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Real Estate

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December 7, 2007

Alaska Building sold

■ *618 Second Avenue LP pays \$38.7 million for the property.*

By [JOURNAL STAFF](#)

Kauri Investments and its partner Ariel Development have sold the 140,000-square-foot Alaska Building to 618 Second Avenue LP, said Kent Angier, Kauri president.

The buyer is a limited partnership of which American Life is the general partner. Henry Liebman heads American Life.

The sale price for the 15-story building on the southeast corner of Second Avenue and Cherry Street is \$38.7 million, said Angier. That's \$276 a square foot.

Kauri and Ariel purchased the building in 2005 from the city of Seattle for \$8.5 million through a public process, Angier said. At the time, office vacancy rates were at 15 percent or higher and the city was scheduled to move out of 125,000 square feet, leaving it virtually empty, he said.



Photo by Ben Minnick [\[enlarge\]](#)

Plans and permits are in place to build a 236-room Marriott Courtyard Hotel and 26 apartments in the building.

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Kauri originally bought the building as a long term hold with the intent to convert the top portion to housing and renovate the office and retail space, Angier said. After architectural studies were completed, it was apparent that the building was better suited for use as a hotel, he said.

Plans and permits are in place to build a 236-room Marriott Courtyard Hotel and 26 apartments in the building, Angier said. Demolition and remediation are expected to begin later this month, Angier said, with construction about 45 to 60 days from now.

“We also intended to hold the hotel long term, but the buyer made us an offer that made sense for us,” Angier said.

The building is in the financial and historic districts, and within walking distance of the two major sports stadiums, the Washington State Ferries and Pioneer Square, Angier said.