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<https://www.bizjournals.com/houston/news/2022/12/20/workspace-property-trust-griffin-realty-trust.html>

# Year in Review: Workspace Property Trust's \$1B acquisition of 53 office buildings was a Deal of the Week

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**Editor's note:** Through the end of December, we're taking a look back on the Deals of the Week from 2022. This was the Deal of the Week for the Houston Business Journal's Sept. 2-8 edition.

*The original story from September 2022 appears below.*



WORKSPACE PROPERTY TRUST

Roger W. Thomas, co-founder and president of Workspace Property Trust

## The skinny

Florida-based Workspace Property Trust doubled down on the future strength of the suburban office market with the \$1.13 billion acquisition of 53 suburban office buildings totaling 8 million square feet — in Houston and several other markets — from California-based Griffin Realty Trust.

## The details

The deal almost doubled Workspace's real estate footprint to 18 million square feet across 200 buildings in 22 markets, including three Houston-area buildings:

681 Greens Parkway, a 68,950-square-foot fully occupied building in the Greenspoint area.

4424 W. Sam Houston Parkway N., a 242,374-square-foot multitenant building at the northeast corner of Clay Road and Beltway 8.

332 State Highway 332 in Lake Jackson, a 230,000-square-foot building fully occupied by Dow Inc.

Griffin will retain minority ownership in the portfolio.

## The backstory

Workspace first made a bet on the suburbs in 2015 when it paid \$245 million to buy Liberty Property Trust's office portfolio in the Philadelphia area. A few months later, the firm spent nearly \$1 billion to buy 108 office and flex buildings totaling 7.6 million square feet from Liberty. All of the buildings were in the suburbs of Philadelphia, Arizona, Florida and Minnesota.

Workspace's initial desire seven years ago to concentrate on the suburban office market was met by skeptics who saw cities as the place for companies to attract the best talent. Many companies were also convinced of the same and established satellite offices in urban centers as alternatives to their suburban offices.

The conventional wisdom at the time was that millennials, even as they aged, would continue to live in cities because they didn't want to drive cars or have a commute and preferred the vibrancy of urban environments over the suburbs.

But the Workspace team believed millennials would begin to migrate to the suburbs as they married and had children, like in previous generations. While that shift started to happen around 2015, the pandemic "turbocharged it," said Roger Thomas, co-founder and president of Workspace.

The Griffin portfolio came on Workspace's radar last September, and the companies began working on a transaction known internally as the “whack-a-mole” deal. Every time one problem would get resolved, another would pop up.

“This was the toughest deal Tom [Rizk] and I have ever worked on,” Thomas said. The duo has been involved together in \$10 billion in transactions over the years.

## **The players**

Jordan Bock, the founder of Mason Capital, served as a strategic adviser and partner to Workspace and the consortium on this transaction and will serve on Workspace’s board. J.P. Morgan and Bank of Montreal provided senior debt financing. Newmark Group served as an adviser to Workspace on debt financing. Seyfarth Shaw LLP and McCausland Keen & Buckman served as legal counsel to Workspace.

*Reporting from Philadelphia Business Journal's Natalie Kostelni used in this report.*

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