

December 6, 2019

NKF Team Advises Equus on the Sale of Four-Building Redmond, WA Office Portfolio to The Roxborough Group



Equus Capital Partners, Ltd. (“Equus”), and The Roxborough Group, LLC (“Roxborough”) jointly announced today the sale and purchase of a four-building, 248,041 square foot, Class A office portfolio known as “Quadrant Willows” located in Redmond, Washington, a submarket of Seattle. The portfolio was 100% leased at the time of sale. Newmark Knight Frank (“NKF”) advised Equus through all stages of the marketing, due diligence, and sales process. The buyer, Roxborough, was self-represented.

NKF Co-Head of U.S. Capital Markets Kevin Shannon, Vice Chairman Nick Kucha, Executive Managing Director Ken White, Senior Managing Director Michael Moll, Director James Childress, Executive Managing Director Joe Lynch and Senior Managing Director, Dan Harden represented the seller, Equus.

“Selling a building of this size, quality, and tenancy is rare

in a market like Willows Road, one of the nation’s top performing suburban micro markets,” said Nick Kucha of NKF. “We received interest from several domestic investors but were delighted to work with The Roxborough Group on behalf of Equus Partners.”

Quadrant Willows is located at 11121, 11241, 11261, and 11351 Willows Road near the epicenter of Seattle’s tech-dominated Redmond submarket. Equus acquired the project on behalf of Equus Investment Partnership X, L.P., a fully discretionary fund managed by Equus, in two separate transactions in March and December of 2016. Since acquisition, Equus focused on vacant lease-up and completed approximately \$850,000 in renovations.

“We were able to assemble an attractive 4 building portfolio, through two separate acquisitions, in one of the most dynamic office markets in the country and take the occupancy from a

combined 78% at acquisition to 100% at the time of sale,” commented Robert Butchenhart, Vice President for Equus and Manager for Equus’ West Coast office in LA. Robert Butchenhart, Christopher Locatell, Senior Vice President and Director of Dispositions, Mark Ledger, Senior Managing Director, and Samuel Schiffman, Financial Analyst, oversaw the transaction for the firm.

Although the buildings are currently 100% occupied, The Roxborough Group hopes to benefit from in-place rents that are significantly below market and the desire of some tenants who have outgrown their current suites to give back space in a tight Redmond leasing environment with limited new construction. “The unprecedented expansion by technology tenants along Willows Road and in the broader Redmond, Kirkland and Bellevue markets has driven office space availability in Quadrant Willow’s surrounding submarkets to historic lows,” said Matt McCormick, Managing Director

for Roxborough. “We are very excited about closing our second office acquisition in the Eastside of Seattle this year and for the opportunity to participate in its rapid economic expansion.”

Redmond and Willows Road are experiencing continued growth and strong fundamentals. The submarket is benefitting from Microsoft’s massive campus redevelopment and the Eastlink Light Rail connecting the greater Eastside to Seattle. “The Redmond submarket is one of the most dynamic Eastside submarkets with 21.5% rent growth over the past 24 months. Vacancy, including Microsoft, is at 4.4% with overall Eastside vacancy at 4.3%. Recent lease commitments and expansions from Facebook in the Spring District, Google in Kirkland, Amazon in the Bellevue CBD and Facebook Technologies along Willows Road continue to drive rents higher, making suburban office investments very attractive,” said Joe Lynch of NKF.

About Equus Capital Partners, Ltd.

Equus Capital Partners is one of the nation’s leading private equity real estate fund managers. Equus’ diversified portfolio consists of office, multi-family, industrial, and retail properties located throughout the United States. The firm is headquartered in the Philadelphia area with regional offices in Chicago, Los Angeles, Washington D.C., Atlanta, and Raleigh-Durham. For additional information, please visit the company’s website at www.equuspartners.com.

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The Roxborough Group, LLC

The Roxborough Group is a private real estate investment firm founded in 2013 that is currently investing Roxborough Fund II, L.P. Headquartered in San Francisco, California, the firm has a broad mandate to invest in all real estate asset classes, both directly and with operating partners. Roxborough focuses on opportunistic, value-add and transitional real estate assets, high-yielding real estate debt, real estate-related operating businesses, as well as high quality, lower risk and longer duration real estate investments. For more information, please visit www.theroxboroughgroup.com.

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The Newmark Knight Frank

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