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Randallstown office complex trades hands for \$8.2M

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An affiliate of **Metropolitan Management Co.** has paid \$8.2 million for a four-building office complex in Randallstown, the second multi-million-dollar investment sale to trade hands in April.

In a joint venture between Owings Mills-based **Klein Enterprises** and **Katz Properties** of New York, the two firms hope to lure enough new tenants to the complex to boost its occupancy from 69 percent to 90 percent or more. The properties, known as Deer Park Center, are located at 9631-9637 Liberty Road in Baltimore County.

Tenants include Coastal Business Machines Inc., Mattei USA and Union Scientific Corp.

Klein Enterprises principal Daniel Klein said in an interview he is already negotiating with two companies that would take about 10,000 square feet of space and is in talks with a tenant at the park that wants to expand. But he said it could take time to fill up the complex. Metropolitan Management will oversee leasing at the park.

“By being local, we’ll have the ability to use our relationships to help fill some of the vacancies that exist at Deer Park,” he said. “We’re not expecting to be able to lease up 50,000 square feet in the next 12 months.”

The first investment sale of the month was April 6, when **AMB Property Group paid \$23.5 million for a pair of industrial buildings in Glen Burnie.**

Local brokers say the sales show a growing confidence in the region’s investment sales market. Jonathan Carpenter, a broker with Cassidy Turley, said he is encouraged Klein bought the buildings with plans to increase the park’s occupancy rate, a gamble few investors have been willing to take with commercial real estate purchases since the recession.

“Obviously, the upside is to take it from 69 percent leased to 90 percent-plus,” said Carpenter, who brokered the Deer Park deal on behalf of its seller, **First Potomac Realty Trust.** “It’s an indication that people see the market turning around, because when you can sell potential, that’s a good thing.”

Baltimore's Rosedale Federal financed the purchase from First Potomac, which shed the property for a net gain of \$7.5 million.

Bethesda-based First Potomac (NYSE: FPO) retained Carpenter and fellow Cassidy Turley investment sales brokers Jay Wellschlager and Phil Iglehart to market the property about two months ago. First Potomac announced the sale in a press release April 28 in which it also disclosed its acquisition of an eight-story tower in Fairfax County, Va., for \$13.6 million.

The Randallstown complex was developed by **St. John Properties Inc. of Baltimore**, which sold Deer Park to Butera Properties LLC for \$9.4 million in March 1998, according to the Maryland Department of Assessments and Taxation. First Potomac bought the site in a portfolio of 14 properties for \$123 million in 2004.

The acquisition is the second joint venture for Klein and Katz, which bought the Burwood Village shopping center in Glen Burnie for \$13 million in September.