

Commercial Real Estate Newsletter

Route 1 / Route 295 Corridor

Spring 2018

New Retail at Riverdale Park Station



Route 1 Emerges as Retail Corridor

Route 1, connecting College Park to Hyattsville, is transforming into a thriving retail corridor characterized by new and unique restaurants. New openings include MilkBoy in College Park, Burton's Grill at Riverdale Park Station, Old Maryland Grill at the Hotel, and the second Vigilante Coffee location near University View.

These, combined with previous local favorites such as Busboys & Poets and high-end bakery Sugar Vault, have transformed the area into a destination for great dining experiences, while also providing new entertainment venues to the area. In the past, it was necessary for residents of nearby communities in College Park, University Park, or Hyattsville to go to the District or Montgomery County for fine dining. Now locals can find the high-end experiences they desire locally.

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Clarion Inn Sold to Lidl

The Clarion Inn on Route 1 has been sold to Lidl for redevelopment. At \$9.5 million for the 3.3-acre site, the price per acre (\$2.8 million) is arguably the highest land deal in the market. A few other sales have technically been higher per acre, but they were either smaller transactions overall, or have been sales of fully-leased multifamily or retail properties.



Avenue Opticians Building Sold to DeMatha

DeMatha Catholic High School recently completed a purchase of the adjacent Avenue Opticians Center on Route 1 in Hyattsville for \$850,000. The purchase of the 3,940 square foot building directly adjacent to DeMatha's main gate will allow the school to have an expanded presence on Route 1 and room for future expansion. **NAI Michael's** Jim Miers brokered the deal between the school and the Malouf Family, the longtime owners of Avenue Opticians.



K-Mart Building Sold

The former K-Mart on Greenbelt Road recently sold for \$7 million (\$70 per square foot) to Zion Church, which is currently based in Landover. Growing churches commonly purchase industrial properties to accommodate their large space needs, but the price per square foot of the K-Mart building put it below many industrial properties on the market, particularly since prices for industrial building have risen significantly. The adaptation of big box stores into alternative uses is a trend nationwide. Innovative owners and sellers have adapted to changing retail tastes by converting large stores into industrial buildings, self-storage, and assembly uses such as churches, schools, libraries, and clinics.

Terrapin Row Sold

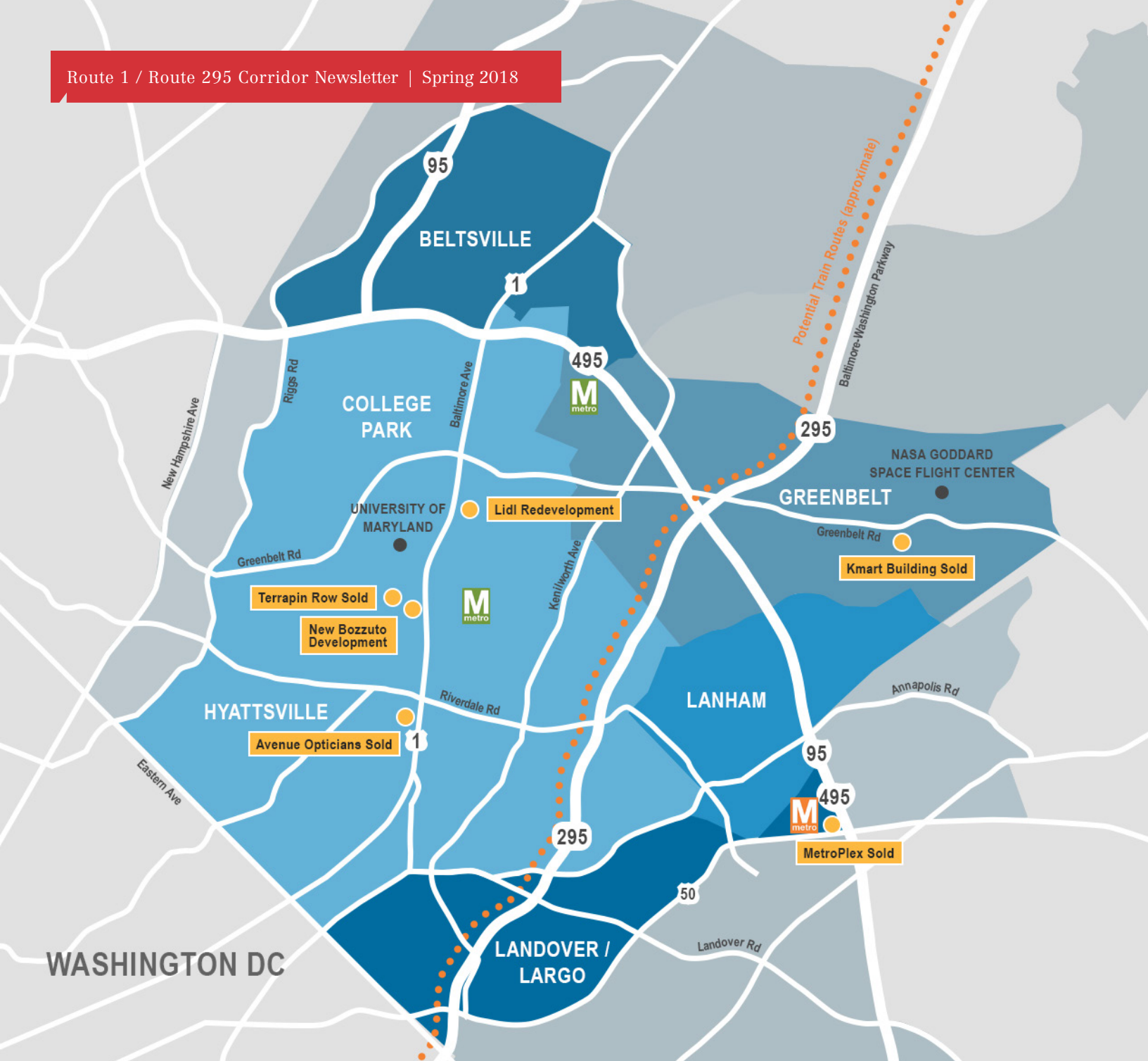
The Terrapin Row student housing development sold for \$219 million, settling late in 2017. The price was not the highest in the market at \$350 per square foot, but it was made an extraordinary transaction by the size of the property (626,000 square feet). Terrapin Row's location on Knox Road once made it seem like a second-tier contender, compared with Route 1 student housing. However, the development's proximity to campus, its high-end finishes, and its high-value retail tenants—including a coveted Amazon pick-up location—have elevated it into a sought-after housing option among University of Maryland students.

Bozzuto Gets Green Light for Development

Bozzuto has gotten the green-light to begin construction of their mixed-use center at Route One and Guilford Drive in College Park. This is another major mixed-use development planned for the Route 1 corridor between Hyattsville and Beltsville. Recent projects have been great successes for developers so far, with high sales and lease rates realized at Riverdale Park Station, Terrapin Row, and the Landmark in College Park. Bozzuto plans to begin construction activities within a year.

Metroplex Sold to Morning Calm

The Metroplex office buildings near the New Carrollton Metro station have been sold to landlord Morning Calm Management. This is Morning Calm's second major acquisition since buying the Mack-Cali portfolio in Greenbelt. They plan to continue their strategy of renovation and offering low lease rates, made possible by their low costs for acquiring the property.



REGIONAL NEWS

Maglev and Hyperloop Developments Inspire Debate

Local residents are not happy about a proposed maglev running along the Baltimore-Washington Parkway, but as the project currently stands unfunded and un-permitted, development is a distant possibility. Community groups in Bowie and Greenbelt are particularly concerned about the impact of any proposed maglev on their communities. They cite environmental disruption due to the rail line itself, noise concerns, and the social values of having a train that can rapidly serve locations in Washington and Baltimore, but not stop in local communities. Meanwhile, Elon Musk's Loop transit system has received permission to dig in DC and south of Baltimore. Community groups do not seem as concerned about the project at this moment, although whether this is due to its construction within a sealed tube or because the project has been less visible is unclear.



FOR SALE

3829 34th Street
Mount Rainier, MD

- 3,374± SF freestanding building
- \$399,000
- MUTC zoning



FOR LEASE

7701 Preston Drive
Lanham, MD

- 1,000 SF flex unit
- \$1,000 per month, NNN
- I-1, HUB zone



UNDER CONTRACT

42 South Washington Blvd
Laurel, MD

- 4,370 SF retail
- Restaurant tenant in place



Contact Jim today to find out what he can do for you!
(301) 459-4400 or jmiers@naimichael.com

Jim represents a variety of business owners and investors in major transactions in Maryland, DC, and Virginia. His portfolio of work contains industrial, office, and retail properties with sales and leasing transactions grossing over \$67 million. Jim is a native of Prince George's County, MD and received his Master's Degree in Real Estate Development from the University of Maryland, College Park.

About NAI Michael

NAI Michael is one of the largest full-service, privately owned commercial real estate firms serving the Washington DC metropolitan area, as well as internationally through our NAI Global affiliation. We provide brokerage, property management, and development consulting services for our clients, who range from independent business owners to international corporations.

Cupcakes from Sugar Vault on Baltimore Avenue in Hyattsville, MD

Brokerage | Property Management | Development Consulting

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All statistics are sourced from sources deemed reliable; however we make no representation as to its accuracy or completeness.