

Interstate 95 corridor industrial deals indicate strong market

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Another day, another industrial transaction completed in Maryland's Interstate 95 corridor.

On Thursday, a 136,440-square-foot multi-tenant warehouse building in Jessup sold for \$5.63 million. The building, at 7855 Rappahannock Ave. in the Maryland Wholesale Food Center, is occupied by Mia Beauty Supply, which purchased the building, and Upper Crust Bakery.



Two properties at the Penn 95 Commerce Center in Prince Georges County, including this property at Penn Randal Place, sold for \$33 million earlier this month, part of the boom in sales of industrial properties in the I-95 corridor. (Photo Courtesy Lawrence Howard & Associates)

The property provides 37,000 square feet of freezer space, 22,000 square feet of cooler space and 10,000 square feet of office space on roughly six acres of land, according to NAI KLNB, which represented the owner in the transaction with Lee & Associates. CBRE represented the seller in the deal.

"This building ideally suits the warehousing needs of the buyer, given its high ceiling heights, expansive space and prime position within the Baltimore-Washington corridor," Brad Berzins, principal at NAI KLNB, who brokered the deal said in a news release. This sale comes on the heels of other large industrial deals along I-95 between Baltimore and the District of Columbia.

Earlier this week, Terreno Realty Corp. purchased a portfolio of industrial properties in Capitol Heights. Those two buildings, light industrial flex properties totaling 135,000 square feet on 12.1 acres of land and 80 percent leased, sold for \$14.1 million.

The week before, Prudential Real Estate Investors purchased two industrial buildings from a partnership of Chesapeake Real Estate Group LLC and Thompson Creek Window Co. for \$33 million. The properties, in the Penn 95 Commerce Center, consisted of a 167,500-square-foot, Class A speculative warehouse building and a 117,000-square-foot, built-to-suit building.

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The Prince George's County industrial market in particular has benefited recently. A report from on the suburban Maryland industrial market in the second quarter by Cushman & Wakefield found that while overall leasing was about on par with the same time last year the majority of activity happened in Prince George's County.

Meanwhile, the Baltimore metro area has also performed well, with 600,000 square feet of warehouse space being absorbed in the second quarter and the vacancy rate ticking down three-tenths of a percentage point to 7.9 percent, according to a report from MacKenzie Commercial Real Estate Services LLC.

Demand for industrial properties in the I-95 corridor, both in the Baltimore and Washington metro areas, is being driven in large part by the demand from e-commerce firms that need to be able to ship products bought online to large East Coast metro markets.

Tight zoning laws, especially in suburban areas with thriving housing markets, have also resulted in the market becoming land-constrained, further adding to the demand.