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Swedish sells two office floors in Seattle

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Swedish, Seattle's largest hospital organization, has been investing millions of dollars in new facilities, but this week it sold a few of them.

Swedish sold the top two floors of its 11-story Swedish Orthopedic Institute, on its First Hill campus, to **Unico Properties LLC**, a Seattle-based real estate investment and operating company.

Swedish declined to disclose the price for the 42,846 square feet of space, but according to real estate company CoStar, the deal closed at \$18.9 million.

Unico also announced the purchase of a 118,263-square-foot Class A office building in Denver.

Swedish has been investing and building rapidly since opening its Swedish Orthopedic Institute in 2008. This month, for instance, Swedish is opening a medical office building on its 12.5-acre medical campus in Issaquah, where it is erecting a new hospital that's scheduled to open in November. Total investment: \$365 million.

During the past year, Swedish opened 11 specialty clinics and four primary-care clinics, on its several Seattle campuses as well as in Cle Elum, Redmond and Mill Creek. Next week, Swedish will unveil 10 new specialty clinics on its Issaquah campus.

Sale of the top two floors of the Swedish Orthopedic Institute was authorized by Swedish's board as the medical office building was undergoing construction in 2008. Swedish Chief Financial Officer **Jeff Veilleux** said Swedish held off until now owing to the recession's low real estate values.

Unico Properties Senior Vice President **Jonas Sylvester** said the Swedish Orthopedic Institute is the region's first dedicated orthopedic diagnostic and treatment space.

“Swedish has a sterling reputation, and we are buying a best-in-class medical office building that is anchored by the Puget Sound region’s leading orthopedic surgery practice,” Sylvester said in a statement.

The two floors purchased by Unico have been leased by Orthopedic Physician Associates (OPA) since the medical office building opened. OPA is part of Proliance Surgeons, a Seattle-based medical group with about 165 surgeons.

In other medical real estate news, the National Development Council (NDC) announced the start of construction of the third phase of UW Medicine’s new research facilities at South Lake Union, in Seattle. New York-based NDC, a nonprofit economic and community development organization, is financing the \$360 million research complex with 63-20 bonds, which are basically tax-exempt bonds issued by nonprofits for a public purpose.

This month, NDC plans to launch a new public-private partnerships division in Seattle.