

Springs office tower sells for \$25.2m

by Jennifer Hayes
Colorado Real Estate Journal
July 2007

DPC Development Co. acquired the largest single property in its history with its purchase of a downtown Colorado Springs landmark.

DPC paid \$25.2 million for Colorado Square, a 242,401-rentable-square-foot tower at 2 N. Nevada Ave.

“It is a prime asset in downtown Colorado Springs,” DPC President Chris King said of the sale believed to be both the largest office acquisition in the city this year in terms of price and size.

“Colorado Square is a very good quality core asset and a great downtown building,” added NAI Highland Commercial Group LLC’s James Spittler Jr., who marketed the 14-story tower with NAI Highland’s Michael Palmer.

Built in 1976, Colorado Square was 90.3 percent occupied at the time of sale. Colorado Interstate Gas, an El Paso Corporation company, a long-term tenant at Colorado Square, occupies 231,364 sf, or 88 percent of the building.

Colorado Square’s ground-level retail space is occupied by DocuMart, a printing, copying and mailing company, and a Quiznos restaurant.

While the building – one of only a handful of office towers in the central business district – has been well maintained over the years, DPC Development plans to modernize the office tower to today’s standards as well as lease up Colorado Square’s vacant space, said King.

The office building underwent a \$1 million upgrade to its lobby in 2001 and is attached to a city parking garage. JPMorgan Chase Bank NA as trustee for General Motors’ salaried and hourly-rate employees’ pension trusts sold the building.

“It is good core real estate and a good play for us in a market with not a lot of downtown real estate,” he added.

DPC Development’s purchase of Colorado Square was part of \$41.5 million in acquisitions made within the last month by the company. Since June, DPC Development has completed \$41.5 million in acquisitions – more than double what the company typically closes in a year.

In addition to Colorado Square, within the last month DPC Development purchased the 78,000-sf Chapel Hills Atrium office building at 1125 Kelly Johnson Blvd. in Colorado Springs and a three-building industrial property portfolio in the central Denver submarket that totals 194,452 sf. The properties sold for a total of \$16.3 million.

DPC Development now owns 400,000 sf in the Colorado Springs market.

###