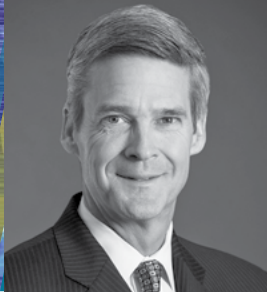


# 2023 HEAVY HITTERS *In Commercial Real Estate*

## TOP INVESTMENT BROKER



*Tim Richey*

CBRE, INC.

**2022 PRODUCTION: \$500,335,601**

*Please share a summary highlighting your biggest, most memorable deals that you were involved in/completed in 2022.*

First, would be 1800 Larimer. Our team sold 1800 Larimer in January 2022 for nearly \$300 million. This very prominent 500,000-square-foot building on the Denver skyline is easily identified by its distinctive unique curtainwall and Xcel Energy sign at the top. First and foremost, I loved this deal because both the buyer and seller were very happy with the outcome. The fact that the anchor tenant, Xcel Energy, had not yet determined its future plans created an element of risk in the transaction that was overcome by the fact that the asset and location are believed to be highly leasable. The level of demand and turnout for this offering was a great testament to the emergence of this location on the edge of LoDo. I was actually surprised at how appealing the location was to a wide audience, because this node was insignificant in the early days of Denver's CBD. The influence of Coors Field and RiNo has since made this a super compelling location. The City's largest new high rise is under construction only a block away for a reason.

Second, was 1401 Lawrence. This was another very memorable deal because it represented a high watermark price per square foot sale in downtown Denver and a gross sale price at well over \$200 million. This deal came together during incredible market turbulence after Russia invaded Ukraine, and in the midst of a collapse of the debt markets. We were very fortunate that, despite these challenges, we had a successful closing with a prominent life insurance company buyer who paid all cash.

And finally, I would point to One DTC West. Located at 4949 Niagara Street in the heart of Belleview Station, this sale was also record pricing for suburban Denver at close to \$600 a square foot. This trade was not only a testament to the appeal of a walkable mixed-use environment in an emerging location at Belleview and I-25, but it was also a reaffirmation that foreign investors want to be in Denver.

*Describe the overall performance/state of your submarket for 2022.*

First and foremost, I want to acknowledge the incredible team I work with that has made our successes possible and have navigated the choppy waters with me. My colleagues include Chad Flynn, Jenny Knowlton, Charley Will, Amber Horsley, Alex Mulvihill, Chessa Pike, Quinn Kennedy, and Morgan Layton. Our team is generally incredibly long-tenured; although several members have weathered previous market downturns, it has been interesting to observe how each of them has responded to our current turbulent market conditions with their own resiliency and determination.

Our team focuses a majority of our efforts on high-profile office assets. With the onset of COVID and uncertainty surrounding demand for office use, coupled with rising interest rates, investor demand for office product is diminished. Frankly, the investor pool for office at the moment is the thinnest I've seen in my career. However, capital will move between asset classes to follow returns and yields. Therefore, we think investor interest in office will drastically increase in 2023.

A big story coming out of 2022 is the flight to quality. Newer, Class AA buildings in amenity-rich environments received an abundance of interest and bid support from a variety of investors.

The adage "cash is king" also proved to be prominent this year. With limited availability of debt, cash buyers had a huge advantage in securing some of the best assets.

An interesting challenge occurred in early 2022 as we had multiple deals pending when Russia invaded Ukraine, which put those deals on hold. This shows the tremendous impact of global geopolitical events on our capital markets business here in Denver.

*continued >*

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DMCAR Heavy Hitters in Commercial Real Estate Award - Honoring the Top Producing Commercial Real Estate Professionals in the Denver metro area for 2022.



more from Tim Richey, CBRE

On a personal note, it was rewarding to strategize with clients on some of their most troubled assets. Being in this business for over 30 years, I've developed close relationships with many cherished clients and am very invested in helping them achieve their objectives in both good and challenging times.

**What are your predictions for your product for 2023?**

There will be quiet times in our market up until mid-summer, with a tsunami of activity through the second half of the year. While many of the western major cities are experiencing office foreclosure - and while Denver may have a few - we expect the office investment market to come back very strong over the next 18 months. Denver's appeal continues to grow among young working professionals with its tremendous quality of life, deep talent pool, international airport, and discount to coastal cities. Therefore, we anticipate continued demand for companies to maintain a strong footprint in Denver, especially choosing to office in the city's prized newer Class-A buildings. Additionally, the massive renovation on the 16th Street Mall will be a boon to downtown office owners. Revitalization of the area will bring an abundance of foot traffic and new amenities drawing tenants back downtown.

Although there is significant chatter about converting older product to multifamily, the price of the office building might be too high to be economically feasible in some cases. However, office conversions will continue to receive a lot of interest from investors and developers as they explore the concept.

**What is going to be the biggest commercial real estate story for the Denver area in 2023?**

There will be an unexpected migration of some well-known companies vacating coastal markets, like San Francisco or Portland, to Denver.

Another major headline will likely revolve around Denver's mayoral race. The outcome will be telling in how the following topics are addressed: the future of development and entitlement processes and the issue of homelessness. Denver is not unique in dealing with some of these themes, but Denver's commercial real estate industry and the vitality of the city are certainly impacted. Hopefully, our new leadership will seek input from a variety of stakeholders when shaping the future of Denver.

**What is a goal you have yet to achieve?**

Skydiving - I'm planning to go with my wife and sister in Monterrey, California in 2023. Wish me luck!

**Who is the one person you're most interested in meeting?**

Sam Zell, because he's a visionary in the office investment world.

**What is your favorite quote?**

"Far and away the best prize that life offers is the chance to work hard at work worth doing" - Theodore Roosevelt

**What would you select as your 2022 theme song/walk up song?**

"Ain't No Stoppin Us Now" - McFadden & Whitehead