COMMERCIAL PROPERTY
EXECUTIVE™ Advancing the business of Commercial Real Estate

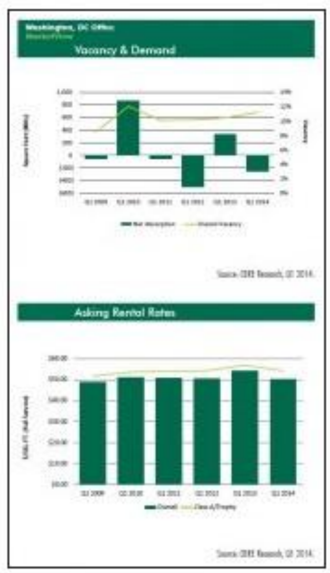
May 30, 2014

# New Boston Fund Hires CBRE to Find Tenants for NoMa Office Tower

*By Adrian Maties, Associate Editor*

The 11-story office tower at 111 K St., N.E., opened in 2010, in NoMa, D.C.'s fastest-growing neighborhood. Two years later, it was acquired by the New Boston Fund, an independent, privately owned real estate investor. Now, the owner has hired CBRE as the exclusive leasing agent for 98,780 square feet of boutique office space in the building.

The all-glass tower was originally developed as a luxury office condominium property. Gensler designed it with nine-foot ceilings, 8,000-square-foot floor plates and floor-to-ceiling glass. Amenities include a 3,000-square-foot state-of-the-art conference center, reserved underground parking, a landscaped rooftop terrace and a new fitness center set to open this summer.




"111 K St. is a trophy office tower that provides smaller tenants with a level of finish, amenities and sense of 'full-floor' presence that can't typically be accessed in D.C.," said David Langol, vice president of asset management for New Boston Fund, in a statement for the press. "We are very excited to be working with the team at CBRE as we reposition the property."

CBRE's Mark Klug, Katie Gorretta, Max Friedman and Abby Todd will represent New Boston Fund. "This boutique property is a perfect opportunity for associations and government affairs firms to access Capitol Hill, while enjoying the quality, Capitol views and trophy-class amenities that typically are available only to the very largest of tenants. 111 K St. is truly the gem of NoMa, which has established itself with a strong retail and residential presence, in addition to its growing office market," said Gorretta.

CBRE reports that the District's office market experienced 266,000 square feet of negative absorption in the first quarter of the year, mainly due to several tenants reducing their footprints with their new leases. The overall vacancy climbed to 11.2 percent in the first quarter, from 10.7 percent at the end of 2013, and overall rents decreased by 2 percent to $50.59 per square foot.

However, trophy buildings outperformed other product groups in the first months of the year and recorded a rent increase of $0.23 quarter-over-quarter, to $71.39 per square foot. Demand remains high for properties offering desirable locations, high-end amenities and space efficiency. CBRE predicts that, as the market stabilizes and the construction pipeline remains constrained, demand for trophy and Class A space will continue to rise, as will rents.