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### THE GRAPEVINE

Jason Chadorchi and David Balducci left their managing director posts at Tishman Speyer's San Francisco outpost a few weeks ago to launch their own shop. They're drawing up plans to pursue acquisitions and developments on the West Coast. Chadorchi joined Tishman in 2002 and has worked on acquisitions in Los Angeles, the Bay Area, Seattle, Houston, India and Mexico for the New York company. Balducci, who started at Tishman in 2005, oversaw development

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## Retail Trades Up 22% to Record; Eastdil Soars

Sales of large retail properties jumped 22% to make 2014 a record year, while **Eastdil Secured** won the brokerage sweepstakes by an unprecedented margin.

Pricing for core properties — especially trophy malls, grocery-anchored centers and upscale urban properties — continued to escalate, forcing investors to migrate toward value-added assets and lesser markets in search of yield.

Some \$28.1 billion of retail properties changed hands last year, according to **Real Estate Alert's** Deal Database, which tracks sales of at least \$25 million. That was up from \$23 billion the previous year and surpassed the previous high-water mark of \$27.3 billion set in 2007. Last year's increase followed a slight dip in 2013.

Eastdil closed an eye-popping \$9.2 billion of retail deals, by far the highest annual total by any brokerage since Real Estate Alert began tracking sales in 2001. That earned the firm a 43.4% share of brokered trades, also a record.

Retail specialists see a number of positive trends pointing to another strong

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## Cushman Getting Capital Infusion to Expand

**Cushman & Wakefield's** parent has agreed to pump fresh capital into the brokerage to help it expand and compete against increasingly aggressive rivals.

Cushman chief executive **Edward Forst** has been quietly spreading the word among senior company insiders that **Exor**, a conglomerate controlled by the **Agnelli** family of Italy, has signed off on his request for an infusion. Forst had asked for some \$580 million two months ago, and the amount approved is believed to be in that vicinity.

Forst will use the capital to acquire other brokerages and recruit talent across service lines internationally, with a priority on investment sales, especially in the U.S. The rank-and-file is hopeful the commitment will also help Cushman retain its top investment-sales rainmaker, **Rob Griffin**, who is being courted by **CBRE** and other firms.

Cushman is "committed to rebuilding in key markets," said one senior insider. "It

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## Blackstone Marketing Orlando Luxury Resort

A **Blackstone** joint venture is shopping the massive Grande Lakes resort in Orlando.

The luxury complex, valued at about \$750 million, encompasses two giant hotels — the 998-room JW Marriott Grande Lakes and the 582-room Ritz-Carlton Grande Lakes. At the \$475,000/room valuation, the initial annual yield would be slightly above 7%, based on this year's projected income.

The hotels, which are being marketed as a package via **Eastdil Secured**, are subject to long-term management contracts with **Marriott International** of Bethesda, Md. They are expected to appeal to institutional players and REITs.

**Thayer Lodging**, an Annapolis, Md., firm acquired last year by **Brookfield Asset Management** of Toronto, completed the trophy resort in 2003 and sold it three years later to **CNL Hotels & Resorts** of Orlando for \$753 million. The team of **Morgan Stanley Real Estate**, **CalSTRS** and **Florida State Board** gained control in 2007 via its

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Knowledge  
Perseverance  
Integrity

# Cambridge

## 2014 Achievements

### LEASING

- Leased 1,331,881 Square Feet
- Total Transaction Value of \$511,415,784

### ASSET MANAGEMENT

- Provided Services for 4,316,879 Square Feet

### DEVELOPMENT

- Awarded Contract with Veterans Affairs Health Care Center in Butler, PA (251,000 SF)
- Continued Progress on VA Charlotte, NC (429,533 SF)
- Awarded Contract with Coastal Sunbelt Produce (304,575 SF)
- Awarded Contract with JJ McDonnell (50,000 SF)
- NAIOP Award of Merit for Cuisine Solutions

### CONSTRUCTION

- Construction Management & General Contracting Services for 372,174 SF
- Total Contract Value of \$8,880,941

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**THANK YOU**  
**To All of Our Clients & Partners for**  
**Making These Achievements Possible**

## Prime Delaware Offices Up for Grabs

A developer is shopping a Class-A office building in Wilmington, Del., that's expected to fetch up to \$110 million.

The 371,000-square-foot property, at 500 Delaware Avenue, has a core profile that's likely to appeal to investors seeking higher yields than they can get on similar properties in the nation's top markets.

At the estimated \$296/sf valuation, the initial annual yield would be 7.8%. The local owner, **Buccini/Pollin Group**, has given the listing to **CBRE**.

The 15-story building, considered one of the top office properties in Wilmington, is 90% occupied. The three largest tenants, each with at least 10 years remaining on their leases, are: **WSFS Bank**, which occupies 79,000 sf until 2025 as its headquarters; law firm **Morris James** (69,000 sf until 2026) and engineering firm **Sargent & Lundy** (47,000 sf until 2027).

The weighted average remaining lease term is nine years. Leases on 4% of the space expire annually, and contractual rent bumps will boost income over time. A buyer must assume \$76.9 million of debt that carries a 5.7% interest rate and matures in 2022.

Class-A office space in Wilmington is 89% occupied at an average rent of \$26.43/sf.

The glass and steel building, which Buccini/Pollin completed in 2006, has high-end finishes, including a granite lobby. ❖

## Core-Plus Office Play in Phoenix

**Invesco Real Estate** is pitching a Phoenix office complex to core-plus investors.

The 633,000-square-foot Biltmore Financial Center is 81% occupied, so it would be suited for a buyer with the ability to lease up space. Bids are expected to be about \$300/sf, or \$190 million. Dallas-based Invesco has given the listing to **CBRE**.

The three-building complex was developed from 1985 to 1990. The 210,000-sf Biltmore 1, at 2390 East Camelback Road, is 86% occupied. The 288,000-sf Northern Trust Tower, at 2394 East Camelback Road, is 70% leased. The 135,000-sf Biltmore 3, at 2398 East Camelback Road, is 95% occupied.

**Northern Trust**, a Chicago bank, leases 33,000 sf at the 11-story Northern Trust Tower. Other tenants at the complex include law firm **Fennemore Craig** (122,000 sf), **Source Healthcare Analytics** (73,000 sf) and **Colliers International** (27,000 sf).

While the office market hasn't rebounded as sharply in Phoenix as in other Western markets, fundamentals have improved. The average occupancy rate has climbed 2 percentage points over the past year, to 83.2%, according to Colliers. And that gain came in the face of a 1 million-sf increase in supply. Another 2.8 million sf could come on line this year. ❖

Need to see the largest property sales that were completed recently? Go to The Marketplace section of **REALAlert.com** and click on "Sales Activity." It's free.