

PGCRE NEWSLETTER: Upper County

Summer 2020

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New student housing
under construction
on University of
Maryland Campus.

Rendering of completed housing
(from University of Maryland ResLife)



UMD Social Distancing Increases Need for Housing

When the University of Maryland, College Park reopens on August 31st, social distancing rules will force changes in daily life: masks will be required in university buildings, students will be asked to wipe down surfaces they use, and classes of over 50 students will be entirely online.

Meanwhile, the university expects to house “more than 75%” of students who applied for on-campus housing, despite converting all triple and quad dorm rooms to doubles. Some dorm lounges will be converted to residences - a change that began prior to the pandemic - and some on-campus lounges outside of dormitories will be closed entirely.

The decreased density of on-campus housing means there is more demand for off-campus living. Private student housing living quarters tend to be less dense buildings already: accommodation per square foot is higher and the number of students using each bathroom and toilet is lower. For these reasons, it is likely that the demand for off-campus housing will increase in the short term as the pandemic reduces on-campus availability more than it has reduced demand for enrollment. According to one property manager at a student housing complex, phones have been “ringing off the hook” after the university first clarified its fall semester living guidelines and classroom rules on June 15th.

COVID Slowdown Speeds Up Development

With the coronavirus putting business as usual on hold around the world, new patterns have emerged for business and property owners. In the development world, the decision to designate construction as an essential industry has meant that work on a number of real estate and infrastructure projects has been able to proceed during the quarantine. Some projects in our region have proceeded despite the quarantine and may be well-positioned when the economy does reopen.



Work on townhomes at the upcoming Vista Gardens West development in Lanham has proceeded. Panda Express is also under construction nearby.



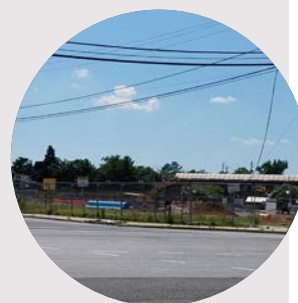
The new Kaiser Permanente building near the New Carrollton Metro Station is nearly complete.

Construction of the new mixed-use property at the College Park Metro, as well as work on the Metro station itself, have been moving ahead.

Construction on the Purple Line has continued, including its junction with the Green Line at College Park Metro.



Work on the Cole Field House building at the University of Maryland has proceeded, along with several other projects on campus.



The new Hyatt House hotel at Riverdale Park Station has rapidly gone up and will feature 120 suites when completed.



Property Owners Have Opportunity to Request New Zoning Under Rewrite

The second phase of the Zoning Ordinance Rewrite project, Prince George's County's effort to update and streamline its zoning code, has begun by focusing on the Countywide Sectional Map Amendment (CMA). Property owners or their agents may request a change in their currently designated zoning to anything specified in the new Ordinance (except Planned Development Zones and Overlays). To request a zoning change, the owner or agent must complete a rezoning request packet, which includes a zoning request form and an affidavit. This request form is provided to allow the owner or agent to request that an alternative zone be considered for their property during the preparation of the CMA intended to implement the zones contained in the prospective Zoning Ordinance.



RECENT LARGE SALES



9700 Philadelphia Court, Lanham, MD

A 74,000 SF former printing complex in Lanham sold to a charter school. Highmark Charter will occupy the building and use it for its programming. At \$7.9M or \$106 PSF the sale represents a strong comp for industrial and office buildings in this market. Michael Isen, Michael DiMeglio and Allen Cornell at **NAI Michael** handled the deal.



8150 Baltimore Avenue, College Park, MD

The Varsity, a major student housing building on Route 1 near the main gate of UMD's campus, sold this spring. Greystar bought the property for \$148M (\$370 PSF) representing a 4.1% cap rate. The property has 257 units, containing over 800 beds. The sale represents an extremely high price compared with its income, reflecting perhaps the safety and value that institutional owners see in student housing, or Greystar's particular interest in College Park. The new owner is building a 343 unit student housing complex at Knox Road and Route 1.



Contact us today to find out what we can do for you!

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LEASED

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3,000 SF at \$18.00 PSF NNN
for 4 years



SOLD

9520 Smith Avenue
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3,000 SF auto servicing for
\$600,000



FOR SALE

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Price Reduced: \$1.1M
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