

February 26, 2020

Nitze-Stagen & Co. Spends \$26.8MM to Acquire 62,200 SQFT High-Tech Office Building in Seattle's Capitol Hill Neighborhood



Seattle's Capitol Hill neighborhood—widely regarded as a desirable area to locate, due to its proximity to the Central Business District and bustling retail and dining options for city residents—has been the site of several multifamily property sales over the last two quarters.

Some of Nitze-Stagen & Co.'s other developments in Seattle include the under-construction Canton Lofts in the historic Pioneer Square neighborhood, which will ultimately provide 80 units of workforce housing upon its expected completion in early 2021. In October 2019, the company held a groundbreaking for Canton Lofts, a project that the company hopes will go some way to addressing the long-term housing affordability crisis facing Seattle.

"For the past few years, we have focused on bringing the Pioneer Square community together to revitalize the neighborhood. A vital part of that is creating affordable housing so people can live and work in Downtown," remarked Seattle City Council

member Sally Bagshaw at the groundbreaking event. "This partnership between Nitze-Stagen and community investors brings exactly the kind of workforce, transit-oriented housing that we need."

Another project is the underway revitalization of a manufacturing facility in Seattle's South Lake Union submarket. Located at 760 Aloha St. the roughly 41,500 square foot redevelopment will entail the conversion of a mid-century warehouse to office space. "The building has a distinct warehouse appearance common to its era and represents one of the few remaining properties in South Lake Union with authentic character and charm," the company's web site states.

And the recent sale of a high-tech office building indicates that the neighborhood is viewed favorably by commercial investors as well.

On February 25th, Seattle-based Nitze-Stagen & Co., a private real estate investment firm that owns a number of residential, commercial and industrial assets throughout various neighborhoods in the Emerald City, made moves to expand its local portfolio. The firm spent \$26.8 million, or around \$430 per square foot, to acquire a three-story high-tech building. The seller was Seavest Realty Inc., another Seattle-based firm that offers commercial, retail and multifamily property management services throughout the Pacific Northwest.

Located at 1130 Rainier Ave. S., just South of the Atlantic neighborhood and north of Seattle's up-and-coming Beacon Hill neighborhood, the Class B building totals 62,200 square feet across three floors, according to the seller's web site. The typical floor plate size of the building—which was originally built in 1914 and renovated in 2000—is 20,400 rentable square feet. The property boasts high ceilings and prominent visibility and also offers 11 satellite dishes and 3,000 amp-three phase power.

1130 Rainier is roughly two miles east of the Central Business District, and is also directly adjacent to Interstate-90.

Nitze-Stagen & Co. capture of the property adds to the company's growing portfolio of projects throughout Seattle, with a number of developments underway that will look to add a new dimension to the city's existing—and changing—fabric.

Starbucks Center, a mixed-use retail/office/warehousing/distribution facility totaling 2.1 million square feet and comprising 17 acres of industrial land in Seattle's ever-evolving SODO neighborhood, is home to various tenants—and also serves as the world headquarters for the Starbucks Coffee Company, according to Nitze-Stagen & Co.'s web site.

The company completed a full seismic renovation of the building in 2003, all-the-while looking to preserve its historical heritage and adding modern technological and structural upgrades. "Built in 1912 by the Union Pacific Railroad to lure Sears, Roebuck & Co. to Seattle, the original warehouse building was constructed of heavy timbers sourced from the historic Yesler Mill," the web site states.