



ESSEX FINANCIAL GROUP

Adding value with strategic creativity combined with long-term relationships

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Moving Pieces Put Into Place With \$26.15m In Financing

Jennifer Hayes

Essex Financial Group recently closed more than \$26 million in financing along the Front Range, including a \$21 million loan for the acquisition of a multitenant office property in Broomfield.

Peter Keepper of Essex Financial Group arranged both of the loans, the largest of which was for the purchase of The Views I and II office park.

An East Coast-based life insurance company that Essex Financial exclusively represents in Colorado provided the loan, for which Essex will provide the local servicing. The 10-year loan is fixed at 5.82 percent and amortized over 25 years.

“There were a lot of moving pieces in the transaction,” Keepper said of the financing. “A combination of an unforeseen situation with a large tenant going dark, subtenant expansions and new leases all got worked out during the closing process.”

An international investor purchased the Class A office park, located at 11800 and 11802 Ridge Parkway, just outside the Inter-

locken Business Park, for \$42 million. The 336,761-square-foot property comprises two buildings constructed in 2000 and 2001 that were 92 percent leased at the time of sale. (See article on Page 11.)

Keepper also arranged a \$5.15 million loan.

The loan, funded through one of Essex Financial’s correspondent lenders, a life insurance company, was provided to a family development and investment group that has been active in the Denver market for more than 40 years.

The borrowers initially intended to refinance a loan encumbering one of its shopping centers that recently lost a large tenant, explained Keepper. The center was 75 percent occupied at the time the loan was coming due, making it a challenging request for nonrecourse, take-out financing and prompting the borrower to propose to offer other properties Owned free and clear as additional collateral.

However, Essex Financial and the lender were able to simplify the transaction by switching the collateral to just one of the three properties, Buckingham Village Shopping Center, Keepper added. The nonrecourse loan for Buck-

ingham Village is fixed at a rate of 5.44 percent for a term of 10 years and is amortized over 25 years. No leasing capital reserves were required by the lender. The loan to value for the unanchored center was 67 percent – atypical for a loan Funded by a life insurance company for an unanchored center – and well above the 60 percent loan to value that is often hard to get from life companies, added Keepper.

Located at the southwest corner of Florida Avenue and Havana Street in Aurora, Buckingham Village comprises 65,000 sf.

The neighborhood shopping center, shadow anchored by a Safeway, is home to tenants that include Denny’s, Taco Bell, Compass Bank and JPMorgan Chase. At the time of funding, Buckingham Village was 88 percent occupied.

The borrower built Buckingham Village Shopping Center in phases from 1977 to 2003.

