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Tower owner pays \$40M for office building, eyes Williamson County next

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A relative newcomer to Nashville's frenzied real estate scene paid \$40 million for an office building on Wednesday — a 50 percent boost to the money the company has invested here since arriving two years ago.

Albany Road Real Estate Partners, which is based in Boston, now owns the nearly 250,000-square-foot Commerce Center East building, the fifth-largest office building near Nashville International Airport, east of downtown.

Albany Road, which invests funds from its high-net-worth clients, now owns about 1 million square feet of office and industrial space in the region, and has spent \$120 million to buy it. Albany Road made a splashy debut in April 2014, buying downtown's 20-story ServiceSource Tower for \$34 million.

On the heels of this airport-area purchase, the company is turning its attention to Williamson County, where it does not own any property currently, said Scott Cloud, a managing director for Albany Road. Williamson County is the fastest-growing county in the state and is adding jobs faster than any county in the nation, according to federal data.

"This fits our investment profile very well," Cloud said about Commerce Center East. "We consider that area to be a workforce corridor, and that location makes it a great asset. Historically, it's stayed very well-leased."

The 32-year-old building is one exit from the airport on Interstate 40. The building is fully leased, with tenants including mass-media company Viacom Inc. (Nasdaq: VIAB) and IT giant Computer Sciences Corp. (NYSE: CSC). Cushman & Wakefield will continue to lease the building.

Cloud said the building is suited for back-office functions, such as call centers, accounting, customer service, human resources and the like. Cloud said his company is evaluating what renovations it may make. Albany Road plans to add more parking, so that there will be a ratio of six spaces per 1,000 square feet of office space (a common benchmark used in the industry, and which indicates how many people work on-site today).

The seller was an entity registered to Sterling Equities, of Long Island, N.Y. Public records show the Sterling affiliate paid \$18 million for the building a decade ago.

Albany Road uses its Nashville office, where Cloud is based, to pursue opportunities throughout the Southeast. In the two years it's been open, that office has now spent about \$250 million buying office and industrial space in the Southeast, most recently a mid-rise office building in Columbia, S.C., Cloud said.



DAVIDSON COUNTY PROPERTY ASSESSOR

Albany Road Real Estate Partners is paying \$40 million for this 250,000-square-foot office building near Nashville International Airport.

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