

News

Equity fuels Abdo's Gaslight Square

by Sarah Krouse

Abdo Development is bringing condominium development back to Arlington's Rosslyn-Ballston corridor.

With construction financing in hand for its \$82 million Gaslight Square condominium project in Rosslyn, the company plans to begin site work on the 117-unit development by the end of the year. The project will sit on a full city block adjacent to Abdo's Wooster and Mercer Lofts at Clarendon Boulevard and Quinn Street.

Gaslight Square would be the first condo project to break ground in the corridor since the housing bubble burst, making Abdo Development the first developer brave enough to try its hand at the for-sale market in Northern Virginia after the recession. In D.C., The JBG Cos. and Grosvenor plan to begin their 120-unit District Condos at 14th and Swann streets NW.

"This is not designed to be an apartment fallback type of development. It's absolutely, positively designed to be built as [for-sale] residences," said Abdo Development CEO Jim Abdo. "It's a significant statement for where we hope things are starting to move in the market."

D.C.-based Federal Capital Partners will provide \$24 million in preferred equity and mezzanine financing, and United Bank will provide \$48 million in construction financing. James G. Davis Construction Corp. along with Abdo Construction will build the project, set to be completed in phases through 2012.

The supply of new condos in Rosslyn and Court House is extremely limited, with just 185 units remaining. Turnberry Tower, a luxury high-rise project with 246 units, has 115 units remaining. The 89-unit Rhodes Hill Square project in Court House has 61 units remaining, and the 98-unit Park at Courthouse has nine units available.

"There hasn't been anything new up and down the Orange Line in a while," said Michael Albrightain, an agent with Keller Williams Realty.

The one-bedroom-with-den and two-bedroom units at Gaslight Square will rise in three buildings that resemble townhouses. Each unit will have its own outdoor space and be served by a private elevator. The condos



Rendering courtesy of Abdo

Abdo Development bought and cleared the block between Rosslyn and Courthouse in 2007, but the economy hobbled its development plans. The company plans to break ground on the 117-unit Gaslight Square by the end of this year.



Developer Jim Abdo says Gaslight Square will be a "greatest hits collection" featuring the best of all his previous projects.

File photo by Joanne S. Lawton

elevators and the most popular floor plans.

The four-story complexes, designed by Abdo's in-house architects and Reston-based Architecture Inc., will be separated by open space lit by gas lights. Residents on the first floor will walk from the garage into their living rooms; residents on the upper floors will take private elevators to their units.

Abdo Development bought the land in 2007 as it was completing Wooster and Mercer Lofts and had planned to begin work immediately.

"You don't buy land like that to just sit around and wait," Abdo said. "Our goal was to roll with that market, and what we rolled

range from 1,200 square feet to just over 1,900 square feet, and prices are expected to span between \$700,000 and \$1.4 million.

Abdo calls Gaslight Square his "greatest hits collection," bringing together the most popular features of past projects, including double-height ceilings, private

into was a complete meltdown."

He spent the next three years looking for financing partners.

"It was at a time when people just didn't know where to go and what to do," Abdo said. "We had a strong local market and micro markets within, but it was like speaking to a brick wall when we talked to equity firms with exposure all over the country."

He took the proposal to Federal Capital Partners, a local investment firm, two years ago, but the principals told Abdo the timing wasn't right. But by the middle of this year, FCP was ready for a deal.

"It's shovel-ready. It's got exceptional sponsorship, a great location, and it's in a market that's tightening daily," said Lacy Rice, a Federal Capital Partners principal who acknowledged that the appetite for condo projects among financing partners is still limited.

The Rosslyn-Ballston corridor, where new condos kept their value despite the downturn, was different from most submarkets, Rice said.

Debbie Shapiro, a real estate agent with TTR Sotheby's International Realty's Northern Virginia office, said Rosslyn has come a long way in shedding its image as a commuter town.

"Rosslyn is getting very hot," she said. "I think it has major untapped potential."