

2011 CREW NETWORK CONVENTION & MARKETPLACE

Monument Realty: Before and After the Downturn

By Russell Hines, President, Monument Realty

September 2008 seems like a distant memory for Monument Realty. Three years ago, Monument, Lehman Brothers' primary development partner in the Washington, DC region, found itself at the center of a financial storm by way of its connection to the 150 year old financial institution. Due to the sheer volume of work that Monument had underway at the time (and with its primary financial partner in bankruptcy), there was the appearance of a real estate company teetering on the brink.

However, Monument had other plans. Early signs of Lehman's financial troubles offered Monument an opportunity to make a series of operational adjustments, such that by early 2009, Monument was financially sound and ready for new business. Like most companies, Monument did reduce workforce, but it also made a conscious decision to maintain a full-service real estate team, including development



Monument View

and construction professionals, which proved a wise decision. Monument went to work establishing new financial relationships and was on the hunt for real estate investment opportunities. Of course there were lingering challenges associated with old real estate deals, but even there, Monument was able to create new opportunities. For example, Monument fostered relationships with a new group of lenders that had taken assignment of a number of Lehman's senior loans and parlayed those relationships into opportunities for fee development, brokerage and even new development deals.

By the summer of 2009, Monument began to announce a series of successes, including

signing major leases that brought 55 M Street, Monument's new office building near Nationals Park, to 85% leased, the sale of Monument Corporate Center to Kaiser Permanente and, most importantly, a number of new developments and investment partners, such as Atlas Capital Group, Square Mile Capital, Angelo, Gordon & Company, and Walton Street Capital. The new projects include: Gallery Square, an 80,000 square foot, office development site in Chinatown; Monument View, a 322,000 square foot build-to-suit for The Boeing Corporation; 2055 L Street, a 103,000 square foot office building renovation and repositioning; and Liberty View, an 879,000

square foot, multi-phased office development near the Franconia-Springfield Metro Station.

Plans are exciting, but ground up construction is the most demonstrative sign of progress in a real estate market. In that regard, Monument is on schedule to start construction of Monument View [Image above] in November. Upon completion in 2013, Boeing will purchase the property from Monument. The renovation of 2055 L Street is already underway and Monument has plans to start construction in the coming months on the next phase of its Half Street project, a 332-unit apartment building across from Nationals Park, as well as the first phase of Liberty View in 2012.