

GSA seeking leases for more than 1M square feet in region

Seven of 11 new lease requests submitted by the General Services Administration to Congress are for space in the Washington area to house a variety of federal operations.

The GSA expects to spend up to \$1.6 billion on all 11 leases, with \$395 million targeted for space locally.

Three prospectuses are for new space in the District, a total of 491,554 square feet. The GSA is seeking 254,267 square feet for the Small Business Administration, 136,787 square feet for the Agriculture Department and 100,500 square feet for the Internal Revenue Service. All three prospectuses are for space downtown, in the NoMa neighborhood or in the area around Nationals Park.

The SBA, currently at 409 Third St. SW, has a lease expiring in November 2010 and is looking for a 10-year lease.

The GSA needs even more space in Northern Virginia. It is seeking 517,759 total square feet for two Defense Department leases and 102,238 square feet for the Federal Emergency Management Agency in Arlington.

There is one Maryland prospectus — for the National Institute of Allergy and Infectious Diseases, which needs 169,731 square feet.

The four remaining prospectuses are for Missouri, Texas and Washington state.

Congress must approve the prospectuses before they go into effect. But Del. Eleanor Holmes Norton, D-D.C., has been critical of the GSA for leasing more space — rather than buying — and for not acting more aggressively while the real estate market is down.

As chair of the House Subcommittee on Economic Development, Emergency Management and Public Buildings, she has asked for a review of all the leases, particularly those in holdover status.

Recently Rep. James Oberstar, D-Minn., raised his own concerns, writing in a letter to Anthony Costa, acting GSA public buildings service commissioner, that he is “deeply concerned” about the agency’s “re-

cent approach to managing real estate and protecting the U.S. taxpayer.”

The federal government once owned 54.1 percent of the space it occupied, a number that is now below 50 percent, Oberstar said.

“This increased reliance on housing federal agencies in leased space has significantly reduced payments to the Federal Building Fund, which is used to finance new construction and maintenance of the federal real estate portfolio,” he said.

One law firm still expanding

Tully Rinckey PLLC is expanding its D.C. office to accommodate more lawyers.

The expansion adds 1,388 square feet, bringing the firm’s total office space to 2,678 square feet at 1800 K St. NW.

Tully Rinckey, which opened the local office in April 2008, plans to hire five additional attorneys over the next six months to meet the demand for legal services in the federal employment and military law practices.

Albany, N.Y.-based Tully Rinckey is one of the few firms in the U.S. that serves federal employees and military personnel.

Its expansion on two floors includes a new conference room and a revamped reception area.

“The renovation and expansion of the office reflects our strong commitment to the federal sector clients we serve,” said Mathew Tully, a founding partner. “We recognize the importance of accessibility and look forward to serving our clients in the expanded facilities.”

ULI taps new chief executive

Patrick Phillips, an expert in the economic analysis of real estate and land use, is the new CEO of the Urban Land Institute.

Phillips replaces Richard Rosan, who has headed the D.C.-based land use research and education organization for more than 17 years. Rosan will become president of the ULI Foundation, the philanthropic arm of ULI, which funds much of its work. He was previously juggling both positions at

ULI and decided to focus exclusively on his fundraising work with the foundation.



Phillips

Phillips is president and CEO of ERA AECOM, formerly Economics Research Associates, which was sold in 2007 to AECOM. His new position at ULI begins Sept. 14.

In recent years, the ULI trustee participated on such ULI advisory service panels as the post-Hurricane Katrina panel in New Orleans and the post-9/11 panel in New York.

Because of the global recession, ULI sees fewer prospects for growth in some established markets that the organization serves, but it is starting to have a larger presence in emerging markets, Phillips said.

“We need to take a fresh look at the entire portfolio of products and services ULI provides to make sure that what we offer reflects member needs, both in times of changing market conditions and for the long term,” he said.

Survey: No CRE recovery in 2009

Hope is slipping in the commercial real estate community for an economic recovery in 2009, according to a new report.

Only 10 percent of respondents in a recent survey by LoopNet Pulse Poll, an online survey of commercial real estate and investment professionals, said they expect to see a recovery in transactions this year.

That is down from 33 percent in a previous poll conducted in May.

More than 30 percent of respondents believe the recovery will come in 2011, up from 25 percent in May, and 56 percent expect it to come in 2010, up from 42 percent in the previous poll.

Here are some other findings from the survey:

- The majority of respondents expect prices to fall further, within 11 percent to 20 percent, while 20 percent expect declines of 20 percent or more.

- Among owners, 28 percent think pric-

ing in commercial real estate has bottomed and will decline by 5 percent or less. Nearly 20 percent of investors believe that too.

- 18 percent of brokers surveyed expect price declines of up to 5 percent, and 19 percent predict declines of 20 percent or more.

- 60 percent expect prices to hit their lowest level between the fourth quarter of this year and third quarter of 2010.

- The majority agreed that multifamily projects offer the best long-term investment opportunity in the current cycle.

Investment partnership buys Hyattsville apartment complex

Urban Investment Partners, in partnership with Stonebridge Investments BV of the Netherlands, has bought a Hyattsville apartment complex for \$4.1 million.

Courtyard Park Apartments, a 94-unit, garden-style apartment community at 4201-4213 Oglethorpe St., traded for \$43,617 per unit in the purchase from CYP Inc. of Maryland.

This is the first purchase under D.C.-based Urban Investment Partners’ Washington Residential Fund III, which plans to focus on multifamily investments throughout the area.

The first fund invested in four properties in Prince George’s County, and the second bought four properties in Dupont Circle.

The BMC Property Group of Bethesda and the Milam Group of Marcus & Millichap Real Estate Investment Services Inc. brokered the transaction.

The 97-percent occupied property, on the outskirts of the District in Prince George’s, offers amenities that include a private landscaped courtyard, off-street parking, individual air conditioning and laundry facilities.

The property will be managed by the company’s in-house property management group, UIP Property Management Inc.

Zoso sold to Simpson Housing

The Ed Peete Co. has unloaded one of its condo-turned-apartment proj- (CONTINUES)



H&R
RETAIL

RETAIL KNOWLEDGE ■ REAL ADVANTAGE






■ Retail Property Leasing

H&R Retail exclusively represents over 14 million square feet of retail space and 62 national and regional specialty stores and restaurants. Since 2000, H&R Retail has facilitated more than 1,400 leases, land sales and investment sales totaling over 24 million square feet of retail space with a total consideration of more than \$2.7 billion.

H&R Retail has a dedicated team providing clients with unparalleled market knowledge, aggressive marketing, extensive experience and uncompromised service.

Put the area’s largest retail real estate firm to work for you.

Washington
301.656.3030

Baltimore
410.308.0800

www.hrretail.com

A MEMBER OF
CHAINLINKS
RETAIL ADVISORS

Washington, DC ■ Baltimore, Maryland

Office

NOW LEASING

Old Town Alexandria
Waterfront II
209 Madison Street
3,121 S.F. available now. River views, on-site parking, Sport & Health Club on-site, café and convenient waterfront location.

Old Town Alexandria
The Jefferson Building
901 N. Washington Street
Up to 4,811 S.F. available. Superior access to Washington, D.C., Reagan National Airport and GW Parkway. Monument and river views.

Old Town Alexandria
Waterfront at Old Town
801 N. Fairfax Street, on North Waterfront.
1,447 S.F. - 3,488 S.F. available. River views. Next to Health Club. On-site visitor and tenant parking. Deli, printer and travel agency on-site. Superior access to Reagan National Airport, Crystal City and Washington, D.C.

Ballston
Ballston Metro Center
901 N. Stuart Street
Retail: 6,248 S.F.
Office: Up to 7,229 S.F. available. Available atop the Ballston Metro Station. Connected to Hilton and Ballston Commons Mall.

Old Town Alexandria
301 N. Fairfax Street
4,460 S.F. available now.
Up to 11 FREE reserved on-site parking spaces. Two blocks from King Street and many amenities.

Fairfax City
4103 Chain Bridge Road
2,163 S.F. to 7,671 S.F. available. Opposite the Fairfax County Judicial Complex. Free on-site parking.

Additional Sites Available in Fairfax and Alexandria.



EXCELLENCE IN LEASING & MANAGEMENT, EST. 1980

(703) 876-9590