

July 10, 2017

 GLADSTONE COMMERCIAL

Gladstone Commercial Corporation Announces \$26.4 Million Industrial Property Acquisition in Philadelphia, PA

MCLEAN, Va., July 10, 2017 (GLOBE NEWSWIRE) -- [Gladstone Commercial Corporation](#) (NASDAQ:GOOD) ("Gladstone Commercial") reported today that it completed the acquisition of a 300,000 square foot, single-tenant Class-A industrial building located in Philadelphia, PA for \$26.4 million.

The property is leased to the National Archives and Records Administration ("NARA") through 2032, with a termination option beginning in 2027. The property is home to NARA's Federal Records Center and The National Archives at Philadelphia. The lease is fully guaranteed by the United States Government (S&P, AA+; Moody's, Aaa) and demonstrates Gladstone Commercial's emphasis on acquiring high quality properties leased to creditworthy tenants.

The mission-critical property serves as the federal records center for over 80 federal agencies located throughout the Northeast and MidAtlantic states. In its role as The National Archives at Philadelphia, the property serves as the primary retention facility for historically significant records of federal agencies and courts.

"This high quality industrial acquisition expands our presence in the Philadelphia market, as well as our national industrial footprint," said Matt Tucker, the Managing Director responsible for the transaction. "The property is very well located, is mission critical for the tenant, and should provide our investors with long term steady returns supported by the investment grade rated credit of the United States Government."

The going-in cash capitalization rate for the transaction is 6.41% and the GAAP capitalization rate is 6.62%. Simultaneously with the acquisition of the property, Gladstone Commercial closed a \$14.9 million 10 year mortgage with a fixed rate of 3.75%.

About Gladstone Commercial (NASDAQ:GOOD)

Gladstone Commercial is a real estate investment trust focused on acquiring, owning and operating net leased industrial and office properties across the United States. As of March 31, 2017, its real estate portfolio consisted of 95 properties located in 24 states, totaling approximately 10.9 million square feet. For additional information please visit www.gladstonecommercial.com.

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All statements contained in this press release, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. Readers should not rely upon forward-looking statements because the matters they describe are subject to known and unknown risks and uncertainties that could cause the Company's business, financial condition, liquidity, results of operations, funds from operations or prospects to differ materially from those expressed in or implied by such statements. Such risks and uncertainties are disclosed under the caption "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as filed with the SEC on February 15, 2017. The Company cautions readers not to place undue reliance on any such forward-looking statements which speak only as of the date made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit www.gladstone.com.



Source: Gladstone Commercial Corporation