 14 percent in the fourth quarter of 2019 to a new high of 22.4 percent in the second quarter, according to CBRE Group.

According to the credit-research firm KBRA Analytics, Washington office loans have the seventh highest rate of default in the country. In the first quarter, about 39 percent of securitized Washington office loans were either in default or at risk of default, according to the firm.

The Justice and Treasury departments are among six agencies with leases expiring between now and 2027. They are expected to vacate close to 600,000 square feet, according to Cushman & Wakefield.

The effects have rippled through the city.

"The District of Columbia's economy has consistently underperformed the national economy across nearly all indicators," Glen Lee, the city's chief financial officer, said in a letter to elected officials earlier this year, the Journal reported.

There are other problems with federal office space in D.C. Former presidents going back to George W. Bush have determined that the deteriorating J. Edgar Hoover Building, the Federal Bureau of Investigation's headquarters, needs two heavily discounted office buildings to convert them into apartments.

Regarding Washington's stagnation, Pestronk told the Journal, "Anything any president would have to do related to an agency occupying their space has to go through the bureaucracy."

— Christina Previte

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