



# 1331 | 1401 seventeenth

Executive Summary | LoDo | Denver, CO



# The Offering

JLL is pleased to offer investors the opportunity to acquire 1331 & 1401 17th Street; two prominently located office assets at one of Lower Downtown's (LoDo) most desirable corners.

Leasing in Denver has heavily favored the LoDo submarket, particularly with ready-built spaces. The positive leasing momentum occurring at the buildings offers a strong tailwind to the investor in maintaining and growing this activity through new spec suites.

Each asset is materially over-parked, with a combined parking count that comprises 8.5% of all public parking in LoDo. These garages provide durable income from transient and monthly parkers. At the Property level, current ownership has invested nearly \$20M in capital investments across the two buildings, thus lowering the need for back-of-house spending.

**Together or separately, 1331 & 1401 17th Street offer the investor value-add lease-up in the buildings along with meaningful parking revenue in downtown Denver's most supply constrained and in-demand submarket.**



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## Investment Highlights



Located in LoDo, Denver CBD's best performing office market



Combined assets contain 8.5% of public parking in LoDo



Proven recent leasing demand from tenants in the market



In-place rents 38% below market rates



\$20M in building improvements spent by current ownership



Major spec suite and common area renovations minimize additional required CapEx

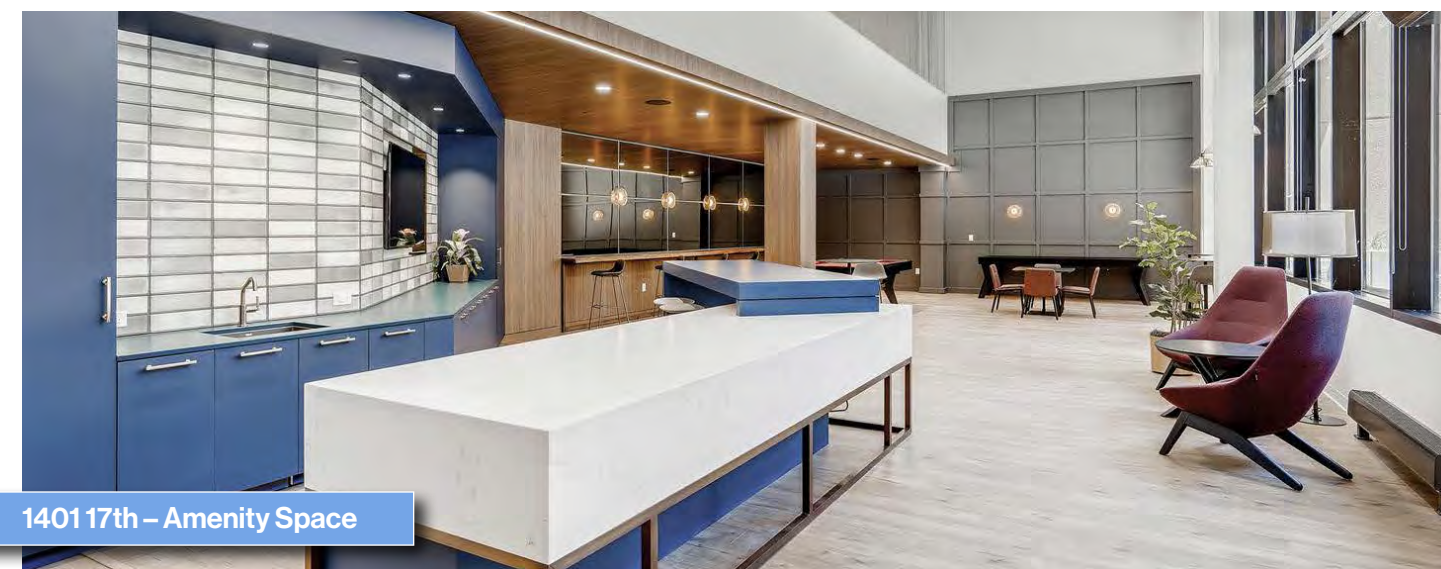


Developed prior to the Lower Downtown height restriction, offering competitive view advantage

# \$20M of Capital Improvements Minimizes Future Spend

Since acquiring the buildings in 2018, current ownership has made a concerted effort to improve every aspect of the physical condition at each building, including large scale improvements such as the lobby and façade at 1401 17th Street, a full roof replacement at 1331 17th Street, and a full elevator modernization at 1331 17th Street.

Year	Property	Description	Amount
2019-2024	1331 & 1401	Spec Suites	\$5,289,000
2018-2024	1331 & 1401	Exterior Upgrades	\$4,124,000
2021-2024	1331	Elevator Modernization	\$2,604,000
2021-2024	1401	Elevator Cab Upgrades	\$192,000
2019-2024	1331 & 1401	Corridors and Restrooms	\$1,681,000
2019-2024	1331 & 1401	Additional Property Improvements	\$693,000
2020-2023	1331	New Roof	\$708,000
2020-2023	1331 & 1401	Parking Garage	\$568,000
2020-2023	1331 & 1401	HVAC Upgrades	\$315,000
2019-2023	1331 & 1401	Fire-Life Safety	\$265,000
2020-2023	1331 & 1401	Building Security	\$220,000
2019-2020	1401	Amenity/Lobby	\$2,219,000
2019-2020	1331	Chiller Replacement	\$584,000
2019-2022	1401	Exterior Wet Seal	\$319,000
<b>Total</b>			<b>\$19,781,000 (\$47.10/SF)</b>



1401 17th – Amenity Space



1331 17th – Spec Suite Conference Room



1331 17th – Lobby

**\$2,796,000**

**Elevator Mod + Cab Upgrades**

2021-2024

1331 & 1401 17th Street

**\$1,681,000**

**Corridors & Restrooms**

2019-2024

1331 & 1401 17th Street

**\$5,289,000**

**Spec Suite Program**

2019-2024

1331 & 1401 17th Street

**\$584,000**

**Chiller Replacement**

2019-2020

1331 17th Street

**\$744,000**

**New Roof**

2020-2023

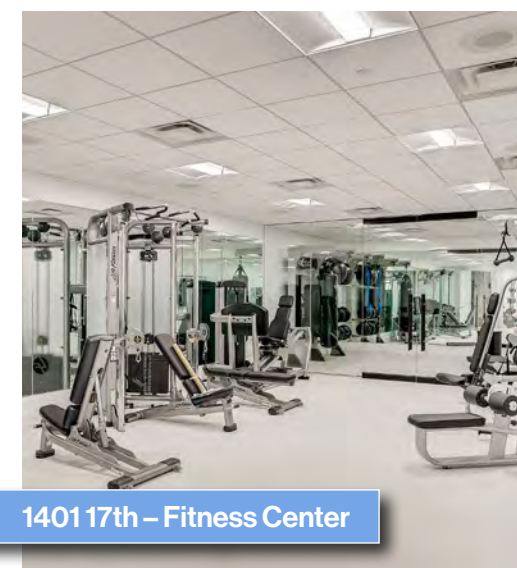
1331 17th Street

**\$2,219,000**

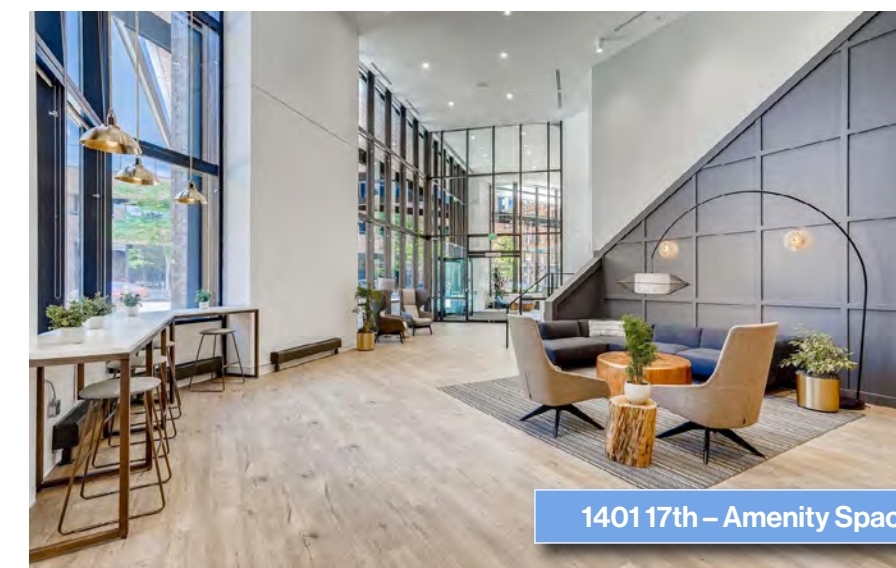
**Amenity/Lobby /Facade**

2019-2020

1401 17th Street



1401 17th – Fitness Center



1401 17th – Amenity Space

# All of LoDo Available From the Front Door

At 1331 & 1401 17th Street, tenants enjoy an incredible day-in-the-life with endless access to amenities. Additionally, the transit and vehicular access make for a seamless commute throughout the Metro.



# Tenants in the Market Choose LoDo

JLL is currently tracking **1.84M SF** of active tenant demand in the Denver CBD from 100 requirements

**75%** of those tenants have LoDo at the top of their desired CBD submarkets, representing nearly **1.4M SF** of demand

LoDo has **6.9M SF** of inventory with only **867K SF** of vacancy. Tenant demand exceeds available space, with tenants seeking nearly **double** the available square footage in the submarket

## Tenants clearly prefer LoDo

1331 & 1401 17th can take advantage of this supply and demand condition through continued implementation of spec suites and the creation of new amenities, providing further differentiation for these desirable buildings.

# Spec Suites: Proof of Concept

The tenant demand for spaces in LoDo heavily favors ready-to-go spaces. Current ownership has met the market by signing 10 lease transactions since 2023 totaling 45,954 square feet. In 2023, LoDo captured 274,253 square feet of leasing, of which **1331 & 1401 17th Street represented 17% of this demand.**

The average floorplates at both 1331 & 1401 17th Street are ideal for quickly capturing this tenant demand. The next investor can continue such a spec suite program and leverage the lack of compelling alternatives or tenants in this desirable market.

On average, spec suites at 1331 & 1401 17th were pre-leased 2 days before completion

Tenant	Square Feet	Days from completion of construction to lease execution
Screenpilot	7,008	(93)
Hansen Reid, Ltd.	2,220	(24)
O'Hagan Meyer	5,254	150
Solar Reviews	3,117	(41)
HOK	6,736	83
Charles Street	2,002	(150)
CohnReznick	4,796	137
Palisade Company	3,698	(135)
Mansfield Energy Corp.	4,834	(21)
GBSM	6,299	79
<b>Average</b>	<b>4,596</b>	<b>(2)</b>



1331 17th – CohnReznick



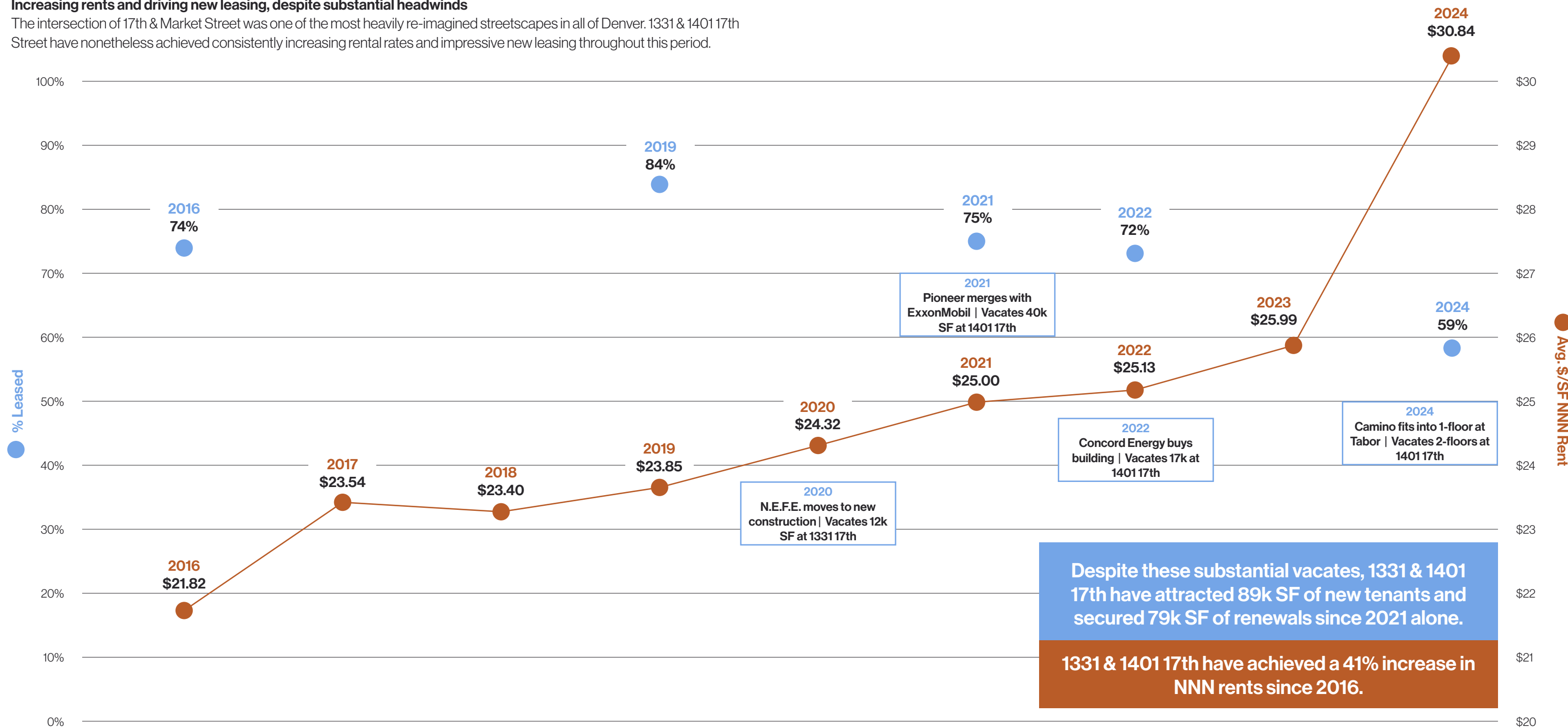
1401 17th – HOK Architects



# Overcoming Obstacles:

**Increasing rents and driving new leasing, despite substantial headwinds**

The intersection of 17th & Market Street was one of the most heavily re-imagined streetscapes in all of Denver. 1331 & 1401 17th Street have nonetheless achieved consistently increasing rental rates and impressive new leasing throughout this period.



Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
Key Event	March 2016 Market Center Streetscape commences	September 2017 Market Station demo begins	May 2018 CIM Group acquires LoDo Towers	June 2019 Thompson Hotel construction begins	July 2020 1401 17th renovation complete November 2020 Market Center renovations complete	August 2021 Market Station opens	April 2022 Thompson Hotel opens	February 2023 Double lane closure at Market due to Mall renovation	June 2024 Estimated final completion of Market Street disruption

9 Years of disruption at 17th & Market nearly complete

# Parking Constraints in the Market Drive Value at 1331 & 1401 17th

With some of the highest parking ratios in all of Downtown Denver, the garages at 1331 & 1401 17th account for 8.5% of all public parking in LoDo alone. Their significance is further underscored by the development moratorium on new standalone parking garages in LoDo.

Featuring 660 spaces at 1331 17th and 478 spaces at 1401 17th, the existing parking revenue and potential for continued growth amidst market supply constraints will drive long-term value.

- Limited availability due to high occupancy
- Mixed-use developments & hotels
- Immediately surrounding resi with limited parking
- Future mixed-use development to replace surface lot
- Excellent access from all directions via 20th, Auraria & Speer Blvd





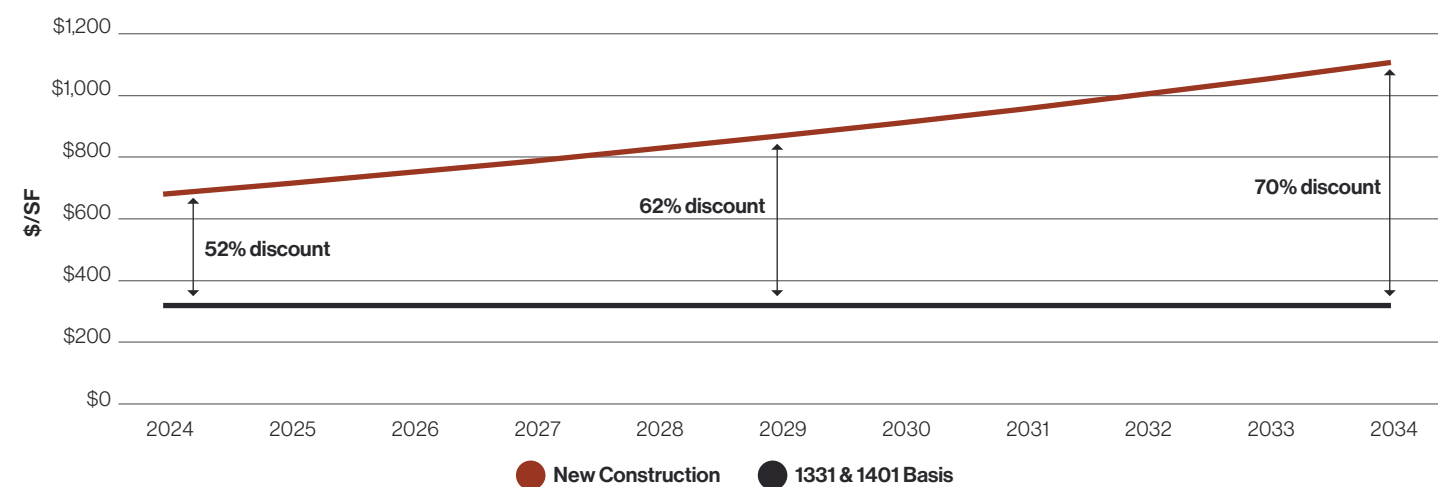
# Discount To Replacement Cost

1331 & 1401 17th Street present an exceptional investment opportunity to acquire an irreplaceable piece of LoDo at a basis that is already a 52% discount to replacement cost. Not only do current height restrictions in LoDo prevent new developments of this stature, but the cost to do so is significantly higher than the acquisition basis today.

This is further highlighted by the by the attractive mark-to-market upside that the current in-place rents offer.

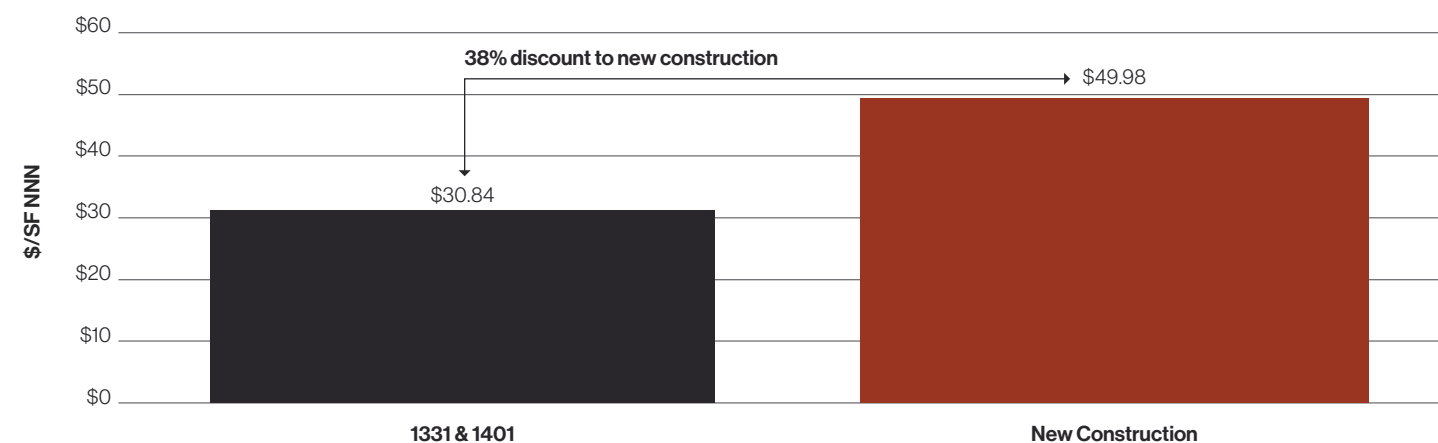
## Replacement Cost Comparison

The As-Is basis of 1331 & 1401 17th is a substantial value to today's replacement cost and will grow over time as construction costs annually escalate.



## Discount To Replacement Rent

Based on today's replacement cost and an 8% return on cost to the developer, a new trophy tower would require net rents of \$50/SF to start, presenting a strong value proposition for 1331 & 1401 17th.



# Truly Irreplaceable Property

## Lower Downtown Historic District

The boundaries of the Lower Downtown Historic District are approximately Speer Boulevard, 20th Street, Wewatta Street, and the alley between Market and Larimer Street. Within this district, there are specific building restrictions which set the height limit at 55 feet. The Lower Downtown Design Review Board has authority to grant special exemptions for assets with a residential component, but any new development must also adhere to strict design guidelines in this Historic neighborhood.

**1331 & 1401 17th Street, constructed prior to the height restriction, stand as some of the tallest buildings in the area, and their built-in height advantage provides irreplaceable views of some of the most iconic perspectives in Denver including Coors Field, Denver Union Station and the Rocky Mountains.**



# Marketing Process

1331 & 1401 17th Street represent a unique opportunity to acquire scale in Downtown Denver's most supply constrained market. Offers will be considered on individual basis or as a combined portfolio.

The Seller is willing to offer financing to the purchaser(s) at a fixed rate, with future funding for the business plan. Please reach out to the marketing team for those terms and any other needs.

## 1331 seventeenth

RBA: 225,797 SF

Parking Ratio: 2.92:1,000

Occupancy: 64%

WALT: 2.9 Years

In-Place Rent Avg: \$30.91/SF NNN



## 1401 seventeenth

RBA: 194,215 SF

Parking Ratio: 2.46:1,000

Occupancy: 53%

WALT: 2.9 Years

In-Place Rent Avg: \$30.74/SF NNN

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