



Steeplechase 95 International Business Park

Capitol Heights, MD
Investment Sales

OPPORTUNITY/CHALLENGE

Situated within the Steeplechase 95 International Business Park, 1032, 1100 and 1101 Hampton Park Boulevard is a three building industrial/flex portfolio located along the Baltimore Industrial Corridor in Capitol Heights, Maryland. The buildings are a total of 249,751 square-feet of best-in-class industrial/flex product residing on just less than 16 acres. Constructed in 2008, the buildings were 100% leased – two of which were single tenanted.

The initial perceptions of the buildings were that they were “typical” warehouses in Prince George’s County with in-place rents above market. In addition, the market was experiencing limited transactions, especially by the institutional capital sector, due to the slow debt market recovery in 2010.

SOLUTION

The Transwestern Investment Services team implemented a broad marketing campaign to potential investors in search of core “Class A” industrial/flex properties with credit tenants and long-term stabilized leases. Transwestern also developed a detailed offering memorandum, which demonstrated that the properties were not “typical” by stressing the significant tenant build-outs, its close proximity to retail amenities, excellent visibility from a major interstate (I-95) and above average parking ratio.

Along with the marketing campaign and offering memorandum, the Transwestern Investment Services team worked closely with ownership and corresponded with the existing tenants throughout the disposition process. The end result was that 1032 Hampton Park Boulevard was sold to the existing user at \$166 per square-foot, while 1100 and 1101 Hampton Park Boulevard sold to a national institutional investor at \$111 per square-foot.

VALUE ADDED BY TRANSWESTERN

- The Transwestern Investment Services team designed and implemented a marketing approach that targeted stabilized core industrial/flex investors.
- Offset the perception that the in-place rents were above market, which would have yielded a higher capitalization rate, by conducting detailed property tours, identifying the significant tenant build-outs and conveying that the build-outs were amortized into the base rents.
- Utilized extensive experience in selling industrial product in the Baltimore Corridor to relay to potential investors that Prince George’s County is a supply constrained market relative to new industrial product.
- A controlled bid process generated multiple offers. Each offer was analyzed taking into account price, terms, track record, and capital sources. The Transwestern Investment Services team negotiated and settled with the existing user for 1032 Hampton Park Boulevard and a national institutional investor for 1100 and 1101 Park Boulevard.