

REAL ESTATE INC.

Jessup warehouse occupied by Disney on Ice producer sells for \$26.7M

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Reporter-
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The newly built warehouse occupied by Feld Entertainment in Jessup has been acquired by Principal Real Estate Investors of Des Moines, Iowa, for \$26.7 million.

The deal works out to about \$113 per square foot for the 241,500-square-foot property developed by Chesapeake Real Estate Group LLC and Atapco Properties Inc. Feld Entertainment produces such shows as Ringling Bros. and Barnum & Bailey Circus, Disney on Ice and Monster Jam, and uses the warehouse to store merchandise, among other assets.

Feld Entertainment leases about 80 percent of the warehouse, but only began moving into the building at 8235 Patuxent Range Road a few months ago. So the sale of the property comes relatively quickly for Chesapeake Real Estate Group and Atapco, though it came after a long decision-making process, said Chesapeake Principal Jim Lighthizer.

"For us, it was a question of do we hold or sell, and we were thinking long and hard about keeping it," Lighthizer said. "I just think that we would probably be better off reinvesting these dollars instead of holding it because it was a relatively low return on cost.

"The thought was, capitalize on a good market," Lighthizer added, referring to the brisk industrial sales taking place throughout the region.

Lighthizer purchased the property in 2008 when an asphalt roof shingle manufacturer was located on the site. That building was leased to ULMA Form Works for five years, but was demolished after Lighthizer formed a joint partnership with Atapco and came up with a redevelopment plan.

The warehouse, which is 20 percent vacant, is a Class A cross dock facility with all the modern features logistics tenants look for in distribution centers: 32-foot ceilings, an 8,500-square-foot structural mezzanine that boosts the storage space and 75 docks. It also has the benefit of being located near Route 32 and Interstate 95 in a location that is equidistant from Baltimore and Washington.

"High-quality industrial and warehouse product such as this one is becoming increasingly sparse in the Baltimore-Washington, D.C., market," Chesapeake Vice President Matt Laraway said in a statement. "As a result, there exists strong momentum in developing speculative buildings."

Chesapeake has emerged as one of the leaders of speculative warehouse development over the last year, with buildings under construction in Cecil County and in White Marsh.

Company officials at Principal Real Estate could not be reached for comment.



Chesapeake Real Estate Group LLC and Atapco Properties Inc. have sold the warehouse at 8235 Patuxent Range Road for \$26.7 million to Principal Real Estate Investors of Des Moines, Iowa. It is leased to Feld Entertainment.