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Inland Private Capital Corporation Successfully Completes Sale of Largest Pre-Recession Office Holding in Latest Full-Cycle Transaction

Oak Brook, Ill. – Inland Private Capital Corporation (“IPC”) today announced the \$99.3 million sale of a 377,332-square-foot Bank of America office building, located in the Hunt Valley submarket of Baltimore, Maryland. IPC, through its subsidiary which serves as asset manager, facilitated the sale on behalf of one of its 1031 investment programs.

The Hunt Valley property was purchased in July 2008 and IPC managed the asset through the economic and real estate downturn of the Great Recession. In anticipation of the program’s liquidity event, the asset manager obtained a lease extension and completed a refinance and recapitalization in effort to maximize value on behalf of investors.

“Several years ago, we began the implementation of our exit strategy by building up a substantial property reserve balance, while maintaining a consistent distribution throughout the hold period,” said Rahul Sehgal, chief investment officer of IPC. “Cash management of reserve dollars paid off during negotiations with Bank of America, as we were able to secure a 10-year lease extension which included a parking lot expansion project to construct an additional 550 spaces on the property. The vast majority of the tenant improvement dollars were funded by reserves, avoiding the need for a capital call from investors.”

The Hunt Valley property provided a 7.06 percent average annualized return to investors. The sale resulted in a total return to the investors of 177.25 percent (calculated based on the aggregate amount of original capital invested in the property).

“The Hunt Valley sale is an excellent example of IPC’s commitment and determination to provide successful full-cycle transactions to its investors,” said Keith Lampi, president and chief operating officer of IPC. “Given the acquisition vintage, challenges within the suburban office sector and complexities surrounding the DST structure, our ability to monetize at a profitable level makes the overall performance of this program pretty remarkable.”

Constructed in 1974 and expanded in 1997, the Hunt Valley building represented IPC’s largest pre-recession investment holding in the corporate office sector. 2019 has been a very active year for liquidity events by IPC. To date, in 2019, IPC has completed 19 full-cycle asset dispositions, representing an aggregate sale price of \$665.7 million, returning more than \$322.8 million in sales proceeds to investors.

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[About Inland Private Capital Corporation](#)



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Inland Private Capital Corporation (IPC), headquartered in Oak Brook, Ill, is a privately held, industry-leading alternative investment management firm, with an investment focus spanning across a broad range of asset types. As of June 30, 2019, the firm had sponsored 241 private placement real estate offerings, with investments and developments in the multifamily, self-storage, hospitality, healthcare, student housing, retail, corporate office and industrial sectors. Many of IPC's offerings were designed for investors seeking replacement property to complete an IRS Section 1031 exchange. IPC is recognized as the largest provider of securitized 1031 exchange opportunities in the country, with a national footprint of more than 600 properties, representing approximately \$8 billion in assets under management as of June 30, 2019.