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Altus Realty acquires Rosslyn's Park Place

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Altus Realty has acquired the Park Place office building next to Dark Star Park in Rosslyn, the District-based firm's third buy in 16 months.

The \$66.5 million acquisition, from an affiliate of Tishman Speyer, closed Friday. The property at 1655 Fort Myer Drive is assessed at about \$44 million. The purchase follows the firm's \$128.8 million acquisition of International Place, also in Rosslyn, and the former Ibiza nightclub site in NoMa for \$10.5 million for conversion into a citizenM Hotel.

Altus is particularly bullish on Northern Virginia as the region's office market improves following a confluence of challenges including federal austerity measures, said Altus Partner Charlie Kehler, a former Vornado/Charles E. Smith exec who co-founded the firm with Terry Hindermann in 2006.

"We've felt for some time that there was relative value in suburban office, particularly Northern Virginia, as that market started to recover with the increase in [Department of Defense] spending, the increased activity in cybersecurity, and the impact of Amazon HQ2," he said.

The building is about 60% leased, with a range of tenants including coworking space provider Regus and environmental nonprofit The Conservancy Fund. Altus plans a series of improvements to boost occupancy including an improved lobby and outdoor terrace and the addition of pre-built spec suites, a conference center, tenant lounge and fitness center. Altus has retained Cushman & Wakefield, with brokered the sale and arranged acquisition financing for Altus, to manage and lease the building.

Tishman picked up the 13-story, 178,064-square foot building through its \$2.4 billion acquisition of CarrAmerica's local portfolio in 2006. Kehler said he believes the property's lack of amenities, resulting from a lack of attention by Tishman amid the global real estate firm's much larger portfolio, contributed to its elevated vacancy rates.

Still, he said, the property has several things going for it including its connection via Metro's Blue Line to Amazon.com Inc.'s second headquarters. There's also a diminishing supply of large block vacant space in Northern Virginia as tenants such as Nestle and Deloitte have expanded their footprints in the area over the past few years.

The acquisition completes a loop of sorts for Kehler and fellow partner Gordon Fraley. Both previously worked for The Kaempfer Co., which was acquired by Vornado in 2003. Park Place, developed in the early 1980s, was one of Joey Kaempfer's first projects, though it was completed about a decade before Kehler joined the firm.

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Altus Realty has acquired Park Place, a 13-story building at 1655 Fort Myer Drive in Rosslyn.

