



WESTFIELD OFFICE PARTNERS IV

Value-add office acquisition in Denver's CBD

Acquisition Date: September 2005 • Sale Date: October 2007

37% IRR

1.9 Equity Multiple

25 Month Holding Period

\$51,900,000 Total Capitalization

Guaranty Bank Building - 1331 17th Street

Built in 1983, this core 12-story, 220,275-square-foot office building located in the heart of Denver's desirable Lower Downtown ("LoDo") submarket was 95% leased at acquisition. The lead tenant was Guaranty Bank. The Partnership acquired the property in an off-market transaction and secured an advantageous non-recourse first mortgage loan from Nationwide Life Insurance Company with a fixed-rate interest of 5.43% and ten-year term. The investment's initial cash yield of 7% was projected to increase to a 10.05% average yield for years six through ten. The property was especially well-positioned to benefit from Denver's decision to consolidate mass transit at LoDo's Union Station hub, just three blocks away. With anticipated completion of the metro area's light rail initiative, FasTracks, the property's appeal could only strengthen.

The Partnership undertook a \$1 million capital improvement program and an aggressive leasing strategy, using the Frederick

Ross platform, to increase building occupancy to 100% and augment asset value. The Partnership also took advantage of strong principal relationships with Guaranty Bank, helping to negotiate an important lease extension. In addition, improved property management and accounting/financial reporting enhanced investor appeal. The Partnership also initiated programs to manage expenses more effectively and increase parking revenues. The asset was marketed for disposition in 2007 to take advantage of frothy capital markets and favorable office market fundamentals, and sold to Hines Interests of Houston in a joint venture with CalPERS. The sales price realized by the Partnership after a 25-month holding period equaled the sales price underwritten at the time of acquisition for a planned 10-year holding period.



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