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Pathfinder Buys Flex Buildings In Eighth Colorado Acquisition

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San Diego-based Pathfinder Partners has purchased two flex buildings in Garrison Business Park for \$4.33 million, or approximately \$88 per square foot.

The buildings on 3.76 acres at 9195-9197 W. Sixth Ave. in Lakewood encompass approximately 49,000 sf of functional office, laboratory and warehouse space with nine roll-up doors, 16-foot ceiling clearance and extensive parking. They are fully leased to three tenants, including commercial contractor Pinkard Construction Co., medical and rehabilitation equipment distributor ATG Rehab, and environmental design and construction services contractor Golder Associates Inc.

"We were attracted to the property's location, diversified tenant base and strong occupancy, and are bullish on the Denver metro area, which has demonstrated population and employment growth well above the national average for the past several years," Lorne Polger, senior managing director of Pathfinder Partners, said in a release.

"This seemed an especially opportune time to buy here, as the vacancy rate for Class B flex buildings in the Lakewood submarket has declined from 15.4 percent in the first quarter of 2011 to 10.6 percent in the second quarter of 2012."

Focused on major markets throughout the U.S., the company has concentrated on the Colorado market for the past five years, acquiring The Grant Street Mansion downtown; Wellshire Arms, a 107-unit apartment building in Observatory Park; Blake 27 near Coors Field; Hunters Chase, a condominium project in Parker; and a portfolio of standing inventory and finished lots. The Garrison Business Park buildings were the company's eighth Colorado acquisition.

"We are attracted to Denver because of its diversified economy, especially those sectors that are performing best in the national economy – technology, government, health care and education," said Senior Managing Director Mitch Siegler, adding Colorado also offers an educated work force and belowaverage unemployment.

"Of course, it's also a wonderful place to live by virtue of the extensive outdoor recreational activities, and it has many characteristics of a world-class city, including multiple professional sports franchises, extensive art and cultural institutions, and good parks and recreation."

Pathfinder Partners bought the Garrison Business Park buildings from a commercial mortgage-backed securities special servicer via an online auction at Auction.com. There were approximately 10 bidders, according to Brad Cohen of Transwestern, who said the property represents a stable asset in a strong submarket. He and Transwestern broker Larry Thiel represented the seller.

Situated on 3.76 acres at Sixth Avenue, the buildings are well constructed and sold at a cap rate of approximately 9.75 percent. "So they have a good yield for a good amount of time with a very high-profile asset," commented Thiel.

"Pathfinder is a phenomenal buyer. They performed wonderfully on this deal, and we wish them the best of luck," Cohen said.

First Industrial Realty Trust developed Garrison Business Park in 2000. It includes two other buildings that Real Capital Solutions bought in the third quarter for \$75.94 per sf. Those buildings were 76 percent occupied by multiple tenants.