

DPC thrives in 'chaotic' business Scrappy real-estate developer picks up properties institutions won't touch

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While several of his small entrepreneurial competitors have sold out or advertised their properties for sale, Don Cook's development company keeps on chugging. Cook's company, **DPC Development**, is not hiding from the pressure of the large institutional buyers, such as real-estate investment trusts, that are moving into the market. There are plenty of other opportunities that don't attract the big guns, Cook said in an interview Friday.

"The real-estate world is still huge, diverse, complicated and substantially chaotic," Cook said. "The institutions are looking for pieces that are easy to understand and define."

DPC is involved in 20 projects ranging from developing buildings to buying buildings that need some work, and selling others. The low-key company, based in Greenwood Village, owns a 47 buildings throughout the Denver metropolitan area, Fort Collins and Colorado Springs.

Among its Denver-area competitors are Etkin Equities, Colorado & Santa Fe Land Co. and Pacifica Holding Co., which recently sold its holdings to three REITs. Bruce Etkin has said he's looking for a partner or a buyer on his portfolio of 3.5 million square feet of mostly industrial properties.

Steve Leonard, who made Pacifica Holding Co. a major player in the Denver market in this decade, said the smaller guys have to find niches to survive.

"When we did our first deals, we had what we thought was low risk and high return because of the lack of competition," he said. Now everybody's got a slice of the market, which has forced developers to settle for lower returns, he said.

"Everybody combined - we're certainly building more square footage than can reasonably be absorbed," Leonard said. "I don't think there's any question that we're headed for a higher vacancy rate and lower rental rates. It has already occurred in the northeast industrial (market). It's just a matter of time before it occurs in the office market."

Of DPC, Leonard said, "they raise most of their money from private equity sources, which is what we originally did. They need to make

higher returns in order to satisfy their investors."

And they'll keep getting those returns, Leonard said, as long as the market stays robust.

The latest DPC project is a 45,000-square-foot building in Greenwood Village called Syracuse Hill III. The building is part of a small office park in the area that was envisioned in the mid-1980s, but is only now being completed.

The multi-tenant office building, which is under construction, will be unique in Greenwood Village because it's smaller than the other new developments in the region, said Chris King, who heads acquisitions and development for the company. That's DPC's niche - to find something that sets the company apart, he said.

"It was kind of the last site in central Greenwood," King said.

The company also is redeveloping a 154,000-square-foot strip mall shopping center in Fort Collins that has sat virtually empty for years. The University Center mall along the busy College Avenue has been bypassed by retail consumers, which has not helped the city's policy of trying to keep services in both ends of town so people don't have to drive so much, said Gwen Bell, chairwoman of the Fort Collins Planning and Zoning Board.

The board has given DPC the nod to redevelop the site.

The 50-year-old Cook started the DPC in 1986 after working briefly as a broker for Coldwell Banker in the late 1970s and as a retail developer during the 1980s. He survived the economic depression in Denver through property management, "magic and luck."

"Basically you always try to do a good job," Cook said. "I treated people fairly and consistently although there wasn't much business going on. We probably did one new project a year."

Now that times are good again, Cook hinted he isn't looking to sell and run away with the profits.

"I feel very fortunate - when I get up in the morning, I like to go to work," said Cook. "We don't want to have our heads stuck in the sand and not be aware of what's going on around us. Certainly we're constantly looking for opportunities."