



HARDWARE BLOCK

EXECUTIVE SUMMARY

THE OFFERING

JLL Capital Markets is pleased to offer investors the opportunity to acquire **Hardware Block**, a 54,125 square foot boutique historic office property in Denver's Lower Downtown ("LoDo") district. Originally developed in 1895, Hardware Block is considered one of Denver's finest brick & timber buildings with unique features including up to 16 foot slab heights, operable windows and a rare underground parking garage offering a 0.8:1,000 ratio.

Hardware Block is currently 100% leased to two tenants and offers stable cash flow with a substantial mark-to-market upside of its tenancy. Current ownership just completed a BOMA 2017 remeasurement of the Property which provides built in upside as an additional 4% of the existing building footprint will be gained upon Tenant roll.





LoDo has maintained the highest levels of leasing activity in the Denver CBD and remains the most sought-after destination for tenants, investors and visitors alike. **Hardware Block's outstanding location and building features position the Property as a highly desirable building for tenants to call home.**

LODO'S FORTRESS POSITION IN THE MARKET

LoDo has broad appeal to office tenants, visitors and residents alike due to the district's historic architecture, well maintained pedestrian experience, and deep bench of Denver's best restaurants, boutique hotels and growing residential density. Anchored by Denver's Union Station and home to other marquee destinations such as Coors Field, Dairy Block, and Market Station, LoDo has matured into Denver's most desirable area.



TENANCY DEMAND IS BEST IN MARKET

In the 1990s and early 2000s, LoDo was a grittier value option to the core of Denver's CBD and attracted tenants due to price. Today, the massive combination of public investment and private development have created best-in-class lifestyle that commands the highest rents in Denver's CBD and attracts some of its best companies.

IN THE LAST 3 YEARS, 1.6M SQUARE FEET OF NEW-TO-MARKET TENANTS MOVED INTO THE DENVER CBD.

LODO CAPTURED 43% OF THAT DEMAND, MORE THAN ANY OTHER SUBMARKET.

JLL Research



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HARDWARE BLOCK'S DESIRABLE FEATURES

The historic Hardware Block offers tenants many in-demand attributes not often seen in Denver. Spanning 4 floors, the slab heights range from 12-16 feet and feature exposed timber beams. Additionally, large, operable windows allow tenants to maximize natural light and easily get fresh air if they desire. Most notably, and quite rare in historic assets, is an attached, elevator-served subterranean parking structure offering a 0.8:1,000 ratio. The combination of these building features make Hardware Block a highly attractive option for tenants seeking the classic brick & timber experience for their office space.



COYOTE

COYOTE



Platte River

Commons Park

A-line train to DEN

UNION STATION



DAIRY BLOCK

Free MetroRide

Free MallRide

Market Station

HARDWARE
BLOCK

HARDWARE BLOCK'S UPSIDE

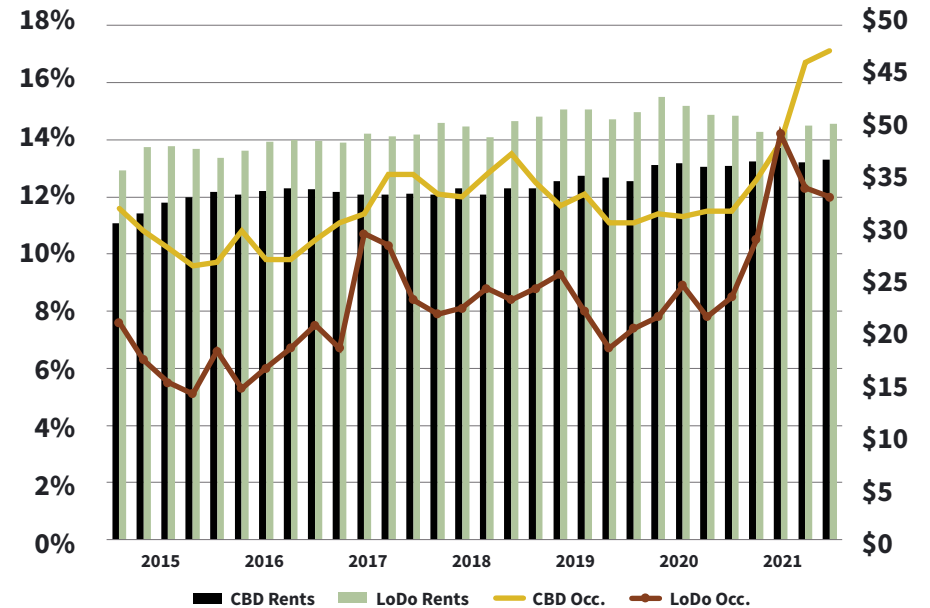
Despite Covid's impact on the overall leasing market, LoDo has remained the best performing submarket in Denver's CBD. In Q3 2021, LoDo has maintained its status as having the lowest vacancy of the Denver CBD markets and has also experienced the only positive absorption in the market. Additionally, LoDo maintains the highest rents in the Denver market which, combined with exceptionally low vacancy rates, drives rent growth at premier LoDo assets like Hardware Block.

Existing ownership just finished a BOMA remeasurement using the 2017 Method. Per that remeasurement, Hardware Block's RBA will increase upon tenant expirations from 52,191 square feet to 54,125 square feet, an increase of 4%.



AVERAGE IN-PLACE RENTS ARE **18% BELOW MARKET**

RENT & OCCUPANCY



HARDWARE BLOCK IS ONE OF LODO’S BEST BRICK & TIMBER HISTORIC BUILDINGS WITH HIGHLY DIFFERENTIATED BUILDING FEATURES INCLUDING IN-BUILDING PARKING.

Demand from tenants looking for unique space in LoDo will continue to support the growth in rents and leasing activity at the building, and the upside from additional square footage with the BOMA measurement will enhance future value.



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The outbreak of COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information seek out guidance.



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