



101,450 SF, CLASS A OFFICE BUILDING SELLS FOR \$18M AMIDST COVID-19 PANDEMIC

OVERVIEW

- ▶ 100 Brandywine Boulevard
Newtown, PA
- ▶ ± 101,450 SF
- ▶ Class A Office Building
- ▶ 79.2% Leased by Three (3) Tenants
- ▶ Seller: Washington Capital Management
- ▶ Buyer: Pembroke IV

THE CLIENT



Founded in 1977, Washington Capital Management is a 100% employee-owned investment advisory firm based out of Seattle, Washington. The company currently manages over \$6.4 billion in assets throughout the United States. The company is an investment manager to union trusts.

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THE CHALLENGE

The main challenge was getting the deal across the finish line in the midst of the COVID-19 pandemic. Many companies are either 100% work from home right now or are asking their employees to commute into the office in shifts. There is uncertainty regarding when employees will return to the office on a full-time basis. Both the buyer and seller were flexible during this uncertain time, which allowed the deal to get done in a timely and efficient manner. The seller was flexible in terms of understanding their tenants' concerns dealing with the pandemic, while the buyer was creative regarding their deal structure from both an equity and debt standpoint. Overall, despite a few bumps throughout the due diligence process, the deal was able to be completed on time.

OUR APPROACH

The team's approach was similar to how we typically market a suburban office deal of this class and tenant profile. We marketed it to the top investors in the area, specifically within the particular submarket, received a handful of offers, and subsequently pushed bids to the highest achievable price. The largest tenant at the building, who leases over half of the rentable square feet, extended their lease term for over 6 years during the marketing process (through 2031), which allowed us to sell the story about the anchor tenant occupying space at the facility on a long-term basis. This allowed us to push pricing even further.

THE OUTCOME

The team was able to achieve the asking price for this asset, which is tough to accomplish for a suburban office asset in the midst of the COVID-19 pandemic. Both the seller, who we represented, and the buyer, who is a long-time client of ours, were very happy with the result. The seller was motivated to sell the facility as it was one of the last assets remaining in a fund they are in the process of liquidating, while the buyer was able to purchase the building at a basis that worked for their equity partners and lenders. Additionally, the buyer owns 2 other Class A office buildings in this particular submarket, so this was a natural add-on to their portfolio in this micro-location.