

DPC buys Panorama building, plans high-finish spec suites

by Jill Jamieson-Nichols

A half-vacant multitenant office building in Panorama Park sold to a local value-add investor that has purchased 300,000 square feet of office space in the last year.

DPC Development Co. picked up the 28,412-square-foot building at 9137 E. Mineral Circle in Englewood at a cost of approximately \$2.3 million and plans to update the space for new tenants. Formerly Mineral Place, the building has been renamed Panorama Place.

The first building built in Panorama Park, the three-story building was sold by an out-of-state owner, Walter Properties Inc.

DPC plans the same strategy at Panorama Place that it has successfully employed at other office buildings: improving the common areas and building out speculative suites with high-end finishes including granite counter tops, full kitchens, glass panels and artwork, for example.

“It’s really an upscale small-tenant building, is what this is going to be transformed into,” said DPC Executive Vice President Chris King, who was familiar with the property, having handled his first leasing assignment next door 25 years ago. The building features covered parking and an atrium lobby.

“It’s a really nice multitenant building,” he said. “The building is showing its age. We just need to bring it up to today’s standards.”

DPC also plans to push rents at the property – to the tune of \$19 to \$19.50 per sf gross, compared with existing, below-market rents averaging around \$15 per sf, King said.

King said the company has found small tenants are willing to pay a few dollars more per sf for higher-quality space. “I think the tenants will get a nice bang for their buck,” he commented.

DPC pushed rents “pretty significantly” at Union Business Center, a 105,000-sf property it bought at 405 and 445 Union Blvd. in Lakewood in September, while taking the center from 68 percent to 80 percent occupancy. It had similar success at Clock Tower Square, a 121,458-sf property off Interstate 225 and East Sixth Avenue in Aurora that has gone from 50 percent to 75 percent occupancy.

At One Commerce Center in Colorado Springs, DPC was able to increase rents from \$8 per sf triple net to \$9.50 triple net with the higher-end finishes.

Fuller and Co. broker Dan Miller will handle leasing for Panorama Place. Miller, along with Fuller Brokers Joe Sigdestad and Doug Wulf, represented DPC in the acquisition. John Becker and Mike Haley, also of Fuller, represented the seller.

King said DPC Development continues to seize opportunities to buy suburban Class B office buildings because of the lack of new construction and decreasing vacancies in the market. But it’s also looking to reap the rewards of office properties where it has added value, and to round out its 2.5 million-sf portfolio with more retail and industrial acquisitions.

The company has Research Corporate Center, a 98,000-sf Class A office property in Colorado Springs, under contract for sale, and Garden Gateway, a 122,500-sf single-story property in the Springs, is on the market. DPC recently acquired Fremont Business

Center, an industrial property in Centennial, and is developing its second retail center in Grand Junction.

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