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Industrial

Gateway opens to small users

by Jill Jamieson-Nichols

Gateway Park, which has everything from large distribution facilities to hotels, restaurants and Class A office space, is about to add a new product type.

CMC Group is under contract to buy approximately 11 acres at the park for construction of seven small-user industrial buildings, the first of which it hopes to deliver in the second quarter of next year.

"We love the location," said Executive Vice President Graham Benes. The site at the southwest corner of Interstate 70 and Tower Road in Aurora has freeway access and visibility, and, "It goes along with our formula of putting these small owner/user buildings in established industrial parks."

Users eyeing the I-70 industrial submarket will have to drive right by the park to get to competing product, Benes noted.

"With the residential growth happening out there and the airport, we think that's a very big high-growth area. We're just really excited about finding a piece in that location that's established," he commented.

"I think the site is absolutely the best site in the market to build product because there's a tremendous amount of momentum in and around Gateway Park and that intersection," said Fuller and Co. broker Jeff Roemer, who is marketing the buildings with Fuller brokers R.C. Myles and Tim D'Angelo. "You cannot beat our access or visibility.

"There's no doubt that building new small-user buildings northeast is a new concept, but we believe that with all of the growth, especially on the I-70 corridor ... there are users out there that want to buy their own buildings and want a new image," Roemer said.

CMC Group, which is devel-

oping a series of small-user office/warehouse parks throughout the Denver metro area, plans to kick off construction at Gateway Park with a presold, 31,000-square-foot building, along with at least two 12,000- to 14,000-sf buildings.

The buildings will be offered for lease but, given the amount of available lease space in the market and strong demand for small-user buildings, are likely to be sold, said Benes. Finished buildings are expected to be priced in the mid- to upper \$80s per sf.

The approximately \$10 million park will open the door — because of its freeway visibility — to showroom-type users, Benes said. The buildings will be across the interstate from a Walmart planned at Gateway Park.

CMC Group has been able to get into established industrial parks like Gateway and nearby Stapleton Business Center because its product is noncom-

petitive with the large warehouses that typify those developments. The Gateway site wouldn't have allowed the park's developer, The Pauls Corp., to build as large of a building as it's used to, but works well for a small-user park, said Benes.

Most small standalone buildings in the northeast submarket were built in the 1970s and early 1980s, said Roemer. "Even though those buildings are trading at pretty good numbers per square foot, there is some functional obsolescence that goes along with them," he said, adding CMC's product will offer higher ceilings and greater truck maneuverability.

CMC Group is completing a rezoning of a portion of the land and expects to close on its acquisition within approximately 45 days. It hopes to break ground on the project by the first of the year.▲