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A Denver Based Commercial Real Estate Investment and Management Company
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DPC Switches Gears with Carrara Buy

DPC Development Co. switched gears with the \$41.65 million purchase of a first-class Greenwood Village office building. DPC bought Carrara Place, a 237,681-square-foot building at 6200 S. Syracuse Way. Prudential Real Estate sold the Class A building for \$175.23 per sf. "We think it's one of the best buildings in that Greenwood Village submarket," said DPC President Chris King. Typically a value-add buyer, DPC is fortifying its portfolio with Class A assets, he said. Clad in white marble from Carrara, Italy, Carrara Place is a four-story, LEED Gold building developed by John Madden Co. in 1982. It features a unique atrium lobby with a water feature, a continuous glass line, 9-foot ceilings, a new fitness facility and conference facility. The building has the largest floor plates in the market: 50,000 to 70,000 sf. "It's an iconic building," said King. "John Madden has a great reputation of building incredible landmarks, so we were very excited when this opportunity came along." Other investors also were drawn to the property's "timeless architecture, fabulous marble skin, walkable distance to light rail" and strong occupancy, said CBRE Vice Chairman Mike Winn. The building was 99 percent leased and 87 percent occupied. Carrara Place is close to the Arapahoe at Village Center light-rail station, as well as Fiddler's Green Amphitheater, The Landmark mixed-use development, restaurants and other amenities. A subterranean parking garage with direct access to tenant suites combines with surface parking for a parking ratio of 3.6:1,000. DPC Development typically buys and improves properties that need repositioning and holds them for three to five years. Carrara Place likely is a five- to seven-year hold, said King. Truven Health Analytics has been in the building for 23 years, occupying about 100,000 sf. Envision Healthcare also is a major tenant and has been in the building for more than a decade. "Both have long-term leases, and that really precipitated us not doing anything on this for at least five years," King said. "This will be a really solid asset in our core portfolio. It's a quality building with quality tenants." Winn, Tim Richey and Chad Flynn of CBRE Inc. represented Prudential in the transaction. **(Colorado Real Estate Journal)**

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Granite Properties Begins Building 300,000-Square-Foot Office Building

The gold shovels dug in on a \$100 million Tech Center office development Wednesday. Construction is underway at Granite Place at Village Center, a 10-story, 300,000-square-foot speculative office building near Interstate 25 and Arapahoe Road. Owner and co-developer Granite Properties hopes to finish building by the first quarter of 2017. The building sits at 6165 S. Willow Drive. Stephanie Lawrence, managing director for Granite Properties, said the company bought the site from Denver firm Koelbel and Company. It will add to a Granite Properties Tech Center portfolio that includes High Pointe Tower, Plaza Tower One and Prentice Plaza. Opus Studio is the architect for the new building. GE Johnson Construction Co. is the general contractor. Confluent Development is co-developing Granite Place along with Granite Properties, but does not have an ownership stake in the building. Confluent President Marshall Burton said the building will be attractive to potential tenants for its common amenity spaces on the first floor as well as its location near transit and leisure hubs. "The notion that we are walkable to the light rail, one of the highest-

traveled light-rail stations along the corridor, the notion that you can walk through the neighborhoods and have immediate access to bike trails and running paths,” Burton said. “All of these are adding to the work-life balance that I think truly makes this project special and successful.” **(BusinessDen)**

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New Apartments in Metro Denver Face Lagging Demand

The new apartment product Denver has longed for is hitting the market — just in time for slowing apartment demand, according to a new report by James Real Estate Services Inc. Nearly 11,000 new apartment units were completed in metro Denver in 2015, supply that has been badly needed by many searching for places to live, but data show that demand for the units may be beginning to lag, said Eric Karnes, director of market research at James. About 8,200 new units came on the market in 2014. That’s not to say that demand is on the decline, Karnes said, and neither is employment, but rather that the rate of growth of both metrics is slower than the record pace it maintained for most of 2015. Metro Denver enjoys a 3.1 percent unemployment rate, which has been steadily declining since the recession, but the number of jobs added in the year slowed substantially from 2014 to 2015, according to Bureau of Labor Statistics data in the James report. As of November 2015, 1.6 million people were employed in metro Denver, an increase of 9,000 over the previous year. By comparison, 2014 added 55,300 jobs over 2013. These conditions resulted in an increase in the average vacancy rate, from 4.7 percent in the fourth quarter of 2014 to 6.8 percent in the fourth quarter of 2015, according to a recent report by the Apartment Association of Metro Denver. James Real Estate, using slightly different methodology, estimates that the vacancy rate is in the 8 to 9 percent range, but Karnes said that the trend of increasing vacancy rate is consistent regardless of methodology, leading to a more balanced market that is friendlier to renters than Denver’s market has been in recent years. Average rental rates have yet to reflect the slowing demand, with rents reaching \$1,292 per month in the fourth quarter, up from \$1,168 per month at the end of 2014. But landlords are increasingly giving concessions, particularly to new renters, which can come in the form of breaks on rent at the beginning of a lease or other incentives such as reduced security deposits. Karnes likens the shift in the market more to air slowly letting out of a balloon than a bubble bursting, and noted that a market correction is occurring in several other parts of the country that have experienced fast growth in recent years. Exactly how the change plays out remains to be seen and will vary across the metro area. “It will vary by submarket,” Karnes said. “But most of the impact will be on the upper end.” **(Denver Business Journal)**

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Seattle Firm Buys Elephant Corral Building in LoDo for \$22.5 Million

Seattle-based real estate company Unico Properties LLC has acquired Elephant Corral, a two-building office asset located at 14th and Wazee streets in LoDo, for \$22.5 million. The building gets its name in part from its early days as a boarding and trading yard for livestock, although no elephants ever made their way to the site. According to the Lower

Downtown Walking Tour: "The name is said to relate to a metaphor for the gold rush days of American and the perilous crossing of the continent, when 'seeing an elephant' became synonymous with seeing something strange, wonderful and perhaps a little frightening." The first buildings were constructed on the site in the 1850s, but the oldest of the existing buildings dates back to 1902. Today, the property is an office complex, consisting of 66,200 square feet in its two buildings. "Elephant Corral is a long-term investment and a well-located asset in this vibrant and thriving neighborhood," said Ned Carner, senior vice president of development at Unico. "In this market, we continue to be focused on high-quality real estate in top locations." Elephant Corral is the latest addition to Unico's Denver portfolio, which includes Writer Square, office buildings Centerpoint I and II in southeast Denver and another office tower at 17th and Larimer streets, among others. **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED TARGET RATE	.50	.50	.25
3 MONTH LIBOR	.62	.62	.26
PRIME RATE	3.50	3.50	3.25
10 YEAR TREASURY	1.76	1.98	2.11
30 YEAR TREASURY	2.61	2.75	2.73