Comprehensive solutions to grow your business.
BOK FINANCIAL

Commercial Real Estate

Local developer acquires Denver Tech Center office buildings

Two Denver Tech Center office buildings at 4610 and 4600 S. Ulster St. sold for $22 million in late August.

CBRE

By Cassidy Ritter – Reporter, Denver Business Journal
Sep 6, 2024

Listen to this article 5 min

A local real estate development firm and a partner company recently bought two buildings in the Denver Tech Center at a price far lower than the property sold for nearly two decades ago.

Koelbel & Co. purchased the two buildings, at 4600 and 4610 S. Ulster St., for $22 million in a joint venture with Real Capital Solutions. The $22 million price tag is 72.87% less than what the pair of buildings sold for in 2006, according to public records.

The California State Teachers' Retirement System purchased the properties in 2006 for $81.1 million, records show.

MEMBER WEBINAR: RETHINKING REAL ESTATE

The Evolution Of Office Buildings, Central Business Districts & More

Expert Panelists | Live Q&A | Industry Trends

SAVE MY SPOT

“We’re seeing opportunities to acquire incredible real estate at just 10% to 30% of their replacement cost,” Adam Abeln, chief acquisition officer at RCS, said in a statement. “This is a classic scenario where exceptional assets are struggling due to weak capital structures but are located in robust submarkets.”

The buildings, called Metropoint I and Metropoint II, sit on 14.5 acres at the southeast corner of Interstate 25 and Interstate 225. They span nearly 433,000 square feet and were built in 1998 and 1985, according to public records.

Metropoint I, at 4600 S. Ulster St., is a 14-story office building, and Metropoint II, at 4610 S. Ulster St., is a six-story building. Both feature a conference center, a fitness center with showers and lockers and on-site parking.

Koelbel and RCS plan to “touch up” amenities and common areas at the buildings, with work beginning at Metropoint I this year or early next, Walt Koelbel, Koelbel & Co.’s vice president of commercial real estate, told the Denver Business Journal.

The two companies also plan to build out speculative suites at Metropoint I. The spaces will become available early next year, Koelbel added.

“Koelbel believes that the office market has effectively found its footing and there is a common flight to quality amongst companies — making this a prime opportunity to acquire the right offices in the right locations,” Koelbel said in a statement.

Employers now have typically figured out hybrid and in-office work policies following the pandemic and understand their needs for office square footage, location and amenities, and they are becoming more comfortable committing to long-term leases, Koelbel told the DBJ.

Current building tenants at the two buildings, which are 70% leased, include UBS Financial Services, CrossCountry Mortgage, USI Insurance Services and accounting firm Cbiz.

Koelbel and RCS were not represented by a broker in the acquisition. CBRE's Charley Will and Chad Flynn represented the seller.

CBRE's Mitch Bradley and Lindsey Gilbert are the building's leasing brokers.

The transaction isn't Koelbel's first DTC office building acquisition. The company purchased Axis Tower, at 5613 DTC Parkway in Greenwood Village, in June.

"We are leaning into this [office] sector with the acquisition of close to a million square feet of office space over the last three years," Koelbel said.

The company launched a work-near-home concept called Work Simple last year, too.

Koelbel & Co.'s portfolio includes Catalyst RiNo in Denver's River North Art District, Centennial Valley, in Louisville, and 5950 S. Willow Dr. in the DTC. The company also listed Centennial Promenade, a shopping center near Ikea that recently traded hands, in its portfolio of former projects.

The firm is developing Innovus, a 200,000-square-foot, four-story office building in Aurora, and redeveloping a former Lowe's store in Louisville. (Construction at Innovus is expected to be complete next year, according to Koelbel's website.)

Koelbel & Co. also works in residential real estate with townhomes, apartments and single-family homes across the Denver metro. The firm is one of the largest Denver-area homebuilders, according to DBJ research.

The real estate developer named a new president and CEO earlier this year after Buz Koelbel stepped down from the role after 47 years. Buz Koelbel's son Carl Koelbel is now the company's CEO and president.

×

THE LIST

Denver-Area Homebuilders

Dollar volume of Denver-area homes completed in 2023

Rank	Prior Rank	Business name

1	1	Lennar Colorado LLC
2	2	Richmond American Homes of Colorado Inc.
3	3	Taylor Morrison of Colorado Inc.

View This List

RELATED CONTENT

Shopping center sells for $98.1M

Real estate leader steps down after nearly 50 years

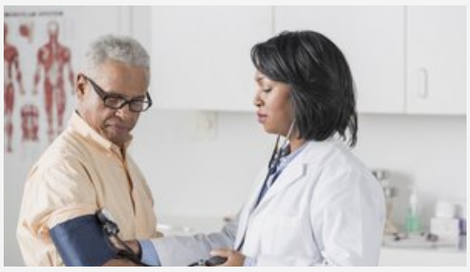
Suburban Denver Lowe's store to be remade into a biomanufacturing hub

Denver restaurant to open 4 new locations

Denver office building rezoned for affordable housing conversion

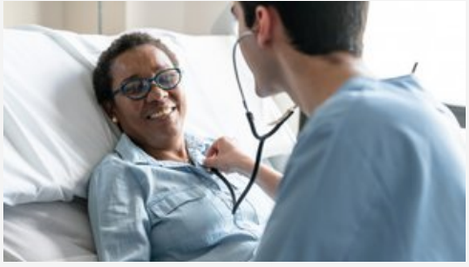
SPONSORED CONTENT BY INTERMOUNTAIN HEALTH

Understanding the 3 types of strokes — and 8 ways to prevent them



SPONSORED CONTENT BY INTERMOUNTAIN HEALTHCARE

A-fib: Telltale signs, treatments and when to seek help



MORE FOR YOU

More >

Major Colorado credit union names new CEO

Molson Coors cancels DEI programs

Kroenke entity buys Denver-area mansion for $15.75M (Photos)

Seattle company acquires Denver apartment building for $40.5M

Why DaVita, Denver developers want to bring workforce housing to downtown - Denver Business Journal

Colorado ski giant to invest over $300M in infrastructure, lift upgrades

Latest People On The Move

More >

Danielle Dutton

Rocky Mountain Spice

Michael Male

transamerica

Dan Hill

Blackpoint Cyber

Andy Burner

Blackpoint Cyber

Derek Simpson

Alcorn Construction

SPONSORED CONTENT BY INTERMOUNTAIN HEALTH

Skip the waiting room with virtual health care from local providers

SPONSORED CONTENT BY INTERMOUNTAIN HEALTH

Colorado grant to fund talent pipeline for non-traditional students, entry-level job seekers

Back to Top

DENVER **BUSINESS JOURNAL**

SUBSCRIBERS

ABOUT & CONTACT

FOLLOW US

NEWSLETTERS

User Agreement | Privacy Policy | Ad Choices | Site Map

| Cookie Settings

© 2024 American City Business Journals. All rights reserved. Use of and/or registration on any portion of this site constitutes acceptance of our User Agreement (updated August 13, 2024) and Privacy Policy (updated July 3, 2024). The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of American City Business Journals.