

Bosa buys site on Denny for condos

■ *The property could one day have a 40-story tower, but is now fully leased to office and retail tenants.*

By **LYNN PORTER**
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Bosa Properties has purchased the Denny Center retail-office building, which it intends to eventually raze to build a condo high rise, said Barry Gilbert, vice president of acquisitions for the Burnaby, British Columbia,-based firm.

The 22,600-square-foot building is located on a triangle-shaped parcel at Fairview Avenue, Denny Way and Virginia Street. It is now 100 percent leased. Tenants include Michael's convenience store, Subway and U.S. HealthWorks.

"We bought it as a retail center," Gilbert said. "We think it's a great future redevelopment site, so we're glad that it has income."

The site is zoned to allow 40 stories, but Gilbert said Bosa hasn't determined how high it will build or when.

A limited liability company of Bosa bought the two-story building from an LLC of Seattle-based Kauri Investments for approximately \$8 million. That's \$356 a square foot for the building, or \$329 a square foot for the 24,450-square-foot parcel.

Kauri purchased Denny Center and a parking lot at Minor Avenue and Denny Way for \$2.85 million in 1997. The lot is not part of the deal with Bosa.

The Denny Center site was zoned for about 12 stories when Kauri bought it, but changes approved by the city last year allow for the added height.

Kauri Investments President and CEO Kent Angier said all of building's seven tenants have options to renew, which could slow the pace of redevelopment. If the leases and options weren't in place, Kauri could have sold it for more, he said.

For Kauri to redevelop the site, it would have had to buy out its partners in the Denny Center purchase, Angier said. Under the circumstances, he said, it made more sense to sell and use the money for other purposes.

Gilbert said it's a great development site because of the potential views and proximity to jobs and shopping.

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ters at Howell Street and Terry Avenue. The firm intends to raze it for a 31-story condo complex with about 270 units and retail, Gilbert said. Bosa has a master-use permit, but no construction date, he said.

Bosa continues to look in downtown Seattle for condo and retail development sites, and for office, industrial or retail properties, Gilbert said.

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