

Finance

Q10 | Essex arranges loan for acquisition of Market Center

by Jennifer Hayes

A Norway-based investment firm that continues to grow its Denver portfolio received an \$11.73 million loan for its acquisition of Lower Downtown's Market Center.

A conduit lender provided the financing to Grant Management for its \$17.5 million purchase of the five-building office and retail property at Market and 17th streets.

Q10 | Essex Financial Group's Peter Keepper and Mark Jeffries arranged the loan, which has a 10-year term. The loan is interest-only for years one through five, then a 30-year amortization commences in year six. The rate was fixed at 5.74 percent.

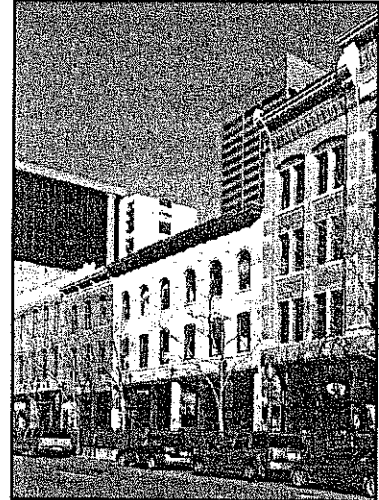
Additionally, the investment

firm reserved a small amount of tenant improvement and leasing commissions at closing to avoid ongoing reserve requirements going forward, noted Keepper.

Englewood-based Triumph Real Estate Corp. sold the historic property, which it purchased in 2004 for \$13.25 million.

Market Center totals 119,454 square feet – around 34,000 sf of ground-level retail space with the balance made up of office space – and is home to tenants that include Davis & Ceriani, Integro Inc., Croc's Cafe and Centerstone Technologies.

Triumph Real Estate made improvements to the property built in 1900 that included complete fire and life-safety upgrades, a full renovation of all common areas, including restrooms, with



Triumph Real Estate Corp. sold the historic Market Center property in downtown Denver for \$17.5 million.

materials to complement the building's historic roots and re-fixturing all lights in common areas and in tenant spaces upon renewal or leaseup.

Triumph Real Estate also planned to convert the property into for-sale office condominiums to capitalize on the low interest rate environment. However, when market conditions changed, particularly the surprising pace of recovery in LoDo's leasing market, the company determined the best course for the property was to take advantage of increasing rents and restore Market Center to its place as a top-tier for-lease, historic LoDo property, explained Paul Ruff, president of Triumph Real Estate.

Cushman & Wakefield of Colorado Inc.'s Mike Winn, Tim Richey and Chad Flynn represented Triumph Real Estate in the sales transaction.

Earlier this year, Grant Management received a \$17.6 million acquisition loan for its \$27.25 million purchase of United Western Bancorp Inc.'s headquarters facility and a \$17.55 million loan for its \$25 million acquisition of the 18th Street Atrium. Loans for both Denver properties were arranged by Keepper and Jeffries.