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## Delancey Continues Push into Baltimore MF Market

By [Erika Morphy](#) | Baltimore



Sail Cloth Factory Apartments

BALTIMORE, MD—Philadelphia-based **Delancey Street Capital** has acquired the **Sail Cloth Factory Apartments** building here, a 107-unit loft style apartment community located next to the University of Maryland Medical Center and University of Maryland. The company acquired the property for **\$12.9 million** from a private seller. **CBRE** brokered the transaction.

The building was constructed from 1888 to 1911 and then, as its name suggests, served as a manufacturing plant for sail cloth used by mariners and machine belts. The building was converted to loft apartments in 1986, and upgraded in later years.

Delancey Street plans to make further upgrades of the building amenities and renovate select apartments, including upgrading the property with a new 2,000 square foot roof deck, free wireless internet and yoga classes.

The building is in Delancey's sweet spot of acquiring class B multifamily products in class A submarkets – a sweet spot that is increasingly encompassing the Baltimore market. "Class B continues to have tremendous downside protection when compared to Class A," says principal **Daniel M. Kline**. "The rents at Sail Cloth Factory are literally hundreds of dollars below the competition and we believe that Sail Cloth is the number one value for renters in the area surrounding the University of Maryland."

The Sail Cloth Factory Apartments is the fourth the company has acquired in this city for the past year.

In March, the company **acquired the 29-unit Hampton Court Apartments** in the Bolton Hill submarket through a court ordered bankruptcy sale. The purchase price was \$1.95 million, which was 63% of the outstanding Fannie Mae loan balance.

Last September Delancey **acquired The Madison Apartments**, a 100-unit mid-rise building in the center of the Mount Vernon arts district in Baltimore, in an off market transaction. The Madison followed the same playbook—a class B apartment in an excellent submarket with tremendous upside potential.

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Washington, DC reporter Erika Morphy goes deep inside the DC power scene to explore the link between Capitol Hill and your assets. Erika Morphy has been a financial journalist for 20 years. She's been covering the capital markets for ALM since 2004. [Contact Erika Morphy.](#)  
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