

Marathon Development Group buys two downtown office buildings in Norfolk

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Marathon Development Group in Norfolk has purchased two office buildings, One and Two Commercial Place, in the city's downtown Central Business District. The purchase price was not disclosed.

The seller was an institutional investor represented by Cornerstone Real Estate Advisors. According to Cushman & Wakefield | Thalhimer's Capital Markets Group, which announced the sale, the deal included an adjacent 785-space parking deck.

Commercial Place has long been the hub of the CBD's cultural, financial and trading districts. At the time of the sale, One Commercial Place, totaling 317,024 square feet and anchored by Maersk and Bank of America, was 33 percent leased. Two Commercial Place, recently vacated by Bank of America, was sold completely vacant.

Thalhimer said Marathon plans to renovate One Commercial Place into upscale apartments while marketing Two Commercial Place to office users. The vacancy in Two Commercial Place represents the first time the building has been available in its history, having originally delivered to the market in 1974.

"One and Two Commercial Place are ideally located on three of the largest and most central blocks in Norfolk's central business district," Eric Robison, senior vice president with Cushman & Wakefield | Thalhimer's Capital Markets Group, said in a statement. "Interest in this opportunity was strong and bidding was competitive, indicative of a surging investment climate and investor confidence in downtown Norfolk."

Thalhimer's Robison and Rob Wright handled the sale negotiations on behalf of the seller.

The property is close to nearby amenities including MacArthur Mall and the Waterside District.

Rob Wright, senior vice president with Cushman & Wakefield | Thalhimer, said the transaction significantly reduces the available inventory in the Norfolk CBD. "Coupled with increased demand from users outside the market, overall occupancy and rental rates will climb back to levels the downtown market has not experienced since the delivery of the Wells Fargo Center in 2010."