

DPC sells Syracuse Hill III in \$6.54 million transaction

by Jill Jamieson-Nichols

DPC Development Co. sold its Syracuse Hill III office building in Greenwood Village for \$6.54 million, or \$141 per square foot.

T&S Properties, a Hawaiian family trust that also owns property in Inverness Business Park, bought the 46,187-square-foot building, which has a history of high occupancy due to its location, covered parking and interior finishes.

“It is a really Class A building in a Class B market,” said DPC President Chris King. “It has really superior finishes to anything in this trade area.”

Syracuse Hill III also has underground parking - something rarely found in buildings of its size in the market, said Cushman & Wakefield of Colorado Inc. broker Patrick Devereaux.

CH2M Hill, one of the world’s largest engineering firms, occupies approximately 65 percent of the fully leased building. The company had some term left on its lease, which made the property very marketable, said King, whose company plans to deploy capital into other deals.

Reese Engineering and Wakefield Asset Management also are sizable tenants in the building.

The buyer purchased the property for its stable cash flow, said Devereaux, who represented DPC with Gene Pride, also of Cushman & Wakefield. Fewer than 30 percent of the leases expire before 2012, he said.

“It’s got a great location within the middle of Greenwood Village,” said Devereaux. The property is located at 6161 S. Syracuse Way, just southeast of the Interstate 25 interchange at East Orchard Road.

DPC Development bought the 2.23-acre site and built the building in 1998, after acquiring the neighboring Syracuse Hill II building, which it still owns.

Syracuse Hill III initially was leased to the College for Financial Planning, which later subleased space to MicroSource. CH2M Hill purchased MicroSource in 2004.

Additional tenants joined the rent roll when the College for Financial Planning moved out a few years ago and DPC added speculative suites to the building. “That was very successful. The market really embraced it,” said King, adding the building has been 100 percent leased for most of its history.

DPC Development owns approximately 2.5 million sf of space, mostly in Colorado. With 70 percent of its product in the office sector, the Denver-based value-add buyer is looking to expand its portfolio of industrial properties, King said.

###