



December 2, 2011

**Commercial Real Estate
Insights Speaker Profiles**

[Insights breakfast is all about fundamentalist](#)

The Commercial Brokers Association is proud to host the 15th Annual Commercial Real Estate Insights breakfast for the commercial real estate community.

Insights is co-hosted by the Seattle Daily Journal of Commerce and Foster Pepper PLLC. It brings together experts from different external sources to review their impact on the commercial real estate sector in the near and mid-term.

This year's speakers — Blake Eagle, Jerry Yudelson and Rob McKenna — are experts in three areas fundamental to commercial real estate: research, sustainability and government.

Unico Properties

Specialty: Real estate development, investment and operating company specializing in office, retail and multifamily

Management: Quentin Kuhrau, president and CEO; John Lamb, CFO and senior vice president of property management; Jonas Sylvester, senior vice president of investment and development; David Laird, senior vice president of asset management; Jim Rock, senior vice president of leasing and general manager of metropolitan tract; Lynn Abulhosn, senior vice president and chief administrative officer

Founded: 1953

Headquarters: Seattle

Employees: 151

Current Projects: Slate Apartments and Lofts, Seattle (under development); Belleview Tower, Denver (purchased); 17th & Larimer, Denver (purchased)

How's the real estate market doing these days?

It depends on how you slice it.

That's the message from Jonas Sylvester, senior vice president of investment and development at Unico Properties. "If you're not segmenting your markets, you're missing the real picture," he said.

Unico leases and develops office, retail and multifamily projects throughout the West, working from offices around Puget Sound, Portland, Denver, Salt Lake City, the Bay Area and other locales.

Portfolio expansion

With six recent acquisitions totaling a quarter-billion dollars in asset value, Unico's portfolio has grown a little more than a million square feet in the past year, Sylvester said.

Its total portfolio is 15 million square feet.

Sylvester said the firm avoids going head-to-head against larger asset management firms, and instead seeks below-the-radar

acquisitions such as the 12-story Bellevue Tower and the eight-story 17th & Larimer, both in Denver. Unico purchased the two 1980s buildings in the past year.

Sylvester likened the real estate market to an archipelago with a mix of submerged islands and high ground. Average elevation may be below sea level, but that doesn't mean there aren't still a few "islands of wealth, rising up from underwater and exhibiting healthy characteristics," he said.

So while the construction and legal and financial services industries have been quiet during the current market cycle, the research, technology and life-science sectors have been making plenty of noise.

"If you can hold an asset that appeals to life science or software development, that will have robust appeal," Sylvester said.



Photo by Sam Bennett

Unico manages the 42-story Russell Investments Center in downtown Seattle.

Those industries are looking for spaces that are a bit different from the standard high-rise offices that have driven past commercial real estate markets. Rents in the type of warehouse districts that appeal to technology firms — think of South Lake Union or Portland’s Pearl District — can fetch higher rents now than 20th-floor offices with a view, he said.

Sylvester cited two recent Unico developments, the Lovejoy in the Pearl District and Russell Hall in Seattle’s University District, as examples of successful product types these days.

“Both are jewel box buildings located outside of the central business district, and both appeal to a broad slice of the market and appeal to demand,” he said.

Market changers

The Seattle-area office market has been driven by large institutions such as Amazon and Microsoft, which “take down enormous blocks of space that can change the market overnight,” he said.

In the residential market, new construction could come from developers catering to people who have been underserved by the latest wave of supply, Sylvester said. For example, apartment-hunters seeking two- or three-bedroom units aren’t finding much now.

Unico is betting on Seattle’s industrial Interbay neighborhood, where it has a 236-unit apartment complex under development aimed at renters that want to be close to downtown but not in it.

Looking ahead, Sylvester said he’s optimistic that opportunities will remain to invest in the markets in which Unico operates. That’s particularly true for Seattle, where large technology and bioscience firms will continue to attract people and spin off new businesses.

The rest of the economy still has some catching up to do.

“At what point do other businesses stop licking their wounds and start to grow?” Sylvester asked.