

Steeplechase 95 International Business Park

Capitol Heights, Maryland
Capital Markets

OPPORTUNITY/CHALLENGE

Steeplechase 95 International Business Park is a mixed-use business park and retail center including 9200 Alaking Court, 9260 Alaking Court, 1200 Hampton Park Boulevard, and 1030 Hampton Park Boulevard in Capitol Heights, Maryland. Mark Glagola, executive managing director of the Mid-Atlantic Capital Markets Group, represented Atapco Properties in the disposition of the four buildings totaling 403,792 square feet. Two of these buildings had been built recently and were primarily leased, while the other two were not yet constructed.

SOLUTION

Glagola had observed a new trend in markets around the U.S.: Class A, high-credit tenants purchasing industrial buildings in business parks—at premium prices. While this trend had not been observed in the D.C. metro market, the broker predicted that it would happen.

Glagola persuaded the seller to market the portfolio as a scarce commodity in demand by high-quality tenants, with a price to match. The broker marketed the buildings as one of the last opportunities to buy a warehouse building at the business park in an area with a strong tenant base anchored by the U.S. government, along with projected strong local employment growth. Marketing also noted that the business park was highly visible and had quick access to the Beltway interchange.

VALUE ADDED BY TRANSWESTERN

The tactic was successful. Three buildings were sold to Invesco Core Real Estate-USA and the fourth to Restaurant Depot LLC. Even though two of the buildings had not yet been constructed, the portfolio sold as though it were primarily leased, for \$125 per square foot—one of the highest prices per square foot in the D.C. industrial market when the transaction occurred.

At the time, this type of behavior was atypical of this market.