

Rocky Mountain News

To print this page, select **File** then **Print** from your browser

URL: http://www.rockymountainnews.com/drmn/real_estate/article/0,1299,DRMN_414_4016445,00.html

RedPeak to close \$75 million Seasons deal

By John Rebchook, Rocky Mountain News

August 20, 2005

RedPeak Properties is paying \$75 million for the luxury Seasons apartment community, the only major rental development in tony Cherry Creek.

The deal for the two-tower, 439-unit development at 3329 E. Bayaud Ave., about a block from the Cherry Creek Shopping Center, will close Monday, RedPeak President Mike Zoellner said.

Monthly rents run as high as \$3,000 at the Seasons, which includes a 15-story building and a nine-story building. As part of the purchase, RedPeak also is acquiring an additional parcel, where, the company said, it can eventually develop a 14-story building.

The privately held RedPeak also owns the 31-story 1600 Glenarm Place, a former office building that was vacant for almost a decade before RedPeak bought it last year. RedPeak is converting it into 333 luxury apartments.

The company's plans call for the building at the 16th Street Mall and Glenarm Place to include a \$4 million restaurant with six fireplaces on the ground floor.

When the building opened in 1964, it was the tallest in the Rocky Mountain region. For years, a glass-enclosed exterior elevator ferried diners to the Top of the Rockies restaurant on the 31st floor.

The total cost of 1600 Glenarm Place, including a site RedPeak owns at 14th Street and Glenarm Place - which could be used for additional parking and a 20-story-plus high-rise - is about \$78 million, Zoellner said.

"The Seasons is the only apartment community in Cherry Creek North, and 1600 Glenarm Place is the only major high-rise apartment development in the central business district," said Jeff Hawks of Apartment Realty Advisors, who sold the Seasons with partner Doug Andrews.

Zoellner said he plans to spend several million dollars upgrading the Seasons, which was built in 1987, and that he plans to keep it as rental units for the foreseeable future.

Eventually, both the Seasons and 1600 Glenarm Place likely will be converted into condominiums, he said.

Zoellner added that he has no immediate plans to develop buildings on the other parcels.

He said he will be marketing 1600 Glenarm Place and the Seasons together. Both developments will appeal to out-of-state executives who plan to buy homes, people with homes in the mountains who visit Denver regularly, company auditors who spend a great deal of time in the Denver area, and empty nesters who have sold their big homes and want to be close to either downtown or Cherry Creek, he said.

RedPeak is buying the Seasons from New York City-based Preotle, Lane & Associates Ltd. The company has more than \$200 million in assets, and it has development holdings worth another \$300 million.

The sales price for the 357,556-square-foot complex equates to about \$210 per square foot and about \$170,842 per unit. The only deal larger was the \$78 million that Sentinel Real Estate Corp. paid this year for the 288-unit 4550 Cherry Creek property in Glendale.

Apartment broker Hawks said the Seasons is only about 70 percent occupied. He said that is lower than its normal occupancy rate, in large part because many people assumed that it would be sold and converted into condominiums.

"Nobody was going to sign a lease if they might be kicked out three months later because your rental unit was being converted into a condo," Hawks said.

rebchookj@RockyMountainNews.com or 303-892-5207

Copyright 2005, Rocky Mountain News. All Rights Reserved.