

for Life Sciences Conversion

BY KEITH LORIA OCTOBER 28, 2021 4:52 PM

 REPRINTS



20440 CENTURY BOULEVARD. PHOTO: ROCK CREEK

Rock Creek Property Group has acquired three office buildings within the **Cloverleaf Center** complex in Germantown, Md., for \$22 million.

Rock Creek plans to convert the 121,000-square-foot portfolio, at **20420, 20430 and 20440 Century Boulevard**, into life sciences space and rebrand the buildings as “Precision Labs.”

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“It presented a great value opportunity to pivot the buildings from challenged office product to desirable opportunities for life science tenants,” **Gary Schlager**, a principal at Rock Creek, told Commercial Observer. “This was an opportunity to capitalize on the immediate tenant demand as well as future demand in a quickly evolving and expanding life science cluster.”

The previous owner was **Ed Germantown LLC**, according to property records.

***EagleBank** provided a \$33,187,353 loan for the acquisition.*

*“As demand for life sciences space continues to increase, our lending team is well-versed in the operational intricacies and capital requirements that need to be considered for successful development or conversion,” **Ryan Riel**, chief real estate lending officer at EagleBank, told Commercial Observer.*

Located at the intersection of Father Hurley Boulevard and Century Boulevard, the buildings command \$24.50 per square foot, according to a **CBRE** listing brochure.

Still, Rock Creek saw the property as a better fit for life science, a use that has been growing in popularity.

“Demand for lab space along the I-270 corridor has never been more robust and continues to increase rapidly,” Schlager said. “With Germantown’s supply having less than 3 percent of vacancy, now is the opportune time to build move-in ready lab space and convert challenged vacancy into desired space.”

The conversion process will involve a combination of enhancing the base building infrastructure in order to provide immediate opportunities for tenants on a speculative basis for their research and development uses as well as capturing the growing demand of manufacturing for a larger life science user, according to Schlager.

When finished, Precision Labs will offer numerous speculative wet lab suites ranging from 2,500 to 7,500 square feet with 15-foot clear heights, and one of the buildings will be 100 percent available as a headquarters opportunity.

Rock Creek previously converted a 177,000-square-foot office building at **700 Quince Orchard Road** in Gaithersburg to life science use and is currently leasing it to **Novavax**.

“Coming off success achieved at the 700 Quince Orchard Road redevelopment, Rock Creek’s goal is to continue their pursuit and expansion of their life science portfolio brand, Precision Labs, into the key life science clusters in Maryland,” Schlager said.

CBRE represented the seller in the deal, while **Colliers** represented Rock Creek. Neither side immediately responded to requests for comment.

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