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Two more companies sign office leases at North Bethesda's Pike & Rose

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Two companies are getting ready to move into North Bethesda's Pike & Rose development.

Federal Realty Investment Trust's (NYSE: FRT) 212,000-square-foot office building at 909 Rose Ave. has signed a lease with ESAB, a fabrication technology company, for 20,887 square feet. The company will take space on the eighth floor to house its global support functions and management, moving its headquarters from Annapolis Junction, Maryland.

And Emagine IT, an enterprise IT and cybersecurity company, is taking 9,787 square feet, moving to North Bethesda from Fairfax, Federal said.

The \$135 million building, which sits near the corner of Rockville Pike and Rose Avenue, is now 80% leased with OneDigital, United Solutions, Industrious and Federal Realty's own headquarters as tenants. The landlord says it expects the building to be fully leased by the first quarter of 2022. Jay Brinson, vice president of development for Federal Realty, said it's a good sign for the development, whose residential component has hit 95% occupancy.

"We do have other deals in the works that are getting close," Brinson said. "Just looking at the momentum we've had this year — coming out of the year we had in 2020 — for us to be getting the tour activity has been a pleasant surprise. Since February it's been two to three a month in this building."

ESAB said its lease came because it wanted a location with a lot of amenities, both for employees and the clients it brings in. The company has 9,000 employees in facilities across five continents and thus brings in many people from out of town, said Michele Campion, vice president of human resources for the company. ESAB, which was spun out of Colfax Corp. (NYSE: CFX) earlier this year, is expected to have revenue close to \$2.2 billion in 2021.

Pike & Rose has 765 apartments, 99 condominiums and 50 retail tenants, including a handful of restaurants and entertainment. All of it is served by a 177-room Canopy by Hilton hotel. Brinson said tenants have come to the property for specific office amenities that encourage people to come into the workplace in an era of hybrid work, such as a fitness center, new HVAC systems and building-wide wifi and fiber connectivity.

"We knew pre-pandemic the trend of people wanting to move to amenitized buildings with Metro accessibility was there, but the activity is from companies who value employees in the office," Brinson said. "You've got to be able to walk out the door and have everything at your fingertips, it's not just the building amenities."

Pike & Rose is approved for up to 3.4 million square feet of development. Federal Realty recently revealed it's considering swapping out a previously approved but unbuilt multifamily building there for a 260,000-square-foot research and development facility, a particularly hot commodity in Montgomery County.

Danny Sheridan of JLL represented Federal Realty in lease negotiations. Lance Schwarz, Peter Burleigh of NAI Michael and Mike Lindeman of NAI Global Corporate Solutions represented ESAB, and Adam Schindler of Colliers represented Emagine.



DANIEL J. SERNOVITZ/WBJ

The 11-story, 212,000-square-foot building at 909 Rose Ave. cost between \$128 million and \$135 million to develop.

