

500 E. Pratt St. acquired by Florida firm for \$60 million

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A South Florida real estate firm has paid \$60 million for 500 E. Pratt St., the latest Inner Harbor office tower to sell over the last few years.

Morning Calm Management closed on the deal Tuesday, marking its first acquisition in the Baltimore area. Dallas-based Tier REIT had listed the 280,000-square-foot building for sale early last year.

The sale breaks down to just more than \$200 per square foot.

The glass-encased 500 E. Pratt St. tower was built in 2004 and is 93 percent leased. Tenants include CohnReznick LLP, Saul Ewing Arnstein & Lehr LLP, Aon Corp., Camden Partners, UBS and JLL. Capital Grille and Corner Bakery occupy the ground-floor retail.



"It's a great location with great tenants; high-quality credit tenants," Mukang Cho, CEO of Boca Raton, Florida-based Morning Calm, said in an interview Wednesday. "We believe the Pratt Street corridor has been an outperformer throughout the years, over the good and the bad."

The company is planning technology and aesthetic upgrades to the 13-story building, Cho said, but no major overhauls are needed.

Morning Calm entered Maryland 14 months ago with the acquisition of the Capital Office Park in Greenbelt. In late December, the company paid \$16.5 million for Metro Plex I and II, a 293,500-square-foot complex in Landover that includes land for future development.

Overall, Morning Calm owns four million square feet of space across Florida, Maryland and Minnesota. The company sold three million square feet in several markets over the last two years, Cho said.

The company plans on remaining active in Baltimore and the "broader Baltimore-D.C. corridor."

The deal marks is the latest office transaction along a prime stretch of Pratt Street.

The neighboring Candler Building was purchased early last year by Herndon, Virginia-based for American Real Estate Partners for \$60.1 million.

The 28-story 100 E. Pratt St., home to T. Rowe Price Group Inc., sold in early 2016 to New Jersey-based Vision Properties for \$187 million. The Transamerica Tower at 100 Light St. sold in 2015 to Columbia-based Corporate Office Properties Trust for \$121 million. COPT also purchased 250 W. Pratt St. in March 2015 for \$63.5 million.

Tier REIT (NYSE: TIER) acquired 500 E. Pratt St. and 33 other buildings in 2007 as part of its \$1.4 billion purchase of IPC US REIT.

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