

# Gladstone Commercial Corporation Announces \$21.3 Million Industrial Portfolio Acquisition in Detroit Area

MCLEAN, Va., Nov. 01, 2018 (GLOBE NEWSWIRE) -- Gladstone Commercial Corporation (NASDAQ: GOOD) ("Gladstone Commercial") announced that it completed the acquisition of a two building, 218,703 SF industrial portfolio in the Detroit, MI suburbs of Auburn Hills and Sterling Heights for \$21.3 million through an UPREIT transaction, inclusive of assumed debt. The initial capitalization rate for the acquisition is 7.5%, and the average (GAAP) capitalization rate is 8.0%.

The portfolio is 100% leased with a weighted average lease term of 10.5 years. The 144,400 SF Auburn Hills property is 100% occupied under a 10.2 year lease by Dana Driveshaft Manufacturing, LLC, a subsidiary of Dana Incorporated (NYSE: DAN). Dana Incorporated, which guarantees the lease, provides drive and motion products, sealing solutions, thermal-management technologies, and fluid-power products to vehicle and engine manufacturers in North America, Europe, South America, and Asia Pacific. The 74,303 SF Sterling Heights property is 100% occupied under a 10.9 year lease by TransForm Automotive, LLC ("TransForm"), a subsidiary of Means Industries, Inc., which guarantees the lease. TransForm specializes in various components and assemblies for transmission production utilizing proprietary stamping, forming, flow forming, machining, laser-welding and assembly processes.

"This portfolio acquisition expands our industrial presence in the Detroit Area, where we now own five industrial assets totaling over 900,000 square feet. The Detroit Area industrial market fundamentals are favorable, with a vacancy rate below 5%, and long term trends of positive absorption and rent growth. This investment should provide accretive, long term returns to our investors, while increasing our industrial concentration and weighted average lease term for the Gladstone Commercial portfolio," said Matt Tucker, Senior Managing Director of Gladstone Commercial.

"As our first UPREIT transaction, this acquisition represents our commitment to utilizing all of the tools at our disposal to execute our strategy and provide strong returns for our shareholders, and this investment reinforces our desire to amass portfolios of high quality properties in our target markets," said Bob Cutlip, President of Gladstone Commercial.

## **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 September 30, 2018, its real estate portfolio consisted of 99 properties located in 24 states, totaling approximately 11.6 million square feet. For additional information please visit [www.gladstonecommercial.com](http://www.gladstonecommercial.com).

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For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit [www.gladstone.com](http://www.gladstone.com).

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