

CenterPoint Towers



Unico, in a joint venture with AEW Capital Management, acquired the first mortgage note for CenterPoint Towers, a 436,000 square foot Class A suburban Seattle office complex, in August 2011. Originally built by Boeing in 1986 for its own occupancy, the asset had since been renovated in 2000 to convert it to a multi-tenant commercial building.

Unico's lender interest in the property needed to be converted to fee simple ownership and additional leasing capital was needed to bring the 66% occupied asset to stabilization. Unico acquired the note from the previous lender, Barclays, for \$34.2 million or \$79 psf (equal to 45% of the previous owner's purchase price of \$178 psf).

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is a 436k sf suburban
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In 7 months after taking over leasing and management, Unico sold the asset to a private investment group generating 47% levered IRR and equity multiple of 1.5x

After acquiring the loan, Unico successfully negotiated a deed-in-lieu of foreclosure with the then current borrower, Whitehall Funds, and mezzanine lender, Transwestern. Unico's lender interest was converted to fee-simple ownership in February 2012—at which point it could begin managing and leasing the property. Because of its very low cost basis in the building and reserved additional leasing capital, and driven by its knowledge of trends in this submarket, Unico made the decision to aggressively market the asset, offering better leasing economics than its neighboring property owners.

After only four months of taking over management and leasing at CenterPoint Towers, Unico received an unsolicited offer from a private investment group to purchase the building for \$46.3 million (\$106 psf) in June 2012. The transaction closed in September 2010 and produced a property-level gross levered IRR of 47% and equity multiple of 1.5x. Additionally, during its seven months of fee-simple ownership Unico signed five new leases totaling 56,000 square feet and also renewed a large portion of one of the building's anchor tenants that were underwritten to vacate.