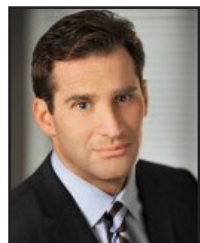


MID ATLANTIC REAL ESTATE JOURNAL

Growing regional firm continues to gain market share

TDK Commercial Advisors completes over \$3.4 million in regional transactions

PHILADELPHIA, PA — **Thomas Kramer**, president of **TDK Commercial Advisors (TDKCA)** has completed a number of transactions totaling over \$3.4 million on behalf of a national client base as well as several new key listings.



Thomas Kramer

At 718 Arch St., The Cast Iron Building, TDKCA represented the owner of the building **AMC Delancey Group**

in leasing over 4,000 s/f to two new tenants. In the first transaction WFGD leased nearly 2,000 s/f for their new headquarters. WFGD is a regional marketing and branding company and will occupy the space as of September 2016. In the second transaction TDKCA represented the landlord in leasing 2,000 s/f to Frontier BPM, a software company, moving in to the city from Blue Bell, PA. **Jim Savard** of **James E. Savard Real Estate Consulting** represented the tenant in the long term transaction.

At the Gateway Business

Center, Island and Batram Avenues, TDKCA represented Core Realty in two new leases. XTL, Inc. a regional logistic company leased 1,500 s/f for a long term lease at 3751 Island Ave.

Thomas Kramer remarked that “these two transactions take the property to near 89% leased, and we expect to be 100% occupied by Q1 2017”.

The tenant was represented by **Colliers International**. In the second transaction, CMC Engineering (“CMC”) leased 1,000 s/f and will occupy the space August 1. TDKCA was the sole broker in the CMC

transaction.

The landlord of 198 Alledale Rd. was represented by TDKCA in the completion of a lease with Cunningham Piano Company for nearly 6,000 s/f. The retail location will be used to sell various types of pianos. The long term lease is valued at over \$2 million. Thomas Kramer said, “This transaction kicks off the revitalization of this well located asset, in the heart of King of Prussia. Building renovations are well into the planning stage, and we are excited to welcome Cunningham Piano as our anchor retail tenant. Berkshire

Hathaway Home Services represented the tenant.

TDKCA also represented two long term clients with the acquisition of new office space. Console Law Offices was represented by TDKCA in cooperation with Sky Line Real Estate in a long term lease for 3,000 s/f. Console will be relocating to 210 Marter Avenue in Moorestown, NJ. Financial terms of the lease were not released.

In coordination with **JLL**, TDKCA also represented Mintzer Sarowitz Zerus Ledva & Meyers in the acquisition of over 3,500 s/f in Towson, MD. The firm will be relocating to 810 Gleneagles Court, Towson, MD. Financial terms of the transactions were not released.

TDKCA is also pleased to announce that they have been named the marketing and leasing agent for a number of properties. The firm is leasing and marketing 1 Windling Drive, newly named the Monroe Executive Campus, in Philadelphia PA. The 71,000 s/f property is well located just outside of Bala Cynwyd and minutes to the Schuylkill Expressway, PA Tpke., and 676. Center City Philadelphia is only 10 minutes away.

The property is undergoing a major renovation and is steadily leasing space. It is part of the Presidential City apartment complex which is undergoing a multi-million dollar renovation.

TDKCA was also named the exclusive marketing agent for 1 Chelsea Parkway in Boothwyn PA. The flex property is owned by SJS Realty and has spaces from 3,000 s/f to 14,000 s/f.

TDKCA has been appointed the marketing and leasing agent also for the new Protecs Innovation Centers. These properties consist of two locations. 5100 Campus Dr. in Plymouth Meeting and 3700 Horizon Drive in King of Prussia, PA.

Both properties offer spaces from 1,500 s/f and have office, lab, and R&D space. These are unique buildings in that they allow lab and office users to collaborate with each other, or lease standalone spaces.

TDKCA was also named the exclusive sales agent for 901 East 8th Avenue (the Cedar Run Corporate Center) in King of Prussia, PA. This 59,000 s/f

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Thomas D. Kramer , President

Tom@TDKCA.com

215.292.5575

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Includes assumption of one CMBS loan in less than 5 months

SVN sells four property self storage portfolio

NY and CT — **Connie Neville, SVN | C. M. Neville & Associates, Inc., Nick Malagisi, SVN | Commercial Realty, Hans Hardisty, SVN | Deegan-Collins Commercial Realty and Patrick Lemp, Valbridge Property Advisors | Italia & Lemp Inc.** joined forces to sell a significant self-storage portfolio of four properties located in New York and Connecticut. The portfolio consisted of 228,037 net rentable s/f in 2,485 units. The properties were offered unpriced and were widely

marketed to self-storage RE-ITs, pubic companies, funds and individual self-storage investors. According to **Nick Malagisi**, product council chair for the SVN National Self-Storage Team, “this portfolio attracted national attention because of its size, the strategic locations, the consistently high occupancies and revenue overall and the pride of ownership evident at each facility.” The four brokers worked cooperatively to list and close this major transaction which included the assumption of

one CMBS loan in less than Five months. SVN is the only commercial real estate firm that markets all of its properties to the entire brokerage and investment community. Participating in \$10.1 billion in sales and leasing transactions in 2015, SVN Advisors shared commission fees with co-operating brokers in order to close more deals in less time and at the right value for clients. This open, transparent and collaborative approach to real estate is the SVN Difference. ■

Kislak sells Paterson, NJ multifamily portfolio

WOODBIDGE, NJ — The Kislak Company, Inc. announced the sale of a portfolio of three multifamily properties in Paterson for an undisclosed price. The properties included in the sale were:

- 324 Broadway with 38 units;
- 339 Broadway with 55 units;
- and • 432 Broadway with 43 units.

Kislak marketed all of the properties on behalf of a long-time client and vice president **Jonathan Greenberg** represented both parties in the transactions. The purchaser was also a longtime Kislak client.



39 Broadway

“Paterson is a very hot rental market with a large percentage of renters, a growing population and occupancies typically at or near 100%,” said **Robert**

Holland, president. “Jon and our team generated strong interest in the portfolio from local and regional investors. Jon

did an excellent job procuring a purchaser who was able to close within 30 days of contract signing.”■

Beacon completes first phase of a \$20m . . .

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famous protest at Hecht’s Department Store.

“Beacon focuses on creating and adding value to premier office spaces, while celebrating what makes each property iconic,” said **Jeffrey Kovach**, Beacon Capital Partners managing director. “We are dedicated to providing trophy office tenants with the state-of-the-art infrastructure and amenities they require as well as visual interest and distinct design they can be proud of.”

Existing amenities at Terrell Place include a rooftop terrace and fitness center, as well as a corporate concierge, 24-hour manned security, onsite property management, and ample, below-grade parking accessible from F and E Sts. Terrell Place’s street level retail space is anchored by Rosa Mexicano and popular Compass Coffee.

“Terrell Place truly embraces the energy of the vibrant Penn Quarter neighborhood which includes a multitude of dining options, events at the Verizon Center and nearby attractions including the International Spy Museum, National Art and Portrait Galleries for tenants as well as millions of other office workers, residents and visitors,” said **Trip Howell**, international director, JLL, who represents Beacon Capital on the office leasing at Terrell Place.

The second phase of the capital improvement program will occur in 2017. It will feature an expanded and enhanced roof terrace with a 150-person conference center and a coffee/wine bar, a state-of-the art fitness center, and a tenant amenity lounge. The property is also on track to be Certified Gold WiredScore, a rating system

that measures internet connectivity, infrastructure and readiness to upgrade.

Terrell Place underscores Beacon’s commitment to sustainability and its environmentally responsible approach to building ownership. Terrell Place is LEED Platinum Certified, Energy Star rated and designated by the BOMA 360 Performance Program. Energy efficient upgrades improve building operations and reduce expenses. This includes plumbing retrofits to reduce water consumption, an onsite recycling program that diverts more than 45% of building waste from landfill, energy efficient lighting retrofits in common areas and a progressive green cleaning program. Beacon has also initiated The Best Bees Program at Terrell Place and most of its buildings to maintain rooftop beehives. ■

GFI Capital Resources taps Barrett as CFO

NEW YORK, NY — GFI Capital Resources Group, Inc. (GFI) announced that **William Barrett, CPA**, has been named the company’s chief financial officer (CFO). In this role, Barrett will oversee all financial, operations, asset management, human resources and information

technology functions for the GFI and its affiliates. A provider of real estate and insurance services, GFI Capital Resources Group’s numerous affiliates specialize in investment sales and financing, property management, construction, and development. ■

TDK Commercial Advisors completes over \$3.4m . . .

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office property is located in the heart of King of Prussia, and is 78% leased to a variety of tenants. The investment offers tremendous upside potential in a market that continues to gain strength.

Thomas Kramer said, “We are thrilled that the firm continues to gain steady market share, validating our unique leasing and marketing program that has allowed all of our properties to steadily increase occupancy rates”. ■

Basel III - The impact on . . .

	Project A		Project B	
Gross Potential Rent		\$ 4,500,000		\$ 4,500,000
Vacancy	3.0%	\$ (135,000)	7.5%	\$ (337,500)
Effective Gross Income		\$ 4,365,000		\$ 4,162,500
Management Fee	3.0%	\$ (130,950)	4.0%	\$ (166,500)
Operating Expenses		\$ (1,250,000)		\$ (1,250,000)
Net Operating Income		\$ 3,115,000		\$ 2,912,500
Capitalization Rate		6.50%		7.25%
"As-Complete" Value		\$ 47,923,077		\$ 36,373,939
"As-Stabilized" Value		\$ 47,923,077		\$ 40,172,414
"As-Complete" Value x 15%		\$ 7,188,462		\$ 5,456,091
Project A - Additional Cash		\$ 1,732,371	31.8%	

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“as-complete” value, the 100% preleased project requires more cash equity than the speculative project. This situation is exacerbated when Project A is valued using a lower vacancy rate, a lower management fee and a lower capitalization rate due to the long-term credit tenant.

As illustrated above, the increased cash equity requirement for Project A with a credit tenant is significant. The result is the opposite of what should be expected; the riskier project should require more cash equity.

In order to assist clients, U.S. Realty Capital estimates the “as-complete” value of to-be-developed projects and structures debt packages submitted to construction lenders to conform to the general guidelines of Basel III using proprietary Excel templates. In addition, U.S. Realty Capital offers access to alternative capital sources

to meet the guidelines set by Basel III.

Special thanks to **Christophe P. Terlizzi**, senior vice president & regional manager CRE First Niagara Bank for his valuable contributions to this article. Mr. Terlizzi is a member of an American Bankers Association Real Estate Committee proposing changes in HVCRE Loans to federal regulators, chaired a two-day conference on HVCRE Loans for the Global Financial Markets Institute and recently gave a presentation to the Boston Real Estate Finance Association on the topic.

*This article does not constitute legal advice and should not be construed as such. In addition, it is not intended to be a comprehensive review of Basel III. Individual banks will decide exactly how to respond to Basel III guidelines.

David L. Church, CCIM is managing director of U.S. Realty Capital, LLC and chief investment officer of American Pathway Regional Center, LLC. ■