

Towne Storage building fetches record price

By: [Chuck Slothower](#) in [Real Estate and Development](#) May 2, 2018 10:29 am



The Towne Storage building near the Burnside bridgehead sold last month for \$62.75 million, a record price on a per-square-foot basis. (Sam Tenney/DJC)

Portland's **Towne Storage building** has earned a record price on a per-square-foot basis.

The building traded for \$62.75 million, according to **Multnomah County** records. The sale was recorded April 23.

The sale equated to \$630 per square foot for the approximately 100,000-square-foot building, beating the previous record for Portland office space of \$565 per square foot for **Pearl West**, according to **Jones Lang LaSalle** research.

CBRE Global Investors purchased the building from an entity of **Westport Capital Partners**. **NKF Capital Markets** represented Westport, while CBRE represented itself.

The high price reflects the strength of the tenant, said Patricia Raicht, senior vice president for research at JLL. The building is fully leased by **Autodesk**, a software maker for architecture and engineering, construction and entertainment applications. The company moved into the building, near the Burnside Bridge's east end, from Lake Oswego.

"They have a credit tenant with an 11-year lease in there," Raicht said.

Investors have been willing to pay a premium for buildings with long-term tenants. The **Wieden + Kennedy building** sold for \$103.25 million, or \$556 per square foot, last year to an institutional buyer.

The sale also shows bustling office demand in the **Central Eastside industrial District**. Developers are rushing in with projects such as Platform by **ProjectA**. That proposal calls for new construction of 140,000 square feet of office space.

The Towne Storage building originally opened in 1916 and was once home to a wholesale paper distributor. **LRS Architects** designed an adaptive reuse project to update the unreinforced masonry building, and **Bremik Construction** served as the general contractor. **Sentinel Development** was the developer.

Fortis Construction performed the tenant improvements for Autodesk, with design by **Mackenzie**.