

Federal government signs \$20 million lease for Bankruptcy Court space on Market Street

Patterson-Woods Commercial Properties/CORFAC International

announced the completion of a 65,941 square foot office lease for the U.S. Bankruptcy Court for the District of Delaware at 824 N. Market Street in Wilmington.

The U.S. Bankruptcy Court premises occupies the third, fifth, and sixth floors and a portion of the 2nd floor of the 196,969-square-foot office building, which is owned by NNN 824 North Market Street, LLC.

The new 10-year U.S. Bankruptcy Court lease has a gross value of \$20.4 million. The lease of space is considered a new transaction under federal General Services Administration guidelines.

The building recently received a \$27 million loan from a real estate investment firm. The previous loan had been listed as nonperforming.

The building, a landmark on Market Street, has struggled with the peculiarities of a downtown Wilmington office market that put a premium on a large amount of on-site parking.

The building houses a busy U.S. Bankruptcy Court that is a go-to location for much mid-sized bankruptcy cases involving retailers, restaurants and most recently oil and gas companies hit hard by declining energy prices.

The court has also handled large, complex cases, including the filing of [Energy Future Holdings](#), the owner of Texas utility giants that made a bad bet on rising energy prices. The case has taken many twists and turns and generated massive legal fees.

Bart Mackey, principal at Patterson-Woods, represented the landlord and negotiated directly with the General Services Administration, the Courts' representative, in the lease transaction.

"The quality of the existing highly improved infrastructure and a central location were contributing factors to the Courts decision making," said Mackey. "After a thorough evaluation and a partial footprint consolidation, the courts committed to continued tenancy by a new 10-year lease at 824 N. Market Street."

The U.S. Bankruptcy Court now occupies approximately 33 percent of the building. In addition to office tenants, the building's retail level tenants include local stalwart Brew Ha Ha!, Jimmy John's Gourmet Sandwiches and a Santander Bank branch.

Patterson-Woods Commercial Properties/CORFAC International specializes in the Mid-Atlantic commercial property market.

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