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Q&A: Guy Steuart, Chairman, Steuart Investment Co.

Rental boom is sustainable

Residential Real Estate Focus

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Steuart Investment Co. is a partner in two major apartment projects in D.C.'s Mount Vernon Triangle neighborhood — dubbed the Meridian, with 783 units between the two towers — and also lead developer of a Giant-anchored, 215-unit mixed-use project at Third and H streets NE. We asked Chairman [Guy Steuart](#) whether he thinks the apartment boom in the District and regionwide can be sustained, and he said yes — with some caveats.

Why did you choose Mount Vernon Triangle for so many units? I'm a bit of an anomaly. We've owned this land for a long, long, long time and it was a host to other operating businesses of ours. It all stems from the automobile business we started in 1916. These are legacy lands that we have assembled to make them more developable to have a bigger impact.

You don't fear that D.C. faces a glut of new apartments? Frankly I don't know if it's sustainable in the short run. In the long run I know it's sustainable. Is there a glut coming in the next 18 to 24 months? Maybe. But if you're positioned for the long run, then you move with the market.

Is the boom sustainable? Sure it's sustainable. We're building now because the addresses and neighborhoods we're developing in have returned to commercial acceptability. The markets have moved back to vibrant. The riots came and riots went and things just sat there for a long time. Now we're beyond that and see the rebirth of a lot of addresses. We believe in the city. We believe that neighborhoods recycle themselves. We felt that ultimately the city would recover and now it has. We're fortunate to be around to participate in that rebirth.

What's feeding the apartment boom? It's happening right now in spite of the deepest recession we've seen in our lifetimes. People want to be near exciting things to do, want to be within walking distance of exciting things to do. Traffic congestion takes a toll on our lives. If you don't have to put up with it, why would you?

Will builders have to adjust unit prices to meet demand? If you build it they will come.

It's just a question of what price. How many units are in New York? Hundreds of thousands. We've been underserved.

Are your buildings filled? We're still seeing very, very strong leasing activity. Our experience has been extremely good. Part of that is time and the ability to deliver a successful project and have the capital structure to be long-term oriented in our thinking. Nothing succeeds like success.