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Broadreach extends west with 143 Union

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One of the top office buildings on the Union Boulevard corridor in Lakewood sold to a real estate investment company with a collection of Class A buildings in Denver. Broadreach Capital Partners paid approximately \$140 per square foot, or \$25.9 million, for the 10-story building at 143 Union. The 184,460-sf building is across the street from the Denver Federal Center and a five-minute walk from a planned light-rail station.

The deal fit Broadreach Capital's strategy of acquiring well-located, high-quality real estate with an opportunity to create value, said Senior Director Gene Payne.

"We really like what's going on in the Union corridor," he commented. "Class A vacancy rates are very tight over there, below 10 percent."

The building houses Wells Fargo, a 16,000-sf tenant, as well as two 19,000-sf tenants, Tetra Tech Inc. and GEA Integrated Cooling Technologies Inc. Occupancy was 99 percent at the time of the sale.

"I would say that it is in the top tier of buildings on the Union corridor," said Paul Lubber, president of Starr Realty, which acted as asset manager and property manager for seller One Union Square II Ltd., the partnership that sold the building.

Investors also were drawn to the building because of the stable tenant base in the Union submarket and limited opportunities for new development, said Cushman & Wakefield of Colorado Inc. broker Mike Winn. "People like the fact that it is pretty well built out. There is little or no land for new construction."

Light rail and the planned relocation of St. Anthony Hospital to the federal center will create a "huge activity center" adjacent to 143 Union, said Winn. Winn and Cushman & Wakefield's Tim Richey were the listing brokers for the property, which was built in 1981.

Broadreach Capital plans to invest capital to improve the building's lobby, common areas and overall appearance, said Payne.

Palo Alto, Calif.-based Broadreach Capital Partners, along with partners, has assembled a Denver portfolio that spans the downtown, southeast and, now, west submarkets. Its properties include the World Trade Center, 1999 Broadway, Greenwood Corporate Plaza and others.

"As a seller, we have found Broadreach Capital Partners to be very professional, but at the same time an exceptionally easy group to work with," commented Luber. "We've similarly had a great experience with Starr," Payne commented.

Broadreach Capital continues to seek opportunities in the Denver market.

"I think the fundamentals have continued to improve as the market has recovered," said Payne. Now in a growth phase, Denver's market should continue to progress over the next couple of years, he said.