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## Another trophy office building is coming to Bethesda. Take a look at this \$300M tower.

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In the market for spec office space in Bethesda? Doug Firstenberg has you covered.

Firstenberg, principal of StonebridgeCarras, said his firm will begin construction in March on its \$300 million Avocet Tower mixed-use development at 7359 Wisconsin Ave. featuring a trophy office tower that will soar 300 feet into the air with a rooftop terrace and 220-unit AC by Marriott hotel.

If completed as expected by spring 2021, the development will add to other speculative trophy office buildings in Bethesda, where developers are locking in tenant deals for between \$60 to \$70 per square foot.

Consider JBG Smith's 287,183-square-foot 15-story office building at 4747 Bethesda Ave. that is nearly fully leased with rents in that range, and a 360,000-square-foot trophy office tower called The Wilson by Carr Properties at 7272 Wisconsin Ave., which is more than halfway leased.

"The leasing velocity has been phenomenal," Firstenberg said. "Bethesda has always been a great location. But there hasn't been a lot of new quality office space, and now you are getting trophy space. You have all these tenants looking for high-quality trophy looking buildings."

He said StonebridgeCarras hopes to lease the 370,000-square-foot office building near the future Bethesda Metro entrance and Purple Line Station entrance to law firms, financial companies and professional services companies for rents of \$65 per square foot.

That's \$21 higher than the average asking price of \$44 per square foot for Class A office space in the Bethesda-Chevy Chase area as of the fourth quarter, according to Delta Associates.

"We think the timing and nature of our project in terms of design, the amenity program we have created with the hotel, has worked out perfectly," Firstenberg said.



PICKARD CHILTON

Once complete, the project will be the culmination of a public-private partnership between StonebridgeCarras and Montgomery County to redevelop the former home to the county's second district police station. As part of the partnership, Stonebridge designed and rebuilt a police station on Rugby Avenue that was completed last year to secure the Wisconsin Avenue site.

The hotel, which will be developed by OTO Development, will deliver in the summer of 2021 and include a restaurant and bar.

The Avocet Tower should do reasonably well finding tenants if current market conditions hold, said Jonathan Chambers, vice president of Delta Associates.

He said Bethesda has seen marked improvement in demand for new office space, thanks to speculative development planned close to Metro and the future Purple Line that also provides walkable amenities that tenants demand.

"There has been a ramp up in speculative construction in downtown Bethesda due to tightening market conditions caused by a protracted lack of new office inventory over the last couple of decades," he said.

While talk of a potential recession continues, "now is the perfect time to begin construction before the good times run out," he said.

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