

Gladstone Commercial Corporation Announces \$51.4 Million Office Portfolio Acquisition in Orlando, FL

MCLEAN, Va., Aug. 01, 2017 (GLOBE NEWSWIRE) -- [Gladstone Commercial Corporation](#) (NASDAQ:GOOD) ("Gladstone Commercial") announced today that it completed the acquisition of a 306,435 square foot, Class-A, three office building portfolio in the Orlando, FL suburb of Maitland for \$51.4 million dollars. The initial capitalization rate for the acquisition was 7.43%, with an average capitalization rate of 8.48%.

The portfolio, collectively known as Maitland Preserve, is 72% leased to ADP, LLC, a wholly-owned indirect subsidiary of Automatic Data Processing, Inc. (NASDAQ:ADP), through September 2027. ADP is a Fortune 500 global human capital management firm with an investment grade rating of 'AA' from S&P. The acquisition of the portfolio is consistent with Gladstone Commercial's growth strategy of acquiring high-quality assets in strong markets with credit-worthy tenants. The portfolio is 100% leased, and no other tenant represents greater than 8% of the portfolio.

The portfolio consists of three buildings: Eastwoods, a five-story, 177,117 square foot office building leased 80% to ADP, Westwoods, a three-story, 79,318 square foot office building leased 100% to ADP, and Southwoods, a single-story 50,000 square foot office building leased 100% to two tenants. The portfolio also consists of two parking structures, which bring the total parking ratio of the portfolio to greater than five spaces per 1,000 square feet of occupancy. Overall, the portfolio has a weighted average lease term of 8.7 years.

"This is our first acquisition in the Orlando MSA, which continues our strategic expansion into both primary and strong secondary markets in the U.S.," said Brandon Flickinger, Managing Director of Gladstone Commercial's investment adviser. "The 10-year lease term with ADP will provide attractive stable returns to our investors over the long term given the attributes of the real estate and strong macroeconomic drivers of the Orlando economy."

Gladstone financed the transaction with a fixed-rate mortgage at a 3.89% interest rate.

Bob Cutlip, President of Gladstone Commercial, agreed. "This transaction is an excellent acquisition in a growth market and continues our historical program of closing with attractive fixed rate debt on our properties. This strategy protects our going-forward returns should interest rates rise."

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