

Lead Story: GPX Takes 17-Building Portfolio for \$60M

March 22, 2007

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GPX Realty Partners L.P. has acquired a 17-building office portfolio totaling 570,000 square feet, located in suburban Philadelphia. The Woods Office Center (pictured) sits on a 77-acre parcel that straddles Chester and Montgomery counties.



The deal is one of the largest for a commercial property in suburban Philadelphia in the past year. GPX purchased the park for \$60 million in cash from the property's developer, Bruce Buck, in an off-market deal. "We approached Bruce and the timing was fortuitous, because he was interested in moving along," said GPX executive chairman & co-founder Thomas Gravina, who spoke with CPN today. "We have a strong familiarity with the area, and...we loved the prime location on the Main Line," he continued. The property is currently about 70 percent occupied, Gravina said.

The new owner will invest \$10 million into the property for infrastructure and leasehold improvements. According to Gravina, the renovations will range from signage and landscaping to parking lots and interior areas. He said that the improvement program is scheduled to begin "in the immediate future" and last for 24 to 26 months.

The average asking rents for office space in the area was \$26.73 and \$22.77 per square foot of Class A and B office space, respectively, at the end of 2006, according to Grubb & Ellis Co. Gravina cited rents of \$18-\$23 per square foot at the complex. "The overall condition of the suburban Philadelphia market is very healthy, and we think it will get stronger," he noted, adding that GPX is currently performing due diligence on the acquisition of another property in the area, which is expected to close within the next two months.

Philadelphia-based GPX is a private investment and advisory firm active in the sponsorship, development and management of commercial properties, including office, retail mixed-use, land and multi-family assets.