

## KoP office building hits the market

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Two years ago, an office building at 150 S. Warner Road in King of Prussia, Pa., was put up for sale only to be quietly taken off the market until now.

The four-story, 150,572-square-foot building that used to be known as Walnut Hill Plaza is back on the market. Last time it was up for sale, it was expected to trade for somewhere in the neighborhood of \$200 a square foot though it couldn't be determined if that's still the case.

It's cousin across the street, Oak Hill Plaza at 200 N. Warner Road, is also up for sale but through an auction process with bidding starting at \$4.5 million.

The timing may be better for both.

During the last two years, this office submarket has **increasingly gotten the attention of investors** as tenants sought out available space and at prices they can more readily afford. That has meant looking beyond Conshohocken, Pa., and Radnor, Pa., which are both tight and expensive. The next logical spot to consider has turned out to be the King of Prussia and Wayne area along Swedesford Road.

Real estate investors who made buys, in some cases, revived some of the more dated properties with improvements that tenants want these days such as on-site cafes, fitness facilities and common collaborative areas.

Office users are also attracted to a live-work-play environment created by the combination of the Swedesford Road office corridor, and the residential development at the nearby Village at Valley Forge, the adjacent retail projects underway at the King of Prussia Town Center and a future Life Time Fitness development on the former Certain-Teed site.

All of which means that these two office properties may be hitting the market right. That hasn't always been the case.

The two buildings, once owned by Thomas Properties Group and built around the same time in the early 1980s, have met different fates. In the summer of 2011, Thomas Properties, in a deed in lieu of foreclosure, relinquished the properties and they were placed in receivership. At the time, Walnut Hill was just 44 percent occupied and Oak Hill was fully leased.

One was bought. A fund involving Maguire Hayden Real Estate Co. bought 150 S. Warner/Walnut Hill at an auction in 2012 for \$11 million.

The other, Oak Hill, did not get sold and remained in the hands of the special servicer, LNR.

Under the new ownership, 150 S. Warner saw a series of upgrades. The new owners spent nearly \$2 million renovating much of the interior common spaces and tenants took note. It is now 98 percent leased up to BB&T (NYSE:BBT), Unilife Medical (NASDAQ:UNIS) and the Philadelphia Group, according to JLL marketing materials on the building.

Oak Hill is 70 percent occupied.

The two buildings are listed with different brokerages. The property at 150 S. Warner is being marketed by Doug Rodio of JLL while Oak Hill is being marketed by [Peter Stevens](#) of CBRE Inc.