

COLORADO REAL ESTATE JOURNAL

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FEATURED



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Cress Capital buys The 410 office building

by Avalon Jacka

DENVER – A Newport Beach, California-based real estate investment firm acquired a 24-story office building in the central business district.

Cress Capital purchased The 410, located at 410 17th St., in collaboration with Denver-based **E2M Ventures**. Cress acquired the loan on the property earlier this year and negotiated a deed in lieu of foreclosure with the undisclosed prior owner.

“With well-capitalized and stable ownership behind the project, The 410 will be at the top of its competitive set, offering tenants an unparalleled hospitality-driven experience,” said Cress Managing Partner **Tom Parnell**. “We believe in the resurgence of downtown Denver and that The 410 will contribute to Denver’s ongoing economic growth.”

CBRE marketed the loan on behalf of the lender, which is listed as **Ares Management Corp.** on Denver



The 410, located at 410 17th St., features 440,000 square feet of office space and a detached eight-story garage.

County public records. With an original balance of \$113 million, the loan’s unpaid principal balance was \$96.2 million, according to public records.

The 410, which includes approximately 440,000 square feet of office space

and a detached eight-story parking structure, underwent a major renovation in 2021. The property offers nearly 35,000 sf of “meticulously crafted and thoughtfully designed” spec suites that are ready for immediate occupancy, according to a

statement from Cress.

The property features a contemporary lobby and numerous premium amenities, including a state-of-the-art fitness center, conference and training facilities, an outdoor tenant lounge

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Walker & Dunlop broker sale of Viridian

by Avalon Jacka

GREENWOOD VILLAGE – A 420-unit multifamily community in the Denver Tech Center has traded hands for \$117 million, or \$278,571 per unit, or \$308 per square foot.

J.P. Morgan sold Viridian, located at 5335 S. Valentia Way, to **Pacific Urban** in April. **Walker & Dunlop’s Dan Woodward, David Potarf, Matt Barnett** and **Jake Young** facilitated the sale.

Built in 2001, Viridian totals 379,478 sf. The property, comprised of four four-story buildings, is 92.1% occupied. Viridian features a mix of one-, two- and three-bedroom units averaging 904 sf.

Each unit features high ceilings; large, energy-efficient windows; a full Energy Star appliance package; a full-size washer and dryer; a gas fireplace; walk-in closets; an oversized soaking tub; and a private patio or balcony. Units range from 570 to 1,420 sf.

Community amenities



The 420-unit Viridian is comprised of four four-story buildings at 5335 S. Valentia Way.

include a state-of-the-art fitness center and yoga room, a year-round resort-inspired pool and spa, a clubhouse with WiFi access, a surround-sound movie theater, a 24-hour business center, a

basketball court, a dog wash station, package lockers, a complimentary coffee bar, and reserved, covered garage parking.

Located southeast of the East Bellevue Avenue-Inter-

state 25 interchange, Viridian offers convenient connectivity to the greater Denver metro area via Interstates 25 and 225. The property is located within walking distance of restaurants and entertainment. ▲

MOB

CBRE teams facilitate Orchard Park Medical Center

by Avalon Jacka

WESTMINSTER – A 75,605-square-foot medical office building southwest of the Interstate 25-East 144th Avenue interchange has sold for an undisclosed price.

Orchard Park Medical Center, located at 14190 Orchard Parkway, was sold by **North Denver MOB LLC**, an entity led by a group of physicians and Development Solutions Group. The buyer was an undisclosed, Chicago-based institutional fund. **Chris Bodnar**, **Brannan Knott**, **Cole Reethof** and **Trent Jemmett** of **CBRE's** U.S. Healthcare Capital Markets team, along with **Dann Burke** and **Stephani Gaskins** of **CBRE Denver's** Healthcare Leasing team, represented the seller in



Orchard Park Medical Center, a 75,605-square-foot, two-story building, was 93% leased at the time of sale.

the transaction.

"We were able to execute a complex sale which required physician reinvestment on a tax-deferred basis while navi-

gating the volatility of interest rates," Bodnar said. "This is a great outcome for both seller and buyer. Denver has long been a coveted health care real estate

market, proven once again by the competitive bidding process we experienced with this transaction."

Built in 2022, Orchard Park Medical Center includes four operating rooms, two procedure rooms and four 72-hour recovery beds. Situated on the campus of CommonSpirit Health's St. Anthony North Hospital, the two-story building was 93% leased at the time of sale. The medical facility is anchored by a state-of-the-art ambulatory surgery center leased to one of the most dominant orthopedic groups in Colorado, Panorama Orthopedics and Spine Center, in partnership with CommonSpirit Health and United Surgical Partners International. In addition to surgery, other spe-

cialties at the property include imaging, spine, orthopedics, cardiovascular, sleep and prosthetics.

Other news

■ DENVER – A medical office condo in the central submarket traded hands for \$600,000.

Cochran Investments LLC purchased the 1,504-square-foot property, located at 2373 Central Park Blvd., Unit 201, from **Dana Elizabeth Ouder Kirk LLC** in May. The end user buyer will operate a youth behavioral health clinic in the space.

Andrew Dodgen and **Wuani-ta LaRusso** of **Fuller Real Estate** represented the seller. **Ally Medical Partners' Perry Bacalis** represented the buyer. ▲

Cress

Continued from Page 1

and the Little Owl coffee bar. The building is located within blocks of the Colorado state Capitol and surrounded by numerous retail, restaurant and hotel options in the central business district. **Steel-Wave** is currently set as the property manager.

Parnell noted The 410's good quality and location, as well as the recent renovations, attracted Cress Capital to the property.

"We get to inherit all those nice features of the property,"

Parnell said of the active amenities.

The 410, built in 1978, was nearly 30% occupied at the time of sale. Cress' strategy for the property is to lease up the building, starting with the spec suites and following with the remainder of the building, Parnell said. **Chris Phenicie** and **Sarajane Goodfellow** of **CBRE** are leading leasing efforts for The 410.

The acquisition aligns with Cress' strategy of investing in out-of-favor opportunities at attractive valuations and

underscores the firm's confidence in both Denver's downtown office market and the U.S. office market overall, a statement from Cress noted. The firm plans to increase its investments in office buildings around the U.S. and leverage its operating platform to meet the demand of office tenants, or reposition buildings for alternative uses.

The pandemic and rising interest rates have combined to create record levels of distress in the U.S. market.

"This era will offer historic

entry points to acquire quality assets that we believe will generate superior risk-adjusted returns," said Cress Managing Partner **Ryan Parkin**. "With hundreds of billions of dollars of loan maturities facing office owners, we expect to see significant deal flow and more opportunities like The 410."

"The 410 fits our strategy of acquiring well-located, high-quality assets where we can take advantage of a dislocated office market," Parnell added. "As a firm, we are strong

believers in office recovery over the long term and strong believers in Colorado. Colorado has long-term, positive growth prospects and fits in with our strategy ... to grow our portfolio."

Formed in 2021, Cress Capital focuses on investments and developments in the Western U.S. across the industrial and office sectors. Cress also manages an opportunity zone investment business that capitalizes projects in designated opportunity zones across the U.S. ▲

1425 Market

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16th Street Mall, Ball Arena and Union Station. The office offers customizable spaces in a walkable neighborhood with numerous restaurants and retail options. The building was 33% occupied by the buyer at the time of sale.

■ DENVER – A stand-alone office building near the Ruby Hill neighborhood has traded hands for \$1.08 million.

Arlana-Kelvin LLC purchased the 3,317-sf building, situated on 0.43 acres at 1697-1699 S. Federal Blvd., from **Tuan Ngoc Nguyen** and **Phuong Thao Thi Cao** in

April. The all-cash transaction closed in 30 days.

Built in 2000, the space includes two units and 21 parking spaces, according to a listing brochure.

Alex Scott and **Travis Wanger** of **Fuller Real Estate** represented the seller. **Phuong Smith** of **Broker's Guild** repre-

sented the buyer.

The buyer is an investment group that plans to update the value-add property and lease the vacant space to produce



Alex Scott

cash flow, according to Scott.

The seller was motivated to sell as he was downsizing his business and transitioning to a smaller space, Scott said. ▲



Travis Wanger

Quantum

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Hills Properties represented the buyer.

Fidelity National Title Co. leased 2,185 sf in the Vectra Bank Building, located at 361 W. Highway 24, Suites 100 and 111 in Woodland Park. The landlord, **Zions Bancorporation NA**, is

a national banking association doing business as Vectra Bank Colorado. Stamp represented the landlord, while **Tom Imparato** of **Orion Realty Group** represented the tenant.

■ LONGMONT – A Boulder County oversight group leased a new office space near the

intersection of Ken Pratt Boulevard and South Bowen Street.

Left Hand Watershed Oversight Group leased 1,723 sf at 1225 Ken Pratt Blvd., Suite 232, from landlord **Silverleaf Development LLC**. The group moved into the new space this month.

Ed Regel of **Regel & Associates LLC** represented the land-



Ed Regel

lord, while **Heidi Schamber** of **Market Real Estate** represented the tenant.

Left Hand Watershed Oversight Group is operating the Water-

shed Coalition for Left Hand Creek, which will share information about watershed recovery projects and other activities, identifying funding opportunities and implementing projects of interest to landowners and county residents, according to the Boulder County website. ▲