



June 25, 2010

Two Constitution Square Trades for \$305M

By Erika Morphy

WASHINGTON, DC-The NoMa submarket's arguable crown jewel-Two Constitution Square-has traded for \$305 million. StonebridgeCarras and Walton Street Capital sold the 589,000-square-foot office to Northwestern Mutual. Located at 145 N St., NE, the building is between 60 to 90 days away from completion and is fully preleased to the Department of Justice for 15 years-making it one of the most stable new properties in the District.

StonebridgeCarras and Walton began marketing the property to a select number of companies in mid-February after realizing late last year that the market had begun to move for credit-tenant transactions, StonebridgeCarras principal Doug Firstenberg tells GlobeSt.com. "We approached dozens instead of the hundreds we normally would for a transaction of this size." The sellers received multiple bids and within a month or so had forged a deal with Northwestern. The closing took longer than usual to accommodate the ongoing construction. StonebridgeCarras and Walton Street were represented by Cassidy Turley and Northwestern Mutual by Cambridge Property Group.

Firstenberg says the trade is one of the top five single asset sales in last five years in the District, citing Cassidy Turley comps. The Department of Justice has accepted the first three phases of a seven-phase tenant construction project, with plans to fully occupy the building by late fall. Two Constitution Square has completed its documentation with USGBC for a Platinum Certification under the LEED for Core and Shell program and expects formal certification this summer. Northwestern Mutual has retained StonebridgeCarras Management to continue managing the building.

Two Constitution Square is part of the 1.6 million-square-foot Constitution Square project, which is in its first phase. The largest private development in the District, it includes One Constitution Square, a 329,251-square-foot office building preleased to GSA to serve temporarily as its headquarters during renovations; a residential building with 440 luxury apartments; a 50,000-square-foot Harris Teeter grocery store; a 204-room Hilton Garden Inn with upscale meeting facilities; and 30,000 square feet of street-level retail space.



Copyright © 2010 ALM Media Properties, LLC. All rights reserved.. Permission granted for up to 5 copies. All rights reserved.

You may forward this article or get additional permissions by typing http://license.icopyright.net/3.8454?icx_id=300561 into any web browser. ALM's Real Estate Media Group and GlobeSt.com logos are registered trademarks of ALM's Real Estate Media Group. The iCopyright logo is a registered trademark of iCopyright, Inc.