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LivingSocial to expand into Penn Quarter building

Online coupon company hopes bigger space will draw more employees

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LivingSocial, a Washington-headquartered online coupon company, has secured room to grow in the east end of the city by leasing a seven-story building that dates from 1890.

The lease at 918 F St. NW will keep LivingSocial in the heart of the city's bustling Penn Quarter neighborhood near Gallery Place and Verizon Center. The company's headquarters are already in the neighborhood, at 829 Seventh Street. With 26,000 square feet,

the new building should provide enough space for the company to house 100 to 150 employees.

LivingSocial's expansion in the neighborhood, which was largely empty in the evenings 10 years ago, adds to the area's allure for companies and associations, particularly those with young employees who want to be near nightlife.

Facebook is moving its Washington offices nearby, to 1155 F St. NW, and the National Association of Manufacturers recently agreed to move its offices from Pennsylvania Avenue to a new building at 10th and G streets.

For LivingSocial, being in a unique building in a hip neighborhood is a way to attract employees, said the company's real estate broker, Jay Farmer, vice president at Jones Lang LaSalle.

Founded in Georgetown as

Hungry Machine in 2007, LivingSocial says it sells hundreds of millions of dollars of coupons annually. In December it landed a \$175 million investment from Amazon.com and recently secured \$400 million from a group of investors. (Tim O'Shaughnessy, the company's founder and chief executive, is a son-in-law of Washington Post Co. Chairman Donald E. Graham.)

"LivingSocial was looking for a distinctive architectural building in the East End and 918 F Street was a rare opportunity that worked perfectly for them," Farmer said in an e-mail.

Norman Jemal, a principal at Douglas Development, which owns the building, leases other space to LivingSocial nearby and said the company's expansion "just sort of adds to the vibrancy of the whole area."

Douglas owns a number of buildings in the east end and has been adding restaurants and retailers. Clothing store Anthropologie and St. Louis-based Pi Pizzeria are to open on the 900 block of F Street NW this summer, Jemal said, and Roti Mediterranean Grill plans to open at 1311 F St. in October.

With little available office space in Dupont Circle and other transit-accessible neighborhoods, Jemal said he expects other companies to follow suit as the local commercial real estate industry gains momentum.

"Quite frankly, there aren't a lot of space options for tenants," Jemal said. "There's nothing new that has been built in a few years now, and I think tenants are having to compete very hard for spaces."

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