

PRESIDENT'S REMARKS....

My Dear MAREMA family, welcome to the world of technology and real estate, where wires meet walls, and data collides with buildings. Yes, you heard it right! The commercial real estate industry has finally caught up with technology, and it's time to celebrate.

Gone are the days when real estate transactions were done over the phone, and the only way to scout a property was to drive by it. With the advent of technology, the commercial real estate industry has transformed beyond recognition. From drones and virtual reality to electronic closings, the industry is now at the forefront of technological innovation.

One of the most exciting technological developments in the commercial real estate industry is the use of drones. Drones have revolutionized the way properties are evaluated, inspected, and marketed. With their high-resolution cameras, drones can capture images and videos of properties that were once impossible to obtain. This allows real estate professionals to assess properties more efficiently and identify any issues that need to be addressed.

Virtual reality is another game-changing technology that is making waves in the commercial real estate industry. With virtual reality, potential tenants or buyers can take a virtual tour of a property without leaving the comfort of their homes. This not only saves time and money but also offers a more immersive and engaging experience. Did you know that our member Matt Ammon of Hommati is offering these innovative tours and drone photography that allow potential buyers and tenants to explore properties without leaving their homes.

And speaking of keeping up with the times, our title company members are also getting in on the tech game. Kamelia Sacks of Stewart Title and Karen Daily of Ekko Title are offering electronic closings, which allow buyers and sellers to sign documents digitally from anywhere in the world. No more scheduling conflicts or endless paperwork - just a smooth, stress-free closing experience.

But wait, there's more! Our lender members are also using technology to streamline their processes. Mike Metz of Truist Bank offers loan application process tracking, which allows clients to monitor the progress of their applications in real-time. And for those who prefer to handle their banking from the comfort of their own homes, Lucia Manic and Paul Reilly of Atlantic Union Bank offer remote banking services. No need to put on pants or leave the house - just grab your laptop and get banking!

In conclusion, the commercial real estate industry has come a long way since the days of phone calls and drive-bys. With the help of technology, real estate professionals can now work more efficiently, make better-informed decisions, and offer their clients a more immersive and engaging experience.

With this article, I wanted to create awareness of technologically advanced services offered by our members. Please note that the list I provided does not represent the whole list of services or members that offer technologically advanced services. We have 30 Associate Members that are here to make our life easier. This upcoming quarter I challenge you to reach out to each of them and ask how you can work together so you can be one step ahead of your competition.

Let's embrace the future and grow our businesses exponentially! Sky is our limit!

MAREMA 2023 Leadership Team



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HOW TO USE YOUR USE CLAUSE

RETAIL LEASING 401 – ADVANCED ISSUES

BY: *PETER POKORNY*

KEY ISSUES IN USE & EXCLUSIVE CLAUSES

THE Conflict: Tenants desire to protect their businesses through broad use clauses and with exclusive clauses as opposed to landlords who want narrowly drafted use and exclusive clauses to protect their interests.

Key Landlord Issues:

- A well drafted permitted use clause lets landlord achieve a balanced and diversified tenant mix.
- A well drafted and narrowly defined exclusive gives protection to a tenant but allows landlord flexibility to lease to other retailers whose merchandise may include some of the goods of the protected party.
- The consequences of a rouge tenant violating an exclusive should be treated differently than if the landlord breached the exclusive by leasing space to a competitor.

Key Tenant Issues:

- A broad use clause allows a Tenant's business to grow, adapt and evolve in a competitive business environment without the need for Landlord's permission.
- A broad use clause facilitates assignments and subleases to a greater range of possible successors.
- Keeping competing businesses out of a retail center is important to tenant. Negotiating an exclusive use clause allows a tenant to avoid seeing a direct competitor leasing space in the same project.
- Avoiding use clauses that are vague such as "first class" or "high quality" merchandise.



UNLOCKING THE NUMBERS: A DEEP DIVE INTO NORTHERN VIRGINIA AND DC AREA'S COMMERCIAL REAL ESTATE PROPERTY SALES METRICS

By: JOE SERAFIN



WASHINGTON DC AREA AND NORTHERN VIRGINIA CRE BY THE NUMBERS

Investors, owners, and user operators need to know the numbers that make up the commercial real estate market profile for Northern Virginia and the DC Area.

Whether you are looking to invest, sell, or lease CRE property in Northern Virginia, the more you know about the basic details, the clearer you are, and the more focused your decisions will be.

Washington DC Area CRE Statistics 2020 – 2022 and 2023 YTD

Here you see the average days on market (DOM), total properties sold, the average \$/SF achieved in each year, and, finally, the sold volume as a percentage of total existing commercial properties.

2020:

- 471 average days on market from listing to close
- \$214/sf average price per square foot for sold properties
- \$20B of volume sold
- 2,626 properties sold, which is 4.3% of the total properties

2021:

- 483 average days on market from listing to close
- \$244/sf average price per square foot for sold properties
- \$30.4B of volume sold
- 3,789 properties sold, which is 6.2% of the total properties

2022:

- 420 average days on market from listing to close
- \$267/sf average price per square foot for sold properties
- \$28B of volume sold
- 3,558 properties sold, which is 5.8% of the total properties

2023:

- \$265/sf average price per square foot for sold properties
- \$1.5B of volume sold
- 308 properties sold as of March 10, 2023

WASHINGTON DC AREA SUMMARY

On average for the three years, Sellers could expect to wait 458 days (or a year and three months) from listing their property to closing. An average of 5.4% of the 61,126 existing commercial buildings in Washington DC Metro Area trade per year.

LOUDOUN COUNTY CRE STATISTICS 2020 – 2022 AND 2023 YTD

We will use the same breakdown for each of the three counties as we did for the DC Area and will finish with a direct comparison to Serafin's results.



2020:

- 552 average days on market from listing to close
- \$213/sf average price per square foot for sold properties
- \$1.4B of volume sold
- 157 properties sold, which is 5.8% of the total properties

2021:

- 600 average days on market from listing to close
- \$249/sf average price per square foot for sold properties

- \$2.8B of volume sold
- 289 properties sold, which is 10.6% of the total properties

2022:

- 534 average days on market from listing to close
- \$369/sf average price per square foot for sold properties
- \$2.5B of volume sold
- 237 properties sold, which is 8.7% of the total properties

2023:

- \$405/sf average price per square foot for sold properties
- \$363M of volume sold
- 21 properties sold as of March 10, 2023

LOUDOUN COUNTY SUMMARY

In the three years, Sellers waited on average 562 days (a year and six months) from listing to closing. An average of 8.4% of the existing commercial buildings in Loudoun County trade per year.

[Continue Reading](#)

5 THINGS YOU SHOULD KNOW ABOUT DECOMMISSIONING

By: PJ MOORE



1. CONSULT YOUR CONTRACT. Your client's original contract, lease and building regulations should have the exact details of what is expected of them during the decommissioning process. There should be a paragraph (or two... or five...) that outlines their obligations as a tenant and how the office space should be left when they vacate the space. A copy of their contract will be very helpful to the project manager who is overseeing their project. The goal is to prevent them from forfeiting their deposit or incurring additional charges.

2. INVENTORY EVERYTHING. Business owners and/or their operations team (depending on the size of their business) should do an inventory. Decide which pieces of furniture will be moved, stored, or liquidated. Decide which pieces of technology equipment should be moved, stored, or liquidated. (Does your client really need to move those huge CRT monitors? No. Recycle them responsibly. A commercial mover can help with liquidations – even recycling the furniture or donating it to a worthy charity. Or the client can manage this process on their own to drive down costs. The fewer items that move, the lower the cost is for them.

3. PURGE AND SHRED UNNECESSARY PAPERWORK/FILES/DOCUMENTS. If your client has boxes and file cabinets filled with paperwork that are now obsolete, they can either get rid of it themselves, or have their trusted moving partner help. They can dispose of papers and documents that may have sensitive data... or they can shred them on site and then dispose of them. Remember, if the movers pack boxes or use reusable crates, and load into trucks – only for the client to throw them away when they arrive at the new location – they've wasted money.

4. WORK CLOSELY WITH IT. If your client's company has an IT department, they will be responsible for disconnecting and packing all technology – computers, printers, scanners, peripherals, server rooms and backups. This is also a smart time for their IT department to inventory e-waste: obsolete desktops, monitors and fax machines and send them for recycling. If they don't have an in-house IT department, a relocation company can help disconnect, pack, move, and reconnect the equipment for them, as well as help with recycling unwanted equipment.

5. WHAT IS THE MEANING OF "BROOM SWEEP"? Decommissioning is often referred to as "broom cleaning" or "broom swept." That simplifies it to a bare minimum – yes, the space must be clean and tidy. But what "broom swept" doesn't take into consideration is that the space must be restored to its original condition. The way the space was when the client moved into the space. This includes removing voice and data cables, any electrical or mechanical installations, all fixtures and furniture, the list goes on. Large logo signs and placards need to be removed. The drywall behind signs must be repaired. Are light bulbs out in the kitchen? They've got to be replaced before the client leaves.

Failure to responsibly decommission their office space properly before handing in the keys can result in the loss of their deposit or additional fines and fees. A well-planned decommissioning process will earn back the company's deposit and avoid extra costs. As experts in corporate relocation and decommissioning, INTERSTATE can help your client accomplish their relocation with professionalism and ease.

FAIRFAX COUNTY'S UPDATED ZONING ORDINANCE DECLARED VOID BY VIRGINIA SUPREME COURT

BY: *FRANK DILLOW*

Fairfax County's complete revision and update of its zoning ordinances, known as the Zoning Ordinance Modification Project (Z-MOD) adopted in March 2021, has been thrown out in its entirety by a decision of the Virginia Supreme Court. The Court ruled Thursday, March 23 that the Fairfax County Board of Supervisors had violated Virginia's open meeting law by adopting the ordinance electronically rather than in person during the height of the Covid Pandemic shutdown.

Fairfax County has reverted to the previously enacted zoning ordinance adopted in 1978, which they had replaced with the Z-MOD revisions in 2021.

"We are currently evaluating the Virginia Supreme Court decision and considering our options," according to Tony Castrilli, Fairfax County Director of Public Affairs. "In the meantime, the 1978 Zoning Ordinance is presently in effect and available for reference on the County Website.

The Court's decision puts in jeopardy development projects all over Fairfax County that have been approved during the past two years.

The Z-MOD revision process in 2016 was initiated by the County to simplify and update the previous ordinance which had been in effect for forty years. It reduced the ordinance from 1,000 pages to 691 pages, eliminating multiple obsolete provisions no longer relevant to today's Fairfax County, while also clarifying and updating provisions related to the more urban and suburban lifestyle of today's Fairfax County.

For residential zoning it included multifamily developments of up to 40 units per acre, incorporating office or other commercial uses, low-cost housing options including accessory uses on single family properties and other mixed-use provisions including providing for home-based businesses.

Similarly, it created more flexibility in commercial mixed-use developments allowing for repurposing vacant commercial buildings for multifamily use and creating commercial revitalization and historic overlays to existing developments to encourage continued investment and updating. It also introduced provisions for solar power, cell phone service and other technologies not contemplated by the 1978 ordinance.

Of particular significance since its adoption, the Z-MOD created the Planned Tysons Corner Urban District to accommodate County efforts to transform what had historically been a retail and office development into a new urban density, developed with an anticipated 100,000 residential dwelling units and increased community amenities.

The decision turned not on the content of the revised ordinance, but rather on the process the Board used to adopt it.

At issue was whether the county board of supervisors had violated the open meeting requirements of the Virginia Freedom of Information Act by holding the meetings to adopt the ordinance electronically rather than in person.

When the Supervisors gave notice that due to Covid concerns they intended to adopt the ordinance electronically, rather than in an open meeting, four Fairfax County residents brought suit just prior to the adoption seeking to prevent it, and once it was adopted to have it declared void.

The County had relied upon a “Continuity Ordinance” that allowed “essential acts of local government” to be performed electronically, rather than in person, due to the health-related concerns resulting from the Covid pandemic. The Fairfax County Circuit Court agreed and ultimately dismissed the complaint, noting that “(z)oning is inherently an essential act of local government.....critical,especially in the context of a national emergency and state emergency because civility between neighbors is the foundation of domestic tranquility.”

The Virginia Supreme Court reversed the Circuit Court’s decision, holding the ordinance only applied to matters specifically related to the pandemic or where timeliness was a factor. The court noted that timing was not a factor since the ordinance had not been updated in 40 years, the revisions had been considered for five years and there was no deadline that required the Board of Supervisors to act. “Everything about the history of Z-MOD suggests that the adoption of Z-Mod could have waited days, week, or months without throwing the County’s operation into even minor distress let alone chaos,” the Court concluded.

The Virginia Supreme Court reversed the Circuit Court’s decision, holding the ordinance only applied to matters specifically related to the pandemic or where timeliness was a factor. The court noted that timing was not a factor since the ordinance had not been updated in 40 years, the revisions had been considered for five years and there was no deadline that required the Board of Supervisors to act. “Everything about the history of Z-MOD suggests that the adoption of Z-Mod could have waited days, week, or months without throwing the County’s operation into even minor distress let alone chaos,” the Court concluded.

In addition to voiding Fairfax County’s zoning ordinance, the supreme court’s decision also calls into question any other local government decision in Virginia that may have been made during the pandemic without adhering the open meeting requirements of the Virginia Freedom of Information Act.

UPCOMING



EVENTS

MAREMA members meet on the
3rd Wednesday of each month

9:30 am - 12:00 PM

8230 Old Courthouse Road
Vienna VA 22182



For Sponsorship information, contact [Karin Arnette](#)