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From the Puget Sound Business Journal:

<https://www.bizjournals.com/seattle/news/2017/12/13/avvo-seattle-office-8th-olive-sold-talon-pgim.html>

Big payday for investors as Avvo's Seattle office tower sells for \$186 million

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A Seattle real estate company and a global investment partner have sold a 20-story Seattle office building for \$186 million, or nearly twice what they bought the tower for three and a half years ago.

Talon Private Capital and PGIM sold the 35-year-old 8th + Olive building to Morgan Stanley, according to a real estate excise tax affidavit that King County recently recorded. It's the second time in four years that the partners have bought an older Seattle office property, filled it up with tech companies and sold it a few years later.

Talon and New Jersey-based PGIM, which previously operated at Prudential Real Estate Investors, bought the 20-story 8th + Olive for \$101 million. At the time the 300,000-square-foot tower was four-fifths full, though, a large tenant, Community Health Partners, was set to move out and did.

The new owners undertook an \$11 million renovation, adding amenities and the trendy Mr. West Cafe Bar. They hired Colliers International to find new tenants, and today the building is fully leased to online legal services company Avvo, as well as Airbnb and Coupang, an online retailer that is known as the "Amazon of Korea."

The full building attracted strong interest among domestic and international investors, and the sellers received more than 10 bids, said Talon Principal Bill Pollard.

The sale shows that leased up second-generation buildings are as attractive to investors as new ones leased to Amazon.com Inc., which have been selling for at or near record pricing.

A new Amazon-occupied building in South Lake Union sold earlier this year for a record \$925 per square foot. The 8th + Olive sale works out to \$617 a foot.

Six years ago Talon and PGIM bought another second-generation downtown Seattle property, the 1800 Ninth Avenue building, for \$76.5 million. They upgraded it and leased more than half of the building to Amazon before selling it for nearly \$150.4 million.

Not surprisingly, Talon plans to look for more opportunities to execute on this strategy.

"We'll just keep trying to find more like this," Pollard said.

Jason Flynn of Eastdil Secured marketed 8th + Olive for sale for Talon and PGIM.

Marc Stiles
Staff Writer



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The 8th + Olive office tower, which is home to tech companies, has been sold for \$186 million. The sellers had bought the property in 2014 for \$101 million. Avvo occupies space in the building, which is now fully leased. Other tenants are Airbnb and Coupang, a mobile e-commerce company based in South Korea.

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