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SKYLINE BUYS ORCHARD APARTMENTS

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At first blush, it might seem that Skyline Rentals Ltd. paid a princely sum for the Orchard Square Apartments in Arvada.

Skyline, an affiliate of Skyline Realty Inc., a local company, paid \$7.225 million, or \$29,370 per unit, for the 246-unit complex at 6400 Simms St.

"It was built in 1970-73, and they paid almost \$30,000 per unit, so you might think maybe they should have paid \$45,000 per unit and gotten 1980s construction" with much higher rents, said Chuck Sweeney, a Fuller and Co. broker who handled the transaction.

By spiffing up apartment units as people move out, Skyline feels it can raise rents to close to what newer apartments charge, but with a much smaller investment.

The complex is largely (70%) two-and three-room apartments, unusual for a building constructed during that era. Also, there are only 16 units per acre.

The complex, located across the street from Arvada West High School, houses quite a few families and tenants who would be first-time home buyers, if mortgage rates hadn't risen, Sweeney said.

"When rates went up, it raised monthly mortgage payments by \$100 to \$150 people per month and that can make buying a first-time home unaffordable for a lot of people," Sweeney said.

Skyline's strategy already has paid off. After owning it for less than two weeks, about 15 tenants moved out when their leases expired. Skyline crews installed new carpets and made other cosmetic changes. It quickly rented nine of the units - after increasing the rent by 10%.

The complex is 98% leased.

* In another large deal, Pacifica Holding Co. paid \$6.5 million for the five-building, 154,000-square-foot Iliff Business Park in Aurora.

The complex is 12 years old and is 88% leased. The seller was the Provident Life Assurance Co.

Pacifica paid about \$42 per square foot, while it would cost about \$60 per square foot to replace it, said Greg Downs, the Pacifica broker who handled the transaction.

Other recent transactions include:

Sales:

* Highland Court LLC, a subsidiary of **DPC Development** Co., paid \$3.3 million in cash for the 100,000-square-foot Highland Court Office building, 9000 E. Nichols Ave. Donald P. Cook is the principal of DPC. Brokers on Highland Court: David Tilton, Thomas Lee, Nathan Johnson, Frederick Ross Co.

Leases

* Gunbarrel LLC, 156,835 square feet, 6304 Spine Road, Boulder. Brokers: Rick Schreck, Barry Dorfman, Joe Hollister, Grubb & Ellis.

* Weller Freidrich, 22,843 square feet, 1560 Broadway. Brokers; Joe Cantellamessa, Mark Stolte, Galbreath Co., John Reynolds, Core Partners.

* TicketMaster of Colorado, 22,576 square feet, 1560 Broadway. Brokers: Mark Stolte, Joe Cantellamessa, Galbreath Co., Nancy Wester, CPC.

Miscellaneous

* Prudential Insurance Co. of America has placed the 524,989-square-foot Arco Tower and the adjoining 612-room Marriott City Center on the market. While Prudential hasn't put a price tag on the properties, experts expect the complex to fetch about \$125 million.

* Mile High Retail Associates, a division of Mile High Properties, has purchased EquiVentures Inc., a 4-year-old real estate firm. David Larson and Richard Will, co-founders of EquiVentures, as well as brokers Ed Raegner, William Lucas, and Scott Gibler will join Mile High Retail. Mile High Retail is completing the leasing of the 400,000-square-foot Broadway Marketplace.

* Fairfield Inn, Marriott's economy lodge hotel division, recently broke ground on a 63-room Fairfield at West Sixth Avenue and Simms Street. The three-story hotel, with an indoor pool and Whirlpool spa, will employ 20 to 25 and open in late February.