

Denver Tech buildings fetch \$40.54 million

by Jill Jamieson-Nichols

A Denver Tech Center office property captivated investors willing to take on big risk for the sake of reward.

Denver Corporate Center II and III ended up in seemingly logical hands with DPC Development Co. and long-time partner Bridge Investment Group Partners paying \$40.54 million for the buildings at 7800 and 7900 E. Union Ave., in the north end of the Denver Technological Center.

The 15-acre property consists of twin 11-story buildings that total 375,314 square feet and approximately two acres for possible future development. One of the buildings is vacant, a rare find in Denver's healthy office market.

Greenwood Village-based

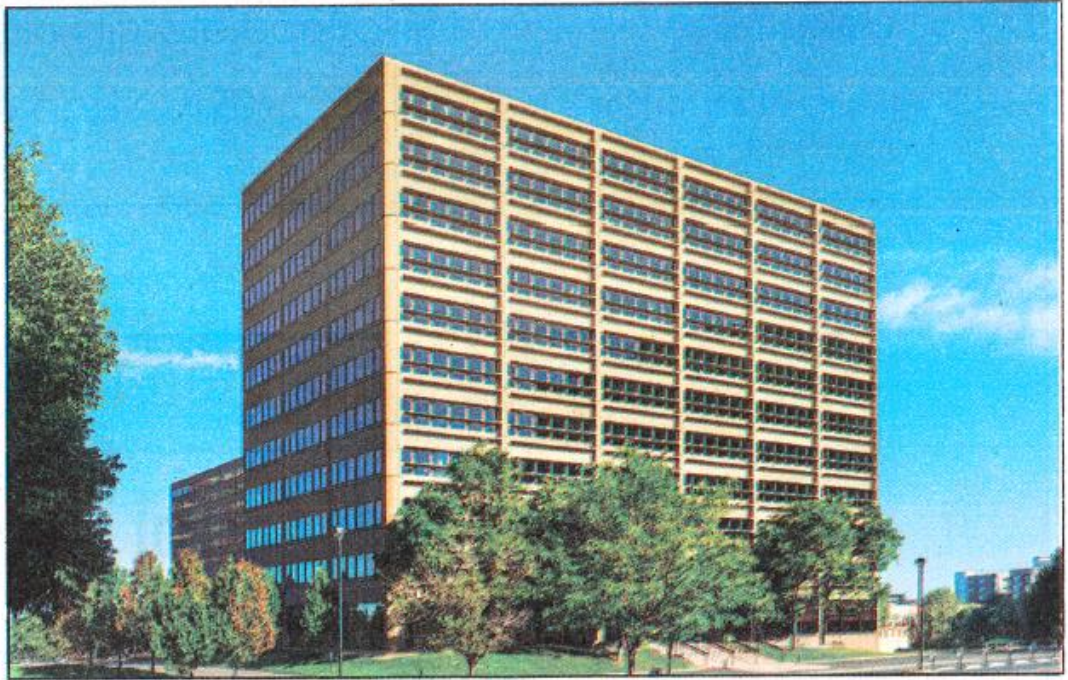


Photo by Steve Zavodny

Please see DCC, Page 13

Formerly occupied by URS Corp., Denver Corporate Center II is vacant.

Continued from Page 1

DPC, known for its repositioning expertise, will spend \$13 million to improve the property and add tenant amenities. It is weighing options to add a parking deck and increase density, but the first order of business will be to put the empty building back into service, said DPC President Chris King.

"We're very pleased with the buy. It's an exciting opportunity for us, and it really fits our model," he said.

"DPC has a long history in Den-

ver of taking assets that need to be repositioned and doing a good job with them," said HFF Senior Managing Director John Jugl. Jugl, who represented seller Alecia Real Estate Investment LLC with HFF, Senior Managing Director Mary Sullivan, said opportunistic repositioning opportunities present their own set of challenges, and owners need assurance that the buyer has the experience and wherewithal to execute.

"DPC had very balanced expectations and very balanced assumptions that gave us a good deal of faith in their ability to per-

form," he said.

Because of the value-add profile, Denver Corporate Center II and III was highly sought after, he said. "It had more interest than we've ever experienced with nearly all suburban assets to date."

Denver Corporate Center is within walking distance of restaurants, hotels, services and light rail, said King.

In addition to a "very good location," said Jugl, it offers the ability to improve a building without disrupting tenants, plus, "It has development potential."

DPC Development is considering a strategy similar to its repositioning of Cherry Creek Corporate Center, where it added a parking deck and sold excess land for an apartment community. Denver Corporate Center II and III has ample parking, but a parking deck on the northeast corner of the site would allow for development of retail, hotel, office or multifamily. "Even without that parking, we started to get inquiries for some of those uses," said King.

URS formerly occupied Denver Corporate Center II. Denver

Corporate Center III has 23,000 sf of available space. Its tenants include Farmers Union Service Association, Collection Company of America, Larimar Group, Northern American Title Co., the Denver Post and others.

The buildings were constructed in 1982.

DPC Development Co. is a privately held company that develops and acquires commercial real estate. Traditionally a value-add buyer, it also is acquiring Class A assets, as exemplified by its recent purchase of Carrara Place in Greenwood Village.▲