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Raleigh office building sold for \$27.6M

By Amanda Jones Hoyle

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A California real estate investment company has paid \$27.6 million for the Colonnade I office building on Six forks Road in north Raleigh, according to Wake County deed records.

The purchase price for the 126,926-square-foot building equates to more than \$217 a square foot, ranking in No. 2 among the priciest office building sales in Triangle history, according to data collected by real estate firm CB Richard Ellis. The largest property price ever fetched for a Triangle building was the \$98.34 million, or \$294 a square foot, paid in 2005 for Hock Plaza in Durham.

KBS Realty Advisors of Newport Beach, Calif., purchased Colonnade I from Colonnade Development LLC, an affiliate of DRA Advisors of New York City. Spectrum Properties of Charlotte was the developer and manager of the property.

The building is 100 percent occupied by tenants that include government contract company Applied Research Associates and construction company Bovis Lend Lease.

The acquisition included 7.8 acres of the total 29.5-acre Colonnade office park, which is master-planned for five, five-story office buildings.

With the Colonnade I sale, Spectrum has filed plans with the city of Raleigh to begin construction on the park's second building, Colonnade II, which will be a mirror-image of the Colonnade I building on the same property.

Jessica Brock with Spectrum Properties says the building has no pre-leasing commitments, but she expects the building to be finished in late 2007 or early 2008. She would not identify Spectrum's partner in the development project.

KBS Realty has invested nearly \$6 billion in commercial real estate properties since its inception in 1992. It has office in Newport Beach, Calif.; San Francisco, Calif.; Dallas, Texas; Chicago, Ill.; Boston, New York and Washington D.C. CB Richard Ellis

investment brokers Ben Kilgore of Raleigh, Will Yowell of Atlanta and Justin Parsonett of Atlanta brokered the deal.