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Developer sees residential potential in this office building near MGM National Harbor

SUBSCRIBER CONTENT: Sep 19, 2017, 11:20pm EDT
Soto Architecture & Urban Design

Varsity Investment Group wants to do in Prince George's County what it recently did near George Washington University — carve high-end rental housing out of a building with a very different past.

Having recently completed the [\\$16 million conversion of GW's former City Hall](#) dorm at [950 24th St. NW](#) into Varsity on K, the Bethesda-based company has now set its sights on a circa-1989 office building near [MGM National Harbor](#).

Varsity purchased Constellation Centre at [6009 Oxon Hill Road](#) earlier this year for \$7.3 million, a far cry from the \$78 million it paid for the Foggy Bottom property. It plans to spend \$25 million converting the office to residential and rebranding it as The Oxford, said Varsity Principal [Donnie Gross](#).

"We have perfected the model of building renovation," said Gross, whose company has properties in College Park, as well as campus-adjacent places like Baltimore (Johns Hopkins), Ann Arbor (university of Michigan) and Berkeley (University of California). What will sell this non-campus location, Gross said, is its short distance to National Harbor and MGM, as well as views from a planned 10th floor-observation deck. The roughly 215,000-square-foot building will be renovated into 195 units with 16,000 square feet of retail. The building's 425-space parking garage will remain.

"This building stood out to us because it has views that take your breath away," he said. "You can see Old Town Alexandria, National Airport, the U.S. Capitol, monuments. If that building were in D.C., Montgomery County or Fairfax County, it would be worth a fortune."

The Prince George's Planning Board is scheduled to consider the conversion on Oct. 5. A staff report recommends approval.

If approved, it would be the second office-to-residential conversion in Prince George's. Bernstein Cos. [recently received county approval](#) to do the same with a 10-story office building at [3700 East-West Highway](#) near The Mall at Prince Georges.

The county has a 24.7 percent office vacancy rate, among the highest in the region, according to [JLL's](#) 2017 second-quarter analysis. With that in mind, developers are actively considering other uses for their office properties, especially older buildings that lack the modern amenities most tenants demand.

Gross said Varsity purchased [6009 Oxon Hill Road](#) vacant. It is roughly 2 miles to MGM and sits adjacent to the Rivertowne Commons shopping center, anchored by a [Safeway](#) and AMC theater.

Varsity plans resident lounges, a full fitness center, high-end kitchens and other amenities at The Oxford. It is working with Soto Architecture & Urban Design.

"We think we will lead gentrification of that boulevard," Gross said, adding that the location makes it ideal for casino employees. "I think in the next 5 to 10 years we are going to see lots of empty office buildings converted to residential."

The D.C. Council, meanwhile, is expected to consider a bill this fall that would offer tax breaks to office building owners who convert to residential in the Golden Triangle and Downtown business improvement districts. [The bill](#) was sponsored by Jack Evans, D-Ward 2, as a way to cut down the number of D.C. office vacancies and create new housing options.



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