

DPC looks west for spec office suites

by Jennifer Hayes
Colorado Real Estate Journal
November 2005

DPC Development Co. is looking west for its next speculative office suite project. The company, under the name New Union LLC, paid \$6.48 million for the two-building Union and Urban Business Center off of Sixth Avenue in Lakewood, where it looks to replicate the success of its speculative office suite product in the southeast submarket.

DPC Development initiated its office suites concept at Corporate 25, a suburban office property at 7200 S. Alton Way in Centennial it purchased in 2003. The success of the product there has spurred the firm to look to duplicate the results elsewhere in the metro area.

“The west side lends itself to small tenants,” said Chris King, executive vice president of DPC Development, which will deliver in the next 60 days the first 24,000 square feet of speculative office suite space for small tenants at the 109,324-sf center off of Sixth Avenue, renamed Union Business Center.

While the three-story, 58,226-sf building at 445 Union Blvd. had an occupancy rate around 71 percent at the time of sale, 405 Urban St., a four-story, 51,098-sf building, was 37 percent leased, according to CB Richard Ellis’ Chad Brue.

“It is an underutilized building,” King said of the Urban building, where DPC not only is planning the first phase of office suites but also “radical” changes to its exterior.

DPC Development anticipates investing \$750,000 into the Urban building. Currently, the company is in discussions with the city on plans to create a new entry to the Urban property; as well, DPC will tear off the front of the building to make way for a new fascia, King added.

Natasha Felten of Colorado Commercial Cos. is handling leasing of the suites, ranging from 1,000 to 3,000 sf. Farmers New World Life Insurance Co., was represented by Brue, along with CB’s Geoff Baukol and Chris Bodnar, in the sale of the property built in 1976 and 1978.

Earlier this year, DPC Development sold Corporate 25 to Crown West Realty LLC following the conversion of two of the property’s three buildings into small office suites, and boosting occupancy from 40 percent to 100 percent.

DPC also recently purchased United Airlines’ former reservation facility in the Denver Tech Center.

The approximately 35,000-sf building at 5347 S. Valentia Way, empty at its time of sale, has been gutted by DPC Development. The company is making substantial repairs to its exterior = parking lot and landscaping, for example = and is developing a new lobby.

DPC Development is looking to sell the building to an owner/user; however, if there are no takers, the company will convert the building to its spec small office suite program.

Fuller and Co.’s Dan Miller and Joe Sigdestad are marketing the building for sale for \$3.25 million.

###