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## Groupon co-founder buys loft office building

By RYAN ORI |  



Brad Keywell, the co-founder of Groupon and Lightbank, has ventured into bricks and mortar once again, buying a loft office building in the West Loop.

A venture led by Keywell last month paid \$7.15 million for a three-story, 37,213-square-foot building at 1130 W. Monroe St., according to Cook County property records and Matt Garrison, managing principal of R2, the Chicago-based developer that sold the building. Keywell is also an investor in the Wrigley Building.

In another deal, R2 sold a Clybourn Corridor loft building for \$8 million, Garrison said. R2 sold the the four-story, 45,448-square-foot building at 811 W. Evergreen St. to Dallas-based Transwestern Investment Group, the buyer and seller confirmed.

R2 sold both buildings at well above their 2013 purchase prices, as the firm takes on plans to develop several Clybourn Corridor and nearby Goose Island properties into North Side office space. R2 bought 1130 W. Monroe for \$3.8 million in June 2013 and renovated the building, which includes an atrium with 45-foot ceilings. The only remaining tenants in the building are R2 and affiliated companies, which are likely to move out, Garrison said.

It is unclear whether Keywell bought the building as an investment or whether he plans to move any of his technology companies there. Keywell, CEO of data analytics company Uptake, declined to comment. Garrison confirmed Keywell was the buyer but declined to comment on Keywell's plans for the property. Keywell previously invested in a larger real estate deal, the \$33 million purchase of the Wrigley Building on North Michigan Avenue in 2011.

On the North Side, R2 bought 811 W. Evergreen for \$3.1 million in September 2013, acquiring it out of the bankruptcy of an affiliate of Oakbrook Terrace-based Dvorkin Holdings. It's the second loft building acquired by a fund of Transwestern Investment Group, a private equity real estate fund that includes Latin American institutional and qualified high net worth investors.

R2 invested about \$2 million in improvements to the building and replaced many tenants with ones paying higher rents, Garrison said. The building is fully leased to companies including growing interactive marketing firm Jellyvision, but Transwestern has an opportunity to raise rents as other leases expire in the next couple of years, Garrison said.

TIG, an investment management affiliate of the Houston-based Transwestern group of companies, manages about \$2 billion in real estate investments.

*“You’re seeing institutional-type buyers come into the market, which we didn’t see three or four years ago, especially for smaller-sized deals like this one,” Garrison said.*

TIG also owns a loft office building at 225 W. Ohio St. in River North.

“We’re able to get a little better yield on these types of buildings,” said TIG Vice President John Higgins. “They’re a little bit smaller, which limits the institutional capital that’s chasing them. Given the age and the nature of the