

**ANALYSIS** January 20, 2009

## No Haven for Retail

By *Erika Morphy*

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**Framson**

**WASHINGTON, DC** - The greater Washington-area market likes to think it is relatively immune to larger recessionary forces. Oftentimes that is true, if the downturn is a small one or focused on a particular sector--like manufacturing. All bets are off, though, with this particular downturn. The best that can be said is that the presence of the federal government and other stabilizing forces will keep the bleeding to a minimum.

Retail, for instance, will fare slightly better than other areas of the country--but still not as well as could have been expected for the DC market, **Peter Howard Framson, principal with Green Light Retail**, tells GlobeSt.com. Retail rents nationwide are projected to drop between 20% to 30%. Framson says he expects to see the same levels--albeit perhaps not to the same lows--here in the DC area. "The slide down in rents is already happening."

Because the market is more stable, Framson thinks landlords will be more likely to negotiate with tenants to keep them in the building. "A lot of this will be behind-the-scenes negotiating. I think in six months we will be hearing about major concessions from landlords."