Real Estate Alert

A Green Street News Title

JUNE 10, 2025

OneWall Tees Up Big Pa. Apartment Package

A value-added apartment portfolio in Pennsylvania is on the block with expectations it could fetch roughly $370 million.

OneWall Communities has tapped **JLL** to market the package, which comprises 1,622 units across five garden-style complexes in Harrisburg and the Lehigh Valley. At the estimated value of $228,000/unit, a buyer's initial annual yield would be 5.75%. Investors can bid on individual properties or any combination.

OneWall, a Stamford, Conn.-based investment manager, is pitching the offering as an opportunity for a buyer to gain scale or to expand its footprint at a price well below replacement costs. The sales campaign also touts the potential for renovations at all the properties, which are more than 45 years old on average.

Occupancy across the portfolio is 96%, with rents averaging $1,563, or $1.69/sf. Some 91% of the apartments are unrenovated. Updated units are generating rent

See APARTMENT on Page 9

Industrial Firms Shift to Buy Instead of Build

Warehouse developers increasingly are pivoting toward acquisitions of existing properties to expand their portfolios amid a deep construction slowdown in the sector.

The reasons for the development pullback are well documented. An unprecedented building boom in the wake of the pandemic led to oversupply, pushing occupancy and rents lower nationally. What's more, construction costs have skyrocketed amid years of high inflation, and the **Trump Administration's** tariff and immigration policies have injected new uncertainty into everything from material and labor costs to tenant demand.

That has made attractive financing for new projects difficult to obtain, as lenders have become skittish about the risks associated with development. Many existing warehouses, meanwhile, can be scooped up for prices well below replacement costs.

"Development just doesn't pencil right now, causing traditional developers to

See SHIFT on Page 8

Latest Shorenstein Office Bet Is in Nashville

Shorenstein has agreed to pay just under $225 million for a well-occupied, Class-A office building in Nashville — one of the firm's biggest purchases in the sector in years.

The San Francisco-based fund shop will acquire the 330,000-sf building at 1222 Demonbreun Street in the city's developing Gulch district. The price under discussion came close to expectations, and at under $682/sf would produce an initial annual yield topping 7%.

JLL is brokering the sale on behalf of the building's developer, a joint venture of Plano, Texas-based **Granite Properties** and **Endeavor Real Estate** of Austin.

Shorenstein, an old-line office-investment firm with roots dating to the 1940s, has been among the first such buyers to resume placing bets on the beleaguered office sector — with a clear preference for high-quality buildings in prime locations that can be snapped up at discounts to replacement value.

Last year, the firm paid $71 million for 14th & Spring, a 324,000-sf, 2022-vintage,

See OFFICE on Page 7

THE GRAPEVINE

Ashleigh Simpson is now chief investment officer for **Ancora,** a real estate and infrastructure-investment manager that works with colleges and universities. He started on June 3 in the firm's Washington headquarters, reporting to founder and chief executive **Josh Parker.** Simpson leads capital raising across investment vehicles, and oversees acquisitions and asset management. He most recently was a senior vice president and head of structured development finance for **Grosvenor,** his second stop at the company. Simpson is best known for a 15-year stint at **MetLife Investment Management,** which

See GRAPEVINE on Page 12

NoVa Apartments on the Block Again

Four years after pausing marketing efforts, the owner of a luxury apartment complex in Northern Virginia has relisted the property — this time with slightly lower pricing expectations.

The 474-unit **Sedona/Slate**, in the Rosslyn section of Arlington, is expected to attract bids of $230 million, or $485,000/unit. That's down from the $245 million, or $517,000/unit, that the complex was expected to **attract** when it last hit the market in March 2021.

Walker & Dunlop is representing owner **ASB Capital Management** of Bethesda, Md., as it did for the previous offering.

Sedona/Slate comprises two buildings completed in 2013. The 15-story Sedona contains 271 units, of which 216 rent at market rates and 55 are designated as affordable. Next door, the 12-story Slate encompasses 203 market-rate apartments.

The complex is 96% occupied at an average rent of $2,945, or $3.81/sf. Sedona's studio to three-bedroom apartments average 792 sf. Slate's studio to two-bedroom units average 746 sf.

The apartments have condominium-quality finishes including floor-to-ceiling windows, stainless-steel appliances and wood-style plank flooring. Each building has a rooftop pool with views of Washington, as well as a fitness center, lounges and a business center. The complex also has an underground garage with 432 spaces. Both buildings are designated LEED gold.

There is 1,600 sf of retail space at Sedona and 9,000 sf at Slate.

Marketing materials tout the listing as a rare opportunity to acquire a stabilized asset in the thriving Rosslyn submarket at well below replacement costs. The average household income among tenants is $184,000, for a rent-to-income ratio of 19%. The median home price in Arlington climbed to $730,000 in 2020 from $480,000 in 2015.

Average apartment rents in Arlington are up 5.2% from a year ago. And new supply remains limited, with just one multifamily project under construction within 2 miles.

Sedona is at 1510 Clarendon Boulevard. Slate is next door at 1530 Clarendon Boulevard. There is 1.2 million sf of retail space and 16.5 million sf of office space within a mile. **Amazon's** HQ2 is within 3 miles. A Metro station with service to HQ2, Ronald Reagan Washington National Airport and downtown Washington is three blocks away.

Acting via its open-end ASB Allegiance Fund, ASB purchased the property in 2013 for $222 million, or $468,000/unit, from developer **JBG Cos.,** now known as JBG Smith. ❖

Oregon Rental Pool Could Set Record

An apartment portfolio up for grabs outside Portland, Ore., could fetch more than $200 million, setting the stage for a new high-water mark in the state.

A joint venture between **Blackstone** and Vancouver, Wash.-based developer **Holland Partner Group** is shopping the 609-unit package, comprising three midrise buildings in Hillsboro's Orenco Station neighborhood. The estimated valuation translates to $328,000/unit.

Newmark has the sales assignment, which was first reported by **The Registry** without price expectations.

The six-story properties are within a few blocks of one another. They are: the 255-unit **Rowlock**, at 6380 NE Cherry Drive; the 230-unit **Vector**, at 967 NE Orenco Station Loop; and the 124-unit **Hub9**, at 980 NE Orenco Station Loop.

Blackstone **purchased** a 90% stake in the buildings in 2016 as part of $320 million **portfolio** deal with Holland, which developed them in 2015 and 2016 and retained a 10% interest. That transaction also included a fourth property, the 361-unit Juxt in Seattle, which accounted for roughly $150 million of the portfolio's valuation. That asset is not part of the current offering.

A sale of the Hillsboro buildings at the whisper price would be the largest-ever multifamily portfolio transaction in Oregon, according to **Green Street's** Sales Comps Database. The record, set in 2020, involved a 725-unit **package**, also in Hillsboro, that sold for $190 million.

The Blackstone-Holland venture is pitching the portfolio as an opportunity to scoop up Class-A assets at a 30% discount to replacement costs, with the potential to enhance returns through targeted renovations.

Each building has studio to two-bedroom units, averaging 720 to 754 sf, and amenities such as rooftop terraces with grills, parcel lockers and car-charging stations. There's also 28,000 sf of ground-floor retail space and more than 800 parking spaces stalls across the portfolio.

The properties are part of the master-planned Orenco Station community, where residents have access to shared amenities including two pools, two fitness centers and three clubhouses. The neighborhood also has a cluster of restaurants and bars, as well as retailers such as **Costco** and **Whole Foods.** A nearby commuter station provides light-rail service to Portland, 12 miles east, and downtown Hillsboro, 4 miles west.

Marketing materials highlight that the surrounding area often is dubbed "Silicon Forest" due to its concentration of technology and advanced-manufacturing jobs. **Intel** operates a research-and-development hub less than a mile north of the properties that employs about 20,000 people. ❖

CalSTRS Team To Buy NJ Warehouses

A partnership between **California State Teachers** and **Principal Asset Management** plans to pay **Invesco Real Estate** about $187 million this month for three industrial properties in Northern New Jersey.

The deal, expected to close in two separate transactions, encompasses 518,000 sf in Bogota, North Arlington and Teterboro. The price works out to just over $360/sf.

Cushman & Wakefield marketed the properties via three listings, as each has a different profile. All are in the strong Meadowlands submarket and appealed to the CalSTRS-Principal joint venture as a package.

The largest property, totaling 221,000 sf, is at 333 North Street in Teterboro, just off Interstate 80. **Fashion Logistics** fully leases the warehouse through 2028. The company handles apparel distribution for **Jimmy Choo** and **Michael Kors.** The partnership will pay $75 million for that property.

Cross Street Logistics Center comprises two warehouses totaling 188,000 sf at 30 Cross Street in Bogota, near the interchange of Interstates 80 and 95. The buildings, completed last year, measure 98,000 sf and 89,000 sf and are vacant. They have 36-foot ceilings and other high-quality features. That property is set to trade for about $63 million.

The smallest property totals 109,000 sf at 12 Porete Avenue in North Arlington. Completed in December, it is fully leased to **Wang Globalnet** through 2039. The tenant, a food importer and distributor, took occupancy in January, paying a starting rent of $21/sf with 3.5% annual rent bumps. The warehouse has a 40-foot clearance height. The price tag comes in around $50 million.

New Jersey has had several large industrial sales recently. For example, in March **Prologis** paid $197.7 million for 1.1-million sf of industrial space in Monroe Township, near Exit 8A of the New Jersey Turnpike. Cushman also advised that seller, **Atlantic Realty Development** of Woodbridge, N.J.

And last month, **Bain Capital** and **Oliver Street Capital** paid **Blackstone** $208 million for a 784,000-sf industrial portfolio in Northern New Jersey. ❖

Half-Vacant Charlotte Offices Shown

A Class-A office tower in Charlotte's central business district has hit the block, one of the largest such offerings in an otherwise sleepy sales market this year.

The 389,000-sf building, at [440 South Church Street](), is 47% occupied and is being pitched as an opportunity to lease up a high-quality and well-located property. It's expected to draw bids of $70 million to $75 million, or up to $193/sf, from traditional office investors.

CBRE has the listing on behalf of **Epic UK,** which bought the 15-story building for $108.8 million in 2014. That London-based firm, led by brothers **Steven Elghanayan** and **Michael Elghanayan,** has seen several of its U.S. office properties sold off by lenders in recent years.

While Charlotte arose as a darling among office investors over the past five years, large listings have been relatively scarce this year. The market recorded just one office trade worth $25 million or more in the first quarter, according to **Green Street's** Sales Comps Database.

The property at 440 South Church could appeal to an increasing number of investors who are chasing office deals once again. The sales campaign touts that lifting occupancy to about 95% would generate a 12% stabilized return on cost. It also notes that existing tenants have a weighted average remaining lease term of 7.2 years, providing steady income while a buyer works to lease the vacant space.

The glass-clad tower was completed in 2009 and recently underwent about $1.4 million of improvements. There's an updated lounge, a fitness center and a workout studio.

The property is on the southern end of Charlotte's central business district, surrounded by stores, hotels and residential towers. It's within a block of Romare Bearden Park and a few blocks from Bank of America Stadium, home of the **Carolina Panthers** football team.

Charlotte's office-leasing market recorded 286,000 sf of positive net absorption during the first quarter, according to a CBRE report. It was the first January-to-March gain since 2020.

Average asking rates for Class-A space ticked up to $35.12/sf. While occupancy averages 75.3%, some two-thirds of the vacancy is contained in just 10% of the market's office stock. ❖

Builders Shop Apartments in Brooklyn

A development group is marketing a new apartment building in an up-and-coming Brooklyn neighborhood.

The listing is for the 132-unit property at 130 Second Street in Gowanus, which has seen a wave of redevelopment in recent years. The 13-story building opened in January and is in its lease-up phase.

Bids are expected to come in around $120 million, or $909,000/unit. A buyer's stabilized annual yield at that price would be in the mid-5% area. The New York-based developers — **Meral Property, Joyland Management** and **Loketch Group** — have given the marketing assignment to **JLL.**

Twenty-five percent of the building's units are set aside as affordable housing, none of which have been leased. Of the remaining market-rate units, 70% are leased, according to marketing materials.

The one- and two-bedroom units average 704 sf and have floor-to-ceiling windows, stainless-steel appliances, high ceilings and washer/dryers. Amenities include a landscaped rooftop terrace, a fitness center and coworking space.

The property has nearly 12,000 sf of street-level retail space, roughly half of which is under letters of intent from tenants. A nearby **Whole Foods** helps drive tenant demand, according to marketing materials.

A buyer would benefit from a 35-year tax abatement granted in exchange for the units set aside as affordable housing. JLL has told bidders the abatement would result in $39 million of tax savings.

The property is along the Gowanus Canal, a long-polluted 2-mile waterway that government officials began cleaning a decade ago. That federal effort prompted a rezoning of the formerly manufacturing-heavy neighborhood that has led to a wave of apartment projects.

In the latest, a partnership of **Charney Cos.** and **Tavros** last week revealed plans to build a 1,000-unit tower at 175 Third Street, which would be the venture's fifth development in the neighborhood, according to the **New York Post.** ❖

Orlando Value-Added Rentals Pitched

A garden-style apartment complex in suburban Orlando is being pitched to value-added investors.

The 322-unit Solaya could attract bids of $94 million, or $292,000/unit. **JBM** is marketing the property on behalf of New York-based **Abington Properties.**

The four-story complex comprises eight buildings and a clubhouse on 16 acres at 11833 Westwood Boulevard. It was built in 2018 and is 96% occupied. The gated community has a density of 19.8 units/acre.

Its one- to three-bedroom units average 1,056 sf, with rents averaging $2,089, or $1.98/sf. Units have open-concept floor plans, wood-style flooring, stainless-steel appliances, quartz counters and large screened-in patios or balconies.

Amenities include a fitness center, a dog park, a lakefront infinity pool and a clubhouse that includes a coffee station, a game room, private offices and lounge space. Attached and detached garages and storage units are available for rent.

The listing is being pitched as an opportunity to acquire an asset with value-added potential that is priced well below replacement costs. Additionally, with rents around $133 below those at comparable area properties, there's room for rent growth as leases renew.

The 285-bed Orlando Health Dr. P. Phillips Hospital is 2 miles from the property, and there is a **Publix** and a **Target** within 2 miles.

The property is near major attractions and employment hubs, including Orlando Premium Outlets (5 miles), Walt Disney World (7 miles) and the new Epic Universe theme park (3 miles). Downtown Orlando is 11 miles away. ❖

New Warehouse in Wisconsin Teed Up

Dermody is marketing a new distribution facility in Wisconsin that is fully occupied by a single tenant under a 20-year lease.

The property totals 594,000 sf in Pleasant Prairie, 40 miles north of Chicago's O'Hare International Airport. It is expected to attract bids of $115 million, or $194/sf. At that price, a buyer's initial annual yield would be 5.25%. **Colliers** is representing Reno-based Dermody, which completed the warehouse this year.

Smurfit Westrock, a publicly traded packaging company based in Dublin, uses the facility for manufacturing and distribution of corrugated cardboard products. The operation, which spent $140 million on improvements to the property, has a triple-net lease with 4% annual rent bumps.

Smurfit produces annual net sales of $7.7 billion and has 100,000 employees across 40 countries, according to marketing materials. It has credit ratings of Baa2/BBB/BBB from **Moody's Ratings, S&P** and **Fitch.**

The offered facility has 40-foot clearance heights, 35 dock doors that are expandable to 132, two drive-in doors, truck courts 150 feet deep and 156 parking stalls. It is on 31 acres at 9423 Koessl Court, in a master-planned development called LogistiCenter at Pleasant Prairie.

The park is the only such development region with access to both the **Union Pacific** and **Canadian Pacific** rail lines, according to marketing materials. The pitch also touts the property as "one of the world's most environmentally conscience and highly automated corrugated manufacturing plants," designed to generate less waste and use less energy than similar facilities.

The facility is in the Chicago industrial market, which has a 95.2% occupancy level, versus 92.9% for the U.S. overall. ❖

Florida Office Complex Dually Listed

Women's apparel company **KnitWell** has listed an office campus on Florida's Gulf Coast in two pieces with differing investment profiles.

The property, in Fort Myers, totals 511,000 sf across 10 buildings that include the headquarters of KnitWell subsidiary **Chico's FAS.** One component consists of three buildings totaling 311,000 sf that KnitWell plans to lease back fully for Chico's. The remaining 200,000 sf, in seven buildings, is 77% leased by Chico's and a few other tenants that account for 50,000 sf.

The components are available separately or as a package, with an estimated combined value of $95 million. **JLL** has both marketing assignments.

The larger listing has a core profile. Expectations are that bids will hit around $65 million, which would produce an initial annual yield approaching 8.7%.

KnitWell plans to sign a 15-year lease on the buildings with absolute triple-net rents that start at $18.08/sf and increase 3% annually. Chico's has been a tenant at the property since 1994 and in 2020 spent $4.5 million on improvements. The buildings, ranging from 17,000 to 152,000 sf, house 686 staffers.

The smaller listing, meanwhile, is expected to draw bids around $30 million from investors with value-added strategies. KnitWell would be willing to sign a master lease for the entire component, which consists largely of single-story buildings and some flex space.

Alternatively, the company could lease 52% of the space, or 104,000 sf. That would create opportunities for a buyer to fill 46,000 sf of vacant space while boosting rents to market rates from levels currently 19% below market.

The Fort Myers office market totals 16.9 million sf, with an occupancy level of 96% and asking rents that average $22.88/sf on a triple-net basis.

The campus includes fitness and health centers, a cafe, pickleball courts and an auditorium. It is on 57 acres at 11215 Metro Parkway, in an area dense with residential neighborhoods, retailers and hotels.

Chico's FAS encompasses the Chico's, **Soma** and **White House Black Market** retail chains. Last year, private equity firm **Sycamore Partners** bought the operation and merged it into KnitWell, which Sycamore already owned. Knitwell, which also encompasses the **Ann Taylor, Loft** and **Talbots** brands, generated $5 billion of revenue in 2024. ❖

Chicago-Area Multifamily Hits Market

Bridge Investment Group is pitching a suburban Chicago apartment complex as a value-added play.

The 420-unit Fox Valley Villages, in Aurora, is expected to attract bids north of $98 million, or $233,000/unit. **Newmark** is marketing the property on behalf of Salt Lake City-based Bridge.

The garden-style complex was built in 1986 and 1992 and comprises 18 three-story residential buildings, a clubhouse, a stand-alone fitness center and a maintenance garage. Its one- and two-bedroom units average 961 sf, and about half have two-story floor plans. They are 96% occupied at rents averaging $1,910, or $1.99/sf.

Amenities include two pools, a clubhouse, a business center, a fitness center and a dog park. There are 687 surface parking spaces, 40 detached garage spaces and 20 handicapped spaces.

According to marketing materials, 70% of the units are ripe for renovations, and upgraded apartments are achieving rent premiums of $250. A buyer also could generate additional revenue by continuing a patio installation project. Bridge has added three dozen patios to date at an average cost of $5,400 apiece. Each has bolstered rents by $75.

The property, at 710 South Eola Road, is in the affluent Naperville/Aurora submarket, just south of the Interstate 88 technology and research corridor. Nearby employers include **Amazon, LTD Industries, MetLife, Nokia** and **Ryder Distribution.**

A commuter-rail station 3 miles away provides service to downtown Chicago, 33 miles northeast.

Bridge bought Fox Valley Villages in August 2021, paying **Torchlight Investors** $72 million, or $171,000/unit. ❖

2 Sunset Strip Offices Out for Bid

Two boutique office buildings on the Sunset Strip in West Hollywood, Calif., are up for grabs and are expected to fetch $90 million.

The Class-A properties total 124,000 sf that is 38% occupied. Bids are anticipated to come in around $726/sf. **Newmark** is marketing the buildings as a portfolio for online dating company **Match Group,** operator of Match.com, which will fully lease back one of the buildings for six years.

The listing offers investors an opportunity to purchase trophy assets and "gain immediate critical mass in one of the highest barriers-to-entry markets on the West Coast," according to marketing materials. The pitch is that the lease with Match, a tenant with investment-grade credit, would provide a buyer with "bulletproof cashflow" as the new owner focuses on leasing up the vacant space.

The larger property, which is vacant, totals 77,000 sf at 8800 West Sunset Boulevard. The seven-story building was completed in 1986 and renovated in 2022. The building Match occupies totals 47,000 sf across five floors at 8833 West Sunset Boulevard. It was built in 1959 and renovated in 2004.

The buildings are across the street from each other on the 1.7-mile Sunset Strip, one of the "most iconic destinations in Los Angeles," according to marketing materials. In addition to stores and restaurants, famous music clubs the **Viper Room** and **Whisky a Go Go** are near the buildings. ❖

Philadelphia-Area Retail Up for Grabs

Investors are getting a crack at a grocery-anchored shopping center in suburban Philadelphia worth about $85 million.

Quarry Center totals 223,000 sf in Havertown. It is fully leased with a weighted average remaining term of 7.1 years. A purchase at the estimated value would give a buyer a 6.1% initial annual yield, based on year-one net operating income of $5.2 million.

CBRE has the listing on behalf of an unidentified wealthy Philadelphia-area family. The marketing campaign is pitching it as a core offering and is touting the property's location in the affluent Main Line suburbs of Philadelphia.

Two anchors, grocer **Giant** and home improvement retailer **Lowe's,** each operate under leases that run through April 2033 with six five-year renewal options. The stores are the chains' most visited in the state, and rank near the top nationally.

Lowe's occupies 121,000 sf and generates 45% of the center's income, while Giant occupies 76,000 sf and accounts for 32%. Other tenants include **Chipotle, Panera Bread, Santander, Supercuts** and **Xfinity.**

The center, built in 2013, is on 31 acres at 116 Township Line Road. It includes a 3,500-sf outparcel that can accommodate future development.

Within 3 miles, there are 229,000 residents with an average household income of $119,000 and an average age of 39. The property draws from a larger trade area, according to marketing materials, with 645,000 residents that have an average household income of $102,000. ❖

Shop Acquires 1st Miami-Area Retail

Continental Realty has paid $87.5 million for a grocery-anchored shopping center in South Florida, its first retail purchase in Miami-Dade County.

The Baltimore-based fund operator closed on its acquisition of CityPlace Doral, in Doral, last week. The 235,000-sf property is 80% occupied, and Continental is expected to focus on leasing the vacant space.

JLL had the listing on behalf of **PGIM Real Estate.**

Built in 2017 on nearly 18 acres, CityPlace is anchored by **Fresh Market,** restaurant **Cooper's Hawk** and **Anatomy Fitness.** The tenant roster of 30-plus stores also includes **CMX CineBistro, Copper Blues Rock Pub & Kitchen, Kings Dining & Entertainment,** and restaurants **Kuba Cabana, Novecento** and **Tap 42.**

There's also an open space, dubbed Central Plaza, that serves as a community gathering spot for viewing parties and other events.

The purchase marks another new market for Continental, which last fall made its first acquisition in Utah. The firm bought the 630,000-sf Crossroads of Taylorsville, in Taylorsville, from **TriGate Capital** for an undisclosed price. The firm also made its first two retail buys in Virginia last year.

Continental is investing via Continental Realty Opportunistic Retail Fund 1, which has raised $323 million of equity between the $200 million main fund and co-investments. The fund has bought 15 properties totaling 3.75 million sf since its final close in 2023.

Part of the pitch for the CityPlace Doral purchase is that the surrounding market is 97% occupied and has a high barrier to entry, positioning Continental to fill space quickly and lift rents to market rates. The center draws more than 2.3 million visitors annually, according to **Placer.ai** data.

The property is at 8300 NW 36th Street, 9 miles northwest of downtown Miami. It's within the broader CityPlace Doral master-planned community, which also has a separately owned apartment complex that sits above a portion of the retail center. Those apartments drive foot traffic, as do several other developments.

Overall, more than 460,000 people with an average household income of nearly $90,000 live within 5 miles of CityPlace Doral. Additionally, some 195,000 people work within 3 miles.

Continental is led by chief executive **JM Schapiro,** while senior vice president **Josh Dinstein** oversees retail acquisitions. ❖

Developer Floating SFR Near Chicago

Developer **Lynd Living** is marketing a new build-to-rent community in suburban Chicago that's expected to attract bids of $80 million.

Home at Ashcroft, in Oswego, comprises 178 attached single-family rental units. The estimated value comes out to $449,000/unit. San Antonio-based Lynd has given the listing to **Newmark.**

Lynd completed the complex this year. The property is 80% leased and 64% occupied.

Units have two-story and ranch-style layouts that average 1,642 sf, each with three bedrooms. Rents average $3,511, or $2.14/sf.

Marketing materials indicate the property originally was designed as for-sale homes, resulting in wider layouts than typical townhouses. The units have two-car garages, basements and fenced yards. Interiors have open-concept floor plans and high-end finishes, including quartz counters, stainless-steel appliances and wood-style plank flooring.

Amenities include a pool, a fitness center and a dog park. There also is a 5,500-sf clubhouse with a library, a party room, coworking space and a game room.

Part of the pitch is that opportunities to acquire single-family rental communities in suburban Chicago neighborhoods with top school districts are rare.

Home at Ashcroft is at 137 Dorset Avenue, 8 miles south of the affluent Aurora market, 10 miles southwest of Naperville and 40 miles southwest of downtown Chicago. The property also is near major transportation corridors including Route 34 and Interstate 55. ❖

Full Blockfront in Queens Available

AB Capstone is shopping a two-building portfolio in Queens with a $36 million asking price.

The listing consists of a 68,000-sf auto showroom at 45-01 Northern Boulevard and a 9,700-sf mixed-use building at 34-08 46th Street. The pitch is that the adjacent properties present an opportunity to own a full blockfront along Northern Boulevard, a busy throughfare in the Long Island City neighborhood.

The asking price translates to $460/sf. **Cushman & Wakefield** is representing AB Capstone, a Queens-based investment shop led by **Meir Babaev.**

The firm **bought** the portfolio for $24.5 million, or $313/sf, in 2019 from an unnamed seller. It since has significantly upgraded the auto showroom, with improvements including a new facade and new electrical and plumbing systems.

The two-story building, which has a billboard on its roof, is half occupied. However, bidders have been told there are lease agreements in place that will bring it to nearly full occupancy. The space is divisible, offering flexibility to lease it to one larger retail tenant or multiple smaller ones.

Part of the pitch also is that retailers want to be in the neighborhood, where a wave of residential development has taken place in the past 20 years.

The smaller building is on the market as a lease-up play, or as a chance to buy land for future development. There's also on-site parking.

The marketing effort highlights the buildings' location, close to the Grand Central Parkway, the Brooklyn-Queens Expressway and the Long Island Expressway. It's also near multiple subway stations connecting to Midtown Manhattan, 3 miles west. ❖

Office ... From Page 1

trophy-quality building in Atlanta that was delivered fully vacant. And last week, it closed on an $84.3 million **acquisition** of the 220,000-sf building at **901 K Street NW** in Washington, a renovated property in the city's East End that is 64% occupied.

The Nashville acquisition would be the firm's largest arm's-length office buy since August 2021, according to **Green Street's** Sales Comps Database. The exception is an unusual transaction last year in suburban Seattle, when a Shorenstein joint venture sold **Spring District Block 5** and **Spring District Block 6** in Bellevue for a combined $531 million to its own investment vehicle, Shorenstein Realty Investors 14.

The Nashville property's sale would be the city's largest since November 2022. Despite being a favored market among investors, only four single-asset office sales have topped $100 million since 2020, largely due to a lack of listings. Year to date, no sales there have topped $25 million, according to the Sales Comps Database.

The property under contract is 93% leased with a weighted average remaining term of 6.5 years. Agreements on 7% of the space are set to expire annually over the next five years. Rents average $39.78/sf on a triple-net basis, which is 18% below average market asking rates.

The 19-story, glass-clad building was completed in 2020. It has trophy-quality finishes and amenities, and includes about 6,000 sf of ground-floor retail space. Replacement costs are estimated at roughly $750/sf.

The building is the first phase of Gulch Union, a mixed-use project that eventually will include a luxury residential tower, a hotel and retail space. The development is on the block bounded by 12th and 13th Avenues South and Demonbreun and McGavock Streets, a short distance from downtown Nashville.

A wave of construction in the surrounding Gulch neighborhood has added 1.2 million sf of trophy-level offices to existing residences and retail establishments, according to marketing materials. That's made it a draw for tenants seeking to relocate from older properties in the traditional downtown. ❖

Shift ... From Page 1

consider other business plans," said **Barbara Perrier,** a **CBRE** vice chair. "Many of these groups are now looking at value-add industrial to grow [assets under management] and develop new business sources and revenues."

Perrier noted that during the boom emerging from the pandemic, companies raked in profits from new projects and built up their development and asset-management arms. "[Now], if you are a developer, you have to pay the bills and figure out other ways of making money to pay all of those people you hired," she said. "So, my sense is we are going to see more of this."

Just this week, **NorthPoint Development** closed on its largest-ever industrial purchase, paying roughly $270 million for a 2.6 million-sf portfolio near Chicago. Since launching in 2012, the Kansas City, Mo.-based firm has relied largely on warehouse and multifamily development to reach its $19.6 billion under management.

Cushman & Wakefield marketed the portfolio for seller **High Street Logistics Properties,** touting the whisper price as being well below replacement costs. It also noted the upside potential in boosting the 90% occupancy and rents, which average 21% below market rate.

Meanwhile, developer **Dermody's** latest fund, which has $1 billion of equity, has seen half of its activity allocated to acquisitions of existing warehouses so far. By comparison, the Reno, Nev.-based firm's previous fund — a similarly sized vehicle that wrapped up investing in March 2023 — deployed just 15% in acquisitions, with the remaining 85% invested in development plays.

"In 2022 and 2023, nobody was afraid of leasing risk, so everyone wanted to take development risk," said **Timothy Walsh,** a partner and chief investment officer at Dermody. "That changed when the [**Federal Reserve**] started moving rates, and you started seeing redemption requests and lenders pulling back."

Add to that the fact that "everything is more expensive — steel, concrete, land," and existing buildings are comparatively less expensive, he said. What's more, such deals can work well for sellers.

"If someone [acquired] a building … pre-2020, when we started to see inflation [rise], they could sell for less than replacement costs but still make money and declare victory," Walsh noted. "But we can still buy it for less than what it costs to build today."

Dermody, founded in 1960, historically had been a development firm. Nine years ago, it brought Walsh aboard and began to build out its capacity to purchase existing buildings, which has given it more flexibility in the current environment.

"Our approach was intentionally designed to do either strategy depending on what the market is giving us," Walsh said. "We are finding value in sales of existing buildings [now] because those sellers are willing to sell for prices we think are justified, and we will pull the trigger if it meets our return expectations."

CapRock Partners, a development and fund-management firm based in Newport Beach, Calif., also has adopted a hybrid approach.

"Development is cyclical," said **Jon Pharris,** CapRock's co-founder and chief investment officer. "There are periods of time that can last for years [in which] it makes a lot of sense to do development, especially at the beginning to middle of an overall economic recovery cycle. There are also periods of time where there is too much supply, more risk, no financing, and development doesn't make sense."

CapRock was developing 5 million sf per year in 2022 and 2023. Now, it has just 20% of that amount — roughly 1 million sf — under construction. The firm also stayed largely on the sidelines of the industrial-sales market in recent years — buying nothing in 2021 and 2022, when it deemed the market too frothy.

"Today, the economics makes more sense to buy existing, so we have been active," Pharris said, noting that the firm recently scooped up a warehouse in Dallas for 80% of replacement costs. But he added that the market is deeply fragmented and has pockets of weakness and strength.

"In certain markets in Texas, it still makes sense to develop," Pharris said, pointing to strong absorption and other economic

See SHIFT on Page 9

Shift ... From Page 8

trends. "But it's the exact opposite in almost every West Coast market. They have been impacted more by tariffs and uncertainty. Anything touching the Pacific Ocean is riskier right now."

Some of the best buying opportunities, he said, are emerging from other developers who overextended themselves during the pandemic because "they expected the unprecedented leasing during Covid to continue forever." For example, many so-called merchant developers, which build properties to lease up and sell quickly, have been left with vacant or partially leased properties as the leasing market has weakened, and they're now facing maturing loans.

"In stronger markets, they can still make a profit today," Pharris said. "In softer markets — and there are more softer markets today — they would be lucky just to get their capital back."

To be sure, the supply-demand overhang has been felt across much of the country. Nationwide, first-quarter vacancy hit its highest level since 2014, as completions outpaced absorption for the 11th straight quarter, according to CBRE. Meanwhile, industrial space under construction fell to its lowest level since 2017, at 220.6 million sf, and new starts dipped 20% to 34.7 million sf.

Market pros don't expect a big rebound in construction any time soon, likely meaning that developers' pivot to acquisitions will accelerate in the coming months.

CBRE's Perrier said that developers with strong track records of working with institutional partners are well positioned to land equity for moving into existing warehouses. "If you have already given them a bucket of money and you've done well in development, it is pretty easy to say, 'Now we'll give you a bucket of money to buy value-add industrial,' " she said.

Case in point: Chicago-based **Bridge Industrial,** another firm with development roots, announced this year a $789 million joint venture with **CPP Investments** to invest in high-quality industrial properties in several core U.S. markets. The duo previously had teamed up in 2021 on development deals.

But CapRock's Pharris noted that not all developers will be able to make such a transition successfully.

"The complexity of managing an asset is significantly different than merchant building and selling two to three years after construction," he said. "Not every builder has the staffing and expertise to do that." ❖

Apartment ... From Page 1

premiums averaging more than $130.

The largest property is the 626-unit Capital Pointe, a 39-acre complex in Harrisburg. OneWall had shopped that workforce-housing complex a year ago via **CBRE.** Bids at the time were expected to exceed $90 million, but no sale materialized.

The previous listing included the option to take over a $58.2 million **Fannie Mae** loan with a fixed 5.37% coupon and interest-only payments. It's unclear if that assumable debt, which matures in 2033, is still available.

The remaining properties are in the Lehigh Valley, a growing region 50 miles north of Philadelphia. They are: the 384-unit Landings, in Bethlehem; the 250-unit Trexler Park and the adjacent 216-unit Trexler Park West, in Allentown; and the 146-unit Brooke, in Whitehall Township.

OneWall bought the Harrisburg complex in 2020, paying **AJH Management** $61.5 million, or $98,000/unit. It snapped up the Lehigh Valley properties from **Lone Star Funds** in a 2019 portfolio deal worth $178.5 million.

During its ownership, OneWall has invested more than $15 million across the properties, targeting apartment upgrades and deferred maintenance. Improvements include new flooring and carpeting, as well as updated plumbing and heating-and-cooling systems.

Apartments across the portfolio range from studios to three bedrooms, though more than 95% have one or two bedrooms. There also are 76 townhouse units with garages at the Brooke.

OneWall's offering is at least the third large multifamily portfolio involving Pennsylvania properties to hit the market this year. In May, family-owned developer **B&F Properties** tapped CBRE to market a 759-unit portfolio in Lancaster and Cumberland Counties, with bids expected around $170 million. And in January, **Samuel Geltman & Co.** listed a 3,683-unit package in New Jersey and Pennsylvania that was expected to command $750 million. That offering, also marketed by CBRE, drew strong investor interest and since has been broken into five subportfolios, all of which are under contract and are slated to close by September. ❖

OneWall's Pennsylvania Rental Portfolio

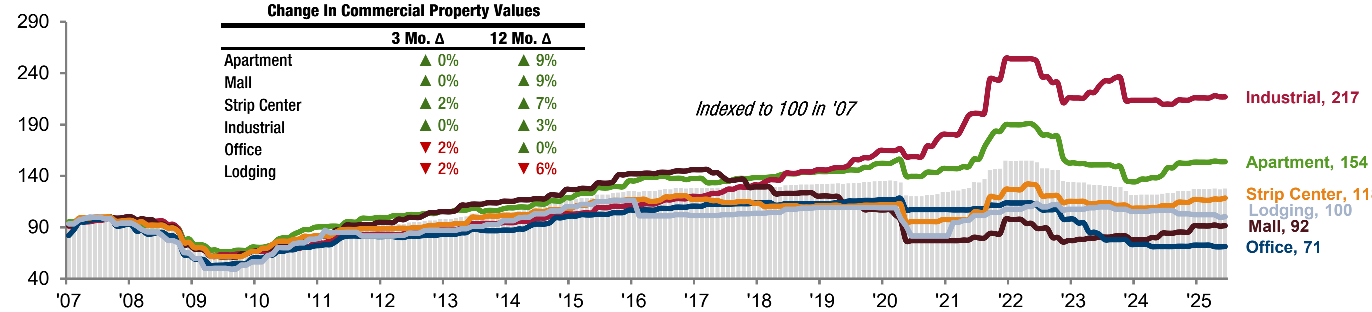
Property	Address	Units	Built	Unit Size (SF)	Rent (per SF)	Occ. (%)
Capital Pointe	4212 Williamsburg Drive, Harrisburg	626	1966	818	$1,161 ($1.42)	96
Landings	1818 Catasauqua Road, Bethlehem	384	1973	922	1,732 (1.88)	97
Trexler Park	3616 Tilghman Street, Allentown	250	1962	887	1,717 (1.94)	96
Trexler Park West	3650 Tilghman Street, Allentown	216	2006	1,036	1,974 (1.91)	97
Brooke	1988 Presidential Drive, Whitehall Township	146	1987	1,254	1,968 (1.57)	97

MARKET MONITOR

SUMMARY

- Green Street's CPPI, a measure of institutional-quality property values, increased 0.6% in May.
- Data-center valuations have risen almost 3% over the past month, the largest increase among all sectors.
- Industrial-property values are up 3% over the last 12 months but remain 15% below their March 2022 peak.
- Year to date, data-center REIT total returns average minus-1%, while industrial REIT total returns average 2%.

GREEN STREET COMMERCIAL PROPERTY PRICE INDEXES



Change In Commercial Property Values

	3 Mo. Δ	12 Mo. Δ
Apartment	▲ 0%	▲ 9%
Mall	▲ 0%	▲ 9%
Strip Center	▲ 2%	▲ 7%
Industrial	▲ 0%	▲ 3%
Office	▼ 2%	▲ 0%
Lodging	▼ 2%	▼ 6%

Source: Green Street

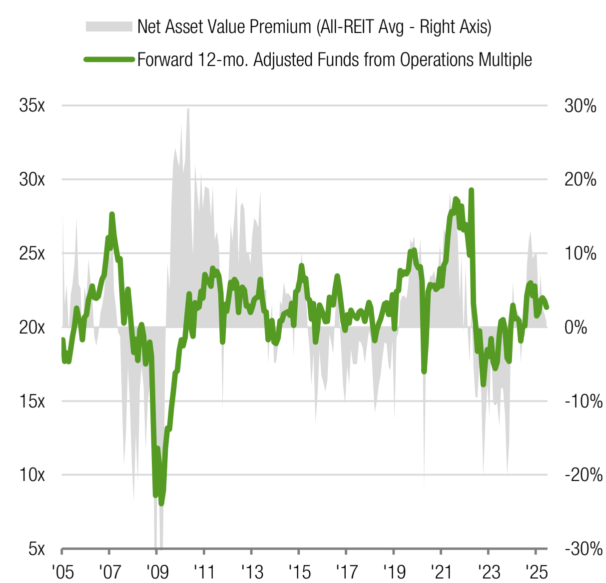
PUBLIC MARKET PERFORMANCE

	Total Returns*			Pricing Metrics			
	1 mo.	YTD	Last 12M	Nominal Cap Rate	Implied Cap Rate	Prem to NAV	Prem to Assets
RMZ	1%	1%	13%				
S&P	6%	3%	14%				
US 10-Yr.	0%	3%	5%				
Apartment	-3%	-3%	9%	5.2%	5.7%	-13%	-10%
Data Center	6%	-1%	24%	6.1%	5.8%	8%	5%
Healthcare	1%	10%	25%	7.2%	4.9%	82%	58%
Industrial	2%	2%	-2%	5.1%	5.6%	-11%	-9%
Lodging	3%	-15%	-10%	8.2%	9.9%	-27%	-17%
Mall	0%	-6%	11%	7.0%	7.0%	1%	1%
Manu. Housing	0%	0%	10%	4.8%	5.4%	-13%	-10%
Net Lease	0%	7%	12%	7.3%	6.8%	14%	9%
Office	10%	-5%	27%	7.4%	7.7%	-6%	-4%
Storage	0%	2%	10%	5.6%	5.4%	5%	4%
Strip Center	1%	-7%	14%	6.6%	6.9%	-7%	-4%
Wtd. Avg.	**1%**	**1%**	**13%**	**6.3%**	**6.6%**	**-7%**	**-5%**

*Pricing as of 06/09/2025

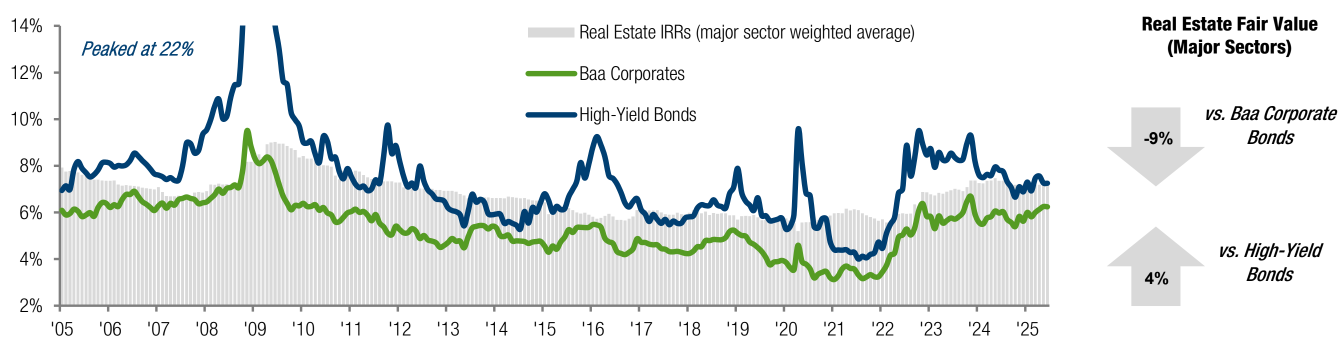
Sources: Bloomberg, Green Street

NAV PREM. AND REIT AFFO MULTIPLES



Source: Green Street

REAL ESTATE RETURNS VS. BOND YIELDS

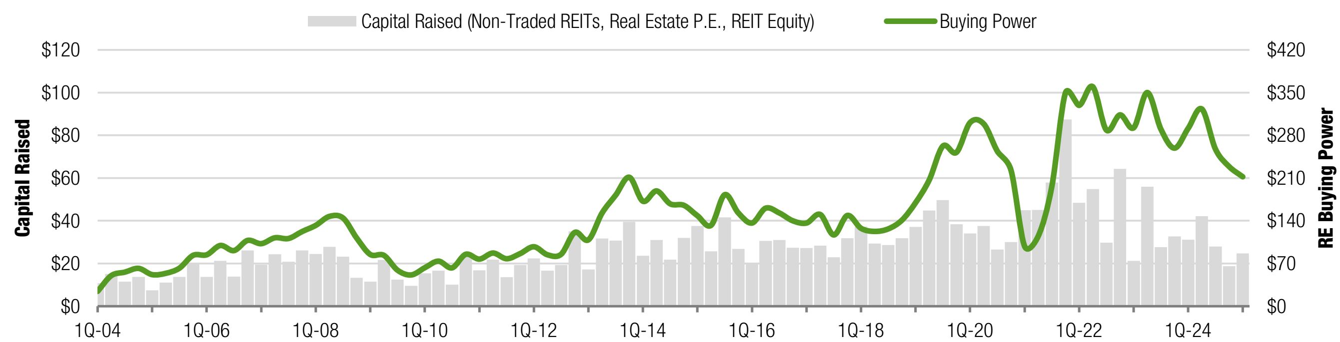


Sources: Bank of America, Moody's, Green Street

MARKET MONITOR

US REAL ESTATE CAPITAL RAISING AND BUYING POWER ($BIL.)

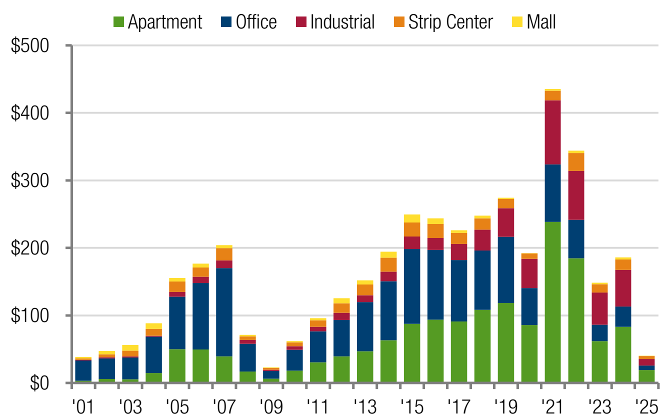
Buying power calculated as cash plus estimated incremental debt



Sources: Robert A. Stanger & Co., Preqin, SNL, Green Street

SALES VOLUME BY PROPERTY TYPE ($BIL.)

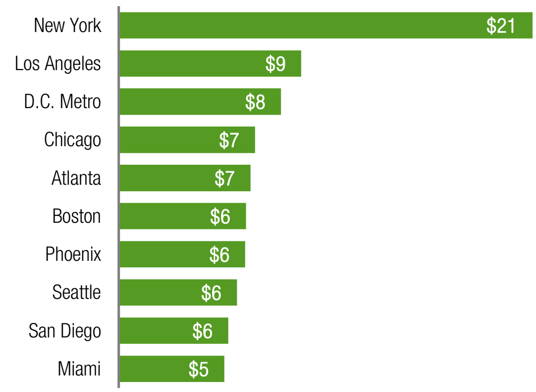
Volume representative of verified transactions $25 million or more



Source: Green Street

LAST 12 MONTHS TRANSACTION VOLUME ($BIL.)

Volume representative of verified transactions $25 million or more



Source: Green Street

NOTABLE RECENT TRANSACTIONS

Individual property transactions of $25 million or more. Excludes portfolios and partial-stake sales.

	Property Name	Date	Sector	Market	Price ($Mil.)	SF / Units	Price PSF / Unit	Buyer	Seller
1.	901 K Street NW	06/05/25	Office	D.C. Metro	$84.3	220K	$383	Shorenstein	Carr Properties
2.	Woodford Estates	06/05/25	Apartment	Charlotte	$30.2	228	$132,456	Ascent Housing	Dasmen Residential
3.	Piedmont Center	06/04/25	Office	Atlanta	$200.0	2,200K	$91	Bawag Group; CP Group	Ardent Cos.
4.	Figueroa at Wilshire	06/04/25	Office	Los Angeles	$210.0	1,041K	$202	Uncommon Developers	Brookfield
5.	Kaiser Center	06/04/25	Office	Oakland-East Bay	$906.0	910K	$996	PG&E	TMG Partners
6.	Marketplace at the Outlets	06/04/25	Strip Center	Palm Beach, Fla.	$133.3	304K	$439	Invesco Real Estate	Starwood Capital
7.	Baker Hollow Logistics Center	06/04/25	Industrial	Hartford	$25.3	166K	$153	NorthPoint Development	Condyne Capital Partners; UBS Realty Investors
8.	Summit on 401	06/03/25	Apartment	Fayetteville, N.C.	$44.5	291	$152,921	13th Floor Invest.; Monday Prop.; RSN Prop.	One Real Estate Investment
9.	3511 Northwest 91st Avenue	06/03/25	Office	Miami	$25.9	158K	$164	Ares Industrial Real Estate Income Trust	Panattoni Development
10.	Arrowood Crossing	06/03/25	Apartment	Charlotte	$31.0	200	$155,000	Rise48 Equity	KE Andrews

Visit the News Library to access the data in the Market Monitor charts. **Source: Green Street**

THE GRAPEVINE

... From Page 1

he left in 2022 as head of Northeast acquisitions and joint ventures.

Aaron Ratner has joined **BB Living,** a Scottsdale-based developer, builder and operator of single-family rental homes, as chief investment officer. Ratner came aboard this month after five years in a similar role at **Empire State Realty Trust.** He worked at **TPG Real Estate** before that.

Jeff Mandel has landed at **Metrobloks,** a data-center-focused investment shop. He started in the firm's New York headquarters last month as chief investment officer with a mandate that includes scaling the firm's platform globally. Mandel has been a managing partner at **Group11** for the past year, following an 11-year stint at **Tishman Speyer,** where he sat on the global investment committee and co-led U.S. acquisitions. Mandel's resume also includes time as a senior policy advisor in the **New York City** mayor's office, and stints at **Cravath Swaine** and **Lehman Brothers.**

Michael Berliner this month launched **Berliner Properties** in Mendham, N.J., to develop multifamily properties in the Northeast. The firm targets institutional-size garden-style and midrise communities in suburban and urban infill locations, initially in New Jersey. Berliner, who holds the title of managing partner, spent the last seven years as a development executive at **Waypoint Residential,** a Boca Raton, Fla.-based multifamily developer active primarily in the Sun Belt.

Bryan Schachter left **Watermark Retirement Communities** last month after nearly 19 years. He joined the Tucson, Ariz.-based senior-living property operator in 2006, serving at one point as director of strategic investments and holding the title of chief investment officer for the past five years. His next move is unclear.

Rick Shamberg has partnered with two other longtime real estate executives to launch investment shop **Vanderbilt Senior Living.** Joining Shamberg are **Vanderbilt Office Properties** chief executive and managing partner **Casey Wold** and partner **Brett Nelson.** The Chicago-based Vanderbilt Senior Living targets opportunistic and value-added investments in independent-living, assisted-living and memory-care communities nationwide. Shamberg has more than 20 years of experience in the sector, most recently as managing director at **Scarp Ridge Capital Partners,** a New York-based investor focused on distressed, opportunistic and value-added properties. Before that, he was co-managing partner at Wilmette, Ill.-based **Cerulean Partners.**

Bryan Kim started in **Tokyu Land US Corp.'s** Los Angeles headquarters last month as an acquisitions associate. He previously held a similar position at **LaTerra Development,** where he worked for four years. Tokyu Land, the U.S. arm of Tokyo-based Tokyu Fudosan Holdings, has made $1.1 billion of multifamily, office and industrial investments since 2012. Kim's hire was arranged by executive-search firm **Rhodes Associates.**