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Rock Creek Property Group sheds Sterling retail center, shifts focus to H Street

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The Rock Creek Property Group has sold its Regal Center shopping center in Sterling for \$18.2 million, or roughly \$347 per square foot, as it shifts its focus from Northern Virginia to the H Street corridor in Northeast D.C.

Rock Creek sold the 52,500-square-foot center at 20921-20955 Davenport Drive to an affiliate of Bernstein Management Group Inc. June 30 for a little less than \$4 million



COURTESY ROCK CREEK PROPERTY GROUP

Rock Creek Property Group has sold its Regal Center in Sterling for \$18.2 million as it focuses on projects elsewhere in the D.C.

more than it paid for the region.
property in 2005, according
to Loudoun County land records.

The sale comes as Rock Creek is getting ready to develop a mixed-use condo project with the Cornerstone Development Group on the site of the Pilgrim Baptist Church in the 600 block of H Street NE. Rock Creek is working on several other development projects in the D.C. area as well the redevelopment of the former Gospel Rescue Missions building in Chinatown now under lease to the District for use as housing for homeless women.

The sale is the latest in a string of retail centers to trade hands in the past few months in what some see as a shift by investors from traditional office assets to retail, multifamily and other parts of D.C.'s real estate market. TIAA-CREF, for example, recently bought the Plaza America Shopping Center in Reston for \$97.5 million.

Rock Creek partner Gary Schlager said the company decided to sell the center after stabilizing it with a range of local and national tenants, including Firehouse Subs, BB&T, sweetFrog Yogurt and O'Faolains Irish Pub. The center is also bolstered by an adjacent, 20-screen Regal Cinemas, which shares the same curb cut off Route 7 in Sterling. The center's assessment has increased since Rock Creek bought it from just shy of \$14.8 million to nearly \$17.6 million, according to Loudoun County.

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