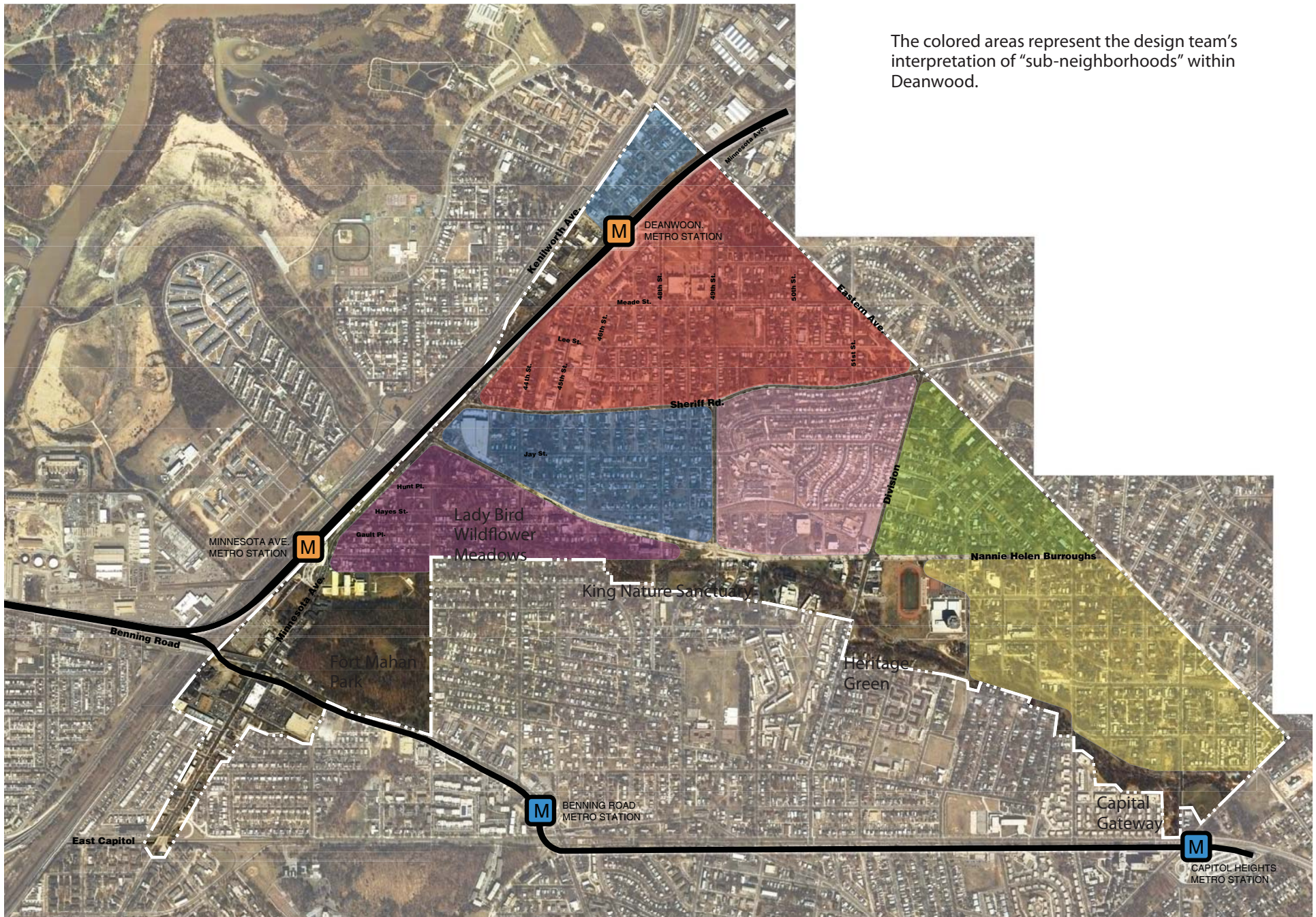


The colored areas represent the design team's interpretation of "sub-neighborhoods" within Deanwood.



Physical Assessment

Transit System

Transit access in Deanwood is anchored by two Metro stations; Minnesota Avenue and Deanwood Station. While many parts of the neighborhood are within easy walking distance of the stations, Metro buses connect the other areas to these stations, as well as to the Benning Road and Capitol Heights stations. Both Minnesota Avenue and Deanwood stations have Park and Ride facilities.



Five bus lines serve the Minnesota Avenue retail district.



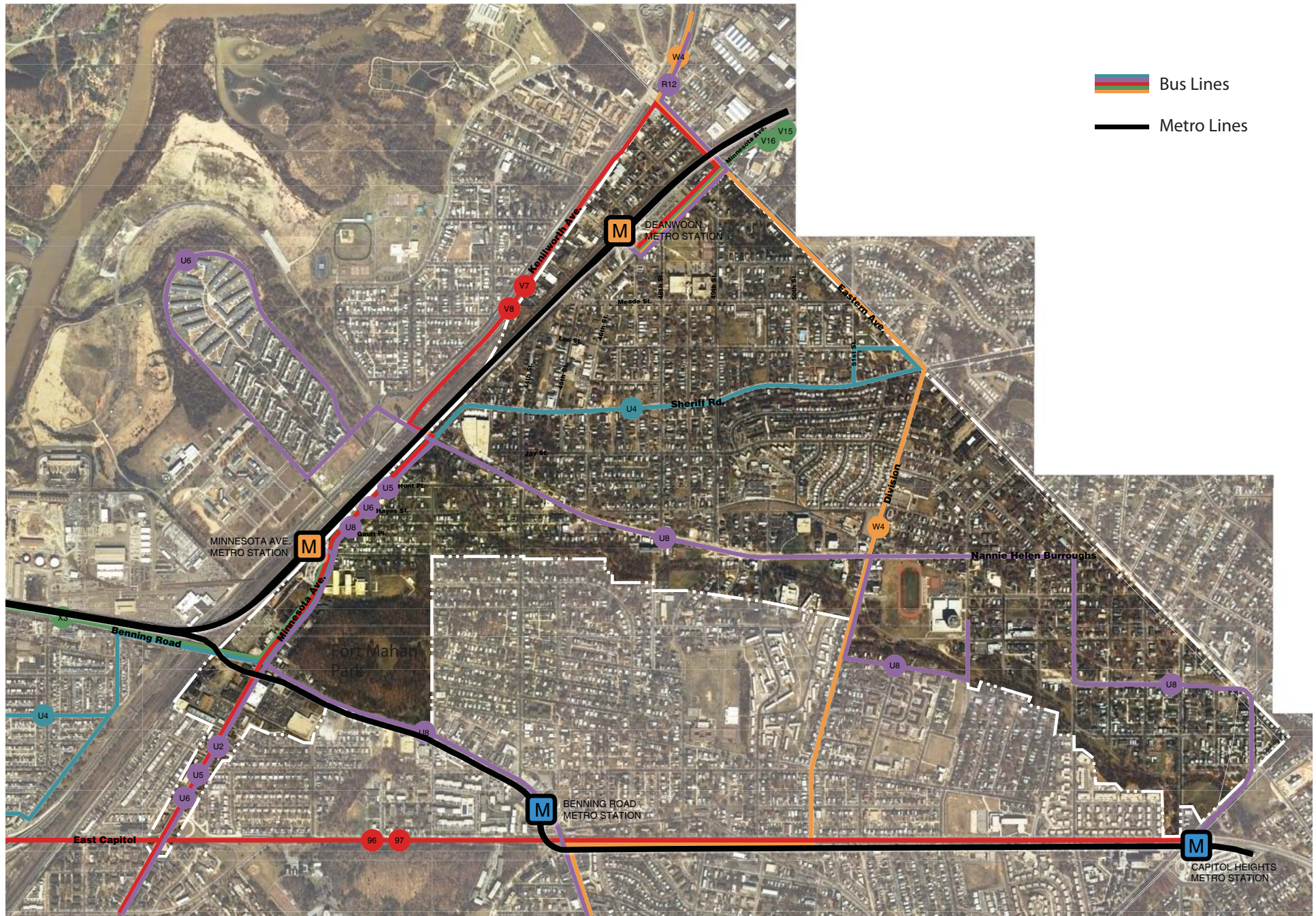
Deanwood Station is surrounded by neighborhood streets and homes. Its two park and ride lots are used infrequently.



The Metro station at Minnesota Avenue is a major transfer between buses and trains, and will support significant Transit Oriented Development, spurred by the Minnesota Avenue Government Center.



Several bus lines converge on the intersection of Division, Sheriff and Eastern Avenue.



Physical Assessment

Vacant & Underutilized Properties

Deanwood has an unusually high number of vacant and underutilized properties. This is a challenge and an opportunity, providing ample room for growth without placing pressure on existing residents. The quality and state of these properties varied widely, from abandoned commercial frontages, to clean lots ready for new housing, to large parcels of public property. In some cases, vacant lots are used infrequently as parking or storage. Some of the abandoned buildings are candidates for renovation, while others are in severe disrepair.

Parcel Summary

Vacant Properties	394
Abandoned Properties	22

Vacant Properties

The Department of Consumer and Regulatory Affairs (DCRA) will classify a property as vacant when it has been unoccupied for a minimum of 30 consecutive days.

Underutilized Sites

The Comprehensive Plan defines these properties as those that are commercially or industrially zoned, containing structures with low assessed values. Examples might include auto body shops, car washes, and fast food restaurants located in high density commercial districts.

Abandoned Properties

Vacant properties for which the owner has failed to pay property taxes or keep the property legally sealed (which can include boarding up).



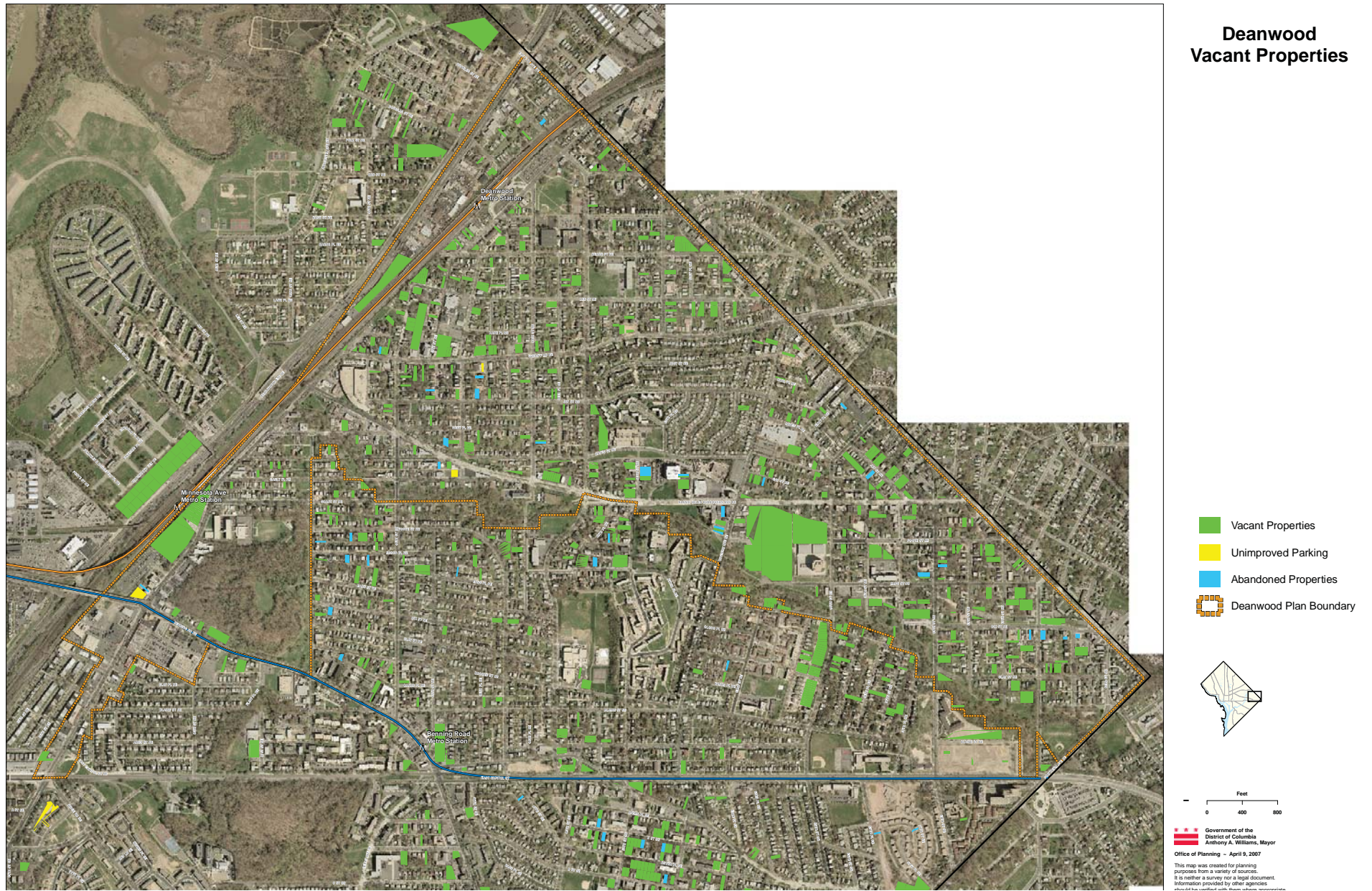
Vacant commercial property on Dix Street.



Former public housing on Eastern Avenue.



A vacant lot/alley, overgrown with vegetation.



Physical Assessment

Land Use Analysis

Residential land use dominates the Deanwood neighborhood, tending toward low density with very small areas of medium density. Commercial activity is concentrated along Minnesota Avenue and Nannie Helen Burroughs. Clusters of commercial activity around several intersections informed the “nodes” addressed later in this plan document.

In addition to zoning that complements the small town feel of Deanwood, there are limited industrial parcels in the neighborhood. Much of this industrial zoning is along the rail alignment between Kenilworth Avenue and Minnesota Avenue.



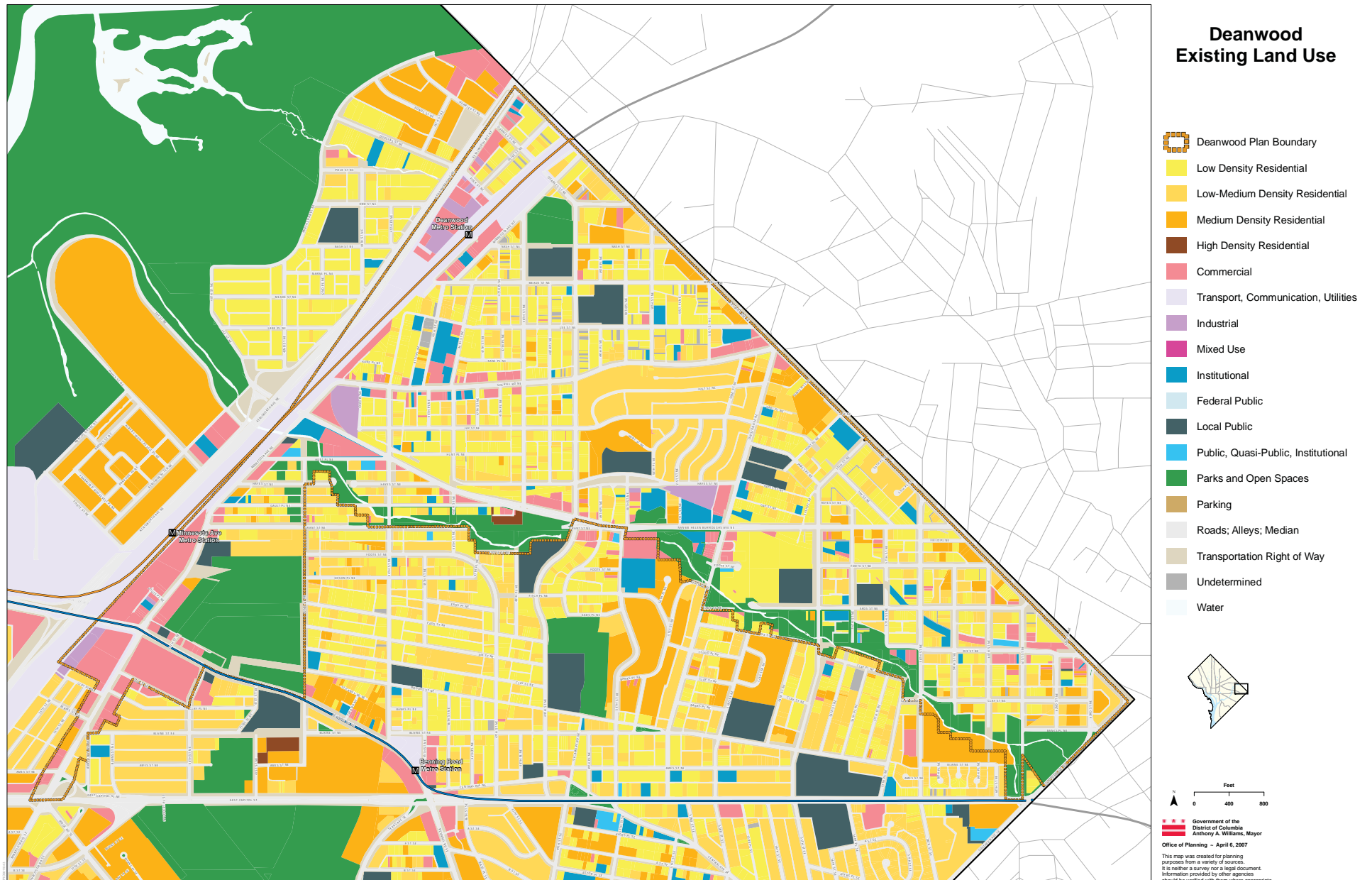
The intersection of Minnesota Avenue and Nannie Helen Burroughs exemplifies the mix of land uses in Deanwood, with a gas station, park, fast food restaurant, and a bottling factory in the background.



Retail comes in many forms, from pedestrian-oriented street retail, to retail facing parking lots, focusing on auto-access.



A sub-station for Metro near the core of the Minnesota Avenue retail strip is an example of conflicting land uses.



Physical Assessment

Land Use Analysis: Faith Community

Institutional uses, frequently houses of worship in original or adapted buildings, are very common throughout the neighborhood, often covering large parcels for parking, storage, or various related uses.

While some of this land could be considered underutilized, many of the properties provide opportunities for improvement benefiting their congregations and the community at large. Several of these institutions already have plans in place for development of land or acquisition of land for development. Current proposals include non-profit use, office space, and community services.

Religions Institution Properties:	44
Estimated Area:	15 Acres
Adjacent Properties/ Parking Lots: 21	
Parking Lot Square Ft:	5 Acres



A converted residence used as a church building.



A "traditional" church building on Sheriff Road.



A church in a converted residence/retail building on Dix St.



A traditional church building on a residential street.



A church building adjacent a christian bookstore.



Physical Assessment

Zoning Analysis

Deanwood is comprised of mainly residential land uses with a few commercial nodes dispersed along the major corridors. Deanwood's zoning districts are generally reflective of land use patterns addressed in the previous pages.

The table below lists the Floor Area Ratio and Maximum Building Heights by zoning classification shown on the map to the right. Floor Area Ratio (FAR) is a measurement of allowable development based on the size of the property. For example, on a 10,000 square foot lot with an FAR of 1, 10,000 square feet of building would be allowed. For a 10,000 square foot lot with an FAR of 2, 20,000 square feet of building would be allowed.

Deanwood Zoning Types			Residential FAR	Other Use FAR	Maximum Height
C-1:	Low Density Residential & Neighborhood Shopping	1	1		40 feet
C-2-A:	Low to Moderate Density Residential & Community Businesses	2.5	1.5		50 feet
C-3-A:	Medium Density Business & Employment Center		4.0	2.5	65 feet
C-M-1:	Low Bulk Commercial Light Manufacturing	N/A	3.0		40 feet
GOV:	Government		N/A	N/A	N/A
R-2:	Single Family Residential		N/A	N/A	40 feet
R-5-A:	Low Density Residential		0.9	N/A	40 feet
R-5-B:	Moderate Density Residential		1.8	N/A	50 feet
R-5-D:	Medium-High Density Residential		3.5	N/A	90 feet



Single family residential.



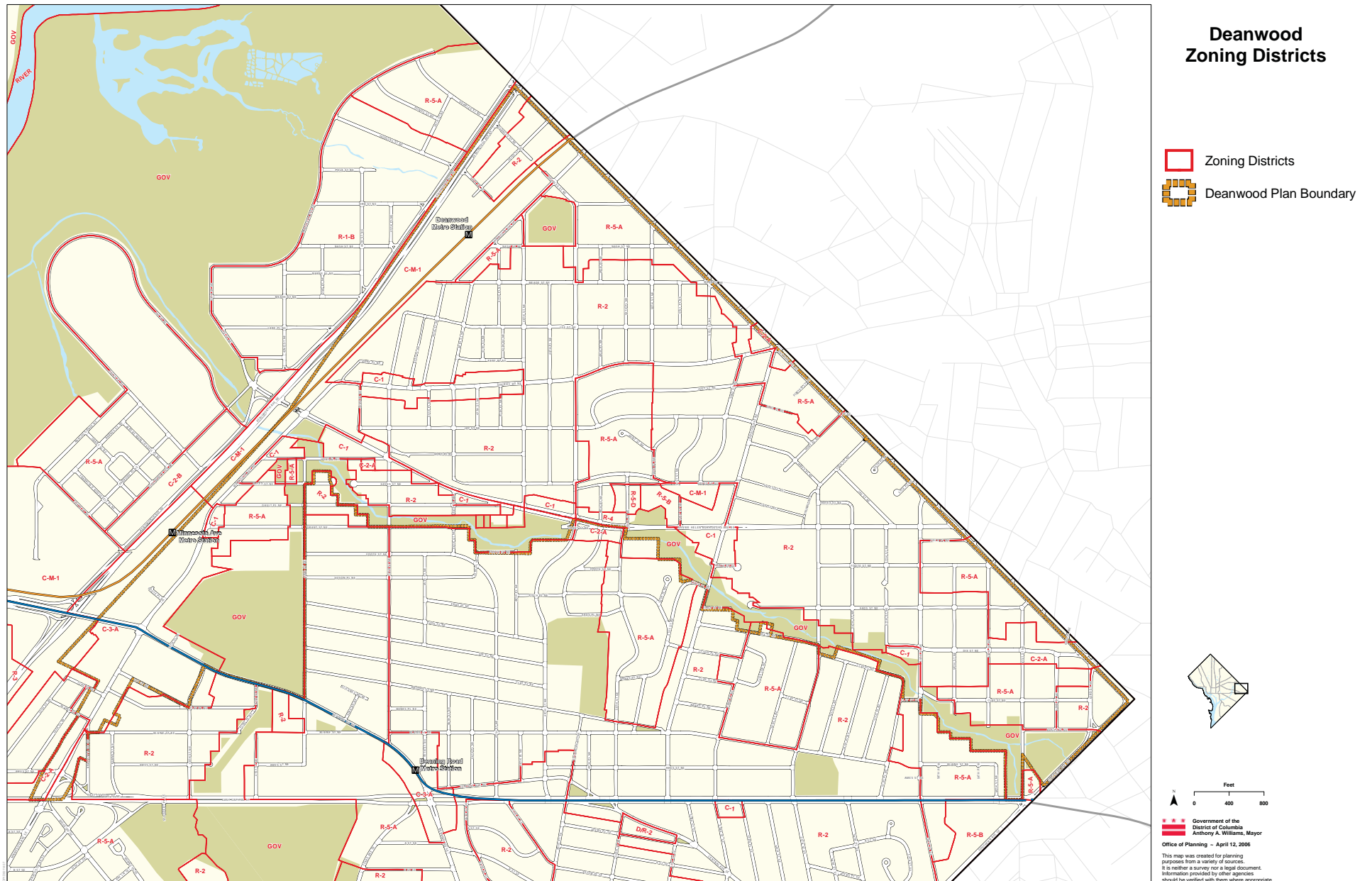
Retail activity on Minnesota Avenue.



Duplex residential.



Convenience retail on Sheriff Road.



Physical Assessment

Open Space

Ward 7 is known as the greenest Ward in the District of Columbia. Deanwood's residents are proud of their green legacy, and have invested heavily in the restoration of Watts Branch.

The graphic on the adjacent page shows that many Deanwood residents live within a 5-minute walking distance of Watts Branch and Marvin Gaye Park, while even more live near smaller open spaces throughout the neighborhood. Increasing access and connecting the various open space elements was a frequently expressed objective among participants at Open Houses and Steering Committee Meetings.



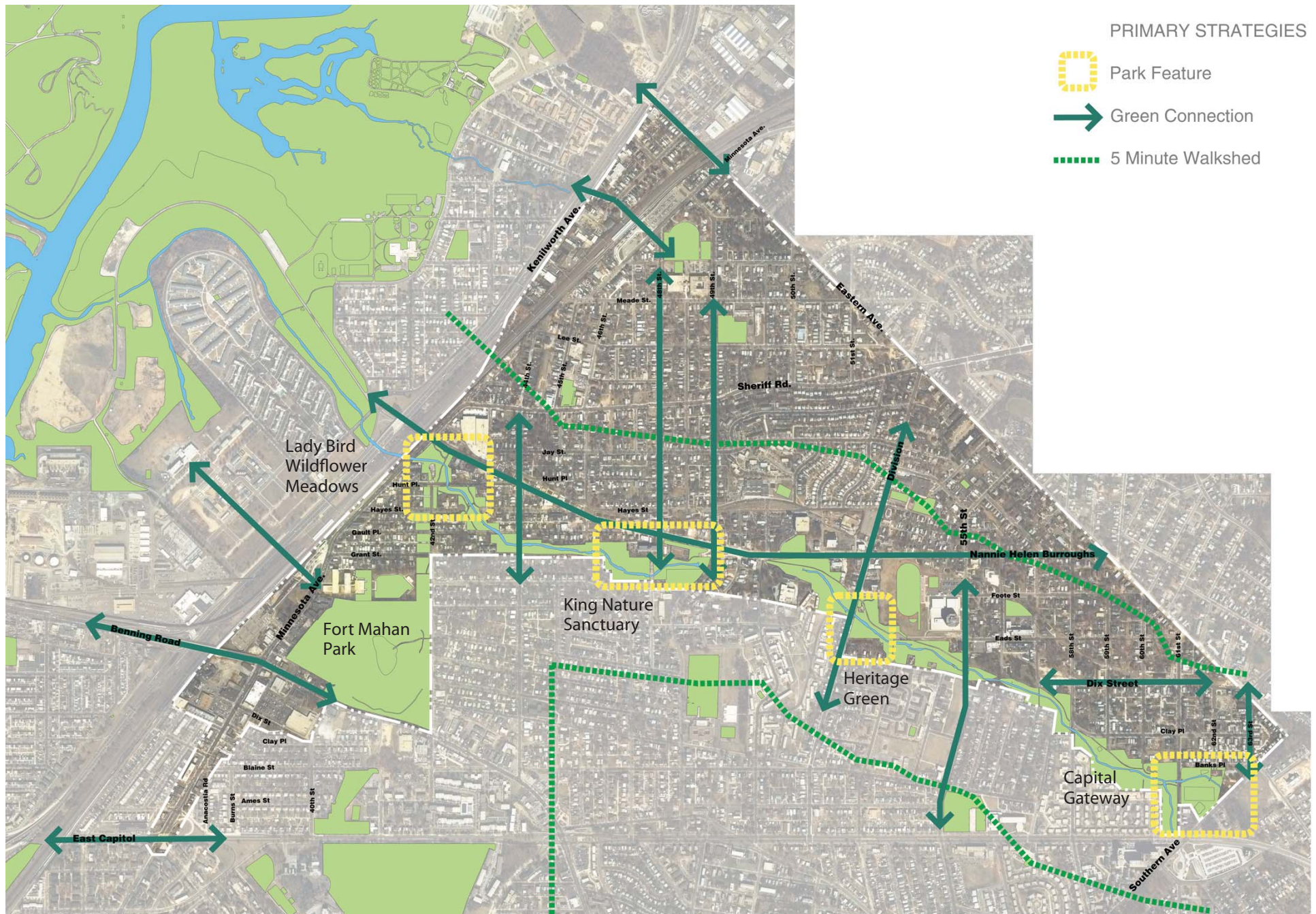
The park adjacent Ron Brown Middle School provides sports fields, a playground, open play space, and the site of a future recreation center and library. It is surrounded by homes, with the exception of the Deanwood Park and Ride.



School facilities comprise many open spaces in Deanwood.



Marvin Gaye Park and the Watts Branch are part of the Deanwood identity, and contribute to Ward 7's reputation as the greenest in the district.



Physical Assessment

Neighborhood Walkability

Given the extensive open space network, transit accessibility, and tree-lined streets, most of Deanwood is very walkable and pedestrian friendly. Sidewalks and crosswalks facilitate walking throughout the neighborhood.

The most prominent barrier to walkability is the freeway and railways that run along the western edge of the study area. Fort Mahan Park also acts as a soft barrier to residents to the north, discouraging walking trips to downtown Ward 7.

The graphic opposite this page shows 5-minute walking radii from each of six commercial nodes identified as part of this plan. Despite the physical accommodations that generally encourage and facilitate walking, the neighborhood's nodes and corridors struggle to serve pedestrians with a rich offering of retail and services necessary for a truly walkable district. As a result, most trips for goods and services require an automobile.



There are limited areas that still lack sidewalks.



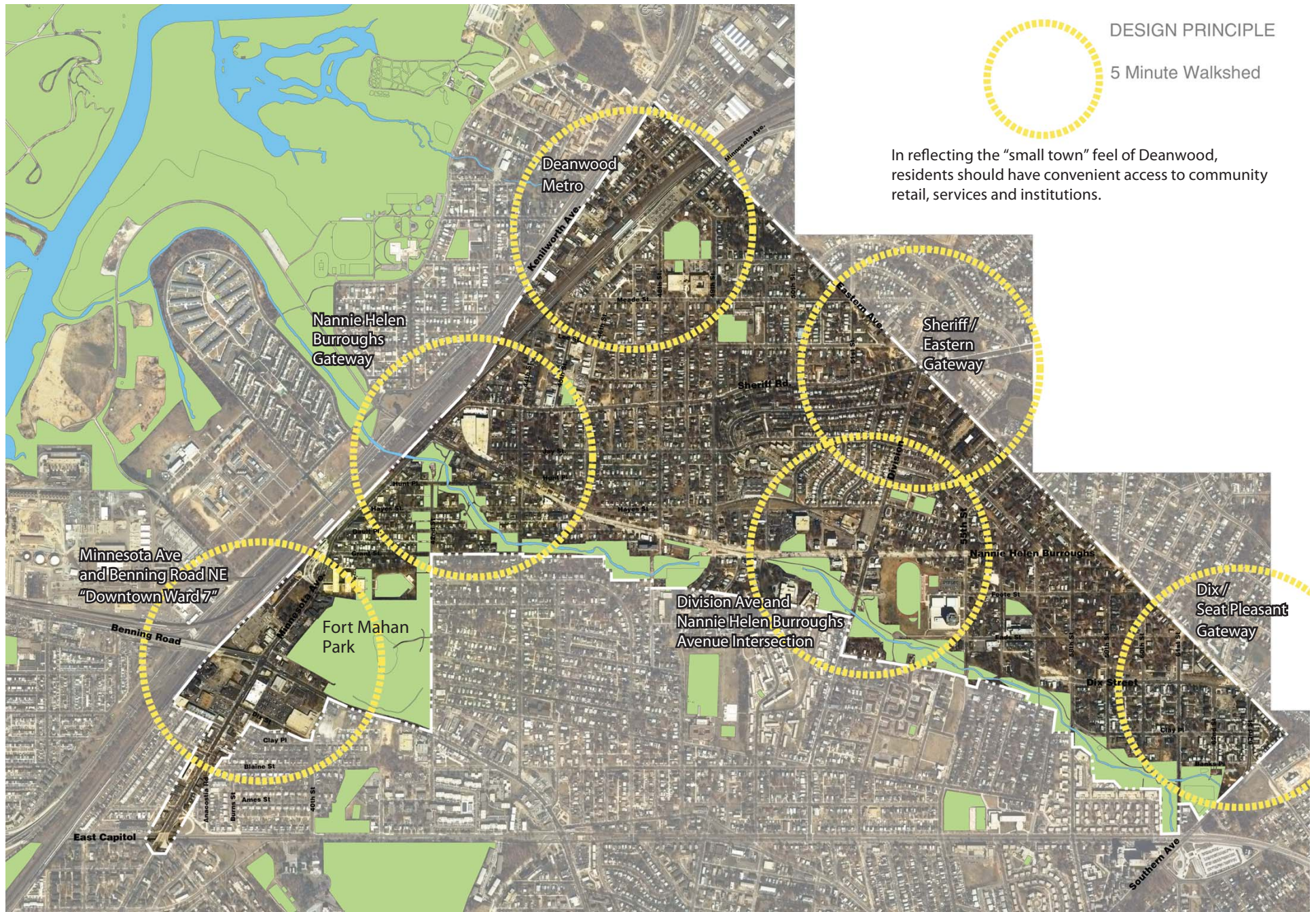
The smaller nodes are very accessible by foot, including the intersection of Division and Eastern Avenues and Sheriff Road.



The intersection of Division and Nannie Helen Burroughs Avenues provides very limited offerings, despite central location and commercial buildings.



The retail area at the intersection of Benning Road and Minnesota Avenue is currently auto-oriented and separated from most of Deanwood.



Introduction

This section summarizes findings from the Housing Market Analysis and Retail Market Opportunities Assessment. These market studies are meant to inform the planning process and guide implementation.

The Housing Market Analysis responds to the need to assess the market for new and rehabilitated housing in Deanwood, with a particular focus on housing quality, diversity, and affordability. The retail assessment aims to identify market opportunities for retail / commercial uses within certain nodes to serve the community and enhance the overall image and marketability of Deanwood. This retail assessment is not meant to generate the detailed findings of a full market analysis, but does suggest market opportunities and constraints as a basis for land use and marketing.

The findings from these analyses are used to make strategic recommendations to help guide planning and development that is compatible with the community needs and that strengthens Deanwood's positive image. The assessments helped to determine Deanwood's "competitive advantages" as the basis for strengthening the community's quality of life, marketability, and image.

The following report includes a section summarizing Existing Conditions based on field reconnaissance; interviews with residents, businesses, and those familiar with the local real estate market; and on Census and other demographic data. The sections on Housing Market Analysis and Retail Market Opportunities Assessment summarize the findings from the two respective studies as well as some initial strategic input for the Plan. Members of the Steering Committee and the general community provided input to these studies at several meetings.

Demographic Trends

Population and Households

Like many neighborhoods in the District of Columbia, the population and household base in Deanwood declined significantly between 1990 and 2000. During that period, the population base fell by almost 1,200 or 12.4% to 8,231. Households declined by almost 300 or 7.7%. Households did not decrease at the same rate as population because the number of people per household was also declining during this same period. By 2000, the Deanwood study area had a total of 3,295 households. There were also 117 people living in group quarters (dormitory-style group homes). This number was slightly higher than the group quarters population in 1990. When economic conditions are poor, then non-student group housing populations often increase.

These trends have seen a slowing if not reversal since 2000, according to estimates from the Census and Claritas, Inc. Between 2000 and 2007, Deanwood's population continued to fall, but by only 87 or a rate of 0.15% per year versus 1.24% per year during the 1990s. The household base has actually increased since 2000, adding 120 or 3.6% (0.5% per year). Another indicator of change is that group housing populations, identified in Table 1 as "Group Qrts," have decreased since 2000.

Overall, Deanwood has stabilized since 2000 and its household base appears to be growing. This increase in households signifies increased demand for housing in the community. If there are not sufficient available housing units or appropriate types of housing to meet this demand, then there will be increasing pressure for rehabilitation or development of new housing.

Income

The shift underway in Deanwood is even more pronounced with respect to incomes. Between 1990 and 2000, household incomes (adjusted for inflation) fell in real terms from about \$37,300 to \$36,100 or by 3.3%. Thus, residents had less money to spend at the end of the 1990s than they did at the beginning of that decade.

However, since 2000 median household incomes increased by 2.0% in real terms to \$36,800. True, these incomes are slightly less than those in District as a whole and about one-half of the median income in the metropolitan region. Nevertheless, incomes in Deanwood were increasing during the same time that a national recession reduced real incomes nationwide and many households around the country were still not yet recovering to their 2000 income levels.

The increase in Deanwood incomes probably relates more to the influx of new households (such as the 120 captured in the Claritas, Inc. numbers) than to substantial growth in the incomes of long-time residents of Deanwood. These new households bring residents with higher incomes from relatively well-paying professional jobs in government, non-profits, and the private sector. According to brokers and interviews with residents, the newcomers tend to be young black professionals who appreciate Deanwood's small town feel and who want to invest in the District's real estate market.

Other Demographic Factors

Other demographic shifts are also underway in Deanwood. For example, the Hispanic population has increased by almost 44%. While still small, this group is nevertheless likely to play a larger role (along with African immigrants and whites) in Deanwood's housing and retail markets in the future. Deanwood is therefore becoming more ethnically and culturally diverse. The median age in Deanwood was 38 in 2000. Even as more young professionals move into Deanwood, the overall population (including the baby boom generation) is aging. So, the median age is not likely to fall much in the next several decades.

Table 1. POPULATION AND HOUSEHOLD TRENDS, DEANWOOD STUDY AREA, 1990-2007

Factor	1990	2000	2007	1990-2007 Change	
				Number	Percent
Population	9,400	8,231	8,144	(1,256)	-13.4%
Households	3,572	3,295	3,415	(157)	-4.4%
Group Qtrs	69	117	113	44	63.8%

Note: 2000 Tract 78.06 was 1990 Tract 78.60.

Sources: U.S. Bureau of the Census, Claritas, Inc., and Randall Gross / Development Economics.

Table 2. MEDIAN HOUSEHOLD INCOME TRENDS, DEANWOOD, 1990-2007

Area	Median Household Income		
	1990	2000	2007
Deanwood	\$ 37,294	\$ 36,056	\$ 36,794
	Change:		
		-3.3%	2.0%

Note: Income expressed in constant 2007 dollars.

Sources: U.S. Bureau of the Census, Claritas, Inc.; and Randall Gross / Development Economics.

Existing Housing Stock & Trends

The number of housing units in Deanwood fell by about 140 between 1990 and 2000, due to demolition, consolidation, and lack of replacement. The decrease in housing stock occurred as the population and household base was declining. However, the number of housing units has started increasing again, with new construction activity, albeit small-scale, throughout Deanwood. There are several recently-completed housing development and more under construction. Most of these have been single units up through 8-unit projects.

Almost all of this new housing has been in relatively large single- and two-family townhouse structures, often geared towards an extended family moving up from within Deanwood or surrounding neighborhoods.

The vacancy rate stands at about 9.5% in 2007, higher than 1990 since the household base has still not returned to 1990 levels. There are about 1,240 owner-occupied housing units accounting for 52.0% of all occupied units. The ownership rate has increased since 1990, when it was 50.8% according to Census data. Increasing homeownership bodes well for the stability of the community. Still, homeownership levels remain significantly lower than the national and regional averages.

Housing Prices

Housing prices were examined as an indicator of market trends but also as a basis for assessing affordability and opportunities for homeownership in Deanwood. Multiple listing service (MLS) data suggests that the average list price for housing in Deanwood as of April 2007 was \$411,880 and the median price was \$381,894. In general, the housing prices ranged from \$289,500 to \$750,000.

Deanwood's \$382,000 MLS list price is only 64% of the District-wide median of \$597,230. Thus, Deanwood's housing prices are relatively affordable compared with many other neighborhoods in the city. It should be noted that MLS data can be skewed somewhat since it does not include all houses on the market.

Sales by Type and Price Range

The Deanwood housing market is dominated by single-family homes, which accounted for 79.8% of the housing sales recorded by MLS in the Deanwood area in 2006. There were 205 single-family homes sold that year, priced from \$110,000 to \$480,000. As of April 2007, there were 76 single-family homes on the market, priced from \$149,900 to \$650,000.

Deanwood has fewer condominiums, and those tend to be conversions of small rental apartment buildings. There were 52 condominium sales recorded by MLS in 2006, priced from \$110,000 to \$250,000. By April 2007, there were 18 condos on the market in the Deanwood area, priced from \$163,900 to \$250,000. Thus, condos are not necessarily the more affordable housing purchase option in Deanwood.

Trends

Like the rest of Washington and the region, Deanwood's housing prices have been escalating at a relatively rapid pace since at least 1999. An analysis was conducted of actual assessment records which indicate that median housing sale prices increased in Deanwood by 223.2% between 1999 and 2006, or an average annual rate of 31.9%.

The median housing price increased from \$70,000 in 1999 to \$226,250 by 2006, according to the D.C. Assessor's records. Thus, the median Deanwood house gained \$156,250 in price during the seven-year period.

Peak of Housing Cycle

The escalation in housing prices appears to have slowed or reversed during the past few quarters. Data from MLS suggest that the Deanwood housing market peaked (in terms of average sale prices) during the third quarter of 2006 but like the rest of the market has slipped into a down cycle. In fact, the Deanwood housing cycle roughly mirrors that of the District as a whole. Recent average housing sale prices for Deanwood, surrounding sub-markets, and the District as a whole are summarized and compared with the 2001 average in the following chart.

Occupancy & Ownership

Housing vacancy rates were fairly high in Deanwood in 2000, at 14.7%. A normal vacancy rate in a healthy community should not exceed 4 to 5%, depending on the type of housing stock. Certainly a community dominated by single-family homes should maintain a low vacancy rate.

Deanwood's vacancy rate was fairly comparable to other sections of far Northeast D.C., but much higher than in neighboring suburban residential areas (5.9%). Still, Deanwood fared better than Near Northeast area neighborhoods, where the housing vacancy topped 20% in 2000. Those neighborhoods have a much higher share of rental housing and several large affordable apartment projects were under renovation in the Carver Terrace area in 2000. This may have skewed the vacancy rate.

**Table 3. HOUSING TRENDS,
DEANWOOD STUDY AREA, 1990-2000**

Factor	1990	2000	2007	1990-2000 Change	
				Number	Percent
Housing Units	4,097	3,959	3,962	(135)	-3.3%
Vacant	359		377	18	5.0%
Percent	8.8%		9.5%	0.8%	8.6%
Owner Occ	1,239		1,241	2	0.2%
Percent	50.8%		52.0%	1.2%	2.4%

Note: 2000 Tract 78.06 was 1990 Tract 78.60.

Sources: U.S. Bureau of the Census and
Randall Gross / Development Economics.

Absentee Ownership

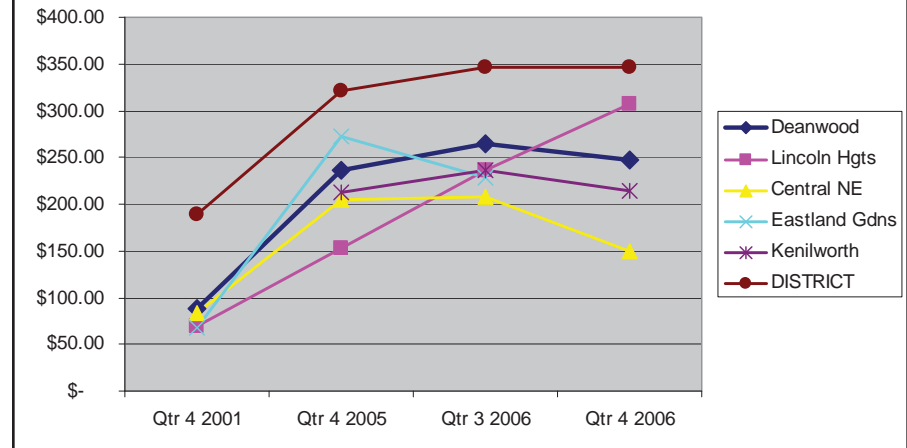
An analysis was conducted of assessment records and it was determined that an estimated 22% of Deanwood's single-family housing units are owned by absentee landlords. This finding is based on the assumption that if the owner's address is different from the property address, then the unit is either rented, vacant, or occupied by a family member that is not the owner.

Most of the absentee owners have home addresses in Prince George's County. This appears to confirm information from Deanwood residents that suggests that many Deanwood residents who have moved to Prince George's continue to maintain properties in Deanwood. There are also several corporate property investors active in the neighborhood, including Continental Development & JDI (21 single-family properties on Eastern Avenue) and Soho Financial Asset Group. This does not include multi-family (5+ unit) building investors that own several large rental complexes in the area.

Absentee ownership of single-family housing can lead to problems if it is concentrated in a neighborhood. Unlike multi-family apartment buildings, single-family rentals do not typically benefit from centralized management and economies of scale. As a result, the cost of marketing and maintaining such houses can be much higher on a per-unit basis. If the owner is not able to get an appropriate premium on the rent (above and beyond the rents in a multi-family building), then housing conditions often suffer. The owner

Deanwood & Area Average Sales Price / SF

Sources: MLS/MRIS & Randall Gross / Development Economics



is less likely to maintain the house if rents are not sufficient to cover the expenses (and sometimes, even if they are). This factor may help explain the uneven conditions of housing in Deanwood, where there is a mix of proud homeowners and conscientious landlords alongside absentee owners who do not care for their properties.

Home Again Initiative

The District's Home Again Initiative is also active in Deanwood, having targeted 83 properties as part of its reinvestment programs. As of early 2007, Home Again had designated 20 of these properties for rehabilitation. There were 13 removed for cause, 16 active investigations (clustered on 51st Street, south of Hayes) and 34 still to be investigated.

Housing Market Analysis

Target Markets

The housing analysis focused on several target markets within the Deanwood Market Area in order to address key issues such as the need for affordable homeownership. The market area and various target markets are defined below.

Deanwood Housing Market Area

The primary Deanwood Housing Market Area was defined to consist of four submarkets: Deanwood and the surrounding areas of far Northeast D.C., near Northeast D.C., and nearby suburban areas of Prince George's County, primarily inside the Beltway. While these areas are important sources of Deanwood market demand, this is not to suggest that housing demand is only driven from within this area. There would also be "inflow" to this market area from other parts of the Washington metropolitan region as well as from relocations from other parts of the country.

Target Markets

The target markets examined through this analysis include affordable homeownership, "move-ups," and "move-downs."

Affordable Housing. The dramatic increase in housing prices in Deanwood and throughout the region has caused concern about the ability of existing residents to purchase housing or even to maintain the housing they currently own. At the same time, there is also a need to increase homeownership and help create a more stable community. In order to address these concerns, the market analysis focused on the ability of Deanwood's existing renters to purchase housing and the need for affordable units.

Move-Ups. Demand for market-rate housing was also examined, with particular attention to Deanwood's opportunities for attracting move-ups from within the greater Market Area. Issues such as amenities, heritage, and lifestyle marketing are important considerations for this market. The market also includes "move-backs," or professionals who originated in Deanwood but relocated to the suburbs.

Move-Downs. The analysis assessed the housing market for empty nesters, who will be the largest demographic group over the next 20 years as "baby boomers" move into retirement. Demand from this market was examined, with particular attention given to Deanwood and surrounding portions of the Market Area.

Demographic Forecasts

Relevant demographic forecasts were completed through 2012 as one basis

for assessing housing demand in the market area. Among the relevant factors assessed were population, households, and income.

Population

The Deanwood Housing Market Area has a total estimated population of more than 323,300 in 2007. Deanwood itself accounts for about 2.5% of the total market area population. Overall, the population of the market area is expected to increase by 10,100 or 3.1% to 333,500 by 2012. Most of this growth will occur in the suburban portions of the study area, just outside of the District line in Maryland. This area will experience a growth rate of 4.1% over the next five years. The baseline projections for Deanwood as well as for areas of Near Northeast show a continued (but small) population decrease through 2012. Far Northeastern neighborhoods near Deanwood will start to see a modest population increase in the next five years.

Households

There are an estimated 118,500 households in the Market Area. Household growth is an important driver of demand for new and existing housing. The number of households in the market area is expected to increase by about 3.5% by 2012. Overall the area will gain almost 4,150 households by 2012. Household growth will continue to outstrip population growth because of declining household size. In fact, all four sub-markets of the Deanwood Housing Market Area will see increasing household base through 2012.

Rental Households. The tenure of housing was also forecasted for the market area from 2007 through 2012. This analysis found that the total number of renter households in the market area will increase by 1,900 or 3.6%, just slightly higher than the overall rate of household growth.

The number of renter households in Deanwood is forecasted to increase by 12 or 0.7%. However, this number does not necessarily translate into the demand for housing, which is explored further below.

Affordable Housing Analysis

The affordable housing analysis focused on the affordable move-up housing need of residents within Deanwood. This need is first defined in terms of the "affordability gap" but also in terms of area incomes and the ability to purchase housing at today's prices.

Affordability Gap

A basic assessment of affordability was conducted to determine whether the housing currently being marketed in Deanwood is affordable to residents there.

Based on current incomes, the typical (median income) household can afford housing prices of up to \$150,000 or rents of up to \$920, maximum. Since this measure is based on the median or middle income, then exactly 50% of existing Deanwood households would be able to afford housing at prices higher than these while 50% have incomes that can only support housing at less than these prices.

The affordable price range was then compared with the actual list prices of housing currently on the market within Deanwood. At present (as of April 2007), the median price for purchase of housing is \$224,500, which would require an income of at least \$48,500, assuming the buyer has excellent credit, limited debt and a full down payment. Based on these assumptions, 2,133 or 62% of all households in Deanwood would not be able to afford the housing that is currently being marketed within the community. The affordability “gap” or the difference between what the median Deanwood household income can afford and what is available for purchase, is therefore 12%, affecting 416 households. If credit, debt, and cash for down payment are taken into consideration, then even fewer Deanwood households would be able to afford to purchase housing at current prices.

More than 50% of Deanwood households already own their homes, so the affordability gap only affects them when they seek to upgrade or otherwise purchase another house in the community. The person most impacted by the affordability gap is the first time homebuyer or renter that wishes to move up into homeownership.

The affordable housing analysis calculated the number of Deanwood renters that are typically moving in a given year. A certain percentage of those people would chose to purchase a home while others are moving into another rental property, occasionally at a higher rental rate. There are a total estimated 190 renter moves among Deanwood residents each year. Within the broader Deanwood Market Area about 1,200 renters move each year. That number will increase by about 2.0% by 2012. Surprisingly, the largest number of renter moves is not in the heavily populated suburban areas but in neighborhoods in far Northeast D.C., surrounding Deanwood. The number of renter moves by sub-market is summarized below.

Based on the number of renters within selected income levels (exceeding limits for HUD public and assisted housing), and the competitive supply of rental housing, “move-up targets” were determined for affordable housing in Deanwood.

This analysis suggests a target of 35 affordable housing units per year (175 units over the next five years), to be captured within Deanwood (or in surrounding communities). In order to meet the affordable housing need of Deanwood residents alone, there is a target of about 14 to 15 units per year (or 70 to 75 units over five years). Again, this housing need is based on the income levels of renters who may be moving and on the percentage who would chose to purchase housing (if affordable) within Deanwood.

Demand Summary

The market analysis identified potential demand for 145 to 282 new for-sale housing units in Deanwood through 2012. This broad range depends on a number of factors, such as whether affordable homeownership units are targeted only to meet the needs of Deanwood residents or are available to others in the Market Area. Demand is summarized below by key market segment, and presented in Demand Units (DU), which represent demand for one unit of housing:

Market Niche	Demand Units (DU)
Move-up (renters, singles, Dual Income No Kids [DINKS], young families)	
o Market Rate	50 – 72
o Affordable (income less than \$50,000)	70 – 175
Move-downs (empty nester homeowners)	
o Market Rate	25 – 35
TOTAL (2007-2012)	145 - 282

Again, this analysis focused on the near-term demand for housing in Deanwood within certain niche populations. The analysis did not, for example, examine the demand for specialty senior housing products such as life care or graduated care communities. Additional work would be required to examine these specific products. However, strategic recommendations will be provided in a separate document summarizing specific marketing and (re)development concepts. These concepts must relate back to the community’s housing vision, in terms of the types and styles of housing (e.g., infill) that would be appropriate, as well as amenities and overall environment for marketing housing. Recommendations are also to be made with respect to the implementation of potential housing projects and programs to encourage the types of development that are warranted by the market and consistent with existing residents’ preferences.

This section provides the findings from a retail market analysis and opportunities assessment for Deanwood's commercial areas. An overall market analysis was conducted for the community, with a particular focus on five existing or prospective commercial districts:

- Deanwood Metro
- Dix Street
- N. H. Burroughs Corridor
- Sheriff Road Corridor
- Eastern Avenue & Division

In addition, an "opportunities assessment" was conducted for the Minnesota Avenue commercial district ("Downtown Ward 7). The scale and complexity of this commercial area require that it be examined through a more thorough market analysis at a later date. The opportunities assessment focused on identifying the primary commercial role and concepts for the district within the overall community.

A site assessment and existing inventory is based on field reconnaissance and interviews. More detailed inventory on the Minnesota Avenue area and information interviews with business and property owners would be collected as part of a full market analysis. Retail expenditure potential for the Deanwood trade area was defined and warranted demand forecasted through 2012. Based on the findings of the retail market assessment, marketing & redevelopment concepts and a business mix are recommended in Section 3 of this report.

Site Analysis & Existing Inventory

The Deanwood Study Area is primarily a residential community that is traversed by several commercial corridors. There is one commercial area in Deanwood, in terms of large, concentrated nodes of commercial activity. This node is located on Minnesota Avenue near Benning Road. There are small convenience nodes located at Eastern Avenue & Division as well as at Dix Street near Route 704 on the border of D.C. and Maryland. Not surprisingly, the scale of these three commercial nodes relates in large measure to their accessibility and to their traffic exposure.

By contrast, the two primary internal corridors within Deanwood (Nannie Helen Burroughs Avenue (NHB) and Sheriff Road) have limited commercial activity even though significant land is zoned there for commercial use. NHB is a local road that does not extend beyond the boundaries of the study area, so it does not offer exposure or access to through traffic. These two corridors lack the

exposure of nodes on the edges of the community. The Deanwood Metro offers a prospective commercial opportunity, but there is no commercial activity located there as yet. There is, however, commercial use east of the Metro station along Kenilworth Avenue at Eastern. While it lies on the periphery of the Deanwood study area, Kenilworth Avenue offers by far the most exposure for commercial uses of any street in the area.

Inventory

Deanwood's existing commercial areas have a total estimated inventory of approximately 265,800 square feet of retail commercial space. This overall mix is dominated by convenience goods stores which account for roughly 167,000 square feet or 63% of all retail space. Shopper goods stores (which sell merchandise for which consumers comparison shop) account for 19% of the space, while restaurants (generally carryouts) account for about 9% of the space. Personal service establishments (such as barber and beauty shops) account for roughly 7% of the area's commercial space. There is no entertainment venue within Deanwood that is actively used for entertainment purposes. Overall, Deanwood's commercial districts primarily serve the convenience needs of area residents.

Building vacancy is extremely low overall within actively marketed retail space in Deanwood's commercial districts, at about 2.0 to 3.0%. Normal expected vacancy in a healthy shopping center is 5.0%, which allows for turnover and helps attract new tenants. Older urban commercial districts often have vacancies that exceed this number, with relatively healthy districts having vacancies into the 8% range. The low vacancy rate in Deanwood suggests a healthy rental market for investors but also a lack of good-quality commercial space to attract new tenants. This constrains Deanwood from diversifying its retail mix and attracting the kinds of stores that appeal to the broad array of existing and potential new residents. Thus, the high occupancy levels do not necessarily translate into a "healthy" business climate, if businesses cannot locate good quality space and the image of Deanwood's retail districts is limited to the existing convenience base.

In addition, there are several vacant buildings that are being held for future investment or redevelopment that are not included in the active inventory. These buildings are primarily clustered in the Minnesota Avenue area (adjacent to the Metro) and in the Dix Street area. In addition, there are a significant number of vacant lots scattered throughout the Nannie Helen Burroughs and Sheriff Road corridors. The presence of these lots adds to the impression that these commercial areas are not functioning to their economic potential even where existing buildings are occupied.

Overall Deanwood Business Mix

As noted previously, the overall business mix is oriented to convenience goods, which account for 56% of all commercial uses (retail and office). Shopper goods account for roughly 17%, while restaurants (eating & drinking) account for 8% and personal services 6%.

Non-profits account for the largest amount of office space, based on a field inventory. Other key business uses include automotive services, real estate, and medical & health care services. The detailed business mix (based on estimated square footage) is provided below.

Convenience and personal service uses dominate the retail mix in Deanwood. There are at least six liquor stores, 14 barber shops, 12 gas stations & convenience stores, plus a supermarket and other convenience food use (such as several seafood stores). The area lacks entertainment use as well as furniture & home furnishings stores, appliances, electronics, and other destination consumer goods. In essence, there is only a limited supply of merchandise for “shopping” within the retail districts. Shopper goods mainly include shoes, casual apparel, auto supplies, and discount general merchandise stores. There is also a gap in the number of professional services to serve residents in the area.

Key Issues

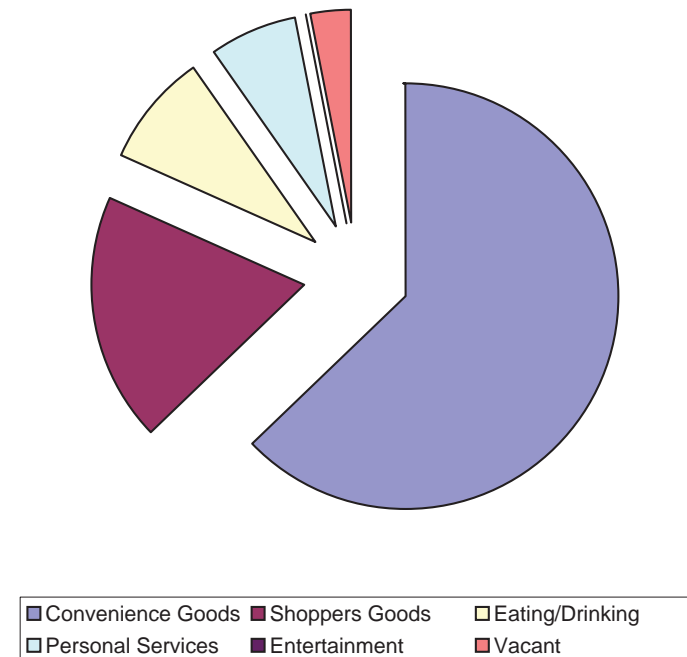
Several key issues were identified as part of the existing retail assessment and based on comments and input from Deanwood area residents and businesses. These issues are summarized below.

As noted above, the existing business mix is concentrated in secondary convenience goods with only a limited supply of shopper or destination consumer goods and no entertainment. Convenience uses such as Safeway, CVS, and the Care Drugs (near Dix Street) help meet some of the day to day needs of area residents. However, the large number of liquor stores and convenience food shops can impact negatively on the community because of the loitering and illicit activities that can concentrate at those establishments. This perception clearly does not apply to businesses that are operating a safe and clean environment. However, problems at a few liquor stores can color residents’ perceptions of the others.

There is a question of whether the existing business mix is meeting the needs of residents, not only for convenience goods but also for shopping, dining, and entertainment. The physical conditions in Deanwood’s commercial areas are also of concern, where there are vacant lots and low-quality public spaces.

Table 11. COMMERCIAL SPACE BY RETAIL CATEGORY, DEANWOOD, 2007

Category	Square Feet	Percent
Convenience Goods	166,800	63%
Shoppers Goods	50,000	19%
Eating/Drinking	23,000	9%
Personal Services	18,000	7%
Entertainment	-	0%
Vacant	8,000	3%
TOTAL	265,800	100%



Sources: D.C. Assessor, businesses, and Randall Gross / Development Economics.

Retail Market Analysis

While Deanwood has significant assets in its community heritage, these assets are not promoted or served by the businesses in the commercial areas.

Baseline Retail Demand Assessment

The market assessment examined overall demand for retail goods and services within Deanwood through 2012. Demand was determined based on the community's capture of trade area expenditure potentials in the competitive framework. The findings from this assessment are summarized below.

Total Personal Income (TPI) Forecasts

Population, households, and income were forecasted for the Deanwood trade area through 2012. The trade area was determined to be a fan-shaped area including much of Northeast Washington and extending into suburban Maryland along several highway corridors. The forecasts are summarized in Appendix Table 12. Based on these forecasts, total personal income (TPI) was determined.

The total personal income (TPI) within the trade area is estimated at \$6.35 billion in 2007, and is expected to increase by 14.7% to \$7.28 billion by 2012. The lion's share of this income is concentrated in the suburban portions of the trade area in Prince George's County. Deanwood itself has TPI estimated at \$125.6 million in 2007, increasing to \$144.0 million by 2012. This represents an increase of \$18.4 million in total income in Deanwood alone during the next five years.

Expenditure Potentials

Retail expenditure potentials were estimated at \$2.2 billion in 2007, increasing by 14.7% to \$2.5 billion by 2012. This represents an increase of \$325.5 million in total retail expenditure potential within the trade area. The fastest increase in expenditure potential will occur in near Northeast. However, most retail sales potential is found in suburban areas of the trade area.

Competitive Framework

There is significant competition for retail sales due to the relatively recent proliferation of large commercial nodes in Prince Georges County. Within a short driving distance of Deanwood is a major new retail/entertainment complex, the Boulevard at Capital Centre, which has become a de facto town center for the Largo/Landover area and is a destination attraction in its own right. Woodmore Town Center, currently under development, will feature significant retail space as well. Revitalization of H Street will gradually impact on Deanwood's capture of retail sales, especially those generated by households in near Northeast.

Table 12. TPI FORECASTS, DEANWOOD RETAIL TRADE AREAS, 2007-2012

Tr. Area	TPI (000)		2007-2012 Change	
	2007	2012	Amount	Percent
Deanwood	\$ 125,653	\$ 144,033	\$ 18,380	14.6%
Far NE	\$ 563,342	\$ 644,384	\$ 81,042	14.4%
Near NE	\$ 332,466	\$ 383,074	\$ 50,607	15.2%
Suburban	\$ 5,326,008	\$6,108,613	\$ 782,604	14.7%
Total	\$ 6,347,470	\$7,280,104	\$ 932,634	14.7%

Notes: Total personal income (TPI) expressed in thousands of constant 2000 dollars.

Source: Randall Gross / Development Economics.

Warranted Demand

Overall retail demand was determined for Deanwood through 2012, as summarized in Table 14. The market assessment identifies gross demand for about 272,000 square feet at present, increasing to almost 312,000 square feet in the next five years. Based on the site reconnaissance, there is an estimated 257,800 square feet of existing retail use in Deanwood. Therefore there is "warranted" demand for an additional 45,000 to 55,000 square feet of retail use in Deanwood.

Much of this demand is captured to serve an under-supply in shopper goods, entertainment, and restaurant space. At the same time, there is an over-supply of convenience and personal service uses, at least in the near term. Even if some demand were accommodated through renovation and occupancy of existing vacant buildings, there would still be about 25,000 to 45,000 square feet of demand for additional retail building space.

Convenience & Personal Services. While there is generally an over-supply of convenience uses, there is additional unmet demand for grocery stores and pharmacies. However, this demand is insufficient to warrant a supermarket or large drugstore. The over-supply in gas stations and other convenience use will disappear over time as the area's household and income base continue to increase. Similarly, the over-supply in personal care businesses will diminish over time. The business context will also shift, since the area is likely to have more diverse residents demanding new types of services.

Shopper Goods. There is significant demand for miscellaneous (specialty) shoppers goods, as well as apparel & accessory stores, furniture and home furnishings, appliances, and other home supply goods. As the numbers of homebuyers increase and more residents chose to renovate their properties, purchases of hardware and building supplies, furniture and furnishings will increase.

Restaurants & Entertainment. There is sufficient demand for sit-down restaurants and entertainment to generate some destination demand from surrounding communities or beyond. It is likely that most entertainment use would gravitate to the Minnesota Avenue commercial area as opposed to other locations in the study area. Minnesota Avenue has excellent access and provides a critical mass of commercial uses and restaurants.

Summary

The retail market analysis found that there is potential for additional retail use, and demand for more retail & business space, within the Deanwood study area in the next five years. However, the warranted demand for space is not even across all categories. In the near term, there is an apparent over-supply of convenience uses such as liquor and convenience stores, although there is more demand for supermarket space and drugstores. There are also more than enough personal service establishments to serve the Deanwood area in the near term. At the same time, there is increasing potential for more shopper goods such as apparel & accessory stores, specialty stores, and furniture & home furnishings. There is also an expanding existing gap in the supply of entertainment venues and “sit-down” restaurants.

This analysis suggests that there is a need for consolidation of certain neighborhood convenience and community-serving businesses in the expansive and under-developed N.H. Burroughs and Sheriff Road corridors. The Minnesota Avenue commercial district (as well as the Dix/Seat Pleasant area) have more potential to attract destination shopping due to their accessibility and exposure. The appropriate business mix, marketing concepts, redevelopment and management strategies are recommended in the section that follows.

The complete Market Assessment Report can be requested from the DC Office of Planning.

Table 13. RETAIL EXPENDITURE POTENTIALS, DEANWOOD TRADE AREA, 2007-2012

Sub-Market	2007 (000)	2012 (000)	2007-2012 Change	
			Amt (000)	Percent
Deanwood	\$ 46,492	\$ 53,292	\$ 6,801	14.6%
Far NE	\$ 208,437	\$ 238,422	\$ 29,985	14.4%
Near NE	\$ 148,612	\$ 171,234	\$ 22,621	15.2%
Suburban	\$1,810,843	\$ 2,076,928	\$ 266,086	14.7%
TOTAL	\$2,214,384	\$ 2,539,877	\$ 325,493	14.7%

Source: Randall Gross / Development Economics.

Table 14. WARRANTED DEMAND BY USE, DEANWOOD RETAIL NODES, WASHINGTON, 2007 & 2012

Type of Good	Gross Demand (SF)		Existing Uses	Warranted Demand
	2007	2012		
Convenience	140,974	161,417	166,800	(5,383)
Shoppers Goods	78,062	89,413	50,000	39,413
Eating/Drinking	33,519	38,415	23,000	15,415
Entertainment	9,368	10,726	-	10,726
Personal Services	10,261	11,752	18,000	(6,248)
TOTAL	272,185	311,724	257,800	53,924
<i>Existing Vacant</i>			14,500	
Net New Space				39,424

Source: Randall Gross / Development Economics.

Guiding Deanwood's Future



Introduction

This study was originally conceived of as a land development plan, focusing on where redevelopment should occur and how it could be leveraged to bring more retail and services to Deanwood. While that remains a very significant portion of the study, our steering committee and public meetings very quickly challenged the Office of Planning to look deeper and try to address a broader range of topics. For example, the community raised the issue of affordable housing as perhaps their most important concern. While this study does not and cannot propose a comprehensive housing plan, it does provide direction to District government agencies to begin to address these concerns.

This Section describes the Strategic Development Plan. It begins by establishing the Vision Statements and Goals which were used to guide the Plan and should be used as a baseline for evaluation as development progresses over the next 10 years. The Strategic Framework is then described. The Conceptual Framework identifies opportunities for new development and preservation of existing areas.

Specifically, the Framework includes concepts for “Focus Nodes” in Deanwood including:

- Minnesota Avenue / Downtown Ward 7
- Nannie Helen Burroughs Gateway
- Deanwood Metro Station
- Sheriff / Eastern Gateway
- Dix / Seat Pleasant Gateway

Ensuring that new development is an asset rather than a detriment for Deanwood is critical. Recommended design guidelines and development examples are included in this section.

Vision Statements

In addition to exclusively studying the land use aspects of the plan, the steering committee suggested that the following themes be further developed in order to help frame the vision for the plan:

- Highlight the rich history and heritage of community through displays of public art and history projects;
- Enhance Deanwood as the greenest neighborhood in the District. Ideas related to this include: green buildings, access to active and passive recreation (Fort Mahan and Marvin Gaye Park) and community gardens; and
- Analyze human capital needs such as the health and wellness of the community.

After formulating the overall vision of the plan, six goals were established to direct future activity in Deanwood. These goals are: Live, Worship, Shop, Work, Learn, and Play. The action items listed below highlight feedback received from the steering committee and the community relative to the achievement of the six goals. Specific recommendations associated with these goals can be found within the Action Plan of this document.

Goals

Live

- Addressing human capital needs, including health and wellness of the residents, should be an integral part of future development.
- Provide diverse housing opportunities for an inclusive population (families, seniors, young professionals).
- Place priority on increasing opportunities for home ownership by offering targeted programs and home-ownership education.
- Promote improvement of housing on abandoned and under-utilized property.
- Encourage mixed-use development (housing and retail) in the commercial areas.
- Ensure that the architectural character and scale of new buildings is compatible with the character of the existing housing.

Worship

- Encourage institutional stewardship of neighborhood revitalization projects.
- Encourage church organizations to play a role in home ownership education.
- Develop a strategy for the community-beneficial siting of future church and related facilities.

Shop

- Provide for daily shopping needs within an easy walk of all residences.
- Place priority on development of community-oriented retail.
- Improve the quality of retail opportunities, such as sit-down restaurants.
- Encourage mixed-use development (housing over retail) in the commercial areas and near transit stops.
- Encourage retail activity which supports Marvin Gaye Park revitalization.

Work

- Attract job intensive businesses in the commercial areas that support family wage incomes.
- Encourage the growth of entrepreneurial businesses.
- Provide non-traditional office space such as business incubator space, shared office space and condo offices.

Learn

- Promote a self-sustaining community with educational activities and services for all generations.
- Enhance existing educational facilities.
- Integrate educational institutions within the open space and recreational system.
- Reinforce and strengthen the cultural identity of Deanwood; integrate cultural themes and art into the design identity of the public realm.
- Develop a cultural heritage plan for Deanwood.

Play

- Promote a self-sustaining community with recreational activities and services for all generations.
- Provide for access to recreational and open space facilities within an easy-walk of all residences.
- Reinforce Marvin Gaye Park as the primary focus of the open space network with convenient pedestrian connections to all points in the community.
- Investigate converting some of the vacant lots into smaller neighborhood amenities such as community gardens.
- Enhance existing cultural resources and attract new cultural facilities.

Connect

- Maximize neighborhood connectivity and accessibility to jobs and services for new and existing residents by providing multi-modal transportation options.

Development Framework & Primary Strategies

Development Framework

The District of Columbia's Comprehensive Plan identifies a number of policies that relate to development within specific areas of the City. One of the policies specific to Deanwood encourages infill development on vacant lots within the community. This development should respect and perpetuate the low-density single family character of the neighborhood and complement the existing community character. As such, the Deanwood Strategic Development Plan identifies four primary strategies:

1. Strengthen and enhance "Focus Nodes" in Deanwood with higher quality commercial and mixed-Use development.
2. Focus strategic residential infill in the areas where there are significant vacant lots. Explore alternative community-beneficial uses for vacant lots, such as community gardens.
3. In areas with few lot vacancies, develop strategies to preserve and strengthen the neighborhood.
4. Promote residential infill along along Nannie Helen Burroughs Avenue and Sheriff Road.

Realistically, all the opportunity sites identified within this plan will not be developed concurrently. Certain aspects of each site lend themselves to the possibility of being redeveloped before others. As such, prioritizing the sites will help set a realistic expectation for implementation of the recommended action items. Components of prioritization include: on-going/planned development, opportunity sites of significant size, publicly-owned properties, and proximity to major transit hubs.

The Development Framework was based on an evaluation of vacant sites in Deanwood.

