



Pair of Highlands Ranch office buildings sell for \$11.15 million

by Jill Jamieson-Nichols

A pair of office buildings in the tightest submarket in the Denver area sold to an out-of-state buyer for \$11.15 million.

Corporate Center at Highlands Ranch, which consists of two multitenant buildings totaling 74,875 square feet, was purchased by a California buyer that, according to CB Richard Ellis broker Chad Brue, beat out a number of out-of-state investors that were vying for the property. It was the group's first acquisition in Denver.

"We felt like Denver was an accessible market for us to be involved in, and we really do like the city and the plan of the city," said Fred Lagomarsino of the Lagomarsino Group in Visalia, Calif.

"We like the fact that it seems to have turned a corner when it comes to professional office space. We thought it was a good time to get in," he added.

Near C-470 and Broadway, the buildings were 87 percent leased at the time of the sale. A major tenant, Red Rocks Federal Credit Union, had vacated its space, but its lease extends through October.

With office vacancy rates dropping in most submarkets, "We think there's an opportunity to get it leased up," Lagomarsino said.

According to Brue, Corporate Center at Highlands Ranch is



Corporate Center at Highlands Ranch is made up of a three-story office building, above, and an adjacent two-story structure.

within a submarket whose office vacancy rate is only 8.3 percent, compared with a marketwide average of 17 percent.

"There is not a lot of office product in Highlands Ranch," he said, adding the Corporate Center's proximity to an abundance of housing in Highlands Ranch, as well as executive housing in places like Greenwood Village and Genesee, also position the property well. It's close to plenty of restaurants, banks, hotels, day-care and fitness facilities, and other amenities.

Among the center's largest tenants are Lockheed Martin at 12,600 sf and Keller Williams Realty, which has 12,571 sf.

Corporate Center at Highlands

Ranch includes a two-story, 29,685-sf building that was built in 1997 and a three-story, 45,190-sf building completed two years later. The brick buildings feature atriums and mountain views, a card-key access system, showers and locker rooms, and 3.9 parking spaces per 1,000 sf.

Orix Highlands LLC sold the property. Brue, and CB Richard Ellis brokers Geoff Baukol and Chris Bodnar were the listing brokers.

Lagomarsino is among a group of investors who own primarily office and industrial properties in California and are looking to place additional capital in the Denver market.▲