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## Tech center property struts out to become Offices on Promenade

by Jill Jamieson-Nichols

Somera Capital is building its presence in the Denver market, teaming up with a local partner to purchase its second office property.

California-based Somera and Equity West Investment Partners paid \$12.2 million for The Quorum in Greenwood Village, which they will rename The Offices at the Promenade for the buildings' location next to the Belleview Promenade retail center.

The 123,796-square-foot property at 7935 and 7995 E. Prentice Ave. consists of two Class B office buildings, three and four stories, with a landscaped pond on 8.74 acres of land with room for another 100,000 sf of office space. The new owners will invest approximately \$1 million in upgrades to attract tenants that would consider Class A buildings but might prefer low-rise space in a campus setting, said Tim Mitchell, senior vice president in Somera's Denver office.

"The location, being right in the middle of the Denver Tech Center, with all the A properties around it, is phenomenal," Mitchell said. "It is just not quite taking advantage of its location in its current physical shape."

The Offices at the Promenade, which was just under 80 percent occupied at the time of the sale, is close to the new Belleview light-rail station and has a breezeway that con-

nects the property to Belleview Promenade, a 100,100-sf retail center with Cool River Cafe, Il Fornaio and Starbucks. Somera and Equity West plan a landscaped island across their parking lot to create a more obvious, inviting pedestrian connection.

They also will completely renovate the buildings' lobbies and common areas, and spruce up the landscaping and parking areas.

"It's fundamentally sound real estate," said Equity West principal David Naus. The buildings have efficient floor plates and probably more open space than any other property in the tech center, but have always been "undersponsored," he said.

"The physical real estate itself, with views from the buildings onto that heavily landscaped area out over the pond is attractive, but the physical interior improvements have not kept up with the timelessness of its architectural appeal or the setting in which it sits," he said. With 300 days of sunshine a year, people want to enjoy the outdoors, said Naus, and, "It's never been made into a usable environment that allows people to really enjoy it. That part of it has never been fully leveraged."

As for the developable ground, "We will create value there, but what the highest and best use is, is yet to be determined," said Naus. Construction of new office space would displace



Formerly the Quorum, The Offices at the Promenade will be upgraded and linked to Belleview Promenade.

parking, but also could provide structured parking, which would benefit new and existing tenants, he commented.

"Our first objective is to reposition the existing improvements before we worry about the going-forward development opportunity," Naus said.

Tenants in the buildings include Autodesk, a structural engineering software company that occupies 12,000 sf, American Title, which has 8,500 sf, Moore North America, at 7,200 sf, Rocky Mountain Adventist Health Care, which occupies 4,100 sf, and others.

Boston-based TA Associates Realty, which was represented by Cushman & Wakefield of Colorado brokers Mike Winn and Tim Richey, sold the property.

Somera Capital and Equity West, which owns about 2 million sf of office property in the

Denver metro area, also recently acquired 304 Inverness Way S. in partnership with Inverness Properties. The building, which includes data center/disaster recovery space, is undergoing approximately \$500,000 worth of improvements.

"We have been eyeing this market as an investment market for some time," said Sullivan, adding the company views Denver as a recovering market where, given market conditions and construction costs, new speculative construction isn't likely in the near-term. The company, which has acquired and managed assets worth more than \$1.5 billion, is looking to invest, alongside local operating partners such as Equity West, in other properties where it can increase value through capital improvements and/or property management programs.▲