

Bellevue Tower



When Unico evaluated the purchase of Bellevue Tower, a 200,323-square-foot Class-A office building located in the Denver Tech Center, the asset was suffering from traits common to the past recession: loan default, corporate bankruptcy, no capital to sustain tenancy, deferred maintenance, failing operations, and rapidly decreasing occupancy.

The complexities surrounding a note purchase were heightened by the lender's requirement of an extremely quick close. This quick-close requirement eliminated the potential for Unico to obtain first mortgage financing before it acquired the building. Unico also had to structure the transaction with a borrower in bankruptcy and a bank facing imminent insolvency.

Bellevue Tower is a
200,323-square-foot
Class-A office building in
Denver, Colorado



Unico took occupancy from 56% to 98% well ahead of our 3-year leasing pro forma

Illustrating our proven capacity to work with multiple parties and achieve results, Unico led both lender and borrower to a fee simple sale. Unico closed with our corporate balance sheet, placing 60% loan-to-cost structured debt post-close in a soft Denver lending environment. Unico's unprecedented cost basis of \$75 per square foot (the second lowest price paid in the Denver Tech Center competitive set since 1990) and capital availability allowed it to upgrade the building's common areas and attract new tenancy with desirable tenant improvement packages. Lastly, Unico opened a property management office in the building to help increase tenant retention rates.

Since acquiring the property, Unico has taken occupancy from 56% to 98% as of December 2014 – well ahead of Unico's 3½-year leasing proforma. During the first nine months of its ownership, Unico signed new leases totaling 41,000 square feet and renewed a number of existing tenants. In addition to dramatically improving occupancy, Unico invested approximately \$1 million upgrading the common areas and replacing all the building windows (a known capital expenditure before closing). While this asset is not yet round-tripped, it demonstrates Unico's ability to execute a successful acquisition, capital improvement plan, and leasing strategy in the Denver market.