

Beverly Hills Investment Firm Sets Sights on Colorado Industrial Boom

Starpoint Properties To Break Ground on Warehouse Development as First Denver-Area Project



Starpoint Properties, a Southern California investment and development firm, will soon break ground on a warehouse development in Denver. (Starpoint Properties)

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Surging rents and demand for industrial space in Denver have caught the attention of an out-of-state investment firm eager to capitalize on the boom.

Starpoint Properties, a Beverly Hills, California, investment and management company, is preparing to break ground on its first warehouse development in the Mile High City, a 155,000-square-foot complex slated for a vacant site at [1051 E. 73rd Ave.](#) Cushman & Wakefield has been enlisted to help market the two-building Point Central Business

Park, where construction is slated to begin next month. Starpoint acquired the more than 4.75-acre site in December 2021 for \$2.32 million, according to property records and CoStar data.

Work is expected to take about a year to complete, and Cushman & Wakefield said the project would likely be ready for occupancy in summer 2023.

Similar to other industrial markets across the United States, [Denver's](#) stock of warehouses and distribution centers has benefited in recent years from robust population growth and the rise of e-commerce during the pandemic. At least 10 million square feet of industrial space is on track to add to the city's supply, according to CoStar data, nearly 40% of the 26 million square feet added over the past five years.

Thanks to its central location, plenty of land and strong municipal infrastructure, developers and tenants alike have shifted their attention to Denver as the region emerges as a national industrial hot spot. Companies including Amazon, FedEx and Aspen Distribution contributed to the roughly 8 million square feet of leases signed during 2021, according to CoStar analysis, which projects that 2022 will be another record-breaking year of demand and leasing momentum.

Unprecedented levels of demand have helped push rents up by 9% over the past year, according to CoStar data, landing at an all-time high of more than \$11.30 per square foot. While that price point is a record-breaker for Denver, the region continues to be an affordable option compared to coastal markets such as Los Angeles, San Francisco and Seattle.

"The project's infill location provides tenants with immediate access to all of Denver's primary interstates and encompasses Metro Denver's largest labor pool," Cushman & Wakefield executive managing director Drew McManus, one of the brokers marketing the proposed development, said in a statement to CoStar News. The two-building complex "also allows for flexible divisibility to suit a wide range of company sizes."



Once completed, the warehouse project will include a roughly 81,800-square-foot building and a slightly smaller one of about 73,550 square feet.

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