

DPC news items/articles as appeared in the Colorado Real Estate Journal...

DPC Buys at Koll Centennial

by Jill Jamieson-Nichols

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The final building at Koll Centennial Center, which last year set record sales prices for southeast industrial product, has been acquired by a local company for \$36 per square foot. DPC Development Co. paid \$1.8 million for Building 2, a state-of-the-art office/warehouse flex building that totals 49,400 sf. The building at 7084 S. Revere Parkway in Englewood was vacant at the time of the sale. Our game plan is to either lease it to one or two tenants and sell it, or just sell it directly to a user," said Chris King, DPC executive vice president. "It's a great building qualitywise." The building is the last of five developed and sold by Koll Development Co. at the center just north of Centennial Airport. Two buildings sold to investors last year for record prices of \$122 and \$123 per sf. Both were fully occupied by tenants on long-term leases. Another sold to a user for \$70 per sf. King said the industrial vacancy rate for similar product in the southeast submarket today is around 26 percent, but that the 340,000 sf of available space primarily is in three new developments. "Our idea is we're going to be willing to sit tight and let some of this absorption come around us," said King. "We see this as probably a two-year hold, unless we had a user come to us immediately, and we would sell it," he said. Approximately 80 percent of Greenwood Village-based DPC's portfolio consists of office space, with the balance in retail and industrial. Given the softness of the office market, it hopes to round out its portfolio. "We're bullish on industrial space right now," King said. Koll Centennial's Building 2 offers 24-foot-clear ceilings, skylights, a state-of-the-art sprinkler system, and dock-high and drive-in loading. "It was a good sale for Koll in a market that is extremely soft and where there's no real tenant or buyer activity today," said Fuller and Co. broker Jeff Roemer. Roemer and Fuller brokers R.C. Myles, Rick Schreck and John Segelke represented Koll in the sale, as well as the sale late last year of an adjacent 9.54 acres where Koll had planned to build the center's second phase. The land was purchased for \$815,000 by TN Summer National LLC as part of a 1031 exchange, Myles said. The limited liability company is headed by a local developer that plans to hold it until the market improves.

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