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From the Washington Business Journal:

<https://www.bizjournals.com/washington/news/2025/04/24/grocery-store-600-e-josh-simon-cpg.html>

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Commercial Real Estate

Downtown D.C. office building eyed for residential conversion sparks grocery store interest



The office at 600 E St. NW could be positioned for a grocery store if acquired and converted.

COHN PROPERTY GROUP



By [Ben Peters](#) – Staff Reporter, Washington Business Journal
Apr 24, 2025



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Downtown D.C. might finally get a new grocery store, if the stars align.

A vacant 327,663-square-foot office building located at 600 E St. NW, which once [housed offices of the Department of Justice and is now being marketed](#) as a residential conversion opportunity, has drawn interest from potential grocery store tenants, according to representatives with the Washington D.C. Economic Partnership and the brokers for the property.

Cohn Property Group said in marketing materials it's strongly advising potential purchasers to consider the inclusion of a "high quality retail component on the ground floor," noting that "grocery anchors and multiple restaurant groups have expressed interest in the building," which is located two blocks from Capital One Arena.

A rendering accompanying marketing materials depicts a corner grocery store at the building's ground level.

"The reason we are showing a grocery anchor on the ground level has to do with the fact that this area is in dire need of that use, with the closest competitor being about 10 blocks away," CPG's Josh Simon told me.

"We are of the understanding that the city is motivated to see that use in this neighborhood."



The vacant downtown D.C. office at 600 E St. NW is being marketed as a conversion opportunity.
DANIEL J. SERNOVITZ

Downtown has experienced a growing urgency for amenities like grocery stores as more office-to-residential conversions come online. The nearest major grocer to 600 E is a Safeway at 490 L St. NW, which is more than a half-mile away from the building.

Small-format grocers have expressed interest in 600 E previously, according to Simon and others.

Simon noted [The Georgetown Co.'s proposed conversion of the nearby office at 450 Fifth St. NW](#) into 500 residential units could add even more residents who are “going to need a place to shop.”

Offers on 600 E are due May 8, according to Simon, who said he's received interest from market-rate multifamily developers, hospitality groups, office developers, as well as student housing developers.

The 10-story, brick-faced property, known as Penn Quarter Place, is located within the boundaries of D.C.'s Housing in Downtown and Office to Anything conversion programs. It has three sides of windows, lending itself well to a potential conversion that could accommodate between 300 and 425 units, according to marketing materials. A potential two-floor addition would expand the building to 380,000 square feet. The property also has 300 covered parking spaces.

“Every developer we have walked through the building feels bullish about the retail given proximity to the arena and I can speak to some of the dynamics that people are seeing. Obviously it's on a corner so it's highly visible, in addition to the amount of parking that we have in the building,” Simon said.

The Department of Justice, the building's only former tenant, moved out nearly a decade ago as it consolidated its offices in NoMa's Constitution Square. Penn Quarter Place has been vacant ever since. The property's 2026 proposed assessed value is \$71.9 million, per property tax records.