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DPC DEVELOPMENT GETS STEAL ON OFFICE BUILDING

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Greenwood Village-based **DPC Development** Co. may have made the commercial real estate deal of the year with its latest purchase along the southeast corridor.

DPC paid a bargain \$4.5 million, or \$33.66 per square foot, for the 134,000-square-foot Corporate 25 building at 7200 S. Alton Way in Centennial.

“It sets a new low-water mark for a sale,” said Fuller and Co. broker Doug Wulf, who will be leasing the building for DPC. “I don’t know of any other building of this quality that has sold for \$34 per square foot. It must be the lowest price paid in this real estate cycle.”

The replacement cost for the building, which is about 40 percent leased by Kiewit Construction, is \$140 per square foot, said Chris King, executive vice president for DPC.

“There may be some empty buildings out there that sell for this kind of price, but this one cash flows because we have a tenant,” King said.

Kiewit rents the building because of its proximity to Interstate 25, where it is constructing the T-REX widening and light rail project.

“The beauty is that as it winds down T-REX, we will be entering a better market with more demand from tenants,” King said. “We feel like the office market is at the bottom and is seeing good activity.”

The building was constructed in 1981 as the corporate headquarters for Cypress Minerals and then was occupied by AT&T and later Lucent Technologies.

“It was built as a single-tenant building and only had large corporate users,” said Tim Rose, vice president at DPC. “But the great thing is that we can easily subdivide it for tenants as small as 1,000 square feet.”

It’s unusual that small tenants can easily take over a corporate headquarters building, he said.

DPC will take 22,000 square feet and subdivide that into small offices that will be available to lease for about \$14.50 per square foot.