

## NEWS RELEASE

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**AREA Property Partners and Adler Group to Acquire and Operate  
3.1 Million SF Commercial Property Portfolio in Washington, DC Market**

*Series of Transactions Will Result in the Purchase of 18 Premier Assets Throughout  
Northern Virginia, Washington D.C. and Maryland*

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MIAMI (SEPTEMBER 6, 2011) --- AP AG Portfolio, LLC - a joint venture between [AREA Property Partners](#) (“AREA”) and [Adler Group](#) - have announced the closing on the first stage of a \$350 million purchase of a 3,087,945-square-foot portfolio of multi-tenant office and warehouse assets offered by Washington Real Estate Investment Trust (“WRIT”) in the Washington, DC market. This first stage of transactions resulted in the acquisition of 2,284,272 square feet of commercial properties. The final phase of transactions to acquire the portfolio’s remaining 803,673 square feet will be completed in the next two months.

AREA and Adler Group are acquiring the portfolio, which consists of industrial assets comprising the entirety of WRIT’s industrial division and some office properties spanning four DC submarkets, primarily in key Northern Virginia suburbs, but also including strong suburban Maryland locations. Current occupancy levels across all properties combined is averaging at 79 percent. Both AREA and Adler Group recognize the resiliency of the regional economy as an opportunity to increase occupancy across all properties by retaining valued tenants and reaching out to businesses in various industries looking to fill a wide range of operating space needs.

The properties combined are currently home to some of the nation’s preeminent corporations including GE Healthcare, MedImmune, Raytheon, L-3 Communications, ITT Educational Services and American Honda Motor Company, along with bases of operations for numerous federal agencies. The average tenant size is 13,000 square feet, with the largest tenant occupying more than 140,700 square feet of industrial space.

“We are bullish on the greater Washington DC area, and confident that this high-quality portfolio will further flourish under the hands-on asset management skills we bring to the

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table,” said AREA partner Steve Wolf. Mr. Wolf, who noted that AREA and Adler Group are now the second largest industrial property landlord in the Washington DC market, said the properties are well located and well-suited for use by the sectors that dominate the region, such as government, intelligence, law enforcement and high-tech users. “We will focus on increasing the occupancy rate and maintaining the credit-worthiness and quality of the tenant base to achieve the best results for our investors.”

“We are planning to add value for these assets by taking occupancy levels from the high 70 percentile above the 90 percent mark by focusing on concerted property improvement, marketing and management efforts,” said Matthew L. Adler, chief investment officer for Adler Group. He added that multi-tenant, management-intensive properties in markets with strong growth potential, such as the ones in the WRIT portfolio, are the type of assets for which the company can employ its expertise in on-site property management, leasing and tenant retention to provide strong value-added services and support that realize an asset’s fullest income-earning capacity.

This portfolio buy marks the latest collaboration between AREA and Adler Group, which have been joint venture partners since 1998 in the acquisition and operation of more than 8 million square feet of commercial real estate. “In past property partnerships with AREA we have deployed programs that have led to tenant retention well in excess of 70 percent, as well as new leasing programs that netted more than 1 million square feet per year,” continued Adler. “We are confident we can reach similar levels of success for these properties.”

The acquisition is being accomplished through five separate transactions, three of which have been completed to-date (2,284,272 square feet). Two more transactions will complete the purchase for the remaining 803,673 square feet of properties within the next two months. The comprehensive WRIT portfolio, comprising more than 230 tenants in 56 buildings across 18 properties in four submarkets, breaks down as follows:

- I-95 South Portfolio (1,387,326 sf; Southwest of DC in northern Virginia)
  - o Northern Virginia Industrial Park II 570,452 sf (to be closed)
  - o Pickett Industrial Park 246,145 sf (closed)
  - o Northern Virginia Industrial Park I 216,774 sf (closed)
  - o Fullerton Industrial Center 136,494 sf (closed)
  - o Fullerton Business Center 104,913 sf (closed)
  - o Alban Business Center 86,967 sf (closed)
  - o Northern Virginia Industrial Park III 25,581 sf (closed)
  
- Dulles Portfolio (800,228 sf; West of DC in northern Virginia)
  - o Dulles Business Park 325,091 sf (closed)
  - o Albemarle Point 296,522 sf (closed)

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- o Sully Square I, II & III 95,254 sf (closed)
- o Dulles South IV 83,361 sf (to be closed)
  
- I-465 Portfolio (692,799 sf; East of DC in Maryland)
  - o Hampton South 166,326 sf (closed)
  - o 6100 Columbia Park Road 149,860 sf (to be closed)
  - o 8880 Gorman Road 140,700 sf (closed)
  - o Hampton Overlook A, B, C 134,340 sf (closed)
  - o 9950 Business Parkway 101,573 sf (closed)
  
- I-270 Portfolio (207,592 sf; Northwest of DC in Maryland)
  - o 270 Technology Park 158,319 sf (closed)
  - o Crescent I&II 49,273 sf (closed)

**About AREA Property Partners:** AREA Property Partners, formerly known as Apollo Real Estate Advisors, is a leading international real estate investor and fund manager on behalf of prominent government and corporate pension funds, sovereign wealth funds, insurance companies, foundations, endowments, and high net worth individuals. Since the firm's founding in 1993, AREA Property Partners has overseen the establishment of multiple real estate funds and joint ventures totaling \$13 billion in equity commitments for investments in the United States, Europe and Asia. Its funds have collectively invested in over 500 transactions with an aggregated value in excess of \$60 billion. Headquartered in New York, the firm has offices in Atlanta, Los Angeles, San Francisco, London, Paris, Luxembourg and Mumbai. AREA's funds target a broad range of opportunistic, value-added and debt investments in real estate assets and portfolios throughout North America, Europe, and India. For more information, visit the firm's website at [www.areapropertypartners.com](http://www.areapropertypartners.com).

**About Adler Group:** Adler Group, headquartered in Miami, Florida, and its affiliates offer a seamless network of services designed to maximize the value and strength of the organization's real estate assets. Throughout its history, Adler Group has developed, acquired and operated in excess of 20 million square feet of industrial, office, retail and residential real estate. Today, by means of relationships with a prestigious list of institutional and private investors and nationally recognized financial lenders, the company owns and manages an extensive real estate portfolio comprised primarily of multi-tenant industrial and office properties located in strategic markets throughout the Southeast, Mid-Atlantic and Southwest United States. In the past 13 months, Adler Group has acquired commercial assets in Florida, Virginia, Tennessee, Maryland and Texas. For further information, please visit [www.adlergroup.com](http://www.adlergroup.com).

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