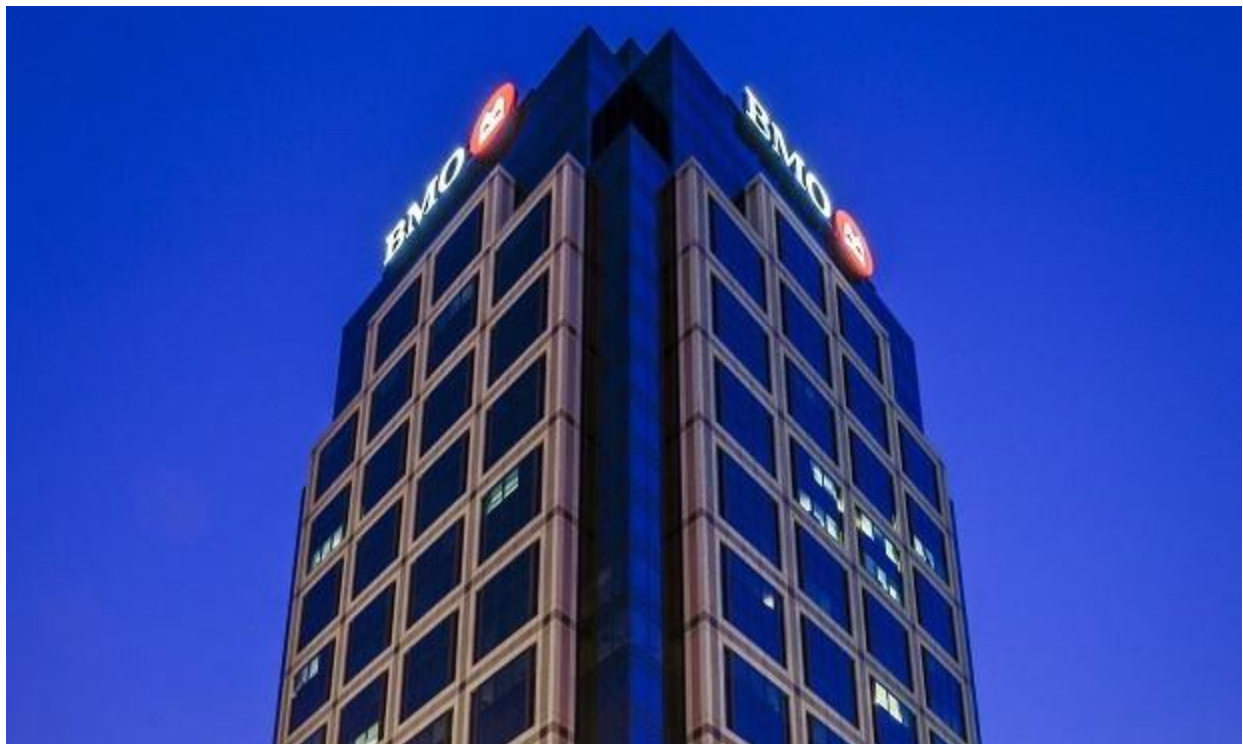


Overseas Investors Set Sights On Midwest Tech Markets

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Many tech markets throughout the region have expanded, boosting demand for downtown properties.



The BMO Plaza building is the sixth-tallest in Indianapolis.

INDIANAPOLIS—[Black Salmon](#), a national commercial real estate investment platform and new business line of **TSG Group**, has set its sights on properties in top tech markets, and that includes Indianapolis. The Miami-based company just acquired that city's Bank of Montreal Plaza, through the \$70 million purchase of the entity **135 N. Pennsylvania, LLC**. The

444,644-square-foot, class A office building is one of the most prominent towers in downtown Indianapolis' central business district.

It's a big change for a property that fell on hard times during the Great Recession. An undercapitalized owner let occupancy fall to less than 50%, and the building fell off the radar screens of local brokers. But an entity managed by **True North Management Group** bought it and began pouring millions into renovations. True North filled the building and [sold it for \\$40 million](#) in 2016.

"It's a very good asset, and we believe we can create even more value," **Jorge Escobar**, chief executive officer and managing partner of Black Salmon, tells GlobeSt.com. But just as important was the remarkable expansion of the city's tech scene and how that should sustain demand for years to come. "Indianapolis will continue to see a lot of traction, and prices should continue to go up, especially in the CBD area."

The suburban office market in this metro area used to outweigh the downtown, but the desire among millennials to live in urban cores has [started to change things](#). Population growth in downtown Indianapolis has been off the charts, and [tech companies have proliferated](#). As reported in GlobeSt.com, for example, San Francisco-based tech giant **Salesforce** recently established itself in the CBD. The company anchors an eight-floor, historic building in the downtown, [but also decided](#) to take on an additional 227,781 square feet in Chase Tower, a traditional, modern office building, the state's tallest, that was recently renamed Salesforce Tower.

Amazon named Indianapolis to its HQ2 shortlist, and the city has the fourth highest tech-related job growth rate, according to **CBRE's Tech Industry** report.

Notable finance, government and corporate tenants such as **BMO Harris Bank**, the **US Department of Defense** and **General Electric Capital Services** occupy 135 N. Pennsylvania St. Escobar says Black Salmon has a bullish strategy to increase investment in prime commercial real estate properties throughout the US, especially in tech-heavy CBDs. Recent acquisitions include the purchase of The Offices at Public Market – a class A building totaling more than 109,000 square feet in San Francisco – for \$33 million.



Jorge Escobar of Black Salmon

Black Salmon also likes what it sees in Chicago and Detroit. “These are the main cities in the Midwest that we are following,” Escobar says. Each has developed a healthy tech market that shows even more promise. Detroit’s is less well-known than Chicago’s, but the coming of driver-less cars will require massive investments in new infrastructure and technology, and “we think Detroit will be one of the main beneficiaries of that.”

“We launched Black Salmon with the goal to reach close to \$300 million in assets during the first two to three years,” adds Escobar. The acquisition of BMO Plaza “signifies the \$100 million mark for our firm, far exceeding our expectations and reinforcing Black Salmon’s position for tremendous national market growth.”

Black Salmon purchased BMO Plaza with partner [REDICO](#), a national real estate development and investment firm. REDICO is a privately-held, 50-year-old company with more than 18.2 million square feet of office, retail and multifamily under ownership and management, ranking it among the top real estate firms in the country.

Escobar says much of Black Salmon's financing comes from overseas. And foreign investors, especially ones from Latin America and Europe, are likely to continue increasing their allocations to US real estate. "It's a safe haven for all foreign investors. The US dollar continues to be the hard currency of the world."