

TRIUMPH

6400 Goldsboro

6400 Goldsboro Road
Bethesda, MD 20817

Statistics

Location – Suburban Bethesda, MD

Property – 75,000-square-foot office

Occupancy – 98-percent leased to 6 tenants

Rents – \$29 per square foot; full service

Current Value – Approximately \$20 million



Summary

Triumph found this off-market underperforming building and convinced its previous institutional owner to sell, purchasing the asset in 2003. We found an investment partner and new tenant for the building in the American College of Gastroenterology (ACG). We then made minor renovations to the property and filled all significant vacancy within a year.

Transaction Structure

The asset was an equity investment from ACG, paying a quarterly preferred return. Excess cash flow is split 50:50 between Triumph and ACG.

Value-add Strategy

Triumph placed the property under contract when it had significant looming vacancy within six months. We simultaneously partnered with ACG to purchase and lease building space to them. Before closing on the building, we renegotiated the lease of the “frustrated” primary tenant in the building who had made no progress with the prior institutional owner. Ultimately we were able to strike a deal that allowed the tenant to double its space in the building. We then renovated the property and filled the remaining space with smaller tenants, once again through hands-on leasing involvement and turnkey design and construction service. The entire ownership group views the property as a long-term hold.

