



The 60-story man

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Developer wants to build city's tallest skyscraper — twice

Investors once afraid to dip so much as a toe into the Baltimore real estate market are now plunging in with millions of dollars, betting on a prosperous future for the city.

Among them is Richard W. Naing, a Potomac resident who is taking Baltimore bullishness to new heights with a plot to build the city's tallest skyscraper — not once but twice.

Naing, a longtime Washington broker and developer, decided in 2003 that the nation's capital no longer offered the kind of groundbreaking opportunities he was seeking.

"I decided to look for more projects in Washington, but the prices were all outrageous," he said. "If you want a building permit in Washington, you almost have to go to church and pray."

He turned his sights 38 miles north to Baltimore. What caught his attention was a portfolio of eight Class B office buildings that then-owner Boxer Property had put on the selling block.

"When I walked into the Equitable building, I said, 'How much is this?'" Naing recalled of the late 19th-century office building at 10 N. Calvert St. "It was peanuts compared to Washington. You couldn't lease space for this price in Washington."

The realization that Baltimore offered a much lower price for entry into its real estate market — combined with amenities such as the Inner Harbor — sealed the deal for Naing. He sold the handful of buildings he still owned in Washington to free up cash for the Boxer properties.

Along with Rockville-based partner Bresler & Reiner Inc., Naing's company RWN Development Inc. purchased the buildings in 2004. Knowing that Baltimore's office vacancy rates hovered at about 18 percent for Class B space, the companies hired local architect Kann & Associates to figure out whether other uses would be more profitable for the buildings.

"We realized that a lot of the buildings had worn out their useful lives as for office," Naing said.

The floor plates of the buildings, many of them built in the late 19th or early 20th centuries, lent themselves to redevelopment for either residential or hotel uses, he said.



Richard W. Naing has been quietly buying properties just north of Baltimore's City Hall. He has plans to build two massive skyscrapers in the area.

Photo by Sonja Kinzer

Naing decided to put the buildings back on the market, pitching them as ideal conversion projects. He figured that even if they did not sell for what he was asking, he could begin converting the buildings himself. But that was not necessary.

"We put them on the market and it worked like a charm," Naing said.

By June of 2006, all but one of the former Boxer properties sold to new investors. RWN kept the Equitable building, occupying a space on the mezzanine level for its new headquarters office. Naing said he doubled his money on the sales.

With the cash he earned, Naing was free to pursue his daydreams. He began buying up properties just north of City Hall in hopes of eventually building on their footprints.

He now has control of nearly two full city blocks just north of City Hall on which he plans to erect 60-story or taller mixed-use towers — heights that would dwarf Baltimore's current tallest structure, the Legg Mason building.

"In two to three years, Baltimore will be the perfect storm" for massive mixed-use residential buildings, Naing said.

As reasons behind his optimism, Naing cited the Base Realignment and Closure process that is transferring thousands of military-related jobs to Maryland, the completion of the University of Maryland biotech park in West Baltimore and new research investment at the Johns Hopkins University.

"The demographics are perfect," he said.

Can it be done?

If Naing had his way, his skyscrapers would incorporate all uses, with room for a hotel, condominiums, assisted living facilities, office and retail space. Naing predicts demand for all of it.

While his confidence tickles Baltimore development leaders, the notion of not one but two 60-story towers downtown raises the eyebrows of even the city's biggest cheerleaders.

Mark Deering, a broker with MacKenzie Commercial Real Estate Services LLC, wondered whether Baltimore could handle such a copious infusion of space.

"Would it be good to see on the skyline?" Deering asked. "In my opinion, yes, it would be delightful."

But, he countered, "Is there demand right now for a million square feet of office space in downtown Baltimore? The answer is no."

"The question is, Will all the waterfront projects that should be built be built, and what is the demand beyond that?" he wondered. "He's probably fishing and wishing."

Otis Rolley III, director of the city's Department of Planning, said he is rooting for Naing's plans.

But, "I'll admit that the plans are extremely ambitious," Rolley told The Daily Record in an interview last month.

Rolley also wondered whether Naing, who isn't a known player in Baltimore real estate, has the capital or wherewithal to accomplish two larger-than-life projects.

But according to Naing's former colleague, Leo McDermott, a broker in the Washington office of real estate firm CB Richard Ellis, Naing is a savvy businessman with impressive foresight.

"If you talk to anyone who invests in commercial real estate in Washington, they know about Richard Naing," McDermott said.

Among Naing's signature projects was 2401 Pennsylvania Ave., one of Washington's upscale residential addresses.

The Washington Post wrote a rave review of the project, thanking RWN, in a 1991 article. "Powerful in form, elegant in detail ... it is a cohesive architectural statement that celebrates vivid contrasts," the article said of the project.

Naing also used historic tax credits to restore buildings when such a practice was not nearly as popular as it is today.

Anxious buyer

Naing's passion has always been real estate, he said. A degree in engineering from Carnegie Mellon University left him unsatisfied, as did a brief stint in law school.

During his decades-long career as a developer, Naing has either owned or developed about 50 properties, he said. He's cashed in most of the chips he earned during that career and is placing them on the table for Baltimore.

McDermott concedes that Naing's new Baltimore plans are grand.

"But he's always had good instincts and he's very good with numbers, and I think that's probably what is behind his ambitious goals here is that the numbers work," McDermott said.

"He's got a track record that precedes him that shows if anyone is capable of building those towers, he certainly is," McDermott said. "By the time that he gets his approvals and architectural work completed ... that may be an ideal time to develop such an ambitious project."

"What I saw was interesting. To me it was intriguing," Rolley said of Naing's preliminary plans for the towers. "I was excited about the potential of really activating that area of downtown."

The area north of City Hall lacks the noisy street life of the Inner Harbor and central business district. However, being situated just blocks from those locations gives the area a good shot at becoming livelier.

The months ahead will reveal more detailed plans from Naing, but what is certain is that the developer does not plan on leaving Baltimore anytime soon.

"I think there are still a lot of opportunities left in Baltimore," Naing said. "I'm anxious to buy more."