

## CASE STUDY – 1730 BLAKE STREET - LODO

In the spring of 2006 Fairbairn Commercial, Inc. identified 1730 Blake Street in Lower Downtown as an under performing asset in the strengthening LoDo submarket. The property had lost numerous quality tenants including Columbia Health One and Mapquest over the years and had a vacancy rate of 84% in a market that had 7% vacancy overall. We approached the Landlord (absentee Landlord – from California) and asked if he was interested in selling. He was interested in selling and shortly thereafter we went under contract with a client of ours (1730 Blake, LLC) that purchased the property in July of 2006 for \$5,000,000 or \$90.00/SF.

1730 Blake is located mid-block between 17<sup>th</sup> and 18<sup>th</sup> on Blake Street. The property is two blocks from both Union Station and the 16<sup>th</sup> Street Mall and three blocks from Coors Field in the heart of LoDo. 1730 Blake Street is a 56,378/SF, four-story office building with a brick/glass exterior shell. The building has a four-story atrium as you enter the lobby and is equipped with two passenger elevators (see before exterior picture below).



The building had evolved over the years as part traditional multi-tenant building (hard walls and dropped ceiling) and part LoDo building (exposed brick and timbers). The new owners wanted to restore the LoDo feel on the inside and exterior of the property. Shortly after closing the new Owners employed Spectrum as General Contractors (an established construction company that does a considerable amount of work in Lower Downtown). The first three floors were basically vacant so they went in and exposed all the brick/timber and sand-blasted bringing all the space back to the original condition or shell space. BVH Architects from Colorado Springs was hired to redesign the atrium, common areas, restrooms as well as the exterior of the property. The exterior and interior upgrades to the property were completed in early fall 2007 (see the after pictures below).



Upon closing Fairbairn Commercial, Inc. was retained to market the property for lease. Activity was solid from the time the new owner closed on the property but once the renovations commenced and our new marketing campaign was in place activity increased and signed leases followed shortly thereafter. The perception of the property was that the old owner was not very easy to work with and not a deal maker. We re-branded the property and let everyone know we were in deal making mode. From the time of closing in mid-summer of 2006 to late fall of 2010 we have leased the property from 16% occupied to just under 100% occupied and increased the Gross Annual Rents six-fold. Some of the transactions completed include Concentra Health Services (11,043/SF), Mulhern Group (6,438/SF), Unified West Corporation (12,965/SF) signed a 5 year extension/expansion in December of 2010, and Valen Technologies (5,689/SF). The property is now stabilized and activity is good on the remaining available spaces.

Fairbairn Commercial, Inc. was able to understand that 1730 Blake Street was underachieving and we got the property in front of the right buyer and then assembled the right team (ownership, contractor, architect and marketing team) to reposition the asset, lease it up and create value for the new ownership in a short timeframe.

